

RESOLUTION NO. 608

A RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A LINE OF CREDIT NOT TO EXCEED \$250,000

WHEREAS, the City of Stayton has been advised by Marion County that 1997-1998 property tax revenues will be disbursed three months late; and

WHEREAS, the City of Stayton General Fund cash flow will be impacted by this delay;

NOW, THEREFORE, THE STAYTON CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

**Line of Credit Authorized.** The City Administrator and/or the Finance Director of the City of Stayton are hereby authorized and empowered to borrow money in the name of the City of Stayton from United States National Bank of Oregon for purposes that include the payment of current expenses in accordance with ORS 288.165. The amount so borrowed from time to time shall be evidenced by general obligation notes ("Notes"). The maximum principal amount of the Notes shall not exceed the aggregate at any one time, the sum of \$250,000. All Notes shall bear interest at the rate of 5.37% per annum, shall be in the form required by U.S. Bank and shall mature no later than May 15, 1998.

BE IT FURTHER RESOLVED, that the City of Stayton has made provisions for the borrowing authorized by this resolution and evidenced by the Notes in its duly adopted budget. The principal amount of the Notes and any other obligation of the City issued during the fiscal year in anticipation of taxes or other revenues will not exceed 80 percent of the amount of taxes or other revenues budgeted to be received during the fiscal year.

BE IT FURTHER RESOLVED, that the City hereby covenants that none of the Notes are private purpose Notes; the City does not reasonably expect to issue tax-exempt obligations exceeding \$10 million during the calendar year; and the City designates all the Notes as qualified tax-exempt obligations for purposes of the deduction for interest expense by financial institutions. The City shall file such notices and information returns with public agencies and take such action as may be required to preserve tax exemption of the interest on the Notes.

BE IT FURTHER RESOLVED, that the financial officer of the City shall set aside and pledge to Bank designated funds in a separate account for the repayment of the Notes as permitted by ORS 288.165.

BE IT FURTHER RESOLVED, that the City hereby delegates to the persons named above the authority to execute and deliver the Notes and to determine in accordance with Oregon law all terms and conditions of the Notes that are not set forth in this resolution.


BE IT FURTHER RESOLVED, that the Mayor of the City of Stayton is authorized and directed to deliver to U.S. Bank a copy of these resolutions, properly certified as evidence of the authority of the persons names above to execute and deliver the Notes.

BE IT FURTHER RESOLVED, that the full faith and credit of the City shall be pledged to U.S. Bank for payment of the principal of and interest on the Notes.

CERTIFICATE

I, Daphne E. Girod, hereby certify that I am the duly elected, qualified and acting Mayor of the City of Stayton and as such am in possession of the record books of the City. I further certify that the foregoing resolutions are full, true and correct copies of the originals which were duly and regularly adopted by the City Council of Stayton at a duly called and regularly scheduled meeting held on November 17, 1997, at which all of the Councilors present voted unanimously in favor of the resolutions.

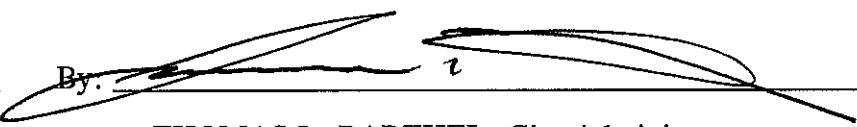
I FURTHER CERTIFY that the specimen signatures set forth below are the proper signatures of the persons described in the foregoing resolutions.

  
Thomas L. Barthel, City Administrator

  
Erna Barnett, Finance Director

IN WITNESS WHEREOF, I have set my official signature this 17<sup>th</sup> day of November, 1997.

Date: Nov 24 1997 By:   
DAPHNE E. GIROD, Mayor

ATTEST  
Date: 11.24.97 By:   
THOMAS L. BARTHEL, City Administrator

**CITY OF STAYTON**  
**Tax Anticipation Note**  
**\$250,000**

**Preliminary**  
**Term Sheet**  
**11/10/97**

- **Borrower:** The City of Stayton, (the "City").
- **Facility:** U. S. Bank Oregon, (the "Bank") will provide the City with an operating line of credit in an amount not to exceed \$250,000 in anticipated receipt of levied and collected property taxes.
- **Purpose:** To provide an operating line of credit in the form of a Tax Anticipation Note to cover *operating cash needs*.
- **Terms:** The line will mature on May 15, 1998 with principal and interest due at maturity.
- **Rates:** Fixed rate @ 5.37%  
Bank Qualified Tax Exempt Rate
- **Fee:** \$150 fee that may be financed.
- **Prepayment:** The obligation may be prepaid at anytime without penalty.
- **Security:** This Tax Anticipation Note is a general obligation of the City secured by a pledge of levied and collected property taxes for fiscal year 1997-98 and all other legally available revenue of the City. The Note is backed by the "Full Faith & Credit" of the City.
- **Conditions:** Formal credit approval process will occur upon receipt of the City's last audited statement and public record of it's approved budgeted 1997-98 tax levy.
- **Documentation:** Documentation for the transaction will be prepared on Bank documents accompanied by a validity opinion of the City's attorney that the obligation is a legal, valid, binding, enforceable and properly authorized obligation of the City. The City will include an 8038 filing and an appropriate authorizing resolution or ordinance designating the obligation as a "qualified tax-exempt obligation" under section 256(b) of the Internal Revenue Code of 1986, as amended, for investment by financial institutions.
- **Costs:** All cost for the account of the City, including closing costs, filing fees, and other usual and customary expenses.

**Under Oregon State Law oral commitments to lend are unenforceable. The above terms are a summary and not meant to be all-inclusive of what a final commitment and actual loan documents may look like.**