



AGENDA
PUBLIC BUILDING COMMISSION
February 28, 2019
6:00 P.M.

“Augusta – Where the metro’s edge meets the prairie’s serenity offering the perfect blend of opportunity and proximity for living, commerce and culture.”

A. CALL TO ORDER

B. NEW BUSINESS

**1. SUBSCRIPTION FOR PURCHASE OF UNITED STATES TREASURY
TIME DEPOSIT SECURITIES – STATE AND LOCAL
GOVERNMENT SERIES**

Consider authorizing the Secretary of the Public Building Commission to sign documents authorizing bond counsel Gilmore & Bell to subscribe for purchase of United States Treasury Time Deposit Securities – State and Local Government Series in connection with defeasance of bonds issue by the City related to projects at Cottonwood Point.

- a) Staff Report
- b) Council Motion/Vote**

C. ADJOURNMENT

PUBLIC BUILDING COMMISSION
JANUARY 21, 2019
6:00 P.M.

The Public Building Commission of the City of Augusta, Kansas met on January 21, 2019. The meeting was called to order by PBC President Tom Leffler. Members present were Cale Magruder, Eric Birk, Jamie Crum, Kip Richardson, Mike Rawlings and Ron Reavis. Commission members Paul Belt and David Bates were absent. Also present were City Manager Josh Shaw, Assistant City Manager Cody Sims, Director of Public Safety Bob Sage and City Clerk Erica Jones. Visitors present were Carmen Montague.

Minutes: Richardson made a motion to approve the minutes from the January 21, 2019 meeting and Crum seconded the motion. Motion carried without opposition.

Reports: Carmen Montague, representing Cottonwood Point, presented the reports to the commission. Rawlings made a motion to accept the report from Cottonwood Point. Crum seconded the motion. Motion carried without opposition.

New Business:

Election of Officers: Reavis made a motion to appoint Tom Leffler as President. Crum seconded the motion. Motion carried without opposition. Reavis made a motion to appoint Cale Magruder as Vice President. Richardson seconded the motion. Motion carried without opposition. Reavis made a motion to appoint Mike Rawlings as Secretary. Crum seconded the motion. Motion carried without opposition.

Adjourn: With no other business before the Commission, at 6:40 p.m. Richardson made a motion to adjourn the meeting. Crum seconded the motion. Motion carried without opposition.

Mike Rawlings, Secretary



**PUBLIC BUILDING COMMISSION
AGENDA REPORT**

Meeting Date: February 28, 2019

Department: Public Building Commission, Administration

Submitted By: Josh Shaw, City Manager

Prepared By: Josh Shaw, City Manager

Agenda Title: **SUBSCRIPTION FOR PURCHASE OF UNITED STATES
TREASURY TIME DEPOSIT SECURITIES – STATE AND LOCAL
GOVERNMENT SERIES**

RECOMMENDED ACTION:

Authorize the Secretary of the Public Building Commission to sign documents authorizing bond counsel Gilmore & Bell to subscribe for purchase of United States Treasury Time Deposit Securities – State and Local Government Series in connection with defeasance of bonds issue by the City related to projects at Cottonwood Point.

BACKGROUND:

At the most recent Public Building Commission meeting held on January 21st, 2019, the representative for Cottonwood Point indicated that they were exploring a refinancing option of the outstanding Series 2010 refunding bonds that have about five years remaining. By refinancing with local banks, they will be able to pay off the City’s bonds and extend their payment term, but reduce their annual payment amounts for cash flow purposes. This would free up sizeable amounts of cash to address improvements and other operational needs. Staff advised the PBC that once Cottonwood Point finalized their plans, additional actions would have to be taken to execute the refinancing.

ANALYSIS:

Bond Counsel Kevin Cowan prepared the attached document for Council to authorize Gilmore & Bell to initiate the refinancing process through a subscription for purchase of United States Treasury Time Deposit Securities – State and Local Government Series. The SLGS securities offer local governments the most effective way to comply with IRS arbitrage regulations and federal tax laws regarding cash proceeds on tax exempt bonds. Learn more about SLGS at https://treasurydirect.gov/govt/resources/faq/faq_slgs.htm

Because of current US Government debt limit, and the need to manage it in the short-term, subscriptions for these SLGs will be suspended as of March 1st, which is why we need the authorization letter this week. The total amount of subscription and issue date will be determined at a later date and require further PBC action. For now, the document authorizes

Gilmore & Bell to begin the process and secure access to the SLGS financing tools before they are suspended on March 1st.

FISCAL IMPACT/FUNDING SOURCE:

SLGS is believed to be the least onerous and most cost-effective tool for this refinancing project.

City Manager Approval Date: 2/27/2019

City Attorney Approval Date:

Attachments *(list in packet assembly order):*

1. Subscription Authorization Form

CITY OF AUGUSTA, KANSAS PUBLIC BUILDING COMMISSION
113 E. 6th, P.O. Box 489, Augusta, Kansas 67010

February 27, 2019

Gilmore & Bell, P.C.
100 N. Main, Suite 800
Wichita, Kansas 67202

Re: Subscription for Purchase of United States Treasury Time Deposit Securities – State and Local Government Series

Issuer: City of Augusta, Kansas

Tax I.D. No: 37-1423559

Bonds: City of Augusta, Kansas Public Building Commission Tax-Exempt Refunding Revenue Bonds, Series 2010-A (the “Bonds”)

Escrow Agent: The Bank of New York Mellon Trust Company, N.A – ABA No. [_____]

Bond Counsel: Gilmore & Bell, P.C., Wichita, Kansas

In connection with the defeasance of the Bonds, the Issuer hereby authorizes and directs Bond Counsel to submit an initial subscription on its behalf for the purchase of United States Treasury Time Deposit Securities – State and Local Government Series (the “SLGS”), to be issued as entries on the books of the Bureau of the Public Debt, Department of the Treasury. The total amount of the subscription and the issue date will be determined at a later date.

The Issuer certifies that the SLGS will not be purchased from any amounts received from either: (a) the sale or redemption before maturity of any marketable security, or (b) the redemption before maturity of a time deposit SLGS (other than a zero-interest SLGS).

The Issuer agrees that the final subscription and payment for the SLGS will be submitted to the U.S. Treasury on or before the issue date. The Issuer further authorizes Bond Counsel and Escrow Agent to file the final subscription for SLGS, to amend or cancel such subscription, and to re-subscribe for SLGS, all on behalf of the Issuer. The Issuer understands that, if it fails to settle on the subscription for the SLGS or makes an untimely or unauthorized change to the subscription, the Bureau of Public Debt may bar the Issuer from subscribing for SLGS for six months beginning on the earlier of (a) the date the subscription is withdrawn, or (b) the proposed issue date of the SLGS.

The Issuer acknowledges that Bond Counsel has not made any recommendation as to the investment of bond proceeds or other monies in the SLGS or any other investment securities. Bond Counsel is not a financial advisor or a “municipal advisor” as defined in the Securities Exchange Act of 1934, as amended.

**CITY OF AUGUSTA, KANSAS
PUBLIC BUILDING COMMISSION**

By: _____
Secretary