

Legislation Text

File #: RES. NO. 17-06, **Version:** 2

A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION BONDS OF THE CITY OF LEE'S SUMMIT, MISSOURI

Issue/Request:

A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION BONDS OF THE CITY OF LEE'S SUMMIT, MISSOURI

Key Issues:

Authorize the issuance of \$15,638,000 of General Obligation Bonds to pay a portion of the costs of:
Public Safety Improvements (\$14,575,000)
Cultural Arts Improvements (\$63,000)

Proposed Committee Motion:

I move to recommend to City Council approval of a RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION BONDS OF THE CITY OF LEE'S SUMMIT, MISSOURI

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 \$2,898,000 of general obligation bonds on April 2, 2013, for Cultural Arts Improvements. \$2,835,000 of the bonds authorized have previously been issued, leaving \$63,000 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.

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 voters at the April 2, 2013 election authorized \$2,898,000 of general obligation bonds to fund Cultural

Arts Improvements. \$2,835,000 of general obligation bonds were issued, which has left \$63,000 of authorized but unissued bonds at this time. The issuance of the \$63,000 of bonds for Cultural Arts Improvements to be issued at this time would allow the full utilization of the authority granted by the voters in 2013.

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:

Other Information/Unique Characteristics:

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Presenter: Conrad E. Lamb, Director of Finance

Recommendation: Staff recommends approval and adoption of the Resolution.

Committee Recommendation: