



City Council Special Meeting

September 25, 2024 - 12:00 PM

City Hall - Council Chambers
101 W 4th St S
Newton, IA 50208

Call to Order

1. Roll Call

Resolutions

2. Resolution relating to the financing of proposed projects to be undertaken by the City of Newton, Iowa; establishing compliance with reimbursement bond regulations under the Internal Revenue Code
3. Resolution approving the purchase of a commercial kennel unit and installation of associated infrastructure for an amount not to exceed \$150,000

Mayor/Council Comments

4. Mayor and Council Comments

Adjourn

The City of Newton is pleased to provide reasonable accommodations, in compliance with the Americans with Disabilities Act, for those individuals or groups who require assistance to be able to participate in the public meeting. Should special accommodations be required, please contact the City Clerk's Office at least 48 hours in advance of the meeting, at 641-792-2787 to arrange for accommodations to be provided.

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City of Newton Council Report

**Item:**

Resolution relating to the financing of proposed projects to be undertaken by the City of Newton, Iowa; establishing compliance with reimbursement bond regulations under the Internal Revenue Code

Summary:

The Internal Revenue Service Regulations generally require that the City make a prior declaration of its official intent to reimburse itself

Financial Impact:

Maximum Amount of Bonds expected to be \$175,000

Report Number: 2024-934**Date:**

September 25, 2024

Lead Department:

Administration

Recommendation:

Approve

Background:

The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the "Regulations") dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse the City for project expenditures made by the City prior to the date of issuance.

The Regulations generally require that the City make a prior declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing and that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within a certain period after the payment of the expenditure or the date the projects are placed in service.

The City proposes to undertake the following projects and to make original expenditures with respect thereto prior to the issuance of bonds, notes or other obligations (the "Bonds") and reasonably expects to issue the Bonds for such projects in the maximum principal amount shown below:

Animal Shelter Improvements	\$175,000
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Recommendation:

Approve

Matt Muckler, City Administrator

RESOLUTION NO. 2024 - _____

Resolution relating to the financing of proposed projects to be undertaken by the City of Newton, Iowa; establishing compliance with reimbursement bond regulations under the Internal Revenue Code

BE IT RESOLVED by the City Council (the “Council”) of the City of Newton, Iowa (the “City”), as follows:

Section 1. Recitals.

(a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse the City for project expenditures made by the City prior to the date of issuance.

(b) The Regulations generally require that the City make a prior declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing and that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within a certain period after the payment of the expenditure or the date the projects are placed in service; and

(c) The City desires to comply with requirements of the Regulations with respect to certain projects hereinafter identified.

Section 2. Official Intent Declaration.

(a) The City proposes to undertake the following projects and to make original expenditures with respect thereto prior to the issuance of bonds, notes or other obligations (the “Bonds”) and reasonably expects to issue the Bonds for such projects in the maximum principal amount shown below:

<u>Projects</u>	<u>Maximum Amount of Bonds Expected to be Issued for Projects</u>
Animal Shelter Improvements	\$175,000

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds or (ii) expenditures made not earlier than sixty days prior to the date of this Resolution or (iii) expenditures amounting to the lesser of \$100,000 or 5% of the proceeds of the Bonds or (iv) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, no expenditures for the projects have heretofore been made by the City for which the City will seek reimbursement from the proceeds of the Bonds.

(c) This declaration is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

Section 3. Budgetary Matters.

As of the date hereof, there are no City funds reserved, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long term basis or otherwise set aside) to provide permanent financing for the expenditures related to the projects, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the City's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof, all within the meaning and content of the Regulations.

Section 4. Reimbursement Allocations.

The City's finance officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make payment of the prior costs of the projects. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the Bonds, shall specifically identify the actual prior expenditure being reimbursed or, in the case of reimbursement of a fund or account, the fund or account from which the expenditure was paid, and shall be effective to relieve the proceeds of the Bonds from any restriction under the bond resolution or other relevant legal documents for the Bonds, and under any applicable state statute, which would apply to the unspent proceeds of the Bonds.

Section 5. Repealer.

All resolutions, parts of resolutions, or actions of the City Council in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved September 25, 2024.

Mayor

Attest:

City Clerk

RESOLUTION NO. 2024 – _____

**RESOLUTION APPROVING THE PURCHASE OF A COMMERCIAL KENNEL UNIT
AND INSTALLATION OF ASSOCIATED INFRASTRUCTURE FOR AN AMOUNT NOT
TO EXCEED \$150,000**

WHEREAS, the City was recently notified that Parkview Animal Hospital requested to dissolve the animal housing agreement effective October 15, 2024; and

WHEREAS, the City is required to provide animal control services per City Code; and

WHEREAS, City staff proposes the purchase of a commercial modular kennel unit to serve as the animal control facility; and

WHEREAS, quotes were received from 2 vendors with Backyard Escapes of Pocomoke City, MD having the lowest quote of \$84,831; and

WHEREAS, utility infrastructure, fencing and a concrete pad will need to be installed prior to delivery of the unit at an additional cost that is yet to be determined; and

WHEREAS, City staff estimates the cost of this project will not exceed \$150,000 and will be paid for through FY25 general funds and reimbursed through future bonding proceeds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newton, Iowa agrees to approve the purchase of a commercial kennel unit from Backyard Escapes in the amount of \$84,831 and fund the installation of utility infrastructure, fencing and a concrete pad for a total project amount not to exceed \$150,000 using FY25 general funds and reimbursed through future bonding proceeds.

PASSED this _____ day of _____, 2024.

APPROVED this _____ day of _____, 2024.

Evelyn George, Mayor

ATTEST:

Katrina Davis, City Clerk