

January 7, 2009

The Honorable Gene Bruns, Mayor  
Members of the City Council  
City of North Kansas City  
2010 Howell  
North Kansas, Missouri 64116

RE: Capital Improvement Program . Fiscal Years 2008/2009 . 2016/2017

Dear Mayor Bruns and Members of the City Council:

Submitted herewith for your review and consideration is the Nine-Year Capital Improvement Program for fiscal years 2008/09 through 2016/17.

The Capital Improvement Program (CIP) represents a planning document. Any good planning document must be flexible to changing community demands and priorities, yet committed to long-term goals and realistic accomplishments. The purpose of the CIP remains to: select capital projects based on identified community priorities and needs; provide a coordinated plan for implementation; and recommend prudent and realistic financing approaches to accomplish proposed projects. This program fulfills that purpose.

The document provides for a summary of proposed improvements, a schedule of funding sources, a financing plan, a schedule of completed projects as of October 1, 2008, and an individual project sheet for each proposed project. Each project sheet contains the description, justification, cost estimate and proposed financing for the specified project, arranged by department.

The projects included in this program are based on programs, projects, and equipment needs identified either in the City Council's Action Plan or through various avenues introduced at meetings or in conversations. At this point in time, there has not been a process to prioritize them in any manner other than by fiscal year and department, which has been an arbitrary exercise rather than based on a formalized scheme. While the City recognizes there may be a need to assist the NKC Levee District with the levee improvements, no funding is included in this document because the Levee District is a separate taxing entity with the power to issue bonds.

The recommended financing plan is based on professional standards and sound logic. Enterprise funds are supported by user fees; thus, rates are set to cover capital as well as operating costs. In the event it is not feasible to set rates high enough to cover major capital expenditures, it may be necessary to issue bonds. The City of North Kansas City is fortunate to have the gaming revenues available, and it makes sense to use that

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resource to fund programs, projects, and equipment not associated with enterprise funds. Ultimately, all financing will be approved by the City Council through the annual operating budget appropriation. Grants have not been identified extensively in the plan; however, grants will be utilized as available and as appropriate.

In reviewing the document, you will find that the total cost estimated for the nine-year program is \$87,835,449. Projects are categorized as follows:

Administration	\$ 51,955,386
Interdepartmental	2,595,033
Fire Department	3,895,000
Codes Enforcement	24,000
Police Department	2,317,510
Community Center	2,738,400
Parks & Recreation	130,000
Public Library	269,350
Public Works	
Buildings & Grounds	478,975
Transportation	4,634,000
Water	8,695,795
Water Pollution Control	5,382,000
Communications Utility	<u>4,720,000</u>
Total	<u>\$87,835,449</u>

In summary, this plan provides for continued work to renovate, repair, and replace equipment and buildings, as well as road construction and other infrastructure. With this Capital Improvement Program, the City continues to contribute to the maintenance of public buildings and infrastructure. Also, a large amount of the funding is for brownfields redevelopment. Given the makeup and history of the community, redevelopment of brownfields is going to be a major factor in the future of the community.

It is a feasible and realistic plan if the gaming revenues continue as they have for the past 12 years. Some of the projects are bundled in the early years, which may not be so feasible in the short run; however, it has been my experience that projects usually do not get underway as quickly as planned, and priorities will change. To reiterate, this is a planning tool.

Respectfully Submitted,

Pamela Windsor  
City Administrator