

RESOLUTION NO. 1062

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LOAN AGREEMENT WITH BANK OF THE CASCADES FOR AN AMOUNT NOT TO EXCEED \$1,900,000 WITH INTEREST NOT TO EXCEED AN ANNUAL RATE OF 5.8% AND A REPAYMENT TERM OF NO MORE THAN TWENTY YEARS TO FUND WATER IMPROVEMENTS.

WHEREAS, the City Council adopted its fiscal year 2006-07 budget, which included borrowing up to \$800,000 as of July 1, 2006 for water capital improvements, and

WHEREAS, the City Council adopted a Supplemental Budget for fiscal year 2006-07, which included borrowing up to \$1,100,000 as of March 13, 2007 for water capital improvements, and

WHEREAS, the City's fiscal year 2007-08 budget includes loan payments based on a twenty-year repayment schedule, and

WHEREAS, the City has, through a competitive process selected Bank of the Cascades as its bank for banking and lending purposes:

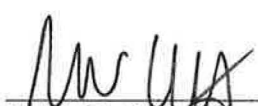
NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF PRINEVILLE AS FOLLOWS:

1. The City Manager is authorized to execute appropriate and necessary loan documents with Bank of the Cascades to secure a loan in an amount not to exceed \$1,900,000 to fund water capital improvements.
2. The loan will be repaid together with interest of no more than 5.8% annually on the outstanding loan balance by June 30, 2027.

Approved by the City Council and signed by the Mayor this 26th day of June, 2007


Mike K. Wendel, Mayor

ATTEST:


Robb Corbett, City Manager/Recorder