

CLERK'S OFFICE
AMENDED AND APPROVED
Date: 3-3-98

Submitted by: ATU Committee; Assembly
Members Wohlforth, Von Gemmingen, Meyer
Prepared by: Department of Law
For reading: March 3, 1998

ANCHORAGE, ALASKA
AO NO. 98-44 (S-2)

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 Administration is
authorized, for a period of two (2) years from the certi-
fication of the election, to issue invitations to bid.
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 a 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

1 approval at a special or general election. The income
2 from this fund may be used for operations or any other
3 purpose deemed appropriate by ordinance. The Assembly
4 has approved AO No. 98-45 (S), as amended, which directs
5 the use of the income. Any change of that use may be
6 accomplished only with the approval of a majority of the
7 qualified voters voting on the question.
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9 **Section 3:** That at the regular election to be held on April 21,
10 1998, in and for the Municipality of Anchorage, a proposition shall
11 be submitted to qualified voters of Anchorage for approval or
12 rejection. A synopsis of the sale process approved by the Assembly
13 shall be prepared by the Municipal Clerk with the assistance of the
14 Municipal Attorney. This synopsis, together with a proposition
15 calling for approval to sell ATU, shall be submitted to the voters.
16 The proposition shall be substantially in the following form:
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18

19 **PROPOSITION NO**

20
21 Shall the Municipality of Anchorage sell the Anchorage
22 Telephone Utility for an amount equal to or exceeding
23 fair market value?
24

25 The Assembly has approved an ordinance directing that the
26 ATU sale proceeds be used to retire ATU's outstanding
27 debt and to establish a Trust Fund, the income from which,
28 after inflation-proofing, shall be used to (1) replace the
29 annual dividend currently received from ATU, (2) reduce
30 property taxes, and (3) reinvest in the Trust Fund. Any
31 change of the use of proceeds from the ATU sale may be
32 accomplished only with approval of a majority of the
33 qualified voters voting on the question.
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36 **YES**

NO

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

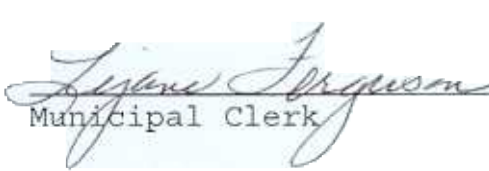
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5 PASSED AND APPROVED by the Anchorage Assembly this 3rd
6 day of March, 1998.
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13 
14 Chair of the Assembly
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16 ATTEST:

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22 Municipal Clerk