

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Office of the Municipal Manager
For reading: January 31, 2012

CLERK'S OFFICE

APPROVED

2-14-12

Date:

ANCHORAGE, ALASKA
AR No. 2012-39

1 **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING**
2 **TWO HUNDRED ELEVEN THOUSAND SIX HUNDRED SIXTY-SEVEN DOLLARS**
3 **(\$211,667) TO THE AREAWIDE GENERAL FUND (101) DEPARTMENT OF LAW,**
4 **FOR LEGAL EXPENSES RELATED TO THE ALASKA CENTER FOR THE**
5 **PERFORMING ARTS (ACPA) ROOF LAWSUIT AND APPROPRIATING FOUR**
6 **HUNDRED TWENTY-THREE THOUSAND THREE HUNDRED THIRTY-THREE**
7 **DOLLARS (\$423,333) IN THE AREAWIDE GENERAL FUND (101) FOR**
8 **REPAYMENT OF A PORTION OF A DEBT OWED FROM THE ACPA FROM A**
9 **LEGAL SETTLEMENT RECEIVED RELATED TO REPAIRS TO THE ACPA ROOF.**

10
11
12 **WHEREAS**, in 1987 [AR 87-320(S) / AM 1219-87] and 1988 [AR 88-265(S) / AM
13 1016-88(A)], the Municipality loaned the ACPA \$2,782,000 for seating, carpeting, and
14 general capital improvements. Repayment of this non-interest bearing loan was from
15 a ticket surcharge that was established in 1987. In 2004, a 30-year revenue bond
16 was issued in the amount of \$5,365,000, the proceeds which were used for repairs to
17 the roof of the ACPA. The surcharge was increased and fully diverted to repay the
18 revenue bonds. Once the revenue bonds are fully paid in 2035, or once the debt
19 service reserve fund is fully funded, whichever comes first, surplus revenues from the
20 surcharge above and beyond that required for debt service on the bonds will be
21 applied to the original loan until paid in full. The current balance on the loan is
22 \$581,209, and

23
24 **WHEREAS**, the Municipality received a legal settlement of \$635,000 for repairs to the
25 ACPA roof relating to installation of faulty insulation in 1988, and

26
27 **WHEREAS**, legal fees of \$211,667 were paid to the Law Offices of Gilman & Pastor,
28 LLP who represented the Municipality in the settlement case, and

29
30 **WHEREAS**, \$423,333 will pay off a portion of the \$581,209 loan outstanding from
31 1987 and 1988; now, therefore,

32
33 **THE ANCHORAGE ASSEMBLY RESOLVES:**

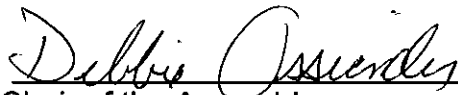
34
35 **Section 1.** The sum of Two Hundred Eleven Thousand Six Hundred Sixty-seven
36 Dollars (\$211,667) is hereby appropriated from the Department of Law, Areawide
37 General Fund (101) to the Department of Law, Areawide General Fund (101) for legal
38 expenses incurred in the representation of the Municipality in a lawsuit relating to
39 installation of faulty roof insulation in 1988 at the ACPA.

40

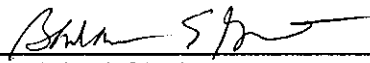
1 **Section 2.** The sum of Four Hundred Twenty-three Thousand Three Hundred
 2 Thirty-three Dollars (\$423,333) is hereby appropriated from the Areawide General
 3 Fund (101) to pay off a portion of the outstanding ACPA debt of \$581,209 from 1987
 4 and 1988.

5
 6 **Section 3.** This resolution shall be effective immediately upon passage and
 7 approval by the Assembly.

8
 9 PASSED AND APPROVED by the Anchorage Assembly this 14th day of
 10 February, 2012.

11
 12
 13 
 14 _____
 Chair of the Assembly

15
 16 ATTEST:

17
 18
 19 
 20 _____
 Municipal Clerk

21
 22 **Department of Appropriation:**
 23 Department of Law \$211,667
 24 Non-Departmental \$423,333



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 103-2012

Meeting Date: January 31, 2012

1 **From:** MAYOR

2

3 **Subject:** A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE

4 APPROPRIATING TWO HUNDRED ELEVEN THOUSAND SIX

5 HUNDRED SIXTY-SEVEN DOLLARS (\$211,667) TO THE

6 AREAWIDE GENERAL FUND (101) DEPARTMENT OF LAW, FOR

7 LEGAL EXPENSES RELATED TO THE ALASKA CENTER FOR

8 THE PERFORMING ARTS (ACPA) ROOF LAWSUIT AND

9 APPROPRIATING FOUR HUNDRED TWENTY-THREE THOUSAND

10 THREE HUNDRED THIRTY-THREE DOLLARS (\$423,333) IN THE

11 AREAWIDE GENERAL FUND (101) FOR REPAYMENT OF A

12 PORTION OF A DEBT OWED FROM THE ACPA FROM A LEGAL

13 SETTLEMENT RECEIVED RELATED TO REPAIRS TO THE ACPA

14 ROOF.

15

16 In 1987 [AR 87-320(S) / AM 1219-87] and 1988 [AR 88-265(S) / AM 1016-88(A)],

17 the Municipality loaned the ACPA \$2,782,000 for seating, carpeting and general

18 capital improvements. Repayment of this non-interest bearing loan was from a

19 ticket surcharge that was established in 1987. In 2004, a 30-year revenue bond

20 was issued in the amount of \$5,350,000, the proceeds which were used for repairs

21 to the roof of the ACPA. The surcharge was increased and fully diverted to repay

22 the revenue bonds. Once the revenue bonds are fully paid in 2035, or once the

23 debt service reserve fund is fully funded, whichever comes first, surplus revenues

24 from the surcharge above and beyond that required for debt service on the bonds

25 will be applied to the original loan until paid in full. The current balance on the loan

26 is \$581,209.

27

28 The Municipality of Anchorage received a legal settlement for repairs to the ACPA

29 roof relating to installation of faulty insulation in 1988. Legal fees of \$211,667 were

30 paid to the Law Offices of Gilman & Pastor, LLP leaving a \$423,333 net settlement

31 to the Municipality.

32

33 The Municipality intends to use the proceeds of \$423,333 and apply it against the

34 loan.

35

36 REVENUE:

37 101-0132	Due from ACPA	\$423,333
38 101-1151-9796-115100-BP2011	Claims and Judgments	<u>211,667</u>
39		\$635,000

40 EXPENDITURE:

41 101-0675	Deferred Credits Property	\$423,333
42 101-1151-3121-115100-BP2011	Legal Other Settlement/Judge	<u>211,667</u>
43		\$635,000

44

1 **A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING**
2 **TWO HUNDRED ELEVEN THOUSAND SIX HUNDRED SIXTY-SEVEN DOLLARS**
3 **(\$211,667) TO THE AREAWIDE GENERAL FUND (101) DEPARTMENT OF LAW,**
4 **FOR LEGAL EXPENSES RELATED TO THE ALASKA CENTER FOR THE**
5 **PERFORMING ARTS (ACPA) ROOF LAWSUIT AND APPROPRIATING FOUR**
6 **HUNDRED TWENTY-THREE THOUSAND THREE HUNDRED THIRTY-THREE**
7 **DOLLARS (\$423,333) IN THE AREAWIDE GENERAL FUND (101) FOR**
8 **REPAYMENT OF A PORTION OF A DEBT OWED FROM THE ACPA FROM A**
9 **LEGAL SETTLEMENT RECEIVED RELATED TO REPAIRS TO THE ACPA**
10 **ROOF.**

11
12 Prepared by: Debra Fitzgerald, Contract Administrator
13 Fund certification: Lucinda Mahoney, CFO
14 101-9250-9796-925000-BP2011 \$423,333
15 (2011 Operating)
16 101-1151-9796-115100-BP2011 \$211,667
17 (2011 Operating)
18 Concur: George J. Vakalis, Municipal Manager
19 Respectfully submitted: Daniel A. Sullivan, Mayor