



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

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

From: Melissa Haley, Controller

Date: 16 January 2019

Subject: Approval of Ordinance 2019-03

In 2018 the Utility Subsidization Program was implemented by the Assembly and slated to go into effect in January of 2019. In order to make use of existing software (part of our New World ERP) to administer the program, it is necessary for the expense to come out of the Electric Fund, rather than directly out of the Utility Subsidization Fund as originally intended. For that reason, an appropriation out of the Electric Fund for FY2019 is required. Using the existing appropriation from the Utility Subsidization Fund, funds will be transferred to the Electric Fund on a monthly basis to exactly cover the cost of that month's subsidies. Payments to subsidized accounts will then be made from the Electric Fund. The impact to the Electric Fund is \$0.

Ultimately, there is no change to how the Utility Subsidy Program works nor will any funds be impacted differently than originally budgeted, however as we budget at the fund level, a supplemental appropriation is necessary.