

**KENAI CITY COUNCIL WORK SESSION
FY2017 PROPOSED BUDGET
APRIL 30, 2016
KENAI CITY COUNCIL CHAMBERS
MAYOR PAT PORTER, PRESIDING**

NOTES

Council present: P. Porter, R. Molloy, H. Knackstedt, B. Gabriel, T. Navarre, T. Bookey, M. Boyle
Others present: City Manager R. Koch, Finance Director T. Eubank, City Attorney S. Bloom, and City Clerk S. Modigh

Mayor Porter began the work session at approximately 9:00 a.m.

City Manager Koch provided an introduction on the FY2017 Manager's Proposed Budget process. Koch advised that the proposed FY17 draft budget when originally distributed included a 20% increase in employee health care premiums. It has been determined since then that the actual renewal for the FY17 is a decrease of 5.7%.

Mr. Koch advised that the General Fund budget, as presented, resulted in revenues over expenditures of \$2,479 including a projected budget lapse of \$755,909, therefore no use of the Fund balance was required.

Public Comment:

June Harris, on behalf of the Kenai Historical Society requested the City Council include a grant for the historic cabin park in the amount of \$500 to match the \$4,000 provided in FY16.

Mr. Harris requested funding be included to place a monitoring system and street lighting in the amount \$15,000 -18,000 for the cabin park.

Megan Smith from the Chamber of Commerce requested that the City partner with the Chamber to create a Come to Kenai brand similar to Soldotna's creation. The cost is estimated at \$10,000. Mrs. Smith requested the two entities split the cost in efforts of marketing the City for tourism.

Mr. Koch recommended that if Council desires to create surveillance system, the City look at this on a larger scale for the parks, etc.

Finance Director Terry Eubank provided an overview of factors considered during the budget process and outlined the main components of the budget. It was noted there wasn't an increase proposed to City salaries due to the Anchorage index being in the negative.

Eubank advised that the City's beginning to see the slowdown of the north area related to sales tax revenue and that the City may not hit its projected revenue for 2015. The City has seen a marginal increase in property taxes.

The information below are the areas of the budget that the Administration and/or Council requested revisions to the proposed FY17 budget.

Expenditures

Legislative

	<u>Proposed</u>	<u>Additional</u>
5047-Legislative Grants to Other Agencies and breakdown for distribution of grant funds		
a. Kenai Watershed Forum Water Testing	\$5,000	
b. Oilers Baseball Park Utilities	2,650	
c. Kenai Chamber of Commerce 4 th of July Activities	2,500	
d. Kenai Chamber of Commerce Fireworks	3,500	
e. Industry Appreciation Day Sponsorship	500	
f. Economic Outlook Forum	500	
g. Kenai Historic Society	3,500	\$500
h. Kenai Boys & Girls Club Grant	10,000	
i. CARTS	\$4,000	\$1,000
j. Chamber of Commerce "Come to Kenai"		\$5,000
k. Fire Truck	\$10,000	\$10,000
l. Miscellaneous		\$2,500
Total Grants to Other Agencies	<u>\$32,150</u>	
 Total Recommended Amendments		 <u>\$ 19,000</u>

Fire

With no objection from Council, the City Manager requested to include the following:

- Scheduling Software \$2,200
- Respirator Fit Tester \$8, 200
- Mobile Data Project \$4,200

Streets

With no objection from Council, the City Manager requested to include the following:

- Inlet Woods Storm Drain Improvements \$78,000

Library

With no objection from Council, the City Manager requested to include the following:

- Children's Library Book Shelves \$15,000

Parks & Recreation

With no objection from Council, the City Manager requested to include the following:

- 72" Mower Replacement \$30,000
- Millennial Town Square Design \$35,000

Planning & Zoning

With no objection from Council, the City Manager requested to include the following:

- GIS Consultant \$2,200

Buildings

With no objection from Council, the City Manager requested to include the following:

- Recreation Center Mechanical Improvements \$20,000

Personal Use Fishery

City Manager advised that it was his intent to include a drop off fee in the fishery to help build a fund balance to protect the fishery.

There was not consensus by Council on this matter; therefore, Council requested Administration provide a report to Council for further determination.

General Discussion

The Finance Director and Administration discussed the idea of creating a Fund for potential health care deductibles.

It was noted with the proposed budget, an estimated \$137,310 surplus could be placed into the General Fund.

The work session was adjourned at 1:29 p.m.

Notes prepared by:



Sandra Modigh, CMC
City Clerk

