


Memorandum

To: Pete Sprague, Assembly President
Kenai Peninsula Borough Assembly Members

Thru: Dale Bagley, Mayor DLB

From: Scott Holt, Finance Director 

Date: June 1, 2004

Subject: Recommended revisions to the FY2005 Proposed Budget

Since the Mayor's proposed FY2005 budget was presented to the Assembly on May 4, 2004, several necessary revisions have been identified. The administration is recommending the assembly approve the following amendments to the proposed FY2005 budget. The following is a brief description of each:

1. The Alaska legislature approved HB 233 increasing the base student allocation from \$4,169 to \$4,576. This change allows the Borough to increase its funding to the School District by an additional \$786,032. To approve this amendment Ordinance 2004-19, Section 1, Transfer to School District for Operations and In-kind Services should be amended to increase the General Fund appropriation by \$786,032 and Section 2, Local Effort should be amended by \$786,032 to \$26,465,619 and Total Local Contribution per AS 14.17.410 should be amended to be \$33,421,775. (Budget document reference: page 85 and pages 178-179).
2. Decrease General Fund funding provided to School Revenue Capital Projects by \$710,000. The School Revenue Capital Project Fund has fund balance of approximately \$408,000. The administration recommends fund balance should be used to reduce the amount of general fund transfers. In addition, the administration is recommending the out year projects be funded at a rate of \$1,600,000. To approve this amendment Ordinance 2004-19, Section 1, Transfer to School Revenue Capital Projects should be amended to decrease the General Fund appropriation by \$710,000. (Budget document reference: page 85)
3. Decrease School Revenue Capital Projects by \$310,000. The administration is recommending that total funding to capital projects be reduced in FY2005 to \$1,650,000 and to \$1,600,000 in the out years. The following projects will be deferred to the FY2006 budget, Portable Classrooms \$50,000, Locker replacement \$50,000, Homer Middle School re-roof section C, \$210,000. To approve this amendment Ordinance 2004-19, Section 9, School Revenue Capital Projects should be amended to decrease the appropriation by \$310,000. (Budget document reference: page 254-257)
4. Decrease North Peninsula Recreation Service Area Capital Projects by \$815,000. Current estimates indicate the project cost exceed available funding. This project will be deferred until additional funding is identified. To approve this amendment

Ordinance 2004-19, Section 9, North Peninsula Recreation Capital Projects should be amended to decrease the appropriation by \$815,000. (Budget document reference: page 268)

5. Change the description under the Regular Wages line item description for the Road Service Area, page 161, to

Add: One new Road Inspector

“Change: One Contract Coordinator to one Administrative Assistant/Contract Administrator

On Page 305 delete “Contract Coordinator and add Administrative Assistant/Contract Administrator. No budgetary impact.