

OFFICE OF THE COUNTY ADMINISTRATOR

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Item #16

3/19/19

March 8, 2019

To: Mahesh Sharma, County Administrator

RE: Bond Intent Resolution

Working with David Donovan, SECC Interim Director, and Scott County's bond counsel, we have determined the need to pass a resolution by the County Board indicating our intent to use bond proceeds, issued by Scott County to reimburse for and fund expenses related to the Radio Project of the SECC. Bond counsel for Scott County has provided the necessary resolution language to meet the requirement of the law.

While it may seem clear that we intend to use the proceeds of those bonds to fund the stated project, IRS regulations require us to clearly and formally state this intent and also to articulate that we intend to reimburse our fund for expenses incurred prior to the issuance of said bonds, which will be the case for this project.

SECC passed a similar resolution at the February 21, 2019 meeting. Scott County's role is to issue the debt, while SECC will use the proceeds to fund and manage the project. We will work with SECC to establish the necessary project accounting codes to be able to clearly track and report on finances for the project. See the included resolution.

David Farmer, CPA, MPA
Director of Budget and Administrative Services

CC: Dave Donovan, Interim SECC Director

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

March 21, 2019

Resolution relating to the issuance of bonds for the purpose of financing projects described on Exhibit A to be undertaken by Scott County Board of Supervisors (the "County"); establishing compliance with reimbursement bond regulations under the Internal Revenue Code

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. Recitals

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 and blended component unit Scott Emergency Communication Center ("SECC") prior to the date of issuance.

The Regulations generally require that Scott County, as issuer of the bonds, and SECC, make a prior declaration of its official intent to issue the bonds for the projects in order for 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

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

Section 2. Official Intent Declaration.

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 Scott County reasonably expects to issue the Bonds for such projects in the maximum principal amounts shown on Exhibit A.

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 or SECC for which the County or SECC will seek reimbursement from proceeds of the Bonds.

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 Director of Budget and Administrative Services shall be responsible for making the "reimbursement allocations" described in the Regulations by directing the Treasurer, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by SECC 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 SECC maintained for the Bonds proceeds, 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. Recognition of SECC Resolution.

The County recognizes SECC passed a confirming resolution of recitals, intent and budgetary matters at the February 21, 2019 board meeting.

Section 6. Repealer.

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

EXHIBIT A

<u>Description of Projects</u>	<u>Maximum Amount of Bonds Expected to Be Issued for Projects</u>
Acquiring, constructing, improving and equipping a global radio system for multiple jurisdictions, including without limitation radio equipment, towers, antennas, transmission lines, DC power plant, alarm systems and other equipment and infrastructure necessary for the system	\$10,000,000