

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Charlie Pierce, Mayor *CP*

FROM: Tom Anderson, Assessing Director *TA*
Brandi Harbaugh, Finance Director *BA*

DATE: April 3, 2018

RE: Ordinance 2018-16, 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 (Mayor)

Below is a summary of 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.

	Current Boundary	Proposed Boundary
FY 2019 Proposed Taxable Values		
Real	\$ 1,588,297,100	\$ 1,451,267,300
Personal	93,022,876	83,545,533
Oil & gas (AS43.56)	229,912,240	181,699,510
Total Taxable Values	\$ 1,911,232,216	\$ 1,716,512,343
Reduction in taxable values from proposed change in boundaries		\$ 194,719,873
Mill rate	2.30	2.30
Property tax revenue	\$ 4,395,834	\$ 3,947,978

Continued:	Current Boundary	Proposed Boundary
Change in tax revenue from current taxable values		\$ (447,856)
Debt service revenue continuing to be generated from departing property values, (approximately 1.17 mills)		\$ 227,822
Net change in service area revenue		\$ (220,033)
Adjusted property tax revenues	\$ 4,395,834	\$ 4,175,801
Effective mill rate to remaining service area taxable values to hold service area whole <u>if funds were received</u> from the departing properties for the debt service outstanding as of June 30, 2018.		2.428
Effective mill rate to remaining service area taxable values to hold service area whole <u>if no funds were rec'd</u> from the departing properties for debt service that was outstanding as of June 30, 2018.		2.561