

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE RESCINDING ORDINANCE NO. 19108 AND ORDINANCE 19158 TO ELIMINATE AN INTERFUND LOAN IN THE AMOUNT OF \$12,500,000 THAT WAS PREVIOUSLY AUTHORIZED TO PROVIDE EMERGENCY FUNDING TO THE GENERAL FUND.

WHEREAS, on March 12, 2020, the Mayor declared a State of Emergency in the City of Independence; and,

WHEREAS, City Code 11.12.004 grants the Mayor emergency powers to promulgate emergency regulations deemed necessary to protect life and property; and,

WHEREAS, the Mayor's declaration was affirmed by the City Council on Friday, March 13, 2020; and,

WHEREAS, Jackson County, Missouri ordered that effective 12:01 am, Tuesday, March 24, 2020 people to stay at home except for essential needs; and,

WHEREAS, at this time, it was feared that "social isolation" would negatively impact taxable sales within the City limits; and,

WHEREAS, the City's essential public safety functions are materially funded by retail sales taxes within the City's General Fund; and,

WHEREAS, the City's financial projections in April 2020 showed that the City's General Fund Balance could be fully depleted by June 30, 2020; and,

WHEREAS, in light of these projections, the City Council adopted Ordinance 19108 on April 6th, 2020 to authorize a series of loans for the General Fund from the City's Pooled Cash Investment Fund with the aggregate of loans not to exceed Twenty-Five Million and NO/100 Dollars (\$25,000,000), and establish a Special Revenue fund to be named Emergency General Fund Loan Fund to account for the loans pursuant to Section 8 of the Financial Policies for the City of Independence and Section 8.8 of the Charter of the City of Independence, Missouri; and,

WHEREAS, the City's financial analysis showed that the City's General Fund Balance declined by \$1,554,688 for the fiscal year ending June 30, 2020, which was more favorable than the City's previous projections; and,

WHEREAS, the City did not have need to draw down on the interfund loan for Fiscal Year 2019-20 as previously anticipated; and,

WHEREAS, the City Council adopted Ordinance 19158 on September 21st, 2020 to amend Ordinance 19108 and authorize the City Manager to execute a series of loans for the General Fund from the City's Pooled Cash Investment Fund with the aggregate of loans not to exceed Twelve Million Five Hundred Thousand and NO/100 Dollars (\$12,500,000), in the Emergency General Fund Loan Fund to account for the loans pursuant to Section 8 of the Financial Policies for the City of Independence and Section 8.8 of the Charter of the City of Independence, Missouri; and,

WHEREAS, Ordinance 19158 further directed the City Manager to present a mid-year financial forecast by February 1, 2021 and make further recommendations regarding the need for the \$12.5 million interfund loan; and,

WHEREAS, the City shared the Fiscal Year 2020-21 mid-year analysis at the January 25th, 2020 Independence City Council Study Session; and,

WHEREAS, this analysis indicated that the City is expected to end Fiscal Year 2020-21 with a \$34,000 surplus in the General Fund; and,

WHEREAS, based on this assessment, it is no longer necessary to retain the ability to utilize an interfund for Fiscal Year 2020-21; and,

WHEREAS, on January 22nd, 2021, the City Council Audit and Finance Committee reviewed the year-end financial report for Fiscal Year 2019-20 and recommended elimination of the interfund loan;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That Ordinance 19108 and Ordinance 19158 are hereby rescinded.

PASSED THIS ____ DAY OF _____, 2021, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY

City Counselor

REVIEWED BY:

City Manager