*Lake and Peninsula Borough*
*P.O. Box 495*
*King Salmon, Alaska 99613*

*Telephone: (907) 246-3421*
*Fax: (907) 246-6602*

**PLEASE POST**

**SPECIAL ASSEMBLY MEETING**
Friday, May 20, 2016 8:30 a.m.*

***Amended***

**NOTICE AND AGENDA**

Notice is hereby given that the Lake and Peninsula Borough Assembly will hold its regular meeting on Friday, May 20, 2016 at 8:30 a.m.* via teleconference from the meeting room of the Lake and Peninsula School District at 101 Jensen Rd, King Salmon AK 99613

*note the time is subject to change. The meeting will not begin before the posted time, but it is possible the meeting may begin after the posted time due to travel, weather and/or scheduling inconsistencies.

This is a public meeting and the public is invited and welcome to participate. This meeting may be accessed by teleconference. The teleconference number is 1-866-339-5580. Enter pass code *2288317*. Any questions, please contact Borough Clerk, Kate Conley at 907-246-3421 or 1-800-764-3421 or kateconley@lakeandpen.com.

NOTE: Due to telephone service inconsistency inherent to rural Alaska, the Borough meeting may not always be available in all locations or audible.

**A. CALL TO ORDER**

**B. ROLL CALL**

**C. APPROVAL OF AGENDA**

**D. NEW BUSINESS**

1. Ordinance 16-05: FY 2017 Budget – *Hearing & Decision*
2. Ordinance 16-06: Lease with Hurley – *Hearing & Decision*
3. Ordinance 16-07: Amending Sections of Title 4: Elections – *Hearing & Decision*
4. Ordinance 16-08: Transferring Bond Proceeds – *Hearing & Decision*
5. Ordinance 16-09: Amendments to Preschool & CTE Fund Utilization - *Introduction*

**E. CITIZEN'S COMMENTS**

**F. ADJOURNMENT**

# D. 1.
# New Business
# Ordinance 16-05
# FY 2017 Budget

*Hearing & Decision*

Lake and Peninsula Borough
Special Assembly Meeting
May 20, 2016

*Lake and Peninsula Borough*
*P.O. Box 495*
*King Salmon, Alaska 99613*

*Telephone: (907) 246-3421*
*Fax: (907) 246-6602*

**PLEASE POST**
***REVISED***

# PUBLIC HEARING NOTICE

## ORDINANCE NO. 16-05

## AN ORDINANCE ADOPTING THE LAKE AND PENINSULA BOROUGH OPERATING BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2016 AND ENDING JUNE 30, 2017 (FY-17).

The Lake and Peninsula Borough Assembly will hold a public hearing to solicit comments on the above referenced ordinance on **Friday, May 20, 2016 at 8:30 am via teleconference** from the meeting room of the Lake and Peninsula School District at 101 Jensen Rd, King Salmon AK 99613. Interested members of the public are encouraged to attend. To participate you may submit written comments up to 24 hours prior to the hearing, or attend in person or call **1-866-339-5580 and enter the meeting number *2288317*** (star, two, two, eight, eight, three, one, seven, star) during the hearing. Copies of the proposed ordinance can be viewed at local village and city council offices, or at the Lake and Peninsula Borough offices in King Salmon, Alaska. For information contact Kate Conley at 907-246-3421 or 1-800-764-3421.

*Note: Due to telephone service inconsistency inherent to rural Alaska, the Borough meeting may not always be available in all locations or audible.*

**LAKE AND PENINSULA BOROUGH**
**ORDINANCE NO. 16-05**

**AN ORDINANCE ADOPTING THE LAKE AND PENINSULA BOROUGH OPERATING BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2016 AND ENDING JUNE 30, 2017 (FY-17).**

**BE IT ENACTED** by the Assembly of the Lake and Peninsula Borough that:

**Section 1. Classification**.
This is a Non-Code Ordinance.

**Section 2. General Provisions**.
The Lake and Peninsula Borough is authorized to receive revenues, make expenditures, and make changes in cash balances for the period beginning July 1, 2016 and ending June 30, 2017, in accordance with the "FY 17 BUDGET" in the amount of $3,625,043 attached hereto as "Exhibit A" and incorporated herein by reference.

**Section 3. Authorization and Appropriation**.
The appropriations set forth in "Exhibit A" are adopted and authorized for the period beginning July 1, 2016 and ending June 30, 2017, and are the operating budget for that period.

The Manager is authorized to over expend or transfer funds between line items within functions or departments as needed provided that said transfers do not exceed 25% of the approved budget for that function or department. The manager is further authorized to exceed approved function or department budgets by up to 10% or a maximum of $10,000 to address unanticipated circumstances. In no case shall the manager expend more funds in a given fiscal year than the amount authorized for the overall Operating Budget unless approved by the Assembly. New expenditures for activities not authorized herein, transfers between functions or departments which exceed the above authorization, transfers between the General Fund and other funds, or any other modifications to the approved budget must be done by ordinance and the normal budget amendment process.

**Section 4. Effective Date**.
This ordinance shall become effective upon enactment by the Borough Assembly.

**ENACTED** by a duly constituted quorum of the Lake and Peninsula Borough Assembly this 9th day of May, 2016.

**IT WITNESS THERETO**: **ATTEST**:

Glen Alsworth Sr., Mayor

Kate Conley, Borough Clerk

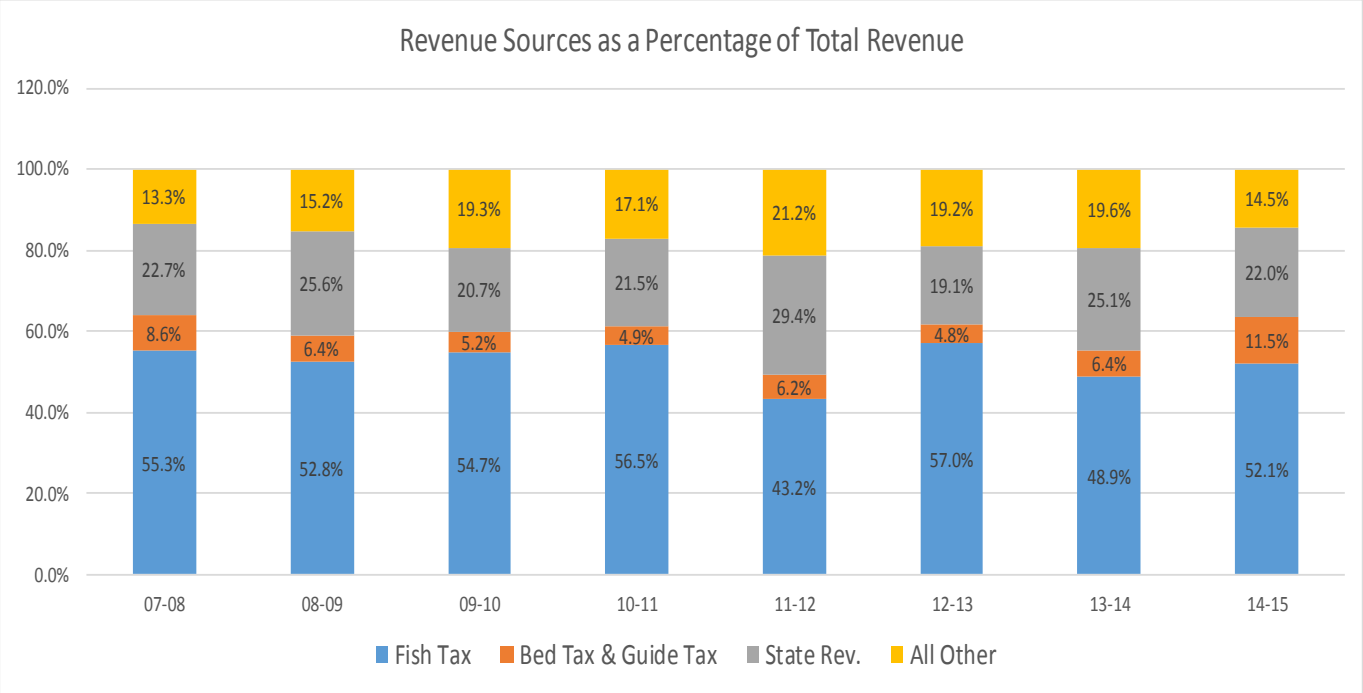
Introduced: April 13, 2016
Public Hearing: May 9, 2016
Enacted:
Ayes:
Nays:
Not Voting:
Absent:

# FY 17 BUDGET

The budget for the coming year faces a continuation of the fiscal challenges of a predicted second year of poor fish prices, further cut to the State's revenue sharing, as well as the continuing possible changes to State school funding. As the Legislature hasn't completed the State budget, State sources of revenue as well as possible increases in the request for school funding in the following budget are subject to revision.

**Revenue Sources**

- Community Revenue Sharing Community revenue sharing from the state has averaged 23% of the borough's yearly revenue. The State established this fund in 2008, and each year




on June 30, one-third of the amount available in the fund is withdrawn and distributed the following fiscal year with payments beginning in July. If the fund balance falls below $60 million, no payments may be made from the fund. Each fiscal year, the legislature may appropriate to the community revenue sharing fund money received by the state during the previous calendar year. The amount may not exceed $60 million or the amount that when added to the fund equals $180 million. However, this does not prevent the legislature from

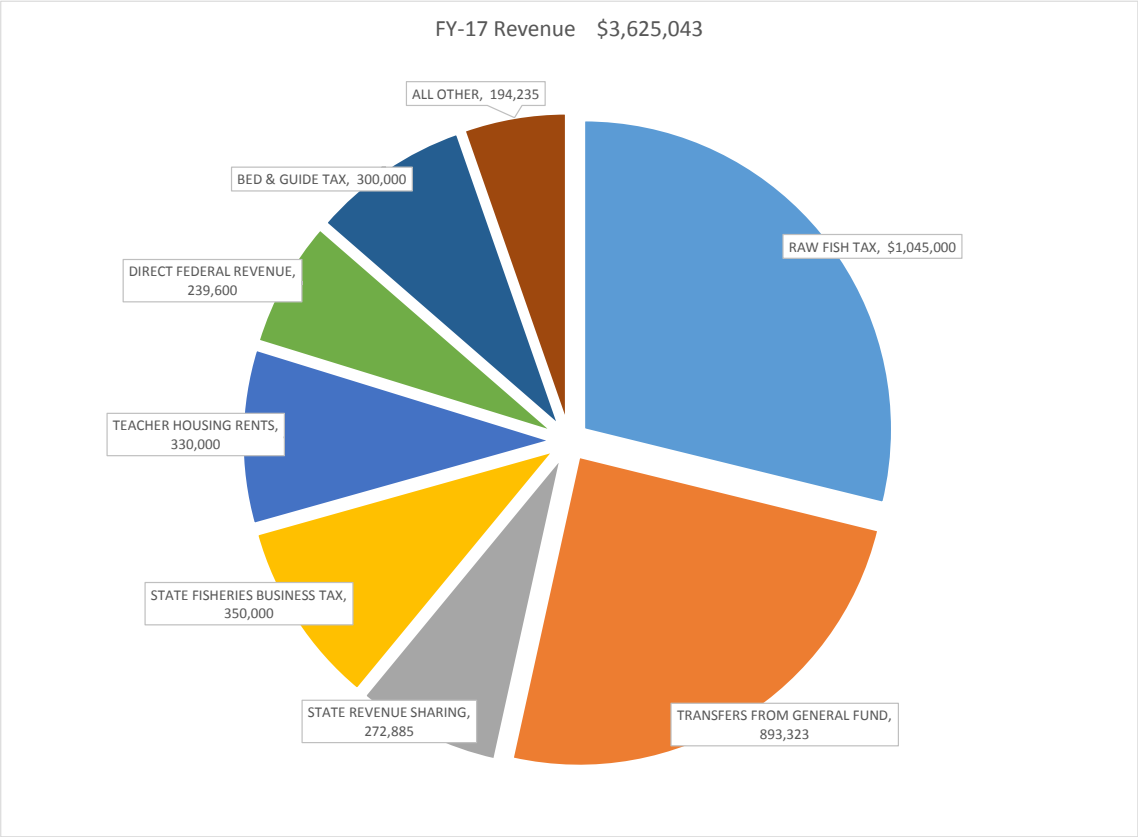
appropriating additional money for community revenue sharing payments. For example, the legislature appropriated an additional $20 million in FY12 and an additional $25 million in FY13 to help offset the rising cost of energy.

The State Community Revenue Sharing is currently in play in the Legislature, with the leading bill cutting revenue sharing by half this year and phasing it out completely by 2019. Current estimate by the State Department of Community and Economic Development for the borough's share is $272.882, a decrease of $290,505 down from 2016,

- Bed and Guide Tax Bed tax and Professional guide tax collections have increased as a percentage of total revenue from an average 6% to 11.5%, a significant increase but not sufficient in and of itself to make up shortfalls in other revenue streams. Additionally, because of how these taxes are structured, we cannot expect continued incremental growth in this tax revenue. I estimate that the maximum combined possible collection to average out to $300k - $325k annually.
- Fish Tax This is always the wild card when estimating revenue. While tourism can be estimated with in a statistical range, subject to the general economy of the lower 48, the salmon market is influenced by world economic factors. Demand for salmon in Asia, the size of the run, the additional world supply of salmon catches in foreign fisheries, the strength of the dollar, and so on. The conservative approach in budgeting for this revenue stream is to use the historical median.
- Other Revenues This is composed of Federal and other payments in lieu of taxes (PILT), State fisheries business tax sharing, land leasing, teacher housing rents, interest from investments, and other local revenue. A few notes about some of these revenues;
    - PILT Pebble payments have dropped from $350k per year to $100k last year, to nothing this year. Unless something completely untoward occurs in mining development, Pebble is no longer a factor as concerns borough revenue or expense.
    - Interest on investments Interest on investments is accounted for as revenue, this is not, per se, cash in the bank. Much of it is bond yield, so for example, we buy a $100k five year bond with a 2% yield. We would buy the bond for $82k, and over the life of the bond, would earn the $18k difference. We don't realize

the earnings until we redeem the bond. Up until recently, the borough hasn't needed to tap our investments and all the earnings have been reinvested.

- Transfers From General Fund The last piece of the revenue picture is transfers from General Fund. This is the amount we need to take from savings to cover the shortfall between expected revenue and projected expenses. Like all most all the numbers in a budget for a future period, it is a "best guess". If fish taxes are more than anticipated the transfer amount could go down, if there is an unanticipated expense, it could go up. What is certain is that we will need to draw on savings this year and barring any radical change to the economy, most likely to draw down on savings in future years as well.



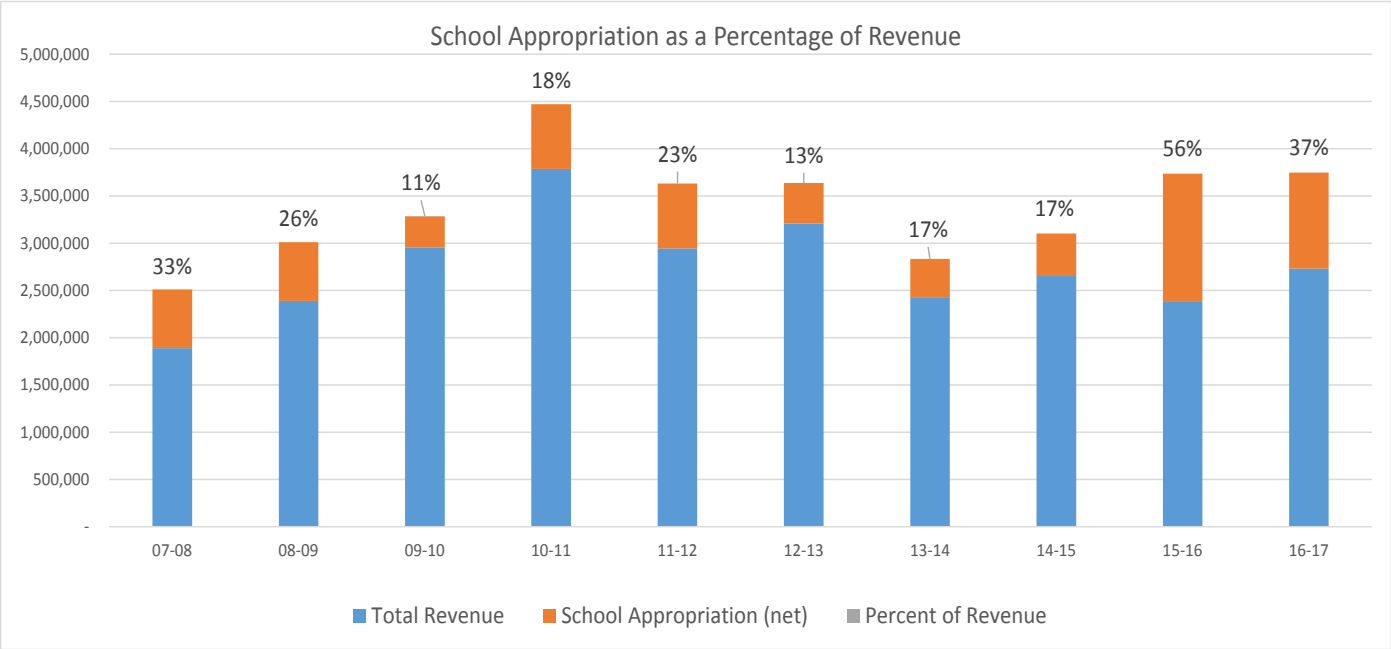

**Savings and Fund Balances** As was said above, the borough is fortunate to have saved for this rainy day and have substantial resources. That said, those resources are finite. Without a budget surplus, we are drawing down on out investments, lowering the earnings in our portfolio, and not reinvesting and taking advantage of higher yielding investments as the economy strengthens. Current balances are:

| | |
|---|---|
| General Fund | $ 3,852,735 |
| Permanent Fund | 7,061,548 |
| School Endowment fund | 6,587,573 |
| Total Reserve Funds | $ 17,501,856 |

The amount of savings allow the borough time to formulate in a thoughtful way how it wants to address uncertainties in revenues. One must, however, guard against complacency. The budgetary crisis that the state is experiencing is going to be with us for at least a decade and as we have seen, cuts to State support for schools and municipalities has a significant effect on borough finances. The FY-17 budget estimates a further $884 thousand draw down of the fund balance.

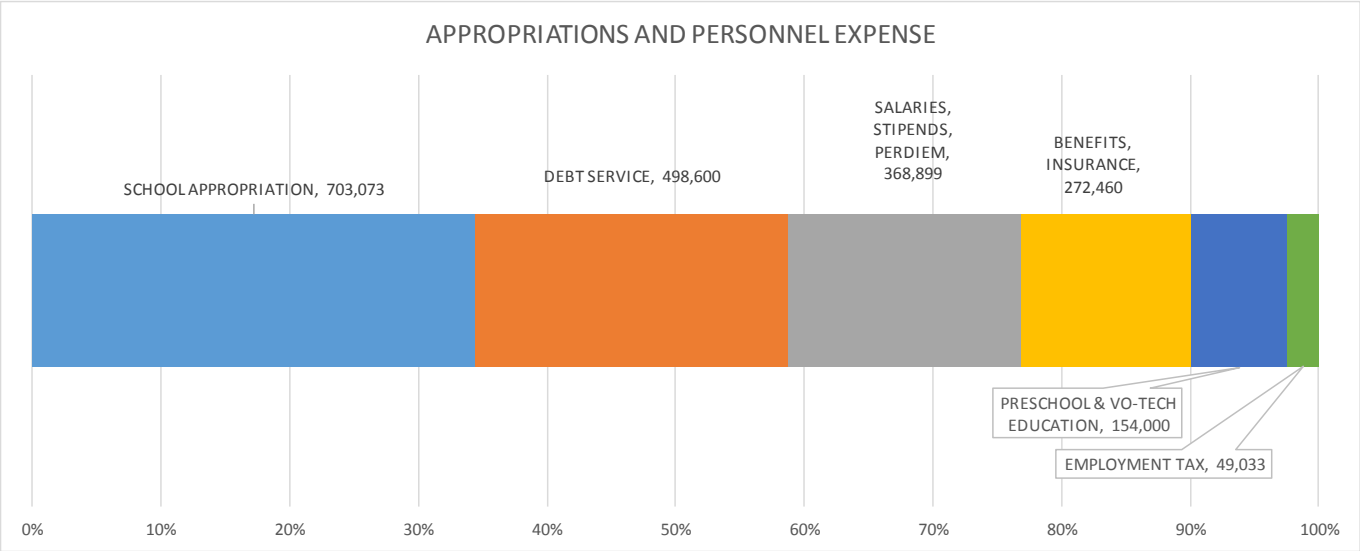
**Outflows** The budget expense consist of both obligated expenses and discretionary expenses. Of the obligated expenses, there are those that are set in their amount and timing such as debt service, and those for whom the amount of expense at the discretion of the Assembly, such as the appropriation for school support. The Assembly has complete discretionary control over appropriations and transfers to other funds such as the Capital Project Fund appropriation and Borough Revenue Sharing. Operating expenses are both obligatory and discretionary in that there is always going to be some expense in operational expense, the decision as to which are and are not priorities are up to Management and the Assembly. On the whole, the borough runs a pretty bare bones operation.

- School Appropriation. The single largest outflow of borough funds goes to support the school district. What has changed in the last year from prior budgets, and is expected to continue, is the proportion that outflow of funds is to total revenue. With cuts in State school support, the borough has stepped up its contribution in recognition of maintaining the ongoing progress and success in student achievement.




The effect of State budget cuts to educational support has meant that the proportion of the borough's income spent on education by 165%. This being an election year, the consensus is that the Legislature won't make further cuts to educational spending, but as one of the largest components of the State budget, it is going to be a likely target each legislative session for the foreseeable future.

- Debt Service This outflow of ~$490,000 is going to be a set cost each year until 2032. Debt payments was 21% of FY-15 revenue and will be of similar proportion for FY-16 and FY-17.
  - Operational Expense Operational expenses of $1,330,804 include debt payments, staff salaries, elected officials stipends and per diem, employment taxes and benefits, and appropriations for direct school support and school fund contributions.




- Outflows of $937,911 are comprised of contractual expenses, legal fees, appropriations that are at the discretion of the Assembly, petty expenses, and contingency funds, expenses, and transfers.
    - Contractual expenses – this is expense includes consultants, contracted technical support and technology service and borough insurance. These are a combination of known and "per use costs." These contracts are at the pleasure of the Manager and may be modified or terminated. These items comprise 17 ½ % of the total budget.

| | |
|---|---|
| PROFESSIONAL SERVICES | 74,000 |
| INSURANCE | 18,000 |
| LOBBYIST | 55,000 |
| CONSULTANTS | 69,000 |
| | 216,000 |

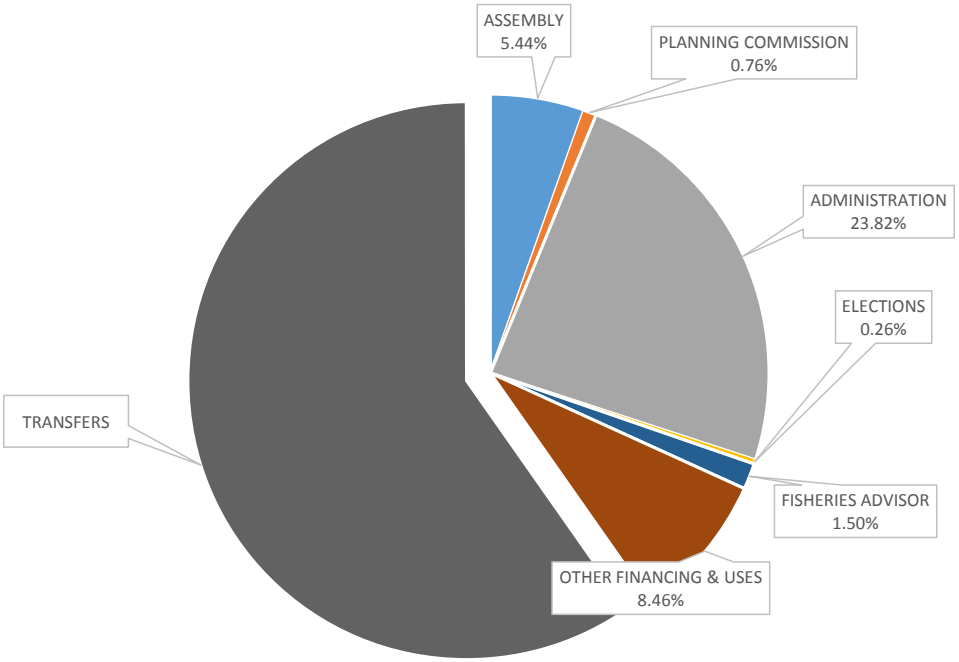
With the resolution of litigation surrounding Pebble, legal expenses are significantly reduced from prior years:

| FY-14 | FY-15 | FY- 16 YTD |
|---|---|---|
| $ 114,819 | $ 83,635 | $ 18,166 |

    - Travel is a significant and necessary expense but is dependent upon the schedule of the Assembly and Planning Commission, and necessary staff travel. Significant changes have been made to control this expense. This budget line is 3.7% of total budgeted expense.

| | |
|---|---|
| TRANSPORTATION | 113,000 |
| LODGING | 21,250 |
| | 134,250 |

- Contingency funds are budgetary place holders for expenses that may or may not occur, the manager's contingency or donations, for example.
- Petty expense are all per use costs; postage, utilities, office supplies, food for meetings, dues, registrations, and fees.




FY-17 Expense $3,625,043

## SUMMARY BUDGET FY-17

| | |
|---|---|
| RAW FISH TAX | $ 1,045,000 |
| TRANSFERS FROM GENERAL FUND | 893,323 |
| STATE REVENUE SHARING | 272,885 |
| STATE FISHERIES BUSINESS TAX | 350,000 |
| TEACHER HOUSING RENTS | 330,000 |
| DIRECT FEDERAL REVENUE | 239,600 |
| BED & GUIDE TAX | 300,000 |
| ALL OTHER | 194,235 |
| | $ 3,625,043 |

| EXPENSE | |
|---|---|
| ASSEMBLY | $ 195,612 |
| PLANNING COMMISSION | 27,515 |
| ADMINISTRATION | 884,350 |
| ELECTIONS | 9,450 |
| COMMUNITY/ECONOMIC DEVELOPMENT | - |
| PLANNER | - |
| FISHERIES ADVISOR | 54,000 |
| OTHER FINANCING & USES | 304,188 |
| TRANSFERS | 2,150,023 |
| | $ 3,625,138 |

| | |
|---|---|
| Total Revenue from all sources | $ 2,731,720 |
| Total budgeted expense | 3,625,138 |
| Net Incrase/(Decrease) in Fund Value | $ (893,418) |

# BUDGET DETAIL

## REVENUE

| REVENUE | |
|---|---|
| RAW FISH TAX | $ 1,045,000 |
| BED TAX | 150,000 |
| PENALTIES & INTEREST | 5,000 |
| LICENSES AND PERMITS | 5,000 |
| PROFESSIONAL GUIDES | 150,000 |
| DEVELOPMENT PERMITS | 1,500 |
| LAND USE PERMITS | 1,000 |
| TEACHER HOUSING RENTS | 330,000 |
| LAND LEASE | 50,000 |
| INTEREST | 40,000 |
| MARKET GAIN/LOSS | 40,000 |
| OTHER LOCAL REVENUES | 1,000 |
| STATE REVENUE SHARING | 272,885 |
| STATE FISHERIES BUSINESS TAX | 350,000 |
| SOA SHARED FISH TAX | 26,000 |
| ELECTRIC AND TELEPHONE COOP | 2,500 |
| DIRECT FEDERAL REVENUE | 239,600 |
| OTHER FEDERAL | 22,235 |
| TRANSFERS FROM GENERAL FUND | 893,323 |
| | $ 3,625,043 |

# BUDGET DETAIL

## EXPENSE

| ASSEMBLY | | |
|---|---|---|
| INSURANCE - LIFE AND HEALTH | $ | 94,153 |
| MEDICARE CONTRIBUTION | | 165 |
| PERS RETIREMENT CONTRIBUTION | | 770 |
| SBS CONTRIBUTION | | 674 |
| COMMUNICATIONS | | 1,500 |
| RENTALS | | 500 |
| FOOD | | 8,500 |
| TRANSPORTATION | | 55,000 |
| REGISTRATION/TUITION | | 500 |
| STIPENDS | | 11,000 |
| PER DIEM | | 14,000 |
| LODGING | | 8,750 |
| DUES AND FEES | | 100 |
| TOTAL - ASSEMBLY | | 195,612 |

| PLANNING COMMISSION | |
|---|---|
| MEDICARE CONTRIBUTION | 62 |
| SBS CONTRIBUTION | 253 |
| FOOD | 3,200 |
| TRANSPORTATION | 13,000 |
| STIPENDS | 3,500 |
| PER DIEM | 3,500 |
| LODGING | 4,000 |
| TOTAL - PLANNING COMMISSION | 27,515 |

# BUDGET DETAIL

## EXPENSE

| ADMINISTRATION | |
|---|---|
| SALARIES - FULL TIME STAFF | 327,627 |
| INSURANCE - LIFE AND HEALTH | 70,455 |
| MEDICARE CONTRIBUTION | 4,751 |
| PERS RETIREMENT CONTRIBUTION | 80,269 |
| SBS CONTRIBUTION | 20,084 |
| PERS SALARY FLOOR CONTRIBUTION | 44,000 |
| OTHER EMPLOYEE BENEFITS | 2,500 |
| AUDITING AND ACCOUNTING | 24,000 |
| LEGAL SERVICES | 50,000 |
| ADVERTISING | 500 |
| LOBBYIST | 55,000 |
| TECHNICAL SUPPORT | 15,250 |
| CONSULTANTS | 24,000 |
| MAPPING | 2,500 |
| ELECTRICITY | 8,690 |
| WATER AND SEWAGE | 350 |
| COMMUNICATIONS | 6,552 |
| INTERNET SERVICES | 27,450 |
| RENTALS | 5,472 |
| OFFICE EQUIPMENT | 1,500 |
| SITE REPAIR AND MAINTENANCE | 1,500 |
| INSURANCE AND BOND PREMIUMS | 18,000 |
| OFFICE SUPPLIES | 4,500 |
| COMPUTER HARDWARE/SOFTWARE | 7,500 |
| OFFICE RENTAL | 6,000 |
| POSTAGE | 4,500 |
| VEHICLE EXPENSE | 2,500 |
| TRANSPORTATION | 45,000 |
| REGISTRATION/TUITION | 2,000 |
| PER DIEM | 3,500 |
| LODGING | 8,500 |
| DUES AND FEES | 5,700 |
| DONATIONS | - |
| BANK FEES/CHARGES | 4,200 |
| TOTAL - ADMINISTRATION | 884,350 |

# BUDGET DETAIL

## EXPENSE

| ELECTIONS | |
|---|---|
| ADVERTISING | 750 |
| OFFICE SUPPLIES | 7,500 |
| POSTAGE | 1,200 |
| TOTAL - ELECTIONS | 9,450 |

| FISHERIES ADVISOR | |
|---|---|
| ADVISORY/CONSULTANT | 54,000 |

| OTHER FINANCING & USES | |
|---|---|
| LEASE - KSVC | 5,000 |
| MANAGERS CONTINGENCY | 10,000 |
| STATE REVENUE SHARING | 87,688 |
| BOROUGH REVENUE SHARING | 175,000 |
| SHARED FISHERIES BUSINESS TAX | 26,500 |
| TOTAL - OTHER FINANCING & USES | 304,188 |

| TRANSFERS | |
|---|---|
| TRANSFER TO OTHER FUNDS | 100,000 |
| TRANSFER TO DEBT SERVICE | 498,600 |
| TRANSFER TO PERMANENT FUND | 150,000 |
| TRANSFER TO COMPONENT UNIT | 1,347,423 |
| TRANSFER TO VO-TECH PROGRAM | 54,000 |
| TOTAL - TRANSFERS | 2,150,023 |

| | |
|---|---|
| TOTAL - ALL EXPENSES | $ 3,625,138 |

# D. 2.
# New Business
# Ordinance 16-06
# Hurley Lease

*Hearing & Decision*

Lake and Peninsula Borough
Special Assembly Meeting
May 20, 2016

*Lake and Peninsula Borough*
*P.O. Box 495*
*King Salmon, Alaska 99613*

*Telephone: (907) 246-3421*
*Fax: (907) 246-6602*

# PLEASE POST

# PUBLIC HEARING NOTICE

## ORDINANCE NO. 16-06

## AN ORDINANCE AUTHORIZING A TRANSFER AND FIVE YEAR LEASE OF REAL PROPERTY CONTAINING 1.0 ACRES MORE OR LESS TO THOMAS FOUNTAIN AND KYLE HURLEY FOR THE OPERATION OF A COMMERCIAL SET NET OPERATION

The Lake and Peninsula Borough Assembly will hold a public hearing to solicit comments on the above referenced ordinance on **Friday, May 20, 2016 at 8:30 am via teleconference** from the meeting room of the Lake and Peninsula School District at 101 Jensen Rd, King Salmon AK 99613. Interested members of the public are encouraged to attend. To participate you may submit written comments up to 24 hours prior to the hearing, or attend in person or call **1-866-339-5580 and enter the meeting number *2288317*** (star, two, two, eight, eight, three, one, seven, star) during the hearing. Copies of the proposed ordinance can be viewed at local village and city council offices, or at the Lake and Peninsula Borough offices in King Salmon, Alaska. For information contact Kate Conley at 907-246-3421 or 1-800-764-3421.

*Note: Due to telephone service inconsistency inherent to rural Alaska, the Borough meeting may not always be available in all locations or audible.*

**LAKE AND PENINSULA BOROUGH**
**ORDINANCE 16-06**

**AN ORDINANCE AUTHORIZING A TRANSFER AND FIVE YEAR LEASE OF REAL PROPERTY CONTAINING 1.0 ACRES MORE OR LESS THOMAS FOUNTAIN AND KYLE HURLEY FOR THE OPERATION OF A COMMERICAL SET NET OPERATION.**

**WHEREAS,** the Lake and Peninsula Borough owns a 1.00 acre parcel of land located at North Coordinates: 58,13, 55, 39 West Coordinates: 157,21,40,71, Township 22 South, Range 49 West, Section 30, Seward Meridian, Alaska ("the Property"); and

**WHEREAS,** Thomas Fountain and Kyle Hurley has been operating a commercial set net operation at this site; and

**WHEREAS**, Representatives of Lake and Peninsula Borough have inspected the property and observed that Thomas Fountain and Kyle Hurley has demonstrated extemporary care and stewardship of this land; and

**WHEREAS,** Thomas Fountain and Kyle Hurley has submitted a completed lease application and is ready to fulfill all terms set forth by Borough Code 6.80.260; and

**THEREFORE BE IT ENACTED** by the Assembly of the Lake and Peninsula Borough that:

**Section 1. Classification**.
This is a Non-Code Ordinance.

**Section 2. General Provisions**.
The Assembly finds that issuing a 5-year lease located at North Coordinates North Coordinates: 58,13, 55, 39 West Coordinates: 157,21,40,71, Township 22 South, Range 49 West, Section 30, Seward Meridian, Alaska, containing 3.0 acres, more or less, to Robert and William Johnson is in the best interest of the Borough. A copy of the completed lease application is attached to this Ordinance as Exhibit "A." The Assembly hereby approves the issuance of a 5-year lease to Thomas Fountain and Kyle Hurley for the operation of a set net site for a 5-year term.

**Section 3. Rental Rate.**
The Assembly determines that it is not cost efficient or practical to obtain an appraisal under Borough Ord. 6.80.140 to determine the fair rental value of the Property. By the best estimate the Borough can obtain, the approximate fair rental value of the Property is $1000 per year. Based upon the Borough's experience, the cost of obtaining an appraisal of the property would be significantly greater than the annual rent. Therefore the foregoing rental rate was determined by examining lease rates charged by the Borough for similar commercial activities on similar properties inside the Borough.

**Section 4. Authorization.**

The Lake and Peninsula Borough Assembly authorizes the Borough Manager to sign a lease and all other documents deemed necessary to finalize a lease in accordance with Chapter 6.80 of Lake and Peninsula Borough Code.

**Section 5. Effective Date**.
This ordinance shall become effective upon enactment by the Borough Assembly.

**ENACTED** by a duly constituted quorum of the Lake and Peninsula Borough Assembly this 20th day of May, 2016.

**IT WITNESS THERETO**:

_____
Glen Alsworth Sr., Mayor

**ATTEST**:

_____
Kate Conley, Borough Clerk

Introduced: May 9, 2016
Public Hearing: May 20, 2016
Enacted:
Ayes:
Nays:
Not Voting:

# D. 3.
# New Business
# Ordinance 16-07
# Title 4: Elections
## *Hearing & Decision*

Lake and Peninsula Borough
Special Assembly Meeting
May 20, 2016

*Lake and Peninsula Borough*
*P.O. Box 495*
*King Salmon, Alaska 99613*

*Telephone: (907) 246-3421*
*Fax: (907) 246-6602*

# PLEASE POST

# PUBLIC HEARING NOTICE

## ORDINANCE NO. 16-07

## AN ORDINANCE AMENDING BOROUGH CODE SECTION 4.40.020 AND 4.40.070 TO CHANGE THE TIMETABLE FOR THE GENERAL ELECTION.

The Lake and Peninsula Borough Assembly will hold a public hearing to solicit comments on the above referenced ordinance on **Friday, May 20, 2016 at 8:30 am via teleconference** from the meeting room of the Lake and Peninsula School District at 101 Jensen Rd, King Salmon AK 99613. Interested members of the public are encouraged to attend. To participate you may submit written comments up to 24 hours prior to the hearing, or attend in person or call **1-866-339-5580 and enter the meeting number *2288317*** (star, two, two, eight, eight, three, one, seven, star) during the hearing. Copies of the proposed ordinance can be viewed at local village and city council offices, or at the Lake and Peninsula Borough offices in King Salmon, Alaska. For information contact Kate Conley at 907-246-3421 or 1-800-764-3421.

*Note: Due to telephone service inconsistency inherent to rural Alaska, the Borough meeting may not always be available in all locations or audible.*

**LAKE AND PENINSULA BOROUGH**
**ORDINANCE NO. 16-07**

**AN ORDINANCE AMENDING BOROUGH CODE SECTION 4.40.020 AND 4.40.070 TO CHANGE THE TIMETABLE FOR THE GENERAL ELECTION**

**WHEREAS,** the Lake and Peninsula Borough has a general policy to conduct the municipal election by US Mail whenever possible (4.10.020); and

**WHEREAS,** the Borough Code states the Borough should preserve the highest practicable standards of electoral practices (4.10.010 (B)); and

**WHEREAS,** LPB code 4.40.020 provides for the Canvassing Committee meeting on the Monday prior to the third Tuesday in October, thus giving the voters twelve (12) days from election day for the US Postal Service to deliver the ballots;

**WHEREAS,** completed ballots have been received from voters in the Lake and Peninsula offices after the Canvass Committee and those ballots could not be opened and counted; and

**WHEREAS,** the election timetable will need to be adjusted to allow for the additional seven (7) days.

Therefore, **BE IT ENACTED** by the Assembly of the Lake and Peninsula Borough that:

**Section 1. Classification**.
This is a Code Ordinance.

**Section 2. General Provisions**.

1. Borough Ordinance 4.20.020(A) is amended to read:
   Unless the Assembly provides otherwise by ordinance, the Canvassing Committee shall consist of the Borough Assembly, excluding any Assembly members who are standing for election or re-election. The Canvassing Committee will meet the Monday prior to the ~~third~~ fourth Tuesday in October and canvass all absentee and challenged ballots executed in the election. The canvass may be postponed from day to day for cause but not exceeding five days in total, except that if the Canvassing Committee issues subpoenas under §4.40-040(B)(5), the five day interval shall not start to run until there has been compliance with those subpoenas.
2. Borough Ordinance 4.40.050 is amended to read:
   The canvass committee will submit a report of its findings to the Assembly ~~prior to noon the Wednesday following the third Tuesday in October~~ the day after the Canvass Committee meeting. The report will show:
   A. The number of ballots cast in the election;

   B. The names of the persons voted for and the proposition and or questions voted upon;

   C. The offices voted for;

   D. The number of votes cast for each candidate and the number of votes cast for or against each proposition or question voted on at the election;

E. A proposed disposition of all challenged, absentee, write-in and voided ballots; and

F. Such other matters the canvass committee may determine to be appropriate.

G. The Canvassing Committee report is a public document.

The Canvassing Committee report may consist of the Canvassing Committee minutes, if the minutes meet the requirements of this section.

**Section 3. Effective Date**.
This ordinance shall become effective upon enactment by the Borough Assembly.

**ENACTED** by a duly constituted quorum of the Lake and Peninsula Borough Assembly this 20th day of May, 2016.

**IT WITNESS THERETO**:

_____
Glen Alsworth Sr., Mayor

**ATTEST**:

_____
Kate Conley, Borough Clerk

Introduced: May 9, 2016
Public Hearing: May 20, 2016
Enacted:
Ayes:
Nays:
Not Voting:
Absent:

# D. 4.
# New Business
# Ordinance 16-08
# Transfer of Bond Proceeds

*Hearing & Decision*

Lake and Peninsula Borough
Special Assembly Meeting
May 20, 2016

*Lake and Peninsula Borough*
*P.O. Box 495*
*King Salmon, Alaska 99613*

*Telephone: (907) 246-3421*
*Fax: (907) 246-6602*

# PLEASE POST

# PUBLIC HEARING NOTICE

## ORDINANCE NO. 16-08

## AN ORDINANCE AUTHORIZING THE TRANSFER OF BOND PROCEEDS TO PRIORITY SCHOOL CAPITAL IMPROVEMENT PROJECTS, AND PROVIDING FOR AN EFFECTIVE DATE.

The Lake and Peninsula Borough Assembly will hold a public hearing to solicit comments on the above referenced ordinance on **Friday, May 20, 2016 at 8:30 am via teleconference** from the meeting room of the Lake and Peninsula School District at 101 Jensen Rd, King Salmon AK 99613. Interested members of the public are encouraged to attend. To participate you may submit written comments up to 24 hours prior to the hearing, or attend in person or call **1-866-339-5580 and enter the meeting number *2288317*** (star, two, two, eight, eight, three, one, seven, star) during the hearing. Copies of the proposed ordinance can be viewed at local village and city council offices, or at the Lake and Peninsula Borough offices in King Salmon, Alaska. For information contact Kate Conley at 907-246-3421 or 1-800-764-3421.

*Note: Due to telephone service inconsistency inherent to rural Alaska, the Borough meeting may not always be available in all locations or audible.*

**LAKE AND PENINSULA BOROUGH**
**ORDINANCE 16-08**

**AN ORDINANCE AUTHORIZING THE TRANSFER OF BOND PROCEEDS TO PRIORITY SCHOOL CAPTIAL IMPROVEMENT PROJECTS, AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the Borough voters approved issuance of certain School and Related Capital Improvement Bonds as Proposition No. 1 in October 2013; and

WHEREAS, under that Bond Proposition, the voters authorized $15,000,000 for Port Alsworth Classroom Expansion with the bonds to be reimbursed by the State of Alaska at 70%, $3,200,000 for Newhalen Kitchen and Gym Remodel/Expansion, with the bonds to be reimbursed by the State of Alaska at 60%, and $1,800,000 for District-wide HVAC and Energy Efficiency Upgrades, with the bonds to be reimbursed at 70%; and

WHEREAS, the Ballot language did not limit the projects that could be financed by the bond proceeds to the three identified projects; and

WHEREAS, the Ballot Proposition clearly identified the cost of the projects as estimates; and

WHEREAS, the Port Alsworth school construction is complete and the balance is approximately $500,000; and

WHEREAS, the Newhalen Kitchen and Gym Expansion and Renovation is complete and the balance is approximately $230,000; and

WHEREAS, Newhalen school has additional needs which include replacement of the sewer system, correction of site drainage and repair of structural water damage estimated to cost $320,000; and

WHEREAS, districtwide, other schools have other significant capital improvement needs to correct helath and safety and building code deficiencies, reduce operating costs, and improve instructional programs; and

WHEREAS, it is the opinion of the Borough's Bond counsel that current state regulations and statutes allow the redirection of proceeds from the bonds approved April 20134, with Department of Education and Early Development approval; and

**THEREFORE BE IT ENACTED** by the Assembly of the Lake and Peninsula Borough that:

**Section 1. Classification**.
This is a Non-Code Ordinance.

**Section 2. General Provisions**.

THEREFORE, the Borough Assembly of Lake and Peninsula Borough approves the redirection of balances from the Tanalian School Addition Renovation and Newhalen Kitchen and Gym Expansion and Renovation debt reimbursement projects to the Newhalen School Improvement project and other eligible debt reimbursement projects, as prioritized by the Lake and Peninsula School District Board of Education, and authorizes the District to submit debt reimbursement applications to the Department for such projects.

**Section 3. Authorization.**
The Borough Manager is authorized to sign appropriate documents effecting the transfer on behalf of the Borough.

**Section 4. Effective Date**.
This ordinance shall become effective immediately upon enactment by the Borough Assembly.

**ENACTED** by a duly constituted quorum of the Lake and Peninsula Borough Assembly this 20th day of May, 2016.

**IT WITNESS THERETO**: **ATTEST**:

_____ _____
Glen Alsworth Sr., Mayor Kate Conley, Borough Clerk

Introduced: May 9, 2016
Public Hearing: May 20, 2016
Enacted:
Ayes:
Nays:
Not Voting:

NEW AGENDA ITEM

# D. 5.
# New Business
# Ordinance 16-09
## Changes to Preschool & CTE Funds

*Introduction*

Lake and Peninsula Borough
Regular Assembly Meeting
May 9, 2016

# MEMORANDUM

JADE NORTH, LLC
Phone: 250-4621
E-mail: bobl@jadenorth.com

May 10, 2016

**To:** Glen Alsworth, Sr. Mayor
Lake and Peninsula Borough

**From:** Bob Loeffler

**Subject:** Requested Preschool and CTE Information

---

At the May 9th Assembly Meeting, you asked me to find out the school district's annual cost to provide preschool and CTE (Career and Technical Education). Information about school district costs are from Laura Hylton.

**How much does the pre-school cost LPSD?** Pre-school costs LPSD roughly $220,000 per year. It could be a little less if one or another site ends up not having kids. LPSD has not taken any money out of the pre-school fund which is now sitting at approximately $300,000. LPB put $100,000 into the find in each of FY 15 and 16. LPSD put $100,000 in during FY 15, but not this year. No money has come out of the fund.

**How much does CTE cost LPSD?** This amount changes a bit from year to year. It appears to cost roughly $200,000-$250,00 in total though LPSD has cobbled together different grants which lower the general fund LPSD amount in some years to roughly $140,000 - $170,000.

- In FY 15, LPSD received a ~$92K grant from the state (a construction academy grant) and spent ~$165K from their general fund for a total of approximately $255K.
- In FY 14, LPSD spent $140K and received a grant from the state of roughly $65K, for a total of about $205K.
- Somehow I missed FY 16.
- Next year FY 17, LPSD has received a $30K grant from the Alaska Community Foundation, and they have accepted students from the Southwest School District. And Vo-tech will cost LPSD roughly $200,000. However, because they are accepting kids from the SW district, Bristol Bay, and LPSD, that is pretty much all of Bristol Bay. Therefore, they believe they will make a good case for getting grant money from BBNC Education Foundation. In other words, accepting kids from SW district, even though it raises the cost somewhat, is an investment in grant entrepreneurship (my words), to attract more grant funds. That seems innovative. Hopefully with action from BBNC Education Foundation, it will turn a "profit" (i.e., lower the LPSD cost).

**How may the Borough access the School Endowment Funds?** LPB Code at 6.71.040(A) provides that the principal "<u>and any investment earnings realized by the fund</u>" shall be retained in the fund. Until the value of the fund reaches a certain level (it is not there yet), the fund cannot be spent except to prevent default on school-related general obligation bonds. Therefore, the language of the endowment prevents the Assembly from appropriating interest or principal without amending the Endowment ordinance.

**How much of the School Endowment is principal? How much is interest?** From Susan:

- Principal: $3,625,000
- Accrued interest: $2,928,185
- Balance: $6,553,185

Contributions to principal came from both the school district and the borough between 1995 and 2001. There were draw downs on the fund in 2002 ($390,000) & 2003 ($250,000). Those drawdowns were taken as reductions to interest earnings. The financial statements do not say if these transfers to the school district was to supplement contribution, or if they were a return of principal.

**LAKE AND PENINSULA BOROUGH**
**ORDINANCE NO. 16-09**

**AN ORDINANCE AMENDING SECTIONS 6.74 AND 6.75 OF THE LAKE AND PENINSULA BOROUGH MUNICIPAL CODE AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Ordinance 15-21 and Ordinance 15-22 were passed on August 18, 2015 establishing funds for Preschool Education and Career Technical Education; and

**WHEREAS**, it is realized the fund utilization portion of the code needs to be clarified and made more precise.

NOW, THEREFORE, BE IT ENACTED BY THE ASSEMBLY OF LAKE AND PENINSULA BOROUGH:

**Section 1. Classification:**

This ordinance is of a permanent nature and shall, upon enactment, become part of the Lake and Peninsula Borough Municipal Code of Ordinances.

**Section 2. General Provisions:**

There is enacted and adopted the following:

1) **Code Amendments** - Section 6.74.020 Fund Utilization

**6.74.020 Fund Utilization.**

Distributions or expenditures of the assets of the Preschool Education Fund shall be made in a non-discriminatory manner for the public purpose of benefiting the education of Lake and Peninsula School District students under the age of 5 years old. Funds may only be used to support or enhance education as advised by the Lake and Peninsula School Board and authorized by ~~the adopting of the Borough's annual budget or amendments thereto~~ ordinance.

2) **Code Amendments** – Section 6.75.020 Fund Utilization

**6.75.020 Fund Utilization.**

Distributions or expenditures of the assets of the Career and Technical Education Fund shall be made in a non-discriminatory manner for the public purpose of benefiting the vocational and technical education of Lake and Peninsula School District students. Funds may only be used to support or enhance education as advised by the Lake and Peninsula School Board and authorized by ~~the adopting of the Borough's annual budget or amendments thereto~~ ordinance.

**Section 3. Effective Date.**

This ordinance shall become effective immediately upon enactment.

**ENACTED** by a duly constituted quorum of the Lake and Peninsula Borough Assembly this 16th day of August, 2016.

**IT WITNESS THERETO**:

_____
Glen Alsworth Sr., Mayor

**ATTEST**:

_____
Kate Conley, Borough Clerk

Introduced:
Public Hearing:
Enacted:
Ayes:
Nays:
Not Voting:
Absent: