

*No action taken on 1-8-02*

*See AR 2001-365*

Submitted by: Chairman of the Assembly  
at the Request of the Mayor

Prepared by: Finance

For Reading: November 20, 2001

ANCHORAGE, ALASKA

AR NO. 2001-332

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE ACCEPTING TWO MILLION  
2 FOUR HUNDRED NINETY THOUSAND EIGHT HUNDRED EIGHTY TWO DOLLARS  
3 (\$2,490,882) FROM THE STATE OF ALASKA FOR THE BANK OF AMERICA  
4 SETTLEMENT AND DEPOSITING TWO MILLION THREE HUNDRED FIFTY-TWO  
5 THOUSAND EIGHT HUNDRED EIGHTY TWO DOLLARS (\$2,352,882) TO THE MOA  
6 TRUST RESERVE FUND (731) AND ONE HUNDRED THIRTY-EIGHT THOUSAND  
7 DOLLARS (\$138,000) TO THE AREAWIDE GENERAL FUND (101).  
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10 THE ANCHORAGE ASSEMBLY RESOLVES:

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12 Section 1. That the amount of Two Million Four Hundred Ninety Thousand  
13 Eight Hundred Eighty Two Dollars (\$2,490,882) is hereby accepted from the State of Alaska for  
14 the Bank of America Settlement.  
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16 Section 2. That Two Million Three Hundred Fifty-two Thousand Eight  
17 Hundred Eighty Two Dollars ( \$2,352,882) shall be deposited to MOA Trust Reserve (Fund  
18 731).  
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20 Section 3. That One Hundred Thirty Eight Thousand Dollars (\$138,000) shall  
21 be deposited in the Areawide General Fund (101) for reimbursement of litigation expenses.  
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23 PASSED AND APPROVED BY THE Assembly this day of \_\_\_\_\_, 200  
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28 \_\_\_\_\_  
Chairman

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30 ATTEST  
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36 \_\_\_\_\_  
Municipal Clerk  
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39 Departmental Appropriation:  
40 Finance Department \$2,490,882



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. 929-2001

Meeting Date: November 20, 2001

FROM: Mayor

SUBJECT: AR 2001-332 Accepting Two Million Four Hundred Ninety Thousand Eight Hundred Eight-Two Dollars (\$2,490,882) from the State of Alaska for the Bank Of America Settlement and Depositing Two Million Three Hundred Fifty-Two Thousand Eight Hundred Eighty-Two Dollars (\$2,352,882) to the MOA Trust Reserve Fund (731) and One Hundred Thirty-Eight Thousand Dollars (\$138,000) to the Areawide General Fund (101).

The Municipality of Anchorage has received payment from the State of Alaska for litigation settled with Bank of America (BOA). This litigation resulted from BOA not remitting back to bond issuers, such as MOA, uncollected principal and interest from investor's bond coupons.

For many years, bonds were issued with coupons. Rather than the Municipality paying principal and interest to each investor who purchased MOA bonds, as the Municipality collected debt-related taxes it was sent to BOA. BOA acted as a conduit remitting debt payments to bond investors who submitted their coupons to the bank.

Due to the nature of coupons, many instances existed where investors would not send in their coupons and the money accumulated in Bank of America. This money should have been given back to the Municipality of Anchorage, but was not.

In 1999, all major Alaskan bond issuers joined together to pursue litigation against the Bank of America. As a major Alaskan bond issuer, the Municipality of Anchorage contributed approximately \$138,000 to the effort.

The State of Alaska settled its claim against Bank of America in September. The Municipality's share of the settlement proceeds is \$2,352,882.

The Administration strongly believes this settlement represents a return of taxpayer dollars that the Municipality originally collected to pay municipal debt. The Administration further believes the Municipality is therefore morally obligated to set aside these funds.

Depositing these funds into the MOA Trust Reserve (Fund 731) will allow the Administration and the Assembly the time necessary to identify the best method by which this over collection of taxes can be returned to the Municipality of Anchorage's taxpayers. The Administration is confident a strategy again can be used that returns these funds to taxpayers without impacting the Tax Cap.

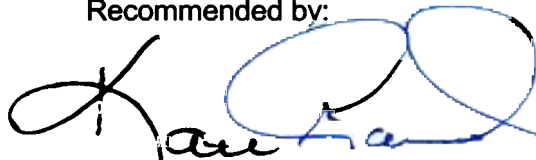
1  
2 THE ADMINISTRATION RECOMMENDS APPROVAL OF AR NO. 2001-332 ACCEPTING  
3 TWO MILLION FOUR HUNDRED NINETY THOUSAND EIGHT HUNDRED EIGHTY  
4 TWO DOLLARS (\$2,490,882) FROM THE STATE OF ALASKA FOR THE BANK OF  
5 AMERICA SETTLEMENT AND DEPOSITING TWO MILLION THREE HUNDRED  
6 FIFTY-TWO THOUSAND EIGHT HUNDRED EIGHTY TWO DOLLARS (\$2,352,882)  
7 TO THE MOA TRUST RESERVE FUND (731) AND ONE HUNDRED THIRTY-EIGHT  
8 THOUSAND DOLLARS (\$138,000) TO THE AREAWIDE GENERAL FUND (101).

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10  
11 Concurrence:

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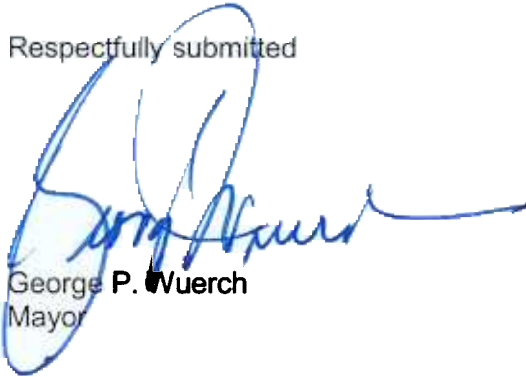
16 Harry J. Kielling Jr.  
17 Municipal Manager

Recommended by:



Kate Giard  
Chief Fiscal Officer

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20 Respectfully submitted

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27 George P. Wuerch  
28 Mayor

FUND CERTIFICATION

101-0740	\$138,000
731-0740	\$2,352,882

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Kate Giard  
Chief Fiscal Officer

Municipality of Anchorage  
MUNICIPAL CLERK'S OFFICE  
**Agenda Document Control Sheet**

*Arz* 01-332

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

<b>1</b>	<b>SUBJECT OF AGENDA DOCUMENT</b>	<b>DATE PREPARED</b>	
	Accepting \$2,490,882 from the State of Alaska for the Bank of America Settlement and depositing \$2,352,882 to the MOA Trust Reserve Fund(731) and \$138,000 to the Areawide General Fund (101)	November 14, 2001	
		Indicate Documents Attached <input type="checkbox"/> AO <input checked="" type="checkbox"/> AR <input checked="" type="checkbox"/> AM <input type="checkbox"/> AIM	
<b>2</b>	<b>DEPARTMENT NAME</b>	<b>DIRECTOR'S NAME</b>	
	Finance	Kate Giard	
<b>3</b>	<b>THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY</b>	<b>HIS/HER PHONE NUMBER</b>	
		343-6610	
<b>4</b>	<b>COORDINATED WITH AND REVIEWED BY</b>	<b>INITIALS</b>	<b>DATE</b>
	Mayor		
	Heritage Land Bank		
	Merrill Field Airport		
	Municipal Light & Power		
	Port of Anchorage		
	Solid Waste Services		
	Water & Wastewater Utility		
<input checked="" type="checkbox"/>	<b>Municipal Manager</b>	<i>MM</i>	<i>11/16/01</i>
	Cultural & Recreational Services	<i>ca</i>	<i>11/19/01</i>
	Employee Relations		
<input checked="" type="checkbox"/>	Finance, Chief Fiscal Officer	<i>[Signature]</i>	<i>11/16/01</i>
	Fire		
	Health & Human Services		
<input checked="" type="checkbox"/>	Office of Management and Budget	<i>CF</i>	<i>11/14/01</i>
	Management Information Services		
	Police		
	Planning, Development & Public Works		
	Development Services		
	Facility Management		
	Planning		
	Project Management & Engineering		
	Street Maintenance		
	Traffic		
	Public Transportation Department		
	Purchasing		
<input checked="" type="checkbox"/>	<b>Municipal Attorney</b>	<i>DW</i>	<i>11/19/01</i>
	<b>Municipal Clerk</b>		
	<b>Other</b>		
<b>5</b>	<b>Special Instructions/Comments</b>		
	<i>ref 9.F.3. Introduction</i>		
<b>6</b>	<b>ASSEMBLY HEARING DATE REQUESTED</b>		<b>7 PUBLIC HEARING DATE REQUESTED</b>
	<i>11/20/01</i>		
			<i>12/11/01</i>

2001 NOV 16 PM 3:04  
 CLERK'S OFFICE  
 M.O.A.