



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Blaine Gilman, Assembly President
 Kenai Peninsula Borough Assembly Members

THRU: Mike Navarre, Mayor *mn*

FROM: Craig C. Chapman, Finance Director *CC*

CC: Ralph Broshes, Chair, South Peninsula Hospital Service Area Board

DATE: July 8, 2016

SUBJECT: Ordinance 2016-22, An Ordinance Amending KPB 16.08.010 and 16.24.010 to Move the Common Boundary Between the Central Kenai Peninsula Hospital Service Area and the South Kenai Peninsula Hospital Service Area South, Subject to Approval by Voters Residing in the Central Kenai Peninsula Hospital Service Area and the Proposed New Area

Below is a summary of estimated potential revenue impacts and potential mill rate impacts to the South Kenai Peninsula Hospital Service Area due to potential boundary changes that are being discussed.

	FY2017 taxable values	Originally Proposed Boundary	Boundary change to Oilwell Rd & Alice Ave	Boundary change extended to Tim Ave
Real	\$1,424,391,000	\$1,370,982,500	\$1,346,258,500	\$1,270,910,800
Personal	\$98,061,000	\$91,828,983	\$90,301,233	\$83,765,505
Oil & Gas (AS 43.56)	\$162,557,000	\$115,111,060	\$115,111,060	\$84,689,300
Total	\$1,685,009,000	\$1,577,922,543	\$ 1,551,670,793	\$1,439,365,605
Reduction in taxable values from proposed change in boundaries		\$107,086,457	\$133,338,207	\$245,643,395
Current Mill rate	2.30	2.30	2.30	2.30
Property tax revenue	\$3,875,521	\$3,629,222	\$3,568,843	\$3,310,541

	FY2017 taxable values	Originally Proposed Boundary	Boundary change to Oilwell Rd & Alice Ave	Boundary change extended to Tim Ave
Change in tax revenue from current taxable values		\$(246,299)	\$(306,678)	\$(564,980)
Debt service revenue continuing to be generated from departing property values, (approximately 1.10 mills)		\$116,724	\$145,339	\$267,751
Net change in service area revenue		\$(129,575)	\$(161,339)	\$(297,229)
Adjusted property tax revenues	\$3,875,521	\$3,745,946	\$3,714,181	\$3,578,292
Effective mill rate to remaining service area taxable values to hold service area whole <u>if funds are rec'd</u> from the departing properties for the debt service o/s as of June 30, 2016.		2.382	2.404	2.506
Effective mill rate to remaining service area taxable values to hold service area whole <u>if no funds are rec'd</u> from the departing properties for debt service that was o/s as of June 30, 2016		2.456	2.498	2.693