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CLERK'S OFFICE
APPROVED
Date: 2-12-08
IMMEDIATE RECONSIDERATION
FAILED 2-12-08

Requested by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Cynthia M. Weed, Bond Counsel
K&L PRESTON GATES ELLIS LLP
For Reading: January 29, 2008

MUNICIPALITY OF ANCHORAGE
ORDINANCE No. AO 2008-21

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THREE MILLION SIX HUNDRED TWENTY-TWO THOUSAND DOLLARS (\$3,622,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FIRE PROTECTION CAPITAL IMPROVEMENTS AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE FIRE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2008.

WHEREAS, the best interest of the citizens and property owners in the Anchorage Fire Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to acquire new fire protection equipment, including airpacks, and improve and equip the training center (the "Projects"); and

WHEREAS, in order to provide financing for the acquisition, improvement and equipping of such Projects, it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds in the principal amount of not to exceed \$3,622,000 (the "Bonds"); now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly of the Municipality hereby determines that the best interest of the residents and property owners within the Anchorage Fire Service Area require the Municipality to acquire, improve and equip the Projects at the time and in the order and in the manner deemed most necessary and advisable by the Municipality. The

1 estimated cost of the Projects, including incidental costs and costs related to issuing and
2 selling the Bonds as provided in this ordinance, is estimated to be \$3,622,000.

3 The Projects are described in more detail in the attachment to the Assembly
4 Memorandum accompanying this ordinance. The cost of all necessary consulting services,
5 inspection and testing, administrative expenses, and costs of issuance of the Bonds
6 (hereinafter defined) and other costs incurred in connection with the acquisition,
7 improvement, and equipping of the Projects shall be deemed to be costs of the approved
8 Projects.

9 The Assembly shall determine the application of available moneys for the various
10 Projects so as to acquire, improve and equip, as nearly as may be, all of the Projects
11 described or provided for in this section.

12 If the Assembly shall determine that it has become impractical to acquire, improve
13 and equip any portion of the approved Projects by reason of changed conditions or needs,
14 or costs substantially in excess of those estimated, the Assembly shall not be required to
15 accomplish such portions and shall apply Bond proceeds as set forth in this section.

16 If all of the approved Projects have been acquired, improved and equipped and duly
17 provided for, or found to be impractical, the Assembly may apply Bond proceeds or any
18 portion thereof to other Municipality fire service capital improvements at its sole
19 discretion. Otherwise, the Municipality shall apply such remaining proceeds solely to
20 payment of principal or interest on the Bonds, as provided in the Home Rule Charter. In
21 the event that the proceeds of sale of the Bonds, plus any other monies of the Municipality
22 legally available, are insufficient to acquire, improve and equip the approved Projects, the
23 Assembly shall use the available funds for paying the cost of those portions of the

1 approved Projects deemed by the Municipality most necessary and in the best interest of
2 the Municipality. No Bond proceeds shall be used for any purpose other than a capital
3 improvement.

4 For the purpose of providing funds for the acquisition, improvement and equipping
5 of the Projects, which are hereby found to be a public purpose and in the public interest,
6 the Municipality hereby proposes to issue general obligation bonded indebtedness in an
7 amount not to exceed Three Million Six Hundred Twenty-Two Thousand Dollars
8 (\$3,622,000) (the "Bonds").

9 **Section 2.** Details of Bonds. The Bonds shall be sold in such amounts and at such
10 time or times as deemed necessary and advisable by the Assembly and as permitted by law
11 and shall mature over a period of 20 years from date of issue. The Bonds shall be issued in
12 an aggregate principal amount of not to exceed \$3,622,000. The Bonds shall bear interest
13 to be fixed at the time of sale or sales thereof. The exact form, terms, conditions, contents,
14 security, options of redemption, and such other matters relating to the issuance and sale of
15 said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter
16 determined and/or delegated by ordinance and/or resolution of the Assembly.

17 The full faith and credit of the Municipality is pledged for the payment of the
18 principal of and interest on the Bonds, and ad valorem taxes upon all taxable property in
19 the Municipality shall be levied without limitation as to rate or amount to pay the principal
20 and interest on the Bonds when due. The principal of and interest on the Bonds are to be
21 paid first from ad valorem taxes levied and collected within the Anchorage Fire Service
22 Area.

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

5 The Clerk shall prepare the ballot proposition to be submitted to the voters as
6 provided by this ordinance and the Municipal Code and shall perform all necessary steps in
7 accordance with law to place this proposition before the voters at the regular election. The
8 proposition must receive a majority vote of those in the Municipality voting, both in the
9 Anchorage Fire Service Area and areawide, on the question to be approved. The
10 proposition shall be substantially in the following form:

11 PROPOSITION NO. _____

12 ANCHORAGE FIRE SERVICE AREA FIRE PROTECTION BONDS

13 For the purpose of providing fire protection capital
14 improvements in the Anchorage Fire Service Area, shall
15 Anchorage borrow money and issue up to \$3,622,000 in
16 principal amount of general obligation bonds and increase
17 the municipal tax cap by an annual amount not to exceed
18 \$1,015,025 to pay the associated annual operations and
19 maintenance costs?
20
21
22

23 Voter approval of this bond proposition authorizes for each
24 \$100,000 of assessed taxable property value (based on the
25 estimated 2008 assessed valuation in the Anchorage Fire
26 Service Area): (i) an annual increase in taxes of
27 approximately \$0.99 to retire the proposed bonds, and (ii) an
28 annual increase in the Municipal Tax Cap (Charter
29 14.03(b)(2)) of approximately \$3.47 to pay for annual
30 operations and maintenance costs related to the proposed
31 capital improvements.
32

1 The debt shall be paid from real and personal property taxes
2 levied and collected within the Anchorage Fire Service Area.
3 Anchorage will also pledge its full faith and credit for
4 payment of the bonds.

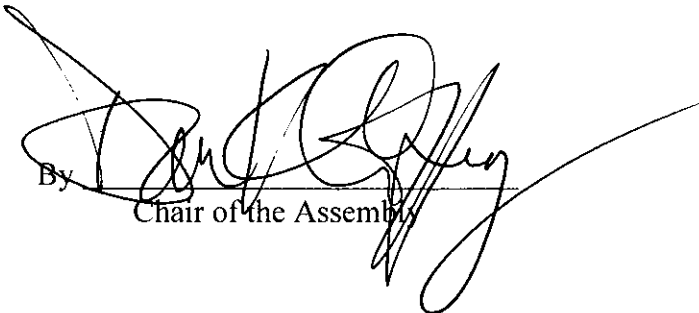
5
6 (No. AO 2008-__)
7


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

12 PROPOSITION NO. _____ BONDS, YES
13 BONDS, NO

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

18 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this 12th
19 day of February 2008.

20
21
22 By 
23 Chair of the Assembly

24 ATTEST:
25 
26 _____
27 Municipal Clerk
28

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. AO 2008-21

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THREE MILLION SIX HUNDRED TWENTY-TWO THOUSAND DOLLARS (\$3,622,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FIRE PROTECTION CAPITAL IMPROVEMENTS AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE FIRE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2008.

Prepared by

K&L PRESTON GATES ELLIS LLP

MUNICIPALITY OF ANCHORAGE
ORDINANCE No. AO 2008-21

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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.

**2008 Anchorage Fire Service Area
Bond Proposition Project Summary**

Project Name	Amount	O&M	Asmb. Dist.
Fire Training Center and Emergency Vehicle Shop Replacement	1,300,000	809,775	9
Air Resources Replacement (AFSA)	2,322,000	205,250	9
Anchorage Fire Service Area	\$3,622,000	\$1,015,025	

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2008-21 Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THREE MILLION SIX HUNDRED TWENTY-TWO THOUSAND DOLLARS (\$3,622,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FIRE PROTECTION CAPITAL IMPROVEMENTS AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE FIRE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2008

Sponsor: Mayor
 Preparing Agency: Finance
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY08	FY09	FY10	FY10	FY11
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	0	1,015	1,015	1,015	1,015
4000 Debt Service	0	290	290	290	290
5000 Capital Outlay					
TOTAL DIRECT COSTS:	0	1,305	1,305	1,305	1,305

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 \$290,639 assumes bonds are sold as a package @ 5.00% interest, with bond repayments corresponding to the expected life of the assets financed of 5 to 20 years.

When projects are completed and fully functioning, increased annual operations and maintenance costs are estimated at \$1,015,025.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$290,639 equate to an estimated property tax increase of .0099 mills or \$0.99 per year on \$100,000 of assessed valuation in the Anchorage Fire Service Area.

When fully operational, increased annual operations and maintenance costs are estimated at \$1,015,025 and equate to an estimated property tax increase of .0347 mills or \$3.47 per year on \$100,000 of assessed valuation in the Anchorage Fire 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 \$4.46 per \$100,000 of assessed valuation in the Anchorage Fire Service Area.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 66-2008

Meeting Date: January 29, 2008

1 **From:** Mayor

2
3 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE
4 QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF
5 THE ISSUANCE OF NOT TO EXCEED THREE MILLION SIX HUNDRED
6 TWENTY-TWO THOUSAND DOLLARS (\$3,622,000) OF GENERAL
7 OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO
8 PAY THE COSTS OF FIRE PROTECTION CAPITAL IMPROVEMENTS
9 AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP
10 LIMITATION TO PAY ASSOCIATED OPERATIONS AND
11 MAINTENANCE COSTS IN THE ANCHORAGE FIRE SERVICE AREA
12 AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1,
13 2008

14
15 The attached ordinance will place a \$3,622,000 general obligation bond proposition for
16 the Anchorage Fire Service Area on the ballot for the regular Municipal election to be
17 held on April 1, 2008.

18
19 The administration recommends scheduling a public hearing for this bond ordinance on
20 February 12, 2008.

21
22 The Anchorage Fire Service Area bond will implement the priorities established in the
23 recently approved 2008-2013 Capital Improvement Program. The bond provides funds
24 for the purpose of paying the costs of acquiring property for replacement of support and
25 rescue vehicles and related fire protection capital improvements within the Anchorage
26 Fire Service Area.

27
28 THE ADMINISTRATION RECOMMENDS THAT THE MUNICIPAL ASSEMBLY
29 APPROVE THE PROPOSED ORDINANCE PLACING THE ANCHORAGE FIRE
30 SERVICE AREA BOND PROPOSITION ON THE APRIL 1, 2008 BALLOT.

31
32 Prepared by: Sharon Weddleton, CFO
33 Concurrence: Janet L. Mitson, Director, Office of Management & Budget
34 Concurrence: James N. Reeves, Municipal Attorney
35 Concurrence: Denis C. LeBlanc, Municipal Manger
36 Respectfully submitted: Mark Begich, Mayor

37
38 AM 2008 Fire Prop

Content Information

Content ID : 005938
Type: Ordinance - AO
Title: An Ordinance for the Issuance of G.O. Bonds to Pay the Costs of Fire Protection Capital Improvements, Finance
Author: pruittns
Initiating Dept: Finance
Keywords: Bonds, Fire Protection, G.O., voters, improvements
Date Prepared: 1/18/08 1:00 PM
Director Name: Sharon Weddleton
Assembly Meeting Date: 1/29/08
Public Hearing Date: 2/12/08

M.O.A.
 2008 JAN 22 PM 12:10
 CLERK'S OFFICE

Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllOrdinanceWorkflow	1/18/08 1:03 PM	Checkin	pruittns	Public	005938
AllOrdinanceWorkflow	1/18/08 1:56 PM	Reject	pruittns	Public	005938
AllOrdinanceWorkflow	1/18/08 2:51 PM	Checkin	pruittns	Public	005938
Finance_SubWorkflow	1/18/08 3:17 PM	Approve	weddletonsb	Public	005938
OMB_SubWorkflow	1/18/08 3:53 PM	Approve	mitsonjl	Public	005938
Legal_SubWorkflow	1/18/08 4:09 PM	Approve	reevesjn	Public	005938
MuniMgrCoord_SubWorkflow	1/22/08 8:20 AM	Approve	abbottmk	Public	005938
MuniManager_SubWorkflow	1/22/08 8:20 AM	Approve	abbottmk	Public	005938