

**Northwest Arctic Borough
Village Improvement Fund
Budget Ordinance 17-09 am 01
June 30, 2018**

02-00 Village Improvement Fund

Account #	REVENUE	FY18 Budget Amendment	Approved FY18 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
4000	VIF Revenue - FY17 Received	\$ 19,000,000	\$ 19,000,000	\$ -	0%
4000	VIF Revenue - FY18	\$ 8,000,000	\$ 4,000,000	\$ 4,000,000	50%
4000	Amount available for expenditures	\$ 27,000,000	\$ 23,000,000	\$ 4,000,000	15%

Account #	OPERATIONAL EXPENSES	FY18 Budget Amendment	Approved FY18 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
6000	SALARIES - VIF	\$ 148,913	\$ 275,197	\$ 126,284	85%
6100	ESC (Unemployment insurance)	\$ 3,932	\$ 4,447	\$ 515	13%
6110	FICA	\$ 7,744	\$ 9,575	\$ 1,831	24%
6120	WORKER'S COMP	\$ 1,132	\$ 2,092	\$ 960	85%
6130	PERS	\$ 32,761	\$ 60,543	\$ 27,782	85%
6140	MEDICAL	\$ 48,484	\$ 75,888	\$ 27,404	57%
6210	AIR TRANSPORTATION	\$ 85,874	\$ 85,874	\$ -	0%
6230	LODGING	\$ 46,350	\$ 46,350	\$ -	0%
6240	MEETING FEES	\$ 73,000	\$ 73,000	\$ -	0%
6250	PER DIEM	\$ 46,104	\$ 46,104	\$ -	0%
6300	SUPPLIES	\$ 30,000	\$ 30,000	\$ -	0%
6320	PRINTING & PUBLICATIONS	\$ 1,500	\$ 1,500	\$ -	0%
6400	CONSULTANTS	\$ 70,000	\$ 70,000	\$ -	0%
6450	LEGAL	\$ 25,000	\$ 25,000	\$ -	0%
6460	ACCOUNTING/AUDITING	\$ 25,000	\$ 25,000	\$ -	0%

Total Operational Expenditures	\$ 645,794	\$ 830,570	\$ 184,776	29%
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Account #	OTHER APPROPRIATIONS	FY18 Budget Amendment	Approved FY18 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
VARIOUS	VILLAGE ACCOUNTS	\$ 9,054,206	\$ 6,069,430	\$ (2,984,776)	-33%
9001	SUSTAINABILITY FUND	\$ 17,300,000	\$ 16,100,000	\$ (1,200,000)	-7%

Total Expenditures	\$ 27,000,000	\$ 23,000,000	\$ (4,000,000)	-15%
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Excess (Deficiency) of revenue over expenditures	\$ -	\$ -	\$ -	#DIV/0!
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Village Improvement Fund Revenue:

Revenue is budgeted at \$27,000,000 for fiscal year 2018. Revenue is calculated as follows:

Calendar year 2016 revenue	\$ 11,000,000	<i>Year 1 agreed upon payment</i>
Calendar year 2017 revenue	\$ 8,000,000	<i>EBIT value of \$510 million</i>
Calendar year 2018 payment	<u>\$ 8,000,000</u>	<i>EBIT value of \$725 million</i>
Total estimated revenue available in FY18	<u><u>\$ 27,000,000</u></u>	

*A special note: the revenue received under the signed Memorandum of Commitment (MOC) is based on Teck Alaska Incorporated's Earning Before Income Taxes (TAI EBIT). TAI's fiscal year ends December 31. The EBIT value is finalized upon completion of their annual audit, which usually happens every March/April. Therefore, revenue each year will be budgeted at \$4,000,000 which is the **minimum payment** required under the MOC. The revenue will be adjusted every March/April based on the final EBIT value reported on TAI's audited financial statements.*

The 2016 revenue of \$11,000,000 is based on the signed MOC agreement. This amount was actually paid in fiscal year 2017. The 2017 revenue of \$8,000,000 is based on the TAI EBIT value as of 12/31/16 of \$510,763,000. This amount was paid in fiscal year 2017. The 2018 revenue is adjusted in this budget amendment to \$8,000,000 based on Teck Alaska EBIT of \$725,447,0000.

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Village Improvement Fund Expenditures:

Salaries - VIF is budgeted at \$148,913 for a VIF Capital Projects Manager, VIF Coordinator, and VIF Grant Writer. A decrease of \$126,284. The VIF employees were not hired at the beginning of the year so the salary expense is adjusted to allow more expenditures in the Village Account spending. It was also previous practice to budget an additional 20% in salaries to cover PTO payouts upon termination. However, it has been determined that this practice takes away from operations or Village Accounts so it has been eliminated.

Position	Annual Rate	% of year worked	Annual rate adjusted for % of year worked
VIF Capital Projects Manager	105,008	68%	71,923
VIF Coordinator	70,005	76%	53,319
VIF Grant Writer	80,000	30%	23,671
TOTAL	255,013	58%	148,913

Unemployment Insurance is budgeted at \$3,932. A decrease of \$515. See Salaries description for explanation.

FICA is budgeted at \$7,744. A decrease of \$1,831. See Salaries description for explanation.

Worker's comp is budgeted at \$1,132. A decrease of \$960. See Salaries description for explanation.

PERS is budgeted at \$32,761. A decrease of \$27,782. See Salaries description for explanation.

Medical is budgeted at \$48,484. A decrease of \$27,404. See Salaries description for explanation.

Supplies is budgeted at \$30,000; consistent with prior budget ordinance.

Printing and Publication is budgeted at \$1,500; consistent with prior budget ordinance.

Consultants is budgeted at 70,000; consistent with prior budget ordinance.

Legal is budgeted at \$25,000; consistent with prior budget ordinance.

Accounting/Audit is budgeted at \$25,000; consistent with prior budget ordinance.

Village Accounts is budgeted at \$9,054,206. An increase of \$2,984,776. This amount represents the money available for Improvement Projects as determined by the Village Improvement Commission and approved via resolution by the Assembly. Each of the 11 villages will have an account set-up to report the amount of money spent.

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Village Improvement Fund expenditures continued:

Sustainability Fund is budgeted at \$17,300,000. An increase of \$1,200,000. An initial contribution to investments in the amount of \$16,100,000 (or 70% of revenues) was made during the first half of the fiscal year. This contribution was mandated by Ordinance 17-07. The additional revenue of \$4,000,000 requires a contribution of 30% or \$1,200,000. Meaningful contributions to investments are a major part of the long-term Sustainability Plan.

Travel (Multiple accounts) is budgeted at \$251,328; consistent with prior budget ordinance. The travel detail is as follows:

Meeting	Location	Airfare	Per Diem	Lodging	Meeting Fees	Total
Initial Informative Meetings						
5 Admin, 2 contractors, President	Upriver	\$ 7,285	\$ 1,188	\$ -	\$ 500	\$ 8,973
5 Admin, 2 contractors, President	Closer Villages	\$ 11,235	\$ 2,376	\$ -	\$ 1,000	\$ 14,611
Assembly Meeting Fee	Rep in Village				\$ 2,750	\$ 2,750
Follow-up Meetings						
VIF Contractor	Upriver	\$ 1,512	\$ 585	\$ 600		\$ 2,697
VIF Contractor	Closer Villages	\$ 2,450	\$ 1,365	\$ 1,400		\$ 5,215
Assembly Meeting Fee	Rep in Village				\$ 2,750	\$ 2,750
VIF Staff Travel						
Capital Projects Manager	Upriver	\$ 4,536	\$ 2,673	\$ 1,800	\$ -	\$ 9,009
Capital Projects Manager	Closer Villages	\$ 7,350	\$ 6,237	\$ 4,200	\$ -	\$ 17,787
Grant Writer	Upriver	\$ 3,024	\$ 1,188	\$ 600	\$ -	\$ 4,812
Grant Writer	Closer Villages	\$ 4,900	\$ 2,772	\$ 1,400	\$ -	\$ 9,072
Coordinator	Upriver	\$ 3,024	\$ 1,188	\$ 600	\$ -	\$ 4,812
Coordinator	Closer Villages	\$ 4,900	\$ 2,772	\$ 1,400	\$ -	\$ 9,072
Regular Quarterly Meetings						
Upriver VIC Members	Kotzebue	\$ 9,072	\$ 3,564	\$ 4,122	\$ 9,000	\$ 25,758
Closer Village VIC Members	Kotzebue	\$ 14,700	\$ 8,316	\$ 9,618	\$ 21,000	\$ 53,634
Kotzebue VIC Member	Kotzebue	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000
First Year Planning Meetings						
Upriver VIC Members	Kotzebue	\$ 4,536	\$ 3,564	\$ 6,183	\$ 9,000	\$ 23,283
Closer Village VIC Members	Kotzebue	\$ 7,350	\$ 8,316	\$ 14,427	\$ 21,000	\$ 51,093
Kotzebue VIC Member	Kotzebue	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000
	TOTAL	\$ 85,874	\$ 46,104	\$ 46,350	\$ 73,000	\$ 251,328