

Introduced by: Mayor, Tunseth, Truesdell
 Date: 05/05/26
 Hearings: 05/19/26 & 06/02/26
 Date: 05/19/26
 Action: Postponed as Amended to 06/02/26
 Vote: 8 Yes, 0 No, 1 Absent
 Date: 06/02/26
 Action: Enacted as Amended
 Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
 ORDINANCE 2026-19**

AN ORDINANCE APPROPRIATING FUNDS FOR FISCAL YEAR 2027

WHEREAS, Alaska Statute 29.35.100 requires a municipality's governing body to establish the manner for the preparation and submission of the budget and capital program; and

WHEREAS, in accordance with KPB 05.04.020, the Mayor must present a budget proposal to the Assembly for the next fiscal year during or prior to the eighth week preceding the first day of the fiscal year; and

WHEREAS, KPB 1.12.010 and KPB 5.04.050 require two public hearings on the budget proposal;

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

SECTION 1. This is a non-code ordinance.

SECTION 2. That \$111,284,661 is appropriated in the General Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027 as follows:

General Government Operations	\$22,885,831
Transfer to School District for Operations and In-kind Services	62,359,080
Transfer to School Debt Service	7,278,564
Transfer to Special Revenue Funds:	
Solid Waste	11,741,886
Post-Secondary Education	999,300
911 Communications Fund	150,000
Eastern Peninsula Highway Emergency Service Area	300,000
Transfer to Capital Projects Funds:	
School Revenue	4,100,000
General Government	270,000
Solid Waste	1,200,000

SECTION 3. That the following is appropriated to the School Fund from local sources for operations purposes and in-kind services:

A. Local Effort	\$45,896,566
B. Maintenance	10,126,165
C. School District Utilities	81,600
D. School District Insurance	5,927,900
E. School District Audit	174,162
F. Custodial Services	<u>152,687</u>
Total Local Contribution per AS 14.17.410	<u>\$62,359,080</u>

SECTION 4. That disbursements from Section 2 item (A) shall be made monthly, and only as needed to supplement other revenues available and received by the school district to fund the operations portion of the school district budget. Any available balance remaining at the end of the fiscal year shall then be disbursed to the school district, provided that the total amount disbursed shall not exceed the amount allowed under AS 14.17.410 as determined after actual enrollment numbers are known.

SECTION 5. That the appropriations for the Special Revenue Funds for the fiscal year beginning July 1, 2026 and ending June 30, 2027 are as follows:

Nikiski Fire Service Area	\$8,519,316
Bear Creek Fire Service Area	1,164,940
Western Emergency Service Area	3,501,066
Central Emergency Service Area	15,175,905
Central Peninsula Emergency Medical Service Area	10,716
Kachemak Emergency Service Area	2,410,395
Eastern Peninsula Highway Emergency Area	357,190
Seward Bear Creek Flood Service Area	554,198
911 Communications	4,936,124
Kenai Peninsula Borough Road Service Area	10,471,355
Engineer's Estimate Fund	22,550
North Peninsula Recreation Service Area	3,204,562
Seldovia Recreational Service Area	199,162
Post-Secondary Education	999,300
Land Trust	2,458,916
Nikiski Senior Service Area	557,556
Solid Waste	13,512,575
Central Kenai Peninsula Hospital Service Area	5,084,084
South Kenai Peninsula Hospital Service Area (Prior Debt Fund 601)	1,492,419
South Kenai Peninsula Hospital Service Area (Operations Fund 602)	3,208,555

SECTION 6. That \$7,278,564 is appropriated in the School Debt Service Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

SECTION 7. That \$1,458,013 is appropriated in the Central Emergency Services Debt Service Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

SECTION 8. That \$89,995 is appropriated in the Bear Creek Fire Service Area Debt Service Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

SECTION 9. That \$4,264,663 is appropriated in the Central Kenai Peninsula Hospital Service Area Debt Service Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

SECTION 10. That \$1,492,419 is appropriated in the South Kenai Peninsula Hospital Service Area Debt Service Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

SECTION 11. That appropriations for the Capital Projects Funds for the fiscal year beginning July 1, 2026 and ending June 30, 2027 are as follows:

School Revenue	\$4,210,000
General Government	228,827
911 Communications	102,461
Solid Waste	2,050,000
Service Areas:	
Nikiski Fire	550,000
Central Emergency Services	985,000
Kachemak Emergency Services	199,000
North Peninsula Recreation	675,000
Road Service Area	2,000,000
South Kenai Peninsula Hospital	2,771,971

SECTION 12. That appropriations for the Internal Service Funds for the fiscal year beginning July 1, 2026 and ending June 30, 2027 are as follows:

Insurance and Litigation	\$9,473,818
Health Insurance Reserve	8,467,700
Equipment Replacement	850,000

SECTION 13. That the FY2027 budget of the Kenai Peninsula Borough, as submitted to the Assembly on May 5, 2026, is incorporated as a part of this ordinance to establish the appropriations assigned to the various departments and accounts and the positions authorized therein.

SECTION 14. That funds reserved for outstanding encumbrances as of June 30, 2026 are reappropriated for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

SECTION 15. That the Salary Range Schedule for Appendix A Personnel presented in the budget document is approved.

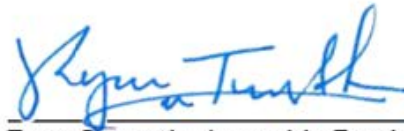
SECTION 16. That the fee schedule presented in the budget document is approved.

SECTION 17. Notwithstanding KPB 5.22.040, which provides that grant funds for senior citizen centers and adult day care centers will be distributed proportionately to the number of persons served by each existing center in relation to the total number being served by all centers that have applied for funding, the grant funds distributed pursuant to KPB Chapter 5.22 will be distributed as set out in this ordinance for FY27.

SECTION 18. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances will not be affected.

SECTION 19. That this ordinance takes effect at 12:01 a.m. on July 1, 2026.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 2ND DAY OF JUNE, 2026.



Ryan Tunseth, Assembly President

ATTEST:



Michele Turner, MMC, Borough Clerk



05/19/26 Vote on motion to postpone as amended to 06/02/26:

Yes: Cooper, Dunne, Ecklund, Eicher, Hicks, Niesen, Truesdell, Tunseth

No: None

Absent: Griebel

06/02/26 Vote on motion to enact as amended:

Yes: Cooper, Dunne, Ecklund, Eicher, Griebel, Hicks, Niesen, Truesdell, Tunseth

No: None

Absent: None