



**AGENDA**  
**PUBLIC BUILDING COMMISSION**  
August 5, 2019  
6:00 P.M.

**A. CALL TO ORDER**

**B. MINUTES**

**1. MARCH 18, 2019 PUBLIC BUILDING COMMISSION MEETING MINUTES**

Approval of minutes for the March 18, 2019 Public Building Commission meeting.

**a) Motion/Vote**

**C. NEW BUSINESS**

**1. RESOLUTION NO. 02-2019 AUTHORIZING ESCROW TRUST AGREEMENT TO FACILITATE BOND DEFEASANCE FOR COTTONWOOD POINT**

Consider approval of Resolution No. 02-2019 authorizing the execution of an escrow trust agreement to provide for the payment of certain outstanding tax-exempt refunding revenue bonds, series 2010-a, of the city of Augusta, Kansas public building commission; and authorizing certain actions to be taken in conjunction therewith.

**a) Staff Report**

**b) Motion/Vote**

**D. ADJOURNMENT**

PUBLIC BUILDING COMMISSION  
MARCH 18, 2019  
6:30 P.M.

The Public Building Commission of the City of Augusta, Kansas met on March 18, 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, Felicia Martindale and Ron Reavis. Also present were City Manager Josh Shaw, Assistant City Manager Cody Sims and City Clerk Erica Jones. Visitors present were Kevin Cowan.

Minutes: Magruder made a motion to approve the minutes from February 28, 2019. Richardson seconded the motion. Motion carried without opposition.

New Business:

Resolution No. 01-2019 Authorizing Escrow Trust Agreement to Facilitate Bond Defeasance for Cottonwood Point: Richardson made a motion to approve Resolution No. 01-2019 authorizing the execution of an escrow trust agreement to provide for the payment of certain outstanding tax-exempt refunding revenue bonds, series 2010-a, of the City of Augusta, Kansas Public Building Commission; and authorizing certain actions to be taken in conjunction therewith. Rawlings seconded the motion. Motion carried without opposition.

Adjourn: At 6:48 p.m. Richardson made a motion to adjourn the meeting. Rawlings seconded the motion. Motion carried without opposition.

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Mike Rawlings, Secretary



**CITY OF AUGUSTA  
PUBLIC BUILDING COMMISSION  
AGENDA REPORT**

Meeting Date: August 5, 2019  
 Department: Administration  
 Submitted By: Erica Jones, City Clerk  
 Prepared By: Erica Jones, City Clerk  
 Agenda Title: **Resolution No. 02-2019 Authorizing Escrow Trust Agreement to Facilitate Bond Defeasance For Cottonwood Point**

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**RECOMMENDED ACTION:**

Approve Resolution No. 02-2019 Authorizing the Execution of an Escrow Trust Agreement to Provide for the Payment of Certain Outstanding Tax-Exempt Refunding Revenue Bonds, Series 2010-A, of the City of Augusta, Kansas Public Building Commission; and Authorizing Certain Actions to be Taken in Conjunction Therewith

**BACKGROUND:**

At the Public Building Commission (PBC) meeting held on January 21st, 2019, 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.

At the meeting held on February 28, 2019, the PBC authorized bond counsel to pursue SLGS securities in order to initiate the refinancing process. Staff and the City Attorney advised the PBC that once Cottonwood Point finalized their plans, additional actions would have to be taken to execute the refinancing. Attached for the PBC's review and consideration is a resolution drafted by bond counsel authorizing an escrow agreement to pay the outstanding debt for the Series 2010-A bonds. As explained in the most recent PBC meeting, Cottonwood Point is trying to pay off the bonds about a year ahead of their scheduled redemption period, meaning that an escrow fund must be created to hold the money they provide to the City/PBC until the bonds formal redemption date.

At the meeting held on March 18, 2019 the PBC approved Resolution No. 01-2019 Authorizing the Execution of an Escrow Trust Agreement to Provide for the Payment of Certain Outstanding Tax-Exempt Refunding Revenue Bonds, Series 2010-A, of the City of Augusta, Kansas Public Building Commission; and Authorizing Certain Actions to be Taken in Conjunction Therewith

Bond Counsel Kevin Cowan will be present at the meeting to answer any questions regarding this resolution, agreement, and appurtenant documents.

**ANALYSIS:**

The agreements approved previously provided a window of time until August 1<sup>st</sup> for Cottonwood Point to formally execute their financial plan. Cottonwood Point had raised a number of questions with the county appraiser regarding the impact to their tax-exempt status of paying off the PBC bonds and have been working with the Kansas Board of Tax Appeals (BOTA) to verify that their tax-exempt status will remain in place after the defeasance is executed. As a result of that process they did not meet the August 1st deadline, so the PBC will have to execute the new Resolution so the financing is able to proceed.

**FISCAL IMPACT/FUNDING SOURCE:**

N/A

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**Department Head Approval Date:** 8/2/2019

**City Manager Approval Date:**

**City Attorney Approval Date:**

**Attachments** (*list in packet assembly order*):

1. Request for Special PBC Meeting
2. Proposed ETA Resolution No. 02-2019

REQUEST FOR SPECIAL PUBLIC BUILDING COMMISSION MEETING

Augusta, Kansas

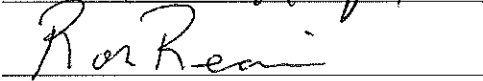
July 31, 2019

To Tom Leffler  
President of the Public Building Commission of Augusta, Kansas

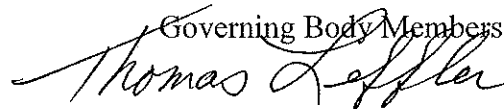
We, the undersigned, governing body members of the Public Building Commission of Augusta, Kansas hereby respectfully request you call a special meeting of the Public Building Commission at 6:00 p.m. August 5, 2019 at City Hall in order to discuss and approve documents related to the defeasance of the PBC Tax-Exempt Refunding Revenue Bonds, Series 2010-A.

Signed:

  
\_\_\_\_\_

  
\_\_\_\_\_

  
\_\_\_\_\_

Governing Body Members  


**EXCERPT OF MINUTES OF A MEETING  
OF THE GOVERNING BODY OF THE  
CITY OF AUGUSTA, KANSAS PUBLIC BUILDING COMMISSION  
HELD AUGUST 5, 2019**

The City of Augusta, Kansas Public Building Commission (the "PBC") met at City Hall in the City of Augusta, Kansas, at 6:00 p.m., the following members being present and participating, to-wit:

Absent:

The President declared that a quorum was present and called the meeting to order.

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(Other Proceedings)

Thereupon, there was presented a Resolution entitled:

**A RESOLUTION AUTHORIZING THE EXECUTION OF AN ESCROW TRUST AGREEMENT TO PROVIDE FOR THE PAYMENT OF CERTAIN OUTSTANDING TAX-EXEMPT REFUNDING REVENUE BONDS, SERIES 2010-A, OF THE CITY OF AUGUSTA, KANSAS PUBLIC BUILDING COMMISSION; AND AUTHORIZING CERTAIN ACTIONS TO BE TAKEN IN CONJUNCTION THEREWITH.**

Thereupon, Member \_\_\_\_\_ moved that said Resolution be adopted. The motion was seconded by Member \_\_\_\_\_. Said Resolution was duly read and considered, and upon being put, the motion for the adoption of said Resolution was carried by the vote of the governing body, the vote being as follows:

Aye: \_\_\_\_\_.

Nay: \_\_\_\_\_.

Thereupon, the President declared said Resolution duly adopted and the Resolution was then duly numbered Resolution No. PBC \_\_-2019 and was signed by the governing body and attested by the Secretary.

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(Other Proceedings)

On motion duly made, seconded and carried, the meeting thereupon adjourned.

(SEAL)

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Secretary

**RESOLUTION NO. PBC \_\_-2019**

**A RESOLUTION AUTHORIZING THE EXECUTION OF AN ESCROW TRUST AGREEMENT TO PROVIDE FOR THE PAYMENT OF CERTAIN OUTSTANDING TAX-EXEMPT REFUNDING REVENUE BONDS, SERIES 2010-A, OF THE CITY OF AUGUSTA, KANSAS PUBLIC BUILDING COMMISSION; AND AUTHORIZING CERTAIN ACTIONS TO BE TAKEN IN CONJUNCTION THEREWITH.**

**WHEREAS**, the City of Augusta, Kansas Public Building Commission (the “PBC”) has heretofore entered into a Trust Indenture, dated as of May 1, 2002 and a Supplemental Trust Indenture No. 1, dated as of November 18, 2010 (jointly, the “Bond Indenture”) authorizing the issuance of Tax-Exempt Refunding Revenue Bonds, Series 2010-A (the “Series 2010-A Bonds”) and setting forth the terms and details of the Series 2010-A Bonds; and

**WHEREAS**, the Bond Indenture provides that the covenants and requirements contained in the Bond Indenture and the rights of the Owners of the Series 2010-A Bonds under the Bond Indenture are terminated if sufficient funds are placed in an escrow fund comprised of cash or United States Government Obligations, or both, in accordance therewith; and

**WHEREAS**, the PBC will receive funds, or will direct funds, to provide for an escrow fund sufficient for payment of the Series 2010-A Bonds in accordance with the Bond Indenture; and

**WHEREAS**, it is deemed advisable to provide for the payment of the Series 2010-A Bonds as soon as possible by the execution of the Escrow Trust Agreement between the PBC and the Escrow Agent.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF AUGUSTA, KANSAS PUBLIC BUILDING COMMISSION, AS FOLLOWS:**

**ARTICLE I**

**DEFINITIONS**

**Section 101. Definitions of Words and Terms.** In addition to the words and terms defined elsewhere in the Bond Indenture, the following words and terms as used in this Resolution shall have the following meanings:

“**Bond Counsel**” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the PBC.

“**Bond Payment Date**” means any date on which principal of or interest on any Series 2010-A Bond is payable, including the Redemption Date.

“**City**” means the City of Augusta, Kansas.



“**Costs of Defeasance Fund**” means the City of Augusta, Kansas Public Building Commission Costs of Defeasance Fund for Tax-Exempt Refunding Revenue Bonds, Series 2010-A.”.

“**Escrow Agent**” means The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, and its successors and assigns.

“**Escrow Fund**” means the “City of Augusta, Kansas Public Building Commission, Escrow Fund for Tax-Exempt Refunding Revenue Bonds, Series 2010-A,” created herein.

“**Escrow Trust Agreement**” means the Escrow Trust Agreement relating to the Series 2010-A Bonds between the PBC and the Escrow Agent.

“**Escrowed Securities**” means the direct, noncallable United States Governmental Obligations, as described in the Escrow Agreement.

“**PBC**” means the City of Augusta, Kansas Public Building Commission.

“**President**” means the duly elected and acting President of the PBC or, in the President's absence, the duly appointed and/or elected Vice President or President Pro Tem of the PBC.

“**Redemption Date**” means April 1, 2020, the redemption date for the Series 2010-A Bonds that are being paid in advance of Stated Maturity.

“**Secretary**” means the duly appointed and acting Secretary of the PBC or, in the Secretary's absence, the duly appointed and/or elected Deputy Secretary or Acting Secretary of the PBC.

“**Series 2010-A Bonds**” means the PBC's Tax-Exempt Refunding Revenue Bonds, Series 2010-A, dated April 15, 2008.

“**State**” means the State of Kansas.

## ARTICLE II

### AUTHORIZATION OF ESCROW TRUST AGREEMENT

**Section 201. Authorization of Escrow Trust Fund.** There is hereby authorized to be created in the custody of the Escrow Agent, the “Escrow Fund” and the “Costs of Defeasance Fund.”

**Section 202. Application of Moneys in the Escrow Fund and Costs of Defeasance Fund.** Moneys in the Escrow Fund and the Costs of Defeasance Fund shall be administered in accordance with the provisions of the Escrow Trust Agreement. The form of the Escrow Trust Agreement presented to the governing body this date is hereby approved. The President and Secretary are hereby authorized to execute the Escrow Trust Agreement in substantially such form with such changes or modifications as are necessary to accomplish the purposes of this Resolution.

### ARTICLE III

#### **DEPOSIT AND APPLICATION OF FUNDS**

**Section 301. Deposit and Application of Funds in Escrow Fund** . Simultaneously with execution of the Escrow Trust Agreement, there shall be transferred to the Escrow Agent for deposit in the Escrow Fund, sufficient funds to provide for the Debt Service Requirements on the Outstanding Series 2010-A Bonds on each Bond Payment Date, including the Redemption Date, and for deposit in the Costs of Defeasance Fund to provide for payment of costs associated with the establishment of the Escrow Trust Agreement. Under the Escrow Agreement, the Escrow Agent will apply moneys in the Escrow Fund to purchase the Escrowed Securities or to establish a cash balance or both, in accordance with the Escrow Agreement. The cash or Escrowed Securities held in the Escrow Fund will be applied by the Escrow Agent solely in the manner authorized by the Escrow Agreement. All money deposited with the Escrow Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in Bond Indenture and the Escrow Agreement.

### ARTICLE IV

#### **REDEMPTION OF BONDS**

**Section 401. Redemption of Bonds.** The Outstanding Series 2010-A Bonds, becoming due on in the years 2021 and thereafter, are hereby called for redemption and payment prior to maturity on the Redemption Date. Said Series 2010-A Bonds shall be redeemed in accordance with the Bond Indenture by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to such Redemption Date. The officers of the PBC and the Paying Agent are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of said portion of Series 2010-A Bonds.

### ARTICLE V

#### **MISCELLANEOUS PROVISIONS**

**Section 501. Severability.** In case any one or more of the provisions of this Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, but this Resolution shall be construed and enforced as if such illegal or invalid provision had not been contained herein. In case any covenant, stipulation, obligation or agreement contained in this Resolution shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the PBC to the full extent permitted by law.

**Section 502. Further Authority.** The officers of the PBC, including the President and Secretary, shall be, and they hereby are, authorized and directed to (a) 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 Resolution and (b) 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 503. Governing Law** . This Resolution shall be governed exclusively by and constructed in accordance with the applicable laws of the State.

**Section 504. Effective Date.** This Resolution shall take effect and be in full force from and after its adoption by the governing body, and the documents, actions, authorizations and approvals shall continue to be effective, so long as the same are accomplished and exercised before October 1, 2019.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**ADOPTED** by the governing body of the City of Augusta, Kansas Public Building Commission, on August 5, 2019.

(Seal)

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**CERTIFICATE**

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Resolution No. PBC\_\_-2019 (the "Resolution") of the City of Augusta, Kansas Public Building Commission, adopted by the governing body on August 5, 2019 as the same appears of record in my office, and that said Resolution has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: August 5, 2019.

\_\_\_\_\_  
Secretary