

Resolution No. 2008-37

[City Council meeting minutes of Dec 15 2008](#)

RESOLUTION NO. 2008-37

A RESOLUTION of the City Council of the City of Lakewood, Washington, authorizing certain City officials to make declarations of official intent in regard to interfund loans from the City's General Fund and Surface Water Management Fund to the General Capital Improvement Program Fund.

WHEREAS, the City of Lakewood, Washington, may from time to time reasonably expect to make expenditures for capital projects, or certain extraordinary working capital expenditures, from funds that are available but that are not reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside for those expenditures, and would reasonably expect to be reimbursed for those expenditures from proceeds of bonds or other obligations issued to finance those expenditures; and,

WHEREAS, the City is actively engaged in construction of a police facilities building, which facility is to be partially financed through the sale of bonds, but has authorized the issuance of bonds to pay for this construction in its 2009 budget; and,

WHEREAS, certain federal reimbursement regulations relating to the use of proceeds of tax exempt bonds or other obligations to reimburse the issuer of the bonds for expenditures made before the issue date of the bonds require, among other things, that not later than 60 days after payment of the original expenditure the City, or a person designated by the City to do so on its behalf, shall declare a reasonable official intent to reimburse those expenditures from proceeds of bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON, as follows:

Section 1. Interfund Loan Authorized. The City Manager or a designated official is authorized to take such action necessary to make and transfer an interfund loan of up to a total of \$2,500,000 from the General Fund and the Surface Water Management Fund to the Capital Improvement Program Fund in amounts to be determined at the time of the transfer in the discretion of the designated official. The portion of the interfund loan from the Surface Water Management Fund will be repaid with interest established by the 1-year United States Treasury Note at the close of trading on the day of the transfer.

Section 2. Designation of Official to Declare Official Intent. The City Manager and Assistant City Manager for Finance and Administration of the City are each separately designated to make declarations of official intent, substantially in the form attached to this resolution as Exhibit A, or in such other form as shall be prescribed by Treasury Regulation Section 1.150-2, on behalf of the City as may be necessary to appropriate funds for the purpose described therein in compliance with the requirements of federal reimbursement regulations.

Section 3. Ratification and Confirmation. Any action of the City or its officers prior to the date thereof and consistent with the terms of this resolution are ratified and confirmed.

Section 4. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

RESOLVED this 15th day of December, 2008.

DOUGLAS G. RICHARDSON, Mayor

ATTEST:

ALICE M. BUSH, MMC, City Clerk

FORM APPROVED:

HEIDI ANN WACHTER, City Attorney

EXHIBIT A

Declaration of Official Intent to Reimburse

Expenditures from Proceeds of Bonds

I, the undersigned Choi Halladay, am the duly appointed, qualified and acting Assistant City Manager, Finance and Administration, of the City of Lakewood, Washington, and, as such, have been designated by the City to make declarations of official intent on behalf of the City when necessary or appropriate for any purpose under, and in compliance with, the requirements of certain federal regulations relating to the use of proceeds of tax exempt bonds or other obligations to reimburse the City for capital expenditures (and certain extraordinary working capital expenditures) made by the City before the issue date of the bonds. On behalf of the City, I make the following declaration of official intent under the federal reimbursement regulations:

1. Description of Project for Which Expenditures are to be Made. The City intends to make expenditures, and reasonably expects to reimburse itself for those expenditures from the proceeds of bonds, for the following project, property, or program:

The construction, furnishing and equipping of a Police Station to be owned and occupied by the City of Lakewood.

2. Maximum Principal Amount of Obligations Expected to be Issued for the Project. The City expects that the maximum principal amount of bonds that will be issued to finance the construction of the City of Lakewood Police Facility will be \$2,650,000 and the City Council has authorized this bond offering to occur within 2009.

3. Declaration Reasonable. I have reviewed the existing and reasonably foreseeable budgetary and financial circumstances of the City, and have determined that the City reasonably expects to reimburse itself for expenditures for the construction of a Police Facility from

proceeds of bonds because the City has no funds available that already are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the City for those expenditures on the Project.

4. Limitations on Uses of Reimbursement Amounts. The City will not, within 1 year after the expected reimbursement, use amounts corresponding to proceeds received from bonds issued in the future to reimburse the City for previously paid expenditures for the Project in any manner that results in those amounts being treated as replacement proceeds of any tax exempt bonds, i.e., as a result of being deposited in a reserve fund, pledged fund, sinking fund, or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on tax exempt bonds. Nor will the City use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

5. Date of Declaration. This declaration of official intent is dated this 15th day of December, 2008.

CITY OF LAKEWOOD, WASHINGTON

By _____

Choi Halladay

Assistant City Manager, Finance

I, the undersigned, City Clerk of the City of Lakewood, Washington, hereby certify as follows:

1. The attached copy of Resolution No. 2008-____ is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Board held at the regular meeting place thereof on December 15, 2008, as the Resolution appears on the minute book of the City; and the Resolution is now in full force and effect.

2. A quorum of the members of the Board was present throughout the meeting and a majority of those members present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of December, 2008.

ALICE M. BUSH, MMC, City Clerk