

AN ORDINANCE OF THE HAINES BOROUGH AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$3,938,141 TO FINANCE UP TO THREE PROJECTS FOR CAPITAL IMPROVEMENTS TO SCHOOL FACILITIES OF THE BOROUGH; AUTHORIZING SUBMISSION TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE REGULAR ELECTION TO BE HELD ON OCTOBER 7, 2014, OF THREE PROPOSITIONS, ONE FOR EACH OF THE CAPITAL IMPROVEMENT PROJECTS AUTHORIZED BY THIS ORDINANCE; APPROPRIATING FUNDS FOR THOSE PROJECTS THAT ARE APPROVED BY THE VOTERS; AND PROVIDING FOR AN EFFECTIVE DATE.

RECITALS:

WHEREAS, the Haines Borough School District (the "District") has advised the Assembly of Haines Borough (the "Borough") that it is in the best interests of the District and its students and staff, and residents of the Borough to provide for the capital improvements to facilities of the District described below (the "Projects"); and

WHEREAS, the Assembly wishes to authorize the issuance of not to exceed \$3,938,141 aggregate principal amount of general obligation bonds (the "Bonds") to pay costs of the Projects, subject to voter approval of the separate projects, as provided in this ordinance; and

WHEREAS, the District has applied for approval from the Alaska Department of Education and Early Development ("DEED") for reimbursement by the State of Alaska of a portion of the debt service on the Bonds in accordance with AS 14.11.100(a), subject to annual appropriation by the state legislature; and

WHEREAS, the constitution and laws of the State of Alaska require bond authorizations to be submitted to the qualified voters of the Borough for their ratification or rejection, and the Assembly wishes to submit three questions relating to the three capital improvement projects to the voters at the regular October 7, 2014 election;

NOW, THEREFORE, BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

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

Section 2. Findings; Capital Improvements. It is hereby found and declared that the public welfare and benefit require that the Borough undertake the following capital improvements to school facilities in the Borough (the "Projects"), each subject to a separate ballot proposition as provided in Section 4 of this ordinance:

- Haines High School: mechanical system upgrades to the Vocational Education Building.
- Haines High School: replacement of air handling unit.
- Haines High School: roof replacement.

The cost of all necessary design, architectural, engineering, legal, and other consulting services, inspection and testing, administrative and relocation expenses, on- and off-site utilities, purchases of furnishings and equipment, and other costs incurred in connection with the Projects shall be deemed a part of the costs of the Projects. The Borough shall determine the specifications for the Projects.

The Borough will determine how to apply available funds to accomplish as nearly as may be each of the Projects approved by the voters. If proceeds of the Bonds, plus other funds of the Borough legally available for this purpose, are insufficient to accomplish all of the improvements comprising the voter-approved Projects, the Borough will use the available funds, including Bond proceeds, to pay the cost of those improvements included among the voter-approved Projects that the Borough deems most necessary and in the best interest of the Borough, subject to DEED approval, if required.

If the Assembly determines that it has become impracticable to accomplish one or more of the voter-approved Projects, or portion thereof, because of changed conditions, incompatible development or costs substantially in excess of those estimated, the Borough will not be required to undertake those improvements and may apply the Bond proceeds or any portion thereof to the payment of principal of or interest on the Bonds or to other capital improvements to District facilities, subject to DEED approval, if required.

If proceeds of the Bonds remain unexpended and unencumbered for costs of the voter-approved Project, those remaining Bond proceeds may be applied to pay the cost of other capital improvements to District facilities or to pay debt service on the Bonds, as the Assembly shall determine, subject to DEED approval, if required.

Section 3. Authorization of Bonds. To provide all or a portion of the funds necessary to pay or reimburse costs of the Projects and costs of issuance of the Bonds, the Borough will issue and sell its general obligation bonds in an aggregate principal amount not to exceed \$3,938,141 (the "Bonds"). The Bonds will be issued in an amount not exceeding the amount approved by the voters of the Borough and not exceeding the amount permitted by the constitution and laws of the State of Alaska. The balance, if any, of the cost of the voter-approved Projects will be paid out of any other legally available funds, including grants. The Bond proceeds may only be used for capital purposes.

The Bonds will be general obligations of the Borough, and the full faith, credit and resources of the Borough will be pledged to the payment of principal of and interest on the Bonds. Unless paid from other sources, both principal of and interest on the Bonds will be payable out of annual tax levies to be made upon all taxable property within the Borough without limitation as to rate or amount and in excess of any constitutional, statutory or local tax limitation.

The Bonds will be issued and sold in the amounts and at the time or times as the Assembly finds necessary and advisable and as permitted by law. The Bonds may be issued in one or more series and mature in the amounts and at the times within a maximum term of 20 years from the date of issuance of the Bonds, all 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 ordinance or resolution of the Assembly. After voter approval of one or more of the Bond propositions set forth in Section 4 of this ordinance, and in anticipation of the issuance of the Bonds, the Borough may issue short-term obligations as authorized by the laws of the State of Alaska.

Section 4. Bond Election. Three propositions to approve this ordinance and approve issuing Bonds to pay costs of the three Projects identified in Section 1 of this ordinance will be submitted to the qualified voters of the Borough for their ratification or rejection at the regular election to be held in the Borough on October 7, 2014. The bond propositions will be in substantially the following form:

HAINES BOROUGH

PROPOSITION 2

\$1,711,027 GENERAL OBLIGATION BONDS
VOC-ED BUILDING MECHANICAL UPGRADES

Shall Haines Borough incur debt and issue general obligation bonds in a principal amount not to exceed \$1,711,027, maturing within a maximum of 20 years, to pay costs of mechanical system upgrades to the vocational education building at Haines High School, as further described in Ordinance No. 14-07-388, and shall Ordinance No. 14-07-388 of the Borough authorizing the issuance of bonds for this purpose be approved?

BONDS Yes

BONDS No

* * * * *

HAINES BOROUGH

PROPOSITION 3

\$412,367 GENERAL OBLIGATION BONDS
HAINES HIGH SCHOOL AIR HANDLING UNIT REPLACEMENT

Shall Haines Borough incur debt and issue general obligation bonds in a principal amount not to exceed \$412,367, maturing within a maximum of 20 years, to pay costs of replacing the air handling unit at Haines High School, as further described in Ordinance No. 14-07-388, and shall Ordinance No. 14-07-388 of the Borough authorizing the issuance of bonds for this purpose be approved?

BONDS Yes

BONDS No

* * * * *

HAINES BOROUGH

PROPOSITION 4

\$1,814,747 GENERAL OBLIGATION BONDS
HAINES HIGH SCHOOL ROOF REPLACEMENT

Shall Haines Borough incur debt and issue general obligation bonds in a principal amount not to exceed \$1,814,747, maturing within a maximum of 20 years, to pay costs of replacing the roof at Haines High School, as further described in Ordinance No. 14-07-388, and shall Ordinance No. 14-07-388 of the Borough authorizing the issuance of bonds for this purpose be approved?

BONDS Yes

BONDS No

Section 5. Cooperation with DEED. Borough staff is directed to take all actions necessary and desirable to cooperate with the District to seek DEED approval for reimbursement of debt service on the voter-approved Bonds, subject to annual appropriation by the state legislature.

Section 6. Appropriation and Reimbursement. If the issuance of Bonds for one or more of the Projects is ratified at the election authorized by this ordinance, the Borough anticipates that prior to the issuance of those Bonds it may be necessary or desirable to pay certain costs of the voter-approved Projects. Therefore, the Assembly hereby appropriates from the Borough's general fund so much of the total authorization as may be necessary to carry out the provisions of this ordinance, including paying costs of the voter-approved Projects and costs of issuance of the voter-approved Bonds. The amounts expended under the appropriation made in this section will be reimbursed to the general fund from the proceeds of sale of those Bonds or short-term obligations authorized by this ordinance. The Assembly hereby declares that this section constitutes a declaration of the Borough's intent to reimburse the general fund 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 7. Notice. The Borough Clerk will provide for notice, publication and posting of this ordinance and the three ballot propositions authorized by this ordinance in accordance with the provisions of the Borough Code of Ordinances and state law. The Borough Clerk will also provide for the publication of notice of the total existing bond indebtedness of the Borough, in form and content as prescribed by AS 29.47.190(b), at least once a week for three consecutive weeks, the first such notice to be published at least 20 days before the date of the election.

Section 8. Severability. If any one or more of the provisions of this ordinance is for any reason held to be invalid, such invalidity shall not affect or invalidate any other provision of this ordinance or the Bonds, but this ordinance and the voter-approved Bonds shall be construed and enforced as if such invalid provision had not been contained herein; provided, however, that any provision that is for any reason held by reason of its extent to be invalid shall be deemed to be in effect to the extent permitted by law.

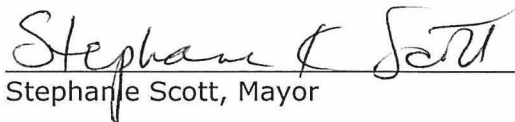
Section 9. Effective Date. This ordinance will become effective from and after the date of its passage, as provided in Section 2.12.030(B) of the Haines Borough Code of Ordinances.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS 26th DAY OF AUGUST, 2014.

ATTEST:


Julie Cozzi, MMC, Borough Clerk




Stephanie Scott, Mayor

Date Introduced: 07/29/14
Date of First Public Hearing: 08/12/14
Date of Second Public Hearing: 08/26/14 - Adopted