TOWN OF PARKER COUNCIL
MINUTES
MAY 23, 2019

Mayor Mike Waid called the meeting to order at 5:01 P.M. Councilmember Renee Williams was absent.

ORDINANCES

ORDINANCE NO. 1.533 - Second Reading
A Bill for an Ordinance Authorizing a Lease Purchase Transaction and in Connection Therewith, Authorizing the Leasing of Certain Town Property and the Execution and Delivery by the Town of a Site Lease, a Lease Purchase Agreement, an Escrow Agreement and Other Financing Documents in Connection Therewith

Department: **Finance, Mary Lou Brown**
Town Attorney, Jim Maloney

5:02 P.M.
Mary Lou Brown gave the background on this item and James Manire explained why we were paying early.

At a study session on May 13, 2019, the financial transaction was reviewed with Council by James Manire, Director Hilltop Securities, who serves as the Town's financial advisor. Also participating was Nate Eckloff, Managing Director, RBC Capital Markets; RBC will serve as the underwriter of the transaction.

In 2009, the Town issued $44,250,000 in Certificates of Participation to finance the costs of constructing and equipping a new police station as well as the PACE Center. The certificates mature by October 15, 2035; those Certificates maturing on and after November 1, 2020 are subject to redemption on or after November 1, 2019 at the option of the Town.

In order to take advantage of positive market dynamics, Town Finance staff is recommending a refunding of the 2009 Certificates. The Refunding Certificates will be referred to as the Series 2019 and will reflect the interest in the rental under a new Lease Purchase Agreement entered into between Wells Fargo Bank as trustee and lessor and the Town of Parker as lessee. The Series 2019 Certificates will be executed and delivered by the Trustee according to a new Indenture of Trust. This process mirrors that of 2009.

Under the refunding, the collateral for the Series 2019 Certificates will be the Police Building and Site; under the current agreement both the Police Building and the PACE Center serve as collateral.

The recommendation for approval is being made for the following reasons: (1) the refunding is expected to reduce the effective interest rate from approximately 4.4% to less than 3.0%; (2) the maximum annual repayment cost of the base rentals will not exceed $2,250,000 which will be a reduction from the current maximum annual repayment cost of $2,900,000; (3) the total repayment cost will not exceed $35,890,000; (4) the term of the repayment obligation will end no later than December 31, 2035 which is the same end date as for the 2009 Certificates; and (5) the PACE Center will be released as security for the 2019 Certificates.

Town staff and the Town's Financial Advisor are recommending the refunding of the 2009 Certificates of Participation through the issuance of 2019 Refunding Certificates of Participation and the authorization of a lease purchase agreement, site lease, escrow agreement and other related financing documents. The result of these approvals will be a reduction in the amount of interest expense paid by the Town.

Public Comment - None

Cheryl Poage moved to approve Ordinance 1.533 on second reading.

Jeff Toborg seconded the motion.

The motion was approved unanimously.

The Regular Meeting was recessed at 5:18 P.M. for an Executive Session.

EXECUTIVE SESSION

Town Attorney Jim Maloney and PAR Attorney Corey Hoffmann announced that there was one (1) item for the Combined Executive Session under C.R.S. § 24-6-402(4)(e) concerning listing agreement for Town properties between NavPoint Real Estate Group and the Town (My Mainstreet) and under C.R.S. § 24-6-402(4)(b) there was one (1) item to receive legal advice on specific legal questions concerning South Metro Fire Rescue Fire Protection District v. Parker Authority for Reinvestment et al., Douglas County District Court Case No. 17CV30549.

Josh Rivero moved and John Diak seconded to go into the Combined Executive Session to determine positions relative to matters that may be subject to negotiations, develop a strategy for negotiations, and/or instruct negotiations and to hold a conference with the Town's attorney to receive legal advice on specific legal questions.

The motion was approved unanimously.

Councilmember Cheryl Poage left the meeting at 5:27 P.M., because she had a conflict of interest with the second item.

Debbie Lewis moved and John Diak seconded to come out of the Combined Executive Session at 6:05 P.M.

The meeting was adjourned at 6:06 P.M.

Carol Baumgartner, Town Clerk

Mike Waid, Mayor