City of Mexico, Missouri
City Council Meeting Agenda
City Hall – 300 N. Coal Street
Mexico, Missouri 65265
November 9, 2015
7:00 p.m.

1. **Call to Order**

2. **Roll Call**

3. **Approval of Minutes**

   A. October 26, 2015 – Work Session

   B. October 26, 2015 – Regular Session

4. **New Business – Resolutions (Reading and Passage)**

   A. Bill No. 2015 – 58. A Resolution Authorizing the City Manager To Enter Into An Agreement with the Mexico Area Chamber of Commerce, the County of Audrain and Audrain Development Inc. to Assist in Economic Development Activities for the City of Mexico. Reading and Passage

   B. Bill No. 2015 – 59. A Resolution Authorizing the City Manager to Sign a Hangar Lease with Keith Davenport. Reading and Passage.

5. **New Business – Ordinance (Two Readings By Title Only and Passage)**

   C. Bill No. 2015 – 60. An Ordinance Adopting a Debt Management Policy for the City of Mexico. Two Readings By Title Only and Passage

6. **Other Business**

   A. Staff Report – Purchase of Radiant Heaters for the Singleton Maintenance Building

   B. Appointments to the Mexico Park Board

   C. Claims

7. **Comments**

   A. Council

   B. Public (*Please state name and address for the record and keep comments to a maximum of three minutes*).

8. **Adjournment**

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CITY OF MEXICO, MISSOURI
CITY COUNCIL MEETING MINUTES
WORK SESSION
OCTOBER 26, 2015

The Council of the City of Mexico, Missouri met in work session on October 26, 2015 at 6:00 p.m. in the Council Chambers of City Hall, with the following members present: Mayor Greg Miller; Chairman Pro Tem Chris Williams; Councilman Ron Loesch; Councilman Steve Nichols; Councilman Chris Miller. Also present were Roger Haynes, Deputy City Manager; Russell Runge, Assistant City Manager/Economic Development; Rita Jackson, Community Development Director; Kensey Russell, City Engineer/Public Works Director; Major Brice Mesko, Public Safety Department; Chad Shoemaker, Parks & Recreation Director; Patrick Shaw, IT Specialist; Marcy LeCount, City Clerk; Lou Leonatti, City Attorney, as well as members of the media and interested citizens.

The Meeting was called to order with Mayor Miller presiding.

COUNCIL DISCUSSION –SIDEWALK MAINTENANCE POLICY
Kensey Russell, Public Works Director/City Engineer

Deputy City Manager Haynes called upon Director Russell to provide an overview of the Sidewalk Maintenance Policy.

Director Russell provided an overview of Sidewalk Policies, short term ADA transition plan. Director Russell spoke regarding maintenance of sidewalks and responsibilities, the ADA legal obligations and funding of the project. Director Russell provided information to Council Members regarding the City's current codes and ADA basics. Director Russell reviewed with Council possible funding options that could be available. Director Russell provided information regarding regulations that manage the ADA impact on the project. Director Russell provided samples of current sidewalks in the community and stated that local regulations will need to set to determine funding amounts, placement of sidewalks and the City's and residents cooperation in replacing sidewalks.

Council Members and City Staff discussed sidewalk conditions within the residential and commercial areas in Mexico, funding availability and the development of a program.

OTHER BUSINESS
Director Russell provided an update on the Morris Street improvements.

ADJOURNMENT
Mayor Miller moved to close the work session. The motion was seconded by Chairman Pro Tem Miller. The Chair called for a vote and motion carried with the vote as follows: Ayes, Williams, Loesch, G. Miller, Nichols, C. Miller. Nays, none.

The City Council Work Session Meeting was adjourned.

MAYOR

CITY CLERK

APPROVED BY COUNCIL NOVEMBER 9, 2015

CITY OF MEXICO, MISSOURI
CITY COUNCIL MEETING MINUTES
OCTOBER 26, 2015

The Council of the City of Mexico, Missouri met in regular session on October 26, 2015 at 7:00 p.m. in the Council Chambers of City Hall, with the following members present: Mayor Greg Miller; Chairman Pro Tem Chris Williams; Councilman Ron Loesch; Councilman Steve Nichols; Councilman Chris Miller. Also present were Roger Haynes, Deputy City Manager; Russell Runge, Assistant City Manager/Economic Development; Rita Jackson, Community Development Director; Kensey Russell, City Engineer/Public Works Director; Major Brice Mesko, Public Safety Department; Chad Shoemaker, Parks & Recreation Director; Patrick Shaw, IT Specialist; Marcy LeCount, City Clerk; Lou Leonatti, City Attorney, as well as members of the media and interested citizens.

The Meeting was called to order with Mayor Miller presiding.

APPROVAL OF MINUTES – OCTOBER 12, 2015 – REGULAR SESSION
Chairman Pro Tem Williams moved for approval of the October 12, 2015 regular session minutes as presented. Councilman Miller seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, Williams, C. Miller. Nays, None. Abstain, Loesch. The Minutes were approved as presented.

RESOLUTIONS (READING AND PASSAGE)
Bill No. 2015 – 55. A Resolution Authorizing the City Manager to Enter Into An Agreement With the Mexico Senior Nutrition Center to Assist in Providing Services for Senior Citizens.
Mayor Miller called upon Deputy City Manager Haynes to provide the report.

Deputy City Manager Haynes stated that Bill No. 2015 – 55 authorizes the City Manager to enter into an agreement with the Mexico Senior Nutrition Center to assist in providing services to senior citizens. The 2015 – 2016 budget allows for the City of Mexico to contribute to the Mexico Senior Nutrition Center the sum of Eleven Thousand and No/100Dollars ($11,000.00) to assist in the offset of operational costs related to providing programs, activities and nutritional luncheon services. The City has been providing assistance to the Mexico Nutrition Center since 2000. Deputy City Manager Haynes recommended Council proceed with reading and passage of Bill No. 2015 – 55.

Deputy City Manager Haynes introduced Sally Crow, Administrator of the Mexico Nutrition Center. Crow expressed appreciation for Council's continued support and invited each Council Member to visit the nutrition center for lunch and tour the facility.

Councilman Loesch moved for reading of Bill No. 2015 – 55. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, Williams, C. Miller, Loesch. Nays, None.
Bill No. 2015 – 55 was read by it's entirely by Councilman Loesch.

Councilman Loesch moved for passage of Bill No. 2015 – 55. Councilman Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, Williams, C. Miller, Loesch. Nays, None. Bill No. 2015 – 55 was passed as Resolution No. 3741.

Bill No. 2015 – 56. A Resolution Authorizing the City Manager to Enter Into An Agreement With the Help Center To Offset Operational Costs Related To Providing Services To Citizens.
Mayor Miller called upon Deputy City Manager Haynes to provide the report.

Deputy City Manager Haynes stated that Bill No. 2015 - 56 authorizes the City Manager to enter into an agreement with The Help Center to assist in the offset of operational costs related to providing services to citizens. The 2015 – 2016 budget allows for the City of Mexico to contribute to The Help Center the sum of Ten Thousand and No/100 Dollars ($10,000.00) for the use in the offset of operational costs related to providing programs, activities and services to citizens. The City provided assistance to The Help Center in 2004, 2009, 2010 and 2011 in the amount of $5,000. Council approved to increase assistance to The Help Center in 2012 in the amount of $10,000. Deputy City Manager Haynes recommended Council proceed with reading and passage of Bill No. 2015 - 56.

Deputy City Manager Haynes introduced Gary Jones, Executive Director of the Help Center. Jones expressed appreciation to Council Members for their continued support of the Help Center.

Chairman Pro Tem Williams moved for reading of Bill No. 2015 – 56. Councilman Loesch seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, Williams, C. Miller, Loesch. Nays, None. Bill No. 2015 – 56 was read by it's entirely by Chairman Pro Tem Williams.

Chairman Pro Tem Williams moved for passage of Bill No. 2015 – 56. Councilman Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, Williams, C. Miller, Loesch. Nays, None. Bill No. 2015 – 56 was passed as Resolution No. 3742.

Bill No. 2015 – 57. A Resolution Authorizing the City Manager To Enter Into An Agreement with the Mexico Area Chamber of Commerce To Assist in Marketing Activities for the City of Mexico.
Mayor Miller called upon Deputy City Manager Haynes to provide the report.

Deputy City Manager Haynes stated that Bill No. 2015 - 57 authorizes the City Manager to enter into an agreement with the Mexico Area Chamber of Commerce to assist in marketing activities in the City of Mexico for the budget year 2015 - 2016. The City of Mexico would contribute to the Mexico Area Chamber of Commerce the sum of Thirteen Thousand and No/Dollars ($13,000.00) for use in the cost of the marketing activities listed in the agreement. Deputy City Manager Haynes recommended Council proceed with reading and passage of Bill No. 2015 – 57.

Chairman Pro Tem Williams moved for reading of Bill No. 2015 – 57. Councilman Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, Williams, C. Miller, Loesch. Nays, None. Bill No. 2015 – 57 was read by it's entirely by Councilman Nichols.

Councilman Nichols moved for passage of Bill No. 2015 – 57. Chairman Pro Tem Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, Williams, C. Miller, Loesch. Nays, None. Bill No. 2015 – 56 was passed as Resolution No. 3743.

OTHER BUSINESS

Staff Report – 2016 Dental Insurance Coverage

Mayor Miller called upon Deputy City Manager Haynes to provide the report.

Deputy City Manager Haynes stated that Staff had been reviewing group dental insurance bids for the upcoming benefit year January 1, 2016 through December 31, 2016. The City received five dental insurance quotes. Qualified proposals were received from:

Insurance Company	*Single Rate Premium*	*Family Rate Premium*	*Benefit Year Limit*	*U.C.R. %*
Guardian	$15.31	$54.38	$1,500	90%
Kansas City Life	$17.89	$61.79	$1,500	80%
MetLife (current)	$18.73	$58.45	$1,500	99%
MetLife (renewal)	$21.54	$67.22	$1,500	99%
Standard	$17.79	$55.53	$1,500	95%
Unum	$35.60	$90.90	$1,000	90%

Deputy City Manager Haynes stated that giving full consideration to pricing submitted from providers, past service experience, benefit coverage, area network, and percentage of UCR paid, Standard provides the best overall dental plan for the upcoming plan year. Deputy City Manager Haynes recommended Standard as the dental benefit provider for calendar year 2016 with the option to renew for two additional one year terms based on quality of service and acceptable renewal pricing and that Gallaher Insurance Group be the agency of record based on the quality of service provided to the City of Mexico.

Discussion was held by Council Members and City Staff regarding the proposed dental insurance coverage.

Councilman Miller moved to award the dental benefit provide for the 2016 calendar year to Standard and Gallaher Insurance Group be the agency of record. Councilman Nichols seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, Williams, C. Miller, Loesch. Nays, None.

Claims

The list of claims was presented for approval.

Councilman Nichols moved for approval of the list of claims as presented. Councilman Miller seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, G. Miller, Nichols, Williams, C. Miller, Loesch. Nays, None.

The list of claims was approved.

COUNCIL COMMENTS
Councilman Loesch made comments regarding the Huntingfield Bridge replacement project.

Chairman Pro Tem Williams made comments regarding the Huntingfield Bridge replacement project and it being completed ahead of schedule. Chairman Pro Tem Williams commented on services that are provided to residents through the Help Center, Mexico Senior Nutrition Center and the Mexico Chamber of Commerce. Chairman Pro Tem Williams commented on attending an SSM – Audrain event to meet the possible new SSM – Audrain Executive Director.

Councilman Nichols made positive comments regarding the completion of the Huntingfield Bridge and the improvements made to the Help Center neighborhood.

Councilman Miller made comments supporting the Council Member's comments on the Help Center, Mexico Nutrition Center, Mexico Chamber of Commerce and Huntingfield Bridge replacement project.

Deputy City Manager Haynes reported on the upcoming ribbon cutting ceremony for the newly constructed tennis courts at Fairgrounds Park. The ceremony will be held Wednesday, October 28th at 4:00 p.m. Deputy City Manager Haynes reported on the upcoming catch and release at Kiwanis Lake and the Trunk & Treat event that will be held in the downtown area on Saturday, October 31st.

Mayor Miller made positive comments supporting comments made by Council Member's regarding services provided to the community through the Mexico Help Center, Mexico Senior Nutrition Center and the Mexico Chamber of Commerce. Mayor Miller expressed appreciation for each entities involvement in the community. Mayor Miller made comments regarding the recently attended Commerce Industry & Appreciation Banquet held recently by the Mexico Chamber of Commerce honoring the Mexico Veterans Home and Melody's Quality Jewelry.

PUBLIC COMMENTS
None

ADJOURNMENT
Councilman Miller moved to close the open session. The motion was seconded by Councilman Nichols. The Chair called for a vote and motion carried with the vote as follows: Ayes, G. Miller, Nichols, Williams, C. Miller, Loesch. Nays, None. The City Council Regular Session Meeting was adjourned.

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MAYOR

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CITY CLERK

APPROVED BY COUNCIL NOVEMBER 9, 2015

CITY OF MEXICO, MISSOURI
CITY MANAGER'S OFFICE

Agenda: November 9, 2015

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager To Enter Into An Agreement with the Mexico Area Chamber of Commerce, the County of Audrain and Audrain Development Inc. to Assist in Economic Development Activities for the City of Mexico

Dear City Council Members:

The attached Resolution authorizes the City Manager to enter into an agreement with the Mexico Area Chamber of Commerce, the County of Audrain and the Audrain Development Inc. d/b/a Progress Mexico to assist in economic development activities in the City of Mexico for the budget year 2015 - 2016.

Each entity will contribute the sum of Five Thousand and No/Dollars ($5,000) for support in the cost of the economic development activities listed in the agreement. This is a renewal of an existing agreement with the cost and activities remaining the same.

Staff recommends that the City of Mexico enter into an agreement to promote economic development activities and that Council proceed with reading and passage of the attached Resolution.

Respectfully submitted,

Bruce R. Slagle
City Manager

Attachment

BILL NO. 2015 – 58 RESOLUTION NO. __________

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE MEXICO AREA CHAMBER OF COMMERCE, THE COUNTY OF AUDRAIN AND AUDRAIN DEVELOPMENT INC. TO ASSIST IN ECONOMIC DEVELOPMENT ACTIVITIES FOR THE CITY OF MEXICO

WHEREAS, the City of Mexico recognizes the many benefits derived by the City, its businesses and citizens resulting from economic development activities in Mexico, Missouri; and

WHEREAS, The City of Mexico acknowledges the need for economic development activities and also recognizes the benefits associated with partnering with the Mexico Area Chamber of Commerce, the County of Audrain and the Audrain Development, Inc. d/b/a Progress Mexico; and

WHEREAS, The City of Mexico, Mexico Area Chamber of Commerce, Audrain County, Missouri and Audrain Development Inc. desire to enter into an agreement to promote economic development activities within the City of Mexico and County of Audrain.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEXICO, MISSOURI, AS FOLLOWS:

Section 1. The City Manager is hereby authorized to execute an agreement with the Mexico Area Chamber of Commerce, Audrain County, Missouri and Audrain Development, Inc. to assist in promoting economic development activities in the City of Mexico and County of Audrain.

Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS 9TH DAY OF NOVEMBER 2015

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MAYOR

ATTEST:

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CITY CLERK

CITY OF MEXICO, MISSOURI
OFFICE OF ASSISTANT CITY MANAGER/ECONOMIC DEVELOPMENT

Agenda: November 9, 2015

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Sign a Hangar Lease with Keith Davenport

Dear City Council Members:

The attached Resolution would authorize the City Manager to sign a Hangar Lease between the City of Mexico and Keith Davenport.

A list of persons interested in renting airport hangars at the Mexico Memorial Airport is maintained in the City Manager's Office and is posted at the Mexico Memorial Airport. Hangar twelve (12) has been vacated and the placement on the hangar list allows Keith Davenport the opportunity to accept a hangar. The Lease will be for a term of one year automatically renewable at the end of the first year with the hangar rent being $90 per month.

The Mexico Airport Advisory Board met on April 4, 2011 and recommended that Council authorize the City Manager to sign a Hangar Lease with potential renters as the hangars become available to those expressing an interest per the posted hangar list.

Staff recommends that Council proceed with reading and passage of the attached Resolution authorizing the City Manager to sign a Hangar Lease with Keith Davenport.

Respectfully submitted,

Russell Runge
Assistant City Manager/Economic Development

Attachments

Reviewed by: Bruce R. Slagle, City Manager

BILL NO. 2015 – 59 **RESOLUTION NO. _________**

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A HANGAR LEASE WITH KEITH DAVENPORT

WHEREAS, the Mexico Memorial Airport currently has one hangar available for rent; and

WHEREAS, a list of persons interested in renting airport hangars is maintained in the City Manager's Office and the placement on the hangar list allows Keith Davenport the opportunity to accept a hangar.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEXICO, MISSOURI, AS FOLLOWS:

Section 1. That the City Manager be authorized to enter into a Hangar Lease on behalf of the City of Mexico with Keith Davenport.

Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS 9TH DAY OF NOVEMBER 2015

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MAYOR

ATTEST:

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CITY CLERK

CITY OF MEXICO, MISSOURI
OFFICE OF DEPUTY CITY MANAGER

Agenda: November 9, 2015

Members of City Council
City of Mexico, Missouri

RE: An Ordinance Adopting a Debt Management Policy for the City of Mexico

Dear City Council Members:

Credit agencies frequently ask both public and private entities whether or not they have established a written debt management policy with more emphasis placed on the public sector than in the past.

During last year's annual review of the City's financials, S&P inquired as to whether the City of Mexico had formally adopted by ordinance a debt management policy for which the agency could provide credit for within their rating process. The Government Finance Officers Association (GFOA) also suggests within its' "Best Practice" guidelines that state and local governments develop and adopt a comprehensive debt management policy.

Background

Debt management policies are written guidelines, allowances, and restrictions that guide the debt issuance practices of state and local governments including the issuance process, management of debt portfolio, and adherence to various laws and regulations. A debt management policy is to be designed to improve the quality of decisions, articulate policy goals, provide guidelines for structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. Such a policy provides transparency to ensure that there is a common understanding of the issuers approach to debt financing. In addition, a formally adopted debt management policy provides another positive checklist point to rating agencies and capital markets that a government is well managed and therefore is likely to meet its debt obligations in a timely manner.

Therefore, for the noted benefits to the City of Mexico in having a formal debt management policy Staff has developed such a written policy for Council's review and adoption.
The attached Debt Management Policy addresses purpose of the policy, types of Debt that may be issued, debt structures, use of professional services, debt administration, debt services reserves, and a debt issuance checklist.

Staff recommends Council adopt the Debt Management Policy in regard to debt issuance and debt management and proceed with two readings by title only and passage of the attached Ordinance. The Ordinance has been posted the required length of time.

Respectfully submitted,

Roger D. Haynes
Deputy City Manager

Reviewed by: Bruce R. Slagle, City Manager

BILL NO. 2015 – 60 ORDINANCE NO. _________

AN ORDINANCE ADOPTING A DEBT MANAGEMENT POLICY FOR THE CITY OF MEXICO

WHEREAS, debt management policies are written guidelines, allowances, and restrictions that guide the debt issuance practices of state and local governments including the issuance process, management of debt portfolio, and adherence to various laws and regulations and

WHEREAS, the Government Finance Officers Association (GFOA) suggests within its' "Best Practice" guidelines that state and local governments develop and adopt a comprehensive debt management policy; and

WHEREAS, to improve the quality of decisions, articulate policy goals, provide guidelines for structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. A Debt Management Policy also provides transparency to ensure that there is a common understanding of the issuers approach to debt financing; and

WHEREAS, Staff has developed a written a Debt Management Policy for Council's review and adoption.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEXICO, MISSOURI AS FOLLOWS:

Section 1. That the Debt Management Policy, attached hereto as Exhibit "A" is hereby adopted by the Council of the City of Mexico, Missouri.

Section 2. This Ordinance shall be in full force and effect from and after the time of its passage.

PASSED THIS 9TH DAY OF NOVEMBER 2015

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MAYOR

ATTEST:

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CITY CLERK

City of Mexico
Debt Management Policy

I. Purpose

The purpose of the Debt Management Policy (the "Policy") adopted by the City of Mexico, Missouri (the "City") is to provide guidance for the types of debt issued, the issuance process, and the administration of the debt portfolio.

The Policy is intended to guide decisions, identify policy goals, and demonstrate a commitment to financial planning. Stakeholders in the debt issuance process, including bond buyers, rating agencies, and citizens recognize the importance of having a structured framework in which to issue debt and meet those obligations.

Though this Policy gives guidance for making decisions, it is not intended to be inclusive of all debt issuance types and scenarios. External factors affecting the Policy can change over time; therefore, the Policy shall be reviewed on an annual basis by the City Manager, and any modifications made to the policy shall be approved by the City Council. Authority to manage the Policy is granted to the City Manager or designated staff. Debt will be issued in accordance with all applicable federal and state laws and City Council authorization.

II. Types of Debt

The City has elected to limit the use of debt to certain circumstances. The City's debt issuance has the following general limitations:

1. Long-term debt will not be used to fund current operations.
2. The capital project or asset lends itself to debt financing rather than pay-as-you-go funding based on the expected useful life of the project (i.e., ten (10) years or greater) or existing market conditions.
3. Other financing options have been reviewed and are not viable for the timely or economic acquisition or completion of a capital project.
4. Short-term debt may be used to provide liquidity for capital projects until long-term financing is available; generally, the City will take steps to avoid issuing short-term debt for ongoing operations.
5. Long-term debt will have an identified revenue stream or other financial resources sufficient to meet future principal and interest payments.

The City has the ability to issue many different types of debt to meet its financing objectives. The following is a listing of the types of permitted debt and general guidelines as to their use.

<u>A. General Obligation</u>

General obligation (G.O.) bonds have the full faith and credit of the City, because of the City's authority to levy property taxes for debt service. G.O. bonds are authorized by the approval of the requisite number of qualified voters, as required by state statute.

As such, G.O. bonds can be used to finance capital expenditures approved by voters. The sum of all G.O. debt outstanding, regardless of type, is governed by the City's statutory legal debt margin. The City may incur indebtedness for authorized purposes not to exceed 20% of the valuation of taxable tangible property in the City (Ref. Article VI, Section 26 Missouri Constitution; and RSMo 95.135).

Neighborhood Improvement District (NID) Bonds are general obligation issues even though their purpose is for business activity asset.

As special assessment taxes are used to liquidate the debt, the revenue and expense transactions are accounted for in the associated Debt Service Fund (a governmental fund).

1. General Obligation Bonds - Full faith and credit. To be issued for capital projects which benefit the City as a whole. Principal and interest is to be paid from the City's debt levy assessed on all taxable tangible property. The City Council may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

2. NID - To be issued for purposes consistent with the NID statute (RSMo 67.453-64.475). Principal and interest is to be paid from special assessments levied on properties within the NID. The City attaches liens on the properties within the district to secure payment. If property owners do not pay their assessment, debt payments will be made from proceeds from the sale of the property.

B. Special Obligation

The City is authorized to incur special obligation debt without voter approval for the purchase, construction, or expansion of City buildings. This debt is not backed by the full faith and credit of the City, but instead the City's pledge of annual appropriation. Generally, they are first secured by the revenues of the particular project. If these revenues are insufficient, the City pledges an annual appropriation from general revenues. The rating agencies consider the annual appropriation pledge as a very serious commitment of the City, which is reflected in the credit quality of the debt. Failure to appropriate on any given bond issue would potentially lead to a downgrading of the City's credit rating. While the City Council has the legal authority to appropriate special obligation commitments on an annual basis, the City enters into annual appropriation debt with the full expectation of making whatever annual appropriations are necessary to fund debt service on a timely basis.

1. Lease-backed debt. The City may issue tax-exempt and taxable leasehold revenue bonds and special limited obligation bonds by using a trust structure. Projects are to be limited to public purpose capital expenditures as described above. Principal and interest is to be paid from project revenues or specific taxes. Capital leases are not considered an indebtedness of the City because the lease payments are subject to annual appropriation; however, from a variety of perspectives (e.g. credit, accounting, etc.) all or most of this type of debt may be considered an obligation of the City.

2. Lease Purchase. Legally, the City may enter short-term lease-purchase agreements to finance capital improvements, including acquisition of equipment with an expected useful life of less than ten years. Principal and interest is to be paid from the operating budget or other dedicated resources of the department purchasing equipment or constructing the capital improvement.

3. <u>Certificates of Participation (COPs).</u> A form of lease obligation in which the City enters into an agreement to pay a fixed amount annually to a third party, usually through a trust structure, subject to annual appropriation.

C. Revenue Bonds

Revenue bonds may be issued to fund capital projects related to governmental enterprise functions or for special projects supported by distinct revenue sources. They are designed to be self-supporting through user fees, other specified receipts, or taxes and do not rely on the general taxing powers of the City. Principal and interest is paid from net revenues from enterprise operations or directly from the earmarked revenue source. Revenue bonds secured by certain dedicated revenue streams, such as sales taxes, are to be authorized by voter approval.

D. Community Development District/ Transportation Development District

A Community Improvement District (CID) [*RSMo 67.1401-67.1571*] / Transportation Development District TDD) [*RSMo 238.200-238.275*] is a defined area within which patrons pay additional sales taxes, special assessments on property, or fees in order to fund projects and provide additional services within the District’s boundaries. In the event that a special taxing District within the City’s boundaries issues debt, the City should retain oversight over the transaction, including the ongoing monitoring of the District’s operations and revenues available for debt service.

E. Industrial Revenue

The City may issue industrial revenue bonds (per RSMo Chapter 100) for purposes consistent with state statute, which include but are not limited to: improvement of warehouses, industrial plants, buildings, machinery, etc. The City acts as a "conduit" issuer, as defined under federal law and state statute, on behalf of a private or non-profit party. Chapter 100 bonds are not included in the City's debt burden because they are secured solely by revenues of the private or non-profit party. Principal and interest on Chapter 100 bonds is paid solely from the net revenues of the project and do not constitute a general obligation of the City.

F. Temporary Loans

The City can use short-term funding, primarily temporary notes, to provide interim funding for capital projects until long-term debt is issued. In most instances, temporary notes are redeemed with subsequent long-term debt. Temporary notes will generally have a one-year maturity, with principle and interest paid at maturity, though longer maturities are allowed if the project necessitates. The City does have the ability to issue tax anticipation notes to meet short-term liquidity needs before tax revenues are received. However, it is the preference of the City to avoid usage of anticipation notes by managing cash flows. Tax anticipation notes will be limited to six months maturity.

G. Interfund Borrowing

The City can utilize interfund borrowing, mainly from the General Fund, for short-term or long-term debt. Interfund loans provide interim funding for capital projects and NIDs until long-term financing is secured. Interfund borrowing as long-term debt for NIDs must be evaluated on a case by case basis. Market rates of interest and defined repayment schedules will apply.

H. Derivatives

Generally, the City will not use debt derivatives including interest rate swaps, forward swaps, swap options, or any similar hedge instrument.

III. Debt Structures

The structure of debt issued by the City, regardless of type, is to be evaluated using the Debt Issuance Checklist attached in Appendix I.

A. Amount of Debt

The amount of debt required is derived from the underlying capital project or expenditure. The ability of the City to identify and commit resources to meet debt obligations limits the amount of debt issued. A financial analysis will be performed to evaluate the financial impact of the debt size.

B. Fixed or Variable Rate Debt

The City will in most circumstances pursue traditional, fixed-rate bond structures, where at the time of bond sale, all interest rates are known and do not change over the life of the issue. Variable interest rate bonds have interest rates that reset on a periodic basis. Particular conditions may arise where the City would consider the use of variable interest rate bonds, such as an adverse fixed-rate municipal market or the potential to accelerate debt retirement.

Variable interest rate debt exposes the City to interest rate risk over the term of the financing. The City can use unhedged variable rate bonds as part of a comprehensive asset/liability management program and will use various risk mitigation procedures. This includes investing excess cash to earn investment income that can be used as a direct offset to rising rates on the unhedged variable rate bonds. Excess cash means amounts not available for operations or used to earn regular investment income for City funds, and must be invested in an internally-restricted portfolio.

C. Taxable vs. Tax-exempt Debt

The City shall first seek to issue only tax-exempt debt and avoid taxable debt in order to reduce interest expense. However, the City recognizes that not all financings will be able to be completed on a tax-exempt basis and therefore reserves the right to participate in taxable financings if necessary.

D. Repayment Term

The City will structure its debt to comply with all federal, state and local requirements as to repayment terms. The City will manage financial resources in such a way to repay its debt in an expeditious and timely manner.

For debt requiring a debt service fund, the City may structure payment of the bonds to account for the release of the debt service fund as an offset to the final principal and interest payment.

E. Prepayment Provisions

Redemption provisions and call features shall be evaluated in the context of each bond sale to enhance marketability of the bonds, to allow flexibility, or to enable future refunding. The potential of additional costs, such as a call premium and higher interest rates, which result from including a call provision, will also be evaluated.

F. Credit Enhancement

The City will evaluate the cost-benefit of bond insurance, by comparing the premium cost of the insurance to the estimated difference in the true interest cost (TIC) of an insured versus uninsured bond issue. For competitive sales, the City will use bidder's option insurance.

G. Method of Sale

The best method of sale depends on the type of bonds being sold, market conditions, and the overall performance of the debt portfolio.

1. Competitive sale. Bonds are marketed to a wide audience of underwriters by the City and financial advisor. Their bids are submitted at a specified time. The underwriter is selected based on its best bid for the securities, evaluated in part on the TIC, which considers the time value of money.
2. Negotiated sale. The City selects the underwriter or group of underwriters for its securities in advance of the bond sale. The City works with a financial advisor to bring the issue to market and negotiates all rates and terms of the sale. In advance of the sale, compensation of each underwriter and the designation rules and priority of orders will be determined.
3. Private placement. The City sells its bonds to a limited number of investors or other governmental agency, and not the general public. Private placement bonds are often characterized as having higher risk or a specific type of investor base. Private placement with governmental agencies is used to decrease interest and administrative costs.

In conjunction with a financial advisor, the City will select a method of sale that is likely to produce the lowest cost of borrowing given current market conditions. In some instances, the City may choose to employ a negotiated sale or private placement instead of a competitive sale when:

1. Market conditions exist where underwriters are unwilling to take reasonable risk to underwrite bonds, as required for successful competitive sales.
2. The City rejected competitive bids after a failure to receive market-justified yields.
3. Debt structures would benefit from a sale targeted directly to retail investors or governmental agencies.
4. Bonds are unique or "story bonds" where the leadership of an underwriter from the beginning of the transaction would reasonably be expected to produce the best execution.

H. Debt Service Reserve Fund

In an effort to enhance the credit worthiness of outstanding debt such as revenue bonds, capital lease purchase, and certificates of participation, the city desires to fund debt service reserve accounts to the level required by the appropriate issuance from the proceeds of such issuance. Typical standards may require the lessor of 10% of the bond size, 110% of the average annual debt service, or maximum annual principal and interest payment amount.

IV. Consultants and Other Professional Services

The nature of the municipal bond industry requires certain specialized consultants to be retained. The City recognizes that continuity of consultants and their overall understanding of the City's debt portfolio will enhance the debt transaction process. In general, a competitive selection approach will be used in the retention of consultants; however, the City Manager may also directly engage consultants on a case-by-case basis as approved by the City Council.

A. Bond Counsel

Bond counsel will be retained for all debt transactions to provide assurance to the City and investors that the bonds are legal and tax requirements have been met. In addition to standard required documentation, bond counsel must issue a written letter addressed to the City Manager and City Council giving a summary of all documents to be signed and the bond counsel's affirmative opinion on the bond documents.

The City shall select bond counsel through a Request for Qualifications process.

B. Financial Advisors

Financial advisors assist in the structuring and issuance of bonds through the competitive or negotiated sales process. A financial advisor represents only the City in the sale of bonds. While serving as the City's financial advisor, a firm may not underwrite City bonds, and also may not switch roles from financial advisor to underwriter after a financial transaction has begun within the term of the contract.

During the contract term of any party acting as financial advisor, neither the financial advisor nor any individual it employs will perform financial advisory, investment banking, or similar services for any entity other than the City in transactions involving a City financial commitment without the specific direction of the City Manager.

The City shall select financial advisors through a Request for Proposal process.

C. Underwriters

For negotiated sales, an underwriter markets the City's bonds to investors. The City may use more than one underwriter for an issue. The underwriter or group of underwriters purchases the bonds from the City at an agreed upon price and resells the bonds to investors.

The City will use a financial advisor to assess request for proposals (RFP) from underwriters. RFPs will be obtained and evaluated on an issue-by-issue basis. The City will not be bound by the terms and conditions of any underwriting agreement, oral or written, to which it was not a party.

D. Other Parties

Depending on the specific bond issue, other parties customary in the bond issuance process may need to be engaged, such as paying agents, trustee banks, or bond insurers. The City will retain those professional services as needed.

V. Debt Administration

Proactive debt management is a key component to the immediate and long-term success of the City's objectives. Once issued, the professional oversight of individual issues and monitoring of the City's debt portfolio will allow for favorable financial positioning.

A. Disclosure

Disclosure is a regulatory requirement and a way to enhance the marketing of the City's bonds. Disclosure includes operational and financial information for the initial marketing of a bond to investors and ongoing information regarding the status of the issue and issuer, known as continuing disclosure requirements. The City will comply with disclosure requirements as outlined in bond documents prepared by bond counsel.

B. Credit Ratings

High credit quality is essential to cost-effective financing. The City's goal is to maintain its high bond rating, and look for opportunities to increase that rating within the parameters of each type of debt issuance.

Three national agencies are currently prominent in the municipal market: Standard & Poor's, Moody's Investors Service, and Fitch Investors Service. Because the City's debt issues vary greatly in size, the City and its financial advisor will evaluate the cost-benefit of obtaining a credit rating from one of the rating agencies. The retention of a rating agency relationship will be based on the potential for more favorable interest costs as compared to the direct and indirect cost of maintaining that relationship.

In advance of obtaining a credit rating, the City will prepare rating presentations in the appropriate form prior to a bond sale. The City will also maintain an ongoing statistical analysis of credit quality indicators to measure its standing over time.

C. Defeasance, Prepayment, and Refunding

Accelerated retirement and restructuring of debt can be a valuable debt management tool. Accelerated retirement occurs through the use of defeasance and the exercise of prepayment provisions. Debt is often restructured through the issuance of refunding bonds.

Prepayment provisions are structured into the original bond issue. These opportunities take the form of using cash to reduce all or a portion of outstanding principal and future debt service obligations.

Debt can be refunded using current or advance refunding methods to achieve one or more of the following objectives: reduce future interest costs, restructure future debt service, or modify the legal requirements or bond covenants of the original issue. The City will generally look to a net present value savings in a minimum range of 3% to 5% of the present value of the refunding bonds. These refunding targets are not intended to prevent restructuring of outstanding debt as necessary to achieve other financial goals. The City will generally look to structure the refunding bonds in the same way as the original debt.

D. Investment of Bond Proceeds

The City will seek to lower its cost of borrowing through the investment of bond proceeds, including debt service funds, debt service reserve funds, and construction funds. Drawdowns of construction proceeds will be managed to maximize investment opportunity. Debt service funds and construction funds will be part of the City's investment pool and invested in the safest investments that optimize return on investment. Debt service reserve funds and other funds held by a trustee bank are to be invested in the safest investments available while earning a return. Bond proceeds will be invested in accordance with bond documents prepared by bond counsel.

E. Arbitrage and Tax Compliance

The City will comply with federal arbitrage and rebate regulations. The City recognizes its obligations to account for potential arbitrage rebate exposure and engage bond counsel to provide these calculations and certifications as required by bond documents. Steps will be taken to minimize any rebate liability through proactive management in the structuring and oversight of its individual debt issues and investment of bond proceeds.

For each debt issuance, the City Manager or designee will maintain a "Tax Advantage Obligation File" that contains documents needed to adhere to IRS requirements and to implement tax and securities law compliance procedures. The file will include an annual compliance checklist, documenting the maintained tax status of the debt issuance.

VI. Operating Reserves

The maintenance of adequate operating reserves is essential to the financial strength and flexibility of the city as a whole. They are an integral part of the financial structure of the city and help make it possible for the city to issue debt. Operating reserves are a significant factor considered in evaluating and assigning credit ratings by the bond rating agencies. In order to meet potentially unanticipated needs it shall be the goal of the city to maintain the following reserves:

1. An annual reserve in the General Fund equal to a range of fifteen (15) to twenty (20) percent of annual expenditures.

2. A sixty (60) day unrestricted reserve in enterprise funds, as well as all reserves required by revenue bond indentures to remain in complete compliance with bond issue covenants.

3. An annual cash basis and contingency reserve in the debt service funds of at least ten (10) percent of the annual principal and interest and capital improvement lease payments. This includes beginning debt service fund cash, current year revenues, transfers, and general fund revenues dedicated towards COP's, etc., divided by current liabilities of G.O. debt plus COP's, etc.

A. Fund Balance

Ratings agencies prefer strong fund balance levels for entities at or aspiring to AAA status. It shall be the goal of the City to maintain a fund balance in the General Fund of 25% of annual expenditures (reference; Fund Balance Policy).

The City Council may approve the use of fund balance in the case of emergency events, or conditions that result in unanticipated expenditure requirements or revenue fluctuations within a fiscal year, or to take advantage of an extraordinary opportunity.

1. Classification: The City desires to establish a fund balance classification policy consistent with the needs of the City, and in a manner consistent with governmental accounting standards. The following classifications serve to enhance the usefulness of fund balance information:

    (a) Non-spendable: assets legally or contractually required to be maintained, or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
    (b) Restricted: assets with externally imposed constraints, such as those mandated by creditors, grantors and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.
    (c) Committed: assets with a purpose formally imposed by resolution by the City Council, binding unless modified or rescinded by the City Council.
    (d) Assigned: assets constrained by the expressed written intent of the City Council, City Manager, or designee. Encumbrances shall be considered as assigned, unless they specifically meet the requirements to be committed or restricted.
    (e) Unassigned: all amounts not included in other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance.

For unrestricted fund balance, committed amounts should be reduced first, followed by assigned amounts, followed by unassigned amounts.

Appendix I
Debt Issuance Checklist

Note: The structure of debt issued by the City, regardless of type, is to be evaluated using the Debt Issuance Checklist. This checklist is not meant to be inclusive of all factors that apply when evaluating debt, but a tool to analyze the structure of debt issuance. There may be factors to consider that are not included on the Debt Issuance Checklist.

General Information

Type of debt:

Short or long term debt:

Bond proceeds will be used to:

Reserve and accounts to be established under the bond ordinance:

_____________ Debt Service Reserve Account
_____________ Depreciation and Replacement Account $________ monthly, $________ maximum

Identify the financial resources that will be used to meet debt obligations:

Amount of Debt
Analyze the following ratios to evaluate the City's ability to meet debt obligations. To project into future years, use the current budget's growth estimates.

_____________ Total Debt Service per Total Expenditure
_____________ Total Debt Service per Non-Capital Expenditure
_____________ Total Debt Service per Total Revenues
_____________ Total Debt Service not Supported by Dedicated Revenues

Conclusion:

Interfund Borrowing
Evaluate the interfund borrowing for the issuance by

_____________ Financing resources used to retire the debt
_____________ Interest costs over time
_____________ Interest income earned over time
_____________ Size of the debt issuance
_____________ Opportunity cost of borrowed
_____________ Repayment schedule
_____________ Marketability and flexibility of issuance

Conclusion:

Fixed or Variable Rate Debt
Evaluate the impact of fixed or variable interest rates by considering:

______________ Cost of interest on fixed rate debt
______________ Cost of interest on variable rate debt
______________ Ability to accelerate debt retirement
______________ Ability to offset interest expense through investment income

Conclusion:

Prepayment Provisions
Evaluate the impact of call provisions by considering:

______________ Cost of call premium
______________ Cost of higher interest rates
______________ Ability to refund issuance in future
______________ Marketability and flexibility of issuance

Conclusion:

Taxable vs. Tax-exempt Debt
Evaluate the impact of taxable vs. tax-exempt debt by considering:

______________ Cost of interest on taxable issue
______________ Cost of interest on tax-exempt issue
______________ Marketability and flexibility of issuance

Conclusion:

Debt Maturity
Evaluate the optimum maturity for the issuance by considering:

______________ Financial resources used to retire the debt
______________ Interest costs over time
______________ Marketability and flexibility of issuance

Conclusion:

Method of Sale
Evaluate the method of sale that produces the lowest cost of borrowing:

______________ Competitive sale
______________ Negotiated sale
______________ Private placement

Conclusion:

Credit Enhancement
Evaluate the impact of bond insurance by considering:

______________ Cost of bond insurance to estimated savings in the TIC

Conclusion:

Appendix II
Glossary of Terms

Acceleration
A provision normally present in a bond indenture agreement, mortgage, or other contract, that the unpaid balance is to become due and payable if specified events of default should occur. These include failure to meet interest, principal, or sinking fund payments, insolvency, and nonpayment of taxes on mortgaged property.

Advance Refunding
A method of providing for payment of debt service on a municipal bond until the first call date or maturity from funds other than an issuer's revenues. Advance refundings are done by selling a new bond issue and investing the proceeds in a portfolio of U.S. government securities structured in order to provide enough cash flow to pay debt service on the refunded bonds. Refunding bonds are settled more than 90 days in advance of an optional prepayment date. The federal restrictions are that any issue can only be advance refunded once on a tax-exempt basis.

Arbitrage
Investment earnings representing the difference between interest paid on bonds and the interest earned on securities in which bond proceeds are invested. The Internal Revenue Code regulates the amount and conditions under which arbitrage on the investment of bond proceeds is permissible and the 1986 Tax Reform Act requires, with limited exceptions, that arbitrage from investments must be rebated to the federal government.

Average Effective Interest Cost
The average interest rate on a bond issue, including all issuance costs, expressed as either net interest cost or true interest cost.

Balloon Maturity
An extremely large proportion of bond principal coming due in a single year.

Basis Point
One basis point is 1/100 of 1 percent (0.01 percent). One hundred basis points equal 1 percent.

Bond Anticipation Note
A short-term borrowing that is retired with the proceeds of a bond sale.

Bond Insurance
Insurance as to timely payment of interest and principal of a bond issue. The cost of insurance is usually paid by the issuer in the case of a new issue of bonds, and the insurance is not purchased unless the cost is more than offset by the lower interest rate that can be incurred by the use of the insurance.

Bond Purchase Agreement
Contract that outlines the terms, prices, and conditions under which the underwriters agree to purchase the bonds from the issuer.

Bond Register
A record of the names and addresses of registered bond owners, kept by a transfer agent or registrar on behalf of an issuer.

Bond Resolution
Adopted by the issuer's governing body to authorize the issuance and sale of municipal securities. The bond resolution describes the nature of the bond offering, the terms and conditions of the sale, and the obligations of the issuer to the bondholders. When a trust indenture is used, the bond resolution also approves the trust indentures and appoints a trustee and is called a Deed of Trust.

Bond Transcript
The legal documents associated with a bond offering.

Bond Year
An element in calculating average life of an issue and in calculating net interest cost and net interest rate on an issue. A bond year is the number of 12-month intervals between the date of the bond and its maturity date, measured in $1,000 increments. For example, the "bond years" allocable to a $5,000 bond dated April 1, Year 1, and maturing June 1, Year 2, is 5.830 [1.166 (14 months divided by 12 months) x 5 (number of $1,000 increments in $5,000 bond)]. Usual computations include "bond years" per maturity or per an interest rate, and total "bond years" for the issue.

Bonded Debt
The portion of an issuer's total indebtedness as represent by outstanding bonds.

- Direct or gross bonded debt: The sum of the total bonded debt and short-term debt.
- Net direct debt or bonded debt: Direct debt less sinking fund accumulations and all self-supporting debt such as tax anticipation notes and revenue anticipation notes.
- Total overall debt or total direct and overlapping debt: Total direct debt plus the issuer's applicable share of the total debt of all overlapping jurisdictions.
- Net overall debt or net direct and overlapping debt: Net direct debt plus the issuer's applicable share of the total debt of all overlapping jurisdictions.
- Overlapping debt: On a municipal issuer's financial statement "overlapping debt" is the debt of other issuers which is payable in whole or in part by taxpayers of the subject issuer.

Book Entry
Securities in the form of entries in the issuer's or a clearing house's books, rather than in the form of paper certificates with coupons. All but the smallest bond issues are sold in book entry format.

Call
Actions taken to pay the principal amount of the bonds prior to the stated maturity date, in accordance with the provisions for "call" stated in the proceedings and the bonds.

Callable
Subject to payment of the principal amount (and accrued interest) prior to the stated maturity date, with or without payment of a call premium.

Call Premium

A dollar amount, usually stated as a percentage of the principal amount called, paid as a "penalty" or a "premium" for the exercise of a call provision.

Capital Project
Large scale capital expenditures that require significant financial resources. This includes purchase, construction, renovation, or addition of capital assets and infrastructure improvements.

Closing Date
The date on which a new issuance of bonds is delivered to the purchaser upon payment of the purchase price and the satisfaction of all conditions specified in the bond purchase agreement.

Coverage
This is a term usually connected with revenue bonds. The margin of safety for payment of debt service, reflecting the number of times (e.g."110 percent coverage") by which annual revenues either on a gross or net basis exceed annual debt service.

Current Refunding
Refunding bonds are settled within 90 days of an optional prepayment date.

Dated Date (or Issue Date)
The date of a bond issue from which the bondholder is entitled to receive interest, even though the bonds may actually be delivered at some other date.

Debt Limit
Statutory or constitutional limit on the principal amount of debt that an issuer may incur (or that it may have outstanding at any one time).

Debt Service
Principal and interest.

Debt Service Reserve Fund
Used in revenue bond issues, a fund usually amounting to principal and interest payments for one year and used only if normal revenues do not cover debt service.

Defeasance
Funds are accumulated in a dedicated debt service fund or other available reserve to place in an irrevocable escrow account an amount sufficient such that the initial deposit plus accumulated investment earnings pay all scheduled debt service obligations on the refunded bonds until an optional prepayment date, at which time all remaining refunded bonds are retired.

Depository
A clearing agency registered with the Securities and Exchange Commission which provides immobilization, safekeeping and book-entry settlement services to its participants.

Discount

(1) Amount (stated in dollars or a percent) by which the selling or purchase price of a security is less than its face amount. (2) Amount by which the amount bid for an issue is less than the aggregate principal amount of that issue.

Due Diligence
The investigation of a bond issue, by underwriter's and issuer's counsel, to ensure that all material facts related to the issue have been disclosed to potential buyers in the official statement (OS).

Duration
The sum of the present values of each of the principal and interest payments of a security, weighted by the time to receipt of each payment, divided by the total of the present values of the payments. Unlike average life or average maturity, duration takes into account the timing of both principal and interest payments.

Interest Rate Swap
An agreement between two parties to exchange future flows of interest payments. One party agrees to pay the other a fixed rate; the other pays the first party an adjustable rate usually tied to a short-term index.

Issue Date (or Dated Date)
The date of a bond issue from which the bondholder is entitled to receive interest, even though the bonds may actually be delivered at some other date.

Joint Managers
Underwriting accounts are headed by a manager. When an account is made up of several groups of underwriting firms that normally function as separate accounts, the larger account is often managed by several underwriters, usually one from each of the several groups, and these managers are referred to as "joint managers."

Lease Financings
Under the structure, a municipality borrows money to rent equipment that it will acquire at the end of a stipulated period.

Legal Opinion
An opinion of bond counsel concerning the validity of a securities issue with respect to statutory authority, constitutionality, procedural conformity and usually the exemption of interest from federal income taxes.

Letter of Credit (LOC)
A security document usually issued by a bank that back-stops, or enhances, the basic security behind a bond. In the case of a direct pay "LOC," the bondholder can request the bank to make payment directly rather than through the issuer, in which case the City agrees to promptly repay the bank or pay the bank in advance.

Level Debt Service
The result of a maturity schedule that has increasing principal amounts maturing each year so that the debt service in all years is essentially "level." "Level debt service" is often used with revenue bond issues (and, in a familiar area, in the traditional approach to monthly payments on home mortgages).

Maturity Date
The stated date on which all or a portion of the principal amount of a security is due and payable.

Maturity Schedule
The schedule (by dates and amounts) of principal maturities of an issue.

Net Interest Cost (NIC)
The traditional method of calculating bids for new issues of municipal securities. The total dollar amount of interest over the life of the bonds is adjusted by the amount of premium or discount bid, and then reduced to an average annual rate. The other method is known as the true interest cost (TIC), which takes into account the time value of money. NIC = (Total Coupon Interest + Discount or - Premium)/Bond Years.

Net Tax-Supported Debt Service
Annual principal and interest due for aggregate tax-supported debt less any principal and interest due for tax-supported debt determined to be self-supporting (i.e., annual debt service is fully paid from dedicated taxes, fees, incremental revenues, etc.).

Notice of Sale
An official document disseminated by an issuer of municipal securities that gives pertinent information regarding an upcoming bond issue and invites bids from prospective underwriters.

Official Statement (OS)
Discloses pertinent information regarding the debt offering of a governmental entity. It should contain complete information about the bonds being offered such as a description of the security pledge for the repayment of debt, the issuer's financial condition, structure of the offering, tax status, and economic/demographic information.

Optional Redemption
A right to retire an issue or a portion thereof prior to the stated maturity thereof during a specified period of years. The right can be exercised at the option of the issuer or, in pass-through issues, of the primary obligor. "Optional redemption" may require the payment of a premium for its exercise, with the amount of the premium decreasing the nearer the option exercise date is to the final maturity date of the issue.

Par Value
The principal amount of a bond or note due at maturity.

Paying Agent
Place where principal and interest are payable. Usually a designated bank or the office of the Administrator of the issuer.

Syndicate
A group of underwriters formed for the purpose of participating jointly in the initial public offering of a new issue of municipal securities. The terms under which a "syndicate" is formed and operates are typically set forth in the "agreement among underwriters." Those terms will establish the pro rata participation of each syndicate member; the methods by which offering prices and other terms of sale will be established; in what priority orders for securities will be taken and confirmed; and the joint or several nature of the liability assumed by each member for the purchase of unsold securities. The purpose of a "syndicate" formation is to share the risk of the offering among participating underwriters and to establish a distribution network in which to market the offered securities. One or more underwriters will act as manager of the "syndicate" and one of the managers will act as lead manager and "run the books." A "syndicate" is also often referred to as an "account" or "underwriting account."

Tax-Supported Debt Service
Annual principal and interest due for aggregate tax-supported debt.

True Interest Cost A method of calculating bids for new issues of municipal securities that takes into consideration the time value of money (see "Net Interest Cost").

Trustee
A bank designated by the issuer as the custodian of funds and official representative of bondholders. "Trustees" are appointed to insure compliance with the contract and represent bondholders to enforce their contract with the issuers.

Trust Indenture
A legal contract between the issuer and the trustee establishing responsibilities of the issuer and the rights of the bondholders. The trust indenture defines the security, flow of funds, bond covenants, and other provisions for the protection of the investors and is enforced by the trustee.

Underwriting Spread
The difference between the offering price to the public by the underwriter and the purchase price the underwriter pays to the issuer. The underwriter's profit, expenses and selling costs are usually paid from this amount.

Yield to Maturity
Total return on a bond, taking into consideration its coupon, length of maturity, and dollar price.

CITY OF MEXICO, MISSOURI
OFFICE OF CITY MANAGER

Agenda: November 9, 2015

Members of City Council
City of Mexico, Missouri

RE: Appointments to the Mexico Park Board

Dear City Council Members:

This agenda item concerns an opening on the Mexico Park Board, which needs to be appointed by the City Manager. Advertisements have been placed asking that interested citizens submit applications.

Mexico Park Board There are currently two vacancies on this board and Adam Henderson's term expired June 2015. Mr. Henderson has expressed an interest in reappointment and Staff has received applications from Mike Kulas and Judy Cordie expressing an interest in serving on this board.

Staff requests that Council concur with the City Manager's appointments to the Mexico Park Board.

Respectfully submitted,

Bruce R. Slagle
City Manager

MEXICO PARK BOARD

Meet on first Monday of each mth. **Appointed by City Manager.**

Name	Term (3 yr. term)
Kathy Hopkins *(Resigned Mel Muschkopf)*	6/2010 - 6/2016
Nancy Smiley *(resigned position of Paul Day)*	6/2008 - 6/2017
Jim Kropf	6/1995 - 6/2016
Adam Henderson	6/2012 - 6/2015
Terry Henage	6/2001 - 6/2016
Sherrri Chedwick	6/2008 - 6/2017
Vacant	6/2015 - 6/2018
Vacant	6/2015 - 6/2018
Beverly MacFarlane	6/1996 - 6/2017