

RESOLUTION NO. 2026-49

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, DECLARING, FOR PURPOSES OF SECTION 1.150 2 OF THE FEDERAL TREASURY REGULATIONS, OFFICIAL INTENT TO BE REIMBURSED IN CONNECTION WITH CERTAIN CAPITAL EXPENDITURES RELATING TO THE NOVEMBER 2012 ELECTION FOR PROPOSITION 405, NOVEMBER 2018 ELECTION FOR PROPOSITIONS 419 AND 420, WATER FUND PROJECTS, WASTEWATER FUND PROJECTS, RECLAIMED WATER FUND PROJECTS, AND STORMWATER FUND PROJECTS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City of Flagstaff, Arizona, a political subdivision of the State of Arizona (hereinafter referred to as the "City"), is authorized and empowered to finance the costs of various capital facilities and equipment owned or to be owned by the City; and

WHEREAS, it is contemplated that certain expenditures made by the City with regard to capital facilities and equipment owned or to be owned by the City will be reimbursed from the financing proceeds in the future by or on behalf of the City.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. Definitions. The following terms shall have the meanings assigned thereto as follows:

"Official intent" means a declaration of intent of the City to reimburse an original expenditure with proceeds of an obligation.

"Original expenditure" means an expenditure for a governmental purpose that is originally paid from a source other than a reimbursement bond.

"Reimbursement bond" means the portion of an issue of obligations allocated to reimburse an original expenditure that was paid before the issue date of such issue.

SECTION 2. Official Intent. This Resolution is official intent relating to reimbursement for the original expenditures indicated in Exhibit A attached hereto which are capital expenditures [being any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles].

SECTION 3. Project Descriptions. The projects for which such original expenditures are to be paid are for those described on the Exhibit A attached hereto and the maximum principal amount of obligations (including the reimbursement bonds for such purposes) to be issued for such projects will not exceed \$139,450,000.

SECTION 4. Reasonableness of Official Intent. On the date of this Resolution, the Council of the City has a reasonable expectation (being that a prudent person in the same circumstances would have based on all the objective facts and circumstances) that it will reimburse such original expenditures with proceeds of such obligations. [Official intents have not been declared by the Council of the City as a matter of course or in amounts substantially in excess of the amounts expected to be necessary for such projects. Moreover, the Council of the City does not have a pattern (other than in extraordinary circumstances) of failure to reimburse actual original expenditures covered by official intents.]

SECTION 5. Reimbursement Period. With certain exceptions, an allocation in writing that evidences the use of proceeds of the reimbursement bonds to reimburse the original expenditures shall be made not later than 18 months after the later of the date that the original expenditure is paid or the date the project is "placed in service," but in no event more than 3 years after the original expenditure is paid. The City is allowed to reimburse for expenditures up to 60 days prior to the date of the resolution adoption.

SECTION 6. Public Record. This Resolution shall be included as of the date hereof in the publicly available official records of the City, such records being maintained and supervised by the Clerk of the City, being the main administrative office of the City, and shall remain available for public inspection on a reasonable basis.

SECTION 7. Prior Reimbursement Resolutions. This resolution shall replace the prior reimbursement resolution 2022-14 and will not replace the prior reimbursement resolution 2023-04 that were adopted by City.

SECTION 8. Effective Date. This resolution shall be immediately effective.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 6th day of October 2026.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibits:

Exhibit A – Original Expenditures Intended to be Reimbursed as of October 6, 2026

EXHIBIT A

ORIGINAL EXPENDITURES INTENDED TO BE REIMBURSED AS OF OCTOBER 6, 2026

<u>Description of Original Expenditures</u>	<u>Amount of Expenditures</u>
November 2012 Election - Proposition 405 Forest Health and Water Supply Protection Project	\$650,000
November 2018 Election - Proposition 419 Continuation of Sales Taxes for Roadway, Pedestrian, Bicycle, and Safety Improvements	\$ 50,000,000
November 2018 Election - Proposition 420 Sales Tax – Lone Tree Railroad Overpass from Butler Avenue to Route 66	\$ 35,000,000
Water Services Funds: Water Fund Projects Wastewater Fund Projects Reclaimed Water Fund Projects Stormwater Fund Projects	\$ 16,000,000 \$ 15,000,000 \$ 1,800,000 \$ 21,000,000