



# City of Kansas City, Missouri

## Docket Memo

Ordinance/Resolution #: 260481

Submitted Department/Preparer: Please Select

Revised 01/30/25

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

In order to continue to finance debt at low interest rates for Sanitary Sewer Utility capital projects, the utility needs to obtain a new \$750 million sanitary sewer revenue bond authority from the voters of Kansas City, Missouri. This ordinance would put that initiative on the ballot on August 4, 2026. The deadline to be on the August 4, 2026 ballot is May 26, 2026.

### Discussion

For a capital intensive utility, revenue bond financing is the lowest cost method of financing capital projects that BOTH current and future ratepayers will realize the benefits from. It also enables a utility to plan for and stabilize rate increases by spreading costs out over longer periods of time.

The Sanitary Sewer Utility's Plan of Finance (long term financial model) projects the use of revenue bond financing as a low cost method to pay for future capital projects that rehabilitate, improve and extend the sanitary sewer system. In addition, sanitary sewer revenue bond authorization enables the Sanitary Sewer Utility to use the State of Missouri's State Revolving Fund program and borrow at reduced market interest rates.

KC Water's Sanitary Sewer Capital Plan calls for over \$1.7 billion in capital projects between now and FY2031. Approximately 75% (\$900 million) of those projects will need to be financed with sanitary sewer revenue bonds.

However, in order to utilize sanitary sewer revenue bond financing, the voters of Kansas City, Missouri must approve it. In the last sanitary sewer revenue bond authority election (April 5, 2022), 79% of the voters approved the sanitary sewer revenue bond authorization.

## Fiscal Impact

1. Is this legislation included in the adopted budget?  Yes  No
2. What is the funding source?  
There is no funding source as this ordinance calls for an initiative to be put on the August 4, 2026 ballot.
3. How does the legislation affect the current fiscal year?  
The legislation does not affect the current year.
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.  
No because it puts an initiative on the ballot to the voters of Kansas City. However, each time the Sanitary Sewer Utility needs to issue sanitary sewer revenue bonds in the future, it will have to submit an ordinance to the Council requesting a specific amount for a bond sale against the outstanding authorization. In addition, the Sanitary Sewer Utility will need to include in each sanitary sewer revenue bond sale ordinance, the projects in the capital plan that will be financed with revenue bond proceeds each time a sale needs to be approved by the Council. The fiscal impact of each bond sale will be different because it will be based on the interest rate and the size of the bond at the time of sale.
5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?  
This legislation does not generate revenue. Rather it puts an initiative on the ballot to the voters for permission to issue future sanitary sewer revenue bonds against a set authorized amount.

### 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 [Adopted 2025-2029 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):
  - Engage in thoughtful planning and redesign of existing road networks to ensure safety, access, and mobility of users of all ages and abilities.
  - Develop a multimodal regional transportation system for all users.
  - Develop environmentally sustainable strategies that improve quality of life and foster economic growth.
  - Ensure adequate resources are provided for continued maintenance of existing infrastructure.
  - Focus on delivery of safe connections to schools.
  -

## Prior Legislation

Sanitary Sewer Revenue Bond Authorization Ordinance (211044) for April 5, 2022 Ballot Initiative.

## Service Level Impacts

This ordinance calling for a Sanitary Sewer Revenue Bond Authorization ballot initiative, if passed by the voters of Kansas City, Missouri, will enable the Sanitary Sewer Utility to continue to meet customer service levels and rehabilitate, improve and extend the sanitary sewer system at the lowest cost possible to ratepayers.

## Staff Recommendation

Water Services Department

Select One:  Sponsored  
 Directive: Res/Ord # [Click to enter Res/Ord. No.](#)

Select One:  Recommend  
 Do Not Recommend

Not Applicable

Click or tap here to provide reasoning.

## Other Impacts

1. What will be the potential health impacts to any affected groups?  
This ordinance for a ballot initiative will allow the citizens of Kansas City, Missouri to have a direct positive impact on the Sanitary Sewer Utility's ability to continue to treat wastewater and sewage in a low cost manner and make improvements to the sanitary sewer system that continue positive health benefits for all citizens of Kansas City, Missouri.
2. How have those groups been engaged and involved in the development of this ordinance?  
The Sanitary Sewer Utility plans to engage the public in a series of community meetings on the benefits of utilizing sanitary sewer revenue bond authorization as a low cost form of financing projects in the Utility's capital plan.
3. How does this legislation contribute to a sustainable Kansas City?  
This ordinance for a ballot initiative for sanitary sewer revenue bond authorization, if approved by the voters, will help the Utility continue to meet its environmental obligations of treating wastewater and sewage while utilizing low cost financing.
4. Does this legislation create or preserve new housing units?  
No (Press tab after selecting)  
  
N/A  
Click or tap here to enter text.
5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.  
  
No - CREO's review is not applicable (Press tab after selecting)  
Please provide reasoning why not:  
This ordinance calls for a ballot initiative to be put the voters for approval.

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

No(Press tab after selecting)

Click or tap here to enter text.

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

No(Press tab after selecting)