

**ANCHORAGE, ALASKA**  
**AO No. 2022-116, As Amended**

1 AN ORDINANCE SUBMITTING TO THE QUALIFIED VOTERS OF THE  
2 MUNICIPALITY OF ANCHORAGE AT THE NEXT REGULAR ELECTION A BALLOT  
3 PROPOSITION TO AMEND ANCHORAGE MUNICIPAL CHARTER SECTION 13.11  
4 TO CHANGE MANAGEMENT AUTHORITY FOR THE MUNICIPALITY OF  
5 ANCHORAGE (MOA) TRUST FUND FROM THE TREASURER TO A FIDUCIARY  
6 BOARD AND ESTABLISHING PRIMARY FIDUCIARY DUTIES AND  
7 RESPONSIBILITIES ASSOCIATED WITH BOARD MANAGEMENT OF THE MOA  
8 TRUST FUND.

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10 THE ANCHORAGE ASSEMBLY ORDAINS:

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12 **Section 1.** Pursuant to state law and the Anchorage Municipal Charter, a ballot  
13 proposition in substantially the same form as appears in Section 2 below shall be placed  
14 on the ballot and submitted to the qualified voters of the Municipality at the regular  
15 municipal election on April 4, 2023.

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17 **Section 2.** The proposition shall be presented in substantially the following form:

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19 PROPOSITION NO. \_\_\_\_\_

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21 **AMENDING ANCHORAGE CHARTER SECTION 13.11 TO CHANGE**  
22 **MANAGEMENT AUTHORITY FOR THE MUNICIPALITY OF**  
23 **ANCHORAGE (MOA) TRUST FUND FROM THE TREASURER TO A**  
24 **FIDUCIARY BOARD AND ESTABLISHING PRIMARY FIDUCIARY**  
25 **DUTIES AND RESPONSIBILITIES ASSOCIATED WITH BOARD**  
26 **MANAGEMENT OF THE MOA TRUST FUND.**

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28 This proposition would amend the Anchorage Municipal Charter to read  
29 as follows:

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31 *(Capital letters in brackets are deletions of existing*  
32 *language and underlined letters are new language.)*

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34 **Section 13.11 Trust fund.**

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36 (a) When a municipal owned utility is sold pursuant to section  
37 16.02 of this Charter, the proceeds shall be used to:

- 38  
39 (1) Retire the debt of that utility;  
40 (2) Retire other municipal debt deemed appropriate  
41 by the assembly;  
42 (3) Establish a trust fund with the balance of the

proceeds.

(b) The trust fund shall be defined as an endowment fund with a controlled spending policy limiting dividend distributions and managed by the MOA Trust Fund Board of Trustees consistent with the Uniform Prudent Investor Act as adopted by reference and amended in the municipal code [of 1994] [MUNICIPAL TREASURER UNDER CHAPTER 6.70 OF THE MUNICIPAL CODE] with the following stipulations:

(1) The corpus, or a portion of the corpus, of this trust shall be maintained in perpetuity as an endowment. Any use of the corpus, or a portion of the corpus, separate from the controlled spending policy of the endowment, may only be used for purposes approved by a majority of the voters voting on a ballot proposition in a regular or special election;

(2) Under the endowment's-controlled spending policy an annual dividend may be appropriated by the assembly provided that the annual appropriation does not exceed five percent of the average asset balance of the trust.

**(3) The MOA Trust Fund Board shall advise both the assembly and administration.**

(c) The fund shall be invested and managed in accordance with chapter 6.50 of the Municipal Code.

If approved by a majority of the voters voting on the question at the April 4, 2023, Regular Election, the amendments to the Charter above shall be effective upon certification of the election and take full effect within a reasonable amount of time, not to exceed one (1) year, to effectuate an orderly transition in trust management.

Shall the Anchorage Municipal Charter be amended as set forth above?

YES [ ] NO [ ]

**Section 3.** Section 1 of this ordinance shall become effective immediately upon passage and approval by two-thirds of the total membership of the Assembly as set forth in Charter Section 18.02. The proposition contained in Section 2 of this ordinance shall be incorporated into the Home Rule Charter for the Municipality of Anchorage and effective upon and only if the proposition is certified as approved by a majority of the

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1 qualified voters voting on said proposition at the regular municipal election of April 4,  
2 2023. The remainder of this ordinance is effective upon passage and approval.  
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5 PASSED AND APPROVED by the Anchorage Assembly this 23rd day of January, 2023.  
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7

8 *Suzanne LaFrance*  
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10 \_\_\_\_\_  
11 Chair

12 ATTEST:  
13

14 *Barbara A. Jones*  
15

16 \_\_\_\_\_  
Municipal Clerk



# MUNICIPALITY OF ANCHORAGE

## Assembly Memorandum

No. AM 736-2022

Meeting Date: December 20, 2022

1 **FROM: MAYOR**

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3 **SUBJECT: AN ORDINANCE SUBMITTING TO THE QUALIFIED VOTERS OF THE**  
4 **MUNICIPALITY OF ANCHORAGE AT THE NEXT REGULAR ELECTION A**  
5 **BALLOT PROPOSITION TO AMEND ANCHORAGE MUNICIPAL CHARTER**  
6 **SECTION 13.11 TO CHANGE MANAGEMENT AUTHORITY FOR THE**  
7 **MUNICIPALITY OF ANCHORAGE (MOA) TRUST FUND FROM THE**  
8 **TREASURER TO A FIDUCIARY BOARD AND ESTABLISHING PRIMARY**  
9 **FIDUCIARY DUTIES AND RESPONSIBILITIES ASSOCIATED WITH BOARD**  
10 **MANAGEMENT OF THE MOA TRUST FUND.**  
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12 This ordinance proposes a Charter Section 13.11 amendment, to be approved by the voters  
13 at the April 4, 2023, regular election, to designate Anchorage Municipal Code (AMC) Chapter  
14 6.50 as the authoritative source for delineating primary fiduciary duties and responsibilities  
15 associated with management of the MOA Trust Fund.  
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17 Currently, Municipal Charter Section 13.11 – Trust Fund, subsection (b) states that: “The trust  
18 fund shall be ... **managed by the municipal treasurer** [emphasis added]...” Per MOA Law  
19 Department’s review, this effectively means that the municipal treasurer is the sole named  
20 fiduciary for the MOA Trust Fund, which has grown since its original balance from Anchorage  
21 Telephone Utility (ATU) net sales proceeds of \$118.6 million in May 1999 to just over \$388  
22 million as of late November 2022, due in large part to the addition of Municipal Light & Power  
23 (ML&P) net sale proceeds in October 2020. In recognition of the significant increase in dollar  
24 size and complexity of the MOA Trust since its inception, the Finance Department, in  
25 consultation with the MOA Trust’s independent investment consultant and the citizen-based  
26 Investment Advisory Commission (IAC, AMC 4.50.090), is recommending an amendment to  
27 Municipal Charter to establish management of the Trust via a board of trustees and to  
28 establish the Uniform Prudent Investor Act of 1994 as a governing principle. Municipal Code  
29 Chapter 6.50 will be the vehicle by which the governing structure of the board and delineation  
30 of its operations are specified rather than the restrictive and non-delineated reference  
31 currently found in Municipal Charter Section 13.11.  
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33 In conjunction with seeking voter approval of this proposition at the April 4, 2023, municipal  
34 election, the Administration plans to subsequently work with the investment consultant and  
35 IAC to put forth updated and further delineated fiduciary duties, responsibilities and practices  
36 as part of a revision to all affected Municipal Code with the goal of ensuring that the Trust  
37 continues to be managed in a prudent and fiducially sound manner in perpetuity.  
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39 Pursuant to AMC 2.30.053B.1., a summary of economic effects is not included due to no  
40 direct, material fiscal impact.  
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42 **THE ADMINISTRATION RECOMMENDS APPROVAL.**  
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Prepared by: Daniel Moore, Municipal Treasurer  
Approved by: Grant Yutrzenka, Acting CFO  
Concur: Blair Christensen, Acting Municipal Attorney  
Concur: Amy Demboski, Municipal Manager  
Respectfully submitted: Dave Bronson, Mayor