

RESOLUTION NO. 2005-38

A RESOLUTION FOR APPROVAL OF AGREEMENT FOR SID ADMINISTRATION WITH LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

WHEREAS, Lewis Young Robertson & Burningham, Inc. is an experienced and fully qualified firm that provides consulting expertise related to the administration of SID's to and for local governmental entities; and

WHEREAS, Bluffdale City created the Bluffdale City SID No. 2001-01 and issued Special Assessment Bonds, Series 2004 in the amount of \$4,370,000, which were dated and delivered November 29, 2004 and mature on December 1, 2019; and

WHEREAS, Bluffdale City wishes to engage Lewis Young Robertson & Burningham, Inc. for the purposes set forth in the Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BLUFFDALE CITY COUNCIL:

Section 1. Execution. The Mayor is authorized and directed to execute the Agreement for SID Administration between Bluffdale City and Lewis Young Robertson & Burningham Inc. for Bluffdale City SID No. 2001-01;

Section 2. Severability. If any section, part or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution and all sections, parts and provisions of this Resolution shall be severable.

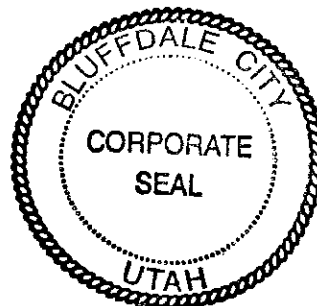
Section 4. Effective Date. This Resolution shall become effective immediately upon its passage and authorizes and directs the Mayor to execute and cause to be delivered the same.

PASSED, ADOPTED, AND APPROVED the 13th day of December, 2005.

By: *Wayne Mortimer*
Mayor Wayne Mortimer

ATTEST:

Jeddie K. Bee
City Recorder



Voting by the City Council:	Aye	Nay
Council Member Briggs	<u> x </u>	_____
Council Member Clark	<u> x </u>	_____
Council Member Kelley	<u> x </u>	_____
Council Member Maxfield	_____	<u> x </u>
Council Member Speed	_____	<u> x </u>

COPY

AGREEMENT FOR SID ADMINISTRATION

BLUFFDALE CITY, SALT LAKE COUNTY, UTAH
SPECIAL IMPROVEMENT DISTRICT NO. 2001-01
SERIES 2004 BONDS

THIS AGREEMENT for Special Improvement District ("SID") Administration (the "Agreement") is made as of December 13 2005 by and between the Bluffdale City, Salt Lake County, Utah, a body corporate and politic of the State of Utah (the "Client"), and Lewis Young Robertson & Burningham, Inc., a corporation having its corporate offices at the address of 136 East South Temple, Suite 100, Salt Lake City, Utah 84111-1116 (the "SID Administration Consultant").

WHEREAS, the SID Administration Consultant is an experienced and fully qualified firm that provides consulting expertise related to the administration of SID's to and for local governmental entities;

WHEREAS, the Client created the Bluffdale City SID No. 2001-01 and issued Special Assessment Bonds, Series 2004 in the amount of \$4,370,000 , which were dated and delivered November 29, 2004 and mature on December 1, 2019; and

WHEREAS, the Client wishes to engage the SID Administration Consultant for the purposes set forth in the Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the Client and the SID Administration Consultant agree as follows:

SECTION 1. SERVICES TO BE PROVIDED. During the period that this Agreement is effective, the SID Administration Consultant will perform and provide various services needed and desired by the Client with respect to SID No. 2001-01 and shall work under the direction of designated personnel of the Client. A list of services to be provided are attached hereto and incorporated into this Agreement, in EXHIBIT A: SCOPE OF SERVICES AND FEE SCHEDULE .

SECTION 2. REPRESENTATIONS OF THE CLIENT. The Client represents that in connection with any provisions of this Agreement, it will (a) take the actions, as may be appropriate and necessary, to accomplish the coordination and implementation of SID Administration; (b) cooperate with the SID Administration Consultant and provide the SID Administration Consultant with all information and data the Client may have in its possession or under its control which is reasonably required by the SID Administration Consultant; and (c) review and approve all dissemination data prior to its distribution.

SECTION 3. AGREEMENT DURATION. The SID Consultant shall represent the Client from the date of this agreement until the SID Bonds are paid in full or in accordance with Section 7 below.

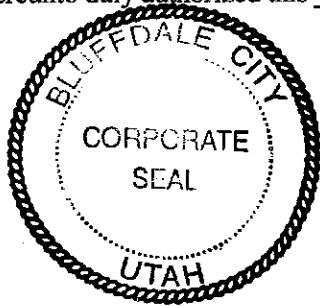
SECTION 4. PAYMENT OF COMPENSATION, COSTS AND EXPENSES. The Client shall compensate the SID Administration Consultant for the services rendered as agreed between the parties. Compensation shall be in the form of an agreed-to fee for services. The agreed upon fees for service are included in EXHIBIT A: SCOPE OF SERVICES AND FEE SCHEDULE and incorporated into this Agreement.

SECTION 5. SID ADMINISTRATION CONSULTANT AN INDEPENDENT CONTRACTOR. For purposes of this Agreement and the services to be performed hereunder, the SID Administration Consultant, its officers, employees and agents shall not be considered to be officers, employees, agents or servants of the Client. The SID Administration Consultant is and shall be considered to be an independent contractor in all respects.

SECTION 6. REPRESENTATION OF THE SID ADMINISTRATION CONSULTANT. The SID Administration Consultant represents that if a situation occurs whereby an interest of the Client is in conflict with the interests of another Client of the SID Administration Consultant, the SID Administration Consultant shall notify the Client promptly and disclose the conflict.

SECTION 7. TERMINATION. It is agreed that either party may terminate this Agreement at any time and for any reason. Any such termination shall be accomplished by one party giving the other party prior written notice thereof at least sixty (60) days in advance of the desired termination date. Neither party shall have any liability to the other for damages or other losses because of a termination of this Agreement unless that termination is wrongful and not done in good faith; provided, however, if a termination should occur, the Client agrees to pay the SID Administration Consultant all amounts due for work actually performed that falls within the scope of services of this Agreement through and including the termination date and the SID Administration Consultant shall deliver to the Client all data, reports and information that would be due on the termination date.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized this 13 day of December 2005.



BLUFFDALE CITY, SALT LAKE COUNTY, UTAH

Stacy A. Mortimer
Title: Mayor

Attest:

Jeddie K. Bae
Title: City Recorder

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

Case W. Burningham
Principal

Attest:

David M. Johnson
Title: Executive Assistant

EXHIBIT A

**BLUFFDALE CITY, SALT LAKE COUNTY, UTAH
SCOPE OF SERVICES AND FEE SCHEDULE FOR:
SID No. 2001-01 Administration Consulting**



BLUFFDALE CITY, SALT LAKE COUNTY, UTAH
SCOPE OF SERVICES AND FEE SCHEDULE FOR:
Special Improvement District (SID No. 2001-01) Administration Consulting

It is our understanding that the Bluffdale City (the "City") is in need of coordinative support relating to the financial and legal administration of the Bluffdale City Special Improvement District No. 2001-01 ("SID 2001-01"). The City issued \$4,370,000 of Special Assessment Bonds (the "Bonds") on November 29, 2004 to finance certain improvements. The Bonds are payable in annual installments and are due each December 1, commencing December 1, 2005 and extending until December 1, 2019.

The Utah Special Improvement District Act allows for ongoing administrative expenses to be recouped as part of the assessment payments made by property owners. Pursuant to this allowance, the City authorized and adopted as part of the Assessment Ordinance the imposition of .50% SID administration fee to defray the costs associated with the administration and coordination of financial and legal aspects related to SID No. 2001-01.

The purpose of the following scope of work is to identify specific services and functions to be performed by Lewis Young Robertson & Burningham, Inc. ("LYRB") in consulting and coordinating with the City regarding the SID administration and collection process. In summary, this includes calculation of pre-payments, administration of escrow accounts (if needed) and ongoing reporting requirements of bondholders and securities oversight organizations.

Provided below is LYRB's outline of services to assist Bluffdale City with this task.

Scope of Services:

LYRB will provide, on an on-going basis, comprehensive SID administration for SID No. 2001-01 and assist the City in all aspects of administering the SID project. Key elements of this effort will include:

- ☐ Calculation of amounts for annual assessment notices;
- ☐ Send annual assessment notices to property owners;
- ☐ Calculation of pre-payment amounts related to each individual property owner as it relates to lien releases or annual accounting practices (provide this information to the City and Title Companies);
- ☐ Assistance and follow-up on the collection of all assessments;
- ☐ Provide statements, at least on an annualized basis, reconciling amounts paid under SID debt service schedule and amounts collected and set aside in escrow or interest bearing accounts;
- ☐ Consultation and advice with respect to investment options to insure that principal and interest will be paid promptly on the bonds;
- ☐ Consultation and advice related to the establishment of escrow accounts; structuring and forecasting investment earnings to determine if there is any negative arbitrage between the time prepayments are made and when the bonds are callable;
- ☐ Revise and update the assessment list as needed; and
- ☐ Serve as contact for any questions or concerns regarding SID No. 2001-01.

The source by which these consulting services are paid is derived from the assessment payers. For purposes of SID No. 2001-01, the City has enacted a .50% administration fee, as referenced in the assessment ordinance, which will be used to defray the costs associated with the administration of this project.

Fee Schedule for SID Administration Consulting:

LYRB and the City will share in the .50% fee for SID Administration. This fee will be calculated based on the outstanding principal amount of the bond issue at the beginning of each year. It is understood, that the assessment for each property owner will include an additional .50% above the coupon rate on the SID bond, as was authorized by the City to defray costs associated with the administration of the SID. Each property owner will proportionally pay the cost associated with SID administration. Listed below is the proposed SID Administration Fee Schedule.

Proposed Fee Schedule

SID ADMINISTRATION CONSULTING	
LYRB, Inc. Fee for Administration:	.400%
City of Bluffdale Fee for Administration:	.100%

Bond Year	Beginning Principal	Principal Reduction	Ending Principal	SID Administration Fee	Total SID Fee	City 0.100%	LYRB 0.400%
2005	4,370,000.00	200,000.00	4,170,000.00	0.5000%	21,850.00	4,370.00	17,480.00
2006	4,170,000.00	210,000.00	3,960,000.00	0.5000%	20,850.00	4,170.00	16,680.00
2007	3,960,000.00	220,000.00	3,740,000.00	0.5000%	19,800.00	3,960.00	15,840.00
2008	3,740,000.00	230,000.00	3,510,000.00	0.5000%	18,700.00	3,740.00	14,960.00
2009	3,510,000.00	240,000.00	3,270,000.00	0.5000%	17,550.00	3,510.00	14,040.00
2010	3,270,000.00	255,000.00	3,015,000.00	0.5000%	16,350.00	3,270.00	13,080.00
2011	3,015,000.00	265,000.00	2,750,000.00	0.5000%	15,075.00	3,015.00	12,060.00
2012	2,750,000.00	280,000.00	2,470,000.00	0.5000%	13,750.00	2,750.00	11,000.00
2013	2,470,000.00	295,000.00	2,175,000.00	0.5000%	12,350.00	2,470.00	9,880.00
2014	2,175,000.00	310,000.00	1,865,000.00	0.5000%	10,875.00	2,175.00	8,700.00
2015	1,865,000.00	330,000.00	1,535,000.00	0.5000%	9,325.00	1,865.00	7,460.00
2016	1,535,000.00	350,000.00	1,185,000.00	0.5000%	7,675.00	1,535.00	6,140.00
2017	1,185,000.00	370,000.00	815,000.00	0.5000%	5,925.00	1,185.00	4,740.00
2018	815,000.00	395,000.00	420,000.00	0.5000%	4,075.00	815.00	3,260.00
2019	420,000.00	420,000.00	-	0.5000%	2,100.00	420.00	1,680.00
TOTALS:.....		4,370,000			196,250.00	39,250.00	157,000.00



Timeline of Events Related to SID No. 2001-01:

The following timeline shows timing for important events related to SID No. 2001-01 for 2005 and beyond:

\$4,370,000
Bluffdale City, Salt Lake County, Utah
Special Assessment Bonds (SID No. 2001-01)
Series 2004

Schedule of Events – 2005.....2019

Date	Event
July 15	Send Assessment Notice to Property Owners (45 days prior to the assessment payment date)
September	Assessment Payment Due (if a property owner fails to pay on time, a letter of delinquency will immediately be sent to that property owner)
September	Administration Fee due to Lewis Young Robertson & Burningham, Inc.
December	Bond Payment Due