

Kenai Peninsula Borough
Office of the Borough Clerk

MEMORANDUM

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

FROM: Johni Blankenship, Borough Clerk (JB)

DATE: August 7, 2018

RE: Proposition Summaries for 2018 Regular Election Brochure a.k.a. Voter Pamphlet

Kenai Peninsula Borough Code § 4.10.110 (A) states in part, "... the borough clerk shall prepare and mail to every borough box holder a brochure containing information approved by the assembly of a strictly factual nature pertaining to each proposition on the ballot,"

The following attached proposition summaries are being forwarded for Assembly review and approval.

Proposition No. 1: General Obligation Bonds to Pay the Local Required Match Portion of the Costs of the Kachemak-Selo New K-12 School

Proposition No. 2: Amending The Code to Move the Common Boundary Between the Central Kenai Peninsula Hospital Service Area and The South Kenai Peninsula Hospital Service Area South

Proposition No. 3: Expanding the South Kenai Peninsula Hospital Service Area to Include the Land South of Kachemak Bay Excluding the City of Seldovia

Your consideration is appreciated.

KENAI PENINSULA BOROUGH PROPOSITION NO. 1

GENERAL OBLIGATION BONDS TO PAY THE LOCAL REQUIRED MATCH PORTION OF THE COSTS OF THE KACHEMAK-SELO NEW K-12 SCHOOL

(To be voted on by all voters)

On June 5, 2018 the assembly enacted Ordinance 2018-21 entitled, "An Ordinance Providing For The Submission To The Qualified Voters Of The Kenai Peninsula Borough The Question Of The Issuance Of Not To Exceed Five Million Four Hundred Fifty Thousand Dollars (\$5,450,000) Of General Obligation Bonds Of The Kenai Peninsula Borough To Pay The Local Required Match Portion Of The Costs Of The Kachemak-Selo New K-12 School Construction Project At An Election In And For The Kenai Peninsula Borough On October 2, 2018."

BACKGROUND:

The Kachemak-Selo New K-12 School Construction project began July 9, 2011 when a petition was submitted to the school board by local residents requesting a public school facility. Kindergarten through twelfth grade classes are currently housed in three leased residential facilities that have deteriorated beyond useful capacity.

The educational specifications for the new school were funded by a Community Development Block grant in 2013 and then approved by the Department of Education and Early Development ("DEED") during the FY2017 grant application process. The Kenai Peninsula Borough was awarded \$10,010,000 in funding through the State of Alaska 2016-2017 Capital Budget under the School Construction grant program. The \$10,010,000 grant requires a 35% match of \$5,390,000 be provided by the Kenai Peninsula Borough ("Borough"). The proposed bonds would fund this local match.

The project scope includes planning, design, site acquisition, preparation and development, construction and equipping the Kachemak-Selo K-12 school. This facility will allow the school district to provide kindergarten through twelfth grade education in the geographically isolated Kachemak attendance area located at the head of Kachemak Bay. It is expected that the estimated cost of this construction project will not exceed \$15,460,000.

FISCAL NOTE:

The approximate annual amount of taxes on \$100,000 of assessed real or personal property value (based on the Borough's FY2018 taxable assessed valuation) to retire the debt is \$4.95.

BALLOT LANGUAGE

Shall the Kenai Peninsula Borough borrow up to \$5,450,000 through the issuance of general obligation bonds?

The general obligation bond proceeds will be used to pay the 35% local required contribution for the costs of planning, land acquisition, designing, site preparation, constructing, acquiring, renovating, installing, and equipping the Kachemak-Selo New K-12 School Construction Project.

The debt will be paid from *ad valorem* taxes on all taxable property levied and collected areawide in the Borough. The Borough will also pledge its full faith and credit for payment of the debt. The approximate annual amount of taxes on \$100,000 of assessed real or personal property value (based on the Borough's FY2018 taxable assessed valuation) to retire the debt is \$4.95.

YES [A "Yes" vote approves the issuance of bonds.]

NO [A "No" vote opposes the issuance of bonds.]