

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2021-9

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 THREE MILLION NINE HUNDRED THOUSAND DOLLARS (\$3,900,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY IMPROVEMENTS (POLICE) AND RELATED CAPITAL IMPROVEMENTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2021 AND AMENDING THE 2021 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB) AND THE 2021-2026 GENERAL GOVERNMENT CAPITAL IMPROVEMENT PROGRAM (CIP).

Prepared by

K&L GATES LLP

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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

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ORDINANCE No. 2021-9**

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 THREE MILLION NINE HUNDRED THOUSAND DOLLARS (\$3,900,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY IMPROVEMENTS (POLICE) AND RELATED CAPITAL IMPROVEMENTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2021 AND AMENDING THE 2021 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB) AND THE 2021-2026 GENERAL GOVERNMENT CAPITAL IMPROVEMENT PROGRAM (CIP).

WHEREAS, the best interest of the citizens and property owners in the Anchorage Metropolitan Police Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to acquire new Anchorage Police Department ("APD") replacement fleet vehicles and related capital improvements (the "Project"); and

WHEREAS, in order to provide financing for the Project, it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds in the principal amount of not to exceed \$3,900,000 (the "Bonds"); and

WHEREAS, in accordance with Anchorage Municipal Code section 6.10.045, the Assembly may alter the general government capital improvement budget (CIB) and capital improvement program (CIP) by majority vote; and

WHEREAS, on November 17, 2020, the 2021 General Government CIB was approved by passage of AO 2020-106(S) as Amended, and the 2021-2026 General Government CIP was approved by passage of AR 2020-351(S) as Amended; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly of the Municipality hereby determines that the best interest of the residents and property owners within the Anchorage Metropolitan Police Service Area require the Municipality to undertake the Project at the time and in the order and in the manner deemed most necessary and

1 advisable by the Municipality. The estimated cost of the Project, including
2 incidental costs and costs related to issuing and selling the Bonds as provided in
3 this ordinance, is estimated to be \$3,900,000.
4

5 The Project is described in more detail in the attachment to the Assembly
6 Memorandum accompanying this ordinance. The cost of all necessary planning,
7 site preparation, construction, installing and equipping of the Project, architectural,
8 engineering, design, and other consulting services, inspection and testing,
9 administrative expenses, costs of issuance of the Bonds and other costs incurred
10 in connection with the Project shall be deemed to be costs of the approved
11 Project. The approved Project may be completed with all necessary equipment
12 and appurtenances.
13

14 The Municipality shall determine the application of available moneys for the
15 Project so as to accomplish, as nearly as may be, all of the Project described or
16 provided for in this section.
17

18 If the Municipality shall determine that it has become impractical to
19 accomplish any portion of the approved Project by reason of changed conditions
20 or needs, incompatible development or costs substantially in excess of those
21 estimated, the Municipality shall not be required to accomplish such portions and
22 shall apply Bond proceeds as set forth in this section.
23

24 If the approved Project has been completed in whole or in part, or its
25 completion duly provided for, or its completion found to be impractical, the
26 Municipality may apply Bond proceeds or any portion thereof to other Municipality
27 police service area capital improvements at its sole discretion. Otherwise, the
28 Municipality shall apply such remaining proceeds solely to payment of principal or
29 interest on the Bonds, as provided in the Home Rule Charter. In the event that the
30 proceeds of sale of the Bonds, plus any other monies of the Municipality legally
31 available, are insufficient to accomplish the approved Project, the Municipality
32 shall use the available funds for paying the cost of those portions of the approved
33 Project deemed by the Municipality most necessary and in the best interest of the
34 Municipality. No Bond proceeds shall be used by the Municipality for any purpose
35 other than a capital improvement of the Municipality.
36

37 For the purpose of providing funds for the undertaking of the Project, which is
38 hereby found to be a public purpose and in the public interest, the Municipality
39 hereby proposes to issue general obligation bonded indebtedness in an amount
40 not to exceed Three Million Nine Hundred Thousand Dollars (\$3,900,000).
41

42 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
43 such time or times as deemed necessary and advisable by the Assembly and as
44 permitted by law and shall mature over a period of 20 years from date of issue.
45 The Bonds shall be issued in an aggregate principal amount of not to exceed
46 \$3,900,000. 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 Metropolitan Police 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 Project 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 Metropolitan Police Service Area and areawide, on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. _____

ANCHORAGE METROPOLITAN POLICE SERVICE AREA BONDS

For the purpose of acquiring new APD replacement fleet vehicles and related capital improvements in the Anchorage Metropolitan Police Service Area as provided in AO 2021-__, shall Anchorage borrow money and issue up to \$3,900,000 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 Metropolitan Police Service Area) an annual increase in taxes of approximately \$0.85 to retire the proposed bonds.

The debt shall be paid from real and personal property taxes levied and collected within the Anchorage Metropolitan Police Service Area, which consists of areas north of McHugh Creek (other than Fire Island), without cost to properties in Girdwood, Bird, Indian, Rainbow, Portage 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. 2021 General Government CIB and 2021-2026 General Government CIP. The 2021 General Government CIB and the 2021-2026 General Government CIP are hereby revised to include the changes as identified in the accompanying Assembly Memorandum and Exhibit A.

Section 5. 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 24-2021

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 THREE MILLION NINE HUNDRED THOUSAND DOLLARS (\$3,900,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY IMPROVEMENTS (POLICE) AND RELATED CAPITAL IMPROVEMENTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2021 AND AMENDING THE 2021 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB) AND THE 2021-2026 GENERAL GOVERNMENT CAPITAL IMPROVEMENT PROGRAM (CIP).

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

The 2021 General Government CIB, approved by passage of AO 2020-106(S) as Amended, and the 2021-2026 General Government CIP approved by passage of AR 2020-351(S) as Amended will be amended as follows, with passage of the attached ordinance:

* APD Fleet Vehicles \$3,900,000 is added

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

The Anchorage Metropolitan Police 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 Police Prop.doc

EXHIBIT A

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

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
APD Fleet Vehicles	\$3,900	--
Total	\$3,900	--

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2021-9 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 THREE MILLION NINE HUNDRED THOUSAND DOLLARS (\$3,900,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY IMPROVEMENTS (POLICE) AND RELATED CAPITAL IMPROVEMENTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2021 AND AMENDING THE 2021 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB) AND THE 2021-2026 GENERAL GOVERNMENT CAPITAL IMPROVEMENT PROGRAM (CIP).

Sponsor: Acting Mayor
Preparing Agency: Finance Department
Others Impacted: Anchorage Police 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	--	287.0	287.0	287.0	287.0
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	287.0	287.0	287.0	287.0

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 \$286,969 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 \$286,969 equate to an estimated property tax increase of 0.0085 mills or \$0.85 per year on \$100,000 of assessed valuation in the Anchorage Metropolitan Police Service Area.