



April 5, 2022 Election Four Questions - BIG Improvements

Questions 2 & 3 Work Together to Address Water Line Issues

Why are these questions before the voters?

Mayor Larkey created a Mayor's Task Force to look for a solution to replace the city's failing water lines and infrastructure with no rate increase for water line replacement. The task force's recommendation to City Council was to ask voters in April to approve \$60 million of revenue bonds and to extend the existing ½ cent capital improvement sales tax to pay for the bonds.

Question 2: Water Revenue Bonds for Water Line Replacement

**No Water Debt Rate Increase*

Frequently Asked Questions

What is a revenue bond?

A bond is an authorization for a municipality to incur debt and to pay off the debt over time using revenues received by the municipality. The bond pays for capital projects like water line infrastructure and may not be used for regular operational costs like salaries or supplies.

Revenue bonds are municipal bonds which provide a way for state and local governments to raise money for projects that may generate a revenue stream directly.

How will the funds be spent?

To avoid previously planned rate increases for water line replacement, voters will be asked to approve \$60 million in revenue bonds and extend the existing ½ cent capital improvement sales tax to replace water lines that have exceeded their useful life and build an additional water tower, as funds allow.

Approval would fund replacement of the failing water infrastructure in five years with no rate increase for water line replacement.

Why do the waterlines need to be replaced?

The city has more than 22 miles of cast iron water lines that were installed between 1940 and 1960. The average lifespan of a cast iron pipe is 50 to 75 years. Belton's cast iron water lines are 60 to 80 years old.

The city has more than 3 miles of asbestos cement water lines that were installed in the 1950s. The average lifespan of asbestos cement is approximately 70 years. Belton's asbestos cement water lines are more than 60 years old.

Question 2: Water Revenue Bonds for Water Line Replacement

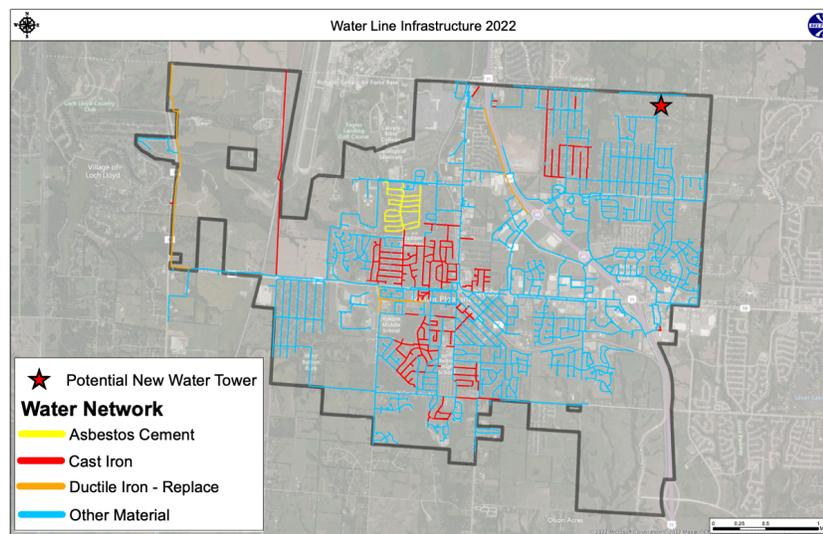
**No Water Debt Rate Increase*

Frequently Asked Questions

The city has more than 28 miles of ductile iron water lines which have an average lifespan of 50 to 100 years based on soil conditions. Belton's soil is corrosive and has caused problems with many of the city's ductile water lines which were installed decades ago, causing them to need to be replaced now.

How do failing water lines affect me?

When water lines fail and break there are several possible negative impacts to citizens. Businesses and homes lose water service, there can be damage to roads, driveways and sidewalks and there are possible water line contamination concerns.



For a full-size map, please refer to www.belton.org/BIGimprovements

How will these revenue bonds be repaid?

The bonds will be paid for through voter approval of Question 3, the extension of the existing ½ cent capital improvement sales tax. This sales tax will be used to repay the water revenue bonds.

Question 3: 1/2 Cent Sales Tax Extension

No Tax Increase

Frequently Asked Questions

What is the ½ cent capital improvement sales tax?

Voters approved a ½ cent sales tax for capital improvements in 2007 to allow the city to fund several different capital improvement projects.

Why do we need to extend the ½ cent capital improvement sales tax?

To avoid previously planned water rate increases for failing water line replacement.

Are there restrictions on how these revenues can be used?

Yes, funds generated by this sales tax are restricted by law to only be used for municipal capital improvements.

What has this tax paid for in the past?

That sales tax currently is paying the principal and interest on debt that paid for the remodel and updates to the Police Station and City Hall Annex, the construction of the 71 highway and Y interchange, a DNR energy loan and Fire and Emergency Management purchases including a fire truck, vehicles and equipment. This debt will be entirely repaid on Mach 1, 2027. If approved, those funds would be able to then be used to pay for water line infrastructure.

How much revenue will this sales tax generate?

In fiscal year 2022, this sales tax is anticipated to generate \$2.3 million.

How is the extension of the sales tax not a tax increase?

This sales tax has been in place 15 years. An extension of the sales tax means the tax continues.

Who will pay this sales tax?

Everyone who shops in Belton, both residents and non-residents.

What happens if the ½ cent capital improvement sales tax extension is not approved?

The bonds would have to be repaid through another revenue source, such as the water debt service charge on your water bill.

What happens if the revenue bonds (Question 2) are not approved and the ½ cent capital improvement sales tax (Question 3) is extended?

The sales tax would be used to replace failing water lines on a pay-as-you-go plan over the next several decades.