

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-15

A RESOLUTION of the Assembly of the City and Borough of Sitka, Alaska, approving the City's participation in a proposed refinancing by the Alaska Municipal Bond Bank of its General Obligation Bonds, 2007 Series One, which provided funds to purchase the City's General Obligation Refunding Bond, 2007; authorizing the issuance to the Bond Bank of a refunding bond of the City if the Bond Bank successfully refinances its bonds; and authorizing the City's Chief Finance and Administrative Officer to enter into an agreement with the Bond Bank to accomplish the refunding.

WHEREAS, the City and Borough of Sitka, Alaska (the "City"), issued and sold its General Obligation Bond, 1999, in the original principal amount of \$11,000,000 (the "1999 Bond"), to the Alaska Municipal Bond Bank (the "Bond Bank"), as authorized by Ordinance No. 99-1525 and Resolution No. 99-731 of the City (the "1999 Bond Legislation"), on the terms and conditions set forth in the 1999 Bond Legislation and in a loan agreement between the City and the Bond Bank dated as of April 1, 1999 (the "Original Loan Agreement"); and

WHEREAS, the Bond Bank issued and sold its General Obligation Bonds, 1999 Series A (the "1999 Bond Bank Bonds"), to provide funds to purchase the 1999 Bond, as provided in the Original Loan Agreement; and

WHEREAS, Section 6 of the Original Loan Agreement provides that the debt service schedule for the 1999 Bond may be revised from time to time if the Bond Bank is able to achieve debt service savings by refinancing its bonds; and

WHEREAS, in 2006, Resolution No. 2006-31 of the City authorized the refinancing of the 1999 Bond to achieve debt service savings for the City if the Bond Bank successfully refinanced the 1999 Bond Bank Bonds; and

WHEREAS, the Bond Bank issued its General Obligation Refunding Bonds, 2007 Series One (the "2007 Bond Bank Bonds"), in an advance refunding, to refinance the 1999 Bond Bank Bonds, and in connection with the issuance of the 2007 Bond Bank Bonds, the City and the Bond Bank entered into an amendatory loan agreement dated as of January 1, 2007 (the "2007 Amendatory Loan Agreement"), in accordance with the Original Loan Agreement and as authorized by Resolution No. 2006-31, under which the City and the Bond Bank agreed to a revised debt service schedule; and

WHEREAS, as further authorized by Resolution No. 2006-31, the revised debt service schedule agreed to in the 2007 Amendatory Loan Agreement was set forth in the City's General Obligation Refunding Bond, 2007, in the original principal amount of \$8,285,000 (the "2007 Bond"), issued to the Bond Bank in exchange for the 1999 Bond; and

WHEREAS, the Bond Bank now wishes to refinance the 2007 Bond Bank Bonds to achieve debt service savings for borrowers including the City by issuing a series of its general obligation bonds (the "2016 Bond Bank Bonds") to currently refund the outstanding 2007 Bond Bank Bonds; and

WHEREAS, the Assembly wishes to approve the City's participation in this refinancing and, if the Bond Bank successfully refinances the 2007 Bond Bank Bonds, to authorize the City's Chief Finance and Administrative Officer to accept a revised debt service schedule for the 2007 Bond, to be evidenced in a refunding bond issued to the Bond Bank in exchange for the 2007 Bond;

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka, Alaska, as follows:

Section 1. Approval of Refinancing. The Assembly hereby approves the City's participation in the Bond Bank's refinancing of the 2007 Bond Bank Bonds and authorizes the Chief Finance and Administrative Officer to approve a revised schedule of principal payment amounts and interest rates for the 2007 Bond, in accordance with Section 6 of the Original Loan Agreement, so long as the revised debt service schedule is financially advantageous to the City. The revised schedule of debt service on the 2007 Bond and other provisions as may be required by the Bond Bank will be set forth in a loan agreement or amendatory loan agreement (the "2016 Loan Agreement") and in a refunding bond (the "2016 Refunding Bond") to be issued to the Bond Bank in exchange for the 2007 Bond.

The Chief Finance and Administrative Officer or his designee is authorized to execute and deliver the 2016 Loan Agreement on behalf of the City and to deliver the 2016 Refunding Bond, executed in accordance with the provisions of the 1999 Bond Legislation and this resolution, as applicable, to the Bond Bank in exchange for the 2007 Bond. The Chief Finance and Administrative Officer and other appropriate officers and employees of the City are also hereby authorized to provide financial information about the City that the Bond Bank may require for the official statement for the 2016 Bond Bank Bonds.

Section 2. Tax Covenants; Tax Certificate. The City covenants to undertake all actions required to maintain the tax-exempt status of interest on the 2016 Refunding Bond under Section 103 of the Internal Revenue Code of 1986, as amended.

Upon the issuance of the 2016 Refunding Bond, the Chief Financial and Administrative Officer is authorized to execute a federal tax certificate (the "Tax Certificate"), which will certify to various facts and representations concerning the 2016 Refunding Bond, based on the facts and estimates known or reasonably expected on the date of its issuance, and make certain covenants with respect to the 2016 Refunding Bond as may be necessary or desirable to obtain or maintain the benefits conferred under the Code relating to tax-exempt bonds.

The City covenants that it will comply with the Tax Certificate unless it receives advice from nationally recognized bond counsel or the Internal Revenue Service that certain provisions have been amended or no longer apply to the 2016 Refunding Bond.

Section 3. General Authorization. The Mayor, Chief Finance and Administrative Officer, Clerk, Attorney, and any other appropriate officers, agents, attorneys and employees of the City are each hereby authorized and directed to cooperate with the Bond Bank and to take such steps, do such other acts and things, and execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution.

Section 4. Prior Acts. Any and all acts heretofore taken by officers, agents, attorneys and employees of the City in connection with refinancing the 2007 Bond and issuing the 2016 Bond are hereby ratified and confirmed.

Section 5. Effective Date. This resolution will take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 13th day of September, 2016.

By Mim McConnell
Mim McConnell, Mayor

ATTEST:

Melissa Henshaw
Melissa Henshaw
Acting Municipal Clerk

CLERK'S CERTIFICATE

I, the undersigned, Clerk of the City and Borough of Sitka, Alaska (the "City"), and keeper of the records of the Assembly (the "City"), DO HEREBY CERTIFY:

1. That the attached resolution (the "Resolution") is a true and correct copy of Resolution No. 2016-15 of the City, as adopted at a regular meeting of the Assembly held on September 13, 2016, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been fully fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this September 14, 2016.



Municipal Clerk
City and Borough of Sitka, Alaska