

RESOLUTION NO. 2169

Introduced by All Commissioners

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF WARRENTON, OREGON AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BOND IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,200,000; DESIGNATING AN AUTHORIZED REPRESENTATIVE AND BOND COUNSEL

WHEREAS, the City Commission of the City of Warrenton, Oregon (the "City") submitted to the voters of the City at an election on November 7, 2006 Measure 4-117 which sought the authorization to contract general obligation bonded indebtedness in an aggregate principal amount not to exceed \$10,000,000 to finance improvements to the wastewater treatment and disposal system of the City (the "Project"); and

WHEREAS, a majority of the voters of the City voting on Measure 4-117 approved of the issuance of the general obligation bonded indebtedness; and

WHEREAS, the City now desires to proceed with the issuance of the authorized general obligation bond.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WARRENTON, OREGON THAT:

Section 1. Issuance of Bond. The City Commission of the City authorizes the issuance and sale of a general obligation bond in the aggregate principal amount not to exceed \$8,200,000 (the "Bond"). The Bond shall be issued for a term not to exceed 21 years from date of issuance, shall bear interest at an interest rate of two and ninety four hundredths percent (2.94%) per annum, plus an annual fee of one half percent (.5%) of the outstanding loan amount (as determined prior to the posting of the payment due on that date). The City authorizes the City Manager or Finance Director (the "Authorized Representative") to determine and designate the principal amount, dated date, maturity dates, optional redemption dates and premiums, if any, interest payment dates and such other provisions as are deemed necessary and desirable for the sale and issuance of the Bond.

Section 2. Title and Execution of the Bond. The Bond shall be entitled "City of Warrenton, Oregon, General Obligation Bond, Series 2007", or such other name approved by the Authorized Representative, and shall bear the manual or facsimile signature of the Mayor of the City and the manual or facsimile signature of the City Recorder.

Section 3. Sale of Bond. The Bond shall be sold to the State of Oregon, acting by and through its Department of Environmental Quality. The Authorized Representative shall determine the requirements for the sale of the Bond, subject to the provisions of this Resolution, that provides the most advantageous terms to the City and execute a purchase agreement setting forth the terms of the sale of the Bond.

Section 4. Form of Bond. The Bond shall be issued substantially in the form approved by the Authorized Representative and Bond Counsel.

Section 5. Tax Levy and Pledge. The full faith and credit of the City is pledged to the owner of the Bond for the payment of the principal and interest on the Bond when due. The City shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, without limitation, to pay the principal of and interest on the Bond promptly as they become due and payable. The City covenants with the owner of the Bond to pledge such ad valorem taxes in sufficient amount to pay the principal of and interest on the Bond as they respectively become due and payable. Pursuant to ORS 310.145, the City hereby classifies the tax levy described in this section to be taxes imposed to pay the principal and interest on exempt bonded indebtedness and such taxes are not subject to the limits of sections 11 or 11b, Article XI of the Oregon Constitution. The City shall give notice of the classification of the tax levy as provided in ORS 305.583(9)(a) and (10).

Section 6. Authorized Uses of the Proceeds of the Bond. For purposes of ORS 305.583(8) and (9)(b), the proceeds of the Bond shall be used for capital construction and capital improvements, including the upgrading of the City's wastewater collection, treatment and disposal system by removing existing biosolids, expanding existing lagoon system, and constructing a new treatment plant, outfall facility and pump station.

The City shall give notice of the specification of the authorized uses of the proceeds of bonded indebtedness as provided in ORS 305.583(9)(b) and (10).

Section 7. Contract with Registered Owner of Bond. In consideration of the purchase and acceptance of the Bond, the provisions of this Resolution and the Bond shall be deemed to be and shall constitute a contract between the City and the owner of the Bond. The covenants and agreements to be performed by or on behalf of the City shall be for the benefit, protection and security of the owner of the Bond.

Section 8. Tax Covenant. The proceeds of the Bond shall be used and invested in such manner that the Bond shall not become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations. The City covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the Bond and in the investment and expenditure of the proceeds thereof which would result in the interest on the Bond becoming taxable for federal income tax purposes.

Section 9. Appointment of Bond Counsel. The law firm of Mersereau & Shannon, LLP of Portland, Oregon is appointed as Bond Counsel to the City for the issuance of the Bond.

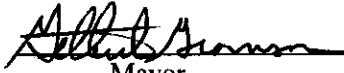
Section 10. Confirmation of Election. Pursuant to ORS 254.565, the City election officer has reviewed the abstract of votes related to Measure 4-117 prepared by the county clerk and the Commission has affirmed the results of the election and declared that a majority of the voters of the City voting on Measure 4-117 approved of the issuance of the general obligation bonded indebtedness.

Section 11. Closing of the Sale and Delivery of the Bond. The Authorized Representative is authorized to execute such documents, including a tax certificate, and to perform any and all other things or acts necessary for the sale and delivery of the Bond as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Commission of the City.

Section 12. Pursuant to ORS 221.310(3), this resolution shall become effective upon passage by the Commission.

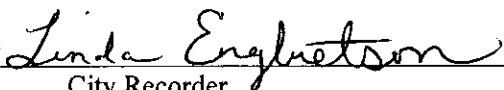
DATED this 13th day of February 2007.

CITY OF WARRENTON
CLATSOP COUNTY, OREGON



Mayor

ATTEST:

By 

City Recorder