

**NORTHWEST ARCTIC BOROUGH ASSEMBLY  
ORDINANCE 18-03**

**AN ORDINANCE OF THE NORTHWEST ARCTIC  
BOROUGH ASSEMBLY ESTABLISHING THE FY19  
VILLAGE IMPROVEMENT FUND BUDGET.**

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

**WHEREAS:** the MIC 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 MIC 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 FY19 line item budget for the Village Improvement Fund.

**NOW THEREFORE BE IT ENACTED** by the Northwest Arctic Borough Assembly, the FY19 line item budget for the Village Improvement Fund is hereby adopted.

**PASSED AND ADOPTED THIS** 24<sup>th</sup> **DAY OF** April **2018.**



**Carl Weisner, Assembly President**

APPROVED THIS 24<sup>th</sup> DAY OF April 2018.

Clement Richards

Clement Richards, Sr., Mayor

ATTESTED THIS TO THIS 24<sup>th</sup> DAY OF April 2018.

Stella Atoruk for

Stella Atoruk, Borough Clerk

ATTEST:

First Reading: April 3, \_\_, 2018

Second Reading: April 24, \_\_, 2018



Northwest Arctic Borough  
Village Improvement Fund  
Budget Ordinance 18-03  
June 30, 2019

## 02-00 Village Improvement Fund

Account #	REVENUE	Proposed FY19 Budget	Approved FY18 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
4000	VIF Revenue	\$ 4,000,000	\$ 23,000,000	\$ (19,000,000)	-475%

Account #	OPERATIONAL EXPENSES	Proposed FY19 Budget	Approved FY18 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
6000	WAGES - VIF	\$ 275,614	\$ 275,197	\$ (416)	0%
6100	ESC (Unemployment insurance)	\$ 4,539	\$ 4,447	\$ (92)	-2%
6110	FICA	\$ 8,204	\$ 9,575	\$ 1,371	17%
6120	WORKER'S COMP	\$ 2,095	\$ 2,092	\$ (3)	0%
6130	PERS	\$ 60,635	\$ 60,543	\$ (92)	0%
6140	MEDICAL	\$ 75,888	\$ 75,888	\$ -	0%
6210	AIR TRANSPORTATION	\$ 35,658	\$ 85,874	\$ 50,216	141%
6230	LODGING	\$ 17,740	\$ 46,350	\$ 28,610	161%
6240	MEETING FEES	\$ 55,000	\$ 73,000	\$ 18,000	33%
6250	PER DIEM	\$ 19,998	\$ 46,104	\$ 26,106	131%
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	\$ 20,000	\$ 25,000	\$ 5,000	25%

Total Operational Expenditures                      \$ 701,870    \$ 830,570    \$ 128,701                      18%

Account #	OTHER APPROPRIATIONS	Proposed FY19 Budget	Approved FY18 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
VARIOUS	VILLAGE ACCOUNTS	\$ 2,098,130	\$ 6,069,430	\$ 3,971,299	189%
9002	SUSTAINABILITY FUND	\$ 1,200,000	\$ 16,100,000	\$ 14,900,000	1242%

TOTAL EXPENDITURES                                      \$ 4,000,000    \$ 23,000,000    \$ 19,000,000                      475%

Excess (Deficiency) of revenue over expenditures	\$ -	\$ -	\$ -	#DIV/0!
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**Village Improvement Fund Revenue:**

Revenue is budgeted at \$4,000,000 for fiscal year 2019. A decrease of \$19,000,000.

*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.*

**Village Improvement Fund Expenditures:**

**Wages - VIF** is budgeted at \$275,614. An increase of \$416. The salary schedule is as follows:

Position	FY19	FY18	Difference
VIF COORDINATOR	\$83,205	\$71,351	(\$11,854)
VIF CAPITAL PROJECTS MANAGER	\$109,208	\$122,308	\$13,099
VIF GRANT WRITER	\$83,200	\$81,538	(\$1,662)
	<b>\$275,614</b>	<b>\$275,197</b>	<b>(\$416)</b>

**ESC (Unemployment Insurance)** is budgeted at \$4,539. An increase of \$92.

**FICA** is budgeted at \$8,204. A decrease of \$1,371.

**Worker's Comp** is budgeted at \$2,095. An increase of \$3.

**PERS** is budgeted at \$60,635. An increase of \$92.

**Medical** is budgeted at \$75,888; consistent with prior year.

**Travel** is budgeted at \$128,396. A decrease of \$122,932. See below for detail.

Meeting	Transportation	Lodging	Per Diem	Meeting Fees	Total
Upriver VIC Members	9,072	4,122	\$ 3,564	\$ 9,000	25,758
Closer Village VIC Members	14,700	9,618	\$ 8,316	\$ 21,000	53,634
Kotzebue VIC Member	-	-	\$ 1,188	\$ 3,000	4,188
Capital Projects Manager	1,512	600	\$ 891	-	3,003
Capital Projects Manager	2,450	1,400	\$ 2,079	-	5,929
Grant Writer	1,512	300	\$ 594	-	2,406
Grant Writer	2,450	700	\$ 1,386	-	4,536
Coordinator	1,512	300	\$ 594	-	2,406
Coordinator	2,450	700	\$ 1,386	-	4,536
	<b>\$ 35,658</b>	<b>\$ 17,740</b>	<b>\$ 19,998</b>	<b>\$ 55,000</b>	<b>\$ 128,396</b>

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Village Improvement Fund expenditures continued:

**Supplies** is budgeted at \$30,000; consistent with prior year.

**Printing & Publications** is budgeted at \$1,500; consistent with prior year.

**Consultants** is budgeted at 70,000; consistent with prior year.

**Legal** is budgeted at \$25,000; consistent with prior year.

**Accounting/Audit** is budgeted at 20,000. A decrease of \$5,000 from prior year.

**Village Accounts** is budgeted at \$2,098,130. A decrease of \$3,971,299. This amount represents the money available for Improvement Projects as determined by the Village Improvement Commission and approved 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.

**Sustainability Fund** is budgeted at \$1,200,000. This amount represents 30% of the revenues, as mandated by Ordinance 17-07. Meaningful contributions to investments are a major part of the Sustainability Plan.