

SUBJECT: ACCEPT AND APPROPRIATE 2022 SERIES A TAXABLE GENERAL OBLIGATION TRANSPORTATION SYSTEM BOND PROCEEDS, INCLUDING ISSUANCE COSTS.

AGENDA OF: August 17, 2022

ASSEMBLY ACTION:

*Adopted without objection
9-6-22* 

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY MICHAEL BROWN, BOROUGH MANAGER: 

Route To:	Department/Individual	Initials	Remarks
	Originator - Fin. Dir.	<i>CS</i>	
1	Finance Director	<i>CS</i>	
2	Borough Attorney	<i>Spencer S.</i>	
3	Borough Clerk	<i>BOR for JKM</i>	

ATTACHMENT (S) : Fiscal Note: YES ☒ NO ☐
Ordinance Serial No. 22-092 (2 pp)

SUMMARY STATEMENT: Before you is an ordinance to accept and appropriate taxable general obligation bonds for road and transportation projects in the principal amount not to exceed \$12,000,000. The bonds provide funds to finance the construction, additions, improvements, betterments, repair, reconstruction, or acquisition of public roads and facilities related thereto in the Borough, together with all necessary equipment and transportation facilities, and the acquisition of lands or rights in lands in connection therewith.

On October 2, 2018, the voters approved a transportation system bond proposition. The bonds are issued pursuant to Ordinance Serial No. 21-104, adopted by the Borough Assembly on October 19, 2021. Voter approval of these projects: Hemmer Road Upgrade, Hermon Road Upgrade, Trunk Road Extension and the Seldon Road Extension. The projects are contingent upon a 50 percent match from other sources, i.e., a dollar for dollar match. The Borough has received a match from the State of Alaska for the following projects. The \$12,000,000 includes issuance costs. As these are taxable bonds they cannot be sold for a premium and

issuance costs were deducted from proceeds.

The attached ordinance appropriates the total proceeds allocated to each project. The overall cost to the taxpayer is:

<u>Project Description</u>	<u>Cost</u>	<u>Cost to Taxpayer</u>
Road Capital Projects 2022A	\$11,762,000	\$8.11
Cost of Issuance	<u>\$238,000</u>	<u>\$0.16</u>
Total	<u>\$12,000,000</u>	<u>\$8.27</u>

In addition to the above, this ordinance will appropriate \$238,000 for issuance costs. The issuance costs include amounts estimated to be paid for the printing of the official statements, paying agent fees, fees to obtain our bond ratings, underwriter's discount, bond counsel, pricing advisor fees, and other miscellaneous costs. Any funds in excess of the actual issuance costs will be transferred to the transportation projects.

It is anticipated that investment earnings or grant match will be appropriated to offset the amount of issuance costs. This will bring total project funds to \$12,000,000 at the time payment is made to the State of Alaska for the approved projects.

Recommendation of Administration: Approve this legislation.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: August 17, 2022

Subject: ACCEPT AND APPROPRIATE 2022 SERIES A TAXABLE GENERAL OBLIGATION TRANSPORTATION SYSTEM BOND PROCEEDS, INCLUDING ISSUANCE COSTS.

ORIGINATOR: Cheyenne Heindel

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED <u>\$12,000,000</u>	FUNDING SOURCE <u>Bonds</u>
FROM ACCOUNT #	PROJECT #
TO ACCOUNT: <u>430.000.000 2xx.xxx</u>	PROJECT # <u>35472 / 65009 (issuance costs)</u>
VERIFIED BY: <u>Heindel</u>	CERTIFIED BY:
DATE: <u>8-4-22</u>	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL		<u>1,200</u>				
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REVENUE						
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other		<u>1,200</u>				
TOTAL						

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: _____ PHONE: _____

DEPARTMENT: _____ DATE: _____

APPROVED BY: Cheyenne Heindel DATE: 8/4/2022