

**NORTHWEST ARCTIC BOROUGH ASSEMBLY
ORDINANCE 24-08**

*Passed
1st
Reading*

**AN ORDINANCE OF THE NORTHWEST ARCTIC
BOROUGH ASSEMBLY PROVIDING FOR ESTABLISHING
AND ADOPTION OF THE LINE-ITEM BUDGET FOR THE
FY25 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

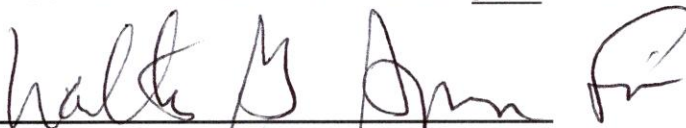
WHEREAS: the MOC Agreement and Chapter 11.08 of the Borough Code also established the Village Improvement Commission (VIC) as an advisory body to identify village service and capital improvement needs, plan and implement capital improvement and public service programs, and oversee investment of the VIF; 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 FY25 line-item budget for the Village Improvement Fund.

NOW THEREFORE BE IT ENACTED: the Northwest Arctic Borough Assembly hereby adopts the FY25 line-item budget for the Village Improvement Fund.

PASSED AND ADOPTED THIS 25th DAY OF June 2024.



Nathan Hadley, Jr., Assembly President

PASSED AND APPROVED THIS 25th DAY OF June 2024.

Dickie Moto
Dickie Moto, Sr., Mayor for Dickie Moto

SIGNED AND ATTESTED TO THIS 25th DAY OF June 2024.

Stella Atoruk
Stella Atoruk, Borough Clerk

ATTEST:

First Reading: 05-29-2024
Second Reading: 06-25-2024



**Northwest Arctic Borough
Village Improvement Fund
Budget Ordinance 24-____
June 30, 2025**

02-00 Village Improvement Fund

Account #	REVENUE	Proposed FY25	Approved FY24 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
4000	VIF Revenue	\$ 4,000,000	\$ 4,000,000	\$ -	0%
4550	Investment Income - available for operations		\$ 300,000	\$ (300,000)	-100%
TOTAL REVENUE		\$ 4,000,000	\$ 4,300,000	\$ (300,000)	-7%

Account #	OPERATIONAL EXPENSES	Proposed FY25 Budget	Approved FY24 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
6000	WAGES - VIF	\$ 120,490	\$ 159,417	\$ 38,927	24%
6110	FICA	\$ 2,364	\$ 5,372	\$ 3,008	56%
6111	ESC (Unemployment insurance)	\$ 3,004	\$ 3,004	\$ -	0%
6115	MEDICAL	\$ 33,600	\$ 27,075	\$ (6,525)	-24%
6130	PERS	\$ 35,867	\$ 35,072	\$ (795)	-2%
6210	AIR TRANSPORTATION	\$ 28,039	\$ 39,000	\$ 10,961	28%
6220	GROUND TRANSPORTATION	\$ 3,000	\$ 3,000	\$ -	0%
6230	LODGING	\$ 21,920	\$ 32,000	\$ 10,080	32%
6240	MEETING FEES	\$ 39,000	\$ 38,000	\$ (1,000)	-3%
6250	PER DIEM	\$ 19,060	\$ 21,000	\$ 1,940	9%
6300	SUPPLIES	\$ 25,000	\$ 26,000	\$ 1,000	4%
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	\$ 10,000	\$ 12,000	\$ 2,000	17%
Total Operational Expenditures		\$ 403,844	\$ 463,439	\$ 59,596	13%

Account #	OTHER APPROPRIATIONS	Proposed FY25 Budget	Approved FY24 Budget	\$ Variance Favorable/ (Unfavorable)	% Variance Favorable/ (Unfavorable)
VARIOUS	VILLAGE ACCOUNTS		\$ 2,636,561	\$ 2,636,561	100%
9002	SUSTAINABILITY FUND	\$ 1,200,000	\$ 1,200,000	\$ -	0%
Total Other Appropriations		\$ 1,200,000	\$ 3,836,561	\$ 2,636,561	69%
TOTAL EXPENDITURES		\$ 1,603,844	\$ 4,300,000	\$ 2,696,156	63%
Excess (Deficiency) of revenue over expenditures		\$ 2,396,156	\$ -	\$ 2,396,156	#DIV/0!

**Northwest Arctic Borough
Village Improvement Fund
Budget Ordinance 24-____
June 30, 2025**

The following summarizes the FY25 proposed budget:

Village Improvement Fund Revenue:

Revenue is budgeted at \$4,000,000 for fiscal year 2025. Please note, given the production climate, the VIF should anticipate a minimum payment. The budget can be adjusted after Teck's annual audit.

*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

Village Improvement Fund Expenditures:

Wages - VIF is budgeted at \$120,490 a decrease of \$38,927 with the removal of 2 positions within the department.

Fringe is budgeted at decrease removing the administrator position and a decrease in medical costs anticipated.

Air Transportation is decreased by \$10,961 by changing the number of meetings a year to 4 and decreasing the amount of travel for staff.

Lodging is decreased by \$10,080 with anticipated changes in meetings and staff.

Meeting Fees is increased by \$1,000 to match FY24 actuals.

Per diem is decreased by \$1,940 with anticipated changes in meetings and staff.

Supplies is decreased by \$1,000 to match FY24 totals.

**Northwest Arctic Borough
Village Improvement Fund
Budget Ordinance 24-____
June 30, 2025**

The following summarizes the FY25 proposed budget con't:

Accounting is decreased by \$2,000 to match FY24 totals.

Village Accounts is budgeted at

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.

Meeting	Location	# Attendees	# Trip	# Days	Airfare/trip
Regular Quarterly Meetings					
Upriver VIC Members	Kotzebue	3	4	2	\$ 531
Closer Village VIC Members	Kotzebue	7	4	2	\$ 342
Kotzebue VIC Member	Kotzebue	1	4	2	\$ -
Village Meeting Meeting Fee					
All Villages		11	22	1	4
VIF Staff Travel					
Capital Projects Manager	Upriver	1	3	3	\$ 531
Capital Projects Manager	Closer Villages	1	7	3	\$ 342
Administrator	Upriver	1		2	\$ 531
Administrator	Closer Villages	1		2	\$ 342

TOTAL

Adjustments

UPDATED TOTAL

Lodging rate			\$99		
	7012 Transportation	7014 Lodging	7013 Per Diem	7015 Meeting Fees	Total
\$ 229	6,372	2,748	\$ 2,376	\$ 9,000	20,496
\$ 229	9,576	6,412	\$ 5,544	\$ 21,000	42,532
\$ -	-	-	\$ -	\$ 2,000	2,000
				\$ 22,000	22,000
\$ 100	1,593	600	\$ 891	0	3,084
\$ 100	2,394	1,400	\$ 2,079	\$ -	5,873
\$ 100	-	-	\$ -	\$ -	-
\$ 100	-	-	\$ -	\$ -	-
	\$ 19,935	\$ 11,160	\$ 10,890	\$ 54,000	\$ 95,985
	\$ 8,104	\$ 10,760	\$ 8,170	\$ (15,000)	\$ 12,034
	\$ 28,039	\$ 21,920	\$ 19,060	\$ 39,000	\$ 108,019

1 Ambler	Upriver
2 Shungnak/Kobuk	Upriver
1 Noorvik/Kiana	Closer Villages
2 Noatak/Kivalina	Closer Villages
3 Buckland/Deering	Closer Villages
4 Selawik	Closer Villages

FT 1950 39,500

7.65%
1.45% 3.83%

103%

Department	Position	FY25	FY24	Difference	Fica	ESC
VIF	VIF CAPITAL PROJECTS MANAGER	\$120,490	\$124,105	\$3,615	\$1,800	\$1,513
VIF	VIF ADMINISTRATOR		\$0	\$0	\$0	\$0
VIF	VIF Grant Writer	\$38,927	\$38,927	\$38,927	\$564	\$1,491
		\$120,490	\$163,032	\$42,542	\$2,364	\$3,004

21660

Position	FY21	FY22	Difference
VIF CAPITAL PROJECTS MANAGER	\$120,490	\$124,105	(\$3,615)
VIF ADMINISTRATOR	\$73,827	\$0	\$73,827
OVERTIME FOR THE DEPARTMENT	\$6,173	\$0	\$6,173
GRANT WRITER (50% VIF & 50% GF)	\$ -	\$ 38,927	\$ (38,927)
	\$200,490	\$163,032	\$37,458

22.00%	0.77%	\$2,800	Total
Pers	W/C	Medical	Loaded
\$27,303	\$956	\$33,600	\$189,276
\$0	\$0		\$0
\$8,564	\$300		\$49,846
\$35,867	\$1,255	\$33,600	\$239,122