



The City of Lee's Summit

Final Agenda

Community and Economic Development Committee

Wednesday, March 20, 2019

5:00 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Public Comments
5. **Business**

- A. [2019-2640](#) Presentation and Consideration of Potential August 2019 No Tax Increase Bond Projects

Presenter: Mark Dunning, Assistant City Manager
Bette Wordelman, Finance Director
Various City Staff

6. Roundtable

Adjournment

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Packet Information

File #: 2019-2640, **Version:** 1

Presentation and Consideration of Potential August 2019 No Tax Increase Bond Projects

Issue/Request:

Presentation and Consideration of Potential August 2019 No Tax Increase Bond Projects

Key Issues:

On January 15, 2019 City staff provided the Mayor and City Council with a presentation regarding the City's debt issuance capacity. The Mayor and City Council directed City staff prepare a listing of potential No Tax Increase (NTI) bond projects that could be considered for an August 2019 NTI bond election to maintain the City's current tax levy. The Mayor and City Council directed staff to work with the Community and Economic Development Committee (CEDC) to develop a recommendation(s) to present to the Mayor and City Council for an August NTI election. City staff has prepared proposed projects for the CEDC's consideration and will be present to assist the CEDC in developing the recommendation(s) to the Mayor and City Council for an August 2019 NTI bond issue election.

City staff have prepared information related to each potential project which are attached to this packet in addition to a summary spreadsheet for review. These projects and the listing within the spreadsheet are not prioritized or listed in any particular order.

The City has strived to maintain a consistent tax levy for debt service since the late 1990s. The City's tax levy is currently \$0.4697 per \$100.00 assessed valuation. The residents and the City benefit from the level maintenance of the tax levy through the avoidance of expensive tax elections, stability of tax revenues for support of infrastructure improvements, and stable tax bills for residents. The City plans to continue coordinating its funding needs and debt issuance to correspond with that tax levy cap.

In order to maintain a level tax levy for debt service for Calendar Year 2020 and after, it is necessary to place a ballot issue before the voters in 2019. We need to increase debt service requirements by at least approximately \$1.3 million based on a 3% annual increase in assessed valuation for Calendar Year 2020 alone to maintain the current debt service levy. The amount of debt service obligation required to maintain our current debt service levy is, in large part, based on changes in our assessed valuation. The examples below show the significant impact that changes in assessed valuation have on our debt service. As you can see, the decision on the size of debt obligation to issue is a moving target. It is also impacted by changes in interest rates. Further, we do not typically receive our final assessed valuation from Jackson and Cass Counties until late September so we have a narrow window of time from October 1 to December 31 to respond and issue bonds in the event of a large unexpected increase.

3% increase in assessed valuation for 2019, 2020, 2021=\$1.3 million for 2020, \$10.3 million cumulative spend

through 2022

5% increase in assessed valuation for 2019, 2020, 2021=\$1.7 million for 2020, \$12.1 million cumulative spend through 2022

7% increase in assessed valuation for 2019, 2020, 2021=\$2.1 million for 2020, \$14 million cumulative spend through 2022

To make our debt levy target manageable, the ballot issue should include authorization for bond issuance large enough to provide accommodation for unpredictable changes in assessed valuation and interest rates. Once we have authorization from the voters, we can manage our financing needs and the structure of each bond issue to match up our debt service requirements to the levy thereby avoiding large swings in our debt service levy.

Staff has prepared informational project sheets and estimates for some of the recently discussed projects which are attached to this packet form as well as a spreadsheet summarizing the potential projects.

Voter approval of an amount in the range of \$23 to \$30 million should meet the financing needs for these projects and allow the flexibility needed to maintain the debt levy. The deadline for entities to certify elections to the Election Authority for an August 6, 2019 Special Election is May 28, 2019.

Proposed schedule for NTI bond issue moving forward:

March 20, 2019 - Special CEDC meeting to develop recommendations for Mayor and City Council consideration

April 9, 2019 - City Council Work Session to allow Mayor and City Council to consider CEDC recommendation(s)

May 7, 2019 - Mayor and City Council consider 1st reading of ordinance for August 6, 2019 NTI bond issue election

May 21, 2019 - Mayor and City Council consider 2nd reading/adoption of ordinance calling for August 6, 2019 NTI bond issue election.

Background:

Since 1980, the City's Debt Service tax levy has ranged from a low of \$0.32 per \$100.00 assessed valuation in 1988 and 1989 to a high of \$0.71 in 1985. There were only five years since 1980 that the debt levy has been lower than the current level of \$0.4697. The current level has been maintained since 2007.

Mark Dunning, Assistant City Manager
Bette Wordelman, Finance Director
Various City Staff

Recommendation:

Staff recommends developing a proposed NTI bond issue project listing that will result in a range of \$23 to \$30

million to meet the financing needs for the projects and allow the flexibility needed to maintain the current debt levy.

Committee Recommendation:

2019 No Tax Increase Bond Projects		
Projects (not listed in any particular order)	Amount	Timeframe
Aerial Fire Apparatus (Ladder Truck)	\$1,600,000	1 year
Live Burn Training Facility	\$1,000,000	2 years
New Fire Station #4 (land, building, fire apparatus)	\$7,000,000	2 - 3 years
New Fire Station #5 (land and building)	\$5,000,000	2 - 3 years
New Fire Station #8 (land, building, fire apparatus)	\$6,000,000	2 years
Police In Car Video Replacement & Body Worn Cameras	\$1,000,000	1 year
Police/Courts Building Security Renovations	\$5,500,000	2.5 years
NE Lakewood Way - North of Bowlin Rd. - shoulder construction	\$2,000,000	2 years
NE Lakewood Way - South of Bowlin Rd - road reconstruction & shoulders	\$5,000,000	2 - 3 years
NE Orchard St. & NE Olive St. (Chipman to Douglas St.)	\$2,000,000	2- 3 years
SE Douglas St - 5th Street to Blue Parkway	\$3,000,000	2 - 3 years
Network Infrastructure Priorities Phase I	\$975,000	1 - 2 years
Network Infrastructure Priorities Phase II	\$1,100,000	2 - 4 years
City Curb Replacement	Any available	Flexible
Economic Development Infrastructure	Any available	Flexible
		\$41,175,000 Subtotal

2019 No Tax Increase Bond Issue Project Information

Project Name: Aerial Fire Apparatus

Estimated Project Costs: \$1,600,000

Project Timeframe: FY2020-21 (one year to acquire)

Project Scope/Details: The Fire Department currently has two front line aerial apparatus, commonly referred to as ladder trucks. The department has none in reserve, which inherently puts the department in a highly vulnerable position when one or both of the aerials trucks are down for maintenance, repair, or out of service due to long term incidents. This recommendation is noted in the 2017 ISO report line 549 and 553, the 2015 and 2019 Standards of Cover documents, and the 2016 accreditation report category 6C.2.

Project Narrative (describe project value to public): This project will bolster the department's aerial service and will allow for continued baseline aerial performance within the City when one of the front line aerials are out of service. This has a direct correlation to the Department's Standards of Cover and accreditation self-assessment documents and ISO report, and is critical in maintaining or enhancing effective response force times. The addition of a reserve aerial will help to eliminate the vulnerability of limited capacity and redundancy that the fire department currently has in its aerial apparatus fleet.

2019 No Tax Increase Bond Issue Project Information

Project Name: Live Burn Training Facility

Estimated Project Costs: \$1,000,000

Project Timeframe: FY2021-22 (2 years to design/construct)

Project Scope/Details: The Fire Department currently has no live burn training capability within the department. This facility would provide that training aspect which will help prepare fire department personnel on strategy and tactics in responding to structure fires, and enhancing their abilities in combating fires. This would also meet the requirements of NFPA 1403, and is recommended in the 2016 accreditation report in core competency 8C.1. This training is currently met by travelling to neighboring departments live fire training facilities, when available.

Project Narrative (describe project value to public): This project will provide a needed training adjunct for the fire department for the certification of new personnel as they join the department, and will provide continual training for existing members. Currently this training does not exist within the City, but is a requirement for state certification for fire personnel. New and existing members who are required to receive this training must travel outside the City, with fire department apparatus, to obtain this at another fire department's facility. This draws down on our staffing and resources during the time they are out of the City. Conceptually this will be located at Fire Station #7 near the existing training facility. This could also be a source of revenue via user fees from other departments that need this type of training.

2019 No Tax Increase Bond Issue Project Information

Project Name: Fire Station #4

Estimated Project Costs: \$7,000,000 (Capital expense including land, building and fire apparatus)

Project Timeframe: This would be in conjunction with the larger overall scope of the re-development of the norther portion of the City regarding fire protection. This is anticipated to begin within a 2-3 year period.

Project Scope/Details: This project is the second part of the redeployment of first response units in the northern portion of the City. Station #4 has long since reached its maximum capacity and also due to its age and location, is in need of replacement as noted in the 2015 and 2019 Standards of Cover and the 2016 accreditation report, sections 2B.5, 6B.1 and 6B.4. With an additional station in the northern portion of the City, it is intended that the location of new Station 4 would be re-located; effectively creating 2 fire response areas out of the area that was previously served by current Fire Station #4.

Project Narrative (describe project value to public): This project will replace an existing station that is in need of replacement. This will also serve to redistribute Fire Department response apparatus to better serve the current population and development and provide a much more efficient location to serve the northern area of the City in anticipation of a large amount of future development. This approach addresses two concerns in the replacement of an aging and outdated fire station, as well as prepare for future growth and expansion of services in the northern portion of the City.

2019 No Tax Increase Bond Issue Project Information

Project Name: Fire Station #5

Estimated Project Costs: \$5,000,000 (Capital expense including land and building)

Project Timeframe: This project would replace current Fire Station #5 within 2-3 years

Project Scope/Details: Current Fire Station #5 has reached its capacity and can no longer accommodate additional units for further development or population expansion. This Station also does not conform to current standards on accommodations for personnel, technology advances, or health and wellness changes that have occurred for cancer prevention. Additionally the location of the current fire station #5 is not ideal to a long-term deployment plan, as described in the 2015 and 2019 Standards of Cover, and within the 2016 accreditation report sections 6B.1 and 6B.4.

Project Narrative (describe project value to public): This project will replace an existing station that has exceeded its service life. This will also serve to redistribute Fire Department response apparatus to better serve the current population and development and provide a much more effective location to serve the southern area of the City in anticipation of a large amount of future development. This approach addresses two concerns in the replacement of an aging and outdated fire station, as well as prepare for future growth and expansion of services in the southern portion of the City.

2019 No Tax Increase Bond Issue Project Information

Project Name: Fire Station #8

Estimated Project Costs: \$6,000,000 (Capital expense including land, building and fire apparatus)

Project Timeframe: This would be in conjunction with the larger overall scope of the re-development of the northern portion of the City regarding fire protection. This is anticipated to begin within a 2-year time frame.

Project Scope/Details: Currently the Fire Department cannot meet stated response time goals to a vast portion in the northern part of the City. The addition of another fire station north of the existing fire station #4 would address response time concerns, and would allow for a re-allocation of existing resources that serve the northern portion of the City. This recommendation is also supported by the 2015 and 2019 Standards of Cover documents, as well as the 2016 accreditation report sections 6B.1 and 6B.4.

Project Narrative (describe project value to public): This project will expand services that are currently below the Fire Department's stated benchmark standards, specifically in relation to single unit response times as well as effective response force. This will position first response assets in an area to better serve this population as well as add additional units to the response matrix on high impact and high risks events that require multiple units. The value to the public is a greatly enhanced response model for first responders to arrive within stated response times, as is highlighted by the Fire Department's Standard of Cover documents and performance compliance reports.

2019 No Tax Increase Bond Issue Project Information

Project Name: Police in car video system replacement and body warn camera

Estimated Project Costs: \$1,000,000

Project Timeframe: One (1) year

Project Scope/Details: Complete replacement of the current audio and video recording system in the patrol cars. Addition of body warn cameras and data storage solution.

Project Narrative (describe project value to public):

In car camera and body-warn camera systems are commonplace with policing in America. The camera systems provide transparency for the community and safety for law enforcement. In addition, both are great tools for capturing and documenting evidence of crime.

Our current system is unreliable and outdated technology. Picture quality, audio clarity, and range have all advanced. In addition, the degree of recording coverage has expanded with new technology. The courts have set expectations for securing and providing this electronic evidence. Failing to provide this evidence or losing this evidence due to antiquated systems leads to mistrust.

As of 2017, our current provider no longer supported the maintenance of our data server because of its age. In 2018, we discovered that the server hardware was no longer able to update because of its age. If the server were to fail, we would have no way of recovering the audio and video stored.

Society today has an expectation for transparency. Courts and Prosecutors rely on video and audio technology more today than ever. In many instances, it is more valuable than eyewitness testimony. Both systems have proven to provide additional evidence and perspective in critical situations.

2019 No Tax Increase Bond Issue Project Information

Project Name: Police/Courts Building Security Renovations

Estimated Project Costs: \$5.5 million

Project Timeframe: 2.5 years post-funding

Project Scope/Details: The police building was constructed just over twenty years ago. While the building remains structurally sound, security needs have become more heightened and it does not meet standards for security for police, the courts, or the prosecutor's office. A study was commissioned in January 2019, for Treanor Architects to evaluate the building and produce recommendations for renovations, to address:

- Enhancing facility security and public access
- Improving customer service to the public through better design
- Increasing operational efficiency
- Meeting the needs of a workforce growing in diversity
- Providing work space that meets modern demands, thereby improving recruitment and retention of staff

While the study is not yet complete, the initial estimate to make building improvements to meet these needs is \$5.5 million.

Project Narrative (describe project value to public):

Unfortunately, threats to government facilities, to include police and courts, have grown over the past two decades. Modern police buildings have restricted public access, yet still provide a welcoming environment for the variety of police services needed. Modern courts have screening procedures yet public access for routine matters, such as obtaining court records or paying fines. The structure of the current Police and Courts Building in Lee's Summit does not meet these needs. However, renovations could work within the current facility to provide good security along with an excellent citizen experience.

Within the Police and Courts Building, workspaces have grown, operational structures have adapted, and laws have changed with have created a need to rethink space design. Ideally, buildings should be structured to provide a "flow" that maximizes operational efficiency. Over time, as buildings age, spaces move, are retrofitted, and personnel structures change and prior designs suffer as a result. The Police and Courts Building needs to be restructured to meet contemporary needs.

The Police Department workforce is becoming more diverse. The number of women working for the police department is growing and the current locker room facilities need to be expanded. It is anticipated that this growth will continue in the coming years.

The work spaces for the Police and Courts are functionally good, although there is room for improvement to provide conveniences similar to comparator jurisdictions nearby. This becomes important for the recruitment and retention of staff.

2019 No Tax Increase Bond Issue Project Information

Project Name: NE Lakewood Way – North of Bowlin to N. City Limits

Estimated Project Costs: \$2,000,000

Project Timeframe: 2 years post funding

Project Scope/Details: This section of road does not have shoulders along its length. This has been a concern of the Arbores HOA for some time due to occasional pedestrians along the road as well as drop-offs along the edge of pavement that can be dangerous for drivers. The proposed project is the addition of shoulders. Total length of project is approximately 1.5 miles.

Project Narrative (describe project value to public): The primary value of this project is increased safety along this stretch of road. Shoulders provide a safe place to pull over in an emergency, minimizes drop-offs at the edges of the driving lanes, and a safer place for pedestrians. A secondary benefit is decreased maintenance of unpaved shoulders.

2019 No Tax Increase Bond Issue Project Information

Project Name: NE Lakewood Way – Lakewood Ct to Bowlin

Estimated Project Costs: \$5,000,000

Project Timeframe: 2- 3 years post funding

Project Scope/Details: The pavement in this section of road is in poor condition. There are no shoulders along most of this length, which increases maintenance and decreases safety. The proposed project is completely reconstruction of the roadway, adding shoulders. Total length of project is approximately 1.25 miles.

Project Narrative (describe project value to public): The primary value of this project is increased safety along this stretch of road. Shoulders provide a safe place to pull over in an emergency and minimizes drop-offs at the edges of the driving lanes. A secondary benefit is decreased maintenance of unpaved shoulders.

2019 No Tax Increase Bond Issue Project Information

Project Name: NE Orchard/NE Olive – Douglas to Chipman

Estimated Project Costs: \$2,000,000

Project Timeframe: 2 – 3 years post funding

Project Scope/Details: These streets are in an older residential area. They do not have curb and gutter, enclosed storm drainage or sidewalks. The proposed project is the reconstruction of both Orchard (from Douglas to Olive) and Olive (from Orchard to Chipman) to meet current standards, essentially extending the Orchard St. project of a few years ago. Total length of project is approximately 0.5 mile.

Project Narrative (describe project value to public): The specific benefits of this project are increased safety for pedestrians by the addition of sidewalks, and improved drainage with the addition of an enclosed storm system. This project also provides improved access and connectivity for the surrounding neighborhood to the signal at Olive and Chipman, which connects to Commerce, and eventually Tudor, to the north. Intangible benefits are reinvestment in older neighborhoods that can encourage residents to improve properties and increase values in the area.

2019 No Tax Increase Bond Issue Project Information

Project Name: SE Douglas – 5th to Blue Pkwy

Estimated Project Costs: \$3,000,000

Project Timeframe: 2 – 3 years post funding

Project Scope/Details: This street is in an older residential area. It does not have curb and gutter, enclosed storm drainage or sidewalks along its length. A number of residents in the area have requested improvements over the years. The proposed project is the reconstruction of the street to meet current standards, similar to the Orchard St. project a few years ago. Total length of project is approximately 0.5 mile.

Project Narrative (describe project value to public): The specific benefits of this project are increased safety for pedestrians by the addition of sidewalks, and improved drainage with the addition of an enclosed storm system. Intangible benefits are reinvestment in older neighborhoods that can encourage residents to improve properties and increase values in the area.

2019 No Tax Increase Bond Issue Project Information

Project Name: Network Infrastructure Priorities Phase I

Estimated Project Costs: \$975,000

Project Timeframe: 1 – 2 years

Project Scope/Details:

Replace existing aerial fiber with new buried fiber:

- Along Douglas from fire station one, to police headquarters.
- From The intersection of Hamblen Rd and Bailey Rd to Public Works operations.

Lay new fiber network to complete network connectivity to all city facilities.

- Connect Water via 3rd, Ward and Persels
- Connect Fire Station 2, via Scruggs and Colbern Rd.
- Connect Harris Park via Jefferson
- Longview Rec Center, via 3rd St.

Project Narrative (describe project value to public):

There are two components to these projects. Those include replacement of aging existing infrastructure, and development of new infrastructure.

The City currently owns aerial fiber runs that connect several critical facilities, including Police Headquarters, City Hall, Animal Control and Public Works Operations. These lines are showing their age and we have been notified by our contractors that repairs and splices are now difficult because the glass fibers have become brittle, and will soon reach a point where a repair might not be able to be made. The lines are also aerial, attached to existing telecommunication and power poles. These aerial lines run in areas where there is significant tree cover, increasing the likelihood of downed limbs severing the network connections. The first component of this would be to bury fiber optic in the following locations:

The City currently leases fiber network from the LS R7 school district to connect several of its facilities. The balance of phase of I is to implement city owned fiber to connect city facilities for IT needs, as well as support the growing need for fiber networks in other departments. Including Public Works, Police, and Fire.

2019 No Tax Increase Bond Issue Project Information

Project Name: Network Infrastructure Priorities Phase II

Estimated Project Costs: \$1,100,000

Project Timeframe: 2 –4 years

Project Scope/Details:

Utilizing a mix of new fiber and point-to-point wireless, develop redundant network links to all primary city facilities.

Project Narrative (describe project value to public):

Phase two of the network improvement plan will allow the city to develop redundant network connections to its facilities. In the event of an unplanned, or planned outage to one of the links to a site, the secondary link would be available to maintain a continuity of operations.

These connections would be a mix of new fiber installations, and lower cost point-to-point wireless devices. Making sure that primary buildings and connected intersection signals continue to operate in the event of a disruption in service elsewhere in the network. These secondary services are especially critical for the support of first responders. Currently, if a network connection is lost the site goes offline until the problem can be addressed. The outage, depending on the problem can keep facilities offline from a few minutes, to days.

Developing redundant paths and the ability to reduce network outages will allow Information Technology Services to maintain the expected level of service established with city departments.

2019 No Tax Increase Bond Issue Project Information

Project Name: Curb Replacement

Estimated Project Costs: Any amount available

Project Timeframe: Flexible

Project Scope/Details: Replacement of deteriorated curbs is an ongoing program. Staff estimates there is still more than \$20,000,000 worth of curb work needed throughout the City. The annual curb program completes about \$1,000,000 of work each year. The widespread deterioration of curbs is due to a poor quality of limestone available in the metro area in the 1990s and early 2000s. This issue was not discovered until deterioration became a problem for many cities. Once the issue was identified, specifications for aggregate in concrete were changed to prevent future problems.

Project Narrative (describe project value to public): The benefits of this project are increased safety for drivers as well as protection of existing pavements. The large cracks and holes in the gutter can be hazardous for drivers and potentially cause damage to vehicles. The cracks and holes also allow additional water to infiltrate beneath the adjacent pavement causing soft areas in the subgrade that can result in cracking and potholes in the pavement.



Debt Issuance Capacity Review 2018



Constitutional Limits on General Obligation Municipal Debt

Calculated against most recent
assessed valuation

- 10% general purpose
- 10% rights of way; construction, extension, and improvement of streets or sanitary sewer, or storm sewer



Calculation of Constitutional Debt Limit

- \$2,032,705,197 assessed valuation
- 10% cap for general purpose=\$203,270,519
- 10% cap for streets, sewers=\$203,270,519
- Current outstanding debt=\$53,718,000



Maintenance of consistent tax levy

- Promised to voters in late 1990s
- Avoids large swings in tax bills for residents
- Provides stable planning environment for City infrastructure

Primarily a function of :

Growth in City's assessed valuation

- A. Real estate values
- B. Personal property values

Interest rates on City's debt issuance



A.	2018 Assessed Valuation	\$2,032,705,197
B.	Less Debt Service needs	
	next Calendar Year debt service	\$9,922,844
	costs of collection*	\$399,394
	reserve for following year	\$8,218,087
	Total Debt Service Needs	\$18,540,325
C.	Anticipated debt service reserve fund balance at calendar year end	\$7,722,789
D.	Tax revenue required for debt service (B-C)	\$10,817,536
E.	Debt Service tax rate (D/A x 100)	0.5322
F.	Voluntary reduction	0.0625
G.	Actual levy rate (E-F)	0.4697
	*Costs of collection include collector fees and commissions, assessment fund withholdings, and anticipated delinquencies.	
	Usually 2% to 10% of next CY debt service	

- Questions?

2019 ELECTION CALENDAR

Jackson County Board of Election Commissioners

P. O. Box 296

Independence, Missouri 64051

Phone: (816) 325-4600

OFFICIAL ELECTION DAY	TYPE OF ELECTION	DEADLINE FOR ENTITIES TO CERTIFY ELECTIONS TO ELECTION AUTHORITY	VOTER REGISTRATION DEADLINE
FEBRUARY 5, 2019	SPECIAL BOND ELECTIONS	NOVEMBER 27, 2018	JANUARY 9, 2019
APRIL 2, 2019	GENERAL MUNICIPAL ELECTION	JANUARY 22, 2019	MARCH 6, 2019
AUGUST 6, 2019	SPECIAL ELECTION	MAY 28, 2019	JULY 10, 2019
NOVEMBER 5, 2019	SPECIAL ELECTION	AUGUST 27, 2019	OCTOBER 9, 2019
FEBRUARY 4, 2020	SPECIAL BOND ELECTIONS ONLY	NOVEMBER 26, 2019	JANUARY 8, 2020

JACKSON COUNTY BOARD OF ELECTION COMMISSIONERS

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Mary Ellen Miller, Secretary
Colleen M. Scott, Member
Vernon E. Scoville, III, Member

Tammy Brown, Director
Corey Dillon, Director

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