City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Mike Pogge-Weaver, City Manager MGP-W

FROM: Laura A. Schaefer, Finance Director/City Clerk LAS

DATE: April 17, 2019

SUBJECT: Resolution declaring an official intent under Treasury Regulation 1.150-2 to issue debt to reimburse the City for certain original expenditures paid in connection with a Fire Pumper Truck and the Street Resurfacing - 2019 Project

The FY 2020 budget incorporates the issuance of tax-exempt general obligation capital loan notes to finance the purchase of a fire pumper truck and partial funding for the Street Resurfacing – 2019 Project. The intent is to issue this type of debt after July 1, 2019. The fire pumper truck is anticipated to be delivered sometime in FY 2020. The Street Resurfacing – 2019 Project is anticipated to be completed by September 30, 2019. The intent is to reimburse these expenditures with debt proceeds when the debt is issued in FY 2020.

In order to be in compliance with IRS regulations and use tax-exempt debt proceeds to reimburse the City for the above-mentioned expenditures, Council would need to declare an official intent. Attached is a resolution declaring that official intent. To be effective, it must be adopted within 60 days after the funding of an expenditure that is expected to be reimbursed from the note issuance. It should be noted that architectural, engineering, and survey costs, which do not exceed 20% of the issuance amount, are not subject to the reimbursement rules meaning they can be reimbursed with bond proceeds even if they were originally paid longer than 60 days before adopting the reimbursement resolution.

RECOMMENDATION: Council approval of the attached resolution declaring an official intent under Treasury Regulation 1.150-2 to issue debt to reimburse the City for certain original expenditures paid in connection with a Fire Pumper Truck and the Street Resurfacing – 2019 Project.

1869 Carroll 2019 150 YEARS

April 22, 2019

The City Council of the City of Carroll, State of Iowa, met in regular session, in the Carroll Community School Board Conference Room (Adams Elementary), 1026 N Adams Street, Carroll, Iowa at 5:15 P.M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

_____

Absent: _____

Vacant: _____

* * * * * * *

Council Member _____ introduced the following Resolution entitled "RESOLUTION DECLARING AN OFFICIAL INTENT UNDER TREASURY REGULATION 1.150-2 TO ISSUE DEBT TO REIMBURSE THE CITY FOR CERTAIN ORIGINAL EXPENDITURES PAID IN CONNECTION WITH SPECIFIED PROJECTS" and moved that it be adopted. Council Member _____ seconded the motion to adopt, and the roll being called thereon, the vote was as follows:

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the Resolution duly adopted as follows:

RESOLUTOIN NO. _____

RESOLUTION DECLARING AN OFFICIAL INTENT UNDER TREASURY REGULATION 1.150-2 TO ISSUE DEBT TO REIMBURSE THE CITY FOR CERTAIN ORIGINAL EXPENDITURES PAID IN CONNECTION WITH SPECIFIED PROJECTS

WHEREAS, the City anticipates making cash expenditures for one or more capital improvement projects, generally described below (each of which shall hereinafter be referred to as a "Project"); and

WHEREAS, the City reasonably expects to issue debt to reimburse the costs of a Project; and

WHEREAS, the Council believes it is consistent with the City's budgetary and financial circumstances to issue this declaration of official intent.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CARROLL, STATE OF IOWA:

Section 1. That this Resolution be and does hereby serve as a declaration of official intent under Treasury Regulation 1.150-2.

Section 2. That it is reasonably expected that capital expenditures will be made in respect of the following Project(s), from time to time and in such amounts as this Council determines to be necessary or desirable under the circumstances then and there existing.

Section 3. That the City reasonably expects to reimburse all or a portion of the following expenditures with the proceeds of bonds, notes or other indebtedness to be issued or incurred by the City in the future.

Section 4. That the total estimated costs of the Project(s), the maximum principal amount of the bonds, notes or other indebtedness to be issued for the foregoing Project(s) and the estimated dates of completion of the Project(s) are reasonably expected to be as follows:

Project	Fund from which original expenditures are to be Advanced	Total Estimated Cost	Amount of Borrowing Anticipated	Estimated Date of Completion
Fire truck acquisition	C.P. – Equipment Fund	$460,000	$460,000	June 30, 2020
Street improvements project	C.P. – Streets Fund	$1,024,000	$1,024,000	September 30, 2019

Section 5. That the City reasonably expects to reimburse the above-mentioned Project costs not later than the later of eighteen months after the capital expenditures are paid or eighteen months after the property is placed in service, but in no event more than three (3) years after the original expenditure is paid.

Section 6. That this Resolution be maintained by the City Clerk in an Official Intent File maintained in the office of the Clerk and available at all times for public inspection, subject to such revisions as may be necessary.

PASSED AND APPROVED this 22nd day of April, 2019.

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF CARROLL)

I, the undersigned City Clerk of the City of Carroll, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the City showing proceedings of the Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective City offices as indicated therein, that no Council vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Council hereto affixed this 23rd day of April, 2019.

_____
City Clerk, City of Carroll, State of Iowa

(SEAL)