

Introduced by:	Mayor
Date:	06/21/22
Hearing:	07/05/22
Action:	Enacted
Vote:	8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2022-24**

**AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED
VOTERS OF THE CENTRAL EMERGENCY SERVICE AREA IN THE KENAI
PENINSULA BOROUGH AT THE REGULAR ELECTION ON OCTOBER 4, 2022, THE
QUESTION OF THE ISSUANCE OF NOT-TO-EXCEED SIXTEEN MILLION FIVE
HUNDRED THOUSAND DOLLARS (\$16,500,000) OF GENERAL OBLIGATION
BONDS OF THE CENTRAL EMERGENCY SERVICE AREA TO PAY THE COST OF
REPLACING CENTRAL EMERGENCY SERVICES FIRE STATION #1 IN AND FOR
THE SERVICE AREA**

WHEREAS, Central Emergency Services Soldotna Fire Station #1 (CES Station 1) was constructed in 1956 as a community hall; and

WHEREAS, subsequent additions in 1964-1967, 1973 and 1984, converted this building to the current fire station it is today; and

WHEREAS, even with these additions, the station has failed to keep up with today's operations and demands, and all reasonable measures for station expansion to meet safety services have been exhausted; and

WHEREAS, CES Station 1 is the busiest fire station on the Kenai Peninsula, responding to over 2,500 calls for emergency response throughout the Central Emergency Service Area (CES); and

WHEREAS, CES Station 1 is the primary fire response station, centrally located, and staffed to provide initial and supplemental support to the four other CES fire stations serving the approximately 25,000 service area residents; and

WHEREAS, the Kenai Peninsula Borough (Borough) has completed a preliminary engineering report and study that documented many issues indicating that the current CES station 1 is undersized, has structural and building code deficiencies, and lacks storage, living, office, fire truck and ambulance space; and

WHEREAS, through the study, it was determined that CES Station 1 is inadequate for the daily operations, emergency response, workload, and staffing to meet the demands of the CES fire service area; and

WHEREAS, the Central Emergency Service Area Board has determined that replacing the current CES Station 1 is its top priority to improve response capabilities; and

WHEREAS, increasing safety services to the residents with a new fire station is in the public's best interest; a replacement fire station will also provide space for emergency responder staffing, to work comfortably and be fully productive and adequate storage for fire, ambulance, and rescue equipment, all necessary to meet today's and future emergency response demands; and

WHEREAS, the completion of the replacement fire station is also expected to result in lower operating and maintenance costs for the service area in addition to reducing energy consumption; and

WHEREAS, the replacement fire station will allow administration, training and emergency responders to be under one headquarters fire station, which will improve operational cohesion and communication while also reducing current overhead costs incurred by the service area due to staff located at multiple Borough facilities; and

WHEREAS, the Central Emergency Service Area has purchased land for the replacement fire station; and

WHEREAS, the estimated cost to build and equip the replacement fire station does not exceed sixteen million five hundred thousand dollars (\$16,500,000); and

WHEREAS, an estimated .36 mill rate increase throughout the Central Emergency Service Area will be required to pay debt service on the \$16,500,000 bond indebtedness; and

WHEREAS, no additional staff will be required to operate the replacement fire station; and

WHEREAS, the Central Emergency Service Area Board has approved this project and requests the Assembly place the question on the ballot for the voters to authorize the issuance of general obligation bonds necessary to finance the costs of the replacement fire station;

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 (Borough) to incur general obligation bonded indebtedness of the Central Emergency Service Area in the amount not to exceed sixteen million five hundred thousand dollars (\$16,500,000) for the purpose of paying the costs of planning, designing, acquiring property for, site preparing, installing, equipping and constructing a new Central Emergency Service Station (the “Project”), to be located in the Central Emergency Service Area (“Service Area”),

SECTION 2. The sum of not to exceed sixteen million five hundred thousand dollars (\$16,500,000) shall be borrowed by the Kenai Peninsula Borough on behalf of the Service Area for the Project and shall be evidenced by the issuance of general obligation bond(s) of the Borough secured solely by the full faith and credit of the Service Area. The bond proceeds shall only be used to pay Project capital improvements, costs of issuance of the bonds, and reimbursement expenses for the Project in accordance with Treasury Regulation 26 § CFR 1.150-2. The full faith and credit of the Service Area is pledged for the payment of the principal of and interest of bonds, and ad valorem taxes upon all taxable property in the Service Area shall be levied without limitation as to the rate or amount to pay principal of and interest on the bonds when due.

SECTION 3. An election is to be held on October 4, 2022, 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 STATION BONDS AND APPROVAL OF PROJECT

Shall the Kenai Peninsula Borough incur indebtedness and issue up to \$16,500,000 of general obligation bonds of the Central Emergency Service Area?

The bond proceeds will be used to pay the costs of planning, designing, acquiring property for, site preparation, constructing, installing and equipping new Central Emergency Services Fire Station located within the Central Emergency Service Area and pay costs of issuing the bond.

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 FY2023 service area assessed valuation) an annual tax increase of approximately \$36 to retire the debt.

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 4. The Bond(s) 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 Borough, subject to approval by the Borough Assembly and laws.

SECTION 5. Sections 2 and 4 of this ordinance shall be effective only if and when the proposition described in Section 3 is approved by a majority of the qualified voters of the Service Area voting on the proposition at the regular election on October 4, 2022.

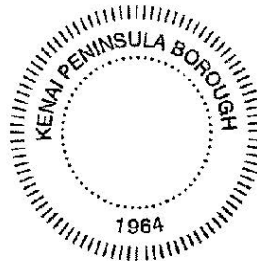
SECTION 6. Sections 1 and 3 of this ordinance shall be effective immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF JULY, 2022.

Brent Johnson
Brent Johnson, Assembly President

ATTEST:

John Blankenship
John Blankenship, MMC, Borough Clerk



- Yes: Bjorkman, Chesley, Cox, Ecklund, Elam, Hibbert, Tupper, Johnson
- No: None
- Absent: Derkevorkian