Resolution No. 2-17 Resolution: To declare the official intent of the Mayor and Council to bond finance certain projects under U.S. Treasury Income Tax Regulation Section 1.150-2

WHEREAS, the Mayor and Council of Rockville (the "Council") intends to finance the acquisition, construction and equipping of certain facilities and equipment described on Exhibit A attached hereto (collectively, the "Projects") for use in the governmental functions of the City of Rockville, Maryland (the "City"); and

WHEREAS, the Projects are expected to cost approximately $12,750,000 in the aggregate; and

WHEREAS, U.S. Treasury Income Tax Regulation Section 1.150-2 requires that in order to assure the eligibility of expenditures made by the City for reimbursement from the proceeds of tax-exempt obligations, the Mayor and Council generally must adopt an official intent in compliance with the such regulation within 60 days after payment of the expenditure; and

WHEREAS, the Mayor and Council desires to declare its official intent to reimburse the costs of the Projects with the proceeds of the City's debt in order to comply with the requirements of U.S. Treasury Income Tax Regulation Section 1.150-2 and thereby to assure the eligibility of expenditures made with respect to the Projects for reimbursement from the proceeds of tax-exempt obligations; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, as follows:

1. The City intends to acquire, construct and equip the Projects.

2. The City reasonably expects that (i) it will issue bonds or other obligations to finance all or a portion of the costs of the Projects, and (ii) it may pay capital expenditures for the Projects prior to the issuance of such bonds or other obligations and reimburse such expenditures from the proceeds of such bonds or other obligations.

3. The maximum principal amount of tax-exempt bonds or other obligations that the City expects to issue for the Projects is $12,750,000.

4. This Resolution shall constitute the declaration by the Mayor and Council of its official intent to reimburse the costs of the Projects with the proceeds of the City's debt for purposes of complying with the requirements of U.S. Treasury Income Tax Regulation Section 1.150-2 and thereby assuring the eligibility of expenditures for reimbursement from the proceeds of tax-exempt obligations with respect to the Projects.

Resolution No. 2-17

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Mayor and Council at its meeting of April 17, 2017.

Kathleen A. Conway

Kathleen A. Conway, City Clerk/Director of Council Operations

Resolution No. 2-17

EXHIBIT A

Listing of Potential Debt Amounts for City Projects
FY 2018 Debt Issue

Capital Projects Fund Projects	Account	Program Area	Debt Amount	Issue Year	Maturity
Swim and Fitness Center Locker Rooms Reno.	420-900-RK16	Rec & Parks	3,476,500	2017	20 Years
Watts Branch Parkway Property	420-900-GA17	General Gov't	811,200	2017	20 Years
Lincoln Park Community Center Property	420-900-RB17	Rec & Parks	310,000	2017	20 Years
Chestnut Lodge Property	420-900-RC17	Rec & Parks	2,575,000	2017	20 Years
		Capital Projects Fund Subtotal	**$7,172,700**		

Water Fund Project	Account	Program Area	Debt Amount	Issue Year	Maturity
Water Main Rehabilitation and Improv.	210-850-UC16	Utilities	637,000	2017	20 Years
Water Treatment Plant Electrical Upgrades	210-850-UA17	Utilities	1,250,000	2017	20 Years
		Water Fund Subtotal	**$1,887,000**		

Sewer Fund Project	Account	Program Area	Debt Amount	Issue Year	Maturity
Blue Plains Wastewater Treatment	220-850-UA16	Utilities	3,448,000	2017	20 Years
		Sewer Fund Subtotal	**$3,448,000**		

GRAND TOTAL	**$12,507,700**

ASSUMES ALL LEVEL PRINCIPAL SCHEDULES