



Legislation Text

File #: R-1819-104, **Version:** 1

RESOLUTION R-1819-104. A RESOLUTION FIXING THE AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2019A TO MATURE EACH YEAR; FIXING THE TIME AND PLACE THE BONDS ARE TO BE SOLD; DESIGNATING A PAYING AGENT/REGISTRAR; APPROVING THE PRELIMINARY OFFICIAL STATEMENT AND DISTRIBUTION THEREOF; AND AUTHORIZING THE CLERK TO GIVE NOTICE OF SAID SALE AS REQUIRED BY LAW AND FIXING OTHER DETAILS OF THE ISSUE.

BACKGROUND: On April 5, 2016, the voters of Norman approved the issuance of \$25,000,000 in General Obligation bonds (GO Bonds) to pave, repave, reconstruct and improve streets throughout Norman. This referendum continued the 5-year street improvement bond program approved by the voters in 2005 and 2010. Based on this voter authorization, the City of Norman issued its Series 2016 General Obligation Bonds, in the amount of \$15,000,000 on June 1, 2016. \$10,000,000 in voter-authorized bonds from this voter referendum has not been issued.

On April 2, 2019, the voters of Norman approved the issuance of \$72,000,000 in General Obligation bonds (GO Bonds) to widen and improve major arterial streets in Norman, continuing a program of transportation system bonds authorized by the voters in 2006 and 2012. This transportation system improvement program contemplates issuing the authorized bonds in 2-3 sales, set to approximately coincide with the construction schedules of the transportation projects.

Pursuant to the Oklahoma Bond Issue Proceeds Act, the sale of General Obligation Bonds must be done competitively, using a set process that begins with an open solicitation for bidders through a Notice of Sale of the bonds and an award of the bid to the qualified bidder (firm) who proposes to purchase the bonds at the lowest True Interest Cost to the City (issuer).

DISCUSSION: In order to complete the sale of the first portion of the General Obligation Bonds authorized by the voters on April 2, 2019 before the end of fiscal year 2018-2019, an aggressive schedule for the competitive placement of the bonds needs to be followed. In order to coincide with the construction schedules of the ongoing street maintenance bond program, funds will be needed during the construction season of 2019.

The attached Resolutions R-1819-104 and R-1819-105 would set a sale date of May 14, 2019 for the competitive sale of the GO Bonds to an underwriter or underwriters, as directed by Oklahoma statutes. Resolution R-1819-104 pertains to the \$10,000,000 Series 2019A GO Bonds for street resurfacing and maintenance; and Resolution R-1819-105 pertains to the \$20,000,000 Series 2019B GO Bonds for road widening and special road corridor improvements. The Resolutions and accompanying documents would also appoint Kutak Rock as disclosure counsel, and reaffirm the appointments of BancFirst of Oklahoma as Trustee for the bonds; Municipal Finance Services and Hilltop Securities/First Southwest Company as Financial Advisors for the bond issuances; and Public Finance Law Group and Floyd Law Firm as Bond Counsel for the transactions. Bidders will be required to post a bond with their bid as a financial surety for their performance as an underwriter.

Subsequent to, and assuming a successful competitive sale of the bonds, the Council will consider Ordinances approving the indebtedness, approving the underwriter and the interest rate of the bonds on May 14, 2019.

RECOMMENDATION: It is recommended that the Resolutions be approved.