

Kenai Peninsula Borough
Office of the Borough Mayor

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

FROM: Charlie Pierce, Borough Mayor 

DATE: June 19, 2018

RE: Line Item Veto of Increase to School District Funding in Ordinance 2018-19, Appropriating Funds for Fiscal Year 2019

For the reasons discussed below, I hereby reduce the funding for school district operations in ordinance 2018-19 by \$652,609. Including this amount in the budget for school district operations would reduce the general fund, fund balance to an amount that is, in my view, too close to the recommended minimum fund balance to be financially prudent. Had the funds been appropriated from the Land Trust Fund I would not have taken this action.

SECTION 1. That ~~\$81,562,478~~ \$80,909,869 is appropriated in the General Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019 as follows:

General Government Operations	\$17,339,708
Transfer to School District for Operations & In-kind Services	
	<u>49,738,432</u> 50,391,041
Transfer to School Debt Service	3,801,562
Transfer to Special Revenue Funds:	
Solid Waste	7,306,501
Post-Secondary Education	820,685
911 Communications Fund	300,000
Nikiski Senior Service Area	52,981
Eastern Peninsula Highway Emergency Service Area	350,000
Transfer to Capital Projects Funds:	
School Revenue	1,200,000

SECTION 2. The following is appropriated to the School Fund from local sources for operations purposes and in-kind services:

A. Local Effort	<u>\$38,883,797</u> \$39,536,406
B. Maintenance	7,929,758

Page -2-

Date: June 19, 2018

To: KPB Assembly Members

RE: Reduction of School District Funding

C. School District Utilities	89,900
D. School District Insurance	2,621,584
E. School District Audit	93,000
F. Custodial Services	<u>120,393</u>
Total Local Contribution per AS 14.17.410	<u>\$49,738,432 \$50,391,041</u>

AS 29.20.270 provides that a veto may be overridden within 21 days following the exercise of the veto or the next regular meeting, whichever is later. The next regular meeting is June 19, 2018, which is in less than 21 days.