



**CITY OF SEDALIA  
SPECIAL COUNCIL MEETING**

**Wednesday, November 23, 2016  
Municipal Building  
200 S. Osage Avenue**

**Special Council Meeting – 12:00 p.m. – Mayor’s Conference Room**

ROLL CALL

**NEW BUSINESS**

**ORDINANCES AND RESOLUTIONS**

- O Approving and accepting a Letter of Commitment by and between the City of Sedalia, Missouri and Capital One Public Funding, LLC for the City of Sedalia Refunding Certificates of Participation, Series 2017**

**(NOTE:** Council Members who attend the special meeting via telephone conference call will not be able to voice their vote via telephone on the proposed ordinance.)

ADJOURN

*The City Council reserves the right to discuss any other topics that are broached during the course of this meeting.*

**IF YOU HAVE SPECIAL NEEDS, WHICH REQUIRE ACCOMMODATION, PLEASE NOTIFY THE CITY CLERK’S OFFICE. ACCOMMODATIONS WILL BE MADE FOR YOUR NEEDS.**

**Posted November 22, 2016**

BILL NO. \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE APPROVING AND ACCEPTING A COMMITMENT LETTER BY AND BETWEEN THE CITY OF SEDALIA, MISSOURI AND CAPITAL ONE PUBLIC FUNDING , LLC WITH RESPECT TO THE ISSUANCE OF CERTIFICATES OF PARTICIPATION SERIES 2017.**

**WHEREAS**, The City of Sedalia, Missouri, in considering the issuance of approximately \$3,670,000 of Certificates of Participation, Series 2017 (the "Certificates") to refund for interest cost savings the callable maturities of the City's Refunding Certificates of Participation, Series 2007, accepted a proposal from Piper Jaffray and Company selected through a competitive process; and

**WHEREAS**, the proposal accepted from Piper Jaffray and Company included a direct placement with Capital One Public Funding, LLC; and

**WHEREAS**, Capital One Public Funding, LLC proposed a commitment letter to further document the understanding and process to move forward with this transaction.

**NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SEDALIA, MISSOURI**, as follows:

**Section 1.** The Council of the City of Sedalia, Missouri, hereby approves and accepts the commitment letter by and between the City of Sedalia, Missouri, and Capital One Public Funding, LLC in substantively the same form and content as the commitment letter has been proposed.

**Section 2.** The City Administrator is authorized and directed to execute and the City Clerk is hereby authorized and directed to attest and fix the seal of the City of Sedalia, Missouri, on the commitment letter in substantively the same form and content as the commitment letter has been proposed.

**Section 3.** The City Clerk is hereby directed to file in her office a duplicate or copy of the commitment letter after it has been executed by the parties or their duly authorized representatives.

**Section 4.** This ordinance shall take effect and be in full force and effect from and after its passage and approval.

Read two times by title, copies of the proposed ordinance having been made available for public inspection prior to the time the bill is under consideration by the Council and passed by the Council of the City of Sedalia, Missouri this 23<sup>rd</sup> day of November 2016.

\_\_\_\_\_  
Presiding Officer of the Council

Approved by the Mayor of said City this 23<sup>rd</sup> day of November 2016.

ATTEST:

\_\_\_\_\_  
Stephen J. Galliher, Mayor

\_\_\_\_\_  
Arlene Silvey, MPCC  
City Clerk



November 18, 2016

Kelvin Shaw  
Finance Director  
City of Sedalia, Missouri  
[kshaw@cityofsedalia.com](mailto:kshaw@cityofsedalia.com)

Tom Kaleko  
Senior Vice President  
Springsted Incorporated  
[tkaleko@springsted.com](mailto:tkaleko@springsted.com)

Subject: City of Sedalia Refunding Certificates of Participation, Series 2017 ("Loan")

Ladies and Gentlemen:

Capital One Public Funding, LLC ("COPF") is pleased to present this commitment letter ("Commitment") to the City of Sedalia (the "City") with respect to the hereinafter described Loan. COPF hereby agrees to extend Credit to the City as evidence by a single Certificate of Participation for its own loan account, and the City agrees to issue the Certificate to COPF.

Type of Financing:	City of Sedalia Refunding Certificates of Participation, Series 2017 ("Loan").
Financed Amount:	Approximately \$3,670,000.
Issuer:	City of Sedalia ("City").
Lender:	Capital One Public Funding, LLC ("COPF").
Trustee:	UMB Bank, N.A.
Project/Use of Proceeds:	Proceeds to be used to refund Certificates of Participation, Series 2007.
Security:	The Certificate will be issued pursuant to a Second Supplemental Lease Purchase Agreement to be entered

into between the Trustee, as lessor, and the City, as lessee. The City and the Trustee will execute and deliver the Certificate pursuant to the Declaration and Indenture of Trust dated as of December 1, 2001, as amended by the First Supplemental Indenture of Trust dated as of April 1, 2007, and to be further amended by a Second Supplemental Indenture of Trust to be delivered in conjunction with the issuance of the Certificate (collectively the "Indenture"). The Trustee will hold a ground lease on the County Courthouse, the County Jail and the juvenile detention facilities and the improvements located thereon and a portion of the Public Building Project.

**Financing Term/Payment Structure:** Annual principal due each March 15th commencing March 15, 2018 and semi-annual interest payments due each March 15th and September 15<sup>th</sup> commencing September 15, 2017..

**Interest Rate:** The fixed rate is 2.55%

**Closing date:** On or before February 28, 2017

**Conditions precedent to purchase and closing:**

COPF's obligations under this Commitment to purchase, to accept delivery of and to pay for the Loan shall be expressly conditioned upon the satisfaction of each of the following:

Receipt of a legal opinion of Gilmore & Bell P.C., Bond counsel, dated the Closing Date in form and substance satisfactory to COPF regarding (i) the authorization, validity and enforceability of the Indenture, the Lease relating to the Certificate and the legal, valid, and binding nature of the security for the Loan, the Loan is secured by the Indenture and stating that the interest component of the payments on the Loan is exempt from Federal and state income taxation.

Receipt of executed Loan documentation satisfactory to COPF and the City.

Evidence satisfactory to COPF that all requirements relating to (a) issuance of the Certificate under the

Indenture and (b) redemption of the Certificates of Participation, Series 2007 have been satisfied.

From the date hereof to the closing date, there shall not have occurred any of the following: (i) material adverse change in the financial condition, debt profile, or general affairs of the City; (ii) event, court decision, proposed law or rule or any pronouncement of the Internal Revenue Service that may have the effect of changing the federal income tax nature of the Loan or the contemplated transaction; (iii) international or national crisis or banking moratorium materially affecting, in the reasonable opinion of COPF, the market value of the Loan; or (iv) new restrictions on the extension of credit by banks or other lending institutions by any federal or state agency.

Receipt of a closing certificate of the City in form and substance satisfactory to COPF, in which the City shall: (i) represent and warrant as of the closing date that all financial statements and other information delivered to COPF relating to the City are correct and complete and that no material adverse changes have occurred since the date of this commitment letter; (ii) represent, warrant and covenant that neither the authorization, execution and delivery of the Loan, the Indenture or the Lease, nor compliance with the provisions thereof by the City, conflicts in any material respect with or will result in a material breach of any of the terms, conditions or provisions of any resolution or of any agreement, instrument, statute, regulation, court order or decree to which the City is a party or by which it or any of its property is bound, or constitutes a material default under any of the foregoing, and (iii) disclose all direct or contingent Loan debt, lease, installment purchase, or bond obligations since last audit date.

All other legal matters pertaining to the execution and delivery of the Loan shall be satisfactory to COPF and its counsel, and COPF shall have received such other statements, certificates, agreements, documents and information with respect to the City and matters contemplated by this Commitment Letter and the Loan as COPF may reasonably request

**Fees:** No fees shall be charged by COPF to the City for execution of the Loan.

**Call Provision:** On or after March 15, 2021, the Loan may be redeemed prior to maturity at the option of the City in whole at par on a payment date.

**Other Provisions:** COPF is purchasing the Loan for its own loan account and without a present intention to offer or sell any interest therein or portion thereof. COPF and its successors and assigns have the right to assign, transfer or convey the Loan (or any interest therein or portion thereof) only to any of its affiliates or to banks, insurance companies or other financial institutions or their affiliates, including participation arrangements with such entities. No signature guarantee shall be required for transfers of the Loan.

Within 270 days following the end of each fiscal year of the City, the City shall provide COPF with a copy of its audited financial statements for such fiscal year. Such audited financial statements shall include a balance sheet, a statement of revenues, expenses and changes in fund balances for budget and actual, a statement of cash flows, notes, schedules and any attachments to the financial statements and such other financial information as COPF shall reasonably request.

All reports, statements and other documents required under the Indenture to be delivered to the Trustee with respect to the Loan shall simultaneously be delivered to COPF.

**Role of Capital One Public Funding, LLC:** Capital One Public Funding, LLC, is acting solely as Purchaser and not in the capacity of fiduciary for the City, placement agent, broker, dealer, municipal securities underwriter, municipal advisor or fiduciary with respect to the Loan.

The City acknowledges and agrees that: (i) the information contained in this commitment letter is for discussion

purposes only and sets forth certain proposed terms and conditions of an arm's-length commercial transaction among the City and COPF and does not constitute advice, an opinion or a recommendation by COPF; (ii) the City will each make its own determination regarding whether to enter into the proposed transaction and the terms thereof, and will each consult with and rely on the advice of its own financial, accounting, tax, legal and other advisors; (iii) COPF is acting solely for its own loan account in connection with the proposed transaction, and is not acting as a municipal advisor, financial advisor, agent or fiduciary to the City or any other person or entity (including to any financial advisor or placement agent engaged by the City), each of which are free to retain the services of such advisors (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) as such entity deems necessary or appropriate; (iv) COPF has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto; (v) neither COPF nor any of its affiliates is acting as a broker, dealer, underwriter or placement agent with respect to the transactions contemplated hereby; (vi) the only obligations COPF has to the City with respect to the transactions contemplated hereby expressly are set forth in this Commitment; and (vii) COPF is not recommending that the City take an action with respect to the transactions contemplated by this Commitment. Before taking any action with respect to the contemplated transaction, the City should discuss the information contained herein with the City's own legal, accounting, tax, financial and other advisors, as it deems appropriate. If the City would like a municipal advisor in this transaction that has legal fiduciary duties to it, the City is free to engage a municipal advisor to serve in that capacity. This Commitment is provided to the City pursuant to and in reliance upon the "bank exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq.

No Loan Rating, DTC,

Offering Document or CUSIP:

The Loan shall be delivered in physical, non-book-entry, certificated form and registered in the name of COPF. The Loan shall not be (i) assigned a separate rating by any rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

Thank you for the opportunity to offer this Commitment Letter. If the City is in agreement with the terms and conditions contained herein, please sign in the space provided below indicating the City's acceptance and return an executed copy of this offer via e-mail to COPF. Should you have any questions regarding COPF or this letter, please do not hesitate to contact Jeffrey Sharp at 631-316-0171 ([jeffrey.sharp@capitalone.com](mailto:jeffrey.sharp@capitalone.com)).

Sincerely,

Jeffrey Sharp  
Senior Vice President  
CAPITAL ONE PUBLIC FUNDING, LLC

ACCEPTED BY:

CITY OF SEDALIA

BY \_\_\_\_\_

NAME \_\_\_\_\_

TITLE \_\_\_\_\_