

Denali Borough, Alaska  
 ORDINANCE NO. 05-05

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 2006.

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, 2005 through June 30, 2006 and made a matter of public record.

ESTIMATED REVENUES	FY '06	BUDGETED FY '05	ACTUAL FY '04
Taxes:			
Overnight Accommodation	\$1,800,000	\$1,700,000	\$1,907,647
Severance Tax	50,000	50,000	66,775
Intergovernmental, Federal:			
PILT Act	170,000	150,000	171,196
Intergovernmental, State:			
Safe Communities	0	0	20,000
State Revenue Sharing	0	0	20,000
Electricity/Telephone Co-op Tax	50,000	40,000	51,647
Other:			
Interest Income	10,000	10,000	5,943
Miscellaneous Income	1,500	1,000	1,073
Land Leases	0	800	0
Penalties and Interest	0	200	877
<b>REVENUE TOTAL</b>	<b>\$2,081,500</b>	<b>\$1,952,000</b>	<b>\$2,245,158</b>

Denali Borough Code of Ordinances Title III, Chapter 16, Section 2(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 '06	FY '05	FY '04
<b>Assembly:</b>			
Assembly Members Stipend	\$5,550	\$5,400	\$5,450
Assembly Members Benefits	2,050	2,000	1,932
Clerk Salary	43,000	41,900	47,769
Clerk Benefits	27,500	23,000	19,805
Assembly/Clerk Travel	8,000	7,000	3,465
Assembly/Clerk Per Diem	6,000	5,000	2,959
Rent	18,000	18,000	17,643
Utilities	6,500	8,500	4,692
Postage	4,000	4,000	3,318
Dues/Subscriptions/Advertisement	9,500	9,500	8,426
Codification of Municipal Code	5,000	10,000	0
Elections	5,500	5,500	2,981
Equipment	50,000	10,000	22,294
Equipment Maintenance	5,000	5,000	4,898
Equipment Rental	1,000	1,000	933
Supplies	7,000	7,000	5,706
Personnel Committee	1,000	1,000	97
Municipal Land Mgmt.	0	86,000	820
Committee Training/Travel	0	2,500	1,073
Land Selection/Adjudication/Fees	0	2,500	0
Land Status Research	0	2,500	0
Technician/Training/Travel	0	5,500	0
Technician Salary	0	29,500	19,869
Technician Benefits	0	35,000	22,198
Finance Committee	1,000	1,000	0
Assembly Contingency	4,000	4,000	3,546
Assembly Budgetary Reserve	450,727	414,259	0
<b>ASSEMBLY TOTAL</b>	<b>660,327</b>	<b>746,559</b>	<b>199,874</b>
<b>Mayor:</b>			
Mayor Salary	\$53,750	\$32,500	\$32,500
Mayor Benefits	36,000	23,600	25,099
Administrative Staff Salary	37,200	37,500	34,934
Administrative Staff Benefits	23,000	20,000	20,289
Staff Leave Replacement	6,000	6,000	0
ESC Insurance Reimbursement	7,000	7,000	3,243
Mayor/Staff Travel	9,000	7,500	2,904
Mayor/Staff Per Diem	6,000	5,000	4,339
Annual Audit	17,000	14,000	13,615
Overnight Accommodations Audits	5,000	5,000	1,476
Bonding & Insurance	12,000	11,200	8,701
Attorney Fees	20,000	20,000	18,363
Consultant Fees	7,000	6,000	6,145
Bank Fees	1,500	1,300	1,478
State Funding to Communities	0	20,000	26,708
Borough Funding to Fire Depts.	43,312	41,650	41,162
Cantwell Volunteer Fire Dept.	7,300	11,000	7,000
Contribution to Railbelt MH	8,900	6,900	6,900
Contribution to McKinley PCC & FD	14,997	5,300	3,300
Contribution to Anderson VFD	10,000	10,000	5,000
Contribution to TVVFD	102,340	95,000	87,525
Libraries/Non-Profit	24,700	9,000	8,000
Mayor Contingency	5,000	5,000	972
<b>MAYOR TOTAL</b>	<b>456,999</b>	<b>400,450</b>	<b>359,653</b>

<b>EXPENSES</b>	<b>FY '06</b>	<b>BUDGETED FY '05</b>	<b>ACTUAL FY '04</b>
<b>Denali Borough School District:</b>			
Capital Improvement Fund	0	0	0
School Operating Fund			
Mandatory Contribution	564,194	564,194	551,138
Additional Contribution	685,806	685,806	725,512
<b>SCHOOL DISTRICT TOTAL</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,276,650</b>
<b>Borough Fund Accounts</b>			
Land Enterprise Fund	192,750	0	0
Permanent Investment Fund	\$0	\$30,000	\$0
Major School Maintenance Reserve Fund	60,000	80,000	0
Capital Projects Fund	\$80,000	\$0	\$0
<b>BOROUGH FUND ACCOUNTS TOTAL</b>	<b>\$332,750</b>	<b>\$110,000</b>	<b>\$0</b>
<b>Matching Grants:</b>			
State Matching Grants	\$0	\$0	\$0
Borough Matching Grants	30,000	0	0
<b>MATCHING GRANTS TOTAL</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$0</b>
<b>EXPENSE TOTAL</b>	<b>2,730,076</b>	<b>2,507,009</b>	<b>1,836,177</b>

Section 3. Authorization and Appropriation.

The appropriations are adopted and authorized for the period July 1, 2005 through June 30, 2006. 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 2006 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.) 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 \$50 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 \$0.25/hour increase.
- 4.) CLERK BENEFITS (4021)- This amount reflects the PERS employer contribution rate, contribution to a 401k, as well as the Medicare, Worker's Compensation, and health insurance costs. This amount includes the liability of earned sick leave and vacation pay for the year.
- 5.) ASSEMBLY/CLERK TRAVEL (4025)- This figure is budgeted to allow Assembly members and the Clerk to attend the annual AML conference, as well as attending other training classes.
- 6.) ASSEMBLY/CLERK PER DIEM (4026)- This amount delineates per diem for the Assembly and the Clerk.
- 7.) RENT (4031)- This amount represents the amount needed for rent for the Borough offices at the Tri-Valley Community Center.
- 8.) UTILITIES (4033)- The utility budget item is based on the cost of phone/fax/modem, and the monthly DSL connection.
- 9.) POSTAGE (4034)- This line item includes an annual bulk mail permit fee, approximately four resident mail-outs, as well as daily postage charges.
- 10.) 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.
- 12.) ELECTIONS (4040)- This line allows the funding of two Borough-wide elections.
- 13.) EQUIPMENT (4050)- The line item for equipment will allow the staff to purchase equipment as needed. It will include the purchase of a new Borough SUV and a network server for the office.
- 14.) EQUIPMENT MAINTENANCE (4051)- The copier maintenance is a large portion of this line item.
- 15.) EQUIPMENT RENTAL (4055)- This line item is for the rental fee for the electronic postage scale and rental cost of other equipment as needed.
- 16.) 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.
- 17.) 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.
- 19.) FINANCE COMMITTEE (4110)- This figure will be available for committee member and clerk travel as well as committee education concerning financial issues.

- 20.) 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.
- 21.) ASSEMBLY BUDGETARY RESERVE (4117)- This line item was established by Ordinance 96-01. The amount of this fund is determined by the 15% of the amount of funds available for budgeting on January 1, 2005.

**MAYOR BUDGET -**

- 1.) MAYOR SALARY (5010)- This amount reflects a change in salary from \$32,500 to \$65,000 annually with the election of the next Mayor in November 2005.
- 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, Workers Compensation, and health insurance costs.
- 3.) ADMINISTRATIVE STAFF SALARY (5020)- This amount includes a \$0.25/hour raise for the Administrative Clerk/Treasurer. It also includes the salary for a part time receptionist.
- 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, 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 future 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 \$8 per person provided Fire service and \$10 per person provided EMS service.

City of Anderson, EMS/Fire Department	\$15,088
Tri-Valley Volunteer Fire Department	21,998
McKinley Park Volunteer Fire Department	2,032
Cantwell Volunteer Fire Department	4,194
<b>Total</b>	<b>\$43,312</b>

- 17.) CANTWELL VOLUNTEER FIRE DEPARTMENT (5142)- Additional funding to be distributed to the Cantwell Volunteer fire Department will be \$7,300.
- 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 \$8,900.
- 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 \$14,997.
- 20.) ANDERSON VOLUNTEER FIRE DEPARTMENT (5146)- Additional funding to be distributed to Anderson Volunteer Fire Department will be \$10,000.
- 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 \$102,340.
- 22.) CONTRIBUTION TO LIBRARIES/NON-PROFIT (5145)- This line Item is broken down as follows:
 

Tri-Valley Library	\$5,500
Anderson Library	3,000
Cantwell Library	3,000
Kid's Stop	2,000
Panguingue Creek	11,200
<b>TOTAL</b>	<b>\$24,700</b>
- 23.) 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 \$ and the additional funding is \$.

**BOROUGH FUND ACCOUNTS BUDGET**

- 1.) LAND ENTERPRISE FUND (6110) This amount will be put into the Land Enterprise Fund. The budget is as follows:
  - a.) Municipal Land Management (4101)- This will be used for Borough surveying, processing fees, and advertising. \$90,000
  - b.) Equipment (8410-6110) - Office Supplies, computers, printers, etc. \$15,000
  - c.) Planning Commission Stipends and Benefits (8011-6110) - This number is based on 9 commission members receiving stipends of \$25 per month and their payroll benefits. \$2,750
  - d.) Commission training and travel (8110-6110) - These funds will allow the commission to travel and attend training relevant education opportunities. \$6,000
  - e.) Land Tech Salary (4107-6110) - This amount includes a \$0.25/hour raise. \$31,000
  - f.) Land Technician Benefits (4107-6110) - This budget item is for employee benefits such as Aetna Health insurance, participation in the PERS Retirement System, and contribution to a 401k. \$41,000

g.) Technician Training/Travel (4106) - This budget item will allow the Technician to attend training seminars such as the APA Conference and other educational seminars \$7,000

**Total** **\$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.

**CAPITAL MATCHING GRANTS**

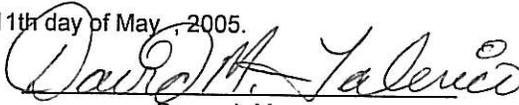
- 1.) STATE MATCHING GRANTS - There are no Capital Matching Grants expected for this year.
- 2.) BOROUGH MATCHING GRANTS - This line item makes funds available for the Borough Matching Grant Program. The procedures will be set by ordinance.

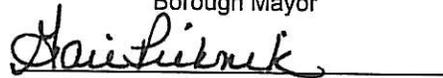
Section 5. Effective Date.

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

DATE INTRODUCED:	<u>April 13, 2005</u>
FIRST READING:	<u>May 11, 2005</u>
PUBLIC HEARING:	<u>May 11, 2005</u>

PASSED and APPROVED by the DENALI BOROUGH ASSEMBLY this 11th day of May, 2005.

  
Borough Mayor

  
Borough Clerk

ATTEST:

