

FINANCE COMMITTEE WORKSESSION AGENDA

November 5, 2015

5:30 p.m.

Mona Lisa Drexler Assembly Chambers
Fairbanks North Star Borough Juanita Helms Administration Center
809 Pioneer Road
Fairbanks, Alaska

1. MEMORANDA/REPORTS/PRESENTATIONS

NONE

2. CONTRACTS/BID AWARDS

NONE

3. ADVANCED ORDINANCES AND RESOLUTIONS

- a. ORDINANCE NO. 2015-65. An Ordinance Amending FNSBC 3.01.200.C Regarding The Annual Audit Committee.
(Sponsors: Assemblymembers Hutchison and Dodge) **(Page 3)**
- b. ORDINANCE NO. 2015-20-1U. An Ordinance Amending The FY 2015-16 Budget By Appropriating \$139,909 In Federal Pass-Through Grant Funding To The Special Revenue And/Or Capital Projects Funds For The Acquisition Of Emergency Response Equipment, For Community Emergency Response Team Training Activities For Volunteers In Policing (Citizen Corps), And For 2016 Alaska Shield Exercise Travel.
(Sponsor: Mayor Hopkins) **(Page 11)**
- c. ORDINANCE NO. 2014-20-2L. An Ordinance Amending The FY 2014-15 Budget By Appropriating \$219,830 From The General Fund Fund Balance To The Carlson Community Activity Center Enterprise Operating Fund To Cover Unanticipated Costs In Excess Of Those Budgeted.
(Sponsor: Mayor Hopkins) **(Page 18)**

ADVANCED ORDINANCES AND RESOLUTIONS – continued

- d. RESOLUTION NO. 2015-29. A Resolution Identifying And Supporting Legislative Priorities. (Sponsor: Assembly Capital Projects Committee)
(Page 23)

4. OTHER COMMITTEE BUSINESS/DISCUSSION ITEMS

- a. Monthly Budget Reports
- b. General Fund Updated Fund Balance Report

5. ASSEMBLY/MAYOR COMMENTS

6. ADJOURNMENT

By: Diane Hutchison
Kathryn Dodge
Introduced: October 22, 2015

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2015 - 65

AN ORDINANCE AMENDING FNSBC 3.01.200.C REGARDING THE ANNUAL AUDIT COMMITTEE

WHEREAS, The borough's audit committee includes a member of the board of education; and

WHEREAS, The Interior Gas Utility which, like the school district is a component unit of the borough, should similarly have a representative on the audit committee; and

WHEREAS, Although financial officers and managers often provide valuable information to the audit committee, as part of management, they should not serve on the audit committee, which should represent governance, but should be invited to audit committee meetings as deemed necessary; and

WHEREAS, Statement on Auditing Standards (SAS) No. 114 suggests that a good governance principle is for the audit committee to meet with the external auditor without management present, at least annually.

NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough:

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED, CAPITALIZED]

32 Section 1. This ordinance is of a general and permanent nature and shall
33 be codified.

34
35 Section 2. FNSBC 3.01.200 C. regarding the audit committee, is hereby
36 amended as follows:

37
38 C. An audit committee of the *borough* is created consisting of two assemblypersons,
39 the mayor or the mayor's designee, one member of the board of education, one
40 member of the Interior Gas Utility board, and one member of the public with an
41 accounting or financial background, recommended by the audit committee and
42 approved by the assembly. The presiding officer of the assembly, the chair of the
43 Interior Gas Utility, and the president of the board of education shall appoint the
44 member(s) from their respective bodies. [THE *BOROUGH* CHIEF FINANCIAL
45 OFFICER AND THE SUPERINTENDENT OF SCHOOLS OR THEIR DESIGNEE
46 SHALL BE EX OFFICIO MEMBERS OF THE COMMITTEE, SERVING WITHOUT
47 VOTE.]

48 1. The audit committee shall be afforded the opportunity to review and make
49 meaningful input into the procurement documents prepared to select the external audit
50 firm. Such input shall be accepted unless the chief procurement officer determines that
51 it is inconsistent with FNSBC Title 16 or standard procurement practices. The audit
52 committee shall also appoint a majority of any selection committee used in the
53 procurement process. In addition, the audit committee shall be afforded the opportunity,
54 to the extent consistent with FNSBC Title 16 and any contractual *obligations*, to
55 determine whether the contract should be modified, terminated or extended.

56 2. The audit committee shall meet at the call of the chair, including, [AT] a
57 minimum of three times annually with the external auditor. [THIS] The external auditor
58 meetings shall include a meeting once early in the audit process to discuss the audit
59 plan [WITH THE AUDITORS], once in the middle of the audit process to discuss audit

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60 progress and once at the conclusion of the audit to receive the final reports. At least
61 one of the meetings with the external auditors shall follow SAS 114 guidance for good
62 governance and be held without financial management staff present.

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64 Section 3. Effective Date. This ordinance shall be effective at 5:00 p.m.
65 of the first Borough business day following its adoption.

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67 PASSED AND APPROVED THIS _____ DAY OF _____, 2015.

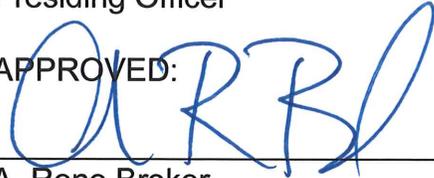
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ATTEST:

Nanci Ashford-Bingham, MMC
Borough Clerk

Karl Kassel
Presiding Officer

APPROVED:



A. Rene Broker
Borough Attorney

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be *added* is underlined
Text to be *deleted* is [BRACKETED, CAPITALIZED]

Communication With the Audit Committee or Other Subgroup of Those Charged With Governance

.17 Audit committees (or similar subgroups with different names) exist in many entities. Although their specific authority and functions may differ, communication with the audit committee, where one exists, is a key element in the auditor's communication with those charged with governance. Good governance principles suggest that:

- The auditor has access to the audit committee as necessary.
- The chair of the audit committee and, when relevant, the other members of the audit committee, meet with the auditor periodically.
- The audit committee meets with the auditor without management present at least annually.

.18 The auditor should evaluate whether communication with a subgroup of those charged with governance, such as the audit committee or an individual, adequately fulfills the auditor's responsibility to communicate with those charged with governance. When considering communicating with a subgroup of those charged with governance, the auditor may take into account such matters as:

- The respective responsibilities of the subgroup and the governing body.
- The nature of the matter to be communicated.
- Relevant legal or regulatory requirements.
- Whether the subgroup (a) has the authority to take action in relation to the information communicated and (b) can provide further information and explanations the auditor may need.
- Whether the auditor is aware of potential conflicts of interest between the subgroup and other members of the governing body.
- Whether there is also a need to communicate the information, in full or in summary form, to the governing body. This decision may be influenced by the auditor's assessment of how effectively and appropriately the subgroup communicates relevant information with the governing body. The auditor retains the right to communicate with the governing body, a fact the auditor may make explicit in the terms of the engagement.

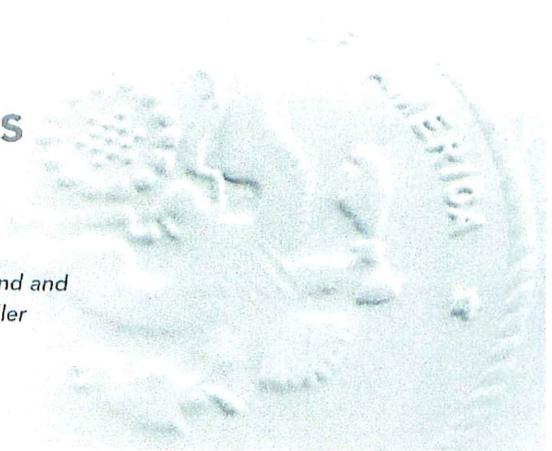
Communication With Management

.19 Many matters may be discussed with management in the ordinary course of an audit, including matters to be communicated with those charged with governance in accordance with this section. Such discussions recognize management's executive responsibility for the conduct of the entity's operations and, in particular, management's responsibility for the financial statements.

.20 Before communicating matters with those charged with governance, the auditor may discuss them with management unless that is inappropriate. For example, it may not be appropriate to discuss with management questions of management's competence or integrity. In addition to recognizing management's responsibility, these initial discussions may clarify facts and issues, and give management an opportunity to provide further information and explanations. Similarly, when the entity has an internal audit function, the auditor may discuss matters with the internal auditor before communicating with those charged with governance.

Benefits of Audit Committees and Audit Committee Charters for Government Entities

By: Kenneth Shulman, Director of Internal Audit-New York State Insurance Fund and Tina Kim, Deputy Comptroller of Audit-Office of the New York City Comptroller



The audit committee of a government unit plays a very important role. An audit committee established by a governmental unit offers the same strategic benefits that an audit committee offers to a publically traded company. Like a publically traded company that is accountable to its stockholders, a government unit is accountable to the taxpayers and the individuals and companies that use its services. At no time in recent memory is the need for an effective audit committee in government more important than now. With looming budget shortfalls, program cuts and employee layoffs, government units are wrestling with maintaining services with fewer resources. Government officials need to diligently assess the need for expenditures and ensure that revenues are received timely and managed correctly. There is simply no room for inefficiency or waste when these government units are faced with making difficult decisions about program cuts.

An audit committee offers an independent view of the government unit. It is not constrained by day-to-day concerns that unit managers are faced with. Rather, it is responsible for keeping the government unit focusing on identifying and mitigating risks, ensuring accountability and compliance, and establishing a governance structure. In this role, the audit committee is responsible for hiring the internal

and external auditors and overseeing the government unit's overall control environment, governance and management processes. Government unit managers are responsible for their subordinates, while the audit committee is responsible for the managers.

The audit committee should be made up of members that have a level of financial and programmatic knowledge to read and understand audit reports and comprehend the associated risks identified. Generally, the audit committee should contain between three and six members and should meet frequently enough to perform its oversight functions. Many organizations have established a minimum of four meetings per year. Additionally, the audit committee should have the authority to meet privately with the organization's external and internal auditors.

Assessing and Managing Risks

One of the audit committee's main missions is to assess risks within the government unit. In meeting this responsibility, many audit committees are asking government managers to develop an enterprise risk management (ERM) plan. An ERM helps government units identify major risks that could affect their operations. Then government managers can prepare an action plan to mitigate those risks. The ERM plan helps the audit committee

ensure that managers are focusing on the right risks with the appropriate level of emphasis. While COSO discussed the benefits of ERM for many years, many times government managers were reluctant to take the time and to incur the cost to develop an ERM plan. However, now the audit committee may be the driving force to ensure that the government unit managers are identifying and addressing the most significant risks.

Ensuring Accountability and Compliance

The audit committee generally is responsible for hiring the governmental unit's external auditor, if an external audit is required. This relationship helps ensure independence between the external auditor and management. The external auditor directly updates the audit committee on the financial condition of the government unit and provides the recommendations for improving internal controls. This relationship helps to ensure that the audit committee is aware of the weaknesses and can work with management and hold management accountable for implementing recommendations to strengthen controls and procedures. The audit committee is also functionally responsible for the work of the government unit's internal auditor. Many internal auditors review different operational or programmatic areas than external auditors, so as not to duplicate each other's work. For example, internal auditors have a responsibility to audit governance, control and risk areas in the agency.

Generally, the external auditor's work includes the areas primarily focused on financial reporting (including information technology issues). Internal auditors typically report functionally to a member of management who is not responsible for the day-to-day operations. An internal auditor that reports to an audit committee fulfills this reporting requirement. This relationship affords the internal auditor the independence necessary to ensure that the audit work is reported to the appropriate organizational level and to help ensure that recommendations for improvement are acted upon by management.

Enhancing Governance

The audit committee is responsible for setting the governance structure to ensure the governmental unit adequately informs, directs, manages and monitors the organization's achievement of its objectives. Governance includes ensuring the organization maintains ethical values, quality and accountability. The audit committee should ensure that these governance issues are built in to policy and practice within the government unit. The external and internal auditors should report on these issues so the audit committee is apprised of the organization's compliance. At times, these governance issues can have a more serious impact than financial weaknesses because they have the ability to damage the organization's credibility and reputation. The fallout may be draconian compared to the actual weakness.

As boards and councils of governmental entities focus on the services they provide to their citizenry and the business of running the government, establishing an audit committee in those governments can provide a much needed focus on fiscal accountability, from effective internal controls and fraud prevention to the preparation of financial statements and compliance with laws and regulations over the use of public monies.

Randy Roberts, Director of Professional Practice-Arizona Office of the State Auditor

Audit Committee Charter

The creation of an audit committee is a best practice that will help a governing body and its officials improve public accountability and governance. One of the first steps in establishing an audit committee should be the creation of a formal, written charter. An audit committee charter defines the authority, structure, responsibilities, and membership requirement (skills and level of fiscal experience) of the audit committee; and is an effective tool for managing an audit committee's activities. Because government organizations have their own laws and regulations to consider, the audit committee charter should be based on each government's requirements and tailored to each committee's needs. However, at a minimum the charter should state:

- The purpose of the audit committee and include details relating to its composition including number of committee members, their qualifications and the length of terms as well as how new members are appointed. It should also include the frequency of meetings, the topics to be discussed, and the nature and frequency of the committee's

communication with the organization's senior managers, as well as its internal and external auditors.

- The responsibilities, powers and authority of the audit committee independent of the organization's senior management related to the external audit function, the internal audit function, internal controls, ethics and compliance, risk management procedures, financial statements and reporting.

The audit committee should itself periodically review its charter, in order to assess its continued adequacy and completeness and make any recommendations for change to the full board or governing body of the public sector entity. In performing this review the committee should consider any new legal or regulatory changes as well as best practices. Reviews should be typically performed annually; however, frequency can vary depending on the complexity, size and type of organization. In addition, Government organizations should also consider having their audit committee members periodically conduct a self-evaluation to review and improve their effectiveness.

Establishing an audit committee helps to reduce risk to citizens and elected officials and ensures oversight of a government entity's financial, compliance, and operations responsibilities and effect change in practices and internal control, when necessary. When the audit committee properly oversees management's actions on financial reporting, compliance, and operations, the goal of transparency is also achieved. If effectively designed, the audit committee can be a strategic partner in conducting quality audits, and improving government operations.

Marcia Buchanan, Assistant Director, Government Auditing Standards-Government
Accountability Office

Author's Bios

Kenneth Shulman, CPA has been working in government auditing for more than 30 years. For over 2 years, he is the Director of Internal Audits for the New York State Insurance Fund (NYSIF), the largest single insurer for Workers' Compensation in New York State. In his role at the NYSIF, he reports functionally to the Budget and Audit Committee. Before working at NYSIF, he worked at the New York State Comptroller's Office managing post audits of various State agency functions.

Tina Kim, CPA is the Deputy Comptroller for Audit in the Office of Comptroller for the City of New York. Prior to that Tina was the New York State Department of Transportation's Director of the Audit and Civil Rights Division which is responsible for the Department's compliance and assurance functions. She also serves as the leader of the New York State Economic Recovery and Reinvestment Cabinet's Internal Control and Fraud Prevention Working Group and is a member of the New York State's Office of Taxpayer Accountability's Internal Audit subgroup. Prior to joining the Department she was the Deputy Inspector General for Audit with the Office of the State Inspector General. Her career also includes significant experience with the Office of the State Comptroller as well as private industry. Tina is a member of the AICPA Government Performance and Accountability Committee and IIA's public Sector Committee.

For More Information

AICPA's Audit Committee Effectiveness Center: <http://www.aicpa.org/ForThePublic/AuditCommitteeEffectiveness/Pages/ACEC.aspx>

The AICPA Audit Committee Toolkit: Government Organizations http://www.cpa2biz.com/AST/Main/CPA2BIZ_Primary/FinancialManagement/Management/AuditCommittee/PRDOVR~PC-991005/PC-991005.jsp

A New Vision for Public Sector Audit Committees: http://www.gfoa.org/downloads/AuditCommitteesGFR_apr07.pdf

Members in Government Guide to Understanding Internal Control and Internal Control http://www.aicpa.org/InterestAreas/BusinessIndustryAndGovernment/Resources/GovernmentResourceCenter/DownloadableDocuments/FINAL_Understanding_Internal_Control_Services_government.pdf

Sample Audit Committee Charter: <http://www.theiia.org/guidance/standards-and-guidance/audit-committees-board-of-directors/sample-audit-committee-charter-1/?search=Audit>

AICPA National Audit Committee Forum: This conference covers everything an audit committee oversees, such as financial reporting, the external audit plan, risk management, and more. www.cpa2biz.com

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MEMORANDUM

TO: Fairbanks North Star Borough Assembly

THROUGH: Luke T. Hopkins, Borough Mayor *LT Hopkins*

THROUGH: David Gibbs, Emergency Operations Director *D Gibbs*

FROM: Julie Conover, Emergency Management Technician *J Conover*

DATE: October 22, 2015

SUBJECT: Ordinance 2015-20- 1U
Appropriating the 2015 State Homeland Security Grant Award

Attached for your approval is a proposed budget ordinance appropriating \$139,909.00 in 2015 State Homeland Security Grant Program (SHSGP) funding to the Special Revenue and/or Capital Projects funds for acquisition of hazardous materials response equipment and to provide Community Emergency Response Team (CERT) training for members of Volunteers in Policing and other disaster response volunteers.

The Emergency Operations Department applied for and received grant funding for the following projects:

1. HazMat Equipment Replacement. (\$94,500.00)

Project will replace the Self-Contained Breathing Apparatus (SCBA) currently in use by the FNSB Hazardous Materials Response Team (FHMRT). Changes to the National Fire Protection Association (NFPA) 1981 Standard on Self-Contained Breathing Apparatus will go into effect during 2017. The SCBAs currently used by the FHMRT will not meet the new standard and cannot be upgraded to meet the requirements of the standard. This funding permits the FHMRT to continue to respond to incidents requiring respiratory protection.

2. Volunteers in Policing (VIPS) Citizen Corps Training. (\$35,000.00)

Project will fund the training for members of VIP to include CERT basic and supplemental training, traffic control, ICS, security operations, animal sheltering, Red Cross shelter training, emergency preparedness, moulage and other classes. Volunteers will be available during any disaster or other event, as needed.

3. Rapid Response Medical Kits. (\$5,200.00)

Project will place rapid response medical kits on all FNSB ambulances. These kits will be utilized by trained medics normally in conjunction with law enforcement "high risk" situations. Kits contain specialized equipment for trauma patients not standard on area ambulances and the make-up of the kits allows for medics to carry all equipment on their person and have both hands free to administer patient care. Medics utilizing these kits will receive 'expanded scope' training.

4. Alaska Shield 2016 Exercise. (\$5,209.00)

Travel costs for personnel to attend Mid Planning and Final Planning meetings, and the After Action Response. Also includes travel for Exercise Evaluator.

I urge your adoption of this ordinance.

DG/jc

By: Luke T. Hopkins, Mayor
Introduced: 10/22/2015

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2015-20- 1U

AN ORDINANCE AMENDING THE FY 2015-16 BUDGET BY APPROPRIATING \$139,909 IN FEDERAL PASS-THROUGH GRANT FUNDING TO THE SPECIAL REVENUE AND/OR CAPITAL PROJECTS FUNDS FOR THE ACQUISITION OF EMERGENCY RESPONSE EQUIPMENT, FOR COMMUNITY EMERGENCY RESPONSE TEAM TRAINING ACTIVITIES FOR VOLUNTEERS IN POLICING (CITIZEN CORPS), AND FOR 2016 ALASKA SHIELD EXERCISE TRAVEL

WHEREAS, the State of Alaska, Department of Military and Veterans Affairs, through the Division of Homeland Security and Emergency Management (ADHS&EM) has passed through \$139,909 in U.S. Department of Homeland Security (USDHS) funding to the Fairbanks North Star Borough (Borough) for the 2015 State Homeland Security Grant Program (2015 SHSGP); and

WHEREAS, funding for this program is intended to enhance the ability of states, territories, and urban areas to prepare for, prevent, and respond to terrorist attacks and all-hazard events; and

WHEREAS, the Borough has identified the need to purchase emergency response equipment, to provide Community Emergency Response Team (CERT) training for members of Volunteers in Policing (VIP) and other disaster response volunteers, and fund participant travel for the 2016 Alaska Shield Exercise planning;

NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough:

Section 1. Classification. This ordinance is not of a general and permanent nature and shall not be codified.

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED & CAPITALIZED]

36 Section 2. Acceptance of a Federal Pass-Through Grant Funding. The
37 Borough formally accepts \$139,909 in federal grant funding from USDHS, passed through
38 ADHS&EM, for the 2015 SHSGP.

39
40 Section 3. Special Revenue and/or Capital Projects Funds Appropriation.
41 The FY 2015-16 budget is hereby amended by appropriating \$139,909 to the Special
42 Revenue and/or Capital Projects Funds budgetary guideline entitled “2015 State Homeland
43 Security Grant” and by increasing estimated revenue from federal pass-through grants by a
44 like amount.

45
46 Section 4. Eligible Expenditure Period. Expenditures incurred within the
47 effective dates of the signed grant agreement are eligible for reimbursement.

48
49 Section 5. Administrative Fee. The administrative fee for the 2015 State
50 Homeland Security Grant is waived in accordance with the grant agreement.

51
52 Section 6. Contingency. This appropriation is contingent upon the receipt
53 of a signed grant agreement with ADHS&EM. This appropriation is for an estimated
54 amount. The actual amount will be appropriated contingent and based upon the signed
55 agreement, unless materially different, as determined by the Chief Financial Officer.

56
57 Section 7. Effective Date. This ordinance shall be effective at 5:00 p.m.
58 on the first Borough business day following its adoption.

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
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59 PASSED AND APPROVED THIS _____ DAY OF _____, 2015.

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ATTEST:

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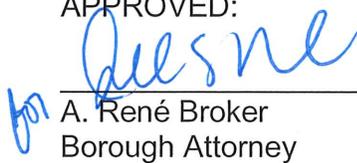
Nanci Ashford-Bingham, MMC

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Borough Clerk

Karl Kassel
Presiding Officer

APPROVED:



A. René Broker
Borough Attorney

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
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FAIRBANKS NORTH STAR BOROUGH
FISCAL NOTE

I. Request

Ordinance No: 2015-20- 1U Date Introduced: October 22, 2015

Abbreviated Title: \$139,909 for Acquisition of Emergency Response and Hazmat Equipment, and Community
Emergency Response Team (CERT) Training for Volunteers in Policing (Citizen Corps), and
for 2016 Alaska Shield Exercise Travel

II. Financial Detail

Department/Division Affected: Emergency Operations/Emergency Management

EXPENDITURE

	Special Revenue and/or Capital Projects Fund		Total
	General Fund	Projects Fund	
	FY 15/16	FY 15/16	FY 15/16
Personnel Services			
Contractual Services			
Indirect			
Other - Awaiting Budget		139,909	
Total		139,909	

SOURCE OF FUNDING

General Fund			
Federal Pass-Through Funds		139,909	
Total		139,909	

Specify Funding Sources: United States Department of Homeland Security (USDHS); State of Alaska
Department of Military and Veterans Affairs, Division of Homeland Security and
Emergency Management (ADHS&EM)

OTHER FUNDING (PREVIOUSLY APPROPRIATED)

Cash Match:			
In-Kind Match:			

III. Project Purpose:

To purchase emergency response and HAZMAT equipment, and for community emergency response (CERT) team training activities for the volunteers in policing (Citizen Corps), and for 2016 Alaska Shield Exercise travel

IV. Analysis of Future Liabilities and Funding Sources:

On-going maintenance and repair of emergency response and HAZMAT equipment

V. Fund Certification: I certify that funding sources are available as detailed in II above.

Debra L. R. Brady

Debra L. R. Brady
Chief Financial Officer

9/25/15
Date

<i>[Signature]</i>	FA	SA
<i>[Signature]</i>	GLA	GA
<i>[Signature]</i>	CA	SpA
<i>[Signature]</i>	C	TBM

Fairbanks North Star Borough
Fiscal Impact Statement (FIS) (FNSBC 2.09.035 C.)

Check	Date
Version 1	9/3/2015
Version 2	
Version 3	
Version 4	

Originator's Name: David Gibbs **Department:** Emergency Operations
To Be Introduced/Sponsored By: Mayor Hopkins
Abbreviated Ordinance Title: Appropriating \$139,909.00 - 2015 Homeland Security Grant
Department(s)/Division(s) Affected: Emergency Operations
Proposed Introduction Date: October 22, 2015 **Ordinance No.:** 2015-20- 1U

Does this ordinance authorize:

- 1) a new or expansion of services which entails additional costs beyond that approved in the current adopted budget? Yes ___ No *
- 2) a project that is capital in nature and increases operational costs of the Borough in the current or any future fiscal year? Yes ___ No *

Required Information/Estimates	FISCAL IMPACT PRO FORMA SUMMARY - BEST ESTIMATE				
	Remainder of Current FY	1st Full FY of Operations	2nd Full FY of Operations	3rd Full FY of Operations	4th Full FY of Operations
	FY 2015 / 16	FY 20__ / __			
1. Timeline inclusive of all phases					
2. Number and type of new positions which may be required	N/A	N/A	N/A	N/A	N/A
3. Cost of operations and maintenance					
4. Future costs to complete capital assets					
5. Estimated revenue impact	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Estimated non-Borough funds that may be received:					
a. to fund the ordinance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
b. to fund future phases	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
c. to fund future operations and maintenance costs					
7. Anticipated annual tax subsidy					

Is backup attached? Yes ___ No

Contact Person's Name, for FIS questions: David Gibbs, Director **Extension:** 1221

Director(s) Signature(s): *David Gibbs* **Date:** 9/3/2015

Mayor's Office or Assembly Member Signature: *Samie Steuek fms* **Date:** 9/8/15

Chief Financial Officer Signature: *Debra L. R. Brady* **Date:** 9/25/15



Fairbanks North Star Borough

Parks and Recreation

1920 Lathrop Street PO Box 71267 Fairbanks, Alaska 99707-1267 (907)459-1070 FAX 459-1072

MEMORANDUM

To: Fairbanks North Star Borough Assembly

Through: Luke Hopkins, Borough Mayor

From: Mike Bork, Director, Parks and Recreation

Date: October 22, 2015

Subject: **Ordinance No. 2014-20- 2L**

AN ORDINANCE AMENDING THE FY 2014-15 BUDGET BY APPROPRIATING \$219,830 FROM THE GENERAL FUND FUND BALANCE TO THE CARLSON COMMUNITY ACTIVITY CENTER ENTERPRISE OPERATING FUND TO COVER UNANTICIPATED COSTS IN EXCESS OF THOSE BUDGETED

Attached for your approval is an ordinance to cover \$219,830 of unanticipated FY15 costs at the Carlson Community Activity Center that were in excess of those budgeted for facilities maintenance, interim audit, and a natural gas billing miscalculation.

I request your consideration of and urge your approval on this ordinance.

Attachment: Ordinance

By: Luke Hopkins, Mayor
Introduced: 10/22/2015

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2014-20- 2L

AN ORDINANCE AMENDING THE FY 2014-15 BUDGET BY APPROPRIATING \$219,830 FROM THE GENERAL FUND FUND BALANCE TO THE CARLSON COMMUNITY ACTIVITY CENTER ENTERPRISE OPERATING FUND TO COVER UNANTICIPATED COSTS IN EXCESS OF THOSE BUDGETED

WHEREAS, in FY 2014-15, the Carlson Center had unanticipated costs in excess of those budgeted; and

WHEREAS, facilities maintenance costs were higher than budgeted, by \$170,733, due to unexpected repairs to the emergency generator transfer switch, the roof, and the large pumps for the boiler; and

WHEREAS, interim FY15 audit costs of \$7,877 were not included in the budget; and

WHEREAS, in early 2015, Fairbanks Natural Gas discovered a malfunction on the meter going back to the initial installation early in FY 2013-14, which caused a billing miscalculation of \$127,415, of which \$41,220 remains to be covered; and

WHEREAS, the \$219,830 shortfall needs to be covered for the FY 2014-15 budget year;

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
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Text to be *deleted* is [BRACKETED & CAPITALIZED]

33 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
34 North Star Borough:

35
36 Section 1. Classification. This ordinance is not of a general and
37 permanent nature and shall not be codified.

38
39 Section 2. General Fund Appropriation. The FY 2014-15 budget is
40 hereby amended by appropriating \$219,830 to the General Fund budgetary guideline
41 entitled "Contribution to Carlson Center Enterprise Fund" and by increasing Contribution
42 from Fund Balance by a like amount.

43
44 Section 3. Carlson Center Enterprise Operating Fund Appropriation.
45 The FY 2015-16 budget is hereby amended by appropriating \$219,830 to the Carlson
46 Center Enterprise Operating Fund budgetary guideline entitled "Department of Parks
47 and Recreation" and by increasing Contribution from General Fund by a like amount.

48
49 Section 4. Effective Date. This ordinance shall be effective at 5:00
50 P.M. on the first Borough business day following its adoption.

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53 PASSED AND APPROVED THIS _____ DAY OF _____, 2015.

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58 Karl W. Kassel
59 Presiding Officer

60 ATTEST:
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62 _____
63 Nanci Ashford-Bingham, MMC
64 Borough Clerk

APPROVED:


A. René Broker
Borough Attorney

FAIRBANKS NORTH STAR BOROUGH
FISCAL NOTE

I. Request

Ordinance No: 2014-20- 2L Date Introduced: 10/22/2015

Abbreviated Title: \$219,830 from the General Fund to the Carlson Center Enterprise Operating Fund to Cover Unanticipated Costs in Excess of Those Budgeted

II. Financial Detail

Department/Division Affected: Parks & Recreation/Carlson Center

EXPENDITURE	Carlson Center Enterprise Operating Fund			
	General Fund	General Fund	FY 14/15	FY 14/15
Personnel Services				
Contractual Services		219,830		
Capital Outlay				
Indirect				
Contribution to Carlson Center Enterprise Fund	219,830			
Total	219,830	219,830		

SOURCE OF FUNDING

Contribution from Fund Balance	219,830			
Federal Grants				
Contribution from General Fund		219,830		
Total	219,830	219,820		

Specify Funding Sources: General Fund fund balance

OTHER FUNDING (PREVIOUSLY APPROPRIATED)

Cash Match:				
In-Kind Match:				

III. Project Purpose:

To provide funding for unanticipated costs in excess of those budgeted in FY15

IV. Analysis of Future Liabilities and Funding Sources:

None

V. Fund Certification: I certify that funding sources are available as detailed in II above.

Debra L.R. Brady
Debra L.R. Brady
Chief Financial Officer

9/28/15
Date

FA	GLA
GA	CA
SpA	C
TBM	SA

Fairbanks North Star Borough
Fiscal Impact Statement (FIS) (FNSBC 2.09.035 C.)

Check	Date
Version 1	
Version 2	
Version 3	
Version 4	

Originator's Name: Mike Bork **Department:** Parks and Recreation

To Be Introduced/Sponsored By: Mayor Hopkins

Abbreviated Ordinance Title: Department of Parks and Recreation/ Carlson Center Energy Cost

Department(s)/Division(s) Affected: Parks & Recreation Department / Carlson Activity Center

Proposed Introduction Date: October 22, 2015 **Ordinance No.:** 2014-20-2L

Does this ordinance authorize:

- 1) a new or expansion of services which entails additional costs beyond that approved in the current adopted budget? Yes ___ No *
- 2) a project that is capital in nature and increases operational costs of the Borough in the current or any future fiscal year? Yes ___ No *

Required Information/Estimates	FISCAL IMPACT PRO FORMA SUMMARY - BEST ESTIMATE				
	Remainder of Current FY	1st Full FY of Operations	2nd Full FY of Operations	3rd Full FY of Operations	4th Full FY of Operations
	FY 20 ¹⁵ / 16	FY 20 ^{__} / ^{__}			
1. Timeline inclusive of all phases	2015				
2. Number and type of new positions which may be required	0				
3. Cost of operations and maintenance	\$0.00				
4. Future costs to complete capital assets	\$0.00				
5. Estimated revenue impact	\$0.00				
6. Estimated non-Borough funds that may be received:					
a. to fund the ordinance	① \$41,375.50				
b. to fund future phases	\$0.00				
c. to fund future operations and maintenance costs	\$ 0.00				
7. Anticipated annual tax subsidy	\$ 0.00				

Is backup attached? Yes ___ No ___

Contact Person's Name, for FIS questions: Mike Bork **Extension:** 1069

Director(s) Signature(s): [Signature] **Date:** 9/21/15

Mayor's Office or Assembly Member Signature: [Signature] **Date:** 9/21/15

Chief Financial Officer Signature: Debra L. R. Brady **Date:** 9/28/15

By: Assembly Capital
Projects Committee
Introduced: October 22, 2015

FAIRBANKS NORTH STAR BOROUGH

RESOLUTION NO. 2015-29

A RESOLUTION IDENTIFYING AND SUPPORTING LEGISLATIVE PRIORITIES

WHEREAS, the Fairbanks North Star Borough Assembly identifies and supports the following legislative priorities for 2016:

Programmatic Funding:

- Enhanced Home Heating Appliance Exchange Program
- Residential Heating Conversion Loan Program

Legislative:

- PERS Budget Pressures on Borough Taxpayers
- Amend the Public Records Act
- State Energy Revolving Loan Clarification
- Amend State Statute on Retainage Interest

Major Maintenance, Energy Efficiency Improvements & Capital Improvements (Prioritized):

1. Service Area Roads Capital Improvements
2. Ambulance Replacement
3. Borough Administrative Center Roof Replacement
4. North Star Fire Station #31 (old name #1) Improvements
5. Carlson Center Ice Plant Replacement
6. Tanana Lakes Swim Beach & Boat Launch Adequate Patron Parking Development
7. Carlson Center Direct Digital Controls (DDC)
8. Tanana Lakes Swim Beach Solar Shower Facility
9. Transit Maintenance Facility Renovation/Addition
10. Hamme, Wescott, and Mary Siah Insulated Pool Covers – Energy Efficiency Improvement

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School Facilities (Prioritized):

- 1. Barnette Magnet School Renovation Phase IV (Final)
- 2. West Valley High School Auditorium Sprinkler System Improvements

Community Priorities (Prioritized):

- 1. FMATS Local Match Funding
- 2. Richardson Highway Bicycle and Pedestrian Facility – North Pole to Salcha

NOW, THEREFORE, BE IT RESOLVED, that the Fairbanks North Star Borough Assembly supports these legislative priorities.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Alaska Interior Delegation, the Honorable Governor Bill Walker and the Alaska Congressional Delegation.

PASSED AND APPROVED THIS ____ DAY OF OCTOBER, 2015

Karl Kassel
Presiding Officer

ATTEST:

Nanci Ashford-Bingham, MMC
Borough Clerk

2016 FNSB Legislative Priorities and Capital Projects

Approved by Capital Projects Committee July 29, 2015

Programmatic Funding:

Enhanced Home Heating Appliance Exchange Program \$2,000,000

Additional state funds are needed for the voluntary enhanced home heating appliance exchange program to reduce PM2.5 emissions in the borough in an effort to improve air quality and comply with EPA regulations. These funds would assist homeowners exchange their existing heating appliances for more fuel efficient and cleaner burning devices.

Residential Heating Conversion Loan Program

Provide legislation that establishes a fund similar to an AHFC fund to provide zero or very low interest loans to residents to convert residential heating devices to natural gas. A review / inspection program similar to AHFC's energy rater program would ensure proper review and rating of device change out costs. This fund would operate similar to the Alaska Fisherman's Loan Program approval process.

Legislative:

PERS

Maintain established employer PERS contribution rate. Legislative action is necessary this session to address the escalating costs of the Public Employee Retirement System's unfunded liability and the consequential budget pressures on the local taxpayers of the Fairbanks North Star Borough and local governments in Alaska. Consideration and resolution of termination costs should also be addressed without increasing employer PERS contribution rate.

Amend the Public Records Act

Amend the public records act so that municipalities can limit requests (at their option) to state residents. The Supreme Court last year upheld Virginia's law that restricted public records to Virginia citizens. There are a lot of businesses out there that take advantage of public record laws paid for only by state residents.

State Energy Revolving Loan Clarification

Although revenue bonds do not require voter approval, energy savings are not revenue that can be pledged to payment of the debt. Instead, because the general fund money will still be used to pay any loan, the Borough legally (upon advice of the Borough Attorney and outside bond counsel) cannot participate in this program without voter approval. The Borough respectfully suggests changes in this program to allow greater participation such as changing it to a matching

grant or other similar program that would avoid municipalities having to incur debt.

Amend State Statute on Retainage Interest

The state statute on retainage interest needs to be amended to more closely reflect current interest rates to provide greater incentive for contractors to complete projects on time.

Major Maintenance, Energy Efficiency Improvements, and Capital Improvements

- 1 Service Area Roads Capital Improvements \$5,000,000**
Service area roads continue to need upgrades and improvements. This request continues funding for the area-wide road service capital improvement program to reduce local tax burden for borough residents to address transportation needs beyond the financial resources of road service areas.
- 2 Ambulance Replacement \$175,000**
These funds will replace the oldest ambulance in the Borough fleet. The Borough supports individual fire service area requests for replacement of fire equipment.
- 3 Borough Administrative Center Roof Replacement \$850,000**
The Borough Administrative Center was constructed in 1984 and has the original Inverted Roof Membrane Assembly (IRMA) roof. This roof has developed numerous leaks and is at the end of its useful life and in need of replacement. The new roof will be an EPDM membrane roof system with additional insulation and a 30 year warranty.
- 4 North Star Fire Station #31 (old name #1) Improvements \$1,000,000**
(supplemental funding)
The current structure was constructed in the 1980's with additions and modifications made to meet the growing needs of the fire service district. There are significant major maintenance needs at this station and capacity issues calling for an extension to the bay area, dormitory expansion and energy improvements. A 2014 legislative grant for partial funding in the amount of \$1,500,000 has been received. This supplemental request would make whole the original \$2,500,000 requested to complete the project.
- 5 Carlson Center Ice Plant Replacement \$7,000,000**
The Carlson Center is the main event center in Fairbanks and houses the ice rink that is used by the University of Alaska Fairbanks hockey team. The existing ice plant is original to the building and is approaching the end of its useful life. The refrigerant is R-22 which is currently being phased out and a new long term solution is needed for the continued operation of the ice plant.

- 6 Tanana Lakes Swim Beach & Boat Launch Adequate Patron Parking Development \$440,000**
Any summer sunny day that gets warmer than 65 degrees brings out more patrons with cars and trucks to the swim beach & boat launch parking lot than the parking lots have space to accommodate. Over 4th of July weekend there were more than 100 vehicles dangerously parked along the park access road with other vehicles doubled park along the road and throughout the parking lot. We expect to overflow the swim beach parking lot 20 to 30 times a summer. The funding for this project will address a critical public safety concern.
- 7 Carlson Center Direct Digital Controls (DDC) \$1,250,000**
This project will replace the aging Direct Digital Control system that controls the building heating and ventilation. The original control system installed in 1990 has reached the end of its useful life. Replacement parts for major system components are no longer available. Over the last four years the Borough has invested more than \$2,075,000 of local funds completing improvements to the Carlson Center. Average annual energy cost for the facility is \$444,000. The new control system will result in a 5% to 10% increase in energy efficiency that equates to \$22,000 to \$44,000 in savings per year.
- 8 Tanana Lakes Swim Beach Solar Shower Facility \$210,000**
This request for will allow the FNSB to continue development of the Tanana Lakes Recreation Area (TLRA). The funds will be used to install an outdoor solar powered shower facility. The swim beach was opened during the summer of 2014 and has been very enthusiastically received by the community. The swim beach has proven to be very popular with steady visitation occurring between the hours of 10am and 11pm from late May through the middle of August. Each summer as the water temperature rises in the lake – typically around mid-July – the Parks Department receives numerous reports of swimmers itch. While this skin rash caused by microscopic parasites is not life-threatening, it can cause extreme discomfort for individuals who are afflicted by it. Avoidance measures generally include rinsing off in clean water and vigorous towel drying. The number one complaint from beach-going patrons, especially those families with small children, is the lack of ability to rinse off at Tanana Lakes after swimming and wading. Given that the beach use is during the warm and sunny summer months and there is no power source available within the park, a solar powered well is ideally suited for this location. The project will include drilling a well, installing a pump and well house, pouring a concrete pad and installing shower towers. This economical enhancement will provide a great health benefit to park patrons.
- 9 Transit Maintenance Facility Renovation/Addition \$5,000,000 (Required Federal Match)**
This request is for a 20% match required for the federal grant. The total project cost is \$25,000,000. The project will provide major renovations and code

upgrades to the existing facility plus additional needed space identified in a 2011 Conceptual Design study. The Transit Garage is utilized to provide maintenance and repairs, and parking to the FNSB public bus fleet and other FNSB vehicles. This project is included in the TIP, is supported by the Fairbanks Metropolitan Area Transportation System, which is the Metropolitan Planning Organization (MPO) for the FNSB.

10 Hamme, Wescott, and Mary Siah Insulated Pool Covers – Energy Efficiency Improvement \$350,000

These energy efficiency improvements are estimated to produce annual energy savings of \$78,000. Covers should be automated “roll up” style. Pool covers will result in significant energy savings by reducing evaporation and heat loss when the pool is not in use. Specific projects include:

Hamme: Capital Cost - \$150,000; Annual Savings - \$29,000; Simple Payback – 5.1 years

Mary Siah: Capital Cost - \$50,000; Annual Savings - \$15,000; Simple Payback – 3.3 years

Wescott: Capital Cost - \$150,000; Annual Savings - \$34,000; Simple Payback – 4.5 years

School Facilities:

#1 Barnette Magnet School Renovation Phase IV \$11,467,095

This final phase will complete the renovation of the original 1960's wing and demolish the 1970s addition that has severe seismic structural deficiencies. No new or replacement space will be built in this project. The scope of this project is to complete the renovation as designed, but not completed in the previous phases. This will include the building envelope, windows, doors and finishes; and the mechanical, electrical, and phone/data systems. Additionally, as detailed in the educational specifications, the building is deficient in a number of areas with regard to educational program deliverability. The scope addresses this through realignment, rearrangement, and upgrades of spaces to match the highly successful magnet school program.

#2 West Valley High School Auditorium Sprinkler System Improvements \$350,000

The existing sprinkler system at West Valley High School auditorium will be modified to provide coverage under ceiling sound attenuation panels. Inadequate coverage in these areas was identified by the FNSB insurance underwriter; FM Global. The auditorium is used as an assembly area for various school functions during and after school throughout the year.

Community Priorities:

FMATS Local Match Funding \$2,500,000

The FNSB is requesting a state appropriation to be made to the Fairbanks Area Metropolitan Transportation System (FMATS), the local metropolitan planning organization (MPO), in the amount of \$2,500,000. Non-federal funding is pivotal for MPOs to successfully implement projects due to the required non-federal share of approximately 9% that is required in Alaska. An appropriation of \$2,500,000 would allow FMATS to continue to pay the required non-federal share on important transportation projects in the Fairbanks area for years into the future. If additional non-federal funding is not identified for FMATS to fund the required local match, it is possible that certain projects will not be able to go forward.

Richardson Highway Bicycle and Pedestrian Facility – North Pole to Salcha

This project will construct a bicycle and pedestrian facility from the North Pole area to the Salcha area along the Richardson Highway. Currently there are no dedicated non-motorized facilities for pedestrians and bicyclists to utilize forcing them onto an unsigned, unmarked, shoulder of a high speed highway. The purpose and need for such a facility is evident through the responses received by the FNSB throughout a series of public meetings, questionnaires, and online surveys, with the public expressing overwhelming support of a bicycle and pedestrian facility. On August 14, 2014 the FNSB Assembly voted unanimously to adopt a resolution of support for the need for, and construction of, a dedicated bicycle and pedestrian facility along the Richardson Highway from North Pole to Salcha. This funding request is intended to provide the DOT&PF with the funds to begin the initial design, including the environmental process on the project.