

Introduced by: Kodiak Island Borough Assembly
Drafted by: Kodiak Island Borough Attorney
Introduced on: 07/16/2020
Postponed to: 08/06/2020
Postponed Indefinitely: 08/06/2020

**KODIAK ISLAND BOROUGH
ORDINANCE NO. FY2021-14**

**AN ORDINANCE OF THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
APPROPRIATING \$_____ FOR PURPOSES OF ADVOCATING IN FAVOR OF A BALLOT
PROPOSITION AT THE OCTOBER 6, 2020 REGULAR MUNICIPAL ELECTION.**

WHEREAS, The Kodiak Island Borough Assembly finds that the current situation with oil prices and unemployment make it likely that the State of Alaska may continue to fail to fully fund school bond debt service reimbursement payments due the Borough for the next few fiscal years; and

WHEREAS, The Kodiak Island Borough Assembly finds that when the State of Alaska fails to fully fund school bond debt service reimbursement, the amount of the shortfall is unpredictable and may vary widely from year to year; and

WHEREAS, The Kodiak Island Borough Assembly finds that if that shortfall must be made up from local property tax levies, the impact may cause wide fluctuations in tax rates from year to year; and

WHEREAS, The Kodiak Island Borough Assembly finds that the current Borough General Obligation Bond payments are anticipated to be highest through FY 2026, and then expected to be reduced in FY 2027 and later; and

WHEREAS, The Kodiak Island Borough Assembly finds that significant shifts in tax rates from year to year produces instability in the business climate and may be damaging to economic development; and

WHEREAS, The Kodiak Island Borough Assembly finds that if the State of Alaska continues to fail to fully fund school bond debt service reimbursement payments due the Borough, the Borough may mitigate the need for dramatic shifts in tax rates from year to year to meet debt service requirements by allowing some use of principal of the Facilities Fund for grants or direct payments to smooth the fluctuation in taxes required for debt service; and

WHEREAS, The Kodiak Island Borough Assembly finds that the Facilities Fund is an areawide borough reserved fund which contains sufficient funds to facilitate grants when needed to allow the Borough to respond to unexpected fiscal challenges or budgetary demands caused by failure of the State of Alaska to fully fund school bond debt reimbursement, and that it is in the public interest to allow this flexibility on a temporary basis through FY 2026; and

45 **WHEREAS,** The Kodiak Island Borough Assembly finds that KIBC 3.10.120 calls for approval
46 of 2/3 of the Borough voters voting on the question in order to authorize expenditures from the
47 principal of the Facilities Fund; and
48

49 **WHEREAS,** The Kodiak Island Borough Assembly finds that Proposition __ placed before the
50 voters to ratify Ordinance 2021-__ allowing the principal of the Facilities Fund to be used on an
51 interim basis through FY 2026 as a source for making debt service payments under KIBC
52 3.10.120(D)(4) would, if approved, enable the Borough to moderate the fluctuation in property tax
53 rates required to make debt service payments; and
54

55 **WHEREAS,** The Kodiak Island Borough Assembly finds AS 15.13.145 allows use of Borough
56 funds to promote a ballot proposition so long as the funds for that purpose have been specifically
57 appropriated by ordinance for that purpose; and
58

59 **WHEREAS,** The Kodiak Island Borough Assembly finds that it is in the public interest to
60 appropriate \$_____ to be expended on advocacy in favor of Proposition __ at the October 6, 2020
61 regular municipal election.
62

63 **NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KODIAK ISLAND**
64 **BOROUGH THAT:**
65

66 **Section 1:** This ordinance is of a general and permanent nature and shall become a part of the
67 Kodiak Island Borough Code of Ordinances.
68

69 **Section 2:** That the sum of \$_____ is appropriated from the General Fund fund balance for the
70 purpose of advocating in favor of ballot proposition __ at the October 6, 2020 Regular Municipal
71 Election.
72

73 **Effective Date:** This ordinance takes effect upon adoption.
74

75 **ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH**
76 **THIS _____ DAY OF _____, 2020.**
77

78 KODIAK ISLAND BOROUGH
79
80

ATTEST:
81

82 _____
William Roberts, Mayor
83

84 _____
Alise Rice, Borough Clerk
85

86 **VOTES:**

Ayes:

Noes: