

OFFICE OF THE COUNTY ADMINISTRATOR

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DATE: July 21, 2015

TO: Board of Supervisors

FROM: Dee F. Bruemmer, County Administrator

RE: Reimbursement Resolution for Single Stream Recycling System Bonds

The Waste Commission presented the Single Stream Recycling Project to the Board of Supervisors at the Committee of the Whole on July 14, 2015. At the conclusion of the presentation which included information on the planning, implementation, financing and life cycle costs of the project, the Waste Commission requested that the County again become the bonding authority for the Commission. The project which includes building expansion and equipment purchase is expected to cost 7.8 million dollars.

The first step in the bonding process is to adopt a reimbursement resolution. In order for an issuer of bonds to reimburse itself for expenditures paid for a project prior to the bonds being received, a notice of intent to reimburse must be adopted. The attached resolution was prepared by the County's bond counsel, Dorsey & Whitney LLP.

The Commission will be presenting the same project information to the Cities of Davenport and Bettendorf and request their participation in a separate loan agreement for carts after the Board has committed to bond for the building expansion and the sorting equipment at the Material Recovery Facility.

The actual bond issuance will be done after the bidding of the equipment and the building improvements so the issuance can match the actual costs of the project. The issuance is tentatively set for late October.

RESOLUTION OF THE BOARD OF SUPERVISORS FOR SCOTT COUNTY

Resolution relating to the issuance of bonds for the purpose of financing a single stream recycling project described on Exhibit A to be undertaken by Scott County, Iowa (the “County”); establishing compliance with reimbursement bond regulations under the Internal Revenue Code

BE IT RESOLVED by the Board of Supervisors (the “Board”) of the County, 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 County for project expenditures made by the County prior to the date of issuance.

(b) The Regulations generally require that the County, as issuer of the bonds, make a prior declaration of its official intent to issue the bonds for the projects in order for the County to be able to reimburse itself for such prior expenditures out of the proceeds of the subsequently issued bonds and that the bonds be issued and the reimbursement allocation be made from the proceeds of such bonds within a certain period after the payment of the expenditure or the date the project is placed in service; and

(c) The County desires to comply with requirements of the Regulations with respect to certain projects hereinafter identified to be financed for the County.

Section 2. Official Intent Declaration.

(a) The County proposes to undertake the projects listed on Exhibit A hereto and to make original expenditures with respect thereto prior to the issuance of bonds, notes or other obligations (the “Bonds”) and the County reasonably expects to issue the Bonds for such projects in the maximum principal amounts shown on Exhibit A.

(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 projects have heretofore been made by the County for which the County will seek reimbursement from 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 County 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 projects, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the County'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 County Administrator or Budget Manager 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 County to make payment of the prior costs of the projects. Each allocation shall be evidenced by an entry on the official books and records of the County 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 Board in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved on the ____ day of _____, 2015.

Chairperson, Board of Supervisors

Attest:

County Auditor

EXHIBIT A

<u>Description of Projects</u>	<u>Maximum Amount of Bonds Expected to Be Issued for Projects</u>
County improvement project to acquire, construct and equip a single stream recycling center, including without limitation related single stream recycling equipment and related building and land improvements	\$7,800,000