



KENAI PENINSULA BOROUGH

Finance Department

144 North Binkley Street • Soldotna, Alaska 99669-7520

Toll-free within the Borough: 1-800-478-4441, Ext. 2304

PHONE: (907) 714-2304 • **FAX:** (907) 714-2376

www.kpb.us

**MIKE NAVARRE
BOROUGH MAYOR**

TO: Kelly Cooper, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Borough Mayor *MN*

FROM: Craig Chapman, Finance Director *CC* *for* *ccc*

DATE: November 9, 2016

SUBJECT: Resolution 2016- 067, Authorizing the Issuance and Sale of General Obligation Bonds, in One or More Series, of the South Kenai Peninsula Hospital Service Area in the Principal Amount Not to Exceed \$4,800,000 to Finance the Costs of Certain Capital Improvements to the South Kenai Peninsula Hospital and Homer Medical Center in the Borough as Authorized By Ordinance No. 2016-15 of the Borough and Ratified by the Borough's Voters at an Election Held on October 4, 2016, Fixing Certain Details of Such Bonds, and Pledging the Full Faith and Credit of the South Kenai Peninsula Hospital Service to the Payment Thereof (Mayor)

The attached resolution authorizes the issuance of up to \$4,800,000 in general obligation bonds through the Alaska Municipal Bond Bank Authority. A majority of South Kenai Peninsula Hospital Service Area residents voting in the October 4, 2016 election approved the issuance of these bonds. As described in the proposition, the total amount is authorized to finance costs of planning, designing, construction and equipping of facilities at the South Peninsula Hospital and Homer Medical Center. The resolution authorizes the borough mayor, finance director and clerk to execute the documents and agreements necessary to complete the sale of the bonds. Based on current interest rates for tax-exempt municipal debt, it is anticipated that the true interest rate of the bonds will be between 2.5 percent and 3.5 percent. The actual rate of interest is subject to market conditions as of the actual sale date.