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KPU Budget Update No. 7

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting General Manager

DATE: December 16, 2021

RE: **2022 Ketchikan Public Utilities Operating and Capital Budget Update No. 7 – Appropriated Reserves Available Update No. 2**

The attached budget update was prepared by Finance Director Michelle Johansen, and requires no elaboration on the part of the General Manager's office. The memorandum details changes to the proposed 2022 appropriations of the KPU Enterprise Fund following City Council action through the December 13, 2021 special budget meeting. The Finance Director will attend the City Council meeting of December 16, 2021, in order to address any questions and/or concerns that Councilmembers have.

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

Michelle L. Johansen, Finance Director
Camille Nelson, Financial Analyst
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TO: Lacey G. Simpson, City Manager/KPU General Manager

FROM: Michelle L. Johansen, Finance Director

DATE: December 14, 2021

SUBJECT: 2022 Ketchikan Public Utilities Budget Update No. 7: Appropriated Reserves Available Update No. 2

Attached to this memorandum is an Estimated of Funds Available Revision, which reflects City Council action taken through December 13, 2021. This summary is prepared after each budget work session for the purposes of reporting how the actions of the City Council have impacted the projected year end reserve balance, and to make sure that staff has accurately recorded the intentions of Council. Based on Council action to date the following action has occurred:

- Decreased beginning funds available for the Electric Division's Ketchikan Generator No. 4 Rotor and Stator Rewind 2021 capital project.
- Decreased the appropriations for Community Agency Grants for the Electric, Telecommunications and Water Division's in the amounts of \$11,522, \$9,171 and \$2,822, respectively.
- Decreased the KPU Manager's Travel and Training – Business Travel (Account No. 600.01) by \$2,000.
- Decreased the Telecommunications Division's Software Licenses (Account 630.05) by \$4,500.
- Eliminated the \$174,266 appropriations associated with the Telecommunications Division's Plant Manager for 2022.
- Increased the appropriation for the Telecommunications Division's Fiber to the Home capital project by \$174,266.

In summary, all actions taken by the City Council through December 13, 2021, beginning funds available decreased by \$252,000, appropriations decreased by \$30,015 and appropriated reserves decreased by \$221,985.

**KETCHIKAN PUBLIC UTILITIES
2022 ANNUAL BUDGET
ESTIMATE OF FUNDS AVAILABLE**

Summary of Council Action Thru December 13, 2021

	2021 Adopted Budget	2021 Amended Budget	2021 Estimate	2022 As Proposed	Increase (Decrease)	Ref #	2022 Amended
KPU Enterprise Fund							
Funds Available, January 1	17,281,458	17,281,458	19,661,783	16,777,777	(252,000)	1	16,525,777
Revenues							
Electric	18,747,600	18,747,600	19,174,376	19,057,100			19,057,100
Telecommunications	18,547,000	18,547,000	19,524,700	19,549,800			19,549,800
Water	12,310,127	12,310,127	11,602,964	5,410,113			5,410,113
Other	124,000	124,000	114,000	114,000			114,000
Total Revenues	49,728,727	49,728,727	50,416,040	44,131,013			44,131,013
Appropriations							
Administration	361,947	361,947	333,835	302,010	(2,000)	4	300,010
Sales, Marketing & Customer Service	3,077,059	3,077,059	2,971,935	3,147,742			3,147,742
Electric	23,010,949	23,010,949	21,183,869	22,247,960	(11,522)	2	22,236,438
Telecommunications	17,849,904	17,849,904	17,215,842	16,927,774	(13,671)	2,4,5&6	16,914,103
Water	12,600,180	12,630,180	11,344,565	5,115,750	(2,822)		5,112,928
Transfer to Facilities & Infrastructure Replacement	250,000	250,000	250,000	250,000			250,000
Total Appropriations	57,150,039	57,180,039	53,300,046	47,991,236	(30,015)		47,961,221
Funds Available, December 31	9,860,146	9,830,146	16,777,777	12,917,554	(221,985)		12,695,569
KPU Facilities & Infrastructure Replacement Fund							
Funds Available, January 1	1,000,000	1,000,000	1,000,000	1,250,000			1,250,000
Revenues							
Transfer from KPU Enterprise Fund	250,000	250,000	250,000	250,000			250,000
Total Revenues	250,000	250,000	250,000	250,000			250,000
Appropriations							
Transfer to KPU Enterprise Fund							
Total Appropriations							
Funds Available, December 31	1,250,000	1,250,000	1,250,000	1,500,000			1,500,000