



## Legislation Details (With Text)

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**Type:** Resolution      **Status:** Passed

**File created:** 8/23/2018      **In control:** Board of Mayor & Aldermen

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**Title:** Consideration of Resolution 2018-71, a Resolution for Reimbursement of Certain Project Expenditures to be Funded from General Obligation Bond Proceeds. (09/13/18 Finance 4-0)

**Sponsors:** Eric Stuckey, Kristine Brock

**Indexes:**

**Code sections:**

**Attachments:** 1. Res 2018-71\_ Reimbursement Resolution.Law Approved (002)

Date	Ver.	Action By	Action	Result
9/25/2018	1	Board of Mayor & Aldermen	approved	Pass
9/13/2018	1	Budget & Finance Committee	referred as a Consent Item	Pass

**DATE:** August 23, 2018

**TO:** Board of Mayor and Aldermen

**FROM:** Eric Stuckey, City Administrator  
Kristine Tallent, Assistant City Administrator/Chief Financial Officer

**SUBJECT:**

Consideration of Resolution 2018-71, a Resolution for Reimbursement of Certain Project Expenditures to be Funded from General Obligation Bond Proceeds. (09/13/18 Finance 4-0)

**Purpose**

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the reimbursement of expenses for uses of the proposed Series 2019 General Obligation Bonds.

**Background**

The Internal Revenue Service (Treasury Reg. §1.150-2) requires that a reimbursement resolution be passed by the governing body in order to qualify for bond proceeds to be used to reimburse for project expenses made prior to bond issuance. Because the City is planning to issue bonds or other borrowings for certain capital expenditures, including the purchase of police vehicles and fire apparatus, it is necessary for the City to adopt such a resolution.

**Financial Impact**

The reimbursement resolution does not, in itself, have any direct financial impact and does not require

issuance of future bonds. It does allow for the City to pay itself back from a bond issue for expenses incurred prior to issuance of the bonds. The total project amount listed in the resolution of \$41.3 million is the maximum amount allowable for the Series 2019 issuance. However, the City may choose to issue a lower amount, which will be established by a Bond Resolution to be considered by the Board of Mayor and Alderman in early 2019.

**Recommendation**

Staff recommends approval of the Resolution.