

ORDINANCE NO. 4739

TITLE: AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$800,000 GENERAL OBLIGATION SENIOR CENTER BONDS; DESIGNATING ISSUE AS CITIZEN BONDS; DESIGNATING A PAYING AGENT AND BOND REGISTRAR; AND DECLARING AN EMERGENCY.

WHEREAS, the City Council of the City of Albany, Oregon (the "City Council"), on August 27, 1986, adopted Ordinance No. 4728 submitting a measure to the legal voters at an election to be held on November 4, 1986 to authorize the issuance of \$800,000 general obligation bonds to finance construction of the expansion of the City of Albany Senior Center (the "Senior Center"), and

WHEREAS, the bond measure was approved by a majority of the voters at the election on November 4, 1986, and

WHEREAS, the City Council has determined to issue the bonds as "citizen bonds" pursuant to Oregon Revised Statutes 287.029 and the applicable administrative rule of the State Treasurer 170-61-005, NOW THEREFORE,

THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Section 1: Issuance of Senior Center Bonds. The City Council of the City of Albany, Oregon (the "City") does authorize the issuance of General Obligation Senior Center Bonds in the principal amount of \$800,000 (the "Bonds"). The Bonds shall be issued as "Citizen Bonds" pursuant to Oregon Revised Statutes 287.029 and State Treasurer Administrative Rule 170-61-005. The proceeds of the Bonds shall be applied to finance construction of an expansion of the City of Albany Senior Center (the "Senior Center") and to pay costs of issuance of the Bonds. The Bonds shall be serial negotiable bonds of the City dated January 1, 1987 and shall bear interest payable annually on the first day of January of each year commencing January 1, 1988 until final maturity and shall bear interest at the annual rate of interest as shall be set forth in the Preliminary Official Statement. The Bonds shall be payable in funds which at the time of payment is legal tender for the payment of public and private debts within the United States of America.

Section 2: Maturity of Bonds. The Bonds shall be entitled "City of Albany, Oregon General Obligation Senior Center Bonds" and shall bear the facsimile signature of the Mayor of the City and the facsimile signature of the City Recorder.

The Bonds shall be issued in fully registered form, shall be in denominations of Five Hundred Dollars (\$500) or integral multiples, shall be issued as printed bonds, shall be numbered sequentially, beginning with R-1, and shall mature on the first day of January, in each of the years and amounts as follows:

<u>Maturity Date</u>	<u>Amount</u>
1993	\$250,000
1994	175,000
1995	150,000
1996	125,000
1997	100,000

Section 3: Owner Purchase Option. The City grants to the Registered Owner of each of the Bonds a "Purchase" Option whereby, upon request of the Registered Owner or Owners, in the numerical order of the receipt of each request for purchase of the Bonds (first come, first served) but only if the City Council determines that there are sufficient appropriated funds available to the City for purchase of such Bonds, the City shall purchase from an owner such Bond or Bonds as requested. The Option Purchase Dates shall be on each of the following annual interest payment dates but only in an annual purchase amount not exceeding the maximum amount set forth as follows:

<u>Option Purchase Date</u>	<u>Maximum Amount</u>
January 1, 1990	\$100,000
January 1, 1991	\$200,000
January 1, 1992	Unlimited
January 1, 1993	Unlimited
January 1, 1994	Unlimited
January 1, 1995	Unlimited
January 1, 1996	Unlimited
January 1, 1997	Unlimited

A request for purchase of Bonds shall be filed in the office of the City Recorder not later than 30 days preceding each Option Purchase Date. Late filing may be rejected and a request for purchase shall be irrevocable unless the City fails to consummate the purchase. Delivery of the Bonds purchased by the City shall be made to the City Recorder not later than 4:30 p.m. on the Option Purchase Date. Payment shall be made to the Registered Owner exercising the option by check upon presentation of the Bonds properly endorsed to the City. The purchase price of the Bonds shall be at an effective interest yield to the Registered Owner or Owners as of the purchase date of the Bonds as shall be set forth in the Preliminary Official Statement and the Synopsis. The City shall purchase the Bonds of a Registered Owner or Owners pursuant to this Purchase Option from such funds of the City as are lawfully appropriated for this purpose.

Section 4: Remarketing of Bonds. The City reserves the right to remarket all Bonds purchased by the City from Registered Owners of the Bonds, including any or all Bonds purchased by the City by application therefor. If the City elects to remarket the Bonds, the City Council shall designate a Remarketing Agent who shall proceed to remarket the Bonds upon such terms and conditions as shall be set forth in a Remarketing Agreement entered into with such Remarketing Agent. The City may remarket the Bonds only upon first receiving a favorable opinion from nationally recognized bond counsel that the remarketing of the Bonds will not effect the tax-exempt status of the interest payable on the Bonds and that the Bonds shall continue to be general obligations of the City. The costs and the expenses incurred by the City in the remarketing of the Bonds shall be payable from the remarketing proceeds or from other available resources of the City as may be appropriated by the City Council.

Section 5: Date of Sale; Opening of Subscription Applications for Purchase of Bonds. The date of the sale of the Bonds shall be the first day that the City will make the Bonds available for sale by Application from members of the public and from the City. The date and time of such sale shall be 9:00 a.m., December 10, 1986 at the office of the City Recorder. The dollar value of the Bonds which may be purchased by application by any single individual or institution (not including the City) is \$25,000. Applications for each bond year maturities shall be received on a first come-first served basis. Upon request for application for the purchase of Bonds, the City shall provide each prospective purchaser with a Synopsis of the Preliminary Official Statement and the acceptance of the application for purchase of Bonds shall be subject to applications being received by the City for the purchase of all of the Bonds; provided, however, that the City reserves unto itself the right to apply for and purchase all Bonds for which applications for purchase have not been received as of 12:00 noon, December 22, 1986, at which time no further applications from the public shall be received (excluding the City). The City shall apply for the purchase of such Bonds as are undersubscribed as of 12:00 noon on December 22, 1986 but only from funds as may be authorized by the City Council. The City Council does designate D. Gary Holliday, Finance Director, as the official involved in the issuance of the Bonds and such official is excluded from the application for purchase of such Bonds pursuant to rules of the Oregon State Treasurer.

Section 6: Sale of Bonds. The Bonds shall be sold on the 10th day of December, 1986 at the hour of 9:00 a.m. in the office of the City Recorder, being the first day the Bonds shall be available for sale to the public and to the City. Notice of the Bond sale shall be published pursuant to the provisions of ORS 287.024. Applications for purchase of the Bonds shall be open during regular City office hours and working days until the closing of the sale at 2:00 p.m., December 22, 1986, and, if fully subscribed, the conditions of the sale will be satisfied. Prior to

satisfying the conditions of sale, the proposed Bond issue may be cancelled by the City Council upon undersubscription by members of the public and the City and such cancellation shall be effective at the time as prescribed by the City Council.

Section 7: Appointment of Bond Counsel and Financial Advisor. Seattle Northwest Securities Corporation is designated as the Financial Advisor to the City and the law firm of Rankin, McMurry, VavRosky & Doherty of Portland, Oregon is designated as Bond Counsel.

Section 8: Preliminary Official Statement and Financing Plan. The City shall prepare, with the assistance of the Financial Advisor, a Preliminary Official Statement for the Bonds pursuant to the provisions of ORS 287.018 and the Administrative Rules of the State Treasurer 170-61-005. In addition, the financial advisor shall prepare and have available for any individual expressing an interest in the Bonds a Synopsis of the Preliminary Official Statement. The Preliminary Official Statement and the Synopsis shall be available on or before the date of sale. The Finance Director and the Financial Advisor are authorized to prepare and file a financing plan with the office of the State Treasurer pursuant to the Administrative Rules of the Oregon State Treasurer. The Finance Director is authorized to execute such financing plan for and on behalf of the City.

When the Preliminary Official Statement and the Synopsis does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading in the light of the circumstances under which they are made, then the Finance Director is authorized to certify the accuracy of the Preliminary Official Statement and the Synopsis on behalf of the City.

Section 9: Use of Proceeds. The City Council determines that the total cost of the proposed expansion of the Senior Center together with the costs of the issuance of the Bonds will not exceed the sum of \$800,000. No other sources of funds for financing the construction of the expansion of the Senior Center will be required. In the event the Bonds are undersubscribed, the City will not proceed with the financing of the expansion of the Senior Center in the manner as set forth in this Ordinance.

Section 10: Designation of Paying Agent and Bond Registrar. The City Council does appoint and designate First Interstate Bank of Oregon, N.A., of Portland, Oregon, as the Paying Agent and Bond Registrar of the Bonds. The Finance Director is authorized to negotiate and execute on behalf of the City a Paying Agent and Bond Registrar Agreement. The Agreement shall provide for compliance with Oregon Administrative Rule 170-61-010. In addition, the City Council does hereby request and authorize the Bond Registrar to execute the Certificate of Authentication as of the date of delivery of the Bonds.

Section 11: Transfer or Exchange of Bonds. The Bonds are transferable, or subject to exchange, for fully registered Bonds in the denomination of \$500.00 or integral multiples thereof, by the registered owner thereof in person, or by the owner's attorney, duly authorized in writing, at the office of the Bond Registrar. The Paying Agent shall maintain a record of the names and addresses of the registered owners of the Bonds. The records of registered bond ownership are not public records within the meaning of Oregon Revised Statutes 192.410(4).

All bonds issued upon transfer, or in exchange, for Bonds shall evidence the same debt and entitled to the same benefits as the Bonds surrendered for such exchange or transfer. All fees, expenses and charges of the Paying Agent and of the Bond Registrar shall be payable by the City. The Bond Registrar shall not be required

(a) to transfer or exchange any Bond after the close of business on the 15th day of the month next preceding any interest payment date, or

(b) to transfer or exchange any Bond called or being called for redemption.

Section 12: Pledge of Tax Levy. The full faith and credit of the City are pledged to the successive owners of each of the Bonds for the punctual payment of the principal of and interest on the Bonds when due. The City hereby covenants with the owners of the Bonds to levy annually, in sufficient amount less other revenues available therefore, as provided by law, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, without limitation, to pay the principal of and interest on the Bonds promptly as they become due and payable.

Section 13: Form of Bonds. The Bonds shall be issued substantially in the form as approved by the Finance Director.

Section 14: Printing of Bonds. The Finance Director is authorized to contract for the printing of the Bonds. The Finance Director may provide for the printing, in addition to the original issue of Bonds, of additional bonds in blank form as to registration and to be designated by appropriate number for the Bond Registrar for delivery to the registered owner upon transfer or exchange of Bonds. The additional bonds shall be dated as approved by the Finance Director and shall be signed by the facsimile signature of the present Mayor of the City and by the facsimile signature of the present City Recorder and the Bond Registrar shall manually sign the Certificate of Authentication as of the date of the transfer of the Bonds.

Section 15: Delivery of the Bonds. The Bonds shall be available for delivery to the Registered Owner or Owners on or about January 1, 1987 at the office of the City Recorder.

Section 16: Arbitrage. The proceeds of the Bonds shall be used and invested in such manner that the Bonds shall not become "arbitrage bonds" within the meaning of Section 1301 of the Tax Reform Act of 1986 and the regulations issued thereunder.

Section 17: Execution of Closing Documents. The Finance Director is authorized to execute the Arbitrage Certificate and any and all additional documents which may be reasonably required to issue, sell and deliver the Bonds.

Section 18: Emergency. In order that necessary procedures may be carried through in an orderly manner prior to the issuance of the Bonds herein authorized and that the Bonds may be issued promptly to secure for the Bonds a favorable interest rate under present market conditions and to proceed promptly with the sale of the Bonds as Citizen Bonds, an emergency is hereby declared to exist and this Ordinance shall be in full force and effect immediately upon passage by the Council and approval by the Mayor.

Passed by the Council: November 19, 1986

Approved by the Mayor: November 20, 1986

Effective Date: November 19, 1986



Mayor

ATTEST:



City Recorder