

PREPAYMENT OF 1999 URBAN RESERVE
CERTIFICATES OF PARTICIPATION (COPs)

In the year Two Thousand Thirteen.....

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, on September 23, 2013, the Burlington City Council approved by resolution the City's part in the "Act 80 Settlement" of disputed amounts identified in the 2012 Report of the Office of the State Auditor as relating to Burlington's Waterfront TIF District; and

WHEREAS, the City of Burlington was specifically alleged in the June 4, 2012 Audit Report completed by the State Auditor's Office to have retained \$1 million of State Education Fund money as its alleged "underpayment;" the bulk of which was attributed to supposedly improper use of TIF funds for the debt service on the City's \$1,390,000.00 Certificates of Participation ("COP's") issued in 1999 to refinance the City's purchase of the Urban Reserve; and

WHEREAS, the City's settlement resolved all outstanding allegations of underpayment raised by the June 4, 2012 report of the Office of the State Auditor for all times up to the settlement and now the City has further determined that prepayment of the remaining debt service on the Urban Reserve COPs will completely eliminate this matter as an ongoing issue of contention as between the City of Burlington and the State of Vermont; and

WHEREAS, the City has significant escrowed funds in its Waterfront TIF account to prepay the remaining \$573,502.50 principal and interest on the 1999 Urban

Reserve COPs on December 1, 2013 without negative impact on the City's finances and without negative impact on plans relative to the Waterfront TIF District.

NOW THEREFORE BE IT RESOLVED that the City Council does hereby authorize such adjustment to the City budget as is necessary to prepay the remaining \$573,502.50 principal on the 1999 Urban Reserve COPs to close out same on December 1, 2013, and authorizes Bob Rusten, City CAO or his designee make such adjustments and to execute all necessary documents to accomplish same.

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