

Agenda Item N.A.

Committee Finance

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## KENAI PENINSULA BOROUGH

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JOHN J. WILLIAMS  
MAYOR

### Memorandum

To: Grace Merkes, Assembly President  
Member, Kenai Peninsula Borough Assembly

Thru: John J. Williams, Mayor *BR/JW*

From: Craig Chapman, Finance Director *C Chapman*

Date: June 3, 2008

Subject: Ordinance 2008-19, additional budget amendments.

The following are additional proposed amendments to the FY2009 budget for your consideration

#### Budget amendments

6. In addition to budget amendment request #2, the administration would like to request the following changes to the road service area-operating budget.
  - a. Increase the mill rate .10 mill, resulting in an increase of revenue of approximately \$400,000
  - b. Increase the road service area authorized staff by 1 FTE, resulting in an increase in expenditures in the road service area operating fund \$50,800. Due to funding that is being provided to the Road Service Area for road improvement projects from the FY2009 State of Alaska Capital Budget, the administration believes that it is time to hire an engineer/assistant administrator for the roads department. This position would provide project oversight, assistance in developing road standards, and operational oversight. It is estimated that approximately 60% of this positions time would be charged to road improvement projects, with the balance paid for by the road service area-operating fund. The following changes would be required:

Road Service Area department, budget document page 183,  
Increase line items 236.33950.00000.40xxx, personnel cost, \$127,000  
Increase line item 236.33950.00000.60000, charges to other departments,  
\$76,200.

- c. Increase road maintenance by \$350,000. The proposed FY2009 road maintenance budget just provides status quo maintenance. The administration is requesting the road department look at options to maintaining roads including, a four-pass system; up from the current two-pass system. The increase in funding will allow the road department to look at this option along with others that would provide a better road maintenance program. The following changes would be required:

Road Service Area department, budget document page 183,  
Increase line item 236.33950.00000.46910, road maintenance, \$338,198  
Increase line item 236.33950.00000.61990, admin service fee, \$11,802

7. Included in the FY2009 Solid Waste Capital Project Budget was \$335,000 for construction of a pole barn as part of the Junk Vehicle Removal Program. This item was included in the FY2009 State of Alaska Capital Budget, but was vetoed by the Governor. Because of the veto, the following changes should be made:

Solid Waste Capital Budget, budget document pages 294 & 300  
Decrease line item 411.32220.09VEH.49999, Junk Vehicle Program,  
\$335,000.

8. The administration believes the Junk Vehicle Removal Program is a valuable program, that has removed over 2,000 junk vehicles in the past couple of years. The administration would propose funding a portion of this program; which would allow for the purchase of wrecker/fork truck and establishment of a prep station. The cost of these items is estimated at \$190,000. Annual operational cost of \$60,000 would be needed for operation of the equipment and prep station. The following changes would be required:

General Fund, budget document page 112  
Increase line item 100.94910.00000.50290, tfr to solid waste \$250,000  
Solid Waste Operating Budget, budget document pages 251,  
Increase line item 290.32010.00000.50411, tfr to capital projects \$190,000  
Solid Waste Operating Budget, budget document page 255  
Increase line item 290.32122.00000.40xxx, personnel cost, \$40,000  
Increase line item 290.32122.00000.42230, fuel/oil, \$20,000  
Solid Waste Capital Budget, budget document pages 294 & 300  
Increase line item 411.32220.09VEH.49999, junk vehicle program  
equipment \$190,000 (wrecker/fork truck, \$135,000; prep-station,  
\$43,000; power connection, \$12,000)

9. Funding for Kenai Peninsula College (KPC) is limited to an amount not to exceed .10 mill. Funding to KPC in the FY2009 proposed budget was based upon preliminary assessed values. Based upon certified assessed values, the amount of

funding that can be provided to KPC is \$595,302; an increase of \$42,902. The following changes would be required:

General Fund, budget document page 112

Increase line item 100.94910.00000.50242, tfr to KPC, \$42,902

Postsecondary Fund, budget document page 215

Increase line item 242.78090.00000.43023, KPC expenditures, \$42,902