



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Finance

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 requests the authority to sell, issue and deliver sanitary sewer revenue bonds in an amount not to exceed \$115 million for the purpose of rehabilitating, expanding, and improving the City's Sanitary Sewer System. The ordinance also estimates \$2.1 million of gross premium proceeds and appropriates the funds for anticipated costs of issuance.

Discussion

The voters of Kansas City authorized, in 2022, the issuance of \$750 million in revenue bonds for extensions and improvements to the City's Sewer works system. None of the authorization has been issued to date.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No

2. What is the funding source?

Net revenues of the Sewer Revenue fund, fund number 8110.

3. How does the legislation affect the current fiscal year?

Ordinance Number 220954, passed by the City Council on November 3, 2022 estimated and appropriated \$104 million in bond proceeds for capital projects related to the Sanitary Sewer System. This ordinance will authorize the sale of bonds to fund the appropriations and also pay transaction costs of the sale.

4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

Estimated debt service, based upon a November 2022 analysis by the City's financial advisors, will be about \$7.3 million a year for a twenty-five-year term totaling approximately \$183 million.



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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 Sewer revenue system in amounts that will provide 1.10X coverage on debt service on all outstanding Sewer revenue bonds including the bonds that will be issued to fund this ordinance.

Budget Review

(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

Additional Discussion (if needed)

N/A

Citywide Business Plan Impact

Supports the infrastructure & accessibility goal to develop infrastructure critical assets toward the goal of keeping those assets at good or better condition.

Prior Legislation

Ordinance No. 211044 passed on November 10, 2021, and Ordinance No. 220954 passed on November 3, 2022.

Service Level Impacts

Sewer 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 the assets utilized is critical.

Other Impacts

1. What will be the potential health impacts to any affected groups?



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There will be no potential negative health impacts from issuing this wastewater revenue bond.

2. How have those groups been engaged and involved in the development of this ordinance?

N/A

3. How does this legislation contribute to a sustainable Kansas City?

The Wastewater system will be maintained and enhanced with improvements to wastewater assets and the City will be able to continue to meet the requirements of the Consent Decree at the lowest possible cost to current and future ratepayers.

4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?

N/A

5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?

Yes

CONTRACTOR: Hilltop Securities, Inc.
Address: 717 N. Harwood St., Suite 3400
Dallas, TX 75201
Contract # EV2267-18 – Financial Advisory Services for
Water Revenue Bonds, Series 2023A & Sewer
Revenue Bonds, Series 2023A
Contract Amount: \$238,000.00*
MBE Goal 20%
WBE Goal: 0%
Total MBE Achieved: 20%
Total WBE Achieved: 0%

MBE SUBCONTRACTORS:

Name: Independent Public Advisors, LLC
Address: 5440 N. Mercier Ave.
Kansas City, MO 64118
Scope of Work: Financial Advisory Services
Dollar Amount: \$44,200
Ownership: Pooler, Tionna
Structure: African-American Female Code 19

WBE SUBCONTRACTORS:

None

Comments:

*Note: The contract includes reimbursable costs for printing and electronic dissemination. The MBE participation is based on the remaining contract amount of \$221,000.