

Introduced by: Borough Manager
Requested by: Borough Mayor
Drafted by: Finance Director
Introduced: 08/06/2009
Public Hearing: 09/03/2009
Adopted: 09/03/2009

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**KODIAK ISLAND BOROUGH
ORDINANCE NO. FY2010-05**

**AN ORDINANCE OF THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
AMENDING KODIAK ISLAND BOROUGH CODE TITLE 3 REVENUE AND FINANCE
CHAPTER 3.05 FISCAL POLICY SECTION 3.05.030 DEBT POLICIES**

WHEREAS, the financial policies of the Kodiak Island Borough were adopted in 1990 and are very conservative; and

WHEREAS, the State of Alaska generally reimburses the Borough for 60 to 70 percent of our debt; and

WHEREAS, under GASB (Governmental Accounting Standards Board) this State reimbursement is not considered in the net bonded debt calculation; and

WHEREAS, General Fund expenditures make up a very small percentage of total Borough revenues; and

WHEREAS, the financial stability of the Borough is further enhanced by the Facilities Fund which did not exist when these policies were adopted.

NOW, THEREFORE, BE IT ORDAINED 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: Title 3 *Revenue and Finance* Chapter 3.05 *Fiscal Policy* Section 3.05.030 Debt Policies of the Kodiak Island Borough Code is hereby amended as follows:

3.05.030 Debt policies.

- The borough will not fund current operations from the proceeds of borrowed funds.
- The borough will confine long-term borrowing to funding of capital improvements or projects that cannot be financed from current revenues.
- When the borough finances capital projects by issuing bonds, it will repay the debt within a period not to exceed the expected useful life of the project so constructed.
- Target debt ratios will be annually calculated and included in the review of financial trends.
- Net debt as a percentage of the estimated market value of taxable property should not exceed ~~five~~-fifteen percent.

48 ~~The ratio of debt service expenditures as a percent of governmental fund expenditures~~
49 ~~should not exceed 20 percent.~~

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51 The borough recognizes the importance of underlying and overlapping debt in
52 analyzing financial condition. The borough will regularly analyze indebtedness including
53 underlying and overlapping debt.

54 The borough will maintain good communications about its financial condition with bond
55 and credit institutions.

56 The borough will follow a policy of full disclosure in every annual financial statement
57 and bond official statement.

58 The borough will avoid borrowing on tax anticipation and maintain an adequate fund
59 balance.

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61 **ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH**
62 **THIS THIRD DAY OF SEPTEMBER, 2009**

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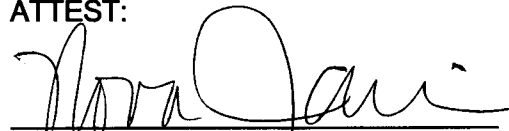
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KODIAK ISLAND BOROUGH


Jerome M. Selby, Borough Mayor

ATTEST:


Nova M. Javier, MMC, Borough Clerk