



KENAI PENINSULA BOROUGH

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DAVID R. CAREY
BOROUGH MAYOR

MEMORANDUM

TO: Gary Knopp, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: David R. Carey, Mayor *DR Carey*

FROM: Craig Chapman, Finance Director *C Chapman*
Colette Thompson, Borough Attorney *CT*
Tom Anderson, Director of Assessing *TCA*

DATE: April 21, 2011

SUBJECT: Ordinance 2010-19- 44 appropriating supplemental funding for FY2011 for the assessing and legal departments to prepare for Board of Equalization hearings and to pay for legal counsel and expert witness

A major taxpayer, Tesoro Alaska Company, has appealed to the Board of Equalization the assessed value of its refinery property in North Kenai. It is estimated that the borough will incur at least \$60,000 in costs in excess of the current available budget for this appeal. The issues in this appeal are complex and will require the borough to retain outside experts and attorneys to properly represent the borough's interests. Previous appeals of this nature resulted in numerous pre-hearing disputes and final hearings that lasted more than one day.

The attached ordinance would appropriate \$20,000 for the assessing department and \$40,000 for the legal department to cover the estimated increase. Without this appropriation, the borough would not be able to hire the professional firms needed to represent the borough's interest at this appeal. KPB 5.08.030 restricts the borough to only "make expenditures within the limits of budget."

Shortened hearing is requested because board of equalization hearings are scheduled to begin May 23, 2011.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	<u>100.00000.00000.27910</u>
Amount	<u>\$60,000.00</u>
By: <i>C Chapman</i>	Date: <u>4/21/2011</u>