



Legislation Text

File #: R-1819-113, **Version:** 1

RESOLUTION R-1819-113: A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORMAN, OKLAHOMA; THE NORMAN UTILITIES AUTHORITY, THE NORMAN MUNICIPAL AUTHORITY, THE NORMAN TAX INCREMENT FINANCE AUTHORITY; AND THE NORMAN ECONOMIC DEVELOPMENT AUTHORITY ADOPTING UPDATED CONTINUING DISCLOSURE POLICIES AND PROCEDURES.

BACKGROUND: The City of Norman and its beneficial trusts (Norman Utilities Authority, Norman Municipal Authority, Norman Tax Increment Finance Authority, and potentially the Norman Economic Development Authority) have been active participants in the municipal bond markets of the United States. A requirement for participation in bond issuances is providing up-to-date information on the financial status of the bond “Issuer” (the City or the Trust) to potential investors in the City’s bonds. At the time of offering bonds for sale to the public bond market, the Issuer must enter into a “Continuing Disclosure Undertaking”, which is one of the documents that the Council or the Trustees authorize. In the Continuing Disclosure Undertaking, the Issuer contracts or “covenants” to provide public information on a continual basis. The U.S. Securities Exchange Commission’s (SEC) affiliate, the Municipal Securities Rulemaking Board (MSRB), is responsible for receiving this ongoing information from all issuers of public debt, and makes it available to investors and regulators through their on-line Electronic Municipal Market Access system (NOTE: while the Norman Regional Hospital Authority has also been an active participant in the municipal bond markets, the Hospital Authority is a separate Issuer, or “Obligated Person”, and the City of Norman has not contracted to provide continuing disclosure information for Hospital Authority debt). In general, information must be provided and updated in the following areas to comply with the Continuing Disclosure Undertaking:

- Annual financial and operating information on the issuer, updated annually;
- Audited financial statements, submitted annually; and
- Notice of the occurrence of any significant change in the financial status, or “Listed Event”, including notice of any failure to report financial status changes.

On September 9, 2014 the Council approved Joint Resolution R-1415-23, adopting Continuing Disclosure Policies and Procedures for the City of Norman and its related trusts.

DISCUSSION: The MSRB has issued new continuing disclosure regulations and policies for municipal bond issuers. The changes to the 2014 Policies are relatively minor, basically clarifying the “Listed Events” that would require disclosure by the City to the MSRB. An underlined copy of the proposed changes is attached, along with a copy of what the City of Norman’s Policies would look like if the resolution is adopted. There would be no impact on the City’s ongoing operations or projects if the Resolution is adopted, but there could be some negative consequences from the SEC if it is not.

The attached Continuing Disclosure Policies and Procedures for the City of Norman and its Public Trusts and Authorities have been prepared in response to the MSRB requirements. The Policies and Procedures document list all of the Continuing Disclosure requirements in detail, including the “Listed Events” which would require reporting under SEC regulations. We will continue to make every effort to comply with all bond market regulations, as we continue to be active participants in the public bond markets.

RECOMMENDATION: It is recommended that the Resolution be adopted and filed in the Central Files of the City of Norman and the Finance Department.