

# Reference Copy

Introduced by:	Mayor
Date:	03/19/13
Action:	Adopted
Vote:	6 Yes, 0 No, 3 Absent

## **KENAI PENINSULA BOROUGH RESOLUTION 2013-022**

### **A RESOLUTION MAKING CHANGES TO THE BOROUGH'S COST ALLOCATION PLAN FOR CAPITAL PROJECTS**

**WHEREAS,** Resolution 2006-036 established a cost allocation plan using an indirect rate that charge service areas, grants and capital projects a fee for intergovernmental services that were provided by the borough's General Fund; and

**WHEREAS,** the services provided include, but are not limited to: processing of payroll, purchasing, accounts payable, cash receipts, cash disbursements, cash management, grant management, real and personal property valuation, tax billing and collection, miscellaneous billing and collection, legal services, and computer support services; and

**WHEREAS,** the assembly in FY10 eliminated the charge to service areas and the current indirect rate being charged to grants and capital projects is 3.04 percent; and

**WHEREAS,** for large capital projects and capital equipment purchases, the rate being charged can generate cost recovery in excess of the costs that were incurred; and

**WHEREAS,** allowing a reduced indirect rate on capital projects and capital equipment is more reflective of the time and cost incurred for these projects;

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

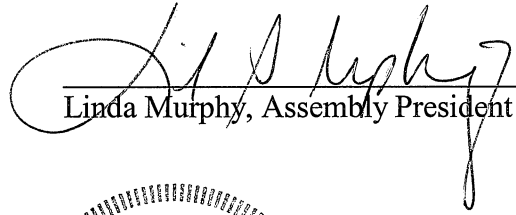
**SECTION 1.** The indirect rate for capital projects less than \$500,000 shall be 2 percent of the project budget and the indirect rate for capital projects \$500,000 or greater shall be 1 percent.

**SECTION 2.** The indirect rate for capital equipment purchases less than \$500,000 shall be 1 percent of the project budget and the indirect rate for capital equipment purchases \$500,000 or greater shall be 0.5 percent.

**SECTION 3.** That this resolution takes effect retroactive to January 1, 2013.

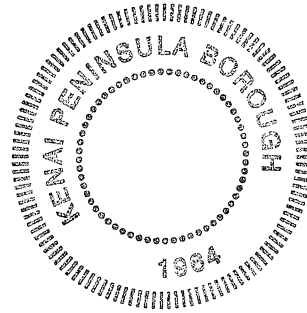
# Reference Copy

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 19TH DAY OF MARCH, 2013.**

  
Linda Murphy, Assembly President

ATTEST:

  
Johni Blankenship, MMC, Borough Clerk



Yes: Haggerty, Johnson, Pierce, Smith, Wolf, Smalley  
No: None  
Absent: McClure, Murphy, Tauriainen