



## RESOLUTION NO. 39170

1 A RESOLUTION relating to the City of Tacoma, Department of Public Utilities, Light  
2 Division (dba "Tacoma Power"); approving the call of \$122,135,000 in  
3 outstanding Tacoma Power 2005 Series B Bonds and authorizing their  
4 redemption using a combination of cash and a reduction of the bond reserve  
5 account.

6 WHEREAS the Public Utility Board ("Board"), by Utility Board Resolution  
7 No. U-9987, requested the City Council to issue revenue and refunding bonds in  
8 2005, and

9 WHEREAS, pursuant to Ordinance No. 27403 (the "Bond Ordinance"), the  
10 City Council authorized the issuance and sale of the City's Electric System  
11 Revenue Bonds, 2005 Series A (the "Series A Bonds") and the Electric System  
12 Revenue Refunding Bonds, 2005 Series B (the "Series B Bonds"), in the principal  
13 amount of not to exceed \$250,000,000 (together, the "2005 Bonds"), and

14 WHEREAS Section 3.5 of the Bond Ordinance reads that the "Council may  
15 determine that all or a portion of the 2005 Bonds shall be subject to redemption  
16 prior to their stated maturities at the option of the City, in whole or in part, on any  
17 date and at the respective redemption prices specified in the Bond Sale  
18 Resolution," and

19 WHEREAS the City Council, through Substitute Resolution No. 36644  
20 ("Bond Sale Resolution"), Section 2, reserved the right to redeem the outstanding  
21 2005 Bonds maturing on and after January 1, 2016, in whole or in part on  
22 July 1, 2015, or on any date thereafter, at par, plus accrued interest to the date of  
23 redemption, and  
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WHEREAS the City of Tacoma, Department of Public Utilities, Light Division (d.b.a. "Tacoma Power"), has retained Montague DeRose and Associates ("Financial Consultant") to review its outstanding revenue bonds, debt service coverage ratios, liquidity, and current financial markets, and

WHEREAS the Financial Consultant, Tacoma Power, and City's Finance Department have determined it would be advantageous to redeem \$122,135,000 of outstanding 2005 Series B Bonds, and

WHEREAS the redemption of \$122,135,000 of outstanding 2005 Series B Bonds will result in excess funds in the bond reserve account created pursuant to Ordinance No. 23514; therefore, it is recommended that this fund be reduced by \$12,000,000 and the proceeds be used in combination with cash to pay for the contemplated redemption, and

WHEREAS, pursuant to Tacoma City Charter § 4.11, the Board is required to initiate and approve all matters related to the incurrence of indebtedness or the issuance of bonds on behalf of the Department of Public Utilities ("TPU"), and then forward such matters to the City Council for approval, and

WHEREAS the authority to call and redeem outstanding bonds must be delegated to the Board through the Bond Ordinance; otherwise, such actions are subject to the requirements of the Tacoma City Charter § 4.11, and

WHEREAS the Bond Ordinance did not expressly delegate to the Board the authority to call and redeem outstanding bonds, and



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WHEREAS it is in the best public interest that the redemption of  
\$122,135,000 in outstanding Tacoma Power 2005 Series B Bonds be authorized  
as set forth above to accomplish said purposes; Now Therefore,

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

That the proper officers of the City are hereby authorized to call for the  
redemption and retirement of \$122,135,000 of outstanding 2005 Series B Bonds  
prior to their fixed maturity dates; and that the reduction of the bond reserve  
account created pursuant to Ordinance No. 23514, in the amount of \$12,000,000,  
and the use of the bond reserve proceeds and cash to pay for the contemplated  
redemption, are hereby approved.

Adopted \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Chief Deputy City Attorney

Requested by Public Utility Board  
Resolution No. U-10764