

**KENAI PENINSULA BOROUGH  
PROPOSITION NO. 2**

**SOUTH PENINSULA HOSPITAL AND HOMER MEDICAL CENTER GENERAL OBLIGATION BONDS**  
*(To be voted on by voters residing in the South Kenai Peninsula Hospital Service Area)*

*Shall the Kenai Peninsula Borough borrow up to \$4,800,000 through the issuance of South Kenai Peninsula Hospital Service Area general obligation bonds to pay the costs of planning, design, construction and equipping of facilities at South Peninsula Hospital and Homer Medical Center?*

The bond proceeds of \$4,800,000 will be used to pay the cost of planning, designing, site preparation, constructing, acquiring, renovating, installing and equipping facilities of the South Peninsula Hospital, including the hospital and the Homer Medical Center.

Bond funds will be used to replace the heating, ventilation, and air conditioning units for the South Peninsula Hospital's operating rooms. The Homer Medical Center was purchased by the borough on behalf of the South Kenai Peninsula Hospital Service Area as authorized by ordinance 2015-19-12 and is the service area's main primary care facility providing family practice, obstetrics/gynecology, midwifery, nurse practitioners and other services. Expansion of the facility will accommodate these primary care services. It is also the intent of the expansion to enable South Peninsula Hospital to terminate several third-party leases by relocating employees to this new facility, which will eliminate the recurring costs associated with those leases.

Fiscal Note: This authorizes an annual tax of \$21.10 for each \$100,000 of assessed taxable property. Operating revenues may be used to pay all or a portion of the debt service.

<b>BALLOT LANGUAGE</b>
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Shall the Kenai Peninsula Borough borrow up to \$4,800,000 through the issuance of South Kenai Peninsula Hospital Service Area general obligation bonds?

The bond proceeds of \$4,800,000 will be used for the purpose of paying the cost of planning, designing, site preparation, constructing, acquiring, renovating, installing and equipping facilities of the South Peninsula Hospital, including the Homer Medical Center, located within the South Kenai Peninsula Hospital Service Area.

The general obligation bond debt shall be paid from operating revenues generated by the South Peninsula Hospital and from ad valorem taxes on all property levied and collected within the South Kenai Peninsula Hospital Service Area. The South Kenai Peninsula Hospital Service Area will pledge its full faith and credit for payment of the general obligation debt.

Voter approval of this bond proposition authorizes for each \$100,000 of assessed taxable property value in the South Kenai Peninsula Hospital Service Area (based on the estimated total FY2017 assessed valuation) an annual tax of approximately \$21.10 (an amount equal to .21 mills) to retire the proposed debt.

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

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