

RESOLUTION NO. 2017-38

A RESOLUTION OF THE CITY OF SALEM, OREGON AUTHORIZING THE SALE OF GENERAL OBLIGATION BONDS.

Whereas, the voters of the City of Salem (the “City”) approved Measure 24-420 at the May 16, 2017 general election, authorizing the City to issue up to \$61,800,000 of general obligation bonds (the “New Money Bonds”) to finance a new public safety facility and other capital costs, as described in the ballot title for Measure 24-420 (the “Projects”); and

Whereas, it is now desirable to authorize the sale of the general obligation bonds that were approved by the voters on May 16, 2017; and

Whereas, ORS 287A.050 limits the amount of general obligation bonds cities can issue for certain kinds of projects to three percent of the real market value of taxable property in the City, and issuing the New Money Bonds will not cause the City to exceed this limit; and

Whereas, prior to the issuance of the New Money Bonds the City desires to incur certain capital expenditures (the "Expenditures") with respect to the Projects costs from available moneys of the City; and

Whereas, the City has determined that those moneys advanced to pay the Expenditures prior to the issuance of the New Money Bonds are available only for a temporary period and it is necessary to reimburse the City for the Expenditures from the proceeds of the New Money Bonds; and

Whereas, the City may be able to reduce its debt service expense and the property tax levies by refunding all or a portion of its outstanding General Obligation Bonds, Series 2009 (the “2009 Bonds”); and

Whereas, the City is authorized by ORS Section 287A.360 to 287A.380 to issue bonds to refund outstanding general obligation bonds; and

Whereas, the City has determined that it is in the best interest of the taxpayers of the City to refund all or a portion of the outstanding 2009 Bonds;

NOW, THEREFORE, the City Council of the City of Salem (the “Council”) resolves as follows:

Section 1. New Money Bonds Authorized. The City hereby authorizes the issuance of not more than \$61,800,000 (Sixty-One Million Eight Hundred Thousand Dollars) in aggregate principal amount of New Money Bonds to finance the Projects, including paying costs related to the New Money Bonds.

Section 2. Refunding Bonds Authorized. The City hereby authorizes the issuance of general obligation refunding bonds (the “Refunding Bonds”) to refund the 2009 Bonds and achieve debt service savings. The Refunding Bonds may be issued in an amount that is sufficient to refund all or any portion of the 2009 Bonds and to pay costs related to issuing the Refunding Bonds and refunding the 2009 Bonds.

Section 3. Delegation. The City Manager, the Financial Operations Manager or the person designated by the City Manager or the Financial Operations Manager to act on behalf of the City

pursuant to this Resolution (each a “City Official”) may, on behalf of the City and without further action by the Council:

- (1) Sell and issue all or any portion of the New Money Bonds and the Refunding Bonds (collectively, the “Bonds”) in one or more series, which may be sold at different times.
- (2) Determine whether the refunding of the outstanding 2009 Bonds produces adequate savings, and issue the Refunding Bonds if the City Official determines that the refunding produces adequate savings.
- (3) Participate in the preparation of, authorize the distribution of, and deem final any official statement or other disclosure documents relating to each series of the Bonds.
- (4) Establish the form, final principal amounts, maturity schedules, interest rates, sale prices and discount, prepayment terms, payment terms and dates, and other terms of each series of the Bonds.
- (5) Execute and deliver a bond declaration for each series of the Bonds specifying the terms under which each series of the Bonds are issued and making covenants for the benefit of Bond owners and any providers of credit enhancement for the Bonds.
- (6) Publish a notice of sale, receive bids and award the sale of each series of the Bonds to the bidder complying with the notice and offering the most favorable terms to the City, or select one or more underwriters, commercial banks or other lenders and negotiate the sale of any series with those underwriters, commercial banks or lenders.
- (7) Undertake to provide continuing disclosure for each series of the Bonds and to comply with Rule 15c2-12 and any other applicable requirements of the United States Securities and Exchange Commission and any other federal agencies.
- (8) Apply for ratings for each series of the Bonds, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for each series of the Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
- (9) Engage the services of verification agents, escrow agents, paying agents and any other professionals whose services are desirable for the Bonds and negotiate the terms of and execute any agreement with such professionals.
- (10) Determine whether each series of the Bonds will bear interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended (the “Code”), or is includable in gross income under the Code. If a series bears interest that is excludable from gross income under the Code, the City Official may enter into covenants to maintain the excludability of interest on that series of the Bonds from gross income.
- (11) Provide for the call, defeasance, and redemption of any 2009 Bonds that are refunded and enter into related agreements.
- (12) Execute and deliver each series of the Bonds to their purchaser.
- (13) Execute and deliver any agreements or certificates and take any other action in connection with each series of the Bonds which the City Official finds is desirable to

permit the sale and issuance of that series of the Bonds in accordance with this Resolution.

Section 4. Security for Bonds. The Bonds shall be general obligations of the City. The City hereby pledges its full faith and credit to pay the Bonds, and the City covenants for the benefit of the Bond owners that the City shall levy annually, as provided by law, in addition to its other ad valorem property taxes and outside the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, after considering discounts taken and delinquencies that may occur in the payment of such taxes, to pay the Bonds promptly as they mature.

Section 5. Reimbursement. The City hereby declares its official intent to reimburse itself for the Expenditures with the proceeds of the New Money Bonds. This resolution is adopted as official action of the City in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Expenditures of the City incurred related to the Projects prior to the date of issue of the New Money Bonds.

Section 6. Advance Refunding Plan. The City Official is hereby authorized to file any required advance refunding plans related to the Refunding Bonds with the State of Oregon.

Section 7. Duration. The authority granted by this resolution shall remain in effect as long as necessary to permit the sale, delivery, administration and payment of all Bonds authorized by this resolution.

Section 8. Effective Date. This resolution shall take effect immediately upon adoption.

ADOPTED by the Council this __ day of _____, 2017.

ATTEST:

City Recorder

Approved by the City Attorney

Checked by: D. Lacy