

Introduced by:	Mayor
Date:	06/15/21
Action:	Adopted
Vote:	06/15/21

**KENAI PENINSULA BOROUGH
RESOLUTION 2021-041**

A RESOLUTION APPROVING THE KENAI PENINSULA BOROUGH'S PARTICIPATION IN A REFINANCING BY THE ALASKA MUNICIPAL BOND BANK OF ITS GENERAL OBLIGATION BONDS THAT PROVIDED FUNDS TO PURCHASE THE GENERAL OBLIGATION REFUNDING SCHOOL BONDS, 2011 OF THE KENAI PENINSULA BOROUGH, UNDER A LOAN AGREEMENT, AS AMENDED, BETWEEN THE KENAI PENINSULA BOROUGH AND THE ALASKA MUNICIPAL BOND BANK; AND AUTHORIZING THE KENAI PENINSULA BOROUGH MAYOR OR DESIGNEE TO APPROVE A REVISED SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS ON THE KENAI PENINSULA BOROUGH'S 2011 BOND, IN ACCORDANCE WITH THE LOAN AGREEMENT, AS AMENDED, AND PROVIDING FOR RELATED MATTERS

WHEREAS, on August 7, 2003, the Kenai Peninsula Borough, Alaska ("Borough") issued and sold its General Obligation School Bonds, 2003A ("2003 Bond") to the Alaska Municipal Bond Bank ("Bond Bank") for purposes of financing certain education capital improvements in the Borough pursuant to terms and conditions set forth in Resolution 2003-072 adopted by the Borough Assembly on June 17, 2003 and a loan agreement by and between the Borough and the Bond Bank, dated August 1, 2003 ("Original Loan Agreement"); and

WHEREAS, on September 15, 2011, the Borough refunded a portion of the 2003 Bond with its General Obligation Refunding School Bonds, 2011 ("2011 Bond") for purposes of realizing debt service savings pursuant to terms and conditions set forth in Resolution 2011-072 adopted by the Borough Assembly on July 5, 2011 ("Bond Resolution") and the Loan Agreement, as amended by an amendatory loan agreement between the Borough and Bond Bank, dated September 1, 2011 ("Amendatory Loan Agreement, and together with the Original Loan Agreement, the "Amended Loan Agreement"); and

WHEREAS, the Bond Bank issued and sold its General Obligation Bonds, 2011 Series Three (the "Bond Bank Bonds"), to, among other things, provide funds to cause the refunding of a portion of the 2003 Bond, as provided in the Amended Loan Agreement; and

WHEREAS, the Amended Loan Agreement provides that payments of principal of and interest on the 2011 Bond may be adjusted to reduce debt service on the 2011 Bond if the Bond Bank is able to achieve debt service savings by refunding Bond Bank Bonds; and

WHEREAS, the Bond Bank has issued a series of its general obligation and refunding bonds (the “Bond Bank Refunding Bonds”) for the purpose, among others, of refunding outstanding Bond Bank Bonds to achieve debt service savings; and

WHEREAS, the Assembly wishes to approve the Borough’s participation in the Bond Bank refinancing and to authorize the Borough Mayor or his designee to accept a revised debt service schedule for the 2011 Bond;

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

SECTION 1. Approval of Refinancing. The Assembly hereby approves the Borough’s participation in the Bond Bank’s refinancing of the Bond Bank Bonds and authorizes the Borough Mayor or his designee to approve a revised schedule of principal installment amount(s) and interest rate(s) for the 2011 Bond, in accordance with terms and conditions set forth in the Amended Loan Agreement, provided the Borough realizes debt service savings. The revised schedule of debt service on the 2011 Bond and other provisions as may be required by the Bond Bank will be set forth in a second amendatory loan agreement (“Second Amendatory Loan Agreement,” and together with the Amended Loan Agreement, the “Loan Agreement”) and a general obligation refunding school bond (the “2021 Refunding Bond”) hereby authorized to be issued in exchange for all or a portion of the 2011 Bond. Notwithstanding, if only a portion of the outstanding principal amount of the 2011 Bond is refinanced, the 2011 Bond shall be exchanged for a bond reflecting the unrefunded portion of the 2011 Bond (the “Exchanged 2011 Bond”).

The Borough Mayor or Finance Director is hereby authorized to execute and deliver the Second Amendatory Loan Agreement on behalf of the Borough and to deliver the 2021 Refunding Bond and Exchanged 2011 Bond, as the case may be, executed in accordance with the provisions of the Bond Resolution and this resolution, to the Bond Bank in exchange for the 2011 Bond. The Borough Mayor, Finance Director and other appropriate officers and employees of Borough are also hereby authorized to provide financial information about the Borough that the Bond Bank may require for the official statement for the Bond Bank Refunding Bonds.

SECTION 2. Tax Matters. The 2011 Bond was issued as a tax-exempt obligation under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Subject to applicable law, the 2021 Refunding Bond will also be issued on a tax-exempt.

If the 2021 Refunding Bond is issued on a tax-exempt basis: (i) the Borough covenants not to take or omit to take any action that if taken or omitted would cause interest on such 2021 Refunding Bond to be includable in gross income for federal income tax purposes, and (ii) without limiting the generality of the foregoing, the Borough covenants that it will not take or permit any action that would cause the 2021 Refunding Bond to be a “private activity bond” as defined in Section 141 of the Code. Further, if the 2021 Refunding Bond is issued on a tax-exempt basis, the

Borough's bond counsel is hereby authorized to rely on the Borough's tax covenants herein contained and as set forth in related documents.

The Exchanged 2011 Bond shall retain its original tax treatment under the Code.

SECTION 3. General Authorization. The Mayor, Finance Director, Borough Clerk, Borough Attorney, and any other appropriate officers, agents, attorneys and employees of the Borough 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. All acts heretofore taken by officers, agents, attorneys and employees of the Borough in connection with refinancing the 2011 Bond are hereby ratified and confirmed.

SECTION 5. Recitals. The recitals to this resolution are hereby incorporated into this resolution as if fully set forth herein.

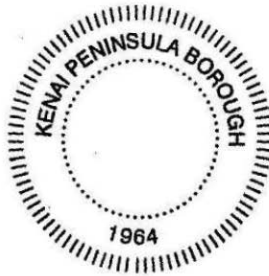
SECTION 6. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 15TH DAY JUNE, 2021.



Brent Hibbert, Assembly President

ATTEST:


Jonni Blankenship, MMC, Borough Clerk

- Yes: Bjorkman, Carpenter, Chesley, Cox, Derkevorkian, Dunne, Johnson, Hibbert
- No: None
- Absent: Elam

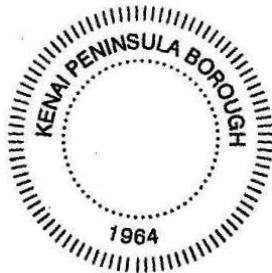
CERTIFICATE

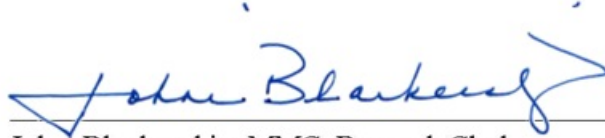
I, the undersigned, Clerk of the Kenai Peninsula Borough, Alaska (the "Borough"), Do
HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution 2021-041 (the "Resolution") of the Borough as approved at a regular meeting of the Assembly of the Kenai Peninsula Borough, Alaska (the "Assembly") held on the 15th day of June, 2021, 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 regular meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the approval of the Resolution; that all other requirements and proceedings incident to the proper approval of the Resolution have been duly 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 15th day of June, 2021.





John Blankenship, MMC, Borough Clerk
Kenai Peninsula Borough