

ORDINANCE No. 187061

Authorize third issuance of general obligation bonds for fire vehicles and emergency response infrastructure and general obligation refunding bonds (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. On November 2, 2010, the voters of the City of Portland approved a measure (the “Measure”) authorizing the City to issue \$72,400,000 in principal amount of general obligation bonds to finance the acquisition of fire engines and other emergency response vehicles that are needed to maintain existing service levels and replace aging vehicles, provide funds for replacement of the City’s obsolete public safety emergency radio system, finance the construction of a fire station and related facilities and finance the construction of an emergency response center described in the ballot authorizing the bonds.
2. In 2011, the City issued \$25,835,000 authorized by the Measure and Ordinance No. 184502 enacted on April 6, 2011.
3. In 2014, the City issued \$22,670,000 authorized by the Measure and Ordinance No. 186441 enacted on January 29, 2014.
4. It is now desirable to obtain proceeds from the third sale of the bonds authorized by the Measure.
5. When bonds authorized by the Measure are issued in more than one series, the Measure requires that the City’s Chief Administrative Officer report to the Council on the expenditures of proceeds of the previously issued series and any cost savings before subsequent series of those bonds are issued; that report has been presented in a memorandum to the Council accompanying this ordinance.
6. The City has issued its General Obligation Emergency Facilities Bonds, 2008 Series A to finance improvements to fire, rescue and emergency facilities (the “2008 Bonds”).
7. Current interest rates are lower than the interest rates borne by the 2008 Bonds, and the City may be able to obtain debt service savings by refunding all or a portion of the 2008 Bonds.
8. The City is authorized to issue general obligation bonds to refund outstanding general obligation bonds by ORS 287A.360 to 287A.380.
9. The City adopts this ordinance to authorize the refunding of all or any portion of the City’s 2008 Bonds.

NOW, THEREFORE, the Council directs:

- a. Authorization of New Money Bonds. The City is hereby authorized to issue a principal amount of bonds authorized by the Measure (the “New Money Bonds”) that is sufficient to produce net proceeds for projects of \$18,900,000, plus any amounts required to pay costs of issuance of the New Money Bonds. The proceeds of the New Money Bonds shall be spent for purposes described in the Measure including paying costs related to the New Money Bonds. The New Money Bonds shall be issued pursuant to this Ordinance, ORS 287A.050 and the other applicable sections of ORS Chapter 287A and the authority granted to the City by the Measure and this Ordinance.
- b. Authorization of Refunding Bonds. The City hereby authorizes the sale and delivery of general obligation bonds (the “Refunding Bonds”) pursuant to ORS 287A.360 to 287A.380 to refund all or any portion of the 2008 Bonds. The Refunding Bonds may be issued in an amount sufficient to pay and redeem the 2008 Bonds that are being refunded, plus an amount sufficient to pay estimated costs related to the refunding and the Refunding Bonds.
- c. Security. The New Money Bonds and the Refunding Bonds shall be referred to herein as the “Bonds.” The Bonds shall be general obligations of the City. Pursuant to ORS 287A.315 the City hereby pledges its full faith and credit and taxing power to pay the Bonds, and the City covenants for the benefit of the owners of the Bonds that the City shall levy annually, as provided by law, in addition to its other ad valorem property taxes and outside the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, after considering discounts taken and delinquencies that may occur in the payment of such taxes, to pay the Bonds promptly as they mature.
- d. Delegation. The Debt Manager of the City, the City Treasurer, the Director of the Bureau of Revenue and Financial Services, the Chief Administrative Officer of the Office of Management and Finance, or the person designated by the Chief Administrative Officer of the Office of Management and Finance to act as Debt Manager under this ordinance (each of whom is referred to in this ordinance as a “Debt Manager”) may, on behalf of the City and without further action of the Council:
 1. Provide that the Bonds may be issued in one or more series which may be sold at different times.
 2. Participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for each series of the Bonds.
 3. Establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, record dates and other terms for each series of the Bonds, and either publish a notice of sale, receive bids and award the sale of each series to the bidder complying with the notice and offering

the most favorable terms to the City, or select one or more underwriters or lenders and negotiate the sale of any series with those underwriters or lenders.

4. Undertake to provide continuing disclosure for each series of the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
5. Contribute amounts that are available to pay the 2008 Bonds to the refunding to reduce the amount of the Refunding Bonds.
6. Apply for and purchase municipal bond insurance or other forms of credit enhancements for each series of the Bonds, and enter into related agreements.
7. Finalize the terms of, execute and deliver bond declarations that describe the terms of each series of the Bonds. The bond declarations may also contain covenants for the benefit of the owners of the Bonds and providers of credit enhancement.
8. Appoint and enter into agreements with escrow agents, paying agents, verification agents and other professionals and service providers for the Bonds.
9. Issue any Bonds as tax-exempt bonds and enter into covenants to maintain the excludability of interest on those Bonds from gross income under the Internal Revenue Code of 1986, as amended (the "Code").
10. If the federal government approves subsidy payments or tax credits for municipal bonds and those subsidies or tax credits are estimated to reduce the net debt service payments for the Bonds, issue any series of Bonds as eligible for those federal subsidies or tax credits, and enter into related covenants to maintain the eligibility of such series of Bonds for those subsidies or tax credits.
11. Issue any series of Bonds as "taxable bonds" bearing interest that is includable in gross income under the Code.
12. Execute any documents and take any other action in connection with the Bonds which the Debt Manager finds will be advantageous to the City.

Passed by the Council, MAR 25 2015

Mayor Charlie Hales

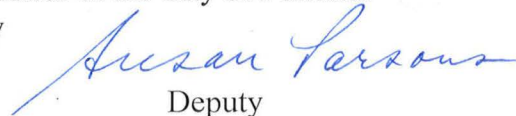
Prepared by: Bond Counsel: Jonas Biery

Date Prepared: March 4, 2015

Mary Hull Caballero

Auditor of the City of Portland


By


Deputy

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Agenda No.
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Title

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<p>INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales</p> <p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p> <p>BUREAU APPROVAL</p> <p>Bureau: Revenue & Financial Svcs. Bureau Head: Ken Rust, Director & CFO</p> <p>Prepared by: KB: Jonas Biery Date Prepared: March 4, 2015</p> <p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>City Auditor Office Approval: required for Code Ordinances</p> <p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter</p> <p>Council Meeting Date March 18, 2015</p>	<p>CLERK USE: DATE FILED <u>MAR 13 2015</u></p> <p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  Deputy</p> <p>ACTION TAKEN:</p> <p style="text-align: center;">MAR 18 2015 PASSED TO SECOND READING MAR 25 2015 9:30 A.M.</p>
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AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:																																					
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p> <p>CONSENT <input type="checkbox"/></p> <p>REGULAR <input checked="" type="checkbox"/></p> <p>Total amount of time needed: 5 min (for presentation, testimony and discussion)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><th></th><th>YEAS</th><th>NAYS</th></tr><tr><td>1. Fritz</td><td style="text-align: center;">✓</td><td></td></tr><tr><td>2. Fish</td><td style="text-align: center;">_____</td><td style="text-align: center;">_____</td></tr><tr><td>3. Saltzman</td><td style="text-align: center;">✓</td><td></td></tr><tr><td>4. Novick</td><td style="text-align: center;">✓</td><td></td></tr><tr><td>Hales</td><td style="text-align: center;">✓</td><td></td></tr></table>		YEAS	NAYS	1. Fritz	✓		2. Fish	_____	_____	3. Saltzman	✓		4. Novick	✓		Hales	✓		<table border="1" style="width: 100%; border-collapse: collapse;"><tr><th></th><th>YEAS</th><th>NAYS</th></tr><tr><td>1. Fritz</td><td style="text-align: center;">✓</td><td></td></tr><tr><td>2. Fish</td><td style="text-align: center;">_____</td><td style="text-align: center;">_____</td></tr><tr><td>3. Saltzman</td><td style="text-align: center;">✓</td><td></td></tr><tr><td>4. Novick</td><td style="text-align: center;">✓</td><td></td></tr><tr><td>Hales</td><td style="text-align: center;">✓</td><td></td></tr></table>			YEAS	NAYS	1. Fritz	✓		2. Fish	_____	_____	3. Saltzman	✓		4. Novick	✓		Hales	✓	
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