

POSSIBLE MOTION

I MOVE TO transfer \$1,000,000 from the
FY2015 General Fund balance to the Public
Infrastructure Sinking Fund

Memo

Thru: Mark Gorman, Administrator

To: Assembly of the City and Borough of Sitka

From: Jay Sweeney, Chief Finance and Administrative Officer 

Date: September 10, 2015

Re: Administrator's Annual Recommended Transfer to the Public Infrastructure Sinking Fund

Per SGC 4.45.020, Determination of the required balance of the public infrastructure sinking fund, the following analysis must be accomplished annually:

“Within ninety days after the start of each fiscal year, the administrator shall prepare an analysis of the general fund balance with an accompanying recommendation as to an amount of the general fund balance available for potential transfer to the public infrastructure sinking fund. This analysis shall first take into account any portions of the general fund restricted by Chapter 4.44A before recommending any further amounts for potential transfer to the public infrastructure sinking fund. (Ord. 12-30 § 4 (part), 2012.)”

Per 4.45.030, Assembly action, actions resulting from the Administrator's recommendation and incumbent responsibilities are as follows:

“Within sixty days after presentation of the annual analysis by the administrator, the amount determined by the administrator shall automatically be transferred to the public infrastructure sinking fund, unless a super majority of the assembly votes to change the recommended amount. (Ord. 12-30 § 4 (part), 2012.)”

Thus, in accordance with SGC 4.45.020, the attached analysis of the amount of the General Fund balance has been prepared, and it indicates that an amount of \$1,000,000 is available for potential transfer to the Public Infrastructure Sinking Fund.

Other possible alternative actions that may be considered for the balance would be a transfer into the Permanent Fund, the replenishment of the Municipality's emergency reserve, or simply leaving the funds in the unrestricted balance of the General fund.

**City and Borough of Sitka
 Administrator's Recommendation of Assets Available For Transfer
 to the Public Infrastructure Sinking Fund**

FY14 Annual Operating Outlays Less Transfers	Divided By Four	
\$ 25,638,883	\$ 6,409,721	
 Assets available for transfer to the public infrastructure sinking fund are computed as follows:		
All assets	\$	17,127,605
Less receivables and taxes collected but not yet remitted:	\$	(3,491,105)
Less advances and amounts due from other funds and component units	\$	(1,479,095)
Less prepaid expenses:	\$	(164,327)
Less total Liabilities	\$	(1,762,305)
Less nonspendable and committed fund balances	\$	(1,670,136)
Less reserve for encumbrances	\$	(51,620)
Less 90 days operating expenses designated for liquidity (from above)	\$	(6,409,721)
Less designated catastrophic emergency response	\$	(1,000,000)
Less FY13 Budget Carryovers (approved ORD 2015-40)	\$	(98,255)
Less Transfer To Permanent Fund	\$	-
Potential Assets Available For Transfer (Includes FY14 Surplus):	\$	<u>1,001,041</u>
Administrator Recommended Transfer:	\$	<u>1,000,000</u>

Sitka Permanent Fund	
Value of Permanent Fund, 6/30/13	\$ 20,213,781
FY14 Inflation	<u>1.0187</u>
Inflated Value:	\$ 20,591,779
Market value of Permanent Fund, 6/30/13	<u>\$ 22,601,595</u>
Excess Value Gained, FY14	<u>\$ 2,009,816</u>