

AGENDA
SHAWNEE MUNICIPAL AUTHORITY
FEBRUARY 21, 2023 AT 6:00 PM
COMMISSION CHAMBERS AT CITY HALL
16 WEST 9TH STREET
SHAWNEE, OKLAHOMA

Official action can only be taken on items which appear on the agenda. The public body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the public body may refer the matter to Staff or back to Committee or the recommending body. Under certain circumstances, items are deferred to a future date or stricken from the agenda entirely.

CALL TO ORDER

DECLARATION OF QUORUM

1. Consider approval of Consent Agenda:
 - a. Minutes from the January 17, 2023 regular meeting.
2. Consider and take action with respect to a resolution of the Shawnee Municipal Authority (the "Authority") authorizing the modification of the security with respect to certain outstanding indebtedness of the Authority, specifically adding one-half of one percent (0.50%) of sales tax revenue to the security pledge; approving and authorizing the execution of any and all necessary documents, including but not limited to a sales tax agreement, an amended parity agreement, an amendment to general bond indenture, and an amendment to loan agreements and amended security agreement; and containing other provisions relating thereto.
3. New Business
4. Adjournment

Respectfully submitted,

Lisa Lasyone, CMC, City Clerk

The City of Shawnee encourages participation from its citizens in public meetings. If participation is not possible due to a disability, notify the City Clerk, in writing, at least forty-

eight hours prior to the scheduled meeting, and necessary accommodations will be made. (ADA 28 CFR 36)

THE TRUSTEES OF THE SHAWNEE MUNICIPAL AUTHORITY OF THE CITY OF SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA, MET IN REGULAR SCHEDULED SESSION, TUESDAY, JANUARY 17, 2023, DURING THE BOARD OF CITY COMMISSIONER MEETING AT 6:00 P.M., PURSUANT TO NOTICE DULY POSTED AS PRESCRIBED BY LAW AT 5:18 P.M. ON JANUARY 12, 2023. UPON ROLL CALL, A QUORUM WAS DECLARED WITH THE FOLLOWING MEMBERS IN ATTENDANCE:

PRESENT: Matthews, Engles, Flood, Bolt, Sehorn, Richter

ABSENT: Rutherford

Call to Order

Declaration of a Quorum

AGENDA ITEM NO. 1:

Consider approval of Consent Agenda:

- a. Minutes from the December 19, 2022 regular meeting.

A motion was made by Trustee Matthews, seconded by Trustee Flood, to approve Consent Agenda Item No. 1(a). Motion carried 6-0.

AYE: Matthews, Flood, Bolt, Sehorn, Richter, Engles

NAY: None

AGENDA ITEM NO. 2:

New Business (Any matter not known, 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. (7:58 p.m.)

ED BOLT, CHAIRMAN

ATTEST:

LISA LASYONE, CMC,
CITY CLERK



City Manager Department
16 W. 9th St.
Shawnee, OK 74801
ShawneeOK.org

Date: February 21, 2023

To: Shawnee Municipal Authority

From: Jacob Foos, Assistant City Manager

Subject: Consider and take action with respect to a resolution of the Shawnee Municipal Authority (the "Authority") authorizing the modification of the security with respect to certain outstanding indebtedness of the Authority, specifically adding one-half of one percent (0.50%) of sales tax revenue to the security pledge; approving and authorizing the execution of any and all necessary documents, including but not limited to a sales tax agreement, an amended parity agreement, an amendment to general bond indenture, and an amendment to loan agreements and amended security agreement; and containing other provisions relating thereto.

Background: On January 10, 2023, the Shawnee voters approved a 0.5% sales tax for uses including water, wastewater, and roadway infrastructure, as well as debt service obligations associated with capital improvement projects. This resolution authorizes the pledging of the 0.5% sales tax as collateral for all existing loans held with the Oklahoma Water Resources Board (OWRB).

The impetus of this item was the Wastewater Treatment Plant project which encompasses over \$117 million in critical public infrastructure improvements. The last loan associated with that project totaled \$65,635,000 and required the enactment of the Utility Improvement Fee to satisfy the debt service coverage requirements. With the approval of the sales tax by the voters, the debt service coverage requirement can now be satisfied with the sales tax, and the Utility Improvement Fee can be rescinded.

The Wastewater Treatment Plant project includes the replacement of a 40-year old wastewater treatment plant and the conversion of a 70-year old wastewater treatment plant into a lift station. The project will provide protection of citizen health and safety, promotion of continued community growth, and allow for future expansion capabilities to support the next generation.

Financial Impact: None

Attachments: Resolution

Staff Recommendation: Approval of the item

RESOLUTION NO. _____

A RESOLUTION OF THE SHAWNEE MUNICIPAL AUTHORITY (THE “AUTHORITY”) AUTHORIZING THE MODIFICATION OF THE SECURITY WITH RESPECT TO CERTAIN OUTSTANDING INDEBTEDNESS OF THE AUTHORITY, SPECIFICALLY ADDING ONE-HALF OF ONE PERCENT (0.50%) OF SALES TAX REVENUE TO THE SECURITY PLEDGE; APPROVING AND AUTHORIZING THE EXECUTION OF ANY AND ALL NECESSARY DOCUMENTS, INCLUDING BUT NOT LIMITED TO A SALES TAX AGREEMENT, AN AMENDED PARITY AGREEMENT, AN AMENDMENT TO GENERAL BOND INDENTURE, AND AN AMENDMENT TO LOAN AGREEMENTS AND AMENDED SECURITY AGREEMENT; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Shawnee Municipal Authority (the “Authority”) currently has outstanding its (i) Utility System Revenue Note, Series 2016 dated June 8, 2016, issued in the original principal amount of \$5,410,000.00; (ii) Series 2019 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated May 28, 2019, issued in the original principal amount of \$5,380,000.00; (iii) Series 2019A Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated September 19, 2019, issued in the original principal amount of \$37,920,000; (iv) Series 2021A Drinking Water SRF Promissory Note to Oklahoma Water Resources Board dated May 28, 2021, issued in the original principal amount of \$17,460,000; (v) Series 2021 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated June 24, 2021, issued in the original principal amount of \$13,500,000; and (vi) Series 2022 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated August 31, 2022, issued in the original principal amount of \$65,635,000 (collectively, the “Existing Indebtedness”); and

WHEREAS, pursuant to the provisions of the loan documents securing the Existing Indebtedness, the Authority has covenanted to maintain sufficient rates and charges to ensure a debt coverage requirement of at least 125% of the maximum annual amount required for debt service on all obligations on a parity with or secured by a lien senior to the lien on the Existing Indebtedness (the “Rate Covenant”); and

WHEREAS, the Authority can either raise rates and charges in an amount sufficient or pledge additional security to meet said Rate Covenant; and

WHEREAS, the Authority desires to pledge additional collateral for the Existing Indebtedness by modifying the security to include a year to year pledge of one-half of one percent (0.5%) of sales tax revenue, in addition to the water and sanitary sewer system revenues (the “Modification”); and

WHEREAS, this Modification shall not constitute a new debt obligation of the Authority; and

WHEREAS, the Authority hereby authorizes and approves the modification of the collateral.

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

SECTION 1. MODIFICATION OF COLLATERAL. The Authority hereby approves the Modification and specifically authorizes the pledge of revenues from a one-half of one percent (0.50%) sales tax in addition to the existing pledge of water and sanitary sewer system revenues for purposes of securing the Existing Indebtedness, provided however, said Modification shall not constitute a new debt obligation the Authority or the City of Shawnee, Oklahoma (the “City”).

SECTION 2. 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 a Sales Tax Agreement by and between the City and the Authority pertaining to the year-to-year pledge of the sales tax revenue for purposes of securing the Existing Indebtedness, and to further execute and deliver all necessary documentation and closing and delivery papers required by Bond Counsel in connection with the Modification, including but not limited to (i) an Amended Parity Agreement by and among the Oklahoma Water Resources Board (the “OWRB”), the Authority, and BancFirst, as Trustee (the “Local Trustee”); (ii) an Amendment to General Bond Indenture, as it amends that General Bond Indenture dated as of June 1, 2016, as previously supplemented and amended, all by and between the Authority and the Local Trustee; and (iii) an Amendment to Loan Agreements and Amended Security Agreement relating to the existing loans with the OWRB; and to execute, record and file any and all the necessary documents, and to consummate the transaction contemplated hereby.

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ADOPTED AND APPROVED THIS 21ST DAY OF FEBRUARY, 2023.

SHAWNEE MUNICIPAL AUTHORITY

Chairman

ATTEST:

Secretary

(SEAL)

CERTIFICATE
OF
AUTHORITY ACTION

I, the undersigned, hereby certify that I am the duly qualified 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 February 21, 2023, 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 21ST DAY OF FEBRUARY, 2023.

SHAWNEE MUNICIPAL AUTHORITY

(SEAL)

Secretary of Authority