


**Date:** May 23, 2018

**To:** Board of Directors

**From:** Doug Kelsey 

**Subject:** **RESOLUTION 18-05-38 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AMENDING RESOLUTION 17-10-76 TO INCORPORATE TRIMET'S 2018 DEBT MANAGEMENT POLICY**

**1. Purpose of Item**

The purpose of this housekeeping item is to request that the TriMet Board of Directors (Board) amend Resolution 17-10-76 to incorporate the Board's 2018 Debt Management Policy.

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other Resolution Amendment

**3. Reason for Board Action**

The Board may amend a prior Board resolution by resolution.

**4. Type of Action**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**5. Background**

At its October 25, 2017 meeting the Board adopted Resolution 17-10-76, authorizing the issuance of payroll tax revenue bonds. Resolution 17-10-76 states that TriMet may sell and issue Bonds in accordance with "TriMet's Debt Management Policy of April, 2014", which was the Debt Management Policy in effect at the time. However, at its January 24, 2018 meeting the Board amended TriMet's Debt Management Policy via Resolution 18-01-02. By amending Resolution 17-10-76 to state that TriMet may sell and issue Bonds in accordance with "TriMet's Debt Management Policy of January 2018", TriMet will be authorized to issue payroll tax revenue bonds that are structured in a manner consistent with its current Debt Management Policy. A red-lined copy of amended Resolution 17-10-76 is attached to Resolution 18-05-38 as Exhibit A.

**6. Impact if Not Approved**

If this resolution is not approved, TriMet will be unable to issue payroll tax revenue bonds that are consistent with TriMet's current debt management policy.

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**RESOLUTION 18-05-38**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AMENDING RESOLUTION 17-10-76 TO INCORPORATE TRIMET'S 2018 DEBT MANAGEMENT POLICY**

**WHEREAS**, the TriMet Board of Directors (Board) originally approved Resolution 17-10-76 on October 25, 2017 authorizing the issuance of payroll tax revenue bonds; and

**WHEREAS**, Resolution 17-10-76 stated that issuance of payroll tax revenue bonds would be in accordance with "TriMet's Debt Management Policy of April, 2014", which was the Debt Management Policy in effect at the time; and

**WHEREAS**, the Board approved Resolution 18-01-02 on January 24, 2018 amending TriMet's Debt Management Policy; and

**WHEREAS**, the Board desires Resolution 17-10-76 to authorize the issuance of payroll tax revenue bonds in accordance with TriMet's current Debt Management Policy;

**NOW, THEREFORE, BE IT RESOLVED:**

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That Resolution 17-10-76 is amended and adopted as set forth in the attached and incorporated Exhibit A.

Dated: May 23, 2017

Attest:

\_\_\_\_\_  
Presiding Officer

\_\_\_\_\_  
Recording Secretary

Approved as to Legal Sufficiency:

  
\_\_\_\_\_  
Legal Department

RESOLUTION 18-05-38  
EXHIBIT A

RESOLUTION 17-10-76

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION  
DISTRICT OF OREGON (TRIMET) AUTHORIZING THE ISSUANCE OF  
PAYROLL TAX REVENUE BONDS**

**The Board of the Tri-County Metropolitan Transportation District of Oregon (TriMet) finds:**

A. It is financially feasible and in the best interests of TriMet to authorize the issuance of revenue bonds to provide up to \$168 million for costs of transit projects and transit supportive systems, such as projects in TriMet's Capital Improvement Program, Bus and Vehicle Replacements and Powell Garage (collectively, the "Projects").

B. ORS 287A.150 and related provisions of ORS Chapter 287A (the "Act") permit TriMet to authorize revenue bonds by publishing a notice describing the revenue bonds. Unless at least five percent of TriMet's electors sign and file a petition to refer the bonds to an election within sixty days after the notice is published, TriMet may issue the revenue bonds described in the notice.

C. The revenue bonds authorized by this resolution will be secured by payroll and self-employment taxes, State payments in-lieu of taxes and related amounts (collectively, the "Payroll Tax Revenues").

D. The Board adopts this resolution to authorize the revenue bonds described in the notice that is attached to this resolution as Exhibit A and to delegate to TriMet staff the authority to sell and issue those bonds.

E. TriMet may spend money on the Projects (the "Expenditures") before TriMet issues revenue bonds to finance the Projects and the rules of the United States Internal Revenue Service require TriMet to declare its official intent to reimburse itself for amounts that TriMet will spend before the revenue bonds are issued in order for TriMet to be reimbursed for such Expenditures from the proceeds of the revenue bonds.

**NOW, THEREFORE, BE IT RESOLVED:**

**Section 1. Revenue Bonds Authorized.**

TriMet hereby authorizes the issuance of a principal amount of revenue bonds that is sufficient to provide net proceeds of up to \$168 million to pay for costs of the Projects, plus additional amounts that are required to pay costs related to the bonds, including costs of issuance, capitalized interest, and funding debt service reserves. TriMet estimates that the total principal amount of revenue bonds required for this purpose will not exceed \$168 million. The revenue bonds described in this Section 1 (the "Bonds") shall be issued and sold in accordance with the Act and Section 3 of this resolution, and shall be secured solely by the Payroll Tax Revenues described in the Trust Indenture dated April 1, 2001, as it has and may be amended (the

## RESOLUTION 18-05-38 EXHIBIT A

“Indenture”), and on parity with TriMet’s outstanding Senior Lien Payroll Tax Bonds issued under the Indenture.

### **Section 2. Notice; Procedure.**

In accordance with ORS 287A.150, the Bonds may be sold, and no purchase agreement for those the bonds may be executed, until at least sixty (60) days after publication of the Notice of Revenue Bond Authorization in substantially the form which is attached to this resolution as Exhibit “A” (the “Notice”). TriMet shall cause that notice to be published promptly after adoption of this resolution. The Notice shall specify the last date on which petitions may be submitted, and shall be published in at least one newspaper of general circulation within the boundaries of TriMet in the same manner as are other public notices of TriMet.

If TriMet receives petitions for an election, containing valid signatures of not less than five percent (5%) of TriMet’s electors, by the date indicated in the Notice: the question of issuing the Bonds shall be placed on the ballot at the next legally available election date; and, no Bonds may be sold until the question of issuing the Bonds is approved by a majority of the electors of TriMet who vote on that question.

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### **Section 3. Delegation.**

TriMet may sell and issue the Bonds pursuant to this Section 3 as soon as permitted by ORS 287A.150. The General Manager or the designee of the General Manager (each of whom is referred to as the “General Manager” in this resolution) may take the following actions on behalf of TriMet:

- (1) Sell and issue the Bonds in one or more series, and in accordance with TriMet’s Debt Management Policy of ~~April, 2014~~. January, 2018
- (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, and other terms for each series of the Bonds, select one or more lenders or underwriters and negotiate the terms of the sale of any series of Bonds with those lenders or underwriters, or publish a notice of sale, receive bids and award the sale of that series to the bidder complying with the notice and offering the most favorable terms to TriMet.
- (4) Execute one or more supplemental trust agreements that amend and supplement the Indenture and authorize and describe each series of Bonds. A supplemental trust agreement may contain any amendments or additional covenants for the benefit of the owners of the Bonds that the General Manager determines are desirable to facilitate compliance with the Indenture or sell the Bonds on favorable terms.
- (5) 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.

**RESOLUTION 18-05-38  
EXHIBIT A**

- (6) Apply for and purchase municipal bond insurance, reserve sureties or obtain other forms of credit enhancement for each series of Bonds, enter into covenants and agreements with the providers of credit enhancement, and execute and deliver related documents and agreements.
  - (7) Appoint and enter into agreements with paying agents and other professionals and service providers.
  - (8) Designate the Bonds as “Green Bonds” if applicable.
  - (9) Issue any series of Bonds with interest that is includable in gross income under the United States Internal Revenue Code of 1986, as amended (the “Code”).
  - (10) Issue any series of Bonds with interest that is excludable from gross income under the Code, and enter into related covenants.
  - (11) If the United States Congress permits TriMet to issue “interest subsidy bonds” or other forms of federally subsidized borrowings that lower TriMet’s borrowing costs, issue any series of Bonds in a manner that allows TriMet to achieve those lower costs, and enter into related covenants.
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- (12) Execute and deliver any documents and take any other action in connection with the Bonds that the General Manager finds will be advantageous to TriMet.

**Section 4. Intent to Reimburse.** TriMet hereby declares its official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse itself with the proceeds of the Bonds for any Expenditures paid before the Bonds are issued.

**Section 5. Future Declarations of Intent to Reimburse.** The General Manager 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 TriMet and without further action by the TriMet 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 TriMet.

RESOLUTION 18-05-38  
EXHIBIT A

Section 6. **Effective Date.** This resolution shall take effect on the date it is adopted.

Dated: October 25, 2017

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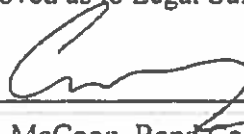
Presiding Officer

Attest:

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Recording Secretary

Approved as to Legal Sufficiency:



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Carol McCoog, Bond Counsel

**RESOLUTION 18-05-38  
EXHIBIT A**

**Exhibit A  
Resolution 17-10-76  
Notice of Revenue Bond Authorization**

NOTICE IS HEREBY GIVEN that the Board of the Tri-County Metropolitan Transportation District of Oregon (“TriMet”) adopted Resolution 17-10-76 on October 25, 2017, authorizing the issuance of revenue bonds in one or more series to finance costs of transit projects and transit supportive systems, such as projects in TriMet’s Capital Improvement Program, Bus and Vehicle Replacements and Powell Garage (collectively, the “Projects”).

The bonds will be payable solely from TriMet’s revenues or other property. The bonds described in this notice are expected to be paid primarily from TriMet’s payroll and self-employment taxes, State payments in-lieu of taxes and related amounts. The bonds will not be general obligations of TriMet, and neither the authorization nor issuance of the bonds described in this notice will authorize TriMet to levy any taxes.

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The bonds will be issued in an amount sufficient to produce net proceeds for the Projects of \$168 million. Bonds may also be issued to pay costs related to the bonds, including costs of issuance, capitalized interest and funding debt service reserves. TriMet estimates that the total principal amount of bonds required for this purpose will not exceed \$168 million. Bond proceeds will be used solely to pay for costs of the Projects and costs related to the bonds.

If written petitions requesting an election on the issuance of the bonds, signed by not less than five percent (5%) of TriMet’s electors, are filed with TriMet’s Recording Secretary at TriMet’s offices on or before [insert 60 days after publication], 2017, the question of issuing the bonds shall be placed on the ballot at the next legally available election date.

TriMet’s offices are located at 1800 SW 1st Ave., Suite 300, Portland, OR 97201, and a copy of the resolution authorizing the bonds is available from the Recording Secretary at that address. The bonds will be issued and sold under ORS 287A.150 and related statutes; this Notice is published pursuant to ORS 287A.150(4).