

Kenai Peninsula Borough  
Office of the Borough Mayor

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**MEMORANDUM**

**TO:** Wayne Ogle, Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** Charlie Pierce, Borough Mayor 

**DATE:** June 19, 2018

**RE:** Line Item Veto of Increase to School District Funding in Ordinance 2018-19, Appropriating Funds for Fiscal Year 2019

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For the reasons discussed below, I hereby reduce the funding for school district operations in ordinance 2018-19 by \$652,609. Including this amount in the budget for school district operations would reduce the general fund, fund balance to an amount that is, in my view, too close to the recommended minimum fund balance to be financially prudent. Had the funds been appropriated from the Land Trust Fund I would not have taken this action.

**SECTION 1.** That ~~\$81,562,478~~ \$80,909,869 is appropriated in the General Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019 as follows:

|   |   |
|---|---|
| General Government Operations                                 | \$17,339,708                            |
| Transfer to School District for Operations & In-kind Services |   |
|   | <u>49,738,432</u> <del>50,391,041</del> |
| Transfer to School Debt Service                               | 3,801,562                               |
| Transfer to Special Revenue Funds:                            |   |
| Solid Waste   | 7,306,501                               |
| Post-Secondary Education                                      | 820,685                                 |
| 911 Communications Fund                                       | 300,000                                 |
| Nikiski Senior Service Area                                   | 52,981                                  |
| Eastern Peninsula Highway Emergency Service Area              | 350,000                                 |
| Transfer to Capital Projects Funds:                           |   |
| School Revenue  | 1,200,000                               |

**SECTION 2.** The following is appropriated to the School Fund from local sources for operations purposes and in-kind services:

|                 |   |
|-----------------|---|
| A. Local Effort | <u>\$38,883,797</u> <del>\$39,536,406</del> |
| B. Maintenance  | 7,929,758                                   |

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Date: June 19, 2018

To: KPB Assembly Members

RE: Reduction of School District Funding

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|   |   |
|---|---|
| C. School District Utilities              | 89,900                                      |
| D. School District Insurance              | 2,621,584                                   |
| E. School District Audit                  | 93,000                                      |
| F. Custodial Services                     | <u>120,393</u>                              |
| Total Local Contribution per AS 14.17.410 | <u><del>\$49,738,432</del> \$50,391,041</u> |

AS 29.20.270 provides that a veto may be overridden within 21 days following the exercise of the veto or the next regular meeting, whichever is later. The next regular meeting is June 19, 2018, which is in less than 21 days.