

RESOLUTION NO. 984

A RESOLUTION OF THE CITY OF STAYTON, OREGON AUTHORIZING A FULL FAITH AND CREDIT BORROWING AND RELATED MATTERS.

WHEREAS, the City Council of the City of Stayton, Oregon (the "City") is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property which the City Council determines is needed so long as the estimated weighted average life of the financing agreement does not exceed the estimated dollar weighted average life of the property that is financed; and

WHEREAS, the City has identified a need to finance a stormwater detention facility (the "Project"); and

WHEREAS, the City Council hereby determines that the Project is needed, and that it is desirable to finance the Project pursuant to ORS 271.390; and

WHEREAS, the City may spend money on the Project (the "Expenditures") before the City issues a tax-exempt borrowing to finance the Project, and the rules of the Internal Revenue Service require the City to declare its official intent to reimburse itself for amounts that the City will spend on the Project before a tax-exempt borrowing is issued, in order for the City to be reimbursed for such Expenditures from the proceeds of the tax-exempt borrowing;

NOW, THEREFORE, BE IT RESOLVED by the Stayton City Council that:

Section 1. Financing Authorized. Pursuant to ORS 271.390, the City Council hereby authorizes the issuance of a financing agreement (the "Financing Agreement") in an aggregate principal amount of not more than \$725,000, a maximum true interest cost of 4.5% per annum, and a term of note to exceed 21 years. Proceeds of the Financing Agreement may only be used to finance the Project and to pay costs associated with the Financing Agreement. The City Manager, or the person designated by the City Manager (each of whom is referred to herein as a "City Official"), are hereby authorized, on behalf of the City and without further action by the City Council, to:

A. Subject to the limitations of this Resolution, determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the Financing Agreement;

B. Select a lender or commercial bank with which to negotiate, execute and deliver the Financing Agreement. Subject to the limitations of this resolution, the Financing Agreement may be in such form and contain such terms as the City Official may approve;

C. Covenant for the benefit of the owner of the Financing Agreement to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest paid under the Financing Agreement to be excluded from gross income for federal income tax purposes;

D. Designate the borrowing as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable;

E. Appoint and enter into agreements with Hawkins Delafield & Wood LLP as special counsel, D.A. Davidson as underwriter or placement agent; and

F. Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

Section 2. Security. The Financing Agreement may constitute an unconditional obligation of the City, which is payable from all legally available funds of the City. Pursuant to ORS 287A.315, the City Official may pledge the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay amounts due under the Financing Agreement. The City is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement.

Section 3. Declaration of Intent to Reimburse. The City hereby declares its official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse itself with the proceeds of the Financing Agreement for any Expenditures paid before the Financing Agreement is issued.

Section 4. Effective Date. This resolution shall take effect on the date of its approval by the City Council.

Introduced and passed this 3rd day of December, 2018.

Signed: 12/4, 2018

CITY OF STAYTON
BY: Henry A. Porter
Henry A. Porter, Mayor

Signed: 12/4, 2018

ATTEST: Keith D. Campbell
Keith D. Campbell, City Manager