

# Memo

**Thru :** Mark Gorman, Administrator

**To:** City and Borough of Sitka Assembly

**From:** Jay Sweeney, Chief Financial and Administrative Officer 

**Date:** May 18, 2015

**Re:** Supplemental Budget Ordinance For Introduction May 26th

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Mayor McConnell and Assembly Members,

The attached FY15 supplemental budget ordinance accomplishes four purposes: (1) accomplishes transfer of \$2,500,000 from the Southeast Alaska Economic Development Fund to the Electric Fund; (2) accomplishes the re-appropriation of \$10,000 from snow plowing contracts to donations, in order to fund a donation to the Sitka Historical society for the 2017 Sesquicentennial of the Alaska Territory; (3) increases the approved project budget for the new library in order to recognize settlement revenue for design deficiencies and authorize the spending of the settlement funds; (4) provides emergency funding for asbestos abatement testing at the Centennial Building; and, (5), accomplishes small transfers within Departments in order to fund training.

This ordinance is necessary even though several of these items have already been approved. The reason is that increased spending, through supplemental appropriations, or transfers in between certain categories of expenditures can only be accomplished through passage of an ordinance, per the Sitka Home Rule Charter.

## CITY AND BOROUGH OF SITKA

## ORDINANCE NO. 2015-32

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA  
ADJUSTING THE FY15 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 FY15 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY15 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, 2014 and ending June 30, 2015 is hereby adjusted as follows:

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<b><u>FISCAL YEAR 2015 EXPENDITURE BUDGETS</u></b>			
<b>GENERAL FUND</b>			
<b>Finance – Travel &amp; Training:</b>			
100-500-004-5110.001	Salary/Wages	\$4,500	
100-500-004-5201.000	Travel & Training	\$4,500	
The Deputy Finance Director has requested to transfer funds from Salaries to Travel & Training. This is due to additional unplanned travel & training expenses. Reimbursements have been received for a portion, but are recorded as revenue.			
<b>Assessing Department – Travel &amp; Training</b>			
100-500-005-5212.000	Contracted/Purchased Services		\$2,500
100-500-005-5201.000	Travel & Training	\$2,500	
Training for the Assessing Administrative Assistant to go to a business personal property course. This course has not been offered in Alaska since 2001. These funds will be transferred from their contracted / purchased service account.			
<b>Donations &amp; Non-profit Support – Operations:</b>			
100-530-033-815-5212.000	Contracted/Purchased Services		\$10,000
100-500-008-5212.000	Contracted/Purchased Services	\$10,000	
At the May 12, 2015 meeting, the Assembly approved to transfer \$10,000 from the Public Works snow removal budget to the Other Expenditures Donation budget to match a Sitka Historical Society Sesquicentennial (150 <sup>th</sup> ) Grant.			
<b>Centennial Building – Operations:</b>			
100-540-043-5212.000	Contracted/Purchased Services	\$5,000	
To pay for assistance in the monitoring and removal of what may be asbestos.			

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<b><u>Enterprise and Internal Service Funds</u></b>			
<b>Electric Fund – Operations</b>			
171-500-601-5290.000	Other Expense	\$2,500,000	
200-300-340-3408.000	Electric - Other	\$2,500,000	
At the May 4, 2015 meeting, the Assembly approved to transfer \$2,500,000 from the Southeast Alaska Economic Development Fund to increase revenue for electricity sold by the Electric Fund. In effect this is a rate subsidy paid by the City to the Electric Fund for ratepayers.			
<b>Management Information Systems – Operations:</b>			
300-600-630-5212.000	Contracted/Purchased Services	\$57,000	
The Information Technology Director has requested to increase his contracted services in the amount of \$45,000 for utility billing system migration and in the amount of \$12,000 for the Internal collection software.			
<b><u>Capital Projects</u></b>			
Crescent Harbor Shelter Roof Replacement Project #90769: The Municipal Engineer has requested to transfer \$6,500 from the ANB Harbor Project #90674 to the Crescent Harbor Shelter Roof Replacement Project #90769. The Contractor discovered more deteriorated decking than had been anticipated. This is informational purpose only, no further action is required:			
<b>Kettleson Memorial Library Expansion Project #90739</b>			
700-300-380-3807.000	Misc Revenue	\$482,598	
700-600-630-5212.000	Contracted/Purchased Services	\$482,598	
Recognize revenue for a Settlement Agreement for structural design deficiencies which resulted in additional cost to the construction contract. These funds will be paid by PDC (subconsultant of MRV) and paid to Dawson Construction for the deficiencies.			

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**EXPLANATION**

Necessary revisions in the FY 2015 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 9th Day of June, 2015.

**ATTEST:**

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**Mim McConnell, Mayor**

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**Sara Peterson, CMC**  
**Municipal Clerk**