



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date:	05/25/22		
Department:	Finance	Agenda Planning Date:	
		Time required:	5 Minutes
<input type="checkbox"/> Audio/Visual aids			
Contact:	Jeff White	Phone:	503-373-4433
Department Head Signature:			

TITLE

Debt Authorizing Resolution

Issue, Description & Background

Approve the necessary authorizing resolution for the issuance of debt for the purchase and construction of various capital projects. Marion County intends to use the debt for partial funding of the new Health and Human Services Administrative Building, the new Sheriff's Office Evidence Building, partial funding of the Jail and Juvenile Door and Lock Replacement Project and potentially used for funding all or part of various HVAC projects, elevator upgrades, new budget and a countywide Financial ERP system review and modernization. The resolution will need to be adopted at the May 25th Board session in order to issue the debt as quickly as possible to avoid further interest rate increases.

Financial Impacts:

The issuance of the debt will require budgeting for the annual principal and interest payments. Interest expense will be incurred to enable the construction of this building. Rates are increasing due to the current economic situation Oregon and the U.S. Moving forward as quick as possible is advised.

Impacts to Department & External Agencies

The funding for this debt service will be provided by the Health and Human Services (HHS) Fund and the General Fund. There are sufficient resources identified to meet the required payments. Incurring this debt will allow for the completed purchase and construction of various capital projects.

Options for Consideration:

- 1) Approve the authorizing resolution to allow for the debt for purchase and construction of capital projects.
- 2) Deny approval of the authorizing resolution which would prohibit the debt obligation, but would require a different funding source to complete the purchases and construction- likely county General Fund.

Recommendation:

Approve the authorizing resolution.

List of attachments:

Authorizing Resolution

Presenter:

Jeff White

Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

Copies to:

Katie Henry - khenry@co.marion.or.us

BEFORE THE BOARD OF COMMISSIONERS
FOR MARION COUNTY, OREGON

In the Matter of Authorizing Financing of Real)
and Personal Property in a Principal Amount)
Not To Exceed \$20,000,000 and Related)
Matters)

RESOLUTION No. _____

This matter came before the Marion County Board of Commissioners at its regularly scheduled public meeting on May 25, 2022.

WHEREAS, Marion County, Oregon (the “County”) is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property that the Board of Commissioners (the “Board”) determines is needed so long as the estimated weighted average life of the financing agreement does not exceed the estimated dollar weighted average life of the property that is financed; and

WHEREAS, the Board hereby determines there is a need to provide some or all of the following projects: a new Health and Human Services Administrative Building, Sheriff's Office Evidence Building, Jail and Juvenile Detention Door and Lock Replacement Project, Various HVAC Projects, Various Elevator Upgrades, Countywide Budget and ERP Software Modernization, and Courthouse Security Camera Matrix Replacement (collectively, the “Projects”); and

WHEREAS, it is desirable to obtain financing for the Projects in a principal amount of not more than \$20,000,000 pursuant to ORS 271.390; and

WHEREAS, the County has received a proposal from JPMorgan Chase Bank, N.A. to provide financing.

Now, therefore, the Marion County Board of Commissioners RESOLVES:

SECTION 1. AUTHORIZATION.

The County may finance the Projects under the authority of ORS 271.390 by entering into a financing agreement in a principal amount of not more than \$20,000,000 (the “Financing Agreement”). The County may also pay costs associated with the Financing Agreement with proceeds of the Financing Agreement.

SECTION 2. DELEGATION.

The Chief Administrative Officer or the person authorized to act on behalf of the Chief Administrative Officer (each of whom is referred to as a “County Official”) is hereby authorized, on behalf of the County and without further action by the Board, to:

1) Select JPMorgan Chase Bank, N.A. or another commercial bank with which to negotiate, execute and deliver the Financing Agreement. Subject to the limitations of this Resolution, the Financing Agreement may be in such form and contain such terms (including but not limited to covenants, events of and remedies for default and financial reporting requirements) as a County Official may approve;

2) Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the financing;

3) Designate the borrowing as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable;

4) Covenant for the benefit of the lender to comply with all provisions of the Internal Revenue Code of 1986, as amended (the “Code”) which are required for the interest paid under the Financing Agreement to be excluded from gross income for federal income tax purposes; and

5) Execute and deliver any other certificates or documents and take any other actions which the County Official determines are desirable to carry out this Resolution.

SECTION 3. SECURITY.

The obligation of the County to make financing payments under the Financing Agreement shall be unconditional. Pursuant to ORS 287A.315, the County Official may pledge the County’s full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, and may agree to pay the Financing Agreements from any and all of the County’s legally available funds.

SECTION 4. REIMBURSEMENT DECLARATION.

The County hereby declares its official intent to reimburse itself with the proceeds of the Financing Agreement for any of the expenditures on the Projects (the “Expenditures”) incurred prior to the issuance of the Financing Agreement. This Resolution is adopted as official action of the County in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Expenditures of the County incurred prior to the date of issue of the Financing Agreement.

SECTION 5. FUTURE DECLARATIONS OF INTENT TO REIMBURSE.

The Chief Administrative Officer is hereby authorized to make future declarations of intent to reimburse under Section 1.150-2 of the federal Income Tax Regulations, on behalf of the County and without further action by the Board. All such future declarations shall be in writing and the original or a certified copy of each declaration shall be maintained in the public records of the County.

DATED at Salem, Oregon, this 25th day of May, 2022.

MARION COUNTY BOARD OF COMMISSIONERS

Chair

Commissioner

Commissioner