

Introduced By: Mayor Eberhart  
Amended Version Introduced by: Council Member Cleworth  
Finance Committee Review: October 18 & November 1, 2016  
Introduced: October 24, 2016

**ORDINANCE NO. 6032, AS AMENDED**

**AN ORDINANCE AMENDING THE 2016 OPERATING AND  
CAPITAL BUDGETS FOR THE THIRD TIME**

**WHEREAS**, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2016 operating and capital budgets; and

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:**

**SECTION 1.** There is hereby appropriated to the 2016 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, 2016 and ending December 31, 2016 (see pages 2 and 3) [changes shown in **bold font**]. [amendments shown in **bold underlined** font; deleted text or amounts in ~~striketrough~~ font]:

## GENERAL FUND

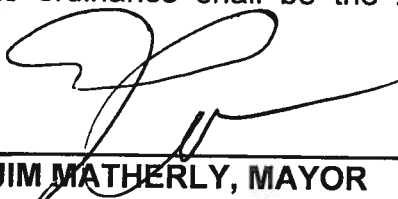
<u>REVENUE</u>	2016 ADOPTED BUDGET	INCREASE (DECREASE)	AS AMENDED
Taxes, (all sources)	\$ 21,319,723	\$ 26,405	\$ 21,346,128
Charges for Services	4,644,087	89	4,644,176
Intergovernmental Revenues	3,147,200	7,200	3,154,400
Licenses & Permits	1,863,700	40,762	1,904,462
Fines, Forfeitures & Penalties	787,075	(197,200)	589,875
Interest & Penalties	115,000	11,250	126,250
Rental & Lease Income	168,550	(14,960)	153,590
Other Revenues	222,600	-	222,600
Other Financing Sources	1,280,585	(3,543)	1,277,042
Total revenue appropriation	<u>\$ 33,548,520</u>	<u>\$ (129,997)</u>	<u>\$ 33,418,523</u>
<u>EXPENDITURES</u>			
Mayor and Council	\$ 613,988	\$ 34,231	\$ 648,219
Office of the City Attorney	184,788	30,000	214,788
Office of the City Clerk	351,174	(10,000)	341,174
Finance Department	958,671	(72,058)	886,613
Information Technology	1,985,017	6,150	1,991,167
General Account	5,551,053	237,150	5,788,203
Risk Management	1,434,987	614,947	2,049,934
Police Department	7,031,105	(146,200)	6,884,905
Dispatch Center	2,162,007	-	2,162,007
Fire Department	6,396,346	-	6,396,346
Public Works Department	7,865,936	(75,000)	7,790,936
Engineering Department	630,315	-	630,315
Building Department	697,394	-	697,394
Total expenditure appropriation	<u>\$ 35,862,781</u>	<u>\$ 619,220</u>	<u>\$ 36,482,001</u>
12/31/15 estimated general fund balance	\$ 12,159,122	\$ (234,655)	\$ 11,924,467
Increase (Decrease) to fund balance	790,083	(749,217)	40,866
Prior Year encumbrances	(404,344)	-	(404,344)
Transfer to capital and permanent funds	(2,700,000)	-	(2,700,000)
12/31/16 Unassigned balance	<u>\$ 9,844,861</u>	<u>\$ (983,872)</u>	<u>\$ 8,860,989</u>
Minimum unassigned fund balance requirement is 20% of budgeted annual expenditures but not less than \$4,000,000.			<u>\$ 7,296,400</u>

## CAPITAL FUND

REVENUE	2016 ADOPTED BUDGET	INCREASE (DECREASE)	AS AMENDED
Transfer from Permanent Fund	\$ 559,137	(443)	\$ 558,694
Transfer from General Fund	1,032,509	-	1,032,509
Public Works	775,000	-	775,000
Building	10,000	-	10,000
Engineering	10,000	-	10,000
Police	240,000	-	240,000
Dispatch	140,000	-	140,000
Fire	250,000	-	250,000
IT	156,086	-	156,086
Property Repair & Replacement	145,000	-	145,000
Road Maintenance	1,000,000	-	1,000,000
Internal Transfer to Road Maintenance	2,197,830	-	2,197,830
Total revenues	<u>\$ 6,515,562</u>	<u>\$ (443)</u>	<u>\$ 6,515,119</u>
<b>EXPENDITURES</b>			
IT Department	\$ 247,808	\$ -	\$ 247,808
Dispatch	82,532	-	82,532
Police Department	387,896	-	387,896
Fire Department	519,168	19,040	538,208
Public Works Department	845,500	490,000	1,335,500
Property Repair & Replacement	1,325,726	-	1,325,726
Road Maintenance	3,596,086	-	3,596,086
Total expenditures	<u>\$ 7,004,716</u>	<u>509,040</u>	<u>7,513,756</u>
12/31/15 capital fund balance	\$ 4,462,080	\$ 297,396	\$ 4,759,476
Increase (Decrease) to fund balance	(489,154)	(509,483)	(998,637)
Prior year encumbrances	-	-	-
Internal transfer to Rickert St	-	-	-
12/31/16 assigned fund balance	<u>\$ 3,972,926</u>	<u>\$ (212,087)</u>	<u>\$ 3,760,839</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 on January 1, 2016 and ending December 31, 2016.

**SECTION 3.** The effective date of this ordinance shall be the 21st day of November 2016.

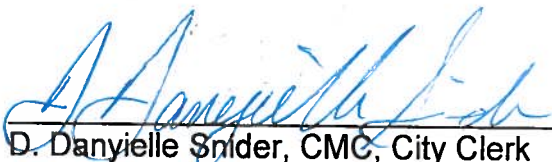


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**JIM MATHERLY, MAYOR**

AYES: Rogers, Norum, Therrien, Pruhs, Cleworth, Huntington  
NAYS: None  
ABSENT: None  
ADOPTED: November 21, 2016

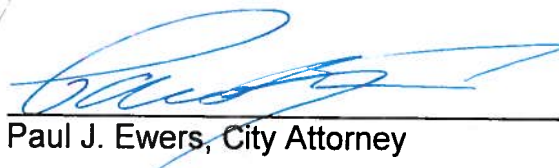
ATTEST:



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D. Danyielle Snider, CMC, City Clerk

APPROVED AS TO FORM:



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Paul J. Ewers, City Attorney

**FISCAL NOTE**  
**ORDINANCE NO. 6032, AS AMENDED**  
**AMENDING THE 2016 OPERATING AND CAPITAL BUDGETS**  
**FOR THE THIRD TIME**

**General Fund – (\$129,997) Decrease in Revenue**  
**\$619,220 Increase in Expenditures**  
**(\$234,655) Decrease in Fund Balance**

**Revenue – (\$129,997) Decrease**

1. Taxes \$26,405 Increase

- (\$279,595) decrease in property taxes
- \$306,000 increase in bed tax receipts

2. Charges for Services \$89 Increase

- \$6,300 increase for Fire Protection Services
- \$8,350 increase for Alarm System Billings
- \$3,000 increase for PW Recovery (DTA & GFCC)
- \$47,466 increase in Garbage Collection
- \$4,755 increase in Garbage Equipment Reserve
- (\$41,800) decrease in Dispatch Services, amount was over-estimated in prior year
- (\$25,000) decrease in Engineering Recovery (non-grant activity)
- (\$2,982) decrease in Engineering Misc Charges and Fees

3. Intergovernmental Revenues \$7,200 Increase

- \$7,900 increase for SOA Liquor License (share of)
- (\$700) decrease in Rest Easy PILT

4. Licenses & Permits \$40,762 Increase

- \$33,312 increase in Business License
- \$2,000 increase for Fire Code Inspections
- \$2,250 increase for Engineer Driveway Construction Permits
- \$1,200 increase for Commercial Transport Vehicle Company License

- \$2,000 increase for Commercial Refuse License
- 5. Fines, Forfeitures & Penalties (\$197,200) Decrease
  - \$2,800 increase for Correctional Facility Surcharges
  - (\$150,000) decrease in Vehicle Forfeitures
  - (\$50,000) decrease in Moving Traffic Violations
- 6. Interest & Penalties \$11,250 Increase
  - \$18,500 increase for Interest on Demand Deposits
  - \$2,750 increase for Hotel/Motel Interest and Penalties
  - (\$10,000) decrease in Garbage Interest and Penalties
- 7. Rental & Lease Income (\$14,960) Decrease
  - (\$13,870) decrease in Fire Training Center Rent
  - (\$1,090) decrease in Boxing Club Rent
- 8. Other Revenues
- 9. Other Financing Sources & (Uses) **(\$3,543) Decrease**
  - **(\$3,543) decrease to adjust transfer of actual audited permanent fund five year market average**

**Expenditures - \$619,220 Increase**

1. Mayor & Council \$34,231 Increase
  - Transfer \$31,289 from Purchasing/Risk Department for Risk Manager wages and benefits now included in the Mayor's office
  - Transfer \$2,942 from the Purchasing/Risk Department for Risk training, operating supplies, and Dues & Publications
2. City Attorney's Office \$30,000 Increase
  - \$30,000 increase to retain an economic expert for Collective Bargaining Arbitrations
3. City Clerk's Office **(\$10,000) Decrease**
  - (\$10,000) decrease in wages due to position vacancies

4. Finance Department **(\$72,058) Decrease**
  - Transfer \$31,289 from Purchasing/Risk to Finance for the Purchasing/Billing Agent wages and benefits
  - Transfer \$2,942 for the Purchasing/Billing Agent training, operating supplies, and Dues & Publications
  - **(\$106,289) decrease in wages due to position vacancies**
5. Information Technology **\$6,150 Increase**
  - **\$3,000 increase for Spectra Precision Office (upgraded license for the surveyor in Engineering)**
  - **\$3,150 increase for Lizardtech MrSID Geo Express compression software for Engineering as-built scans**
6. General Account **\$237,150 Increase**
  - \$237,150 increase Explore Fairbanks payouts from bed tax proceeds
7. Risk Management **\$614,947 Increase**
  - Transfer (\$31,289) to the Mayor's office for Risk Manager wages and benefits now paid in the Mayor's budget
  - Transfer (\$2,942) to the Mayor's office for Risk training, operating supplies, and Dues & Publications
  - Transfer (\$31,289) to Finance for the new Purchasing/Billing Agent wages and benefits
  - Transfer (\$2,942) to the Finance for the Purchasing/Billing Agent training, operating supplies, and Dues & Publications
  - **\$683,409 increase due to claims processing in 2016. All claim costs are recovered through property taxes in the following year.**
8. Police Department **(\$146,200) Decrease**
  - **(\$150,000) decrease in salaries and wages due to position vacancies**
  - ~~Increase operating equipment by \$71,000 to pay for replacement of portable radios (HLS grant covered 23 of the 50 needed).~~
  - **\$3,800 increase in benefits to pay the entire health premium for Sgt. Brandt's family**
9. Dispatch
10. Fire Department

**11. Public Works (\$75,000) Decrease**

- ~~\$80,000 increase for welding Bay ventilation~~
- \$25,000 increase for asbestos encapsulation at City Hall mandated by OSHA
- \$17,737 increase to create Public Works Director position
- (\$17,737) decrease to eliminate General Foreman position
- (\$100,000) decrease in wages due to position vacancies

12. Engineering

13. Building Department

**Fund Balance – (\$234,655) Decrease**

- (\$234,655) decrease to fund balance per audit adjustments



**Capital Fund- (\$443) Decrease in Other Financing Sources & Uses**  
**\$509,040 Increase in Expenditures**  
**\$297,396 Increase in Fund Balance**

**Other Financing Sources (Uses) - (\$443) Decrease**

- ~~\$233,364 increase in garbage reserve to match audited fund balance~~
- ~~\$64,032 increase in ambulance mileage reserve to match audited fund balance~~
- **(\$443) decrease to adjust transfer of actual audited permanent fund five year market average**

**Expenditures - \$509,040 Increase**

- \$19,040 increase for Fire Equipment for tires, batteries, and other required accessories for the two new ambulances (currently on order)
- **\$85,000 increase for welding bay ventilation**
- **\$50,000 increase to replace the original PW boiler (this project needs to be completed at the same time as the welding bay ventilation due to heating concerns in the Public Works facility)**
- \$355,000 increase for Public Works for a new front-line grader for winter/snow operations

**Fund Balance - \$297,396 Increase**

- **\$297,396 increase to fund balance per audit adjustments**

**2016 Summary GENERAL FUND Budget Changes**

Date	Account	Description	Revenues	Expenditures	Net Income
12/07/15		Ord. 5998 Adopting the 2016 Operating and Capital Budget	\$ 36,250,394	\$ (35,260,917)	\$ 989,477
02/01/16	Wages	Ord. 6003* Amending the 2016 Budget for the first time *Includes fund balance transfer of \$2,700,000 and \$404,344 for prior year encumbrances, \$754,903 of nonspendable inventory, and an \$178,750 decrease in self-insurance assignments	(11,252)	(76,800)	(88,052)
03/25/16		Ord 6008 Amending the 2016 Budget for the second time	9,378	(120,720)	(111,342)
11/07/16		Ord 6032 Amending the 2016 Budget for the third time	(129,997)	(619,220)	(749,217)

<u>\$ 36,118,523</u>	<u>\$ (36,077,657)</u>	<u>\$ 40,866</u>
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Note: Does not include encumbrances which are funded by prior year Fund Balance or interfund transfers subsequent to the original budget.

**2016 Summary CAPITAL FUND Budget Changes**

Date	Account	Description	Revenues	Expenditures	Net Income
12/07/15		Ord. 5998 Adopting the 2016 Operating and Capital Budget	\$ 2,099,849	\$ (1,676,586)	\$ 423,263
		Ord. 6003* Amending the 2016 Budget for the first time *Includes fund balance changes of \$1,545,092 for prior year encumbrances and \$2,197,830 commitment to the Rickert St. project and \$50,000 for Fire Chief vehicle	4,397,830	(3,792,922)	604,908
03/25/16		Ord 6008	17,883	(1,535,208)	(1,517,325)
11/17/16		Ord 6032 Amending the 2016 Budget for the third time	(443)	(509,040)	(509,483)
Total FB change			<u>\$ 6,515,119</u>	<u>\$ (7,513,756)</u>	<u>\$ (998,637)</u>

**Note:** Does not include encumbrances which are funded by prior year Fund Balance.