



## **CITY & BOROUGH OF WRANGELL SPECIAL ASSEMBLY MEETING AGENDA**

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**Monday, June 27, 2016**  
**Immediately Following a Work Session**

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**Location: Assembly Chambers, City Hall**

1. Call to Order
2. Roll Call
3. Conflict of Interest:
4. Persons to be Heard:
5. Item of Business:
  - a. **PROPOSED RESOLUTION No. 06-16-1343:** A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING THE BUDGET FOR ALL FUNDS OF THE CITY OF WRANGELL, ALASKA, FOR THE FISCAL YEAR 2016-2017
6. Adjournment

# **Agenda Item 5a**

## **CITY & BOROUGH OF WRANGELL**

### **BOROUGH ASSEMBLY SPECIAL ASSEMBLY MEETING AGENDA ITEM June 27, 2016**

#### **INFORMATION:**

**PROPOSED RESOLUTION No. 06-16-1343:** A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING THE BUDGET FOR ALL FUNDS OF THE CITY OF WRANGELL, ALASKA, FOR THE FISCAL YEAR 2016-2017

#### **Attachments:**

1. Memo from Manager Jabusch
2. **Proposed Resolution No. 06-16-1343**
3. Proposed Amendments to the FY 2016-17 Annual Budget

#### **RECOMMENDED ACTION:**

Move to adopt resolution number 06-16-1343, adopting the 2016-2017 Fiscal Year Budget which includes the draft budget and all recommended changes, as presented.

## MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY  
CITY AND BOROUGH OF WRANGELL**

**FROM: JEFF JABUSCH  
BOROUGH MANAGER**

**SUBJECT: Approval of 2016-2017 Fiscal Year Budget**

**DATE: June 10<sup>TH</sup>, 2016**

The resolution to approve the budget for next year is a combination of the draft budget given to the assembly and also the attached list of changes since the draft that came out.

The budget includes, if approved, legislative changes by the assembly and they are as follows:

1. Raise building permits from \$5 (repair), \$10 (new residential construction) and \$15 (new commercial construction) to \$50 (repair), \$100 (new residential construction) and \$150 (new commercial construction). Ordinance change required.
2. Change the tax free tax from (2) per year to (1) per year. Ordinance change required.
3. Change amount employees have to pay for insurance to 15% of all premiums and a 5% credit if they participate in the wellness program. Requires a resolution to change the personnel policy handbook.

### **Budget Summary:**

- General Fund Budget is balanced
- We are recommending the property tax mill rate to remain at 12.75 mills.
- We have been able to balance the budget despite cuts in revenue sharing (next year), jail funding (this year) and a 20% increase in health care. We have done that we several reductions in employee staffing through attrition and changing the way employees pay for their share of health care.
- Although the budget is balanced, there are many shortfalls in the budget that were not funded. Most of these included large capital items like police cars, fire truck, shop truck and major building maintenance at the pool and public safety building. We are going to be looking at other sources such as grants where possible to bridge this gap.
- Lastly, we will have exact numbers for the current year in a couple of months once the audit is completed and if we did better than expected we will come back to the assembly to add back some of the capital items that were cut.
- The rate increases being proposed are as follows:
  - Harbor Rates
  - Sanitation- 3% which was already in the ordinance and is the last of a 6 step increase.
  - Building Permits
  - Some cemetery fees
- The budget maintains the current level of services
- Concerns going forward:

- Lack of State funding for capital projects
- Reduced State funding for operations
- Continued reduced funding for Secure Rural Schools
- Ability to keep up infrastructure because of recent funding restrictions

**Recommend Motion:**

Move to approve resolution number 06-16-1343, adopting the 2016-2017 Fiscal Year Budget which includes the draft budget and all recommended changes, as presented.

## CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 06-16-1343

## A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING THE BUDGET FOR ALL FUNDS OF THE CITY OF WRANGELL, ALASKA, FOR THE FISCAL YEAR 2016-2017

WHEREAS, the Borough Assembly sitting as the Board of Equalization on May 9, 2016 and May 24, 2016, assessed and equalized all real property within the City and Borough of Wrangell; and

WHEREAS, taxes levied upon boats; taxes on taxable property; delinquent date for payment of taxes and penalty and interest for late payment of taxes are provided in Wrangell Municipal Code, Chapter 5; and

WHEREAS, the Assembly at their regular meeting held June 14, 2016, approved a mill rate of 12.75 mills for the Wrangell Service Area, 4.0 mills for property outside the Service Area, and 4.0 mills for the tax differential zone as described in 5.04.310 (a); and

WHEREAS, the Assembly of the City and Borough of Wrangell, Alaska has been presented with the proposed budget for the fiscal year 2016-2017 in accordance with the Wrangell City Charter Section 5-2; and

WHEREAS, the Assembly held public hearings on May 9, May 24, and June 14, 2016, on the proposed budget in accordance with Wrangell City Charter Section 5-3; and

WHEREAS, the Assembly has approved the proposed budget as presented and/or amended.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

- Sec. 1. That the General Fund Budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$12,850,693 is hereby adopted.
- Sec. 2. That the Capital Project Fund Budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 855,450 is hereby adopted.
- Sec. 3. That the Miscellaneous Grants Fund Budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 8,422 is hereby adopted.

- Sec. 4. That the Nolan Center Operating Fund, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 421,118 is hereby adopted.
- Sec. 5. That the Sales Tax Fund Budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 3,975,295 is hereby adopted.
- Sec. 6. That the Theater Fund, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 117,090 is hereby adopted.
- Sec. 7. That the Pool/Recreation Fund Budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 1,555,669 is hereby adopted.
- Sec. 8. That the Borough Organizational Fund, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 312,498 is hereby adopted.
- Sec. 9. That the Transient Tax Fund Budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 242,399 is hereby adopted.
- Sec. 10. That the Secure Schools Budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 4,815,140 is hereby adopted.
- Sec. 11. That the Economic Recovery Fund, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 521,161 is hereby adopted.
- Sec. 12. That the Permanent Fund, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 6,789,845 is hereby adopted.
- Sec. 13. That the Debt Service Fund Budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 308,950 is hereby adopted.
- Sec. 14. That the Residential Construction Fund, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 1,726 is hereby adopted.
- Sec. 15. That the Industrial Construction Fund, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 226,113 is hereby adopted.
- Sec. 16. That the Sewer Utility Revenue Fund Budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 1,006,506 is hereby adopted.
- Sec. 17. That the Sanitation Fund, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 697,271 is hereby adopted.
- Sec. 18. That the Electric Utility Enterprise Fund budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 6,366,630 is hereby adopted.

Sec. 19. That the Water Utility Enterprise Fund Budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 1,428,468 is hereby adopted.

Sec. 20. That the Port Utility Enterprise Fund Budget, reserves and transfers, for the fiscal year 2016-2017, in the amount of \$ 7,631,620 is hereby adopted.

Sec. 21. That a copy of the final budget, as approved, be attached hereto and adopted by reference.

ADOPTED: \_\_\_\_\_, 2016

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David L. Jack, Mayor

ATTEST: \_\_\_\_\_

~~Kim Lane, MMC~~, Borough Clerk  
Lavonne Klinke, Deputy

**Amendments to Draft Budget  
2016-2017 Fiscal Year  
City and Borough of Wrangell**

**GENERAL FUND & SPECIAL REVENUE FUNDS**

General Fund Revenue Account Description	Change	by	to	Reason
01-00-00-4705 Building Permit Revenue	Increase	(3,000)	(5,000)	Fee increase

G.F. Expenditures Account Description	Change	by	to	Reason
01-01-00-5201 Health insurance - Finance	Decrease	25,520	185,400	Health insurance benefits updated/recalculated
01-03-00-5201 Health insurance - Administration	Decrease	1,330	78,360	Health insurance benefits updated/recalculated
01-05-00-5201 Health insurance - Fire Dept.	Decrease	3,710	83,870	Health insurance benefits updated/recalculated
01-07-00-5201 Health insurance - Police Dept.	Decrease	29,340	312,290	Health insurance benefits updated/recalculated
01-09-00-5201 Health insurance - Corrections/Dispatch	Decrease	19,740	269,400	Health insurance benefits updated/recalculated
01-11-00-5201 Health insurance - Public Safety Custodian	Decrease	3,050	39,270	Health insurance benefits updated/recalculated
01-14-00-5201 Health insurance - Garage	Decrease	790	104,830	Health insurance benefits updated/recalculated
01-16-00-5201 Health insurance - Public Works	Decrease	14,270	309,930	Health insurance benefits updated/recalculated
01-20-00-5201 Health insurance - Library	Decrease	3,150	95,310	Health insurance benefits updated/recalculated
21-0X-00-5201 Health insurance - Nolan Center (multiple)	Decrease	10,204	43,840	Health insurance benefits updated/recalculated
24-0X-00-5201 Health insurance - Parks & Rec (multiple)	Decrease	18,520	85,070	Health insurance benefits updated/recalculated
24-0X-00-5001 Wages (Parks & Recreation)	Decrease	1,490	108,670	Turnover
24-01-00-5010 Lifeguard Wages	Increase	(13,950)	65,000	Budget preparation clerical error
Total Expenditure Decreases - General Fund	Decrease	#####		

CAPITAL FUND Account Description	Change	by	to	Reason
18-01-00-6809 Public Safety Building	Increase	50,000	185,000	Public Safety Building Siding Replacement
18-01-00-6809 Public Safety Building	Increase	25,000	210,000	Courtroom carpet replacement (contract requirement)
18-01-00-6809 Public Works	Increase	3,500	6,500	Salt Spreader
18-01-00-6809 Public Works	Increase	800	7,300	2" Electric Pump
18-01-00-6809 Public Works	Increase	20,000	27,300	Mission St. Drainage Improvements
18-01-00-6809 Public Works	Increase	15,000	38,300	Cow Alley Retaining Wall at Angerman's
18-01-00-6809 Public Works	Increase	11,000	43,300	Snow Plow (replacement unit)
18-01-00-6809 Public Works	Increase	5,000	53,300	McKinnon - Mt. Dewey Stairway Repair
18-01-00-6825 Garage	Increase	10,000	27,000	Top-loading tire machine replacement
Total Expenditure Increases - Capital & General Fund		140,300		

Net effect to General Fund of changes from Draft Budget: 20,136  
General Fund Surplus/(Deficit) after changes: 2,115

**ENTERPRISE FUNDS**

Sewer Fund Account Description	Change	by	to	Reason
20-01-00-5001 Wages	Increase	2,460	114,950	WWTP Leadman grade reclass , & operator turnover
20-01-00-5201 Benefits	Decrease	(10,162)	87,528	Leadman reclassification, operator turnover
Reduced expenditures from draft		(7,702)		

Sanitation Fund Account Description	Change	by	to	Reason
34-0X-00-5201 Benefits (health insurance)	Increase	3,400	99,170	Health insurance benefits updated/recalculated
Additional expenditures from draft	Increase	3,400		

Light Fund Account Description	Change	by	to	Reason
70-01-00-5201 Benefits (health insurance)	Decrease	(4,290)	146,450	Health insurance benefits updated/recalculated
70-03-00-5201 Benefits (health insurance)	Increase	5,980	234,290	Health insurance benefits updated/recalculated
70-03-00-5810 Distribution Materials & Supplies	Increase	10,000	65,000	Electrical switches replacement, unspent from FY 16
Additional expenditures from draft		11,690		

Water Fund Account Description	Change	by	to	Reason
72-01-00-5001 Wages	Increase	8,700	75,420	Grade reclassification of WTP Leadman position
72-01-00-5201 Benefits (health insurance)	Decrease	(460)	67,170	Health insurance benefits updated/recalculated
72-01-00-6500 Capital	Increase	30,000	151,000	Sand filter ventilation
Additional expenditures from draft	Increase	38,240		

Port Fund Account Description	Change	by	to	Reason
74-0X-00-5201 Health Insurance (all Port/Harbor Depts)	Decrease	(20,470)	293,120	Health insurance benefits updated/recalculated
Reduced expenditures from draft		(20,470)		