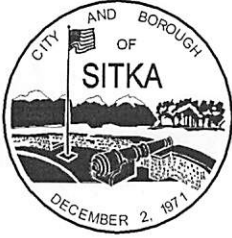


## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2018-03 on  
second and final reading.



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

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

**From:** Melissa Haley, Controller  
Janet Schwartz, Budget and Treasury Officer  
Sara Peterson, Municipal Clerk

**Date:** 2/7/2018

**Subject:** Approval of ordinance 2018-03

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### Background

**Clerk Department re-appropriation:** The Laserfiche system was initially purchased, at a basic level, to facilitate the transition of records at the CBS Records Center from paper documents to electronic documents. An upgrade, at the cost of \$12,000, is being requested.

**Finance Department increased appropriation:** Earlier this year the assembly approved the outside management of reserve operating funds, however the appropriation to cover the expense was not made.

**Permanent Fund operations:** Appropriation for fees for outside management of Permanent Fund is requested. The appropriation is in line with prior year expenditures.

### Analysis

**Laserfiche upgrade:** While we anticipate two to three years left of the records project, there is additional functionality the entire organization will gain by taking advantage of this upgrade opportunity now. Examples include employee access to their personnel records and the implementation of digital form routing and approvals to replace manual routing and paper copies. The Municipal Clerk's Office is therefore requesting a re-appropriation of \$12,000 from the Department's temporary wages to contracted/purchased services to fund the upgrade.

**Investment management fees:** As noted at the time the Assembly approved putting the CBS operating reserves under management by Alaska Permanent Capital Management, it is expected that increased returns resulting from the outside management of CBS funds will more than cover the cost of management fees, resulting in a net increase in investment income.

### Fiscal Note

**Laserfiche upgrade:** Staff anticipates that efficiencies resulting from the implementation of the Laserfiche upgrade will result in more efficient access to documents, which will increase worker productivity. It will also result in less expenditures on renting storage space for a large volume of documentation.

**Investment management fees:** Operating reserves have been fully under outside management since November of this year, and we anticipate that there will be a net positive impact on our investment income after fees.

**Recommendation**

Staff recommends that Ordinance 2018-03 be approved by the assembly.

## CITY AND BOROUGH OF SITKA

**ORDINANCE NO. 2018-03**  
**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA**  
**ADJUSTING THE FY18 BUDGET (DOCUMENT MANAGEMENT SYSTEM, INVESTMENT**  
**MANAGEMENT FEES)**

**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:

<b><u>FISCAL YEAR 2018 EXPENDITURE BUDGETS</u></b>
<b>GENERAL FUND</b>
<b>Clerk Department – Operations: To re-appropriate an amount of \$12,000 from temporary wages to contracted/purchased services to upgrade Laserfiche document management system.</b>
<b>Finance Department – Operations: To increase appropriations in the Finance Department for the investment management fees in the amount of \$57,000.</b>
<b>SPECIAL REVENUE FUNDS</b>
<b>Fund 400 – Permanent Fund – Operations: To increase appropriations in the Permanent Fund for the investment management fees in the amount of \$47,000.</b>

**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 27th Day of February, 2018.

**ATTEST:**

\_\_\_\_\_  
**Matthew Hunter, Mayor**

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**Sara Peterson, MMC**  
**Municipal Clerk**

**1<sup>st</sup> reading 2/13/18**  
**2<sup>nd</sup> reading 2/27/18**