

TOWNSHIP OF WASHINGTON  
FRANKLIN COUNTY, PENNSYLVANIA

RESOLUTION NO. 766

REIMBURSEMENT FOR PROJECT COSTS

WHEREAS, Washington Township ("Township") intends to issue non-electoral debt for the purpose of financing a capital project consisting of the construction of a new municipal building, (the "Project") in an approximate amount of \$3,400,000.00; and

WHEREAS, the general obligation, non-electoral debt in an approximate amount of \$3,400,000,000 is intended to be excluded from gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended and supplemented (the "Code")(the "Financing"); and

WHEREAS, the Township intends to issue the Financing in accordance with the Local Government Unit Debt Act; and

WHEREAS, the Township desires to declare its official intent to reimburse itself from the proceeds of tax-exempt obligations to be issued by the Township for certain expenditures relating to the Project (the "Capital Expenditures"); and

WHEREAS, the Township intends to use its Capital Reserve Funds to be applied toward payment of Capital Expenditures for which the Township expects to be reimbursed; and

WHEREAS, the Township, in compliance with the Code, desires to declare its official intention to reimburse Capital Expenditures for the Project with proceeds of the Financing; and

WHEREAS, the Township authorized and directs Township officials, the Township Solicitor, Note Counsel, and the financial advisor appointed for the Project, to do and take certain actions in furtherance of the issuance of the Financing for the Project; and

NOW THEREFORE, BE IT RESOLVED, by the Board of Supervisors of Washington Township, as follows:

1. The above recitals are incorporated herein and made a part hereof. The Financing of the Project is approved for action as set forth in this Resolution and in accordance with applicable federal and state law. It is the intent of the Township to undertake the Project and the Financing.

2. The reasonably expected source of funds that will be used to pay the Capital Expenditures are the Township's Capital Reserve Funds, which the Township reasonably expects to reimburse from proceeds of the Financing. All Capital Expenditures to be reimbursed will be permitted expenditures under the Code including, but not limited to, capital expenditures or costs of issuance with respect to the

Financing. The Capital Expenditures made by the Township which are to be reimbursed in accordance with the intent of this Resolution relate to the expenditures deemed reasonably necessary for the Project prior to the Financing.

3. This Resolution constitutes a declaration of official intent, under the United States Treasury Regulations, 26 C.F.R. §1.150-2, to reimburse the Township for expenditures made with respect to eligible costs of the Project. This official intent encompasses payment of Capital Expenditures made not more than sixty (60) days prior to the date of adoption of this Resolution and thereafter, for which the Township reasonably expects to reimburse itself from proceeds of a tax-exempt obligation.

4. To the extent that a specific designation is to be made for each Capital Expenditures paid from the Township funds for which a reimbursement allocation will be made under authority of this Resolution, the appropriate officers of the Township shall designate such expenditures and specify the amount of each expenditure.

5. The Township shall allocate the proceeds from the Financing to reimburse a Capital Expenditure by making the allocation on its books and records maintained with respect to the Financing. Such allocation shall specifically identify the actual Capital Expenditures to be reimbursed. Such allocation shall occur not earlier than the date on which the Capital Expenditure is paid and not later than eighteen (18) months after the later of: (a) the date on which the Capital Expenditure was paid; or (b) the date on which the Project was placed in service, but in no event more than three (3) years after the Capital Expenditure was paid.

6. The proceeds from the Financing used to reimburse the Capital Expenditures will not be used for any of the following purposes: (a) within one (1) year of the date of the reimbursement allocation to "refund" another issue of tax-exempt obligations within the meaning of Section 148 of the Code; (b) within one (1) year of the date of the reimbursement allocation to create or increase the balance in a "sinking fund"; (c) within one (1) year of the date of reimbursement allocation to create or increase the balance in a "reserve or replacement fund" within the meaning of the Code with respect to any tax-exempt obligation; and (d) to reimburse any person or entity of the Township for any expenditure or any payment with respect to financing an expenditure that was originally paid with proceeds of any tax-exempt obligation.

7. The Township hereby appoints PFM Financial Advisors, LLC, as financial advisor for the Financing of the Project. The financial advisor shall perform those duties usual and customary for the financial advisor which are necessary to complete the financing of the Project, or as otherwise requested hereafter by the Township or another party to the Project or the financing thereof.

8. Township officials, acting through the Township Manager, the Township Solicitor, Note Counsel, and other persons and entities, whether employed or retained by the Township shall assist the financial advisor in the preparation of a financing plan for the Project. Note Counsel and the financial advisor shall report, either directly or through the Township Manager, on the status of the financing plan to the

Board of the Township in such manner as the Township Manager shall deem appropriate.

9. The authorization granted in this Resolution shall include authorization to prepare such financial and legal documents necessary and proper under federal and state law and customary in issuing tax-exempt, general obligation debt. Township officials, Township solicitor, Note Counsel, and the financial advisor are authorized and directed to take such action as is necessary and proper to fulfill the obligations imposed by this Resolution.

10. The Township approves, ratifies, and confirms all action heretofore taken by officers and other persons on behalf of the Township in connection with the undertakings herein contemplated.


11. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the Township that such remainder shall be and shall remain in force and effect.


12. This Resolution shall become effective immediately, and all resolutions or parts of resolutions inconsistent herewith are expressly repealed.

DULY ADOPTED, by the Board of Supervisors of Washington Township, Franklin County, Pennsylvania, this 28<sup>th</sup> day of February 2022.

TOWNSHIP OF WASHINGTON  
COUNTY OF FRANKLIN  
PENNSYLVANIA

Attest:

  
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Karen S. Hargrave  
Secretary

  
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Charles L. Strausbaugh  
Chairman, Board of Supervisors

