



**SUBSTITUTE
RESOLUTION NO. 35205**

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WHEREAS the City Council by Ordinance No. 26824, passed on June 26, 2001 (the "Bond Ordinance"), authorized the issuance and sale of limited tax general obligation refunding bonds of the City in the aggregate principal amount of not to exceed \$18,000,000 (the "Bonds") for the purpose of refunding certain outstanding limited tax general obligation bonds of the City, and

WHEREAS the Bond Ordinance authorized the City's Director of Finance, in consultation with the City's financial advisor, to determine a plan of refunding and to negotiate the sale of the Bonds to accomplish such plan of refunding, all subject to approval by resolution of the City Council, and

WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement has been prepared for the sale of the Bonds, and

WHEREAS the Director of Finance has negotiated the sale of the Bonds to Bank of America Securities LLC (the "Underwriter") on the terms and conditions set forth in the Bond Ordinance, this resolution and a purchase contract, a copy of which is attached as Exhibit A hereto (the "Purchase Contract"), and

WHEREAS, in accordance with the Bond Ordinance, the Council wishes to authorize and approve issuance of the Bonds and the final plan of refunding, as set forth herein;



BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

1 Section 1. Definitions. Except as otherwise defined herein,
2
3 capitalized terms used in this resolution have the meanings set forth in the
4 Bond Ordinance.

5 Section 2. Official Statement. The City has been provided with copies
6 of a preliminary official statement (the "Preliminary Official Statement"),
7 prepared in connection with the sale of the Bonds. For the sole purpose of the
8 Underwriter's compliance with Section (b)(1) of the Rule, the City "deems final"
9 that Preliminary Official Statement as of its date, except for the omission of
10 information on offering prices, interest rates, selling compensation, delivery
11 dates, any other terms or provisions subject to final pricing of the Bonds,
12 ratings, and other terms of the Bonds dependent on such matters.
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15 Section 3. Authorization of Bonds and Approval of Purchase Contract.
16 The issuance of the Bonds, designated as the "Tacoma City, Washington
17 Limited Tax General Obligation Refunding Bonds, 2001," in the aggregate
18 principal amount of \$17,390,000, dated July 15, 2001. The terms and
19 conditions thereof set forth in the Purchase Contract, are hereby approved, and
20 the Underwriter's offer to purchase the Bonds, as set forth in the Purchase
21 Contract, is hereby accepted. The Director of Finance is hereby authorized to
22 sign the Purchase Contract on behalf of the City.
23

24 Section 4. Plan of Refunding. In accordance with Section 12 of the
25 Bond Ordinance, the Director of Finance has determined, in consultation with
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the City's financial advisor, that proceeds of the Bonds shall be used to refund the following limited tax general obligation bonds of the City (collectively, the "Refunded Bonds"):

Refunded 1992A Bonds

Maturities (December 1)	Principal Amounts	Interest Rates	Call Date	Redemption Price
2003	\$ 900,000*	6.00%	12/01/02	101%
2004	955,000*	6.00	12/01/02	101%
2005	1,015,000*	6.125	12/01/02	101%
2006	1,075,000	6.250	12/01/02	101%
2007	1,145,000	6.250	12/01/02	101%
2012	6,880,000	6.25	12/1/02	101%

Refunded 1994 Bonds

Maturities (June 1)	Principal Amounts	Interest Rates	Call Date	Redemption Price
2005	\$ 345,000	5.50%	6/1/2004	100%
2006	365,000	5.60	6/1/2004	100%
2007	385,000	5.70	6/1/2004	100%
2008	410,000	5.75	6/1/2004	100%
2009	435,000	5.75	6/1/2004	100%
2010	460,000	5.75	6/1/2004	100%
2012	1,000,000	5.75	6/1/2004	100%
2014	1,125,000	5.75	6/1/2004	100%

As provided in the Bond Ordinance, proceeds of the Bonds shall be deposited in the Refunding Account and used, together with other funds of the City, if necessary, to purchase certain "Government Obligations" as such obligations are defined in Chapter 39.53 RCW as now or hereafter amended (which obligations so purchased, are herein called "Acquired Obligations"),



1 bearing such interest and maturing as to principal and interest in such amounts
2 and at such times which, together with any necessary beginning cash balance,
3 will provide for the payment of:

4 (a) The interest on the Refunded 1992A Bonds to and
5 including December 1, 2002;

6 (b) The redemption price (101% of the principal amount)
7 payable on December 1, 2002, of the Refunded 1992A Bonds;

8 (c) The interest on the Refunded 1994 Bonds to and including
9 June 1, 2004; and

10 (d) The redemption price (100% of the principal amount)
11 payable on June 1, 2004, of the Refunded 1994 Bonds.
12

13 Any beginning cash balance and the Acquired Obligations shall be
14 irrevocably deposited with the Escrow Agent in an amount sufficient to defease
15 the Refunded Bonds in accordance with this Section 4. Any amounts described
16 above that are not provided for in full by such beginning cash balance and the
17 purchase and deposit with the Escrow Agent of the Acquired Obligations
18 described in this section shall be provided for by the irrevocable deposit of the
19 necessary amount out of the proceeds of sale of the Bonds or any other money
20 of the City legally available therefor. The proceeds of the Bonds remaining in
21 the Refunding Account after acquisition of the Acquired Obligations and
22 provision for the necessary beginning cash balance shall be utilized to pay
23 expenses of the acquisition and safekeeping of the Acquired Obligations and
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1 the costs of issuing the Bonds. The City may, from time to time, transfer, or
2 cause to be transferred, from the Refunding Account any money not thereafter
3 required for the purposes set forth in subparagraphs (a) through (d) above,
4 subject to verification in writing by an independent certified public accountant
5 that such transfer will not result in inadequate funds being available to make the
6 required payments therefrom. The City reserves the right to substitute other
7 securities for the Acquired Obligations in the event it may do so pursuant to
8 Section 148 of the Code and applicable regulations thereunder, upon
9 compliance with the conditions set forth in the Escrow Agreement.
10

11 The selection of U.S. Bank Trust National Association, as Escrow Agent
12 is hereby ratified and confirmed.

13 Section 5. Redemption of Refunded Bonds; Findings of Defeasance.

14 The City hereby irrevocably sets aside sufficient funds through the purchase of
15 Acquired Obligations and an initial cash deposit to make the payments, as
16 specified in subparagraphs (a) through (d) in Section 4 above.
17

18 The City hereby irrevocably defeases and calls for redemption on
19 December 1, 2002, the Refunded 1992A Bonds in accordance with the
20 provisions of Substitute Ordinance No. 25041 (the "1992A Ordinance")
21 authorizing the redemption and retirement of certain of the 1992A Bonds prior
22 to their fixed maturities.
23

24 The City hereby irrevocably defeases and calls for redemption on
25 June 1, 2004, the Refunded 1994 Bonds in accordance with the provisions of
26



1 the Substitute Ordinance No. 25491 (the "1994 Bond Ordinance") authorizing
2 the redemption and retirement of certain of the 1994 Bonds prior to their fixed
3 maturities.

4 Said defeasance and call for redemption of the Refunded Bonds shall be
5 irrevocable after the final establishment of the escrow account and delivery of
6 the Acquired Obligations and the requisite cash deposit, if any, to the Escrow
7 Agent, except as provided herein relating to the substitution of securities. The
8 Director of Finance is authorized and requested to provide whatever assistance
9 is necessary to accomplish such defeasance.
10

11 The Escrow Agent is hereby authorized and directed to notify the fiscal
12 agency of the State of Washington to give notice of the redemption of the
13 Refunded Bonds in accordance with the applicable provisions of the 1992A
14 Bond Ordinance and the 1994 Bond Ordinance. The Director of Finance is
15 authorized and requested to provide whatever assistance is necessary to
16 accomplish such redemption and the giving of notice therefor. The costs of
17 publication of such notice shall be an expense of the City.
18

19 The Escrow Agent is hereby authorized and directed to pay to the fiscal
20 agency or agencies of the State of Washington sums sufficient to make, when
21 due, the payments specified in subparagraphs (a) through (d) in Section 4
22 above. All such sums shall be paid from the money and Acquired Obligations
23 deposited with said Escrow Agent pursuant to this section, and the income
24 therefrom and proceeds thereof. All such sums so paid shall be credited to the
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1 Refunding Account. All money and Acquired Obligations deposited with said
2 Escrow Agent and any income therefrom shall be held, invested and applied in
3 accordance with the provisions of the Bond Ordinance and with the laws of the
4 State of Washington for the benefit of the City and the owners of the Refunded
5 Bonds.

6 The City Council hereby finds and determines that the Acquired
7 Obligations to be deposited with the Escrow Agent and the income therefrom,
8 together with any necessary beginning cash balance, are sufficient to defease
9 and redeem the above-referenced Refunded Bonds and will discharge and
10 satisfy the obligations of the City with respect to such Refunded Bonds under
11 the ordinances authorizing their issuance and the pledges of the City therein.
12 Immediately upon the delivery of such Acquired Obligations to the Escrow
13 Agent and the deposit of any necessary beginning cash balance, such
14 Refunded Bonds shall be deemed not to be outstanding under their respective
15 authorizing ordinances and shall cease to be entitled to any lien, benefit or
16 security under such ordinances except the right to receive payment from the
17 Acquired Obligations and beginning cash balance so set aside and pledged.
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21 Section 6. Redemption. The City reserves the right to redeem the
22 Bonds maturing on and after December 1, 2012, in whole or in part, on any
23 date on or after December 1, 2011, at par, plus accrued interest to the date of
24 redemption. If less than a whole of a maturity is called for redemption, the
25 Bonds to be redeemed shall be chosen by lot in integral multiples of \$5,000 by
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1 the Bond Registrar or, so long as the Bonds are registered in the name of
2 CEDE & Co. or its registered assign, by DTC.

3 Section 7. Bond Insurance. In accordance with the offer of the
4 Underwriter to purchase the Bonds, the City Council hereby approves the
5 commitment of Financial Security Assurance Inc. (the "Bond Insurer") to provide
6 a policy of municipal bond insurance guaranteeing the payment when due of
7 principal of and interest on the Bonds (the "Municipal Bond Insurance Policy").
8 The Director of Finance is hereby authorized to execute such commitment on
9 behalf of the City. The City Council further authorizes and directs all proper
10 officers, agents, attorneys and employees of the City to cooperate with the
11 Bond Insurer in preparing such additional agreements, certificates, and other
12 documentation on behalf of the City, consistent with the Bond Ordinance and
13 this motion, as shall be required by such commitment or as shall be necessary
14 or advisable in providing for the Municipal Bond Insurance Policy.
15

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17 Section 8. Further Authority. The City officials, their agents, and
18 representatives are hereby authorized and directed to do everything necessary
19 for the prompt issuance and delivery of the Bonds and for the proper use and
20 application of the proceeds of such sale.
21


22 Section 9. Severability. The covenants contained in this resolution
23 shall constitute a contract between the City and the owners of each and every
24 Bond. If any one or more of the covenants or agreements provided in this
25 resolution to be performed on the part of the City shall be declared by any court
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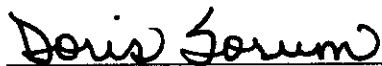
1 of competent jurisdiction to be contrary to law, then such covenant or
 2 covenants, agreement or agreements, shall be null and void and shall be
 3 deemed separable from the remaining covenants and agreements of this
 4 resolution and shall in no way affect the validity of the other provisions of this
 5 resolution or of the Bonds.

6 Section 10. Effective Date. This resolution shall be effective after its
 7 passage as provided by law.

8 Passed July 10, 2001.

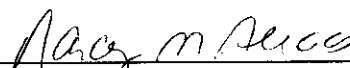
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 10 
 11 _____
 Mayor

12 Attest:

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 14 _____
 City Clerk

15
 16 Approved as to form and legality:

17 PRESTON GATES & ELLIS LLP

18
 19 
 20 _____
 Nancy M. Neraas, Bond Counsel

21 Attachment: Exhibit A – Bond Purchase Contract
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CERTIFICATE

1
2 I, the undersigned, Clerk of the City of Tacoma, Washington (the "City"),
3 DO HEREBY CERTIFY:

4 1. That the attached Substitute Resolution No. 35205 (the
5 "Resolution"), is a true and correct copy of a resolution of the City, as finally
6 adopted at a meeting of the City Council of the City (the "City") held on the
7 10th day of July, 2001, and duly recorded in my office.
8

9 2. That said meeting was duly convened and held in all respects in
10 accordance with law, and to the extent required by law, due and proper notice
11 of such meeting was given; that a quorum of the Council was present
12 throughout the meeting and a legally sufficient number of members of the
13 Council voted in the proper manner for the adoption of the Resolution; that all
14 other requirements and proceedings incident to the proper adoption of the
15 Resolution have been duly fulfilled, carried out and otherwise observed, and
16 that I am authorized to execute this certificate.
17
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19 IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of
20 July, 2001.
21

22 Doris Sorum
23 City Clerk
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25
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Banc of America Securities LLC

Jane Towery
Principal
NW Public Finance

July 10, 2001

Honorable Mayor and City Council Members
The City of Tacoma
747 Market Street, Room 250
Tacoma, WA 98402-3773

RE: City of Tacoma, WA
\$17,390,000 Limited Tax General Obligation Refunding Bonds, 2001

Honorable Mayor and City Council:

Banc of America Securities LLC (the "Underwriter") offers to purchase from the City of Tacoma, Washington (the "City") all of the above-described Bonds (the "Bonds") on the terms and based upon the covenants, representations and warranties set forth below and in Appendix A, which is incorporated into this agreement (the "Purchase Agreement") by reference, and contains a brief description of the Bonds, including principal amounts, maturity, interest rates, purchase price, and the proposed date and place of delivery and payment (the "Closing"). Other provisions of this Purchase Agreement are as follows:

1. Prior to the Closing, the City will approve a Preliminary Official Statement (hereinafter defined) and will pass an ordinance authorizing the Bonds (the "Ordinance"), with such changes as are requested by the City, Underwriter and Bond Counsel. The Underwriter is authorized by the City to use these documents and the information contained in them in connection with the public offering of the Bonds and the final Official Statement in connection with the sale and delivery of the Bonds.
2. The City, to the best of its knowledge, represents and covenants to the Underwriter that:
 - (a) It has, and will have at the Closing, the power and authority to enter into and perform this Purchase Agreement, to pass the Ordinance and to deliver and sell the Bonds to the Underwriter;
 - (b) This Purchase Agreement and the Bonds do not and will not conflict with, or constitute or create a breach or default under, any existing law, regulation, order or agreement to which the City is subject;
 - (c) Other than the Ordinance, no governmental approval or authorization is required in connection with the sale of the Bonds to the Underwriter;
 - (d) The Preliminary Official Statement, with corrections, if any, noted by the City and its counsel, as of its date and (except as to matters corrected or added in the final Official Statement and except for information concerning the Bond Insurer and DTC) as of the Closing, does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

Honorable Mayor and City Council Members
The City of Tacoma, Washington
July 10, 2001

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- (e) The City hereby ratifies, approves and confirms the distribution of the Preliminary Official Statement with respect to the Bonds, dated June 29, 2001 (together with the Appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, the "Preliminary Official Statement"), in connection with the public offering and sale of the Bonds by the Underwriter prior to the availability of the final Official Statement and deems such Preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), except for the omission of maturity amounts, interest rates, redemption dates and prices, ratings, underwriter's discount and related terms;
 - (f) The City agrees to cooperate with the Underwriter to permit the Underwriter to deliver or cause to be delivered, within seven business days after this Purchase Agreement and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, copies of a final Official Statement in sufficient quantity to comply with paragraph (b)(4) of the Securities and Exchange Commission Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board ("MSRB");
 - (g) The City will have made an undertaking to provide continuing disclosure to meet the conditions of paragraph (d)(2) of the United States Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "Rule") as required under paragraph (b)(5) of the Rule as provided in the Ordinance.
3. The Underwriter agrees to deliver three copies of the final Official Statement to each of the nationally recognized municipal securities information repositories on the business day on which the final Official Statement is available, and in any event no later than seven business days after the date thereof and to the MSRB within 10 business days of the date hereof.
4. The Underwriter shall have the right to cancel this Purchase Agreement by notifying the City of its election to do so if, after the execution of this Purchase Agreement and prior to the Closing:
- (a) A decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling or a regulation (final, temporary, or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be issued and in the case of any such regulation, published in the Federal Register, or legislation shall have been introduced in, enacted by or favorably reported to either the House of Representatives or the Senate of the United States with respect to federal taxation upon interest received on bonds of the type and character of any of the Bonds which, in the reasonable judgment of the Underwriter, materially adversely affects the marketability of the Bonds or their sale by the Underwriter, at the contemplated public offering prices; or
 - (b) The United States shall have become engaged in hostilities which have resulted in declaration of war or national emergency, or other national or international calamity or other event shall have occurred or accelerated to such an extent as, in the reasonable opinion of the Underwriter, to have a materially adverse affect on the marketability of the Bonds; or

Honorable Mayor and City Council Members
The City of Tacoma, Washington
July 10, 2001

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- (c) There shall have occurred a general suspension of trading on the New York Stock Exchange; or
 - (d) A general banking moratorium shall have been declared by United States, New York State or Washington State authorities; or legislation shall hereafter be enacted, or actively considered for enactment, with an effective date prior to the date of the delivery of the Bonds, or a decision by a court of the United States shall hereafter be rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction on the subject matter shall hereafter be made, the effect of which is that:
 - (i) The Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and then in effect, or
 - (ii) The Ordinance is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or
 - (e) A stop order, ruling or regulation by the Securities and Exchange Commission shall hereafter be issued or made, the effect of which is that the issuance, offering or sale of the Bonds, as contemplated herein or in the final Official Statement, is in violation of any provision of the Securities Act of 1933, as amended and as then in effect, and which, in its reasonable judgment, adversely affects the marketability of the Bonds or the market price thereof.
5. The Underwriter's obligations hereunder are also subject to the following conditions:
- (a) At or prior to the Closing, the City will deliver, make available to the Underwriter, or have adopted:
 - (i) The Bonds, fully registered in book-entry form only in the name of Cede & Co., as bond owner and nominee for The Depository Trust Company ("DTC");
 - (ii) A certificate from an authorized officer of the City, in form and substance acceptable to the City and the Underwriter, stating that execution of the Certificate shall constitute execution of the final Official Statement by the City, that the final Official Statement (except for information concerning the Bond Insurer and DTC), to the knowledge and belief of such officer, after due review, as of its date, did not, and as of the date of Closing does not, contain any untrue statement of a material fact or omit any statement or information which is necessary to make the statements therein, in the light of the circumstances under which made, not misleading, that there has not been any material adverse change in the normal operations or financial condition, nor to the best of the City's knowledge, to the general economy of the City except as described in the final Official Statement, and that the representations and warranties of the City contained in this Purchase Agreement were true and correct when made and are true and correct as of the Closing;

Honorable Mayor and City Council Members
The City of Tacoma, Washington
July 10, 2001
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- (iii) The approving opinion of Bond Counsel dated the day of Closing in the form attached to the final Official Statement;
 - (iv) The Underwriter's obligations are subject to the issuance of a municipal bond insurance policy on the Bonds by Financial Security Assurance, Inc., assignment to the Bonds of a rating of "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's, and assignment to the Bonds of an underlying rating of "A1" by Moody's Investors Service and "A+" by Standard & Poor's; ;
 - (v) The following documents executed by authorized officers of the City:
 - (1) A certificate, dated the day of the Closing to the effect that no litigation or other proceedings are pending or threatened in any way affecting the issuance, sale or delivery of, or security for, any of the Bonds,
 - (2) A certificate setting forth the facts, estimates and circumstances in existence on the date of Closing which establish that it is not expected that the proceeds of the Bonds will be used in a manner that could cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code and any applicable regulations thereunder,
 - (3) Such additional certificates, instruments or opinions or other evidence as the Underwriter may deem reasonably necessary or desirable to evidence the due authorization, execution, authentication and delivery of the Bonds, the truth and accuracy as of the time of the Closing of the City's representations and warranties, and the conformity of the Bonds and the Ordinance with the terms thereof as summarized in the Official Statement, and to cover such other matters as it reasonably requests,
 - (4) A certified copy of the Ordinance.
 - (b) If between the date of this offer and 25 days after the end of the underwriting period any event shall occur or any preexisting fact shall become known by the City which might or would cause the final Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter, and in the reasonable opinion of the Underwriter such event requires the preparation and distribution of a supplement to the final Official Statement, the City will at its expense supplement the final Official Statement in a form approved by the Underwriter, which approval shall not be unreasonably withheld. The end of the underwriting period shall be the date of Closing unless the City is informed otherwise in writing by the Underwriter.
6. The City will pay the cost of preparing, printing and executing the Bonds, if any, the fees and disbursements of Bond Counsel, the Financial Advisor, bond registration, insurance and rating fees and expenses, travel and lodging expenses of the City's employees, and other expenses of the City.

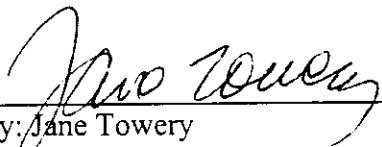
Honorable Mayor and City Council Members
The City of Tacoma, Washington
July 10, 2001
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The Underwriter will pay fees and disbursements of Underwriter's travel expenses, and other expenses of the Underwriter. As a convenience to the City, the Underwriter may from time to time, as Underwriter, make arrangements for certain items for which the City is responsible hereunder.

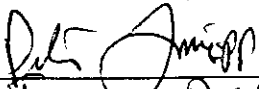
The Underwriter also may advance for the City's account when approved or authorized by the City the cost of the items for which the City is responsible by making payments to third-party vendors. In such cases, the City shall pay such costs or expenses directly, upon submission of appropriate invoices by Underwriter, or promptly reimburse the Underwriter in the event the Underwriter has advanced such costs or expenses for the City's account. It is understood that the City shall be primarily responsible for payment of all such items and that the Underwriter may agree to advance the cost of such items from time to time solely as an accommodation to the City and on the condition that it shall be reimbursed in full by the City.

7. This Purchase Agreement is intended to benefit only the parties hereto, and the City's representations and warranties shall survive any investigation made by or for the Underwriter, delivery and payment for the Bonds, and the termination of this Purchase Agreement. Should the City fail to satisfy any of the foregoing conditions or covenants, or if the Underwriter's obligations are terminated for any reasons permitted under this Purchase Agreement, then neither the Underwriter nor the City shall have any further obligations under this Purchase Agreement, except that any expenses incurred shall be borne in accordance with Section 6.
8. This offer expires on the date, and at the time, set forth on Appendix A.

Respectfully submitted,
BANC OF AMERICA SECURITIES LLC


By: Jane Towery
Principal

Accepted July 10, 2001
THE CITY OF TACOMA, WA

By: 
Its: Linaer Director

Banc of America Securities LLC

APPENDIX A DESCRIPTION OF BONDS

- (a) **Purchase Price:** \$17,415,455.05 (\$100.146378 per \$100) plus accrued interest from the dated date to date of Closing.
- (b) **Par:** \$17,390,000.
- (c) **Dated Date:** July 15, 2001.
- (d) **Denominations:** \$5,000 each, or integral multiples thereof within a single maturity.
- (e) **Form:** Book-entry only.
- (f) **Bank Qualified:** No
- (g) **Interest Payment Dates:** June 1 and December 1, commencing December 1, 2001.
- (h) **Maturity Schedule:** Bonds shall mature on December 1 of each year and shall bear interest as follows:

Due Dec 1	Amount	Rate	Yield or Price	Due Dec 1	Amount	Rate	Yield or Price
2003	\$ 715,000	4.125%	3.250%	2009	\$1,830,000	4.500%	4.350%
2004	1,160,000	4.125	3.550	2010	1,910,000	4.500	4.450
2005	1,545,000	4.250	3.750	2011	1,995,000	4.500	4.550
2006	1,610,000	4.250	3.900	2012	2,090,000	4.625	4.690
2007	1,680,000	4.250	4.060	2013	540,000	4.625	4.800
2008	1,750,000	4.500	4.220	2014	565,000	4.750	4.900

- (i) **Optional Redemption:** The Bonds maturing in years 2003 through 2011 are not subject to redemption prior to maturity. The Bonds maturing on or after December 1, 2012 are subject to redemption prior to their stated maturity dates at any time on or after December 1, 2011 in whole or in part (maturities to be selected by the City and randomly within a maturity in such a manner as the Bond Registrar shall determine) at a price of par, plus accrued interest to the date fixed for redemption.
- (j) **Closing Date:** July 31, 2001.
- (k) **Offer Expires:** 11:59 p.m. July 10, 2001.
- (l) **Bond Counsel:** Preston Gates & Ellis LLP.

For Information Purposes Only:

Gross Interest Cost	\$6,119,120.42
Less: Original Issue Premium	128,925.55
Plus: Underwriter's Discount	<u>103,470.50</u>
Net Interest Cost	\$6,093,665.37
Net Interest Cost %	4.459827%



REQUEST FOR ORDINANCE OR RESOLUTION

CITY CLERK USE	
Request #:	8632
Ordinance #:	
Resolution #:	35205

1. DATE: June 19, 2001

2. REQUESTING DEPARTMENT/DIVISION/PROGRAM Finance/Administration	3. CONTACT PERSON (for questions): Steven A. Marcotte	PHONE/EXTENSION 5802
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4. PREPARATION OF A RESOLUTION IS REQUESTED FOR THE CITY COUNCIL MEETING OF TUES., JULY 10, 2001.

5. SUMMARY TITLE/RECOMMENDATION: (A concise sentence, as it will appear on the Council Agenda)

Authorizing the sale of limited tax general obligation refunding bonds of the City in the principal amount not to exceed \$18,000,000.

6. BACKGROUND INFORMATION/GENERAL DISCUSSION: (Why is this request necessary? Are there legal requirements? What are the viable alternatives? Who has been involved in the process?)

Ordinance No. 26824 provided for the issuance of limited tax general obligation refunding bonds of the City in the principal amount not to exceed \$18,000,000. This 2001 bond issue called a portion of the existing Limited Tax Levy General Obligation Bonds, Series 1992 (\$11,970,000) and the Limited Tax General Obligation Bonds, Series 1994 (\$4,525,000) in advance of their scheduled maturity. Refunding these bonds reduced future debt service payments because the new bonds carry a lower interest rate.

7. FINANCIAL IMPACT: (Future impact on the budget.)

Projected net present value savings expected to be realized as a result of the refunding issue are in excess of \$880,000.

8. LIST ALL MATERIAL AVAILABLE AS BACKUP INFORMATION FOR THE REQUEST AND INDICATE WHERE FILED:

Source Documents/Backup Material	Location of Document
Ordinance No. 26824	City Clerk's Office
Preliminary Official Statement	Finance Department
Bond Purchase Contract	City Clerk's Office

9. FUNDING SOURCE: (Enter amount of funding from each source)

Fund Number & Name:	State \$	City	Other \$	Total Amount
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If an expenditure, is it budgeted? Yes No Where? Org #

10. ATTORNEY CONTACT: Steve Victor and Jay Reich

RECEIVED
 2001 JUN 20 AM 9:24
 CITY CLERK'S OFFICE
 Acct #

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 11. Department Director/Utility Division Approval	Approved as to Availability of Funds Director of Finance	 City Manager/Director Utilities Approval
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Resolution No. 35205

Adopted: JUL 10 2001 *Substitute*

Maker of Motion: McGavick

Seconded: Miller

Roll Call Vote:

MEMBERS	AYES	NAYS	ABSTAIN	ABSENT
Mr. Dahl	✓			
Mr. De Forrest				✓
Mr. Evans	✓			
Dr. McGavick	✓			
Mr. Miller	✓			
Ms. Moss	✓			
Mr. Phelps				✓
Ms. Scarbrough	✓			
Mayor Crowley	✓			

MEMBERS	AYES	NAYS	ABSTAIN	ABSENT
Mr. Dahl				
Mr. De Forrest				
Mr. Evans				
Dr. McGavick				
Mr. Miller				
Ms. Moss				
Mr. Phelps				
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Mayor Crowley				