

**MUNICIPALITY OF ANCHORAGE**

**ORDINANCE No. 2024-115**

**AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED SIXTY-THREE MILLION EIGHT HUNDRED TWENTY-TWO THOUSAND DOLLARS (\$63,822,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CAPITAL IMPROVEMENTS FOR THE ANCHORAGE SCHOOL DISTRICT AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2025.**

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Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE  
ORDINANCE No. 2024-115**

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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.

Municipal Clerk's Office

Approved

Date: January 7, 2025

Requested by: Chair of the Assembly at the  
Request of the Anchorage  
School District

Prepared by: Cynthia M. Weed, Bond Counsel  
K&L Gates LLP

For Reading: December 17, 2024

**MUNICIPALITY OF ANCHORAGE, ALASKA  
ORDINANCE No. 2024-115**

1 AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED  
2 VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF  
3 NOT TO EXCEED SIXTY-THREE MILLION EIGHT HUNDRED TWENTY-TWO  
4 THOUSAND DOLLARS (\$63,822,000) OF GENERAL OBLIGATION BONDS OF  
5 THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CAPITAL  
6 IMPROVEMENTS FOR THE ANCHORAGE SCHOOL DISTRICT AT THE  
7 ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2025.

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8  
9 **WHEREAS**, the existing educational facilities serving the Municipality of Anchorage,  
10 Alaska (the "Municipality") are in need of building systems renewal, and  
11 replacements, planning, design, renovations, upgrades and construction projects;  
12 and

13  
14 **WHEREAS**, the Assembly of the Municipality and School Board have identified  
15 necessary construction, renovations, replacements, upgrades, planning, design and  
16 improvements to school facilities; and

17  
18 **WHEREAS**, in order to provide funds to perform the necessary construction,  
19 renovations, replacements, upgrades, planning, design and improvements as  
20 further described in Section 1 of this ordinance (the "Projects"), it is deemed  
21 necessary and advisable that the Municipality issue and sell its general obligation  
22 bonds in the principal amount of not to exceed \$63,822,000 (the "Bonds"); now,  
23 therefore,

24  
25 **THE ANCHORAGE ASSEMBLY ORDAINS:**

26  
27 **Section 1. Purpose.** The Assembly hereby determines that the education  
28 facilities and building systems are in need of construction, renewal, replacement,  
29 design, renovation and upgrades (the "Projects"). Specifically, the Projects include  
30 structural, site/circulation, mechanical, electrical, finishes and educational adequacy  
31 improvements at Spring Hill Elementary School, secure vestibule, intrusion system,  
32 intercom, seismic/structural, mechanical, electrical, finishes and education  
33 adequacy improvements and renovations at Campbell Elementary School,  
34 complete West High School Utilidor Phase 3, including removing abandoned pipe  
35 and electrical and replacing ageing building infrastructure within the utilidor,  
36 upgrades for building wide systems and complete design at Bartlett High School,  
37 construction of security vestibules and security improvements at Scenic Park,  
38 Baxter and Ravenwood Elementary Schools, intrusion system replacements,

1 installation of access control for 15 schools, planning and design for 2026-2028  
2 projects, and heavy equipment replacement.

3  
4 The Projects are described in more detail in the Assembly Memorandum  
5 accompanying this ordinance. The cost of all necessary planning, acquisition of  
6 property for, site preparation, construction, installing and equipping of the Projects,  
7 architectural, engineering, design, and other consulting services, inspection and  
8 testing, administrative and relocation expenses, costs of issuance of the Bonds  
9 (hereinafter defined) and other costs incurred in connection with the Projects shall  
10 be deemed to be costs of the approved Projects. The approved Projects may be  
11 completed with all necessary equipment and appurtenances.

12  
13 The School District shall determine the application of available money as  
14 between the various Projects set forth above so as to accomplish, as nearly as may  
15 be, all of the Projects described or provided for in this section.

16  
17 If the School District shall determine that it has become impractical to  
18 accomplish any portion of the approved Projects by reason of changed conditions  
19 or needs, incompatible development or costs substantially in excess of those  
20 estimated, the School District shall not be required to accomplish such portions and  
21 shall apply Bond proceeds as set forth in this section.

22  
23 If the approved Projects have been completed in whole or in part, or their  
24 completion duly provided for, or their completion found to be impractical, the School  
25 District may apply Bond proceeds or any portion thereof to other School District  
26 capital improvements as the School Board in its discretion shall determine and, if  
27 otherwise, then solely to payment of principal or interest on the Bonds, as provided  
28 in the Home Rule Charter. In the event that the proceeds of sale of the Bonds, plus  
29 any other money of the School District legally available, are insufficient to  
30 accomplish the approved Projects, the School District shall use the available funds  
31 for paying the cost of those portions of the approved Projects for which the Bonds  
32 were approved deemed by the School Board most necessary and in the best interest  
33 of the School Board. No Bond proceeds shall be used by the Municipality for any  
34 purpose other than a capital improvement of the Municipality.

35  
36 For the purpose of providing funds for the undertaking of the Projects, which  
37 are hereby found to be a public purpose and in the public interest, the Municipality  
38 hereby proposes to issue general obligation bonded indebtedness in an amount not  
39 to exceed Sixty-Three Million Eight Hundred Twenty-Two Thousand Dollars  
40 (\$63,822,000) (the "Bonds").

41  
42 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at  
43 such time or times as deemed necessary and advisable by the Assembly and as  
44 permitted by law and shall mature over a period of not to exceed 20 years from date  
45 of issue. The Bonds shall be issued in an aggregate principal amount of not to  
46 exceed \$63,822,000. The Bonds shall bear interest to be fixed at the time of sale

1 or sales thereof. The exact form, terms, conditions, contents, security, options of  
2 redemption, and such other matters relating to the issuance and sale of said Bonds  
3 as are deemed necessary and advisable by the Assembly shall be as hereinafter  
4 determined and/or delegated by ordinance and/or resolution of the Assembly.

5  
6 The full faith and credit of the Municipality is pledged for the payment of the  
7 principal of and interest on the Bonds, and ad valorem taxes upon all taxable  
8 property in the Municipality shall be levied without limitation as to rate or amount to  
9 pay the principal and interest on the Bonds when due.

10  
11 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified  
12 voters of the Municipality the proposition of whether or not the Municipality should  
13 issue the Bonds for the purpose of financing the costs of the approved Projects at  
14 the regular municipal election to be held on April 1, 2025.

15  
16 The Clerk shall prepare the ballot proposition to be submitted to the voters  
17 as provided by this ordinance and the Municipal Code and shall perform all  
18 necessary steps in accordance with law to place this proposition before the voters  
19 at the regular election. The proposition must receive a majority vote of those in the  
20 Municipality voting on the question to be approved. The proposition shall be  
21 substantially in the following form:

22  
23 PROPOSITION NO. \_\_\_\_\_

24 CAPITAL IMPROVEMENTS FOR THE ANCHORAGE  
25 SCHOOL DISTRICT BONDS

26  
27 For the purpose of providing educational capital improvements,  
28 construction, upgrades, planning, design, and renovation of  
29 school facilities and educational facility building life extension  
30 projects within Anchorage, as provided in AO 2024-\_\_\_\_, shall  
31 Anchorage borrow money and issue up to \$63,822,000 in  
32 principal amount of general obligation bonds?  
33

34 The general obligation bond proceeds will be used to pay costs  
35 of constructing, renovating, installing, planning, designing,  
36 acquiring and equipping educational capital improvement  
37 projects including, but not limited to, structural, site/circulation,  
38 mechanical, electrical, finishes and educational adequacy  
39 improvements at Spring Hill Elementary School, secure  
40 vestibule, intrusion system, intercom, seismic/structural,  
41 mechanical, electrical, finishes and education adequacy  
42 improvements and renovations at Campbell Elementary  
43 School, complete West High School Utilidor Phase 3, including  
44 removing abandoned pipe and electrical and replacing ageing  
45 building infrastructure within the utilidor, upgrades for building

1 wide systems and complete design at Bartlett High School,  
2 construction of security vestibules and security improvements  
3 at Scenic Park, Baxter and Ravenwood Elementary Schools,  
4 intrusion system replacements, installation of access control for  
5 15 schools, planning and design for 2026-2028 projects, and  
6 heavy equipment replacement.  
7

8 Voter approval of this bond proposition authorizes for each  
9 \$100,000 of assessed taxable property value (based on the  
10 estimated 2025 assessed valuation) an annual increase in  
11 taxes of approximately \$12.90 to retire the proposed bonds.  
12

13 The debt will be paid from real and personal property taxes  
14 levied and collected areawide in Anchorage. Anchorage will  
15 also pledge its full faith and credit for payment of the bonds.  
16

17  YES  NO  
18

19 **Section 4. Effective Dates.** Section 2 of this ordinance shall become effective  
20 only if the proposition described in Section 3 is approved by a majority of the  
21 qualified voters voting on the proposition at the regular election held on April 1, 2025.  
22 The remaining sections of this ordinance shall become effective upon passage and  
23 approval by the Assembly.  
24

25 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this  
26 7th day of January, 2024.  
27

28  
29 

30 \_\_\_\_\_  
31 Chair

32 ATTEST:

33  
34 

35 \_\_\_\_\_  
36 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 933-2024

Meeting Date: December 17, 2024

1 From: ANCHORAGE SCHOOL DISTRICT

2

3 Subject: AO 2024-115 One Ballot Proposition to Provide  
4 For the Issuance of General  
5 Obligation Bonds for Educational  
6 Capital Improvements  
7

8 The ordinance will place a general obligation bond proposition for the Anchorage School  
9 District on the ballot for the regular Municipal election to be held on April 1, 2025.

10

11 The Anchorage School Board approved one ballot proposition to provide for the issuance of  
12 general obligation bonds for education-related capital projects on November 19, 2024: ASD  
13 Memorandum #042 (2024-2025), Approval of April 2025 Bond Proposal. This  
14 recommendation includes proposed Capital Improvement Projects in the amount of  
15 \$63,822,000.

16

17 The School Board requests the Anchorage Assembly place one proposition, as stated on  
18 AO 2024-XXX on the April 1, 2025 ballot for consideration by qualified voters of the  
19 Municipality of Anchorage. The proposition will pay the cost of capital improvement  
20 projects for the Anchorage School District, including, but not limited to, the following:

21

22 Proposition: \$63,822,000 Estimated Annual

23

24 Projects Estimated Cost Operating and  
Maintenance

25

26 Prioritized Security Vestibule & Security \$ 6,693,000

27

28 Intrusion System Replacements \$4,100,000

29

30 Access Control Installation - Phase 1 \$ 1,000,000

31

32 Bartlett High School Infrastructure Improvements  
33 and Design \$9,366,000

34

35 Spring Hill Elementary School Improvements \$14,005,000

36

37 Campbell Elementary School Renovation \$11,483,000

38

39 West High School Utilidor Phase 3 \$9,510,000

40

41 Planning & Design 2024/2025 Projects \$3,865,000

42

43 Heavy Equipment Replacement \$3,800,000

1  
2 Proposition Total \$63,822,000 \$0  
3

4 This proposal provides for educational capital improvement replacement, building life  
5 extension, security improvements, and seismic resilience and safety projects. The  
6 approximate annual amount of taxes on \$100,000 of assessed real and personal property  
7 value (based on the estimated 2023 assessed valuation) to retire the proposed debt is \$12.90.  
8 Voters will not be asked to approve an increase in annual operating costs.  
9

10 The projects are described in more detail per ASD Memorandum #042 (2024-2025),  
11 Attachment A.  
12

13 **DOCUMENTATION OF NEED:**

14 The District operates and maintains the largest physical plant of any public entity in the  
15 state, with approximately 7.8 million square feet of facilities. The replacement value of  
16 District buildings exceeds \$2 billion. The District is responsible for 89 facilities, housing  
17 approximately 42,600 students (more students than the total of the next three largest Alaska  
18 districts), and more than 5,700 staff members. Anchorage educates approximately 33 percent  
19 of the State’s total student population. Not only is the facility inventory large, but it is also  
20 aging. The average age of district facilities is 39 years. Approximately 39% of the facilities  
21 are more than 50 years old, including 16 facilities that are 60 years or older.  
22

23 Facility systems have an expected life span and the extreme conditions of Alaska only  
24 shorten their life expectancy. Roofs (20-25 years) deteriorate and leak; boilers (25-30 years),  
25 plumbing and ventilation systems wear out; and other systems like fire alarms, security  
26 systems, intercoms, etc., (10-15 years) age to the point where they are no longer supported.  
27 Various code changes over the years and in some situations, legal compliance requires  
28 facilities to be updated. Moreover, roof replacements and other upgrades often require  
29 seismic structural upgrades to meet more stringent building codes.  
30

31 Functional obsolescence is another challenge facing older schools. LED lighting is quickly  
32 replacing florescent lighting to capture energy savings. Over the life of a school,  
33 programmatic changes take place that require updating the facility. For example, there is  
34 continual need to update electrical distribution systems in schools to accommodate current  
35 technology. Additionally, current educational delivery methods require physical layouts  
36 that are often different and more flexible than those of 30 to 40 years ago.  
37

38 ASD Maintenance utilizes a fleet of heavy equipment to plow, move and haul snow. Other  
39 vehicles in the fleet are used to sand and sweep school parking lots. This essential service  
40 keeps schools open during the winter months by providing safe access to all ASD facilities  
41 for students and staff.  
42

43 The fleet is old and has mostly aged well beyond its serviceable life. There has been a lack of  
44 available funding in recent years to keep up with a reasonable replacement plan.  
45

46 This has resulted in significant downtime of equipment due to the more frequent need for  
47 repairs and delays caused by obsolescence of parts and components. Work stoppages have  
48 become routine, as the aging equipment has been pushed beyond its capacity, especially  
49 during the recent heavier winters.  
50



1 The proposed replacement plan provides a comprehensive update and modernization of the  
2 fleet, including tractors, dump trucks, loaders, graders, sanders, and sweepers.

#### 4 Capital Planning Management

5 Since 2009, the District has implemented a Facility Condition Assessment Program (FCAP)  
6 in order to identify and prioritize facility capital requirements more strategically based on  
7 quantitative data. The District has integrated the use of VFA software to assist in assessing  
8 facility conditions, maintain the facility condition database and analyze the information to  
9 determine and forecast capital planning needs.

11 The FCAP centralizes information on facilities' component and system conditions as well as  
12 remaining life expectancy. This information is collected during facility condition  
13 assessments utilizing a systematic and consistent methodology. The collected information  
14 serves as a basis for identifying, prioritizing and estimating costs of the District's capital  
15 needs and is used for both short term and long term planning purposes.

#### 17 Facility Condition Assessments

19 The District contracts annually with VFA (a nationally recognized firm) to maintain the  
20 FCAP. From 2009 to 2013, all District-owned facilities were assessed by a team of engineers  
21 and architects. During the summer of 2024, the District contracted with VFA to update  
22 FCAP data of approximately 3M sf of facilities. Internally, the District Maintenance and  
23 Capital Planning departments reviewed this data and provided validation to the assessment  
24 updates.

26 The facility condition assessment process is a field assessment where building system  
27 components are evaluated based on condition and age of the system. Results of the initial  
28 assessment identified aging system requirements, in addition to recommended replacement  
29 year and estimated cost. These data are maintained in the FCAP database and validated  
30 annually by District staff that provides quality control and incorporates institutional  
31 knowledge on the collected information.

33 Based on the facility condition assessment, a Facility Condition Index (FCI) is calculated to  
34 determine its relative condition and estimated investment cost versus like replacement cost.  
35 All District facilities have an individual FCI and a Districtwide FCI can also be determined  
36 to measure the condition of the physical plant. According to the national standard, an FCI  
37 less than .05 is considered Excellent, .05-.10 is considered Good and .10-1.0 ranges from Fair  
38 to Poor. With an estimated ~\$2 billion Current Replacement Value (CRV) and a ~\$1.237 B  
39 deferred requirements backlog, the District's current FCI is ~0.50.

41 According to the National Council of School Facilities "2021 State of Our Schools Report", best  
42 practice within the facility management industry is to re-invest 3% of the CRV annually for  
43 Minor Repair/Preventive Maintenance. This amount covers annual maintenance and  
44 operations, typically funded through the General Fund. Additionally, 4% of the CRV is  
45 recommended to include renewals, alterations and reduce deferred capital requirements,  
46 normally funded through Capital Funds. Capital funding includes 2% for key component  
47 renewals (roofs, boilers, etc...); 1% for alterations to meet programmatic changes and  
48 technological developments, and 1% for the systematic reduction of deferred requirements.  
49 For the District, this would equate to ~\$60M/year (3% of CRV) for Minor Repair/Preventive  
50 Maintenance, \$40M (2% of CRV) for key component renewals (roofs, boilers, etc...), \$20M

1 (1% of CRV) for alterations to meet programmatic changes and technological developments,  
2 and \$20M (1% of CRV) for systematic reduction of deferred requirements.

#### 3 4 Educational Adequacy Assessments

5 Educational program requirements are defined by districtwide educational specifications  
6 for elementary, middle, and high school levels, which were approved by the School Board  
7 on September 6, 2012. The Educational Adequacy Index (EAI) reflects the ability of a school  
8 to meet their educational program requirements by evaluating the quantity, configuration,  
9 size, and existence of spaces defined by educational specifications. For example, a school  
10 would have a higher EAI if they did not have enough classrooms to offer health classes, or a  
11 gymnasium in addition to a multi-purpose room in order to allow for concurrent lunches  
12 and physical activity.

13  
14 To date, all district-owned school sites have been assessed for educational adequacy except  
15 for the King Technical High School. In 2010-11, sixteen locations were assessed, nineteen  
16 sites were assessed in 2011, 50 sites were assessed in 2012, and Aquarian Charter School was  
17 assessed in 2015.

18  
19 Much like the FCI, an EAI is the ratio of the cost to correct educational specification  
20 deficiencies divided by the replacement cost of the facility. Unlike the FCI, an industry  
21 standard does not exist for an EAI. However, a high EAI reflects greater challenges with  
22 education program delivery compared to a school with a smaller EAI. Addressing EAI  
23 deficiencies often requires extensive renovations.

#### 24 25 OVERALL DEBT SERVICE

26 As of June 30, 2024, the District had \$381.815 million of outstanding bond debt, down \$198  
27 million from the same time 10 years ago. Subsequent to the our fiscal year end the district  
28 did sell an additional bond of \$66.13 million bring the total outstanding to \$447.945 million.  
29 In the last two fiscal years, ASD has paid off \$100.55 million of debt. During that time, the  
30 District received \$100.157 million in new voter authorization to additional debt to fund  
31 capital improvements.

32  
33 The District works closely with the municipal administrators and financial advisors to  
34 engage the market to reduce the debt and interest rates regularly. Over the past five years,  
35 the District refunded \$169.7 million in existing debt at an improved rate, reducing the  
36 overall debt service by nearly \$18.2 million. In Fiscal year 2024 the district did not issue a  
37 refunding bond.

38  
39 In the next five years, the District anticipates paying off approximately \$165.57 million in  
40 principal, averaging about \$33.12 million each year.

#### 41 42 STATE DEBT REIMBURSEMENT

43 Since 1970, the State of Alaska has provided school districts up to 70 percent debt  
44 reimbursement for qualified, voter-approved capital improvement school bonds. Senate Bill  
45 237, passed by the Legislature in July 2010, provided 60 percent or 70 percent debt  
46 reimbursement on school construction projects that have received local voter approval after  
47 October 1, 2006. School construction projects that do not include additional square footage  
48 are typically eligible for 70 percent reimbursement.

1 Of the \$381.815 million bonds outstanding as of June 30, 2023, the state debt reimbursement  
2 program is expected to cover 26.63 percent. This, however, is subject to appropriation and is  
3 susceptible to governor's vetoes or legislative action.

4  
5 House Bill 106, approved into law in March 2020, enacted a sunset of Alaska statutes related  
6 to the state debt reimbursement program effective January 1, 2015 through July 1, 2025. Per  
7 AS 14.11.100, if the legislature does not take further action on these statutes, reimbursement  
8 rates of 50% for projects for new construction that qualify for space and 40% for projects that  
9 add space, including replacing space, but do not qualify for space would be reinstated.

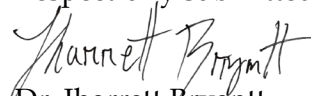
10  
11 **COST OF \$63.822 MILLION BOND PROPOSAL TO THE LOCAL TAXPAYERS**

12 The approximate amount of annual taxes on \$100,000 of assessed property valuation to  
13 retire the proposed debt of \$63.822 million is \$12.90. The calculation of estimated taxes is  
14 based on an estimated 4.5 percent weighted interest rate for twenty years, as shown in  
15 attachment B.

16  
17 The amount of annual taxes on \$100,000 of assessed property valuation reduced due to bond  
18 debt retirement over the proposed FY 2024-25 is \$38.705 million. The difference between  
19 what is proposed and what will be retired accounts for an increase of \$8.27 per \$100,000 of  
20 assessed valuation, if this proposition was sold at one time. However, most bond  
21 authorizations are sold over a three-to-five-year period.

22  
23 It is the District's hope that the information provided in this memorandum assists the  
24 Assembly in making a decision regarding the placement of the District's recommended  
25 bond proposition on the ballot for the April 1, 2025 Municipal Election.

26

27 Respectfully submitted,  
28   
29 Dr. Jharrett Bryantt  
30 Superintendent  
31

32 Attachments



### Agenda Item Details

Meeting Nov 19, 2024 - School Board Meeting

Category F. Action Items

Subject 3. ASD Memorandum #042 - Approval of April 2025 Bond Proposal

Type Action

Recommended Action To approve the following bond proposal:  
Proposition I – Security Improvements, Bartlett High School Infrastructure Improvements & Design, Spring Hill Elementary School Improvements, Campbell Elementary School Renovation, West High School Utilidor Phase 3, planning and design for 2024-2025 projects, and Heavy Equipment Replacement in the amount of \$63.822 million.

ANCHORAGE SCHOOL DISTRICT  
ANCHORAGE, ALASKA

ASD MEMORANDUM #042 (2024-2025)

November 19, 2024

TO: SCHOOL BOARD

FROM: DR. JHARRETT BRYANTT, SUPERINTENDENT

SUBJECT: APPROVAL OF APRIL 2025 BOND PROPOSAL

ASD Core Value: *The District will be open, transparent & accountable to the public.*

**RECOMMENDATION:**

It is the Administration’s recommendation that the Anchorage School Board approve the following bond proposal:

Proposition I – Security Improvements, Bartlett High School Infrastructure Improvements & Design, Spring Hill Elementary School Improvements, Campbell Elementary School Renovation, West High School Utilidor Phase 3, planning and design for 2024-2025 projects, and Heavy Equipment Replacement in the amount of \$63.822 million.

The bond proposition is summarized below:

Prioritized Security Vestibule & Security Improvements	\$6,693,000
Intrusion System Replacements	\$4,100,000
Access Control Installation – Phase 1	\$1,000,000
Bartlett High School Infrastructure Improvements & Design	\$9,366,000
Spring Hill Elementary School Improvements	\$14,005,000
Campbell Elementary School Renovation	\$11,483,000

West High School Utilidor Phase 3	\$9,510,000
Planning and Design 2024/2025 Projects	\$3,865,000
Heavy Equipment Replacement	3,800,000
Proposition I Total	<b>\$63,822,000</b>

Individual project descriptions are provided in Attachment A.

PERTINENT FACTS:

The Capital Planning & Construction (CP&C) staff prepared a prioritized list of unfunded, emergent requirements utilizing the District’s Facility Condition Assessment Program. This consolidated list was prioritized into one, two and three to five year requirements by CP&C and Maintenance & Operations staff.

ASD Maintenance utilizes a fleet of heavy equipment to plow, move and haul snow. Other vehicles in the fleet are used to sand and sweep school parking lots. This essential service keeps schools open during the winter months by providing safe access to all ASD facilities for students and staff.

The fleet is old and has mostly aged well beyond its serviceable life. There has been a lack of available funding in recent years to keep up with a reasonable replacement plan.

This has resulted in significant downtime of equipment due to the more frequent need for repairs and delays caused by obsolescence of parts and components. Work stoppages have become routine, as the aging equipment has been pushed beyond its capacity, especially during the recent heavier winters.

The proposed replacement plan provides a comprehensive update and modernization of the fleet, including tractors, dump trucks, loaders, graders, sanders, and sweepers.

Overall Debt Service

As of June 30, 2024, the District had \$381.815 million of outstanding bond debt, down \$198 million from the same time 10 years ago. Subsequent to the our fiscal year end the district did sell an additional bond of \$66.13 million bring the total outstanding to \$447.945 million. In the last two fiscal years, ASD has paid off \$100.55 million of debt. During that time, the District received \$100.157 million in new voter authorization to additional debt to fund capital improvements.

The District works closely with the municipal administrators and financial advisors to engage the market to reduce the debt and interest rates regularly. Over the past five years, the District refunded \$169.7 million in existing debt at an improved rate, reducing the overall debt service by nearly \$18.2 million. In Fiscal year 2024 the district did not issue a refunding bond.

In the next five years, the District anticipates paying off approximately \$165.57 million in principal, averaging about \$33.12 million each year.

State Debt Reimbursement

Of the \$381.815 million bond debt outstanding as of June 30, 2024, the state debt reimbursement program is expected to cover 24.69 percent. This, however, is subject to appropriation and is susceptible to governor's vetoes or legislative action.

House Bill 106, approved into law in March 2020, enacted a sunset of Alaska statutes related to the state debt reimbursement program effective January 1, 2015 through July 1, 2025. Per AS 14.11.100, if the legislature does not take further action on these statutes, reimbursement rates of 50% for projects for new construction that qualify for space and 40% for projects that add space, including replacing space, but do not qualify for space would be reinstated.

#### Cost of \$63.822 Million Bond Proposal to the Local Taxpayers

The approximate amount of annual taxes on \$100,000 of assessed property valuation to retire the proposed debt of \$63.822 million is \$12.90. The calculation of estimated taxes is based on an estimated 4.5 percent weighted interest rate for twenty years, as shown in attachment B.

The amount of annual taxes on \$100,000 of assessed property valuation reduced due to bond debt retirement over the proposed FY 2024-25 is \$38.705 million. The difference between what is proposed and what will be retired accounts for an increase of \$8.27 per \$100,000 of assessed valuation, if this proposition was sold at one time. However, most bond authorizations are sold over a three-to-five-year period.

JB/AR/JA/TF/KP/EK/LAMJR/RML/jb

#### Attachments:

- A. April 2025 Proposed Bond Projects
- B. 2025 Bond Reimbursement Rate and Taxes

Prepared by: Rachel Molina Lodoen, Project Support Supervisor  
Larry Morris, Planning & Design Supervisor  
Edie Knapp, Construction Supervisor  
Katie Parrott, Senior Director of Management & Budget  
Thomas Fenoseff, Senior Director, Capital Planning & Construction

Approved by: Jim Anderson, Chief Operating Officer  
Andy Ratliff, Chief Financial Officer

[M042A - AttachA\\_Project\\_Desc.pdf \(403 KB\)](#)

[M042B - AttachB\\_Bond Rates and Taxes JF.pdf \(64 KB\)](#)

#### **Motion & Voting**

To approve the following bond proposal:

Proposition I – Security Improvements, Bartlett High School Infrastructure Improvements & Design, Spring Hill Elementary School Improvements, Campbell Elementary School Renovation, West High School Utilidor Phase 3, planning and design for 2024-2025 projects, and Heavy Equipment Replacement in the amount of \$63.822 million.

Motion by Margo Bellamy, second by Dora Wilson.

Final Resolution: Motion Passes

Yea: Margo Bellamy, Dave Donley, Pat Higgins, Andy Holleman, Carl Jacobs, Kelly Lessens, Dora Wilson



**Table 1: Capital Improvement Plan  
2025 - 2030**

Year 1: 2025			
District Priority	Project Title & Description	Bond Amount	Comments
1	<b>Secure Vestibule Group 6</b> - Provide a secure vestibule and other security upgrades. Includes visitor security, access control, fire systems, intercoms, and intrusion systems. At Scenic Park ES, Baxter ES, and Ravenwood ES.	\$ 6,693,000	
2	<b>Intrusion System Replacement</b> - Older Facility Commander Intrusion Systems will become non-supported October of 2026. This will replace with ASD standard Gemini C.	\$ 4,100,000	
3	<b>Access Control at 15 School Phase 1</b> - Installation of access control for 15 schools that has had Secure Vestibules installed prior to adoption of ASD standard access control. This is year one of a two year project	\$ 1,000,000	
4	<b>Bartlett High School Infrastructure Improvements and Design</b> - Includes upgrades for buildingwide systems that allow for more efficient phasing like combining disbursed electrical services. Also, completes design to 100% per the board approved master plan.	\$ 9,366,000	
5	<b>Spring Hill Elementary Improvements</b> - Includes Structural, Site/Circulation, Mechanical, Electrical, Finishes, and Educational Adequacies.	\$ 14,005,000	
6	<b>Campbell Elementary Renovation</b> - Includes Secure vestibule, Intrusion Sysytem, Intercom, Seismic/Structural, Mechanical, Electrical, Finishes, and Improve Educational Adequacy.	\$ 11,483,000	
7	<b>West High School Utilidor Phase 3</b> - Final phase to remove abandoned pipe and electrical. Replace aging building infrastructure within the utilidor.	\$ 9,510,000	
8	<b>Planning and Design for 2026-2028 Projects</b>	\$ 3,865,000	
9	<b>Heavy Equipment Replacement</b> - Provides a comprehensive update and modernization of the heavy equipment fleet to include tractors, dump trucks, loaders, graders, sanders and sweepers.	\$ 3,800,000	
	<b>TOTAL</b>	<b>\$ 63,822,000</b>	



ANCHORAGE SCHOOL DISTRICT  
 APRIL 2025 SCHOOL BOND PROPOSAL  
 CALCULATION OF ESTIMATED TAXES FOR DEBT SERVICE ON \$100,000 ASSESSED VALUATION

<u>Term</u>	<u>Bond Proposition Amount</u>	<u>Est. State Debt Reimb. By Project</u>	<u>[1] Annual Debt Prin. &amp; Int. 4.50%</u>	<u>[2] Per \$100,000 Assessed Val. \$ 39,464,975,293</u>	<u>State Debt Reimb. Per \$100,000</u>	<u>Property Taxes Per \$100,000</u>
<b>Proposition I - Districtwide Building Life Extension Projects</b>						
Prioritized Security Vestibule & Security Improvements	20	\$6,693,000	0%	\$ 514,532	\$ 1.30	\$ - \$ 1.30
Intrusion System Replacements	20	\$4,100,000	0%	\$ 315,192	\$ 0.80	\$ - \$ 0.80
Access Control Installation - Phase 1	20	\$1,000,000	0%	\$ 76,876	\$ 0.19	\$ - \$ 0.19
Bartlett High School Infrastructure Improvements & Design	20	\$9,366,000	0%	\$ 720,022	\$ 1.82	\$ - \$ 1.82
Spring Hill Elementary School Improvements	20	\$14,005,000	0%	\$ 1,076,650	\$ 2.73	\$ - \$ 2.73
Campbell Elementary School Renovation	20	\$11,483,000	0%	\$ 882,769	\$ 2.24	\$ - \$ 2.24
West High School Utilidor Phase 3	20	\$9,510,000	0%	\$ 731,092	\$ 1.85	\$ - \$ 1.85
Planning and Design 2024/2025 Projects	20	\$3,865,000	0%	\$ 297,126	\$ 0.75	\$ - \$ 0.75
Heavy Equipment Replacement	10	\$3,800,000	0%	\$ 480,240	\$ 1.22	\$ - \$ 1.22
<b>Proposition 1 Total</b>		<b>\$ 63,822,000</b>	<b>0%</b>	<b>\$ 5,094,499</b>	<b>\$ 12.90</b>	<b>\$ - \$ 12.90</b>

[1] Estimate of Bond Sale

[2] Estimate as of CY2024 Valuation