

CITY AND BOROUGH OF SITKA, ALASKA

RESOLUTION NO. 2015-03

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 CERTAIN OF THE BOND BANK'S GENERAL OBLIGATION BONDS, WHICH PROVIDED FUNDS TO PURCHASE THE CITY'S GENERAL OBLIGATION REFUNDING BOND, 2005, AND GENERAL OBLIGATION BOND, 2008, UNDER LOAN AGREEMENTS BETWEEN THE CITY AND THE BOND BANK; AND AUTHORIZING THE CITY'S FINANCE DIRECTOR TO APPROVE A REVISED SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS WITH RESPECT TO THE CITY'S 2005 BOND AND 2008 BOND, IN ACCORDANCE WITH THE LOAN AGREEMENTS, IF THE BOND BANK SUCCESSFULLY REFINANCES ITS BONDS

WHEREAS, the City and Borough of Sitka, Alaska (the "City"), issued and sold its General Obligation Bond, 2000, in the original principal amount of \$5,000,000 (the "2000 Bond"), to the Alaska Municipal Bond Bank (the "Bond Bank"), as authorized by Ordinance No. 00-1563 and Resolution No. 00-771 of the City (the "2000 Bond Legislation"), on the terms and conditions set forth in the 2000 Bond Legislation and in a loan agreement dated May 15, 2000 (the "Original 2000 Loan Agreement"); and

WHEREAS, the Bond Bank issued and sold its General Obligation Bonds, 2000 Series B (the "2000 Bond Bank Bonds"), to provide funds to purchase the 2000 Bond, as provided in the Original 2000 Loan Agreement; and

WHEREAS, in 2005, Resolution No. 2005-04 of the City authorized the refinancing of the 2000 Bond to achieve debt service savings for the City and delegated authority to the City's finance director to accept a revised debt service schedule if the Bond Bank successfully refinanced the 2000 Bond Bank Bonds; and

WHEREAS, the Bond Bank issued its General Obligation Refunding Bonds, 2005 Series A (the "2005 Bond Bank Bonds"), in an advance refunding, to refinance the 2000 Bond Bank Bonds; and

WHEREAS, in connection with the issuance of the 2005 Bond Bank Bonds, the City and the Bond Bank entered into an amendatory loan agreement dated as of March 1, 2005 (the "2005 Amendatory Loan Agreement"), in accordance with the Original 2000 Loan Agreement and as authorized by Resolution No. 2005-04, under which the City and the Bond Bank agreed to a revised debt service schedule; and

WHEREAS, as further authorized by Resolution No. 2005-04, the revised debt service schedule agreed to in the 2005 Amendatory Loan Agreement was set forth in the City's General

Obligation Refunding Bond, 2005, in the original principal amount of \$4,745,000 (the "2005 Bond"), issued to the Bond Bank in exchange for the 2000 Bond; and

WHEREAS, in 2008, to provide funds for capital improvements to certain of the City's schools, the City issued and sold its General Obligation Bond, 2008, in the original principal amount of \$7,150,000 (the "2008 Bond," and together with the 2005 Bond, the "Sitka Bonds"), to the Alaska Municipal Bond Bank (the "Bond Bank"), as authorized by Ordinance No. 2008-24 of the City (the "2008 Bond Ordinance"), on the terms and conditions set forth in the 2008 Bond Ordinance and in a loan agreement dated July 1, 2008 (the "2008 Loan Agreement," and together with the 2000 Loan Agreement, as amended by the 2005 Amendatory Loan Agreement, the "Loan Agreements"); and

WHEREAS, the Bond Bank issued and sold its General Obligation Bonds, 2008 Series Two (the "2008 Bond Bank Bonds," and together with the 2005 Bond Bank Bonds, the "Bond Bank Bonds"), to provide funds to purchase the 2008 Bond, as provided in the 2008 Loan Agreement; and

WHEREAS, Section 6 of each of the Loan Agreements provides that the debt service schedule for the Sitka Bonds may be revised if the Bond Bank is able to achieve debt service savings by refunding the Bond Bank Bonds; and

WHEREAS, the Bond Bank now wishes to refinance the Bond Bank Bonds to achieve debt service savings for borrowers including the City by issuing a series of its general obligation refunding bonds (the "2015 Bond Bank Bonds"), to refund the outstanding Bond Bank Bonds; and

WHEREAS, the Assembly wishes to approve the City's participation in this refinancing and to authorize the City's finance director to accept a revised debt service schedule for the Sitka Bonds, to be set forth on new bonds issued to the Bond Bank in exchange for the Sitka Bonds, if the Bond Bank successfully refinances the Bond Bank Bonds;

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 Bond Bank Bonds and authorizes the Finance Director to approve revised schedules of principal payment amounts and interest rates for one or both of the Sitka Bonds, in accordance with Section 6 of each of the Loan Agreements, so long as the revised debt service schedules are financially advantageous to the City. The revised schedules of debt service on the Sitka Bonds and other provisions as may be required by the Bond Bank will be set forth in Amendatory Loan Agreements and refunding bonds (the "2015 Bonds") to be issued in exchange for the Sitka Bonds. The Finance Director is authorized to execute and deliver the Amendatory Loan Agreements on behalf of the City and to deliver the 2015 Bonds, executed in accordance with the provisions of the 2000 Bond Legislation, the 2008 Bond Ordinance, and this resolution, as applicable, to the Bond Bank in exchange for the Sitka Bonds. The Finance Director 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 2015 Bond Bank Bonds.

Section 2. Tax Covenants; Special Designation. The City covenants to undertake all actions required to maintain the tax-exempt status of interest on the 2015 Bonds under Section 103 of the Internal Revenue Code of 1986, as amended.

Section 3. General Authorization. The Mayor, Administrator, Finance Director, 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 Sitka Bonds are hereby ratified and confirmed.

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

PASSED, APPROVED, AND ADOPTED this 27th day of January, 2015.

By Mim McConnell
Mim McConnell, Mayor

ATTEST:

Sara Peterson
Sara Peterson, Acting Municipal Clerk

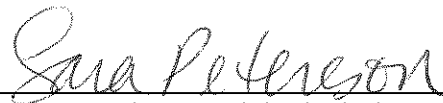
CLERK'S CERTIFICATE

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. 2015-03 of the City, as adopted at a regular meeting of the Assembly held on January 27, 2015, 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 January 30, 2015.



Acting Municipal Clerk
City and Borough of Sitka, Alaska