Resolution 16-24

A Resolution authorizing declarations of official intent under U.S. Treasury Regulations with respect to reimbursements from note and bond proceeds of temporary advances made for payments prior to issuance, and related matters, and declaring an emergency.

WHEREAS, United States Treasury Regulations §1.150-2 (the Reimbursement Regulations) prescribe conditions under which proceeds of bonds, notes or other obligations (Bonds) used to reimburse advances made for capital and certain other expenditures (Original Expenditures) paid before the issuance of such Bonds will be deemed to be expended (or properly allocated to expenditures) for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the Code), upon such reimbursement so that the proceeds so used will no longer be subject to requirements or restrictions under those sections of the Code; and

WHEREAS, certain provisions of the Reimbursement Regulations require that there be a Declaration of Official Intent not later than 60 days following payment of the Original Expenditures expected to be reimbursed from proceeds of Bonds, and that the reimbursement occur within certain prescribed time periods after an Original Expenditure is paid or after the property resulting from that Original Expenditure is placed in service; and

WHEREAS, this Council wishes to take steps to comply with the Reimbursement Regulations;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Orrville, Wayne County, Ohio, that:

Section 1. Definitions. The following definitions apply to the terms used herein:

"Authorized Officer" means the Mayor or the Director of Finance or any person designated for the purpose by those officers.

"Declaration of Official Intent" means a declaration of intent, in the form and manner and time contemplated in the Reimbursement Regulations, that the advances for Original Expenditures referred to therein are reasonably expected to be reimbursed from the proceeds of Bonds to be issued after those Original Expenditures are paid.

"Reimbursement" or "reimburse" means the restoration to the City of money temporarily advanced from its other funds and spent for Original Expenditures before the issuance of the Bonds, evidenced in writing by an allocation on the books and records of the City that shows the use of the proceeds of the Bonds to restore the money advanced for the Original Expenditures. "Reimbursement" or "reimburse" generally does not include the refunding or retiring of Bonds previously issued and sold to, or borrowings from, unrelated entities.

Section 2. Authorization and Requirement of Declarations of Official Intent. Each Authorized Officer is authorized to prepare and sign Declarations of Official Intent in substantially the form attached hereto as **Exhibit A** with respect to Original Expenditures to which the Reimbursement Regulations apply to be made from money temporarily advanced and that is reasonably expected to be reimbursed (in accordance with applicable authorizations, policies and practices) from the proceeds of Bonds, to make appropriate reimbursement and timely allocations from the proceeds of the Bonds to reimburse such Original Expenditures, and to take any other actions as may be appropriate, all at the times and in the manner required under the Reimbursement Regulations in order for the reimbursement to be treated as an expenditure of such proceeds for purposes of Sections 103 and 141 to 150 of the Code. No advance from any fund or account or order for payment may be made for Original Expenditures (other than expenditures excepted from such requirement under the Regulations) that are to be reimbursed subsequently from proceeds of Bonds unless a Declaration of Official Intent with respect thereto is made within the time required by the Reimbursement Regulations.

Section 3. Compliance with Open Meeting Requirements. This Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the passage of this Resolution were taken, and that all deliberations of this Council and of any committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 4. Declaration of Emergency; Effective Date. This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, welfare and safety of the City, and for the further reason that this Resolution is required to be immediately effective such that Original Expenditures to be reimbursed are immediately necessary for such preservation and the Reimbursement Regulations require timely Declaration of Official Intent in order to qualify such Original Expenditures for reimbursement from the proceeds of Reimbursement Bonds; wherefore, this Resolution shall be in full force and effect immediately upon its passage and approval by the Mayor.

Passed this 15 day of June, 2024.

Paul Vann
President of Council

Attest:

Jane Gaut
Clerk of Council

Approved:

Matthew Reger
Mayor