



## RESOLUTION 2020-073

### AUTHORIZING THE CITY OF SHERWOOD TO REFINANCE OUTSTANDING OBLIGATIONS AND PROVIDING FOR RELATED MATTERS

**WHEREAS**, the City is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City Council determines is needed, and to authorize obligations evidencing the right to receive the payments due from the City under those financing agreements; and

**WHEREAS**, the estimated weighted average life of a financing agreement shall not exceed the estimated dollar weighted average life of the real or personal property to be financed or refinanced by such financing agreement; and

**WHEREAS**, the City is also authorized by ORS 287A.360 to 287A.380 to refund outstanding borrowings; and

**WHEREAS**, under current market conditions, it may benefit the City to refund all or any portion of the City's outstanding Full Faith and Credit Obligations, Series 2011 (the "Outstanding Obligations") which refinanced water system improvements;

#### **NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:**

**Section 1.** Financing Authorized. The City Council hereby authorizes the issuance of full faith and credit financing agreements to refund all or any portion of the Outstanding Obligations. The financing agreements authorized by this Section shall be executed and sold pursuant to ORS 271.390, ORS 287A.360 through 287A.380 and the other relevant provisions of ORS Chapter 287A and as provided in this resolution. The financing agreements may be issued in an amount sufficient to prepay the portions of the Outstanding Obligations that are being refinanced and to pay estimated costs related to the refunding and the financing agreements.

**Section 2.** Determination of Need. The City Council hereby determines that the projects being refinanced were needed at the time they were financed and that they remain needed.

**Section 3.** Delegation. The City Manager, or the person designated by the City Manager to act on behalf of the City under this resolution (each of whom is referred to herein as a "City Official") is hereby authorized, on behalf of the City and without further action by the City Council, to:

- a. Negotiate, execute and deliver one or more financing agreements (the "Financing Agreements") to accomplish the financing authorized in Section 1. Subject to the

limitations of this Resolution, the Financing Agreements may be in such form and contain such terms as the City Official may approve.

- b. Negotiate, execute and deliver one or more escrow agreements or similar documents (the “Escrow Agreements”) that provide for the issuance of one or more series of “full faith and credit obligations” (the “Obligations”) that represent ownership interests in the principal and interest payments due from the City under the Financing Agreements. Subject to the limitations of this Resolution, the Escrow Agreements and each series of Obligations may be in such form and contain such terms as the City Official may approve.
- c. Deem final and authorize the distribution of a preliminary official statement for each series of Obligations, and authorize the preparation and distribution of a final official statement or other disclosure document for each series of Obligations.
- d. Undertake to provide continuing disclosure for each series of Obligations in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
- e. Apply for ratings for each series of Obligations, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for each series of Obligations, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
- f. Enter into additional covenants for the benefit of the purchasers of the Obligations which the City Official determines are desirable to obtain more favorable terms for the Financing Agreements.
- g. File any required advance refunding plans with the State of Oregon.
- h. Appoint and enter into agreements with service providers whose services are desirable for the financing, including municipal advisors, verification agents and escrow agents to accomplish the refunding.
- i. Determine what portions of the Outstanding Obligations to refund; call and fund escrow deposit accounts for the Outstanding Obligations and take any other action necessary or desirable to accomplish the prepayment of the Outstanding Obligations.
- j. Determine the final principal amount of each Financing Agreement, the interest rate or rates which each Financing Agreement shall bear, the City’s prepayment rights and other terms of each Financing Agreement and each series of Obligations.
- k. Negotiate the sale of any series of the Obligations with Piper Sandler & Co. and enter into a contract for purchase with that institution, or solicit competitive bids for the purchase of the Obligations and award the sale to the bidders offering the most favorable terms to the City, or place any Financing Agreement directly with a commercial bank or other lender.
- l. Issue any qualifying Financing Agreement as a “tax-exempt bond” bearing interest that is excludable from gross income under the Internal Revenue Code of 1986, as

amended, (the “Code”) and enter into covenants to maintain the excludability of interest on those Financing Agreements from gross income under the Code.

- m. If federal law changes to allow federal tax credits, federal interest rate subsidies or other federal benefits for any Financing Agreements, issue any qualifying Financing Agreement as a “tax credit bond,” “federal subsidy bond” or other obligation that is eligible for federal tax credits, federal interest rate subsidies or other federal benefits, and enter into any covenants and take any actions that are required to qualify for those federal benefits.
- n. Issue any Financing Agreement as a “taxable bond” bearing interest that is includable in gross income under the Code.
- o. Designate any qualifying Financing Agreement as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable.
- p. Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this Resolution.

**Section 4.** Security. The Financing Agreements may constitute unconditional obligations of the City, which are payable from all legally available funds of the City. The City Official may pledge the City’s full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution pursuant to ORS 287A.315.

**Section 5.** Effective Date. This resolution shall be effective upon its approval and adoption.

**Duly passed by the City Council this 6<sup>th</sup> day of October, 2020.**

  
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Keith Mays, Mayor

ATTEST:

  
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Sylvia Murphy, MMC, City Recorder