

**City of Kansas City, Missouri**  
**Finance Department**



KANSAS CITY  
MISSOURI

**Strategic Plan**  
**2021-2024**

October 2021

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# Background

About the Finance Department

Strategic Planning Process

# About the Finance Department

The Finance Department provides fiscal leadership for the City focused on long-term financial health while respecting the interests of its residents, customers, and stakeholders. The Finance Department, led by Tammy Queen, Director of Finance, includes approximately 90 associates.

The Department has five divisions: Director's Office, Accounts, Office of Management and Budget, Revenue, and Treasury.

## Director's Office

The Director's Office oversees the financial operations of the City and the activities of the divisions. To meet this charge, the Office: provides overall guidance on division operations; responds to requests from the Mayor, City Council, and City Manager regarding the finances of the City; receives constituent requests from [finance@kcmo.org](mailto:finance@kcmo.org) and 311 Action Center and monitors response times to requests; and develops policies, procedures, and reports to assist in tracking the financial condition of the City.

## Accounts

The Accounts Division provides a centralized system for generating timely and accurate financial reports to City departments, employees, and citizens. As a resource center for the City, the Division provides training, support, and guidance on financial reporting, payroll, generally accepted accounting principles (GAAP), policies, and internal control. In addition to the management of the Accounts Division, the City Controller guides the fiscal officers — the departmental representatives for financial stewardship throughout the City.

The Division includes three sections: Financial Reporting; Financial Operations and System Support; and Payroll.

- **Financial Reporting** establishes, implements, and monitors the application of citywide accounting policies and procedures.
- **Financial Operations and System Support** includes the processing of transactions and user support in Accounts Payable, Accounts Receivable, General Ledger, and Grant Operations, and provides the functional support and maintenance of the City's financial accounting system.
- **Payroll** manages payroll system access, security, and training required to process the bi-weekly payroll for 4,600 City employees.

## Office of Management and Budget (OMB)

The Office of Management and Budget oversees the use of City resources in order to achieve the goals outlined by the Mayor, City Council, and the City Manager. Sections include: Budget Development and Monitoring; Strategic Planning; Research and Policy Analysis; Systems and Performance Management; and PIAC Administration.

- **Budget Development and Monitoring** develops the budget in alignment with the Citywide Business Plan, which includes public input and performance-based priorities.
- **Strategic Planning** prepares, monitors, and reports on the City's progress toward implementation of the Citywide Business Plan.
- **Research and Policy Analysis** conducts research and makes recommendations as requested by the City Manager in partnership with departments.
- **Systems and Performance Management** administers the City's budget and performance management system and provides reports to elected officials, management, and the public about budgetary performance.
- **PIAC Administration** coordinates activities of the Public Improvements Advisory Committee (PIAC) which is designed to solicit resident input and make recommendations regarding both the citywide and neighborhood portions of the capital budget.

## Revenue

The Revenue Division focuses on the equitable collection of tax obligations. It accomplishes its work through two sections: Operations and Audit/Data Analytics.

### Operations

Operations conducts its services through four distinct work units: Business License, Document Processing, Taxpayer Assistance, and Revenue Accounting.

- **The Business License Office** registers all businesses with the City, sets up all necessary tax accounts, responds to requests for tax clearance letters, and provides tax clearances.
- **Document Processing** posts tax return information and payments to taxpayer accounts, completes the internal accounting function for all tax monies the Division receives directly, and oversees the bank lockbox operation.
- **Taxpayer Assistance** serves as the Revenue Division's primary point of contact to assist taxpayers with their questions and issues related to City tax obligations.
- **Revenue Accounting and Special Assessments** oversees the accounting for the Division as well as setting the annual Property Tax Levy rates and administering the special assessments process.

## **Audit/Data Analytics**

Audit/Data Analytics performs audits and reviews taxpayer returns to ensure compliance with the City's ordinances and regulations. The section is organized through four teams: Analysis/Data Analytics, IRS, Special Projects, and Refunds.

- **The Analysis/Data Analytics Team** administers the City's Data Warehouse which stores information received from the IRS as well as City tax information.
- **The IRS Team** reviews federal tax information received from the IRS through its data-sharing agreement and compares the information with what was reported for City tax purposes.
- **The Special Projects Team** reviews City tax filings to verify correct filing practices and oversees annual changes to tax forms.
- **The Refund Team** is responsible for refunds requested for all tax types administered by the Division.

## **Treasury**

The Treasury Division includes three sections: Cash Management and Investments, Development Finance, and Public Finance.

- **Cash Management and Investments** performs all banking-related functions for the City, including cashiering, cash reconciliation, financial reporting, analysis, banking relations, and daily cash management. Anticipates daily cash needs and invests the City's idle cash and bond funds into investment grade securities. The section is also responsible for the investment of idle Tax Increment Financing (TIF) Commission funds for the Commission's investment portfolio.
- **Development Finance** assists the City Manager, Department of Finance, and the Economic Development Corporation with economic development reviews, accounting, tax redirection/analysis, audit/ budget, contract compliance, and reporting. It also redirects real property and economic activity taxes to approved incentive plans and provides assistance for public-private partnerships.
- **Public Finance** manages the issuance of new debt and the maintenance of the City's outstanding debt portfolio. It also ensures that all applicable regulations, laws, and procedures are followed to protect the City's access to the capital markets to meet short- and long-term borrowing needs.

# Strategic Planning Process

Strategic planning is a process to provide an organization with a clear direction for its future by defining what the organization currently is and, most importantly, what the organization wants to become.

Members of the 2021 Strategic Planning Team for the Finance Department included:

Tammy Queen, Director  
Natalie McCarthy, Deputy Director  
Krista Morrison, Budget Officer  
Eric Clevenger, City Controller  
Mari Ruck, Commissioner of Revenue  
Kimberly Carter, City Treasurer  
Ellen Belzer, Organizational Development Manager

Ellen Belzer (Administration) and Kitty Steffens (Office of Management and Budget) served as co-facilitators. Meetings were held on April 9, May 7, June 2, and June 30, 2021.

# Constituencies

Primary Constituencies

Key Relationships

Other Key Relationships



# Constituencies

To ensure that the strategies in this plan meet the needs of those served by the Finance Department, it is necessary to identify the individuals and groups that comprise the Department's various layers of constituencies.

The strategic planning team's categorization of the Finance Department's constituencies is as follows:

## Primary Constituencies

- Taxpayers
- Residents
- City Council, Mayor, City Manager
- Program managers, fiscal officers
- Business communities
- Bond-holder communities
- Divisions within the Finance Department
- Finance Department employees

## Key Relationships

- Other City departments
- Other City employees
- City Communications Office
- Economic Development Corporation (EDC)
- Collection agencies
- Credit rating agencies
- Contractors
- Outside financial advisors
- Underwriters
- Bond counsel
- Federal government
  - Internal Revenue Service
  - Federal Bureau of Investigation
- State of Missouri
  - Department of Economic Development
  - Department of Revenue
  - State of Missouri Highway Patrol
- County governments (Clay, Cass, Jackson, Platte)
- Greater Kansas City Chamber of Commerce
- Greater Kansas City Restaurant Association
- Civic Council

- Tax preparers/enrolled agents
- CPA firms
- Attorneys
- External auditor
- Banks/financial institutions (Commerce Bank, Bank of America)
- Software providers

## **Other Key External Relationships**

- Tax Increment Financing (TIF) Commission
- Land Clearance Redevelopment Authority (LCRA)
- Port Authority
- Industrial Development Authority (IDA)
- Planned Industrial Expansion Authority (PIEA)
- Visit KC
- AltCap
- Special business district boards
- Pension boards
- Kansas City Police Department (KCPD)
- State of Missouri taxing jurisdictions
- Local political organizations and special interest groups (e.g., Citizens Association)
- Deferred compensation board
- Labor unions
- Granting agencies
  - Federal
  - State
- Media outlets
- Neighborhood groups
- Business-oriented small Chambers of Commerce
- Professional associations
  - Government Finance Officers Association (GFOA)
  - Association for Financial Professionals (AFP)
  - Association of Governmental Accountants (AGA)
  - Association of Public Treasurers of the United States and Canada (APTU S&C)
  - Council of Development Finance Agencies (CDFA)
  - Federation of Tax Administrators (FTA)
  - International City-County Management Association (ICMA)
  - Midwestern States Association of Tax Administrators (MSATA)
  - Multistate Tax Commission (MTC)
  - Revenue Agency Client Conference (RACC)
- Missouri Municipal League

- U.S. Census
- National League of Cities (NLC)
- Other cities with earnings and income taxes
- Universities
- Vendors and suppliers
- Main St. Transportation Development District (TDD)

# Values

- **Stewardship.** We will guide the City's financial transactions to responsibly protect its assets through the utilization of tools that increase our effectiveness and efficiency.
- **Positive attitude.** We will be positive and proactive in all we do.
- **Equity.** We will strive to remove institutional barriers to success and ensure employees and residents of all identities and backgrounds receive the access, services, and resources needed to thrive.
- **Communication.** We value and encourage diverse, honest, and open expression of thoughts and ideas through two-way internal and external communication with a receptiveness to feedback.
- **Integrity.** We will ensure the public trust by adhering to our core values and the highest professional standards.
- **Accountability.** We will hold ourselves and others to the highest standards of professionalism and excellence.
- **Loyalty.** We will be loyal to those we serve, to our employees, to our values, and to our developed relationships.

# Vision Statement

As nationally recognized leaders in municipal finance, we will lead the City to financial accountability, flexibility, and resiliency.

# Mission Statement

The mission of the Finance Department is to provide fiscal leadership and quality financial services for the City, with a focus on the City's long-term financial health. Toward this end, the Department meets organizational, community, and public needs by safeguarding the City's financial assets and managing its financial resources in accordance with the goals of the Mayor, City Council and City Manager and by following applicable laws and generally accepted accounting and financial principles. The Department's commitment to excellence, efficiency, innovation, and the highest quality of customer service to City leaders, departments, employees, and members of the public serves as the foundation of each of its activities.

# Goals

1. **Financial Management:** To lead the City's efforts toward financial resiliency.
2. **Customer Service and Communication:** To consistently deliver exceptional customer service and provide effective and clear communication, both internally and externally.
3. **Innovation/Technology:** To manage business activities of the City through innovative methods and best practices.
4. **Workforce and Environment:** To maintain a professional and motivated workforce, highly trained employees (both within Finance and citywide), and a safe, secure, and welcoming work environment that promotes unity and productivity.

# Strategic Objectives

## **GOAL #1: FINANCIAL MANAGEMENT: To lead the City's efforts toward financial resiliency.**

### **Objectives:**

- 1A. Refine and enhance the five-year financial plan in concert with the Citywide Business Plan (CWBP).<sup>1</sup>
- 1B. Align resources to meet CWBP goals.
  - 1B1. Implement Priority Based Budgeting.
  - 1B2. Identify technology to support management of the CWBP.
  - 1B3. Reevaluate KPIs in CWBP and budget to ensure adequate measurement of CWBP Objectives.
  - 1B4. Develop department business plans that align with CWBP.
  - 1B5. Revise budget document and programs to align goals with CWBP.
  - 1B6. Fully implement connection from five-year plan to the annual budget.
  - 1B7. Develop a regular reporting method recommendation for the City Manager to report progress on meeting CWBP goals/objectives.
  - 1B8. Obtain public input representative of the demographic early in the CWBP process to help elected officials with goal setting and decision making.
- 1C. Continue work on the financial policy framework.
  - 1C1. Develop and submit a pension funding policy for legislative approval.
  - 1C2. Develop a plan for the provision of retiree health care benefits to address the City's OPEB liabilities.
  - 1C3. Revise the Fund Balance and Reserve Policies to account for amounts above the General Fund Unreserved Fund Balance goal of at least two months of operating expenditures and submit to City Council for adoption.
  - 1C4. Develop a commodity hedging policy.
  - 1C5. Develop a policy for advance funding for capital projects.
  - 1C6. Develop a policy for funding acquisition and maintenance for assets including capital maintenance in new builds.
  - 1C7. Create a comprehensive financial recovery policy.
- 1D. Develop a tax and revenue collection framework.
  - 1D1. Commission a comprehensive tax burden framework for the City that includes a review of existing tax structure and potential new sources of revenue.
  - 1D2. Establish a model for the collection of City receivables and make recommendations for structure of collection agency contracts.
  - 1D3. Develop a strategy for upcoming tax renewals.
  - 1D4. Identify alternatives to the Earnings Tax as a revenue source.

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<sup>1</sup> Specific strategies should be developed to address long-term liabilities.

- 1E. Collaborate with City departments to develop a comprehensive management plan for both fixed and controlled assets.
  - 1E1. Conduct an analysis of controlled assets and support replacements.
  - 1E2. Create a methodology of capital resource allocation including equity considerations.
  - 1E3. Identify right size and condition standards of assets necessary to support operations.
  - 1E4. Quantify the costs of maintaining assets to condition standards and incorporate into the five-year financial plan and long-term capital planning.
  - 1E5. Develop a framework for the asset management plan including staffing and systems accounting.

## **GOAL #2: CUSTOMER SERVICE AND COMMUNICATION:**

**To consistently deliver exceptional customer service and provide effective and clear communication, both internally and externally.**

### **Objectives:**

- 2A. Update the Department's Communications Plan.
  - 2A1. Develop communication standards and timelines for the Department.
  - 2A2. Develop a style guide.
  - 2A3. Develop and implement a process for the review and approval of internal and external communication.
  - 2A4. Ensure that the plan provides opportunities for staff to discuss their views, ideas, and concerns with Department leaders.
  - 2A5. Include a provision in the Communications Plan to identify the views and ideas of internal and external customers.
- 2B. Enhance communication among the Department's divisions.
  - 2B1. Conduct interactive brainstorming sessions for groups from different divisions on ways to improve the Department, e.g., money-saving ideas and improved workflow.
  - 2B2. Reinstate Food for Thought programs so that staff can engage in direct communication with senior Department leaders.
  - 2B3. Develop additional teambuilding/morale-building initiatives.
- 2C. Proactively educate the City Council about financial issues on a frequent and regular basis.
  - 2C1. Identify financial aspects of policy decisions and proactively prepare needed information for City Council and others.<sup>2</sup>

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<sup>2</sup> Risk Management, Labor, Development, and Housing were mentioned here.

- 2C2. Develop and deliver financial information sessions and/or printed material.
- 2C3. Develop a plan to communicate the City's financial condition through improved financial reporting, including expanded online reporting and dashboards.
  - 2C3a. Develop a plan to implement various dashboards.
  - 2C3b. Develop financial reports for the non-financial reader.
- 2D. Broaden resident engagement to reach the true demographics of the population.
  - 2D1. Develop financial information sessions and/or materials for residents.

### **GOAL #3: INNOVATION/TECHNOLOGY**

**To manage business activities of the City through innovative methods and best practices.**

#### **Objectives:**

- 3A. Establish a culture of continuous process improvement.
  - 3A1. Identify and complete financial and operational process mapping.
  - 3A2. Develop a strategy for benchmarking and best practices to identify opportunities for improvements.
- 3B. Explore the full utilization of all software systems.
  - 3B1. Implement the Finance Department's sections of the PeopleSoft action plan.
  - 3B2. Streamline the City's contracting process.
  - 3B3. Participate in the citywide review of financial and human resource systems.
  - 3B4. Identify improvements in the ordinance preparation and review process.
- 3C. Update and promote utilization of an online repository for documents and forms using existing technology.



## **GOAL #4: WORKFORCE AND ENVIRONMENT:**

**To maintain a professional and motivated workforce, highly trained employees (both within Finance and citywide), and a safe, secure, and welcoming work environment that promotes unity and productivity.**

### **Objectives:**

- 4A. Develop a comprehensive onboarding program for new employees.
  - 4A1. Prepare a training plan for each new employee specific to each position.
  - 4A2. Implement a Passport program within the Department for new staff members to learn about the Finance Department within the first six months.
  - 4A3. Provide refreshers on the “Finance Way” for new and existing staff that includes consistent rules on internal and external communication, customer service, dress code, attendance, and other department-wide standards.
  
- 4B. Encourage a culture that values training and employee development.
  - 4B1. Develop training plans for existing employees, including refresher training.
  - 4B2. Encourage staff from each division to participate in local and national conferences.
  - 4B3. Develop a plan to allow staff to seek and maintain professional certifications.
  - 4B4. Create a workforce that has the technical and operational skills to ensure financial competency.
    - 4B4a. Add a new position for a Finance Training Manager.
    - 4B4b. Work with IT to provide training opportunities in Advanced Microsoft Office. Use this information to “train the trainer” within the Finance Department.
  
- 4C. Seek support for implementing the Finance Department’s workspace and environment plan.
  
- 4D. Maintain continuity of departmental operations.
  - 4D1. Identify backups for every position within the Department.<sup>3</sup>
  - 4D2. Identify critical functions and develop redundancies.<sup>4</sup>
  - 4D3. Develop a true succession plan.
  
- 4E. Develop and continually update a pictorial directory of Finance staff and elected officials for placement on the Finance MyKC web pages.

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<sup>3</sup> For positions without backups, additional staff can be requested in the budget.

<sup>4</sup> It may be necessary to request funding to create redundancies.

- 4F. Broaden attendance by division managers and staff at hiring fairs and other recruitment opportunities.
- 4G. Promote an understanding among departments regarding their fiscal and operational responsibilities.
  - 4G1. Proactively identify the core functions, issues, and processes of the Finance Department and all gaps.
    - 4G1a. Develop and implement the Finance Training Academy.