

MEMORANDUM

TO: Ron Long, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: John J. Williams, Borough Mayor

FROM: Craig Chapman, Finance Director

DATE: September 6, 2007

SUBJECT: Ordinance 2007-19-22, an ordinance appropriating \$850,000 in interest earned on the 2003 South Kenai Peninsula Hospital Service Area Bonds

In 2003, bonds in the amount of \$10,290,000 were issued as part of a \$17,000,000 expansion project. During the construction period of Phase I of this project, interest income of approximately \$850,000 was earned on the bond proceeds and is available to support project expenditures associated with the expansion project.

Construction bids for Phase II of the expansion project are scheduled to be opened October 17, 2007, with award of the contract scheduled for action by the assembly at its October 23, 2007, meeting. With this appropriation, the interest earnings would be available to support expenditures associated with Phase II of the construction project.