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CLERK'S OFFICE
APPROVED
Date: 2/3/09

Requested by: Chair of the Assembly at the
Request of the Acting Mayor
Prepared by: Cynthia M. Weed, Bond Counsel
K&L PRESTON GATES ELLIS LLP
For Reading: January 20, 2009

MUNICIPALITY OF ANCHORAGE
ORDINANCE No. AO 2009-15

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000) 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 7, 2009.

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 improve, renovate and equip Fire Station #3 (Airport Heights), Fire Station #5 (Spenard) and Fire Station #11 (Eagle River) and acquire a replacement ladder truck at Fire Station #11 (Eagle River) (collectively, the "Projects"); and

WHEREAS, in order to provide financing for the acquisition, improvement, renovation 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 \$1,800,000 (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, renovate and equip the Projects at the time and in the order and in the manner deemed most necessary and advisable by the

1 Municipality. The estimated cost of the Projects, including incidental costs and costs
2 related to issuing and selling the Bonds as provided in this ordinance, is estimated to be
3 \$1,800,000.

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

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

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

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

1 legally available, are insufficient to acquire, improve, renovate and equip the approved
2 Projects, the Assembly shall use the available funds for paying the cost of those portions of
3 the approved Projects deemed by the Municipality most necessary and in the best interest
4 of the Municipality. No Bond proceeds shall be used for any purpose other than a capital
5 improvement.

6 For the purpose of providing funds for the acquisition, improvement, renovation
7 and equipping of the Projects, which are hereby found to be a public purpose and in the
8 public interest, the Municipality hereby proposes to issue general obligation bonded
9 indebtedness in an amount not to exceed One Million Eight Hundred Thousand Dollars
10 (\$1,800,000) (the "Bonds").

11 **Section 2.** Details of Bonds. The Bonds shall be sold in such amounts and at such
12 time or times as deemed necessary and advisable by the Assembly and as permitted by law
13 and shall mature over a period of 20 years from date of issue. The Bonds shall be issued in
14 an aggregate principal amount of not to exceed \$1,800,000. The Bonds shall bear interest
15 to be fixed at the time of sale or sales thereof. The exact form, terms, conditions, contents,
16 security, options of redemption, and such other matters relating to the issuance and sale of
17 said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter
18 determined and/or delegated by ordinance and/or resolution of the Assembly.

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

1 paid first from ad valorem taxes levied and collected within the Anchorage Fire Service
2 Area.

3 **Section 3.** Ballot Proposition. The Assembly hereby submits to the qualified electors
4 of the Municipality the proposition of whether or not the Municipality should issue the
5 Bonds for the purpose of financing the costs of the approved Projects at the regular
6 municipal election to be held on April 7, 2009.

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

13 PROPOSITION NO. _____

14
15 ANCHORAGE FIRE SERVICE AREA FIRE PROTECTION BONDS

16
17 For the purpose of providing fire protection capital
18 improvements in the Anchorage Fire Service Area, shall
19 Anchorage borrow money and issue up to \$1,800,000 in
20 principal amount of general obligation bonds and increase
21 the municipal tax cap by an annual amount not to exceed
22 \$53,000 to pay the associated annual operations and
23 maintenance costs?

24
25 Voter approval of this bond proposition authorizes for each
26 \$100,000 of assessed taxable property value (based on the
27 estimated 2009 assessed valuation in the Anchorage Fire
28 Service Area): (i) an annual increase in taxes of
29 approximately \$0.51 to retire the proposed bonds, and (ii) an
30 annual increase in the Municipal Tax Cap (Charter
31 14.03(b)(2)) of approximately \$0.18 to pay for annual
32 operations and maintenance costs related to the proposed
33 capital improvements.
34

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

(No. AO 2009-__)

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

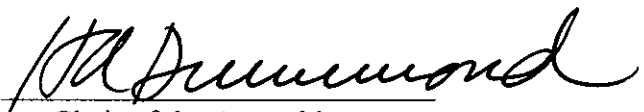
PROPOSITION NO. _____

BONDS, YES ☐

BONDS, NO ☐

Section 5. Effective Dates. Section 2 of this ordinance shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the regular election held on April 7, 2009. The remaining sections of this ordinance shall become effective upon passage and approval.

PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this 3rd day of Feb., 2009.

By 
Chair of the Assembly

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. AO 2009-15

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000) 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 7, 2009.

Prepared by

K&L PRESTON GATES ELLIS LLP

MUNICIPALITY OF ANCHORAGE
ORDINANCE No. AO 2009-15

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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: 2009-15

Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000) 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 7, 2009

Sponsor: Acting Mayor

Preparing Agency: Finance

Others Impacted: Fire Service Area

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY09	FY10	FY11	FY12	FY13
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	53	53	53	53	53
4000 Debt Service	151	151	151	151	151
5000 Capital Outlay					
TOTAL DIRECT COSTS:	204	204	204	204	204

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 \$150,623 assumes bonds are sold as a package @ 5.50% 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 \$53,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$150,623 equate to an estimated property tax increase of .0051 mills or \$0.51 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 \$53,000 and equate to an estimated property tax increase of .0018 mills or \$0.18 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 \$0.69 per \$100,000 of assessed valuation in the Anchorage Fire Service Area.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 53-2009

Meeting Date: January 20, 2009

From: Acting Mayor

Subject: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000) 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 7, 2009

The attached ordinance will place a general obligation bond proposition for the Anchorage Fire Service Area on the ballot for the regular Municipal election to be held on April 7, 2009.

The administration recommends scheduling a public hearing for this bond ordinance on February 3, 2009.

The Anchorage Fire Service Area bond will implement the priorities established in the recently approved 2009-2014 Capital Improvement Program. The bond provides funds for the purpose of paying the costs of acquiring property for replacement of a ladder truck and renovation of fire stations and related capital improvements within the Anchorage Fire Service Area.

THE ADMINISTRATION RECOMMENDS THAT THE MUNICIPAL ASSEMBLY APPROVE THE PROPOSED ORDINANCE PLACING THE ANCHORAGE FIRE SERVICE AREA BOND PROPOSITION ON THE APRIL 7, 2009 BALLOT.

Prepared by:	Sharon Weddleton, CFO
Concurrence:	Wanda Phillips, Office of Management & Budget
Concurrence:	James N. Reeves, Municipal Attorney
Concurrence:	Michael K. Abbott, Municipal Manger
Respectfully submitted:	Matt Claman, Acting Mayor

2009 General Obligation Bonds

Anchorage Fire Bond (Fund 431)

Projects	(\$000s)				
	G.O. Bonds	State	Other	Total	O&M
Fire Station #11 Renovation - Eagle River	400	0	0	400	3.0
Fire Station #3 Renovation - Airport Heights	300	0	0	300	25.0
Fire Station #5 Renovation - Spenard	300	0	0	300	25.0
Replacement Ladder Truck - FS #11 - Eagle River	800	0	0	800	-
Anchorage Fire Service Area (Fund 431) Total	\$ 1,800	0	0	\$ 1,800	53.0

Content ID: 007308

Type: Ordinance - AO

Title: An Ordinance Providing for the Submission to the Qualified Voters, the Question of the Issuance of NTE \$1,800,000 of G.O. Bonds to Pay the Costs of Fire Protection Capital Improvements and Associated Operations and Maintenance Costs in the Anchorage Fire Service Area, Finance

Author: maglaquijp

Initiating Dept: Finance

Keywords: \$1,800,000, G.O. Bonds, Capital Improvements, Fire Service Area, Maintenance Costs, Operations, Election

Date Prepared: 1/15/09 5:50 PM

Director Name: Sharon Weddleton

Assembly Meeting Date: 1/20/09

Public Hearing Date: 2/3/09

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
Clerk_Admin_SubWorkflow	1/16/09 11:59 AM	Exit	Joy Maglaqui	Public	007308
MuniMgrCoord_SubWorkflow	1/16/09 11:59 AM	Approve	Joy Maglaqui	Public	007308
MuniManager_SubWorkflow	1/16/09 11:59 AM	Approve	Joy Maglaqui	Public	007308
MuniManager_SubWorkflow	1/16/09 11:15 AM	Checkin	Joy Maglaqui	Public	007308
Legal_SubWorkflow	1/16/09 10:56 AM	Approve	Rhonda Westover	Public	007308
OMB_SubWorkflow	1/16/09 10:49 AM	Approve	Wanda Phillips	Public	007308
Finance_SubWorkflow	1/15/09 6:33 PM	Approve	Nina Pruitt	Public	007308
AllOrdinanceWorkflow	1/15/09 6:32 PM	Checkin	Nina Pruitt	Public	007308
Finance_SubWorkflow	1/15/09 6:30 PM	Reject	Nina Pruitt	Public	007308
AllOrdinanceWorkflow	1/15/09 5:54 PM	Checkin	Nina Pruitt	Public	007308



CONSENT AGENDA - INTRODUCTION