



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520
Toll-free within the Borough: 1-800-478-4441
PHONE: (907) 262-4441 • FAX: (907) 262-1892
www.borough.kenai.ak.us

MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

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

THRU: Mike Navarre, Mayor *P.O. for M.N.*

FROM: Tom Anderson, Director of Assessing *TZA*
Craig Chapman, Director of Finance *C Chapman*

DATE: November 23, 2011

SUBJECT: Ordinance 2011-19-59, appropriating \$100,000 for the assessing department to obtain contractual assistance for the assessment of the Tesoro refinery for the 2012 tax year

The Kenai Peninsula Borough assessing department is required by state statute to value all properties at full and true value each year.

The Tesoro refinery is a major source of property tax revenue in the Kenai Peninsula Borough, valuing oil refineries is extremely complex and an outside expert is needed to properly appraise the refinery. The administration is estimating the cost of hiring an outside expert to appraise the refinery for the 2012 tax year will cost up to \$100,000.

KPB 5.12.030 requires the annual assessment roll to be prepared and notice given by April 1 of each year.

A supplemental appropriation is needed to provide the additional funding to cover the additional costs associated with the Tesoro assessment, as the assessing department does not have funding in its FY2012 budget to cover this cost. Without this appropriation, the borough would not be able to hire an expert to properly and timely appraise the Tesoro refinery for tax year 2012.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	<u>100.27910 F.B</u>
Amount	<u>\$100,000.00</u>
By:	<u><i>(Signature)</i></u> Date: <u>11/22/11</u>