

ORDINANCE NO. 869

AN ORDINANCE AUTHORIZING THE MAYOR AND CITY RECORDER TO EXECUTE A CONTRACT WITH SEATTLE-NORTHWEST SECURITIES CORPORATION TO ACT ON BEHALF OF THE CITY OF CANBY AS THE INVESTMENT BANKER FOR THE ISSUANCE OF SEWER REVENUE BONDS FOR A TOTAL OF NOT TO EXCEED \$4,100,000; AND DECLARING AN EMERGENCY

WHEREAS, the City of Canby intends to sell sewer bonds for various improvements to the Wastewater Treatment Plant; and

WHEREAS, the City of Canby solicited a proposal for financial advice and procedure regarding the City's intention to sell up to \$4,100,000 of sewer reserved bonds; and

WHEREAS, Seattle-Northwest Securities Corp. has specific capability and knowledge related to the City and has expertise in financing; and

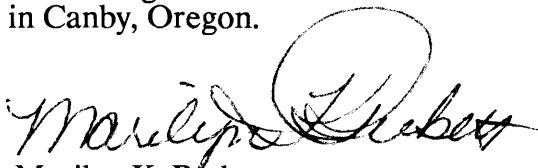
WHEREAS, the Canby City Council, acting as the City's Contract Review Board recommends executing an "Investment Banking Agreement" between the City of Canby and Seattle-Northwest Securities Corporation.

THE CITY OF CANBY ORDAINS AS FOLLOWS:

Section 1. The Mayor and City Recorder are hereby authorized and directed to make, execute and declare in the name of the City of Canby on its behalf, an appropriate contract with Seattle-Northwest Securities Corp., for investment banking services regarding the proposed issuance of sewer reserve bonds. The copy of said contract is attached hereto and marked as Exhibit "A" and by this reference incorporated herein.

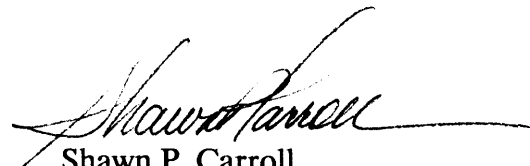
Section 2. Inasmuch as it is in the best interest of the citizens of Canby, Oregon, to complete this project as soon as possible, an emergency is hereby declared to exit an this ordinance shall therefore take effect immediately upon its enactment after final reading.

SUBMITTED to the Canby City Council and read the first time at a regular meeting thereof on Wednesday, September 18, 1991, ordered posted as provided by the Canby City Charter and scheduled for second reading and action of the Canby City Council at a regular meeting thereof on Wednesday October 2, 1991, commencing after the hour of 7:30 p.m., in the Council meeting Chamber at Canby City Hall in Canby, Oregon.

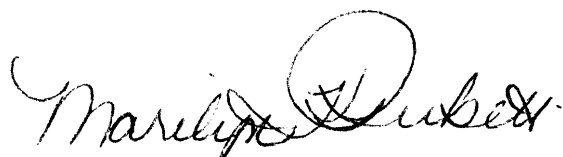
  
Marilyn K. Perkett  
City Recorder

ENACTED by the Canby City Council at a regular meeting thereof on October 2, 1991, by the following Vote:

YEAS 4 NAY 0

  
Shawn P. Carroll  
Mayor

ATTEST:

  
Marilyn K. Perkett  
City Recorder

## INVESTMENT BANKING AGREEMENT

This Agreement is entered into as of the 2 day of ~~AUGUST~~<sup>October</sup>, 1991, between the City of Canby (the "City") and Seattle-Northwest Securities Corporation ("Seattle-Northwest").

WHEREAS, the City intends to sell up to \$4,100,000 of sewer revenue bonds (the "Series 1991 Bonds") for various improvements to the sewer system (the "System"); and

WHEREAS, advice on financing and procedures affecting the financing is required at this juncture; and

WHEREAS, Seattle-Northwest has specific capability and knowledge related to the City and has expertise in financings; and

WHEREAS, the City has determined it to be in its best interest to retain Seattle-Northwest as the investment banker (the "Investment Banker") for the issue;

NOW, THEREFORE, it is agreed as follows:

Section 1. Duties: The City hereby retains the Investment Banker, and the Investment Banker agrees to serve as the City's Investment Banker for the Series 1991 Bonds. As investment banker, Seattle-Northwest shall perform all of the functions customarily performed by investment bankers which are reasonably required to accomplish the financing, including, but not limited to the following.

A. Structuring Services. The Investment Banker shall:

- 1) advise the City of the sizing, structuring and timing considerations for the optimal financing plan;
- 2) prepare, with the assistance of the City, its bond counsel, and other consultants, preliminary official statements, official statements, and/or offering circulars for review and use in the sale of the Series 1991 Bonds; and
- 3) assist in making presentations to rating agencies with respect to the Series 1991 Bonds.

B. Underwriting Services. The Investment Banker shall serve as managing underwriter of the Series 1991 Bonds. In fulfilling the underwriting services, the Investment Banker shall:

- 1) develop a broad and comprehensive mailing list of all investors, both retail and institutional, who may have a potential interest in the Series 1991 Bonds;
- 2) price and offer the Series 1991 Bonds;
- 3) present a firm offer to buy the Series 1991 Bonds;

- 4) coordinate the printing and delivery of the Series 1991 Bonds and assist in the preparation of wire transfers for closing and conduct the closing; and
- 5) assist the City with investing the Series 1991 Bond proceeds if directed to do so.

Section 2. General Provisions:

- A. Representatives of the Investment Banker. Qualified representatives of Seattle-Northwest shall be available to the City to such extent and at such times as may be required to assist or represent it. It is understood that Carol E. Samuels will manage the responsibilities of Seattle-Northwest under this Agreement.
- B. Documents. The City agrees to make, or cause to make, available to the Investment Banker copies of financial statements, feasibility, legal and other reports, agreements, contracts, resolution and other pertinent documents to the transaction as reasonably may be required from time to time for the prompt and efficient performance of their duties, obligations and functions.
- C. Bond Counsel. The City shall engage the services of Richard Roberts presently of Preston Thorgrimson Shidler Gates & Ellis bond counsel. At closing, bond counsel shall deliver an unqualified approving legal opinion as to the validity and federal tax-exempt status of the Bonds.
- D. Expenses. The City shall pay from the proceeds of the Series 1991 Bonds or from any other source available to the City, all costs and expenses customarily paid by the issuer of bonds, including, without limitation; printing of the Bonds and official statements; fees and expenses of bond counsel, feasibility consultant and paying agent; rating agency fees, bond insurance premiums, and all expenses incurred by the City personnel related to the issue.
- E. Compensation.

The Investment Banker shall be compensated out of the underwriter's discount (or premium if the Bonds are offered at par) charged at the initial public offering or offerings of the Bonds. The amount of that discount (or premium) shall be determined at the time the Bonds are sold and shall depend upon the size of the issue, the amount of time and effort spent by the Investment Banker on the issue, rating or insurance status, and prevailing market conditions. Estimated spread range expressed in dollars per thousand dollars of bonds issued is:

Management Fee	\$2.50	\$ 3.00
Net to Underwriting	1.00	1.50
Average Takedown	9.00	11.00
Expense Reimbursement	<u>1.50</u>	<u>2.00</u>
Total	<u>\$14.00</u>	<u>\$17.50</u>

Additionally, the City agrees to reimburse the Investment Banker for reasonable expenses incurred on behalf of the City during the course of the engagement. Such expenses may include but are not limited to, mailing, courier fees and copying charges. If a ratings presentation trip is required, the City will compensate the Investment Banker for all travel and lodging expenses associated with such a trip.

The fees outlined above will only be charged if the issue is successfully sold and closed, with the exception of the Investment Banker's out-of-pocket expenses incurred under this Agreement. This contract shall remain in full force and effect through August 1, 1993, and is subject to renewal and renegotiation at that point if the issue has not been sold and closed.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized officers and representatives as of the day first above written.

CITY OF CANBY

By:

  
Authorized Official

SEATTLE-NORTHWEST SECURITIES CORPORATION

By:

\_\_\_\_\_  
Vice President