

Introduced by: Mayor  
Date: 04/20/21  
Action: Adopted  
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2021-024**

**A RESOLUTION APPROVING THE KENAI PENINSULA BOROUGH'S PARTICIPATION IN A PROPOSED REFINANCING BY THE ALASKA MUNICIPAL BOND BANK OF ITS GENERAL OBLIGATION BONDS THAT PROVIDED FUNDS TO PURCHASE THE CENTRAL KENAI PENINSULA HOSPITAL SERVICE AREA GENERAL OBLIGATION REFUNDING BONDS, 2011 OF THE KENAI PENINSULA BOROUGH, UNDER A LOAN AGREEMENT 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, IF THE ALASKA MUNICIPAL BOND BANK SUCCESSFULLY REFINANCES ITS BONDS**

**WHEREAS,** the Kenai Peninsula Borough, Alaska (the "Borough"), refunded its Central Kenai Peninsula Hospital Service Area General Obligation Bonds, Series 2003, dated December 18, 2003, with proceeds of its Central Kenai Peninsula Hospital Service Area General Obligation Refunding Bonds, 2011, in the original principal amount of \$27,905,000 (the "2011 Bond"); and

**WHEREAS,** the 2011 Bond was issued pursuant to Borough Resolution 2011-73, adopted by the Assembly on July 5, 2011 (the "Bond Resolution") and purchased by the Alaska Municipal Bond Bank (the "Bond Bank"), based on the terms and conditions set forth in the Bond Resolution and a loan agreement between the Borough and the Bond Bank dated as of September 15, 2011 (the "Loan Agreement"); and

**WHEREAS,** the Bond Bank issued and sold its General Obligation and Refunding Bonds, 2011 Series Three (the "Bond Bank Bonds"), to, among other things, provide funds to purchase the 2011 Bond, as provided in the Loan Agreement; and

**WHEREAS,** Section 6 of the 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 the Bond Bank Bonds; and

**WHEREAS,** the Bond Bank now intends to issue a series of its general obligation refunding bonds (the "Bond Bank Refunding Bonds") for the purpose, among others, of refunding all, or a portion, of the outstanding Bond Bank Bonds and achieving debt service savings;

**WHEREAS**, the Assembly approved Resolution No. 2020-043 on June 16, 2020 (the “Original Resolution”) which authorized the Borough’s participation in the refinancing; and

**WHEREAS**, this resolution will supersede in all respects the Original Resolution.

**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 payment amounts and interest rates for the 2011 Bond, in accordance with Section 6 of the Loan Agreement, so long as the revised debt service schedule is financially advantageous to the Borough. 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 an amendatory loan agreement (the “Amendatory Loan Agreement”) and a refunding bond (the “2021 Refunding Bond”) to be issued in exchange for 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 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 may be issued on a tax-exempt or taxable basis, as determined by the Mayor or Finance Director. The Exchanged 2011 Bond shall retain its original tax treatment under the Code.

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 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.

**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. Any and 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** Resolution Supersedes the Original Resolution. This resolution supersedes the Original Resolution in all respects and all actions taken by the Borough pursuant to the Original Resolution are hereby ratified and confirmed.

**SECTION 6** Recitals. The recitals to this resolution are hereby incorporated into this resolution as if fully set forth herein.


**SECTION 7** Effective Date. This resolution shall become effective immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 20TH DAY OF APRIL, 2021.**



\_\_\_\_\_  
Brent Hibbert, Assembly President

ATTEST:

  
\_\_\_\_\_  
Jonni Blankenship, MMC, Borough Clerk

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

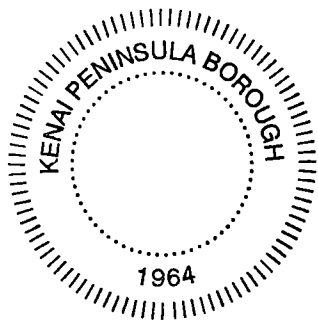
**CERTIFICATE**


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 No. 2021-024 (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 20th day of April, 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 22<sup>nd</sup> day of April, 2021.



  
\_\_\_\_\_  
John Blankenship, MMC, Borough Clerk  
Kenai Peninsula Borough