

Kenai Peninsula Borough

Finance

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members of the Kenai Peninsula Assembly

THRU: Charlie Pierce, Mayor *CP*

FROM: Brandi Harbaugh, Finance Director *BH*

DATE: September 6, 2018

SUBJECT: Ordinance 2018-19-10, Authorizing the Issuance and Sale of a General Obligation Bond of the Kenai Peninsula Borough in the Principal Amount Not to Exceed Five Million Four Hundred Fifty Thousand and No/100 Dollars (\$5,450,000) to Pay Costs of Educational Capital Improvements in the Borough, Authorizing the Sale of the Bond to the Alaska Municipal Bond Bank Pursuant to the Terms and Conditions Provided in this Ordinance; and Pledging the Full Faith and Credit of the Borough to Payment of the Bond (Mayor)

The attached ordinance authorizes the issuance of General Obligation Bonds in the not to exceed amount of \$5,450,000 for the construction of the Kachemak-Selo New K-12 School Construction project. This ordinance authorizes the sale of the bond to the Alaska Municipal Bond Bank (Bond Bank) and provides the terms and conditions of the agreement between the borough and the Bond Bank and pledges the full faith and credit of the borough to payment of the bond.

This ordinance is being introduced prior to the election on October 2, 2018, in order to expedite the bond sale process and allow the project to move forward more quickly upon approval. The issuance and sale of the bond is contingent upon voter approval of ballot proposition 1 on October 2, 2018.

If approved, the bonds are expected to be sold in November 2018, with construction starting in the Spring of 2019. This ordinance authorizes the borough mayor, finance director and clerk to execute the documents and agreements necessary to complete the sale. This ordinance limits the term of the bonds to 20 years and the interest rate to no more than 5 percent.