

**RESOLUTION NO. 941**

**A RESOLUTION OF THE CITY OF STAYTON, OREGON AUTHORIZING FULL FAITH AND CREDIT BORROWINGS TO REFINANCE OUTSTANDING OBLIGATIONS OF THE CITY**

WHEREAS, the City of Stayton, Oregon (the "City") is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City Council determines is needed;

WHEREAS, the City previously entered into borrowings to finance real and personal property, including Loan No. S07003 with Business Oregon (formerly the State of Oregon Economic and Community Development Department) dated August 2, 2007 and amended April 15, 2009, that financed improvements to the City's water system (the "Outstanding Borrowing");

WHEREAS, the Outstanding Borrowing is currently paid from, and secured by, water system revenues; and,

WHEREAS, current interest rates may be lower than the interest rates that are payable on all or a portion of the Outstanding Borrowing and the City may be able to reduce debt service costs or favorably restructure its Outstanding Borrowing by refunding all or a portion of the Outstanding Borrowing.

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

**1. Authorization of Financing Agreements.**

1.1 The City is hereby authorized to enter into one or more financing agreements to refinance all or any portion of the real property and personal property that was financed with the Outstanding Borrowing pursuant to Oregon Revised Statutes Section 271.390 and other relevant provisions of Oregon Revised Statutes Chapter 287A. The net proceeds of the financing agreements that are executed to refinance this property shall not exceed the amount required to pay the principal amount of the Outstanding Borrowing, accrued interest through the date the Outstanding Borrowing are redeemed, any redemption or prepayment premium and other estimated costs of the refinancing.

1.2 The financing agreements authorized by this Section 1 are referred to in this Resolution as the "Financing Agreements."

**2. Determination of Need.**

The City hereby determines that the projects financed with the Outstanding Borrowing are needed.

**3. Delegation.**

The City Administrator, the Finance Director or the person designated by the City Council to act on behalf of the City under this resolution (each of whom is referred to in

this resolution as a “City Official”) may, on behalf of the City and without further action by the Council:

- 3.1 Negotiate, execute and deliver one or more escrow agreements or similar documents (the “Escrow Agreements”) that provide for the issuance of one or more series of “certificates of participation” or “full faith and credit obligations” (the “Obligations”) that represent ownership interests in the loan payments due from the City under the Financing Agreements. Subject to the limitations of this resolution, the Escrow Agreements and each series of Obligations may be in such form and contain such terms as the City Official may approve.
- 3.2 Select one or more commercial banks with which to negotiate and execute each Financing Agreement, solicit competitive bids for the purchase of each series of the Obligations and award their sale to the bidder offering the most favorable terms to the City, or negotiate the terms of the sale of each series of Obligations to D.A. Davidson & Co., as underwriter, and sell that series to the underwriter.
- 3.3 Deem final and authorize the distribution of a preliminary official statement for each series of Obligations, authorize the preparation and distribution of a final official statement or other disclosure document for each series of Obligations.
- 3.4 Enter into agreements to provide continuing disclosure for owners of each series of Obligations in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
- 3.5 Apply for ratings for each series of Obligations, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for each series of Obligations, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
- 3.6 Take actions to prepay, call, defease and redeem the Outstanding Borrowing.
- 3.7 Engage the services of escrow agents or trustees and any other professionals whose services are desirable for the financing.
- 3.8 Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of each Financing Agreement. Subject to the limitations of this resolution, each Financing Agreement may be in such form and contain such terms as the City Official may approve.
- 3.9 Negotiate, execute and deliver notes to evidence amounts due under the Financing Agreements.
- 3.10 Issue any qualifying Financing Agreement as a “tax-exempt bond” bearing interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, (the “Code”) and enter into covenants to maintain the excludability of interest on those Financing Agreements from gross income under the Code.

- 3.11 Issue any Financing Agreement as a “taxable bond” bearing interest that is includable in gross income under the Code.
  - 3.12 Designate any qualifying Financing Agreement as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable.
  - 3.13 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.
- 4. Security.**

Each Financing Agreement shall constitute an unconditional obligation of the City, which is payable from all legally available funds of the City. 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.

**5. Effective Date.**

This resolution shall take effect on the date of its approval by the City Council.

Introduced and passed this 16<sup>th</sup> day of February, 2016.

CITY OF STAYTON

Date: 2/17/2016

BY: Henry A. Porter  
Henry A. Porter, Mayor

Date: 2/17/2016

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

APPROVED AS TO FORM:

David A. Rhoten  
David A. Rhoten, City Attorney