

AGENDA ITEM
November 5, 2013

Subject: Refunding Certificates of Participation Series 2013 and Series 2014

Department: Administration

The City issued certificates of participation in 2011 for the purpose of constructing new Fire and Public Safety buildings. In 2012 the City issued a refunding of certificates to pay the current debt service and fund additional capital improvements. In order to maintain appropriate cash levels in the General Fund over the next two years it is appropriate to move the 2013 and 2014 payments to the end of the bond term.

This ordinance will approve a refunding of certificates to pay debt service due December 2013. This ordinance will also approve a refunding of certificates to pay debt service due December 2014 however, these certificates will not be issued until 2014.

AN ORDINANCE APPROVING THE SALE AND DELIVERY OF THE CITY OF NEVADA, MISSOURI REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2013 AND AUTHORIZING THE SALE AND DELIVERY OF THE CITY OF NEVADA, MISSOURI REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2014, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY PORTIONS OF THE DEBT SERVICE RELATED TO CERTAIN OUTSTANDING CERTIFICATES OF PARTICIPATION; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND OTHER ACTIONS IN CONNECTION THEREWITH.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NEVADA, MISSOURI, AS FOLLOWS:

WHEREAS, the City is a home rule city and political subdivision duly organized and existing under the laws of the State of Missouri, as amended; and

WHEREAS, the City owns certain real estate and the improvements thereon (the "Site"), and has issued its Certificates of Participation, Series 2011 (the "Series 2011 Certificates") to finance a portion of the costs of expanding, constructing, improving, renovating, redeveloping, furnishing and equipping the City's municipal buildings complex (the "Project") situated on the Site; and

WHEREAS, in connection with the issuance of the Series 2011 Certificates, the City determined that it was desirable that the City authorize and approve (a) the lease by the City to the Trustee (defined below) of the Site pursuant to a Site Lease (the "Site Lease"); (b) an Indenture of Trust (the "Original Indenture") between First Bank of Missouri, as trustee (the "Trustee"), and the City, for the purpose of securing the Series 2011 Certificates and any additional certificates issued thereunder; and (c) the lease of the Site and the improvements thereon, including the Project (collectively, the "Facilities"), by the Trustee to the City pursuant to a Lease Purchase Agreement (the "Original Lease") in consideration of rental payments by the City for the use of the Facilities; and

WHEREAS, pursuant to a First Supplemental Indenture of Trust (the "First Supplemental Indenture") and a First Supplemental Lease Purchase Agreement (the "First Supplemental Lease"), the City has issued its Refunding and Improvement Certificates of Participation, Series 2012 to provide funds to complete the Project and to refund the principal and interest payment with respect to the Series 2011 Certificates due on December 1, 2012; and

WHEREAS, the City now finds and determines that it is desirable that the City and the Trustee, pursuant to a Second Supplemental Indenture of Trust (the

“Second Supplemental Indenture”), issue and deliver the City’s Refunding Certificates of Participation, Series 2013 (the “Series 2013 Certificates”) for the purpose of refunding the principal amount due with respect to the Series 2011 Certificates on December 1, 2013 in the amount of \$160,000; and

WHEREAS, the Trustee and the City will enter into a Second Supplemental Lease Purchase Agreement (the “Second Supplemental Lease”) to provide for an amended schedule of rental payments and other terms and conditions provided therein with respect to the Series 2013 Certificates; and

WHEREAS, the City further finds and determines that it is desirable in connection with the lease of the Site, the lease of the Facilities and the sale and delivery of the Series 2013 Certificates that the City enter into certain other documents, and that the City take certain other actions and approve the execution of certain other documents relating to the Series 2013 Certificates as herein provided; and

WHEREAS, the City further finds and determines that it is desirable to authorize the City to (1) pursuant to a Third Supplemental Indenture of Trust (the “Third Supplemental Indenture”), issue and deliver the City’s Refunding Certificates of Participation, Series 2014 (the “Series 2014 Certificates”) in November of 2014 for the purpose of refunding the principal amount due with respect to the Series 2011 Certificates on December 1, 2014 in the amount of \$165,000, (2) enter into a Third Supplemental Lease Purchase Agreement (the “Third Supplemental Lease”) to provide for an amended schedule of rental payments and other terms and conditions provided therein with respect to the Series 2014 Certificates, and (3) enter into certain other documents and take certain other actions relating to the Series 2014 Certificates.

NOW, THEREFOR, IT IS ORDAINED BY THE COUNCIL OF THE CITY OF NEVADA, MISSOURI, AS FOLLOWS:

Section 1. Authorization of Documents Related to Series 2013 Certificates. The City is hereby authorized to enter into the following documents (the “Series 2013 Documents”), in substantially the forms on file with the City Clerk, with such changes therein as shall be approved by the officials of the City executing such documents, such officials’ signatures thereon being conclusive evidence of their approval thereof:

- (a) Second Supplemental Indenture between the Trustee and the City.
- (b) Second Supplemental Lease between the Trustee and the City.
- (c) Certificate Purchase Agreement (the “Series 2013 Purchase Agreement”) between the City and D.A. Davidson & Co. (the

“Underwriter”) related to the sale and delivery of the Series 2013 Certificates.

- (d) Tax Compliance Agreement (the “Series 2013 Tax Agreement”) between the City and the Trustee.

Section 2. Approval of Sale of the Series 2013 Certificates. The City hereby approves the sale and delivery of the Series 2013 Certificates for the purpose of providing funds to refund the principal amount due with respect to the Series 2011 Certificates on December 1, 2013 in the amount of \$160,000, pursuant to the terms of the Original Indenture, as amended and supplemented by the First Supplemental Indenture and the Second Supplemental Indenture. The Series 2013 Certificates shall be in the principal amounts, bear interest at the rates and be subject to redemption at the times and in the amounts provided in the Second Supplemental Indenture and the Series 2013 Purchase Agreement. The sale of the Series 2013 Certificates to the Underwriter at the prices and with the underwriter’s discount set forth in the Series 2013 Purchase Agreement shall be approved by the Mayor by execution of the Series 2013 Purchase Agreement, such official’s signature thereon being conclusive evidence of the Mayor’s approval.

Section 3. Authorization of the Series 2014 Certificates and Related Documents.

(a) The City hereby authorizes the sale and delivery in November of 2014 of the Series 2014 Certificates in the principal amount of \$165,000, for the purpose of refunding the principal amount due with respect to the Series 2011 Certificates on December 1, 2014 in the amount of \$165,000. The sale and delivery of the Series 2014 Certificates is subject to approval by the Mayor, and the execution by the Mayor of the Series 2014 Purchase Agreement (defined below) shall be conclusive evidence of the Mayor’s approval.

(b) The City is hereby authorized to enter into the following documents (the “Series 2014 Documents”), substantially conforming to the respective Series 2013 Documents on file with the City Clerk, with such changes therein as shall be necessary relating to the terms of the Series 2014 Certificates and as shall be approved by the officials of the City executing such documents, such officials’ signatures thereon being conclusive evidence of their approval thereof: (1) Third Supplemental Indenture between the Trustee and the City; (2) Third Supplemental Lease between the Trustee and the City, (3) Certificate Purchase Agreement (the “Series 2014 Purchase Agreement”) related to the sale and delivery of the Series 2014 Certificates, and (4) Tax Compliance Agreement (the “Series 2014 Tax Agreement”) between the City and the Trustee.

(c) The Series 2014 Certificates shall be in the principal amounts, shall bear interest at the rates and shall be subject to redemption at the times and in the amounts provided in the Third Supplemental Indenture and the Series 2014

Purchase Agreement; provided that the Series 2014 Certificates shall have a final maturity not later than 2032, shall be subject to optional prepayment no later than 2019, and shall bear interest at various interest rates not to exceed a true interest cost of 8.0% per annum. The final terms of the Series 2014 Certificates shall be specified in the Third Supplemental Indenture and the Series 2014 Certificate Purchase Agreement, upon the execution thereof, and the signatures of the officers of the City executing the Third Supplemental Indenture and the Series 2014 Purchase Agreement shall constitute conclusive evidence of their approval and the City's approval thereof.

Section 4. Execution of Documents. The Mayor, City Manager and City Clerk of the City and other appropriate officers of the City are hereby authorized and directed to execute, attest, acknowledge, deliver and record, for and on behalf of and as the act and deed of the City, the Series 2013 Documents, the Series 2014 Documents (if the sale and delivery of the Series 2014 Certificates is approved by the Mayor) and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 5. Further Authority. The officers, agents and employees of the City, including the Mayor, City Manager and City Clerk of the City shall be, and they hereby are, authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance, and to carry out, comply with and perform the duties of the City with respect to the Series 2013 Documents and (if the sale and delivery of the Series 2014 Certificates is approved by the Mayor) the Series 2014 Documents, to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 6. Effective Date. This Ordinance shall take effect and be in full force immediately after its passage by the City Council and approval by the Mayor.

PASSED by the City Council and **APPROVED** by the Mayor of the City of Nevada, Missouri, this _____ day of November, 2013.

Seth Barrett, Mayor

[SEAL]

ATTEST:

Bev Baker, City Clerk