

Introduced by:	Smith
Date:	03/02/10
Hearing:	04/06/10
Action:	Postponed as Amended Until 05/04/10
Date:	05/04/10
Action:	Enacted
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2010-15**

**AN ORDINANCE AMENDING KPB 5.04.110 TO INCREASE THE AMOUNT THAT
THE ASSEMBLY MAY SPEND ON CAPITAL IMPROVEMENT PROJECTS
WITHOUT VOTER APPROVAL IN ORDER TO ACCOUNT FOR INCREASING
COSTS OF CONSTRUCTION**

WHEREAS, KPB 5.04.110 currently requires voter approval of capital improvement projects costing more than \$1 million; and

WHEREAS, the voters approved this provision by initiative in 2005; and

WHEREAS, the cost of construction has increased since 2005 and continues to increase significantly each year; and

WHEREAS, providing for an automatic annual increase is intended to reflect increasing costs of construction while retaining a limit on the expenditure of funds for capital improvement projects without voter approval; and

WHEREAS, providing a flat amount each year would avoid complication and confusion associated with computing an annual inflation factor and would provide predictability for the borough, contractors, and the voters; and

WHEREAS, before the initiative was approved by the voters in 2005, the code provided that the maximum amount that could be spent without voter approval was \$1,500,000; and

WHEREAS, increasing the base amount from \$1,500,000 to \$2,000,000 more readily account for inflation in the cost of construction from 2005 to 2010;

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

SECTION 1. That KPB 5.04.110 is hereby amended as follows:

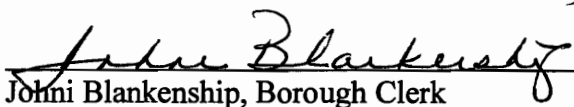
5.04.110. Major capital improvement projects—Referendum required.

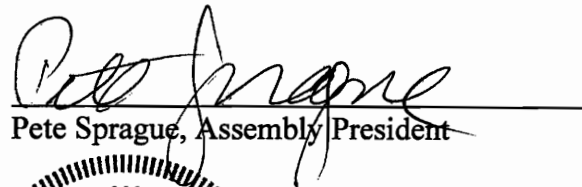
- A. All capital improvement projects to be constructed or acquired by the Borough must be approved by the voters of the borough at a regular or special election, before the project is constructed or acquired if the total project cost is more than [\$1,000,000.00] the expenditure threshold amount of 2,000,000, including architectural, engineering, inspection, design, administration or any other cost. Beginning July 1, 2010, the expenditure threshold amount is increased by \$50,000 on July 1 of each year. This section applies to all proposed capital improvement projects to be financed with borough funds which are not the proceeds of a bond issue approved by voters. This section does not apply to insurance covering the repair or replacement of damaged Borough capital improvements, to grants for capital improvement projects, private gifts, or to expenditures from the plant expansion and replacement funds of the Central Peninsula Hospital and South Peninsula Hospital. A capital improvement project that is proposed to be built in phases shall include the projected cost of all phases as the total project cost for purposes of this ordinance.
- B. When the total projected cost of a capital improvement project as defined in this section is more than [\$1,000,000.00] the threshold expenditure determined pursuant to subsection (A) of this section, it must receive an affirmative vote by no less than a simple majority of the affected voters at a Borough election for such a project to be approved.

SECTION 2. That this ordinance takes effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 4TH DAY OF MAY, 2010.

ATTEST:


Johni Blankenship, Borough Clerk


Pete Sprague, Assembly President



Yes: Fischer, Haggerty, Knopp, McClure, Pierce, Smalley, Smith, Superman, Sprague
No: None
Absent: None