

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 15, 2024**

**NEW ISSUE-BOOK-ENTRY ONLY**

Bank Qualified

RATING: OKLAHOMA #1

Standard & Poor's: \_\_\_\_

In the opinion of Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described here, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Interest on the Bonds is also exempt from State of Oklahoma income taxation under present law. See "TAX MATTERS" herein.

**\$2,575,000**

**CITY OF SAND SPRINGS, OKLAHOMA  
GENERAL OBLIGATION LIMITED TAX BONDS SERIES 2024**

Dated: June 1, 2024

Due: June 1, as shown

Interest on the Bonds is payable on each June 1, and December 1, commencing June 1, 2025. The Bonds will be issued and registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (ADTC@), to which all payments of principal and interest will be made. Purchasers will acquire beneficial interests in the Bonds, in principal amounts of \$5,000 and integral multiples thereof, by book-entry only. Purchasers of the Bonds will not receive physical delivery of bond certificates. The Bonds will not be transferable or exchangeable, except for transfers to another nominee of DTC or otherwise as described herein. See ADESCRIPTION OF THE BONDS B Book-Entry Only System@ herein. The Bonds are subject to redemption prior to maturity, at the option of the City of Sand Springs, Oklahoma, (the ACity@), as described herein.

**Maturity Schedule**

<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>		<b><u>Cusip</u></b>	<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>		<b><u>Cusip</u></b>
<b><u>June 1</u></b>	<b><u>Amount</u></b>	<b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>799765</u></b>	<b><u>June 1</u></b>	<b><u>Amount</u></b>	<b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>799765</u></b>
2027	\$ 145,000			MZ 2	2036	\$ 145,000			NJ 7
2028	\$ 145,000			NA 6	2037	\$ 145,000			NK 4
2029	\$ 145,000			NB 4	2038	\$ 145,000			NL 2
2030	\$ 145,000			NC 2	2039	\$ 145,000			NM 0
2031	\$ 145,000			ND 0	2040	\$ 145,000			NN 8
2032	\$ 145,000			NE 8	2041	\$ 145,000			NP 3
2033	\$ 145,000			NF 5	2042	\$ 145,000			NQ 1
2034	\$ 145,000			NG 3	2043	\$ 145,000			NR 9
2035	\$ 145,000			NH 1	2044	\$ 110,000			NS 7

(Accrued interest to be added to prices of all Bonds)

The Bonds are offered when, as and if issued, subject to the approval of legality by Hilborne and Weidman, a professional corporation, Tulsa, Oklahoma, Bond Counsel. Certain legal matters will be passed upon by the Attorney General of the State of Oklahoma. Certain legal matters for the City will be passed upon by David Weatherford, Esq., City Attorney. Delivery of the Bonds is anticipated to occur in New York, New York, on or about June 5, 2024.

**The Baker Group LP**  
Financial Advisor

## **CITY OF SAND SPRINGS, OKLAHOMA**

### **MAYOR AND CITY COUNCIL**

James O. Spoon	Mayor
Beau Wilson	Vice Mayor
Matt Barnett	Councilmember
Mike Burdge	Councilmember
Brian Jackson	Councilmember
Nancy Riley	Councilmember
Cody Worrell	Councilmember

### **ADMINISTRATION**

Janice Almy	City Clerk
Mike Carter	City Manager
Arlena Barnes	Director of Finance
David Weatherford	City Attorney

### **FINANCIAL ADVISOR**

The Baker Group LP  
Oklahoma City, Oklahoma

### **BOND COUNSEL**

Hilborne & Weidman, A Professional Corporation  
Tulsa, Oklahoma

The Bonds are offered only by means of this Official Statement which should be reviewed in its entirety. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the Bonds to any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than contained in this Official Statement. If given or made, such information or representation must not be relied upon.

The Bonds will not be registered under the Securities Act of 1933, as amended, and the City does not intend to list the Bonds on any stock or other securities exchange. The Securities and Exchange Commission has not passed upon the accuracy or adequacy of this Official Statement. With respect to the various states in which the Bonds may be offered, no attorney general, state official, state agency or bureau, or other state or local governmental entity has passed upon the accuracy or adequacy of this Official Statement or passed upon or endorsed the merits of this offering of the Bonds.

The information set forth herein has been obtained from the City, public officials, official records, and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by any of such sources as to information from any other source. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

Any statements, contained in this Official Statement including matters of opinion, estimations or projections, whether or not expressly so stated, are intended as such and not as representations of facts. This Official Statement shall not be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds.

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Appendix A1B Audited Annual Financial Statements of the City of Sand Springs for The Year Ended June 30, 2022  
 Appendix A2- Unaudited Annual Financial Statements of the City of Sand Springs for The Year Ended June 30, 2032  
 Appendix BB Additional Demographic and Economic Information Regarding the City  
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## **PRELIMINARY OFFICIAL STATEMENT**

**\$2,575,000**

### **CITY OF SAND SPRINGS, OKLAHOMA GENERAL OBLIGATION LIMITED TAX BONDS SERIES 2024**

#### **INTRODUCTION**

The City of Sand Springs, Oklahoma (the ACity@) is issuing its General Obligation Limited Tax Bonds Series 2024, (the ABonds@) for the purpose of financing certain capital improvements to be owned by the City of Sand Springs, as more particularly described in APLAN OF FINANCING@ herein. The Bonds are being issued in accordance with the provisions of Article X, Section 35 of the Oklahoma Constitution as well as the laws of the State of Oklahoma supplementary and amendatory thereto. The Bonds constitute direct and general obligations of the City, payable from ad valorem taxes levied against all taxable property, excepting homestead exemptions, located therein within the legal limitation applicable thereto. In no event shall the real and personal taxable property in said City be subject to a special annual tax in excess of five (5) mills for all bonds issued under Section 35, Article X of the Oklahoma Constitution, including the Bonds.

Sand Springs is located in Northeast Oklahoma, six miles west of Tulsa. The City was incorporated as a city in 1912, just five years after statehood. The city is continually flourishing with an area of 22 square miles and an extended growth area of 150 square miles. The City's population provided by the US Census Bureau for April 1, 2020 was 19,874. The population of the Tulsa MSA (comprised of Tulsa, Creek, Okmulgee, Osage, Pawnee, Rogers and Wagoner Counties) as reflected in the 2020 census is 1,006,411.

#### **DESCRIPTION OF THE BONDS**

##### **General**

The Bonds will be dated June 1, 2024, and will mature in the amounts and on the dates set forth on the cover page of this Official Statement. The Bonds will bear interest from June 1, 2024, at the rates set forth on the cover page hereof, payable on each June 1, and December 1, commencing June 1, 2025. Interest on the Bonds shall be computed on the basis of a 360-day year, consisting of twelve (12) thirty (30) day months.

##### **Book-Entry Only System**

THE INFORMATION IN THIS SECTION, ABOOK-ENTRY ONLY SYSTEM@, HAS BEEN FURNISHED BY THE DEPOSITORY TRUST COMPANY. NO REPRESENTATION IS MADE BY THE CITY AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF. NO ATTEMPT HAS BEEN MADE BY THE CITY TO DETERMINE WHETHER DTC IS OR WILL BE FINANCIALLY OR OTHERWISE CAPABLE OF FULFILLING ITS OBLIGATIONS. THE CITY SHALL HAVE NO RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS, OR FOR ANY PRINCIPAL, PREMIUM, IF ANY OR

#### INTEREST PAYMENT THEREOF.

The Depository Trust Company (ADTC@), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds in the name of Cede & Co., (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC at the office of the Trustee on behalf of DTC utilizing the DTC FAST system of registration.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a banking organization@ within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation@ within the meaning of the New York Uniform Commercial Code, and a clearing agency@ registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (ADirect Participants@) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (ADTCC@). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, and trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (AIndirect Participants@). DTC has Standard & Poor's highest rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (ABeneficial Owner@) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC (or the Trustee on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC (or the Paying Agent on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holders on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of a series of bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or BOKF, National Association as the paying agent (APaying Agent@) on the payable date in accordance with their respective holding shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in Astreet names,@ and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, disbursements of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bond certificates will be printed and delivered.

The City and the Paying Agent, so long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, will recognize DTC or its nominee as the Owner of the Bond or Bonds for all purposes, including notices and voting. The Paying Agent, so long as Cede & Co., as nominee of DTD, is the registered owner of the Bonds, will send any notice to bondholders only to DTC. Any failure of DTC to advise any Participant, or of any Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings premised on such notice.

The City and the Paying Agent have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership of the Bonds.

The City cannot and does not give any assurances that DTC, Participants or others will distribute payments of the principal of or interest on the Bonds paid to DTC or its nominee as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will service and act in the manner described in this Official Statement.

### **Payment of and Security for the Bonds**

The Bonds are payable from ad valorem taxes on the taxable property within the City including real, business personal and public service property. Such property is currently assessed by the County Assessor at an average rate of 11.0% of estimated market value. Pursuant to Oklahoma statutes, the County Assessor is required to reassess both the business personal property and the real property within the County annually.

The ad valorem tax rates are set by determining the actual dollars of revenues required for payment of principal and interest payments on indebtedness and judicial judgments. Such total amount may be reduced by any surplus from the prior year and any contribution made into the Sinking Fund. To the resulting net requirements, a reserve for delinquent taxes, in an amount of not less than 5% nor more than 20% of the net required tax collection, is added to the required collections. Such final total requirement is then divided by the total net assessed valuation of all real, business personal, and public service property in order to determine the appropriate tax rate for each property owner.



## **Tax Levy and Collection Procedures**

The Oklahoma Constitution requires that the City make annually an ad valorem tax levy for a Sinking Fund which shall, with cash and investments in such fund, be sufficient to pay, first, interest on bonded indebtedness as it falls due; second, the principal of bonded indebtedness as it falls due; and third, such judgments as the City may by law, be required to pay.

After the computation of the levy requirements for the Sinking Fund, and pursuant to direction from the City Council, copies of the Sinking Fund estimates are submitted to the County Excise Board to determine the ad valorem tax levy appropriations. This submission is required by July 20, of each year. The estimates are for the purposes of determining ad valorem taxes required to fund the Sinking fund. The amounts contained in the estimate of needs are verified by the County Excise Board and upon verification, the levies contained therein are ordered to be certified to the County Assessor in order that the County Assessor may extend said levies upon the tax rolls for the year for which the estimate of needs is being submitted. The County Excise board further certifies that the appropriations contained in the estimate of needs and the mill rate levies are within the limitations provided by law.

Cities and counties in Oklahoma are limited to a combined total of ten (10.3) mills from ad valorem taxes for operating purposes. Since 1977, the Tulsa County Excise Board has not approved any millage for the City for operating purposes since the ten (10.3) mills have gone to Tulsa County for its operating fund. For purposes of the General Obligation bond debt service, however, there is no limitation as to the mill levy for debt issued under Sections 26 or 27 of Article X of the Oklahoma Constitution. State statutes make it mandatory for any unit of local government to annually provide for a tax sufficient to pay the principal and interest as they become due on any outstanding debt.

The County Assessor is required to file a tax roll report on or before October 1, each year with the County Treasurer indicating the net assessed valuation for each municipality within the County. This report includes the assessed valuation for all real, business personal and public service property (public service property assessed valuations are determined by the Oklahoma Tax Commission). The County Treasurer must begin collecting taxes by June 1. Half of the taxes are payable before January 1, and the second half become payable before April 1. Ad valorem taxes not paid before April 1, are considered delinquent.

Each unit of government receives its proportionate share of tax receipts from the County Clerk, based on their individual mill levies, in the month following the collection of the same.

## **Optional Redemption Prior to Maturity**

The Bonds maturing in the years 2027 through 2032 are not subject to redemption prior to maturity. The Bonds maturing in the year 2033 and thereafter shall be subject to redemption at the option of the City, in whole or in part, in inverse order of maturity and by lot within a maturity,

on any date on or after June 1, 2032 at the principal amount thereof plus interest accrued to the date fixed for redemption.

### **Notice of Redemption**

Notice of any such redemption shall be sent by registered or certified mail not less than thirty (30) days not more than sixty (60) days prior to the date fixed for redemption to the Registered Holder of each Bond to be redeemed at the address shown on the Registration Books of the City maintained by the Paying Agent or at such other address as is furnished in writing by such Registered Holder to the Paying Agent. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

### **Transfer and Record Date**

No person shall be entitled to any right or benefit in the Bonds unless the name of such person is registered by the Paying Agent as the Registrar of the City on the Registration Record. The Bonds shall be transferable only upon delivery of the Bonds to the Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent, duly executed by the Registered Holder hereof or his attorney duly authorized in writing, and such transfer registered on the Registration Record. The Registrar shall not be required to make such transfer after the fifteenth (15) day preceding any interest payment date (the ARecord Date@) until after said interest payment date.

### **ESTIMATED SOURCES AND USES OF FUNDS**

The proceeds to be received from the sale of the Bonds (excluding accrued interest) are estimated to be applied as follows:

#### Sources of Funds:

Principal of the Bonds	\$	2,575,000.00
Premium		
Total Sources of Funds	\$	

#### Uses of Funds:

Costs of Project	\$	
Cost of Issuance		
Deposit to Sinking Fund		
Total Uses of Funds	\$	

### **PLAN OF FINANCING**

The voters of the City have authorized the issuance of General Obligation Limited Tax Bonds in one election pursuant to Article X, Section 35 of the Oklahoma Constitution, held on June 28, 2022, in the aggregate amount of \$3,710,000. The City has previously issued \$1,135,000 for the purposes of community development within or near the City and acquiring necessary property and lands therefor and the City has determined to issue \$2,575,000 for the purposes of

community development within or near the City and acquiring necessary property and lands therefor.

## **THE CITY OF SAND SPRINGS**

### **Governmental Structure and General Information**

The City's population provided by the US Census Bureau for April 1, 2020 was 19,874. The population of the Tulsa MSA (comprised of Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa and Wagoner counties), as reflected in the 2020 census is approximately 1,006,411.

The City has been governed by the Council-Manager form of government since the adoption of a charter in 1969. This form of government most closely resembles the private sector with the Manager serving as the Chief Executive Officer, the Mayor as the Chairman of the Board, and the Council as the Board of Directors. The City Council is the legislative body for the City of Sand Springs. It is comprised of the Mayor, Vice-Mayor and five council members who are elected to serve three-year terms. The seven members represent each of the City's six wards; one member serving an at-large position. The City Council members are also Trustees of the Sand Springs Municipal Authority.

The duties of the Council include, but are not limited to, adopting the City's annual budget, adopting ordinances, establishing personnel policies, appointing or electing members of all quasi-legislative boards and commissions, enacting legislation, regulating all other fiscal affairs of the City, and appointing the City Manager.

### **Principal Government Services**

The City provides its residents with a variety of municipal services, including police and fire protection, comprehensive land use, planning and zoning services, parks and recreational activities, cultural events, and the construction and maintenance of highways, streets and other infrastructure. The City also provides water, wastewater, stormwater, and solid waste services to its residents under the legal entity of the Sand Springs Municipal Authority (SSMA). SSMA is a public trust created under applicable Oklahoma statutes on March 14, 1966, with the City named as the beneficiary thereof. These utility systems operate for the benefit of the City of Sand Springs and are an integral part of City operations. The City owns and operates an 18-hole golf course, The Canyons at Blackjack Ridge and the Sand Springs-Pogue Airport under the SSMA. SSMA's financial statements are blended into the City's financial statements and together they comprise the City's primary financial presentation. The City is also financially accountable for a legally separate economic development authority (SSEDA) and a legally separate cultural-historical trust (SSCHMTA). Both of these entities are reported separately within the City's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements (see Note 1.A).

Historically, the City and public trusts established for the City's benefit have financed capital projects with earmarked sales tax revenues, General Obligation Limited Tax Bonds, revenue bonds backed by user fees and federal and state grants.

## **Economic and Demographic Characteristics of the City**

Sales tax collections in fiscal year 2023 increased 5.01% from the previous year's collections. Net assessed valuation for Sand Springs increased by 6.7%. Unemployment in the metro area remains low at 2.4%.

The City continues to invest in beautification projects and preparing city-owned property for future development. As a result, development has been completed in the River West development corridor. Additionally, the City anticipates new development in the Sheffield Crossing retail corridor in the coming months. When these retailers come online, we expect to see incremental sales tax growth and minor increased property values.

For details on the economic and demographic characteristics of the City and the metropolitan area, see APPENDIX B hereto.

## **FINANCIAL MANAGEMENT AND CONTROL**

### **Accounting and Reporting Practices**

The accounting and reporting policies of the City are prepared in accordance with generally accepted accounting principles. Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Municipal Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the 31<sup>st</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes that our current Comprehensive Annual Financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received its 26<sup>th</sup> consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year 2022. This award recognizes conformance with the highest standards for preparation of state and local popular reports. The popular report is an easily understandable financial report on all activities for the general public at large.

The Annual Comprehensive Financial Report of the City for the year ended June 30, 2022, are included in Appendix A which should be read in its entirety. The CAFR may be obtained from the City Finance Director, 100 Broadway Street, Sand Springs, Oklahoma 74063. These and other

financial reports may also be found on the City's website: [www.sandspringsok.org](http://www.sandspringsok.org)

## **Government-Wide Highlights**

The statement of net position and statement of activities display information about the City as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

## **Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

## **Changes in Net Position**

The City's total net position increased by \$9.8 million and the assets and deferred outflows of the City continued to exceed its liabilities and deferred inflows at June 30, 2023, by \$173.5 million (net position). Of this amount, \$37.6 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

## **General Fund Budget and Actual Year Ended June 30, 2023**

The General Fund is summarized below.

	<u>Budget</u>	<u>Actual</u>
Beginning Budgetary Fund Balance:	\$ 9,601,060	\$ 9,601,060
Resources:		
Taxes	\$ 12,462,247	\$ 13,199,143
Intergovernmental	605,702	596,117
Charges for services	982,888	1,025,871
Fines and forfeitures	120,000	173,074
Licenses & Permits	158,750	165,765
Other	<u>2,430,263</u>	<u>2,535,132</u>
Total Resources (Inflows)	\$ 16,759,850	\$ 17,695,102
Amount available for appropriations	\$ 26,360,910	\$ 27,296,162

Charges for Appropriations:

General government	\$ 273,645	\$ 125,844
Municipal court	226,461	197,469
City manager	394,353	212,645
City clerk	230,640	200,344
Information services	490,570	405,351
Planning and zoning	230,582	219,349
Human resources	263,111	177,360
Finance	874,069	759,982
City attorney	145,910	122,372
Police	4,356,161	3,965,783
Emergency management	199,697	133,683
Animal control	215,033	203,439
Communications	868,560	814,468
Fire	4,448,783	4,472,811
Neighborhood Services	513,842	435,047
Highways and streets	1,152,582	901,727
Health and welfare	48,031	42,979
Parks and recreation	1,961,192	1,662,549
Museum	56,135	48,571
Economic development	223,891	105,815
Facilities management	684,697	604,677
Fleet maintenance	326,367	253,513
Other financing uses	<u>766,850</u>	<u>789,182</u>
Total Charges to Appropriations	\$ 18,951,162	\$ 16,854,960
Ending Budgetary Fund Balance	\$ 7,409,748	\$ 10,441,202

(Figures provided by the City of Sand Springs)

## **Sales Tax Revenue History**

The City's most significant source of General Governmental Revenues is the sales tax. The City's sales tax is a 4.05% tax, 2.00 % for general governmental purposes, 1.00% is dedicated for water/waste water improvements, .50% for street improvements, .45% for public safety improvements and .10% for economic development. Sales tax revenues increased by 59.57% over the past 10 years.

## **CITY INDEBTEDNESS**

The Constitution of Oklahoma provides that without approval of the voters, the City is prohibited from becoming indebted in any year in an amount exceeding the income and revenue to be received for such year. General Obligation Limited Tax Bonds have been approved by the voters and issued by the City for various municipal improvements. These bonds are backed by the

full faith and credit of the City.

## **Authorization**

Political subdivisions in the State of Oklahoma must have authorization from the voters of such political subdivision in order to become indebted in any year in an amount in excess of the income and revenue provided for such year. All existing general obligation indebtedness has been issued under Article X, Sections 26 or 27 of the Oklahoma Constitution.

*Article X, Section 26* Political subdivisions issuing bonds under such section may issue obligations in a total amount such that the total aggregate net indebtedness shall not exceed 10 percent of the net assessed valuation of the taxable property therein, providing that three-fifths of the voters voting at an election held for such purpose shall vote to approve the issuance of such obligation.

*Article X, Section 27* Cities or towns issuing bonds under such subsection shall use the proceeds for the purpose of purchasing or constructing public utilities or for repairing the same, to be owned exclusively by such city or town, or for the purpose of constructing, reconstruction, improving or repairing streets and bridges. Provided that a majority of the voters of the city or town voting at an election to be held for such purpose shall vote to approve the issuance of such obligations. There is not a limit on the amount of General Obligation Limited Tax Bonds which may be issued pursuant to Section 27.

*Article X, Section 35* Cities issuing bonds under such subsection shall use the proceeds for the purpose of economic development within or near the City, provided that a majority of the voters of the City voting at an election to be held for such purpose shall vote to approve the issuance of such obligations. There is a five mil limit on the levy that can be made each year in payment of debt service on General Obligation Limited Tax bonds which may be issued pursuant to Section 35. The City authorized the issuance of \$6,180,000 of Article X, Section 35 bonds and issued the total amount by separate issue on April 1, 2018. In addition, the City authorized \$3,710,000 and has previously issued \$1,135,000 and is issuing \$2,575,000 authorized under this issue.

## General Long-Term Liabilities

The following is a summary of changes in long-term debt for year ended June 30, 2023:

Type of Debt	Balance 7-1-2022	Additions	Deductions	Balance 6-30-2023
<u>Primary Government</u>				
Governmental Activities:				
Gen Obligation Lmted Tax Bonds	\$ 18,325,000	\$ 7,885,000	\$ 1,255,000	\$ 24,955,000
Revenue Bonds	13,625,000	-	505,000	13,120,000
Capital Leases Payable	278,614	-	170,260	108,354
Judgment Payable	82,500	-	82,500	-
Accrued Compensated Absences	<u>1,015,697</u>	<u>810,813</u>	<u>757,839</u>	<u>1,068,671</u>
Total Governmental Activities	\$ 33,048,197	\$ 8,695,813	\$ 2,600,339	\$ 39,143,671
Plus: Unamortized bond premium				<u>274,705</u>
				<u>\$ 39,418,376</u>
Business-Type Activities:				
Notes Payable	\$ 2,354,440	\$ -	\$ 542,618	\$ 1,811,822
Revenue Bonds Payable	29,050,000	-	945,000	28,105,000
Accrued Compensated Absences	<u>316,416</u>	<u>237,779</u>	<u>199,607</u>	<u>354,588</u>
Total Business-Type Activities	\$ 31,720,856	\$ 237,779	\$ 1,687,225	\$ 30,271,410
Plus: Unamortized bond premium				2,227,075
Deposits Subject to Refund				<u>543,095</u>
				<u>\$ 33,041,580</u>

(Figures provided by the City of Sand Springs)

## Subsequent Maturities General Obligation Debt

At June 30, 2023, the City had outstanding General Obligation Limited Tax Bonds of \$24,955,000. Principal and interest requirements for such outstanding debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,125,000	\$ 926,363
2025	1,540,000	739,994
2026	1,540,000	696,318
2027	1,540,000	652,001
2028	1,540,000	607,506
2029-2033	7,460,000	2,348,125
2034-2038	7,105,000	1,199,457
2039-2043	<u>3,105,000</u>	<u>244,822</u>
Total	<u>\$ 24,955,000</u>	<u>\$ 7,414,586</u>

(Figures provided by the City of Sand Springs)



## Debt Ratios

The following table sets forth information with respect to the approximate ratio of the City's net general bonded debt to assessed value and net bonded debt per capita for the last ten fiscal years:

Fiscal Year	Population	Net Assessed Value	Gross Bonded Debt (1)	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2014	19,339	126,014,837	7,165,000	547,774	6,617,226	5.25%	342
2015	19,553	127,218,583	6,255,000	738,998	5,516,002	4.34%	282
2016	19,783	129,590,630	5,245,000	783,195	4,461,805	3.44%	226
2017	19,822	135,825,274	4,195,000	788,253	3,406,747	2.51%	172
2018	20,558	135,974,782	13,090,000	745,741	12,344,259	9.08%	600
2019	20,527	139,956,543	12,645,000	44,975	12,600,025	9.00%	614
2020	20,394	146,604,349	20,845,000	1,338,716	19,506,284	13.31%	950
2021	20,526	153,517,899	19,585,000	1,558,563	18,026,437	11.74%	878
2022	20,682	156,623,343	18,325,000	706,907	17,618,093	11.25%	852
2023	20,471	167,110,293	24,955,000	879,962	24,075,038	14.41%	1,176

(Figures provided by the City of Sand Springs)

## Direct and Overlapping Debt

The proportionate share of the net debt of overlapping governments located wholly or partially within the limits of the City as of June 30, 2023, was \$57,169,078. This debt is borne by taxable real and business personal property owners within the City.

Jurisdiction	Net Debt Outstanding	Percentage (1) Applicable to City of Sand Springs	Amount Applicable to City of Sand Springs
City of Sand Springs	\$ 38,349,705	100.00%	\$ 38,349,705
Sand Springs School District	21,605,000	75.05%	16,214,553
Berryhill School District	3,120,000	21.07%	657,384
Tulsa County	79,812,960	2.44%	1,947,436
Tulsa Community College	0	2.49%	0
Total overlapping debt	<u>\$104,537,960</u>		<u>\$ 18,819,373</u>
Total Direct and Overlapping Debt	\$142,887,665		\$ 57,169,078

Source:

(1) Tulsa & Osage County Assessor's Office

### **Historical Sales Tax Collections**

Set forth below is the sales tax collection record of the City for the past ten years:

<u>Years</u>	<u>Total Collections</u>
2022/23	\$ 16,743,304
2021/22	15,944,949
2020/21	15,036,741
2019/20	14,011,907
2018/19	13,312,916
2017/18	12,859,605
2016/17	11,445,609
2015/16	10,708,375
2014/15	10,631,021
2013/14	10,492,846

### **Property Tax Base**

<u>Fiscal Year</u>	<u>Net Assessed Value</u>
2014	126,014,837
2015	127,218,583
2016	129,590,630
2017	135,825,274
2018	135,974,782
2019	139,956,543
2020	146,604,349
2021	153,517,899
2022	156,623,343
2023	167,110,293

(Figures provided by the City of Sand Springs)

## Principal Taxpayers

The principal ad valorem taxpayers in the City at June 30, 2023, are as follows:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Net Total Assessed Value</u>
Webco Ind/Southwest Tube	Manufacturing	\$ 9,980,750	1	5.52%
Public Service Co of Okla	Utility	8,125,356	2	4.50%
Sterling Specialty Chemicals	Manufacturing	2,975,118	3	1.65%
Wal-Mart	Retail	2,410,342	4	1.33%
Sand Springs Home	Real Estate	1,971,997	5	1.09%
Highland Crossing	Apartment	1,367,036	6	.76%
Sand Springs Railway Co	Estate	1,217,652	7	.67%
Cust-O-Fab/B P Enterprises	Manufacturing	1,047,378	8	.58%
Yellowhouse Machinery	Equipment	1,033,182	9	.57%
Oklahoma Natural Gas	Utility	1,004,783	10	.56%
RSB Hotels LLC	Real Estate	881,866	11	.49%
Parker Plastics	Manufacturing	860,853	12	.48%
Dunham Asphalt Services	Manufacturing	786,780	13	.44%
Quik Trip Corp	Convenience Store	782,878	14	.43%
Valued Partners Investment	Real Estate	<u>715,640</u>	15	<u>.40%</u>
Totals		<u>\$ 35,161,611</u>		<u>19.47%</u>

(Figures provided by the City of Sand Springs)

## Public Trusts and Authorities

The City's financial reporting entity is comprised of the following:

Primary Government:	City of Sand Springs
Blended Component Unit:	Sand Springs Municipal Authority
Discretely Presented Component Units:	Sand Springs Economic Development Authority
	Sand Springs Cultural and Historical Museum Trust Authority

The component unit that is blended into the primary government's fund categories is presented below:

*Sand Springs Municipal Authority*BSSMA was created March 14, 1966, to finance, develop and operate the water, wastewater, stormwater, and solid waste disposal facilities. Also, the Municipal Authority operates and maintains the golf course and airport facilities. The current City Council serves as the entire governing body (Trustees) of the SSMA. Any issuances of debt would require a two-thirds approval of the City Council. Management and staff of the City also serve as management and staff of the Municipal Authority.

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Component units that are discretely presented in the City's report are presented as follows:

*Sand Springs Economic Development Authority*BSSEDA was created October 24, 1980, to promote and encourage development of industry and commerce on behalf of the City. This Trust was primarily set up to be the loan servicing agent for Community Development Block Grant Economic Development Loans, and lender for Oklahoma Industrial Finance Authority Loans to private enterprises. The SSED A governing body is comprised of eight members; two appointed council members and six other members appointed by the full City Council. Any issuance of debt would require a two-thirds approval of the City Council.

*Sand Springs Cultural and Historical Museum Trust Authority*Bwas created December 20, 1990, to promote cultural and historical activities within the City. The governing body is comprised of seven members appointed by the full City Council. No current City Council members serve on the board. Any issuance of debt would require a two-thirds approval of the City Council.

The discretely presented component units of the City do not issue separately audited component unit financial statements.

The following related organizations are not included in the financial reporting entity:

*Sand Springs Development Authority*BSSDA, an authority created on February 14, 1983, pursuant to Title 11 of Oklahoma Statutes, Sections 38-101, regarding urban renewal through private and public resources. This Authority was created to formulate a workable program of urban renewal. The City appoints a voting majority of the organization's governing body; however, the City does not have the ability to impose its will on the governing body, nor does a financial benefit or burden relationship exist between the two. Of the governing body appointed, no member shall hold any other public office under the City.

## **Other Obligations**

The City participates in three employee pension systems as follows:

<u>Name of Plan/System</u>	<u>Type of Plan</u>
Oklahoma Police Pension and Retirement Fund Plan	Cost Sharing Multiple Employer - Defined Benefit
Oklahoma Firefighters Pension and Retirement Fund Plan	Cost sharing multiple employer - Defined Benefit
Oklahoma Municipal Retirement Fund (OMRF)	Defined contribution plan

Defined contribution plan (CMO)  
 Defined contribution plan (CMO special  
 incentive)

A summary of all the amounts recorded in the City's financial statements for the plans is as follows:

	Governmental Activities
Net Pension Liability	
Police Pension System	\$ 445,983
Firefighter's Pension System	<u>9,104,441</u>
Total Net Pension Liability	<u>\$ 9,550,424</u>
Deferred Outflows of Resources	
Police Pension System	\$ 1,014,274
Firefighter's Pension System	<u>3,147,210</u>
Total Deferred Outflows of Resources	<u>\$ 4,161,484</u>
Deferred Inflows of Resources	
Police Pension System	\$ 55,312
Firefighter's Pension System	<u>639,066</u>
Total Deferred Inflows of Resources	<u>\$ 694,378</u>
Pension Expense	
Police Pension System	\$ 118,302
Firefighter's Pension System	<u>1,173,960</u>
Total Pension Expense	<u>\$ 1,292,262</u>

(Figures provided by the City of Sand Springs)

## Oklahoma Police Pension and Retirement Systems

### Summary of Significant Accounting Policies

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Police Pension & Retirement System (OPPRS) and additions to/deductions from OPPRS's fiduciary net position have been determined on the same basis as they are reported by OPPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Plan description** - The City of Sand Springs, as the employer, participates in the Oklahoma Police Pension and Retirement PlanCa cost-sharing multiple-employer defined benefit pension plan

administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at [www.ok.gov/OPPRS](http://www.ok.gov/OPPRS)

**Benefits provided** - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered. Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date. Survivor=s benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

**Contributions** - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$299,705. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$247,240. This is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$221,612. These on-behalf payments did not meet the criteria of a special funding situation.

Additional information regarding the Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions may be found in the Notes to Basic Financial Statements of the City of Sand Springs, Oklahoma, for the year ended June 30, 2023, attached hereto as Exhibit A.

## LITIGATION

Except as discussed below, the City is not a party to any litigation or any other proceeding pending or to its knowledge, threatened, in any court, agency or other administrative body (either state or federal), which, if decided adversely to the City, would have a material adverse effect on the financial statements of the City.

On August 8, 2017, the United States Court of Appeals for the Tenth Circuit issued an opinion in the case of *Murphy v. Royal*, 866 F.3d 1164 (10th Cir. 2017), and on November 9, 2017, issued an amended opinion, 875 F.3d 896 (10th Cir. 2017). In its opinion, the Tenth Circuit concluded that the United States Congress has not disestablished the Creek Reservation recognized by treaty in 1866. The external boundaries of the 1866 Reservation include much of the eastern portion of the current State of Oklahoma, including a portion of the boundaries of the City. The Court of Appeals concluded, accordingly, that the land within the external boundaries of the 1866 Reservation constitutes “Indian country” within the meaning of the federal Major Crimes Act (18 U.S.C.A. § 1151, et seq.).

On February 6, 2018, the State of Oklahoma filed a petition for a writ of certiorari with the United States Supreme Court. The Supreme Court heard oral arguments on November 27, 2018, and accepted supplemental briefs on December 28, 2018. In June of 2019, the case was restored to the calendar for re-argument. The Court first decided to hear the similar case of *McGirt v. Oklahoma* (No. 18-9526) being directly appealed from the Oklahoma Court of Criminal Appeals. Arguments for *McGirt* were heard before the Supreme Court on May 11, 2020. On July 9, 2020, the Supreme Court held that land throughout much of eastern Oklahoma reserved for the Creek Nation since the 19th century remains Indian Country for purposes of the Major Crimes Act. Also, on July 9, 2020 the Supreme Court affirmed in a per curiam opinion, the judgment of the U.S. Court of Appeals of the 10th Circuit, for the reasons stated in *McGirt v. Oklahoma*.

On April 13, 2022, in *Hooper v. City of Tulsa*, the United States District Court for the Northern District of Oklahoma held “that the Curtis Act grants the municipalities in its scope (including the City of Tulsa) jurisdiction over violations of municipal ordinances by any inhabitant of those municipalities, including Indians.” The relevant portion of the 1898 statute (Section 14) provides that “all inhabitants of such cities and towns, without regard to race, shall be subject to all laws and ordinances of such city or town governments, and shall have equal rights, privileges, and protections therein.” However, the Tenth Circuit of Appeals held on June 28, 2023, that Section 14 of the Curtis Act no longer applies to Tulsa, therefore the district court erred in granting Tulsa’s Rule 12(b)(6) motion to dismiss Mr. Hooper’s declaratory judgment claim. The United States Supreme Court denied an application for an emergency stay in the matter, and the case was remanded to the District Court for further proceedings. On remand, the District Court held that it lacks subject matter jurisdiction over Mr. Hooper’s appeal from the municipal court and dismissed the appeal without prejudice. The District Court declined to consider Mr. Hooper’s request for declaratory relief. On, November 15, 2023, the Muscogee (Creek) Nation filed a complaint in the federal District Court

seeking injunctive relief and a declaration that the City lacks criminal jurisdiction over Indians for conduct occurring within the Creek Reservation. *Muscogee (Creek) Nation v. City of Tulsa*, 23-cv-490 (N.D. Okla. Nov. 15, 2023). On December 8, 2023, the City filed a motion to dismiss and a brief in opposition to the plaintiff's motion for a preliminary injunction.

The City of Tulsa continues to apply and enforce its traffic laws against all inhabitants, including Indians, during the pendency of the litigation.

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Other traffic citation cases are pending in the City's Municipal Court and the Oklahoma Court of Criminal Appeals, addressing issues similar to those addressed in *Hooper v. City of Tulsa*. See e.g. *City of Tulsa v. O'Brien*, No. 720766, Municipal Criminal Court of the City of Tulsa, Oklahoma (dismissed Aug. 17, 2023); *Stitt v. City of Tulsa*, No. M-2022-984, Oklahoma Court of Criminal Appeals (appeal filed Nov. 7, 2022).

On June 29, 2022, the United States Supreme Court held in *Oklahoma v. Castro-Huerta* (No. 21-429) that the Federal Government and the State have concurrent jurisdiction to prosecute non-Indians who commit crimes against Indians in Indian Country.

Although these cases arise in a criminal law context, the Supreme Court's holding in *McGirt v. Oklahoma* may affect the application of civil law and have regulatory consequences within the same geographic territory, with potential direct and indirect effects upon the State and its political subdivision within such geographic territory, including the City. To date, litigation involving the City has rejected expanding *McGirt* in such a manner. See, *Nicholson v. Stitt, et al.*, Case No. CJ-2020-094, Okmulgee County District Court, Case No. CJ-2020-094. *Nicholson* involved a class action filed against most municipalities in Creek, Tulsa and Okmulgee counties, seeking recovery of fines levied against Native American defendants. On November 24, 2020, the *Nicholson* case was dismissed with prejudice in favor of the municipalities and was appealed to the Oklahoma Supreme Court. On April 19, 2022, the Oklahoma Supreme Court affirmed the district court's dismissal and mandate was issued on May 11, 2022.

Notwithstanding *Nicholson*, application of *McGirt* to other areas of State jurisdiction, such civil action, tax, zoning, land use, etc., could affect the way the State and its political subdivisions interact with Indian Country. For instance, IF IT IS DETERMINED THAT THE CITY IS UNABLE TO LEVY AND COLLECT AD VALOREM TAXES ON PROPERTY OWNED BY INDIANS IN THE ORIGINAL BOUNDARIES OF THE CREEK NATION OR CHEROKEE NATION RESERVATIONS, THEN THE CITY WOULD NEED TO INCREASE THE MILLAGE THAT WOULD BE ASSESSED ON THE REMAINING PROPERTY IN THE CITY IN ORDER TO COLLECT THE AMOUNT NECESSARY TO PAY THE PRINCIPAL AND INTEREST ON THE BONDS.

There is no litigation now pending or, to the knowledge of Authority officials, threatened which in any manner seeks to restrain or enjoin or in any way limit the approval or the issuance and delivery of the Official Statement or the Bonds or the proceedings or Authority under which they are to be issued. There is no litigation pending or, to the knowledge of the Authority, threatened which in any manner challenges or threatens the powers of the Authority to enter into or carry out the transactions contemplated herein.

## **INCONTESTABILITY**



Thirty days after the issuance of an opinion of the Attorney General of the State of Oklahoma as ex-officio Bond Commissioner of the State, the Bonds shall be incontestable for any cause whatsoever.

### **FINANCIAL ADVISOR**

The Baker Group LP is acting as Financial Advisor to the City of Sand Springs in the issuance of the Bonds. The Financial Advisor is located at 1601 NW Expressway, 21st floor, Oklahoma City, Oklahoma, 73118, and is registered with the Securities and Exchange Commission as a Municipal Advisor.

The information contained in the Official Statement has been obtained primarily from the City's records and from other sources which are believed reliable, including financial records of the City and other entities which may be subject to interpretation.

The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds and certain financial information included in this Official Statement and has been compiled by the Financial Advisor. The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

### **UNDERWRITING**

The bonds are to be sold at a competitive sale on April 22, 2024. The Bonds were purchased by \_\_\_\_\_ (the Purchaser), at a true interest cost of \_\_\_\_\_%. The Purchase Contract provides that the Purchaser will not be obligated to Purchase any Bonds if all such Bonds are not available for purchase. The Purchaser may offer to sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the offering price stated on the cover page hereof. After the initial public offering, the public offering price may be changed from time to time by the Purchaser.

### **LEGAL MATTERS**

Legal matters incidental to the authorization and issuance of the Bonds are subject to the approval of Hilborne & Weidman, a professional corporation, Bond Counsel. Certain legal matters will be passed upon by the Attorney General of the State of Oklahoma. Certain legal matters for the City will be passed upon by David Weatherford, Esq., City Attorney.

### **TAX EXEMPTION**

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Bonds under the Internal Revenue Code of 1986, as amended (the "Code"), the regulations promulgated thereunder (final and proposed) (the "Regulations"), and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. This summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their

individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. This summary does not discuss the tax laws of any state other than Oklahoma or

any local or foreign governments. Potential purchasers of the Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Bonds.

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has not expressed any opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

### **Federal Income Taxation**

In the opinion of Hilborne & Weidman, a professional corporation, Bond Counsel, to be delivered at the time of original issuance of the Bonds, under existing statutes, regulations, published rulings and judicial decisions, interest on the Bonds (including any original issue discount properly attributable to an owner thereof) is (a) excluded from gross income for federal income tax purposes and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The opinions set forth above are subject to continuing compliance by the City with its covenants regarding federal tax laws in the tax certificate delivered in connection with the issuance of the Bonds. Failure to comply with such covenants could cause such interest to be included in gross income retroactive to the date of issue of the Bonds.

The accrual or receipt of such interest may otherwise affect the federal income tax liability of certain recipients such as banks, thrift institutions, property and casualty insurance companies, corporations (including S corporations and foreign corporations operating branches in the United States), Social Security or Railroad Retirement benefit recipients or taxpayers otherwise entitled to claim the earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, among others. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences and investors should consult their own tax advisors regarding the tax consequences of purchasing or holding the Bonds.

The Bonds will be “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

The Bonds that were offered at a price less than the principal amount thereof resulting in a yield greater than the interest rate for each such maturity as shown on the inside cover page hereof are herein referred to as the “OID Bonds.” The difference between such initial offering price and the principal payable at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes. In the case of an owner of an OID Bond, the amount of original issue discount which is treated as having accrued with respect to such OID Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such OID Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such OID Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes. Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual OID Bond, on days which are determined by reference to the maturity of such OID Bond. The amount treated as original issue discount on such OID Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such OID Bond and (ii) the amount which would have been the tax basis of such OID Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any payments of qualified stated interest on such OID Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such OID Bond the sum of the amounts which would have been treated as original issue discount for such purposes during all prior periods. If such OID Bond is sold between semiannual compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period. An owner of an OID Bond should consult his or her own tax advisor with respect to the determination for federal income purposes of original issue discount accrued with respect to such OID Bond as of any date, with respect to the accrual of original issue discount for such OID Bond purchased in the secondary market and with respect to the state and local tax consequences of owning such OID Bond.

The Bonds that were offered at a price in excess of the principal amount thereof resulting in a yield less than the interest rate for each such maturity as shown on the inside cover page hereof are herein referred to as the “Premium Bonds.” Under the Code, the difference between the principal amount of a Premium Bond and the cost basis of such Premium Bond to an owner thereof is “bond premium.” A purchaser of a Premium Bond must amortize any premium over the term of such Premium Bond in accordance with the provisions of Section 171 of the Code. Owners of Premium Bonds (including purchasers of Premium Bonds in the secondary market) should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of such Premium Bonds and with respect to the state and local consequences of owning and disposing of such Premium Bonds.

Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of a Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent the Bonds are held as a capital asset, such gain or loss will be capital gain or loss, except

to the extent of accrued market discount not previously included in income, and will be long-term capital gain or loss if the Bond has been held for more than one year at the time of sale, exchange or retirement.

### **State of Oklahoma Taxation**

In the opinion of Hilborne & Weidman, a professional corporation, Bond Counsel, to be delivered at the time of original issuance of the Bonds, the interest on the Bonds is exempt from Oklahoma income taxation.

### **No Other Opinions**

The opinion to be rendered by Bond Counsel on the date of delivery pertaining to the Bonds is expected to be in substantially the form of Exhibit C hereto. Bond Counsel expresses no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds.

### **State and Local Taxation**

Except with respect to State of Oklahoma taxation, the discussion above does not address the tax consequences of purchase, ownership or disposition of the Bonds under any state or local tax law. Investors should consult their own tax advisors regarding state and local tax consequences.

### **Other Tax Consequences**

The foregoing is not intended to be a complete description of all Federal or Oklahoma income tax consequences associated with an investment in the Bonds, and except as set forth in Bond Counsel's opinion (described above), Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their own tax advisors regarding the particular tax consequences to them of an investment in such bonds.

Assuming that the City complies with the provisions and procedures set forth in the Arbitrage and Use of Proceeds Certificate, in the opinion of Hilborne & Weidman, Bond Counsel, a form of which is attached hereto as Appendix C, under existing statutes and court decisions, and assuming continuing compliance with certain tax covenants described here, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Interest on the Bonds is also exempt from State of Oklahoma income taxation under present law.

### **INDEPENDENT AUDITORS**

The basic financial statements of the City as of June 30, 2022, and for the year then ended, included in Appendix A of this Official Statement, have been audited by Arledge & Associates, P.C., independent auditors, as stated in their report included in Appendix A.

## **RATING**

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (AS&P@) has assigned the rating as shown on the cover of this Official Statement. An explanation of the significance of such rating may be obtained from such company. The rating reflects only the respective views of such organizations and the City makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company, if in the judgment of the company, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

## **CERTIFICATE WITH RESPECT TO PRELIMINARY OFFICIAL STATEMENT**

At the time of original delivery of and payment for the Bonds, the City will deliver a certificate of the Director of Finance addressed to the Purchaser to the effect that each has examined the Preliminary Official Statement (including the Appendices) and the financial and other data concerning the City contained herein and that, to the best of their knowledge and belief: (a) the Preliminary Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading and (b) between the date of the Preliminary Official Statement and the date of delivery of the Bonds there has been no material change in the affairs (financial or other), financial condition or results of operations of the City except as set forth in or contemplated by the Preliminary Official Statement.

## **CONTINUING DISCLOSURE AND OTHER AGREEMENTS OF THE ISSUER**

The City will execute and deliver its Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") for the benefit of the holders and beneficial owners of the Bonds. The City is required to observe the Continuing Disclosure Certificate for so long as it remains obligated to advance funds to pay the Bonds. Pursuant to the Continuing Disclosure Certificate, the City will be obligated to provide certain updated financial information and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system at [www.emma.msrb.org](http://www.emma.msrb.org). See Appendix D - Form of Continuing Disclosure Certificate.

## **Compliance with Prior Undertakings**

The City has entered into prior continuing disclosure undertakings pursuant to the Rule with respect to its previously issued and no longer outstanding Series 2006 General Obligation Limited Tax Bonds, Dated March 1, 2006, its no longer outstanding Series 2016A General Obligation Limited Tax Bonds dated May 1, 2016, and it currently outstanding Series 2014 General Obligation Limited Tax Bonds dated March 1, 2014, Series 2018 General Obligation Limited Tax Bonds dated April 1, 2018, Series 2018 General Obligation Limited Tax Bonds dated April 1, 2018, Series 2019 General Obligation Limited Tax Bonds dated July 1, 2019, and Series 2020 General Obligation Limited Tax Bonds dated June 1, 2020, Series 2021A General Obligation Refunding Bonds dated June 22, 2021,

Series 2022 General Obligation Bonds dated November 1, 2022, and Series 2022 General Obligation Limited Tax Bonds dated November 1, 2022 (the APrior Undertakings@).

The City is current in filing its audited financial statements; however, the City has not complied in all material respects with all continuing disclosure certificates or agreements made by it in accordance with the Rule, as hereinafter described. The City has been obligated to provide certain financial and operating information of the City and the City's audited financial statements within 180 days after the end of each fiscal year (June 30): The FYE 2020 CAFR was filed on January 29, 2021 with its unaudited financials and Late Filing Notice filed on December 23, 2020. A Notice of Failure to File for the FYE 2023 ACFR with the unaudited FYE 2023 financial statements was filed on December 19, 2023. Operating data, which completes the Annual Report obligation, is included in the City's posted audited financials.

The City has established procedures to ensure proper filing of the reports and notices required by the Continuing Disclosure Certificate and its prior undertakings on EMMA in the future. Such procedures include, but are not limited to, (i) educating the governing body of the City on an ongoing basis regarding the importance of the proper content and filing of the reports and notices required by the Continuing Disclosure Certificate and the City's prior undertakings, and (ii) periodically checking EMMA to ensure such reports and notices have been properly filed and indexed.

The City has covenanted to provide the final Official Statement to the purchaser within seven business days after final agreement to purchase, offer, or sell the Bonds in an offering and in sufficient time to accompany any confirmation that request payment from any customer.

### **GLOBAL HEALTH EMERGENCY RISK**

The outbreak of COVID-19 (coronavirus disease 2019), a respiratory illness caused by a new strain of coronavirus, has affected global, national, state and local economic activity. In response to the spread of the disease, national, state and local governments, businesses and other institutions, and individuals appear to be altering behaviors in a manner that may negatively impact economies.

The actions of federal, State and local measures, may have both adverse and positive effects on the operations, financial condition and bond ratings of the City. In addition, unemployment in the State, business closures and/or restrictions in the State and stock market fluctuations may have adverse effects, as well. The City continues to assess the economic and social effects of COVID-19 and its impact on their respective operations, financial condition and bond ratings.

### **DEEMED FINAL**

THE CITY HAS CERTIFIED THAT THIS OFFICIAL STATEMENT WAS DEEMED FINAL AS OF ITS DATE FOR PURPOSES OF RULE 15c2-12(b), EXCEPT FOR THE INFORMATION NOT REQUIRED TO BE INCLUDED THEREIN UNDER RULE 15c2-12(b). Concurrently with the delivery of the Bonds, the City will furnish a certificate executed on behalf of the City by the undersigned to the effect that this Official Statement, as of the date of the Official Statement and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make to the statements herein, in light of

the circumstances under which they were made, not misleading.

### **MISCELLANEOUS**

All quotations from and summaries and explanation of law herein do not purport to be complete and reference is made to said laws for full and complete statements of their provisions.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holder of any of the Bonds. Any statements made in this Official Statement involving matters of opinion are intended merely as opinion and not as representation of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, or its agencies and authorities, since the date hereof.

/s/

**Mayor, City of Sand Springs, Oklahoma**





**APPENDIX A-1**

**Audited Basic Financial Statements of the City of Sand Springs  
for The Year Ended June 30, 2022**

**APPENDIX A-2**

**Unaudited Basic Financial Statements of the City of Sand Springs  
for The Year Ended June 30, 2023**

## APPENDIX B

### Additional Demographic and Economic Information Regarding the City

#### Building Permits, Construction and Bank Deposits-last ten calendar years: June 30, 2023.

Calendar Year	Number of Building Permits	Construction Values			Estimated Actual Value of Taxable Property	Bank Deposits
		<u>Residential</u>	<u>Commercial</u>	<u>Total</u>		
2013	290	15,610,436	7,816,622	23,427,058	1,183,284,073	304,006,000
2014	238	14,969,551	17,720,381	32,689,932	1,193,563,573	329,335,000
2015	179	9,875,122	12,403,063	22,278,185	1,214,649,909	319,397,000
2016	158	7,861,535	19,058,083	26,920,338	1,270,783,036	321,528,000
2017	189	11,699,939	25,506,012	37,205,951	1,271,665,027	319,563,000
2018	159	9,695,049	6,347,082	16,042,131	1,279,212,909	329,866,000
2019	227	14,798,575	15,264,448	30,063,023	1,367,075,736	362,110,000
2020	80	17,491,290	11,745,037	29,236,327	1,429,837,536	366,489,000
2021	242	16,563,863	2,881,002	19,444,865	1,460,271,000	382,979,000
2022	178	11,159,797	26,537,570	37,697,367	1,577,356,409	379,986,000

#### Demographic and Economic Statistics-Last Ten Calendar Years: June 30, 2023

Calendar Year	Population	Current Personal Income ( <i>thousands of dollars</i> )	Per Capita Personal Income (MSA)	Median Age of Population	School Enrollment	Unemployment Rate
2014	19,553	1,384,646	70,815	34.3	5,336	4.3%
2015	19,783	1,247,971	63,083	34.3	5,236	5.6%
2016	19,822	1,070,071	53,984	36.1	5,141	4.9%
2017	19,909	1,174,332	58,985	36.8	5,144	3.5%
2018	20,558	1,174,643	57,138	36.8	5,101	3.1%
2019	20,527	1,157,307	56,380	37.3	5,063	3.1%
2020	20,394	1,266,753	62,114	37.4	4,874	2.3%
2021	20,526	1,344,309	65,493	37.6	4,879	2.1%
2022	20,682	1,354,312	65,483	37.6	4,965	2.0%
2023	20,471	1,324,379	64,695	37.6	5,147	2.4%

## Principal Employers

Employer	# Employees	Percent Total
Sand Springs Schools	780	10.57%
Webco	609	8.25%
WalMart	260	3.52%
City of Sand Springs	197	2.67%
Cust-O-Fab	192	2.60%
Osage Million Dollar Elm	131	1.78%
Sterling Specialty Chemicals LLC	116	1.57%
Tulsa Community College	93	1.26%
Piping Enterprise	90	1.22%
Parker Plastics	<u>80</u>	<u>1.08%</u>
Total:	<u>2,548</u>	<u>34.53%</u>

*Source: City Officials*

## **APPENDIX C**

### **Form of Opinion of Bond Counsel**



## **APPENDIX D**

### **Form of Continuing Disclosure Certificate**