


# Kenai Peninsula Borough

## Finance Department

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Borough Mayor 

**FROM:** Brandi Harbaugh, Finance Director *BH*

**DATE:** June 21, 2022

**RE:** LAYDOWN Amendment to Ordinance 2022-20, Providing For the Submission to the Qualified Voters of the Kenai Peninsula Borough the Question of the Issuance of Not-to-Exceed Sixty-Five Million Five Hundred Fifty Thousand Dollars (\$65,550,000.00) of General Obligation Bonds of the Kenai Peninsula Borough to Pay the Cost of Educational Capital Improvements in the Borough on October 4, 2022 (Mayor)

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This amendment proposes the following language changes to Ordinance 2022-20:

[Please note the bold underlined language is new and the bracketed language is to be deleted.]

➤ Amend Section 1 of the ordinance, as follows:

**SECTION 1.** It is hereby determined to be for a public purpose and in the public interest of the Kenai Peninsula Borough (Borough) to incur general obligation bonded indebtedness in the amount not to exceed sixty-five million five hundred fifty thousand dollars (\$65,550,000) for the purpose of **financing** capital improvements and major maintenance to areawide educational facilities to include costs of planning, designing, site preparations, construction, acquiring, renovating, installing, and equipping educational capital improvement projects [CONSISTING OF] **including** Soldotna Elementary Replacement, Soldotna Preparatory Renovation, School Student Drop-off, Seward and Nikiski High School Track and Field, KPB/KPBSD Maintenance Shop, Various School Roofs, Kenai Middle School Safety and Security Renovation, Kenai High School Field Restroom and Concession, Homer High School Front Entrance Improvements, Soldotna High School Siding, and similar educational capital improvements in the Borough, **and costs related to the issuance and selling of the bond(s)**. The use of proceeds of the bonds to finance the costs of education capital improvements [WILL] **currently** qualify for 50-70% debt service reimbursement under A.S. 14.11.100. **Debt reimbursement is subject to annual legislative appropriation by the State of Alaska.**

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June 21, 2022

Re: Amendment to O2022-20

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➤ Amend Section 3 of the ordinance, as follows:

**SECTION 3.** An election is to be held on October 4, 2022, in and for the Kenai Peninsula Borough, for the purpose of submitting a general obligation bond proposition to the qualified voters of the Borough for approval or rejection. **The proposition must receive an areawide majority vote of those in the Borough voting on the question to be approved.** The proposition shall be substantially in the following form:

PROPOSITION NO. \_\_

EDUCATIONAL CAPITAL IMPROVEMENT GENERAL OBLIGATION BONDS

Shall the Kenai Peninsula Borough incur indebtedness and issue up to \$65,550,000 of general obligation bonds?

The general obligation bond proceeds will be used to pay costs of planning, designing, site preparations, construction, acquiring, renovating, installing, and equipping educational capital improvement projects [CONSISTING OF] **including** Soldotna Elementary Replacement, Soldotna Preparatory Renovation, School Student Drop-off, Seward and Nikiski High School Track and Field, KPB/KPBSD Maintenance Shop, Various School Roofs, Kenai Middle School Safety and Security Renovation, Kenai High School Field Restroom and Concession, Homer High School Front Entrance Improvements, Soldotna High School Siding, and similar educational capital improvements in the Borough. The indebtedness will be repaid 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 for this proposition authorizes for each \$100,000 of assessed real and personal property value in the Borough (based on the estimated FY2023 **areawide** assessed valuation) an annual tax **increase** of approximately \$25 to retire the debt assuming 50-70% debt service reimbursement from the State of Alaska or \$45 without State **of Alaska debt** reimbursement. **Debt service reimbursement is subject to annual legislative appropriation by the State of Alaska.**

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June 21, 2022

Re: Amendment to O2022-20

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➤ Amend Section 4 of the ordinance, as follows:

**SECTION 4.** The Bond(s) shall be issued upon such terms and conditions and in such form as the Finance Director finds to be in the best interests of the Borough, **subject to approval by the Borough Assembly and laws.**

Your consideration this amendment is appreciated.