

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-20 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

Date: May 2, 2018

Subject: FY2018 budget adjustment 2018-20

Background:

During the FY2018 budget process it was not anticipated that federal government would authorize funding under Secure Rural Schools (SRS). However, in March of this year, this funding was approved. The City and Borough of Sitka will receive 95% of the last payment received, which is \$517,718. Municipalities may choose to spend SRS funding on either road infrastructure or to fund schools or a combination of both. As has been done historically, the CBS will share the funds received from SRS 50/50 with the school districts. We anticipate the amount to be \$258,849 for the FY18 payment (that should arrive mid-May).

Two pass-through grants through the Alaska Historic Preservation Fund have been approved and thus the CBS needs an appropriation to expend the funds (reimburse the sub-grantee organizations). The grants were awarded in the amount of \$25,000, however of that amount the State takes \$3,264 and the CBS withholds \$2,125 to cover the cost of administering the grants. \$19,611 is available to be reimbursed to the Sitka Fine Arts Camp for the restoration of the Fraser Hall building and \$19,611 is available to be reimbursed to the Sitka Sound Science Center for renovation of the Sheldon Jackson sawmill building.

Fiscal Note:

All proposed budget adjustments in 2018-20 are fully supported by additional revenue. In addition, for the pass-through grants, the CBS cover the costs of administering these grants.

Recommendation:

Approve Ordinance 2018-20 to increase appropriations in the General Fund by \$258,859 for school support and by a total of \$39,222 for pass-through funding of locally-led preservation of historic buildings.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-20

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY18 BUDGET (SECURE RURAL SCHOOLS, PASS THRU GRANTS)**

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 – Support Payments: Recognize the State of Alaska Secure Rural Schools revenue in the amount of \$517,718 and increase appropriations for School Support in the amount of \$258,859.	
Other Expenditures – Operations: Recognize a pass thru grant from the State of Alaska Historic Preservation Fund and increase appropriations for the Sitka Sawmill Design II Project in the amount of \$19,611.	
Other Expenditures – Operations: Recognize a pass thru grant from the State of Alaska Historic Preservation Fund and increase appropriations for the Fraser Hall Entry and Exterior Project in the amount of \$19,611.	

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 22nd Day of May, 2018.

ATTEST:

Matthew Hunter, Mayor

Melissa Henshaw, CMC
Acting Municipal Clerk

1st reading 5/8/18
2nd reading 5/22/18