

Denali Borough, Alaska
ORDINANCE NO. 06-16

INTRODUCED BY: Mayor David M. Talerico

AN ORDINANCE FOR THE DENALI BOROUGH PROVIDING FOR THE ESTABLISHMENT AND ADOPTION OF THE BUDGET FOR THE FISCAL YEAR 2007.

BE IT ENACTED BY THE ASSEMBLY OF THE DENALI BOROUGH:

Section 1. Classification.

This is a non-code ordinance.

Section 2. General Provisions.

The budget lists the authorized revenues and expenditures and the change in cash balances for the period July 1, 2006 through June 30, 2007 and made a matter of public record.

ESTIMATED REVENUES	FY '07	BUDGETED FY '06	ACTUAL FY '05
Taxes:			
Overnight Accommodation	\$2,000,000	\$1,800,000	\$2,082,882
Severance Tax	50,000	50,000	87,958
Intergovernmental, Federal:			
PILT Act	170,000	170,000	176,004
Intergovernmental, State:			
Safe Communities	0	0	0
State Revenue Sharing	0	0	0
Electricity/Telephone Co-op Tax	50,000	50,000	54,349
Other:			
Interest Income	30,000	10,000	27,545
Miscellaneous Income	1,500	1,500	4,844
Business License	400		
Penalties and Interest	0	0	2,630
REVENUE TOTAL	\$2,301,900	\$2,081,500	\$2,436,212

Denali Borough Code of Ordinances 3.05.020(C)

C. "Forward Funding Requirement. Proposed expenditures shall not exceed the total available reserves and the revenues collected but not expended or allocated at the time the proposed budget is introduced."

EXPENSES	BUDGETED		ACTUAL
	FY '07	FY '06	FY '05
Assembly:			
Assembly Members Stipend	\$6,600	\$5,550	\$5,450
Assembly Members Benefits	3,000	2,050	1,607
Clerk Salary	44,512	43,000	41,838
Clerk Benefits	38,000	27,500	20,804
Treasurer Salary	33,750	0	0
Treasurer Benefits	23,500	0	0
Assembly/Clerk/Treasurer Travel	8,000	8,000	5,969
Assembly/Clerk/Treasurer Per Diem	6,000	6,000	2,540
Rent	20,000	18,000	17,815
Utilities	6,500	6,500	4,919
Postage	5,000	4,000	2,478
Dues/Subscriptions/Advertisement	9,500	9,500	8,680
Codification of Municipal Code	3,000	5,000	3,000
Elections	10,000	5,500	3,544
Equipment	30,000	50,000	5,629
Equipment Maintenance	6,000	5,000	5,649
Equipment Rental	2,000	1,000	1,166
Supplies	7,000	7,000	5,545
Personnel Committee	1,000	1,000	0
Municipal Land Mgmt.	0	0	9,166
Committee Training/Travel	0	0	0
Land Selection/Adjudication/Fees	0	0	0
Land Status Research	0	0	0
Technician/Training/Travel	0	0	1,365
Technician Salary	0	0	26,563
Technician Benefits	0	0	32,343
Finance Committee	1,000	1,000	122
Assembly Contingency	4,000	4,000	0
Assembly Budgetary Reserve	492,361	450,727	1,149
ASSEMBLY TOTAL	760,723	660,327	207,341
Mayor:			
Mayor Salary	\$65,000	\$53,750	\$32,500
Mayor Benefits	44,000	36,000	25,108
Administrative Staff Salary	24,000	37,200	33,553
Administrative Staff Benefits	27,000	23,000	17,735
Staff Leave Replacement	6,000	6,000	0
ESC Insurance Reimbursement	7,000	7,000	11,102
Mayor/Staff Travel	10,000	9,000	2,812
Mayor/Staff Per Diem	6,000	6,000	4,127
Annual Audit	19,000	17,000	16,279
Overnight Accommodations Audits	5,000	5,000	0
Bonding & Insurance	18,000	12,000	9,869
Attorney Fees	20,000	20,000	23,823
Consultant Fees	7,000	7,000	6,953
Bank Fees	3,000	1,500	2,034
State Funding to Communities	0	0	20,000
Borough Funding to Fire Depts.	52,930	43,312	41,650
Cantwell Volunteer Fire Dept.	22,890	13,350	11,000
Contribution to Railbelt MH	6,900	8,900	6,900
Contribution to McKinley PCC & FD	20,009	14,997	5,300
Contribution to Anderson VFD	21,000	10,000	10,000
Contribution to TVVFD	134,092	102,340	95,000
Contribution to PCFD	8,100	0	0
Libraries/Non-Profit	65,310	41,850	9,000
Mayor Contingency	5,000	5,000	1,704
MAYOR TOTAL	597,231	480,199	386,449

EXPENSES	FY '07	BUDGETED FY '06	ACTUAL FY '07
Denali Borough School District:			
Capital Improvement Fund		0	0
School Operating Fund			
Mandatory Contribution	564,194	564,194	564,194
Additional Contribution	785,806	685,806	685,806
SCHOOL DISTRICT TOTAL	1,350,000	1,250,000	1,250,000
Borough Fund Accounts			
Land Enterprise Fund	97,050	192,750	0
Permanent Investment Fund	40,000	\$0	30,000
Major School Maintenance Reserve Fund	40,000	60,000	1550
Capital Projects Fund	40,000	80,000	0
Landfill Closure Fund	31,550	0	0
BOROUGH FUND ACCOUNTS TOTAL	\$248,600	\$332,750	\$31,550
Matching Grants:			
Borough Matching Grants	30,000	30,000	0
MATCHING GRANTS TOTAL	\$30,000	\$30,000	\$0
EXPENSE TOTAL	2,986,554	2,753,276	1,875,340

Section 3. Authorization and Appropriation.

The appropriations are adopted and authorized for the period July 1, 2006 through June 30, 2007. Subject to Assembly approval by resolution, the Mayor may establish line item expenditures within an authorized appropriation.

Section 4. Budget Narrative.

The following is a line item breakdown narrative of the Fiscal Year 2007 budget.

Revenues

- 1.) OVERNIGHT ACCOMMODATIONS TAX (3010)- This amount is based on revenues at 7% collected from the Borough's Overnight Accommodation Tax.
- 2.) SEVERANCE TAX (3020)- This figure is based on the projected previous year amount. A similar year of resources sold is expected.
- 3.) PILT ACT (3310)- The Payment In Lieu of Taxes (PILT) Act money is Federal funding that comes to the Borough based on Borough population. This money is paid to the municipality "in lieu of taxes" on Federal land. Although the Denali Borough does not collect a property tax, it is eligible for PILT funding.
- 4.) SAFE COMMUNITIES (3210)- This amount is based on the expected amount from the State.
- 5.) STATE REVENUE SHARING (3200)- This amount is based on the expected amount from the State.
- 6.) ELECTRICITY/TELEPHONE CO-OP TAX (3320)- This figure is based on what the Borough normally receives.
- 7.) INTEREST INCOME (3110)- This figure is based on actual amounts from previous year interest earnings.
- 8.) MISCELLANEOUS INCOME (3100)- Miscellaneous revenues include charges for copying, faxes, copies of Borough reference books, passports, etc.
- 9.) LAND LEASES (3410)- This line item was removed because of the establishment of the Land Enterprise Fund. It will be included in the Land Budget.
- 10.) BUSINESS LICENSE (3300)- Business license revenue per DBC 3.45.

10.) PENALTIES AND INTEREST (3050)- This figure is based on actual amounts from the previous year.

EXPENSES

ASSEMBLY BUDGET

- 1.) ASSEMBLY MEMBERS STIPEND (4010)- This number is based on 9 Assembly members receiving stipends of \$60 per month.
- 2.) ASSEMBLY MEMBERS BENEFITS (4011)- Elected Officials are eligible to be enrolled in the State Public Employees Retirement System (PERS).
- 3.) CLERKS SALARY (4020)- This amount reflects a 5% increase.
- 4.) CLERK BENEFITS (4021)- This amount reflects the PERS employer contribution rate, contribution to a 401k, as well as the Medicare, Social Security, Worker's Compensation, and health insurance costs. This amount includes the liability of earned sick leave and vacation pay for the year.
- 5.) TREASURERS SALARY (4022)- This amount reflects the salary of the Treasurer.
- 6.) TREASURERS BENEFITS (4021)- This amount reflects the PERS employer contribution rate, contribution to a 401k, as well as the Medicare, Social Security, Worker's Compensation, and health insurance costs. This amount includes the liability of earned sick leave and vacation pay for the year.
- 7.) ASSEMBLY/CLERK/TREASURER TRAVEL (4025)- This figure is budgeted to allow Assembly members, Clerk, and Treasurer to attend the annual AML conference, as well as attending other training classes.
- 8.) ASSEMBLY/CLERK/TREASURER PER DIEM (4026)- This amount delineates per diem for the Assembly, Clerk and Treasurer.
- 9.) RENT (4031)- This amount represents the amount needed for rent for the Borough offices at the Tri-Valley Community Center.
- 10.) UTILITIES (4033)- The utility budget item is based on the cost of phone/fax/modem, and the monthly DSL connection.
- 11.) POSTAGE (4034)- This line item includes an annual bulk mail permit fee, approximately four resident mail-outs, as well as daily postage charges.
- 13.) DUES/SUBSCRIPTIONS/ADVERTISING (4032)- This line item includes Alaska Municipal League (AML) dues, National Association of Counties dues, monthly posting charges for the Valley Advocate, Clerk and Mayor's Association dues, conference registration, newspaper subscriptions, and posting the agenda in local papers.
- 11.) CODIFICATION OF THE MUNICIPAL CODE - This amount reflects the cost of updating the Borough Municipal Code.
- 14.) ELECTIONS (4040)- This line allows the funding of two Borough-wide elections.
- 15.) EQUIPMENT (4050)- The line item for equipment will allow the staff to purchase equipment as needed. It will include the purchase of a network server for the office.
- 16.) EQUIPMENT MAINTENANCE (4051)- The copier maintenance is a large portion of this line item.
- 17.) EQUIPMENT RENTAL (4055)- This line item is for the rental fee for the electronic postage scale and rental cost of other equipment as needed.
- 18.) SUPPLIES (4060)- This figure is based on projected purchases of supplies. A large portion of the supply cost is incurred by the purchase of paper, pens, envelopes for mailing, etc. This also include toner for the printers and the copier.
- 19.) PERSONNEL COMMITTEE (4065)- This figure represents funds needed to pay travel expenses for the Personnel Clerk and committee members. This also includes possible education for committee members on personnel issues.

- 20.) FINANCE COMMITTEE (4110)- This figure will be available for committee member and clerk travel as well as committee education concerning financial issues.
- 21.) ASSEMBLY CONTINGENCY (4900)- Contingency money is used for unforeseen expenditures. This money can also be used to cover any over expenditures without having to amend the budget.
- 22.) ASSEMBLY BUDGETARY RESERVE (4117)- This line item was established by DBC 3.05.040(c). The amount of this fund is determined by the 15% of the amount of funds available for budgeting on January 1, 2006.

MAYOR BUDGET -

- 1.) MAYOR SALARY (5010)- This amount is \$65,000 annually.
- 2.) MAYOR BENEFITS (5011)- Benefits for the Mayor are based on the Mayor's salary and in the PERS employer contribution rate, as well as the Medicare, Social Security, Workers Compensation, and health insurance costs.
- 3.) ADMINISTRATIVE STAFF SALARY (5020)- This amount includes the salary for administrative support staff.
- 4.) ADMINISTRATIVE STAFF BENEFITS (5021)- The benefits are based on the salaries for the administrative staff and include PERS, a 401k, Medicare, Worker's Compensation, Social Security, health insurance costs, and the liability of vacation and sick leave time.
- 5.) STAFF LEAVE REPLACEMENT (5030)- This money is available in order to provide in-house and hire staff replacements while full-time staff uses leave time.
- 6.) ESC INSURANCE REIMBURSEMENT (5031)- The Denali Borough has opted to reimburse the State for unemployment claims for former employees rather than contributing to unemployment claims from the program every payroll. The liability figure will cover the maximum benefits for one employee.
- 7.) MAYOR/STAFF TRAVEL (5015)- This funding will allow for the Mayor to attend the AML/ACOM Conferences as well as trips to Juneau to lobby for the Borough issues. All Administrative Staff travel is also included in this line item.
- 8.) MAYOR/STAFF PER DIEM (5016)- This amount delineates per diem for the Mayor and all Administrative staff.
- 9.) ANNUAL AUDIT (5120)- This amount reflects the approximate amount needed to perform the annual audit of the Denali Borough financial records. This amount includes the landfill financial assurance debt ratio requirement.
- 10.) OVERNIGHT ACCOMMODATIONS AUDIT (5118)- This amount reflects overnight accommodation operator audits performed by Kohler, Schmitt, and Hutchison on any specific merchant.
- 11.) BONDING & INSURANCE (5122)- The insurance carrier for the Denali Borough is the Alaska Municipal League/Joint Insurance Association (AML/JIA).
- 12.) ATTORNEY FEES (5110)- This line item is based on a contract with Hughes, Thorsness, Powell, Huddleston, & Bauman allowing for a monthly fee of \$900, leaving additional funding for any litigation.
- 13.) CONSULTANT FEES (5130)- This amount will allow for professional services on from Kohler, Schmitt, and Hutchison, as well as any other consultants that may be needed.
- 14.) BANK FEES (6010)- These fees include the bank service charge as well as the cost of checks.
- 15.) STATE FUNDING TO COMMUNITIES (6021)- This amount is calculated from the amount received from the State in the previous year.
- 16.) BOROUGH FUNDING TO FIRE DEPARTMENTS (5141)- Funding is based on \$10 per person provided Fire service and \$12 per person provided EMS service.

City of Anderson, EMS/Fire Department	\$18,942
Tri-Valley Volunteer Fire Department	26,322
McKinley Park Volunteer Fire Department	2,540
Cantwell Volunteer Fire Department	5,126
Total	\$52,930

- 17.) CANTWELL VOLUNTEER FIRE DEPARTMENT (5142)- Additional funding to be distributed to the Cantwell Volunteer fire Department will be \$22,890. If funding is not provided from the state of Alaska for the addition of the Cantwell Fire Hall, the Denali Borough Assembly will revisit this line item after July 1, 2006.
- 18.) CONTRIBUTION TO RAILBELT MENTAL HEALTH (5143)- This line item represents a funding request made by Railbelt Mental Health and Addictions for funds to help this group retain their clinic in Healy. The amount of funding will be \$6,900.
- 19.) CONTRIBUTION TO MCKINLEY PARK COMMUNITY CLUB AND MCKINLEY PARK VOLUNTEER FIRE DEPARTMENT (5144)- Additional funding to be distributed to the McKinley Park Volunteer Fire Department. The amount of funding will be \$20,009.
- 20.) ANDERSON VOLUNTEER FIRE DEPARTMENT (5146)- Additional funding to be distributed to Anderson Volunteer Fire Department will be \$21,000.
- 21.) CONTRIBUTION TO TRI-VALLEY FIRE DEPARTMENT (5140)- This line is to fund the summer EMT/Fire Department Program for Healy and surrounding area. The amount of funding will be \$134,092.
- 22.) CONTRIBUTION TO PANGUINGUE CREEK FIRE DEPARTMENT (5147)-Funding to be distributed to Panguingie Creek Fire Department will be \$8,100.
- 23.) CONTRIBUTION TO LIBRARIES/NON-PROFIT (5145)- This line Item is broken down as follows:

Community of Cantwell	6,310
McKinley Park Community Hall	7,700
Tri-Valley Library	8,500 *
Anderson Library	3,000
Cantwell Library	3,000
Kid's Stop	10,600
Panguingue Creek	16,200
Healy Hockey Association	10,000
TOTAL	\$65,310

*This amount includes a one time appropriation of \$3,000 in FY 2007 to upgrade the library circulation software in order to improve library services and provide web accessible collections. This upgrade includes the Anderson Library, Tri-Valley Library and the Cantwell Library.

- 24.) MAYOR CONTINGENCY (5900)- Contingency money is to pay for unforeseen expenditures. This money could also be used to cover any over expenditures without having to amend the budget.

DENALI BOROUGH SCHOOL DISTRICT BUDGET

- 1.) CAPITAL IMPROVEMENTS FUND (6052)- This line item is for additional capital projects for the schools.
- 2.) SCHOOL OPERATING FUND (6053)- The mandatory contribution to the Denali Borough School Districts operating fund is \$564,194 and the additional funding is \$785,806.

BOROUGH FUND ACCOUNTS BUDGET

- 1.) LAND ENTERPRISE FUND (6110) This amount will be put into the Land Enterprise Fund. The budget is as follows:

	Budget FY 07	Budgeted FY '06
a.) <u>Municipal Land Management (4101)</u> - This will be used for Borough surveying, processing fees, and advertising.	\$99,000	\$9,500
b.) <u>Equipment (8410-6110)</u> - Office Supplies, computers, printers, etc.	\$25,000	\$13,000

	Budget FY 07	Budgeted FY '06
c.) <u>Planning Commission Stipends and Benefits (8011-6110)</u> - This number is based on 9 commission members receiving stipends of \$25 per month and their payroll benefits.	\$2,750	\$2,750
d.) <u>Commission training and travel (8110-6110)</u> - These funds will allow the commission to travel and attend training relevant education opportunities.	\$6,600	\$3,000
e.) <u>Land Tech Salary (4107-6110)</u> - This amount includes a 5% raise.	\$31,000	\$31,000
f.) <u>Land Technician Benefits (4107-6110)</u> - This budget item is for employee benefits such as Aetna Health insurance, participation in the PERS Retirement System, Social Security and contribution to a 401k.	\$30,500	\$24,000
g.) <u>Technician Training/Travel (4106)</u> - This budget item will allow the Technician to attend training seminars such as the APA Conference and other educational seminars.	\$7,700	\$4,000
e.) FY '06 Carry Over	(\$105,500)	\$105,500
Total	\$97,050	\$192,750

- 2.) DENALI BOROUGH PERMANENT INVESTMENT FUND - This line item would contribute funds to the already established Denali Borough Permanent Investment Fund.
- 3.) MAJOR SCHOOL MAINTENANCE RESERVE FUND- This amount will be put into the Major School Maintenance Reserve Fund.
- 4.) DENALI BOROUGH CAPITAL PROJECTS FUND - This line item would contribute funds to the Capital Projects Fund.
- 5.) LANDFILL CLOSURE FUND - This line item would fund 50% of the post closure liability cost of \$63,100. This figure is based on the FY '05 audit of 20.68% usage.

CAPITAL MATCHING GRANTS

- 1.) BOROUGH MATCHING GRANTS - This line item makes funds available for the Borough Matching Grant Program. The procedures will be set by ordinance.

Section 5. Effective Date.

This ordinance becomes effective upon its adoption by the Denali Borough Assembly.

DATE INTRODUCED:	<u>April 12, 2006</u>
FIRST READING:	<u>May 10, 2006</u>
PUBLIC HEARING:	<u>May 10, 2006</u>

PASSED and APPROVED by the DENALI BOROUGH ASSEMBLY this 10th day of May, 2006.



ATTEST:

David A. Talbot
Borough Mayor

Christine K.
Borough Clerk