Town of Milton
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Resolution 2025-005

REIMBURSEMENT RESOLUTION

AUTHORIZING THE REIMBURSEMENT OF PRIOR EXPENDITURE OF FUNDS FROM THE PROCEEDS OF TAX-EXEMPT BONDS TO BE ISSUED FOR THE FINANCING OF CERTAIN CAPITAL PROJECTS

Recitals

WHEREAS, The Town of Milton, Sussex County, Delaware (the "Town") has determined to finance the acquisition of land for future Town facilities and community parking and the cost for future design and engineering of such Town facilities (the "Project"); and

WHEREAS, the Town intends to finance the costs of the Project by the issuance of its general obligation bonds, notes or other obligations, in one or more series, at the same or different times (the "Bonds"); and

WHEREAS, the Town intends to use a portion of the proceeds of the Bonds to reimburse itself for original expenditures made with respect to the Project and paid prior to the date of issuance of such Bonds; and

WHEREAS, no portion of the Project has yet been placed in service; and

WHEREAS, this Resolution is intended to constitute a statement of "Official Intent" pursuant to Treasury Regulation §1.150-2 (the "Treasury Regulation").

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Town Council of The Town of Milton as follows:

1. In accordance with Treasury Regulation §1.150-2, the Town hereby states its intentions that a portion of the proceeds of the Bonds will be used to reimburse itself for expenditures paid prior to the date of issuance of the Bonds. All capitalized terms used herein and not otherwise defined have the same meaning as ascribed to them in Treasury Regulation §1.150-2.

a. All original expenditures to be reimbursed will be capital expenditures (as defined in Treasury Regulation § 1.150-1(b)) and other amounts permitted to be reimbursed pursuant to Treasury Regulation §§ 1.150-2(d)(3) and (f).

b. The Town intends to reimburse its original expenditures through the incurrence of debt to be evidenced by the Bonds.

c. The description of the type and use of the property for which the original expenditure to be fully or partially reimbursed is to be paid is costs relating to the Project as defined in the recitals to this Resolution.

d. The anticipated maximum principal amount of Bonds which is expected to be issued for the Project, not including costs of issuance of the Bonds, for which the Town expects to reimburse itself will not exceed $1,700,000.

2. Once the Bonds are issued, the Town shall allocate Bond proceeds to reimburse a prior expenditure by making the allocation on its books and records maintained with respect to the Bonds; provided that such costs to be reimbursed were paid not more than sixty (60) days prior to the date hereof. Such allocation shall specifically identify the actual original expenditure to be reimbursed. Such allocation shall occur not later than eighteen (18) months after the later of: (i) the date on which the original expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid; provided, however, that if the Bonds satisfy the provisions of Section 148(f)(4)(D)(i)(I) through (IV) of the Internal Revenue Code of 1986, as amended (relating to the small issuer exception from rebate), then the reimbursement allocation shall occur not later than three (3) years after the later of: (i) the date on which the original expenditure is paid, or (ii) the date on which the Project is placed in service. If the Bonds are issued before the expiration of the period prescribed in the preceding sentence, then the reimbursement allocation shall occur not later than the date the Bonds are issued.

3. The Bond proceeds used to reimburse the Town for original expenditures will not be used within one (1) year after the allocation in a manner that results in the creation of replacement proceeds (as defined in Treasury Regulation §1.148-1) for the Bonds or for other bonds.

4. The Town will not use the proceeds of the Bonds to reimburse, refinance or refund an original expenditure paid by another obligation (either tax-exempt or taxable).

5. This Resolution is effective immediately.

6. All resolutions heretofore adopted to the extent the same are inconsistent herewith are hereby repealed.

ADOPTED AND RESOLVED: May 5, 2025

CERTIFICATE OF SECRETARY

I, Robert Gray, the undersigned and Secretary of Milton Town Council hereby certifies that the foregoing resolution is a true and correct copy of the Reimbursement Resolution duly adopted by a majority of the Mayor and Town Council of The Town of Milton, Sussex County, Delaware at its meeting held on May 5, 2025.

Robert Gray
Secretary of Town Council