

Agenda Item L-2.c

Committee Mayor's Report

Page Number Laydown

To: Milli Martin,
Assembly member

Thru: John Williams, Mayor
Kenai Peninsula Borough

From: Craig Chapman, Finance Director

Date: June 5, 2006

Re: Responses to questions

Milli,

The following is in response to your questions that you emailed on June 5, 2006.

1. Included in the FY2007 proposed State of Alaska Capital Budget (CSSB 231) are two one-time appropriations for the Borough. **The capital budget has not been signed by the governor.**
 - a. \$702,515 to help defray the cost of increased employer contribution to PERS; approximately \$300,000 is general fund, the balance is for service areas. The administration will be coming back to the assembly at a later date to discuss how this should be handled.
 - b. \$3,647,106 for energy assistance. Essentially this is revenue sharing but with a different name. The administration is proposing to use the funds to balance the General Fund Budget, keep the mill rate at 6.5, and use the balance to increase Fund Balance. It should be noted that based upon changes in the base student funding unit, we expect the School District to request a supplemental appropriation of around \$775,000 at some point during the fiscal year.
2. The total dollar increase for PERS for FY2007 when compared to the amended FY2006 budget for the General fund is \$349,413: the increase for the service areas is \$535,343.
3. Regarding the increase to the KPTMC budget for FY2006, the increase of \$45,000 was to pay the cost of a new administrative assistant.
4. The unfilled positions range in length from approximately two months to six months. The impact to the fund balance in each of the affected funds is approximately \$5,000 per position per month. This varies by department and fund.

5. OEM currently does not pay rent; therefore, no adjustment will be needed. Risk Management who is currently paying rent at the Red Diamond Center and is scheduled to move into the vacated OEM office will incur additional rent at that facility up until the time they move into the vacated OEM offices. They should be able to absorb the additional rent expense within their proposed FY2007 budget.

6. The loss of motor vehicle tax by fund is as follows:

a. General Fund	\$171,000
b. Nikiski Fire	\$ 10,505
c. Bear Creek	\$ 2,750
d. Anchor Point	\$ 3,700
e. CES	\$ 28,950
f. Kachemak Fire	\$ 5,400
g. Lowel Point	\$ 100
h. North Pen Rec	\$ 4,500
i. Roads	\$ 34,800
j. Seward Bear Creek	\$ 1,750
k. Nikiski Seniors	\$ 700
l. CPGH	\$ 23,900
m. SPH	\$ 17,500

7. The dollar amount per 1 mill in the general fund is approximately \$4,800,000 and .1 mill is equal to approximately \$480,000.

8. The \$300,000 that is being appropriated in the General Fund for transfer to the Internal Service Fund is a one-time transfer for the establishment of a Health Insurance Reserve Fund. This should reduce the supplemental appropriations that have been necessary in the past to cover cost in excess of budgeted amounts.

Navarre, Tim

From: Milli [millimom@xyz.net]
Sent: Monday, June 05, 2006 9:02 AM
To: Mayor John Williams; 'Chapman, Craig'
Cc: 'Tim Navarre'
Subject: Questions

Good Morning,

Have some questions this morning.

1. The Legislature funded the borough in the last budget, which I think the Governor signed and we should be receiving after July 1. I had hoped to see something in our packets about it, but wasn't there. Do you have any projections on the impacts to the budget? And if so, what?
2. PERS: what is the total dollar increase for the borough, exclusive of service areas and with service areas?
3. KPTMC: Craig, could you refresh my memory why Assembly increased their grant last in '06?
4. Borough employee positions not filled yet – what is the dollar savings for '06?
5. OEM: Since the new building will not be completed by July 1, their rental will need to be increased. Will there be a recommendation to be included in the budget, or will that be via a separate Ordinance?
6. On page XV of the budget document, indicates figures included the Motor Vehicle Tax increase, which failed. What is the change in those figures?
7. Please tell me the dollar amount per 1 mill, and .10 mill tax.
8. Please tell me again why the Internal Services funding up so dramatically.

Thanks. Sorry I am so late with this.

Milli

6/6/2006