

APPENDIX A

THE CITY

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THE CITY

General

The City is a city of the fourth class and political subdivision of the State of Missouri, organized and existing under the constitution and laws of the State of Missouri. The City is governed by a six-member board of aldermen who are elected by ward and a Mayor who is elected at large. The Mayor and Board of Aldermen serve two-year staggered terms. The Board of Aldermen sets policy for the City. The Mayor presides over meetings of the Board of Aldermen.

The Board of Aldermen establishes utility and tax rates and authorizes all municipal indebtedness. The Board of Aldermen appoints a City Administrator who acts as the chief administrative officer of the City and serves at the pleasure of the Board of Aldermen. The City Administrator is responsible to the Board of Aldermen for administration of City policy, preparation of the annual budget, appointment of City employees and supervision of the City's operating departments. The City's budget, prepared by the City Administrator after consultation with each department, is reviewed and adopted by the Board of Aldermen. Tax rates are established by the Board of Aldermen to support the budget adopted. As required by state law, the aggregate City budget may not include any expenditures in excess of anticipated revenues and available fund balances. The City's fiscal year ends on October 31.

Municipal Services and Utilities

The City operates a combined waterworks and sewerage system. The operation of the combined waterworks and sewerage system derives its revenues from user fees collected by the City.

The Platte-Clay Electric Cooperative and Kansas City Power & Light provide electric service to the area. Empire District Gas Company and Missouri Gas Energy provide natural gas to residents of the City. The City is served by television, radio stations and various telephone and cable services. There are two local weekly newspapers located in the City.

Transportation and Communication Facilities

Located at the intersection of Missouri Highway 92 and Interstate 29, the City has access to all modes of transportation and is served by motor freight carriers. Kansas City International Airport is located 6 miles south of the City.

Educational Institutions and Facilities

The Platte County R-III School District of Platte County, Missouri, (the "District") serves the City. The Missouri State Department of Elementary and Secondary Education has evaluated the District and has placed the District in the category of "accredited with distinction," the highest category attainable. The District provides a comprehensive academic program and diverse curricular activities to approximately 3,964 students and includes five elementary schools, a middle school and a high school.

The City has access to several nearby colleges including University of Missouri-Kansas City, Missouri Western State University, Maple Woods Community College, Park University and William Jewell College. Platte City is also home to the Northland Career Center, a vocational education school.

Recreational Facilities

The City has approximately 65 acres of parkland and green space that provide a variety of recreational activities, including softball and soccer fields, an outdoor swimming pool, and shelter houses. Additional recreational facilities in the area include the Platte County North Community Center, which offers an indoor swimming pool, gymnasium, track and fitness center. Platte Falls Conservation Area encompasses 2,400 acres located within the city and includes 3 boat ramps on the Platte River, an archery range, shotgun range and areas for hiking, hunting, fishing or wildlife viewing. Smithville Lake, which is located 15 miles from the City, provides swimming, fishing, boating, water skiing and camping. There are several golf courses within driving distance from the City.

Healthcare

There are three hospitals available to the residents of the City located within 13 miles of the City. St. Luke's Northland Hospital in Kansas City, Missouri, is a member of the St. Luke's Health System Group and is located 10 miles from the City. The Kansas City metropolitan area contains numerous high quality healthcare facilities, substantially all of which are conveniently accessible to the residents of the City.

Other health care services available to the residents within the City include ambulance service, medical clinics, physician groups, dental offices, chiropractic offices, optometrist offices and nursing and rehabilitation facilities.

ECONOMIC INFORMATION CONCERNING THE CITY

Commerce and Industry

The City is included in the Kansas City metropolitan area providing a short commute for residents to jobs throughout the metropolitan area. Listed below are some of the major employers located in the Kansas City metropolitan area and the number employed by each:

Kansas City Metropolitan Statistical Area. Listed below are the major employers located in the Kansas City Metropolitan Statistical Area:

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Federal Government	Government	25,648
State of Kansas	Government	11,500
Cerner Corporation	Healthcare IT solutions	9,850
Saint Luke's Health System	Healthcare	9,398
State of Missouri	Government	8,467
City of Kansas City, MO	Government	7,048
Sprint Nextel Corp.	Telecommunications	7,000
The University of Kansas Hospital	Acute-care and research hospital	5,866
Children's Mercy Hospitals and Clinics	Healthcare	5,514
Lockton Companies	Insurance/Brokerage	4,450

Source: Ingram's Greater Kansas City Book of Leads and Lists, 2015 Edition

Some major employers in Platte City, Missouri, include:

<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>
1. Platte County R-3 School District	Education	575
2. Platte County Government	Government	315
3. Price Chopper	Retail	190
4. Platte Valley Bank	Finance	85

Source: Platte City Area Chamber of Commerce and Economic Development Council

General and Demographic Information

The following table sets forth certain population information.

	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2014*</u>
City of Platte City	2,022	2,114	2,947	3,866	4,691	4,775
Platte County	32,081	46,341	57,867	73,781	89,322	92,149
State of Missouri	4,677,623	4,916,776	5,117,073	5,595,211	5,988,927	6,028,076

*2010-2014 American Community Survey 5-Year Estimates

Source: U.S. Census Bureau, Population Division; U.S. Census Bureau, Census 2010

Population Distribution by Age (2010 Census)

<u>Age</u>	<u>City of Platte City</u>	<u>Platte County</u>	<u>State of Missouri</u>
Under 5	315	5,692	390,237
5-14 years	630	12,434	787,388
15-19 years	312	5,966	423,786
20-24 years	315	4,902	413,289
25-34 years	754	11,608	775,467
35-44 years	714	12,815	748,616
45-54 years	658	14,630	888,572
55-64 years	451	11,308	723,278
65 years and older	<u>542</u>	<u>9,967</u>	<u>838,294</u>
Total	<u>4,691</u>	<u>89,322</u>	<u>5,988,927</u>
Median Age	35.2	38.4	37.9

Source: U.S. Census Bureau, Census 2010.

Employment

The following table sets forth unemployment figures for the last five years for Platte County and the State of Missouri.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<i>Platte County</i>					
Total Labor Force	52,025	52,339	52,628	54,335	54,854
Unemployed	3,609	2,897	2,982	2,746	2,445
Unemployment Rate	6.9%	5.5%	5.7%	5.1%	4.5%
<i>State of Missouri</i>					
Total Labor Force	3,049,016	3,018,211	3,015,888	3,058,118	3,095,573
Unemployed	258,745	210,415	202,049	186,901	164,027
Unemployment Rate	8.5%	7.0%	6.7%	6.1%	5.3%

Source: Missouri Economic Research and Information Center.

Income Statistics

The following table sets forth income figures for the City, Platte County and the State of Missouri:

	<u>Per Capita</u>	<u>Median Family</u>
City of Platte City	\$29,031	\$67,569
Platte County	35,333	83,587
State of Missouri	26,006	60,414

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Housing

The median value of owner occupied housing units in the area of the City and related areas were as follows:

	<u>Median Value</u>
City of Platte City	\$142,600
Platte County	186,300
State of Missouri	136,700

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Building Construction

The following table indicates the number of building permits issued within the City over a five-year period. These numbers reflect all permits issued for new construction or renovation.

<u>Number of Permits Issued</u>			
<u>Year</u>	<u>Residential</u>	<u>Non-Residential</u>	<u>Total</u>
2015	57	21	78
2014	51	19	70
2013	65	18	83
2012	54	15	69
2011	58	18	76

Source: City

DEBT STRUCTURE OF THE CITY

Current Indebtedness of the City

The City has the following general obligation debt outstanding, including the Bonds being issued, as of the date of issuance of the Bonds:

General Obligation Bonds

<u>Name of Issue</u>	<u>Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Refunding, Series 2012A	3/15/2012	\$1,255,000	\$1,015,000
General Obligation Refunding, Series 2012B	3/15/2012	2,790,000	2,370,000
General Obligation Refunding, Series 2013	7/3/2013	1,790,000	1,245,000
General Obligation, Series 2016	4/5/2016	1,900,000*	<u>1,900,000*</u>
Total			\$6,530,000

General Obligation Debt Summary*

2015 Assessed Valuation:	\$73,959,256
2015 Estimated Actual Valuation:	\$314,000,180
Estimated Population (2014)	4,775
Total Outstanding General Obligation Debt (“Direct”)	\$6,530,000
Overlapping Debt ⁽¹⁾ :	\$11,365,863
Direct and Overlapping Debt:	\$17,895,863
Ratio of General Obligation Debt to Assessed Valuation:	8.83%
Ratio of General Obligation Debt to Estimated Actual Valuation:	2.08%
Per Capita General Obligation Debt:	\$1,367.54
Ratio of Direct and Overlapping Debt to Assessed Valuation:	24.20%
Ratio of Direct and Overlapping Debt to Estimated Actual Valuation:	5.73%
Per Capita Direct and Overlapping Debt:	\$3,747.82

⁽¹⁾ Includes general obligation debt of political subdivisions with boundaries overlapping the City. See “Debt Structure of the City - Overlapping Indebtedness.”

* Preliminary, subject to change.

Overlapping Indebtedness

The following table sets forth the approximate overlapping indebtedness as of December 31, 2015 (including general obligation bonds) of political subdivisions with boundaries overlapping the City, and the percent attributable (on the basis of current assessed valuation) to the City.

<u>Taxing Jurisdiction</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to City</u>	<u>Amount Applicable to City</u>
Platte County R-III School District	\$55,380,000	18.05%	\$9,996,090
Platte County, MO	43,074,610	3.18	<u>1,369,773</u>
Total			\$11,365,863

Other Obligations

The City also issues obligations where the City pledges income derived from the acquired or constructed assets or other specific sources to pay debt service and enters into capital leases to finance the acquisition or improvement of City property. Obligations outstanding as of December 31, 2015:

Revenue Bonds

<u>Name of Issue</u>	<u>Issue Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Sewerage System Revenue Bonds, Series 2000	01/15/2000	\$1,000,000	\$360,000
CWSS Revenue Bonds, Series 2010	01/01/2010	558,000	<u>434,900</u>
Total			\$794,900

Other Obligations

<u>Name of Issue</u>	<u>Issue Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Certificates of Participation, Series 2011	08/31/2011	\$750,000	<u>\$585,000</u>
Total			\$585,000

Legal Debt Capacity

Article VI, Sections 26(b) and (c) of the Constitution of the State of Missouri limit the net outstanding amount of authorized general obligation indebtedness for a city to 10 percent of the assessed valuation of the city by a two-thirds (four-sevenths at certain elections) vote of the qualified voters. Article VI, Section 26(d) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not to exceed an additional 10 percent for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues, and sanitary or storm sewer systems, provided the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. Article VI, Section 26(e) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not exceeding an additional 10 percent for the purpose of purchasing or constructing waterworks, electric or other light plants to be owned exclusively by the city, provided that the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. As of the date hereof the total legal debt capacity of the City is \$14,791,851 and the remaining legal debt capacity (after subtracting both outstanding general obligation bonds and authorized but unissued general obligation bonds) of the City is \$7,461,851*.

Defaults on City Indebtedness

The City has never defaulted on the payment of any of its debt obligations.

* Preliminary, subject to change.

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

The City currently produces financial statements that are in conformity with generally accepted accounting principles. The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate.

An annual budget is prepared under the direction of the designated budget officer and submitted to the Board of Aldermen for consideration prior to the fiscal year commencing on November 1. The operating budget includes proposed expenditures and revenue sources. Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through the adoption of an ordinance. Formal budgetary integration is employed as a management control device during the year for all funds. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted governmental auditing standards. The annual audit for the fiscal year ending October 31, 2015 was performed by Cudney, Ecord, McEnroe and Mullane, L.L.C., Certified Public Accountants, Kansas City, Missouri. Copies of the audit reports for the past 5 years are on file in the City Clerk's Office and are available for review. The audit for 2015 is included in **Appendix B** attached hereto.

Sources of Revenue

The City finances its general operations through the following, representing the total of revenues in the General Fund, Parks and Recreation Fund, Debt Service Fund, Capital Project Fund and Nonmajor Governmental Funds, as indicated below for fiscal year 2015:

<u>Source</u>	<u>Amount</u>	<u>Percent</u>
Taxes	\$3,680,677	75.7%
Licenses and permits	103,814	2.1
Intergovernmental	699,256	14.4
Charges for services	163,719	3.4
Fines and forfeitures	112,913	2.3
Interest	82,239	1.7
Other	<u>21,956</u>	<u>0.5</u>
	<u>\$4,864,574</u>	<u>100.00%</u>

Source: City of Platte City, Missouri, Financial Statements for the year ended October 31, 2015

Property Valuations

Assessment Procedure:

All taxable real and personal property within the City is assessed annually by the County Assessor. Missouri law requires that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the Missouri General Assembly adopted a maintenance law in 1986. Beginning January 1, 1987, and every odd-numbered year thereafter, each County Assessor must adjust the assessed valuation of all real property located within his or her county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation:

The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the City as of July 28, 2015 (after Board of Equalization):

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Estate:			
Residential	\$39,199,202	19%	\$206,311,589
Agricultural	54,756	12	456,300
Commercial	<u>24,907,659⁽¹⁾</u>	32	<u>77,836,434</u>
Sub-Total	64,161,617		284,604,324
Personal Property	<u>9,797,639⁽²⁾</u>	33 1/3 ⁽³⁾	<u>29,395,857</u>
Total	<u>\$73,959,256</u>		<u>\$314,000,180</u>

⁽¹⁾ Includes Railroad and Utility State and Locally Assessed Real Property of \$1,184,946.

⁽²⁾ Includes Railroad and Utility State and Locally Assessed Personal Property of \$240,923.

⁽³⁾ Assumes all personal property is assessed at 33 1/3%. The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%. Because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above.

History of Property Valuation:

The total assessed valuation of all taxable tangible property situated in the City, including state assessed railroad and utility property, according to the assessments of January 1 in each of the following years, has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>
2015	\$73,959,256
2014	74,675,638
2013	74,525,961
2012	75,156,833
2011	75,831,672

Source: Missouri State Auditor

Property Tax Levies and Collections

Property taxes are levied and collected by the County and forwarded to the City. The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The City must fix its ad valorem property tax rates and certify them to the County Clerk not later than September first for entry in the tax books.

The County Clerk receives the county tax books from the County Assessor, which set forth the assessments of real and personal property. The County Clerk enters the tax rates certified to him by the local taxing bodies in the tax books and assesses such rates against all taxable property in the City as shown in such books. The County Clerk forwards the tax books by October 31 to the County Collector, who is charged with levying and collecting taxes as shown therein. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of eighteen percent of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year.

The County Collector is required to make disbursements of collected taxes to the City each month. Because of the tax collection procedure described above, the City receives the bulk of its moneys from local property taxes in the months of December, January and February.

No Personal Property Taxes Collected

In connection with the passage of the sales tax for capital improvements in 1990, the City committed not to collect ad valorem property taxes on personal property located within the City. This commitment would not prevent the levy of an unlimited ad valorem property tax on personal property if such tax was necessary in order for the City to pay the principal of and interest on the Bonds.

Tax Rates and Major Property Taxpayers

Debt Service Levy. Once indebtedness has been approved by the constitutionally required percentage of the voters voting therefore and bonds are issued, the City is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. 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.

Operating Levy. The current operating levy of the City is \$0.5317 per \$100 of assessed valuation. The operating levy does not require annual voter approval but the City Council cannot raise the rate above that approved in the last election without the approval of a majority of the voters voting thereon.

The following table shows the City's tax levies (per \$100 of assessed valuation) for each of the last five years:

<u>Fiscal Year Ended</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Levy</u>
2015	\$0.5317	\$0.5569	\$1.0886
2014	0.5317	0.5569	1.0886
2013	0.5317	0.5569	1.0886
2012	0.5244	0.5642	1.0886
2011	0.5195	0.5200	1.0395

Source: Missouri State Auditor

Tax Collection Record:

The following table sets forth tax collection information for the City for the fiscal years as shown:

<u>Year Ended October 31</u>	<u>Amount Levied</u>	<u>Total Amount Collected (Current & Delinquent)</u>	<u>Percent Collected</u>
2015	\$695,285	\$729,250	104.88%
2014	696,484	732,365	105.15
2013	680,979	726,392	106.66
2012	697,456	700,440	100.43
2011	675,265	672,228	99.99

Source: City

Major Property Taxpayers:

The following table sets forth the ten largest real property taxpayers in the City based upon assessed valuation as of 2015:

<u>Top Taxpayers</u>	<u>Assessed Valuation</u>
Williamsburg Plaza Apartments LLC	\$2,432,000
1900 Associates LLC	1,911,040
Heartland Regional Medical Center	1,438,720
Platte Valley Bank of Missouri	1,432,000
VNRR Holdings LLC	936,544
Marina Bay Group of Kansas City Ltd	665,600
Platte City Drug Store LLC	656,000
WBS III LLC	618,240
North American Savings Bank	608,000
Martin House Realty Inc.	606,860

Source: Platte County Assessor's Office

Sales Taxes

The City collects sales taxes in the amount of 2% of all taxable purchases made inside the city limits of the City of Platte City. The first sales tax (1%) became effective on January 1, 1980 and is used for the general operations of the City. The second sales tax (1/2%) became effective in 1991 and is designated for capital improvements to the City's infrastructure. In 1996, the voters approved a 1/2% sales tax for the purpose of providing funding for the acquisition, development, maintenance, operation and improvement of local parks which tax became effective on July 1, 1996. On November 8, 2005, the voters in the City approved a ballot question to increase the City's sales tax by three-eighths of one cent (0.375%) for street improvements and other transportation purposes, such tax shall terminate upon payment in full of the City's Series 2013 General Obligation Refunding Bonds, which refunded the City's Series 2005 General Obligation Bonds.

The City's receipts from its sales taxes for the years set forth below have been as follows:

Fiscal Year	1%	.5%	.5%	0.375%
<u>Ended</u>	<u>General</u>	<u>Capital Improvement</u>	<u>Parks & Recreation</u>	<u>Transportation</u>
2015	\$977,727	\$488,864	\$488,844	\$366,648
2014	965,408	482,705	482,705	362,075
2013	886,541	443,271	443,271	331,771
2012	884,059	442,030	442,030	338,809
2011	859,872	422,148	422,148	316,171

Source: City