

EXHIBIT "A"

PROPOSED REPLACEMENT TO CHAPTER IX, SECTION 44 OF THE CITY CHARTER:

Section 44 Debt Limit.

After enactment of this section by the people, The City Council shall not authorize any borrowing unless the borrowing is specifically permitted by this Section 44.

a) Definition of Borrowing. "Borrowing" means any general obligation bond, revenue bond, full faith and credit financing agreement or subject-to-appropriation financing agreement or other contract in which a party agrees to advance money to the City in exchange for the City's agreement to repay the advanced funds with interest over a period of more than thirteen months.

b) New borrowings with voter approval. The City Council may borrow money if the borrowing is approved by the City's electors. A borrowing shall be deemed to be approved by the City's electors if the number of votes cast in favor of the borrowing exceeds the number of votes cast against the borrowing.

c) Local improvement district bonds. The City Council may borrow money without approval of the City's electors if the borrowing finances a local improvement pursuant to ORS Chapter 223 (the Bancroft Bonding Act) or any similar, replacement statute, the City Council will impose assessments for the cost of the local improvement on benefitted property owners, and the city expects to be able to pay the borrowing from assessment payments made by those benefitted property owners.

d) State law override. The City Council may borrow money without approval of the City's electors if an Oregon statute authorizing the borrowing provides that the authority is not limited by other laws, such as a local charter limitation.

e) Emergency borrowings. (1) The City Council may borrow money without approval of the City's electors if:

(i) the City publishes notice of the public hearing called for in this subsection e) in a newspaper of general circulation in the City at least two times before the hearing date;

(ii) the first notice of the public hearing is published not less than seven calendar days before the hearing date;

(iii) the hearing notice describes the date, time, place, and the amount proposed to be borrowed;

(iv) following the hearing, the City Council adopts an ordinance making a legislative determination that:

(A) an emergency exists,

(B) the borrowing must be done quickly to avoid or mitigate that emergency, and

(C) the project(s) to be financed with the borrowing are necessary to avoid or mitigate that emergency.

(2) For purposes of this subsection e):

(i) "emergency" means a situation that poses an immediate risk of significant economic loss to the City, or an immediate risk to health, life, or property.

(ii) "significant economic loss" means an economic loss that exceeds \$250 thousand.

(iii) "immediate risk" means a risk that, at the time of the hearing, has already resulted in a loss or harm, or that is expected to result in a loss or harm that will occur before the City can obtain approval of its electors for a new borrowing pursuant to subsection b) of this section.

f) Refinancings for savings. The City Council may borrow money without approval of the City's electors to refinance a City borrowing if the total principal and interest scheduled to be paid on the refinancing is less than the total principal and interest that was scheduled to be paid on the borrowing that is refinanced.

g) Personal Liability. All members of the City Council who vote to approve a borrowing in excess of the amounts permitted by this Section 44 shall be jointly and severally liable for the excess. However, a member of the City Council shall not be liable under this paragraph if the member voted in good faith and in reliance upon an opinion of the City Attorney, Bond Counsel, or other legal counsel engaged to provide an opinion concerning the borrowing in question, also given in good faith, that the borrowing for which the member voted is permitted by this Section 44.

The language of this section repeals and replaces, in its entirety, Section 44 of the City Charter as it then existed prior to the effective date of this section.