

Kenai Peninsula Borough

**FY2013 Proposed Budget
July 1, 2012 to June 30, 2013**

Mike Navarre

Mayor

May 1, 2012

The Budget Document

- **Operating and capital plans for FY2013**
- **Operating fund projections through FY2016**
- **Capital fund projections through FY2017**

User guide (pages 18-20)

borough powers and areas of responsibility
budget process
basis of budgeting and accounting
relationship with school district

Expanded department function page

mission statement
major long-term issues and concerns
budget objectives, accomplishments, and measurement data

Capital projects detail (pages 323-342)

Budget Goals

- **Provide the Highest Affordable Level of Local Educational Funding**
- **High Quality Maintenance Program for Roads and Borough Facilities**
- **Meet Service Area Needs**
- **Maintain Stable Tax Policy**

FY13 Budget Challenges

- Reduce use of fund balance to balance the budget
- Increase in health care cost; 2005 \$10,763 2013 \$19,632
- Overall a 3.2% increase in assessed values, (without increases in oil and gas property and gas storage facility, the increase is only .3%)
- Salary & benefit increases
 - CPI of 3.6% plus 1% negotiated union raise, last year of contract

Proposed Mill rates-FY2013 History FY2008 to FY2013

	Fiscal Year					
	2008	2009	2010	2011	2012	2013
Borough	5.50	4.50	4.50	4.50	4.50	4.50
Service Areas:						
Nikiski Fire	3.00	3.00	3.00	3.00	3.00	3.00
Bear Creek Fire	2.25	2.25	2.25	2.25	2.25	2.25
Anchor Point Fire & Emergency Medical	2.00	1.75	1.60	1.60	2.25	2.25
Central Emergency Services	2.55	2.45	2.45	2.45	2.45	2.65
Kachemak Emergency Services	1.75	1.75	1.75	2.25	2.25	2.25
Lowell Point Emergency Services	1.75	1.75	1.75	1.75	-	-
Central Peninsula Emergency Medical	1.00	1.00	1.00	1.00	1.00	1.00
North Peninsula Recreation	1.00	1.00	1.00	1.00	1.00	1.00
Seldovia Recreation	-	-	-	-	-	0.75
Roads	1.30	1.40	1.40	1.40	1.40	1.40
Seward Bear Creek Flood	0.50	0.50	0.50	0.50	0.50	0.50
Nikiski Senior	0.20	0.20	0.20	0.20	0.20	0.20
Central Kenai Peninsula Hospital	1.00	0.90	0.50	0.02	0.02	0.02
South Kenai Peninsula Hospital	2.00	2.30	2.30	2.30	2.30	2.30

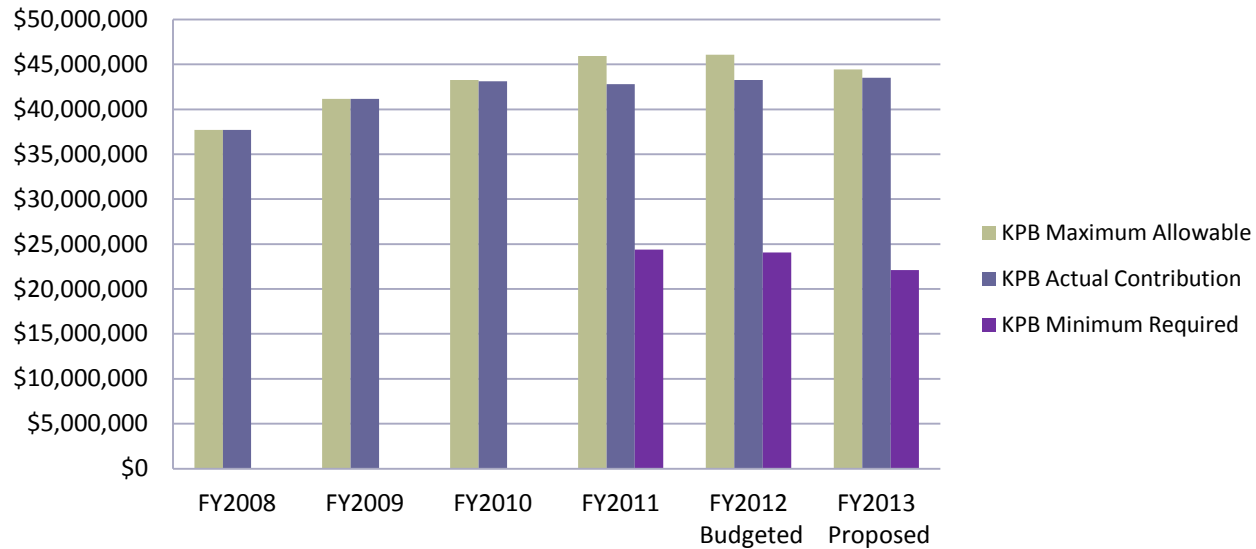
General Fund

(pages 47-136 & 333)

FY13 Budget Highlights

General Fund

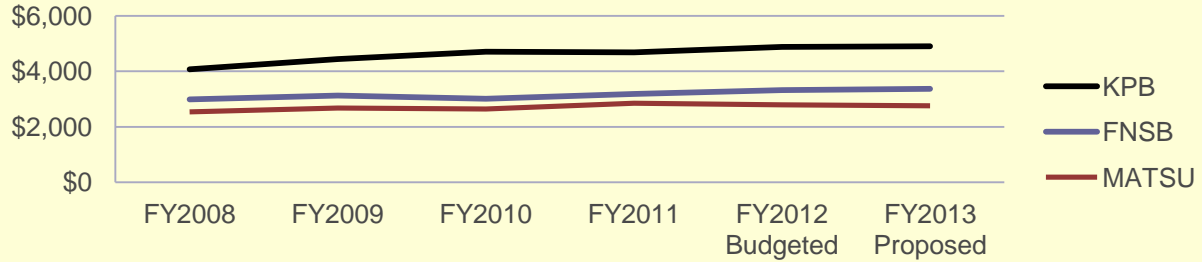
Kenai Peninsula Borough School Funding FY2008 to FY2013



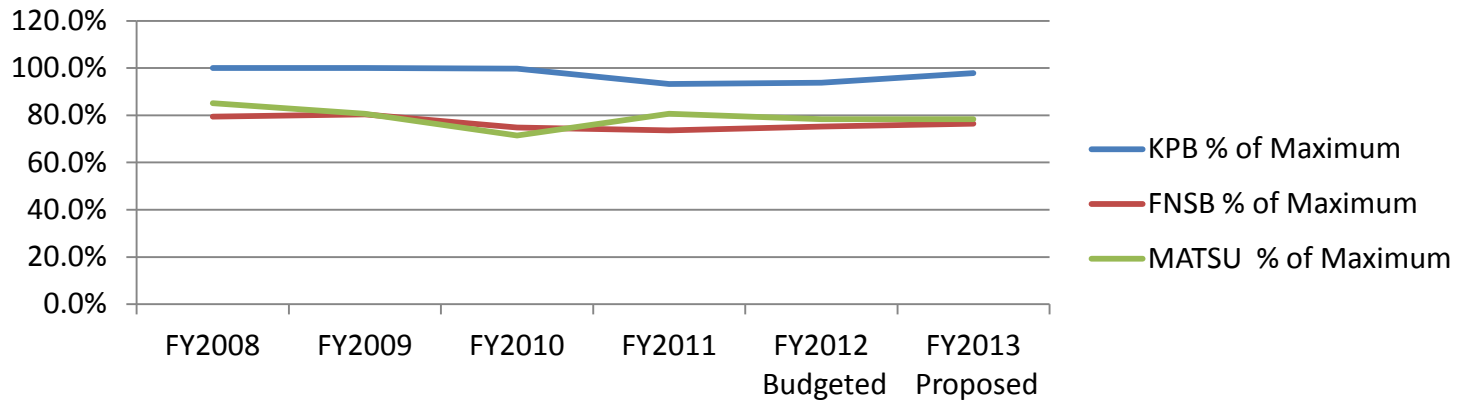
Total funding of \$47,121,245 -
Operations \$43,500,000
Debt Service \$2,571,245
Capital projects \$1,050,000

64.5% of General fund expenditures— 7.06 mill rate, less sales tax and debt reimbursement; the equivalent mill rate is 2.29 mills

Kenai Peninsula Borough Funding per Student FY2008 to FY2013



	FY2008	FY2009	FY2010	FY2011	FY2012 Budgeted	FY2013 Proposed
KPB	4,076	4,445	4,704	4,680	4,882	4,904
FNSB	2,993	3,127	3,009	3,184	3,319	3,372
MATSU	2,540	2,672	2,638	2,850	2,789	2,761

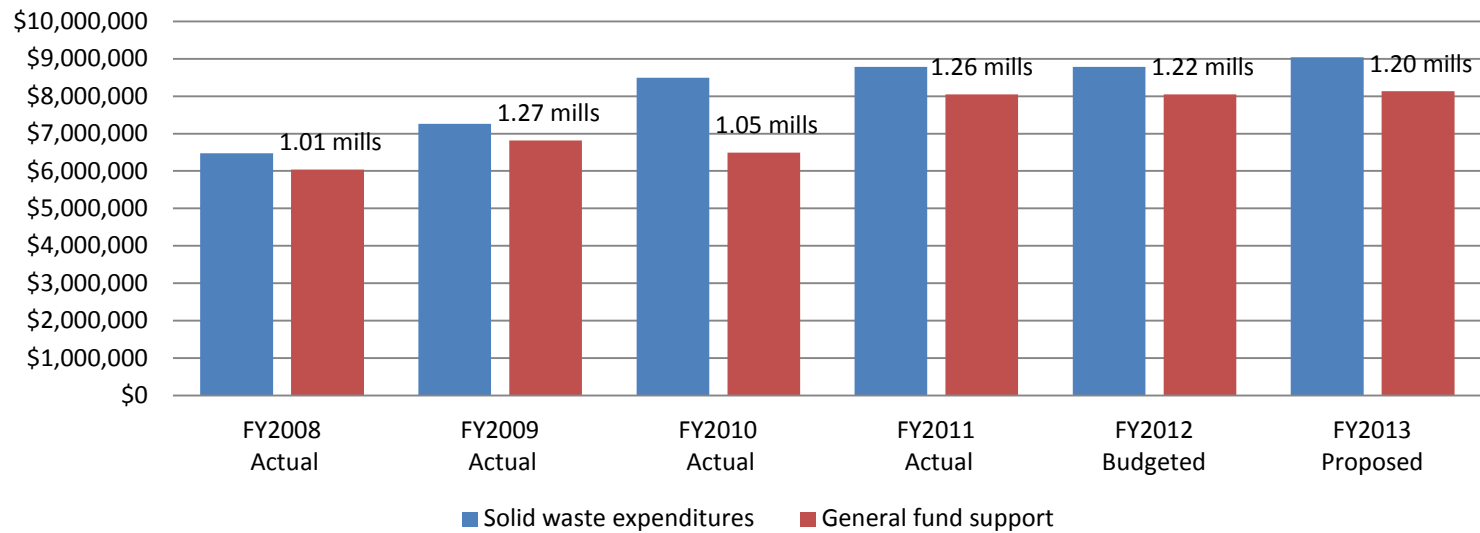


Solid Waste Program

Operating budget of \$9,036,945

General Fund support of \$8,043,557 - equivalent to 1.20 mills

Solid Waste Summary of Expenditures and Support FY2008 to FY2013

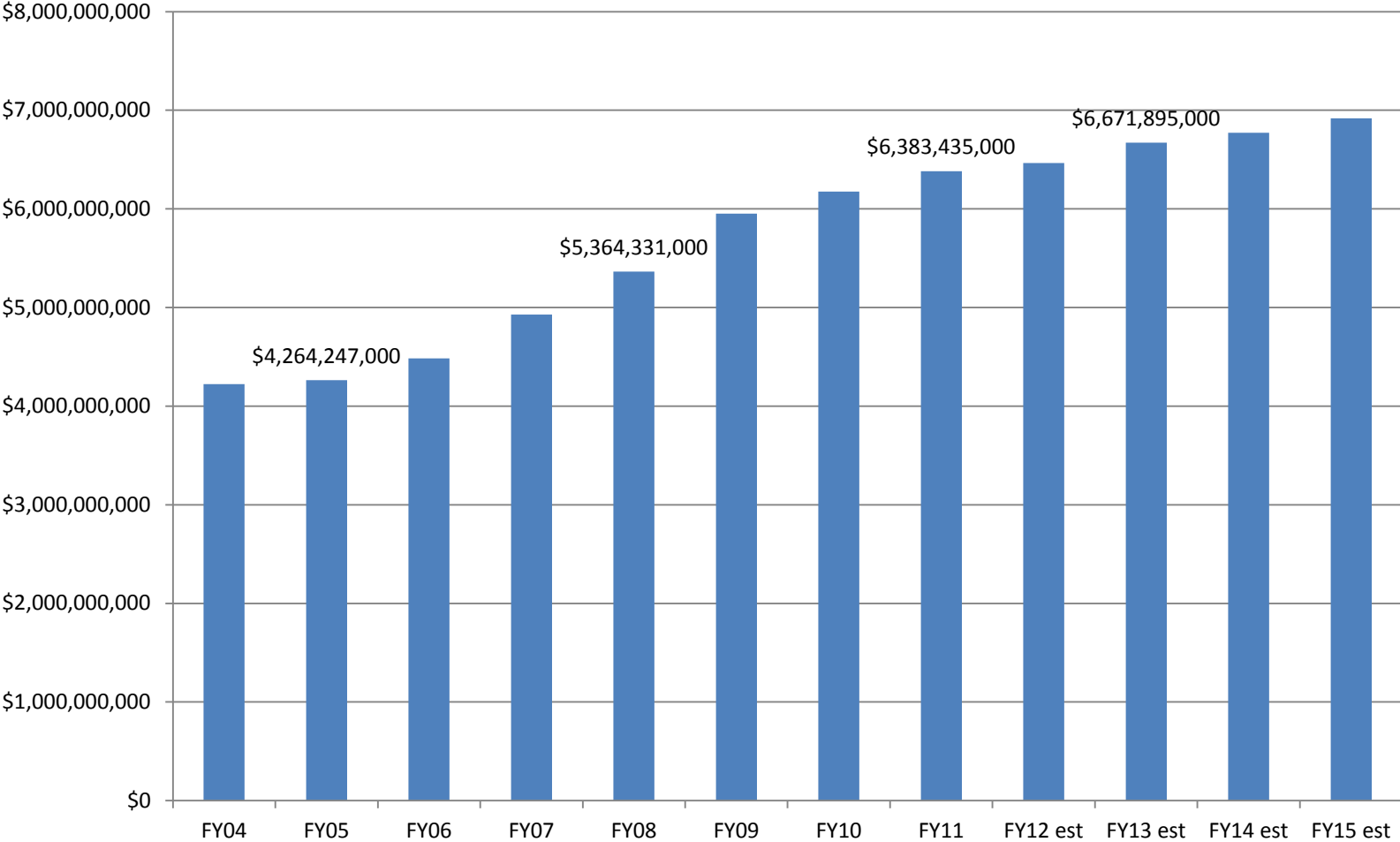


General Fund													Current year change	Change between FY2004 & FY2013
FTE's General Fund		FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	Current year change	Change between FY2004 & FY2013	
Assembly														
Clerk's Office		3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	0.00	0.00	
Records Management		1.83	1.83	1.83	1.83	1.83	1.83	1.83	1.83	1.83	1.83	0.00	0.00	
Department Total		5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	0.00	0.00	
Mayor														
Administration		4.00	4.00	4.00	6.00	6.00	6.00	6.00	5.00	4.00	5.00	1.00	1.00	
Community and Economic		3.00	3.00	3.00	-	-	-	-	-	-	-	0.00	-3.00	
Purchasing and Contracting		4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00	
Total		11.00	11.00	11.00	10.00	10.00	10.00	10.00	9.00	8.00	9.00	1.00	-2.00	
Office of Emergency Mgmt		2.67	2.67	2.67	2.80	3.30	3.30	4.30	4.30	3.75	3.75	0.00	1.08	
General Services														
Administration/Human Resource		3.50	3.50	3.50	3.50	3.70	4.00	4.50	4.50	4.50	4.50	0.00	1.00	
Printing/Mail		1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	0.00	0.00	
Custodial Maintenance		1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	0.00	0.00	
Department Total		6.60	6.60	6.60	6.60	6.80	7.10	7.60	7.60	7.60	7.60	0.00	1.00	
IT		11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	0.00	0.00	
Legal		6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00	-1.00	
Finance														
Administration		3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00	
Financial Services		8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	0.00	0.00	
Property Tax and Collections		8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	0.00	-1.00	
Sales Tax		4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00	
Department Total		23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	22.00	22.00	0.00	-1.00	
Assessing														
Administration		8.00	8.00	8.00	8.00	9.00	9.00	10.00	10.00	10.00	10.00	0.00	2.00	
Appraisal		13.00	13.00	13.00	13.00	13.00	13.00	12.00	12.00	12.00	12.00	0.00	-1.00	
Department Total		21.00	21.00	21.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00	0.00	1.00	
Resource Planning														
Administration		9.50	8.50	8.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00	0.00	-0.50	
GIS		5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	0.00	-1.00	
Department Total		14.50	13.50	13.50	13.00	13.00	13.00	13.00	13.00	13.00	13.00	0.00	-1.50	
River Center		4.50	4.50	4.00	4.50	4.50	5.00	6.00	6.00	6.00	6.00	0.00	1.50	
Capital Projects		9.00	8.00	8.00	8.00	8.00	9.00	8.50	6.50	6.00	7.00	1.00	-2.00	
Total General Government		114.77	112.77	111.27	110.40	112.10	113.90	115.90	112.90	109.85	111.85	2.00	-2.92	

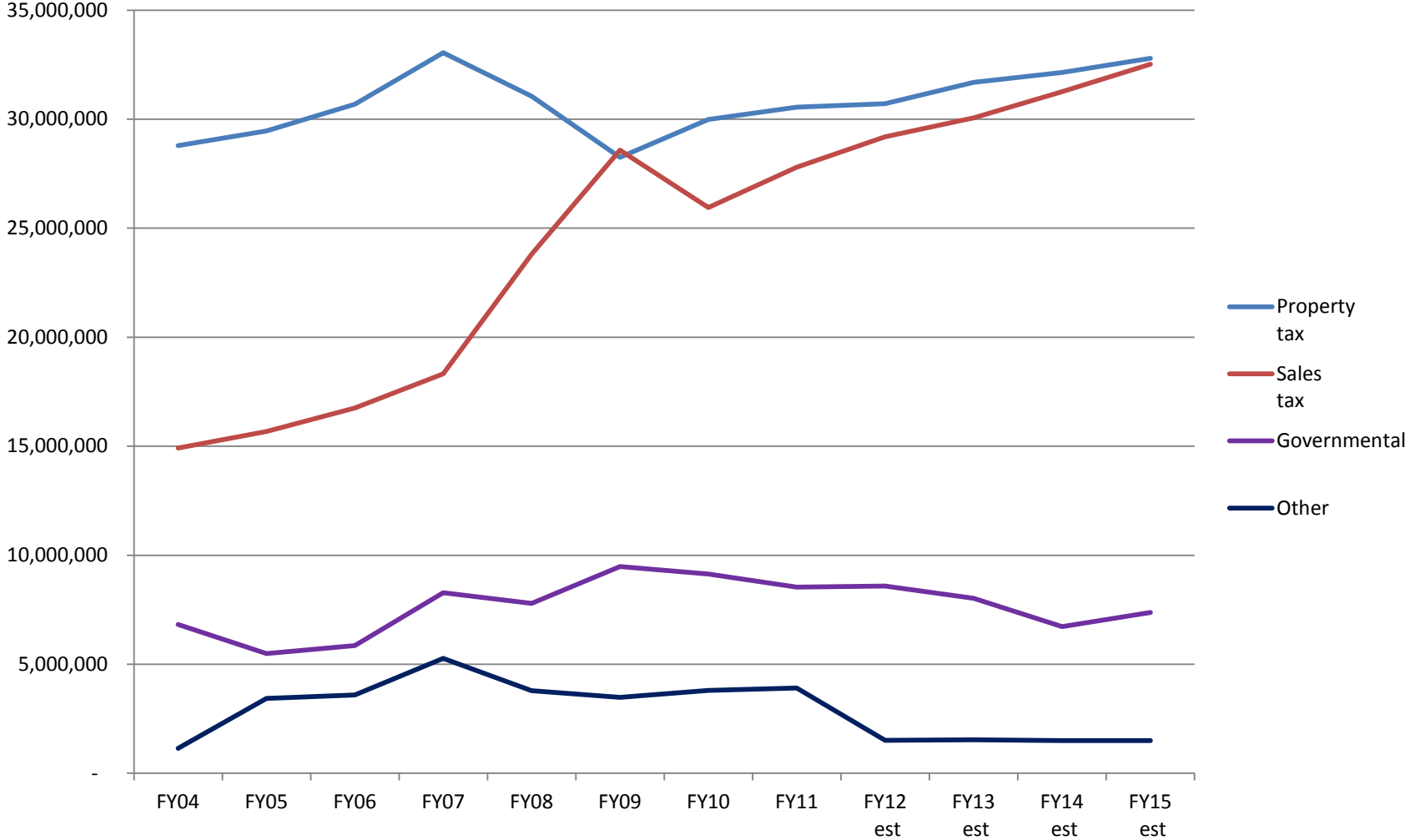
General Fund Revenues

- **Property Taxes**
 - **Property Values (increase from \$6.464 billion to \$6.672 billion)**
 - **Oil and Gas & Gas injection represents 90% of the increase**
 - **Mill rate 4.50 mills, no change from prior year**
- **Sales Tax**
 - **Increase from FY2012 to \$30,064,593, equivalent to 4.50 mills**
- **Federal (\$926,406 decrease) Pilt & Forestry Receipts**
- **State (\$1,107,229 increase)**
 - **Revenue sharing of \$3,046,996**
 - **Fish tax of \$750,000**
 - **School Debt reimbursement of \$1,792,872**
 - **Other \$170,000**
- **Fund Balance**
 - **Reduction in use, fund balance use FY2013 of .16 mills; FY2012 projected .20 mills, FY 2011 .10 mills**

Assessed Values



General Fund, Revenue Sources FY2004 to FY2015



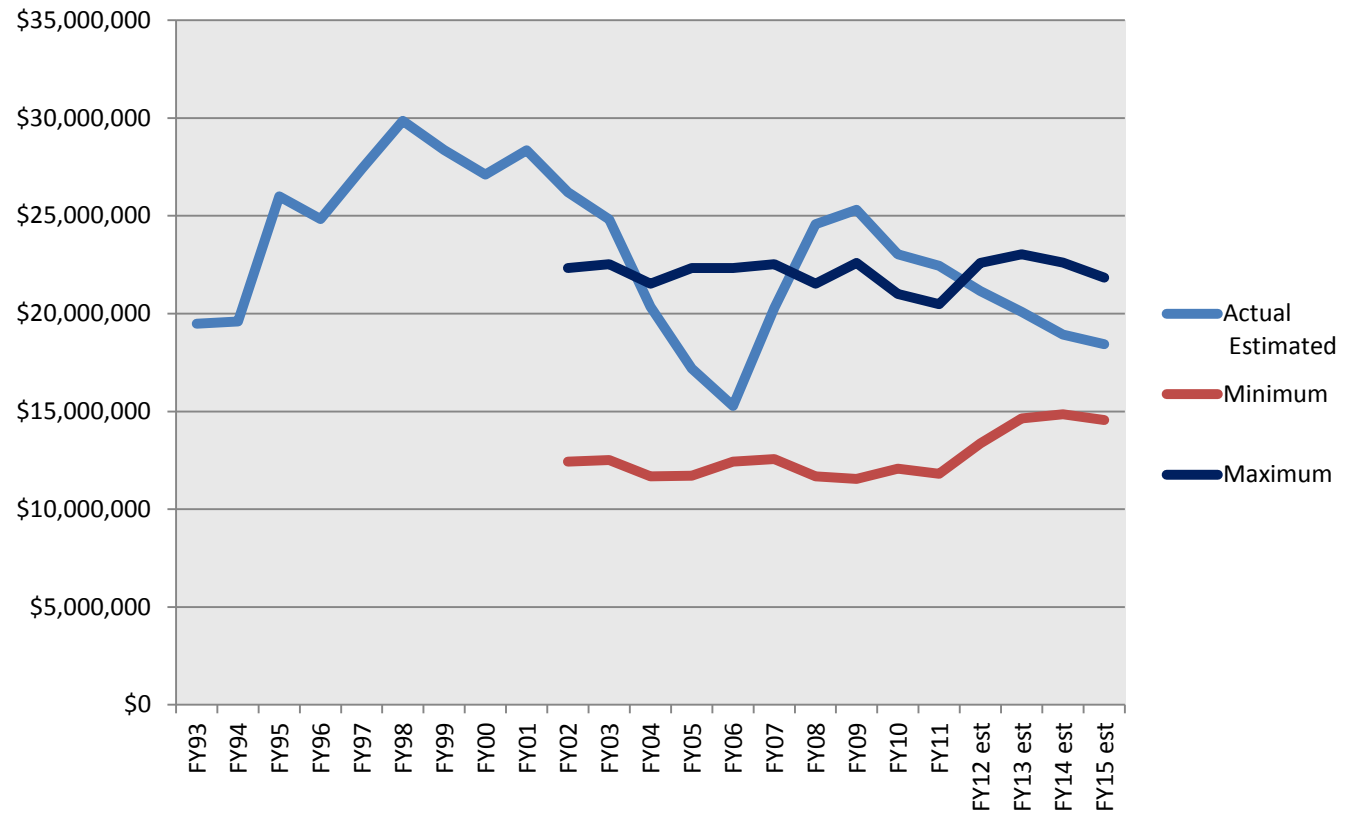
Expenditure changes in the original FY2013 General Fund budget as compared to the FY2012 budget

School funding	
operations	248,865
Debt service	157,475
Capital Projects	100,000
total	506,340
Assembly software	100,000
Appraisal software	26,750
New positions	285,141
Health Care (net of new positions)	311,837
other personnel cost	518,309
personnel charges to other departments	-178,162
total	937,125
HR salary analysis	56,000
Transportation/training	-54,337
EDD	50,000
KPTMC	-60,000
Senior Grant funding	133,069
911 funding	129,552
Other items including supplies, services, etc	-131,417
Total	<u>1,693,082</u>

**General Fund
Fund Balance**

	<u>Actual/Expected</u>	<u>Minimum</u>	<u>Maximum</u>
• FY2006	\$15,285,303	12,430,017	22,330,786
• FY2007	\$20,292,164	12,561,116	22,533,151
• FY2008	\$24,460,075	11,676,291	21,534,941
• FY2009	\$25,138,217	11,539,992	22,598,490
• FY2010	\$23,069,479	12,064,598	21,008,807
• FY2011	\$22,443,431	11,805,384	20,472,707
• Estimated FY2012	\$21,143,722	13,365,830	22,586,783
• <u>Estimated FY2013</u>	<u>\$20,086,945</u>	<u>14,638,653</u>	<u>23,025,599</u>
• Estimated FY2014	\$18,926,704	14,854,017	22,610,573
• Estimated FY2015	\$18,431,055	14,557,239	21,831,623

General Fund, fund balance FY1993 to FY2015



Service Areas/Special Revenue Funds

													Current year change	Change between FY2004 & FY2013
	Staffing	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13			
School														
	Custodial Maintenance	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	0.00	0.00	
	Maintenance Department	46.00	46.00	44.00	43.00	44.00	45.00	45.00	45.00	44.00	45.00	1.00	(1.00)	
	Department Total	47.30	47.30	45.30	44.30	45.30	46.30	46.30	46.30	45.30	46.30	1.00	(1.00)	
	Nikiski Fire Service Area	24.00	24.00	23.00	23.00	23.00	21.00	21.00	21.00	20.00	20.00	0.00	(4.00)	
	Bear Creek Fire Service Area	0.40	0.40	0.40	0.40	0.40	0.75	0.75	1.50	1.50	1.50	0.00	1.10	
	Anchor Point Fire & Emergency Med	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	0.00	0.50	
	Central Emergency Service Area	27.00	27.00	28.00	30.50	33.50	33.50	37.50	37.50	38.50	42.00	3.50	15.00	
	Kachemak Emergency Service Area	-	-	-	-	0.75	1.00	2.00	3.00	3.50	3.50	0.00	3.50	
	911 Communication	6.33	6.33	7.33	7.20	8.70	8.70	10.70	10.70	11.25	11.25	0.00	4.92	
	Seward-Bear Creek Flood Service A	-	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.00	0.75	
	North Peninsula Recreation Service	14.00	13.25	13.25	13.25	13.25	13.25	14.25	14.25	14.25	14.65	0.40	0.65	
	Roads Service Area	6.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	0.00	2.00	
	Land Trust	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00	
	Nikiski Senior Service Area	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-	0.00	(1.00)	
Solid Waste														
	Administration	3.75	3.75	3.25	3.25	4.25	4.75	5.00	5.00	5.00	5.00	0.00	1.25	
	Central Peninsula Landfill	0.80	11.30	11.80	11.80	11.80	12.00	12.00	12.00	11.00	12.00	1.00	11.20	
	Seward Landfill/Transfer Facility	0.20	0.20	0.20	0.20	0.20	0.00	0.00	0.00	0.00	0.00	0.00	(0.20)	
	Homer Baler	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00	
	Department Total	8.75	19.25	19.25	19.25	20.25	20.75	21.00	21.00	20.00	21.00	1.00	12.25	
	Insurance and Litigation	4.60	4.60	4.60	4.60	4.60	3.50	4.00	4.00	4.00	4.00	0.00	(0.60)	
	Total Other Funds	145.38	156.63	155.63	157.00	164.50	162.50	172.25	174.00	173.55	179.45	5.90	34.07	

Comparison of FY2013 Proposed Budget and FY2012 budget

	<u>FY2012</u>	<u>FY2013</u>	<u>Variance</u>	<u>% change</u>
Nikiski Fire	3,919,002	4,093,126	174,124	4.4%
Bear Creek	400,729	382,011	(18,718)	(4.7%)
Anchor Pt	591,553	579,093	(12,460)	(2.1%)
CES	7,471,476	7,921,471	449,995	6.0%
CPEMS	17,967	8,716	(9,251)	(51.5%)
KESA	817,128	907,770	90,642	11.1%
Seldovia Rec	-0-	42,189	N/A	N/A
Flood Service	253,820	263,597	9,777	3.8%
911	1,678,113	1,884,300	206,187	12.3%
North Pen Rec	1,512,334	1,601,493	89,159	5.9%
Roads	6,849,451	6,257,036	(592,415)	(8.7%)
KPC	657,791	667,189	9,398	1.4%
Land Trust	4,134,872	1,128,756	(3,006,116)	(72.7%)
Nikiski Seniors	261,300	261,210	(90)	(0.1%)
Solid Waste	8,781,197	9,036,945	255,748	2.9%
CPGH	3,998,886	3,846,139	(152,747)	(3.8%)
SPH	3,852,553	3,541,916	(310,637)	(8.1%)

Debt Service

(pages 315-319)

Final
Debt Service

• School Debt		
– 2004 Bonds	\$1,105,550	June 2023
– 2007 Bonds	\$ 311,825	June 2016
– 2010 Bonds	\$1,143,870	Dec 2030
• Solid Waste		
– 2003 Bonds	\$ 829,000	June 2013
– 2009 Bonds	\$1,052,950	Dec 2015
• CES	\$ 190,378	June 2026
• CPGH	\$3,625,975	August 2024
• SPH		
– 2003 Bonds	\$ 785,150	Dec 2023
– 2007 Bonds	\$1,128,475	Sept 2027
– 2011 MRI	\$ 73,247	May 2016

Capital Projects

pages (321-342)

• School	\$1,050,000
• General Government	\$ 376,059
• Solid Waste	\$ 70,000
• Roads	\$4,467,672
• Nikiski Fire	\$ 95,000
• Bear Creek	\$ -0-
• Anchor Point	\$ 60,000
• CES	\$ 832,800
• Kachemak	\$ 30,000
• North Pen Rec	\$ 20,000
• CPGH	\$ -0-
• SPH	\$1,365,497

Future Budget Issues

- **Funding For Education**
 - Change in cap
- **Borough Tax Policy**
 - Exemptions
 - Mix of revenue types
- **State of Alaska Fiscal Policy**
 - Revenue sharing
 - PERS
- **Capital Project Plan**
 - Aging facilities