



Dakota County

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Title: Adoption Of Reimbursement Resolution For Lebanon Hills Maintenance Facility Project

Sponsors: Finance

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Attachments: 1. Reimbursement Resolution - Dakota County

| Date | Ver. | Action By | Action | Result |
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DEPARTMENT: Finance

FILE TYPE: Regular Action

TITLE

Adoption Of Reimbursement Resolution For Lebanon Hills Maintenance Facility Project

PURPOSE/ACTION REQUESTED

Adopt the reimbursement resolution for the Lebanon Hills Maintenance Facility project to allow for certain expenditures to be financed temporarily from sources other than bond funds to allow for reimbursement through bond dollars if the County Board chooses to bond for the project at a later date.

SUMMARY

The County funds the building portion of the capital improvement program (CIP) with dollars from the General Fund that are in excess of the minimum General Fund balance policy set by the County Board if they are available. The Lebanon Hills Maintenance Facility project is included in the 2024-2028 CIP at an estimated total cost of \$25,600,000. The project is spread over two years with \$16,000,000 included in 2024 and \$9,600,000 in 2025.

County staff has raised concerns about the amount of General Fund dollars that will be available in 2024 and 2025 available for building projects. With that in mind, County staff discussed one of the possible solutions with our financial advisor. The County may consider bonding for some or most of the costs associated with the Lebanon Hills Maintenance Facility project. The County Board has already awarded contracts on this project and work is underway.

The County Board contracted with Ehlers, Inc. to prepare a financial plan that is expected to include municipal bond financing and the County Board expects to take action on that plan within the next

few months. The County Board may adopt a resolution that would allow for the reimbursement of the Lebanon Hills Maintenance Facility project costs for a period 60 days prior to the date the resolution is passed and ending prior to the later of 18 months of the date of such expenditures or the date on which the project is placed in service. Adopting the resolution allowing for the reimbursement of costs through potential bond dollars does not obligate the County to issue any debt.

RECOMMENDATION

Staff recommends the County Board adopt the resolution declaring its official intent to reimburse the County with the proceeds of a lease or municipal bond financing for expenditures and providing certain other matters in connection therewith.

EXPLANATION OF FISCAL/FTE IMPACTS

No fiscal impact.

- None
- Current budget
- Other
- Amendment Requested
- New FTE(s) requested

RESOLUTION

WHEREAS, Dakota County, Minnesota (County) is a public body corporate and politic of the State of Minnesota; and

WHEREAS, the Board of Commissioners (Board) of the County has determined that it is in the best interest of the County to make or have made on the County’s behalf certain expenditures relating to the acquisition, construction, and improvement of a new Lebanon Hills Maintenance Facility (Project); and

WHEREAS, the Board currently intends and reasonably expects the County to participate in a tax-exempt lease purchase financing or municipal bond financing in a maximum principal amount that is not currently reasonably expected to exceed \$26,500,000 to finance the Project, including to reimburse the County in the maximum amount of \$26,500,000 for all or a portion of such expenditures paid by the County or on the County’s behalf, or to be paid subsequent to a period commencing 60 days prior to the date hereof, and ending prior to the later of 18 months of the date of such expenditures or the date on which the Project is placed in service (but in no event more than three years after the date of the original expenditure of such moneys); and

WHEREAS, the Board hereby desires to declare its official intent, pursuant to 26 CFR § 1.150-2 to reimburse the County for such expenditures with the proceeds of the County’s lease-purchase or municipal bond financing.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby adopts the following:

Section 1. Declaration of Official Intent. The County presently intends and reasonably expects to initially finance all or a portion of the costs of the Project with legally available funds that do not represent the proceeds of a borrowing. The County also presently intends and reasonably expects that the initial expenditures paid by the County in connection with the financing of the Project, it not originally paid from the proceeds of the lease-purchase or municipal bond financing, will be originally paid from the general fund of the County or other legally available funds.

Section 2. Dates of Expenditures. All of the expenditures covered by this Resolution were or will be made on and after the date which is 60 days prior to the effective date of this Resolution.

Section 3. Tax-Exempt Financing. The County presently intends and reasonably expects to participate in a lease-purchase or municipal bond financing within 18 months of the date of the expenditure of the moneys on the Project or the date on which the Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of such moneys), and to allocate from such financing an amount not currently reasonably expected to exceed the maximum principal amount (or, if less, the sale proceeds) of the lease-purchase or municipal bond financing to reimburse the County for its expenditures paid in connection with the Project.

Section 4. Confirmation of Prior Acts. All prior acts and doings of the official agents and employees of the County which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Project, shall be and the same hereby are in all respects ratified, approved, and confirmed.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its passage.

PREVIOUS BOARD ACTION

None.

ATTACHMENTS

Attachment: Reimbursement Resolution

BOARD GOALS

- | | |
|---|--|
| <input type="checkbox"/> A Great Place to Live | <input type="checkbox"/> A Healthy Environment |
| <input type="checkbox"/> A Successful Place for Business and Jobs | <input checked="" type="checkbox"/> Excellence in Public Service |

CONTACT

Department Head: Paul Sikorski

Author: Leng Vang