

Kenai Peninsula Borough

Road Improvement Funds

The Road Service Area has 4 funds; the Road Service Area Fund, the Engineer's Estimate Fund, the RIAD Match Fund, and the Road Service Area Capital Improvement Fund. A listing and summary of each fund is shown below.

The major source of revenue for Road Service Area Funds is property taxes, with additional funding provided through state grants and interest earnings. The road service area encompasses all areas outside the city limits of Soldotna, Kenai, Homer, Seward, Seldovia, and the area on the south side of Kachemak Bay. There are currently 8 permanent employees.

Road Service Area Fund – this fund provides summer and winter road maintenance on roads within the Road Service Area, administers the right-of-way permit system, administers a dust control program, and oversees the abandoned vehicle removal policy. This fund also provides funding to the Road Service Area Capital Project Fund, the Engineer's Estimate Fund, and the RIAD Match Fund. The Borough contracts out all road maintenance.

Engineer's Estimate Fund – this fund provides funding for preliminary engineering costs associated with estimating the total project cost for road improvement assessment districts pursuant to KPB 14.31 to assess viability.

RIAD Match Fund – this fund provides funding to defray cost associated with road improvement assessment districts. Borough policy allows for up to 50% funding for local or internal subdivision road improvements or up to 70% funding for improvement to collector roads.

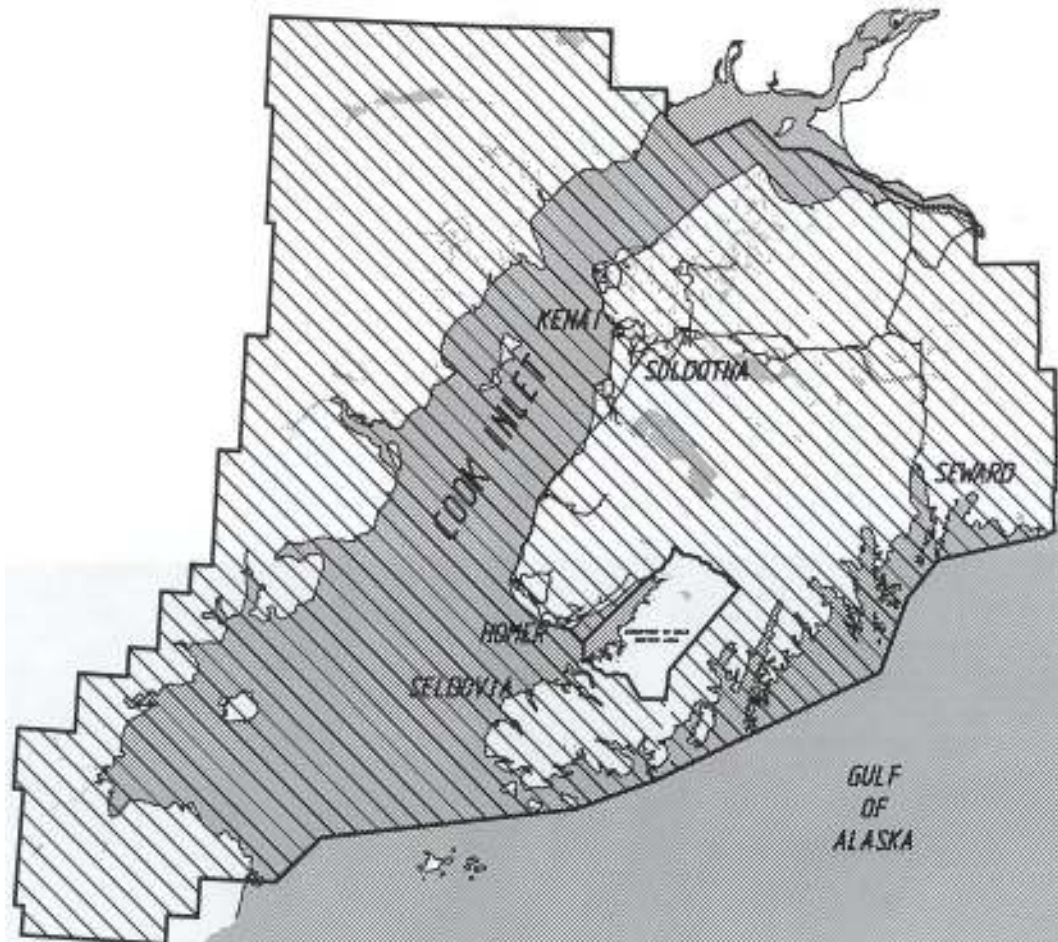
Road Service Area Fund Capital Improvement Fund – this fund accounts for major repairs of Borough roads and is funded by contributions from the road service area operating fund, grants, and interest earnings. Detail expenditures of this fund is in the Capital Improvement Fund section of this document, see page 308.

ROAD SERVICE AREA

Four road maintenance service areas were established in 1982 after voter approval. During fiscal year 1991-92 the Borough Assembly consolidated the four areas into one borough-wide area for greater efficiency. A seven-member board, with at least one representative from each of the four former service areas and three at-large members, is appointed by the Mayor and confirmed by the Assembly for three-year terms. The Roads Director and seven staff oversee the maintenance.

The mill levy for fiscal year 2009 is set at 1.40 mills. Revenue is raised through property taxes.

POPULATION: 33,587
24,138.28 SQ. MI.



BOARD MEMBERS

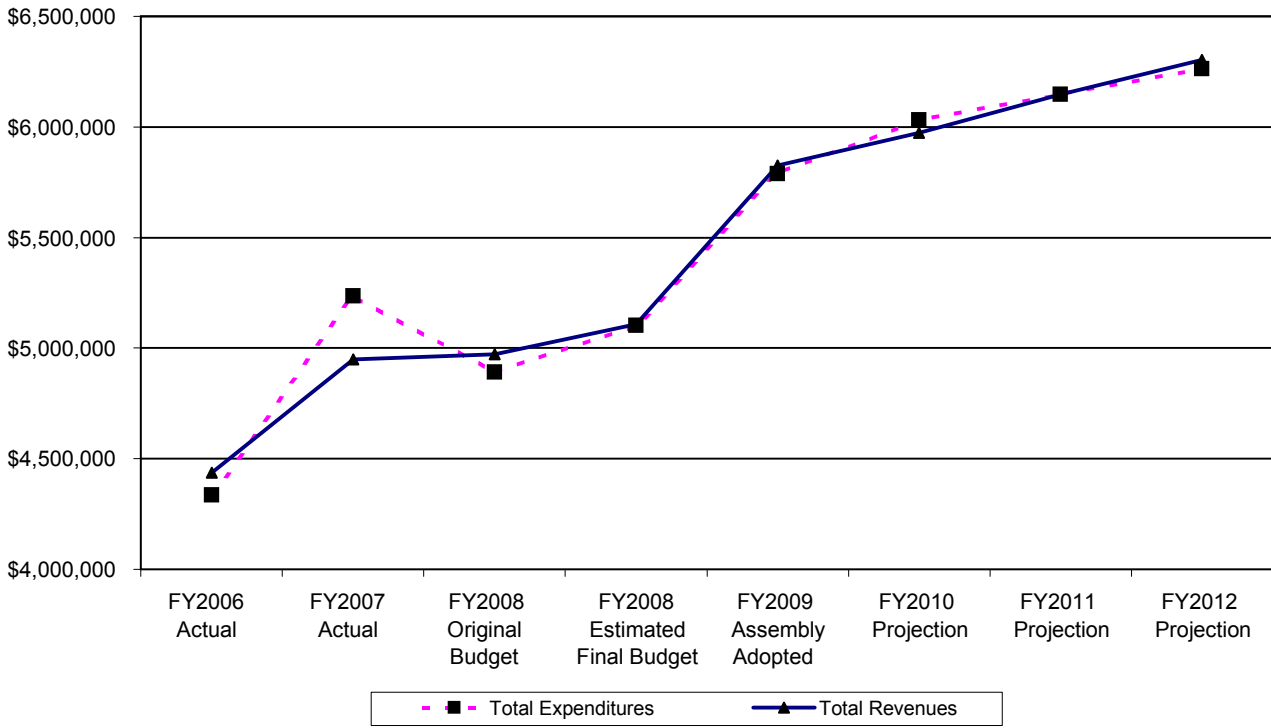
Norm Blakeley
John Bonk
Cam Shafer
Stan A. (Sam) McLane
Joseph Ross
Michael Peek
Ronald Wille

Roads Director: Gary Davis

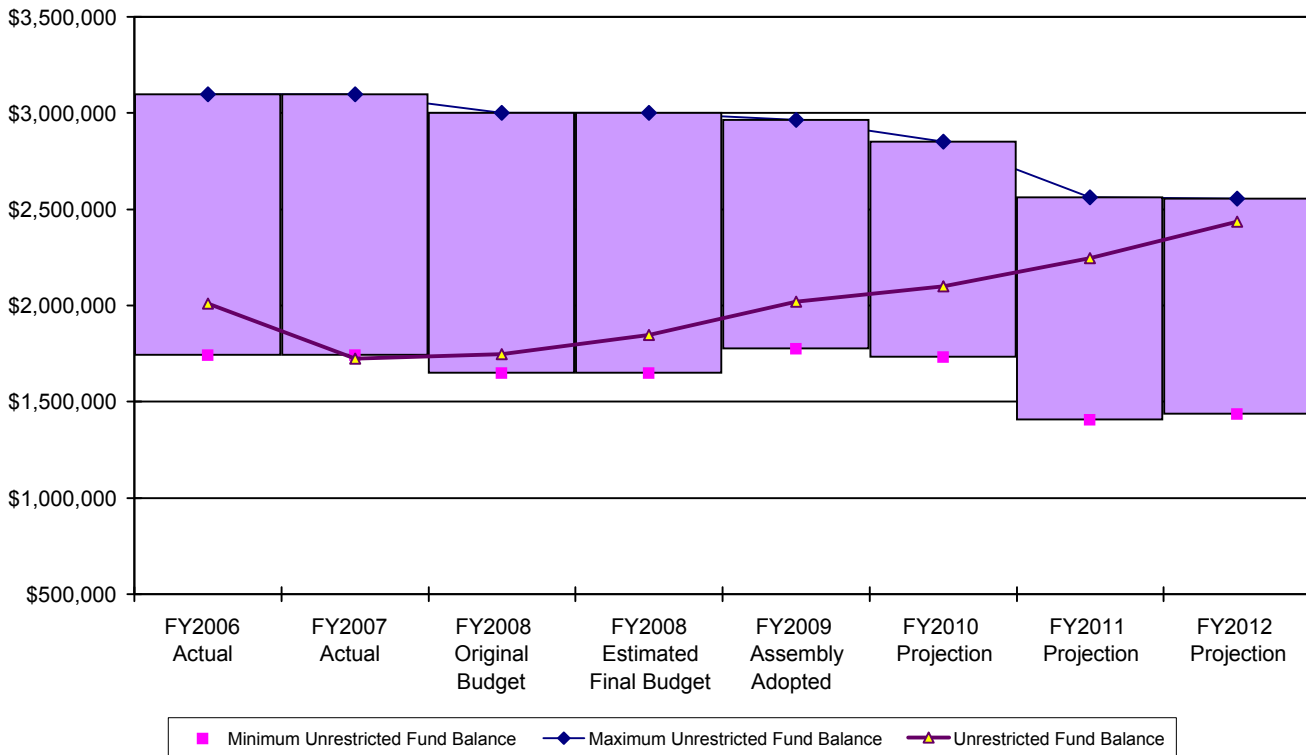
Fund: 236 Road Service Area

Fund Budget:		FY2008	FY2008	FY2009	FY2010	FY2011	FY2012	
		Original	Estimated	Assembly	Projection	Projection	Projection	
	FY2006 Actual	FY2007 Actual	Budget	Adopted				
			Final Budget					
Taxable Value (000's)								
Real	2,457,010	2,639,704	2,974,827	2,974,827	3,287,681	3,419,188	3,545,956	3,675,794
Personal	113,500	120,544	100,671	104,378	94,864	96,761	98,697	100,670
Oil & Gas (AS 43.56)	544,881	538,754	588,277	588,277	606,447	571,125	540,568	511,540
	3,115,391	3,299,002	3,663,775	3,667,482	3,988,992	4,087,074	4,185,221	4,288,004
Mill Rate	1.40	1.40	1.30	1.30	1.40	1.40	1.40	1.40
Revenues:								
Property Taxes								
Real	\$ 3,375,371	\$ 3,687,157	\$ 3,867,275	\$ 3,867,275	\$ 4,602,753	\$ 4,786,864	\$ 4,964,338	\$ 5,146,112
Personal	139,986	145,374	128,255	132,978	130,153	132,756	135,412	138,120
Oil & Gas (AS 43.56)	762,003	759,993	764,760	764,760	849,026	799,575	756,796	716,156
Interest	12,728	14,591	9,521	9,521	11,164	11,438	11,713	12,001
Flat Tax	16,743	23,559	-	29,198	29,782	30,378	30,986	31,606
Motor Vehicle Tax	112,884	114,266	130,924	130,924	133,483	136,153	138,876	141,654
Total Property Taxes	4,419,715	4,744,940	4,900,735	4,934,656	5,756,361	5,897,164	6,038,121	6,185,649
State Revenue	16,651	18,987	-	-	-	-	-	-
Interest Earnings	-	185,113	70,171	175,000	69,256	75,719	110,300	118,007
Total Revenues	4,436,366	4,949,040	4,970,906	5,109,656	5,825,617	5,972,883	6,148,421	6,303,656
Expenditures:								
Personnel	620,469	691,673	680,795	680,795	832,114	865,399	900,015	936,016
Supplies	32,331	60,858	66,600	69,323	66,920	68,258	69,623	71,015
Services	2,604,764	2,358,460	2,719,092	2,968,092	3,553,590	3,624,662	3,697,155	3,771,098
Capital Outlay	7,281	34,060	38,000	46,682	3,800	3,876	3,954	4,033
Interdepartmental Charges	64	196,224	109,594	109,594	60,158	142,569	145,961	149,443
Total Expenditures	3,264,909	3,341,275	3,614,081	3,874,486	4,516,582	4,704,764	4,816,708	4,931,605
Operating Transfers To:								
Capital Projects Fund	755,955	1,666,153	1,250,000	1,200,000	1,250,000	1,250,000	1,250,000	1,250,000
Special Revenue Fund	316,149	228,863	28,430	28,430	22,173	77,500	79,400	81,338
Total Operating Transfers	1,072,104	1,895,016	1,278,430	1,228,430	1,272,173	1,327,500	1,329,400	1,331,338
Total Expenditures and Operating Transfers	4,337,013	5,236,291	4,892,511	5,102,916	5,788,755	6,032,264	6,146,108	6,262,943
Net Results From Operations	99,353	(287,251)	78,395	6,740	36,862	(59,381)	2,313	40,713
Projected Lapse (3%)	-	-	108,422	116,235	135,497	141,143	144,501	147,948
Change in Fund Balance	99,353	(287,251)	186,817	122,975	172,359	81,762	146,814	188,661
Beginning Fund Balance	1,911,747	2,011,100	1,559,349	1,723,849	1,846,824	2,019,183	2,100,945	2,247,759
Ending Fund Balance	\$ 2,011,100	\$ 1,723,849	\$ 1,746,166	\$ 1,846,824	\$ 2,019,183	\$ 2,100,945	\$ 2,247,759	\$ 2,436,420

**ROAD SERVICE AREA
REVENUES AND EXPENDITURES**



**ROAD SERVICE AREA
UNRESERVED FUND BALANCE**



Fund: 236 Road Service Area
Dept: 33950

DEPARTMENT FUNCTION

Major long-term issues and concerns:

- Cost of maintaining roads not built to Borough Road Standards.
- Providing road maintenance under prescriptive rights on roads that do not have platted right-of-way.
- Location of utilities in road right-of-way that cause maintenance conflicts.
- Ability to address in-house technical engineering concerns.
- Address road maintenance costs that increase with the different weather fluctuations in each region.
- Secure project management and administration functions for \$8m Federal Earmark Funds that State DOT is considering administering.

Objectives FY2009/Budget highlights:

- Contract for CIP upgrades to sixteen roads.
- Obtain right-of-way or easements needed for general road maintenance on Capital Improvement Projects.
- Complete proposed road swap program with State of Alaska, Department of Transportation.
- Address glaciation issues on Mann Road and Vio Lane.
- Identify projects to expend \$8m Federal Earmark Funding.
- Implement a dust control policy.

Previous year accomplishments:

- Completed repairs to eight roads and two bridges damaged by floods that occurred in October 2006.
- Completed seven CIP's that brought thirteen roads up to standards.
- Applied calcium chloride to 176 miles of roads for dust control.
- Relocated and upgraded Kasilof River Road through Hazard Mitigation Grant.
- Pursued acceptance and administrative procedures relating to \$8m Federal Earmark Funding.
- Completed a long-term engineering contract for Capital Improvement Projects.
- Completed long-term road maintenance contracts for 13 of the 28 road maintenance units.

Significant budgetary changes:

- Increase in staff. Added 1 Engineer/Assistant Administrator (60%), balance to be charged to other departments (40%).
- Contract surveying services to obtain easements and right-of-ways for proposed Capital Improvement Projects.
- Included \$125,000 in operating budget to perform relocates of utilities in right-of-ways that interfere with road maintenance.

KEY MEASURES

	FY06 <u>Actual</u>	FY07 <u>Actual</u>	FY08 <u>Estimated</u>	FY09 <u>Adopted</u>
Staffing History	7	7	7	8
Mill rate	1.4	1.4	1.3	1.4
Property tax revenues	\$4,419,715	\$4,744,940	\$4,900,735	\$5,037,875
Number of miles maintained	614	621	623	628
Cost per mile-contracted maintenance	\$3,702	\$3,240	\$3,745	\$3,875
Dust control mileage	162	176	185	185
Road upgrades through CIP program	9	13	13	18
Bridges upgrade through CIP program	2	2	2	0
Road maintenance applications received	50	62	65	65
RIAD's funded	1	0	0	2
Street signs installed or replaced	456	460	450	300
Abandoned vehicles removed	13	9	27	27
Abandoned vehicles & debris issues	18	16	55	55
Rights of Way Permits Issued	213	212	215	215

**KENAI PENINSULA BOROUGH
BUDGET DETAIL**

**Fund 236
Department 33950 - Road Service Area**

	FY2006 Actual	FY2007 Actual	FY2008 Original Budget	FY2008 Amended Budget	FY2009 Assembly Adopted	Difference Between Assembly Adopted & Amended Budget %	
Personnel							
40110 Regular Wages	\$ 361,906	\$ 381,536	\$ 390,465	\$ 390,465	\$ 493,307	\$ 102,842	26.34%
40120 Temporary Wages	17,682	24,261	19,141	19,141	15,000	(4,141)	-21.63%
40130 Overtime Wages	2,038	2,293	5,666	5,666	4,000	(1,666)	-29.40%
40210 FICA	33,148	34,852	36,857	36,857	44,614	7,757	21.05%
40221 PERS	64,275	107,731	89,903	89,903	110,179	20,276	22.55%
40321 Health Insurance	82,493	80,296	83,720	83,720	96,475	12,755	15.24%
40322 Life Insurance	908	948	987	987	1,217	230	23.30%
40410 Leave	48,120	47,827	44,148	44,148	53,492	9,344	21.17%
40411 Sick Leave	9,021	9,487	9,860	9,860	13,782	3,922	39.78%
40511 Other Benefits	878	2,442	48	48	48	-	0.00%
Total: Personnel	620,469	691,673	680,795	680,795	832,114	151,319	22.23%
Supplies							
42020 Signage Supplies	-	33,799	30,000	31,723	25,000	(6,723)	-21.19%
42110 Office Supplies	3,840	2,462	2,500	3,500	3,500	-	0.00%
42120 Computer Software	-	241	-	-	-	-	-
42230 Fuel, Oils and Lubricants	23,305	21,066	28,800	28,800	33,120	4,320	15.00%
42310 Repair & Maintenance Supplies	431	131	500	87	500	413	474.71%
42360 Motor Vehicle Repair Supplies	4,440	3,075	4,000	4,000	4,000	-	0.00%
42410 Small Tools	315	84	800	1,213	800	(413)	-34.05%
Total: Supplies	32,331	60,858	66,600	69,323	66,920	(2,403)	-3.47%
Services							
43011 Contractual Services	32,203	35,689	35,000	28,620	160,000	131,380	459.05%
43020 Sign Installation	25,688	-	-	-	-	-	-
43110 Communications	9,758	11,295	12,000	12,000	14,400	2,400	20.00%
43140 Postage	713	659	800	800	1,000	200	25.00%
43210 Transportation/Subsistence	8,029	9,058	11,040	11,040	13,018	1,978	17.92%
43260 Training	-	2,176	895	1,250	895	(355)	-28.40%
43310 Advertising	5,569	7,115	10,000	10,000	10,500	500	5.00%
43510 Insurance Premium	9,976	22,333	25,901	25,901	25,901	-	0.00%
43610 Utilities	2,564	2,916	4,532	4,532	4,985	453	10.00%
43720 Office Equipment Maintenance	914	746	1,500	1,500	2,000	500	33.33%
43750 Vehicle Maintenance	17	4,660	2,000	7,000	2,000	(5,000)	-71.43%
43812 Equipment Replacement Pymt.	10,495	6,943	6,943	6,943	5,193	(1,750)	-25.21%
43920 Dues and Subscriptions	-	25	-	25	-	(25)	-100.00%
43931 Recording Fees	132	176	500	500	500	-	0.00%
46910 Road Service Area Maintenance	2,273,604	2,012,253	2,332,981	2,582,981	2,988,198	405,217	15.69%
46911 Dust Control	225,102	242,416	275,000	275,000	325,000	50,000	18.18%
Total: Services	2,604,764	2,358,460	2,719,092	2,968,092	3,553,590	585,498	19.73%
Capital Outlay							
48310 Vehicles	300	32,515	34,000	34,000	-	(34,000)	-100.00%
48710 Minor Office Equipment	4,000	132	2,000	4,000	3,800	(200)	-5.00%
48740 Minor Machines & Equipment	2,981	1,413	2,000	-	-	-	-
49311 Design	-	-	-	8,682	-	(8,682)	-100.00%
Total: Capital Outlay	7,281	34,060	38,000	46,682	3,800	(42,882)	-91.86%
Transfers							
50237 Engineers Estimate Fund	-	28,863	-	-	-	-	-
50238 RIAD Match Fund	316,149	200,000	28,430	28,430	22,173	(6,257)	-22.01%
50434 Roads Capital Project Fund	755,955	1,666,153	1,250,000	1,200,000	1,250,000	50,000	4.17%
Total: Transfers	1,072,104	1,895,016	1,278,430	1,228,430	1,272,173	43,743	3.56%
Interdepartmental Charges							
60000 Charges to Other Depts.	-	-	-	-	(76,200)	(76,200)	-
61990 Admin Service Fee	64	196,224	109,594	109,594	136,358	26,764	24.42%
Total: Interdepartmental Charges	64	196,224	109,594	109,594	60,158	(49,436)	-45.11%
Department Total	\$ 4,337,013	\$ 5,236,291	\$ 4,892,511	\$ 5,102,916	\$ 5,788,755	\$ 685,839	13.44%

Fund 236
Department 33950 - Road Service Area - Continued

LINE-ITEM EXPLANATIONS

40110 Regular Wages. Staff includes: Roads Director, 4 Road Inspectors, 1 Engineer/Assistant Administrator, Administrative Assistant/Contract Coordinator, and Secretary.

Added: 1 Engineer/Assistant Administrator (40% charged to other departments).

40120 Temporary Wages. Temporary personnel will be used in fieldwork. Primary fieldwork will be sign installation, road traffic counts, brushing, and review complaints.

42020 Signage Supplies. Signs purchased for street re-naming project and to replace damaged or vandalized signs.

43011 Contractual Services. Surveying services (\$10,000), utility relocates (\$125,000), abandoned vehicle removal from Borough right-of-way (\$15,000), steam thaw, street sweep, striping and pavement patch (\$10,000).

43210 Transportation/Subsistence. Travel for Road Service Area Board Members to board meetings, travel to Homer, Seldovia and Seward for road inspections (Director), travel to AML and to Juneau for the Director and DOT training in Fairbanks for 2 road inspectors.

46910 Road Service Area Maintenance. Provide general maintenance as well as brushing, ditching and road alignment improvements. Administer 28 road maintenance contracts. Increased to cover increased contract costs due to fuel increases.

46911 Dust Control. Purchase and apply calcium chloride for dust control on gravel roads in the Borough. Increased to cover additional roads with high maintenance needs.

48710 Minor Office Equipment. Replace one computer and 2 printers.

50238 Transfer to RIAD Match Fund. To promote and fund road improvement assessment district projects.

50434 Transfer to Capital Projects Fund. Transfer funds necessary to complete capital improvement projects.

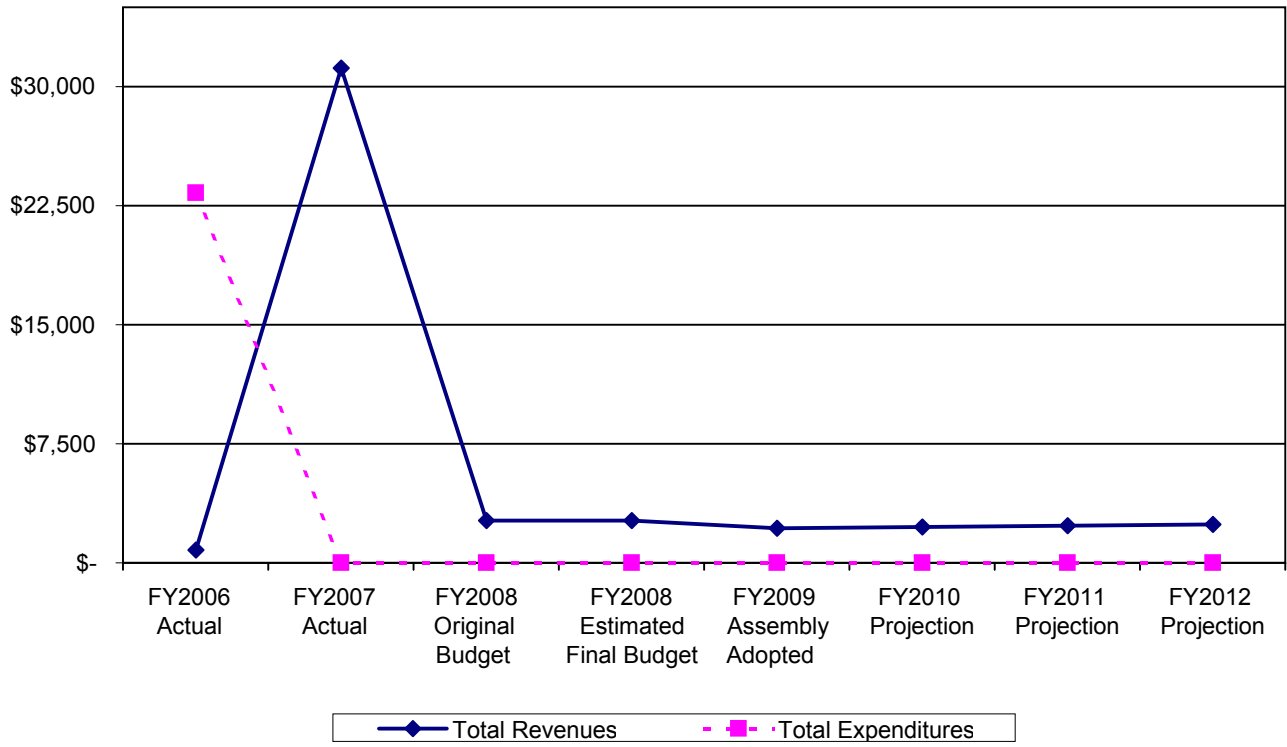
61990 Admin Service Fee. Fees charged to service areas and departments to cover a portion of the costs associated with providing general government services.

For capital projects information on this department - See the Capital Projects Section - Pages 292, 296 & 307

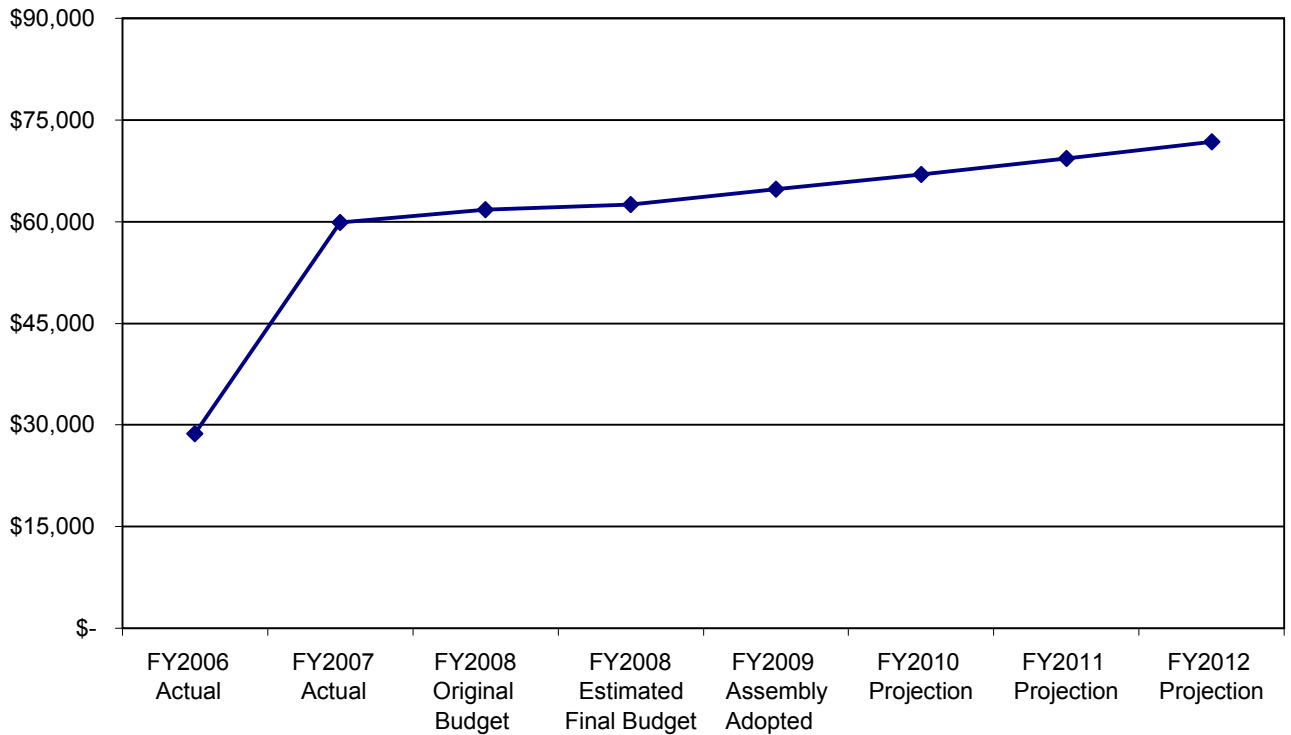
Fund: 237 Engineer's Estimate Fund

Fund Budget:	FY2006 Actual	FY2007 Actual	FY2008 Original Budget	FY2008 Estimated Final Budget	FY2009 Assembly Adopted	FY2010 Projection	FY2011 Projection	FY2012 Projection
Revenues:								
Interest Earnings	\$ 791	\$ 2,304	\$ 2,660	\$ 2,660	\$ 2,189	\$ 2,266	\$ 2,345	\$ 2,427
Total Revenues	791	2,304	2,660	2,660	2,189	2,266	2,345	2,427
Operating Transfers From:								
Special Revenue Fund	-	28,863	-	-	-	-	-	-
Total Operating Transfers	-	28,863	-	-	-	-	-	-
Total Revenues and Operating Transfers	791	31,167	2,660	2,660	2,189	2,266	2,345	2,427
Expenditures:								
Services	23,312	-	-	-	-	-	-	-
Total Expenditures	23,312	-	-	-	-	-	-	-
Net Results From Operations	(22,521)	31,167	2,660	2,660	2,189	2,266	2,345	2,427
Change in Fund Balance	(22,521)	31,167	2,660	2,660	2,189	2,266	2,345	2,427
Beginning Fund Balance	51,243	28,722	59,109	59,889	62,549	64,738	67,004	69,349
Ending Fund Balance	\$ 28,722	\$ 59,889	\$ 61,769	\$ 62,549	\$ 64,738	\$ 67,004	\$ 69,349	\$ 71,776

**ENGINEER'S ESTIMATE FUND
REVENUES AND EXPENDITURES**



**ENGINEER'S ESTIMATE FUND
UNRESERVED FUND BALANCE**



**KENAI PENINSULA BOROUGH
BUDGET DETAIL**

Fund 237
Department 33950 - Engineer's Estimate Fund

	FY2006 Actual	FY2007 Actual	FY2008 Original Budget	FY2008 Amended Budget	FY2009 Assembly Adopted	Difference Between Assembly Adopted & Amended Budget %
Services						
43011 Contractual Services	\$ 23,312	\$ -	\$ -	\$ -	\$ -	-
Total: Services	23,312	-	-	-	-	-
Department Total	\$ 23,312	\$ -	\$ -	\$ -	\$ -	-

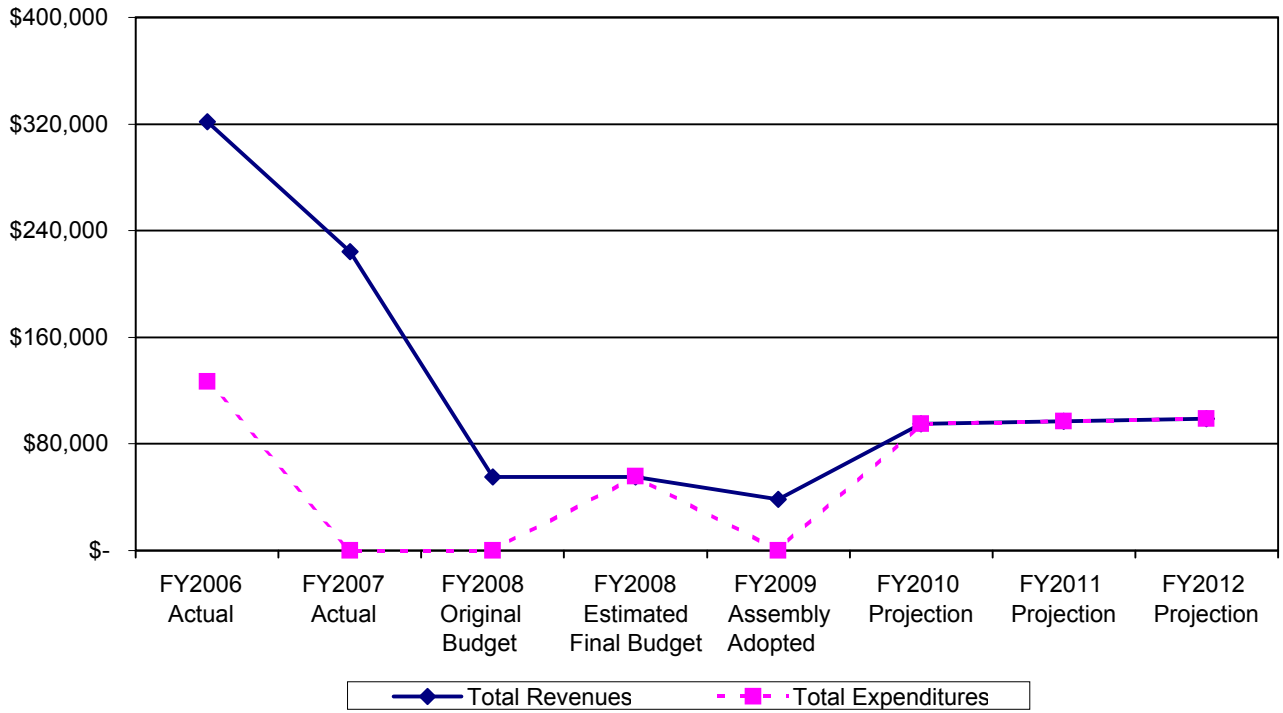
LINE-ITEM EXPLANATIONS

43011 Contractual Services. No projects have been identified that require preliminary cost estimates.

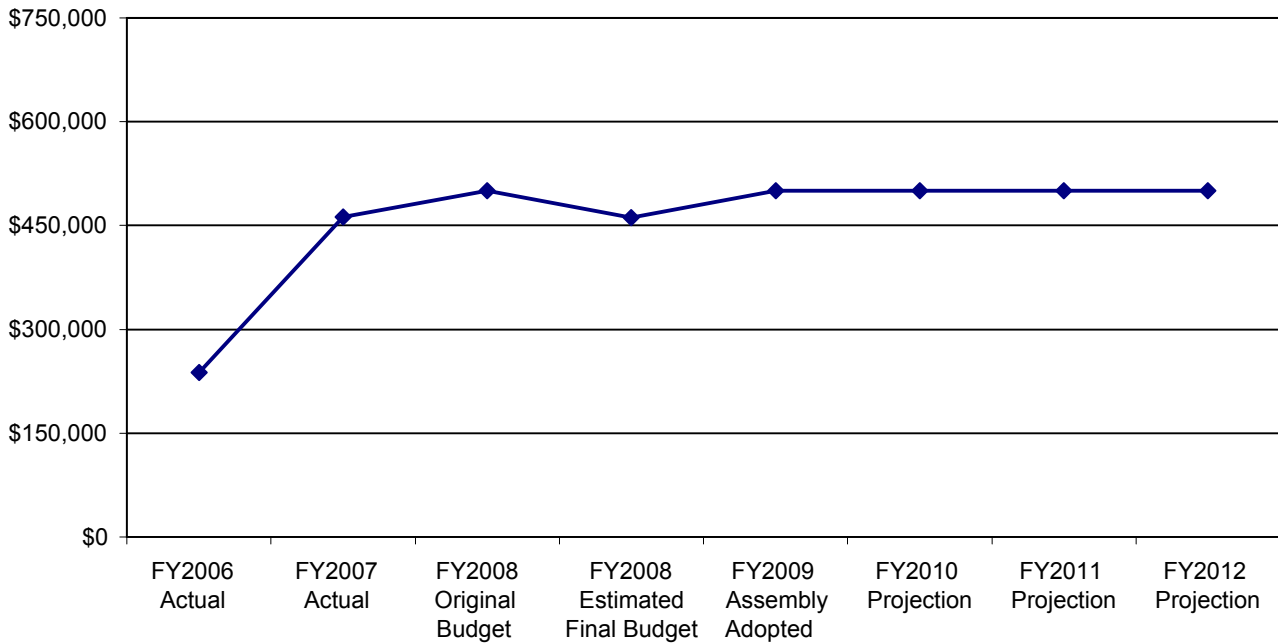
Fund: 238 RIAD Match Fund

Fund Budget:	FY2006 Actual	FY2007 Actual	FY2008 Original Budget	FY2008 Estimated Final Budget	FY2009 Assembly Adopted	FY2010 Projection	FY2011 Projection	FY2012 Projection
Revenues:								
Interest Earnings	\$ 5,566	\$ 18,139	\$ 26,693	\$ 26,693	\$ 16,158	\$ 17,500	\$ 17,500	\$ 17,500
Total Revenues	5,566	18,139	26,693	26,693	16,158	17,500	17,500	17,500
Operating Transfers From:								
Special Revenue Fund	316,149	206,192	28,430	28,430	22,173	77,500	79,400	81,338
Total Operating Transfer	316,149	206,192	28,430	28,430	22,173	77,500	79,400	81,338
Total Revenues and Operating Transfers	321,715	224,331	55,123	55,123	38,331	95,000	96,900	98,838
Expenditures:								
Services	126,936	-	-	55,662	-	95,000	96,900	98,838
Total Expenditures	126,936	-	-	55,662	-	95,000	96,900	98,838
Net Results From Operations	194,779	224,331	55,123	(539)	38,331	-	-	-
Change in Fund Balance	194,779	224,331	55,123	(539)	38,331	-	-	-
Beginning Fund Balance	43,098	237,877	444,877	462,208	461,669	500,000	500,000	500,000
Ending Fund Balance	\$ 237,877	\$ 462,208	\$ 500,000	\$ 461,669	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000

**RIAD MATCH FUND
REVENUES AND EXPENDITURES**



**RIAD MATCH FUND
UNRESERVED FUND BALANCE**



**KENAI PENINSULA BOROUGH
BUDGET DETAIL**

**Fund 238
Department 33950 - RIAD Match Fund**

	FY2006 Actual	FY2007 Actual	FY2008 Original Budget	FY2008 Amended Budget	FY2009 Assembly Adopted	Difference Between Assembly Adopted & Amended Budget %
Services						
43011 Contractual Services	\$ 126,936	\$ -	\$ -	\$ 55,662	\$ -	0.00%
Total: Services	126,936	-	-	55,662	-	0.00%
Department Total	\$ 126,936	\$ -	\$ -	\$ 55,662	\$ -	0.00%

LINE-ITEM EXPLANATIONS

43011 Contractual Services. No projects have been identified as part of the FY2009 budget that require funding.