MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2014-15

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED SIX HUNDRED FIFTY THOUSAND DOLLARS ($650,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY FACILITIES (POLICE) AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE METROPOLITAN POLICE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2014.

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 upgrade HVAC system controls and make other safety and code upgrades to the Anchorage Police Department headquarters (the “Project”); and

WHEREAS, in order to provide financing for the upgrades of such 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 $650,000 (the “Bonds”); 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 upgrade the Project at the time and in the order and in the manner deemed most necessary and advisable by the Municipality. The estimated cost of the Project, including incidental costs and costs related to issuing and selling the Bonds as provided in this ordinance, is estimated to be $650,000.

The Project is described in more detail in the attachment to the Assembly Memorandum accompanying this ordinance. The cost of all necessary consulting services, inspection and testing, administrative expenses, and costs of issuance of the Bonds (hereinafter defined) and other costs incurred in connection with the acquisition, improvement, expansion, and equipping of the Project shall be deemed to be costs of the approved Project.
The Assembly shall determine the application of available moneys for the Project so as to upgrade, as nearly as may be, all of the Project described or provided for in this section.

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

If the Project has been acquired, improved, expanded and equipped and duly provided for, or found to be impractical, the Assembly may apply Bond proceeds or any portion thereof to other Municipality police service 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, improve, expand and equip the approved Project, the Assembly shall use the available funds for paying the cost of those portions of the approved Project deemed by the Municipality most necessary and in the best interest of the Municipality. No Bond proceeds shall be used for any purpose other than a capital improvement.

For the purpose of providing funds for the Project, 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 Six Hundred Fifty Thousand Dollars ($650,000) (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 20 years from date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed $650,000. 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 1, 2014.

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 FACILITIES BONDS

For the purpose of providing for the upgrade of HVAC system controls and making other safety and code upgrades to the Anchorage Police Department headquarters in the Anchorage Metropolitan Police Service Area as provided in Anchorage Ordinance No. 2014—__, shall Anchorage borrow money and issue up to $650,000 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 2014 assessed valuation in the Anchorage Metropolitan Police Service Area): an annual increase in taxes of approximately $0.16 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. Anchorage will also pledge its full faith and credit for payment of the bonds.

(AO No. 2014—__)
Section 4. Submission of Question to Voters. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate and next to a square provided for marking the ballot or voting by a machine:

PROPOSITION NO. _______  BONDS, YES ☐  BONDS, NO ☐

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 1, 2014. 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 28th day of January, 2014.

By   Chair of the Assembly

ATTEST:

Barbara A. Jones

Municipal Clerk
MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2014-15

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Prepared by

K&L GATES LLP
MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2014-15

TABLE OF CONTENTS*

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1</td>
<td>Purpose</td>
<td>1</td>
</tr>
<tr>
<td>Section 2</td>
<td>Details of Bonds</td>
<td>2</td>
</tr>
<tr>
<td>Section 3</td>
<td>Ballot Proposition</td>
<td>3</td>
</tr>
<tr>
<td>Section 4</td>
<td>Submission of Question to Voters</td>
<td>4</td>
</tr>
<tr>
<td>Section 5</td>
<td>Effective Dates</td>
<td>4</td>
</tr>
</tbody>
</table>

* This Table of Contents and the cover page are for convenience of reference and are not intended to be a part of this ordinance.
MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government


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

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
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<tbody>
<tr>
<td>Operating Expenditures</td>
<td></td>
<td></td>
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<tr>
<td>1000 Personal Services</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>2000 Supplies</td>
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<td>3000 Other Services</td>
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<td>4000 Debt Service</td>
<td>52</td>
<td>52</td>
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<td>52</td>
<td>52</td>
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<td>5000 Capital Outlay</td>
<td></td>
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<td>TOTAL DIRECT COSTS:</td>
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</tbody>
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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 $52,158 assumes bonds are sold as a package @ 5.00% 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 $52,158 equate to an estimated property tax increase of 0.0016 mills or $0.16 per year on $100,000 of assessed valuation in the Anchorage Metropolitan Police Service Area.

When fully operational, increased annual operations and maintenance costs are estimated at $0 and equate to an estimated property tax increase of 0.00 mills or $0.0 per year on $100,000 of assessed valuation in the Anchorage Metropolitan Police Service Area.
The total private sector economic effect would therefore be the increase in the Municipal tax cap limitation related to the payment of debt service and operations and maintenance costs as shown above for a total of $.16 per $100,000 of assessed valuation in the Anchorage Metropolitan Police Service Area.

Prepared by: Ross Risvold, Public Finance & Investments Manager

Phone: 343-6606

SEE 2014 Police Prop.doc
From: Mayor

Subject: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED SIX HUNDRED FIFTY THOUSAND DOLLARS ($650,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY FACILITIES (POLICE) AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE METROPOLITAN POLICE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2014.

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 1, 2014.

The administration recommends scheduling a public hearing for this bond ordinance on January 28, 2014.

The Anchorage Metropolitan Police Service Area bond proposal will implement the priorities established in the recently approved 2014-2019 Capital Improvement Program. Please see the attached Project List, attached as Exhibit A.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

Prepared and approved by: Lucinda Mahoney, CFO
Concurrence: Marilyn Banzhaf, Office of Management & Budget
Concurrence: Dennis A. Wheeler, Municipal Attorney
Concurrence: George J. Vakalis, Municipal Manager
Respectfully submitted: Daniel A. Sullivan, Mayor
EXHIBIT A
Anchorage Police Service Area
2014 Bond Project List
(000)'s

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Scope</th>
<th>Amount</th>
<th>O&amp;M</th>
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</thead>
<tbody>
<tr>
<td>APD Headquarters HVAC Controls &amp; Code Upgrades</td>
<td>APD Headquarters is 27 years old and building system controls have reached their useful life and in need of replacement and upgrade to a modern efficient system. Additionally, as with any older building, safety and code issues are frequently arising and in need of upgrade but are beyond the scope of maintenance budgets to correct the problems. These projects have been recommended by the MOA insurance carrier and Risk Management. 2014: $650,000 HVAC system controls upgrade and other safety and code upgrades to APD Headquarters building.</td>
<td>$650</td>
<td>$0</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<td><strong>$650</strong></td>
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