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2 **CLERK'S OFFICE**

3 **APPROVED**

4 Date: 4-22-03

Submitted by: Chairman of the Assembly
at the Request of the Mayor
Prepared by: Wohlforth, Vassar,
Johnson & Brecht
For Reading: April 8, 2003

5 MUNICIPALITY OF ANCHORAGE

6 ORDINANCE NO. AO 2003-65

7 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
8 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO
9 EXCEED \$25,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAX
10 ANTICIPATION NOTES OF THE MUNICIPALITY; FIXING CERTAIN
11 DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER
12 OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD
13 VALOREM PROPERTY TAXES TO BE LEVIED DURING YEAR 2003 AND
14 THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE
15 PAYMENT THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO
16 NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND
17 SALE OF SAID NOTES; AND RELATED MATTERS.

18 WHEREAS, the Municipality of Anchorage, Alaska (the "Municipality") levies ad
19 valorem taxes on real and personal property on an annual basis with payment thereof
20 allowed to be made in installments; and

21 WHEREAS, the Municipality requires funds to meet on-going expenses until receipt
22 of sufficient money from the payment of ad valorem property taxes to be levied in 2003 and
23 from other revenue sources, and desires to borrow such funds and to issue its tax
24 anticipation notes for this purpose; and

25 WHEREAS, Alaska Statutes, Title 29.47.010 - .040 and Article XV of the Home Rule
26 Charter of the Municipality provide for the borrowing of money by the Municipality in
27 anticipation of tax revenues; and

28 WHEREAS, the Home Rule Charter of the Municipality provides in Section 15.03
that the Assembly by ordinance shall provide for the form and manner of sale of bonds and
notes including reasonable limitation upon the sale of bonds and notes to financial
consultants of the Municipality; and

WHEREAS, the Assembly does herein determine that it is necessary and advisable
and in the best interest of the Municipality and its inhabitants that tax anticipation notes in

1 an amount not to exceed \$25,000,000 be issued at this time for the purpose of raising
2 funds to pay on-going expenses of the Municipality until sufficient money from receipt of
3 year 2003 ad valorem property taxes and from other revenue sources is available.

4 NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

5 Section 1. Purpose. The purpose of this Ordinance is to authorize the issuance and
6 sale of not to exceed \$25,000,000 of tax anticipation notes to provide funds to pay the on-
7 going expenses of the Municipality until sufficient funds from receipt of year 2003 ad
8 valorem property taxes and from other revenue sources are available, to provide for original
9 issue discount or premium, if any, to pay the costs of issuance of the tax anticipation notes
10 authorized herein, and to fix certain details of said notes to be issued.

11 Section 2. Definitions. The following terms shall have the following meanings in this
12 Ordinance:

13 (a) "Assembly" means the Municipal Assembly of the Municipality, as the general
14 legislative authority of the Municipality established pursuant to its Home Rule Charter, as
15 the same shall be duly and regularly constituted from time to time.

16 (b) "Beneficial Owner" means either the person in whose name a Note is
17 recorded as the beneficial owner of such Note by the respective systems of DTC
18 Participants, or if the Note is not then registered in the name of Cede & Co. and held in the
19 Book-Entry System, the registered owner of the Note.

20 (c) "Code" means the Internal Revenue Code of 1986, as amended from time
21 to time, together with all regulations effective or promulgated and applicable thereto.

22 (d) "Commission" means the Securities and Exchange Commission.

23 (e) "DTC" means The Depository Trust Company, New York, New York, a limited
24 purpose trust company organized under the laws of the State of New York, as depository
25 for the Notes pursuant to Section 6 hereof, and the term DTC shall include any corporate
26 successor thereto.

1 (f) "Letter of Representations" means the Blanket Issuer Letter of Representa-
2 tions from the Municipality to DTC dated July 1, 1995, including DTC's Operational
3 Arrangements referenced in said letter, as they may be amended from time to time.

4 (g) "Municipality" means the Municipality of Anchorage created upon ratification
5 of the Home Rule Charter after the election thereon held on September 9, 1975, and the
6 successor thereunder to the City of Anchorage, the City of Glen Alps, the City of Girdwood
7 and the Greater Anchorage Area Borough, former municipal corporations of the State of
8 Alaska.

9 (h) "Note" or "Notes" means any of the Municipality's 2003 General Obligation
10 Tax Anticipation Notes, the issuance and sale of which are authorized herein.

11 (i) "Note Register" means the registration books maintained by the Paying Agent
12 (as Note Registrar), as agent of the Municipality, which include the names and addresses
13 of the owners or nominees of the owners of the Notes.

14 (j) "Ordinance" means this Ordinance of the Municipality.

15 (k) "Paying Agent" means U.S. Bank National Association, Seattle, Washington,
16 or its successors. The Paying Agent shall also act as Note Registrar pursuant to Section
17 11 hereof.

18 Section 3. Authority for Ordinance. The Municipality has ascertained and hereby
19 determines that each and every matter and thing as to which provision is made in this Ordi-
20 nance is necessary in order to carry out and effectuate the purposes of the Municipality in
21 accordance with the Constitution and statutes of the State of Alaska and the Home Rule
22 Charter of the Municipality, and to incur the indebtedness and issue the Notes.

23 Section 4. Obligation of Notes; Pledge. The receipts of the Municipality from the
24 payment of ad valorem property taxes levied by the Municipality in year 2003 are hereby
25 pledged to the payment of the principal of and interest on the Notes. In addition, the Notes
26 shall be direct and general obligations of the Municipality and the full faith and credit of the

1 Municipality are hereby pledged to the payment of the principal of and interest on the
2 Notes. The Municipality hereby irrevocably pledges and covenants that it will levy and
3 collect taxes upon all taxable property within the Municipality without limitation as to rate
4 or amount, in amounts sufficient, together with other funds legally available therefor, to pay
5 the principal of and interest on the Notes as the same become due and payable.

6 Section 5. Authorization of Notes and Purpose of Issuance. For the purpose of
7 providing the funds required to pay the on-going expenses of the Municipality until sufficient
8 funds from the receipt of year 2003 ad valorem property taxes and from other revenue
9 sources are available, to provide for original issue discount or premium, if any, and to pay
10 all costs incidental to the issuance of the Notes, the Municipality hereby authorizes and
11 determines to issue and sell the Notes in the aggregate principal amount of not to exceed
12 \$25,000,000 as determined by the Chief Fiscal Officer pursuant to Section 18 of this
13 Ordinance.

14 Section 6. Designation, Rates, Maturities, Payment Dates and Form of Notes. The
15 Notes shall be designated "Municipality of Anchorage, Alaska, 2003 General Obligation Tax
16 Anticipation Notes," shall be dated the date of delivery, and shall mature on a date which
17 is not more than one year from the date of delivery as established by the Chief Fiscal
18 Officer pursuant to Section 18 of this Ordinance.

19 The Notes shall bear interest calculated on the basis of a 360-day year composed
20 of twelve 30-day months from their date payable at the maturity thereof at the rate per
21 annum fixed and determined by the Chief Fiscal Officer pursuant to Section 18 of this
22 Ordinance.

23 The Notes shall be registered as to principal and interest as herein provided. The
24 Notes shall each be of the denomination of One Hundred Thousand Dollars (\$100,000) or
25 any integral multiple thereof. Each Note shall bear a number or letter, or a number and
26 letter, distinguishing it from every other Note in the manner and with such additional

1 designation as the Paying Agent deems necessary for purposes of identification. The
2 Notes may be delivered with the aggregate principal amount represented by one Note, in
3 typewritten, printed, or lithographed form. The Notes shall be substantially in the form
4 hereinafter set forth, with such appropriate variations, omissions or insertions as are
5 permitted or required by this Ordinance, and may have endorsed thereon such legends or
6 text as may be necessary or appropriate to conform to the rules and regulations of any
7 governmental authority or any usage or requirement of law with respect thereto.

8 In order to induce DTC to accept the Notes as eligible for deposit at DTC, the
9 Municipality has executed and delivered the Letter of Representations which has been
10 accepted by DTC. The Notes initially issued shall be available for purchase only through
11 brokers and dealers, who must be or act through participants in DTC, shall be held in fully
12 immobilized form by DTC acting as depository pursuant to the terms and conditions set
13 forth in the Letter of Representations, shall be issued in a denomination equal to the
14 aggregate principal amount of the Notes and shall initially be registered in the name of
15 Cede & Co., as the nominee of DTC.

16 Neither the Municipality nor the Paying Agent will have any responsibility or
17 obligation to DTC participants or the persons for whom they act as nominees with respect
18 to the Notes in respect to the accuracy of any records maintained by DTC or any DTC
19 participant, the payment by DTC or any DTC participant of any amount in respect of the
20 principal of or interest on the Notes, any notice which is permitted or required to be given
21 to owners of the Notes under this Ordinance (except such notices as shall be required to
22 be given by the Municipality to the Paying Agent or to DTC) or any consent given or other
23 action taken by DTC as the owner of the Notes. For so long as any Notes are held in fully
24 immobilized form hereunder, DTC or its successor depository shall be deemed to be the
25 owner of the Notes for all purposes hereunder, and all references herein to the owner of
26 the Notes or similar terms shall mean DTC or its nominee and shall not mean the owners

1 of any beneficial interest in the Notes.

2 Section 7. Additional Details of Notes. Each of the Notes shall be signed by the
3 manual or facsimile signature of the Mayor or the Municipal Manager and the official seal
4 of the Municipality (or a facsimile thereof) shall be affixed, imprinted or otherwise repro-
5 duced on the Note and attested by the manual or facsimile signature of the Municipal Clerk
6 or the Deputy Municipal Clerk. In case any officer whose signature or facsimile of whose
7 signature shall appear on any Note shall cease to be such officer before the delivery of
8 such Note, such signature or such facsimile shall nevertheless be valid and sufficient for
9 all purposes the same as if he or she had remained in office until such delivery.

10
11 The Notes shall contain a certificate of the Paying Agent in the following form:

12
13 PAYING AGENT'S CERTIFICATE
14 OF AUTHENTICATION

15 This Note is one of the Municipality of Anchorage, Alaska,
16 2003 General Obligation Tax Anticipation Notes described in
and issued pursuant to the within mentioned Ordinance.

17 U.S. BANK NATIONAL ASSOCIATION,
18 as Paying Agent

19 Date of Authentication:

20 _____ By _____
Authorized Agent

21 The principal and the interest on the Notes shall be payable in any coin or currency
22 of the United States of America which, at the date of payment thereof, is legal tender for
23 the payment of public and private debts.

24 For so long as all outstanding Notes are held in fully immobilized form by DTC and
25 are registered in the name of Cede & Co. or its registered assigns, payment of principal
26 and interest thereon shall be made as provided in the Letter of Representations.

1 In the event that the Notes are no longer held in fully immobilized form by DTC and
2 registered in the name of Cede & Co. or its registered assigns, the principal and interest
3 on the Notes shall be payable at maturity of the Notes upon presentment of the Notes at
4 the corporate trust office designated by the Paying Agent.

5 Section 8. Redemption of Notes. The Notes are not subject to redemption by or on
6 behalf of the Municipality prior to their scheduled maturity.

7 Section 9. Form of Note. Each Note shall be in substantially the following form, with
8 such variations, omissions and insertions as may be required or permitted by this
9 Ordinance:

10 UNITED STATES OF AMERICA
11 STATE OF ALASKA

12 MUNICIPALITY OF ANCHORAGE
13 (A Municipal Corporation of the State of Alaska)

14 NO. \$

15 2003 GENERAL OBLIGATION TAX ANTICIPATION NOTE

16 INTEREST RATE MATURITY DATE CUSIP NO.
17 %

18 Registered Owner: CEDE & Co.

19 Principal Amount:

20 The Municipality of Anchorage, a municipal corporation of the State of Alaska (the
21 "Municipality"), for value received, acknowledges itself indebted and hereby promises to
22 pay to the Registered Owner identified above, or registered assigns, on the Maturity Date
23 identified above, upon presentation and surrender hereof, the Principal Amount shown
24 above, and to pay interest on such principal sum from the date hereof until its obligation
25 with respect to the payment of such principal sum shall be discharged, at the Interest Rate
26

per annum shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on the Maturity Date identified above. The principal and interest of this Note shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Principal and interest shall be paid to the Registered Owner or assigns upon presentation and surrender of this Note at the corporate trust office designated by U.S. Bank National Association (hereinafter called the "Paying Agent"), or its successors. Notwithstanding the foregoing, if this Note is held in fully immobilized form, payment of principal and interest shall be paid as provided in The Depository Trust Company's Operational Arrangements Guidelines, as amended from time to time (the "Guidelines").

This Note is the single Note initially issued of the 2003 General Obligation Tax Anticipation Notes of the Municipality, aggregating \$_____ in principal amount, and constituting Notes authorized for the purpose of providing funds to pay the on-going expenses of the Municipality until sufficient funds from the receipt of 2003 ad valorem property taxes and from other revenue sources are available and is issued pursuant to Ordinance No. AO 2003-65 of the Municipality entitled:

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$25,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAX ANTICIPATION NOTES OF THE MUNICIPALITY; FIXING CERTAIN DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD VALOREM PROPERTY TAXES TO BE LEVIED DURING 2003 AND THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID NOTES; AND RELATED MATTERS.

(herein, called the "Ordinance").

The Notes are not subject to redemption prior to their scheduled maturity.

1 This Note is transferable as provided in the Ordinance and the Guidelines. The
2 Municipality and the Paying Agent may treat and consider the person in whose name this
3 Note is registered as the absolute owner hereof for the purpose of receiving payment of,
4 or on account of, the principal of and interest due hereon and for all other purposes
5 whatsoever.

6 The receipts of the Municipality from the payment of ad valorem property taxes
7 levied by the Municipality in 2003 are pledged to the payment of the principal of and interest
8 on this Note. This Note is a general obligation of the Municipality and the full faith and
9 credit of the Municipality are pledged for the payment of the principal of and interest on this
10 Note. The Municipality hereby irrevocably pledges and covenants that it will levy and
11 collect taxes upon all taxable property within the Municipality without limitation as to rate
12 or amount, in amounts sufficient, together with other funds legally available therefor, to pay
13 the principal of and interest on the Notes as the same become due and payable.

14 IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, or things
15 required by the Constitution or statutes of the State of Alaska and the Home Rule Charter
16 of the Municipality to exist, to have happened or to have been performed precedent to or
17 in the issuance of this Note, exist, have happened and have been performed, and that the
18 series of Notes of which this is one, together with all other indebtedness of the Municipality,
19 is within every debt and other limit prescribed by said Constitution, statutes or Charter.

20 IN WITNESS WHEREOF, THE MUNICIPALITY OF ANCHORAGE, ALASKA, has
21 caused this Note to be signed in its name and on its behalf by the signature of its Municipal
22
23
24
25
26

1 Manager and its corporate seal to be hereunto affixed, imprinted or otherwise reproduced
2 and attested by the signature of its Clerk, all as of the ____ day of _____, 2003.

4 HARRY J. KIELING, JR.
Municipal Manager

5 [SEAL]

6 ATTEST:

8 LINDA HEIM
9 Acting Municipal Clerk

10 In the event the Notes are not or are no longer registered in the name of Cede &
11 Co., or its assigns, the form of the Notes may be modified to conform to printing require-
12 ments and the terms of this Ordinance.

13 Section 10. Application of Note Proceeds. The proceeds of the sale of the Notes
14 shall be deposited in the "2003 General Obligation Tax Anticipation Note Fund" which is
15 hereby created, and shall be used and applied to pay the on-going expenses of the
16 Municipality until sufficient funds from the receipt of 2003 ad valorem property taxes and
17 from other revenue sources are available.

18 Section 11. Paying Agent and Note Registrar. (a) U.S. Bank National Association,
19 Seattle, Washington, is hereby appointed Paying Agent for the Notes and the term "Paying
20 Agent" shall include any successor or successors thereto. Any company into which the
21 Paying Agent may be merged or converted or with which it may be consolidated or any
22 company resulting from any merger, conversion or consolidation to which it shall be a party,
23 provided such company shall be a bank or trust company organized under the laws of the
24 United States of America or a national banking association and shall be authorized by law
25 to perform all the duties imposed upon it by this Ordinance, shall be the successor to the
26 Paying Agent without the execution or filing of any paper or the performance of any further

1 act. The form of the Paying Agent/Registrar Agreement, on file with the Municipal Clerk,
2 is hereby approved and its execution by the Chief Fiscal Officer on behalf of the
3 Municipality with such changes as may hereafter be approved by him is hereby authorized.

4 The Paying Agent, as Note Registrar, shall maintain a Note Register which shall
5 include the names and addresses of the owners or nominees of the owners of the Notes
6 and which shall provide for the registration, transfer and exchange of Notes. The
7 Municipality covenants that, until all Notes have been surrendered and canceled, it will
8 maintain a system for recording the ownership of each Note that complies with the
9 provisions of Section 149 of the Code.

10 The Paying Agent may become the owner of or may deal in Notes as fully and with
11 the same rights as if it were not the Paying Agent.

12 (b) Concerning the use of DTC,

13 (1) The Notes shall be registered initially in the name of "Cede & Co.", as
14 nominee of DTC, as a single Note in a denomination corresponding to the total principal
15 amount of the Notes. Registered ownership of such immobilized Notes, or any portions
16 thereof, may not thereafter be transferred except (i) to any successor of DTC or its
17 nominee, provided that any such successor shall be qualified under any applicable laws to
18 provide the service proposed to be provided by it; (ii) to any substitute depository appointed
19 by the Municipality pursuant to (2) below or such substitute depository's successor; or (iii)
20 to any person as provided in (4) below.

21 (2) Upon the resignation of DTC or its successor (or any substitute
22 depository or its successor) from its functions as depository or a determination by the
23 Assembly that it is no longer in the best interest of owners of beneficial interests in the
24 Notes to continue the system of book-entry transfers through DTC or its successor (or any
25 substitute depository or its successor), the Municipality may thereafter appoint a substitute
26 depository. Any such substitute depository shall be qualified under any applicable laws to

1 provide the services proposed to be provided by it.

2 (3) In the case of any transfer pursuant to clause (i) or (ii) of (1) above, the
3 Paying Agent shall, upon receipt of the outstanding Note, together with a written request
4 on behalf of the Municipality, issue a single new Note registered in the name of such
5 successor or such substitute depository, or their nominees, as the case may be, all as
6 specified in such written request of the Municipality.

7 (4) In the event that (i) DTC or its successor (or substitute depository or its
8 successor) resigns from its functions as depository and no substitute depository can be
9 obtained, or (ii) the Municipality determines that it is in the best interest of the beneficial
10 owners of the Notes that they be able to obtain Note certificates, the ownership of Notes
11 may then be transferred to any person or entity as herein provided and the Notes shall no
12 longer be held in fully immobilized form. The Municipality shall deliver a written request to
13 the Paying Agent, together with a supply of definitive Notes, to issue Notes as herein
14 provided in any authorized denomination. Upon receipt of all then outstanding Notes by
15 the Paying Agent, together with a written request on behalf of the Municipality to the Paying
16 Agent, new Notes shall be issued in such denominations and registered in the names of
17 such persons as are requested in such written request.

18 Section 12. Mutilated, Destroyed, Stolen or Lost Notes. In case any Note shall
19 become mutilated or be destroyed, stolen or lost, the Municipality may cause to be
20 executed, and shall deliver, a new Note of like principal amount and interest rate in
21 exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of
22 and in substitution for such Note destroyed, stolen or lost, in each case upon the registered
23 owner thereof paying the reasonable expenses and charges of the Municipality and the
24 Paying Agent in connection therewith and in the case of a Note destroyed, stolen or lost,
25 filing by the owner with the Paying Agent evidence satisfactory to the Paying Agent and the
26 Municipality that such Note was destroyed, stolen or lost and the owner's ownership

1 thereof, and furnishing the Municipality and the Paying Agent with indemnity satisfactory
2 to them. Any new Note so delivered may bear a number differing from the number of the
3 Note it replaces.

4 Section 13. Transfer of Notes and Delivery of New Notes. If the Notes are no
5 longer held in book-entry form, any Note may be transferred only upon the books kept for
6 the registration and transfer of Notes by the Paying Agent, as Note Registrar, upon
7 surrender thereof at the corporate trust office designated by the Paying Agent, together
8 with an assignment duly executed by the registered owner or the registered owner's
9 attorney in such form as shall be satisfactory to the Paying Agent. Upon the transfer of any
10 such Note, there shall be executed in the name of the transferee, and the Municipality shall
11 cause to be authenticated and delivered, a new registered Note or Notes of the same
12 aggregate principal amount and the same interest rate in any of the authorized denomina-
13 tions.

14 In all cases in which Notes may be transferred under this Ordinance, there shall be
15 executed, and the Municipality shall authenticate and deliver, Notes in accordance with the
16 provisions of this Ordinance. Any such transfer shall be without cost to the registered
17 owner, except that the Municipality and the Paying Agent may make a charge for every
18 such registration, exchange or transfer of Notes sufficient to reimburse them for any tax,
19 fee or other governmental charge required to be paid with respect to such registration, ex-
20 change or transfer, and such charge or charges shall be paid before any such new Note
21 shall be delivered.

22 Section 14. Ownership of Notes. As to any Note, the person in whose name the
23 same shall be registered on the Note Register shall be deemed and regarded as the
24 absolute owner thereof for all purposes, and payment of or on account of the principal of
25 such Note and the interest on such Note shall be made only to or upon the order of the
26 registered owner thereof or the owner's legal representative, but such registration may be

1 changed as hereinabove provided. All such payments shall be valid and effectual to satisfy
2 and discharge the liability upon such Note, including the interest thereon, to the extent of
3 the sum or sums so paid.

4 The Notes shall be uncertificated securities to the extent provided by Alaska
5 Statutes, Chapter 45.08. The Municipality and the Paying Agent shall be entitled to treat
6 the person in whose name any Note is registered as the absolute owner thereof for all
7 purposes of this Ordinance and any applicable laws, notwithstanding any notice to the
8 contrary received by the Paying Agent or the Municipality. Neither the Municipality nor the
9 Paying Agent will have any responsibility or obligation, legal or otherwise, to any other
10 party, except to the owners of the Notes.

11 Section 15. Repayment Fund. There is hereby created the "2003 General
12 Obligation Tax Anticipation Note Repayment Fund," the money in which shall be invested
13 in obligations of, or obligations insured or guaranteed by, the United States or an agency
14 or instrumentality of the United States, held for the benefit of the registered owners of the
15 Notes and used on the maturity date of the Notes, to the extent necessary, to pay the
16 principal of and interest on the Notes. The Municipality hereby covenants to pay into said
17 Fund on or before the first day of each of the six months preceding the maturity date of the
18 Notes an amount which is not less than one-sixth of the principal and interest due on
19 maturity of the Notes. Whenever the total of the money deposited in said Fund, together
20 with the earnings from the investment thereof, shall exceed the amount needed to pay in
21 full the principal of and interest on the Notes at maturity, such excess shall be transferred
22 to the general fund of the Municipality.

23 Section 16. Arbitrage Covenant. The Municipality covenants with the registered
24 owners of all Notes at any time outstanding that it will make no use of the proceeds of the
25 Notes which will cause the Notes to be "arbitrage bonds" subject to federal income taxation
26 by reason of Section 148 of the Code. To that end, so long as any of the Notes are

1 outstanding, the Municipality, with respect to the proceeds of the Notes, shall comply with
2 all requirements of said Section 148 and of all regulations of the United States Department
3 of Treasury issued thereunder, to the extent that such requirements are, at the time,
4 applicable and in effect.

5 As part of the performance of this covenant, within 25 days of the end of the six-
6 month period beginning on the date of delivery of the Notes, the Municipality will perform
7 such calculations as are necessary to determine whether or not the Municipality has met
8 the "safe harbor" requirements of Section 148(f)(4)(B)(iii) of the Code with respect to the
9 Notes and, if it has not met such safe harbor requirements, it will, within 45 days after the
10 retirement of the Notes, calculate the amount, if any, of investment profits that must be
11 rebated to the United States, and will pay to the United States the amount of any such
12 investment profit within 60 days of retirement of the Notes.

13 Section 17. Compliance with Code. The Municipality hereby covenants to comply
14 with any and all applicable requirements set forth in the Code in effect from time to time to
15 the extent that such compliance shall be necessary for the exemption from federal income
16 taxes of the interest on the Notes. The Municipality hereby further covenants to observe
17 any and all applicable requirements in any future federal tax legislation to the extent that
18 such compliance is determined by the Municipality to be legal and practicable and required
19 for such exemption.

20 Section 18. Sale of Notes, Final Terms, Approval of Official Statement. The Notes
21 shall be sold at negotiated sale to the Underwriter (as defined below). The Chief Fiscal
22 Officer, with the assistance of the Financial Advisor (as defined below), is hereby
23 authorized to negotiate terms for the purchase of not to exceed Twenty-Five Million Dollars
24 (\$25,000,000) in principal amount of the Notes by George K. Baum & Company (the
25 "Underwriter"), and is further authorized to execute a contract with the Underwriter for the
26 purchase of the Notes which is in the best interest of the Municipality.

1 The Municipality has been advised by its financial advisor, UBS PaineWebber Inc.
2 (the "Financial Advisor"), that market conditions continue to fluctuate and, as a result, the
3 most favorable market conditions may occur on a day other than a regular meeting date
4 of the Assembly. The Assembly has determined that it would be inconvenient, perhaps
5 impossible, to hold a special meeting on short notice and, accordingly, has determined that
6 it would be in the best interest of the Municipality to delegate to the Chief Fiscal Officer for
7 a limited time the authority to approve certain details of the Notes including the delivery
8 date, the total principal amount to be sold, the purchase price, the maturity date and the
9 interest rate. The interest rate for the Notes shall be determined by agreement among the
10 Underwriter, the Financial Advisor and the Chief Fiscal Officer, shall take into account those
11 factors which, in their judgment, will result in the lowest net effective interest cost on the
12 Notes, and shall be set forth as an exhibit to the Purchase Contract for the Notes.

13 The Chief Fiscal Officer is hereby authorized to execute the final form of the
14 Purchase Contract with the Underwriter for the Notes upon her approval of the details of
15 the Notes including the delivery date, the total principal amount, the maturity date, the
16 interest rate per annum and the true interest cost on the Notes. The authority granted to
17 the Chief Fiscal Officer or the acting Chief Fiscal Officer by this Section shall expire on May
18 31, 2003. If the terms of the Notes have not been approved by the Chief Fiscal Officer in
19 accordance with the delegated authority of this Section by said date, the Notes shall be
20 sold in the manner provided in the following paragraph.

21 The Chief Fiscal Officer is hereby authorized to solicit an offer or offers for the
22 purchase of the Notes from a qualified and selected underwriter or underwriters in such
23 manner as she deems appropriate, and thereafter to negotiate a contract for the purchase
24 of the Notes which is in the best interest of the Municipality, said contract or contracts to
25 be approved by the Assembly by resolution.

26 The Chief Fiscal Officer is authorized to review and to approve, on behalf of the

1 Municipality, the Preliminary Official Statement and Official Statement relating to the
2 issuance and sale of the Notes with such changes, if any, as may be deemed by her to be
3 appropriate.

4 Section 19. Authority of Officers. The Mayor, the Municipal Manager, the Chief
5 Fiscal Officer, the Municipal Clerk and the acting Municipal Clerk from time to time, are,
6 and each of them hereby is, authorized and directed to do and perform all things and
7 determine all matters not determined by this Ordinance, or to be determined by a
8 subsequent ordinance or resolution of the Municipality, to the end that the Municipality may
9 carry out its obligations under the Notes and this Ordinance. The proper officials of the
10 Municipality are authorized and directed to execute all documents and to do everything
11 necessary for the preparation and delivery of a transcript of proceedings pertaining to the
12 Notes and the preparation, authentication and delivery of the single initial Note in definitive
13 form to DTC on behalf of the purchasers thereof.

14 Section 20. Amendatory and Supplemental Ordinances. (a) The Assembly from
15 time to time and at any time may adopt an ordinance or ordinances supplemental hereto,
16 which ordinance or ordinances thereafter shall become a part of this Ordinance, for any
17 one or more of the following purposes:

18 (1) To add to the covenants and agreements of the Municipality in this
19 Ordinance contained, other covenants and agreements thereafter to be observed,
20 or to surrender any right or power herein reserved to or conferred upon the
21 Municipality.

22 (2) To make such provisions for the purpose of curing any ambiguities
23 or of curing, correcting or supplementing any defective provision contained in this
24 Ordinance or in regard to matters or questions arising under this Ordinance as the
25 Assembly may deem necessary or desirable and not inconsistent with this
26 Ordinance and which shall not adversely affect the interests of the registered

1 owners of the Notes.

2 Any such supplemental ordinance of the Assembly may be adopted without the
3 consent of the registered owner of any of the Notes at any time outstanding, notwith-
4 standing any of the provisions of subsection (b) of this Section.

5 (b) With the consent of the registered owners of not less than 60% in aggregate
6 principal amount of the Notes at the time outstanding, the Assembly may adopt an
7 ordinance or ordinances supplemental hereto for the purpose of adding any provisions to
8 or changing in any manner or eliminating any of the provisions of this Ordinance or of any
9 supplemental ordinance; provided, however, that no such supplemental ordinance shall:

10 (1) Extend the fixed maturity of the Notes, or reduce the rate of
11 interest thereon, or extend the time of payment of interest from its due date, or
12 reduce the amount of the principal thereof, without the consent of the owner of each
13 Note so affected; or

14 (2) Reduce the aforesaid percentage of owners of Notes required to
15 approve any such supplemental ordinance without the consent of the owners of all
16 of the Notes then outstanding.

17 It shall not be necessary for the consent of the owners of the Notes under this
18 subsection to approve the particular form of any proposed supplemental ordinance, but it
19 shall be sufficient if such consent approves the substance thereof.

20 (c) Upon the adoption of any supplemental ordinance pursuant to the provisions of
21 this Section, this Ordinance shall be deemed to be modified and amended in accordance
22 therewith, and the respective rights, duties and obligations of the Municipality under this
23 Ordinance and all owners of Notes outstanding hereunder shall thereafter be determined,
24 exercised and enforced thereunder, subject in all respects to such modification and
25 amendment, and all the terms and conditions of any such supplemental ordinance shall be
26 deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

1 (d) Notes executed and delivered after the execution of any supplemental ordinance
2 adopted pursuant to the provisions of this Section may bear a notation as to any matter
3 provided for in such supplemental ordinance, and if such supplemental ordinance shall so
4 provide, new Notes so modified so as to conform, in the opinion of the Municipality, to any
5 modification of this Ordinance contained in any such supplemental ordinance may be
6 prepared by the Municipality and delivered without cost to the registered owners of the
7 Notes then outstanding, upon surrender for cancellation of such Notes in equal aggregate
8 principal amounts.

9 Section 21. Prohibited Sale of Notes. No person, firm or corporation, or any agent
10 or employee thereof, acting as financial consultant to the Municipality under an agreement
11 for payment in connection with the sale of the Notes is eligible to purchase the Notes as
12 a member of the original underwriting syndicate either at public or private sale.

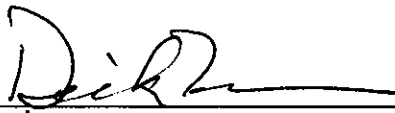
13 Section 22. Miscellaneous. No recourse shall be had for the payment of the
14 principal of or the interest on the Notes or for any claim based thereon or on this Ordinance
15 against any member of the Assembly or officer of the Municipality or any person executing
16 the Notes. The Notes are not and shall not be in any way a debt or liability of the State of
17 Alaska or of any political subdivision thereof, except the Municipality, and do not and shall
18 not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of
19 said State or of any political subdivision thereof, except the Municipality.

20 Section 23. Severability. If any one or more of the covenants and agreements
21 provided in this Ordinance to be performed on the part of the Municipality shall be declared
22 by any court of competent jurisdiction to be contrary to law, then such covenant or
23 covenants, agreement or agreements shall be null and void and shall be deemed separable
24 from the remaining covenants and agreements in this Ordinance and shall in no way affect
25 the validity of the other provisions of this Ordinance or of the Notes.

26 Section 24. Effective Date. This Ordinance shall take effect immediately.

PASSED AND APPROVED by the Anchorage Assembly, this 22nd day of

April 2003.


Chairman

ATTEST:


Acting Municipal Clerk



Municipality of Anchorage

ASSEMBLY MEMORANDUM

No. AM 299-2003

Meeting Date: April 8, 2003

1 **FROM:** Mayor

2
3 **SUBJECT:** AO 2003-65 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF
4 NOT TO EXCEED \$25,000,000 IN TAX ANTICIPATION NOTES
5

6 AR 2003-65 for the issuance of not to exceed \$25,000,000 in aggregate principle amount of tax
7 anticipation notes of the Municipality; fixing certain details of said notes; providing for the form
8 and manner sale of said notes; pledging the receipts from ad valorem property taxes to be levied
9 during 2003 and the full faith and credit of the Municipality to the payment thereof; authorizing
10 the Chief Fiscal Officer to negotiate and execute a contract for the purchase and sale of said
11 notes; and related matters.
12

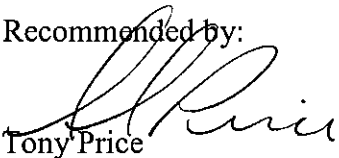
13 **Background:**
14

15 AWWU is in the middle of a multi-year capital improvement program funded to date from the
16 MOA cash pool. To allow continuation of AWWU's capital improvements and provide for
17 replenishment of the MOA cash pool, tax anticipation notes are being issued. The tax
18 anticipation notes are necessary to provide interim financing, allowing the capital improvement
19 program to continue without interruption caused by lack of funds.
20

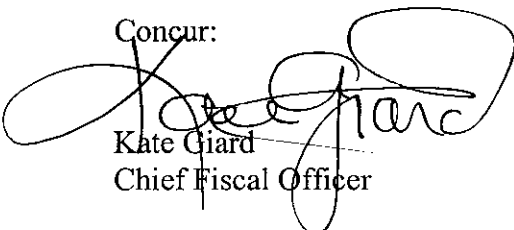
21 We are making progress toward a revenue bond to permanently fund AWWU's capital
22 improvements, however, do not anticipate closure before funds expire. Due to this uncertainty
23 we feel compelled to provide interim financing by issuing tax anticipation notes. All cost of
24 issuance and interest cost will be paid by AWWU.
25

26 THE ADMINISTRATION RECOMMENDS APPROVAL OF AO 2003-65.
27

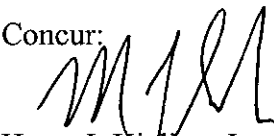
28 Recommended by:

29 
30 Tony Price
31 Senior Finance Officer
32

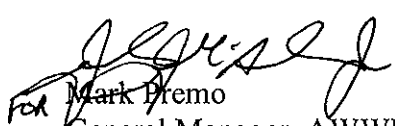
Concur:

33 
34 Kate Giard
35 Chief Fiscal Officer
36

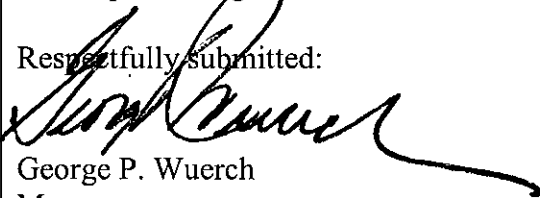
37 Concur:

38 
39 Harry J. Kieling, Jr.
40 Municipal Manager
41

Concur:

42 
43 Mark Premo
44 General Manager, AWWU

45 Respectfully submitted:

46 
47 George P. Wuerch
48 Mayor

Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

AO 2003-65

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

1	SUBJECT OF AGENDA DOCUMENT	DATE PREPARED	
	AO 2003-65 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$25,000,000 IN TAX ANTICIPATION NOTES	4/1/03	
		Indicate Documents Attached ☐ AO ☐ AR ☒ AM ☐ AIM	
2	DEPARTMENT NAME	DIRECTOR'S NAME	
	Finance	Kate Giard	
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY	HIS/HER PHONE NUMBER	
	Tony Price, Senior Finance Officer	343-6610	
4	COORDINATED WITH AND REVIEWED BY	INITIALS	DATE
	X Mayor		
	Heritage Land Bank		
	Merrill Field Airport		
	Municipal Light & Power		
	Port of Anchorage		
	Solid Waste Services		
	X Water & Wastewater Utility	<i>[Signature]</i>	4/3/03
	X Municipal Manager	<i>[Signature]</i>	4/4
	Cultural & Recreational Services		
	Employee Relations		
	X Finance, Chief Fiscal Officer	<i>[Signature]</i>	4/4/03
	Fire		
	Health & Human Services		
	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		
	Municipal Attorney		
	Municipal Clerk		
	Other		
5	Special Instructions/Comments		
6	ASSEMBLY HEARING DATE REQUESTED	7	PUBLIC HEARING DATE REQUESTED
	4/8/03 APR 15 2003		4/22/03

AO 2003-65

2003 APR 15 2:57
 OFFICE OF THE
 MUNICIPAL CLERK