



# UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

**TOPIC:** Approval of a Resolution Declaring Intention to Reimburse certain Expenditures

**SUBMITTED BY:** Laida P. Benavides, CPA **OF:** Division of Finance

**APPROVED FOR TRANSMITTAL TO SCHOOL BOARD:** \_\_\_\_\_

**DATE ASSIGNED FOR BOARD CONSIDERATION:** November 15, 2017

**Recommendation:**

Management is recommending approval of the resolution expressing the official intent to permit the District to use the proceeds of obligations to reimburse the District for costs attributable to the Project (See Exhibit A) paid or incurred before the date of issuance of such obligations.

**RATIONALE:**

The District finds it necessary to commence ordering items on the project list due to the extended time needed for manufacturing specialized items (ie. buses, band instruments, etc.). This will allow for such items to be received and placed in operations for the current and new school year.

**BUDGETARY INFORMATION:**

Budget 2018 \$16,000,000

**BOARD POLICY REFERENCE AND COMPLIANCE:**

Treasury Regulations, Section 1.150-2  
Texas Government Code Ch. 1201

## **RESOLUTION DECLARING INTENTION TO REIMBURSE CERTAIN EXPENDITURES**

WHEREAS, the United Independent School District (the "District") desires to pay expenditures in connection with the design, planning, acquisition, construction, equipping, and/or renovating of the project or facilities described in Exhibit A attached hereto (the "Project");

WHEREAS, Chapter 1201, Texas Government Code (the "Code") permits the District to use the proceeds of obligations to reimburse the District for costs attributable to the Project paid or incurred before the date of issuance of such obligations; and

WHEREAS, the District finds, considers, and declares that the reimbursement of the District for the payment of such expenditures will be appropriate and consistent with the objectives of the District's programs and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNITED INDEPENDENT SCHOOL DISTRICT THAT:

Section 1. This Resolution declares the intention of the District to reimburse the expenditures for the Project with the proceeds of obligations. The District presently intends to reimburse the expenditure by incurring obligations issued under Texas law, the interest on which is excludable from gross income under section 103 of the Internal Revenue Code of 1986, as amended.

Section 2. The District reasonably expects to incur debt, in one or more series of obligations, in an aggregate maximum principal amount now estimated to be \$16,000,000 for the purpose of paying the costs for the acquisition of certain property and related improvements for the District.

Section 3. The District intends to reimburse the expenditures hereunder not later than 18 months after the date the original expenditure is paid or the date the Project is placed in service or abandoned, but in no event more than three years after the original expenditure is paid unless the Project is a construction project for which the District and a licensed architect or engineer have certified that at least five years are necessary to complete the Project in which event the maximum reimbursement period is five years after the date of the original expenditure.

Section 4. The District intends that this Resolution satisfy the official intent requirement set forth in Section 1.150-2 of the Treasury Regulations and evidences its intentions under Section 1201.042(c) of the Code.

Section 5. This Resolution shall be liberally construed to evidence the intent of the District to comply with state law and federal income tax law in the issuance of tax-exempt obligations for the Project.

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## **EXHIBIT A**

### **PROJECT DESCRIPTION**

Providing for the payment of contractual obligations to be incurred in connection with the acquisition of certain District-owned public property, specifically being: school buses, vehicles, instructional equipment, campus safety equipment, and furniture.