

Submitted by: ATU Committee, Assembly Members  
Wohlforth, Von Gemmingen, Meyer

Prepared by Department of Law

For reading: February 24, 1998

ANCHORAGE, ALASKA  
AO NO. 98-44 (S)

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE PROVIDING FOR THE  
SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA THE  
QUESTION OF WHETHER THE ANCHORAGE TELEPHONE UTILITY SHOULD BE  
SOLD THROUGH A COMPETITIVE PROCUREMENT PROCESS

THE ANCHORAGE ASSEMBLY ORDAINS:

**Section 1:** That pursuant to and under the authority of the Anchorage Municipal Charter Section 16.02, it is hereby determined to be for a public purpose and in the public interest of the Municipality of Anchorage that the Anchorage Telephone Utility (ATU) be sold. Telecommunications is not a traditional government function and substantial capital investment is required to keep pace with this rapidly changing industry.

**Section 2:** That pursuant to the Anchorage Municipal Charter Sections 16.02 and 13.11

- A. A competitive procurement process to dispose of ATU shall be pursued by the Administration. The process shall include a competitive bid process whereby ATU is sold to the highest responsive bid from a responsible bidder;
- B. Upon the closing of the sale, which shall be for an amount equal to or exceeding fair market value, the outstanding bonded debt of ATU shall be retired from the sales proceeds. The balance of the proceeds shall be placed into the Trust Fund managed by the Municipal Treasurer under the provisions of AMC 6.70. The principal of this fund may be used only after voter approval at a special or general election. The income from this fund may be used for operations or any other purpose deemed appropriate by ordinance.

**Section 3:** That at the regular election to be held on April 21, 1998, in and for the Municipality of Anchorage, a proposition shall be submitted to qualified voters of Anchorage for approval or rejection. A synopsis of the sale process approved by the Assembly shall be prepared by the Municipal Clerk with the assistance of the Municipal Attorney. This synopsis, together with a proposition calling for approval to sell ATU, shall be submitted to the voters. The proposition shall be substantially in the following form:

**PROPOSITION NO.**

Shall the Municipality of Anchorage sell the Anchorage Telephone Utility for an amount equal to or exceeding fair market value?

The Assembly has approved an ordinance specifically directing that the ATU sale proceeds shall be used to retire ATU's outstanding debt and establish the Trust Fund, the income from which shall be used to replace the annual dividend currently received from ATU, reinvest in the Trust Fund, and reduce property taxes. Any change of the use of proceeds from the ATU sale may be accomplished only with the approval of a majority of the qualified voters voting on the question.

**YES ☐**

**NO ☐**

**Section 4:** That upon approval of the ballot proposition set forth in Section 3 by three-fifths (3/5) of the qualified voters voting on the question, the decision to sell in Section 1 pursuant to the conditions of sale set forth in Section 2 of this ordinance shall become effective upon certification of said election.

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day of \_\_\_\_\_, 1998.

\_\_\_\_\_  
Chair of the Assembly

**ATTEST:**

\_\_\_\_\_  
Municipal Clerk