

Resolution 2012-03

REIMBURSEMENT RESOLUTION

A RESOLUTION DECLARING THE INTENT OF THE CITY OF ELKINS, ARKANSAS TO MAKE CERTAIN EXPENDITURES AND TO REIMBURSE ITSELF FOR SUCH EXPENDITURES FROM THE PROCEEDS OF SALES AND USE TAX BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Elkins, Arkansas (the "City") proposes to construct betterments and improvements to the water and sewer system (the "System") serving the City; and

WHEREAS, at an election held September 9, 2008, the citizens of the City approved the issuance of up to \$6,000,000 of Sales and Use Tax Bonds to construct improvements to the System; and

WHEREAS, on December 23, 2008, the City issued \$835,000 of Sales and Use Tax Improvement Bonds to fund betterments and improvements to the System; and

WHEREAS, the City has determined that certain planning and design tasks pertaining to making more improvements to the System, including, but not limited to engineering studies, feasibility studies, engineering design, site preparation, financial advisory services, legal services, and preliminary construction work, may be performed and costs incurred prior to the issuance of the Bonds; and

WHEREAS, the City desires to express its intent to reimburse preliminary costs from the proceeds of the Bonds, and desires to make such reimbursement in compliance with Treasury Regulations Section 1.150-2;

WHEREAS, it is appropriate that the City assure that its power to issue bonds the interest on which is exempt from federal income tax will, under applicable Treasury Regulations, be preserved, and adoption of this Resolution serves that purpose;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Elkins, Arkansas:

Section 1. The City authorizes the sum of not to exceed \$2,750,000 (the "Expenditure") for the purpose of constructing betterments and improvements to the System (the "Project").

The City hereby declares its intent to reimburse itself for the Expenditure from the proceeds of its sales and use tax bonds (the "Bonds") and, further, declares as follows:

a. Proceeds of the Bonds will be applied to reimburse the City for the Expenditure within eighteen (18) months after the later of (a) the date of the Expenditure or (b) the date on which the Project is placed in service and, in any event, within three (3) years after the date of the making of the Expenditure.

b. The City is aware of no reason which would cause it to expect that the Expenditure would be reimbursed from any source other than the proceeds of the Bonds.

c. The City is aware of no reason which would cause it to believe that the Expenditure will not be reimbursed by the proceeds of the Bonds.

d. The City is aware of nothing in the budget or financial circumstances of the City which is inconsistent with the intent and declaration of the City to finance the Expenditure with the Bonds. The City is aware of no reason to expect that funds other than proceeds of the Bonds will be reserved or allocated on a long-term basis or otherwise set aside for the Expenditure pursuant to budgetary or financial policies of the City.

e. For the purpose of financing the Project, the Bonds are expected to be issued in a principal amount not to exceed \$2,750,000.

f. The Expenditure will be a "capital expenditure" within the meaning of applicable Treasury Regulations or will constitute a portion of the costs of issuance of the Bonds.

Section 2. The firm of Stephens Inc. is retained to underwrite the Bonds and the firm of Williams & Anderson PLC is retained to serve as bond counsel to the City.

Section 3. This Resolution shall be in effect upon its adoption and approval.

ADOPTED this 16th day of February, 2012.

CITY OF ELKINS, ARKANSAS

By: 
Mayor

ATTEST:


Recorder and Treasurer

CERTIFICATE

The undersigned, Recorder and Treasurer of the City of Elkins, Arkansas hereby certifies that the foregoing pages are a true and perfect copy of a Resolution adopted at a session of the City Council on the 16 day of February, 2012, and that the resolution is maintained in the records now in my possession.

GIVEN under my hand and seal on this 16 day of February, 2012.



Recorder and Treasurer