

**KODIAK CITY COUNCIL**

**WORK SESSION AGENDA**

**Tuesday, September 10, 2013**  
**Kodiak Island Borough Conference Room**  
**7:30 p.m.**

*Work sessions are informal meetings of the City Council where Councilmembers review the upcoming regular meeting agenda packet and seek or receive information from staff. Although additional items not listed on the work session agenda are sometimes discussed when introduced by the Mayor, Council, or staff, no formal action is taken at work sessions and items that require formal Council action are placed on a regular Council meeting agenda. Public comments at work sessions are NOT considered part of the official record. Public comments intended for the "official record" should be made at a regular City Council meeting.*

**Discussion Items**

1. Public Comments (limited to 3 minutes)
  
2. Composting Project Update
  - a. Chart for Biosolids Management .....
  - b. Chart for Biosolids Management/Costs .....
  - c. DEC Notice of Violation.....
  - d. Quayanna Development Corp. Letter to DEC .....
  - e. Compost Photos .....
  
3. Public Works Vehicle Purchase Presentation .....
  
4. Harbor Vehicle Purchase Presentation.....
  
5. Quarterly Financial Update.....
  
6. September 12, 2013, Agenda Packet Review

## Past, Present, Interim and Future Solutions for Kodiak Island Biosolids Management

This chart summarizes the past, present and desired future City and Borough actions to manage biosolids from Kodiak Island, including City-piped sewage; KIB-piped sewage; USCG WWTP's biosolids; septic tank haulers. All residents and visitors to Kodiak on the City, Borough, and State road system contribute to the biosolids processed by the City's treatment facility.

Timing	Biosolids Management Activities: City of Kodiak and Kodiak Island Borough
<b>1987-2013 PAST</b>	<p><b>1987</b> Regulations require that biosolids be hauled to landfill, and not released into the ocean. The City has delivered almost 2000 tons of biosolids annually to the Borough's landfill since 1987.</p> <p><b>1998</b> CH2M HILL study sludge management due to concerns expressed by KIB for both City and USCG biosolids being too wet going to landfill.</p> <p><b>2001</b> Upgrade of the City's Wastewater Treatment Plant (WWTP) to add primary clarifier and other improvement to produce drier biosolids for co- disposal with solid waste.</p>
<b>2007-2013 PRESENT - STUDY AND TEST</b>	<p><b>2007</b> Borough advised City of insufficient landfill capacity and need for new solutions for biosolids management.</p> <p><b>2008</b> City approved study with CH2M HILL. City approved Pilot Composting Test Study.</p> <p><b>2010</b> Compost A was successfully achieved in Biosolids Composting Pilot Test.</p> <p><b>2010-2012</b> Meetings continue between City and Borough.</p> <p><b>2012</b> City signs 5-year agreement with Quayanna Corp (QDC) to develop public private partnership for composting. QDC submits permit application to ADEC.</p> <p><b>June 2012</b> Borough notified City that biosolids could not be accepted at landfill after 15 December 2012.</p> <p><b>December 2012</b> USCG provides land for interim biosolids stockpiling. Borough and City agree to process biosolids at landfill to Class B compost. Borough approved license agreement with expiration of 15 August 2013. DEC authorized KIB for temporary Class B composting of biosolids at the landfill.</p>
<b>2013-2015 INTERIM SOLUTION</b>	<p><b>January 2013</b> QDC begins composting (Class B) at the landfill. Public concerns with any proposed composting operations at Middle Bay result in examination of long term land lease for composting operations at the landfill.</p> <p><b>February 2013</b> City meets with CH2M HILL to review management options, operations and construction costs, costs to ratepayers,</p> <p><b>May 2013</b> QDC withdrew DEC permit application for composting at Middle Bay site.</p> <p><b>July 2013</b> KIB Planning and Zoning Commission supported recommendation that landfill area was available for longterm lease for future composting facility.</p> <p><b>July 2013</b> City and Borough meet to develop plan for interim license, draft of longterm lease at South Dump Site, DEC permit, site survey and design/construction of a composting facility, QDC contract, public outreach.</p> <p><b>August 2013</b> Borough administratively extends license for composting on landfill. City requests proposal from CH2M HILL for design of Class A composting facility. Received 14 August.</p> <p><b>August 2013</b> QDC moves compost from landfill to private property. DEC issues Notice of Violation to QDC that is supported by City and Borough.</p> <p><b>September 2013</b> Borough meetings to review extension of license agreement until 2015 when new site/facility is constructed: 12 September worksession, 19 September Assembly meeting.</p> <p><b>September 2013</b> City/Borough officials and community representative to tour comparable composting facilities in Washington state with CH2M HILL biosolids engineer.</p> <p><b>September/October 2013</b> City works with Kodiak community to define future solution for managing biosolids. This will include meetings with Monashka Bay Service Area Board, public meetings, ongoing worksessions and hearings with the Borough.</p>
<b>2015 forward FUTURE- LONGTERM SOLUTION</b>	<p><b>2015 forward</b></p> <ul style="list-style-type: none"> <li>• Class A Composting facility to be built and operating on landfill site.</li> <li>• Nearly 2000 tons of biosolids from Kodiak community to be processed annually.</li> <li>• DEC permit to be approved.</li> <li>• Borough to issue longterm land lease for operations on landfill site (South Dump Site).</li> <li>• City to contract with QDC for private operations of the Compost operations.</li> <li>• Life of KIB landfill to be extended due to processing and export of biosolids.</li> <li>• Class A compost to be produced and marketed.</li> <li>• City/Borough ratepayers to benefit with reasonable monthly rates.</li> </ul>

**Alternatives Evaluation for Management of Biosolids  
Or, “Why did the City of Kodiak choose Compost?”**

<b>Alternative Technology</b>	<b>Description</b>	<b>Advantages</b>	<b>Disadvantages</b>	<b>Estimated Costs (as of studies by CH2MHill)</b>
<b>Cannibal Process</b>	Modify existing WWTP process to optimize metabolism of microbes digesting sludge.	Integrated process Less frequent solids processing than existing Eliminates primary clarifier and sludge May increase WW nutrient removal	Only 42% reduction in biosolids – not enough Inert solids volume increases Requires additional WWTP volume <b>Does not work in cold climates</b> USCG still requires processing	Installation/capital: \$17M Annual O&M: \$10k Not recommended
<b>Dry/Incinerate</b>	Dry and incinerate existing sludge from WWTP.	Max solids reduction compared to others Energy recovery possible Pathogens eliminated Stable, odorless ash or granules Ash can be used as mineral aggregate for building/landfill	<b>High O&amp;M costs</b> <b>High capital costs</b> High maintenance and replacement costs Ash may be hazardous Costly air emissions control 2-5 year expensive EPA permit for new sewer sludge incinerator (SSI)	Installation/capital: \$25M Annual O&M: \$50k Annual sewer rate increase per equivalent residential unit: \$420-500
<b>Ship biosolids Off-Island</b>	Ship and dispose of biosolids off-island in special containers.	Removes biosolids from the island	<b>High cost</b> Specialized shipping and containers required Transfers biosolids to someone else to process/dispose Not a longterm solution Multiple contracts for shipping and for handling required	Installation/capital: \$300k Annual O&M: \$650k Annual sewer rate increase per equivalent residential unit: \$150-180+
<b>Deliver biosolids to Landfill</b>	Continue to truck biosolids to existing landfill.	No new facility and equipment needed More cost-effective than incineration or shipping.	<b>Landfill space not available for at least 2 years</b> <b>Borough operating costs/rates estimated to increase 3% per year.</b> Landfill will fill up again	Installation/capital: \$10k Annual O&M: \$500k after 2015 Annual sewer rate increase per equivalent residential unit: \$80-\$100
<b>Compost</b>	Treat biosolids with aeration, amendments (wood chips) and curing to create biological decomposition resulting in stable organic and nutrient-rich product.	Compost may be marketable Works in cold climates Landfill site should be available for composting Compost useful for landfill cover Can eliminate cardboard and yard waste from landfill waste stream Extends life of landfill Sustainable solution Economic development Successful pilot project with DEC approval Operating in 44 states and other AK communities	May need to import organic substrate <b>Kodiak compost market not developed</b> Requires odor control <b>Labor-intensive</b> Larger footprint	Installation/capital: \$2.5M Annual O&M: \$150k Annual sewer rate increase per equivalent residential unit: \$70-90+

This matrix summarizes disposal alternatives for nearly 2000 tons annually of biosolids produced on Kodiak Island. The information was developed by the City of Kodiak and its consultants. The Council evaluated the pros and cons, and the capital and operating costs to determine that compost was the best solution. The bottom line is that composting provides an environmentally sound, sustainable solution that could promote economic development and will minimize the impact on residential sewer rates.

The next steps are to look at the details of operations, location, permitting, licensing, leasing and City/Borough agreements, community outreach and feedback.

**DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
STATE OF ALASKA**

**NOTICE OF VIOLATION**

Failure to meet the conditions of ADEC approval, dated December 18, 2012, for Composting  
Sewage Sludge at the Kodiak Island Borough Landfill

Violation of 18 AAC 60.505(c) requirement for a permit for landspreading of Biosolids

**To: Mr. Peter Olsen  
Quayanna Development Corporation  
11801 Middle Bay Drive  
Kodiak, Alaska 99615**

**Enforcement Tracking No. 13-0974-40-0001**

The Alaska Department of Environmental Conservation (ADEC) alleges that on or about August 15, 2013, in Kodiak, Alaska, Peter Olsen did unlawfully landspread composted sewage sludge (biosolids), from the project at the Kodiak Island Borough Landfill, on his personal property at 11801 Middle Bay Drive. Such actions are in violation of ADEC approval, dated December 18, 2012 for Composting Sewage Sludge at the Kodiak Island Borough Landfill and 18 AAC 60.505(c), which requires a permit for the activity.

Mr. Olsen self-reported, on August 15, 2013, that he had landspread several cubic yards of the Class B Biosolids on his personal property. In addition, on August 16, 2013, ADEC received an anonymous complaint regarding the situation. Landspreading of Class B Biosolids requires a permit under 18 AAC 60.505(c), and the original authorization for the composting project at the landfill approved the use of the biosolids only at the landfill. In a letter, dated August 18, 2013, Mr. Olsen argues that it is likely that the biosolids would meet Class A Exceptional Quality standards, which would not require a permit; however, he has not produced data to demonstrate this. He contends that the use of the biosolids at his home poses no risk to health or the environment at his property or surrounding properties.

To address the violation(s) described above, ADEC requires that Mr. Olsen do the following:

- Collect five independent random samples of the landspread biosolids and have them tested for Salmonella, and metals listed below.
- Compare the results to the following requirements:
  - Salmonella <3MPN/4 gm
  - Arsenic 41 mg/kg
  - Cadmium 39 mg/kg
  - Chromium 1,200 mg/kg
  - Copper 1,500 mg/kg
  - Lead 300 mg/kg
  - Mercury 17 mg/kg
  - Nickel 420 mg/kg
  - Selenium 36 mg/kg
  - Zinc 2,800 mg/kg

If these requirements cannot be met, further corrective action will be required.

- In the creek adjacent to the property, collect one sample upgradient of the biosolids and one sample downgradient and have them tested for Salmonella.
- Compare the results of the upgradient and downgradient sample. If the downgradient sample is more than 20% higher than the upgradient sample for Salmonella content, further corrective action may be required.
- Submit all these sample results and temperature and metals testing data from ALL the composted material from the landfill to ADEC no later than September 13, 2013.
- All remaining stockpiles of biosolids removed from the landfill must be returned to the landfill.

Penalties for violation of state statutes and regulations can be quite serious. In a civil action, a person who violates, or causes violation of a provision of regulation, a permit, or an ADEC approval may be liable to the state for substantial monetary damages under AS 46.03.760. Depending on the nature of the violation, you may also be liable for the state's response costs under AS 46.03.822, for spill penalties under AS 46.03.758-759, for administrative penalties under AS 46.03.761, or for other kinds of damages or penalties under other statutes.

In a criminal violation, a person who acts with criminal negligence may be guilty of a Class A misdemeanor - AS 46.03.790. Upon conviction, a defendant who is not an organization may be sentenced to pay a fine not exceeding \$10,000.00 and/or sentenced to a definite term of imprisonment of not more than one year. Upon conviction, a defendant that is an organization may be sentenced to pay a fine not exceeding the greater of \$200,000.00 or an amount which is three times the pecuniary damage, loss caused by the defendant to another or property of another - AS 12.55.035. Each day of violation may be considered a separate violation. Alaska laws allow the State to pursue both civil and criminal actions concurrently.

Nothing in this notice shall be construed as a waiver of the state's authority or as an agreement on the part of the state to forego judicial or administrative enforcement of the above-described violation(s) or to seek recovery of damages, cost, and penalties as prescribed by law. In addition, nothing herein shall be construed as a waiver of enforcement for past, present, or future violations not specifically set forth herein.

Lori Aldrich

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**Enforcement Officer**  
**Credential No. R-0292, Issued 8/30/2012**

**Personally Served**  
 **Sent by Certified Mail**

**# 7012 1010 0003 0389 9903**

on the 22nd day of August, 2013.



## *Quayanna Development Corporation*

11801 Middle Bay Drive

Kodiak, Alaska 99615

TEL : (907) 487-2291

CELL : (907) 317-0083

e-mail : [plarc@alaska.net](mailto:plarc@alaska.net)

August 18, 2013

Lori Aldrich  
Solid Waste Program Coordinator  
Department of Environmental Conservation  
555 Cordova Street  
Anchorage, AK 99501

RE: Class B Compost Used at My Home

Dear Lori:

As I mentioned to you over the telephone, approximately 8 weeks ago I had transported about 20 cubic yards of Class B compost processed at our composting site at the Kodiak Island Borough landfill to my residence in Bells Flats. Approximately 10 yards of this compost has been mixed with screened topsoil and utilized in my yard and in some flower pots. The remaining compost is in two small piles on my property. This project was my effort to create a demonstration project that shows the beneficial uses of compost that will be possible when we can offer a Class A compost product for sale to the general public.

It is my understanding that Class B compost can be utilized in applications where there is little likelihood for it to come into contact with the public according to EPA regulations and it was under this understanding that I have used it at my home.

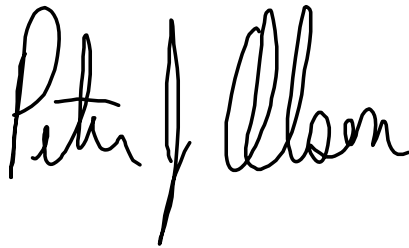
Like all compost created at our site, this compost has experienced temperatures above 131° F in excess of 45 days, far above the minimum of temperature requirements for Class B compost. Our typical treatment is to create a pile each week with approximately 50 yards of biosolids with approximately 200 yards of wood chips and processed compost mixture. Within 4 to 5 days that pile is above 131°. That pile will then be remixed and allowed to process another two weeks before it is considered "processed". It then is placed into a "processed" pile and further allowed to cure until the "processed" pile is screened to remove the larger wood chips for reuse in a new batch. Our observations are that the screened pile remains above 131° F for at least another two weeks after that. In most cases the compost has experienced consistent temperatures above 131°F for over 6 weeks. Testing of the compost has shown it to meet Class A standards.

Consequently, it is reasonable to believe the use of the compost at my home poses no risk to my family or anyone else. I have come to understand that this incident may be in violation of some portion of either State or EPA regulations. Please review the applicable regulations and let me know what needs to be done to properly address this situation.

Quayanna Development Corporation is committed to seeing the proper processing of Kodiak's biosolids via composting and are optimistic about its future use in our community. If we have unintentionally misused our compost by bringing it to my home we want to correct the situation as soon as possible.

I look forward to addressing this situation with you.

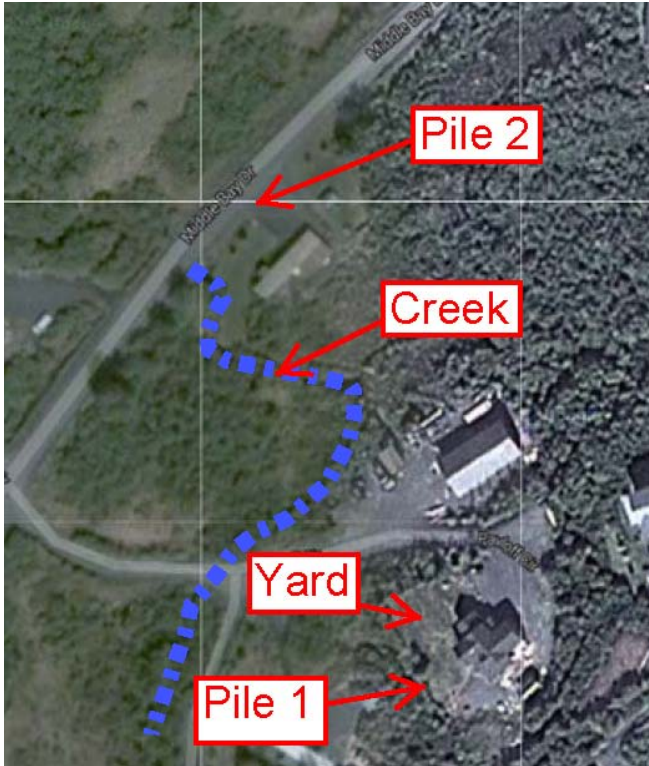
Sincerely,

A handwritten signature in black ink that reads "Peter J. Olsen". The signature is written in a cursive style with a large, prominent "P" and "O".

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Peter J. Olsen, Executive Director  
Quayanna Development Corporation

## Compost Located at Peter J. Olsen Properties in Bells Flats, Kodiak, Alaska



Peter J. Olsen property at Bells Flats includes two lots. One is my primary residence and the other a rental currently occupied by my eldest son Aaron and his family.

The compost has been used in the new yard at my house and in flower beds as well as Sitka spruce seedlings transplanted into coffee cups.



The yard at my house has been redone using a mixture of screened soil and compost. This yard was reseeded approximately 4 weeks ago.

The household septic field is located beneath the lawn.

Pile 1 is directly behind this position as shown in the map.





Pile 1 includes approximately 5 yards of screened topsoil and 5 yards of compost



Closeup of Pile 1. Compost on left and screened soil on right.



Our driveway separates the yard and Pile 1 from the small creek on our property



Photo of hillside with lawn at the top of the hill. Creek is across driveway to the right



Small creek that runs through our rental property acreage



Picture of Pile 2- approximately 2 cubic yards on rental property

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## **Work Session, September 10, 2013**

### **Agenda Item #3: Public Works Vehicle Purchase Presentation**

**Please refer to the information and material on this purchase in the Regular Meeting agenda packet for September 12, 2013 under New Business, Item #V.c.**

*[Clerk's Note: the backup for this item was not available at the time this packet was published.]*

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## **Work Session, September 10, 2013**

### **Agenda Item #4: Harbor Vehicle Purchase Presentation**

**Please refer to the information and material on this purchase in the Regular Meeting agenda packet for September 12, 2013, under New Business, Item #V.c.**

*[Clerk's Note: the backup for this item was not available at the time this packet was published.]*

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**Quarter Ending June 30, 2013 (Pre-Audit)**

*Prepared by the Finance Department*

This report summarizes the City's overall financial position for the period of July 1, 2012 through June 30, 2013. While focus of this report is the General Fund, the financial status of the Harbor and Public Works Enterprise Funds are included. The figures presented here are unaudited and have not been prepared in accordance with Generally Accepted Accounting Principles (GAAP).

***Amended Budget and Revenue Estimates***

The adopted budget is presented with the amended budgeted including all supplemental adjustments. Prior fiscal year 2012 revenues and expenses are presented as comparisons to fiscal year 2013.


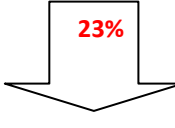
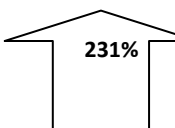
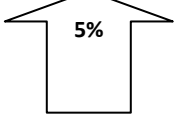
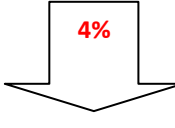
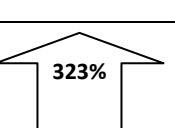

***General Fund Balance***

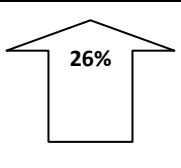
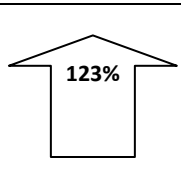
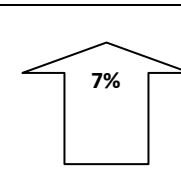
<b>General Fund Balance</b>	<b>Adopted Budget</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>Actual/ Amended</b>
Revenues	\$ 15,534,891	\$ 16,842,419	\$16,986,555	101%
Expenditures	15,700,699	15,872,418	14,285,071	90%
Other Sources (Uses)				
Transfers In	-	-	-	0%
Transfers Out	1,325,046	1,502,546	1,624,852	108%
Use of Fund Balance	(1,490,854)	(532,545)	1,076,632	-202%
Fund Balance Beginning of Year	6,729,670	6,729,670	6,729,670	-
Fund Balance Year to Date	\$ 5,238,816	\$ 6,197,125	\$ 7,806,302	\$1,609,177

At the fiscal year ending on June 30, 2013, General Fund revenues were at 101% of the amended budget, while expenditures were at 90%. At the end of the fiscal year 2013 actual revenues have exceeded budgeted revenues and actual expenses have fallen below budgeted expenditures Overall the General Fund fund balance will increase by \$1,076,632.

The current Fund Balance of \$7,809,302 represents assigned for fiscal year 2014 of \$1,156,232 and \$6,650,070 unassigned. Assigned amounts are the use of fund balance for the fiscal year 2014. Unassigned amounts are for the use of operations, transfers, bond payments and reserves. The fund balance is currently higher than estimated.

### General Fund Revenues

	<p><u>Sales Tax (\$10.64 million)</u> – Sales Tax revenue received through June 30, 2013 increased 3% or by \$344,178 from fiscal year 2012 during the same time frame. The Sales Tax was increased from 6% to 7% effective October 1, 2012 so the increased tax has been reported from October through June.</p>
	<p><u>Property Taxes (\$708,684)</u> – The City is located within the Kodiak Island Borough, which acts as the City’s agent in billing and collection of property taxes. Tax bills are mailed on or before July 1 and are payable in two installments on August 15<sup>th</sup> and November 15<sup>th</sup>. The Kodiak Island Borough has remitted partial City property tax for the current fiscal year as of June 30, 2013. In the same time period last year the City has received \$917,599. Last fiscal year KIB overpaid the City which accounts for the decrease in fiscal year 2013.</p>
	<p><u>Licenses &amp; Permits (\$237,950)</u> – Licenses &amp; Permits consist of taxi, building, electric, plumbing, animal and other. Licenses &amp; Permits increased 231% or by \$165,993 from the previous year during the same time frame. A code change in taxi permits have resulted in a decrease in that permitting revenue. There were increases in building permits (333%), an increase in electric (130%), and an increase in plumbing (116%).</p>
	<p><u>Intergovernmental Revenue (\$2.73 million)</u> – Intergovernmental revenue consists of grant revenue and state revenue sharing. Intergovernmental revenue increased 5% or by \$138,727 from the previous year during the same time frame. The largest increase was in PERS on-behalf payments (24%), and in fish tax (12%).</p>
	<p><u>Charges for Services (\$1.54 million)</u> – Charges for services consist of fees charged for Police, services the City performs for the Kodiak Island Borough (KIB), Fire, Parks &amp; Recreation, Library and other miscellaneous fees. Charges for services decreased 4% or by \$63,661 from the previous year during the same time frame. Police increased less than 1% or \$4,174, KIB decreased 43% or \$88,085, Fire increased 162% or \$37,732, Parks &amp; Recreation decreased 14% or \$17,777, Library decreased 7% or \$1,225, Public Works Services increased 63% or \$1,395 and other increased 63% or \$125. The decrease of \$88,085 from the KIB is due to the elimination of the animal control revenue.</p>
	<p><u>Fines &amp; Forfeitures (\$15,308)</u> – Fines &amp; Forfeitures consist of fines from violations. Fines &amp; Forfeitures increased 323% or \$11,689 from the previous year during the same time frame. There has been an increase in the revenue from court fines and state payments.</p>
	<p><u>Interest (\$9,459)</u> – Interest earning consist of interest from investments based on the City code. Investments increased 627% or \$8,158 from the previous year during the same time frame. Interest is earned and tracked in a central treasury and allocated quarterly to each fund. Interest rates have begun to increase slowly.</p>

	<p><u>Rents &amp; Royalties (\$194,099)</u> – Rents &amp; Royalties consist of revenue generated from rental agreements and borrow permits. Rents &amp; Royalties increased 26% or \$39,779 from the previous year during the same time frame.</p>
	<p><u>Miscellaneous (\$45,736)</u> – Miscellaneous consists of revenues from the surplus sale of fixed assets and other revenue. Miscellaneous increased 123% or \$25,231 from the previous year during the same time frame. The City had a successful vehicle surplus sale in the fall and generated revenue from the sale.</p>
	<p><u>Interfund Charges (\$865,152)</u> – Interfund charges consist of amount paid to the General Fund for administration and financial services from Enterprise Funds. Interfund charges increased 7% or \$52,962 from the previous year during the same time frame.</p>

## GENERAL FUND

### REVENUE COMPARISON – BUDGET TO ACTUAL

Revenue Comparison - Budget to Actual						
	Adopted Budget	Amended Budget	YTD Revenue	Budget - YTD	% Received	Prior Year
<b>Taxes</b>						
Property Tax	\$ 773,500	\$ 773,500	\$ 708,684	\$ 64,816	92%	\$ 917,599
Sales Tax	9,530,000	10,530,000	10,641,284	(111,284)	101%	10,297,107
<b>Total Taxes</b>	<b>10,303,500</b>	<b>11,303,500</b>	<b>11,349,968</b>	<b>(46,468)</b>	<b>100%</b>	<b>11,214,705</b>
<b>Licenses &amp; Permits</b>						
Taxi Permits	1,000	1,000	1,880	(880)	188%	7,320
Building Permits	50,000	50,000	202,088	(152,088)	404%	46,641
Electric Permits	8,000	8,000	17,772	(9,772)	222%	7,712
Plumbing Permits	4,000	4,000	12,010	(8,010)	300%	5,549
Animal Licenses	5,000	5,000	4,050	950	81%	4,375
Other Licenses	-	-	150	(150)		360
<b>Total Licenses &amp; Permits</b>	<b>68,000</b>	<b>68,000</b>	<b>237,950</b>	<b>(169,950)</b>	<b>350%</b>	<b>71,957</b>
<b>Intergovernmental Revenue</b>						
PERS Relief	702,810	702,810	765,692	(62,882)	109%	619,957
State Revenue Sharing	568,936	572,936	572,306	630	100%	534,336
Fish Tax Dept of Rev	1,000,000	1,253,000	1,252,420	580	100%	1,123,205
Fish Tax DCED (Shared)	70,000	70,000	90,469	(20,469)	129%	120,822
Fuel Tax Sharing	7,000	7,075	7,075	(0)	100%	6,882
Alcohol Beverage Sharing	31,000	31,000	19,300	11,700	62%	22,500
Utility Revenue Sharing	38,100	38,100	-	38,100	0%	41,300
Grants	31,500	28,953	23,149	5,804	80%	122,681
<b>Total Intergovernmental</b>	<b>2,449,346</b>	<b>2,703,874</b>	<b>2,730,411</b>	<b>(26,537)</b>	<b>101%</b>	<b>2,591,685</b>
<b>Charges for Services</b>						
Police	1,275,993	1,275,993	1,224,117	51,876	96%	1,219,944
Kodiak Island Borough	140,000	140,000	115,378	24,622	82%	203,464
Fire	41,000	50,000	61,026	(11,026)	122%	23,294
Parks & Recreation	126,000	128,000	113,663	14,337	89%	131,440
Library	19,000	19,000	15,267	3,733	80%	16,492
Public Works Services	10,000	10,000	8,694	1,306	87%	7,299
Other	200	200	325	(125)	163%	200
<b>Total Charges for Services</b>	<b>1,612,193</b>	<b>1,623,193</b>	<b>1,538,472</b>	<b>84,721</b>	<b>95%</b>	<b>1,602,133</b>
<b>Fines &amp; Forfeits</b>	20,500	20,500	15,308	5,192	75%	3,619
<b>Interest &amp; Investments</b>	45,000	45,000	9,459	35,541	21%	1,301
<b>Rentals from Others</b>	155,236	180,236	194,099	(13,863)	108%	154,320
<b>Other Revenue</b>	26,800	44,800	45,736	(936)	102%	20,506
<b>Interfund Charges</b>	854,316	854,316	865,152	(10,836)	101%	812,190
<b>Use of Fund Balance</b>	1,490,854	532,545	-	532,545	0%	-
<b>Transfer In</b>	-	-	-	-		492,689
<b>Total Revenue</b>	<b>\$ 17,025,745</b>	<b>\$ 17,375,964</b>	<b>\$ 16,986,555</b>	<b>\$ 389,409</b>	<b>98%</b>	<b>\$ 16,965,105</b>

## GENERAL FUND

### REVENUE COMPARISON – CURRENT YEAR TO PRIOR YEAR

Revenue Comparison - Budget to Actual				
	YTD Revenue	Prior Year Revenue	Current - Prior Year	% Variance
<b>Taxes</b>				
Property Tax	\$ 708,684	\$ 917,599	\$ (208,915)	-23%
Sales Tax	10,641,284	10,297,107	\$ 344,178	3%
<b>Total Taxes</b>	<b>11,349,968</b>	<b>11,214,705</b>	<b>135,262</b>	<b>1%</b>
<b>Licenses &amp; Permits</b>				
Taxi Permits	1,880	7,320	\$ (5,440)	-74%
Building Permits	202,088	46,641	\$ 155,447	333%
Electric Permits	17,772	7,712	\$ 10,060	130%
Plumbing Permits	12,010	5,549	\$ 6,461	116%
Animal Licenses	4,050	4,375	\$ (325)	-7%
Other Licenses	150	360	\$ (210)	-58%
<b>Total Licenses &amp; Permits</b>	<b>237,950</b>	<b>71,957</b>	<b>165,993</b>	<b>231%</b>
<b>Intergovernmental Revenue</b>				
PERS Relief	765,692	619,957	\$ 145,735	24%
State Revenue Sharing	572,306	534,336	\$ 37,970	7%
Fish Tax Dept of Rev	1,252,420	1,123,205	\$ 129,215	12%
Fish Tax DCED (Shared)	90,469	120,822	\$ (30,353)	-25%
Fuel Tax Sharing	7,075	6,882	\$ 193	3%
Alcohol Beverage Sharing	19,300	22,500	\$ (3,200)	-14%
Utility Revenue Sharing	-	41,300	\$ (41,300)	
Grants	23,149	122,681	\$ (99,533)	-81%
<b>Total Intergovernmental</b>	<b>2,730,411</b>	<b>2,591,685</b>	<b>138,727</b>	<b>5%</b>
<b>Charges for Services</b>				
Police	1,224,117	1,219,944	\$ 4,174	0%
Kodiak Island Borough	115,378	203,464	\$ (88,085)	-43%
Fire	61,026	23,294	\$ 37,732	162%
Parks & Recreation	113,663	131,440	\$ (17,777)	-14%
Library	15,267	16,492	\$ (1,225)	-7%
Public Works Services	8,694	7,299	\$ 1,395	19%
Other	325	200	\$ 125	63%
<b>Total Charges for Services</b>	<b>1,538,472</b>	<b>1,602,133</b>	<b>(63,661)</b>	<b>-4%</b>
<b>Fines &amp; Forfeits</b>	15,308	3,619	\$ 11,689	323%
<b>Interest &amp; Investments</b>	9,459	1,301	\$ 8,158	627%
<b>Rentals from Others</b>	194,099	154,320	\$ 39,779	26%
<b>Other Revenue</b>	45,736	20,506	\$ 25,231	123%
<b>Interfund Charges</b>	865,152	812,190	\$ 52,962	7%
<b>Use of Fund Balance</b>	-	-	\$ -	
<b>Transfer In</b>	-	492,689	\$ (492,689)	-100%
<b>Total Revenue</b>	<b>\$ 16,986,555</b>	<b>\$ 16,965,105</b>	<b>\$ 21,451</b>	<b>0%</b>

## GENERAL FUND

### EXPENDITURE STATUS – BUDGET TO ACTUAL

#### Expense Comparison - Budget to Actual

	Adopted Budget	Amended Budget	YTD Expense	Budget - YTD	% Used	Prior Year
Salaries & Wages	\$ 6,443,740	\$ 6,524,652	\$ 5,806,094	\$ 718,558	89%	\$ 5,811,129
Employee Benefits	4,774,856	4,794,850	4,452,490	342,360	93%	4,342,347
Professional Services	978,093	952,733	831,330	121,403	87%	876,000
Contributions	280,500	282,500	234,674	47,826	83%	245,019
Support Goods & Services	1,872,048	1,929,548	1,581,596	347,952	82%	1,706,095
Utility Services	586,350	591,350	566,076	25,274	96%	618,992
Administrative Services	36,000	36,000	45,645	(9,645)	127%	38,882
Capital Outlays	280,872	312,545	310,466	2,079	99%	946,807
Interest Expense	528,240	528,240	528,240	-	100%	525,990
Transfers Out	1,325,046	1,502,546	1,624,852	(122,306)	108%	1,666,189
Allocated Expenses	(80,000)	(80,000)	(71,539)	(8,461)	89%	(35,283)
<b>Total Expenses</b>	<b>\$ 17,025,745</b>	<b>\$ 17,374,964</b>	<b>\$ 15,909,923</b>	<b>\$ 1,465,041</b>	<b>92%</b>	<b>\$ 16,742,166</b>

## GENERAL FUND

### EXPENSE COMPARISON – CURRENT YEAR TO PRIOR YEAR

	YTD Expense	Prior Year Expense	Current - Prior Year	% Variance
Salaries & Wages	\$ 5,806,094	\$ 5,811,129	\$ (5,035)	0%
Employee Benefits	4,452,490	4,342,347	110,144	3%
Professional Services	831,330	876,000	(44,669)	-5%
Contributions	234,674	245,019	(10,345)	-4%
Support Goods & Services	1,581,596	1,706,095	(124,499)	-7%
Utility Services	566,076	618,992	(52,917)	-9%
Administrative Services	45,645	38,882	6,763	17%
Capital Outlays	310,466	946,807	(636,341)	-67%
Interest Expense	528,240	525,990	2,250	0%
Transfers Out	1,624,852	1,666,189	(41,337)	-2%
Allocated Expenses	(71,539)	(35,283)	(36,256)	103%
<b>Total Expenses</b>	<b>\$ 15,909,923</b>	<b>\$ 16,742,166</b>	<b>(832,243)</b>	<b>-5%</b>

<b>Grand Totals</b>	<b>YTD</b>
<b>2013 Actual Revenue Totals</b>	<b>\$ 16,986,555</b>
<b>2013 Actual Expense Totals</b>	<b>\$ 15,909,923</b>
<b>2013 Balance</b>	<b>\$ 1,076,632</b>

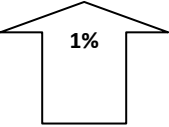
## ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City of Kodiak's City Council is that the costs of providing goods and services to the public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The following is a list of the various enterprise funds:

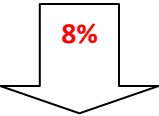
- **Cargo Terminal Fund – Major Fund**  
This fund accounts for all activity of the City owned and operated cargo terminal, which includes a warehouse and piers.
- **Boat Harbor Fund – Major Fund**  
This fund accounts for all activity for the Port of Kodiak, which is City owned and operated and includes two harbors.
- **Shipyards Fund – Major Fund**  
This fund accounts for all activity for the Shipyards Facility which is City owned and operated.
- **Harbor Electric Fund – Non Major Fund**  
This fund accounts for the use of electrical power for the Boat Harbor, which is City owned and operated and includes two harbors.
- **Water Utility Fund – Major Fund**  
This fund accounts for all activity of the City owned and operated water utility.
- **Sewer Utility Fund – Major Fund**  
This fund accounts for all activity of the City owned and operated sewer utility.

## Cargo Fund

### Cargo Fund Revenues

 <p>1%</p>	<p>Overall Cargo Revenues are up 1% or \$8,800 from last year for the same time period.</p> <p><b>Intergovernmental Revenue</b> increased 13% or \$2,296 and can be contributed to the PERS on-behalf payments from the State which is also expensed at the same amount in the employee benefits category.</p> <p><b>Charges for Services increases</b> 47% overall or \$38,584. The largest increase was in wharfage and handling at a 13% increase or \$56,215 and the largest decrease was in cruise ship revenue at a 27% or \$35,434. Dockage for Pier III increase by 9% or \$10,483 and Pier III leases increased by 3% or \$7,318.</p> <p><b>Interest Income</b> increase by 397% or \$7,026 as interest rates have begun to increase.</p> <p><b>Rents</b> increased by 2% or \$3,667 with warehouse rentals increasing by 2% and van storage rentals increasing by 5%.</p> <p><b>Miscellaneous Revenue</b> decreased 100% or \$42,773 due to reimbursement from damages to piers in fiscal year 2012 and no damage reimbursement in fiscal year 2013.</p>
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### Cargo Fund Expenses

 <p>8%</p>	<p>Overall Cargo Expenses were down 8% or \$91,942 from last year for the same time period.</p> <p><b>Salaries and Wages</b> decreased 9% or \$14,651. <b>Employee Benefits</b> decreased 6% or \$8,633. The PERS on-behalf expense increased by 13% or \$2,296 which offset the revenue.</p> <p><b>Professional Services</b> decreased by 89% or \$12,493. In fiscal year 2012 Northern Economics was paid for services to the Cargo Fund.</p> <p><b>Support Goods &amp; Services</b> decreased by 19% or \$16,418 overall. The largest decrease was in repairs and maintenance at 150% or \$11,773 and insurance with a decrease of 8% or \$5,600. There were increases in travel and training of 110% or \$1,089, supplies increased by 703% or \$500, and vehicle fuel increased by 8% or \$47.</p> <p><b>Utility Services</b> decreased by 10% or \$2,364 overall. Garbage decreased by 22% or \$2,858, electric increased by 2% or \$192, and sewer increased by 16% or \$302.</p> <p><b>Administrative Services</b> decreased by 100% or \$22,208 due to reimbursement from damages to piers in fiscal year 2012 and no damage reimbursement in fiscal year 2013.</p> <p><b>Capital Outlays</b> in fiscal year 2013 capital outlays were \$1,636 with no capital outlays in fiscal year 2012.</p> <p><b>Depreciation Expense</b> was the same in both fiscal years.</p> <p><b>Interfund Charges</b> decreased by 8% or \$15,942 and are the charges allocated for general fund for administrative services and harbor master services.</p>
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## Cargo Fund

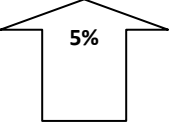
Cargo Fund	Amended Budget	YTD	Prior Year	Current - Prior Year	% Variance
<b>REVENUES</b>					
Intergovernmental Revenue	\$ 19,560	\$ 20,275	\$ 17,978	\$ 2,296	13%
Charges for Services	995,000	1,007,247	968,663	38,584	4%
Interest	7,000	8,796	1,770	7,026	397%
Rents	217,000	215,372	211,706	3,667	2%
Miscellaneous	-	210	42,983	(42,773)	-100%
Use of Fund Balance	(149,646)	-	-	-	0%
Transfer In	-	-	-	-	0%
<b>Total Revenues</b>	<b>\$ 1,088,914</b>	<b>\$ 1,251,900</b>	<b>\$ 1,243,100</b>	<b>\$ 8,800</b>	<b>1%</b>
<b>EXPENSES</b>					
Salaries & Wages	\$ 163,570	\$ 143,402	\$ 158,053	\$ (14,651)	-9%
Employee Benefits	148,647	134,364	142,997	(8,633)	-6%
Professional Services	14,500	1,520	14,013	(12,493)	-89%
Support Goods & Services	119,500	70,923	87,341	(16,418)	-19%
Utility Services	25,000	20,981	23,345	(2,364)	-10%
Administrative Services	-	-	22,209	(22,209)	-100%
Capital Outlays	-	1,636	-	1,636	
Depreciation	444,427	444,427	444,427	-	0%
Interest Expense	-	-	-	-	
Inter-fund	173,270	173,270	189,212	(15,942)	-8%
Transfers Out	-	-	-	-	
<b>Total Expenses</b>	<b>\$ 1,088,914</b>	<b>\$ 990,522</b>	<b>\$ 1,081,597</b>	<b>\$ (91,074)</b>	<b>-8%</b>
<b>TOTAL REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 261,378</b>	<b>\$ 161,504</b>	<b>\$ 99,874</b>	

Net Assets:

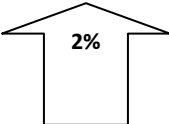
Invested in capital	\$ 6,199,248	\$ 6,199,248
Restricted for debt service	-	-
Unrestricted	4,147,398	3,886,020
<b>Total Net Assets</b>	<b>\$ 10,346,646</b>	<b>\$ 10,085,268</b>

## Harbor Fund

### Harbor Fund Revenues

	<p>Overall Harbor Revenues are up 5% or \$122,292 from last year for the same time period.</p> <p><b>Intergovernmental Revenue</b> increased 31% or \$20,725 and can be contributed to the PERS on-behalf payments from the State which is also expensed at the same amount in the employee benefits category.</p> <p><b>Charges for Services</b> increased 6% or \$141,654 overall. The largest increases were in pier and dock fees with an increase of 79% or \$137,293, gear storage increased 45% or \$28,166, transient moorage increased by 3% or \$12,892, and harbor master service calls with an increase of 124% or \$10,943. The largest decrease was dockage for AMHS by 40% or \$35,452, bulk oil sales decreased by 18% or \$11,562, used oil fees decreased by 45% or \$7,597 and tidal grid fees decreased by 15% or \$2,706.</p> <p><b>Interest Income</b> increase by 56% or \$6,129 as interest rates have begun to increase.</p> <p><b>Rents</b> increased by 1% or \$155 which was generated by rental from the AMHS office rental.</p> <p><b>Miscellaneous Revenue</b> decreased 56% or \$16,113 due to reimbursement from damages to harbor facilities in fiscal year 2012 and no damage reimbursement in fiscal year 2013.</p> <p><b>Interfund Revenues</b> decreased by 15% or \$30,285. These are revenues from allocations based on harbor services to the Cargo, Shipyard and Electric funds.</p>
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### Harbor Fund Expenses

	<p>Overall Harbor Expenses were up 2% or \$85,442 from last year for the same time period.</p> <p><b>Salaries and Wages</b> increased 6% or \$38,970. <b>Employee Benefits</b> increased 9% or \$43,529. The PERS on-behalf expense increased by 31% or \$20,725 which offset the revenue.</p> <p><b>Professional Services</b> decreased by 9% or \$7,334. In fiscal year 2012 Northern Economics was paid for services to the Harbor Fund. Credit Card fees increased by 9% or \$1,857.</p> <p><b>Community Contributions</b> decreased by 10% or \$1,984. Community promotions decreased by 48% or \$2,294 for expos that the Harbor attends, and Chamber of Commerce payments from the AMHS rental increase by 2% or \$310. The rental revenue received by AMHS is passed on to the Chamber as they are responsible for the operations of the City owned building.</p> <p><b>Support Goods &amp; Services</b> decreased by 5% or \$11,471 overall. The largest decrease was in repairs and maintenance at 42% or \$24,437 and office supplies with a decrease of 43% or \$3,649. There were increases in insurance of 5% or \$4,800, and equipment rental of 10% or \$366.</p> <p><b>Utility Services</b> increased by 3% or \$4,857 overall. Electric decreased by 19% or \$7,547, fuel increased by 24% or \$2,812, and used oil handling increased by 272% or \$1,088.</p>
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	<p><b>Administrative Services</b> decreased by 82% or \$883 due to less accounts written off in fiscal year 2012 than fiscal year 2013.</p> <p><b>Capital Outlays</b> decreased by 38% or \$7,919. There were fewer computer needs and vehicle purchases in fiscal year 2013.</p> <p><b>Depreciation Expense</b> was relatively the same in both fiscal years.</p> <p><b>Interest Expense</b> decreased by 2% or \$1,500. This expense is the interest expense for the revenue bonds owed by the Harbor Fund.</p> <p><b>Interfund Charges</b> increased by 2% or \$3,866 and are the charges allocated for general fund for administrative services.</p> <p><b>Transfer Out Expense</b> increased by 2% or \$19,768 which is a transfer from the Harbor Fund to the Shipyard Fund for Shipyard operational expenses.</p>
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### Harbor Fund

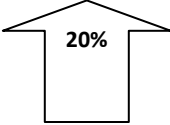
Harbor Fund	Amended Budget	YTD	Prior Year	Current - Prior Year	% Variance
<b>REVENUES</b>					
Intergovernmental Revenue	\$ 81,900	\$ 88,494	\$ 67,769	\$ 20,725	31%
Charges for Services	\$ 2,178,000	\$ 2,406,921	\$ 2,265,267	\$ 141,654	6%
Interest	\$ 14,000	\$ 17,116	\$ 10,987	\$ 6,129	56%
Rents	\$ 16,500	\$ 15,609	\$ 15,455	\$ 155	1%
Miscellaneous	\$ 7,300	\$ 12,729	\$ 28,842	\$ (16,113)	-56%
Interfund Charges	\$ 167,730	\$ 167,730	\$ 197,988	\$ (30,258)	-15%
Use of Fund Balance	\$ 1,748,733	\$ -	\$ -	\$ -	
Transfer In	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 4,214,163</b>	<b>\$ 2,708,600</b>	<b>\$ 2,586,308</b>	<b>\$ 122,292</b>	<b>5%</b>
<b>EXPENSES</b>					
Salaries & Wages	\$ 728,175	\$ 675,941	\$ 636,971	\$ 38,970	6%
Employee Benefits	\$ 518,937	\$ 531,137	\$ 487,608	\$ 43,529	9%
Professional Services	\$ 83,000	\$ 77,978	\$ 85,311	\$ (7,334)	-9%
Contributions	\$ 21,500	\$ 18,271	\$ 20,255	\$ (1,984)	-10%
Support Goods & Services	\$ 248,800	\$ 214,846	\$ 226,317	\$ (11,471)	-5%
Utility Services	\$ 160,000	\$ 160,137	\$ 155,280	\$ 4,857	3%
Administrative Services	\$ -	\$ 193	\$ 1,076	\$ (883)	-82%
Capital Outlays	\$ 54,500	\$ 12,751	\$ 20,669	\$ (7,919)	-38%
Depreciation	\$ 1,312,903	\$ 1,320,097	\$ 1,314,554	\$ 5,543	0%
Interest Expense	\$ 90,970	\$ 90,171	\$ 91,671	\$ (1,500)	-2%
Inter-fund	\$ 175,610	\$ 175,610	\$ 171,744	\$ 3,866	2%
Transfers Out	\$ 819,768	\$ 819,768	\$ 800,000	\$ 19,768	2%
<b>Total Expenses</b>	<b>\$ 4,214,163</b>	<b>\$ 4,096,899</b>	<b>\$ 4,011,457</b>	<b>\$ 85,442</b>	<b>2%</b>
<b>TOTAL REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ (1,388,299)</b>	<b>\$ (1,425,149)</b>	<b>\$ 36,849</b>	

Net Assets:

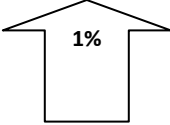
Invested in capital	\$ 13,663,115	\$ 13,663,115
Restricted for debt service	129,581	129,581
Unrestricted	638,992	2,027,291
<b>Total Net Assets</b>	<b>\$ 14,431,688</b>	<b>\$ 15,819,987</b>

## Shipyard Fund

### Shipyard Fund Revenues

	<p>Overall Shipyard Revenues are up 20% or \$246,791 from last year for the same time period.</p> <p><b>Intergovernmental Revenue</b> decreased 1% or \$66 and can be contributed to the PERS on-behalf payments from the State which is also expensed at the same amount in the employee benefits category.</p> <p><b>Charges for Services</b> increased 54% or \$224,358 overall. The largest increases were in lay days with an increase of 95% or \$98,316, haul launch and block increased by 30% or \$65,323, electric charges increased by 66% or \$17,985, and yard services increased by 42% or \$17,264. There were no decreased in any revenue category from the prior year. The rates for the Shipyard were adjusted in April 2013 with a 20% increase in some areas.</p> <p><b>Interest Income</b> increase by 3961% or \$1,501 as interest rates have begun to increase and the Shipyard maintained a positive cash balance.</p> <p><b>Miscellaneous Revenue</b> increased 111% or \$1,230.</p> <p><b>Transfer In</b> increased by 2% or \$19,768 which is a transfer from the Harbor Fund to the Shipyard Fund for Shipyard operational expenses.</p>
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### Shipyard Fund Expenses

	<p>Overall Shipyard Expenses were up 1% or \$11,834 from last year for the same time period.</p> <p><b>Salaries and Wages</b> increased 12% or \$10,179. <b>Employee Benefits</b> decreased by less than 1% or \$257.</p> <p><b>Professional Services</b> decreased by 4% or \$1,298. These expenses were for work dealing with the lift machine.</p> <p><b>Support Goods &amp; Services</b> increased by 25% or \$16,285 overall. The largest increase was in repairs and maintenance at 66% or \$9,244 office supplies with an increase of 141% or \$7,494, and an increase in advertising by 2% or \$759.</p> <p><b>Utility Services</b> increased by 1% or \$566 overall. Electric increased by 29% or \$6,465, and all other utilities decreased.</p> <p><b>Depreciation Expense</b> was relatively the same in both fiscal years.</p> <p><b>Interest Expense</b> increased by 1% or \$3,591. This expense is the interest expense for the revenue bonds owed by the Shipyard Fund.</p> <p><b>Interfund Charges</b> decreased by 10% or \$17,232 and are the charges allocated for general fund for administrative services and harbor master services.</p>
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## Shipyard Fund

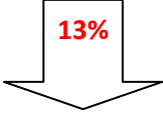
Shipyard Fund	Amended Budget	YTD	Prior Year	Current - Prior Year	% Variance
<b>REVENUES</b>					
Intergovernmental Revenue	\$ 12,170	\$ 13,012	\$ 13,078	\$ (66)	-1%
Charges for Services	\$ 460,500	\$ 639,682	\$ 415,325	\$ 224,358	54%
Interest	\$ 1,000	\$ 1,539	\$ 38	\$ 1,501	3961%
Rents	\$ -	\$ -	\$ -	\$ -	
Miscellaneous	\$ 2,000	\$ 2,338	\$ 1,108	\$ 1,230	111%
Use of Fund Balance	\$ 1,372	\$ -	\$ -	\$ -	
Transfer In	\$ 819,768	\$ 819,768	\$ 800,000	\$ 19,768	2%
<b>Total Revenues</b>	<b>\$ 1,296,810</b>	<b>\$ 1,476,340</b>	<b>\$ 1,229,548</b>	<b>\$ 246,791</b>	<b>20%</b>
<b>EXPENSES</b>					
Salaries & Wages	\$ 99,020	\$ 93,677	\$ 83,498	\$ 10,179	12%
Employee Benefits	\$ 92,842	\$ 83,580	\$ 83,837	\$ (257)	0%
Professional Services	\$ 40,000	\$ 31,822	\$ 33,120	\$ (1,298)	-4%
Support Goods & Services	\$ 83,500	\$ 81,918	\$ 65,634	\$ 16,285	25%
Utility Services	\$ 46,000	\$ 42,579	\$ 42,013	\$ 566	1%
Administrative Services	\$ -	\$ -	\$ -	\$ -	
Capital Outlays	\$ -	\$ -	\$ -	\$ -	
Depreciation	\$ 530,000	\$ 529,981	\$ 529,981	\$ -	0%
Interest Expense	\$ 246,098	\$ 244,631	\$ 241,040	\$ 3,591	1%
Inter-fund	\$ 159,350	\$ 159,350	\$ 176,582	\$ (17,232)	-10%
Transfers Out	\$ -	\$ -	\$ -	\$ -	
<b>Total Expenses</b>	<b>\$ 1,296,810</b>	<b>\$ 1,267,538</b>	<b>\$ 1,255,704</b>	<b>\$ 11,834</b>	<b>1%</b>
<b>TOTAL REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 208,802</b>	<b>\$ (26,156)</b>	<b>\$ 234,958</b>	

Net Assets:

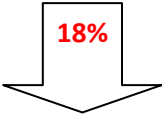
Invested in capital	\$ 11,424,640	\$ 11,424,640
Restricted for debt service	375,469	375,469
Unrestricted	(42,421)	(251,223)
<b>Total Net Assets</b>	<b>\$ 11,757,688</b>	<b>\$ 11,548,886</b>

## Harbor Electric Fund

### Harbor Electric Fund Revenues

	<p>Overall Harbor Electric Revenues were down by 13% or \$109,213 from last year for the same time period.</p> <p><b>Charges for Services</b> decreased 13% or \$109,968 overall. The largest decreases were in energy charge fee by 14% or \$92,331, non-meter charges decreased by 44% or \$9,892, electric service calls decreased by 54% or \$4,338, and customer charge recurring decreased by 2% or \$2,275. There were no increases in charges for services.</p> <p><b>Interest Income</b> increase by 388% or \$1,191 as interest rates have begun to increase.</p>
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### Harbor Electric Fund Expenses

	<p>Overall Harbor Electric Expenses were down 18% or \$147,452 from last year for the same time period.</p> <p><b>Professional Services</b> decreased by 567% or \$595. This expense decreased was due to a line item correction.</p> <p><b>Support Goods &amp; Services</b> decreased by 21% or \$143,664 overall. The largest decrease was the purchase of power for resale by 22% or \$148,483. There were increases in supplies by 41% or \$3,165, and an increase in repair and maintenance by 60% or \$3,165.</p> <p><b>Depreciation Expense</b> was relatively the same in both fiscal years.</p> <p><b>Interfund Charges</b> decreased by 3% or \$3,193 and are the charges allocated for general fund for administrative services and harbor master services.</p>
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## Harbor Electric Fund

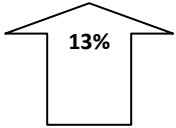
Harbor Electric	Amended Budget	YTD	Prior Year	Current - Prior Year	% Variance
<b>REVENUES</b>					
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	
Charges for Services	\$ 683,000	\$ 724,632	\$ 834,600	\$ (109,968)	-13%
Interest	\$ 1,000	\$ 949	\$ 195	\$ 754	388%
Rents	\$ -	\$ -	\$ -	\$ -	
Miscellaneous	\$ -	\$ -	\$ -	\$ -	
Use of Fund Balance	\$ (26,520)	\$ -	\$ -	\$ -	
Transfer In	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 657,480</b>	<b>\$ 725,581</b>	<b>\$ 834,794</b>	<b>\$ (109,213)</b>	<b>-13%</b>
<b>EXPENSES</b>					
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	
Employee Benefits	\$ -	\$ -	\$ -	\$ -	
Professional Services	\$ 2,000	\$ (490)	\$ 105	\$ (595)	-567%
Support Goods & Services	\$ 546,500	\$ 553,892	\$ 697,556	\$ (143,664)	-21%
Utility Services	\$ -	\$ -	\$ -	\$ -	
Administrative Services	\$ -	\$ -	\$ -	\$ -	
Capital Outlays	\$ 5,000	\$ -	\$ -	\$ -	
Depreciation	\$ 11,760	\$ 11,759	\$ 11,759	\$ (0)	0%
Interest Expense	\$ -	\$ -	\$ -	\$ -	
Inter-fund	\$ 92,220	\$ 92,220	\$ 95,413	\$ (3,193)	-3%
Transfers Out	\$ -	\$ -	\$ -	\$ -	
<b>Total Expenses</b>	<b>\$ 657,480</b>	<b>\$ 657,381</b>	<b>\$ 804,833</b>	<b>\$ (147,452)</b>	<b>-18%</b>
<b>TOTAL REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 68,200</b>	<b>\$ 29,961</b>	<b>\$ 38,239</b>	

Net Assets:


Invested in capital	\$ 54,229	\$ 54,229
Restricted for debt service	-	-
Unrestricted	633,070	564,870
<b>Total Net Assets</b>	<b>\$ 687,299</b>	<b>\$ 619,099</b>

## Water Utility Fund

### Water Utility Fund Revenues

	<p>Overall Water Revenues are up 13% or \$413,010 from last year for the same time period.</p> <p><b>Intergovernmental Revenue</b> increased 2% or \$643 and can be contributed to the PERS on-behalf payments from the State which is also expensed at the same amount in the employee benefits category.</p> <p><b>Charges for Services</b> increased 13% or \$409,160 overall. The largest increases were in City water sales which increased by 14% or \$151,847, Borough water sales increased by 15% or \$111,430, and metered water sales increased by 8% or \$105,756. Water rates were increased July 1, 2012 by 12% as part of a five year rate increase starting in fiscal year 2011.</p> <p><b>Interest Income</b> increase by 274% or \$6,738 as interest rates have begun to increase.</p> <p><b>Miscellaneous Revenue</b> decreased 34% or \$3,531. These are fees for late charges, and other water usage fees.</p>
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### Water Utility Fund Expenses

	<p>Overall Water Expenses were up 73% or \$2,687,862 from last year for the same time period.</p> <p><b>Salaries and Wages</b> decreased 20% or \$77,424. <b>Employee Benefits</b> decreased 15% or \$47,688. Salaries and Benefits were lower in fiscal year 2013 than 2012 because of less overtime due to a mild winter and the retirement of long time employees.</p> <p><b>Professional Services</b> decreased by 36% or \$13,508. In fiscal year 2012 there were higher professional services for rental of equipment, permits, lab tests, and local contractors for water related services.</p> <p><b>Support Goods &amp; Services</b> decreased by 12% or \$22,743 overall. The largest decrease was in chemical purchases by 41% or \$27,057, insurance decreased by 9% or \$1,700. There were increases in repairs and maintenance of 28% or \$9,123.</p> <p><b>Utility Services</b> decreased by 6% or \$25,075 overall. All utilities were lower than the prior fiscal year.</p> <p><b>Capital Outlays</b> increased by 251% or \$8,604. There was an increase of 702% or \$6,590 for equipment less than \$5,000 and an increase of \$4,506 for the new vehicle replacement fund expense for the Water Fund.</p> <p><b>Depreciation Expense</b> was relatively the same in both fiscal years.</p> <p><b>Interest Expense</b> decreased by 13% or \$2,218. This expense is the interest expense for the loans for Water related capital projects.</p> <p><b>Interfund Charges</b> increased by 9% or \$42,062 and are the charges allocated for general fund for administrative services. Per code 10% of Water charges billed is allocated to the Water Capital Improvement Fund.</p> <p><b>Transfer Out Expense</b> increased by 240% or \$2,831,771 which is a transfer from the Water Fund to Water related capital projects.</p>
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## Water Utility Fund

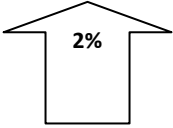
Water Fund	Amended Budget	YTD	Prior Year	Current - Prior Year	% Variance
<b>REVENUES</b>					
Intergovernmental Revenue	\$ 46,900	\$ 42,937	\$ 42,294	\$ 643	2%
Charges for Services	\$ 3,305,650	\$ 3,590,882	\$ 3,181,722	\$ 409,160	13%
Interest	\$ 10,000	\$ 9,196	\$ 2,458	\$ 6,738	274%
Rents	\$ -	\$ -	\$ -	\$ -	
Miscellaneous	\$ 500	\$ 6,795	\$ 10,326	\$ (3,531)	-34%
Use of Fund Balance	\$ 2,449,386	\$ -	\$ -	\$ -	
Transfer In	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 5,812,436</b>	<b>\$ 3,649,810</b>	<b>\$ 3,236,800</b>	<b>\$ 413,010</b>	<b>13%</b>
<b>EXPENSES</b>					
Salaries & Wages	\$ 392,683	\$ 313,057	\$ 390,481	\$ (77,424)	-20%
Employee Benefits	\$ 331,251	\$ 268,730	\$ 316,419	\$ (47,688)	-15%
Professional Services	\$ 47,000	\$ 24,012	\$ 37,521	\$ (13,508)	-36%
Support Goods & Services	\$ 234,949	\$ 165,286	\$ 188,029	\$ (22,743)	-12%
Utility Services	\$ 501,250	\$ 395,530	\$ 420,606	\$ (25,076)	-6%
Administrative Services	\$ -	\$ -	\$ -	\$ -	
Capital Outlays	\$ 110,000	\$ 12,035	\$ 3,431	\$ 8,604	251%
Depreciation	\$ 647,130	\$ 648,966	\$ 654,885	\$ (5,919)	-1%
Interest Expense	\$ 19,873	\$ 15,103	\$ 17,321	\$ (2,218)	-13%
Inter-fund	\$ 444,800	\$ 499,087	\$ 457,024	\$ 42,062	9%
Transfers Out	\$ 3,083,500	\$ 4,014,060	\$ 1,182,289	\$ 2,831,771	240%
<b>Total Expenses</b>	<b>\$ 5,812,436</b>	<b>\$ 6,355,866</b>	<b>\$ 3,668,004</b>	<b>\$ 2,687,862</b>	<b>73%</b>
<b>TOTAL REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ (2,706,056)</b>	<b>\$ (431,204)</b>	<b>\$ (2,274,852)</b>	

Net Assets:

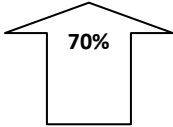
Invested in capital	\$ 21,456,983	\$ 21,456,983
Restricted for debt service	-	-
Unrestricted	2,338,589	5,044,645
<b>Total Net Assets</b>	<b>\$ 23,795,572</b>	<b>\$ 26,501,628</b>

## Sewer Utility Fund

### Sewer Utility Fund Revenues

 <p>2%</p>	<p>Overall Sewer Revenues are up 2% or \$62,079 from last year for the same time period.</p> <p><b>Intergovernmental Revenue</b> decreased 2% or \$1,470 and can be contributed to the PERS on-behalf payments from the State which is also expensed at the same amount in the employee benefits category.</p> <p><b>Charges for Services</b> increased 2% or \$59,240 overall. The largest increases were in sewer hookups which increased by 681% or \$14,665, septic tank discharge increased 38% or \$18,598, City sewer services changed less than 1% or \$11,458, and Borough sewer services increased by 1% or \$17,870. Lab testing decreased by 13% or \$3,353. There were no rate increases in the Sewer Fund in fiscal years 2012 or 2013. The last rate increase was in 2011 at 5%.</p> <p><b>Interest Income</b> increase by 801% or \$4,866 as interest rates have begun to increase.</p> <p><b>Miscellaneous Revenue</b> decreased 18% or \$558. These are fees for late charges, and other sewer fees.</p>
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### Sewer Utility Fund Expenses

 <p>70%</p>	<p>Overall Sewer Expenses were up 73% or \$2,871,011 from last year for the same time period.</p> <p><b>Salaries and Wages</b> decreased 3% or \$16,265. <b>Employee Benefits</b> decreased less than 1% or \$1,285. Salaries and Benefits were lower in fiscal year 2013 then 2012 because of less overtime due to a mild winter.</p> <p><b>Professional Services</b> increased by 67% or \$16,464. There was an increase in equipment testing, engineering services, and State of Alaska fees.</p> <p><b>Support Goods &amp; Services</b> increased by 1% or \$2,126 overall. The largest increase was in repair and maintenance by 70% or \$21,400. The largest decrease was in chemical purchases by 42% or \$15,396, insurance decreased by 9% or \$3,500, and telephone expense by 11% or \$2,048</p> <p><b>Utility Services</b> decreased by 32% or \$183,107 overall. All utilities were lower than the prior year. The Bio-solid Disposal fees decreased by 54% or \$149,856. The fees for the Composting project are being charged to the Sewer Capital Improvement Fund.</p> <p><b>Capital Outlays</b> increased by 361% or \$30,667. Building improvements increased by \$18,527 for fuel safe tanks, and equipment greater than \$5,000 increased by \$15,110 for pump station controls.</p> <p><b>Depreciation Expense</b> was relatively the same in both fiscal years.</p> <p><b>Interest Expense</b> decreased by 13% or \$4,500. This expense is the interest expense for the loans for Sewer related capital projects.</p> <p><b>Interfund Charges</b> increased by 7% or \$34,235 and are the charges allocated for general fund for administrative services. Per code 10% of Sewer charges billed is allocated to the Sewer Capital Improvement Fund.</p> <p><b>Transfer Out Expense</b> increased by 581% or \$2,993,500 which is a transfer from the Sewer Fund to Sewer related capital projects.</p>
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## Sewer Utility Fund

Sewer Fund	Amended Budget	YTD	Prior Year	Current - Prior Year	% Variance
<b>REVENUES</b>					
Intergovernmental Revenue	\$ 70,670	\$ 60,053	\$ 61,523	\$ (1,470)	-2%
Charges for Services	\$ 3,460,990	\$ 3,694,398	\$ 3,635,158	\$ 59,241	2%
Interest	\$ 10,000	\$ 5,473	\$ 608	\$ 4,866	801%
Rents	\$ -	\$ -	\$ -	\$ -	
Miscellaneous	\$ -	\$ 2,505	\$ 3,063	\$ (558)	-18%
Use of Fund Balance	\$ 3,805,749	\$ -	\$ -	\$ -	
Transfer In	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 7,347,409</b>	<b>\$ 3,762,430</b>	<b>\$ 3,700,352</b>	<b>\$ 62,079</b>	<b>2%</b>
<b>EXPENSES</b>					
Salaries & Wages	\$ 633,100	\$ 558,581	\$ 574,846	\$ (16,265)	-3%
Employee Benefits	\$ 522,203	\$ 490,303	\$ 491,588	\$ (1,286)	0%
Professional Services	\$ 61,500	\$ 41,147	\$ 24,682	\$ 16,464	67%
Support Goods & Services	\$ 279,798	\$ 191,979	\$ 189,853	\$ 2,126	1%
Utility Services	\$ 510,000	\$ 387,680	\$ 570,786	\$ (183,107)	-32%
Administrative Services	\$ -	\$ -	\$ -	\$ -	
Capital Outlays	\$ 97,000	\$ 39,167	\$ 8,500	\$ 30,667	361%
Depreciation	\$ 1,214,886	\$ 1,214,885	\$ 1,215,709	\$ (823)	0%
Interest Expense	\$ 25,622	\$ 30,528	\$ 35,028	\$ (4,500)	-13%
Inter-fund	\$ 494,800	\$ 529,691	\$ 495,455	\$ 34,235	7%
Transfers Out	\$ 3,508,500	\$ 3,508,500	\$ 515,000	\$ 2,993,500	581%
<b>Total Expenses</b>	<b>\$ 7,347,409</b>	<b>\$ 6,992,459</b>	<b>\$ 4,121,448</b>	<b>\$ 2,871,011</b>	<b>70%</b>
<b>TOTAL REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ (3,230,029)</b>	<b>\$ (421,096)</b>	<b>\$ (2,808,933)</b>	

Net Assets:

Invested in capital	\$ 12,232,196	\$ 12,232,196
Restricted for debt service	-	-
Unrestricted	1,557,260	4,787,289
<b>Total Net Assets</b>	<b>\$ 13,789,456</b>	<b>\$ 17,019,485</b>