

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2024-5(S)

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 FOUR MILLION ONE HUNDRED THOUSAND DOLLARS (\$4,100,000)~~[EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS (\$8,100,000)]~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE CEMETERY CAPITAL IMPROVEMENT PROJECTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING PROJECTS TO THE AREAWIDE 2024 CAPITAL IMPROVEMENT BUDGET TO INCLUDE THE CEMETERY CAPITAL IMPROVEMENT PROJECTS.

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2024-5(S)**

TABLE OF CONTENTS*

	Page
Section 1. Purpose.....	2
Section 2. Details of Bonds.....	3
Section 3. Ballot Proposition.....	3
Section 4. Areawide 2024 General Government CIB.....	4
Section 5. Effective Dates.....	4

* This Table of Contents and the cover page are for convenience of reference and are not intended to be a part of this ordinance.

Requested by: Assembly Member Meg
Zaletel
(S) Prepared by: Cynthia M. Weed, Bond
Counsel
K&L GATES LLP
(S) For Reading: January 23, 2024

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2024-5(S)**

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 FOUR MILLION ONE HUNDRED THOUSAND DOLLARS (\$4,100,000)~~EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS (\$8,100,000)~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE CEMETERY CAPITAL IMPROVEMENT PROJECTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING PROJECTS TO THE AREAWIDE 2024 CAPITAL IMPROVEMENT BUDGET TO INCLUDE THE CEMETERY CAPITAL IMPROVEMENT PROJECTS.

WHEREAS, it is the responsibility of the Municipality of Anchorage, Alaska (the “Municipality”) in conjunction with the State of Alaska to provide for burials and burial space for indigent people who are under the care of the government; and

WHEREAS, historically, these people are buried at Anchorage Municipal Park, which is soon to be unavailable due to lack of space; and

WHEREAS, in order to provide for this essential service, the Municipality needs undertake the development of new and additional cemeteries and acquire cemetery equipment (the “Projects”); and

WHEREAS, the Assembly may alter the Areawide 2024 Capital Improvement Budget (“CIB”) by majority vote; and

WHEREAS, the Assembly desires to alter the Areawide 2024 CIB to include all of the Projects; and

WHEREAS, in order to provide financing for the Projects, it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds in the principal amount of not to exceed \$4,100,000~~[\$8,100,000]~~ (the “Bonds”); now, therefore,

1 **THE ANCHORAGE ASSEMBLY ORDAINS:**
2

3 **Section 1. Purpose.** The Assembly hereby determines that the Projects are
4 needed throughout the Municipality. The Assembly hereby determines that the
5 best interest of the residents and property owners within the Municipality require
6 the Municipality to undertake the Projects at the time and in the order and in the
7 manner deemed most necessary and advisable by the Municipality. The
8 estimated cost of the Projects, including incidental costs and costs related to
9 issuing and selling the Bonds as provided in this ordinance, is estimated to be
10 **\$4,100,000**~~[\$8,100,000]~~.
11

12 The Assembly hereby finds it necessary to alter the Areawide 2024 CIB to
13 include all of the Projects.
14

15 The Projects are described in the approved 2024 Capital Improvement
16 Budget, as amended. The cost of all necessary planning, acquisition of property
17 for, site preparation, construction, installing and equipping of the Projects,
18 architectural, engineering, design, and other consulting services, inspection and
19 testing, administrative expenses, costs of issuance of the Bonds and other costs
20 incurred in connection with the Projects shall be deemed to be costs of the
21 approved Projects. The approved Projects may be completed with all necessary
22 equipment and appurtenances.
23

24 The Municipality shall determine the application of available moneys
25 between the various Projects so as to accomplish, as nearly as may be, the
26 Projects described or provided for in this section.
27

28 If the Municipality shall determine that it has become impractical to
29 accomplish any portion of the approved Projects by reason of changed conditions
30 or needs, incompatible development or costs substantially in excess of those
31 estimated, the Municipality shall not be required to accomplish such portions and
32 shall apply Bond proceeds as set forth in this section.
33

34 If the approved Project has been completed in whole or in part, or its
35 completion duly provided for, or its completion found to be impractical, the
36 Municipality shall apply such remaining proceeds solely to payment of principal or
37 interest on the Bonds, as provided in the Home Rule Charter. In the event that the
38 proceeds of sale of the Bonds, plus any other monies of the Municipality legally
39 available, are insufficient to accomplish the approved Projects, the Municipality
40 shall use the available funds for paying the cost of those portions of the approved
41 Projects deemed by the Municipality most necessary and in the best interest of the
42 Municipality. No Bond proceeds shall be used by the Municipality for any purpose
43 other than a capital improvement of the Municipality.
44

45 For the purpose of providing funds for the undertaking of the Projects,
46 which are hereby found to be a public purpose and in the public interest, the

1 Municipality hereby proposes to issue general obligation bonded indebtedness in
2 an amount not to exceed **Four Million One Hundred Thousand Dollars**
3 **(\$4,100,000)**~~**Eight Million One Hundred Thousand Dollars (\$8,100,000)**~~.

4
5 **Section 2.** **Details of Bonds.** The Bonds shall be sold in such amounts and at
6 such time or times as deemed necessary and advisable by the Assembly and as
7 permitted by law and shall mature over a period of up to 20 years from date of
8 issue. The Bonds shall be issued in an aggregate principal amount of not to
9 exceed **\$4,100,000**~~**\$8,100,000**~~. The Bonds shall bear interest to be fixed at the
10 time of sale or sales thereof. The exact form, terms, conditions, contents, security,
11 options of redemption, and such other matters relating to the issuance and sale of
12 said Bonds as are deemed necessary and advisable by the Assembly shall be as
13 hereinafter determined and/or delegated by ordinance and/or resolution of the
14 Assembly.

15
16 The full faith and credit of the Municipality is pledged for the payment of the
17 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
18 property in the Municipality shall be levied without limitation as to rate or amount to
19 pay the principal and interest on the Bonds when due.

20
21 **Section 3.** **Ballot Proposition.** The Assembly hereby submits to the qualified
22 voters of the Municipality the proposition of whether or not the Municipality should
23 issue the Bonds for the purpose of financing the costs of the approved Projects at
24 the regular municipal election to be held on April 2, 2024.

25
26 The Clerk shall prepare the ballot proposition to be submitted to the voters
27 as provided by this ordinance and the Municipal Code and shall perform all
28 necessary steps in accordance with law to place this proposition before the voters
29 at the regular election. The proposition must receive an areawide majority vote of
30 those in the Municipality voting on the question to be approved. The proposition
31 shall be substantially in the following form:

32
33 PROPOSITION NO. _____

34
35 **AREAWIDE CEMETERY CAPITAL IMPROVEMENT PROJECT BONDS**

36
37 For the purpose of providing areawide cemetery
38 equipment and areawide cemetery capital
39 improvements within the Municipality of Anchorage,
40 including Anchorage Memorial Park, Girdwood
41 Cemetery and Eagle River Cemetery, as provided in
42 AO 2024-____, shall Anchorage borrow money and
43 issue up to **\$4,100,000**~~**\$8,100,000**~~ in principal amount
44 of general obligation bonds and increase the municipal
45 tax cap by an annual amount not to exceed \$5,000 to

1 pay for associated annual operations and maintenance
2 costs?

3
4 Voter approval of this bond proposition authorizes for
5 each \$100,000 of assessed taxable property value
6 (based on the estimated 2024 areawide assessed
7 valuation in Anchorage): (i) an annual increase in taxes
8 of approximately ~~\$0.83~~**\$1.64** to retire the proposed
9 bonds, and, (ii) an annual increase in the municipal tax
10 cap (Charter 14.03(b)(2)) of approximately \$0.01 to pay
11 for annual operation and maintenance costs related to
12 the proposed equipment and capital improvements.

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

18
19 YES NO
20

21 **Section 4.** Areawide 2024 General Government CIB. The Assembly hereby
22 alters the Areawide 2024 General Government CIB to include the Anchorage
23 Memorial Park, Girdwood Cemetery and Eagle River Cemetery Projects described
24 in the Assembly Memorandum and increase the amount of the Areawide 2024 CIB
25 by **Four Million Dollars (\$4,000,000)**~~Eight Million Dollars (\$8,000,000)~~.

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 2,
30 2024. The remaining sections of this ordinance shall become effective upon
31 passage and approval by the Assembly.

32
33 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
34 ___ day of _____, 2024.
35

36
37 By _____
38 Chair of the Assembly
39

40 ATTEST:
41
42

43 _____
44 Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM xx-2024

Meeting Date: January 23, 2024

1 **From:** Assembly Member Meg Zaletel

2

3 **Subject:** AO 2024-5(S): AN ORDINANCE PROVIDING FOR THE

4 SUBMISSION TO THE QUALIFIED VOTERS OF THE

5 MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF

6 THE ISSUANCE OF NOT TO EXCEED **FOUR MILLION ONE**

7 **HUNDRED THOUSAND DOLLARS (\$4,100,000)**~~**EIGHT MILLION**~~

8 ~~**ONE HUNDRED THOUSAND DOLLARS (\$8,100,000)**~~ OF

9 GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF

10 ANCHORAGE TO PAY THE COSTS OF AREAWIDE CEMETERY

11 CAPITAL IMPROVEMENT PROJECTS, AND THE QUESTION OF

12 AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY

13 ASSOCIATED OPERATIONS AND MAINTENANCE COSTS

14 AREAWIDE, AT THE ELECTION TO BE HELD IN THE

15 MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING

16 PROJECTS TO THE AREAWIDE 2024 CAPITAL IMPROVEMENT

17 BUDGET TO INCLUDE THE CEMETERY CAPITAL IMPROVEMENT

18 PROJECTS.

19

20 The attached (S) version of the ordinance is introduced to decrease the amount of

21 each of the Anchorage Memorial Park, Girdwood Cemetery and Eagle River

22 Cemetery by half.

23

24 The 2024 General Government Capital Improvement Budget (CIB), approved by

25 passage of AO 2023-96 as Amended, will be amended as follows with the passage

26 of the attached ordinance by the addition of the following three new projects:

27

28 **Anchorage Memorial Park - \$500,000**

29 **Girdwood Cemetery - \$1,750,000**

30 **Eagle River Cemetery - \$1,750,000**

31

32 Prepared by: Assembly Member Meg Zaletel

33 Acknowledged by: Alden Thern, CFO

34 Acknowledged by: Anne Helzer, Municipal Attorney

35 Acknowledged by: Sharon Lechner, Acting OMB Director

36 Acknowledged by: Kent E. Kohlhase, Municipal Manager

37 Submitted by: Assembly Member Meg Zaletel

EXHIBIT A
(for AO 2024-5(S))

Areawide Cemetery Capital Improvements
2024 Bond Project List
(000)'s

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
Anchorage Memorial Cemetery Equipment	\$ 100	\$5
Girdwood Cemetery	<u>1,750</u> [3,500]	-
Anchorage Memorial Cemetery	<u>500</u> [1,000]	-
Eagle River Cemetery	<u>1,750</u> [3,500]	-
Total	<u>\$4,100</u> [\$8,100]	\$5

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2024-5(S) 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 **FOUR MILLION ONE HUNDRED THOUSAND DOLLARS (\$4,100,000)**~~EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS (\$8,100,000)~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE CEMETERY CAPITAL IMPROVEMENT PROJECTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING PROJECTS TO THE AREAWIDE 2024 CAPITAL IMPROVEMENT BUDGET TO INCLUDE THE CEMETERY CAPITAL IMPROVEMENT PROJECTS.

Sponsor: Assembly Member Meg Zaletel
 Preparing Agency: Finance
 Others Impacted: Areawide: Cemetery Improvements

CHANGES IN EXPENDITURES AND REVENUES:						(Thousands of Dollars)				
	FY24	FY25	FY26	FY27	FY28					
Operating Expenditures										
1000 Personal Services										
2000 Supplies										
3000 Other Services	--	5.0	5.0	5.0	5.0					
4000 Debt Service	--	314.5	621.3	314.5	621.3	314.5	621.3	314.5	621.3	314.5
5000 Capital Outlay										
TOTAL DIRECT COSTS:	--	319.5	626.3	319.5	626.3	319.5	626.3	319.5	626.3	319.5
ADD: 6000 Charge from Others										
LESS: 7000 Charge to Others										
FUNCTION COST:	--	319.5	626.3	319.5	626.3	319.5	626.3	319.5	626.3	319.5

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of **\$314,500**~~\$621,329~~ assumes bonds are sold as a single bond issue with an interest rate of 4.475% 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 \$5,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately **\$314,500**~~\$621,329~~ equate to an estimated property tax increase of **0.0083**~~0.0164~~ mills or **\$0.83**~~\$1.64~~ per year on \$100,000 of assessed valuation in the Municipality areawide.

When fully operational, increased annual operations and maintenance costs are estimated at \$5,000 and equate to an estimated property tax increase of 0.0001 mills or \$0.01 per year on \$100,000 of assessed valuation in the Municipality areawide and an increase in the Municipal tax cap limitation.

The total private sector economic effect would therefore be a total of **\$0.84**~~\$1.65~~ per \$100,000 of assessed valuation in the Municipality areawide.