

CITY OF HOMER, ALASKA

RESOLUTION NO. 87-65

A RESOLUTION OF THE CITY OF HOMER, ALASKA, RELATING TO THE ISSUANCE AND SALE OF \$1,030,000 OF MUNICIPAL UTILITY SYSTEM SEWER REVENUE BONDS, 1987 SERIES A, AUTHORIZED BY ORDINANCE NO. 87-18; FIXING THE DATE, TERMS, MATURITIES AND INTEREST RATES FOR SUCH BONDS; PROVIDING FOR THE USE AND APPLICATION OF THE PROCEEDS OF SUCH BONDS; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING A FINAL OFFICIAL STATEMENT; APPOINTING A REGISTRAR AND PAYING AGENT FOR SAID BONDS; AND APPROVING THE EXECUTION OF A BOND PURCHASE CONTRACT.

WHEREAS, on August 10, 1987, the City Council of the City of Homer, Alaska (the "City") passed and approved Ordinance No. 87-18 authorizing the issuance and sale of \$1,030,000 of Municipal Utility System Sewer Revenue Bonds, 1987 Series A as such Ordinance may be amended from time to time, including an amendatory ordinance introduced on this date (collectively referred to herein as the "Ordinance"); and

WHEREAS, pursuant to the Ordinance, the proper officials of the City have negotiated a bond purchase contract (the "Bond Purchase Contract") with Boettcher & Company, Inc. (the "Underwriter"), which provides, inter alia, for the issuance and sale by the City and the purchase by the City of \$1,030,000 of the bonds authorized by the Ordinance; and

WHEREAS, it is hereby found to be in the best interest of the City that the Bond Purchase Contract be approved and executed and

that certain matters relating to such bonds and the use of the proceeds of such sale be established;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, as follows:

Section 1. Bond Sale and Bond Purchase Contract. The sale of \$1,030,000 of Municipal Utility System Sewer Revenue Bonds, 1987 Series A authorized by the Ordinance (the "Bonds") as provided in the Bond Purchase Contract is hereby authorized and approved. The Underwriter has presented a Bond Purchase Contract to the City Council which Bond Purchase Contract is on file with the City Clerk. Under the Bond Purchase Contract, the Underwriter has offered to purchase the Bonds under the terms and conditions set forth therein, and in the Ordinance, and in this resolution. The City Council finds that entering into the Bond Purchase Contract is in the City's best interest and, therefore, accepts the offer contained in the Bond Purchase Contract and authorizes the execution of the Bond Purchase Contract by the Mayor or the City Manager or the Director of Finance/Treasurer on behalf of the City.

Section 2. Bond Date and Payments; Appointment of Paying Agent and Registrar. The Bonds, in the aggregate principal amount of \$1,030,000, shall be dated October 15, 1987 and shall bear interest payable on October 1, 1988 and semiannually thereafter on the first days of each April and October. Interest on the Bonds shall be paid by check or draft mailed to the registered owners of record as of the 15th day of the month preceding each interest

payment date as shown on the registration books of the City. Pursuant to the Ordinance, the City hereby designates and appoints Rainier National Bank, Seattle, Washington (or its corporate successor) as the Registrar and Paying Agent for the Bonds. As Registrar, Rainier National Bank, Seattle, Washington, shall maintain the bond registration books of the City. Principal of the Bonds shall be payable only upon presentation and surrender of the Bonds at the principal corporate trust office of the Registrar in Seattle, Washington.

Section 3. Bond Maturities. The Bonds shall bear interest from their date at the rates per annum and shall mature on October 1 of the following years in the following principal amounts:

<u>Maturity Year</u> <u>(October 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1989	\$ 25,000	6.00
1990	30,000	6.25
1991	30,000	6.50
1992	30,000	6.75
1993	35,000	7.00
1994	35,000	7.25
1995	40,000	7.50
1996	40,000	7.75
1997	45,000	8.00
2007	720,000*	9.375 (3/8)

* (Term Bonds)

Section 4. Redemption.

A. Mandatory Redemption. The Bonds maturing on October 1, 2007 (the "Term Bonds") shall be subject to mandatory redemption prior to their scheduled maturity on October 1 of the

following years in the following principal amounts at a price of par plus accrued interest to the date of redemption:

<u>Redemption Year</u>	<u>Principal Amount</u>
1998	\$ 50,000
1999	55,000
2000	55,000
2001	60,000
2002	65,000
2003	75,000
2004	80,000
2005	85,000
2006	95,000
2007	100,000*

* Final Maturity

B. Optional Redemption. The Bonds maturing on and prior to October 1, 1997 shall not be subject to redemption prior to their scheduled maturity. The Bonds maturing on and after October 1, 1998 are subject to redemption at the option of the City on October 1, 1997 and on any interest payment date thereafter, in whole or in part, in inverse order of maturity, at a price of par plus accrued interest to the date of redemption.

C. Notice of Redemption. Notice of any redemption of Bonds prior to their scheduled maturity shall be given by the City as provided in the first paragraph of Section 6.1 of Ordinance No. 87-18, as such Section may be amended from time to time.

Section 5. Designation of Bonds. The City hereby designates the Bonds as "qualified tax-exempt obligations" under Section 265(b) of the Internal Revenue Code of 1986 for investment by financial institutions. The City does not expect to issue tax-

exempt obligations during the calendar year of 1987 in excess of \$10,000,000.

Section 6. Application of Bond Proceeds. Accrued interest received from the sale of the Bonds, if any, shall be deposited into the Interest Account in the Bond Fund and shall be used to pay interest on the Bonds on the first interest payment date therefor. The balance of the proceeds from the sale of the Bonds shall be deposited into the Construction Fund and shall be used to construct and improve the System, including but not limited to the installation of a new sewer outfall line and pump stations, and such additional improvements as shall be approved by the City Council, and, if proper, to reimburse any fund of the City which may have advanced money for such purpose, and to pay costs of Bond issuance.

Section 7. Further Actions. The proper officials of the City are authorized and directed to execute all documents and to do everything necessary for the preparation and delivery of a transcript of proceedings pertaining to the Bonds and the printing, authentication and delivery of the Bonds in definitive form to the Underwriter.

The form and content of the Preliminary Official Statement, dated September 1, 1987, in connection with the Bonds, as amended with the comments of the City and Bond Counsel, delivered to the Underwriter on this date (the "Preliminary Official Statement"), a copy of which is on file with the Director of Finance/Treasurer of

the City, should be and the same hereby is in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement by the Underwriter in connection with the offering for sale of the Bonds is authorized, approved and ratified. The Mayor or City Manager or Director of Finance/Treasurer is hereby authorized, empowered and directed to execute the final Official Statement in the name of and on behalf of the City to be delivered to the Underwriter for use in connection with the sale of the Bonds with such changes, modifications, additions or deletions as shall seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the approval of any and all changes, modifications, additions or deletions from the form and content of the Preliminary Official Statement.

The Director of Finance/Treasurer is hereby further authorized to enter into an agreement with Rainier National Bank, Seattle, Washington, for their services as Registrar and Paying Agent hereunder and under the Ordinance.

Section 8. Ratification. All actions taken by the Mayor or City Manager and the Director of Finance/Treasurer relative to the sale of the Bonds are hereby in all respects ratified and confirmed.

Section 9. Effective Date. This resolution shall take effect immediately upon its adoption and approval

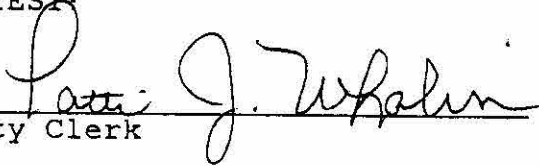
PASSED AND ADOPTED by the City Council of the City of Homer, Alaska this 30th day of September, 1987.

CITY OF HOMER, ALASKA



Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:

City Attorney