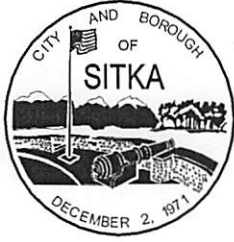


POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-44 on
second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Melissa Haley, Controller
Janet Schwartz, Budget and Treasury Officer

Date: 12/5/17

Subject: Approval of ordinance 2017-44

Background

Appropriations for expenditures related to Historical Preservation pass-through grants awarded to CBS in prior fiscal years expired at the end of 2017. These grant funds are distributed to CBS based on actual expenditures by the pass-through organization. Upon receipt of funds, CBS issues a reimbursement to the sub-recipient organization. All grant applications were approved by the assembly.

CBS received an amendment to a Justice Assistance Grant (SEACAD) which offers to extend existing support for personnel expenses related to narcotics enforcement in Southeast Alaska for the Sitka Police Department. The amendment offers an increase in funding of \$10,500, as the grant renewal period has been moved out by two months and the granting agency wishes to maintain the same level of funding to the project. In addition, CBS expects to apply for a new grant that would be approved for March 2018. In anticipation of this funding, a contingent appropriation of \$45,000 is being requested.

Analysis

As the projects funded by the Historic Preservation grants are managed by organizations outside of CBS the appropriations for the expenditures relating to the projects were allowed to expire. The finance department is collaborating with the planning department to craft a pass-through grant policy that will help avoid this situation in the future. For example, going forward sub-recipient organization must sign an MOU that will require certain reporting requirements—one of which will be to trigger a re-appropriation of unspent funds across fiscal years.

The Justice Assistance Grants are an important source of revenue that funds a police officer dedicated to addressing the manufacture, transportation and sale of illegal drugs in Southeast Alaska.

Fiscal Note

Reimbursements to sub-recipient organizations of the Historic Preservation grants will not exceed grant funding received by CBS. The CBS grant accountant closely reviews reports prepared by sub-recipient organizations to ensure that all applicable federal codes are followed.

CBS has been awarded Justice Assistance Grant funds consistently for more than 20 years. The expenditure budget amendments included in Ordinance 2017-44 reflect the current grant amendment offering to extend the grant end date and amount and also reflect the expected expenditures related to renewed grant funding through the end of the fiscal year.

Recommendation

Staff recommends that Ordinance 2017-44 be approved by the assembly.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-44

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
 ADJUSTING THE FY18 BUDGET (PASS THRU GRANTS, JUSTICE ASSISTANCE GRANTS –
 PERSONNEL)

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 FY18 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY18 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, 2017 and ending June 30, 2018 is hereby adjusted as follows:

<u>FISCAL YEAR 2018 EXPENDITURE BUDGETS</u>
GENERAL FUND
Other Expenditures – Operations: This is to recognize a pass thru grant from the State of Alaska Historic Preservation Fund in the amount of \$23,041 for the Japonski Island Boathouse Entry and Plumbing Project #80361.
Other Expenditures – Operations: The following are State of Alaska pass thru grants that have lapsed in FY17 but not complete. We need to re-appropriate \$25,500 for the Fraser Hall Façade Project #80352 and \$3,403 for the Whitmore Hall Façade 2016 Project #80330.
SPECIAL REVENUE FUNDS
Fund 152 – Justice Assistance Grant – Personnel: This will increase appropriations for the (SEACAD)- JAG Grant in the amount of \$10,500 and extend the project period ending from December 31 st to February 28 th .
Fund 152- Justice Assistance Grant – Personnel: This will increase appropriations in the amount of \$45,000 contingent on receiving new JAG Grant funds for the period from March 2018 to June, 2018.

EXPLANATION

Necessary revisions in the FY 2018 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 26th Day of December, 2017.

ATTEST:

Matthew Hunter, Mayor

Melissa Henshaw, CMC
Acting Municipal Clerk

1st reading 12/12/17
2nd reading 12/26/17