

This ARTS report is comprised of three reports on progress made towards implementing recommendations addressed to (1) Convention and Entertainment Facilities Dept, (2) Visit KC, and (3) Visit KC Board. Scroll page-by-page through the reports and supporting documents or use the bookmarks on the left to navigate to the individual reports. Includes all supporting documents, including those not directly referenced to address recommendations.

AUDIT REPORT TRACKING SYSTEM (ARTS)

SECTION I: SUMMARY INFORMATION	
Audit Title: Visit KC Can Improve Reporting to City and Address Conflict of Interest Issues	Audit Release Date: 11/12/2019 Full Report / Highlights
Department: Convention and Entertainment Facilities	Last Report Date: 10/01/2020
Department Director: Oscar McGaskey	This Report Date: 10/12/2020
Contact Person/Phone: Oscar McGaskey (816) 513-5050	Expected Presentation Date: 10/14/2020
SECTION II: PRIOR ARTS REPORTS	
First ARTS Report 05/14/2020	
SECTION III: SUMMARY OF RECOMMENDATION STATUS	
1. <i>Not Implemented</i>	5. Implemented October 2020
2. In Progress	6. Implemented October 2020
4. In Progress	13. Implemented October 2020
SECTION IV: SUMMARY OF IMPLEMENTATION EFFORTS	
Recommendation 2: The director of convention and entertainment facilities should clearly define each performance measure and calculation within the next contract.	
Status of Recommendation: In Progress	
<ul style="list-style-type: none"> Addressed in draft redlined version of draft contract, Section 2, Visit KC's Performance Measures, Section C. <p>Director and visit KC will determine and mutually agree upon and establish in writing the definitions and calculations of performance measures within ninety (90) days of execution of this contract. The definitions and calculations shall be incorporated into this contract.</p>	
Recommendation 4: The director of convention and entertainment facilities should incorporate additional performance measures in Visit KC's new contract that address efficiency, productivity, or other identified city objectives.	
Status of Recommendation: In Progress	
Director and Visit KC will determine and mutually agree upon and establish in writing additional performance measures within ninety (90) days of execution of this contract.	
Recommendation 5: The director of convention and entertainment facilities should include in Visit KC's next contract a contract provision that specifies the substance and form of financial reports to the city.	
Status of Recommendation: Implemented	
<ul style="list-style-type: none"> Addressed in redlined version of draft contract, Section 3, Visit KC's "Reporting/Information Sharing" A-B. 	
Recommendation 6: The director of convention and entertainment facilities should include in Visit KC's next contract a contract provision that directs Visit KC to segregate Kansas City, Missouri's, funds and performance data from other sources in its reporting to the city.	
Status of Recommendation: Implemented	
<ul style="list-style-type: none"> Addressed in redlined version of draft contract, Section 3, Visit KC's Reporting/Information Sharing B. 1. C. Financial and Performance reports that segregate Kansas City, Missouri's funds and performance data from other sources including delineating events held outside of Kansas City's city limits. 	

Recommendation 13: The director of convention and entertainment facilities should ensure Visit KC's next contract specifies that all Visit KC board members are prohibited from having a financial or personal interest in the city's contract with Visit KC and shall not negotiate or arrange to perform services identified in the contract on behalf of Visit KC.

Status of Recommendation: Implemented

- Addressed in redlined version of draft contract, Section 10. Board of Director, A. Appointment of the members. B. Requirements and Obligations of the Board:

(2) Shall not have a financial interest or personal interest in the City's contract with Visit KC and shall not negotiate or arrange to perform services identified in the contract on behalf of Visit KC.

SECTION V: ADDITIONAL OUTCOMES

**AGREEMENT BETWEEN CITY OF KANSAS CITY, MISSOURI
AND THE CONVENTION AND VISITORS ASSOCIATION OF
GREATER KANSAS CITY, INC.**

THIS AGREEMENT, between **CITY OF KANSAS CITY, MISSOURI** (the "City"), a municipal corporation of the State of Missouri, and the **CONVENTION AND VISITORS BUREAU OF GREATER KANSAS CITY, INC.**, d/b/a Visit KC, a corporation formed and existing under Chapter 355, RSMo, ("Visit KC"), takes effect on the first day of May 2021.

RECITALS

WHEREAS, City desires to continue to promote the prosperity, general interest and welfare of Kansas City by encouraging and promoting the many attractions, facilities and enterprises of Kansas City, and by promoting tourism and convention business within Kansas City for its economic betterment and Visit KC is the official destination sales and marketing agency for the City;

NOW, THEREFORE, the parties mutually agree that:

Section 1. Scope of Services. Visit KC will perform services including but not limited to:

- A. Sell and market of the City as a tourism destination:
 - 1. Sell and market the City's Convention and Entertainment Facilities to conventions, tradeshows and corporate meetings, sporting events and events generating room nights.
- B. Visit KC will book Bartle Hall, meeting room space, Grand Ballroom and Municipal Auditorium for all events which may occur 18 months and beyond. These bookings are considered "first priority" for scheduling facilities and dates in the Convention and Entertainment Facilities.
- C. The City's Convention and Entertainment Facilities Department(Sales Division) will book all events which occur within the 18-month time frame.
 - 1. Develop marketing and advertisement programs in coordination with the City to attract visitors;
 - 2. ~~Market the City's assets for film and new media; and~~
 - 3. Conduct media relations at the local, state, and national levels.
- D. Provide services and tools to enhance the convention and visitor experience:

1. Cooperation with groups at the local, state, and national levels interested in holding meetings and conventions in the City;
 2. Dissemination of information to, and for the provision of services for, individual visitors and tourists.
- E. Advocate and grow support for the City's tourism industry:
1. Tourism promotion and development; and
 2. Creation and direction of special events to attract visitors to Kansas City.

Section 2. Visit KC's Performance Measures. The City will measure Visit KC's performance on a quarterly basis during the contract term in the following activity areas and performance measures will be clearly defined:

A. Sales and Marketing

1. Definite Room Nights booked for future years
2. Convention Center Definite Room Nights booked for future years
3. Number of Sales Leads for future years
4. Number of Sales Lead Room Nights for future years
5. Definite Booked Attendance
6. Definite Booked Convention Center Attendance
7. Incremental Room Nights Generated through Marketing Programs
8. Sales Conversion Rate

B. Convention and Visitor Services and Tools

1. Hosted Attendance
2. Hosted Convention Center Attendance
3. Visit KC Post-Convention Survey Results

~~C. KC Film and Media Office~~

- ~~1. Location Scouting Support (Location-based assist to a project)~~

~~2. Production Support (Assistance for a new project—each project shall count only once even if the film office assists them multiple times)~~

C. Definitions and Calculations.

Director of Convention and Entertainment Facilities and Visit KC will determine and mutually agree upon and establish in writing the definitions and calculations of performance measures within ninety (90) days of the execution of this contract. These definitions and calculations shall be incorporated into this contract.

Section 3. Visit KC's Reporting/Information Sharing.

A. Throughout the term of this agreement, Visit KC shall achieve the annual targets set at the beginning of each specific year. The President and CEO of Visit KC may, upon discussion with the Director of Convention and Entertainment Facilities Department and consultation of Visit KC's Board of Directors, reset the annual targets.

B. Visit KC shall provide such reports and data to the City Manager's Office and the Director of the Convention and Entertainment Facilities. The City Manager or the Director of Convention and Entertainment Facilities Department shall upon request meet with representatives of Visit KC to discuss issues relating to this Agreement and Visit KC's performance thereunder. Visit KC's reporting and information sharing responsibilities during the term of the Agreement are as follows:

1. During Agreement:

a. Visit KC's Strategic Plan – May 1, 2022 to Director of Convention and Entertainment Facilities Department

~~b. Revised Visit KC Strategic Plan – May 1, 2024 to Director of Convention and Entertainment Facilities Department~~

~~c. Financial and Performance reports that segregates Kansas City, Missouri's funds and performance data from other sources including delineating events held outside Kansas City's city limits~~

2. Annual:

a. Visit KC's Annual Business Plan

b. Visit KC's Adopted Budget

c. Visit KC's targets for succeeding year to Director of Convention and Entertainment Facilities Department by February 1

d. Visit KC's accomplishments from prior year by March 1

~~e. Film productions made in Kansas City~~

3. Quarterly:

1. Performance measures

2. Financial report including Comparative Balance Sheet, Year-to-Date Comparative Statement of Activities and Statement of Cash Flows

~~3. Financial and Performance reports that segregates Kansas City, Missouri's funds and performance data from other sources including delineating events held outside Kansas City's city limits~~

4. Upon Request from City:

a. TIF reporting pursuant to 99.805(11), RSMo and Section 50-11 of the City's Code of Ordinances

b. Smith Travel reports

c. Air DNA reports

d. Economic impact analyses (e.g., Superbowl, World Series, etc.)

e. Credit rating support materials

Section 4. Term. The term of the agreement is for a period of ~~five years, beginning May 1, 2021, and ending April 30, 2026.~~

Section 5. Payments. All obligations of the City pursuant to this agreement are subject to annual appropriation by the City Council.

A. *Convention and Tourism Tax (Hotel).* In accordance with Section 68-553 of the Code of Ordinances of the City, the City will pay Visit KC forty (40) percent of the total Convention and Tourism Taxes (Hotel) on sleeping rooms collected by the City during the term of this agreement:

1. The City will make payments monthly from the budgeted amount of the tax by the 15th of the subsequent month.

2. These payments will be net of the Visit KC Contribution to CEC maintenance of 13.333%.
 3. The 13.33% adjustment shall be remitted to Visit KC on a semi-annual basis but hotel properties for which Visit KC has executed an agreement committing its portion of the Tax Revenues as part of any Super TIF or redevelopment project with which the City has entered into separate agreements with either Visit KC and/or hotel developer to redirect TIF and Super TIF or economic activity tax revenues. The applicable agreements are as follows:
 - a. 9th & Central - Super TIF
 - b. Briarcliff – 2nd Amended and Restated Financing
 - c. Hotel Phillips – Visit KC Agreement
 - d. President Hotel – Visit KC Agreement
 - e. Plaza Vista – Tax Redirection Agreement
 - f. Union Hill – Visit KC Agreement
 4. As for the KCCCHQ, Visit KC and City agreement, these payments will be net of any previous and future TIF reimbursements.
 5. At the end of the fiscal year, the parties will reconcile all payments to actual collections. In the event of an underpayment by the City, Visit KC will allow the City to repay in full over a term not to exceed the remaining term of the contract pursuant to a structure and discount rate, as determined by the Director of Finance. In the event of an overpayment, the City will deduct the amount of such overpayment from the next monthly payment or allow Visit KC to repay in full over a term not to exceed the remaining term of the contract, pursuant to a structure and discount rate, as determined by the Director of Finance.
- B. *Arena License Fees (Rental Car)*. City agrees to pay to Visit KC 12.5% of revenues collected on the daily car rental license fee in accordance with Section 40-166 of the Code of Ordinances of the City using collection/payment schedule listed:

January/February/March - May 15
April/May/June - August 15
July/August/September - November 15
October/November/ December-February 15

~~C. *Film Office*. If Visit KC meets the film performance measures in Section 2 of the previous~~

~~year, the City will make a minimum annual participation fee to Visit KC in the amount of \$100,000 to assist in operations of the KC Film & Media Office in the next budget year. City will remit payment to Visit KC during the first quarter of the City's fiscal year.~~

- D. *Smart City Kiosk.* City will remit Visit KC's share of collected revenues, pursuant to terms of agreement.
- E. *Aviation Department Funds.* City's Aviation Department may elect to contract with Visit KC for certain services such as promoting international travel to the City. In the event the parties undertake such an agreement, City will remit Visit KC's payments from the KC Airports Fund, pursuant to terms of any agreement.

Section 6. City Administration. The Director of Convention and Entertainment Facilities Department shall administer this Agreement. ~~The Director shall have authority to make any discretionary decisions called for under the terms of this Agreement after consultation with City Manager.~~

Section 7. City Financial Information. The City will provide the following financial information and reports to Visit KC, as described below:

A. Annual:

Email link to City's Adopted Citywide Business Plan.
Email link to City's Adopted Budget.
Email link to City's Comprehensive Annual Financial Report (CAFR).

True-up calculation to calibrate Convention and Tourism (Hotel) payments to actual collections.

B. Quarterly:

Email link to City's monthly financial reports for July 31, October 31, January 31 and April 30.
Email link of quarterly analyses including Convention and Tourism and Convention and Sports Complex funds – 1st, 2nd and 3rd quarters.

C. Monthly:

Notification of Remittance
Hotel/Motel Tax Payment Ledger

D. October:

Information for Visit KC Budget preparation – Unofficial (pre KCMO budget submittal) or year-to-date estimates for hotel/motel taxes, rental car fees, film office, STIF billings, STIF true-up, SMART City kiosk, Aviation funds, etc. or any

other City revenues or expenditures related to Visit KC.

Section 8. Audits.

- A. Visit KC shall maintain all books, documents and records relating to this Agreement during the contract period and for three (3) years after the date of final payment according to Generally Accepted Accounting Principles.
- B. The books, documents and records of Visit KC in connection with this Agreement shall be made available to the City Auditor, City's Director of Human Relations and the Director of the Convention and Entertainment Facilities for inspection and audit within ten (10) days after request shall be made.
- C. Visit KC will engage a professional CPA firm to analyze Visit KC's internal control structures, and to furnish the City Auditor with a copy of the analysis. A report shall be promptly provided to the City Auditor without the need for a special request. The City Auditor is authorized to make inquiries directly to Visit KC's professional staff and Visit KC shall require all staff to respond truthfully to the City Auditor's questions.
- D. Visit KC shall submit to the Convention and Entertainment Facilities Department Visit KC's annual fiscal year financial audit. The annual audit shall be submitted by Visit KC no later than six months after the end of Visit KC fiscal year.
- E. Every 24 months the City Finance Department's Revenue Division will analyze the previous 24-months' Convention and Tourism (Hotel) tax collections to verify that all entities subject to the remittance have paid the required tax. Should the audit determine that entities who are subject to remittance have not complied, it will be the City's responsibility to make every effort in collecting any unresolved taxes and remit the past due amount to Visit KC, as outlined in Section 5 of this contract.

Section 9. Compliance with City Auditor's Performance Audit.

- A. Visit KC will comply with or implement the City Auditor's recommendations in the November 2019 audit report. The Director of Finance has approved the substance and form of Visit KC's financial reports during this contract term. As part of its reporting, Visit KC will include its financial health, segregation of city funds and performance data from other sources.
- B. Visit KC shall also maintain or implement the policies, procedures or processes identified in the audit report throughout the term of this agreement.
- ~~C. City and VisitKC will amend the contract by January 2021 to include definitions and calculations of performance measures.~~

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Section 10. Board of Directors.

A. *Appointment of the Members.*

1. *Mayor's appointees.* The Mayor of the City with the advice and consent of the City Council, will appoint one-half of the Board of Directors of Visit KC.

a. The Mayor's appointees will include the City Manager or his or her designee, and at least one member of the City Council.

~~b. At the beginning of any new mayoral administration, the Mayor should, to the maximum extent possible, maintain the staggered terms and consider the experience of board members when making appointments, to provide for overall consistency of the VisitKC Board. *** (subject to approval by Mayor's office)~~

~~c. The Mayor shall have discretion to change his or her appointments at any time.~~

~~d.b.~~ Four of the eight members of the Executive Committee must be selected from the Mayor's board appointees, one shall be the City Manager or his or her designee and a city council member.

~~e.c.~~ The Director of the Convention and Entertainment Facilities will serve as an Ex Officio member.

2. *Visit KC's appointees.* All other members of the Board shall be elected by the Visit KC 's Board.

B. *Requirements and Obligations of the Board.* All board members including Visit KC's appointed Directors:

1. Shall submit financial disclosures in accordance with City Code Section 2-2024;

2. Shall not have a financial interest or personal interest in the City's Contract with Visit KC and shall not negotiate or arrange to perform services identified in the Contract on behalf of Visit KC.

C. *Rules and Regulations.* Board shall establish rules or regulations similar to or stricter than the City's Code of Ethics (City Code Sections 2-2001-2-2005) and Conflicts of Interest (City Code Sections 2-2020-2-2024)

Section 11. Affirmative Action. If this Contract exceeds \$300,000.00 and Contractor employs fifty (50) or more people, Visit KC shall comply with the provisions of City's Code of Ordinance Sections 3-401 through 3-409, the rules and regulations relating to those sections, and any additions or amendments thereto; in executing any Contract subject to said provisions. Visit KC warrants that it has an affirmative action program in place and will maintain the affirmative action program in place for the duration of the Contract. Contractor shall not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin or ancestry, disability, sexual orientation, gender identity or age in a manner prohibited by Chapter 3 Visit KC shall:

- A. Submit, in print or electronic format, a copy of Visit KC's current certificate of compliance to the City's Human Relations Department (HRD) prior to receiving the first payment under the Contract, unless a copy has already been submitted to HRD at any point within the previous two calendar years. If, and only if, Visit KC does not possess a current certification of compliance, Visit KC shall submit, in print or electronic format, a copy of its affirmative action program to HRD prior to receiving the first payment under the Contract, unless a copy has already been submitted to HRD at any point within the previous two calendar years.
- B. Require any Subcontractor awarded a subcontract exceeding \$300,000.00 to affirm that Subcontractor has an affirmative action program in place and will maintain the affirmative action program in place for the duration of the subcontract.
- C. Obtain from any Subcontractor awarded a subcontract exceeding \$300,000.00 a copy of the Subcontractor's current certificate of compliance and tender a copy of the same, in print or electronic format, to HRD within thirty (30) days from the date the subcontract is executed. If, and only if, Subcontractor does not possess a current certificate of compliance, Visit KC shall obtain a copy of the Subcontractor's affirmative action program and tender a copy of the same, in print or electronic format, to HRD within thirty (30) days from the date the subcontract is executed.
- D. City has the right to take action as directed by City's Human Relations Department to enforce this provision. If Visit KC fails, refuses or neglects to comply with the provisions of Chapter 3, then such failure shall be deemed a total breach of this Contract and this Contract may be terminated, canceled or suspended, in whole or in part, and Visit KC may be declared ineligible for any further contracts funded by City for a period of one (1) year. This is a material term of this Contract.

Section 12. MBE/WBE Program. Minority and Women's Business Enterprises. City is committed to ensuring that minority and women's business enterprises (M/WBE) participate to the maximum extent possible in the performance of City contracts. Visit KC agrees to comply with all requirements of City's Minority and Women's Business Enterprise Program as enacted in City's Code of Ordinance sections 3-421 through 3-469 and as hereinafter amended. Visit KC shall make its good faith efforts in carrying out this

policy by implementing its contractor utilization plan. The specific goals the City set for this project are 10% MBE and 5% WBE participation.

If Visit KC fails to achieve the M/WBE goals stated in its contractor utilization plan, as amended, the City will sustain damages, the exact extent of which would be difficult or impossible to ascertain or estimate at the time of execution of this contract. Therefore, in order to liquidate those damages, the monetary difference between the amount of the M/WBE goals set forth in this Visit KC's utilization plan, as amended, and the amount actually paid to qualified MBEs and WBEs for performing a commercially useful function will be deducted from the Visit KC's payments as liquidated damages. In determining the amount actually paid to qualified MBEs and WBEs, no credit will be given for the portion of participation that was not approved by the Director of City's Human Relations Division, unless the Director determines that the Visit KC acted in good faith. No deduction for liquidated damages will be made when, for reasons beyond the control of the Contractor, the M/WBE participation stated in the Visit KC's Utilization Plan, as amended and approved by the Director, is not met.

Visit KC shall comply with City's MBE/WBE Program Reporting System requirements. Visit KC shall use City's Internet web-based MBE/WBE Program Reporting System provided by City and protocols included in that software during the term of this Contract. Visit KC shall maintain user applications to City's provided system for all applicable personnel and shall require subcontractors to maintain applications.

Section 13. Recruitment of Multicultural Conventions. Visit KC and the City recognize that there are many multicultural conventions whose needs can be amply served by the City's Convention Facilities and which will, if brought to the City, benefit the City both socially and economically. To attract these groups to the City, Visit KC will establish a special program to insure full support for the recruitment of multicultural conventions to the City. This program will include:

- A. A survey of potential multicultural conventions;
- B. Cooperation with local multicultural organizations in extending invitation to regional and national organizations with which they are affiliated;
- ~~D.C.~~ Coordination and consultation with the Visit KC's multicultural involvement task force; and
- ~~E.D.~~ Concentrated training of Visit KC staff to work effectively in this recruitment program.

Section 14. City Legal Assistance. City will assign an Assistant City Attorney to attend Visit KC Board meetings and provide advice on Sunshine Law and other public board requirements. Additionally, the City-assigned attorney will assist Visit KC staff with internal procurement and contract review and compliance with the City's programmatic, contractual and legal requirements (e.g., MBE/WBE/DBE). Finally,

Kansas City, MO 64106
Fax (816) 513-1363

If to Visit KC:

President and CEO
1321 Baltimore Avenue
Kansas City, MO 64105
Fax (816) 691-3812

Section 20. Contingent Fees Prohibited. The provisions of City's Code of Ordinances Section 3-303 prohibiting contingent fees and Sections 3-307 and 3-309, imposing sanctions and penalties for violations, shall apply to this Agreement. Visit KC warrants that it has not employed or retained another person, to solicit or secure a contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business. For a breach or violation of this covenant, the City shall have the right to terminate this Agreement without liability.

Section 21. Conflicts of Interest. The provisions of City's Code of Ordinances Sections 2-2001, 2-2002, 2-2020, 2-2021 and 2-2022 prohibiting City officers and employees from having a financial or personal interest in any contract with City, and Code Sections 2- 2100 and 2-2101, imposing sanctions for violations, shall apply to this Contract. Visit KC certifies that no known officer or employee of City has, or will have, a direct or indirect financial or personal interest in this Contract, and that no known officer or employee of City, or member of such officer's or employee's immediate family, either has negotiated, or has or will have an arrangement, concerning employment to perform services on behalf of Visit KC in this contract.

Section 22. Government Regulations. This Agreement is subject to the federal, state and local laws, charter, ordinances, and regulations. Visit KC and its contractors will comply with all federal, state and local laws, charter, ordinances and regulations applicable to the work. Visit KC or its contractors will secure all occupational and professional licenses and permits from public or private sources necessary for the fulfillment of its obligations under this agreement.

Section 23. Residency and Salary Cap Requirements for Visit KC Executive Positions. Visit KC also must comply with City Ordinance Numbers 200473 and 200475 which enacted residency requirements and salary caps for Visit KC's executive level positions. These ordinances became effective on August 1, 2020 and were applied prospectively. Therefore, these requirements do not apply to any of the director level officers who were employed as of July 31, 2020.

Section 24. Assignment and Transferability. Except for non-professional services such as reproductions, printing materials, and other services normally performed by other vendors, any assignment or subcontracting of Visit KC's obligations or interests under this Agreement shall be subject to prior written approval by the City.

Section 25. Tax Compliance. Visit KC shall comply with all applicable City tax laws, ordinances or regulations.

Section 26. Personal Liability of Public Officials. Neither the City Council nor any other officer, official, employee, or agent of the City shall be personally responsible for any liability arising under or growing out of this Agreement or operations of Visit KC under the terms of this Agreement.

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Section. 27. Merger. This Agreement, including any referenced Attachments, constitutes the entire Agreement between City and ~~Sponsor~~ Visit KC with respect to this subject matter, and supersedes all prior agreements between City and VisitKC~~Sponsor~~ with respect to this subject matter, and any such prior agreement shall be void and of no further force or effect as of the date of this Agreement.

Section. 28. Modification.

A. No provision of this Agreement may be waived, modified or amended except upon approval by the City Council.

A.B. Unless stated otherwise in this Agreement, no provision of this Agreement may be waived, modified or amended except by written amendment signed by City and ~~Sponsor~~VisitKC.

B.C. No act, conversation or communication with any officer, agent or employee of City, either before or after the execution of this Agreement, shall affect or modify any term or terminology of this Agreement and any such act, conversation or communication shall not be binding upon City or ~~Sponsor~~VisitKC.

Section 29. Termination.

A. This Agreement may be terminated by either party at any time, upon written notice to the other party at least thirty (30) days prior to termination.

B. City may terminate this Agreement upon twenty (20) days' notice to Visit KC if Visit KC is in material breach of this Agreement and fails to cure the breach before the end of the twenty (20) day notice period.

C. Visit KC may terminate this Agreement upon twenty (20) days' notice to City if City is in material breach of this Agreement and fails to cure the breach before the end of the twenty (20) day notice period.

Section. 30. Defaults and Remedies. If Visit KC shall be in default or breach of any material provision of this Agreement, City may terminate this Agreement, suspend City's performance, withhold payment, if any, or invoke any other legal or equitable remedy after giving Visit KC twenty (20) days' notice to correct such default or breach.

Section 31. Indemnification for Professional Negligence. Visit KC shall indemnify and hold harmless City and any of its agencies, officials, officers, or employees from and against all claims, damages, liability, losses, costs, and expenses, including reasonable attorneys' fees, arising out of any negligent acts or omissions in connection with this Contract, caused by Visit KC, its employees, agents, subcontractors, or caused by others for whom Contractor is liable, in the performance of professional services under this Contract. Visit KC is not obligated under this section to indemnify City for the negligent acts of City or any of its agencies, officials, officers, or

employees.

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Section 32. Insurance.

- A. Visit KC shall procure and maintain in effect throughout the duration of this Agreement insurance coverage not less than the types and amounts specified in this section. Policies containing a Self-- Insured Retention are unacceptable to City.
1. Commercial General Liability Insurance: with limits of \$1,000,000 per occurrence and \$2,000,000 aggregate, written on an "occurrence" basis. The policy shall be written or endorsed to include the following provisions:
 - a. Severability of Interests Coverage applying to Additional Insureds
 - b. Contractual Liability
 - c. Per Project Aggregate Liability Limit or, where not available, the aggregate limit shall be \$2,000,000.
 - d. No Contractual Liability Limitation Endorsement
 - e. Excess Liability Insurance with limits per claim and annual aggregate of \$5,000,000.
 2. Workers' Compensation Insurance: as required by statute, including Employers Liability with limits of: Workers' Compensation Statutory
 3. Employers Liability \$100,000 accident with limits of: \$500,000 disease-policy limit \$100,000 disease-each employee Commercial Automobile Liability Insurance: with a limit of \$1,000,000 per occurrence, covering owned, hired, and non-owned automobiles. Unless otherwise approved in writing by the City for Visit KC, coverage provided shall be on an "any auto" basis and written on an "occurrence" basis. This insurance will be written on a Commercial Business Auto form, or acceptable equivalent, and will protect against claims arising out of the operation of motor vehicles, as to acts done in connection with the Agreement.
 4. As applicable, Professional Liability Insurance with limits per claim and annual aggregate of \$1,000,000.
 5. All insurance coverage must be written by companies that have an A.M. Best's rating of "A-V" or better, and are licensed or approved by the State of Missouri to do business in Missouri.

6. The Commercial General Liability Insurance specified above shall provide that City and its agencies, officials, officers, and employees, while acting within the scope of their authority, will be named as additional insureds for the services performed under this Contract. VisitKC shall provide to City at execution of this Contract a certificate of insurance showing all required endorsements and additional insureds. The certificates of insurance will contain a provision stating that should any of the policies described in the certificate be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.
7. Visit KC 's or its contractors' failure to maintain the required insurance coverage will not relieve them of their contractual obligation to indemnify City and the Board pursuant to Section 31. If the coverage afforded is cancelled or changed or its renewal is refused, Visit KC shall give at least thirty (30) days prior written notice to the City. In the event of Visit KC's failure to maintain the required insurance in effect, the City may order Visit KC to immediately stop work, and upon ten (10) days' notice and an opportunity to cure, may pursue its remedies for breach of the Agreement as provided for herein and by law.
8. In no event shall the language in this Section constitute or be construed as a waiver or limitation of the City's rights or defenses with regard to sovereign immunity, governmental immunity, or other official immunities and protections as provided by the federal and state constitutions or by law.

Signature Page

CITY OF KANSAS CITY, MISSOURI
a constitutionally chartered municipal corporation

By: _____
Oscar C. McGaskey, Jr. Director
Convention and Entertainment
Facilities Department

Approved as to form and legality:

Assistant City Attorney

CONVENTION AND VISITORS ASSOCIATION

I hereby certify that I have authority to execute this document on behalf of CVA.

By: _____
R, President and CEO

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Director of Finance

AUDIT REPORT TRACKING SYSTEM (ARTS)

SECTION I: SUMMARY INFORMATION			
Audit Title:	Visit KC Can Improve Reporting to City and Address Conflict of Interest Issues	Audit Release Date:	11/12/2019 Full Report / Highlights
Department:	Visit KC	Last Report Date:	05/14/2020
Department Director:	Jason Fulvi	This Report Date:	09/30/2020
Contact Person/Phone:	816-691-3815	Expected Presentation Date:	10/14/2020
SECTION II: PRIOR ARTS REPORTS			
First ARTS Report 05/14/2020			
SECTION III: SUMMARY OF RECOMMENDATION STATUS			
3. <i>Implemented 01/01/2020</i>		10. <i>Implemented 12/17/2019</i>	
8. <i>Implemented 08/25/20</i>		11. <i>In progress Fall 2020</i>	
9. <i>Implemented 08/25/20</i>			
SECTION IV: SUMMARY OF IMPLEMENTATION EFFORTS			
Recommendation 8: The president/CEO of Visit KC should adopt RFP policies and procedures from recommended practices.			
Status of Recommendation: <i>Implemented</i>			
Visit KC's Finance Committee adopted new financial policies (attached), including one each for procurement and contracts, at its August 25, 2020 meeting.			
Recommendation 9: The president/CEO of Visit KC should develop a policy to identify maximum term length for contracts			
Status of Recommendation: <i>Implemented</i>			
Visit KC's Finance Committee adopted new financial policies (attached), including one each for procurement and contracts, at its August 25, 2020 meeting.			
Recommendation 11: The president/CEO of Visit KC should reissue RFPs for the advertising "agency of record" contract and any other contracts that do not adhere to Visit KC RFP policies and procedures.			
Status of Recommendation: <i>In progress</i>			
<ul style="list-style-type: none"> - RFP policy was revised and approved by Visit KC's Finance Committee in July 2020. - The RFP process for advertising agency is currently been worked on by the Marketing and Communications Committee. The solicitation process for the RFP will take place in fall 2020 for award and implementation in calendar year 2021. 			
SECTION V: ADDITIONAL OUTCOMES			



Visit KC

Financial Policies

Board Level

Prepared by Finance Department
9-1-2020

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Accounting and Audit Policies

Fiscal year

Unless otherwise provided by the Board, the fiscal year of Visit KC shall begin with the first day of January and end with the thirty-first day of December next following.

Method of accounting

Visit KC utilizes the accrual basis of accounting to prepare its financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. An accounting method other than accrual basis may be authorized by resolution of the Board prior to the start of a new fiscal year and only after adopting procedures to implement the alternative accounting method.

The basis of accounting for preparation of the annual audit shall be in accordance with generally accepted accounting principles. The financial statements will be prepared on an annual basis in conformance with generally accepted accounting principles unless the Board increases the frequency of reporting.

Audits

The Board shall annually provide, through the Chief Financial Officer or any other official designated by the Board for this purpose, for an independent certified audit of Visit KC's books and records for the current fiscal year be made by certified public accountants, experienced and qualified in nonprofit auditing. Each such audit shall be conducted in conformance with generally accepted auditing standards. The accountants shall certify as to the correctness of the schedules contained in the audit report, and all certified schedules shall be incorporated in an annual report of the Chief Financial Officer.

The financial auditor will be selected through a competitive process, as conducted by the Chief Financial Officer. Before a contract is executed by the Chief Financial Officer, or any other official designated by the Board for this purpose, with the financial auditor, a firm will be approved by the Finance Committee designated to oversee financial matters for Visit KC. No external financial audit contract will exceed five years in its term. Succeeding contracts with the same firm will require a rotation of that firm's partners. The results of the annual audit will be presented to the Finance Committee, which has been designated by the Board to oversee Visit KC's financial matters.

Monthly financial reports

The Chief Financial Officer shall submit to the Chief Executive Officer not later than twenty days after the close of each month, a financial report on the financial condition of Visit KC as of the last day of each month. On a quarterly basis, the report shall be disseminated to the Chief Executive Officer and the Board, in a form and manner as recommend by the Chief Financial Officer to the Finance Committee and approved by the Board.

Annual or year-end financial report

The annual financial report of Visit KC for each fiscal year shall show for the year all the information required by this section for the monthly reports, with comparisons with the same items in the next

preceding fiscal year, and such other information as may be required by the Board, by the Chief Executive Officer, or as the Chief Financial Officer may desire to present. The report shall be prepared by the Chief Financial Officer and shall be available for public examination.

Accounting system

The accounting system of Visit KC shall provide for the accurate recording and control of assets, liabilities, revenue and other receipts, and expenditures in accordance with generally accepted accounting principles. This system shall also provide for budgetary control of revenue and expenditures. The Chief Financial Officer, with the approval of the Chief Executive Officer, shall prescribe the account details necessary for the proper presentation of the financial condition and transactions of Visit KC.

Budget Policies

Annual budget requests

Budget requests. Each year, the head of each department under the Chief Executive Officer shall submit requests for funding necessary to fulfill the needs of the department for the ensuing fiscal year.

Basis for requests. Requests shall be based upon carefully prepared estimates of work to be performed and costs and expenses to be incurred. Requests and estimates of work to be performed shall be submitted in a form prescribed by the Chief Financial Officer.

Uniform classification. The classification of requests as to purposes of expenditure shall be as nearly uniform as possible for each function and activity and itemized, in a form prescribed by the Chief Financial Officer.

Annual budget submittal

Submission by Chief Executive Officer. An annual budget shall be prepared for submission to the Executive Committee at their regular meeting in November by the Chief Executive Officer after review and approval by the Finance Committee.

Items included. The annual budget shall present the following information:

Revenues. An itemized statement of estimated revenues to be realized in cash from all public and private sources for the year which the budget is to cover, together with a comparative statement of estimated revenues for the current fiscal year and actual revenues for the prior fiscal year.

Expenses. An itemized statement of marketing and promotional and operating expenses recommended by the Chief Executive Officer for the ensuing year, with a comparative statement of estimated expenditures for the current fiscal year and actual expenditures for the prior fiscal year.

Additional information. Such other information as may be required by the Board, Executive or Finance Committees.

Multi-year financial plan. In conjunction with adoption of its strategic plan, the Board may adopt a multi-year financial plan, as recommended by the Chief Executive Officer in a form prescribed by the Chief Financial Officer. In the event the Board approves a multi-year financial plan, adoption of the annual budget will include consideration of the multi-year financial plan and priorities established by the Board. The Board is further authorized to vary the term of the financial plan and may adopt amendments to it.

Annual budget adoption

Review of the submitted budget. Upon receipt of the annual budget, the Finance Committee shall review the budget to determine the need for the expenses requested and the adequacy, reliability and propriety of estimated revenues. Once the Finance Committee's review is complete the submitted budget will be forwarded for approval by the Executive Committee at their regular meeting in November.

Adoption of the budget. At their regular meeting in December the Board shall adopt the annual budget with or without alteration or amendment.

Alteration of dates and deadlines. The Board may change the dates for the elements of the budget adoption process. The annual budget shall be adopted and passed not later than 10 days before the beginning of the fiscal year.

Contingent account

The annual budget shall contain an expense allocation amounting to not less than one or more than three percent of estimated revenues as a contingent account. In case of emergency or as an unbudgeted opportunity arises the director of any department may make a request for funding from the contingent account, stating the facts constituting such emergency and needs in detail. Such request shall be presented to the Chief Executive Officer, who may allocate funds from the contingent account, as requested by the department director.

Quarterly budget reports

The Chief Executive Officer, with the assistance of the Chief Financial Officer, will prepare a quarterly budget report analyzing actual and anticipated revenues and expenditures for the first three quarters of every fiscal year. These reports will be presented to the Finance Committee. The Chief Executive Officer and the Chief Financial Officer will be available to respond to any issues raised during the committee presentation. The Chief Financial Officer will explain any anomalies in the report including any material expense or revenue exception which are not part of a normal pattern or will most likely negatively or positively impact current year net assets.

Budget transfers

After passage of the annual budget, upon recommendation of the Chief Financial Officer, the Chief Executive Officer may transfer funds budgeted for one department to any other department. subject to the certification of available funds by the Chief Financial Officer.

Banking Policies

Selection of depositories

The Chief Financial Officer shall select and recommend to the Board banks or banking institutions which meet Visit KC's established minimum banking criteria, as amended from time to time, and which will agree to act as depositories for Visit KC's funds with the option of termination by either Visit KC or the bank or banking institution on giving 30 days' written notice to the other party. The Chief Financial Officer, with approval of the depository bank or banking institution, may extend such contract for additional periods as mutually agreed upon. The Chief Financial Officer shall keep Visit KC's funds in banks or banking institutions who shall provide FDIC insurance and enter any other security or custodial agreements, as may be required by Visit KC.

Deposit requirements

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

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 Finance Department 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.

Agents or private contractors. Agents or private contractors charged with collecting moneys belonging to the Visit KC shall be required to meet Visit KC's daily deposit requirements as described above, unless otherwise specified by the Chief Financial Officer.

Borrowing

Upon recommendation of the Finance Committee, the Executive Committee may authorize the Chief Financial Officer to borrow money from approved depositories or other financial institutions to meet Visit KC's operating, capital, or liquidity needs. All such loan arrangements will be reviewed and approved by the Finance Committee with regards to provider, amount, rate, duration, and any other credit terms. Prior to making its recommendation to the Executive Committee, the Finance Committee will review Visit KC's financial condition, ability to repay, leverage ratios, etc. and the proposed loan's fit within Visit KC's annual budget and long-term financial plan.

Investment of idle cash

Whenever the funds of Visit KC exceed the amount for which depositories have insured or otherwise secured or there are surplus or reserve funds which, in the judgment of the Chief Financial Officer, should be invested, the Chief Financial Officer, or his/her designee, is authorized to invest such idle funds of Visit KC in accordance with Visit KC's investment policy.

Care, custody and disposition of investment securities

All securities purchased for investment of funds shall be under the care of the Chief Financial Officer or his/her designee and these officials may contract with a designated depository bank or trust company for the safekeeping of the securities owned by Visit KC, which bank or trust company shall give its receipt therefore to the authorized officials. The Chief Financial Officer 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 Visit KC the sums collected for maturing bonds and coupons or other interest payments.

Investment Policy

It is the policy of Visit KC to invest its idle funds in a manner which will provide maximum security with the highest investment return while meeting daily operating cash flow requirements

Visit KC's investment policy shall be as recommended by its Finance Committee and approved by resolution of the Board. The policy shall be reviewed on an annual basis by the Chief Financial Officer and any modifications made thereto must be approved by the Finance Committee and the Board.

Management responsibility for the investment program is hereby delegated to the Chief Financial Officer, who shall establish procedures for the operation of the investment program consistent with this investment policy. Procedures include (but are not limited to): the execution of security agreements, safekeeping agreements, wire transfer agreements, and banking service contracts. Agreements shall include explicit delegation of authority to persons responsible for acting on behalf of Visit KC. No person may engage in an investment transaction except as provided under terms of this policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The Finance Committee shall set and monitor policies, provide general investment guidance and implement necessary monitoring mechanisms. At its regular meeting, the committee will review performance, policy, procedures and market conditions.

Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with the investment policy and written procedures and exercising due diligence shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

The "prudent person" concept discourages speculative transactions; it attaches primary significance to the preservation of capital and secondary importance to the generation of income and capital gains. The "prudent person" is expected to be a reasonably well-informed person, not a professional investor or market maker, who is obligated to act responsibly.

Ethics and conflict of interest

Officers and employees involved in the investment process shall refrain from personal business activity that could create an appearance of impropriety, conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Chief Financial Officer any material financial interests in

financial institutions that conduct business within this jurisdiction and shall further disclose any large personal financial/investment positions that could be related to the performance of the city's portfolio. Employees and officers shall subordinate their personal investment transactions to those of Visit KC, particularly regarding the timing of purchases and sales. Furthermore, employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of Visit KC.

Scope

This policy applies to all Visit KC monies identified as idle, surplus and reserve.

Objectives

The primary objectives, in priority order, of Visit KC's investment activities shall be:

Legality. The Chief Financial Officer and those authorized by him/her will invest Visit KC's excess funds only within the legal guidelines set forth by the Constitution and Statutes of the State of Missouri. Any investment alternative outside these guidelines is not permissible. Furthermore, Visit KC seeks to promote and support the objectives of the United States ("U.S.") foreign policy regarding terrorism. Accordingly, investments in companies, their subsidiaries, or affiliated entities that are known to sponsor terrorism or aid the government in countries that are known to sponsor terrorism are prohibited.

Safety. Safety of principal is the foremost objective of the investment program. Investments of Visit KC shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

Liquidity. Visit KC's investment portfolio will remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with anticipated cash needs. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

Return on investment. Visit KC's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering Visit KC's investment risk constraints, liquidity needs, and the cash flow characteristics of the portfolio.

Active management and performance standards

It is the policy of Visit KC to actively manage the investment portfolio within the constraints outlined in this investment policy versus an exclusive "buy and hold" philosophy. The prohibition of speculative investments precludes pursuit of gain or profit through unusual risk. However, trading in response to changes in market value or market direction is warranted under an active portfolio management strategy. Given this strategy, the Chief Financial Officer may recommend an appropriate performance benchmark to determine whether market yields are being achieved for approval by the Finance Committee.

Credit risk

Visit KC will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Purchasing securities of the highest credit quality based on current ratings provided by nationally recognized statistical rating organizations ("NRSROs").
- Diversifying the portfolio with respect to maturity, issuer, and security type so that potential losses on individual securities will be minimized.
- Pre-qualifying the financial institutions and broker/dealers with which Visit KC will do business for broker services and repurchase agreements.
- Conducting regular credit monitoring and due diligence of these issuers, financial institutions, and broker/dealers.

Interest rate risk

Visit KC will minimize the risk that the market value of securities in the portfolio will materially fall due to changes in general interest rates, by:

- Targeting an effective duration of less than 1.75 and an effective weighted average maturity of less than 2.5 years.
- Holding at least 25 percent of the portfolio's total market value in securities with a maturity of 12 months or less.

Authorized and suitable investments

Visit KC is empowered to invest in the following types of securities (unless otherwise noted below, Visit KC's investments are restricted to a five-year final maturity date):

- U.S. Treasury securities (bills, notes, bonds, and strips)
- U.S. agency/GSE securities. Visit KC may invest in obligations issued or guaranteed by any agency of the U.S. government and in obligations issued by any government sponsored enterprise ("GSE") which have a liquid market and a readily determinable market value that are described as follows:
 - U.S. government agency coupon and zero-coupon securities.
 - U.S. government agency discount notes.
 - U.S. government agency callable securities. Restricted to securities callable at par only.
 - U.S. government agency step-up securities. The coupon rate is fixed for an initial term. At the step-up date, the coupon rate rises to a new, higher fixed interest rate.
 - U.S. government agency floating rate securities. Restricted to coupons with no interim caps that reset at least quarterly and that float off of only one index.
 - U.S. government agency/GSE mortgage backed securities (e.g., MBS, CMOs, pass-thru securities). Restricted to securities with final maturities of five years or less or have the final projected payment no greater than five years when analyzed in a +300-basis point interest rate environment.
- Collateralized time deposits (non-negotiable certificates of deposit).
- Repurchase agreements. Visit KC may invest in contractual agreements between Visit KC and commercial banks or primary government securities dealers. The Securities Industry and Financial Markets Association's (or any successor's thereto) guidelines for the master repurchase agreement will be used and will govern all repurchase agreement transactions. All repurchase agreement transactions will be either physical delivery or tri-party.

- Municipal securities (state and local government obligations). Visit KC may invest in municipal obligations that are issued in either tax-exempt or taxable form.
 - Any full faith and credit obligations of the state rated at least A or A2 by S&P or Moody's.
 - Any full faith and credit obligations of any city, county, or school district in the state rated at least AA or Aa2 by S&P or Moody's.
 - Any full faith and credit obligations, revenue bonds, or special obligation bonds of the city rated at least A or A2 by S&P or Moody's.
 - Any full faith and credit obligation of any state or territory of the United States of America rated at least AA or Aa2 by S&P or Moody's.
 - Any full faith and credit obligations of any city, county, or school district in any state or territory of the United States of America rated AAA or Aaa by S&P or Moody's.
 - Any revenue bonds issued by the Missouri Department of Transportation rated at least AA or Aa2 by S&P or Moody's.
 - Any municipal obligation that is pre-refunded or escrowed to maturity as to both principal and interest with escrow securities that are fully guaranteed by the U.S. Government, without regard to rating by S&P or Moody's.
 - Money market mutual funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, rated in either of the two highest categories by S&P and Moody's (in either case without regard to any modifier.)
 - Such other investments not described above that are allowed pursuant to Missouri law.

Basis of award

Investment securities acquired by the Chief Financial Officer will generally be selected on the lowest and best offer. All securities acquired and/or sold must be transacted through an approved broker/dealer. When purchasing original issue securities, a rotational basis will apply as all brokers/dealers will offer those securities at the same original issue price. Different investment objectives and/or portfolio needs may lead to a different basis of award but in all cases the lowest and best offer will govern. Some of the different investment objectives may include, but are not limited to, the following:

- Investing for the purpose of matching cash outflows by specific date (e.g., payroll). Visit KC uses a cash flow model to capture the precise day in which cash for a payroll or other cash need is required. If a particular broker has a specific security that best matches the timing for such particular need, a rotational basis of award may not apply.
- Investing for the purposes of maximizing yield and/or total return or rebalancing the portfolio. A particular broker/dealer may have a specific security cheaper than the market at a particular point in time or that may be most beneficial to a particular rebalancing strategy. In these instances, a rotational basis of award may not apply.

Diversification

Visit KC will diversify its investments by security type and institution. Visit KC's investment portfolio shall be diversified by:

- Continuously investing a portion of the portfolio in readily available funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.
- Limiting investments in securities that have a higher credit risk.

- Investing in securities of varying maturities.

The following guidelines represent maximum limits established for diversification by instrument:

- U.S. Treasuries and securities having principal and/or interest guaranteed by the U.S. government - 100%
- Collateralized time and demand deposits - 100%
- U.S. government agencies and government sponsored enterprises (including mortgage-backed securities) - 80%
- Collateralized repurchase agreements - 50%
- U.S. government agency callable securities - 30%
- Certificates of deposit - 25%
- Municipal securities (state and local government obligations) - 30%

Due to normal market fluctuations, maximum percentages for a particular issuer or investment type may be exceeded at a point in time after the purchase of a particular issue or investment type. Securities need not be immediately liquidated to realign the portfolio; however, consideration should be given to this matter as future purchases are made to ensure that appropriate diversification is maintained.

Maturities

To the extent possible, Visit KC will attempt to match its investments with anticipated cash flow requirements. Except for certain mortgage-backed securities as previously defined and state and local government obligations that are pre-refunded to a call date earlier than the maturity date, Visit KC will not directly invest in securities with a stated final maturity date more than five years from the date of purchase.

Authorized dealers and financial institutions

The Chief Financial Officer will maintain a list of financial institutions authorized to provide investment services and periodically review the selection criteria.

The Chief Financial Officer will maintain a list of security dealers authorized, in accordance with the security dealers selection criteria, to provide investment services. If the broker/dealer satisfies all the requirements, they will be added to the list of firms eligible to provide investment services to Visit KC.

Periodic reviews of the financial condition and registration of qualified bidders shall be conducted by the Chief Financial Officer.

Collateralization

Collateralization may be required on demand deposit accounts, money market banking accounts, certificates of deposit, and time deposits.

Collateral, which is accepted at the discretion of the Chief Financial Officer, is specified in the RSMo 30.270.

Collateral shall have a market value equal to 102 percent of the amount of the Visit KC investment less any amount insured by the Federal Deposit Insurance Corporation, or other governmental agency performing similar functions.

Securities pledged as collateral will always be held by the Federal Reserve Bank with whom Visit KC has a current custodial agreement.

The right of collateral substitution is granted.

Safekeeping and custody

All security transactions will be executed (cleared and settled) by Visit KC and shall be conducted on a delivery-versus-payment ("DVP" - delivery of securities with an exchange of money for the securities) basis to ensure that the securities are deposited in the city's safekeeping institution at the same time the funds are released.

Any security transaction performed on a "free delivery" (or delivery versus receipt - delivery of securities with an exchange of a signed receipt for the securities) basis must be pre-approved by the Chief Financial Officer.

Securities will be held in the Visit KC's name by a financial institution designated by the Chief Financial Officer and evidenced by safekeeping receipts.

Internal control

The Chief Financial Officer has established and implemented internal to prevent loss of funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by Visit KC employees.

The Chief Financial Officer shall designate in writing those individuals in addition to the Chief Financial Officer who are authorized to invest Visit KC's monies. Such authorization letters shall be delivered to each authorized financial institution or security dealer.

Those individuals making an investment of Visit KC's monies with an authorized financial institution or security dealer shall provide instruction for delivery of the security being purchased. In addition, the safekeeping financial institution shall be provided details for the security purchase and to deliver payment upon delivery of the security.

Those individuals making the investment of Visit KC monies shall provide details of said investment to personnel within the Finance Department for entry into the accounting system. The Finance Department will verify and reconcile all investment transactions to Visit KC's general ledger and to its bank accounts.

Visit KC's investment portfolio shall be subject to an annual audit by an independent audit.

Reporting

The Finance Department is charged with the responsibility of preparing the monthly financial reports. If Visit KC's investment program progresses beyond the use of a money market account and/or the purchase of time deposits, the following elements may be added to the monthly financial report:

- Monthly investment portfolio report: listing of investment transactions summarized by category, including par value, fair market value, book value, percent (of category to total), weighted average maturity in days, and weighted average yield per type.
- Monthly investment activity: listing of investment purchases and sales by date, type, maturity date (or expected call date), purpose, yield, and amount. At each meeting of the Finance

Committee the prior period's investment activity shall be reported and approved by the Finance Committee.

- Monthly calculation of the market value of the portfolio and a statement of market value to ensure that a review of the investment portfolio, in terms of value and price volatility, has been performed.
- Security transaction activity reports.

Investment policy adoption

The investment policy shall be reviewed annually by the Finance Committee and any modifications made thereto must be approved by them. Any material changes to Visit KC's investment policy shall be adopted by resolution of the Board.

Procurement Policy

The Chief Executive Officer shall adopt procedures to administer this procurement policy.

General standard

Except as otherwise provided herein all Visit KC contracts shall be procured as follows:

Contracts exceeding \$10,000.00. If the contract's estimated consideration exceeds \$10,000.00, Visit KC shall issue public notice within a reasonable time as determined by the Chief Executive Officer, Vice President of the contracting department, or Chief Financial Officer when soliciting such contract, prior to the closing date of the solicitation. Such notice may be made by publication on the world wide web, appropriate print media, or any other means of publicly making the solicitation known to potential bidders or proposers. Sealed bids or proposals are required.

Contracts between \$1,000.00 and \$10,000.00. If the contract's estimated consideration is between \$1,000.00 and \$10,000.00, unsealed bids or proposals shall be solicited by any reasonable method from at least three qualified sources or fewer if less than three qualified sources exist. Sealed bids or proposals and public notice may be used but their use is not mandatory.

Contracts \$1,000.00 or less. If the contract's estimated consideration is \$1,000.00 or less, or if the expense is to be incurred through the use of a bank card pursuant to procedures implemented by the Chief Financial Officer, such regulations being hereby authorized, sealed or unsealed bids or proposals may be required but their use is not mandatory and Visit KC is authorized to execute a contract without any solicitation.

Contract solicitation waivers

The Chief Executive Officer is authorized to waive the solicitation requirements for any contract with an estimated cost of \$10,000.00 or more if the director of the contracting department or the Chief Financial Officer explains based on the circumstances of the procurement, in writing, that:

- There exists a potential emergency or disaster; or
- There exists a potential imminent threat to life, health, property, or essential operations of Visit KC; or
- Solicitation would result in substantial increased cost for Visit KC; or
- It is necessary to provide or continue to provide essential services or meet Visit KC contractual obligations.

Minority and women's business enterprise program

The City has established a Minority and Women's Business Enterprise (MBE/WBE) Program to ensure that MBE/WBEs have equal opportunity to participate in third-party contracts and procurements.

Visit KC is an Agency of the City, as defined in the City's Code of Ordinances (the Code), and therefore, will comply with achieving overall City goals relating to the discretionary budget of Visit KC, including but not limited to, submission of an annual MBE/WBE Utilization Plan to the Director of the Department Human Relations, the setting of goals on a contract-by-contract

basis in order to achieve the overall goals and annual reporting to the Director of Human Relations if required by the Code.

Furthermore, in planning its individual contracts, Visit KC shall utilize the methodology described in the Code and use its best faith efforts to encourage and attempt to obtain participation of qualified, certified MBEs and/or WBEs and shape the specifications and size of contracts to enhance such participation. Visit KC shall encourage eligible businesses to: (a) apply to the City's Human Relations Department, the Kansas Department of Transportation (KDOT) and Missouri Department Transportation (MoDOT) for certification; (b) have their names included on department bidder's and proposer's lists and in the City's MBE/WBE directory; (c) seek prequalification when applicable; and (d) compete for City business as prime contractors, subcontractors and suppliers.

Visit KC shall make reasonable efforts to: (a) advertise contract opportunities in general circulation media, trade and professional association publications, small business media, and publications of minority and women's business organizations; (b) send written notice of specific contract opportunities to MBE/WBE business organizations and those entities on the departmental bidder's proposer's list; and (c) with the assistance of the Director of Human Relations, shape scope, specifications and size of contracts to enhance participation opportunities for qualified, certified MBEs and WBEs.

Visit KC will submit its MBE/WBE Utilization Plan to the Director of the Department of Human Relations within four weeks after the execution of this Contract and thereafter submit the Plan annually to the Director by May 1 of each contract year. Visit KC will permit the Director of the Department of Human Relations access to its books and records to verify compliance with this provision.

Rejection of bids, proposals, qualifications

Visit KC may reject any and all bids or proposals for any or no reason. If all bids or proposals have been rejected, Visit KC may do one or more of the following:

- Resolicit bids or proposals only from those bidders or proposers that submitted a bid or proposal pursuant to the original solicitation; or
- Use an expedited bid or proposal submission schedule with or without re-advertising or issuing any other notice when Visit KC determines that the delay from the normal solicitation procedure would not be in its best interests; or
- Elect not to execute a contract.

Nothing in this policy shall be construed as obligating Visit KC to negotiate or execute any contract if it determines, at any point in time, that any project or solicitation should be terminated or cancelled for any or no reason.

Contract award

Except as otherwise provided, all contracts in which bids or proposals were required shall be awarded to the lowest and best bidder or best proposer as determined by Visit KC in its sole discretion, after due opportunity for competition.

In addition to awarding a contract to the lowest and best bidder or proposer, the Chief Executive Officer may award contracts to multiple bidders or proposers if it is in Visit KC's best interests to do so.

Post solicitation waivers of solicitation and procedure requirements

Chief Executive Officer waivers. The Chief Executive Officer may waive any requirements imposed by any solicitation or by any procedure if the Chief Executive Officer determines, that:

- The failure to grant the waiver would result in a substantial increased cost to Visit KC or harm other policies or procedures and the requirement is one that would be waived for any bidder or proposer responding to the solicitation; or
- The failure to grant the waiver would create a potential imminent threat to life, health, property, or essential operations of Visit KC; or
- It is in the best interests of Visit KC to grant the waiver for any other reason consistent with protecting or enhancing Visit KC policies, funds, assets, or any consideration that benefits Visit KC.

Board waivers. The Board at any time may waive any provision of this policy regarding the solicitation or award of any Visit KC contract if it finds that:

- The failure to grant the waiver would be detrimental to the health, welfare, safety or essential operations of Visit KC; or
- The waiver is necessary to participate in a purchasing pool or cooperative or a contract derived from a purchasing pool or cooperative; or
- The good, supply, material, equipment or service is from a sole source; or
- The failure to grant the waiver would result in an increased cost to Visit KC, the requirement is one that would be waived for any bidder or proposer responding to the solicitation, and it is in the best interest of Visit KC to grant the waiver; or
- It is otherwise in the best interests of Visit KC for any other reason as determined by the Board.

Bid revisions

Visit KC may negotiate a revised bid with the apparent lowest and best bidder, including changes in bid requirements, price, scope, specifications or quantity, if the bid exceeds the budget for that project and the Chief Executive Officer, a director, or the Chief Financial Officer determines that resoliciting bids is not in Visit KC's best interests.

Contract Policy

Upon approval of the annual budget by the Board, the following contract provisions shall control:

Contract approval

The Chief Executive Officer and departmental Vice Presidents are authorized to enter into any and all contracts and cooperative agreements on behalf of Visit KC without Board authorization in which the term does not exceed six years or six one-year terms and the consideration does not exceed \$2,500.00.

The Chief Executive Officer and Chief Financial Officer are authorized to enter into all contracts and cooperative agreements on behalf of Visit KC without Board authorization in which the term does not exceed six years or six-one year terms and the estimated consideration does not exceed between \$2,500.00 and \$5,000.00.

The Chief Executive Officer is authorized to enter into all contracts and cooperative agreements on behalf of Visit KC without Board authorization in which the term does not exceed six years or six-one year terms and the estimated consideration exceeds \$5,000.00.

No party in a single fiscal year may receive multiple contract awards related to a particular procurement that in sum exceed the maximum allowable thresholds without appropriate authorization.

Contract term

Maximum term. No contract shall be let or amended in such a manner as to exceed six years in maximum duration or six one-year terms except upon authorization of the Board, provided however that this provision shall not prohibit Visit KC from entering into one or more successive contracts with the same contractor and for the same or similar goods, supplies, materials, equipment, or services so long as such contracts are procured in accordance with Visit KC's procurement policy.

Transitional term. Notwithstanding the foregoing, the Chief Executive Officer may extend the maximum term of any contract by up to two additional years provided Visit KC is soliciting bids or proposals for the goods, supplies, materials, equipment, or services being provided and the goods, supplies, materials, equipment, or services are of such a nature that the Chief Executive Officer determines it is in the best interests of Visit KC to extend the contract.

Execution and filing of contracts. All contracts shall be executed in the name of Visit KC and originals thereof shall be filed with the finance department and the department awarding the contract.

Financial obligation. No contract or purchase order purporting to impose any financial obligation on Visit KC shall be binding unless it is in writing, there is a balance sufficient to meet the obligation thereby incurred and it has been approved by an appropriate contracting party, as previously described in the section entitled Contract Approval.

Payment Policy

Policy

It shall be the policy of Visit KC to utilize the most efficient means to pay all financial obligations when due including but not limited to vendor and employee payments. Acceptable payment channels include but are not limited to check, wire transfer, Automated Clearinghouse (ACH) and bank card.

Delegation

Delegation for payment of all Visit KC financial obligations is hereby made to the Chief Executive Officer and Chief Financial Officer.

Payment Authorities

The following Board and staff officers will act as Visit KC's payment authorities:

- Chair
- Vice Chair
- Treasurer
- Chief Executive Officer
- Chief Financial Officer

All Payment Authorities will be ratified by Board resolution. The Chief Financial Officer will prepare all required bank agreements, signature cards, on-line access, etc. to establish and maintain approved Payment Authorities.

Payments

- Payments under the amount of \$10,000 and recurring expenses such as rent, postage, leases, employee benefits, etc. may be approved by staff officers.
- Payments over the amount of \$10,000 require the approval of one (1) staff officer and one (1) board member.
- Payments to the Chief Executive Officer or Chief Financial Officer (e.g., travel reimbursement), regardless of the amount, require the approval of either two (2) board members or one (1) board member and one (1) staff officer.
- Authorized Payment Authorities may not approve payments to themselves. The only exceptions to this rule are payments generated through the outside payroll provider via an automated payroll system.

Procedures

The Chief Financial Officer will:

- Develop and maintain standard operating procedures (SOPs) for all payment channels – check, wire, ACH, bank card, etc.

- Determine workflow, payment channel, timing and frequency for all payments.
- Execute and maintain all required bank and card agreements and contracts.
- Administer on-line banking and payment systems.
- Ensure proper internal controls and payments security.
- Document and maintain all payment-related recordkeeping standards.
- Report payment activity to the CEO and Board, as required.

Reporting

The Chief Financial Officer will provide a monthly report to the Chief Executive Officer listing all payments. Additionally, the Chief Financial Officer will prepare a monthly report listing all payments of \$10,000 or more for inclusion with the monthly financial report with a direct copy to the Treasurer.

Financial Reserve Policy

Policy

It is the policy of Visit KC to maintain its financial reserves at levels sufficient to pay obligations when due, address emergencies, cover temporary revenue shortfalls and provide stability throughout economic cycles in accordance with best practices for destination management organizations. Visit KC's financial reserve policy is its official guideline for use by staff in conjunction with budgeting and financial planning efforts. The policy shall be reviewed on an annual basis by the Chief Financial Officer and any modifications made thereto must be approved by the Board.

Authority

Under the authority granted by the Board, the Chief Executive Officer is authorized to direct the financial affairs of Visit KC. It is the Chief Executive Officer's intent to responsibly use this authority to fulfill the strategic and service objectives of the Board. Management responsibility for Visit KC's financial reserves is hereby delegated to the Chief Financial Officer.

Scope

This financial reserve policy shall be inclusive of all funds of Visit KC.

Objectives

- To establish appropriate financial reserve levels for VKC.
- To set guidelines for reserve levels.
- To determine procedures for replenishment of reserves if drawn below recommended levels, if necessary.

Definitions

Board designated financial reserves. Amounts that are constrained by the Board's intent to be used for specific purposes, as imposed by a formal action of the Board.

Undesignated financial reserves. Represents the amount remaining which has not been classified, as Board designated.

Guidelines

Board designated financial reserves. Board designated financial reserves will include the following amounts:

- Emergency reserve (floor). The emergency reserve portion of the Board designated financial reserve shall not be less than three months of operating expenditures.
- The emergency reserve is available to address one-time operational emergencies, unexpected revenue reductions and/or unanticipated expenditure requirements occurring within a fiscal year. Funds may be withdrawn from this emergency reserve when an emergency has been recognized by the Board prior to fiscal year end, any budgeted contingency funds have been exhausted and the countercyclical reserve has been exhausted. A resolution authorizing use

of the emergency reserve shall include language stating the Board is waiving the financial reserve policy for a use of the emergency reserve.

- Countercyclical reserve (ceiling). The countercyclical reserve, when combined with the emergency reserve, shall not be greater than six months of operating expenditures.
- The countercyclical reserve may be established by the Chief Financial Officer in the maximum amount described above for varying purposes including, but not limited to revenue reductions, capital maintenance, construction projects, equipment replacement, legal claims and disaster recovery. The Chief Financial Officer may authorize the use of the countercyclical reserve when a withdrawal is needed, as directed by the Chief Executive Officer.
- Event Subsidy Reserve. In the event that both the Emergency and Countercyclical Reserves are fully funded, Visit KC may additionally establish an Event Subsidy Reserve to provide a source of funding to cover the cost of expenses incurred as a result of bringing future convention business to Kansas City without creating excess strain on the operating budget of the organization. This reserve will be maintained at a level sufficient to cover 100 percent of the total amount of commitments listed on the records of Visit KC in any given year. The use of this reserve may be accessed at the direction of the Chief Executive Officer, as requested by the Senior Vice President of Sales and Services.
- Opportunity Reserve. In addition to the Event Subsidy Reserve, Visit KC may create an Opportunity Reserve to provide funds to take advantage of an opportunity or meet a need that furthers the mission of the organization which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organizational capacity building such as research, marketing, public relations or development. The target amount for the Opportunity Reserve is \$500,000.

Undesignated fund balance. Any amount in excess of Board designated financial reserves is by definition undesignated. If necessary, all or a portion of undesignated financial reserves may be appropriated in the following fiscal year's budget for uses including, but not limited to, the following:

- Prepayment of principal and interest on any VKC debt.
- Offsets to temporary revenue reductions from public and private sources.
- One-time expenditures that do not increase recurring operating costs.
- Establishment of or increase in board designated reserves.
- Start-up expenditures for new programs.

Annual funding

The Chief Executive Officer will include an amount in the annual budget submittal designated to build Visit KC's financial reserves to the levels outlined in this policy.

Financial reserve replenishment

Once the emergency reserve has initially been fully funded, if the emergency reserve should fall below its floor, the Chief Financial Officer will prepare and present to the Board a plan to replenish the emergency reserve. The Board must approve and adopt a plan within 12 months after the

emergency reserve first falls below its floor, which establishes a time frame to restore the reserve to, at minimum, its floor level.

Waiving recommended levels

The Board may waive, by resolution, the requirement to maintain reserves at the recommended levels if it finds that it is in the best interests of VKC.

Structurally Balanced Budget Policy

Policy

It is the policy of VKC to maintain a structurally balanced budget to sustain agreed upon service levels. The VKC's structurally balanced budget policy is the city's official source for developing sustainable service delivery on an annual basis.

Authority

Under the authority granted by the Board, the Chief Executive Officer is authorized to direct the financial affairs of Visit KC. It is the Board's intent to use this authority responsibly to fulfill the service objectives of Visit KC. Management's responsibility for the structurally balanced budget policy is delegated to the Chief Financial Officer.

Scope

The structurally balanced budget policy is inclusive of all activity of Visit KC and incorporates recommended best practices for destination management organizations.

Definitions

Non-recurring expense. A charge or expense that is unlikely to occur again in the normal course of business.

Non-recurring revenue. A revenue gain or increase of an infrequent or unique nature that is unlikely to occur again in the normal course of business.

Recurring expense. A cost that is highly likely to occur annually such as salaries, benefits, materials, services, and asset maintenance costs.

Recurring revenue. The portion of a Visit KC's revenues that can reasonably be expected to continue year-to-year, with some degree of predictability.

Reserves. The portion of fund balance set aside as a hedge against the risks of underperforming revenue streams.

Structurally balanced budget. A budget that supports financial sustainability for multiple years into the future.

Year-end surplus. Funds not expended within the fiscal year to fund services that are recurring or non-recurring.

Guidelines for structurally balanced budget

Visit KC shall annually adopt a balanced budget, which requires recurring revenue to be equal to or exceed recurring operating expenses.

Increases in expenses, decreases in revenue, or a combination of the two shall be used to balance the budget.

Non-recurring revenues shall be used to fund non-recurring expenses under normal circumstances.

Any year-end operating surpluses shall revert to undesignated fund balance to assist in reaching the required reserve levels as set by the financial reserve policy. Any surplus above the required levels may be used to support one-time expenses only.

Visit KC shall assure decision makers and stakeholders have information during all phases of the budget process, including but not limited to, the current financial condition of Visit KC, the impact of the proposed or actual budget, and the outlook and trends.

Visit KC shall adjust its policies, plans, programs and management strategies during a current budget period, as appropriate, to stay within funds available. In addition, Visit KC shall use its long-term financial planning and budget processes to develop a strategy that provides details for using and replenishing fund balance to levels outlined in the financial reserve policy.

Visit KC shall identify major revenue sources it considers unpredictable and define how those revenues may be used.

Visit KC shall develop a policy to guide the financial actions it shall take in the event of emergencies, natural disasters, downturns in the economy, or other unexpected events. The policy shall include methods of regaining a structural balance if draws on reserves are required.

Revenue Policy

Policy

It is the policy of the Visit KC to maintain a revenue system that meets the immediate and long-term service delivery needs and follows best practices for administration and collection. Visit KC's revenue policy is the official guideline to be used by the Board and Visit KC management in conjunction with its budgeting and financial planning efforts.

Authority

Authority to execute and manage the collection and administration of the Visit KC's revenue structure is derived from the Board of Directors. Management responsibility for Visit KC's revenue structure is delegated to the Chief Financial Officer.

Scope.

The revenue policy shall be inclusive of all revenue sources of Visit KC.

Objectives.

- To establish policies for reviewing existing and potential revenue streams.
- To maintain a revenue structure that meets the operational and capital requirements of Visit KC.
- To set basic guidelines for revenue sources other than taxes and fees.
- To establish review processes that provide early warning signals regarding revenue fluctuations.
- To create a structure that is fair, equitable and sufficiently attractive to Visit KC's partners and industry participants.

Revenue structure

Visit KC shall consider, at minimum, the following six (6) characteristics when weighing any changes to its revenue structure or when evaluating the continuance of a fee or charge. Dependability shall be Visit KC's primary review consideration followed closely by equity and diversity. Other characteristics, including potential for growth, renewal periods, and ease of administration, shall be considered secondary.

- *Dependability.* Visit KC shall include fees and charges in its revenue structure that produce a consistent level of revenue from period to period.
- *Equity.* Visit KC shall consider the fair distribution of burden on partners and industry participants when considering new or renewing existing and continuing revenue sources.

- *Diversity.* Visit KC shall strive to maintain a diversified mix of fees and charges to protect it from short-term fluctuations in any of its various revenue sources. Visit KC should also support economic policies designed to attract businesses that grow and increase the tax base.
- *Growth.* Visit KC shall seek to include revenue streams that grow over time at a rate that exceeds the rate of inflation.
- *Renewals.* To reduce volatility, Visit KC shall strive to limit both the dollar amount and number of revenue sources subject to renewal periods of five years or less. Any newly authorized revenue stream with a sunset ideally shall not be used to fund recurring service delivery costs.
- *Ease of administration.* The Visit KC revenue mix should facilitate compliance and be applied uniformly. Efficiency in administering fees and charges should also be considered including source and cost of collection.

Revenue estimates

Revenues estimates shall be prepared annually using an objective and analytical approach based on local, regional and national economic trends and their impact on revenue. This process should assist Visit KC in achieving consensus on revenue estimates for the budget. To assist in determining if current programs and service levels can be sustained in the future and to identify potential problems that need to be addressed, Visit KC should also prepare multi-year revenue projections. The forecast period should be three to five years. Visit KC should maintain an in-depth understanding of its major revenue sources to both decrease potential gaps between revenue estimates and actual collections and evaluate potential changes to revenue source rates and bases. Visit KC shall prepare and maintain a revenue manual that documents revenue sources and factors relevant to present and projected revenue collections. Visit KC should evaluate revenue and expenditure options together and consider the implications for other financial indicators prior to making specific choices regarding the proposed budget.

One-time and unpredictable revenue

One-time, limited term resources or unpredictable revenue such as proceeds from asset sales, debt refinancing, one-time grants, legal settlements, revenue spikes, budget savings and similar nonrecurring resources shall not be used for current or new ongoing operating expenses. Appropriate uses of one-time and unpredictable revenue include building and maintaining financial reserves early retirement of debt, capital improvements, or capital maintenance expenditures and other non-recurring expenditures.

AUDIT REPORT TRACKING SYSTEM (ARTS)

SECTION I: SUMMARY INFORMATION			
Audit Title:	Visit KC Can Improve Reporting to City and Address Conflict of Interest Issues	Audit Release Date:	11/12/2019 Full Report / Highlights
Department:	Visit KC Board	Last Report Date:	05/14/2020
Department Director:	Cindy Circo, Visit KC Board Chair	This Report Date:	09/30/2020
Contact Person/Phone:	816-616-9520	Expected Presentation Date:	10/14/2020
SECTION II: PRIOR ARTS REPORTS			
First ARTS Report 05/14/2020			
SECTION III: SUMMARY OF RECOMMENDATION STATUS			
7. Implemented 04/13/20		12. Implemented 01/21/20	
SECTION IV: SUMMARY OF IMPLEMENTATION EFFORTS			
Recommendation 7: The Visit KC Board Chair should ensure board members submit financial disclosures to the city clerk annually in accordance with City Code Section 2-2024 and contract requirements.			
Status of Recommendation: Implemented			
During the January 21, 2020 board meeting, Visit KC's Board Chair requested 2020 Financial disclosures. Last form was submitted to the Clerk's office on April 13, 2020.			
Recommendation 12: The Visit KC Board Chair should develop an ethics policy and procedures that address conflicts of interest and the appearance of a conflict of interest for all Visit KC board members.			
Status of Recommendation: Implemented			
Visit KC implemented its code of ethics policy by adopting the City's policy for boards and commissions as per the City.			
SECTION V: ADDITIONAL OUTCOMES			

CODE OF ETHICS POLICY FOR VISIT KC

Introduction

As a nonprofit organization at the forefront of the hospitality and tourism industry, Visit KC's policy is to uphold the highest legal, ethical, and moral standards. Our partners and community support Visit KC because they trust us to be good stewards of their resources, and to uphold rigorous standards of conduct. Our reputation for integrity and excellence requires the careful observance of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

Visit KC must comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter and spirit of all relevant laws; to refrain from any illegal, dishonest, or unethical conduct; to act in a professional, businesslike manner; and to treat others with respect. Directors and officers should not use their positions to obtain unreasonable or excessive services or expertise from Visit KC's staff. In general, the use of good judgment based on high ethical principles will guide directors, officers, and employees with respect to lines of acceptable conduct. However, if a situation arises where it is difficult to determine the proper course of conduct, or where questions arise concerning the propriety of certain conduct by an individual or others, the matter should be brought to the attention of Visit KC's Board chair or Vice Chair. In all questions involving ethics and conduct, the board will make relevant determinations, except that any individual whose conduct is at issue will not participate in such decisions.

Pursuant to Section 610.010 (4) (f) RSMO, Kansas City Convention & Visitors Bureau d/b/a VisitKC is a Missouri not for profit corporation and is considered a quasi-public governmental body that is subject to the requirements of Kansas City Charter, Article XII, Sec. 1203 ([Code of Ethics](#)).

Each board member (mayoral appointee and non-mayoral appointee) shall adhere to Visit KC's Code of Ethics and must sign an affirmation annually by June 1 of each year.

Purpose

The purpose of this code of ethics is to establish minimum ethical standards of conduct for all officials and employees by setting forth those acts or actions that are incompatible with the best interests of the city and by directing disclosure by such officials and employees of private financial or other interests in matters affecting the city. This code of ethics is designed to prevent unethical behavior, to avoid even the appearance of impropriety, to provide meaningful redress, and to encourage transparency in government.

Definition of Boards and Commissions

The mayor and the mayor's assistants; a member of the city council and a member's assistants; a member of any city board, commission, authority, task force, committee or other organized group of people called to serve the city; a member of any other board, commission or other organized group of people appointed to that group to serve as a representative of the city; the city manager and all assistant city managers; department directors, including the city clerk and city auditor, and their deputies; contract employees; and all other employees of the city.

Section 2-2024 (d). Boards, commissions and other entities defined. Members of boards, commissions and other entities receiving substantial funding by the city or which make recommendations on the expenditure of public funds required to file annual financial disclosure reports with the city clerk shall include those persons who are members of the following boards and commissions: (50) Visit KC.

Conflict of Interest (Sec. 2-2002)

May not use office in a manner which may result in a personal or financial benefit to you, immediate family, and civic groups and organizations on which you serve on organization's administrative or governing body.

Definition (Sec. 2-2020)

A pecuniary, property, or commercial interest, or any other interest the primary significance of which has been, will be, or might be the realization of economic gain or the avoidance of economic loss to an elected official, board member, his or her relative, or his or her designee whether direct or indirect; provided, however, that "interest" shall not include any matter involving the common public good or necessity, or any matter in which a similar benefit is conferred to all persons or property similarly situated.

Responsibility

- If serving on a board as a City representative, there is no conflict of interest
- If there is a conflict of interest, the Board must disclose the conflict 'on the record' and withdraw from any discussion on the matter by joining the public or leaving the room
- Includes taking action, failing to take action, and influencing others to take or fail to take action

Disclosure (Sec. 2-1021)

- If you have a conflict, simply disclose and withdraw.
- "I have a conflict of interest and am withdrawing from this matter."
- "Such official or employee should join the public if the withdrawal occurs at an open meeting or leave the room if it is a closed meeting. Section 2021(a)
- If you have a conflict, you should not discuss the issue, provide input, etc., even in interactions other than public meetings.

Gifts Sec. 2-2030 (a) (1)&(2)

Money; Products or merchandise; Works of art or collectibles; Stocks, bonds, notes or options; An interest in real property; Contracts or a promise of a future interest in a contract; An interest or a promise of a future interest in a business; Meals, beverages or lodging; Transportation for non-city purposes; Services, including loaned employees; Loans, loan guarantees, cosigning; Forgiveness of a debt; Discounts or rebates not extended to the public generally; Preferential treatment; Tickets or admissions to events, concerts or performances, other than those provided by the city; Free or discounted use of office facilities; Loan of office equipment; Promise or offer of present or future employment; Use of autos, boats, apartments or other recreational or lodging facilities; Intangible rights such as cause of action; Licenses, patents, copyrights or any interest therein; Fees and honorariums for an appearance or speech, or for participation at any event, in his or her official capacity; excluding payment or reimbursement for reasonable and necessary expenses related to any such activity; and Any other items tangible or intangible having economic value.

Specifically, a gift for purposes of section 2-2030 (a) (2) does not include:

- a. Anything of value accepted by a person whether tangible or intangible from any immediate family member, parent, emancipated child, grandparent, grandchild, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, great uncle, great aunt, first cousin, second cousin, or the spouse or domestic partner of any of these persons, including the transfer or co-mingling of assets or liabilities between spouses or domestic partners;
- b. Campaign contributions which are reported under RSMo Ch. 130, as amended;
- c. Contributions to any cause or organization, including a bona fide charity, made in response to a direct solicitation from an officer or employee;
- d. Wages or salary paid for work or services from outside employment; or
- e. Compensation paid for goods or services to self-employed individuals; or
- f. Travel, expenses, registrations, and similar items provided to a person by a city department or affiliated entity such as the Economic Development Corporation or any of its agencies, Port Authority, or as a result of their membership in a not-for-profit organization existing to assist local governments, such as the National League of Cities, National Black Caucus, Missouri Municipal League, and the Mid-America Regional Council, and other similar groups.

Enforcement: Ethics Commission (City Charter Article XI, Sec. 1116 Section 2-2090, et seq.)

- Established by City Charter and provided additional authority under City Code
- Seven members appointed by the Mayor with at least one member residing in each district and one member appointed as Chair
- Provided the authority to render advisory opinions and report on allegations of violations of the City Charter and ordinances concerning conflict of interest and financial disclosure



To file a complaint alleging a violation of the City's Code of Ethics,
you may complete the form available at:

<http://kcmo.gov/ethicscommission/complaint-form/>

Or filed through the City's Ethics Hotline at 1-800-340-3132