



## ALEUTIANS EAST BOROUGH, ALASKA

### ORDINANCE 07-07

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS IN AN AMOUNT NOT TO EXCEED \$5,000,000 TO FINANCE THE COST, IN WHOLE OR IN PART, OF THE ACQUISITION OF PROPERTY, PLANNING, DESIGN, CONSTRUCTION, RECONSTRUCTION, EXPANSION AND IMPROVEMENT OF THE AKUTAN AIRPORT AND OTHER TRANSPORTATION OR ECONOMIC DEVELOPMENT PROJECTS IN THE ALEUTIANS EAST BOROUGH, ALASKA, TOGETHER WITH ALL NECESSARY APPURTENANCES, EQUIPMENT AND FACILITIES IN CONNECTION THEREWITH, PROVIDING FOR THE SUBMISSION TO THE VOTERS OF THE BOROUGH OF A PROPOSITION APPROVING THOSE CAPITAL IMPROVEMENTS AND THIS ORDINANCE AND RATIFYING THE AUTHORIZATION OF THOSE BONDS; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ENACTED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH, ALASKA:

**Section 1. Classification.** This ordinance is a non-code ordinance.

**Section 2. Authorization.** There is hereby authorized to be issued general obligation bonds of the Aleutians East Borough Alaska (the "Borough"), in an amount not to exceed Five Million Dollars (\$5,000,000) (the "Bonds") for the purpose of paying the cost, in whole or in part, of the acquisition of property, planning, design, construction, reconstruction, expansion and improvement of the Akutan Airport and other transportation or economic development projects in the Borough specified in plans adopted by the Borough Assembly (collectively, the "Project"). The full faith, credit and resources of the Borough shall be pledged to the payment of the principal of and interest on the Bonds when issued and, if payment of that principal and interest is not made from legally available revenues, ad valorem taxes upon all the taxable property in the Borough shall be levied without limitation as to rate or amount to pay the principal of and interest on the Bonds when due.

**Section 3. Election and Proposition.** At the regular municipal election to be held on October 2, 2007, there shall be submitted to the qualified voters of the Borough a proposition approving this ordinance and the Project and ratifying the authorization of the Bonds. The Borough Clerk is authorized and directed to do all things necessary to conduct that election. The proposition to be submitted shall be in substantially the following form:

PROPOSITION A

\$5,000,000 BONDS  
 AKUTAN AIRPORT AND OTHER TRANSPORTATION  
 OR ECONOMIC DEVELOPMENT PROJECTS

Shall Ordinance 07-[\_\_\_\_\_] be approved; and shall the acquisition of property, planning, design, construction, reconstruction, expansion and improvement of the Akutan Airport and other transportation or economic development projects in the Aleutians East Borough, Alaska, be approved; and shall the Aleutians East Borough incur debt and issue General Obligation Bonds in an amount not to exceed Five Million Dollars (\$5,000,000) as authorized in Ordinance 07-[\_\_\_\_\_] for the purpose of paying the costs of the acquisition of property, planning, design, construction, reconstruction, expansion and improvement of the Akutan Airport and other transportation or economic development projects in the Aleutians East Borough specified in plans adopted by the Borough Assembly, together with all necessary appurtenances, equipment and facilities in connection therewith?

BONDS:          YES  
 BONDS:          NO

**Section 4. Appropriation.** In the event the issuance of the Bonds is ratified at that election, so much of the total authorization as shall be necessary is hereby appropriated from the general and other special funds of the Borough to carry out the provisions of this ordinance and to pay all expenses incident to the issuance and sale of the Bonds, including costs of the Project. The amounts expended from the appropriation made in this section may be reimbursed to those funds from the proceeds of the sale of the Bonds or the bond anticipation notes authorized by this ordinance (the "Notes").

**Section 5. Capital Projects Fund.** In the event the issuance of the Bonds is ratified at that election, a special fund of the Borough to be known as the "2007 Capital Projects Fund" shall be created into which shall be paid the proceeds of the Bonds and the proceeds of the Notes, except accrued interest which shall be deposited in the Debt Service Fund created under Section 6 of this ordinance, and the earnings from the investment of the proceeds of the Bonds and the Notes. Any balance remaining in the 2007 Capital Projects Fund after the completion of the construction of the Project may be spent pursuant to ordinance or resolution on any transportation project set forth in a transportation improvement plan or any economic development project set forth in an economic development plan, in each case as adopted by the Assembly, as such plans may be amended by the Assembly from time to time. There is hereby appropriated from the 2007 Capital Projects Fund the total amount of the proceeds of the Bonds and

the Notes and the earnings from the investment of the proceeds of the Bonds and the Notes.

**Section 6. Debt Service Fund.** In the event the issuance of the Bonds is ratified at that election, there shall be paid into the special fund of the Borough known as the "Debt Service Fund" created pursuant to Section 6 of Ordinance 90-3, such amounts of money as may be necessary to pay the principal of and interest on the outstanding Bonds and Notes when due, and which fund shall be used for the sole purpose of paying principal of and interest on general obligation bonds and notes of the Borough as the same become due.

**Section 7. Bond Anticipation Notes.** In the event the issuance of the Bonds is ratified at that election, the Assembly is hereby authorized to borrow money in anticipation of the sale of the Bonds and to issue bond anticipation notes in accordance with the provisions of the Alaska Statutes. The amount of the Notes to be issued from time to time and the time of their issuance, the form and other details of the Notes and provisions for the sale thereof shall be fixed by the Assembly by ordinance or resolution, or the Assembly may delegate by resolution or ordinance to the Mayor or the Administrator the authority to make all or any of the foregoing determinations.

**Section 8. Issuance of Bonds.** If the proposition set forth herein is approved by a majority of the qualified voters of the Borough voting thereon, then the Borough Assembly may, in its discretion, issue the Bonds and by ordinance or resolution may determine and prescribe the terms, form and content of the Bonds, the manner of sale thereof, and such other matters as are related to the form, issuance and sale of the Bonds, and the Assembly may delegate by resolution or ordinance to the Mayor or the Administrator the authority to make all or any of the foregoing determinations.

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

<u>Project</u>	<u>Estimated Allocation of Bond Proceeds</u>
Akutan Airport	\$3,000,000
Other Transportation or Economic Development Projects	\$2,000,000

The amount set forth beside each project is an estimate. Those amounts may be changed as determined to be appropriate by the Assembly. Amounts allocated above, but unspent at completion of a project, may be reallocated to one or more of the uncompleted projects. As set forth in Section 5 of this ordinance, any balance remaining in the 2007 Capital Projects Fund after the completion of the construction of the Project may be spent pursuant to ordinance or resolution on any transportation

project set forth in a transportation improvement plan or any economic development project set forth in an economic development plan, in each case as adopted by the Assembly, as such plans may be amended by the Assembly from time to time.

**Section 10. Modification of Ballot Language.** if subsequent to the effective date of this ordinance any component of the Project is approved by the State of Alaska for debt service reimbursement prior to the date the notice of election is advertised, the ballot language for the proposition set forth in this ordinance may be modified to meet the requirements of State law for reimbursement of debt service and may otherwise be modified in accordance with law to provide the voters of the Borough notice of the approved debt service reimbursement.

**Section 11. Effective Date.** This ordinance shall become effective immediately upon adoption.

ADOPTED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH, on this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

ALEUTIANS EAST BOROUGH, ALASKA

\_\_\_\_\_  
Stanley Mack, Mayor

ATTEST:

\_\_\_\_\_  
Tina Anderson, Borough Clerk