CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Approval of Reimbursement - Various Capital Project Funds **DATE:** December 11, 2017

FINANCIAL IMPACT: No Direct Impact

BACKGROUND: U.S. Treasury Regulations require a governmental entity to annually declare, in advance, intent to reimburse accounts where expenditures have been made for capital projects. Reimbursement to those accounts would then be made from future debt issued by the governmental entity. The attached Resolution has been prepared to comply with the regulations.

OUTSTANDING ISSUES (if any): none

RECOMMENDATION: Approval of Resolution declaring intent, under Treasury Regulations, to issue debt for reimbursement of expenditures for specific capital projects.

Lead Staff Member: Tim Stiles, Finance Director

STAFF REVIEWS

Department Director	
Appropriations/Finance	
Legal	
Agenda Acceptance	KA

PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee			
Date Reviewed			
Recommendation	Yes	No	Split

ADOPT FEDERAL REIMBURSEMENT RESOLUTION

West Des Moines, Iowa

December 11, 2017

The City Council of the City of West Des Moines, Iowa, met on December 11, 2017, at _____ o'clock pm., at the _____, West Des Moines, Iowa.

The meeting was called to order by the Mayor, and the roll was called showing the following Council Members present and absent:

Present: _____

Absent: _____

The City Clerk reported that, in order to preserve the City's eligibility to issue tax exempt bonds for A certain street improvement project, it would be necessary for the City Council to adopt a resolution declaring the Council's intent to expend current cash on-hand and to later reimburse those expenses from the proceeds of a bond issue. Council Member _____ introduced the resolution next hereinafter set out, related to financing the project, and moved its adoption, seconded by Council Member _____. After due consideration and discussion, the Mayor put the question upon the adoption of said resolution, and the roll being called, the following Council Members voted:

Ayes: _____

Nays: _____

Whereupon, the Mayor declared the resolution duly adopted as hereinafter set out.

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At the conclusion of the meeting, and upon motion and vote, the City Council adjourned.

_____
Mayor

Attest:

_____
City Clerk

RESOLUTION NO. _____

Resolution relating to the financing of a proposed project to be undertaken by the City of West Des Moines, Iowa; establishing compliance with reimbursement bond regulations under the Internal Revenue Code

BE IT RESOLVED by the City Council (the "Council") of the City of West Des Moines, Iowa (the "City"), as follows:

Section 1. Recitals.

(a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the "Regulations") dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse the City for project expenditures made by the City prior to the date of issuance.

(b) The Regulations generally require that the City make a prior declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing and that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within a certain period after the payment of the expenditure or the date the project is placed in service; and

(c) The City desires to comply with requirements of the Regulations with respect to a certain project hereinafter identified.

Section 2. Official Intent Declaration.

(a) The City proposes to undertake the following project and to make original expenditures with respect thereto prior to the issuance of bonds, notes or other obligations (the "Bonds") and reasonably expects to issue the Bonds for such project in the maximum principal amount shown below:

Project	Maximum Amount of Bonds Expected to be Issued for Project
Street improvements	$12,540,000.00

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds or (ii) expenditures made not earlier than sixty days prior to the date of this Resolution or (iii) expenditures amounting to the lesser of $100,000 or 5% of the proceeds of the Bonds or (iv) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, no expenditures for the project have heretofore been made by the City for which the City will seek reimbursement from the proceeds of the Bonds.

(c) This declaration is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

Section 3. Budgetary Matters.

As of the date hereof, there are no City funds reserved, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long term basis or otherwise set aside) to provide permanent financing for the expenditures related to the project, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the City's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof, all within the meaning and content of the Regulations.

Section 4. Reimbursement Allocations.

The City's financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make payment of the prior costs of the project. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the Bonds, shall specifically identify the actual prior expenditure being reimbursed or, in the case of reimbursement of a fund or account, the fund or account from which the expenditure was paid, and shall be effective to relieve the proceeds of the Bonds from any restriction under the bond resolution or other relevant legal documents for the Bonds, and under any applicable state statute, which would apply to the unspent proceeds of the Bonds.

Section 5. Repealer.

All resolutions, parts of resolutions, or actions of the City Council in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved December 11, 2017.

_____
Mayor

Attest:

_____
City Clerk