

RESOLUTION NO. 3042

A RESOLUTION OF THE CITY OF ALBANY,
OREGON AUTHORIZING THE ISSUANCE OF
SEWER REVENUE BONDS.

WHEREAS, the City of Albany, Oregon (the "City") plans to finance the construction of an extension of an interceptor sewer line to the North Albany health hazard sewer area (the "Project"); and

WHEREAS, the extension of the interceptor sewer line will cost an estimated \$3,000,000; and

WHEREAS, the City may create a local improvement district for the health hazard sewer area and shall levy assessments upon the benefited property within the district; and

WHEREAS, the City finds it desirable to issue sewer revenue bonds in an amount not to exceed \$3,000,000 to finance the cost of the construction of the extension of an interceptor sewer line to the North Albany health hazard sewer area pursuant to Oregon Revised Statutes 288.805 and 288.945, inclusive, and to pledge for payment of the Bonds the unobligated net revenues of the City's sewer system. Additionally, the Bonds shall be secured by a pledge of the payments on assessments upon benefited property owners and from proceeds of foreclosures. Such payments and proceeds shall be deposited to the City's sewer system Debt Service Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALBANY, OREGON:

Section 1. The City hereby authorizes the issuance of Sewer Revenue Bonds (the "Bonds") in a principal amount not to exceed \$3,000,000 for the purpose of financing the cost of construction of the extension of an interceptor sewer line to the North Albany health hazard sewer area and to pay for engineering fees, attorney fees and other related costs and costs of issuance of the Bonds.

Section 2. The Bonds shall not be general obligations of the City nor a charge upon the tax revenues of the City. The unobligated net revenues of the City's sewer system are pledged to the payment of the principal of and interest on the Bonds, after payment of the ordinary operation and maintenance expenses of the sewer system from the gross revenues thereof. So long as the Bonds are outstanding, the Issuer shall fix rates and collect charges for sewer services adequate to provide sufficient revenues to pay, in addition to all other expenses and obligated indebtedness, principal of and interest on the Bonds. Additionally, the Bonds shall be secured by a pledge of the payments on assessments upon benefited property owners within the local improvement district and from proceeds of

assessment foreclosures. Such payments and proceeds shall be deposited to the City's sewer system Debt Service Fund.

Section 3. The City hereby designates the Bonds for purposes of paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986, as amended (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 excludable under Section 103(a) of the Code from gross income 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 1991.

Section 4. The Finance Director is authorized and directed to publish a Notice of Intent to Issue Bonds and describing the purposes for which the Bonds are to be sold, in the form attached hereto as Exhibit A, in one issue of the Albany Democrat-Herald, a newspaper of general circulation within the geographical boundaries of the City. In addition, the Finance Director shall cause the Notice of Intent to Issue Bonds to be given in the same manner as are other public notices of the City. The Bonds may not be sold at public competitive bid, nor shall a purchase agreement be executed for a private negotiated sale, for at least 60 days following publication of the Notice of Intent to Issue Bonds.

Section 5. Voters residing within the geographical boundaries of the City may file a petition with the City asking to have the question of whether to issue the Bonds referred to a vote. If the City receives petitions containing valid signatures of the City's electors totaling not less than five percent (5%) of the City's electors, the question of issuing the Bonds shall be placed on the ballot at the next legally available election date. In the event the City receives such a petition within 60 days from publication of the Notice of Intent to Issue Bonds, the Bonds shall not be sold until this Resolution is approved by a majority of the electors of the City voting on this Resolution.

Passed by the City Council of the City this 27th day of March, 1991.

CITY OF ALBANY, OREGON

By *Leah Thompson*
Mayor

ATTEST:

By *A. J. [unclear]*
City Recorder