

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 17, 2012

CLERK'S OFFICE  
APPROVED

Date: 1-31-12

**MUNICIPALITY OF ANCHORAGE  
ORDINANCE No. 2012-5**

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 ONE MILLION FIVE HUNDRED EIGHTY-EIGHT THOUSAND DOLLARS (\$1,588,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE EMERGENCY MEDICAL SERVICE AND PUBLIC TRANSPORTATION IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2012.

**WHEREAS**, the best interest of the citizens and property owners in the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to replace ambulances and support vehicles, make bus stop improvements, transit fleet expansions and improvements, technology upgrades and transit building improvements; and

**WHEREAS**, the Assembly of the Municipality have identified necessary areawide emergency medical service and public transportation improvement projects with Municipality; and

**WHEREAS**, in order to provide funds to perform the necessary acquisitions, as further described in Section 1 of this ordinance (the "Projects"), it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds (the "Bonds"); now, therefore,

**THE ANCHORAGE ASSEMBLY ORDAINS:**

**Section 1. Purpose.** The Assembly hereby determines that emergency medical service and public transportation improvements are needed throughout the Municipality (the "Projects"). The Assembly of the Municipality hereby determines that the best interest of the residents and property owners within the Municipality require the Municipality to undertake the Projects at the time and in the order and in the manner deemed most necessary and advisable by the Municipality. The

1 estimated cost of the Projects, including incidental costs and costs related to  
2 issuing and selling the Bonds as provided in this ordinance, is estimated to be  
3 \$1,588,000.  
4

5 The Projects are described in more detail in the attachment to the Assembly  
6 Memorandum accompanying this ordinance. The cost of all necessary planning,  
7 acquisition of property for, site preparation, construction, installing and equipping  
8 of the Projects, architectural, engineering, design, and other consulting services,  
9 inspection and testing, administrative expenses, costs of issuance of the Bonds  
10 (hereinafter defined) and other costs incurred in connection with the Projects shall  
11 be deemed to be costs of the approved Projects. The approved Projects may be  
12 completed with all necessary equipment and appurtenances.  
13

14 The Municipality shall determine the application of available moneys as for  
15 the Projects so as to accomplish, as nearly as may be, the Projects described or  
16 provided for in this section.  
17

18 If the Municipality shall determine that it has become impractical to  
19 accomplish any portion of the approved Projects by reason of changed conditions  
20 or needs, incompatible development or costs substantially in excess of those  
21 estimated, the Municipality shall not be required to accomplish such portions and  
22 shall apply Bond proceeds as set forth in this section.  
23

24 If the approved Projects have been completed in whole or in part, or their  
25 completion duly provided for, or its completion found to be impractical, the  
26 Municipality may apply Bond proceeds or any portion thereof to other Municipality  
27 emergency medical service and public transportation capital improvements at its  
28 sole discretion. Otherwise, the Municipality shall apply such remaining proceeds  
29 solely to payment of principal or interest on the Bonds, as provided in the Home  
30 Rule Charter. In the event that the proceeds of sale of the Bonds, plus any other  
31 monies of the Municipality legally available, are insufficient to accomplish the  
32 approved Projects, the Municipality shall use the available funds for paying the  
33 cost of those portions of the approved Projects deemed by the Municipality most  
34 necessary and in the best interest of the Municipality. No Bond proceeds shall be  
35 used for any purpose other than a capital improvement.  
36

37 For the purpose of providing funds for the undertaking of the Projects,  
38 which are hereby found to be a public purpose and in the public interest, the  
39 Municipality hereby proposes to issue general obligation bonded indebtedness in  
40 an amount not to exceed One Million Five Hundred Eighty-eight Thousand Dollars  
41 (\$1,588,000) (the "Bonds").  
42

43 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at  
44 such time or times as deemed necessary and advisable by the Assembly and as  
45 permitted by law and shall mature over a period of up to 20 years from date of  
46 issue. The Bonds shall be issued in an aggregate principal amount of not to

1 exceed \$1,588,000. The Bonds shall bear interest to be fixed at the time of sale or  
2 sales thereof. The exact form, terms, conditions, contents, security, options of  
3 redemption, and such other matters relating to the issuance and sale of said  
4 Bonds as are deemed necessary and advisable by the Assembly shall be as  
5 hereinafter determined and/or delegated by ordinance and/or resolution of the  
6 Assembly.

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

12  
13 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified  
14 electors of the Municipality the proposition of whether or not the Municipality  
15 should issue the Bonds for the purpose of financing the costs of the approved  
16 Projects at the regular municipal election to be held on April 3, 2012.

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

24  
25 PROPOSITION NO. \_\_\_\_\_

26  
27 **AREAWIDE EMERGENCY MEDICAL SERVICE AND PUBLIC**  
28 **TRANSPORTATION CAPITAL IMPROVEMENT BONDS**

29  
30 For the purpose of providing emergency medical  
31 service and public transportation upgrades, replacing  
32 ambulances and support vehicles, making bus stop  
33 improvements, transit building improvements, transit  
34 fleet expansions and improvements, technology  
35 upgrades and related capital improvements as  
36 provided in Ordinance No. AO 2012-\_\_\_\_, shall  
37 Anchorage issue up to \$1,588,000 in principal amount  
38 of general obligation bonds and increase the municipal  
39 tax cap by an amount not to exceed \$6,000 to pay  
40 annual operations and maintenance costs? The  
41 proposed capital improvements would be located within  
42 the Municipality of Anchorage.  
43

1 Voter approval of this bond proposition authorizes for  
2 each \$100,000 of assessed taxable property value  
3 (based on the estimated total 2012 areawide assessed  
4 valuation in Anchorage) (i) an annual increase in taxes  
5 of approximately \$0.39 to retire the proposed bonds,  
6 and (ii) an annual increase in the Municipal Tax Cap  
7 (Charter 14.03(b)(2)) of approximately \$0.02 to pay for  
8 annual operations and maintenance costs related to  
9 the proposed capital improvements.

10  
11 The debt shall be paid from real and personal property  
12 taxes levied and collected areawide within Anchorage.  
13 Anchorage will also pledge its full faith and credit for  
14 payment of the bonds.

15  
16 (No. AO 2012-\_\_\_)  
17

18 **Section 4.** Submission of Question to Voters. The proposition, both for paper  
19 ballots and machine ballots, shall be printed on a ballot which may set forth other  
20 general obligation bond propositions, and the following words shall be added as  
21 appropriate and next to a square provided for marking the ballot or voting by a  
22 machine:  
23

24 PROPOSITION NO. \_\_\_\_\_ BONDS, YES   
25 BONDS, NO   
26

27 **Section 5.** Effective Dates. Section 2 of this ordinance shall become effective  
28 only if the proposition described in Section 3 is approved by a majority of the  
29 qualified voters voting on the proposition at the regular election held on April 3,  
30 2012. The remaining sections of this ordinance shall become effective upon  
31 passage and approval.  
32

33 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this  
34 31<sup>st</sup> day of January, 2012.  
35

36  
37 By Debra Casarides  
38 Chair of the Assembly

39 ATTEST:

40 Barbara S. Jowett  
41  
42 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2012-5

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 ONE MILLION FIVE HUNDRED EIGHTY-EIGHT THOUSAND DOLLARS (\$1,588,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE EMERGENCY MEDICAL SERVICE AND PUBLIC TRANSPORTATION IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2012.

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Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE  
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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**  
**Summary of Economic Effects - General Government**

AO Number: 2012-5      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 ONE MILLION FIVE HUNDRED EIGHTY-EIGHT THOUSAND DOLLARS (\$1,588,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE EMERGENCY MEDICAL SERVICE AND PUBLIC TRANSPORTATION IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2012.

Sponsor: Mayor  
 Preparing Agency: Finance  
 Others Impacted: Emergency Medical Service & Public Transportation

**CHANGES IN EXPENDITURES AND REVENUES:**                      (Thousands of Dollars)

	FY12	FY13	FY14	FY15	FY16
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services		6	6	6	6
4000 Debt Service		125	125	125	125
5000 Capital Outlay					
<b>TOTAL DIRECT COSTS:</b>		131	131	131	131

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 \$124,738 assumes bonds are sold as a package @ 4.75% interest, with bond repayments corresponding to the expected life of the assets financed up to 20 years.

When projects are completed and fully functioning, increased annual operations and maintenance costs are estimated at \$6,000.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

Estimated annual debt service payments of approximately \$124,738 equate to an estimated property tax increase of 0.0039 mills or \$0.39 per year on \$100,000 of assessed valuation in the Areawide Emergency Medical Service & Public Transportation Service Area.

When fully operational, increased annual operations and maintenance costs are estimated at \$6,000 and equate to an estimated property tax increase of 0.0002 mills or \$0.02 per year on \$100,000 of assessed valuation in the Areawide Emergency Medical Service & Public Transportation Service Area.

The total private sector economic effect would therefore be the increase in the Municipal tax cap limitation related to the payment of debt service and operations and maintenance costs as shown above for a total of \$0.41 per \$100,000 of assessed valuation in the Areawide Emergency Medical Service and Public Transportation Service Area.

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Prepared by: Finance Department

Telephone: 343-6610





# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 47-2012

Meeting Date: January 17, 2012

1 **From:** Mayor

2  
3 **Subject:** An Ordinance Providing for the Submission to the Qualified Voters of  
4 the Municipality of Anchorage, Alaska, the Question of the Issuance  
5 of Not to Exceed One Million Five Hundred Eighty-eight Thousand  
6 Dollars (\$1,588,000) of General Obligation Bonds of the Municipality  
7 of Anchorage to Pay the Costs of Areawide Emergency Medical  
8 Service and Public Transportation Improvements and Related  
9 Capital Improvements, and the Question of an Increase in the  
10 Municipal Tax Cap Limitation to Pay Associated Operations and  
11 Maintenance Costs at the Election to be Held in the Municipality on  
12 April 3, 2012.  
13

14  
15 The ordinance will place a general obligation bond proposition for Areawide  
16 Emergency Medical Service and Public Transportation Improvements on the ballot  
17 for the regular Municipal election to be held on April 3, 2012.  
18

19 The Administration recommends scheduling a public hearing for this bond  
20 ordinance on January 31, 2012.  
21

22 The Emergency Medical Service and Public Transportation Improvement bond  
23 proposal will implement the priorities established in the recently approved 2012-  
24 2017 Capital Improvement Program. The bond provides funds for emergency  
25 medical service and public transportation capital improvements, including vehicle  
26 purchases, transit facilities improvements and capital maintenance of the fleet.  
27 Please see the attached Project List, attached as Exhibit A.  
28

29 THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE  
30 PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE  
31 MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE  
32 ISSUANCE OF NOT TO EXCEED ONE MILLION FIVE HUNDRED EIGHTY-  
33 EIGHT THOUSAND DOLLARS (\$1,588,000) OF GENERAL OBLIGATION  
34 BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF  
35 AREAWIDE EMERGENCY MEDICAL SERVICE AND PUBLIC  
36 TRANSPORTATION IMPROVEMENTS AND RELATED CAPITAL  
37 IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL  
38 TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND

1 | MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE  
2 | MUNICIPALITY ON APRIL 3, 2012.

3 |  
4 | Prepared by: Lucinda Mahoney, CFO  
5 | Concurrence: Cheryl Frasca, Office of Management & Budget  
6 | Concurrence: Dennis A. Wheeler, Municipal Attorney  
7 | Concurrence: George J. Vakalis, Municipal Manager  
8 | Respectfully submitted: Daniel A. Sullivan, Mayor

**EXHIBIT A**

**Emergency Medical Service and Public Transportation  
2012 Bond Project List  
(000)'s**

<b>Project Name</b>	<b>Bond Amount</b>	<b>Total O&amp;M</b>
Bus Stop Improvements	79	6
Capital Maintenance/Vehicle Overhaul	43	-
Improvements To Existing Fleet	50	-
ITS/Automated Operating Systems	20	-
Management Information System	10	-
MICU Ambulance Replacement Program	520	-
Paratransit/Transit Vehicles	96	-
Support Vehicles	20	-
Transit Fleet Expansion/Replacement	110	-
Transit - Roof, Remodel, Improvements	640	-
Total	\$ 1,588	\$ 6