

Denali Borough, Alaska
 ORDINANCE NO. 03-05 ADOPTED

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 2004.

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, 2003 through June 30, 2004** and made a matter of public record.

ESTIMATED REVENUES	FY '04	BUDGETED FY '03	ACTUAL FY '02
Taxes:			
Overnight Accommodation	\$1,660,000	\$1,600,000	\$1,722,090
Severance Tax	50,000	70,000	73,251
Intergovernmental, Federal:			
PILT Act	150,000	140,000	142,956
Intergovernmental, State:			
Safe Communities	34,600	30,000	32,067
State Revenue Sharing	26,710	26,000	29,628
Electricity/Telephone Co-op Tax	40,000	49,000	49,996
Amusement/Game Share			
Other:			
Interest Income	25,000	87,000	21,589
Miscellaneous Income	200	200	69
Land Leases	800	800	616
Penalties and Interest	0	0	1,435
REVENUE TOTAL	\$1,987,310	\$2,003,000	\$2,073,697

EXPENSES	BUDGETED		ACTUAL
	FY '04	FY '03	FY '02
Assembly:			
Assembly Members Stipend	\$5,400	\$5,400	\$4,850
Assembly Members Benefits	2,000	1,700	1,407
Clerk Salary	44,242	42,952	41,407
Clerk Benefits	37,000	36,843	29,179
Assembly/Clerk Travel	6,050	6,050	7,758
Assembly/Clerk Per Diem	3,200	3,200	3,380
Rent	18,000	18,000	18,540
Utilities	8,500	8,500	6,666
Postage	4,000	4,000	3,835
Dues/Subscriptions/Advertisement	5,000	5,000	9,681
Elections	5,000	5,000	4,727
Equipment	5,000	5,000	1,686
Equipment Maintenance	2,500	2,500	3,691
Equipment Rental	1,000	1,000	1,094
Supplies	6,200	6,200	5,366
Personnel Committee	2,500	2,500	43
Municipal Land Mgmt.	50,000	65,000	3,965
Committee Training/Travel	2,500	2,500	430
Land Selection/Adjudication/Fees	2,500	2,500	0
Land Status Research	5,000	5,000	0
Technician/Training/Travel	0	0	2,596
Technician Salary	34,653	33,652	31,676
Technician Benefits	22,500	22,210	13,837
Finance Committee	1,000	3,000	0
Assembly Contingency	4,000	4,000	4,000
Assembly Budgetary Reserve	373,422	286,815	0
Major School Maintenance Reserve Fund	0	0	0
Capital Improvements Program	0	39,194	0
ASSEMBLY TOTAL	651,167	617,716	199,814
Mayor:			
Mayor Salary	\$32,500	\$32,500	\$29,082
Meritorious Bonus	\$0	\$0	\$0
Mayor Benefits	22,700	20,265	20,442
Administrative Staff Salary	48,000	46,410	40,726
Administrative Staff Benefits	41,000	39,699	29,904
Staff Leave Replacement	6,000	6,000	0
ESC Insurance Reimbursement	7,000	7,000	1,576
Mayor/Staff Travel	7,500	7,500	5,985
Mayor/Staff Per Diem	5,000	5,000	3,868
Annual Audit	13,000	13,000	10,695
Overnight Accommodations Audits	5,000	5,000	0
Bonding & Insurance	11,200	11,200	6,846
Attorney Fees	20,000	20,000	8,961
Consultant Fees	6,000	6,000	5,941
Bank Fees	700	700	990
State Funding to Communities	26,708	26,503	26,500
Borough Funding to Fire Depts.	41,162	39,740	37,386
Cantwell Volunteer Fire Dept.	7,000	7,000	7,000
Contribution to Railbelt MH	6,900	6,900	6,900

EXPENSES	BUDGETED		ACTUAL
	FY '04	FY '03	FY '02
Mayor Cont.:			
Contribution to McKinley PCC & FD	3,300	2,800	2,800
Contribution to Anderson VFD	5,000	4,000	0
Contribution to TVVFD	87,525	85,000	75,000
Community Libraries	8,000	8,000	8,000
Contingency	5,000	5,000	2,223
MAYOR TOTAL	416,195	405,217	330,825
Denali Borough School District:			
School Funding	\$0	\$0	\$0
Local Community Schools Fund	0	0	0
Capital Projects Fund	0	0	68,700
School Operating Fund	1,276,650	1,220,856	1,153,194
SCHOOL DISTRICT TOTAL	1,276,650	1,220,856	1,221,894
Denali Borough PIF	\$0	\$0	\$0
Matching Grants:			
Matching Grants	\$0	\$0	\$0
MATCHING GRANT TOTAL	\$0	\$0	\$0
Permanent Investment Fund	\$0	\$0	\$0
EXPENSE TOTAL	2,344,012	2,243,789	1,752,533

Section 3. Authorization and Appropriation.

The appropriations are adopted and authorized for the period July 1, 2003 through June 30, 2004. 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 2004 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 '04 figure is based on the projected FY '02 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 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 FY '03 funding.
- 5.) STATE REVENUE SHARING (3200)- This amount is based on the amount the Borough received during FY '03.

- 6.) ELECTRICITY/TELEPHONE CO-OP TAX (3320)- This figure is based on what the Borough normally receives.
- 7.) AMUSEMENT/GAME SHARE (3330)- The FY '04 revenue is based on what was received during FY '03.
- 8.) INTEREST INCOME (3110)- This figure is based on projected FY '04 interest earnings.
- 9.) MISCELLANEOUS INCOME (3100)- This figure is based on projected FY '04 amounts. Miscellaneous revenues include copying charges, fax charges, charges of copies of Borough reference books, etc.
- 10.) LAND LEASES (3410)- This amount is based on what the Borough expects to receive for land leases to 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 3% increase in accordance with her experience.
- 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 custodial fees of \$200 per month, the cost of phone/fax/modem/internet lines, 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.) ELECTIONS (4040)- This line allows the funding of two Borough-wide elections in FY '04.
- 12.) EQUIPMENT (4050)- The line item for equipment will allow the staff to purchase equipment as needed.
- 13.) EQUIPMENT MAINTENANCE (4051)- The copier maintenance is a large portion of this line item.

- 14.) EQUIPMENT RENTAL (4055)- This line item is for the rental fee for the electronic postage scale and rental cost of other equipment as needed.
- 15.) SUPPLIES (4060)- This figure is based on projected supply spending for FY '04. 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.
- 16.) PERSONNEL COMMITTEE (4065)- This figure represents to funds needed to pay travel expenses for the Personnel Clerk and committee members. This also includes possible education for committee members on personnel issues.
- 17.) 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:
- 18.) Committee Training and Travel (4102)- These funds are requested to allow for committee training and travel to APA conferences and other relevant education opportunities.
- 19.) Land Selection/Adjudication and Fees (4103)- This budget item is for expenses charges by DNR to process the Borough's Municipal Entitlement Lands. Costs are based on advertising, recording fees, etc.
- 20.) Land Status Research (4104)- This budget item is for expenses relating to conduction research by phone, fax, or modem. This also includes annual fees to DNR for access to their Land Administration System (LAS).
- 21.) Land Technician Salary (4107)- This amount includes a 3% raise for the Technician.
- 22.) Land Technicians Benefits (4108)- This budget item is for employee benefits such as Aetna Health Insurance and participation in the PERS Retirement System.
- 23.) FINANCE COMMITTEE (4110)- This figure will be available for committee member and clerk travel as well as committee education concerning financial issues.
- 24.) 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.
- 25.) 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, 2003.

MAYOR BUDGET -

- 1.) MAYOR SALARY (5010)- This amount is the same as FY '03.
- 2.) MERITORIOUS BONUS (5010)- This item was utilized by the Assembly during the last fiscal year.
- 3.) 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.
- 4.) ADMINISTRATIVE STAFF SALARY (5020)- This amount includes the salary costs of the Administrative Clerk

and the Clerk Typist with a 3% increase.

- 5.) ADMINISTRATIVE STAFF BENEFITS (5021)- The benefits are based on the salaries of both the administrative staff and include PERS, Medicare, Worker's Compensation, health insurance costs, and the liability of vacation and sick leave time.
- 6.) 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.
- 7.) ESC INSURANCE REIMBURSEMENT (5031)- The Denali Borough has opted to reimburse the State for unemployment claims for former employees rather the contributing to unemployment claims from the program every payroll. The liability figure will cover the maximum benefits for one employee.
- 8.) 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.
- 9.) MAYOR/STAFF PER DIEM (5016)- This amount delineates per diem for the Mayor and all Administrative Staff.
- 10.) ANNUAL AUDIT (5120)- This amount reflects the approximate amount needed to perform the annual audit of the Denali Borough financial records. This amount was increased due landfill financial assurance debt ratio requirement.
- 11.) OVERNIGHT ACCOMMODATIONS AUDIT (5118)- This amount reflects overnight accommodation operator audits performed by Kohler, Schmitt, and Hutchison on any specific Merchant.
- 12.) BONDING & INSURANCE (5122)- The insurance carrier for the Denali Borough is the Alaska Municipal League/Joint Insurance Association (AML/JIA).
- 13.) 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.
- 14.) CONSULTANT FEES (5130)- This amount will allow for professional services on a quarterly basis from Kohler, Schmitt and Hutchison, as well as any other consultants that may be needed.
- 15.) BANK FEES (6010)- These fees include the bank service charge as well as the cost of checks.
- 16.) STATE FUNDING TO COMMUNITIES (6021)- The State revenue sharing funding will be divided among the groups evenly as follows:

Panguingue Creek Homeowners	\$6,677
Tri-Valley Library	6,677
McKinley Community Club	6,677
Community of Cantwell, Inc.	6,677
Total	\$26,708

- 17.) 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	1,464

Cantwell Volunteer Fire Department	3,996
Total	\$41,162

- 18.) CANTWELL VOLUNTEER FIRE DEPARTMENT (5142)- Additional funding to be distributed to the Cantwell Volunteer fire Department will be \$7,000.
- 19.) 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. (\$6,900)
- 20.) CONTRIBUTION TO MCKINLEY PARK COMMUNITY CLUB AND MCKINLEY PARK VOLUNTEER FIRE DEPARTMENT (5144)- Additional funding to be to be funding to be distributed to the McKinley Park Volunteer Fire Department. (\$3,300)
- 21.) ANDERSON VOLUNTEER FIRE DEPARTMENT (5146)- Additional funding to be distributed to Anderson Volunteer Fire Department will be \$0.
- 22.) CONTRIBUTION TO TRI-VALLEY FIRE DEPARTMENT (5140)- This line is to fund the summer EMT/Fire Department Program for Healy and surrounding area.
- 23.) CONTRIBUTION TO LIBRARIES (5145)- This line Item is broken down as follows:

Tri-Valley Library	\$3,500
Anderson Library	2,500
Cantwell Library	2,000
TOTAL	\$8,000
- 24.) CONTINGENCY (5900)- Contingency money is to pay for unforeseen expenditures. This money could be 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.
- 4.) MAJOR SCHOOL MAINTENANCE RESERVE FUND (6054)- This line item would add \$0 to the established account.

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 - The FY '04 Capital Matching Grants and funding shares, listed by priority, are as follows. Please note that actual Borough costs are zero, except for administrative costs, which will not be reported in this category.

- A.) Cantwell Community Well
local share amount, \$3,175, State Funding, \$18,000.

- B.) Kids Stop renovation:
local share amount, \$2,706, State Funding, \$15,339.

Section 5. Effective Date.

This ordinance becomes effective upon it's adoption by the Denali Borough Assembly.

DATE INTRODUCED:	<u>4/9/03</u>
FIRST READING:	<u>4/9/03</u>
PUBLIC HEARING:	<u>5/14/03</u>

PASSED and APPROVED by the DENALI BOROUGH ASSEMBLY this 14TH day of May+A214, 2003.



ATTEST:


Borough Mayor


Borough Clerk