

**PETERSBURG BOROUGH
ORDINANCE #2024-12**

**AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS
OF PETERSBURG BOROUGH THE QUESTION OF THE ISSUANCE OF NOT-TO-
EXCEED FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000) OF
GENERAL OBLIGATION BONDS, TO PAY COSTS OF PUBLIC SCHOOL CAPITAL
IMPROVEMENTS IN THE BOROUGH AT THE REGULAR ELECTION HELD ON
OCTOBER 1, 2024.**

WHEREAS, the Petersburg Borough School District (the “District”) developed a list of critical major maintenance and safety capital improvements for public school facilities owned by the Petersburg Borough, Alaska (the “Borough”); and

WHEREAS, in collaboration, the Borough and District determined that it is in the best interest of the Borough, and its residents, to finance costs of the School Improvements identified in Section 1 of this ordinance, with proceeds derived from the issuance of general obligation debt; and

WHEREAS, the estimated cost of the School Improvements is not anticipated to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000); and

WHEREAS, the Borough is authorized to issue general obligation debt, pursuant to Article 13, Section 1 of the Borough Charter, subject to authorization by the Borough Assembly and ratification by a majority of qualified voters of the Borough voting on the questions; and

WHEREAS, the Borough Assembly seeks to authorize the issuance of not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) principal amount of general obligation debt to pay all or a portion of the cost of the School Improvements; and

WHEREAS, the Borough Assembly finds that it is in the best interests of the Borough, and its residents, to incur long-term general obligation debt in order to undertake the School Improvements, and, pursuant to the provisions of Article 13 of the Borough Charter, it wishes to submit this matter to the qualified voters of the Borough for their consideration.

THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE PETERSBURG BOROUGH, ALASKA, as follows:

SECTION 1. Purpose:

A. It is hereby determined to be for a public purpose and in the public interest of Petersburg Borough, Alaska (the “Borough”) to incur general obligation bond indebtedness in the principal amount not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) (the “Bonds”) for the purpose of financing costs of major maintenance to areawide public school facilities to include costs of planning, designing, site preparation, constructions, installing and equipping public school capital improvement projects, including roof replacement/repair at the Mitkof Middle School and Petersburg High School, security and safety features and upgrades at the Borough’s public schools, and related public school capital improvements (the “School Improvements”).

B. An election is to be held on October 1, 2024, in and for the Borough. It is hereby authorized that the Borough submit the question to qualified voters of the Borough, at this election, to authorize long-term general obligation indebtedness, through issuance of bonds, to finance: (i) capital costs of School Improvements, including incidental costs incurred in connection with carrying out such improvements; and (ii) to pay the costs incident to financing the School Improvements and issuing the bonds.

SECTION 2. Substantive Provisions:

A. The Borough Assembly hereby (i) determines that it is in the best interests of the Borough to undertake the School Improvements, consisting of the capital improvements described in Section 1 of this ordinance, and (ii) authorizes long-term general obligation indebtedness for the purpose of financing the School Improvements, in the form of issuance of Bonds that shall be a general obligation of the Borough, payable from taxes and other money of the Borough legally available for such purpose, in an amount not to exceed the total principal sum of Four Million Five Hundred Thousand Dollars (\$4,500,000), subject to voter ratification.

School Improvements include the cost of all necessary architectural, engineering, legal and other consulting services; site acquisition or improvement (e.g., clearing and demolition); on and off-site utilities and related improvements; printing, advertising, establishing and funding accounts; necessary and related planning, consulting, inspection and testing costs; administrative expenses; and other similar activities or purposes incurred in connection with the School Improvements shall be deemed a part of the costs of such capital improvements. The Borough may modify details of the School Improvements as it may find necessary or advisable.

The Borough shall determine the application of available money between the various portions of the School Improvements so as to accomplish, as near as may be, all of the School Improvements. If available money from the proceeds of the bonds is more than sufficient to pay the costs of the School Improvements, or if state or local circumstances require any alteration in the School Improvements, the Borough may acquire, construct, equip and make other capital improvements to the District's public school facilities or may retire and/or defease a portion of the Bonds, all as the Borough may determine and as permitted by law. If the proceeds of the sale of the Bonds and other available money are insufficient to make all of the capital improvements herein provided for, or if it has become impractical to accomplish the School Improvements or portions of the School Improvements, the Borough may use the proceeds of the Bonds and other available money for paying the costs of those portions of the School Improvements deemed by the Borough to be most necessary and in the best interest of the Borough.

B. The Bonds will be issued and sold in the amounts and at the time or times as they Assembly finds necessary and advisable and as permitted by law. The Bonds may be issued in one or more series and shall mature in the amounts and at the times as authorized by the Assembly and as provided by law. The date, form, interest rates, terms, redemption provisions, maturities, covenants and manner of sale of the Bonds shall be as hereafter provided by the Assembly.

C. The question of whether to authorize this indebtedness shall be submitted to the qualified voters of the Borough at the regular municipal election to be held on October 1, 2024. The proposition must receive an areawide majority vote of those in the Borough voting on the question. The ballot proposition to be submitted to the voters shall read substantially as follows:

PROPOSITION NO. 1
GENERAL OBLIGATION BONDS
Public School Capital Improvements
(Assembly Ordinance #2024-12)

Shall the Petersburg Borough incur long-term indebtedness, and issue up to the principal amount not to exceed Four Million Five Hundred Thousand dollars (\$4,500,000) of general obligation bonds?

Proceeds of the general obligation bonds will be used to finance costs of major maintenance to areawide public school facilities including roof replacement/repair at both the Mitkof Middle School and Petersburg High School, security and safety features and upgrades to the Borough's public schools and related capital improvements, and also includes paying incidental costs incurred in connection with carrying out and financing such improvements and costs incidental to the issuance of the bonds.

The indebtedness would be in the form of general obligation bonds, payable from ad valorem taxes levied on all taxable property located within the Borough. The Borough will pledge its full faith and credit for repayment of the indebtedness.

Voter approval of this bond proposition authorizes for each \$100,000 of assessed taxable real and personal property value in the Borough (based on the estimated FY 2025 areawide assessed valuation) an annual increase in taxes of approximately \$80.00 to retire the proposed bonds.

PROPOSITION NO. 1 YES ____ NO ____

This proposition shall be printed on a ballot which may set forth other general obligation bond propositions.

D. The Borough Manager (or such official's designee) is authorized to take all actions required in accordance with Article 5 of the Borough Charter to provide notice of the election and to provide informational documents to the voters regarding this proposition. Specifically, the Borough Manager and other proper Borough officials are directed to cause notice of the election to be published once a week for three weeks, beginning at least 20 days prior to the election date, in accordance with Article 13, Section 2, of the Borough Charter, which notice shall include the following information:

1. The maximum principal amount of the bonds, which shall not exceed \$4.5 million.
2. The amount of the estimated annual debt service on the proposed bonds, based on an estimate of the anticipated interest rate, which shall be determined closer to the date of publication of the election information.
3. The amount of current total general obligation indebtedness of the Borough (including authorized but unsold bonds).
4. The amount of current year debt service payable with respect to outstanding bonds of the Borough.

5. The current total assessed valuation within the Borough.

SECTION 3. General Authorization; Ratification: The proper Borough officials are authorized to perform such duties as are necessary or required by law to the end that the question of whether or not the Bonds shall be issued as provided in this ordinance, shall be submitted to the voters of the Borough at the October 1, 2024 regular election. Any action taken consistent with the authority and prior to the effective date of this ordinance is hereby ratified, approved and confirmed.

SECTION 4. Intent to Reimburse: The Borough Assembly declares that to the extent that the Borough makes capital expenditures for School Improvements prior to the date the Bonds or other short term obligations are issued to finance the School Improvements from funds that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside by the Borough under its existing and reasonably foreseeable budgetary and financial circumstances to finance the School Improvements, those capital expenditures are intended to be reimbursed out of proceeds of the Bonds or other short term obligations issued in an amount not to exceed the principal amount of the Bonds provided by this ordinance.

SECTION 5. Severability: If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person and circumstance shall not be affected.

SECTION 6. Classification: This ordinance shall not be codified in the Petersburg Borough Municipal Code.

SECTION 7. Effective Date: This ordinance is effective upon passage. The indebtedness contemplated by this ordinance shall be considered approved by the voters upon certification of the October 1, 2024 election results reflecting approval of the proposition, subject to Article 13, Section 10 of the Borough Charter. If such proposition is approved by the requisite number of voters, the Borough shall be authorized to issue the Bonds in the manner described in this ordinance, to spend the proceeds thereof to pay the costs of the School Improvements and the costs of issuance and sale of such Bonds within ten years as provided by Article 13, Section 8 of the Borough Charter.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska,
this ____ day of _____, 2024.

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Borough Clerk

Adopted:
Published:
Effective: