

ORDINANCE NO. 1181

AN ORDINANCE OF THE CITY OF PRINEVILLE, CROOK COUNTY, OREGON, AUTHORIZING THE ISSUANCE OF FULL FAITH AND CREDIT BONDS FOR A TOTAL OF NOT TO EXCEED \$700,000.

WHEREAS, Oregon Revised Statutes (“ORS”) Section 287A.150 and related provisions of ORS Chapter 287A (collectively, the “Statutes”) permit the City of Prineville, Crook County, Oregon (the “City”) to authorize bonds for any public purpose, and to secure those bonds with any revenues or other property of the City; and,

WHEREAS, the Statutes permit the City to authorize bonds by enacting a nonemergency ordinance, but prohibit the sale of those bonds until the ordinance takes effect, thus allowing citizens to prevent the sale of the bonds by referring the ordinance and voting against its enactment; and,

WHEREAS, the City now finds it financially feasible and in the best interests of the City to authorize the issuance of Full Faith and Credit Bonds to refinance two existing borrowings of the City 1) a Note with South Valley Bank that has an outstanding principal balance of approximately \$450,000 and that was originally issued to finance the Dinner Train and to reimburse the Railroad Fund for payment of expenditures of the City, and 2) a Note with Bank of the Cascades that has an outstanding principal balance of approximately \$225,000 and that was originally issued to provide working capital for the City’s golf course (collectively, the “Projects”); and,

WHEREAS, the City adopts this ordinance to authorize the issuance of up to Seven Hundred Thousand Dollars (\$700,000) of Full Faith and Credit Bonds and to authorize the sale of those bonds;

NOW, THEREFORE, The People of the City of Prineville ordain as follows:

Section 1. Full Faith and Credit Bonds Authorized. The City hereby authorizes the issuance of not more than Seven Hundred Thousand Dollars (\$700,000) in aggregate principal amount of full faith and credit bonds (the “Full Faith and Credit Bonds”) under the Statutes. The proceeds of the Full Faith and Credit Bonds may be used to refinance the Projects and pay costs of issuance of the bonds. The Full Faith and Credit Bonds shall constitute unconditional obligations of the City, which are payable from all legally available funds of the City. 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, and any and all of the City’s legally available funds, to make the payments due under the Full Faith and Credit Bonds.

Section 2. No Additional Taxes Authorized. Neither the authorization nor the issuance of the Full Faith and Credit Bonds described in Section 1 of this ordinance shall authorize the City to levy any additional taxes.

Section 3. Procedure. The Full Faith and Credit Bonds shall not be sold until the period for referral of this nonemergency ordinance has expired and this ordinance takes effect. If

this ordinance is referred, the City may not sell the Full Faith and Credit Bonds described in Section 1 of this ordinance unless the voters approve this ordinance.

Section 4. Bond Sale Authorized. When and if this ordinance takes effect the City Manager or the Finance Director of the City, or the designee of the City Manager or the Finance Director of the City (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:

- 1) Establish the final principal amount, maturity schedule, interest payment dates, interest rates, prepayment terms and all other terms for the Full Faith and Credit Bonds.
- 2) Sell and issue the Full Faith and Credit Bonds in one or more series.
- 3) Issue the Full Faith and Credit Bonds in the form of a loan agreement, financing agreement, credit facility or other similar structure.
- 4) Negotiate, execute and deliver a bond or note to evidence amounts due under each series of the Full Faith and Credit Bonds.
- 5) Sell the Full Faith and Credit Bonds to U.S. Bank National Association or select one or more other lenders and negotiate the sale of the any of the Full Faith and Credit Bonds to those lenders.
- 6) Issue the Full Faith and Credit Bonds as taxable borrowings under the Internal Revenue Code of 1986, as amended.
- 7) Execute and deliver any agreements or certificates and take any other action in connection with the Full Faith and Credit Bonds that a City Official finds will be advantageous to the City.

Adopted by the City Council of the City of Prineville this 28th day of June, 2011, by a vote of 7 in favor and 0 against.

Approved by the Mayor of the City of Prineville this 28th day of June, 2011.


Betty J. Roppe, Mayor

ATTEST:


Lisa Morgan, City Recorder