

Legislation Text

File #: RES. NO. 24-01, **Version:** 1

A Resolution authorizing the offering for sale of General Obligation Bonds for the benefit of the City of Lee's Summit, Missouri.

Issue/Request:

The City received voter approval in the General Municipal Election on April 4, 2023 approved the issuance of general obligation bonds for the purposes of the following: \$74,000,000 for Public Safety & Emergency Preparedness purposes acquiring land, acquiring, constructing, furnishing and equipping buildings and facilities, making certain renovations and improvements to existing facilities and acquiring equipment and network/technology improvements for public safety and emergency preparedness purposes (“Question 1”); \$98,000,000 for Transportation purposes including without limitation, acquiring land and rights of way, and acquiring, constructing, reconstructing, repairing and improving streets, roads, bridges and sidewalks throughout the city and acquiring, constructing, renovating, and improving the airport (“Question 2”); and \$14,000,000 for General Municipal purposes of acquiring, constructing, renovating, improving and equipping municipal buildings, facilities and network/technology infrastructure and systems including renovations and improvements to city hall and maintenance facilities (“Question 3”).

This initial debt offering of up to \$30 million could potentially include the property acquisition, design, preconstruction, equipment and project costs for the following:

Public Safety/Emergency Preparedness (Question 1)	\$14,000,000
Public Safety Operations Coordination Center	
CITY IT Network Infrastructure Improvement	
City Network Security Improvements	
Fire Station 1 (HQ) Complete Remodel	
Phase II Police/Courts Building Renovation	
Property for Airport ARFF Station and Future	Fire Station and Air Traffic Control
Option A: South Police Substation- Fire Station #5 Renovation	
Fire 7 Roof Replacement	
Replacement of Existing Enterprise Resource Planning Software	
Transportation (Question 2)	\$12,000,000
Airport Hangar 2	

City Hall Sidewalk Replacement

Sidewalk Gap Program Funding

General Municipal (Question 3)

\$4,000,000

City Hall Access Control Replacement

Museum Exterior Restoration

Building Prep for Re-use of Chipman & Douglas

Replacement of existing Enterprise Resource Planning Software

TOTAL \$30,000,000

This first issuance of bonds under the 2023 voter authorization is intended to be applied to the Public Safety Joint Operations Facility, Police and Court renovation, South Police substation renovation, Fire Station 1, land acquisition and design of the Airport ARFF, Airport Hangar 2, sidewalk gap program, City Hall sidewalk replacement, Fire Station 7 roof replacement, and the Enterprise Resource Planning software acquisition.

These bonds will be structured with a maturity schedule designed to maintain the City's debt tax levy at its current level of \$.3697 per \$100.00 assessed valuation.

The Resolution also gives the City the option to issues the bonds through either a competitive public sale or private placement. This enables the City to get the best price and terms when it sells the bonds.

Proposed Motion:

I move for the adoption of a Resolution authorizing the offering for sale of General Obligation bonds up to \$30 million for the benefit of the City of Lee's Summit, Missouri.

Background:

The City has an extensive list of capital project needs that require financing sources. In 2021, the voters approved an increase to the general operating property tax levy of \$.10 per \$100 assessed valuation and the City Council agreed to drop the debt service levy by the same amount, thereby maintaining a consistent total property tax levy. That lower debt service levy of \$.3697 per \$100 assessed valuation provides approximately \$10 million in revenue to finance capital projects subject to voter approval for bond issues. Most of the previously issued bonds are scheduled for pay-off by April 2025. Based on these facts, the City has opportunity to utilize the potential revenues from the debt levy to finance the needed capital projects.

Bette Wordelman, Finance Director