



## BOARD OF COMMISSIONERS

# AGENDA REQUEST & STAFF REPORT

**MEETING DATE:** May 11, 2022

**SUBJECT:** Consideration of Board Signature of Resolution No. 2022-028, Capital Project Reimbursement Declarations

**RECOMMENDED MOTION:**

*Move approval of Resolution 2022-28.*

**BACKGROUND AND POLICY IMPLICATIONS:**

*Given that the County is contemplating a number of capital projects over the next several years, the funding of such projects may entail the issuance of tax-exempt debt. Part of the process in considering certain capital projects and how they will be financed is to hire professionals to prepare designs and estimates on the projected costs of such projects. IRS code only allows an issuer of tax-exempt debt to use bond proceeds to pay for costs incurred after the date of the bonds unless the issuer has formally declared its intention to issue debt and reimburse itself for expenditures made up to 60 days prior to the declaration.*

*A strategy to maximize the project costs that can be paid for with bond proceeds is to issue a formal declaration as early in a project's life as possible in order to recoup any funds spent prior to the issuance of bonds. This declaration does not obligate the County to issue debt, it only allows the County to reimburse itself for project expenditures made prior to the issuance of debt if debt is determined to be the method of finance for the project.*

*The attached resolution 2022-028 delegates the authority to make such declarations to the Chief Financial Officer and the County Administrator.*

**BUDGET IMPACTS:**

*Approval of the resolution allows all costs spent on a project to be otherwise eligible for debt financing.*

**ATTENDANCE:**

*Wayne Lowry, Interim Chief Financial Officer*