



CITY OF OREM
CITY COUNCIL MEETING
56 North State Street, Orem, Utah
January 08, 2019

*This meeting may be held electronically
to allow a Councilmember to participate.*

3:00 P.M. WORK SESSION - CITY COUNCIL CONFERENCE ROOM

TOUR - Geneva Park (60 min)

The City Council will visit Geneva Park to discuss possible upgrades/improvements to the existing park.

PRESENTATION - MAG TransPlan 2050 (45 min)

The City Council will be presented and discuss the Mountainland Association of Governments Transplan 2050.

Presenter: Shawn Seager, Director, Metropolitan Planning Organization

1. PREVIEW UPCOMING AGENDA ITEMS

Staff will present to the City Council a preview of upcoming agenda items.

2. AGENDA REVIEW

The City Council will review the items on the agenda.

3. CITY COUNCIL - NEW BUSINESS

This is an opportunity for members of the City Council to raise issues of information or concern.

6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

4. CALL TO ORDER

5. INVOCATION/INSPIRATIONAL THOUGHT: BY INVITATION

6. PLEDGE OF ALLEGIANCE: BY INVITATION

7. APPROVAL OF MINUTES

7.1. MINUTES of City Council Meeting - December 11, 2018

MINUTES of Special City Council Meeting - December 13, 2018

Approve meeting minutes

[2018-12-11.ccmmin DRAFT.docx](#)

[2018-12-13.ccmmin.Special DRAFT.docx](#)

8. MAYOR'S REPORT/ITEMS REFERRED BY COUNCIL

8.1. UPCOMING EVENTS

For Review

8.2. APPOINTMENTS TO BOARDS AND COMMISSIONS

Recommend applicant(s) for appointment or reappointment.

Presenter: Mayor Brunst

[Bonney, Kenneth -- Library_Redacted.pdf](#)

[Stratton, Suzanne -- Library_Redacted.pdf](#)

9. PERSONAL APPEARANCES – 15 MINUTES

Time has been set aside for the public to express their ideas, concerns, and comments on items not scheduled as public hearings on the Agenda. Those wishing to speak are encouraged to show respect for those who serve the city. Comments should focus on issues concerning the city. Those wishing to speak should have signed in before the beginning of the meeting. (Please limit your comments to 3 minutes or less.)

10. CONSENT ITEMS

10.1. MOTION - Reschedule the March 19, 2019 City Council Meeting to March 12, 2019

It is recommended that the City Council reschedule the meeting of March 19, 2019 to March 12, 2019.

10.2. RESOLUTION - Authorizing the City of Orem to participate in the HUD public offering as part of the Section 108 Loan Guarantee Assistance Program to refinance the existing note or other obligation in the original principal amount of \$1,320,000, for the purpose of economic development. The current balance is \$616,000.

The Community Services Manager recommends that the City Council, by Resolution, authorize the Mayor to execute the necessary documents as required by HUD to refinance the existing guaranteed Section 108 Note, and to execute such other documents, contracts, amendments and agreements with HUD, and to authorize payment of any required fees, as may be necessary to effectuate this refinancing transaction.

[Section 108 Refinance Council Resolution.doc](#)

11. SCHEDULED ITEMS

11.1. DISCUSSION – Multi-Jurisdictional Automatic Aid, Mutual Aid, Fire Training, Emergency Medical, and Other Services Agreement (15 min)

The Fire Department will present and discuss with the Orem City Council and the Mayor to approve and execute the signature page to the Multi-Jurisdictional Automatic Aid, Mutual Aid, Fire

Training, Emergency Medical, and Other Services Agreement (an inter-local agreement) which outlines the rights and responsibilities for mutual aid and other related services between the Orem City Fire Department and other fire and emergency medical service providers throughout the state of Utah.

Presenter: Scott Gurney, Fire Chief & Jason Earl, Deputy Chief

[RES--Multi-Jurisdiction Mutual Aid Agreement.docx](#)

11.2. RESOLUTION—Establishing the parameters for authorizing the issuance and sale by the City of Orem of not more than \$24,500,000 aggregate principal amount of its General Obligation Bonds, Series 2019, to pay all or a portion of the costs of (i) acquiring, constructing, furnishing, and equipping renovations, additions and improvements to the City’s family fitness center, a community library hall at the City Center Campus, and to pay expenses reasonably incurred in connection with the authorization and issuance of the Bonds.

The City Manager recommends that the City Council, by resolution, adopt a parameters resolution authorizing the issuance and sale of the City of Orem General Obligation Bonds, Series 2019, of not more than \$24,500,000 aggregate principal amount and delegate certain officers the authority to select the underwriter; approve the principal amounts, interest rates, terms, maturities, etc., and execute the final terms.

Presenter: Richard Manning, Administrative Services Director

[Bond Resolution Orem City GO Bonds 2019.docx](#)

[Preliminary Official Statement Orem General Obligation Bonds 2019.docx](#)

12. COMMUNICATION ITEMS

12.1. MONTHLY FINANCIAL SUMMARY - November 2018

For Review

[Monthly Financial Summary - Nov 2018.pdf](#)

13. CITY MANAGER INFORMATION ITEMS

This is an opportunity for the City Manager to provide information to the City Council. These items are for information and do not require action by the City Council.

14. ADJOURN TO CLOSED MEETING

14.1. MOTION - Closed Meeting

City Council to adjourn into a closed meeting for a strategy session to discuss pending or reasonably imminent litigation, pursuant to Utah Code Section 52-4-205(1)(c).

**THE PUBLIC IS INVITED TO PARTICIPATE IN ALL CITY COUNCIL MEETINGS.
If you need a special accommodation to participate in the City Council Meetings and Study Sessions,
please call the City Recorder's Office at least 3 working days prior to the meeting.
(Voice 801-229-7000)**

This agenda is also available on the City's webpage at orem.org

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CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
December 11, 2018

3:00 P.M. WORK SESSION – CITY COUNCIL CONFERENCE ROOM

CONDUCTING Mayor Richard F. Brunst

ELECTED OFFICIALS Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Greg Stephens, City Attorney; Karl Hirst, Recreation Department Director; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Scott Gurney, Fire Chief; Gary Giles, Police Chief; Ryan Clark, Economic Development Division Manager; Jason Bench, Planning Division Manager; Kirby Snideman, Long Range Planner; Kena Mathews, Community Services Manager; and Jackie Lambert, Deputy City Recorder

PRESENTATION – Special Project at University Place

Mr. Clark began by saying that Orem was the center for the arts, and was the first city in Utah County to adopt a Cultural Arts and Recreation Enhancement (CARE) Tax. The Hale Center Theater of Orem (HCTO) played an important role in the City's cultural arts offerings, and the proposal they would discuss was to relocate the HCTO to University Place. Mr. Clark introduced special guests from the HCTO organization, the Woodbury Corporation, and Utah Valley University (UVU). Mr. Clark then asked Cody Swenson, HCTO Executive Director, to share some information about the history of the organization.

Mr. Swenson gave a brief history of how his grandparents came to open their own theaters. The HCTO was opened in 1990, and since that time over 250 productions had been staged. Mr. Swenson said they were known for providing a quality theater experience in an intimate space, and most shows were sold out most of the time. They had great support from the community, and hoped to preserve their unique legacy in the proposed new theater.

Mr. Clark shared conceptual renderings for the proposed new theater, and said that the HCTO organization had been looking for a chance to expand since 2008. The economic downturn had changed those plans again and again, but there was now an opportunity for a special collaboration with the HCTO, the Woodbury Corporation, and the City of Orem. Hale had approached the City on this project, and had been open and transparent with their finances. Mr. Clark said the project had been "stress tested" and evaluated by Lewis Young Robertson & Burningham (LYRB), as well as Woodbury, and a project like this would not work without a city

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1 financing component. They wanted to have the best protection possible for the City, as well as a
2 situation that HCTO could afford and made sense for their theater. Mr. Clark said there were
3 many partnerships like this between cities and theater organizations throughout the state. He said
4 this would be an affordable product for the area with the same intimate feel.

5
6 Arty Woodbury said they agreed in principle on the location with HCTO, and to show how
7 committed the Woodbury Corporation was to this project they would pledge \$1 million to kick
8 start the fundraising efforts.

9
10 Mr. Clark showed proposed plans for the interior of the theater, which included a black box
11 theater. Mr. Swenson explained that the black box theater would mainly be used for the youth
12 theater productions, as it was harder to find time to schedule them on the main stage. Mr. Clark
13 said the current theater had 11,000 square feet, with between 280-303 seats and 83 parking stalls
14 with 77 additional stalls as overflow. The proposed main theater would be more like the now
15 “old” Hale in West Valley with approximately 64,000 square feet, with 568 seats and 200 in the
16 black box theater, and 316 parking stalls. Mr. Clark reviewed the steps required to realize the
17 proposed project, including a zone change, street vacation, and removal of the rental homes
18 Woodbury owned that would allow for the necessary parking.

19
20 Mr. Clark said this would add to Orem’s identity and the place making of University Place and
21 as a regional draw would help stem the outward migration of businesses, retail, and other arts
22 programs to other cities. It would add to the mixed use of the development at University Place,
23 and there would be indirect benefits as well. As a 28-year tenant in the city, HCTO was a known
24 entity and the new theater was projected to attract 300,000 patrons annually. Mr. Clark said
25 finally that this would be a great legacy project to move forward with in Orem’s centennial year.

26
27 There was continued discussion on the proposal, including the details on the scope of the new
28 Hale Theater in Sandy, questions on the timeline if the project were to move forward, and on
29 fundraising. Jeff Fisher, with HCTO, said they hoped to be aggressive with moving forward on
30 fundraising should the project be approved. He said the fundraising would be easier with a
31 specific project and location to present. Mr. Swenson added that they would be approaching state
32 legislators in the upcoming legislative session. Mr. Woodbury said once the project was
33 approved they could begin to prep the land and work on other projects already in motion
34 including a hotel, but the fundraising would also dictate the timeline.

35
36 Mr. Macdonald asked UVU Dean Stephen M. Pullen for his thoughts. Dean Pullen said they had
37 met with Hale to hear the proposed plan, and they were delighted to see this collaboration
38 between the involved parties. In response to a question about UVU’s relationship with the
39 SCERA organization, Dean Pullen said it was a comparable relationship to that with the Hale
40 organization. For all those students in the arts programs, it gave them more opportunities to get
41 professional experience.

42
43 In response to a question posed by Mr. Seastrand, Mr. Davidson said the City would be open to
44 partnerships of this kind with other organizations like SCERA and in fact already had a
45 partnership with SCERA. There was a cooperative relationship for the SCERA Shell outdoor
46 theater, and through the CARE tax. Mr. Davidson said this project had been in discussions for
47 several years and while it had always been open it had not always been easy.

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Mr. Macdonald said his feeling was the more fundraising that could be done by HCTO and Woodbury, the better. Laura Lewis, with LYRB, said it was unrealistic to expect them to raise all the money. She said a 501c3 nonprofit organization had the opportunity to work through a municipality as a conduit to take advantage of the tax exemption savings, which would be significant. There was a benefit to that collaboration.

DISCUSSION – Multi-Jurisdictional Automatic Aid, Mutual Aid, Fire Training, Emergency Medical, and Other Services Agreement

Fire Chief Gurney and Deputy Chief Jason Earl presented information to the City Council on the Multi-Jurisdictional Automatic Aid, Mutual Aid, Fire Training, Emergency Medical, and Other Services Agreement (an inter-local agreement), which outlined the rights and responsibilities for mutual aid and other related services between the Orem City Fire Department and other fire and emergency medical service providers throughout the state of Utah.

Chief Earl said there was a kind of informal agreement with neighboring communities to help with fire services as needed. The agreement being discussed would formalize the terms. He reviewed some of the specifics of the agreement, saying that there would be no obligation to cover for others if the City was unavailable or short staffed.

Mr. Davidson asked about the possibility of disproportionately being called out to communities other than Orem, and subsidizing fire services for others. Chief Earl said it was a non-binding, non-obligatory agreement and they could opt out if necessary; he did not anticipate that being a problem. There were some emergencies that smaller communities could not handle on their own, in terms of equipment, personnel, and other resources. Hopefully that would be a rare occurrence, but they wanted to be available in those circumstances.

Chief Gurney said agreements like this were win-win. One of the benefits of the agreement was to outline how many offices and engines of what type were needed at specific incidents, which took the guesswork out of what resources were needed to respond. He said they would bring the resolution for the agreement forward to the first City Council meeting in January of 2019.

DISCUSSION – Section 108 Loan Refinancing Opportunity

Ms. Mathews said there was an opportunity to refinance the Section 108 Loan, which would result in a savings in excess of \$50,000. They were contacted by HUD about a public offering in February to move from a variable rate to a fixed rate.

Mr. Lentz asked if this would extend the life of the loan. Ms. Mathews said it did not. They would bring a formal resolution to the Council in January but they had a deadline of midnight on December 11th to indicate if they wanted take advantage of the refinancing option. The general consensus of the Council was to move forward with refinancing the loan.

UPDATE – Neighborhood Plans

Mr. Snideman provided an update on the neighborhood plan process. He said there were 21 neighborhoods in Orem that had been put into nine groups for the purpose of neighborhood

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plans. They had completed five of those plans and had four left to do; they were going to try to do two plans concurrently. He explained that the major components of neighborhood plans were not necessarily neighborhood specific, so they could use a template to start. Once a volunteer neighborhood committee was formed, they could get more into the specifics. This would also give them the opportunity to combine public meetings. Mr. Snideman said they would do the last two plans concurrently as well, if the initial trial went well. They hoped to complete all nine plans by 2020.

PRESENTATION – Imagine Orem: Geneva Road Area-Wide Plan

Mr. Snideman invited consultant Katie-Rose Imbriano to join him to provide an update of the progress of the Geneva Road area-wide plan. Ms. Imbriano defined the boundaries of the plan area, and explained that “brownfield” areas were those with contamination of the soil, groundwater, etc. Geneva Steel had been a contributor to that issue in the area. She continued to review the processes of gathering data, contacting land owners and business owners along the corridor, and the public outreach process going into the development of the plan. Mr. Snideman said there would be a workshop with property owners on December 12th to show them what had been done with their feedback. They would discuss potential zoning, development, and the risks and benefits of having a master plan in place.

Ms. Imbriano reviewed the efforts made in public outreach over the past 12 months, including phone calls and personal visits to properties and businesses along Geneva Road, open houses in the spring and fall, and a survey conducted through imagineorem.org. Mr. Snideman said the addition of food and activities at the open houses had invited a variety of people from differing backgrounds to participate.

Ms. Imbriano shared some of the survey responses, and the three major concerns business owners had responded with: land use, neighborhood character, and transportation. They wanted to make sure the area was going to grow in the right ways. Major concerns were residential encroachment, adequate parking for businesses, and the expansion of the road. Many industrial businesses used vehicles that had different transportation needs. Mr. Davidson said those concerns stated by business owners seemed incongruous with attempts the City made to clean up or make any changes on Geneva Road, as there was usually push back. Perhaps this showed that those pushing back in public meetings may not be the majority opinion.

Ms. Imbriano presented the three districts that were proposed in the plan, which were the Gateway District, Geneva Crossing District, and Geneva Center District. She elaborated on the specifics of each plan, and said one important recommendation for all three districts was to improve the internal connections along the corridor. In response to a question about residential developments, Mr. Snideman said there may be some areas within the districts were residential was permitted, but there would not be an area that was 100% residential – it would have to be mixed use.

DISCUSSION – Rank Choice Voting

Mr. Lentz said he wanted to discuss the option to conduct a Rank Choice Voting (RCV) election for the 2019 Municipal Elections. He had pros and cons he wanted to share on the subject. He

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informally polled followers on his social media regarding RCV with no context or educational information, and found responses to be 50/50. After adding some more detailed information regarding the process, the feedback shifted to 90% in favor. The pros and cons Mr. Lentz identified were:

- PRO
 - Improved representation
 - More civil campaigns
 - Money savings (eliminate the need for a Primary election)
- CON
 - Reduced vetting of candidates
 - Greater need for education on election processes
 - Potential costs for new equipment

Mr. Lentz said greater control was an idea that grabbed people, and RCV elections would more likely represent the electorate. The risk of conducting a Vote By Mail (VBM) election had paid off, and in his mind the pros outweighed the cons.

Mr. Davidson shared that the deadline to contact the Lt. Governor's office to run an election with RCV was January 1, 2019. He said City Recorder Jody Bates had contacted the Lt. Governor's office earlier that day and no municipality in Utah had yet said they would be conducting a RCV election.

Council members had continued discussion on the benefits of RCV as well as the potential concerns. One major concern many shared was the need to educate voters on the new process which could potential be confusing; voters were just starting to be more comfortable with VBM, older voters in particular. Another main concern was the dysfunction of the Utah County Clerk/Auditor office, though the hope was that new leadership in that office would lead to better run elections. Some voiced concerns about eliminating the Primary Election as a valuable time needed to vet the candidates, and the costs saved in not conducting a Primary Election would likely be needed elsewhere.

Mayor Brunst shared information he found in researching RCV. He echoed some of the concerns shared by the others, though he appreciated what Mr. Lentz had shared on his pros and cons. He felt this was not the right time to move forward with RCV, and wanted to see what changes the newly elected Utah County Clerk/Auditor would be implementing before changing the process.

All City Council members but Mr. Lentz said they were not for conducting a RCV election at this time. Mr. Lentz hoped it would be something to consider again in the future.

Preview Upcoming Agenda Items

Mr. Bench gave a brief overview of planning items that will be coming before the Council in future meetings.

Agenda Review

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The City Council and staff reviewed the items on the agenda. The Mayor and Council discussed appointments to boards and commissions, as well as the appointment of a new Mayor Pro Tem. Mayor Brunst reviewed the upcoming events as listed in the agenda packet.

City Council New Business

With no new business to discuss, the City Council adjourned at 5:50 p.m. to the City Council Chambers for their regular meeting.

6:00 P.M. REGULAR SESSION – COUNCIL CHAMBERS

CONDUCTING Mayor Richard F. Brunst

ELECTED OFFICIALS Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Assistant City Manager; Greg Stephens, City Attorney; Karl Hirst, Recreation Department Director; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Scott Gurney, Fire Chief; Gary Giles, Police Chief; Charlene Crozier, Library Department Director; Chris Tschirki, Public Works Director; Steve Earl, Deputy City Attorney; Jason Bench, Planning Division Manager; Sam Kelly, City Engineer; Brandon Nelson, Finance Division Manager; Ryan Clark, Economic Development Division Manager; Pete Wolfley, Communications Specialist; and Jackie Lambert, Deputy City Recorder

INVOCATION /

INSPIRATIONAL THOUGHT Jim Jacobs

PLEDGE OF ALLEGIANCE Weeblo Troop 990

APPROVAL OF MINUTES

Mr. Seastrand moved to approve the following sets of meeting minutes:

- November 13, 2018, City Council meeting
- November 14, 2018, Joint City Council/Alpine School District meeting
- November 20, 2018 Special City Council meeting.

Mr. Spencer seconded the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed**.

MAYOR’S REPORT/ITEMS REFERRED BY COUNCIL

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UPCOMING EVENTS

Mayor Brunst reviewed the upcoming events, as listed in the agenda packet.

APPOINTMENTS TO BOARDS AND COMMISSIONS

Mayor Brunst moved to appoint Mattathias Westwood to the CDBG Advisory Commission, and to appoint Catherine Whitaker to the Summerfest Advisory Committee. **Mrs. Lauret seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed**.

PRESENTATION – Fire Department Citizen Award – Carlos Rodriguez

Chief Gurney and Deputy Chief Earl recognized Orem resident Carlos Rodriguez for his willingness to act with boldness and courage, and in so doing saved a child's life. Mr. Rodriguez had taken it upon himself to learn some CPR basics to be prepared if ever needed with his own children. Responding to the plight of a distraught neighbor, Mr. Rodriguez was able to perform CPR on the neighbor's one year old child and provided care until the emergency responders could arrive. The child survived, and was released from the hospital the next day. Since that time, Mr. Rodriguez has become CPR certified and encourages others to do the same.

Chief Gurney also wanted to commend the bravery of the child's mother, who sought the needed help to save her child.

Mr. Rodriguez was presented with the Fire Department Citizen Award and received a round of applause. Mr. Rodriguez and the Fire Department representatives took a photo with the Mayor and shook the City Council's hands.

PRESENTATION – Comprehensive Annual Financial Reporting Award

Paul Jerome, state representative from the board of the Utah Government Finance Officers Association (UGFOA), presented a certificate of achievement in government reporting to the City of Orem. Mr. Jerome said this was the 30th consecutive time this award had been presented to the City of Orem, which was not an easy thing to achieve, as nationally only 6% of municipalities received this award. Mr. Jerome said this showed a commitment to excellence and credited Orem's staff for their outstanding work in receiving the award year after year, particularly the work of Jeff Petersen and Brandon Nelson, the City's former and current Finance Division Managers respectively.

PERSONAL APPEARANCES

Time was allotted for the public to express their ideas, concerns, and comments on items not scheduled as public hearings on the agenda. Those wishing to speak should have signed in prior to the meeting, and comments were limited to three minutes or less.

There were none who signed up to speak during personal appearances.

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1 CONSENT ITEMS

2 3 ANNUAL MEETING SCHEDULE 2019

4
5 **Mr. Lentz moved** to approve the Annual Meeting Schedule for 2019, with the amendment of
6 rescheduling the November City Council meeting from November 12 to November 19 to
7 accommodate the Canvass after the General Election. **Mr. Spencer seconded** the motion. Those
8 voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand,
9 David Spencer, and Brent Sumner. The motion **passed**.

10 11 MAYOR PRO TEM – January 1 through June 30, 2019

12
13 **Mayor Brunst moved** to approve the appointment of David Spencer as Mayor Pro Tem from
14 January 1, 2019 to June 30, 2019. **Mrs. Lauret seconded** the motion. Those voting aye: Richard
15 F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and
16 Brent Sumner. The motion **passed**

17 18 19 SCHEDULED ITEMS

20 21 6:00 P.M. PUBLIC HEARING

22 RESOLUTION – Establishing a Residential Parking Permit Area on 400 East between 212 23 and 260 South

24
25 Chief Giles invited Lt. Craig Martinez to present a recommendation that the City Council
26 approve of the resolution establishing a Residential Parking Permit area on 400 East between 212
27 and 260 South, changing the area from a 'no parking during school hours' zone to a Residential
28 Parking Permit area.

29
30 Lt. Martinez said the west side of 400 East between 212 South and 260 South was across the
31 street from Orem High School. The area was currently marked for “No Parking During School
32 Hours”, but the neighborhood residents were asking that it be changed to a Residential Parking
33 Permit area. The proper studies and contact with all residents in the area had been conducted.

34
35 Lt. Martinez said that all the homes were requesting to be included with permit parking, though
36 one home was in the process of being sold. In response to Mr. Lentz’s question, Lt. Martinez
37 said that home would be included in the permit area, but could easily be removed if the new
38 owners did not want to participate. It would simply be a matter of moving signage.

39
40 Mayor Brunst opened the public hearing. No one came forward to speak, so he closed the public
41 hearing.

42
43 **Mr. Macdonald moved**, by resolution, to approve the resolution establishing a Residential
44 Parking Permit area on 400 East between 212 and 260 South, changing the area from a ‘no
45 parking during school hours’ zone to a Residential Parking Permit area. **Mr. Spencer seconded**
46 the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald,
47 Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed**.

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Mr. Davidson took this opportunity to recognize Lt. Martinez on his acceptance into an elite FBI 10 week training course that would begin at the end of December. Mr. Davidson said this was a difficult and prestigious program to be accepted in, and he commended Lt. Martinez on his exceptional work and dedication to his field. Mr. Davidson said Chief Gary Giles had also participated in this program, and felt that spoke to the caliber of individuals in Orem's Police Department.

RESOLUTION – Authorizing the execution of an amended Interlocal Cooperative Agreement by and between the Board of Education, Alpine School District and the City of Orem providing for School Resource Officers in certain Alpine District Schools Staff recommends that the re-updated Interlocal Agreement - a revision of the Interlocal Agreement for SROs with Alpine School District adding one additional SRO to the Junior High Schools and updating the agreement as per recent state law - be approved

Chief Giles said this was an updated Interlocal agreement between the City of Orem and the Alpine School District which added one additional SRO to the junior high schools and also updated the interlocal agreement to be in compliance with new state law. An updated agreement was approved and signed at the September 11, 2018 meeting, but additional changes were made by the School District after that and have been approved by the City Attorney's Office.

Chief Giles shared a redline strikeout version of the agreement with the Council outlining the changes to the agreement. He clarified that they were mostly issues of wording and not necessarily substantive changes.

Mayor Brunst moved to authorize the execution of an amended Interlocal Cooperative Agreement by and between the Board of Education, Alpine School District and the City of Orem providing for School Resource Officers in certain Alpine District Schools Staff recommends that the re-updated Interlocal Agreement - a revision of the Interlocal Agreement for SROs with Alpine School District adding one additional SRO to the Junior High Schools and updating the agreement as per recent state law - be approved. **Mrs. Lauret seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed**.

6:00 P.M. PUBLIC HEARING

ORDINANCE – Amending portions of Section 22-24-1 (City Center District Zone) pertaining to the City Center District Zones

Mr. Bench said that with the recent adoption of the North Village District, Canyon Crossing District, the Arts District, and the HUB District, staff recommended the City Center District be amended to be consistent with the ordinance requirements outlined in the four new districts. Mr. Bench reviewed the minor changes that were recommended so the code matched the other district code language for consistency.

With no further questions from the Council, Mayor Brunst opened the public hearing. Seeing no one come forward, he then closed the public hearing.

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1 **Mr. Lentz moved**, by ordinance, to amend portions of Section 22-24-1 (City Center District
2 Zone) pertaining to the City Center District Zones. **Mr. Seastrand seconded** the motion. Those
3 voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand,
4 David Spencer, and Brent Sumner. The motion **passed**.

5
6
7 RESOLUTION – Authorizing the execution of an Interlocal Agreement between the City of
8 Orem and Mountainland Association of Governments (MAG)
9

10 City Engineer Sam Kelly said this was an agreement with MAG to move forward with a
11 roundabout improvement project at approximately 400 West and 1200 South. He said this was a
12 project identified in the 2015 Transportation Master Plan, and now MAG money had been
13 approved for the project. Those funds would become available in October 2019, so now was the
14 time to begin the design process. Mr. Kelly said the estimated cost for this project was
15 approximately \$2.3 million, and Orem's would contribute about \$155,000 as a 6.77% match,
16 though that would essentially be paid by UTA to improve the route for the bus rapid transit
17 system.
18

19 In response to Mayor Brunst's question about land purchasing, Mr. Kelly said the design was not
20 yet set, though one idea that had been discussed was to purchase property around the area
21 including the home, the LDS church parking lot, and UVU to make the roundabout larger. Mr.
22 Kelly emphasized that that was a preliminary idea, and until the agreement was in place they felt
23 it premature to speak to land owners about that possibility.
24

25 Mr. Seastrand asked about the possible need to increase capacity out of the roundabout on 400
26 West before the light onto University Parkway. Mr. Kelly said that particular intersection had a
27 lot of turning movements, and they had already added dual left turns and an extended right turn
28 pocket. It was something they could continue to watch. Mr. Kelly spoke to the timeline of the
29 project, saying that the construction goal was for spring of 2020.
30

31 **Mr. Spencer moved**, by resolution, to authorize the execution of an Interlocal Agreement
32 between the City of Orem and Mountainland Association of Governments. **Mr. Seastrand**
33 **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom
34 Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed**.
35
36

37 RESOLUTION – Accept Fiscal Year 2017-2018 Audit
38

39 Mr. Nelson presented information regarding the FY 2017-2018 Audit. Mr. Nelson said in
40 accordance with State Law, the City was required to have a complete financial audit performed
41 by an independent auditing firm on an annual basis. Over the past several months, the accounting
42 firm of Gilbert & Stewart CPA, PC had been reviewing the City's financial records and had now
43 completed their audit. All of the audit information was included in the Comprehensive Annual
44 Financial Report (CAFR).
45

46 Mr. Nelson said Ron Stewart from Gilbert & Stewart CPA, PC would review the CAFR in their
47 presentation to the City Council. The City ended the fiscal year at June 30, 2018, in sound

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financial condition and received an unmodified auditor's opinion (a "clean" opinion).

Mr. Stewart said there were four things that they did as auditors. First, they gave an opinion on financial statements for the City; they came to the conclusion of an unmodified or "clean" opinion by reviewing the City's books and perform tests to assure that the information is materially correct. He then reviewed that process. Second, they looked at internal controls to make sure they were in place, designed correctly, and working. He said while they did not give an opinion on that area, they had not found anything that needed to be brought to the City Council. Third, if the City spent more than \$750,000 in federal money a single or individual audit was conducted to ensure they were in compliance with federal grant procedures; no issues were found. Fourth and finally, the auditors checked that the City was compliant with state requirements and procedures. The only finding they had was that the General Fund balance exceeded the maximum amount, but that would be easily remedied with the next scheduled budget amendment.

Mr. Seastrand asked about how many years the City had been working with Gilbert & Stewart for audits, and the amount of the fund balance overage. Mr. Nelson said it had been four years with a maximum of seven years with the same firm, and the overage amount was approximately \$2.3 million. It was common practice to make the necessary amendments to the budget for the overage amount in the General Fund.

Mr. Stewart said he appreciated working with Orem's staff on the audit. Mayor Brunst added that over 150 hours was put into the process of the audit.

Mr. Macdonald moved, by resolution, to accept the Fiscal Year 2017-2018 Audit. **Mrs. Lauret seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed**.

Mr. Nelson asked if he should continue to review the highlights of the presentation that he had not yet presented before the vote. Mayor Brunst said what had been shared already was sufficient.

COMMUNICATION ITEMS

The Monthly Financial Summary for October 2018 was included in the packets distributed to the Council.

CITY MANAGER INFORMATION ITEMS

Mr. Davidson shared that Bill Bell, the Development Services Department Director, would be retiring early in the 2019. He shared some of the professional contributions Mr. Bell had made in the City of Orem, and thanked him for his dedication to serving and improving the city and surrounding community.

Mr. Davidson then said that there would be many bills introduced in the upcoming state

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1 legislative session that would affect municipalities. He mentioned some of the topics that may
2 come up including affordable housing, referenda laws, and a recent State Supreme Court
3 decision regarding the legislative vs. administrative functions of city councils. He recommended
4 that the Council pay close attention to the legislative session that would begin in January 2019.

5
6 Mayor Brunst said the discussion on the one quarter (¼) cent of sales tax for roads was still
7 ongoing at the county level. He briefly reviewed the details of changes since the issue was voted
8 on at a state level, and said the Orem and the surrounding cities had road improvement needs that
9 this increase in funding would go to. He then said the Utah County Commission would be
10 making their decision on the subject the following week, and he recommended that the City
11 Council call a special council meeting to voice their support for the Utah County Commission to
12 approve the ¼ cent increase.

13
14 A special meeting was then scheduled for Thursday December 13, 2018 at 5:30 p.m. in the City
15 Center Conference Room 107.

16 17 18 **ADJOURNMENT**

19
20 **Mayor Brunst moved** to adjourn the meeting. **Mr. Seastrand seconded** the motion. Those
21 voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand,
22 David Spencer, and Brent Sumner. The motion **passed**.

23
24 The meeting adjourned at 7:08 p.m.
25
26

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CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
December 13, 2018

5:30 P.M. SPECIAL SESSION – CONFERENCE ROOM # 107

CONDUCTING Mayor Richard F. Brunst

ELECTED OFFICIALS Debby Lauret, Sam Lentz (electronically), Tom Macdonald, Mark Seastrand and Brent Sumner

EXCUSED David Spencer

STAFF MEMBERS Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Assistant City Manager; Greg Stephens, City Attorney; and JoD'Ann Bates, City Recorder.

RESOLUTION - Supporting and Encouraging the Utah County Commission to Implement the Fourth Quarter Cent Sales Tax Option

Mayor Brunst stated this resolution is regarding the fourth quarter cents sales tax. There is a resolution from the County Regional Planning Commissions, which is signed by all but 1 mayor in Utah County supporting the tax. There is also a resolution from the Utah Chamber of Commerce Public Policy in support of the tax. This would bring in approximately 1.8 to 2 million dollars a year to help fund city road projects and maintenance. Orem currently has 242 miles of centerline roads which costs approximately \$13,000. a mile for maintenance per year.

Mr. Macdonald indicated he was uncertain regarding his vote, he didn't feel he had enough time to consider the resolution. He continued to state that individually he would vote yes but has a concern based on a number of years ago when residents had the opportunity to approve this and it was voted down. He was curious as to how the residents feel about it now it has been adjusted. He does like that the burden is shared by consumers and they had taken out the UTA factor.

Mr. Lentz stated that although the residents voted down the previous proposal he felt it was due to the cookie cutter formula and the amount that was going to UTA. He felt more confident in supporting the resolution today due to the changes that have been made and the amount that will go to cities in Utah County for the roads. This resolution is just a recommendation to the County. He felt in the long run it is always more cost effective to maintain than to repair the roads when they are in dis-repair and for that reason he is in support of the resolution.

Mr. Sumner stated he was in favor of the recent bond improvements due to it not increasing taxes. This would place another tax concern on the residents. He commented he would have liked to have more time to research the item, and is not willing to support the resolution at this

1 time.

2 General discussion ensued regarding if the resolution was approved, who it taxes, what the tax is
3 applied, an estimate of the yearly amount it would be for residents and an estimated amount of
4 funds cities would receive.

5
6 Mr. Seastrand stated he felt this had been a fundamental problem the legislature has tried to
7 figure out but the basic fundamental structure does not cover the needs of being able to maintain
8 and consistently deliver a quality product to residents regarding the roads. They continue to get
9 behind in the basic maintenance of roads and this is one avenue the legislature has provided to
10 help with that maintenance. He does not see another alternative to address the road issues and
11 feels this is something they need to approve.

12
13 Mr. Davidson indicated that a project done a few years ago of essentially paving over of 10
14 blocks was a million dollar project and stated there are several million dollars road projects
15 within the boundaries of Orem City. If they don't do anything when the roads need upkeep they
16 then ending up degrading and costing the city substantially more to repair or even reconstruct.

17
18 Mayor Brunst stated the vote for proposition #1 had 40% going to UTA from the funds in the
19 county. This new interlocal agreement takes the 40% originally slated for UTA and pays down
20 the debt for the UVX. Once that debt is paid off the funds will then got to roads within the
21 county. He continued that Mountainlands Association of Governments did a survey which found
22 that 65% of the people voted in favor of moving forward with the interlocal agreement having
23 the funds go towards roads. He felt that the support is there from residents and other entities to
24 move forward.

25
26 **Mayor Brunst moved** the City Council approve a Resolution supporting and encouraging the
27 Utah County Commission to implement the Fourth Quarter Cent Sales Tax Option. **Mrs. Lauret**
28 **seconded.** Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, and
29 Mark Seastrand. Those voting nay: Brent Sumner. The motion **passed**.

30 31 32 **ADJOURNMENT**

33
34 **Mayor Brunst moved** to adjourn the meeting. **Mr. Seastrand seconded** the motion. Those
35 voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand and
36 Brent Sumner. The motion **passed unanimously**.

37
38
39 The meeting adjourned at 5:50 p.m.
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44
45
46 _____
JoD'Ann Bates, City Recorder

Approved: January 8, 2019



City Council Agenda Item Report

Meeting Date: January 8, 2019

Submitted by: Jody Bates

Submitting Department: City Manager' s Office

Item Type: Action Item

Agenda Section:

Subject:

APPOINTMENTS TO BOARDS AND COMMISSIONS

Suggested Action:

Recommend applicant(s) for appointment or reappointment.

Presenter:

Mayor Brunst

Background:

-- Library Advisory Board - Kenneth Bonney and Suzanne Stratton (reappointments)

Potentially Affected Area:

Attachments:

[Bonney, Kenneth -- Library_Redacted.pdf](#)

[Stratton, Suzanne -- Library_Redacted.pdf](#)



Board, Commission & Committee Application

City of Orem

Submitted On:

January 3rd, 2019 @ 2:32pm

Personal Information

Full Name	Kenneth Bonney
Full Address	[REDACTED] Orem UT 84057
Phone Number	[REDACTED]
Email	[REDACTED]@gmail.com

Boards & Commissions

What board or commission are you applying for?	Library Advisory Commission
If a position on your preferred board or commission isn't available, would you like to be considered for openings on other boards or commissions?	No
Summarize why you wish to serve on a city commission and if there are areas of concern that you would like to see addressed by a city commission.	I have spent 20 years in the library industry and believe in the power of libraries. I have had the privilege of serving the past three years on the Library Advisory Commission. I have loved to be an advocate for the many programs the the wonderful library staff have implemented.
Please tell us a little about yourself. Also include a summary of the special skills and qualifications you have acquired from employment, previous appointments, previous volunteer work, or through other activities.	Three years on the Library Advisory Commission. Twenty years working with hundreds of public libraries from all of the world. Eighteen years volunteer with BSA and years of volunteer youth coach. BA & MA BYU... Post Grad work UCLA. Best Dad in the World Mug-- Fathers Day 2017
Please upload your resume.	https://seam.ly/m0d4HGYi

Signature Data

First Name: Kenneth

Last Name: Bonney

Email Address: utahbonney@gmail.com

Kenneth Bonney

Signed at: 01/03/2019 02:32PM



Board, Commission & Committee Application

City of Orem

Submitted On:

January 3rd, 2019 @ 10:20am

Personal Information

Full Name	Suzanne Stratton
Full Address	[REDACTED] Orem UT 84059
Phone Number	[REDACTED]
Email	[REDACTED]@gmail.com

Boards & Commissions

What board or commission are you applying for?	Library Advisory Commission
If a position on your preferred board or commission isn't available, would you like to be considered for openings on other boards or commissions?	No
Summarize why you wish to serve on a city commission and if there are areas of concern that you would like to see addressed by a city commission.	I have enjoyed being on the Library Advisory Commission for the past three years and would love to continue. It's a great way to participate in and contribute to the well-being of our community.
Please tell us a little about yourself. Also include a summary of the special skills and qualifications you have acquired from employment, previous appointments, previous volunteer work, or through other activities.	
Please upload your resume.	https://seam.ly/Km5pSct5

Signature Data

First Name: Suzanne

Last Name: Stratton

Email Address: suzstratton@gmail.com

A handwritten signature in black ink, reading "Suzanne Stratton". The script is cursive and elegant, with the first name "Suzanne" and last name "Stratton" written in a single line.

Signed at: 01/03/2019 10:19AM



City Council Agenda Item Report

Meeting Date: January 8, 2019

Submitted by: Kena Mathews

Submitting Department: City Manager's Office

Item Type: Resolution

Agenda Section:

Subject:

RESOLUTION - Authorizing the City of Orem to participate in the HUD public offering as part of the Section 108 Loan Guarantee Assistance Program to refinance the existing note or other obligation in the original principal amount of \$1,320,000, for the purpose of economic development. The current balance is \$616,000.

Suggested Action:

The Community Services Manager recommends that the City Council, by Resolution, authorize the Mayor to execute the necessary documents as required by HUD to refinance the existing guaranteed Section 108 Note, and to execute such other documents, contracts, amendments and agreements with HUD, and to authorize payment of any required fees, as may be necessary to effectuate this refinancing transaction.

Presenter:

Background:

The City of Orem adopted a Resolution on July 26, 2005 authorizing an application seeking loan guarantee assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, from the United States Department of Housing and Urban Development ("HUD"), and did accept HUD's guarantee of Section 108 note number B-02-MC-49-0002 for the Economic Development under a Section 108 Contract for Loan Guarantee Assistance dated October 27, 2005 in the amount of \$1,320,000 plus interest. Section 108 Loans were made to Legacy Mazda, Brent Brown Toyota, and Ken Garff Nissan to provide for increased job creation. The City of Orem has been making loan payments from their annual Community Development Block Grant (CDBG) allocation.

Recently, the City of Orem was notified by HUD that they are offering an public offering for the Section 108 Loan Guarantee Program in February 2018 and the City of Orem stands to save a substantial amount of money to refinance note number B-02-MC-49-0002 (Series 2006-A) in the offering .

The City of Orem's current note has a balance of \$ 610,000. Based on current estimates, the net savings to the City of Orem would be approximately \$52,707 between now and the note's final maturity date in August of 2025.

Potentially Affected Area:

Citywide

Attachments:

[Section 108 Refinance Council Resolution.doc](#)

RESOLUTION AUTHORIZING THE CITY OF OREM TO PARTICIPATE IN THE HUD PUBLIC OFFERING AS PART OF THE SECTION 108 LOAN GUARANTEE ASSISTANCE PROGRAM TO REFINANCE THE EXISTING NOTE OR OTHER OBLIGATION IN THE ORIGINAL PRINCIPAL AMOUNT OF \$1,320,000, FOR THE PURPOSE OF ECONOMIC DEVELOPMENT.

WHEREAS, the City of Orem by Resolution, adopted July 26, 2005, authorized an application seeking loan guarantee assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, from the United States Department of Housing and Urban Development (“HUD”), and did authorize Mayor Jerry C. Washburn to execute the documents necessary to accomplish the transaction, and did accept HUD’s guarantee of Section 108 note number B-02-MC-49-0002 for the Economic Development under a Section 108 Contract for Loan Guarantee Assistance dated October 27, 2005 and

WHEREAS, the assistance provided by HUD was the guarantee of a note in the original principal amount of \$1,320,000, plus interest thereon; and

WHEREAS, HUD has notified the City of Orem that a public offering will occur in February 1, 2019, and to participate, the City of Orem must immediately notify HUD of its intention to refinance all or a portion of its existing Section 108 commitment through the public offering; and

WHEREAS, HUD may require, as a condition of participation in the public offering, that the City of Orem execute documents related to the transaction, and whereas the City of Orem has previously agreed to pay the City of Orem’s share, as determined by HUD, of the customary and usual issuance, underwriting, and other costs related to the public offering and future administration of the Note and the trust certificates; and

WHEREAS, it is economically sound and in the best interest of the City of Orem to accept more favorable fixed rates of interest under the Section 108 Loan Guarantee program offered by HUD under the public offering;

NOW THEREFORE BE IT RESOLVED BY the Orem City Council that Mayor Richard F. Brunst or his duly authorized agent, shall notify HUD of the City of Orem desires to participate in the February 1, 2019 public offering by HUD through the loan guarantee assistance program under Section 108 of the Housing and Community Development Act of 1974, as amended, for the existing obligation B-02-MC-49-0002 in the original principal amount of \$1,320,000, and to refinance the original principal amount of \$1,320,000 at such rates of interest that will be determined by HUD at the time of the public offering.

BE IT FURTHER RESOLVED HEREBY, the Mayor Richard F. Brunst, is authorized to execute the necessary documents as required by HUD to refinance the existing guaranteed Section 108 Note, and to execute such other documents, contracts, amendments and agreements with HUD, and to authorize payment of any required fees, as may be necessary to effectuate this refinancing transaction.

This resolution shall be effective from and after the date of its adoption, this 8th day of January 2019.

_____ made a motion, seconded by _____ to approve the foregoing resolution as presented:

Richard F. Brunst, Mayor

ATTEST: _____



City Council Agenda Item Report

Meeting Date: January 8, 2019

Submitted by: Jackie Lambert

Submitting Department: Fire

Item Type: Discussion Item

Agenda Section:

Subject:

DISCUSSION – Multi-Jurisdictional Automatic Aid, Mutual Aid, Fire Training, Emergency Medical, and Other Services Agreement (15 min)

Suggested Action:

The Fire Department will present and discuss with the Orem City Council and the Mayor to approve and execute the signature page to the Multi-Jurisdictional Automatic Aid, Mutual Aid, Fire Training, Emergency Medical, and Other Services Agreement (an inter-local agreement) which outlines the rights and responsibilities for mutual aid and other related services between the Orem City Fire Department and other fire and emergency medical service providers throughout the state of Utah.

Presenter:

Scott Gurney, Fire Chief & Jason Earl, Deputy Chief

Background:

Authorizing the City to enter into the Multi-Jurisdictional Automatic Aid, Mutual Aid, Fire Training, Emergency Medical, and Other Services Agreement subject to the approval of the original parties to that agreement.

Utah Code title 11, Chapter 7 authorizes the City to contract with other governmental entities or fire services entities to provide and receive fire protection and emergency medical services. The following entities are in the process of entering into the Multi-Jurisdictional Automatic Aid, Mutual Aid, Fire Training, Emergency Medical, and Other Services Agreement (the "Multi-Jurisdictional Agreement"): Draper City, Lehi City, Lone Peak Fire District, Murray City, North Tooele Fire District, Salt Lake City Corporation, City of Saratoga Springs, City of South Salt Lake, City of South Jordan, Sandy City, West Jordan City, West Valley City, the Unified Fire Authority, Park City Fire District, the South Davis Metro Fire District, and Bluffdale City. The Multi-Jurisdictional Agreement allows additional parties to enter into the agreement upon the unanimous approval of the original parties to the agreement. It is anticipated that the original parties will shortly vote to allow the City to participate in the agreement. In anticipation of that event and to demonstrate the City's commitment to this mutual aid, the Fire Department asks that the Orem City Council authorize the Mayor to execute the signature page to the agreement.

As an important note: Although not listed in the agreement, Provo Fire Department and Pleasant Grove Fire Department have been participating in the Northern Utah County Fire Agencies focus group and are working to enter into the agreement.

Advantages:

- Provides the City with additional fire and emergency services from other jurisdictions if needed.

- Provides a framework for providing and receiving fire protection and emergency services from other jurisdictions including outlining, inter alia, the following: reimbursement, billing procedures, liability allocation, and the operational structure.
- Provides an ability to meet the recommended incident staffing for various incidents as outlined in the NFPA 1710 Standard for the Organization and Deployment to Fire Suppression Operations, Emergency Medical Operations, & Special Operations to the Public by Career Fire Departments.
- Provides the ability to improving the safety of crews operating at High Risk - Low Frequency incidents such as large building fires and special hazard incidents such as Hazardous Materials and Technical Rescue.
- Improves customer service to the citizens of Orem.
- Provides the ability to improve Responder and Customer Health and Safety.
- Helps the progress to improve the Orem City ISO rating by maintaining recommended incident staffing as outlined in NFPA 1710.

Disadvantages:

- May obligate the City to respond and allocate resources to other jurisdictions upon request and depending on availability.

Potentially Affected Area:

Citywide

Attachments:

[RES--Multi-Jurisdiction Mutual Aid Agreement.docx](#)

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RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE EXECUTION OF A MULTI-JURISDICTIONAL AUTOMATIC AID, MUTUAL AID, FIRE TRAINING, EMERGENCY MEDICAL, AND OTHER SERVICES AGREEMENT

WHEREAS the City operates a fire department and ambulance service; and

WHEREAS pursuant to title 11, Chapter 7 of the Utah State Code, the City may enter into agreements to provide and receive fire and emergency medical services from other governmental entities and fire and emergency medical service providers; and

WHEREAS the City of Orem, Draper City, Lehi City, Lone Peak Fire District, Murray City, North Tooele Fire District, Salt Lake City Corporation, City of Saratoga Springs, City of South Salt Lake, City of South Jordan, Sandy City, West Jordan City, West Valley City, the Unified Fire Authority, Park City Fire District, the South Davis Fire District, and Bluffdale City have proposed the attached agreement to govern the relationship between the departments regarding automatic mutual aid, mutual aid, fire, training, emergency medical and other services (hereinafter known as the “Multi-Jurisdictional Agreement”). The agreement is attached hereto as Exhibit A; and

WHEREAS pursuant to Section 17 of the Multi-Jurisdictional Agreement, which requires the existing parties to the agreement to unanimously vote to accept a new party into the agreement, the City is seeking to become a party to the Multi-Jurisdictional Agreement; and

WHEREAS if accepted into the Multi-Jurisdictional Agreement pursuant Section 17 of the agreement, the City agrees to be bound by and fulfill the terms and conditions of the Multi-Jurisdictional Agreement; and

WHEREAS Section 24 of the agreement requires the City to obtain its respective attorney’s approval as to legality and form of the agreement and approval from its governing body or authorized agent through the signing of an execution page which is attached hereto as Exhibit B before the City may be added as a party to the agreement; and

WHEREAS the Orem City Council finds that the adoption of this agreement will further the public health, safety, and general welfare by allowing the City to cooperate with other agencies.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OREM, UTAH, as follows:

1. The City Council hereby authorizes the Mayor to sign the execution page attached hereto as Exhibit B which authorizes the City to become a party to the Multi-Jurisdictional

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Automatic Aid, Mutual Aid, Fire, Training, Emergency Medical, and Other Services Agreement upon unanimous approval of the original parties to that agreement.

2. This resolution shall become effective immediately upon its passage.

PASSED and APPROVED this 8th day of **January** 2019.

Richard F. Brunst, Jr., Mayor

ATTEST:

JoD'Ann Bates, City Recorder

COUNCILMEMBER	AYE	NAY	ABSTAIN
Mayor Richard F. Brunst	☐	☐	☐
Debby Lauret	☐	☐	☐
Sam Lentz	☐	☐	☐
Tom Macdonald	☐	☐	☐
Mark Seastrand	☐	☐	☐
David Spencer	☐	☐	☐
Brent Sumner	☐	☐	☐

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EXHIBIT A

Multi-Jurisdictional Agreement

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MULTI-JURISDICTIONAL AUTOMATIC AID, MUTUAL AID, FIRE, TRAINING, EMERGENCY MEDICAL, AND OTHER SERVICES AGREEMENT

THIS AGREEMENT (the “Agreement”) is entered into effective as to each Party’s respective date of execution, by and among City of Bluffdale, Draper City, Lehi City, Lone Peak Fire District, Murray City, North Tooele Fire District, Salt Lake City Corporation, City of Saratoga Springs, City of South Salt Lake, City of South Jordan, Sandy City, West Jordan City, West Valley City, the Unified Fire Authority, Park City Fire District, and South Davis Fire District (collectively referred to as the “Parties” or individually as a “Party”).

RECITALS

A. Each Party has or is a fire department or fire district with equipment and personnel trained to provide fire protection, emergency medical services, and other services typically provided by fire departments.

B. Each Party desires to cooperate with and assist the others in times of emergency and in incidents requiring emergency medical response and to facilitate the training of personnel to increase the overall readiness in the entire geographic area.

C. The Parties wish to benefit all Parties and their constituents by entering into an Agreement that sets forth procedures regarding automatic aid, mutual aid, use of training facilities, rapid fire suppression, hazardous materials response, heavy rescue, special enforcement (such as investigations, bomb squad, canine, etc.), special operations, and emergency medical services. The provision of these services is likely to take place both within and outside the normal geographical jurisdictional limits of each Party.

D. The Parties also want to expand their training opportunities by training jointly with one or more Parties or by offering or accepting the use of one or more Parties’ training facilities or instructors.

E. The Parties intend by this Agreement to assist each other whenever possible, while allowing each Party the sole discretion to determine when its personnel and/or equipment cannot be spared for assisting other Parties.

F. This Agreement will not supersede nor preclude any other agreements which are made or which will be made by any Party with any other Party except that it will be considered a replacement for the Multi-Jurisdictional Mutual Aid Fire and Emergency Medical Services Agreement effective April 2, 2008.

NOW, THEREFORE, based upon the mutual promises and conditions contained herein, the Parties agree as follows:

1. PURPOSE. The purpose of this Agreement is to promote the health, safety, and welfare of the citizens of the Parties by providing for automatic and mutual aid and by authorizing all participating Parties to combine and share their collective capabilities and resources at the election of each jurisdiction. This Agreement is intended to be complimentary and work in conjunction with any other interlocal or aid agreements between or among Parties to this Agreement.

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2. **CONSIDERATION.** The consideration for this Agreement consists of the mutual benefits and exchange of promises provided herein, the sufficiency of which is acknowledged by the Parties by execution of this Agreement.

3. **SERVICE AREA.** The area to be served by this Agreement includes the collective service area of the Parties.

4. **RESPONSE.** The Parties will each provide their available personnel and equipment to assist any other Party when dispatched pursuant to automatic aid or upon request by any other Party pursuant to mutual aid, provided that the responding Party shall have personnel and equipment reasonably available for use in its own jurisdiction, in the sole discretion of the responding Party. Except as provided in Section 15 below, no Party shall be considered an agent of another Party under this Agreement except pursuant to a separate explicit signed agreement to that effect.

a. **Automatic Aid:** Automatic aid responses will be based upon the immediate operational capacity in the receiving jurisdiction and need to respond with the nearest available resources, and will generally be dispatched as a matter of routine by applicable dispatch centers or public safety answering points (PSAPs). The responding Party will provide personnel and equipment, to the extent that such personnel and equipment are reasonably available, in the responding Party's sole discretion, based upon established practices which include dispatching protocols that are set forth and informally agreed upon by each individual Party. Automatic aid will typically be provided at no cost to the requesting Party. However, if the incident involving automatic aid is one in which cost recovery from a third party is available, pursuant to federal, State, or local law, such as hazardous materials release, the Party in whose jurisdiction the incident occurs may, in its sole discretion, invoice and collect recoverable costs. In the event a Party receives such funds, the collecting Party will proportionally distribute funds to additional Parties as applicable pursuant to the relative costs incurred during the response.

b. **Mutual Aid:** Requests for mutual aid will typically be made at the Command level from one Party's fire department or district to another for specific resources to deal with major incidents. Mutual aid will (absent special circumstances agreed upon at the time) be provided by responding parties without cost for the initial operational period of 12 hours. The reimbursement of costs for mutual aid beyond this initial operational period will be subject to and based upon an agreement between the requesting Party and responding Party established at the time of the request, a previously established agreement for cost allocation and/or reimbursement, or a responding Party may bill the receiving Party within 60 days of the end of the incident and the Parties will then determine the appropriate cost reimbursement. If the incident involving mutual aid is one in which cost recovery from a third party is available, such as hazardous materials release, the Party in whose jurisdiction the incident occurs may, in its sole discretion, invoice and collect recoverable costs. In the event a Party receives such funds, the collecting Party will proportionally distribute funds to additional Parties as applicable pursuant to the relative costs incurred during the response. Nothing in this provision will preclude or supersede existing mechanisms for the provision of personnel and equipment for major incidents in programs such as fee-based wildland protection resources, FEMA Urban Search & Rescue, State Urban Search & Rescue, IMT, EMAC, or others. Deployments pursuant to those programs will operate under the rules and requirements of those programs and not the mutual aid provisions of this Agreement. Temporary positioning and utilization of resources from one Party in another Party's jurisdiction to account for a lack of resources in that area due to the normally available assets being committed to an incident (often referred to as "move-ups") will be considered mutual aid under this Agreement.

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5. INCIDENT COMMAND.

- a. Automatic Aid: The fire department or district that first arrives to handle the initial response will assume Incident Command and will retain such command until relieved by an appropriate officer of the fire department or district within whose jurisdiction the situation is located; thereafter, the appropriate relieving officer shall assume Incident Command. If the incident commander determines that there is still a need for additional assistance from the fire departments or districts of other Parties to this Agreement, the same dispatching procedure shall be used. With the exception of taking operational direction as part of incident command as provided for in this Agreement, for all other purposes the responding resources and personnel will be considered to be operating as part of the responding Party and not the Party receiving such automatic aid.
- b. Mutual Aid: The requesting Party's fire department or district will initiate and maintain incident command consistent with ICS protocols. With the exception of taking operational direction as part of incident command as provided for in this Agreement, for all other purposes the responding resources and personnel will be considered to be operating as part of the responding Party and not the Party receiving such mutual aid.

6. TRANSPORT FEES. Consistent with Utah Administrative Rule 426-8-2(3)(e), or successor provision, if a Party who is also a licensed ground ambulance provider (the "Transporting Party") transports a patient to a hospital and another Party's paramedic rides onboard the ambulance and provides advanced life support ("ALS"), the Transporting Party may bill the transported patient at the Paramedic Ground Ambulance transport rate. The Parties may make separate agreements amongst themselves regarding the necessity and manner of payments between them for the provision of ALS transport personnel or the reimbursement or distribution of any funds received from third parties pursuant to this Paragraph.

7. TRAINING. If a Party to this Agreement (the "Offering Party") provides other Parties to this Agreement (collectively the "Participating Parties") with opportunities to participate in training exercises or to otherwise make use of the Offering Party's training facilities, instructors, or other training resources (the "Training Opportunity"); then each Participating Party shall assume full responsibility for its respective agents, officials, or employees (collectively the "Trainees") who participate in the Training Opportunity, as well as any additional equipment the Participating Party brings to the Training Opportunity, and shall indemnify, defend, and hold the Offering Party harmless from any and all damages or claims for damages that arise out of its or its Trainees' participation in the Training Opportunity. This duty to indemnify, defend and hold the Offering Party harmless includes costs or expenses in law or equity, including attorney's fees.

8. EQUIPMENT. From time to time a Party may agree to lend equipment or an apparatus to another Party for its temporary use (not to exceed six months without further agreement). The borrowing Party will be responsible for the maintenance of and repair of damage to the equipment or apparatus while in its possession or use. Such obligation will not apply to major repairs that would ordinarily result from long-term use of the equipment or apparatus unless such damage is specifically attributable to the use or misuse by the borrowing Party. The borrowing Party will be responsible for maintaining sufficient property damage and liability coverage on all borrowed vehicles or apparatuses and its use of them will be subject to the indemnification provisions provided for in this Agreement.

9. RIGHT TO DECLINE REQUEST. Responses by a responding Party under this Agreement will be made only when the absence of fire or emergency medical personnel and/or equipment, in the sole discretion of the responding Party, will not jeopardize the fire or emergency medical services in the jurisdiction of the responding Party.

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10. **INSURANCE.** Each Party is solely responsible for providing workers' compensation and benefits for its own officials, employees, and volunteers who provide services under this Agreement to the extent required by law. Each Party will obtain insurance, become a member of a risk pool, or be self-insured to cover any liability and all costs of defense, including attorney's fees, arising out of services rendered under this Agreement, including negligent acts or omissions to act and the civil rights violations of any person.

11. **RESPONDERS RELEASED WHEN NOT REQUIRED OR NEEDED ELSEWHERE.** Personnel and equipment from a responding Party will be released by the incident commander when the services of the responding Party are no longer required or upon notification that the personnel and equipment of the responding Party are needed within its own jurisdictional area.

12. **GOVERNMENTAL IMMUNITY.** The Parties are governmental entities as set forth in the Governmental Immunity Act of Utah, Title 63G, Chapter 7, Utah Code Annotated (the "Immunity Act"). The Parties do not waive any defenses otherwise available under the Immunity Act, nor does any Party waive any limits of liability provided by the Immunity Act which immunity and damage caps are expressly preserved and retained. The Parties retain the same privileges and immunities from liability when responding to a request for assistance outside its jurisdictional area as it possesses in the performance of its duties within its own territorial jurisdiction. All obligations imposed upon the Parties or their employees and volunteers by virtue of the execution of this agreement are considered within their current scope of employment with each Party.

13. **INDEMNIFICATION.** Subject to the terms of the Immunity Act, and as provided herein, it is mutually agreed that the Parties are each responsible for their own negligent, reckless, or intentional acts or omissions which are committed by them or their agents, officials or employees. Furthermore, each Party agrees to indemnify, defend, and hold each other harmless from any and all damages or claims for damages occurring to persons or property as a result of the negligent, reckless, or intentional acts or omissions of its own officers, employees, and agents involved in providing services and equipment, or the use of such equipment, under the terms of this Agreement. This duty to indemnify, defend, and hold each other harmless includes costs or expenses in law or equity, including attorney's fees. The terms of this paragraph will survive the termination of this Agreement.

14. **EFFECT OF DEATH OR INJURY WHILE WORKING OUTSIDE OF PARTY'S AREA.** The death or injury of any Party's employees or volunteers working outside the territorial limits of the governmental entity (where he/she is a member of Party's fire department and on duty while that department is rendering services outside its jurisdictional limits pursuant to this Agreement) will be treated in the same manner as if he/she were killed or injured while that department was functioning within its own territorial limits, including for purposes of receiving benefits under the Utah Workers' Compensation Act. Each such death or injury shall be considered to have occurred in the line of duty.

15. **NO WAIVER OF LEGAL DUTIES; CREDIT FOR SERVICE PROVIDED.** This Agreement does not relieve any Party to this Agreement of an obligation or responsibility imposed upon a Party to this Agreement by law, except that performance of a responding party may be offered in satisfaction of any such obligation or responsibility belonging to the aided Party, to the extent of actual and timely performance thereof by the responding Party.

16. **TERM; EXECUTION; AGREEMENT TERMINATION.** This Agreement will continue for a period of five (5) consecutive years from the effective date, and the effective date will be considered June 1, 2018. Upon its execution by a Party, that Party will become a participant in and subject to the Agreement with all other Parties who have executed the Agreement and circulated their signature pages. The failure of any one Party to execute the Agreement will not invalidate the Agreement as to those Parties who have executed it. Furthermore, each Party reserves the right to terminate its participation under this Agreement for any reason, in its sole discretion, prior to the expiration date by giving thirty (30) days prior written notice of such termination to each of the other Parties.

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17. **ADDITIONAL PARTIES.** Any county or municipality which has its own fire department, or any fire district, or other governmental entity may become a party to this Agreement with a unanimous vote by the other parties. If accepted as a party to this Agreement, that county, municipality, fire district, or other governmental entity must agree in writing to be bound by the terms and conditions of this Agreement.

18. **LAWS OF UTAH.** It is understood and agreed by the Parties that this Agreement will be governed by the laws of the State of Utah, both as to interpretation and performance. The forum for the resolution of any legal disputes that arise under this Agreement will be located in the Third Judicial District, State of Utah

19. **SEVERABILITY OF PROVISIONS.** If any provision of this Agreement is held invalid or unconstitutional, the remainder will be held invalid and shall be of no force.

20. **THIRD-PARTIES.** This Agreement is not intended and should not be construed to benefit persons or other entities either not named as a Party herein or subsequently added as a Party pursuant to its provisions.

21. **TITLES AND CAPTIONS.** The titles and captions of this Agreement are for convenience only and in no way define, limit, augment, extend, or describe the scope, content, or intent of any part or parts of this Agreement.

22. **NON ASSIGNABILITY.** No Party shall transfer or delegate any of their rights, duties, powers or obligations under this Agreement, without written consent of each of the other Parties.

23. **NOTICES.** Except for “dispatching services” all notices and other communications provided for in this Agreement shall be in writing and will be sufficient for all purposes if: (a) sent by email to the address the Party may designate, or by fax to the fax number the Party may designate, and (concurrently) sent by first class mail to the Party and to the Party’s legal office; (b) personally delivered; or (c) sent by certified or registered United States Mail addressed to the Party at the address the party may designate, return receipt requested. Each Party has set forth in their respective execution page, which page shall utilize a form substantially similar to Exhibit A, their respective contact information, and such contact information will be applicable until modified in writing.

24. **EXECUTION.** Each Party agrees that each Party must execute this Agreement by signing, acknowledging, and have their respective Attorney approve this Agreement as to legality and form, through an execution page that utilizes a format substantially similar to the attached Exhibit “A”. Upon such execution of the Agreement, each Party will provide all other Parties with an original execution page.

25. **ENTIRE AGREEMENT; NO WAIVER.** Except for other agreements as specifically provided for in this Agreement, this Agreement represents the entire agreement among the Parties relating to its subject matter. This Agreement alone fully and completely expresses the agreement of the Parties relating to its subject matter. There are no other courses of dealing, understanding, agreements, representations or warranties, written or oral, except as specifically provided for in this Agreement. This Agreement may not be amended or modified, except by a written agreement signed by all Parties. No failure by any Party at any time to give notice of any breach by another Party of, or to require compliance with, any condition or provision of this Agreement will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

26. The Parties hereto have executed this Agreement as of the date indicated on each Party’s execution page.

[signature pages attached after this page]

D R A F T

MULTI-JURISDICTIONAL MUTUAL AID,
FIRE, AND EMERGENCY MEDICAL SERVICES
AGREEMENT

EXHIBIT “A”

DRAFT

SALT LAKE CITY CORPORATION

Agreed this ____ day of _____, 2019 for Salt Lake City Corporation

SALT LAKE CITY CORPORATION

By: Jacqueline M. Biskupski
Salt Lake City Mayor

ATTEST AND COUNTERSIGN:

City Recorder Recordation Date

APPROVED AS TO FORM
Salt Lake City Attorney's Office

Date _____

Sign _____

Print name: _____

CONTACT INFORMATION FOR SALT LAKE CITY CORPORATION:

DRAFT

UNIFIED FIRE AUTHORITY

Agreed this ____ day of _____, 2019 for Unified Fire Authority.

UNIFIED FIRE AUTHORITY

By: Dan Petersen
Fire Chief

APPROVED AS TO FORM

Date:
Brian F. Roberts
Chief Legal Officer

CONTACT INFORMATION FOR UNIFIED FIRE AUTHORITY

Unified Fire Authority
3380 South 900 West
Salt Lake City, UT 84119
(801) 743-7200

DRAFT

ENTITY

Agreed this ____ day of _____, 2019 for _____.

By:
Its:

APPROVED AS TO FORM

Date:
Attorney

CONTACT INFORMATION FOR _____.

D R A F T

EXHIBIT B

Execution Page

DRAFT

ENTITY

Agreed this ____ day of _____, 2019 for the City of Orem.

Richard F. Brunst, Jr.
Mayor

ATTEST:

JoD'Ann Bates, City Recorder

APPROVED AS TO FORM

Attorney

Date: _____

CONTACT INFORMATION FOR THE CITY OF OREM:

City of Orem
56 N. State Street
Orem, Utah 84057
801-229-7000



City Council Agenda Item Report

Meeting Date: January 8, 2019

Submitted by: Brenn Bybee

Submitting Department: City Manager's Office

Item Type: Resolution

Agenda Section:

Subject:

RESOLUTION—Establishing the parameters for authorizing the issuance and sale by the City of Orem of not more than \$24,500,000 aggregate principal amount of its General Obligation Bonds, Series 2019, to pay all or a portion of the costs of (i) acquiring, constructing, furnishing, and equipping renovations, additions and improvements to the City's family fitness center, a community library hall at the City Center Campus, and to pay expenses reasonably incurred in connection with the authorization and issuance of the Bonds.

Suggested Action:

The City Manager recommends that the City Council, by resolution, adopt a parameters resolution authorizing the issuance and sale of the City of Orem General Obligation Bonds, Series 2019, of not more than \$24,500,000 aggregate principal amount and delegate certain officers the authority to select the underwriter; approve the principal amounts, interest rates, terms, maturities, etc., and execute the final terms.

Presenter:

Richard Manning, Administrative Services Director

Background:

The results of the special bond election on November 6, 2018 passed in favor of the City to move forward with issuing General Obligation Bonds, in order to pay for the costs of renovating, adding to, and improving the City's Family Fitness Center, (including family-friendly changing rooms, family-oriented facilities, a suspended track, etc.); acquire, construct, furnish and equip a community Library Hall at the City Center Campus, (including all related improvements); and to pay expenses connected with the issuance of the bonds.

A parameters resolution sets the outside limits within which the bonds can be issued. The maximum amount of the bonds cannot exceed \$24,500,000, the term of the bonds will not exceed a term of thirty (30) years from the date of issuance, and the interest rate cannot exceed 5.5% per year. However, the combination of the retirement of two existing General Obligation Bonds and the issuance of these new 2019 Series Bonds, will not result in a higher level of debt service than the current level of debt service.

Potentially Affected Area:

Citywide

Attachments:

[Bond Resolution Orem City GO Bonds 2019.docx](#)

[Preliminary Official Statement Orem General Obligation Bonds 2019.docx](#)

City of Orem, Utah

January 8, 2019

The City Council (the “Council”) of the City of Orem, Utah (the “City”), met in regular public session at the regular meeting place of the Council in Orem, Utah, on Tuesday, January 8, 2019, at the hour of 6:00 p.m., with the following members of the Council being present:

Richard Brunst	Mayor
Debby Lauret	Councilmember
Sam Lentz	Councilmember
Tom Macdonald	Councilmember
Mark Seastrand	Councilmember
David Spencer	Councilmember
Brent Sumner	Councilmember

Also present:

Jamie Davidson	City Manager
JoD’Ann Bates	City Recorder

Absent:

A Certificate of Compliance With Open Meeting Law with respect to the January 8, 2019 meeting, is attached hereto as Exhibit A.

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

AYE:

NAY:

The resolution was then signed by the Mayor and recorded by the City Recorder. The resolution is as follows:

CITY OF OREM, UTAH

Resolution Authorizing the
Issuance and Sale of

Not to Exceed \$24,500,000
General Obligation Bonds
Series 2019

Adopted on January 8, 2019

Table of Contents

	Page
ARTICLE I DEFINITIONS; AUTHORITY	
1.1 <u>Definitions</u>	3
1.2 <u>Authority for Resolution</u>	5
ARTICLE II AUTHORIZATION, TERMS AND ISSUANCE OF BONDS	
2.1 <u>Authorization of Bonds, Principal Amount, Designation and Series</u>	6
2.2 <u>Purpose</u>	6
2.3 <u>Bond Details; Delegation of Authority</u>	6
2.4 <u>Denominations and Numbers</u>	7
2.5 <u>Paying Agent and Bond Registrar</u>	7
2.6 <u>Redemption of Series 2019 Bonds</u>	8
2.7 <u>Notice of Redemption</u>	9
2.8 <u>Partially Redeemed Series 2019 Bonds</u>	10
2.9 <u>Book-Entry System</u>	10
2.10 <u>Sale of Series 2019 Bonds</u>	13
2.11 <u>Continuing Disclosure Undertaking</u>	13
2.12 <u>Execution of Bonds</u>	13
2.13 <u>Delivery of Bonds; Application of Proceeds</u>	14
2.14 <u>Further Authority</u>	15
ARTICLE III TRANSFER AND EXCHANGE OF SERIES 2019 BONDS; BOND REGISTRAR	
3.1 <u>Transfer of Series 2019 Bonds</u>	16
3.2 <u>Exchange of Series 2019 Bonds</u>	16
3.3 <u>Bond Registration Books</u>	17
3.4 <u>List of Registered Owners</u>	17
3.5 <u>Duties of Bond Registrar</u>	17
ARTICLE IV COVENANTS AND UNDERTAKINGS	
4.1 <u>Covenants of City</u>	18
4.2 <u>Levy of Taxes</u>	18
4.3 <u>Bonds in Registered Form</u>	18
4.4 <u>Tax Covenants</u>	19
ARTICLE V FORM OF SERIES 2019 BONDS	
5.1 <u>Form of Series 2019 Bonds</u>	20
ARTICLE VI MISCELLANEOUS	
6.1 <u>Preliminary Official Statement Deemed Final</u>	29
6.2 <u>Official Statement</u>	29
6.3 <u>Changes to Forms</u>	29
6.4 <u>Notice of Bonds to be Issued</u>	29
6.5 <u>Ratification</u>	30

6.6	<u>Severability</u>	30
6.7	<u>Conflict</u>	30
6.8	<u>Captions</u>	30
6.9	<u>Certification of Fulfillment of Conditions</u>	30
6.10	<u>Maintenance of Records; Copies</u>	30
6.11	<u>Effective Date</u>	30
6.12	<u>Resolution Irrepealable</u>	30
	EXHIBIT A CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW	A-1
	EXHIBIT B LETTER OF REPRESENTATIONS.....	B-1
	EXHIBIT C FORM OF CONTINUING DISCLOSURE UNDERTAKING.....	C-1
	EXHIBIT D RESERVED	D-1
	EXHIBIT E FORM OF OFFICIAL STATEMENT	E-1
	EXHIBIT F FORM OF TERMS CERTIFICATE	F-1
	EXHIBIT G FORM OF BOND PURCHASE AGREEMENT	G-1
	EXHIBIT H AFFIDAVIT OF PUBLICATION OF NOTICE OF BONDS TO BE ISSUED.....	H-1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL (THE “CITY COUNCIL”) OF THE CITY OF OREM, UTAH (“CITY”) AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF NOT MORE THAN \$24,500,000 AGGREGATE PRINCIPAL AMOUNT OF ITS GENERAL OBLIGATION BONDS, SERIES 2019 (THE “SERIES 2019 BONDS”); DELEGATING TO CERTAIN OFFICERS OF THE CITY THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE SERIES 2019 BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; PRESCRIBING THE FORM OF SERIES 2019 BONDS; PROVIDING FOR THE MANNER OF EXECUTION AND DELIVERY OF THE SERIES 2019 BONDS; PROVIDING HOW THE PROCEEDS OF THE SERIES 2019 BONDS WILL BE USED AND HOW PAYMENT OF THE SERIES 2019 BONDS WILL BE MADE; APPROVING THE DISTRIBUTION OF AN OFFICIAL STATEMENT WITH RESPECT TO THE SERIES 2019 BONDS; AUTHORIZING AND APPROVING THE EXECUTION OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY FOR THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, at a special bond election duly and lawfully called and held in City of Orem, Utah (the “City”) on November 6, 2018 (the “Election”), the following proposition was submitted to a vote of the qualified registered electors of the City:

SHALL THE CITY OF OREM, UTAH (THE “CITY”), BE AUTHORIZED TO ISSUE GENERAL OBLIGATION BONDS IN AN AMOUNT NOT TO EXCEED TWENTY-FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$24,500,000) (THE “BONDS”) FOR THE PURPOSE OF PAYING ALL OR A PORTION OF THE COSTS OF (A) ACQUIRING, CONSTRUCTING, FURNISHING, AND EQUIPPING RENOVATIONS, ADDITIONS AND IMPROVEMENTS TO THE CITY’S FAMILY FITNESS CENTER, INCLUDING FAMILY FRIENDLY CHANGING ROOMS, FAMILY ORIENTED FACILITIES, A SUSPENDED TRACK AND ALL ANCILLARY AND RELATED IMPROVEMENTS, AND (B) ACQUIRING, CONSTRUCTING, FURNISHING AND EQUIPPING A COMMUNITY LIBRARY HALL AT THE CITY CENTER CAMPUS, INCLUDING ALL ANCILLARY AND RELATED IMPROVEMENTS; SAID BONDS TO BE DUE AND PAYABLE IN NOT TO EXCEED THIRTY (30) YEARS FROM THE DATE OF ISSUANCE OF THE BONDS?

WHEREAS, the results of the Election were declared to have passed by the City Council, sitting as a Board of Canvassers, by proceedings duly passed on November 20, 2018; and

WHEREAS, pursuant to the Election and the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), the City desires to issue its General Obligation Bonds, Series 2019, in the aggregate principal amount of not to exceed \$24,500,000 (the “Series 2019 Bonds”) (a) to pay all or a portion of the costs of (i) acquiring, constructing, furnishing, and equipping renovations, additions and improvements to the City’s family fitness center, including family friendly changing rooms, family oriented facilities, a suspended track and all ancillary and related improvements, and (ii) acquiring, constructing, furnishing and equipping a community library hall at the City Center Campus, including all ancillary and related improvements (the “Series 2019 Project”) and (b) to pay expenses reasonably incurred in connection with the authorization and issuance of the Series 2019 Bonds; and

WHEREAS, the Act provides for the publication of a Notice of Bonds to be Issued, and the City will publish such a notice in compliance with the Act with respect to the Series 2019 Bonds; and

WHEREAS, a public hearing with respect to the Series 2019 Bonds was held on September 18, 2018; and

WHEREAS, the City desires to approve and authorize a form of Preliminary Official Statement relating to the Series 2019 Bonds (the “Preliminary Official Statement”); and

WHEREAS, the City desires to authorize and approve the finalization and use of the Preliminary Official Statement and any other documents deemed necessary in marketing the Series 2019 Bonds; and

WHEREAS, as permitted by Section 11-14-302(2) of the Act and in order to allow flexibility in setting the pricing date of the Series 2019 Bonds, the City Council desires to grant to the Mayor or Mayor pro tem (collectively, the “Mayor”), the City Manager, and the Administrative Services Director of the Issuer, the authority to: (a) select the underwriter of the Series 2019 Bonds, (b) approve the principal amounts, interest rates, terms, maturities, redemption features, and purchase price at which the Series 2019 Bonds shall be sold, and (c) execute a Terms Certificate setting for the final terms of the Series 2019 Bonds, provided that such final terms do not exceed the parameters set forth in Article II of this Resolution; and

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Orem, Utah, as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

1.1 Definitions. As used in this Resolution, the following terms shall have the following meanings:

“Act” means the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended.

“City Council” means, the City Council of City of Orem, Utah.

“Bond Fund” means the fund established under Section 4.2 hereof.

“Bond Purchase Agreement” means that certain Bond Purchase Agreement in substantially the form of Exhibit G hereto to be entered into by the Issuer at the discretion of the Designated Officers.

“Bondowner,” “Bondholder,” “Owner” or “Registered Owner” means the registered owner of any Bond as shown on the registration books of the City kept by the Bond Registrar.

“Bond Registrar” means each Person appointed by the City as registrar and agent for the transfer, exchange and authentication of the Series 2019 Bonds pursuant to Section 2.5 hereof. The initial Bond Registrar shall be determined by the Designated Officers as shown in the Terms Certificate.

“Business Day” means a legal business day on which banking business is transacted in the city in which the Paying Agent has its principal corporate trust office.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Undertaking” means that certain Continuing Disclosure Undertaking to be executed by the City and dated the date of issuance and delivery of the Series 2019 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof, in substantially the form attached as Exhibit C hereto.

“Designated Officers” means the following three: (i) the Mayor or Mayor pro tem of the City, (ii) the City Manager and (iii) the Administrative Service Director.

“City” means the City of Orem, Utah.

“DTC” means The Depository Trust Company as securities depository for the Series 2019 Bonds, or its successors.

“Election” means the special bond election held within the boundaries of the City on November 6, 2018.

“Government Obligations” means direct obligations of the United States of America, or other securities, the principal of and interest on which are unconditionally guaranteed by the United States of America.

“Interest Payment Date” means the dates provided in the Terms Certificate.

“Official Statement” means the Official Statement with respect to the Series 2019 Bonds, in substantially the form attached hereto as Exhibit E.

“Original Issue Date” means the date of delivery of the Series 2019 Bonds.

“Paying Agent” means each Person appointed by the City as paying agent with respect to the Series 2019 Bonds pursuant to Section 2.5 hereof. The initial Paying Agent shall be determined by the Designated Officers as shown in the Terms Certificate.

“Person” means natural persons, firms, partnerships, associations, corporations, trusts, public bodies and other entities.

“Record Date” means (i) with respect to each Interest Payment Date, the fifteenth day immediately preceding such Interest Payment Date, or if such day is not a regular Business Day of the Bond Registrar, the next preceding day which is a regular Business Day of the Bond Registrar, and (ii) with respect to any redemption of any Bond, such Record Date as shall be specified by the Bond Registrar in the notice of redemption, provided that such Record Date shall not be less than 15 calendar days before the mailing of such notice of redemption.

“Resolution” means this Resolution authorizing the issuance and sale of the Series 2019 Bonds.

“Series 2019 Bonds” means the General Obligation Bonds, Series 2019, of the City authorized hereby.

“Series 2019 Project” means the acquisition, construction, furnishing, and equipping of: (i) renovations, additions and improvements to the City’s family fitness center, including family friendly changing rooms, family-oriented facilities, a suspended track and all ancillary and related improvements, and (ii) a community library hall at the City Center Campus, including all ancillary and related improvements.

“Terms Certificate” shall mean the certificate of the City setting forth the final terms for the Series 2019 Bonds (within the parameters set forth herein), to be executed by the Designated Officers, in substantially the form attached hereto as Exhibit F.

“Underwriter” means the underwriter for the Series 2019 Bonds pursuant to the Bond Purchase Agreement and/or the Terms Certificate.

Unless the context clearly indicates to the contrary, the terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms as used in this Resolution, refer to this Resolution in its entirety.

1.2 Authority for Resolution. This Resolution is adopted pursuant to the Act.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF BONDS

2.1 Authorization of Bonds, Principal Amount, Designation and Series. In accordance with and subject to the terms, conditions and limitations established by the Act and in this Resolution, a series of General Obligation Bonds of the City is hereby authorized to be issued in the aggregate principal amount of not to exceed \$24,500,000. Such series of bonds shall be designated “City of Orem, Utah General Obligation Bonds, Series 2019.” The name of the Series 2019 Bonds may be revised in the Terms Certificate. The Series 2019 Bonds may be issued in one or more series and at any time and from time to time, all within the parameters established hereby.

The Series 2019 Bonds shall be issued as fully registered Bonds, initially in book-entry form.

The Series 2019 Bonds shall be general obligations of the City for the payment of which the full faith, credit and taxing power of the City are hereby pledged, and the City hereby agrees and covenants that it will annually cause to be levied a tax sufficient to pay the principal of, premium, if any, and interest on the Series 2019 Bonds as they fall due and payable, and also to constitute a sinking fund to pay the principal, premium, if any, and interest when due.

2.2 Purpose. The Series 2019 Bonds are hereby authorized to be issued for the purpose of (a) financing the Series 2019 Project and (b) paying expenses reasonably incurred in connection with the issuance and sale of the Series 2019 Bonds.

2.3 Bond Details; Delegation of Authority. (a) The Series 2019 Bonds shall mature on the dates and in the principal amounts, and shall bear interest (calculated on the basis of a year of 360 days comprised of twelve 30-day months) from the Original Issue Date payable on each Interest Payment Date at the per annum rates, all as provided in the Terms Certificate.

(b) There is hereby delegated to any one of the Designated Officers, subject to the parameters set forth in this Resolution, the power to determine the following with respect to the Series 2019 Bonds, and the Designated Officers are hereby authorized to make such determinations:

(i) the principal amount of the bonds necessary to accomplish the purpose of the Series 2019 Bonds set forth in Section 2.2 herein; provided, however, that the aggregate principal amount of the Series 2019 Bonds shall not exceed \$24,500,000;

(ii) the maturity date or dates and principal amount of each maturity of the Series 2019 Bonds to be issued; provided, however, that the final maturity of all Series 2019 Bonds shall not be later than thirty (30) years from their date of issuance;

(iii) the interest rate or rates of the Series 2019 Bonds; provided, however, that the interest rate or rates to be borne by any Series 2019 Bond shall not exceed 5.5% per annum;

(iv) the sale of the Series 2019 Bonds (as more fully described in Section 2.9 hereof) to the Underwriter and the purchase price to be paid by the Underwriter for the Series 2019 Bonds; provided, however, that the discount from par of the Series 2019 Bonds shall not exceed three percent (3.0%);

(v) whether the Series 2019 Bonds shall be subject to redemption prior to maturity;

(vi) the Paying Agent and Bond Registrar; and

(vii) any other provisions deemed advisable by the Designated Officer not materially in conflict with the provisions of this Resolution.

Upon award of the Series 2019 Bonds to the Underwriter pursuant to the terms of the Bond Purchase Agreement, the Designated Officers shall make the determinations provided above, and shall execute the Terms Certificate containing such terms and provisions on behalf of the City, which execution shall be conclusive evidence as to the matters stated therein.

(c) Each Bond shall accrue interest from the Interest Payment Date next preceding the date on which it is authenticated, unless (i) it is authenticated before the first Interest Payment Date following the Original Issue Date, in which case interest shall accrue from the Original Issue Date, or (ii) it is authenticated upon an Interest Payment Date, in which case interest shall accrue from such Interest Payment Date; provided, however, that if at the time of authentication of any Bond interest is in default, interest shall accrue from the date to which interest has been paid. The Series 2019 Bonds shall bear interest on overdue principal at the aforesaid respective rates.

2.4 Denominations and Numbers. The Series 2019 Bonds shall be issued as fully registered bonds, without coupons, in the denomination of \$5,000, or any integral multiple of \$5,000 in excess thereof unless otherwise specified in the Terms Certificate. The Series 2019 Bonds shall be numbered with the letter prefix "R" and shall be numbered from one (1) consecutively upwards in order of issuance.

2.5 Paying Agent and Bond Registrar. The City shall appoint a Paying Agent and Bond Registrar under the terms and conditions of this Resolution and the Terms Certificate. The City may remove any Paying Agent and any Bond Registrar, and appoint a successor or successors thereto. The City shall submit to the Paying Agent or Bond Registrar, as the case may be, a notice of such removal at least 30 days prior to the effective date of such removal, and shall specify the date on which such removal shall take effect. Such removal shall take effect on the date that each successor Paying Agent and Bond

Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the City a written acceptance thereof.

The principal of, premium, if any, and interest on the Series 2019 Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Principal of and premium, if any, on the Series 2019 Bonds shall be payable when due to the Registered Owner of each Bond at the principal office of the Paying Agent. Payment of interest on each Bond shall be made by check or draft mailed to the Person which, as of the Record Date, is the Registered Owner of the Bond, at the address of such Registered Owner as it appears on the registration books of the City kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such Owner on or prior to the Record Date.

2.6 Redemption of Series 2019 Bonds.

(a) The Series 2019 Bonds may be non-callable at the option of the City or subject to redemption prior to maturity, at the option of the City, all as specified in the Terms Certificate. If the Terms Certificate specifies that the Series 2019 Bonds are subject to optional redemption, the Series 2019 Bonds shall be callable on the date specified therein (the "First Redemption Date"), and on any date thereafter, prior to maturity, in whole or in part, from such maturities or parts thereof as shall be selected by the City, and by lot within each maturity if less than the full amount of any maturity is to be redeemed, upon not less than 30 days prior notice, at a redemption price equal to 100% of the principal amount of the Series 2019 Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption. Series 2019 Bonds maturing prior to the First Redemption Date are not subject to optional redemption.

(b) The Series 2019 Bonds may be subject to mandatory redemption by operation of sinking fund installments as provided in the Terms Certificate. If the Series 2019 Bonds are subject to mandatory sinking fund redemption and less than all of the Series 2019 Bonds then outstanding are redeemed in a manner other than pursuant to a mandatory sinking fund redemption, the principal amount so redeemed shall be credited at 100% of the principal amount thereof by the Bond Registrar against the obligation of the City on such mandatory sinking fund redemption dates for the Series 2019 Bonds in such order as directed by the City.

If fewer than all of the Series 2019 Bonds of any maturity are called for redemption, the Series 2019 Bonds to be redeemed shall be selected by lot by the Bond Registrar, in such manner as the Bond Registrar may deem fair and appropriate, each \$5,000 or principal amount of the Series 2019 Bonds being counted as one Series 2019 Bond for this purpose. If a portion of a Series 2019 Bond shall be called for redemption, a new Series 2019 Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon presentation and surrender thereof.

2.7 Notice of Redemption.

(a) In the event any Series 2019 Bonds are to be redeemed, the City shall cause notice of such redemption to be given as provided in this Section 2.7. Notice of redemption shall be given by the Bond Registrar by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to each Registered Owner of the Series 2019 Bonds to be redeemed, at the address shown on the registration books of the City maintained by the Bond Registrar on the Record Date specified in the notice of redemption, which Record Date shall be not less than fifteen (15) calendar days before the mailing of such notice, or at such other address as is furnished to the Bond Registrar in writing by such Registered Owner on or prior to such Record Date. Each notice of redemption shall state (i) the identification numbers, as established hereunder and the CUSIP numbers, if any, of the Series 2019 Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Series 2019 Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Series 2019 Bonds; (ii) any other descriptive information needed to identify accurately the Series 2019 Bonds being redeemed, including, but not limited to, the original issuance date and maturity date of, and interest rate on, such Series 2019 Bonds; (iii) the Record Date; (iv) the redemption date; (v) the redemption price; (vi) the place of redemption; (vii) the total principal amount of Series 2019 Bonds to be redeemed; (viii) if less than all, the distinctive numbers of the Series 2019 Bonds or portions of Series 2019 Bonds to be redeemed and, if less than all of any Series 2019 Bond, the principal amount of each Series 2019 Bond that is to be redeemed; and (ix) that the interest on the Series 2019 Bonds or portion of Series 2019 Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Series 2019 Bonds or portions of Series 2019 Bonds the redemption price thereof and interest accrued thereon to the redemption date. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. Failure to give such notice or any defect therein with respect to any Series 2019 Bond shall not affect the validity of the proceedings for redemption with respect to any other Bond.

(b) In addition to the foregoing notice, further notice of redemption shall be given by the Bond Registrar by posting such notice electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website. Such further notice shall contain the information required in the immediately preceding paragraph. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

For so long as a book-entry system is in effect with respect to the Series 2019 Bonds, the Bond Registrar will mail notices of redemption to Cede & Co. (DTC's partnership nominee) or its successor. Any failure of DTC to convey such notice to any DTC Participants or any failure of DTC Participants or Indirect Participants to convey such

notice to any beneficial owner will not affect the sufficiency or the validity of the redemption of Series 2019 Bonds.

Each notice of optional redemption may further state that such redemption shall be conditional upon the receipt by the Paying Agent, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of, premium, if any, and interest on such Series 2019 Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the City shall not be required to redeem such Series 2019 Bonds. If such condition is included in the notice of redemption and if sufficient moneys have not been deposited on the date fixed for redemption, then a notice stating sufficient moneys were not deposited and that no redemption occurred on that date shall be sent within a reasonable time thereafter, in like manner, to the registered owners of each Bond which was sent the notice of redemption.

If notice of redemption shall have been given as described above and the foregoing condition, if any, shall have been met, the Series 2019 Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for the payment of the redemption price of all the Series 2019 Bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date, interest on such Series 2019 Bonds shall cease to accrue and become payable.

2.8 Partially Redeemed Series 2019 Bonds. In case any Series 2019 Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the City shall execute and the Bond Registrar shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the City, a Series 2019 Bond or Series 2019 Bonds of the same series, interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. A portion of any Series 2019 Bond of a denomination of more than the minimum authorized denomination to be redeemed will be in the principal amount of the minimum authorized denomination or an integral multiple thereof and in selecting portions of such Series 2019 Bonds for redemption, each such Bond shall be treated as representing that number of Series 2019 Bonds of such denomination which is obtained by dividing the principal amount of such Series 2019 Bonds by the minimum authorized denomination.

2.9 Book-Entry System.

(a) Unless otherwise specified in the Terms Certificate and except as provided in paragraphs (b) and (c) of this Section 2.9, the registered holder of all Bonds shall be, and the Series 2019 Bonds shall be registered in the name of Cede & Co. ("Cede"), as nominee of DTC. Payment of interest for any Series 2019 Bond, as applicable, shall be made in accordance with the provisions of this Resolution to the account of Cede on the interest payment date for the Series 2019 Bonds at the address indicated for Cede in the registration books of the Bond Registrar.

(b) The Series 2019 Bonds shall be initially issued in the form of a separate single fully registered Bond in the amount of each separate stated maturity of the Series 2019 Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books of the City kept by the Bond Registrar, in the name of Cede, as nominee of DTC. With respect to Series 2019 Bonds so registered in the name of Cede, the City, the Bond Registrar and any Paying Agent shall have no responsibility or obligation to any DTC participant or to any beneficial owner of any of such Bonds. Without limiting the immediately preceding sentence, the City, the Bond Registrar and any Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the Series 2019 Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series 2019 Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, any of the Series 2019 Bonds. The City, the Bond Registrar and any Paying Agent may treat DTC as, and deem DTC to be, the absolute owner of each Series 2019 Bond for all purposes whatsoever, including (but not limited to) (1) payment of the principal or redemption price of, and interest on, each such Bond, (2) giving notices of redemption and other matters with respect to such Bonds and (3) registering transfers with respect to such Bonds. So long as the Series 2019 Bonds are registered in the name of Cede, the Paying Agent shall pay the principal or redemption price of, and interest on, all Series 2019 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to satisfy fully and discharge the City's obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. Except as provided in paragraph (c) of this Section 2.9, no person other than DTC shall receive a Series 2019 Bond evidencing the obligation of the City to make payments of principal or redemption price of, and interest on, any such Bond pursuant to this Resolution. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of this Resolution, the word "Cede" in this Resolution shall refer to such new nominee of DTC.

Except as provided in paragraph (c)(iii) of this Section 2.9, and notwithstanding any other provisions of this Resolution, the Series 2019 Bonds may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

(c) (i) DTC may determine to discontinue providing its services with respect to the Series 2019 Bonds at any time by giving written notice to the City, the Bond Registrar, and the Paying Agent, which notice shall certify that DTC has discharged its responsibilities with respect to the Series 2019 Bonds under applicable law.

(ii) The City, in its sole discretion and without the consent of any other person, may, by notice to the Bond Registrar, terminate the services of DTC with respect to the Series 2019 Bonds if the City determines that the continuation of the system of book-entry-only transfers through DTC is not in the best interests of the beneficial owners of the Series 2019 Bonds or the City; and the City shall, by notice to the Bond Registrar, terminate the services of DTC with respect to the Series 2019 Bonds upon receipt by the City, the Bond Registrar, and the Paying Agent of written notice from DTC to the effect that DTC has received written notice from DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then outstanding Series 2019 Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2019 Bonds; or (2) a continuation of the requirement that all of the outstanding Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC, is not in the best interests of the beneficial owners of the Series 2019 Bonds.

(iii) Upon the termination of the services of DTC with respect to the Series 2019 Bonds pursuant to subsection (c)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2019 Bonds pursuant to subsection (c)(i) or subsection (c)(ii)(1) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the City, is willing and able to undertake the functions of DTC hereunder upon reasonable and customary terms, the Series 2019 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC. In such event, the City shall execute and the Bond Registrar shall authenticate Bond certificates as requested by DTC of like principal amount, maturity and Series, in authorized denominations to the identifiable beneficial owners in replacement of such beneficial owners' beneficial interest in the Series 2019 Bonds.

(iv) Notwithstanding any other provision of this Resolution to the contrary, so long as any Series 2019 Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the representation letter of the City addressed to DTC and DTC's operational arrangement.

In connection with any notice or other communication to be provided to Holders of Series 2019 Bonds registered in the name of Cede pursuant to this Resolution by the City or the Bond Registrar with respect to any consent or other action to be taken by such Holders, the City shall establish a record date for such consent or other action by

such Holders and give DTC notice of such record date not less than fifteen (15) days in advance of such record date to the extent possible.

2.10 Sale of Series 2019 Bonds. The sale of the Series 2019 Bonds is hereby approved and the Series 2019 Bonds shall be sold to the Underwriter at an aggregate price as shall be determined pursuant to the authority delegated under Section 2.3 hereof, on the terms and conditions to be set forth in the Bond Purchase Agreement, and upon receipt of the representations therein set forth. The City hereby ratifies, confirms and approves all actions heretofore taken on behalf of the City by officials of the City in connection with the sale of the Series 2019 Bonds.

2.11 Continuing Disclosure Undertaking. The Mayor is hereby authorized, empowered and directed to execute and deliver, and the City Recorder to seal, countersign and attest, the Continuing Disclosure Undertaking in substantially the same form as now before the City and attached hereto as Exhibit C, or with such changes therein as the Mayor shall approve, his or her execution thereof to constitute conclusive evidence of approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Resolution, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Series 2019 Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

2.12 Execution of Bonds. The Series 2019 Bonds shall be executed on behalf of the City by the Mayor and attested by the City Recorder (the signatures of the Mayor and City Recorder being either manual and/or by facsimile), and the seal of the City or a facsimile thereof shall be impressed or imprinted thereon. The use of such facsimile signatures of the Mayor and City Recorder and such facsimile of the seal of the City on the Series 2019 Bonds is hereby authorized, approved and adopted by the City as the authorized and authentic execution, attestation and sealing of the Series 2019 Bonds by said officials. The Series 2019 Bonds shall then be delivered to the Bond Registrar for manual authentication by it. The Certificate of Authentication shall be substantially in the form provided in Section 5.1 hereof. Only such of the Series 2019 Bonds as shall bear thereon a Certificate of Authentication, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Bond Registrar shall be conclusive evidence that the Series 2019 Bonds so certified have been duly registered and delivered under, and are entitled to the benefits of this Resolution and that the Registered Owner thereof is entitled to the benefits of this Resolution. The Certificate of Authentication of the Bond Registrar on any Bond shall be deemed to have been executed by it if (i) such Bond is signed by the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Series 2019 Bonds issued hereunder or that all of the Series 2019 Bonds hereunder be

certified as registered by the same Bond Registrar, and (ii) the date of authentication of the Bond is inserted in the place provided therefor on the Certificate of Authentication.

The Mayor and City Recorder are authorized to execute, attest, countersign and seal from time to time, in the manner described above, Bonds (the “Exchange Bonds”) to be issued and delivered for the purpose of effecting transfers and exchanges of Bonds pursuant to Article III hereof. At the time of the execution, attestation and sealing of the Exchange Bonds by the City, the payee, principal amount, CUSIP number, if any, maturity and interest rate shall be in blank. Upon any transfer or exchange of Bonds pursuant to Article III hereof, the Bond Registrar shall cause to be inserted in appropriate Exchange Bonds the appropriate payee, principal amount, CUSIP number, if any, maturity and interest rate. The Bond Registrar is hereby authorized and directed to hold the Exchange Bonds, and to complete, certify as to registration and authenticate and deliver the Exchange Bonds, for the purpose of effecting transfers and exchanges of Bonds; provided, however, that any Exchange Bonds registered, authenticated and delivered by the Bond Registrar shall bear the same series, maturity and interest rate as Bonds delivered to the Bond Registrar for exchange or transfer, and shall bear the name of such payee as the Registered Owner requesting an exchange or transfer shall designate; and provided further that upon the delivery of any Exchange Bonds by the Bond Registrar a like principal amount of Bonds submitted for transfer or exchange, and of like series and having like maturities and interest rates, shall be canceled. The execution, attestation and sealing by the City and delivery to the Bond Registrar of any Exchange Bond shall constitute full and due authorization of such Bond containing such payee, principal amount, CUSIP number, if any, maturity and interest rate as the Bond Registrar shall cause to be inserted, and the Bond Registrar shall thereby be authorized to authenticate and deliver such Exchange Bond in accordance with the provisions hereof.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such issuance or delivery, respectively.

2.13 Delivery of Bonds; Application of Proceeds. The Series 2019 Bonds shall be delivered to the Underwriter at such time and place as provided in the Bond Purchase Agreement. The Mayor is hereby authorized and instructed to make delivery of the Series 2019 Bonds to the Underwriter and to receive payment therefor in accordance with the terms of the Bond Purchase Agreement, and to deposit the proceeds of sale as follows (details to be included in the Terms Certificate):

(a) into a separate construction fund of the City; and

(b) into a separate account and used to pay the costs of issuance of the Series 2019 Bonds, provided that any moneys remaining in such account sixty (60) days subsequent to the date of the initial delivery of the Series 2019 Bonds shall be deposited into the Construction Fund.

2.14 Further Authority. The Mayor, the City Manager, the Administrative Services Director, the City Recorder and such other officials of the City as may be required, are hereby authorized and directed to execute all certificates, documents, and other instruments and make such elections under the Act as may be necessary or advisable to provide for the issuance, sale, registration, and delivery of the Series 2019 Bonds and to comply with applicable provisions of the Code.

ARTICLE III

TRANSFER AND EXCHANGE OF SERIES 2019 BONDS; BOND REGISTRAR

3.1 Transfer of Series 2019 Bonds.

(a) Any Series 2019 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar pursuant to Section 3.3 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2019 Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Bond Registrar. The City, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2019 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Series 2019 Bond or Series 2019 Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Series 2019 Bond or Series 2019 Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.12 hereof) of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the City, for a like aggregate principal amount. The Bond Registrar shall require the payment by the Registered Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. With respect to each Series 2019 Bond, no such transfer shall be required to be made (i) with respect to any Interest Payment Date after the Record Date to and including such Interest Payment Date, or (ii) with respect to any redemption of any Series 2019 Bond, after such Record Date as shall be specified by the Bond Registrar in the notice of redemption, provided that such Record Date shall not be less than 15 calendar days before the mailing of such notice of redemption.

(c) The City shall not be required to register the transfer of or exchange any Series 2019 Bond selected for redemption in whole or in part, except the unredeemed portion of Series 2019 Bonds being redeemed in part.

3.2 Exchange of Series 2019 Bonds. Series 2019 Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of fully registered Series 2019 Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.12 hereof) of the same series, designation, maturity and interest rate of other authorized denominations. The Bond Registrar shall require the payment by the Registered Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. With respect to each Series 2019 Bond, no such exchange shall be required to be made (i) with respect to any Interest Payment Date after the Record Date

to and including such Interest Payment Date, or (ii) with respect to any redemption of any Series 2019 Bond, after such Record Date as shall be specified by the Bond Registrar in the notice of redemption, provided that such Record Date shall not be less than 15 calendar days before the mailing of such notice of redemption.

3.3 Bond Registration Books. This Resolution shall constitute a system of registration within the meaning and for all purposes of the Registered Public Obligations Act, Title 15, Chapter 7, Utah Code Annotated 1953, as amended. The Bond Registrar shall keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Series 2019 Bonds, which shall at all times be open to inspection by the City, and upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein provided.

3.4 List of Registered Owners. The Bond Registrar shall maintain a list of the names and addresses of the Owners of all Series 2019 Bonds and upon any transfer shall add the name and address of the new Registered Owner and eliminate the name and address of the transferor Registered Owner.

3.5 Duties of Bond Registrar. The obligations and duties of the Bond Registrar hereunder include the following:

- (a) to act as bond registrar, authenticating agent, paying agent, and transfer agent as provided herein;
- (b) to maintain a list of Registered Owners as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Series 2019 Bonds as provided herein;
- (d) to cancel and/or destroy Series 2019 Bonds which have been paid at maturity or redemption or submitted for exchange or transfer;
- (e) to furnish the City at least annually a certificate with respect to Series 2019 Bonds canceled and/or destroyed; and
- (f) to furnish the City at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Series 2019 Bonds.

ARTICLE IV

COVENANTS AND UNDERTAKINGS

4.1 Covenants of City. All covenants, statements, representations and agreements contained in the Series 2019 Bonds, and all recitals and representations in this Resolution are hereby considered and understood and it is hereby resolved that all said covenants, statements, representations and agreements of the City, are the covenants, statements, representations and agreements of the City.

4.2 Levy of Taxes. The City covenants and agrees to establish a Bond Fund which Fund shall be a segregated account held and administered by the City and designated the “City of Orem, Utah General Obligation Bonds, Series 2019 Bond Fund” (the “Bond Fund”), to pay the interest falling due on the Series 2019 Bonds as the same becomes due and also to provide for the payment of the principal of the Series 2019 Bonds at maturity or by prior redemption. There shall be levied on all taxable property in the City in addition to all other taxes, a direct annual tax sufficient to pay the interest on the Series 2019 Bonds and to pay and retire the Series 2019 Bonds. Said taxes shall be deposited in the Bond Fund and applied solely for the purpose of the payment of said interest and principal on the Series 2019 Bonds, respectively, and for no other purpose whatsoever until the indebtedness so contracted under this Resolution, principal and interest, shall have been fully paid, satisfied and discharged, but nothing herein contained shall be so construed as to prevent the City from applying any other funds that may be in the City’s treasury and available for that purpose to the payment of said interest and principal as the same respectively mature, and the levy or levies herein provided for may thereupon to that extent be diminished, and the sums herein provided for to meet the interest on the Series 2019 Bonds and to discharge the principal thereof when due, are hereby appropriated for that purpose and the required amount for each year shall be included by the City in its annual budget and its statement and estimate as certified to Utah County, Utah in each year. Principal or interest falling due at any time when there shall not be available from the proceeds of said levies money sufficient for the payment thereof shall, to the extent of such deficiency, be paid from other funds of the City available for such purpose, and such other funds reimbursed when the proceeds of said levies become available. The City shall transfer from the Bond Fund to the Paying Agent at least one day prior to each principal and/or interest payment date or redemption date on the Series 2019 Bonds, sufficient moneys to pay all principal and interest falling due on said payment or redemption date. The City has established the Bond Fund primarily to achieve a proper matching of revenues and debt service on the Series 2019 Bonds. The Bond Fund shall be depleted at least once each year by the City except for a reasonable carryover amount not to exceed the greater of one year’s earnings on the Bond Fund or one-twelfth of the annual debt service on the Series 2019 Bonds.

4.3 Bonds in Registered Form. The City recognizes that Section 149 of the Code requires the Series 2019 Bonds to be issued and to remain in fully registered form in order that interest thereon be excludible from gross income for federal income tax purposes under laws in force at the time the Series 2019 Bonds are delivered. In this connection, the

City agrees that it will not take any action to permit the Series 2019 Bonds to be issued in, or converted into, bearer or coupon form.

4.4 Tax Covenants. The City further covenants and agrees to and for the benefit of the Bondholders that the City (i) will not take any action that would cause interest on the Series 2019 Bonds to become subject to federal income taxation, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the Series 2019 Bonds to become subject to federal income taxation, and (iii) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Series 2019 Bonds in order to preserve the exemption from federal income taxation of interest on the Series 2019 Bonds. Pursuant to this covenant, the City obligates itself to comply throughout the term of the Series 2019 Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised.

ARTICLE V

FORM OF SERIES 2019 BONDS

5.1 Form of Series 2019 Bonds. Each Series 2019 Bond shall be in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required:

[FORM OF BOND]

[Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

Registered

Registered

**UNITED STATES OF AMERICA
STATE OF UTAH
CITY OF OREM, UTAH
GENERAL OBLIGATION BOND
SERIES 2019**

Number R-_____ \$_____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>[CUSIP]</u>
_____%	_____, 20__	_____, 2019	_____

Registered Owner: [CEDE & CO.]

Principal Amount: _____ DOLLARS****

The City of Orem, Utah (the “City”), a duly organized and existing political subdivision of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above (subject to redemption prior to maturity, as provided herein), upon presentation and surrender hereof, the Principal Amount identified above, and to pay the Registered Owner hereof interest on the balance of said Principal Amount from time to time remaining unpaid at the Interest Rate per annum identified above (calculated on the basis of a year of 360 days comprised of twelve 30-day months), which interest shall be payable on _____ and _____ of each year, commencing _____, 2019 (each an “Interest Payment Date”), until all of the principal shall have been paid.

Interest on this Bond shall accrue from the Interest Payment Date next preceding the date on which it is authenticated, unless (i) it is authenticated before the first Interest Payment Date following the Original Issue Date identified above, in which case interest

shall accrue from the Original Issue Date, or (ii) it is authenticated on an Interest Payment Date, in which case interest shall accrue from such Interest Payment Date; provided, however, that if interest on the hereinafter defined Bonds shall be in default, interest on the Series 2019 Bonds issued in exchange for Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Series 2019 Bonds surrendered. This Bond shall bear interest on overdue principal at the Interest Rate. Principal and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Principal of this Bond shall be payable upon surrender of this Bond at the corporate trust office of _____, _____, _____, as Paying Agent, and payment of the semiannual interest hereon shall be made by check or draft mailed to the person who is the Registered Owner of record hereof as of the fifteenth day immediately preceding each Interest Payment Date or if such day is not a regular Business Day of the Bond Registrar, the next preceding day which is a regular Business Day of the Bond Registrar at the address of such Registered Owner as it appears on the registration books kept by the hereinafter defined Bond Registrar, or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar as provided in the hereinafter defined Resolution.

This Bond is one of the General Obligation Bonds, Series 2019 of the City (the "Series 2019 Bonds") limited to the aggregate principal amount of \$_____ and issued pursuant to (a) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"), and (b) a resolution of the City Council adopted on January 8, 2019 (the "Resolution"). The Series 2019 Bonds are authorized to be issued for the purpose of (i) acquiring, construction, furnishing, and equipping of: (a) renovations, additions and improvements to the City's family fitness center, including family friendly changing rooms, family oriented facilities, a suspended track and all ancillary and related improvements, and (b) a community library hall at the City Center Campus, including all ancillary and related improvements, and (ii) paying expenses reasonably incurred in connection with the issuance and sale of the Series 2019 Bonds.

_____, _____ is the initial bond registrar and paying agent with respect to the Series 2019 Bonds. Said bond registrar and paying agent, together with any successor bond registrar or paying agent, respectively, is referred to herein as the "Bond Registrar" and the "Paying Agent."

The City covenants and is by law required to levy annually a sufficient tax to constitute a Bond Fund to pay the interest on this Bond as it falls due and also to provide for the payment of the principal hereof as the same falls due; provided, however, that the City may apply other funds available to the City to the payment of said principal and interest in which case the levy herein described may to that extent be diminished.

This Bond is transferable, as provided in the Resolution, only upon the books of the City kept for that purpose at the principal office of the Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Registered Owner or such duly authorized attorney, and thereupon the City

shall issue in the name of the transferee a new registered Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Bond, all as provided in the Resolution and upon the payment of the charges therein prescribed. No transfer of this Bond shall be effective until entered on the registration books kept by the Bond Registrar. The City, the Bond Registrar and the Paying Agent may treat and consider the person in whose name this Bond is registered on the registration books kept by the Bond Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever, and neither the City, nor the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

The City is not required to transfer or exchange any Bond (a) after the Record Date with respect to any Interest Payment Date to and including such Interest Payment Date, and (b) with respect to any redemption of any Bond, after such Record Date as shall be specified by the Bond Registrar in the notice of redemption, provided that such Record Date shall not be less than 15 calendar days before the mailing of such notice of redemption.

The Series 2019 Bonds are issuable solely in the form of fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

[The Series 2019 Bonds shall be subject to redemption prior to maturity, at the election of the City, on _____ (the "First Redemption Date") and on any date thereafter, prior to maturity, in whole or in part, from such maturities or parts thereof as shall be selected by the City, and by lot within each maturity if less than the full amount of any maturity is to be redeemed, upon not less than 30 days prior notice, at a redemption price equal to 100% of the principal amount of the Series 2019 Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption. Series 2019 Bonds maturing prior to the First Redemption Date are not subject to optional redemption.

The Series 2019 Bonds are subject to mandatory redemption by operation of sinking fund installments at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any, to the redemption date, on the dates and in the principal amounts as follows:

Notice of redemption shall be given by the Bond Registrar by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to each Registered Owner of the Series 2019 Bonds to be redeemed, at the address shown on the registration books of the City maintained by the Bond Registrar, all as provided in the Resolution.

If notice of redemption shall have been given as described above, the Series 2019 Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for the payment of the redemption price of all the Series 2019 Bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2019 Bonds shall cease to accrue and become payable.

In case any Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the City shall execute and the Bond Registrar shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the City, a Series 2019 Bond or Series 2019 Bonds of the same series, interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. A portion of any Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or an integral multiple thereof and in selecting portions of such Series 2019 Bonds for redemption, each such Bond shall be treated as representing that number of Series 2019 Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Series 2019 Bonds by \$5,000.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto. It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah and by the Act and the Resolution to exist, to have happened or to have been performed precedent to or in connection with the issuance of this Bond exist, have happened and have been performed and that the issue of Bonds, together with all other indebtedness of the City, is within every debt and other limit prescribed by said Constitution and statutes, and that the full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on this Bond, according to its terms.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

IN WITNESS WHEREOF, CITY OF OREM, UTAH, has caused this Bond to be signed in its name and on its behalf by its Mayor and attested and countersigned by its City Recorder (the signatures of said Mayor and City Recorder being by facsimile or manual signature), and has caused its corporate seal to be affixed hereto.

CITY OF OREM, UTAH

(SEAL)

(Do Not Sign)

Mayor

ATTEST AND COUNTERSIGN:

(Do Not Sign)

City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2019 Bonds described in the within mentioned Resolution and is one of the General Obligation Bonds, Series 2019 of the City of Orem, Utah.

_____,
as Bond Registrar

By: _____

Date of Registration and Authentication: _____

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	–	as tenants in common
TEN ENT	–	as tenants by the entireties
JT TEN	–	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT _____
(Cust.)

Custodian for _____
(Minor)

Under Uniform Gifts to Minors Act of _____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

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

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and hereby irrevocably constitutes and appoints

attorney to register the transfer of said Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature: _____

NOTICE: The signature on this assignment must correspond with the name(s) of the Registered owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

ARTICLE VI

MISCELLANEOUS

6.1 Preliminary Official Statement Deemed Final. The use and distribution of the Official Statement in preliminary form (the “Preliminary Official Statement”), in substantially the form presented at this meeting and in the form attached hereto as Exhibit E, is hereby authorized and approved, with such changes, omissions, insertions and revisions as a Designated Officer shall deem advisable. Each Designated Officer is hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to deem final the Preliminary Official Statement within the meaning and for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission, subject to completion thereof with the information established at the time of the sale of the Series 2019 Bonds.

6.2 Official Statement. The Official Statement of the City is hereby authorized in substantially the form presented at this meeting and in the form attached hereto as Exhibit E, with such changes, omissions, insertions and revisions as the Mayor shall deem advisable, including the completion thereof with the information established at the time of the sale of the Series 2019 Bonds by the Designated Officer and set forth in the Terms Certificate. The Mayor shall sign and deliver the Official Statement to the Underwriter for distribution to prospective purchasers of the Series 2019 Bonds and other interested persons. The approval of the Mayor of any such changes, omissions, insertions and revisions shall be conclusively established by the Mayor’s execution of the Official Statement.

6.3 Changes to Forms. The form of Series 2019 Bonds and the other documents authorized and approved hereby are authorized and approved with such additions, modifications, deletions and changes thereto as may be deemed necessary or appropriate and approved by the Mayor and/or City Recorder or a Designated Officer, whose execution or approval thereof on behalf of the City shall conclusively establish such necessity, appropriateness and approval with respect to all such additions, modifications, deletions and changes incorporated therein.

6.4 Notice of Bonds to be Issued. In accordance with the provisions of the Act, the City will cause a “Notice of Bonds to be Issued” to be (a) published one (1) time in The Salt Lake Tribune, a newspaper of general circulation in the City, (b) posted on the Utah Public Notice Website (<http://pmn.utah.gov>), and (c) posted on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended, and has caused a copy of the resolution authorizing such publication to be kept on file in the City’s office in Orem, Utah, for public examination during the regular business hours of the City until at least thirty (30) days from and after the date of publication thereof. The affidavit of publication of the “Notice of Bonds to be Issued” is attached hereto as Exhibit H.

6.5 Ratification. All proceedings, resolutions and actions of the City and its officers taken in connection with the sale and issuance of the Series 2019 Bonds are hereby ratified, confirmed and approved.

6.6 Severability. It is hereby declared that all parts of this Resolution are severable, and if any section, paragraph, clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining provisions of this Resolution.

6.7 Conflict. All resolutions, orders and regulations or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this Resolution are, to the extent of such conflict, hereby repealed. This repealer shall not be construed so as to revive any resolution, order, regulation or part thereof heretofore repealed.

6.8 Captions. The headings herein are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

6.9 Certification of Fulfillment of Conditions. The City hereby finds and certifies that upon the execution of the Terms Certificate, all conditions precedent to the issuance of the Series 2019 Bonds will have been satisfied and fulfilled.

6.10 Maintenance of Records; Copies. A copy of this Resolution and every amendatory or supplemental resolution or other official action relating to the Series 2019 Bonds shall be kept on file with the City Recorder in the City of Orem, Utah, where the same shall be made available for inspection by any Registered Owner of the Series 2019 Bonds, or his, its or their agents for so long as any of the Series 2019 Bonds remain outstanding and unpaid. Upon payment of the reasonable cost for preparing the same, a certified copy of this Resolution, or any amendatory or supplemental resolution, will be furnished to any Registered Owner of the Series 2019 Bonds.

6.11 Effective Date. This Resolution shall take effect immediately upon its approval and adoption.

6.12 Resolution Irrepealable. Upon the execution of the Terms Certificate, this Resolution shall be and remain irrepealable until the principal of, premium, if any, and interest on the Series 2019 Bonds are paid in accordance with the terms and provisions hereof.

APPROVED AND ADOPTED this January 8, 2019.

CITY OF OREM, UTAH

(SEAL)

Mayor

ATTEST AND COUNTERSIGN:

City Recorder

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

The meeting was then adjourned.

Mayor

ATTEST AND COUNTERSIGN:

City Recorder

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

I, JoD’Ann Bates, the undersigned City Recorder of the City of Orem, Utah (the “City”), do hereby certify according to the records of the City in my official possession that the foregoing constitutes a true and correct copy of the minutes of the meeting of the City Council of the City held on January 8, 2019, including a resolution (the “Resolution”) adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on January 8, 2019.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the City, this January 8, 2019.

City Recorder

(SEAL)

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, JoD'Ann Bates, the undersigned City Recorder of the City of Orem, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the public meeting, held on January 8, 2019, by the City as follows:

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

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

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

In addition, the Notice of 2019 Annual Meeting Schedule for the City (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the City Council to be held during the year, by causing said Notice to be (i) posted on _____ at the principal office of the City Council, (ii) provided to at least one newspaper of general circulation within the City on _____ and (iii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this January 8, 2019.

(SEAL)

By: _____
City Recorder

SCHEDULE 1

NOTICE OF MEETING

SCHEDULE 2
ANNUAL MEETING SCHEDULE

EXHIBIT B

LETTERS OF REPRESENTATION

(See Transcript Document No. __)

EXHIBIT C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

(See Transcript Document No. __)

EXHIBIT D

(RESERVED)

EXHIBIT E

FORM OF OFFICIAL STATEMENT

(See Transcript Document No. __)

EXHIBIT F

FORM OF TERMS CERTIFICATE

(See Transcript Document No. __)

EXHIBIT G

FORM OF BOND PURCHASE AGREEMENT

(See Transcript Document No. ____)

EXHIBIT H

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, that on January 8, 2019, the City Council of the City of Orem, Utah (the “Issuer”) adopted a resolution (the “Resolution”) in which it authorized the issuance of its General Obligation Bonds, Series 2019 (the “Bonds”).

PURPOSE FOR ISSUING THE BONDS

Pursuant to the Resolution, the Bonds are to be issued for the purpose of (a) paying all or a portion of the costs (i) acquiring, constructing, furnishing, and equipping renovations, additions and improvements to the Issuer’s family fitness center, including family friendly changing rooms, family oriented facilities, a suspended track and all ancillary and related improvements, and (ii) acquiring, constructing, furnishing and equipping a community library hall at the City Center Campus, including all ancillary and related improvements (the “Series 2019 Project”) and (b) paying expenses reasonably incurred in connection with the authorization and issuance of the Bonds;

PARAMETERS OF THE BONDS

The Issuer intends to issue the Bonds in the aggregate principal amount of not to exceed Twenty-Four Million Five Hundred Thousand Dollars (\$24,500,000), to mature in not more than thirty (30) years, to be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof and bearing interest at a rate or rates not to exceed five and one-half percent (5.5%) per annum.

The Bonds are to be issued and sold by the Issuer pursuant to the Resolution, with such final terms and provisions as may be deemed appropriate by authorized officers of the Issuer, provided that said final terms shall not exceed the maximums set forth above.

SECURITY PLEDGED FOR THE BONDS

The Bonds are general obligations of the Issuer secured by the full faith and credit and taxing power of the Issuer.

OUTSTANDING BONDS

Other than the proposed Bonds, the Issuer has \$6,060,000 of general obligation bonds currently outstanding.

OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer’s outstanding bonds or obligations may be found in the Issuer’s financial report (the “Financial Report”) at: <http://auditor.utah.gov/accountability/financial-reports-of-local-governments/>. For additional information, including any information more recent than as of the date of the Financial Report, please contact, Brenn Bybee, Assistant City Manager at (801) 229-7298.

TOTAL ESTIMATED COST

Based on the Issuer's current plan of finance and a current estimate of interest rates, the total principal and interest cost of the Bonds if held until maturity is \$44,751,481.

A copy of the Resolution is on file in the office of the City Recorder at the Issuer's offices located at 56 North State Street, Orem, Utah, where they may be examined during regular business hours from 7:30 a.m. to 5:30 p.m. Monday through Thursday and 8:00 a.m. to 5:00 p.m. on Friday for a period of at least thirty (30) days from and after the date of publication of this notice.

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

DATED this January 8, 2019.

/s/ JoD'Ann Bates
City Recorder

NEW ISSUE—Issued in Book-Entry Only Form

Bond Rating: _____ “_____”
(See “BOND RATING” herein)

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax and the interest on the Bonds is exempt from income taxation by the State of Utah. See “TAX MATTERS” in this Official Statement.

\$21,810,000*
CITY OF OREM, UTAH
GENERAL OBLIGATION BONDS,
SERIES 2019

Dated: Date of Delivery

Due: December 1, as shown below

The \$21,810,000* General Obligation Bonds, Series 2019 (the “Bonds”) are issuable by the City of Orem, Utah (the “City”) as fully-registered bonds and, when initially issued, will be in book-entry form only, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on such Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See “APPENDIX E—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM” herein.

Principal of and interest on the Bonds (interest payable June 1 and December 1 of each year, commencing [_____] 1, 20____) are payable by U.S. Bank National Association, as Paying Agent, to the registered owners thereof, initially DTC. The Bonds will be issued as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. See “THE BONDS” herein.

The Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity. See “THE BONDS—Redemption Provisions” herein.

The Bonds are being issued for the purpose of (a) paying all or a portion of the costs of acquiring, constructing, furnishing and equipping (i) renovations, additions and improvements to the City’s family fitness center, including family friendly changing rooms, family-oriented facilities, a suspended track and all ancillary and related improvements, and (ii) a community library hall at the City Center Campus, including all ancillary and related improvements (collectively, the “Series 2019 Project”); and (b) paying expenses incurred in connection with the issuance of the Bonds.

THE BONDS WILL BE GENERAL OBLIGATIONS OF THE CITY PAYABLE FROM THE PROCEEDS OF AD VALOREM TAXES TO BE LEVIED WITHOUT LIMITATION AS TO RATE OR AMOUNT ON ALL OF THE TAXABLE PROPERTY IN THE CITY, FULLY SUFFICIENT TO PAY THE BONDS AS TO BOTH PRINCIPAL AND INTEREST.

MATURITY SCHEDULE

Due (December 1)	Principal Amount*	Interest Rate	Yield	CUSIP 686101 [†]	Due (December 1)	Principal Amount*	Interest Rate	Yield	CUSIP 686101 [†]
2025					2037				
2026					2038				
2027					2039				
2028					2040				
2029					2041				
2030					2042				
2031					2043				
2032					2044				
2033					2045				
2034					2046				
2035					2047				
2036									

[\$ _____ % Term Bond Due December 1, 20____; Price _____%; CUSIP 686101 ____[†]]

[†] The City is not responsible for the use of CUSIP Numbers, nor is a representation made as to the accuracy of the CUSIP Numbers. The CUSIP Numbers are contained herein solely for the convenience of the readers of this Official Statement.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of their legality by Gilmore & Bell, P.C., Bond Counsel to the City, and to certain other conditions. Certain matters relating to disclosure will be passed upon for the City by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed on for the City by Greg W. Stephens, Esq., City Attorney. Lewis Young Robertson & Burningham, Inc. has served as municipal advisor to the City in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery to DTC or its agent on or about _____, 2019.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. This Official Statement is dated _____, 2019, and the information contained herein speaks only as of that date.

[UNDERWRITER]

* Preliminary; subject to change.

The information set forth herein has been obtained from the City, DTC, and other sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the City, or in any other information contained herein since the date hereof.

No dealer, broker, salesman or any other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such offer, solicitation or sale.

All inquiries relating to this Official Statement and the offering contemplated herein should be directed to the Municipal Advisor. Prospective investors may obtain additional information from the Municipal Advisor or the City which they may reasonably require in connection with the decision to purchase any of the Bonds from the Municipal Advisor.

The yields at which the Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this Official Statement. In addition, the Underwriter may allow concessions of discounts from the initial offering prices of the Bonds to dealers and others. In connection with this offering, the Underwriter may engage in transactions that stabilize, maintain or otherwise affect the market prices of the Bonds. Such transactions, if commenced, may be discontinued at any time.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. Forward-looking statements are included in the Official Statement under the captions “THE PROJECT,” “ESTIMATED SOURCES AND USES OF FUNDS,” and “DEBT STRUCTURE OF THE CITY—Outstanding Obligations of the City” and “—Future Bond Issues.” The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The City maintains a website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

THE BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

\$21,810,000*
CITY OF OREM, UTAH
GENERAL OBLIGATION BONDS,
SERIES 2019

56 North State Street
Orem, Utah 84057
(801) 229-7004

MAYOR AND CITY COUNCIL

Richard F. Brunst, Jr.	Mayor
Debby Lauret	Councilmember
Sam Lentz	Councilmember
Tom Macdonald.....	Councilmember
Mark E. Seastrand.....	Councilmember
David Spencer	Councilmember
Brent Sumner	Councilmember

CITY ADMINISTRATION

James P. Davidson.....	City Manager
Brenn Bybee	Assistant City Manager
Richard Manning	Administrative Services Director
JoD' Ann Bates.....	City Recorder
Greg W. Stephens	City Attorney

PAYING AGENT AND BOND REGISTRAR

U.S. Bank National Association
170 South Main Street, Suite 200
Salt Lake City, Utah 84101
(801) 534-6083

MUNICIPAL ADVISOR

Lewis Young Robertson & Burningham, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
(801) 596-0700

BOND COUNSEL

Gilmore & Bell, P.C.
15 West South Temple, Suite 1450
Salt Lake City, Utah 84101
(801) 364-5080

UNDERWRITER

[To be determined]

* Preliminary; subject to change.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
The City	1
Authority and Purpose	1
Security	2
Redemption Provisions	2
Registration, Denominations, Manner of Payment.....	2
Tax-Exempt Status.....	2
Conditions of Delivery, Anticipated Date, Manner, and Place of Delivery	2
Basic Documentation	3
Contact Persons.....	3
THE BONDS	3
General.....	3
Security and Sources of Payment.....	4
Redemption Provisions	4
Book-Entry Only System.....	5
Registration and Transfer.....	5
THE 2019 PROJECT.....	5
ESTIMATED SOURCES AND USES OF FUNDS	6
DEBT SERVICE SCHEDULE FOR THE BONDS	7
THE CITY	8
General.....	8
Form of Government.....	8
Employee Workforce and Retirement System.....	9
OPEB Liabilities	9
Risk Management	9
Investment of Funds.....	9
Additional Information	10
DEBT STRUCTURE OF THE CITY	11
Outstanding Obligations of the City	11
Future Bond Issues.....	11
No Defaulted Bonds.....	12
Other Financial Considerations.....	12
Overlapping General Obligation Debt	12
General Obligation Legal Debt Limit and Additional Debt Incurring Capacity.....	12
Debt Ratios	13
FINANCIAL INFORMATION REGARDING THE CITY	14
Fund Structure; Accounting Basis	14
Budget and Appropriation Process	14
Financial Controls	15
Sources of Governmental Fund Revenues	15
Management’s Discussion and Analysis.....	15
Financial Summary	15
AD VALOREM TAX SYSTEM.....	20
Tax Levy and Collection.....	20
Public Hearing on Certain Tax Increases.....	20
Ad Valorem Tax System.....	21
Comparative Total Property Tax Rates of the City and Surrounding Cities.....	22
Taxable Value and Estimated Fair Market Value of Property in City	22
Historical Property Tax Rates—Direct and Overlapping Governments	22
Assessed and Estimated Fair Market Value of Taxable Property (Locally Assessed Only) ..	23
Summary of All Taxable Values.....	23
Principal Property Taxpayers in the City	24
SALES AND USE TAX.....	25
Sales and Use Tax.....	25
Utility Franchise Taxes and Fees.....	25
LEGAL MATTERS	26
General.....	26
Absence of Litigation.....	26
TAX MATTERS	26
Opinion of Bond Counsel	26
Other Tax Consequences	27
UNDERWRITING	28
MUNICIPAL ADVISOR	28
BOND RATING.....	28
CONTINUING DISCLOSURE UNDERTAKING	28
MISCELLANEOUS	29
Independent Accountants.....	29
Additional Information	29
APPENDIX A AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018.....	A-1
APPENDIX B PROPOSED FORM OF OPINION OF BOND COUNSEL	B-1
APPENDIX C PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING	C-1
APPENDIX D PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.....	D-1

OFFICIAL STATEMENT
RELATED TO
\$21,810,000*
CITY OF OREM, UTAH
GENERAL OBLIGATION BONDS,
SERIES 2019

INTRODUCTION

This Official Statement, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by the City of Orem, Utah (the “City”) of its \$21,810,000* General Obligation Bonds, Series 2019 (the “Bonds”). This introduction is only a brief description of the Bonds, as hereinafter defined, the security and source of payment for the Bonds and certain information regarding the City. The information contained herein is expressly qualified by reference to the entire Official Statement. Investors are urged to make a full review of the entire Official Statement.

See the following appendices that are attached hereto and incorporated herein by reference: APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018; APPENDIX B—DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING THE CITY AND UTAH COUNTY; APPENDIX C—PROPOSED FORM OF OPINION OF BOND COUNSEL; APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING; and APPENDIX E—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.

The City

The City was incorporated in 1919 and covers an area of approximately 18 square miles. It is located in Utah County, Utah, approximately 40 miles south of Salt Lake City, Utah, and adjacent to Provo City, Utah. The U.S. Census Bureau estimated the City’s 2017 population to be 97,839 residents, making it the fifth most populous city in the State of Utah (the “State”). For additional information regarding the City, see “THE CITY”; “FINANCIAL INFORMATION REGARDING THE CITY”; “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018”; and “APPENDIX B—DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING THE CITY AND UTAH COUNTY.”

Authority and Purpose

The Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”); (ii) a resolution of the City adopted on January 8, 2019 (the “Resolution”), which provides for the issuance of the Bonds; (iii) the hereinafter described Bond Election; and (iv) other applicable provisions of law.

The Bonds were authorized at a bond election (the “Bond Election”) held for that purpose on November 6, 2018. The proposition submitted to the voters was as follows:

“Shall the City of Orem, Utah (the “City”), be authorized to issue General Obligation Bonds in an amount not to exceed Twenty-Four Million Five Hundred Thousand Dollars (\$24,500,000) (the “Bonds”) for the purpose of paying all or a portion of the costs of (a) acquiring, constructing, furnishing, and equipping renovations, additions and improvements to the City’s Family Fitness Center, including family friendly changing rooms, family oriented facilities, a suspended track and all ancillary and related improvements, and (b) acquiring, constructing, furnishing and equipping a Community Library Hall at the City Center Campus,

* Preliminary; subject to change.

including all ancillary and related improvements; said Bonds to be due and payable in not to exceed thirty (30) years from the date of issuance of the Bonds?”

At the Bond Election, there were 17,482 votes cast in favor of the issuance of bonds and 10,048 votes cast against the issuance of bonds, for a total vote count of 27,530, with approximately 64% being in favor of the issuance of bonds. [The Bonds will use all of the voter approved bond authorization that was approved at the Bond Election.]

The Bonds are being issued for the purpose of (a) paying all or a portion of the costs of (i) acquiring, constructing, furnishing, and equipping renovations, additions and improvements to the City’s family fitness center, including family friendly changing rooms, family oriented facilities, a suspended track and all ancillary and related improvements, and (ii) acquiring, constructing, furnishing and equipping a community library hall at the City Center Campus, including all ancillary and related improvements (the “Series 2019 Project”); and (b) paying authorization and issuance expenses incurred in connection with the Bonds. See “THE PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS.”

Security

The Bonds will be general obligations of the City payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all of the taxable property in the City, fully sufficient to pay the Bonds as to both principal and interest. See “THE BONDS—Security and Sources of Payment,” “FINANCIAL INFORMATION REGARDING THE CITY” and “AD VALOREM TAX SYSTEM” below.

Redemption Provisions

The Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity. See “THE BONDS—Redemption Provisions” herein.

Registration, Denominations, Manner of Payment

The Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. Purchases of Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds.

Principal of and interest on the Bonds (interest payable June 1 and December 1 of each year, commencing [_____] 1, 20____) are payable by U.S. Bank National Association, Salt Lake City, Utah, as Paying Agent, to the registered owners of the Bonds. So long as DTC is the registered owner, it will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the beneficial owners of the Bonds, as described under “APPENDIX E—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM” below.

Tax-Exempt Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Bonds is exempt from income taxation by the State of Utah. See “TAX MATTERS” in this Official Statement.

Conditions of Delivery, Anticipated Date, Manner, and Place of Delivery

The Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriter, subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the City, and certain other conditions. Certain

matters relating to disclosure will be passed upon for the City by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed on for the City by Greg W. Stephens, Esq., the City Attorney. Lewis Young Robertson & Burningham, Inc. has acted as Municipal Advisor to the City in connection with the issuance of the Bonds. It is expected that the Bonds, in book-entry form only, will be available to DTC or its agent on or about _____ 2019.

Basic Documentation

The “basic documentation,” which includes the Resolution, the closing documents, and other documentation authorizing the issuance of the Bonds and establishing the rights and responsibilities of the City and other parties to the transaction, may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this Official Statement, the chief contact person for the City concerning the Bonds is:

Richard B. Manning
Administrative Services Director
City of Orem
56 North State
Orem, Utah 84057
(801) 229-7117
rbmanning@orem.org

Additional requests for information may be directed to the Municipal Advisor:

Laura D. Lewis, Principal
Lewis Young Robertson & Burningham, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
(801) 596-0700
laura@lewisyoung.com

THE BONDS

General

The Bonds will be dated the date of their initial delivery and will mature on December 1 of the years and in the amounts as set forth on the cover page of this Official Statement.

The Bonds shall bear interest from the date of their initial delivery at the rates set forth on the cover page of this Official Statement. Interest on the Bonds is payable semi-annually on each June 1 and December 1, commencing [_____] 1, 20____]. Interest on the Bonds shall be computed on the basis of a 360-day year comprised of twelve 30-day months. U.S. Bank National Association is the Bond Registrar and Paying Agent for the Bonds under the Resolution (in such respective capacities, the “Bond Registrar” and “Paying Agent”).

The Bonds will be issued as fully registered bonds initially in book-entry form only, in the denomination of \$5,000 or any integral multiple thereof, not exceeding the amount of each maturity.

The Bonds are being issued within the constitutional debt limit imposed on municipalities in the State of Utah (“State”). See “DEBT STRUCTURE OF THE CITY—General Obligation Legal Debt Limit and Additional Debt Incurring Capacity” below.

Security and Sources of Payment

The Bonds will be general obligations of the City payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the City, fully sufficient to pay the Bonds as to both principal and interest.

See “FINANCIAL INFORMATION REGARDING THE CITY” and “AD VALOREM TAX SYSTEM” below.

Redemption Provisions

Optional Redemption. The Bonds maturing on or prior to December 1, 20____, are not subject to call and redemption prior to maturity. The Bonds maturing on or after December 1, 20____, are subject to redemption at the option of the City on December 1, 20____, or on any date thereafter, in whole or in part, from such maturities or parts thereof as shall be selected by the City at the redemption price of 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date.

[Mandatory Sinking Fund Redemption. The Bonds maturing on December 1, 20____ are subject to mandatory sinking fund redemption at a price of 100% of the principal amount thereof plus accrued interest to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund
Redemption Date
(December 1)

Sinking Fund Requirements

† Stated Maturity.

If fewer than all of the Bonds maturing December 1, 20____ then Outstanding are redeemed in a manner other than pursuant to a mandatory sinking fund redemption, the principal amount so redeemed shall be credited at 100% of the principal amount thereof by the Bond Registrar against the obligation of the City on the next mandatory sinking fund redemption date for the Bonds maturing on December 1, 20____ and any excess shall be credited against future mandatory sinking fund redemption obligations at the discretion of the City.]

Selection for Redemption. If fewer than all of the Bonds of any maturity are to be redeemed, the particular Bonds or portion of Bonds of such maturity to be redeemed shall be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate, each \$5,000 of principal amount of the Bonds being counted as one Bond for this purpose.

Notice and Effect of Redemption. Notice of redemption shall be given by the Bond Registrar by first class mail, postage pre-paid, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner thereof (the “Bondowner”), as of the Record Date (described below) of each Bond that is subject to redemption, at the address of such Bondowner as it appears in the registration books of the City kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such Bondowner on or prior to the Record Date. Each notice of redemption shall state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds or portion of Bonds to be redeemed and that the interest on the Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of such Bonds the principal thereof and interest accrued thereon to the redemption date. Each notice of optional redemption may further state that such redemption shall be conditional upon the receipt by the Paying Agent, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of and interest on such Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the City shall not be required to redeem such bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Bond Registrar shall

within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Any notice mailed as described above shall be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any Bond shall not affect the validity of the proceedings for redemption with respect to any other Bond.

Book-Entry Only System

The Bonds originally will be issued solely in book-entry form to The Depository Trust Company (“DTC”), New York, New York, or its nominee, Cede & Co., to be held in DTC’s book-entry system. So long as such Bonds are held in the book-entry only system, DTC or its nominee will be the registered owner or Holder of such Bonds for all purposes of the Bonds and this Official Statement. Purchases of beneficial ownership interests in the Bonds may be made in denominations described above. For a description of the book-entry only system for the Bonds, see “APPENDIX E—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM” herein.

Registration and Transfer

In the event the book-entry only system is discontinued, any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any Bond is surrendered for transfer, the Bond Registrar will certify as to registration and authenticate (if applicable) and deliver a new Bond or Bonds of the same series, designation, maturity and interest rate of other authorized denominations duly executed by the City, for the same aggregate principal amount. Bonds may be exchanged at the principal corporate office of the Bond Registrar for the same aggregate principal amount of Bonds of the same series, designation, maturity, and interest rate of other authorized denominations.

For every such exchange or transfer of the Bonds, the Bond Registrar must assess a charge sufficient to reimburse it for any tax or other charge assessed by the government required to be paid with respect to such exchange or transfer of the Bonds.

The Bond Registrar shall not be required to transfer or exchange any Bond after the Record Date with respect to any interest payment date (the fifteenth day next preceding such interest payment date) to and including such interest payment date or after the Record Date with respect to any redemption of such Bond. The Record Date, in the case of each redemption is the date specified by the Bond Registrar in the notice of redemption, but in any event is not less than 15 calendar days before the mailing of such notice of redemption.

The City, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered (initially DTC) in the registration books kept by the Bond Registrar as the holder and absolute owner of such Bonds for the purpose of payment of principal, premium and interest with respect to such Bond and for all other purposes whatsoever.

THE SERIES 2019 PROJECT

Proceeds from the Bonds will be used to pay all or a portion of the costs of (i) acquiring, constructing, furnishing, and equipping renovations, additions and improvements to the City’s family fitness center, including family friendly changing rooms, family oriented facilities, a suspended track and all ancillary and related improvements, and (ii) acquiring, constructing, furnishing and equipping a community library hall at the City Center Campus, including all ancillary and related improvements.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the Bonds are estimated to be as follows:

Sources of Funds

Par Amount of Bonds.....\$_____

[Net] Reoffering [Premium/Discount].....

Total.....

Uses of Funds

Deposit to Construction Fund.....\$_____

Costs of Issuance⁽¹⁾.....

Total.....

⁽¹⁾ Includes legal fees, rating agency fees, registrar, paying agent fees, underwriter’s discount, municipal advisor fees, and other miscellaneous costs of issuance.

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DEBT SERVICE SCHEDULE FOR THE BONDS

<u>Payment Date</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Fiscal Total</u>
12/01/2019	-			
06/01/2020	-			
12/01/2020	-			
06/01/2021	-			
12/01/2021	-			
06/01/2022	-			
12/01/2022	-			
06/01/2023	-			
12/01/2023	-			
06/01/2024	-			
12/01/2024	-			
06/01/2025	-			
12/01/2025	\$435,000.00			
06/01/2026	-			
12/01/2026	465,000.00			
06/01/2027	-			
12/01/2027	495,000.00			
06/01/2028	-			
12/01/2028	530,000.00			
06/01/2029	-			
12/01/2029	565,000.00			
06/01/2030	-			
12/01/2030	605,000.00			
06/01/2031	-			
12/01/2031	645,000.00			
06/01/2032	-			
12/01/2032	685,000.00			
06/01/2033	-			
12/01/2033	730,000.00			
06/01/2034	-			
12/01/2034	780,000.00			
06/01/2035	-			
12/01/2035	830,000.00			
06/01/2036	-			
12/01/2036	885,000.00			
06/01/2037	-			
12/01/2037	940,000.00			
06/01/2038	-			
12/01/2038	1,000,000.00			
06/01/2039	-			
12/01/2039	1,060,000.00			
06/01/2040	-			
12/01/2040	1,125,000.00			
06/01/2041	-			
12/01/2041	1,195,000.00			
06/01/2042	-			
12/01/2042	1,265,000.00			
06/01/2043	-			
12/01/2043	1,345,000.00			
06/01/2044	-			
12/01/2044	1,425,000.00			
06/01/2045	-			
12/01/2045	1,510,000.00			
06/01/2046	-			
12/01/2046	1,600,000.00			
06/01/2047	-			
12/01/2047	1,695,000.00			
TOTAL	\$21,810,000.00*			

* Preliminary; subject to change.
(Source: The Municipal Advisor.)

THE CITY

General

The City incorporated on May 5, 1919 and covers an area of approximately 18 square miles. It is located in the north central portion of Utah County, Utah (the “County”), approximately 40 miles south of Salt Lake City, Utah and adjacent to Provo City, Utah. The U.S. Census Bureau estimated the City’s 2017 population to be approximately 97,839 residents, making it the fifth most populous city in the State.

The City can best be characterized as primarily residential with a commercial center which serves central Utah. The City is one of 12 cities located along Interstate Highway I-15 in the County which create a continuous area of development from the north to the south end of the County. Utah Valley University, which has more than 37,000 full- and part-time students, is also located in the City.

Form of Government

The State statutes detail the functions to be performed by State municipalities. Title 10 of the Utah Code Annotated 1953, as amended (the “Utah Code”), generally sets out laws to provide for the incorporation, organization, and classification of cities and towns in proportion to population. The City is organized under the Council-Manager form. The city council of the City (the “City Council”) consists of six councilmembers elected at large for staggered four-year terms and the Mayor, who is a voting member of the City Council. The Mayor presides at all City Council meetings. The Chief Executive Officer of the City is the City Manager who is appointed by the City Council.

Department heads are full-time employees of the City and are responsible for day-to-day operations within the policy framework of the City Council. They report to the City Manager, who in turn, reports to the Mayor and the City Council.

The principal powers and duties of State municipalities are to maintain law and order, abate nuisances, guard public health and sanitation, promote recreation, provide fire protection, and to construct and maintain streets, sidewalks, waterworks, and sewers. Municipalities may also operate electric, natural gas, and telecommunications systems. Municipalities also regulate commercial and residential development within their boundaries by means of zoning ordinances, building codes, and licensing procedures.

The current members of the City Council, the Mayor and the City Administration, their respective tenures with the City and the expiration dates of their current terms are as follows: *[Please confirm years of service and current expiration of term]*

<u>Office</u>	<u>Person</u>	<u>Years of Service</u>	<u>Expiration of Term</u>
Mayor	Richard F. Brunst, Jr.	5	January 2022
Councilmember	Debby Lauret	2	January 2020
Councilmember	Sam Lentz	2	January 2020
Councilmember	Tom Macdonald	5	January 2022
Councilmember	Mark E. Seastrand	10	January 2020
Councilmember	David Spencer	5	January 2022
Councilmember	Brent Sumner	9	January 2022
City Manager	James P. Davidson	8	Appointed
Assistant City Manager	Brenn Bybee	5	Appointed
Administrative Services Director	Richard B. Manning	26	Appointed
City Attorney	Greg Stephens	22	Appointed
City Recorder	JoD’ Ann Bates		Appointed

(Source: The City.)

Employee Workforce and Retirement System

The City currently employs approximately [_____] full-time employees, approximately [_____] part-time employees, and approximately [_____] part-time (non-benefited) positions for a total employment of approximately [_____] employees.

The City participates in cost-sharing multiple-employer public employee retirement plans which are defined benefit retirement plans covering public employees of the State and employees of participating local governmental entities (the “Systems”). The Systems are administered under the direction of the Utah State Retirement Board whose members are appointed by the Governor of the State.

At June 30, 2018, the City had a net pension asset of \$871,227 and a net pension liability of \$9,010,318.

See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018—Notes to Financial Statements— Note 5—Other Information—C.— Pension Plans.”

OPEB Liabilities

The City provides postemployment healthcare benefits to certain employees who retired from the City prior to January 1, 2007. The City reports that as of June 30, 2018, those programs apply to [50] people. As of January 1, 2018, the most recent actuarial valuation date, the amount of the unfunded liability for this program was approximately \$166,530. The City’s annual cost for this program for the fiscal year ending June 30, 2018, was \$52,155.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a self-insurance fund to account for and finance its uninsured risks of loss. Under this program, the self-insurance fund provides coverage for up to a maximum of \$600,000 for each worker’s compensation claim, \$15,000 for general liability claims, and property damage claims of \$10,000. The City is insured through the Utah Risk Management Mutual Association (“URMMA”) for liability and property damage claims in excess of coverage provided by the self-insurance fund for liability and property claims. While URMMA pays for any liability and property claims exceeding the deductible amount, these claims are repaid by the City through a five-year recapture program. Thus, each year the City pays its annual premium plus a recapture component. As of June 30, 2018, the outstanding recapture program liability was \$932,114. The City is insured by Safety National Insurance Company for worker’s compensation claims in excess of coverage provided by the self-insurance fund. One settled claim exceeded such coverage in the past five fiscal years. As of the date of this Official Statement, all policies are current and in force. The City believes its risk management policies and coverages are normal and within acceptable coverage limits for the types of services the City provides. See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018—Notes to Financial Statements—Note 5. Other Information—A. Risk Management.”

Investment of Funds

Investment of Operating Funds: The Utah Money Management Act. The Utah Money Management Act, Title 51, Chapter 7, Utah Code (the “Money Management Act”) governs the investment of all public funds held by public treasurers in the State. The Money Management Act establishes criteria for investment of public funds with an emphasis on safety, liquidity, yield, matching strategy to fund objectives, and matching the term of investments to the availability of funds. The Money Management Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, approved government agency securities, and investments in corporate securities carrying “top credit ratings.” The Money Management Act also requires all securities to be delivered via payment to the treasurer’s safekeeping bank. It requires diversification of investments, especially in securities of corporate issuers. Not more than 5% of the portfolio may be invested with any one issuer. Investments in mortgage pools and mortgage derivatives or any security making unscheduled periodic principal payments are prohibited.

The City is currently complying with all of the provisions of the Money Management Act for all City operating funds. Approximately 73% of the City funds are invested in the Utah Public Treasurers' Investment Fund (the "Utah Treasurers' Fund"), approximately 14% of the City funds are invested with the Zions Bank Institutional Liquidity Management Fund, approximately 13% of the City funds are invested with Moreton Asset Management Fund. A more detailed description of the Utah Treasurers' Fund is set forth below. For more information with respect to the City's investments, please see "APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY OF OREM, UTAH FOR THE FISCAL YEAR ENDED JUNE 30, 2018—Notes to the Financial Statements—Note 4. Detailed Notes for All Funds—A. Deposits and Investments" and "—B. External Investment Pools and Managed Investment Funds."

The Utah Public Treasurers' Investment Fund. The Utah Treasurers' Fund is a public treasurers' investment fund, established in 1981, and is managed by the Treasurer of the State of Utah. The Utah Treasurers' Fund invests to ensure safety of principal, liquidity and competitive rate of return on short-term investments. All moneys transferred to the Utah Treasurers' Fund are promptly invested in securities authorized by the Money Management Act. Safekeeping and audit controls for all investments owned by the Utah Treasurers' Fund must comply with the Money Management Act.

All investments in the Utah Treasurers' Fund must comply with the Money Management Act and rules of the Money Management Council. The Utah Treasurers' Fund invests primarily in money market securities including time certificates of deposit, top rated commercial paper, treasuries and certain agencies of the U.S. Government. The maximum weighted average adjusted life of the portfolio, by policy, is not to exceed 90 days. The maximum final maturity of any security purchased by the Utah Treasurers' Fund is limited to three years, except for a maximum maturity of five years is allowed for treasury or agency securities whose rate adjusts at least annually.

By law, investment transactions are conducted only through certified dealers, qualified depositories or directly with issuers of the securities. All securities purchased are delivered via payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the Utah Treasurers' Fund are completely segregated from securities owned by the State. The State has no claim on assets owned by the Utah Treasurers' Fund except for any investment of State moneys in the Utah Treasurers' Fund. Deposits are not insured or otherwise guaranteed by the State.

Securities in the Utah Treasurers' Fund include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the U.S. Government. These short-term securities must be rated "first tier" ("A-1," "P1," for short-term investments and "A" or better for long-term investments) by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Service, Inc. or S&P Global Ratings. These securities represent limited risks to governmental institutions investing with the Utah Treasurers' Fund. Variable rate securities in the Utah Treasurers' Fund must have an index or rate formula that has a correlation of at least 94% of the effective Federal Funds rate.

Investment activity of the State Treasurer in the management of the Utah Treasurers' Fund is reviewed monthly by the Money Management Council and is audited by the State Auditor.

Moneys from the sale of obligations issued by the City or pledged to the payment therefore are also on deposit in funds and accounts of the City. Investment policies regarding such moneys are governed by the specific instruments pursuant to which such obligations were issued.

See "APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED June 30, 2018—Notes to the Financial Statements—Note 4. Detailed Notes for All Funds—Deposits and Investments" and "—B. External Investment Pools and Managed Investment Funds."

Additional Information

For additional information with respect to the City and its finances see "FINANCIAL INFORMATION REGARDING THE CITY," and "APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018."

DEBT STRUCTURE OF THE CITY

(as of January 1, 2019)

Outstanding Obligations of the City

OUTSTANDING GENERAL OBLIGATION BONDS

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Balance Outstanding</u>
2014	Refunding	\$9,615,000	December 1, 2024	\$6,060,000
2019 ⁽¹⁾	Fitness Center & Library	21,810,000*	December 1, 2047	<u>21,810,000*</u>
Total.....				<u>\$27,870,000*</u>

⁽¹⁾ For purposes of the Official Statement, the Bonds will be considered issued and outstanding.
 * Preliminary; subject to change.

OUTSTANDING SALES TAX REVENUE BONDS ⁽¹⁾

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Balance Outstanding</u>
2017	Refunding	\$2,898,000	April 15, 2023	<u>\$1,667,000</u>

⁽¹⁾ The City has a contingent liability in connection with its participation in the Utah Telecommunications Open Infrastructure Agency (the “UTOPIA Obligation”). The UTOPIA Obligation is payable from a subordinate pledge of the sales tax revenues received by the City. The maximum amount of sales and use tax revenues committed by the City for the year ended June 30, 2018 was \$3,099,812, with a 2% increase per year through 2040 (to a maximum amount of \$4,784,273). See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018—Notes to the Financial Statements—Note 5. Other Information—B. Contingent Liabilities” herein.

OUTSTANDING REVENUE BONDS

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Balance Outstanding</u>
2005B	Water	\$3,000,000	July 15, 2025	\$1,306,000
2010	Sewer	11,889,000	February 1, 2032	8,325,000
2013	Water & Storm Sewer Refunding	12,801,000	July 15, 2025	10,054,000
2016	Water & Storm Sewer Refunding	4,380,000	July 15, 2028	<u>4,380,000</u>
Total.....				<u>\$24,065,000</u>

OUTSTANDING SPECIAL ASSESSMENT BONDS

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Balance Outstanding</u>
2010	Northgate	\$1,915,000	November 1, 2025	<u>\$130,000</u>

Future Bond Issues

[The City does not have any current plans to issue additional general obligation bonds, but may choose to do so in the future subject to voter approval.]

No Defaulted Bonds

The City has never failed to pay principal and interest when due on any of its bonds, notes or other financial obligations.

Other Financial Considerations

The City has a contingent liability in connection with its participation in the Utah Infrastructure Agency (the “UIA Obligation”). The UIA Obligation is payable from franchise tax revenues received by the City on a subordinate basis to any franchise tax-secured bonds issued by the City. The maximum annual amount of the UIA Obligation is \$1,223,786. This obligation has not yet been called upon.

The City has entered into various other agreements to finance its capital needs including capital leases. The City estimated the present value of its net minimum lease payments at June 30, 2018 to be \$6,345,670.

Overlapping General Obligation Debt

<u>Entity</u>	<u>G.O. Debt Outstanding⁽¹⁾</u>	<u>Percentage Applicable to the City⁽²⁾</u>	<u>The City’s Portion of Overlapping G.O. Debt</u>
Alpine School District ⁽³⁾	\$506,360,000	23.4%	\$118,488,240
Central Utah Water Conservancy District ⁽⁴⁾	[213,942,622]	3.8	<u>8,129,820</u>
Total Overlapping GO Debt			\$126,618,060
Total Direct GO Bond Indebtedness			<u>27,870,000*</u>
Total Direct and Overlapping GO Debt			<u>\$154,488,060*</u>

(1) For purposes of this Official Statement, the Bonds are considered issued and outstanding.

(2) Based on calendar year 2017 taxable values.

(3) Amount provided in the Alpine School District Financial Report dated June 30, 2018.

(4) Central Utah Water Conservancy District (“CUWCD”) outstanding general obligation bonds are limited ad valorem tax bonds. By law, CUWCD may levy a tax rate up to .000400 to pay for operation and maintenance expenses and any outstanding limited ad valorem bonds. Outstanding general obligation debt as of [June 30, 2018], as reported in CUWCD’s annual financial statements for that year.

* For purposes of this Official Statement, the Bonds are considered issued and outstanding; preliminary; subject to change.

General obligation debt of the State is not shown in the previous table because no property taxes are currently levied for the payment of such debt. Such debt is currently paid from revenue sources other than property taxes.

General Obligation Legal Debt Limit and Additional Debt Incurring Capacity

The amount of general obligation indebtedness of the City is limited by State law to 8% of the fair market value of taxable property in the City (4% for general purposes and an additional 4% for sewer, water and electric purposes) as computed from the last equalized assessment rolls for State or County purposes prior to incurring the general obligation debt. The calculation below of the legal general obligation debt limit and additional general

obligation debt incurring capacity of the City are based on the most recently available annual fair market value of taxable property in the City and estimated uniform fees.

Estimated 2017 Fair Market Value	\$8,610,366,096
Estimated 2017 Motor Vehicle Value ⁽¹⁾	<u>44,919,303</u>
Estimated 2017 Fair Market Value for Debt Incurring Capacity	<u>\$8,655,285,399</u>

⁽¹⁾ For debt incurring capacity only, in computing the fair market value of taxable property in the City, the fair market value of all property assessed a uniform fee (which value includes the values of motor vehicles, watercraft, recreational vehicles and other tangible personal property) is added to the fair market value of the taxable property in the City.

	4% Sewer, Water and <u>Electric</u>	4% Other <u>Purposes</u>	8% Total
“Fair Market Value” x .04	\$346,211,416	—	—
“Fair Market Value” x .04	—	\$346,211,416	—
“Fair Market Value” x .08	<u>—</u>	<u>—</u>	<u>\$692,422,832</u>
Less: Current Outstanding General Obligation Debt	(<u>—</u> \$0)	(<u>27,870,000</u>)*	(<u>27,870,000</u>)*
Additional Debt Incurring Capacity	<u>\$346,211,416</u>	<u>\$318,341,416*</u>	<u>\$664,552,832*</u>

* For purposes of this Official Statement, the Bonds are considered issued and outstanding; preliminary; subject to change.

Debt Ratios

The following table sets forth the ratios of the direct and overlapping general obligation debt over the taxable value of property within the City, the estimated fair market value of such property and the population of the City. The State’s general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of its general obligation debt.

	To 2017 <u>Taxable Value</u> ⁽¹⁾	To 2017 Estimated <u>Fair Market Value</u> ⁽²⁾	To 2017 Population Estimate Per <u>Capita</u> ⁽³⁾
Direct General Obligation Debt	0.48%	0.32%	\$285
Direct and Overlapping General Obligation Debt	2.65%	1.80	\$1,579

⁽¹⁾ Based on 2017 Taxable Value of \$5,819,659,240, which value excludes the taxable value used to determine uniform fees on tangible personal property.

⁽²⁾ Based on 2017 Estimated Market Value of \$8,610,366,096, which value excludes the taxable value used to determine uniform fees on tangible personal property.

⁽³⁾ Based on the City’s 2017 population estimate of 97,839 provided by the U.S. Census Bureau.

See “AD VALOREM TAX SYSTEM—Uniform Fees” and “—Taxable Value and Estimated Fair Market Value of Property in the City” herein.

FINANCIAL INFORMATION REGARDING THE CITY

Fund Structure; Accounting Basis

The accounting policies of the City conform to all generally accepted accounting principles for governmental units in general and the City in particular.

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures or expenses. The various funds are grouped by type in the combined financial statements. See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY OF OREM, UTAH FOR THE FISCAL YEAR ENDED June 30, 2018—Notes to the Financial Statements—Note 1. Summary of Significant Accounting Policies.”

Revenues and expenditures are recognized using the modified accrual basis of accounting in all governmental funds. Revenues are recognized in the accounting period in which they become both measurable and available. “Measurable” means that amounts can be reasonably determined within the current period. “Available” means that amounts are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues on cost-reimbursement grants are accrued when the related expenditures are incurred.

In proprietary funds, revenues and expenses are recognized using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred.

Budget and Appropriation Process

The budget and appropriation process of the City is governed by the Uniform Fiscal Procedures Act for Utah Cities (the “Fiscal Procedures Act”). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the general fund, special revenue funds, debt service funds, and capital improvement funds. These budgets are to provide a complete financial plan for the budget (ensuing fiscal) year. Each budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures.

On or before the first regular meeting of the City Council in May of each year, the budget officer is required to submit to the City Council tentative budgets for all funds for the fiscal year commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budgets. The budget officer is required to estimate in the tentative budget the revenue from non-property tax sources available for each fund and the revenue from general property taxes required by each fund. The budget is then tentatively adopted by the City Council, with any amendments or revisions that the City Council deems advisable prior to the public hearing on the budget. After public notice and hearing, the tentative budget is adopted by the City Council, subject to further amendment or revisions by the City Council prior to adoption of the final budget.

Prior to June 22 of each year, the final budgets for all funds are adopted by the City Council. The Fiscal Procedures Act prohibits the City Council from making any appropriation in the final budget of any fund in excess of the estimated expendable revenue of such fund. The adopted final budget is subject to amendment by the City Council during the fiscal year. However, in order to increase the budget total of any fund, public notice and hearing must be provided. Intra- and inter-department transfers of appropriation balances are permitted upon compliance with the Fiscal Procedures Act.

The amount set forth in the final budget as the total amount of estimated revenue from property taxes constitutes the basis for determining the property tax levy to be set by the City Council for the succeeding tax year. See the section “AD VALOREM TAX SYSTEM—Tax Levy and Collection” below for a description of certain matters relating to the City’s ability to levy and collect general property taxes and the procedures applicable to such levy and collection.

Financial Controls

The City utilizes a computerized financial accounting system which includes a system of budgetary controls. State law requires budgets to be controlled by individual departments, but the City has also implemented additional controls to enhance fiscal responsibility. Among other things, those controls will not permit a requisition to be entered into the purchasing system unless the appropriated funds are available. Furthermore, an official of the City must check for sufficient funds again prior to the purchase order being issued and again before the payment check is issued. Voucher payments are also controlled by City officials for sufficient appropriations.

Sources of Governmental Fund Revenues

Set forth below are brief descriptions of the various sources of revenues available to the City's general fund. The percentage of general fund revenues represented by each source is based on the City's 2018 fiscal year period.

Taxes and Special Assessments. Approximately 63% of general fund revenues are from various taxes and special assessments.

Charges for Services. Approximately 13.5% of general fund revenues are from charges for services and 7% are from charges for services to other funds.

Intergovernmental Revenue. Approximately 7.5% of general fund revenues are from intergovernmental revenues.

Licenses and Permits. Approximately 3% of general fund revenues are from licenses and permits.

Fines and Forfeitures. Approximately 3% of general fund revenues are collected from fines and forfeitures.

Miscellaneous and Investment Income. Approximately 3% of general fund revenues are from interest and miscellaneous and interest income.

Management's Discussion and Analysis

In accordance with government accounting standards, the City prepares a discussion and analysis of its operations. The management's discussion and analysis of its operations for the fiscal year ended June 30, 2018 is included in the City's audit. See "APPENDIX A—BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018—Management's Discussion and Analysis" herein.

Financial Summary

The following tables set forth a summary of certain financial information regarding the City and have been extracted from the City's audited basic financial statements for the fiscal years ended June 30, 2014 through 2018. The summary itself is unaudited. A copy of the City's audited basic financial statements for fiscal year ended June 30, 2018 is appended hereto as "APPENDIX A—BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018."

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CITY OF OREM
Statement of Net Position – Primary Government
(This summary has not been audited.)

	<u>Fiscal Year Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSETS					
Cash and Cash Equivalents	\$56,362,380	\$44,526,183	\$36,413,793	\$30,484,879	\$22,990,143
Receivables (Net)	5,651,444	5,767,806	4,247,540	3,618,088	3,707,354
Property & Other Taxes Receivable	10,041,694	9,777,951	9,402,986	8,993,149	8,790,520
Special Assessments Receivable	202,977	200,058	236,015	234,286	4,608,574
Intergovernmental Receivables	206,445	269,779	270,496	774,118	315,392
Investments	18,936,827	16,643,769	16,067,805	16,011,321	12,820,173
Inventory	403,153	418,842	391,775	431,070	421,058
Notes Receivable	154,510	182,290	239,881	304,314	324,261
Assets Acquired for Resale	–	–	–	241,000	–
Prepaid Expenses	63,195	52,517	73,506	70,707	146,343
<i>Restricted Assets:</i>					
Cash & Cash Equivalents					
Debt Service	2,966,918	2,658,525	5,725,208	6,056,216	3,962,783
Capital Improvements	9,658,664	10,045,677	20,625,200	13,534,520	15,179,084
Other Purposes	2,892,099	2,308,321	1,607,722	1,600,126	2,416,510
Receivables					
Debt Service	1,444,675	1,449,250	1,913,813	1,918,650	1,939,601
Capital Improvement					
Projects	1,970,036	2,373,786	2,327,124	2,143,069	2,454,242
Other Purposes	1,437,255	1,215,070	1,289,080	1,279,399	1,339,703
Investments-Debt Service	2,372,673	2,326,151	–	–	–
Investments-CIP	2,116,080	1,870,076	–	–	–
Net Pension Assets	871,227	11,876	18,964	476,725	–
Non-depreciable Capital Assets	71,537,499	72,974,535	72,575,964	71,089,441	66,575,069
Depreciable Capital Assets (net)	<u>165,545,164</u>	<u>164,490,569</u>	<u>157,972,081</u>	<u>161,074,059</u>	<u>163,261,170</u>
Total Assets	354,834,915	339,563,031	331,398,953	320,335,137	311,251,980
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Loss					
on Debt Refundings	1,178,572	1,340,897	968,678	1,083,435	1,049,482
Pensions	<u>12,076,179</u>	<u>11,042,639</u>	<u>8,362,079</u>	<u>2,553,083</u>	–
Total Deferred Outflows of Resources	<u>13,254,751</u>	<u>12,383,536</u>	<u>9,330,757</u>	<u>3,636,518</u>	<u>1,049,482</u>
Total Assets & Deferred Outflows	<u>\$368,089,666</u>	<u>\$351,946,567</u>	<u>\$340,729,710</u>	<u>\$323,971,655</u>	<u>\$312,301,462</u>

Continued on next page

(Source: The City's audited financial statements for the fiscal years ended June 30, 2014 through June 30, 2018, as summarized by City's annual disclosure report posted December 20, 2018.)

CITY OF OREM
Statement of Net Position – Primary Government
(This summary has not been audited.)

Continued from prior page . . .

	<u>Fiscal Year Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
LIABILITIES					
Accounts Payable	\$4,208,239	\$4,773,143	\$3,944,269	\$3,616,492	\$3,892,701
Customer Deposits	3,998,004	3,062,758	3,958,442	3,783,201	2,972,252
Accrued Liabilities	1,470,397	1,759,560	1,518,736	1,341,099	1,191,773
Unearned Revenues	1,965,308	1,890,069	1,971,882	1,963,863	1,905,408
Accrued Interest Payable	254,128	462,848	367,612	457,218	600,436
Liabilities Payable					
from Restricted Assets	345,404	33,884	58,828	34,358	142,381
Due Within One Year	7,119,121	8,322,088	8,249,618	9,146,414	8,184,425
Due in More Than One Year	<u>47,508,762</u>	<u>57,611,077</u>	<u>60,941,543</u>	<u>56,508,639</u>	<u>56,296,983</u>
Total Liabilities	66,869,363	77,915,427	81,010,930	76,851,284	75,186,359
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenues					
- Property Taxes	8,021,898	8,196,951	8,612,038	8,496,525	8,676,355
Pensions	<u>9,413,998</u>	<u>3,146,492</u>	<u>2,316,851</u>	<u>2,245,743</u>	—
Total Deferred Inflows of Resources	17,435,896	11,343,443	10,928,889	10,742,268	8,676,355
NET POSITION					
Net Investment in Capital Assets	196,545,335	191,683,821	183,723,329	180,622,305	170,838,383
Restricted for Debt Service	5,339,591	4,984,676	5,725,208	6,056,216	3,962,783
Restricted for Capital Improvements	12,231,819	12,282,402	15,056,717	13,812,082	15,641,264
Restricted for Pensions	871,227	11,876	18,964	476,725	—
Restricted for Community Devp	3,609,728	2,465,412	1,966,450	2,325,070	2,077,923
Unrestricted	<u>65,186,707</u>	<u>51,259,510</u>	<u>42,299,223</u>	<u>33,085,705</u>	<u>35,918,395</u>
Total Net Position	<u>283,784,407</u>	<u>262,687,697</u>	<u>248,789,891</u>	<u>236,378,103</u>	<u>228,438,748</u>
Total Liabilities, Deferred Inflows, & Net Position	<u>\$368,089,666</u>	<u>\$351,946,567</u>	<u>\$340,729,710</u>	<u>\$323,971,655</u>	<u>\$312,301,462</u>

(Source: The City's audited financial statements for the fiscal years ended June 30, 2014 through June 30, 2018, as summarized by City's annual disclosure report posted December 20, 2018.)

CITY OF OREM
Balance Sheet—General Fund
(This summary has not been audited.)

	<u>Fiscal Year Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSETS					
Cash and Cash Equivalents	\$27,055	\$411,877	\$1,231,834	\$2,367,689	\$1,067,453
Receivables (Net)	831,265	732,952	740,068	582,373	589,213
Property Taxes Receivable	5,167,223	5,132,701	5,028,301	4,914,601	4,722,754
Other Taxes Receivable	4,874,471	4,645,250	4,374,685	4,078,548	4,067,766
Special Assessments Receivable	202,977	200,058	236,015	234,286	4,608,574
Intergovernmental Receivables	109,743	220,624	179,208	197,014	245,650
Due from Other Funds	38,189	-	-	54,709	-
Investments	18,986,827	16,643,769	16,067,805	16,011,321	12,820,173
Prepays	63,195	51,517	57,122	70,707	146,343
<i>Restricted Cash & Cash</i>					
<i>Equivalents</i>					
Debt Service	789,137	773,664	3,039,031	2,979,443	2,921,027
Capital Improvements	1,454,771	1,418,086	2,697,310	2,445,614	2,274,119
Other Purposes	901,574	172,205	141,464	136,172	12,201
<i>Restricted Receivables</i>					
Capital Improvement Projects	560,036	758,786	657,200	479,795	440,242
Other Purposes	168,140	-	-	-	-
<i>Restricted Investments</i>					
Debt Service	2,372,673	2,326,151	-	-	-
Capital Improvement Projects	<u>2,116,080</u>	<u>1,870,076</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>38,663,356</u>	<u>35,357,716</u>	<u>34,450,043</u>	<u>34,552,272</u>	<u>33,915,515</u>
LIABILITIES					
Accounts Payable	459,301	891,032	517,851	719,412	851,383
Customer Deposits	3,869,148	2,960,240	3,884,092	3,704,908	2,912,030
Accrued Liabilities	1,591,769	1,568,771	1,461,698	1,377,689	1,307,779
Unearned Revenues	1,274,168	1,306,418	1,360,488	1,361,137	1,380,550
Liabilities Payable					
from Restricted Assets	<u>345,404</u>	<u>33,884</u>	<u>58,828</u>	<u>34,358</u>	<u>142,381</u>
Total Liabilities	<u>7,539,790</u>	<u>6,760,345</u>	<u>7,282,957</u>	<u>7,197,504</u>	<u>6,594,123</u>
DEFERRED INFLOWS					
Deferred Revenues-Property Taxes	5,167,223	5,132,701	5,028,301	4,914,601	4,722,754
Deferred Revenues-Receivables	522,406	446,644	560,563	437,936	4,856,368
Total Deferred Inflows					
of Resources	5,689,629	5,579,345	5,588,864	5,352,537	9,579,122
FUND BALANCES					
Nonspendable	42,132	51,517	57,122	70,707	146,343
Restricted	8,333,431	7,292,911	6,484,410	6,057,938	5,554,462
Committed	-	-	-	-	75,000
Assigned	3,559,271	2,844,275	3,562,553	3,125,711	1,893,107
Unassigned	<u>13,449,103</u>	<u>12,829,323</u>	<u>11,474,137</u>	<u>12,747,875</u>	<u>10,073,358</u>
Total Fund Balances	<u>25,383,937</u>	<u>23,018,026</u>	<u>21,578,222</u>	<u>22,002,231</u>	<u>17,742,270</u>
Total liabilities, deferred inflows, & fund balances	<u>\$38,613,356</u>	<u>\$35,357,716</u>	<u>\$34,450,043</u>	<u>\$34,552,272</u>	<u>\$33,915,515</u>

Source: The City's audited financial statements for the fiscal years ended June 30, 2014 through June 30, 2018, as summarized by City's annual disclosure report posted December 20, 2018.)

CITY OF OREM
Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types
(This summary has not been audited.)

	<u>Fiscal Year Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
REVENUES					
Taxes & Special Assessments	\$41,982,483	\$40,804,822	\$39,473,431	\$43,549,348	\$40,004,715
Licenses & Permits	1,813,030	1,815,943	1,745,483	2,524,794	1,437,173
Intergovernmental	5,326,785	4,367,601	4,122,570	5,350,019	3,685,664
Charges for Services	8,049,206	7,944,803	7,671,801	7,624,838	6,387,452
Fines & Forfeitures	1,839,251	1,699,609	1,588,994	1,792,829	1,587,870
Charges for Services					
-Other Funds	4,283,205	3,739,141	3,666,672	4,042,299	4,498,406
Investment Earnings	776,059	602,736	691,037	397,648	420,619
Miscellaneous Revenue	<u>1,965,255</u>	<u>2,358,487</u>	<u>1,689,679</u>	<u>1,630,154</u>	<u>1,665,174</u>
Total Revenues	<u>66,035,274</u>	<u>63,333,142</u>	<u>60,649,667</u>	<u>66,911,929</u>	<u>59,687,073</u>
EXPENDITURES					
<i>Current:</i>					
General government	13,245,295	12,810,872	12,143,760	11,539,358	11,609,569
Public Safety	22,539,915	21,752,711	21,144,586	19,847,226	19,951,315
Highways &					
Public Improvements	3,053,824	3,029,415	2,922,708	2,828,824	2,934,326
Parks, Recreation & Arts	7,465,177	7,593,094	7,512,284	7,485,247	7,016,106
Economic & Physical Devp	1,056,219	862,478	788,526	886,236	707,759
Redevelopment	761,151	1,195,421	99,182	1,231,600	1,215,842
Debt Service - Principal	3,095,833	3,515,873	4,369,370	5,486,955	3,814,621
Debt Service - Interest	3,473,151	3,554,590	3,802,678	4,201,272	6,706,815
Capital Leases - Principal	546,506	109,494	114,173	108,376	108,318
Capital Leases - Interest	311,092	4,540	7,037	9,177	10,218
Capital Outlay	<u>7,426,441</u>	<u>15,109,224</u>	<u>6,044,338</u>	<u>7,573,606</u>	<u>7,180,569</u>
Total Expenditures	<u>62,974,604</u>	<u>69,537,712</u>	<u>58,948,642</u>	<u>61,197,877</u>	<u>61,255,458</u>
Excess (Deficiency) of Revenues/Expenditures	<u>3,060,670</u>	<u>(6,204,570)</u>	<u>1,701,025</u>	<u>5,714,052</u>	<u>(1,568,385)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds & Other Debt	-	2,898,000	-	10,174,331	-
Payment to					
Bond Refunding Agent	-	(2,861,199)	-	(9,792,760)	-
Capital Leases	-	-	6,739,000	64,113	26,454
Proceeds from					
Lease Relinquishments	-	-	-	2,500,000	-
Transfers In	13,220,391	11,857,495	12,998,035	11,483,900	7,452,857
Transfers out	<u>(12,453,195)</u>	<u>(11,610,436)</u>	<u>(12,644,039)</u>	<u>(10,898,865)</u>	<u>(6,952,208)</u>
Total Other Financing Sources/(Uses)	<u>767,196</u>	<u>283,860</u>	<u>7,092,996</u>	<u>3,530,719</u>	<u>527,103</u>
Net Change in Fund Balance	3,827,866	(5,920,710)	8,794,021	9,244,771	(1,041,282)
Fund Balance - Beginning	<u>45,762,775</u>	<u>51,683,485</u>	<u>42,889,464</u>	<u>33,644,693</u>	<u>34,685,975</u>
Fund Balance - Ending	<u>\$49,590,641</u>	<u>\$45,762,775</u>	<u>\$51,683,485</u>	<u>\$42,889,464</u>	<u>\$33,644,693</u>

(Source: Information extracted from the City's audited basic financial statements for the fiscal years 2014 through 2018. This summary itself is unaudited.)

AD VALOREM TAX SYSTEM

[Currently under review for updates]

Tax Levy and Collection

The Utah State Tax Commission (the “State Tax Commission”) must assess all centrally-assessed property by May 1 of each year and shall immediately notify the owners or operators of such property, and the county assessors, of such assessment. County assessors must assess all taxable property other than centrally assessed property before May 22 of each year. Before May 25, the State Tax Commission apportions the value of centrally assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a final tax rate before June 22 except as described below for rates in excess of the certified tax rate. County auditors must forward to the State Tax commission a statement prepared by the governing body of each taxing entity showing the amount and purpose of each levy.

If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum level permitted by law, notify the taxing entity that the rate has been lowered, and notify the county auditor of the county in which the taxing entity is located to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county board of equalization will meet to hear complaints. Within 30 days following the mailing of the notice, taxpayers owning property assessed by a county assessor may file an application with the appropriate county board of equalization for the purpose of contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal no later than October 1, (with extensions requiring State Tax Commission approval). Such decision may be appealed to the State Tax Commission, which must decide all appeals by March 1 of the following year. Owners of centrally assessed property, or any county with a showing of reasonable cause, may apply to the State Tax Commission on or before June 1 for a hearing to contest the assessment of centrally-assessed property. The State Tax Commission must render a written decision within 120 days following completion of the hearing and submission of all post hearing briefs. The county auditors must make a record of all changes, corrections and orders and, before November 1, must deliver the corrected assessment rolls to their respective county treasurers. By November 1, the county treasurers are to furnish to each taxpayer a notice containing the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review. Taxes are due November 30 or, if a Saturday, Sunday, or holiday, the following business day.

Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay the State and each taxing entity within the county its proportionate share of the taxes, on the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or \$10.00 whichever is greater. However, if the delinquent taxes and penalty are paid on or before January 31 of the following year, the penalty is only 1% of the amount of the delinquent taxes or \$10, whichever is greater. The amount of delinquent taxes and penalty bears interest at the federal discount rate in effect on January 1, plus 6% from January 1 until paid, but can be no less than 7% and no more than 10%. If after four years from the date the taxes become delinquent and taxes have not been paid, the affected county may advertise and sell the property at a tax sale.

Public Hearing on Certain Tax Increases

Each taxing entity that proposes to levy a tax rate that exceeds the “certified tax rate” may do so, by resolution, only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity collected for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of new growth. New growth is any increase in taxable value of the taxing entity from the previous calendar year to the current year less the amount of increase to locally-assessed real property taxable values resulting from factoring, reappraisal, other adjustments, or changes in the method of apportioning taxable value. With certain

exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public, and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

On or before July 22 of the year in which such an increase is proposed, notice of the public hearing must be mailed to all property owners and, in most cases, must be advertised electronically and by publication. The notice of the hearing must state, among other things, the value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

Ad Valorem Tax System

The Property Tax Act, Title 59, Chapter 2, Utah Code (the “Property Tax Act”), provides that all taxable property within the taxing entity is required to be assessed and taxed at a uniform and equal rate on the basis of 100% of its “fair market value” as of January 1 of each year, unless otherwise provided by law. “Fair market value” is defined in the Property Tax Act as “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.” Determinations of “fair market value” shall take into account the current zoning laws applicable to the property in question. Section 3 of Article XIII of the State Constitution (the “State Constitution”) provides that the State Legislature may by law exempt from taxation up to 45% of the fair market value of residential property as defined by law. Pursuant to this provision, the State Legislature enacted legislation which became effective on January 1, 1995 providing that the “fair market value” of primary residential property will be reduced by 45%. No more than one acre of land per residential unit may qualify for the residential exemption.

The Property Tax Act provides that the State Tax Commission shall assess certain types of property (“centrally-assessed property”), including (i) properties that operate as a unit across county lines that must be apportioned among more than one county or state, (ii) public utility (including railroad) properties, (iii) airline operating properties, (iv) geothermal properties and (v) mines, mining claims and appurtenant machinery, furnishings and improvements, including oil and gas properties. All other taxable property (“locally-assessed property”) is required to be assessed by the county assessor of the county in which such locally-assessed property is located. Each county assessor must update property values annually based upon a systematic review of current market data. Each county assessor must also complete a detailed review of property characteristics for each parcel of property at least once every five years. The Property Tax Act requires that the State Tax Commission conduct an annual investigation in each county to determine whether all property subject to taxation is on the assessment rolls and whether the property is being assessed at its “fair market value.”

The State Tax Commission and the county assessors utilize various valuation methods, as determined by statute, administrative regulation or accepted practice, to determine the “fair market value” of taxable property.

Many areas within the State have agricultural farmland devoted to the raising of useful plants and animals. For general property tax purposes, agricultural land is assessed based on statutory requirements and the value which the land has for agricultural use or on its agricultural value.

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on either the age or the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to a fixed age-based fee, and motor homes, for which the uniform fee is 1.0% of the fair market value. Motor vehicles weighing 12,000 pounds or less are subject to an age-based fee that is due each time the vehicle is registered. The age-based fee is for passenger-type vehicles and ranges from \$10 to \$150, depending on the age of the vehicle. Recreational vehicles (except motor homes), motorcycles, watercraft (except large watercraft), snowmobiles and certain small motor vehicles required to be registered with the State are also subject to an age-based fee that ranges from \$10 to \$700, depending on the age of the vehicle. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.

Comparative Total Property Tax Rates of the City and Surrounding Cities ⁽¹⁾

<u>City</u>	<u>2017 Tax Rate</u>	<u>2016 Tax Rate</u>	<u>2015 Tax Rate</u>	<u>2014 Tax Rate</u>	<u>2013 Tax Rate</u>
American Fork	.0106390	.0114510	.012066	.012232	.013182
Lehi	.0103970	.0112060	.011805	.011875	.012876
Lindon	.0099870	.0107970	.011421	.011529	.012475
Orem	.0099130	.0107500	.011367	.011419	.012314
Payson	.0119470	.0120260	.012109	.012022	.012022
Pleasant Grove	.0105860	.010965	.011579	.011689	.012669
Provo	.0107850	.0115710	.011448	.010982	.011755
Spanish Fork	.0116220	.0117780	.011920	.011877	.012452

⁽¹⁾ Tax rates are the total of all taxing districts within the cities.
(Source: Utah County Treasurer.)

Taxable Value and Estimated Fair Market Value of Property in City ⁽¹⁾

<u>Calendar Year</u>	<u>Taxable Value</u>	<u>Percentage Change Over Prior Year</u>	<u>Fair Market Value⁽²⁾</u>	<u>Percentage Change Over Prior Year</u>
2018*	\$6,210,740,661*	8.31%	n/a	n/a
2017	5,734,268,035	8.31	\$8,534,812,856	8.78%
2016	5,294,517,047	7.30	7,846,197,485	7.96
2015	4,934,464,071	5.26	7,267,727,717	6.22
2014	4,687,940,210	8.17	6,842,338,176	8.98
2013	4,333,955,495	2.44	6,278,510,424	2.87
2012	4,230,603,628	—	6,103,133,090	—

⁽¹⁾ Taxable and Fair Market values shown in this table exclude the taxable value used to determine uniform fees on tangible personal property.

⁽²⁾ Fair market values are estimated based on reported taxable values (which values represent a reduction of fair market value of primary residential property by 45%).

* Preliminary; subject to change. Estimated 2018 fair market value is not yet available.
(Source: Utah State Tax Commission.)

Historical Property Tax Rates—Direct and Overlapping Governments ⁽¹⁾

<u>Tax Year</u>	<u>City of Orem</u>			<u>Alpine School District</u>	<u>Utah County</u>	<u>Central Utah Water Conservancy District</u>	<u>Metro Water District of Orem</u>	<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>					
2017	0.001050	0.000296	0.001346	0.007167	0.000969	0.000400	0.000031	0.009913
2016	0.001123	0.000427	0.001550	0.007718	0.001049	0.000400	0.000033	0.010750
2015	0.001188	0.000464	0.001652	0.008177	0.001098	0.000405	0.000035	0.011367
2014	0.001217	0.000499	0.001716	0.008096	0.001149	0.000422	0.000036	0.011419
2013	0.001324	0.000547	0.001871	0.008699	0.001259	0.000446	0.000039	0.012314
2012	0.001355	0.000566	0.001921	0.008828	0.001324	0.000455	0.000040	0.012568

⁽¹⁾ The tax rate is applied directly to the taxable value of the property.
(Source: Utah State Tax Commission—Property Tax Division.)

Assessed and Estimated Fair Market Value of Taxable Property (Locally Assessed Only)

<u>Year</u>	<u>Real Property</u>	<u>Personal Property⁽¹⁾</u>	<u>Taxable Value</u>	<u>Estimated Fair Market Value</u>	<u>Ratio of Total Taxable Value to Total Estimated Fair Market Value</u>
2017	\$5,373,049,614	\$361,218,421	\$5,734,268,035	\$8,534,812,856	67.19%
2016	4,946,027,996	348,489,051	5,294,517,047	7,846,197,485	67.48
2015	4,589,419,925	345,044,146	4,934,464,071	7,267,727,717	67.90
2014	4,321,829,217	366,110,993	4,687,940,210	6,842,338,176	68.51
2013	3,960,906,763	373,048,732	4,333,955,495	6,278,510,424	69.03
2012	3,877,034,587	353,569,041	4,230,603,628	6,103,133,090	69.32

⁽¹⁾ Includes fee in lieu property values and values used to determine uniform fees on tangible personal property.
(Source: The City, Utah State Tax Commission)

Summary of All Taxable Values

[Table to come]

	<u>2017 Taxable Value</u>	<u>2016 Taxable Value</u>	<u>2015 Taxable Value</u>	<u>2014 Taxable Value</u>	<u>2013 Taxable Value</u>
<i>Total Centrally Assessed</i>					
<i>Locally Assessed:</i>					
<i>Real Property – Land</i>					
Primary Residential					
Secondary Residential					
Commercial & Industrial					
FAA					
Unimproved Non FAA					
Total Real Property–Land					
<i>Real Property – Buildings</i>					
Primary Residential					
Secondary Residential					
Commercial & Industrial					
Agricultural					
Total Real					
Property–Buildings					
Total Real Property					
<i>Personal Property:</i>					
Primary Mobile Homes					
Other Business Personal					
Semiconductor Mnf. Equip					
Total Personal Property					
Total Locally Assessed					
Total Taxable Value					
MV Value Estimate					
Fair Market Value					

(Source: Utah State Tax Commission.)

Property Tax Levies and Collections

<u>Tax Year⁽¹⁾</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections⁽²⁾</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
2017	\$7,204,690	\$6,754,817	93.76%	\$405,286	\$7,160,103	99.38%
2016	7,586,065	7,059,043	93.05%	480,425	7,539,468	99.39%
2015	7,529,322	6,935,505	92.11%	510,411	7,445,916	98.89%
2014	7,387,198	6,793,773	91.97%	493,765	7,287,538	98.65%
2013	7,374,914	6,815,131	92.41%	439,124	7,254,255	98.36%
2012	7,370,522	6,788,600	92.10%	480,274	7,268,874	98.62%
2011	7,301,643	6,644,493	91.00%	558,514	7,203,007	98.65%
2010	7,075,315	6,381,759	90.20%	594,240	6,975,999	98.60%
2009	6,953,441	6,216,940	89.41%	638,316	6,855,256	98.59%
2008	6,760,841	6,077,279	89.89%	596,016	6,673,295	98.71%

(1) Taxes are collected and reported by the County on a calendar year basis rather than on a July 1 to June 30 fiscal year.

(2) [Includes delinquent property tax and interest/penalty.]

(Source: The City.)

Principal Property Taxpayers in the City

The following table sets forth the principal property taxpayers in the City for calendar year 2017:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2017 Taxable Value</u>	<u>Percentage of Total Taxable Value⁽¹⁾</u>
University Mall	Retail	\$192,127,100	3.35
TCU Properties		59,825,200	1.04
Pacificorp	Utility	57,673,654	1.01
Timpanogos Regional Hospital	Hospital	40,612,100	0.71
Dominion Energy	Utility	40,183,190	0.70
University Crossing Shopping Ctr	Retail	24,285,500	0.42
Carillon Square LLC		22,812,900	0.40
Midtown360 LLC		21,080,680	0.37
Boyer Lake Pt Shopping Ctr	Retail	18,732,800	0.33
Walmart	Retail	17,939,400	0.31
U.S. Synthetics Corporation		17,077,400	0.30
Pinnacle Apartments	Multifamily Housing	16,712,355	0.29
Total		<u>\$529,062,279</u>	<u>9.23%</u>

(1) Based on City's total 2017 taxable value of \$5,734,268,035 (which does not include centrally assessed values).

(Source: The City.)

SALES AND USE TAX

[Currently under review for updates]

Sales and Use Tax

The Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2, Utah Code Annotated 1953, as amended (the “Local Sales and Use Tax Act”), provides that each city and town in the State may levy a local sales and use tax of up to 1.00% on the purchase price of taxable goods and services. Although local governments may elect to levy sales and use taxes at rates less than 1.00%, various provisions of the Local Sales and Use Tax Act encourage them to levy these taxes at the rate of 1.00%. The City currently levies sales and use taxes at the full rate of 1.00%. The legislative intent contained in the Local Sales and Use Tax Act is to provide an additional source of revenues to counties and municipalities that is to be used to finance their capital outlay requirements and to service their bonded indebtedness.

The local sales and use tax is levied in addition to a statewide sales and use tax (the “Statewide Tax”). As of the date of this Official Statement the Statewide Tax is 4.70% of the purchase price of taxable goods and services (except that only 1.75% is levied on unprepared food and food ingredients), with sales of natural gas, electricity and fuel oil for residential use being taxed at an additional statewide rate of 2.00%. However, subsequent to an initiative approved by State voters in the November 2018 general election, the Statewide Tax will increase to 4.85% beginning April 1, 2019, with the 0.15% increase to be used to fund Medicaid expansion in the State. The taxable transactions and the exemptions under the Local Sales and Use Tax Act conform to those of the Statewide Tax.

In addition to the sales and use taxes described above, counties and cities in the State are authorized to impose sales and use taxes to fund a public transportation system, for zoo, art and parks purposes and at the option of the county for general fund purposes of the county. The total sales and use tax imposed in the City (other than certain specialty taxes, including a motor vehicle rental tax, a transient room tax and a tourism restaurant tax imposed by the County) is 6.85%.

Sales tax is imposed on the amount paid or charged for sales of tangible personal property in the State and for services rendered in the State for the repair, renovation or installation of tangible personal property. Use tax is imposed on the amount paid or charged for the use, storage or other consumption of tangible personal property in the State, including services for the repair, renovation or installation of such tangible personal property. Sales and use taxes also apply to leases and rentals of tangible personal property if the tangible personal property is in the State, the lessee takes possession in the State or the tangible personal property is stored, used or otherwise consumed in the State.

Local sales and use taxes are collected by the Utah State Tax Commission and distributed on a monthly basis to each county, city and town. The distributions are based on a formula, which provides that (1) 50% of sales tax collections will be distributed on the basis of the population of the local government and (2) 50% of sales tax collections will be distributed on the basis of the point of sale (the “50/50 Distribution”). The 50/50 Distribution formula is subject provisions for certain qualifying counties, cities and towns making them eligible to receive a minimum tax revenue distribution calculated as provided in the Local Sales and Use Tax Act.

Utility Franchise Taxes and Fees

Under Utah law, municipalities have the authority to impose a tax, license, fee, license fee, license tax, energy sales and use tax or similar charge at a rate not exceeding 6% of gross revenues of public utilities collected within the boundaries of the municipality (or, in the case of gas and electric service providers, not exceeding 6% of the “delivered value” of “taxable energy”). Utilities upon which these taxes and fees may be levied include telephone, natural gas, electric energy service companies and city public utilities. Utility franchise taxes and fees are collected by the utility and remitted on a monthly basis to the local government. Energy sales and use taxes are, in certain circumstances, remitted by the energy service provider to the State Tax Commission and then to the municipality.

The City has previously levied a combination of utility franchise fees and privilege taxes on certain utilities doing business within its boundaries equal in the aggregate to (i) 3.5% telecommunication tax or gross receipts for all

entities engaged in telecommunications, including Verizon, T-Mobile, CenturyLink, Inc. and AT&T Communications, Inc., among others; (ii) 6% energy sales and use tax on gross receipts from Rocky Mountain Power, Questar Gas, and City public utilities; and (iii) a 5% cable television franchise tax from Comcast.

LEGAL MATTERS

General

The authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel to the City. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by Greg W. Stephens, Esq., the City Attorney. The approving opinion of Bond Counsel will be delivered with the Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in APPENDIX B of this Official Statement will be made available upon request from the contact person as indicated under “INTRODUCTION—Contact Persons” above.

Absence of Litigation

The City Attorney has officially advised that, to the best of his knowledge after due inquiry, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the Bonds.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law existing as of the issue date of the Bonds:

Federal Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bond counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of Utah income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading “TAX MATTERS.”

State of Utah Tax Exemption. The interest on the Bonds is exempt from State of Utah individual income taxes.

Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading “TAX MATTERS.”

Other Tax Consequences

[Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

UNDERWRITING

[UNDERWRITER], as the underwriter of the Bonds (the “Underwriter”), has agreed, subject to certain conditions, to purchase all of the Bonds from the City at a purchase price of \$_____ (being the par amount of the Bonds [plus/less] [net] original issue [premium/discount] of \$_____ and less Underwriter’s discount of \$_____) and to make a public offering of the Bonds. The Bonds may be offered and sold to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than the offering prices set forth on the cover page of this Official Statement and such public offering prices may be changed from time to time.

Although the Underwriter expects to maintain a secondary market in the Bonds after the initial offering, no guarantee can be given concerning the future existence of such a secondary market or its maintenance by the Underwriter or others.

MUNICIPAL ADVISOR

The City has engaged Lewis Young Robertson & Burningham, Inc., Salt Lake City, Utah (the “Municipal Advisor”), to provide financial recommendations and guidance to the City with respect to preparation for sale of the Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors relating to the sale of the Bonds. The Municipal Advisor has read and participated in the drafting of certain provisions of this Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of the Official Statement or any other matters related to the Official Statement. Municipal Advisor fees are contingent upon the sale and delivery of the Bonds.

BOND RATING

[S&P Global Ratings (“S&P”)] has assigned a rating of [“_____”] to the Bonds. An explanation of such ratings may be obtained from the agency furnishing such rating. There is no assurance that any rating assigned to the Bonds will be maintained for any period of time or that such rating may not be lowered or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE UNDERTAKING

The City, for the benefit of the beneficial owners of the Bonds, will execute a continuing disclosure undertaking (the “Undertaking”) pursuant to which the City will send certain information annually and provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission. See “APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING” below.

[The City reports that – *(please state any instances of noncompliance with any previous disclosure undertakings within the last five years)*]

A failure by the City to comply with the Continuing Disclosure Undertaking will not constitute a default under the Resolution and beneficial owners of the Bonds are limited to the remedies described in the Continuing Disclosure Undertaking. See “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING—Default.” A failure by the City to comply with the Continuing Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

MISCELLANEOUS

Independent Accountants

The financial statements of the City as of June 30, 2018, and for the year then ended, included in this Official Statement, have been audited by Gilbert & Stewart, C.P.A., P.C., Provo, Utah (“Gilbert & Stewart”), as stated in its report in APPENDIX A to this Official Statement. Gilbert & Stewart has not been asked regarding the use of its name and its report on the financial statements of the City for fiscal year ended June 30, 2018, in this Official Statement.

Copies of the City’s comprehensive annual financial report may be obtained upon request from the City’s Administrative Services Division, 56 North State Street, Orem, Utah 84057.

Additional Information

All quotations contained herein from and summaries and explanations of, the State Constitution, statutes, programs and laws of the State, court decisions and the Resolution, do not purport to be complete, and the reference is made to said State Constitution, statutes, programs, laws, court decisions and the Resolution for full and complete statements of their respective provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact.

The appendices attached hereto are an integral part of this Official Statement and should be read in conjunction with the foregoing material.

This Preliminary Official Statement is in a form “deemed final” by the City for purposes for Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement and its distribution and use have been duly authorized by the City.

CITY OF OREM, UTAH

APPENDIX A
AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

[To be added by Bond Counsel; in progress]

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Bonds, Gilmore & Bell, P.C., Bond Counsel to the City, proposes to issue its approving opinion in substantially the following form:

We have acted as bond counsel for the City of Orem, Utah (the “Issuer”), in connection with the issuance by the Issuer of its \$_____ General Obligation Bonds, Series 2019 (the “Bonds”) pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended; (ii) a resolution of the Issuer adopted on January 8, 2019 (the “Resolution”), which provides for the issuance of the Bonds; (iii) a bond election held within the Issuer on November 6, 2018; and (iv) other applicable provisions of law. The Bonds are being issued for the purpose of (a) paying all or a portion of the costs of acquiring, constructing, furnishing and equipping (i) renovations, additions and improvements to the Issuer’s family fitness center, including family friendly changing rooms, family-oriented facilities, a suspended track and all ancillary and related improvements, and (ii) a community library hall at the City Center Campus, including all ancillary and related improvements; and (b) paying expenses incurred in connection with the issuance of the Bonds.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination and the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

1. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
2. The Bonds are valid and binding general obligations of the Issuer for the payment of which the full faith and credit of the Issuer are pledged and for the payment of which ad valorem taxes may be levied on all taxable property within the boundaries of the Issuer without limit as to rate or amount.
3. The interest on the Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.
4. The interest on the Bonds is exempt from State of Utah individual income taxes.

We express no opinion herein regarding the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Bonds.

The rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent applicable, and their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Respectfully submitted,

APPENDIX C

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the City of Orem, Utah (the “City”), in connection with the issuance of the City’s General Obligation Bonds, Series 2019 in the aggregate principal amount of \$ _____ (the “Bonds”). The Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”); (ii) a resolution of the City adopted on January 8, 2019 (the “Resolution”), which provides for the issuance of the Bonds; (iii) a bond election held within the City on November 6, 2018; and (iv) other provisions of law. The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (each as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report of the City” means the Annual Report of the City provided by the City pursuant to, and as described in Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the City, acting in its capacity as Dissemination Agent hereunder, or any of its successors or assigns.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

“MSRB” shall mean the Municipal Securities Rulemaking Board, the address of which is 1300 I Street, NW, Suite 1000, Washington DC 20005-3314; Telephone (202) 838-1500; Fax (202) 898-1500, and the website address of which is www.msrb.org and www.emma.org (for municipal disclosures and market data).

“Official Statement” shall mean the Official Statement of the City dated _____, 2019, relating to the Bonds.

“Participating Underwriter” shall mean the original underwriter of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall prepare an Annual Report of the City and shall, or shall cause the Dissemination Agent to, not later than 180 days following the end of each fiscal year of the City (presently June 30), commencing with the fiscal year ended June 30, 2019, provide or cause to be provided to the MSRB, the Annual Report of the City which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than fifteen (15) business days prior to said date, the City shall provide the Annual Report of the City to the Dissemination Agent. In each case, the Annual Report of the City may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date.

If the City's fiscal year changes, it shall give notice of such change in the same manner as for Listed Event under Section 5(f).

(b) If by fifteen (15) business days prior to the date specified in Section 3(a) for providing the Annual Report of the City to the MSRB, the Dissemination Agent has not received a copy of the Annual Report of the City, the Dissemination Agent shall contact the City to determine if the City is in compliance with Section 3(a).

(c) If the Dissemination Agent is unable to verify that the Annual Report of the City has been provided to the MSRB by the dates required in Sections 3(a) and 3(b), the Dissemination Agent, or if there is no Dissemination Agent, the City shall, in a timely manner, send a notice to the MSRB.

(d) The Dissemination Agent shall:

(i) determine each year prior to the dates for providing the Annual Report of the City, the website address to which the MSRB directs the Annual Report to be submitted; and

(ii) file reports with the City, as appropriate, certifying that its Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing the website address to which it was provided.

Section 4. Content of Annual Reports. The Annual Report of the City shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant or a firm of certified public accounts. If the City's audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report of the City and audited financial statements will be provided when and if available.

(b) [An update of the information of the type contained in the Official Statement under the headings "DEBT STRUCTURE OF CITY OF OREM—Outstanding Municipal Debt of the City," "—Overlapping General Obligation Debt," "—General Obligation Legal Debt Limit and Additional Debt Incurring Capacity," "FINANCIAL INFORMATION REGARDING CITY OF OREM—Financial Summaries," and "AD VALOREM TAX SYSTEM—Assessed and Estimated Fair Market Value of Taxable Property," "—Summary of Taxable Value," "—Historical Property Tax Rates," "—Property Tax Levies and Collections," "—Principal Property Taxpayers in the City."]

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City, as appropriate or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City, as appropriate, shall clearly identify each such other document so incorporated by the reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner but not more than ten (10) business days after the event:

- (i) Principal and interest payment delinquencies;
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (iv) Substitution of credit or liquidity providers, or their failure to perform;
- (v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vi) Defeasances;
- (vii) Tender offers;
- (viii) Bankruptcy, insolvency, receivership or similar proceedings; or
- (ix) Rating changes.

(b) Pursuant to the provisions of this Section 5, the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner not more than ten (10) business days after the Listed Event, if material:

- (i) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;
- (ii) Appointment of a successor or additional trustee or the change of the name of a trustee;
- (iii) Non-payment related defaults;
- (iv) Modifications to the rights of the owners of the Bonds;
- (v) Bond calls; or
- (vi) Release, substitution or sale of property securing repayment of the Bonds.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event under 5(b), whether because of a notice from the Trustee or otherwise, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the City has determined that knowledge of the occurrence of a Listed Event 5(b) would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If the City determines that a Listed Event under 5(b) would not be material under applicable federal securities laws, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB in a timely manner but in no case not more than ten (10) business days after the Listed Event.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Undertaking, and may discharge any such

Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the City.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an “obligated person” (as defined in the Rule) with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the City shall describe such amendment in the next Annual Report of the City, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City, as applicable. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the City chooses to include any information in any Annual Disclosure Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Undertaking. The sole remedy under this Disclosure Undertaking in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Duties Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Undertaking may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____, 2019.

(SEAL)

CITY OF OREM, UTAH

By: _____
Mayor

ATTEST:

City Recorder

APPENDIX D

PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or its agent.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

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

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

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

CITY OF OREM
BUDGET REPORT FOR THE MONTH ENDED NOVEMBER 2018

Percent of Year Expired: 42%

Fund	Current Appropriation	Monthly Total	Year-To-Date Total	Encumbrances	Balance	% To Date FY 2019	% To Date FY 2018	Notes
10 GENERAL FUND								
Revenues	52,244,845	3,364,214	15,903,970			30%		
Appr. Surplus - Prior Year	3,293,798		3,293,798			100%		
Std. Interfund Transactions	5,275,308		5,275,308			100%		
Total Resources	60,813,951	3,364,214	24,473,076		36,340,875	40%	38%	
Expenditures	60,813,951	3,084,311	25,248,117	1,784,675	33,781,159	44%	42%	
20 ROAD FUND								
Revenues	3,130,000	599,654	1,087,953			35%		
Appr. Surplus - Current	424,000		424,000			100%		
Appr. Surplus - Prior Year	1,862,049		1,862,049			100%		
Total Resources	5,416,049	599,654	3,374,002		2,042,047	62%	48%	
Expenditures	5,416,049	109,353	2,292,232	727,113	2,396,704	56%	46%	1
21 CARE TAX FUND								
Revenues	2,075,000	216,284	614,156			30%		
Appr. Surplus - Current	100,000		100,000			100%		
Appr. Surplus - Prior Year	3,002,456		3,002,456			100%		
Total Resources	5,177,456	216,284	3,716,612		1,460,844	72%	63%	
Expenditures	5,177,456	11,704	964,349	1,815	4,211,292	19%	24%	
30 DEBT SERVICE FUND								
Revenues	5,706,412	1,358,842	1,963,228			34%		
Appr. Surplus - Prior Year	6,603		6,603			100%		
Total Resources	5,713,015	1,358,842	1,969,831		3,743,184	34%	30%	
Expenditures	5,713,015	1,416,199	1,634,667		4,078,348	29%	25%	
45 CIP FUND								
Revenues	270,000	194,585	352,144			130%		
Appr. Surplus - Prior Year	11,591,434		11,591,434			100%		
Total Resources	11,861,434	194,585	11,943,578		-82,144	101%	101%	
Expenditures	11,861,434	54,285	708,635	460,872	10,691,927	10%	18%	
51 WATER FUND								
Revenues	18,581,062	997,701	11,090,472			60%		
Appr. Surplus - Current Year	1,000,000		1,000,000			100%		
Appr. Surplus - Prior Year	10,973,466		10,973,466			100%		
Total Resources	30,554,528	997,701	23,063,938		7,490,590	75%	72%	
Expenditures	30,554,528	1,100,144	7,230,015	3,547,463	19,777,050	35%	30%	
52 WATER RECLAMATION FUND								
Revenues	10,603,694	1,055,046	4,817,326			45%		
Appr. Surplus - Current Year	1,005,000		1,005,000			100%		
Appr. Surplus - Prior Year	4,121,693		4,121,693			100%		
Total Resources	15,730,387	1,055,046	9,944,019		5,786,368	63%	55%	
Expenditures	15,730,387	360,911	3,496,824	719,934	11,513,629	27%	34%	
55 STORM WATER FUND								
Revenues	4,638,195	414,115	2,091,971			45%		
Appr. Surplus - Current Year	629,988		629,988			100%		
Appr. Surplus - Prior Year	3,010,281		3,010,281			100%		
Total Resources	8,278,464	414,115	5,732,240		2,546,224	69%	64%	
Expenditures	8,278,464	130,878	2,670,661	174,576	5,433,227	34%	30%	
56 RECREATION FUND								
Revenues	2,063,500	54,273	930,942			45%		
Appr. Surplus - Prior Year	2,061		2,061			100%		
Total Resources	2,065,561	54,273	933,003		1,132,558	45%	48%	
Expenditures	2,065,561	126,118	946,979	216,916	901,666	56%	59%	
57 SOLID WASTE FUND								
Revenues	3,794,980	328,720	1,638,126			43%		
Appr. Surplus - Prior Year	248,577		248,577			100%		
Total Resources	4,043,557	328,720	1,886,703		2,156,854	47%	48%	
Expenditures	4,043,557	254,559	1,699,707		2,343,850	42%	40%	

CITY OF OREM
BUDGET REPORT FOR THE MONTH ENDED NOVEMBER 2018

Percent of Year Expired: 42%

Fund	Current Appropriation	Monthly Total	Year-To-Date Total	Encumbrances	Balance	% To Date FY 2019	% To Date FY 2018	Notes
58 STREET LIGHTING FUND								
Revenues	1,733,000	79,753	1,184,651			68%		
Appr. Surplus - Prior Year	108,170		108,170			100%		
Total Resources	1,841,170	79,753	1,292,821		548,349	70%	76%	
Expenditures	1,841,170	23,523	498,195	313,883	1,029,092	44%	67%	2
61 FLEET MAINTENANCE FUND								
Revenues			1,223			100%		
Appr. Surplus - Prior Year	1,421		1,421			100%		
Std. Interfund Transactions	784,000		784,000			100%		
Total Resources	785,421		786,644		-1,223	100%	100%	
Expenditures	785,421	45,443	394,481	3,567	387,373	51%	50%	
62 PURCHASING/WAREHOUSING FUND								
Revenues		15	75			100%		
Appr. Surplus - Prior Year	227		227			100%		
Std. Interfund Transactions	375,000		375,000			100%		
Total Resources	375,227	15	375,302		-75	100%	100%	
Expenditures	375,227	27,317	216,748	1,297	157,182	58%	56%	
63 SELF INSURANCE FUND								
Revenues	555,000	48,554	255,912			46%		
Std. Interfund Transactions	1,235,000		1,235,000			100%		
Total Resources	1,790,000	48,554	1,490,912		299,088	83%	83%	
Expenditures	1,790,000	36,682	1,212,667	489	576,844	68%	69%	
64 INFORMATION TECH FUND								
Revenues		1,200	4,590			100%		
Appr. Surplus - Prior Year	253,755		253,755			100%		
Std. Interfund Transactions	2,380,000		2,380,000			100%		
Total Resources	2,633,755	1,200	2,638,345		-4,590	100%	100%	
Expenditures	2,633,755	135,127	1,000,454	232,588	1,400,713	47%	41%	
74 CDBG FUND								
Revenues	1,157,917	45,713	206,233			18%		
Appr. Surplus - Prior Year	55,321		55,321			100%		
Total Resources	1,213,238	45,713	261,554			22%	35%	3
Expenditures	1,213,238	16,549	200,555	8,125	1,004,558	17%	40%	3
CITY TOTAL RESOURCES	153,818,288	8,677,716	89,951,414		62,915,190	58%	54%	
CITY TOTAL EXPENDITURES	153,818,288	6,774,453	48,916,637	7,646,842	97,254,809	37%	36%	

NOTES TO THE BUDGET REPORT FOR THE MONTH ENDED NOVEMBER 2018:

- 1) The current year paid \$178,029 for an asphalt paver while no such expenditure existed in the prior year. Encumbrances were also higher by \$97,944 in the current year when compared to the prior year.
- 2) The current year expenditures are lower in comparison to the prior year due to the current year encumbrances (\$313,883) being significantly less than in the prior fiscal year (\$861,611) at this date in time. Primarily due to light pole purchases.
- 3) The City received \$217,650 in HUD grant drawdowns in the previous fiscal year which is higher due primarily to lower reimbursement related to our NPU officers in this fiscal year. The Senior Center HVAC project spent \$57,785 in the previous year by the end of November but no such project has been done so far this fiscal year.

Note: In earlier parts of a fiscal year, expenditures may be greater than the collected revenues in a fund. The City has accumulated sufficient reserves to service all obligations during such periods and does not need to issue tax anticipation notes or obtain funds in any similar manner. If you have questions about this report, please contact Richard Manning (229-7037) or Brandon Nelson (229-7010).



City Council Agenda Item Report

Meeting Date: January 8, 2019

Submitted by: Jody Bates

Submitting Department: City Manager' s Office

Item Type: Information Item

Agenda Section:

Subject:

MOTION - Closed Meeting

Suggested Action:

City Council to adjourn into a closed meeting for a strategy session to discuss pending or reasonably imminent litigation, pursuant to Utah Code Section 52-4-205(1)(c).

Presenter:

Background:

Potentially Affected Area:

Attachments: