

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2016-03 on  
second and final reading.

## CITY AND BOROUGH OF SITKA

## ORDINANCE NO. 2016-03

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>
<b><u>FISCAL YEAR 2016 EXPENDITURE BUDGETS</u></b>			
<b><u>ENTERPRISE AND INTERNAL SERVICE FUNDS</u></b>			
<b>Central Garage Fund – Fixed Assets:</b>			
310-600-670-7107.000	Fixed Assets-Vehicles	\$182,000	
The Public Works Maintenance & Operations Superintendent has requested that the vehicle fixed asset account be increased by \$182,000 for five vehicles that need to be replaced due to safety reasons, lost to a vehicle fire and lost in the landslide disaster. These five are primary vehicles and will replace units #319, #333, #335, #337 and #286.			
<b><u>CAPITAL PROJECTS</u></b>			
<b>Crescent Harbor Shelter Roof Project #90769</b>			
240-600-680-7200.000	Interfund Transfers Out	\$12,354	
750-300-370-3950.240	Transfers In Harbor	\$12,354	
750-600-630-5212.000	Contracted/Purchased Services	\$12,354	
This project has been completed but has gone over budget. The overage will come from the Harbor Fund.			
<b>Eliason Flotation Upgrade Project #90722</b>			
240-600-680-7200.000	Interfund Transfers Out	\$63,034	
750-300-370-3950.240	Transfers In Harbor	\$63,034	
750-600-630-5212.000	Contracted/Purchased Services	\$63,034	
This project has been completed but has gone over budget. The overage will come from the Harbor Fund.			

**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 9th Day of February, 2016.

**ATTEST:**

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**Mim McConnell, Mayor**

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

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## MEMORANDUM

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

**From:** Michael Harmon, P.E., Public Works Director  
Nick Kepler, Maintenance & Operations Superintendent

**Date:** January 18, 2016

**Subject:** Emergency Procurement – Central Garage Replacement Vehicles  
Increase Central Garage Fixed Asset budget in FY16 for emergency procurement of replacement vehicles.

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### **Background**

The Central Garage needs to replace 5 trucks that were unplanned expenses in FY16. These 5 purchases will be made from the Central Garage Sinking Fund that is set up for vehicle replacements.

1. The Central Garage has taken three vehicles out of service this year because they were found unsafe to operate. These vehicles are unsafe because portions of the main vehicle frame have rusted out and are not repairable by the Central Garage. All three are primary use vehicles that have a current sinking fund for replacement. These vehicles were scheduled for replacement after ten years of age. We have tried to extend the service life of the vehicles in our fleet beyond the recommended 10 years in our policy. This decision has caused multiple vehicles to have safety related failures before they can be replaced. The affected vehicles are Unit #333 Ford Ranger, Unit #335 Ford Ranger and Unit #319 Ford F-350. This funding request will purchase two new F-150 Extended Cab 4x4 pickups and one new F-350 Standard Cab 4x4 Flatbed Truck. The funding source for this request will come out of the Central Garage Vehicle Replacement Sinking Fund.
2. The Central Garage lost a Ford Ranger in the landslide disaster that was assigned to the Building Inspector. We recommend that this vehicle be replaced with a Ford F-150 immediately.
3. The Central Garage lost a Ford F350 Flatbed to a vehicle fire in FY16 that needs to be replaced immediately.

### **Analysis**

While preparing for the FY17 budget, the Central Garage will be planning for the future. We will be making recommendations for better fleet management and vehicle replacements that will minimize the need to have unplanned vehicle replacements in the middle of a budget cycle. The Central Garage fleet has had to get rid of many older vehicles that were no longer safe to operate. When a primary use vehicle is taken out of service, our city staff is forced to use their own vehicles for city business due to a lack of available city fleet vehicles.

### **Fiscal Note**

The total cost to replace the 5 vehicles listed above is \$182,000.00 from our Central Garage vehicle replacement sinking fund. The account to be used for these vehicle replacement purchases is 310-600-670-7107.000.