

RESOLUTION NO. 13-08

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF BONNEVILLE COUNTY, IDAHO, AUTHORIZING THE ISSUANCE AND SALE OF A REVENUE ANTICIPATION NOTE, SERIES 2013, IN THE PRINCIPAL AMOUNT OF \$150,000 FOR THE PURPOSE OF PROVIDING FUNDS IN ANTICIPATION OF THE COLLECTION OF REVENUES FOR THE 2013-2014 FISCAL YEAR; PROVIDING FOR THE FORM, ISSUANCE, AND REDEMPTION OF THE NOTE; CREATING A REVENUE ANTICIPATION NOTE REDEMPTION FUND AND PROVIDING FOR THE DEPOSIT OF TAXES AND REVENUES INTO THE REDEMPTION FUND FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTE; PROVIDING FOR RELATED TERMS AND COVENANTS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Bonneville County, Idaho (the "County"), is a political subdivision duly created and operating under the laws of the State of Idaho; and

WHEREAS, the County, by and through its Board of Commissioners (the "Board"), has duly adopted a budget and an annual appropriations ordinance, in the manner provided by law, for the 2013-2014 Fiscal Year; and

WHEREAS, the Board has determined that there will exist, during the 2013-2014 Fiscal Year, a deficit in the County's tax and revenue collections, due to the purchase of an armored response vehicle for the County's Sheriff's Department, for which the County should be reimbursed from a Homeland Security Grant from the federal government; and

WHEREAS, the Board desires to issue a revenue anticipation note of the County in order to provide funds for the purchase of such vehicle and to meet such deficit pending the collection of such revenues for the 2013-2014 Fiscal Year, or in the alternative, the 2014-2015 Fiscal Year; and

WHEREAS, the County is authorized, pursuant to Title 63, Chapter 31, Idaho Code, to issue its revenue anticipation note for the foregoing purposes and to sell such revenue anticipation note at private sale; and

WHEREAS, the County has received an offer from Zions First National Bank to purchase the revenue anticipation note of the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF BONNEVILLE COUNTY, IDAHO as follows:

Section 1: For the purpose of providing funds to pay expenses for the purchase of an armored response vehicle for the Sheriff's Department in anticipation of the collection of a grant, or in the alternative, receipt of other revenues including ad valorem taxes (collectively, the "Revenues") for the 2013-2014 fiscal year (the "Fiscal Year") or, alternatively, for the 2014-2015 fiscal year (the "Next Fiscal Year"), the Board hereby authorizes the issuance and sale of a

revenue anticipation note, designated "Bonneville County Revenue Anticipation Note, Series 2013" (the "Note"), in the aggregate principal amount of \$150,000, to be issued, sold, and delivered in the manner provided by Title 63, Chapter 31, Idaho Code.

Section 2: The Note is being issued for the purpose of providing funds for the payment of an armored response vehicle in anticipation of the collection and receipt of the Revenues for the Fiscal Year or the Next Fiscal Year received after the date of issue of the Note.

Section 3: The Note shall be substantially in the form which is annexed hereto as Exhibit "A," shall be dated as of its date of delivery, shall mature on November 1, 2014, shall bear interest at the rate of 1.22% from its date until paid, calculated on the basis of a 30/360 interest accrual method, which interest shall be payable on the date of maturity, or upon its call, whichever is earlier. The Note is callable in full at par plus accrued interest with thirty days written notice.

Section 4: The Note shall be manually executed on behalf of the County by the Board Chairman and attested by the County Clerk, and the official seal of the County shall be affixed to the Note.

Section 5: The principal and interest on the Note shall be payable in lawful money of the United States of America, at Zions First National Bank, the office of the Paying Agent. The Note shall be a negotiable instrument within the meaning of the Uniform Commercial Code. Zions First National Bank, Corporate Trust, Boise, Idaho is hereby designated as the Paying Agent and Note Registrar for the Note.

Section 6: There is hereby created and shall be maintained in the office of the County Clerk a fund related to an account or accounts maintained by the County Treasurer, separate and distinct from all other funds of the County, designated as the "Revenue Anticipation Note, Series 2013, Redemption Fund" (the "Redemption Fund"). The proceeds of Homeland Security Grants collected and received, which have been designated and previously committed to the purchase of the armored vehicle by the County after the date of issue of the Note, for the Fiscal Year, shall be placed, immediately upon receipt, in the Redemption Fund until such time as the moneys and investment earnings accumulated therein, or reasonably anticipated to be earned thereon by the date of maturity of the Note, shall be fully sufficient to pay the principal of and the interest on the Note at maturity. All moneys in the Redemption Fund shall be invested, in lawful investments of the County, so as to mature on or before November 1, 2014. The funds shall be transferred to the Paying Agent on or before the maturity date. The moneys so accumulated in the Redemption Fund are hereby irrevocably pledged, appropriated, and set apart for the aforesaid purposes only. Nothing herein shall be construed to limit the payment of the principal of and interest on the Note solely to Revenues deposited in the Redemption Fund, but the Note shall be a direct and general obligation of the County, for the payment of which the full faith, credit, and resources of the County are hereby pledged.

Section 7: The County further covenants with the purchaser and any subsequent holders of the Note as follows:

A. The principal amount of the Note issued pursuant to this Resolution does not exceed seventy-five percent (75%) of the Revenues duly budgeted by the Board for the Fiscal Year and not yet collected or received by the County.

B. The proceeds of the Note will be used exclusively for the same purposes for which the Revenues were budgeted and appropriated.

C. None of the proceeds of the Note will be used, directly or indirectly, (i) to make or finance loans to persons, or (ii) in any trade or business carried on by any person (other than use as a member of the general public), and the Note will not be a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986 (the "Code").

D. The County hereby designates the Note as a "qualified tax-exempt obligation" within the meaning and for the purposes of Section 265(b)(3) of the Code, and the County, including any issuers that may be aggregated by virtue of Section 265(b)(3)(E) of the Code, does not reasonably anticipate that it will issue more than \$10,000,000, including the Note, as qualified tax-exempt obligations during the 2013 calendar year.

E. The County will comply with the provisions of the Code which are necessary for interest paid on the Note to be excluded from gross income for purposes of federal income taxation (except for certain minimum taxes on corporations), will make no use of the proceeds of the Note that would result in the interest on the Note being includable in gross income within the meaning of Section 103(a) of the Code, and in particular will take no action which would cause the Note to become an arbitrage bond within the meaning of Section 148 of the Code. A certificate that the Note is not an arbitrage bond within the meaning of Section 148 of the Code will be provided to the purchaser at the time of delivery of the Note.

F. The County has general taxing powers. The Note is not a "private activity bond" within the meaning of Section 141 of the Code. 95% or more of the net proceeds of the Note is to be used for the local governmental activities of the County. The County has no subordinate entities. The County has not issued, and does not reasonably anticipate that it will issue, tax-exempt obligations in the calendar year 2013 in a face amount which exceeds \$5,000,000. Accordingly, under Section 148(f)(4)(D) of the Code, the County is not required to pay rebates to the United States under Section 148(f) of the Code.

G. None of the proceeds of the Note will be used to reimburse the County for any capital expenditure made prior to the date of delivery of the Note, unless the County shall have adopted an official intent resolution as provided by Section 1.150-2 of the Treasury Regulations.

Section 8: The sale and delivery of the Note to Zions First National Bank, in accordance with the Note Purchase Contract substantially in the form annexed hereto as Exhibit "B," is hereby authorized and approved.

Section 9: The Board Chairman, County Treasurer, and County Clerk, or any one or more of such officials as may be appropriate to the document being executed, are hereby authorized to execute, on behalf of the County, all such additional documents, certificates, and

instruments as may be necessary or appropriate to carry out the intent of this Resolution.

Section 10: This Resolution shall take effect and be in force immediately upon its passage and approval.

DATED the 28<sup>th</sup> day of October, 2013.

BONNEVILLE COUNTY, IDAHO

By *Kevin S. Christensen*  
Chairman, Board of Commissioners

ATTEST:

*Ronald Lyngne*  
County Clerk

(S E A L)

