

City of Missoula, Montana
Item to be Referred to City Council Committee

Committee: Committee of the Whole

Item: Resolution Relating to the Financing of Proposed Sewer System Improvements; Establishing Compliance With Reimbursement Bond Regulations Under the Internal Revenue Code

Date: April 26, 2022

Sponsor: Leigh Griffing, Finance Director;

Prepared by: Leigh Griffing, Finance Director;

Wards: All Wards

Action Required:

Approve reimbursement resolution on consent agenda

Motion

Adopt/deny a Resolution Relating to the Financing of Water System Improvements and legal settlement; Establishing Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code

Timeline:

Referral to committee: April 26, 2022

Committee discussion: May 4, 2022

City Council Approval: May 9, 2022

Background and Alternatives Explored: Pursuant IRS regulations a municipality must adopt a statement of official intent to reimburse an original expenditure with tax exempt debt. This reimbursement resolution enables the City to issue tax exempt debt in the future should it be deemed economically advantageous to do so to fund capital projects.

Financial Implications:

This resolution enables the City to issue tax-exempt debt in the future. This reimbursement resolution covers certain improvements to the Wastewater Utility identified and approved within the FY2022 budget and FY2022-FY2026 Community Investment Program. (Exhibit A in Resolution)

The City reasonably expects to reimburse some, or all of the expenditures made for costs of the Projects out of proceeds of bonds, in one or more series, in an estimated maximum aggregate principal amount of approximately \$3,500,000 (the "Bonds") after the date of payment of all or a portion of the costs of the Projects. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.