

KENAI PENINSULA BOROUGH CLERK'S OFFICE

Ballot Proposition Fact Sheet

Proposition No. 1 - Educational Capital Improvement Bonds *[To be voted on by all borough voters]*

Proposition No. 1 seeks voter approval of the sale of not to exceed \$7,429,000 of general obligation bonds 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. These projects may include any or all of the following:

[PROJECT LIST WILL BE INSERTED ONCE A FINAL LIST
HAS BEEN APPROVED BY THE ASSEMBLY AND THE
DEPARTMENT OF EDUCATION]

Under the provisions of HB 281, the Borough is eligible to receive reimbursement in the amount of 70% of the principle and interest on school capital improvement bonds with a par value up to \$7,429,000. The projects selected by the School Board and the Assembly for funding under this program were taken from the Borough's prioritized list of capital projects and have been approved for funding by the Alaska Department of Education.

Fiscal Note: Based on actual 1999 borough assessed valuations, the estimated amount of property taxes necessary to pay the Borough's share of the debt service on property valued at \$100,000 is \$8.90 per year. This assumes that the debt is issued for a term of 10 years at an effective interest rate of 5.3%. It is further estimated that completion of these projects will reduce the annual operating and maintenance costs associated with the impacted facilities.

Proposition No. 2 - Establishing the Greater Kachemak Fire and Emergency Medical Service Area *[To be voted on by voters residing within the proposed new service area]*

Voters residing within the boundaries of the proposed service area petitioned the Assembly to establish a service area to provide fire protection and emergency medical services. The ordinance creating the service area provides for an appointed board to serve until a new board can be elected in October 2001. This appointed board will submit a plan and a budget for Assembly approval outlining how the fire and emergency medical services will be provided. [A MAP OF THE SERVICE AREA WILL BE INCLUDED IN THE VOTER PAMPHLET AND AT THE BOROUGH'S WEB SITE.]

Fiscal Note: The tax levy for support of the service area will be set by the Borough Assembly. It is anticipated that the mill rate will not exceed 1.75 mills.

Proposition No. 3 - Adoption of Road Construction Powers *[To be voted on by voters residing within the Road Service Area]*

The Borough adopted road maintenance powers by a vote of the people in 1981. In 1985, improvement powers were adopted by the voters in the four separate road service areas. In 1991, in an effort to promote efficiency and consistency in service, the road service areas were consolidated into one single maintenance and improvement service area. The distinction between improvement and construction is often confusing. Short lengths of road have been constructed in the past, but these projects have always been incidental to the purpose of another power. For example, a road constructed to provide access to a borough school would be constructed pursuant to the Borough's education powers. The adoption of road construction powers would eliminate the confusion which often exists when road projects are considered and would also enable the Borough to undertake construction projects funded through outside sources such as federal grants.

Fiscal Note: It is anticipated that roads constructed pursuant to the adoption of road construction powers would be funded from outside sources or within the existing road service area budget and would not result in an increase in service area tax rates.