

LAKE AND PENINSULA BOROUGH

ORDINANCE NO. 13-02

AN ORDINANCE OF THE LAKE AND PENINSULA BOROUGH, ALASKA, AUTHORIZING THE LAKE AND PENINSULA BOROUGH TO ISSUE GENERAL OBLIGATION BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$20,000,000 TO FINANCE THE ACQUISITION AND CONSTRUCTION OF SCHOOL AND RELATED CAPITAL IMPROVEMENTS IN THE BOROUGH, AND TO SUBMIT THE QUESTION OF THE ISSUANCE OF SUCH BONDS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE APRIL 29, 2013 SPECIAL BOROUGH ELECTION.

WHEREAS, the Lake and Peninsula Borough, Alaska (the "Borough") is a home rule municipality and under Section 11 of Article X of the Alaska Constitution may exercise all legislative powers not prohibited by law or the charter of the Borough; and

WHEREAS, Section 10.02(1) of the Borough Charter authorizes the Borough to issue general obligation bonds, provided that the bonds are authorized by the Assembly and ratified by a majority vote of those in the Borough voting on the question; and

WHEREAS, the Borough views the school and related capital improvements authorized herein as necessary and beneficial to the community.

NOW, THEREFORE, BE IT ORDAINED:

Section 1. It is hereby determined to be for a public purpose and in the public interest of the Borough to incur general obligation bonded indebtedness in an amount not to exceed Twenty Million Dollars (\$20,000,000), for the purpose of paying the cost of planning, designing, acquiring property for, equipping and constructing school and related capital improvements in the Borough, including without limitation the Port Alsworth Classroom Expansion, the Newhalen Kitchen and Gym Remodel/Expansion, and District Wide HVAC and Energy Efficiency Upgrades.

Section 2. The Borough is authorized to borrow the sum of not to exceed Twenty Million Dollars (\$20,000,000) to finance the capital improvements described in Section 1, and the borrowing shall be evidenced by the issuance of general obligation bonds of the Borough. The full faith and credit of the Borough are pledged for payment of the principal of and interest on the bonds. Although it is anticipated that the Borough share of principal and interest on the bonds will be entirely paid from its present tax levy, the Borough has the authority, and hereby pledges, to levy ad valorem taxes upon all taxable property in the Borough without limitation as to rate or amount as necessary to pay the principal of and interest on the bonds when due.

Section 3. The Borough shall submit the following proposition to the qualified voters of the Borough at the April 29, 2013 special Borough election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. 1

SCHOOL AND RELATED CAPITAL IMPROVEMENT BONDS

Shall the Lake and Peninsula Borough incur debt and issue general obligation bonds in the principal amount of not to exceed Twenty Million Dollars (\$20,000,000), to pay the cost of planning, designing, acquiring property for, equipping and constructing school and related capital improvements in the Borough, including without limitation the projects described below?

<u>Project</u>	<u>Estimated Cost</u>	<u>Percentage of Bond Payments Reimbursable by State of Alaska</u>
Port Alsworth Classroom Expansion	\$15,000,000	70%
Newhalen Kitchen and Gym Remodel/Expansion,	\$3,200,000	60%
District Wide HVAC and Energy Efficiency Upgrades	\$1,800,000	70%

Bonds may not be issued to pay costs of a project unless the project is eligible for debt service reimbursement by the State of Alaska.

The bonds shall be secured by a pledge of the full faith and credit of the Borough. (Ordinance 13-02).

Section 4. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate and next to a space provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. ___ Yes
 No

Section 5. Sections 1 and 2 of this ordinance shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the special Borough election on April 29, 2013. The remaining sections of the ordinance shall become effective upon passage and approval.

PASSED AND APPROVED by a duly constituted quorum of the Lake and Peninsula Borough Assembly this 19th day of March 2013.

IN WITNESS THERETO:



Glen Alsworth, Sr., Mayor

ATTEST:



Kate Conley, Borough Clerk

Introduced:	February 19, 2013
Public Hearing:	March 19, 2013
Enacted:	March 19, 2013
Ayes:	Alvarez, Olsen, Kalmakoff, Ravenmoon, Salmon
Nays:	none
Not Voting:	Alsworth
Absent:	Seybert