

Introduced by: Mayor
Date: 02/20/18
Action: Postponed to 03/06/18
Vote: 9 Yes, 0 No, 0 Absent
Date: 03/06/18
Action: Adopted
Vote: 7 Yes, 2 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2018-010**

**A RESOLUTION AUTHORIZING THE REESTABLISHMENT OF A COST
ALLOCATION PLAN FOR SERVICE AREA OPERATING FUNDS
AND CERTAIN FUNDS**

WHEREAS, Resolution 2006-036 established a cost allocation plan using an indirect rate that charged to service areas, grants, and projects a fee for intergovernmental services provided by the Kenai Peninsula Borough's ("borough") General Fund; and

WHEREAS, the services provided include, but are not limited to, legal services, human resources, processing of payroll, accounts payable, cash receipts, tax billing and collection, miscellaneous billing and collection, elections and information technology; and

WHEREAS, the rates adopted in Resolution 2006-036 were 6.25 percent for service areas and 3.04 percent for grants and projects; and

WHEREAS, the assembly in FY10 eliminated the charge to service areas; and

WHEREAS, Resolution 2013-022 changed the indirect rate for capital projects less than \$500,000 to 2 percent of the project budget and the indirect rate for capital projects \$500,000 or greater to be 1 percent; and

WHEREAS, Resolution 2013-022 also changed the indirect rate for capital equipment purchases less than \$500,000 to be 1 percent of the project budget and the indirect rate for capital equipment purchases \$500,000 or greater to be 0.5 percent; and

WHEREAS, the indirect rate shall be set each year as part of the budget process; and

WHEREAS, in an effort to bridge the deficit between expenditures and revenues in the General Fund, this resolution reestablishes the service area and other certain funds' cost allocation at a rate of 2.5 percent; and

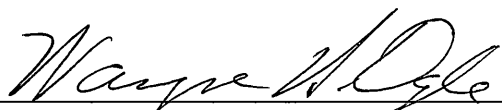
WHEREAS, allowing an indirect cost rate of 2.5 percent allows the borough General Fund to recover a portion of the monies expended by the borough in providing an array of administrative functions for the service areas within the borough;

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

SECTION 1. The indirect cost allocation rate of 2.5 percent for service areas and certain funds is reestablished allocating a fee based on their operating expenditures for the intergovernmental service provided by the General Fund.

SECTION 2. That this resolution takes effect July 1, 2018.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 6TH DAY OF MARCH, 2018.

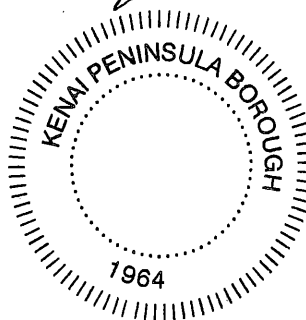


Wayne H. Ogle, Assembly President

ATTEST:



Johni Blankenship, MMC, Borough Clerk



Vote on motion to postpone to 03/06/18:

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

Vote on motion to adopt:

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