

Municipal Clerk's Office

Approved

Date: **January 9, 2018**

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2017-169

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO MILLION FIVE HUNDRED EIGHTY-EIGHT THOUSAND DOLLARS (\$2,588,000) 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 3, 2018 AND REVISING THE 2018 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB).

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.

Requested by: Chair of the Assembly at
the Request of the Mayor
Prepared by: Cynthia M. Weed, Bond
Counsel
K&L GATES LLP
For Reading: December 19, 2017

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2017-169**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO MILLION FIVE HUNDRED EIGHTY-EIGHT THOUSAND DOLLARS (\$2,588,000) 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 3, 2018 AND REVISING THE 2018 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB).

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,

1 acquisition of property, site preparation, construction, installing and equipping of the
2 Projects, architectural, engineering, design, and other consulting services,
3 inspection and testing, administrative expenses, costs of issuance of the Bonds
4 (hereinafter defined) and other costs incurred in connection with the Projects shall
5 be deemed to be costs of the approved Projects. The approved Projects may be
6 completed with all necessary equipment and appurtenances.

7
8 The Municipality shall determine the application of available moneys for the
9 Projects so as to acquire, replace, improve and renovate, as nearly as may be, all
10 of the Projects described or provided for in this section.

11
12 If the Municipality shall determine that it has become impractical to acquire,
13 replace, improve and renovate any portion of the approved Projects by reason of
14 changed conditions or needs, or costs substantially in excess of those estimated,
15 the Municipality shall not be required to accomplish such portions and shall apply
16 Bond proceeds as set forth in this section.

17
18 If the approved Projects have been acquired, replaced, improved and
19 renovated and duly provided for, or found to be impractical, the Municipality may
20 apply Bond proceeds or any portion thereof to other Anchorage Fire Service Area
21 capital improvements at its sole discretion. Otherwise, the Municipality shall apply
22 such remaining proceeds solely to payment of principal or interest on the Bonds, as
23 provided in the Home Rule Charter. In the event that the proceeds of sale of the
24 Bonds, plus any other monies of the Municipality legally available, are insufficient to
25 acquire the approved Projects, the Municipality shall use the available funds for
26 paying the cost of those portions of the approved Projects deemed by the
27 Municipality most necessary and in the best interest of the Municipality. No Bond
28 proceeds shall be used by the Municipality for any purpose other than a capital
29 improvement of the Municipality.

30
31 For the purpose of providing funds for the Projects, which is hereby found to
32 be a public purpose and in the public interest, the Municipality hereby proposes to
33 issue general obligation bonded indebtedness in an amount not to exceed Two
34 Million Five Hundred Eighty-Eight Thousand Dollars (\$2,588,000) (the "Bonds").

35
36 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
37 such time or times as deemed necessary and advisable by the Assembly and as
38 permitted by law and shall mature over a period of up to 20 years from date of issue.
39 The Bonds shall be issued in an aggregate principal amount of not to exceed
40 \$2,588,000. The Bonds shall bear interest to be fixed at the time of sale or sales
41 thereof. The exact form, terms, conditions, contents, security, options of
42 redemption, and such other matters relating to the issuance and sale of said Bonds
43 as are deemed necessary and advisable by the Assembly shall be as hereinafter
44 determined and/or delegated by ordinance and/or resolution of the Assembly.

45

1 The full faith and credit of the Municipality is pledged for the payment of the
2 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
3 property in the Municipality shall be levied without limitation as to rate or amount to
4 pay the principal and interest on the Bonds when due. The principal of and interest
5 on the Bonds are to be paid first from ad valorem taxes levied and collected within
6 the Anchorage Fire Service Area.

7
8 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
9 voters of the Municipality the proposition of whether or not the Municipality should
10 issue the Bonds for the purpose of financing the costs of the approved Projects at
11 the regular municipal election to be held on April 3, 2018.

12
13 The Clerk shall prepare the ballot proposition to be submitted to the voters
14 as provided by this ordinance and the Municipal Code and shall perform all
15 necessary steps in accordance with law to place this proposition before the voters
16 at the regular election. The proposition must receive a majority vote of those in the
17 Municipality voting, both in the Anchorage Fire Service Area and areawide, on the
18 question to be approved. The proposition shall be substantially in the following form:

19
20 PROPOSITION NO. _____

21
22 **ANCHORAGE FIRE SERVICE AREA FIRE PROTECTION BONDS**

23
24 For the purpose of acquiring replacement emergency
25 communication equipment and replacing, improving,
26 and renovating certain facilities, as provided in
27 Anchorage Ordinance No. 2017-___ in the Anchorage
28 Fire Service Area, shall the Municipality of Anchorage
29 borrow money and issue up to \$2,588,000 in principal
30 amount of general obligation bonds with no increase in
31 the municipal tax cap required to pay the associated
32 annual operations and maintenance costs?

33
34 Voter approval of this bond proposition authorizes for
35 each \$100,000 of assessed taxable property value
36 (based on the estimated 2018 assessed valuation in the
37 Anchorage Fire Service Area) an annual increase in
38 taxes of approximately \$0.56 to retire the proposed
39 bonds.
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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

AO Number: 2017-169 Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO MILLION FIVE HUNDRED EIGHTY-EIGHT THOUSAND DOLLARS (\$2,588,000) 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 3, 2018 AND REVISING THE 2018 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB).

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

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY18	FY19	FY20	FY21	FY22
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service	--	186.2	186.2	186.2	186.2
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	186.2	186.2	186.2	186.2

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.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 839-2017

Meeting Date: December 19, 2017

1 **From:** Mayor

2
3 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE
4 QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION
5 OF THE ISSUANCE OF NOT TO EXCEED TWO MILLION FIVE
6 HUNDRED EIGHTY-EIGHT THOUSAND DOLLARS (\$2,588,000) OF
7 GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF
8 ANCHORAGE TO PAY THE COSTS OF FIRE PROTECTION
9 CAPITAL IMPROVEMENTS AND RELATED CAPITAL
10 IMPROVEMENTS IN THE ANCHORAGE FIRE SERVICE AREA AT
11 THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3,
12 2018 AND REVISING THE 2018 GENERAL GOVERNMENT
13 CAPITAL IMPROVEMENT BUDGET (CIB).
14

15 The ordinance will place a general obligation bond proposition for the Anchorage
16 Fire Service Area on the ballot for the Municipal election to be held on April 3, 2018.
17

18 The administration recommends scheduling a public hearing for this bond ordinance
19 on January 9, 2018.
20

21 The 2018 General Government CIB was approved on November 21, 2017 by AO
22 2017-125, As Amended, and included projects: Communications Radio
23 Replacement in the amount of \$1,500,000 and Fire Ladder Truck Replacement in
24 the amount of \$1,000,000. This ordinance revises the 2018 General Government
25 CIB to delete the Fire Ladder Truck Replacement project and revise the
26 Communications Radio Replacement to Emergency Communication Equipment in
27 the amount of \$2,288,000.
28

29 Please see the attached Project List, attached as Exhibit A.
30

31 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.
32

33 Prepared and approved by: Robert E. Harris, CFO
34 Concur: Lance Wilber, Director, Office of Management
35 & Budget
36 Concur: Rebecca Windt Pearson, Municipal Attorney
37 Concur: William D. Falsey, Municipal Manager

1
2

Respectfully submitted:
AM 2018 Fire Prop.doc

Ethan A. Berkowitz, Mayor

EXHIBIT A

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

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
AFD Fire Station #10 Generator Replacement	\$ 100	--
AFD Fire Station #11 Replace Flat Roof Section	200	--
Emergency Communication Equipment	2,288	--
Total	\$2,588	--