



Cover Memorandum/Staff Report

File #: 22-1005

Agenda Date: 8/16/2022

Item #: 7.B.

TO: Mayor and Commissioners
FROM: Hugh Dunkley, Finance Director
THROUGH: Terrence R. Moore, ICMA-CM
DATE: August 16, 2022

APPROVAL OF RESOLUTION NO. 114-22, A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA DECLARING THE COMMISSION'S OFFICIAL INTENT TO SEEK REIMBURSEMENT FOR CERTAIN PAST AND FUTURE CAPITAL EXPENDITURES FOR CAPITAL PROJECTS RELATING TO THE CITY'S COMBINED PUBLIC UTILITY SYSTEM FROM THE PROCEEDS OF ITS NOT TO EXCEED \$150,000,000 WATER AND SEWER REVENUE BONDS ISSUED FROM TIME TO TIME; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

Recommended Action:

Background:

The City is currently in the process of selecting a professional services firm to serve as its Owner's Representative in connection with the design and construction of the new water treatment plant. Amounts paid in connection with the planning, design and construction of the new plant will invariably qualify as "project expenditures" to be funded from the proceeds of a future revenue bond issue. Internal Revenue Service regulations require that, to reimburse expenditures made prior to the date of the financing, the City must make a formal declaration of reasonable intention to reimburse the expenditures with the proceeds of a borrowing (a "declaration of official intent") within sixty (60) days after the date the expenditure was paid. Staff is therefore requesting that the City Commission adopt the attached resolution indicating its official intent to reimburse project expenditures from the proceeds of the future bond issue.

City Attorney Review:

Approved as to form and legal sufficiency.

Funding Source/Financial Impact:

N/A

Timing of Request:

N/A