

**NORTHWEST ARCTIC BOROUGH ASSEMBLY
ORDINANCE 23-03**

**AN ORDINANCE OF THE NORTHWEST ARCTIC BOROUGH
ASSEMBLY PROVIDING FOR ESTABLISHING AND ADOPTION
OF THE LINE-ITEM BUDGET FOR THE FY24 VILLAGE
IMPROVEMENT FUND.**

WHEREAS: on April 25, 2017, the Borough approved execution of a Payment in Lieu of Taxes (PILT) Agreement and a Memorandum of Commitment (MOC) Agreement with Teck Alaska; and

WHEREAS: the MOC Agreement and Chapter 11.08 of the Borough Code established a separate Village Improvement Fund (VIF) dedicated for Borough village improvements, services, and capital projects; and

WHEREAS: the MOC Agreement and Chapter 11.08 of the Borough Code also established the Village Improvement Commission (VIC) as an advisory body to identify village service and capital improvement needs, plan and implement capital improvement and public service programs, and oversee investment of the VIF; and

WHEREAS: the VIC is also responsible for presenting an annual project and service funding request budget to the Borough Administration; and

WHEREAS: upon recommendation from the VIC, this ordinance will establish the FY24 line-item budget for the Village Improvement Fund; and

WHEREAS: on April 13, 2023, the VIC approved VIC Resolution 23-01 recommending Assembly approval of the line-item budget for the FY24 Village Improvement Fund.


NOW THEREFORE BE IT ENACTED: the Northwest Arctic Borough Assembly hereby adopts the FY24 line-item budget for the Village Improvement Fund.

PASSED AND ADOPTED THIS 23rd **DAY OF** May **2023.**



Nathan Hadley, Jr., Assembly President

PASSED AND APPROVED THIS 23rd DAY OF May 2023.


Dickie Moto, Sr., Mayor

SIGNED AND ATTESTED TO THIS 23rd DAY OF May 2023.


Stella Atoruk, Borough Clerk

ATTEST:



First Reading: April 25, 2023
Second Reading: May 23, 2023

**Northwest Arctic Borough
Village Improvement Fund
Budget Ordinance 23-XX
June 30, 2024**

02-00 Village Improvement Fund

Account #	REVENUE	Proposed FY24 Budget Amendment	Approved FY23 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
4000	VIF Revenue	\$ 4,000,000	\$ 4,000,000	\$ -	0%
4550	Investment Income - available for operations	\$ 100,000	\$ 5,000	\$ 95,000	1900%
TOTAL REVENUE		\$ 4,100,000	\$ 4,005,000	\$ 95,000	2%

Account #	OPERATIONAL EXPENSES	Proposed FY24 Budget Amendment	Approved FY23 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
6000	WAGES - VIF	\$ 159,417	\$ 169,417	\$ 10,000	6%
6110	FICA	\$ 5,372	\$ 5,517	\$ 145	3%
6111	ESC (Unemployment insurance)	\$ 3,004	\$ 3,026	\$ 22	1%
6115	MEDICAL	\$ 27,075	\$ 93,384	\$ 66,309	71%
6130	PERS	\$ 35,072	\$ 37,272	\$ 2,200	6%
6210	AIR TRANSPORTATION	\$ 35,000	\$ 35,000	\$ -	0%
6220	GROUND TRANSPORTATION	\$ 3,000	\$ 3,000	\$ -	0%
6230	LODGING	\$ 27,500	\$ 27,500	\$ -	0%
6240	MEETING FEES	\$ 40,000	\$ 40,000	\$ -	0%
6250	PER DIEM	\$ 23,000	\$ 23,000	\$ -	0%
6300	SUPPLIES	\$ 20,000	\$ 20,000	\$ -	0%
6320	PRINTING & PUBLICATIONS	\$ 7,500	\$ 7,500	\$ -	0%
6400	CONSULTANTS	\$ 30,000	\$ 30,000	\$ -	0%
6450	LEGAL	\$ 25,000	\$ 25,000	\$ -	0%
6460	ACCOUNTING/AUDITING	\$ 12,000	\$ 12,000	\$ -	0%
Total Operational Expenditures		\$ 452,939	\$ 531,615	\$ 78,676	15%

Account #	OTHER APPROPRIATIONS	Proposed FY24 Budget Amendment	Approved FY23 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
VARIOUS	VILLAGE ACCOUNTS	\$ 2,447,061	\$ 2,273,385	\$ (173,676)	-8%
9002	SUSTAINABILITY FUND	\$ 1,200,000	\$ 1,200,000	\$ -	0%
Total Other Appropriations		\$ 3,647,061	\$ 3,473,385	\$ (173,676)	-5%

TOTAL EXPENDITURES	\$ 4,100,000	\$ 4,005,000	\$ (95,000)	-2%
---------------------------	---------------------	---------------------	--------------------	------------

Excess (Deficiency) of revenue over expenditures	\$ -	\$ -	\$ (0)	#DIV/0!
---	-------------	-------------	---------------	----------------

**Northwest Arctic Borough
Village Improvement Fund
Budget Ordinance 23-XX
June 30, 2024**

The following summarizes the FY23 Village Improvement Budget.

Village Improvement Fund Revenue:

Revenue is budgeted at \$4,000,000 for fiscal year 2024.

*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.*

Investment income - available for operations is budgeted at \$100,000. An increase of \$95,000. This revenue represents the interest earned in the Alaska Municipal League Investment Pool (AMLIP) account. AMLIP allows for investment in high quality and low risk investment vehicles that are liquidated (cash) easily. The increase is in line with the Federal Treasury interest rate hikes.

Village Improvement Fund Expenditures:

Wages - VIF is budgeted at \$159,417. A decrease of \$10,000. Per the CEDA Director, VIF staff and CEDA staff will be able to fill the role.

FICA is budgeted at \$5,372. A decrease of \$1455.

ESC (Unemployment Insurance) is budgeted at \$3,004. A decrease of \$22.

Medical is budgeted at \$27,075. A decrease of \$66,309. The decrease is due to a reduction in monthly premiums. This expense will continue to be monitored in 2024.

PERS is budgeted at \$35,072. A decrease of \$2,200.

Air Transportation is budgeted at \$35,000. Consistent with prior ordinance. The increase brings the budget back to pre-pandemic levels in anticipation of more in-person meetings. The budget allows for up to 6 meetings in person and allows for VIF staff to travel to the villages and assist with community meetings and applications/close outs/other issues as necessary.

Ground Transportation is budgeted at \$3,000. See Air Transportation for detail.

**Northwest Arctic Borough
Village Improvement Fund
Budget Ordinance 23-XX
June 30, 2024**

The FY21 Village Improvement Budget, continued.

Lodging is budgeted at \$27,500. See Air Transportation for detail.

Meeting Fees is budgeted at \$40,000. See Air Transportation for detail.

Per Diem is budgeted at \$23,000. See Air Transportation for detail.

Supplies is budgeted at \$20,000. The budget allows for purchase of office supplies and supplies needed to conduct meetings.

Printing and Publications is budgeted at \$7,500. Consistent with prior year. The budget allows for VIF staff and Commissioners to publish updated code or meeting material.

Consultants is budgeted at \$30,000. Consistent with prior year. The budget allows VIF staff to hire consultants/facilitators as needed.

Legal is budgeted at \$25,000. Consistent with prior year. The budget allows for consultation with a lawyer during meetings for clarification on processes, code compliance and conducting meetings.

Accounting/Audit is budgeted at \$12,000. Consistent with prior year. The budget allows for the cost of an annual financial statement audit and consultation over specialized accounting matters.

Village Accounts is budgeted at \$2,447,061. An increase of \$173,676. This is nicknamed the bread and butter of the VIF program. This account demonstrates how much is available to spend during the fiscal year on projects. It should be viewed with the Project Spending Report. The Project Spending Report was developed to be a multi-year report that tracks the amount of money available for projects.

Sustainability Fund is budgeted at \$1,200,000. Consistent with prior year. The VIF program was created as a result of the Borough's efforts in PILT (Payment in Lieu of Taxes) negotiations. The agreement has a clearly defined end date (2026) with the option to extend another five years.

The goal of this line item is to invest funds so that the VIF program can attempt to operate after the expiration of that agreement. The funds are invested in government grade investments that are diversified to hedge against risk.