

By: Karl Kassel, Mayor
Introduced: 06/09/2016
Advanced: 06/09/2016
Adopted: 06/23/2016

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ORDINANCE NO. 2016-35

AN ORDINANCE OF THE FAIRBANKS NORTH STAR BOROUGH AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE BOROUGH IN AN AMOUNT NOT TO EXCEED \$13,215,000 TO FINANCE ALL OR PART OF THE COST OF A PLAN OF CAPITAL MAINTENANCE OF CERTAIN BOROUGH FACILITIES; AND PROVIDING FOR SUBMISSION TO THE BOROUGH’S VOTERS, AT AN ELECTION TO BE HELD ON OCTOBER 4, 2016, OF A PROPOSITION APPROVING THE PLAN, APPROVING THIS ORDINANCE, AND RATIFYING THE AUTHORIZATION OF BONDS.

WHEREAS, the Fairbanks North Star Borough (the “Borough”) Assembly (the “Assembly”) has approved a plan of capital maintenance of certain Borough facilities, including improvements requested by the Fairbanks North Star Borough School Board (as further described herein, the “Projects”); and

WHEREAS, the Assembly has determined that the plan for the Projects and the question of incurring debt and issuing bonds to finance costs of the Projects should be placed before the Borough’s voters for their ratification or rejection at the regular Borough election to be held on October 4, 2016;

NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough:

Section 1. Classification. This ordinance is not of a permanent and general nature and will not be codified.

Section 2. Authorization. The Assembly authorizes the issuance of general obligation bonds of the Borough in a total principal amount not to exceed \$13,215,000 (the

31 “Bonds”) to pay costs of the Projects, as more particularly described in Section 9 of this
32 ordinance, and to pay the costs of issuing the Bonds. The full faith, credit and resources of the
33 Borough are pledged to the payment of the principal of and interest on the Bonds when issued,
34 and if payment of that principal and interest is not made from areawide revenues or other funds
35 legally available to the Borough, the Borough will levy ad valorem taxes on all taxable property
36 in the Borough without limitation as to rate or amount to pay when due the principal of and
37 interest on the Bonds and any bonds issued to refund the Bonds, as authorized by Alaska Statutes
38 §§ 29.47.200(a) and 29.47.330.

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40 Section 3. Election and Proposition. At the election to be held in the Borough on
41 October 4, 2016, the Borough will submit to the Borough’s qualified voters a proposition
42 approving this ordinance and the Projects and ratifying the authorization of the Bonds to pay
43 costs of the Projects. The Assembly authorizes and directs the Borough Clerk to do all things
44 necessary to conduct the election. The proposition to be submitted will be in substantially the
45 following form:

46 PROPOSITION 1

47 **\$13,215,000**

48 **General Obligation Bonds for Plan of Capital Maintenance**

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50 Shall Ordinance No. 2016-35 be approved; shall the plan of capital maintenance of Borough
51 facilities as described in that ordinance be approved (which plan includes capital
52 improvements to the Borough’s schools, park and recreation facilities, and other Borough
53 facilities); and shall the Fairbanks North Star Borough incur debt and issue general
54 obligation bonds in a principal amount not to exceed \$13,215,000 to pay costs of the plan,
55 all as authorized by Ordinance No. 2016-35?

BONDS Yes

BONDS No

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Information on Plan of Capital Maintenance

Estimated Costs

Construction, acquisition, renovation, maintenance, and associated project costs of the plan	\$ 13,215,000
Estimated bond interest	<u>4,219,426</u>
Estimated total cost of plan, including bond interest	\$ 17,434,426

Estimated additional annual operating and maintenance costs	\$ 0
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Property tax impacts:

- Approximate amount that will be due in annual taxes on \$100,000 in assessed value to retire this debt \$ 10.47

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Section 4. Appropriation and Reimbursement. If the issuance of the Bonds is ratified at the election authorized by this ordinance, so much of the total authorization as may be necessary is hereby appropriated from the general fund and other funds of the Borough to carry out the provisions of this ordinance, including paying costs of the Projects and costs related to the issuance and sale of the Bonds. The amounts expended under the appropriation made in this section shall be reimbursed to those funds from the proceeds of sale of the Bonds or the bond anticipation notes authorized by Section 7 of this ordinance. The Assembly hereby declares that this section constitutes a declaration of the Borough’s intent to reimburse those funds from proceeds of tax-exempt bonds within the meaning of Treasury Regulation § 1.150-2, as promulgated under the Internal Revenue Code of 1986, as amended.

Section 5. Capital Projects Fund. There has heretofore been created a fund of the Borough known as the “Capital Projects Fund.” If the issuance of the Bonds is ratified at the election authorized by this ordinance, there shall be deposited into the Capital Projects Fund the proceeds of those Bonds (except accrued interest, if any, which shall be deposited into the Debt Service Fund), proceeds of any bond anticipation notes that may be issued pursuant to Section 7 of this ordinance, and the earnings from the investment of the proceeds of those Bonds and notes. Notwithstanding any provision of FNSBC 3.55.010 that may be to the contrary, (i) any balance of Bond proceeds remaining in the Capital Projects Fund after the actual completion of any

81 voter-approved Project may be expended for another voter-approved Project; and (ii) except as
82 provided in Section 9 of this ordinance, after the actual completion of the construction of all
83 voter-approved Projects, the remaining balance of such proceeds shall be transferred to the Debt
84 Service Fund. For the purpose of reimbursing funds expended prior to the issuance of the Bonds,
85 paying costs of issuance and costs of the Projects, and for discharging bond anticipation notes, if
86 any, issued to fund the Projects, there is appropriated from the Capital Projects Fund the total
87 amount of the proceeds and the earnings from the investment of the proceeds of the Bonds and
88 those notes.

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90 Section 6. Debt Service Fund. There has heretofore been created a fund of the
91 Borough known as the “Debt Service Fund.” If the issuance of the Bonds is ratified at the
92 election authorized by this ordinance, there shall be deposited into the Debt Service Fund such
93 amounts of money as may be necessary to pay the principal of and interest on the outstanding
94 Bonds when due, as authorized by Section 2 of this ordinance.

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96 Section 7. Bond Anticipation Notes. If the issuance of the Bonds is ratified at the
97 election authorized by this ordinance, the Borough is hereby authorized to borrow money in
98 anticipation of the sale of the Bonds by issuing bond anticipation notes in accordance with the
99 provisions of Alaska Statutes §§ 29.47.080-.140, and any other applicable Alaska law. The
100 amount of notes to be issued from time to time, the time of their issuance, the terms of the notes,
101 and the provisions for the sale of the notes shall be fixed by the Assembly by ordinance or
102 resolution; provided, however, that the Assembly may delegate, in whole or in part by ordinance
103 or resolution, the determination of such details and provisions and the authority to issue such
104 notes to one or more administrative officers or employees of the Borough.

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106 Section 8. Issuance of Bonds. If the issuance of the Bonds is approved by a
107 majority of the qualified voters of the Borough voting on the proposition, the Assembly may, in
108 its discretion, issue the Bonds in one or more series and by ordinance or resolution may
109 determine and prescribe the terms, form, and content of such Bonds, the manner of sale thereof,
110 and such other matters as are related to the form, issuance and sale of the Bonds; provided,
111 however, that the Assembly may delegate, in whole or in part by ordinance or resolution, the

112 authority to determine such matters and to issue the Bonds to one or more administrative officers
 113 or employees of the Borough.

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 115 Section 9. Capital Improvements Authorized. The Assembly hereby approves
 116 the following capital improvements to be financed from the proceeds of the Bonds:

117 **Plan of Capital Maintenance**
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Facility	Project Description
Civic Center/Pioneer Park	Replace exterior structural columns
Hamme Swimming Pool	Replace transfer switch
Hamme Swimming Pool	Replace modular boilers and renovate hydronic piping
John Carlson Community Activity Center	Replace lower roof and HVAC control system and other upgrades
Joy Elementary School	Replaces roof, insulation and clearstories
Juanita Helms Borough Administrative Center	Replace roof
Ladd Elementary School	Replace roof and upgrade exterior
North Pole High School	Replace windows and clearstory
Pioneer Park Theme Park (Grounds) - Phase 1	Replace transformer and electrical distribution system
Pioneer Park Theme Park (Grounds) - Phase 2	Replace transformer and electrical distribution system
Transit Garage (M.A.C.S.)	Upgrade and repair roof and insulation
Pioneer Park Renovation/Preservation Projects	Provide roof/siding replacement and repair of various buildings

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 120 The cost of all architectural, engineering, and other consulting services,
 121 administrative and relocation expenses, acquisitions of property, on- and off-site utilities,

122 construction, and other costs incurred in connection with the Projects and planning for the
123 Projects will be considered part of the cost of the Projects. The Borough will determine the
124 extent and specifications for the Projects.

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126 The Borough may determine how to apply the Bond proceeds among these
127 Projects to accomplish as nearly as may be all the Projects. If proceeds of the Bonds are
128 insufficient to accomplish all the Projects, the Borough shall use Bond proceeds for those
129 Projects deemed by the Assembly most necessary and in the best interest of the Borough.

130 Bond proceeds not required for the completion of one or more of the Projects may
131 be reallocated to one or more of the other Projects.

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133 Section 10. Notice of Election. The Borough Clerk is directed to arrange for
134 timely publication and posting of all notices required for the bond proposition authorized by this
135 ordinance, including but not limited to the notices regarding existing bond indebtedness of the
136 Borough, in form and content as required by AS § 29.47.190(b), at least once a week for three
137 consecutive weeks, the first such notice to be published at least 20 days before the date of the
138 election.

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140 Section 11. Severability. If any provision of this ordinance is for any reason held
141 to be invalid, that invalidity will not affect or invalidate any other provision of this ordinance or
142 the Bonds, but this ordinance and the Bonds will be construed and enforced as if the invalid
143 provision had not been contained herein; provided, however, that any provision that for any
144 reason is held by reason of its extent to be invalid will be deemed to be in effect to the extent
145 permitted by law.

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147 Section 12. Effective Date. This ordinance will become effective immediately
148 upon its passage.

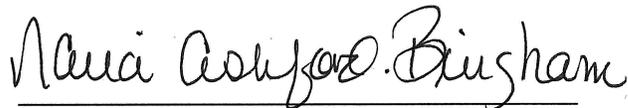
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PASSED AND APPROVED THIS 23RD DAY OF JUNE, 2016.


John Davies
Presiding Officer

ATTEST:


Nanci Ashford-Bingham, MMC
Borough Clerk

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Yeses: Sattley, Hutchison, Cooper, Quist, Lawrence, Westlind, Dodge, Davies
Noes: Roberts