SALLISAW MUNICIPAL AUTHORITY
REGULAR MEETING

April 13, 2020

Time: Immediately Following the
Meeting of the Board of City Commissioners

Wheeler Event Center
103 North Wheeler
Sallisaw, OK

A G E N D A

1. **Meeting called to order**

2. **Declaration of a quorum**

3. **Consider approval of minutes of regular meeting of March 9, 2020**

4. **Discuss and Consider Rescinding Resolution 2020-02, Approved March 9, 2020**

5. **Discuss and Consider Approval of Staff's Request to Reinvest a Sallisaw Municipal Authority Certificate of Deposit for 28 days with National Bank of Sallisaw, the High Bidder**

6. **Discussion and Possible Direction to Staff on Possible Current Refinancing of the Series 2009 Bond Issue and the OWRB Series 2010 DW Loan**

7. **Administrative Reports**

8. **Adjourn**

Posted: **April 10, 2020**
Time: **10:15 a.m.**

Dianna Davis

MINUTES

SALLISAW MUNICIPAL AUTHORITY

REGULAR MEETING

MARCH 9, 2020

The Sallisaw Municipal Authority met in a regular meeting on March 9, 2020, in the city council chambers, located at 111 North Elm. Notice of the meeting was given by e-mailing the agenda to Sequoyah County Times; by posting at city hall; and, by giving notice to the City Clerk.

Members Present:	Ernie Martens,	Chairman
	Ronnie Lowe,	Trustee, Ward 1
	Philip Gay,	Trustee, Ward 2
	Julian Mendiola	Trustee, Ward 3
	Shannon Vann,	Trustee, Ward 4
Members Absent:	None	
Staff present:	Keith Skelton,	General Manager
	John R. Montgomery,	City Attorney
	Kim Jamison,	Deputy Secretary
	Robin Haggard,	Finance Director
	Sue Reed,	Chief Accountant
	Randy Sizemore,	Purchasing Agent
	Jessica Robertson,	Customer Service Supervisor
	Terry Franklin,	Chief of Police
	Clint Smith,	Telecommunications Supt.
	George Bormann,	Econ. Dev. Dir./Grants Admin.
	Keith Miller,	Building Development Director
	Gene Martin,	Equipment Services Superintendent
	Beau Gabbert,	Police Captain
	Steven Armstrong,	Electric Crew Leader
	Blakely Smith, Jr.,	Electric Superintendent
	Amy Edwards,	Sallisaw NOW
Others present:	Robert Morris; Marty Green; Jordan Pace; Roy Faulkenberry.	

Chairman Martens called the meeting to order at 6:53 p.m. and declared a quorum was present.

CONSIDER APPROVAL OF MINUTES OF REGULAR MEETING OF JANUARY 13, 2020

Motion was made by Mendiola, seconded by Vann, for approval. Vote: Lowe aye; Gay aye; Vann aye; Mendiola aye; Martens aye. Motion carried 5-0.

ACKNOWLEDGE RENEWAL AND AMENDMENT AGREEMENT BETWEEN NCTC-FOX NETWORKS GROUP AND THE SALLISAW MUNICIPAL AUTHORITY

Motion was made by Vann, seconded by Lowe, to acknowledge the renewal and amendment with NCTC-Fox Networks Group. Vote: Vann aye; Lowe aye; Gay aye; Mendiola aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL OF RESOLUTION 2020-02, A RESOLUTION PROVIDING CHANGES IN ELECTRIC SERVICE RATES IN THE SALLISAW MUNICIPAL AUTHORITY, OKLAHOMA

Motion was made by Vann, seconded by Lowe, for approval of Resolution 2020-02. Vote: Vann aye; Lowe aye; Gay aye; Mendiola aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL OF GRAND RIVER DAM AUTHORITY ECONOMIC DEVELOPMENT RIDER SERVICE AGREEMENT WP-EDSR-II; AN AGREEMENT BETWEEN THE SALLISAW MUNICIPAL AUTHORITY AND THE GRAND RIVER DAM AUTHORITY

Motion was made by Vann, seconded by Mendiola, for approval of the Grand River Dam Authority Economic Development Rider Service Agreement WP-EDSR-II. Vote: Vann aye; Lowe aye; Gay aye; Mendiola aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL OF RESOLUTION 2020-03, A RESOLUTION APPROVING PARTICIPATION IN THE OKLAHOMA MUNICIPAL ALLIANCE'S MUTUAL AID AGREEMENTS

Motion was made by Vann, seconded by Lowe, for approval of Resolution 2020-03. Vote: Vann aye; Lowe aye; Gay aye; Mendiola aye; Martens aye. Motion carried 5-0.

ADMINISTRATIVE REPORTS

None.

Motion was made by Lowe, seconded by Vann, to adjourn the meeting there being no further business. Vote: Lowe aye; Vann aye; Gay aye; Mendiola aye; Martens aye. Motion carried 5-0. The meeting adjourned at 7:01 p.m.

APPROVED the **13th** day of **APRIL** **2020**.

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SECRETARY TO THE AUTHORITY

(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date:	April 13, 2020
Board:	Sallisaw Municipal Authority
Subject:	Electric Rates

ITEM TITLE: Discuss and Consider Rescinding Resolution 2020-02, Approved March 9, 2020

INITIATOR: City Manager
Director of Finance

STAFF INFORMATION SOURCE: City Manager
Director of Finance

BACKGROUND: Given the current COVID-19 issues, staff is requesting that the changes to electric rates be postponed until a future date. Staff will need to monitor the aftermath of the COVID-19 event and present another resolution for electric rate changes at a future meeting.

Staff will make this a topic of discussion for the budget retreat.

EXHIBITS:

KEY ISSUES: N/A

FUNDING SOURCE: N/A

RECOMMENDATION: Staff recommends rescinding Resolution 2020-02.

SALLISAW MUNICIPAL AUTHORITY

REDEPOSIT
OF
TEMPORARILY IDLE FUNDS

APRIL 13, 2020

Fund	Amount
Sallisaw Municipal Authority	$468,326.96

Days	Firstar	National	Armstrong	Arvest
28	.26%	.35%		

Days	Firstar	National	Armstrong	Arvest
56	.54%	.35%		

115 East Choctaw P.O. Box 525 Sallisaw, OK 74955
918-775-6241 918-775-9550 Fax www.sallisawok.org

SALLISAW MUNICIPAL AUTHORITY

TO: Firstar Bank **March 31, 2020**

The Sallisaw Municipal Authority requests quotes on time deposits of idle funds for the time specified beginning April 15, 2020:

FUND	AMOUNT	DAYS	MATURITY	QUOTE
Sallisaw Mun. Auth.	**$468,326.96**	28	May 13, 2020	.26%
		56	June 10, 2020	.54%

Due to COVID-19 quotes will be received by the City Clerk via e-mail; **ddavis@sallisawok.org**. E-mail quotes must be received by **10:00 a.m., Wednesday, April 8, 2020**. Quotes will be reviewed by the City Clerk. Recommendation for award will be presented at the meeting of the Sallisaw Municipal Authority beginning immediately following the Board of City Commissioners at 6:00 p.m. on April 13, 2020.

Please ensure your facility has sufficient collateral pledged, should you be the successful bidder.

Dianna Davis
Dianna Davis, Secretary

Submitted by:

Firstar Bank

Date: 4-2-2020

By: [signature]

CITY OF SALLISAW OKLAHOMA EST. 1886

115 East Choctaw P.O. Box 525 Sallisaw, OK 74955
918-775-6241 918-775-9550 Fax www.sallisawok.org

SALLISAW MUNICIPAL AUTHORITY

TO: National Bank of Sallisaw **March 31, 2020**

The Sallisaw Municipal Authority requests quotes on time deposits of idle funds for the time specified beginning April 15, 2020:

FUND	AMOUNT	DAYS	MATURITY	QUOTE
Sallisaw Mun. Auth.	**$468,326.96**	28	May 13, 2020	0.35%
		56	June 10, 2020	0.35%

Due to COVID-19 quotes will be received by the City Clerk via e-mail: **ddavis@sallisawok.org**. E-mail quotes must be received by **10:00 a.m., Wednesday, April 8, 2020**. Quotes will be reviewed by the City Clerk. Recommendation for award will be presented at the meeting of the Sallisaw Municipal Authority beginning immediately following the Board of City Commissioners at 6:00 p.m. on April 13, 2020.

Please ensure your facility has sufficient collateral pledged, should you be the successful bidder.

Dianna Davis

Dianna Davis, Secretary

Submitted by:

National Bank of Sallisaw

Date: 3/31/20

By: _______________

AGENDA ITEM COMMENTARY

Meeting Date:	April 13, 2020
Board:	Sallisaw Municipal Authority
Subject:	Refinancing of City Bond Issues

ITEM TITLE: Discussion and Possible Direction to Staff on Possible Current Refinancing of the Series 2009 Bond Issue and the OWRB Series 2010 DW Loan

INITIATOR: City Manager
Director of Finance

STAFF INFORMATION SOURCE: Greg Nieto, The Baker Group (will be available via conference call)

BACKGROUND: Staff has been working with our financial consultant on possible refinancing of existing debt. Discussions have revolved around a current refinancing of our existing Series 2009 and OWRB SRF Loan. The outstanding principal balance of these is approximately $7,593,000. The total bond issue being considered is $12,615,000. Taking advantage of current market conditions, this would refinance the 2009 and OWRB debt and provide an additional $5.2 million for city projects. (see attachment)

- The term of the new issue would run to January 2039.
- Current debt service for the Series 2009 and OWRB loan is $989,749 per year. Pay off of this debt is January 2028 and September 2030.
- New debt service is estimated at $889,000 per year, which is less than the current required payments.

EXHIBITS:
1. Proposed Bond Projects.2020
2. Sallisaw 2009_Refinance2020.Agenda

KEY ISSUES: The City has identified approximately $5 million of infrastructure projects that we deem as essential and required to complete within the next one to three years. Utilizing only current revenues available in the budget, these projects would be pushed out much further before they can be completed. A bond issue would provide needed funding for these projects and free up funding in Funds 30 and 92 for other needed city projects.

Refinancing of the two debt issues, along with additional funding, will deposit approximately $5.2 million into a capital account and be available for projects. (see attachment)

Projects proposed for the WWTP total $2.1 million. These projects include Phase II of the flow basin, rehabilitation of an aeration basin, bar screen, ultraviolet disinfection equipment and electrical work. Other work may be added as necessary.

The refinancing would also provide up to $455,000 for the North Substation Rebuild. This is a $1 million project that will also be funded via grant funds.

FUNDING SOURCE: Sallisaw Municipal Authority

RECOMMENDATION: Staff requests the Board of Trustees direct staff to proceed with the refinancing of the debt and obtaining additional funding. If directed, staff will work with our bond counsel on the needed resolutions and bring those to a future meetings when ready.

Proposed Projects for Bond Funding

	Project	Priority	Estimated Cost
1	WWTP Phase II Flow Basin	High	$ 1,000,000
2	WWTP Aeration Basin - Rehab and bring back to service	High	$ 325,000
3	WWTP Bar Screen*	High	$ 400,000
4	WWTP Ultraviolet Treatment Equipment*	High	$ 300,000
5	WWTP Electrical Work	High	$ 100,000
6	Landfill Leachate Disposal Line to WWTP	High	$ 850,000
7	Landfill Compactor LP Payoff	High	$ 490,000
8	Landfill Electric Line Extension to LF	High	$ 300,000
9	North Substation	High	$ 455,000
10	Other / AMI /AMR System (may reduce)	High	$ 510,000
11	Wilson Property (Industrial Park) (optional)	Med	$ 320,000
		Total Required	$ 5,050,000

**possible offset with grant funds at 50/50*

Benefits

Free up funding in Fund 30 and 92
Eliminates the Landfill Compactor LP payment
Provides needed investment in WWTP
Frees up funding for city facilities
Frees up funding for continued street paving

Refinance of Series 2009

Electric North Substation (Deposit to Constr Accout)	Estimated	$ 455,000
	Available for N.Substation Grant Match	$ 455,000
	North Substation Grant Funds	$ 490,000
	Funs Available for Project	$ 945,000

$12,615,000

THE SALLISAW MUNI AUTH

CURR REF 2020-with Project-dtd 7.1+OWRB-3,08

Sources & Uses

Dated 07/01/2020 | Delivered 07/01/2020

Sources Of Funds

Par Amount of Bonds	$12,615,000.00
Reoffering Premium	601,255.90
Transfers from Prior Issue Debt Service Funds	242,500.00
Total Sources	**$13,458,755.90**

Uses Of Funds

Total Underwriter's Discount (1.250%)	157,687.50
Costs of Issuance	383,375.00
Deposit to Current Refunding Fund	7,717,468.73
Deposit to Revenue Fund	5,200,000.00
Rounding Amount	224.67
Total Uses	**$13,458,755.90**

$12,615,000

THE SALLISAW MUNI AUTH

CURR REF 2020-with Project-dtd 7.1+OWRB-3,08

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
01/01/2021	365,000.00	3.000%	189,225.00	554,225.00
01/01/2022	525,000.00	3.000%	367,500.00	892,500.00
01/01/2023	540,000.00	3.000%	351,750.00	891,750.00
01/01/2024	555,000.00	3.000%	335,550.00	890,550.00
01/01/2025	570,000.00	3.000%	318,900.00	888,900.00
01/01/2026	585,000.00	3.000%	301,800.00	886,800.00
01/01/2027	610,000.00	3.000%	284,250.00	894,250.00
01/01/2028	625,000.00	3.000%	265,950.00	890,950.00
01/01/2029	645,000.00	3.000%	247,200.00	892,200.00
01/01/2030	660,000.00	3.000%	227,850.00	887,850.00
01/01/2031	680,000.00	3.000%	208,050.00	888,050.00
01/01/2032	705,000.00	3.000%	187,650.00	892,650.00
01/01/2033	725,000.00	3.000%	166,500.00	891,500.00
01/01/2034	745,000.00	3.000%	144,750.00	889,750.00
01/01/2035	770,000.00	3.000%	122,400.00	892,400.00
01/01/2036	790,000.00	3.000%	99,300.00	889,300.00
01/01/2037	815,000.00	3.000%	75,600.00	890,600.00
01/01/2038	840,000.00	3.000%	51,150.00	891,150.00
01/01/2039	865,000.00	3.000%	25,950.00	890,950.00
Total	**$12,615,000.00**	**-**	**$3,971,325.00**	**$16,586,325.00**

Yield Statistics

Bond Year Dollars	$132,377.50
Average Life	10.494 Years
Average Coupon	3.0000000%
Net Interest Cost (NIC)	2.6649216%
True Interest Cost (TIC)	2.6025168%
Bond Yield for Arbitrage Purposes	1.9767428%
All Inclusive Cost (AIC)	2.9448977%

IRS Form 8038

Net Interest Cost	2.4428697%
Weighted Average Maturity	10.438 Years

$12,615,000

THE SALLISAW MUNI AUTH

CURR REF 2020-with Project-dtd 7.1+OWRB-3,08

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
01/01/2021	554,225.00	554,225.00	850,692.14	296,467.14
01/01/2022	892,500.00	892,500.00	1,026,349.27	133,849.27
01/01/2023	891,750.00	891,750.00	1,026,149.25	134,399.25
01/01/2024	890,550.00	890,550.00	1,025,149.25	134,599.25
01/01/2025	888,900.00	888,900.00	1,022,804.26	133,904.26
01/01/2026	886,800.00	886,800.00	1,022,661.75	135,861.75
01/01/2027	894,250.00	894,250.00	1,026,406.76	132,156.76
01/01/2028	890,950.00	890,950.00	1,023,816.77	132,866.77
01/01/2029	892,200.00	892,200.00	350,114.26	(542,085.74)
01/01/2030	887,850.00	887,850.00	350,114.26	(537,735.74)
01/01/2031	888,050.00	888,050.00	350,114.07	(537,935.93)
01/01/2032	892,650.00	892,650.00	-	(892,650.00)
01/01/2033	891,500.00	891,500.00	-	(891,500.00)
01/01/2034	889,750.00	889,750.00	-	(889,750.00)
01/01/2035	892,400.00	892,400.00	-	(892,400.00)
01/01/2036	889,300.00	889,300.00	-	(889,300.00)
01/01/2037	890,600.00	890,600.00	-	(890,600.00)
01/01/2038	891,150.00	891,150.00	-	(891,150.00)
01/01/2039	890,950.00	890,950.00	-	(890,950.00)
Total	**$16,586,325.00**	**$16,586,325.00**	**$9,074,372.04**	**(7,511,952.96)**

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	(4,685,795.32)
Net PV Cashflow Savings @ 2.945%(AIC)	(4,685,795.32)
Transfers from Prior Issue Debt Service Fund	(242,500.00)
Contingency or Rounding Amount	224.67
Other Benefits	5,200,000.00
Net Present Value Benefit	$271,929.35
Net PV Benefit / $7,593,384 Refunded Principal	3.581%
Net PV Benefit / $12,615,000 Refunding Principal	2.156%

Refunding Bond Information

Refunding Dated Date	7/01/2020
Refunding Delivery Date	7/01/2020