

OPERATING/PROGRAMMATIC

171030

Legislative Fiscal Note

Ordinance Number

Ordinance Title (in Brief)

Authorizing the issuance of Sanitary Sewer Refunding Revenue Bonds, Series 2018B of the City of Kansas City, Missouri in order to refund the Sanitary Sewer Revenue Bonds, Series 2009A ("Series 2009A") and/or the Sanitary Sewer Improvement and Refunding Revenue Bonds, Series 2011A ("Series 2011A").

Does this Legislation Estimate New or Additional Revenues to the City? No Yes

If yes, please identify in which Fund these revenues will be deposited (e.g. General, Sales Tax) and provide the following revenue information:

Revenue Detail	FY 2016-17	FY 2017-18
General Fund		0
Special Revenue		
Enterprise		
Other		
Total:	\$ -	\$ 0

(Please detail type of revenue (fees, grants, tax) and change that will occur as a result of this legislation. Provide multi-year estimates if known, or if grant revenue please identify source of funds (federal or state) and duration of grant support)

Note:

Does this Legislation increase appropriations in the current budget? No Yes

If Yes, please complete the following budget information:

Expense Detail	FY 2016-17	FY 2017-18
General Fund		
Special Revenue		
Enterprise		
Other		
Total:	\$ -	\$ 0

Please detail the extent to which these increased appropriations will be of a permanent nature (e.g. number of additional staff, facilities, long-term contracts)

There are no appropriations associated with this ordinance. Based on the December 14, 2017 analysis prepared by FirstSouthwest, the total debt service on a \$113.375 million par amount is estimated at \$168.712 million and average annual debt service is \$8.935 million. The assumed federally tax-exempt true interest cost is estimated at 3.89%. The projected net present value savings for the Series 2009A Bonds is \$7.295 million or 16.11% of the refunding bonds. The projected net present value savings of the Series 2011A Bonds is \$5.423 million or 8.60% of the refunding bonds. There is a possibility the bonds may need to be sold on a taxable basis, due to changes in federal tax legislation prohibiting advance refundings with federally tax-exempt securities. In this situation, total debt service on \$117,455 million par value of taxable bonds, assuming a true interest cost of 4.20%, is \$173.180 million and average annual debt service of \$ 9.172 million. Projected net present value savings, assuming taxable refundings would be \$4.195 million or 8.33% of the refunding bonds on the Series 2009A Bonds and only \$1.218 million or 1.82% of the refunding bonds on the Series 2011A Bonds.

The revenues of the sanitary sewer system will serve as the revenue source for the repayment of the 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.

Does this Legislation expand the scope of current city services? No Yes

(Please detail estimate number of people to be served, who is delivering services currently to that population, service performance expectations, and if grant supported, provisions for support if grant support ends.)

Is this legislation the result of a federal or state legislative mandate? No Yes

(If yes, please detail the purpose and source for that mandate).

Reviewed by:

Office of Management and Budget

OMB Approval Date