

AGENDA
Aurora City Council Special Meeting
Thursday, April 25, 2024, 7:30pm
City Council Chambers, Aurora City Hall
21420 Main Street NE, Aurora, OR 97002

To participate via Zoom:

<https://us02web.zoom.us/j/88022278143?pwd=UUNuOTZNV3NSeUpMNXpOU3Bia3Nhdz09>
Meeting ID: 880 2227 8143
Passcode: 586377

1. CALL TO ORDER THE AURORA CITY COUNCIL SPECIAL MEETING

2. ROLL CALL

Mayor Brian Asher
Councilor Mercedes Rhoden-Feely
Councilor John Berard
Councilor Charles Roper
Councilor Wendy Veliz

3. CONSENT AGENDA-NA

4. CORRESPONDENCE-NA

5. NEW BUSINESS

a) Discussion of Bond Authorization

6. ORDINANCES, RESOLUTIONS, AND PROCLAMATIONS

a) Resolution 861, A Resolution of City of Aurora, Marion County, Oregon Authorizing the Issuance and Sale of One or More Series of General Obligation Bonds; Designating an Authorized Representative, Bond Counsel and Underwriter/Placement Agent; Authorizing Appointment of a Paying Agent and Bond Registrar; Authorizing Publishing of a Notice; and Related Matters

7. OLD BUSINESS-NA

8. ADJOURN

RESOLUTION NO. 861

A RESOLUTION OF CITY OF AURORA, MARION COUNTY, OREGON AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS; DESIGNATING AN AUTHORIZED REPRESENTATIVE, BOND COUNSEL AND UNDERWRITER/PLACEMENT AGENT; AUTHORIZING APPOINTMENT OF A PAYING AGENT AND BOND REGISTRAR; AUTHORIZING PUBLISHING OF A NOTICE; AND RELATED MATTERS

WHEREAS, the City Council of the City of Aurora, Marion County, Oregon (the “City”) submitted to the voters of the City at an election on May 17, 2022, Measure 24-462 which sought the authorization to contract a general obligation bonded indebtedness in an amount not to exceed \$7,100,000 to finance capital costs and pay the costs of issuance of the bonds; and

WHEREAS, a majority of the voters of the City voting on Measure 24-462 approved of the issuance of the general obligation bonded indebtedness; and

WHEREAS, the City now desires to proceed with the issuance of general obligation bonds under the authorization of Measure 24-462 in an amount not to exceed \$7,100,000.

THEREFORE, THE CITY COUNCIL OF THE CITY OF AURORA, MARION COUNTY, OREGON RESOLVES AS FOLLOWS:

Section 1. Issuance of Bonds. The City Council of the City authorizes the issuance and sale of general obligation bonds in the aggregate principal amount not to exceed \$7,100,000 under the authority of Measure 24-462 (the “**Bonds**”). The Bonds shall be issued as negotiable general obligation bonds of the City for a term not to exceed 21 years from date of issuance and may be issued in one or more series as determined by the Authorized Representative. The City authorizes the Mayor, Council Member Position 3, or the Finance Officer (the “**Authorized Representative**”), either of them, or their designee, acting individually, to designate the principal amount, dated date, interest rates, maturity dates, bond structure, optional redemption dates and premiums, if any, principal serial maturities, term bond maturity or maturities, with or without premium and/or discount, denominations, interest payment dates, fees, covenants, whether to obtain bond insurance or some other form of guaranty or security for the payment of the Bonds, whether the Bonds are issued as tax-exempt and/or taxable bonds, to obtain one or more ratings for the Bonds, and such other provisions as are deemed necessary and desirable for the sale and issuance of the Bonds.

Section 2. Title and Execution of the Bonds. The Bonds shall be entitled “City of Aurora, Marion County, Oregon, General Obligation Bonds, Series 2024,” or such other name approved by the Authorized Representative, and shall bear the manual or facsimile signature of the Mayor

of the City and the manual or facsimile signature of the City Recorder. As determined by the Authorized Representative, the Bonds may be initially issued in book-entry form as a single, typewritten bond for each maturity and issued in the registered name of the nominee of The Depository Trust Company or registered in the name of the purchaser. The Bonds may be issued without certificates being made available to the bondholders.

Section 3. Sale of Bonds. As determined by the Authorized Representative pursuant to ORS 287A.300, the Bonds may be sold directly to a lender (“Private Placement”) and/or to the underwriter/placement agent by negotiated or competitive sale (“Public Offering”). The Authorized Representative shall determine the requirements for the sale(s) of the Bonds, subject to the provisions of this Resolution, that provide the most advantageous terms to the City. The Authorized Representative is authorized to select a lender if sold pursuant to a Private Placement, and negotiate and execute a term sheet, commitment letter, purchase agreement and/or placement agreement setting forth the terms of the sale of the Bonds.

Section 4. Book-Entry-Only System. As determined by the Authorized Representative, ownership of the Bonds may be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on The Depository Trust Company book-entry-only system. The Bonds may be initially issued in the form of a separate single fully registered type-written bond for each maturity of the Bonds (the “Global Certificates”). Each Global Certificate shall be registered in the name of Cede & Co. as nominee (the “Nominee”) of The Depository Trust Company (the “Depository”) as the “Registered Owner”, and such Global Certificates shall be lodged with the Depository until redemption or maturity of the bond issue. The Paying Agent shall remit payment for the maturing principal and interest on the Bonds to the Registered Owner for distribution by the Nominee for the benefit of the bondholder (the “Beneficial Owner” or “Record Owner”) by recorded entry on the books of the Depository participants and correspondents. While the Bonds are in book-entry-only form, the Bonds will be available in denominations of \$5,000 or any integral multiple thereof.

The Authorized Representative shall file with the Depository a Letter of Representation to induce the Depository to accept the Bonds as eligible for deposit at the Depository. The City’s financial advisor or underwriter/placement agent for the Bonds is authorized to provide the Depository with the Preliminary Official Statement, together with the completed Depository’s underwriting questionnaire.

The Letter of Representation and the providing to the Depository of the Preliminary Official Statement and the underwriting questionnaire shall not in any way impose upon the City any obligation whatsoever with respect to persons having interests in the Bonds other than the Registered Owners of the Bonds as shown on the registration books maintained by the Paying Agent and Bond Registrar. The Paying Agent and Bond Registrar, in writing, shall accept the book-entry-only system and shall agree to take all action necessary to at all times comply with the Depository’s operational arrangements for the book-entry-only system. The Authorized

Representative may take all other action to qualify the Bonds for the Depository's book-entry-only system.

In the event the Depository determines not to continue to act as securities depository for the Bonds, or the City determines that the Depository shall no longer so act, then the City will discontinue the book-entry-only system with the Depository. If the City fails to identify another qualified securities depository to replace the Depository, the Bonds shall no longer be a book-entry-only issue but shall be registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Beneficial Owner as appearing on the registration books of the Paying Agent and Bond Registrar and thereafter in the name or names of the bondholder transferring or exchanging Bonds in accordance with the provisions herein.

With respect to Bonds registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Nominee of the Depository, the City, and the Paying Agent and Bond Registrar shall have no responsibility or obligation to any participant or correspondent of the Depository or to any Beneficial Owner on behalf of which such participants or correspondents act as agent for the Registered Owner with respect to:

(i) the accuracy of the records of the Depository, the Nominee or any participant or correspondent with respect to any ownership interest in the Bonds,

(ii) the delivery to any participant or correspondent or any other person, other than a Registered Owner as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption,

(iii) the selection by the Depository of the beneficial interest in Bonds to be redeemed in the event the City redeems the Bonds in part, or

(iv) the payment to any participant, correspondent or any other person other than the Registered Owner of the Bonds as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any amount with respect to principal or interest on the Bonds. Notwithstanding the book-entry-only system, the City may treat and consider the Registered Owner in whose name each Bond is registered in the registration books maintained by the Paying Agent and Bond Registrar as the Registered Owner and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, or for the purpose of giving notices of redemption and other matters with respect to such Bond, or for the purpose of registering transfers with respect to such Bond, or for all other purposes whatsoever. The City shall pay or cause to be paid all principal of and interest on the Bonds only to or upon the order of the Registered Owner, as shown in the registration books maintained by the Paying Agent and Bond Registrar, or their representative attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligation with respect to payment thereof to the extent of the sum or sums so paid.

Upon delivery by the Depository to the City and to the Registered Owner of a Bond of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee then the word “Nominee” in this Resolution shall refer to such new nominee of the Depository, and upon receipt of such notice, the City shall promptly deliver a copy thereof to the Paying Agent and Bond Registrar.

Section 5. Transfer of Bonds. If the book-entry system is not utilized, the Bonds will be issued in certificate form. In such a case, the Bonds are transferable, or subject to exchange, for fully registered Bonds in the denomination of \$5,000 each or integral multiples thereof by the owner thereof in person, or by the owner’s attorney, duly authorized in writing, at the office of the Bond Registrar or the City, as determined by the Authorized Representative. The Bond Registrar shall maintain a record of the names and addresses of the owners of the Bonds. The records of the registered bond ownership are not public records within the meaning of Oregon Revised Statutes 192.410(4).

All bonds issued upon transfer of or in exchange for Bonds shall be valid general obligations of the City evidencing the same debt and shall be entitled to the same benefits as the Bonds surrendered for such exchange or transfer. All fees, expenses and charges of the Paying Agent and Bond Registrar shall be payable by the City. The Bond Registrar shall not be required to transfer or exchange any Bond after the close of business on the record date as determined by the Authorized Representative or transfer or exchange any Bond called or being called for redemption.

Section 6. Printing Bonds. If the Bonds are not in book-entry form, then the Authorized Representative is authorized to contract for the printing of the Bonds. The Authorized Representative may provide for the printing of, in addition to the original issue of Bonds, if any, additional bonds to be printed in blank form as to registration and to be designated by appropriate number for the Bond Registrar for delivery to the owner upon transfer or exchange of Bonds. The additional bonds shall bear the dated date of the Bonds, shall be signed by the manual or facsimile signature of the Mayor and shall be attested by the manual or facsimile signature of the City Recorder and the Paying Agent and Bond Registrar shall manually sign the Certificate of Authentication as of the date of delivery or transfer of the Bonds.

Section 7. Payment of Bonds. If the book-entry system is not utilized, the principal of the Bonds shall be payable upon presentation of the Bonds at maturity at the designated corporate trust office of the appointed Paying Agent or the City as determined by the Authorized Representative. Payment of each installment of interest due each year shall be made by wire, check or draft of the Paying Agent or the City mailed on each interest payment date to the owner thereof whose name and address appears on the registration books of the City maintained by the Paying Agent or the City as of the close of business on the record date as determined by the Authorized Representative.

Section 8. Form of Bonds. The Bonds shall be issued substantially in the form approved by the Authorized Representative and Bond Counsel.

Section 9. Appointment of Paying Agent and Registrar. The Authorized Representative is authorized to designate a Paying Agent and Bond Registrar for the Bonds and to negotiate and execute on behalf of the City a Paying Agent and Registrar Agreement. In addition, the City requests and authorizes the Paying Agent and Registrar to execute the Certificate of Authentication as of the date of delivery of the Bonds.

Section 10. Tax Levy and Pledge. The Bonds shall be a general obligation of the City. The full faith and credit of the City is pledged to the Beneficial Owners of all such Bonds for the payment of the principal and interest on such Bonds when due. The City shall levy annually, 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 all such Bonds promptly as they become due and payable. The City covenants with the Beneficial Owners of all such Bonds to pledge such ad valorem taxes in sufficient amount to pay the principal of and interest on all such Bonds as they respectively become due and payable. Pursuant to ORS 310.145, the City hereby classifies the tax levy described in this section to be taxes imposed to pay the principal and interest on exempt bonded indebtedness and such taxes are not subject to the limits of sections 11 or 11b, Article XI of the Oregon Constitution. The City shall give notice of the classification of the tax levy as provided in ORS 305.583(9)(a) and (10).

Section 11. Conditional Redemption. Any notice of optional redemption may state that the optional redemption is conditional upon receipt by the Registrar of moneys sufficient to pay the redemption price of such Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Registrar to the Registered Owner as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Section 12. Defeasance. The City may defease the Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Bonds to be defeased, cash or direct obligations of the United States in an amount which is sufficient without reinvestment to pay all principal and interest on the defeased Bonds until their maturity date or any earlier redemption date. Bonds which have been defeased pursuant to this paragraph shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this resolution except the right to receive payment from such special escrow account.

Section 13. Authorized Uses of the Proceeds of the Bonds. For purposes of ORS 305.583(9)(b), the proceeds of all the bonds issued under the authority of Measure 24-462 shall be used for capital acquisition, construction and improvements to the City, including:

- Improvements to water systems including capacity to better respond to fires throughout

the community, pump station on the north side of Mill Creek, and emergency generators for wells.

- Improvements to wastewater and stormwater systems including replacing storage tank liners and chemical storage facilities.
- Construction and equipping of a multipurpose building for City Hall, community events, library, and emergency management hub and shelter during extreme weather conditions and natural disasters.
- Property purchase.
- Capitalized interest and costs of issuance.

The City shall give notice of the specification of the authorized uses of the proceeds of bonded indebtedness as provided in ORS 305.583(9)(b) and (10).

Section 14. Contract with Beneficial Owners of Bonds. In consideration of the purchase and acceptance of the Bonds, the provisions of this Resolution and the Bonds shall be deemed to be and shall constitute a contract between the City and the Beneficial Owners of the Bonds. The covenants and agreements to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the Beneficial Owners of any and all Bonds, all of which shall be of equal rank without preference, priority, or distinction among the Bonds.

Section 15. Preservation of Tax Exemption for Interest on Bonds. The City covenants that it will take all actions necessary to prevent interest on tax-exempt Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of tax-exempt Bonds or other funds of the City treated as proceeds of the Bonds at any time during the term of the Bonds which will cause interest on the tax-exempt Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), is applicable to the Bonds, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Bonds, including the calculation and payment of any penalties that the City has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Bonds from being included in gross income for federal income tax purposes

Section 16. Designation of Financing Agreement as "Qualified Tax-Exempt Obligations." The City has determined and certifies that (a) the tax-exempt Bonds are not a "private activity bond" within the meaning of Section 141 of the Code; (b) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) which the City and any entity subordinate to the City (including any

entity which the City controls, which derives its authority to issue tax-exempt obligations from the City or which issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Bonds are issued will not exceed \$10,000,000; and (c) the amount of tax-exempt obligations, including the Bonds, designated by the City as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bonds are issued does not exceed \$10,000,000. The City designates the tax-exempt Bonds as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code.

Section 17. Appointment of Bond Counsel. The law firm of Foster Garvey P.C. of Portland, Oregon is appointed as Bond Counsel to the City for the issuance of the Bonds.

Section 18. Appointment of Underwriter/Placement Agent. Piper Sandler & Co. is appointed as the underwriter/placement agent for the Bonds.

Section 19. Confirmation of Election. Pursuant to ORS 255.295, the City reviewed the abstract of votes related to Measure 24-462 prepared by the county clerk and affirmed the results of the election and declared that a majority of the voters of the City voting on Measure 24-462 approved of the issuance of the general obligation bonded indebtedness.

Section 20. Closing of the Sale and Delivery of the Bonds. The Authorized Representative is authorized to determine and execute all the documents, including a tax certificate, and perform any and all other things or acts necessary for the sale and delivery of the Bonds as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the City Council of the City.

Section 21. Continuing Disclosure. The City covenants and agrees that it will comply with and carry out all of the provisions of any Continuing Disclosure Certificate executed by the City. Failure by the City to comply with a Continuing Disclosure Certificate will not constitute an event of default; however, any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

Section 22. Preliminary and Final Official Statement. The City may, if required, prepare or cause to be prepared a preliminary official statement for the Bonds which shall be available for distribution to prospective purchasers of the Bonds. The Authorized Representative is authorized to deem such preliminary official statement final pursuant to Rule 15c2-12 of the Securities and Exchange Commission. In addition, the City may prepare, or cause to be prepared, a final official statement for delivery to the purchasers of the Bonds no later than the seventh (7th) business day after the sale of the Bonds. After determining that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the City.

Section 23. Post Issuance Compliance Procedures. The Authorized Representative may establish post issuance compliance procedures to ensure that the interest on the Bonds remains exempt from federal income tax and the obligation of the City to provide continuing disclosure as described in continuing disclosure certificates of the City are met.

Section 24. Effective Date. This Resolution shall take effect on the date of its adoption.

ADOPTED by the City Council of City of Aurora, Marion County, Oregon, this 25th day of April 2024.

CITY OF AURORA,
MARION COUNTY, OREGON

Mayor Brian Asher

ATTEST:

By _____
City Recorder, Stuart A. Rodgers