



## Buncombe County Board of Commissioners

### Request for Board Action

Meeting Date: 2/7/2023

#### New Business

**Department:** Finance

**Presenter(s):** Mason Scott

**Contact(s):** Mason Scott, Interim Finance Director

**Subject:** Multiple Resolutions Declaring the County's Intent to Reimburse Itself for Capital Expenditures Incurred with Various County and School Capital Projects, Affordable House Projects, and Open Space Projects

**Brief Summary:** The reimbursement resolution designates the Finance Director to declare on behalf of the Board of Commissioners their official intent to reimburse expenditures with proceeds of debt. We anticipate spending operating funds for various projects, then reimbursing the County in amounts not to exceed amounts outlined below.

Amount	For various...	Reimbursed from
\$47 million	School & County Projects	Limited Obligation Bond Series
\$16 million	Affordable Housing Projects	\$40 million GO bond authorization
\$5.6 million	Open Space Projects	\$30 million GO bond authorization

Additional information: Per IRS regulations, counties must adopt a Reimbursement Resolution if they intend to spend currently available funds on capital projects that will be financed by the later issuance of bonds. This allows us to proceed with these projects, then issue the bonds later in the fiscal year once the actual project costs have been determined by bidding, and possible change orders. This is possible if a county has sufficient fund balance to cash flow the projects, then reimburse county operating funds when the bonds are issued.

The process of adopting a reimbursement resolution helps with the bond issue approval from the Local Government Commission (LGC). The LGC is hesitant to allow the issue of bonds without definite projects with firm costs. The LGC may accept architect's or engineer's estimates on construction projects, but they strongly prefer actual bids in hand. By moving ahead with the projects prior to bond approval we will have definite projects with firm costs to satisfy the LGC requirements.

**Recommended Motion & Requested Action:** Approve resolution as submitted.

**County Manager's comments and Recommendation:** Approve resolution as presented.