



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: December 15, 2021

RE: **Revised Request Authorizing Various 2021 General Government Departmental Budget Transfers**

The motion detailed below was prepared by Financial Analyst Camille Nelson, who requested that it be placed before the City Council for consideration at its meeting of December 16, 2021. The motion and attached memorandum and information replaces and revises original December 16, 2021 agenda item 7a(7). If adopted, the motion provides for additional end of year budget transfers totaling \$176,840 that are required by various General Government departments. The City Council should note that three of the transfers require a drawn down of \$53,840 from Appropriated Reserves funds. The Financial Analyst's transmittal memorandum is attached and requires no elaboration on the part of this office. I concur with Ms. Nelson's recommendations.

The Finance Director will be attending the City Council meeting of December 16, 2021, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended the City Council adopt the motion authorizing the Acting City Manager to transfer \$176,840 from various accounts to various accounts as outlined in the Financial Analyst's report dated December 15, 2021.

Recommended Motion: I move the City Council authorize the Acting City Manager to transfer \$176,840 from various accounts to various accounts as outlined in the Financial Analyst's report dated December 15, 2021.

MEMORANDUM
CITY OF KETCHIKAN, ALASKA
Finance Department
Office of the Finance Director

Michelle L. Johansen, Finance Director
Camille Nelson, Financial Analyst
Phone: (907) 228-5621
Facsimile: (907) 228-5617

TO: Lacey G. Simpson, Acting City Manager/KPU General Manager

FROM: Camille Nelson, Financial Analyst

THRU: Michelle L. Johansen, Finance Director

DATE: December 15, 2021

SUBJECT: Revised Request for 2021 Budget Transfer for Various General Government Departments

As directed by the City Council, final routine end of year budget transfers requested by various departments have been consolidated into a single agenda item. Attached to this memorandum are the individual budget transfer requests along with a brief explanation of why the transfers are being requested. The table below summarizes the proposed budget transfers.

Since our initial December 6, 2021 report was prepared, staff have advised of one more transfer that requires Council action to fund the overtime associated with the Public Works Streets Operations to address the recent snowfall activity. Acting Public Works Director Jurczak's report outlining the proposed transfer accompanies this memorandum.

Department	Transfer from Reserves	Transfer from Other Department Accounts	Total Transfer Amount	Purpose
City Manager, Operations		\$ 35,000	\$ 35,000	Unanticipated cost of professional services
Police, Operations		34,000	34,000	Unanticipated cost of other benefits due to sick leave paid to retired staff
Public Works Streets, Operations		20,000	20,000	Unanticipated cost of overtime wages due to recent snowfall activity.
Public Works Solid Waste, Collections	\$ 25,000		25,000	Unanticipated cost of regular wages paid upon the reinstatement of a staffed position.

Department	Transfer from Reserves	Transfer from Other Department Accounts	Total Transfer Amount	Purpose
(continued)				
Public Works Solid Waste, Collections	12,000		12,000	Unanticipated costs of employee benefits paid upon the reinstatement of a staffed position.
Harbors		34,000	34,000	Unanticipated solid waste costs due to collection of garbage at Harbor facility dumpsters.
Risk Management	16,840		16,840	Unanticipated Liability Insurance Premium Costs
Total	<u>\$ 53,840</u>	<u>\$ 123,000</u>	<u>\$ 176,840</u>	

The total amount of the budget transfer request is \$176,840. Unfortunately, it will be necessary to transfer \$37,000 from the Appropriated Reserves of the Solid Waste Services Fund to fund the personnel and benefits costs associated with the reinstatement of a staff member to a previously held position. It is also necessary to transfer \$16,840 from the Appropriated Reserves of the Self Insurance Fund to fund the increased liability insurance premiums. Transfers in the amount of \$123,000 can be funded from other accounts. A revised motion has been prepared for Council consideration.

Revised Recommended Motion:

I move the City Council authorize the acting city manager to transfer from various accounts to various accounts as outlined in the Finance Analyst's report of December 15, 2021.

MEMORANDUM

TO: Lacey Simpson, Acting City Manager
CC: Michelle Johansen, Finance Director
Joe Nall, Streets Supervisor
FROM: Kara Jurczak, P.E., Acting Public Works Director
DATE: December 14, 2021
SUBJECT: **Streets Division Overtime**

As Council will recall, significant and constant snow and ice conditions were present for most of January, February, and March of this year. In order to perform snow and ice removal for the traveling public, the Streets crew often works late into the evening, and starts their shifts very early in the morning, generating overtime pay in accordance with the Collective Bargaining Agreement. The recent weather conditions has meant that the Streets crew again accrued a significant amount of overtime hours to maintain our roadways, sidewalks, and staircases. Once payroll is completed for the first pay period in December, the overtime wages account balance will be approximately zero dollars. It should be noted that \$5,000 was transferred to the overtime account earlier this year, which has also been exhausted. Staff recommends adding \$20,000 to get through the end of the year, which should be adequate if we have moderate to severe winter weather during that time.

If the budget transfer is approved by Council, the funds will come from regular wages, not reserves, as the Streets Division is accumulating a surplus in regular wages due to the vacant Maintenance Technician position that we did not fill in 2021.

It should be noted that prior to the 2021 budget cut to overtime wages, the Streets Division had an overtime budget of approximately \$100,000.

RECOMMENDATION

It is recommended that the City Council adopt a motion authorizing the Acting City Manager to transfer \$20,000 from the Streets Division's Regular Wages account (Account No. 500.01) to the Overtime Wages account (Account No. 501.01).

Recommended Motion: I move the City Council authorize the Acting City Manager to transfer \$20,000 from the Streets Division's Regular Wages account (Account No. 500.01) to the Overtime Wages account (Account No. 501.01).

CITY of KETCHIKAN
Budget Transfer Request

2021

TO: General Accounting
Finance Department

DATE: 12/6/2021

FROM: City Manager

	<u>From Account Number</u>	<u>To Account Number</u>	<u>Amount (Omit Cents)</u>
	enter a project # if applicable		
A	<u>101-1140-110-500.01</u>	<u>101-1140-110-640.04</u>	<u>27,060</u>
	City Manager, Operations	City Manager, Operations	
	Regular Salaries	Management & Consulting Services	
	<u>101-1140-110-505.00</u>	<u>101-1140-110-640.04</u>	<u>2,270</u>
	City Manager, Operations	City Manager, Operations	
	Payroll Taxes	Management & Consulting Services	
	<u>101-1140-110-506.00</u>	<u>101-1140-110-640.04</u>	<u>5,670</u>
	City Manager, Operations	City Manager, Operations	
	Pension	Management & Consulting Services	

APPROVED BY CITY COUNCIL ON: December 16, 2021

Reason for Budget Transfer:

A To provide funding for the the professional services associated with
recruitment planning to fill vacant City Manager position.

Requested by: Michelle Johansen

Approved by:


Digitally signed by Lacey Simpson
DN: cn=Lacey Simpson, o=City of Ketchikan,
ou=Assistant City Manager,
email=lacey@city.ketchikan.ak.us, c=US
Date: 2021.12.07 09:38:39 -0900
Department Head

Prepared by: Camille Nelson

Approved by:

Finance Director

Reviewed by: _____

Approved by:

City Manager

CITY of KETCHIKAN
Budget Transfer Request

2021

TO: General Accounting
Finance Department

DATE: 12/6/2021

FROM: Police

	<u>From Account Number</u>	<u>To Account Number</u>	<u>Amount (Omit Cents)</u>
	enter a project # if applicable		
A	<u>101-1220-110-500.01</u>	<u>101-1220-110-508.00</u>	<u>34,000</u>
	Police, Operations	Police, Operations	
	Regular Salaries	Other Benefits	

APPROVED BY CITY COUNCIL ON: December 16, 2021

Reason for Budget Transfer:

A To provide funding for the unanticipated cost of leave pay out for staff
retiring in 2021.

Requested by: Michelle Johansen

Approved by:

Eric Mattson
Digitally signed by Eric Mattson
DN: cn=Eric Mattson,
email=ericm@ktn-ak.us, c=US
Date: 2021.12.07 09:46:05 -09'00'
Department Head

Prepared by: Camille Nelson

Approved by:

Finance Director

Reviewed by: _____

Approved by:

City Manager

CITY of KETCHIKAN
Budget Transfer Request

2021

TO: General Accounting
Finance Department

DATE: 12/6/2021

FROM: Public Works, Solid Waste

	<u>From Account Number</u>	<u>To Account Number</u>	<u>Amount (Omit Cents)</u>
	enter a project # if applicable		
A	<u>220-999.00</u>	<u>220-1560-272-500.01</u>	<u>25,000</u>
	Solid Waste Services Fund	Public Works, Solid Waste, Collections	
	Appropriated Reserves	Regular Salaries	
	<u>220-999.00</u>	<u>220-1560-272-505.00</u>	<u>1,750</u>
	Solid Waste Services Fund	Public Works, Solid Waste, Collections	
	Appropriated Reserves	Payroll Taxes	
	<u>220-999.00</u>	<u>220-1560-272-506.00</u>	<u>5,550</u>
	Solid Waste Services Fund	Public Works, Solid Waste, Collections	
	Appropriated Reserves	Pension	
	<u>220-999.00</u>	<u>220-1560-272-507.00</u>	<u>3,980</u>
	Solid Waste Services Fund	Public Works, Solid Waste, Collections	
	Appropriated Reserves	Health & Life Insurance	
	<u>220-999.00</u>	<u>220-1560-272-507.00</u>	<u>720</u>
	Solid Waste Services Fund	Public Works, Solid Waste, Collections	
	Appropriated Reserves	Workers Compensation	

APPROVED BY CITY COUNCIL ON: December 16, 2021

Reason for Budget Transfer:

A To provide funding for the unanticipated cost of reinstating an employee
to the Public Works, Solid Waste, Collections Division.

Requested by: Michelle Johansen

Approved by:

Mark Hilson, P.E.
Digitally signed by Mark Hilson, P.E.
DN: cn=Mark Hilson, P.E.,
c=US,
email=Emhilson@city.ketchikan.ak.us,
date=2021.12.07 12:02:01-0900

Department Head

Prepared by: Camille Nelson

Approved by:

Finance Director

Reviewed by: _____

Approved by:

City Manager

CITY of KETCHIKAN
Budget Transfer Request

2021

TO: General Accounting
Finance Department

DATE: 12/6/2021

FROM: Harbors

	<u>From Account Number</u>	<u>To Account Number</u>	<u>Amount (Omit Cents)</u>
	enter a project # if applicable		
A	<u>240-1710-110-507.00</u>	<u>240-1710-110-650.02</u>	<u>34,000</u>
	Harbors, Operations	Harbors, Operations	
	Health & Life Insurance	Electric, Water, Sewer & Solid Waste	

APPROVED BY CITY COUNCIL ON: December 16, 2021

Reason for Budget Transfer:

A To provide funding for the unanticipated cost of solid waste services
for garbage in the Harbor facilities dumpsters.

Requested by: Michelle Johansen

Approved by:

Mark Hilson, P.E.
Digitally signed by Mark Hilson, P.E.
DN: C=US,
E=markhilson@city.ketchikan.ak.us,
CN=Mark Hilson, P.E.
Date: 2021.12.07 12:45:34-0900

Department Head

Prepared by: Camille Nelson

Approved by:

Finance Director

Reviewed by: _____

Approved by:

City Manager

CITY of KETCHIKAN
Budget Transfer Request

2021

TO: General Accounting
Finance Department

DATE: 12/6/2021

FROM: Risk Management

	<u>From Account Number</u>	<u>To Account Number</u>	<u>Amount (Omit Cents)</u>
	enter a project # if applicable		
A	<u>610-999.00</u>	<u>610-1150-901-625.03</u>	<u>16,840</u>
	Self Insurance Fund	Self Insurance, Finance, Insurance	
	Appropriated Reserves	Insurance Premiums and Claims-Liability	

APPROVED BY CITY COUNCIL ON: December 16, 2021

Reason for Budget Transfer:

A To provide funding for the unanticipated cost of increased liability
insurance premiums.

Requested by: Michelle Johansen

Approved by: Michelle Johansen
Department Head

Michelle Johansen
2021.12.07 10:44:48
-09'00'

Prepared by: Camille Nelson

Approved by: _____
Finance Director

Reviewed by: _____

Approved by: _____
City Manager