

GENERAL

Ordinance Fact Sheet

120901

Ordinance Number

Brief Title

To authorize the issuance of Tax-Exempt Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2012A.

Reason

To authorize the issuance of Tax-Exempt Sanitary Sewer Improvement and Refunding Revenue Bonds, Series 2012A.

Reason for Legislation

To authorize the issuance, sale and delivery of not to exceed \$95 million Sanitary Sewer System Improvement and Refunding Revenue Bonds, Series 2012A of the City of Kansas City, Missouri, for the purpose of extending and improving the City's Sanitary Sewer System and refunding all or a portion of the City's Sanitary Sewer System Revenue Bonds, Series 2004A.

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance

On August 2, 2005, the City held an election, at which time the qualified voters of the City approved the issuance of \$250 million of sanitary sewer system revenue bonds for the purpose of extending and improving the wastewater system of the City.

To date, the City has issued \$208.085 million of sanitary sewer system revenue bonds from the 2005 authorization leaving \$41.915 million of authorized but unissued sanitary sewer system revenue bonds.

On August 7, 2012, the City held an election, at which time the qualified voters of the City approved the issuance of \$500 million of sanitary sewer system revenue bonds for the purpose of extending and improving the wastewater system of the City, including compliance with the federally mandated Consent Decree of the Overflow Control Program.

This ordinance will authorize the issuance of Bonds in a principal amount not to exceed \$95 million which includes the remaining \$41.915 million remaining 2005 voted authority, \$40.815 million of the 2012 voted authority and \$11.375 million for the refunding of the Sewer 2004A bonds.

The Bonds are special, limited obligations of the City payable solely from, and secured by a pledge of the Net Sanitary Sewer Revenues. The taxing power of the City is not pledged to the payment of the Bonds. The Bonds do not constitute a general obligation of the City or an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction.

Certain of the Bond covenants require the City to fix, establish, maintain and collect rates and charges for the use and services of the Sanitary Sewer System to produce income and revenues sufficient to: (a) pay the costs of the operation and maintenance of the Sanitary Sewer System; (b) pay the principal of and interest on the Bonds when due and (c) enable the City to have in each Fiscal Year Net Sanitary Sewer Revenues Available for Debt Service plus Administrative Fee of not less than 110%.

The Series 2012A Reserve Account will not be funded at the time of issuance. The Reserve Account will be funded either with cash, Permitted Investments or a surety bond policy only if and when the Net Sanitary Sewer Revenues available for Debt Service falls below the Bond Reserve Debt Service Coverage Requirement.

Sponsor	Randall J. Landes, Director of Finance Terry Leeds, Director of Water Services
Programs, Departments, or Groups Affected	Finance Department Water Services Department
Applicants / Proponents	Applicant City Department Finance Department Water Services Department Other
Opponents	Groups or Individuals None Known Basis of opposition
Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against
Board or Commission Recommendation	By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)
Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold

Details

For a full listing of the proposed projects to be funded, please see the attached list entitled, "Sanitary Sewer 2012 Bond Projects FY 2012-2013." The aforementioned projects have been reviewed by the Finance Department and Bond Counsel and were found to qualify for tax-exempt financing.

The City has retained Gilmore & Bell and Martinez, Madrigal, & Machicao, LLC to serve as co-bond counsel. Martinez, Madrigal, & Machicao, LLC is a City-certified SLBE and MBE firm. The proposed legal fee is \$25,000 and the expenses are estimated at \$3,000.

Additionally, the City has retained King Hershey, Clayborn & Associates, a City-certified MBE, DBE and SLBE firm, and Jane Hart Law Offices, a City-certified WBE firm, as co-disclosure counsel. Their estimated legal fee is \$10,000.

The City has also selected FirstSouthwest ("FSW") and Moody Reid Financial Advisors to serve as co-financial advisors. The MBE goal for this engagement is 20%. Moody Reid is a City-certified MBE firm. At this time, the financial advisory fees are estimated at \$100,500 plus reimbursable printing and electronic dissemination costs.

Finally, this ordinance approves the selection of Wells Fargo Securities; Siebert, Brandford Shank & Co.; M.R. Beal & Co.; and Valdés & Moreno, a City-certified firm, to act as underwriters for the Series 2012A Bonds. The MBE participation goal is 20%.

The Bonds are anticipated to be sold in November 2012.

Is it good for the children?

Yes, the wastewater system will be improved for all citizens of Kansas City.

How will this contribute to a sustainable Kansas City? The Bond proceeds will allow the Water Services Department to extend and improve the wastewater system utilizing green solutions which protect the environment.

Policy/Program Impact

Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections -- Including Indirect Costs	
Financial Impact	<p>Based on the October 5, 2012 analysis prepared by FSW, the total debt service on a \$95 million par amount is estimated at \$156.881 million and average annual debt service is \$6.3 million. The true interest cost is estimated at 4.61%.</p> <p>The projected net present value savings for the Series 2004A Bonds is \$722,064 or 6.35% of the refunding.</p> <p>The revenue of the sanitary sewer system will serve as the revenue source for the repayment of the bonds.</p>
Fund Source (s) and Appropriation Account Codes	<p>The Bonds are special limited obligations of the City payable solely from, and secured by a pledge of the Net Sanitary Sewer Revenues. The taxing power of the City is not pledged to the payment of the Bonds. The Bonds do not constitute a general obligation of the City or an indebtedness of the City within the meaning of any constitutional statutory or charter provision, limitation or restriction.</p>

(Use this space for further discussion, if necessary)

Applicable Dates:

Fact Sheet Prepared by:

Name: Lorna R. Kindred

Date: October 12, 2012

Title: Analyst

Reviewed by:

Name: Tammy L. Queen

Date: October 12, 2012

Title: City Treasurer

Reference Numbers

CONTRACT



Ordinance Fact Sheet

Construction/Misc. Form

Brief Title	Approval Deadline	Reason
_____	_____	To authorize execution of _____ contract.
_____	_____	_____

Details

Reason for Contract
 Note: Same information as ordinance title.

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

Project Justification

Project Description
 The contract will

Solicitation
 This Project was advertised for five (5) consecutive business days in the Daily record beginning _____, 1997 through _____, 1997 and notices were distributed to _____ () potential contractors and information service agencies, including Minority and Women’s Business Enterprises(MBE/WBE). Plans and specification were procured by _____ () contractors and agencies. _____ () bids were received and opened _____, 1997.

Roles and Responsibilities

Sponsor	Department
Department or Programs Affected	Department
Recommended Awardee	Company
Contract Compliance Certification Obtained?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
Opponents	Groups or Individuals Reason for Opposition
Responsibilities	Design Engineering: Inspections: Construction or Project Management: Service Monitoring:

Policy/Program Impact

Policy or Program Emphasis Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

(Continued on reverse side)

Details

Human Relations Approval

MBE/WBE subcontracting plan was approved by the Human Relations Department on _____, 1997. Docket memo attached.

Grant Funding

This contract is part of the _____ Grant Program which cover ___ % of eligible costs. The remaining ___ % will be funded by _____ Funds.

Youth Employment Program

A quarter of percent (0.25%) of this contract has been contributed to the Youth Employment Program.

1% for Art

One percent of this contract has been contributed to the 1% for Art Program.

Is it good for the children?

Fairness in Construction Board

There is no appeal on this contract pending before the Fairness in Construction Board.

OR

_____ Company has an appeal pending before the Board at this time.

Estimated Duration of Contract:

Finances

City's Estimate of Cost	\$
Bid or Proposal Data	Lowest Contract
	Cost Submitted \$
	No. of Proposals Considered
	Reason for rejecting lowest contract cost submitted
Other Bidders or Contractors Considered	Contract Costs Submitted
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
Fund Sources and Appropriation Account Codes For This Contract	19__ Budget, Page ___ Unbudgeted, Appropriation _____ Fund 00-000-00-0000-A0000
Source of Future Operating Funds	
Maximum Amount of Proposed Contract	\$
Amount of Contingency	\$
Engineering & Administration	\$
TOTAL	\$

Fact Sheet Prepared by: _____
Name
Title

Date:

Reviewed by: _____
Name
Title

Date:

Reference Numbers:

Council Committee Actions

Do Pass	<input type="checkbox"/>	<input type="checkbox"/>	Hold
Do Pass (as amended)	<input type="checkbox"/>	<input type="checkbox"/>	W/o Recommendation
Committee Sub.	<input type="checkbox"/>	<input type="checkbox"/>	Do Not Pass

CONTRACT

Ordinance Fact Sheet

A-E/Negotiated Form



Brief Title	Approval Deadline	Reason
		To authorize execution of agreement.

Details

Reason for Contract
 Note: Same information as ordinance title.

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

Project Justification

Project Description

The agreement will

Solicitation

This Project was advertised for five (5) consecutive business days in the Daily record beginning _____, 1997 through _____, 1997 and notices were distributed to _____ () potential contractors and information service agencies, including Minority and Women's Business Enterprises(MBE/WBE). RFP/RFQ's packets were procured by _____ () contractors and agencies. ____ () proposals were received _____, 1997.

Roles and Responsibilities

Sponsor	Department
Department or Programs Affected	Department
Recommended Awardee	Company
Contract Compliance Certification Obtained?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
Opponents	Groups or Individuals Reason for Opposition
Responsibilities	Design Engineering: Inspections: Construction or Project Management: Service Monitoring:

Policy/Program Impact

Policy or Program Emphasis Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

CONTRACT



Ordinance Fact Sheet

Amendment Form

Brief Title	Approval Deadline	Reason
		To authorize execution of _____ agreement.

Details

Reason for Contract
 Note: Same information as ordinance title.

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

Project Justification

Project Description

The agreement will

Solicitation

This Project was advertised for five (5) consecutive business days in the Daily record beginning _____, 1997 through _____, 1997 and notices were distributed to _____ () potential contractors and information service agencies, including Minority and Women’s Business Enterprises(MBE/WBE). RFP/RFQ’s packets were procured by _____ () contractors and agencies. ____ () proposals were received _____, 1997.

Roles and Responsibilities

Sponsor	Department
Department or Programs Affected	Department
Recommended Awardee	Company
Contract Compliance Certification Obtained?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
Opponents	Groups or Individuals Reason for Opposition
Responsibilities	Design Engineering: Inspections: Construction or Project Management: Service Monitoring:

Policy/Program Impact

Policy or Program Emphasis Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Details

Selection

Human Relations Approval
 MBE/WBE subconsulting plan was approved by the Human Relations Department on _____, 1997. Docket memo attached.

Grant Funding
 This contract is part of the _____ Grant Program which cover ___ % of eligible costs, The remaining ___ % will be funded by _____ Funds.

Is it good for the children?

Estimated Duration of Contract:

Fact Sheet Prepared by:
 Name
 Title

Date:

Reviewed by:
 Name
 Title

Date:

Reference Numbers:

Finances

City's Estimate of Cost	\$
Bid or Proposal Data	<i>Lowest Contract</i> <i>Cost Submitted</i> \$ NA FOR <i>No .of Proposals Considered</i> AMENDMENT <i>Reason for rejecting lowest contract cost submitted</i>
Other Bidders or Contractors Considered	Contract Costs Submitted \$ NA FOR \$ AMENDMENT \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Fund Sources and Appropriation Account Codes For This Contract	19__ Budget, Page ____ Unbudgeted, Appropriation _____ Fund 00-000-00-0000-A0000
Source of Future Operating Funds	
Maximum Amount of Proposed AMENDMENT	\$
Amount of Contingency	\$
Engineering & Administration	\$
TOTAL	\$

Council Committee Actions

Do Pass Hold

Do Pass (as amended) W/o Recommendation

Committee Sub. Do Not Pass

BUDGET ADJUSTMENT

Ordinance Fact Sheet

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Ordinance Number

Brief Title

Approval Deadline

Reason

Details

Reason for Adjustment

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

Department, Program, or Accounts Affected

Sponsor

From/Transferor(s) or Fund Title(s)

To/Transferee(s) or Fund Title(s)

Policy / Program Impact

Policy or Program
Emphasis Change

No Yes

Operational
Impact
Assessment

Council Committee Actions

Do Pass Hold
 Do Pass (as amended) w/o Recommendation
 Committee Sub. Do Not Pass

Fact Sheet prepared by: _____ Date _____

Fact Sheet reviewed by: _____ Date _____

Reference Numbers