

Kenai Peninsula Borough

Office of the Borough Mayor

MEMORANDUM

TO: Wayne Ogle, Assembly President
Kenai Peninsula Borough Assembly Members

FROM: Charlie Pierce, Mayor *CP*

DATE: February 22, 2108

RE: Ordinance *2017-19-21* Providing for an Exception to KPB 5.20.080 Authorizing the Transfer of \$3,000,000 from the Land Trust Fund to the General Fund as Part of the Fiscal Year 2019 Budget Appropriation (Mayor)

The administration is working hard to find ways to close the budget deficit and protect the general fund. This includes exploring many potential cost-cutting measures as well as ways to increase revenues. However, there is not sufficient time to make enough cuts or raise enough revenue to close the gap before the commencement of FY 2019.

This one-time transfer of \$3 million from the land trust fund would significantly help to protect the general fund balance for FY 2019. It would reduce the land trust fund balance to approximately \$4,295,939. We are considering other means to increase the land trust fund balance in the near future to offset this reduction.

It is important that we retain an adequate general fund, fund balance. Depleting it further will reduce cash-flow available for daily operations, negatively impact its credit rating, and diminish reserves that would cover revenue shortfalls due to unexpected events.

Your support of this ordinance would be appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>250.27910 (FB)</u>
Amount:	\$ <u>3,000,000.00</u>
By: <u>pp</u>	Date: <u>2/22/18</u>
<u>RPJ</u>	