



# AGENDA STAYTON CITY COUNCIL MEETING

Monday, November 5, 2012

Stayton Community Center  
400 W. Virginia Street  
Stayton, Oregon 97383

**CALL TO ORDER**

**7:00 PM**

**Mayor Vigil**

**FLAG SALUTE**

**ROLL CALL/STAFF INTRODUCTIONS**

**PRESENTATIONS/COMMENTS FROM THE PUBLIC**

Request for Recognition: If you wish to address the Council, please fill out a green "Request for Recognition" form. Forms are on the table at the back of the room.

*Recommended time for presentation is 10 minutes.*

*Recommended time for comments from the public is 3 minutes.*

**ANNOUNCEMENTS – PLEASE READ CAREFULLY**

*Items not on the agenda but relevant to City business may be discussed at this meeting. Citizens are encouraged to attend all meetings of the City Council to insure that they stay informed. Agenda items may be moved forward if a Public Hearing is scheduled.*

- a. Additions to the agenda
- b. Declaration of Ex Parte Contacts, Conflict of Interest, Bias, etc.

**CONSENT AGENDA**

- a. October 15, 2012 City Council Meeting Minutes

***Purpose of the Consent Agenda:***

*In order to make more efficient use of meeting time, resolutions, minutes, bills, and other items which are routine in nature and for which no debate is anticipated, shall be placed on the Consent Agenda. Any item placed on the Consent Agenda may be removed at the request of any council member prior to the time a vote is taken. All remaining items of the Consent Agenda are then disposed of in a single motion to adopt the Consent Agenda. This motion is not debatable. The Recorder to the Council will then poll the council members individually by a roll call vote. If there are any dissenting votes, each item on the consent Agenda is then voted on individually by roll call vote. Copies of the Council packets include more detailed staff reports, letters, resolutions, and other supporting materials. A citizen wishing to review these materials may do so at Stayton City Hall, 362 N. Third Avenue, Stayton, or the Stayton Public Library, 515 N. First Avenue, Stayton.*

***The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours prior to the meeting. If you require special accommodations, please contact Alissa Angelo, Deputy City Recorder at (503) 769-3425.***

**PUBLIC HEARING – None**

**NEW BUSINESS**

**Resolution No. 894, Authorizing Full Faith and Credit Borrowing to Refinance Outstanding Debt Obligations**      **Action**

- a. Staff Report – Christine Shaffer
- b. Council Deliberation
- c. Council Decision

**STAFF/COMMISSION REPORTS**

**Preliminary Official Statement for Refinancing of Wastewater Debt**      **Informational**

- a. Staff Report – Christine Shaffer

**UNFINISHED BUSINESS**

**Ordinance No. 949, Comprehensive Plan Update**      **Action**

- a. Staff Report – Dan Fleishman
- b. Council Deliberation
- c. Council Decision

**PRESENTATIONS/COMMENTS FROM THE PUBLIC**

*Recommended time for presentations is 10 minutes.*

*Recommended time for comments from the public is 3 minutes.*

**BUSINESS FROM THE CITY ADMINISTRATOR**

**BUSINESS FROM THE MAYOR**

**BUSINESS FROM THE COUNCIL**

**FUTURE AGENDA ITEMS**

- a. Solicitor Licenses

**ADJOURN**

## CALENDAR OF EVENTS

### NOVEMBER 2012

Monday	November 5	City Council	7:00 p.m.	Community Center (north end)
Tuesday	November 6	Parks & Recreation Board	7:00 p.m.	E.G. Siegmund Meeting Room
Friday	November 9	Community Leaders Meeting	7:30 a.m.	Covered Bridge Café
<b>Monday</b>	<b>November 12</b>	<b>CITY OFFICES CLOSED IN OBSERVANCE OF VETERANS DAY</b>		
Tuesday	November 13	Commissioner's Breakfast	7:30 a.m.	Covered Bridge Café
Monday	November 19	City Council	7:00 p.m.	Community Center (north end)
Wednesday	November 21	Library Board	6:00 p.m.	E.G. Siegmund Meeting Room
<b>Thursday</b>	<b>November</b>	<b>CITY OFFICES CLOSED IN OBSERVANCE OF THANKSGIVING</b>		
<b>Friday</b>	<b>22—23</b>			
Monday	November 26	Planning Commission	7:00 p.m.	Community Center (north end)
Tuesday	November 27	Police Advisory Committee	6:00 p.m.	City Hall Conference Room

### DECEMBER 2012

Monday	December 3	City Council	7:00 p.m.	Community Center (north end)
Tuesday	December 4	Parks & Recreation Board	7:00 p.m.	E.G. Siegmund Meeting Room
Tuesday	December 11	Commissioner's Breakfast	7:30 a.m.	Covered Bridge Café
Friday	December 14	Community Leaders Meeting	7:30 a.m.	Covered Bridge Café
Monday	December 17	City Council	7:00 p.m.	Community Center (north end)
Wednesday	December 19	Library Board	6:00 p.m.	E.G. Siegmund Meeting Room
<b>Tuesday</b>	<b>December 25</b>	<b>CITY OFFICES CLOSED IN OBSERVANCE OF CHRISTMAS</b>		

### JANUARY 2013

<b>Tuesday</b>	<b>January 1</b>	<b>CITY OFFICES CLOSED IN OBSERVANCE OF NEW YEARS DAY</b>		
Wednesday	January 2	Parks & Recreation Board	7:00 p.m.	E.G. Siegmund Meeting Room
Monday	January 7	City Council	7:00 p.m.	Community Center (north end)
Tuesday	January 8	Commissioner's Breakfast	7:30 a.m.	Covered Bridge Café
Friday	January 11	Community Leaders Meeting	7:30 a.m.	Covered Bridge Café
Wednesday	January 16	Library Board	6:00 p.m.	E.G. Siegmund Meeting Room
<b>Monday</b>	<b>January 21</b>	<b>CITY OFFICES CLOSED IN OBSERVANCE OF MARTIN LUTHER KING DAY</b>		
Tuesday	January 22	City Council	7:00 p.m.	Community Center (north end)
Monday	January 28	Planning Commission	7:00 p.m.	Community Center (north end)

# *Consent Agenda*

**STAYTON CITY COUNCIL  
MEETING MINUTES  
October 15, 2012**

**CALL TO ORDER**

**7:00 p.m.**

**Mayor Vigil**

**FLAG SALUTE**

**ROLL CALL**

Mayor Scott Vigil  
Councilor Henry Porter  
Councilor Brian Quigley

Councilor Jennifer Niegel  
Councilor James Loftus  
Councilor Emily Gooch

**STAFF**

Don Eubank, City Administrator  
Christine Shaffer, Finance Director, excused  
Rich Sebens, Police Chief  
Dan Fleishman, Director of Planning and Development  
Louise Meyers, Library Director  
David Kinney, Public Works Director, excused  
David A. Rhoten, City Attorney, excused  
Alissa Angelo, Deputy City Recorder

**PRESENTATIONS/COMMENTS FROM THE PUBLIC – None.**

**ANNOUNCEMENTS**

- a. **Additions to the Agenda:** None.
- b. **Declaration of Ex Parte Contacts, Conflict of Interest, Bias, etc.:** None.

**CONSENT AGENDA**

- a. **October 1, 2012 City Council Meeting Minutes**

**MOTION:** From Councilor Gooch, seconded by Councilor Quigley, to adopt the Consent Agenda. **Motion passed 5:0.**

**PUBLIC HEARING**

**Ordinance No. 949, Comprehensive Plan Update**

- a. *Commencement of Public Hearing:* Mayor Vigil opened the hearing at 7:02 p.m. and read the opening statement. Councilor Loftus stated he has had contact with citizens regarding the Comprehensive Plan but it will not cause bias.
- b. *Staff Report – Dan Fleishman:* Mr. Fleishman reviewed the history of the Comprehensive Plan. The original plan was adopted in the late 1970s and while some changes have been made to the Plan, it hasn't been fully reviewed since. He spoke about the proposed changes to the Plan, including going from a "single map" system to a "two map" system. This will create a Comprehensive Plan Map which shows only general categories (commercial, residential, etc.). The second map is an official Zoning Map. He continued reviewing the

staff report included in the packet and explaining other recommended changes to the Plan, zoning map, and land use code.

c. Questions from Council:

Councilor Quigley asked if there is a minimum acceptable buffer zone for the Natural Resource Overlay District (NROD) by Oregon Department of Environmental Quality (DEQ) standards. Mr. Fleishman is unaware of the Oregon DEQ establishing a minimum buffer zone. He spoke about the process the City Council and Planning Commission used two years ago when deliberating on changing the width of the NROD. At that time, staff researched standards from all over the country and found the width of the buffer area depends on the purpose. It was staff's recommendation that a buffer of no less than 25 feet buffer be established for water quality purposes as this will provide adequate protection for removal of sediment and nutrients and is likely to provide shade for maintaining temperature. If these were natural streams and not man-made ditches, there is a safe harbor in DLCD's rules for a 75 foot buffer. However, the City is not obligated to follow this requirement because these are not natural streams.

d. Proponents' Testimony – None.

e. Opponents' Testimony – None.

f. General Testimony: Brent Stevenson of the Santiam Water Control District, 284 E. Water Street: Mr. Stevenson offered suggestions and policies he felt should be included in the Plan. He feels the City and the Plan should recognize the Santiam Water Control District's (SWCD) operational maintenance rights in several sections of the Plan. He pointed out the SWCD does not fall under the same rules as the City, such as TMDL. He also added that the Stayton Power Canal has been removed from the Oregon Department of Fish and Wildlife's list for fish bearing waters.

g. Questions from Public – None.

h. Questions from Council: Councilor Quigley asked Mr. Stevenson for clarification on his statements regarding the SWCD maintenance activities and water quality. The Council continued discussion of the ditches, including their history and if they run through other municipalities or just Stayton.

i. Staff Summary: Mr. Fleishman briefly spoke regarding a statement made in Mr. Stevenson's testimony regarding the removal of Stayton Power Canal from the fish bearing list. In a recent conversation with a representative from ODFW, he was told it was still on the list.

j. Close of Hearing at 8:03 p.m.

**UNFINISHED BUSINESS – None.**

**STAFF/COMMISSION REPORTS**

### **Police Chief's Report – Rich Sebens**

- a. **September 2012 Statistical Report:** Chief Sebens reviewed changes to his report. Councilor Quigley asked about the difference between Reserve Volunteer hours and Citizen Volunteer hours. Chief Sebens explained the difference between these two types of volunteers at the Police Department.

### **Library Director's Report – Louise Meyers**

- a. **September 2012 Activities / Statistics:** Ms. Meyers briefly spoke about the recent Brews, Bites, and Books event organized by the Stayton Library Foundation.

### **NEW BUSINESS**

#### **Ordinance No. 949, Comprehensive Plan Update**

- a. **Council Deliberation:** Mayor Vigil did not feel the Council would complete their review of the draft Comprehensive Plan this evening. He suggested going through the Plan chapter by chapter.

The first discussion focused on the wording in chapter 1, page 1, section A, #5 under Natural and Historic Resource Goals. Mr. Fleishman explained that the first chapter is a summary of the Plan, and the section discussing Fish and Wildlife Habitat is in chapter 3, pages 35 to 36. If changes are made to the body of the plan, the introduction will be updated accordingly.

Mr. Fleishman invited anyone who wished to contribute historical information since 1924, to submit it to him.

At this time, there were no recommended changes for chapter 2.

Councilor Loftus referenced chapter 3, page 15, third paragraph under Surface Water Bodies. He felt this would be an appropriate place to acknowledge the historical uses of Stayton's waterways. Councilor Quigley stated he thinks Councilor Loftus has an expansion on what is stated on page 7, second paragraph where it talks about water diversion. He continued that he does not have an issue with it being added to where Councilor Loftus suggested. The Council agreed to add the information suggested by Councilor Loftus.

Mr. Fleishman stated if the Council desires, this may be an appropriate place to add a statement regarding the SWCD's operational rights and responsibilities for maintenance.

Councilor Loftus suggested if the City is going to recognize the SWCD's right to maintain, then the SWCD must recognize they are responsible for any deterioration in our water quality due to their maintenance.

Mayor Vigil stated they don't fall under the same rules as the City. Councilor Loftus continued if what they do causes the City to violate our TMDL, then whose responsibility is it. Councilor Gooch asked if Mr. Fleishman can draft this for Council review at the next meeting, where it can then be further discussed. Mr. Fleishman stated he will be providing Council with a list of all suggested revisions in a staff report.

Councilor Loftus in reference to page 22, Flood Protection Measures, asked that historical reference be included regarding use of the Stayton Ditch for flood control.

Councilor Porter spoke about Ernst Lau and the history he knew about Stayton. He stated he would contact the Lau family to gather more historical information on Stayton to be included in the Plan.

Councilor Quigley asked if it is appropriate for a Comprehensive Plan to have an Emergency Plan section. Mr. Fleishman stated it is not necessary but also not inappropriate. Some jurisdictions include a hazards mitigation section in their comprehensive plans. It can be added but would not take the place of the City's Emergency Operations Plan.

Councilor Loftus made a motion which was seconded by Councilor Niegel to continue the Comprehensive Plan discussion at the next Council meeting. After a short discussion, the motion and second were withdrawn.

**b. Council Decision:**

**MOTION:** From Councilor Loftus, seconded by Councilor Quigley, to leave the record open and continue deliberations at the November 5, 2012 City Council meeting. **Motion passed 5:0.**

**STAFF/COMMISSION REPORTS**

**Finance Director's Report – Christine Shaffer**

a. **September 2012 Monthly Finance Department Report:** No discussion.

b. **Refinancing Update:** No discussion.

**Public Works Director's Report – David Kinney**

a. **September 2012 Monthly Operating Report:** No discussion.

**Pool Manager's Report – Rebekah Meeks**

a. **September 2012 Monthly Operating Report:** No discussion.

**PRESENTATIONS/COMMENTS FROM THE PUBLIC – None.**

**BUSINESS FROM THE CITY ADMINISTRATOR**

a. Mr. Eubank reminded the Council that he and Councilor Quigley will be attending the Marion County Economic Summit on Wednesday, October 17 from 5:00 p.m. to 10:00 p.m. in Keizer. Councilor Loftus stated he will be attending as well.

**BUSINESS FROM THE MAYOR – None.**

**BUSINESS FROM THE COUNCIL – None.**

**FUTURE AGENDA ITEMS**

a. **Solicitor Licenses**

**ADJOURN**



There being no further business, the meeting was adjourned at 8:43 p.m.

APPROVED BY THE STAYTON CITY COUNCIL THIS 5TH DAY OF NOVEMBER 2012,  
BY A \_\_\_\_ VOTE OF THE STAYTON CITY COUNCIL.

**CITY OF STAYTON**

Date: \_\_\_\_\_

By: \_\_\_\_\_

A. Scott Vigil, Mayor

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Don Eubank, City Administrator

Date: \_\_\_\_\_

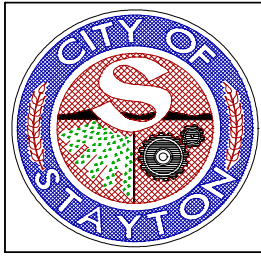
Transcribed by: \_\_\_\_\_

Alissa Angelo, Deputy City Recorder

DRAFT



# *New Business*



## MEMORANDUM

**TO:** Mayor Scott Vigil and Stayton City Council

**FROM:** Christine Shaffer, Finance Director

**DATE:** November 5, 2012

**SUBJECT:** Resolution No. 894 Authorizing full faith and credit borrowing to refinance outstanding debt obligations.

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### ISSUE:

Authorizing the City Administrator and the Finance Director to refinance existing Wastewater debt, in order to reduce interest rates and shorten the term of the current obligation.

### STAFF RECOMMENDATION:

Staff recommends adoption of the proposed Resolution No. 894.

### BACKGROUND INFORMATION:

At the September 17<sup>th</sup> City Council Meeting staff was directed by the City Council to move forward with the refinancing of outstanding Wastewater debt, in order to take advantage of historically low bond rates.

Staff has received a Moody's rating and will release our official statement to investors on November 16<sup>th</sup>, bond pricing is scheduled for December 4, closing is scheduled for January 3<sup>rd</sup>.

### OPTIONS:

1. Adopt the proposed Resolution No. 894 as presented.
2. Reject the proposed Resolution No. 894.

### MOTION(S)

1. Move to approve Resolution No. 894, Authorizing full faith and credit borrowing.
2. No motion necessary.

## RESOLUTION NO. 894

A RESOLUTION OF THE CITY OF STAYTON, OREGON AUTHORIZING FULL FAITH AND CREDIT BORROWINGS TO REFINANCE OUTSTANDING OBLIGATIONS OF THE CITY.

WHEREAS, the City of Stayton, Oregon (the “City”) is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City Council determines is needed; and,

WHEREAS, the City previously entered into borrowings to finance real and personal property, including a borrowing with the Department of Environmental Quality in 2005 to finance the design and construction of the Mill Creek sewer project (the “DEQ Loan”), and a borrowing in 1997 with the United States Department of Agriculture to finance improvements to the wastewater system (collectively, the “Outstanding Borrowings”); and,

WHEREAS, the Outstanding Borrowings are currently paid from, and secured by, wastewater system revenues; and,

WHEREAS, current interest rates may be lower than the interest rates that are payable on all or a portion of the Outstanding Borrowings and the City may be able to reduce debt service costs or favorably restructure its Outstanding Borrowings by refunding all or a portion of the Outstanding Borrowings;

NOW, THEREFORE, BE IT RESOLVED by the Stayton City Council that:

### **1. Authorization of Financing Agreements.**

- 1.1 The City is hereby authorized to enter into one or more financing agreements to refinance all or any portion of the real property and personal property that was financed with the Outstanding Borrowings pursuant to ORS 271.390 and ORS Chapter 287A. The net proceeds of the financing agreements that are executed to refinance this property shall not exceed the amount required to pay the principal amount of the Outstanding Borrowings, accrued interest through the date the Outstanding Borrowings are redeemed, any redemption premium and other estimated costs of the refinancing.
- 1.2 The financing agreements authorized by this Section 1 are referred to in this Resolution as the “Financing Agreements.”

### **2. Determination of Need.**

The City hereby determines that the projects financed with the Outstanding Borrowings are needed.

### **3. Delegation.**

The City Administrator, the Finance Director or the person designated by the City Council to act on behalf of the City under this resolution (each of whom is referred to in this resolution as a “City Official”) may, on behalf of the City and without further action by the Council:

- 3.1 Negotiate, execute and deliver one or more escrow agreements or similar documents (the “Escrow Agreements”) that provide for the issuance of one or more series of “certificates of participation” or “full faith and credit obligations” (the “Obligations”) that represent ownership interests in the loan payments due from the City under the Financing Agreements. Subject to the limitations of this resolution, the Escrow Agreements and each series of Obligations may be in such form and contain such terms as the City Official may approve.
- 3.2 Select one or more commercial banks with which to negotiate and execute each Financing Agreement, solicit competitive bids for the purchase of each series of the Obligations and award their sale to the bidder offering the most favorable terms to the City, or negotiate the terms of the sale of each series of Obligations to D.A. Davidson & Co., as underwriter, and sell that series to the underwriter.
- 3.3 Deem final and authorize the distribution of a preliminary official statement for each series of Obligations, authorize the preparation and distribution of a final official statement or other disclosure document for each series of Obligations, and enter into agreements to provide continuing disclosure for owners of each series of Obligations.
- 3.4 Apply for ratings for each series of Obligations, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for each series of Obligations, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
- 3.5 Take actions to call, defease and redeem the Outstanding Borrowings.
- 3.6 Engage the services of escrow agents or trustees and any other professionals whose services are desirable for the financing.
- 3.7 Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of each Financing Agreement. Subject to the limitations of this resolution, each Financing Agreement may be in such form and contain such terms as the City Official may approve.
- 3.8 Negotiate, execute and deliver notes to evidence amounts due under the Financing Agreements.
- 3.9 Covenant for the benefit of the banks providing the Financing Agreements or the owners of Obligations 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 Agreements to be excluded from gross income for federal income tax purposes or issue the Financing Agreements as taxable borrowings.

- 3.10 Determine that interest on any Financing Agreement will be includable in gross income under the Code.
- 3.11 If the United States Congress authorizes federal interest rate subsidies, such as the subsidies that were authorized for “Build America Bonds,” and those subsidies reduce the cost of any of the borrowings that would otherwise be completed under this resolution, issue any Financing Agreements under these provisions, apply for and receive federal interest rate subsidies and covenant to take any actions necessary to maintain those subsidies.
- 3.12 Designate each Financing Agreement as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable.
- 3.13 Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

#### **4. Security.**

Each Financing Agreement shall constitute an unconditional obligation of the City, which is payable from all legally available funds of the City. The City Official may pledge the City’s full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution.

#### **5. Rate Covenant.**

Although the Financing Agreements authorized under this resolution shall not be secured by the wastewater system revenues, the City shall hereby continue to maintain wastewater rates and charge fees in connection with the operation of the wastewater system that are adequate to generate Net Operating Revenues, as that term is defined in the DEQ Loan, in each fiscal year equal to 105% multiplied by the annual debt service payments due under each Financing Agreement, the City’s Wastewater Revenue Bond No. 1 dated as of September 6, 2012, and future obligations secured by a lien on the Net Operating Revenues of the City’s wastewater system..

#### **6. Effective Date.**

This resolution shall take effect on the date of its approval by the City Council.

Introduced and passed this 5<sup>th</sup> day of November, 2012.

CITY OF STAYTON

Signed \_\_\_\_\_, 2012

By: \_\_\_\_\_  
A. Scott Vigil, Mayor

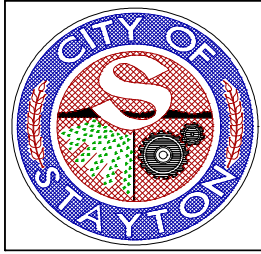
Signed \_\_\_\_\_, 2012

ATTEST: \_\_\_\_\_  
Don Eubank, City Administrator



*Staff / Commission  
Reports*





## MEMORANDUM

**TO:** Mayor Scott Vigil and Stayton City Council

**FROM:** Christine Shaffer, Finance Director

**DATE:** November 5, 2012

**SUBJECT: Informational: Preliminary Official Statement (POS)**

As we move forward with the refinancing of old Wastewater debt, a draft of the City of Stayton's Preliminary Official Statement (POS) has been prepared. Please review the statement and let me know if there are any questions, concerns, or input you may have.

The POS will be distributed by D.A. Davidson to potential investors on November 16<sup>th</sup>; we will receive pricing for the obligation on December 4<sup>th</sup>. If there are any questions regarding the refinancing process please feel free to contact me.

**NEW ISSUE  
BOOK-ENTRY**

**Moody's Rating: \_\_\_ (See "Ratings" herein)**

*In the opinion of Hawkins Delafield & Wood LLP, Special Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) the portion of the payments made under the Financing Agreement designated as and constituting interest received by the holders of the Obligations ("Interest") is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Obligations is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In the opinion of Special Counsel, Interest is exempt from State of Oregon personal income tax under existing law. (See "Tax Matters" herein.)*

**\$6,120,000 <sup>(1)</sup>**

**CITY OF STAYTON  
MARION COUNTY, OREGON**

**FULL FAITH AND CREDIT REFUNDING OBLIGATIONS, SERIES 2013**

**DATED: Date of Delivery**

**Due: June 1, as shown on inside cover**

City of Stayton in Marion County, Oregon (the "City") provides this Preliminary Official Statement in connection with the issuance of the City's Full Faith and Credit Refunding Obligations, Series 2013 (the "Obligations") pursuant to a Financing Agreement between the City and U.S. Bank National Association (the "Financing Agreement"). The Obligations will be issued in fully registered form under a book-entry only system and registered in the name of Cede & Co., as owner and nominee for the Depository Trust Company ("DTC"). DTC will act as initial securities depository for the Obligations. Individual purchases of the Obligations will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Obligations purchased.

The Obligations evidence and represent undivided proportionate interests of the Beneficial Owners thereof (as hereinafter defined) in the Financing Payments (as hereinafter defined) to be made by the City pursuant to the Financing Agreement. The interest component of the Financing Payments evidenced and represented by the Obligations is payable June 1, 2013 and semi-annually thereafter on December 1 and June 1 of each year to the maturity of the Obligations. The principal and interest components of the Obligations will be payable to the persons in whose names such Obligations are registered (the "Owners"), at the addresses appearing upon the registration books on the 15th day of the month preceding a payment date. Such principal and interest components will be payable by the City's escrow agent, registrar and paying agent, currently U.S. Bank National Association (the "Paying Agent"), to DTC which, in turn, is required to remit such principal and interest components to DTC participants for subsequent disbursement to the beneficial owners (the "Beneficial Owners") of the Obligations. For so long as the Obligations are held by DTC in book-entry format, principal and interest payments will be made as described herein. (See "Description of the Obligations - Book-Entry System" and "Appendix E" hereto.)

The principal component of the Obligations mature on June 1 in each of the years and amounts set forth on the inside cover and will bear interest from the Date of Delivery to the dates of maturity at the rates per annum as shown on the inside cover. The City has designated the Financing Agreement as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

Pursuant to the terms of the Financing Agreement the City's payment obligations (the "Financing Payments") are secured by and payable from legally available funds of the City including any taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Oregon Constitution. The obligation of the City to make payments is a full faith and credit obligation of the City and is not subject to appropriation. The Beneficial Owners of the Obligations do not have a lien or security interest on the Project financed with the proceeds of the Obligations. The Financing Agreement does not constitute a debt or indebtedness of Marion County, the State of Oregon, or any political subdivision thereof other than the City.

The Obligations are being issued to refinance the City's outstanding DEQ Loan Agreement No. R87590 dated as of March 31, 2005 (the "DEQ Loan"), USDA Revenue Installment Sewer Bond No. 1 dated May 28, 1997 and USDA Revenue Installment Sewer Bond No. 2 dated May 28, 1997 (collectively, the "USDA Loan") and to pay for costs of issuance, sale and delivery of the Obligations. (See "Purpose and Use of Proceeds" herein.) The Obligations are subject to optional prepayment prior to their stated maturities. (See "Description of the Obligations - Authorization for Issuance," "Prepayment Provisions," "Purpose and Use of Proceeds," and "Summary of Certain Provisions of the Financing Agreement and Escrow Agreement - Security for the Obligations" herein.)

The Obligations are offered by the Underwriter when, as and if issued by the City, subject to the final approval of Special Counsel, which opinion will be delivered with the Obligations. The Obligations, in book-entry form, are expected to be available for delivery through the facilities of DTC for delivery by Fast Automated Securities Transfer on or about January 3, 2013.

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to making an informed investment decision.*

*This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. The securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.*

\* Preliminary; subject to change.

**\$6,120,000 <sup>(1)</sup>**  
**CITY OF STAYTON**  
**MARION COUNTY, OREGON**  
**FULL FAITH AND CREDIT REFUNDING OBLIGATIONS, SERIES 2013**

DATED: Date of Delivery (Expected to be January 3, 2013)

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**MATURITY SCHEDULE<sup>(1)</sup>**

DUE: June 1 , as shown below

Due June 1	Amounts	Interest Rates	Yields	CUSIP <sup>(1)</sup>	Due June 1	Amounts	Interest Rates	Yields	CUSIP <sup>(1)</sup>

\$ \_\_\_\_\_ % Term Obligation due \_\_\_\_\_ @ \_\_\_\_\_; CUSIP No. \_\_\_\_\_

<sup>(1)</sup> Preliminary; subject to change.

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**CITY OF STAYTON**  
362 North Third Avenue  
Stayton, Oregon 97383

**Mayor and City Council:**

Mayor..... Scott Vigil

City Council ..... Emily Gooch  
James Loftus  
Jennifer Niegel  
Henry Porter  
Brian Quigley

**Certain Appointed City Officials:**

City Administrator ..... Don Eubank

Finance Director .....Christine Shaffer

**Underwriter**

D. A. DAVIDSON & CO.  
1300 SW 5<sup>th</sup> Ave, Suite 1950  
Portland, Oregon 97201  
(503) 863-5094

**Special Counsel**

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(503) 402-1320

**Escrow Agent, Paying Agent and Registrar**

U.S. BANK NATIONAL ASSOCIATION  
GLOBAL CORPORATE TRUST SERVICES  
555 SW Oak Street – PD – OR – P6TD  
Portland, Oregon 97204  
(503) 275-5713

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. The information in this Official Statement was obtained from sources believed to be reliable, but is not guaranteed as to accuracy or completeness.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of the information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the City described herein since the date of its distribution. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The following descriptions of the Obligations, the Resolution, the Financing Agreement, the Escrow Agreement (defined herein) and all references to other documents or materials not claiming to be quoted in full are only brief outlines of some of the provisions and do not claim to summarize or describe all provisions. Copies of such documents may be obtained from the City or the Underwriter.

THE OBLIGATIONS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Preliminary Official Statement will be “deemed final” by the City, pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for information which is permitted to be excluded from this Preliminary Official Statement under said Rule 15c2-12.

In connection with the offering and issuance of the Obligations, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Obligations at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “projection,” “budget” or other similar words. No assurance can be given that the future results discussed herein will be achieved and actual results may differ materially from the forecasts described herein.





































































































