

ORIGINAL

ORDINANCE NO. *214*

AN ORDINANCE of the Town of Gig Harbor, Washington, providing for the issuance and sale of general obligation bonds of the Town in the aggregate principal amount of \$400,000 for the purpose of providing funds to pay part of the cost of acquiring, constructing, and installing a sanitary sewerage system; providing the date, form, terms, and maturities of said bonds, and for annual tax levies to pay the principal thereof and interest thereon; creating a fund for the payment of said bonds, and confirming the sale of interim interest-bearing Sewer Construction Fund warrants.

WHEREAS, the Town of Gig Harbor, Washington, (hereinafter called the "Town") has been duly authorized to acquire, construct, install, operate and maintain a sanitary sewer system (hereinafter called the "System") by Ordinance No. 147, adopted April 10, 1972, by the affirmative vote of the qualified electors of the Town at an election duly held on May 23, 1972, and by Ordinance No. 158, adopted November 13, 1972; and

WHEREAS, at said election the requisite number and proportion of voters authorized the issuance and sale of unlimited tax levy general obligation bonds of the Town in the principal amount of \$400,000 to pay part of the cost of acquisition, construction and installation of the System; and

WHEREAS, it is now deemed necessary and advisable that the Town issue and sell these bonds, and that interim interest-bearing warrants be drawn upon the Sewer Construction Fund to pay capital costs of the System which may be incurred prior to the delivery of such bonds;

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Gig Harbor, Washington as follows:

Section 1. As used in this ordinance, the following words shall have the following meanings:

a. The word "Town" shall mean the Town of Gig Harbor, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

b. The word "bonds" shall mean the \$400,000 of general obligation bonds of the Town issued for the purposes authorized in this ordinance.

c. The word "System" shall mean the sanitary sewerage system of the Town as authorized by Ordinance No. 147 and Ordinance No. 158 of the Town and as the same may be added to, improved and extended for as long as any of the bonds are outstanding. In the event that the Town shall determine at any time hereafter to operate a combined water and sewer system, the term "System" as defined herein shall be deemed to include all facilities of the water system of the Town.

d. The words "Bond Redemption Fund" shall mean the special fund of the Town created by this ordinance for the purpose of paying the principal of, premium, if any, and interest on the bonds.

e. The words "Sewer Construction Fund" shall mean the Gig Harbor Sewer Construction Fund created by Ordinance No. 166, adopted June 11, 1973.

Section 2. For the purpose of providing funds to pay part of the cost of acquiring, constructing and installing a sanitary sewer system for the Town, the Town shall issue

and sell its general obligation bonds in the aggregate principal amount of \$400,000.

The bonds shall be dated February 1, 1975, shall be in the denomination of \$5,000 each, and shall bear interest at a rate of not to exceed 8% per annum payable semiannually on the first days of February and August of each year from date of issue beginning August 1, 1975 as evidenced by coupons to be attached thereto. Both principal of and interest on said bonds shall be payable in lawful money of the United States of America at the office of the Town Treasurer in Gig Harbor, Washington. The bonds shall be numbered and mature on February 1, in order of their number as follows:

<u>Bond Nos.</u>	<u>Maturity Year</u>	<u>Amount</u>
1-2	1977	\$10,000
3-4	1978	10,000
5-6	1979	10,000
7-9	1980	15,000
10-12	1981	15,000
13-15	1982	15,000
16-18	1983	15,000
19-21	1984	15,000
22-25	1985	20,000
26-29	1986	20,000
30-33	1987	20,000
34-38	1988	25,000
39-43	1989	25,000
44-48	1990	25,000
49-54	1991	30,000
55-60	1992	30,000
61-66	1993	30,000
67-73	1994	35,000
74-80	1995	35,000

(Maturity schedule computed at assumed rate of 7 1/4% per annum)

Section 3. The Town reserves the right to redeem the outstanding bonds of this issue, in whole, or in part in inverse numerical order, on any interest payment date on or after ten years from date of issue, at par plus accrued interest to the date of redemption. Notice of any such intended

redemption shall be given by one publication thereof in the official newspaper of the Town not more than forty (40) nor less than thirty (30) days prior to such redemption date, and by mailing like notices at the same time to the main office of the purchaser or account manager of the purchaser of the bonds at their sale by the Town, or to the business successor of said purchaser or account manager at its main place of business. Interest on any bond or bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call.

Section 4. The bonds shall be known as the "Town of Gig Harbor General Obligation Bonds, 1975", and shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$5,000

STATE OF WASHINGTON
TOWN OF GIG HARBOR

GENERAL OBLIGATION BOND, 1975

KNOW ALL MEN BY THESE PRESENTS:

That the Town of Gig Harbor, a municipal corporation of the State of Washington, acknowledges itself to owe and for value received hereby promises to pay to bearer on the 1st day of February, 19__, the principal sum of

FIVE THOUSAND DOLLARS

together with interest thereon at the rate of ____% per annum payable semiannually on the 1st days of February and August of each year beginning August 1, 1975 upon presentation and surrender of the attached

interest coupons as they severally become due, or until the payment of such sum shall be made or duly provided for. Both principal of and interest on this bond are payable in lawful money of the United States of America at the office of the Town Treasurer in Gig Harbor, Washington.

The Town reserves the right to redeem the outstanding bonds of this issue, in whole, or in part in inverse numerical order, on any interest payment date on or after 10 years from date of issue, at par plus accrued interest to the date of redemption. Notice of any such intended redemption shall be given by one publication thereof in the official newspaper of the Town not more than forty (40) nor less than thirty (30) days prior to such redemption date, and by mailing like notices at the same time to the main office of the purchaser or account manager of the purchaser of said bonds at the sale by the Town, or to the business successor of said purchaser or account manager at its main place of business. Interest on any bond or bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call.

This bond is one of an issue of general obligation bonds of the Town of Gig Harbor of like date and tenor except as to amount, number, rate of interest and date of maturity in the total principal sum of \$400,000 and is issued pursuant to Ordinance No. ____ of the

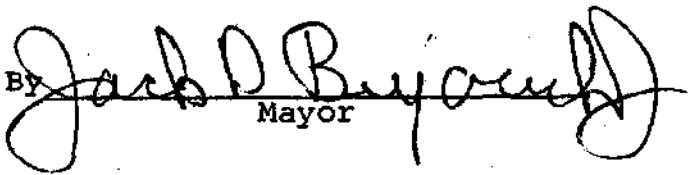
Town, for the purpose of providing funds to pay part of the cost of a sanitary sewer system of the Town.

The Town of Gig Harbor hereby irrevocably pledges itself to levy taxes annually without limitation as to rate or amount upon all the taxable property within the Town in amounts sufficient to pay the principal of and interest on the bonds as the same shall become due. For the prompt payment of such principal and interest the full faith, credit and resources of the Town are hereby irrevocably pledged.

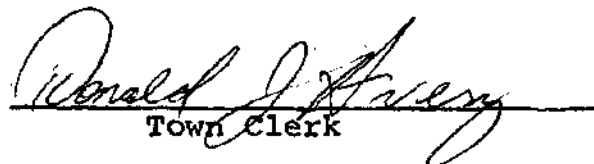
It is hereby certified that all acts, conditions, and things required to be done precedent to and in the issuance of this bond have happened, been done and performed, and that the total indebtedness of the Town, including this bond and the bonds of this issue, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town of Gig Harbor, Washington, has caused this bond to be signed by its Mayor, to be attested by its Town Clerk, the official seal of the Town to be impressed hereon, and the interest coupons attached hereto to be signed with the facsimile signatures of said officials, this 1st day of February, 1975.

TOWN OF GIG HARBOR, WASHINGTON

By 
Mayor

ATTEST:


Town Clerk

The interest coupons attached to the bonds shall be in substantially the following form:

NO. _____ \$ _____

On the 1st day of _____, 19__, the Town of Gig Harbor, Washington, will pay to bearer at the office of the Town Treasurer in Gig Harbor the amount shown hereon in lawful money of the United States of America, said sum being the semiannual interest due that date on its General Obligation Bond dated February 1, 1975, and numbered _____.

TOWN OF GIG HARBOR, WASHINGTON

By _____
Mayor

ATTEST:

Town Clerk

Section 5. The bonds shall be signed on behalf of the Town by its Mayor, shall be attested by its Town Clerk, and shall have the corporate seal of the Town impressed thereon. Each of the interest coupons attached to said bonds shall be signed with the facsimile signatures of said officials.

Section 6. There is hereby created a special fund of the Town to be known as the "Gig Harbor 1975 General Obligation Bond Redemption Fund." All accrued interest received from the sale of the bonds shall be paid into the Bond Redemption Fund. The Town hereby covenants that for as long as any of the bonds authorized herein are outstanding the corporate authorities of the Town will make annual levies of taxes

without limitation as to rate or amount upon all the property within the Town subject to taxation in amounts sufficient, together with all other funds on hand and available for such purpose, to pay the principal of and interest on the bonds authorized herein as the same shall become due. All of such taxes so collected shall be paid into the Bond Redemption Fund and no part of such Fund shall be used for any other purpose than the payment of the principal of and interest on the bonds or inter-fund loans from the Sewer Construction Fund.

The full faith, credit and resources of the Town are hereby irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the bonds as the same shall become due.

In the event that money and/or government obligations, as that term is defined in Chapter 39.53 RCW as now or hereafter amended, maturing at such time or times and bearing interest to be earned thereon, in amounts sufficient to redeem and retire the bonds in accordance with their terms, are set aside for such purpose in a special account in the Bond Redemption Fund and such money and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Redemption Fund for the payment of the principal of and interest on the bonds, and the bonds and the appurtenant coupons shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the funds so set aside and pledged.

Section 7. To provide part of the moneys required to pay the Town's share of the costs of acquisition, construc-

tion and installation of the sanitary sewerage system incurred prior to the delivery of the bonds, additional interest-bearing registered warrants shall be drawn on the Sewer Construction Fund created by Ordinance No. 166. The proposal of McLean & Company, Inc., attached hereto as "Exhibit A" and incorporated by reference herein, to purchase such construction fund warrants at the interest rate set forth therein is hereby accepted and confirmed, and the Town covenants to issue the bonds within the time provided in such proposal. The proceeds of sale of the general obligation bonds herein provided to be issued and sold (exclusive of accrued interest thereon) shall be paid into the Sewer Construction Fund.

Section 8. The Town Clerk is hereby authorized and directed to advertise the bonds for sale in the manner required by the statutes of the State of Washington, the form of notice of sale presented to the Council at the time of passage of this ordinance is hereby approved, and the proper Town officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of said bonds upon their sale for the proper use and application of the proceeds of such sale.

Section 9. The assessed valuation of the taxable property within the Town, as fixed by the last preceding assessment thereof, is \$22,073,146.00. The Town has, at this time, no outstanding general indebtedness.

Section 10. The Town hereby covenants that it will not make any use of the proceeds of sale of the bonds or any other funds of the Town which may be deemed to be proceeds

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McLean & Company, Inc.

Investment Bankers

770 Commerce Street
Tacoma, Washington 98402
Phone 206/383-1403

December 2, 1974

Honorable Mayor and Town Council
Town of Gig Harbor
P.O. Box 145
Gig Harbor, Washington 98335

Gentlemen:

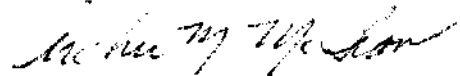
It is our understanding that the Town of Gig Harbor is incurring expenses for its sewer project, now under construction, in excess of the cash provided from the sale of its 1973 sewer revenue bonds. We understand the Town will issue its previously voted General Obligation Bonds to pay these additional costs. We believe it would be most appropriate for you to pay these costs during the interim, preceding the sale of the General Obligation Bonds, by issuing interim interest bearing warrants on the Sewer Construction Fund.

McLean & Company, Inc. will purchase these warrants at an interest rate of 5 1/2% per annum, and said warrants shall be paid as to both principal and interest from the proceeds of the previously authorized General Obligation Bonds not later than March 1, 1975.

It is agreed that each warrant shall be accompanied by the unqualified approving legal opinion of Preston, Thorgrimson, Ellis, Holman and Fletcher.

Respectfully submitted,

McLEAN & COMPANY, INC.



Archie M. McLean III

ACCEPTED BY AND FOR the
Town of Gig Harbor, Washington,
this 23rd day of December, 1974.


Mayor
Clerk

AMM/ljb

of such bonds pursuant to Section 103 (d) of the Internal Revenue Code and the applicable regulations thereunder which, if such use had been reasonably expected on the date of delivery of the bonds to the initial purchasers thereof, would have caused the bonds to be "Arbitrage Bonds" within the meaning of said section and said regulations.

Section 11. This ordinance shall be in full force and effect immediately upon its final passage, approval and publication as provided by law.

Introduced and first read by the Council of the Town of Gig Harbor, Washington at its regular meeting on the 9th day of December, 1974.

PASSED by the Council of the Town of Gig Harbor, Washington, at a regular meeting of said Council held this 23rd day of December, 1974, and approved by the Mayor on the same date.

TOWN OF GIG HARBOR, WASHINGTON

By Jacob O. Bryceland
Mayor

ATTEST:

Donald J. Henry
Town Clerk

APPROVED AS TO FORM:

Donald J. Henry
Town Attorney