



Agenda Memorandum

Agenda Item – {{section.number}}.C.

City Council Meeting
May 22, 2023



Strategic Priority 1: Preparedness and Resilience

Build a system of intentional support for residents, businesses and the environment that mitigates risks and proactively seeks out ways to ensure the community not only endures, but thrives.

Subject: Bond Counsel for Tax-Exempt Certificates of Participation (COPs), for the Financing of a Municipal Court Building

Prepared By: David Frankel, City Attorney
Robert Byerhof, Treasury Manager

Recommended City Council Action:

Authorize the City Manager to execute an agreement for bond counsel services with Butler Snow, LLP for a fee not to exceed \$50,000 in connection with the anticipated issuance of tax-exempt Certificates of Participation (COPs) by the City of Westminster for the financing of a Municipal Court building.

Summary Statement:

- All special legal counsel agreements are subject to approval by the City Council in accordance with City Charter requirements.
- Representatives from Butler Snow, LLP have provided legal counsel on a number of past financings, including the Water and Wastewater Utility Enterprise, Sales and Use Tax Revenue Bonds, Park, Open Space, and Trails (POST) Bonds, and various Certificate of Participations (COPs).

Fiscal Impact:

\$50,000

Source of Funds:

Certificate of Participation (COPs) proceeds.

Policy Issue(s):

Should the City retain bond counsel for the anticipated issuance of Certificates of Participation (COPs), for the financing of a Municipal Court building?

Alternative(s):

City Council could direct Staff not to retain special counsel for this transaction. This is not recommended because the tax-exempt Certificate of Participation (COPs) financing cannot be closed without an opinion of bond counsel.

Background Information:

On May 1, 2023, Staff presented to Council a financing strategy for building a replacement Municipal Court building and Council directed Staff to bring forward a reimbursement resolution and financing authorization ordinance for the issuance of COPs. External legal counsel is required for the issuance of COPs by the City. The proposed external legal fees would be paid out of the proceeds at closing. As with all public, tax-exempt financings, this financing will require an opinion from a nationally recognized law firm regarding certain tax-related matters. Ms. Kim Crawford of Butler Snow has served as the City's bond counsel on numerous other issues and is thoroughly familiar with the City's Charter, ordinances, and outstanding bond covenants.

The fees quoted by Butler Snow are reasonable and in line with past financings, and the familiarity of Butler Snow with the City and its financial and legal documents is very valuable. The efficiencies in retaining Butler Snow as bond counsel are significant and will help assure an expeditious closing of the tax-exempt financing.

Obtaining bond counsel services in connection with the anticipated issuance of tax-exempt Certificates of Participation (COPs) supports the City's Strategic Goal of Preparedness and Resilience, as this anticipated financing requires the services of external legal services to help the City issue COPS.

Respectfully Submitted,

Mark A Freitag

Mark A. Freitag
City Manager

Attachments: