

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0

The City of Salem ordains as follows:

- (a)** The City of Salem (the “City”) is authorized to issue revenue bonds for a public purpose under ORS 287A.150 and related statutes (the “Act”). Revenue bonds issued under the Act may be payable from all or any portion of the revenues of the City.
- (b)** The City may authorize revenue bonds under the Act by nonemergency ordinance. The City may not sell the revenue bonds under the Act until the period for referral of the nonemergency ordinance authorizing the revenue bonds has expired. If a nonemergency ordinance authorizing the revenue bonds is referred, the City may not sell the revenue bonds unless the voters approve the revenue bonds.
- (c)** The City now finds it financially feasible and in the best interests of the City to authorize the issuance of revenue bonds under the Act in order to finance capital assets of the water, wastewater and stormwater system, including water treatment facility improvements, enhancement of groundwater wells, aquifer storage and recovery system improvements, wastewater pump station improvements, and improvements to water and wastewater pipes and facilities (collectively, the “System Improvements”).
- (d)** The City desires to issue the revenue bonds as parity bonds under the City’s Master Water and Sewer System Revenue Bond Declaration dated as of October 16, 2012 (the “Master Declaration”).
- (e)** The City enacts this ordinance to authorize the issuance and sale of revenue bonds in an amount sufficient to produce net proceeds of up to \$60 million for costs of System Improvements.
- (f)** Prior to the issuance of the revenue bonds, the City desires to incur certain capital expenditures with respect to the System Improvements from available moneys of the City and wishes to declare its official intent to reimburse itself for any such expenditures from the proceeds of borrowings authorized by this ordinance.

Section 2. The City hereby authorizes the issuance of revenue bonds (the “Bonds”) pursuant to ORS 287A.150 in an amount that is sufficient to provide net proceeds of up to \$60 million to

1 pay for costs of System Improvements, plus additional amounts that are required to pay
2 capitalized interest, fund bond reserves for bonds authorized by this Section 2 and to pay costs
3 related to the Bonds. The City estimates that the total principal amount of Bonds required for
4 this purpose will not exceed \$60 million. The Bonds shall be issued and sold in accordance with
5 the Act.

6 **Section 3.** The Bonds shall be special limited obligations of the City that are payable solely
7 from the Net Revenues of the City's water, wastewater and stormwater system and related
8 amounts pledged to pay Parity Bonds under the Master Declaration. The Bonds may be issued
9 as Parity Bonds under the Master Declaration.

10 **Section 4.** The Bonds shall not be general obligations of the City and neither the
11 authorization nor the issuance of the Bonds shall authorize the City to levy any additional ad
12 valorem property taxes.

13 **Section 5.** No Bonds may be sold and no purchase agreement for any Bonds may be
14 executed until the period for referral of this nonemergency ordinance has expired and this
15 ordinance takes effect. If this ordinance is referred, the City may not sell the Bonds authorized
16 by this ordinance unless the voters approve this ordinance.

17 **Section 6.** After the effective date of this ordinance the City Manager or the City Manager's
18 designee (each of whom is referred to in this ordinance as a "City Official") may, on behalf of
19 the City and without further action by the Council:

- 20 (a) Issue all or a portion of the Bonds in one or more series, which may be sold at different
21 times.
- 22 (b) Participate in the preparation of, authorize the distribution of, and deem final preliminary
23 and final official statements or other disclosure documents for each series of the Bonds.
- 24 (c) Subject to the limits of this ordinance, establish the final principal amounts, maturity
25 schedules, interest rates, redemption terms, and other terms for each series of Bonds.
- 26 (d) Either publish a notice of sale, receive bids and award the sale of that series to the bidder
27 complying with the notice and offering the most favorable terms to the City, or select one
28 or more underwriters or lenders and negotiate the sale of that series with those
29 underwriters or lenders and execute and deliver a bond purchase agreement or other
30 document in connection with such sale.

- 1 (e) Undertake to provide continuing disclosure for any series of the Bonds in accordance
2 with Rule 15c2-12 of the United States Securities and Exchange Commission.
- 3 (f) Appoint and enter into agreements with service providers for the Bonds.
- 4 (g) Finalize the terms of, execute and deliver a supplemental bond declaration or similar
5 document for each series of the Bonds, which memorializes the terms under which the
6 series is issued and which may contain additional covenants that the City Official
7 determines are desirable to facilitate the sale of the Bonds or obtain more favorable terms
8 for the City.
- 9 (h) Make any contributions to the Bond Reserve Account that the City Official determines is
10 desirable and determine the Reserve Requirement, if any, for each series of the Bonds.
- 11 (i) Amend or reserve the ability to amend the Master Declaration to facilitate the issuance of
12 the Bonds and future water and sewer revenue bonds or establish a new first lien master
13 declaration.
- 14 (j) Execute and deliver each series of the Bonds to their purchaser.
- 15 (k) Apply for ratings for each series of Bonds, determine whether to purchase municipal
16 bond insurance or obtain other forms of credit enhancements for each series of Bonds,
17 enter into agreements with the providers of credit enhancement, and execute and deliver
18 related documents.
- 19 (l) Issue any qualifying series of Bonds as “tax-exempt bonds” bearing interest that is
20 excludable from gross income under the Internal Revenue Code of 1986, as amended,
21 (the “Code”) and enter into covenants for the benefit of the owners of those series to
22 maintain the excludability of interest on those series from gross income under the Code.
- 23 (m) Issue any series of Bonds as “taxable bonds” bearing interest that is includable in gross
24 income under the Code.
- 25 (n) Execute any documents and take any other action in connection with the Bonds that the
26 City Official finds will be advantageous to the City.
- 27
28
29
30

Section 7. Declaration of Intent to Reimburse. The City hereby declares its official intent to reimburse itself with the proceeds of the Bonds for any expenditures on the System Improvements paid prior to the issuance of the Bonds. This declaration is adopted as official action of the City in order to comply with United States Treasury Regulation 1.150-2.

Section 8. Codification. In preparing this ordinance for publication and distribution, the City Recorder shall not alter the sense, meaning, effect or substance of this ordinance, but within such limitations, may:

- (a) Renumber sections and parts of sections of the ordinance;
- (b) Rearrange sections;
- (c) Change reference numbers to agree with renumbered chapters, sections or other parts;
- (d) Delete references to repealed sections;
- (e) Substitute the proper subsection, section or chapter, or other division numbers;
- (f) Change capitalization and spelling for the purpose of uniformity;
- (g) Add headings for purposes of grouping like sections together for ease of reference; and
- (h) Correct manifest clerical, grammatical or typographical errors.

Section 9. Severability. Each section of this ordinance, and any part thereof, is severable, and if any part of this ordinance is held invalid by a court of competent jurisdiction, the remainder of this ordinance shall remain in full force and effect.

PASSED by the City Council this _____ day of _____, 2020.

ATTEST:

City Recorder

Approved by City Attorney: _____

Checked by: R. Barron