

Kenai Peninsula Borough

**FY2019 Proposed Budget
July 1, 2018 to June 30, 2019**

Borough Mayor

Charlie Pierce

May 1, 2018

Borough Powers, page 22

Mandatory	Acquired areawide	Acquired Service Area	Acquired non-areawide
Public schools	Solid waste (ord)	Emergency services (ele)	Tourism promotion (ord)
Assessment and collection of taxes	Postsecondary funding (ele)	Road maintenance and improvements (ele)	Port & harbor (ele)
Planning, platting, land use	Senior citizen funding (ele)	Hospital (ele)	Special assessment district for USAD (ele & ord)
	E911 call taking (ord)	Recreation (ele)	Rural development (ord)
	Transportation (ord)	Senior citizen services (ele)	Economic development (ord)
Ord-ordinance Ele-election		Flood protection, planning, mitigation (ele)	

The Budget Document

- Operating and capital plans for FY2019
 - Operating fund projections through FY2022
 - Capital fund projections through FY2023
 - Capital projects detail, pages 323-343
 - Increased detail on most projects in excess of \$50,000, pages 344-372
- Transmittal letter, pages 8-17, overview of document including:
 - Major issues (PERS, school funding, revenues)
 - Financial condition summary
 - General Fund
 - Various Service Areas
- Oil and gas property valued at \$1.533 billion
- A \$723 million increase since FY2013
- 89% increase since FY2013
- FY2019 change is \$64 million.

Borough Wide Combined Revenues, not including transfers

	<u>FY2018</u>	<u>FY2019</u>	<u>Change</u>
Property Taxes:			
Real	\$ 50,193,078	\$ 50,939,441	\$ 746,363
Personal	2,447,675	2,420,122	(27,553)
Oil & Gas (AS 43.56)	14,010,728	14,659,226	648,498
Penalty & Interest	529,572	529,013	(559)
Flat Tax	787,443	787,443	-
Motor Vehicle Tax	1,223,702	1,219,487	(4,215)
Total Property Taxes	<u>69,192,198</u>	<u>70,554,732</u>	<u>1,362,534</u>
Sales Tax	29,979,123	30,578,705	599,582
Federal Revenue	3,026,027	3,013,743	(12,284)
State Revenue	4,698,328	4,440,064	(258,264)
Interest Revenue	1,472,984	1,123,577	(349,407)
Other Revenue	<u>25,102,425</u>	<u>26,628,720</u>	<u>1,526,295</u>
Total Revenues	<u>\$ 133,471,085</u>	<u>\$136,339,541</u>	<u>\$ 2,868,456</u>

Borough-wide expenditures by function

	<u>FY18 Expenditures</u>		<u>FY19 Expenditures</u>		<u>Change</u>	
EDUCATION	55,735,211	40.30%	57,387,038	40.27%	1,651,827	0.03
GENERAL GOVERNMENT	19,528,762	15.40%	18,869,613	13.24%	(659,149)	(0.03)
PUBLIC SAFETY	19,316,440	14.00%	23,878,529	16.75%	4,562,089	0.24
RISK MGNT & ERF	12,335,942	8.90%	12,358,271	8.67%	22,329	0.00
CPGH & SPH	11,953,499	8.70%	13,076,978	9.18%	1,123,479	0.09
SOLID WASTE	8,739,669	6.30%	8,162,205	5.73%	(577,464)	(0.07)
ROADS	6,408,911	4.70%	6,355,211	4.46%	(53,700)	(0.01)
RECREATION	2,378,901	1.70%	2,418,903	1.70%	40,002	0.02
	<u>136,397,335</u>		<u>142,506,748</u>		<u>6,109,413</u>	

Change in Borough-wide expenditures by function, cont.

Education

Operations	1,500,000
Maintenance - facilities	2,616
Debt Service transfer	(22,670)
Capital projects	175,000
KPC	(3,119)
	<hr/>
	1,651,827
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Change in Borough-wide expenditures by function, cont.

General Gov't

Assembly	(62,523)
Mayor	(6,231)
Purchasing	(8,533)
Information Technology	86,290
OEM	38,122
General Service	(2,698)
Legal	(5,319)
Finance	(194,012)
Assessing	(41,134)
Planning	(15,364)
Economic Development	(165,000)
Nondepartmental	(599,844)
Senior Citizens	11,055
Land Trust Fund	196,042
Capital projects	110,000
	<hr/>
	(659,149)
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Change in Borough-wide expenditures by function, cont.

Public Safety

Nikiski Fire	3,080,826
Bear Creek	70,145
Anchor Point	204,631
CES	638,083
Kachemak	237,633
EPHESA	406,800
SEWARD Bear Creek Fd	26,709
E911	(102,738)
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	4,562,089
	<hr/>

Change in Borough-wide expenditures by function, cont.

Risk Management

Risk Manage & ERF	<u><u>22,329</u></u>
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Hospitals

CKPHSA	2,072,781
SKPHSA	(949,302)
	<u><u>1,123,479</u></u>

Solid Waste

Operations	(266,843)
Capital projects	(300,000)
Debt Service	(10,621)
	<u><u>(577,464)</u></u>

Roads

Roads	<u><u>(53,700)</u></u>
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Recreation

NPR	32,464
SRSA	7,538
	<u><u>40,002</u></u>

FY2019 Budget Challenges

- 30+ months of recession in the local KPB economy.
- State budget woes
 - Impact to state and local budgets due to decline in the price of oil
 - School funding
 - Grants
 - Revenue sharing
 - SOA - Lack of long-term plan, downgrade by Wall Street to AA/AA-
- Sales tax revenues, limited growth over past three years
- Keeping fund balance above the minimum required amount per the fund balance policy

Proposed Mill rates-FY2019

History FY2014 to FY2019

	Fiscal Year					
	2014	2015	2016	2017	2018	2019
Borough	4.50	4.50	4.50	4.50	4.50	4.50
Service Areas:						
Anchor Point Fire & Emergency Medical	2.25	2.25	2.75	2.75	2.75	2.75
Bear Creek Fire	3.25	3.25	3.25	3.25	3.25	3.25
Central Emergency Services	2.65	2.65	2.65	2.72	2.60	2.85
Central Kenai Peninsula Hospital	0.02	0.01	0.01	0.01	0.01	0.01
Central Peninsula Emergency Medical	1.00	1.00	1.00	1.00	1.00	1.00
Kachemak Emergency Services	2.25	2.60	2.60	2.60	2.60	2.60
Nikiski Fire	2.90	2.90	2.90	2.80	2.70	2.70
Nikiski Senior	0.20	0.20	0.20	0.20	0.20	0.20
North Peninsula Recreation	1.00	1.00	1.00	1.00	1.00	1.00
Roads	1.40	1.40	1.40	1.40	1.40	1.40
Seldovia Recreation Service Area	0.75	0.75	0.75	0.75	0.75	0.75
Seward Bear Creek Flood	0.50	0.75	0.75	0.75	0.75	0.75
South Kenai Peninsula Hospital	2.30	2.30	2.30	2.30	2.30	2.30

General Fund

pages 53-138 & 331

FY2019 Budget Highlights-General Fund

Property Taxes

- Taxable Property Values, increase from \$8.1 billion to \$8.2 billion
 - Taxable Oil and Gas up \$64.3 million
 - Taxable Real Property, up \$27.6 million
- Approximately 40% of Borough's real property owned by taxpayers residing outside the Borough
- Including oil & gas, @ 50% of all taxable property is owned by taxpayers outside the Borough
- Mill rate 4.5 mills, remains the same since FY2008

Sales Tax

- Budgeted at \$30,578,705, equivalent to **4.35** mills, increase of \$600,000 from FY2018 budget

FY2019 Budget Highlights-General Fund

Federal

- Includes PILT \$2,600,000 and EMPG \$140,000

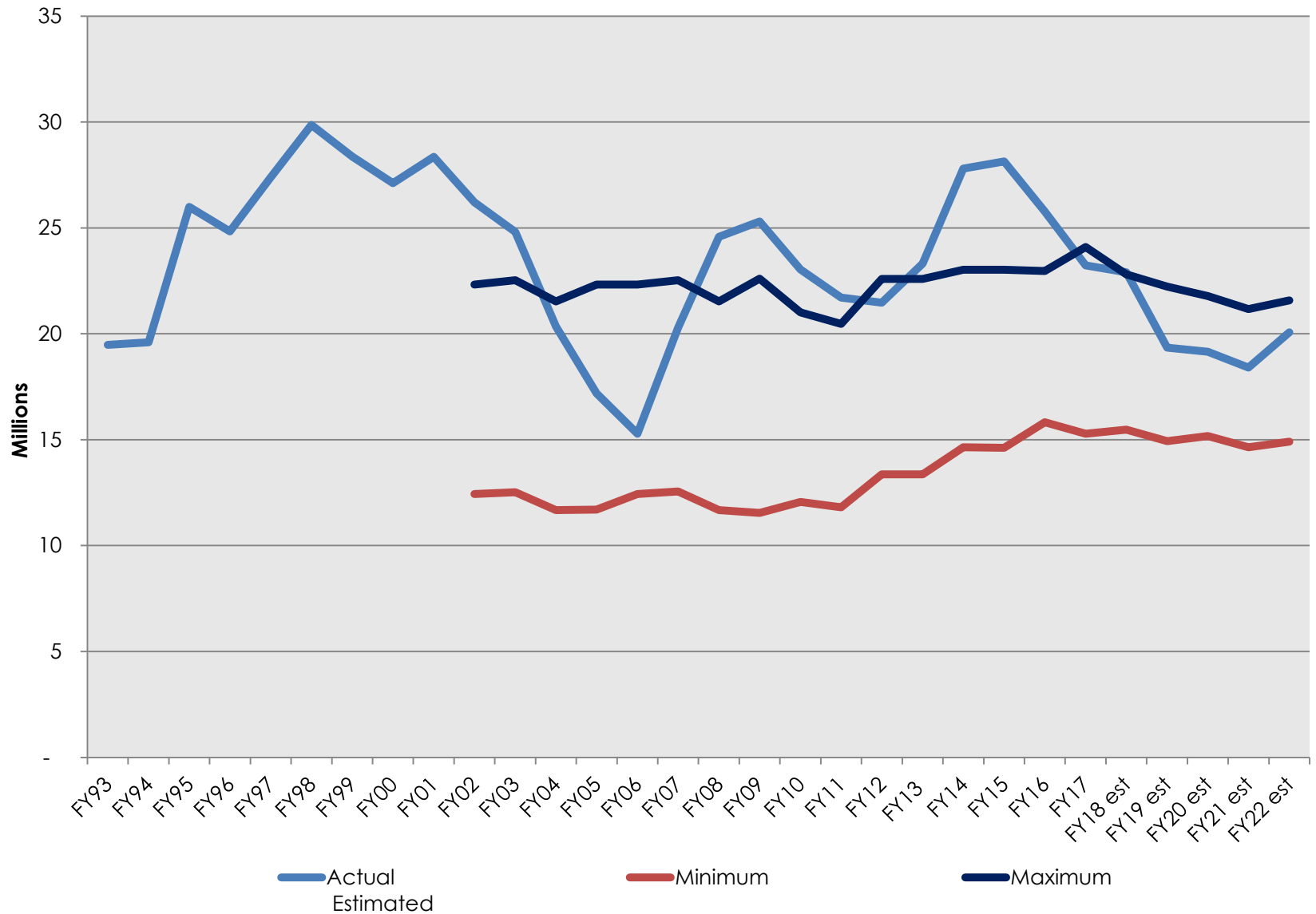
State

- Revenue sharing of \$830,672, 23% reduction from prior year
- Fish tax of \$750,000
- School Debt reimbursement of \$2,654,392
- Other \$205,000 (KRC rent + Telephone and Electric)

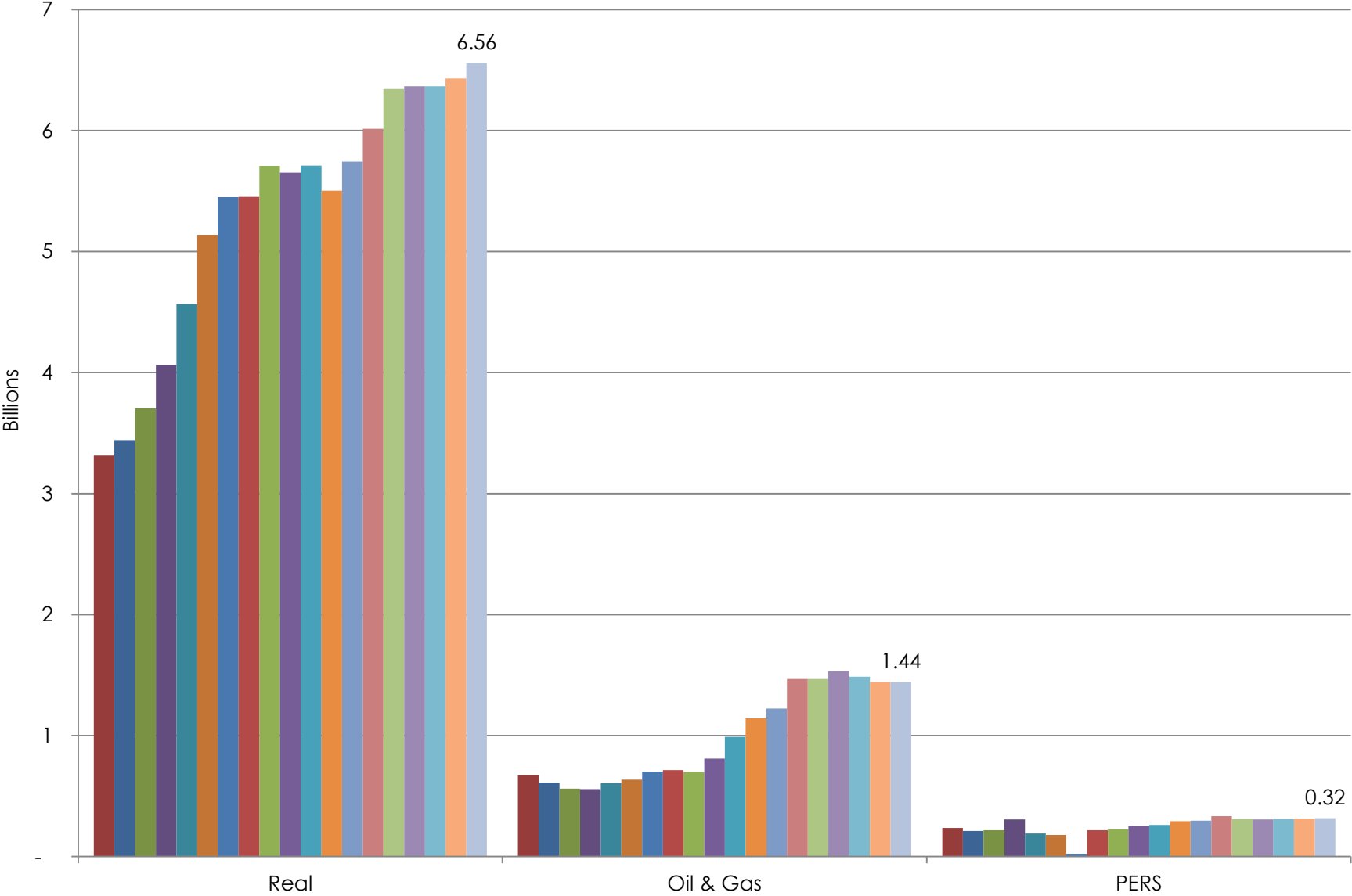
Fund Balance

- FY2019 proj **decrease** of \$3,554,528, **(net of projected lapse);**
- FY2018 **decrease** of \$334,734 **(net of projected lapse);**
- FY2017 **decrease** of \$2,544,809 **(net of projected lapse);**
- FY2016 **decrease** of \$2,359,798 **(net of projected lapse);**
- FY2015 increase of \$336,636 **(net of projected lapse).**

General Fund, fund balance FY1993 to FY2022



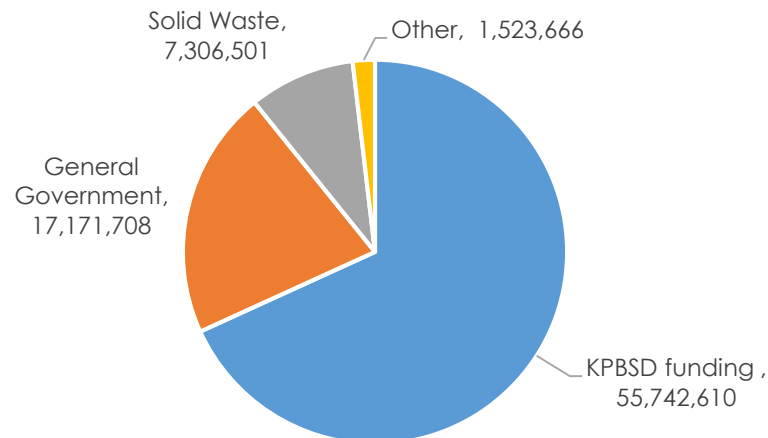
Taxable Assessed Values FY2004 - FY2022 est



General Fund FY2019 Expenditure Highlights

	<u>FY2018</u>	<u>FY2019</u>	<u>Difference</u>	<u>% change</u>
KPBSD funding <i>(including debt and capital projects)</i>	54,625,380	55,742,610	1,117,230	2.05%
General Government	18,147,954	17,171,708	(976,246)	-5.38%
Solid Waste	7,548,932	7,306,501	(242,431)	-3.21%
Other <i>(includes KPC, E911 and capital projects)</i>	1,526,785	1,523,666	(3,119)	-0.20%
Total expenditures	<u>81,849,051</u>	<u>81,744,485</u>	<u>(104,566)</u>	-0.13%

General Fund Expenditure highlights FY2019



Expenditure summary

By category	FY2018 Original Budget	FY2019 Proposed Budget	Change
Personnel	\$14,529,597	\$14,368,460	(\$161,137)
Supplies	222,697	190,640	(32,057)
Services	4,304,726	3,945,113	(359,613)
Capital Outlay	75,565	81,670	6,105
Transfer	63,701,097	64,572,777	871,680
Interdepartmental charges	<u>-984,631</u>	<u>-1,414,175</u>	<u>(429,544)</u>
Total	\$81,849,051	\$81,744,485	(\$104,566)
Increase of			-0.13%

Change in Personnel summary

	FY2009	FY2018	FY2019	Change between FY2009 & FY2019
Assembly				
Clerk's Office	3.67	3.67	3.67	0.00
Records Management	1.83	1.83	1.83	0.00
Department Total	5.50	5.50	5.50	0.00
Mayor	6.00	5.00	4.50	-1.50
Purchasing, Contracting and Capital Projects	** 13.00	9.00	8.00	-5.00
Office of Emergency Mgmt	3.55	4.00	4.00	0.45
General Services				
Administration/Human Resources	4.00	5.00	5.00	1.00
Printing/Mail	1.80	1.25	1.25	-0.55
Custodial Maintenance	1.25	1.25	1.25	0.00
Department Total	7.05	7.50	7.50	0.45
IT	11.00	11.50	11.50	0.50
Legal	5.00	5.00	5.00	0.00
Finance				
Administration	3.00	3.00	3.00	0.00
Financial Services	8.00	8.00	7.50	-0.50
Property Tax and Collections	8.00	7.00	7.00	-1.00
Sales Tax	4.00	4.00	4.00	0.00
Department Total	23.00	22.00	21.50	-1.50
Assessing				
Administration	9.00	10.00	10.00	1.00
Appraisal	13.00	12.00	14.00	1.00
Department Total	22.00	22.00	24.00	2.00
Resource Planning				
Administration	9.00	9.00	8.75	-0.25
GIS	4.00	4.00	4.00	0.00
River Center	5.00	5.00	5.00	0.00
Department Total	18.00	18.00	17.75	-0.25
Total General Government	114.10	109.50	109.25	-4.85
** Capital Projects was combined into Purchasing and Contracting in 2016				

Difference between School funding and Expenditures

	<u>FY18</u> <u>Expenditures</u>	<u>FY19</u> <u>Expenditures</u>	<u>Difference</u>	<u>FY19</u> <u>Expenditures</u>	<u>FY19 Funding</u>	<u>Difference</u>
Cash - Operations	38,883,797	40,383,797	1,500,000	40,383,797	40,383,797	-
In-kind facility	7,967,751	7,932,374	-35,377	7,932,374	7,432,374	-500,000
In-kind custodial	118,063	120,393	2,330	120,393	120,393	-
In-kind Audit fees	65,000	93,000	28,000	93,000	93,000	-
In-kind Insurance	2,613,921	2,621,584	7,663	2,621,584	2,621,584	-
Utilities	89,900	89,900	-	89,900	89,900	-
	49,738,432	51,241,048	1,502,616	51,241,048	50,741,048	-500,000
241 Fund Balance (not considered local contribution)					500,000	500,000
	49,738,432	51,241,048	1,502,616	51,241,048	51,241,048	0

School related data

	FY2009	FY2019 proposed
School operational funding	\$ 37,712,068	\$ 50,241,048
School enrollment	9,167	8,778
Per student funding	\$ 3,727	\$ 5,780
School Capital & Debt	\$ 3,834,887	\$2,347,170
Total funding	\$ 41,546,955	\$ 53,088,218

School Funding FY2015 vs FY2019

Funding for Borough Schools is provided as follows:

	FY2015		FY2019	
Sales Tax	30,139,903	61%	30,578,705	55%
State of Alaska - debt service	2,901,870	6%	2,654,392	5%
Property tax and other	16,358,754	33%	22,509,513	40%
Total revenue	49,400,527	100%	55,742,610	100%

School related data, continued

Borough required and Maximum Allowable Contribution - FY2019

Required FY2019 contribution options (the lessor of the two)

2017 (FY2018) Full and true tax value (Borough FY2018 assessed values is \$8,140,475)	\$ 10,265,418,090	*	2.65 mills	27,203,358
45% of FY2018 basic need	\$106,774,815	*	45%	48,048,667

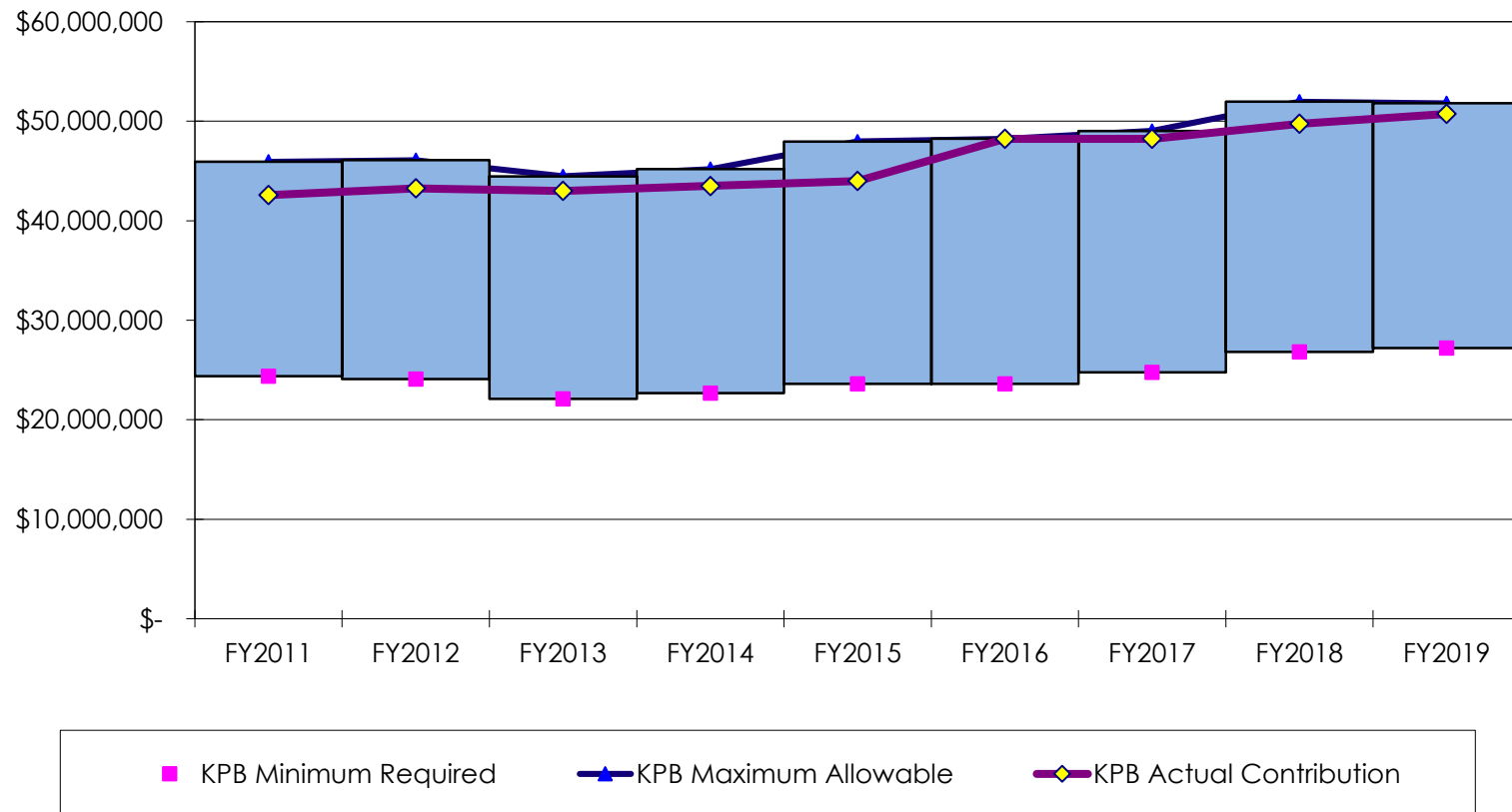
Additional allowable local FY2019 contribution options (the greater of the two)

23% of FY2019 basic need	\$106,925,372	*	23%	24,592,836
FY2018 Full and true tax value times 2 mills	\$10,265,418,090	*	2.00 mills	20,530,836

Minumum contribution	27,203,358
Maximum contribution	51,796,194

School related data, continued

School Funding
Minimum and maximum required contribution
and actual contribution FY2011-FY2019



Why is Fund Balance Important to the Borough

Reserve to assist us when we have unexpected events, expenditures or reductions in anticipated revenues.

Why is Fund Balance Important to the Borough, cont.

We developed a policy in 2001, and it was approved by the Assembly through Resolution 2001-045

The policy set a minimum and maximum driven by 3 perspectives of the borough

1. Working Capital
2. Unexpected events
3. Future needs

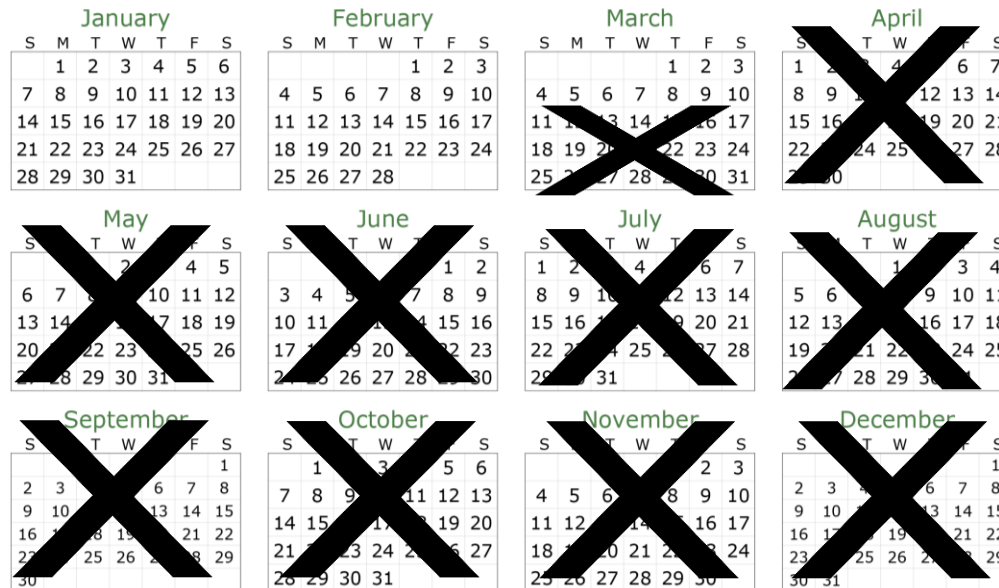
Working capital

Cash to support our daily operations,
pay the daily bills, payroll and etc.

FY17	General Fund Monthly Expenditures
July	8,074,000
August	6,840,000
September	7,007,000
October	8,000,000
November	10,100,000
December	5,600,000
January	6,000,000
February	5,540,000
March	5,400,000
April	5,580,000
May	5,000,000
June	6,000,000
	<u>79,141,000</u>

Working capital

Say we had to utilize the fund balance on Jan 1, Based on our expenditures we would be out of funds by March (about 2 months)



Unexpected events

Cash to support emergencies or
unexpected events

September 2012 Floods	\$2,041,652
October 2013 Flooding	\$ 647,987
Funny River fire 2014	\$ 232,242
Feuding Lane Fire 2016	\$ 212,247

Future needs

- Building updates
 - Asbestos
 - Lack of insulation
 - Adequate fire protection
 - HVAC system
- PERS
- Potential for declining oil and gas revenues
- Reduced grant funding available
- Future education funding
- Changing technology and capital needs
- Changing legislation, potential implementation costs

General Fund

Fund Balance components

Fund Balance
is made up of
components:

Fund balances:

Nonspendable:

Long-term notes receivable	4,083,154
Prepays	20,638

Restricted:

General government	145,178
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Committed:

Outstanding committed contracts	345,118
Software upgrades	19,036
Public safety facilities and equipment	125,000
Professional services	181,850

Assigned:

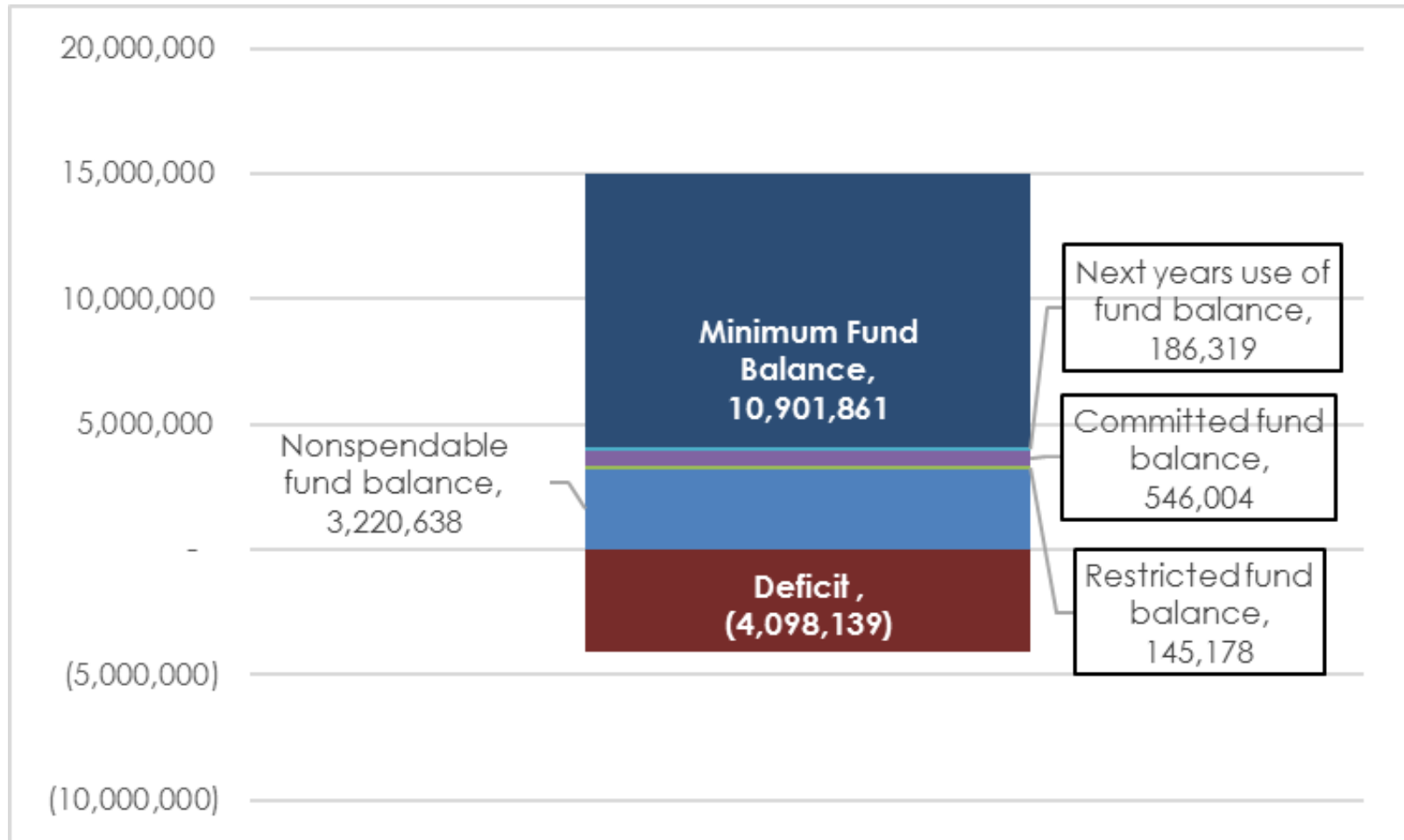
Subsequent year's expenditures	3,030,042
Minimum fund balance policy	15,284,011
General government	-

Unassigned

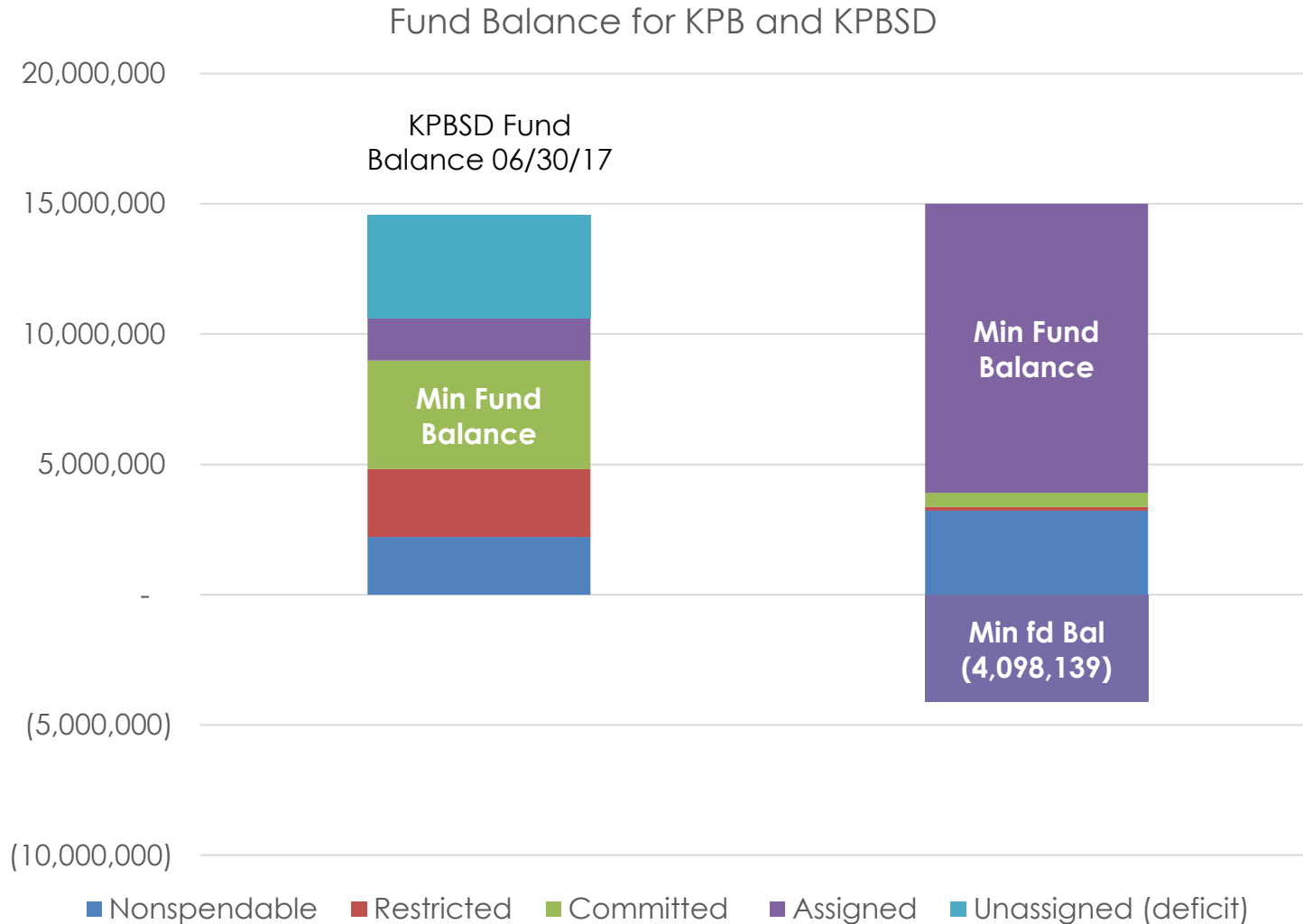
Total fund balances

23,234,027

General Fund with a fund balance of \$15M



The Borough's Fund Balance at \$15M in relation to the KPBSD actual fund balance



Education funding shift in burden

- As our assessed values increase over time, due to the funding formula at the State of AK, the amount of funding required to be provided by the Borough has increased, therefore making the School District more dependent on the Borough's contribution.

Revenue changes over recent years

Revenue choices that have decreased the revenues for the Borough over the past 10 years:

- Mill rate has remained at 4.5 since FY2008
- Sales tax rate has been 3% since 1/1/2008
- Nonprepared food tax 1/1/2009
(lost \$3.3M annually, \$33 million over past 10 years)
- Residential property tax exemption increased from 20K to 50K in FY2015
(lost \$1.3M annually, \$6.5 million over past 5 years)

The FY2019 Proposed budget plan

- General government cuts of \$976,246, 5.4%
- Solid Waste cuts of \$242,431, 3.2%
- Admin Service fee of 2.5% reducing expenditures for the General Fund by \$632,691.
- One time transfer from the Land Trust fund for \$4.5M.
- Repayment schedule to pay back Land Trust fund \$2.25M in FY2020 and \$2.25M in FY2021.
- Mill rate reduction of 1.5 mills contingent upon voter approval of sales tax increase from 3% to 5%.
- Increased School District funding of \$1.5

Impact to Property taxpayer

On a \$200,000 home (after exemptions)

Mill reduction of 1.5 mills = \$300 annual savings

Offset by an increase in sales tax from 3% to 5%

Spend approx. \$1,250/month on taxable items = \$300 more in sales tax annually

Net effect \$ - 0 -

- This reduction in property tax mill and increased sales tax distributes the burden to a broader tax base, sharing with individuals that otherwise are not contributing to the borough, but utilizing Borough resources (Tourist, exempt individuals, renters, etc.).
- Approximately 25% of sales tax revenue is tourist related

Tourism Contribution

Make up 25% of the sales tax income for the Borough

McDowell Group reported in Feb 2018 = 562,000 visitors came out of state to the Borough in 2016

25% of our STX = $\$7,500,000 / 562,000$ visitors
\$13 each

With increased sales tax rate they will pay \$22 ea

Estimated Impact

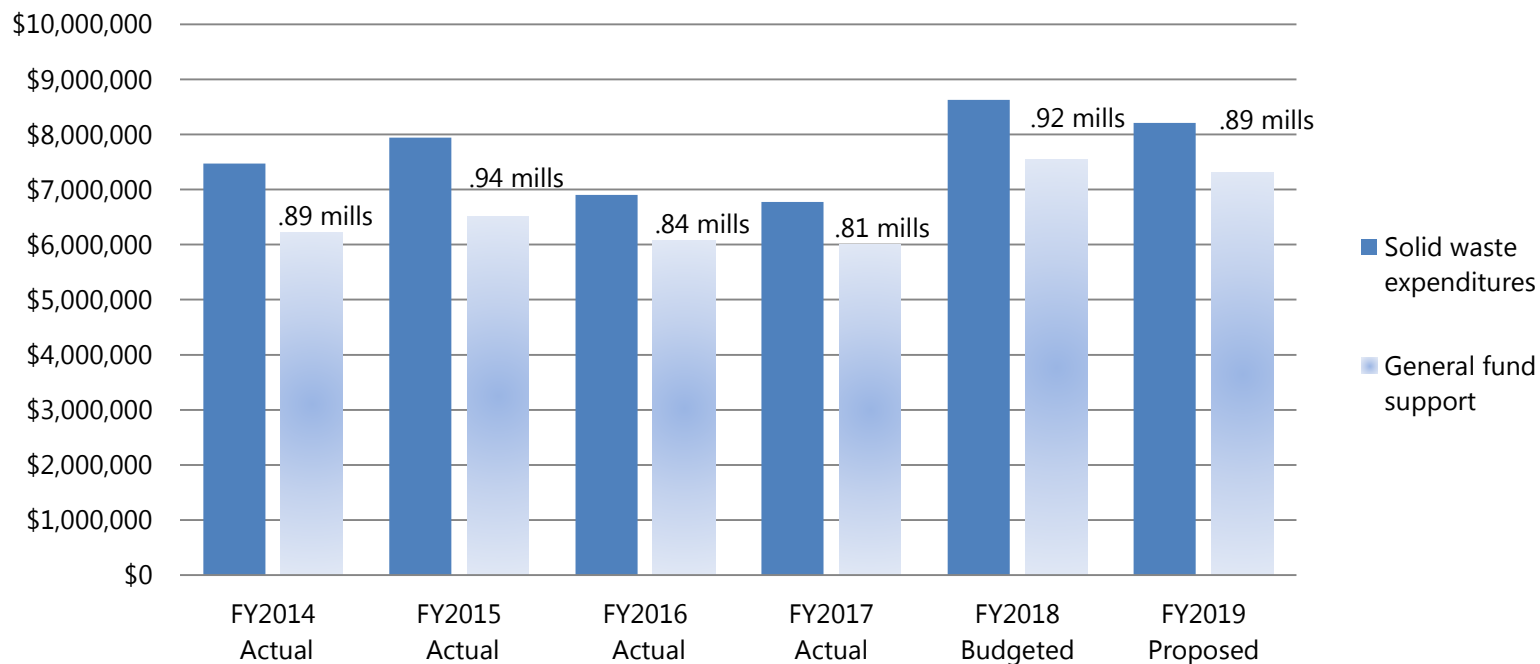
	<u>3% STX & 4.5 PTX</u>	<u>5% STX & 3 PTX</u>	<u>Change</u>
Fed/interest/other revenues	3,675,000.00	3,675,000.00	-
Property tax owners	42,900,000.00	41,230,000.00	(1,670,000.00)
State of AK	11,300,000.00	8,900,000.00	(2,400,000.00)
Tourist	7,500,000.00	12,500,000.00	5,000,000.00
Seniors	3,800,000.00	6,400,000.00	2,600,000.00
Renters/other/businesses	8,125,000.00	11,695,000.00	3,570,000.00
	<u>77,300,000.00</u>	<u>84,400,000.00</u>	<u>7,100,000.00</u>

Solid Waste Program

Operating budget of \$8,212,205, decrease of \$427,464

General Fund support of \$7,306,501– (equivalent to .89 mills),
decrease of \$242,431

Solid Waste
Summary of Expenditures and Support
FY2014 to FY2019



Indirect cost allocation plan, admin service fee

- Proposed in the FY19 budget is a 2.5% admin service fee. This fee provides a charge back mechanism to recapture expenditures and resources that are being spent on service areas specifically. The General fund provides; invoice processing, paychecks, tax billing, IT support, legal support, Human Resources support, Clerk's office support, Purchasing and others.
- This fee will generate \$632,691 in recovery charges for the General fund.

Service Areas

Comparison of FY2019 Proposed Budget and FY2018 Approved budget

Service Areas

	FY2018	FY2019	Variance	% change
Nikiski Fire	7,710,593	5,243,447	(2,467,146)	-32.00%
Bear Creek	575,001	613,093	38,092	6.62%
Anchor Point	1,179,710	1,208,331	28,621	2.43%
CES	8,894,663	9,506,338	611,675	6.88%
CPEMS	6,704	7,614	910	13.57%
KESA	1,067,783	1,204,771	136,988	12.83%
EPHESA	-	406,800	406,800	186.00%
Seward Flood	345,306	372,015	26,709	7.73%
911	2,454,064	2,351,326	(102,738)	-4.19%
NPR	2,217,134	2,313,598	96,464	4.35%
Seldovia Rec	61,767	69,305	7,538	12.20%
Roads	8,346,911	8,303,211	(43,700)	-0.52%
KPC	823,804	820,685	(3,119)	-0.38%
Land Trust	893,663	1,089,705	196,042	21.94%
Nikiski Seniors	387,145	398,200	11,055	2.86%
Solid Waste	8,639,669	8,212,205	(427,464)	-4.95%
CPGH	7,657,508	9,730,289	2,072,781	27.07%
SPH	4,247,708	4,195,069	(52,639)	-1.24%

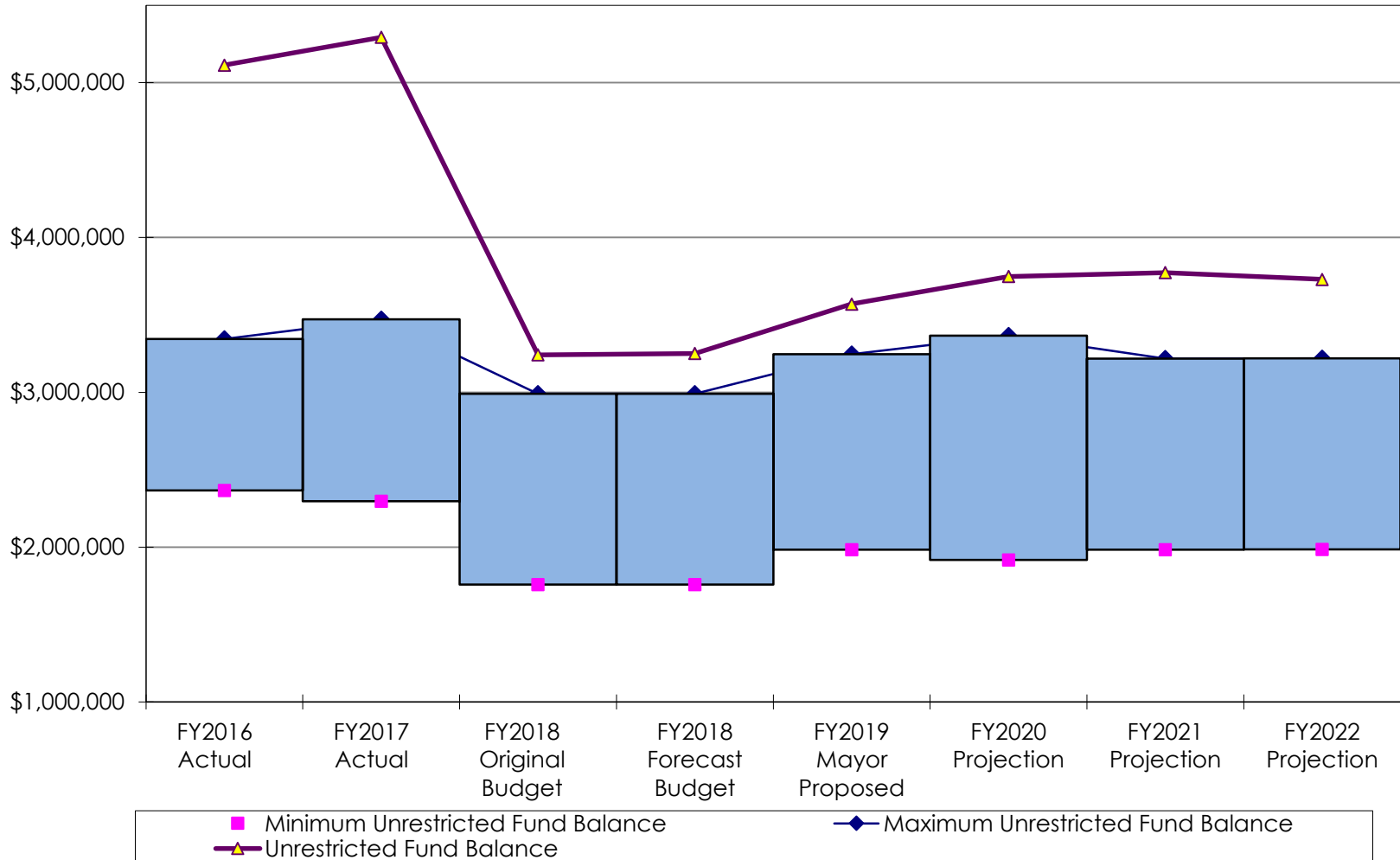
Change in Personnel summary for Service Areas

	FY2009	FY2018	FY2019	Change between FY2009 & FY2019
<u>Other Funds:</u>				
School				
Custodial Maintenance	1.25	1.25	1.25	0
Maintenance Department	45	45	44.6	-0.4
Department Total	46.25	46.25	45.85	-0.4
Nikiski Fire Service Area	21	21.75	21.25	0.25
Bear Creek Fire Service Area	0.75	1.5	2	1.25
Eastern Peninsula Highway Emergency Service Area	0	0.5	0	0
Anchor Point Fire & Emergency Medical Service Area	1	4	5	4
Central Emergency Service Area	33.5	41	44	10.5
Kachemak Emergency Service Area	1	4	5	4
911 Communication	8.7	13	13	4.3
Seward-Bear Creek Flood Service Area	0.75	1.5	1.5	0.75
North Peninsula Recreation Service Area	13.25	14.65	14.65	1.4
Roads Service Area	8	8	7.4	-0.6
Land Trust	5	5	5	0
Nikiski Senior Service Area	-	-	-	0
Solid Waste				
Administration	4.75	5	5	0.25
Central Peninsula Landfill	12	10.5	10.5	-1.5
Seward Landfill/Transfer Facility	0	0	0	0
Homer Baler	4	0	0	-4
Department Total	20.75	15.5	15.5	-5.25

Nikiski Fire Service Area, pages 151-158 & 334

- Mill rate of 2.70, reduced from 2.8 to 2.7 in FY18
- Assessed values down \$24M
 - Real down \$98M
 - Personal up \$786,000
 - oil & gas up \$73M,
- Total expenditures down \$2.5 million;
 - Operations up less than 1%
 - Capital transfer down \$2.5M
- Capital project – Proposed new station \$3.2M page 334 & 357
- Fund balance above range, expected to be within range in the out years due to future capital needs

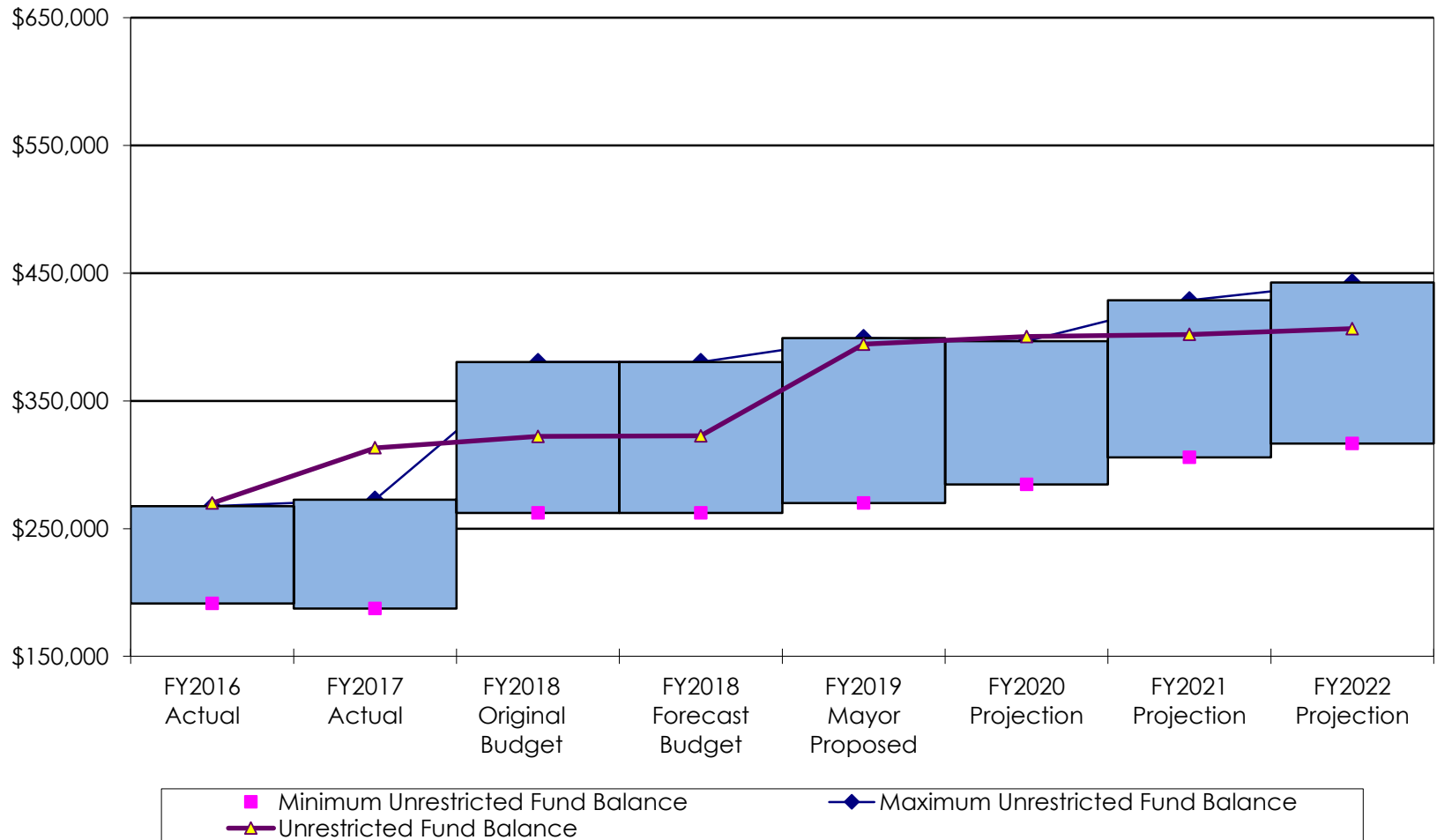
Nikiski Fire Service Area Unrestricted Fund Balance



Bear Creek Fire, pages 159-166 & 335

- Mill rate of 3.25 since 2013
- Increase two $\frac{3}{4}$ time positions to full-time in order to absorb the coordination duties for EPHESA, increase of \$41K offset by contract revenue of \$57K
- Phasing in SCBA bottles and turnout gear over next 4 years
- Assessed values increased \$13M, tax revenues up \$41,000.

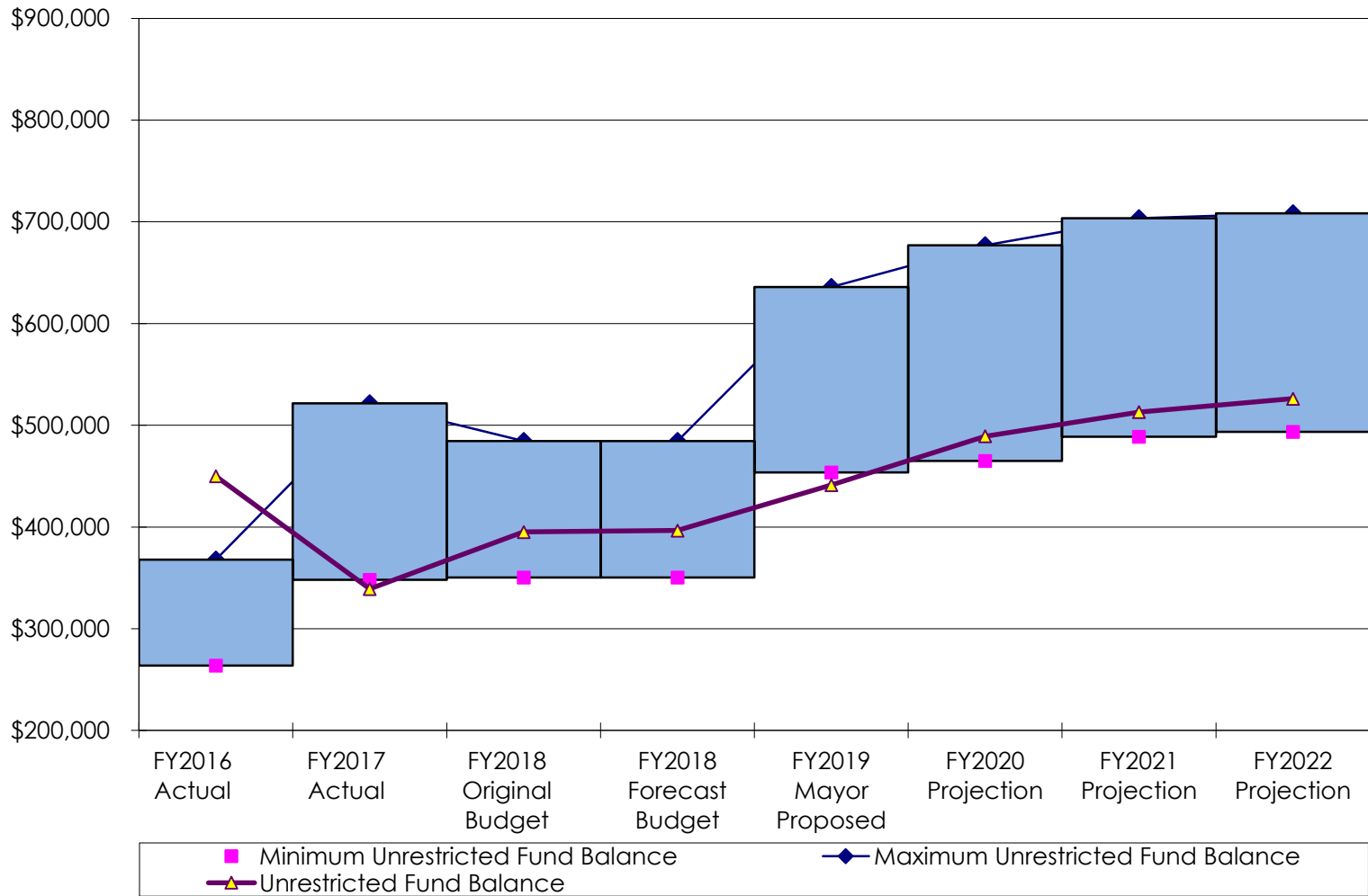
Bear Creek Fire Service Area Unrestricted Fund Balance



Anchor Point Fire and Emergency Medical Service Area, pages 167-173 & 336

- Mill rate of 2.75, planned to increase to 2.80 in FY2020
- Assessed values up \$10.5M,
 - oil & gas down \$3.5M, revenue \$10K
 - Real up \$14K, revenues \$39K
- Increased two half-time positions to full-time positions, and anticipate a reduction in overtime wages as a result.
- Capital project scheduled totaling \$235,850
 - CES surplus ladder truck, phases of fill site, boiler

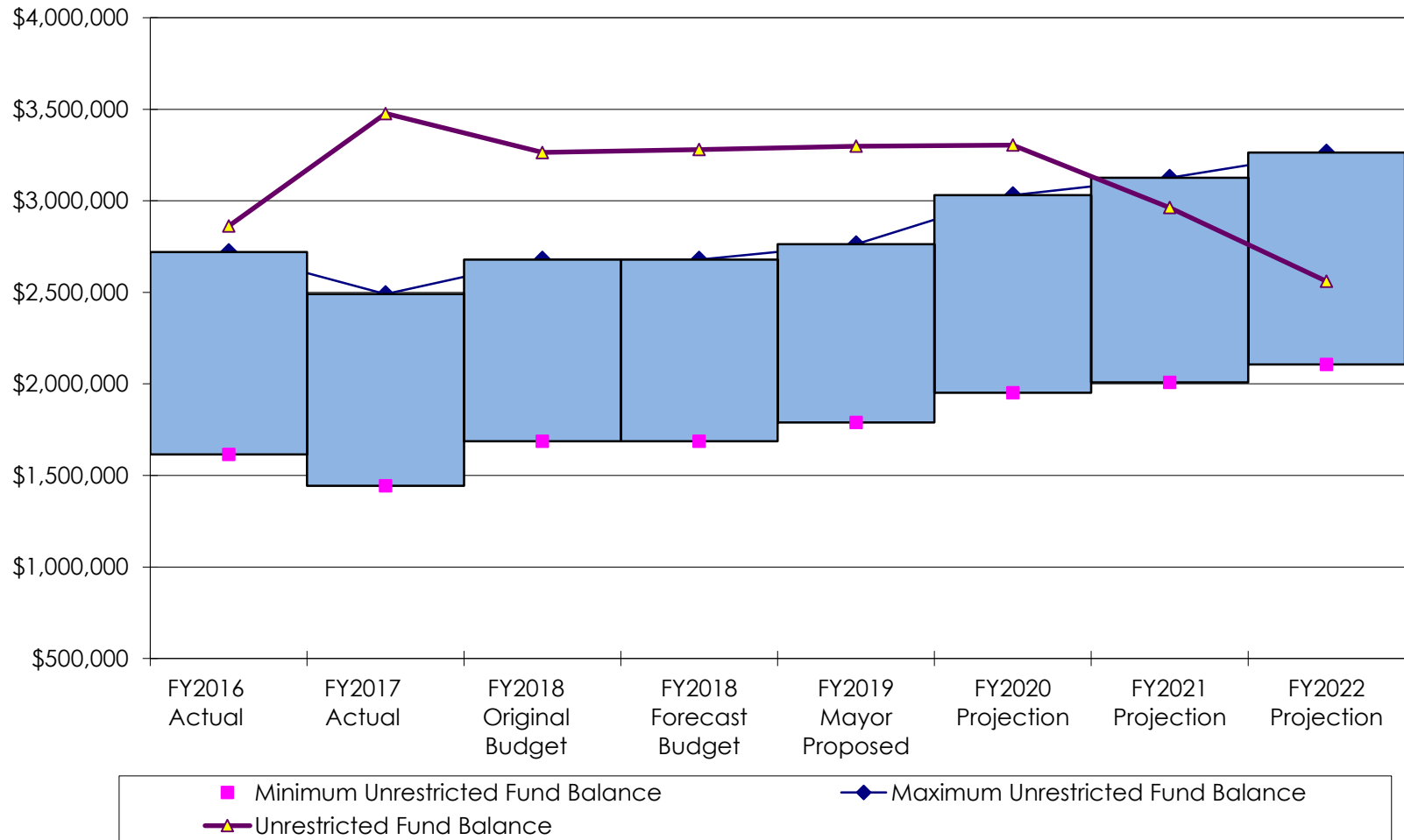
Anchor Point Fire and Emergency Medical Service Area Unrestricted Fund Balance



CES, pages 175-182 & 337

- Mill rate of 2.60,
 - Proposed increase .25 mills in FY2019
 - Mill rate was 2.72 in FY2017
- Assessed values up \$38M, total revenue up \$825,000
- Reworked shifts to provide for better coverage in the Funny River Area.
 - Added 3 Firetech Engineers/paramedics
 - Increased shift pay for volunteers to help incentivize
- Capital project appropriations of \$795,000
 - SCBA replacements

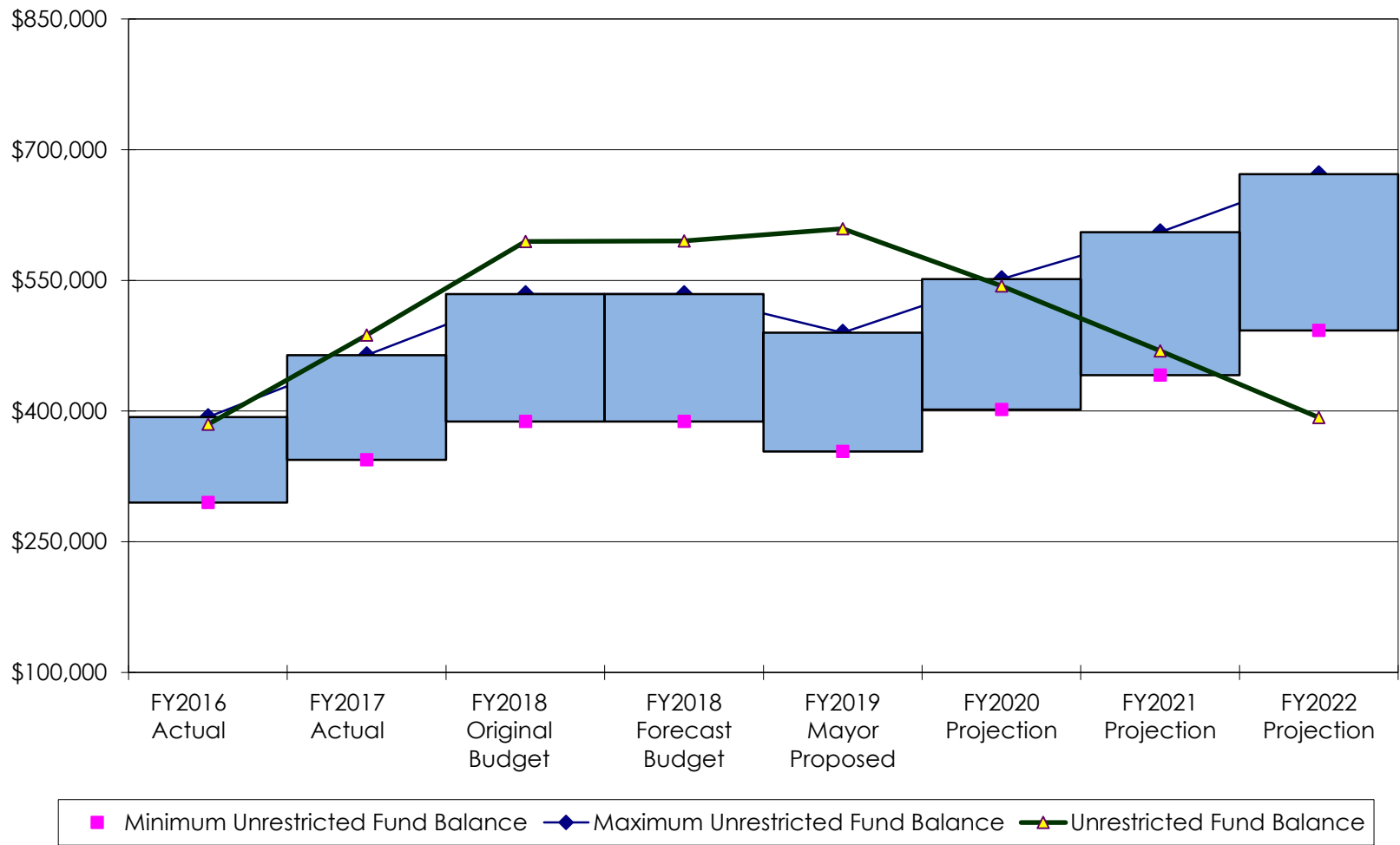
Central Emergency Services Unrestricted Fund Balance



Kachemak Emergency Service Area pages 187-193 & 338

- Mill rate of 2.60
 - proposed to increase .15 mills in FY2020
- Assessed values increased \$14M from FY2018, revenues up \$40K
- Added a Firetech position to support the increased call volume in the Kachemak Area
- Capital expenditures – none scheduled for current year
 - Proposed new tanker with estimated cost of \$550,000 scheduled for FY2020, the Service Area will be requesting a interdepartmental loan to accommodate this purchase.

Kachemak Emergency Service Area Unrestricted Fund Balance

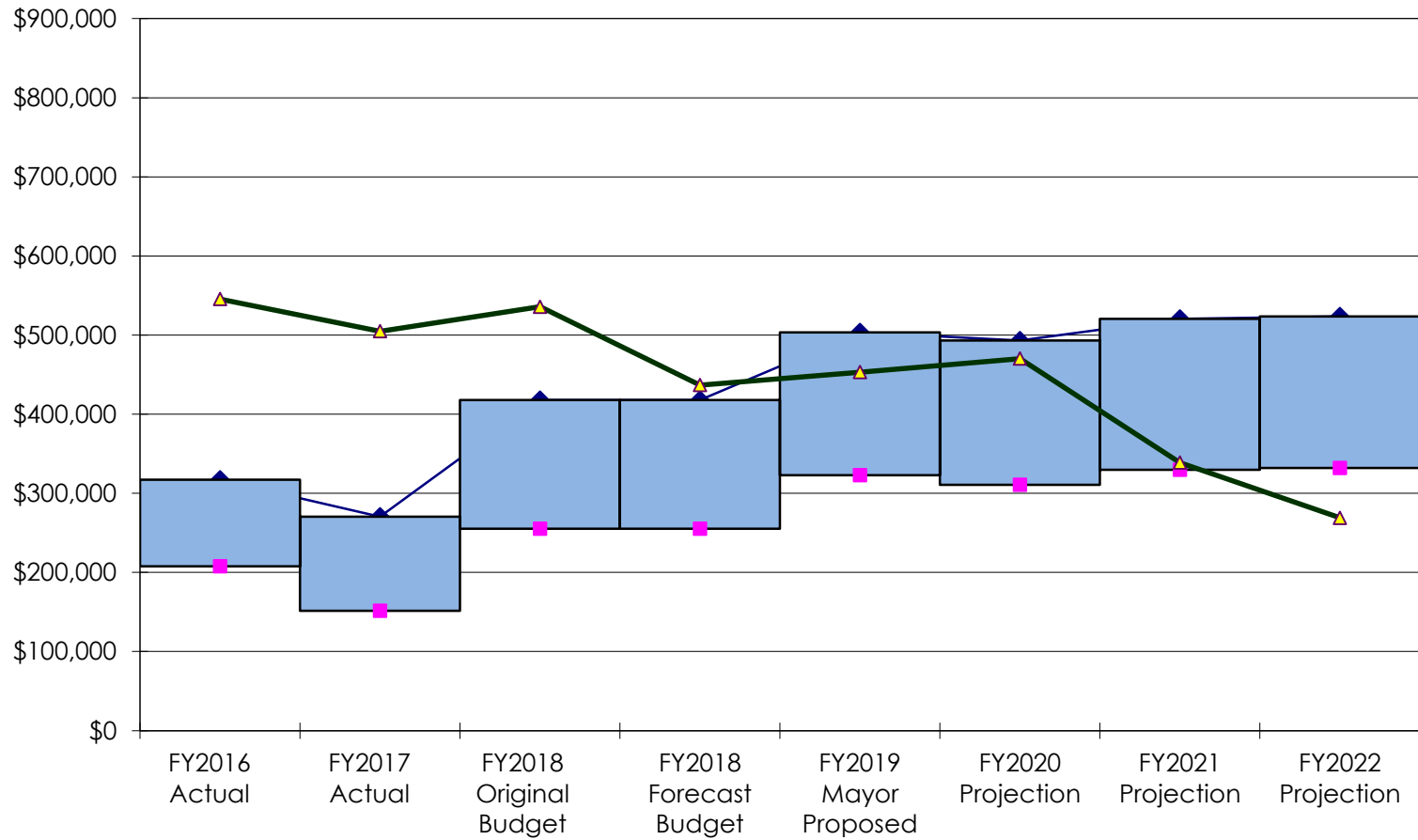


Seward Bear Creek Flood Service Area, pages 201-207

- Mill rate .75 mills
- Assessed values up \$147M, total revenues up \$11,000
- Total expenditures up \$27K from FY18, additional services
- Provide planning, protection and mitigation services to reduce the risk of flood damage to private and public property
- Changes in staff

	Current	Proposed
Program Lead	1.0 FT	.75 PT
Secretary	0.5 PT	.75 PT
	1.5	1.5

Seward Bear Creek Flood Service Area Unrestricted Fund Balance



■ Minimum Unrestricted Fund Balance
 ◆ Maximum Unrestricted Fund Balance
 —▲— Fund Balance

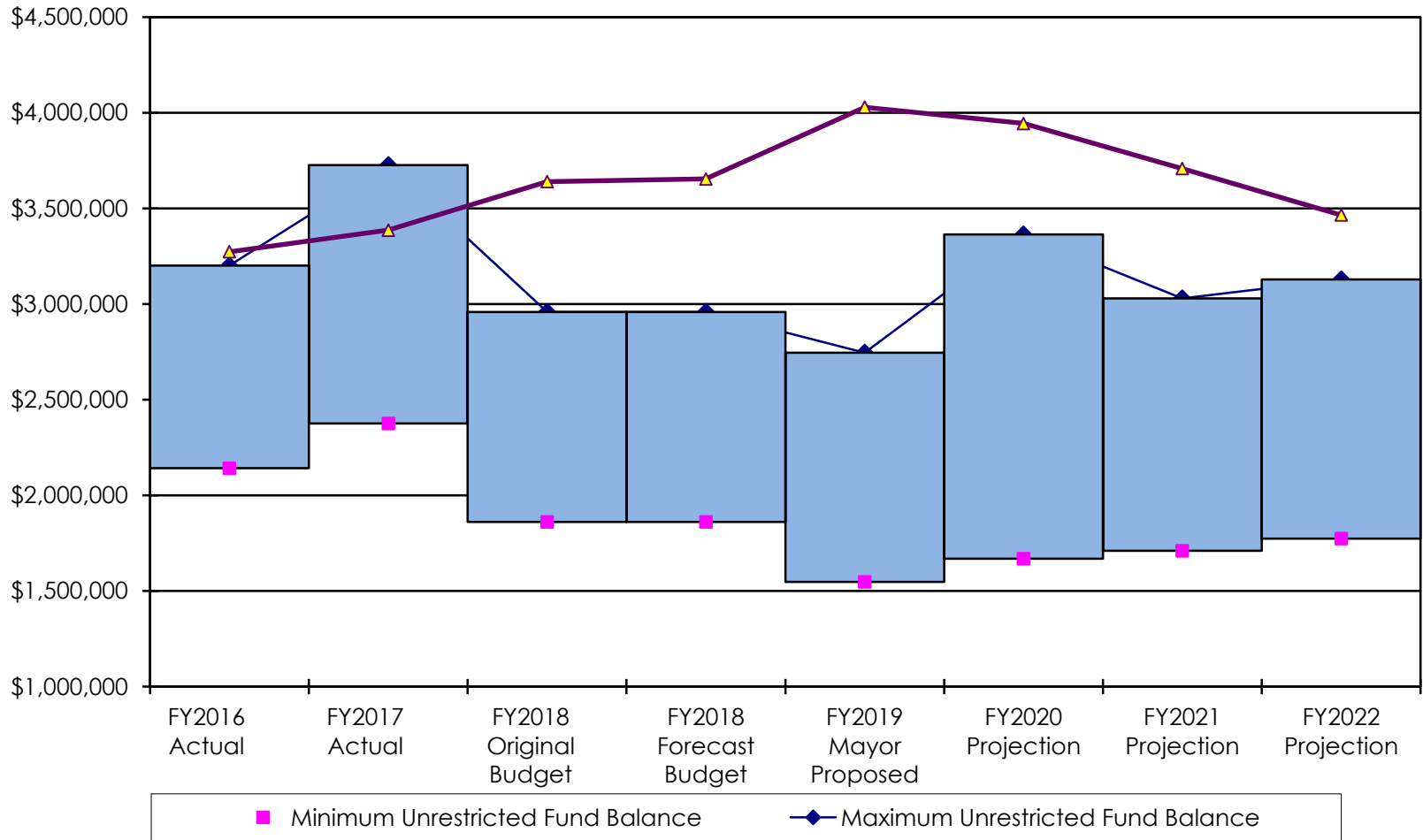
E-911, pages 208-213 & 333

- The Soldotna Public Safety Communication Center (SPSCC) handles all 911 calls on the Kenai Peninsula and areas outside of the Borough that fall under E Detachment boundaries
- Funding provided by:
 - e-911 surcharge \$1.5M
 - City of Soldotna \$105,000
 - Service areas \$240,495
 - General Fund \$300,000
- Completed ERF payments on servers and equipment, reducing budget \$53K
- Reduced full-time Addressing Officer to $\frac{3}{4}$ time reducing budget \$26K

Road Service Area, pages 233-245 & 340

- Three funds
 - Fund 236, Maintenance and Operations
 - Fund 237, Engineer's Estimate Fund \$30k
 - Fund 238, RIAD Match Fund \$500k
- Mill rate of 1.40
- Personnel changes (reduction of \$90K):
 - Reduced Director to .40% coverage due to savings in consolidation of management of Roads and Maintenance
 - Added a Senior Manager
 - Deleted the Roads Engineer position
- Reduced dust control \$105,000
- transfer to capital projects remains at \$1,750,000, needed to support capital plan due to reduction in State grants

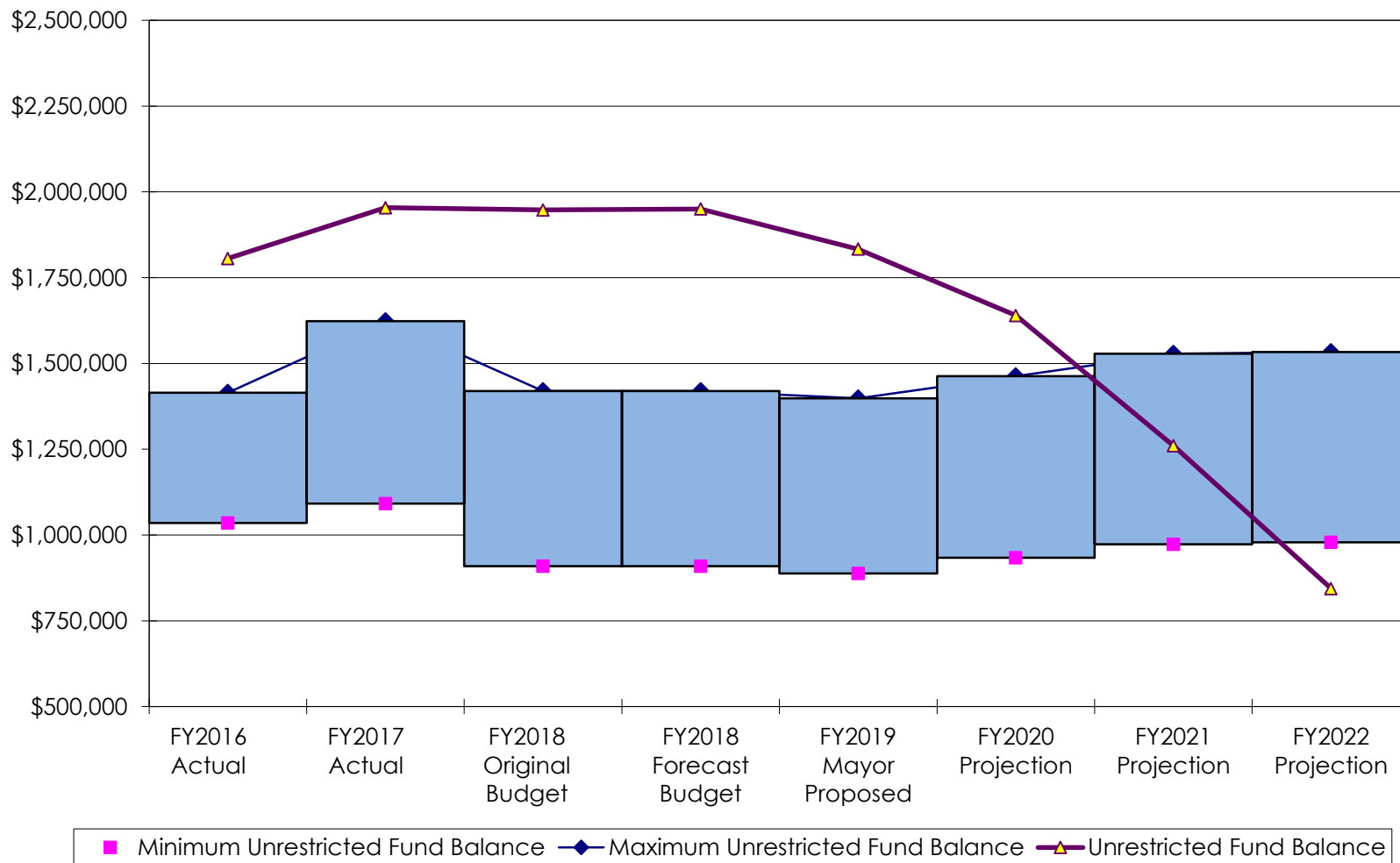
Road Service Area Unrestricted Fund Balance



North Peninsula Recreation Service Area, pages 217- 223 & 339

- Mill rate of 1.00, since FY1994 when it was increased to support a bond issuance
- Assessed value decrease of \$24M, revenue decreased \$17,000
- Expenditures up \$100,000
 - Increasing transfer to capital projects by \$25,000, needed to support capital plan including new projects
 - Increased a $\frac{3}{4}$ General Maintenance position to full-time, while reducing temporary wages
- Capital project appropriations of \$386,000
 - Nikiski Community Center \$355K
 - Pressure tank 31K
- Fund balance above range, should be in range in FY2021

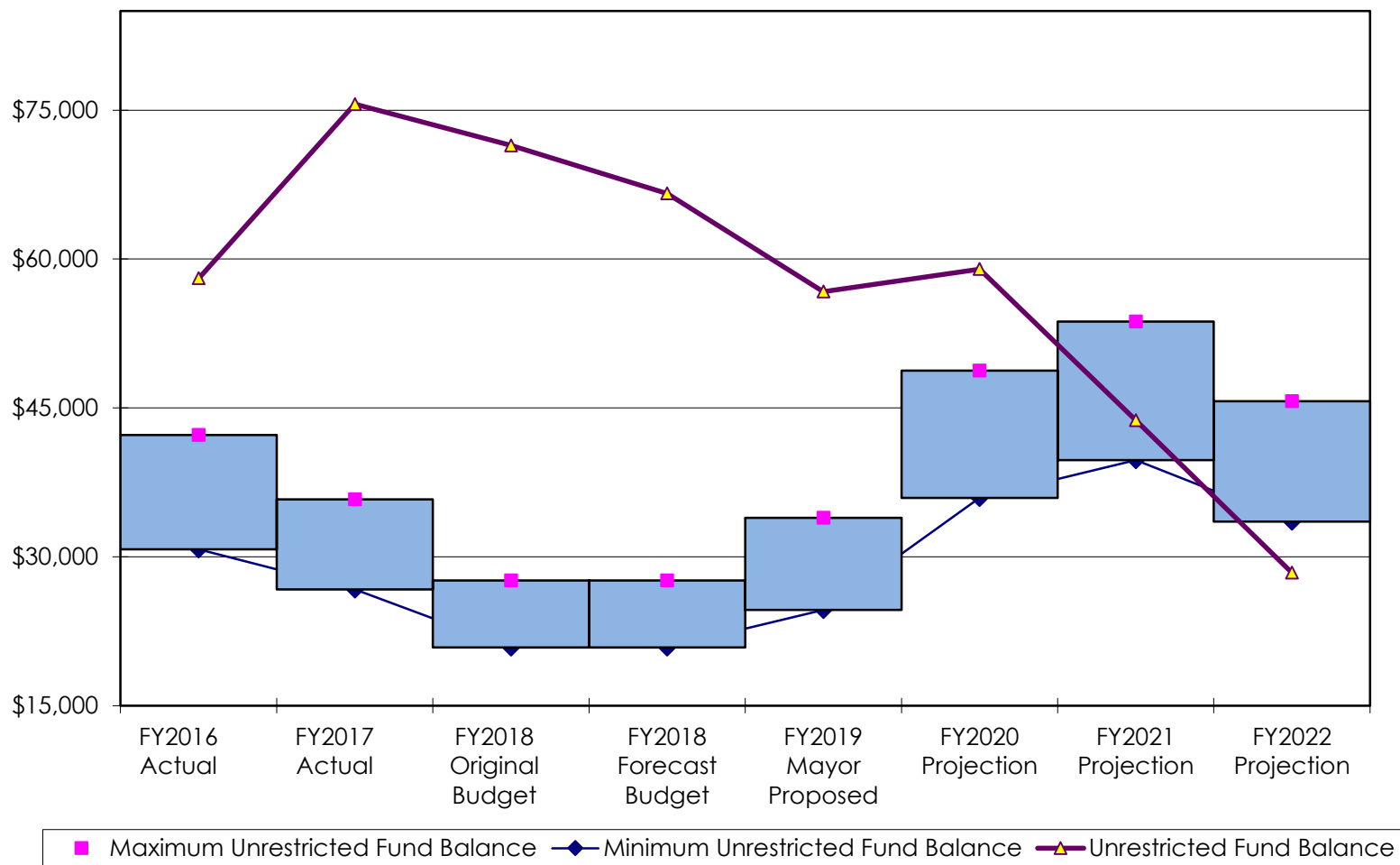
North Peninsula Recreation Unrestricted Fund Balance



Seldovia Recreational Service Area, pages 219-224

- Mill rate of .75
- Provide year round recreational activities to the community
- Expenditure budget of approximately \$70,000
- Contract with the City of Seldovia for operations of the Sea Otter Community Center \$31,715
- One time capital expenditure to paint the interior of the facility \$12,000

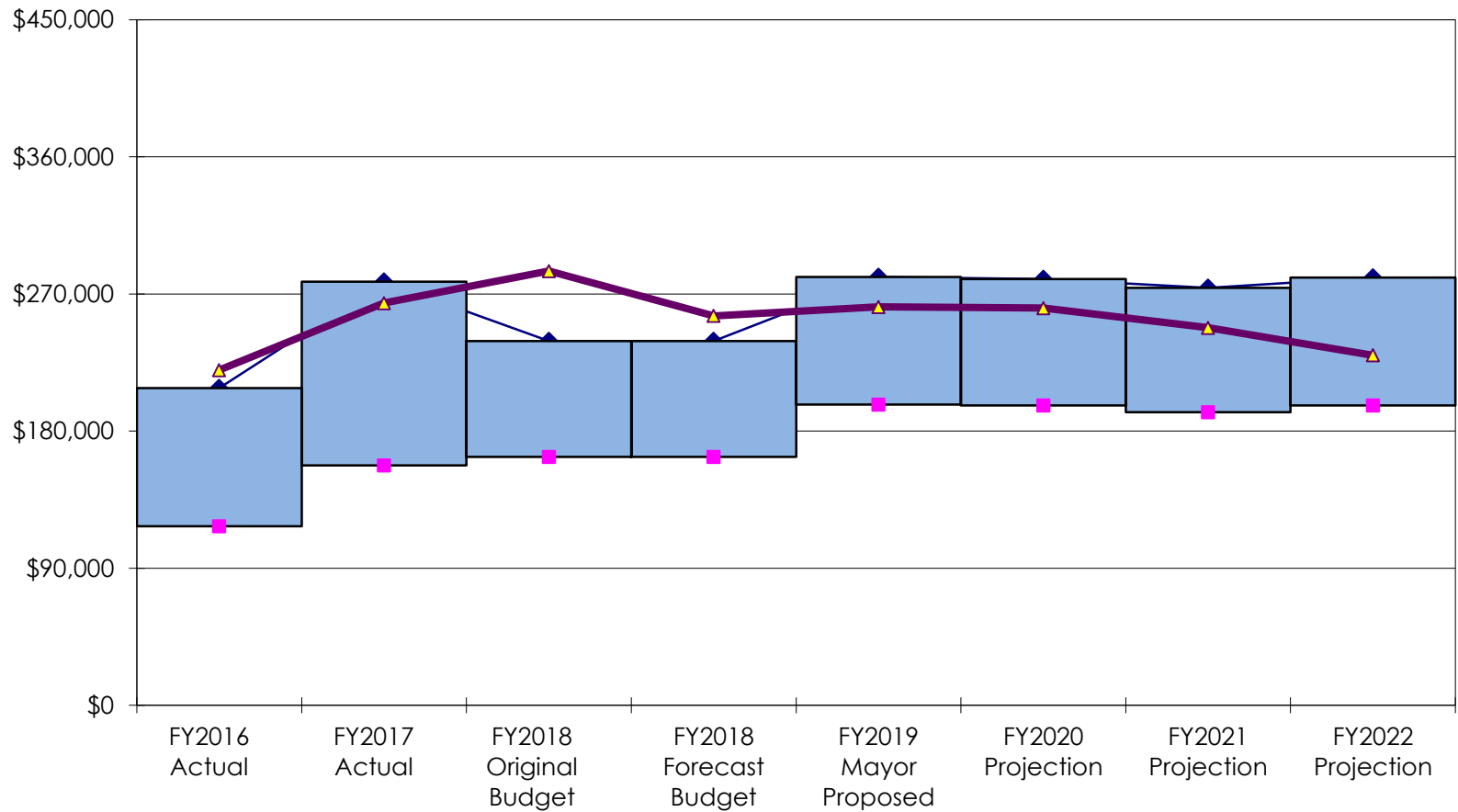
Seldovia Recreational Service Area Unrestricted Fund Balance



Nikiski Senior Service Area, pages 273-278

- Mill rate of .20
- Provide programs and services for seniors within the service area
- Revenues of approximately \$404,000
- Expenditure budget of approximately \$398,000
- FY2019 funding of \$373,200 for Nikiski Senior Citizens, Inc
- FY2019 funding of \$25,000 for Tyonek Senior Citizen programs

Nikiski Senior Service Area Unrestricted Fund Balance

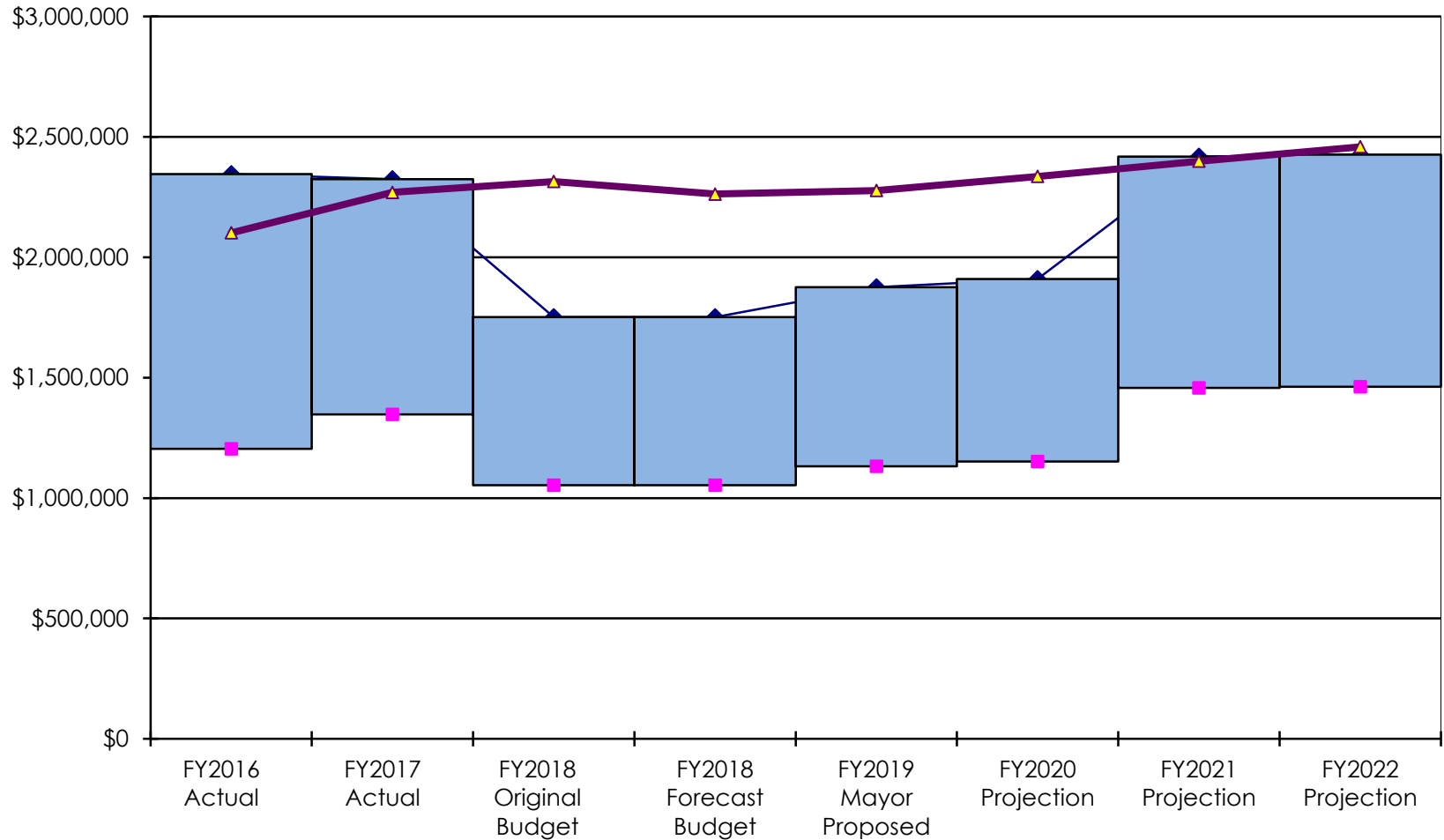


■ Minimum Unrestricted Fund Balance
 ◆ Maximum Unrestricted Fund Balance
 —▲— Unrestricted Fund Balance

Central Kenai Peninsula Hospital Service Area, pages 303-307 & 341

- First service area created in the Borough
- Mill rate of .01
- Expenditure budget of \$9,730,289
- Funding of \$9,635,318 provided by the hospital for:
 - Debt Service \$9,469,080, increased in FY19 due to new revenue bonds for OB/Cath lab issued in fall 2018.
 - Insurance \$166,238
- Fund balance of \$2.3 million. Maintained to have cash on hand in the event that CPGH does not make payment.

Central Kenai Peninsula Hospital Service Area Unrestricted Fund Balance

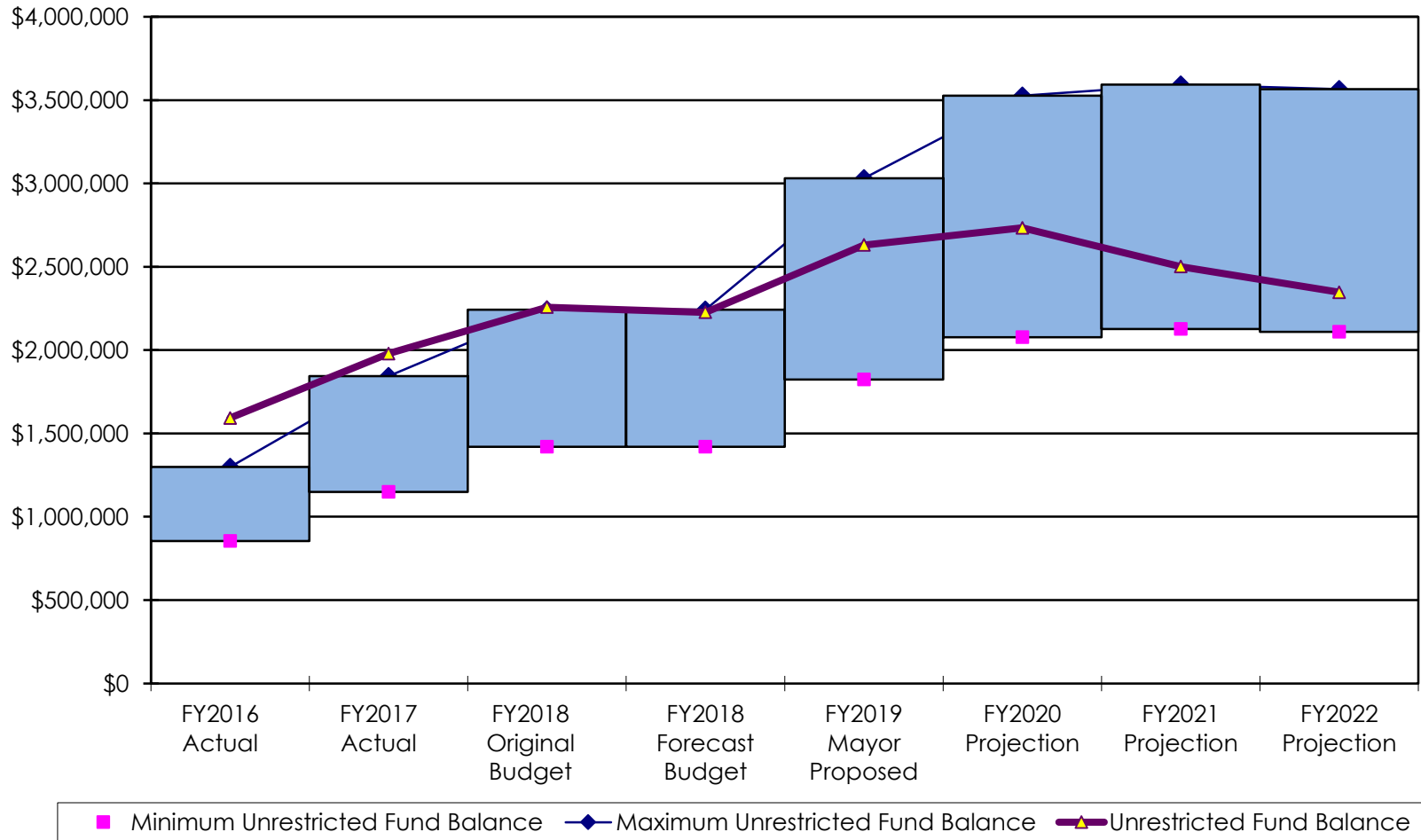


■ Minimum Unrestricted Fund Balance
 ◆ Maximum Unrestricted Fund Balance
 —▲— Unrestricted Fund Balance

South Peninsula Hospital Service Area, pages 309-313 & 342

- Mill rate of 2.30
- Provide funding to SPH for debt service, capital improvements, operational support
- FY2019 revenues \$4,598,541, increase of \$72,464
- Expenditure budget, \$4,195,069
 - Debt service of \$2,230,194
 - Capital projects funding of \$1,700,000
 - Insurance of \$78,615
 - Other cost of \$186,260
- Capital appropriations of \$851,620

South Kenai Peninsula Hospital Service Area Unrestricted Fund Balance



Debt Service

(pages 317-319)

Year of issue	FY 2019 Debt service	Final Payment
School Debt		
2004	\$ 1,008,450	Aug-23
2010	1,431,305	Dec-30
2013	1,625,550	Dec-33
Solid Waste Debt		
2017	1,065,250	May-23
Central Kenai Peninsula Hospital Service Area Debt		
2003	3,520,000	Aug-24
2013	2,965,316	Feb-29
2015	436,023	Jun-23
2016	490,078	Jun-23
2018	2,057,663	Jun-38
South Kenai Peninsula Hospital Service Area Debt		
2003	732,725	Dec-23
2007	1,098,550	Sep-27
2017	398,919	Jun-23
Central Emergency Services Debt		
2006	180,750	Jun-26
2016	265,938	Jun-31
Bear Creek Fire Service Area Public Safety Bldg Debt		
2013	97,020	Feb-33

Capital Projects

pages (323-372)

Schools	\$ 1,250,000
General Government	150,000
911 Communications	60,000
Solid Waste	50,000
Nikiski Fire	3,400,000
Bear Creek	42,053
Anchor Pt	235,850
CES	795,000
North Pen Rec	386,000
Roads	2,778,700
SPH	851,620

Future Budget Issues

- Funding For Education
 - Legislative changes and foundation formula
- Borough Tax Policy and Revenues
 - Exemptions
 - Mix of revenue types
 - 27,000 tax bills sent outside the Borough
 - How long will the increase in the tax base for oil and gas property stay
- State of Alaska Fiscal Policy
 - Revenue sharing
 - Debt reimbursement for schools
 - PERS/TRS
- Capital Project Plan
 - Aging facilities