

POSSIBLE MOTION

I MOVE TO approve Ordinance 2018-43
on second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2018-43

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
 MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2018
 (PERSONNEL PERS, SOLID WASTE FUND OPERATIONS, MIS OPERATIONS)

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 make supplemental appropriations for Fiscal Year 2018.

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, ENTERPRISE AND INTERNAL SERVICE FUNDS
Overall Funds – Personnel: Increase appropriations in each Fund for the Employer On-Behalf Funding – PERS ER120. General Fund - \$207,685; Justice Assistance Grant - \$3,379; Electric Fund - \$87,642; Water Fund - \$8,040; Wastewater Fund - \$21,187; Harbor Fund - \$15,385; Management Information Systems Fund - \$8,952; Central Garage Fund - \$3,938; Building Maintenance Fund - \$6,882.
Solid Waste Fund – Operations: Increase appropriations in interdepartmental services for the amount of \$3,217 to cover the Fund's overage.
Management Information Systems – Operations: Increase appropriations in Telephone Services for the amount of \$34,501 to cover the Fund's overage.

EXPLANATION

PERS is significantly underfunded; not enough assets are in the System to pay for the estimated future cost of retirement benefits to governmental employees. The State of Alaska has made a continued effort to reduce this underfunding by making payments into PERS on behalf of the various Municipal governmental entities that participate in PERS along with the State itself. These payments are made directly by the State into PERS; the actual funds do not pass through Sitka's bank account. Governmental accounting and reporting rules require that expenditures made by one entity on behalf of another be recorded as offsetting revenue and expenditures, even if the funds expended never pass through the supported entity's bank account.

Solid Waste went over budget at year end due to higher than anticipated cost of operating the Scrap Yard.

Management Information Systems went over budget at year end due to the cost of telephone service.

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 October, 2018.

ATTEST:

Matthew Hunter, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading meeting ended prior to Assembly action 9/11/18

1st reading 9/25/18

2nd and final reading 10/9/18

Sponsor: Administrator