



## **KENAI PENINSULA BOROUGH**

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**JOHN J. WILLIAMS  
BOROUGH MAYOR**

### **MEMORANDUM**

**TO:** Grace Merkes, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** John J. Williams, Borough Mayor

**FROM:** Craig Chapman, Finance Director

**DATE:** June 24, 2008

**SUBJECT:** Ordinance 2008-20, Amending KPB 5.10.040, Authorized investments, to include a rate to be used by the borough when investing in special assessments

**KPB 5.10.040(A)(13) authorizes the borough to invest in special assessments of the borough or one of its political subdivisions authorized by Chapter 5.35 or 14.31 but does not define the interest rate to be used.**

The rate the borough currently uses when investing in special assessments is the rate identified in KPB 17.10.120, which states "The rate of interest is the prime rate on the authorized date of sale plus two percent (2%)."

To clarify the rate to be used by the borough when investing in special assessments, I am requesting that the following be added to KPB 5.10.040(A)(13):

13. Special assessments of the borough or one of its political subdivisions authorized by Chapter 5.35 or 14.31. Total principal investment is not to exceed \$2,000,000 at the end of any fiscal year. **The rate the borough shall receive when investing in special assessments is the prime rate plus two percent on the date the ordinance confirming the assessment roll is enacted by the assembly.**