

Introduced by: Mayor
Date: 07/18/00
Hearing: 08/15/00
Action: Enacted
Vote: 8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2000-32
(MAYOR) SUBSTITUTE**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF KENAI PENINSULA BOROUGH, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED SEVEN MILLION FOUR HUNDRED TWENTY-NINE THOUSAND DOLLARS (\$7,429,000) OF GENERAL OBLIGATION BONDS OF THE KENAI PENINSULA BOROUGH TO PAY COSTS OF EDUCATIONAL CAPITAL IMPROVEMENTS IN THE KENAI PENINSULA BOROUGH AT AN ELECTION IN AND FOR THE KENAI PENINSULA BOROUGH ON OCTOBER 3, 2000

WHEREAS, the State of Alaska has enacted Chapter 130 SLA 2000 (HB 281) which provides for school debt reimbursement after June 30, 1998 and until July 1, 2004; and

WHEREAS, the school debt reimbursement allocation for the Kenai Peninsula Borough has been set at \$7,429,000 by Chapter 130 SLA 2000; and

WHEREAS, such reimbursement requires the issuance of general obligation bonds for educational capital improvements approved by the qualified voters of the Kenai Peninsula Borough; and

WHEREAS, there has been identified in the Kenai Peninsula Borough a substantial and immediate need for educational capital improvements as evidenced in the Kenai Peninsula Borough School District's capital improvement plan; and

WHEREAS, under provisions of AS 29.47.190 a municipality may incur general obligation debt only after a bond authorization ordinance is approved by a majority of those voting on the questions at a regular or special election; and

WHEREAS, the Kenai Peninsula Borough views the educational capital improvements authorized herein as necessary and beneficial to the community;

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

SECTION 1. 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 Seven Million Four Hundred Twenty-Nine Thousand Dollars (\$7,429,000), for the purpose of paying the costs of planning, designing, site preparation, constructing, acquiring, renovating, installing and equipping educational capital improvement projects within the Borough. The educational capital improvement projects may include all of the following projects as approved by the Alaska State Department of Education and Early Development. The borough will not issue bonds in a principal amount greater than the total estimated cost of projects approved for reimbursement by the Department of Education and Early Development. Upon completion of the projects, any unexpended bond proceeds, including interest income generated through investment of the bond funds, may be used to fund any other educational capital improvement projects chosen by the borough and approved by the Department of Education and Early Development.

<u>Projects:</u>	<u>Estimated Cost</u>
District Wide School Reroofing Projects:	\$4,838,129
Kenai Middle Reroof	
Moose Pass Reroof	
Nanwalek Reroof	
Nikiski Elementary Reroof	
Paul Banks Elementary Reroof	
Port Graham Reroof	
Redoubt Elementary Reroof	
Soldotna Elementary Reroof	
Soldotna Middle Reroof	
Sterling Elementary Reroof	
Susan B. English Reroof	
Kenai Central High School Insulation	550,871
District Wide Bleacher Replacements	260,000
Soldotna High / Redoubt Boiler Replacements	280,000
Nikolaevsk Gymnasium Expansion	<u>1,500,000</u>
Total Projects	<u>\$7,429,000</u>

If the Department of Education and Early Development fails to give its approval to any of the foregoing projects, the Borough Mayor is authorized to substitute all or any part of any of the following projects in replacement of the unapproved project:

K-Beach Elementary Bus Turnaround	\$ 200,000
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Redoubt Elementary Storage/Expansion	309,003
Tustumena Reroof	508,552

The Mayor may make any such substitution only if and to the extent that (1) the substitution will not cause the total principal amount of bonds authorized by this ordinance to increase, and (2) the Department of Education and Early Development approves the proposed substitute project. If the Mayor makes a substitution as authorized above, he may also make the necessary changes in the form of the proposition set forth in Section 3 of this Ordinance to reflect such substitution.

SECTION 2. The sum of not to exceed Seven Million Four Hundred Twenty-Nine Thousand Dollars (\$7,429,000) shall be borrowed by, for and on behalf of the Borough for the aforesaid educational capital improvements and shall be evidenced by the issuance of general obligation bonds of the Borough. The bond proceeds shall be used only for capital improvements and costs of issuance of the bonds. The full faith and credit of the Borough is pledged for the payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the Borough shall be levied without limitation (except as may be imposed by State law) as to rate or amount to pay the principal of and interest on the bonds when due.

SECTION 3. An election is to be held on October 3, 2000, in and for the Borough for the purpose of submitting a general obligation bond proposition to the qualified voters of the Borough for approval or rejection. The proposition must receive a majority vote of those in the Borough voting on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. _____ -
EDUCATIONAL CAPITAL IMPROVEMENT BONDS

Shall Kenai Peninsula Borough borrow up to \$7,429,000 through the issuance of general obligation bonds?

The general obligation bond proceeds will be used to pay costs of planning, designing, site preparation, constructing, acquiring, renovating, installing and equipping educational capital improvement projects within Kenai Peninsula Borough. The educational capital improvement projects may include all of the following projects as approved by the Alaska State Department of Education and Early Development. The borough will not issue bonds in a principal amount greater than the total estimated cost of projects approved for reimbursement by the Department of Education and Early Development. Upon completion of the projects, any unexpended bond proceeds, including interest income generated through investment of the bond funds, may be used to fund any other educational capital improvement projects chosen by the borough and approved by the Department of Education and Early Development.

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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 actual 1999 assessed valuation) to retire the total debt is \$8.90 per year (assuming 70 percent debt service reimbursement from the State of Alaska which is subject to appropriation each year).


Estimated Cost	Estimated Interest	Estimated Debt Service Paid By State of Alaska	Estimated Debt Service Paid by Borough	Estimated Annual Operating and Maintenance Cost
\$7,429,000	\$2,364,787	\$6,855,651	\$2,938,136	\$0

SECTION 4. 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 or voting by a machine:

PROPOSITION NO. _____ Yes ()
No ()

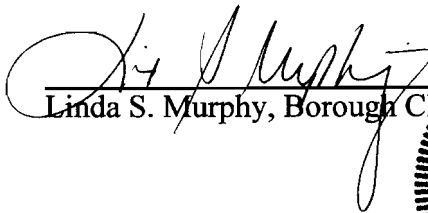
SECTION 5. Section 2 of this Ordinance shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the regular Borough election on October 3, 2000. The remaining sections of this Ordinance shall become effective upon enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 15TH DAY OF AUGUST, 2000.



William Popp, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk

