

FREQUENTLY ASKED QUESTIONS ABOUT THE BOND PROPOSITION PROJECTS AND FUNDING CITY PROJECTS

What are we voting on?

The City of Warr Acres asks its citizens to vote on two bond propositions to invest in the city's infrastructure.

PROPOSITION ONE STREET PROJECTS - \$4,490,000

- *Would repair neighborhood streets that have been on the repair list for 10 years without funding or action. It would invest more than \$500,000 in each Ward.*
- *Complete the widening and repair of MacArthur from 47th Street south to the City Limits. Warr Acres will provide 20% and the Federal/State Government will match 80%. The project must start in 2020 or the matching funds will be re-allocated to another city.*

PROPOSITION TWO PUBLIC SAFETY PROJECTS \$7,510,000

- *New Fire Station*
- *New Police Station*
- *New Animal Shelter*

Why are we taking action on these things now?

After years of declining infrastructure and band-aid fixes, the City is taking action to update and improve our roads and public facilities. Failing to act now can result in a loss of matching funds and buildings out of code compliance.

Did you look at updating the existing buildings ?

Yes, This was the first evaluation made. The existing structures were built in the 1960's. Their condition and the expense of bringing them into compliance with current building codes and ADA laws would be substantial, especially because of the presence of asbestos and mold. The average useful life for a heavily used commercial building is 40- 50 years. Over the last 30 years, these structures have been renovated more than a dozen times to keep them moderately functional. The cost to perform additional renovations would be a short-lived, band-aid fix. It would also cause daily operations to relocate during the renovation at great organizational stress and expense.

In comparing these band-aid fixes vs. building new structures created to meet today's tactical and technical compliance needs, it is a smarter investment to bring Warr Acres into the 21st Century with new public safety facilities that can serve Warr Acres for decades into the future.

How were the costs for these propositions determined?

The engineers and architects on this project have designed and built dozens of street projects, fire and police stations, schools, and libraries over the last decades. Their practical experience about costs and contingencies informed the estimates for these projects. Actual plans are not created until passage of the propositions.

How is the City funded? How are sales taxes allocated?

Warr Acres is funded 100% from sales taxes and fees from services such as trash, franchise taxes, permits, fines, etc. The City receives NO FUNDS from property taxes, income taxes or any other revenue source.

Shoppers in Warr Acres pay 8.5% sales tax. The State of Oklahoma receives 4.5% and the City of Warr Acres receives the other 4%. Of that, a 1/2 cent on each dollar is dedicated to public safety and a 1/2 cent, goes to the City's CIP or Capital Improvement Projects Fund. The remaining 3% goes toward government operations such as public works and all employee salaries.

The estimated total Warr Acres sales tax for 2019 is \$6.5 million. Of that, approximately \$750,000 will go directly to public safety and \$750,000 is dedicated to the CIP fund.

What are Capital Improvement Project funds ?

CIP (Capital Improvement Project) funds are specifically set aside to be used only for paying for our municipal infrastructure needs, not for any operations of programs or salaries. Some of the CIP funds are allocated for long-term multi-year purchases, like payments on a fire truck. Warr Acres saves part of the CIP funds each year for big projects, and many require years of planning and saving.

What are bonds and why are they needed?

Upon approval of its citizens, cities sell bonds to municipal bond investors to raise funds for specific capital investments. The bonds are paid back over time from property taxes at an interest rate locked in at the time of purchase. Most municipalities issue bonds to keep their infrastructure up to date. In Oklahoma County, the cities of Bethany, Oklahoma City, The Village, Nichols Hills, Midwest City and Del City all utilize municipal bonds. With passage of the two bond propositions, Warr Acres taxes will be in the middle of other metro municipal taxes, approximately \$9.75 a month on a \$100,000 house.

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Can bond funds be used for any purpose?

Bonds are highly regulated by state authorities. Bonds must declare the specific projects for which the funds will be used. Thus, Warr Acres Proposition One funds can only be used for the street projects described and Proposition Two funds can only be used for the public safety projects described in the proposition language. Diverting these bond funds for any other purpose would be illegal.

Why are these projects grouped together like this?

Because the Federal/State 80% matching funds for the MacArthur-South project will expire if not used by 2020 and neighborhood streets have been on an unfunded list waiting for the last ten years, matching these projects helps both important goals get accomplished.

By combining the public safety projects in one issue, the urgent needs can be addressed utilizing coordinated scheduling and project management without disrupting the operations of city business or public safety.

The projects are also coordinated for their use of existing City of Warr Acres property without the enormous expense of acquiring additional land.

Why is the City Hall being moved and why is it not in the Bond Package?

These bond issues are focused on Streets (Prop 1) and Public Safety (Prop 2). By law, they cannot cover other topics. The renovations required to move the City Hall to the Community Center are relatively minor, and the move will allow the demolition of the current City Hall and new-build of the Fire Station without disrupting service. It is estimated that the move will cost \$500,000, with up to another 700,000 to build a new council chamber with a secure entrance, ADA compliant public restrooms, and a space that can be utilized for other public meetings. Efforts will be made to secure energy efficiency and solar power grants to reduce costs.

What are the administrative costs for these projects?

For any municipal building project, administrative and project management costs average a cumulative 8 - 12 percent of the total project cost.

How will these projects impact Warr Acres' economic development efforts?

These projects will work in tandem with recently created TIF (Tax Increment Financing) districts to revitalize these commercial areas and bring in new sales tax revenue. Passage shows new businesses and potential developers that the City of Warr Acres and our citizens are taking action to update aging infrastructure and that Warr Acres is a viable place to invest for the future.

Rejection of these propositions would send the opposite message and will have a profoundly negative impact.

What will happen to the Senior Citizens Center?

The arrangement between the City and the Salvation Army ends June 30, whether the bond issues pass or not. Warr Acres taxpayers should not bear the burden of paying for this service for residents from other municipalities. Efforts are being made to find alternative, non-profit, or organizations like churches, within our northwest metro community who can offer similar services.

What if PROP ONE (STREETS) doesn't pass?

If this proposal does not pass, there will be NO funds for neighborhood street repairs. The MacArthur /south project would likely be scaled back in scope but would still utilize the federal & state 80% match with Warr Acres paying 20%. Completing this project would utilize most all of the saved and current-year CIP funds.

If the bonds pass, how will those CIP funds be utilized?

By funding the MacArthur South Street project with the bonds, funds in the CIP account can pay for other urgent city infrastructure needs such as trash trucks, sewer projects, moving City Hall and repairing the library parking lot.

What if PROP TWO (PUBLIC SAFETY) doesn't pass?

Because of the aging conditions of the existing structures, the City would likely have to pose another bond issue again in the near future. Construction expenses rarely come down, so future proposals would likely cost even more.