

MEMORANDUM

To: Mayor McConnell and Members of the Assembly

Cc: Mark Gorman, Administrator
Jay Sweeney, Chief Finance Director

From: Stan Eliason, Harbormaster

Subject: Budget Adjustment Approval – Sitka Seaplane Base Rehabilitation Project

Date: May 17, 2016

Background

The Sitka Seaplane Base was originally constructed in 1952 by the Territory of Alaska with funding from the Civil Aeronautics Administration, FAA's predecessor agency. The facility was later improved several times by the State of Alaska and City of Sitka (later the City and Borough of Sitka), acting as co-sponsors. The City and Borough of Sitka became sole sponsor of this facility in 1977 and it was completely replaced in 1978 by WS Construction.

Analysis

While a 30 year useful life is typically used in Alaska communities for harbor facilities, Sitka's strong preventative maintenance program has extended marine facility life beyond 30 years. It should be noted that the Sitka Seaplane Base is approaching 40 years of age. Efforts to develop a replacement seaplane base is ongoing. On January 24th 2016, the piling supporting the marginal float to this facility failed. It was also noted that 4 out of the 5 remaining pilings are approaching failure. The facility was closed displacing 4 seaplanes.

PND Engineers of Juneau and CBS Harbor Staff performed an assessment of the facility. It was determined that many integral parts were actually in good condition, given its age. A repair plan has been developed to make this facility useable for based aircraft. By having a functional facility, this will also give the CBS a greater opportunity to obtain grant funding for a new seaplane base.

Fiscal Note

Time is of the essence given that the facility has failed which has essentially condemned the only dedicated public seaplane dock access in Sitka. The Harbor Department solicited local contractors qualified to perform pile driving and repair work of this magnitude. WS Construction was the only local pile driving contractor who responded and is available to do the work immediately. WS Construction's experience from building the float originally, having materials local that can be used and repurposed, and availability is unmatched. Through this solicitation process, and working with WS Construction, a budget of \$170,000 was developed for the project. The Harbor Working Capital has sufficient funds to cover this capital repair

cost. However, this is an unplanned expenditure that will reduce the planned reserves for future master plan capital needs.

It has been suggested that due to this unplanned cost and the additional pressure it places on the Harbor Enterprise Fund, that the Assembly consider providing a grant to the Fund from the Southeast Alaska Economic Development Fund. If the Assembly expresses interest in this approach, staff will prepare an ordinance for a future meeting to appropriate money from the Southeast Alaska Economic Development Fund for transfer to the Harbor Fund.

Recommendation

Approve the proposed FY-16 budget adjustment ordinance to fund the Sitka Seaplane Base Rehabilitation Project.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-18

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY16 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 FY16 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY16 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, 2015 and ending June 30, 2016 is hereby adjusted as follows:

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<u>FISCAL YEAR 2016 EXPENDITURE BUDGETS</u>			
<u>CAPITAL PROJECTS</u>			
Fund 750 – Float Plane Dock Repairs Project #90817: The Harbor Master is requesting a new appropriation in the amount of \$170,000 for the Float Plane Dock Repairs. These funds will come from the Harbor Department Undesignated Working Capital.			

EXPLANATION

Necessary revisions in the FY 2016 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 31st Day of May, 2016.

ATTEST:

Mim McConnell, Mayor

Sara Peterson, CMC
Municipal Clerk