



ADDENDUM TO THE
CITY OF MIDWEST CITY COUNCIL AGENDA

City Hall - Midwest City Council Chambers, 100 N. Midwest Boulevard

November 10, 2020 – 6:00 PM

D. **DISCUSSION ITEM.**

5. Discussion and consideration of approving a resolution of the City of Midwest City, Oklahoma (the “City”) approving the incurrence of indebtedness by the Midwest City Municipal Authority (the “Authority”) issuing its utility system and sales tax revenue refunding note, series 2020 (the “note”); providing that the organizational document creating the Authority is subject to the provisions of the indenture authorizing the issuance of said note; waiving competitive bidding with respect to the sale of said note and approving the proceedings of the Authority pertaining to the sale of said note; ratifying and confirming a sales tax agreement by and between the City and the Authority pertaining to the year-to-year pledge of certain sales tax revenues and/or authorizing the execution of a new sales tax agreement by and between the City and the Authority pertaining to a year to year pledge of certain sales tax revenue; ratifying and confirming a lease by and between the City and the Authority pertaining to the City’s water and sanitary sewer systems and/or authorizing an amended lease; and containing other provisions relating thereto. (Finance - J. Siemens)





Finance
Judy Siemens,
Interim Finance Director
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405-739-1245
100 N. Midwest Blvd.
Midwest City, Oklahoma 73110
www.midwestcityok.org

MEMORANDUM

To: Honorable Mayor and Council
From: Judy Siemens, Finance Director
Date: November 10, 2020

Subject: Discussion and consideration of approving a resolution of the City of Midwest City, Oklahoma (the “City”) approving the incurrence of indebtedness by the Midwest City Municipal Authority (the “Authority”) issuing its utility system and sales tax revenue refunding note, series 2020 (the “note”); providing that the organizational document creating the Authority is subject to the provisions of the indenture authorizing the issuance of said note; waiving competitive bidding with respect to the sale of said note and approving the proceedings of the Authority pertaining to the sale of said note; ratifying and confirming a sales tax agreement by and between the City and the Authority pertaining to the year-to-year pledge of certain sales tax revenues and/or authorizing the execution of a new sales tax agreement by and between the City and the Authority pertaining to a year to year pledge of certain sales tax revenue; ratifying and confirming a lease by and between the City and the Authority pertaining to the City’s water and sanitary sewer systems and/or authorizing an amended lease; and containing other provisions relating thereto.

As you may know, anytime a public Trust is involved in financing the beneficiary must also be involved; therefore, the City Council is seeing this agenda as well as the Municipal Authority.

The Midwest City Municipal Authority (the “Authority”) issued its Capital Improvement Revenue Bonds, Series 2011A dated December 8, 2011, in the aggregate principal amount of \$46,550,000 (the “2011A Bonds”) for the purpose of financing improvements to the wastewater collection and treatment facilities serving the City of Midwest City, Oklahoma (the “City”).

The 2011A Bonds are currently outstanding in the amount of \$20,950,000, at a weighted average interest rate of approximately 3.83%, and are eligible for early prepayment beginning March 1, 2021. With interest rates at historic low levels, the Authority has received a commitment dated September 4, 2020, from Truist Bank to purchase its Utility System and Sales Tax Revenue Refunding Note in the aggregate principal amount of \$18,455,000, at a fixed interest rate of 1.16%.

This transaction will retire all of the 2011A Bonds, and result in debt service savings to the Authority of \$972,058 (approximately \$248,000 per year through FYE 2025).

This commitment expires on December 3, 2020, and it is unlikely that the bank would be willing to extend its commitment and hold the rate beyond the expiration.

Judy Siemens
Judy Siemens
Interim Finance Director



Midwest City Municipal Authority Financing Summary

Existing Obligation

Capital Improvement Revenue Bonds, Series 2011A – “2011A Bonds”

- Original amount \$46,550,000
- \$20,950,000 outstanding
 - \$3,179,730.85 Debt Service Fund balance (includes November payment)
- Issued December 8, 2011
- Interest Rate – **3.83%** (average weighted interest rate) fixed
- Level debt service payments of approximately \$4,710,000 (principal and interest)
- Final Maturity – 03/01/2025
- Trustee Bank is Bank of Oklahoma, Oklahoma City
- Publicly traded bond issue
- No Debt Service Reserve
- Callable 03/01/2021
 - Can be defeased 90 days prior (12/03/2020)
- Secured by Utility System Revenue & 1.6515% Sales Tax
 - 1% Ordinance No. 845
 - 0.25% Ordinance No. 2799
 - 0.4015% Ordinance No. 3145

Midwest City Municipal Authority Financing Summary

Refunding

Series 2020 Capital Improvement Refunding Revenue Note

- Par Amount: \$18,455,000
- Close Date: 12/03/2020
- Level debt service payments of approximately \$4,462,000 (principal and interest)
 - Approximately \$248,000 less per year
- Final Maturity: 03/01/2025 (no change)
- Trustee Bank – Bank of Oklahoma, Oklahoma City (no change)
- Private Placement Bank Note
- No Debt Service Reserve Fund
- Callable on any payment date without penalty
- Interest Rate: **1.16%** Fixed
 - Rate currently locked with Truist Bank (formerly BB&T Bank)
- Cash Savings of \$972,058
 - Net Present Value savings of \$888,221 (4.81% of Refunding Note)
 - Cash savings of approximately \$248,000 per year

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF MIDWEST CITY, OKLAHOMA (THE "CITY") APPROVING THE INCURRENCE OF INDEBTEDNESS BY THE MIDWEST CITY MUNICIPAL AUTHORITY (THE "AUTHORITY") ISSUING ITS UTILITY SYSTEM AND SALES TAX REVENUE REFUNDING NOTE, SERIES 2020 (THE "NOTE"); PROVIDING THAT THE ORGANIZATIONAL DOCUMENT CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE INDENTURE AUTHORIZING THE ISSUANCE OF SAID NOTE; WAIVING COMPETITIVE BIDDING WITH RESPECT TO THE SALE OF SAID NOTE AND APPROVING THE PROCEEDINGS OF THE AUTHORITY PERTAINING TO THE SALE OF SAID NOTE; RATIFYING AND CONFIRMING A SALES TAX AGREEMENT BY AND BETWEEN THE CITY AND THE AUTHORITY PERTAINING TO THE YEAR-TO-YEAR PLEDGE OF CERTAIN SALES TAX REVENUES AND/OR AUTHORIZING THE EXECUTION OF A NEW SALES TAX AGREEMENT BY AND BETWEEN THE CITY AND THE AUTHORITY PERTAINING TO A YEAR TO YEAR PLEDGE OF CERTAIN SALES TAX REVENUE; RATIFYING AND CONFIRMING A LEASE BY AND BETWEEN THE CITY AND THE AUTHORITY PERTAINING TO THE CITY'S WATER AND SANITARY SEWER SYSTEMS AND/OR AUTHORIZING AN AMENDED LEASE; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIDWEST CITY, OKLAHOMA:

SECTION 1. INDEBTEDNESS AUTHORIZED. The Midwest City Municipal Authority (the "Authority") is hereby authorized to incur an indebtedness by the issuance of its Utility System and Sales Tax Revenue Refunding Note, Series 2020 in the original principal amount of \$18,455,000.00 (the "Note"), according to the terms and conditions of a Bond Indenture dated as of September 1, 2011, as previously supplemented and amended, and as further supplemented and amended by a Series 2020 Supplemental Note Indenture (collectively, the "Indenture"), all by and between the Authority and BOKF, NA, as Trustee, provided that said Note shall never constitute a debt of the City of Midwest City, Oklahoma (the "City").

SECTION 2. ORGANIZATIONAL DOCUMENT SUBJECT TO INDENTURE. The organizational document creating the Authority is hereby made subject to the terms of the Indenture authorizing the issuance and securing the payment of the Note as more fully described in Section 1 hereof.

SECTION 3. WAIVING COMPETITIVE BIDDING; APPROVAL OF SALE PROCEEDINGS. The waiving of competitive bidding for the sale of the Note and the sale of said Note by the Authority to Truist Bank, Charlotte, North Carolina, at a price of par, is hereby approved.

SECTION 4. SALES TAX AGREEMENT. The City hereby ratifies and confirms the Sales Tax Agreements heretofore entered into with respect to the Authority's outstanding debt obligations and further authorizes the execution of a Sales Tax Agreement dated as of December 1, 2020, by and

between the City and the Authority (the “Sales Tax Agreement”), which Sales Tax Agreement pertains to a year-to-year pledge of certain sales tax revenue as security for the Note.

SECTION 5. LEASE AGREEMENTS. The Lease dated May 22, 2001 (the “Lease Agreement”), whereby the City leases its water and sanitary sewer systems to the Authority and the Authority agrees to operate the same, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the Note is paid; provided however, the City is hereby authorized to execute and deliver an Amended Lease Agreement to the extent determined necessary by Bond Counsel.

SECTION 6. AUTHORIZING EXECUTION. The Mayor or Vice Mayor and City Clerk or Deputy City Clerk of the City representing the City at the closing of the above-referenced note issue are hereby authorized to approve and make any changes to the documents approved by this Resolution, for and on behalf of the City, the execution and delivery of such documents being conclusive as to the approval of any changes contained therein by the City; and to execute and deliver on behalf of the City any and all certifications and documentation necessary or attendant to the delivery of the Note, as directed by Bond Counsel.

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PASSED AND APPROVED THIS 10TH DAY OF NOVEMBER, 2020.

CITY OF MIDWEST CITY, OKLAHOMA

(SEAL)

By: _____
Mayor

By: _____
City Clerk

CERTIFICATE
OF
CITY COUNCIL ACTION

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of the City of Midwest City, Oklahoma.

I further certify that the City Council of the City of Midwest City, Oklahoma, held a Regular Meeting at 6:00 o'clock p.m., on November 10, 2020, after due notice was given in full compliance with the Oklahoma Open Meeting Act.

I further certify that attached hereto is a full and complete copy of a Resolution that was passed and approved by said City Council at said meeting as the same appears in the official records of my office and that said Resolution is currently in effect and has not been repealed or amended as of this date.

I further certify that below is listed those Councilmembers present and absent at said meeting; those making and seconding the motion that said Resolution be passed and approved; and those voting for and against such motion:

PRESENT:

ABSENT:

MOTION MADE BY:

MOTION SECONDED BY:

AYE:

NAY:

WITNESS MY HAND THIS 10TH DAY OF NOVEMBER, 2020.

CITY OF MIDWEST CITY, OKLAHOMA

(SEAL)

City Clerk



ADDENDUM TO THE

MIDWEST CITY MUNICIPAL AUTHORITY AGENDA

City Hall - Midwest City Council Chambers, 100 N. Midwest Boulevard

November 10, 2020 – 6:00 PM

B. DISCUSSION ITEM.

1. Discussion and consideration of approving a resolution authorizing the Midwest City Municipal Authority (the “Authority”) to issue its utility system and sales tax revenue refunding note, series 2020 (the “note”) in the aggregate principal amount of \$18,455,000; waiving competitive bidding and authorizing the note to be sold on a negotiated basis; ratifying and confirming a sales tax agreement by and between the City of Midwest City, Oklahoma (the “city”) and the Authority pertaining to a year to year pledge of certain sales tax revenue and/or authorizing the execution of a new sales tax agreement by and between the City and the Authority pertaining to a year to year pledge of certain sales tax revenue; approving and authorizing execution of an 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, by and between the City and the Authority pertaining to the City’s water and sanitary sewer systems and/or authorizing an amended lease; authorizing the execution of the note and other documents relating to the transaction, including professional services agreements and an escrow deposit agreement; and containing other provisions relating thereto. (Finance - J. Siemens)





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Interim Finance Director
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MEMORANDUM

To: Honorable Chairman and Trustees of the Municipal Authority

From: Judy Siemens, Finance Director

Date: November 10, 2020

Subject: Discussion and consideration of approving a resolution authorizing the Midwest City Municipal Authority (the “Authority”) to issue its utility system and sales tax revenue refunding note, series 2020 (the “note”) in the aggregate principal amount of \$18,455,000; waiving competitive bidding and authorizing the note to be sold on a negotiated basis; ratifying and confirming a sales tax agreement by and between the City of Midwest City, Oklahoma (the “city”) and the Authority pertaining to a year to year pledge of certain sales tax revenue and/or authorizing the execution of a new sales tax agreement by and between the City and the Authority pertaining to a year to year pledge of certain sales tax revenue; approving and authorizing execution of an 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, by and between the City and the Authority pertaining to the City’s water and sanitary sewer systems and/or authorizing an amended lease; authorizing the execution of the note and other documents relating to the transaction, including professional services agreements and an escrow deposit agreement; and containing other provisions relating thereto.

The Midwest City Municipal Authority (the “Authority”) issued its Capital Improvement Revenue Bonds, Series 2011A dated December 8, 2011, in the aggregate principal amount of \$46,550,000 (the “2011A Bonds”) for the purpose of financing improvements to the wastewater collection and treatment facilities serving the City of Midwest City, Oklahoma (the “City”).

The 2011A Bonds are currently outstanding in the amount of \$20,950,000, at a weighted average interest rate of approximately 3.83%, and are eligible for early prepayment beginning March 1, 2021. With interest rates at historic low levels, the Authority has received a commitment dated September 4, 2020, from Truist Bank to purchase its Utility System and Sales Tax Revenue Refunding Note in the aggregate principal amount of \$18,455,000, at a fixed interest rate of 1.16%.

This transaction will retire all of the 2011A Bonds, and result in debt service savings to the Authority of \$972,058 (approximately \$248,000 per year through FYE 2025).

This commitment expires on December 3, 2020, and it is unlikely that the bank would be willing to extend its commitment and hold the rate beyond the expiration.

Judy Siemens
Judy Siemens
Interim Finance Director



Midwest City Municipal Authority Financing Summary

Existing Obligation

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- Secured by Utility System Revenue & 1.6515% Sales Tax
 - 1% Ordinance No. 845
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Midwest City Municipal Authority

Financing Summary

Refunding

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- Cash Savings of \$972,058
 - Net Present Value savings of \$888,221 (4.81% of Refunding Note)
 - Cash savings of approximately \$248,000 per year

RESOLUTION NO. ____

A RESOLUTION AUTHORIZING THE MIDWEST CITY MUNICIPAL AUTHORITY (THE "AUTHORITY") TO ISSUE ITS UTILITY SYSTEM AND SALES TAX REVENUE REFUNDING NOTE, SERIES 2020 (THE "NOTE") IN THE AGGREGATE PRINCIPAL AMOUNT OF \$18,455,000; WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE NOTE TO BE SOLD ON A NEGOTIATED BASIS; RATIFYING AND CONFIRMING A SALES TAX AGREEMENT BY AND BETWEEN THE CITY OF MIDWEST CITY, OKLAHOMA (THE "CITY") AND THE AUTHORITY PERTAINING TO A YEAR TO YEAR PLEDGE OF CERTAIN SALES TAX REVENUE AND/OR AUTHORIZING THE EXECUTION OF A NEW SALES TAX AGREEMENT BY AND BETWEEN THE CITY AND THE AUTHORITY PERTAINING TO A YEAR TO YEAR PLEDGE OF CERTAIN SALES TAX REVENUE; APPROVING AND AUTHORIZING EXECUTION OF AN 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, BY AND BETWEEN THE CITY AND THE AUTHORITY PERTAINING TO THE CITY'S WATER AND SANITARY SEWER SYSTEMS AND/OR AUTHORIZING AN AMENDED LEASE; AUTHORIZING THE EXECUTION OF THE NOTE AND OTHER DOCUMENTS RELATING TO THE TRANSACTION, INCLUDING PROFESSIONAL SERVICES AGREEMENTS AND AN ESCROW DEPOSIT AGREEMENT; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE MIDWEST CITY MUNICIPAL AUTHORITY:

SECTION 1. INDEBTEDNESS AUTHORIZED. The Midwest City Municipal Authority (the "Authority") is authorized to incur an indebtedness by the issuance of its Utility System and Sales Tax Revenue Refunding Note, Series 2020 for and on behalf of the City of Midwest City, Oklahoma (the "City"), in the aggregate principal amount of \$18,455,000 (the "Note") for the purpose of providing funds to (i) refund the Authority's outstanding Capital Improvement Revenue Bonds, Series 2011A dated December 8, 2011 and issued in the original principal amount of \$46,550,000 and (ii) pay certain costs associated with the issuance of the Note. The Note shall bear interest at the rate of 1.16% per annum, and shall mature not later than March 1, 2025. The principal installments shall be set forth in a Certificate of Determination to be executed by the Chairman or Vice-Chairman of the Authority prior to closing the Note.

SECTION 2. COMPETITIVE BIDDING WAIVED. Competitive bidding on the sale of said Note is waived and the Note is authorized to be sold to Truist Bank, Charlotte, North Carolina (the "Purchaser") at a price of par.

SECTION 3. SALES TAX AGREEMENT. The Authority hereby ratifies and confirms the Sales Tax Agreements heretofore entered into with respect to the Authority's outstanding debt obligations and further authorizes the execution of a Sales Tax Agreement dated as of December 1,

2020, by and between the City and the Authority (the “Sales Tax Agreement”), which Sales Tax Agreement pertains to a year-to-year pledge of certain sales tax revenue as security for the Note.

SECTION 4. INDENTURE. The Series 2020 Supplemental Note Indenture, as it supplements and amends the Bond Indenture dated as of September 1, 2011, as heretofore supplemented and amended, all by and between BOKF, NA, as Trustee (the “Trustee”) and the Authority (collectively referred to herein as the “Indenture”), authorizing the issuance of and securing the payment of the Note approved in Section 1 hereof, is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are authorized and directed to execute and deliver same for and on behalf of the Authority.

SECTION 5. ORGANIZATIONAL DOCUMENT SUBJECT TO THE INDENTURE. The organizational document creating the Authority is subject to the provisions of the Indenture referenced in Section 4 hereof.

SECTION 6. LEASE AGREEMENTS. The Lease dated May 22, 2001 (the “Lease Agreement”), whereby the City leases its water and sanitary sewer systems to the Authority and the Authority agrees to operate the same, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the Note is paid; provided however, the Authority is hereby authorized to execute and deliver an Amended Lease Agreement to the extent determined necessary by Bond Counsel.

SECTION 7. EXECUTION OF NECESSARY DOCUMENTS. The Chairman or Vice-Chairman and Secretary or Assistant Secretary of the Authority are hereby authorized and directed on behalf of the Authority to execute and deliver the Note to the Purchaser, upon receipt of the purchase price and are further authorized and directed to execute all necessary documentation and closing and delivery papers required by Bond Counsel, including professional services agreements with BOK Financial Securities, Inc., as Financial Advisor, with The Public Finance Law Group PLLC, as Bond Counsel, with Williams, Box, Forshee & Bullard, P.C., as Authority Counsel, and an Escrow Deposit Agreement by and between the Authority and BOKF, NA, as escrow trustee; to approve the disbursement of the proceeds of the Note, including any costs of issuance; to approve and make any changes to the documents approved by this Resolution, for and on behalf of the Authority, the execution and delivery of such documents being conclusive as to the approval of any changes contained therein by the Authority; and to execute, record and file any and all the necessary financing statements and security instruments, including but not limited to the documents approved hereby, and to consummate the transaction contemplated hereby.

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PASSED AND APPROVED THIS 10TH DAY OF NOVEMBER, 2020.

MIDWEST CITY MUNICIPAL AUTHORITY

(SEAL)

Chairman

ATTEST:

Secretary

CERTIFICATE
OF
AUTHORITY ACTION

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Midwest City Municipal Authority.

I further certify that the Trustees of the Authority held a Regular Meeting at 6:00 o'clock p.m. on November 10, 2020, after due notice was given in full compliance with the Oklahoma Open Meeting Act.

I further certify that attached hereto is a full and complete copy of a Resolution that was passed and approved by said Trustees at said meeting as the same appears in the official records of my office and that said Resolution is currently in effect and has not been repealed or amended as of this date.

I further certify that below is listed those Trustees present and absent at said meeting; those making and seconding the motion that said Resolution be passed and approved, and those voting for and against such motion:

PRESENT:

ABSENT:

MOTION MADE BY:

MOTION SECONDED BY:

AYE:

NAY:

WITNESS MY HAND THIS 10TH DAY OF NOVEMBER, 2020.

MIDWEST CITY MUNICIPAL AUTHORITY

(SEAL)

Secretary of Authority