

Resolution R-2011-65

RESOLUTION APPROVING A BOND RECORD-KEEPING POLICY FOR DEKALB COUNTY GOVERNMENT

WHEREAS, DeKalb County Government will from time to time issue bonds, either tax exempt or taxable (such as with the recent Build America Bonds and the Recovery Zone Bonds), for the purpose of financing major capital projects, and

WHEREAS, those bond issues often contain provisions for specific annual documentation and reporting by the County as well as compliance with applicable Federal and State laws and regulations specific to various bond issues, and

WHEREAS, it is necessary and in the best interest of the County to maintain sufficient Records to demonstrate compliance with applicable Federal and State laws as well as with various bond covenants and to adopt policies with respect thereto;

NOW, THEREFORE, BE IT RESOLVED by the DeKalb County Board that the following eight sections are hereby adopted:

Section 1. Incorporation of Preambles. The Chairman and the Board of DeKalb County Government (the “*Corporate Authorities*”) hereby find that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by reference.

Section 2. Compliance Officer is Responsible for Records. The Chief Financial Officer of the County (known, for purposes of this Resolution only, as the “*Compliance Officer*”) is hereby designated as the keeper of all records of the County with respect to the Debt Obligations and such officer shall report to the Finance Committee of the County Board in June of each year that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

Section 3. Closing Transcripts. For each issue of the Debt Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct, and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Obligations, including without limitation (a) the proceedings of the County authorizing the Obligations, (b) any offering document with respect to the offer and sale of the Obligations, (c) any legal opinions with respect to the offer and sale of Obligations delivered by any lawyers, and (d) all written representations of any person delivered in connections with the issuance and initial sale of Obligations.

Section 4. Arbitrage Rebate Liability. The Compliance Officer shall review the agreements of the County with respect to the Obligations and shall prepare a report for the County Board stating whether or not the County has any rebate liability to the U.S. Treasury and setting forth any applicable exemptions that the Obligations may have from rebate liability. Such report shall be updated annually in June and delivered to the Finance Committee of the County Board.

Section 5. Recommended Records. The Compliance Officer shall review the records related to the Obligations and shall determine what requirements the County must meet in order to maintain the interest paid on the Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Obligations is entitled to be excluded from “gross income” for federal income tax purposes. Notwithstanding any other policy of the County, such retained records shall be kept for as long as the Obligations relating to such records (and any Obligations issued to refund the Obligations) are outstanding, plus three years, and shall at least include:

- (a) Complete copies of the bond transcripts delivered when any Obligations are initially issued and sold;
- (b) copies of account statements showing the disbursement of all bond proceeds for their intended purposes;
- (c) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any Obligations have been held;
- (d) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any tax-exempt bond obligations, including any sways, swaptions, or other financial derivatives entered into with respect to any tax-exempt bond obligations in order to establish that such instruments were purchased at *fair market value*;
- (e) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;
- (f) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of tax-exempt bond obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and
- (g) copies of all contracts of the County, including any leases, with respect to the use of any property owned by the County and acquired or financed with the proceeds of tax-exempt bond obligations, any part of which property is used by a private person at any time when such bonds are or have been outstanding.

Section 6. IRS Examination. In the event of the Internal Revenue Service (“IRS”) commences an examination of any Obligations, the Compliance Officer shall inform the Chairman of the County Board of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination.

Section 7. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 8. Repeal. All resolutions or parts thereof in conflict herewith are, and the same are hereby repealed, and this Resolution shall be in full force and effect forthwith upon adoption.

PASSED AT SYCAMORE, ILLINOIS THIS 16TH DAY OF NOVEMBER, 2011 A.D.

Chairman, DeKalb County Board

ATTEST:

County Clerk