City's Late TIF Project Reimbursement Requests Could Result in the City Not Recovering Costs

21st Floor, City Hall, 414 E. 12th St.
Kansas City, Missouri 64106

Douglas Jones, CGAP, CIA, CRMA – City Auditor
816-513-3300
cityauditor@kcmo.org

KCMO.GOV/CITYAUDITOR
𝕏 @KCMOCityAuditor

03-2024

Office of the City Auditor

KANSAS CITY
MISSOURI

21st Floor, City Hall
414 East 12th Street
Kansas City, Missouri 64106

(816) 513-3300
Fax: (816) 513-3305

September 16, 2024

Honorable Mayor and Members of the City Council:

This audit of the city's administration of Tax Increment Financing projects focuses on the timely submission of the city's project expenses for reimbursement. Stakeholders are concerned that the city has missed reimbursement submission deadlines for some city TIF projects. Continued late reimbursement submissions could result in the city not recovering costs.

The city had not requested or was late in requesting reimbursements for over $4.7 million in TIF project costs. Three projects had more than $1 million in project costs that had exceeded the 18-month deadline for reimbursement requests. Five projects had about $2 million in unsubmitted project costs that are nearing the end of the 18-month deadline for submission. The city had submitted costs for three projects after the 18-month deadline for submission. The late reimbursement requests totaled about $1.7 million.

Several TIF project accounts in PeopleSoft did not display accurate, current financial information for TIF projects. About $1.3 million in anticipated project cost reimbursements for three projects we reviewed did not match amounts in the most current authorizing ordinance.

The city does not have a documented process in place to help ensure department staff comply with TIF reimbursement requirements in a timely manner. Current processes are unwritten and have not always identified the project manager, ensured that staff are trained on TIF reimbursement processes, established a consistent system for documenting expenses and obtaining reimbursements, or established communication amongst stakeholders responsible for project administration or monitoring.

We make recommendations to the Parks and Public Works departments to review all city TIF projects and submit any incurred, eligible project expenses for reimbursement. We make recommendations to Finance to verify anticipated TIF reimbursements reported in PeopleSoft and implement a citywide process for managing TIF reimbursements.

The draft report was sent to the directors of Finance, Public Works, and Parks and Recreation on July 23, 2024, for review and comment. Their responses are appended. We would like to thank staff from Finance, Public Works, and Parks and Recreation, and the Tax Increment Finance Commission for their assistance and cooperation during this audit. The audit team for this project was Jonathan Lecuyer and Clinton Pullam.

Douglas Jones, CGAP, CIA, CRMA
City Auditor

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Introduction

Audit Objective

Do city departments timely submit TIF project expenses for reimbursement?

Our audit of Tax Increment Financing (TIF) projects focuses on the timeliness of the city's project cost reimbursement submissions to the TIF Commission. To answer our objective, we analyzed TIF project financial data, interviewed city staff, and reviewed recommended practices.

We conducted this audit in accordance with Government Auditing Standards.

See Appendix A for more information about the audit objective, scope, methodology, and compliance with standards.

Background

Tax Increment Financing

Tax Increment Financing (TIF) is a financing and development tool created by state statute[1] to encourage the development of areas that might not be developed without public investment. The city and developers use TIF financing by establishing a redevelopment plan that designates an area as a blighted area, a conservation area, or an economic development area. Each redevelopment plan includes specific requirements that outline the general project to be undertaken, estimated costs and sources of funds, and other financial and tax information required by statute.

The City Council is authorized to approve a redevelopment plan and may amend the redevelopment plan from time to time to add or remove projects, extend timelines, or make other adjustments allowed by state statute.

Pursuant to Section 98.820, the city established the TIF Commission to review and recommend redevelopment plans to the City and act as the administrator of the TIF program. After the City Council approves a redevelopment plan and its projects, the TIF Commission enters into a redevelopment agreement with developers to outline specific eligible project costs, timelines, and

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[1] RSMo § 99.800-99.865.

processes for reimbursement. (See the TIF Commission's [website](#) for additional information on the commission and the TIF program.)[2]

Reimbursement for Eligible Project Costs

The city enters into an agreement with the TIF Commission to construct public infrastructure as part of some TIF plans. Under these circumstances, the city is the developer and follows the same redevelopment agreement process as private developers. TIF redevelopment agreements require the city to track incurred project expenses and submit eligible expenses for reimbursement within 18 months of the date the cost was incurred. (See Exhibit 1.)

Exhibit 1: Tax Increment Financing Project Reimbursement Process
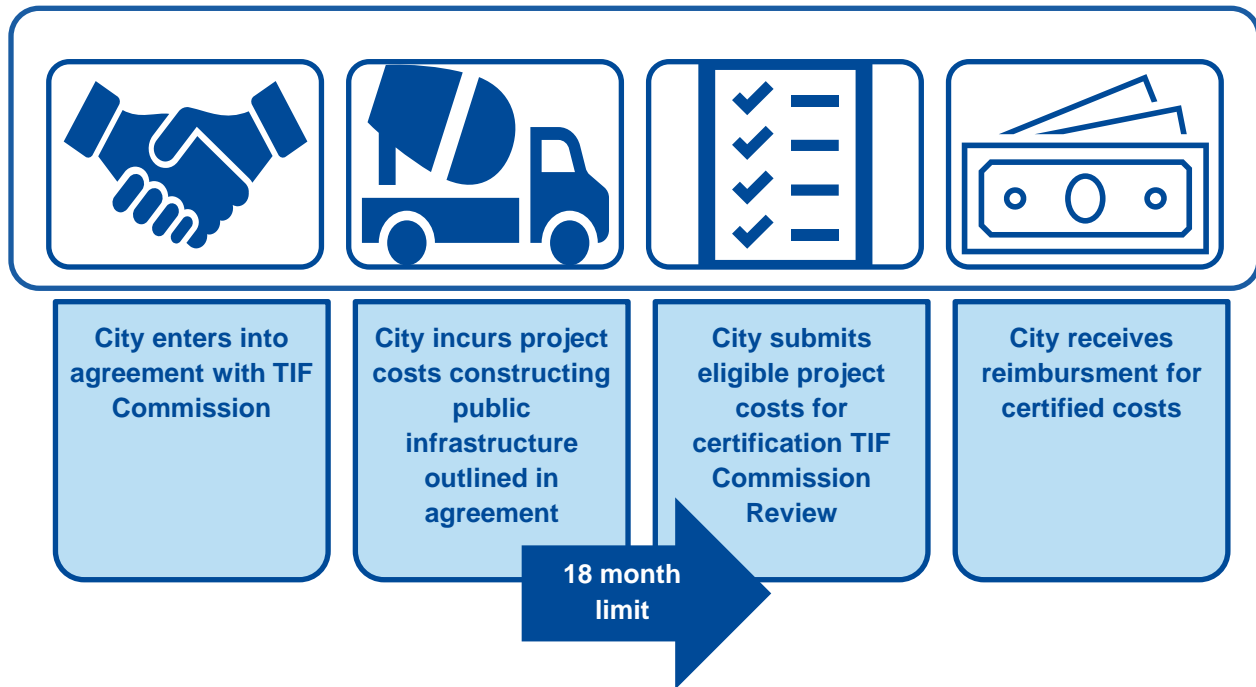
Source: *Tax Increment Financing Commission Policies and Procedures Handbook*, "Certification of Costs and Reimbursement Policy," September 12, 2018.

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[2] https://edckc.com/agencies/tax-increment-financing-commission-tif/

Findings and Recommendations

City Does Not Have A Process To Ensure TIF Project Cost Reimbursements Are Submitted On Time

Some TIF Project Cost Reimbursement Requests Are Not Timely Submitted Or Not Submitted At All

The city had not requested or was late in requesting reimbursements for nearly $4.7 million in Tax Increment Financing (TIF) project costs. The City Council funds some public infrastructure projects through TIF plans. The city's redevelopment agreement and funding agreement ("Agreements") with TIF requires the city to submit reimbursements within 18 months of the incurred project costs. For untimely requests, the city risks the TIF Commission's denial of reimbursements for project expenditures. Untimely cost submissions also delay city reimbursements, impacting the city's liquidity position. If the city does not receive reimbursement, the city must use the capital improvement fund balance to cover the expenses, potentially impacting other city projects.

The city has not yet submitted for reimbursement nearly $3 million in TIF project costs. Three projects we reviewed had approximately $1 million in project costs that exceeded the 18 month deadline for reimbursement requests. Another five projects had about $2 million in unsubmitted project costs that are nearing the end of the 18 month timeframe for submission.

Exhibit 2: Unsubmitted Project Costs for 8 City TIF Projects

Department	Project Description	Unsubmitted Costs	Older than 18-months
Parks	Shoal Creek Parkway N Brighton-Woodland	$35,401	X
Parks	Hodge Park Athletic Fields	$121,190	X
Parks	Vivion Road Aquatics	$171,592	
Public Works	Flintlock Road Highway-152-NE 96 Street	$350,000	
Public Works	NE 104th-291 to A Highway	$833,124	X
Public Works	N Brighton- 58th to Pleasant Valley	$888,647	
Public Works	Shoal Creek Trail Segment 3a	$112,075	
Public Works	N Holmes from 45th Street to	$450,000	
Total		**$2,962,029**	

Source: City Auditor Office Analysis of PeopleSoft Financials Data.

City submitted some project costs late but received the reimbursement. The city submitted costs for three projects after the 18-month timeframe. The late reimbursement requests totaled about $1.7 million. (See Exhibit 3.)

Exhibit 3: Project Reimbursements Received for Late Cost Submissions

Department	Project Description	Received Reimbursements, Submitted Late
Public Works	Tiffany Springs Road over I-29	$647,275
Public Works	NE 104th-291 to A Highway	$1,058,194
Public Works	N Brighton- 58th to Pleasant Valley	$12,705
Total		**$1,718,174**

Source: City Auditor Office Analysis of PeopleSoft Financials Data, Cost Certification Reports, and TIF Commission Meeting Minutes.

Timely submission of TIF project cost reimbursement requests ensure compliance with the Agreements and avoids delays or potential denial of reimbursement by the TIF Commission. Late project cost submissions require the city to seek approval from the TIF Commission's Finance Committee, further delaying the reimbursement process. The director of Finance and the executive director of the TIF Commission indicated that the TIF Commissions' Finance Committee may no longer approve late reimbursement requests from the city. If project cost reimbursements are never collected, a gap in the project funding results. This gap must be closed by providing another revenue source or appropriating additional funds from the capital improvements fund balance.

After we notified the Public Works and Parks and Recreation departments of their outstanding requests for cost reimbursements, the departments began the process to request reimbursements for three projects totaling $637,592.

Recommendation   To ensure the city receives all reimbursements for city TIF projects, the directors of the Parks and Recreation and Public Works departments should review all city TIF projects in their departments and submit any incurred eligible project expenses to the TIF Commission for reimbursement.

City's financial tracking system did not always accurately reflect TIF project financials. The city needs project accounts to reflect correct funding to accurately estimate project budgets and future revenues. Several TIF project accounts in PeopleSoft, the city's financial tracking system, did not display accurate, current financial information. This made some TIF projects appear to have anticipated TIF revenues though they did not. Project accounts should reflect the most current information related to

authorized spending, revenue, or expenses incurred. Inaccurate amounts in project accounts cause inaccurate reporting on the capital improvements fund and can lead to confusion about available project funds.

We identified an approximate $1.3 million discrepancy in anticipated project cost reimbursements for three of the projects we reviewed. The costs in PeopleSoft did not match amounts in the most current authorizing ordinance. (See Exhibit 4.)

Exhibit 4: Anticipated TIF Project Cost Reimbursements in Ordinance and PeopleSoft

Project Description	Authorized by Ordinance	Reported in PeopleSoft
Front Street-Chouteau to Universal	$3,708,492	$4,000,000
NE Vivion Road Streetscape Improvements	$350,000	$850,000
Big Shoal Creek Greenway Trail	$0	$500,000
Total	**$4,058,492**	**$5,350,000**

Source: City Auditor's Office review of city ordinances and PeopleSoft Financials.

Finance staff did not always capture changes to anticipated TIF project revenues and/or appropriations in PeopleSoft after an ordinance modified a project's eligibility or funding level. A change in project eligibility or funding must be approved by ordinance. Often the ordinance will include the project's title along with the amount appropriated, or revenue estimated to the specific project account. (See Exhibit 5.)

Exhibit 5: Ordinance Estimating and Appropriating Funds for the Project 70181301 - Big Shoal Creek Trail Project

> Section 2. That the revenue in the following accounts of the Capital Improvements Fund is estimated in the following amounts:
>
> | | | |
> |---|---|---|
> | 20-3090-890001-485380-89008267 | Contribution from TIF Commission | $ 500,000.00 |
> | 20-3090-890001-485380-70181301 | Contribution from TIF Commission | 500,000.00 |

Source: Authenticated Ordinance 190598 from City Clerk's Website.

In some cases, the subsequent ordinance modifying a project did not clearly identify the projects in the text of the ordinance. For example, Ordinance 200634, approving the fifth amendment to the Antioch TIF Plan, modified the reimbursable costs for the Big Shoal Creek Trail project, but did not directly identify the project in the ordinance. Instead, the ordinance included generic language about updating the TIF Plan, making it difficult to identify which project's funding was adjusted.

Inaccurate financial data can result in overstated receivables and limit project stakeholders' ability to effectively monitor project expenses and ensure timely submission for reimbursement.

Recommendation

To ensure TIF project funding levels are accurately recorded in PeopleSoft; the director of finance should verify that anticipated TIF reimbursements reported in PeopleSoft for all city TIF projects align with the amounts authorized by ordinance.

City's Incentive Reimbursement Process Is Fragmented and Inconsistent

The city can incorporate more recommended practices in its TIF project cost reimbursement process. Incentive reimbursement programs such as Tax Increment Financing (TIF) operate like a grant reimbursement process where the city first expends funds and then later submits a request for reimbursement of eligible expenses. The Government Finance Officers Association (GFOA) identifies recommended policies for effective grants administration. Policy areas the city can improve by incorporating these practices include:[3]

- Ensuring efficient administration and operation of grants
- Ensuring efficient financial management of grants
- Establishing continuous communications with relevant parties

The city does not have a centralized process for administering TIF reimbursement. Current Public Works and Parks and Recreation departments' processes are unwritten and did not always identify the project manager, ensured that staff are trained on TIF reimbursement processes, established a consistent system for documenting expenses and obtaining reimbursements, or established communication amongst stakeholders responsible for project administration or monitoring. Each of these issues has contributed to the city not submitting or timely submitting TIF reimbursements.

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[3] *Best Practices for Grant Administration*, Government Finance Officers Association, September 2022.

City can establish a more efficient reimbursement process. Without a centralized TIF reimbursement function, departments follow informal, unwritten processes for reimbursement. GFOA identifies the following recommended practices for the efficient administration and operation of an incentive reimbursement process:[4]

- Establish a centralized reimbursement management function with written policies and procedures
- Establish a project plan identifying timelines and parties responsible for implementing the plan.
- Provide initial and continuing training for oversight entities and project administration staff.

The city has not developed and maintained project plans that identify the project manager who manages city TIF projects. The city uses eBuilder, a project management program, to track project data including the identity of the assigned project manager. For some of the reviewed projects, the project manager listed in eBuilder was not the individual currently responsible for managing the project. TIF Commission staff and city staff reported that turnover at the project manager position has contributed to the confusion surrounding who is responsible for project administration.

Many of the reviewed projects had been started by project managers who are no longer employed by the city or were promoted into other roles. Public Works and Parks department staff reported that a project handoff process to facilitate and document change at the project manager position had not yet been implemented.

The city has not provided project managers and staff responsible for project administration with regular training on managing TIF projects or incentive reimbursements. City staff responsible for submitting and processing TIF projects' reimbursement requests reported they had never received training on the reimbursement process. Regular staff training on established processes for administration of TIF projects ensures that project administration is managed by competent staff who are knowledgeable in their areas of responsibility and allows for management to hold staff accountable for their tasks.

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[4] *Best Practices for Grant Administration*, Government Finance Officers Association, September 2022, p. 2.

City can more efficiently manage TIF project financials.
GFOA identifies the following recommended practices for the efficient management of financials for incentive reimbursement programs:[5]

- Establish one or more unique funds or project identifiers to account for all financial transactions for each project.
- Maintain a process to ensure eligible project costs are tracked and properly allocated in a consistent manner.

Inconsistent naming conventions across documents make it difficult to track a single project's funding. The project descriptions provided in eBuilder did not always align with the project name provided in the ordinance or TIF plan, complicating staff's ability to track project funding. (See Exhibit 6.)

Exhibit 6: Inconsistent Project Descriptions for Project- YMCA Outdoor Pool Project

Source	Project Description
North Oak TIF Plan	Gorman Park Pool Construction
Ordinance 170213	Vivion Road YMCA Stabilization
Ordinance 180053	Vivian Road Aquatics
eBuilder Project Profile	YMCA Outdoor Pool

Source: City Auditor's Office Review of the North Oak TIF Plan, City Ordinances, and eBuilder.

The project numbering systems used by the city and TIF do not align, making it difficult to cross-reference a single project. The city uses a numeric system for project identification that does not always indicate whether a project is TIF funded. (See Exhibit 7.) The TIF Commission's project numbering system varies between TIF plans. Some use alphanumeric systems and some do not provide any numbering system, only project descriptions.

Exhibit 7: Inconsistent Project IDs for Hodge Park Athletic Fields Project

PeopleSoft		Shoal Creek TIF Plan	
Project ID	Project Description	Project ID	Project Description
70174902	Hodge Park Athletic Fields	N.1. through N.5.	Hodge Park Improvements

Source: City Auditor's Office Review of the Shoal Creek TIF Plan and PeopleSoft.

Tracking which expenses are eligible for TIF reimbursement within the city's financial system is difficult. The city does not separately track project expenses eligible for reimbursement through TIF. Instead, the city tracks all TIF related expenses for a project under one project number even if that project has multiple funding

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[5] *Best Practices for Grant Administration*, Government Finance Officers Association, September 2022, p. 2.

sources. Project managers assign project expenses to specific account categories under the project number. These accounts do not specify whether the expense is TIF eligible or funded by some other grant.

For example, the Old Tiffany Springs Road Bridge over 1-29 project is funded by more than one source and all are tracked as project number 89008153. Expenses for the project are charged to general categories such as "wages", Architectural & Engineering", and "Construction by Contractor." A detailed review of expenses is required to determine which expenses are eligible for reimbursement by TIF.

Public Works staff responsible for processing TIF reimbursements stated it is often difficult to identify which expenses are supported by TIF funding. Establishing a means to identify TIF funded projects and separately track TIF project costs is crucial for ensuring that all TIF project financials are effectively managed. For example, when the city tracks a federal grant funded project in PeopleSoft, a "G" is added before the assigned project ID. The city's project identifiers should identify when a project is TIF funded and allow staff to trace the project back to the TIF plan.

City could improve communication between project stakeholders. GFOA recommends establishing continuous communications amongst TIF project stakeholders including:[6]

- Project sponsor/providers
- Agencies with oversight responsibilities

The city has not established a consistent process to facilitate communication between project stakeholders. TIF Commission staff reported having difficulties identifying and contacting TIF project managers. TIF Commission staff identified significant outstanding TIF revenue believed to be owed to the city but were unable to contact responsible city staff or obtain progress updates on city TIF projects. TIF Commission staff also reported that Agreements sent to the city for signature are not always being returned.

The Finance Department has taken some steps to monitor the Departments' submission of TIF reimbursement requests and obtain project progress updates, but departments were not responsive. In 2022, Finance sent emails to the responsible departments requesting an update on the projects. Finance reported the responsible departments did not provide responses for all city TIF projects. Effective management of capital projects

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[6] *Best Practices for Grant Administration*, Government Finance Officers Association, September 2022, p. 4.

should include regular communication amongst project stakeholders to ensure that agencies with oversight responsibility are able to monitor project progress.

City could use existing grants management process to manage TIF reimbursement process. The city's existing grants management process incorporates many recommended GFOA practices, including the recommended practices identified in the previous sections. The city's Grant Award Manual outlines the process for managing cost reimbursable grants which include a reimbursement process that is like the TIF reimbursement process. The Grant Award Manual follows GFOA recommended practices and could be used as a framework to guide how the city manages TIF projects and the reimbursement process.

Recommendation

To ensure that TIF projects are managed consistently, the director of finance should implement a citywide process to manage the city's TIF reimbursement process based on the city's existing grants management program.

Recommendations

1. The director of parks and recreation should review all city TIF projects in the department and submit any incurred eligible project expenses to the TIF Commission for reimbursement.

2. The director of public works should review all city TIF projects in the department and submit any incurred eligible project expenses to the TIF Commission for reimbursement.

3. The director of finance should verify that anticipated TIF reimbursements reported in PeopleSoft for all city TIF projects align with the amounts authorized by ordinance.

4. The director of finance should implement a citywide process to manage the city's TIF reimbursement process based on the existing grants management program.

Appendix A: Objective, Scope and Methodology, and Compliance Statement

We conducted this performance audit of city Tax Increment Finance (TIF) projects under the authority of Article II, Section 216 of the Charter of Kansas City, Missouri, which establishes the Office of the City Auditor and outlines the city auditor's primary duties.

A performance audit provides "objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with, among other things, improving program performance and operations, reducing costs, facilitating decision making by parties with responsibility for overseeing or initiating corrective action, and contributing to public accountability."[7]

Why We Did This Audit

Stakeholders are concerned that the city has missed deadlines for reimbursement submissions for some TIF projects. When anticipated reimbursement funds from a TIF project are not received, the city must redirect funds from other sources to cover shortfalls. This impacts the city's ability to fund other priorities.

The TIF Commission could deny reimbursements that are not submitted on time. Analyzing TIF projects for which the city has incurred reimbursable project costs and determining whether those costs were timely submitted and supported by the appropriate documentation could identify process improvements to ensure the city recovers eligible costs from TIF projects.

Audit Objective

This report is designed to answer the following question:

- Do city departments timely submit TIF project expenses for reimbursement?

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[7]   Comptroller General of the United States, *Government Auditing Standards* (Washington, DC: U.S. Government Printing Office, 2018), pp. 10, 11.

Scope and Methodology

Our audit of city TIF projects focuses on the timeliness of project costs reimbursement submissions. Our audit methods included:

- Accessing PeopleSoft Financials to identify revenue accounts associated with 27 unique city TIF projects of which 26 met our evaluation criteria.

- Reviewing city TIF project financials and eBuilder project profiles to identify city TIF projects from fiscal year 2018 to 2023.[8]

- Reviewing certifier reports, TIF plans, and funding and redevelopment agreements for a sample of city TIF projects.

- Interviewing project managers assigned to city TIF projects to understand how project cost reimbursements were managed and Finance staff to understand the city's grants management process.

- Reviewing the Manual of Instruction, the Contract Guidebook, and the Grant Award Manual to identify procedures meant to ensure project costs are reimbursed.

- Comparing the Government Finance Officers Association recommended practices for grants management to the city's Grant Award Manual to determine if the city's grant's process aligns with best practices, and whether the city's grant process could be used to manage city TIF projects.

Statement of Compliance with Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. No information was omitted from this report because it was deemed confidential or sensitive.

Scope of Work on Internal Controls

We assessed the design and implementation of internal controls relevant to the TIF project cost reimbursement process. We identified internal control deficiencies related to this process. The details of these deficiencies are discussed in the body of the report.

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[8] Hodge Park Athletic Fields in Exhibit 2 (p. 3) were incurred in FY2024, however we included these in our scope after discussion with the Parks Department.

Appendix B: Director of Parks and Recreation's Response

Inter-Departmental Communication

Parks and Recreation Department

KANSAS CITY MISSOURI

RECEIVED
AUG 12 2024
CITY AUDITOR'S OFFICE

Date: August 12, 2024

To: Douglas Jones, City Auditor

From: Chris Cotten, Director

Subject: Response to Performance Audit: *City's Late TIF Project Reimbursement Requests Could Result in the City Not Recovering Costs*

We have reviewed your report and recommendations for our department on the TIF reimbursement process. Your recommendation for Parks and Recreation is listed below.

1. *The director of parks and recreation should review all city TIF projects in the department and submit any incurred eligible project expenses to the TIF Commission for reimbursement.*

We agree with the recommendation that the city should implement a citywide process for reimbursements from TIF. We will implement an internal departmental review of the status of TIF projects on a quarterly basis. We will submit a reimbursement request every fourth quarter if expenditure occurs during that quarter.

We would like to state that TIF reallocates sales tax and property taxes in the TIF areas. The Parks tax, which is the primary funding agent of the Parks Department, is part of sales tax and is ½ cent per every dollar spent in the stores. Parks should receive funding at a level of ½ cent per every dollar collected in each of the TIF areas to be spent on Kansas City, MO Park improvements.

cc: Brian Platt, City Manager

Appendix C: Director of Public Works' Response

Inter-Departmental Communication

Public Works Department

KANSAS CITY MISSOURI

RECEIVED

AUG 19 2024

CITY AUDITOR'S OFFICE

Date: August 19, 2024

To: Douglas Jones, City Auditor

From: Heather Cater for Michael Shaw, Public Works Director

Subject: Response to Performance Audit: *City's Late TIF Project Reimbursement Requests Could Result in the City Not Recovering Costs*

2. **The director of public works should review all city TIF projects in the department and submit any incurred eligible project expenses to the TIF Commission for reimbursement.**

Agree

Below is an update on the projects listed in the audit.
- Flintlock project request was submitted 2/12/2024. We are anticipating payment shortly.
- NE 104th project will require cleanup, final deposit was put in the wrong account – working with Finance to correct.
- N Brighton project reimbursement is pending submittal
- Shoal Creek project is in the design phase, will submit for reimbursement soon
- N Holmes project reimbursement was submitted 7/18/2024.

Since most of our project management staff is new, we are currently working with TIF staff on training, policies and procedures. We had our first training at the beginning of August.

cc: Brian Platt, City Manager

Appendix D: Director of Finance's Response

Inter-Departmental Communication

Finance Department

KANSAS CITY MISSOURI

RECEIVED
AUG 13 2024
CITY AUDITOR'S OFFICE

Date:	August 13, 2024
To:	Douglas Jones, City Auditor
From:	Tammy L. Queen, Director of Finance *DocuSigned by:* Tammy Queen FE59B5FC561D462...
Subject:	Response to Performance Audit: *City's Late TIF Project Reimbursement Requests Could Result in the City Not Recovering Costs*

Thank you for conducting this audit and the opportunity to review the audit and respond.

3. The director of finance should verify that anticipated TIF reimbursements reported in PeopleSoft for all city TIF projects align with the amounts authorized by ordinance.

Agree.

The Finance Department has already begun implementing a number of improvements to the TIF reimbursement process. For several years, we have tied revenue estimates for TIF reimbursement with project appropriations using a common project number. This has aided in staff having the ability to see what might be outstanding. We have also begun implementing the use of a new "TIF" department to track department appropriations earmarked for TIF Project expenditures. This approach will allow monthly billings to be created in the same manner as grants. These improvements help us ensure that the City's accounting system stays in alignment with project/plan ordinances.

The Finance Department is undertaking a review of the revenues the City anticipates receiving for projects approved for TIF reimbursement (TIF Projects). This includes a comparison of amounts estimated in PeopleSoft to those estimated in authorizing ordinances. The Finance Department will also review approved TIF plans and amendments (TIF Plans) to ensure amounts estimated in the TIF Plans align with amounts authorized by ordinances. This review is anticipated to take an estimated six months to complete. Going forward, the Finance Department will more closely monitor TIF Projects and will ensure that the revenues estimated in the City's financial system remain updated via the City's ordinance process – including for approved plan amendments.

4. The director of finance should implement a citywide process to manage the city's TIF reimbursement process based on the existing grants management program.

Agree.

Using the existing policy and procedure documents for the grants management program as a guide, the Finance Department has already begun developing a policy (in the form of an Administrative Regulation – AR) and procedures (in the form of a Manual of Instruction – MI) governing TIF Project reimbursements. The intention here is to work in consultation with the TIF Commission and other City departments to ensure the best product. We anticipate these documents will take about six months to develop. Effective implementation will require City Departments to be diligent to ensure all expenditures recorded in this manner are eligible for TIF reimbursement under the related agreement.

cc: Brian Platt, City Manager