

RESOLUTION NO. 2019-10

A RESOLUTION TO DECLARE THE INTENT TO REIMBURSE EXPENDITURES WITH PROCEEDS OF BOND ISSUE

WHEREAS, the City of Harrisburg, South Dakota (the “Issuer”), by virtue of the laws of the State of South Dakota, particularly SDCL Title 6-8B and 9-40 (collectively the “Act”) and the authorities therein mentioned, wishes to take the necessary actions for the issuance of a Water System Surcharge Revenue Bond up to \$1,500,000 (the “Bond”) in order to assist in the financing of Highway 115 water main improvements (the “Project”); and

WHEREAS, United States Treasury Regulations §1.150-2 (the “Reimbursement Regulations”) prescribe conditions under which proceeds of bonds, notes or other obligations used to reimburse advances made for capital and certain other expenditures (“Original Expenditures”) paid before the issuance of such Bond 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 Bond, 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, the Issuer wishes to take steps to comply with the Reimbursement Regulations;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HARRISBURG, SOUTH DAKOTA:

- 1) This Council hereby declares that the Issuer reasonably expects that the capital and other expenditures described in the first recital of this resolution as the Project, to the extent such expenditures are made prior to the issuance of the Bond, will be reimbursed with the proceeds of the Bond (as that term is defined in Section 150 of the Code). The maximum principal amount of Bond expected to be issued for the Project is \$1,500,000.
- 2) This declaration of intent shall be available for public inspection. A reimbursement allocation of the expenditures for the Project with the proceeds of the borrowing described here will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the Issuer’s use of the proceeds of the debt to be issued for the Project to reimburse the Issuer for a capital expenditure made pursuant to this Resolution.
- 3) This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this resolution were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

- 4) This Resolution shall take effect on the 20th day following its publication, unless suspended by a referendum.

Adopted at City of Harrisburg, South Dakota, this 20th day of May 2019.

APPROVED:

JULIE BURKE – VAN LUVANEE
Mayor

(SEAL)

Attest: MARY MCCLUNG
City Finance Officer

Passed: 05-20-2019
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