

Date: 8-17-04

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Wohlforth, Vassar, Johnson
& Brecht
For Reading: August 17, 2004

MUNICIPALITY OF ANCHORAGE

RESOLUTION NO. AR 2004-208

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE,
ALASKA, RELATING TO THE ISSUANCE AND SALE OF NOT
TO EXCEED \$72,000,000 OF 2004 GENERAL OBLIGATION
REFUNDING BONDS (GENERAL PURPOSE) AUTHORIZED
BY ORDINANCE NO. AO 2004-71; AUTHORIZING THE
EXECUTION OF A BOND PURCHASE CONTRACT AND
RELATED MATTERS.

WHEREAS, on March 24, 2004, the Assembly of the Municipality of Anchorage,
Alaska (the "Municipality"), adopted Ordinance No. AO 2004-71 authorizing the issuance
and sale of not to exceed \$72,000,000 of General Obligation Refunding Bonds, Series A
(General Purpose) (the "Bonds"); and

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

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

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

WHEREAS, it is hereby found to be in the best interest of the Municipality to
authorize the Chief Fiscal Officer to enter into a bond purchase contract for the sale of the
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 Seventy-
12 Two Million and No/100 dollars (\$72,000,000) principal amount of the Municipality's 2004
13 General Obligation Refunding Bonds, Series A (General Purpose), authorized by the
14 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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PASSED AND APPROVED by the Anchorage Assembly, this 17th day of

August 2004.

ATTEST:

Dick
Chairman

Barbara S. Brunette
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 6th, 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**Content ID :** 002089**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**Date Prepared:** 8/12/04 4:47 PM**Assembly****Meeting Date** 8/17/04**MM/DD/YY:****Public Hearing** 9/7/04**Date MM/DD/YY:****Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
LegalServicesAMWorkflow	8/12/04 4:51 PM	Checkin	pruittns	Public	002089
Finance_SubWorkflow	8/12/04 5:01 PM	Approve	sinzje	Public	002089
Legal_SubWorkflow	8/12/04 5:07 PM	Approve	fehlenrl	Public	002089
MuniManager_SubWorkflow	8/12/04 5:11 PM	Approve	leblancdc	Public	002089
MuniMgrCoord_SubWorkflow	8/12/04 5:36 PM	Approve	abbottmk	Public	002089

M.D.A.
 2004 AUG 13 AM 11:11
 CLERK OF COURT

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