MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2021-4

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS ($1,950,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FIRE PROTECTION CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE FIRE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2021.

Prepared by

K&L GATES LLP

MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2021-4

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* This Table of Contents and the cover page are for convenience of reference and are not intended to be a part of this ordinance.

Requested by:	Chair of the Assembly at the Request of the Acting Mayor
Prepared by:	Cynthia M. Weed, Bond Counsel K&L GATES LLP
For Reading:	January 12, 2021

MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2021-4

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS ($1,950,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FIRE PROTECTION CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE FIRE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2021.

WHEREAS, the best interests of the citizens and property owners in the Anchorage Fire Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to acquire a replacement fire ladder truck, make Anchorage Fire Department (AFD) facility improvements and related capital improvements (the "Projects"); and

WHEREAS, in order to provide financing for the Projects, it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds in the principal amount of not to exceed $1,950,000 (the "Bonds"); now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly of the Municipality hereby determines that the best interests of the residents and property owners within the Anchorage Fire Service Area require the Municipality to undertake the Projects at the time and in the order and in the manner deemed most necessary and advisable by the Municipality. The estimated cost of the Projects, including incidental costs and costs related to issuing and selling the Bonds as provided in this ordinance, is estimated to be $1,950,000.

The Projects are described in more detail in the attachment to the Assembly Memorandum accompanying this ordinance. The cost of all necessary planning, acquisition of property, site preparation, construction, installing and equipping of the Projects, architectural, engineering, design, and other consulting services, inspection and testing, administrative expenses, costs of issuance of the Bonds and other costs incurred in connection with the Projects shall be deemed to be

costs of the approved Projects. The approved Projects may be completed with all necessary equipment and appurtenances.

The Municipality shall determine the application of available moneys between the various Projects so as to accomplish, as nearly as may be, all of the Projects described or provided for in this section.

If the Municipality shall determine that it has become impractical to accomplish any portion of the approved Projects by reason of changed conditions or needs, incompatible development or costs substantially in excess of those estimated, the Municipality shall not be required to accomplish such portions and shall apply Bond proceeds as set forth in this section.

If the approved Projects have been completed in whole or in part, or their completion duly provided for, or their completion found to be impractical, the Municipality may apply Bond proceeds or any portion thereof to other Anchorage Fire Service Area capital improvements at its sole discretion. Otherwise, the Municipality shall apply such remaining proceeds solely to payment of principal or interest on the Bonds, as provided in the Home Rule Charter. In the event that the proceeds of sale of the Bonds, plus any other monies of the Municipality legally available, are insufficient to acquire the approved Projects, the Municipality shall use the available funds for paying the cost of those portions of the approved Projects deemed by the Municipality most necessary and in the best interest of the Municipality. No Bond proceeds shall be used by the Municipality for any purpose other than a capital improvement of the Municipality.

For the purpose of providing funds for the undertaking of the Projects, which is hereby found to be a public purpose and in the public interest, the Municipality hereby proposes to issue general obligation bonded indebtedness in an amount not to exceed One Million Nine Hundred Fifty Thousand Dollars ($1,950,000).

Section 2. Details of Bonds. The Bonds shall be sold in such amounts and at such time or times as deemed necessary and advisable by the Assembly and as permitted by law and shall mature over a period of up to 20 years from date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed $1,950,000. The Bonds shall bear interest to be fixed at the time of sale or sales thereof. The exact form, terms, conditions, contents, security, options of redemption, and such other matters relating to the issuance and sale of said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter determined and/or delegated by ordinance and/or resolution of the Assembly.

The full faith and credit of the Municipality is pledged for the payment of the principal of and interest on the Bonds, and ad valorem taxes upon all taxable property in the Municipality shall be levied without limitation as to rate or amount to

pay the principal and interest on the Bonds when due. The principal of and interest on the Bonds are to be paid first from ad valorem taxes levied and collected within the Anchorage Fire Service Area.

Section 3. Ballot Proposition. The Assembly hereby submits to the qualified voters of the Municipality the proposition of whether or not the Municipality should issue the Bonds for the purpose of financing the costs of the approved Projects at the regular municipal election to be held on April 6, 2021.

The Clerk shall prepare the ballot proposition to be submitted to the voters as provided by this ordinance and the Municipal Code and shall perform all necessary steps in accordance with law to place this proposition before the voters at the regular election. The proposition must receive a majority vote of those in the Municipality voting, both in the Anchorage Fire Service Area and areawide, on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. _____

ANCHORAGE FIRE SERVICE AREA FIRE PROTECTION BONDS

> For the purpose of acquiring a replacement fire ladder truck, making AFD facility improvements and related capital improvements in the Anchorage Fire Service Area, as provided in AO 2021-___, shall Anchorage borrow money and issue up to $1,950,000 in principal amount of general obligation bonds?
>
> Voter approval of this bond proposition authorizes for each $100,000 of assessed taxable property value (based on the estimated 2021 assessed valuation in the Anchorage Fire Service Area) an annual increase in taxes of approximately $0.44 to retire the proposed bonds.
>
> The debt shall be paid from real and personal property taxes levied and collected within the Anchorage Fire Service Area without cost to properties in Chugiak, Girdwood, and other areas outside the Service Area. The Municipality will also pledge its full faith and credit for payment of the bonds.

YES NO

Section 4. Effective Dates. Section 2 of this ordinance shall become effective only if the proposition described in Section 3 is approved by a majority of the

qualified voters voting on the proposition at the regular election held on April 6, 2021. The remaining sections of this ordinance shall become effective upon passage and approval by the Assembly.

PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this ___ day of _____, 2021.

By _____
Chair of the Assembly

ATTEST:

_____
Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 11-2021

Meeting Date: January 12, 2021

From: Acting Mayor

Subject: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS ($1,950,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FIRE PROTECTION CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE FIRE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2021.

The ordinance will place a general obligation bond proposition for the Anchorage Fire Service Area on the ballot for the Municipal election to be held on April 6, 2021.

The administration recommends scheduling a public hearing for this bond ordinance on January 26, 2021.

The Anchorage Fire Service Area bond proposal will implement the priorities established in the recently approved 2021-2026 Capital Improvement Program. Please see the attached Project List, attached as Exhibit A.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

Prepared By:	Ross Risvold, Public Finance Manager and Jessie Wei, Municipal Debt Officer
Approved By:	Alexander Slivka, CFO
Concur:	Lance Wilber, Director, Office of Management & Budget
Concur:	Kathryn Vogel, Municipal Attorney
Concur:	Anna C. Henderson, Municipal Manager
Respectfully submitted:	Austin Quinn-Davidson, Acting Mayor

AM 2021 Fire Prop.doc

EXHIBIT A

Anchorage Fire Service Area
2021 Bond Project List
(000)'s

Project	Amount	O&M
AFD Facility Improvements	$ 500	--
Fire Ladder Truck Replacement	1,450	--
Total	**$1,950**	**--**

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2021-4 Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS ($1,950,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FIRE PROTECTION CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE FIRE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2021.

Sponsor: Acting Mayor
Preparing Agency: Finance
Others Impacted: Anchorage Fire Department

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY21	FY22	FY23	FY24	FY25
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service	--	143.5	143.5	143.5	143.5
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	143.5	143.5	143.5	143.5
ADD: 6000 Charge from Others					
LESS: 7000 Charge to Others					
FUNCTION COST:					
REVENUES:					
CAPITAL:					
POSITIONS: FT/PT and Temp.					

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of $143,484 assumes bonds are sold as a package @ 4.0% interest, with bond repayments corresponding to the expected life of the assets financed up to 20 years.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately $143,484 equate to an estimated property tax increase of 0.0044 mills or $0.44 per year on $100,000 of assessed valuation in the Anchorage Fire Service Area.