



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 02/28/2023

REQUESTER: Anthony Francisco

PRESENTER: Anthony Francisco, Director of Finance

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2223-100: A RESOLUTION FIXING THE AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2023B TO MATURE EACH YEAR; FIXING THE TIME AND PLACE THE BONDS ARE TO BE SOLD; DESIGNATING A PAYING AGENT/REGISTRAR AND DISCLOSURE COUNSEL; 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 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 contemplated issuing the authorized bonds in 2-3 sales, set to approximately coincide with the construction schedules of the transportation projects.

On April 9, 2019, the City Council approved Ordinance O-1819-42 on emergency, authorizing the issuance of the \$20,000,000 City of Norman General Obligation Bonds, Series 2019B. Proceeds of this bond issuance have provided funding for the first projects anticipated in the voter-approved 2019 Transportation Bond program.

On April 6, 2021, the voters of Norman approved Ordinance O-2021-29, authorizing the issuance of \$27,000,000 in General Obligation bonds (GO Bonds) for “reconstructing, repairing, improving and rehabilitating existing streets, roads and intersections in the City of Norman...” This was the fourth time the voters of Norman authorized a recurring five-year program to provide funding for maintaining residential asphalt, concrete and rural roads throughout Norman.

On May 25, 2021, the City Council approved Ordinance 2021-48 on emergency, authorizing the issuance of the \$13,500,000 City of Norman General Obligation Bonds, Series 2021. Proceeds of this bond issuance have provided funding for the first projects anticipated in this fourth round of voter-approved, short-term Street Maintenance Bonds.

Pursuant to the Oklahoma Bond 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 coincide with the construction schedules of the ongoing street maintenance and road construction bond programs, funds will be needed during the construction season of 2023.

The attached Resolutions R-2223-99 and R-2223-100 would set a sale date of March 28, 2023 for the competitive sale of the GO Bonds to an underwriter or underwriters, as directed by Oklahoma statutes.

Resolution R-2223-99 pertains to the \$26,000,000 Series 2023A GO Bonds for road widening and special corridor improvements; and Resolution R-2223-100 pertains to the \$13,500,000 Series 2023B GO Bonds for street resurfacing and maintenance. 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 as Financial Advisors for the bond issuances; and Public Finance Law Group and Floyd & Driver 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 underwriters and the interest rate of the bonds on March 28, 2023.

RECOMMENDATION:

City Staff recommends that the Resolutions be approved.