

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 070744

Amending the Chapter 2, Code of Ordinances, by repealing Sections 2-200, 2-1611, 2-1612, 2-1613, 2-1614, 2-1615, 2-1616, 2-1617, 2-1618, 2-1619 and 2-1620 and enacting in lieu thereof new Sections 2-1611, 2-1612, 2-1613, 2-1614 and 2-1615 to delete references to the old City Charter and add references to the new City Charter; and approving the Investment Policy dated July 1, 2007.

WHEREAS, pursuant to Section 2-1611 of the Code of Ordinances, the Investment Committee is composed of the Director of Finance, the City Treasurer, and representatives of the City Manager, City Attorney, Budget Office and City Council; and

WHEREAS, the Investment Committee meets periodically to approve investments of the City=s idle cash; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1, That Chapter 2, Code of Ordinances of the City of Kansas City, Missouri, is hereby amended by repealing Sections 2-200, 2-1611, 2-1612, 2-1613, 2-1614, 2-1615, 2-1616, 2-1617, 2-1618, 2-1619 and 2-1620, and enacting in their places new Sections 2-1611, 2-1612, 2-1613, 2-1614 and 2-1615 to read as follows:

Sec. 2-1611. Authority, Investment Committee.

The investment committee shall be composed of a member of the city council who serves on the finance committee as appointed by the mayor, the director of finance, the city treasurer, the city manager or his or her designee, the budget officer or his or her designee, and the city counselor or his or her designee. In accordance with state law (as amended from time to time), the investment committee shall establish an investment policy that reflects best practices for the prudent investment of taxpayer funds, including, but not limited to, investing taxpayer funds legally, safely, and with regard to the liquidity needs of the City. The investment policy shall be approved by the city council. Subsequently, the investment committee may make administrative changes to the policy, notifying the finance and audit committee chair of such changes. Substantive changes to the policy must be approved by the city council. The investment committee shall meet on a regular basis to approve the investment activities.

Sec. 2-1612. Investment of idle cash.

Whenever the funds of the city exceed the amount for which the various city depositories have given securities as provided in sections 2-1614 or there are surplus or reserve funds which, in the judgment of the director of finance, should be invested, the director of finance, or his/her designee, is authorized to invest such idle funds of the city in accordance with state law, the City=s Charter and Code of Ordinances, and the City=s investment policy.

Sec. 2-1613. Care, custody and disposition of investment securities.

All securities purchased under the authority of section 2-1612 for investment of funds of the city shall be under joint custody of the director of finance and the city treasurer, and these officials may contract with a designated depository bank or trust company for the safekeeping of the securities owned by the city, which bank or trust company shall give its receipt therefore to the authorized officials. The director of finance and the city treasurer may be represented by alternates designated by them in administrative matters. The city treasurer shall be charged with the collection of such bonds and securities and the interest thereon, as the bonds and securities and interest or any part thereof may become due; provided, however, whenever custody of the bonds and securities has by contract been placed with a bank or trust company and the contract so provides, such bank or trust company shall deposit to the credit of the city the sums collected for maturing bonds and coupons or other interest payments.

Sec. 2-1614. Selection of depositories.

(a) *Generally.* The city treasurer shall select and recommend to the director of finance banks or banking institutions which meet the City=s established minimum banking criteria, as amended from time to time, and which will agree to execute the City=s depository trust agreement and act as depositories for city funds as provided in this division with the option of termination by either the city or the bank or banking institution on giving 30 days' written notice to the other party. The director of finance, with approval of the depository bank or banking institution, may extend such contract for additional periods as mutually agreed upon. The city treasurer shall keep city funds in banks or banking institutions who shall enter into a custodial agreement with the city and the Federal Reserve Bank, whereby the bank or banking institution agrees to and does deposit with the Federal Reserve Bank collateral securities for the safekeeping and prompt payment of city deposits. The cost and expense of the administration of such agreements shall be borne by such depository bank or banking institution. So long as such depository bank or banking institution is not in default in the safekeeping and prompt payment of the city deposits, it shall be permitted to detach and collect all interest coupons and interest upon such securities. The market value of such collateral securities shall at all times be not less than that prescribed in the City=s investment policy. The securities deposited as collateral under the provisions of this section shall be permissible by state law and subject to the city=s investment policy.

(b) *Banks not within the city and/or banks within the city acting on behalf of an agent or private contractor of the city.* Banks or banking institutions not located within the city and/or banks within the city acting on behalf of an agent or private contractor of the city may act as depositories for city funds provided the city council approves by ordinance a contract with the agent or contractor, which specifies additional security, if any, as may be required in lieu of subsection (a) of this section.

(c) *Refusal of Federal Reserve Bank to act as custodian.* In case the Federal Reserve Bank shall refuse to act as custodian under the provisions of this section, the

director of finance may enter into a trust agreement with some other banking institution in the city for the keeping and prompt payment of city deposits by a depository bank or banking institution, all in similar manner and with equivalent effect as though such agreement was made with the Federal Reserve Bank under the provisions of section (a).

(d) *Execution and approval of depository agreements.* The depository agreements as provided by this section shall be executed for the city by the director of finance or his/her designee.

Sec. 2-1615. Deposit Requirements.

(a) *Deposit deadline.* All moneys belonging to the city and collected by any officer or employee shall be paid into the city treasury before 3:00 p.m. of the business day next following the day of such collection. All moneys received into the city treasury shall be deposited daily in a bank or banking institution designated as a depository for city funds.

(b) *Amounts less than \$500.00.* Where collections are small and do not accumulate to an amount in excess of \$500.00 in one week, such moneys shall be paid into the city treasury once each week, or whenever the sum of \$500.00 is accumulated, if such sum is accumulated in a lesser period of time; except that no funds in any amount may be held beyond the last business day of each month or the last business day of the fiscal year.

(c) *Agents or private contractors.* Agents or private contractors charged with collecting moneys belonging to the city shall be required to meet the city's daily deposit requirements as described in subsections (a) and (b) of this section, unless otherwise specified by ordinance of the city council.

Section 2. That the Investment Policy dated July 1, 2007, and on file in the office of the City Treasurer, is hereby approved.

Approved as to form and legality:

Heather A. Brown
Assistant City Attorney