

- \* Authorize new bonded lien interest rates for installment payment contracts financed by 1994 Series A Limited Tax General Obligation Improvement Bonds, and establish a new interim interest rate for contracts subject to future bond sales. (Ordinance)

The Council of the City of Portland ordains:

Section 1. The Council finds:

1. On April 13, 1994, the Council adopted Ordinance No. 167548 authorizing the sale of limited tax general obligation improvement bonds to finance installment payment contracts resulting from local improvements, sidewalk repairs and sewer system development charges.
2. On June 1, 1994, the City of Portland sold \$6,925,000 in improvement bonds through a competitive bond sale.
3. Section 17.12.140(f) of Portland City Code directs the Auditor to change interest rates on installment payment contracts to reflect the interest costs of the bond sale plus an allowance for insurance and other debt service reserves. This section also directs the Council to set an interim interest rate for installment contracts subject to future bond sales.
4. The City Debt Manager certifies that the bond sale interest costs were 4.69% for 5-year loans, 5.07% for 10-year loans, and 5.87% for 20-year loans.
5. The Auditor and City Debt Manager certify that the bond sale interest costs must be increased by 125 basis points to provide the necessary installment payment income to cover all bonded debt service plus an allowance for insurance and other debt service reserves. The necessary adjustments result in installment payment contract interest rates of 5.94% for 5-year loans, 6.32% for 10-year loans, and 7.12% for 20-year loans. In addition, the Auditor recommends that the interim interest rate be changed to 7.25% based on current bond market conditions and the results of the 1994 improvement bond sale.
6. The installment payment contract interest rates were included in the final official statements made by the City of Portland prior to the closing of the special assessment improvement bond sale.

NOW, THEREFORE, the Council directs:

- a. The Auditor is authorized to change the interest rates charged on installment payment contracts included in the 1994 Series A Limited Tax General Obligation Improvement Bond sale to 5.94% for 5-year loans, 6.32% for 10-year loans, and 7.12% for 20-year loans.
- b. The Auditor is directed to change the interim interest rate for installment payment contracts subject to future bond sales to a variable rate of 7.25%. The Auditor may adjust the interim rate periodically to match bond market conditions. The interim rate may not exceed 8% without prior Council approval

Section 2. The Council declares that an emergency exists because a delay in enacting this ordinance could cause a discrepancy between the interest rates being paid by the City and the interest rates being charged to property owners; therefore, this ordinance shall be in force and effect from and after its passage by the Council.

Passed by the Council JUN 0 8 1994

Barbara Clark, Auditor  
DGV/BS94AIO.BND  
June 2, 1994

BARBARA CLARK  
Auditor of the City of Portland

By *Betta Olson*  
Deputy

929

Agenda No.

ORDINANCE NO. 167762

Title

- \* Authorize new bonded lien interest rates for installment payment contracts financed by 1994 Series A Limited Tax General Obligation Improvement Bonds, and establish a new interim interest rate for contracts subject to future bond sales. (Ordinance)

<p>INTRODUCED BY Barbara Clark <i>BC/60</i></p>	<p>Filed: <b>JUN 3 1994</b></p>
<p>NOTED BY COMMISSIONER</p>	<p>Barbara Clark Auditor of the City of Portland</p>
<p>Affairs</p>	<p>By: <u><i>Coy Kershner</i></u> Deputy</p>
<p>Finance and Administration <i>EJ 6.2.94</i></p>	<p>For Meeting of:</p>
<p>Safety</p>	<p>Action Taken:</p>
<p>Utilities</p>	<p><input type="checkbox"/> Amended</p>
<p>Works</p>	<p><input type="checkbox"/> Passed to Second Reading _____</p>
<p>BUREAU APPROVAL</p>	<p><input type="checkbox"/> Continued to:</p>
<p>Bureau: City Auditor's Office</p>	
<p>Prepared by                      Date</p>	
<p>D.G.Vizzini                      6/2/94</p>	
<p>Budget Impact Review:</p>	
<p><input type="checkbox"/> Completed    <input type="checkbox"/> Not Required</p>	
<p>Bureau Head: Barbara Clark, CPA</p>	

AGENDA		FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
				YEAS	NAYS
Consent <input checked="" type="checkbox"/>	Regular	Blumenauer	Blumenauer	<input checked="" type="checkbox"/>	
NOTED BY		Hales	Hales	<input checked="" type="checkbox"/>	
City Attorney		Kafoury	Kafoury	<input checked="" type="checkbox"/>	
City Auditor		Lindberg	Lindberg	<input checked="" type="checkbox"/>	
City Engineer		Katz	Katz	<input checked="" type="checkbox"/>	