

Kenai Peninsula Borough  
Finance Department

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**MEMORANDUM**

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

**THRU:** Charlie Pierce, Mayor

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

**DATE:** June 7, 2018

**RE:** Ordinance 2018-16, An Ordinance 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)

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Attached is a summary of potential revenue impacts and potential mill rate impacts to the South Peninsula Hospital Service due to potential boundary changes that are being discussed.

	Current boundary	Proposed Boundary Oil Well Road	Proposed Boundary Barbara Drive	Proposed Boundary Barbara Drive & SKBay *
Real	\$ 1,588,297,100	\$ 1,451,267,300	\$ 1,533,377,200	\$ 1,637,373,900
Personal	93,022,876	83,854,830	88,055,721	\$ 88,055,721
Oil & gas (AS43.56)	229,912,240	187,744,970	187,744,970	\$ 187,744,970
total	\$ 1,911,232,216	\$ 1,722,867,100	\$ 1,809,177,891	\$ 1,913,174,591
Increase (reduction) in taxable values from proposed change in boundaries		\$ (188,365,116)	\$ (102,054,325)	\$ 1,942,375
mill rate	2.30	2.30	2.30	2.3/1.13 *
Property tax revenue	\$ 4,395,834	\$ 3,962,594	\$ 4,161,109	\$ 4,278,625
change in tax revenue from current taxable values		\$ (433,240)	\$ (234,725)	\$ (117,209)
debt service revenue continuing to be generated from departing property values, (approximately <u>1.17 mills</u> )		\$ 220,387	\$ 119,404	\$ 119,404
net change in service area revenue		\$ (212,853)	\$ (115,321)	\$ 2,195
Adjusted property tax revenues	\$ 4,395,834	\$ 4,182,982	\$ 4,280,513	\$ 4,398,029
effective mill rate to remaining service area taxable values to hold service area whole <u>if funds were rec'd</u> from the departing properties for the debt service and not received from the added properties o/s as of June 30, 2018.		2.424	2.364	2.299

\* SKBAY proposal added properties to ONLY pay mill rate of 1.13 (not including mill for debt previously voted upon by existing residents at the time of issuance)