

Submitted by: Chair of the Assembly at
the Request of the Mayor
Prepared by: Finance Department
For Reading: November 8, 2011

CLERK'S OFFICE

APPROVED

Date:

11-22-11

ANCHORAGE, ALASKA

AR No. 2011-306

1 **A RESOLUTION APPROPRIATING ONE MILLION THREE HUNDRED**
2 **THOUSAND DOLLARS (\$1,300,000) FROM AN INTERFUND LOAN FROM THE**
3 **GENERAL LIABILITY AND WORKER'S COMPENSATION SELF-INSURED**
4 **FUND (602), MUNICIPAL MANAGER DEPARTMENT, TO THE ANCHORAGE**
5 **FIRE SERVICE AREA FUND (131), AND APPROPRIATING THE PROCEEDS**
6 **OF THE INTERFUND LOAN FROM THE ANCHORAGE FIRE SERVICE AREA**
7 **FUND (131) AS A CONTRIBUTION TO THE ANCHORAGE FIRE SERVICE**
8 **AREA CIP FUND (431) FOR FIRE STATION NO. 5 REBUILD**

10
11 **WHEREAS**, the Municipal Assembly received a \$4,500,000 grant from the State
12 of Alaska for the rebuild of Fire Station No. 5; and

13
14 **WHEREAS**, the Assembly approved AR 2008-128, appropriating \$4,500,000 for
15 the rebuild of Fire Station No. 5; and

16
17 **WHEREAS**, the voters approved Ballot Proposition 7 in April 2009 that authorized
18 the issuance of \$300,000 in general obligation debt for the rebuild of Fire Station
19 No. 5; and

20
21 **WHEREAS**, the Municipality recently entered into a land transaction between
22 Anchorage Fire Department (AFD), the State of Alaska and the Federal Aviation
23 Administration (FAA) for the recent Fifth Avenue expansion from which AFD
24 expects to receive approximately \$2,282,300 from the FAA which will be credited
25 to the Anchorage Fire Service Area; and

26
27 **WHEREAS**, an Interfund Loan in an amount not to exceed \$1,300,000 from Fund
28 602 will be used as a source of funds, if required prior to the receipt of the funds
29 due from the FAA; and

30
31 **WHEREAS**, the proceeds of the Interfund Loan in an amount not to exceed
32 \$1,300,000 from Fund 602 to Fund 131 will be appropriated as a contribution to
33 Fund 431; and

34
35 **WHEREAS**, the terms of the Interfund Loan include a term of twenty years, and
36 the initial interest rate assigned to loan shall be determined at the time of the loan
37 and shall be equal to the trailing twelve-month average of the General Cash Pool
38 Rate plus 0.10% with a new interest rate recalculated at the end of each calendar
39 year applying the same formula; now therefore,

1 **THE ANCHORAGE ASSEMBLY ORDAINS:**

2
3 **Section 1.** One Million Three Hundred Thousand Dollars (\$1,300,000) in
4 Interfund Loan proceeds from the General Liability and Worker's Compensation
5 Self-insured Fund (602), Municipal Manager Department, are hereby appropriated
6 to the Anchorage Fire Service Area Fund (131).
7

8 **Section 2.** The proceeds of the Interfund Loan aggregating One Million Three
9 Hundred Thousand Dollars (\$1,300,000) are further appropriated from the
10 Anchorage Fire Service Area Fund (131) as a contribution to the Anchorage Fire
11 Service Area CIP Fund (431) for Fire Station No. 5 rebuild.
12

13 **Section 3.** The Municipality shall proceed with the rebuild of Fire Station No. 5.
14

15 **Section 4.** The Municipality shall provide funding for the project from sources
16 identified herein.
17

18 **Section 5.** The Interfund Loan referenced in Section 1 may be replaced with the
19 proceeds of funds due from the from the Federal Aviation Administration as part of
20 the referenced land transaction, subject to further approval of the Municipal
21 Assembly.
22

23 **Section 6.** This ordinance shall be effective immediately upon its passage and
24 approval.
25

26 PASSED AND APPROVED by the Anchorage Municipal Assembly, this
27 22nd day of November, 2011.
28

29
30 
31 Chair of the Assembly

32 ATTEST:

33
34 
35
36 Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 645-2011

Meeting Date: November 8, 2011

1 FROM: MAYOR

2
3 SUBJECT: A RESOLUTION APPROPRIATING ONE MILLION THREE
4 HUNDRED THOUSAND DOLLARS (\$1,300,000) FROM AN
5 INTERFUND LOAN FROM THE GENERAL LIABILITY AND
6 WORKER'S COMPENSATION SELF-INSURED FUND (602),
7 MUNICIPAL MANAGER DEPARTMENT, TO THE ANCHORAGE
8 FIRE SERVICE AREA FUND (131), AND APPROPRIATING THE
9 PROCEEDS OF THE INTERFUND LOAN FROM THE
10 ANCHORAGE FIRE SERVICE AREA FUND (131) AS A
11 CONTRIBUTION TO THE ANCHORAGE FIRE SERVICE AREA
12 CIP FUND (431) FOR FIRE STATION NO. 5 REBUILD
13
14

15 In 2008, the Municipality received a \$4,500,000 grant from the State of Alaska for
16 the rebuild of Fire Station No. 5 on McRae Road in Spenard. Subsequently, the
17 Assembly approved AR 2008-128, appropriating \$4,500,000 for the rebuild
18 project. In 2009, the voters approved Proposition 7 from AO 2009-15 for the
19 issuance of \$300,000 in general obligation debt, also for the rebuild of Fire Station
20 No. 5. These funds are now in hand. The estimated cost of rebuilding Station No.
21 5 is \$6.1 million. A third source of funding has been identified by the Anchorage
22 Fire Department (AFD).
23

24 The Municipality recently entered into a land transaction between AFD, the State
25 of Alaska and the Federal Aviation Administration (FAA) for the recent Fifth
26 Avenue expansion where AFD expects to receive approximately \$2,282,300 from
27 the FAA which will be credited to the Anchorage Fire Service Area. Once these
28 funds are received they will be used as the third source of financing to
29 replace/payoff an Interfund Loan, if such loan becomes necessary prior to the
30 receipt of the funds due from the FAA. This land transaction is fully described in
31 AO 2010-49.
32

33 This ordinance appropriates One Million Three Hundred Thousand Dollars
34 (\$1,300,000) to complete the funding required to commence with the rebuild of
35 Fire Station No. 5.
36

37 This loan will not be necessary as long as the FAA delivers the land transaction
38 funds due to the AFD and the Municipal Assembly appropriates \$1,300,000 of
39 those funds when received for the purpose of rebuilding Station No. 5.

The initial interest rate assigned to the loan shall be determined at the time of the loan and shall be equal to the trailing twelve-month average of the General Cash Pool Rate plus 0.10%. At the end of each calendar year, the interest rate shall be reset to equal the trailing twelve-month average of the General Cash Pool Rate plus 0.10%. If the loan rate was calculated today the rate would equal 2.58%.

The budget detail is as follows:

REVENUE

<u>Account Number</u>	<u>Account Name</u>	<u>Amount</u>
131-0612	Long Term Loans Payable	\$1,300,000
431-3573-9601-357309-BP2012	Contributions from Other Funds	<u>1,300,000</u>
	Total	\$2,600,000

EXPENDITURE

<u>Account Number</u>	<u>Account Name</u>	<u>Amount</u>
131-3520-3901-352000-BP2012	Contributions to Other Funds	\$1,300,000
431-3573-5201-357309-BP2012	Buildings > \$99,999	<u>1,300,000</u>
	Total	\$2,600,000

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE RESOLUTION APPROPRIATING ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000) FROM AN INTERFUND LOAN FROM THE GENERAL LIABILITY AND WORKER'S COMPENSATION SELF-INSURED FUND (602), MUNICIPAL MANAGER DEPARTMENT, TO THE ANCHORAGE FIRE SERVICE AREA FUND (131), AND APPROPRIATING THE PROCEEDS OF THE INTERFUND LOAN FROM THE ANCHORAGE FIRE SERVICE AREA FUND (131) AS A CONTRIBUTION TO THE ANCHORAGE FIRE SERVICE AREA CIP FUND (431) FOR FIRE STATION NO. 5 REBUILD.

Prepared by: Ross Risvold, Public Finance & Investments Manager

Approved by: John Drozdowski, Deputy Fire Chief

Mark Hall, Fire Chief

Fund Certification: Lucinda Mahoney, CFO

602-0020 \$1,300,000

(Fund 602 Operating Cash Fiscal Year 2012)

Concur: George J. Vakalis, Municipal Manager

Respectfully submitted: Daniel A. Sullivan, Mayor