

CLERK'S OFFICE

APPROVED

Date: 3-24-98

Submitted by: Assembly ATU Committee

Assemblymembers Wohlforth, Meyer, and
Von Gemmingen

Prepared by: Assembly Office

For reading: March 24, 1998

ANCHORAGE, ALASKA

AR NO. 98- 93

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY EXPRESSING THE
ASSEMBLY'S INTENT TO INVEST PROCEEDS FROM A POTENTIAL SALE OF ATU
FOR A HIGHER RATE OF RETURN THAN THE MUNICIPALITY'S GENERAL CASH
POOL

WHEREAS, the Municipality has asked the voters of Anchorage for authorization
to sell ATU through approval of AO 98-44(S-2); and

WHEREAS, the terms of the sale question posed to the voters requires that the
proceeds from a sale of ATU, after retirement of ATU's debt, be invested in a trust fund
with the earnings from the fund available only to inflation proof the fund, reinvest in the
fund, offset ATU's lost dividend to the Municipality, and lower property taxes; and

WHEREAS, under the current Municipal Code provisions, this Trust Fund would be
invested in government bonds and other securities, similar to the Municipality's general
cash reserves, which return a low rate of return; and

WHEREAS, due to the long-term nature of the Trust Fund investment, it is prudent
to invest in a broader range of securities, including stocks, and to attempt to obtain rates
of return similar to the Alaska Permanent Fund Corporation or the Police/Fire Retiree
Medical Trust Fund; and

WHEREAS, such higher return investments will yield lower taxes for Anchorage
residents with acceptable levels of risk; and

WHEREAS, investing the proposed Trust Fund in this way would require a change
to the Municipal Code, which is not timely, since the funds to create the Trust Fund are not
currently available; and

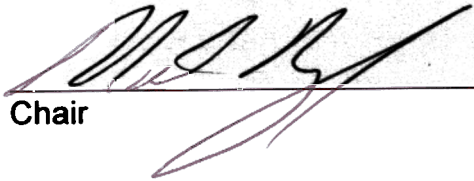
WHEREAS, it is in the public interest to inform the voters of the Assembly's intent
for investment of ATU sale proceeds so voters can maintain the necessary information to
assist in making an informed decision.

NOW, THEREFORE, the Anchorage Assembly resolves

1 **Section 1:** That in the event that the ATU sale is approved by the voters and
2 executed, it is the Assembly's intent to amend the Municipal Code to allow investment in
3 a broad range of securities such as those owned by the Alaska Permanent Fund
4 Corporation and the Police/Fire Retiree Medical Trust Fund.

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6 **Section 2:** That this resolution is effective immediately upon passage and approval

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8 PASSED AND APPROVED by the Anchorage Municipal Assembly this 24th day
9 of March, 1998.

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Chair

ATTEST:

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Municipal Clerk

EGJ/1998RESOLUTIONS/AR14