

Introduced by:	Mayor
Date:	01/21/25
Action:	Adopted
Vote:	7 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2025-007**

**A RESOLUTION AUTHORIZING THE KENAI PENINSULA BOROUGH  
TO ISSUE ITS SOUTH PENINSULA HOSPITAL SERVICE AREA  
GENERAL OBLIGATION REFUNDING BOND TO REFUND CERTAIN  
OUTSTANDING SOUTH PENINSULA HOSPITAL SERVICE AREA  
GENERAL OBLIGATION REFUNDING BONDS OF THE BOROUGH,  
FIXING CERTAIN DETAILS OF SUCH BOND AND AUTHORIZING ITS  
SALE, AND PROVIDING FOR RELATED MATTERS**

- WHEREAS,** the Kenai Peninsula Borough, Alaska (the “Borough”), is a second class borough and is authorized to take the actions in this resolution; and
- WHEREAS,** to finance certain capital improvements in the South Peninsula Hospital Service Area, the Borough issued and sold its South Peninsula Hospital Service Area General Obligation Bonds, 2007, dated August 28, 2007 (the “2007 Bond”), pursuant to the terms and conditions of Resolution 2007-043, adopted by the Borough Assembly on June 19, 2007; and
- WHEREAS,** the Alaska Municipal Bond Bank (the “Bond Bank”) purchased the 2007 Bond pursuant to the terms of a loan agreement by and between the Borough and the Bond Bank, dated August 1, 2007 (the “Loan Agreement”); and
- WHEREAS,** certain outstanding principal installments due under the 2007 Bond were refunded by exchange through the issuance of the Borough’s South Peninsula Hospital Service Area General Obligation Refunding Bond, 2015, dated June 4, 2015 (the “2015 Bond”), pursuant to Resolution 2015-019, adopted by the Borough Assembly on April 7, 2015; and
- WHEREAS,** to allow for the refunding by exchange of the 2015 Bond, the Loan Agreement was amended on June 1, 2015 by the Borough and Bond Bank to, among other matters, include a revised payment schedule for the 2015 Bond (the “First Amendatory Loan Agreement”); and
- WHEREAS,** there is now outstanding the principal amount of \$3,865,000 of the 2015 Bond maturing March 1, 2025 through, and including, March 1, 2028; and
- WHEREAS,** the Assembly finds that it is necessary and appropriate to provide for the refunding, including the payment of principal of and interest on those principal installments of the 2015 Bond which the Mayor or Borough Finance Director determines will produce a debt service savings (the “Refunded Bond”), by the

issuance of its South Peninsula Hospital Service Area General Obligation Refunding Bond, 2025 (the “Bond”); and

**WHEREAS,** the Assembly finds that it is necessary and appropriate to delegate to each of the Mayor and Borough Finance Director authority to determine the principal installments, interest rates and other details of the Bond, and to determine other matters pertaining to the Bond that are not provided for in this resolution; and

**WHEREAS,** the Borough and the Bond Bank intend to enter into a Second Amendatory Loan Agreement that amends the Loan Agreement, as amended by the First Amendatory Loan Agreement, to provide for the refunding by exchange of the Refunded Bond through their exchange for the Bond, and related matters;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** Definitions. The following terms shall have the following meanings in this Resolution:

- (A) “Assembly” means the Assembly of the Kenai Peninsula Borough, as the general legislative authority of the Borough, as the same shall be duly and regularly constituted from time to time.
- (B) “Bond” means the “South Kenai Peninsula Hospital Service Area General Obligation Refunding Bond, 2025” of the Borough, the issuance and sale of which are authorized herein.
- (C) “Bond Bank” means the Alaska Municipal Bond Bank, a public corporation of the State of Alaska.
- (D) “Bond Bank Bonds” means the general obligation refunding bonds to be issued by the Bond Bank, a portion of the proceeds of which will be used to refund by exchange the Refunded Bond.
- (E) “Bond Register” means the registration books maintained by the Registrar, which include the name and address of the Registered Owner or its nominee.
- (F) “Borough” means the Kenai Peninsula Borough, a municipal corporation of the State of Alaska, organized as a second class borough under Title 29 of the Alaska Statutes.
- (G) “Borough Finance Director” means the Finance Director of the Borough.
- (H) “Code” means the Internal Revenue Code of 1986, as amended from time to time, together with all regulations applicable thereto.

- (I) “First Amendatory Loan Agreement” means the First Amendatory Loan Agreement between the Borough and the Bond Bank, dated June 1, 2015, amending the Loan Agreement to provide for the refunding of certain maturities of the 2007 Bonds through their exchange for the 2015 Bond, and related matters.
- (J) “Loan Agreement” means the Loan Agreement between the Borough and the Bond Bank, dated August 1, 2007.
- (K) “Refunded Bond” means the principal installments of the 2015 Bonds the refunding of which the Mayor or Borough Finance Director determines will produce a debt service savings under Section 2.
- (L) “Registered Owner” means the person named as the registered owner of the Bond in the Bond Register.
- (M) “Registrar” means the Borough Finance Director.
- (N) “Resolution” means this Resolution of the Assembly.
- (O) “Second Amendatory Loan Agreement” means the Second Amendatory Loan Agreement between the Borough and the Bond Bank, amending the Loan Agreement and the First Amendatory Loan Agreement, as necessary, to provide for the refunding of the Refunded Bond through their exchange for the Bond, and related matters.
- (P) “2007 Bonds” means the \$10,845,000 of South Kenai Peninsula Hospital Service Area General Obligation Bonds, 2007, dated August 28, 2007, of the Borough issued pursuant to Resolution 2007-43, adopted by the Borough Assembly on June 19, 2007.
- (Q) “2015 Bonds” means the \$8,655,000 of South Kenai Peninsula Hospital Service Area General Obligation Refunding Bonds, 2015, dated June 4, 2015, of the Borough issued pursuant to Resolution 2015-19, adopted by the Borough Assembly on April 7, 2015.

**SECTION 2.** Authorization of Bond and Purpose of Issuance. For purposes of effecting the refunding by exchange of the Refunded Bond in the manner set forth in this Resolution and in the Second Amendatory Loan Agreement, the Borough hereby authorizes and determines to issue and sell the Bond.

The Borough hereby authorizes the Mayor and the Borough Finance Director to designate which principal installments of the 2015 Bond shall be refunded, provided the refunding of principal installments of the 2015 Bond so designated shall realize an aggregate debt service savings on a present value basis, net of all issuance costs and underwriting discount.

The Mayor or Borough Finance Director is hereby authorized to execute and deliver the Second Amendatory Loan Agreement on behalf of the Borough and to deliver the Bond executed in accordance with, and subject to Section 13 hereof.

- SECTION 3.** Obligation of Bond. The Bond shall be a direct and general obligation of the South Kenai Peninsula Hospital Service Area, and the full faith and credit of the South Kenai Peninsula Hospital Service Area are hereby pledged to the payment of the principal of and interest on the Bond. The Borough hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable property within the South Kenai Peninsula Hospital Service Area without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on the Bond as the same become due and payable.
- SECTION 4.** Designation, Principal Installments, Interest Rates and other Details of the Bond. The Bond shall be designated "South Kenai Peninsula Hospital Service Area General Obligation Refunding Bond, 2025," with such designation as the Registrar deems necessary for purposes of identification, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto. Principal installments of the Bond shall be in the denomination of \$5,000 or any integral multiple thereof. The aggregate principal amount, amount per principal installment, interest rates, dated date and principal and interest payment dates of the Bond shall be determined at the time of execution of the Second Amendatory Loan Agreement.
- SECTION 5.** Prepayment. The principal installments of the Bond shall be subject to prepayment prior to maturity as provided in the Second Amendatory Loan Agreement.
- SECTION 6.** Form of Bond. The Bond shall be in substantially the following form, with such variations, omissions and insertions as may be required or permitted by this Resolution:

UNITED STATES OF AMERICA  
STATE OF ALASKA  
KENAI PENINSULA BOROUGH  
(A Municipal Corporation of the State of Alaska)

NO. GO-

\$ \_\_\_\_\_

SOUTH PENINSULA HOSPITAL SERVICE AREA  
GENERAL OBLIGATION REFUNDING BOND, 2025

REGISTERED OWNER: ALASKA MUNICIPAL BOND BANK

PRINCIPAL AMOUNT:

The Kenai Peninsula Borough, Alaska (the "Borough"), a municipal corporation of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or its registered assigns, the Principal Amount indicated above in the following installments on \_\_\_\_\_ 1 of each of the following years, and to pay interest on such installments from the date hereof, payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter on the 1st days of \_\_\_\_\_ and \_\_\_\_\_ of each year, at the rates per annum as follows:

Year	Principal Amount	Interest Rate
------	---------------------	------------------

For so long as the Alaska Municipal Bond Bank (the "Bond Bank") is the Registered Owner of the Bond, payment of principal and interest shall be made as provided in the Loan Agreement between the Bond Bank and the Borough, dated August 1, 2007, as amended June 1, 2015 and \_\_\_\_\_, 2025 (collectively, the "Loan Agreement"). When and if this Bond is no longer owned by the Bond Bank, payment of principal of and interest on this Bond will be made by check or draft mailed by first class mail to the Registered Owner at the address appearing on the bond register of the Borough on or before the payment date, provided that the final installment of principal and interest on this Bond will be payable at the office of the Borough Finance Director (the "Registrar") upon surrender of this Bond. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on this Bond are payable in lawful money of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond is one of the South Kenai Peninsula Hospital Service Area General Obligation Refunding Bond, 2025 of the Kenai Peninsula Borough, Alaska, authorized for the purpose of refunding certain South Kenai Peninsula Hospital Service Area general obligation bonds and is issued by the Borough under Resolution 2025-\_\_ of the Borough entitled:

A RESOLUTION AUTHORIZING THE KENAI PENINSULA BOROUGH TO  
ISSUE ITS SOUTH PENINSULA HOSPITAL SERVICE AREA GENERAL

OBLIGATION REFUNDING BOND TO REFUND CERTAIN OUTSTANDING  
SOUTH PENINSULA HOSPITAL SERVICE AREA GENERAL OBLIGATION  
REFUNDING BONDS OF THE BOROUGH, FIXING CERTAIN DETAILS OF  
SUCH BOND AND AUTHORIZING ITS SALE, AND PROVIDING FOR  
RELATED MATTERS

(herein called the "Resolution").

Installments of principal of this Bond payable on and after \_\_\_\_\_ 1, 20\_\_, shall be subject to prepayment on and after \_\_\_\_\_ February 1, 20\_\_, at the option of the Borough, subject to any applicable provisions of the Loan Agreement, and in such principal amounts and from such maturities as the Borough may determine, and by lot within a maturity, at a redemption price equal to the principal amount to be prepaid, plus accrued interest to the date of prepayment.

This Bond is transferable as provided in the Resolution, (i) only upon the bond register of the Borough, and (ii) upon surrender of this Bond together with a written instrument of transfer duly executed by the Registered Owner or the duly authorized attorney of the Registered Owner, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution and upon the payment of charges, if any, as therein prescribed. The Borough may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price, if any, hereof and interest due hereon and for all other purposes whatsoever.

The full faith and credit of the South Kenai Peninsula Hospital Service Area are pledged for the payment of the principal of and interest on the Bond as the same shall become due.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, or things required by the constitution or statutes of the State of Alaska to exist, to have happened, or to have been performed precedent to or in the issuance of this Bond, exist, have happened, and have been performed, and that the series of Bonds of which this is one, together with all other indebtedness of the Borough, is within every debt and other limit prescribed by said constitution or statutes.

IN WITNESS WHEREOF, THE KENAI PENINSULA BOROUGH, ALASKA, has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor and its corporate seal (or a facsimile thereof) to be hereunto impressed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Clerk, all as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Specimen  
Mayor

ATTEST:

Specimen  
Borough Clerk

- SECTION 7.** Execution. The Bond shall be executed in the name of the Borough by the manual or facsimile signature of the Mayor, and its corporate seal (or a facsimile thereof) shall be impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of the Borough Clerk or acting Borough Clerk. The execution of the Bond on behalf of the Borough by persons who at the time of the execution are duly authorized to hold the proper offices shall be valid and sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the Bond or shall not have held office on the date of the Bond.
- SECTION 8.** Payment of Principal and Interest. The Bond shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. When the Bond Bank is the Registered Owner of the Bond, payment of principal and interest on the Bond shall be made as provided in the Loan Agreement, as amended by the First Amendatory Loan Agreement and Second Amendatory Loan Agreement. When the Bond Bank is not the Registered Owner of the Bond, installments of principal and interest on the Bond shall be paid by check mailed by first class mail to the Registered Owner as of the record date for the installment payment at the address appearing on the Bond Register; provided that the final installment of principal and interest on the Bond shall be payable upon presentation and surrender of the Bond by the Registered Owner at the office of the Registrar.
- SECTION 9.** Registration. The Bond shall be issued only in registered form as to both principal and interest. The Registrar shall keep, or cause to be kept, the Bond Register at the principal office of the Borough. The Borough and the Registrar may treat the person in whose name any Bond shall be registered as the absolute owner of such Bond for all purposes, whether or not the Bond shall be overdue, and all payments of principal of and interest on the Bond made to the Registered Owner thereof or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Borough nor the Registrar shall be affected by any notice to the contrary.
- SECTION 10.** Transfer and Exchange. The Bond shall be transferred only upon the books for the registration and transfer of the Bond kept at the office of the Registrar. Upon surrender for transfer or exchange of any Bond at such office, with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or the duly authorized attorney of the Registered Owner, the Borough shall execute and deliver an equal aggregate principal amount of Bond of the same maturity of any authorized denominations, subject to such reasonable regulations as the Borough may prescribe and upon payment sufficient to reimburse it for any tax,

fee or other governmental charge required to be paid in connection with such transfer or exchange. A Bond surrendered for transfer or exchange shall be canceled by the Registrar.

**SECTION 11.** Bond Mutilated, Destroyed, Stolen or Lost. Upon surrender to the Registrar of a mutilated Bond, the Borough shall execute and deliver a new Bond of like maturity and principal amount. Upon filing with the Registrar of evidence satisfactory to the Borough that a Bond has been destroyed, stolen or lost and of the ownership thereof, and upon furnishing the Borough with indemnity satisfactory to it, the Borough shall execute and deliver a new Bond of like maturity and principal amount. The person requesting the execution and delivery of a new Bond under this section shall comply with such other reasonable regulations as the Borough may prescribe and pay such expenses as the Borough may incur in connection therewith.

**SECTION 12.** Tax Covenants. The Borough covenants to comply with any and all applicable requirements set forth in the Code in effect from time to time to the extent that such compliance shall be necessary for the exclusion of the interest on the Bond from gross income for federal income tax purposes. The Borough covenants that it will make no use of the proceeds of the Bond that will cause the Bond or the Refunded Bond to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code. The Borough covenants that it will not take or permit any action what would cause the Bond to be a “private activity bond” as defined in Section 141 of the Code.

**SECTION 13.** Exchange of Bonds. The Bond shall be delivered to the Bond Bank in exchange for the Refunded Bond. The Borough has been advised by the Bond Bank that bond market conditions are fluctuating and that the most favorable market conditions for the sale of the Bond Bank Bonds may not occur on the date of a regular Assembly meeting. The Assembly has determined that it would be inconvenient to hold a special meeting on short notice to approve the terms of the Bond. Therefore, the Assembly hereby determines that it is in the best interest of the Borough to delegate the authority to approve the terms of the Bond as provided herein. Each of the Mayor and the Borough Finance Director is hereby authorized to determine the aggregate principal amount, amount per installment, interest rates, dated date and principal and interest payment dates and prepayment provisions, if any, for the Bond, so that such terms of the Bond conform to the terms of the Bond Bank Bonds, provided that (i) no principal installment of the Bond shall exceed the principal amount of the corresponding maturity of the Bond Bank Bonds allocated to the Borough, and (ii) the interest rate on each principal installment shall not exceed the interest rate on the corresponding maturity of the Bond Bank Bonds. Based on the foregoing determinations, the Mayor and the Borough Finance Director each is authorized to negotiate, execute and deliver the Second Amendatory Loan Agreement.



**SECTION 14.** Authority of Officers. The Borough Mayor, the Borough Finance Director, the Borough Clerk and the acting Borough Clerk are, and each of them hereby is, authorized and directed to do and perform all things and determine all matters not determined by this Resolution, to the end that the Borough may carry out its obligations under the Bond and this Resolution.

**SECTION 15.** Ongoing Disclosure. The Borough acknowledges that, under Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the Borough may now or in the future be an “obligated person” with respect to the Bond Bank Bonds. In accordance with the Rule and as the Bond Bank may require, the Borough shall undertake to provide certain annual financial information and operating date as reasonably requested by the Bond Bank.

**SECTION 16.** Miscellaneous.

- (a) All payments made by the Borough of, or on account of, the principal of or interest on the Bond shall be made on the Bond ratably and in proportion to the amount due thereon, respectively, for principal or interest as the case may be.
- (b) No recourse shall be had for the payment of the principal of or the interest on the Bond or for any claim based thereon or on this Resolution against any member of the Assembly or officer of the Borough or any person executing the Bond. The Bond are not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the Borough, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of said state or of any political subdivision thereof, except the Borough as set forth in this Resolution.

**SECTION 17.** Severability. If any one or more of the provisions of this Resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Bond.

**SECTION 18.** Effective Date. This Resolution shall become effective immediately upon its passage and approval.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF JANUARY, 2025.**

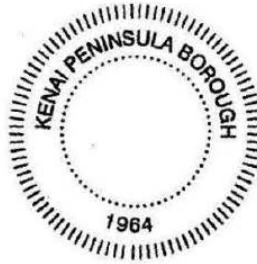


Peter Ribbens, Assembly President

ATTEST:



Michele Turner, CMC, Borough Clerk



Yes: Cooper, Cox, Dunne, Ecklund, Johnson, Tunseth, Ribbens

No: None

Absent: Baisden