

Introduced By: Council Member Cleworth  
Introduced: May 11, 2015

**ORDINANCE NO. 5978, AS AMENDED**

**AN ORDINANCE AMENDING THE 2015 OPERATING AND  
CAPITAL BUDGETS FOR THE THIRD TIME**

**WHEREAS**, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2015 operating and capital budgets; and

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows** [amendments shown in **bold underlined** font; deleted text or amounts in ~~font~~]:

**SECTION 1.** There is hereby appropriated to the 2015 General Fund and the Capital Fund budgets the following sources of revenue and expenditures in the amounts indicated to the departments named for the purpose of conducting the business of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2015 and ending December 31, 2015 (see pages 2 and 3):

## GENERAL FUND

<u>REVENUE</u>	Ordinance 5967	INCREASE (DECREASE)	AS AMENDED
Taxes, (all sources)	\$ 20,787,014	\$ -	\$ 20,787,014
Charges for Services	4,740,703	-	4,740,703
Intergovernmental Revenues	3,627,263	-	3,627,263
Licenses & Permits	1,965,194	-	1,965,194
Fines, Forfeitures & Penalties	962,605	-	962,605
Interest & Penalties	130,500	-	130,500
Rental & Lease Income	164,734	-	164,734
Other Revenues	224,500	-	224,500
Other Financing Sources (Uses)	3,764,998	<b>(1,242,316)</b>	<b>2,522,682</b>
<b>Total revenue appropriation</b>	<b>\$ 36,367,511</b>	<b>\$ (1,242,316)</b>	<b>\$ 35,125,195</b>
 <u>EXPENDITURES</u>			
Mayor and Council	\$ 602,561	\$ -	\$ 602,561
Office of the City Attorney	181,316	-	181,316
Office of the City Clerk	349,232	<b>4,500</b>	<b>353,732</b>
Finance Department	936,547	-	936,547
Information Technology	1,675,150	-	1,675,150
General Account	5,711,961	<b>70,000</b>	<b>5,781,961</b>
Risk Management	1,413,460	-	1,413,460
Police Department	7,323,835	<b>(70,000)</b>	<b>7,253,835</b>
Dispatch Center	2,022,870	-	2,022,870
Fire Department	6,551,262	-	6,551,262
Public Works Department	7,777,320	-	7,777,320
Engineering Department	694,845	-	694,845
Building Department	671,559	-	671,559
<b>Total expenditure appropriation</b>	<b>\$ 35,911,918</b>	<b>\$ 4,500</b>	<b>\$ 35,916,418</b>
 12/31/14 general fund balance	 \$ 11,369,516	 \$ (9,271)	 \$ 11,360,245
Increase (Decrease) to fund balance	664,771	<b>(1,246,816)</b>	<b>(582,045)</b>
Nonspendable	(473,423)	<b>(1)</b>	<b>(473,424)</b>
Committed for snow removal	(250,000)	-	(250,000)
Assigned PY encumbrances	(209,178)	-	(209,178)
Assigned self insurance	(793,207)	-	(793,207)
<b>12/31/15 Unassigned balance</b>	<b>\$ 10,308,479</b>	<b>\$ (1,256,088)</b>	<b>\$ 9,052,391</b>

Minimum unassigned fund balance requirement is 20% of budgeted annual expenditures but not less than \$4,000,000.

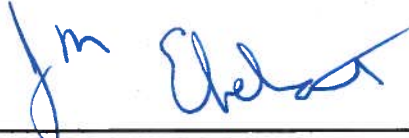
\$ 7,183,284

## CAPITAL FUND

<u>REVENUE</u>	Ordinance 5967	INCREASE (DECREASE)	AS AMENDED
Transfer from Permanent Fund	\$ 541,254	1,811	\$ 543,065
Transfer from General Fund	490,034	1,134,419	1,624,453
Equip Replacement			
Public Works	250,000	-	250,000
Building	10,000	-	10,000
Police	240,000	-	240,000
Dispatch	140,000	-	140,000
Fire	391,500	-	391,500
IT	100,000	-	100,000
Property Repair & Replacement	145,000	-	145,000
	<u>\$2,307,788</u>	<u>\$ 1,136,230</u>	<u>\$3,444,018</u>
 <u>EXPENDITURES</u>			
IT Department	\$ 204,751	\$ -	\$ 204,751
Police Department	311,385	-	311,385
Fire Department	523,265	-	523,265
Public Works Department	720,208	-	720,208
PW-Prop. Repair/Replacement	1,229,277	500,000	1,729,277
PW-Road Maintenance	-	2,197,830	2,197,830
Total appropriation	<u>\$2,988,886</u>	<u>2,697,830</u>	<u>5,686,716</u>
12/31/14 capital fund balance	\$6,634,841	\$ -	\$6,634,841
Increase (Decrease)	4,788	(1,561,600)	(1,556,812)
Assigned PY encumbrances	(685,886)	-	(685,886)
12/31/15 Assigned fund balance	<u>\$5,953,743</u>	<u>\$ (1,561,600)</u>	<u>\$4,392,143</u>

**SECTION 2.** All appropriations made by this ordinance lapse at the end of the fiscal year to the extent they have not been expended or contractually committed to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2015 and ending December 31, 2015.

**SECTION 3.** The effective date of this ordinance shall be the 23rd day of May 2015.



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**JOHN EBERHART, MAYOR**

AYES: Walley, Matherly, Pruhs, Cleworth, Staley

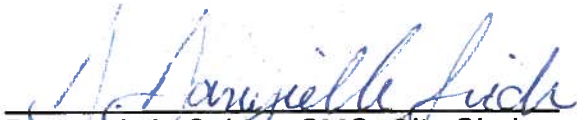
NAYS: None

ABSENT: Gatewood

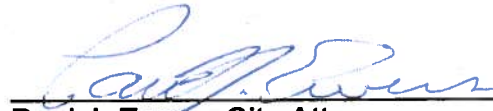
ADOPTED: May 18, 2015

ATTEST:

APPROVED AS TO FORM:



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D. Danyielle Snider, CMC, City Clerk



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Paul J. Ewers, City Attorney

## **FISCAL NOTE**

### **ORDINANCE 5978, AS AMENDED, AMENDING THE 2015 OPERATING AND CAPITAL BUDGETS FOR THE THIRD TIME**

#### **ESTIMATED REVENUES and OTHER FINANCING SOURCES (USES)**

**(\$1,242,316) Decrease**

1. Taxes – No Change
2. Charges for Services – No Change
3. Intergovernmental Revenues – No Change
4. Licenses & Permits – No Change
5. Fines, Forfeitures & Penalties – No Change
6. Interest & Penalties – No Change
7. Rental & Lease Income – No Change
8. Other Revenues – No Change
9. Other Financing Sources & (Uses) – (\$1,242,316) Decrease
  - (\$674,419) Decrease for Transfer to Capital Fund for Rickert Subdivision Project
  - (\$460,000) Decrease for Transfer to Capital Fund for Fuel Storage Tanks replacement and upgrades
  - (\$122,383) Decrease for Transfer to Fairbanks Parking Garage
  - \$ 14,486 Increase for Transfer from Permanent Fund for actual authorization

FISCAL NOTE CONTINUED  
ESTIMATED EXPENDITURES

**\$4,500 Increase**

1. Mayor & Council – No Change
2. City Attorney's Office – No Change
3. City Clerk's Office – **\$4,500 Increase**
  - **\$4,500 Increase to Election Expenses**
4. Finance Department – No Change
5. Information Technology – No Change
6. General Account – \$70,000 Increase
  - \$70,000 Increase to Emergency Service Patrol – PSA funds
7. Risk Management – No Change
8. Police Department – (\$70,000) Decrease
  - (\$70,000) Decrease to outside contracts – PSA funds
9. Dispatch – No Change
10. Fire Department – No Change
11. Public Works – No Change
12. Engineering – No Change
13. Building Department – No Change

## FISCAL NOTE CONTINUED

### Capital Fund

#### 1. REVENUES

- \$1,811 Increase for transfer from Permanent Fund

#### 2. OTHER FINANCING SOURCES (USES)

- \$1,134,419 Transfer from General Fund

#### 3. EXPENDITURES - \$2,697,830 Increase

##### Public Works

- \$2,197,830 Increase to PW-Road Maintenance for Rickert Subdivision Project
- \$ 460,000 Increase to PW-Property Repair and Replacement for Fuel Storage Replacement and Upgrade
- \$ 40,000 Increase to PW-Property Repair and Replacement for Fire Station Painting

#### 4. INTERNAL TRANSFERS

- \$2,197,830 Transfer from General Fund Capital to Road Maintenance
- 460,000 Transfer from General Fund Capital to PW-Property Repair and Replacement
- \$ 40,000 Transfer from Fire Department to Property Repair and Replacement

**NOTE: Beginning Public Works (PW) expenditures reclassified between PW classifications for accounting purposes. No change to the total expenditures.**

**Project Title: Fuel Storage Tank Replacements and Upgrades**

**Priority: 1**

**FY2016 State Funding Request: \$460,000**

**Brief Description of the Project:** The City of Fairbanks requests funds to replace its aging underground fuel storage tanks with a new aboveground fuel storage facility with increased capacity.

**Project Type: Remodel, Reconstruction, and Upgrades**

**Funding Plan:**

Total Project Cost	\$460,000
Funding Already Secured	(\$0)
FY2016 State Funding Request	<u>(\$460,000)</u>
Project Deficit:	\$0

**Detailed Project Description and Justification**

The City of Fairbanks currently dispenses gasoline and diesel fuel from two 10,000-gallon underground storage tanks at its Public Works Facility. The tanks were installed in 1980 and serve a fleet of over 120 vehicles and 150 pieces of equipment used by the Public Works, Fire, and Police Departments. Over time the tanks have corroded and lost their integrity, and based on the results of their last inspection are not expected to be recertified for use in 2015. The tanks are also located in an area at moderate risk to flooding according to FEMA flood maps, and if floodwaters were to submerge this area, the tanks could become displaced (i.e. buoyant), fill with water and contaminate the fuel, and/or release fuel to the environment. The City would therefore like to replace the aging underground tanks with new aboveground tanks placed above the base flood elevation. In addition, the City would like to expand the fuel storage capacity from two to five 10,000-gallon tanks to increase the emergency response operating ability of the Public Works, Fire, and Police Departments. The current amount of fuel storage is only sufficient to operate the fleet for approximately five to six days. If a major disaster were to occur that impeded the resupply of fuel, this could severely limit emergency response capabilities. Increasing the capacity from two to five tanks would not only increase the emergency response operating ability to almost two full weeks, but also offer a resupply point for refueling emergency backup generators and heat sources for all of the City's essential facilities.

The project would involve constructing a concrete slab foundation with a pavilion-style metal roof, purchase of five 10,000-gallon double-walled aboveground storage tanks, relocating the existing fuel dispensers to the slab, installing new fuel supply lines and leak detection system, and removing and disposing of the existing underground storage tanks. The new aboveground fuel storage facility would be placed immediately adjacent to the location of the existing underground storage tanks on the City's 62-acre Public Works property. Below is an estimate of the project costs:

Aboveground fuel storage tanks (\$45k each)	\$225,000
Concrete slab foundation	50,000
Metal Roof	35,000
Fuel supply lines and leak detection system	50,000
Engineering design	35,000
Removal and disposal of existing underground storage tanks	15,000
Contractor bonding and other costs	<u>50,000</u>
TOTAL	\$460,000

**Project Timeline:** Completion of the project by September 30, 2016.



**Project Title:** City of Fairbanks Local Road Reconstruction

**Priority:** 2

**FY2016 State Funding Request:** \$15,512,826

**Brief Description of the Project:** The City of Fairbanks requests funds to reconstruct residential streets in six subdivisions where the aging pavement was significantly degraded by the past summer's record rainfall. Reconstruction of these streets would include drainage improvements, re-profiling and re-grading the road sections, and new asphalt concrete pavement and driveway connections. Natural gas lines would be installed by Fairbanks Natural Gas in coordination with the street reconstructions.

**Project Type:** Reconstruction and Upgrades

**Funding Plan:**

Total Project Cost	\$15,512,826
Funding Already Secured	(\$0)
FY2016 State Funding Request	<u>(\$15,512,826)</u>
Project Deficit:	\$0

**Detailed Project Description and Justification:** Summer 2014 was the wettest summer in Fairbanks since 1906, when weather data was first recorded in the Interior. The year's total was amassed from the wettest June on record and second-wettest July ever, followed by the second wettest August ever. These conditions saturated the ground and driving surfaces, resulting in extensive degradation of local roads to the extent that entire sections of roadway have fallen apart and cannot be patched or repaired, but must be entirely reconstructed. For most of these roads there were either no piped storm drain systems or the existing systems were inadequate to handle the sheer volume of rainfall. The areas within the City most significantly impacted included all roads in the Rickert, Gateway, and Bjerremark Subdivisions, and portions of the Fairbanks Townsite, Shannon Park, and Hamilton Acres Subdivisions. Attached is a spreadsheet identifying the streets that have degraded to a condition where complete reconstruction with new drainage is required. Below is a summary of the construction costs by subdivision.

<b>Subdivision</b>	<b>Total Length of Road Reconstruction</b>	<b>Cost*</b>
<b>Rickert – Entire Subdivision</b>	12,010 LF	\$2,197,830
<b>Gateway – Entire Subdivision</b>	7,037 LF	\$1,298,327
<b>Fairbanks Townsite – Select Streets</b>	21,650 LF	\$3,994,425
<b>Shannon Park – Select Streets</b>	6,885 LF	\$1,270,283
<b>Hamilton Acres – Select Streets</b>	9,035 LF	\$1,666,958
<b>Bjerremark – Entire Subdivision</b>	27,561 LF	\$5,085,005
<b>TOTAL</b>	<b>84,178 LF</b>	<b>\$15,512,826</b>

\*Cost estimates were derived from actual cost data for local road projects the City completed in 2013 and 2014. The costs for this project were calculated at \$150/LF for road construction, estimated 15% of construction cost for survey and design, and 8% for construction administration. See attached spreadsheet for a breakdown of these costs.

Reconstruction of the roads would consist of a 26 to 30 foot wide paved road section with drainage improvements. No sewer or water upgrades would be made unless Golden Heart Utilities elects to fund and upgrade utility mains within the project footprint. Fairbanks Natural Gas is expected to install natural gas lines in coordination with the reconstruction efforts.

**Project Timeline** Substantial completion of the projects by September 30, 2016.

**City of Fairbanks Local Roads Transportation Improvement Plan (TIP) 2014/2015**

Subdivision Name	Street Length	Construction Cost		Survey & Engineering - City Staff	Construction Engineering Inspection	TOTAL COST
	LF	\$/LF	Cost	15% of Construction	8% of Construction	
<b>Rickert - Entire Subdivision</b>						
Laurene St - 14th to 17th	1,760					
Turner St - 14th to 17th	1,720					
Mary Ann St - Turner to 17th	1,420					
Stacia St - 14th to 17th	1,700					
Gillam Way - 17th to 19th	320					
Rickert St - 17th to 19th	450					
15th Ave - Schalble to S. Cushman	1,910					
16th Ave - Gillam to S. Cushman	1,690					
17th Ave - Cowles to cul-de-sac	610					
18th Ave - Rickert to S. Cushman	430					
<b>Rickert Subtotal</b>	<b>12,010</b>	<b>\$150</b>	<b>\$1,801,500</b>	<b>\$252,210</b>	<b>\$144,120</b>	<b>\$2,197,830</b>
<b>Gateway Suidvision - Entire Subdivision</b>						
15th Ave	770					
16th Ave	788					
Noble St	1,330					
Lacey St	1,382					
Eielson St	1,245					
18th Ave - South of Gateway	634					
Ladd St - South of Gateway	553					
Judd St - South of Gateway	335					
<b>Gateway Subtotal</b>	<b>7,037</b>	<b>\$150</b>	<b>\$1,055,550</b>	<b>\$158,333</b>	<b>\$84,444</b>	<b>\$1,298,327</b>
<b>Fairbanks Townsite - Select Streets</b>						
2nd Ave - Lincoln to Cowles	2,410					
3rd Ave - Lincoln to Cowles	2,170					
4th Ave - Lincoln to Barnette	2,920					
5th Ave - Lincoln to Cowles	1,770					
6th Ave - Lincoln to Cowles	1,490					
7th Ave - Bonnified to Barnette	1,960					
8th Ave - Lincoln to Barnette	2,830					
Lincoln St - 2nd to 3rd	160					
Badger St - 1st to 5th	760					
State St - 1st to 5th	810					
Cleary St - 1st to 5th	750					

Bonnifield St - 1st to 8th	1,410					
Kellum St - 1st to 8th	1,430					
Wickersham St - 4th to 6th	420					
Perry St - 6th to 8th	360					
<b>Fairbanks Townsite Subtotal</b>	<b>21,650</b>	<b>\$150</b>	<b>\$3,247,500</b>	<b>\$487,125</b>	<b>\$259,800</b>	<b>\$3,994,425</b>
<b>Shannon Park - Select Streets</b>						
Cindy Dr - west side only	1,170					
LeAnn Dr	2,400					
Shannon Dr - east, north south legs only	1,325					
Joyce Dr - Cindy to Shannon	850					
D St - south of LeAnn	1,140					
<b>Shannon Park Subtotal</b>	<b>6,885</b>	<b>\$150</b>	<b>\$1,032,750</b>	<b>\$154,913</b>	<b>\$82,620</b>	<b>\$1,270,283</b>
<b>Hamilton Acres - Select Streets</b>						
Iditarod Ave	2,615					
Juneau Ave	1,945					
Ketchikan Ave	950					
Lignite Ave	1,300					
E St - Ketchikan to Lignite	500					
F St - south of Iditarod	1,225					
C St - Juneau to Ketchikan	500					
<b>Hamilton Subtotal</b>	<b>9,035</b>	<b>\$150</b>	<b>\$1,355,250</b>	<b>\$203,288</b>	<b>\$108,420</b>	<b>\$1,666,958</b>
<b>Bjerremark - Entire Subdivision</b>						
24th Ave	3,611					
25th Ave	3,185					
26th Ave	3,250					
27th Ave	4,990					
28th Ave	3,870					
Cowles St	1,740					
Wilson St	1,900					
Turner St	1,040					
Mercier St	1,040					
Rickert St	1,040					
Bjerremark St	1,895					
<b>Bjerremark Subtotal</b>	<b>27,561</b>	<b>\$150</b>	<b>\$4,134,150</b>	<b>\$620,123</b>	<b>\$330,732</b>	<b>\$5,085,005</b>
<b>TOTAL</b>	<b>84,178</b>		<b>\$12,626,700</b>	<b>\$1,875,990</b>	<b>\$1,010,136</b>	<b>\$15,512,826</b>

### 2015 Summary Budget Changes

Date	Account	Description	Revenues	Expenditures	Net Income
12/1/2014		Council Budget	\$ 36,367,511	\$ (35,586,182)	\$ 781,328
1/5/2015		Ord. 5962 AS AMENDED - AFLCIO	-	(116,558)	(116,558)
					664,770
		Projected IBEW 1.5%	-	(75,362)	(75,362)
		IBEW - One time \$300 per member (45)		(13,500)	(13,500)
		Projected PSEA one time 4% - 3 year contract	-	(343,013)	(343,013)
		Projected FFA 2.5% One year	-	(138,516)	(138,516)
			<u>\$ 36,367,511</u>	<u>\$ (36,273,131)</u>	<u>\$ 94,379</u>

U:\ORDINANCES\ORDINANCES - 2015\Drafts\Ordinance 5978, AS AMENDED, ATTACHMENT 2 2015 SUMMARY BUDGET.xlsx|Budget Meeting Summary