MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2014-16

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS 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 IN THE ANCHORAGE FIRE 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 Fire Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to acquire a replacement ladder truck and a replacement water tender (the "Project"); and

WHEREAS, in order to provide financing for the acquisition 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 $1,950,000 (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 Fire Service Area require the Municipality to acquire a replacement ladder truck and a replacement water tender 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 $1,950,000.

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 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 acquire, 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 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 approved Project has been acquired and duly provided for, or found to be impractical, the Assembly may apply Bond proceeds or any portion thereof to other Municipality fire 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 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 acquisition of 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 One Million Nine Hundred Fifty Thousand Dollars ($1,950,000) (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 $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 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 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 ladder truck and a replacement water tender and undertaking other related capital improvements as provided in Anchorage Ordinance No. 2014-___ in the Anchorage Fire Service Area, shall Anchorage borrow money and issue up to $1,950,000 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 Fire Service Area): an annual increase in taxes of approximately $0.50 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. 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:

By ____________
Chair of the Assembly

Municipal Clerk
MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2014-16

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS 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 IN THE ANCHORAGE FIRE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2014.

Prepared by

K&L GATES LLP
**MUNICIPALITY OF ANCHORAGE**  
**ORDINANCE No. 2014-16**

**TABLE OF CONTENTS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</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

AO Number: 2014-16
Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS 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 IN THE ANCHORAGE FIRE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2014.

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

<table>
<thead>
<tr>
<th>CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
</tr>
<tr>
<td>---------------------------------</td>
</tr>
<tr>
<td>Operating Expenditures 1000 Personal Services</td>
</tr>
<tr>
<td>2000 Supplies</td>
</tr>
<tr>
<td>3000 Other Services</td>
</tr>
<tr>
<td>4000 Debt Service</td>
</tr>
<tr>
<td>5000 Capital Outlay</td>
</tr>
<tr>
<td>TOTAL DIRECT COSTS:</td>
</tr>
<tr>
<td>ADD: 6000 Charge from Others</td>
</tr>
<tr>
<td>LESS: 7000 Charge to Others</td>
</tr>
</tbody>
</table>

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of $156,473 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 $156,473 equate to an estimated property tax increase of 0.0050 mills or $0.50 per year on $100,000 of assessed valuation in the Anchorage Fire 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 $0.00 per year on $100,000 of assessed valuation in the Anchorage Fire 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 $0.50 per $100,000 of assessed valuation in the Anchorage Fire Service Area.

Prepared by: Ross Risvold, Public Finance & Investments Manager Phone: 343-6606

SEE 2014 Fire 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 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 IN THE ANCHORAGE FIRE 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 Fire 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 Fire 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 Fire 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>
</tr>
</thead>
<tbody>
<tr>
<td>Fire Ladder Truck Replacement</td>
<td>Replace front line ladder truck in accordance with the apparatus replacement schedule.</td>
<td>$1,150</td>
<td>$0</td>
</tr>
<tr>
<td>Fire Water Tender Replacement</td>
<td>This project is to replace one apparatus in the aging water tender fleet. Water tenders are used to shuttle water to areas without fire hydrants. They tend to have low mileage and are over 20 years old. AFD has a water tender replacement schedule that follows national standards for replacement of front line fire apparatus.</td>
<td>$800</td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$1,950</td>
<td>$0</td>
</tr>
</tbody>
</table>