

**RESOLUTION NO. \_\_\_\_\_**

**CITY OF MARSHALL, MINNESOTA**

**DECLARING THE OFFICIAL INTENT OF THE CITY OF MARSHALL, MINNESOTA TO  
REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT  
BONDS OR OTHER OBLIGATIONS TO BE ISSUED BY THE CITY**

WHEREAS, the Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt obligations used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and

WHEREAS, the City of Marshall, Minnesota (the “City”) expects to incur certain expenditures that may be financed temporarily from sources other than tax-exempt bonds and other obligations, and reimbursed from the proceeds of tax-exempt obligations; and

WHEREAS, the City has determined to make this declaration of official intent (the “Declaration”) to reimburse certain costs from proceeds of tax-exempt bonds or other obligations in accordance with the Reimbursement Regulations; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARSHALL, MINNESOTA AS FOLLOWS:

1. The City and the Marshall Municipal Utilities Commission (the “Commission”), which was established under Chapter 13 of the Charter of the City and granted exclusive jurisdiction, control and management of all the municipal water, light, power, and electric operations of the City, propose to undertake the construction of four 3-megawatt diesel-fired distribution electric generators in the City to add to MMU’s existing reserved capacity resources (collectively, the “Project”).

2. The City reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of tax-exempt bonds or other obligations in an estimated maximum principal amount of \$15,700,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the bonds or other obligations, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

3. This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of tax-exempt bonds or other obligations, except for the following expenditures: (a) costs of issuance of bonds or other obligations; (b) costs in an amount not in excess of \$100,000 or five percent (5%) of the proceeds of an issue of bonds or other obligations; or (c) “preliminary expenditures” up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the issue or issues that finance or are reasonably expected by the City to finance the project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, soil testing, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

4. This Declaration is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof.

5. This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

Approved this 24th day of June, 2025, by the City Council of the City of Marshall, Minnesota.

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Robert J. Byrnes, Mayor

Attest:

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Steven Anderson, City Clerk