



## SYRACUSE CITY

**Syracuse City Municipal Building Authority**  
**February 9, 2016– immediately following the City Council meeting,**  
**which begins at 7:00 p.m.**  
City Council Chambers  
Municipal Building, 1979 W. 1900 S.

1. Meeting called to order  
Adopt agenda
2. Proposed Resolution MBA16-01 of the City Council of Syracuse City, Utah, authorizing the issuance and sale by the Municipal Building Authority of Syracuse City, Utah, of its Lease Revenue Refunding Bonds, Series 2006, Series 2012, and Series 2014, in the aggregate principal amount of not to exceed \$11,500,000; and related matters.
3. Adjourn.

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In compliance with the Americans Disabilities Act, persons needing auxiliary communicative aids and services for this meeting should contact the City Offices at 801-825-1477 at least 48 hours in advance of the meeting.

### **CERTIFICATE OF POSTING**

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted within the Syracuse City limits on this 4<sup>th</sup> day of February, 2016 at Syracuse City Hall on the City Hall Notice Board and at <http://www.syracuseut.com/>. A copy was also provided to the Standard-Examiner on February 4, 2016.

CASSIE Z. BROWN, CMC  
SYRACUSE CITY RECORDER



# COUNCIL AGENDA

February 9, 2016

## Agenda Item # 2

Proposed resolution MBA16-01 of the City Council of Syracuse City, Utah, authorizing the issuance and sale by the Municipal Building Authority of Syracuse City, Utah, of its Lease Revenue Refunding Bonds, Series 2006, Series 2012, and Series 2014, in the aggregate principal amount of not to exceed \$11,500,000; and related matters.

### *Factual Summation*

- Any questions regarding this item may be directed at Finance Director Stephen Marshall. Please review the bond refinance resolution attached with this document.
- The Municipal Building Authority is a separate legal entity from Syracuse City Corporation. It was established in August 2006 to allow the City to streamline the funding and construction of city facilities. The MBA borrows funding, constructs facilities, and leases them to the City. The lease payments made by the City provide the revenue for the MBA to make the debt payments. Eventually the debt will be paid off and the properties will be deeded to the City. The executive board of the MBA is comprised of the Mayor and Councilmen of Syracuse City.
- The Municipal Building Authority issued bonds in 2006 and 2008 to construct City Hall, renovate the police station, and build an addition to the public works building. Those bonds are eligible for refinancing. This would include a refinance of the final year of the 2006 bond and also the remaining years on the 2012 and 2014 bonds.
- It is estimated that the City could save as much as \$600,000 in interest over the remaining life of the bonds. However, this is an estimate based on market conditions. There is a possibility that we would have no bidders and we would not be able to refinance.

- The bonds could be refinanced either by direct purchase or placing them out in the open market. I recommend that we do a direct purchase because it is less time intensive and allows us to have more flexibility on our call features. For full disclosure, the City could attempt to sell the bonds on the open market. This would cost the City more in closing costs but could attract better rates than the direct bids above. However, rates are volatile and could fluctuate upwards in the time it takes us to take the bond to market. If we went with this option, we would not be able to sell the bonds until March or even April. The risk is that rates would increase between now and then and erode any potential savings we would realize. Based on that fact, I would recommend going with the direct purchase option.
- Since the MBA and Syracuse City are two separate legal entities, we have two separate resolutions – one for Syracuse City and the other for the MBA. We will hold a special meeting of the MBA to approve the second resolution separately.

### **Recommendation**

I recommend that the City Council approve the resolution and move forward with the refinancing process. This would include a 30 day public notice requirement and a request for proposal to potential companies to solicit their bids.

NOTICE OF SPECIAL MEETING

TO THE MEMBERS OF THE GOVERNING BOARD OF THE MUNICIPAL BUILDING AUTHORITY OF SYRACUSE CITY, UTAH:

NOTICE IS HEREBY GIVEN that a special meeting of the Governing Board of the Municipal Building Authority of Syracuse City, Utah (the "Authority"), will be held at 1979 West 1900 South, Syracuse, Utah, 84075, Utah at 7:00 p.m. on Tuesday, February 9, 2016, for the purpose of consideration for adoption of a resolution authorizing the issuance of its Lease Revenue Refunding Bonds, Series 2016, and for the transaction of such other business incidental to the foregoing as may come before said meeting.

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Secretary-Treasurer

ACKNOWLEDGMENT OF NOTICE  
AND CONSENT TO SPECIAL MEETING

We, the Trustees of the Governing Board of the Municipal Building Authority of Syracuse City, Utah, do hereby acknowledge receipt of the foregoing Notice of Special Meeting, and we hereby waive any and all irregularities, if any, in such notice and in the manner of service thereof upon us and consent and agree to the holding of such special meeting at the time and place specified in said notice, and to the transaction of any and all business which may come before said meeting.

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Chair/President

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Trustee

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Trustee

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Trustee

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Trustee

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Trustee

Syracuse Utah

February 9, 2016

The Governing Board of the Municipal Building Authority of Syracuse City, Utah (the "Governing Board"), met in special public session at in Syracuse City, Utah on Tuesday, February 9, 2016, at the hour of 7:00 p.m., with the following members of the Governing Board being present:

|                   |                 |
|-------------------|-----------------|
| Terry Palmer      | Chair/President |
| Andrea Anderson   | Trustee         |
| Corrine Bolduc    | Trustee         |
| Karianne Lisonbee | Trustee         |
| Dave Maughan      | Trustee         |

Also present:

|                  |                     |
|------------------|---------------------|
| Brody Bovero     | City Manager        |
| Stephen Marshall | Finance Director    |
| Paul Roberts     | City Attorney       |
| Cassie Brown     | Secretary-Treasurer |

Absent:

|             |         |
|-------------|---------|
| Mike Gailey | Trustee |
|-------------|---------|

After the meeting had been duly called to order and after other matters not pertinent to this Resolution had been discussed, there was presented to the Governing Board a Certificate of Compliance with Open Meeting Law with respect to this February 9, 2016 meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in writing, was fully discussed, and pursuant to motion duly made by \_\_\_\_\_ and seconded by \_\_\_\_\_, adopted by the following vote:

AYE:

NAY:

The resolution was then signed by the Chair/President in open meeting and recorded by the Secretary-Treasurer in the official records of the Municipal Building Authority of Syracuse City, Utah. The resolution is as follows:

RESOLUTION NO. MBA16-01

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY THE MUNICIPAL BUILDING AUTHORITY OF SYRACUSE CITY, UTAH (THE "AUTHORITY") OF NOT MORE THAN \$11,500,000 AGGREGATE PRINCIPAL AMOUNT OF ITS LEASE REVENUE REFUNDING BONDS, SERIES 2016 (THE "BONDS"); 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 BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; PROVIDING FOR A PERIOD TO SUBMIT WRITTEN PETITIONS FOR AN ELECTION AS REQUIRED BY LAW; AND RELATED MATTERS.

WHEREAS, the City Council (the "City Council") of Syracuse City, Utah (the "City") has previously authorized and directed the creation of the Municipal Building Authority of Syracuse City, Utah (the "Authority"); and

WHEREAS, pursuant to the direction of the City Council, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the Constitution and the laws of the State of Utah, including, in particular, the provisions of the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the "MBA Act"); and

WHEREAS, pursuant to the provisions of the MBA Act, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the "Act"), the Governing Board (the "Governing Board") of the Authority, has authority to issue its lease revenue refunding bonds for the purpose of refunding outstanding bonds; and

WHEREAS, the Authority desires to issue its Lease Revenue Refunding Bonds, Series 2016 or with any other title(s) ultimately designated by the Authority (to be issued in one or more series and from time to time) (collectively the "Bonds"), in the aggregate principal amount of not to exceed \$11,500,000 to (i) refund all or a portion of the Authority's outstanding Lease Revenue Bonds (the "Refunded Bonds") (ii) fund a debt service reserve fund, if necessary and (iii) pay costs associated with the issuance of the Bonds; and

WHEREAS, the Issuer considers it desirable and beneficial to refund the Refunded Bonds in order to achieve a debt service savings; and

WHEREAS, the Act provides for the publication of a Notice of Bonds to be Issued, and the Authority desires to publish such notice at this time in compliance with the Act with respect to the Bonds to thereby initiate the running of a contest period.

NOW, THEREFORE, it is hereby resolved by the Governing Board of the Municipal Building Authority of Syracuse City, Utah, as follows:

Section 1. Terms defined in the foregoing recitals hereto shall have the same meaning when used in this Resolution.

Section 2. The Governing Board hereby finds and determines that it is in the best interests of the Authority and residents of the City for the Authority to issue not more than \$11,500,000 aggregate principal amount of the Bonds, to bear interest at a rate or rates of not to exceed five percent (5.0%) per annum, to mature in not more than thirteen (13) years from their dated date, and to be sold at a price not less ninety-eight percent (98%) of the total principal amount thereof to (i) refund the Refunded Bonds, (ii) fund a debt service reserve fund, if necessary, and (iii) pay costs of issuance of the Bonds, all pursuant to this Resolution, an authorizing resolution to be adopted and approved by the Governing Board authorizing and confirming the issuance and sale of the Bonds (herein referred to as the “Final Bond Resolution”), a General Indenture and a Supplemental Indenture(s) (collectively, the “Indenture”) to be entered into at the time of issuance of the Bonds in substantially the form attached hereto as Exhibit B and a Master Lease Agreement and/or amendments thereto (collectively, the “Lease”), between the Authority and the City in substantially the form attached hereto as Exhibit C, and approval by the City, and the Authority hereby declares its intention to issue the Bonds according to the provisions of this Resolution, the Indenture, the Lease and the Final Bond Resolution, when adopted, and the City’s approval.

Section 3. Pursuant to the provisions of the Act, the Secretary-Treasurer has caused the following “Notice of Bonds to be Issued” to be published in the Standard Examiner, a newspaper of general circulation in the Issuer. The Secretary-Treasurer shall also cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Issuer’s principal offices for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the date of such publication. The Issuer hereby ratifies the “Notice of Bonds to be Issued” as published, in the following form:

## NOTICE OF BONDS TO BE ISSUED

PUBLIC NOTICE IS HEREBY GIVEN that pursuant to the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the “Act”), the Governing Board (the “Board”) of the Municipal Building Authority of Syracuse City, Utah (the “Authority”), adopted a resolution on February 9, 2016 (the “Resolution”) in which it authorized the issuance of the Authority’s Lease Revenue Refunding Bonds, Series 2016 (collectively, the “Series 2016 Bonds”) (to be issued in one or more series from time to time and with any other series or title designations ultimately designated by the Authority).

### PURPOSE FOR ISSUING BONDS

The Authority intends to issue the Bonds to provide funds to (a) refund all or a portion of the Authority’s outstanding Lease Revenue Bonds; (b) pay costs associated with the issuance of the Bonds.

### PARAMETERS OF THE BONDS

The Authority intends to issue the Bonds in the principal amount of not to exceed Eleven Million Five Hundred Thousand Dollars (\$11,500,000), to bear interest at a rate or rates of not to exceed five percent (5.0%) per annum, to mature in not more than thirteen (13) years from their date or dates, and to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, plus accrued interest to the date of delivery.

The Bonds are to be issued and sold by the Authority pursuant to the Resolution, including as attachments to said Resolution a form of an Indenture and a form of a Master Lease Agreement (the “Lease”), which were before the Governing Board at the time of the adoption of the Resolution. The Indenture and the Lease are to be executed by the Authority and/or the City with such terms and provisions and any changes thereto as shall be approved by the Authority and the City at the time of adoption of final bond resolution.

### SECURITY FOR THE BONDS

The Bonds are payable solely from the rents, revenues and other income received by the Authority from the leasing of the Project to the City on an annually renewable basis (the “Lease Revenues”).

Copies of the Resolution, the Indenture and the Master Lease are on file in the office of the City Recorder located at 1979 West 1900 South, Syracuse, Utah, where they may be examined during regular business hours from 8:00 a.m. to 5:00 p.m., Monday through Friday, for a period of at least thirty (30) days from and after the last 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 (i) any person in interest shall have the right to contest the legality of the Resolution, the Indenture, the Lease, or the Bonds, or any provision made for the security and payment of the Bonds, and 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 February 9, 2016.

/s/ Cassie Brown

Secretary-Treasurer

Section 4. 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.

APPROVED AND ADOPTED this February 9, 2016.

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Chair/President

ATTEST AND COUNTERSIGN:

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Secretary-Treasurer

(Other business not pertinent to the foregoing appears in the minutes of the meeting.)

Upon the conclusion of all business on the agenda, the meeting was adjourned.

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Chair/President

ATTEST AND COUNTERSIGN:

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Secretary-Treasurer

STATE OF UTAH )  
 : ss.  
COUNTY OF DAVIS )

I, Cassie Brown, the duly appointed and qualified Secretary-Treasurer of the Municipal Building Authority of Syracuse City, Utah (the "Authority"), do hereby certify according to the records of the Governing Board of the Authority in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the Governing Board held on February 9, 2016, including a resolution (the "Resolution") adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on February 9, 2016, and that pursuant to the Resolution, there will be published (a) once, in the Standard Examiner, a newspaper having general circulation in Syracuse City, (b) on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, and (c) on the Utah Legal Notices website ([www.utahlegals.com](http://www.utahlegals.com)), a Notice of Public Hearing and a Notice of Bonds to be Issued, the affidavit of which publication will, when available, be attached hereto.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said Authority, on February 9, 2016.

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Secretary-Treasurer

(SEAL)

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH  
OPEN MEETING LAW

I, Cassie Brown, the undersigned Secretary-Treasurer of the Building Authority of Syracuse City, Utah (the "Authority"), do hereby certify, according to the records of the Authority 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 February 9, 2016, public meeting held by the Governing Board of the Municipal Building Authority as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the Authority's principal offices on February \_\_\_\_, 2016, 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 Ogden Standard Examiner on February \_\_\_\_, 2016, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice to be published on the Utah Public Notice Website (<http://pnm.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

The Authority does not schedule its meetings in advance over the course of the year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this February 9, 2016.

(SEAL)

By: \_\_\_\_\_  
Secretary-Treasurer

SCHEDULE 1

NOTICE OF MEETING

EXHIBIT B

FORM OF INDENTURE

(See Transcript Document No. \_\_)

EXHIBIT C

FORM OF MASTER LEASE AGREEMENT

(See Transcript Document No. \_\_)



(attach Proof of Publication of  
Notice of Public Hearing and Bonds to be Issued)