

Mayor Proposed FY2025 Budget

KENAI PENINSULA BOROUGH

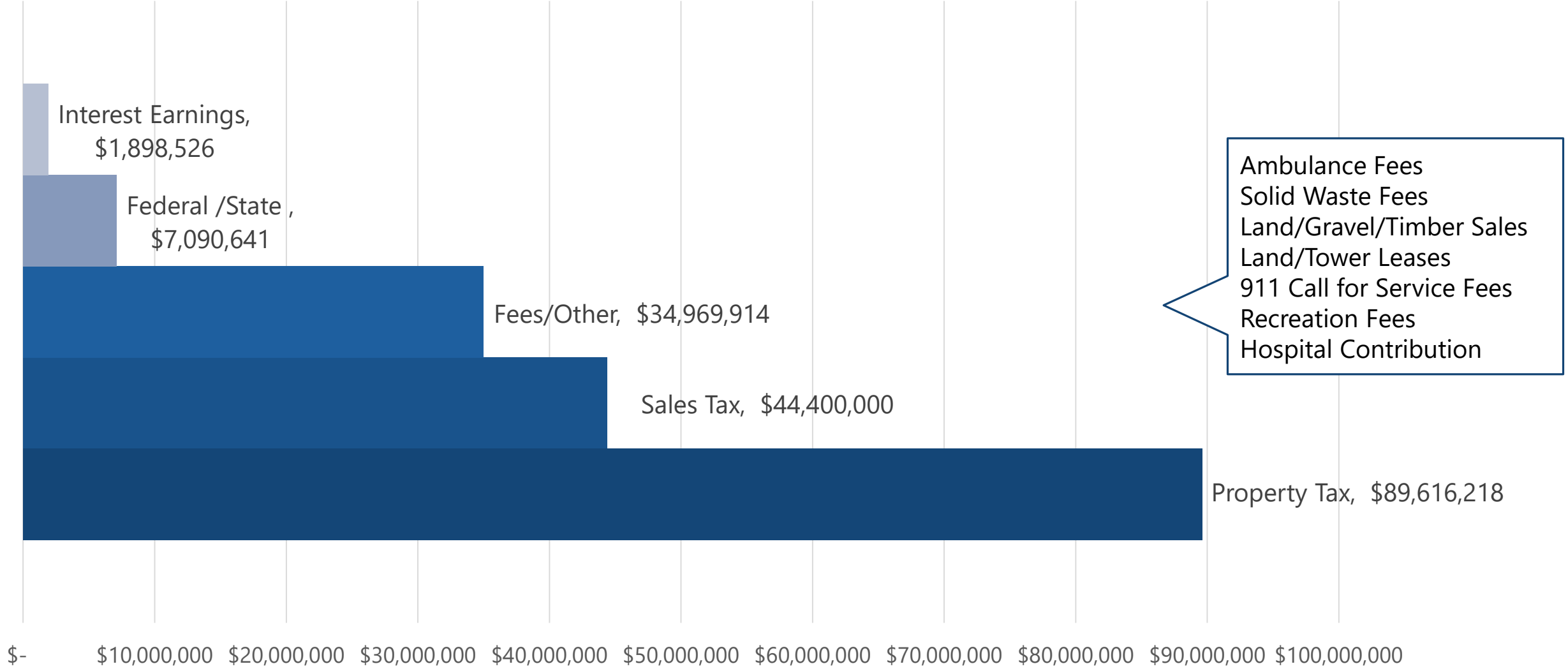
MAY 7, 2024



Boroughwide

FY2025 Boroughwide Revenue Sources

\$177,975,299



Boroughwide Revenues

Mill Rate Changes:

North Peninsula Recreation Service Area

Decreased from 1.40 to 1.30 mills

South Peninsula Hospital – Debt

Decreased from 1.00 to .34 mills

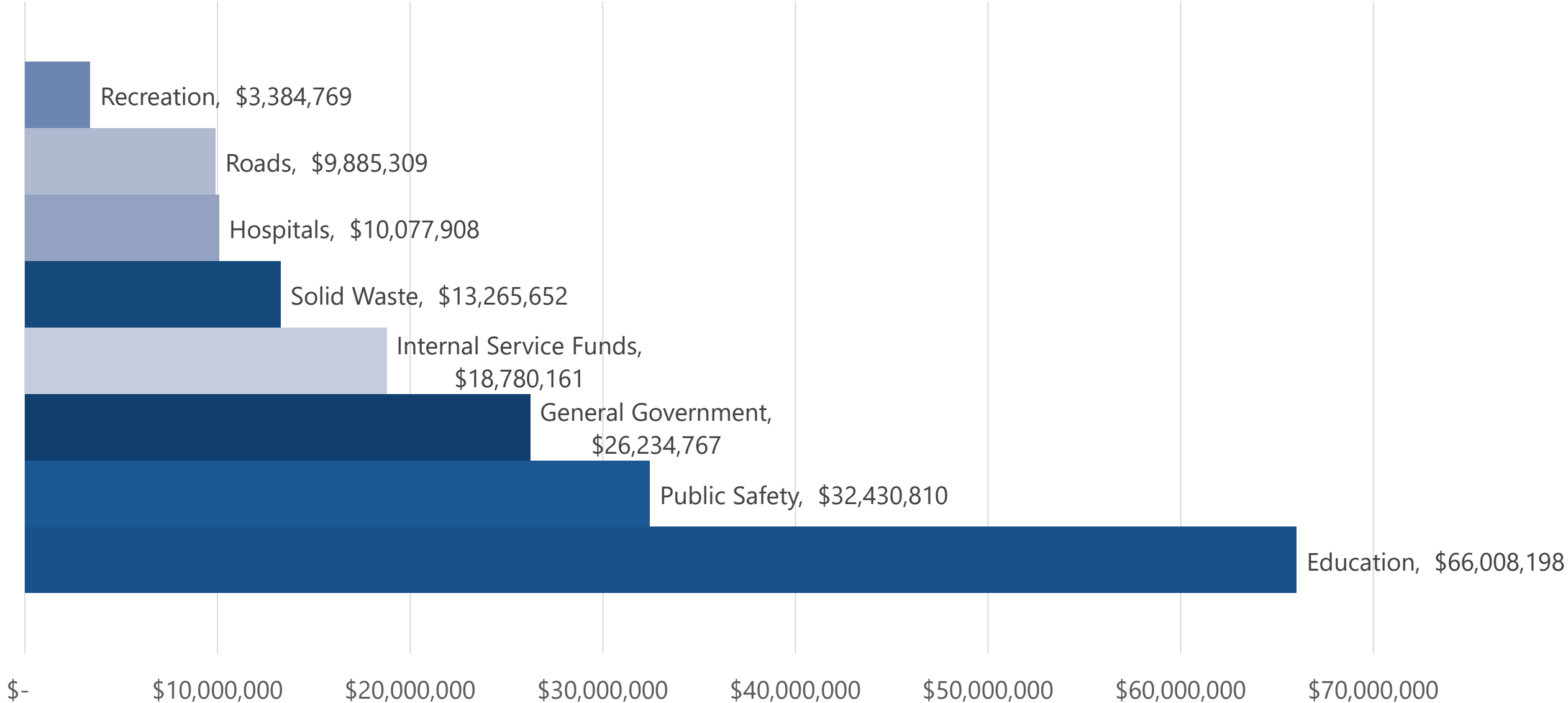
Western Emergency Services

Increased from 2.95 to 3.15 mills

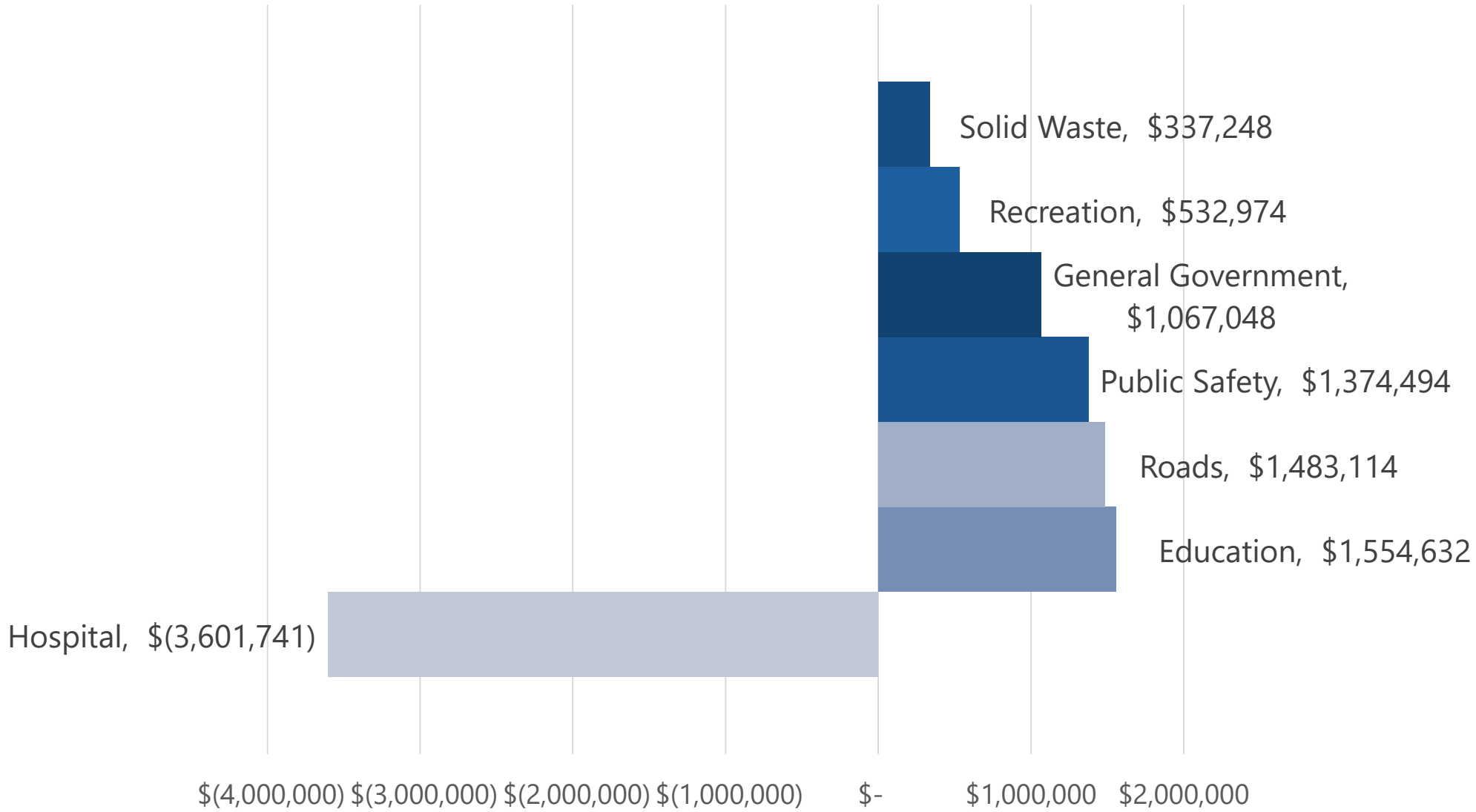
- In FY2025 Boroughwide revenues are up **1.3% or \$2,288,089**
- Preliminary assessed values for the Borough increased **9.0%**
- Property tax collection increased **\$5,695,135 or 6.8%**. \$7.5M driven by Assessed values offset by \$1.8M in reduced mill rates.
- Sales Tax revenues are anticipated to be flat. The first half of FY2024 remains flat with no significant positive indicators for the second half of the fiscal year.
- Ambulance revenues increased as a result of recognizing a conservative portion of the federal SEMT program revenues.
- State and federal revenues are projected to remain the same in FY2025, when compared to FY2024.
- Interest earnings are anticipated to be up from the prior year's estimate as investments mature and are reinvested in higher yielding rates.

FY2025 Boroughwide Expenditures

\$180,067,574



2.5% Boroughwide Change in Expenditures From FY2024 to FY2025



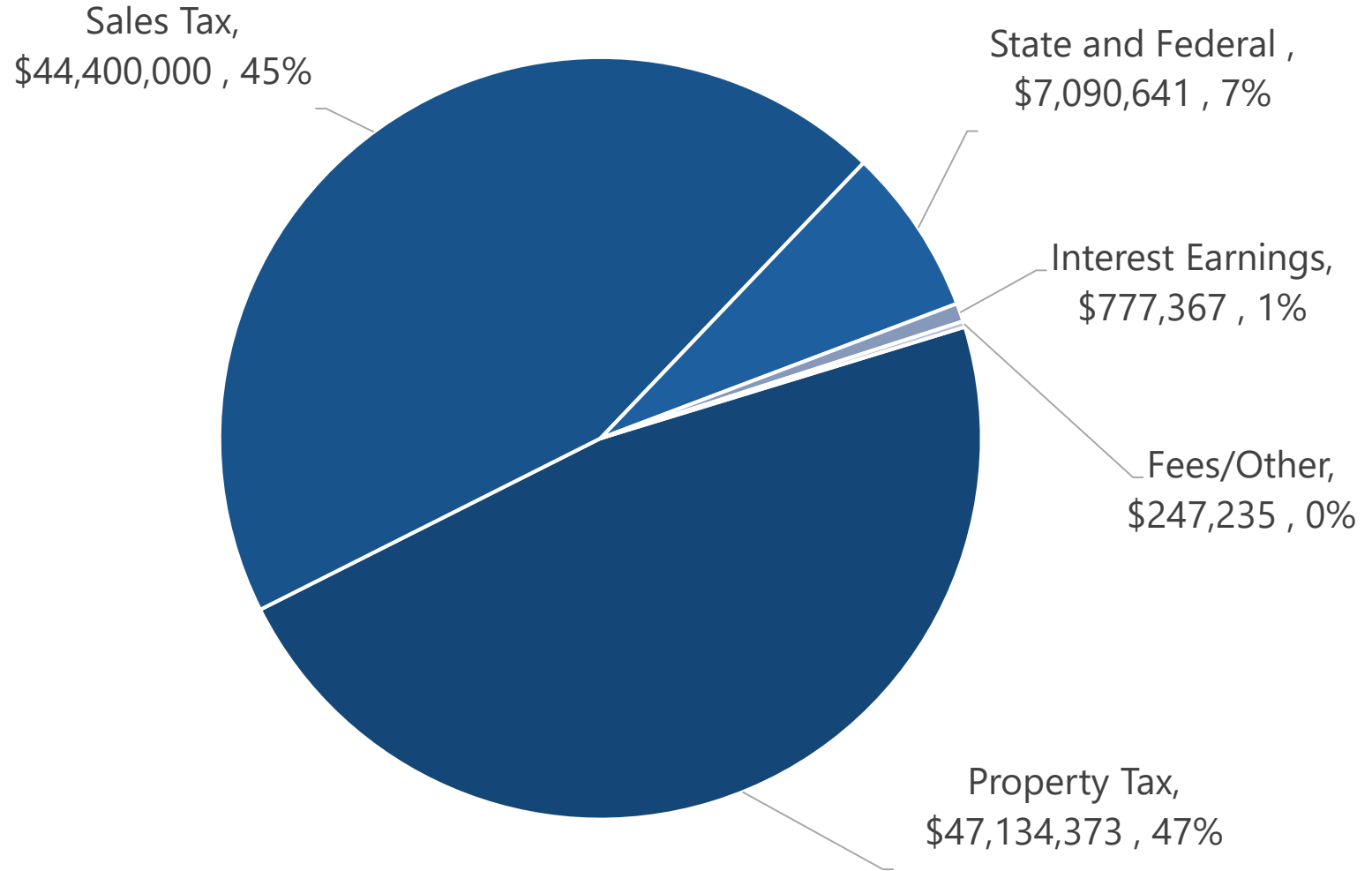
General Fund

Revenues increased **1.3%** or
\$1,258,234

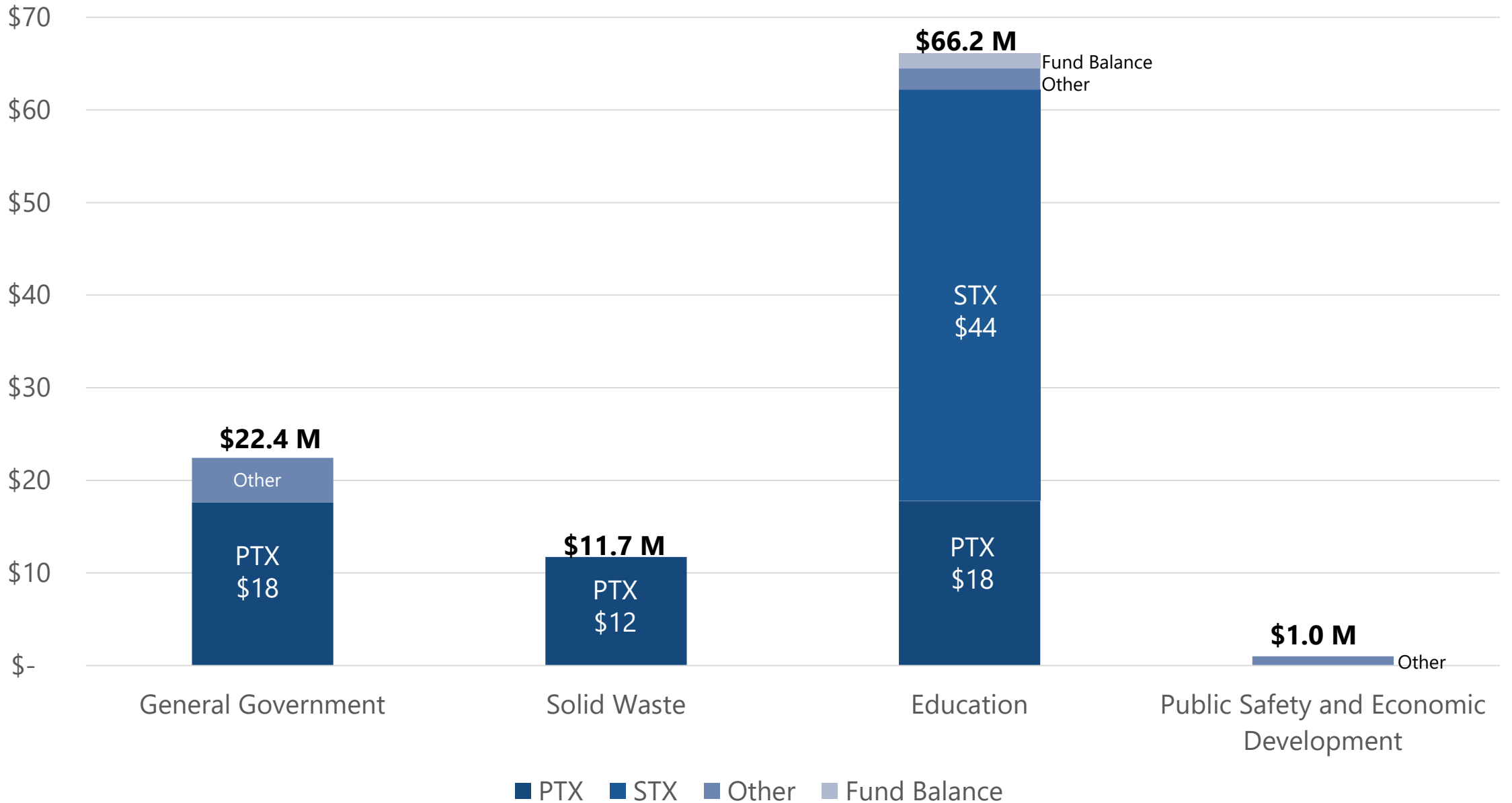
Mill Rate Changes:

No mill rate change for the
General Fund in FY2025

FY2025 General Fund
Revenue Sources \$99,649,616



FY2025 General Fund Revenues by Function (\$1,000's)



Expenditures increased **2.52%** or **\$2,486,678**

Position Changes:

1 Lead Project Manager in Purchasing. A large position of this position will be chargeable to grant and project funded projects throughout the borough.

Significant Items:

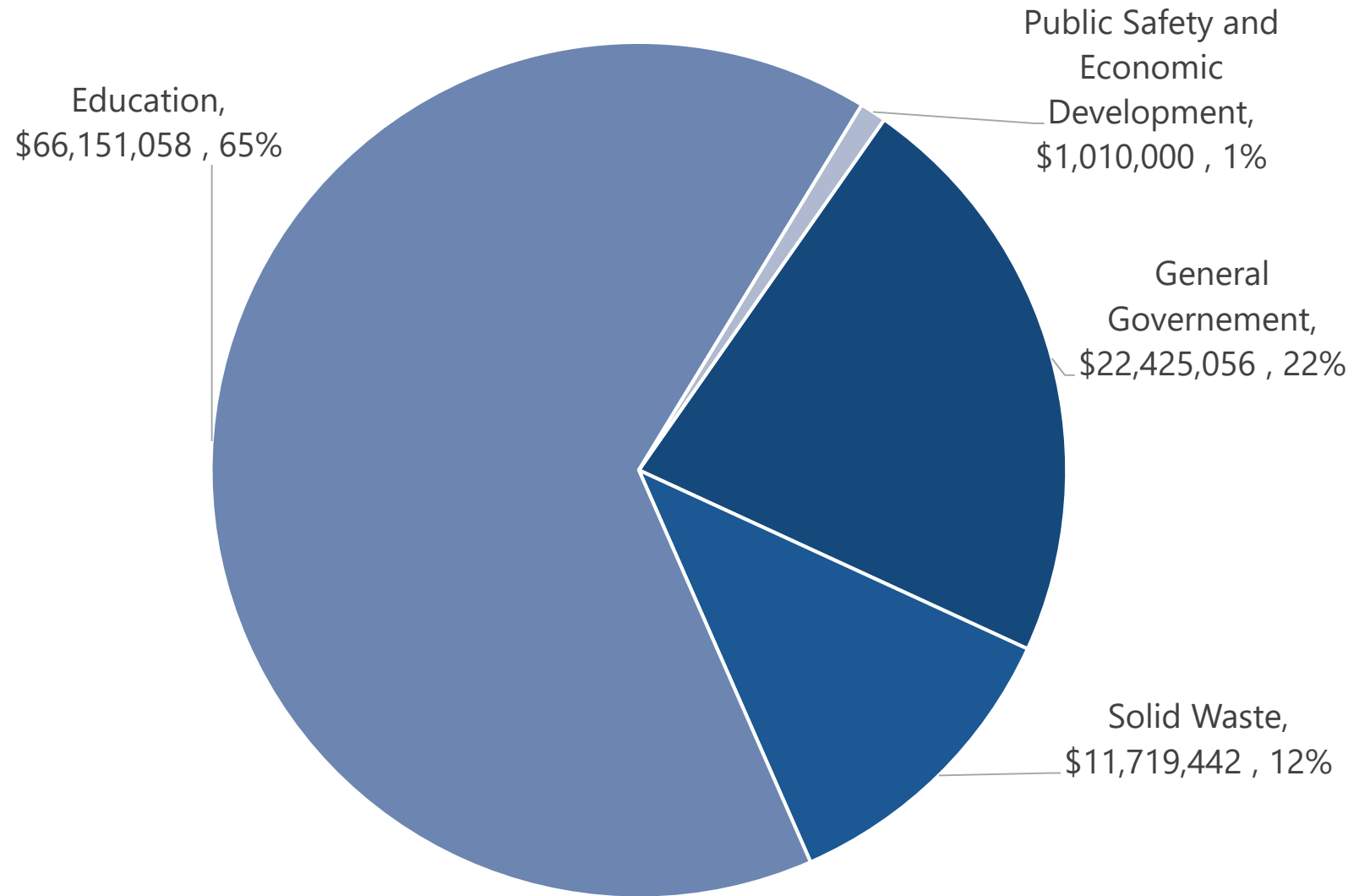
Education Funding increased \$1.5M

Solid Waste increased \$334,914

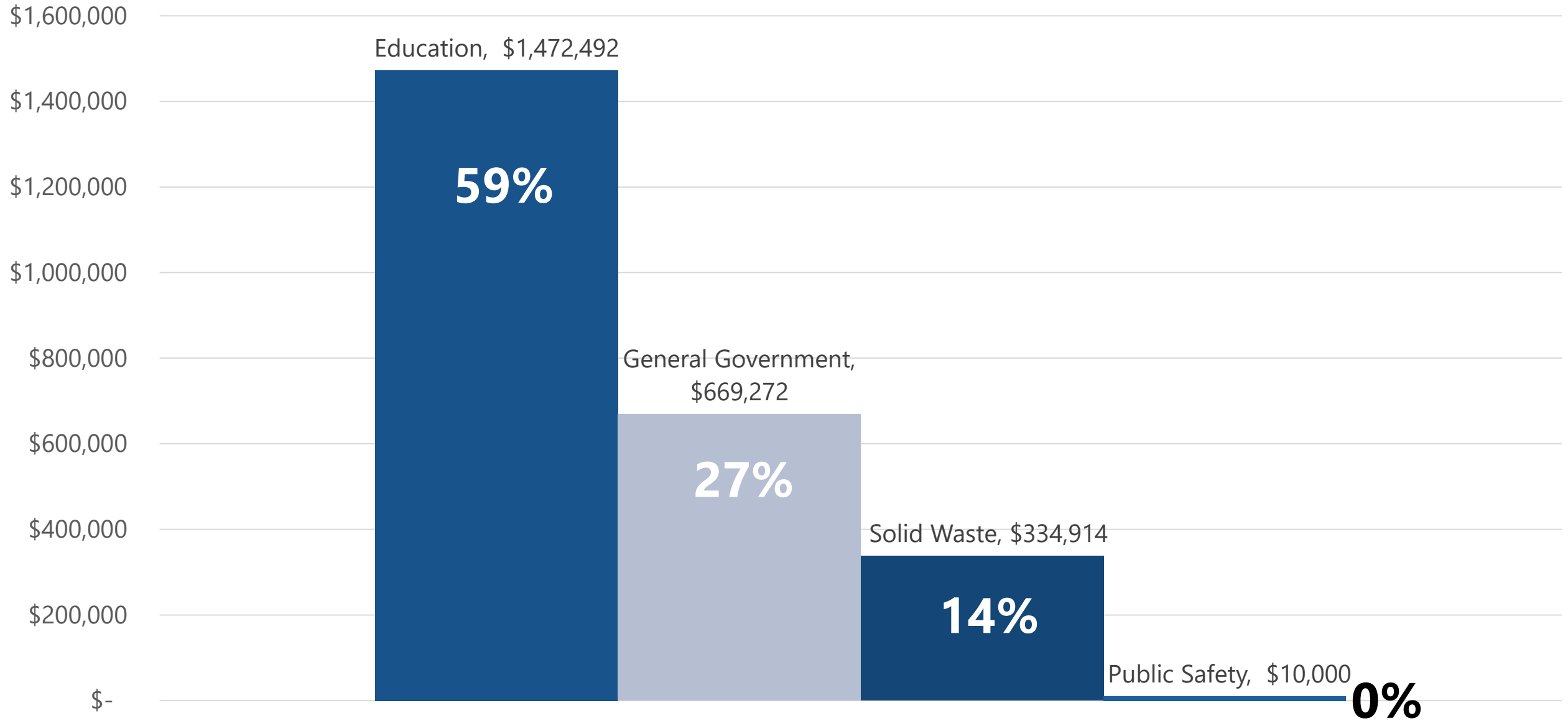
General Government increased \$1M:

- Capital Projects increased \$100,000
- Personnel increased \$750,000
- Software support and Maintenance increased \$95,000

FY2025 General Fund
Functional Expenditures \$101,305,556



2.52% Change in General Fund Expenditures
From FY2024 to FY2025 \$2,486,678



School Funding

FY25 Education Funding

Local Funding:

School Operations	\$ 40,914,211	Cash Contribution
Insurance	5,325,586	In-Kind Contribution
Maintenance	9,613,555	In-Kind Contribution
Audit	146,770	In-Kind Contribution
Custodial	146,585	In-Kind Contribution
Utilities	81,600	In-Kind Contribution
Total Local Contribution	56,228,307	

Capital Funding for School Facilities:

Capital Projects	4,000,000	In-Kind
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Annual Debt Service on School Bonds:

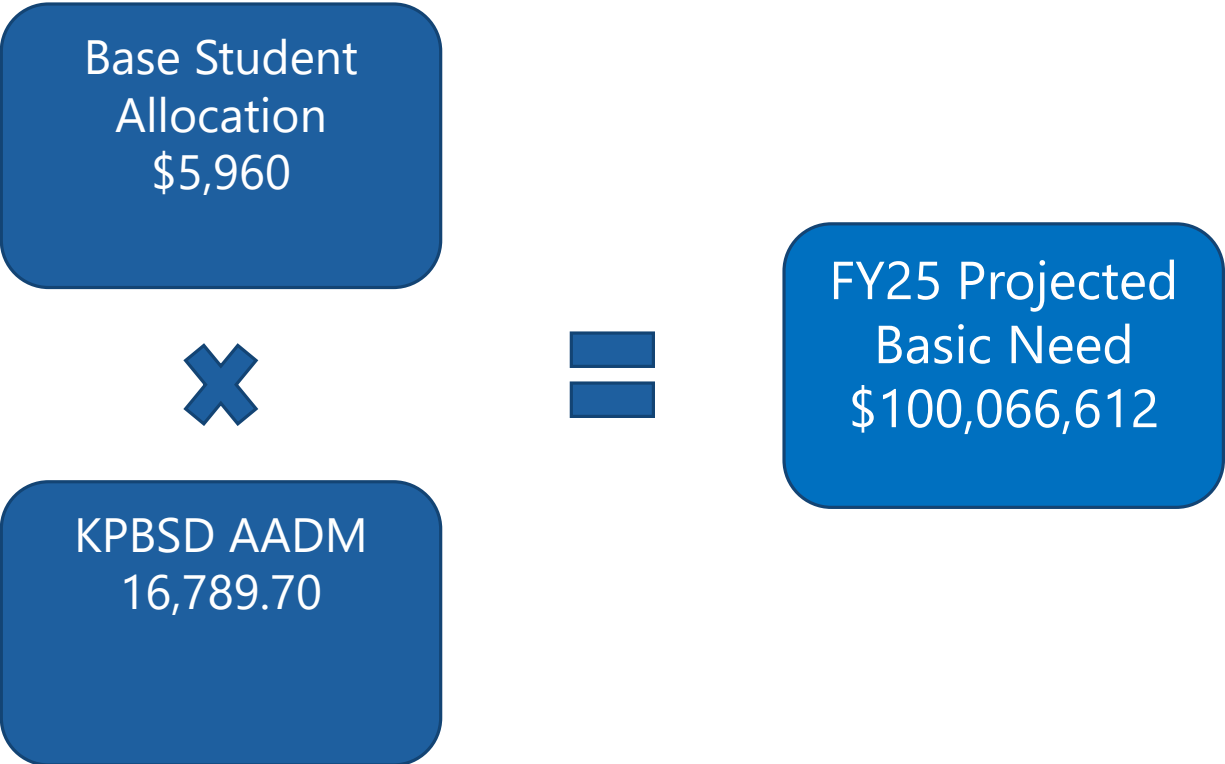
Debt Service	4,946,951	In-Kind
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Total Education Funding \$ 65,175,258



Property Tax Mill Rate Equivalent	1.96	20,775,258
Sales Tax Mill Rate Equivalent	4.19	44,400,000
Total Education Funding	6.15	65,175,258

FY2025 Min and Max Local Contribution



BSA: Base Student Allocation

Basic Need: The amount of required funding the State foundation formula assigns to each district.

AADM: Adjusted Average Daily Membership.

FY2025 Min and Max Local Contribution Continued

Minimum
Contribution
2.65 mills
\$33,151,200

=

Borough is required to
fund **\$33,151,200**
and can provide up to
\$25,019,774 more,
but no more than
\$58,170,974 total

Maximum
Additional
Allowable
2.00 mills
\$25,019,774

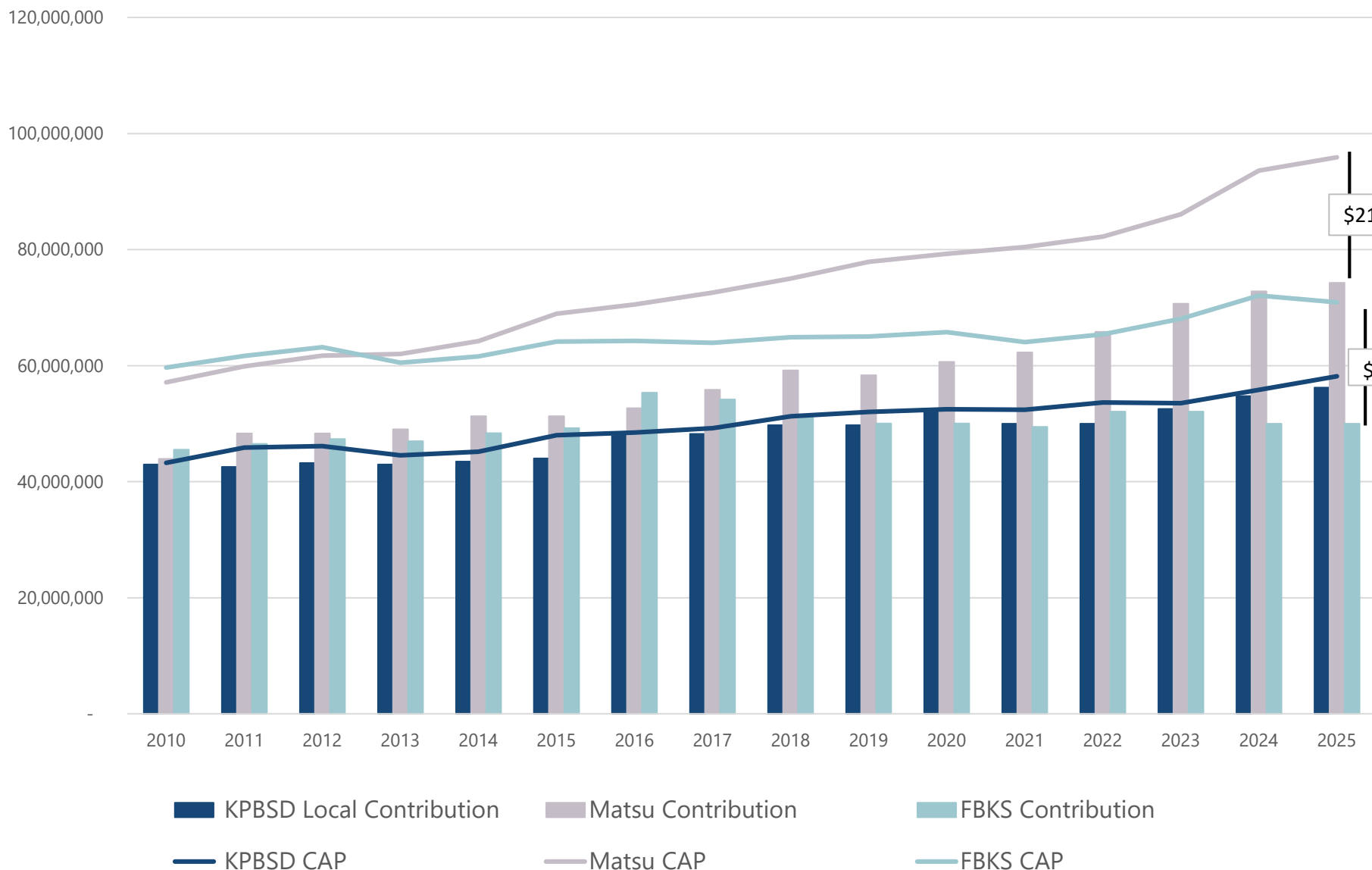
FY2025 Min and Max Local Contribution Continued



The State of Alaska has determined that the minimum required contribution for the KPBSD is **\$100,066,612** for FY2025

The KPB then has the option of providing an additional **\$25,019,774**.

Local Contributions Compared to Required Minimum and Maximum Allowable Contribution - Fiscal Years 2010-2025



Fairbanks
 Min 38,662,228
 contributed
 50,000,000
 Max 70,930,496
 11,337,772 above min
70% of CAP

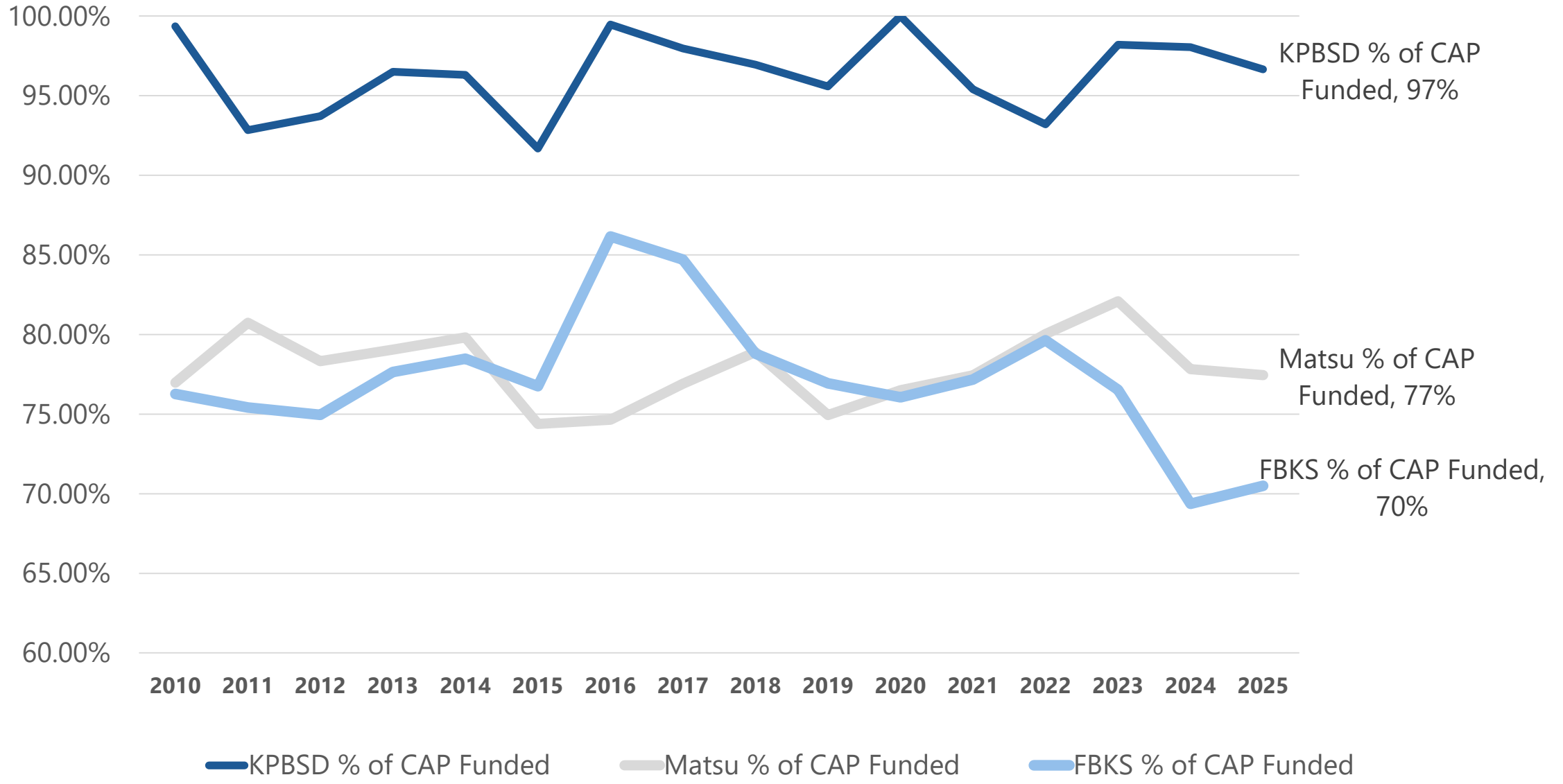
Matsu
 Min 47,177,910
 contribution
 74,303,388
 Max 95,935,169
 27,125,478 above min
77% of CAP

KPB
 Min 33,151,200
 contribution
 56,228,307 Max
 58,170,974
 23,077,107 above min
97% of CAP

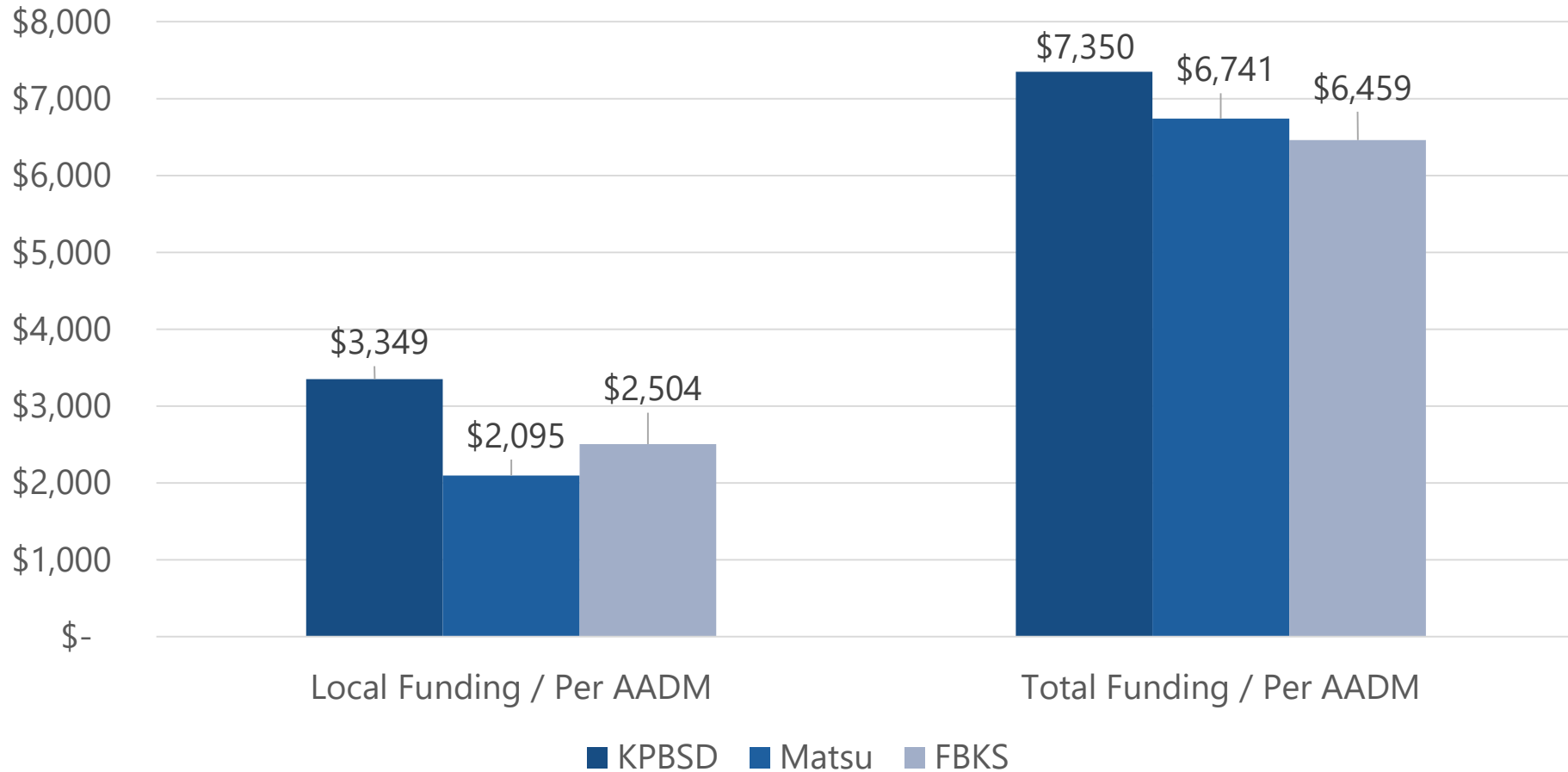
\$21,631,781

\$20,930,496

Local Contribution Funded Compared to Cap Funding Fiscal Years 2010-2025

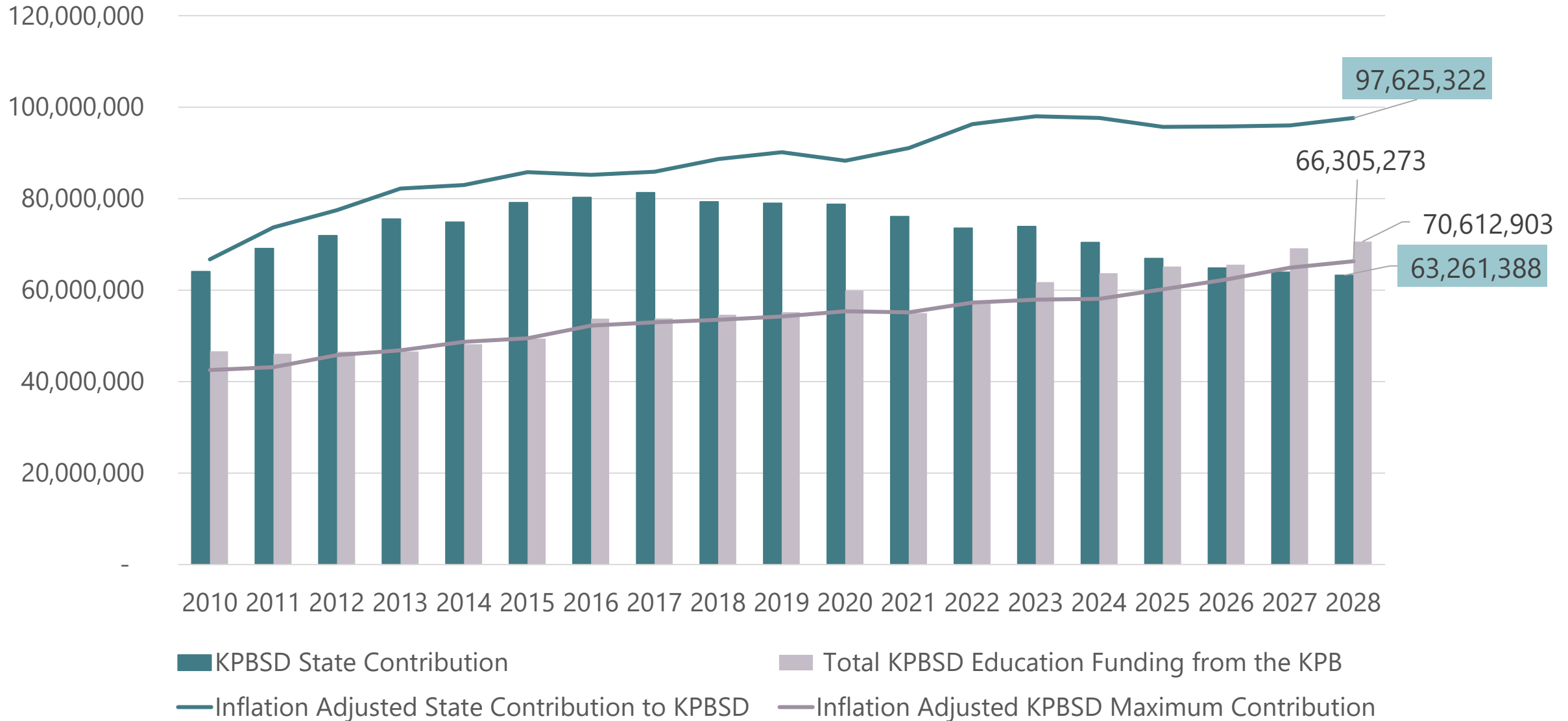


Funding Per AADM per the Alaska Department of Education -Fiscal Year 2025 Projection

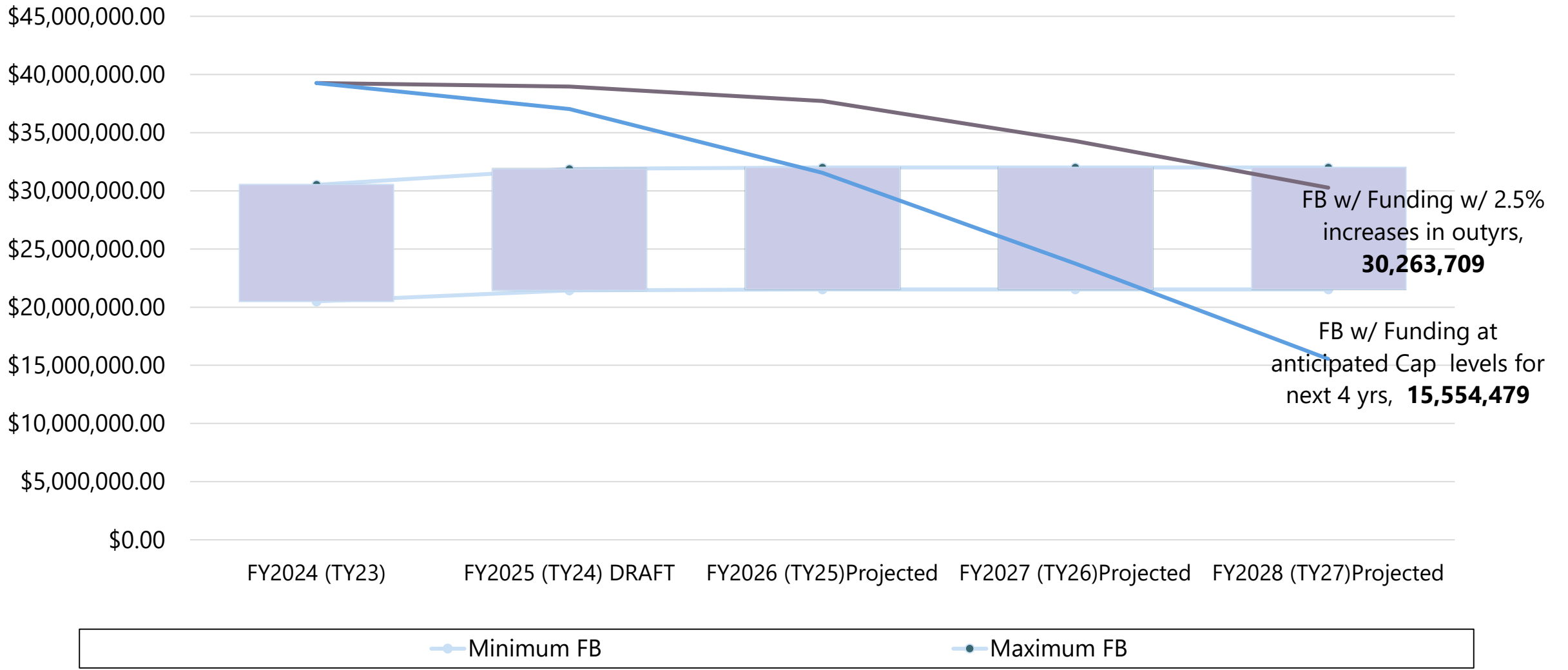


	AADM	Local Funding / Per AADM	Total Funding / Per AADM
KPBSD	16,790	\$ 3,349	\$ 7,350
Matsu	35,473	\$ 2,095	\$ 6,741
FBKS	23,477	\$ 2,504	\$ 6,459

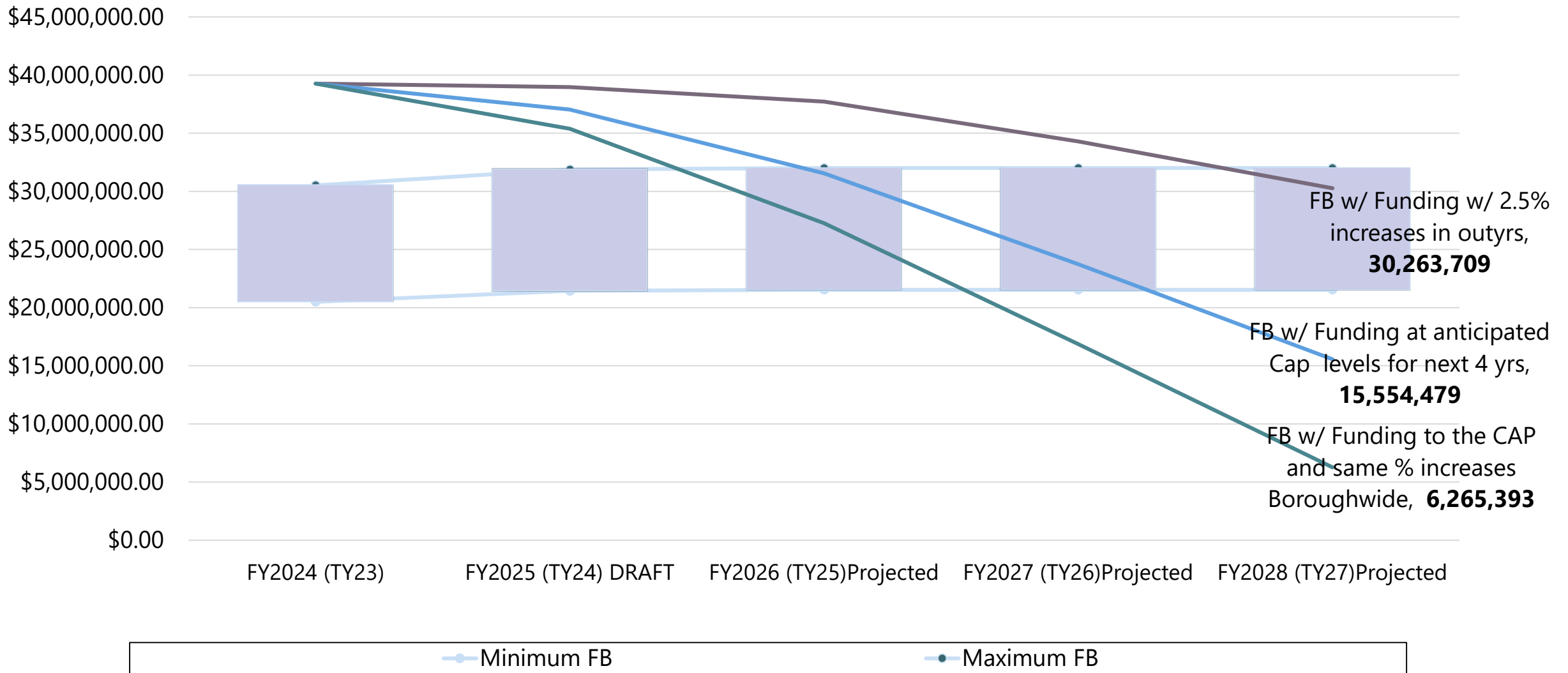
Difference Between Actual School Funding Calculations and Inflation Adjusted School Funding



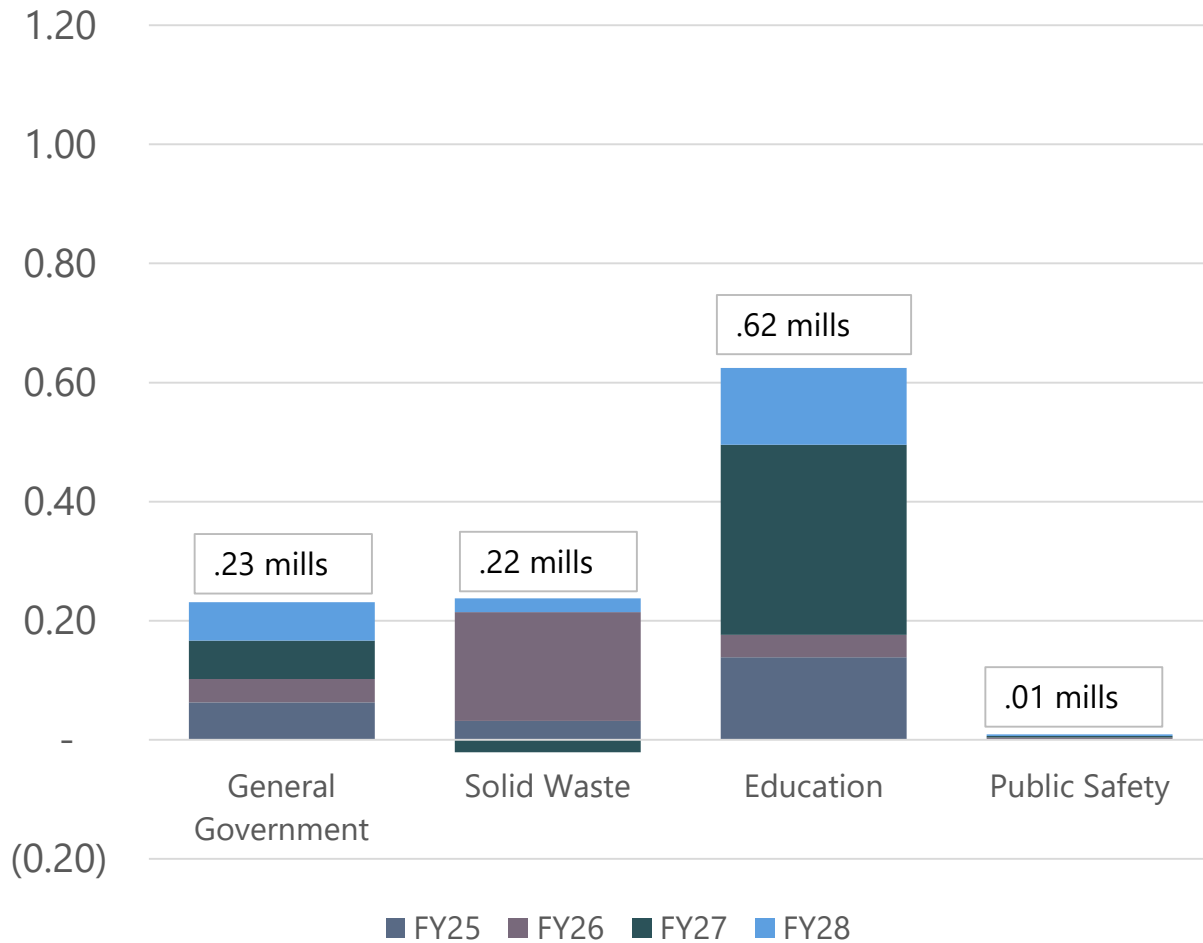
General Fund, Fund Balance with SD Funding Scenarios FY2024-FY2028 - Assuming only a 2.5% growth in Real & PERS tax collection, holding mill rate at 4.30



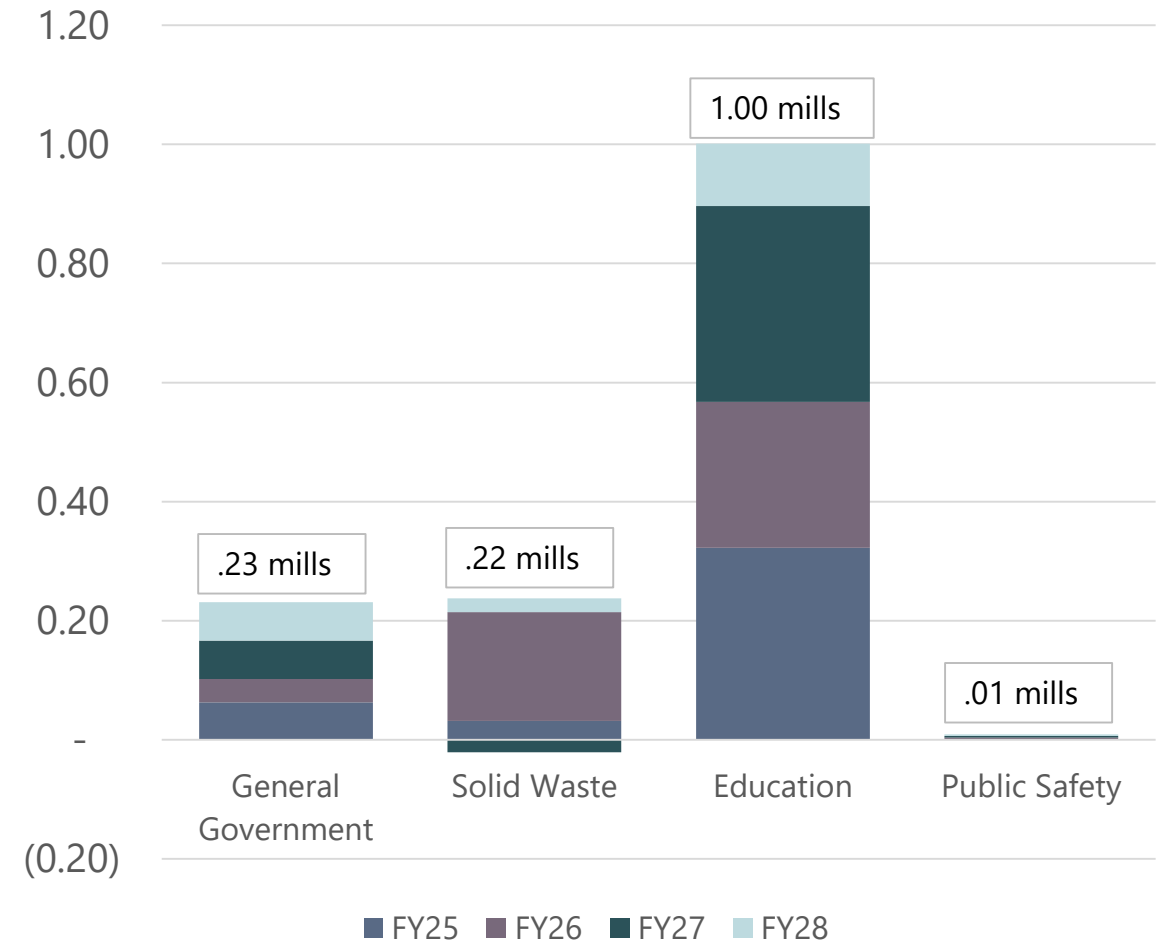
General Fund, Fund Balance with SD Funding Scenarios FY2024-FY2028 - Assuming only a 2.5% growth in Real & PERS tax collection, holding mill rate at 4.30



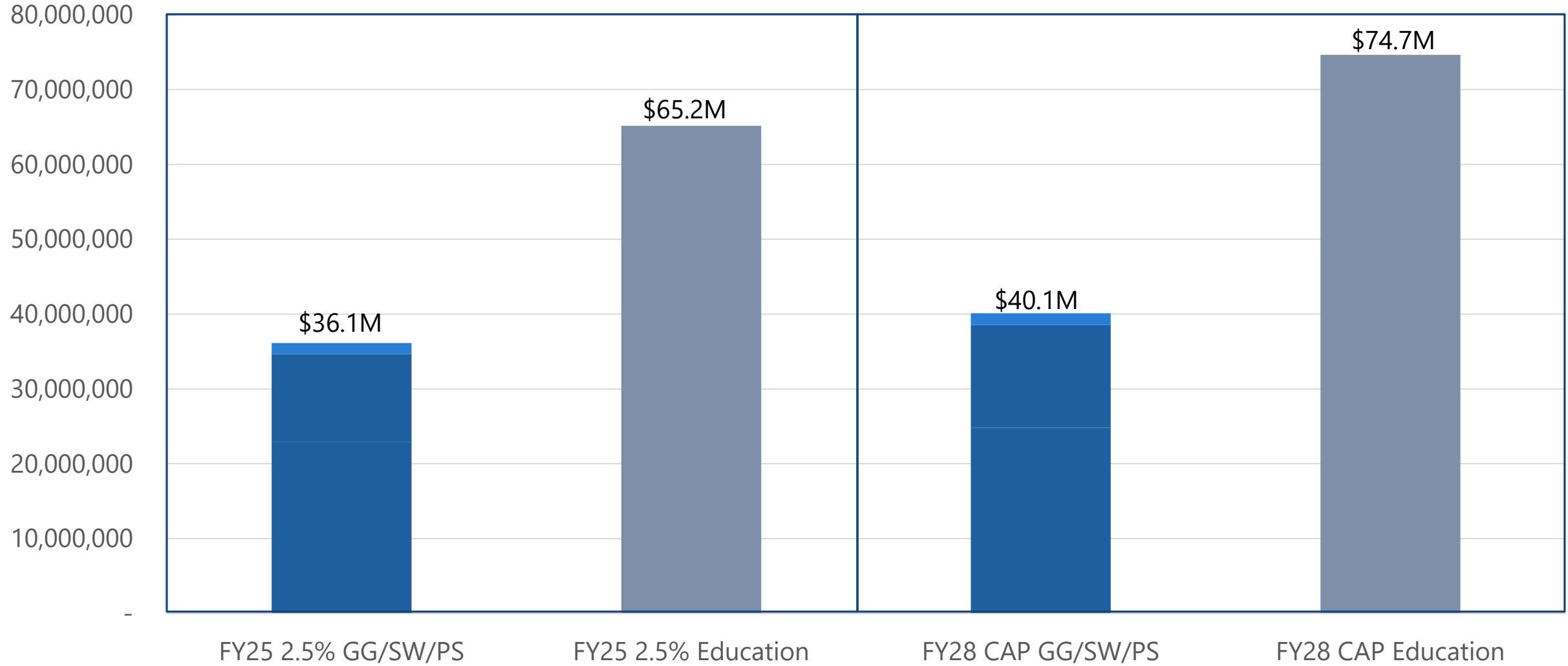
Mill Rate Equivalent of General Fund Budget Impacts
Over Next 4 Years @ 2.5% Growth



Mill Rate Equivalent of General Fund Budget Impacts
Over Next 4 Years with SD Funding to the Cap



Total Projected General Fund Expenditures by Function
2.5% increases Compared to Funding to the CAP
FY25 and FY28



Special Revenue Funds

Revenues increased **1.2% or \$1,564,495**

Mill Rate Changes:

North Peninsula Recreation Service Area

Decreased from 1.40 to 1.30 mills

The increase due to assessed value offset the decrease from the mill rate reduction

South Peninsula Hospital – Debt

Decreased from 1.00 to .34 mills

Increased \$334,470 due to assessed values and decreased \$1,797,642 due to the mill rate decrease

Western Emergency Services

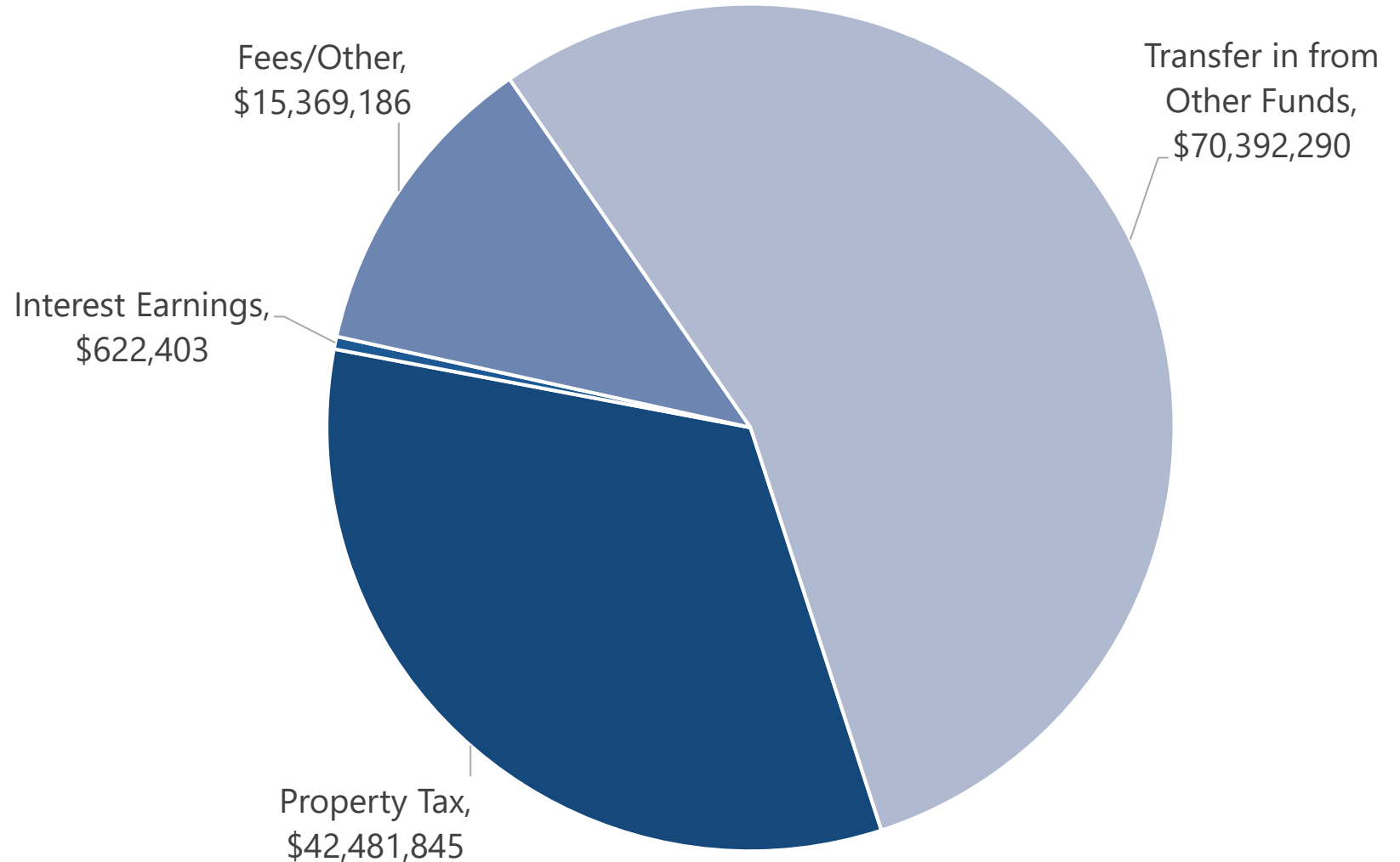
Increased from 2.95 to 3.15 mills

Increased \$190,561 due to assessed values and \$169,200 due to the mill rate increase

Fee Revenues:

SEMT is a new federal program that provides ambulance fee subsidy for rural Alaska. The ambulance revenues for our Fire and EMS Services Areas are showing partial recognition of the new revenues.

FY2025 Special Revenue Funds
Revenue Sources \$128,865,724



Expenditures increased
.03% or \$35,743

Significant Items:

Solid Waste - Increases in hauling and O&M, with anticipated increases in closure post closure costs.

Land Management – Increased \$157,825 for land product design and development.

KESA – Converting 6 positions to 56 hours employees.

Roads – anticipated expenditures associated with future RIADs.

CPGH – reduced \$3,317,250 due to debt maturity

Position Changes:

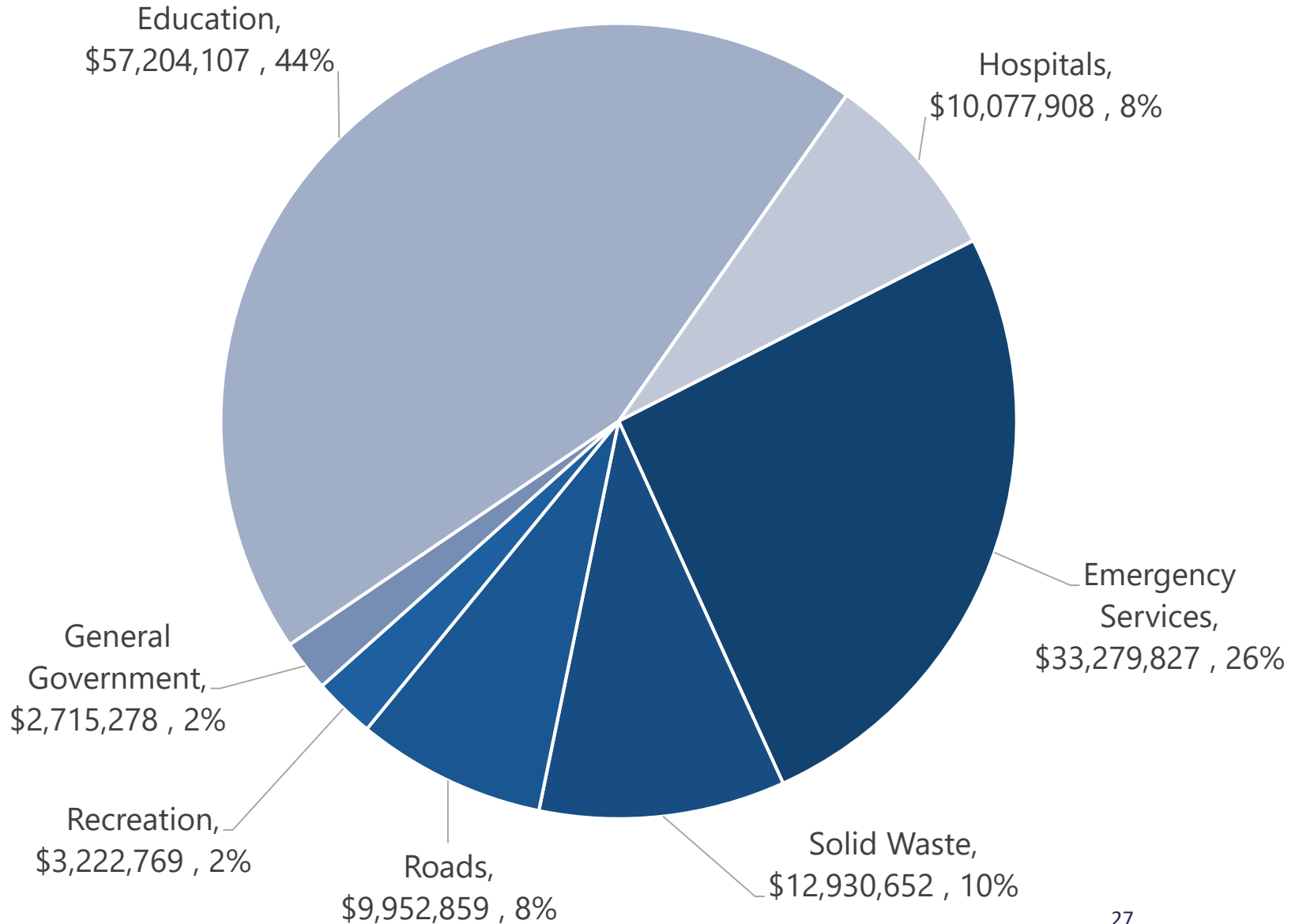
2 Firefighters and 1 Captain were added to Western Emergency Services

1 Firefighter was added and a **56hr Captain** was converted to a **Training Officer** at Nikiski Fire

½ FTE Laborer was added to Solid Waste Homer

½ FTE General Maintenance Mechanic was added to Maintenance

FY2025 Special Revenue Funds
Functional Expenditures \$129,383,400



Capital Project Funds

Schools

- Original request based on need was \$9.9M, only \$4M is being transferred from the General Fund to fund current year projects of \$3.86M.
- Larger projects consist of \$1.15M for boilers/HVAC system & \$594,000 for asphalt repair/replacement

Solid Waste

- Larger projects consist of \$500,000 for cell 4 preliminary design and construction, \$160,000 for fire detection system and \$120,000 for annual dumpster replacement

General Government

- Larger projects consist of \$643,925 for replacement of the River Center roof and handicapped access improvements.

Central Emergency Services:

- One large project to purchase a replacement tanker for \$1,100,000

North Peninsula Recreation:

- One large project to remodel the recreation center , fitness equipment and furnishings for \$710,000.

Roads:

- \$2,275,000 for capital road improvements.

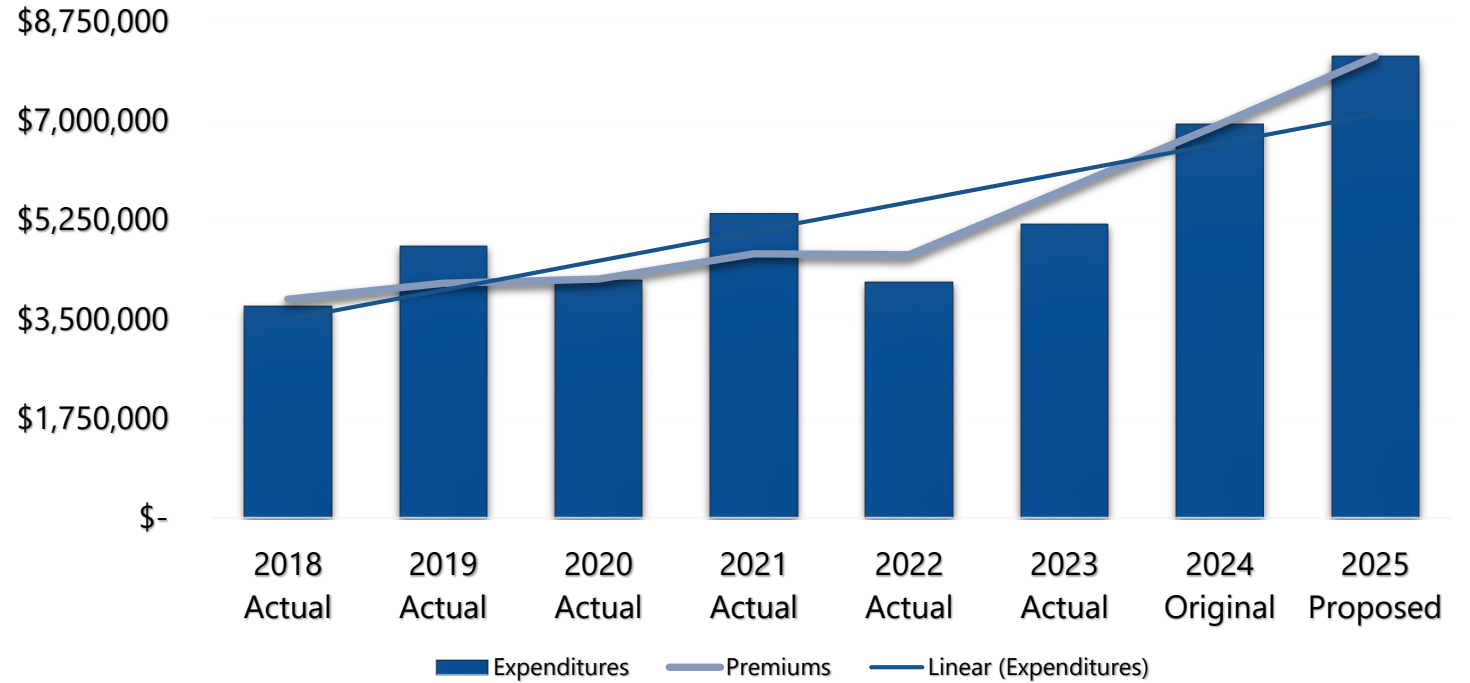
Internal Service Funds

Insurance and Litigation Fund

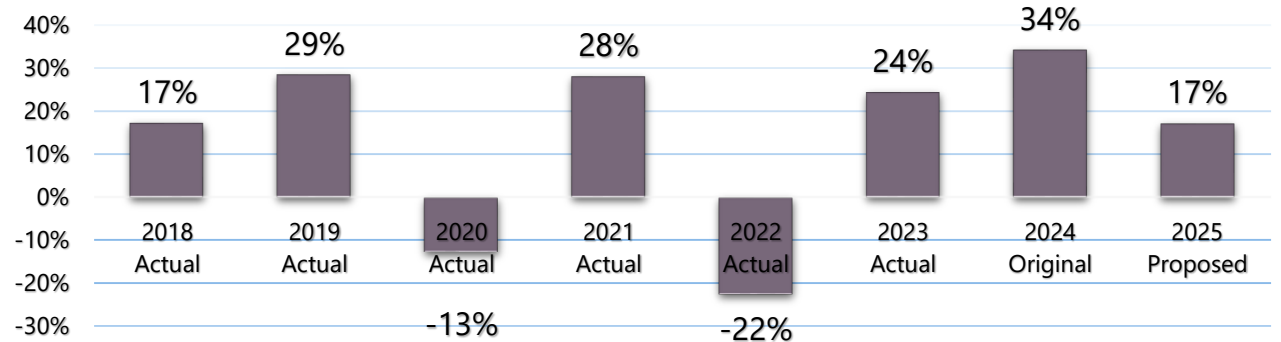
Increases on average 14% annual from FY2018 to FY2025.

The increase for FY2025 is **17%**

Insurance and Litigation Fund 2018-2025



% change in Expenditures from PY

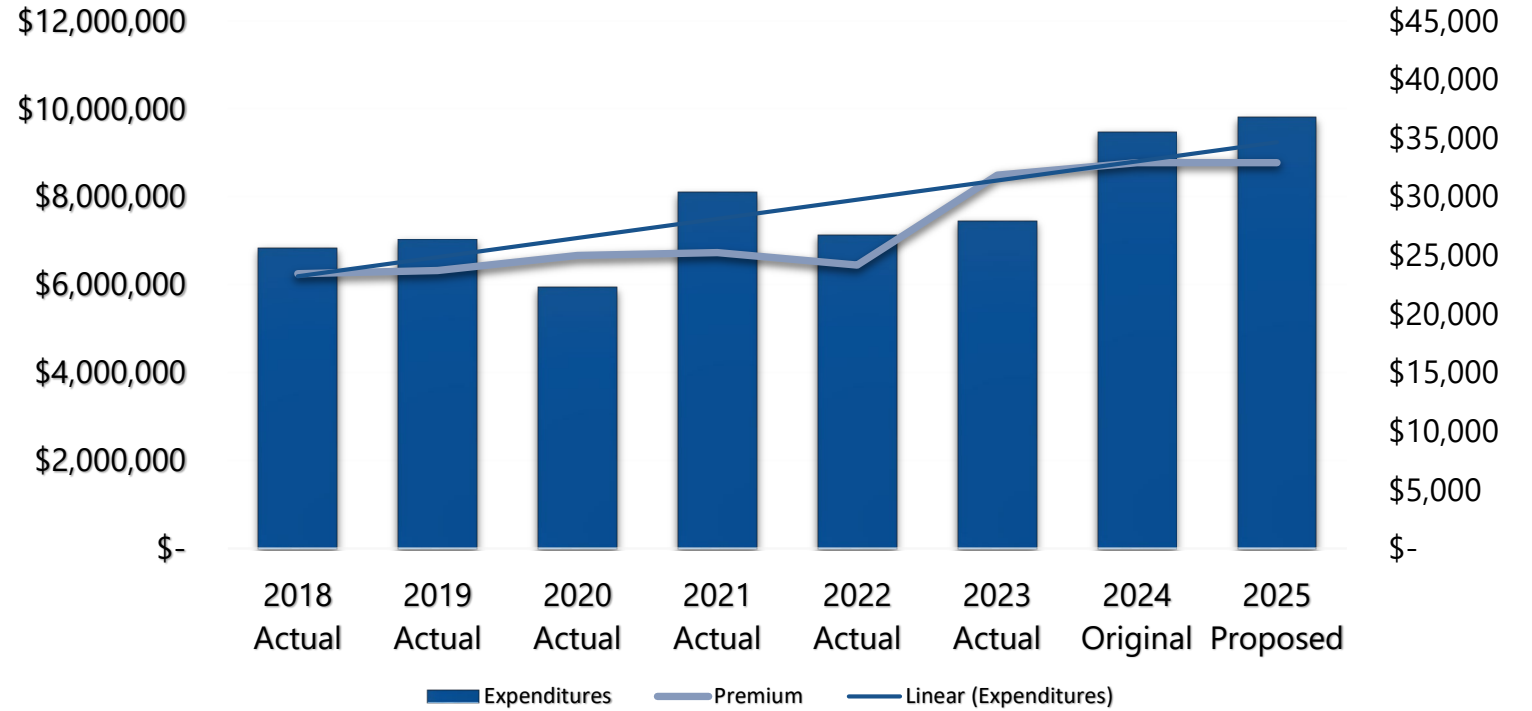


Health Reserve Fund

Increases on average 5% annual from FY2018 to FY2025.

The increase for FY2025 is **3%**

Health Reserve Fund 2018-2025



% change in Expenditures from PY

