ORDINANCE NO. 2431

AN ORDINANCE of the City of Kent, Washington, relating to the Capital Improvement Fund; providing that savings from the Limited Tax General Obligation Refunding Bond issue, 1986, be placed in the contingent reserve portion of the Capital Improvement Fund.

WHEREAS, the City now has outstanding its limited tax general obligation bonds, 1984 (the "1984 bonds"), dated November 1, 1984, maturing on December 1 in each of the years 1986 through 2004, inclusive, in the principal amount of $7,930,000 and bearing various interest rates from 9.5 to 11.625 percent per annum, which 1984 bonds were issued pursuant to Ordinance 2500; and

WHEREAS, pursuant to Ordinance 2500 the City reserves the right to redeem any or all of the 1984 bonds prior to their stated maturity dates on December 1, 1994, or on any interest payment date thereafter at par plus accrued interest; and

WHEREAS, after due consideration, it appears to the City Council that the 1984 bonds may be refunded by the issuance and sale of bonds so that a substantial savings will be affected by the difference between the principal and interest costs over the life of bonds and the principal and interest requirements over the life of the 1984 bonds but for such refunding which refunding will be affected by:

(a) the issuance of the bonds; and (b) the payment of the principal of and interest on the 1984 bonds as the same shall become due up to and including December 1, 1994, and on December 1, 1994, the call, payment and redemption of all outstanding 1994 bonds as par plus accrued interest (the "refunding play"); and

WHEREAS, the City has affected such refunding in a manner that will be most advantageous to the City and its taxpayers; and

WHEREAS, it is appropriate that the Capital Improvement Fund be provided with sufficient contingent reserves to provide for the ongoing and emerging capital needs of the City of Kent; and
WHEREAS, it is appropriate to set aside those savings from the refunding, above-referenced; NOW THEREFORE

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Those savings realized from the Limited Tax General Obligation Refunding Bond Issue, 1986, shall be credited to the contingent reserve portion of the Capital Improvement Fund.

Section 2. Effective Date. This ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication as provided by law.

ATTEST:

DAN KELLEHER, MAYOR

APPROVED AS TO FORM:

P. STEPHEN DIJULIO, CITY ATTORNEY

PASSED the 12 day of May, 1986.
APPROVED the 13 day of May, 1986.
PUBLISHED the 16 day of May, 1986.

I hereby certify that this is a true copy of Ordinance No. 2631, passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

MARIE JENSEN, CITY CLERK