



Legislation Details (With Text)

File #: 01542 **Version:** 1 **Name:** Water Utility Fund
Type: Resolution **Status:** Passed
File created: 6/28/2005 **In control:** WATER UTILITY BOARD
On agenda: 8/2/2005 **Final action:** 8/2/2005
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Title: Authorizing a loan from the general fund to the water utility fund and the reimbursement of certain capital expenditures from the proceeds of future waterworks system revenue bonds.

Sponsors: Lauren Cnare

Indexes:

Code sections:

Attachments: 1. 01542.pdf

Date	Ver.	Action By	Action	Result
8/2/2005	1	COMMON COUNCIL	Adopt	Pass
7/19/2005	1	WATER UTILITY BOARD	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
7/11/2005	1	BOARD OF ESTIMATES (ended 4/2017)	Return to Lead with the Recommendation for Approval	Pass
7/5/2005	1	COMMON COUNCIL	Refer	
7/5/2005	1	WATER UTILITY BOARD	Refer	
6/29/2005	1	Attorney's Office	Fiscal Note Required / Approval	
6/29/2005	1	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office	
6/29/2005	1	Attorney's Office	Referred for Introduction	

Fiscal Note

This resolution accomplishes two purposes. First, it provides the legal authorization for the Water Utility to use borrowed funds to finance specific projects started prior to the actual borrowing date. Second, it authorizes a loan from the general fund to the water utility fund to temporarily finance Water Utility capital expenditures. The loan shall accrue interest at the rate of earnings on City investments, plus .25% and shall be repaid when the Water Utility sells revenue bonds to permanently finance its capital projects. No significant budgetary impact is anticipated.

Title

Authorizing a loan from the general fund to the water utility fund and the reimbursement of certain capital expenditures from the proceeds of future waterworks system revenue bonds.

Body

WHEREAS, United States Treasury regulations permit proceeds of bonds, the interest on which is excluded from gross income for federal income tax purposes, to be allocated to reimburse an expenditure that was paid prior to the date of issue of the bonds only if the state or local government, within 60 days of the date of the expenditure, declared its official intent to reimburse the expenditure with proceeds of a borrowing; and

WHEREAS, it is desirable for the City of Madison to be able to use the proceeds of its bonds relating to its municipal waterworks system (the System) to reimburse expenditures relating to the System that are paid prior to the date of issue of such bonds; and

WHEREAS, the City is able to temporarily finance authorized Water Utility capital expenditures, until the sale of waterworks system revenue bonds, with an internal borrowing from the General Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY as follows:

Section 1. Authorization to Declare Official Intent. The Finance Manager of the City's water utility (the Declaration

Representative), and any employee designated by the Declaration Representative, are each hereby authorized, for the purpose of Treasury Regulations Section 1.150-2, as amended from time to time (the Reimbursement Regulations), to declare on behalf of the City that the City intends to reimburse an expenditure relating to the System with proceeds of a borrowing relating to the System (a declaration of official intent).

Section 2. Records. The Declaration Representative is hereby directed to maintain a written copy of each declaration of official intent for so long as the related borrowing is outstanding.

Section 3. Further Authorizations. The Declaration Representative, and any employee of the City's water utility designated by the Declaration Representative, are each hereby authorized to take such further actions as may be necessary or useful to comply with the Reimbursement Regulations.

Section 4. Internal Borrowing. The Comptroller is authorized to transfer up to \$6,000,000 from the general fund to the water utility fund, and to charge the water utility fund monthly interest equal to the City's investment earnings plus .25% on the outstanding principal amount.

Section 5. Effective Date. This Resolution shall take effect upon its adoption and approval in the manner provided by law.

Adopted: August 2, 2005

Approved: August 4, 2005

Mayor

Clerk

CERTIFICATIONS BY CLERK

I, Ray Fisher, hereby certify that I am the duly qualified and acting Clerk of the City of Madison, Dane County, Wisconsin (the Municipality), and as such I have in my possession, or have access to, the complete corporate records of said Municipality and of its Common Council (the Governing Body) and that attached hereto is a true, correct and complete copy of the resolution (the Resolution) entitled:

AUTHORIZING A LOAN FROM THE GENERAL FUND TO THE WATER UTILITY FUND AND THE REIMBURSEMENT OF CERTAIN CAPITAL EXPENDITURES FROM THE PROCEEDS OF THE FUTURE WATERWORKS SYSTEM REVENUE BONDS

I do hereby further certify as follows:

- 1. Meeting Date.** On the 2nd day of August, 2005 a meeting of the Governing Body was held commencing at 6:30 pm.
- 2. Posting.** On the 29th day of July, 2005 (and not less than 24 hours prior to the meeting), I posted or caused to be posted at the Municipality's offices in Madison, Wisconsin a notice setting forth the time, date, place and subject matter (including specific reference to the Resolution) of said meeting.
- 3. Notification of Media.** On the 29th day of July, 2005 (and not less than 24 hours prior to the meeting), I communicated or caused to be communicated, the time, date, place and subject matter (including specific reference to the Resolution) of said meeting to those news media who have filed a written request for such notice and to the official newspaper of the Municipality.
- 4. Open Meeting Law Compliance.** Said meeting was a regular meeting of the Governing Body that was held in open session in compliance with Chapter 19 of the Wisconsin Statutes and any other applicable local rules and state statutes.
- 5. Members Present.** Said meeting was duly called to order by the Mayor (the Presiding Officer), who chaired the meeting. Upon roll I noted and recorded that there were 17 members of the Governing Body present at the meeting, such number being a quorum of the Governing Body.
- 6. Consideration of and Vote on Resolution.** Various matters and business were taken up during the course of the meeting without intervention of any closed session. One of the matters taken up was the Resolution. A proper quorum of the Governing Body was present for the consideration of the Resolution, and each member of the Governing Body had received a copy of the Resolution. All rules of the Governing Body that interfered with the consideration of the Resolution, if any, were suspended by a two-thirds vote of the Governing Body. The Resolution was then introduced, moved and seconded, and after due consideration, the Resolution was adopted by roll call vote as follows:
17 Ayes 0 Nays.
- 7. Adoption of Resolution.** The Resolution was supported by the affirmative vote of a majority of a quorum of the members of the Governing Body in attendance. The Presiding Officer then declared that the Resolution was adopted, and I so recorded it.
- 8. Approval of Presiding Officer.** The Resolution was approved by the Presiding Officer on August 4th, 2005, and I have recorded such approval. Such approval is evidenced by the signature of the Presiding Officer on the copy of said Resolution attached hereto.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Municipality hereto on this 21st day of April, 2006.

Clerk
[Seal]