



Bond Election Toolkit

Community Education Guide
for City Utility Initiatives



Bond Election Toolkit

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Funded by the State of Missouri Clean Water State Revolving Fund and produced by MPUA. This informational guide provides an overview of important items to consider and develop when asking voters to pass a bond issue in the State of Missouri.

DISCLAIMER

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Although wastewater utility examples are shown in this toolkit, the materials can be used for other types of utility bond elections.

COMMUNICATE EARLY & OFTEN

Full transparency and good communication with the community are key to a successful bond election.

pre-bond election outreach

Pre-Bond Election Outreach

Community Outreach

If you are considering a voter-approved bond issue, start your education campaign today. The voters need to know what you do for the community and that you get things accomplished. Communicating the hard work of utility workers and their accomplishments before you ask for bond funding will show the city's commitment is to providing safe and reliable utility service.

- Frequent messaging about the “who, what, when, where, and why” will instill trust in the utility from the community.
- As a best practice, when talking about construction projects, mention how the project is funded, especially if using precious bond funds, and that the utility is completing the project. This instills trust.
- Progress as promised – show how previously funded projects are being completed. This can be done through newsletters, the city's website, social media, traditional media sources, and presentations at city meetings and local civic group meetings.
- Highlight any awards or recognition for quality or reliability of service.
- When there are service issues, be sure to mention how quickly the city utility responded and if there are any steps that will be taken to avoid this problem happening again.

Governing Body Outreach

If your board or council members only pay attention to line items in the budget, give them a chance to get to know how utility operations work and talk to employees about the challenges they face. For example, provide an opportunity for city leaders to tour facilities. Discuss how different parts of the entire system help the city meet regulations and deliver reliable service. Give examples of the cost to make infrastructure upgrades so they understand how costly improvements can be.

IDEAS FOR WASTEWATER EDUCATION

Wastewater treatment facilities must comply with regulations protecting human health and the environment for today and future generations.

- Discuss how the city utility meets regulations or is mitigating any previous violations.
- Discuss how properly treated wastewater helps with stream quality, especially when watersheds run through or near the community.
- Discuss how the current utility projects protect human health by minimizing manhole overflows.
- Educate the public on how stormwater can impact the sewer utility and how they can reduce stormwater from overwhelming the sewer collection system and treatment plant.
- Share how basement flooding issues are handled in the community. Point out what parts of the system the city utility is responsible for and the obligations of the property owner.



KEY MESSAGE

Investments in wastewater projects help your community's economy and overall health.

CONSIDERING BOND FUNDING?

There are many points to consider when establishing bond funding so it is best to seek advice from a financial advisor and bond counsel.

financing with bonds

Financing with Bonds

Where to Start

There are many points to consider when establishing bond financing, so it is best to seek advice from a financial advisor with experience with city utilities and a bond counsel.

These consultants can help you with some of the decisions to be made, like the amount to borrow, when the borrowing needs to occur, reserve amounts needed, the cost of the financing, and closing costs.

Revenue Bonds

Revenue bonds are issued to finance facilities that have a definable user or revenue base. Generally, specific statutory authority is required for the issuance of revenue bonds. Some commonly used sources of authority include Chapter 91, RSMo, for waterworks system revenue bonds; Chapter 250, RSMo, for combined waterworks and sewerage system revenue bonds.

Funds for Repayment

Revenue bonds are payable from and secured by the pledge of a specific source of funds from the facility or project that is financed. The most common types of revenue pledges are from a municipality's water, sewer or electric system.

Approval Needed for a Revenue Bond

Nearly all revenue bonds, other than sales tax revenue bonds, require simple majority voter approval for passage.

Definitions listed in the three sections above are from the Missouri Municipal Finance Guide (2021) Copyright © 2021 Gilmore & Bell, P.C.

Seeking additional funding for projects?

Still need to include all project costs in bonding amount.

It is recommended to always propose a bond amount for the entire cost of the projects, without the assumption that your community is receiving a grant from the Missouri Department of Natural Resources. Otherwise, a community may have to go back out for more bonding capacity, which takes more time and can cause project delays. DNR can only provide loans up to the community's bonding capacity.

WHEN TO HOLD AN ELECTION

Consider other ballot initiatives, when bond finances are needed for projects, and the timeline of events before the vote to find the best election date.

timing of bond election

Timing of Bond Election

When to Hold an Election

One of the first steps when considering a bond election is to figure out the best time to ask voters to approve the financing according to when the bond funds are needed. Having a long list of funding questions during one election might hinder your chances for bond approval.

- Allow adequate time for the bond financing to be in place before the first project needs to begin.
- Consider what actions will need to be completed before the first project if voters deny the bond financing ballot issue.
- Are there any other tax or bond issues scheduled for the same election?
 - Check with other city departments and the county government.
 - Check with the city and county's school systems.
- Consult with the city's finance staff members, financial advisors and bond counsel when setting a bond election date.

Once the timing of the bond election is established, you can create a timeline of events that need to occur before and after the vote by your governing board for the bond election.

Deadlines for Filing a Bond Election

Once you have your ballot election for a bond approved by your governing body, it needs to be filed with the area's election authority.

Section 115.125, RSMo, requires that notice of the election be filed with the proper election authority (e.g., county clerk(s) or elections board) **not later than 5 p.m. on the 10th Tuesday before the election**. The notice must include a certified copy of the ballot question and the legal notice required to be published by the election authority pursuant to Section 115.127, RSMo. It is always good practice to check with your local election authority, municipal attorney or bond counsel regarding any additional requirements that may be applicable to your municipality.

Election deadline information is from the Missouri Municipal Finance Guide (2021) Copyright © 2021 Gilmore & Bell, P.C.

DEADLINE ALERT!

Notice of the election must be filed with the proper election authority not later than 5 p.m. on the 10th Tuesday before the election.

FOLLOW BALLOT STATUTES

Bond ballot language must follow the guidance of State of Missouri Statute Section 95.150 RSMo.

ballot election language

Ballot Election Language

The ballot question language for a bond issue must follow the format described in the State of Missouri statutes.

When describing the purpose of the bond funded projects, keep the language simple so it is easily understood by the voters. Ballot issue language relating to the funded projects also needs to be overarching so if different variables pop up to complete a utility project, slight adjustments can be made.

Once the ballot language is finalized, run it by your attorney, bond counsel, and the county clerk's office or board of election commissioners. It is best to get input from others before the City Council approves it as a ballot item to ensure there is nothing left out or the language is confusing for voters. The broader set of backgrounds of the people reviewing it, the better.

THERE'S A MISSOURI LAW!

Section 95.150, RSMo, requires that the bond question be submitted in substantially the following form:

Shall _____ (name of city, town, or village) issue bonds in the amount of _____ dollars for the purpose of _____?

The Missouri Municipal Finance Guide (2021) Copyright © 2021 Gilmore & Bell, P.C. states that it is "strongly recommended to clarify the nature of the bonds being voted upon". Therefore, a city might want to include the word "revenue" before the word "bonds" in the ballot language, or the applicable type of bond funding being used – see sample ballot language section below. The Missouri Municipal Finance Guide (2021) also suggests that a city, "not include any language stating that repayment of the bonds is intended to be made only from a particular funding source (such as sales taxes), that the property tax levy for repayment of the bonds is in any way limited, or that the election will not require a tax increase."

Sample ballot language

Shall the City of Anytown, Missouri issue Revenue Bonds in the amount of Seventy-Seven Million Dollars (\$77,000,000.00) for the purpose of constructing, improving, repairing, equipping, maintaining and expanding the city-owned sewer collection system and treatment facility?

YES () NO ()

JUST THE FACTS!

Create a comprehensive bond issue fact sheet that can serve as the base for all your outreach messages.

Do not use persuasive language to avoid breaking Missouri Ethics Commission laws!

creating a bond fact sheet

Creating a Bond Fact Sheet

Only the facts

A fact-based, concise packet of information needs to be created early in the process so governing bodies have a simplified overview of what is being asked for with the ballot initiative. The fact sheet can also be used after the election has been established for voter education purposes as long as it does not include any persuasive language.

DON'T USE PERSUASIVE LANGUAGE: The contents of the ballot information packet must only contain the facts and no persuasive language. Threatening words and phrases should also be avoided. You can state the facts about what will happen if the bond issue does not pass but be careful on how you phrase it. Provide factual information on different funding options or projects that will be delayed if the bond ballot issue fails.

Follow the Rules

Once a bond election is established with an election authority, city employees must not promote the passage of any ballot issue by saying that people should vote in favor of the bond issue. When crafting your fact sheet, follow what is outlined in the section titled "Ethics Commission laws for elections" in this document and State of Missouri Statutes, Chapter 105.452 RSMo.

Use simple terms

When stating the facts in your bond issue outreach, keep in mind that your messages must be understood by those in your community. Stay away from words commonly used in the utility industry but not used by consumers. For example, people usually use the word sewer instead of wastewater. It is okay to simplify terms. Keep the language very simple. For instance, use "sewer" instead of "sewerage".

see the last section of this guide for
communication outlets and sample materials

TIME
SAVER

Once you create the fact sheet, it can be used to create shorter messages for targeted outreach like a presentation or press release.

Creating a Bond Fact Sheet

Proposition 1: Anytown Sewer Bond Election Fact Sheet Tuesday, April 5, 2022

Anytown Election

The City of Anytown, Missouri is requesting voters to decide on whether bond funds should be used to pay for improvements to the wastewater treatment plant to meet regulations and for collections system projects identified in the Sewer Master Plan.

Ballot Language

Shall the City of Anytown, Missouri issue Revenue Bonds in the amount of Seventy-Seven Million Dollars (\$77,000,000.00) for the purpose of constructing, improving, repairing, equipping, maintaining and expanding the city-owned sewer collection system and treatment facility? YES () NO ()

Purpose: Bond funding will be used for improvements to the wastewater system. Federal regulatory requirements for the sewer system must be met by 2027. Therefore, the treatment plant improvements must be completed by then. \$10 million is needed for the collection system and \$67 million for the treatment plant improvements. Ultimately, the changes will reduce discharge into streams and creeks, improving public health and protecting water quality.

Why Use Bond Funds? Revenue bonds provide the least expensive method to pay for sewer improvements. Bonds allow costs to be spread out over several years to minimize the rate impact to current customers and to allow future City of Anytown sewer customers to help pay the costs. Using bond funds is similar to a homeowner using a mortgage to pay for a big expense over time.

What approval will be needed? Simple majority of Anytown voters is required.

Areas of city covered: The entire Anytown sewer utility service territory.

Will the bonds require a tax increase? No.

Tips
for writing fact sheet



This summary can be used over and over again in outreach.

Many customers don't understand bond funding so use an analogy to a mortgage on a home to relay the simple concept of paying for large expenses over time.

Creating a Bond Fact Sheet

Proposition 1 Fact Sheet continued

Tuesday, April 5, 2022

Proposed sewer rate impact: This bond issue is not a tax. Sewer utility customers will pay back the borrowed money through a series of rate increases over the next five years. An average residential customer would see an average increase of approximately \$8.55 phased in over the next five years. The annual increases would range from \$1.50 to \$2.00 per month. Connection fees for new customers would also be increased by \$100 in 2023 and \$100 in 2024.

How do Anytown's sewer rates compare with other rates?

City, State	Monthly Residential
City Close By, KS	\$32.85
Rural City, MO	\$20.57
City Close By, MO	\$17.48
City Close By, OK	\$17.28
Similar-Sized City, MO	\$14.86
Anytown, MO	\$12.25
Rural City 2, MO	\$11.13
Rural City 3, MO	\$10.57

Proposition 1: Anytown Sewer Ballot Issue Projects

Wastewater Treatment Plant Improvements

Plant Reliability	\$18,700,000
Regulatory	\$14,400,000
Rehabilitation	\$16,000,000
Process Enhancement	\$7,100,000
Sludge Removal	\$6,900,000
Odor Control	\$3,900,000

Collection System Improvements

Private Common Collector Elimination; In-flow & Infiltration Reduction; Sewer Main &	\$4,000,000
Economic Development Sewer Extensions	\$3,000,000
100 Acre Point Sewer Extensions	\$3,000,000

TOTAL: \$77,000,000

Tips

for writing fact sheet

Need rate comparisons? Contact cities in your region or similar sized utilities for rate information. If you are a member of MPUA, contact them for their biennial water and sewer rate report that includes information from approximately 95% of Missouri water and wastewater utilities.

Provide a list of bond funded projects. Not every project has to be listed but voters need to have a general idea of what will be accomplished.

Have a complete list of proposed projects ready for any detailed inquiries that might come up with the public or the media.

Most of the public does not know how expensive utility projects can be so have some specific examples ready to share.

Creating a Bond Fact Sheet

Proposition 1 Fact Sheet continued

Tuesday, April 5, 2022

What happens if the proposition is not approved? Federal regulations must be met by 2027 so the treatment plant improvements must still be completed. If wastewater regulations are not met, The City of Anytown could be subject to fines as high as \$10,000 per day that the system is not in compliance. If the bond issue is not passed by voters, sewer rates would need to be raised at a much higher rate over a shorter period of time to pay for the necessary projects as they are completed. Bond funding spreads the payments over a longer time frame.

Can the amount of borrowed money be reduced? It is the goal of the City of Anytown to improve the sewer system with the least amount of money possible. If the bond issue passes, there are loans and grants that the city can pursue to possibly lessen the borrowing interest rate or the total amount borrowed through bond financing. The City of Anytown can apply for Missouri Department of Natural Resources' State Revolving Loan Fund, U.S. Department of Agriculture Rural Development financing, and Community Development Block Grant funds. In order to apply for these other funding options, the City of Anytown must show its ability to contribute money towards the projects through the bonding authority being requested during this election. The City of Anytown can borrow less money through bonds than what is being requested during this election if not as much money is needed to complete the necessary projects.

Have questions?

573-828-5000 sewer@anytown.mo.gov anytown.mo.gov
speak to: John Doe or Jane Smith

Tips for writing fact sheet

If bond funding is used to meet regulations, clearly state this. In this example, most of the projects must be funded. So, voters are mainly deciding on a funding method for the regulatory improvements.

If the utility is borrowing money to use the low-cost financing available through the State of Missouri's Revolving Loan Fund or a grant, mention this in the factsheet to show the city's commitment to finding ways to finance the improvements at the lowest cost to the consumer.

ADDRESS ISSUES HEAD ON!

Add details to your factsheet about any issues the community is discussing. If there have been any violations to regulations, share the details. Addressing concerns of the public with full transparency will develop trust.

PROPER PLANNING PREVENTS POOR PERFORMANCE

Once the election date is established, create a timeline of activities to ensure all the necessary steps are completed on time.

timeline of activities

Timeline of Activities

Create a Timeline of Activities

The fact sheet, a detailed project list, and other financial information needs to be prepared early in the process so decision makers can be fully aware of the details of the proposal.

Once you have determined the deadline for submitting ballot information to the election authority, use that date to establish when the other activities leading to the election need to occur.

SIX TO TWELVE MONTHS BEFORE THE ELECTION

1. Start pre-bond issue public outreach months before the city starts the process for establishing a bond election.
2. Bond issue project list, sample ballot language, and draft of bond issue fact sheet is finalized including any utility rate adjustments needed to pay for the bond issue.
3. If there is a rate adjustment needed, consider sharing with each City Council member the impact it would have on their own household.
4. If a city has a utility board that needs to review/approve bond issue before it is voted on by the City Council, put it on the agenda early in the process so there is time to incorporate any suggestions from the utility board before it needs to go on the City Council agenda.
5. Consider a pre-Council meeting work session for utility staff members to answer any questions or address any issues with the proposed bond issue.

MORE THAN THREE MONTHS BEFORE ELECTION

Remember that the ballot item must be submitted to the election authority no later than 5 p.m. ten (10) Tuesdays before the election date.

1. City Council has first read of bond ballot language and date of the election.
2. Final vote by the City Council approving the ballot language and setting the election.
3. City Clerk files necessary paperwork with proper election authority to get bond issue on the ballot. If a city staff member has not been through this process before, make sure someone checks with County Clerk months in advance so all the processes for being on the ballot are met.
4. Mayor or City Manager/Administrator forms citizen election committee if it is decided to have a group that can promote the passage of the bond issue. If it is decided to go this route, see the section in this document on Missouri Ethic Commission laws about formation of a committee. The rules for a Political Action Committee (PAC) cover the reporting of funds raised, the language that must be used on any outreach materials, etc.

TWO MONTHS BEFORE ELECTION

1. See suggestions in the section of this document titled "Outreach Outlets & Messages
2. Presentations to the community, special public meetings, media outreach, and other targeted outreach should be scheduled during this time period.

ELECTION

Timeline of Activities

Sample Timeline for April Election

OCTOBER

- Start pre-bond election messaging to educate the community on what is being accomplished and educate on the state of the utility system.

NOVEMBER

- WEDNESDAY, NOVEMBER 3: Review details of requested bond funding proposal with the utility board, if applicable.
- MONDAY, NOVEMBER 15: City Council pre-meeting work session to review basics and answer questions

DECEMBER

- WEDNESDAY, DECEMBER 1: Utility board vote to make recommendation of approval to the City Council
- MONDAY, DECEMBER 20: City Council first read of bond ballot language and date of election

JANUARY

- MONDAY, JANUARY 3: City Council vote to approve bond election
- MONDAY, JANUARY 17: Notify election authority of bond election
- Form citizen committee with the Missouri Ethics Commission to promote the election

FEBRUARY

- Finalize bond fact sheet information and publicly release information. Present bond election information through public presentations

APRIL 5, 2022

- Election

Keep Track of Records! REQUIRED DOCUMENTATION FOR STATE REVOLVING FUND PROJECTS

- Minutes and notice of meeting approving the ordinance calling the election.
- Ordinance/resolution calling the election.
- Notice to the election authority.
- Affidavit of publication of the notice of election.
- Copy of the official ballot.
- Abstract of votes/certification of election results.
- Minutes and notice of meeting approving the results of the election.
- Signed letter from the local bond counsel on the validity of election and amount of voted authority remaining as of the date the request is submitted.

Seeking additional funding for projects?

The Missouri Department of Natural Resources requires documentation of activities if a city is going to apply for State Revolving Funds so keep a copy of the items listed.

WATCH WHAT YOU SAY

It is against Missouri laws for city employees or city resources to be used to promote a bond issue. State only the facts! Promotion can be made by forming an election committee.

Ethics Commission: laws for elections

Missouri Ethics Commission: Laws for Elections

THERE'S A MISSOURI LAW!

Cities can only state the facts.

- Chapter 105 RSMo for the law regarding Public Officers and Employees
- Miscellaneous Provisions, Regulation of Conflict of Interest and Lobbying
- Chapter 130 RSMo Campaign Finance Disclosure Law

Paid City Officials Can Only State Facts

City resources cannot be used to encourage community members to vote in favor of the bond issue. Anyone being paid wages by the city government cannot promote its passage. Remind elected officials they cannot use city resources or city email accounts to promote the bond issue. See the section in this toolkit regarding language to avoid so you are not perceived as convincing someone on how to vote.

For Promotion: Form a Political Action Committee (PAC)

A group of citizens can raise funds to produce promotional materials if they form a committee through the Missouri Ethics Commission. Although the laws can seem daunting, the process is straightforward and the Missouri Ethics Commission can help you. Here are *some* of the steps you will need to take to form a committee that will raise funds:

- Work with community leaders and involved citizens that see the need to pass the bond issue. The group will need to select a name, chairperson, and a treasurer.
- File the necessary paperwork with the Missouri Ethics Commission. The group can either form a one-time committee or one that will continue and can be used for future bond issues.
- The committee can assign various people to raise funds, develop promotional materials, and produce items like yard signs, mailers, flyers, buttons, paid advertising, etc. Remember that all promotional items must have the language required by law that identifies where the funds came from.
- Consult the Missouri Ethics Commission brochure "[Paid for Requirements](#)" for language to use about who paid for the outreach.
- The committee members can accompany city staff members to events to tell the audience why they feel it is important to vote in favor of the bond issue. The city staff member can address any of the factual, more technical aspects of the projects funded by the bonds.
- The treasurer needs to set up a bank account, track donations, expenditures, and file reports before the deadlines noted on the Missouri Ethics Commission's website.
- After the election, a final report needs to be submitted to the Missouri Ethics Commission. The group can file to end the committee or keep it open if any of the funds raised can be used for future bond issues.

The list above only provides the basic steps for forming a PAC. Follow the instructions by the [Missouri Ethics Commission](#) to ensure compliance.

GETTING THE WORD OUT

There are more free outlets than ever before for communicating bond issue facts to your community members. Use the bond issue fact sheet to customize messages for different outlets.

public outreach
& sample materials

Public Outreach & Sample Materials

There are many free public outreach outlets for cities to use for providing the bond election facts. Remember, once the bond issue is on the ballot, no city funds can go towards promoting the bond issue. See the following section on Missouri Ethics Laws for forming a promotional committee.

Outlets for Outreach

- Social media: posts are a great way to reach and target your voting demographics.
 - Facebook (posts on city account, use of Facebook Live, Facebook community groups), Twitter, Instagram, NextDoor, etc.
- Newsletters: if relaying information after the bond issue is on the ballot, ensure that no extra city funds are being used to promote the bond issue. Any information should be factual and not persuasive.
- Messages on the bill: keep any short messages factual and not promotional, to comply with State of Missouri Ethics law.
- City and utility website
- Talking points for employees: consider presentation to utility employees to arm them with the facts
- Press Releases about construction projects, quality of service, new systems, or processes to make customer service better, etc.
- Media outlets (newspapers, radio, television, etc.)
- Editorials, talk shows, live events on social media
- Townhall meetings with the community
- Presentations to local organizations
 - Where do people gather? clubs, civic groups, churches, senior centers, special events
 - Chamber of Commerce
 - Local school officials and groups
 - Business leaders
 - Economic Development agencies
- Ask for endorsements
 - Call on the Chamber of Commerce, school system, commercial customers, former city officials to discuss the ballot issue. Ask them to consider releasing a statement of support for the bond election.

City of Moberly, Missouri was live.
May 29 at 11:04 AM · 🌐

👍 Like Page

Let's talk about Tuesday's bond issue. What will this do to your bill if it passes?
-Rate increases have already been approved by City Council so this bond issue will not increase any further.

Please know that rate increases are inevitable as the rising cost of material and labor increase nationwide; however, large rate increases are not anticipated at this time.

Rotate key messages on free outreach outlets like social media.

Public Outreach & Sample Materials

Sample Outreach Messages

Use the bond election fact sheet to copy and paste shorter messages when the outreach content has limited space.

SAMPLE SHORT MESSAGES (SOCIAL MEDIA & BILLING MESSAGES)

When messages need to be kept short due to the format of the outreach, use a summary statement or consider doing a series of messages. These are the types of messages to prepare for social media outlets. Photos of utility crews working can visually reinforce the messages.

- Prop 1 on April 5 ballot to fund sewer plant system improvements for public health.
- Around 87% of sewer bond issue funds will go to meet mandatory federal regulations.
- Utilities use bonds to pay for expensive projects, like a homeowner who uses a mortgage to buy a home.
- Bond funding will allow current and future users of sewer system to pay for long-term projects.

MEDIUM LENGTH MESSAGE (NEWSLETTERS, EMPLOYEE EDUCATION, COMMUNITY PARTNERS, ETC.)

Proposition 1: Anytown Sewer Ballot Issue

Tuesday, April 5, 2022

Anytown Election

The City of Anytown, Missouri is requesting voters decide if sewer system improvements should be paid for with \$77 million dollars of bond financing.

87% of the funds will go towards meeting federal regulations at the sewer treatment plant.

Bond financing is used by utilities so expensive projects can be paid for by current and future users of the system.

Proposition 1 is not a tax. The bond funding will be repaid through payments by sewer customers for service. Sewer rates will be raised from \$1.50 to \$2.00 a month over five years to repay the money.

Although Anytown is asking for the full cost of the sewer system improvements, it is the goal to seek other funding to reduce the amount borrowed. If other funding is secured then the total amount borrowed can be reduced.

If the bond issue is not passed by voters, sewer rates would need to be raised at a much higher rate over a shorter period of time to pay for the necessary projects as they are completed. Bond funding spreads the payments over a longer time frame.

UNLIMITED SPACE (HANDOUTS, PRESENTATIONS, WEBSITES, ETC.)

For outreach where space is not an issue, use the factsheet you created. Consider highlighting local utility crews and system infrastructure with photos. Images are especially helpful when highlighting problems of the utility system.

Public Outreach & Sample Materials

SAMPLE NEWS RELEASE

CITY OF ANYTOWN, MISSOURI
P.O. BOX 8000 ANYTOWN, MO 65200

NEWS RELEASE

February 1, 2022

CONTACT: John Doe, Wastewater Utility Superintendent
573-828-5000

[johndoe@anytown.mo.gov](mailto: johndoe@anytown.mo.gov)

Proposition 1: sewer bond election in April to meet regulatory requirements

(ANYTOWN, MO) – Anytown voters will be asked in April to approve using bond funds to pay for improvements at the wastewater treatment plant to meet regulations. Also on the \$77 million bond issue project list are sewer collections system improvements identified in the Anytown Sewer Master Plan.

Using bond financing is a common utility practice to pay for expensive infrastructure over time. Revenue bonds provide the least expensive method to pay for sewer improvements in Anytown. Bonds allow costs to be spread out over several years to minimize the rate impact to current customers. Plus future City of Anytown sewer customers can help pay for the expensive, long-lasting projects. Using bond funds is similar to a homeowner using a mortgage to pay for a big expense over time.

If the majority of voters approve the city to use bond funds on April 5, then sewer customers will pay for the borrowed money with an increase of \$8.55 a month spread over the next five years. The annual rate increases for each year range from \$1.50 to \$2.00 per month. Even with these increases to the sewer rates, customers in Anytown have less expensive rates than most nearby cities of a similar size. The City of Anytown could receive other funding to reduce the amount of money borrowed, after the election, if other government funding sources come through. It is the goal of the City of Anytown to improve the sewer system with the least amount of money possible.

If Proposition 1 does not pass, federal regulations must be met by 2027 so the treatment plant improvements must still be completed. If wastewater regulations are not met, The City of Anytown could be subject to fines as high as \$10,000 per day that the system is not in compliance. If the bond issue is not passed by voters, sewer rates would need to be raised at a much higher rate over a shorter period of time to pay for the necessary projects as they are completed. Bond funding spreads the payments over a longer time frame.

More details, including a project list, is available on the City of Anytown's website, anytown.mo.gov.

###

TALK TO THE MEDIA

A meeting with each reporter in your community can be valuable for the utility and the reporters. It is helpful for the basic concepts to be understood so the reporters can more easily do their jobs reporting on the election.

Proposition 1: Anytown Sewer Bond Election Fact Sheet

Anytown Election on Tuesday, April 5, 2022

The City of Anytown, Missouri is requesting voters to decide on whether bond funds should be used to pay for improvements to the wastewater treatment plant to meet regulations and for collections system projects identified in the Sewer Master Plan.

Ballot Language

Shall the City of Anytown, Missouri issue Revenue Bonds in the amount of Seventy-Seven Million Dollars (\$77,000,000.00) for the purpose of constructing, improving, repairing, equipping, maintaining and expanding the city-owned sewer collection system and treatment facility? YES () NO ()

Purpose: Bond funding will be used for improvements to the wastewater system. Federal regulatory requirements for the sewer system must be met by 2027. Therefore, the treatment plant improvements must be completed by then. \$10 million is needed for the collection system and \$67 million for the treatment plant improvements. Ultimately, the changes will reduce discharge into streams and creeks, improving public health and protecting water quality.

Why Use Bond Funds? Revenue bonds provide the least expensive method to pay for sewer improvements. Bonds allow costs to be spread out over several years to minimize the rate impact to current customers and to allow future City of Anytown sewer customers to help pay the costs. Using bond funds is similar to a homeowner using a mortgage to pay for a big expense over time.

What approval will be needed? Simple majority of Anytown voters is required.

Areas of city covered: the entire Anytown sewer utility service territory.

Will the bonds require a tax increase? No.

Proposed sewer rate impact: This bond issue is not a tax. Sewer utility customers will pay back the borrowed money through a series of rate increases over the next five years. An average residential customer would see an average increase of approximately \$8.55 phased in over the next five years. The annual increases would range from \$1.50 to \$2.00 per month. Connection fees for new customers would also be increased by \$100 in 2023 and \$100 in 2024.

How do Anytown's sewer rates compare with other rates?

City, State	Monthly Residential
City Close By, KS	\$32.85
Rural City, MO	\$20.57
City Close By, MO	\$17.48
City Close By, OK	\$17.28
Similar-Sized City, MO	\$14.86
Anytown, MO	\$12.25
Rural City 2, MO	\$11.13
Rural City 3, MO	\$10.57

Proposition 1: Anytown Sewer Bond Election Fact Sheet continued

Anytown Sewer Ballot Issue Projects

Wastewater Treatment Plant Improvements

Plant Reliability	\$18,700,000
Regulatory	\$14,400,000
Rehabilitation	\$16,000,000
Process Enhancement	\$7,100,000
Sludge Removal	\$6,900,000
Odor Control	\$3,900,000

Collection System Improvements

Private Common Collector Elimination; Inflow & Infiltration Reduction; Sewer Main & Manhole Rehab	\$4,000,000
Economic Development Sewer Extensions	\$3,000,000
100 Acre Point Sewer Extensions	\$3,000,000

TOTAL: \$77,000,000

What happens if the proposition is not approved? Federal regulations must be met by 2027 so the treatment plant improvements must still be completed. If wastewater regulations are not met, The City of Anytown could be subject to fines as high as \$10,000 per day that the system is not in compliance. If the bond issue is not passed by voters, sewer rates would need to be raised at a much higher rate over a shorter period of time to pay for the necessary projects as they are completed. Bond funding spreads the payments over a longer time frame.

Can the amount of borrowed money be reduced? It is the goal of the City of Anytown to improve the sewer system with the least amount of money possible. If the bond issue passes, there are loans and grants that the city can pursue to possibly lessen the borrowing interest rate, or the total amount borrowed through bond financing. The City of Anytown can apply for Missouri Department of Natural Resources' State Revolving Loan Fund, U.S. Department of Agriculture Rural Development financing, and Community Development Block Grant funds. In order to apply for these other funding options, the City of Anytown must show its ability to contribute money towards the projects through bonding authority being requested through an election. The City of Anytown can borrow less money through bonds than what is being requested during this election if not as much money is needed to complete the necessary projects.

Have questions?

573-828-5000 sewer@anytown.mo.gov anytown.mo.gov
ask for: John Doe or Jane Smith