MINUTES
LAWTON WATER AUTHORITY SPECIAL MEETING
MARCH 25, 2008 - 6:00 P.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBER

The meeting was called to order at 6:03 p.m. by Chairman, John P. Purcell, Jr. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT: Bill Shoemate, James Hanna, Janice Drewry, Jay Burk, Robert Shanklin, Jeff Patton, Stanley Haywood, Randy Warren.

ABSENT. None.

ALSO PRESENT: Larry Mitchell, City Manager; John Vincent, City Attorney; Traci Hushbeck, City Clerk.

CONSIDER APPROVAL OF MINUTES OF MARCH 11, 2008.

MOVED by Hanna, SECOND by Haywood to approve the Minutes of March 11, 2008. AYE: Patton, Haywood, Warren, Hanna, Drewry, Burk, Shanklin. NAY: None. ABSTAIN: Shoemate. MOTION CARRIED.

BUSINESS ITEMS:

1. Consider a Resolution authorizing the issuance of not to exceed $28,000,000 sales tax and utility system revenue note; approving and authorizing the execution of a note indenture and a series 2008 supplemental note indenture; statement; waiving competitive bidding; ratifying and confirming a lease agreement; approving a security agreement with the City; authorizing payment of fees and expenses; and containing other provisions relating thereto. Exhibits: Resolution No. ____ and Security Agreement.

Rick Endicott, Finance Director, stated in October the Lawton voters approved a 3/8th cent sales tax for a seven year program which estimates to be approximately $28 million over the next seven years. Council has approved the application process with ODFA. He stated Gary Bush, our bond counsel will speak about the documents to be approved. He stated Keith McDonald, our financial advisor is here to address some questions as to timing of the funding.

Gary Bush, Bond Attorney, stated this is typical of other financing that has been done in the sense that the Lawton Water Authority is the borrower. It is not typical because someone else is going to pay the interest on what is borrowed. This is designed with maximum flexibility to borrow as much as we can through this system. The effect will be to provide as much money as possible out of this sales tax for these various projects. The 3/8th cent sales tax will be pledged for this and there will be a very minor lien on the water revenues so they can borrow from this a second time if we get down five years from now and we need some more money for these projects, we would borrow a second time from a bank. All of this is built into these documents. We will issue a note to a state trust called the Oklahoma Development Finance Authority (ODFA) who will use our note as the security for their borrowing. They will issue their note or bond to some financial institution and then turn around and loan us the money at no interest. The interest will be paid by the Oklahoma Department of Commerce. He stated this is a very good deal for the City of Lawton.

Keith McDonald, Wells Nelson and Associates, stated the timing is something everyone wants to understand. He stated if the resolution is approved they will be meeting with the ODFA at their April 30th meeting. He stated it will then go to the State Bond Oversight Commission who will meet on May 29th. They will anticipate a closing in mid June.

Mitchell questioned if this would be a single issue.

Mr. Bush stated he feels it will be a single issue.

Mitchell questioned if they had any estimate on what the interest savings would be on an issue like this.

Mr. Bush stated he would expect a rate of 5% or slightly above, but we don't pay that.

Mr. McDonald stated he would estimate $1 million a year savings. He will provide a schedule.

Endicott stated we need to keep in mind that any monies we earn will have to be treated like a regular CIP issue and all of the money will have to go into the projects that were approved by the City Council.

MOVED by Haywood, SECOND by Drewry, to approve **Res. 08-03**. AYE: Haywood, Warren, Shoemate, Hanna, Drewry, Burk, Shanklin, Patton. NAY: None. MOTION CARRIED.

There being no further business to consider, the meeting adjourned at 6:14 p.m. upon motion, second and roll call vote.

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JOHN P. PURCELL, JR., CHAIRMAN

ATTEST:

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TRACI HUSHBECK, SECRETARY