

Aurora City Council Minutes

Aurora City Hall
City Council Chambers

2 W. Pleasant
Aurora, Missouri

Monday, January 31, 2022 - 6 P.M.

1. CALL TO ORDER

Mayor Lewis called the meeting to order at 06:02 p.m. Present for the meeting were Mayor Lewis, Chairman Pro Tem Oplinger, Councilman Ferguson (Via Zoom), Councilwoman Pettit, Councilman Kennedy, City Manager Jon Holmes, Eddie McLiney with McLiney and Company, Michael Atkinson with Allgeier, Martin & Associates, Inc., Parks Department, Aurora Parks Board, Recreation Center Design Committee.

2. ROLL CALL

Mayor Jason Lewis - Present
Chairman Pro Tem Dawn Oplinger - Present
Councilman Doyle Ferguson - Present
Councilwoman Theresa Pettit - Present
Councilman Tony Kennedy - Present

3. NEW BUSINESS

3.1. Discussion Of Recreation Center Development

City Manager Jon Holmes gave a presentation on Aurora Recreation Center Discussion.

This presentation is an attachment to these minutes.

4. ADJOURNMENT

Chairman Pro Tem Oplinger made a motion to adjourn, time noted 07:53p.m. Councilwoman Pettit seconded the motion. Motion passed with the following council members voting aye:

AYES: Lewis, Oplinger, Ferguson, Pettit, Kennedy

NAYES: 0

APPROVED:

Jason Lewis, Mayor

ATTEST:

Kamy Kulow, City Clerk

Aurora Recreation Center Discussion

City of Aurora

January 31, 2022

Aurora City Council & Aurora Park Board

Goals

Goal for the Meeting – Largely Informational

- Provide good information to the Council, the Park Board and citizens in attendance.
 - 1) Financing Options – Jon and Eddie McLiney
 - a) Bonds
 - b) Certificate of Participation
 - 2) City of Aurora Financial Position and Preparedness Actions
 - a) General Fund
 - b) Park and Stormwater Fund
 - 3) Capital Improvement ½ Cent Sales Tax
 - a) Revenue History and Analysis
 - b) Revenue Projections for 2024 and beyond
 - 4) Discussion of expected costs
 - a) Project Breakout
 - b) Discussion of Project Phases

Agenda

Financing Options – Jon and Eddie McLiney

Bonds

- See Handout
- Best Option – Cheaper, best terms
- Requires Ballot Vote with 4/7th approval from Voters
- Local Investment
- Will it be a Referendum

Certificate of Participation

- See Handout
- No Vote Required
- Less Favorable Terms
- Limited Local Investment

Agenda

City of Aurora Financial Position and Preparedness Actions **General Fund**

- FY2020 Audit – Ending Cash Balance: \$2M
- FY2021 Unaudited – Projected Ending Cash Balance: \$3M

Park and Stormwater Fund

- FY2020 Audit – Ending Cash Balance: \$625,140
 - FY2021 Unaudited – Projected Ending Cash Balance: \$627,025
-
- These two funds could be used for upfront costs as needed
 - Reimbursement Resolution

Agenda

City of Aurora Financial Position and Preparedness Actions

Other Preparedness Actions

Future Budget Considerations

- Staff have begun FY23 Budget prep work.
- CM will be developing on longer term budget
 - FY24, FY25 & FY26.
- Development of Recreation Center Budget and staffing recommendations – FY25 or FY26.
- Other financial Considerations?
 - Creation of a Rec Center Fund
 - Cash Transfers to Rec. Center Fund to fund non-construction needs

Agenda

City of Aurora Financial Position and Preparedness Actions

Other Preparedness Actions

Resources

Primary

- Capital Improvement Sales Tax – ½ Cent Sales Tax – Begins Early 2023

Secondary – Potential Resources

- Grant Funding – Research available grant opportunities
- Capital Campaign – Initiate a Capital Campaign to solicit funding from donors – local and out of town
- Cooperative – State and Federal. In conjunction w/ Grants.
 - Also other financing tools - USDA Community Facilities funding, etc.
- Misc.
 - Discussion with Liberty and Spire concerning utility extensions
 - Lease/Use Agreements

Capital Improvement ½ Cent Sales Tax - History

- 2005 Revenue – \$501,537
Debt Service – \$372,101
% of Revenue – 91%
- 2011 Refinanced
- 2013 Revenue – \$535,302
Debt Service - \$353,802
% of Revenue – 66%

Revenue Growth 05-13	6.70%
Avg. Annual Growth 05-13	0.67%

- 2014 Revenue – \$574,706
Debt Service – \$359,866
% of Revenue – 63%
- Refinanced 2016
- 2021 Revenue – \$697,516
Debt Service – \$329,650
% of Revenue – 47%

Revenue Growth 14-21	21.37%
Avg. Annual Growth 14-21	2.83%

Using about 90% – 95% of our revenue in the early years is not that concerning. Reasonable growth in sales tax revenue can be expected, but we need to make sure we are not over-estimating that growth.

Capital Improvement ½ Cent Sales Tax - Projections

*“Past performance is **no guarantee** of future returns.”*

Projection future revenues – I tend to take a steady and conservative approach to forecasting.

FY20 and FY21 we have Avg. about 10% increases both years.

Continue? Not Sure...I am being very cautious.

My plan is to continue to cautiously budget for an increase of 1.5% to 2.5% unless I see more severe warning signs in the local and national economy.

March 2024 – Begin Collecting for unrestricted use April 1, 2024.

Jan 1, 2025 to Dec. 31, 2025 Would be the first full year of revenue.

Capital Improvement ½ Cent Sales Tax - Projections

Projections based on different scenarios:

1% - 2.5 %

Debt Service Target – 90% of Available Revenue

Projected Annual Debt Service: \$627,800 - Assumes 20 Year Term, 3% Interest, Financing Approximately \$9.5M

Basing a decision off of the 1% annual growth scenario:

2025 – first full year of revenue – Debt Service Required – \$627,800 or 89% of Revenue

2029 – 5th Year – same DS required but down to 85% of Revenue

Projected Costs

- Dealing with a lot of unknowns at this time
 - Inflation
 - Supply chain issues
- Reviewed a LOT of construction documents and plans of recreation centers from all over the country
- Looked at “recent” Rec Centers from Architectural firms from around the region
- Most recent was Grain Valley, MO: 2020 Estimates – Unconstructed 45 to 55,000 Sq. Ft. w/ enclosed water park - Cost Estimate \$20M - \$25M

Discussion of Costs.

Projected Costs

Discussion of Costs:

Phasing:

Phase 1: Soft Costs: Time?

Phase 2: Hard Costs and Construction: Construction Time? 12-18 Months.

Phase 3: Ancillary Costs: Most of this funding will not be needed until late in construction.

Next Steps?