

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE 2019-09

CREATING BUDGET AMENDMENT #1 TO THE FISCAL YEAR 2020 BUDGET, RECOGNIZING LOCAL SUPPORT REVENUE OF \$7,200 IN THE GENERAL FUND AND INCREASING THE PCR OPERATING BUDGET BY \$7,200; RECOGNIZING LOCAL SUPPORT REVENUE OF \$8,500 IN THE LIBRARY CAPITAL PROJECT AND INCREASING THE LIBRARY CAPITAL PROJECT BUDGET BY \$8,500; AND INCREASING THE WATER FUND OPERATING BUDGET FOR TRANSFERS TO CAPITAL PROJECTS AND THE PROJECT BUDGET FOR THE PYRAMID WATER TREATMENT

BE IT ENACTED BY THE UNALASKA CITY COUNCIL

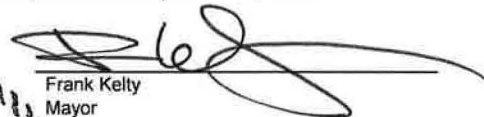
Section 1. Classification: This is a non-code ordinance.  
Section 2. Effective Date: This ordinance becomes effective upon adoption.  
Section 3. Content: The City of Unalaska FY20 Budget is amended as follows:


- A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.  
B. The following are the changes by account line item:

**Amendment No. 1 to Ordinance #2019-07**

	Current	Requested	Revised
<b>I. OPERATING BUDGETS</b>			
<b>A. General Fund</b>			
Sources:			
Local Support - APIA	\$ -	\$ 7,200	\$ 7,200
Uses:			
Parks, Culture and Recreation - Recreation Programs	\$ 731,435	\$ 7,200	\$ 738,635
<b>B. Proprietary Funds</b>			
Sources:			
Water Fund - Budgeted Use of Unrestricted Net Position	\$ 1,746,684	\$ 2,002,284	\$ 3,748,968
Uses:			
Water Fund - Transfers to Water Capital Projects	\$ 1,006,800	\$ 2,002,284	\$ 3,009,084
<b>II. CAPITAL BUDGETS</b>			
<b>A. General Fund - Project Budgets</b>			
Sources			
Local Support - Friends of the Unalaska Public Library	\$ -	\$ 8,500	\$ 8,500
Uses			
Library Improvement Project	\$ 5,400,000	\$ 8,500	\$ 5,408,500
<b>B. Public Utilities - Project Budgets</b>			
Sources			
Transfer in from Water Operating	\$ 50,000	\$ 2,002,284	\$ 2,052,284
Uses			
Pyramid Water Treatment Microturbines Project	50,000	2,002,284	2,052,284

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on September 10, 2019.

  
Frank Kelly  
Mayor

ATTEST:  
  
Marjie Veer  
City Clerk



**City of Unalaska**  
**Summary of Budget Amendment and Schedule of Proposed Accounts**  
**FY20 Budget Amendment 1**

- 1) General Fund - Operating Budget  
 Add \$7,200 to Private Contributions revenue to recognize grant from APIA for senior exercise program  
 Add \$7,200 to Recreation Programs Temporary Employees for senior exercise program instructor
- 2) General Fund - Capital Projects Budgets  
 Add \$8,500 to Private Contributions revenue to recognize grant from Friends of the Unalaska Public Library for art purchase and installation  
 Add \$8,500 to Other Professional Services for art purchase and installation
- 3) Water Fund - Operating Budget  
 Add \$2,002,284 to Budgeted Use of Unrestricted Net Position and to Transfers to Capital Projects for Pyramid Water Treatment Microturbines project
- 4) Water Fund Capital Projects Budgets  
 Add \$2,002,284 to Pyramid Water Treatment Microturbines project and to Transfer in From Water Operating

	Org	Object	Project	Current	Requested	Revised
<b>1) General Fund - Operating Budget</b>						
<b>Sources:</b>						
<i>Parks, Culture and Recreation</i>						
Private Contributions	01012047	47400		\$ -	\$ 7,200.00	\$ 7,200.00
<b>Uses:</b>						
<i>Parks, Culture and Recreation</i>						
Temporary Employees	01023251	51200		\$ 25,000.00	\$ 7,200.00	\$ 32,200.00
<b>2) General Fund - Capital Project Budgets</b>						
<b>Sources:</b>						
<i>Library Improvements Project</i>						
Private Contributions	31019848	47400	PR601	\$ -	\$ 8,500.00	\$ 8,500.00
<b>Uses:</b>						
<i>Library Improvements Project</i>						
Other Professional Services	31022053	53300	PR601	\$ 105,250.00	\$ 8,500.00	\$ 113,750.00
<b>3) Water Proprietary Fund</b>						
<b>Sources:</b>						
Budgeted Use of Unrestricted Net Position	51015549	49910		\$ 1,746,684.00	\$ 2,002,284.00	\$ 3,748,968.00
<b>Uses:</b>						
Transfers to Enterprise Capital Projects	51029854	59940		\$ 1,006,800.00	\$ 2,002,284.00	\$ 3,009,084.00
<b>4) Water Fund - Capital Project Budgets</b>						
<b>Sources:</b>						
<i>Pyramid Water Treatment Microturbines</i>						
Transfers From Proprietary Operating	51119848	49130	WA17C	\$ 50,000.00	\$ 2,002,284.00	\$ 2,052,284.00
<b>Uses:</b>						
<i>Pyramid Water Treatment Microturbines</i>						
Engineering and Architectural	51125553	53240	WA17C	\$ 50,000.00	\$ 250,700.00	\$ 300,700.00
Other Professional Services	51125553	53300	WA17C	\$ -	\$ 218,000.00	\$ 218,000.00
Construction Services	51125553	54500	WA17C	\$ -	\$ 820,213.00	\$ 820,213.00
Telephone/Fax/TV	51125553	55310	WA17C	\$ -	\$ 500.00	\$ 500.00
Advertising	51125553	55901	WA17C	\$ -	\$ 500.00	\$ 500.00
Contingency	51125553	55912	WA17C	\$ -	\$ 153,771.00	\$ 153,771.00
Machinery & Equipment	51125553	57400	WA17C	\$ -	\$ 558,600.00	\$ 558,600.00

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Roger Blakeley, PCR Director  
Through: Erin Reinders, City Manager  
Date: August 27, 2019  
Re: Ordinance 2019-09, creating FY20 Budget Amendment #1, to receive \$7,200 from the Aleutian Pribilof Islands Association to pay an instructor for the Senior Exercise Program

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**SUMMARY:** Ordinance 2019-09 accepts \$7,200 to fund the Senior Exercise Program.

**PREVIOUS COUNCIL ACTION:** In 2018, Council approved a similar request for \$7,000 to start the program. The program was successful, with funding from APIA.

**BACKGROUND:** The Department of Parks, Culture and Recreation (PCR) has been working with the Aleutian Pribilof Islands Association (APIA) to develop a senior exercise program, held at the Unalaska Senior Center. APIA received a grant to fund the program and is working with PCR to provide an instructor. PCR requests a budget amendment to accept \$7,200 from APIA to hire an instructor to teach the exercise classes. This \$7,200 reflects the amount of money APIA received to fund the personnel portion of the program.

PCR will invoice APIA for the hours worked by the instructor and we will receive reimbursement for those hours up to the \$7,200 outlined in the APIA grant. The result is \$0 net loss to the city, and gives PCR the ability to run this program in cooperation with APIA. The program will end when the grant funds are exhausted.

**DISCUSSION:** Staff requests \$7,200 from the APIA grant to pay the Instructor for the Senior Exercise Class held twice a week at the Senior Center.

**ALTERNATIVES:** Council may choose to accept the funding and continue the program; or not accept the funding and continue the class with expenses covered by the general fund; or not accept the funding and cancel the program.

**FINANCIAL IMPLICATIONS:** None

**LEGAL:** None

**STAFF RECOMMENDATION:** Staff recommends approval of Ordinance 2019-09.

**PROPOSED MOTION:** I move to adopt Ordinance 2019-09 and schedule it for second reading and public hearing on September 10, 2019.

**CITY MANAGER COMMENTS:** I support staff's recommendation.

**ATTACHMENTS:** None

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Roger Blakeley, Director, Department of Parks, Culture and Recreation  
Karen Kresh, City Librarian  
Through: Erin Reinders, City Manager  
Date: August 27, 2019  
Re: Ordinance 2019-09, creating FY20 Budget Amendment #1, for the Library Building Improvement Project to accept \$8,500 funding for artwork from Friends of the Unalaska Public Library

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**SUMMARY:** This Budget Amendment request will add \$8,500 to the Library Building Improvement Project budget for artwork. These funds will be donated to the City of Unalaska by Friends of the Unalaska Public Library.

**PREVIOUS COUNCIL ACTION:** City Council approved Ordinance 2019-07 on May 28, 2019, adopting the FY20 Capital and Operating Budget, allocating \$5 million for the Library Building Improvement Project.

**BACKGROUND:** On recommendation from the Library Advisory Committee with support from City Council, the Project Team allocated 1% of project construction funds, or \$45,000, for public art that will be part of the expanded and renovated library building. More than just art to hang on the walls, these pieces will be part of the building design and will be installed during construction.

An Art Committee was formed as a subcommittee of the Library Advisory Committee, with representation from Aleutian Arts Council, and on August 6, 2019, this group selected artists whose work will be included in the Library Building Project, within the \$45,000 budget mentioned above. In addition to the Project Budget, the Committee asked Friends of the Library to consider funding one artist whose work, including installation materials and labor, will be \$8,500. Friends of the Library met on August 14, 2019, and they agreed to donate these funds.

Friends of the Unalaska Public Library is registered as a Non-Profit Corporation with the State of Alaska. They operate the book sale at the Unalaska Public Library, and their purpose is to support the Unalaska Public Library with volunteer labor, promote monetary gifts from members and the public, which support library services. In the past, they have primarily provided funding for library programs such as the Summer Reading Program.

**DISCUSSION:** Staff requested \$8,500 from Friends of the Unalaska Public Library to pay the artist and contractor to purchase and install artwork during construction of the Library Building Improvement Project in FY20. The artist who will be funded by Friends of the Library is Valisa Higman, and she will create cut paper art featuring an Alaskan spin on classic fairy tales, which will be built in to the expanded and improved Children's Room as part of this capital project.

**ALTERNATIVES:** Council may choose to accept the funding and add this artwork to the project; or not accept the funding and continue the project with this artwork covered by the general fund; or not accept the funding and ask the Art Committee to reconsider artist proposals with only the project budget of \$45,000 from the General Fund.

**FINANCIAL IMPLICATIONS:** None

**LEGAL:** None

**STAFF RECOMMENDATION:** Staff recommends approval of this budget amendment request, accepting \$8,500, which will provide additional artwork in the Children's Room of the Library Building Improvement Project at no cost to the City.

**PROPOSED MOTION:** I move to adopt Ordinance 2019-09 and schedule it for second reading and public hearing on September 10, 2019.

**CITY MANAGER COMMENTS:** I recommend Council approve Ordinance 2019-09.

**ATTACHMENTS:** None

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Dan Winters, Director Department of Public Utilities  
Through: Erin Reinders, City Manager  
Date: August 27, 2019  
Re: Ordinance 2019-09, creating FY20 Budget Amendment #1, funding Phases III and IV of the Pyramid Water Treatment Plant Inline Micro Turbines Project in the amount of \$2,052,284

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**SUMMARY:** This Budget Amendment Request seeks Council's approval to fast track the transfer of \$2,052,284 in Water Proprietary Fund Revenue into MUNIS Project WA17C, the Pyramid Water Treatment Plant Inline Micro Turbines Project, in order to fund Phase III – Design, Permitting and Construction and Phase IV – Installation and Commissioning, originally scheduled for funding per the FY20-24 CMMP for FY2021.

**PREVIOUS COUNCIL ACTION:** Council awarded the Pyramid Water Treatment Plant design and construction in 2010-2014, which included reserved space in the new Plant for this Project. Council provided \$50,000 in Water Proprietary Revenue to create the Project via the FY2017 CMMP Ordinance 2016-12, adopted on May 24, 2016. Council approved the award of the Phase II Scoping, 15% Design and Equipment Manufacturer Selection Contract to Rentricity, Inc. via Resolution 2019-12 on March 12, 2019.

**BACKGROUND:** The end result of this project will be two Inline Hydroelectric Micro Turbines installed within the Pyramid Water Treatment Plant process piping to provide the necessary reduction in water pressure as the resource leaves the Plant while using the excess water pressure to produce electricity for Plant use. Staff let a Request for Qualifications to perform the Phase II work of Scoping, 15% Design and Equipment Manufacturer Selection. These services, awarded to Rentricity, Inc., utilized the entire \$50,000 allotted to the project via the FY2017 Capital Budget. No funds were approved for Phase III – Design, Permitting and Construction or Phase IV – Installation and Commissioning for FY2018 or FY2019, and the FY2020-2024 CMMP projected \$2,052,284 in funding for Phases III and IV would be needed in FY2021.

**DISCUSSION:** Rentricity, working with long-time City of Unalaska consulting engineering firms Boreal Controls, Inc. and Electric Power Systems, Inc. as subcontractors, produced drawings to a schematics level, worked with Staff to select an equipment manufacturer and estimated both costs and permitting requirements. There is no funding available to move the project forward to Phase III - full design and bidding documents preparation and construction, or Phase IV - installation and commissioning of the turbines. If we wait until FY21 to continue the effort, we will lose valuable momentum and may have to revisit the manufacturer selection and portions of the permitting evaluation.

Council agreed to the idea of pursuing projects with payback and this project very much meets that goal. The Rentricity team anticipates a 2.5 year payback and a 15-fold investment return over the life of the turbines. Delaying the next phases of the project is not in the best interests of the City if we truly want to move towards cost savings and return on investment as well as renewable energy solutions. Staff is requesting monetary funds in the amount of \$2,052,284, be

made available now, from the Water Proprietary Fund, for furtherance of the goal of producing electricity within the Pyramid Water Treatment Plant for in-house use.

**ALTERNATIVES:** Council could choose to wait to fund Phase III and IV of the project as the current CMMP allows or for funding only Phase III at this time.

**FINANCIAL IMPLICATIONS:** In the FY2021 CMMP, Staff requested \$1,588,975 for this project. This monetary amount was a predesign estimate and derived through an educated guess. The Proposed revised budget and request for the project is set forth below:

PYRAMID WATER TREATMENT PLANT INLINE MICROTURBINES PROJECT - MUNIS PROJECT WA17C - DPW PROJECT 17401						
ACCOUNT NUMBER	DESCRIPTION	ORIGINAL BUDGET	EXPENSED & ENCUMBERED	AVAILABLE BUDGET	THIS REQUEST	PROPOSED REVISED BUDGET
5112-5553-53240 WA17	Engineering and Architect	\$ 50,000	\$ 50,000	\$	\$ 250,700	\$ 300,700
5112-5553-53300 WA17	Other Professional Service	\$	\$	\$	\$ 218,000	\$ 218,000
5112-5553-54500 WA17	Construction Services	\$	\$	\$	\$ 820,213	\$ 820,213
5112-5553-55310 WA17	Telephone / Fax / TV	\$	\$	\$	\$ 500	\$ 500
5112-5553-55901 WA17	Advertising	\$	\$	\$	\$ 500	\$ 500
5112-5553-55912 WA17	Contingency	\$	\$	\$	\$ 153,771	\$ 153,771
5112-5553-57400 WA17	Machinery & Equipment	\$	\$	\$	\$ 558,600	\$ 558,600
	TOTALS:	\$ 50,000	\$ 50,000	\$	\$ 2,002,284	\$ 2,052,284

**LEGAL:** Not Applicable

**STAFF RECOMMENDATION:** Staff recommends Council adopt Ordinance 2019-09 to fund Phases III and IV of the Project to keep moving forward toward the goals of renewable energy sources and increased return on investment.

**PROPOSED MOTION:** I move to adopt Ordinance 2019-09 and schedule it for second reading and public hearing on September 10, 2019.

**CITY MANAGER COMMENTS:** I recommend Council approve Ordinance 2019-09.

**ATTACHMENTS:** None