MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2024-5

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS ($8,100,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE CEMETERY CAPITAL IMPROVEMENT PROJECTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING PROJECTS TO THE AREAWIDE 2024 CAPITAL IMPROVEMENT BUDGET TO INCLUDE THE CEMETERY CAPITAL IMPROVEMENT PROJECTS.

Prepared by

K&L GATES LLP
### MUNICIPALITY OF ANCHORAGE
### ORDINANCE No. 2024-5

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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. 2024-5

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS ($8,100,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE CEMETERY CAPITAL IMPROVEMENT PROJECTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING PROJECTS TO THE AREAWIDE 2024 CAPITAL IMPROVEMENT BUDGET TO INCLUDE THE CEMETERY CAPITAL IMPROVEMENT PROJECTS.

WHEREAS, it is the responsibility of the Municipality of Anchorage, Alaska (the "Municipality") in conjunction with the State of Alaska to provide for burials and burial space for indigent people who are under the care of the government; and

WHEREAS, historically, these people are buried at Anchorage Municipal Park, which is soon to be unavailable due to lack of space; and

WHEREAS, in order to provide for this essential service, the Municipality needs undertake the development of new and additional cemeteries and acquire cemetery equipment (the "Projects"); and

WHEREAS, the Assembly may alter the Areawide 2024 Capital Improvement Budget ("CIB") by majority vote; and

WHEREAS, the Assembly desires to alter the Areawide 2024 CIB to include all of 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 $8,100,000 (the "Bonds"); now, therefore,
THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the Projects are needed throughout the Municipality. The Assembly hereby determines that the best interest of the residents and property owners within the Municipality require the Municipality to undertake the Projects 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 $8,100,000.

The Assembly hereby finds it necessary to alter the Areawide 2024 CIB to include all of the Projects.

The Projects are described in the approved 2024 Capital Improvement Budget, as amended. The cost of all necessary planning, acquisition of property for, 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 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 between the various Projects so as to accomplish, as nearly as may be, the Projects described or provided for in this section.

If the Municipality shall determine that it has become impractical to accomplish any portion of the approved Projects 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 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 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 undertaking of the Projects, which are 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 Eight Million One Hundred Thousand Dollars ($8,100,000).

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 up to 20 years from date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed $8,100,000. 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.

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 2, 2024.

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 an areawide majority vote of those in the Municipality voting on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. ____

AREAWIDE CEMETERY CAPITAL IMPROVEMENT PROJECT BONDS

For the purpose of providing areawide cemetery equipment and areawide cemetery capital improvements within the Municipality of Anchorage, including Anchorage Memorial Park, Girdwood Cemetery and Eagle River Cemetery, as provided in AO 2024-___, shall Anchorage borrow money and issue up to $8,100,000 in principal amount of general obligation bonds and increase the municipal tax cap by an annual amount not to exceed $5,000 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 2024 areawide assessed valuation in Anchorage): (i) an annual increase in taxes of approximately $1.64 to retire the proposed bonds, and, (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately $0.01 to pay for annual operation and maintenance costs related to the proposed equipment and capital improvements.

The debt shall be paid from real and personal property taxes levied and collected areawide within Anchorage. The Municipality will also pledge its full faith and credit for payment of the bonds.

☐ YES ☐ NO

Section 4. Areawide 2024 General Government CIB. The Assembly hereby alters the Areawide 2024 General Government CIB to include the Anchorage Memorial Park, Girdwood Cemetery and Eagle River Cemetery Projects described in the Assembly Memorandum and increase the amount of the Areawide 2024 CIB by Eight Million Dollars ($8,000,000).

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 2, 2024. 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 ___ day of __________, 2024.

By __________________________
Chair of the Assembly

ATTEST:

______________________________
Municipal Clerk
FROM: MAYOR

SUBJECT: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS ($8,100,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE CEMETERY CAPITAL IMPROVEMENT PROJECTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING PROJECTS TO THE AREAWIDE 2024 CAPITAL IMPROVEMENT BUDGET TO INCLUDE THE CEMETERY CAPITAL IMPROVEMENT PROJECTS.

The attached ordinance will place a general obligation bond proposition for Areawide Cemetery Capital Improvements on the ballot for the regular Municipal election to be held on April 2, 2024.

The 2024 General Government Capital Improvement Budget (CIB), approved by passage of AO 2023-96 as Amended, will be amended as follows with the passage of the attached ordinance by the addition of the following three new projects:

Anchorage Memorial Park - $1 million dollars

The Anchorage Memorial Park represents the heritage of the Municipality of Anchorage. The improvements, renovations, and accommodations for disabled visitors have been requested by the Park’s Advisory Board. These things will extend the usefulness of the downtown cemetery by a few years and will help in the graceful transition to the cemetery as a park-like setting.

The cost for these necessary improvements, renovations, and accommodations has been estimated at $1 million dollars.
Girdwood Cemetery - $3.5 million dollars

Planning for a Girdwood Cemetery has been ongoing for more than two decades and after extensive public process and with investment by local taxpayers, there exists a schematic plan for the design and construction in four phases. The first phase will establish a new cemetery in the Municipality ready for service. $3.5 million dollars from the Bonds will put in place the cemetery’s infrastructure: clearing land, making a parking lot, and establishing a trail system, building a committal shelter and columbarium for cremains, and overlaying a Global Positioning System, (GPS), for locating burial plots. Work could begin as early as the summer of 2024.

Eagle River Cemetery - $3.5 million dollars

A committee with members from Eagle River to Birchwood has been working for more than a dozen years toward the establishment of a cemetery in their part of town. Through a lengthy public process and with help from their Assembly members, they have chosen a site and have developed a conceptual four-phase plan for establishing a new cemetery in Eagle River. $3.5 million dollars from the Bonds will complete the first phase of the Eagle River Cemetery plan and create a new Municipal cemetery ready for service. As with the Girdwood Cemetery, because both cemeteries are to be established on undeveloped land, the first phase will basically include designing and building the same infrastructure that can later be used to accommodate the further phases as more burial space is needed.

Since the sites of both of the new cemeteries are on land owned by the Municipality and are designated as public-use lands, there will be no cost for the land. Rather, there will be a lateral transfer of management of the land within the Municipality from the Heritage Land Bank to the Cemetery Department.

The Administration recommends scheduling a public hearing for this bond ordinance on January 23, 2024.

The Areawide Cemetery Improvements bond proposal will implement the priorities established in the recently approved 2024-2029 Capital Improvement Program, as amended. Please see the attached Project List, attached as Exhibit A.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

Prepared by: Ross Risvold, Public Finance & Investments Manager
Approved: Alden Thern, CFO
Concur: Anne Helzer, Municipal Attorney
Concur: Sharon Lechner, Acting OMB Director
Concur: Kent E. Kohlhase, P.E., Municipal Manager
Respectfully submitted: Dave Bronson, Mayor
## EXHIBIT A

### Areawide Cemetery Capital Improvements

#### 2024 Bond Project List

(000)'s

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<th>Project</th>
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<tr>
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<td>Girdwood Cemetery</td>
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<td>Anchorage Memorial Cemetery</td>
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<td><strong>Total</strong></td>
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MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2024-5  Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS ($8,100,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE CEMETARY CAPITAL IMPROVEMENT PROJECTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING PROJECTS TO THE AREAWIDE 2024 CAPITAL IMPROVEMENT BUDGET TO INCLUDE THE CEMETARY CAPITAL IMPROVEMENT PROJECTS.

Sponsor: Mayor
Preparing Agency: Finance
Others Impacted: Areawide: Cemetery Improvements

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CHANGES IN EXPENDITURES AND REVENUES:  (Thousands of Dollars)
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ADD:  6000 Charge from Others
LESS:  7000 Charge to Others

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REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of $621,329 assumes bonds are sold as a single bond issue with an interest rate of 4.475% 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 $5,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately $621,329 equate to an estimated property tax increase of 0.0164 mills or $1.64 per year on $100,000 of assessed valuation in the Municipality areawide.

When fully operational, increased annual operations and maintenance costs are estimated at $5,000 and equate to an estimated property tax increase of 0.0001 mills or $0.01 per year on $100,000 of assessed valuation in the Municipality areawide and an increase in the Municipal tax cap limitation.

The total private sector economic effect would therefore be a total of $1.65 per $100,000 of assessed valuation in the Municipality areawide.