

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2019-34

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL APPROPRIATIONS
FOR FY2019 AND FY2020**

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 operating appropriations.
4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriations for the fiscal year appropriations for the fiscal year beginning July 1, 2018 and ending June 30, 2019, and, makes the following supplemental appropriations for the fiscal year beginning July 1, 2019 and ending June 30, 2020:

<u>FISCAL YEAR 2019 EXPENDITURE BUDGETS</u>
GENERAL FUND
ENTERPRISE AND INTERNAL SERVICE FUNDS
Harbor Fund – Fixed Assets: Increase appropriations in the amount of \$260 to cover roof repairs and unforeseen additional repairs.
Airport Terminal Fund – Operations: Increase appropriations in the amount of 27,170 to cover airport terminal revenue bond administrative issuance costs.
SPECIAL REVENUE FUNDS
Fund 113 – Pet Adoption Fund – Operations: Increase appropriations in the amount of \$3,133 to cover pet adoption-related expenditures.
Fund 173- GPIP Contingency – Operations: Increase appropriations in the amount of \$9,559 to cover interest earnings transferred to the GPIP Fund.
Fund 190- Tobacco Excise Tax – Operations: Increase appropriations in the amount of \$16,663 to cover more tax being remitted to Sitka Community Hospital than was anticipated.

In accordance with Section 11.10 (a) of the Charter of the City and Borough of Sitka, Alaska, supplemental appropriations for the fiscal period July 1, 2019 and ending June 30, 2020 are hereby made:

<u>FISCAL YEAR 2020 EXPENDITURE BUDGETS</u>
GENERAL FUND
Other Expenditures – Pass Through Grants: Appropriate \$19,557 for the Sitka Sawmill Design II Project grant from the State of Alaska Historic Preservation Fund. The FY2019 appropriation for this grant lapsed on June 30, 2019.
Other Expenditures – Pass Through Grants: Appropriate \$1,414 for the Fraser Hall Entry & Exterior Project Preservation grant from the State of Alaska Historic Preservation Fund. The FY2019 appropriation for this grant lapsed on June 30, 2019.
Other Expenditures – Pass Through Grants: Appropriate \$25,000 for the Fraser Hall Interior Rehab grant from the State of Alaska Historic Preservation Fund.
Other Expenditures – Pass Through Grants: Appropriate \$50,000 for potential State of Alaska Historic Preservation Fund grants whose applications were approved by the Assembly on July 23, 2019.
General Fund - Fixed Assets: Appropriate \$386,938 for the Police Department Radio Consoles funded by Homeland Security Grants. The FY2019 appropriation for this grant lapsed on June 30, 2019.
ENTERPRISE AND INTERNAL SERVICE FUNDS
Gary Paxton Industrial Park – Operations: Appropriate \$14,724 for outside attorney to write a purchase agreement regarding the GPIIP Utility Dock. The FY2019 appropriation for this grant lapsed on June 30, 2019.
Management Information Systems – Fixed Assets: Appropriate \$150,000 for the Phone System Upgrade. The FY2019 appropriation for this upgrade lapsed on June 30, 2019.
Central Garage – Fixed Assets: Appropriate \$25,453 for the Pierce Suburban Fire Pumper (\$5,000) and the Ford Ambulance (\$20,453). The FY2019 appropriation for these purchases lapsed on June 30, 2019.

EXPLANATION

This ordinance provides for supplemental appropriations to the FY2019 and FY2020 consolidated operating budgets, in accordance with Section 11.10 (a) of the Home Rule Charter of the City and Borough of Sitka, Alaska.

Supplemental appropriations to the FY2019 consolidated operating budget address budget overruns in FY2019. Rationale for each supplemental appropriation are as follows:

Harbor Fund – unforeseen additional repair expenses above total appropriations;

Airport Terminal Fund – The FY2019 budget provided for an appropriation of \$24,000 for net revenue bond issuance costs. Governmental accounting guidelines require that bond issuance costs paid for by the Alaska Municipal Bond Bank Authority be recorded as both revenue and a matching outlay. This appropriation is to provide for the portion of the

matching outlay (paid for by the State of Alaska) which exceeds total appropriations for the Airport Terminal Fund;

Pet Adoption Fund - unforeseen pet adoption expenses above total appropriations;

GPIP Contingency Fund – All investment earnings on the balance of the GPIP Contingency Fund are transferred to the GPIP Fund. The balance of investment earnings transferred exceeded the total appropriation for the GPIP Contingency Fund.

Tobacco Excise Tax Fund – While all tobacco excise tax proceeds are remitted to the Sitka Community Hospital, an appropriation is still needed to authorize such remittances. Total excise tax proceeds exceeded the FY2019 appropriation for the fund.

Supplemental appropriations for FY2020 pertain to FY2019 operating appropriations which lapsed on June 30, 2019 and which are required in FY2020. Rationale for FY2020 supplemental appropriations are as follows:

State of Alaska Historic Preservation Fund grants are budgeted for annually as grant revenue and a matching operating appropriation for reimbursements to sub-grantees. This is because the City and Borough is the primary grantee and sponsoring organizations are sub-grantees. If a State of Alaska Historic Preservation Fund grant is not fully expended in a fiscal year, the remaining unexpended amount must be re-appropriated the next fiscal year through a supplemental operating appropriation.

IT Fund – Fixed asset acquisitions are considered operating appropriations and lapse on June 30 of each fiscal year. Due to complexities involved in the design and engineering of the new telephone system, the FY2019 operation appropriation could not be fully expended prior to its lapsing.

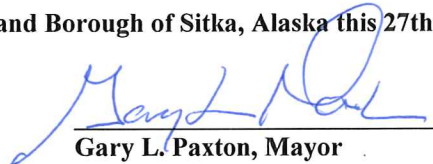
Central Garage – Purchases of the Ford Ambulance and the Pierce Suburban Fire Pumper approved in the FY2019 fixed asset budget but were not completed by June 30 and thus lapsed.

Gary Paxton Industrial Park – The Assembly approved a supplemental operating appropriation in FY2019 for legal expenses associated with hiring an outside attorney to draft a purchase agreement for the GPIP utility dock. The FY2019 appropriation was not fully encumbered and lapsed on June 30, 2019. The balance of the lapsed appropriation is still necessary and required in FY2020.

Total supplemental appropriations to date for the Harbor Fund in FY2019 total \$0, not including this supplemental appropriation. Increases of operating budgets in the amount of \$46,592, to comply with Charter provisions pertaining to non-lapsing of encumbered funds at the end of a fiscal year ("Year-end soft close"), are not included in this amount.

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 August, 2019.



Gary L. Paxton, Mayor

ATTEST:



Sara Peterson, MMC
Municipal Clerk

1st reading 8/13/19

2nd and final reading 8/27/19

Sponsor: Interim Administrator