

**KENAI PENINSULA BOROUGH
INITIATIVE ORDINANCE 2005-01**

An Ordinance Amending the Borough Code to Reduce the Cost Ceiling of Borough Capital Improvement Projects that Require Voter Approval from \$1,500,000 to \$1,000,000 and to Require that All Capital Improvement Projects which Cost in Excess of \$1,000,000 be Approved by no Less than 60 Percent of Voters in an Election of the Citizens Residing in the Affected Area

WHEREAS, borough-owned or -operated buildings and equipment cost public funds to construct or purchase; and

WHEREAS, the operations, maintenance and repair costs for borough-owned or -operated buildings and equipment continue beyond the initial construction or procurement cost, for the life of the building or equipment with all or a part of such costs paid by borough taxpayers; and

WHEREAS, currently KPB 5.04.110 provides that major capital improvements to be constructed by the borough must be approved by borough voters if the total project cost is over \$1,500,000, except that federal or state grant-funded projects are exempt from this requirement; and

WHEREAS, as a result of the grant exemption clause, more borough capital projects are being built, or are being proposed to be built, with federal or state grant funds, thereby bypassing voter-approval requirements, while the total project costs can be well in excess of the current \$1,500,000 authorization limit; and

WHEREAS, it is good public policy to ascertain whether there is public support for spending public funds to build and operate major capital projects and the best way to do that is by obtaining voter approval of such projects before such projects are built and operated;

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

SECTION 1. That Kenai Peninsula Borough Code Section 5.04.110 shall be amended to read 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, including architectural, engineering, inspection, design, administration or any other cost. 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 proceeds covering the repair or replacement of damaged borough capital improvements. 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 it must receive an affirmative vote by no less than 60 percent of the affected voters voting at a borough election for such a project to be approved.

SECTION 2. This ordinance shall take effect April 15, 2005.

ENACTED BY THE VOTERS OF THE KENAI PENINSULA BOROUGH AT AN ELECTION HELD ON THE 4TH DAY OF OCTOBER, 2005.