

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2014-11

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING THE BUDGET BY ADOPTING BUDGET AMENDMENT NO. 2, AND APPROPRIATING FUNDS FOR THE FY 2014 CITY OF DILLINGHAM BUDGET FOR EQUIPMENT PURCHASE

WHEREAS, the City Council has approved the Operating Budget and Capital Improvement Budget for FY 2014 in accordance with Title 4 of the Dillingham Municipal Code pursuant to AS 20.20.500(3); and

WHEREAS, duly advertised public workshops were held and the City Council reviewed the budget amendment recommendations presented; and

WHEREAS, the City Council has set the rate of levy of property tax for the City of Dillingham for FY 2014 budget at 13 mills; and

WHEREAS, the budget presented, reviewed and changed is in accordance with sound and efficient municipal management principles; and

WHEREAS, the City Council should have the power to transfer appropriated monies from one General Government Fund or Special Revenue Fund to another and from one Capital Project to another by resolution and the City Manager should have the power to transfer funds from one line item object to another object code within a fund and within a Capital Improvement Project; and

WHEREAS, the FY 2014 funds are ready for appropriation by ordinance;

NOW, THEREFORE, BE IT RESOLVED by the Dillingham City Council that:

1. The FY 2014 Operating Budget and Capital Improvement Budget Amendment No. 2 as recommended by the City Manager is hereby adopted for the City of Dillingham.
2. The amounts set forth in the budget as reviewed by the City Council for the respective departments and/or funds shall be, and hereby are, appropriated for the fiscal year ending June 30, 2014.
3. The City Council shall have the power to transfer approved and appropriated General Fund or Special Revenue Fund monies from one to another and from one Capital Project to another by resolution.
4. The City Manager shall have the power to transfer funds from one line item object code to another within a fund and within a Capital Improvement Project.

BE IT ENACTED by the Dillingham City Council that:

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Severability. If any portion of this ordinance or any application thereof to any person or circumstances is held invalid, the remainder of the ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Appropriation Summary. The additional appropriation from the Treasury in Section 4 is a total of \$370,000.00.

Section 4. Additional Appropriations.

A. General Fund Government Operations		
90 92	Transfer Out Equipment Replacement	<u>\$370,000</u>
	TOTAL GENERAL FUND ADD. APPROPRIATIONS	<u>\$370,000</u>
	TOTAL ADDITIONAL APPROPRIATIONS	<u>\$370,000</u>

Section 4. Summary.

Total Additional Appropriation	<u>\$370,000</u>
Net (Decrease) to Fund Balances	<u>\$ (370,000)</u>

Section 5. Effective Date. This ordinance is effective upon passage.

PASSED and ADOPTED by the Dillingham City Council on June 19, 2014

Kecora Ruby Mayor Pro Tempore
Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams
Janice Williams, City Clerk



City of Dillingham Information Memorandum No. O2014-11

Subject: An ordinance of the Dillingham City Council amending the budget by adopting budget amendment No. 2, and appropriating funds for the FY 2014 City of Dillingham budget

Agenda of: June 19, 2014

Council Action: This ordinance was introduced at the June 5, 2014, Council Meeting and is up for a public hearing and adoption June 19, 2014.

Manager: Recommend approval.

City Manager: Rose Loera
Rose Loera

Route To:	Department / Individual	Initials	Remarks
X	Finance / Carol Shade	CS	
X	Public Works / Francisco "Pancho" Garcia	FG	
X	Acting City Clerk / Bernadette Packa	BP	

Fiscal Note: Yes _____ No X Funds Available: Yes _____ No _____

Public Hearing: Scheduled for June 19

Other Attachment(s):

- Equipment Purchase from Bennett Summary
- Advertisement for a Public Hearing on Ordinance No. 2014-11 advertised in the June 12, 2014, edition of Bristol Bay Times as required to be advertised in a local newspaper five days in advance of the public hearing

Summary Statement.

The City was approached by a local contractor with an offer to purchase his heavy equipment. The City had some monies in a legislative grant which already included purchasing a lowboy. The request to purchase the equipment was vetted through the Finance and Budget Committee at their April 28 Meeting and request was made for administration to provide a written report to include potential equipment rental savings, and an evaluation on the condition of the equipment for the May 27 meeting. At the May 27 meeting, the Finance and Budget Committee made a recommendation for the Council to approve the purchase in the FY2014 budget, and to expend \$370,000 from general funds, \$25,000 from the dock special revenue fund, and the remaining \$100,000 from a legislative grant designated for the landfill.



**NOTICE OF A PUBLIC HEARING
Public Hearing on Ordinance Nos. 2014-11, 2014-12**

The City Of Dillingham will hold a **Public Hearing** on **Thursday, June 19, 2014, at 7:00 P.M.** in the **City Council Chambers** for the purpose of taking comment from the public on the following ordinances:

- Ordinance No. 2014-11, An Ordinance of the Dillingham City Council Amending the Budget by Adopting Budget Amendment No. 2 and Appropriating Funds for the FY 2014 City of Dillingham Budget.
- Ordinance No. 2014-12, An Ordinance of the Dillingham City Council Adopting the Budget and Appropriating Funds for the FY 15 City of Dillingham Budget.

If you have any questions, please contact the City Clerk's office at 842-5212 or email cityclerk@dillinghamak.us.

Projections for savings and revenue for equipment purchases from Neal Bennett

Neal indicated that he would rather not piece meal this equipment out. The following equipment is what he knows the City needs and has rented from him. Others are interested in the equipment.

	Price	Rental Rate	apx. 30% mark-up from Anchorage rental rates	
Lowboy	\$100,000	\$1,000	per way	
2006 Cat Excavator	\$275,000	\$450	hour	bigger and more power than ours
Ingersol Rand Compactor	\$25,000	\$150	hour	Would be used at dock and harbor
1992 W900 N14 Cummins	\$35,000	\$250	hour	
Beal-End Dump Trailer	\$30,000	with truck		
Trench Boxes - 2 sizes	<u>\$30,000</u>	\$3,875	month	Neal has the only ones in town
Total Cost	\$495,000			

Estimated Rented Equipment by City on an average year:

Lowboy rental with truck	6 X a yr.	\$12,000	
Compactor	4 X yr. 8 hrs. each X	\$4,800	would use more if owned and able to haul
Excavator	3 X yr. 3 days./ 6 hrs. each	\$24,300	would use more if owned and able to haul
Trench Boxes	1 X yr. - month each	\$3,875	
Truck and End Dump	3 X yr. - 6 hours ea.	<u>\$4,500</u>	
	Estimated savings	\$49,475	

Last year with the dock damage we paid \$54,000 for renting equipment Bennett and another \$10,100 for work on outfall.

City Renting Equipment to others:

Truck rental for barge containers	20 X a year	\$20,000
Excavator plus hauling	2 X a year	\$5,600
Compactor plus hauling	2 X a year	\$3,200
Trench Boxes	1 a year	<u>\$3,875</u>
	Estimated Revenue	\$32,675

Currently we only rent a compactor when absolutely necessary. If we had a compactor, truck and lowboy the compactor would be used often on City streets, harbor and dock which would reduce the necessity for grading down to once a week rather than daily. We would save about 20 hours on man hours and be able to work on other projects in the City (estimated grading about 10 hours in a day 3 X a week).

This summer we need a excavator for probably a couple of weeks for our erosion and lagoon projects. We will need three excavators for the project. We figure we will need to rent for at least 3 weeks for 6 hours a day. This would amount to about \$58,300 savings if we had the equipment ourselves.

We will also need a compactor, excavator, lowboy and truck for the mitigation project. If we had the equipment we could do the work ourselves and probably save approximately \$20,000.

Equipment Purchase from Bennett Summary

	Leg. Grant	Gen. Fund	Dock Sp. Rev.	
Lowboy	\$100,000			
Ingersol Rand Compactor			\$25,000	
2006 Cat Excavator		\$275,000		
1992 W900 N14 Cummins		\$35,000		
Beal-End Dump Trailer		\$30,000		
Trench Boxes - 2 sizes		\$30,000		
	<u>\$100,000</u>	<u>\$370,000</u>	<u>\$25,000</u>	<u>\$495,000 Total Cost</u>

Equipment Rented in 2013 for outfall and dock \$64,100

Equipment Rental needed in 2014 \$78,300

Estimated equipment rental annually: \$49,475

Estimated City Renting equipment to others: \$32,675

Based on 2014 rental needs and annual projected rental needs the equipment will have paid for itself in 6.5 years. This is not even counting the potential revenue for renting it out.

See attached for the detail.