

Introduced by: Carpenter
Date: 06/05/18
Hearing: 06/19/18
Action: Failed to Adopt
Vote: 4 Yes, 5 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-01**

**AN ORDINANCE PROVIDING FOR AN EXCEPTION TO KPB 5.20.080 AND
TRANSFERRING \$1,750,000 FROM THE LAND TRUST FUND
TO THE GENERAL FUND**

- WHEREAS,** the Kenai Peninsula Borough (“borough”) is exploring numerous options to resolve the current borough fiscal deficit of approximately \$4,000,000 and maintain a healthy general fund, fund balance into the future; and
- WHEREAS,** these options include numerous cost-cutting measures; and
- WHEREAS,** as of June 30, 2017, the general fund, fund balance was \$23,234,027, and the minimum recommended general fund, fund balance for this borough was \$15,471,930; and
- WHEREAS,** there is not sufficient time to raise revenues before fiscal year 2019 begins to close this gap using cost-cutting measures alone, and further depleting the general fund will have a negative effect on the borough’s credit rating, reduce cash-flow available for daily operations, diminish reserves that would cover revenue shortfalls such as unexpected events, natural disasters, voter referendums and litigation; and
- WHEREAS,** as of June 30, 2017, the land trust fund had a fund balance of \$7,295,939; and
- WHEREAS,** the assembly considered but ultimately defeated ordinance 2017-19-21 which would have transferred \$3,000,000 from the land trust to the general fund; and
- WHEREAS,** transferring \$1,750,000 from the land trust fund to the general fund would have a much smaller effect on the land trust fund than a \$3,000,000 transfer, but would significantly help to close the gap; and
- WHEREAS,** the borough can develop a plan to repay the land trust fund over time with proceeds from land sales; and
- WHEREAS,** KPB 5.20.080(B) contains restrictions on the amount of funds that may be available for appropriation to the general fund which would limit the amount of such funds that could currently be transferred this fiscal year to approximately \$87,000; and

WHEREAS, as no assembly may bind a future assembly, the assembly may legally allow an exception to this restriction by ordinance; and

WHEREAS, the best interests of the borough would be served by authorizing and appropriating this one-time transfer of funds from the land trust fund to the general fund;

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

SECTION 1. That, notwithstanding the restrictions in KPB 5.20.080 limiting the amount of land trust funds that may be available for appropriation to the general fund, the sum of up to \$1,750,000 may be appropriated to account 250.21210.00000.50100 to be transferred to the general fund.

SECTION 2. That the sum of \$1,750,000 is hereby appropriated from the Land Trust Fund balance to account 250.21210.00000.50100 to be transferred to the general fund.

SECTION 3. This ordinance shall take effect July 1, 2018.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF * 2018.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC Borough Clerk

Yes: Blakeley, Carpenter, Fischer, Ogle
No: Bagley, Cooper, Dunne, Hibbert, Smalley
Absent: None