

**RESOLUTION NO. 22-890-11**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JOHN DAY,  
GRANT COUNTY, OREGON AUTHORIZING A FULL FAITH AND  
CREDIT BORROWING**

**WHEREAS**, the City of John Day located in Grant County, Oregon (the “City”) is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property which the City Council of the City (the “City Council”) determines is needed so long as the estimated weighted average life of the financing agreement does not exceed the estimated dollar weighted average life of the property that is financed; and

**WHEREAS**, the City has identified a need to provide a new aquatic center (the “Project”); and

**WHEREAS**, the City Council hereby determines that the Project is needed, and that it is desirable to finance the Project pursuant to ORS 271.390; and

**WHEREAS**, the City may make expenditures on the Project (the “Expenditures”) before the City borrows to finance the Project, and the rules of the United States Internal Revenue Service require the City to declare its official intent to reimburse itself for amounts that the City will spend before it borrows, in order for the City to reimburse itself for those Expenditures from the proceeds of a tax-exempt borrowing;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF JOHN DAY, GRANT COUNTY, OREGON HEREBY RESOLVES:**

**SECTION 1. Financing Agreement Authorized.** The City is hereby authorized to enter into one or more financing agreements (collectively, the “Financing Agreement”) pursuant to ORS 271.390 in a combined principal amount sufficient to provide up to \$3,000,000 for the Project, plus additional amounts estimated to be sufficient to pay costs of issuance of the Financing Agreement. Proceeds of the Financing Agreement shall be used to pay costs of the Project and costs associated with the Financing Agreement. The Mayor or City Manager or the person designated by the Mayor or City Manager (each of whom is referred to herein as a “City Official”) are hereby authorized, on behalf of the City and without further action by the City Council, to:

- A. Determine the final principal amount, interest rate, payment dates, prepayment rights and all other terms of the financing;
- B. Negotiate the final terms of, and execute and deliver the Financing Agreement, which may be in the form of a draw down borrowing or fully amortizing loan, and any related documents;
- C. Select a commercial bank or another lender to fund the Financing Agreement;
- D. Enter into covenants which the City Official determines are desirable to obtain more favorable terms for the Financing Agreement, including pledging proceeds of grants the City may receive for the Project to secure the Financing Agreement;

E. Covenant for the benefit of the lender to comply with all provisions of the Internal Revenue Code of 1986, as amended (the “Code”) which are required for the interest paid under the Financing Agreement to be excluded from gross income for federal income tax purposes;

F. Designate the borrowing as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable;

G. Appoint and enter into agreements with bond counsel, financial advisor and other service providers for the Financing Agreement; and

H. 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 2. Security.** Pursuant to ORS 287A.315, the City is authorized to pledge its 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 Agreement. The City is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement.

**SECTION 3. Declaration of Intent to Reimburse.** The City hereby declares its official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse itself with the proceeds of the Financing Agreement for any Expenditures paid before the Financing Agreement is issued.

**SECTION 4. Effective Date.** This resolution is effective immediately upon adoption.

ADOPTED by the City Council of the City of John Day, Grant County, Oregon this 24<sup>th</sup> day of May, 2022.

**CITY OF JOHN DAY  
GRANT COUNTY, OREGON**

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Ron Lundborn, Mayor

**ATTEST:**

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Nicholas Green, City Manager