



City Manager
334 Front Street
Ketchikan, AK 99901

Phone (907) 228-5603
Fax (907) 225-5075

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: July 27, 2022

RE: **Authorizing Various General Government Budget Transfers for Heating Fuel Expenses**

The motion detailed below was prepared by Finance Director Michelle Johansen, who requested that it be placed before the City Council for consideration at its meeting of August 4, 2022. If adopted, the motion provides for transferring \$58,000 from the Appropriated Reserves of the General Fund as well as within the Public Works – Wastewater Division’s 2022 operating budget to cover the unforeseen cost of heating fuel, which has rapidly increased in recent months. Ms. Johansen’s transmittal memorandum is attached and requires no elaboration on the part of this office. I concur with the Finance Director’s recommendations.

The Finance Director will be attending the City Council meeting of August 4, 2022, 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 \$58,000 from various accounts, including \$38,000 from Appropriated Reserves of the General Fund, to the 2022 Heating Fuel accounts (Account No. 525.03) of various General Government departments in order to address requests for additional heating fuel funding as outlined in the Finance Director’s report dated July 26, 2022.

Recommended Motion: I move the City Council authorize the Acting City Manager to transfer \$58,000 from various accounts, including \$38,000 from Appropriated Reserves of the General Fund, to the 2022 Heating Fuel accounts (Account No. 525.03) of various General Government departments in order to address requests for additional heating fuel funding as outlined in the Finance Director’s report dated July 26, 2022.

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

Michelle L. Johansen, Finance Director
Camille Nelson, Administrative Assistant
Phone: (907) 225-3111, Extension 5621
Facsimile: (907) 228-5617

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

FROM: Michelle L. Johansen, Finance Director

DATE: July 26, 2022

SUBJECT: Request for Additional Funds for Fuel

As the Council is aware, the fuel prices have increased significantly since January of this year. Heating fuel has increased from \$2.56 per gallon in January to \$5.73 per gallon in July or 123%. At the time the 2022 General Government Operating Budget was developed an increase in the cost of fuel of this magnitude was not expected. Below is the expected shortfall for each department that is in need of additional funds for heating fuel.

Department	Purpose	Reserves Required	Amount
Civic Center	Heating Fuel	Yes	\$18,000
Garage	Heating Fuel	Yes	14,000
Buidling Maintenance	Heating Fuel	Yes	6,000
Wastewater Services	Heating Fuel	No	20,000
Total			\$58,000

The total amount of the budget transfer request is **\$58,000**. Unfortunately, not all of the transfers can be funded from transfers from other accounts. It will be necessary to transfer **\$38,000** from appropriated reserves. The remaining balance of **\$20,000** can be transferred from accounts other than appropriated reserves.

Recommend Motion:

I move that the City Council authorize the City Manager to transfer **\$58,000** from various accounts, including **\$38,000** from appropriated reserves of the General Fund, in order to address requests for additional funding from various departments as outlined in the Finance Director's report of July 26, 2022.

CITY OF KETCHIKAN - KETCHIKAN PUBLIC UTILITIES

2022

BUDGET AMENDMENT & TRANSFER REQUEST

TO: Michelle Johansen, Finance Director

DATE: 8/4/22

THRU: Lacey Simpson, Acting City Manager

System Entry Date: 8/4/22

FROM: City Council

THRU: Michelle Johansen

From Account #	To Account #	Project Ref #	Amount (Omit Cents)
(decrease)	(increase)		
1	101-1430-110-525.03 Civic Center Heating Fuel		\$18,000
	101-1540-110-525.03 Garage Heating Fuel		\$14,000
	101-1550-255-525.03 Building Maintenance - City Hall - Heating Fuel		\$6,000
101-999.00 General Fund Appropriated Reserves			\$38,000

Purpose:

- 1 Cover the increase in Heating Fuel Costs for the Civic Center, Garage and Building Maintenance
- 2
- 3
- 4

Resolution #:

APPROVED BY CITY COUNCIL ON:

4-Aug-22

Reviewed By:

Approved By:

Accountant

Michelle Johansen, Finance Director

Approved By:

Lacey Simpson, Acting City Manager

CITY OF KETCHIKAN - KETCHIKAN PUBLIC UTILITIES

2022

BUDGET AMENDMENT & TRANSFER REQUEST

TO: Michelle Johansen, Finance Director

DATE: 8/4/22

THRU: Lacey Simpson, Acting City Manager

System Entry Date: 8/4/22

FROM: City Council

THRU: Michelle Johansen

<u>From Account #</u> (decrease)	<u>To Account #</u> (increase)	<u>Project Ref #</u>	<u>Amount</u> (Omit Cents)
1	505-3000-110-525.03 Wastewater Services Heating Fuel		\$20,000
	505-3000-110-515.05 Maintenance Materials - Infrastructure and Plant		\$20,000

Purpose:

- 1 Cover the increase in Heating Fuel Costs for the Wastewater Services
- 2
- 3
- 4

Resolution #:

APPROVED BY CITY COUNCIL ON:

4-Aug-22

Reviewed By:

Approved By:

Accountant

Mark Hilson, Public Works Director

Approved By:

Michelle Johansen, Finance Director

Approved By:

Lacey Simpson, Acting City Manager