

Introduced	Mayor
Date:	06/17/97
Hearing:	07/15/97
Action:	Enacted
Vote:	6 Yes, 3 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 97-48**

AN ORDINANCE AUTHORIZING THE KENAI PENINSULA BOROUGH TO REDIRECT NOT TO EXCEED ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) OF PROCEEDS OF BONDS AUTHORIZED BY ORDINANCE 94-36 TO PAY THE COSTS OF SCHOOL AND RELATED CAPITAL IMPROVEMENTS, AND TO SUBMIT THE QUESTION OF THE REDIRECTION OF SUCH BOND PROCEEDS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE OCTOBER 7, 1997 BOROUGH ELECTION

WHEREAS, the Kenai Peninsula Borough, by Ordinance 94-36, authorized the issuance of general obligation bonds to finance the construction of the West Homer Elementary School; and

WHEREAS, the West Homer Elementary School has been completed for substantially less than its original estimated cost, leaving up to \$1,500,000 of bond proceeds (including proceeds from the investment of the sale proceeds of the bonds) unexpended; and

WHEREAS, additional funds are required to finance the construction of an addition to the Ninilchik School, and the excess proceeds of the Bonds may applied to this purpose with the approval of the qualified voters of the Borough;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That it is hereby determined to be for a public purpose and in the public interest of the Kenai Peninsula Borough (the "Borough") to incur general obligation bonded indebtedness in an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) for the purpose of financing the planning, designing, acquiring property for, site preparation, construction, acquiring, renovating, installing and equipping of school and related capital improvements including but not limited to the Ninilchik School Addition. This indebtedness shall consist of the redirection of the sum of not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) of proceeds of the bonds authorized by Ordinance 94-36.

SECTION 2. That the Borough is authorized to redirect the sum of not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) of proceeds of bonds authorized by Ordinance 94-36 for the purpose of financing the planning, designing, acquiring property for, site preparation, constructing, acquiring, renovating, installing and equipping of school and related capital improvements including but not limited to the Ninilchik School Addition.

SECTION 3. That the Borough shall submit the following proposition to the qualified voters of the Borough at the October 7, 1997 regular Borough election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. _____

REDIRECTION OF SCHOOL BOND PROCEEDS

In 1994, Kenai Peninsula Borough voters approved general obligation bonds for construction of the West Homer Elementary School. The West Homer Elementary School has been completed for substantially less than its original estimated cost, leaving up to \$1,500,000 of bond proceeds unexpended. With voter approval, these unexpended funds are available for redirection to other school capital projects.

Shall the Kenai Peninsula Borough redirect the sum of not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) of proceeds of the bonds authorized by Ordinance 94-36 for the purpose of financing the planning, designing, acquiring property for, site preparation, constructing, acquiring, renovating, installing and equipping of school and related capital improvements within the Borough including but not limited to the Ninilchik School Addition?

The bonds shall be paid from property (general ad valorem) taxes and be secured by a pledge of the full faith and credit of the Borough. The approximate annual amount of taxes on \$100,000 of assessed real and personal property value (based on estimated total 1997 assessed valuation) to retire the total debt proposed for this project is \$2.00 with maximum allowable State reimbursement for debt service.

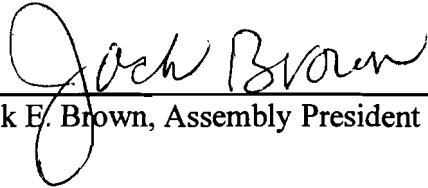
Estimated Cost	Estimated Total Interest	Estimated Debt Service Paid by State	Estimated Debt Service Paid by Borough	Estimated Annual Operation and Maintenance Cost
\$1,500,000	\$516,658	\$1,411,661	\$604,997	\$20,600

SECTION 4. That the proposition, both for paper ballots and machine ballots, 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 a square provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. _____ Yes ()
No ()

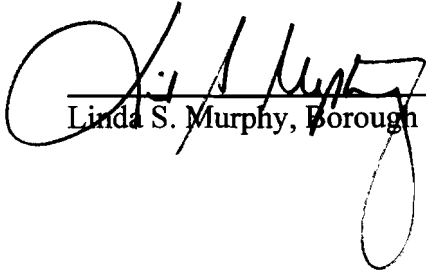
SECTION 5. That Section 2 of this Ordinance shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the regular Borough election on October 7, 1997. The remaining sections of this Ordinance shall become effective upon passage and approval.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 15TH DAY OF JULY, 1997.



Jack E. Brown, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk