MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2021-9


Prepared by

K&L GATES LLP
MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2021-9

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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
ORDINANCE No. 2021-9


WHEREAS, the best interest of the citizens and property owners in the Anchorage Metropolitan Police Service Area serving the Municipality of Anchorage, Alaska (the “Municipality”) require the Municipality to acquire new Anchorage Police Department (“APD”) replacement fleet vehicles and related capital improvements (the “Project”); and

WHEREAS, in order to provide financing for the Project, it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds in the principal amount of not to exceed $3,900,000 (the “Bonds”); and

WHEREAS, in accordance with Anchorage Municipal Code section 6.10.045, the Assembly may alter the general government capital improvement budget (CIB) and capital improvement program (CIP) by majority vote; and

WHEREAS, on November 17, 2020, the 2021 General Government CIB was approved by passage of AO 2020-106(S) as Amended, and the 2021-2026 General Government CIP was approved by passage of AR 2020-351(S) as Amended; 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 Metropolitan Police Service Area require the Municipality to undertake the Project at the time and in the order and in the manner deemed most necessary and
advisable by the Municipality. The estimated cost of the Project, including incidental costs and costs related to issuing and selling the Bonds as provided in this ordinance, is estimated to be $3,900,000.

The Project is described in more detail in the attachment to the Assembly Memorandum accompanying this ordinance. The cost of all necessary planning, site preparation, construction, installing and equipping of the Project, architectural, engineering, design, and other consulting services, inspection and testing, administrative expenses, costs of issuance of the Bonds and other costs incurred in connection with the Project shall be deemed to be costs of the approved Project. The approved Project may be completed with all necessary equipment and appurtenances.

The Municipality shall determine the application of available moneys for the Project so as to accomplish, as nearly as may be, all of the Project described or provided for in this section.

If the Municipality shall determine that it has become impractical to accomplish any portion of the approved Project by reason of changed conditions or needs, incompatible development or costs substantially in excess of those estimated, the Municipality shall not be required to accomplish such portions and shall apply Bond proceeds as set forth in this section.

If the approved Project has been completed in whole or in part, or its completion duly provided for, or its completion found to be impractical, the Municipality may apply Bond proceeds or any portion thereof to other Municipality police service area capital improvements at its sole discretion. Otherwise, the Municipality shall apply such remaining proceeds solely to payment of principal or interest on the Bonds, as provided in the Home Rule Charter. In the event that the proceeds of sale of the Bonds, plus any other monies of the Municipality legally available, are insufficient to accomplish the approved Project, the Municipality shall use the available funds for paying the cost of those portions of the approved Project deemed by the Municipality most necessary and in the best interest of the Municipality. No Bond proceeds shall be used by the Municipality for any purpose other than a capital improvement of the Municipality.

For the purpose of providing funds for the undertaking of the Project, which is hereby found to be a public purpose and in the public interest, the Municipality hereby proposes to issue general obligation bonded indebtedness in an amount not to exceed Three Million Nine Hundred Thousand Dollars ($3,900,000).

**Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at such time or times as deemed necessary and advisable by the Assembly and as permitted by law and shall mature over a period of 20 years from date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed $3,900,000. The Bonds shall bear interest to be fixed at the time of sale or sales.
thereof. The exact form, terms, conditions, contents, security, options of redemption, and such other matters relating to the issuance and sale of said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter determined and/or delegated by ordinance and/or resolution of the Assembly.

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

Section 3. Ballot Proposition. The Assembly hereby submits to the qualified voters of the Municipality the proposition of whether or not the Municipality should issue the Bonds for the purpose of financing the costs of the approved Project at the regular municipal election to be held on April 6, 2021.

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

PROPOSITION NO. ______

ANCHORAGE METROPOLITAN POLICE SERVICE AREA BONDS

For the purpose of acquiring new APD replacement fleet vehicles and related capital improvements in the Anchorage Metropolitan Police Service Area as provided in AO 2021-__, shall Anchorage borrow money and issue up to $3,900,000 in principal amount of general obligation bonds?

Voter approval of this bond proposition authorizes for each $100,000 of assessed taxable property value (based on the estimated 2021 assessed valuation in the Anchorage Metropolitan Police Service Area) an annual increase in taxes of approximately $0.85 to retire the proposed bonds.
The debt shall be paid from real and personal property taxes levied and collected within the Anchorage Metropolitan Police Service Area, which consists of areas north of McHugh Creek (other than Fire Island), without cost to properties in Girdwood, Bird, Indian, Rainbow, Portage and other areas outside the Service Area. The Municipality will also pledge its full faith and credit for payment of the bonds.

☐ YES  ☐ NO

Section 4. 2021 General Government CIB and 2021-2026 General Government CIP. The 2021 General Government CIB and the 2021-2026 General Government CIP are hereby revised to include the changes as identified in the accompanying Assembly Memorandum and Exhibit A.

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 6, 2021. The remaining sections of this ordinance shall become effective upon passage and approval by the Assembly.

PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this 26th day of January, 2021.

______________________________
Chair

______________________________
Municipal Clerk
From: Acting Mayor


The ordinance will place a general obligation bond proposition for the Anchorage Metropolitan Police Service Area on the ballot for the Municipal election to be held on April 6, 2021.

The 2021 General Government CIB, approved by passage of AO 2020-106(S) as Amended, and the 2021-2026 General Government CIP approved by passage of AR 2020-351(S) as Amended will be amended as follows, with passage of the attached ordinance:

* APD Fleet Vehicles $3,900,000 is added

The administration recommends scheduling a public hearing for this bond ordinance on January 26, 2021.

The Anchorage Metropolitan Police Service Area bond proposal will implement the priorities established in the recently approved 2021-2026 Capital Improvement Program. Please see the attached Project List, attached as Exhibit A.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

Prepared By: Ross Risvold, Public Finance Manager and Jessie Wei, Municipal Debt Officer

Approved By: Alexander Slivka, CFO

Concur: Lance Wilber, Director, Office of Management & Budget

Concur: Kathryn Vogel, Municipal Attorney

Concur: Anna C. Henderson, Municipal Manager

Respectfully submitted: Austin Quinn-Davidson, Acting Mayor
EXHIBIT A

Anchorage Police Service Area
2021 Bond Project List
(000)’s

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
<th>O&amp;M</th>
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</thead>
<tbody>
<tr>
<td>APD Fleet Vehicles</td>
<td>$3,900</td>
<td>--</td>
</tr>
<tr>
<td>Total</td>
<td>$3,900</td>
<td>--</td>
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MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government


Sponsor:  Acting Mayor
Preparing Agency:  Finance Department
Others Impacted:  Anchorage Police Department

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<th>CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)</th>
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<td>FY21 FY22 FY23 FY24 FY25</td>
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Operating Expenditures
1000 Personal Services
2000 Supplies
3000 Other Services
4000 Debt Service
5000 Capital Outlay

TOTAL DIRECT COSTS: -- 287.0 287.0 287.0 287.0

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 $286,969 assumes bonds are sold as a package @ 4.0% interest, with bond repayments corresponding to the expected life of the assets financed up to 20 years.

PRIVATE SECTOR ECONOMIC EFFECTS:
Estimated annual debt service payments of approximately $286,969 equate to an estimated property tax increase of 0.0085 mills or $0.85 per year on $100,000 of assessed valuation in the Anchorage Metropolitan Police Service Area.