

Denali Borough, Alaska
ORDINANCE NO. 04-06

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 2005.

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 in balances for the period July 1, 2004 through June 30, 2005 and made a matter of public record.

ESTIMATED REVENUES	FY '05	BUDGETED FY '04	ACTUAL FY '03
Taxes:			
Overnight Accommodation	\$1,700,000	\$1,660,000	\$1,599,969
Severance Tax	50,000	50,000	55,862
Intergovernmental, Federal:			
PILT Act	150,000	150,000	150,073
Intergovernmental, State:			
Safe Communities	0	34,600	34,679
State Revenue Sharing	0	26,710	26,710
Electricity/Telephone Co-op Tax	40,000	40,000	52,461
Other:			
Interest Income	10,000	25,000	8,276
Miscellaneous Income	1,000	200	124
Land Leases	800	800	0
Penalties and Interest	200	0	105
REVENUE TOTAL	\$1,952,000	\$1,987,310	\$1,928,259

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	FY '05	BUDGETED FY '04	ACTUAL FY '03
	ASSEMBLY TOTAL		
ASSEMBLY:			
Assembly Members Stipend	\$5,400	\$5,400	\$5,250
Assembly Members Benefits	2,000	2,000	1,593
Clerk Salary	41,900	39,125	42,952
Clerk Benefits	23,000	23,000	27,419
Assembly/Clerk Travel	7,000	6,050	7,208
Assembly/Clerk Per Diem	5,000	3,200	2,723
Rent	18,000	18,000	15,908
Utilities	8,500	8,500	8,182
Postage	4,000	4,000	3,499
Dues/Subscriptions/Advertisement	9,500	5,000	9,361
Codification of Municipal Code	10,000	0	0
Elections	5,500	5,000	2,635
Equipment	10,000	25,000	2,790
Equipment Maintenance	5,000	2,500	2,395
Equipment Rental	1,000	1,000	1,156
Supplies	7,000	6,200	7,148
Personnel Committee	1,000	2,500	0
Municipal Land Mgmt.	86,000	50,000	4,051
Committee Training/Travel	2,500	2,500	324
Land Selection/Adjudication/Fees	2,500	2,500	0
Land Status Research	2,500	5,000	0
Technician/Training/Travel	5,500	0	0
Technician Salary	29,500	27,500	31,114
Technician Benefits	35,000	24,000	17,081
Finance Committee	1,000	1,000	0
Assembly Contingency	4,000	4,000	1,308
Assembly Budgetary Reserve	414,259	373,422	0
Major School Maintenance Reserve Fund	80,000	0	0
ASSEMBLY TOTAL	826,559	646,397	194,097
MAYOR:			
Mayor Salary	\$32,500	\$32,500	\$28,509
Mayor Benefits	23,600	22,700	21,117
Administrative Staff Salary	37,500	35,500	42,229
Administrative Staff Benefits	20,000	19,500	33,598
Staff Leave Replacement	6,000	6,000	0
ESC Insurance Reimbursement	7,000	7,000	959
Mayor/Staff Travel	7,500	7,500	4,062
Mayor/Staff Per Diem	5,000	5,000	3,267
Annual Audit	14,000	13,000	13,291
Overnight Accommodations Audits	5,000	5,000	0
Bonding & Insurance	11,200	11,200	11,303
Attorney Fees	20,000	20,000	11,035
Consultant Fees	6,000	6,000	3,564
Bank Fees	1,300	700	562
State Funding to Communities	20,000	26,708	26,500
Borough Funding to Fire Depts.	41,650	41,162	39,740
Cantwell Volunteer Fire Dept.	11,000	7,000	7,000
Contribution to Railbelt MH	6,900	6,900	6,900
Contribution to McKinley PCC & FD	5,300	3,300	2,800

EXPENSES	FY '05	BUDGETED FY '04	ACTUAL FY '03
Mayor Cont.:			
Contribution to Anderson VFD	10,000	5,000	4,000
Contribution to TVVFD	95,000	87,525	85,000
Community Libraries	9,000	8,000	8,000
Mayor Contingency	5,000	5,000	5,641
MAYOR TOTAL	400,450	385,495	359,077
Denali Borough School District:			
Local Community Schools Fund	0	0	0
Capital Projects Fund	0	0	39,194
School Operating Fund			
Mandatory Contribution	564,194	551,138	549,440
Additional Contribution	685,806	728,512	671,416
SCHOOL DISTRICT TOTAL	1,250,000	1,279,650	1,260,050
Permanent Investment Fund	\$30,000	\$0	\$0
Matching Grants:			
Matching Grants	\$0	\$0	\$0
EXPENSE TOTAL	2,507,009	2,311,542	1,813,224

Section 3. Authorization and Appropriation.

The appropriations are adopted and authorized for the period July 1, 2004 through June 30, 2005. 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 2005 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)- The FY '05 figure is based on the projected FY '04 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 for FY '05 is \$0.
- 5.) STATE REVENUE SHARING (3200)- This amount for FY '05 is \$0.
- 6.) ELECTRICITY/TELEPHONE CO-OP TAX (3320)- This figure is based on what the Borough normally receives.
- 8.) INTEREST INCOME (3110)- This figure is based on actual amounts from FY '03 interest earnings.

- 9.) MISCELLANEOUS INCOME (3100)- Miscellaneous revenues include copying charges, fax charges, charges of copies of Borough reference books, passports, etc.
- 10.) LAND LEASES (3410)- This amount is based on what the Borough expects to receive for land leases from different entities.

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 7% increase.
- 4.) CLERK BENEFITS (4021)- This amount reflects the PERS employer contribution rate, 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 4 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 budget for postage 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 includes Alaska Municipal League (AML) dues, the National Association of Counties dues, monthly posting charges for the Valley Advocate, Clerk and Mayor's Association dues, conference registration fees, newspaper subscriptions, and posting the agenda in local papers.
- 11.) CODIFICATION OF THE MUNICIPAL CODE - This amount reflects the cost of codification of the Borough Municipal Code.
- 12.) ELECTIONS (4040)- This line allows the funding of two Borough-wide elections in FY '05.
- 13.) EQUIPMENT (4050)- The line item for equipment will allow the staff to purchase equipment as needed.
- 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 supply spending for FY '05. A large portion of the supply cost is incurred by the purchase of paper, pens, envelopes for mailing, etc. This also includes 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.
- 18.) Municipal Land Management (4101)- This budget item will be used for the following items:
 - 1.) Land Surveying: These funds will be used to survey State lands patented to the Borough.
 - 2.) Equipment/paper/cartridges:
- 19.) Committee Training and Travel (4102)- These funds are requested to allow for committee training and travel to APA conferences and other relevant education opportunities.
- 20.) Land Selection/Adjudication and Fees (4103)- This budget item is for expense charges by DNR to process the Borough's Municipal Entitlement Lands. Costs are based on advertising, recording fees, surveying instructions fees, etc.
- 21.) Land Status Research (4104)- This budget item is for expenses relating to conduct research by phone, fax, or modem.
- 22.) Technician Training/Travel (4106)- This budget item will allow the Technician to attend training seminars such as the APA Conference and other educational seminars.
- 23.) Land Technician Salary (4107)- This amount includes a 7% raise.
- 24.) Land Technicians Benefits (4108)- This budget item is for employee benefits such as Aetna Health Insurance and participation in the PERS Retirement System.
- 25.) FINANCE COMMITTEE (4110)- This figure will be available for committee member and clerk travel as well as committee education concerning financial issues.
- 26.) 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.
- 27.) 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, 2004.
- 28.) MAJOR SCHOOL MAINTENANCE RESERVE FUND- The amount put into this fund for FY '05 will be \$80,000.

MAYOR BUDGET -

- 1.) MAYOR SALARY (5010)- This amount is the same as FY '04.
- 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 7% 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, 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)- The State revenue sharing funding will be divided among the groups evenly as follows:

Panguingue Creek Homeowners	\$5,000
Tri-Valley Library	5,000
McKinley Community Club	5,000
Community of Cantwell, Inc.	5,000
Total	\$20,000

- 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	\$14,760
Tri-Valley Volunteer Fire Department	20,942
McKinley Park Volunteer Fire Department	1,952
Cantwell Volunteer Fire Department	3,996
Total	\$41,650

- 17.) CANTWELL VOLUNTEER FIRE DEPARTMENT (5142)- Additional funding to be distributed to the Cantwell Volunteer fire Department will be \$11,000.

- 18.) CONTRIBUTION TO RAILBELT MENTAL HEALTH (5143)- This figure represents a funding request made by Railbelt Mental Health 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 \$5,300.
- 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 \$95,000.
- 22.) CONTRIBUTION TO LIBRARIES (5145)- This line item is broken down as follows:

Tri-Valley Library	\$3,000
Anderson Library	3,000
Cantwell Library	3,000
TOTAL	\$9,000
- 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.) LOCAL COMMUNITY SCHOOLS FUND (6051)- This is a line item with no appropriation at the time the budget was introduced.
- 2.) CAPITAL PROJECTS FUND (6052)- This line item amount is \$0.
- 3.) SCHOOL OPERATING FUND (6053)- This would fund basic needs of the operation of the Denali Borough School District.

DENALI BOROUGH PERMANENT INVESTMENT FUND

- 1.) DENALI BOROUGH PERMANENT FUND - This line item would contribute funds to the already established Denali Borough Permanent Investment Fund.

CAPITAL MATCHING GRANTS

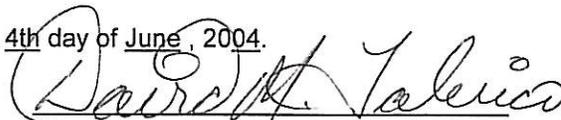
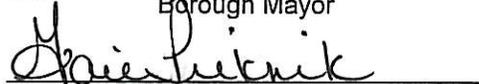
- 1.) CAPITAL GRANTS - There will not be any FY '05 Capital Matching Grants.

Section 5. Effective Date.

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

DATE INTRODUCED:	April 7, 2004
FIRST READING:	April 7, 2004
PUBLIC HEARING:	June 2, 2004

PASSED and APPROVED by the DENALI BOROUGH ASSEMBLY this 4th day of June, 2004.


 David M. Tolino
 Borough Mayor

 Marie Pitnik
 Borough Clerk

ATTEST:

