



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 *CA for CCC*

DATE: June 23, 2011

SUBJECT: Resolutions 2011-071, 072, 073, bond refinancing

Due to a reduction in long term interest rates, the Alaska Municipal Bond Bank (AMBB) has determined that a portion of the outstanding 2003 (E) South Kenai Peninsula Hospital Service Area (SPH) Bonds and 2003(D) School Bonds could be refinanced. The estimated savings for the 2003 (E) SPH bonds would be in the \$140,000 range and the estimated savings on the 2003 (D) School bonds would be in the \$490,000 range.

In addition, the 2003 Central Kenai Peninsula Hospital Service Area (CPH) bonds can be refinanced. The estimated savings on CPH bonds would be in the \$1,500,000 range. The KPBB assembly through Resolution 2010-091 previously authorized the issuance of refunding bonds. This action was authorized through December 31, 2011. The attached resolution for the CPH bonds is being done to ensure compliance with AMBB requirements.

The attached resolutions authorize the AMBB to refinance the 2003 (E) SPH bonds, the 2003 (D) School bonds and the 2003 CPH bonds to take advantage of the current lower long-term interest rates.