Presented by: The Manager
Presented: 09/14/2026
Drafted by: Law Department

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 4063

A Resolution Adopting the City and Borough of Juneau Tax and Securities Law Compliance Policy for Governmental Debt.

WHEREAS, it is best practice for the city and borough to implement a clear and comprehensive tax and securities law compliance policy; and

WHEREAS, on September 2, 2026, the Assembly Finance Committee reviewed proposed policy; and

WHEREAS, consistent with the Assembly Finance Committee's direction, this resolution presents the proposed policy for assembly action; and

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

Section 1. 2026 Tax and Securities Law Compliance Policy for Governmental Debt. The attached City and Borough of Juneau Tax and Securities Law Compliance Policy for Governmental Debt (Attachment A) is adopted.

Section 2. Effective Date. This resolution shall be effective immediately after its adoption.

Adopted this 14th day of September, 2026.

Beth A. Weldon, Mayor

Attest:

Breckan L. Hendricks, Municipal Clerk

CITY AND BOROUGH OF JUNEAU, ALASKA
TAX AND SECURITIES LAW COMPLIANCE POLICY FOR GOVERNMENTAL DEBT

This policy is intended to guide the City and Borough of Juneau, Alaska (the "City and Borough") in meeting its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed securities, as well as other forms of indebtedness such as loans from the State of Alaska, of the City and Borough. This policy addresses obligations of the City and Borough that arise during and will continue following the issuance of securities. These obligations may arise as a result of federal tax law (with respect to tax-exempt and other tax-advantaged securities subject to comparable requirements) and securities laws (with respect to initial and ongoing disclosure), or as a result of contractual commitments made by the City and Borough. This policy outlines obligations that may be applicable to each issue of securities and identifies the party to be responsible for monitoring compliance. This policy is intended to supplement the City and Borough Debt Policy.

In the City and Borough, the City and Borough Finance Director will be responsible for ensuring that this policy is followed and checklists and records maintained. The City and Borough Finance Director may delegate responsibility to employees and outside agents for developing records, maintaining records and checklists. The City and Borough will provide educational opportunities (opportunities to attend trainings/educational programs/seminars on the topic) for the parties identified in this policy with responsibilities for compliance with this policy in order to facilitate their performance of these obligations. The Finance Director will confer as needed with the City and Borough's Bond Counsel and Municipal Advisor to confirm the applicability and scope of the requirements outlined in this policy.

The City and Borough will review this policy periodically and upon each issuance of new obligations, including refunding obligations. In connection with this periodic review, at the recommendation of staff, the City and Borough will consider whether to amend or supplement this policy to address any particular requirements associated with the new bond issue, or to reflect general changes in requirements since the prior bond issue.

A. Transcripts.

1. The City and Borough's Bond Counsel shall provide the City and Borough with a full transcript related to the issuance of securities (for each issue). The transcript shall be delivered electronically and, upon request, in hard copy form within six month[s] following the date of issuance of securities. It is expected that the transcript will include a full record of the proceedings related to the issuance of the securities, including proof of filing an IRS Form 8038, 8038-G or 8038-GC, if applicable, any federal tax certificate and any continuing disclosure certificate.

2. The Finance Director will retain bond transcripts.

B. Federal Tax Law Requirements (The following framework is applicable only if the securities are issued as "tax-exempt" or tax-advantaged securities subject to comparable requirements).

1. *Use of Proceeds*. The Finance Director will monitor the expenditure of bond proceeds to ensure the City and Borough expends the legally-required amount of such proceeds on capital expenditures, and does not expend more than 10 percent of the proceeds on projects that will be used in a private trade or business (including by the federal government and nonprofit entities).

a. If the project(s) to be financed with the proceeds of the securities will be funded with multiple sources of funds, the City and Borough will adopt an accounting methodology that:

i. maintains each source of funding separately and monitors the actual expenditure of proceeds of the securities;

ii. commingles the proceeds and monitors the expenditures on a first in, first out basis; or

iii. provides for the expenditure of funds received from multiple sources on a proportionate basis.

b. The Finance Director will:

i. maintain records of expenditures (timing of expenditure and object code) of the proceeds of securities.

ii. maintain records of investments and interest earnings on the proceeds of securities. Such records should include the amount of each investment, the date each investment is made, the date each investment matures and if sold prior to maturity, its sale date, and its interest rate and/or yield. Interest earnings on proceeds will be deposited in the fund in which the proceeds of the securities were deposited (if not, then the plan for use of interest earnings will be discussed with the City and Borough's bond counsel).

iii. maintain records of interest earnings on reserve funds maintained for the securities.

iv. discuss with Bond Counsel and document any delay in the financed project and the expected expenditure of proceeds.

v. review and document any change in the scope of the project financed with bond proceeds.

2. *Arbitrage Rebate*. Generally, under only limited circumstances may the City and Borough invest bond proceeds and certain other funds at a rate that exceeds the yield on the securities. The City and Borough must rebate to the Internal Revenue Service amounts earned by investing above the bond yield, unless the City and Borough qualifies as a small issuer or meets a spending exception. The tax certificate executed in connection with a bond issue and included in the transcript, details the arbitrage and rebate requirements applicable to such issue. The Finance Director of the City and Borough ("Rebate Monitor") will monitor compliance with the arbitrage rebate obligations of the City and Borough for each issue ("issue") of securities. If the City and

Borough did not execute a tax certificate in connection with an issue, the Rebate Monitor should consult with the City and Borough's Bond Counsel regarding arbitrage rebate requirements. The City and Borough will provide educational opportunities (opportunities to attend educational programs/seminars on the topic) for the Rebate Monitor in order to facilitate his/her performance of these obligations.

a. If the Rebate Monitor determines that the total principal amount of tax-exempt governmental obligations (including all tax-exempt leases, etc.) of the City and Borough issued by or on behalf of the City and Borough and subordinate entities during the calendar year, including the issue, will not be greater than $5,000,000, plus such additional amount not in excess of $10,000,000 as is to be spent for the construction of public school facilities, the Rebate Monitor will not be required to monitor arbitrage rebate compliance for the issue, except to monitor expenditures and the use of proceeds after completion of the project (see #3 below). For purposes of this paragraph, tax-exempt governmental obligations issued to currently refund a prior tax-exempt governmental obligation will only be taken into account to the extent they exceed the outstanding amount of the refunded bonds.

b. If the Rebate Monitor determines that the total principal amount of tax-exempt governmental obligations (including all tax-exempt leases, etc.) of the City and Borough issued or incurred any calendar year is greater than $5,000,000, plus such additional amount not in excess of $10,000,000 as is to be spent for the construction of public facilities, the Rebate Monitor will monitor rebate compliance for each issue of tax-exempt governmental obligations issued during that calendar year.

i. *Rebate Exceptions.* The Rebate Monitor will review the tax certificate, if any, in the transcript in order to determine whether the City and Borough is expected to comply with a spending exception that would permit the City and Borough to avoid having to pay arbitrage rebate. If the tax certificate identifies this spending exception (referred to as the six-month exception, the 18 month exception or the 2-year exception), then the Rebate Monitor will monitor the records of expenditures (see B.1 above) to determine whether the City and Borough met the spending exception (and thereby avoid having to pay any arbitrage rebate to the federal government). If the City and Borough did not execute a tax certificate in connection with an issue, or if no spending exception is specified, the Rebate Monitor should consult with Bond Counsel regarding the potential applicability of spending exceptions.

ii. *Rebate Compliance.* If the City and Borough does not meet or does not expect to meet any of the spending exceptions described in (i) above, the City and Borough will:

x. review the investment earnings records retained as described in B.1 above. If the investment earnings records clearly and definitively demonstrate that the rate of return on investments of all proceeds of the issue were lower than the yield on the issue (see the tax certificate in the transcript), then the City and Borough may opt no to follow the steps described in the following paragraph.

y. retain the services of an arbitrage rebate consultant in order to calculate any potential arbitrage rebate liability. The rebate consultant shall be selected no later

than the completion of the project to be financed with the proceeds of the issue. A rebate consultant may be selected on an issue by issue basis or for all securities issues of the City and Borough. The Rebate Monitor will obtain the names of at least three qualified consultants and request that the consultants submit proposals for consideration prior to being selected as the City and Borough's rebate consultant. The selected rebate consultant shall provide a written report to the City and Borough with respect to the issue and with respect to any arbitrage rebate owed if any.

z. based on the report of the rebate consultant, file reports with and make any required payments to the Internal Revenue Service, no later than the fifth anniversary of the date of each issue (plus 60 days), and every five years thereafter, with the final installment due no later than 60 days following the retirement of the last obligation of the issue.

c. *Yield Reduction Payments.* If the City and Borough fails to expend all amounts required to be spent as of the close of any temporary period specified in the tax certificate (generally three years for proceeds of a new money issue and 13 months for amounts held in a debt service fund), the City and Borough will follow the procedures described in B.2.b.ii above to determine and pay any required yield reduction payment.

3. *Unused Proceeds Following Completion of the Project.* Following completion of the project(s) financed with the issue proceeds, the Finance Director will:

a. review the expenditure records to determine whether the proceeds have been allocated to the project(s) intended (and if any questions arise, consult with Bond Counsel in order to determine the method of re-allocation of proceeds); and

b. direct the use of remaining unspent proceeds (in accordance with the limitations set forth in the authorizing proceedings (i.e., Bond Ordinances/Resolutions) and if no provision is otherwise made for the use of unspent proceeds, to the redemption or defeasance of outstanding securities of the issue.

4. *Use of the Facilities Financed with Proceeds*. In order to maintain tax-exemption of securities issued on a tax-exempt or tax-advantaged basis, the financed facilities (projects) are required to be used for governmental purposes during the life of the issue (and any issue that refunds the securities issue). The Finance Director of the City and Borough will monitor and maintain records regarding any private use of the projects financed with tax-exempt proceeds. The IRS Treasury Regulations prohibit private business use (use by private parties (including nonprofit organizations and the federal government)) of tax-exempt financed facilities beyond permitted *de minimus* amounts, unless cured by a prescribed remedial action. Private use may arise as a result of:

a. Sale of all or a portion of the facilities;

b. Lease of all or a portion of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers);

c. Management contracts in which the City and Borough authorizes a third party to operate a facility (e.g., cafeteria or parking operator), except for qualified management contracts under IRS Rev. Proc. 2017-13 or any successor guidance;

d. Preference arrangements in which the City and Borough grants a third party preference of the facilities (e.g., preference parking in a public parking lot); and/or

e. Entering into contracts giving "special legal entitlement" to the facility (e.g., selling advertising space or naming rights).

The Finance Director will review all leases and other contracts involving use or management of bond-financed property. The Finance Director will confer with personnel responsible for bond-financed projects at least annually to discuss any existing or planned use of bond-financed or refinanced facilities. The Finance Director will annually calculate private use for each bond-financed project.

If the Finance Director identifies private use of tax-exempt debt financed facilities, the City and Borough Finance Director will consult with the City and Borough's Bond Counsel to determine whether private use will adversely affect the tax-exempt status of the issue and if so, what remedial action is appropriate. For instance, the City and Borough may allocate private use to those facilities (or portions of facilities) funded from sources other than bond proceeds. The City and Borough will determine the deadline for remediating noncompliance under existing remedial action provisions or tax-exempt bond closing agreement programs contained in the regulations or other published guidance from the IRS, and proceed with diligence to take the required remedial actions. If remedial actions are unavailable, the City and Borough will determine whether to make a submission to the Tax-Exempt Bonds Voluntary Closing Agreement Program ("VCAP") under Internal Revenue Manual 7.2.3.

5. *Refundings*. For refunding escrows, the Finance Director will confirm that any scheduled purchases of State and Local Government Series ("SLGS") or open market securities proceed as scheduled. On the redemption date, the Finance Director will confirm that the refunded bonds have been redeemed and canceled. Promptly following the redemption date, the Finance Director will confirm that the City and Borough has spent all proceeds of the bonds and the refunded bonds, and will verify that excess proceeds, if any, do not exceed an amount permitted by IRS regulations.

6. *Reissuance*. A significant modification of the bond documents may result in bonds being deemed refunded or "reissued." Such an event will require, among other things, that the City and Borough file new information returns with the federal government and execute a new tax certificate. The City and Borough will consult with bond counsel in the event of modification of the bond documents.

7. *Records Retention.*

a. Records with respect to matters described in this Subsection B will be retained by the City and Borough for the life of the securities issue (and any issue that refunds the securities issue) and for a period of three years thereafter. Unless otherwise specified, the Finance Director will maintain the records.

b. Records to be retained:

(i) The transcript;

(ii) Arbitrage rebate reports prepared by outside consultants;

(iii) Work papers that were provided to the rebate consultants;

(iv) Records of expenditures and investment receipts (showing timing of expenditure and the object code of the expenditure and in the case of investment, timing of receipt of interest earnings). (Maintenance of underlying invoices should not be required provided the records include the date of the expenditure, payee name, payment amount and object code; however, if those documents are maintained as a matter of policy in electronic form, then the City and Borough should continue to maintain those records in accordance with this policy);

(v) Records documenting the final allocation of bond proceeds to projects, including any reallocations of bond proceeds, in a format showing the timing and substance of the reallocation, if applicable;

(vi) Copies of all certificates and returns filed with the IRS (e.g., for payment of arbitrage rebate); and

(vii) Copies of all contracts relating to ongoing compliance with respect to the bonds, including contracts relating to the use of the bond-financed facilities including leases, concession agreements, management agreements and other agreements that give usage rights or legal entitlements with respect to the facility to nongovernmental persons (e.g., advertising displays, cell tower leases, and naming rights agreements).

C. Federal Securities Law Requirements.

[1. *Legal Framework*. The following section establishes a framework for compliance by the City and Borough with its disclosure and/or contractual obligations with respect to securities, pursuant to the requirements of federal and state securities laws and other applicable rules, regulations, and orders. The purpose of this section is to facilitate compliance with applicable law and existing ongoing disclosure agreements when preparing and distributing initial and ongoing disclosure documents to reduce exposure of the City and Borough, its officials and employees to liability for damages and enforcement actions based on material misstatements and omissions in such documents, and to promote good investor relations. This section applies generally to all of the City and Borough's tax-exempt, tax-advantaged bonds and taxable bonds, and other debt issued on the City and Borough's behalf subject to comparable requirements.

The City and Borough will comply fully with applicable securities laws regarding disclosure in connection with the issuance of securities and with the terms of its continuing disclosure agreements, including Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934, particularly Rule 10b-5, and regulations adopted by the Securities and Exchange Commission ("SEC") under those Acts (the "Anti-Fraud Rules").

The Anti-Fraud Rules require that, in connection with the sale or issuance of securities, the City and Borough provide to potential investors all material information relating to such offered securities. The information provided to investors must not contain any material misstatements, and the City and Borough must not omit material information necessary to provide investors with a materially complete description of the securities and the City and Borough's financial condition.

In the context of the sale of securities, a fact is "material" if there is a substantial likelihood that a reasonable investor would consider such fact important in determining whether or not to purchase the offered securities, in light of the total mix of information made available to investors.

The Anti-Fraud Rules apply to all statements and other communications the City and Borough intends (or can reasonably expect) to be accessible to and relied upon by potential investors in the City and Borough's securities. Investor communications include: Preliminary and Final Official Statements (i.e., the offering documents used in connection with the sale of securities), filings made pursuant to continuing disclosure agreements and voluntary postings, and may include, depending on the context, information uploaded, linked or posted to the City and Borough's website, and the City and Borough's press releases and other formal and/or public statements.]

[2. *Guidelines for Preparing Disclosure Documents*.

a. All City and Borough staff members and officials involved in the preparation or review of disclosure documents or other investor communications are responsible for being familiar with the Anti-Fraud Rules.

b. The Finance Director and other employees or officials involved in the preparation or review of disclosure documents and other investor communications must err on the side of raising any potential disclosure issues they encounter during such preparation or review. If there are questions regarding whether an issue is material, the Finance Director and other employees or officials should consult with Bond Counsel and Municipal Advisor. The Finance Director and other employees or officials should immediately report any concerns regarding the accuracy of a disclosure document or other investor communication to Bond Counsel and Municipal Advisor.

c. Prior to the public release of any disclosure document or communication to be posted on the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Marketplace Access system ("EMMA"), the Finance Director will complete a final review of the material. This review will consist of comparing and resolving any material discrepancies between the City and Borough's audited (and unaudited, if needed) financial statements and other source materials, and complete review of the document.]

3. *Ongoing Disclosure*. Under the provisions of SEC Rule 15c2-12 (the "Rule"), underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities. Unless the City and Borough is exempt from compliance with the Rule as a result of certain permitted exemptions, the transcript for each issue will include an undertaking by the City and Borough to comply with the Rule. The Finance Director of the City and Borough will monitor compliance by the City and Borough with its undertakings.

a. *Publicly Offered Securities*. For publicly offered securities (e.g. bonds sold to an underwriter by negotiated or competitive sale), the Rule requires that the City and Borough enter into a continuing disclosure undertaking ("CDA") prior to such underwriter purchasing such securities. The CDAs each require that the City and Borough post certain financial and operating information on the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal

Marketplace Access system ("EMMA"), and notice of the occurrence of certain events (discussed below).

i. *Annual Filings*. Each CDA requires that the City and Borough file audited financial statements and certain operating data on an annual basis so long as the securities are outstanding. The financial statements and operating data are required to be filed within nine months of the end of the City and Borough's fiscal year (June 30). If audited financial statements are not available by such date, the City and Borough shall file unaudited statements by the deadline, and subsequently file the audited statements promptly (e.g. within 10 business days) after they become available. There are, however, significant distinctions among the CDAs:

General Obligation Bonds — In addition, the City and Borough is required to file the following operating data for general obligation indebtedness (unless it is included in the audited financial statements or unless the City and Borough has a final official statement within the filing period that includes the information):

1. The assessed valuation of taxable property in the City and Borough;
2. Property taxes due and property taxes collected;
3. Property tax levy rate per $1,000 of assessed valuation; and
4. Outstanding general obligation debt of the City and Borough.

Revenue Bonds — At this time, the City and Borough does not have any outstanding publicly offered revenue bonds, but will need to make note of any additional data required in any future issuances.

ii. *Additional Filings*. In addition to the annual filings and operating data referred to in (i) above, the City and Borough is required to make certain additional filings upon the occurrence of the follow events ("Listed Events"). The City and Borough is required to provide notice of the following Listed Events **no later than 10 business days after the occurrence of the event**:

(1) Principal and interest payment delinquencies;
(2) Nonpayment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) Modifications to the rights of Bond holders, if material;
(8) Bond calls, if material, and tender offers;
(9) Defeasances;

(10) Release, substitution or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the City and Borough;

(13) The consummation of a merger, consolidation, or acquisition involving the City and Borough or the sale of all or substantially all of the assets of the City and Borough, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a financial obligation of the City and Borough, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City and Borough, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City and Borough, any of which reflect financial difficulties.

Items numbered (15) and (16) are required only for publicly offered securities that are issued after February 27, 2019. The Rule provides that the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

For purposes of compliance with listed event number (15), the following obligations shall be deemed "financial obligations" of the City and Borough:

(i) Bank loans (whether evidenced by lease/lease back documentation or a loan agreement) to the extent that they are financed through bank loans that do not involve a final official statement. At a minimum, filings will be made on EMMA that are linked to the outstanding issues payable from the same source of revenues, but may also be linked, whether for convenience or otherwise, to other City and Borough CUSIPs;

(ii) Loans issued through the State or federal government. At a minimum, filings will be made on EMMA that are linked to the CUSIPs of debt payable from the same source (e.g., general obligation, revenue), but also may be linked, whether for convenience or other otherwise, to other City and Borough CUSIPs;

(iii) Long term leases or installment purchases, however designated, that provide for the acquisition of property (real property or personal property) over a term. For these obligations, the City and Borough will establish a materiality threshold. The thresholds are: (a) for obligations that are payable from general

funds of the City and Borough, disclosure will be made for contracts with a dollar amount in excess of $5,000,000 which is less than 5% of the City and Borough's annual general fund budget; and (b) for obligations that are payable from an identified source of revenues, e.g., City and Borough revenue or enterprise fund, disclosure will be made for contracts with a dollar amount in excess of 5% of the annual revenues of the enterprise fund. The Finance Director will periodically make affirmative inquiries as to whether obligations of this nature have been incurred.

The Finance Director will maintain records of these contracts in order to confirm future compliance with this policy.

To facilitate compliance with these listed events, the Finance Director will maintain an inventory of all financial obligations of the City and Borough.

4. *Other Investor Communications*. The Anti-Fraud Rules apply to all investor communications. Such investor communications may include, but are not limited to, voluntary filings made on EMMA, information on the City and Borough's website, communications with investors (or potential investors), press releases and other formal statements of the City and Borough intended to reach investors. The Finance Director and other officers of the City and Borough will exercise reasonable care to make sure that the information in investor communications is materially accurate and complete and otherwise in compliance with this Policy.

5. *Document Retention*. The Finance Director will maintain the following documents in connection with each security, with the purpose of retaining adequate records to substantiate compliance with the Anti-Fraud Rules.

a. A complete bond transcript;

b. A written record of any financial obligation or the occurrence of other notice events that the City and Borough determines to be immaterial or not reflecting financial difficulty and thus not requiring disclosure, and the facts and circumstances substantiating such conclusion;

c. Documentation of the actions the City and Borough takes to prepare, check, review and approve each investor communication made pursuant to these procedures, including the sources of the information included;

d. Electronic copies of confirmations from EMMA of all continuing disclosure filings; and

e. Copies of all records noting compliance with these policies, including any filings or correspondence with the SEC or other regulatory body.

6. *Periodic Check of Information Regarding Bonds on EMMA*. Prior to each new bond issue, the City and Borough will search (or cause to be searched) EMMA for its continuing disclosure filings to confirm proper filings have been made.

7. *Bank Loans and Other Private Placements*. The Bond Ordinances/Resolutions or loan documents executed in connection with bank loans or other private placements may include their own set of disclosure or reporting requirements that must be monitored. As a result, a chart should be maintained that identifies the disclosure responsibilities for each transaction. In some instances the filings on EMMA may satisfy those disclosure requirements. The Finance Director will monitor compliance with those filing requirements by filing the required information with the respective lender.

D. Other Notice Requirements. In some instances, the proceedings authorizing the issuance of securities will require the City and Borough to file information periodically with other parties, e.g., bond insurers, banks, and rating agencies. The types of information required to be filed may include (1) budgets, (2) annual financial reports, (3) issuance of additional debt obligations, and (4) amendments to financing documents. The Finance Director of the City and Borough will maintain a listing of those requirements and monitor compliance by the City and Borough.