



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
Hugh Bevan, Interim Municipal Administrator

From: Melissa Haley, Controller

Date: February 4, 2020

Subject: Supplemental appropriations Ord 2020-04 and Ord 2020-05

Background

While we seek to budget as accurately as possible, there are often corrections identified as the year progresses.

Analysis

The challenges presented by late changes to the State budget resulted in the supplemental appropriations in 2020-05. These changes are to eliminate transfers out of the General Fund to the Harbor Fund and to the School Bond Debt Service Fund.

In the Harbor Fund, raw fish tax disbursements to the municipality were restored prior to the budget passing, however, while the Harbor Fund budget was corrected, the subsidy remained in the General Fund. This ordinance reduces the budget for transfers out of the General Fund by \$520,000

School bond debt service reimbursement was partially reinstated in the State budget after the FY2020 budget was presented, thus we now need to remove the \$200,000 transfer out of the General Fund as well as corresponding transfer in to the School Bond Debt Service Fund. In addition, we will increase the revenue to correspond with expected state reimbursement (\$900,000).

Supplemental appropriations in 2020-04 are related to areas that during a mid-year review were identified to be under budget. In the GPIP Fund, now that the GPIP dock is in use, we see that the operating expense was under budgeted (it is offset with revenue) and are seeking to increase the operating appropriation by \$34,000. In the case of the Pet Adoption Fund, only \$900 had been budgeted and we are seeking to increase that appropriation by \$10,000. In the Permanent Fund, we did not budget for the investment management fees in the initial budget and seek an appropriation of \$55,000 to cover those fees.

Fiscal Note

2020-05

The supplemental appropriations in this ordinance reduce overall budgeted outlays from the General Fund by \$720,000 and increase revenue in the School Bond Debt Service fund by a net total of \$700,000.

2020-04

These supplemental appropriations increase budgeted expense by \$34,000 in the GPIP Fund, \$10,000 in the Pet Adoption Fund, and \$55,000 in the Permanent Fund.

Recommendation

Pass ordinances 2020-04 and 2020-05 to address outside changes and corrections identified.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-04
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2020
(Pet Adoption Fund/GPIP Dock Expense/Permanent Fund 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 make supplemental operating appropriations for FY2020.

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 appropriation for the budget period beginning July 1, 2019 and ending June 30, 2020.

<u>FISCAL YEAR 2020 EXPENDITURE BUDGETS</u>
ENTERPRISE AND INTERNAL SERVICE FUND
Fund 270—Gary Paxton Industrial Park – Operations: Increase appropriations in the amount of \$34,000 for the Dock Transient moorage and utility cost regarding the Dock.
SPECIAL REVENUE FUNDS
Fund 113 – Pet Adoption Fund – Operations: Increase appropriations in the amount of \$10,000 in the Pet Adoption Fund for Animal Services.
Fund 400 – Permanent Fund – Operations: Increase appropriations in the amount of \$55,000 in the Permanent Fund for the investment management fees.

EXPLANATION

This supplemental appropriation is to address areas in which it has become apparent that there were errors in the original budget. In both the Gary Paxton Industrial Park Fund and the Pet Adoption Fund, analysis of the budget performance indicates that an insufficient amount was budgeted for operations of the new dock at the industrial park and for animal adoptions. In the Permanent Fund, nothing was budgeted for investment management fees due to an oversight.

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 25th Day of February, 2020.

ATTEST:

Gary L. Paxton, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading: 2/11/2020
2nd and final reading 2/25/2020

Sponsor: Interim Administrator