

The City Council of the City of Mason, Warren County, Ohio, met in regular session on the 14<sup>th</sup> day of July, 2014, at the office of said council with the following members present:

Victor Kidd, Barbara Berry-Spaeth, Rich Cox, Tom Grossmann, Charlene Pelfrey, and Don Prince.

Councilmember Spaeth moved the passage of the following ordinance:

**ORDINANCE NO. 2014 - 58**

**DELEGATING AUTHORITY TO MAKE DECLARATIONS OF OFFICIAL INTENT AND ALLOCATIONS WITH RESPECT TO REIMBURSEMENTS OF TEMPORARY ADVANCES DURING FISCAL YEAR 2014 MADE FOR CAPITAL IMPROVEMENTS FOR THE IMPROVEMENT OF REAL ESTATE TO BE MADE FROM SUBSEQUENT BORROWINGS.**

WHEREAS, Treasury Regulation §1.150-2 (the "Reimbursement Regulations"), issued pursuant to Section 150 of the Internal Revenue Code of 1986, as amended, (the "Code") prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of "bonds" under Section 150 of the Code ("Obligations") used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed "spent" for purposes of Sections 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that an Issuer (as hereinafter defined) make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure and further require that any Reimbursement Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen (18) months after the later of the date the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, except that any such Reimbursement Allocation must be made no later than three years after such Capital Expenditure was paid; and

WHEREAS, the Reimbursement Regulations provide that an Issuer may delegate the authority for making such Declarations of Official Intent and Allocations to one or more individuals; and

WHEREAS, this Council wishes to ensure compliance with the Reimbursement Regulations; and

WHEREAS, Council previously authorized and issued \$5 million of Bond Anticipation Notes in 2013 for the real estate acquisition and improvements for a municipal facility, the Mason Service Center; and

WHEREAS, the project is anticipated to require additional expenditures before the maturity date of the outstanding notes;

NOW, THEREFORE, be it ordained by the City Council of the City of Mason, Warren County, Ohio (the "City"):

**SECTION 1. Definitions.** That the following definitions apply to the terms used herein:

"Allocation" means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to reimburse the City for such payments. "To allocate" means to make such an allocation.

"Authorized Officer" means City Manager or Finance Director of the City and any persons with authority at the time to exercise functions of those offices.

"Capital Expenditure" means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

"Declaration of Official Intent" means a written declaration that the City intends to fund Capital Expenditures with an issue of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue.

"Issuer" means either a governmental unit that is reasonably expected to issue Obligations or any governmental entity or 501(c)(3) organization that is reasonably expected to borrow funds from the actual issuer of the Obligations.

"Reimbursement" means the restoration to the City of money temporarily advanced from other funds, including moneys borrowed from other sources, of the City to pay for Capital Expenditures before the issuance of Obligations intended to fund such Capital Expenditures.

"To reimburse" means to make such a restoration.

"Reimbursement Bonds" means Obligations that are issued to reimburse the City for Capital Expenditures, and for certain other expenses permitted by the Reimbursement Regulations, previously paid by or for the City.

"Reimbursement Regulations" means Treasury Regulation §150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations may be allocated to reimburse the City for Capital Expenditures and certain other expenses paid prior to the issuance of the Obligations such that the proceeds of such Obligations will be treated as "spent" for purposes of Sections 103 and 141 to 150 of the Code.

**SECTION 2. Authorization to Make of Declarations of Official Intent and Allocations.** The City hereby declares that it reasonably expects that additional Capital Expenditures will be necessary for the project and that such expenditures will be reimbursed with the proceeds of Obligations in the principal amount of approximately \$1,000,000. Each

Authorized Officer is hereby authorized to make Declarations of Official Intent, which satisfy the Reimbursement Regulations, on behalf of the City, with respect to Capital Expenditures for acquisition of real estate and improvements to such real estate including building improvements to be paid from moneys temporarily available that are reasonably expected to be reimbursed (in accordance with applicable authorizations, policies and practices) from the proceeds of Reimbursement Bonds and to make timely Allocations, which satisfy the Reimbursement Regulations, of the proceeds of such Reimbursement Bonds to reimburse prior Capital Expenditures, and to take or cause to be taken any other actions that may be appropriate to satisfy the requirements of the Reimbursement Regulations, or any other Treasury Regulations, so that proceeds used for reimbursement will be treated as "spent" on the prior Capital Expenditures for purposes of Sections 103 and 141 to 150 of the Code. All Declarations of Official Intent and Allocations heretofore made on behalf of the City are hereby ratified and adopted. The Capital Expenditures to be reimbursed are to be used for Mason Service Center.

**SECTION 3. Reasonable Expectations.** The City does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed) to be reserved, allocated on a long-term basis, or otherwise set aside by the City or any other entity, with respect to the Capital Expenditures.

**SECTION 4. Open Meeting.** It is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this Council; and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.

Councilmember Cox seconded the ordinance, and the roll being called upon its passage, the vote resulted as follows: ALL YEAS.

PASSED this 14<sup>h</sup> day of July, 2014.

---

Vice Mayor

---

Clerk of Council

**DECLARATION OF OFFICIAL INTENT TO REIMBURSE**

The undersigned has been authorized by **Ordinance No. 2014- 58** adopted by the City Council of the City of Mason, Warren County, on July 14, 2014, to make this declaration.

The City is, or will be, proceeding with the improvements to real estate for a municipal facility, the Mason Service Center (the "Project"). In connection with the Project, the City expects to make capital expenditures in the amount set forth below and expects to advance from its own funds money to pay for some or all of such capital expenditures.

The City reasonably expects to issue its notes or bonds to pay for such capital expenditures, and reasonably expects to reimburse itself from the proceeds of such issue for moneys advanced by it.

<u>Project</u>	<u>Estimated Capital Expenditures</u>
Mason Service Center	

**CITY OF MASON, WARREN  
COUNTY, OHIO**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_