

CLERK'S OFFICE

APPROVED

Date: 12-19-00

*Immediate reconsideration
failed 12-19-00*

Submitted by: Chairman of the Assembly
at the Request of the Mayor

Prepared by: Bond Counsel

For reading: December 12, 2000

ANCHORAGE, ALASKA

AR NO. 2000- 385

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, APPROPRIATING AN AMOUNT NOT TO EXCEED \$5,200,000 FROM THE ATU TRUST FUND RESERVE – FUND (731) TO THE ICE REVENUE BOND 1998 – FUND (265), 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:

| Maturity Years (January 1) | Principal Amounts | Interest Rates |
|-------------------------------|-------------------|----------------|
| 2012 | \$ 2,185,000 | 6.25 % |
| 2020 | <u>3,000,000</u> | 6.375 |
| | \$ 5,185,000 | |

; 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,

THE ANCHORAGE ASSEMBLY RESOLVES:

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

1
2 (a) *Defeasance.* The Municipality shall set aside and deposit with the Trustee available
3 funds of the Municipality in amounts sufficient, with other money held by the Trustee, to defease
4 all outstanding 1998 Bonds and pay the costs of defeasance. Funds to accomplish the defeasance
5 shall be obtained from the Ice Reserve Account for the 1998 Bonds held by the Trustee and from
6 appropriations made pursuant to Section 2 of this resolution from the ATU Trust Fund Reserve -
7 Fund (731). Pursuant to Section 2 of this resolution and Ordinance No. 2000-162(S), a portion of
8 the funds necessary to accomplish the defeasance shall be appropriated from the ATU Trust Fund
9 Reserve – Fund (731) to the Ice Revenue Bond 1998 – Fund (265) to complete the defeasance.

10
11 (b) *General Authorization to the Designated Municipality Representative.* The Assembly
12 of the Municipality hereby authorizes and directs the Designated Municipality Representative to
13 arrange for the defeasance of the 1998 Bonds in accordance with the provisions of the 1998 Trust
14 Agreement and this resolution. The Designated Municipality Representative, with the assistance
15 of the Municipality's financial advisor shall arrange for purchase of noncallable "Government
16 Obligations" as defined in the 1998 Trust Agreement maturing at such times and in such amounts
17 as shall be necessary for the payment of the principal of, interest on and redemption premium, if any,
18 on the 1998 Bonds and to undertake a plan for the defeasance of the 1998 Bonds ("Plan of
19 Defeasance").

20
21 Pursuant to the Plan of Defeasance, Government Obligations shall be purchased and held by
22 the Trustee until disbursed to pay the principal of, interest on and redemption premium, if any, on
23 the 1998 Bonds. The Plan of Defeasance may provide for the payment of the Bonds at the maturity
24 thereof or at redemption prior to maturity, may designate an escrow verification agent to prepare a
25 verification of the sufficiency of the escrowed Government Obligations, shall provide for the giving
26 of notice of defeasance and notice of redemption, if appropriate shall provide for the payment of all
27 rebatable arbitrage, if any, to the federal government with respect to the 1998 Bonds, shall provide
28 for the payment of all costs of executing the Plan of Defeasance such costs to be paid from the
29 escrowed funds on the date of defeasance.

30
31 The Trustee is hereby authorized and directed to provide for the timely giving of notice of
32 defeasance of the 1998 Bonds in accordance with the applicable provisions of the 1998 Trust
33 Agreement and notice of redemption, if any. The Designated Municipality Representative is
34 authorized and requested to provide whatever assistance is necessary to accomplish such defeasance
35 and the giving of notice therefor. The costs of publication of such notice shall be an expense of the
36 Municipality.

37
38 The payment of all fees, compensation and expenses incurred in connection with the Plan of
39 Defeasance shall be paid on the date of defeasance.

40
41 (c) *Discharge of Trust Indenture and Revenues to the Municipality.* Following the
42 defeasance of the 1998 Bonds as provided in the 1998 Trust Agreement no further payments need
43 be made into the Bond Fund for the 1998 Bonds for the payment of the principal of and interest on

1 the 1998 Bonds, and the 1998 Bonds shall cease to be entitled to any lien, benefit or security of the
2 1998 Trust Agreement except the right to receive the funds so set aside and pledged, and the 1998
3 Bonds shall be deemed not to be outstanding under the 1998 Trust Agreement, and the 1998 Trust
4 Agreement shall be deemed satisfied and discharged.
5

6 All other moneys held by the Trustee, under the 1998 Trust Agreement other than those
7 required to pay costs and effect the defeasance, shall be paid to the Municipality for deposit to the
8 Municipality's general fund.
9

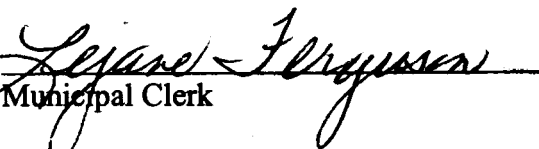
10 **Section 2. Appropriations.** An amount of not to exceed five million two hundred thousand dollars
11 (\$5,200,000) is hereby appropriated from the ATU Trust Fund Reserve - Fund (731) to the Ice
12 Revenue Bond 1998 - Fund (265) for the purpose of funding the Plan of Defeasance.
13

14 **Section 3. Effective Date.** This resolution is effective immediately upon its passage and approval.

15 PASSED AND APPROVED by the Anchorage Assembly this 19th day of December, 2000.
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17

18 
19 Chair of the Assembly

20 ATTEST:
21

22 
23 Municipal Clerk
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Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

AR2000-385

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

| | | |
|----------|--|--|
| 1 | SUBJECT OF AGENDA DOCUMENT | DATE PREPARED |
| | AR Authorizing Defeasance of Municipality's 1998 Outstanding Ice Rink Revenue Bonds | 12-12-00 |
| | | Indicate Documents Attached <input type="checkbox"/> AO <input checked="" type="checkbox"/> R <input checked="" type="checkbox"/> I <input type="checkbox"/> |
| 2 | DEPARTMENT NAME | DIRECTOR'S NAME |
| | Finance | Kate Giard |
| 3 | THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY | HIS/HER PHONE NUMBER |
| | Kate Giard | 343-6610 |
| 4 | COORDINATED WITH AND REVIEWED BY | INITIALS |
| | <input checked="" type="checkbox"/> Mayor | |
| | Heritage Land Bank | |
| | Merrill Field Airport | |
| | Municipal Light & Power | |
| | Port of Anchorage | |
| | Solid Waste Services | |
| | Water & Wastewater Utility | |
| | <input checked="" type="checkbox"/> Municipal Manager | MM |
| | Cultural & Recreational Services | |
| | Employee Relations | |
| | <input checked="" type="checkbox"/> Finance, Chief Fiscal Officer | |
| | Fire | |
| | Health & Human Services | |
| | <input checked="" type="checkbox"/> Office of Management and Budget | |
| | Management Information Services | |
| | Police | |
| | Planning, Development & Public Works | |
| | Development Services | |
| | Facility Management | |
| | Planning | |
| | Project Management & Engineering | |
| | Street Maintenance | |
| | Traffic | |
| | Public Transportation Department | |
| | Purchasing | |
| | <input checked="" type="checkbox"/> Municipal Attorney | |
| | Municipal Clerk | |
| | Other | |
| 5 | Special Instructions/Comments | |
| | FB 18 - Introduction | |
| | | |
| | | |
| 6 | ASSEMBLY HEARING DATE REQUESTED | PUBLIC HEARING DATE REQUESTED |
| | 12-12-00 | 12-19-00 |