

By: Mayor Cleworth  
Introduced: November 21, 2011

**RESOLUTION NO. 4501**

**A RESOLUTION SETTING FORTH THE METHOD BY WHICH THE  
POLICE STATION BONDS WILL BE LEGALLY DEFEASED, AND  
AUTHORIZING THE MAYOR TO ACT**

WHEREAS, on March 14, 2000, to finance costs of constructing and equipping a new public safety building, as authorized by Ordinance Nos. 5392 and 5405, and Resolution No. 3855 of the City Council (collectively, the "Bond Legislation"), following approval by the City's voters at an election held in the City on October 5, 1999, the City issued its General Obligation Bond, Series 2000, in the principal amount of \$7,000,000 (the "2000 Bond"); and

WHEREAS, in accordance with the Bond Legislation, the 2000 Bond was sold to the Alaska Municipal Bond Bank (the "Bond Bank") pursuant to a Loan Agreement dated as of March 1, 2000, between the City and the Bond Bank (the "Loan Agreement"); and

WHEREAS, as permitted by the Loan Agreement, the City refinanced its obligation to the Bond Bank by amending the Loan Agreement and issuing to the Bond Bank on March 22, 2005, its General Obligation Refunding Bond, 2005 (amending the 2000 Bond), in the principal amount of \$5,435,000 (the "2005 Bond"); and

WHEREAS, the 2005 Bond remains outstanding in the principal amount of \$1,890,000, payable in installments of principal and bearing interest at rates, as follows:

<u>Principal Installment Payment Year (October 1)</u>	<u>Principal Installment Amount</u>	<u>Interest Rate</u>
2012	\$ 600,000	5.00%
2013	630,000	5.00
2014	660,000	5.00

; and

WHEREAS, at an election held in the City on October 4, 2011, the City's voters approved a proposition (approved by the City Council in Ordinance No. 5846, as amended), that authorizes the City to pay off the debt incurred to finance construction of the public safety building, and

WHEREAS, Ordinance No. 5863, passed on November 14, 2011, approved a budget amendment appropriating funds for paying off the public safety building debt; and

WHEREAS, the Bond Bank has agreed to accept payment from the City to pay in full the City's obligation under the Loan Agreement, as amended, which will result in cancellation of the 2005 Bond;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fairbanks, Alaska, as follows:

Section 1. Providing for Payment in Full. From funds appropriated therefor, the City shall provide for payment to the Bond Bank of an amount sufficient to pay in full the City's obligations under the 2005 Bond and the amended Loan Agreement relating thereto. The City acknowledges and agrees that the Bond Bank will use this payment to (i) defease a portion of the Bond Bank's General Obligation Refunding Bonds, 2005 Series A, which were issued to provide funds to refinance the City's obligations under the Loan Agreement, and (ii) pay the Bond Bank's costs associated with the defeasance. The City is also authorized to pay costs of its legal counsel in connection with completing the transaction authorized by this resolution. Upon the Bond Bank's defeasance of its bonds, the City will receive the cancelled 2005 Bond as evidence that the City has fully satisfied its obligations to the Bond Bank under the Loan Agreement, as amended.

Section 2. General Authorization. The Mayor, Chief Financial Officer, City Clerk and any other appropriate officers, agents, attorneys and employees of the City are each hereby authorized and directed to cooperate with the Bond Bank and to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution.

Section 3. Prior Acts. Any and all acts heretofore taken by officers, agents, attorneys and employees of the City in connection with refinancing the Bond are hereby ratified and confirmed.

Section 4. Effective Date. This resolution shall take effect immediately upon its adoption.

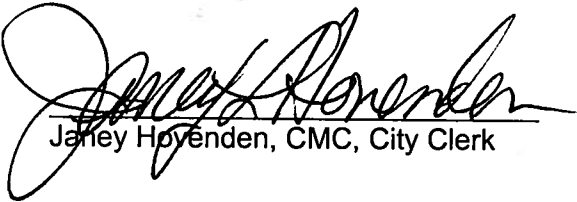
**PASSED and APPROVED this 21st Day of November 2011.**

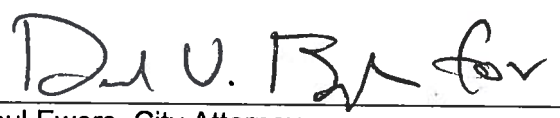
  
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Jerry Cleworth, City Mayor

AYES: PASSED and APPROVED on the Consent Agenda  
NAYS:  
ABSENT:  
APPROVED:

ATTEST:

APPROVED AS TO FORM:

  
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Janey Hoyenden, CMC, City Clerk

  
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Paul Ewers, City Attorney