


Kenai Peninsula Borough
Office of the Borough Mayor

MEMORANDUM

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

FROM: Charlie Pierce, Borough Mayor 

DATE: June 19, 2018

RE: Reducing Funding for Peninsula Promotion by \$206,000 in Ordinance 2018-19, Appropriating Funds for Fiscal Year 2019

For the reasons discussed below, I hereby veto the increase in funding for Peninsula Promotion by \$206,000. The effect of this veto on the budget ordinance is as follows:

SECTION 1. That ~~\$81,562,478~~\$81,356,478 is appropriated in the General Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019 as follows:

General Government Operations	\$17,339,708 <u>\$17,133,708</u>
Transfer to School District for Operations and In-kind Services	50,391,041
Transfer to School Debt Service	3,801,562
Transfer to Special Revenue Funds:	
Solid Waste	7,306,501
Post-Secondary Education	820,685
911 Communications Fund	300,000
Nikiski Senior Service Area	52,981
Eastern Peninsula Highway Emergency Service Area	350,000
Transfer to Capital Projects Funds:	
School Revenue	1,200,000

This reduction is for page 135, Fund 100, Department 94900, Department Name Economic Development, Object Code 43021, Account Description Peninsula Promotion, Current Budget Amount \$306,000, Decrease Amount \$206,000, Resulting Budget Amount \$100,000.

My reasons for reducing this amount to \$100,000 are that we are not in a position to spend more money from the general fund, fund balance without assured additional revenue. Also, my proposed budget included a fair allocation of \$100,000 to each of the organizations receiving funding in the Economic Development category. Further, the cost of printing the Discovery Magazine has ranged between \$71,800 and \$91,305 since FY 2011 for a total of \$637,511.

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Additionally, the nonprofit agency handling peninsula promotion has spent a total of \$134,933 for the Passport Guide since FY 2011. While this may help to promote tourism, it is difficult to measure the impact of these printed media on tourism. I think alternative, less-expensive ways such as the increasing variety of social media and other on-line tools could be successfully used to attract tourists to the Kenai Peninsula Borough.

AS 29.20.270 provides that a veto may be overridden within 21 days following the exercise of the veto or during the next regular meeting, whichever is later. The next regular meeting is June 19, 2018.