

CITY AND BOROUGH OF JUNEAU

RESOLUTION SERIAL NO. 1597

A RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA, RELATING TO THE ISSUANCE AND SALE OF \$17,920,000 OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 1992, AUTHORIZED BY ORDINANCE SERIAL NO. 92-43; FIXING THE DATE, TERMS, MATURITIES AND INTEREST RATES FOR SUCH BONDS; PROVIDING FOR THE USE AND APPLICATION OF THE PROCEEDS OF SUCH BONDS; AND APPROVING THE EXECUTION OF A BOND PURCHASE CONTRACT.

Adopted: October 2, 1992

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Presented by: The Manager
Introduced: 10/02/92
Drafted by: Bond Counsel

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WHEREAS, on September 21, 1992, the Assembly of the City and Borough of Juneau, Alaska (the "City and Borough"), passed Ordinance Serial No. 92-43 authorizing the issuance and sale of not to exceed \$18,800,000 of General Obligation Refunding Bonds, Series 1992, and

WHEREAS, pursuant to said ordinance the proper officials of the City and Borough have negotiated a bond purchase contract (the "Bond Purchase Contract") with John Nuveen & Co. Incorporated (the "Underwriter") which provides, inter alia, for the issuance and sale by City and Borough and the purchase by the Underwriters of \$17,920,000 of the bonds as authorized by Ordinance Serial No. 92-43, and

WHEREAS, it is hereby found to be in the best interest of the City and Borough that the Bond Purchase Contract be approved and executed and that certain matters relating to such bonds and the use of the proceeds of such sale be established;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Bond Sale and Bond Purchase Contract. The sale of \$17,920,000 of the General Obligation Refunding Bonds, Series 1992, (the "Bonds") authorized by Ordinance Serial No. 92-43 of the Assembly of the City and Borough (the "Ordinance") as provided in the Bond Purchase Contract, is hereby authorized and approved. The Underwriter has presented the Bond Purchase Contract to the Assembly, which Bond Purchase Contract is on file with the Clerk. Under the Bond Purchase Contract, the Underwriter has offered to purchase the Bonds under the terms and conditions set forth therein, in the Ordinance and this resolution. The Assembly finds that entering into the Bond Purchase Contract is in the City and Borough's best interest and, therefore, accepts the offer contained in the Bond Purchase Contract and authorizes the execution of the Bond Purchase Contract by the Finance Director on behalf of the City and Borough. Capitalized terms in this

resolution which are not otherwise defined shall have the meanings given such terms in the Ordinance.

Section 2. Bond Date and Payments. The Bonds, in the aggregate principal amount of \$17,920,000 shall be dated October 1, 1992, and shall bear interest payable on December 1, 1992, and semiannually thereafter on the first days of each December and June at the rates set forth on Schedule A attached hereto and by this reference made a part hereof. Both principal of and interest on the Bonds shall be paid as provided in the Ordinance.

Section 3. Bond Maturity. The Bonds shall mature on December 1 of the years and in the amounts set forth on Schedule A attached hereto.

Section 4. Redemption Prior to Maturity. The Bonds maturing on or after December 1, 2003, shall be subject to redemption on and after December 1, 2002, at the option of the City and Borough in whole or in part, on any date (with maturities to be selected by the City and Borough and by lot within a maturity in such manner as the Bond Registrar shall determine) at a price of par.

The Bonds maturing on December 1, 2005, if not previously redeemed pursuant to the optional redemption provisions described above, shall be redeemed by lot prior to maturity at a price of par plus accrued interest on December 1, 2004, in the principal amount of \$1,380,000.

Notice of any redemption of the Bonds shall be given as provided in the Ordinance.

Section 5. Delivery of the Bonds. The proper officials of the City and Borough are authorized and directed to execute all documents and to do everything necessary for the preparation and delivery of a transcript of proceedings pertaining to the Bonds and the printing, authentication and delivery of the Bonds in definitive form to the Underwriter.

Section 6. Designation of Refunded Bonds. The City and Borough hereby determines that the refunding of the following bonds will be in the best interests of the City and Borough:

<u>Principal Amount to be Redeemed and Series Designation</u>	<u>Maturities</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>Herein Referred to</u>
\$1,305,000 Fire Facilities Bonds, Dated May 1, 1977	1994 to 1997	05/01/1993	100%	"1977 Refunded Bond"
\$2,965,000 General Obligation School Bonds, Series 1983B	1994 to 1998	06/01/1993	100%	"1983 Refunded Bonds"
\$4,800,000 Variable Rate General Obligation Bonds, Series 1985	2005	11/02/1992	100%	"1985 Refunded Bonds"
\$8,400,000 Variable Rate General Obligation Bonds, Series 1985A	2005	11/02/1992	100%	"1985A Refunded Bonds"

(which 1977 Refunded Bond, 1983 Refunded Bonds, 1985 Refunded Bonds and 1985A Refunded Bonds are herein collectively referred to as the "Refunded Bonds").

Section 7. Application of Bond Proceeds. The proceeds of sale of the Bonds shall be used and applied as provided in Schedule B attached hereto and by this reference made a part hereof.

The net proceeds of the sale of the Bonds (exclusive of accrued interest thereon, which shall be paid into the Bond Redemption Fund and used to pay interest on the Bonds on December 1, 1992) shall be credited to the Refunding Account.

Money in the Refunding Account shall be used immediately upon receipt thereof to defease the Refunding Bonds and discharge the other duties of the City and Borough relating thereto under Ordinance Serial No. 77-10 passed on April 7, 1977, authorizing the issuance of the 1977 Bond; Ordinance Serial No. 83-38 passed on May 30, 1983, authorizing the issuance of the 1983 Bonds; Ordinance Serial No. 85-34, passed on June 10, 1985, authorizing the issuance of the 1985 Variable Rate Bonds; and Ordinance Serial No. 85-96(am), passed on November 18, 1985, authorizing the issuance of the 1985A Variable Rate Bonds, by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section.

The City and Borough shall defease the Refunded Bonds and discharge such obligations by the use of money in the Refunding Account to purchase certain Government Obligations (which obligations so purchased are herein called "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and

at such times which, together with any necessary beginning cash balance, will provide for the payment:

(a) of interest on the 1977 Refunded Bond that will become due and payable on and before May 1, 1993, (to be paid as the same becomes due and payable);

(b) on May 1, 1993, of the redemption price (100% of the principal amount thereof) of the 1977 Refunded Bond;

(c) of interest on the 1983 Refunded Bonds that will become due and payable on and before June 1, 1993 (to be paid as the same becomes due and payable);

(d) on June 1, 1993 of the redemption price (100% of the principal amount thereof) of the 1983 Refunded Bonds;

(e) on November 2, 1992, of the interest coming due on such interest payment date for the 1985 Refunded Bonds and the 1985A Refunded Bonds; and

(f) on November 2, 1992, of the redemption price (100% of the principal amount thereof) of the 1985 Refunded Bonds and the 1985A Refunded Bonds.

The City and Borough shall make a deposit into the Refunding Account from its own funds in an amount equal to the interest coming due on the 1985 Refunded Bonds and 1985A Refunded Bonds on November 2, 1992, and the balance of the amount necessary to satisfy the foregoing obligations shall be provided from the proceeds of the sale of the Bonds.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the federal Internal Revenue Code and regulations relating to acquired obligations in connection with refunding bond issues.

A beginning cash balance and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease and redeem the Refunded Bonds of each series, respectively, in accordance with this Section 7 and 8 of this resolution. Any amounts described in this section that are not provided for in full by such beginning cash balances and the purchase and deposit of the Acquired Obligations described in this section shall be provided for by the irrevocable deposit with the Escrow Agent of the necessary amount from any other money of the City and Borough legally available therefor.

Section 8. Call of Refunded Bonds for Redemption. The Refunded Bonds are hereby called for redemption in the following fashion:

(a) 1977 Refunded Bond. The City and Borough hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Bonds to pay:

(i) the interest on the 1977 Refunded Bond coming due on or prior to May 1, 1993 (to be paid as the same becomes due and payable); and

(ii) on May 1, 1993, the redemption price (100% of the principal amount thereof) of the 1977 Refunded Bonds.

The City and Borough hereby irrevocably calls the 1977 Refunded Bond for redemption on May 1, 1993, in accordance with the provisions of Section 6(a) of Ordinance Serial No. 77-10 authorizing the redemption and retirement of the 1977 Refunded Bond prior to maturity.

Said defeasance shall be irrevocable after the final establishment of the escrow account and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notice (substantially in the form attached hereto as Exhibit C-1) of the redemption of the 1977 Refunded Bond in accordance with the applicable provisions of Ordinance Serial No. 77-10. Said notice shall be given by mail to the Alaska Bond Bank, as the original purchaser of the 1977 Bond, not more than sixty nor less than fifty days prior to the date fixed for redemption. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of mailing of such notice shall be an expense of the City and Borough.

The Escrow Agent is hereby authorized and directed to pay to the Finance Director or at the direction of the Finance Director, to the owner of the 1977 Refunded Bond sums sufficient to pay when due, the payments specified in subparagraphs (a) and (b) of Section 7 of this resolution. All such sums shall be paid from the monies and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this resolution, and the income therefrom and proceeds thereof. All such sums so paid to said Finance Director shall be credited to the Refunding Account. All monies and Acquired Obligations deposited with said bank and any income therefrom shall be held, invested (but only at the direction of the Finance Director) and applied in accordance with the provisions of this resolution and with the laws of the State of Alaska for the benefit of the City and Borough and owner of the 1977 Refunded Bond.

(b) 1983 Refunded Bonds. The City and Borough hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Bonds to pay:

(i) interest on the 1983 Refunded Bonds that will become due and payable on and before June 1, 1993 (to be paid as the same becomes due and payable);

(ii) on June 1, 1993 the redemption price (100% of the principal amount thereof) of the 1983 Refunded Bonds.

The City and Borough hereby irrevocably calls the 1983 Refunded Bonds for redemption on June 1, 1993 in accordance with the provisions of Section 5 of Ordinance Serial No. 83-33 of the Assembly, passed on May 30, 1983, authorizing the redemption and retirement of the 1983 Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the 1983 Refunded Bonds shall be irrevocable after the final establishment of the escrow account and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notice (substantially in the form attached hereto as Exhibit C-2) of the redemption of the 1983 Refunded Bonds in accordance with the applicable provisions of Ordinance Serial No. 83-38. Said notice shall be given by one publication thereof in a financial journal of general circulation in New York, New York, and by mailing a like notice thereof to the principal office of Seattle-First National Bank, as the original purchaser of the 1983 Refunded Bonds, not more than sixty nor less than forty days prior to the date fixed for redemption. In addition to the foregoing mailing, notice also shall be given to Standard & Poor's Corporation and Moody's Investors Service, Inc., New York; however, such notice shall not be a condition precedent to the effectiveness of the foregoing published notices. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of mailing of such notice shall be an expense of the City and Borough.

The Escrow Agent is hereby authorized and directed to pay to the Finance Director or, at the direction of the Finance Director, to Seattle-First National Bank (as successor in interest to Rainier National Bank) and B.M. Behrends Bank, Juneau, Alaska, paying agents for the 1983 Refunded Bonds, sums sufficient to pay, when due, the payments specified in subparagraphs (c) and (d) of Section 7 of this resolution. All such sums shall be paid from the monies and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this resolution, and the income therefrom and proceeds thereof. All such sums so paid to said Finance Director shall be credited to the Refunding Account. All monies and Acquired

Obligations deposited with said bank and any income therefrom shall be held, invested (but only at the direction of the Finance Director) and applied in accordance with the provisions of this resolution and with the laws of the State of Alaska for the benefit of the City and Borough and owners of the 1983 Refunded Bonds.

(c) 1985 Refunded Bonds. The City and Borough hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Bonds to pay on November 2, 1992, the redemption price (100% of the principal amount thereof) of the 1985 Refunded Bonds and from the City and Borough's own funds an amount sufficient to pay interest on the 1985 Refunded Bonds that will become due and payable on November 2, 1992, (to be paid as the same becomes due and payable).

The City and Borough hereby irrevocably calls the 1985 Refunded Bonds for redemption on November 2, 1992, in accordance with the provisions of Section 3.01(b) of Ordinance Serial No. 85-34 of the Assembly passed on June 10, 1985, authorizing the redemption and retirement of the 1985 Refunded Bonds prior to their fixed maturity.

Said defeasance and call for redemption of the 1985 Refunded Bonds shall be irrevocable after the final establishment of the escrow account and delivery of the Acquired Obligations to the Escrow Agent.

The Paying Agent for the 1985 Refunded Bonds is hereby authorized and directed to provide for the giving of notice (substantially in the form attached hereto as Exhibit C-3) of the redemption of the 1985 Refunded Bonds in accordance with the applicable provisions of Ordinance Serial No. 85-34. Said notice shall be given by mail at least 30 days prior to the date of redemption to the registered owners of the 1985 Refunded Bonds at their addresses recorded on the registration books kept by the paying agent for the 1985 Refunded Bonds as of the business day immediately preceding the date of mailing the notice. In addition to the foregoing mailing, notice also shall be given to Standard & Poor's Corporation, Moody's Investors Service, Inc., New York, New York and to the Sumitomo Bank, Limited, Los Angeles, California (as successor to the Seattle Branch); however, such notice shall not be a condition precedent to the effectiveness of the foregoing published notices. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of mailing of such notice shall be an expense of the City and Borough.

(d) 1985A Refunded Bonds. The City and Borough hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Bonds to pay on November 2, 1992, the redemption price (100% of the principal amount thereof) of the 1985A Refunded Bonds and from the City and Borough's own funds an

amount sufficient to pay interest on the 1985A Refunded Bonds that will become due and payable on November 2, 1992, (to be paid as the same becomes due and payable).

The City and Borough hereby irrevocably calls the 1985A Refunded Bonds for redemption on November 2, 1992, in accordance with the provisions of Section 3.01(b) of Ordinance Serial No. 85-96(am) of the Assembly, passed on November 18, 1985, authorizing the redemption and retirement of the 1985A Refunded Bonds prior to their fixed maturity.

Said defeasance and call for redemption of the 1985A Refunded Bonds shall be irrevocable after the final establishment of the escrow account and deliver of the Acquired Obligations to the Escrow Agent.

The Paying Agent for the 1985A Refunded Bonds is hereby authorized and directed to provide for the giving of notice (substantially in the form attached hereto as Exhibit C-4) of the redemption of the 1985A Refunded Bonds in accordance with the applicable provisions of Ordinance Serial No. 85-96(am). Said notice shall be given by mail at least 30 days prior to the date of redemption to the registered owners of the 1985A Refunded Bonds at their addresses recorded on the registration books kept by the paying agent for the 1985A Refunded Bonds as of the business day immediately preceding the date of mailing the notice. In addition to the foregoing mailing, notice also shall be given to Standard & Poor's Corporation, Moody's Investors Service, Inc., New York, New York and to The Industrial Bank of Japan, Limited, Los Angeles, California; however, the notices shall not be a condition precedent to the effectiveness of the foregoing published notices. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of mailing of such notice shall be an expense of the City and Borough.

The Escrow Agent is hereby authorized and directed to pay to the Finance Director or, at the direction of the Finance Director, to Chemical Bank as paying agent for the 1985 Refunded Bonds and the 1985A Refunded Bonds, sums sufficient to pay, when due, the payments specified in subparagraphs (e) and (f) of Section 7 of this resolution. All such sums shall be paid from the monies and Acquired Obligations deposited with said Escrow Agent pursuant to the previous section of this resolution, and the income therefrom and proceeds thereof. All such sums so paid to said Finance Director shall be credited to the Refunding Account. All monies and Acquired Obligations deposited with said bank and any income therefrom shall be held, invested (but only at the direction of the Finance Director) and applied in accordance with the provisions of this resolution and with the laws of the State of Alaska for the benefit of the City and Borough and owners of the 1985 Refunded Bonds and the 1985A Refunded Bonds.

Section 9. Approval of Escrow Agreement. Seattle-First National Bank is hereby appointed as the Escrow Agent to act as such under the terms of the Escrow Agreement. The form of the Escrow Agreement, on file with the Clerk, is hereby approved and its execution by the Finance Director on behalf of the City and Borough is hereby authorized.

Section 10. Bond Insurer. Municipal Bond Investors Assurance Corporation is hereby designated as the Bond Insurer under the Ordinance in accordance with its commitment dated September 24, 1992.

Section 11. Ratification. All actions taken by the Finance Director relative to the sale of the Bonds are hereby in all respects ratified and confirmed. The Finance Director of the City and Borough is hereby authorized and directed to execute the Bond Purchase Contract and to do all things necessary for the prompt execution, issuance and delivery of the Bonds and for the proper application and use of the Bond proceeds.

Section 12. Effective Date. This resolution shall take effect immediately upon its adoption and approval.

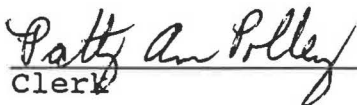
PASSED AND ADOPTED by the Assembly of Juneau, Alaska, this 2nd day of October, 1992.

CITY AND BOROUGH OF JUNEAU, ALASKA

By 

Mayor

ATTEST:



Clerk