

RESOLUTION NO. 2024-88

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE BONNER COUNTY AMBULANCE SERVICE DISTRICT, IDAHO, DBA BONNER COUNTY EMS, AUTHORIZING THE ISSUANCE AND SALE OF A REVENUE ANTICIPATION NOTE, SERIES 2024, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$2,000,000 IN ANTICIPATION OF THE COLLECTION OF REVENUES FOR THE 2024-2025 FISCAL YEAR FOR THE PURPOSE OF PROVIDING FUNDS FOR EMS SERVICE; 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, the Bonner County Ambulance Service District, Idaho, dba Bonner County EMS (the "District"), is a political subdivision duly created and operating under the laws of the State of Idaho; and

WHEREAS, the District, 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 2024-2025 Fiscal Year; and

WHEREAS, the Board desires to issue a revenue anticipation note of the District in order to provide necessary funds for EMS services pending the collection of certain revenues for the 2024-2025 Fiscal Year; and

WHEREAS, the District 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 District has received an offer dated November 15, 2024 (the "Offer Letter") from Umpqua Bank (the "Purchaser") to purchase the revenue anticipation note of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE BONNER COUNTY AMBULANCE SERVICE DISTRICT, IDAHO as follows:

Section 1: For the purpose of providing funds for expenses for EMS services for the 2024-2025 Fiscal Year, the Board hereby authorizes the issuance and sale of a revenue anticipation note, in anticipation of the collection of revenues including ad valorem taxes (collectively, the "Revenues"), designated the "Bonner County Ambulance Service District, Idaho Revenue Anticipation Note, Series 2024" (the "Note"), in the aggregate principal amount not to exceed \$2,000,000, 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 provision of EMS services for the District in the 2024-2025 Fiscal Year.

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 September 30, 2025, shall bear interest at the rate of 5.25% from its date until paid, calculated on the basis of an actual/360 day 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 to the Purchaser. If the Note is deemed by the IRS to be taxable for any reason, the interest rate will be adjusted both prospectively and retrospectively to a taxable rate. A bank fee of \$3,500.00 will be charged for the issuance of the Note.

Section 4: The Note shall be manually executed on behalf of the District by the Board Chairman or Vice-Chairman and attested by the District Clerk.

Section 5: The principal and interest on the Note shall be payable in lawful money of the United States of America, at Umpqua Bank, Sandpoint, Idaho. The Note shall be a negotiable instrument within the meaning of the Uniform Commercial Code. The District Treasurer is hereby designated as the Note Registrar for the Note.

Section 6: There shall be established and maintained at the Sandpoint branch of Umpqua Bank a fund and account, separate and distinct from all other funds of the District, designated as the "Revenue Anticipation Note, Series 2024, Redemption Fund" (the "Redemption Fund"). The proceeds of all unrestricted revenues and ad valorem taxes collected and received for the EMS Fund in the 4th quarter of the 2024-2025 Fiscal Year (the "Revenues") 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 District, so as to mature on or before September 30, 2025. The funds shall be transferred to the Purchaser on or before the maturity date of the Note. 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 District, for the payment of which the full faith, credit, and resources of the District are hereby pledged.

Section 7: The District 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 2024-2025 Fiscal Year and not yet collected or received by the District.

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 District 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 District, 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 2024 calendar year.

E. The District 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 District 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 District. The District has no subordinate entities. The District has not issued, and does not reasonably anticipate that it will issue, tax-exempt obligations in the calendar year 2024 in a face amount which exceeds \$5,000,000. Accordingly, under Section 148(f)(4)(D) of the Code, the District 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 District for any capital expenditure made prior to the date of delivery of the Note, unless the District shall have adopted an official intent resolution as provided by Section 1.150-2 of the Treasury Regulations.

H. As conditions of closing, the following conditions shall be satisfied prior to funding:

1. The Note, in definitive or temporary form, is duly executed and delivered to Umpqua Bank (also referred to herein as "Purchaser");
2. An unqualified approving opinion of a recognized firm of lawyers (the "Bond Counsel"), satisfactory to the Purchaser and dated as of closing, to the effect that the District has authority to adopt this Resolution and to issue and sell the Note to the Purchaser, that the Note is valid, legal, and binding obligations of the District except to the extent that such enforcement may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights and that interest on the Note is exempt from federal income taxation and State of Idaho income taxation, and that the

District has designated the Note as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code;

3. A certificate of authorized officers of the District to the effect that no litigation is pending, or to the knowledge of the District threatened, against the District in any court to restrain or enjoin the sale or delivery by the District of the Note; to question the authority of the District to issue, or the issuance or validity of, the Note; to question the constitutionality of any statute, resolution, or the validity of any proceedings, authorizing the issuance of the Note; to question the validity or enforceability of this Resolution; or to question the titles of any officers of the District to their respective offices or the legal existence of the District under the laws of the State of Idaho or which might in any material respect adversely affect the transaction; contemplated to be undertaken by the District;
4. A certificate signed by authorized officers of the District to the effect that the officers of the District who signed or whose facsimile signatures appear on the Note were on the date of execution of the Note the duly elected, qualified, and acting officers of the District, and that their signatures are genuine or accurate facsimiles;
5. A copy of this Note Resolution;
6. A certificate signed by authorized officers of the District stating that the District has established a “Revenue Anticipation Note Redemption Fund” into which shall be paid revenues and taxes sufficient for the retirement of the Note;
7. Such additional legal opinions, certificates, instruments, and documents as the Purchaser may reasonably request to evidence the truth, accuracy, and completeness, as of November 26, 2024 (the “Closing” or such alternative date as the Closing shall be scheduled) of the representations and warranties and due performance by the District at or prior to Closing of all agreements then to be performed and all conditions then to be satisfied by the District;
8. An opinion of Note Counsel for the District to the effect that the District has and will have at Closing full legal right, power, and authority to enter into and perform its obligations under this Resolution, to adopt this Resolution, and to sell and deliver the Note;
9. A certificate designating the Note as “qualified tax-exempt obligations” pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, which affords the Purchaser favorable treatment deduction of interest expense;

10. A certificate signed by authorized officers of the District confirming that from the time of the execution and delivery of the Offer Letter to the date of Closing, there shall not have been any (i) material adverse change in the financial condition or general affairs of the District from that previously presented by the District to the Purchaser; (ii) event, court decision, proposed law, or rule which may have the effect of changing the federal income tax incidents of the District or the owner of the Note; or (iii) international or national crisis, suspension of stock exchange trading, or banking moratorium materially affecting, in the Purchaser's opinion, the market price of the Note.

Section 8: The sale and delivery of the Note to Umpqua Bank, in accordance with the Offer Letter, a copy of which is annexed hereto as Exhibit "B" and incorporated fully herein, is hereby authorized and approved.

Section 9: The Board Chairman, District Treasurer, and District 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 District, 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 19th day of November, 2024.

BONNER COUNTY AMBULANCE SERVICE
DISTRICT, IDAHO dba BONNER COUNTY EMS

By Asia Williams
Chairman, Board of Commissioners

ATTEST:

[Signature]

District Clerk

(SEAL)



EMS letterhead

Date: NOVEMBER 19, 2024
TO: COMMISSIONERS
RE: EMS TAX ANTICIPATION NOTE

Description: This is the Note and Resolution for the T.A.N. in the total amount of \$2,000,000.

I am requesting that the Board of Commissioners for the Bonner County Ambulance District, dba Bonner County Ambulance, approve the attached \$2,000,000 Note and Resolution authorizing this \$2,000,000 Tax Anticipation Note from Umpqua Bank to fund November 19th, 2024 for the purpose of rehabilitating Bonner County EMS. These funds will be deposited into the designated EMS bank account.

Reviewed by Auditing: _____
Reviewed by Legal: _____

Distribution: _____ Original to BOCC Office
_____ Copy to the Clerk/Auditor

A suggested motion would be: Mr. Chairman based on the information before us I move to approve the \$2,000,000 Tax Anticipated Note and Resolution as recommended.

Recommendation Acceptance: ☒ yes ☐ no

Asia Williams
Commissioner Asia Williams, Chair

Date: 11-19-2024