AGENDA
SHAWNEE MUNICIPAL AUTHORITY
December 3, 2018 AT 6:00 P.M.
COMMISSION CHAMBERS AT CITY HALL
SHAWNEE, OKLAHOMA

CALL TO ORDER

DECLARATION OF A QUORUM

1. Consider approval of Consent Agenda:

   a. Minutes from the November 19, 2018 regular meeting.

2. Consider and take action with respect to a resolution authorizing the Shawnee Municipal Authority (the "Authority") to issue its sales tax revenue note, series 2018 (the "Note") in the aggregate principal amount of $10,000,000; waiving competitive bidding and authorizing the Note to be sold on a negotiated basis; approving and authorizing a sales tax agreement by and between the City and the Authority pertaining to a year-to-year pledge of certain sales tax revenue; approving and authorizing execution of a note indenture authorizing the issuance and securing the payment of the Note; providing that the organizational document creating the Authority is subject to the provisions of the note indenture; authorizing and directing the execution of the Note and other documents relating to the transaction; establishing the Authority's reasonable expectation with respect to the issuance of tax-exempt obligations by the Authority in calendar year 2018, and designating the Note as a qualified tax-exempt obligation; approving professional services agreements; and containing other provisions relating thereto.
   (Finalized resolution will be provided at the meeting.)

3. Consider approval of Engagement Letter with The Public Finance Law Group LLC for bond counsel services.

4. New Business

   (Any matter not known about or which could not have been reasonably foreseen prior to the posting of the agenda)

5. Adjournment

Respectfully submitted

Lisa Lasyone, CMC, City Clerk

Shawnee Municipal Authority **1.a.**

Meeting Date: 12/03/2018

SMA Minutes

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Minutes from the November 19, 2018 regular meeting.

Fiscal Impact

Attachments

SMA Minutes

THE TRUSTEES OF THE SHAWNEE MUNICIPAL AUTHORITY OF THE CITY OF SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA, MET IN REGULAR SCHEDULED SESSION IN THE COMMISSION CHAMBERS AT CITY HALL, 9TH AND BROADWAY, SHAWNEE, OKLAHOMA, MONDAY, NOVEMBER 19, 2018, DURING THE BOARD OF CITY COMMISSIONERS MEETING AT 6:00 P.M., PURSUANT TO NOTICE DULY POSTED AS PRESCRIBED BY LAW. UPON ROLL CALL, A QUORUM WAS DECLARED WITH THE FOLLOWING MEMBERS IN ATTENDANCE:

PRESENT: Bolt, Gillham, Harrod, Finley, Rutherford, Sehorn, Salter
ABSENT: None

Call to Order

Declaration of a Quorum

AGENDA ITEM NO. 1: Consider approval of Consent Agenda:

a. Minutes from the November 5, 2018 regular meeting.

b. Acknowledge a recommendation to the Pottawatomie County Commission to appoint Bradley Schmidt as the City's representative to the Pottawatomie County Development Authority (PCDA) Board.

A motion was made by Trustee Rutherford, seconded by Trustee Harrod, to approve Consent Agenda Item Nos. 1(a-b). Motion carried 7-0.

AYE: Rutherford, Harrod, Finley, Sehorn, Salter, Bolt, Gillham
NAY: None

AGENDA ITEM NO. 2: New Business (Any matter not known about or which could not have been reasonably foreseen prior to the posting of the agenda)

There was no New Business.

AGENDA ITEM NO. 3: Adjournment

There being no further business to be considered, the meeting was adjourned by power of the Chair. (6:18 p.m.)

____
RICHARD FINLEY
CHAIRMAN

ATTEST:

____
KACIE ECK, SECRETARY

Shawnee Municipal Authority **2.**

Meeting Date: 12/03/2018

SMA Resolution

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Consider and take action with respect to a resolution authorizing the Shawnee Municipal Authority (the "Authority") to issue its sales tax revenue note, series 2018 (the "Note") in the aggregate principal amount of $10,000,000; waiving competitive bidding and authorizing the Note to be sold on a negotiated basis; approving and authorizing a sales tax agreement by and between the City and the Authority pertaining to a year-to-year pledge of certain sales tax revenue; approving and authorizing execution of a note indenture authorizing the issuance and securing the payment of the Note; providing that the organizational document creating the Authority is subject to the provisions of the note indenture; authorizing and directing the execution of the Note and other documents relating to the transaction; establishing the Authority's reasonable expectation with respect to the issuance of tax-exempt obligations by the Authority in calendar year 2018, and designating the Note as a qualified tax-exempt obligation; approving professional services agreements; and containing other provisions relating thereto.

(Finalized resolution will be provided at the meeting.)

Fiscal Impact

Attachments

SMA Resolution

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE SHAWNEE MUNICIPAL AUTHORITY (THE "AUTHORITY") TO ISSUE ITS SALES TAX REVENUE NOTE, SERIES 2018 (THE "NOTE") IN THE AGGREGATE PRINCIPAL AMOUNT OF $10,000,000; WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE NOTE TO BE SOLD ON A NEGOTIATED BASIS; APPROVING AND AUTHORIZING A SALES TAX AGREEMENT BY AND BETWEEN THE CITY AND THE AUTHORITY PERTAINING TO A YEAR-TO-YEAR PLEDGE OF CERTAIN SALES TAX REVENUE; APPROVING AND AUTHORIZING EXECUTION OF A NOTE INDENTURE AUTHORIZING THE ISSUANCE AND SECURING THE PAYMENT OF THE NOTE; PROVIDING THAT THE ORGANIZATIONAL DOCUMENT CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE NOTE INDENTURE; AUTHORIZING AND DIRECTING THE EXECUTION OF THE NOTE AND OTHER DOCUMENTS RELATING TO THE TRANSACTION; ESTABLISHING THE AUTHORITY'S REASONABLE EXPECTATION WITH RESPECT TO THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS BY THE AUTHORITY IN CALENDAR YEAR 2018, AND DESIGNATING THE NOTE AS A QUALIFIED TAX-EXEMPT OBLIGATION; APPROVING PROFESSIONAL SERVICES AGREEMENTS; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE SHAWNEE MUNICIPAL AUTHORITY:

SECTION 1. INDEBTEDNESS AUTHORIZED. The Shawnee Municipal Authority (the "Authority") is authorized to incur an indebtedness by the issuance of its Sales Tax Revenue Note, Series 2018 for and on behalf of the City of Shawnee, Oklahoma (the "City"), in an aggregate principal amount of $10,000,000 (the "Note") for the purpose of (i) financing certain capital improvements benefitting the City, including but not limited to: public safety, street and road, and public parks and public facilities, along with related costs; and (ii) paying certain costs associated with the issuance of the Note. The Note shall bear interest at the rate of ____% per annum and shall mature in semi-annual principal installments as set forth on Exhibit "A" attached hereto.

SECTION 2. COMPETITIVE BIDDING WAIVED. Competitive bidding on the sale of said Note is waived and the Note is authorized to be sold to ______________________ (the "Purchaser") at a price of par.

SECTION 3. SALES TAX AGREEMENT. The Authority hereby approves and authorizes the execution of a Sales Tax Agreement, between the City and the Authority (the "Sales Tax Agreement"), which Sales Tax Agreement pertains to a year-to-year pledge of certain sales tax revenue as security for the Note.

SECTION 4. NOTE INDENTURE. The Note Indenture by and between the Authority and BancFirst, Oklahoma City, Oklahoma, as Trustee, authorizing the issuance of and securing the payment of the Note approved in Section 1 hereof, is hereby approved and the Chairman or Vice

Chairman and Secretary or Assistant Secretary of the Authority are authorized and directed to execute and deliver same for and on behalf of the Authority.

SECTION 5. ORGANIZATIONAL DOCUMENT SUBJECT TO THE NOTE INDENTURE. The organizational document creating the Authority is subject to the provisions of the Note Indenture referenced in Section 4 hereof.

SECTION 6. CERTIFICATE OF DESIGNATION. The Authority anticipates that the total amount of tax-exempt obligations (other than private activity bonds) issued by the Authority or other issuers on behalf of the City of Shawnee, Oklahoma, will not exceed $10,000,000 for calendar year 2018, and hereby designates the Note to be a qualified tax-exempt obligation with respect to the financial institution interest deduction provisions contained in the Internal Revenue Code of 1986, as amended, and authorizes the Chairman or Vice Chairman of the Authority to execute and deliver on behalf of the Authority a Certificate of Designation to that effect.

SECTION 7. PROFESSIONAL SERVICES AGREEMENTS. The Chairman or Vice-Chairman and Secretary or Assistant Secretary of the Authority are hereby authorized to execute on behalf of the Authority professional services agreements with The Public Finance Law Group PLLC, as Bond Counsel, and BOK Financial Securities, Inc., as Financial Advisor.

SECTION 8. EXECUTION OF NECESSARY DOCUMENTS. The Chairman or Vice-Chairman and Secretary or Assistant Secretary of the Authority are hereby authorized and directed on behalf of the Authority to execute and deliver the Note to the Purchaser upon receipt of the purchase price and are further authorized and directed to execute all necessary documentation and closing and delivery papers required by Bond Counsel; approve the disbursement of the proceeds of the Note, including any costs of issuance; to approve and make any changes to the documents approved by this Resolution, for and on behalf of the Authority, the execution and delivery of such documents being conclusive as to the approval of any changes contained therein by the Authority; and to execute, record and file any and all the necessary financing statements and security instruments, including but not limited to the documents approved hereby, and to consummate the transaction contemplated hereby.

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PASSED AND APPROVED THIS 3RD DAY OF DECEMBER, 2018.

SHAWNEE MUNICIPAL AUTHORITY

(SEAL) By: ________________________________
Chairman

ATTEST:

By: ______________________________
Secretary

CERTIFICATE
OF
AUTHORITY ACTION

I, the undersigned, hereby certify that I am the duly and acting Secretary of the Shawnee Municipal Authority.

I further certify that the Trustees of the Shawnee Municipal Authority held a Regular Meeting at 6:00 o'clock P.M., on December 3, 2018, after due notice was given in full compliance with the Oklahoma Open Meeting Act.

I further certify that attached hereto is a full and complete copy of a Resolution that was passed and approved by said Trustees at said meeting as the same appears in the official records of my office and that said Resolution is currently in effect and has not been repealed or amended as of this date.

I further certify that below is listed those Trustees present and absent at said meeting; those making and seconding the motion that said Resolution be passed and approved, and those voting for and against such motion:

PRESENT:

ABSENT:

MOTION MADE BY:

MOTION SECONDED BY:

AYE:

NAY:

WITNESS MY HAND THIS 3RD DAY OF DECEMBER, 2018.

SHAWNEE MUNICIPAL AUTHORITY

(SEAL)

Secretary of Authority

EXHIBIT "A"

[Principal Payment Schedule]

Payment Date	**Principal Amount**
June 1, 2019	$1,340,000.00
December 1, 2019	1,365,000.00
June 1, 2020	355,000.00
December 1, 2020	360,000.00
June 1, 2021	365,000.00
December 1, 2021	370,000.00
June 1, 2022	375,000.00
December 1, 2022	385,000.00
June 1, 2023	390,000.00
December 1, 2023	395,000.00
June 1, 2024	400,000.00
December 1, 2024	405,000.00
June 1, 2025	415,000.00
December 1, 2025	420,000.00
June 1, 2026	425,000.00
December 1, 2026	435,000.00
June 1, 2027	440,000.00
December 1, 2027	445,000.00
June 1, 2028	455,000.00
December 1, 2028	460,000.00

Shawnee Municipal Authority **3.**

Meeting Date: 12/03/2018

SMA Engagement Letter

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Consider approval of Engagement Letter with The Public Finance Law Group LLC for bond counsel services.

Fiscal Impact

Attachments

SMA Engagement Letter

THE PUBLIC FINANCE LAW GROUP PLLC
ATTORNEYS AND COUNSELORS AT LAW

AGREEMENT FOR BOND COUNSEL SERVICES

SHAWNEE MUNICIPAL AUTHORITY
SALES TAX REVENUE NOTE, SERIES 2018

THIS AGREEMENT is entered into as of December 3, 2018, by and between THE PUBLIC FINANCE LAW GROUP PLLC ("PFLG") and the SHAWNEE MUNICIPAL AUTHORITY (the "Issuer"), a public trust with the City of Shawnee, Oklahoma (the "City") as its beneficiary, as follows:

RECITALS

WHEREAS, the Issuer desires to engage PFLG as bond counsel in connection with the financing of certain capital improvements related to public safety, street and road, public parks and public facilities, along with related costs (the "Project"); and

WHEREAS, to finance all or a portion of the costs of the Project, the Issuer intends to issue its Sales Tax Revenue Note, Series 2018 in the approximate principal amount of $10,000,000 (the "Note"); and

WHEREAS, PFLG possesses the necessary professional capabilities and resources to provide the legal services required by Issuer as described in this Agreement.

AGREEMENTS

1. Scope of Services.

A. *Bond Counsel Services*. PFLG will render the following services as bond counsel to the Issuer:

(1) Consultation with representatives of the Issuer and the City, including the City Manager, City Attorney, Issuer's Counsel, Finance Director, financing and accounting staff, financial advisors, and others, with respect to the timing, terms and legal structure of the proposed financing.

(2) Preparation of loan, security and other authorizing documents (the "Financing Documents").

(3) Review of documentation with respect to any letter of credit, bond insurance and/or reserve fund surety policy provided in connection with the Note, if any.

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(4) Attendance at such meetings or hearings of the Issuer and the City and working group meetings or conference calls as the Issuer may request, and assistance to the Issuer staff in preparation of such explanations or presentations to the governing body of the Issuer and the City as they may request.

(5) Preparation of final closing papers to be executed by the Issuer required to effect delivery of the Note and coordination of the Note closing.

(6) Rendering of bond counsel's customary final legal opinion on the validity of the securities and, with respect to the tax-exempt securities, the exemption from gross income for federal income tax purposes and from Oklahoma personal income tax of interest thereon.

PFLG and Issuer acknowledge that Issuer shall be represented by Joe Vorndran, Esq., of Stuart and Clover PLLC, City Attorney ("Issuer's Counsel") for the purpose of rendering day-to-day and ongoing general counsel legal services. PFLG shall circulate documents to and coordinate its services with Issuer's Counsel to the extent requested by Issuer or Issuer's Counsel.

PFLG and Issuer further acknowledge that the Issuer shall be represented by BOK Financial Securities, Inc., a municipal advisor pursuant to the terms of SEC Rule 15Ba1-1 (referred to herein as an "Independent Registered Municipal Advisor" or "IRMA"). PFLG is a firm of attorneys who provide legal advice or services of a traditional legal nature to a client, and PFLG and its attorneys do not represent themselves to be a financial advisor or financial expert. Therefore, PFLG is excluded from the definition of Municipal Advisor, and PFLG does not intend to provide any advice with respect to municipal financial products or the issuance of municipal securities outside of the scope of traditional legal services and advice customarily rendered by bond counsel in public finance transactions. Notwithstanding the foregoing, in the event certain advice may be construed as beyond the scope of traditional legal services, the Issuer specifically acknowledges that PFLG may avail itself of the IRMA exemption under SEC Rule 15Ba1-1 on the basis that (i) the Issuer is represented by an Independent Registered Municipal Advisor not associated with PFLG, (ii) the Issuer hereby advises PFLG that the Issuer is represented by and will rely on the advice of its duly retained Independent Registered Municipal Advisor, and (iii) the Issuer has been advised that PFLG is not a municipal advisor and PFLG owes no federal statutory fiduciary duty to the Issuer.

In rendering opinions and performing legal services under this Agreement, PFLG shall be entitled to rely on the accuracy and completeness of information provided, certifications made by, and opinions provided by counsel to, Issuer, the Independent Registered Municipal Advisor, property owners and other parties and consultants, without independent investigation or verification.

PFLG's services are limited to those specifically set forth above. PFLG's services do not include representation of Issuer or any other party to the transaction in any litigation or other legal or administrative proceeding involving the Note, the Project or any other matter. PFLG's services also do not include any responsibility for compliance with state blue sky, environmental, land use, real estate or similar laws or for title to or perfection of security interests in real or personal property. PFLG will not be responsible for preparing, reviewing, or opining with respect to the Issuer's Official Statement and/or any Continuing Disclosure Undertakings for the Note, including but not limited to the accuracy, completeness or sufficiency of the Official Statement, Continuing Disclosure Undertaking, or other offering material relating to the Note. PFLG's services do not include any financial advice or analysis. PFLG will not be responsible for the services performed or acts or omissions of any other participant. Also, PFLG's services will not extend past the date of issuance of the Note and will not, for example, include services related to rebate compliance or continuing disclosure or otherwise related to the Note, proceeds of the Note, or the Project after issuance of the Note.

2. Compensation and Reimbursements.

A. *Compensation for Bond Counsel Services*. For services as bond counsel to the Issuer, PFLG shall be paid a fixed fee at the time of issuance of the Note of three quarters of one percent (.75%) of the principal amount of the Note.

B. *Expenses*. PFLG shall also be paid a fixed amount of $2,500.00 to cover expenses and transcript production and distribution, provided, that any filing, publication, recording or printing costs or similar third-party costs required in connection with the Note shall be paid directly by the Issuer, but if paid by PFLG on behalf of the Issuer, shall be reimbursed to PFLG on demand.

C. *Payment*. Fees and expenses shall be payable by Issuer at the time of issuance of the Note. Payment of all fees and expenses hereunder shall be made at closing from proceeds of the Note and shall be entirely contingent upon issuance of the Note.

D. *Termination of Agreement and Legal Services*. This Agreement and all legal services to be rendered under it may be terminated at any time by written notice from either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by Issuer, shall, at the option of Issuer, become its property and shall be delivered to it or to any party it may designate; provided that PFLG shall have no liability whatsoever for any subsequent use of such documents. In the event of termination by Issuer, PFLG shall be paid for all satisfactory work, unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate upon issuance of the Note; provided that Issuer shall remain liable for any unpaid compensation or reimbursement due under Section 2 hereof. Upon termination, PFLG shall have no future duty of any kind to or with respect to the Note or the Issuer.

3. Nature of Engagement; Relationships With Other Parties.

The role of bond counsel, generally, is to prepare or review the procedures for issuance of the bonds, notes or other evidence of indebtedness and to provide an expert legal opinion with respect to the validity thereof and other subjects addressed by the opinion. Consistent with the historical origin and unique role of such counsel, and reliance thereon by the public finance market, PFLG's role as bond counsel under this Agreement is to provide an opinion and related legal services that represent an objective judgment on the matters addressed rather than the partisan position of an advocate.

In performing its services in connection with the Note, PFLG will act as special counsel to Issuer with respect to issuance of the Note; i.e., PFLG will assist the Issuer's Counsel in representing Issuer but only with respect to validity of the Note and the Financing Documents, and the tax status of interest on the Note, in a manner not inconsistent with the role of bond counsel described above.

Issuer acknowledges that PFLG regularly performs legal services for many private and public entities in connection with a wide variety of matters. For example, PFLG has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, contractors, suppliers, financial and other consultants/advisors, accountants, investment providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the Note financing or the Project or that may be involved with or adverse to Issuer in this or some other matter. PFLG agrees not to represent any such entity in connection with the Note financing, without the consent of Issuer. Given the special, limited role of bond counsel described above, Issuer acknowledges that no conflict of interest exists or would exist, and waives any conflict of interest that might appear actually or potentially to exist, now or in the future, by virtue of this Agreement or any such other attorney-client relationship that PFLG may have had, have or enter into, and Issuer specifically consents to any and all such relationships.

4. <u>Limitation of Rights to Parties; Successor and Assigns.</u>

Nothing in this Agreement or in any of the documents contemplated hereby, expressed or implied, is intended or shall be construed to give any person other than Issuer and PFLG any legal or equitable right or claim under or in respect of this Agreement, and this Agreement shall inure to the sole and exclusive benefit of Issuer and PFLG.

PFLG may not assign its obligations under this Agreement without written consent of Issuer except to a successor partnership or corporation to which all or substantially all of the assets and operations of PFLG are transferred. Issuer may assign its rights and obligations under this Agreement to (but only to) any other public entity that issues the Note (if not the Issuer). Issuer shall not otherwise assign its rights and obligations under this Agreement without written consent of PFLG. All references to PFLG and Issuer in this Agreement shall be deemed to refer to any such successor of PFLG and to any such assignee of Issuer and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

5. <u>Counterparts.</u>

This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

6. Notices.

Any and all notice pertaining to this Agreement shall be sent by U.S. Postal Service, first class, postage prepaid to:

PFLG:

The Public Finance Law Group PLLC
5657 North Classen Boulevard, Suite 100
Oklahoma City, OK 73118
Attention: Allan A. Brooks, III or Nathan D. Ellis

ISSUER:

Shawnee Municipal Authority
16 West 9th Street
PO Box 1448
Shawnee, OK 74802
Attention: City Manager

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Issuer and PFLG have executed this Agreement by their duly authorized representatives as of the date provided above.

THE PUBLIC FINANCE LAW GROUP PLLC

By: ____________________________________
Allan A. Brooks, III

SHAWNEE MUNICIPAL AUTHORITY

By: _____________________________________
Title: Chairman
Date: December 3, 2018