

RESOLUTION NO. 1302

A RESOLUTION CALLING A SPECIAL ELECTION TO SUBMIT TO THE VOTERS THE QUESTION OF CONTRACTING A GENERAL OBLIGATION BONDED INDEBTEDNESS IN THE AMOUNT OF \$16,000,000 TO ACQUIRE PROPERTY AND CONSTRUCT A NEW SEWAGE TREATMENT PLANT AND A LABORATORY/ ADMINISTRATIVE BUILDING

WHEREAS, the City Council of the City of Troutdale, Multnomah County, Oregon (the "City"), has determined that there is a need to acquire property and construct a new sewage treatment plant and a laboratory/administrative building; and

WHEREAS, the costs are estimated to be \$16,000,000, all of which are costs of capital construction or improvements or costs of issuing bonds.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE

Section 1.

A Special election is hereby called for the purpose of submitting to the qualified voters of the City the question of contracting a general obligation bonded indebtedness in the name of the City in a sum not to exceed \$16,000,000. Bond proceeds will be used to acquire property and construct a new sewage treatment plant and laboratory/administrative building. The bonds shall mature over a period of not more than 25 years.

Section 2.

The Special election hereby called shall be held in the City on May 20, 1997. To facilitate complying with the requirements of Article XI, Section 11g of the Oregon Constitution, the City shall request the Elections Officer of Multnomah County in writing that:

- A. If that election is held by mail, the Elections Officer of Multnomah County put on the front of the outer envelope mailed to electors the following statement, which shall be clearly and boldly printed in red: "CONTAINS VOTE ON PROPOSED TAX INCREASE."
- B. The Elections Officer provide a timely notice of deadlines for the filing of voters pamphlet statements to each person who has requested in writing that they receive such notices.

Section 3.

The City Recorder shall cause to be delivered to the Elections Officer of Multnomah County, Oregon the attached Notice of Bond Election, not later than 61 days prior to the election.

Section 4.

The City Recorder shall cause the attached Notice of Election to be posted not less than 10 days prior to the election in three (3) public places in each precinct in the City or to be published twice in the Gresham Outlook, a paper of general circulation in the City, prior to the election.

Section 5.

Article XI, Section 11g of the Oregon Constitution ("Section 11g") was enacted by the citizens of Oregon on November 5, 1996. Section 11g imposes requirements on elections which authorize taxes to be levied outside constitutional limits. Administrative rules or election procedures may be developed to implement the requirements of Section 11g, and it is desirable to authorize City staff to modify the ballot text contained in the attached Notice of Bond Election to comply with those rules and procedures. The City Administrator is hereby authorized to alter the text of the ballot to comply with any rules, procedures or practices of the Elections Officer of Multnomah County to implement the requirements of Section 11g.

YEAS: 6
NAYS: 0
ABSTAINED: 0


Paul Thalhofer, Mayor

Dated: MARCH 19, 1997


George Martinez, City Recorder

Adopted: 3-18-97

C:PWRESOL97

ATTACHMENT A

NOTICE OF BOND ELECTION

**City of Troutdale
Multnomah County, Oregon**

NOTICE IS HEREBY GIVEN that on May 20, 1997, an election will be held in the City of Troutdale, Multnomah County, Oregon. The following question will be submitted to the qualified voters thereof:

CITY OF TROUTDALE

CAPTION:

GENERAL OBLIGATION BOND AUTHORIZATION

QUESTION:

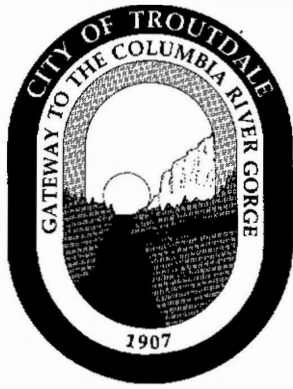
Shall the City be authorized to contract a general obligation bonded indebtedness in an amount not to exceed \$16,000,000? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of Article XI, Section 11b of the Oregon Constitution.

SUMMARY:

This measure authorizes the City to issue general obligation bonds in an amount not to exceed \$16,000,000. The bonds would mature over a period not to exceed 25 years. Bond proceeds will be used to acquire property (2%), construct a new sewage treatment plant (96%), and construct a laboratory/administrative building (2%). Taxes levied to pay bond principal and interest would also be outside the limitation imposed by Article XI, Section 11g of the Oregon Constitution.

City of Troutdale


Mayor



CITY OF Troutdale

CAPTION:

General Obligation Bond Authorization

QUESTION:

Shall the City be authorized to contract a general obligation bonded indebtedness in an amount not to exceed \$16,000,000? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of Section 11b, Article XI of the Oregon Constitution.

SUMMARY

This measure authorizes the City to issue general obligation bonds in an amount not to exceed \$16,000,000. The bonds would mature over a period not to exceed 25 years. Bond proceeds will be used to acquire property (2%), construct a new sewage treatment plant (96%), and construct a laboratory/administrative building (2%). Taxes levied to pay bond principal and interest would also be outside the limitation imposed by Section 11g, Article XI of the Oregon Constitution.

EXPLANATORY STATEMENT

The Troutdale City Council has referred to the voters a proposed \$16 million general obligation bond to construct a new sewage treatment plant.

BACKGROUND

The City's sewage treatment plant was originally built in 1969 and currently has the capacity to treat about 1.6 million gallons of sewage each day. Our residential and business uses in Troutdale now generate about 1.4 million gallons of sewage daily. We expect increases over the next twenty years to grow to about 3 million gallons a day. The City must increase its sewage treatment capacity.

OPTIONS

Faced with the need to create additional sewage treatment capacity, the City, in partnership with the U.S. Army Corps of Engineers, examined a range of alternatives. These two seemed to best meet the community's needs:

Option No. 1 -- Expand the existing treatment plant at its current location in the downtown business district next to the Columbia Gorge Factory Stores, or

Option No. 2 -- Dismantle the existing plant and construct a new one away from the downtown business area.

Either would adequately treat the projected volumes of sewage.

Under Option No. 1, the existing plant would be expanded at a cost of approximately \$10 million. This amount would be repaid from system development charges on new sewage users and increases in sewer rates. This option would meet the City's sewage capacity needs.

Under Option No. 2, a new plant would be constructed at a cost of approximately \$18 million. The proposed location of the new plant is just northeast of the Troutdale Airport. This option would also meet the City's sewage capacity needs.

FUNDING

The proposed general obligation bond would raise \$16 million, which, when added to \$2 million of other City funds, would enable the City to implement Option No. 2. If the bond is approved by the voters, the City would purchase land for a new plant, design and construct a 3 million gallon per day sewage treatment facility and dismantle the existing plant. About 26% of the debt would be repaid from increases in sewer rates, about 39% from system development charges on new sewage users and about 35% from property taxes. The property tax rate is projected to be approximately \$.68 per \$1,000, or \$89 per year for a house assessed at \$130,000. Sewer rates would increase from \$18.75 per equivalent residential unit to \$20.75 the first year, and up to \$24.75 the third year.