RESOLUTION NO. 030-13

A RESOLUTION OF THE CITY OF PORT ORCHARD, WASHINGTON, DESIGNATING THE TREASURER AS THE OFFICIAL AUTHORIZED ON BEHALF OF THE CITY TO MAKE DECLARATIONS OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES WITH PROCEEDS OF BONDS TO BE ISSUED BY THE CITY IN THE FUTURE.

WHEREAS, the City from time to time may reasonably expect to make expenditures for capital projects (or certain extraordinary working capital expenditures) from funds that are available but that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside for those expenditures, and would reasonably expect to be reimbursed for those expenditures from proceeds of bonds or other obligations issued to finance those expenditures; and

WHEREAS, certain federal regulations (the "federal reimbursement regulations") relating to the use of proceeds of tax exempt bonds or other obligations ("bonds") to reimburse the issuer of the bonds for expenditures made before the issue date of the bonds require, among other things, that not later than 60 days after payment of the original expenditure the City (or any person designated by the City to do so on its behalf) declare a reasonable official intent to reimburse those expenditures from proceeds of bonds; now, therefore

THE CITY COUNCIL OF THE CITY OF PORT ORCHARD, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

THAT: Designation of Official to Declare Official Intent. The Treasurer of the City is designated to make declarations of official intent, substantially in the form attached to this resolution as Exhibit A or in such other form as shall be prescribed by Treasury Regulation Section 1.150-2 (as it may be amended or superseded), on behalf of the City as may be necessary or appropriate from time to time for any purpose under, and in compliance with, the requirements of the federal reimbursement regulations.
PASSED by the City Council of the City of Port Orchard, SIGNED by the Mayor and attested by the Clerk in authentication of such passage this 10th day of December 2013.

Timothy C. Matthes, Mayor

Brandy Rinearson, CMC, City Clerk
EXHIBIT A
[Form of]
Declaration of Official Intent to
Reimburse Expenditures from Proceeds of Bonds

I, [insert name], am the duly appointed, qualified and acting [Finance Director] of City of [City], Washington (the "City"), and, as such, have been designated by the City to make declarations of official intent on behalf of the City when necessary or appropriate for any purpose under, and in compliance with, the requirements of certain federal regulations (the "federal reimbursement regulations") relating to the use of proceeds of tax exempt bonds or other obligations ("bonds") to reimburse the City for capital expenditures (and certain extraordinary working capital expenditures) made by the City before the issue date of the bonds. On behalf of the City, I make the following declaration of official intent under the federal reimbursement regulations:

1. Description of Project for Which Expenditures are to be Made. The City intends to make (and/or, not more than 60 days before the date of this declaration, has made) expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of bonds, for the following project, property, or program (the "Project"):

2. [Insert general functional description of the Project or, alternatively, identify the name and functional purpose of the fund or account from which the expenditures will be made.]

3. Maximum Principal Amount of Obligations Expected to be Issued for the Project. The City expects that the maximum principal amount of bonds that will be issued to finance the Project will be $[insert amount].

4. Declaration Reasonable. I have reviewed the existing and reasonably foreseeable budgetary and financial circumstances of the City, and have determined that the City reasonably expects to reimburse itself for expenditures for the Project from proceeds of bonds because the City has no funds available that already are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the City for those expenditures on the Project.

5. Limitations on Uses of Reimbursement Amounts. The City will not, within 1 year after the expected reimbursement, use amounts corresponding to proceeds received from bonds issued in the future to reimburse the City for previously paid expenditures for the Project in any manner that results in those amounts being treated as replacement proceeds of any tax exempt bonds, i.e., as a result of being deposited in a reserve fund, pledged fund, sinking fund, or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on tax exempt bonds. Nor will the City use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

6. Date of Declaration. This declaration of official intent is dated [insert date], 20___.

CITY OF [City], WASHINGTON

By [insert signature]
VERSION #2 - City Council Option

CITY OF __________, WASHINGTON
RESOLUTION NO. __________

A RESOLUTION of the City Council of the City of __________, Washington, declaring its official intent to reimburse capital expenditures in connection with certain capital projects from proceeds of a future borrowing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF __________, WASHINGTON, as follows:

Section 1. Findings.

1.1 The City of __________, Washington (the "City") intends to make expenditures for the Project (identified below) from funds that are available but that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis, or otherwise set aside for those expenditures, and reasonably expects to be reimbursed for those expenditures from proceeds of bonds or other obligations ("bonds") issued to finance those expenditures.

1.2 Certain federal regulations (the "federal reimbursement regulations") relating to the use of proceeds of tax exempt bonds to reimburse the issuer of the bonds for expenditures made before the issue date of the bonds require, among other things, that not later than 60 days after payment of the original expenditure the City (or any person designated by the City to do so on its behalf) declare a reasonable official intent to reimburse those expenditures from proceeds of bonds.

Section 2. Description of Project for Which Expenditures are to be Made. The City intends to make (and/or, not more than 60 days before the date of this declaration, has made) expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of bonds, to fund __________ (the "Projects").

Section 3. Maximum Principal Amount and Authorization of Obligations Expected to be Issued for the Project. The City expects that the maximum principal amount of bonds that will be issued to finance the Projects is expected to be not more than $ __________, and such principal amount is authorized to be issued pursuant to a bond ordinance to be presented to the City Council on a date deemed appropriate by the Finance Director, in consultation with the Finance Committee. This resolution authorizes the preparation of all necessary bond documents and constitutes due authorization of the bonds to the extent necessary to authorize expenditures of available funds of the City in anticipation of the receipt of bond proceeds.

Section 4. Declaration Reasonable. The City Council has reviewed its existing and reasonably foreseeable budgetary and financial circumstances and has determined that the City reasonably expects to reimburse itself for expenditures for the Project from proceeds of bonds because the City has no funds available that already are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the City for those expenditures on the Project.

Section 5. Limitations on Uses of Reimbursement Amounts. The City will not, within one year after the expected reimbursement, use amounts corresponding to proceeds received from bonds issued in the future to reimburse the City for previously paid expenditures for the Project in any manner that results
in those amounts being treated as replacement proceeds of any tax exempt bonds, i.e., as a result of being deposited in a reserve fund, pledged fund, sinking fund or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on tax exempt bonds. Nor will the City use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

Section 6. Date of Declaration. This declaration of official intent shall be dated as of the date of adoption of this resolution.

Section 7. Ratification and Confirmation. Any actions of the City or its officers prior to the date thereof and consistent with the terms of this resolution are ratified and confirmed.

Section 8. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

This resolution was ADOPTED by the City Council of the City of ______________, Washington, at a regular open public meeting thereof this ____ day of ________, 20__. [Insert City Signature Block]