



KENAI PENINSULA BOROUGH

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**MIKE NAVARRE
BOROUGH MAYOR**

MEMORANDUM

TO: Linda Murphy, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Mayor *mn*

FROM: Craig Chapman, Director of Finance *C Chapman*

DATE: September 26, 2013

SUBJECT: Resolution 2013-071, authorizing the sale of \$22,987,000 in general obligation bonds for educational capital improvements

The attached resolution authorizes the issuance of \$22,987,000 in general obligation bonds through the Alaska Municipal Bond Bank Authority. The voters will decide whether or not to approve the proposition authorizing the issuance of these bonds in the October 1, 2013, regular election. If it is not approved the administration will request that this be removed from the agenda. Otherwise, as described in the proposition, the total amount will be authorized to pay the costs of planning, designing, site preparation, constructing, acquiring, renovating, installing, and equipping educational capital improvement projects.

The resolution authorizes the Borough Mayor, Finance Director and Clerk to execute the documents and agreements necessary to complete the sale of the bonds. The resolution limits the term of the bonds to 20 years and the interest rate to no more than 6.0%. Based on current interest rates for tax-exempt municipal debt, it is anticipated that the true interest rate of the bonds will be between 3.5% and 5.0%. The actual rate of interest is subject to market conditions as of the actual sale date.

I will keep the assembly informed as we progress through the bond issuance process.