

AN ORDINANCE AUTHORIZING THE CITY OF GLADSTONE, MISSOURI, TO ENTER INTO A LEASE PURCHASE AGREEMENT WITH SECURITY BANK OF KANSAS CITY WHEREBY THE CITY WILL LEASE CERTAIN PROPERTY FROM THE BANK; APPROVING A DECLARATION OF TRUST BETWEEN SECURITY BANK OF KANSAS CITY AND THE CITY PURSUANT TO WHICH CERTAIN CERTIFICATES OF PARTICIPATION WILL BE EXECUTED AND DELIVERED FOR THE PURPOSE OF FINANCING CERTAIN PROJECT COSTS FOR THE CITY; AND APPROVING CERTAIN OTHER DOCUMENTS AND THE TAKING OF CERTAIN ACTIONS NECESSARY TO DELIVER THE CERTIFICATES OF PARTICIPATION.

WHEREAS, the City of Gladstone, Missouri (the "City"), desires to obtain financing for acquisition, construction, furnishing, equipping and installing of certain capital improvements, including various water treatment, trail, park and Community Center improvements and information technology network and security upgrades (the "Project"); and paying certain costs related to such actions; and

WHEREAS, in order to accomplish the purposes set forth herein, the City desires to authorize the execution and delivery of not to exceed \$23,000,000 of Certificates of Participation, Series 2024A (the "Certificates"); and

WHEREAS, in order to facilitate the foregoing and to provide financing to pay the cost thereof, it is necessary and desirable for the City to take the following actions:

1. Enter into an annually renewable Lease Purchase Agreement (the "Lease Purchase Agreement") with the Trustee, pursuant to which the City will lease the Leased Property described therein on a year-to-year basis from the Trustee with an option to purchase;
2. Enter into a Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking"), pursuant to which the City will agree to provide ongoing disclosure of financial and other information with respect to the Certificates;
3. Enter into a Tax Compliance Agreement (the "Tax Compliance Agreement") with Security Bank of Kansas City with respect to the tax-exempt status of the interest portion of the rent paid under the Lease Purchase Agreement with respect to the Certificates; and
4. Enter into the Declaration of Trust (the "Declaration of Trust") with Security Bank of Kansas City, as trustee (the "Trustee"), pursuant to which the Trustee will execute the Certificates; and

WHEREAS, the City intends to take competitive bids for the sale of such Certificates;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

Section 1. Authorization of Documents. The Lease Purchase Agreement, the Tax Compliance Agreement, the Declaration of Trust and the Continuing Disclosure Undertaking (collectively, the “City Documents”) are hereby authorized and approved in substantially the forms submitted to and reviewed by the City Council of the City on the date hereof, with such changes therein as shall be approved by the Mayor or the City Manager of the City, with the Mayor's or City Manager's execution thereof to be conclusive of the approval thereof, provided that such documents reflect the following final terms of the Certificates:

- (a) The principal amount of the Certificates shall not exceed \$23,000,000.
- (b) The True Interest Cost of the Certificates shall not exceed 5.25%.
- (c) The Certificates shall be subject to optional prepayment beginning not later than the year 2034.
- (d) The weighted average maturity of the Series 2024A Certificates shall be between 9.0 years and 15.0 years.
- (e) The final maturity of the Certificates shall be not later than the year 2044.

The obligation of the City to pay Basic Rent Payments (as defined in the Lease Purchase Agreement) under the Lease Purchase Agreement is limited to payment from Available Revenues (as defined in the Lease Purchase Agreement) and shall constitute a current expense of the City and shall not in any way be construed to be an indebtedness or liability of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness or liability by the City, nor shall anything contained in the Lease Purchase Agreement constitute a pledge of the general tax revenues, funds or moneys of the City, and all provisions of the Lease Purchase Agreement shall be construed so as to give effect to such intent.

The Mayor or the City Manager is hereby authorized and directed to execute and deliver the City Documents on behalf of the City. The City Clerk is hereby authorized to affix the City's seal thereto and attest said seal where appropriate.

Section 3. Sale of Certificates. The sale of the Certificates by competitive sale is hereby approved, subject to the limitations set forth in Section 2. The Mayor or City Manager is authorized to accept the bid of the purchaser offering the lowest “true interest cost” to the City, upon the recommendation of the City's Municipal Advisor, Baker Tilly Municipal Advisors, LLC.

Section 4. Notice of Sale and Official Statement. The Notice of Sale and the Preliminary Official Statement, in substantially the forms presented to and reviewed by the City Council on the date hereof, are hereby ratified and approved, and the final Official Statement is hereby adopted by supplementing, completing and amending the Preliminary Official Statement. The Mayor or the City Manager is hereby authorized to execute the Official Statement on behalf of the City.

Section 5. Reimbursement. The City has made capital expenditures prior to the date of this Ordinance and expects to make capital expenditures after the date of this Ordinance in

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connection with the Project, and the City intends to reimburse itself for such expenditures with the proceeds of tax-exempt financing obtained for the Project to the extent allowed by the Internal Revenue Code. The maximum principal amount of the obligations expected to be issued for the Project is \$23,000,000.

Section 6. Further Authority. The City shall, and the officials and agents of the City are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the City Documents and the Project.


Section 7. Severability. If any one or more of the terms, provisions or conditions of this ordinance shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, none of the remaining terms, provisions or conditions of this ordinance shall be affected thereby and each provision of this ordinance shall be valid and enforceable to the fullest extent permitted by law.

Section 8. Effective Date. This ordinance shall take effect and be in full force from and after its passage by the City Council.

INTRODUCED, READ, PASSED, AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 22ND DAY OF JANUARY 2024.


Jean B. Moore, Mayor

ATTEST:


Kris Keller, City Clerk

First Reading: January 22, 2024

Second Reading: January 22, 2024



Request for Council Action

RES ☐ # City Clerk Only

BILL ☒ # 24-07

ORD ☒ # 4.663

Date: 1/16/2024

Department: Finance

Meeting Date Requested: 1/22/2024

Public Hearing: Yes ☐ Date: Click here to enter a date.

Subject: 2024 Certificates of Participation (COP)

Background: Issuing debt can be a very useful tool for municipalities, especially when completing large projects. The City has issued COP's in the past to finance the Police Headquarters, renovation of Fire Station #2, construction of Hobby Hill west, and the Community Center, to name just a few capital projects. City staff feels that issuing a COP in 2024 would greatly assist in funding City Council goals.

Budget Discussion: N/A.

Public/Board/Staff Input: Staff has been working with advisors to build a financing package to accomplish a number of City Council goals. Projects included in the proposed COP are: substantial water plant improvements and rehabilitation of the City's two water towers (\$14 million), local match to complete the N. Oak project (\$4.4 million), planning and construction of an addition to Flora Park (\$1,000,000), new event space at the Atkins-Johnson Farm (\$2 million), and various other projects to update and improve the indoor pool at the Community Center, and the City's IT infrastructure. Total proposed issuance is \$22.2 million. The following ordinance would allow the Mayor or City Manager to issue Certificates of Participation, given certain parameters are met. Funding for the debt service for COP will come from previous debt falling off the debt schedule.

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk and Vendor.

Dominic Accurso
Department Director/Administrator

JM
City Attorney

BB
City Manager