
MEMORANDUM

To: Mayor Hunter and Members of the Assembly
Mark Gorman, Municipal Administrator

From: Jay Sweeney, Chief Financial and Administrative Officer

Date: February 7, 2017

Subject: Finance-related Adjustments in Supplemental Budget Ordinance

Mayor Hunter and Members of the Assembly,

The accompanying supplemental budget ordinance contains two finance-related appropriations/reappropriations.

The first is a request to reappropriate \$30,000 from wages and benefits in the Finance Department to contracted and purchased services. The Finance Department has experienced a vacancy in the Deputy Finance Director role since June, 2016; a new employee has accepted an employment offer but will not begin work until March 20th. To obtain professional assistance in preparing for external audit, the Finance Department previously requested a portion of the budgeted salary for the Deputy be reappropriated to purchased services. As the fiscal calendar is turning towards annual budget preparation requiring attention of the CFAO to shift, the Finance Department is requesting resources to obtain additional professional assistance in finalizing the 2016 CAFR. The draft 2016 CAFR is complete and has been posted on the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access (EMMA), as required by loan agreements with the Alaska Municipal Bond Bank Authority. Additional work, however, is needed to finalize the MD&A and statistical sections of the document. The additional amount of \$30,000 represents an estimated top-end amount required to complete all audit-related services including audit fees and professional assistance; if the appropriation is not fully spent (which is likely) the unspent portion will lapse on June 30th into the General fund balance. As of February 7th; the Finance Department had expended \$425,096, 44.49%, of its FY2016 salaries appropriation of \$868,104; normal expenditure by this date in the fiscal year would be 58.3% of the appropriation, or \$506,394. The Finance Department has also spent \$121,670, or 78%, of its FY2016 appropriation for contracted purchases and services of \$156,200 to date, and additional outlays are expected to finalize the audit and the CAFR. Assembly approval is required to transfer appropriations from wages and benefits to contracted and purchased services.

The second is an appropriation request to expend a grant from the Land and Water Conservation Fund for the Crescent Harbor Playground Renovation project. Even though 100% of the funding for the appropriation will come from the grant, an appropriation is required to expend public funds. As the ordinance indicates, this is a pass-through grant. No non-grant funds will be expended through this appropriation and the effect on the General Fund is \$0, as all expenditures will be matched by grant funds.