NEWPORT
OREGON

Date: October 9, 2013

To: Infrastructure Task Force Members

From: Robert W. Gazewood, Interim Finance Director RWG

Subject: Bond Rating and Debt Report

You are aware of Standard & Poor's recent bond rating upgrade of City bonds from A+ to AA-. This rating upgrade was specific to the following outstanding bond issues only:

> League of Oregon Cities (LOCAP) Issue (City of Newport), General Obligation Bonds, Series 2009B. Outstanding principal and interest debt at June 30, 2013 totals $1,767,653. Debt service runs through FY 2018-2019.
>
> $15,895,541.20 General Obligation Bonds (GOB), Series 2009A&B. This bond issue is the GOB funding of the Water Treatment Plant with outstanding principal and interest debt at June 30, 2013 totaling $28,932,985. Debt service runs through FY 2028-2029.
>
> $14.66 million Full Faith and Credit Refunding General Obligation Bond, Series 2010A&B. Series 2010A is the City portion of the Wastewater refunding bonds with outstanding principal and interest debt at June 30, 2013 totaling $5,351,987.52. Series 2010B is the Newport Urban Renewal Agency, South Beach District refunding bonds with outstanding principal and interest debt at June 30, 2013 totaling $7,855,137.50. Debt service runs through FY 2022-2023.

The 2009 LOCAP issue pledges the full faith and credit of the City General Fund to stand behind the debt service payments. However, the debt service payments are supported by allocation of appropriated expenditures from the General Fund (46.87%), Street Fund (20.98%), Water Fund (1.53%), Wastewater Fund (10.57%) and Line Undergrounding Fund (20.05%).

While the City's full faith and credit of the General Fund is pledged to support the $15.9 million GOB, Series 2009A&B issue, voters approved the levying of property taxes to specifically fund the annual debt service requirements. While this issue was rated at A+ in 2009 and recently upgraded to AA-, the bond issue carries an enhanced rating of AAA. The triple A rating will be discussed later in this report.

The Refunding Series 2010A issue pledges the full faith and credit of the City General Fund to stand behind the debt service payments. However, the debt service payments for the "A Issue" are supported by allocation of appropriated expenditures from the Sewer Fund (76.11%), SDC Fund (1.75%) and Room Tax Fund (22.14%). The Newport Urban Renewal Agency South Beach District funds the debt service payments on the Series 2010B portion of the $14.66 million refunding bond issue through an annual tax increment property tax levy.

Clarification of AAA Bond Rating

There was some concern expressed that the City received a downgrade from its AAA bond rating granted in 2009. Please be assured that there was no downgrade. As a clarification to the AAA rating, the rating was limited only to the $15,895,541.20 GOB, Series 2009A&B Bond Issue. This Issue was rated by Standard & Poor's as A+ in their Ratings Direct Report dated March 11, 2009 (Attachment A, page 2). By letter dated September 20, 2013 (Attachment B), Standard & Poor's advised the City of an upgrade on this bond issue to AA-. Until this upgrade letter on September 20, this Issue was rated by S&P at A+ as stated in their letter. Based on these notices is the appearance of a potential downgrade. Again, there was never any downgrade. By letter dated March 30, 2009 (Attachment C), S&P noted that they were acknowledging the AAA rating on this bond issue "based on the bond insurance policy." This letter was addressed to Assured Guaranty Corp. Upon finalizing and closing of the bond issue, the City purchased bond insurance through Assured Guaranty to obtain the AAA rating. This AAA bond insurance rating cost the City $152,732.02 that was net from the bond proceeds (Attachment D-1). Additionally, S&P charged the City $9,375 (Attachment D-2) for the A+ bond rating as stated in the S&P Rating Direct Report dated March 11, 2009. The two bond rating charges are shown on Attachment D-4 as deductions from gross proceeds of the bond issue. The enhanced AAA rating remains on this bond issue and this bond issue only.

STANDARD
&POOR'S

RATINGSDIRECT®

March 11, 2009

Summary:

Newport, Oregon; General Obligation

Primary Credit Analyst:
Lisa Schroeer, San Francisco (1) 415-371-5006; lisa_schroeer@standardandpoors.com

Secondary Credit Analyst:
Le T Quach, San Francisco (1) 415- 371-5013; le_quach@standardandpoors.com

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Summary:

Newport, Oregon; General Obligation

Credit Profile		
US$8.07 mil GO bnds (Deferred Int Bnds) ser 2009B due 06/01/2029		
Long Term Rating	A+/Stable	New
US$7.825 mil GO bnds (Currrent Int Bnds) ser 2009 A due 06/01/2021		
Long Term Rating	A+/Stable	New

Rationale

Standard & Poor's Ratings Services assigned its 'A+' long-term rating to the City of Newport, Ore.'s general obligation (GO) bonds, series 2009A and B.

In our opinion, the rating reflects:

- A still strong property tax base, with continued growth in 2009;
- An economy closely tied to the fishing and tourist based industries;
- A recently improved financial position, with a strong ending fund balance in fiscal 2008 as a percent of expenditures; and
- A moderate debt level, with no short- or medium-term plans for additional debt.

The bonds are secured by the city's GO pledge.

The City of Newport is located in Lincoln County, Ore., on the Pacific Coast. According to management, the area has attracted many second home buyers and is an attractive destination for tourists. The area economy is connected to the fishing industry, with commercial and recreational fishing as well as seafood processing. Other major employers are in the education, government, and health industries.

The city's assessed value (AV) grew 5% during the previous year to reach $1.1 billion in 2009. Historically, AV grew between 4% and 6% annually between 2004 and 2009. Real market value, however, has grown at a much faster pace -- reaching double digits in fiscals 2007 and 2008, and a still strong 9% in fiscal 2009, to reach $1.9 billion. The area's wealth indicators are high, which is partly due to second homes, at $181,800. However, despite the growth in property values, incomes in the area are only adequate at about 75% of the nation. In our opinion, this likely reflects the income potential in the area compared to the wealth brought to the area in the form of second homes.

The city has seen new management, starting in fiscal 2006, which has improved its financial performance and brought its reserves to what, in our opinion, is a strong level. Audited fiscal 2008 ended with a 12% of expenditure fund balance of $954,100. This level of reserves was achieved by three years of general fund surpluses. The city's general revenues are made up of a majority of stable revenues with 55% from property taxes; however, the next-largest contributor is hotel/motel room taxes, which make up 14% of revenues. Nevertheless, management has indicated it expects to maintain its strong reserves and intends to build them during the years. Adding to the likelihood of continued revenue growth despite an economic downturn, is the expiration of a renewal district debt,

Attachment A
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which will bring the property value in that area back to the property tax rolls. Management included this in its long-term forecast.

The City of Newport's management practices are considered 'standard' under Standard & Poor's Financial Management Assessment (FMA). An FMA of 'standard' indicates that the finance department maintains adequate policies in most but not all key areas. Highlights of the city's policies include at least monthly budget discussions with the city council and long-term financial forecasts for the general fund. The city also has a minimum reserve target of 20% of expenditures. The new city management is working on formalizing other policies as well. Currently there is no formal debt or investment policy -- although the city follows state guidelines for both.

Overall, net debt ratios are moderate at $3,685 per capita and low as a percent of market value at 2.0%, reflective of part of the area's second home wealth. The city's overall debt service as a percent of total government expenditures is, in our opinion, an elevated 15.9%. The city does not have any near- to medium-term plans for additional general obligation debt plans.

Outlook

The stable outlook reflects our expectation that finances will continue to remain solid and that the fund balance will remain at strong levels. The stability of the revenue streams, bolstered by the anticipated additional property tax related revenue in 2011, adds to the stability of the credit. Further adding to the stability of the outlook is the area's draw to second home buyers, which adds value to the tax base but tends to require fewer services.

Complete ratings information is available to RatingsDirect subscribers at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; under Ratings in the left navigation bar, select Find a Rating.

Attachment A

Attachment A

STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

One Market
Steuart Tower, 15th Floor
San Francisco, CA 94105-1000
tel 415 371-5000
reference no.: 40265491

September 20, 2013

Newport
169 SW Coast Hwy
Newport, OR 97365
Attention: Ms. Linda Brown, Interim Finance Director

Re: *City of Newport, Oregon, General Obligation*

Dear Ms. Brown:

Standard & Poor's Ratings Services ("Ratings Services") has reviewed the rating on the above-listed obligations. Based on our review, we have raised the underlying rating (SPUR) from "A+" to "AA-" while affirming the stable outlook. A copy of the rationale supporting the rating and outlook is enclosed.

This letter constitutes Ratings Services' permission for you to disseminate the above rating to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, Standard & Poor's must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. You understand that Ratings Services relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to pubfin_statelocalgovt@standardandpoors.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the

Attachment B

rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

Ratings Services is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing Ratings Services.

Sincerely yours,

Standard & Poor's

Standard & Poor's Ratings Services

ss
enclosure

Attachment B

STANDARD
&POOR'S

55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2074
reference no.: 40265491

March 30, 2009

Assured Guaranty Corp.
1325 Avenue of the Americas
New York, NY 10019
Attention: Mr. William Hogan, Managing Director

Re: ***$15,895,541.20 City of Newport, Lincoln County, Oregon, General Obligation Bonds, Series 2009A (Current Interest Bonds) and General Obligation Bonds, Series 2009B (Deferred Interest Bonds), dated: March 31, 2009, Series A Bonds due: June 1, 2011-2020, Series B Bonds due: June 1, 2020-2029, (POLICY #D-2009-389)***

Dear Mr. Hogan:

Standard & Poor's has reviewed the rating on the above-referenced obligations. After such review, we have changed the rating to "AAA" from "A+". The rating reflects our assessment of the likelihood of repayment of principal and interest based on the bond insurance policy your company is providing. Therefore, rating adjustments may result from changes in the financial position of your company or from alterations in the documents governing the issue.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

Attachment C

SOURCES AND USES OF FUNDS

City of Newport
General Obligation Bonds, Series 2009
Combined Issue - Series A & B
Final Pricing Numbers - March 17, 2009

Dated Date	03/31/2009
Delivery Date	03/31/2009

Sources:	General Obligation Bonds, Series 2009A	General Obligation Bonds, Series 2009B	Total
Bond Proceeds:			
Par Amount	6,265,000.00	9,630,541.20	15,895,541.20
Premium	220,106.55	-	220,106.55
	6,485,106.55	9,630,541.20	16,115,647.75

Uses:	General Obligation Bonds, Series 2009A	General Obligation Bonds, Series 2009B	Total
Project Fund Deposits:			
Available for Projects	6,354,999.24	9,430,540.59	15,785,539.83
Delivery Date Expenses:			
Cost of Issuance	17,785.37	27,339.63	45,125.00
Underwriter's Discount	52,124.80	80,126.10	132,250.90
Insurance @ 50 bps (Assured Guaranty	60,197.14	92,534.88	152,732.02
	130,107.31	200,000.61	330,107.92
	6,485,106.55	9,630,541.20	16,115,647.75

Attachment D-1

COST OF ISSUANCE

City of Newport
General Obligation Bonds, Series 2009
Combined Issue - Series A & B
Final Pricing Numbers - March 17, 2009

Cost of Issuance	$/1000	Amount
Bond Counsel (K&L)	1.66713	26,500.00
Rating Fee (S&P)	0.58979	9,375.00
Paying Agent (U.S. Bank)	0.53474	8,500.00
OS Printing & Mailing (SNW)	0.04718	750.00
	2.83885	45,125.00

Attachment D-2

UNDERWRITER'S DISCOUNT

City of Newport
General Obligation Bonds, Series 2009
Combined Issue - Series A & B
Final Pricing Numbers - March 17, 2009

Underwriter's Discount	$/1000	Amount
Underwriter's Discount	8.32	132,250.90
	8.32	132,250.90

Attachment D-3

BOND SUMMARY STATISTICS

City of Newport
General Obligation Bonds, Series 2009
Combined Issue - Series A & B
Final Pricing Numbers - March 17, 2009

Dated Date	03/31/2009
Delivery Date	03/31/2009
Last Maturity	06/01/2029
Arbitrage Yield	5.050867%
True Interest Cost (TIC)	5.119950%
All-In TIC	5.143683%
Average Life (years)	12.511
Duration of Issue (years)	12.222
Par Amount	15,895,541.20
Bond Proceeds	16,115,647.75
Total Interest	2,011,404.93
Net Interest	1,923,549.28
Total Debt Service	30,546,404.93
Maximum Annual Debt Service	2,625,000.00
Average Annual Debt Service	1,514,489.16

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration
2011-13 Current Interest	835,000.00	102.475	3.000%	3.666	3.500
2014 Current Interest	575,000.00	102.165	3.304%	5.169	4.801
2015-17 Current Interest	2,175,000.00	102.149	3.710%	7.248	6.432
2018 Current Interest	900,000.00	108.033	4.794%	9.169	7.603
2019-20 Current Interest	1,780,000.00	103.817	4.456%	10.602	8.620
Deferred Interest	9,630,541.20	100.000	-	15.570	15.678
	15,895,541.20			12.511	

	TIC	All-In TIC	Arbitrage Yield
Par Value	15,895,541.20	15,895,541.20	15,895,541.20
+ Accrued Interest	-	-	-
+ Premium (Discount)	220,106.55	220,106.55	220,106.55
- Underwriter's Discount	-132,250.90	-132,250.90	
- Cost of Issuance Expense		-45,125.00	
- Other Amounts	-152,732.02	-152,732.02	-152,732.02
Target Value	15,830,664.83	15,785,539.83	15,962,915.73
Target Date	03/31/2009	03/31/2009	03/31/2009
Yield	5.119950%	5.143683%	5.050867%

A + Rating cost of #9,395 included

AAA + Rating Cost

Attachment D-4

Debt Service Schedules

Adopted Budget

Fiscal Year 2013-2014

CITY OF NEWPORT
DEBT SERVICE - FISCAL YEAR 2013-2014

Bond	Year	Principal	Interest	Fees	Total	Int Rate
2008 GO Wastewater Refunding Bond						
	Vendor: **Bank of America**				**(Aug / Feb)**	
	2013-2014	750,000.00	174,650.00		1 924,650.00	3.50%
	2014-2015	785,000.00	148,400.00		933,400.00	3.50%
	2015-2016	815,000.00	120,925.00		935,925.00	3.50%
	2016-2017	845,000.00	92,400.00		937,400.00	3.50%
	2017-2018	880,000.00	62,825.00		942,825.00	3.50%
	2018-2019	915,000.00	32,025.00		947,025.00	3.50%
		4,990,000.00				
2009 GO Water Treatment Plant						
	Vendor: **US Bank**				**(Dec / Jun)**	
	2013-2014	575,000.00	221,225.00		2 796,225.00	**
	2014-2015	640,000.00	202,225.00		842,225.00	3.50%
	2015-2016	725,000.00	179,825.00		904,825.00	3.50%
	2016-2017	810,000.00	154,450.00		964,450.00	4.00%
	2017-2018	900,000.00	122,050.00		1,022,050.00	**
	2018-2019	1,010,000.00	78,900.00		1,088,900.00	4.00%
	2019-2020	1,476,407.15	537,092.85		2,013,500.00	**
	2020-2021	1,137,805.50	937,194.50		2,075,000.00	5.00%
	2021-2022	1,100,080.10	1,034,919.90		2,135,000.00	5.10%
	2022-2029	6,686,248.45	10,168,561.55		16,854,810.00	**
		15,060,541.[illegible]				
2007 Seal Rock Water						
	Vendor: **Seal Rock Water District**				**(Monthly)**	
	2013-2014	19,272.18	40,727.82		4 60,000.00	4.75%
	2014-2015	20,207.82	39,792.18		60,000.00	4.75%
	2015-2016	21,188.86	38,811.14		60,000.00	4.75%
	2016-2017	22,217.52	37,782.48		60,000.00	4.75%
	2017-2018	23,296.13	36,703.87		60,000.00	4.75%
	2018-2019	24,427.12	35,572.88		60,000.00	4.75%
	2019-2020	25,613.00	34,387.00		60,000.00	4.75%
	2020-2021	26,856.47	33,143.53		60,000.00	4.75%
	2021-2022	28,160.28	31,839.72		60,000.00	4.75%
	2022-2023	29,527.40	30,472.60		60,000.00	4.75%
	2023-2037	625,418.34	239,581.90		865,000.24	4.75%
		866,185.12				
2007 LoCap Flex Lease Program						
	Vendor: **US Bank**				**(Dec / June)**	
	2013-2014	15,000.00	10,243.75	430.00	5 25,673.75	4.35%
	2014-2015	15,000.00	9,583.75	400.00	24,983.75	4.45%
	2015-2016	15,000.00	8,875.00	370.00	24,245.00	5.00%
	2016-2017	15,000.00	8,125.00	340.00	23,465.00	5.00%
	2017-2018	20,000.00	7,250.00	310.00	27,560.00	5.00%
	2018-2019	20,000.00	6,250.00	270.00	26,520.00	5.00%

Bond	Year	Principal	Interest	Fees	Total	Int Rate
2007 LoCap Flex Lease Program						
Vendor:	**US Bank**				**(Dec / June)**	
	2019-2020	20,000.00	5,250.00	230.00	25,480.00	5.00%
	2020-2021	20,000.00	4,250.00	150.00	24,400.00	5.00%
	2021-2022	25,000.00	3,125.00	150.00	28,275.00	5.00%
	2022-2023	25,000.00	1,875.00	100.00	26,975.00	5.00%
	2023-2024	25,000.00	625.00	50.00	25,675.00	5.00%
		215,000.00				
2009 LoCap Flex Lease Program						
Vendor:	**US Bank**				**(Dec / June)**	
	2013-2014	245,000.00	45,478.00	1,500.00	6 291,978.00	2.25%
	2014-2015	255,000.00	39,965.00	1,500.00	296,465.00	2.50%
	2015-2016	260,000.00	33,590.00	1,500.00	295,090.00	2.75%
	2016-2017	265,000.00	26,440.00	1,500.00	292,940.00	3.00%
	2017-2018	275,000.00	18,490.00	1,500.00	294,990.00	3.20%
	2018-2019	285,000.00	9,690.00	1,500.00	296,190.00	3.40%
		1,585,000.00				
2010A Series Obligation (Wastewater Loan Refunding)						
Vendor:	**US Bank**				**(Dec / June)**	
	2013-2014	405,000.00	168,556.26		3 573,556.26	3.00%
	2014-2015	415,000.00	156,406.26		571,406.26	3.13%
	2015-2016	425,000.00	143,437.50		568,437.50	3.50%
	2016-2017	440,000.00	128,562.50		568,562.50	4.00%
	2017-2018	455,000.00	110,962.50		565,962.50	4.00%
	2018-2019	470,000.00	92,762.50		562,762.50	4.00%
	2019-2020	485,000.00	73,962.50		558,962.50	4.25%
	2020-2021	505,000.00	53,350.00		558,350.00	4.00%
	2021-2022	525,000.00	33,150.00		558,150.00	4.25%
	2022-2023	255,000.00	10,837.50		265,837.50	4.25%
		4,380,000.00				
Police Vehicles Lease						
Vendor:	**Kansas State Bank Manhattan**				**(Aug)**	
	2013-2014	33,670.05	1,801.45		7 35,471.50	
North Side Fire Hall						
Vendor:	**Santiam Escrow, Inc**				**(Monthly)**	
	2013-2014	12,347.82	12,324.78	72.00	8 24,744.60	5.00%
	2014-2015	12,979.57	11,693.03	72.00	24,744.60	5.00%
	2015-2016	13,643.63	11,028.97	72.00	24,744.60	5.00%
	2016-2017	14,341.66	10,330.94	72.00	24,744.60	5.00%
	2017-2018	198,791.15	3,282.41	24.00	202,097.56	5.00%
		252,103.83				

Bond	Year	Principal	Interest	Fees	Total	Int Rate
SOUTH BEACH URA						
2007 SB Bond - 4B Project						
Vendor: **Bank of America**					(Dec / June)	
	2013-2014	96,000.00	21,892.50		117,892.50	5.25%
	2014-2015	102,000.00	16,852.50		118,852.50	5.25%
	2015-2016	107,000.00	11,497.50		118,497.50	5.25%
	2016-2017	112,000.00	5,880.00		117,880.00	5.25%
		417,000.00				
2008 Bond - South Beach Improvements						
Vendor: **Bank of America**					(Dec / June)	
	2013-2014	255,000.00	59,500.00		314,500.00	4.25%
	2014-2015	270,000.00	48,662.50		318,662.50	4.25%
	2015-2016	280,000.00	37,187.50		317,187.50	4.25%
	2016-2017	290,000.00	25,287.50		315,287.50	4.25%
	2017-2018	305,000.00	12,962.50		317,962.50	4.25%
		1,400,000.00				
2010B Series Obligation						
Vendor: **US Bank**					(Dec / June)	
	2013-2014	715,000.00	229,012.50		944,012.50	3.00%
	2014-2015	570,000.00	207,562.50		777,562.50	3.00%
	2015-2016	595,000.00	190,462.50		785,462.50	2.25%
	2016-2017	660,000.00	177,075.00		837,075.00	4.00%
	2017-2018	775,000.00	150,675.00		925,675.00	**
	2018-2019	975,000.00	122,800.00		1,097,800.00	3.00%
	2019-2020	670,000.00	93,550.00		763,550.00	4.25%
	2020-2021	480,000.00	65,075.00		545,075.00	4.25%
	2021-2022	565,000.00	44,675.00		609,675.00	4.50%
	2022-2023	550,000.00	19,250.00		569,250.00	3.50%
		6,555,000.00				

(General Obligation Bonds)

287A.050 Authority of city to issue general obligation bonds. (1) A city may issue general obligation bonds to finance capital construction or capital improvements upon approval of the electors of the city.

(2) Unless the city charter provides a lesser limitation, a city may not issue or have outstanding at the time of issuance general obligation bonds in a principal amount that exceeds three percent of the real market value of the taxable property within its boundaries, calculated as provided in ORS 308.207.

(3) The limitation described in subsection (2) of this section does not apply to general obligation bonds issued to finance the costs of local improvements assessed and paid for in installments under statutory or charter authority or to finance capital construction or capital improvements for:

(a) Water supply, treatment or distribution;

(b) Sanitary or storm sewage collection or treatment;

(c) Hospitals or infirmaries;

(d) Gas, power or lighting; or

(e) Off-street motor vehicle parking facilities. [2007 c.783 §43]

287A.100 Authority of county to issue general obligation bonds. (1) Unless the county charter expressly provides otherwise, a county may issue general obligation bonds to finance capital construction or capital improvements upon approval of the electors of the county.

(2) Unless the county charter provides a lesser limitation, a county may not issue or have outstanding at the time of issuance general obligation bonds in a principal amount that exceeds two percent of the real market value of the taxable property in the county, calculated as provided in ORS 308.207. [2007 c.783 §44]

287A.105 Limitation on bonded indebtedness of county. (1) A county may incur bonded indebtedness within the meaning of section 10, Article XI of the Oregon Constitution, by issuing revenue bonds when a county is expressly authorized to issue revenue bonds by a law other than this section. The amount of revenue bonds permitted by this section may not exceed the lesser of:

(a) One percent of the real market value of all taxable property in the county, calculated as provided in ORS 308.207; or

(b) A limitation on bonded indebtedness in the county charter.

(2) The limitation on bonded indebtedness in subsection (1) of this section does not apply to revenue bonds issued to finance pension liabilities under ORS 238.692 to 238.698 or any other law in effect prior to enactment of ORS 238.692 to 238.698. [2007 c.783 §45]

287A.140 Ad valorem tax levy to pay general obligation bonds. (1) In addition to other taxes imposed, a public body shall levy annually an ad valorem property tax on the taxable property within the boundaries of the public body in an amount that is sufficient, when added to other amounts available, to pay the principal of and interest on outstanding general obligation bonds issued by the public body.

(2) A public body may:

(a) Use the revenues collected under this section and earnings on the revenues only to pay the principal of and interest on general obligation bonds.

(b) Not use or divert taxes levied under subsection (1) of this section for another purpose while principal or interest remains unpaid on the bonds.

(c) If a surplus amount remains after the principal of and interest on an issue of general obligation bonds have been paid and the public body does not have other expenses related to the bonds, transfer the surplus moneys to a fund designated by the governing body of the public body. [2007 c.783 §67]

287A.145 Misspent proceeds of general obligation bonds. (1) If a court of competent jurisdiction determines that the proceeds of an issue of general obligation bonds have been used by a public body for expenditures that are not capital construction or capital improvements, the court may order the public body to:

(a) Replace the misspent proceeds with interest, on a reasonable schedule determined by the court, from moneys other than the tax revenues that the public body levies to pay the debt service; and

(b) Use the replaced moneys for capital construction or capital improvement expenditures or to pay the debt service.

(2) If the public body fails to comply with an order to replace the misspent proceeds or acknowledges that the public body is unable to replace the misspent proceeds, the court may determine that a portion of the future levies to pay the debt service is subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution, by calculating the amount of the tax revenues that are necessary to pay the principal and interest on the bonds that is allocable to the misspent proceeds.

(3) An action may not be filed or maintained against a public body because of an alleged expenditure of the bond proceeds of