

VETOED

DEC 27 2024

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

AN ORDINANCE appropriating \$1,745,500.00 to certain organizations, listed herein from the undesignated fund balance of the 2024 American Rescue Plan Fund.

ORDINANCE NO. 5928, December 9, 2024

INTRODUCED BY Manuel Abarca IV, County Legislator

WHEREAS, by Resolution 21769, dated October 14, 2024, the County Legislature implemented the method for the distribution of approximately \$70.4 million in remaining Jackson County American Rescue Plan funds by the end of 2024; and,

WHEREAS, ARPA requires that these federal funds may be used only to cover expenses to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel and hospitality; to respond to workers performing essential work during the COVID-19 public health emergency providing premium pay to eligible workers of the State, territory, or Tribal/local government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; for the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal/local government due to COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or Tribal/local government prior to the emergency; and to make necessary investments in water, sewer, or broadband infrastructure; and incurred during the period from March 3, 2021 through December 31, 2026; and,

WHEREAS, ARPA funds must be obligated by December 31, 2024 and spent by December 31, 2026; and,

WHEREAS, an appropriation is necessary in order to place the funds in the proper spending account; now therefore,

BE IT ORDAINED by the County Legislature of Jackson County, Missouri, that the following appropriations be and herby is made:

<u>DEPARTMENT/DIVISION</u>	<u>CHARACTER/DESCRIPTION</u>	<u>FROM</u>	<u>TO</u>
DISADVANTAGED COMMUNITIES:			
SMALL BUSINESS & NON-PROFIT – REVOLVING LOANS:			
ARPA - Undesignated Fund 050-9999	32810 – Undesignated Fund Balance	\$1,745,500	
City of Kansas City 050-0112	56070 – Intergovernmental Agreements		\$1,030,000
Community Capital Fund 050-0112	56789 – Outside Agency Funding		\$540,000
Prospect Business Association 050-0112	56789 – Outside Agency Funding		\$175,500

and,

BE IT FURTHER ORDAINED that the County Executive be and hereby is authorized to execute Cooperative Agreements with the specified agencies, in the respective amount indicated, in forms to be approved by the County Counselor; and,

BE IT FURTHER ORDAINED that the Director of Finance and Purchasing be and hereby is authorized to make all payments, including final payment on the agreements; and,

BE IT FURTHER ORDAINED, that in accordance with current U.S. Treasury Guidelines and under Chapter 10 of the County Code, under the titled section denoted as Competitive Bid Not Required subsection 1030.7 tax exempt organizations and agencies stating that, “competitive bidding shall not be required when funds are appropriated and a contract for services is or will be awarded by resolution or ordinance of the County Legislature to an organization or agency which is exempt from federal income taxation”; meaning all funded categories denoted as grant programs will utilize this mechanism for fast and vetted distribution of funds by the deadline.

Effective Date: This ordinance shall be effective immediately upon its signature by the County Executive.

APPROVED AS TO FORM:

County Counselor

I hereby certify that the attached ordinance, Ordinance No. 5928 introduced on December 9, 2024, was duly passed on December 17, 2024 by the Jackson County Legislature. The votes thereon were as follows:

Yeas 5

Nays 3

Abstaining 0

Absent 1

Excused 0

This Ordinance is hereby transmitted to the County Executive for his signature.

12.17.2024
Date



Mary Jo Spino, Clerk of Legislature

I hereby approve the attached Ordinance No. 5928.

Date

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See attached for veto message.
Frank White, Jr., County Executive

Funds sufficient for this appropriation are available from the source indicated below.

ACCOUNT NUMBER: 050 9999 32810
ACCOUNT TITLE: American Rescue Plan Fund
Undesignated Fund Balance
NOT TO EXCEED: \$1,745,500.00

Date

Chief Administrative Officer



FRANK WHITE, JR.
Jackson County Executive

Date: December 27, 2024

To the Honorable Members of the Jackson County Legislature:

I am returning, without my signature and with formal objections pursuant to the County Charter, the following ordinances purporting to allocate American Rescue Plan Act (ARPA) funds:

Ordinance Numbers:

5913, 5914, 5915, 5916, 5918, 5919, 5921, 5923, 5924, 5925, 5927, **5928**, 5929, 5931, 5932, 5933, 5934, 5935, 5937, 5940, 5941, 5942, 5944, 5947, 5948, 5950, 5951, 5952, 5953.

These ordinances were passed on December 17 and December 19, 2024, without adherence to the basic legal and ethical principles required to govern responsibly.

Legal Concerns and Legislative Actions

On February 19, 2024, Ordinance 5835, introduced by Chairwoman Jeanie Lauer, sought to mandate legal review prior to the passage of legislation—a measure designed to ensure that all legislative actions adhere to legal standards, thereby safeguarding the integrity of our processes. Regrettably, this much-needed ethics reform was defeated by a group of five legislators on the very day it was introduced, without being assigned to committee or undergoing any hearing.

These same five legislators have now passed the ordinances I am returning, all of which:

- **Lacked the required fiscal notes**, obscuring their financial implications.
- **Were not prepared or approved by the County Counselor**, as required by the Rules of the Jackson County Legislature.
- **Were voted on prior to being posted online in their entirety**, depriving the public of an opportunity for review and comment.

- **Contained no explanation of the use or purpose of the funding being proposed,** leaving both the public and stakeholders in the dark.
- **Funded proposed uses that are not allowable uses of ARPA funds,** risking non-compliance with federal regulations.
- **May violate county conflict-of-interest rules,** creating unnecessary legal exposure.
- **Were found unlawful by the County Counselor's Office** for violating both state law and county ordinances.

The process that led to a simple majority of legislators voting in favor of these ordinances fell well short of the transparency, fiscal responsibility, and public service that our residents demand from each and everyone of us.

Legal and Ethical Repercussions

Passing ordinances without proper legal review, fiscal analysis, or public notice carries significant risks:

1. **Federal Reclamation of Funds:** Non-compliance with federal ARPA guidelines could have resulted in the forfeiture of these funds, depriving our community of critical resources.
2. **Litigation Risks:** By promising funding to nonprofits without legal authority, the County exposed itself to potential lawsuits, creating unnecessary financial strain and reputational damage.
3. **Ethical Concerns:** Proposals that potentially violate conflict-of-interest rules erode the integrity of the legislative process and damage public confidence in local government.

The Origin of Ordinance 5955

Ordinance 5955, which represents a responsible and effective use of ARPA funds, is based on the plan introduced in **Ordinance 5908** by my office. This proposal reflected a strategic and balanced approach to ensure ARPA funds were preserved for meaningful investments while complying with federal guidelines.

This ordinance achieves two critical goals:

1. **Long-Overdue Facility Improvements:** Half of the ARPA funds will be used for critical upgrades to county facilities, including improvements to safety, security, ADA accessibility, and customer service experience. These investments will save taxpayers money in the long term while addressing urgent needs.

2. Support for Local Nonprofits: The other half—\$35.4 million—will be awarded to local nonprofits through a transparent and competitive solicitation process. This ensures that funds go to organizations making a tangible difference in disadvantaged communities across Jackson County.

This approach protects federal funds, adheres to all regulations, and reflects a commitment to the long-term needs of our residents.

Call to Action

We cannot continue to legislate in this manner. I urge the Legislature to revisit and enact comprehensive ethics reforms, including those previously proposed by Chairwoman Lauer and others, to ensure:

- **Mandatory Legal Review:** All proposed legislation must be reviewed and approved by the County Counselor before being presented for a vote.
- **Fiscal Transparency:** Every ordinance must include a detailed fiscal note outlining its financial implications.
- **Public Posting of Legislation:** All ordinances and substantive amendments must be posted online at least 48 hours prior to a vote, allowing adequate time for public review.
- **Transparent Agendas:** Meeting agendas must clearly list all topics to be discussed, and no item not on the agenda may be voted on without proper public notice.

Conclusion

The residents of Jackson County deserve better. They deserve governance that is transparent, ethical, and focused on improving their quality of life. Ordinance 5955, built on the foundation of my administration's proposal in Ordinance 5908, serves as a model of responsible governance. It ensures ARPA funds are used to address long-standing needs and support our community's most vulnerable populations.

Let us commit to restoring the integrity of this government and the trust of those we serve. I stand ready to work with the Legislature to implement these reforms and build a stronger, more accountable Jackson County.

Respectfully,



Frank White Jr.
County Executive
Jackson County, Missouri