

**WHATCOM COUNTY
ADMINISTRATIVE SERVICES**

Finance Director
Randy Rydel



FINANCE/ACCOUNTING
Whatcom County Courthouse
311 Grand Avenue, Suite #503
Bellingham, WA 98225-4082
Phone – (360) 778-5320
Fax – (360) 778-5321

MEMORANDUM

DATE: May 26, 2026

TO: Whatcom County Council

FROM: Randy Rydel, Finance Director, Whatcom County
Steve Oliver, Whatcom County Treasurer

RE: Reimbursement Resolution and Delegation of Authority to Designate
Expenditures for Future Tax-Exempt Bond Proceeds

Enclosed for your review and action is a proposed resolution authorizing the County Treasurer and Finance Director to designate certain expenditures for future reimbursement from tax-exempt bond proceeds. This resolution was prepared by Pacifica Law Group LLP, bond counsel to the County, and is presented for consideration at the May 26, 2026 Council meeting.

Background and Purpose

Federal tax law, specifically Treasury Regulation Section 1.150-2, limits the ability of governmental issuers to use tax-exempt bond proceeds to reimburse prior expenditures. A narrow exception permits reimbursement if the issuer has made an official declaration of intent to reimburse before the expenditure was incurred, or within 60 days after. Without a qualifying declaration on file, capital expenditures made before bond issuance cannot be reimbursed from bond proceeds and must be financed with other funds.

This resolution establishes a standing framework for the County to make timely reimbursement declarations without requiring a Council resolution for each individual project. It appoints the County Treasurer and Finance Director as Authorized Representatives, each independently authorized to execute a certificate of official intent on behalf of the County when they determine that costs of a capital project may be reimbursed from future tax-exempt obligations. Each executed certificate becomes part of the County's official public records.

The resolution does not commit the County to issuing any bonds, and no reimbursement declaration may be made in an amount substantially in excess of the amount expected to be necessary for the project. Issuance of any tax-exempt obligations remains subject to subsequent authorization by the County Council.

Please contact Randy Rydel (778-5323) with any questions or concerns regarding this resolution.