

CLERK'S OFFICE

APPROVED

9-14-10

Date: _____

Submitted by: Chair of the Assembly at the

Request of the Mayor

Prepared by: Solid Waste Services Disposal Utility

For reading: August 31, 2010

**ANCHORAGE, ALASKA
AO NO. 2010-59**

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO EXCEED \$297,296 FROM THE STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF A LANDFILL CAPITAL IMPROVEMENT PROJECT AT THE ANCHORAGE REGIONAL LANDFILL AND PROVIDING FOR RELATED MATTERS.

WHEREAS, the State of Alaska (the "State") has, pursuant to Alaska Statutes 46.03.032 and 18 AAC 76.005 et seq of the Alaska Administrative Code, established the Alaska Clean Water Fund (the "Fund"), a fund which makes use of U.S. Government grants as authorized by the Clean Water Act, as amended by P.L. 100-4; and

WHEREAS, the Municipality of Anchorage (the "Municipality") is eligible to borrow from the Fund for the purposes of planning, designing, constructing, equipping, modifying, improving and expanding of the Anchorage Regional Landfill; and

WHEREAS, the interest rate to be paid by the Municipality on money borrowed from the Fund is a favorable rate considering other sources of funds available to the Municipality; and

WHEREAS, the Home Rule Charter of the Municipality provides at Section 15.03 that the Assembly by ordinance shall provide for the form and manner of sale of bonds and notes; and

WHEREAS, the Assembly of the Municipality has determined and does hereby determine that it is necessary to proceed to plan and design the next cell at the Anchorage Regional Landfill ("The Project");

Landfill Design and Construction Cell 9	\$297,296
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WHEREAS, it is deemed necessary and advisable and in the best interests of the Municipality and its inhabitants that a final application be submitted and such other actions as may be necessary be taken to borrow a total amount not to exceed \$297,296 from the Fund for the purpose of financing a portion of the costs associated with said Project; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Definitions. As used in this Ordinance, unless a different meaning clearly appears from the context:

1
2 "Gross Revenues" means all rates and charges and other income, in each case
3 derived by or for the account of the Municipality, from the ownership, leasing or
4 operation of the Project Facility except proceeds from the sale of bonds or notes, any
5 grants received for the Solid Waste Disposal Utility, and interest received and profits
6 derived from the investment of moneys obtained from such sources or from moneys
7 held in any fund to pay or secure the payment of any bonds or notes issued in
8 connection with the Project Facility. For the purposes of this Ordinance, Gross
9 Revenues shall not include allowance for funds used during construction.

10
11 "Operating Expenses" means the current expenses incurred for operation,
12 maintenance or repair of the Project Facility of a non-capital nature, and shall include,
13 without limiting the generality of the foregoing, tipping, transfer and disposal
14 expenses, fuel and electricity expenses, customer accounts expenses, administrative
15 and general expenses, insurance premiums, lease rentals, legal, regulatory, and
16 engineering expenses, payments to pension, retirement, group life insurance, health
17 and hospitalization funds or other employee benefit funds which are properly
18 chargeable to current operations, interest on customers' deposits, payroll tax
19 expenses, Municipal Utility Service Assessments or any assessment levied in lieu of
20 municipal taxes and any other expenses required to be paid under the provision of
21 this Ordinance or by law or permitted by standard practices for public utility systems
22 similar to the properties and business of the Project Facility (adjusted to reflect public
23 ownership) and applicable in the circumstances. Operating Expenses shall not
24 include any allowances for depreciation or amortization or any principal, redemption
25 price or purchase price of, or interest on, any obligations of the Municipality incurred
26 in connection with any payable from Gross Revenues.

27
28 "Project Facility" means the existing Anchorage Regional Landfill as the same will be
29 added to, improved and extended as authorized and provided in this Ordinance, and
30 as the same may be added to, improved and extended for as long as any of the loans
31 authorized by this Ordinance are outstanding, but shall not include such landfill
32 facilities that may be hereafter purchased, constructed or otherwise acquired by the
33 Municipality.

34
35 **Section 2.** Purpose. The purpose of this Ordinance is to authorize the borrowing
36 of not to exceed \$297,296 from the Fund in the form of a loan to provide funds to pay
37 a portion of the costs of The Project and to fix certain details of said loan.

38
39 **Section 3.** Authority for Ordinance. The Assembly has ascertained and hereby
40 determines that each and every matter and thing as to which provision is made in this
41 Ordinance is necessary in order to carry out and effectuate the purposes of the
42 Municipality in accordance with the Constitution and statutes of the State of Alaska,
43 and the Home Rule Charter of the Municipality, and to incur the indebtedness
44 authorized by this Ordinance.

45
46 **Section 4.** Obligation of Loan. The obligation to repay the loan authorized by this

1 Ordinance shall not be a direct and general obligation of the Municipality and neither
2 the faith and credit nor the taxing power of the Municipality is pledged to the payment
3 of the principal of and interest on the loan. The Gross Revenues less the Operating
4 Expenses of the Project Facility are hereby pledged to repayment of the loan
5 authorized by this Ordinance.
6

7 **Section 5. Authorization of Loan and Purpose of Issuance.** For the purpose of
8 providing a portion of the funds required to pay the cost of the Project described
9 herein, and to pay all costs incidental thereto, the Municipality hereby authorizes and
10 determines to borrow money from the Fund in the form of a loan in an aggregate
11 principal amount not to exceed \$297,296.
12

13 **Section 6. Loan Application.** The Director of Solid Waste Services is hereby
14 authorized and directed to complete and submit to the State Department of
15 Environmental Conservation an application to borrow money from the Fund for the
16 purpose of paying a portion of the cost of the Project as authorized in this Ordinance.
17

18 **Section 7. Negotiation of Terms and Approval of Amount, Interest Rate, Maturities**
19 **and Other Details of Loan.** The Chief Fiscal Officer or designee shall negotiate with
20 the State and the Assembly shall by resolution approve the total amount of the loan
21 to be entered into for the Project; the interest rate, which shall not exceed 75 percent
22 of the Municipal Bond Index as published in the Wall Street Journal on the Friday
23 preceding the closing of any loan; the interest and principal payment dates; the
24 maturities, which shall not exceed 20 years; and any other details of the loan.
25

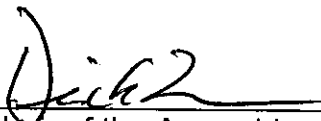
26 **Section 8. Authority of Officers.** The Mayor, the Acting Mayor from time to time,
27 the Municipal Manager, the Chief Fiscal Officer, the Director of Solid Waste Services,
28 the Municipal Clerk and the Acting Municipal Clerk from time to time, are, and each of
29 them hereby is, authorized and directed to do and perform all things and determine
30 all matters not determined by this Ordinance, or to be determined by a subsequent
31 ordinance or resolution of the Municipality, to the end that the Municipality may carry
32 out its obligations under the loan and this Ordinance.
33

34 **Section 9. Severability.** If any one or more of the covenants and agreements
35 provided in this Ordinance to be performed on the part of the Municipality shall be
36 declared by any court of competent jurisdiction to be contrary to law, then such
37 covenant or covenants, agreement or agreements shall be null and void and shall be
38 deemed separable from the remaining covenants and agreements in this Ordinance
39 and shall in no way affect the validity of the other provisions of this Ordinance or of
40 the loan entered into pursuant to this Ordinance.
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42 **Section 10. Effective Date.** This Ordinance shall take effect immediately upon
43 passage and approval by the Assembly.


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PASSED AND APPROVED by the Anchorage Assembly this 14th day of September, 2010.



Chair of the Assembly

ATTEST:



Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Disposal Utility

AO Number: 2010-59

Title: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE
 AUTHORIZING AND PROVIDING FOR THE BORROWING OF
 NOT TO EXCEED \$279,296 FROM THE STATE OF ALASKA
 CLEAN WATER FUND FOR THE PURPOSE OF FINANCING A
 PORTION OF THE COSTS OF VARIOUS LANDFILL CAPITAL
 IMPROVEMENT PROJECTS AT THE ANCHORAGE REGIONAL
 LANDFILL AND PROVIDING FOR RELATED MATTERS.

Sponsor: MAYOR
 Preparing Agency: Solid Waste Services Disposal Utility
 Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:

	FY12	FY13	FY14	FY15	FY16
Operating Revenues:					
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:					
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Revenues:					
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Expenses:					
Interest Expense	\$ 1	\$ 4	\$ 4	\$ 4	\$ 4
TOTAL NON-OPERATING EXPENSES	\$ 1	\$ 4	\$ 4	\$ 4	\$ 4
NET INCOME (REGULATED)	\$ (1)	\$ (4)	\$ (4)	\$ (4)	\$ (4)

POSITIONS: FT/PT and Temp

PUBLIC SECTOR ECONOMIC EFFECTS:

No projected impact. Term of loan is 20 years, consisting of level principal payments. (See attached amortization schedule.)
 Payments to begin one year after construction completion.

PRIVATE SECTOR ECONOMIC EFFECTS:

None

Prepared by: Candace Beery, Finance Manager

343-6287

Approved by: Mark G. Madden, Director, Solid Waste Services
 (Director, Preparing Agency)

343-6279

SOLID WASTE SERVICES DISPOSAL UTILITY
 State of Alaska DEC Clean Water Loan Program
 Amortization Schedule
 Projects: Cell 9 Design
 SWS Calculation of Loans: 131171

Total Loan Amount **\$279,296**
 Interest Rate **1.5%**
 Term in years **20**

Payment	Date Due	SWS Accrual Expense	Interest	Principal	Total Payment	Loan Balance
0	10/1/2012	\$1,056				\$279,296
1	10/1/2013	\$4,137	\$4,189	\$13,965	\$18,154	\$265,331
2	10/1/2014	\$3,927	\$3,980	\$13,965	\$17,945	\$251,366
3	10/1/2015	\$3,718	\$3,770	\$13,965	\$17,735	\$237,402
4	10/1/2016	\$3,508	\$3,561	\$13,965	\$17,526	\$223,437
5	10/1/2017	\$3,299	\$3,352	\$13,965	\$17,316	\$209,472
6	10/1/2018	\$3,089	\$3,142	\$13,965	\$17,107	\$195,507
7	10/1/2019	\$2,880	\$2,933	\$13,965	\$16,897	\$181,542
8	10/1/2020	\$2,670	\$2,723	\$13,965	\$16,688	\$167,578
9	10/1/2021	\$2,461	\$2,514	\$13,965	\$16,478	\$153,613
10	10/1/2022	\$2,251	\$2,304	\$13,965	\$16,269	\$139,648
11	10/1/2023	\$2,042	\$2,095	\$13,965	\$16,060	\$125,683
12	10/1/2024	\$1,832	\$1,885	\$13,965	\$15,850	\$111,718
13	10/1/2025	\$1,623	\$1,676	\$13,965	\$15,641	\$97,754
14	10/1/2026	\$1,414	\$1,466	\$13,965	\$15,431	\$83,789
15	10/1/2027	\$1,204	\$1,257	\$13,965	\$15,222	\$69,824
16	10/1/2028	\$995	\$1,047	\$13,965	\$15,012	\$55,859
17	10/1/2029	\$785	\$838	\$13,965	\$14,803	\$41,894
18	10/1/2030	\$576	\$628	\$13,965	\$14,593	\$27,930
19	10/1/2031	\$366	\$419	\$13,965	\$14,384	\$13,965
20	10/1/2032	\$157	\$209	\$13,965	\$14,174	\$0
Total Repayments		\$43,989	\$43,989	\$279,296	\$323,285	

FY 2012 assumes interest accrual from 1/4 year of interest

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 461-2010

Meeting Date: August 31, 2010

1 FROM: MAYOR

2
3 SUBJECT: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE
4 AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT
5 TO EXCEED \$297,296 FROM THE STATE OF ALASKA CLEAN
6 WATER FUND FOR THE PURPOSE OF FINANCING A PORTION
7 OF THE COSTS OF VARIOUS LANDFILL CAPITAL
8 IMPROVEMENT PROJECTS AT THE ANCHORAGE REGIONAL
9 LANDFILL AND PROVIDING FOR RELATED MATTERS.
10

11
12 The State of Alaska Department of Environmental Conservation offers low-interest
13 loans through the Alaska Clean Water Fund program to communities for the
14 planning, design, and construction of publicly owned capital projects.
15

16 Constructed in a series of 12 cells, the Anchorage Regional Landfill is planning to
17 develop the portion of the next landfill cell, designated as Cell 9. Design activities
18 will be completed in 2011 for completion of construction in 2012.
19

20 This Ordinance authorizes borrowing of not to exceed \$297,296 to be used
21 specifically for financing design costs for Cell 9 at the Anchorage Regional
22 Landfill:
23

24 **THE ADMINISTRATION RECOMMENDS AN ORDINANCE OF THE**
25 **MUNICIPALITY OF ANCHORAGE AUTHORIZING AND PROVIDING FOR THE**
26 **BORROWING OF NOT TO EXCEED \$297,296 FROM THE STATE OF ALASKA**
27 **CLEAN WATER FUND FOR THE PURPOSE OF FINANCING A PORTION OF**
28 **THE COSTS OF VARIOUS LANDFILL CAPITAL IMPROVEMENT PROJECTS**
29 **AT THE ANCHORAGE REGIONAL LANDFILL AND PROVIDING FOR**
30 **RELATED MATTERS.**
31

32
33 Prepared by: Solid Waste Services
34 Approved by: Mark G. Madden, Director, Solid Waste Services
35 Concur: Lucinda Mahoney, CFO
36 Concur: Dennis A. Wheeler, Municipal Attorney
37 Concur: George J. Vakalis, Municipal Manager
38 Respectfully submitted: Daniel A. Sullivan, Mayor
39

Content ID: 009280

Type: Ordinance - AO

Title: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE AUTHORIZING AND PROVIDING FOR THE BORROWING OF NOT TO EXCEED \$297,296 FROM THE STATE OF ALASKA CLEAN WATER FUND FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF A LANDFILL CAPITAL IMPROVEMENT PROJECT AT THE ANCHORAGE REGIONAL LANDFILL AND PROVIDING FOR RELATED MATTERS.

Author: kilsonpa

Initiating Dept: SWS

Description: BORROW FROM THE SOA CLEAN WATER FUND FOR LANDFILL IMPROVEMENTS

Keywords: CLEAN WATER FUND

Date Prepared: 8/5/10 8:41 AM

Director Name: Mark G. Madden

Assembly Meeting Date: 8/31/10

Public Hearing Date: 9/14/10

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	8/20/10 10:44 AM	Exit	Joy Maglaqui	Public	009280
MuniManager_SubWorkflow	8/20/10 10:44 AM	Approve	Joy Maglaqui	Public	009280
Legal_SubWorkflow	8/12/10 1:42 PM	Approve	Rhonda Westover	Public	009280
Finance_SubWorkflow	8/5/10 5:40 PM	Approve	Lucinda Mahoney	Public	009280
OMB_SubWorkflow	8/5/10 11:26 AM	Approve	Cheryl Frasca	Public	009280
SWS_SubWorkflow	8/5/10 9:31 AM	Approve	Mark Madden	Public	009280
AllOrdinanceWorkflow	8/5/10 8:46 AM	Checkin	Patty Kilson	Public	009280