MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2017-169


Prepared by

K&L GATES LLP
MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2017-169

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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.

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 replacement emergency communication equipment and replace, improve, and renovate certain facilities (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 $2,588,000 (the “Bonds”); and

WHEREAS, the 2018 General Government Capital Improvement Budget (CIB) was approved on November 21, 2017 by AO 2017-125, As Amended. In accordance with AMC 6.10.045, the 2018 General Government CIB shall be revised to include the changes as reflected in this ordinance; 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 acquire replacement emergency communication equipment and replace, improve, and renovate certain facilities 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 $2,588,000.

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
(hereinafter defined) 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 for the
Projects so as to acquire, replace, improve and renovate, 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 acquire,
replace, improve and renovate any portion of the approved Projects by reason of
changed conditions or needs, 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 acquired, replaced, improved and
renovated and duly provided for, or 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 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 Two
Million Five Hundred Eighty-Eight Thousand Dollars ($2,588,000) (the “Bonds”).

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
$2,588,000. 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 3, 2018.

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 replacement emergency communication equipment and replacing, improving, and renovating certain facilities, as provided in Anchorage Ordinance No. 2017-___ in the Anchorage Fire Service Area, shall the Municipality of Anchorage borrow money and issue up to $2,588,000 in principal amount of general obligation bonds with no increase in the municipal tax cap required to pay the associated annual operations and maintenance costs?

Voter approval of this bond proposition authorizes for each $100,000 of assessed taxable property value (based on the estimated 2018 assessed valuation in the Anchorage Fire Service Area) an annual increase in taxes of approximately $0.56 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.

(AO No. 2017-__)

☐ YES ☐ NO

Section 4. 2018 General Government Capital Improvement Budget (CIB). The 2018 General Government CIB was approved on November 21, 2017 by AO 2017-125, As Amended, and in accordance with AMC 6.10.045, the 2018 General Government CIB is hereby revised to include the changes as identified.

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 3, 2018. The remaining sections of this ordinance shall become effective upon passage and approval.

PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this 9th day of January, 2018.

By ________________
Chair of the Assembly

ATTEST:

______________________
Municipal Clerk
MUNICIPALITY OF ANCHORAGE  
Summary of Economic Effects - General Government


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

CHANGES IN EXPENDITURES AND REVENUES:  
(Thousands of Dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
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<tr>
<td>Operating Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1000 Personal Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000 Supplies</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>3000 Other Services</td>
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<tr>
<td>4000 Debt Service</td>
<td></td>
<td>186.2</td>
<td>186.2</td>
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<td>5000 Capital Outlay</td>
<td></td>
<td></td>
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<tr>
<td>TOTAL DIRECT COSTS:</td>
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<td>186.2</td>
<td>186.2</td>
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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 $186,238 assumes bonds are sold as a package @ 3.75% interest, with bond repayments corresponding to the expected life of the assets financed up to 20 years.

When projects are completed and fully functioning, increased annual operations and maintenance costs are estimated at $0.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately $186,238 equate to an estimated property tax increase of 0.0056 mills or $0.56 per year on $100,000 of assessed valuation in the Anchorage Fire Service Area.
From: Mayor


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 3, 2018.

The administration recommends scheduling a public hearing for this bond ordinance on January 9, 2018.

The 2018 General Government CIB was approved on November 21, 2017 by AO 2017-125, As Amended, and included projects: Communications Radio Replacement in the amount of $1,500,000 and Fire Ladder Truck Replacement in the amount of $1,000,000. This ordinance revises the 2018 General Government CIB to delete the Fire Ladder Truck Replacement project and revise the Communications Radio Replacement to Emergency Communication Equipment in the amount of $2,288,000.

Please see the attached Project List, attached as Exhibit A.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

Prepared and approved by: Robert E. Harris, CFO
Concur: Lance Wilber, Director, Office of Management & Budget
Concur: Rebecca Windt Pearson, Municipal Attorney
Concur: William D. Falsey, Municipal Manager
Respectfully submitted: Ethan A. Berkowitz, Mayor
EXHIBIT A

Anchorage Fire Service Area
2018 Bond Project List
(000)'s

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
<th>O&amp;M</th>
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<tbody>
<tr>
<td>AFD Fire Station #10 Generator Replacement</td>
<td>$100</td>
<td>--</td>
</tr>
<tr>
<td>AFD Fire Station #11 Replace Flat Roof Section</td>
<td>200</td>
<td>--</td>
</tr>
<tr>
<td>Emergency Communication Equipment</td>
<td>2,288</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,588</strong></td>
<td><strong>--</strong></td>
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