



## REQUEST FOR COUNCIL ACTION

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**MEETING DATE:** March 20, 2023

**PREPARED BY:** Greg Sticha, Finance Director GS

**AGENDA ITEM:** Resolution Establishing Compliance with Reimbursement Bond Regulations under IRS Code

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**PREVIOUS ACTIONS:**  
None

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**RECOMMENDED COUNCIL ACTION:**

City Council Adopts Resolution No. 23-049 establishing procedures relating to compliance with reimbursement bond regulations under IRS code.

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**COMMENTS:**

When the city issues debt for annual road reconstruction or other projects, the costs for design, engineering, ROW acquisition or construction sometimes occur prior to the actual issuance of debt. In order to use the bond proceeds to reimburse those costs, the city council either needs to:

1. Annually approve a reimbursement resolution prior to making those expenditures; or
2. Approve a resolution (One Time Approval) authorizing staff to execute a declaration of intent to issue bonds to allow for the reimbursement of those costs.

Most cities have in place #2 above which allows the Finance Director to annually execute a declaration of intent for any project.

Staff is recommending the city council adopt resolution No. 23-049 establishing procedures to perform the reimbursement action and authorizing the city's Finance Director to execute a declaration form in order for the city to use bond proceeds for reimbursable expenses related to that issuance.

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**ATTACHMENTS:**

Attachment A: Memo from Taft Law, City Bond Attorney  
Attachment B: Resolution No. 23-049