

**City of Palmer
Ordinance No. 23-002**

Subject: Providing For The Submission To The Qualified Voters Of City Of Palmer At The General Election On October 3, 2023 The Question Of The Issuance Of Not To Exceed Ten Million Dollars (\$10,000,000) Of General Obligation Bonds Of The City Of Palmer To Pay The Costs Of Capital Improvements To The Palmer Public Library And Related Matters

Agenda of: June 27, 2023

Council Action: **Adopted** **Amended:** _____
 Defeated

Originator Information:

Originator: John Moosey, City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ _____

This legislation (√):


- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted

Director of Finance Signature: 

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	_____	_____
City Clerk	_____	_____

Attachment(s):

1. Ordinance No. 23-002

Summary Statement/Background:

This ordinance is presented by the City Council of Palmer, Alaska, and seeks to authorize the issuance of general obligation bonds to repair or replace the Palmer Public Library, which has suffered roof damage due to severe winter conditions. The principal amount of these bonds would not exceed \$10,000,000 and the funds would cover the cost of construction and any associated expenses.

The City has the constitutional authority to issue these bonds as a home rule city, and this course of action is deemed necessary and in the best interest of the City and its residents. The issuance of general obligation bonds must be ratified by a majority of the City's qualified voters.

To secure approval from the residents, the ordinance authorizes the City Clerk to submit the bond proposition to qualified voters to approve in the October 3, 2023, regular City election. This proposition would clearly outline the intent to issue general obligation bonds, what they would be used for, and how they would be secured.

The total expected cost for the project is anticipated not to exceed \$16,000,000, and it is expected that, if approved, some of the costs already incurred by the City in connection with the library repair or replacement project will be reimbursed with proceeds from the bonds.

If passed, and the total sum of \$10,000,000 is required to complete the Palmer Public Library Project and bonds are issued, and the City needs additional funds to retire the debt over a period of twenty (20) years, the potential cost of the bonds to City taxpayers would be approximately \$135.00 annually per \$100,000 of assessed real and personal property value.

The ordinance will only become effective if the majority of voters approve the proposition on the October 3, 2023, election. Until then, all other sections of the ordinance will be in effect upon approval.

Administration's Recommendation:

Adopt Ordinance No. 23-002

LEGISLATIVE HISTORY

Introduced by: Manager Moosey

Date: 7/11/2023

Public Hearing: 7/11/2023

Action:

Vote:

Yes:

No:

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CITY OF PALMER, ALASKA

ORDINANCE NO. 23-002

An Ordinance Providing For The Submission To The Qualified Voters Of The City Of Palmer At The General Election On October 3, 2023, The Question Of The Issuance Of Not To Exceed Ten Million Dollars (\$10,000,000) Of General Obligation Bonds Of The City Of Palmer To Pay The Costs Of Capital Improvements To The Palmer Public Library And Related Matters.

WHEREAS, the City of Palmer, Alaska (the "City") owns and operates the Palmer Public Library; and

WHEREAS, due to adverse winter weather conditions a portion of the roof of the Palmer Public Library collapsed and is need of major repairs; and

WHEREAS, the City is evaluating the feasibility of repairing, expanding or replacing the Palmer Public Library; and

WHEREAS, the City is also evaluating available funding sources, in addition to the issuance of general obligation bonds, to assist in paying costs of the repair or replacement of the Palmer Public Library; and

WHEREAS, the City is a home rule city and under Section 11 of Article X of the Alaska Constitution may exercise all legislative power not prohibited by law or the charter of the City, and the City has determined that the matters set forth in this ordinance are not prohibited by law or the charter; and

WHEREAS, Section 11.1(a)(1) of the Palmer City Charter authorizes the City to issue general obligation bonds, the principal and interest of which are secured by the full faith and credit of the City provided that such general obligation bonds are authorized by the City Council and ratified by a majority of the qualified voters of the City; and

WHEREAS, it is necessary and in the best interest of the City and its residents that the City authorize the issuance of general obligation bonds for the purposes described in this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PALMER, ALASKA, that:

Section 1. It is hereby determined to be for a public purpose and in the public interest of the City of Palmer ("City") to incur general obligation bond indebtedness in the principal amount not to exceed Ten Million Dollars (\$10,000,000) for purposes of paying Costs of Construction (as defined hereinafter) of the Palmer Public Library ("Project") and to pay costs of issuance of such bonds.

"Costs of Construction" means all costs paid or incurred by the City in connection with the acquisition and construction of capital additions, improvements, replacements and betterments to and extensions of the Project, and placing of the same in operation; paying or reimbursing the City or any fund thereof or any other person for expenses incident and properly allocable to the acquisition and construction of such improvements and the placing of the same in operation; and all other items of expense incident and properly allocable to the acquisition and construction of such additions and or replacements and improvements, the financing of the same, and the placing of the same in operation.

Section 2. The City is authorized to borrow the sum of not to exceed Ten Million Dollars (\$10,000,000) to finance Costs of Construction of the Project described in Section 1, and the borrowing shall be evidenced by the issuance of general obligation bonds of the City. The full faith and credit of the City are pledged for the payment of the principal of and interest on the bonds, and ad valorem taxes shall be levied without limitation as to rate or amount, as necessary, to pay the principal of and interest on the bonds when due.

Subject to voter approval as herein described, the City Council hereby declares it official intent to issue general obligation bonds in the principal amount not to exceed Ten Million Dollars (\$10,000,000) to finance capital costs of the Project. If the ballot proposition described in Section 3 hereof is approved by qualified voters, the City anticipates that certain costs incurred in connection with the Project will be reimbursed with proceeds of the general obligation bonds to the extent permitted by law. The maximum amount of Project is not expected to exceed Sixteen Million Dollars (\$16,000,000).

Section 3. The City Clerk is authorized and directed to submit the following proposition, substantially in the following form, to the qualified voters of the City at the October 3, 2023, regular City 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

PALMER PUBLIC LIBRARY GENERAL OBLIGATION BONDS

Shall the City of Palmer incur debt and issue general obligation bonds in the principal amount of not to exceed Ten Million Dollars (\$10,000,000) to finance capital improvements to the Palmer Public Library and pay costs of issuance of such bonds?

