

City of Broken Arrow

Legislation Details (With Text)

File #:	19-1348	Name:		
Туре:	General Business	Status:	Agenda Ready	
File created:	10/28/2019	In control:	Broken Arrow Municipal Autho	rity
On agenda:	11/5/2019	Final action:		
Title:	Consideration, discussion, and possible approval of and authorization to execute Resolution #1280, a Resolution authorizing the Broken Arrow Municipal Authority (the "Authority") to issue its Utility System and Sales Tax Revenue Note, Taxable Series 2019 (the "Note") in the aggregate principal amount of not to exceed \$5,800,000; waiving competitive bidding and authorizing the Note to be sold on a negotiated basis; approving and authorizing execution of a Supplemental Note Indenture authorizing the issuance and securing the payment of the Note; providing that the organizational document creating the authority is subject to the provisions of the Indenture; ratifying and confirming a Lease Agreement by and between the City of Broken Arrow, Oklahoma (the "City") and the Authority pertaining to the City's water, sanitary sewer, and solid waste disposal systems; ratifying and confirming and confirming a Security Agreement by and between the City and the Authority pertaining to pledge of certain sales tax revenues, and approving and authorizing execution of a Sales Tax Agreement; authorizing the execution of the Note and other documents relating to the transaction, including professional services agreements and an escrow agreement; and containing other provisions relating thereto			
Sponsors:				
Indexes:				
Code sections:				
Attachments:	1. Resolution 1280, 2. Municipal Finance Services, 3. The Public FInance Law Group			
Date	Ver. Action By	Ad	tion	Result

Broken Arrow Municipal Authority Meeting of: 11/05/2019

Title:

Consideration, discussion, and possible approval of and authorization to execute Resolution #1280, a Resolution authorizing the Broken Arrow Municipal Authority (the "Authority") to issue its Utility System and Sales Tax Revenue Note, Taxable Series 2019 (the "Note") in the aggregate principal amount of not to exceed \$5,800,000; waiving competitive bidding and authorizing the Note to be sold on a negotiated basis; approving and authorizing execution of a Supplemental Note Indenture authorizing the issuance and securing the payment of the Note; providing that the organizational document creating the authority is subject to the provisions of the Indenture; ratifying and confirming a Lease Agreement by and between the City of Broken Arrow, Oklahoma (the "City") and the Authority pertaining to the City's water, sanitary sewer, and solid waste disposal systems; ratifying and confirming a Security Agreement by and between the City and the Authority pertaining to pledge of certain sales tax revenues, and approving and authorizing execution of a Sales Tax Agreement; authorizing and directing the distribution of information in connection with the placement of the Note and authorizing the execution of the Note and other documents relating to the transaction, including professional services agreements and an escrow agreement; and containing other provisions relating thereto

Background:

The City has two Oklahoma Water Resources Board (OWRB) loans (a 2009 Drinking Water State Revolving Fund and a 2011 Clean Water State Revolving Fund loans) that have interest rates of 3.11% and 2.85% respectively. The outstanding combined balance is \$5,675,000. The OWRB is refunding the bonds that back these loans and they have given the City permission to pay off the notes. Staff believes it is in the best interest of the Authority to refinance. The attached resolution is written with a not to exceed interest rate of 2.6%. Bids for the interest rate will be opened on Tuesday, November 5th and it is anticipated a lower interest rate below the not to exceed rate will be submitted. Should the bid rate come in at the not to exceed rate the City would save \$90,000 after all costs.

Cost:	Estimated \$66,000 in issuance costs	
Funding Source:	Proceeds from the refunding of the OWRB loans	
Requested By:	Cynthia S. Arnold, Finance Director	
Approved By:	City Manager's Office	
Attachments: Inc Contract Recommendation:	Resolution #1280, Public Finance Law Group Contract, and Municipal Finance Services	
Approve and authoriz	ze execution of Resolution # 1280.	