

Municipal Clerk's Office

Approved

Date: **January 21, 2025**

Requested by: Chair of the Assembly at the request of the Mayor

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

For Reading: January 7, 2025

**MUNICIPALITY OF ANCHORAGE
AO No. 2025-11**

1 **AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED**
2 **VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION**
3 **OF THE ISSUANCE OF NOT TO EXCEED TWO MILLION FOUR HUNDRED**
4 **THOUSAND DOLLARS (\$2,400,000) OF GENERAL OBLIGATION BONDS OF**
5 **THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FIRE**
6 **PROTECTION CAPITAL IMPROVEMENTS IN THE ANCHORAGE FIRE**
7 **SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON**
8 **APRIL 1, 2025.**

9
10 **WHEREAS**, the best interests of the citizens and property owners in the Anchorage
11 Fire Service Area serving the Municipality of Anchorage, Alaska (the "Municipality")
12 require the Municipality to acquire replacement fire engine trucks and replacement
13 fire water tenders (the "Projects"); and,
14

15 **WHEREAS**, in order to provide financing for the Projects, it is deemed necessary
16 and advisable that the Municipality issue and sell its general obligation bonds in the
17 principal amount of not to exceed \$2,400,000 (the "Bonds"); now, therefore,
18

19 **THE ANCHORAGE ASSEMBLY ORDAINS:**

20
21 **Section 1. Purpose.** The Assembly of the Municipality hereby determines that
22 the best interests of the residents and property owners within the Anchorage Fire
23 Service Area require the Municipality to undertake the Projects at the time and in
24 the order and in the manner deemed most necessary and advisable by the
25 Municipality. The estimated cost of the Projects, including incidental costs and costs
26 related to issuing and selling the Bonds as provided in this ordinance, is estimated
27 to be \$2,400,000.
28

29 The Projects are described in more detail in the attachment to the Assembly
30 Memorandum accompanying this ordinance. The cost of all necessary planning,
31 acquisition of property, site preparation, construction, installing and equipping of the
32 Projects, architectural, engineering, design, and other consulting services,
33 inspection and testing, administrative expenses, costs of issuance of the Bonds and
34 other costs incurred in connection with the Projects shall be deemed to be costs of
35 the approved Projects. The approved Projects may be completed with all necessary
36 equipment and appurtenances.
37

38 The Municipality shall determine the application of available moneys between
39 the various Projects so as to accomplish, as nearly as may be, all of the Projects
40 described or provided for in this section.

1
2 If the Municipality shall determine that it has become impractical to
3 accomplish any portion of the approved Projects by reason of changed conditions
4 or needs, incompatible development or costs substantially in excess of those
5 estimated, the Municipality shall not be required to accomplish such portions and
6 shall apply Bond proceeds as set forth in this section.
7

8 If the approved Projects have been completed in whole or in part, or their
9 completion duly provided for, or their completion found to be impractical, the
10 Municipality may apply Bond proceeds or any portion thereof to other Municipality
11 capital improvements within the Anchorage Fire Service Area at its sole discretion.
12 Otherwise, the Municipality shall apply such remaining proceeds solely to payment
13 of principal or interest on the Bonds, as provided in the Home Rule Charter. In the
14 event that the proceeds of sale of the Bonds, plus any other monies of the
15 Municipality legally available, are insufficient to accomplish the approved Projects,
16 the Municipality shall use the available funds for paying the cost of those portions of
17 the approved Projects deemed by the Municipality most necessary and in the best
18 interest of the Municipality. No Bond proceeds shall be used by the Municipality for
19 any purpose other than a capital improvement of the Municipality
20

21 For the purpose of providing funds for the undertaking of the Projects, which
22 is hereby found to be a public purpose and in the public interest, the Municipality
23 hereby proposes to issue general obligation bonded indebtedness in an amount not
24 to exceed Two Million Four Hundred Thousand Dollars (\$2,400,000).
25

26 **Section 2.** Details of Bonds. The Bonds shall be sold in such amounts and at
27 such time or times as deemed necessary and advisable by the Assembly and as
28 permitted by law and shall mature over a period of up to 20 years from date of issue.
29 The Bonds shall be issued in an aggregate principal amount of not to exceed
30 \$2,400,000. The Bonds shall bear interest to be fixed at the time of sale or sales
31 thereof. The exact form, terms, conditions, contents, security, options of
32 redemption, and such other matters relating to the issuance and sale of said Bonds
33 as are deemed necessary and advisable by the Assembly shall be as hereinafter
34 determined and/or delegated by ordinance and/or resolution of the Assembly.
35

36 The full faith and credit of the Municipality is pledged for the payment of the
37 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
38 property in the Municipality shall be levied without limitation as to rate or amount to
39 pay the principal and interest on the Bonds when due. The principal of and interest
40 on the Bonds are to be paid first from ad valorem taxes levied and collected within
41 the Anchorage Fire Service Area.
42

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

1
 2 The Clerk shall prepare the ballot proposition to be submitted to the voters
 3 as provided by this ordinance and the Municipal Code and shall perform all
 4 necessary steps in accordance with law to place this proposition before the voters
 5 at the regular election. The proposition must receive a majority vote of those in the
 6 Municipality voting, both in the Anchorage Fire Service Area and areawide, on the
 7 question to be approved. The proposition shall be substantially in the following form:

8
 9 PROPOSITION NO. _____

10
 11 ANCHORAGE FIRE SERVICE AREA FIRE PROTECTION BONDS

12
 13 For the purpose of acquiring replacement fire engine
 14 trucks and replacement fire water tenders in the
 15 Anchorage Fire Service Area, as provided in
 16 AO 2025-____, shall Anchorage borrow money and issue
 17 up to \$2,400,000 in principal amount of general
 18 obligation bonds?

19
 20 Voter approval of this bond proposition authorizes for
 21 each \$100,000 of assessed taxable property value
 22 (based on the estimated 2025 assessed valuation in the
 23 Anchorage Fire Service Area) an annual increase in
 24 taxes of approximately \$0.46 to retire the proposed
 25 bonds.

26
 27 The debt shall be paid from real and personal property
 28 taxes levied and collected within the Anchorage Fire
 29 Service Area without cost to properties in Chugiak,
 30 Girdwood, and other areas outside the Service Area.
 31 The Municipality will also pledge its full faith and credit
 32 for payment of the bonds.

33
 34 YES NO

35
 36 **Section 4.** Effective Dates. Section 2 of this ordinance shall become effective
 37 only if the proposition described in Section 3 is approved by a majority of the
 38 qualified voters voting on the proposition at the regular election held on April 1, 2025.
 39 The remaining sections of this ordinance shall become effective upon passage and
 40 approval by the Assembly.

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PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
21st day of January, 2025.

Christopher Constant

ATTEST:

Chair

Jenine King

Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 56 - 2025

Meeting Date: January 7, 2025

1 **From:** Mayor

2
3 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE
4 QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE,
5 ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO
6 EXCEED TWO MILLION FOUR HUNDRED THOUSAND DOLLARS
7 (\$2,400,000) OF GENERAL OBLIGATION BONDS OF THE
8 MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FIRE
9 PROTECTION CAPITAL IMPROVEMENTS IN THE ANCHORAGE
10 FIRE SERVICE AREA AT THE ELECTION TO BE HELD IN THE
11 MUNICIPALITY ON APRIL 1, 2025.

12
13 The attached ordinance will place a general obligation bond proposition for the
14 Anchorage Fire Service Area on the ballot for the Municipal election to be held on
15 April 1, 2025.

16
17 The Administration recommends scheduling a public hearing for this bond ordinance
18 on January 21, 2025.

19
20 The Anchorage Fire Service Area bond proposal will implement the priorities
21 established in the 2025-2030 Capital Improvement Program. Please see the
22 attached Project List, attached as Exhibit A.

23
24 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

25
26 Prepared by: Ross Risvold, Public Finance & Investments Manager

27 Approved: Philippe D. Brice, CFO

28 Approved: William D. Falsey, Chief Administrative Officer

29 Concur: Eva R. Gardner, Municipal Attorney

30 Concur: Ona R. Brause, OMB Director

31 Concur: Rebecca A. Windt Pearson, Municipal Manager

32 Respectfully submitted: Suzanne LaFrance, Mayor

33 AM 2025 Fire Prop.doc

EXHIBIT A

**Anchorage Fire Service Area
2025 Bond Project List
(000)'s**

	<u>Project</u>	<u>Amount</u>	<u>O&M</u>
Fire Engine Replacement		\$1,200	-
Fire Water Tender Replacement		1,200	-
Total		\$2,400	-

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2025-11

TITLE: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FIRE PROTECTION CAPITAL IMPROVEMENTS IN THE ANCHORAGE FIRE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2025.

Sponsor: Mayor
 Preparing Agency: Public Finance Division
 Others Impacted: Fire Department

CHANGES IN EXPENDITURES AND REVENUES:					
(Thousands of Dollars)					
	FY25	FY26	FY27	FY28	FY29
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service	--	174.7	174.7	174.7	174.7
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	174.7	174.7	174.7	174.7
ADD: 6000 Charge from Others					
FUNCTION COST:	--	174.7	174.7	174.7	174.7
REVENUES:					
CAPITAL:					
POSITIONS: FT/PT and Temp.					

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$174,674 assumes bonds are sold as a single bond issue with an interest rate of 3.877% 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 \$174,674 equate to an estimated property tax increase of 0.0046 mills or \$0.46 per year on \$100,000 of assessed valuation in the Anchorage Fire Service Area.