

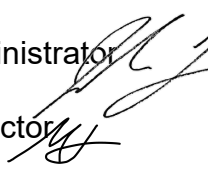
City and Borough of Sitka


PROVIDING FOR TODAY...PREPARING FOR TOMORROW

A Coast Guard City

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Melissa Haley, Finance Director 

Date: September 22, 2021

Subject: **FY21 Encumbrances to FY22**

Background

While there is a firm end to the fiscal year, often projects are ongoing and continue into a new fiscal year. When this happens, the committed (encumbered) portion of the budget must be moved into the new fiscal year.

Section 11.12 of the Home Rule Charter of the City and Borough of Sitka (the Charter) specifies that unencumbered surpluses of the General Fund lapse at the end of a fiscal year. The Municipality has historically interpreted this provision of the Charter to mean that encumbered appropriations at the end of a fiscal year do not lapse.

In order to ensure the provisions of Section 11.12 of the Charter are adhered to, encumbered but unexpended appropriations at the end of each fiscal year are re-appropriated through a supplemental appropriation as set forth in Section 11.10 of the Charter.

Analysis

At the end of the fiscal year, there are often open purchase orders for work that is ongoing, or a product that has been ordered, but not delivered. When this happens the budget for the fiscal year that just ended is reduced and the current fiscal year budget is increased. Year-to-year this is often a similar amount. Though overall, the amount rolling over from FY21 into FY22 is smaller than what rolled from FY20 to FY21. Open purchase orders are reviewed and confirmed to be active prior to being transferred to the new fiscal year.

Fiscal Note

The re-appropriation from FY21 to FY22 of encumbered funds lowers the FY21 budget and increases the FY22 budget. Amounts for the funds are as follow:

General Fund-\$220,874.34, Electric Fund-\$161,954.05, Water Fund-\$30,596.80, Wastewater Fund-\$7,823.75, Harbor Fund-\$3,660, IT Fund-\$3,257.33, Central Garage Fund-\$437,222, Building Maintenance Fund \$21,600

Details of the purchase orders that will be moved from FY21 to FY22 follow this memo.

Recommendation

In order to comply with section 11.12 of the Home Rule Charter, it is necessary that the budgets as described in the accompanying ordinance be decreased for FY21 and increased for FY22.

FY21 purchase orders rolling to FY22

Department/Fund/GL	PO #	Encumbrance	Total	Description
GENERAL FUND				
Attorney				
100-500-002-5225.000				
Dowl	2021-429	\$ 28,000.00		Airport leases
			\$ 28,000.00	
Finance				
100-500-004-5206.000				
Arctic Office Products	2021-461	\$ 4,000.00		Office furniture/storage
			\$ 4,000.00	
Other Expense				
100-500-008-5228.001				
Sitka Maritime Heritage	2021-330	\$ 21,960.00		Pass through Historic Preservation grants
Sitka Women's Club	2021-331	\$ 8,716.29		Pass through Historic Preservation grants
St. Peter's By the Sea	2021-332	\$ 17,210.24		Pass through Historic Preservation grants
			\$ 47,886.53	
Fire				
100-500-022-800-5223.000				
LN Curtis & Sons	2021-361	\$ 3,243.35		Nozzles
Pitts Enterprises	2021-362	\$ 1,488.00		Fire hose
LN Curtis & Sons	2021-398	\$ 2,623.00		Protective equipment
Fire and Rescue Concepts	2021-427	\$ 13,040.00		High angle equipment
LN Curtis & Sons	2021-430	\$ 2,741.70		Air lifting bag
			\$ 23,136.05	
Ambulance				
100-520-023-5201.000				
Southeast Region EMS	2021-454	\$ 2,515.00		Nasco IV Trainin simulators
100-520-023-5206.000				
Southeast Region EMS	2021-210	\$ 843.98		Reeves Stretcher
Life Assist	2021-224	\$ 136.00		Syringes
Municipal Emergency Services	2021-390	\$ 560.34		PAPR Battery
Stryker	2021-426	\$ 116.18		PAPR Battery
Stryker	2021-436	\$ 4,856.90		Laryngoscope/related supplies
Municipal Emergency Services	2021-449	\$ 961.46		EMS supplies
			\$ 9,989.86	
100-520-023-5223.000				
Municipal Emergency Services	2021-402	\$ 282.56		
			\$ 282.56	
Engineering				
100-530-032-800 5212.000				
PTS	2021-39	\$ 13,900.79		Engineering support
PTS	2021-45	\$ 59,638.55		Engineering support
Contract Solutions	2021-459	\$ 8,047.50		Contract support
HDL Engineering	2021-460	\$ 22,392.50		Contract support
			\$ 103,979.34	
Streets				
100-530-033-812 5206.000				
Lakeside Industries	2021-323	\$ 3,600.00		Pothole filling material
			\$ 3,600.00	
General fund totals				\$ 220,874.34
SCH DEDICATED FUND				
190-600-601-5212.000				
The Boutet Company	2021-282	\$ 550.00		RFP assistance
Fund total			\$ 550.00	
ELECTRIC FUND				
200-600-603-850-5206.000	(GREEN LAKE)			
North Coast Electric Co.	2021-446	\$ 468.92		Governor compressor parts
HD Fowler	2021-450	\$ 3,533.79		Supplies

200-600-603-850.5207.000	(Green Lake)				
Klinger IGI	2021-334	\$	100.02		Repairs/maintenance
Motion and Flow Control Products	2021-387	\$	4,514.40		Various fittings
North Coast Electric	2021-441	\$	2,504.36		Pendant light
200-600-603-851-5206.000	(Blue Lake)				
HD Fowler	2021-450	\$	3,533.79		Corrugated pipe/supplies
200-600-603-851-5207.000					
Murphy Switch	2021-308	\$	308.00		Lube level switchgag
Motion Industries	2021-442	\$	1,180.62		FIV breathers
200-600-603-851-5212.000					
HDR Engineering	2021-96	\$	87,434.52		Blue Lake Dam safety inspections
Dept of the Interior/USGS	2021-97	\$	13,500.00		SMC Stream gauge maintenance
200-600-603-851-5223.000					
Unitec Dorsh	2021-451	\$	4,050.00		Equipment
200-600-604-860-5207.000	(Transmission				
Anixter	2021-440	\$	21,400.00		Supplies-voltage Xfmr
200-600-604-860-5212.000					
K&E	2021-131	\$	3,055.00		Flagging services
200-600-605-5202.000	(Distribution)				
Ritz Safety	2021-351	\$	709.19		Safety equipment
Ritz Safety	2021-355	\$	645.50		Safety equipment
Ritz Safety	2021-357	\$	706.76		Safety equipment
Ritz Safety	2021-397	\$	663.31		Safety equipment
Ritz Safety	2021-435	\$	644.10		Safety equipment
Ritz Safety	2021-448	\$	1,237.08		Safety equipment
200-600-605-5206.000					
Anixter	2021-327	\$	1,570.00		Supplies
200-600-605-5212.000					
Absolute Tree Care	2021-20	\$	9,475.00		Tree and brush clearing
200-600-606-5206.000	(Metering)				
Anixter	2021-322	\$	719.69		Supplies
Fund total			\$ 161,954.05		

WATER FUND

210-600-605-5212.000					
Boreal Controls	2021-226	\$	7,856.40		PLC replacement/programming
PTS	2021-458	\$	2,823.75		Code review/update
210-600-610-5206.000					
SGS Environmental SVC Inc	2021-30	\$	580.00		Lead and copper water samples
Cascade Colombia Dist Co.	2021-414	\$	3,087.00		Chlorine
210-600-610-5207.000					
Trojan Technologies	2021-374	\$	556.25		Supplies
210-600-610-5212.000					
Boreal Controls	2021-226	\$	7,856.40		PLC replacement/programming
SGS Environmental SVC Inc	2021-372	\$	180.00		Water analysis
SGS Environmental SVC Inc	2021-384	\$	1,657.00		Water analysis
Northern Utility Services	2021-401	\$	6,000.00		Drinking water sanitary survey
Fund total			\$ 30,596.80		

WASTEWATER FUND

220-600-610-5207.000					
PTS	2021-458	\$	7,823.75		Code review/update
Fund total			\$ 7,823.75		

HARBOR FUND

240-600-630-5207.000					
Matheus Lumber Co.	2021-456	\$	3,660.00		Foam blocks
Fund total			\$ 3,660.00		

IT FUND

300-600-630-5212.000					
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Leverage Information systems	2021-74	\$	308.16	Meraki licenses
300-600-630-5223.000				
Dell	2021-407	\$	2,949.17	Computer equipment
Fund total			\$ 3,257.33	

CENTRAL GARAGE FUND

310-600-670-7107.000	(Fixed Assets)			
Kendall Dealership Holdings	2021-270	\$	51,760.00	4x4 flatbed w/ tommy lift
Western Pacific Crane & Equipment	2021-310	\$	385,462.00	Crane (Electric)
Fund total			\$ 437,222.00	

BUILDING MAINTENANCE FUND

320-600-630-5212.000				
CBC Construction	2021-462	\$	14,500.00	City/State window repair
Fredrickson Painting	2021-463	\$	7,100.00	City/State exterior painting
Fund total			\$ 21,600.00	

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2021-36

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2022
(FY2021 OPEN PURCHASE ORDERS)**

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 2022 which is necessary to ensure that encumbered appropriations do not lapse at the end of a fiscal year, in accordance with Section 11.12 of the Home Rule Charter of the City and Borough of Sitka.

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, 2021 and ending June 30, 2022.

<u>FISCAL YEAR 2022 EXPENDITURE BUDGETS</u>
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<p>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, 2021 and ending June 30, 2022 is hereby adjusted as follows for the purchase orders open as of June 30, 2021.</p>

<p>General Fund - \$220,874.34; SCH Dedicated Fund - \$550.00; Electric Fund - \$161,954.05; Water Fund - \$30,596.80; Wastewater Fund - \$7,823.75; Harbor Fund - \$3,660.00; MIS Fund - \$3,257.33; Central Garage Fund - \$437,222.00; and Building Maintenance Fund - \$21,600.00.</p>
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Explanation

Section 11.12 of the Home Rule Charter of the City and Borough of Sitka (the Charter) specifies that unencumbered surpluses of the General Fund lapse at the end of a fiscal year. The Municipality has historically interpreted this provision of the charter to mean that encumbered appropriations at the end of a fiscal year do not lapse.

The accounting system for the Municipality is not able to maintain unexpired operating appropriations in one fiscal year, but, account for expenditures against such appropriations in subsequent fiscal years. Therefore, in order to ensure the provisions of Section 11.12 of the Charter are adhered to, encumbered but unexpended appropriations at the end of each fiscal year are re-appropriated through a supplemental appropriation as set forth in Section 11.10 of the Charter.

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 12th Day of October 2021.

ATTEST:

Steven Eisenbeisz, Mayor

**Sara Peterson, MMC
Municipal Clerk**

**1st reading 9/28/2021
2nd and final reading 10/12/2021**