

A RESOLUTION PROVIDING FOR THE ISSUANCE OF PROMISSORY NOTES OF THE CITY OF TROUTDALE, OREGON IN THE AGGREGATE PRINCIPAL SUM OF ONE MILLION DOLLARS (\$1,000,000.00) FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR THE COSTS OF ACQUISITION, CONSTRUCTION AND REPAIR OF WATER SYSTEM WITHIN AND WITHOUT THE BOUNDARIES OF THE CITY OF TROUTDALE, OREGON, AND AUTHORIZING AND DIRECTING THE CITY RECORDER TO ADVERTISE FOR WRITTEN BIDS ON SAID NOTES IN TWO SEPARATE NOTES OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) EACH.

WHEREAS, the Common Council of the City of Troutdale, Oregon, having been authorized by majority vote at a special election held June 26, 1979, to issue general obligation water bonds in an amount not to exceed the sum of TWO MILLION DOLLARS (\$2,000,000.00), payable from the net revenues of the water system of the said City and from taxation for purpose of providing funds to be used for the acquisition, construction and repair of a water system within and without the boundaries of the City of Troutdale, Oregon, and, after said bonds were advertised for bids, the Farmers Home Administration, an agency of the Federal Government, agreed in writing to purchase said bonds from currently available funds at an interest rate of five percent (5%) per annum. The bonds to be delivered and dated on or about July 1, 1981; and

WHEREAS, the amount of the proposed total promissory notes to be issued for interim financing will not exceed the estimated unpaid cost of the proposed construction for which the above unissued bonds previously authorized for the said utility construction; NOW THEREFORE,

BE IT RESOLVED THAT:

SECTION 1. Acting pursuant to the provisions of ORS 287.522 the City of Troutdale shall issue and sell two promissory notes in the aggregate principal sum of ONE MILLION DOLLARS (\$1,000,000.00) for the purpose of providing interim financing for the costs of acquisition, construction and repair of its water system and within and without the boundaries of the City of Troutdale, Oregon, including the acquisition of such easements of property rights, the costs of construction, engineering expense, legal fees and other related costs.

Said notes shall be in usual form, shall be negotiable, shall be in the amount and dated within 30 days of the date as set forth below and shall bear interest at the rate bid, both as to principal and interest payable on or before the due date as follows:

<u>DATE OF ISSUE</u>	<u>AMOUNT</u>	<u>DUE DATE</u>
July 15, 1980	\$500,000.00	July 1, 1981
July 15, 1980	500,000.00	July 1, 1981

City reserves the right to reject any and all bids for the notes.

The Farmers Home Administration has agreed to purchase an issue of general obligation water bonds of the City of Troutdale in the aggregate principal amount of not less than ONE MILLION DOLLARS (\$1,000,000.00).

SECTION 2. The notes will be sold for not less than their par value to the bidder offering the lowest effective interest rate to the City. The issued pursuant to the applicable provisions of Oregon Revised Statutes Chapter 287.522. Both principal and interest are payable at the Office of the City Recorder, Troutdale, Oregon. The notes will be redeemable at the option of the City at any time prior to maturity and will be delivered to the successful bidder or his designated agent in Troutdale, Oregon as soon after the sale as practicable. The City Recorder will make the award of the promissory notes at 7:00 p.m. July 8, 1980. The approving legal opinion of Ragen, Roberts, O'Scannlain, Robertson & Neil, Attorneys at Law, Portland, Oregon, will be supplied the successful bidder, together with the opinion of the said Counsel as to the tax status of the notes. Both principal and interest shall be payable in the lawful money of the United States of America at the Office of the City Recorder of the City of Troutdale, Oregon, and the notes will be signed by the Mayor and countersigned by the City Recorder, with the corporate seal of the City affixed. The principal and interest of the notes and the interest thereon shall be payable in full not later than the due date thereof, but only from and at the time of receipt of the proceeds of the sale of the general obligation on water bonds issued to finance such construction, and from the funds provided from water revenues as hereinafter prescribed, for the payment of interest accruing thereon. The maturity date of said notes, hereinabove specified, is the date estimated by the City as the completion of the project for which the bonds above mentioned and the said interim financing has been secured.

SECTION 3. As provided in Oregon Revised Statutes Chapter 287.522, the City Recorder is hereby authorized and directed to advertise the promissory notes for public sale on written bids at a price not less than par value and to bear interest at the interest rate bid, but in no event to bear interest at a net effective rate in excess of that authorized and limited by ORS 288.510, the sale to be held July 8, 1980, at 7:00 p.m.: and the notice thereof shall specify that the City reserves the right to reject any or all bids for the notes. A certified or cashier's check of or on a bank doing business in the State of Oregon payable to the order of the City of Troutdale in the amount of two percent (2%) of the par value of the notes offered for sale is to accompany the bid. The City Recorder shall cause the Notice of Sale to be published at least ten (10) days prior to the date of the bid opening, in one issue of the Outlook, a newspaper of general circulation printed and published within Multnomah County, Oregon.


SECTION 4. Protection and Disposition of Funds. The City Recorder shall be custodian of the proceeds of the notes sold hereunder and such proceeds shall be deposited in a bank which is a member of the Federal Deposit Insurance Corporation; provided, that if the promissory notes are purchased by any bank in the State of Oregon, the City Recorder may cause the funds to be deposited in said bank to the extent that it is insured by the Federal Deposit Insurance Corporation. The City Recorder is directed to establish the following account into which the notes proceeds and the revenues from the water system shall be deposited for so long as the said notes remain outstanding and unpaid, which account shall be continued and maintained for said purpose, except as otherwise herein provided, for so long as the said notes remain unpaid:

Construction Account: The proceeds of the notes hereby authorized shall be deposited in the construction account. The amounts in the construction account exceeding the insurance available from the Federal Deposit Insurance Corporation shall be secured by the depository bank in accordance with State and Federal Law. Withdrawals from the construction account shall be made only on checks signed by the City Recorder of the City as authorized by the City Council, countersigned by the Mayor or other authorized City Official and only for the purpose for which the notes were issued as specified in the estimate of costs. The City's share of any liquidated damages and other moneys paid by defaulting contractors or their sureties shall be deposited in the construction account to assure completion of the project. When the construction of the project has been completed, or all construction costs have been paid in full, any balance remaining in the construction account shall be used immediately to pay or apply on the payment of the notes at such time as they shall fall due, or, if said balance shall be applied to the payment of bonds in the manner prescribed by Resolution of the Common Council authorizing the sale of bonds.

The foregoing Resolution was duly adopted by the Council and signed by the Mayor this 3rd day of June, 1980.

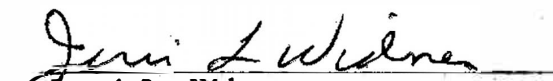
YEAS: 5

NAYS: 0



R. M. Sturges, Mayor

ATTEST:



Terri L. Widner  
Finance Director/City Recorder