MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2019-151


Prepared by

K&L GATES LLP
MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2019-151

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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.
MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2019-151


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 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 $2,400,000 (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 undertake 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 $2,400,000.

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

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

If the Municipality shall determine that it has become impractical to
accomplish any portion of the approved Project by reason of changed conditions
or needs, incompatible development 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 Project has been completed in whole or in part, or its
completion duly provided for, or its completion found to be impractical, the
Municipality may apply Bond proceeds or any portion thereof to other Municipality
police 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 accomplish the approved Project, the Municipality
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 by the Municipality for any purpose
other than a capital improvement of the Municipality.

For the purpose of providing funds for the undertaking 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 Two Million Four Hundred Thousand Dollars ($2,400,000).

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
$2,400,000. 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 7, 2020.

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 acquiring new APD replacement fleet vehicles and undertaking certain capital improvements in the Anchorage Metropolitan Police Service Area as provided in AO 2019-__, shall Anchorage borrow money and issue up to $2,400,000 in principal amount of general obligation bonds and increase the municipal tax cap by an annual amount not to exceed $30,000 to pay for 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 2020 assessed valuation in the Anchorage Metropolitan Police Service Area) (i) an annual increase in taxes of approximately $0.55 to retire the proposed bonds and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately $0.09 to pay for annual operation and maintenance costs related to the proposed capital improvements.
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. 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 7, 2020. 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 14th day of January, 2020.

By ____________________________
Chair of the Assembly

ATTEST:

______________________________
Jennifer Venohrason
Municipal Clerk
MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government


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

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CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
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<tr>
<td>Operating Expenditures</td>
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<td></td>
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<tr>
<td>1000 Personal Services</td>
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<td>30.0</td>
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<tr>
<td>2000 Supplies</td>
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<td>184.5</td>
<td>184.5</td>
<td>184.5</td>
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<td>3000 Other Services</td>
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<td>4000 Debt Service</td>
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<td>5000 Capital Outlay</td>
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<tr>
<td>TOTAL DIRECT COSTS:</td>
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<td>214.5</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 $184,503 assumes bonds are sold as a package @ 4.5% 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 $30,000.

PRIVATE SECTOR ECONOMIC EFFECTS:
Estimated annual debt service payments of approximately $184,503 equate to an estimated property tax increase of 0.0055 mills or $0.55 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 $30,000 and equate to an estimated property tax increase of 0.0009 mills or $0.09 per year on $100,000 of assessed valuation in the Anchorage Metropolitan Police Service Area and an increase in the Municipal tax cap limitation.

The total private sector economic effect would therefore be a total of $0.64 per $100,000 of assessed valuation in the Anchorage Metropolitan Police Service Area.
From: Mayor


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 7, 2020.

The administration recommends scheduling a public hearing for this bond ordinance on January 14, 2020.

The Anchorage Metropolitan Police Service Area bond proposal will implement the priorities established in the recently approved 2020-2025 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: Rebecca A. Windt Pearson, Municipal Attorney

Concur: William D. Falsey, Municipal Manager

Respectfully submitted: Ethan A. Berkowitz, Mayor
EXHIBIT A

Anchorage Police Service Area
2020 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>APD New/Replacement Fleet Vehicles</td>
<td>$2,400</td>
<td>$30</td>
</tr>
<tr>
<td>Total</td>
<td>$2,400</td>
<td>$30</td>
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