

Introduced by: Mayor Jerry Cleworth
Finance Committee: April 19, 2011
Introduced: April 25, 2011

ORDINANCE NO. 5846 AS AMENDED

AN ORDINANCE TO PRESENT TO THE QUALIFIED VOTERS OF THE CITY THE QUESTION OF APPROVING ADDITIONAL CITY SERVICES THROUGH PRE-PAYING THE OUTSTANDING BOND DEBT FOR THE POLICE STATION

WHEREAS, Fairbanks voters in 2000 approved borrowing \$7,000,000 to build the new Police Station; as of December 31, 2011, \$1,890,000 will remain owing; and

WHEREAS, under the current payment schedule, the bonds will be paid in full in 2014; and

WHEREAS, the City Charter's Tax Cap provides that the maximum amount of taxes levied in any year includes annual debt payments; and

WHEREAS, paying off the outstanding debt in 2011 will end the need for annual payments; the total of 2011 payments is \$695,380; and

WHEREAS, pre-payment of this debt presents an opportunity to use the avoided debt service expense for additional City services without any increase in taxes,

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

Section 1. That the following proposition be presented to the qualified voters of the City at the next general October election as follows:

Do you approve the City Mayor and City Councils' recommendation to pay off the full Police Station debt in 2011 and adjust the Tax Cap to use the \$695,380 in savings to provide additional City services annually?

And that the following information be provided to the voters:

INFORMATION REGARDING CITY PROPOSITION ____. The City is proposing to increase revenues by paying off existing debt instead of raising current taxes. Under the City Tax Cap, reduction of annual debt payments decreases the total amount of taxes that may be levied. The City Mayor and City Council are proposing to pay off the entire remaining Police Station bond debt in 2011 and request voter approval to use the annual savings of \$695,380 to fund additional City services by adjusting the annual Tax Cap (on any sales, property or other tax) by that amount on a recurring basis.

Section 2. That the effective date of this ordinance shall be the 9th day of

May, 2011.



Jerry Cleworth, Mayor

AYES: Stiver, Matherly, Gatewood, Bratcher, Eberhart, Roberts
NAYS: None
ABSTAIN: None
ABSENT: None
ADOPTED: May 9, 2011

ATTEST:

APPROVED AS TO FORM:



for Janey Hovenden, CMC, City Clerk



Paul Ewers, City Attorney