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 MPW

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

DATE: October 3, 2018

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 the Northeast Park Master Plan and All Inclusive Playground Equipment

At the February 13, 2018 Council meeting, Council accepted a proposal from Shive Hattery in the amount of $14,900 to complete a Northeast Park Master Plan after discussions of placing all-inclusive playground equipment in Northeast Park. Council accepted the plan at the July 23, 2018 Council meeting.

In the meantime, at the June 25, 2018 Council meeting, Council accepted a proposal from Boland Recreation, Inc. for the all-inclusive playground equipment in the amount of $165,000 to be placed in Northeast Park. Funding for the master plan and playground equipment is as follows:

Kellan's Kingdom Foundation	90,000
Community Foundation of Carroll County	10,000
Iowa West Foundation	10,000
Timmerman Grant	5,000
Hotel/Motel Tax Fund	50,000
General Fund	14,900
Total	$179,900

The playground equipment has been delivered and will be installed soon.

Improvements to parks are considered essential corporate purposes for debt issuance purposes. Council would have the ability to issue tax exempt debt proceeds to reimburse the Hotel/Motel Tax Fund in the amount of $50,000 and the General Fund in the amount of $14,900 at a future date likely no later than eighteen months after the expenditures are paid or eighteen months after the property is place in service.

In order to be in compliance with IRS regulations and use tax-exempt debt proceeds to reimburse the City for these costs, Council would need to declare an official intent. Attached is a resolution declaring that official intent. To be effective, the resolution must be adopted before or within 60 days after the

funding of certain original expenditures (for example, constructions costs) that are expected to be reimbursed from the note issuance.

RECOMMENDATION: Council approval of the attached reimbursement resolution to issue debt to reimburse the City for certain original expenditures paid in connection with the Northeast Master Plan and All-Inclusive Playground Equipment.

_____ _____, 2018

The City Council of the City of Carroll, State of Iowa, met in _____ session, in the Council Chambers, City Hall, 112 E. 5th Street, Carroll, Iowa at _____ _____.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:

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
Northeast Park Master Plan	General Fund	$14,900	$14,900	Oct. 2018
Northeast Park All-Inclusive Playground	Hotel/Motel Fund	$165,000	$50,000	Oct. 2018

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 8 day of October, 2018

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 _____ day of _____, 2018.

_____
City Clerk, City of Carroll, State of Iowa

(SEAL)

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