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**To:** Mayor Nelson and Members of the City Council

**From:** Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

**Date:** February 2, 2023

**Subject:** Resolution 2023-06

The City Council has authorized moving forward with design for the City Hall renovation and expansion project.

In order to maintain maximum flexibility, staff is recommending the City Council approve Resolution 2023-06, which declares its intent to reimburse certain expenditures with proceeds from the sale of tax-exempt bonds. The City Council has approved similar resolutions in the past for other projects. This is required by IRS regulations if the City reimburses itself for any expenditure greater than 60 days prior to the issuance of the bonds. As bond issuance is likely in December 2023 or January 2024, the ability to seek reimbursement for architectural design expenses would be limited without the resolution. It does not mandate the City Council reimburse itself for project expenditures from the issuance of tax-exempt bonds.

Staff recommends approval of the resolution. If you have any questions, please don't hesitate to contact me at 763-784-6491.