

5945
RESOLUTION NO. _____

A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET REIMBURSING THE CAPITAL PROJECTS AND RISK MANAGEMENT FUNDS, AUTHORIZING DEFEASANCE OF CALLABLE BONDS, AND PROVIDING A ONE-TIME SEWER RATE CREDIT BY USING PEPSICO SETTLEMENT PROCEEDS.

WHEREAS, the City Council ratified settlement documents in the City versus SVC (PepsiCo) litigation on March 10, 2010; and

WHEREAS, the settlement included a payment to the City of \$18,500,000; and

WHEREAS, the settlement proceeds are available for any City purpose and the City Council has received comments and considered projects and uses that would be of most benefit to the community; and

WHEREAS, on August 25, 2010 the City Council directed staff to use settlement proceeds to 1) reimburse the Capital Projects and Risk Management Funds for water and sewer infrastructure improvements and litigation, 2) proceed with defeasance of callable bonds in the Series 2002B Limited Tax Pension Obligations, and 3) provide a one-time sewer rate credit for residential customers to offset the current year rate increase; and

WHEREAS, a public hearing was held on September 22, 2010 to receive comment on the supplemental budget that implements the designated uses of the settlement proceeds; and

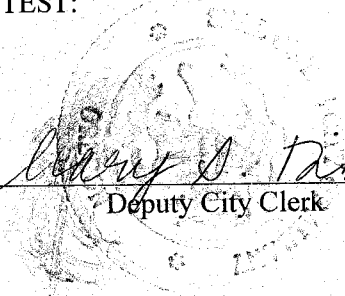
WHEREAS, Oregon Local Budget Law (ORS 294.480) provides that a governing body must pass a resolution or ordinance to adopt a supplemental budget.

NOW, THEREFORE, BE IT RESOLVED that the City of Albany City Council adopts the supplemental budget as described below:

| | | |
|---|-----------|-----------|
| PepsiCo Settlement Projects (208-10-1037) | | |
| Transfers Out | 3,790,000 | |
| Reserve: PepsiCo Settlement | | 3,790,000 |
| Capital Projects Fund (402-50) | | |
| Transfers In | | 1,160,000 |
| Ellingson Rd Sewer Ext (2014) | 515,000 | |
| Ellingson Rd Water Ext (2015) | 645,000 | |
| Risk Management Fund (208-10-1005) | | |
| Transfers In | | 1,000,000 |
| Reserve: Risk Management | 1,000,000 | |
| Debt Service Fund (301-10-1021) | | |
| Transfers In | | 790,000 |
| Reserve: Debt Service | 790,000 | |
| Sewer Fund (601-50-2401) | | |
| Transfers In | | 840,000 |
| Sewer Reserve | 840,000 | |

DATED AND EFFECTIVE THIS 22nd DAY OF SEPTEMBER 2010.

ATTEST:



Amy D. Tabble
Deputy City Clerk

[Handwritten Signature]
Mayor