ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

REFUNDING BONDS

Serial No. 2020-21

AN ORDINANCE APPROVING THE CITY AND BOROUGH'S PARTICIPATION IN PROPOSED REFINANCINGS BY THE ALASKA MUNICIPAL BOND BANK OF THE BOND BANK'S VARIOUS GENERAL OBLIGATION BONDS THAT PROVIDED FUNDS TO PURCHASE VARIOUS GENERAL OBLIGATION AND REVENUE BONDS OF THE CITY AND BOROUGH, UNDER LOAN AGREEMENTS BETWEEN THE CITY AND BOROUGH AND THE BOND BANK; AND AUTHORIZING REVISED SCHEDULES OF PRINCIPAL AND INTEREST PAYMENTS ON THE CITY AND BOROUGH'S BONDS, IN ACCORDANCE WITH THE LOAN AGREEMENTS, IF THE BOND BANK SUCCESSFULLY REFINANCES ITS BONDS.

Approved: May 18, 2020

Prepared by:

K&L GATES LLP
Seattle, Washington

City and Borough of Juneau, Alaska
Ordinance Serial No. 2020-21
Table of Contents*

		Page
Section 1.	Classification	3
Section 2.	Approval of Refinancing	3
Section 3.	General Authorization	8
Section 4.	Prior Acts	8
Section 5.	Effective Date	8

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Presented by: The Manager
Introduced: 04/27/2020
Drafted by: Bond Counsel

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-21

An Ordinance approving the City and Borough's participation in proposed refinancings by the Alaska Municipal Bond Bank of the Bond Bank's various General Obligation Bonds that provided funds to purchase various general obligation and revenue bonds of the City and Borough, under loan agreements between the City and Borough and the Bond Bank; and authorizing revised schedules of principal and interest payments on the City and Borough's bonds, in accordance with the loan agreements, if the Bond Bank successfully refinances its bonds.

WHEREAS, the City and Borough of Juneau, Alaska (the "City and Borough"), in order to finance a portion of the cost of refunding bonds issued in 2004 for expansion of and capital improvements to the Bartlett Regional Hospital, issued and sold its Hospital Revenue Refunding Bond, 2013 (Bartlett Regional Hospital Project), in the original principal amount of $23,660,000 (the "2013 Hospital Bond"), to the Alaska Municipal Bond Bank (the "Bond Bank") as authorized by Ordinance Serial No. 2012-23 of the City and Borough adopted May 14, 2012 and Resolution No. 2638 adopted on February 25, 2013 (together, the "2013 Hospital Bond Ordinance"), on the terms and conditions set forth in the 2013 Hospital Bond Ordinance and in a loan agreement between the City and Borough and the Bond Bank dated as of August 1, 2004, as amended by an Amendatory Loan Agreement dated March 1, 2013 (together, the "2013 Hospital Loan Agreement"); and

WHEREAS, the Bond Bank issued and sold its General Obligation and Refunding Bonds, 2013 Series One (the "2013 Series One Bond Bank Bonds"), to provide funds to purchase the 2013 Hospital Bond, as provided in the 2013 Hospital Loan Agreement; and

WHEREAS, Section 6 of the 2013 Hospital Loan Agreement provides that payments of principal of and interest on the 2013 Hospital Bond may be adjusted to reduce debt service on the 2013 Hospital Bond if the Bond Bank is able to achieve debt service savings by refunding the 2013 Series One Bond Bank Bonds; and

WHEREAS, the City and Borough, to finance a portion of the cost of various public capital projects, issued and sold its General Obligation Bond, 2013, in the original principal amount of $2,600,000 (the "2013 GO Bond") to the Bond Bank as authorized by Ordinance Serial No. 2012-44 of the City and Borough adopted December 17, 2012 and Resolution No. 2637 adopted on February 25, 2013 (together, the "2013 GO Bond Ordinance"), on the terms and conditions set forth in the 2013 GO Bond Ordinance and in a loan agreement between the City and Borough and the Bond Bank dated as of March 1, 2013 (the "2013 GO Loan Agreement"); and

WHEREAS, the Bond Bank issued and sold its 2013 Series One Bond Bank Bonds to provide funds to purchase the 2013 GO Bond, as provided in the 2013 GO Loan Agreement; and

WHEREAS, Section 6 of the 2013 GO Loan Agreement provides that payments of principal of and interest on the 2013 GO Bond may be adjusted to reduce debt service on the 2013 GO Bond if the Bond Bank is able to achieve debt service savings by refunding the 2013 Series One Bond Bank Bonds; and

WHEREAS, the City and Borough, to finance a portion of the cost of completion of the City and Borough's seawalk, issued and sold its Port Revenue Bond, 2014A (Non-AMT), in the original principal amount of $6,055,000 (the "2014A Port Bond") to the Bond Bank as authorized by Ordinance Serial No. 2014-01 of the City and Borough adopted January 6, 2014, and Resolution No. 2676 adopted on January 27, 2014 (together, the "2014A Port Bond Ordinance"), on the terms and conditions set forth in the 2014A Port Bond Ordinance and in a loan agreement between the City and Borough and the Bond Bank dated as of February 1, 2014 (the "2014A Port Loan Agreement"); and

WHEREAS, the Bond Bank issued and sold its General Obligation Bonds, 2014A Series One (Tax-Exempt) (the "2014A Series One Bond Bank Bonds") to provide funds to purchase the 2014A Port Bond, as provided in the 2014A Port Loan Agreement; and

WHEREAS, Section 6 of the 2014A Port Loan Agreement provides that payments of principal of and interest on the 2014A Port Bond may be adjusted to reduce debt service on the 2014A Port Bond if the Bond Bank is able to achieve debt service savings by refunding the 2014A Series One Bond Bank Bonds; and

WHEREAS, the City and Borough, to finance a portion of the cost of various public capital projects, issued and sold its General Obligation Bond, 2014, in the original principal amount of $11,210,000 (the "2014 GO Bond") to the Bond Bank as authorized by Ordinance Serial No. 2012-44 of the City and Borough adopted December 17, 2012 and Resolution No. 2695 adopted on September 8, 2014 (together, the "2014 GO Bond Ordinance"), on the terms and conditions set forth in the 2014 GO Bond Ordinance and in a loan agreement between the City and Borough and the Bond Bank dated as of October 1, 2014 (the "2014 GO Loan Agreement"); and

WHEREAS, the Bond Bank issued and sold its General Obligation and Refunding Bonds, 2014 Series Three (the "2014 Series Three Bond Bank Bonds") to provide funds to purchase the 2014 GO Bond, as provided in the 2014 GO Loan Agreement; and

WHEREAS, Section 6 of the 2014 GO Loan Agreement provides that payments of principal of and interest on the 2014 GO Bond may be adjusted to reduce debt service on the 2014 GO Bond if the Bond Bank is able to achieve debt service savings by refunding the 2014 Series Three Bond Bank Bonds; and

WHEREAS, the City and Borough, to finance a portion of the cost of completion of the City and Borough's cruise ship berth enhancement project and related uplands, issued and sold its

Port Revenue Bond, 2015 (AMT), in the original principal amount of $20,595,000 (the "2015 Port Bond") to the Bond Bank as authorized by Ordinance Serial No. 2014-01 of the City and Borough adopted January 6, 2014, as amended by Ordinance Serial No. 2015-11 adopted on March 16, 2015 and Resolution No. 2709 adopted on April 27, 2015 (together, the "2015 Port Bond Ordinance"), on the terms and conditions set forth in the 2015 Port Bond Ordinance and in a loan agreement between the City and Borough and the Bond Bank dated as of June 1, 2015 (the "2015 Port Loan Agreement"); and

WHEREAS, the Bond Bank issued and sold its General Obligation Bonds, 2015B Series Two (AMT) (the "2015B Series Two Bond Bank Bonds," and together with the 2013 Series One Bond Bank Bonds, the 2014A Series One Bond Bank Bonds, and the 2014 Series Three Bond Bank Bonds, the "Bond Bank Bonds") to provide funds to purchase the 2015 Port Bond, as provided in the 2015 Port Loan Agreement; and

WHEREAS, Section 6 of the 2015 Port Loan Agreement provides that payments of principal of and interest on the 2015 Port Bond may be adjusted to reduce debt service on the 2015 Port Bond if the Bond Bank is able to achieve debt service savings by refunding the 2015B Series Two Bond Bank Bonds; and

WHEREAS, the 2013 Hospital Bond, the 2013 GO Bond, the 2014A Port Bond, the 2014 GO Bond and the 2015 Port Bond are herein referred to as the "Juneau Refunding Candidates"; and

WHEREAS, the Bond Bank now intends to issue one or more series of its general obligation refunding bonds (the "Bond Bank Refunding Bonds") for the purpose, among others, of refunding all or a portion of one or more series of the Bond Bank Bonds and achieving debt service savings for or more series of the Juneau Refunding Candidates; and

WHEREAS, the Assembly wishes to approve the City and Borough's participation in these refinancings and to authorize the City and Borough's city manager or his/her designee to accept revised debt service schedules for all or a portion of the 2013 Hospital Bond, the 2013 GO Bond, the 2014A Port Bond, the 2014 GO Bond and the 2015 Port Bond, if the Bond Bank successfully refinances all or a portion of one or more series of the Bond Bank Bonds;

NOW, THEREFORE, BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. **Approval of Refinancing**. The Assembly hereby approves the City and Borough's participation in the Bond Bank's refinancing(s) of all or a portion of one or more series of the Bond Bank Bonds. If there is debt service savings for any of the Juneau Refunding Candidates, the respective series shall have modified debt service schedules in accordance with the following parameters.

(a) *2013 Hospital Bond*. The revised schedule of debt service on the 2013 Hospital Bond and other provisions as may be required by the Bond Bank will be set forth in an amendatory loan agreement and a refunding bond to be issued in exchange for the 2013 Hospital Bond. The refunding bond shall come due on the dates set forth in such amendatory loan agreement of the following years in the following estimated principal installments:

Maturity Year	Amount
2021	$ 265,000
2022	145,000
2023	145,000
2024	150,000
2025	150,000
2026	1,230,000
2027	565,000
2028	940,000
2029	1,320,000
2030	1,350,000
2031	1,380,000
2032	1,120,000
2033	0
2034	665,000
2035	585,000

At the time of sale, the principal maturities in the foregoing schedule may be increased or decreased by the City Manager or his/her designee for any year by 25%.

(b) *2013 GO Bond*. The revised schedule of debt service on the 2013 GO Bond and other provisions as may be required by the Bond Bank will be set forth in an amendatory loan agreement and a refunding bond to be issued in exchange for the 2013 GO Bond. The refunding bond shall come due on the dates set forth in such amendatory loan agreement of the following years in the following estimated principal installments:

Maturity Year	Amount
2021	$ 35,000
2022	20,000
2023	20,000
2024	20,000
2025	20,000
2026	160,000
2027	160,000
2028	160,000
2029	170,000
2030	175,000
2031	175,000
2032	180,000
2033	0

At the time of sale, the principal maturities in the foregoing schedule may be increased or decreased by the City Manager or his/her designee for any year by 15%.

(c) *2014A Port Bond*. The revised schedule of debt service on the 2014A Port Bond and other provisions as may be required by the Bond Bank will be set forth in an amendatory loan agreement and a refunding bond to be issued in exchange for the 2014A Port Bond. The refunding bond shall come due on the dates set forth in such amendatory loan agreement of the following years in the following estimated principal installments:

Maturity Year	Amount
2021	$ 40,000
2022	20,000
2023	20,000
2024	20,000
2025	20,000
2026	25,000
2027	25,000
2028	25,000
2029	275,000
2030	280,000
2031	10,000
2032	300,000
2033	305,000
2034	310,000
2035	0
2036	0
2037	0
2038	0
2039	0

At the time of sale, the principal maturities in the foregoing schedule may be increased or decreased by the City Manager or his/her designee for any year by 25%.

(d) *2014 GO Bond*. The revised schedule of debt service on the 2014 GO Bond and other provisions as may be required by the Bond Bank will be set forth in an amendatory loan agreement and a refunding bond to be issued in exchange for the 2014 GO Bond. The refunding bond shall come due on the dates set forth in such amendatory loan agreement of the following years in the following estimated principal installments:

Maturity Year	Amount
2020	$ 15,000
2021	10,000
2022	10,000
2023	10,000
2024	10,000
2025	10,000
2026	10,000
2027	15,000
2028	15,000
2029	15,000
2030	15,000
2031	15,000
2032	15,000
2033	905,000

At the time of sale, the principal maturities in the foregoing schedule may be increased or decreased by the City Manager or his/her designee for any year by 15%.

(e) *2015 Port Bond.* The revised schedule of debt service on the 2015 Port Bond and other provisions as may be required by the Bond Bank will be set forth in an amendatory loan agreement and a refunding bond to be issued in exchange for the 2015 Port Bond. The refunding bond shall come due on the dates set forth in such amendatory loan agreement of the following years in the following estimated principal installments:

Maturity Year	Amount
2021	$ 155,000
2022	60,000
2023	60,000
2024	65,000
2025	65,000
2026	65,000
2027	65,000
2028	65,000
2029	70,000
2030	1,405,000
2031	1,440,000
2032	1,470,000
2033	1,510,000
2034	1,210,000

At the time of sale, the principal maturities in the foregoing schedule may be increased or decreased by the City Manager or his/her designee for any year by 25%.

The City Manager or Finance Director is authorized to execute and deliver the amendatory loan agreements for each bond issue on behalf of the City and Borough and to deliver the refunding bonds for each bond issue, executed in accordance with the provisions of the respective bond ordinance and this ordinance, to the Bond Bank in exchange for the 2013 Hospital Bond, the 2013 GO Bond, the 2014A Port Bond, the 2014 GO Bond and the 2015 Port Bond, respectively, all subject to the Assembly's approval by one or more resolutions, which resolution(s) may, at the option of the Assembly, provide for delegation within parameters approved by the Assembly. The City Manager, Finance Director and other appropriate officers and employees of the City and Borough are also hereby authorized to provide financial information about the City and Borough that the Bond Bank may require for the official statement for the Bond Bank Refunding Bonds. In furtherance of the plan of refinancing, the City Manager or his/her designee is hereby further authorized to determine whether or not the establishment of a reserve fund or account is necessary or desirable to secure the repayment of any of the refunding bonds and if a reserve is to be established, the terms and conditions of the reserve, including the execution and delivery of a reserve depositary agreement.

Section 3. **General Authorization**. The Mayor, City Manager, Finance Director, Clerk, City and Borough Attorney, and any other appropriate officers, agents, attorneys and employees of the City and Borough are each hereby authorized and directed to cooperate with the Bond Bank and to take such steps, do such other acts and things, and 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 ordinance.

Section 4. **Prior Acts**. Any and all acts heretofore taken by officers, agents, attorneys and employees of the City and Borough in connection with refinancing the 2013 Hospital Bond, the 2013 GO Bond, the 2014A Port Bond, the 2014 GO Bond and the 2015 Port Bond are hereby ratified and confirmed.

Section 5. Effective Date. This ordinance shall become effective thirty days after adoption.

ADOPTED this 18th day of May, 2020.

_____
Beth A. Weldon, Mayor

ATTEST:

_____
Elizabeth J. McEwen, Clerk

CERTIFICATE

I, the undersigned, Clerk of the City and Borough of Juneau, Alaska (the "City and Borough"), Do HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance Serial No. 2020-21 (the "Ordinance") of the City and Borough as finally passed at a regular meeting of the Assembly of the City and Borough (the "Assembly") held on the 18th day of May, 2020, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such special meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of May, 2020.

_____

Elizabeth J. McEwen, Clerk
City and Borough of Juneau