

Introduced by: Mayor  
Date: Jan. 21, 1986  
Vote: 15 Yes, 1 No  
Action: Adopted

KENAI PENINSULA BOROUGH

RESOLUTION 86-12

FIXING THE INTEREST RATES AND OTHER DETAILS OF \$83,575,000 1986 GENERAL OBLIGATION SCHOOL BONDS AND ACCEPTING THE OFFER OF BANKAMERICA CAPITAL MARKETS GROUP, BANK OF AMERICA NT&SA FOR THE PURCHASE OF THE BONDS.

WHEREAS, Ordinance 85-97 adopted on January 21, 1986 authorized the issue of \$83,575,000 1986 General Obligation School Bonds for the purpose of raising funds to pay the costs of school construction in the Borough; and

WHEREAS, the Borough has this day received an offer of BankAmerica Capital Markets Group, Bank of America NT&SA to purchase all the bonds at the interest rates and prices and otherwise in the terms set forth in said offer.

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the bonds authorized by Ordinance 85-97 shall be dated February 1, 1986, and shall be issued in the aggregate principal amount of \$83,575,000 and shall bear interest as follows:

<u>Maturity Year</u>	<u>Amount</u>	<u>Interest Rate</u>
1987	\$2,715,000	12%
1988	\$3,040,000	12%
1989	\$3,405,000	12%
1990	\$3,815,000	12%
1991	\$4,270,000	7.9%
1992	\$4,610,000	7.5%
1993	\$4,955,000	7.7%
1994	\$5,335,000	7.8%
1995	\$5,750,000	7.9%
1996	\$6,205,000	8%
1997	\$6,700,000	8.1%
1998	\$7,245,000	8.2%
1999	\$7,840,000	8.3%
2000	\$8,490,000	8.4%
2001	\$9,200,000	8.4%

Section 2. That the Borough covenants to and with the owners of the bonds as follows:

(a) None of the proceeds of the bonds will be used directly or indirectly (i) to make or finance loans to persons or (ii) in any trade or business carried on by any person (other than use as a member of the general public). For purposes of the preceding sentence, the term "person"

does not include a governmental unit other than the United States or any agency or instrumentality thereof and the term "trade or business" means any activity carried on by a person other than a natural person.

(b) At least five percent of the net proceeds of the bonds will be spent within 30 days after the date of delivery of the bonds to carry out the governmental purpose of the bonds and all of the net proceeds of the bonds will be spent within three years after the date of delivery of the bonds. The term "net proceeds" means the amount of proceeds actually received from the sale of the bonds reduced by the costs of issuance of the bonds.

(c) The Borough will comply with the requirements of Section 147 of the Code, and the proposed amendments thereto contained in H.R. 3838 (the "Tax Reform Act of 1985"), passed by the U.S. House of Representatives on December 17, 1985, including the requirements of Section 147(e) relating to the required rebate to the United States.

The covenants contained in this paragraph may be changed or eliminated if the Borough receives an opinion from a firm of attorneys nationally recognized as municipal bond counsel that such change or elimination will not cause interest on the bonds to be subject to federal income taxation.

Section 3. That the written offer of BankAmerica Capital Markets Group, Bank of America NT&SA contained in the Contract of Purchase submitted to and part of the records of the meeting and attached hereto as Exhibit "A: to purchase the 1986 General Obligation School Bonds under the terms set forth in Ordinance 85-97 and this resolution and the interest rates, prices and other terms set forth therein and in the Contract of Purchase is hereby approved and the Mayor or Finance Director is authorized to execute the Contract of Purchase and to cause the same to be delivered on behalf of the Borough.

Section 4. That Rainier National Bank is appointed Principal Paying Agent for the bonds.

Section 5. That the Finance Director of the Borough is authorized to approve on behalf of the Borough the Official Statement relating to the bonds and in substantially the form presented and part of the records of this meeting.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 21st DAY OF January, 1986.

ATTEST:

  
Borough Clerk

  
Betty J. Glick, Assembly President