

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE October 4, 2016	AGENDA ITEM NUMBER
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TO: Mayor Shoji and City Councilors

FROM: Susanne Baker, Finance Director

THROUGH: Rodger Craddock, City Manager

ISSUE Coos Bay North Bend Water Board Current Refunding of 2006 Debt

BACKGROUND

The City of Coos Bay and the City of North Bend jointly own the Coos Bay North Bend Water Board (Water Board) as a joint venture. As such, both cities individually share debt 50/50 that is incurred to finance capital projects. The Water Board has one debt instrument that has a call date of December 1, 2016, making it eligible for a current refunding (refinancing) for a lower interest rate and lower payments. This debt has a balance of \$3,395,000, will fully mature December 31, 2024, and was used to construct the Pony Creek dam at a cost of \$6.1 million. The Water Board has requested the City commence the process to refinance the debt.

The debt payments are made by the City of Coos Bay from water revenues passed thru by the Water Board to the City of Coos Bay. The Water Board, by resolution of the original debt, has pledged to establish, maintain and collect rates and charges for water service that will produce sufficient revenue, after deducting the expenses for operation and maintenance, to meet principal and interest payments when due.

The City of Coos Bay solicited an RFP in 2014 for a Financial Advisor to provide assistance in obtaining governmental tax exempt and taxable debt financing as regulated by the Internal Revenue Service, Securities Exchange Commission, and Municipal Securities Rulemaking Board (a regulatory organization created under the Securities Acts Amendments of 1975). The contract was awarded to Wedbush and they have prepared a Request for Financing (RFF) specifically for the Water Board's refinancing. The costs incurred for the refinancing will be entirely bore by the Water Board as part of the refinancing process, no city funds will be expended other than staff time.

As part of that process, the City Council will be requested to adopt a resolution for the refinancing, authorize staff to enter into a financing agreement, and to execute the required documents pursuant to Oregon Revised Statutes Section 271.390 and other relevant provisions of Oregon Revised Statutes Chapter 287A. Additionally, a separate resolution will be required to be adopted as a supplemental budget through the public hearing process to adjust the FYE 17 budget to appropriate the loan proceeds to comply with Oregon Budget law.

ADVANTAGES

Refinancing the Water Board's debt will achieve a lower interest rate and payments.

DISADVANTAGES

None.

BUDGET

The cost of the refinancing will be paid for by the Water Board.

RECOMMENDATION

If the Council desires:

1. Adopt Resolution 16-20 to authorize staff to enter into a financing agreement and other required documents pursuant to Oregon Revised Statutes Section 271.390 and other relevant provisions of Oregon Revised Statutes Chapter 287A for the Water Board's 2006 current refunding of the Pony Creek dam infrastructure; and
2. Hold a public hearing to accept public comment regarding appropriation of the Water Board loan proceeds into the FYE 17 budget; and
3. Adopt Resolution 16-22 a supplemental budget appropriating loan proceeds from the Coos Bay North Bend Water Board's Current refunding of 2006 Debt in the General Fund.

To: Various Financial Institutions

From: Jim Stricklin, Managing Director

Re: REQUEST FOR FUNDING (“RFF”)

[DRAFT 9.27.2016]

Date: October 5, 2016

Due: October 17, 2016



City of Coos Bay, Oregon Request for Funding

INTRODUCTION

The City of Coos Bay, Oregon (the “City”) is seeking bids from Qualified Investors for the direct purchase of its Full Faith and Credit Financing Agreement, Series 2016 (the “2016 Financing Agreement”) in order to refund the City’s Full Faith and Credit Refunding Obligations, Series 2006 (the “2006 Obligations”) and to pay for the costs of execution and delivery of the 2016 Financing Agreement.

The City Council approved Resolution No. 16-20 (the “Authorizing Resolution”) associated with this transaction on October 4, 2016.

This Request for Funding (the “RFF”) is accompanied by a separate attachment containing the major legal documents associated with this transaction (the “Legal Documents”) and includes the following: the adopted Authorizing Resolution and the Forms of the 2016 Financing Agreement, the Investor Letter, and the Legal Opinion.

This RFF does not commit the City to pay any costs incurred by any proposer in the submission of a proposal or in making necessary studies or designs for the preparation thereof, or for procuring or contracting for the services to be furnished under the RFF.

KEY DATES AND CONTACTS

RFF Due Date: Proposals are due no later than **1:00 p.m. Pacific Time on Monday, October 17, 2016.**

Final Credit Approval and Rate Lock: No later than **2:00 p.m. Pacific Time on Wednesday, October 19, 2016.**

Closing: Closing is scheduled for **Thursday, October 27, 2016.**

RFF Questions/Clarification: Clarifications on the RFF and questions regarding the preparation of the proposal should be directed to the City’s Financial Advisor **Jim Stricklin**, Wedbush Securities Inc. (jim.stricklin@wedbush.com or **480.778.8594**) **no later than October 12, 2016.** A response in the form of an addendum to the RFF will be provided to all parties if a substantive clarification is in order.



Due diligence/credit related questions should be directed to **Susanne Baker**, Finance Director (sbaker@coosbay.org or 541.269.1181 ext. 2244).

Questions regarding the legal structure of the transaction should be directed to the City's Special Counsel, **Carol McCoog**, Hawkins Delafield & Wood LLP (cmccoog@hawkins.com or 503.402.1331).

SUBMITTAL

Proposals for funding, including Exhibit B – Bid Form, must be submitted electronically on or before 1:00 p.m Pacific Time on October 17, 2016 to Susanne Baker (sbaker@coosbay.org), and Jim Stricklin (jim.stricklin@wedbush.com).

AWARD

The City may select the Lender on a preliminary basis to negotiate final terms, conditions and financing documents.

Rejection of Proposals

The City will choose a Lender based on the proposal that provides the most favorable terms to the City. The City reserves the right to negotiate terms and provisions with any or all respondents in determining its award. The City also reserve the right to reject any or all responses to the Request for Proposal or to waive any irregularities if found in the City's best interest to do so. In the City's discretion, litigation between the City and a Proposer may be cause for proposal rejection, regardless of when that litigation comes to its attention and regardless how the Proposer's proposal may have been scored. Proposals may also be rejected if they use subcontractors or subconsultants who are involved in litigation with the City.

Cancellation

The City reserves the right to modify, revise or cancel this RFF. Receipt and evaluation of proposals do not obligate the City to award a contract.

PROPOSALS

Purpose

The 2016 Financing Agreement is being executed and delivered for the purpose of providing funds (i) to pay in advance of maturity all of the 2006 Obligations (the "Obligations Being Refunded") and (ii) paying costs of issuance through a Financing Agreement substantially in the form provided separately with the attached Legal Documents.

Source of Repayment

The City's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the City, including all unobligated revenues in the City's general fund and any other funds that may be available for that purpose, will irrevocably be pledged to the punctual payment of principal and interest. The City will pay the amounts due under the 2016 Financing Agreement from any and all of its legally available taxes, revenues and other funds as authorized by ORS 271.390. In the Resolution, the City pledged its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due under the 2016 Financing Agreement pursuant to ORS 287A.315.



Maturity Schedule

The repayment schedule shown below must be used as the basis for any proposal and is based upon the following:

1. **Original Principal Amount:** \$3,205,000*;
2. **Final Maturity:** December 1, 2024;
3. **Average Life:** Approximately 4.7 years;
4. **Dated Date:** The Date of Delivery, estimated to be October 27, 2016;
5. **Structure:** Level payments;
6. **Interest Payment Dates:** Interest will be payable June 1, 2017 and on each December 1 and June 1 thereafter until maturity;
7. **Interest Rate:** Not to exceed ___% for tax-exempt interest rate;
8. **Bank Qualification:** The 2016 Financing Agreement will be designated by the City as a “qualified tax exempt obligation” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended; and
9. **Tax Status:** Special Counsel, Hawkins Delafield & Wood LLP, will, at closing, provide an opinion to the effect that interest on the 2016 Financing Agreement is excludable from gross income for federal income tax purposes and is exempt from State of Oregon personal income tax.

The 2016 Financing Agreement may be bid as Serial Maturities or as a single Term maturing on December 1, 2024.

Maturity Schedule*	
Year (December 1)	Principal
2017	\$ 370,000
2018	385,000
2019	390,000
2020	400,000
2021	405,000
2022	410,000
2023	420,000
2024	425,000
	\$3,205,000

* **Subject to change.**

* Subject to change.



Proposal Content

Your proposal must acknowledge and/or address each of the following items:

1. **Legal Structure:** Forms of pertinent Legal Documents associated with this transaction accompany this RFF. Any changes required by a prospective bidder to any of the Legal Documents must be noted clearly in a prospective bidder's proposal and not be subject to further approval by the prospective bidder's credit committee and legal counsel.
2. **Prepayment:**

Alternative I: The City retains the option to prepay the 2016 Financing Agreement maturing on December 1, 2022 through and including December 1, 2024, without penalty or premium, on December 1, 2021 or any date thereafter.

Alternative II: The 2016 Financing Agreement is not subject to early prepayment.
3. **Fees and Expenses:** A detailed list of any fees and expenses prospective bidders expect to charge, including fees and expenses of legal counsel and any other third party. All costs of execution and delivery of the 2016 Financing Agreement will be paid from the proceeds of the 2016 Financing Agreement.
4. **Rating:** The City does not intend to apply for a rating on the 2016 Financing Agreement.
5. **Denominations:** The 2016 Financing Agreement shall be in the denomination of \$1,000 of principal amount or any integral multiples thereof.
6. **Transfers:** Unless otherwise consented to, transfers in interest in the 2016 Financing Agreement are limited as set forth in the Financing Agreement and Investor Letter, forms of which are attached to this RFF.
7. **Disclosure:** No offering document or Official Statement will be prepared.



APPENDIX A

CITY OF COOS BAY, OREGON

THE CITY'S BACKGROUND

The City was originally founded in 1853 as Marshfield. It is located approximately 270 miles south of Portland near the cities of North Bend, Charleston and the Coos County seat of Coquille. It is one of the leading lumber and wood products shipping centers in the Pacific Northwest. The City is also the medical, education, retail and professional center for Oregon's south coast region.

The City operates under the "Council-Manager" form of government. The day-to-day affairs of the City are managed by the City Manager, Rodger Craddock. Susanne Baker is the Finance Director. The current City Council is set forth below:

Member and Position	First Term Began	Term Ends
Crystal Shoji, Mayor	1996	11/2016
Fred Brick, Councilor	2014	11/2016
Mark Daily, Councilor	2012	11/2016
Jennifer Groth, Councilor	2010	11/2016
Stephanie Kramer, Councilor	2006	11/2016
Mike Vaughan, Councilor	2011	11/2016
Vacant*		

* Councilman Thomas Leahy resigned effective September 20, 2016.

A snapshot of City of Coos Bay from the American Fact Finder follows:

Description	Measure
Population	
Census 2010 Total Population	15,967
2015 Population Estimate (as of July 1, 2015)	16,182
2014 ACS 5-Year Population Estimate	16,022
Median Age	41.8
Number of Companies	1,217
Educational Attainment Percent High School Graduate or Higher	88.2%
Total Housing Units	7,610
Median Household Income	\$36,360
Individuals Below Poverty Level	21.6%
Veterans	1,524

Source: 2010-2014 American Community Survey 5-Year Estimates and 2014 NAICS codes – 2014 Business Patterns released July 14, 2015.



CITY INDEBTEDNESS

The City has the following outstanding debt*:

Description	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
General Obligation Bonds				
Series 2009 (Fire Station)	4/15/2009	6/1/2028	\$6,900,000	\$4,570,000
Total General Obligation Bonds				<u>\$4,570,000</u>
Full Faith & Credit Obligations*				
Series 2006	4/20/2006	12/1/2020	\$5,645,000	\$ 3,395,000
2012 IFA Wastewater Loan	4/17/2012	(a)	4,303,213	2,759,512
2013 IFA Wastewater Loan	12/3/2013	(a)	7,784,025	1,861,294
2013 Economic Development Loan (Pony Creek)	12/1/2013	12/1/2035	5,000,000	4,341,564
2016 Oregon DOT Infrastructure Bank Loan	3/18/2016	3/31/2026	404,000	404,000
Subtotal				<u>\$12,761,370</u>
Less: The Obligations to be Refunded				3,080,000
Plus: The 2016 Financing Agreement	10/27/2016	12/1/2024	\$3,140,000	3,205,000 *
Total Full Faith and Credit Obligations				<u>\$19,046,370 *</u>
Other Obligations				
2005 OECDD Water Loan	6/14/2005	12/1/2029	\$ 125,000	\$ 85,471
2003 URA Downtown	1/24/2003	6/30/2018	5,700,000	740,322
2009 URA Downtown	8/28/2009	6/30/2019	1,402,000	485,283
2011 Land Purchase	10/31/2011	7/17/1905	650,000	303,331
Total Other Obligations				<u>\$1,614,407</u>
Total Long-Term Debt as of 6/30/2016				<u>\$25,230,777 *</u>

(a) The City's IFA loans are funding wastewater infrastructure projects that are still under construction and the maturity date is set upon completion.

Source: The City.

Future Financing: The City is considering a financing for approximately \$27 million through the Oregon Department of Environmental Quality for improvements to the City's wastewater system. Such financing is expected to be secured by a pledge of the wastewater system revenues. The City anticipates making a final decision regarding the financing in November or December 2016.

* Subject to change.



PLAN OF REFUNDING

SCHEDULE OF OBLIGATIONS BEING REFUNDED

Issue Series	Maturity Date (December 1)	Coupon	Principal Amount Outstanding and to be Refunded	Redemption Date (December 1)	Redemption Price	CUSIP® No. 217021
2006	2017	4.25%	\$ 330,000	2016	100.00%	SJ4
	2018	4.25	345,000	2016	100.00	SK1
	2019	4.25	360,000	2016	100.00	SL9
	2020	4.25	375,000	2016	100.00	SM7
	2021	4.15	390,000	2016	100.00	SN5
	2022	4.20	410,000	2016	100.00	SP0
	2023	4.20	425,000	2016	100.00	SQ8
	2024	4.25	445,000	2016	100.00	SR6
				\$3,080,000		

PROPERTY TAXES AND VALUES

Historic property values and taxes for the City follow:

Fiscal Year	M5 Real Market Value	Assessed Value	Urban Renewal Excess	Assessed Value Used to Compute Tax Rate
2011	\$1,174,566,724	\$ 954,221,863	\$104,223,454	\$849,998,409
2012	1,083,513,569	955,934,516	106,603,946	849,330,570
2013	1,077,738,895	967,404,380	109,423,220	857,981,160
2014	1,097,912,498	988,319,190	111,936,930	866,382,260
2015	1,101,007,196	998,456,195	106,264,192	892,192,003

Source: The annual *Summary of Assessment and Tax Roll Information Booklets* are updated every October and can be found on the Coos County, Oregon website at <http://www.co.coos.or.us/Departments/Assessors/Assessment-Taxation.aspx>.



CITY FINANCES

City Financial Statements: The City’s current budget and comprehensive annual financial statements for each of the past five fiscal years are available on-line at <http://www.coosbay.org/departments/finance>.

**City of Coos Bay – General Fund
Balance Sheet
(Fiscal Years Ended June 30)**

Assets	2011	2012	Audited 2013	2014	2015
Cash and Investments	\$ 10,915,844	\$ 10,834,882	\$ 16,656,304	\$ 17,572,826	\$ 19,966,153
Inventory	172	282	727	633	815
Receivables, Net					
Taxes	641,664	686,740	875,402	793,415	746,842
Accounts	816,748	1,707,557	634,392	614,900	765,693
Assessments	342,562	715,459	708,015	698,708	355,388
Interfund Receivable	-		658,094	656,249	567,272
Due from	22,413		-	2,650	24,340
Prepaid Expenses	10,334	2,419	7,673		8,852
Total Assets	\$ 12,749,737	\$ 13,947,339	\$ 19,540,607	\$ 20,339,381	\$ 22,435,355
Liabilities, Deferred Inflows of Resources, and Fund Equity					
Liabilities:					
Accounts Payable	\$ 155,902	\$ 194,647	\$ 131,224	\$ 229,943	\$ 123,339
Payroll and Payroll Taxes Payable	140,210	165,734	184,763	180,019	197,081
Interfund Payable	-	-	658,094	656,249	567,272
Due to	22,413			-	24,340
Total Liabilities	318,525	360,381	974,081	1,066,211	912,032
Deferred Inflows of Resources					
Unavailable Revenue-Property Taxes	352,562	715,459	875,005	542,189	459,272
Unavailable Revenue - Special Assessments	529,888	586,808	608,185	846,797	480,959
Total Deferred Inflows of Resources	882,450	1,302,267	1,483,190	1,388,986	940,231
Fund Equity					
Fund Balances:					
Nonspendable	4,810,506	4,802,419	4,808,400	4,803,283	4,809,667
Restricted	1,330,192	2,421,983	4,629,844	5,429,738	6,133,686
Assigned	1,550,157	1,535,974	5,465,703	5,453,002	6,491,116
Unassigned	3,857,907	3,524,315	2,179,389	2,198,161	3,148,623
Total Fund Balance	11,548,762	12,284,691	17,083,336	17,884,184	20,583,092
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 12,749,737	\$ 13,947,339	\$ 19,540,607	\$ 20,339,381	\$ 22,435,355



**City of Coos Bay – General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
(Fiscal Years Ended June 30)**

	2011	2012	Audited 2013	2014	2015
Revenues:					
Property Taxes	\$ 5,732,738	\$ 5,787,492	\$ 7,355,802	\$ 7,633,771	\$ 8,277,753
Other Taxes	1,609,415	2,315,880	2,340,504	2,443,973	2,584,733
Franchise Fees	1,513,892	1,619,008	1,625,620	1,624,054	1,623,979
Licenses and Permits	106,014	140,705	110,210	153,079	155,508
Intergovernmental	1,929,111	1,189,790	1,195,670	1,406,033	1,424,432
Grants	202,547	1,393,391	697,247	899,041	246,052
Other - Timber Sales	585,958	150,000	418,918	30,000	1,300,369
Charges for Services	585,224	576,333	637,690	611,945	648,682
Charges for Use of Money and Property	196,195	195,519	176,870	176,108	194,837
Fines and Forfeitures	80,529	76,354	76,822	70,080	69,797
Miscellaneous	191,359	144,659	217,566	207,691	391,321
Total Revenues	\$12,732,982	\$13,589,131	\$14,852,919	\$15,255,775	\$16,917,463
Expenditures:					
Current:					
General Government	1,161,830	1,156,201	2,064,825	1,803,765	1,409,100
Public Safety	6,175,394	6,389,716	6,580,512	6,675,252	6,717,288
Public Works	2,480,032	6,205,386	3,190,818	2,333,564	2,466,842
Culture and Recreation	1,172,417	996,572	1,070,196	974,697	1,473,210
Capital Outlay	911,833	2,210,840	1,223,508	1,332,568	403,285
Debt Service:			1,485,768		
Principal Retirement	591,954	686,363	791,418	1,743,561	1,642,600
Interest and Fiscal Charges	477,745	504,234		634,208	705,700
Total Expenditures	\$12,971,205	\$18,149,312	\$16,407,045	\$15,497,615	\$14,818,025
Excess of Revenues Over (Under) Expenditures	(238,223)	(4,560,181)	(1,554,126)	(241,840)	2,099,438
Other Financing Sources (Uses)					
Sale of Capital Assets	-	3,712	10,032	57,506	183,395
Bond Proceeds		-	36,767		
Transfers In	926,493	2,757,574	3,472,682	2,622,308	2,156,863
Transfers Out	(835,695)	(2,048,880)	(2,399,213)	(1,637,126)	(1,740,788)
Insurance Recovery	(1,904)	106,493	32,130	-	-
CBNBWB Water Project Loan	354,502	3,877,081	768,407	-	-
City Hall Seismic Project Loan - URA	-	600,000	-	-	-
Du Jour Financing - URA	2,295,000	1,557,794	1,116,170	760,913	619,712
Du Jour Financing - URA	(2,294,426)	(1,557,664)	(1,116,170)	(760,913)	(619,712)
Total Other Financing Sources (Uses)	443,970	5,296,110	1,920,805	1,042,688	599,470
Net Change in Fund Balance	205,747	735,929	366,679	800,848	2,698,908
Fund Balance - Beginning of Year	11,343,015	11,548,762	16,716,657	17,083,336	17,884,184
Fund Balance - End of Year	\$11,548,762	\$12,284,691	\$17,083,336	\$17,884,184	\$20,583,092



APPENDIX B

BID FORM

\$3,205,000*
City of Coos Bay, Oregon
Full Faith and Credit Financing Agreement, Series 2016

Company Name: _____

The City Council approved the Authorizing Resolution for this transaction on October 4, 2016. Terms and conditions of the 2016 Financing Agreement will be finalized by October 19, 2016. Closing is scheduled for October 27, 2016.

Interest Rate Bid Option I: % _____

Interest Rate Bid Option II: % _____

Total additional costs or fees of the Bidder to be paid from the proceeds of the 2016 Financing Agreement:
\$ _____

Bidder acknowledges receipt and acceptance of the transaction documents pertaining to the 2016 Financing Agreement and that the Interest Rate Bid is valid through the date the 2016 Financing Agreement is executed.

Authorized Signature

Date

Printed Name

Title

* Subject to change.

City of Coos Bay

Resolution 16 – 20

A RESOLUTION OF THE CITY OF COOS BAY, OREGON AUTHORIZING FULL FAITH AND CREDIT BORROWINGS TO REFINANCE OUTSTANDING OBLIGATIONS OF THE CITY.

WHEREAS, the City of Coos Bay, Oregon (the “City”) is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City Council determines is needed; and,

WHEREAS, in April 2000 the City obtained a loan through the Oregon Economic and Community Development Department’s Oregon Bond Bank Program (the “2000 Obligations”) for the long-term financing of water system improvements; and,

WHEREAS, the City entered into a Financing Agreement dated April 26, 2006 and authorized the issuance of its Full Faith and Credit Refunding Obligations, Series 2006 (the “2006 Obligations”) to refund the 2000 Obligations; and,

WHEREAS, current interest rates may be lower than the interest rates that are payable on all or a portion of the 2006 Obligations and the City may be able to reduce debt service costs or favorably restructure its 2006 Obligations by refunding all or a portion of the 2006 Obligations;

NOW, THEREFORE, BE IT RESOLVED by the Coos Bay City Council that:

1. Authorization of Financing Agreements.

- 1.1 The City is hereby authorized to enter into one or more financing agreements to refinance all or any portion of the real property and personal property that was refinanced with the 2006 Obligations pursuant to Oregon Revised Statutes Section 271.390 and other relevant provisions of Oregon Revised Statutes Chapter 287A. The net proceeds of the financing agreements that are executed to refinance this property shall not exceed the amount required to pay the principal amount of the 2006 Obligations, accrued interest through the date the 2006 Obligations are redeemed, any redemption or prepayment premium and other estimated costs of the refinancing.
- 1.2 The financing agreements authorized by this Section 1 are referred to in this Resolution as the “Financing Agreements.”

2. Determination of Need.

The City hereby determines that the projects originally financed by the 2000 Obligations and re financed with the 2006 Obligations are needed.

3. Delegation.

The City Manager, Finance Director or the person designated by the City Manager or Finance Director to act on behalf of the City under this resolution (each of whom is referred to in this resolution as a “City Official”) may, on behalf of the City and without further action by the Council:

- 3.1 Select one or more commercial banks or financing institutions with which to negotiate and execute each Financing Agreement.
- 3.2 Take actions to prepay, call, defease and redeem the 2006 Obligations.

- 3.3 Engage the services of escrow agents or trustees and any other professionals whose services are desirable for the financing.
- 3.4 Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of each Financing Agreement. Subject to the limitations of this resolution, each Financing Agreement may be in such form and contain such terms as the City Official may approve.
- 3.5 Negotiate, execute and deliver notes to evidence amounts due under the Financing Agreements.
- 3.6 Issue any qualifying Financing Agreement as a “tax-exempt bond” bearing interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, (the “Code”) and enter into covenants to maintain the excludability of interest on those Financing Agreements from gross income under the Code.
- 3.7 Issue any Financing Agreement as a “taxable bond” bearing interest that is includable in gross income under the Code.
- 3.8 Designate any qualifying Financing Agreement as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable.
- 3.9 Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

4. Security.

Each Financing Agreement shall constitute an unconditional obligation of the City, which is 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.

5. Effective Date.

This resolution is effective upon its adoption.

The foregoing resolution was duly adopted by the City Council of the City of Coos Bay, Oregon, this 4th day of October 2016.

Crystal Shoji, Mayor

ATTEST:

Susanne Baker, City Recorder

City of Coos Bay

Resolution 16 – 22

A RESOLUTION OF THE CITY OF COOS BAY, COOS COUNTY, OREGON, SUPPLEMENTAL BUDGET APPROPRIATING LOAN PROCEEDS FROM THE COOS BAY NORTH BEND WATER BOARD'S CURRENT REFUNDING OF 2006 DEBT IN THE GENERAL FUND.

WHEREAS, the City of Coos Bay has complied with the provisions of ORS 294.473 to appropriate funds to adjust one fund's expenditures by more than 10% of the fund's adopted expenditure total; a public hearing shall be held; the governing body at a regularly scheduled meeting shall adopt a supplemental budget by resolution stating the need, purpose, and amount of the appropriation; provide notice of the meeting by publishing not less than five days before the meeting; and the notice includes a summary of the changes proposed; and

WHEREAS, the City of Coos Bay, Oregon (the "City") is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City Council determines is needed; and,

WHEREAS, in April 2000 the City obtained a loan through the Oregon Economic and Community Development Department's Oregon Bond Bank Program (the "2000 Obligations") for the long-term financing of water system improvements; and,

WHEREAS, the City entered into a Financing Agreement dated April 26, 2006 and authorized the issuance of its Full Faith and Credit Refunding Obligations, Series 2006 (the "2006 Obligations") to refund the 2000 Obligations; and,

WHEREAS, current interest rates may be lower than the interest rates that are payable on all or a portion of the 2006 Obligations and the City may be able to reduce debt service costs or favorably restructure its 2006 Obligations by refunding all or a portion of the 2006 Obligations;

General Fund

Resources	Other Financing Sources	\$3,000,000
Requirements	Loan Proceeds	3,000,000
	New Total Public Works and Development	\$4,402,630
	New Total General Fund Requirements	\$15,230,006

NOW, THEREFORE, BE IT RESOLVED THAT, the City of Coos Bay, Coos County Oregon hereby adopts the FY 2016-2017 Resolution as set forth above, and appropriates the sums as shown above. The foregoing resolution was duly adopted by the City of Coos Bay, Coos County, Oregon this 4th day of October 2016.

Crystal Shoji, Mayor

ATTEST:

Susanne Baker, City Recorder