



KENAI PENINSULA BOROUGH

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**MIKE NAVARRE
BOROUGH MAYOR**

MEMORANDUM

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

THRU: Mike Navarre, Mayor *MN*

FROM: Brandi Harbaugh, Acting Finance Director *BY*

DATE: August 24, 2017

SUBJECT: Ordinance 2017-19-07, Appropriating Funds for the Eastern Peninsula Highway Emergency Service Area (Mayor)

For the past year, the emergency medical services (“EMS”) workgroup and mayor’s administration have been working to identify ways to address inconsistent emergency service coverage along the heavily traveled highway that serves as the sole road connection between various communities of the Kenai Peninsula and Turnagin Pass. It was determined that federal Payments in Lieu of Taxes (“PILT”) were well suited as a source of funding for the Eastern Peninsula Highway Emergency Service Area (“EPHESA”). Using PILT funds presents a solution that allows the borough to exercise emergency service powers without requiring a significant overhaul of the budgets of the long-standing service areas in the borough.

On May 16, 2017, the assembly enacted Ordinance 2017-09, establishing EPHESA. On June 20, 2017, the assembly confirmed the appointments to the EPHESA board in accordance with KP.B 16.80.020.

Once the service area was established, the service area board began holding meetings; at its August 8, 2017, meeting the board approved all budget items, to include but not limited to, personnel, supplies, contract services, utilities, insurance, and minor capital items.

The appropriating ordinance presented with this memo appropriates funds in the amount of \$232,493 to cover service area expenditures for a pro-rated (66%) portion of fiscal year 2018. The ordinance also transfers PILT funds from the General Fund to fund the service area expenditures. It is anticipated that for fiscal year 2019, the EPHESA annual operating budget funded to 100% will increase to approximately \$484,919.

Fund: 235 Eastern Peninsula Highway Emergency Service Area - Budget Projection								
FUND BUDGET:	FY2015 Actual	FY2016 Actual	FY2017 Original Budget	FY2017 Forecast Budget	FY2018 Assembly Adopted	FY2019 Projection	FY2020 Projection	FY2021 Projection
Revenues:								
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ 58,125	\$ 116,250	\$ 117,413	\$ 118,587
Interest Earnings	-	-	-	-	-	4,950	5,717	6,383
Total Revenues	-	-	-	-	58,125	121,200	123,130	124,970
Operating Transfers From:								
General Fund	-	-	-	-	350,000	350,000	350,000	350,000
Total Operating Transfers	-	-	-	-	350,000	350,000	350,000	350,000
Total Revenues and Operating Transfers	-	-	-	-	408,125	471,200	473,130	474,970
Expenditures:								
Personnel	-	-	-	-	41,735	75,525	76,280	77,043
Supplies	-	-	-	-	3,200	3,500	3,535	3,570
Services	-	-	-	-	184,958	405,894	409,953	414,052
Capital Outlay	-	-	-	-	2,600	-	-	-
Total Expenditures	-	-	-	-	232,493	484,919	489,768	494,666
Total Expenditures and Operating Transfers	-	-	-	-	232,493	484,919	489,768	494,666
Net Results From Operations	-	-	-	-	175,632	(13,719)	(16,639)	(19,696)
Projected Lapse	-	-	-	-	23,249	24,246	24,488	24,733
Change in Fund Balance	-	-	-	-	198,881	10,527	7,849	5,037
Beginning Fund Balance	-	-	-	-	-	198,881	209,408	217,257
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 198,881	\$ 209,408	\$ 217,257	\$ 222,294

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	100.27910
Amount	\$350,000.00
By: <u>pp</u>	Date: <u>8/24/17</u>