



REQUEST FOR BOARD ACTION

ITEM NO. 6.

DATE OF MEETING: August 15, 2011

REQUESTED BY: Dave McCole, Finance Officer

SHORT TITLE: Resolution Authorizing Approval of Payment of Arbitrage Rebate Liability: \$89,794.54

BACKGROUND: The County recently had an Arbitrage Rebate Calculation performed by Bingham Arbitrage Rebate Services Inc. on the General Obligation Water Bond Anticipation Note Series 2006 ban issue, as related to the arbitrage rebate requirements contained in Section 148 of the Internal Revenue Code and those Regulations promulgated there under. The Arbitrage Rebate Calculation is performed to determine whether the county will have to pay back interest that was earned on the proceeds of the bonds. Normally a liability is incurred to the IRS on interest earned on bond proceeds that is higher than the bond yield. The County is required to pay the IRS \$89,794.54. Funds have been reserved in the Rocky Point Topsail CIP Phase 5 Fund in anticipation of the liability to the IRS.

SPECIFIC ACTION REQUESTED: The Board of Commissioners are requested to authorize payment to the IRS in the amount of \$89,794.54 to satisfy its arbitrage liability that was incurred on the General Obligation Water Bond Anticipation Note Series 2006 ban issue.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

RB
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that:

The Board authorizes payment to the IRS in the amount of \$89,794.54 to satisfy its arbitrage liability that was incurred on the General Obligation Water Bond Anticipation Note Series 2006 ban issue.

<u>Increase Revenues:</u>		
Investment Income	69-329200	\$89,794.54
<u>Increase Appropriations:</u>		
Reserve for Arbitrage Rebate	69-409500	\$89,794.54

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Brown ___ Tate ___ Rivenbark ___ Ward ___ Williams ___

George Brown, Chairman 8/15/11
Date

ATTEST 8/15/11
Date