

SPECIAL MEETING MINUTES
BOARD OF ALDERMEN OF THE CITY OF CUBA, MISSOURI
TUESDAY – FEBRUARY 17 – 5:00 P.M.
CUBA CITY HALL COUNCIL ROOM

Mayor Kevin Copling called the meeting to order. Aldermen present: Joyce Hartzell, Pitts Lesesne, Ray Mortimeyer, Harold Halbert, Richard Hewkin. Alderman absent: Jeff Bouse. Police Chief present: Doug Shelton.

Motion by Hartzell, seconded by Halbert, to approve the agenda. Vote: All ayes. Bouse absent.

Municipal advisor funding options – McBride Development:

Chris Collier Municipal Advisor with Northland Securities, Inc presented the council with an update for upcoming projects to let them know the thought process and how they are going through things, what they see, the timing and to open the floor for questions.

Collier presented a handout that he read and is attached.

Lesesne asked about the cost for phases three and four and Collier stated that is unknown at this time.

Lesesne asked if the phase three and four costs were estimated and it was replied yes as it is for the whole treatment plant system including infrastructure. Lesesne stated that they can't really use the numbers as they are losing numbers according to the census. Lesesne stated that with the treatment plant now and maybe one hundred homes and apartments popping up do they think they will need the new facility before phase three or four. Cameron Schweiss does not think so. Schweiss also stated that the projections and rate increases do not count for any new commercial properties. Mayor Copling stated some leaks were found in the main line and that decreases flow and may be able to handle more now. Schweiss stated that in the water/sewer rate study it is assumed that they will borrow money for phase two and that will be included in the study to make the service. It was discussed that they need to be ready to react if necessary to borrow money but if they can push the borrowing then good. Lesesne stated that they have to act like it is going to happen. Schweiss stated that some of the other projects may need funding, so may be best to move the beneficial projects and try to tackle in the next few years.

Collier stated that in discussion of page twelve of the handout, there will be recommendations of a fund balance policy, transfer policy, and a debt policy.

Mayor Copling stated that years ago when he passed the capital improvement tax the board laughed at him, but the time has come to use the tax to improve our town and they have to plan ahead of time as good planning does a lot for the town.

Lesesne stated that the current debt listed is more than the outstanding debt listed in the handout. Collier stated that he is referring to the 2011 project debt.

Lesesne asked if they will get bonds or loans. Collier stated it depends as there are a couple of ways to go about it as some like to book as a loan or a security but either way a bank or public offering will bid. Collier stated that because the audits are being caught up there shouldn't have a problem going either direction and their recommendation will give the most flexibility for the least cost.

Mayor Copling stated that if they can get grants that will lower phase three and four cost. Collier stated that the phase costs have more to do with the treatment plant and is important to prepare for the worse and anticipate for the future.

Mayor Copling feels going for grants is best for the citizens.

Coller asked them to reach out if they have any questions.

Mortimeyer asked if they should get started soon on phase two and Collier replied no, the need to make sure all is accurate.

The board thanked him for the information.

Motion by Mortimeyer, seconded by Hartzell, to adjourn. Vote: All ayes. Bouse absent.

**Lainie Garbo
City Clerk**



City of Cuba, Missouri

Funding Options for Infrastructure Improvements



February 2026

Chris Collier

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Agenda

- City Comparisons
- Current Debt Service Payments
- Funding for Phase 1 & 2
- Timing
- Future Needs / Planning
- Next Steps
- Q&A

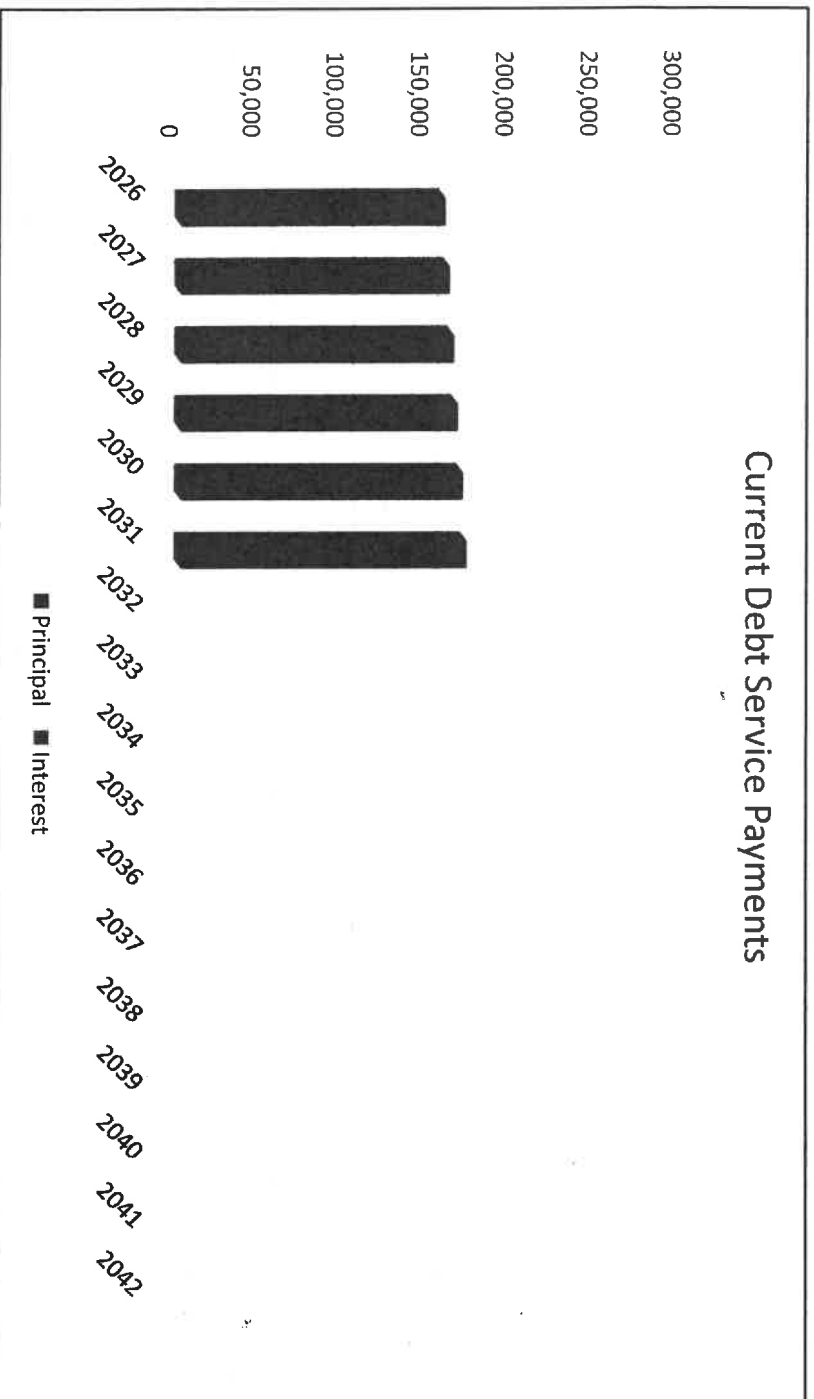
Comparisons with Similar Missouri Cities

City	Population		Tax Revenue	General Fund Expenses	General Fund Balance	Total Cash Balance	Total Outstanding Debt	Most Recent Audit
	(2020 Census)	Growth 2010-2020						
City of Cuba, MO	3,181	-5.20%	\$2,739,300	\$3,718,300	\$47,296	\$2,300,000*	\$934,000	2026 (Budget)
City of St. James, MO	3,935	-6.70%	\$2,014,109	\$1,338,536	\$1,125,218	\$7,037,184	\$5,843,532	2023
City of Bourbon, MO	1,567	-4.00%	\$626,752	\$1,065,546	\$355,724	\$439,339	\$298,384	2021
City of Owensville, MO	2,757	3.00%	\$3,017,750	\$1,859,537	\$3,069,652	\$6,798,403	\$2,837,024	2024
City of Sullivan, MO	6,906	-2.50%	\$5,003,175	\$4,874,256	\$7,828,040	\$15,730,944	\$2,736,000	2022
City of St. Clair, MO	4,791	1.40%	\$3,110,114	\$3,843,595	\$2,176,758	\$2,992,231	\$5,493,374	2024
City of Potosi, MO	2,660	0.00%	\$3,041,152	\$874,796	\$2,033,361	\$6,264,534	\$5,048,736	2024

* Current Cash Balance

Current Debt Service Payments

City of Cuba has \$934,000 outstanding from the Series 2011 bonds issued for the purpose of extending and improving the City's combined waterworks and sewerage system. The issuance of the Bonds were authorized pursuant to elections duly held in the City and an ordinance duly passed by the governing body of the City. The Bonds are payable in semi-annual installments of principal and interest from July 1, 2012, until January 1, 2031. The annual interest rate totals 1.6% per annum.



Planned Funding for Phases 1 & 2

- Bonds issued at the end of 2026 or the beginning of 2027 to provide funding for phase 1 and phase 2 of the upcoming project.
- Phase 1 is estimated to total around \$500,000 and will be paid out of funds on hand, and can be reimbursed back to the city with bond proceeds.
- Phase 2 is estimated to total a little over \$1,300,000 and will be funded through bond proceeds.
- Payments will be structured to wrap around outstanding bonds to lower overall annual payments
- Annual payments will be made out of the Capital Improvement Fund from the City, requiring no increase in taxes.

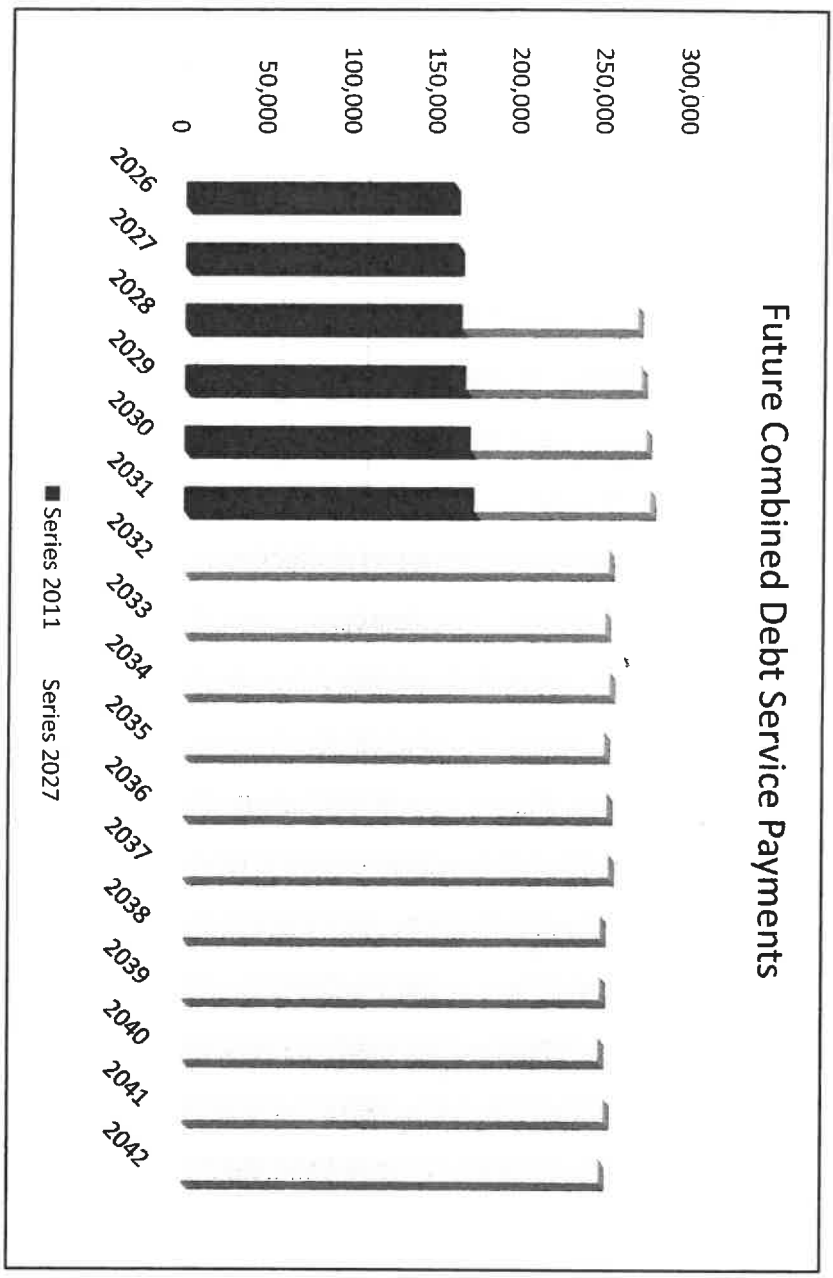
Phase 1 & 2 Est. Department Funding

- Includes a Mix of Development-Related Infrastructure Upgrade Costs and Improvements to Existing Utilities
- Approximate Improvement Cost Breakdown (Includes Planning & Engineering Costs to Prepare for Phases 3 & 4)

Phase 1		Phase 2	
Water & Sewer/WWTP:	\$ -	Water & Sewer/WWTP:	\$1,000,000
Electric Dept:	\$400,000	Electric Dept:	\$250,000
Gas Dept:	\$100,000	Gas Dept:	\$50,000

Planned Debt Payments for Phase 1 & 2

Estimate annual payments to stay below \$300,000 per year, with final payment in 2042 (15 years from issuance). Will structure an early payment option for the City to refund or pay off bonds early.



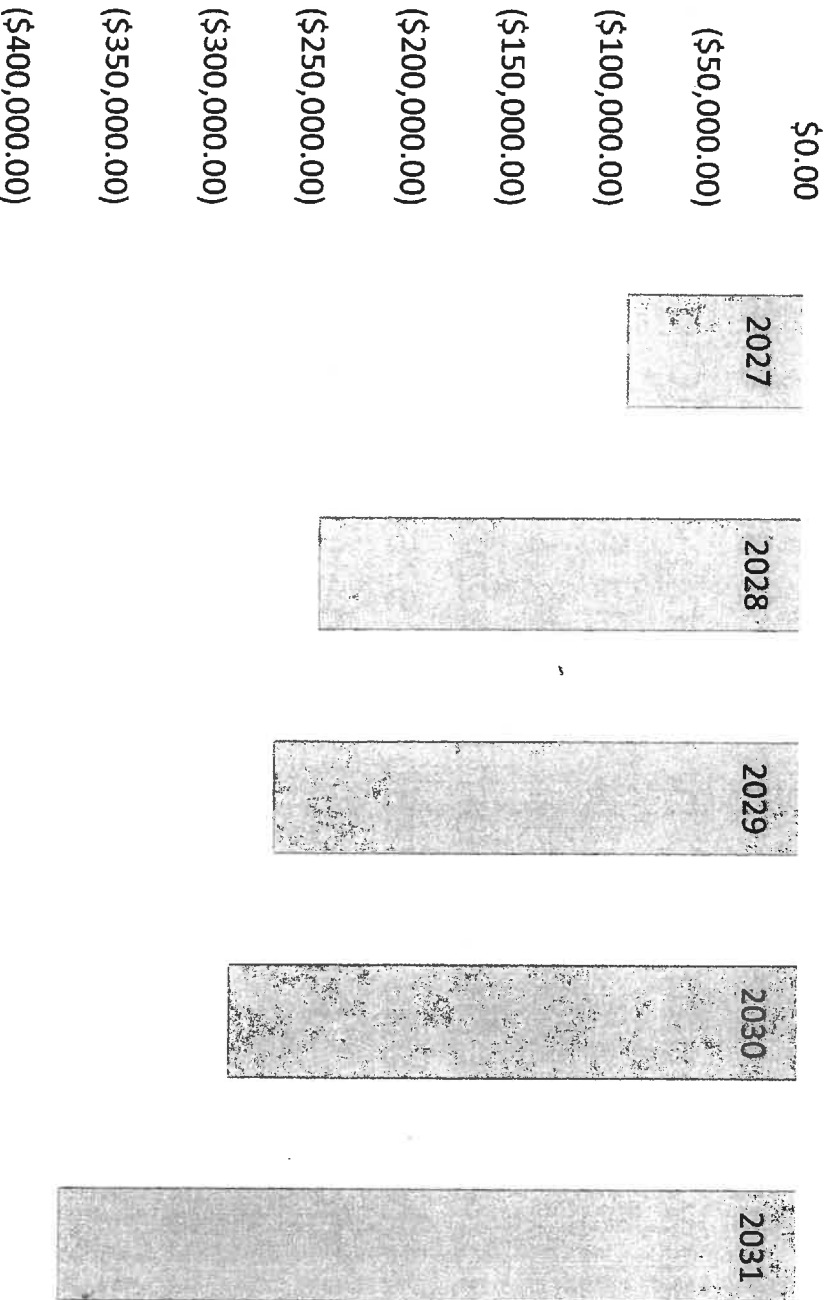
Population Projections

➤ Population Growth by Year for Phase 1 & 2 Funding

Year	Population Est.	Year-Year Growth
2026	3,172	-
2027	3,181	0.28%
2028	3,219	1.18%
2029	3,270	1.56%
2030	3,334	1.92%
2031	3,411	2.26%

Water & Sewer Rate Considerations

➤ Preliminary Department Financials



Net Revenue after D/S

Timing Considerations

- Phase 1 funding will be paid from current funds on hand.
- As Phase 1 ends and Phase 2 starts to begin – will be able to better monitor how the project is going and determine how much funding will be needed to complete Phase 2.
- Issue “Bonds” or “Certificates of Participation” to reimburse the City for funds paid towards Phase 1 (if desired) and provide funding for Phase 2 to be completed over the following 12-18 months.
- Provides the City with flexibility to increase (or decrease) funding as needed, and to borrow earlier (or push back to later) as the project moves forward.

Beyond Phases 1 & 2 - Future Needs/Planning

- After Phase 2 is completed and looking to expand into Phases 3 & 4, the City will have a much better understanding of the costs associated with each phase, and the impact these projects have on the City's current facilities.
- Anticipate borrowing an additional \$4-5 million for Phase 3 and \$5-6 million for Phase 4 in the next 5 to 10 years to complete these phases and to make required improvements to the City's Wastewater Treatment Plant, Sewer System and Water System.
- This funding is expected to be paid out of Water/Sewer Funds and should not impact the City's General Fund.
- Payments will be paid from a combination of an increase number of users plus adjusted user rates via phased increases over the coming years.

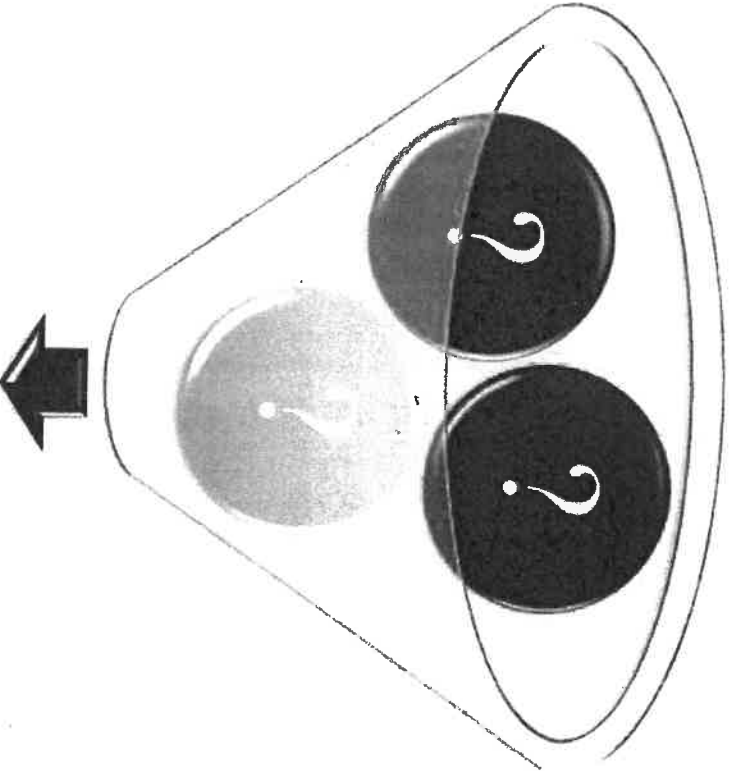
Next Steps.....

- City has completed the following:
 - Hired a Municipal Advisor
 - Passed a Reimbursement Resolution
 - Hired Auditor for 2025-2027

- In 2026, the City should complete the following:
 - Work to complete Annual Audits within 180 days of fiscal year end
 - Review and Update Financial Policies
 - Fund Balance Policy
 - Transfer Policy
 - Debt Policy
 - Complete and Approve a new Rate Study

- Continue to monitor project funding needs as new subdivision is being completed

Questions and Answers



Questions?

IMPORTANT DISCLOSURES

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