

RESOLUTION NO. 2946

RESOLUTION AUTHORIZING SUBORDINATE OBLIGATION FOR THE CITY IN AN OUTSTANDING AMOUNT OF NOT MORE THAN \$3,000,000.

Findings

A. The City of Bend, Oregon (the City) finds it desirable to incur indebtedness by issuing a subordinate obligation to provide interim financing to the Water Fund due to the increased construction activity and the reserve requirements of the fund prior to long-term financing being in place.

B. The City desires to issue and sell the obligation to Bank of the Cascades (the Bank).

Based on these findings,

THE CITY OF BEND RESOLVES AS FOLLOWS:

Section 1. Definitions. For purposes of this resolution, the following terms shall have the following meanings, unless the context clearly requires otherwise:

Subordinate Obligation means the Subordinate Obligation to existing Water Revenue Bonds which is authorized by Section 2 of this resolution.

Section 2. Authorization of Subordinate Obligation. The Subordinate Obligation will be a short-term bank loan or promissory note agreement with the Bank. The maximum principal amount of the Subordinate Obligation shall not exceed \$3,000,000.

The proceeds of the Subordinate Obligation shall be used to provide interim financing to the Water Fund for construction expenditures for which permanent funding has not yet been received.

Section 3. Security for Subordinate Obligation. The Subordinate Obligation shall be secured by the full faith and credit of the City of Bend. The amounts due under the Subordinate Obligation shall be payable from the revenues of the Water Fund.

Section 4. Execution of the Subordinate Obligation. The Subordinate Obligation shall be signed with the manual signature of the City Manager or Finance Director.

Section 5. Deposit of Subordinate Obligation Proceeds. The proceeds from the Subordinate Obligation shall be deposited in the Water Fund to pay costs of expenditures described in Section 2 herein.

Section 6. Delegation. The City Manager or Finance Director is hereby authorized on behalf of the City:


- (a) to establish the interest rate, repayment provisions and other terms of the Subordinate Obligation;

- (b) to make covenants to secure the Subordinate Obligation, including covenants regarding the use of the general revenues of the City;
- (c) to execute and deliver the Subordinate Obligation; and
- (d) to execute and deliver any other documents and take any other action which is desirable in order to issue, sell, and deliver the Subordinate Obligation in accordance with this Resolution.

Adopted by roll call vote of the Bend City Council on June 18, 2014.

YES: Mayor Jim Clinton
Councilor Jodie Barram
Councilor Mark Capell
Councilor Scott Ramsay
Councilor Victor Chudowsky
Councilor Doug Knight
Councilor Sally Russell

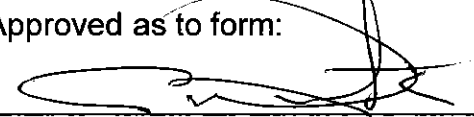
NO: none



Jim Clinton, Mayor

ATTEST:


Robyn Christie, City Recorder

Approved as to form:


Mary Winters, City Attorney

