

CITY OF JOHN DAY, COUNTY OF GRANT
STATE OF OREGON

A Resolution Authorizing Refinancing of)
Existing Borrowings)
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)

RESOLUTION NO. 18-784-08

WHEREAS, the City of John Day, Oregon (the “City”) is authorized by Oregon Revised Statutes (“ORS”) Section 271.390 to enter into financing agreements to finance or refinance real or personal property that the City Council determines is needed, so long as the estimated weighted average life of a financing agreement does 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 authorized by ORS 287A.360 through 287A.380 to refund outstanding borrowings; and

WHEREAS, the City previously entered into State of Oregon Loan #186-01-01 (Bond Bank Loan #B02002 (Special Public Works Fund)) originally dated January 23, 2002, and State of Oregon Loan #186-02-01 (Bond Bank Loan #L03005 (Special Public Works Fund Loan)) originally dated August 29, 2003 (collectively, the “OBDD Loans”); and

WHEREAS, the OBDD Loans financed the following projects (collectively referred to in this resolution as the “Projects”):

design, connect and place the sewer and water lines, needed utilities and vehicle access for phase I of the John Day Grant County Industrial Park. Continue with phase II and III as money and requests for industrial lots become available.

design and construct a new 850,000-gallon water storage reservoir and 12-inch pipeline in the west John Day area; drill a new well northwest of City Well No. 4; and grade the existing pumping system.

WHEREAS, under current market conditions, refunding all or a portion of the OBDD Loans may produce debt service savings;

The City of John Day resolves as follows:

Section 1. Determination of Need. The City Council hereby determines that the Projects were needed at the time they were financed and remain needed.

Section 2. Refinancing of OBDD Loans Authorized. The City Council hereby authorizes the issuance of full faith and credit financing agreements to refund all or any portion of the OBDD Loans that achieves debt service savings in a principal amount sufficient to prepay those portions

of the OBDD Loans and to pay estimated costs related to the refunding and the financing agreements. The financing agreements authorized by this Section (the “Financing Agreements”) 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 “Resolution”).

Section 3. Delegation. The City Manager and the Mayor, or the person designated by either of those individuals (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:

- (1) Select Washington Federal and/or another commercial bank or investor with which to negotiate, execute and deliver the Financing Agreements.
- (2) Negotiate, execute and deliver notes to evidence amounts due under the Financing Agreements.
- (3) Enter into additional covenants for the benefit of the purchasers of the Financing Agreements that the City Official determines are desirable to obtain more favorable terms for the Financing Agreements.
- (4) Engage the services of municipal advisors, bond counsel, escrow agents and any other professionals whose services are desirable for the refinancing.
- (5) Determine the final principal amount of each Financing Agreement, the interest rate or rates which each Financing Agreement shall bear, the payment dates, the City’s prepayment rights and other terms of each Financing Agreement.
- (6) 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.
- (7) Issue any Financing Agreement as a “taxable bond” bearing interest that is includable in gross income under the Code.
- (8) Designate any qualifying Financing Agreement as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable.
- (9) Select the portions of the OBDD Loans that may be refunded to obtain debt service savings (the “Refundable Loan Agreement”).
- (10) Provide for the call and prepayment of any portion of the Refundable Loan Agreement that is refunded and enter into related agreements and take related actions.
- (11) 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. Pursuant to ORS 287A.315, 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, to pay the amounts due under the Financing Agreements. The City is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement.

Section 5. Effective Date. This Resolution is effective immediately upon adoption.

Approved and adopted at a regular meeting of the City Council held on the 13th day of March, 2018.

MAYOR

ATTEST:

CITY MANAGER