

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2020-47 on second and final reading making supplemental appropriations for fiscal year 2020 and 2021 (re-appropriations and supplemental appropriations).




# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Paxton and Assembly Members

**Thru:** John Leach, Municipal Administrator 

**From:** Melissa Haley, Controller

**Date:** 8/18/2020

**Subject:** **Ordinance 2020-47 (Re-appropriation and Supplemental Appropriations)**

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### Background

This ordinance includes adjustments to appropriations for both the FY20 and FY21 budgets that are necessary for the following reasons:

Re-appropriation from FY20 to FY21:

- Work on two grant-funded projects is crossing fiscal years. These are for fixed assets rather than capital projects and therefore the appropriations lapsed at the end of the fiscal year. These funds were not fully encumbered as they are funded with federal dollars and the granting agency must approve procurement in advance for each purchase.

FY20 supplemental appropriation:

- In the GPIF Fund, depreciation was underbudgeted.
- The Cemetery Fund was over budget by \$248. This is because the disbursement is based in interest income and more was earned than was budgeted for.
- Due to higher than expected fish box tax remittances, the Fisheries Enhancement Fund grants exceed appropriations by \$2,417.

### Analysis

The proposed FY21 re-appropriations also come with an increase to revenue, resulting in a net zero impact to the FY21 budget. The FY20 supplemental appropriations to cover funds that went overbudget are either cases in which disbursements are based on revenue and revenue was higher than expected or in the case of GPIF, depreciation was underbudgeted, but this is not a cash transaction.

### Fiscal Note

The re-appropriation from FY2020 to FY21 of encumbered funds lowers the FY2020 budget and increases the FY2021 budget.

### Recommendation

In order to comply with section 11.12 of the Home Rule Charter, it is recommended that the budgets as described in the accompanying ordinance be increased and/or decreased as described for FY20 and FY21.