

Board of Commissioners of
Ramsey County, Minnesota

RESOLUTION NO. _____

Title: Resolution Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code

Background and Rationale:

It is hereby found, determined and declared that the Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and the County expects to incur certain expenditures that may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of tax-exempt bonds; and has determined to make this declaration of official intent (“Declaration”) to reimburse certain costs from proceeds of tax-exempt bonds in accordance with the Reimbursement Regulations.

Recommendation:

The Board of Commissioners of Ramsey County, Minnesota resolves as follows:

The County proposes to finance the replacement of the enterprise resource planning (ERP) system for the County, including without limitation acquisition of the necessary hardware, software and implementation of the system (the “Project”).

The County reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of tax-exempt bonds in a principal amount currently estimated not to exceed \$12,000,000. All reimbursed expenditures related to the Project will be capital expenditures, costs of issuance of the tax-exempt bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

This Declaration has been made not later than 60 days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of tax-exempt bonds, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of \$100,000 or 5% of the proceeds of an issue; or (c) “preliminary expenditures” up to an amount not in excess of 20% of the aggregate issue price of the issue or issues that finance or are reasonably expected by the County to finance the project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, soil testing, reimbursement 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.

A reimbursement allocation with respect to tax-exempt bonds will be made not later than 18 months after the later of: (i) the date the original expenditure is paid; or (ii) the date the Project is placed in service or abandoned, but in no event more than 3 years after the original expenditure.

This Declaration is an expression of the reasonable expectations of the County based on the facts and circumstances known to the County as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the tax-exempt bonds described in paragraph 2 are consistent with the County’s budgetary and financial circumstances. No sources other than proceeds of tax-exempt bonds are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside pursuant to the County’s budget or financial policies to pay such expenditures for which bonds are issued.

The action is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

RAMSEY COUNTY, MINNESOTA

Chair of the Board of Commissioners

Chief Clerk

Assistant County Attorney