



# CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**Thru:** John Leach, Municipal Administrator *M. Haley*

**From:** Melissa Haley, Finance Director

**Date:** February 22, 2023

**Subject:** Mid-year supplemental appropriations

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### Background

As we are now more than halfway through the fiscal year, we have identified a number of areas in which changes to appropriations are needed. In some cases, additional funding is needed, in others, a change to the nature of the appropriation is needed, as changes between certain categories are restricted by Charter.

### Analysis

Increases in appropriations are needed in the following areas:

- Human resources—supplemental appropriations totaling \$89,800 are needed to cover legal expenses related to contract negotiations and general labor advice as well as employee assistance plan services that were not budgeted for FY2023. This also included extra funding for an organization-wide compensation study.
- Assessing—supplemental appropriation of \$2,340 to cover required in-person training (previously offered remotely).
- Centennial Hall—supplemental appropriation of \$295 to cover training—none had been budgeted and charter restricts travel/training line items.
- IT Fund—Increase appropriations by \$20,000 to implement an organization-wide Human Resources Information System that will allow for automated onboarding, applicant tracking performance management and other services.
- Central Garage—increase appropriations by \$28,000 to purchase a brushing tool for the Electric Department so FERC vegetation maintenance requirements along Blue Lake and Green Lake roads can be met. We had previously traded services with the Alaska Department of Transportation, however we determined that the agreement was not beneficial to the department. Funds will be

transferred into Central Garage to purchase the tool, which is expected to last at least 10 years.

- Water Fund—increase appropriations to unanticipated repairs by \$100,000. During the budget process Finance inadvertently decreased the budgeted amount for FY23 and, in addition, there has been an uptick in water line breaks. An additional \$70,000 is requested to cover added utility costs of running the secondary filtration plant.
- Solid Waste Fund—increase fixed asset appropriations by \$10,000 to purchase a florescent bulb crusher to replace existing unit that can no longer be repaired. Bulbs are piling up at the scrapyard and shipping them off-island without crushing them can be expensive.

Changes to appropriations with net zero impact:

- Public Works-Engineering—Decrease personnel by \$130,000 and increase contracted services by the same amount to ensure key engineering tasks are accomplished. While a Senior Engineer was budgeted, we have been unable to fill the position.
- Marine Service Center (MSC)—move the condition assessment budget of \$35,000 budgeted as an operating expense in Building Maintenance to the MSC capital project fund so that this can be incorporated with and treated consistently with other condition assessments across the municipality. The funding budgeted in the Building Maintenance Fund will be transferred into the MSC capital project fund.

### **Fiscal Note**

The total previously unbudgeted increases by fund are as follow:

- General Fund—\$92 ,435
- Water Fund—\$170,000
- IT Fund—\$20,000
- Electric Fund—\$28,000
- Solid Waste Fund—\$10,000

### **Recommendation**

Approve Ordinance 2023-03 making supplemental appropriations to the FY2023 budget.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2023-03  
 AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL  
 APPROPRIATIONS FOR FISCAL YEAR 2023  
 (Mid Year Supplemental Appropriations)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental Operation and Capital appropriation for FY2023.

4. **ENACTMENT.** In accordance with Section 11.10 (a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2022 and ending June 30, 2023.

<b><u>FISCAL YEAR 2023 EXPENDITURE BUDGETS</u></b>	
<b>GENERAL FUND</b>	
	<b>Human Resources – Operations: Increase appropriations in contracted/purchased services for \$89,800 for labor negotiations, legal advice and EAP services as well as an organization-wide compensation study.</b>
	<b>Assessing – Travel/Training: Increase appropriations in Travel and Training for \$2,340 to cover the overage of expenses incurred.</b>
	<b>Public Works Engineering – Contracted/Purchased Services: Increase appropriations in contracted purchased services by \$130,000 while reducing personnel by \$130,000.</b>
	<b>Centennial Hall – Travel/Training: Increase appropriations in Travel and Training for \$295 to cover the overage of expenses incurred.</b>
<b><u>ENTERPRISE AND INTERNAL SERVICE FUNDS</u></b>	
	<b>Water Fund – Operations: Increase appropriations in the water treatment subdepartment for utility \$70,000 and water distribution subdepartment for unanticipated repairs \$100,000.</b>
	<b>Information Technology Fund – Operations: Increase appropriations by \$20,000 to implement Human Resources Information System (HRIS).</b>
	<b>Central Garage Fund – Fixed Assets: Increase appropriations in fixed assets to purchase a brushing attachment tool in the amount of \$28,000 for the Electric Department. These funds will come from Electric Department undesignated working capital.</b>
	<b>Solid Waste Fund – Fixed Assets: Increase appropriations in fixed assets \$10,000 to purchase a florescent light tube crusher/recycler to replace the existing piece of equipment that can no longer be repaired.</b>

**Marine Service Center Fund – Capital Project Fund: Increase appropriations in the Marine Service Center Capital Project fund \$35,000 to support a condition assessment of the MSC building. These funds will be transferred from the Building Maintenance Fund where they were budgeted as an operating expense.**

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**EXPLANATION**

The need for additional funding or for a change in the type of appropriations has been identified as FY2023 has progressed.

**5. EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 14th day of March 2023.

**ATTEST:**

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Steven Eisenbeisz, Mayor

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Sara Peterson, MMC  
Municipal Clerk

1<sup>st</sup> reading: 2/28/2023  
2<sup>nd</sup> and final reading: 3/14/2023

**Sponsor: Administrator**