



WESTMINSTER
COLORADO

August 27, 2001
7:00 P.M.
AGENDA

NOTICE TO READERS: City Council meeting packets are prepared several days prior to the meetings. Timely action and short discussion on agenda items is reflective of Council's prior review of each issue with time, thought and analysis given.

Members of the audience are invited to speak at the Council meeting. Citizen Communication (item 5) and Citizen Presentations (item 12) are reserved for comments on items not contained on the printed agenda.

1. Pledge of Allegiance
2. Roll Call
3. Consideration of Minutes of Preceding Meetings
4. Presentations
 - A. Proclamation re Employee Appreciation Week Sept 3-7
5. Citizen Communication (5 minutes or less)
6. Report of City Officials
 - A. City Manager's Report
7. City Council Comments

The "Consent Agenda" is a group of routine matters to be acted on with a single motion and vote. The Mayor will ask if any citizen wishes to have an item discussed. Citizens then may request that the subject item be removed from the Consent Agenda for discussion separately.

8. Consent Agenda
 - A. Financial Report for July, 2001
 - B. Legal Services Contract with Kutak Rock re Sales Tax Revenue Bonds
 - C. Purchase of Tandem Dump Truck
 - D. CB No. 56 re Vacation Easements in Northridge at Park Centre Subdivision (Moss-Atchison)
 - E. CB No. 57 re Supplemental Appropriation for Regional Trails Planning Map (Atchison-Dixon)
9. Appointments and Resignations
None
10. Public Hearings and Other New Business
 - A. Second Public Hearing on Proposed 2002 Budget
 - B. Councillor's Bill No. 58 re \$14.682 million Sales Tax Refunding and Revenue Bonds: \$4.5 million for Widening 112th Ave and Refunding 1991 Sales Tax Bonds of \$10.310 million
 - C. Agreement with Police, Fire and General Employee Pension Boards
 - D. Resolution No. 53 re Private Activity Bond Carry Forward
11. Old Business and Passage of Ordinances on Second Reading
None
12. Citizen Presentations (longer than 5 minutes) and Miscellaneous Business
 - A. City Council
 - B. Request for Executive Session
13. Adjournment

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE CITY COUNCIL MEETING
HELD ON MONDAY, AUGUST 27, 2001 AT 7:00 P.M.

PLEDGE OF ALLEGIANCE:

Mayor Pro-Tem Dixon led Council, Staff and the audience in the Pledge of Allegiance.

ROLL CALL:

Mayor Pro Tem Dixon, Councillors Atchison, Hicks, Kauffman, and Moss were present at roll call. J. Brent McFall, City Manager; Martin McCullough, City Attorney; and Michele Kelley, City Clerk were also present. Absent were Councillor Merkel and Mayor Heil.

CONSIDERATION OF MINUTES:

Councillor Atchison moved, seconded by Councillor Moss to accept the minutes of the meeting of August 13, 2001 with no corrections or additions. The motion carried unanimously with Councillor Kauffman abstaining.

PRESENTATIONS:

Mayor Pro-Tem Dixon presented Mary Ann Parrot, Finance Director, with a proclamation declaring September 3 –7 as City Employee Appreciation Week.

CITIZEN COMMUNICATION:

Joe Armstrong, 4765 W 101st Avenue, President of Mile High Figure Skating Association, addressed Council regarding the Rocky Mountain Skating Club upcoming events at Sun Microsystems Ice Arena.

CONSENT AGENDA:

The following items were considered as part of the Consent Agenda: Financial Report for July, 2001; Legal Services Contract with Kutak Rock, LLP, for \$14,000 for issuance of Sales Tax Revenue Bonds; Purchase of a Tandem Dump Truck, in the amount of \$112,853; CB No. 56 re Vacation Easements in Northridge at Park Centre Subdivision; and CB No. 57 re Supplemental Appropriation for Regional Trails Planning Map.

The Mayor Pro-Tem asked if there was any member of Council or anyone from the audience who would like to have a consent agenda item removed for discussion purposes or separate vote. There was no request. Councillor Moss moved, seconded by Councillor Atchison to adopt all items on the Consent Agenda as presented. The motion carried unanimously.

SECOND PUBLIC HEARING ON 2002 BUDGET

At 7:20 P.M. the public hearing was opened on the 2002 Budget. Brent McFall, City Manager, presented a slide show. Flora Cardinas, 4975 W 80th Ave, Flowers by Flora, requested Sales Tax rebate for small businesses. Patrick Payne, 2428 W 80th Ave, GM & Artistic Director of Westminster Spotlight Theatre, requested \$6,000. Carl Walczak, 3725 W 78th Ave, addressed Council. The public hearing was declared closed at 7:45 p.m.

ORDINANCE NO. 2907 RE \$14.682 MILLION SALES TAX REFUNDING AND REVENUE BONDS

Councillor Atchison moved, seconded by Councillor Hicks to pass Councillor's Bill No. 58 as an emergency ordinance, approving the sale of \$14.682 million Sales Tax Revenue Bonds for the construction of widening of 112th Avenue from Sheridan Blvd to Stuart Street and for refunding the outstanding 1991 bonds of \$10.310 million, thus saving the City approximately \$650,000 in interest costs, and direct the Mayor, Finance Director and City Clerk to sign necessary documents on behalf of the City. Upon roll call vote, the motion carried unanimously.

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AGREEMENT WITH POLICE, FIRE, AND GENERAL EMPLOYEE PENSION BOARDS

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Councillor Hicks moved, seconded by Councillor Atchison to approve the agreement with the Police, Fire, and General Employee Pension Boards, in substantially the same form, delineating the responsibilities and costs underwritten by both parties, and authorized the City Manager to sign the agreement. The motion carried unanimously.

RESOLUTION NO. 53 RE PRIVATE ACTIVITY BOND CARRY FORWARD

Councillor Kauffman moved, seconded by Councillor Hicks to adopt Resolution No. 53 approving the carryforward of the City of Westminster's Private Activity Bond allocation for the year 2001, for the qualified purposes set forth in the resolution, and authorize the Mayor and City Clerk to execute the documents necessary to preserve this allocation. Upon roll call vote, the motion carried unanimously.

ADJOURNMENT:

The meeting was adjourned at 7:48 P.M.

ATTEST

City Clerk

Mayor



WESTMINSTER COLORADO

Agenda Memorandum

Date: August 27, 2001

Subject: Proclamation - Employee Appreciation Week

Prepared by: Mary Ann Parrot, Finance Director

Introduction

The Mayor Pro Tem is being requested to proclaim September 3-7, 2001 as City Employee Appreciation Week.

Summary

For many years, the City of Westminster and its citizens have benefited from the hard work and commitment of City employees. The purpose of the proposed proclamation is to recognize approximately 929 full and part-time individuals who comprise the City of Westminster's workforce. The proclamation will designate September 3-7, 2001, as City of Westminster Employee Appreciation Week. On September 5, the twelfth annual employee appreciation breakfast will be prepared by the City Manager, Assistant City Manager, City Attorney and City Department Heads.

This celebration marks the first year City Manager Brent McFall will be presiding over the activities of Employee Appreciation Week. Mr. McFall has reviewed the activities and strongly recommends continuing this tradition.

Members of the City's Employee Advisory Committee, which represents employees from all City departments, have been invited to attend Monday evening's meeting to accept the proclamation on behalf of all City employees.

Staff Recommendation

Proclaim September 3-7, 2001 as City of Westminster Employee Appreciation Week in recognition of the contributions of City employees to the overall success of the City organization and the quality of life of Westminster citizens.

Background Information

The ability of the City of Westminster organization to provide quality municipal services is in no small part due to the commitment, dedication, talent, expertise, and knowledge of the City's employee workforce. Currently there are approximately 929 full-time and part-time employees working in Information Technology, Police, Fire, Public Works and Utilities, Finance, General Services, Parks, Recreation and Libraries, and Community Development Departments, and the City Attorney's and City Manager's Offices. In no small part due to the efforts of these individuals, Westminster is in the forefront of providing high quality facilities and services to its residents. Very positive citizen feedback in annual surveys and the many national and regional awards that the City has received attest to the caliber of the City's workforce.

The attached Proclamation summarizes the contributions of City employees and recognizes their efforts by proclaiming September 3-7, 2001 as City of Westminster Employee Appreciation Week.

Proclamation - Employee Appreciation Week
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One of the highlights of the week will be the Employee Appreciation Breakfast at City Park Recreation Center. It will mark the thirteenth year in a row that the City Manager, Assistant City Manager, City Attorney, and Department Heads have gotten up at 5 A.M. to prepare a full breakfast with pancakes, hash browns, eggs, fruit, ham and orange juice for employees at the start of their workday.

Employees will stop by anytime between 6:00 a.m. and 8:30 a.m. to partake in the breakfast and comradery prior to the start of their normal workday.

Some of the members of the City's Employee Advisory Committee will be present Monday evening to accept this proclamation from the Mayor on behalf of all City employees.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

WHEREAS, the very high City service ratings from Westminster citizens in each of the past citizen surveys attest to the high quality of services provided by Westminster employees; and

WHEREAS, Westminster employees are in large part responsible for the City's national and regional reputation for quality, progressive municipal government; and

WHEREAS, the 929 full-time and part-time employees have contributed significantly to the quality of life of Westminster citizens; and

WHEREAS, these employees that are employed in Information Technology, Police, Fire, Public Works and Utilities, Parks, Recreation, and Libraries, Finance, General Services, and Community Development Departments, and the City Manager's and City Attorney's Offices are unquestionably the City's most valuable resource; and

WHEREAS, on September 5, 2001 the City Manager, Assistant City Manager, City Attorney, and all City Department Heads will be preparing an Employee Appreciation Breakfast in recognition of all City employees at City Park Recreation Center,

WHEREAS, the week of September 3, 2001, will include several activities designed to express appreciation to City Employees.

NOW THEREFORE, I, Sam Dixon, Mayor Pro Tem of the City of Westminster, on behalf of the entire City Council and Staff, do hereby proclaim September 3-7, 2001 as City of Westminster Employee Appreciation Week.

Signed this 27th day of August, 2001.

Sam Dixon, Mayor Pro Tem



WESTMINSTER
COLORADO

Agenda Memorandum

Date: August 27, 2001
Subject: Financial Report for July, 2001
Prepared by: Mary Ann Parrot, Finance Director

Introduction

City Council is requested to review the attached financial statements, which reflect 2001 transactions through July, 2001.

Summary

There are three sections to the attached report:

1. Revenue Summary
2. Statement of Expenditures vs. Appropriations
3. Sales Tax Detail

At this time, typically 58% of revenues and expenditures should be realized after the seventh month in the budget year, unless seasonal fluctuations impact revenue and expenditure streams.

General Fund revenues represent 62% of the total budget estimate while General Fund expenditures and encumbrances represent 54% of the 2001 appropriation.

Utility Fund revenues represent 66% of the total budget estimate. Utility fund expenditures and encumbrances represent 48% of the 2001 appropriation. Water sales are at 64% at this time. Wastewater sales are at 71% at this time.

The Sales and Use Tax Fund revenues represent 61% of the total budget estimate, while expenditures and encumbrances in that fund represent 58% of the 2001 appropriation. Total Sales and Use Tax revenues for the 25 shopping centers reported increased 8% from the same period last year and increased 3% year-to-date.

The Open Space Fund revenues represent 81% of the total budget estimate while expenditures and encumbrances in that fund represent 50% of the 2001 appropriation.

The Legacy Ridge Golf Course Fund operating revenues represent 54% of the total budget estimate while operating expenditures and encumbrances represent 49% of the 2001 appropriation. Operating revenues for Heritage represent 48% of the total budget estimate while operating expenditures and encumbrances represent 60% of the 2001 appropriation. Seasonal fluctuations are the reason for revenues falling below budget.

Policy Issues

According to City Charter, Sections 4.8(i) and 9.6, City Manager is required to submit financial statements quarterly, or more often, as the Council directs. The monthly financial report is prepared by the Finance Department and presented by the City Manager to City Council for review and approval.

Staff Recommendation

Accept the report as presented.

Background

Sections 4.8(i) and 9.6 of the City Charter requires that the City Manager provide, at least quarterly, financial data showing the relationship between the estimated and actual revenue expenditures to date.

Respectfully submitted,

J. Brent McFall
City Manager

Attachments



WESTMINSTER
COLORADO

Agenda Memorandum

Date: August 27, 2001
Subject: Agreement With Kutak Rock for Disclosure Counsel Services
Prepared by: Marty McCullough, City Attorney

Introduction

City Council action is requested to approve a fee agreement with Kutak Rock for special disclosure counsel services in connection with the City's proposed issuance of up to \$14 million in Sales Tax Revenue Bonds to (1) refund the City's \$10 million 1991 Sales Tax Revenue Bond Issue and (2) provide approximately \$4 million in funding for the 112th Avenue Street Improvement Project.

Summary

- The City will be issuing approximately \$14 million in Sales Tax Revenue Bonds. Approximately \$10 million of this issue will be used to refund the City's 1991 Sales Tax Revenue Bonds. Approximately \$4 million of this issue will be used to fund the 112th Avenue Street Improvement Project.
- Staff is recommending the retention of Mr. Thomas M. Peltz of the law firm of Kutak Rock LLP to serve as disclosure counsel to the City for this financing at a fee of \$14,000. Payment for these services will be available from the proposed bond financing.

Staff Recommendation

Authorize the City Manager to execute a legal services contract with Mr. Thomas M. Peltz of Kutak Rock LLP to act as disclosure counsel to the City in connection with the issuance of approximately \$14 million in Sales Tax Revenue Bonds for the 112th Avenue Road Improvement Project and the refunding of the City's 1991 Sales Tax Revenue Bonds at a fee of \$14,000, exclusive of out-of-pocket expenses, to be paid out of the proceeds of the proposed bond issue.

Background Information

Pursuant to federal law, a disclosure document, or Official Statement, must be prepared for this financing. Kutak Rock LLP has acted in this capacity on other City bond issues, and is very familiar with the City's finances, charter, ordinances and outstanding bond covenants.

The Official Statement must disclose all material facts about the City and this financing, and the firm retained as disclosure counsel must issue a legal opinion that the Official Statement complies with Regulation 10b-5 of the Federal Securities Law and all other federal regulations governing municipal disclosure documents. The proposed fee is well within the range of fees experienced for similar City financings in the past. The proposed fee is to be paid out of the proceeds of the bond issue.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

Agenda Memorandum

Date: August 27, 2001

Subject: Councillor's Bill No. 58 re Issuance of \$14.682 million Sales Tax Refunding and Revenue Bonds: \$4.15 million for Widening 112th Ave. and Refunding 1991 Sales Tax Bonds of \$10.310 million

Prepared by: Mary Ann Parrot, Finance Director

Introduction

City Council approval is requested on the attached Emergency Ordinance re: financing for Sales and Use Tax Bonds to accomplish the following objectives:

- \$ 4.15 million for the Widening of 112th Ave., approved in November 2000 in a regular election
- \$10.310 million for refunding outstanding 1991 Sales Tax Bonds, thus realizing approximately \$650,000 in reduced interest costs for the remaining eight years on these bonds. (On the 1991 bonds, the interest rate will be reduced from 6.96% original issue to 4.47% at time of issue).

These funds will be appropriated in separate City Council action in September 2001, when the closing is held and the sale proceeds are received by the City.

The reason for the emergency ordinance is to enable Staff to proceed to sale after the ordinance is passed, rather than selling the bonds on a contingent basis during the two-week interval between first reading and second reading.

Summary

This action completes the financing for the widening of 112th Avenue from Sheridan Blvd. to Stuart Street, as summarized in the following chronology:

- In November 2000, the voters of the City voted to approve financing in an amount not to exceed \$19.72 million for two major street projects:
 - Widening of 112th Avenue from Sheridan Blvd to Stuart Street, estimated at \$4.58 million (actual bonding cost will be a total of \$4.247 million, below earlier estimates by \$333,000)
 - Construction of the Interchange at 136th Avenue and I-25, estimated at \$14.14 million (estimates have not changed since October 2000)
- In June 2001, City Council approved a Reimbursement Resolution, notifying the citizens of their intent to issue bonds to support these projects, and approving the expenditure of funds before the issuance of bonds, with the intent of repaying the City from bond funds when the bonds were sold.
- In August 2001, City Council approved the contract to Lawrence Construction Company for the construction of this section of 112th Avenue.
- On August 20, City Council directed Staff to move forward with drafting a "parameters" ordinance for City Council to use in issuing bonds for the City. The ordinance sets the parameters within which Staff can issue bonds, and delegates to Staff the actual sale of the bonds.
 - The parameters in the ordinance protect the City when they delegate the authority to Staff to issue bonds, because the parameters include the interest rate on the bonds, maximum bonds to be issued, maximum payout of the bonds, etc.

- The ordinance attached is only for the \$4.15 million for the Widening of 112th Avenue and for the Refunding of \$10.310 million of the 1991 Sales Tax Bonds. (Staff will return to City Council in early 2002 with details of the remaining bonds to be sold to finance the interchange at 125 and 136th Avenue.)

The bond sale is scheduled for Aug 28-29; Staff will report the results of the sale when it is complete. Staff will return to City Council at the meeting of September 10 to request City Council to appropriate the bond funds.

Policy Issue(s)

Does City Council wish to finance the widening of 112th Avenue with sales tax bonds?

Staff Recommendation

Adopt Councillor's Bill No. 58 as an emergency ordinance, approving the sale of \$14.682 million Sales Tax Revenue Bonds for the construction of widening of 112th Avenue from Sheridan Blvd to Stuart Street and for refunding the outstanding 1991 bonds of \$10.310 million, thus saving the City approximately \$650,000 in interest costs, and direct the Mayor, Finance Director and City Clerk to sign necessary documents on behalf of the City.

Alternative(s)

1. Finance the construction with cash. This alternative is not recommended for the following reasons:
 - Although the City is in a positive cash flow position, it does not have these funds budgeted in the Capital Improvement Fund as cash. In addition, this bond issue was approved by the voters in November 2000.
 - Payments for debt service on the bonds are budgeted in the City's budgets for 2001, and proposed in the 2002 and 2003 budgets.
2. Do not proceed with the project. This alternative is also not recommended, because the project is needed, bids have been opened and the City Council approved the construction contract in August.

Background Information

The parameters included in the bond ordinance are as follows:

- For this bond issue, a maximum bond amount of \$14 million
 - Widening of 112th Avenue from Sheridan Blvd to Stuart Street
 - Refinancing the 1991 Sales Tax Revenue Bonds of \$10.310 million and reducing the interest cost on this issue from a 7% coupon to approximately 4.5%
- A maximum payout of \$19,000,000 million (for both the "new money" bond for widening 112th Ave and the refunding bond for the \$10.310 million Sales Tax Refunding Bonds).
- Maximum maturity period of 20-years
- Maximum annual repayment costs of \$2,200,000 to accommodate the maximum repayment on the "new money" of \$4.15 million for 112th widening (per the Tabor notice of November 2001) and to accommodate the revised repayment schedule on the refunded bonds of \$10.310 million. This also guarantees against increasing debt service, and maintains the City's policy of level to declining debt service.
- Optional redemption premium not to exceed 1%
- Maximum underwriters purchase at 98.5% of par

In addition to the new money for the 112th Avenue widening, Staff has also been able to reduce the debt service for the existing 1991 bonds by more than \$65,000 per year. In year 2001, total debt service budgeted for 2001 was reduced by approximately \$140,000. This is because of the refunding of the 1991 bonds, at a total savings of \$650,000 over the remaining life of 9 years, and also because the expected interest rate for the sale of the new money bonds will be completed at a very low interest rate; it is expected the City will realize a cost of capital of 4.5% on this sale.

The City's financial advisors and Staff will attend the August 27 City Council meeting to answer questions.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

A BILL

FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2001, OF THE CITY OF WESTMINSTER, COLORADO, PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND DECLARING AN EMERGENCY.

THE CITY OF WESTMINSTER ORDAINS:

Section 1. Definitions. As used herein, unless the context clearly indicates otherwise, the following terms shall have the respective meanings set forth below:

Beneficial Owner: any Person for which a Participant acquires an interest in the Bonds.

Bond Fund: offsetting revenue and expense accounts within the General Debt Service Fund of the City, designated as the "2001 Sales and Use Tax Revenue Bonds", created by the provisions of this Ordinance.

Bond Purchase Agreement: the agreement between the City and the Underwriter, concerning the purchase of the Bonds by the Underwriter.

Bond Requirements: the interest on the Refunded Bonds due on December 1, 2001, the principal of the Refunded Bonds due at maturity on December 1, 2001, and the principal due in connection with the prior redemption on December 1, 2001 of the Refunded Bonds maturing on and after December 1, 2002.

Bonds: the Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2001, dated September 1, 2001, as authorized by this Ordinance.

Cede: Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

Certified Public Accountant: a certified public accountant within the meaning of Section 12-2-115, C.R.S., licensed to practice in the State of Colorado.

Charter: the home rule charter of the City adopted in accordance with Article XX of the Colorado Constitution.

City: the City of Westminster, Adams and Jefferson Counties, Colorado.

Code: the Internal Revenue Code 1986, as in effect on the date of delivery of the Bonds.

Combined Average Annual Principal and Interest Requirements: with regard to any two or more particular issues of bonds or other obligations, the aggregate of all future payments of principal of and interest on all of said issues (excluding redemption premiums) to become due from the date of computation to the date of maturity of the latest maturing obligation of any of said issues, divided by the number of years between said dates; provided that if any particular issue has a single principal payment date and is issued as interim notes or securities in anticipation of permanent financing, such principal amount shall be excluded from this computation; provided further that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption.

Continuing Disclosure Certificate: the undertaking executed by officers of the City simultaneous with the delivery of the Bonds which enables the Underwriter to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Council: the City Council of the City of Westminster, Colorado.

C.R.S.: the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

Delegated Authority: has the same meaning as in Section 3 hereof.

Depository: any securities depository as the City may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

DTC: the Depository Trust Company, New York, New York, and its successors and assigns.

Escrow Account: the account established pursuant to the Escrow Agreement.

Escrow Agreement: the Escrow Agreement dated as of September 1, 2001 between the City and the Escrow Bank.

Escrow Bank: The Bank of Cherry Creek, N.A., Denver, Colorado, or its successor.

Event of Default: any one or more of the events set forth in Section 21 of this Ordinance.

Federal Securities: direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee.

General Debt Service Fund: the "General Debt Service Fund" heretofore established as a governmental fund of the City.

Letter of Representations: the letter of representations from the City to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

Maximum Annual Combined Debt Service Requirement: the maximum amount of all required payments of principal and interest on the 1992 Bonds, the 1996 Bonds, the 1997 Bonds, the Bonds, any Parity Lien Bonds, and any Parity Lien Bonds proposed to be issued which will become due in any Fiscal Year; provided that if any particular issue has a single principal payment date and is issued as interim notes or securities in anticipation of permanent financing, such principal amount shall be excluded from this computation; provided further that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption.

1991 Bonds: the City's Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 1991, dated January 1, 1991.

1992 Bonds: The City's Sales and Use Tax Revenue Bonds, Series 1992A, dated October 15, 1992.

1996 Bonds: The City's Sales and Use Tax Revenue Refunding Bonds, Series 1996, dated May 1, 1996.

1997 Bonds: The City's Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 1997A, dated March 1, 1997.

Ordinance: this Ordinance which authorizes the issuance of the Bonds.

Owners: the Beneficial Owners and the Registered Owners; provided however, that for purposes of Sections 23 and 24 hereof, to the extent provided in any ordinance authorizing the 1991 Bonds or any Parity Lien Bonds, any bond insurer which is not in default in its obligations under its bond insurance policy insuring payment of the 1991 Bonds or any Parity Lien Bonds shall be deemed the Owner thereof.

Parity Lien Bonds: one or more series of additional bonds, notes, interim securities, or other obligations issued by the City in accordance with the provisions hereof, having a lien on the Pledged Revenue which is on a parity with the lien of the Bonds.

Participants: any broker-dealer, bank, or other financial institution from time to time for which DTC or other Depository holds the Bonds.

Paying Agent: The Bank of Cherry Creek, N.A., in Denver, Colorado or its successor, which shall perform the function of paying agent as set forth in this Ordinance.

Paying Agent Agreement: the Registrar and Paying Agent Agreement dated as of September 1, 2001, between the City and the Registrar and Paying Agent.

Person: any natural person, firm, partnership, association, corporation, trust, public body, or other entity.

Pledged Revenue: so long as the rate of the Sales and Use Tax is three and one quarter percent (3.25%), the revenue derived from the Sales and Use Tax, after deducting (i) 7.69% thereof for deposit to the City's Open Space Fund, and (ii) all costs of administering and collecting the Sales and Use Tax; and so long as the rate of the Sales and Use Tax is three percent (3%), the revenue derived from the Sales and Use Tax, after deducting all costs of administering and collecting the Sales and Use Tax.

Project: the street improvements described in the question set forth in Section 2 of the Ordinance and approved by a majority of the City's registered electors voting thereon at the November 7, 2000, general election.

Record Date: the fifteenth (15th) day of the calendar month next preceding each interest payment date of the Bonds.

Refunded Bonds: the 1991 Bonds maturing on and after December 1, 2001.

Refunding Project: the refunding, paying and discharging of the Bond Requirements.

Registered Owner: the registered owner of any Bond, as shown by the registration books maintained by the Registrar on behalf of the City.

Registrar: The Bank of Cherry Creek, N.A., in Denver, Colorado or its successor, which shall perform the registration and transfer functions of bond registrar as set forth in this Ordinance.

Required Reserve: the amount of the Reserve Fund required by Section 19(e) hereof.

Reserve Fund: offsetting revenue and expense accounts within the General Debt Service Fund of the City, designated as the "Sales and Use Tax Revenue Bonds Reserve", created by the provisions of Section 19(e) of this Ordinance.

Sale Certificate: the certificate executed by the City Manager or the Finance Director of the City pursuant to Delegated Authority dated on or before the date of delivery of the 2001 Bonds, setting forth the purchaser of the 2001 Bonds, the purchase price of the 2001 Bonds, the rate of interest on the 2001 Bonds, the dates on which the 2001 Bonds may be called for redemption, the redemption price of the 2001 Bonds, the price at which the 2001 Bonds will be sold, the total principal amount of the 2001 Bonds, the amount of principal maturing on each date for the 2001 Bonds and the amount of capitalized interest and reserve fund, if any, on the 2001 Bonds, subject to the parameters and restrictions contained in this Ordinance.

Sales and Use Tax: the sales and use tax of the City, as imposed by Title IV in effect as of the date hereof. The term "Sales and Use Tax" does not include any increases in the rate of sale and use taxes from the present rate of 3.25%, nor does it include any other excise taxes which may now or hereafter be imposed by the City, whether contained in Title IV or any other Chapter or ordinance of the City.

Sales and Use Tax Fund: the "Sales and Use Tax Special Revenue Fund" heretofore established as a governmental fund of the City.

Special Record Date: a special date fixed to determine the names and addresses of registered owners of Bonds for purposes of paying interest on a special interest payment date for the payment of defaulted interest.

Subordinate Lien Bonds: one or more series of additional bonds, notes, interim securities, or other obligations issued by the City in accordance with the provisions hereof, having a lien on the Pledged Revenue which is subordinate or junior to the lien of the Bonds.

Supplemental Act: the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S.

Term Bonds : The Bonds that are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

Title IV: Chapters 1 and 2 of Title IV of the Municipal Code of the City governing the imposition, collection, distribution, and enforcement of the Sales and Use Tax, and any successor or other ordinance pertaining to the Sales and Use Tax.

Underwriter: Hanifen, Imhoff Division of Stifel Nicolaus & Co., Denver, Colorado, the original purchaser of the Bonds, or its successor.

Section 2. Recitals.

A. This Ordinance shall be known as and may be cited by the short title "2001 Sales and Use Tax Bond Ordinance".

B. The City is a duly organized and existing home rule municipality of the State of Colorado, created and operating pursuant to Article XX of the Colorado Constitution and the Charter.

- C. Pursuant to Section 10.2 of the Charter and Title IV of the City's Municipal Code, the City has heretofore imposed and is collecting a sales and use tax upon the sale or use of tangible personal property and certain services.
- D. Pursuant to said Title IV, for transactions consummated or contracts entered into on or after January 1, 1986, but prior to January 1, 2016, the rate of the sales and use tax shall be three and one-quarter percent (3.25%), and for transactions consummated or contracts entered into prior to January 1, 1986, or on or after January 1, 2017, the rate of the sales and use tax shall be three percent (3%).
- E. Pursuant to said Title IV, seven and sixty-nine hundredths percent (7.69%) of all sales and use taxes collected at the rate of three and one quarter percent (3.25%) shall be distributed to the City's Open Space Fund.
- F. Pursuant to Chapter XI of the Charter, the Council has the power to issue, without the vote of the qualified electors of the City, revenue bonds for any public purpose payable in whole or in part from the available proceeds of sales and use taxes which may be imposed pursuant to Chapter X of the Charter.
- G. Pursuant to Chapter XI of the Charter, the City has heretofore duly authorized, sold, issued, and delivered to the purchasers thereof \$16,965,000 of its 1991 Bonds payable solely from certain sales and use tax and other excise tax revenues to be derived by the City, \$10,015,000 of which remains outstanding.
- H. Pursuant to Chapter XI of the Charter, the City has heretofore duly authorized, sold, issued, and delivered to the purchasers thereof \$21,490,000 of its 1992 Bonds payable solely from certain sales and use tax and other excise tax revenues to be derived by the City, \$2,095,000 of which remains outstanding.
- I. Pursuant to Chapter XI of the Charter, the City has heretofore duly authorized, sold, issued, and delivered to the purchasers thereof \$8,770,000 of its 1996 Bonds payable solely from certain sales and use tax and other excise tax revenues to be derived by the City, \$4,435,000 of which remains outstanding.
- J. Pursuant to Chapter XI of the Charter, the City has heretofore duly authorized, sold, issued, and delivered to the purchasers thereof \$30,190,000 of its 1997 Bonds payable solely from certain sales and use tax and other excise tax revenues to be derived by the City, \$29,640,000 of which remains outstanding.
- K. The outstanding Refunded Bonds maturing on and after December 1, 2002 are subject to redemption at the option of the City on December 1, 2001, at a price equal to the outstanding principal amount of the Bonds so redeemed plus accrued interest to the redemption date and a premium of .50%.
- L. Pursuant to Chapter XI of the Charter, the Council has the power to issue, without the vote of the qualified electors of the City, bonds for the purpose of refunding outstanding bonds of the City.
- M. Article X, Section 20 of the Colorado Constitution requires voter approval in advance for the creation of any multiple-fiscal year direct or indirect debt or other financial obligation except for refunding at a lower rate of interest.
- N. The Council has determined that it is necessary to refund the Refunded Bonds in order to lower the interest rate paid by the City.
- O. At the general election held on November 7, 2000, the registered electors of the City approved the following question (the "Question"):

ISSUE 2C: QUALITY OF LIFE "C" - NO TAX INCREASE STREET IMPROVEMENTS AND INTERCHANGE

SHALL CITY OF WESTMINSTER DEBT BE INCREASED \$19,270,000 WITH A REPAYMENT COST OF \$38,825,625 (OVER AN ESTIMATED 20-YEAR REPAYMENT PERIOD) WITHOUT ANY NEW TAXES OR TAX RATE INCREASES, BY THE ISSUANCE OF SALES AND USE TAX REVENUE BONDS FOR THE DESIGN AND CONSTRUCTION OF AN INTERCHANGE AT INTERSTATE 25 AND 136TH AVENUE, THE WIDENING AND IMPROVEMENT OF 112TH AVENUE FROM SHERIDAN AVENUE TO STUART STREET, AND ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, PROPERTY RIGHTS AND COSTS; THE SPECIFIC TERMS OF SUCH DEBT TO BE DETERMINED BY THE CITY COUNCIL AS NECESSARY AND PRUDENT WHICH MAY INCLUDE A PROVISION FOR EARLY REPAYMENT WITH OR WITHOUT A PREMIUM; AND MAY THE PROCEEDS FROM SUCH DEBT AND ANY INVESTMENT INCOME BE COLLECTED AND SPENT WITHOUT LIMITATION OR CONDITION AS A VOTER APPROVED REVENUE CHANGE UNDER SECTION 20 OF ARTICLE X OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

P. The maximum annual repayment cost for the bonds approved in the Question set forth in the notice mailed to electors was \$1,939,375.

Q. The Council has determined that it is necessary to finance the costs of the street improvements described in the Question.

R. The Council has determined that it is in the best interests of the City, and the inhabitants thereof, that sales and use tax revenue bonds (the "Bonds") be issued for the purpose of refunding the Refunded Bonds and financing the street improvements described in the Question.

S. The Bonds shall have an irrevocable and first lien, but not necessarily an exclusive such lien, on certain sales and use tax revenues of the City, as set forth herein, such lien being on a parity with the lien of the 1991 Bonds.

T. The City has received a proposal in the form of a Bond Purchase Agreement from Hanifen, Imhoff Division of Stifel Nicolaus & Co., Denver, Colorado, concerning the purchase of the Bonds.

U. The Council has determined that the Bonds shall be sold to Hanifen, Imhoff Division of Stifel Nicolaus & Co., in accordance with their proposal, and that such sale is to the best advantage of the City.

V. It is necessary to provide for the form of the Bonds, the Bond details, the payment of the Bonds, and other provisions relating to the authorization, issuance, and sale of the Bonds.

W. No member of the Council has any conflict of interest or is interested in any pecuniary manner in the issuance of the Bonds.

Section 3. Authorization. In accordance with the Constitution of the State of Colorado; the Charter; and all other laws of the State of Colorado thereunto enabling, and pursuant to the provisions of this Ordinance, the City hereby authorizes, for the purpose of paying the costs of the Project and the Refunding Project, the issuance of its "Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2001," in the aggregate principal amount not to exceed \$14,000,000. The Council finds and determines that (a) the principal amount, total repayment cost and maximum annual repayment cost of the portion of the Bonds issued to finance the Project does not exceed the amounts permitted under Article X, Section 20 of the Colorado Constitution and (b) the portion of the Bonds issued to finance the Refunding

Project may be issued without an election since the Bonds will be issued at a lower rate of interest than the Refunded Bonds. Section 11-57-204 of the Supplemental Act provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act to the Bonds. The Council hereby elects to apply all of the Supplemental Act to the Bonds. The Bonds are issued under the authority of the Acts and shall so recite as provided in Section 9 hereof. Pursuant to Section 29-2-112(10), C.R.S. and Section 11-57-210, C.R.S., such recital conclusively imparts full compliance with all the provisions of said sections, and the Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

Pursuant to Section 11-57-205 of the Supplemental Act, the Council hereby delegates to the City Manager or the Finance Director the authority to accept the proposal of the Purchaser to purchase the Bonds as well as the authority to make determinations in relation to the Bonds contained in the definition of Sale Certificate set forth in Section 1 subject to the parameters and restrictions contained in Section 5 of this Ordinance (collectively, the authority to accept the proposal of the Purchaser and the authority to make such determinations shall be referred to herein as the "Delegated Authority").

Section 4. Special Obligations. All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable only out of the Bond Fund, into which the City covenants to deposit the Pledged Revenue in amounts sufficient to pay promptly, when due, the principal of, premium, if any, and interest on the Bonds. The Bonds shall constitute an irrevocable and first lien upon the Pledged Revenue to the extent provided herein, but not necessarily an exclusive such lien, and the Pledged Revenue is hereby pledged to the payment of the Bonds as provided herein. The Owners may not look to any general or other revenue of the City, including without limitation the proceeds of ad valorem taxes, for the payment of the principal of, premium, if any, and interest on the Bonds, and the Bonds shall not constitute a debt or an indebtedness of the City within the meaning of any constitutional, Charter, or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City.

Section 5. Bond Details. The Bonds shall be issued only as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof. Unless the City shall otherwise direct, the registered Bonds of each series shall be numbered separately from 1 upward, with the number of each Bond preceded by "R-" and such other series designation as the Registrar deems necessary.

The Bonds shall be dated as of September 1, 2001, and shall mature, bear interest from their dated date to maturity or prior redemption, and be sold, all as provided in the Sale Certificate; provided that (a) the aggregate principal amount of the Bonds shall not exceed \$14,000,000; (b) the maximum total repayment cost of the Bonds shall not exceed \$19,000,000; (c) the maximum annual repayment cost of the Bonds shall not exceed \$2,200,000; (d) the Bonds shall mature no later than December 1, 2021; (e) the Bonds have an optional redemption premium of not more than 1%; and (f) the purchase price of the Bonds shall not be less than 98.5%. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on June 1 and December 1, commencing on the date provided in the Sale Certificate.

Section 6. Payment of Bonds; Paying Agent and Registrar. The principal of and premium, if any, on each Bond is payable in lawful money of the United States of America to the Registered Owner of such Bond upon maturity and presentation of the Bond, at the principal office of the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the Registered Owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date, to the Registered Owner thereof at his or her address as it last appears on the registration records kept by the Registrar on the Record Date; but any such interest not so timely paid shall cease to be payable to the person who is the Registered Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become

available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Registered Owners of the Bonds not less than ten days prior to the Special Record Date by first-class mail to each such Registered Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Paying Agent; provided, however, that the City shall not be required to make funds available to the Paying Agent prior to the payment dates stated in this Ordinance. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed.

The principal of, premium, if any, and interest on the Bonds shall be paid in accordance with the terms of the Letter of Representations.

Section 7. Book-Entry System. The Bonds shall be initially issued in the form of a single, certificated, fully registered Bond for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede.

With respect to Bonds registered in the name of Cede or held by a Depository, the City, the Registrar, and the Paying Agent shall have no responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or Person other than the Registered Owner, of any notice concerning the Bonds, including notice of redemption; (iii) the payment to any Participant, Beneficial Owner, or Person other than the Registered Owner, of the principal of, premium if any, and interest on the Bonds. The City, the Registrar, and the Paying Agent may treat the Registered Owner of a Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest with respect to such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium if any, and interest on the Bonds only to or upon the order of the Registered Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the payment of the same. No Person, other than a Registered Owner, shall receive a certificated Bond evidencing the obligations of the City pursuant to this Ordinance.

DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. Additionally, the City Finance Director may terminate the services of DTC if she determines, in her sole and absolute discretion, that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the system of book entry transfers through DTC is not in the best interests of the Beneficial Owners or the City. Such termination shall be effected by written notice of the same from the City to DTC and to the Registrar and Paying Agent. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the City or, if the City Finance Director determines in her sole and absolute discretion that it is in the best interests of the Beneficial Owners or the City that the Beneficial Owners be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

Section 8. Prior Redemption.

(a) Optional Prior Redemption. Certain maturities of the Bonds as designated in the Sale Certificate may be subject to redemption prior to maturity, at the option of the City from any legally available funds, in whole or in part, in integral multiples of \$5,000, from such maturities as are selected by the City, and if less than all of the Bonds of a maturity are to be redeemed, by lot within a maturity (giving proportionate weight to Bonds in denominations larger than \$5,000), at a redemption price equal to the principal amount of the Bonds, or portion thereof, so redeemed plus accrued interest thereon to the redemption date, plus a premium, if any, all as set forth in the Sale Certificate.

The Registrar shall not be required to give notice of any such optional redemption unless it has received written instructions from the City in regard thereto, at least sixty days prior to such redemption date.

(b) Mandatory Redemption. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times, in the amounts and at the prices provided in the Sale Certificate.

On or before forty-five (45) days prior to each sinking fund installment date, the Registrar shall, without any notice or instruction from the City, proceed to call the Term Bonds (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice of such call without other instruction or notice from the City.

At its option, to be exercised on or before the sixtieth (60th) day next preceding each such sinking fund redemption date, the City may (a) deliver to the Registrar for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Term Bonds of the same maturity subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Registrar at the principal amount thereof on the obligation of the City on such sinking fund redemption date and the principal amount of Term Bonds to be redeemed by operation of such sinking fund on such date will be accordingly reduced. The City will on or before the sixtieth day next preceding each sinking fund redemption date furnish the Registrar with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding sentence are to be availed with respect to such sinking fund payment. Failure of the City to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided in this paragraph.

(c) Notice. Notice of redemption shall be given by the Registrar in the name of the City by sending a copy of such official notice by first-class, postage prepaid mail, not more than sixty nor less than thirty days prior to the redemption date to each Registered Owner at his address as it last appears on the registration books kept by the Registrar; but neither failure to give such notice nor any defect therein shall affect the redemption of any Bond. Such notice shall identify the Bonds to be so redeemed (if less than all are to be redeemed) and the redemption date, and shall further state that on such redemption date there will become and be due and payable upon each Bond so to be redeemed, at the Paying Agent, the principal amount thereof, any redemption premium, and accrued interest to the redemption date and that from and after such date interest will cease to accrue. Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been

redeemed shall be promptly canceled by the Paying Agent and such canceled Bonds shall be delivered by the Paying Agent or Registrar to the City if requested by the City, and shall not be reissued.

(d) Partial Redemption. In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof of the same maturity in the amount of the unpaid principal.

Section 9. Form and Execution of Bonds. The Bonds shall be signed with the facsimile or manual signature of the Mayor of the City, sealed with a facsimile or manual impression of the seal of the City, countersigned by the facsimile or manual signature of the City's Finance Director, and attested by the facsimile or manual signature of the City Clerk. Should any officer whose facsimile or manual signature appears on the Bonds cease to be such officer before delivery of the Bonds to the Underwriter, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

The Bonds may contain a reproduction of the opinion of nationally recognized municipal bond counsel as to the Bonds and a certification of such opinion by the City Clerk.

No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized representative of the Registrar, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to the provisions of this Ordinance.

The Bonds shall be in substantially the following form:
[Form of Bond]

No. R-_____

\$_____

[Front of Bond]
UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTIES OF ADAMS AND JEFFERSON
CITY OF WESTMINSTER
SALES AND USE TAX REVENUE REFUNDING
AND IMPROVEMENT BOND, SERIES 2001

INTEREST RATE MATURITY DATE DATED DATE CUSIP

REGISTERED OWNER:
PRINCIPAL AMOUNT:

DOLLARS

The City of Westminster, in the Counties of Adams and Jefferson and the State of Colorado, for value received, hereby promises to pay from the special fund hereafter designated, but not otherwise, to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. This bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this bond. This bond is one of an authorized series issued pursuant to an ordinance of the City Council of the City adopted on August 27, 2001 (the "Bond Ordinance"). This bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Bond Ordinance and the Sale Certificate. To the extent not defined herein, terms used in this bond shall have the same meanings as set forth in the Bond Ordinance.

The Bonds are subject to optional and mandatory sinking fund redemption as provided in the Bond Ordinance and the Sale Certificate. The principal of this Bond and premium, if any, are payable in lawful money of the United States of America to the registered owner upon maturity or prior redemption and presentation at the office of The Bank of Cherry Creek, N.A., in Denver, Colorado, or its successor, as Paying Agent.

Interest on this Bond will be paid on each interest payment date, by check or draft mailed by the Paying Agent to the person in whose name this Bond is registered in the registration records of The Bank of Cherry Creek, N.A., in Denver, Colorado, or its successor, as Registrar, and at the address appearing thereon at the close of business on the fifteenth day of the calendar month (whether or not a business day) next preceding such interest payment date (the "Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (defined in the Ordinance) for the payment of defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the bonds of the series of which this is one (the "Bonds") not less than ten days prior to the Special Record Date.

If the date for making any payment or performing any action shall be a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed.

This Bond is one of a series aggregating _____ Thousand Dollars (\$ _____) par value, all of like date, tenor, and effect except as to number, principal amount, interest rate, and date of maturity, issued by the City Council of the City of Westminster, in the Counties of Adams and Jefferson and the State of Colorado, for the purpose of paying the costs of (i) refunding certain outstanding Bonds and (ii) certain street improvements in the City, in accordance with the Constitution of the State of Colorado, the Charter of the City, Title 11, Article 57, Part 2, C.R.S. and all other laws of the State of Colorado thereunto enabling, and pursuant to the Bond Ordinance duly adopted prior to the issuance of this Bond. Pursuant to Section 29-2-112, C.R.S. and Section 11-57-210, C.R.S., this recital conclusively imparts full compliance with all of the provisions and limitations of said sections and this bond shall be incontestable for any cause whatsoever after its delivery for value.

The principal of, premium, if any, and interest on this Bond are payable only out of a special fund of the City created in full conformity with law and designated as the "2001 Sales and Use Tax Revenue Bonds" (the "Bond Fund"), into which the City covenants and agrees to credit, from certain sales and use tax proceeds defined hereafter as the "Pledged Revenue", and other legally available revenues, amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds when the same become due and payable, all as is more particularly set forth in the authorizing Bond Ordinance. The Pledged Revenue consists only of the revenue derived from the City's existing 3.25% sales and use tax, after deducting 7.69% thereof for deposit to other accounts of the City and after deducting all costs of administering and collecting the sales and use tax; or to the extent the sales and use tax rate is reduced to 3% (as is presently provided by City ordinances), the Pledged Revenue will consist only of the revenue derived from the City's 3% sales and use tax, after deducting all costs of administering and collecting the sales and use tax. In the authorizing Bond Ordinance the City has covenanted that it will not amend or repeal the ordinance imposing the sales and use tax in any way which would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. The Bonds of this issue constitute an irrevocable and first lien upon the Pledged Revenue to the extent provided in the Bond Ordinance, but not necessarily an exclusive such lien. Subject to expressed conditions, obligations in addition to the Bonds of this issue may be issued and made payable from the Pledged Revenue having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien on the Pledged Revenue on a parity with the lien of the Bonds of this issue, in accordance with the provisions of said Bond Ordinance.

THIS BOND DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER, OR STATUTORY PROVISION OR LIMITATION, AND SHALL NOT BE CONSIDERED OR HELD TO BE A GENERAL OBLIGATION OF THE CITY.

It is hereby recited, certified, and warranted that for the payment of this Bond, the City has created and will maintain the Bond Fund referred to above, and will deposit therein out of the Pledged Revenue the amounts specified in the authorizing Bond Ordinance, and out of the Bond Fund, as an irrevocable charge thereon, will pay the principal of, premium, if any, and interest on this Bond in the manner provided by the Bond Ordinance. For a description of the Bond Fund, the Pledged Revenue, the lien of the Bonds thereon, the manner in which the authorizing Bond Ordinance may be amended, and the nature and extent of the security afforded thereby for the payment of this Bond, reference is made to the authorizing Bond Ordinance.

This Bond may be exchanged at the principal office of the Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations. This Bond is transferable by the registered owner hereof in person or by the attorney duly authorized by said owner in writing, at the principal office of the Registrar, but only in the manner, subject to the limitations, and upon payment of the charges provided in the authorizing Bond Ordinance and upon surrender and cancellation of this Bond. This Bond may be transferred upon the registration books upon delivery to the Registrar of this Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of this Bond or the attorney-in-fact or legal representative of said owner, containing written instructions as to the details of the transfer of the

Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Bond, the Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The Registrar shall charge the owner of this Bond (other than a securities depository or its nominee) for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

The Registrar shall not be required (1) to transfer or exchange all or a portion of any Bond subject to prior redemption during the period beginning at the opening of business fifteen days preceding the mailing of notice calling any Bonds for prior redemption as herein provided and ending at the close of business on the day of such mailing or (2) to transfer or exchange all or a portion of a Bond after the mailing of notice calling such Bond or portion thereof for prior redemption except for the unredeemed portion of Bonds redeemed in part.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the authorizing Bond Ordinance until the certificate of authentication hereon shall have been signed by the Registrar.

IN TESTIMONY WHEREOF, the City Council of the City of Westminster, Colorado, has caused this Bond to be signed by the manual or facsimile signature of the Mayor, sealed with a facsimile of the seal of the City, countersigned with the manual or facsimile signature of the Finance Director, and attested by the manual or facsimile signature of the City Clerk, all as of the September 1, 2001.

(S E A L)

ATTESTED:

By: (Manual or Facsimile Signature)
City Clerk

CITY OF WESTMINSTER, COLORADO

(Manual or Facsimile Signature)

Mayor

COUNTERSIGNED:

By: (Manual or Facsimile Signature)
Finance Director

[Form of Registrar's Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Bond Ordinance.

Date of Registration and Authentication: _____

THE BANK OF CHERRY CREEK, N.A.,
in Denver, Colorado, as Registrar

By: _____
Authorized Officer or Employee

[End Form of Registrar's Certificate of Authentication]

[Form of Transfer]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto

Social Security or Federal Employer
Identification Number of Assignee:

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint attorney, to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature of Registered Owner:

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature guaranteed:

(Bank, Trust Company, or Firm)

[End Form of Transfer]

Section 10. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Registrar, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 11. Delivery of Bonds. Upon the adoption of this Ordinance, the City shall execute the Bonds and deliver them to the Registrar, and the Registrar shall authenticate the Bonds and deliver them to the Underwriter, as directed by the City, and in accordance with the Bond Purchase Agreement and the Letter of Representations.

Section 12. Registration, Transfer and Exchange of Bonds.

(a) Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bond at the Registrar, with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney, the Registrar shall enter such transfer in the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with exchanges or transfers of Bonds which charges (as well as any tax or other governmental charge required to be paid with respect to such transfer) shall be paid by the registered owner requesting such exchange or transfer.

(b) The Registrar shall not be required (1) to transfer or exchange all or a portion of any Bond subject to prior redemption during the period beginning at the opening of business fifteen days preceding the mailing of notice calling any Bonds for prior redemption as herein provided and ending at the close of business on the day of such mailing or (2) to transfer or exchange all or a portion of a Bond after the mailing of notice calling such Bond or portion thereof for prior redemption except for the unredeemed portion of Bonds redeemed in part.

(c) Except as herein provided with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes; and payment of either principal or interest on any Bond shall be made only to upon the written order of the registered owner thereof or his legal representative, but such registration may be changed in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) The officers of the City are authorized to deliver to the Registrar fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in the custody of the Registrar pending use as herein provided.

(e) Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

Section 13. Destruction of Bonds. Whenever any outstanding Bond shall be delivered to the Registrar for cancellation pursuant to this Ordinance, and upon payment of the principal amount and interest represented thereby, or whenever any outstanding Bond shall be delivered to the Registrar for transfer pursuant to the provisions hereof, such Bond shall be canceled and destroyed by the Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Registrar to the City. In the event a Bond is registered in the name of a Depository, cancellation may consist of the notation thereof on the registration books of the Registrar. The Registrar shall notify the Depository of all Bonds, or portions thereof, canceled in accordance with this Section.

Section 14. Lost Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced or paid by the Registrar in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, and present such proof of ownership and loss as may be required by applicable law, or in the absence of specific requirements, as may be required by the Registrar.

Section 15. Disposition and Investment of Bond Proceeds. The Bonds shall be issued and sold for the purposes of paying the costs of the Project and the Refunding Project. Accrued interest on the Bonds shall be deposited to the Bond Fund. A portion of the Bond proceeds necessary to accomplish the Refunding Project, together with other legally available monies, shall be deposited to the Escrow Account. All other Bond proceeds shall be deposited to such fund or account as the Finance Director determines and applied to pay the costs of the Project. Neither the Underwriter nor any subsequent owners of the Bonds shall be responsible for the application or disposal by the City or any of its officers of the funds derived from the sale thereof.

Section 16. Creation of Fund and Accounts. There are hereby created and established the following funds and accounts which shall be established as book accounts and maintained in accordance with this Ordinance:

- (a) the Bond Fund; and
- (b) the Escrow Account.
- (c) the Reserve Fund pursuant to Section 19(e).

In accordance with generally accepted accounting principles, for the purpose of accounting for the moneys provided for in this Ordinance the City Finance Director may create offsetting revenue and expense accounts not inconsistent with the provisions hereof, all as may be determined by the City Finance Director, except that the Escrow Account shall be maintained pursuant to the Escrow Agreement.

Section 17. Payment of Principal and Interest; Attachment of Lien. The City shall credit to the Sales and Use Tax Fund all revenue derived from the Sales and Use Tax immediately upon receipt. Thereafter, the City shall apply the Pledged Revenue in the following order of priority:

FIRST: To the credit of the Bond Fund the amounts required by Section 18 hereof, and to the credit of any other fund or account established for the 1992 Bonds, the 1996 Bonds and the 1997 Bonds or hereafter established for the payment of the principal of, premium if any, and interest on Parity Lien Bonds, in the amounts required by the ordinance or other enactment authorizing issuance of the 1992 Bonds, the 1996 Bonds, the 1997 Bonds and the Parity Lien Bonds.

SECOND: To the credit of any sinking fund, reserve fund, or similar fund or account established in connection with the 1992 Bonds, the 1996 Bonds, the 1997 Bonds, the Bonds or any Parity Lien Bonds, in the amounts required by this Ordinance or the ordinance or other enactment authorizing issuance of the 1992 Bonds, the 1996 Bonds, the 1997 Bonds and the Parity Lien Bonds.

THIRD: To the credit of any other fund or account hereafter established for the payment of the principal of, premium if any, and interest on Subordinate Lien Bonds, including any sinking fund, reserve fund, or similar fund or account established therefor, in the amounts required by the ordinance or other enactment authorizing issuance of the Subordinate Lien Bonds.

FOURTH: To the credit of any other fund as may be designated by the City, to be used for any lawful purpose, any Pledged Revenue remaining after the payments and accumulations set forth in Section 17 FIRST through THIRD hereof.

The lien of the Bonds on the Pledged Revenue shall attach immediately upon receipt of any Sales and Use Tax proceeds, shall remain in effect so long as such Pledged Revenue is credited to the Sales and Use Tax Fund or the Bond Fund or the Reserve Fund, and shall be extinguished with respect to any Pledged Revenue not required to be credited to the Bond Fund pursuant to Section 18 hereof or the Reserve Fund pursuant to Section 19(e) hereof and which is transferred to other funds of the City for other purposes.

Section 18. Bond Fund. Upon delivery of the Bonds, the City shall credit to the Bond Fund the accrued interest, if any, paid by the Underwriter as part of the purchase price of the Bonds. Thereafter, the City shall credit to the Bond Fund from the Pledged Revenue, or other legally available moneys, substantially equal monthly installments of the total principal to become due and interest to accrue on the Bonds on the next principal payment date and interest payment date, respectively. Notwithstanding the foregoing, the City shall credit to the Bond Fund from the Pledged Revenue an amount which, when combined with other legally available moneys credited thereto, will be sufficient to pay when due the principal of and interest on the Bonds.

Moneys credited to the Bond Fund may be invested or deposited in accordance with the Charter. The investment of moneys in the Bond Fund shall, however, be subject to the tax covenants and provisions of Section 19(f) hereof. Except to the extent otherwise required by Section 19(f) hereof, any investment income earned on amounts credited to the Bond Fund shall be credited to the Bond Fund, and for purposes of making the deposits required by this Section, any investment income so credited to the Bond Fund shall be deemed the credit of Pledged Revenue to the Bond Fund.

Section 19. Additional Covenants of the City. The City hereby irrevocably covenants and agrees with each and every Registered Owner and Beneficial Owner, that so long as any of said Bonds remain outstanding:

(a) It will not amend or repeal Title IV in any way that would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. Nothing shall prevent the City from amending said Title IV in order to increase the rate of tax above that currently imposed by said Title IV, or to make certain changes in the administration, collection, or enforcement of such Sales or Use Tax, provided that such changes do not materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund.

(b) It will administer, enforce, and collect, or cause to be administered, enforced, and collected, the Sales and Use Tax authorized by Title IV, and shall take such reasonable, necessary action to collect delinquent payments in accordance with law.

(c) It will keep or cause to be kept such books and records showing the proceeds of the Sales and Use Tax, in which complete entries shall be made in accordance with generally accepted accounting principles, as applicable to governments, and any Owner shall have the right at all reasonable times to inspect the records and accounts relating to the collection and receipts of such Sales and Use Tax.

(d) It will, at least once a year, cause an audit of the records relating to the collection and receipts of the Sales and Use Tax revenues. Such audit may be made part of and included within the general audit of the City, and made at the same time as such audit.

(e) In the event the City does not receive Pledged Revenue in any fiscal year in an amount at least equal to 200% of the Combined Average Annual Principal and Interest Requirements for the 1992 Bonds, the 1996 Bonds, the 1997 Bonds, the Bonds and any Parity Lien Bonds, the City shall establish and maintain a reserve fund solely for the 1992 Bonds, the 1996 Bonds, the 1997 Bonds, the Bonds and Parity Lien Bonds (the "Reserve Fund"), in an amount equal to 10% of the outstanding aggregate principal amount of the Bonds and Parity Lien Bonds (the "Required Reserve"). The City shall accumulate the Required Reserve in the Reserve Fund by twelve equal monthly deposits. The City shall make the initial deposit into the Reserve Fund of Pledged Revenue, within 90 days after the end of the fiscal year in which such deficiency occurs. Such Reserve Fund shall not be released after it has been established. Draws on the Reserve Fund must be replenished within one year. Investments purchased with funds on deposit in the Reserve Fund shall have an average aggregate weighted term to maturity not greater than five years.

(f) It will not take any action or omit to take any action with respect to the Bonds, the proceeds of the Bonds, any other funds of the City or the facilities financed or refinanced with the

proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as in effect on the date of delivery of the Bonds (the "Code"), (ii) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 55(b)(2) of the Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Bonds to lose the exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenants under the Code and State law have been met.

(g) It will comply with the provisions of the Continuing Disclosure Certificate to be executed by City officers and delivered in connection with the delivery of the Bonds.

Section 20. Additional Bonds.

(a) No additional bonds, notes, interim securities, or other obligations shall be issued payable from the Pledged Revenue and having a lien thereon which is superior to the lien of the Bonds.

(b) The City may issue Parity Lien Bonds if:

(i) No Event of Default has occurred and is continuing.

(ii) The City is then current in the accumulation of all amounts required to be then accumulated in the Bond Fund as required by this Ordinance.

(iii) The Pledged Revenue for the twelve (12) month period immediately preceding the date of issuance of such Parity Lien Bonds is sufficient to pay an amount representing not less than 200% of the Maximum Annual Combined Debt Service Requirement.

(c) A written certificate signed by the City Finance Director that the requirements of Section 20(b) hereof are met shall conclusively determine the right of the City to authorize, issue, sell, and deliver Parity Lien Bonds.

(d) So long as no Event of Default shall have occurred and be continuing, nothing herein shall prevent the City from issuing Subordinate Lien Bonds.

Section 21. Delegated Powers. The City Manager and the Finance Director be, and hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limiting the generality of the foregoing: the printing of the Bonds; entering into and executing appropriate agreements with the Registrar and Paying Agent as to its services hereunder; entering into and executing appropriate agreements with The Depository Trust Company as to its services hereunder; the printing, distribution and execution of the Official Statement for the Bonds in substantially the form of the Preliminary Official Statement now before the Council, but with such amendments, additions and deletions as are in accordance with facts and not inconsistent herewith; and the execution of such certificates as may be required by the Purchaser, including, but not necessarily limited to, the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The form, terms and provisions of the Registrar Agreement, the Continuing Disclosure Certificate and the Escrow Agreement are hereby approved, and the City shall enter into and perform its obligations under the Registrar Agreement, the Continuing Disclosure Certificate and the Escrow Agreement in substantially the forms of such documents presented to the Council at this meeting, with such changes as may be approved by the City Manager or the Finance Director pursuant to the Delegated Authority and

subject to the parameters and restrictions contained in the Ordinance; and the Mayor and the City Clerk are hereby authorized and directed to execute and deliver such documents as required hereby.

Section 22. Events of Default. It is an Event of Default if:

- (a) Payment of the principal of or premium due on any Bond is not made by the City when due at maturity or upon prior redemption;
- (b) Payment of the interest on any Bond is not made by the City when due; or
- (c) The City defaults in the punctual performance of its covenants hereunder for sixty (60) days after written notice shall have been given by the Owners of not less than 25% of the outstanding principal amount of the Bonds.

Section 23. Remedies. Upon the happening of any Event of Default, any Owner, or a trustee therefor, may protect and enforce the rights of such Owner by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, the appointment of a receiver (the consent to such appointment being hereby granted), injunctive relief, or requiring the Council to act as if it were the trust of an express trust, or any combination of such remedies. All proceedings shall be maintained for the benefit of the Owners; provided however, that any action brought pursuant to an Event of Default under Section 21(c) hereof may be brought only upon the written consent of the Owner or Owners of not less than 25% of the outstanding principal amount of the Bonds. All proceedings shall be maintained for the equal benefit and protection of all Owners. The failure of any Owner to proceed does not relieve the City or any person of any liability for failure to perform any duty hereunder. The foregoing right are in addition to any other right which may exist under applicable law, and the exercise of any right by any Owner shall not be deemed a waiver of any other right. If any remedial action is discontinued, the Owners shall be restored to their positions prior to taking such action.

Section 24. Amendment. After any of the Bonds have been issued, this Ordinance shall constitute a contract between the City and the Owners of the Bonds and shall be and remain irrevocable until the Bonds and the interest thereon have been fully paid, satisfied and discharged.

A. The City may, without the consent of, or notice to the Owners of the Bonds, adopt such ordinances supplemental hereto (which supplemental amendments shall thereafter form a part hereof) for any one or more or all of the following purposes:

- (1) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Ordinance, or to make any provisions with respect to matters arising under this Ordinance or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Bonds;
- (2) to subject to the lien of this Ordinance additional revenues, properties or collateral;
- (3) to grant or confer upon the Registrar for the benefit of the Owners of the Bonds any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners of the Bonds;
- (4) to qualify this Ordinance under the Trust Indenture Act of 1939; or
- (5) to amend Section 23 of this Ordinance in accordance with the terms thereof.

B. Exclusive of the amendatory ordinances permitted by paragraph A of this Section, this Ordinance may be amended or supplemented by ordinance adopted by the Council in accordance with the law, without receipt by the City of any additional consideration but with the prior written consent of the

Owners of at least 66% in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental ordinance.

C. Written consent of the Owners of all of the Bonds adversely affected thereby is required for any Ordinance that shall have the effect of permitting:

- (1) An extension of the maturity of any of the Bonds authorized by this Ordinance; or
- (2) A reduction in the principal amount of any of the Bonds, the rate of interest thereon, or the prior redemption premium thereon; or
- (3) The creation of a lien upon or pledge of the Pledged Revenues ranking prior to the lien or pledge created by this Ordinance; or
- (4) A reduction of the principal amount of the Bonds required for consent to such amendatory or supplemental ordinance; or
- (5) The establishment of priorities as between outstanding 1991 Bonds, 1992 Bonds, 1996 Bonds 1997 Bonds and the Bonds or the establishment of priorities as between Bonds issued and outstanding under the provisions of this Ordinance; or
- (6) The modification of or otherwise affecting the rights of the Owners of less than all of the Bonds then outstanding.

Copies of any waiver, modification or amendment to this Ordinance shall be delivered to any entity then maintaining a rating on the Bonds at least 15 days prior to its execution or adoption.

Section 25. Successor Registrar or Paying Agent. The Bank of Cherry Creek, N.A., in Denver, Colorado is hereby appointed as Registrar and Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the City shall determine to remove the Registrar or Paying Agent, the City may, upon notice mailed to each Registered Owner of Bonds at the address last shown on the registration records, appoint a successor Registrar or Paying Agent. No resignation or removal of the Registrar or Paying Agent may take effect until a successor is appointed by the City and has accepted such appointment. Every such successor Paying Agent shall be either the City or a bank or trust company having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$10,000,000.

Section 26. Defeasance. When all principal, premium, if any, and interest in connection with a Bond have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and said Bond shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment of a Bond when the City has placed in escrow and in trust with a commercial bank located within or without the State of Colorado, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, premium, if any, and interest with respect to said Bond as the same become due at final maturity or upon designated prior redemption dates. The Federal Securities shall become due at or prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holder thereof to assure such availability as so needed to meet such schedule.

In the event that there is a defeasance of only part of the Bonds, the Paying Agent shall, if requested by the City, institute a system to preserve the identity of the individual Bonds or portions thereof so defeased, regardless of changes in Bond numbers attributable to transfers and exchanges of Bonds and the Paying Agent shall be entitled to reasonable compensation and reimbursement of expenses from the City in connection with such system.

Section 27. Authorization to Execute Collateral Documents. The officers of the City and the members of the Council are hereby authorized and directed to take any and all other actions necessary or appropriate to effectuate the provisions of this Ordinance, including but not limited to the execution of the Letter of Representations, the Bond Purchase Agreement, the Paying Agent Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and such certificates and affidavits as may be reasonably required by the Underwriter. The execution of any instrument by the aforementioned officers or members of the Council shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof and thereof.

Section 28. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds, including without limitation the Underwriter's discount and all expenses related to issuing the Bonds, shall be paid either from the proceeds of the Bonds or from legally available moneys of the City, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 29. Acceptance of Purchase Agreement. The Council does hereby accept and approve the Bond Purchase Agreement as submitted by the Underwriter, subject to completion and approval of the Bond Purchase Agreement by the City Manager or Finance Director pursuant to the Delegated Authority. The Bonds shall be sold to the Underwriter upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement.

Section 30. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the City and members of the Council, not inconsistent with the provisions of this Ordinance, relating to the authorization, sale, issuance, and delivery of the Bonds, and the qualification of the Bonds for book-entry with DTC, are hereby ratified, approved, and confirmed.

Section 31. Approval of Official Statement. The Council hereby approves the Preliminary Official Statement, in the form presented at this meeting. The Council hereby authorizes and directs the Finance Director to approve on behalf of the City a final Official Statement containing any updated information regarding items described in the Preliminary Official Statement which become known to the City prior to the date of delivery of the Bonds. Copies of said Preliminary Official Statement and final Official Statement are hereby authorized to be distributed by the Underwriter to all interested persons in connection with the sale of the Bonds. The Preliminary Official Statement is hereby deemed to be final as of its date within the meaning of Rule 15c2-12(b)(I) of the U.S. Securities and Exchange Commission. The execution of a final Official Statement by an officer of the City shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 32. Escrow Account. The Escrow Account shall be maintained in an amount at the time of the initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities, to pay the Bond Requirements. Moneys shall be withdrawn by the Escrow Bank from the Escrow Account in sufficient amounts and at such times to permit the payment without default of the Bond Requirements. If for any reason the amount in the Escrow Account shall at any time be insufficient for the purpose hereof, the City shall forthwith from the first moneys available therefor deposit in such account such additional moneys as shall be necessary to permit the payment in full of the Bond Requirements.

The Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem on December 1, 2001, the Refunded Bonds maturing on and after December 1, 2002. The City hereby authorizes and irrevocably instructs the Escrow Bank to give or cause to be given the notice of refunding, defeasance and redemption of the Refunded Bonds maturing on and after December 1, 2002 in the name and on behalf of the City. The notice shall be given forthwith upon delivery of the Bonds and again not more than sixty days nor less than thirty days prior to December 1, 2001, in the times and manner as required by the ordinance which authorized the Refunded Bonds.

Section 33. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Council, or any officer or agent of the City acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal or interest on the Bonds. Such recourse shall not be available either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 34. Ordinance Irrepealable. After any of the Bonds have been issued, this Ordinance shall constitute an irrevocable contract between the City and the Owners, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged as herein provided.

Section 35. Severability. If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

Section 36. Repealer. All orders, ordinances, resolutions, bylaws, and regulations of the City, or parts thereof, inconsistent with this Ordinance are hereby repealed to the extent only of such inconsistency.

Section 37. Declaration of Emergency. In order to complete the issuance and sale of the Bonds while favorable market conditions exist to effect the Project and the Refunding Project, it is hereby declared that an emergency exists and that this ordinance is necessary for the immediate preservation of the public peace, health, safety and financial well-being of the City. This Ordinance is hereby declared, pursuant to Section 8.14 of the Charter, exempt from referendum.

Section 38. Effective Date, Recording and Authentication. This Ordinance shall be in full force and effect immediately upon enactment following final passage. This Ordinance shall be recorded in the City Book of Ordinances kept for that purpose, and shall be authenticated by the signatures of the Mayor and City Clerk, and published in accordance with law.

INTRODUCED, PASSED AND ADOPTED AS AN EMERGENCY ORDINANCE on August 27, 2001.

(S E A L)

Mayor Pro Tem

ATTESTED:

City Clerk

STATE OF COLORADO)
COUNTIES OF ADAMS) SS.
AND JEFFERSON)
CITY OF WESTMINSTER)

I, Michele Kelley, the duly appointed, qualified and acting City Clerk of the City of Westminster, Colorado (the "City") do hereby certify:

1. That the foregoing pages are a true, correct, and complete copy of an ordinance adopted by the City Council (the "Council") of the City at a regular meeting of the Council held at the City Hall on August 27, 2001.

2. The Ordinance has been signed by the Mayor Pro Tem, sealed with the corporate seal of the City, attested by me as City Clerk, and duly recorded in the books of the City; and that the same remains of record in the book of records of the City.

3. The passage of the Ordinance as an emergency was duly moved and seconded and the Ordinance was approved by vote of a five of seven of the members of the Council as follows:

Those Voting Yes: Mayor Pro Tem Sam Dixon
Councillor Herb Atchison
Councillor Butch Hicks
Councillor Tim Kauffman
Councillor Ed Moss

_Those Voting No: None

Those Abstaining: None

Those Absent: Mayor Nancy Heil
Councillor Ann Merkel

4. That notice of the meeting of August 27, 2001, in the form, attached hereto as Exhibit A, was duly given to the Council members and was posted in a designated public place within the boundaries of the City no less than twenty-four hours prior to the meeting as required by law.

5. That the ordinance was published in full after adoption in Westminster Window, a newspaper of general circulation within the City on September 6, 2001. The affidavit of publication is attached hereto as Exhibit B.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City this 28th day of August, 2001.

(SEAL)

City Clerk

EXHIBIT A

(Attach Notice of Meeting)

EXHIBIT B

(Attach Affidavit of Publication)



**WESTMINSTER
COLORADO**

Agenda Memorandum

Date: August 27, 2001
Subject: Purchase of a Tandem Dump Truck (with Plow) for the Utilities Division
Prepared by: Richard Clark, Utility Operations Manager
Carl F. Pickett, Purchasing Specialist

Introduction

City Council action is requested to award bids for a replacement Tandem Dump Truck Cab and Chassis (with plow) in the total amount of \$112,853. This piece of equipment will be used primarily by the Utilities Division. Funds have been specifically allocated in the 2001 Utilities Fund, Utilities Operations Division Budget for this expense.

Summary

In February 2001, the City’s Purchasing Specialist put out for formal bids the specifications for a Tandem Dump Truck Cab and Chassis and specifications for the body and snowplow. This expense was previously approved by City Council in the 2001 budget. The lowest net bid of \$63,149 for the cab and chassis was submitted to the City by American La France Transwest Co.; the only qualified bid of \$49,704 for the body and plow was submitted by MacDonald Equipment Co.; for a total purchase price of \$112,853 for this purchase.

Policy Issues

Should vehicles and equipment be replaced as they reach the end of their useful service life?

Staff Recommendation

Award the bid for the Tandem Dump Truck Cab and Chassis to the low bidder, American La France Transwest Co., in the amount of \$63,149 for a 2001 Freightliner FLD120SD and award the bid for the body and snow plow to MacDonald Equipment Co. in the amount of \$49,704 and charge the expense to the appropriate 2001 Public Works and Utilities Department budget account.

Alternatives

Reject all bids and continue to use the existing unit. This is not recommended due to the anticipated increase in maintenance costs.

Background Information

As part of the 2001 budget, City Council approved the purchase of a replacement Tandem Dump Truck Cab and Chassis. Unit #9387 has reached a point that it is no longer economically reasonable to maintain it in service. Information regarding this vehicle replacement and trade-in is as follows:

UNIT #	YEAR	MAKE	MODEL	HOURS	VEHICLE MAINTENANCE COSTS LIFE TO DATE (LTD)	TRADE IN ALLOWANCE
9387	1990	Volvo	White Auto Car	8,809	\$96,424.44	\$19,000.00

Purchase of a Tandem Dump Truck (with Plow) for the Utilities Division

Page 2

The present condition and maintenance history of this vehicle would make it impractical to continue to operate it in regular service based on Fleet Maintenance replacement recommendations.

The City originally requested proposals in February of 2001 for the replacement of unit # 9387, but the City only received one qualified bid. Staff then went through the process of reevaluating the City's specifications for the tandem dump truck and modified them to fit new manufacturing guidelines. Staff also wanted to evaluate different engine types, to assure the best equipment at the best price for the City.

The bid for the dump truck was separated into two separate bids to see if the City could save money by taking the truck vendor out of the body business. The base cost before added warranties of the split bid was held to just a 1% increase over last year.

Bids for the Cab and Chassis were solicited from seven vendors and received from five vendors. Those bids are as follows:

Vendor	Bid	Trade-in	Brand
American La France Transwest	\$78,481	\$19,000	Freightliner
Western Star of Colorado	\$86,612	\$16,500	Western Star
Colorado Mack Sales	\$83,667	\$8,500	Mack
Volvo Trucks of Colorado	\$80,118	\$16,500	White Auto Car
Rocky Mountain International	\$78,950	\$11,000	International

The low bid for the replacement Tandem Dump Truck Cab and Chassis is \$78,481. Trade-in allowances will be applied to the purchase as listed above, with \$3,668 for added extended warranties, for a net purchase price of \$63,149.

Bids for the body and plow were solicited from three local vendors. Those bids are as follows:

Vendor	Bid
MacDonald Equipment Co.	\$49,704
Kois Equipment	\$44,529
O.J. Watson Equipment	\$40,083

Upon evaluation, MacDonald Equipment was the only vendor who met specifications for the body and snowplow.

The bids received from American La France Transwest Co. and MacDonald Equipment Co. meet all specifications and requirements set by the City. The total cost of the Tandem Dump Truck, with body and plow, of \$112,853 is within the amount previously approved by City Council for this expense.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER
COLORADO

Agenda Memorandum

Date: August 27, 2001
Subject: Second Public Hearing on 2002 City Budget
Prepared By: Barbara Gadecki, Assistant to the City Manager

Introduction

City Council is scheduled to hold a public hearing to receive public input on the 2002 City Budget at the Monday, August 27, City Council meeting. Staff will make a brief presentation at Monday night's City Council meeting on the proposed 2002 budget.

Summary

Development and review of the 2002 City Budget has been completed by the City Manager's Office and the 2002 Proposed Budget will be delivered to City Council on the last week of August. A public meeting regarding the 2002 Budget was held on June 11 and a public hearing on July 9. August 27th is the final public hearing before the City Council Budget Retreat, affording citizens one more opportunity to comment and provide feedback on the 2002 City Budget. In accordance with the City Charter, City Council must adopt the budget no later than the October 22nd City Council meeting.

Staff Recommendation

Hold a public hearing on the 2002 City Budget and receive citizen comments.

Alternatives

No alternatives are identified for this item.

Background Information

In March, City Council identified the focus areas for 2002. The following are the focus areas identified by the City Council:

- Fiscal Integrity
- Transportation
- Water
- Public Safety
- Growth Management
- Housing
- Open Space
- South Westminster

The direction provided by City Council has assisted City Staff in preparing and reviewing the 2002 Proposed City Budget. Other considerations that go into developing a comprehensive budget are department priorities that strive to maintain existing service levels and citizen/neighborhood input.

City Council preliminarily approved the 2002 Budget with the formal adoption of the 2001 Budget in October 2000. In November of 2000, Westminster voters approved a City Charter amendment that will allow the City Council to adopt a formal two-year budget. Staff has been preparing a two-year budget for the last several years; however, previously City Council could only officially adopt the first year of the two-year budget. In March 2001, City Council concurred with Staff to pursue an officially adopted two-year budget with the development of the 2003/2004 Budget to allow a transition period into a formal two-year budget and identify the details necessary to make such an official two-year budget work most effectively.

Second Public Hearing on 2002 City Budget
Page 2

A Proposed Budget will be submitted to City Council this week for review. After reviewing the Proposed Budget for several weeks, City Council is scheduled to hold a Budget Retreat on September 15 to deliberate on final funding decisions in regard to staffing levels, programs, services, and capital projects. Copies of the 2002 Proposed City Budget will be available to the public in the City Clerk's Office and at both College Hill and 76th Avenue Libraries by September 4.

The hearing on August 27 is the second of two public hearings on the 2002 Proposed City Budget to solicit citizen input. The first public hearing was held on July 9th in addition, a public meeting was held on June 11.

Final adoption of the 2002 Budget is scheduled for October 22 per City Charter requirements.

Staff will make a brief presentation at Monday night's City Council meeting on the proposed 2002 budget.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER
COLORADO

Agenda Memorandum

Date: August 27, 2001

Subject: Agreement with Police, Fire and General Employee Pension Boards

Prepared by: Mary Ann Parrot, Finance Director

Introduction

City Council approval is requested for the agreement between the City of Westminster and the Pension Board of the City's Police, Fire, and General Employees' Pension Plan. City Administrators have recognized for some time that a standard agreement is needed that delineates the responsibilities and costs underwritten by both parties. In their July Board meeting, the Board of Directors of the pension plans approved this agreement unanimously. No costs are involved, either currently, or anticipated, due to the approval of this agreement.

Summary

Some time ago, the City Manager's office directed Staff to develop an agreement for City Council and Pension Board to consider for approval, outlining several items:

- Pension staff salaries underwritten by the Pension Trust
- Benefits underwritten by the City (Employer)
- Office space and furnishing provided by the City
- Other equipment needs and supplies provided by the Pension budget
- Pension staff hired using the City's Human Resources Division
- Evaluations conducted by the Pension Trustee

The primary reason for this request was to document the various responsibilities of each party, as they are unique and may change over time. Other reasons include assuring clarity of understanding, preserving a document for reference purposes over time and avoiding misunderstandings, which can result when responsibilities of the parties are not well documented.

Staff reviewed several other agreements in effect in other cities and states and staff drafted the attached agreement to conform to current practices.

Policy Issue(s)

Does the City Council wish to formalize and approve an agreement between the City and the Pension Board of Directors?

Staff Recommendation

Approve the agreement with the Police, Fire, and General Employee Pension Boards, in substantially the same form, and authorize the City Manager to sign the agreement.

Alternative(s)

Do not approve the agreement. This is not recommended because there will be no document to stipulate to the various duties and responsibilities of the parties. In addition, there is no new budget or financial impact of the approval of this agreement; the existing arrangements have been in place since the inception of the pension plan in the 1970's.

Background Information

Agreements between Plan Sponsors (City Council, County Boards, State Legislatures) are more commonplace in recent years for a variety of reasons. Different arrangements are made between governing bodies, who also act as pension plan sponsors, and the pension boards of trustees, who are the legal entity administering the pension plan. It is prudent business practice for these two legally incorporated entities to have a business agreement in place, which delineates the responsibilities the two entities have with each other.

Responsibilities of the Board include the following and are paid for by the pension assets (and members):

- Salaries for Pension Staff
- Costs for searches for service providers (consultants, actuaries, money managers, etc)
- Banking costs
- Training costs for Board members and Staff (except for that provided in the annual budget for General Services for training conference in Breckenridge for two days each September)

Additional provisions regarding the Board include:

- The board will determine the compensation of all agents, etc.
- The board members will not be compensated for their work beyond their regular City compensation
- Board members may be reimbursed for other reasonable expenses, and these will be paid from the Pension Trust
- The Board must maintain adequate records, accounts and reporting, included in the City's annual audit
- The Board will approve and monitor a budget separate from the City's budget

Responsibilities of the City include such items as the following:

- Benefits of the Pension Staff (salaries to be paid for by the Pension Trust)
- Attorney costs for Plan adoption and amendment
- Office space and overhead
- Fiduciary Liability Insurance coverage for Board members

Additional provisions regarding the City include, but are not limited to the following:

- Staff reclassification, changes or additions must be proposed by the City Manager and approved by City Council
- Costs associated with Finance Department and City Attorney's Office staff time attributed to the Pension Plan will be borne by the City
- An annual contribution may be made by the City for Board member education

Staff will be in attendance at the August 27 City Council meeting to answer questions City Councillors may have.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

AGREEMENT BETWEEN THE
CITY OF WESTMINSTER
AND THE POLICE, FIRE, AND GENERAL EMPLOYEE
PENSION BOARDS

THIS AGREEMENT, made and entered into this day of , 20 , is between the CITY OF WESTMINSTER, hereinafter called the "City", and the Police, Fire, and General Employee Pension Boards, hereinafter called the BOARD, is as follows:

WHEREAS, the City established a Police, a Fire, and a General Employee Pension Plan, hereinafter called the "Plan" or "Trust Fund", created for the exclusive benefit of the City's eligible employees and their beneficiaries and governed by a five-member Board of Trustees (the Board) for each Plan; and

WHEREAS, the City and the Board wish to describe and define the actions, responsibilities, and expectations of both parties as provided for by the Plan Document; and

WHEREAS, sufficient authority exists in charter and statute to administer the Trust Fund, this Agreement is contingent upon the approval of the City Manager and the Board of Trustees. Any amendments to the Plan Document are contingent upon approval by the City Council. Any such amendments made in the future which may have a bearing on this Agreement, would require like amendment to this Agreement. In the event this Agreement is not approved in its entirety by both parties, neither Party shall be bound to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual understandings and agreements set forth, the City and the Board agree as follows:

I. PURPOSE

The Purpose of this Agreement is to establish a policy and agreement between the Board and the City which sets forth guidelines as to the responsibilities of each party relevant to staff salaries, benefits, office space and equipment, and other like expenditures of the Trust Fund. The objective of both parties shall be to continue to maintain a separate Trust Fund for the exclusive purpose of providing benefits to eligible employees and their beneficiaries. In establishing the particular responsibilities, the objective of both parties shall be to provide employee retirement benefits while incurring reasonable expenses in the administration of the Trust Fund.

II. BOARD'S SERVICES AND RESPONSIBILITIES

The Board shall conduct its powers and duties within the constraints of the City of Westminster Municipal Code Chapter 14 attached hereto and incorporated herein by this reference. The Board is a fiduciary body responsible for the prudent administration of the Trust Fund. As a fiduciary, the Board decides all questions relating to the administration of the Trust Fund and has the authority to select and monitor the investment options of the Trust Fund. In order to effectively carry out its responsibilities to the Trust Fund participants, the Board needs to be able to control the costs of the administration of the Trust Fund. As such, the controllable costs of Trust Fund administration are under the oversight of the Board and these expenses are payable from the Trust Fund. The Board may employ Investment Advisors or other professional experts outside of the City and may rely on these experts' recommendations with respect to the investment of the Trust Fund. The Board has the authority to execute agreements with such outside advisors and may direct the Trustee to execute such agreements. These professional experts may include but shall not be limited to: Investment Consultants, Investment Fund Managers, a Custodian Bank, a Third Party Administrator/ Recordkeeper, attorneys, and auditors. The fees resulting from agreements with outside professional experts shall be paid from the Trust Fund. The Board may direct the Trustee to make payments from the Trust Fund for administrative expenses related to these agreements, as well as, for the day-to-day Trust Fund expenditures.

To this end, the Board agrees that the administrative expenses which shall be paid for by the Trust Fund include but are not limited to the following:

- Salaries for City Pension Staff.
- Costs associated with searches conducted to select service providers.
- Fees paid for recordkeeping, investment consulting, and custody of funds.
- Bank costs associated with maintaining a separate bank account for pension funds.
- Other professional services which may include: outside attorneys, advisors, and participant education training.
- Costs associated with special meetings or workshops held for Board training in selecting and monitoring the investment options.
- Costs for purchase of computer equipment and office furniture.
- Costs to provide training for Pension Staff.
- Miscellaneous costs such as printing of participant materials and supplies required for administration of the Trust Fund.

The Board will determine the compensation of all agents, counsel, or other persons to be retained or employed by the Board with such compensation to be paid from the Trust Fund. The Board has the authority to direct the Trustee to: invest the Plan funds, enter into and execute contracts and agreements as investment vehicles, and pay all reasonable expenses to administer the Trust Fund with payments to be made from the Trust Fund.

The Board members will not be compensated in addition to their regular City compensation for serving on the Board. However, all members may be reimbursed for reasonable expenses incurred in the process of carrying out their duties as a Board member. These reimbursements as determined by the Board may be paid from the Trust Fund or by the City at the discretion of the City Manager.

III. ADDITIONAL DUTIES OF THE BOARD

Records:

- The Board will maintain a record of the proceedings and decisions made by the Board.
- A separate account will be maintained for each individual Participant and each Participant's record will reflect the cost apportioned to them for the administration of the Trust Fund.
- The Trustee will give an annual accounting of the Trust Fund to the Board and the City. This shall be accomplished through an annual audit and reflected in an Annual Report.

IV. CITY'S RESPONSIBILITIES

The City as Plan Sponsor has provided for a retirement plan for the exclusive benefit of its employees. The City intends for the retirement plan to be a Trust Fund maintained independently of the City's budget. The Trust Fund was created pursuant to the Federal Internal Revenue Code Section 401(a) and is intended to qualify as tax exempt under Code Section 501(a). Although the Trust Fund is not required to comply with the Employee Retirement Income Security Act (ERISA) of 1984, the City's intention is, in general, to adhere to ERISA requirements when advisable. In order to provide a retirement plan as an employee benefit, the City, as employer, has accepted the responsibility of ensuring the establishment of the Trust Fund. The requirements of the Trust Fund are incorporated in the City's Municipal Code. Amendments to the City Code, and thus the Plan Document, must be adopted by the City Council at the City Manager's request .

As Plan Sponsor, the City will pay all expenses incurred to establish, amend, and indemnify the Trust Fund.

These expenses include but are not limited to:

- Attorney costs to adopt and amend the Plan Document.
- Internal Revenue Service fees for Letters of Determination and other formal documents associated with the Trust Fund's application as a qualified retirement plan.
- Physical overhead costs associated with the office space accorded to Pension Staff, including but not limited to, utilities and building maintenance.
- Annual Fiduciary Liability Insurance coverage for the Board.

Per the Plan Document, the City may pay all or part of the reasonable expenses associated with the administration of the Trust Fund at the discretion of the City Manager. These additional expenses may include, but are not limited to:

- Pension staff benefits such as employer pension contributions, the employer share of health insurance, life insurance, workers compensation, and survivor's benefits.
- Costs associated with Finance Department and City Attorney's Office staff time attributed to the accounting and auditing of the Plan records and issuing of legal opinions on pension-related questions and/or contracts.
- An annual contribution for Board member education.

V. ADDITIONAL EXPECTATIONS OF THE CITY

The City and the Board further agree that the Trust Fund is independent from the administration of the City budget and that the following procedures will be followed:

- The financial records of the Trust Fund will be accounted for separately from the City's records.
- The Annual Budget for the Trust Fund will be established separately from the City's budget and will be approved and monitored by the Board.
- All requests for reclassification, changes, or additions to Pension Staff positions and changes in salary ranges must be proposed by the City Manager and authorized by the City Council. Note: City Council approved the Pension Administrator position in 1991 and the Assistant Staff position for pension in 1996. Position titles may change per City Manager reclassification recommendations.

VI. TERMINATION

- A. Either the Board or the City may terminate this Agreement if either party believes that it is no longer able to fulfill any part of this Agreement. Such notification will be made 60 days prior to the effective date of termination. In such an event, the City and the Board will meet to discuss the terms of disagreement, shall attempt to mediate any disagreements, and may retain Counsel as necessary.
- B. This Agreement notwithstanding, as stated in the Plan Document, the City acknowledges that it does not have a contractual obligation to ensure the continuance of the Trust Fund.
- C. This Agreement will be reviewed periodically and may be amended upon written agreement by both parties.

VII. INSURANCE

The City agrees to provide fiduciary liability insurance coverage for the Board members.

IN WITNESS WHEREOF, the Board and the City have executed this Agreement as of .

THE BOARD OF TRUSTEES

CITY OF WESTMINSTER

By _____

By _____

Title _____

J. Brent McFall
City Manager

Address:

Address:

4800 West 92nd Avenue
Westminster, CO 80031

ATTEST:

ATTEST:

Title _____

City Clerk

APPROVED AS TO LEGAL FORM

By _____
City Attorney

**EXHIBIT A:
SUMMARY TABLE
OF RESPONSIBILITIES**

ACTIVITY:	TRUST	CITY
Pension Staff Salaries	X	
Pension Staff Benefits		X
Plan establishment and amendment costs; i.e., attorney services and filing fees		X
Fiduciary Insurance		X
Recordkeeping, consulting, custodian costs	X	
Bank fees related to the Trust Fund	X	
Service provider search costs	X	
Professional services; i.e., for employee training, attorneys, advisors	X	
Physical overhead associated with Pension office space; i.e., electricity, gas, building maintenance		X
Accounting, auditing, and legal services rendered by the Finance and City Attorney Departments as part of the basic obligation of maintaining the Trust.		X
Purchase of computer equipment, filing cabinets, office furniture	X	
Pension Staff training	X	
Annual Training for Board members; i.e., Colorado Public Pension Conference		X
Special Board meetings and workshops	X	
Miscellaneous supplies, materials, fees for day-to-day operation of the Plan	X	



WESTMINSTER COLORADO

Agenda Memorandum

Date: August 27, 2001

Subject: Resolution No. 53 re Carry Forward Balance of Year 2001 Private Activity Bond Allocation

Prepared by: Robin Byrnes, Community Development Programs Coordinator

Introduction

City Council action is requested to adopt the attached Resolution approving the continuation (or “carry forward”) of the City’s 2001 Private Activity Bond Allocation (PAB) in the amount of \$3,069,281. If the State is not notified of this carry forward by September 15, 2001, the unused balance will revert to the State pool and will not be under the control of the City. To preserve this allocation, it is proposed that it be carried forward as allowed by law. This action allows the City to delay a decision on the specific designation of the City’s 2001 PAB allocation until February 15, 2002. This action is consistent with City Council actions in past years and is considered routine by the State of Colorado, the administrative agent for the PAB program.

Summary

- The City’s PAB allocation for year 2001 was \$3,069,281. This allocation, which is issued by the State pursuant to federal legislation, is required for municipalities wanting to issue bonds for certain “private activities” such as residential mortgage programs, construction of affordable rental housing, and certain redevelopment projects such as the Westminster Plaza Shopping Center.
- The City’s PAB allocation for year 2001 in the amount of \$3,069,281 has not been assigned to any project, nor has the City received any proposals to utilize the funds to date. If the City’s PAB allocation is not carried forward by September 15, 2001, it will revert to the State pool. To maintain flexibility and not lose the allocation, the City may keep the allocation by passing a resolution stating that the allocation will be used for a qualified carry forward purpose.
- Qualified carry forward purposes include:
 - Qualified single-family mortgage revenue bonds, and mortgage credit certificates;
 - Qualified redevelopment bonds;
 - Qualified residential rental multifamily housing bonds;
- The attached Resolution has been reviewed and approved by the City Attorney’s Office and is ready for City Council’s formal action. This Resolution will formally carry forward the entire amount of the City’s 2001 PAB allocation. Staff will then proceed to identify for Council the specific project(s) for private activity bond financing prior to February 15, 2001, as required by state law. If a specific designation of the use of the City’s PAB allocation is not made by February 15th, the City and the State will lose this allocation.

Policy Issue

The policy issue before City Council is whether to carry forward the City’s Private Activity Bond allocation for the year 2001 or allow the \$3,069,281 allocation to revert to the State pool.

Staff Recommendation

Adopt Resolution No. 53 approving the carryforward of the City of Westminster's Private Activity Bond allocation for the year 2001, for the qualified purposes set forth in the resolution, and authorize the Mayor and City Clerk to execute the documents necessary to preserve this allocation.

Alternatives:

1. Take no action, and allow the City's allocation to lapse and revert to the State pool. This option is not recommended, as it would limit the options that Council would have for use of the PAB relative to development in Westminster. Further, the action to carry forward the allocation is routinely used by other cities and is acceptable to the State of Colorado, acting as the administrative agent for the Federal Government.
2. Pick a project and assign the remaining balance now, e.g., the Metro Mayors Caucus Single Family Mortgage program. While this would meet the requirements of the State law it is not recommended. This would likely have a detrimental impact on the redevelopment projects now under consideration by WEDA. The carryforward provision will provide the time necessary to determine the feasibility of each redevelopment project and for Staff to make specific recommendations to Council.

Background

When cities wish to issue tax-exempt bonds to finance certain eligible "private activities" as allowed by the Internal Revenue Code (such as redevelopment of the Westminster Plaza), they can do so only to the extent they have received a PAB allocation from the Federal Government. Each year, the City of Westminster receives an allocation of approximately \$3 million to use towards bond financing of certain eligible "private activities" as defined by federal law. The issuance of tax-exempt bonds can save developers and the City higher costs of market rate financing that can provide a significant savings. Such bonds can also be used to provide subsidies for certain qualified home buyers. This financing further allows cities to sponsor community development and redevelopment activities that they may deem important. A recent example of this initiative was the financing for the redevelopment of the Westminster Plaza. Without the ability to issue tax-exempt bonds to build this project, the project may not have been financially viable.

If a PAB allocation is not specifically designated by September 15 of the allocation year, federal law allows the allocation to be carried forward and preserved through February 15 of the following year. By February 15, 2001 a specific assignment of the allocation must be made or the City and the State will lose the allocation. To maintain flexibility and to consider competitive projects, it is proposed that the City act on the carry forward provision.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

RESOLUTION

RESOLUTION NO. 53

INTRODUCED BY COUNCILLORS

SERIES OF 2001

A RESOLUTION EXPRESSING THE INTENT OF THE CITY OF WESTMINSTER TO ISSUE OR CAUSE BONDS TO BE ISSUED IN AN APPROXIMATE AGGREGATE PRINCIPAL AMOUNT OF \$3,069,281 FOR QUALIFIED MORTGAGE BONDS, ONE OR MORE QUALIFIED RESIDENTIAL RENTAL PROJECTS, OR ONE OR MORE QUALIFIED REDEVELOPMENT PROJECTS; AND AUTHORIZING THE OFFICERS, EMPLOYEES AND AGENTS OF THE CITY TO PROCEED AND CONTINUE WITH STEPS PRELIMINARY TO THE ISSUANCE OF SUCH BONDS.

WHEREAS, the City of Westminster (the "City"), is a municipal corporation duly organized and existing as a home-rule municipality under Article XX of the State Constitution (the "Constitution") and laws of the State of Colorado; and

WHEREAS, the members of the City Council of the City (the "Council") have been duly elected and qualified; and

WHEREAS, pursuant to the Private Activity Bond Ceiling Allocation Act, Title 24, Article 32, Part 17, of Colorado Revised Statutes (the "Allocation Act"), the City has been allocated private activity bond "volume cap" for 2001, the amount of which is \$3,069,281; and

WHEREAS, the City intends and proposes to authorize, issue, sell and deliver, bonds in an approximate aggregate principal amount of \$3,069,281, in one or more series, for (1) qualified redevelopment purposes as described in Section 144(c) of the Internal Revenue Code of 1986, as amended (the "Code") OR (2) qualified mortgage bonds as described in section 143 of the code, or (3) qualified residential rental projects as described in Section 142(d) of the Code, together with the costs of funding any reserve funds for the bonds (the "Bonds"), the costs of securing the Bonds and costs incidental to the authorization, issuance and sale of the Bonds (collectively, the "Project").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WESTMINSTER, IN THE COUNTIES OF ADAMS AND JEFFERSON, STATE OF COLORADO:

Section 1. All action not inconsistent with the provisions of this resolution heretofore taken by the City Council, and the officers, employees and agents of the City, directed toward the Project, and the issuance and sale of the Bonds therefor, is hereby ratified, approved and confirmed.

Section 2. The City intends to issue, or cause to be issued by another qualified issuer, the Bonds in the approximate aggregate principal amount of \$3,069,281 to pay the cost of the Project, upon terms acceptable to the City as set forth in a bond ordinance or resolution to be hereafter adopted and to take all further action which is necessary or desirable in connection therewith.

Section 3. The officers, employees and agents of the City shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and shall take all action necessary or desirable to finance the Project and to otherwise carry out the transactions contemplated by this resolution, including without limiting the generality of the foregoing, the following:

- (i) Carrying forward the City's unused private activity bond volume cap allocation for 2001 pursuant to Section 146(f) of the Code;
- (ii) Notifying the Colorado Department of Local Affairs prior to September 15, 2001 of the City's desire to treat its initial 2001 allocation of private activity bond volume cap as an allocation to the Project;
- (iii) Obtaining, if necessary, an additional share of the allocation for 2001 allotted to the State of Colorado pursuant to Section 146 of the Internal Revenue Code of 1986, as amended (the "Code");
- (iv) Assigning, if necessary, the City's 2001 allocation of private activity bond volume cap to another qualified issuer.

Section 4. The cost of financing the Project will be paid out of the proceeds of the Bonds or other available moneys of the City.

Section 5. The officers and employees of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 6. If any section, paragraph, clause or provision of this resolution or the question shall for any reason be held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution or the question.

Section 7. All acts, orders and resolutions, and parts thereof, inconsistent with this resolution be, and the same hereby are, repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any act, order or resolution, or part thereof, heretofore repealed.

Section 8. This resolution shall be in full force and effect upon its passage and approval.

PASSED AND ADOPTED this August 27, 2001.

Mayor Pro Tem

(SEAL)
Attest:

City Clerk

STATE OF COLORADO)
)
COUNTIES OF ADAMS) SS.
AND JEFFERSON)
)
CITY OF WESTMINSTER)

I, Michele Kelley, the City Clerk of the City of Westminster, Colorado do hereby certify:

1. The foregoing pages are a true and correct copy of a resolution (the "Resolution") passed and adopted by the City Council (the "Council") of the City at a meeting of the Council held on August 27, 2001.

2. The Resolution was duly moved and seconded and the Resolution was adopted at the meeting of August 27, 2001, by an affirmative vote of a majority of the members of the Council as follows:

Those Voting Aye:	Mayor Pro Tem Sam Dixon Councillor Herb Atchison Councillor Butch Hicks Councillor Tim Kauffman Councillor Ed Moss
-------------------	--

Those Voting Nay:	None
Those Absent:	Mayor Nancy Heil Councillor Ann Merkel

Those Abstaining:

3. The members of the Council were present at such meetings and voted on the passage of such Resolution as set forth above.

4. The Resolution was approved and authenticated by the signature of the Mayor, sealed with the City seal, attested by the Clerk and recorded in the minutes of the Council.

5. There are no bylaws, rules or regulations of the Council which might prohibit the adoption of said Resolution.

6. Notice of the meeting of August 27, 2001 in the form attached hereto as Exhibit A was posted at the City Hall, Westminster, Colorado, not less than 24 hours prior to the meeting in accordance with law.

WITNESS my hand and the seal of said City affixed this of August 28, 2001.

City Clerk

(SEAL)

Summary of Proceedings

Summary of proceedings of the regular City of Westminster City Council meeting of Monday, August 27, 2001.

Present at roll call were Mayor Pro-Tem Dixon, Councillors Atchison, Hicks, Kauffman and Moss. Absent were Councillor Merkel and Mayor Heil.

The minutes of the August 13, 2001 meeting were approved.

Mayor Pro-Tem Dixon presented Mary Ann Parrot with a proclamation declaring September 3-7 as Employee Appreciation Week.

Council approved the following: Financial Report for July, 2001; Legal Services Contract with Kutak Rock, LLP, for \$14,000 for issuance of Sales Tax Revenue Bonds; Purchase of a Tandem Dump Truck, in the amount of \$112,853; Agreement with Police, Fire and General Employee Pension Boards.

The following Public Hearing was held: Second Public Hearing on 2002 City Budget.

The following Councillor Bill was passed as an emergency ordinance:

A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2001, OF THE CITY OF WESTMINSTER, COLORADO, PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND DECLARING AN EMERGENCY purpose: financing for Sales and Use Tax bonds for widening of 112th Avenue, and refunding 1991 sales tax bonds

The following Councillor's Bills were adopted on second reading:

A BILL FOR AN ORDINANCE VACATING UTILITY EASEMENTS WITHIN NORTHRIDGE AT PARK CENTRE

A BILL FOR AN ORDINANCE INCREASING THE 2001 BUDGET OF THE GENERAL CAPITAL IMPROVEMENT FUND AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION FROM THE 2001 ESTIMATED REVENUES IN THE FUND

The following Resolutions were adopted:

Resolution No. 53 re approving the carryforward of the City of Westminster's Private Activity Bond allocation for the year 2001

At 7:45 P.M. the meeting was adjourned.

By order of the Westminster City Council
Michele Kelley, CMC, City Clerk

Published in the Westminster Window on September 6, 2001