

## **BILL NO. 24-114**

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF A REVENUE ANTICIPATION NOTE (STATE OF MISSOURI – LEAD SERVICE LINE INVENTORY LOAN PROGRAM) SERIES 2024 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$153,000; PRESCRIBING THE FORM AND DETAILS OF THE NOTE; AND AUTHORIZING CERTAIN OTHER ACTIONS AND DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, the City of Lee's Summit, Missouri (the "City") is a home rule constitutional charter city and political subdivision organized and existing under the constitution and laws of the State of Missouri; and,

WHEREAS, the City now owns and operates a waterworks system, serving the City, its inhabitants and others within its service area, including connected and related appurtenances and facilities and extensions, improvements, additions and enlargements made or acquired by the City after the date of this Ordinance (the "System"); and,

WHEREAS, the City desires to finance lead service line inventory services in connection with the System (the "Project"); and,

WHEREAS, to provide for the most cost-effective method of financing the Project, the City desires to participate in the State of Missouri Drinking Water State Revolving Fund Lead Service Line Inventory Loan Program (the "LSLI Loan Program") of the Missouri Department of Natural Resources ("DNR") and the Safe Drinking Water Commission of the State of Missouri (the "Commission"); and,

WHEREAS, in connection with the Project, the Commission has approved (a) a loan to the City to be made by DNR pursuant to a Purchase Agreement (the "Purchase Agreement") by and between the City and DNR (the "Loan") and (b) a grant to the City in the maximum amount of \$102,500 (the "Grant") to be administered by DNR pursuant to a Grant Agreement (the "Grant Agreement") by and between the City and DNR; and,

WHEREAS, in order to receive the Grant and evidence the Loan, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and its inhabitants that the City issue its Revenue Anticipation Note (State of Missouri – Lead Service Line Inventory Loan Program) Series 2024 (the "Note") in the maximum principal amount of \$153,000 pursuant to this Ordinance; and,

WHEREAS, the City is authorized under the provisions of Article VI, Section 26(a) of the Missouri Constitution to borrow money in an amount not greater than the anticipated collections of revenue for the current year plus any unencumbered balances from prior years and to deliver its notes to evidence such loan for the purpose of paying all or part of the cost of the Project; and,

WHEREAS, the City Council of the City hereby finds that the aggregate principal amount of the Note does not exceed the amount of the City's anticipated revenue yet to be collected before the end of the current year plus any unencumbered balances from the current year and from prior years.

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NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, AS FOLLOWS:

Section 1. Definitions. Capitalized words and terms not otherwise defined in this Ordinance have the meanings set forth in the Note and the Purchase Agreement entered into between the City and DNR in connection with the issuance of the Note.

Section 2. Description of the Note; Sale of the Note.

(a) The City Council of the City hereby authorizes the issuance and delivery of the Note in substantially the form attached as Exhibit A hereto. The Note shall be issued in the principal amount not to exceed \$153,000, shall be dated as of the Closing Date, shall mature not later than August 1, 2025, shall be payable to DNR or any assignee, successor or transferee of DNR under the LSLI Loan Program (the "Owner") and shall be subject to such other terms as set forth therein. The Note will not bear interest.

(b) The Note will be sold to the Owner at the purchase price of 100% of the initial Purchase Price Installment paid on the Closing Date plus each Purchase Price Installment made by the Owner thereafter pursuant to Section 3.3 of the Purchase Agreement.

Section 3. Execution, Authentication and Delivery of the Note.

(a) The Note shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and have the official seal of the City affixed or imprinted thereon. If any officer whose manual or facsimile signature appears on any Note ceases to be an officer before the delivery of the Note signed by the officer, the manual or facsimile signature on the Note will be valid and sufficient for all purposes of this Ordinance. The City hereby designates the City Clerk as the City's paying agent for the payment of the Note and as registrar for the registration, transfer and exchange of Note (the "Paying Agent"). The Owner shall have the right to select a successor paying agent for the payment of the Note and as registrar for the registration, transfer and exchange of Note at any time upon written notice to the City.

(b) The Mayor and the City Clerk are directed to prepare and execute the Note, and when executed, to deliver the Note to the Paying Agent for authentication. The Note shall be authenticated by an authorized signatory of the Paying Agent. Upon authentication by the Paying Agent, the Note shall be delivered to the Owner unless otherwise directed in writing by the Owner.

(c) Promptly upon payment of each Purchase Price Installment by the Owner and each partial redemption of the Note, the Owner shall deliver, if requested by the City, an updated Schedule A to the Note to the Paying Agent reflecting the amount of each Purchase Price Installment and redemption and the resulting Cumulative Principal Amount Outstanding which will be binding on the City absent manifest error. The updated Schedule A is subject to such verification requirements as may be reasonably established by the Paying Agent. No further entries to Schedule A will be made after the Completion of Funding related to Purchase Price Installments.

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Section 4. Authorization and Execution of the Purchase Agreement and the Grant Agreement. The City is authorized to enter into the Purchase Agreement and the Grant Agreement, in substantially the forms presented to the City Council at this meeting. The Mayor is authorized to execute the Purchase Agreement and the Grant Agreement for and on behalf of and as the act and deed of the City, with changes approved by the Mayor, which approval will be conclusively evidenced by the signature of the Mayor of the City on such documents. The Mayor is further authorized and directed to execute other documents, certificates and instruments that are necessary or desirable to carry out the intent of this Ordinance. The City Clerk is authorized and directed to attest the execution of the Purchase Agreement, the Grant Agreement and any other documents, certificates and instruments that are necessary or desirable to carry out the intent of this Ordinance.

Section 5. Establishment of Project Fund; Purchase Price Installments. The City hereby creates the Project Fund in the treasury of the City. Each Purchase Price Installment paid by the Owner in accordance with the Purchase Agreement will be deposited into the Project Fund. Moneys in the Project Fund will be disbursed to the City for the sole purpose of paying the Eligible Costs of the Project. Requisitions will be submitted for funding of the Purchase Price Installments and resulting withdrawals from the Project Fund in accordance with Article III of the Purchase Agreement.

Section 6. Further Authority. The officers of the City, including the Mayor and the City Clerk, are authorized and directed to execute all documents and take the actions as are necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial changes in the documents approved by this Ordinance which they may approve. The execution of any document or taking of any related action constitutes conclusive evidence of the necessity or advisability of the action or change.

Section 7. Electronic Transactions. The transactions described in this Ordinance and the Note may be conducted and related documents may be stored, received and delivered by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 8. Severability. If any section or other part of this Ordinance is for any reason held invalid, the invalidity will not affect the validity of the other provisions of this Ordinance.

Section 9. Governing Law. This Ordinance is governed by and will be construed in accordance with the laws of the State of Missouri.

Section 10. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the City Council and approval by the Mayor.

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PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Mayor *William A. Baird*

ATTEST:

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED by the Mayor of the City of Lee's Summit, Missouri, this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Mayor *William A. Baird*

ATTEST:

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney *Brian W. Head*

EXHIBIT A

FORM OF REVENUE ANTICIPATION NOTE

[THIS NOTE IS TRANSFERABLE ONLY TO ANY SUCCESSOR TO THE  
MISSOURI DEPARTMENT OF NATURAL RESOURCES OR ITS ASSIGNS]

Registered

No. R-1 Not to exceed \$153,000

UNITED STATES OF AMERICA  
STATE OF MISSOURI

CITY OF LEE'S SUMMIT, MISSOURI

REVENUE ANTICIPATION NOTE  
(STATE OF MISSOURI – LEAD SERVICE LINE INVENTORY LOAN PROGRAM)  
SERIES 2024

Closing Date  
August \_\_\_\_\_, 2025

Stated Maturity  
August 1, 2025

REGISTERED OWNER: MISSOURI DEPARTMENT OF NATURAL RESOURCES

PRINCIPAL AMOUNT: NOT TO EXCEED ONE HUNDRED FIFTY-THREE THOUSAND DOLLARS

The CITY OF LEE'S SUMMIT, MISSOURI, a home rule constitutional charter city and political subdivision organized and existing under the constitution and laws of the State of Missouri (the "City"), for value received, hereby promises to pay to the registered Owner named above ("DNR" and any assignee, successor or transferee of DNR under the LSLI Loan Program, the "Owner"), the Cumulative Principal Amount Outstanding set forth on Schedule A to this Note on the Stated Maturity shown above (subject to optional redemption prior to Stated Maturity as provided herein). This Note will not bear interest. *Terms not otherwise defined in this Note have the respective meanings as set forth in the Ordinance.*

The Cumulative Principal Amount Outstanding of this Note (as set forth on Schedule A) shall be paid at maturity or upon earlier redemption to the person in whose name this Note is registered on the note register held at the office of the Paying Agent (the "Note Register") at the maturity or redemption date thereof as directed in writing by the Owner. The payment of the principal of and redemption premium, if any, payable on this Note at maturity or upon earlier redemption will be made to the Owner by check or draft mailed by the Paying Agent to the address of the Owner shown in the Note Register. The principal of and redemption premium, if any, on the Note is also payable by electronic transfer in immediately available federal funds to a bank in the continental United States of America pursuant to instructions from the Owner received by the Paying Agent prior to the 25th day (whether or not a Business Day) of the calendar month next preceding the applicable payment date. The principal of this Note is payable in lawful money of the United States of America. If this Note shall be placed in the hands of an attorney or

attorneys for collection, the City agrees to pay, in addition to the amount due hereon, the reasonable costs and expenses of collection, including reasonable attorneys' fees.

This Note is designated "Revenue Anticipation Note (State of Missouri – Lead Service Line Inventory Loan Program) Series 2024" (the "Note"), issued by the City for the purpose of financing lead service line inventory services in connection with the waterworks system owned and operated by the City (said system, together with all future improvements and extensions thereto hereafter constructed or acquired by the City, being herein called the "System"), under the authority of and in full compliance with provisions of Article VI, Section 26(a) of the Missouri Constitution and an ordinance duly passed by the governing body of the City (the "Ordinance").

At the option of the City, this Note may be called for redemption and payment prior to maturity in whole or in part at any time with the prior written consent of the Owner at a redemption price equal to 100% of the principal amount.

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by registered or certified mail at least 15 days, but not more than 30 days, prior to the date fixed for redemption, to the Owner of this Note at the address shown on the Note Register or at such other address as is furnished in writing by such Owner to the Paying Agent. Notice of redemption having been given or waived as aforesaid, this Note or portions hereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified.

The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of this Note as the same becomes due payable from anticipated revenue yet to be collected before the end of the current year plus any unencumbered balances from the current year and from prior years. This Note does not constitute a general obligation of the City or an indebtedness of the City within the meaning of any constitutional or statutory provision, limitation or restriction. The taxing power of the City is not pledged to the payment of this Note. This Note shall be governed by and construed and enforced in accordance with the laws of the State of Missouri.

This Note is issuable in the form of one fully-registered note, in the denomination of \$100,000 or any integral multiple of \$0.01 in excess thereof, or if the principal amount of this Note is less than \$100,000, then an amount equal to the principal amount of this Note (an "Authorized Denomination").

This Note may be transferred or exchanged only upon the registration books kept for that purpose at the office of the Paying Agent, upon surrender of this Note together with a written instrument of transfer or exchange satisfactory to the Paying Agent duly executed by the Owner or the Owner's duly authorized agent, and thereupon a new Note in an Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon payment of the charges applicable thereto. The City and the Paying Agent may deem and treat the person in whose name this Note is registered on the Note Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and for all other purposes.

This Note will not be valid or be entitled to any security or benefit until the Paying Agent has executed the Certificate of Authentication.

If any date for the payment of principal of or redemption premium, if any, on the Note or the taking of any other action hereunder is not a Business Day, then such payment shall be due, or such action shall be taken, on the first Business Day thereafter with the same force and effect as if made on the date fixed for payment or performance.

*[Remainder of Page Intentionally Left Blank]*

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IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the issuance of this Note have existed, happened and been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the City of Lee's Summit, Missouri, has executed this Note by causing it to be signed by the manual signature of its Mayor and attested by the manual signature of its City Clerk, and its official seal to be affixed hereto or imprinted hereon.

CITY OF LEE'S SUMMIT, MISSOURI

By  
City Clerk      Mayor

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### **CERTIFICATE OF AUTHENTICATION**

This Note is the Note described in the within-mentioned Ordinance.

Registration Date:

CITY CLERK OF THE CITY OF LEE'S SUMMIT, MISSOURI, Paying Agent

By  
Authorized Signatory



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RECORD OF PRINCIPAL PAYMENTS AND REDEMPTIONS

Payment of the principal of this Note at maturity or upon redemptions thereof will be made directly to the Owner without surrender of this Note to the Paying Agent. Accordingly, any purchaser or other transferee of this Note should verify with the Paying Agent the principal of this Note outstanding prior to such purchase or transfer, and the records of the Paying Agent shall be conclusive for such purposes.

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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

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\_\_\_\_\_  
(Print or Type Name, Address and Social  
Security Number or other Taxpayer Identification Number of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, agent to transfer the within Note on the books kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_.

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears on the face of the within Note in every particular.

Medallion Signature Guarantee:



SCHEDULE A<sup>(1)</sup>

CITY OF LEE'S SUMMIT, MISSOURI  
REVENUE ANTICIPATION NOTE  
(STATE OF MISSOURI – LEAD SERVICE LINE INVENTORY LOAN PROGRAM)  
SERIES 2024

## CUMULATIVE PRINCIPAL AMOUNT OUTSTANDING

[illegible]

(1) Promptly upon payment of each Purchase Price Installment by the Owner and each partial redemption of the Note, the Owner shall deliver, if requested by the City, an updated Schedule A to the Paying Agent reflecting the amount of each Purchase Price Installment and redemption and the resulting Cumulative Principal Amount Outstanding which will be binding on the City absent manifest error. No further entries to Schedule A related to Purchase Price Installments will be made after the Completion of Funding.

(2) Date constitutes date of registration with respect to such portion of this Note.