

Submitted by: ALLAN TESCHE, ASSEMBLY MEMBER
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Prepared by: Cynthia M. Weed, Bond Counsel
K&L PRESTON GATES ELLIS LLP
For Reading: October 23, 2007

See AO 2008-148(S)

**MUNICIPALITY OF ANCHORAGE, ALASKA
ORDINANCE No. AO 2007-148**

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY AT THE REGULAR ELECTION ON APRIL 1, 2008 THE QUESTION OF ISSUANCE OF NOT TO EXCEED TWO MILLION DOLLARS (\$2,000,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY, CONTINGENT UPON RECEIPT OF UP TO TWO MILLION DOLLARS (\$2,000,000) OF MATCHING GRANTS FROM THE STATE OF ALASKA, TO PAY THE COSTS OF CAPITAL IMPROVEMENTS FOR SWIMMING POOLS WITHIN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA AND AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY RELATED OPERATIONS AND MAINTENANCE COSTS.

WHEREAS, the best interest of the citizens and property owners in the Anchorage Parks and Recreation Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to improve, renew replace and renovate various pool facilities; and

WHEREAS, the Assembly of the Municipality have identified necessary pool improvements within the Anchorage Parks and Recreation Service Area; and

WHEREAS, in order to provide funds to perform the necessary replacements, renovations, renewals and improvements as further described in Section 1 of this ordinance (the "Projects"), it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds (the "Bonds"); now, therefore

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the pool facilities at Bartlett High School, Dimond High School, East High School, Service High School and West

1 High School within the Anchorage Parks and Recreation Service Area are in need of
2 improvement, renewal, replacement and renovation (the "Projects"). The Assembly of the
3 Municipality hereby determines that the best interest of the residents and property owners
4 within the Anchorage Parks and Recreation Service Area require the Municipality to
5 undertake the Projects at the time and in the order and in the manner deemed most
6 necessary and advisable by the Municipality. The estimated cost of the Projects, including
7 incidental costs and costs related to issuing and selling the Bonds as provided in this
8 ordinance, is estimated to be \$4,000,000; provided, however, that all or a portion of such
9 costs are anticipated to be paid from State grants.

10 The Projects are described in more detail in the attachment to the Assembly
11 Memorandum accompanying this ordinance. The cost of all necessary planning,
12 acquisition of property for, site preparation, construction, installing and equipping of the
13 Projects, architectural, engineering, design, and other consulting services, inspection and
14 testing, administrative expenses, costs of issuance of the Bonds (hereinafter defined) and
15 other costs incurred in connection with the Projects shall be deemed to be costs of the
16 approved Projects. The approved Projects may be completed with all necessary equipment
17 and appurtenances.

18 The Municipality shall determine the application of available moneys as between the
19 various Projects so as to accomplish, as nearly as may be, all of the Projects described or
20 provided for in this section.

21 If the Municipality shall determine that it has become impractical to accomplish any
22 portion of the approved Projects by reason of changed conditions or needs, incompatible
23 development or costs substantially in excess of those estimated, the Municipality shall not

1 be required to accomplish such portions and shall apply Bond proceeds as set forth in this
2 section.

3 If the approved Projects have been completed in whole or in part, or their completion
4 duly provided for, or their completion found to be impractical, the Municipality may apply
5 Bond proceeds or any portion thereof to other Municipality park and recreation capital
6 improvements at its sole discretion. Otherwise, the Municipality shall apply such
7 remaining proceeds solely to payment of principal or interest on the Bonds, as provided in
8 the Home Rule Charter. In the event that the proceeds of sale of the Bonds, plus any other
9 monies of the Municipality legally available, are insufficient to accomplish the approved
10 Projects, the Municipality shall use the available funds for paying the cost of those portions
11 of the approved Projects deemed by the Municipality most necessary and in the best
12 interest of the Municipality. No Bond proceeds shall be used for any purpose other than a
13 capital improvement.

14 For the purpose of providing funds for the undertaking of the Projects, which are
15 hereby found to be a public purpose and in the public interest, the Municipality hereby
16 proposes to issue general obligation bonded indebtedness in an amount not to exceed Two
17 Million Dollars (\$2,000,000) (the "Bonds"). The issuance of the Bonds, which may be
18 sold in one or more series, is conditioned upon the appropriation of funds by the State of
19 Alaska; provided, that the fund(s) are not required to be one to one matching grant(s).

20 **Section 2.** Details of Bonds. The Bonds shall be sold in such amounts and at such
21 time or times as deemed necessary and advisable by the Assembly and as permitted by law
22 and shall mature over a period of 20 years from date of issue. The Bonds shall be issued in
23 an aggregate principal amount of not to exceed \$2,000,000. The Bonds shall bear interest

1 to be fixed at the time of sale or sales thereof. The exact form, terms, conditions, contents,
2 security, options of redemption, and such other matters relating to the issuance and sale of
3 said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter
4 determined and/or delegated by ordinance and/or resolution of the Assembly.

5 The full faith and credit of the Municipality is pledged for the payment of the
6 principal of and interest on the Bonds, and ad valorem taxes upon all taxable property in
7 the Municipality shall be levied without limitation as to rate or amount to pay the principal
8 and interest on the Bonds when due. The principal of and interest on the Bonds are to be
9 paid first from ad valorem taxes levied and collected within the Anchorage Parks and
10 Recreation Service Area.

11 **Section 3.** Ballot Proposition. The Assembly hereby submits to the qualified electors
12 of the Municipality the proposition of whether or not the Municipality should issue the
13 Bonds for the purpose of financing the costs of the approved Projects at the regular
14 municipal election to be held on April 1, 2008.

15 The Clerk shall prepare the ballot proposition to be submitted to the voters as
16 provided by this ordinance and the Municipal Code and shall perform all necessary steps in
17 accordance with law to place this proposition before the voters at the regular election. The
18 proposition must receive a majority vote of those in the Municipality voting, both in the
19 Anchorage Parks and Recreation Service Area and areawide, on the question to be
20 approved. The proposition shall be substantially in the following form:

1 PROPOSITION NO. __
2

3 ANCHORAGE PARKS AND RECREATION SERVICE
4 AREA POOL IMPROVEMENT BONDS
5

6 To improve, renovate, replace and renew pool facilities, shall
7 Anchorage borrow money by issuing bonds in principal
8 amount not to exceed \$2,000,000, contingent upon the
9 appropriation of funds from the State of Alaska, and increase
10 the municipal tax cap by an amount up to \$223,000 to pay
11 for associated annual operations and maintenance costs?
12 The proposed capital improvements would be located within
13 the Anchorage Parks and Recreation Service Area. The debt
14 shall be first paid from real and personal property taxes
15 levied and collected within the Anchorage Parks and
16 Recreation Service Area, without cost to properties in
17 Chugiak, Eagle River, Girdwood, and other areas outside the
18 Service Area.
19

20 Anchorage will also pledge its full faith and credit for
21 payment of the bonds.
22

23 Voter approval of this bond proposition authorizes for each
24 \$100,000 of assessed taxable property value (based on the
25 estimated total 2008 assessed valuation in the Anchorage
26 Parks and Recreation Service Area): (i) an annual increase
27 in taxes of approximately \$160,485 to retire the proposed
28 bonds, and (ii) an annual increase in the municipal tax cap
29 (Charter 14.03(b)(2)) of approximately \$223,000 to pay for
30 annual operation and maintenance costs related to the
31 proposed capital improvements.
32

33 (No. AO 2008-_____)
34

35 **Section 4.** Submission of Question to Voters. The proposition, both for paper ballots
36 and machine ballots, shall be printed on a ballot which may set forth other general
37 obligation bond propositions, and the following words shall be added as appropriate and
38 next to a square provided for marking the ballot or voting by a machine:

39 PROPOSITION NO. _____

BONDS, YES

BONDS, NO

1 **Section 5.** Effective Dates. Section 2 of this ordinance shall become effective only if
2 the proposition described in Section 3 is approved by a majority of the qualified voters
3 voting on the proposition at the regular election held on April 1, 2008. The remaining
4 sections of this ordinance shall become effective upon passage and approval by the
5 Assembly.

6 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this ____
7 day of _____, 2008.

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By _____
Chair of the Assembly

ATTEST:

Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. AO 2007-148

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY AT THE REGULAR ELECTION ON APRIL 1, 2008 THE QUESTION OF ISSUANCE OF NOT TO EXCEED TWO MILLION DOLLARS (\$2,000,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY, CONTINGENT UPON RECEIPT OF UP TO TWO MILLION DOLLARS (\$2,000,000) OF MATCHING GRANTS FROM THE STATE OF ALASKA, TO PAY THE COSTS OF CAPITAL IMPROVEMENTS FOR SWIMMING POOLS WITHIN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA AND AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY RELATED OPERATIONS AND MAINTENANCE COSTS.

Prepared by

K&L PRESTON GATES ELLIS LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. AO 2007-148**

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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
Summary of Economic Effects - General Government

AO Number: 2007-148

Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY AT THE REGULAR ELECTION ON APRIL 1, 2008 THE QUESTION OF ISSUANCE OF NOT TO EXCEED TWO MILLION DOLLARS (\$2,000,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY, CONTINGENT UPON RECEIPT OF UP TO TWO MILLION DOLLARS (\$2,000,000) OF MATCHING GRANTS FROM THE STATE OF ALASKA, TO PAY THE COSTS OF CAPITAL IMPROVEMENTS FOR SWIMMING POOLS WITHIN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA AND AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY RELATED OPERATIONS AND MAINTENANCE COSTS

Sponsor: Mayor
 Preparing Agency: Parks and Recreation
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY08	FY09	FY10	FY11	FY12
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	0	223	223	223	223
4000 Debt Service	0	160	160	160	160
5000 Capital Outlay					
TOTAL DIRECT COSTS:	0	383	383	383	383

ADD: 6000 Charge from Others
 LESS: 7000 Charge to Others

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$160,485 assumes bonds are sold as a package @ 5.00% interest, with bond repayments corresponding to the expected life of the assets financed of 20 years.

When projects are completed and fully functioning, increased annual operations and maintenance costs are estimated at \$223,000 per year.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$160,485 equate to an estimated property tax increase of .006 mills or \$0.60 per year on \$100,000 of assessed valuation in the Anchorage Parks & Recreation Service Area.

When fully operational, increased annual operations and maintenance costs are estimated at \$223,000 and equate to an estimated property tax increase of .0083 mills or \$0.83 per year on \$100,000 of assessed valuation in the Anchorage Parks & Recreation Service Area.

The total private sector economic effect would therefore be the increase in the Municipal tax cap limitation related to the payment of debt service and operations and maintenance costs as shown above for a total of \$1.43 per \$100,000 of assessed valuation in the Anchorage Parks & Recreation Service Area.

SEE 2008 POOLS.doc



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 34-2008

Meeting Date: January 22, 2008

From: Mayor

Subject: AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY AT THE REGULAR ELECTION ON APRIL 1, 2008 THE QUESTION OF ISSUANCE OF NOT TO EXCEED TWO MILLION DOLLARS (\$2,000,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY, CONTINGENT UPON RECEIPT OF UP TO TWO MILLION DOLLARS (\$2,000,000) OF MATCHING GRANTS FROM THE STATE OF ALASKA, TO PAY THE COSTS OF CAPITAL IMPROVEMENTS FOR SWIMMING POOLS WITHIN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA AND AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY RELATED OPERATIONS AND MAINTENANCE COSTS

The Municipality of Anchorage owns and operates five indoor public swimming pools within the Anchorage Bowl at West, East, Dimond, Service, and Bartlett High Schools.

The MOA Park and Recreation staff along with Property and Facility Maintenance staff conducted a site inspection and analysis of all five pools during the week of October 16, 2007. These were used to augment the Coffman Engineering Reports of 2002 for the same five pools.

According to the engineering report and inspections, an estimated \$4 million in repairs are needed over the next three years to pay for repairs and upgrades to the pools in order to keep them safe and functional. While needs vary among the pools, the improvements will include roof repairs and replacements, exterior refurbishing of buildings, mechanical and electrical upgrades, pool liner repair or replacement, sand or mechanical filtration system upgrades, and interior repairs and renovations at the five pools.

These five Municipal pools are open to the public approximately 10,000 hours each year. The total program hours for the five pools is estimated at approximately 11,623 hours for 2006 and 2007. This reflects some programs that share pool time such as age group swimming with swim lessons or lap swimming.

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Total program hours for the 5 pools are:

- Lap: 3,268 hours / 26,978 participants
- Open Swim: 1,817 hours / 48,453 participants
- Learn to Swim: 1790 hours / 58,650 participants
- Age Group Swim Team: 3,118 hours / 58,338 participants
- High School Swim Team: 674.25 hours / 29,171 participants
- Other Specialized Programs: 956.5 hours / 38,495 participants

The total operation and maintenance increase for the five pool upgrades are \$223,000 per year.

The Maintenance and Operations Department estimates the need of approximately \$35,000 per year to provide adequate maintenance at the 5 Anchorage area pools. The additional funding would be utilized to provide enhanced plumbing, electrical, carpentry, painting and HVAC maintenance through the use of additional contracted services, parts and supplies. This action would prevent further deterioration of existing facility conditions and enhance the longevity of the improvements anticipated to be completed under this bond package.

The Parks and Recreation Department estimates that an additional \$88,000 for operational costs be allocated to increase public use of the facilities by 1,000 hours annual from the current 10,000 hours to 11,000 hours to be dispersed at the five pools. This funding would provide for additional lifeguards and swimming instructors to supervise increased public swims, lap swimming and learn to swim programs.

In addition, the Maintenance and Operations Department recommends that a capital reserve fund be created for the 5 Anchorage area pools, to be funded at \$100,000 per year. Over a period of time the fund would accumulate to a level able to support future anticipated and unanticipated maintenance requirements at the facilities. Currently no specific funding is identified to accumulate a reserve fund to support large maintenance projects such as roof replacements, HVAC upgrades or replacements, life/safety system enhancements or replacements, filtration and treatment system upgrades, natural disaster repairs, unexpected system failures, exterior parking lot improvements, major exterior finish renovation, etc. Establishment of this fund would help eliminate the need for future maintenance bonding.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ATTACHED ORDINANCE AUTHORIZING AND PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY AT THE REGULAR ELECTION ON APRIL 1, 2008 THE QUESTION OF ISSUANCE OF NOT TO EXCEED TWO MILLION DOLLARS (\$2,000,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY, CONTINGENT UPON RECEIPT OF UP TO TWO MILLION DOLLARS (\$2,000,000) OF MATCHING GRANTS FROM THE STATE OF ALASKA, TO PAY THE COSTS OF CAPITAL IMPROVEMENTS FOR

1 SWIMMING POOLS WITHIN THE ANCHORAGE PARKS AND RECREATION
2 SERVICE AREA AND AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO
3 PAY RELATED OPERATIONS AND MAINTENANCE COSTS
4

5 Prepared by: Jeff Dillon, Parks and Recreation Director
6 Concur: Sharon Weddleton, CFO
7 Concur: James N. Reeves, Municipal Attorney
8 Concur: Michael K. Abbott, Municipal Manager
9 Respectfully Submitted: Mark Begich, Mayor

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Content Information

Content ID : 005919

Type: Ordinance-InvolvingFunds - AO

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY

Title: AT THE REGULAR ELECTION ON APRIL 1, 2008 THE QUESTION OF ISSUANCE OF NOT TO EXCEED TWO MILLION DOLLARS (\$2,000,000) OF GENERAL OBLIGATION BONDS O

Author: maglaquijp

Initiating Dept: Finance

Description: AO, AM & SEE for submission of ballot proposition to issue general obligation bonds to pay the cost of capital improvements on swimming pools

Keywords: ballot proposition, general obligation bonds, capital improvements for swimming pools, Anchorage Parks and Recreation

Date Prepared: 1/11/08 3:41 PM

Director Name: Weddleton

Assembly Meeting Date: 10/23/07

Public Hearing Date: 1/8/08; Continued to 1/22/08

2008 JAN 14 AM 10:59
 CLERK'S OFFICE
 1107A

Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllFundOrdinanceWorkflow	1/11/08 3:50 PM	Checkin	pruittns	Public	005919
Finance_SubWorkflow	1/11/08 4:11 PM	Approve	weddletonsb	Public	005919
OMB_SubWorkflow	1/11/08 4:15 PM	Approve	mitsonjl	Public	005919
CFO_SubWorkflow	1/11/08 4:21 PM	Approve	weddletonsb	Public	005919
Legal_SubWorkflow	1/11/08 4:28 PM	Approve	gatesdt	Public	005919
MuniManager_SubWorkflow	1/11/08 4:37 PM	Checkin	maglaquijp	Public	005919
MuniManager_SubWorkflow	1/11/08 4:45 PM	Approve	leblancdc	Public	005919
MuniMgrCoord_SubWorkflow	1/13/08 11:17 AM	Approve	abbottmk	Public	005919