

Introduced by: Mayor
Date: 07/07/15
Hearing: 07/28/15
Action: Enacted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2015-21**

AN ORDINANCE PROVIDING FOR SUBMISSION TO THE QUALIFIED VOTERS OF THE CENTRAL EMERGENCY SERVICE AREA IN THE KENAI PENINSULA BOROUGH, ALASKA, THE QUESTION OF AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CENTRAL EMERGENCY SERVICE AREA NOT TO EXCEED FOUR MILLION FOUR HUNDRED THOUSAND DOLLARS (\$4,400,000) FOR THE PURCHASE OF EMERGENCY RESPONSE VEHICLES FOR THE CENTRAL EMERGENCY SERVICE AREA, AT AN ELECTION IN AND FOR THE SERVICE AREA ON OCTOBER 6, 2015

WHEREAS, the Central Emergency Service Area (“CESA” or “Service Area”) has the responsibility to provide prompt and responsive fire and other emergency services to all of its constituents; and

WHEREAS, the CESA has a need to replace multiple emergency response vehicles during the five year period FY2017 through FY2021; and

WHEREAS, the estimated cost of replacing the emergency response vehicles needing replacement is \$4,400,000; and

WHEREAS, a .17 mil rate increase throughout the CESA may be required to maintain debt service on the \$4,400,000 bond indebtedness; and

WHEREAS, the Assembly finds it desirable that the necessary capital improvements be funded through the issuance of general obligation bonds issued by the borough on behalf of the CESA, subject to voter approval; and

WHEREAS, at its regularly scheduled meeting on June 18, 2015, the CESA Board recommended approval to issue debt for purchase of emergency response vehicles;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. It is hereby determined to be for a public purpose and in the public interest of the Kenai Peninsula Borough, Alaska to incur general obligation bonded indebtedness of the Central Emergency Service Area in an amount not to exceed Four Million Four Hundred Thousand Dollars (\$4,400,000) for the purpose of paying the costs

of replacing multiple emergency response vehicles in the Central Emergency Service Area ("Service Area").

SECTION 2. The sum of not to exceed Four Million Four Hundred Thousand Dollars (\$4,400,000) shall be borrowed by the Kenai Peninsula Borough for and on behalf of the Service Area and shall be evidenced by the issuance of general obligation bonds of the Borough. The bond proceeds shall be used only for the purchase of emergency response vehicles and the costs of issuance of the bonds, in accordance with Treasury Regulation 26 § CFR 1.150-2. The full faith and credit of only the Service Area is pledged for the payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the Service Area shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

SECTION 3. An election is to be held on October 6, 2015, in and for the Service Area, for the purpose of submitting a general obligation bond proposition to the qualified voters of the Service Area for approval or rejection. The proposition must receive a majority vote of those in the Service Area voting on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. __

CENTRAL EMERGENCY SERVICE AREA BONDS

Shall the Kenai Peninsula Borough borrow up to \$4,400,000 through the issuance of general obligation bonds for the purchase of emergency response vehicles in the Central Emergency Service Area?

The indebtedness will be repaid from ad valorem taxes levied on all taxable property located within the Central Emergency Service Area. The Central Emergency Service Area 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 Central Emergency Service Area (based on the estimated FY2016 assessed valuation) an annual tax of approximately \$17 to retire the proposed indebtedness.

(Ordinance No. 2015-21)

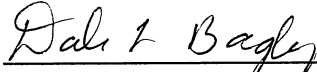
SECTION 4. The proposition set forth in Section 3 shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate and next to an area provided for marking the ballot for voting:

PROPOSITION NO. ____ YES ____ NO ____

SECTION 5. The Bonds 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 Kenai Peninsula Borough.

SECTION 6. That Sections 2 and 5 of this ordinance shall become effective only if and when the proposition described in Section 3 is approved by a majority of the qualified voters of the Central Emergency Service Area voting on the proposition at the regular election on October 6, 2015. The remaining sections of this ordinance shall become effective immediately upon enactment.

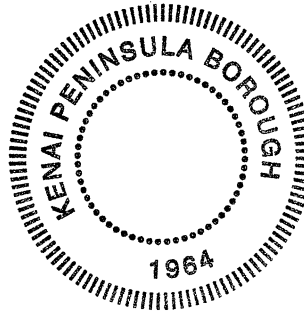
ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 28TH DAY OF JULY, 2015.



Dale Bagley, Assembly President

ATTEST:


John Blankenship, MMC, Borough Clerk



Yes: Cooper, Haggerty, Gilman, Johnson, McClure, Ogle, Welles, Wolf, Bagley
No: None
Absent: None