

CITY OF SILVERTON
RESOLUTION

22-09

A RESOLUTION AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF A FULL FAITH AND CREDIT FINANCING AGREEMENT AND NOTE TO REFINANCE OUTSTANDING SEWER OBLIGATIONS OF THE CITY; DESIGNATING AN AUTHORIZED REPRESENTATIVE AND LENDER; AND RELATED MATTERS.

WHEREAS, the City of Silverton, Marion County, Oregon (the “City”) is authorized pursuant to the Constitution and laws of the State of Oregon, namely, Oregon Revised Statutes Sections 271.390, 287A.315 and 287A.360, to (1) enter into financing agreements to finance and refinance real and personal property the City determines is needed, (2) pledge its full faith and credit and taxing power in connection with such financing agreements, and (3) pay the costs of issuance of such financing agreements; and

WHEREAS, on June 2, 2010, the City issued its Sewer Revenue Refunding Bonds, Series 2010 in the principal amount of \$8,170,000 pursuant to Resolution No. 10-15 adopted by the City on May 3, 2010 (the “2010 Bonds”), and the proceeds were used to refinance the City’s Loan Agreement, Series 1996A; Loan Agreement, Series 1996B; Loan Agreement, Series 1998; Revenue Installment Bond No. 1; Revenue Installment Bond No. 2; and Sewer Revenue Bond No. 1, which financed capital improvements to the City’s sewer utility system (the “2010 Project”); and

WHEREAS, the 2010 Bonds maturing on June 1, 2021 and on any date thereafter may be redeemed at the option of the City at any time on or after June 1, 2020, in whole or in part; and

WHEREAS, on August 18, 2011 the City issued its Installment Financing Agreement under the Local Oregon Capital Assets Program in the principal amount of \$4,055,000 pursuant to Resolution No. 11-23 adopted by the City on July 11, 2011 (the “2011 Certificates”), and the proceeds were used to finance a portion of the wastewater digester project (the “2011 Project”); and

WHEREAS, the 2011 Certificates maturing on June 1, 2020 and on any date thereafter may be redeemed at the option of the City at any time on or after June 1, 2019, in whole or in part, in integral multiples of \$5,000; and

WHEREAS, the City desires to authorize and enter into a financing agreement to refund all or a portion of the 2010 Bonds and 2011 Certificates and pay costs incidental thereto.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SILVERTON, OREGON AS FOLLOWS:

Section 1. Definitions.

Capitalized terms used in this Resolution which are defined in this Section 1 shall have the following meanings:

“Authorized Representative” means the City Manager or the person designated by the City Manager to serve as Authorized Representative under this resolution.

“Code” means the Internal Revenue Code of 1986, as amended, including regulations, rulings and judicial decisions promulgated thereunder.

“City” means the City of Silverton, Oregon.

“Financing Agreement” means one or more of the City’s financing agreements that are authorized by Section 2 of this Resolution.

“Financing Payments” means amounts, including the principal and interest payments, due under the Financing Agreement.

“Note” means one or more notes issued by the City pursuant to this resolution and the Financing Agreement.

Section 2. Authorization. The City hereby authorizes the execution and delivery of one or more financing agreements (the “Financing Agreement”) and one or more promissory notes (the “Note”) in a form satisfactory to the Authorized Representative in an amount sufficient to refund all or a portion of the 2010 Bonds and 2011 Certificates and to pay related costs of issuance.

Section 3. Financing Payments. The Financing Payments shall be payable from the Sewer Fund revenues which are available to make the Financing Payments and the general, non-restricted revenues of the City, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon. The obligation of the City to make Financing Payments shall be a full faith and credit obligation of the City. The Registered Owners of the Note shall not have a lien or security interest on the property financed with the proceeds of the Financing Agreement or the Note.

Section 4. Designation of Authorized Representative. The City hereby authorizes the Authorized Representative to act as the authorized representative on behalf of the City and determine the terms of the Financing Agreement and Note pursuant to this Resolution.

Section 5. Delegation of Final Terms and Sale of Financing Agreement and Note and Additional Documents. The Authorized Representative is authorized, on behalf of the City, to:

a. Determine whether it is desirable to refinance all, a portion of, or none of the 2010 Bonds and 2011 Certificates;

b. Determine the dated date, interest payment dates, amount, maturity date, capitalized interest (if any), optional and/or mandatory redemption or prepayment provisions, defeasance provisions, interest rates, denominations, serial and term maturities, payment provisions, events of default, remedies, fees, whether the Financing Agreement and Note is issued on a taxable and/or tax-exempt basis, determine if the Note is issued in one or more series, and other terms under which the Financing Agreement and Note shall be issued, sold, executed, and delivered;

c. Negotiate, execute and deliver the Financing Agreement. Subject to the limitations of this Resolution, the Financing Agreement may be in such form and contain such terms as the Authorized Representative may approve.

d. Negotiate the terms and approve of the Note. Subject to the limitations of this Resolution, the Note may be in such form and contain such terms as the Authorized Representative

may approve.

e. Negotiate, execute and deliver an Escrow Deposit Agreement, if desirable, which provides for the deposit of the proceeds of the Financing Agreement and Note with an Escrow Agent until the 2010 Bonds and 2011 Certificates, are redeemed.

f. Appoint and engage the services of an Escrow Agent, paying agent, financial adviser, verification agent, and any other professionals whose services are desirable for the refinancing.

g. Approve, execute and deliver a Tax Certificate and execute and deliver a certificate specifying the action taken pursuant to this Resolution, and any other documents, agreements or certificates that the Authorized Representative determines are necessary and desirable to issue, sell and deliver the Financing Agreement and Note in accordance with this Resolution;

h. Execute and deliver any other certificates or documents and take any other actions which the Authorized Representative determines are desirable to refinance the 2010 Bonds and 2011 Certificates in accordance with this Resolution.

Section 6. Irrevocable Call and Redemption. The City does authorize the irrevocable call for redemption, on the date selected by the Authorized Representative, at par value, the principal of the 2010 Bonds and the 2011 Certificates being refunded. The irrevocable call and redemption of the 2010 Bonds and 2011 Certificates being refunded is subject to the execution and delivery of the Financing Agreement and Note and the receipt by the City of sufficient proceeds of the Financing Agreement and Note to pay the principal of and interest on the 2010 Bonds and 2011 Certificates being refunded to the redemption date.

Section 7. Maintenance of Tax-Exempt Status. The City hereby covenants to use the Financing Agreement and Note proceeds, the 2010 Project and the 2011 Project refinanced with such proceeds, in the manner required and to otherwise comply with all provisions of the Code which are required for interest paid on the Financing Agreement to be excluded from gross income for federal income tax purposes if the Note are issued on a tax-exempt basis. The City makes the following specific covenants with respect to the Code if the Note is issued as a tax-exempt obligation:

a. The City will not take any action or omit any action if it would cause the Financing Agreement and Note to become an arbitrage bond under Section 148 of the Code.

b. The City shall operate the 2010 Project and 2011 Project so that the Financing Agreement and Note do not become a "private activity bond" within the meaning of Section 141 of the Code.

c. The City shall comply with appropriate Code reporting requirements.

d. The City shall pay, when due, all rebates and penalties with respect to the Financing Agreement and Note which are required by Section 148(f) of the Code.

The covenants contained in this Section and any covenants in the closing documents for the Financing Agreement and Note shall constitute contracts with the owners of the Financing Agreement and the Note and shall be enforceable by them. The Authorized Representative may enter into covenants on behalf of the City to protect the tax-exempt status of the Financing

Agreement and Note.

Section 8. Escrow Deposit Agreement. The Authorized Representative is authorized to enter into an Escrow Deposit Agreement for the establishment of an Escrow Deposit Fund if deemed necessary or desirable to complete the refunding.

Section 9. Closing of the Sale and Delivery of the Financing Agreement. The Authorized Representative is authorized to negotiate with the terms and conditions of the private negotiated sale of the Financing Agreement and Note. The Authorized Representative is authorized to execute, for and on behalf of the City, such documents, including a Tax Certificate, and to perform any and all other things or acts necessary for the sale and delivery of the Financing Agreement and the Note, and the refunding and redemption of the 2010 Bonds and 2011 Certificates as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Council of the City.

Section 10. Appointment of Lender. The City appoints Government Capital Corporation and its assigns as Lender to the City for the Financing Agreement and Note.

Section 11. Effective Date. This resolution takes effect upon adoption by the Council.


PASSED by the Council of the City of Silverton this 18th day of April 2022.

**CITY OF SILVERTON
MARION COUNTY, OREGON**



Mayor, City of Silverton
Kyle Palmer

ATTEST:



City Manager/Recorder, City of Silverton
Ronald F. Chandler