

Introduced by: Manager Gifford  
Drafted by: Mayor Selby  
Requested by: Mayor Selby  
Introduced: 01/22/2009  
Public hearing: 02/19/2009  
Adopted: 02/19/2009

**KODIAK ISLAND BOROUGH  
ORDINANCE NO. FY2009-14**

**AN ORDINANCE OF THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH  
AMENDING KODIAK ISLAND BOROUGH CODE OF ORDINANCES TITLE 3 REVENUE AND  
FINANCE CHAPTER 3.10 PUBLIC FINANCE – MANAGEMENT AND ACCOUNTING BY  
REPEALING SECTION 3.10.130 EDUCATION FUND.**

**WHEREAS**, Ordinance No. 96-14 was adopted in 1996 when the Kodiak Island Borough's portion of the Exxon Valdez oil spill settlement funds was anticipated to be approximately \$20 million; and

**WHEREAS**, the concept of a permanent fund to provide long term funding assistance for educational objectives was a good concept for a permanent fund which would produce an estimated \$2 million per year; and

**WHEREAS**, the actual settlement funds include no additional distribution for the Borough; ~~will be less than \$1 million with a possibility of another \$1 million of interest if additional litigation is successful which would generate about \$10,000 to \$20,000 per year at current interest rates;~~ and

~~**WHEREAS**, maintaining a fund and dividing up the relatively insignificant earnings each year would be a non-productive exercise;~~

**NOW, THEREFORE BE IT RESOLVED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH THAT:**

**Section 1:** This ordinance is of a general and permanent nature and shall become a part of the Kodiak Island Borough Code of Ordinances.

**Section 2:** Section 3.10.030 of the Kodiak Island Borough Code is repealed as follows:

**Chapter 3.10  
PUBLIC FINANCE – MANAGEMENT AND ACCOUNTING**

Sections:

- 3.10.010 General treasury management.
- 3.10.020 Authority.
- 3.10.030 Permissible investments.
- 3.10.040 Terms defined.
- 3.10.050 *Repealed.*
- 3.10.060 Collateral safekeeping.
- 3.10.070 Diversification of investments.
- 3.10.080 Investment records.
- 3.10.090 Deposit of school money.

- 47        3.10.100    Basis of accounting.
- 48        3.10.110    Funds.
- 49        3.10.120    Facilities fund.
- 50        ~~3.10.130    Education fund.~~
- 51        3.10.140    Fern Fuller fund.
- 52        3.10.150    Land sale fund.
- 53        3.10.160    Penalties.
- 54        3.10.170    General fixed assets.
- 55        3.10.180    Distribution of funds.
- 56        3.10.190    Review of service fees.
- 57        3.10.200    Post audit.

58

59    **~~3.10.130 Education fund.~~**

60        ~~A. The education fund is established as a separate investment fund which is distinct from all~~  
 61 ~~other funds. The fund consists of the net proceeds received from the Exxon Valdez oil spill~~  
 62 ~~litigation punitive damages after payment of all expenses of litigation and oil spill clean-up. All~~  
 63 ~~income from the fund shall be deposited to the fund. The assembly will make an appropriation of~~  
 64 ~~up to \$500,000 in fiscal year 1997 and may make additional appropriations to the fund at any~~  
 65 ~~time by ordinance.~~

66        ~~B. The fund may be invested only as provided in KIBC 3.10.030. The fund may not be~~  
 67 ~~appropriated or spent, except as provided in subsections C and D of this section.~~

68        ~~C. The excess income of the fund is defined as 85 percent of the annual investment income~~  
 69 ~~from the fund. The excess income of the fund is available for appropriation by the assembly in~~  
 70 ~~the fiscal year following the year in which the income is earned. The excess income of the fund~~  
 71 ~~may be appropriated only for the following purposes:~~

- 72            ~~1. An endowed chair for the director position at the University of Alaska Fisheries~~  
 73 ~~Industrial Technology Center on Near Island;~~
- 74            ~~2. An annual contribution toward the operating cost of the Kodiak College; and~~
- 75            ~~3. An annual contribution toward the operating cost of schools K-12 in the Kodiak~~  
 76 ~~Island Borough.~~

77        ~~D. A portion of the fund may be appropriated for another purpose only upon approval of an~~  
 78 ~~ordinance ratified by a two-thirds majority of the qualified voters at a regular or special election.~~  
 79 ~~[Ord. 96-14 §2, 1996. Formerly §3.04.052].~~

80

81

82        **ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH**  
 83        **THIS NINETEENTH DAY OF FEBRUARY, 2009**

84

85

86

87


88

89

90

91

ATTEST:

92          
 93        \_\_\_\_\_  
 94        Nova M. Javier, CMC, Borough Clerk

KODIAK ISLAND BOROUGH

95          
 \_\_\_\_\_  
 Jerome M. Selby, Borough Mayor