

January 11, 2021

Honorable Mayor and
Members of the City Council
City of Warrensburg, Missouri

Dear Mayor and Councilmembers:

SUBJECT: An ordinance calling an election in the City of Warrensburg, Missouri to authorize general obligation bonds in the amount of \$17,000,000 for street and road improvements.

BACKGROUND:

In the last several years, the City Council and community have discussed the needs for road repair, maintenance and expansion in the city. The 2017 and 2019 Community Surveys conducted by ETC demonstrated both dissatisfaction with the traffic flow and support for a tax to improve roads and/or bridges. Additionally, there have been studies conducted to assess existing traffic conditions throughout the city, Maguire Street corridor, and Maguire/50 interchange. These studies have made recommendations; however, there has never been a funding source to make the recommended improvements.

In 2017, voters approved the issuance of general obligation bonds paid for with a property tax to construct Veterans Road and traffic signal upgrades. The idea behind moving forward with the traffic signal upgrades was to see if it would relieve the congestion on Maguire. However, while there has been some improvement to traffic flow on Maguire with the signal upgrades, actual relief on Maguire cannot be realized until the capacity of the corridor is increased. The authorization of that bond issuance is set to expire in 2022.

In September 2019, City Council reviewed several capital projects needed in the community and discussed potential funding sources. A detailed presentation of additional revenue sources was presented in September 2020. City Council directed staff to develop ballot language for a renewal of the current property tax approved in 2017 for the purpose of roads and bridges.

During a work session in December 2020, the city council again reviewed the community surveys results, traffic studies, capital projects, existing debt, and debt capacity. Staff presented three scenarios with renewing the existing property tax for 20-year (\$17 M), 10-year (\$8.5 M), or 5-year (\$4 M). City Council directed staff to move forward with developing an ordinance for first reading on January 11, 2021 calling for the issuance of \$17 M in general obligation bonds.

ISSUE:

This ordinance calls for an election to authorize general obligation bonds in an amount of \$17 M for road and bridge improvements. This is a renewal of the existing property tax passed in 2017 and set to expire in 2022. It will not be a tax increase.

The election will be held on Tuesday, April 6, 2021, and voters will be asked:

Shall the City Council of the City of Warrensburg, Missouri be authorized to issue general obligation bonds in the amount not to exceed \$17,000,000 to acquire rights of way, and to construct, reconstruct, extend and improve streets and roads in the City?

The language allows the city to use the bond proceeds to construct, reconstruct, extend and improve streets. This includes sidewalks, storm sewers, traffic signals along with any other street and road infrastructure.

STRATEGIC PLAN:

Focus I: Invest in Infrastructure

FISCAL IMPACT:

There may be grant opportunities provided by the state and federal government. These grants require some level of local match, but the most competitive grant applications include a 40-50% local match. This authorization to issue bonds will demonstrate the city has funds available for the match.

RECOMMENDATION:

Passage of the ordinance.

Sincerely,

Danielle Dulin
Interim City Manager

Marcella McCoy
Finance Director

Attachment: 1. Ordinance