October 2025 Assembly Work Session

Session I

Session I - Agenda

1. Structure of KPB Government
2. Legislation
3. Meeting Essentials
4. Finance Overview
5. Powers

Basic Structure

- The Kenai Peninsula Borough was formed, effective January 1, 1964, by voter approval as part of the Borough Organization Act.
- Formed as a borough of the 2nd class
  - Political Subdivision of the State of Alaska
  - All powers derived from the People (voter approved), Constitution, and State Statutes.
  - “Powers” means the authority delegated as a political subdivision of the State to exercise regulatory jurisdiction, or provide a service or public facility.
- Strong mayor form of government with an Assembly and a School District.
- 101:
  - Legislative body: the Assembly enacts law and holds the “power of the purse”
  - Executive: the Mayor is the chief executive, implements and administers the law, oversees the personnel system, and executes projects & appropriations approved by the Assembly
  - School operation and line item budgetary control: vested in the KPBSD Board of Education (School Board) and School District Administration.

Branches of Government

Executive Branch

Chief Executive Officer – Borough Mayor

- Borough Attorney – legal advisor to the Mayor & Assembly. Appointed by the Mayor with consent of the Assembly
- Department Directors – appointed & supervised by the Mayor
- Fire Chiefs/SA Administrators – report to the Mayor & service area boards

Legislative Branch

Governing Body – Borough Assembly

- Borough Clerk – legislative employee appointed by the Assembly
- Borough Attorney – legal advisor to the Mayor & Assembly (& School District). Appointed by the Mayor; Confirmed by Assembly

Direct inquiries and requests through the Borough Clerk or Borough Attorney.

Legislation

"The Constitution is the origin and measure of legislative authority."

-William Patterson

KENAI PENINSULA BOROUGH
KPB
Alaska - Est. 1964

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Legislative Process

- Consistent process
- Ordinances – Resolutions – Other Action Items
  - Ordinances –impose legal obligation; in broad terms, all acts affecting the affairs of the municipality: all appropriations and code amendments.
  - Resolutions – expresses opinion of the body on an issue, typically considered less enduring than an ordinance, should not be used to regulate the affairs of the municipality or impose legal obligations.
  - Other actions are identified by KPB file numbers, such as: confirmation appointments, approval of mayor designations, and AMCO recommendations.

When is an ordinance required?

Alaska Statutes require an ordinance for:

- **budget and appropriations;**
- **adopt the power to assess, levy, and collect a property tax. AS 29.45.240. *Note: the property tax levy amount is set by resolution.***
- **authorize a sales tax rate, but an increase to the voter-approved rate, must first be approved by the voters.**
- **adopt, modify, or repeal the comprehensive plan, land use and subdivision regulations, building and housing codes, and the official map;**
- **provide for a fine or other penalty;**
- **provide for the retention or sale of tax-foreclosed property;**
- **grant, renew, or extend a franchise;**
- **approve the transfer of the power to the borough from a city;**
- **designate the borough's seat;**
- **exempt contractors from payment and performance bond requirements.**

AS 29.25.010

Parliamentary Procedure

Meeting Essentials, Best Practices, Mason's

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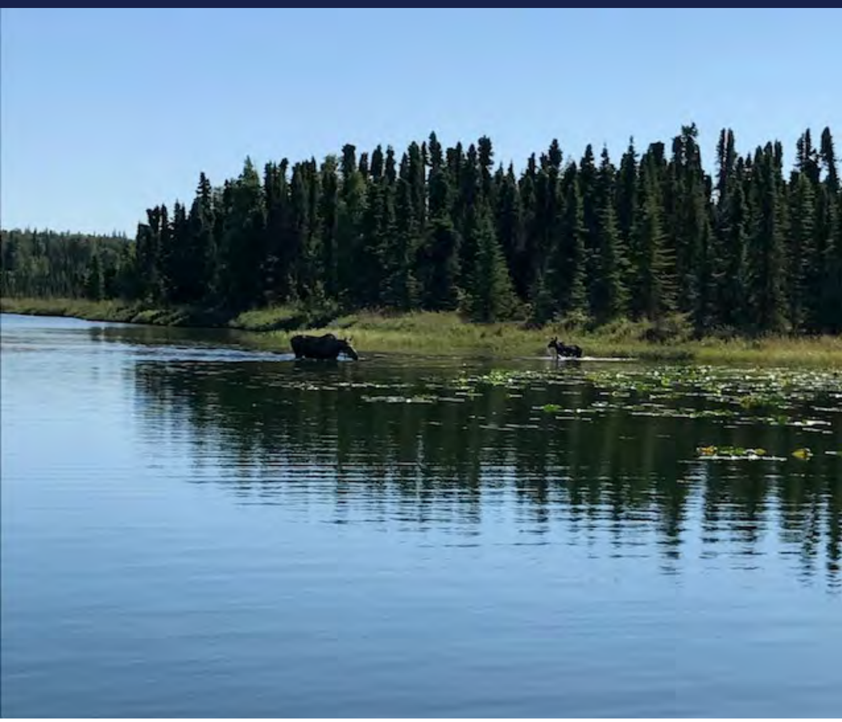
Meeting Essentials



<u>Committee Chair & Presiding Officer Agendas</u>

Include:

- Motions/actions of the body
- Amendment memos are attached
- Laydown Items to add to agenda are attached
- Clerk’s Notes with additional information or information that should be read into the record

Parliamentary Procedure

- Borough Clerk serves as the parliamentarian advisor to the Assembly *AS 29.20.380(a)(10)*
- Assembly's Rules of Procedure – Mason's Manual of Legislative Procedure KPB 22.40.030
  - Except Sections of Chapter 41 – Motions to Reconsider KPB 22.40.185(l)
  - Motions do not need a second

(Mason's) Ten principles that Govern Procedure:

1. The group must have the authority to take actions it purports to take (jurisdiction must be given; it cannot be assumed)
2. There must a meeting of the decision-making group (authority is vested in the group collectively not individual members)
3. Proper notice of the meeting must be given (to all members of the group, and the public in this case)
4. There must be a quorum present at the meeting (majority of the total membership = 5)
5. There must be a question before the group upon which it can make a decision (question by motion or resolution or other proper form; a member has a right to know what the question is and what its effect will be before voting on the question)

Parliamentary Procedure (con't)

6. There must be an opportunity to debate (necessary and required)

7. The question must be decided by taking a vote

8. There must be a majority vote (5) to take an action or decide a question [in some instances 2/3 vote (6) is required (overriding a veto or suspend the rules)]

9. There must be no fraud, trickery, or deception resulting in injury to any member

10. To be valid, an action or decision must not violate any applicable law or constitutional provision.

Principle Applied

Q&A Basics:

- Is the motion amendable?
  - If a motion can be made, it is amendable
- Is the motion debatable?
  - A main motion or other question present a matter of business to the body is debatable
  - A simple procedural motion is not debatable (motion to adjourn, recess, motion lay on the table) – this is because it can be understood without debate.
- May a speaker be interrupted, yes:
  - Point of Order – formal objection raised to address something that is believed to be violating rules of procedure
  - Motion (call the question, suspend the rules, etc.)
  - Urgent circumstances

Principle Applied (con’t)

Is a second required?

- Not for KPB Assembly (legislative body) but if on boards that follow Robert’s Rules of Order, then yes.

What vote is required?

- Majority except the few special requirements for a higher vote (eg. Overriding a mayoral veto, motion to suspend rules)

Can a body change it’s decision?

- Yes, by reconsideration or by bringing forward a new action item (resolution or ordinance) that amends or changes the previous action item.

Meeting Best Practices

- If there is a time limit – enforce it uniformly and regularly, extensions of time should be the rare exception not the rule.
  - This includes formal presentations and even presentations that you want to hear more about . If you need more information, invite the speaker back.
  - Scenario No. 1: Public comment time runs out. The speaker clearly has more to say. You agree with what the speaker was saying. You get recognized by the President and ask: It looks like you had more to say, can you finish?
  - Scenario No. 2: Public comment time runs out. The speaker clearly has more to say. You don't agree with what the speaker was saying. This time you don't ask the speaker to finish.
- Public comment time should not be a time to argue your position through another speaker. By doing this it encourages all members to do the same thing which only makes for longer, less effective, meetings and may garner negative public perception being used as a pawn.
- Deliberative time (meeting) vs information gathering (committee)
- After public hearing is closed, the action item can be debated amongst members for as long as the presiding officer permits or until a member calls for the question and a majority vote in favor… all to say, deliberate during the time for debate not during public comments

Is there ever time for debate?

- A vital component of good governance
- Debate is “essential to enable the members to reach a meeting of the minds”
- It should never be about the person “policy not personal”
- It should occur AFTER close of public hearing
- It should not be redundant, members may be allowed multiple opportunities to speak if recognized by the presiding officer (Assembly President) but not to belabor the same point.
- It is the time to act as a deliberative body and to be as deliberative as the body sees fit.

Good process leads to good results

- Packet process – Packet is published the Tuesday prior to the Assembly meeting (one week before the meeting).
- Regular packet deadline is the Thursday prior to the Tuesday publication.
- Does an action need to be in writing?
  - Transparent public process – good governance – open book
  - A resolution or ordinance must be in writing (AS 29.25.020)
  - Mason's also requires a motion to amend a "bill" to be in writing (MLM, Sec. 400)
    - In addition, under Alaska law, if amendment changes are so substantial as to change the basic character of an ordinance, public hearing process must be repeated.
- It all ties back the people's right to remain informed and protecting that right

Finance Overview

Budget basics, fund accounting, taxation, mill levy and fund balance policy

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Budget Basics

Budget Calendar

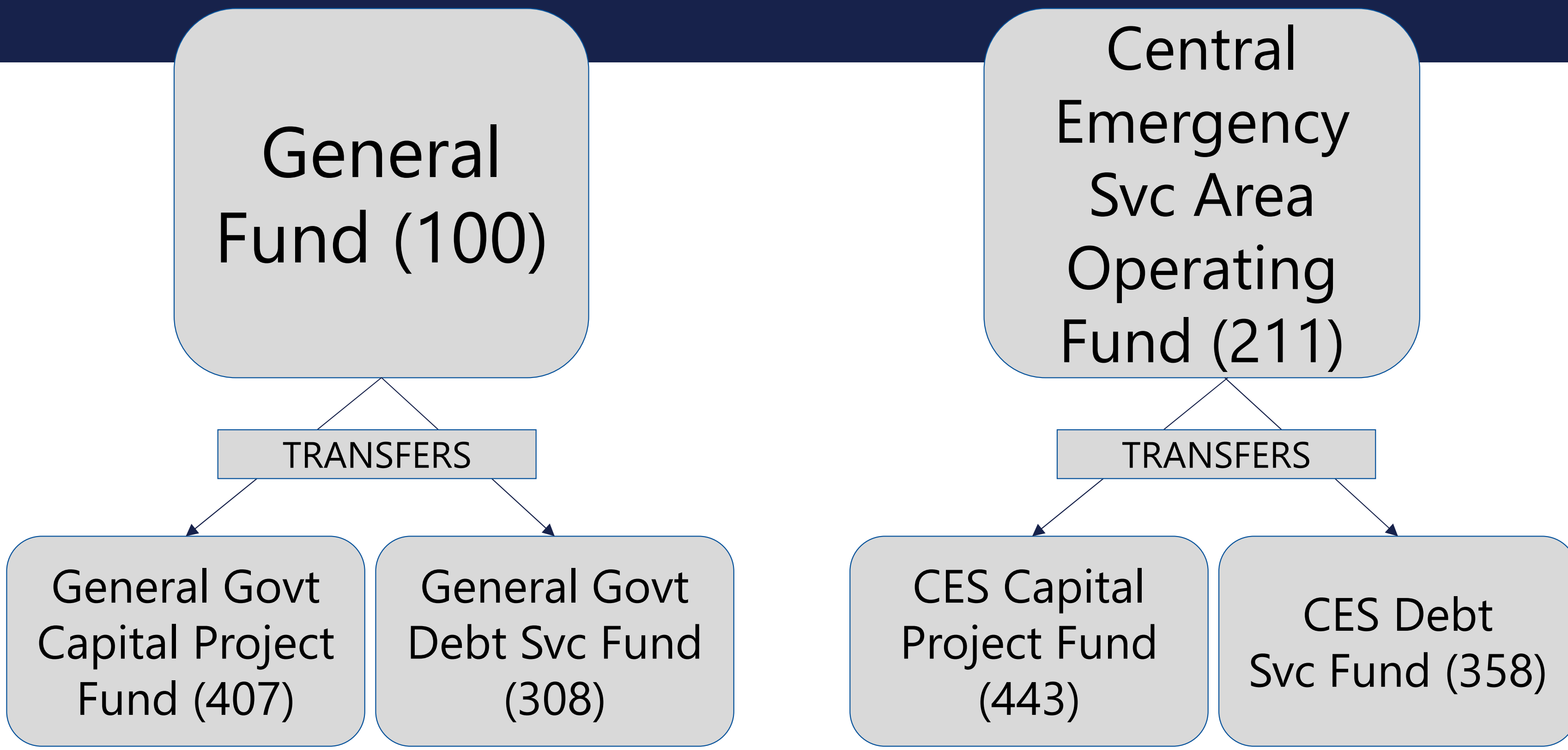
- November – General Budget Preparations
- January - Introduce the budget process to the Departments, and Services Areas.
- February/March – Mayor meets with each Department and Service Area on their budget requests.
- May – Mayor's Proposed Budget is introduced.
- June – Final Budget is passed.
- > June 15^{th} – Mill Levy (tax rates) are set.

Fund Accounting

Fund Accounting

- General Fund (always one) (annual budget)
- Special Revenue Funds (annual budget)
- Capital Project Funds (project length budget)
- Debt Service Funds (annual budget)
- Internal Service Funds (annual budget)

Fund Relationship



Taxation

- Property and sales taxes are the primary sources of revenue for the Borough.

- Per AS 29.45.10, taxes may only be levied by a unified municipality, boroughs and cities.

- Borough is required by state law to collect similar taxes levied by the incorporated cities within its boundaries if they are levied by the borough.

Borough Taxation

- Borough currently levies a 3% sales tax and 4.3 mills on real and personal property on an areawide basis.
- Various mill rates are levied for 14 service areas.

- Tax on real property is based on value of property (ad valorem).
- Boats and airplanes are assessed a flat tax per KPB 5.12.
- 43.56 property is all property used for the pipeline transportation of gas or unrefined oil or for the production of gas or unrefined oil.
- Motor vehicles are taxed as personal property through state system per KPB 5.12.245.

Mill Levy

The mill levy is the "tax rate" applied to the TAXABLE assessed value of property.

Example: Taxable value of house = $300,000.00

General Fund	4.30
Roads	1.40
NPR	1.30
NFSA	3.21
CPGH	.01
	10.22

Total Mill levy in North Peninsula Recreation Taxing area is **10.22** mills.

To determine tax amount multiply $300,000 X .01022 = $3,066.

Setting the Mill Rate or Levy

- Each year the Mayor brings forward an Ordinance to pass the annual budget and a resolution that set the annual mill rate.
- Assembly has final authority to set the mill levy each year for borough including service areas, and does so by resolution after enacting the budget.
- AS 29.45 requires levy to be set before June 15th each year.

Fund Balance Policy

- The Fund Balance Policy is designed to establish unrestricted fund balance ranges for the Borough's General Fund and Service Areas' operating funds.

- Fund balance is the difference between all fund assets and fund liabilities from the inception of the fund.

- It does not equal cash.

Establishing Fund Balance Ranges

Establishment of unrestricted fund balance range should include the following:

- Designations for working capital requirements.
- Designations for operating contingencies
  - Revenue volatility amount
  - Unexpected expenditure
- Designated for future capital expansion and contingencies
- Debt Service

Use of Fund Balance

- Each year the Borough reviews criteria in the policy to present fund balance ranges to the assembly as part of the annual budgetary process.
- According to the policy, if the recommended budget causes the fund balance to fall outside of the approved range, then a three-year plan to come into compliance must be provided.
- Considerations to bring the fund balance into compliance:
  1. Revenues structure changes, to include mill levy and other revenues sources
  2. Adjustments up or down to overall expenditures for the fund
  3. Use of Fund Balance.

KPB Powers

Areawide, Nonareawide & Service Areas

2025 Assembly Skills Refresher

“Powers”

Delegated authority to provide a service, operate a facility, or exercise regulatory authority.

Mandatory Borough Powers

- **Establish, maintain, and operate a system of public schools areawide, as provided in AS 14.14.060.**
- **Assess and collect property, sales, and use taxes that are levied in its boundaries subject to AS 29.45.**
- **Provide for planning, platting, and land use regulation in accordance with AS 29.40.**

Optional Borough Powers

Numerous general powers listed in AS 29.35.010 - .145.

"Areawide" powers include acquiring, managing and disposing of real property, collecting and disposing of solid waste, E911 call-taking, and funding for public transportation services.

"Nonareawide" powers (outside cities), for these purposes including voter adopted special services, include regulating the operation and use of borough rights-of-way, emergency disaster preparation and response powers, economic development powers, provide for ports and harbors if no additional employees are hired and no taxes increased to pay expenses, and regulate the sale and use of fireworks.

CURRENT KPB AREAWIDE POWERS

Mandated / acquired by ordinance

- Public School system - AS 29.35.160
- Planning, platting, land use - AS 29.35.170
- Assessment & Collection of taxes - AS 29.35.180
- Solid waste - AS 29.35.050
- E911 Call Taking - AS 29.35.130
- Transportation - AS 29.35.210

Voter approved

- Senior Citizen Center Grants - KPB 5.22; 1985 Election
- Postsecondary funding - KPB 5.24; 1990 election

CURRENT KPB NONAREAWIDE POWERS

<u>Acquired by ordinance</u>

- Tourism Promotion – O90-32; KPB 19.10
- Economic Development – O97-01; KPB 19.30
- Emergency Services Communication Center – O84-75; KPB 2.60
- Rural Development Fund Program – O90-32; KPB 19.20.

<u>Voter approved</u>

- Port & Harbor - AS 29.35.210; KPB 19.10 (1981 vs 1984 election; not an exercised power.)
- Special Assessment Districts to Finance Road Improvement & Public Utility Districts - election and ordinance: AS 29.46; KPB 5.35 (USAD) and KPB 14.31 (RIAD).

KPB SERVICE AREAS
(AS OF 2025)

Special services (AS 29.35.450)

- **Fire & EMS** (6): Nikiski Fire EMS (KPB 16.12); Kachemak Fire EMS (KPB 16.20); Bear Creek Fire EMS 16.28; Central EMS/Fire 16.30 - .40; Western EMS/Fire 16.60; EPHESA (KPB 16.80)
- **Central Kenai Peninsula Hospital Service Area** (KPB 16.08)
- **North Peninsula Recreation Service Area** (KPB 16.16)
- **South Kenai Peninsula Hospital Service Area** (KPB 16.24)
- **Road Service Area** (KPB 16.41)
- **Seward-Bear Creek Flood Service Area** (KPB 16.50)
- **Seldovia Recreational Service Area** (KPB 16.55)
- **Nikiski Senior Service Area** (KPB 16.70)

Intermission