

*postponed indefinitely*

Submitted by: Chairman of the Assembly  
at the Request of the Mayor  
Prepared by: Bond Counsel  
For Reading: November 21, 2000

**MUNICIPALITY OF ANCHORAGE**

**RESOLUTION NO. AR 2000- 358**

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING THE DEFEASANCE OF THE MUNICIPALITY'S ICE RINK REVENUE BONDS, 1998 OUTSTANDING IN THE AMOUNT OF \$5,185,000 AND AUTHORIZING THE CHIEF FISCAL OFFICER TO PREPARE AND IMPLEMENT A PLAN OF DEFEASANCE FOR SUCH BONDS.

WHEREAS, the Municipality of Anchorage, Alaska (the "Municipality") by Ordinance No. AO 98-94(S) (the "1998 Ordinance") and a Trust Agreement entered into between the Municipality and U.S. Bank Trust National Association (the "Trustee") dated as of July 1, 1998 (the "1998 Trust Agreement"), authorized the issuance of its Ice Rink Revenue Bonds, 1998 in the aggregate principal amount of \$5,185,000 (the "1998 Bonds") all of which currently remain outstanding; and

WHEREAS, the 1998 Bonds mature in the following principal amounts and bear interest on unpaid principal at the following interest rates:

<u>Maturity Years (January 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2012	\$ 2,185,000	6.25 %
2020	3,000,000	6.375

; and

WHEREAS, Section 8 of the 1998 Ordinance and Article VII of the 1998 Trust Agreement authorize the defeasance of the 1998 Bonds prior to maturity; and

WHEREAS, the Municipality currently has funds available to defease the 1998 Bonds, including funds from the Anchorage Telephone Utility ("ATU") Trust Fund Reserve – Fund (731); and

WHEREAS, the Assembly deems it advisable and in the best interest of the Municipality to authorize the Chief Fiscal Officer of the Municipality (the "Designated Municipality Representative") to undertake and complete such defeasance;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF MUNICIPALITY OF ANCHORAGE, ALASKA, as follows:

Section 1. Defeasance of 1998 Bonds; General Authorization to Designated Municipality Representative; and Discharge of 1998 Trust Agreement and Revenues to the Municipality.

(a) *Defeasance.* The Municipality shall set aside and deposit with the Trustee available funds of the Municipality in amounts sufficient, with other money held by the Trustee, to defease all outstanding 1998 Bonds and pay the costs of defeasance. Funds to accomplish the defeasance shall be obtained from the Ice Reserve Account for the 1998 Bonds held by the Trustee and from appropriations made pursuant to Section 2 of this resolution from the ATU Trust Fund Reserve - Fund (731). Pursuant to Section 2 of this resolution and Ordinance No. 2000-162(S), a portion of the funds necessary to accomplish the defeasance shall be appropriated from the ATU Trust Fund Reserve – Fund (731) to the Ice Revenue Bond 1998 – Fund (265) to complete the defeasance.

(b) *General Authorization to the Designated Municipality Representative.* The Assembly of the Municipality hereby authorizes and directs the Designated Municipality Representative to arrange for the defeasance of the 1998 Bonds in accordance with the provisions of the 1998 Trust Agreement and this resolution. The Designated Municipality Representative, with the assistance of the Municipality's financial advisor shall arrange for purchase of noncallable "Government Obligations" as defined in the 1998 Trust Agreement maturing at such times and in such amounts as shall be necessary for the payment of the

principal of, interest on and redemption premium, if any, on the 1998 Bonds and to undertake a plan for the defeasance of the 1998 Bonds ("Plan of Defeasance").

Pursuant to the Plan of Defeasance, Government Obligations shall be purchased and held by the Trustee until disbursed to pay the principal of, interest on and redemption premium, if any, on the 1998 Bonds. The Plan of Defeasance may provide for the payment of the Bonds at the maturity thereof or at redemption prior to maturity, may designate an escrow verification agent to prepare a verification of the sufficiency of the escrowed Government Obligations, shall provide for the giving of notice of defeasance and notice of redemption, if appropriate shall provide for the payment of all rebatable arbitrage, if any, to the federal government with respect to the 1998 Bonds, shall provide for the payment of all costs of executing the Plan of Defeasance such costs to be paid from the escrowed funds on the date of defeasance.

The Trustee is hereby authorized and directed to provide for the timely giving of notice of defeasance of the 1998 Bonds in accordance with the applicable provisions of the 1998 Trust Agreement and notice of redemption, if any. The Designated Municipality Representative is authorized and requested to provide whatever assistance is necessary to accomplish such defeasance and the giving of notice therefor. The costs of publication of such notice shall be an expense of the Municipality.

The payment of all fees, compensation and expenses incurred in connection with the Plan of Defeasance shall be paid on the date of defeasance.

*(c) Discharge of Trust Indenture and Revenues to the Municipality.*

Following the defeasance of the 1998 Bonds as provided in the 1998 Trust Agreement no further payments need be made into the Bond Fund for the 1998 Bonds for the payment of the principal of and interest on the 1998 Bonds, and the 1998 Bonds shall cease to be entitled to any lien, benefit or security of the 1998 Trust Agreement except the right to receive the funds so set aside

and pledged, and the 1998 Bonds shall be deemed not to be outstanding under the 1998 Trust Agreement, and the 1998 Trust Agreement shall be deemed satisfied and discharged.

All other moneys held by the Trustee, under the 1998 Trust Agreement other than those required to pay costs and effect the defeasance, shall be paid to the Municipality for deposit to the Municipality's general fund. No further payments of Gross Revenues shall be made to the Trustee.

Section 2.     Appropriations. An amount of not to exceed five million two hundred fifty thousand dollars (\$5,250,000) is hereby appropriated from the ATU Trust Fund Reserve - Fund (731) to the Ice Revenue Bond 1998 – Fund (265) for the purpose of funding the Plan of Defeasance.

Section 3.     Effective Date. This resolution shall take effect immediately from and after its adoption.

ADOPTED BY THE ANCHORAGE ASSEMBLY THIS                      DAY OF  
\_\_\_\_\_, 2000.

By \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Municipal Clerk