



MEMORANDUM

To: Jackson County Legislature

From: Jack Holland, Senior V.P.
Michael Short, Senior V.P.
Karolyn Cline, V.P.

Re: New Jail Financing Plan

Date: September 24, 2018

CC: County Executive
Caleb Clifford
Ed Stoll
Crissy Wooderson

We have been asked to look at some scenarios surrounding the financing of a new County Law Enforcement Center as a follow-up to similar work we have performed over the course of the last 18 months. It is our understanding this work is in anticipation of, and related to, the potential adjustment of certain County tax levy roll backs.

For this project we have made the following assumptions:

1. Issuance of Special Obligation Bonds similar to the County's past practice in financing capital improvements utilizing an annual appropriation pledge of the County;
2. An assumed credit rating of Aa3 (Moody's) which is one notch off the County's underlying Issuer Credit Rating (ICR) of Aa2 given the annual appropriation structure of the financing;
3. 30-year amortization period given the nature of the asset being financed;
4. Level annual debt service to facilitate budget planning; and
5. Utilization of current municipal capital market rates which are subject to change as market conditions change.

The County has the ability to issue debt to fund a \$150 million project or a \$180 million project. The County's 2017 assessed valuation was \$10,601,411,087ⁱ. The constitutional debt limitation for **General Obligation** debt is \$1,060,141,109ⁱⁱ. *The County currently has no outstanding general obligation indebtedness.* There is no constitutional limitation of debt that is **not** General Obligation debt such as the Special Obligation Bonds being considered for the new jail project. The County's ability to issue debt is only limited by the County's ability to pay the annual debt service.

Using the assumptions above, a \$150 million Project Fund financing for a new jail/law enforcement facility would result in annual debt service of approximately \$8,950,000.

Using the assumptions above, a \$180 million Project Fund financing for a new jail/law enforcement facility would result in annual debt service of approximately \$10,750,000.

The variable and assumptions noted above can, and likely will, be adjusted as time passes and additional information becomes known.

ⁱ Comprehensive Annual Financial Report (CAFR) December 31, 2017

ⁱⁱ 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 county to 10 percent of the assessed valuation of the county by a two-thirds (four-sevenths at certain elections) vote of the qualified voters. The County currently has no outstanding general obligation indebtedness.

Summary of Corrections Weekly Project Report and Capital Improvement 10/1/2018

Project Number	Project	Building	Notes	County Estimate/Quote	Funded	Funding Source	HOK Costs of Work + **	HOK Estimate Totals	Estimated Start Date	Estimated Completion Date
Projects In Progress										
21	LED Lighting - 5 Locations (8N Remaining) (8S Comp.)	Annex, ARIC and CIB/RCC	Program 80% Comp.		\$15,000	Univ. TIF	\$104,000	\$140,082	Ongoing	Ongoing
37a	Feasibility/Masterplan Study - Phases I/II	Complex	Ongoing		\$285,000	Res. 19799	\$500,000	\$500,000	4/10/2018	TBD
23b	Jail Server Room Improvements - Phase II/III	Tower	Ongoing		\$163,000	Res. 19829	\$250,000	\$343,947	6/18/2018	TBD
30	Fire Suppression Repairs	Complex	Scheduling, PO		\$12,408	Res. 19854	\$893,100	\$1,228,713	TBD	TBD
				\$0	\$475,408					
Projects In Planning										
16	Electrical Hot Spots - Ongoing Maintenance	Tower	Ongoing Maint.		\$10,000	Res. 19697	\$45,500	\$62,598	Ongoing	Ongoing
57	Security Door Pass Through Windows	Complex	New RFP - Due 10/2	\$225,000						
	Feasibility/Masterplan Study - Phase III	Complex	Upon Completion Ph.1	\$115,000			\$500,000	\$500,000		
26	Jail Annex Roof Repairs - Recast Lower, Repair Upper	Annex	Field Inspect 5/18 TBD	\$119,300			\$119,300	\$213,370		
60	Bond Office Security System	ARIC	DOC to Program/Spec	\$37,000						
65	Various HVAC Improvements - Part II - Controls	Complex	Prioritizing	\$75,000		Res. 19974				
				\$571,300	\$10,000		\$664,800	\$775,968		
				\$591,300						
Priority Capital Improvement Projects to be Programmed										
<i>Package 1 - IT Related Improvements</i>										
38	Security Consultation	Complex	RFQ Review	\$200,000			\$200,000	\$200,000		
33	Camera System Upgrade/DVR System/VMS Upgrade	Complex	Vendor Quote	\$953,000			\$1,167,400	\$1,574,602		
34	Master Control System - PLC & Wiring/Access Control	Complex		\$2,000,000			\$2,080,000	\$2,805,527		
35	Jail Management Software System/Inmate Tracking	Complex	Recategorized 4/19	\$500,000			\$500,000	\$894,260		
<i>Total Costs for Package 1</i>				\$3,653,000			\$3,947,400	\$5,474,389		
<i>Package 2 - General Construction Improvements</i>										
24	Shower Wall Renovation/Hygiene Areas	Tower		\$200,000			\$469,300	\$645,656		
36	Elevators	Complex	Contractual Phase	TBD			\$1,500,000	\$2,578,610		
<i>Total Costs for Package 2</i>				\$200,000			\$1,969,300	\$3,224,266		
				\$3,853,000	\$0		\$5,916,700	\$8,699,655		
Projects Completed										
	Sliding Cell Doors - Phase 1	Tower			\$725,000					Completed
	Sliding Cell Doors - Phase 2	Tower			\$848,781					Completed
	Sliding Cell Doors - Phase 3	Tower			\$1,302,643					Completed
	Waste Stack Replacement	Tower			\$57,757					Completed
	Re-Key Locks	Tower and Annex			\$13,991					Completed
	Cell Interior Light Retrofits	Tower and Annex			\$18,000					Completed
	215 Locust - Exterior Doors	ARIC			\$34,968					Completed
	Electronic Key Control	Complex			\$31,247					Completed
	Facility Condition Assessment	Complex			\$224,000					Completed
	Monthly Generator Inspections	Complex			\$13,000					Completed
	Fire Alarm Testing	Complex			\$30,104					Completed
	Polycoms	Complex			\$5,330					Completed
	Cameras - UPS Power Back-up	Complex			\$2,152					Completed
	Southern Folger - Service Agreement	Complex			\$16,120					Completed
	HiFi Seasonal Painters	Complex			\$148,233					Completed
	Radio Communications	Complex			\$20,000					Completed
	Inmate Transport & Security Services	Complex								Completed
10	Preventative Maint recommended by Southern Folger	Complex			\$7,185		N/A	N/A	11/10/2017	11/10/2017
3	Steam Stations	Tower			\$8,100		N/A	N/A	11/27/2017	11/27/2017
5	Deck Door	Annex			\$24,000		N/A	N/A	12/9/2017	12/9/2017
18	Silly Port Floor Drains	Annex			\$4,000		\$19,500	\$26,828	12/17/2017	12/17/2017

