

TABLE OF CONTENTS

GENERAL INFORMATION CONCERNING THE CITYA-1
General Information.....A-1
EconomyA-1
Government and Organization.....A-1
Employee Relations **A-Error! Bookmark not defined.**
Pension Plan.....A-2
Risk ManagementA-3
Municipal Services and Utilities.....A-3
Public Safety.....A-4
Transportation.....A-4
Educational Facilities.....A-4
Recreational Activities.....A-4
Employment.....A-5
Building Construction.....A-5
Housing.....A-6
PopulationA-6
IncomeA-7
FINANCIAL INFORMATION CONCERNING THE CITYA-7
Basis of Accounting.....A-7
Independent Audits and Financial ReportsA-8
Budgeting Process.....A-8
The General FundA-9
2022 Unaudited Results and 2023 Budget.....A-10
DEBT STRUCTURE OF THE CITYA-10
Debt Ratios and Related InformationA-10
General Obligation Indebtedness.....A-10
Overlapping General Obligation Indebtedness.....A-11
Revenue Bonds Payable.....A-11
Capital Lease Obligations.....A-11
Other Long-Term ObligationsA-12
History of Debt PaymentA-12
Debt Service Requirements.....A-13
Future Debt Plans.....A-13
TAX INFORMATIONA-14
Property ValuationsA-14
Property Tax Levies and Collections.....A-15
History of Tax LeviesA-16
Tax Collection Record.....A-16
Tax DelinquenciesA-16
Major Property TaxpayersA-17
Sales Tax Information.....A-17

GENERAL INFORMATION CONCERNING THE CITY

General Information

The City of Republic, Missouri (the “**City**”), is a rapidly-growing community located immediately west of Springfield, Missouri (“**Springfield**”), in southwest Missouri. Historically, the City has served as a bedroom community providing reasonable housing opportunities for families employed in Springfield and surrounding areas. According to the 2020 census, the Springfield region was the fastest-growing region in the State of Missouri over the last three years, and the City was the fastest-growing city in that region. According to the 2020 Census, the City has a population of 18,750, which is expected to grow to more than 27,000 by 2030.

Most of the City is located in Greene County (the “**County**”), with a small portion located in Christian County. The City encompasses approximately 13.3 square miles.

Economy

Commercial development has increased significantly in the City in recent years. More than \$300,000,000 in capital investment in the last five years has resulted in the addition of more than 3,000 jobs. The City’s potential for industrial growth is enhanced by its unique congregation of transportation access, including rail, air and interstate highway. The City encompasses long stretches of James River Freeway (State Highway 360), which has direct access to Interstate 44 and U.S. Highway 60, both of which provide many retail and commercial development opportunities.

In anticipation of the City’s projected population growth, the City is assisting in the development of approximately 9,000 acres, of which approximately 2,000 are currently located within the City’s boundaries. The City expects a portion of the owners of the remaining property to petition the City for voluntary annexation so that they can receive City services at rates offered to “in-City” customers.

Government and Organization

The City has operated as a constitutional charter city since 2007. Prior to adopting a home rule form of government, the City was a fourth-class city. The City Charter provides for a non-partisan municipal government consisting of a Mayor, eight Councilmembers and a City Administrator. The Mayor is elected at-large by the voters of the City once every four years. The City is divided into four wards, and two Councilmembers are elected from each ward for a four-year term.

The current Mayor and the members of the City Council are as follows:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Matt Russell	Mayor	2024
Eric Gerke, Ward I	Councilmember	2024
Eric Franklin, Ward I	Councilmember	2024
Garry Wilson, Ward II	Councilmember	2024
Gerry Pool, Ward II	Councilmember	2025
Christopher Updike, Ward III	Councilmember	2024
Brandon Self, Ward III ⁽¹⁾	Councilmember	2025
Jennifer Mitchell, Ward IV	Councilmember	2024
Clint Gerlek, Ward IV ⁽¹⁾	Councilmember	2025

⁽¹⁾ Councilmembers Brandon Self and Clint Gerlek were appointed on July 19, 2022 to fill vacancies on the City Council.

The City Administrator serves as the chief administrative officer of the City and is appointed by the Mayor upon the advice and consent of the entire City Council. David Cameron has served as the City Administrator since July 2016. Prior to becoming the City Administrator, Mr. Cameron worked as the city administrator of the City of Siloam Springs, Arkansas.

Employee Relations

The City has approximately 171 full-time employees and upwards of 200 part-time and seasonal employees. In May 2007, the Missouri Supreme Court held that public employees have a constitutional right to collectively bargain under Missouri’s Constitution. The City’s administration characterizes the City’s relationship with its employees as a good relationship. The City has no record of any work stoppages or other labor disputes. The International Association of Firefighters Local 152 (“**IAFF 152**”) represents 14 employees (captains, engineers and firefighters) in the Republic Fire Department. Firefighters represented by IAFF 152 are covered by a collective bargaining agreement. No other City employees are covered by a collective bargaining agreement.

Pension Plan

The City participates in the Missouri Local Government Employees’ Retirement System (“**LAGERS**”), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governmental entities in Missouri. LAGERS was created and is governed by state statute and is a defined-benefit pension plan that provides retirement, disability and death benefits. The plan is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees consisting of three trustees elected by participating employees, three trustees elected by participating employers and one trustee appointed by the Missouri Governor.

LAGERS issues a publicly-available financial report that includes financial statements and required supplementary information. The LAGERS Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022 (the “**2022 LAGERS Annual Report**”) is available at <https://www.molagers.org/financial-reports/>. The link to the 2022 LAGERS Annual Report is provided for general background information only, and the information in the 2022 LAGERS Annual Report is not incorporated by reference into this Official Statement. The 2022 LAGERS Annual Report provides detailed information about LAGERS, including its financial position, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plan.

The following provides a historical comparison of the City’s actual contributions to LAGERS relative to the actuarially-determined contributions for the fiscal years of the City shown:

Schedule of City Contributions

<u>Year Ended December 31</u>	<u>Actuarially- Determined Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>
2017	\$454,354	\$440,229	\$(14,125)
2018	467,478	467,478	-
2019	703,488	703,487	(1)
2020	768,674	767,679	(995)
2021	752,329	752,329	-

Source: City’s Audited Financial Statements for fiscal year ended December 31, 2021.

The net pension liability (asset) (consisting of both the City’s liability (asset) for active members and a proportionate share of LAGERS’ liability (asset) for retired members from the City) attributable to the City’s participation in LAGERS as of June 30, 2021, was as follows:

Year Ended <u>June 30</u>	Total Pension <u>Liability (TPL)</u>	Plan Fiduciary Net <u>Position (FNP)</u>	<u>FNP as % of TPL</u>	Net Pension Liability/ <u>(Asset) (NPL)</u>
	<u>General</u>			
2019	\$6,720,034	\$4,430,441	65.93%	\$2,289,593
2020	7,041,431	4,782,802	67.92	2,258,629
2021	7,614,833	6,498,503	85.34	1,116,330
	<u>Police</u>			
2019	\$1,774,250	\$1,067,527	60.17%	\$ 706,723
2020	1,923,067	1,162,534	60.45	760,533
2021	1,979,458	1,564,693	79.05	414,765
	<u>Fire</u>			
2019	\$1,554,676	\$1,251,923	80.53%	\$ 302,753
2020	1,639,760	1,363,513	83.15	276,247
2021	1,771,313	1,847,659	104.31	(76,346)

Source: City’s Audited Financial Statements for fiscal years ended December 31, 2019 through 2021.

For additional information specific to the City’s participation in LAGERS, including the City’s pension expense, see **Note 9** and **pages 58-60** in the City’s financial statements included in **Appendix B** to this Official Statement. For additional information regarding LAGERS, see the 2022 LAGERS Annual Report.

In the fiscal year ended December 31, 2022, the City began offering a 457 Deferred Compensation Plan (the “**Plan**”) to all of its full-time employees. The City contributes 9% of each participating employee’s salary to the Plan. Each participating employee is also able to contribute a portion of his/her salary to the Plan. The deferred compensation is not available until the employee’s termination, retirement, death or unforeseeable emergency. MissionSquare Retirement (formerly ICMA-RC) manages and administers the Plan. The City is able to provide this additional benefit, in large part, as a result of a recently-approved 3/4-cent public safety sales tax. See “**TAX INFORMATION – Sales Tax Information – Public Safety Sales Tax.**” In the fiscal year ended December 31, 2022, the City contributed \$550,870.86 to the Plan.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from a public self-insured insurance pool. The City’s management believes coverage is sufficient to preclude any significant uninsured losses to the City.

Municipal Services and Utilities

The City provides the following services: public safety (police and fire), streets, culture-recreation, public improvements, planning and zoning and general administrative services. Most residents of the City receive water and wastewater services from the City. Electricity is provided through Liberty Electric, Ozark Electric Cooperative and City Utilities of Springfield, and natural gas is provided by Missouri Gas Energy (Spire) and City Utilities of Springfield.

Public Safety

The Republic Police Department has 34 employees, including 29 sworn police officers and five support staff. The Republic Fire Department has 30 employees, including a fire chief, a deputy fire chief, three battalion chiefs, five fire captains, four lieutenants, five fire engineers and 11 full-time firefighters. The City currently has an Insurance Service Organization (“**ISO**”) fire insurance rating of 2 (the ISO has a classification of 1 to 10, with “1” representing superior protection and “10” indicating the community does not meet ISO’s minimum criteria). The fire department operates two fully-manned stations, which are staffed 24 hours a day.

Transportation

U.S. Highway 60 traverses the City and provides access to the nearby Springfield. The City is located within easy access to Interstate 44, James River Freeway and Highway 174. The nearest public airport, with commercial air transportation and air freight service, is Springfield-Branson National Airport, which is approximately eight miles from the City. Ground freight service is provided by several major motor freight carriers and Burlington Northern-Santa Fe Railroad.

Educational Facilities

The City is served by the Republic R-III School District (the “**District**”), which is accredited by the Missouri Department of Elementary and Secondary Education (“**DESE**”). “Accredited” is the highest accreditation status given by DESE. The District is comprised of one high school, one middle school, five elementary schools and an early childhood center. The area is also served by Missouri State University and Ozarks Technical Community College (“**OTC**”), both located in Springfield, two private universities and three private colleges. OTC opened a new campus in the City in August 2020.

Recreational Activities

The City’s Parks & Recreation Department features numerous parks and facilities and provides a variety of recreational programs. The City has nine parks with over 285 acres of greenspace, trails, playgrounds, pavilions and other amenities. Facilities include a community center, an aquatic center, an athletic complex and an outdoor amphitheater. Recreational programming provides year-round recreational opportunities to residents, including seasonal athletic leagues and more than 20 special events.

Proceeds of the Bonds will be used to finance the costs of capital improvements to the City’s parks and recreational facilities. Approximately \$7,500,000 will be used to expand the aquatic center, and approximately \$1,700,000 will be used to construct a new community event space at J.R. Martin Park. The City will put any remaining proceeds towards the construction of a regional athletic complex to be developed as part of a new community park. See “**PLAN OF FINANCING – The Projects**” in the forepart of this Official Statement and “**DEBT STRUCTURE OF THE CITY – Future Debt Plans**” herein.

The City is only minutes away from some of the finest cultural and recreational facilities, dining, shopping and entertainment opportunities in the country, including Missouri’s entertainment capital, Branson, Missouri (30 miles south of the City). Several lakes in the area provide facilities such as fishing, camping and boating. Wilson’s Creek National Battlefield, the location of the first Civil War battle west of the Mississippi River, is just east of the City. A five-mile driving tour and trails allow complete access to the park.

Employment

The largest employers located within the City are as follows:

	<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1.	Amazon	Distribution	1,750
2.	Republic R-III School District	Education	829
3.	Convoy of Hope World Headquarters	Non-Profit	600
4.	McLane Company	Industrial/Distribution	500
5.	Red Monkey Foods	Industrial/Distribution	350
6.	Walmart	Retail	330
7.	Heart of America Beverage	Industrial/Distribution	190
8.	The City	Government	171
9.	Lowe's	Retail	135
10.	Watson Metal Masters	Industrial/Distribution	99

Source: The City.

Unemployment. The following table sets forth the total labor force and number of employed and unemployed workers in the City and, for comparative purposes, the unemployment rates for the City, the County, the State of Missouri (the “**State**”) and the United States for 2017 through 2021:

<u>Year</u>	<u>City Labor Force</u>			<u>Unemployment Rates</u>			
	<u>Employed</u>	<u>Unemployed</u>	<u>Total</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2017	7,802	334	8,136	4.1%	3.1%	3.7%	4.4%
2018	7,946	284	8,230	3.5	2.5	3.2	3.9
2019	8,126	289	8,415	3.4	2.5	3.1	3.7
2020	7,906	561	8,467	6.6	5.3	6.1	8.1
2021	8,206	379	8,585	4.4	3.4	4.4	5.3

Source: Missouri Economic Research & Information Center; U.S. Department of Labor, Bureau of Labor Statistics.

Building Construction

The City has experienced steady growth in the industrial, commercial and residential markets.

A 1,289,210-square foot Amazon fulfillment center opened in August 2021. Nine commercial projects, aggregating more than 517,000 of new square footage, are now under construction or being planned within the City. The largest of these projects is a new, 250,000-square foot global headquarters for Convoy of Hope, a nonprofit organization that provides humanitarian and disaster relief around the world.

Two residential subdivisions were recently completed and 16 other subdivisions are currently under development, which are expected to collectively result in the addition of approximately 1,371 single-family homes and 364 multi-family units over the next five years. The City also has seven mixed-use developments with pending or approved applications. According to their development applications, those projects are expected to collectively result in the addition of approximately 209 single-family homes and 2,429 multi-family units and aggregate more than \$720 million in new investment.

The following table shows the number of single-family, residential building permits issued by the City in the each of the last five fiscal years:

	<u>Single-Family Residences</u>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Number of Permits	107	163	133	251	212

Source: The City.

Housing

Set forth below are the median values of owner-occupied housing units in the City, the County and the State:

<u>Median House Value</u>	
City	\$141,000
County	159,500
State	171,800

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates.

Population

The historical populations of the City, the County and the State are set forth in the following table:

	<u>City</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>Percentage Change</u>	<u>Population</u>	<u>Percentage Change</u>	<u>Population</u>	<u>Percentage Change</u>
1980	4,485	N/A	185,302	N/A	4,916,686	N/A
1990	6,292	+40.3%	207,949	+12.2%	5,117,073	+4.18%
2000	8,438	+34.1	240,391	+15.6	5,595,211	+9.3
2010	14,751	+74.8	275,174	+14.5	5,988,927	+7.0
2020	18,750	+27.1	298,915	+8.6	6,154,913	+2.8

Source: U.S. Census Bureau Decennial Census.

The following table shows population distribution by age categories for the City, the County and the State:

<u>Age</u>	<u>City</u>	<u>County</u>	<u>State</u>
Under 5 years	1,892	17,238	367,132
5-19 years	3,978	54,686	1,185,941
20-24 years	723	30,337	400,642
25-44 years	6,361	77,306	1,577,435
45-64 years	2,975	68,712	1,576,548
65 and over	2,384	48,596	1,033,836
Median Age	33.3	36.3	38.8

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates.

More than 1,500 single-family homes and more than 2,750 multi-family units are currently under construction or being planned within the City. Based on those developments, the City’s administration is projecting that the City’s population will grow by 12,000-14,000 residents over the next five years.

Income

The following table presents certain income statistics for the City, the County, the State and the United States:

	<u>Median Family Income</u>	<u>Per Capita Income</u>
City	\$65,897	\$25,944
County	67,868	30,477
State	77,976	33,770
United States	85,028	37,638

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates.

Per Capita Personal Income. The following table presents per capita personal income⁽¹⁾ for the County and the State for the years 2017 through 2021:

<u>Year</u>	<u>County</u>	<u>State</u>
2017	\$42,264	\$45,239
2018	43,478	47,085
2019	45,900	49,001
2020	48,134	52,108
2021	51,220	55,325

⁽¹⁾ “Per Capita Personal Income” is the annual total personal income of residents divided by the resident population as of July 1. “Personal Income” is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and transfer payments. “Net Earnings” are earnings by place of work - the sum of wage and salary disbursements (payrolls), other labor income, and proprietors’ income - less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place of residence basis. Personal Income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

FINANCIAL INFORMATION CONCERNING THE CITY

Basis of Accounting

The financial statements of the City have been prepared in conformity with generally accepted accounting principles, as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable, collected and deposited to the proper bank account. Expenditures are generally recorded when a liability is paid, as under the cash basis method of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Independent Audits and Financial Reports

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted governmental auditing standards. The City's audited financial statements for the fiscal year ended December 31, 2021 are included in this Official Statement as *Appendix B*. Copies of prior fiscal years' audits and financial reports are on file in the office of the City Clerk and are available for review.

Budgeting 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 Mayor and City Council for review. Following published notice and a public hearing, the City Council may adopt the budget with or without amendment.

Pursuant to the City's charter, 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 of the City; and
- (5) A general budget summary.

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The General Fund

In accordance with established accounting procedures of governmental units, the City records its financial transactions under various funds. The largest is the General 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 sets forth the revenues, expenditures and fund balances for the City's General Fund for the fiscal years shown:

GENERAL FUND SUMMARY OF OPERATIONS

	<u>Fiscal Years ended December 31,</u>		
	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES			
Taxes ⁽¹⁾	\$5,434,888	\$5,851,219	\$ 6,538,977
Licenses and permits	289,148	384,305	462,033
Intergovernmental revenues	10,363	36,372	5,360
Charges for services	18,203	21,360	41,871
Fines and forfeitures	172,258	135,032	176,890
Miscellaneous	<u>261,460</u>	<u>89,431</u>	<u>145,965</u>
Total Revenues	\$6,186,320	\$6,517,719	\$ 7,371,096
EXPENDITURES			
Administrative ⁽²⁾	\$2,018,741	\$2,037,874	\$ 4,987,837 ⁽³⁾
Municipal court	116,125	119,680	156,169
Economic development	529,633	486,462	556,149
Police	1,902,995	1,872,531	2,098,863
Fire	1,500,184	1,546,623	1,643,815
Animal control	105,644	113,495	165,696
Debt service ⁽⁴⁾ :	<u>289,354</u>	<u>-</u>	<u>-</u>
Total Expenditures	\$6,462,676	\$6,176,665	\$ 9,608,529
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	\$ (276,356)	\$ 341,054	\$(2,237,433)
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	-	-	\$ 2,000,000 ⁽⁵⁾
Transfers from other funds	\$1,556,843	\$1,555,308	1,801,674
Transfers to other funds	(757,657)	(1,338,498)	(943,320)
EXCESS OF REVENUES AND OTHER SOURCES OVER			
(UNDER) EXPENDITURES AND OTHER USES	\$ 522,830	\$ 557,864	\$ 620,921
FUND BALANCE – BEGINNING	<u>\$4,388,384</u>	<u>\$4,911,214</u>	<u>\$ 5,469,078</u>
FUND BALANCE – END	<u>\$4,911,214</u>	<u>\$5,469,078</u>	<u>\$ 6,089,999⁽⁶⁾</u>

(1) Includes revenues derived from the property tax, railroad and utility tax, motor vehicle tax, sales tax, franchise tax, financial institution tax, surtax and payments in lieu of tax.

(2) Includes administrative, information technology and human resources expenditures.

(3) In September 2021, the City entered into a \$2,000,000 capital lease, the proceeds of which, together with \$352,778 of cash on hand, financed the acquisition of 136 acres of land to be used by the Parks & Recreation Department.

(4) Represents a portion of the debt service payable on a capital lease and the Series 2007 Certificates (defined herein).

(5) Proceeds of the capital lease were used to purchase 136 acres of park property.

(6) Subsequent to the issuance of the final audit, the City's auditors prepared an audit adjustment to correct the balance of pending accounts payable as of December 31, 2021. The adjustment resulted in an ending fund balance of \$6,088,712.

Source: City's Audited Financial Statements for fiscal years ended December 31, 2019 through 2021.

2022 Unaudited Results and 2023 Budget

For the fiscal year ended December 31, 2022, the City budgeted a surplus of approximately \$418,000 for the General Fund. Based on unaudited results, the City expects to realize a surplus of \$2,847,519, which reflects revenues and expenditures of \$16,583,643 and \$13,736,124, respectively. Approximately 34% (or \$959,695) of the surplus was created by increased revenues and decreased expenditures within the Police and Fire Departments. These excess funds have been placed in reserve accounts and will be used for public safety initiatives. Those initiatives may include acquiring land upon which a new fire station or police substation will be located, completing the preliminary design, engineering and architectural work associated with the new fire station or police substation, and/or hiring personnel to staff the new fire station or police substation and paying associated salaries and benefits.

For the fiscal year ending December 31, 2023, the City has budgeted revenues, including a \$50,000 transfer from reserves, to exceed expenditures by \$502,113, resulting in a projected balance of \$9,438,344 for the General Fund.

Revenues deposited to the General Fund in 2023 are expected to come from the following sources:

<u>Source</u>	<u>Percentage of Total Revenues</u>
Taxes ⁽¹⁾	79.37%
Licenses and permits	2.45
Intergovernmental revenues	0.00
Charges for services	2.60
Fines and forfeitures	1.06
Miscellaneous	<u>14.52</u>
Total	<u>100.00%</u>

⁽¹⁾ Includes a portion of the proceeds of the City’s 1-cent general sales tax to be transferred into the General Fund.
Source: City’s Budget for fiscal year ending December 31, 2023.

DEBT STRUCTURE OF THE CITY

Debt Ratios and Related Information

Estimated Population:	18,750
Assessed Valuation (2022):	\$356,537,177
Estimated Actual Value (2022):	\$1,507,712,680
Direct General Obligation Debt:	\$0
Overlapping General Obligation Debt:	\$25,202,452
Direct and Overlapping General Obligation Debt:	\$25,202,452
Per Capita Direct and Overlapping General Obligation Debt:	\$1,344.13
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation:	7.07%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value:	1.67%

General Obligation Indebtedness

General Obligation Bonds Payable. The City has no outstanding general obligation indebtedness.

Computation of Legal Debt Margin. Article VI, Sections 26(b) and 26(c) of the Missouri Constitution limit the net outstanding amount of authorized general obligation bonds for a city to 10% of the assessed

valuation of the city. Additionally, Article VI, Sections 26(d) and 26(e) provide that a city may, with the required voter approval, issue general obligation bonds in an amount not to exceed an additional 10% of the city’s assessed valuation for the purpose of acquiring rights-of-way; constructing, extending and improving streets and avenues; constructing, extending and improving sanitary or storm sewer systems; or purchasing or constructing waterworks or electric light plants; provided that the total general obligation indebtedness of the city does not exceed 20% of the assessed valuation. The legal debt margin of the City based upon the 2022 assessed valuation is calculated as follows:

Constitutional Debt Limit (20% of Assessed Valuation)	\$71,307,435.40
Less Total General Obligation Indebtedness	<u>0.00</u>
Legal Debt Margin	<u><u>\$71,307,435.40</u></u>

Overlapping General Obligation Indebtedness

The following table sets forth the general obligation indebtedness of political subdivisions with boundaries overlapping the City as of February 1, 2023 and the percent attributable (on the basis of assessed valuation) to the City. The table was compiled from information furnished by the jurisdictions responsible for the debt, and the City has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

<u>Taxing Jurisdiction</u>	<u>Outstanding General Obligation Indebtedness⁽¹⁾</u>	<u>Percent Applicable to City</u>	<u>Amount Applicable to City</u>
Republic R-III School District	\$ 45,918,000	54.84%	\$25,181,431
Willard R-II School District	70,070,000	0.03	21,021
Ozarks Technical Community College	0	3.41	0
Christian County, Missouri	0	0.26	0
Greene County, Missouri	0	4.94	0
Springfield-Greene County Library District	0	4.94	0
Christian County Library District	<u>0</u>	<u>0.26</u>	<u>0</u>
TOTAL	<u>\$115,988,000</u>		<u>\$25,202,452</u>

⁽¹⁾ Excludes neighborhood improvement district general obligation bonds, which are paid first from available special assessments.

Source: Greene County Clerk’s Office; Christian County Clerk’s Office; State Auditor of Missouri – Bond Registration Reports; Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system.

Revenue Bonds Payable

The City has no outstanding revenue bonds.

Capital Lease Obligations

The City has adopted a policy of acquiring certain fixed assets through the use of annually-renewable lease purchase agreements. Lease obligations that take on elements of ownership are treated as capital leases in the City’s financial records. All of the City’s lease obligations are subject to annual appropriation by the City Council. For additional information relating to capital leases and other long-term obligations of the City, see **Note 5** to the City’s financial statements included in **Appendix B** to this Official Statement.

Other Long-Term Obligations

In March 2007, the City issued not to exceed \$1,800,000 aggregate principal amount of Certificates of Participation (City of Republic, Missouri, Lessee), Series 2007 (the “**Series 2007 Certificates**”), to construct a fire station. As of December 31, 2022, the Series 2007 Certificates were outstanding in the principal amount of \$900,832. The City makes rental payments attributable to the Series 2007 Certificates from the General Fund and other available funds of the City.

In October 2017, the City issued \$4,080,000 principal amount of Special Obligation Refunding Bonds, Series 2017 (the “**Series 2017 Bonds**”), to refund certain outstanding special obligation bonds of the City. As of December 31, 2022, the Series 2017 Bonds were outstanding in the principal amount of \$465,000. The City makes debt service payments on the Series 2017 Bonds from revenues from (1) the City’s 1/4-cent local park improvement sales tax and (2) the City’s one-cent general sales tax.

In February 2022, the City issued \$45,445,000 principal amount of Special Obligation Bonds, Series 2022 (the “**Series 2022 Bonds**”), to finance improvements to the City’s sewerage system (the “**Sewerage System Project**”) and the construction of a new public works facility (the “**Public Works Project**”). As of December 31, 2022, all of the Series 2022 Bonds were still outstanding. The City intends to make debt service payments on the Series 2022 Bonds using surplus revenues (1) from the City’s sewerage system for those Series 2022 Bonds allocated to the Sewerage System Project and (2) from the street, water and wastewater funds for those Series 2022 Bonds allocated to the Public Works Project.

On April 19, 2022, the City Council authorized the City Administrator to enter into a direct loan with the Missouri Transportation Finance Commission in the amount of \$4,200,000. Proceeds of the loan, together with \$6,000,000 contributed by the State, will be used to finance improvements to Missouri Route MM. The City has received commitments of \$2,296,000 of Surface Transportation Block Grant funds and \$1,500,000 of County funds for repayment of a portion of the loan; consequently, the City’s share of the loan repayment is \$404,000 plus interest. The City intends to pay its share from its transportation sales tax, which generates approximately \$1,800,000 annually.

History of Debt Payment

The City has never defaulted on any indebtedness.

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Debt Service Requirements

The following table sets forth the annual debt service requirements for the City's special obligation bonds, including the Series 2017 Bonds, the Series 2022 Bonds and the Bonds.

Fiscal Year	Series 2017 Bonds	Series 2022 Bonds	The Bonds			Total Debt Service
			Principal*	Interest	Total	
2023	\$142,000	\$ 2,874,700		\$	\$	\$
2024	143,025	2,875,100	\$ 290,000			
2025	203,000	2,878,400	80,000			
2026	-	2,879,500	110,000			
2027	-	2,878,400	145,000			
2028	-	2,875,100	180,000			
2029	-	2,879,400	220,000			
2030	-	2,876,200	260,000			
2031	-	2,880,400	305,000			
2032	-	2,876,900	350,000			
2033	-	2,880,600	400,000			
2034	-	2,876,400	455,000			
2035	-	2,879,200	510,000			
2036	-	2,878,800	570,000			
2037	-	2,875,200	635,000			
2038	-	2,437,200	705,000			
2039	-	2,435,000	775,000			
2040	-	2,439,800	845,000			
2041	-	2,441,400	920,000			
2042	-	2,435,425	995,000			
2043	-	2,437,500	645,000			
2044	-	2,437,625	-			
2045	-	2,435,800	-			
2046	-	2,436,950	-			
2047	-	2,436,000	-			
Total	<u>\$488,025</u>	<u>\$67,537,000</u>	<u>\$9,395,000</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Future Debt Plans

The City's long-term capital plan includes construction of a large community park featuring a regional athletic complex. The City expects to complete this project in multiple phases. The scope of the first phase includes five baseball/softball fields, four soccer/multi-purpose fields, 12 outdoor pickleball courts, a large entry pavilion, support facilities and a detention/retention pond. The first phase of the project is estimated to cost upwards of \$14,000,000. If any Bond proceeds remain after completion of the aquatic center expansion and the new community event space, the City will use such proceeds to pay a portion of these project costs. The City also intends to issue approximately \$8,000,000 - \$11,000,000 of special obligation bonds to pay the majority of these project costs. The City intends to pay the balance of the project costs with revenues generated from the City's 1/4-cent local park improvement sales tax and its share of the County's 1/4-cent capital improvement sales tax, which may be used for park improvement purposes.

* Preliminary; subject to change.

The City projects its population will grow by approximately 44% over the next seven years. To serve the increased population, the City’s consulting engineers have recommended a substantial increase in the capacity of the City’s sewerage system. The expansion project is estimated to cost upwards of \$120,000,000. The City has already received more than \$28,000,000 in American Rescue Plan Act funding and has requested additional funding through the State of Missouri. Depending on the outcome of that appropriation request, the City may need to issue special obligation bonds in a principal amount of \$15,000,000 - \$25,000,000.

While the City’s capital plan contemplates the construction of a new City Hall and fire station, there are no established timetables or funding mechanisms for these projects.

TAX INFORMATION

Property Valuations

Assessment Procedure. All taxable, real and personal property within the City is assessed annually by the respective County Assessor. State law requires that personal property be assessed at 33-1/3% of true value (except for a few subclasses of minimal value that are assessed at a lower percentage) and that real property be assessed at the following percentages of true value:

Residential real property.....	19%
Agricultural and horticultural real property.....	12%
Utility, industrial, commercial, railroad and all other real property	32%

On January 1 in every odd-numbered year, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

Each County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the respective County Board of Equalization. Each County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax roll.

Current Assessed Valuation. The following table shows the total assessed valuation and the estimated actual valuation, by category, of all taxable tangible property, including state and locally assessed railroad and utility property, situated in the City according to the assessment as of January 1, 2022, as adjusted by the Board of Equalization:

<u>Category</u>	<u>Assessment</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real estate:			
Residential	\$187,352,150	19%	\$ 986,063,947
Commercial ⁽¹⁾	89,744,198	32%	280,450,619
Agricultural	<u>539,180</u>	12%	<u>4,493,167</u>
Sub-Total	\$277,635,528		\$1,271,007,733
Personal property ⁽¹⁾ :	<u>\$ 78,901,649</u>	33-1/3% ⁽²⁾	<u>\$ 236,704,947</u>
TOTAL	<u>\$356,537,177</u>		<u>\$1,507,712,680</u>

⁽¹⁾ Includes state and locally assessed railroad and utility property.

Footnotes continued from prior page:

(2) Assumes all personal property is assessed at 33-1/3%; because certain subclasses of tangible personal property are assessed at less than 33-1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See “**Assessment Procedure**” above.

Source: Greene County Clerk’s Office; Christian County Clerk’s Office.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the City, including state and locally assessed railroad and utility property, according to the assessments of January 1 in each of the following years, as finally adjusted and equalized, has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>	<u>% Change</u>
2018	\$234,344,471	NA
2019	262,887,627	+12.18%
2020	259,685,797	-1.22
2021	279,160,572	+7.50
2022	356,537,177	+27.72

Source: City’s Audited Financial Statements for fiscal years ended December 31, 2018 through 2021; Greene County Clerk’s Office; Christian County Clerk’s Office.

Property Tax Levies and Collections

Property taxes are levied and collected for the City by Greene and Christian Counties, for which each County receives a collection fee. Greene County receives a collection fee of 3% of gross tax collections made, and Christian County receives a collection fee of 4% of gross tax collections made.

The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City’s debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by each County Clerk. If the assessed valuation of property in the City has increased by 10% or more over the prior year’s valuation by action other than a general reassessment, the rates of levy must be reduced to the extent necessary to produce substantially the same amount of tax revenues as estimated in the City’s budget. The City must fix its ad valorem property tax rates and certify them to each County Clerk not later than September 1 for entry in the tax books.

Each County Clerk receives the county tax books from the respective County Assessor, which set forth the assessments of real and personal property. Each County Clerk enters the tax rates certified by the City in the tax books and assesses such rates against all taxable property in the City as shown in such books. Each County Clerk forwards the tax books by October 31 to the respective County Collector, who is charged with levying and collecting taxes as shown therein. Each County Collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due by December 31 and become delinquent if not paid to the respective County Collector by that time. All tracts of land and City lots on which delinquent taxes are due are charged with a penalty of 18% of each year’s delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year.

Each County Collector is required to make disbursements of collected taxes to the City each month. Because of the tax collection procedure described above, the City receives the bulk of its moneys from local property taxes in the months of December, January and February.

History of Tax Levies

The following table shows the City's tax levies (per \$100 of assessed valuation) for 2018 through 2022:

<u>Year</u>	<u>General Fund</u>	<u>Park Fund</u>	<u>Street Fund</u>	<u>Total Levy</u>
2018	\$0.4408	\$0.1188	\$0.0678	\$0.6274
2019	0.4119	0.1110	0.0634	0.5863
2020	0.4119	0.1110	0.0634	0.5863
2021	0.4095	0.1104	0.0630	0.5829
2022	0.4326	0.1166	0.0666	0.6158

Source: City's Audited Financial Statements for fiscal years ended December 31, 2018 through 2021; the City.

Tax Collection Record

The following table sets forth tax collection information for that portion of the City within the County (approximately 98.5%) for the fiscal years shown:

<u>Fiscal Year Ended December 31</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Total Taxes Levied</u>	<u>Current and Delinquent Taxes</u>	
			<u>Amount Collected</u>	<u>% of Total Taxes Levied</u> ⁽²⁾
2019	\$217,734,252	\$1,221,725.97	\$1,230,774.89	100.74%
2020	215,008,172	1,273,647.75	1,167,239.59	91.65
2021	243,529,190	1,385,016.14	1,423,556.93	102.78

⁽¹⁾ Excludes assessed valuation for personal property, as the City does not levy a tax on personal property.

⁽²⁾ Delinquent taxes are shown in the year payment is actually received, which may cause the percentage of current and delinquent taxes collected to exceed 100%.

Source: Greene County Collector's Office.

Tax Delinquencies

All real estate upon which taxes remain unpaid on the first day of January, annually, are delinquent, and the City is empowered to enforce the lien of the taxing jurisdictions thereon. Whenever the City is unable to collect any taxes on the tax roll, having diligently endeavored and used all lawful means to do so, it is required to compile lists of delinquent tax bills. All lands and lots on which taxes are delinquent and unpaid are subject to suit to collect delinquent tax bills or suit for foreclosure of the tax liens. Upon receiving a judgment, the Sheriff must advertise the sale of the land, fixing the date of sale within 30 days after the first publication of the notice. Delinquent taxes, with penalty, interest and costs, may be paid to the City at any time before the property is sold. No action for recovery of delinquent taxes is valid unless initial proceedings therefor are commenced within three years after delinquency of such taxes.

Major Property Taxpayers

The following table sets forth the 10 largest real estate property taxpayers in the City for 2022:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Value</u>
1. McLane/Midwest Inc.	Distribution/Warehouse	\$ 4,633,730	1.60%
2. Wal-Mart Real Estate Business Trust	Retail	2,479,710	0.86
3. Peyton Paisley MO LLC	Retail/Distribution	2,383,360	0.83
4. Lowe's Home Centers, Inc.	Retail	2,164,570	0.75
5. Spire Missouri Inc	Utilities	2,039,040	0.71
6. CJP LLC	Warehouse	1,786,000	0.62
7. O'Reilly-Wooten, 2001 LLP	Apartments	1,785,980	0.62
8. Red Monkey Foods Property Holdings, LLC	Retail/Warehouse	1,456,730	0.50
9. Republic Distribution LLC	Warehouse	1,218,810	0.42
10. Old Stone Phase III LLC	Apartments	<u>1,178,400</u>	<u>0.41</u>
Total		<u>\$21,126,330</u>	<u>7.32%</u>

Source: Greene County Assessor's Office; Christian County Assessor's Office.

Sales Tax Information

Public Safety Sales Tax. On August 3, 2021, voters in the City approved a 3/4-cent public safety sales tax (the "**Public Safety Sales Tax**"). The Public Safety Sales Tax became effective on January 1, 2022 and will sunset in 25 years. Revenue generated from this tax is used exclusively by the Police and Fire Departments to provide funding to support additional staff, competitive pay adjustments and retirement benefit improvements.

Capital Improvement Sales Taxes. In 1990, City voters authorized the collection of a 1/4-cent capital improvement sales tax (the "**Park Improvements Sales Tax**") to fund the construction of a Senior Friendship Center and Civic Center. The sales tax was to expire on October 1, 2004. In 2002, voters approved the extension of the sales tax through September 30, 2024, for the purpose of funding local park improvements. In 2022, voters further extended the sales tax through September 30, 2049. The City intends to annually budget and appropriate funds generated by the Park Improvements Sales Tax to pay debt service on the Bonds.

Voters in the City approved an additional 1/4-cent capital improvement sales tax on August 8, 2017, which will sunset in 10 years. Revenue generated from this tax can be used to fund capital improvement projects.

The two 1/4-cent capital improvement sales taxes produced the following revenues in each of the fiscal years shown:

<u>Year</u>	<u>Capital Improvement Sales Tax Revenues</u>	
	<u>Park Improvements</u>	<u>Capital Improvements</u>
2019	\$685,531	\$685,531
2020	765,271	765,271
2021	939,893	939,893

Source: The City.

Local Park Improvement Sales Tax. In 2003, City voters authorized the collection of a 1/4-cent local park improvement sales tax through March 31, 2024, for the purpose of funding local park improvements, including but not limited to the construction of an aquatic facility. In 2022, voters approved the extension of the sales tax through March 31, 2049.

The 1/4-cent local park improvement sales tax went into effect in April 2004 and produced the following revenues in each of the fiscal years shown:

<u>Year</u>	<u>Local Park Improvement Sales Tax Revenues</u>
2019	\$685,056
2020	765,271
2021	939,893

Source: The City.

One-Cent General Sales Tax. The City’s one-cent general sales tax produced the following revenues in each of the fiscal years shown:

<u>Year</u>	<u>General Sales Tax Revenues</u>
2019	\$2,740,232
2020	3,061,080
2021	4,403,333

Source: The City.

Greene County 1/4-Cent Capital Improvement Sales Tax. The County currently imposes a 1/4-cent capital improvement sales tax for park improvement purposes. Pursuant to an intergovernmental agreement between the City and the County, the County will (subject to annual appropriation) pay to the City and other designated municipalities tax revenues based on their respective populations. The County’s 1/4-cent capital improvement sales tax for park improvement purposes produced the following revenues for the City in each of the fiscal years shown:

<u>Year</u>	<u>County Capital Improvement Sales Tax Revenues</u>
2019	\$659,487
2020	740,027
2021	862,331

Source: The City.

Greene County Law Enforcement Sales Tax. The City currently receives revenues from the County’s 1/4-cent law enforcement sales tax approved in 1998. Pursuant to an intergovernmental agreement, the County retains a portion of the collections to pay for County law enforcement communications and a jail facility, and the remaining proceeds are distributed (subject to annual appropriation) to the City and other designated municipalities within the County. The County’s 1/4-cent law enforcement sales tax produced the following revenues for the City in each of the fiscal years shown:

<u>Year</u>	<u>County Law Enforcement Sales Tax Revenues</u>
2019	\$463,365
2020	494,718
2021	592,359

Source: The City.

Other Sales Taxes. The City collects a 1/2-cent transportation sales tax that does not sunset. Revenue generated from this tax can only be used to fund expenditures associated with transportation. The City collects a 1/8-cent fire sales tax which was approved in April 2013 for a period of 15 years. Revenue generated from this tax can only be used to fund the operation of the City’s fire department.

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