



RESOLUTION 2018-10

RESOLUTION REGARDING THE INTENT OF THE TOWN OF DAVIDSON, NORTH CAROLINA TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE DESIGN, CONSTRUCTION AND EQUIPPING OF A PARK LOCATED IN THE TOWN FROM THE PROCEEDS OF TAX EXEMPT OBLIGATIONS

WHEREAS, the Board of Commissioners (the “*Board*”) of the Town of Davidson, North Carolina (the “*Town*”) has determined that it is in the best interests of the Town to pay the costs of the design, construction and equipping of the park at Bailey Springs located in the Town (the “*Project*”);

WHEREAS, the Town reasonably expects to receive the proceeds of the sale of tax-exempt obligations (the “*Obligations*”) to finance the Project;

WHEREAS, the Town desires to proceed with the Project and will incur additional capital expenditures (the “*Capital Expenditures*”) in connection therewith before the issuance of the Obligations; and

WHEREAS, the Town will advance money from funds currently on hand to pay for the Capital Expenditures and the Town intends, and reasonably expects, to reimburse itself for the Capital Expenditures from a portion of the proceeds of the sale of the Obligations;

NOW, THEREFORE, BE IT RESOLVED by the Town as follows:

Section 1. ***Official Declaration of Intent.*** The Town presently intends, and reasonably expects, to reimburse itself for the Capital Expenditures incurred and paid by the Town on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Obligations. The Town reasonably expects to issue the Obligations to finance a portion of the costs of the Project and the maximum principal amount that the City expects to reimburse itself from the proceeds of the Obligations for the costs of the Project is \$131,129, which is the amount allocated from fund balance on February 27, 2018 via Budget Ordinance Amendment BA2018-16 as duly adopted by the Board.

Section 2. ***Compliance with Regulations.*** This Resolution is a declaration of official intent of the Town under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the Town's intent to reimburse itself for the Capital Expenditures from proceeds of the Obligations.

Section 3. ***Itemization of Capital Expenditures.*** The Finance Director of the Town or his designee, with advice from bond counsel, is hereby authorized, directed and designated to act on behalf of the Town in determining and itemizing all of the Capital Expenditures incurred and paid by the Town in connection with the Project during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of issuance of the Obligations.

Section 4. ***Effective Date.*** This Resolution is effective immediately on the date of its adoption.

Adopted on the 10th day of April 2018.

Rusty Knox, Mayor

Attest:

Carmen Clemsic, Town Clerk