



ORDINANCE No. 2015-2783

AN ORDINANCE AUTHORIZING FULL FAITH AND CREDIT REFUNDING BONDS

RECITALS:

1. **WHEREAS**, the City of Newberg, Oregon (the “City”) is authorized to issue revenue bonds for a public purpose by ORS 287A.150 (the “Act”), which states that those bonds may be payable from all or any portion of the “revenue” of the City, as defined in ORS 287A.001(16); and,
2. **WHEREAS**, ORS 287A.001(16) defines “revenue” to mean all fees, tolls, excise taxes, assessments, property taxes and other taxes, rates, charges, rentals and other income or receipts derived by a public body or to which a public body is entitled; and,
3. **WHEREAS**, the City may be able to obtain debt service savings by issuing revenue bonds under the Act that are secured by all lawfully available funds of the City and a pledge of the City’s full faith and credit and taxing power as permitted by ORS 287A.315 to refund all or any portion of the City’s outstanding:
 - a. loan B98006 from Business Oregon entered into in 1998 in the original principal amount of \$1,000,000 and outstanding in the approximate amount of \$216,906 issued to finance water and sewer system improvements;
 - b. loan K02006 from Business Oregon entered into in 2002 in the original principal amount of \$4,700,000 and outstanding in the approximate amount of \$2,318,577 issued to finance water system improvements;
 - c. loan G04002 from Business Oregon entered into in 2003 in the original principal amount of \$2,810,000 and outstanding in the approximate amount of \$903,888 issued to finance wastewater system improvements;
 - d. loan B06001 from Business Oregon entered into in 2007 in the original principal amount of \$2,644,815 and outstanding in the approximate amount of \$1,848,817 issued to finance water system improvements;
 - e. loan K05007 from Business Oregon entered into in 2007 in the original principal amount of \$6,670,000 and outstanding in the approximate amount of \$4,656,840 issued to finance water system improvements;
 - f. Certificates of Participation (City Hall Project), 1999 Series A dated 1999 issued in the original principal amount of \$3,550,000 and outstanding in the approximate principal amount of \$1,095,000 issued to finance the renovation, repair and expansion of City Hall (collectively, the “Refunding Candidates”); and,

4. **WHEREAS**, the City may authorize revenue bonds under the Act by nonemergency ordinance, but may not sell the revenue bonds under the Act until the period for referral of the nonemergency ordinance authorizing the revenue bonds has expired; and,
5. **WHEREAS**, 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; now, therefore,

THE CITY OF NEWBERG ORDAINS AS FOLLOWS:

SECTION 1. Refunding Bonds. The City hereby authorizes the issuance of revenue bonds (the “Refunding Bonds”) pursuant to the Act to refund all or a portion of the Refunding Candidates.

- A. The Refunding Bonds may be issued in an amount sufficient to refund all or any portion of the Refunding Candidates and to pay estimated costs related to the Refunding Bonds.
- B. Pursuant to ORS 287A.315, the Refunding Bonds authorized by this Section 1 shall be payable from all lawfully available funds of the City, and shall be secured by the City’s full faith and credit and taxing power within the limitations of Article XI, Sections 11 and 11b, of the Oregon Constitution.

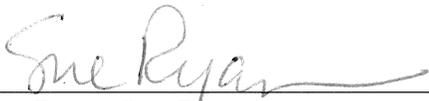
SECTION 2. Delegation. The City Manager, the City Attorney, the Finance Director or the person designated by the City Manager to act on behalf of the City under this ordinance (each of whom is referred to in this ordinance as a “City Official”) may, on behalf of the City and without further action by the Council:

- A. Issue the Refunding Bonds in one or more series, which may be sold at different times.
- B. Participate in the preparation of, authorize the distribution of, and deem final preliminary and final official statements or other disclosure documents for each series of the Refunding Bonds.
- C. Subject to the limits in this ordinance, establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, record dates and other terms for each series of the Refunding Bonds, and negotiate the sale of any series with Wedbush Securities.
- D. Undertake to provide continuing disclosure for any series of the Refunding Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
- E. Finalize the terms of, execute, and deliver bond declarations or other documents that describe the terms of each series of the Refunding Bonds. The bond declarations or other documents may also contain covenants for the benefit of the owners.
- F. Select the Refunding Candidates that will be refunded, and take action to call and refund the Refunding Candidates that will be refunded.
- G. Appoint and enter into agreements with service providers for the Refunding Bonds, including verification agents and escrow agents, if appropriate, to accomplish the refunding.
- H. Apply for one or more ratings for each series of Refunding Bonds, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for each series of Refunding Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.

- I. Issue any qualifying series of Refunding Bonds as “tax-exempt bonds” bearing interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, (the “Code”) and enter into covenants for the benefit of the owners of those series to maintain the excludability of interest on those series from gross income under the Code.
- J. Issue any qualifying series of Refunding Bonds as “federal subsidy bonds” that are eligible for federal interest rate subsidies but bear interest that is includable in gross income under the Code and take any actions that are required to qualify for those federal interest rate subsidies.
- K. Issue any series of Refunding Bonds as “taxable bonds” bearing interest that is includable in gross income under the Code.
- L. Designate any series of Refunding Bonds as a qualified tax-exempt obligation pursuant to Section 265(b)(3) of the Code, if applicable.
- M. Execute any documents and take any other action in connection with the Refunding Bonds that the City Official finds will be advantageous to the City.
- N. To the extent that any agreements, contracts or other documents have been entered into, in connection with the preliminary steps necessary to issuance of the Refunding Bonds, the Council hereby ratifies the action of the City Official.

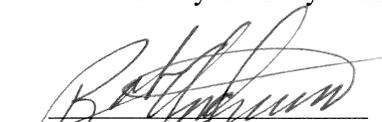
➤ **EFFECTIVE DATE** of this ordinance is 30 days after the adoption date, which is: June 3, 2015.

ADOPTED by the City Council of the City of Newberg, Oregon, this 4th day of May, 2015, by the following votes: **AYE: 7 NAY: 0 ABSENT: 0 ABSTAIN: 0**



Sue Ryan, City Recorder

ATTEST by the Mayor this 7th day of May, 2015.



Bob Andrews, Mayor