

CITY OF HOMER, ALASKA

RESOLUTION NO. 88-40

A RESOLUTION OF THE CITY OF HOMER, ALASKA AUTHORIZING THE EARLY REDEMPTION AT A DISCOUNT OF THE CITY'S GENERAL OBLIGATION WATER BONDS, 1974 AND ITS GENERAL OBLIGATION BOND, 1970.

WHEREAS, the City of Homer, Alaska (the "City"), by Ordinance No. 74-8 authorized the issuance of \$1,100,000 principal amount of its General Obligation Water Bonds, 1974 (the "1974 Bonds"); and

WHEREAS, the City by Ordinance No. 81-15 authorized the defeasance of the 1974 Bonds by placing money and Government Obligations in escrow for the purpose of paying the principal and interest on the 1974 Bonds when due; and

WHEREAS, the City by Ordinance 70-10 authorized the issuance of \$522,600 principal amount of its General Obligation Bond, 1970 (the "1970 Bonds"); and

WHEREAS, the City by Ordinance No. 84-19 authorized the defeasance of the 1970 Bonds by placing money and Government Obligations in escrow for the purpose of paying the principal and interest in the 1970 Bonds when due; and

WHEREAS, Farmers Home Administration of the United States Department of Agriculture (the "Government") as owner of the 1974 Bonds and 1970 Bonds has authorized a Discount Purchase Program which offers communities the opportunity to redeem their Bonds at discounted prices; and

WHEREAS, the City has determined that a substantial saving will result to the City from an early redemption of the 1974 Bonds and 1970 Bonds at the discounted prices offered by the Government under the Discount Purchase Program,

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

**Section 1. Definitions.** As used in this Resolution the following words shall have the following meanings:

1. **"City"** means the City of Homer, Alaska, a municipal corporation duly organized and existing in the State of Alaska.
2. **"City Council"** means the legislative body of the City as the same shall be duly constituted from time to time.
3. **"Defeasance Agent"** means Rainier National Bank acting as Defeasance Agent for the City with respect to the 1970 Bonds and the 1974 Bonds.
4. **"Defeasance Accounts"** means the 1981 Defeasance Account and the 1984 Defeasance Account.
5. **"Government"** means the Farmers Home Administration of the United States Department of Agriculture.
6. **"Government Obligations"** means direct obligations of the United States of America.
7. **"1970 Bonds"** means \$522,600 principal amount of General Obligation Bond, 1970 authorized by Ordinance 70-10.

8. "1974 Bonds" means the \$1,100,000 principal amount of General Obligation Water Bonds, 1974 authorized by Ordinance 74-8.

**Section 2. Early Redemption.** The City Council hereby authorizes and calls for early redemption the 1970 Bonds and the 1974 Bonds at the discounted prices offered by the Government pursuant to its Discount Purchase Program.

**Section 3. Authorization.** The City Manager, Finance Director and the Defeasance Agent are authorized and directed to sell any Government Obligations held in escrow within the Defeasance Accounts and to apply the proceeds from such sale and other monies held in escrow in the Defeasance Accounts to the early redemption of the 1974 Bonds and the 1970 Bonds at the discounted prices offered by the Government under its Discounted Purchase Program. The City Manager, Finance Director and Defeasance Agent are authorized and directed to take such actions and execute such documents as may be required to effect the early redemption of the 1970 Bonds and the 1974 Bonds.

**Section 3. Remaining Funds.** After the redemption of the 1970 Bonds and the 1974 Bonds from the proceeds of the Government Obligations and cash in the Defeasance Accounts the City Manager, Finance Director and the Defeasance Agent are authorized and directed to return the remaining monies available after redemption to the City's utility funds for the uses and purposes determined by appropriation by the City Council.

Section 4. Effective Date. This Resolution shall become effective immediately upon adoption.

APPROVED AT HOMER, ALASKA this 25<sup>th</sup> day of April, 1988.

CITY OF HOMER, ALASKA

By John P. Calhoun  
JOHN P. CALHOUN, MAYOR

ATTEST:

By Patti J. Whalin  
Patti J. Whalin  
City Clerk