

Legislation Text

File #: BILL NO. 17-174, **Version:** 1

AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF \$14,575,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2017A OF THE CITY OF LEE'S SUMMIT, MISSOURI, AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

(NOTE: City Council, First Reading - July 27, 2017.)

Issue/Request:

AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF \$14,575,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2017A OF THE CITY OF LEE'S SUMMIT, MISSOURI, AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

Key Issues:

Authorize the issuance of \$14,575,000 of General Obligation Bonds to pay a portion of the costs of Public Safety Improvements

Proposed Council Motion:

I move for adoption of AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF \$14,575,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2017A OF THE CITY OF LEE'S SUMMIT, MISSOURI, AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

Background:

The voters authorized \$4,415,000 of general obligation bonds on November 5, 2002, for Public Safety Improvements. \$4,340,000 of the bonds authorized have previously been issued, leaving \$75,000 of authorized but unissued bonds.

The voters authorized \$14,500,000 of general obligation bonds on November 8, 2016, for Public Safety Improvements. None of the bonds authorized at the November 8, 2016 election have been issued, leaving \$14,500,000 of authorized but unissued bonds.

The Preliminary Official Statement is attached as is the Recommendations for Issuance of Bonds.

The City will receive bids on Thursday, August 10th for the sale of \$14,575,000 in General Obligation Bonds. The ultimate purchaser and interest rates will not be known until that day.

Impact/Analysis:

The City has been making improvements to its Public Safety infrastructure and equipment through the use of General Obligation Bond financing. In 2002, the voters approved Public Safety improvements related to the

Fire Department in the amount of \$4,415,000. The City used all but \$75,000 of the authorized amount to make Public Safety Improvements at that time. The voters have approved at the November 8, 2016 election an additional \$14,500,000 for Public Safety Improvements. The issuance of the \$14,575,000 of general obligation bonds for Public Safety at this time would allow the City to fully utilize all the authorized but unissued bond amount for Public Safety Improvements.

The interest rate environment for general obligation bonds remains favorable at this time, even though short term rates have risen slightly. It is expected that the rate of interest to be paid on the bonds would be consistent with what the City has paid on prior issues. The maturities of the general obligation bonds will be structured to allow additional general obligation bonds to be issued in due course.

Timeline:

Bids will be received Thursday, August 1st at 11:00 am CDT, evaluated for the lowest cost to the city and a recommendation will be made for sale that evening. It is anticipated that the actual bond sale closing will be in late August.

Other Information/Unique Characteristics:

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Presenter: Conrad E. Lamb, Director of Finance

Recommendation: Staff recommends approval.

Committee Recommendation:

Finance & Budget Committee reviewed and recommended approval of the Resolution Authorizing the Sale of bonds in April.