



Board of Aldermen Request for Action

MEETING DATE: 7/1/2025

DEPARTMENT: Administration and Finance

AGENDA ITEM: Resolution 1481 – Authorizing the offering for sale of Certificates of Participation for the benefit of the City.

REQUESTED BOARD ACTION

Motion to approve Resolution 1481, authorizing the offering for sale of Certificates of Participation for the benefit of the City of Smithville, Missouri.

SUMMARY

The Water Master Plan was completed June 1, 2018. The Wastewater Master Plan was completed in January of 2021. These plans identify significant needs in facility and maintenance investment and guide development of the Capital Improvement Plan (CIP).

In 2018 and 2022, the City contracted with Raftelis Financial Consultants to perform a long-range planning utility rate study. The study and presentation by Rafetelis concluded that utility rate increases are necessary to continue funding water and sewer line replacement projects, fund ongoing system maintenance projects, and fund system capacity upgrades. The rate study demonstrated a need to issue as revenues would not sustain “pay-as-you-go” financing.

At the February 20, 2025 Work Session, staff presented information relating to the Combined Water and Wastewater Systems (CWWS) Fund and upcoming significant investments in the utility infrastructure of the City of Smithville. Over the next eight to 10 years, approximately \$70 million in utility investment is recommended. Staff has worked with our financial and bond advisors in reviewing the projects and cash flow in order to develop a recommended plan for financing these projects.

The City is planning to issue Certificates of Participation (COPs) in an amount of \$8.5 million to fund the following projects:

- **144th Street Lift Station and West Bypass:** This project includes the installation of a sewer pump station (lift station) at the end of 144th Street followed by the construction of a 10” force main to carry raw sewage to the south interceptor located on Cliff Drive. The addition of this pump station, and associated piping, will allow the decommissioning of lift stations at Central Bank, McDonalds, and Hills of Shannon. This lift station will be sized to allow for additional capacity in the area, including Forrest Oaks and will provide service to possible future developments.
- **Stonebridge Lift Station:** This project will replace a functionally obsolete and aged lift station providing capacity improvements for the southern portion of

Smithville and will allow the decommissioning of other lift stations that are under capacity.

- **12" River Crossing:** This project is necessary to ensure adequate water supply north of the Little Platte River. Currently, there is only one 8" main across the river and this improvement will provide additional capacity and reliability.
- **Owens Branch Gravity Line:** This multi-phased sanitary sewer gravity line project will provide additional capacity to the north end of town and enable removal of some lift stations.
- **Smith Fork Force Main:** The new pump station at Smith Forks identified the existing 4" force main was restricted. This project will replace the existing force main provide continued service and increased capacity in north Smithville.
- **Water Treatment Plant Improvements:** Improvements to the Water Treatment Plant to address taste and odor control.

This resolution is commonly referred to as a "Go to Market" resolution, which indicates the intention of the Board to issue debt and authorizes Piper Sandler, the City's financial advisor and Gilmore & Bell, P.C., the city's special counsel, to proceed with the preparation of documents and procedures for the financing. The passage of this Resolution does not commit the City to the financing, it just provides direction to move forward.

Future items related to the issuance of COPs include staff and representatives from Piper Sandler participating in a rating call, the result of which will be establishing the City's bond rating for issuance of the debt. Final steps include the sale of the COPs, approving the financing ordinance, and the delivery of funds for the project. As we progress through this process, Piper Sandler and Gilmore & Bell will provide updates to the Board on the process.

PREVIOUS ACTION

2018 and 2022 Raftelis Rate Study.

February 20, 2025 Work Session - presentation of utility infrastructure projects and funding options.

April 1, 2025 Regular Session – Approval of Resolution 1455 – Reimbursement Resolution.

POLICY OBJECTIVE

Financing of Utility Infrastructure.

FINANCIAL CONSIDERATIONS

Proceeds from the Certificate of Participation (COPs) will be used for utility improvements.

ATTACHMENTS

☐ Ordinance

☒ Resolution

☐ Staff Report

☐ Other:

☐ Contract

☐ Plans

☐ Minutes

RESOLUTION 1481

A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF CERTIFICATES OF PARTICIPATION FOR THE BENEFIT OF THE CITY OF SMITHVILLE, MISSOURI

WHEREAS, the City of Smithville, Missouri (the "City") desires to finance the costs of acquiring, constructing, installing, improving, furnishing and equipping various projects related to the City's water and sewer system, including without limitation the acquisition and installation of electric infrastructure for the system, the construction and installation of sewer lift stations, including force mains, at 144th Street and Stonebridge, the construction and installation of a force main from Smith's Fork lift station, the acquisition and installation of a water main and river crossing, the construction and installation of a gravity sewer main along Owens Branch, and improvements at the water treatment plant (the "Projects"); and

WHEREAS, the City has selected the firm of Piper Sandler & Co. (the "Municipal Advisor"), as municipal advisor, and Gilmore & Bell, P.C., as special counsel ("Special Counsel"), for a series of certificates of participation (the "Certificates") to be delivered for the benefit of the City in the approximate amount of approximately \$8,500,000 to finance the costs of the Projects; and

WHEREAS, the City desires to authorize the Municipal Advisor and Special Counsel to proceed with the offering for sale of the Certificates; and

WHEREAS, the City desires to authorize the Municipal Advisor and Special Counsel to proceed with the preparation, review and distribution of the Notice of Sale, the Preliminary Official Statement and the final Official Statement relating to the Certificates.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF SMITHVILLE, MISSOURI, AS FOLLOWS:

Section 1. The City hereby authorizes the Municipal Advisor and Special Counsel to proceed with the preparation, review and distribution of the Notice of Sale, the Preliminary Official Statement and the final Official Statement for the Certificates. Upon completion of the preparation of the Notice of Sale and the Preliminary Official Statement, the Municipal Advisor is hereby authorized to proceed with the offering for sale of the Certificates. The final terms of the Certificates shall be determined and approved by subsequent ordinance of the Board of Aldermen of the City.

Section 2. The Board of Aldermen hereby authorizes the execution of the final Official Statement by the Mayor, the City Administrator or other appropriate officers of the City with such changes and additions thereto as such officials shall deem necessary or appropriate, such official's signature thereon being conclusive evidence of such official's and the City's approval thereof. The Board of Aldermen hereby consents to the use and public distribution by the Municipal Advisor of the Notice of Sale, the Preliminary Official Statement and the final Official Statement in connection with the offering for sale of the Certificates.

Section 3. For the purpose of enabling the purchaser of the Certificates to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the Mayor, the City Administrator or other appropriate officers of the City are hereby authorized, if requested, to provide the purchaser a letter or certification to the effect that the City deems the information contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the purchaser to comply with the requirements of such Rule.

Section 4. The City agrees to provide to the purchaser of the Certificates within seven business days of the date of the agreement to purchase the Certificates or within sufficient time to accompany any confirmation that requests payment from any customer of the purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the purchaser to comply with the requirements of Rule 15c2 12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G 32 of the Municipal Securities Rulemaking Board.

Section 5. The Mayor, the City Administrator and other officers and representatives of the City are hereby authorized and directed to take such other action as may be necessary to carry out the offering for sale of the Certificates.

Section 6. This Resolution shall be in full force and effect from and after its adoption by the Board of Aldermen.

PASSED AND ADOPTED by the Board of Aldermen and **APPROVED** by the Mayor of the City of Smithville, Missouri, the 1st day of July, 2025.

Damien Boley, Mayor

ATTEST:

Linda Drummond, City Clerk