



## KENAI PENINSULA BOROUGH

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DAVID R. CAREY  
BOROUGH MAYOR

### MEMORANDUM

**TO:** Milli Martin, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** David R. Carey, Borough Mayor

**FROM:** Jim Conner, Roads Director *JPC RC By H-RC*  
Craig Chapman, Finance Director *CC for CCC*

**DATE:** February 19, 2009

**SUBJECT:** Ordinance 2008-19-45, Reducing the FY2009 Road Service Area Transfer to the Road Service Area Capital Project Fund by \$750,000 and Increasing the Road Service Area Road Maintenance Account by \$750,000

The Road Service Area (RSA) is scheduled to receive a total of approximately \$16,400,000 in funds from the State of Alaska for road improvement projects including \$8,400,000 from the FY2009 State of Alaska Capital Budget, which has been appropriated through Borough Ordinances 2007-19-50, 2008-19-02, and 2008-19-11; and \$8,000,000 from general obligation bonds that were authorized by voters in the November 4, 2008 general election. These funds in total are the equivalent of almost ten years of transfers from the RSA operating fund.

The funds received from the State of Alaska will allow the RSA to upgrade and improve many of the roads within the service area.

The RSA has also identified the need to increase maintenance activities on various RSA roads over the next several years. The planned increase in maintenance will lead not only to better roads but is also intended to reduce future regional maintenance activities by significantly improving the condition of existing roads. Planned activities include improved grading procedures, ditching, brushing, and additional gravel.

Due to the amount of funding the RSA will be receiving from the State of Alaska, the RSA board recommends that transfers to the RSA capital project fund be reduced for FY2009 and suspended for FY2010 and FY2011. The FY2009 transfer of \$1,250,000 should be reduced to \$500,000 which is the amount that has previously been allocated to projects, leaving \$750,000 that could be redirected for these maintenance items.

The RSA board approved this change in the transfer to the RSA CIP fund at its meeting of February 10, 2009.

FINANCE DEPARTMENT 320	
FUNDS VERIFIED	
\$750,000	
ACT # <u>434.38236</u>	
BY: <u>CBW</u>	DATE: <u>2/19/09</u>