

**MINUTES OF THE
BARTLESVILLE EDUCATION
AUTHORITY BOARD OF
TRUSTEES**

Tuesday, September 3, 2019

7 p.m.

City Hall, Council Chambers

401 S. Johnstone Ave.

Bartlesville, OK 74003

MINUTES

(Notice of Meeting and Agenda posted at 5:00 p.m. on Thursday, August 29, 2019.)

Trustees present were Chairman Dale Copeland, Vice Chairman Alan Gentges, Trustees Jim Curd, Jr. Trevor Dorsey and Paul Stuart.

City staff present were Mike Bailey, City Manager; Jason Muninger, City Clerk/CFO and Secretary to the BEA; Jess Kane, City Attorney; Terry Lauritsen, Director of Water Utilities; Lisa Beeman, Director of Community Development and Park Planning; Shelley Charles, Engineering; Shellie McGill, Director of the Library; Kelli Williams, Chief Communications Officer; Police Chief Tracy Roles; Deputy Police Chief Rocky Bevard; Rick Silver, Special Assistant to the Police Chief; Captain Kevin Ickleberry; many police officers; Captain Kelley Thomas, Security; and Elaine Banes, Executive Assistant. Bartlesville Public School Superintendent, Chuck McCauley was also in attendance.

- 1. Chairman Copeland called the business meeting of the Bartlesville Education Authority to order at 7:00 p.m.**
- 2. Roll call was conducted and a quorum established.**
- 3. The invocation was provided by Father John O'Neill, Pastor of St. John Before the Latin Gate Catholic Church.**
- 4. Citizens to be heard.**

There were no citizens to be heard.

- 5. Discuss and take action to approve the Special Meeting Minutes of June 3, 2019.**

Mr. Dorsey moved to approve the minutes as presented, seconded by Mr. Stuart.

Ayes: Mr. Stuart, Mr. Dorsey, Mr. Curd, Vice Chairman Gentges, Chairman Copeland
Nays: None
Motion: Passed

- 6. Consideration and action on a Resolution authorizing the Bartlesville Education Authority (the "Authority") to issue its Lease Revenue Note, Series 2019 (Bartlesville Public Schools) (the "Note") in the aggregate principal amount of \$8,700,000.00; waiving competitive bidding and authorizing the note to be sold on a negotiated basis; approving and authorizing execution of a Lease Purchase Agreement by and between the Authority and Independent School District No. 30 of Washington County, State of Oklahoma (the**

“School District”); approving and authorizing execution of a Note Indenture authorizing the issuance and securing the payment of the Note; providing that the organizational document creating the Authority is subject to the provisions of the Note Indenture; approving and authorizing execution of a Ground Lease Agreement by and between the Authority and the School District; authorizing and directing the execution of the Note and other documents relating to the transaction; and containing other provisions relating thereto. Presented by Jon Wolff, Financial Advisor, Municipal Finance Services, Inc.

Mr. Wolff reported that this resolution is similar to what occurred three years ago when the Bartlesville Education Authority (BEA) was established to enter into a lease agreement with the Bartlesville Public School District (District) to provide a financial conduit in order to make educational type improvements. In order for the Bartlesville Public School District to take advantage of low interest rates, minimize inflation, and speed up the improvement timeline, the District and the City provides the option to go through a public trust, the BEA. The resolution presented will provide the same mechanism to assist the District. The note issued by the Trust will be in the amount of \$8.7 million and will include the construction of a Vo-Ag building, new press box, HVAC repair and numerous other items. The transaction is for 4 ¾ years, and after having spoken to various banks to obtain best interest rate-wise which will be south of 2%. If the resolution is approved, a package will be prepared to submit to interested banks and will be released Thursday. Officials will review the bids once received on September 26. Mr. Wolff distributed a handout to the Council setting out the costs associated with the transaction.

Mayor Copeland reported that he was on the BEA previously with an understanding the process and opened the meeting up to the Trustees for questions. Mr. Stuart inquired if when the BEA was established, was it formed with the intention to be a continuing entity or for a one time only situation. Mr. Bailey stated it was formed with the intent to assist multiple times, as may be needed. Mayor Copeland asked Mr. Wolff for further explanation of conduit issuance for the sake of the public. Mr. Wolff explained that conduit issuance occurs Statewide, quite often. When there is a need for capital improvement, the benefit to establish a government entity such as the BEA as a conduit is to take advantage of the value, costs and expediency of obtaining the capital improvement. In addition, the BEA will be paid appropriately for providing the service to the District. Mayor Copeland explained that the capital improvements could be constructed in stages over several years as bond money was issued, or the BEA, as a conduit, can provide the funds immediately to get the improvements constructed utilizing cost efficiently. Mr. Wolff stated that all of laws are followed by all entities involved, and apprise what is most fair and equitable to the District and City. Vice Mayor Gentges inquired if the City will be responsible for the debt. Mr. Wolff stated that the BEA will be responsible for the debt, but that District will make the payments back to the BEA, from GO Bonds issuances. He added there is a large cushion, \$5-6 million in bonds which would be used to pay the BEA back should a tough situation arise, putting payment to the BEA first. Vice Mayor reviewed, and Mr. Wolff confirmed, that the first interest payment is scheduled for 2020, and the first large principal payment in 2022.

Vice Mayor Gentges moved to approve the Resolution as presented, seconded by Mr. Stuart.

Ayes: Mr. Dorsey, Mr. Curd, Vice Chairman Gentges, Mr. Stuart, Chairman Copeland
Nays: None
Motion: Passed

7. BEA Trustee Comments and Inquiries.

There were no comments or inquires.

8. There being no further business to address, Mayor Copeland adjourned the meeting at 7:25 p.m.



Jason Muninger, City Clerk/CFO and
Secretary to the Bartlesville Education Authority



Dale W. Copeland, Chairman