

MEMORANDUM

TO: Kelly Cooper, Assembly President
Kenai Peninsula Borough Assembly Members

FROM: Brent Johnson BJ

DATE: August 4, 2020

RE: Ordinance 2020-~~19-04~~ Appropriating \$1,500 for the Costs of Printing and Distributing Information about the Ballot Proposition Seeking Voter Approval to Expand the Anchor Point Fire and Emergency Medical Service Area into the Newly Created Western Emergency Service Area which will Encompass Both Ninilchik and Anchor Point Communities (Johnson)

The Ninilchik-Anchor Point Joint Service Area Work Group was tasked with determining if Ninilchik should have its own service area, or attempt to join Anchor Point Fire and Emergency Medical Service Area (APFEMSA), or if Ninilchik Emergency Services (NES) should try to make adjustments and continue to operate a volunteer service. The Work Group unanimously recommended that the KPB Assembly put a measure on the ballot for expansion of APFEMSA.

During the Work Group discussions and during the two public hearings that followed introduction of Ordinance 2020-31, questions arose including:

- **What mill rate would be necessary to support a stand-alone service area at Ninilchik?** The KPB Finance Department answered that 5.75 mills would fund one full-time employee, a capital projects fund and an acceptable fund balance.
- **What mill rate would be necessary for a joint Anchor Point - Ninilchik service area?** The Finance Department estimated that a 2.95 mill rate would initially support ten full time employees, a capital projects fund and an acceptable fund balance.
- **In what areas would an expanded Anchor Point - Ninilchik service area save money?** Fire Chief Dave Bear and Fire Chief Jon Marsh said the savings would mostly come from sharing a chief, an assistant chief and a mechanic.
- **Would a KPB fire and emergency services area affect Ninilchik's subsistence designation?** The KPB Legal Department opined that it would not.
- **Would a 2.95 mill rate provide sufficient funding to staff fire stations at Anchor Point and Ninilchik full-time?** Anchor Point Fire Chief Jon Marsh and Ninilchik Fire Chief Dave Bear both answered, "No." But they did say that this mill rate, together with an expanded service area would increase coverage for area residents.

- **What affect would an expanded service area have on ambulance fees in the Ninilchik area?** KPB Finance Department said the fees for service areas are set by the borough government. NES sets its fees at a higher rate, thus an expanded service area would result in a significant reduction in ambulance fees for the Ninilchik area.
- **What portion of the mill rate fees would oil and gas properties generate in the Ninilchik area?** The Finance Department said that in the Anchor Point area oil and gas properties generate about 38% of the property tax revenues. In the Ninilchik area it's about 28% and for the combined areas the number is about 34%.
- **How much does a mill rate of 2.95 translate to in actual tax dollars?** The Finance Department stated that excluding exemptions, a 2.95 mill rate costs \$295 annually for every \$100,000 of property value.
- **How much do donations currently generate for NES and how much do grants generate?** Anchor Point Fire Chief Marsh answered that according to information he looked at, NES donations for the most recent year were \$10,450, grants were \$79,800, member dues were \$15,000, ambulance billings were \$166,000, and fire calls were \$8,100. Other monies came from collections \$845, fire department \$34,000 and for interest, resulting in a total annual revenue of \$374,840.
- **What would happen to existing personnel and volunteers?** The administration staff answered that employees of APFEMSA would not lose their jobs as a result of this change. Jon Marsh, the current APFEMSA chief is expected to remain chief of the expanded area. Employees and other interested people at Ninilchik could apply for a job in the expanded area. Experience at NES and other similar organizations would be an asset in the application process. The volunteers would be much needed in the expanded service area and job openings would be available because Anchor Point currently has five full-time employees while Ninilchik has one. The goal of an expanded area is to have ten full-time employees. No volunteers living within a 20-minute response time to a station are expected to need to move as demand for volunteers would still exist in both Anchor Point and in Ninilchik.

The preceding questions are not exhaustive, but are sufficient to notice that significant information is necessary for voters. In that regard another question arose: Will the borough provide information to the voters?

With this background I ask for your support of a modest appropriation for public information regarding expansion of the Anchor Point - Ninilchik Fire and Emergency Services Area.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED			
Accl. No.	100-27910	Amount:	\$1,500.00
By:	<u>PP</u>	Date:	<u>8/3/2020</u>
By:	<u>BT</u>		