MUSTANG CITY COUNCIL
APRIL 28, 2014
SPECIAL MEETING

The Mustang City Council met in a Special Meeting on Monday, April 28, 2014, at 6:30 p.m. in the Mustang Municipal Building Council Chambers. Notice of the meeting was posted on the Bulletin Board outside the Mustang Municipal Building on Thursday, April 24, 2014, at 2:40 p.m. in compliance with the Open Meeting Law, 25 O.S., Section 301, et. seq.

A. CALL TO ORDER

Mayor Adams called the meeting to order at 6:30 p.m.

B. ROLL CALL

Councilmembers Present:	**Taylor** **Staples** **Bowers** **Jones** **Hagan** **Mount** **Adams**
Councilmembers Absent:	**None**

C. DISCUSSION ITEM

1. **Discussion, Consideration And Possible Action** Regarding Requested Approval of **Resolution No. 14-044** of the City of Mustang, Oklahoma (the "City") Approving The Incurrence of Indebtedness by the Mustang Improvement Authority (The "Authority") Issuing Its Utility System and Sales Tax Revenue Note, Taxable Series 2014A (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 and Approving the Proceedings of the Authority Pertaining to the Sale of Said Note; Ratifying and Confirming a Lease Agreement, as Amended, Between the City and the Authority Whereby the City Leases Its Water and Sanitary Sewer Systems to the Authority; Approving and Authorizing a Sales Tax Agreement Pertaining to the Year-to-Year Pledge of Certain Sales Tax Revenues; and Containing Other Provisions Relating Thereto.

   City Manager Rooney advised handouts, with updated information, have been provided as well as updated Resolutions and introduced Mr. Allan Brooks with The Public Finance Law Group.

Allan Brooks, The Public Finance Law Group, addressed the Council providing a summary of the April 15, 2014, meeting as well as updates since that meeting such as the interest rate on the 2014A Note dropping from 2.2% to 2.1% as well as BB&T releasing the 2013 Note debt service reserve fund and applying the funds to the payoff of the 2006 Bonds -stating this was due to a question from ***Councilwoman Staples*** in the April 15th meeting. **Brooks** stated this adjustment together with a lower interest rate resulted in (i) a reduction of the principal amount of the 2014A Note from $8,305,000 to $7,740,000, (ii) a reduction in costs of issuance that were based upon the principal amount of the refinancing from $241,387.50 to $225,850, and (iii) an increase in gross savings (after or net of transaction costs) from $875,779.75 to $973,019.00. He advised other positives from this include the option to prepay the debt beginning October, 2016, but is not something the bank will ever request.

Brooks also stated the City/Authority has been saddled with outdated debt documentation since 1999 stating if the City/Authority desires to issue additional debt prior to the retirement of the 2006 Bonds and the 2013 Note, debt would be issued pursuant to the terms of the current underlying debt documents and could leave the City/Authority subject to these restrictive provisions for another 20-30 years. He advised the City/Authority now has an opportunity to restructure the Authority's debt at a savings, while at the same time, allowing the master debt documentation to be amended in a way that will create additional savings going forward.

Discussion was held concerning the Issue expense cost for this transaction compared to the 2012 Bond Issue with it being stated the 2012 Bond Issue was a general obligation bond versus a revenue obligation and because of such, there are different participants and different costs. **Brooks** also stated every transaction his company and MFS have worked on for the City/Authority has been based upon a contingent fee arrangement and if the transaction is not approved by the voters or if the transaction does not close for any reason, they do not get paid and provided past examples of this with the City/Authority.

Discussion was held concerning the proposed General Bond Indenture, as amended by a Series 2014 Supplemental Note Indenture (pertaining to the 2014A Note that will refund the 2006 Bonds) and an Amended Series 2013 Supplemental Note Indenture (pertaining to the 2013 Note that will remain outstanding but will become subject to the new General Bond Indenture) collectively replacing and superseding the Existing Indenture as well as BB&T indicating in connection with the purchase of the 2014A Note that they will consent to the replacement of the Existing Indenture with the New Indenture and the New Indenture will be secured by the same revenues of water, sewer and 4% sales tax.

Discussion was also held concerning Vision 2000 and the 1999 Bond Indenture advising it was approved in 1999 to provide funds for a group of projects with the Bonds being issued for this purpose, and they were refunded for debt service savings in 2006 similar to what is happening now.

Other discussion included BB&T and their aggressiveness in the State of Oklahoma and surrounding states and their willingness to work with communities in regards to contract terms, interest rates, etc.

Discussion was also held regarding the writing of documents, volume of documents, etc., stating the City Attorney will also be reviewing 100% of the documents as he represents the City on a day to day basis.

MOTION was made by **Councilman Taylor**, seconded **Councilwoman Bowers** to Approve Resolution 14-044.

AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams
NAY: None

D. ADJOURNMENT

MOTION was made by **Mayor Adams**, seconded **Councilman Taylor** to adjourn.

AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams
NAY: None

The meeting was adjourned at **7:14 p.m.**

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Jay Adams, Mayor

Attest:

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Lisa Martin, City Clerk

MUSTANG IMPROVEMENT AUTHORITY
APRIL 28, 2014
SPECIAL MEETING

The Mustang Improvement Authority met in a Special Meeting on Monday, April 28, 2014, at 6:30 p.m. in the Mustang Municipal Building Council Chambers. Notice of the meeting was posted on the Bulletin Board outside the Mustang Municipal Building on Thursday, April 24, 2014, at 2:40 p.m. in compliance with the Open Meeting Law, 25 O.S., Section 301, et. seq.

A. CALL TO ORDER

Chairman Adams called the meeting to order at 7:14 p.m.

B. ROLL CALL

Trustees Present: **Taylor**
Staples
Bowers
Jones
Hagan
Mount
Adams

Trustees Absent: **None**

C. DISCUSSION ITEM

1. **Discussion, Consideration And Possible Action** Regarding Requested Approval of **Resolution No. 14-045** of the Trustees Of The Mustang Improvement Authority (the "Authority") Authorizing the Issuance of Its Utility System and Sales Tax Revenue Note, Taxable Series 2014A (the "Note") in the Aggregate Principal Amount of $7,740,000; Waiving Competitive Bidding and Authorizing the Note to be Sold on a Negotiated Basis; Approving and Authorizing the 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 Agreement, as Amended, by and Between the City of Mustang, Oklahoma (The "City") and the Authority Whereby the City Leases Its Water and Sanitary Sewer Systems to the Authority; Approving and Authorizing the Execution of a Sales Tax Agreement by and between the City and the Authority Pertaining to the Year-to-Year Pledge of Certain Sales Tax Revenues; Approving and Authorizing the Execution of an Escrow Deposit Agreement; Approving and Authorizing the Execution of a Parity Agreement; Authorizing and Directing the Execution of the Note and Other Documents Relating to the Transaction including, but not by way of Limitation, Professional Services Agreements; and containing Other Provisions Related Thereto.

MOTION was made by **Trustee Taylor**, seconded **Trustee Bowers** to Approve Resolution 14-045.

AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams
NAY: None

D. ADJOURNMENT

MOTION was made by **Chairman Adams** and seconded by **Trustee Jones** to adjourn.

AYE: Taylor, Staples, Bowers, Jones, Hagan, Mount, Adams
NAY: None

Meeting was adjourned at **7:15 p.m.**

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Jay Adams, Chairman

Attest:

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Lisa Martin, Secretary