

Introduced by: Mayor
Date: 01/05/16
Action: Adopted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2016-003**

A RESOLUTION AUTHORIZING THE KENAI PENINSULA BOROUGH TO ISSUE ITS CENTRAL EMERGENCY SERVICE AREA GENERAL OBLIGATION BONDS IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,400,000, FOR THE PURCHASE OF EMERGENCY RESPONSE VEHICLES FOR THE CENTRAL EMERGENCY SERVICE AREA, FIXING CERTAIN DETAILS OF SUCH BONDS AND AUTHORIZING THEIR 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 set forth in this resolution; and

WHEREAS, on July 28, 2015, the Assembly enacted Ordinance 2015-21, authorizing the issuance of general obligation bonds of the Borough (the "Bonds") in an aggregate principal amount not to exceed Four Million Four Hundred Thousand Dollars (\$4,400,000) for the purchase of emergency response vehicles for the Central Emergency Service Area (the "Service Area") and the costs of issuance of the Bonds (collectively, the "Project"); and

WHEREAS, pursuant to Ordinance 2015-21, the Assembly directed that an election be held on October 6, 2015, in and for the Service Area, for the purpose of submitting a proposition to the qualified voters of the Service Area for approval or rejection of the Bonds; and

WHEREAS, at such election the qualified voters of the Service Area approved the issuance of the Bonds; and

WHEREAS, the Assembly finds that it is necessary and desirable and in the public interest to authorize the issuance of the Bonds in accordance with the terms and conditions set forth in this resolution; 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 Bonds, and to determine other matters pertaining to the Bonds that are not provided for in this resolution; and

WHEREAS, the Alaska Municipal Bond Bank is expected to purchase each series of the Bonds pursuant to the terms of a loan agreement;

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 Bank” means the Alaska Municipal Bond Bank, a public corporation of the State of Alaska.
- (C) “Bond Bank Bonds” means the general obligation bonds to be issued by the Bond Bank, a portion of the proceeds of which will be used to purchase each series of the Bonds.
- (D) “Bond Register” means the registration books maintained by the Registrar, which include the name and address of each Registered Owner or its nominee.
- (E) “Bonds” means the “Kenai Peninsula Borough Central Emergency Service Area General Obligation Bonds” of the Borough, the issuance and sale of which are authorized herein.
- (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) “Loan Agreement” means each Loan Agreement between the Borough and the Bond Bank relating to the Bonds.
- (J) “Project” means the purchase of emergency response vehicles for the Service Area and the costs of issuance of the Bonds.
- (K) “Registered Owner” means the person named as the registered owner of a Bond in the Bond Register.
- (L) “Registrar” means the Borough Finance Director.
- (M) “Resolution” means this Resolution of the Assembly.
- (N) “Service Area” means the Central Emergency Service Area.

SECTION 2. Authorization of Bonds and Purpose of Issuance. For the purpose of providing the funds required to pay a portion of the costs of the Project, the Borough hereby authorizes and determines to issue and to sell the Bonds in one or more series in the aggregate principal amount of not to exceed \$4,400,000.

SECTION 3. Obligation of Bonds. The Bonds shall be direct and general obligations of the Borough, and the full faith and credit of the Service Area are hereby pledged to the payment of the principal of and interest on the Bonds. The Borough hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable property within the 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 Bonds as the same become due and payable.

SECTION 4. Designation, Principal Installments, Interest Rates and Other Details of Bonds. The Bonds shall be designated "Kenai Peninsula Borough Central Emergency Service Area General Obligation Bonds," with such additional 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 Bonds shall be in the denomination of \$5,000 or any integral multiple thereof. The principal amount per series, amount per principal installment, interest rates, dated dates and principal and interest payment dates of the Bonds shall be determined at the time of execution of each Loan Agreement under Section 16.

SECTION 5. Prepayment. The Bonds shall be subject to prepayment prior to maturity as provided in each Loan Agreement.

SECTION 6. Form of Bonds. The Bonds 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

NO. _____

\$ _____

**CENTRAL EMERGENCY SERVICE AREA
GENERAL OBLIGATION BOND**

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 set forth above, or its registered assigns, the Principal Amount set forth above in the following installments on _____ of each of the following years, and to pay interest on such installments from the date hereof, payable on _____, and semiannually thereafter on _____ and _____ of each year, at the rates per annum as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
-------------	-----------------------------	--------------------------

For so long as this bond is owned by the Alaska Municipal Bond Bank (the "Bond Bank"), payment of principal and interest shall be made as provided in the Loan Agreement between the Bond Bank and the Borough dated as of _____ (the "Loan Agreement"). In the event that this bond is no longer owned by the Bond Bank, installments of principal of and interest on this bond shall be paid by check or draft mailed by first class mail to the Registered Owner as of the close of business on the 15th day of the month preceding each installment payment date; provided, that the final installment of principal of and interest on this bond will be payable upon presentation and surrender of this bond by the Registered Owner at the office of the Registrar. Interest shall be computed on the basis of a 360-day year composed 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 Central Emergency Service Area General Obligation Bonds of the Kenai Peninsula Borough, Alaska (the "Bonds"), authorized to be issued in one or more series for the purchase of emergency response vehicles for the Central Emergency Service Area (the "Service Area") and the costs of issuance of the Bonds (collectively, the "Project"), and is issued under Resolution 2016-003 of the Borough entitled:

**A RESOLUTION AUTHORIZING THE KENAI PENINSULA BOROUGH TO
ISSUE ITS CENTRAL EMERGENCY SERVICE AREA GENERAL
OBLIGATION BONDS IN ONE OR MORE SERIES, IN AN AGGREGATE**

PRINCIPAL AMOUNT NOT TO EXCEED \$4,400,000, FOR THE PURCHASE OF EMERGENCY RESPONSE VEHICLES FOR THE CENTRAL EMERGENCY SERVICE AREA, FIXING CERTAIN DETAILS OF SUCH BONDS AND AUTHORIZING THEIR SALE AND PROVIDING FOR RELATED MATTERS

(the "Resolution"). Reference is hereby made to the Resolution and any resolution supplemental thereto for a description of the rights of the Registered Owner hereof and of the rights and obligations of the Borough thereunder, to all of the provisions of which the Registered Owner, by acceptance of this bond, assents and agrees.

This bond is subject to prepayment prior to maturity as provided in the Loan Agreement.

This bond is transferable as provided in the Resolution (i) only upon the Bond Register 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 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 and the Registrar 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 hereof and interest hereon and for all other purposes whatsoever.

This bond is a direct and general obligation of the Borough, and the full faith and credit of the Central Emergency Service Area are pledged to the payment of the principal of and interest on this bond. The Borough has irrevocably pledged and covenanted that it will levy and collect taxes upon all taxable property within the Central Emergency 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 Bonds as the same become due and payable.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts or things required by the constitution or statutes of the State of Alaska or the ordinances or resolutions of the Borough 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 this bond and the Bonds, together with all other indebtedness of the Borough, are issued within every debt and other limit prescribed by said constitution, statutes, ordinances or resolutions.

IN WITNESS WHEREOF, THE KENAI PENINSULA BOROUGH, ALASKA, has caused this bond to be signed in its name and on its behalf by its Mayor and its corporate seal to be hereunto impressed or otherwise reproduced and attested by its Clerk, all as of the ____ day of _____, ____.

_____/specimen/_____
Mayor

ATTEST:

_____/specimen/_____
Borough Clerk

SECTION 7. Execution. Each Bond shall be executed in the name of the Borough by the Mayor and the corporate seal of the Borough shall be impressed or otherwise reproduced thereon and attested by the Borough Clerk. The execution of a 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 Bonds 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. As long as the Bond Bank is the Registered Owner, payment of principal of and interest on the Bonds shall be made as provided in each Loan Agreement. If the Bond Bank is no longer the Registered Owner, installments of principal and interest on the Bonds shall be paid by check mailed by first class mail to the Registered Owner as of the 15th day of the month preceding each installment payment date at the address appearing on the Bond Register; provided, that the final installment of principal and interest on each 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 Bonds shall be issued only in registered form as to both principal and interest. The Borough designates the Borough Finance Director as Registrar. The Registrar shall keep, or cause to be kept, the Bond Register at the principal office of the Borough. The Borough covenants that, until the Bonds have been surrendered and canceled, the Borough will maintain a system for recording the ownership of the Bonds that complies with the provisions of Section 149 of the Code. The Borough and the Registrar may treat and consider the person in whose name each Bond shall be registered as the absolute owner of the Bond for the purpose of receiving payment of, or on account of, the principal thereof and interest thereon and for all other purposes whatsoever. All payments of principal of and interest on each Bond made to the Registered Owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon the 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 Bonds may be transferred only upon the Bond Register. Upon surrender for transfer or exchange of a Bond, 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 a new Bond or Bonds of the same series equal in aggregate principal amount, 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. Each Bond surrendered for transfer or exchange shall be canceled by the Registrar.

SECTION 11. Bonds Mutilated, Destroyed, Stolen or Lost. Upon surrender to the Registrar of a mutilated Bond, the Borough shall execute and deliver a new Bond or Bonds of the same series equal in aggregate 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 or Bonds of the same series equal in aggregate 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. Disposition of Sale Proceeds. The sale proceeds of the Bonds shall be applied to pay costs of the Project and shall be deposited in the appropriate funds or accounts of the Borough for such purposes.

SECTION 13. 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 Bonds from gross income for federal income tax purposes. The Borough covenants that it will make no use of the proceeds of the Bonds that will cause the Bonds 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 that would cause the Bonds to be "private activity bonds" as defined in Section 141 of the Code.

SECTION 14. Amendatory and Supplemental Resolutions.

(A) The Assembly from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this resolution, for any one or more of the following purposes:

- (1) To add to the covenants and agreements of the Borough in this Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Borough.
- (2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this Resolution or in regard to matters or questions arising under this Resolution as the Assembly may deem necessary or desirable and not

inconsistent with this Resolution and which shall not adversely affect the interests of the Registered Owners.

Any such supplemental resolution may be adopted without the consent of the Registered Owners, notwithstanding any of the provisions of subsection (B) of this Section.

- (B) With the consent of each Registered Owner, the Assembly may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Resolution or of any supplemental resolution.

It shall not be necessary for the consent of a Registered Owner under this subsection to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent approves the substance thereof.

- (C) Upon the adoption of any supplemental resolution under this Section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Borough and the Registered Owners shall thereafter be subject in all respects to such modification and amendment, and all the terms and conditions of the supplemental resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

- (D) Any Bond executed and delivered after the execution of any supplemental resolution adopted under this Section may bear a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, a new Bond modified so as to conform, in the opinion of the Borough, to any modification of this Resolution contained in any such supplemental resolution may be prepared by the Borough and delivered without cost to the Registered Owner, upon surrender for cancellation of the Bond.

SECTION 15. Defeasance. In the event money and/or non-callable direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America or an agency or instrumentality of the United States of America, maturing at such times and bearing interest to be earned thereon in amounts sufficient to redeem and retire any or all principal installments of the Bonds in accordance with the terms of the Bonds are set aside in a special trust account to effect such redemption or retirement and such money and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made to pay or secure the payment of the principal of and interest on such principal installments and such principal installments shall be deemed not to be outstanding.

SECTION 16. Sale of Bonds; Loan Agreement. The Bonds shall be executed, sold and delivered to the Bond Bank. 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 each series of the Bonds. 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 Bonds as provided herein. Each of the Mayor and the Borough Finance Director is hereby authorized to determine the principal amount per series, amount per principal installment, interest rates, dated dates and principal and interest payment dates and prepayment provisions, if any, for the Bonds, so that such terms of the Bonds conform to the terms of the Bond Bank Bonds, provided that (i) no principal installment of the Bonds shall exceed the principal amount of the corresponding maturity of the Bond Bank Bonds allocated to making a loan 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 upon the foregoing determinations, the Mayor and the Borough Finance Director each is authorized to negotiate, execute and deliver each Loan Agreement.

SECTION 17. Official Statement. The Mayor and Borough Finance Director each is hereby authorized to approve the form of each preliminary and final Official Statement for the Bond Bank Bonds as each pertains to the Borough and the Bonds.

SECTION 18. Authority of Officers. The Mayor, the Borough Finance Director and the 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 Bonds and this Resolution.

SECTION 19. No Recourse. No recourse shall be had for the payment of the principal of or the interest on the Bonds 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 Bonds. The Bonds 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 the State of Alaska or of any political subdivision thereof, except the Borough.

SECTION 20. Continuing Disclosure. The Borough hereby covenants and agrees that it will execute and carry out all of the provisions of a Continuing Disclosure Certificate for each series of the Bonds in form and substance satisfactory to the Bond Bank. Notwithstanding any other provision of this Resolution, failure of the Borough to comply with a Continuing Disclosure Certificate shall not be considered a default of the Borough's obligations under this

Resolution or the Bonds; however, the beneficial owner of the Bonds or any Bond Bank Bond may bring an action for specific performance, to cause the Borough to comply with its obligations under this Section.


SECTION 21. 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 Bonds.

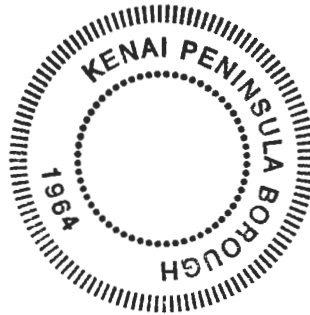
SECTION 22. Effective Date. This resolution shall take effect upon adoption by the Assembly.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF JANUARY, 2016.


Blaine Gilman, Assembly President

ATTEST:


John Blankenship, MMC, Borough Clerk



Yes: Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, Welles, Gilman
No: None
Absent: None