

RESOLUTION NO. 2022-1734
REIMBURSEMENT RESOLUTION PURSUANT TO
UNITED STATES TREASURY REGULATION SECTION 1.150-2

Recitals. (a) The United States Department of the Treasury has issued final regulations relating to the use of proceeds of tax-exempt obligations for the reimbursement of expenditures made prior to the date of issuance of tax-exempt obligations. Under the regulations, in general, if specified requirements are satisfied, then proceeds used for reimbursement are deemed to be spent on the date of reimbursement. If such requirements are not satisfied, then proceeds used for reimbursement will remain subject to rebate, arbitrage and other rules relating to tax-exemption until ultimately spent.

(b) The City of Boaz, Alabama, an Alabama municipal corporation (the “Borrower”) is seeking to undertake various capital improvement projects, specifically including without limitation, curb and gutter improvements, sidewalk and lighting improvements, signage, park improvements, grading, paving, utility relocation, parking lot, roundabout installation, new pavilions, retention pond, fencing, recreational fields, and/or street improvements (collectively, the “Project”).

(c) In order to proceed with acquisition and construction of such necessary capital improvements for some or all of the Project pending the issuance of the tax-exempt obligations, it may be necessary for the Borrower to use its own funds to pay certain expenses in connection with such capital improvements for the Project and the financing thereof.

(d) If the Borrower is required to spend its own funds on such capital improvements pending the issuance of such tax-exempt obligations as may be required to provide temporary or long-term financing for such improvements, it is the Borrower's official intent to reimburse itself for such expenditures out of proceeds of such tax-exempt obligations issued by the Borrower in connection with the Project.

NOW, THEREFORE, BE IT ORDAINED AND RESOLVED BY THE GOVERNING BODY OF THE BORROWER, as follows:

1. The Borrower hereby declares its official intent to pay or reimburse the expenditures made by the Borrower with respect to its Project hereinabove described and herein incorporated by reference and all related improvements thereto in whole or in part from the proceeds of tax-exempt obligations which it may hereafter issue. Pending the issuance of the tax-exempt obligations, any Borrower funds spent on such capital improvements will be expended from its general fund or other revenues of the Borrower.

2. The principal amount of the tax-exempt obligations to be issued for the project for which expenditures are to be made is not presently known but is expected to be more than \$8,000,000. The amount for which the Borrower expects to reimburse itself from the proceeds of the borrowing is not more than approximately \$3,500,000.

3. Any reimbursement to the Borrower shall be on or before the later of the date 18 months after the first expenditure is paid or after the property is placed in service. Any expenditure to be reimbursed shall be a capital expenditure properly chargeable to capital account (or would be so chargeable with a proper election, such as an election under Section 266 of the Internal Revenue Code) under general Federal income tax principles.

Duly adopted this 9th day of January, 2023.

David Dyar, Mayor

Attest:

Beth Stephens, City Clerk