

**EAGLE MOUNTAIN CITY
CITY COUNCIL MEETING
OCTOBER 17, 2017**

TITLE:	Resolution of the City Council of Eagle Mountain City, Utah (the “Issuer”), authorizing the issuance and sale of not more than \$1,500,000 aggregate principal amount of Water and Sewer Revenue Bonds, Series 2017B and related matters.		
FISCAL IMPACT:	None		
APPLICANT:	Eagle Mountain City		
GENERAL PLAN DESIGNATION	CURRENT ZONE	ACREAGE	COMMUNITY
N/A	N/A	N/A	N/A

NOTICES:

-Agenda Posted

REQUIRED FINDINGS:

Planning Commission Action / Recommendation
Vote: N/A

Prepared By: Paul Jerome

NOTES/COMMENTS:

Recommendations:

City Administration recommends that the City Council approve a resolution allowing for the issuance of a Water & Sewer Revenue Bond, Series 2017B in the amount of not to exceed \$1,500,000.

Background:

This bond will correct deficiencies that exist in the sewer system servicing the White Hills area of Eagle Mountain City. This bond will be for a term of 20 years.

Eagle Mountain, Utah

October 17, 2017

The City Council (the “Council”) of Eagle Mountain City, Utah (the “City”), met in regular public session at the regular meeting place of the Council in Eagle Mountain City, Utah on October 17, 2017, at the hour of 7:00 p.m., with the following members of the Council being present:

John Painter	Mayor
Adam Bradley	Councilmember
Colby Curtis	Councilmember
Stephanie Gircius	Councilmember
Ben Reaves	Councilmember
Tom Westmoreland	Councilmember

Also present:

Ifo Pili	City Administrator
Fionnuala Kofoed	City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the City Council a Certificate of Compliance with Open Meeting Law with respect to this October 17, 2017, meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in written form, was fully discussed, and pursuant to motion duly made by Councilmember and seconded by Councilmember _____, was adopted by the following vote:

AYE:

NAY:

The resolution is as follows:

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF EAGLE MOUNTAIN CITY, UTAH (THE “ISSUER”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$1,500,000 AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER REVENUE BONDS, SERIES 2017B; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND A NOTICE OF BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AUTHORIZING THE EXECUTION BY THE ISSUER OF A SUPPLEMENTAL INDENTURE OF TRUST, AND OTHER DOCUMENTS NECESSARY FOR THE ISSUANCE OF THE SERIES 2017B BONDS; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), the City Council (the “City Council”) of Eagle Mountain City, Utah (the “Issuer”), is authorized to issue bonds payable from the net revenues of its existing water and sewer system (the “System”) for the municipal purposes set forth in the Act; and

WHEREAS, subject to the limitations set forth herein, the Issuer desires to issue its Water and Sewer Revenue Bonds, Series 2017B (the “Series 2017B Bonds”) (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer) to (a) finance the construction of sewer pipelines and pump stations for the White Hills Subdivision and repairs to an existing collection system, and related improvements (collectively, the “Project”), (b) pay costs of issuance of the Series 2017B Bonds pursuant to this Resolution, a General Indenture of Trust (the “General Indenture”) dated as of July 1, 2007, between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”), and Supplemental Indenture of Trust, between the Issuer and the Trustee, in substantially the form presented to the meeting at which this resolution was adopted and which is attached hereto as Exhibit B (the “Supplemental Indenture”); and

WHEREAS, the State of Utah Department of Environmental Quality, Water Quality Board (the “Water Quality Board”) has offered to purchase the Issuer’s Series 2017B Bonds; and

WHEREAS, the Act provides that prior to issuing bonds, an issuing entity must (a) give notice of its intent to issue such bonds and (b) hold a public hearing to receive input from the public with respect to (i) the issuance of the bonds and (ii) the potential

economic impact that the improvement, facility or property for which the bonds pay all or part of the cost will have on the private sector; and

WHEREAS, the Issuer desires to call a public hearing for this purpose and to publish a notice of such hearing with respect to the Series 2017B Bonds, including a notice of bonds to be issued, in compliance with the Act; and

WHEREAS, in order to allow the Issuer (with the consultation and approval of the Issuer's Financial Advisor, Lewis Young Robertson & Burningham, Inc. (the "Financial Advisor")) flexibility in setting the pricing date of the Series 2017B Bonds to optimize debt service savings to the Issuer, the Council desires to grant to any one of the Mayor or Mayor Pro Tem (collectively, the "Mayor"), the City Administrator (the "City Administrator") or the Finance Director (the "Finance Director") (collectively, the "Designated Officers"), in accordance with state law, the authority approve the interest rates, principal amounts, terms, maturities, redemption features, and purchase price at which the Series 2017B Bonds shall be sold and any changes with respect thereto from those terms which were before the Council at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth for such terms in this Resolution (the "Parameters").

NOW, THEREFORE, it is hereby resolved by the City Council of Eagle Mountain City, Utah, as follows:

Section 1. The Issuer hereby authorizes and approves the issuance and sale of the Series 2017B Bonds for the purpose of financing the Project, refunding the Refunded Bonds, and paying costs of issuance of the Series 2017B Bonds, in the aggregate principal amount of not to exceed \$1,500,000, to bear interest at the rate or rates of not to exceed 1.50% percent (1.50%) to mature in not more than thirty-two (32) years from their date or dates, to be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof, and to be subject to redemption, all as shall be approved by the Designated Officers within the parameters set forth herein so long as the principal amount, interest rate or rates, maturity and discount shall not exceed the maximums set forth in this Section 1.

Section 2. The form of Supplemental Indenture and Bond Purchase Agreement in substantially the forms attached hereto as Exhibit B and Exhibit C, are in all respects hereby authorized and approved, and the Mayor and the City Recorder are hereby authorized and directed to execute and deliver the same on behalf of the Issuer, with final terms as may be established by the Designated Officers, in consultation with the Municipal Advisor, within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 4 hereof. The Designated Officers are each hereby authorized to select the Purchaser, to specify and agree as to the final principal amounts, terms, discounts, maturities, interest rates, redemption features, and purchase price with respect to the Series 2017B Bonds for and on behalf of the Issuer by execution of the Indenture and Bond Purchase Agreement, provided that such terms are within the Parameters set by this Resolution.

Section 3. The form, terms, and provisions of the Series 2017B Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indenture. The Mayor and City Recorder are hereby authorized and directed to execute and seal the Series 2017B Bonds and to deliver said Series 2017B Bonds to the trustee for authentication. The signatures of the Mayor and the City Recorder may be by facsimile or manual execution.

Section 4. The Designated Officers and other appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Supplemental Indenture, the Bond Purchase Agreement, the Series 2017B Bonds, or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2017B Bonds (within the Parameters set by this Resolution), to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the City Council or the provisions of the laws of the State of Utah or the United States.

Section 5. The Designated Officers and other appropriate officials of the Issuer are hereby authorized and directed to execute and deliver to the Trustee the written order of the Issuer for authentication and delivery of the Series 2017B Bonds in accordance with the provisions of the Indenture.

Section 6. Upon their issuance, the Series 2017B Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2017B Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2017B Bonds, or any other instrument, shall be construed as creating a general obligation of the Issuer, or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 7. The Designated Officers and other appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate (including, but not limited to a bond purchase contract or related agreement within the parameters described in Section 1 above) in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 8. After the Series 2017B Bonds are delivered to the trustee and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of the Series 2017B Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 9. The Issuer shall hold a public hearing on November 15, 2017 to receive input from the public with respect to (a) the issuance of the Series 2017B Bonds, and (b) the potential economic impact that the improvements to be financed with the proceeds of the Series 2017B Bonds will have on the private sector, which hearing date shall not be less than fourteen (14) days after notice of the public hearing is first

published (i) once a week for two consecutive weeks in The Daily Herald, a newspaper of general circulation in the Issuer, (ii) on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, and (iii) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended. The City Recorder shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Eagle Mountain City offices, for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the date of publication thereof. The Issuer directs its officers and staff to publish a “Notice of Public Hearing and Notice of Bonds to be Issued” in substantially the following forms:

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (together, the “Act”), that on October 17, 2017, the City Council (the “City Council”) of Eagle Mountain City, Utah (the “Issuer”), adopted a resolution (the “Resolution”) in which it authorized the issuance of the Issuer’s Water and Sewer Revenue Bonds, Series 2017 (the “Series 2017B Bonds”) (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer) and called a public hearing to receive input from the public with respect to (a) the issuance of the Series 2017B Bonds and (b) any potential economic impact that the Project described herein to be financed with the proceeds of the Series 2017B Bonds may have on the private sector.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on November 15, 2017, at the hour of 7:00 p.m. at 1650 East Stagecoach Run, Eagle Mountain, Utah. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING THE SERIES 2017B Bonds

The Series 2017B Bonds will be issued for the purpose of (a) financing the construction of sewer pipelines and pump stations for the White Hills Subdivision and repairs to an existing collection system, and all related improvements (collectively, the “Project”), and (b) paying costs of issuance of the Series 2017B Bonds.

DATED this October 17, 2017.

/s/ Fionnuala Kofoed

City Recorder

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act") that on October 17, 2017, the City Council (the "City Council") of Eagle Mountain City, Utah (the "Issuer"), adopted a resolution (the "Resolution") in which it authorized the issuance of the Issuer's Water and Sewer Revenue Bonds, Series 2017 (the "Series 2017B Bonds") (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer).

PURPOSE FOR ISSUING THE SERIES 2017B Bonds

The Series 2017B Bonds will be issued for the purpose of (a) financing the construction of sewer pipelines and pump stations for the White Hills Subdivision and repairs to an existing collection system, and all related improvements (collectively, the "Project"), and (b) paying costs of issuance of the Series 2017B Bonds.

REVENUES TO BE PLEDGED

The Series 2017B Bonds are special limited obligations of the Issuer payable from the net revenues of the Issuer's Water and Sewer system.

PARAMETERS OF THE SERIES 2017B Bonds

The Issuer intends to issue its Series 2017B Bonds in the aggregate principal amount of not more than One Million Five Hundred Thousand Dollars (\$1,500,000), to mature in not more than thirty-two (32) years from their date or dates, to be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof, and to bear interest a rate of not to exceed 1.50% per annum. The Series 2017B Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a General Indenture of Trust dated as of July 1, 2007, as heretofore amended and supplemented (the "General Indenture"), and a Supplemental Indenture of Trusts (the "Supplemental Indenture" and together with the General Indenture, the "Indenture") which were before the City Council in substantially final form at the time of the adoption of the Resolution. Said Supplemental Indenture is to be executed by the Issuer in such form and with such changes thereto as shall be approved by the Issuer; provided that the principal amount, interest rate or rates, maturity, and discount of the Series 2017B Bonds will not exceed the maximums set forth above.

OUTSTANDING BONDS SECURED BY WATER AND SEWER REVENUES

The Issuer has \$21,741,000 of Bonds currently outstanding that are secured by the Water and Sewer Revenues.

OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer's outstanding bonds may be found in the Issuer's financial report (the "Financial Report") at: <http://auditor.utah.gov/accountability/financial-reports-of-local-governments/>. For

additional information, including any information more recent than as of the date of the Financial Report, please contact Paul Jerome at (801) 789-6606.

TOTAL ESTIMATED COST

Based on the Issuer's current plan of finance and a current estimate of interest rates, the total principal and interest cost of the Series 2017B Bonds used to finance the Project if held until maturity is \$1,532,980.

A copy of the Resolution and the Indenture are on file in the office of the City Recorder, 1650 East Stagecoach Run, Eagle Mountain, Utah, where they may be examined during regular business hours of the City Recorder from 7:30 a.m. to 5:30 p.m. Monday through Friday for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Indenture (only as the same relates to the Series 2017B Bonds), or the Series 2017B Bonds, or any provision made for the security and payment of the Series 2017B Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever.

DATED this October 17, 2017.

/s/ Fionnuala Kofoed

City Recorder

Section 10. The City Council hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Project, in an amount not to exceed \$1,500,000. The Series 2017B Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Project is placed in service, but in any event, no later than three years after the date the original expenditure was made.

Section 11. The Issuer hereby reserves the right to opt not to issue the Series 2017B Bonds for any reason, including without limitation, consideration of the opinions expressed at the public hearing.

Section 12. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

PASSED, ADOPTED AND APPROVED this October 17, 2017.

EAGLE MOUNTAIN CITY, UTAH

(SEAL)

Mayor

ATTEST:

City Recorder

(Here follows business not pertinent to the above.)

Pursuant to motion duly made and seconded, the City Council adjourned.

(SEAL)

Mayor

ATTEST:

City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Fionnuala Kofoed, the undersigned City Recorder of Eagle Mountain City, Utah (the “City”), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the October 17, 2017, public meeting held by the City Council of the City (the “City Council”) as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the principal offices of the City on October ____, 2017, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to The Daily Herald on October ____, 2017, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2017 Annual Meeting Schedule for the City Council (attached hereto as Schedule 2) was given specifying the date, time, and place of the regular meetings of the City Council to be held during the year, by causing said Notice to be (a) posted on _____, at the principal office of the City Council, (b) provided to at least one newspaper of general circulation within the City on _____, and (c) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this October 17, 2017.

(SEAL)

By: _____
City Recorder

SCHEDULE 1
NOTICE OF MEETING

SCHEDULE 2

ANNUAL MEETING SCHEDULE

(attach Proof of Publication of
Notice of Bonds to be Issued)

EXHIBIT B

INDENTURE

(See Transcript Document Nos. __ and __)

EXHIBIT C

BOND PURCHASE AGREEMENT

(See Transcript Document No. __)