

1 **CLERK'S OFFICE**

2 **APPROVED**

2 Date: 8-17-04

Submitted by: Chairman of the Assembly at the

Prepared by: Request of the Mayor  
Wohlforth, Vassar, Johnson  
& Brecht

For Reading: August 17, 2004

4 **MUNICIPALITY OF ANCHORAGE**

5 **RESOLUTION NO. AR 2004-207**

6 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE,  
7 ALASKA, RELATING TO THE ISSUANCE AND SALE OF NOT  
8 TO EXCEED \$190,000,000 OF 2004 GENERAL OBLIGATION  
9 REFUNDING BONDS (SCHOOLS) AUTHORIZED BY  
ORDINANCE NO. AO 2004-72; AUTHORIZING THE  
EXECUTION OF A BOND PURCHASE CONTRACT AND  
RELATED MATTERS.

10  
11 WHEREAS, on March 24, 2004, the Assembly of the Municipality of Anchorage,  
12 Alaska (the "Municipality"), adopted Ordinance No. AO 2004-72 authorizing the issuance  
13 and sale of not to exceed \$190,000,000 of General Obligation Refunding Bonds, Series B  
14 (Schools) (the "Bonds"); and

15 WHEREAS, the Ordinance authorized the Chief Fiscal Officer to negotiate the sale of  
16 the Bonds and, among other things, execute a bond purchase contract with the  
17 representative of the underwriters, which was in the best interest of the Municipality; and

18 WHEREAS, authorization for the Chief Fiscal Officer to enter into a bond purchase  
19 contract for the Bonds expired 90 days after passage of the Ordinance; and

20 WHEREAS, the Ordinance allows the Assembly to pass a resolution which again  
21 authorizes the Chief Fiscal Officer to negotiate a contract for the sale of the Bonds; and;

22 WHEREAS, it is hereby found to be in the best interest of the Municipality to  
23 authorize the Chief Fiscal Officer to enter into a bond purchase contract for the sale of the  
24 Bonds pursuant to the terms of the Ordinance.

1 NOW THEREFORE, BE IT RESOLVED BY THE MUNICIPALITY OF ANCHORAGE, as  
2 follows:

3 Section 1) Definitions. Capitalized terms used in this Resolution, which are not  
4 otherwise defined herein, shall have the same meaning as in the Ordinance. In addition, the  
5 following terms shall have the following meanings:

6 (a) "Chief Fiscal Officer" means the Chief Fiscal Officer of the Municipality or  
7 person designated in writing by the Chief Fiscal Officer.

8 (b) "Financial Advisor" means UBS Financial Services Inc.

9 (c) "Underwriters" means George K. Baum & Company, as representative of itself,  
10 Bear, Stearns, & Co., Inc., Citigroup Global Markets Inc., and Morgan Stanley.

11 Section 2) Bond Sale and Purchase Contract. The sale of not to exceed One  
12 Hundred Ninety Million and No/100 dollars (\$190,000,000) principal amount of the  
13 Municipality's 2004 General Obligation Refunding Bonds, Series B (Schools), authorized by  
14 the Ordinance, shall be sold at negotiated sale to the Underwriters. The Chief Fiscal Officer,  
15 with the assistance of the Financial Advisor, is hereby authorized to negotiate the terms of  
16 the Bonds as authorized by the Ordinance and to execute a purchase contract with the  
17 representative of the Underwriters for the purchase of the Bonds, all of which are in the best  
18 interest of the Municipality.

19 The authority granted to the Chief Fiscal Officer by this Resolution shall expire 180  
20 days from the date of approval of this Resolution.

21 Section 3) Effective Date. This Resolution shall take effect immediately.  
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23  
24  
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26

PASSED AND APPROVED by the Anchorage Assembly, this 17<sup>th</sup> day of

August 2004.

Dick 2  
Chairman

ATTEST:

Sharon S. Brunster  
Municipal Clerk



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

AM No. 633-2004

Meeting Date: August 17, 2004

**From:** Mayor

**Subject:** Resolutions Authorizing the Refunding of Municipal General Purpose and School General Obligation Bonds

The attached resolutions extend the authority of the Municipality to refund of certain general purpose and school general obligation bonds by an additional 180 days.

A drop in interest rates in early 2004 created a temporary opportunity to generate substantial current and future savings by refunding certain general purpose and school general obligation bonds currently outstanding. On March 24, 2004, the Assembly adopted Ordinance No. 2004-71 authorizing the issuance of up to \$72,000,000 in General Purpose General Obligation Refunding Bonds, and Ordinance No. 2004-72 authorizing the issuance of up to \$190,000,000 in School General Obligation Refunding Bonds. The authorization was good for 90 days. However, interest rates increased sharply in the weeks following assembly authorization and despite the best efforts of the Municipality's financial team, it was impossible to complete the refunding and achieve the savings. Since that time, interest rates have generally been trending upward making the approved refundings uneconomical.

In recent months, interest rates have again declined. During the week ended August 6<sup>th</sup>, interest rates dropped sharply providing another opportunity to generate savings by refunding certain general obligation bonds. Since the refunding authorization provided through Ordinances No. 2004-71 and 2004-72 expired in late June, it is necessary for the assembly to extend the authorization through adoption of the attached resolutions.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ATTACHED RESOLUTIONS EXTENDING THE AUTHORIZATION TO REFUND CERTAIN GENERAL PURPOSE AND SCHOOL GENERAL OBLIGATION BONDS.

Prepared by: Jeffrey E. Sinz , Chief Fiscal Officer  
Concurrence: Denis C. LeBlanc, Municipal Manager  
Respectfully submitted: Mark Begich, Mayor

### Content Information

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**Type:** AM\_LegalServices - Legal Services Memorandum

**Title:** Issuance and sale NTE \$190,000,000 of 2004 General Obligation Refunding Bonds (Schools) & NTE \$72,000,000 of 2004 General Obligation Refunding Bonds (Gen. Purpose) - AR 2004-207 & AR 2004-208

**Author:** pruittns

**Initiating Dept:** Finance

**Keywords:** refunding bonds, schools, general purpose

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**Assembly**

**Meeting Date** 8/17/04

**MM/DD/YY:**

**Public Hearing** 9/7/04

**Date MM/DD/YY:**

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MuniManager_SubWorkflow	8/12/04 5:11 PM	Approve	leblancdc	Public	002089
MuniMgrCoord_SubWorkflow	8/12/04 5:36 PM	Approve	abbottmk	Public	002089

2004 AUG 13 AM 11:11  
CLERK OFFICE  
M.O.A.

*Action*  
ADDENDUM - CONSENT AGENDA - ~~INTRODUCTION~~