



# City of Norman, OK

Municipal Building  
Council Chambers  
201 West Gray  
Norman, OK 73069

## Master

**File Number: R-1718-73**

**File ID:** R-1718-73

**Type:** Resolution

**Status:** Non-Consent Items

**Version:** 1

**Reference:** Item 30

**In Control:** City Council

**Department:** Finance Department

**Cost:**

**File Created:** 12/07/2017

**File Name:** Resolution NMA ERP Bonds Sold

**Final Action:**

**Title:** RESOLUTION R-1718-73: A RESOLUTION AUTHORIZING THE NORMAN MUNICIPAL AUTHORITY (THE "AUTHORITY") TO ISSUE ITS SALES TAX REVENUE NOTE, SERIES 2017B (THE "NOTE") IN THE AGGREGATE PRINCIPAL AMOUNT OF \$6,105,000; WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE NOTE TO BE SOLD ON A NEGOTIATED BASIS; APPROVING AND AUTHORIZING EXECUTION OF A SALES TAX AGREEMENT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA (THE "CITY") AND THE AUTHORITY PERTAINING TO A YEAR-TO-YEAR PLEDGE OF CERTAIN SALES TAX REVENUE; APPROVING AND AUTHORIZING EXECUTION OF A NOTE INDENTURE PROVIDING THAT THE ORGANIZATIONAL DOCUMENT CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE NOTE INDENTURE; AUTHORIZING AND DIRECTING THE EXECUTION OF THE NOTE AND OTHER DOCUMENTS RELATING TO THE TRANSACTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

**Notes:** ACTION NEEDED: Acting as the Norman Municipal Authority, motion to adopt or reject Resolution R-1718-73.

ACTION TAKEN: \_\_\_\_\_

**Agenda Date:** 12/19/2017

**Agenda Number:** 30

**Attachments:** R-1718-73

**Project Manager:** Anthony Francisco, Finance Director

**Entered by:** ellen.usry@normanok.gov

**Effective Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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### Text of Legislative File R-1718-73

Body

**BACKGROUND:** The City of Norman's Capital Improvements Budget and five-year Capital Improvement Plan for fiscal years 2016-2017 and 2017-2018 (FYE 2017 and FYE 2018) have anticipated funding for the replacement of the City's Enterprise Resource Planning Computer Systems (ERP). The City's Information Technology (IT) Department is presently supporting two (2) different environments to support the City of Norman data and systems management requirements; a Microsoft Windows-based environment leveraging virtual server infrastructure with industry-leading storage systems; and an IBM iSeries environment. The iSeries system used by the City was purchased in 1995, has been updated numerous times, and operates a software solution by

HTE/Sungard/Superion. The iSeries system hardware is aged, as are many of the features and processes of the present applications running on it. The solution interfaces to the City's public safety systems as well as other applications, such as meter reading and traffic citations.

The iSeries ERP system contains software modules that support important City functions such as: building permits; mobile field code and building inspections; general ledger and fixed asset accounting; budget preparation and monitoring; payroll; treasury and accounts receivable; accounts payable and purchasing; human resource functions; utility billing and customer account maintenance; Municipal Court citation administration; on-line and telephone bill pay systems for utility billing and permitting; and occupational licensing.

In 2016, the City of Norman hired Plante Moran PLLC Information Technology (IT) Consulting to aid in the evaluation and selection of replacement systems for the City's aging ERP software (Contract K-1516-136). Working with an ERP Management Committee made up of key ERP Systems users from throughout the City organization, various proposed software and hardware system solutions were considered to replace the City's iSeries-based ERP systems.

**DISCUSSION:** At the September 14, 2017 Council Finance Committee meeting, Information Technology Department staff and representatives of Plante Moran presented a recommended "Best of Breed" approach to implementing replacement ERP Systems. Under this proposed solution, the Council/Norman Municipal Authority Trustees will consider (separate from these proposed financing resolutions) five separate contracts for system purchases. These recommended software and hardware solutions would implement the following systems to support the City's ERP needs, at the stated negotiated costs:

- Core ERP Functions - Tyler Technologies' Munis (\$2,085,902; Contract 1718-77)
- Utility Billing - Harris' Advanced Utilities (\$1,483,650; Contract 1718-79)
- Planning & Development - Harris' CityView (\$683,951; Contract 1718-78)
- Municipal Court - Tyler Technologies' InCode (\$287,867; Contract 1718-77)
- Employee Time & Attendance - Intellitime Systems (\$250,175; Contract 1718-81)
- Recreational Activities - Vermont Systems (\$61,775; Contract 1718-80)

In addition to these negotiated software purchasing costs, additional data storage, installation, data conversion, consultancy/employee training, and contingency costs were negotiated by I.T. staff and Plante Moran. Total estimated costs for the ERP Replacement project is \$6,165,021. Some of the consultant, training and contingency costs will be considered in future budget years, apart from this proposed financing.

At the September Council Finance Committee meeting, a financing plan for these estimated costs was discussed. The Committee agreed to a financing plan to issue Revenue Notes through the Norman Municipal Authority (NMA) to be secured by annual appropriations from the City's dedicated Capital Sales Tax, with additional revenues to be provided from the City's Sanitation, Water and Water Reclamation Utilities (to partially offset the cost of the Utility Customer Information System replacement).

To implement this financing plan and to coincide with the software system purchase contracts, Finance Department staff issued a solicitation for ERP System Financing Bids to qualified banking and financial institutions on November 29, 2017 (Request for Proposals 1718-27). Responses to this solicitation, in the form of interest rate proposals, are to be received on December 19, 2017 and the lowest and best interest rate bid will be forwarded for consideration of the NMA Trustees and Council. Information on the tabulated interest rate bid proposals will be distributed at the December 19th meeting, as an attachment to this memorandum.

Assuming successful responses are received, the Norman Municipal Authority (NMA) Trustees and Council will consider two resolutions. Several actions are accomplished by the resolutions, if approved. Resolution R-1718-73 is generally a Resolution of the NMA to issue the debt, and Resolution R-1718-74 is a Resolution of the City of Norman authorizing the issuance of the debt by the NMA, in an aggregate principal amount of \$6,105,000.

The proposed NMA Resolution (R-1718-73) would authorize the following actions:

- Authorize the Issuance of the NMA Sales Tax Revenue Notes, Series 2017B;
- Pledge the Revenues of the Capital Sales Tax, subject to annual appropriation, to the repayment of the Note indebtedness;
- Waiving Competitive Bidding and Authorizing the Notes to be Sold on a Negotiated Basis;
- Authorize a Sales Tax Agreement between the City and the NMA;
- Establish the Tax-Exempt Nature of the Note; and
- Authorize the Chair of the NMA Board of Trustees to execute final documents related to the financing

The City of Norman Resolution (R-1718-74) would authorize the following actions:

- Approve the Incurrence of the Indebtedness by the NMA;
- Waive Competitive Bidding and Authorize the Note to be Sold on a Negotiated Basis;
- Ratify the Sales Tax Agreement between the City of Norman and the NMA;
- Establish the Tax-Exempt Nature of the Note; and
- Authorize the Mayor to execute final documents related to the financing.

Upon the favorable consideration of these Resolutions by the Council and NMA Trustees, staff would then proceed with the closing of the financing as executed by the Chairperson/Mayor.

**RECOMMENDATION:** It is recommended that the Resolutions be adopted and the financing proceeds be appropriated to pay for the ERP System Replacement and financing costs.