

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

02-00 Village Improvement Fund

Account #	REVENUE	Budget Ordinance 17-09
4000	VIF Revenue - FY17 Received	\$ 19,000,000
4000	VIF Revenue - FY18 Base Payment	\$ 4,000,000
4000	Amount available for expenditures	\$ 23,000,000

Account #	OPERATIONAL EXPENSES	Budget Ordinance 17-09
6000	SALARIES - VIF	\$ 275,197
6110	FICA	\$ 9,575
6111	UNEMPLOYMENT INSURANCE	\$ 4,447
6112	PERS	\$ 60,543
6113	WORKER'S COMP	\$ 2,092
6115	MEDICAL	\$ 75,888
6221	CONSULTANTS	\$ 70,000
6222	LEGAL	\$ 25,000
7000	ACCOUNTING/AUDITING	\$ 25,000
7001	SUPPLIES	\$ 30,000
7012	AIR TRANSPORTATION	\$ 85,874
7013	PER DIEM	\$ 46,104
7014	LODGING	\$ 46,350
7015	MEETING FEES	\$ 73,000
7037	PRINTING & PUBLICATIONS	\$ 1,500

Total Operational Expenditures **\$ 830,570**

Account #	OTHER APPROPRIATIONS	Budget Ordinance 17-09
VARIOUS	VILLAGE ACCOUNTS	\$ 6,069,430
9001	SUSTAINABILITY FUND	\$ 16,100,000

Total Expenditures **\$ 23,000,000**

Excess (Deficiency) of revenue over expenditures **\$ 0**

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Village Improvement Fund Revenue:

Revenue is budgeted at \$23,000,000 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 \$510m</i>
Calendar year 2018 base payment	\$	4,000,000	<i>will increase if EBIT >\$400m</i>
Total estimated revenue available in FY18	<u>\$</u>	<u>23,000,000</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 represents the **minimum payment** due in fiscal year 2018.*

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Village Improvement Fund Expenditures for the first year budget are as follows:

Salaries - VIF is budgeted at \$275,197 for a VIF Capital Projects Manager, VIF Coordinator, and VIF Grant Writer. The salary schedule is as follows:

Position	Salary	Salary plus 20% PTO Accrual
VIF Capital Projects Manager	\$120,000	\$122,308
VIF Coordinator	\$70,005	\$71,351
VIF Grant Writer	\$80,000	\$81,538
TOTAL	\$270,005	\$275,197

FICA is budgeted at \$9,575 to pay for the FICA associated with Wages and Meeting Fees.

Unemployment Insurance is budgeted at \$4,447.

PERS is budgeted at \$60,543.

Worker's Comp is budgeted at \$2,092.

Medical is budgeted at \$75,888 to cover the medical insurance cost for the Capital Projects Manager, Coordinator, and Grant Writer.

Consultants is budgeted at 70,000 to cover the cost of consultants at the Mayor's discretion.

Legal is budgeted at \$25,000 to cover the costs of legal consultation over matters like Memorandum of Commitment interpretation, Robert's Rules of Order, etc.

Accounting/Audit is budgeted at 25,000. This is for the costs associated with the annual financial statement audit and government contract accountant work to aid in the implementation of the Fund.

Supplies is budgeted at \$30,000 for supplies, such as meeting snacks and door prizes for each village meeting to encourage public participation.

Printing & Publications is budgeted at \$1,500 to cover the costs associated with printing or publication of information for the Village Improvement Fund.

Village Accounts is budgeted at \$6,069,430. This amount represents the money available for Improvement Projects as determined by the Village Improvement Commission and approved via resolution by the Assembly. The overall total will be adjusted through a budget amendment after the release of Teck Alaska's audited financial statements in March or April. 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 \$16,100,000. This amount represents 70% of the initial revenues, as mandated by Ordinance 17-07. Meaningful contributions to investments are a major part of the Sustainability Plan.

Travel (Multiple accounts) is budgeted at \$251,328. The travel detail is as follows:

Meeting	Location	7012 Airfare	7013 Per Diem	7014 Lodging	7015 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