

ORDINANCE NO. 1520

AN ORDINANCE OF THE CITY OF MILWAUKIE
AUTHORIZING ISSUANCE OF GENERAL OBLIGATION
IMPROVEMENT BONDS AND DECLARING AN EMERGENCY

THE CITY OF MILWAUKIE DOES ORDAIN AS FOLLOWS:

Section 1. Authorization. The City of Milwaukie, Oregon, does hereby authorize the issuance and sale of General Obligation Improvement Bonds, Series 1982, of the City of Milwaukie, Oregon, in the amount of One Million Four Hundred Ninety-Two Thousand Nine Hundred Forty-Five Dollars (\$1,492,945), to be dated May 1, 1982, to be numbered consecutively from one (1) to two hundred ninety-nine (299) inclusive, to be in denominations of Five Thousand Dollars (\$5,000) each, except bond number one in the amount of \$2,945, to bear interest payable semiannually on November 1 and May 1 of each year and to mature serially in numerical order on the first day of May in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>
1983	\$142,945
1984	\$150,000
1985	\$150,000
1986	\$150,000
1987	\$150,000
1988	\$150,000
1989	\$150,000
1990	\$150,000
1991	\$150,000
1992	\$150,000

with the right reserved to the City, however, at its option, to redeem in inverse numerical order and accrued interest on May 1, 1989, and on any interest payment day thereafter, any or all of the bonds of such issue maturing after May 1, 1989; at the following prices expressed as percentages of the principal amount, plus accrued interest to the redemption date:

<u>IF REDEEMED ON</u>	<u>REDEMPTION PRICE</u>
May 1, 1989 and November 1, 1989	101.00%
May 1, 1990 and November 1, 1990	100.50%
May 1, 1991 and November 1, 1991	100.00%

Section 2. Signatures and Registration. Each of the bonds shall be signed with the facsimile signature of the Mayor in office on the date of execution of such bonds; each of the bonds shall be attested by the Finance Director in office on such date; the coupons appertaining to the bonds shall be executed with the facsimile signatures of such Mayor and Finance Director; and each of the bonds shall be registered in the Improvement Bond Register by the Finance Director of the City of Milwaukie, Clackamas County, State of Oregon.

Section 3. Security. The City has assessed the cost of public improvements to benefited properties and all monies collected therefrom shall be placed in the Improvement Bond and Interest Sinking Fund and applied to the payment of principal and interest on the bonds. The full faith and credit of the City are also pledged to the successive holders of each of the bonds and of the interest coupons appertaining thereto, for the punctual payment of such obligations, when due; and the City shall levy annually, if required, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay the bond and bond interest obligations promptly as they respectively mature; and the City covenants with the holders of its bonds, to levy such a tax annually as required during each year that any of the bonds, or of bonds issued to refund them, and bond interest obligations, are outstanding.

Section 4. Maintenance of Tax-Exempt Status. The City shall take no action nor make any use of the proceeds of the bonds, installment payments of assessments or ad valorem tax revenues intended to be used to pay principal and interest on the bonds, which will cause the bonds to lose their tax-exempt status under federal or State of Oregon income tax laws, regulations and judicial or administrative interpretations.

Section 5. Form. The bonds and the coupons attached thereto shall be in substantially the following form, the terms of which are hereby adopted:

UNITED STATES OF AMERICA
STATE OF OREGON
COUNTY OF CLACKAMAS
CITY OF MILWAUKIE
GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 1982

\$5,000

City of Milwaukie, in the County of Clackamas, State of Oregon, acknowledges itself indebted and for value received hereby promises to pay to bearer on the first day of May, 19____, the sum of

_____ THOUSAND DOLLARS

with interest thereon from the date hereof at the rate of _____ percent (____%) per annum, on the first day of November and the first day of May in each year until maturity, upon surrender of the annexed interest coupons as they severally mature. The principal of and the interest upon this bond are payable in lawful money of the United States of America, at the office of the Finance Director in the City of Milwaukie, Oregon.

THE BONDS of the issue of which this Bond forms a part, maturing after May 1, 1989, may be redeemed by the City, in inverse numerical order of May 1, 1989, and on any interest payment date thereafter, at the following prices expressed as percentages of the principal amount, plus accrued interest to the redemption date, as follows:

<u>IF REDEEMED ON</u>	<u>REDEMPTION DATE</u>
May 1, 1989 and November 1, 1989	101.00%
May 1, 1990 and November 1, 1990	100.50%
May 1, 1991 and November 1, 1991	100.00%

upon notice given by publication of notice thereof in a newspaper specializing in financial matters published in the City of Portland, Oregon, and in a newspaper published and generally circulated in the City of Milwaukie as required by law. From the date of redemption designated in such notices, interest on the bonds so called for payment shall cease.

THIS BOND is one of a series aggregating One Million Four Hundred Ninety-Two Thousand Nine Hundred Forty-Five Dollars (\$1,492,945) par value, issued to provide funds to construct public improvements as authorized by Oregon Revised Statutes

223.205 to 223.295, inclusive, commonly known as The Bancroft Bonding Act and are general obligations of the City.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this bond have existed, have happened, and have been performed in due time, form, and manner as required by the constitution and statutes of the State of Oregon; that the issue of which this bond is a part, and all other obligations of the City, are within every debt limitation and other limits prescribed by such constitution and statutes; and that the City has provided for the levying annually of a direct ad valorem tax as required upon all the property within the City so taxable for its purposes, in sufficient amount to pay the interest on and the principal of the bonds of such issue, as such obligations respectively become due and payable.

IN WITNESS WHEREOF, the City of Milwaukie has caused this bond to be signed by its Mayor by facsimile signature and attested by its Finance Director, the annexed interest coupons to be executed with the facsimile signatures of such officers, and the seal of the City to be affixed hereto or printed hereon this first day of May, 1982.



Mayor, City of Milwaukie

ATTEST:

Finance Director

FORM OF BOND COUPON

CITY OF MILWAUKIE

Milwaukie, Oregon

GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 1982

Bond No.

Coupon No.

November 1, _____

May 1, _____

\$ _____ Interest
Payment Amount


PAY TO BEARER, on the date hereof, the amount shown hereon and charge to Improvement Bond and Interest Sinking Fund of the City of Milwaukie, Oregon, unless the bond to which this coupon is attached shall have been called for previous redemption.

Pay Through

FIRST STATE BANK

Milwaukie, Oregon

This interest draft is a general obligation of the City of Milwaukie, Oregon and is for six (6) months' interest on the above numbered City of Milwaukie, Oregon General Obligation Improvement Bond, Series 1982, dated May 1, 1982.


Mayor

Finance Director

Section 6. Sale. The Finance Director shall cause to be published in the New Review, a newspaper of general circulation printed and published in the City of Milwaukie, County of Clackamas, State of Oregon, and in The Daily Journal of Commerce, Portland, Oregon, notices of proposed sale of the bonds, as provided by law, in the form substantially as shown on Exhibit A attached hereto and by this reference incorporated herein, specifying that sealed bids will be received on behalf of the City at the offices of its bond counsel up to and including the hour of 11:00 o'clock a.m. on the 20th day of April, 1982, and that immediately thereafter bids received will be publicly opened and acted upon by the Council at a meeting to commence at 12:00 noon for the sale of the bonds, at not less than 97% of par value

accrued interest thereof, at an interest rate or rates in multiples of one-eighth of one percent or one-twentieth of one percent, not exceeding a net effective rate of fourteen percent per annum, payable semiannually on November 1 and May 1; that the bids shall be accompanied by a cashier's check or certified check, of or upon a bank doing business in the State of Oregon, in the sum of \$30,000 to be forfeited to the City in case the bidder fails to complete his purchase in accordance with the terms of his bid; that bids must be unconditional except as to qualification of approval of validity of the bond issue by bond attorneys; that bids must show the total cost of the bond issue to the City, including interest, less premium offered, if any, plus discount, if any, provided the bid be accepted and no callable bonds of the issue are redeemed prior to the maturity dates thereof; that the bonds will be sold to the bidder whose bid will result in the lowest net interest cost to the City; and that the Council reserves the right to reject any or all bids.

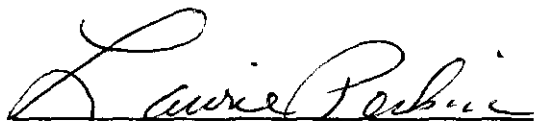
Section 7. Emergency. This ordinance being necessary for the immediate preservation of the public peace, health and safety of the City of Milwaukie, in order to obtain sufficient funds to pay for public improvements, an emergency is hereby declared to exist and this ordinance shall be in full force and effect immediately upon its passage by the council and approval by the Mayor.


Passed by the unanimous vote of the council, with a quorum in attendance, this ____ day of _____, 1982.

Approved by the Mayor this ____ day of _____, 1982.

ATTEST:

APPROVED:


Recorder


Mayor

APPROVED AS TO FORM

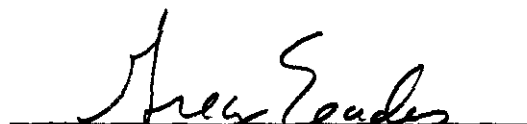

Greg Eades, City Attorney

EXHIBIT A

OFFICIAL NOTICE OF BOND SALE

\$1,492,945

CITY OF MILWAUKIE
COUNTY OF CLACKAMAS
STATE OF OREGON

GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 1982

Notice is hereby given that sealed bids will be received on behalf of the City of Milwaukie, Clackamas County, Oregon, until 11:00 o'clock a.m. (Prevailing Pacific Time) on April 20, 1982, at the offices of Ragen, Roberts, O'Scannlain, Robertson & Neill, 1600 Orbanco Building, 1001 SW Fifth Avenue, Portland, Oregon 97204, at which time they will be publicly opened and announced.

The bids shall be considered and acted upon by the City Council at its meeting to be held on April 20, 1982, commencing at 12:00 o'clock Noon (Prevailing Pacific Time).

ISSUE: ONE MILLION FOUR HUNDRED NINETY-TWO THOUSAND NINE HUNDRED FORTY-FIVE DOLLARS (\$1,492,945) consisting of 299 coupon bonds in denominations of FIVE THOUSAND DOLLARS (\$5,000), except Bond No. One in the amount of \$2,945, all dated May 1, 1982.

INTEREST RATE: Maximum not to exceed a net effective rate of fourteen percent (14%) per annum, the first interest payment due on November 1, 1982 and semiannually thereafter on May 1 and November 1 of each year. Bidders must specify the interest rate or rates which the bonds hereby offered for sale shall bear. The bids shall comply with the following conditions: (1) Each interest rate specified in any bid must be in multiples of 1/8th or 1/20th of one percent (1%); (2) No bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon, and supplemental coupons will not be permitted; (3) Each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bids; (4) All bonds maturing at any one time shall bear the same rate of interest; and (5) No interest rate specified shall exceed eighteen percent (18%).

NOTE: Coupons may be printed in check form at the option of the City.

MATURITIES: The bonds shall mature serially in numerical order on the first day of May of each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>
1983	\$142,945
1984	\$150,000
1985	\$150,000
1986	\$150,000
1987	\$150,000
1988	\$150,000
1989	\$150,000
1990	\$150,000
1991	\$150,000
1992	\$150,000

REGISTRATION: The bonds will be issued in bearer form with no option for registration.

REDEMPTION: The City reserves the right to redeem any or all of the bonds then outstanding in inverse numerical order on the following interest payment dates and at the following prices expressed as a percentage of the principal amount, plus accrued interest to the date of redemption:

<u>IF REDEEMED ON</u>	<u>REDEMPTION DATE</u>
May 1, 1989 and November 1, 1989	101.00%
May 1, 1990 and November 1, 1990	100.50%
May 1, 1991 and November 1, 1991	100.00%

Notice of any such intended redemption shall be given by mailing a notice thereof to Moody's Investors Service, Inc., and Standard & Poor's Corporation, New York, New York, not less than thirty (30) days prior to the redemption date, and by publication of such notice in a newspaper specializing in financial matters published and generally circulated in the City of Portland, Oregon, and in a newspaper published and generally circulated in the City of Milwaukie, Oregon as required by law. Interest on any bond or bonds so called for redemption shall cease on such redemption date unless the sale are not redeemed upon presentation made pursuant to such call.

PAYMENT: Principal and interest are payable, either at maturity or upon earlier redemption, in lawful money of the United States at the office of the Finance Director, City of Milwaukie, Milwaukie, Oregon.

PURPOSE: The bonds are issued to provide funds for funding public improvements within the City of Milwaukie, Oregon.

SECURITY: The City has assessed the cost of public improvements to benefited properties and all monies collected therefrom shall be placed in the Improvement Bond and Interest Sinking Fund and applied to the payment of principal and interest on these bonds. The bonds are also general obligations of the City. The City has covenanted to levy an ad valorem tax annually as required to pay bond principal and interest as they respectively come due.

LEGAL OPINION: The approving opinion of Ragen, Roberts, O'Scannlain, Robertson & Neill, Attorneys at Law, of Portland, Oregon, will be provided at no cost to the purchaser, and will be printed on the bonds at the expense of the City.

TAX EXEMPT STATUS: Interest on the bonds, in the opinion of bond counsel, is exempt from taxation by the United States under present federal income tax laws and from personal income taxation by the State of Oregon under present state law.

BEST BID: The bonds will be awarded to the responsible bidder whose proposal will result in the lowest net cost to the City. The successful bid will be determined by computing the total amount of interest which the City would be required to pay from the date of each bond to its respective maturity date at the coupon rate or rates specified in the bid assuming no bonds are called prior to maturity, less premium offered, and plus discount, if any. Bidders are requested to supply the total interest costs and net effective interest rate, based upon the aggregate interest cost, if its bids be accepted, that the City will pay upon the issue if the bid is accepted. Such information shall be considered as informative only. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the City.

DELIVERY: Delivery of the bonds will be made without costs to the successful bidder at such bank in the City of Portland, Oregon, as the successful bidder shall name. Payment for the bonds must be made in Federal funds. Delivery will be made within thirty days.

FORM OF BID: All bids must be for not less than all the bonds hereby offered for sale, and for not less than ninety-seven percent (97%) of the par value thereof and accrued interest to the date of delivery. Each bid together with bidder's check as herein specified must be enclosed in a sealed envelope addressed to the City and designated "Proposal for Bonds".

BID CHECK: All bids must be unconditional and accompanied by a certified or cashier's check on a bank doing business in the State of Oregon for Thirty Thousand Dollars (\$30,000) payable to the order of the City to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid. Checks will be forfeited to the City as liquidated damages in case the bidder to whom the bonds are awarded shall withdraw its bid or fail to complete its purchase in accordance with the terms thereof. No interest shall be allowed on the deposit but the check of the successful bidder will be retained as part payment of the bonds or for liquidated damages as described above. Checks of the unsuccessful bidders will be returned by the City promptly after award of bid.

RIGHT OF REJECTION: The City reserves the right to reject any or all bids.

OFFICIAL STATEMENT: The City has prepared an official statement relating to the bonds, a copy of which will be furnished upon request to its financial consultant, First Interstate Bank of Oregon, N.A., 1300 SW Fifth Avenue, P.O. Box 3131, Portland, Oregon 97208, or to the undersigned.

POTENTIAL BID: The consultant may submit a bid or participate in a bidding syndicate in accordance with its agreement with the City.

CUSIP: CUSIP numbers will be imprinted upon all bonds of this issue at the City's expense. An improperly imprinted number will not constitute basis for the purchaser to refuse to accept delivery.

NO LITIGATION: At the time of payment for the delivery of said bonds, the City will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the bonds.

FURTHER INFORMATION: The official statement and additional information regarding the City and this sale may be obtained from Gordon R. Erickson, Finance Director, City Hall, 10722 SE Main Street, Milwaukie, Oregon, 97222, telephone 503/659-5171.

Gordon R. Erickson, Finance Director
City of Milwaukie