

**September 3, 2019**

**ANNUAL DISCLOSURE REPORT  
For the Fiscal Year Ended March 31, 2019**

**OF THE**

**CITY OF BOONVILLE, MISSOURI**

**IN CONNECTION WITH**

**TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010**

**TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010B**

**and**

**REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2013**

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The information set forth herein has been furnished by the City and from other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Financial Advisor. This Annual Disclosure Report is not to be construed as a contract or agreement between the City and the purchasers or owner of any of the Certificates. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of the Annual Disclosure Report is not under any circumstances, to create any implication that there has been no change in the affairs of the City since the date hereof.

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**CITY OF BOONVILLE**

**MAYOR**

Ned Beach

**COUNCIL MEMBERS**

Steve Young, Ward 1  
Vanessa Dorman, Ward 2  
Brent Bozarth, Ward 3  
Morris Carter, Ward 4

Mike Stock, Ward 1  
Susan Meadows, Ward 2  
Whitney Venable, Ward 3  
Henry Hurt, Ward 4

**CITY ADMINISTRATOR**

Irl Tessendorf

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**FINANCIAL ADVISOR**

WM Financial Strategies  
St. Louis, Missouri

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**ANNUAL DISCLOSURE REPORT  
OF THE  
CITY OF BOONVILLE  
Relating to  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2010B  
and  
REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2013**

**INTRODUCTION**

This Annual Disclosure Report is provided by the City of Boonville, Missouri (the “City”) to furnish information in connection with its Taxable Certificates of Participation, Series 2010 (the “Series 2010 Certificates”), Taxable Certificates of Participation, Series 2010B (the “Series 2010B Certificates”), and Refunding Certificates of Participation, Series 2013 (the “Series 2013 Certificates”) (collectively referred to herein as the “Certificates”).

**THE CITY**

**General**

The City is located in and is the county seat of Cooper County, Missouri. Situated on the bluffs overlooking the Missouri River, the City is located 24 miles west of Columbia, 103 miles east of Kansas City and 150 miles west of St. Louis. The City encompasses approximately 7.34 square miles. Boonville is the oldest city in central Missouri and was incorporated in 1839. The City was named after Daniel Boone.

The City operates on a fiscal year that begins on April 1 and ends on March 31 of the following calendar year (the “Fiscal Year”).

**Government**

The legislative body is the City Council which is comprised of eight members and the mayor. Two Council members are elected from each of the City’s four wards to serve two-year staggered terms. The mayor serves as the presiding officer at Council meetings and is responsible for ceremonial functions of the City. The mayor may vote in the event of a tie by the Council members and has veto powers. The mayor serves a four-year term and the current mayor’s term expires in April 2023.

The City Administrator is appointed by the City Council. The City Administrator is the chief administrative officer of the City and is responsible for the day-to-day management of the City’s business and staff. The City Administrator is also responsible for the supervision of non-elected City officials under policies established by the City Council. Other administrative positions include the City Clerk, Director of Public Works, City Planner, Chief of Police, Fire Chief, Building Inspector, Health Inspector, Director of Economic Development, Director of Parks, Animal Control Officer, Airport Manager, and City Counselor.

City services and functions are divided into eleven departments which are administration, legal services, planning, economic development, public works, parks and recreation, police, fire, animal, building inspection, and tourism.

The City Council appoints citizens to the following boards and commissions: Airport Advisory Committee, Animal Control Advisory Board, Board of Adjustment, BOCA Board of Appeals, Cemetery Board, Fire Board, Local Agency Funding Committee, Historic Preservation Commission, Parks and Recreation Board, Planning and Zoning Commission, Police Board, Public Works Board, Street Alley and Sanitation Board and Tourism Commission.

## **Employees**

The City has 73 full-time and 9 regular part-time employees. City employees are not represented by any collective bargaining unit and the City has no record of any labor dispute.

## **Pension Plan**

The City participates in the Missouri Local Government Employees Retirement System (“LAGERS”) which is administered by a seven-member independent board of trustees pursuant to Missouri law. The plan is a defined benefit plan which provides for normal, early and disability retirement benefits to participants meeting certain eligibility requirements. The plan covers the elected officials and substantially all full-time employees of the City.

Additional information regarding the pension plan is included in the financial statements that accompany this Annual Disclosure Report.

## **Economic and Demographic Information**

### *Economy*

The City’s largest employers are Isle Capri-Boonville, a riverboat casino owned by Isle Capri Casinos, Inc. (see the caption “RIVERBOAT GAMBLING”) and the State-owned Boonville Correction Center. The Boonville Correction Center holds approximately 1,350 maximum and minimum security inmates. In addition, there are several small industries in the City that are located in the Boonville Industrial Development Authority’s 58-acre industrial park.

Although the population of Boonville is less than 9,000, it is one of the most highly populated areas in a 45-mile belt across central Missouri. With the exception of several businesses along Interstate 70, the City’s commercial businesses are located primarily in one of two shopping districts. The first encompasses the downtown area. The second encompasses several small strip shopping centers located along Route B.

The area surrounding the City is primarily agricultural. The primary crops are corn, soybeans, wheat and sorghum. Agriculture within Cooper County includes the growing of sunflowers for seed, apples, peaches and milo as well as the production of cattle and hogs.

### *Population*

<u>Year</u>	<u>Population</u>
1980	9,350
1990	7,095
2000	8,260
2010	8,319
2017	8,403

*Source: Official census count of the U.S. Department of Commerce, Bureau of the Census except for 2018 which is an unofficial July 2018 estimate.*

### *Transportation*

The City is intersected by Interstate 70, State Route 87, State Route B, and State Route 5.

The City owns the Jesse Viertel Memorial Airport located three miles southeast of Boonville's corporate limits. Jesse Viertel Memorial Airport features a 4,000-foot runway and serves private and corporate aircraft. Approximately 56 airplanes are based at the airport with approximately 8 to 10 flights per day.

Regularly scheduled air passenger and freight service is available at Kansas City International Airport and St. Louis Lambert International Airport located approximately 120 miles east and west of the City. Limited service is available at the Columbia Regional Airport located approximately 30 miles from the City.

The Howard/Cooper County Regional Port Authority is located one mile from the City and is the only public shipping access between Kansas City and St. Louis. The site has a storage capacity of 250,000 bushels of grain and 4 million gallons of liquid chemicals. The general cargo dock features one 50-ton and one 25-ton floating crane.

### *Major Employers*

Most of the employers in the City have less than 50 employees. The following table sets forth information regarding the largest employers in the City:

<u>Name</u>	<u>Product or Service</u>	<u>Number of Employees</u>
Isle of Capri	Casino	520
Boonville Correctional Center	State Corrections Facility	380
Wal-Mart	Retail Store	250
Caterpillar	Rubber Products for Mfg. Equipment	200
Boonville R-I School District	Education	200
Cooper County Hospital	Health Care	80
City of Boonville	Government	80
County of Cooper	Government	52

*Source: Boonville Economic Development Department.*

### *Employment*

According to U.S. Bureau of Census, 2013-2017 American Community Survey, 5 year estimates, the total civilian labor force of the City was 3,492 and 107 people were unemployed. This represents an 3.1% unemployment rate.

*Building and Construction Data*

The following table sets forth the number of units and value of new construction building permits issued by the City for the Fiscal Years 2015 through 2019:

Fiscal Year	Residential		Commercial		Total Value
	Number of Units	Value	Number of Permits	Value	
2015	3	\$ 625,000	2	\$2,500,000	\$3,125,000
2016	5	1,180,000	5	3,500,000	4,680,000
2017	6	1,525,000	7	2,350,000	3,875,000
2018	4	680,000	1	225,000	905,000
2019	5	1,230,000	3	2,614,000	3,844,000

Source: Office of the Building Inspector.

*Housing*

The following table sets forth certain housing statistics for the City and, for comparative purposes, Cooper County and the State of Missouri:

	Median Value of Owner Occupied Housing	% Built in 2000 of Later	Units Built Before 1940
City of Boonville	\$112,400	12.3%	17.9%
Other Entities:			
Cooper County	128,900	17.1	17.7
State of Missouri	145,400	16.9	14.0

Source: U.S. Bureau of Census, 2013-2017 American Community Survey, 5 year estimates.

*Income*

The following table sets forth certain income statistics for the City and, for comparative purposes, Cooper County and the State of Missouri:

	Per Capita Income	Median Family Income	% People Below Poverty Level
City of Boonville	\$19,181	\$51,011	13.8%
Other Entities:			
Cooper County	22,371	63,149	11.2
State of Missouri	28,282	64,776	14.6

Source: U.S. Bureau of Census, 2013-2017 American Community Survey, 5 year estimates.

## **Community Services**

### *Utilities*

Natural gas and electricity is provided by Ameren Missouri (formerly Ameren UE). The City provides water and sewer service.

The City's waterworks facilities include a distribution system, storage facilities and a treatment plant. The treatment plant was constructed in 2002 and has a capacity of 4.6 million gallons of water per day. The City's water consumption averages 1.38 million gallons per day with peak usage during summer months of 2 million gallons per day. The City owns four elevated storage towers and two in-ground storage tanks with a combined capacity of 3.27 million gallons. The water supply for the City is the Missouri River.

Sewerage system facilities consist of a treatment plant constructed in 1996 and a collection system that includes 11 lift stations and lines ranging in size from 2 to 24 inches. The treatment plant has a design capacity to treat 2.0 million gallons per day with a peak flow of 1.5 million gallons per day. The treatment plant presently has excess capacity of approximately 500,000 gallons per day.

### *Communications and Media*

Telecommunications services are provided by AT&T, Socket, and Century Tel. Residents of the City receive most Kansas City and Columbia radio stations and television channels. There is one local newspaper circulated in the City, *The Boonville Daily News*, which is published five days a week. Cable television is provided by Suddenlink Communications.

Within the City is a branch of the Boonslick Regional Library which is part of a multi-county library network. The Boonville branch collection includes: hardback and paperback books, large print books, magazines, pamphlets, CD audio books, Playaway audio books, Playaway Views, newspapers, DVD's, access to downloadable eBooks and audio books, and a variety of online reference databases. The branch also has public computers and Wi-Fi.

### *Recreation Activities*

Within the City are twelve parks encompassing approximately 160 acres. Among the parks is Harley Park which is the City's oldest park and is listed on the National Register of Historic Places. The park encompasses 31 acres and includes six picnic shelters, two baseball fields, three playgrounds, four pre-historic Indian Mounds, two restrooms, a scenic overlook of the River and open space. The original starting point of the Santa Fe Trail can be seen from the bluffs overlooking the Missouri River. Facilities at other City parks include baseball fields, playground areas, tennis courts, a regulation football field, soccer fields, picnic shelters, a skatepark and a municipal swimming pool. The City's park department also manages two fishing lakes that contain approximately 4 acres. The City also owns the Johnston Field House, a recreation complex that was constructed in 1927 and encompasses 47,838 square feet. Johnson Field House is the location of the City's YMCA and contains a cardio theater, weight room, aerobics room, 25-yard indoor pool, indoor batting cage and 3 basketball courts.

Part of the Katy Trail State Park is within the City. The Katy Trail State Park is a hiking and biking trail along the route of the former Missouri-Kansas-Texas Railroad which ceased operation in 1986. Tracing the route of the Lewis and Clark expedition, the park follows 225 miles of the old Katy Railroad track bed from the City of St. Charles to the City of Clinton (from St. Charles to Boonville is a distance of 152 miles). Today, the Katy Depot, in Boonville, is the home of the City's Tourist Information Center and the Boonville Area Chamber of Commerce.

As the oldest City in central Missouri there are approximately 500 buildings and sites on the National Register of Historic Places. Among the historic buildings is Thespian Hall. Built in 1857, Thespian Hall is the oldest continually operating theater west of the Allegheny Mountains. The hall is owned by a non-profit organization, the Friends of Historic Boonville, and continues to host a variety of performances including concerts, plays, talent contests and dance recitals.

### *Education*

The public school system within the City is operated under the administration and control of the Boonville R-1 School District of Cooper County Missouri (the "District"). The District has two elementary schools, one middle school and one high school with a total enrollment of approximately 1,545.

Higher education is available at universities located in the City of Columbia approximately 23 miles from the City and in Kansas City approximately 100 miles from the City.

### *Medical*

Cooper County Memorial Hospital ("CCMH") is a 32-bed, fully accredited, facility offering a wide range of primary and acute-care services. Through an affiliation with University of Missouri Health Care, CCMH offers a variety of specialty services including cardiology, dermatology, emergency medicine, gastroenterology, neurology, obstetrics and gynecology, oncology, ophthalmology, pediatrics, physical medicine and rehabilitation, psychiatry, and surgery.

CCMH also offers hospital-based intermediate and skilled-nursing care. Daily skilled-nursing or rehabilitation services assist patients with recovery until independence is restored or the patient is able to enter a less-intensive care facility. Several other area nursing homes compliment the extended care options available for area seniors. CCMH manages the Cooper County Ambulance District, responding to emergencies whenever they occur.

Also serving the City is the Cooper County Public Health Department. Services provided include adult and childhood immunizations, blood pressure testing, blood sugars/hemoglobin testing, medication administration, TB testing, sexually transmitted diseases testing, educational resource and referral, and pregnancy testing.

### *Police Protection*

The City's police department has 6 dispatchers and 21 uniformed officers, 17 of which are patrolling officers. The department sponsors community service programs including Drug Abuse Resistance Education (DARE), a drug awareness program aimed at young people, Neighborhood Watch, and child identification.

### *Fire Protection*

The Boonville Fire Department (the "Department") provides fire protection throughout the corporate limits of the City. Services are provided from two fire stations, manned by full-time and volunteer firefighters. The City's fire insurance rating is "4" among ratings ranging from 1 to 10, with 1 as the highest rating. This rating is based on several factors including the number of firefighters and their training, the water distribution system, response time, firefighting equipment and fire prevention programs of the Department. Fire prevention and safety programs provided by the Department include annual inspections of schools, nursing homes and manufacturing and mercantile buildings and an extensive fire prevention program that includes a mobile fire safety house. The mobile fire safety house is utilized throughout the year to present programs to schools, clubs and other groups.

## THE CITY'S FINANCES

### Accounting and Reporting Practices

A description of the City's accounting and reporting practices is included in the financial statements that accompany this Annual Disclosure Report.

### Investments

The City has a formal investment policy. The City's investments are governed by state statutes which authorize the City to deposit funds in bank accounts, U.S. Treasury securities, U.S. agency securities, repurchase agreements, collateralized certificates of deposit and banker's acceptance. The City investments currently include certificates of deposit and money market funds.

### Budget Process

The City Administrator prepares an annual budget for the ensuing Fiscal Year. The budget is based upon information provided by the various City departments and employees. After a proposed budget is prepared, it is submitted to the City Council for review. The City Council may revise, alter, increase or decrease the items contained in the proposed budget, provided that the total authorized expenditures from any fund do not exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year. The budget is legally enacted by ordinance.

Pursuant to the Missouri Revised Statutes, the annual budget must present a complete financial plan for the ensuing Fiscal Year, and must include at least the following information:

- (1) A budget message describing the important features of the budget and major changes from the preceding year;
- (2) Estimated revenues to be received from all sources for the budget year, with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, and source;
- (3) Proposed expenditures for each department, office, commission, and other classifications for the budget year, together with a comparative statement of actual or estimated expenditures for the two years next preceding, itemized by year, fund, activity and object;
- (4) The amount required for the payment of interest, amortization, and redemption charges on debt; and
- (5) A general budget summary.

### The General Fund

In accordance with established accounting procedures for governmental units, the City records its financial transactions under various funds. The General Fund is the fund from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited.

The following table indicates the City's audited General Fund revenues, expenditures and changes in fund balance for the 2016 through 2019 Fiscal Years:

**General Fund  
Revenue, Expenditures and Changes in Fund Balance**

	Fiscal Year Ended March 31			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>REVENUES</b>				
Taxes	\$3,295,467	\$3,497,849	\$3,444,392	\$3,432,450
Licenses and Permits	113,453	106,095	125,656	110,473
Intergovernmental	29,492	47,842	7,898	6,141
Charges for Services	767,254	441,535	451,818	446,765
Fines and Penalties	67,263	72,833	53,353	150,213
Miscellaneous	<u>208,592</u>	<u>251,581</u>	<u>234,228</u>	<u>402,002</u>
Total Revenues	4,481,521	4,417,735	4,317,345	4,548,044
<b>EXPENDITURES</b>				
General Government	727,647	737,584	825,135	704,629
Public Safety	2,264,156	2,269,525	2,305,975	2,356,443
Transportation	891,693	830,873	815,759	811,880
Parks and Recreation	638,945	674,359	623,873	597,032
Debt Service	904,039	886,773	876,749	958,732
Capital Outlay	<u>115,712</u>	<u>897,882</u>	<u>642,069</u>	<u>1,069,613</u>
Total Expenditures	5,542,192	6,296,996	6,089,560	6,498,329
REVENUES OVER (UNDER) EXPENDITURES	(1,060,671)	(1,879,261)	(1,772,215)	(1,950,285)
<b>Other Financing Sources (Uses)</b>				
Capital lease proceeds	-	-	675,120 <sup>(1)</sup>	-
Transfers:				
Gaming <sup>(2)</sup>	1,410,783	1,405,349	1,439,104	1,488,074
Other Transfers In (Out)	-	218,660	381,000	620,354
	<u>1,410,783</u>	<u>1,624,009</u>	<u>2,495,224</u>	<u>2,108,428</u>
Excess (Deficit) of Revenues over Expenditures and Other Sources (Uses)	350,112	(255,252)	723,009	158,143
<b>FUND BALANCE</b>				
BEGINNING OF YEAR	<u>6,170,115</u>	<u>6,520,227</u>	<u>6,264,975</u>	<u>6,987,984</u>
FUND BALANCE END OF YEAR	<u>\$6,520,227</u>	<u>\$6,264,975</u>	<u>\$6,987,984</u>	<u>\$7,146,127</u>

(1) During the 2018 Fiscal Year, the City entered into a 10 year lease for a Fire Truck. Annual payments equal \$80,357.

(2) Transfers from Gaming generally includes an amount for plus an amount equal to the debt service on the Certificates.

Source: Audited financial statements of the City.

The following list sets forth the primary sources of City revenues for the General Fund for the 2019 Fiscal Year:

Operating Revenues:	<u>Revenues</u>	<u>Percentage of Total Revenues</u> <sup>(1)</sup>
Property Tax	\$ 747,090	12.38%
General Sales Tax and Use	1,445,792	23.95
Franchise	780,376	12.93
Vehicle Sales and Licenses	110,107/	1.82
Gas Tax	223,281	3.70
Other Taxes	125,804	2.09
Licenses and Permits	110,473	1.83
Intergovernmental	6,141	0.10
Charges for services	446,765	7.40
Fines and Penalties	150,213	2.49
Miscellaneous	<u>402,002</u>	<u>6.66</u>
Total Operating Revenues	4,548,044	75.35
Gaming Revenues	<u>1,488,074</u>	<u>24.65</u>
Total	<u>\$6,036,118</u>	<u>100.00%</u>

(1) Totals do not match column addition due to rounding.

Source: Audited financial statements of the City.

## SOURCES OF REVENUE

### Gaming Revenue

The City's largest source of revenue is from gaming revenue. See the caption "RIVERBOAT GAMING."

### Property taxes

#### *General*

Property taxes are levied against the following classifications of property: real property, personal property, railroads and utilities. For the 2019 Fiscal Year, property taxes represented approximately 12.38% of total general fund revenue.

Not later than September 30 of each year, the City Council sets the rate of tax for the City and files the tax rate with the County Clerk by October 1. The County Clerk forwards the tax information to the State Auditor who is responsible for reviewing the rate of tax to insure that it does not exceed constitutional rate limits.

Taxes are levied on all taxable real and personal property owned as of January 1 in each year. Certain properties, such as those used for charitable, education, and religious purposes, are excluded from ad valorem taxes for both real and personal property.

Real property within the City is assessed by the County Assessor. The County Assessor is responsible for preparing the tax rolls each year and for submitting tax rolls to the County Board of Equalization. The Board of Equalization has the authority to question and determine the proper value of property and then adjust and equalize individual properties appearing on the tax rolls. By statute, tax bills are to be mailed in October; however, the volume of assessment complaints required to be reviewed by the County Board of Equalization can affect the date on which bills are actually mailed.

Payment of tax on real and personal property is due by December 31 after which date they become delinquent and accrue a penalty of 2% per month but not exceeding 7%.

*Tax Rates*

The City's only property tax is for general government. The following table sets forth the City's tax rate for the past five tax years:

<u>Year</u>	<u>Tax Rate</u>
2014	\$ .7000
2015	.7034
2016	.7046
2017	.7060
2018	.7063

*Source: Office of the City Administrator.*

*Assessed Valuation*

The following table indicates the assessed valuation, for the past five tax years.

<u>Tax Year</u>	<u>Assessed Valuation</u>
2014	\$97,589,965
2015	99,402,013
2016	97,634,495 <sup>(1)</sup>
2017	98,517,675
2018	99,275,399

(1) The decline in assessed value is primarily attributable to a decline in personal property valuation.

*Source: Office of the Cooper County Clerk.*

*Estimated Market Value*

The following table sets forth the estimated market value of taxable property for 2018 based on the 2018 assessed valuation and applicable statutory assessment ratios.

<u>Subclass</u>	<u>Assessed Valuation</u>	<u>Assessment Ratio</u>	<u>Estimated Market Value</u>
Residential Property	\$41,075,960	19.0%	\$216,189,263
Commercial Property	36,998,873	32.0	115,621,478
Agricultural Property	147,710	12.0	1,230,917
Personal Property	21,064,497	33.3	63,256,748
Total	<u>\$99,287,040</u>		<u>\$396,298,406</u>

*Source: Assessed Valuations were provided by the office of the Cooper County Clerk.*

*Major Taxpayers*

The following table sets forth information regarding the top ten taxpayers in the City based on real and personal property excluding railroads and utilities:

<u>Taxpayer</u>	<u>Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation<sup>(1)</sup></u>
Isle of Capri	Casino	\$9,122,036	9.19%
Wal-Mart	Retail	3,162,916	3.19
Caterpillar	Rubber Products for Mfg. Equipment	2,872,442	2.89
Ameren Missouri	Electric Utility	2,399,377	2.42
SSA Delaware LLC	Truck Stop that includes a Wendy's	1,608,763	1.62
Loves Travel Shops	Travel Stop	1,104,468	1.11
Columbia Property 1 LLC	Developer	1,103,140	1.11
76 Boonville LLC	Wholesale Fireworks Distributor	1,101,189	1.11
MFA Inc.	Farm Equipment & Supplies	872,980	0.88
RCB Properties of Central MO LLC	Car Dealer	856,636	0.86

(1) The figures above are based on the ratio of the taxpayers 2018 assessed valuation to the 2018 assessed valuation.

Source: *Office of the Copper County Assessor.*

*Collections*

The following table sets forth information regarding tax collections for the City for the Fiscal Years 2015 through 2019:

<u>Fiscal Year</u>	<u>Total Taxes Levied</u>	<u>Collected</u>	<u>% Collected</u>
2015	\$635,618	\$605,663	95.3%
2016	671,312	644,942	96.0
2017	689,972	668,232	96.8
2018	722,878	698,102	96.6
2019 <sup>(1)</sup>	729,107	666,368	91.3

(1) Tax collections were lower than prior years due to a protest of approximately \$30,000 by Ameren (an electric utility).

Source: *City of Boonville financial records.*

## Sales Taxes

### *General Sales Tax*

A 1% City sales tax for general revenue was authorized by the State Legislature and was imposed following a favorable vote at an election held in December 1970. In April 2016 voters authorized a use tax at the rate of 2%. The following table sets forth the total general sales tax receipts for the 2015 through 2019 Fiscal Years:

<u>Fiscal Year</u>	<u>General Sales Tax Receipts</u>
2015	\$1,341,678
2016	1,401,243
2017 <sup>(1)</sup>	1,573,149
2018 <sup>(1)</sup>	1,491,791
2019 <sup>(1)</sup>	1,445,792

(1) For the 2017 Fiscal Year, includes \$156,384 of use taxes authorized in April 2016. For the 2018 Fiscal Year, use taxes equaled \$37,000 and for the 2019 Fiscal Year, use taxes equaled \$280,502.75.  
*Source: Audited financial statements of the City.*

In addition to the general sales tax, subject to voter approval, cities may also impose a ½% sales tax for each of the following purposes: capital improvements, transportation, parks and stormwater, fire protection and economic development. In addition to the general sales tax, the City has a capital improvement sale tax and a parks and a stormwater sales tax as described below:

### *Capital Improvement Sales Tax*

The capital improvement sales tax, is a ½% capital improvement sales tax. The tax was first approved in 1985 with a five-year sunset date. The tax has been extended six times and each time with a five-year sunset date. The current sunset date is September 30, 2020.

By statute, this tax may be used solely for funding capital improvements and for the cost of operating such improvements. The money is deposited in the City's Capital Improvements Fund and is presently used for the acquisition of vehicles and equipment, street projects, park projects, sidewalks and a small amount of public safety outlays. The following table sets forth the City's capital improvement sales tax receipts for the 2015 through 2019 Fiscal Years:

<u>Fiscal Year</u>	<u>Capital Improvement Sales Tax Receipts</u>
2015	\$637,659
2016	663,768
2017	676,140
2018	706,444
2019	704,419

*Source: Audited financial statements of the City.*

### *Parks and Stormwater Sales Tax*

In November 2012, voters approved a ½% parks and stormwater sales tax. The sales tax became effective on April 1, 2013. The tax is used for stormwater projects and for park projects that are designed to stimulate economic development. The following table sets forth the City's parks and stormwater sales tax receipts for the years since the tax went into effect:

<u>Fiscal Year</u>	<u>Parks and Stormwater Sales Tax Receipts</u>
2015	\$637,708
2016	663,785
2017	675,627
2018	846,929
2019	988,637

Note: The receipts include use taxes totaling \$157,333 for the 2018 Fiscal Year and \$223,582 for the 2019 Fiscal Year.

Source: Audited financial statements of the City.

### **Franchise Tax**

The franchise tax is a tax on utilities charged on the rate of 4.54% on the sale of electricity, 5.0% for natural gas, 5.0% for telephone service and 2.7% for cable television.

### **Enterprise Revenues**

The City maintains three proprietary funds: the Water Fund, the Sewer Fund and the Sanitation Fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Revenues for the Water Fund and the Sewer Fund are derived principally from fees charged to customers obtaining water and/or sewer services and revenues for the sanitation fund a principally from fees charges to customers obtaining trash service.

### **The Hancock Amendment**

On November 4, 1980 Missouri voters approved an amendment to the Missouri Constitution to limit taxation and governmental spending. The amendment (popularly known as the Hancock Amendment) also limits the rate of increase and the total amount of taxes on property which may be imposed in any year without voter approval. If the assessed valuation of property, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each political subdivision must be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value. The tax levy on the assessed valuation of new construction is exempt from this limitation.

The Hancock Amendment does not apply to taxes imposed for the payment of principal and interest on general obligation bonds.

## RIVERBOAT GAMBLING

### General

Within the City is the Isle Capri-Boonville casino development located along the City's riverfront that is owned by Isle of Capri Casinos, Inc. ("the Casino"). The Casino opened on December 6, 2001. The Casino consists of a single-level dockside casino offering more than 900 slot machines, 19 table games, a 140-room hotel that opened in June 2006, a 32,400 square foot pavilion and entertainment center and 1,101 parking spaces. The pavilion and entertainment center offers customers a wide variety of non-gaming amenities, including Farradays' restaurant, Farmer's Pick Buffet, Tradewinds Marketplace restaurant, an 800 seat event center, and a historic display area. The Casino is the only gaming facility between Kansas City, Missouri and St. Louis, Missouri.

### Revenue

The largest source of City revenue is from gaming. Pursuant to the Missouri Revised Statutes, the State of Missouri Gaming Commission receives \$2.00 for each person embarking on an excursion gambling boat or dock of which \$1.00 is distributed to the City by the Gaming Commission ("Admission Receipts"). In addition, the State imposes a 21% tax on the adjusted gross receipts from gambling games and distributes 10% of the amount to the City. Approximately 60% of the City's gaming revenues are from the Admission Receipts and the balance is from the gross receipts tax.

The following table sets forth the amount of gaming receipts by the City for the 2015 through 2019 Fiscal Years:

<u>Fiscal Year</u>	<u>Gaming Receipts</u>
2015	\$3,612,284
2016	3,565,223
2017	3,517,356
2018	3,384,548
2019	3,191,490

Note: The above figures reflect the accrual basis of accounting. On a cash basis, the City received \$3,208,506 during the 2019 Fiscal Year of which \$1,553,133 was attributable to Admission Receipts.  
*Source: Audited financial statements of the City.*

The Admission Receipts are pledged to payment of the Certificates, and, subject to certain conditions, can be pledged to future certificates and other obligations of the City. The City expects to annually budget the balance of gaming revenue as follows: approximately \$680,000 to the General Fund for operations, \$1,000,000 for ongoing acquisitions of vehicles and equipment and for street projects, and the balance for debt service and capital projects.

Future revenues can be affected by numerous events including the economy, gas prices (particularly with respect to out-of-town visitors to the facility) and the continuing operations of the gaming facility in the City. In addition, changes in legislation could impact licensing of competing facilities or could change the distribution of revenues to cities in the State that have gaming facilities. However, the City believes that these factors are currently stable and in recent years the City has seen little change in gaming receipts.

## **Isle of Capri and Eldorado Resort**

In September 2017, Reno, Nevada-based Eldorado Resorts Inc. (Nasdaq: ERI) acquired Isle of Capri, Inc. Eldorado Resorts Inc. was founded in Reno, Nevada in 1973. Prior to the acquisition of Isle of Capri Inc. the company owned and operated seven properties in five states, including the Eldorado Resort Casino, the Silver Legacy Resort Casino and Circus Circus Resort Casino in Reno, Nevada. Eldorado Resorts, Inc. now owns and operates nineteen properties in ten states, including Colorado, Florida, Iowa, Louisiana, Mississippi, Missouri, Nevada, Ohio, Pennsylvania and West Virginia. In aggregate, Eldorado's properties feature approximately 20,000 slot machines and VLTs, more than 550 table games and over 6,500 hotel rooms.

Isle of Capri's common stock is traded on the NASDAQ Stock Market under the symbol ERI. Additional information regarding the operations of Isle of Capri is available on their website at <http://www.eldoradoresorts.com/properties> (see "Investor Relations").

## **Missouri Gaming Commission**

The Missouri Gaming Commission (the "Commission") is the regulatory agency that licenses and oversees the operation of Missouri's casinos. Effective November 2008, Missouri statutes limit the number of casino licenses that may be issued to thirteen. There are presently thirteen casinos in Missouri. In addition to the facility in Boonville there are four facilities in the Kansas City Metropolitan Area, four in the St. Louis Metropolitan Area, one in St. Joseph, one in LaGrange, one in Caruthersville and one in Cape Girardeau.

The Commission also has authority to take over casinos in extraordinary circumstances such as a financial collapse. In October 2006, the Commission seized operations of Casino Aztar, in Caruthersville, in order to avert a threatened shutdown. According to the Commission the takeover was intended to prevent a loss of nearly 300 jobs and \$6 million in taxes to the community. The Commission operated the facility under an authorized supervisor until June 2007 with the sale and licensing of the casino to a new owner.

While the precedent exists, there is no assurance that such an arrangement would take place in the event Eldorado Resorts Inc. ceased operations in Boonville.

## **DEBT OF THE CITY**

### **General**

The City has no outstanding general obligation bonds. Any general obligation bonds issued by the City would require voter approval as described below.

On August 2, 1988, an amendment to the Missouri Constitution was approved which decreased the vote required to pass a proposition to issue general obligation bonds payable from unlimited ad valorem taxes from two-thirds (2/3) to four-sevenths (4/7) of the qualified voters voting thereon for elections held at the general municipal election day, primary or general elections. A vote of two-thirds (2/3) of the qualified voters voting on the specific general obligation bond proposition is required at all other elections.

The Missouri Constitution provides that the amount of bonds payable out of tax receipts shall not exceed 10% of the total assessed valuation of the taxable property of a city. The Missouri Constitution permits cities to become indebted for an additional 10% of the value of taxable, tangible property for the purpose of acquiring rights-of-way, constructing, extending, and improving streets and avenues; and constructing, extending and improving a sanitary or storm sewer system.

## Legal Debt Limit and Debt Margin

The following table sets the City's legal debt margin:

	City Purposes <u>Basic Limit</u>	Special Purpose <u>Additional Limit</u>
2018 Assessed Value	<u>\$99,287,040</u>	<u>\$99,287,040</u>
Debt Limit - 10% of Assessed Value	\$9,928,704	\$9,928,704
Less: General Obligation Bonds	<u>—</u>	<u>—</u>
Legal Debt Margin	<u>\$9,928,704</u>	<u>\$9,928,704</u>

## Direct and Overlapping Debt

The following table sets forth information relating to the direct and overlapping general obligation debt of the City:

	Outstanding <u>Bonds</u>	Percent Applicable to <u>The City<sup>(1)</sup></u>	City's Direct and Overlapping <u>Debt<sup>(2)</sup></u>
City of Boonville	\$ —	100.00%	\$ —
Boonville R-1 School District	<u>23,100,000</u>	70.09	<u>16,213,890</u>
	<u>\$23,100,000</u>		<u>\$16,213,890</u>

(1) Estimate based on 2018 real and personal property assessed valuation.

(2) Excludes lease obligations.

Source: Publicly available documents.

## Lease Obligations

The following table sets forth information regarding the City's outstanding certificates of participation as of the date of this Annual Disclosure Report:

<u>Issue</u>	<u>Date Issued</u>	<u>Principal Outstanding</u>
Certificates of Participation, Series 2010	February 1, 2010	\$ 3,325,000
Certificates of Participation, Series 2010B	December 1, 2010	2,320,000
Certificates of Participation, Series 2013	April 16, 2013	2,305,000
Certificates of Participation, Series 2016	November 17, 2016	<u>2,590,000</u>
Total		<u>\$10,540,000</u>

The following table sets forth the debt service on the City's outstanding Certificates of Participation:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>US Treasury Subsidy<sup>(1)</sup></u>	<u>Total Debt Service</u>
2020	\$ 855,000	\$ 478,501	\$(121,134)	\$ 1,212,367
2021	885,000	442,585	(111,722)	1,215,863
2022	910,000	404,628	(101,957)	1,212,671
2023	940,000	364,534	(91,809)	1,212,725
2024	970,000	321,825	(81,037)	1,210,788
2025	1,000,000	276,580	(69,636)	1,206,944
2026	1,040,000	228,666	(57,530)	1,211,136
2027	1,080,000	177,321	(44,512)	1,212,809
2028	1,115,000	122,845	(30,630)	1,207,215
2029	1,215,000	67,275	(18,083)	1,264,192
2030	250,000	27,688	(9,691)	267,997
2031	280,000	9,625	(3,369)	286,256
Total	<u>\$10,540,000</u>	<u>\$2,922,073</u>	<u>\$(741,110)</u>	<u>\$12,720,963</u>

(1) Represents a 35% US Treasury subsidy in connection with the Series 2010 Certificates and the Series 2010B Certificates. Under the automatic budget sequestration provisions of the Budget Control Act of 2011, the City will receive a reduction from its subsidy payments. The amount of reductions are not known and are not reflected in the figures above.

In addition to the forgoing, the City periodically enters into lease agreements for the acquisition of vehicles and equipment. See Note III to the financial statements that accompany this Annual Disclosure Report.

### **Future Debt**

The City is planning to finance improvements to its wastewater treatment plant in the future. The timing is not yet known but is expected to be no sooner than 2022 following the retirement of the City's Wastewater System Revenue Bonds (State Revolving Fund Program), Series 1996E and Wastewater System Revenue Bonds (State Revolving Fund Program), Series 1998B.

### **FINANCIAL ADVISOR**

WM Financial Strategies, St. Louis, Missouri, is employed as Financial Advisor to the City to assist in the preparation of the Annual Disclosure Report.

### **NO LITIGATION**

The City represents that there is no controversy, suit or other proceeding of any kind pending or to their knowledge, threatened in any court that would materially affect the finances of the City.

### **ADDITIONAL INFORMATION**

For clarification of information contained in this Annual Disclosure Report contact the following:

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