



# City of Broken Arrow

## Request for Action

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**File #:** 19-1348, **Version:** 1

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**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 5<sup>th</sup> 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:** Resolution #1280, Public Finance Law Group Contract, and Municipal Finance Services Inc Contract

**Recommendation:**

Approve and authorize execution of Resolution # 1280.