



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-1415-90

File ID: R-1415-90

Type: Resolution

Status: Consent Item

Version: 1

Reference: Item 16

In Control: City Council

Department: Finance Department

Cost:

File Created: 03/04/2015

File Name: NMA Resolution issuing Series 2015 Salee Tax
(PSST Sales Tax II) in the amount of \$22,825,000

Final Action:

Title: RESOLUTION R-1415-90: A RESOLUTION AUTHORIZING THE NORMAN MUNICIPAL AUTHORITY (THE "AUTHORITY") TO ISSUE ITS SALES TAX REVENUE NOTE, SERIES 2015 (THE "NOTE") IN THE AGGREGATE PRINCIPAL AMOUNT OF \$22,825,000.00; 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 No. R-1415-90.

ACTION TAKEN: _____

Agenda Date: 03/10/2015

Agenda Number: 16

Attachments: 08 Resolution of the Authority.pdf

Project Manager: Anthony Francisco, Director of Finance

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-1415-90

Body

BACKGROUND: On April 1, 2014, the voters of Norman approved Ordinance O-1314-33, extending the dedicated ½% Public Safety Sales Tax (PSST) permanently, effective October 1, 2015. The Ordinance directed that the 71 personnel added to the City public safety workforce be made permanent; 19 personnel be added over a period of four years (13 police officers to staff a School Resource Officer program; 4 additional Dispatchers; and 2 Emergency Vehicle Mechanics); and a program to replace or acquire Critical Public Safety Capital Facility Needs be implemented. The Critical Public Safety Capital Needs were identified, in priority

order, as follows:

Emergency Communication System Replacement - \$15,000,000
Emergency Operations/Dispatch Center Facility - \$6,500,000
Fire Apparatus Replacement Program - \$6,800,000
Reconstruct/Relocate Fire Station #5 - \$3,500,000

TOTAL - \$31,800,000

In discussions and presentations leading up to the approval of the PSST extension, the plan to finance the Emergency Communications (Radio) System and Emergency Operations Center (EOC) facilities through some sort of debt issuance was discussed and acknowledged, due to the need to have those facilities up and running before sufficient PSST revenues would accrue. Under this plan, available PSST Fund balance would be used as a partial "down payment" on the Communication System and EOC facilities, and PSST Fund balance would be used to pay for the Fire Apparatus and Fire Station 5 Reconstruction on a pay-as-you-go basis, as funds became available after the Radio System and EOC were financed.

DISCUSSION: Subsequent to the passage of the PSST extension ("PSST II"), Fire Department staff presented to the City Manager and Council Finance Committee the immediate need to replace the most critical of the fire apparatus, a Platform Fire Truck with an estimated cost of \$1,100,000. Police Department staff also presented the need to hire the School Resource Officer personnel a year in advance of the time originally projected. The PSST Fund should be able to absorb these advanced expenses, but the amount of debt financing that will be required with this accelerated schedule will be increased.

Finance Department and Legal Department staff, in consultation with the City's financial advisor and bond counsel teams, have proposed a financing package, including the Emergency Communications System, the EOC/Dispatch Facility and the Fire Platform Truck. This comprehensive financing package for the Critical Public Safety Capital Needs was discussed and approved by the Council Finance Committee at the February 12, 2015 meeting.

Proposals from qualified local and regional banking institutions to provide approximately \$22,825,000 in financing with a final maturity in 12 years, secured by a pledge of the PSST II proceeds, were solicited. Responses in the form of interest rate proposals will be received on March 10, 2015, 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 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-1415-90 is generally a Resolution of the NMA to issue the debt, and R-1415-91 is a Resolution of the City of Norman authorizing the issuance of the debt by the NMA in an aggregate amount not to exceed \$22,825,000.

The NMA Resolution (R-1415-90) would authorize the following actions:

Authorize the Issuance of the PSST Revenue Notes;
Pledge the Revenues of the PSST II sales tax, subject to annual appropriation, to the repayment of the Note indebtedness;
Waive Competitive Bidding and Authorize the Note to be Sold on a Negotiated Basis;
Authorize a Sales Tax Agreement between the City of Norman 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-1415-91) 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;
Authorize a 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 will then proceed with the closing of the financing as executed by the Chairperson/Mayor.

RECOMMENDATION: It is recommended that the Resolutions be adopted.