

COTTONWOOD HEIGHTS

RESOLUTION No. 2016-64

A RESOLUTION APPROVING REIMBURSEMENT (PUBLIC WORKS EQUIPMENT)

WHEREAS, the city council (the “*Council*”) of the city of Cottonwood Heights (the “*City*”) met on 26 July 2016 to consider, among other things, expressing its intention to advance an additional approximately \$600,000 (the “*Advance*”) from its general and capital fund (the “*Fund*”) to provide interim downpayment or other financing to purchase, or commit to purchase, equipment for the establishment of and use by the City’s public works department (the “*Project*”), and to subsequently enter into a lease/purchase agreement or other obligation in the estimated total, maximum principal amount of \$2,000,000, the interest on which will be exempt from federal income taxation (the “*Obligation*”), and to use proceeds therefrom to reimburse the Advance; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interests of the health, safety and welfare of the citizens of the City to so act;

NOW, THEREFORE, BE IT RESOLVED by the city council of Cottonwood Heights that the Council hereby expresses the City’s intention to make, and hereby authorizes and consents to, the Advance from the Fund to provide interim financing for acquisition of the Project, and the subsequent entry into the Obligation in the estimated maximum principal amount specified above, and the reimbursement of all or a portion of the Advance from the proceeds of the Obligation; provided, however, that such reimbursement shall be evidenced by an allocation made by or on behalf of the City in writing:

- (a) not later than 18 months after the later of:
 - (i) the date the original expenditure is paid; or
 - (ii) the date the Project is “placed in service” (as that term is defined in Section 1.150-2(c) of the U.S. Treasury Regulations [the “*Regulations*”]) or abandoned;

- (b) but in no event more than three years after the original expenditure is paid;

and further provided that only the following types of expenditures (collectively, “*Reimbursable Expenditures*”) shall be reimbursed with proceeds of the Obligation:

- (y) all expenditures incurred with respect to the Project on or after the date hereof; plus
- (z) the following types of expenditures incurred with respect to the Project prior to the date hereof:

- (i) capital expenditures made no earlier than 60 days prior to the date hereof; plus
- (ii) “preliminary expenditures” as described in Section 1.150-2(f)(2) of the Regulations, not in excess of twenty percent (20%) of the aggregate “issue price” (as that term is defined in Section 1.148-1[b] of the Regulations) of the Obligation for architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to the commencement of acquisition and/or construction of the Project, other than land acquisition, site preparation, and similar costs incident to commencement of construction; plus

- (iii) the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligation;
- and

BE IT FURTHER RESOLVED by the city council of Cottonwood Heights that this Resolution is intended, among other things, to be a declaration of official intent with respect to the City's present, reasonable intention and expectation to proceed with the acquisition and/or construction of the Project, the execution of the Obligation to finance the same, and the reimbursement with proceeds of the Obligation of the Reimbursable Expenditures with respect thereto, under the applicable provisions of Section 1.150-2 of the Regulations, but shall not be construed to obligate the City to execute or cause to be executed the Obligation unless the Council determines, under the particular circumstances then in effect, to proceed with the issuance of the Obligation for the purposes herein expressed.

This Resolution, assigned no. 2016-64, shall take effect immediately upon passage.


PASSED AND APPROVED this 26th day of July 2016.

ATTEST:

By: 
Paula Melgar, Recorder



COTTONWOOD HEIGHTS CITY COUNCIL

By: 
Kelvyn H. Cullimore, Jr., Mayor

VOTING:

Kelvyn H. Cullimore, Jr.	Yea	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	
Michael L. Shelton	Absent	Yea	<input type="checkbox"/>	Nay	<input type="checkbox"/>
J. Scott Bracken	Yea	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	
Michael J. Peterson	Yea	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	
Tee W. Tyler	Yea	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	

DEPOSITED in the office of the City Recorder this 26th day of July 2016.

RECORDED this 26 day of July 2016.