

RESOLUTION NO. 2309

A RESOLUTION OF THE CITY OF WILSONVILLE, OREGON AUTHORIZING FINANCING AND REFINANCING OF IMPROVEMENTS TO THE CITY'S SANITARY SEWER SYSTEM

WHEREAS, the City has determined that it is desirable to finance and refinance improvements to the City's sanitary sewer system; and,

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,

WHEREAS, the City Council finds it financially feasible and in the best interests of the City to authorize the issuance of financing agreements to: a) refinance an outstanding borrowing of the City that financed improvements to the City's sanitary sewer system, and b) finance additional improvements to and expansion of the City's sanitary sewer system including the treatment plant, lift stations, and collection systems (the refinanced projects and the new projects are collectively, the "Projects"), and,

WHEREAS, United States Treasury Regulation 1.150-2 requires the City to declare its intention in advance if the City will spend its revenues and subsequently reimburse those expenditures with the proceeds of tax-exempt obligations;

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

Section 1. **2011 Financing Agreements Authorized.** The City is hereby authorized to enter into one or more financing agreements (the "2011 Financing Agreements") in an aggregate principal amount of not more than \$42 million. Proceeds of the 2011 Financing Agreements shall be used to finance and refinance the Projects and to pay costs related to the 2011 Financing Agreements.

Section 2. **Security.** The obligation of the City to make payments under the 2011 Financing Agreements shall be unconditional, and the City shall pay those amounts from all legally available funds of the City. The City Finance Director or the Finance Director's designee

(each of whom is referred to as a "City Official" in this Resolution) 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 2011 Financing Agreements. As described in Section 5, below, the City Official may also secure any 2011 Financing Agreements with revenues of the City's sanitary sewer system.

Section 3. Reimbursement. The City hereby declares its official intent to reimburse its expenditures on the Projects with the proceeds of the 2011 Financing Agreements pursuant to United States Treasury Regulation 1.150-2.

Section 4. Determination of Need. The City Council hereby determines that the Projects are needed.

Section 5. Delegation. A City Official may, on behalf of the City and without further action by the City Council:

(A) Negotiate the final principal amounts, maturity schedules, interest rates and payment dates, prepayment rights and other terms of each 2011 Financing Agreement, execute and deliver each 2011 Financing Agreement, and enter into one or more escrow agreements or similar documents (the "Escrow Agreements") providing for the issuance of full faith and credit obligations (the "2011 Obligations") evidencing the right to receive payments due from the City under the 2011 Financing Agreements. Subject to the limitations of this Resolution, the Escrow Agreements, 2011 Financing Agreements and the 2011 Obligations may be in such form and contain such terms as a City Official may approve. The 2011 Financing Agreements and the Escrow Agreements may also contain covenants for the benefit of the owners of the 2011 Obligations and any providers of credit enhancement for the 2011 Obligations.

(B) Provide that the 2011 Obligations will be issued in one or more series, which may be sold at different times and are payable from amounts provided by the City under their related 2011 Financing Agreements.

- (C) Participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for each series of the 2011 Obligations.
- (D) Undertake to provide continuing disclosure for each series of 2011 Obligations in accordance with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended.
- (E) Apply for ratings for each series of 2011 Obligations, determine whether to purchase municipal bond insurance or other forms of credit enhancements for any 2011 Financing Agreements or 2011 Obligations, and enter into related agreements.
- (F) Select one or more commercial banks with which to negotiate and execute each 2011 Financing Agreement, solicit competitive bids for the purchase of each series of the 2011 Obligations and award their sale to the bidder offering the most favorable terms to the City, or negotiate the terms of the sale of each series of 2011 Obligations to an underwriter and sell that series to the underwriter.
- (G) Engage the services of escrow agents or trustees and any other professionals whose services are desirable for the financing.
- (H) Designate any 2011 Financing Agreement as a “qualified tax-exempt obligation” under Section 265(b) of the Code, if applicable.
- (I) Enter into covenants to maintain the excludability of 2011 Financing Agreement interest from gross income under the Internal Revenue Code of 1986, as amended.
- (J) Determine that interest on any 2011 Financing Agreement will be includable in gross income under the Code.
- (K) If the United States Congress authorizes federal interest rate subsidies, such as the subsidies that were authorized for “Build America Bonds,” and those subsidies reduce the cost of any of the borrowings that would otherwise be completed under this Resolution, apply for and receive federal interest rate subsidies for the 2011 Financing Agreements and covenant to take any actions necessary to maintain those subsidies.

(L) Secure any 2011 Financing Agreement with revenues of the City's sanitary sewer system, and pledge those revenues to repay that 2011 Financing Agreement.

(M) Covenant to collect sanitary sewer system revenues in amounts sufficient to pay the portion of the debt service on any 2011 Financing Agreement that is secured by those revenues.

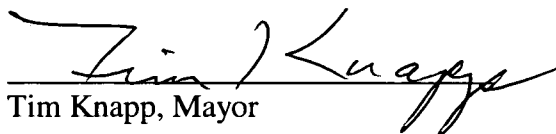
(N) Covenant to limit the City's ability to issue future obligations secured by revenues of the City's sanitary sewer system.

(O) Agree to make deposits to debt service accounts for 2011 Financing Agreements up to thirteen months before the payments are required to be made to investors, and/or establish and fund reserve accounts to secure the 2011 Financing Agreements.

(P) Execute any documents and take any other action in connection with the 2011 Financing Agreements or the 2011 Obligations which the City Official finds will be advantageous to the City.

Section 6. Effective Date. This Resolution shall take effect on passage.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 18th day of July, 2011 and filed with Wilsonville City Recorder this same date.


Tim Knapp, Mayor

ATTEST:


Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Knapp	Yes
Council President Núñez	Yes
Councilor Starr	Yes
Councilor Hurst	Yes
Councilor Goddard	Yes