

SPECIAL MEETING

March 10, 1993

A special meeting of the City Commission was held in the Commission Chambers of City Hall on the above date at 8:00 p.m.

Roll call showed the following present:

Commissioner Carol A. Powell
Commissioner James R. Ebert
Commissioner Robert M. Light

Charles Leeson, City Manager

With the absence of Mayor Fowler, Commissioner Powell served as President of the Commission.

Commission Report No. 93-53, Water System Revenue Bond, Series 1984, 1987 & 1991 Advance Refunding - Resolution No. 93-21 Authorizing Issuance and Negotiated Sale, was presented by the City Manager with questions referred to the Finance Officer. The report noted that if approved, the City would be able to authorize the issuance and negotiated sale of Advance Refunding Water System Revenue Bond, Series 1993. The refunding would be for the purpose of effecting an interest savings.

Commissioner Light stated that he had read the report and confirmed with the Finance Officer that this would be a savings to the City. It was noted that the actual resolution showed Resolution No. 93-53 but it should be Resolution No. 93-21.

It was moved by Light, second by Powell to approve Resolution No. 93-21.

Roll call: Light, Aye; Ebert, Aye; Powell, Aye.

RESOLUTION NO. 93-21

A RESOLUTION OF THE CITY OF OREGON CITY, OREGON, AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF ADVANCE REFUNDING WATER SYSTEM REVENUE BONDS, SERIES 1993, TO ADVANCE REFUND (1) THE OUTSTANDING WATER REVENUE BONDS, SERIES 1984, (2) THE ADVANCE REFUNDING WATER SYSTEM REVENUE BONDS, SERIES 1987, AND (3) THE SECOND LIEN WATER REVENUE BONDS, SERIES 1991.

Oregon Revised Statutes Sections 288.605 to 288.695 authorizes a public body to issue bonds to advance refund outstanding bonds. The City of Oregon City, Oregon (the "City") is advised that it is desirable to advance refund (1) the outstanding portion of the City's Water Revenue Bonds, Series 1984 (the "Series 1984 Bonds") with an outstanding principal amount of \$105,956, (2) the City's Advance Refunding Water System Revenue Bonds, Series 1987 (the "Series 1987 Refunding Bonds") with an outstanding principal amount of \$1,270,000 and (3) all or a portion of the City's Second Lien Water Revenue Bonds, Series 1991 (the "Series 1991 Bonds") with an outstanding principal amount of \$1,915,000. The Series 1984 Bonds, the Series 1987 Refunding Bonds and the Series 1991 Bonds are collectively referred to herein as the "Prior Bonds".

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On January 20, 1993, the City Commission passed Resolution No. 93-08 authorizing the advance refunding of the Series 1987 Refunding Bonds. The City Commission now wishes to amend Resolution No. 93-08 to authorize the advance refunding of the outstanding Series 1984 Bonds and all or part of the Series 1991 Bonds.

The Series 1984 Bonds were issued pursuant to Ordinance No. 84-1015, enacted November 1, 1984, in the aggregate principal amount of \$1,400,000 and the proceeds were expended to construct an additional water storage facility and to pay the costs of issuance of the Series 1984 Bonds. There is presently \$105,956 of the Series 1984 Bonds outstanding.

The Series 1987 Refunding Bonds were issued on September 29, 1987 in the aggregate principal amount of \$1,380,000 and the proceeds thereof were expending for the purpose of refunding and defeasing that portion of the principal of the Series 1984 subject to optional call and redemption on or after October 15, 1994, together with interest due and payable upon such callable bonds commencing October 15, 1987 to and including October 15, 1994, and to pay the costs of issuance of the Series 1987 Refunding Bonds. There is presently \$1,270,000 of the Series 1987 Refunding Bonds outstanding.

The Series 1991 Bonds were issued November 27, 1991 in the aggregate principal amount of \$2,000,000 and the proceeds thereof are being used to finance improvements to the City's water system, including construction of a water storage and rehabilitation and extension of water lines, and to pay the costs of issuance of the Series 1991 Bonds.

The proceeds of the Advance Refunding Water System Revenue Bonds, Series 1993 (the "Series 1993 Bonds") will be for the purpose of providing funds sufficient to advance refund (1) the outstanding Series 1984 Bonds, (2) the Series 1987 Refunding Bonds, (3) all or a portion of the Series 1991 Bonds, (4) to fund the Reserve Account, and (5) to pay the costs of issuance of the Series 1993 Bonds.

On November 27, 1991, pursuant to Resolution No. 91-63 adopted on November 6, 1991 (the "Prior Resolution"), the City issued the Series 1991 Bonds.

Section 14 of the Prior Resolution authorizes the issuance of Additional Bonds for the purpose of refunding at or prior to maturity, any outstanding revenue bonds or other obligations payable from the Revenue of the Water System.

The City desires to issue the Series 1993 Bonds as Additional Bonds under the Prior Resolution.

Capitalized terms not defined herein shall have the meaning assigned to such terms in the Prior Resolution, unless the context clearly requires otherwise.

NOW, THEREFORE, the City of Oregon City, Oregon, acting by and through its City Commission, does resolve as follows:

Section 1. The City does hereby approve of the advance refunding of the outstanding Series 1984 Bonds, the outstanding Series 1987 Refunding Bonds and all or a portion of the Series 1991 Bonds and authorizes the filing of an advance refunding plan with the State Treasurer for his review and approval pursuant to Oregon Revised Statute 188.620. In the event savings discounted to present value is insufficient under Oregon statutes and administrative rules to advance refund all of the Series 1991 Bonds, the Finance Director is authorized advance refund only a portion of the Series

1991 Bonds in order to obtain the required savings discounted to present value. The State Treasurer is requested to approve of the advance refunding plan as submitted so that the City can incur a debt service savings discounted to present value with respect to the Prior Bonds.

Section 2. Issuance of Series 1993 Bonds. The City does authorize the issuance and negotiated sale of not to exceed \$3,500,000 Advance Refunding Water System Revenue Bonds, Series 1993. The Series 1993 Bonds shall be serial negotiable bonds, shall be issued in fully registered form, shall be numbered sequentially beginning with number R-1, shall be in denominations of \$5,000 each, or integral multiples thereof, and shall bear interest at a true effective rate not to exceed seven percent (7.0%) per annum, payable semiannually. The Series 1993 Bonds shall be sold at not less than ninety-seven percent (97%) of par value. The City authorizes the Finance Director or the City Manager (the "Authorized Representative"), to determine and designate the principal amount, if any, term bond maturity or maturities, the interest payment dates and to determine such other provisions as are deemed necessary and desirable for the sale and issuance of the Series 1993 Bonds.

Section 3. Title and Execution of Series 1993 Bonds. The Series 1993 Bonds shall be entitled "City of Oregon City, Oregon Advance Refunding Water System Revenue Bonds, Series 1993" and shall bear the manual or facsimile signature of the Mayor of the City and the manual or facsimile signature of the City Recorder. The Series 1993 Bonds may be initially issued in book-entry form as a single typewritten bond for each single maturity and issued in the registered name of the nominee of The Depository Trust Company, New York, New York. If issued in Book-entry-form, the Series 1993 Bonds will be issued without certificates being made available to the bond holders.

Section 4. Principal Amount. The principal amount of the Series 1993 Bonds shall be sufficient to purchase United States Treasury Obligations (the "Government Obligations") for deposit into the Escrow Deposit Fund under the Escrow Deposit Agreement between the City and the Escrow Agent sufficient to pay the principal of and interest on the Prior Bonds which are being refunded and to pay the costs of issuance of the Series 1993 Bonds. In the event savings discounted to present value is insufficient under Oregon statute and administrative rules to advance refund all of the Series 1991 Bonds, the Authorized Representative is authorized to advance refund only a portion of the Series 1991 Bonds in order to obtain the required savings discounted to present value.

Section 5. Rate Pledge and Covenant. The City covenants to fix, maintain and collect rates and charges for the use of the services and facilities and all water sold, furnished or supplied by the Water System and the City shall adjust such rates and charges from time to time so that:

(1) the Revenue of the Water System derived therefrom, will at all times be sufficient (a) to pay the costs of Maintenance and Operation, (b) to make any payments required to be made on account of the Prior Bonds, the Series 1993 Bonds and any Additional Bonds as and when the same shall become due and payable, (c) to make when due all payments which the City is obligated to make pursuant to this Resolution or the Prior Resolution, and (d) to pay all governmental charges lawfully imposed on the Water System or the revenue therefrom and any and all other amounts which the City may now or hereafter become obligated to pay from the Revenue of the Water System by law or contract; and

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(2) the Net Revenue in each fiscal year shall equal at least 1.25 times such year's Annual Debt Service on the Prior Bonds, the Series 1993 Bonds and any Additional Bonds then Outstanding.

Section 6. Covenant as to Arbitrage. The proceeds of the Series 1993 Bonds shall be used and invested in such manner that the Series 1993 Bonds shall not become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations. The City covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the Series 1993 Bonds and in the investment and expenditure of the proceeds thereof which would result in interest on the Series 1993 Bonds becoming taxable for federal income tax purposes.

Section 7. Escrow Deposit Agreement and Escrow Agent. The City shall enter into an Escrow Deposit Agreement for the establishment of an Escrow Deposit Fund to which shall be deposited sufficient proceeds from the Series 1993 Bonds to acquire Government Obligations to provide funds sufficient to pay the principal of and interest on the Prior Bonds which are being refunded. The Authorized Representative is authorized to designate an Escrow Agent to administer the Escrow Deposit Fund. The Authorized Representative is authorized to execute the Escrow Deposit Agreement for and on behalf of the City.

Section 8. Irrevocable Call and Redemption of the Series 1987 Refunding Bonds and the Series 1991 Bonds. The Series 1987 Refunding Bonds are first subject to optional call and redemption on October 15, 1996 at a redemption price of 101%. The City does irrevocably call for redemption on October 15, 1996 the outstanding principal of the Series 1987 Refunding bonds to and including the final maturity of October 15, 2004 in the aggregate principal amount of \$1,035,000. This irrevocable call and redemption is subject to the sale and delivery of the Series 1993 Bonds and the full funding of the Escrow Deposit Fund as provided in the Escrow Deposit Agreement.

Section 9. Effect of Refunding on Prior Bonds. The City determines that, upon deposit into the Escrow Deposit Fund of Government Obligations in an amount calculated to be sufficient to pay the refunded principal of and interest on the Prior Bonds, such deposit shall fully defease the Prior Bonds being refunded. The funds on deposit in the Escrow Deposit Fund for the redemption and payment of the refunded principal of the Prior Bonds shall be deducted from the amount of outstanding indebtedness of the City. In addition, such refunded principal amounts of the Prior Bonds shall be deemed fully defeased for the purpose of any statutory debt limitation.

Section 10. Designation as Qualified Tax-Exempt Obligations. The City hereby designates the Series 1993 Bonds for purposes of paragraph (3) of Section 265(b) of the Code as "qualified tax-exempt obligations" and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Bonds, have been or shall be issued by the City including all subordinate entities of the City, if any, during the calendar year 1993.

Section 11. Provisions of Resolution No. 93-08 and Prior Resolution Incorporated. The terms, provisions and covenants of Resolution No. 93-08 and the Prior Resolution not inconsistent with the provisions of this resolution are incorporated herein by reference as if each such term, provision and covenant was fully set forth herein.

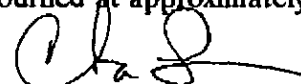
Adopted, signed and approved this 10th day of March, 1993.

	/s/James R. Ebert
Mayor	Commissioner

/s/Carol A. Powell	
Commissioner/Acting Chair	Commissioner

/s/Robert M. Light	
Commissioner	Comprising the City Commission of Oregon City, Oregon

There being no further business, the meeting adjourned at approximately 8:05 p.m.



CHARLES LEESON, Recording Secretary