



Board of Commissioners Meeting

Agenda Item Submittal

Item To Be Considered: **Resolution Declaring Official Intent to Reimburse Expenditures-Police Interceptor Vehicles**

Board Meeting Date: **January 27, 2026**

Prepared By: **Sonia Johnson – Finance Director**

Overview: In this current fiscal year, two police interceptor vehicles were budgeted to be purchased using loan proceeds. Due to delivery occurring sooner than anticipated, the vehicles were delivered and paid for prior to the issuance of tax-exempt financing. The total cost of the vehicles and associated upfitting was \$104,000.

Internal Revenue Service (IRS) regulations require that a declaration of official intent to reimburse expenditures be adopted by the governing body within 60 days after the expenditure is paid. Failure to adopt this declaration within the required timeframe could jeopardize the tax-exempt status of the interest on the financing.

The proposed resolution satisfies the IRS requirement by formally declaring the Town's intent to reimburse itself for eligible expenditures associated with the police interceptor vehicles from the proceeds of future tax-exempt financing. Adoption of this resolution ensures compliance with federal regulations and preserves the Town's ability to use tax-exempt debt for reimbursement.

Background Attachment(s): Resolution (2026-R1) Declaring Official Intent to Reimburse Expenditures – Police Interceptor Vehicles

Recommended Action: Motion to approve the Resolution (2026-R1) Declaring Official Intent to Reimburse Expenditures – Police Interceptor Vehicles

Action: _____

**RESOLUTION (2026-R1) DECLARING OFFICIAL INTENT TO REIMBURSE
EXPENDITURES FOR THE PURCHASE AND UPFITTING OF POLICE INTERCEPTOR
VEHICLES FROM PROCEEDS OF TAX-EXEMPT FINANCING**

WHEREAS, the Town has incurred or expects to incur expenditures for the purchase and upfitting of police interceptor vehicles to support public safety operations; and

WHEREAS, the Town has paid expenditures totaling \$104,000 for the acquisition and upfitting of such police interceptor vehicles from available funds prior to the issuance of tax-exempt obligations; and

WHEREAS, Section 1.150-2 of the Treasury Regulations under the Internal Revenue Code of 1986, as amended, requires that a declaration of official intent to reimburse expenditures be adopted by the governing body no later than 60 days after payment of the original expenditure in order for the reimbursement to qualify as an expenditure of tax-exempt bond proceeds; and

WHEREAS, failure to adopt such a declaration within the required timeframe could jeopardize the tax-exempt status of the interest on the obligations to be issued; and

WHEREAS, the Board of Commissioners desires to declare its official intent to reimburse itself for the cost of the police interceptor vehicles and related upfitting from the proceeds of tax-exempt financing to be issued at a later date;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Town that:

1. The Town hereby declares its official intent to reimburse itself for the costs of acquiring and upfitting police interceptor vehicles, including related equipment and incidental expenses, in an amount not to exceed \$104,000, from the proceeds of tax-exempt obligations to be issued.
2. This declaration of official intent is adopted within 60 days of payment of the original expenditures and is intended to comply with the requirements of Section 1.150-2 of the Treasury Regulations.
3. The Town reasonably expects to reimburse the expenditures with proceeds of tax-exempt financing to be issued in the future, subject to applicable law and approval of the Board of Commissioners.
4. This resolution shall take effect immediately upon adoption.

ADOPTED this 27th day of January, 2026.

William Justice, Mayor

ATTEST:

Alissa Fender, Town Clerk