



Finance Department

DATE: October 2, 2023
TO: Councilman Crispin Rea, Fourth District At Large
FROM: Tammy L. Queen, Director of Finance
RE: Public Safety Sales Tax

The purpose of this memo is to provide a response to the questions outlined in your email dated September 21, 2023.

Ordinance No. 100656 called an election and codified the renewal of the Public Safety Sales Tax for a period of 15 years at a rate of one-quarter percent (0.25%). The ballot language states that the tax is to be used for:

“funding expenditures for police, emergency medical services and emergency management associated with promoting, providing, and administering public safety within Kansas City, including but not limited to acquiring, constructing, equipping, furnishing and/or remodeling facilities and for purchasing and preparing motor vehicles and technology and for other capital improvement and capital equipment needs, to improve response to all hazards, including biological/chemical terrorism or events...”

Information pertaining to the annual revenues, expenditures, and fund balance through Fiscal Year 2023 for the Public Safety Sales Tax Fund is found in the attached report. In total, the 2010 renewal of the Public Safety Sales tax generated net revenues (after redirections) of \$226,713,979 to date. The total amount allocated to debt service has been \$153,386,765, to date. This represents 67.7% of the total net sales tax revenue.

The General Obligation bonds issued under the authorization provided by voters will be fully defeased in April 2026. Below is a listing of projects funded through the issuance of the bonds:

- Public Safety Radio Dispatch System funded in FY 2010
- Police Headquarters Renovation, East Patrol/Crime Lab, North Patrol Station, and Acquisition of KCPD Helicopter funded with portions of the General Obligations Series 2012A Bonds
- Additional Funding for the East Patrol Division/Crime Lab funded in FY 2014
- Backup Generators for Community Centers funded in FY 2015

- North Patrol Station and Furnishings funded in FY 2016
- CAD/RMS System funded in FY 2016
- Various ADA Improvements to Police Facilities funded in FY 2016
- Robotic Surveillance Equipment funded in FY 2019
- In-Vehicle Cameras funded in FY 2020

Other items have been funded from the proceeds of the tax. The detailed annual expenditures are outlined on the attached report but general categories include: Debt Service, Equipment, and projects funded directly from the tax (Construction/Repairs By Contractor).

Most of the funding for which this tax was used has been provided through the annual budget process. Outside of that process, the following ordinances used unappropriated fund balance of the Public Safety Sales Tax Fund.

- [Committee Substitute for Ordinance 221091](#) – January 2023
 - Appropriating \$672,282.17 from the Unappropriated Fund Balance of the Public Safety Sales Tax Fund to execute a \$7,648,330.96, six-year contract with Motorola Solutions.
- [Committee Substitute for Ordinance 230405](#) – May 2023
 - Appropriating \$550,000 from the Unappropriated Fund Balance of the Public Safety Sales Tax Fund to execute a contract with JE Dunn Construction Company; to begin site selection and initial design for a mental health and rehabilitation services facility.

Revenue projections for the Public Safety Sales Tax moving forward will have a long-term growth assumption of 3%. Total revenues (net of redirections) for a 15-year tax renewal from FY27 through FY41 are estimated at \$451,093,873. Total revenues (net of redirections) for a 20-year tax renewal from FY27 through FY46 are estimated at \$651,708,017. While the debt service associated with this revenue source will not go past the life of the tax, it should be noted that there are several items currently being funded from Public Safety Sales Tax such as vehicle maintenance, information technology, and public safety radios which, if not funded from this tax in the future, will have to be sourced elsewhere in the City's budget. These items amount to about \$6 million annually and are expected to grow by 3%. If these items continue to be funded from this source, they will serve to reduce the amount available for funding a new facility.

The current Public Safety Sales Tax will expire on June 30, 2026. Therefore, the tax will need to be voted on no later than November 2025 to continue uninterrupted.

As discussions with the Special Committee for Rehabilitation and Detention continue, we look forward to assisting with the Committee's work, especially around sizing and options for a potential debt issuance for a new facility. Please contact me with any additional questions.

cc: Brian Platt, City Manager
Andrea Bough, Chair, Finance, Governance and Public Safety Committee
William Choi, Deputy Director of Finance
Krista Morrison, Budget Officer