



**CITY COUNCIL Agenda Item #18-291(a)**

**Date: October 3, 2018**

**Consent X Discussion**

**SUBJECT:** Bond Necessity Resolution and Declaration of Intent

**SUBMITTING DEPARTMENT:** Manager's and Finance Office

**RECOMMENDED ACTION:** Approve the necessity to issue bonds not to exceed \$16,750,000 to construct infrastructure and processing improvements at the Water Resource Recovery Facility.

**RELATED COUNCIL GOAL/PRIOR ACTION:** Sustainable Infrastructure; Environment

**EXPENDITURE REQUIRED:** None

**SOURCE OF FUNDS:** N/A

**LEGAL REQUIREMENTS:** City Charter §1102 SUBMISSION TO VOTERS (a) When the City Council shall determine that the public necessity or interest demands improvements, other than improvements relating to schools or school property, and that the cost of the same will be too great to be paid out of the ordinary revenue of the City, the Council may by vote of two-thirds of its members order the submission of a proposition to make such improvements and incur debt to pay for the same to the voters of the City at an annual or special meeting warned and held for that purpose.

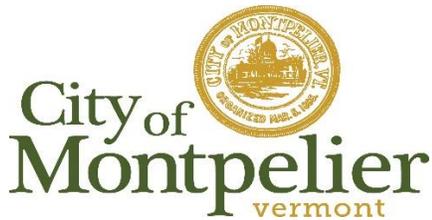
**BACKGROUND INFORMATION:** None

**SUPPORTING DOCUMENTS:** Necessity Resolution and Declaration of Intent

**INTERESTED PARTIES:** Council, residents, community members, outside agencies, rate payers, staff

**CITY MANAGER'S APPROVAL:**

A handwritten signature in black ink, appearing to read "W. Hoffman", is written over the City Manager's approval line.



CITY OF MONTPELIER  
MONTPELIER, VERMONT  
NECESSITY RESOLUTION CERTIFICATE

RESOLVED, that the public interest and necessity demand that certain infrastructure improvements be made, viz: design, engineering, replacement or repair of various sewer treatment systems to upgrade the existing Water Resource Recovery Facility on Dog River Road.

BE IT FURTHER RESOLVED that the cost of completing said public improvements, after application of funds available from the United States of American and/or the State of Vermont, will be too great to be paid out of the ordinary annual income and revenue of the City of Montpelier.

BE IT FUTHER RESOLVED, that a proposal for issuance of general obligation bonds or notes of the City of Montpelier, in an amount not to exceed Sixteen Million Seven Hundred and Fifty Thousand Dollars (\$16,750,000), to pay for cost of said improvements should be submitted to the legal voters of the city at the special meeting thereof to be duly held on November 6, 2018; and

BE IT FURTHER RESOLVED, that all acts relating to the proposition of incurring indebtedness and the issuance of general obligation bonds or notes of the City Of Montpelier for the purpose of financing such improvements, as well as the construction, maintenance and operation of such improvements within the corporate limits of the City, be in accordance with the provisions of No. M-9 of the Acts of 1987, as amended, and Chapters 53, 97, 101, and 120 of Title 24, Vermont Statutes Annotated, and the Charter of the City of Montpelier.

Dated: October 3, 2018

ATTEST: \_\_\_\_\_  
City Clerk

Received for record and recorded this \_\_\_\_ day of October 2018 in the records of the City of Montpelier.

\_\_\_\_\_  
John Odum, City Clerk  
City of Montpelier



DECLARATION OF OFFICIAL INTENT  
OF THE CITY OF MONTPELIER  
TO REIMBURSE CERTAIN EXPENDITURES  
FROM PROCEEDS OF INDEBTEDNESS

WHEREAS, the City of Montpelier, Vermont (the “Issuer”) intends to repair or replace wastewater plant treatment systems to be considered by the Issuer at the special meeting thereof to be held on November 6, 2018 (the “Project”);

WHEREAS, the Issuer expects to pay certain capital expenditures (the “Reimbursement Expenditures”) in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis;

WHEREAS, the Issuer reasonably expects that for that part of the Project consisting of permitting, financing, acquisition, engineering, design and construction costs, debt obligations in an amount not expected to exceed \$16,750,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement of Expenditures.; and

Whereas, the Issuer declares its reasonable official intent to reimburse prior expenditures for the above-described part of the Project with proceeds of a subsequent borrowing:

NOW THEREFORE, the Issuer, declares:

Section 1: The Issuer finds and determines that the foregoing recitals are true and correct, and that all of the capital expenditures covered by this Resolution were or will be made no earlier than 60 days prior to the date of this Resolution.

Section 2: This declaration is made solely for the purposes of establishing compliance with the requirements of Section 1.150-20 of the Treasury Regulations. This declaration does not bind the Issuer to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3: The Issuer hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement expenditures, within 18 months of either the date of the first expenditures of funds by the Issuer for such Project or the date that such Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of Issuer funds for such Project), and to allocate an amount not to exceed \$16,750,000 of the proceeds thereof to reimburse itself for its expenditures in connection with the Project.

Section 4: The Issuer’s debt obligations for the aforementioned purpose will not be “private activity bonds” within the meaning of section 141 of the Internal Revenue Code of 1986.

Section 5: All prior actions of the officials and agents of Issuer that are in conformity with the purpose and intent of the Resolution and in furtherance of the Project shall be and the same hereby are in all respects, ratified, approved and confirmed..

Section 6: All other resolutions of the legislative body of the Issuer, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 7: It is hereby found that all discussions and deliberations of the legislative body of the Issuer leading to the adoption of the Resolution occurred at one or more meetings of the legislative body conducted pursuant to the public notice and open to public attendees.

Section 8: The declaration shall take effect from and after its adoption.

The undersigned, City Clerk of the Issuer, hereby certifies that the foregoing is a full, true and correct copy of the declaration of the legislative body of said Issuer duly made at a meeting thereof held on the date, specified below, and that said declaration has not been amended, modified or revoked.

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City Clerk

October 3, 2018