

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2016-41 on second and final reading.

# Memorandum

October 13, 2016

To: Mark Gorman, Municipal Administrator  
From: Bryan J. Bertacchi, Utility Director - Electric Department  
Tony Bird, T&D System Manager – Electric Department  
Subject: Transfer of Funds to Complete Medvejie Substation

## **Request**

The City and Borough of Sitka Electric Department requests additional appropriation in the amount of \$98,000 for Capital Project #90672 – Medvejie Substation.

## **Purpose:**

These funds would be used to procure, from the lowest compliant bidder, a replacement transformer for the Medvejie Hatchery which is compliant with the technical specification. This transformer is a critical part of our infrastructure to ensure the continued reliable supply of electricity to a significant component of our local economy.

## **Background:**

The Medvejie hatchery is an important Community asset. A replacement transformer for the Medvejie substation was purchased by the Electric Department over a decade ago however other priorities delayed the installation. As the existing Medvejie substation transformers are very old, the electric department proceeded to install this new transformer. Unfortunately, during the final engineering phase for installation, a fatal design flaw was discovered and this transformer will not be useable for the Medvejie substation.

## **Recommendation:**

Recommend Assembly approve the use of funds from Blue Lake Bond proceeds in the amount of \$98,000 to Capital Project #90672 to complete replacement of the Medvejie Substation Transformer. As of October 19, the amount of Blue Lake Bond proceeds remaining is \$8,259,331.56. This appropriation increase is included in the budget ordinance.

Cc: Jay Sweeney, CFAO  
Sara Peterson, Municipal Clerk

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-41

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA  
ADJUSTING THE FY17 BUDGET

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 adjust the FY17 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows:

<b><u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u></b>
<b>CAPITAL PROJECTS</b>
<b>Medvejie Hatchery Transformer Replacement Project #90672: The Electric Utility Director has requested to appropriate funds in the amount of \$98,000 from the Blue Lake Bond Proceeds to the Medvejie Hatchery Transformer Replacement Project #90672.</b>

**EXPLANATION**

Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

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 8th Day of November, 2016.

ATTEST:

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Matthew Hunter, Mayor

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Sara Peterson, CMC  
Municipal Clerk