



City of Kansas City, Missouri

Docket Memo 230925

Ordinance/Resolution #: [Click or tap here to enter TMP-#.](#)

Submitted Department/Preparer: Water

Revised 8/3/23

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in [Administrative Regulation \(AR\) 4-1](#).

Executive Summary

The ordinance estimates and appropriates proceeds in advance of a sale of Wastewater Revenue Bonds in an amount not to exceed \$107,198,000.00 to fund various extensions and improvements to the wastewater system as outlined on Attachment A and recognizes an accelerated effective.

Discussion

The voters of Kansas City authorized the issuance of \$750 million in wastewater revenue bonds for extensions and improvements to the City's wastewater system. The City has previously issued \$95.9 million of wastewater revenue bonds and there is approximately \$654.1 million of authorization outstanding. The ordinance estimates and appropriates \$107.2 million in advance of the sale of wastewater revenue bonds in the Spring of 2024 that will drawdown against the remaining voted authority.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No
2. What is the funding source?
Estimated proceeds from the sale of wastewater bonds
3. How does the legislation affect the current fiscal year?
The ordinance estimates and appropriates \$107.2 million of bond proceeds for a sale later in the current fiscal year. The estimation and appropriation accounts will be held in a capital project fund with requisitioning authority assigned to the City's Water Services Department.
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
Estimated annual debt service, based upon an August 2023 analysis by the City's financial advisors, will be about \$7.81 million a year for a twenty-five year term totaling approximately \$181 million and will be funded from the net revenues from the wastewater utility.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?

The bonds will require the City to annually set rates and charges of the wastewater system in amounts that will provide a minimum of 1.25x coverage on debt service on all outstanding wastewater revenue bonds including the bonds that will be issued to fund this ordinance.

Office of Management and Budget Review

(OMB Staff will complete this section.)

1. This legislation is supported by the general fund. Yes No
2. This fund has a structural imbalance. Yes No
3. Account string has been verified/confirmed. Yes No

Additional Discussion (if needed)

Click or tap here to enter text.

Citywide Business Plan (CWBP) Impact

1. View the [FY23 Citywide Business Plan](#)
2. Which CWBP goal is most impacted by this legislation?
Infrastructure and Accessibility (Press tab after selecting.)
3. Which objectives are impacted by this legislation (select all that apply):
- Enhance the accessible, sustainable and better connected multi-modal transportation system
 - Develop environmentally sound and sustainable infrastructure strategies that improve quality of life and foster economic growth
 - Increase and support local workforce development and minority, women, and locally-owned businesses
 - Engage in efforts to strategically invest in the City's infrastructure and explore emerging technologies

Prior Legislation

Ordinance 211038 dated November 10, 2021 – calling the election for wastewater revenue bond authorization.

Service Level Impacts

Wastewater customer service levels will benefit long-term from projects completed in a timely and efficient manner. Service levels are impacted by a number of factors, but the quality of assets utilized is critical.

Other Impacts

1. What will be the potential health impacts to any affected groups?
Future bond proceeds raised will be used to make improvements to the wastewater system throughout the City which will ensure continued positive health impacts to all citizens and ensure safe and environmentally friendly processes for the treatment and discharge of wastewater.
2. How have those groups been engaged and involved in the development of this ordinance?
Projects to be funded with the proceeds of the bonds are reviewed in accordance with the City's codified Capital Asset Scoring Policy and presented in this ordinance for approval.
3. How does this legislation contribute to a sustainable Kansas City?
It enables the City to make cost effective improvements to the wastewater system that will ensure a high standard of safe discharge of wastewater for current and future citizens of KCMO.
4. Department staff certifies the submission of any applicable Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), Non-Discrimination documents, and Letters of Intent to Subcontract (LOIs) to CREO prior to the legislation entry request in Legistar.

No - CREO's review is not applicable (Press tab after selecting)

Please provide reasoning why not:

This ordinance is to advance appropriate funds from a future bond sale. Once those funds are appropriated, the applicable ordinances for the design and construction of the projects utilizing those bond proceeds will have the necessary documents submitted to CREO for each project when the contracts come to City Council for approval.

5. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

No

This ordinance is to advance appropriate funds from a future bond sale. Once those funds are appropriated, the applicable ordinances for the design and

construction of the projects utilizing those bond proceeds will come to City Council for approval.

6. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?

No

This ordinance is to advance appropriate funds from a future bond sale. Once those funds are appropriated, the applicable ordinances for the design and construction of the projects utilizing those bond proceeds will come to City Council for approval.