



KENAI PENINSULA BOROUGH

Finance Department

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**MIKE NAVARRE
BOROUGH MAYOR**

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

THRU: Mike Navarre, Borough Mayor *MN*

FROM: Craig Chapman, Finance Director *C Chapman*

DATE: December 21, 2015

SUBJECT: Resolution 2016-003, A Resolution Authorizing The Kenai Peninsula Borough to Issue its Central Emergency Service Area General Obligation Bonds in One or More Series, in an Aggregate Principal Amount not to Exceed \$4,400,000, for the Purchase of Emergency Response Vehicles for the Central Emergency Service Area, Fixing Certain Details of Such Bonds and Authorizing Their Sale and Providing for Related Matters (Mayor)

The attached resolution authorizes the issuance of \$4,400,000 in general obligation bonds through the Alaska Municipal Bond Bank Authority. A majority of borough residents voting in the October 6, 2015 election approved the issuance of these bonds. As described in the proposition, the total amount is authorized to fund the purchase of replacement emergency response vehicles which are nearing the end of their useful lives.

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 4.5 percent. The actual rate of interest is subject to market conditions as of the actual sale date.

It should be noted that the first interest payment on the bonds is tentatively scheduled for April 2016. When the bonds are sold, the ordinance appropriating the bond funds will also include an appropriation for the April interest payment.