



City of Norman, OK

Municipal Building Council
Chambers
201 West Gray Street
Norman, OK 73069

Text File

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Title

RESOLUTION R-1213-143: A RESOLUTION APPROVING THE INCURRENCE OF INDEBTEDNESS BY THE NORMAN MUNICIPAL AUTHORITY (THE "AUTHORITY") ISSUING ITS SANITATION SYSTEM REVENUE NOTE, SERIES 2013 (THE "NOTE"); PROVIDING THAT THE TRUST INDENTURE CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE GENERAL BOND INDENTURE, AS SUPPLEMENTED AND AMENDED, AUTHORIZING THE ISSUANCE OF SAID NOTE; WAIVING COMPETITIVE BIDDING AND APPROVING THE PROCEEDINGS OF THE AUTHORITY PERTAINING TO THE SALE OF SAID NOTE; RATIFYING AND CONFIRMING A LEASE AGREEMENT AND OPERATION AND MAINTENANCE CONTRACT (THE "LEASE AGREEMENT") BETWEEN THE CITY OF NORMAN, OKLAHOMA (THE "CITY") AND THE AUTHORITY WHEREBY THE CITY LEASES ITS SANITATION SYSTEM TO THE AUTHORITY; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

Body

BACKGROUND: On March 26, 2013, the Council, acting as the Norman Municipal Authority (NMA), approved a contract with Allied Waste Systems for the curbside collection of recyclable materials using 95-gallon rolling polycarts. It was agreed at this time that the City of Norman would purchase and own the polycarts, to replace the recycling bins provided by the previous curbside recycling collection contractor. On May 14, 2013, the NMA awarded a bid in the amount of \$1,584,748 to Rehrig Pacific Company for the purchase and delivery of the specified polycarts.

DISCUSSION: In discussions leading to the award of the curbside recycling collection contract, the NMA directed that the Sanitation Utility enter into a financing arrangement to pay for the recycling polycarts. Financing bid proposals and specifications were sent to local, regional and national banking and financing firms for bids on financing packages for the purchase of the polycarts. Bidders quotes will be received on May 28, and the staff will recommend that the financing be awarded to the lowest and best bidder based on the responses received at that time. Information on the tabulated bids will be distributed at the meeting, as an attachment to this memorandum.

Several actions are accomplished by the attached Resolutions, if approved. Resolution R-1213-142 is generally a Resolution of the NMA to issue the debt, and R-1213-143 is a Resolution of the City of Norman authorizing the issuance of the debt by the NMA in an aggregate amount of \$1,620,000. The NMA Resolution (R-1213-142) would authorize the following actions:

- Authorize the Issuance of the Sanitation System Revenue Notes;
- Pledge the Revenues of the Sanitation Utility to the Repayment of the Note Indebtedness, equal to the obligation for the repayment of the outstanding 2010 NMA Sanitation Notes;
- Waive Competitive Bidding and Authorize the Note to be Sold on a Negotiated Basis ;
- Restate the Lease Agreement between the City of Norman and the Norman Municipal Authority for the City's Sanitation System;
- Establish the Tax-Exempt Nature of the Note and the Reasonable Expectation of Calendar Year Debt Issuance by the NMA; and
- Authorize the Chair of the NMA to Execute Final Documents Related to the Financing

The City of Norman Resolution (R-1213-143) 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 ;

- Ratifying the Lease Agreement between the City of Norman and the NMA for the City's Sanitation System;
- Establish the Tax-Exempt Nature of the Note and the Reasonable Expectation of Calendar Year Debt Issuance by the City of Norman.

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

RECOMMENDATION: It is recommended that the resolutions be adopted.