

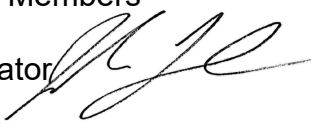


CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Melissa Haley, Finance Director

Date: August 3, 2023

Subject: Re-appropriation of unspent FY2023 budget items and supplemental appropriations for funds that exceeded FY2023 budget

Background

While staff generally spend down or commit funds in the fiscal year in which they were budgeted, in some cases that is not possible. In FY2023, while supply chain issues improved significantly, there were still a few important initiatives that we were not able to finalize and need to re-appropriate funds from FY2023 for FY2024.

It is also important to note that some efforts from FY2023 are underway and the portion of those funds that were contractually committed but not yet spent will automatically roll over to FY2024 (per Charter section 11.12). A summary of the unspent portion of those commitments which are committed via contract and/or purchase order (PO) is attached. Note that the totals are preliminary as invoices for work completed in FY2023 are still being turned in and processed.

In addition, one fund, the Harbor Fund ended FY2023 overbudget. This was primarily due to increased costs of utilities charged to the fund, led by the cost of solid waste. The line item for utilities exceeded budget by \$179,000, however due to savings in other areas, the increased appropriation will be \$100,000.

Analysis

The requested re-appropriations listed below are critical expenditures that staff are actively working on but were unable to finalize commitments before June 30, 2023, though the procurement process has begun and in some cases a vendor has been selected. Mechanically, the FY2023 budgets are decreased and the FY2024 budgets are increased.

Department	Amount	Description
Administration	\$225,000	Organization-wide compensation and organizational structure study (HR \$100,000). CBS port governance/organizational structure and rate study (\$125,000)

Fiscal Note

The total change (decrease to FY2023 budget and increase to FY2024 budget) for re-appropriating funding from FY2023 to FY2024 is \$225,000. The increased FY2023 appropriations to ensure that the Harbor Fund does not exceed its FY2023 budget is \$100,000. In addition to these FY23 decreases and increases, the purchase orders entered for existing encumbrances will also reduce the FY2023 appropriations and increase the FY2024 appropriations.

Recommendation

Approve ordinance 2023-19 amending the FY2023 and FY2024 appropriations.

Encl: Summary of FY2023 Open POs for operating expenses

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CITY AND BOROUGH OF SITKA

**ORDINANCE NO. 2023-19
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2023 and 2024
(Re-appropriations and 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 supplemental appropriations for Fiscal Year 2023.

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 appropriations for the budget period beginning July 1, 2023, and ending June 30, 2024 is hereby adjusted as follows:

<u>FISCAL YEAR 2023 EXPENDITURE BUDGETS</u>
GENERAL FUND
Administration – Human Resources– Operations: Re-appropriate \$100,000 from FY23 to FY24 for the organization-wide compensation and organizational structure study.
Administration– Operations: Re-appropriate \$125,000 from FY23 to FY24 for the CBS port governance/organizational structure and rate study.
Harbor Fund – Operations: Increase appropriations in the amount of \$100,000 to cover the overage in this fund.

In accordance with Section 11.10 (a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period July 1, 2023, and ending June 30, 2024 is hereby adjusted as follows:

FISCAL YEAR 2024 EXPENDITURE BUDGETS
GENERAL FUND
Administration – Human Resources – Operations: Re-appropriate \$100,000 from FY23 to FY24 for the organization-wide compensation and organizational structure study.
Administration – Operations: Re-appropriate \$125,000 from FY23 to FY24 for the CBS port governance/organizational structure and rate study.

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34 **EXPLANATION**

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36 **The Municipal Administrator has determined that various unexpended appropriations for Fiscal**
37 **Year 2023, which lapsed on June 30, 2023, are essential to the Municipality. The Municipal**
38 **Administrator, therefore, is recommending that the lapsed appropriations identified above be re-**
39 **appropriated in Fiscal Year 2024 through supplemental appropriations as set forth in Section 11.10**
40 **(a) of the Charter. In addition, overages in some funds have been identified for fiscal year 2023 and**
41 **supplemental appropriations are recommended. A short explanation of each supplemental**
42 **appropriation is included.**

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

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47 **PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka,**
48 **Alaska this 22nd Day of August, 2023.**

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52 **ATTEST:**

Steven Eisenbeisz, Mayor

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58 **Sara Peterson, MMC**
59 **Municipal Clerk**

60 **1st reading: 8/8/2023**
61 **2nd and final reading: 8/22/2023**

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63 **Sponsor: Administrator**

Fund	Department	Estimate of funds	
		committed but unspent in FY23	Notes on significant uses (PO's over \$15,000)
100	Admin/Clerks	9,600.00	
100	Administration	15,000.00	
100	Building Officials	22,486.90	Plan review support SEARHC hospital
100	Clerks	12,102.50	
100	Engineering	44,910.92	Engineering support
100	Finance	9,115.56	
100	Fire Department	34,639.00	Turnouts, SAR equipment
100	Fixed Assets	24,733.30	Printers, replacement playground equipment
100	Legal	58,235.78	Airport lease and other outside counsel
100	Pass through grants	16,080.00	Historic preservation grant
100	Recreation	51,632.55	Parks management plan
100	Tourism	2,587.50	
200	Electric	317,408.43	Ard Flash system, USGS Stream Guage, T&D consultant, Transformer testing
210	Water	21,396.06	
220	Wastewater	65,455.29	Wastewater discharge permit
230	Solid Waste	5,429.79	
240	Harbors	7,600.00	
250	Airport	3,619.62	
300	IT	71,893.63	Microsoft Licensing
310	Central Garage	528,265.34	Dump truck (\$214K) Ford e/Vans (\$49K/\$53K)
320	Building Maintenance	4,436.21	
Grand Total		1,326,628.38	