

**CITY OF LA VISTA  
MAYOR AND CITY COUNCIL REPORT  
OCTOBER 20, 2009 AGENDA**

<b>Subject:</b>	<b>Type:</b>	<b>Submitted By:</b>
ARBITRAGE REBATE SERVICE AGREEMENT	◆ RESOLUTION ORDINANCE RECEIVE/FILE	SHEILA LINDBERG FINANCE DIRECTOR

**SYNOPSIS**

A resolution has been prepared authorizing the Mayor to execute an agreement with Berens-Tate Consulting Group to provide arbitrage rebate services for the City of La Vista in an amount not to exceed \$7,000.

**FISCAL IMPACT**

The funds are budgeted in the FY10 Bond Fund for these services.

**RECOMMENDATION**

Approval.

**BACKGROUND**

There are two bond issues that the City's auditor's, BKD, LLP, suggested that the City obtain an outside service to perform the arbitrage rebate calculations and Berens-Tate is the only local provider of this service.

Arbitrage rebate calculation ensures that the City did not profit unfairly through the issuance of tax exempt bonds for the La Vista Fire Station and Off-Street Parking.

**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA, AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH BERENS-TATE CONSULTING GROUP, OMAHA, NEBRASKA, TO PROVIDE ARBITRAGE REBATE SERVICES FOR THE CITY OF LA VISTA IN AN AMOUNT NOT TO EXCEED \$7,000.00

WHEREAS, the City has determined that it is desirable to contract with an outside service to perform the arbitrage rebate calculations; and

WHEREAS, Berens-Tate is the local provider of said service; and

WHEREAS, the purpose of the calculation ensures that the City did not profit unfairly through the issuance of tax exempt bonds for the La Vista Fire Station and Off-Street Parking; and

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of La Vista, Nebraska, do hereby authorize the Mayor to sign and agreement with Berens-Tate Consulting Group, Omaha, Nebraska, to provide arbitrage rebate services for the City of La Vista in an amount not to exceed \$7,000.00

PASSED AND APPROVED THIS 20TH DAY OF OCTOBER, 2009

CITY OF LA VISTA

\_\_\_\_\_  
Douglas Kindig, Mayor

ATTEST:

\_\_\_\_\_  
Pamela A. Buethe, CMC  
City Clerk

# **BERENS-TATE CONSULTING GROUP**

SPECIALIZING IN PUBLIC SECTOR ACCOUNTING AND FINANCE

October 1, 2009

Sheila A. Lindberg  
City of LaVista  
8116 Park View Blvd  
Lavista, NE 68128

Dear Ms. Lindberg:

Thank you for the opportunity to provide arbitrage rebate services to City of LaVista ("City"). This letter outlines my understanding of the project.

## **SCOPE**

We will perform an arbitrage rebate calculation for the following bonds for the three years ending November 30, 2008:

- City of LaVista Facilities Corporation  
\$5,900,000 Building Bonds (La Vista Fire Station Project)  
Series 2005

and for the following bonds for the three years ending March 31, 2009:

- City of LaVista, Nebraska  
\$7,940,000 General Obligation Off-Street Parking Bonds  
Series 2006

## **PROCEDURES**

We will perform the following procedures:

- Review of bond documentation (official statement, arbitrage certificate, investment information, IRS Form 8038, etc.).
- Determine the bond yield.
- Compute the rebate amount (based upon the net future value of the non-purpose investments or the "cash flow method").
- Work closely with bond counsel to resolve any questions which may arise.
- Work with you to determine the appropriate investment strategy for each bond issue/account, as well as the funding of and accounting for any rebate liability which might exist.

## **REPORTS**

We will prepare the following reports:

- Summary report - describes procedures performed and the amount of any rebate owed.
- Arbitrage rebate report - includes details of all transactions, sources of information, assumptions, as well as the calculation.
- IRS Form 8038-T - prepare the proper IRS Form if any rebate is owed and paid at this time.

## **CITY'S RESPONSIBILITIES**

The City is responsible for providing the Consulting Group with the documentation necessary to complete the calculation. This would include bond documentation (official statement, arbitrage certificate, 8038, etc.), as well as expenditure and investment information (trust statements/activity summary by fund, investment summary, disposition of bond proceeds, etc.). In determining the rebate amount for the Bonds, we will rely on the information provided by you without independent verification. We will retain copies of the records you have supplied us, along with our work papers for your engagement. However, our work papers and files are not a substitute for the original records of the client.

## **FEES**

We estimate our fees for the project will be \$2,500-\$3,000 per issue plus actual out-of-pocket expenses (travel, delivery charges, etc.). This fee is dependent on the availability, quality, and completeness of the records noted above and will be due within 30 days of completion of the project. If unexpected problems arise which are beyond the scope of our work and would affect our fee quote we would discuss these with you and obtain the necessary authorization from you before performing any additional procedures.

We look forward to working with the City of LaVista on this project and appreciate this opportunity to serve you.

Sincerely,

BERENS-TATE CONSULTING GROUP



Chris D. Berens

If you agree with the services outlined in this letter, please sign in the space provided below and return a copy to me.

Accepted by: \_\_\_\_\_

Date: \_\_\_\_\_