

## RESOLUTION NO. 3805

### A RESOLUTION OF THE CITY OF NEWPORT, OREGON AUTHORIZING A FULL FAITH AND CREDIT BORROWING AND RELATED MATTERS

**WHEREAS**, the City Council of the City of Newport, Lincoln County, Oregon (the "City") is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property which the City Council determines is needed so long as the estimated weighted average life of the financing agreement does not exceed the estimated dollar weighted average life of the property that is financed; and

**WHEREAS**, the City has identified a need to finance stormwater projects (the "Project"); and

**WHEREAS**, the City Council hereby determines that the Project is needed, and that it is desirable to finance the Project pursuant to ORS 271.390; and

**WHEREAS**, the City may spend money on the Project (the "Expenditures") before the City issues a borrowing to finance the Project and the rules of the United States Internal Revenue Service require the City to declare its official intent to reimburse itself for amounts that the City will spend before the borrowing is issued in order for the City to be reimbursed for such Expenditures from the proceeds of the borrowing.

#### THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

**Section 1.** Financing Agreement Authorized. The City is hereby authorized to enter into a financing agreement in an aggregate principal amount of not more than \$3,275,000 (the "Financing Agreement") pursuant to ORS 271.390. Proceeds of the Financing Agreement may only be used to finance the Project and to pay costs associated with the Financing Agreement. The City Manager or the person designated by the City Manager (each of whom is referred to herein as a "City Official") are hereby authorized, on behalf of the City and without further action by the City Council, to:

A. Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the financing;

B. Negotiate, execute and deliver a note to evidence amounts due under the Financing Agreement;

C. Select a lender or commercial bank with which to 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 City Official may approve;

D. Covenant for the benefit of the owner of the Financing Agreement to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest paid under the Financing Agreement to be excluded from gross income for federal income tax purposes;

E. Designate the borrowing as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable;

F. Appoint and enter into agreements with Hawkins Delafield & Wood LLP as special counsel and other service providers for the Financing Agreement; and

G. Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

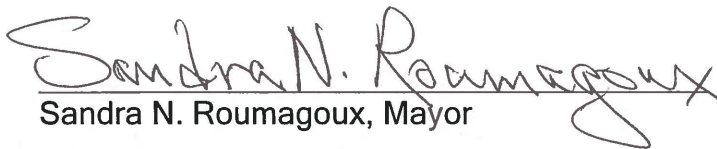
**Section 2.** Security. The Financing Agreement may constitute an unconditional obligation of the City, which is payable from all legally available funds of the City. Pursuant to ORS 287A.315, the City Official may pledge the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay amounts due under the Financing Agreement.

**Section 3.** Declaration of Intent to Reimburse. The City hereby declares its official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse itself with the proceeds of the Financing Agreement for any Expenditures paid before the Financing Agreement is issued.


**Section 4.** Effective Date. This resolution is effective immediately upon its passage.

Adopted by a 7-0 vote of the Newport City Council on June 4, 2018.

Signed by the Mayor on June 5, 2018.

  
Sandra N. Roumagoux, Mayor

**ATTEST:**

  
Margaret M. Hawker, City Recorder