

CITY OF LAKESIDE

AN ORDINANCE TO PROVIDE FOR INTERIM UTILITY FINANCING AND THE METHOD OF ISSUING PROMISSORY NOTES THEREFORE.

WHEREAS, the United States Environmental Protection Agency has agreed to fund 75% of the eligible costs of the City's sewer system project; and

WHEREAS, it is necessary for the City to contribute certain matching funds for which the voters of the City has authorized a general obligation bond issue; and

WHEREAS, monies are required to be expended for design and incidental costs prior to the time when such bond issue will be sold and funds available therefrom thereby necessitating interim financing by the City; and

WHEREAS, the Oregon State Department of Environmental Quality has offered to purchase \$365,000.00 of said general obligation bond issue, which offer, the City by resolution, has accepted:

NOW, THEREFORE, THE CITY OF LAKESIDE ORDAINS AS FOLLOWS:

Section 1. The Council may borrow money for interim financing of the City's sewer system project as provided in this ordinance and as provided by Oregon law.

Section 2. The Council shall not borrow any monies pursuant to this ordinance which will create an outstanding indebtedness hereunder, at any one time, in excess of the aggregate of the estimated unpaid cost of the sewer system project or the total of written offers of state and federal grants plus the amount of bonds previously authorized but not issued for the utility improvements, whichever is the lesser.

In no event however, shall this indebtedness, at any one time, exceed \$365,000.00.

Section 3. Any indebtedness incurred hereunder shall be evidenced by promissory notes bearing definite due dates, drawn in favor of the lenders of the money, bearing interest at a net effective rate not to exceed 7%. Said notes shall be signed by the Mayor and Recorder of the City.

Section 4. The notes shall be advertised for sale for a period of at least 10 days by publication of notice thereof in one issue of a newspaper of general circulation printed and published within the City or, if there is no such newspaper, in a newspaper of general circulation printed and published within the county in which the City, or the major portion of its assessed valuation, is located. If sold, the notes shall be sold to the responsible bidder offering the lowest net cost to the City. Proceeds of such loans shall be used only in the financing of the sewer improvements for which the loans were obtained and shall not be used for any other purpose.

Section 5: Notes issued pursuant to this ordinance shall not mature later than eighteen (18) months from the date of issuance or December 31, 1978 whichever shall first occur. The Council may provide for the notes to be redeemable by the City upon demand and without penalty or for the individual notes to mature or be redeemable on the first day of any month, without penalty.

Section 6. The City may exercise any of the powers conferred upon municipalities by ORS 287.528 (1975 Replacement Part).

Section 7. The Council finds that interim financing

is immediately necessary to meet the costs and expenses of the engineering and other services connected with the design phase of the sewer project and finds that an emergency exists. This ordinance shall, therefore, become effective immediately upon its passage and its being signed by the Mayor.

The foregoing ordinance was duly passed by the City Council on the 16th day of September, 1976.

AYE Baker, Jacobson, Zindell & Friend

NAY none

ABSENT - VanSchoyck

J. ROBERT FRIEND
Mayor, J. Robert Friend

ATTEST:

S. E. Herman
Recorder, S. E. Herman