

City of Kodiak FY 2021 Budget Summary





**City of Kodiak
Executive Summary
Fiscal Year 2021**

April 9, 2020

Mayor Branson and City Council Members
Kodiak, Alaska 99615

Dear Mayor and Council Members:

Enclosed you will find the necessary budget documents for the FY 2021 Budget work session to be held on April 14, 2020 and April 18, 2020. These documents include:

- (1) Fiscal Year 2021 Budget Binder
- (2) Fiscal Year 2021 Budget Summary (included herein)
- (3) Fiscal Year 2021 Budget Presentation

Other documents that you may find beneficial include the City's Long Term Capital Improvement Plan FY 2019-2023 located on the City's website. The Plan includes replacement schedules for vehicles, heavy equipment, IT equipment, and miscellaneous equipment. These replacement schedules are used for developing capital outlays for the current year budget.

Basis for FY 2021 Budget

The FY 2021 budget incorporates the City Council Budget Goals passed by Resolution Number 2020-10 on February 27, 2020. In addition to normal operations and capital infrastructure needs, the FY 2021 budget incorporates the following management goals:

- Conduct Water Utility Rate Study
- Implement Ship Yard Business & Marketing Plan
- Expand Municipal Boundaries through Annexation Process
- Implement Business License program
- Research Future Use of Electric Vehicles for City Departments
- Execute the FY 2021 City Council & Manager Strategic Priorities

The City Manager and directors believe the FY 2021 Budget meets the City's vision to develop and grow as the community of choice by providing quality municipal services in the most appropriate and fiscally responsible manner to meet the City's needs.

Very respectfully,

Handwritten signature of Mike Tvenge in black ink.

Mike Tvenge
City Manager

Handwritten signature of Josie Bahnke in black ink.

Josie Bahnke
Deputy City Manager

Handwritten signature of Kelly Mayes in black ink.

Kelly Mayes
Finance Director

FY 2021 General Fund Operating Budget



FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – General Fund Revenues

General Fund Revenues – Binder Tab 2 Page 1

Taxes: No increase or decrease as compared to FY 2020 Amended Budget

As compared to the FY 2020 Amended Budget, overall taxes are budgeted the same for FY 2021. Property taxes received were reviewed over the most recent three-year period and the City has been consistently collecting \$1.1 million in property tax revenue each year.

Sales taxes received over the past twelve-month period are comparable to the prior year, the first year of implementation of increased sales tax cap and other sales tax adjustments. The most notable changes occurred during fiscal year 2018 for the following areas: an increase of the sales tax cap from \$750 to \$3,000; maintaining the sales tax cap at \$750 for real property residential and real property commercial rentals; and eliminating the 2% discount for early sales tax filers. As the City is still recognizing the full potential of these changes, a five-year regression analysis was performed to project sales tax revenues in addition to a thorough review of the past four quarters collected under the revised changes.

At the time of budget preparation and documentation, the state of Alaska was undergoing two economic drivers related to sales tax – shelter-in-place orders due to COVID-19 and the implementation of remote sales tax. As the known impacts of these two economic drivers are still unknown, no changes have been made to the sales tax budget. Therefore, the sales tax budget is based on these conservative estimates.

Licenses and Permits: No increase or decrease as compared to FY 2020 Amended Budget

Intergovernmental Revenue: Increase \$61,752 (4.06%)

As compared to the FY 2020 Amended budget, overall intergovernmental revenue increased by \$61,752 or 4.06%. The following changes were incorporated into the FY 2021 budget: PERS on Behalf was budgeted based on the most recent three-year average for actual PERS relief recognized; Shared Fisheries Taxes were increased based on information received from the State of Alaska.

Charges for Services: Increase \$100,780 (5.54%)

As compared to the FY 2020 Amended Budget, Charges for Services increased based on renewed contracts with the State of Alaska that includes a new electronic monitoring component.

Fines and forfeitures: No increase or decrease as compared to FY 2020 Amended Budget

General Fund Revenues continued

Net investment income: No increase or decrease as compared to FY 2020 Amended Budget

Rents and Royalties: No increase or decrease as compared to FY 2020 Amended Budget

Miscellaneous: No increase or decrease as compared to FY 2020 Amended Budget

Interfund Charges: Increase \$150,563 (9.32%)

As compared to the FY 2020 Amended budget, overall interfund charges increased 9.32%. Interfund Charges are based on allocations of enterprise funds and Tourism fund. This allocation is reviewed annually by the City's external audit firm during the City's annual audit. Interfund charges are calculated as follows:

- Administrative Services: Enterprise Fund % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Manager's FY 2021 Budget and Enterprise Fund % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Clerk's FY 2021 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Enterprise Fund's Number of FY 2019 transactions processed not including payroll and related payroll expenditures (based on FY 2019 Audit) Multiplied by Finance Department (Administration Department Only) FY 2021 Budget and Enterprise Fund's Number of Workstations Multiplied by IT Department FY 2021 Budget (Note that IT Department Budget used is less FY 2021 Capital Outlays and less FY 2021 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2021 Budget (Less Streets FY 2021 Capital Outlays).
- Other Interfund Charges include the General Fund-Vehicle Replacement fund.

Appropriations: Increase \$665,475 (222.23%)

Generally accepted accounting principles and government accounting standards dictate that a budget must balance. Each year, as the budget is prepared, the following types of appropriations will exist to balance budgeted revenues to budgeted expenditures:

- Appropriation TO Fund Balance: Generally means that the budgeted revenues exceeded the budgeted expenses and therefore, the budget is anticipated to increase the fund balance by this amount. This amount is typically shown in parentheses on the budget report generated from the financial software (i.e. negative amount).
- Appropriation FROM Fund Balance: Generally means that the budgeted revenues did not exceed the budgeted expenses and therefore, the budget is anticipated to decrease the fund balance by this amount. This amount is typically shown without parentheses on the budget report generated from the financial software (i.e. positive amount).

For the FY 2020 Amended Budget, the General Fund anticipates Appropriation TO Fund Balance in the amount of (\$299,450). For the FY 2021 Budget, the General Fund anticipates Appropriation FROM Fund Balance in the amount of \$366,025. This overall net effect is an anticipated increase in appropriations by \$665,475 (222.23%).

FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Legislative

Legislative (100-100-105) – Binder Tab 2 Page 4

Salaries & Wages and Employee Benefits: No increase or decrease as compared to FY 2020 Amended Budget

Under Alaska State Legislature, the mayor and council members may be eligible for retirement benefits if certain criteria are met. Based on review of all current positions, the mayor and council are currently not participating in these benefits.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Contracts and other professional services within this category include the following:

- D.C. Lobbyist, Brad Gilman (\$2,350 per month) = \$28,200
- Juneau Lobbyist, Diane Blumer (\$43,260 annual plus travel expenses of \$2,000) = \$45,260
- Other miscellaneous expenses (photos, maps, room rentals, etc.) = \$3,540

Contributions-Community Promotions: Increase \$500 (6.02%)

Additional community promotions for FY 2021 include the Alaska Municipal League Block Party contribution. Community Promotions within this category include the following:

- Newspaper ads: Holiday, USCG, Comfish, Native Roots, etc. = \$1,500
- Misc receptions: Local reception sponsorship = \$2,000
- Promotional Items: City of Kodiak promotional items / City pins, silent auction contributions, etc. = \$1,000
- SWAMC sponsorship: Sponsorship of SWAMC Conference Event = \$1,500
- Visitor Guide: KICVB Annual Publication = \$1,300
- Community Outreach: USCG appreciation dinner; cruise ship plaques, misc items = \$1,000
- AML Block Party = \$500

Support Goods and Services: Increase \$5,020 (5.65%)

Overall support goods and services increased by \$5,020 as compared to the FY 2020 Amended budget. These changes include: (1) increase of \$2,400 in advertising; (2) decrease of \$880 in dues and subscriptions; (3) increase of \$1,500 in Mayor Travel; and (4) increase of \$2,000 in Council Travel. A detailed list of Mayor travel and Council travel is included on the following page.

Legislative (100-100-105) continued

Support Goods and Services: Increase \$5,020 (5.65%) continued

Advertising increased \$2,400 as compared to the FY 2020 Amended Budget. Legislative advertising includes the following:

- Advertising for boards and committees (i.e. Port & Harbor Advisory Board; Kodiak Fisheries Work Group; Parks and Recreation Advisory Board; etc.)
- Notice of council meetings, ordinances, and public hearings
- Legal advertising relating to the adoption of ordinances

Dues and Subscriptions decreased as compared to FY 2020 Amended Budget due to the National League of Cities dues incorporated with affiliate memberships with the Alaska Municipal League. Legislative Dues & Subscriptions include the following:

- AML Annual Dues = \$6,400;
- AML / ACOM Mayor's Annual Dues = \$100;
- NLC Annual Dues through affiliate membership with AML = \$375;
- SWAMC Annual Dues = \$4,200;
- AT&T Data Plan for City iPads (7 at \$30/month = \$210/month; \$60 for potential overage) = \$2,580
- Other miscellaneous dues & subscriptions = \$345

Travel and Training and Conferences has been separated into two separate legislative line items – one for Mayor Travel and Training / Conferences and one for Council Travel and Training / Conferences. The purpose of this detail is to provide greater transparency to the reader.

Overall travel includes the following:

Mayor Travel, Training / Conferences = \$12,900 *Increase \$1,500 as compared to FY 2020 Amended Budget*

- AML Summer Legislative Meetings and Conference of Mayors (Fairbanks, AK) = \$2,000
- AML Fall Conference and Conference of Mayors (Anchorage, AK) = \$1,600
- AML Winter Fly-In and Conferences of Mayors (Juneau, AK) = \$2,300
- SWAMC Winter Conference (Anchorage, AK) = \$1,500
- May Lobbying Trip (Washington, D.C.) = \$5,500
- Lobbying (unscheduled) = \$-0-
- NPFMC Meeting (location unknown) = \$-0-
- State Lobbying (Juneau, AK) = \$-0-

Legislative (100-100-105) continued

Support Goods and Services: Increase \$5,020 (5.65%) continued

Council Travel, Training / Conferences = \$34,700 *Increase \$2,000 as compared to FY 2020 Amended Budget*

- AML Summer Legislative Meetings (Fairbanks, AK) – 2 Council at \$2,000 each = \$4,000
- AML Fall Conference (Anchorage, AK) – 3 Council at \$1,600 each = \$4,800
- AML NEO November (Anchorage, AK) – 1 Council at \$1,200 = \$1,200
- AML Winter Fly-In (Juneau, AK) – 2 Council at \$2,500 = \$5,000
- SWAMC Winter Conference (Anchorage, AK) – 2 Council at \$1,500 = \$3,000
- NLC Conferences (Washington, D.C. and/or San Antonio, TX) – 2 Council at \$4,600 each = \$9,200
- NLC Small Cities Conference (Palm Beach, Florida) – 1 Council at \$2,000 = \$2,000
- NPFMC Meeting (location unknown) – Per Council member at \$1,500 = \$-0-
- May Lobbying Trip (Washington, D.C.) – 1 Council at \$5,500 = \$5,500
- State Lobbying (Juneau, AK) = \$-0-

Capital Outlays: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays for the Legislative department include \$1,658 for the replacement of two iPads and iPad covers.

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FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Legal

Legal (100-100-106) – Binder Tab 2 Page 5

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Professional Services for this department include the City Attorney. The City obtains legal services through Boyd, Chandler, and Falconer, LLP. Throughout fiscal year 2020 pending and continued citywide litigation continues to be resolved. As the FY 2020 Amended Budget may see increases before the end of Fiscal Year 2020, budgeted professional services for FY 2021 are anticipated to be \$75,000.

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FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2019
Topic: **FY 2021 Budget Summary – Executive Administration & Emergency Preparedness**

Executive Administration Department (100-110-100) – Binder Tab 2 Page 5

Salaries & Wages and Employee Benefits: Combined Increase \$41,883 (5.43%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: Increase \$30,000 (240.00%)

Professional services are used for services directly related to the City administration or City human resources divisions. Anticipated professional services for FY 2021 include research for future use of electric vehicles within the City's fleet. Other professional services include site surveys of City owned property for updated lease rates.

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Support goods and services include telephone, dues and subscriptions, training / certifications and related travel; citywide meals and entertainment; supplies, and vehicle fuel. Meals and Entertainment consist of the Citywide employee picnic, Christmas cards, and miscellaneous items such as Senator or House legislative official visits to municipal offices.

Travel and related training / conferences include the following:

City Manager Travel = \$16,200

- Summer AML Conference (Soldotna, AK) = \$2,000
- Fall ICMA Conference (Baltimore, MD) = \$5,500
- November AML Conference (Anchorage, AK) = \$1,600
- May Lobbying (Washington, D.C.) = \$5,500
- Miscellaneous / State Lobbying (location unknown) = \$1,600

Executive Administration Department (100-110-100) continued

Support Goods and Services: No increase or decrease compared to FY 2020 Amended Budget

Travel and related training / conferences include the following:

Deputy City Manager Travel = \$3,200

- Summer AML Conference (Fairbanks, AK) = \$1,600
- November AML Conference (Anchorage, AK) = \$1,600

Human Resources Manager Travel = Northwest Human Resources Management Association Conference (Tacoma, WA) = \$2,200

Repairs & Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Increase \$31,500 (100.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan, one desktop is scheduled for replacement in FY 2021. Other capital outlays include software components for human resources recruiting and employee self-service tools.

| <u>Description</u> | <u>Cost</u> |
|---------------------------------|------------------|
| Dell Desktop - 1 @ \$1,500 | \$ 1,500 |
| Human Resources Software Module | <u>\$ 30,000</u> |
| Total Capital Outlays | \$ 30,000 |

Vehicle Replacement costs were decreased based on the FY 2021 vehicle replacement schedule.

Emergency Preparedness Department (100-110-110)

Professional Services: Decrease \$10,000 (66.66%)

Professional services for emergency preparedness include one-time site surveys for Pillar Mountain, outdoor warning siren surveys, and other professional services related to emergency preparedness. Due to current capital projects in the FY 2021 budget, these professional services were decreased for FY 2021 based on the most recent three-year spending averages.

Support Goods and Services: Increase \$200 (1.90%)

Support goods and services include telephone, advertising, dues and subscriptions, training and certifications, and supplies. This increase is attributable for supplies related to emergency preparedness. Training and certifications include internal courses for emergency preparedness training for all citywide departments.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: **FY 2021 Budget Summary – Clerks Administration & Clerks Citywide Records Management**

Clerks Administration Department (100-120-100) – Binder Tab 2 Page 7

Salaries & Wages and Employee Benefits: Combined Increase \$16,962 (5.26%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: Increase \$2,400 (6.48%)

Increases in Support Goods and Services include an increase in election expenditures for FY 2021 as compared to FY 2020. The Clerks will be outsourcing printing of approximately 2,500 voter pamphlets and for anticipated increases in ballot printing.

Travel and Training & Certifications for this department include the following:

- AAMC Advanced Academy / Annual Conference – Clerk, Deputy, & Assistant at \$1,700 each = \$5,100
- IIMC Annual Conference – Clerk Training & Annual Conference = \$4,000
- NW Clerks Institute – 3 year Clerk Certification Course (Assistance) = \$2,500
- AML Fall and Summer Conference – Clerk = \$2,500

Repairs & Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Clerks Administration Department (100-120-100) continued

Capital Outlays: Increase \$3,450 (113.11%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the City Clerk, noted below are the capital outlay purchases for FY 2021:

| <u>Description</u> | <u>Cost</u> |
|------------------------------|-----------------|
| Records Shredder | \$ 6,000 |
| Vacuum | <u>\$ 500</u> |
| Total Capital Outlays | \$ 6,500 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2022).

Clerks Records Management Department (100-120-120)

Salaries & Wages and Employee Benefits: Combined Increase \$9,690 (5.53%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Anticipated upcoming travel and training / conferences for the Citywide Records Management department include the following:

- Ongoing records management training – Clerk & Deputy Clerk = \$4,500

FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: **FY 2021 Budget Summary – Finance Administration; Finance Utilities; and Finance-IT including Citywide IT**

Finance Administration (100-130-100) – Binder Tab 2 Page 9

Salaries & Wages and Employee Benefits: Combined Increase \$93,980 (11.83%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes to salaries and wages and related benefits include budgeting for anticipated vacation positions for FY 2021.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: Decrease \$24,500 (49.00%)

Support goods and services include telephone, postage, advertising, dues and subscriptions, training and certifications and related travel, supplies, and equipment rental. This decrease is attributable to a decrease in finance director travel for FY 2021.

Training & Certifications and related Travel include the following:

- Fall AGFOA Conference (Anchorage, AK) – Finance Director and 1 Staff = \$3,000
- New World / Tyler Annual User Conference (Varies) – Finance Director = \$4,000

Repairs & Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Finance Administration (100-130-100) continued

Capital Outlays: Increase \$2,700 (150.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Finance Director, noted below are the capital outlay purchases for FY 2021:

| <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|-------------------|---------------------------------|-----------------|
| Finance Admin | Dell Desktop - 3 @ \$1,500 each | \$ 4,500 |
| | Total Capital Outlays | \$ 4,500 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2022).

Finance Utilities (100-130-130)

Salaries & Wages and Employee Benefits: Combined Decrease \$3,664 (9.81%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Repairs & Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Finance IT (Including Citywide IT Needs) (100-130-135)

Salaries & Wages and Employee Benefits: Combined Increase \$18,982 (4.40%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Finance IT (Including Citywide IT Needs) (100-130-135) continued

Salaries & Wages and Employee Benefits: Combined Increase \$18,982 (4.40%) continued

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: Increase \$20,000 (9.52%)

Professional Services include all citywide IT annual support and maintenance agreements. E911 support and maintenance fees are now being charged to the E911 enterprise fund.

The following is a listing of annual software support / maintenance:

- VMWare (Virtual Machine hosting) = \$6,000
- Deep Freeze – Library = \$1,800
- Alaska Library Consortium / SIRSI Library ILS = \$8,000
- Iron Mountain off island backup storage = \$3,000
- Nordisk AS400 = \$3,200
- Motorola Radios = \$40,000
- Cybrarian – Library = \$1,500
- Watchguard Library Public Firewall = \$2,600
- Vipre Citywide Antivirus = \$5,000
- KPD ID Card Software = \$600
- Time Clock Plus = \$13,000
- Zasio Records Management = \$14,000
- Barracuda Spam Filter = \$2,000
- Adobe Acrobat Subscription = \$5,500
- Tyler Technologies Financial Management Software = \$35,000
- Sophos SG-310 Citywide Firewall = \$3,000
- KPD Crime Reports = \$600
- KPD Crossmatch = \$2,400
- KFD Fire Department software = \$1,700
- Municode (formerly Aha Consulting) Citywide Web Hosting = \$3,900
- LAT-Stenna = \$5,000
- Veeam Backup Software = \$8,000
- MSGovern Sales Tax Software = \$18,000
- Zasio Versatile and ERMS = \$13,000
- WesTek KPD Stencil = \$2,900
- Folder / Stuffer Office Tech = \$1,500
- Social Media Archival Software = \$2,400
- Sophos Intercept-X = \$2,600
- Agenda Management Software = \$7,000

Finance IT (Including Citywide IT Needs) (100-130-135) continued

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Repairs & Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2020 Amended Budget

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Finance Director, noted below are the capital outlay purchases for FY 2021:

| <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|-------------------|--|-------------------|
| IT Department | Dell Laptop - 1 @ \$2,000 | \$ 2,000 |
| Citywide IT | Routers / Switches / Hubs | \$ 5,000 |
| Citywide IT | Uninterruptable Power Supplies | \$ 4,500 |
| Citywide IT | Dell Server - ESX630VH | \$ 14,000 |
| Citywide IT | Dell Server - EXC630VH1 | \$ 14,000 |
| Citywide IT | Dell Server - ESX630VH2 | \$ 14,000 |
| Citywide IT | Dell Server - ESX630VH3 | \$ 14,000 |
| Citywide IT | SOPHOS Server SG310-1 | \$ 18,000 |
| Citywide IT | Additional Veeam, VMWare, & Microsoft Licenses | \$ 40,000 |
| Citywide IT | 2 Factor Authentication for all City Users | \$ 15,000 |
| | Total Capital Outlays | \$ 140,500 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2022).

FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020

Topic: **FY 2021 Budget Summary – KPD Administration, Uniform Patrol, Corrections, Investigations, Dispatch, Animal Control, Drug Enforcement, Community Services, Canine, School Resources**

Administration (100-140-100) – Binder Tab 2 Page 12

Salaries & Wages and Employee Benefits: Combined Decrease \$148,097 (21.38%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages. Other personnel changes for KPD administration include removing one full-time lieutenant position.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: Decrease \$8,050 (13.13%)

Professional services include vacant position recruiting, research and development of an employee wellness including psychological wellness program, language line interpreter services, and janitorial services. This decrease is attributable to reclassifying items to dues and subscriptions for more transparency of expenditures.

Support Goods and Services: Increase \$26,530 (69.75%)

Adjustments to support goods and services include: (1) a decrease of \$630 for telephone expenses; (2) an increase of \$28,660 in dues and subscriptions; (3) a net increase of \$2,500 in training and certifications and related travel; and (3) a decrease of \$4,000 for equipment rental. Dues and subscriptions will now encompass Taser, Axon Body Camera, and ACE Video subscription services.

Travel and training include the following:

- Staff Professional Development = \$1,000
- Chief's Conference = \$3,500
- FBI LEEDA series = \$3,000
- Defensive Tactics Program Recertification = \$8,300
- ALE Executive Conference = \$2,500
- Tuition reimbursements = \$2,000

Administration (100-140-100) continued

Repairs and Maintenance: Increase \$2,100 (4.50%)

Repairs and maintenance includes repairs and maintenance agreements with Long Building Technologies, Taylor Fire, Vertiv Corporation (previously Emerson), Pacific Power Group, and additional miscellaneous building repairs.

Public Utilities: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Decrease \$64,920 (78.29%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Police Chief, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|---------------------------------|-------------------|---------------------------|------------------|
| Misc Equipment | KPD Admin | HVAC Unit Pillar Mountain | <u>\$ 18,000</u> |
| Total Capital Outlays | | | \$ 18,000 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2022).

Interest Expense: Increase \$1,200 (0.27%)

The GOB Bond Principal and Interest expense line items were adjusted based on the upcoming scheduled bond payments for FY 2021.

Substation (100-140-140)

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Uniform Patrol (100-140-141)

Salaries & Wages and Employee Benefits: Combined Increase \$350,275 (21.82%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Other changes within this section include (1) an increase in overtime wages of \$20,000 and (2) two additional full-time patrol officers.

Professional Services: Increase \$7,050 (742.11%)

Professional services include an increase in recruiting expenditures of \$8,000 and a decrease of \$950 for ACE Video subscription services that was moved to KPD Administration dues and subscriptions.

Support Goods and Services: Increase \$7,132 (6.10%)

Support goods and services include the following: (1) increase \$7,632 for telephone expenses; (2) increase travel and training by \$4,500; and (3) a decrease of \$5,000 in supplies. Increases in telephone expenses include data packages for laptops to be added to Patrol vehicles.

Travel and training include the following:

- Academy costs for new hires – 5 @ \$14,000 each = \$70,000 (previously, these were paid by the State of Alaska Department of Public Safety; over the most recent years, the State has discontinued providing the cost of the police academy).
- FBI LEEDA for Sergeants – \$7,500
- ALERRT Conference (Instructors) – \$5,000
- Fire Arms Instructor – \$2,500

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Administrative Services: No increase or decrease as compared to FY 2020 Amended Budget

Uniform Patrol (100-140-141) continued

Capital Outlays: Increase \$47,300 (76.41%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Police Chief, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|------------------------------|-------------------|--------------------------------------|-------------------|
| Misc Equipment | KPD Patrol | Ballistic Vests | \$ 4,000 |
| * Misc Equipment | KPD Patrol | Office Chairs - 8 | \$ 6,300 |
| * Misc Equipment | KPD Patrol | Arrest and Control Cuff Dummy | \$ 4,000 |
| * Misc Equipment | KPD Patrol | Portable Breath Testers - 3 | \$ 1,400 |
| * IT Equipment | KPD Patrol | Dell Semi-Rugged Laptops - 14 | \$ 36,500 |
| * IT Equipment | KPD Patrol | Vehicle & Desk Docking Stations - 12 | \$ 14,000 |
| * IT Equipment | KPD Patrol | Spillman Mobile | \$ 43,000 |
| Total Capital Outlays | | | \$ 109,200 |

*Items noted are not included in the replacement schedules and have been included based on upcoming needs.

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2022).

Vehicle Replacement costs were increased based on the FY 2021 vehicle replacement schedule.

Corrections (100-140-142)

Salaries & Wages and Employee Benefits: Combined Increase \$168,888 (14.63%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Other changes to salaries and wages and related benefits include the addition of one full-time corrections officer.

Corrections (100-140-142)

Professional Services: Increase \$250 (12.20%)

Professional services include the ASPIN annual license fee of \$500 and recruiting and hiring expenses of \$1,800. In prior fiscal years, this account has included the possibility of inmate medical costs not covered by the State of Alaska for those inmates that need medical attention while in custody. If the need arises to increase this budget line item, it will be addressed on an as-needed basis in the future.

Support Goods and Services: Decrease \$28,764 (20.11%)

Changes noted include: (1) an decrease of \$500 to Insurance and Bonding due to notary fees and related expenses; (2) a decrease of \$2,920 to Telephone expenses; (3) a decrease of \$544 to dues and subscriptions; (4) a decrease of \$25,000 in Meals for Prisoners based on the inmate population; and (5) an increase of \$200 to Training and Travel.

Training & Certifications for FY 2021 include the following:

- Transport Officers Training = \$3,000
- Corrections Academy – 2 @ \$4,100 each = \$8,200
- FBI LEEDA Supervisory training = \$3,500

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Decrease \$36,500 (91.25%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Police Chief, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|---------------------------------|-------------------|--------------------|-----------------|
| * Misc Equipment | Corrections | Pepper ball gun | <u>\$ 3,500</u> |
| Total Capital Outlays | | | \$ 3,500 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2022).

Vehicle Replacement costs were decreased based on the FY 2021 vehicle replacement schedule.

Investigations (100-140-143)

Salaries & Wages and Employee Benefits: Combined Increase \$16,389 (5.20%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: Decrease \$1,385 (7.30%)

Training & Certifications and related travel costs were decreased by \$1,385 as compared to prior year. Budgeted training and travel for FY 2021 includes the following:

- Death Investigations Course – \$5,000
- CVSA Examiner Recertification – \$2,500
- Cell Phone Examiner – \$5,000
- Internet Crimes Course – \$2,500

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2020 Amended Budget

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan, there are no pending capital outlay purchases for FY 2021.

Support Services – Dispatch (100-140-144)

Salaries & Wages and Employee Benefits: Combined Decrease \$608,613 (63.46%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Support Services – Dispatch (100-140-144) continued

Salaries & Wages and Employee Benefits: Combined Decrease \$608,613 (63.46%) continued

As noted in the prior fiscal year, 20% of Dispatch salaries and wages and related employee benefits were moved to the E911 Enterprise Fund. Per review of the applicable State of Alaska statutes and discussions between the City Manager, Police Chief, and City Attorney, it was determined that 70% of Dispatch personnel salaries and wages and related benefits were attributable to the E911 Enterprise fund.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: Decrease \$1,825 (2.23%)

Adjustments within this expense category include: (1) an increase of \$200 to postage; (2) a decrease of \$1,325 to equipment rental; and (3) a net decrease of \$700 for training and travel. These adjustments were based on the most recent five-year spending averages.

Training & Certifications and related travel for the upcoming fiscal year include the following:

- APSIN Training for new dispatchers – \$3,000
- APSIN Training for IBRS – \$2,000
- FBI LEEDA supervisory training – \$3,500
- APCO / Spillman Conference – \$5,000

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Increase \$14,200 (430.30%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Police Chief, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|---------------------------------|-------------------|-----------------------------------|------------------|
| * IT Equipment | KPD Dispatch | Incident Based Reporting Software | <u>\$ 17,500</u> |
| Total Capital Outlays | | | \$ 17,500 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2022).

Animal Control (100-140-145)

Salaries & Wages and Employee Benefits: Combined Increase \$51,245 (58.95%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Other changes in salaries and wages and related employee benefits include a correction in budgeting with the animal control officer and the community services officer. In previous years, the animal control officer was budgeted incorrectly in the community services department and vice versa. The FY 2021 budget appropriate reflects these positions in the proper KPD departments.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget
Professional Services includes the contract with the Humane Society for the Animal Shelter.

Support Goods and Services: Increase \$540 (15.43%)

This increase is attributable to an increase in telephone expenditures. Other expenditures in this classification remained unchanged as compared to prior fiscal year. Training & Certifications and related travel expenses included in this expense category include cross-training opportunities with the Community Services department.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Decrease \$27,650 (100.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan, there are no pending capital outlay purchases for FY 2021.

Vehicle Replacement costs were based on the FY 2021 vehicle replacement schedule.

Drug Enforcement (100-140-146)

Salaries & Wages and Employee Benefits: Combined Increase \$49,999 (33.73%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Drug Enforcement (100-140-146) continued

Salaries & Wages and Employee Benefits: Combined Increase \$49,999 (33.73%)

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Other changes in salaries & wages and related benefits include internal transfers of personnel between KPD subdepartments that occurred during FY 2020. The FY 2021 budget reflects these changes.

Professional Services: Increase \$300 (7.50%)

Professional services within this subdepartment include Cellebrite of \$3,700 and TransUnion for \$600. These services are used in the course of drug enforcement investigations.

Support Goods and Services: Increase \$315 (2.07%)

This increase is attributable to an increase of \$540 in telephone expenses and a decrease of \$225 in training and certifications and related travel.

Training & Certifications and related travel costs for FY 2021 include the following:

- Drug Investigations Training – \$3,500
- Travel to Anchorage for Drug cases – \$1,000

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2020 Amended Budget

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan, there are no pending capital outlay purchases for FY 2021.

Vehicle Replacement costs were based on the FY 2021 vehicle replacement schedule.

Community Services (100-140-147)

Salaries & Wages and Employee Benefits: Combined Decrease \$42,121 (31.92%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Community Services (100-140-147) continued

Salaries & Wages and Employee Benefits: Combined Decrease \$42,121 (31.92%) continued

Other changes in salaries and wages and related employee benefits include a correction in budgeting with the animal control officer and the community services officer. In previous years, the animal control officer was budgeted incorrectly in the community services department and vice versa. The FY 2021 budget appropriate reflects these positions in the proper KPD departments.

Professional Services: Decrease \$250 (100.00%)

As compared to prior fiscal year, professional services were budgeted but not needed. Therefore, this line item has been reduced to reflect the most recent three-year spending averages.

Support Goods and Services: Increase \$540 (0.77%)

Increases are attributable to an increase in telephone expenses. All other expenditures within this classification remain the same as the prior fiscal year. Also included within this classification is \$40,000 for towing abandoned vehicles.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Except for vehicle tag renewals, all Repairs & Maintenance for KPD fleet vehicles are recorded in this department.

Capital Outlays: Decrease \$44,400 (79.78%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Police Chief, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|---------------------------------|-------------------|----------------------|------------------|
| * Misc Equipment | KPD Comm Svcs | LED flares - 15 sets | <u>\$ 11,250</u> |
| Total Capital Outlays | | | \$ 11,250 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2022).

Vehicle Replacement costs were based on the FY 2021 vehicle replacement schedule.

Canine (100-140-148)

In July 2019, the Canine department at KPD was discontinued. Therefore, all budgeted expenditures for this subdepartment will show a decrease of 100% except for Vehicle Replacement. Vehicle Replacement will still continue to be budgeted and recorded based on City Policy.

Salaries & Wages and Employee Benefits: Combined Decrease \$179,553 (100.00%)

Professional Services: Decrease \$1,000 (100.00%)

Support Goods and Services: Decrease \$15,720 (100.00%)

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2020 Amended Budget

Vehicle Replacement costs were based on the FY 2021 vehicle replacement schedule.

School Resources (100-140-149)

Salaries & Wages and Employee Benefits: Combined Increase \$8,363 (5.78%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Support Goods and Services: Decrease \$300 (4.69%)

Decreases are attributable to a \$100 decrease in supplies and \$200 decrease in training and certifications and related travel. Training & Certifications and related travel include the annual DARE / SRO Certification.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

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FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Fire Department Administration

Fire Administration (100-150-100) – Binder Tab 2 Page 25

Salaries & Wages and Employee Benefits: Combined Increase \$685,519 (35.66%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages. Other changes within salaries & wages and related benefits include: (1) the changing the administrative assistant from a part-time to a full-time position; and (2) adding 4 firefighter FTEs.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: Increase \$10,000 (6.27%)

Adjustments within this expense category include an increase of \$10,000 in Ambulance Supplies. This was based upcoming needs discussed with the Fire Chief and the most recent five-year spending average. Training & Certifications and related travel for FY 2021 include the following:

- Deferred Jurisdiction forum = \$3,000
- Fire Investigation forum = \$3,000
- Rope Rescue 1 and Rope Rescue 2 = \$6,000
- National Fire Academy Books & Training Materials = \$2,000
- Firefighter / EMS / Tech Rescue Books & Continuing Education Materials = \$2,000
- Medical / Fire / Rescue / Hazmat Training Supplies 3 at \$1,500 each = \$4,500
- EMT Recertification costs including instructor cards issued to employees = \$2,500
- ½ Tuition and Travel for PW mechanic to Pierce Aerial School = \$3,000
- Hazmat Tech class, Anchorage, AK = \$6,000
- Scott Tech training for fire air pack certifications = \$3,000
- EMT2 Class for 2 people = \$6,000
- EMS Symposium for 2 people = \$6,000
- Fire Chief Leadership Summit = \$5,000

Fire Administration (100-150-100) continued

Repairs and Maintenance: Increase \$50,000 (250.00%)

Increase are attributable to the certification and maintenance of the Pierce aerial fire truck.

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Decrease \$264,065 (62.11%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Fire Chief, noted below are the capital outlay purchases for FY 2021. Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

Vehicle Replacement costs were based on the FY 2021 vehicle replacement schedule.

| <u>Replacement Schedule</u> | <u>Description</u> | <u>Cost</u> |
|-----------------------------|---|-------------|
| IT Equipment | Dell Desktops 2 @ \$1,500 | \$ 3,000 |
| IT Equipment | Dell Printer 2 @ \$400 | \$ 800 |
| Misc Equipment | Turnout Leather Thorogood 14" Oblique Toe Structural Boot | \$ 1,400 |
| Misc Equipment | Zoll Auto Pulse Batteries | \$ 2,550 |
| Misc Equipment | Zoll X Series Batteries | \$ 1,000 |
| Misc Equipment | Batteries - Stryker | \$ 450 |
| Misc Equipment | Batteries - SCBA/Mic's/Amps/EMS Equipment Various | \$ 2,400 |
| Misc Equipment | Batteries - Dewalt | \$ 200 |
| Misc Equipment | Bag, Jump w/Modules Stat Pack Bag 300 | \$ 600 |
| Misc Equipment | Bag, O2 Caddy Stat Pack G3 Tidal Volume Pack | \$ 175 |
| Misc Equipment | Class A Foam Ansul 0.01 | \$ 3,000 |
| Misc Equipment | Calibration, Rad meter Ludlum | \$ 600 |
| Misc Equipment | Tire Chain - Firetruck Peway ASV | \$ 1,400 |
| Misc Equipment | Tire Chain - Medic Peway ASV | \$ 1,200 |
| Misc Equipment | Oxygen Cylinder, Aluminum Size D | \$ 1,700 |
| Misc Equipment | SCBA Cylinder 4.5 Scott - 4 @ \$1,750 each | \$ 7,000 |
| Misc Equipment | SCBA Cascade Scott 6000psi - \$1,500 each | \$ 6,000 |
| Misc Equipment | Fire fighting foam - 3@ \$4,825 each | \$ 18,575 |

Fire Administration (100-150-100) continued

Capital Outlays continued

| <u>Replacement Schedule</u> | <u>Description</u> | <u>Cost</u> |
|-----------------------------|--|-------------------|
| Misc Equipment | Extinguisher - Dry Chem Kidde 10BC | \$ 650 |
| Misc Equipment | Flash Hoods Darley Sure Fit Cobra Hood | \$ 600 |
| Misc Equipment | Gages, Certified N/A Engine, hose tester, hydrant tester, etc. | \$ 2,250 |
| Misc Equipment | Gloves, Rope Rescue CMC Rescue Rappel Gloves | \$ 825 |
| Misc Equipment | GENSET, Portable 3000 Watt Honda EB3000 | \$ 5,000 |
| Misc Equipment | ONESuit Flash/ HAZMAT Suit - 2 @ \$3,000 | \$ 6,000 |
| Misc Equipment | Hose, 1 3/4 Hi Combat Grainger 1 3/4 Double Jacketed - 50Ft | \$ 750 |
| Misc Equipment | Hose, 2 1/2 Hi Combat Grainger 2 1/2 Double Jacketed - 50 Ft | \$ 800 |
| Misc Equipment | Hose, 4" Storz Grainger 4" Single Jacket Supply Line - 100Ft | \$ 1,000 |
| Misc Equipment | Tires - T-1 Michelin Manufacturer Recommended | \$ 7,000 |
| Misc Equipment | Jaws of Life - Spreaders Hurst SP555E2 | \$ 10,000 |
| Misc Equipment | Jaws of Life - Cutters Hurst S700E2 Cutter | \$ 10,000 |
| Misc Equipment | Ladder DUO Safety 35 ft Extension | \$ 1,800 |
| Misc Equipment | Monitor, Radiological Ludlum Emergency Response Kit | \$ 200 |
| Misc Equipment | No Smoke Ward System | \$ 5,000 |
| Misc Equipment | Pollution Response Consumables N/A Absorbant | \$ 3,000 |
| Misc Equipment | SCBA Scott ProPak | \$ 26,000 |
| Misc Equipment | Shredder Swingline Cross Cut | \$ 2,500 |
| Misc Equipment | DEWALT 12-in 15-Amp Dual Bevel Sliding Compound Miter Saw | \$ 1,250 |
| Misc Equipment | DEWALT Aluminum Adjustable Miter Saw Stand | \$ 450 |
| Misc Equipment | Turn Outs Santiam S25 Ultramotion Coat & S35 Ultramotion Pant | \$ 24,000 |
| | | <u>\$ 161,125</u> |

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FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: **FY 2021 Budget Summary – Public Works Administration; Streets; Garage; Building Inspections; Municipal Airport**

Administration (100-160-100) – Binder Tab 2 Page 26/27

Salaries & Wages and Employee Benefits: Combined Increase \$3,994 (3.61%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Training and related travel for FY 2021 include the Municipal Public Works Conference in Anchorage for \$3,300.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Increase \$8,500 (566.67%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, noted below are the capital outlay purchases for FY 2021. Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022). Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|---------------------------------|-------------------|-----------------------|------------------|
| IT Equipment | Admin | Multifunction Printer | <u>\$ 10,000</u> |
| Total Capital Outlays | | | \$ 10,000 |

Streets (100-160-162)

Salaries & Wages and Employee Benefits: Combined Increase \$31,115 (4.52%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: Increase \$50,250 (24.97%)

Adjustments in this expense category include: (1) an increase of \$250 in Advertising; and (2) an increase of \$50,000 for supplies. These supplies encompass salt and brine used on City roads during the winter months. Due to heavy snowfalls during the most recent winter, many supplies on hand were depleted.

Repairs and Maintenance: Increase \$40,000 (57.55%)

Adjustments include an increase of \$40,000 in Repairs & Maintenance due to heavy use of Streets snow removal equipment. Due to heavy snowfalls during the most recent winter, Streets equipment will require numerous repairs and heavy maintenance to keep the equipment at an optimal level.

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Increase \$126,500 (180.71%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|-----------------------------|-------------------|------------------------------|-------------------|
| IT Equipment | Streets | Dell Desktop - 1 @ \$1,500 | \$ 1,500 |
| Heavy Equipment | Streets | Sno Blower | <u>\$ 190,000</u> |
| | | Total Capital Outlays | \$ 191,500 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

Other capital outlays include vehicle replacement costs. Vehicle Replacement costs were based on the FY 2021 vehicle replacement schedule.

Garage (100-160-163)

Salaries & Wages and Employee Benefits: Increase \$43,278 (16.71%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended budget

Support Goods and Services: Increase \$6,000 (46.15%)

Increases are attributable to an increase of \$5,000 in shop supplies and \$1,000 in health and safety supplies. Training & Certifications and related travel for FY 2021 include ½ Tuition and Travel for PW mechanic to Pierce Aerial School for \$3,000.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Decrease \$1,000 (13.33%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|-----------------------------|-------------------|------------------------------|-----------------|
| Misc Equipment | Garage | Small tools | \$ 5,000 |
| IT Equipment | Garage | Dell Desktop 1 @ \$1,500 | \$ 1,500 |
| | | Total Capital Outlays | \$ 6,500 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

Vehicle Replacement costs were based on the FY 2021 vehicle replacement schedule.

Building Inspections (100-160-164)

Salaries & Wages and Employee Benefits: Combined Increase \$15,339 (5.16%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Training & Certifications and related travel costs for FY 2021 include the following:

- Annual Fire Marshal forum in Anchorage, AK = \$1,500
- Edu-Code West Coast Building Official forum = \$6,500

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Decrease \$31,000 (100.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, this department did not have any upcoming capital outlays for FY 2021. Items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted have been moved to the following year (FY 2022).

Vehicle Replacement costs were based on the FY 2021 vehicle replacement schedule.

Muni Airport (100-160-165)

Professional Services: Decrease \$14,000 (82.35%)

During FY 2020, one time expenditures for appraisal services of municipal airport were performed. These services are not anticipated for FY 2021, therefore, the budget has been reduced.

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Repairs and Maintenance: Increase \$10,000 (200.00%)

Increases are based on upcoming repairs and maintenance needs at municipal airport for FY 2021.

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Engineering

Administration (100-165-100) – Binder Tab 2 Page 32

Salaries & Wages and Employee Benefits: Combined Increase \$31,427 (9.07%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: Decrease \$700 (7.37%)

Adjustments to this category include a decrease of \$700 to Vehicle Fuel. These adjustments are based on a review of the most recent five-year spending averages. Training & Certifications and related travel for FY 2021 include the Alaska Water / Wastewater Engineering Conference for \$3,000

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Decrease \$3,000 (100.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the City Engineer, there were no capital outlays noted for FY 2021. Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

Allocated Expenses: No increase or decrease as compared to FY 2020 Amended Budget

Engineering salaries and wages and related employee benefits are related to specific capital projects in progress based on the time spent per the applicable project. These amounts are budgeted each year based on the number of projects in progress and the estimated time spent on each project in the upcoming year.

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FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: **FY 2021 Budget Summary – Parks & Recreation Administration; Baranof Museum; Teen Center; Aquatics; Ice Rink; Beautification Program**

Administration (100-170-100) – Binder Tab 2 Page 33

Salaries & Wages and Employee Benefits: Combined Increase \$95,892 (17.44%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Other changes in this department include: (1) adjusting a part-time maintenance technician to a full-time maintenance technician.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Training & Certifications and related travel for FY 2021 include the following:

- National Parks & Recreation Association Annual Conference = \$4,000

Repairs and Maintenance: \$4,000 (44.44%)

Increases are attributable to an increase in repairs and maintenance for purchasing turf pellets for turf repairs. A 2,000 pound bag of turf pellets has to be added each year to each field.

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Administration (100-170-100) continued

Capital Outlays: Decrease \$29,750 (88.81%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Parks & Recreation Director, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|-----------------------------|-------------------|----------------------------|-------------|
| IT Equipment | P&R Admin | Dell Desktop - 1 @ \$1,500 | \$ 1,500 |
| IT Equipment | P&R Admin | Dell Desktop - 1 @ \$2,250 | \$ 2,250 |
| | | Total Capital Outlays | \$ 3,750 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

Other capital outlays include vehicle replacement costs. Vehicle Replacement costs were based on the FY 2021 vehicle replacement schedule.

Museum (100-170-171)

Contributions: No increase or decrease as compared to FY 2020 Amended Budget

The contract with the Kodiak Historical Society for the museum is included in Contributions. The contract has remained unchanged for FY 2021.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Teen Center (100-170-172)

Salaries & Wages and Employee Benefits: Combined Increase \$7,812 (3.57%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Teen Center (100-170-172) continued

Salaries & Wages and Employee Benefits: Combined Increase \$7,812 (3.57%) continued

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Increase \$750 (100.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Parks & Recreation Director, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|-----------------------------|-------------------|-----------------------|-------------|
| IT Equipment | Teen Center | HP Printer | \$ 750 |
| | | Total Capital Outlays | \$ 750 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

Aquatics (100-170-173)

Salaries & Wages and Employee Benefits: Combined Increase \$4,492 (1.77%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Aquatics (100-170-173) continued

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2020 Amended Budget

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Parks & Recreation Director, this department did not have any upcoming capital outlays for FY 2021. Items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted have been moved to the following year (FY 2022).

Ice Rink (100-170-174)

Salaries & Wages and Employee Benefits: Combined Increase \$4,112 (5.25%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: Increase \$1,000 (200.00%)

Increases in professional services are due to hiring DJ services for special events at the ice rink. In previous fiscal years, Parks & Recreation staff were able to perform these services.

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

This department does not anticipate any required training and related travel for FY 2021.

Repairs and Maintenance: Decrease \$10,000 (57.14%)

In prior fiscal year, Compressor # 1 and Compressor # 2 require a 5,000-hour overhaul maintenance. These maintenance requirements came due in December 2018. These maintenance and repairs will not be needed in FY 2021.

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Beautification Program (100-170-175)

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Library Administration

Administration (100-180-100) – Binder Tab 2 Page 38

Salaries & Wages and Employee Benefits: Combined Decrease \$9,478 (1.36%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: Increase \$380 (0.91%)

Increases in professional services include: (1) \$2,280 increase in Janitorial Services due to the new contract with MH Island Cleaning; and (2) \$1,900 decrease in Library Program Services.

Support Goods and Services: Increase \$3,100 (6.18%)

Adjustments to this category include increased postage of \$1,200 due to joining the new Alaska Library Consortium and increased dues and subscriptions of \$1,900 for the Library director and staff.

Training & Certifications and related travel for FY 2021 include the following:

- American Library Association Conference = \$3,300
- Alaska Director's Leadership Conference = \$1,500
- Staff development and training = \$1,860

Repairs and Maintenance: Increase \$25,000 (125.00%)

This increase is attributable to anticipated repairs and maintenance for the Library building in the upcoming fiscal year.

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Administration (100-180-100) continued

Books and Materials (Support Goods and Services): Increase \$600 (1.38%)

Adjustments to this category include the following: (1) an increase of \$1,800 to Books & Materials; and (2) decrease of \$1,200 to Literacy Materials. These are based on the most recent five-year spending average.

Capital Outlays: Increase \$1,800 (14.17%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Library Director, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Description</u> | <u>Cost</u> |
|---------------------------------|---|------------------|
| IT Equipment | Public Access Dell Laptops - 10 @ \$1,200 | \$ 12,000 |
| IT Equipment | Public Access iPads - 5 @ \$500 each | \$ 2,500 |
| | Total Capital Outlays | \$ 14,500 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

FY 2021 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: **FY 2021 Budget Summary – Non-Departmental Administration; Contributions; Downtown Maintenance; Transfers to Capital Projects**

Non-Departmental Administration (100-190-100) – Binder Tab 2 Page 40

Employee Benefits: No increase or decrease as compared to FY 2020 Amended Budget

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Contributions: No increase or decrease as compared to FY 2020 Amended Budget

Non-Departmental Administration Contributions are attributable to Economic Development.

Support Goods and Services: Increase \$39,566 (11.02%)

Non-Departmental Support Goods and Services include supplies and equipment rental not attributable to one-specific department (i.e. administrative offices multi-purpose copy machines, binding equipment, etc.), rent for office space from the Kodiak Island Borough, and property and liability insurance attributable to general fund departments. This increase is attributable to property and liability insurance based on current premiums.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Non-Departmental Repairs and Maintenance covers repairs and maintenance at facilities that are owned by the City but not attributable to one specific department (i.e. Barn, Shelikof Restrooms, etc.).

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Non-Departmental Public Utility Services covers public utilities at facilities that are owned by the City but not attributable to one specific department (i.e. Barn, Shelikof Restrooms, etc.). This amount is based upon the most recent five-year spending average.

Administrative Services: No increase or decrease as compared to FY 2020 Amended Budget

Non-Departmental Contributions (100-190-180) – Binder Tab 2 Page 41

Contributions: No increase or decrease as compared to FY 2020 Amended Budget

Non-Departmental Contributions are contributions set aside for the City's non-profit grant awards. A City Council Resolution establishes the funding criteria each fiscal year.

Non-Departmental Downtown Maintenance (100-190-185) – Binder Tab 2 Page 41

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget
Professional services include janitorial services, criminal prosecution and indigent defense.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget
Non-Departmental-Downtown Maintenance – Repairs and Maintenance covers repairs and maintenance at City-owned facilities located in the downtown area but not attributable to one specific department (i.e. Barn, Shelikof Restrooms, etc.).

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Non-Departmental Transfers (100-190-198) – Binder Tab 4

Transfers Out to Capital Projects: Increase \$234,035 (15.14%)
The following details the transfers for capital projects in the upcoming fiscal year.

General Capital Projects: \$-0-

Building Capital Projects: \$175,000

- New Project: Barn Stabilization = \$75,000
- PN 6017: Hillside Drive Renovations Addition = \$100,000

Streets Capital Projects: \$450,000 (Mandated by City Code)

- PN 5039: Annual Pavement Repairs Addition = \$300,000
- Note: See Capital Projects Section for additional Streets Capital Projects

Parks & Recreation Capital Projects: \$50,000 (Mandated by City Code) and \$250,000 Requested

- PN 9018: Baranof Park Improvements = \$300,000
- Note: See Capital Projects Section for additional Parks & Recreation Capital Projects

Harbor Capital Projects: \$500,000 (Mandated by City Code)

- PN 8537: St. Herman Harbor Replacement – Phase I = \$500,000

General Fund-Vehicle Replacement Fund: \$354,571 (Mandated by City Policy)

FY 2021
Tourism & Enhancement Funds



FY 2021 BUDGET SUMMARY – TOURISM FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Tourism Fund Administration

Tourism Revenues – Binder Tab 3 Page 43

Taxes: No increases or decreases as compared to FY 2020 Amended Budget

Taxes include bed tax (hotel / motel tax) per City Code. Due to the timing of budget preparations, all budget calculations had been completed prior to the onset of COVID-19. Due to uncertainties surrounding COVID-19 and unknowns of economic impacts, the budget has not been adjusted to reflect these unknowns. As the fiscal year commences, budget adjustments will be noted accordingly.

Net Investment Income: No increase or decrease as compared to FY 2020 Amended Budget.

Net investment income is allocated across all City departments. During FY 2016, the City contracted investment management services. Net investment income is a reflection of interest rates, realized and unrealized gains and losses and management fees. Investment management services are provided by Alaska Permanent Capital Management.

Appropriations: No increase or decrease as compared to FY 2020 Amended Budget

Generally accepted accounting principles and government accounting standards dictate that a budget must balance. Each year, as the budget is prepared, the following types of appropriations will exist to balance budgeted revenues to budgeted expenditures:

- **Appropriation TO Fund Balance:** Generally means that the budgeted revenues exceeded the budgeted expenses and therefore, the budget is anticipated to increase the fund balance by this amount. This amount is typically shown in parentheses on the budget report generated from the financial software (i.e. negative amount).
- **Appropriation FROM Fund Balance:** Generally means that the budgeted revenues did not exceed the budgeted expenses and therefore, the budget is anticipated to decrease the fund balance by this amount. This amount is typically shown without parentheses on the budget report generated from the financial software (i.e. positive amount).

For the FY 2021 Budget, the Tourism Fund does not anticipate the use of Fund Balance (i.e. budgeted revenues equal budgeted expenditures).

Tourism Administration (251-260-100)

Contributions: No increase or decrease as compared to FY 2020 Amended Budget

As mandated by City Code, 70% or less of Bed Tax Revenue is appropriated for Council Approved Tourism. For FY 2021, this amount is \$140,000. The following Council approved tourism contracts included in the FY 2021 Budget are as follows:

- Discover Kodiak = \$108,000
- Chamber of Commerce = \$7,000
- Remaining Council-Approved Tourism = \$25,000

Interfund Charges: No increase or decrease compared to FY 2020 Amended Budget

As mandated by City Code, 20% or less of Bed Tax Revenue is appropriated for City Enhancement Projects and 10% for Administration. For FY 2021, this amount is \$60,000. The following are included in City Enhancement Projects:

- Beautification Program: These include Parks & Recreation services for the City (i.e. flower baskets, maintaining trash receptacles, Christmas lights, etc.) = \$16,000
- Public Works Services: These include Streets and Public Works services for the City (i.e. street sweeping, cleaning, etc.) = \$12,100
- Remaining City Enhancement Projects = \$11,900
- Administration = \$20,000

FY 2021 BUDGET SUMMARY – ENHANCEMENT FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Enhancement Fund Administration

Enhancement Fund Revenues – Binder Tab 3 Page 44

Net Investment Income: No increase or decrease as compared to FY 2020 Amended Budget

As the principal amount invested for the Enhancement Fund has slightly increased, the net interest and investment income budget will continue to increase as compared to previous fiscal years. City investments are continuing to see increased performance but are still subject to market and interest rate fluctuations. City investments are managed by Alaska Permanent Capital Management. Also included in net investment income are fees related to services provided by Alaska Permanent Capital Management.

Rents and Royalties: No increase or decrease as compared to FY 2020 Amended Budget

Appropriations: No increase or decrease as compared to FY 2020 Amended Budget

Generally accepted accounting principles and government accounting standards dictate that a budget must balance. Each year, as the budget is prepared, the following types of appropriations will exist to balance budgeted revenues to budgeted expenditures:

- **Appropriation TO Fund Balance:** Generally means that the budgeted revenues exceeded the budgeted expenses and therefore, the budget is anticipated to increase the fund balance by this amount. This amount is typically shown in parentheses on the budget report generated from the financial software (i.e. negative amount).
- **Appropriation FROM Fund Balance:** Generally means that the budgeted revenues did not exceed the budgeted expenses and therefore, the budget is anticipated to decrease the fund balance by this amount. This amount is typically shown without parentheses on the budget report generated from the financial software (i.e. positive amount).

For the FY 2020 Amended Budget, the Enhancement Fund anticipates Appropriation TO Fund Balance in the amount of \$90,000. For the FY 2021 Budget, the Enhancement Fund anticipates Appropriation TO Fund Balance in the amount of \$90,000.

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FY 2021 Operating Budgets
Cargo, Harbor, Ship Yard, Electric Utility



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FY 2021 BUDGET SUMMARY – CARGO FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Cargo Enterprise Fund

Cargo Enterprise Fund Revenues – Binder Tab 5 Page 45

Revenue projections were performed in February based on known upcoming changes to the fee schedules and trend analysis performed by the Finance Director. Other changes to revenues were discussed with the Harbormaster and City Manager based on known changes to existing agreements.

Intergovernmental Revenues: Increase \$603 (7.11%)

Increases in Intergovernmental Revenues are attributable to the PERS On Behalf revenues received from the State of Alaska. The Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Charges for Services: Increase \$195,000 (14.94%)

Increases in Charges for Services are attributable to new agreements and updated for annual escalation clauses for existing agreements.

Net Investment Income: No increase or decrease as compared to FY 2020 Amended budget

City investments are continuing to see increased performance but are still subject to market and interest rate fluctuations. City investments are managed by Alaska Permanent Capital Management.

Rents & Royalties: Increase \$35,000 (14.58%)

Rents and Royalties include the warehouse rentals and van storage rentals. Due to annual escalation clauses and updated rental agreements, the warehouse rental income is attributable for the increased rental income.

Miscellaneous: No increase or decrease as compared to FY 2020 Amended Budget

Appropriations: Decrease \$159,590 (16.86%)

Generally accepted accounting principles and government accounting standards dictate that a budget must balance. Each year, as the budget is prepared, the following types of appropriations will exist to balance budgeted revenues to budgeted expenditures:

Cargo Enterprise Fund Revenues continued

Appropriations: Decrease \$159,590 (16.86%) continued

- **Appropriation TO Fund Balance:** Generally means that the budgeted revenues exceeded the budgeted expenses and therefore, the budget is anticipated to increase the fund balance by this amount. This amount is typically shown in parentheses on the budget report generated from the financial software (i.e. negative amount).
- **Appropriation FROM Fund Balance:** Generally means that the budgeted revenues did not exceed the budgeted expenses and therefore, the budget is anticipated to decrease the fund balance by this amount. This amount is typically shown without parentheses on the budget report generated from the financial software (i.e. positive amount).

For the FY 2020 Amended Budget, the Cargo Fund anticipates Appropriation FROM Fund Balance in the amount of \$946,741. For the FY 2021 Budget, the Cargo Fund anticipates Appropriation FROM Fund Balance in the amount of \$787,151. This overall net effect is an anticipated decrease in appropriations by \$159,590 (16.86%).

Cargo Administration (500-510-100)

Salaries & Wages and Employee Benefits: Combined Increase \$32,261 (8.66%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: Decrease \$5,000 (50.00%)

Professional services include the port security audits. Based on the most recent three-year spending averages, the professional services budget was decreased for FY 2021.

Support Goods and Services: Increase \$27,771 (20.65%)

Increases are attributable to the increase in proportionate share of Citywide insurance attributable to the Cargo fund. Training & Certifications and related travel are detailed in the Harbor Enterprise Fund.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Cargo Administration (500-510-100) continued

Capital Outlays: Increase \$5,000 (100.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Harbormaster, the following capital outlay purchases are noted for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|------------------------------|-------------------|--------------------|-----------------|
| Misc Equipment | Cargo | Small Tools | \$ 5,000 |
| Total Capital Outlays | | | \$ 5,000 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

Cargo Interfund Charges (500-510-195)

Interfund Charges: Increase \$10,542 (6.07%)

Interfund Charges are based on allocations of other departments. This allocation is reviewed annually by the City’s external audit firm during the City’s annual audit. Interfund charges are calculated as follows:

- Administrative Services: Cargo % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Manager’s FY 2021 Budget and Cargo % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Clerk’s FY 2021 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Cargo Number of FY 2019 transactions processed not including payroll and related payroll expenditures (based on FY 2019 Audit) Multiplied by Finance Department (Administration Department Only) FY 2021 Budget and Cargo Number of Workstations Multiplied by IT Department FY 2021 Budget (Note that IT Department Budget used is less FY 2021 Capital Outlays and less FY 2021 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2021 Budget (Less FY 2021 Capital Outlays).
- Harbormaster Services: Number of Hours Harbormaster provides to the Cargo fund multiplied by the Salaries / Wages and Related Employee Benefits of the FY 2021 Harbor Budget.

Cargo Transfers (500-510-198)

Transfers: No increase or decrease as compared to FY 2020 Amended Budget

Cargo Warehouse (500-510-301)

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Repairs and Maintenance: Increase \$5,000 (50.00%)

Repairs and maintenance-Bldg was increased due to the anticipated need to replace the warehouse doors in FY 2021.

Cargo Pier II (500-510-302)

Support Goods and Services: Increase \$2,000 (100.00%)

Increases are attributable to an increase in supplies. These were based on a review of the most recent three-year spending averages.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Public Utility Services: Increase \$4,000 (14.04%)

Increases are attributable to an increase in sewer and garbage charges. These were based on a review of the most recent three-year spending averages.

Depreciation Expense: Decrease \$9,907 (0.55%)

Depreciation for all Cargo fund capital assets are shown within this line item. Depreciation expense is based on the upcoming FY 2021 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Cargo Pier III (500-510-303)

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

FY 2021 BUDGET SUMMARY – HARBOR FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Harbor Enterprise Fund

Harbor Enterprise Fund Revenues – Binder Tab 5 Page 49

Intergovernmental: Increase \$2,649 (7.64%)

Increases in Intergovernmental Revenues are attributable to the PERS On Behalf revenues received from the State of Alaska. The Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Charges for Services: Increase \$130,445 (5.18%)

Revenue projections were performed in February based on known upcoming changes to the fee schedules and trend analysis performed by the Finance Director. In addition, the Finance Director, Harbormaster, and City Manager discussed known changes within the Harbor.

Net Investment Income: No increase or decrease as compared to FY 2020 Amended Budget

City investments are continuing to see increased performance but are still subject to market and interest rate fluctuations. City investments are managed by Alaska Permanent Capital Management.

Rents and Royalties: Increase \$170 (1.00%)

Rents include Office Rent to AMHS. Based on a 1% annual escalation, the rents revenue has been increased by \$170.

Miscellaneous: No increase or decrease as compared to FY 2020 Amended Budget

Interfund Charges: Increase \$8,302 (11.82%)

Harbormaster Services: Number of Hours Harbormaster provides to the Cargo fund, Shipyard fund, and Electric Utility fund multiplied by the Salaries / Wages and Related Employee Benefits of the FY 2021 Harbor Budget. As noted below, this allocation is reviewed by the City's external auditors during the City's annual audit.

Harbor Enterprise Fund Revenues continued

Appropriations: Increase \$251,315 (20.58%)

Generally accepted accounting principles and government accounting standards dictate that a budget must balance. Each year, as the budget is prepared, the following types of appropriations will exist to balance budgeted revenues to budgeted expenditures:

- **Appropriation TO Fund Balance:** Generally means that the budgeted revenues exceeded the budgeted expenses and therefore, the budget is anticipated to increase the fund balance by this amount. This amount is typically shown in parentheses on the budget report generated from the financial software (i.e. negative amount).
- **Appropriation FROM Fund Balance:** Generally means that the budgeted revenues did not exceed the budgeted expenses and therefore, the budget is anticipated to decrease the fund balance by this amount. This amount is typically shown without parentheses on the budget report generated from the financial software (i.e. positive amount).

For the FY 2020 Amended Budget, the Harbor Fund anticipates Appropriation FROM Fund Balance in the amount of \$1,220,902. For the FY 2021 Budget, the Harbor Fund anticipates Appropriation FROM Fund Balance in the amount of 1,472,217. This overall net effect is an anticipated increase in appropriations by \$251,315 (20.58%).

Harbor Administration (510-520-100)

Salaries & Wages and Employee Benefits: Combined Increase \$166,047 (11.82%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Other changes within this section include an additional Harbor dispatcher for the office.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Contributions: Increase \$170 (0.92%)

Contributions include payment to the Chamber of Commerce that offsets the Office Rent to AMHS. Based on a 1% annual escalation, the rents revenue has been increased by \$170 therefore the contributions would increase as well.

Harbor Administration (510-520-100) continued

Support Goods and Services: Increase \$18,701 (8.77%)

Changes within this expense category include an increase based on the Citywide insurance allocation to the Harbor fund.

Training & Conferences and related travel for FY 2021 include the following:

- Alaska Harbor Association Annual Conference
- Pacific Coast Harbor Association Conference
- Recertification for patrol and maintenance

Repairs and Maintenance: Increase \$13,000 (33.77%)

Changes within this expense category include an increase to repairs and maintenance for equipment of \$3,000 and an increase of \$10,000 for replacing the windows at the Pier II building.

Public Utilities: Increase \$60,000 (32.26%)

Increases in public utilities are primarily related to garbage dumpster services. This increase is attributable to the most recent three-year spending averages.

Administrative Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Increase \$167,740 (427.25%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Harbormaster, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|-----------------------------|-------------------|------------------------------|-------------------|
| Vehicles | Harbor | Munson Aluminum Boat | \$ 150,000 |
| Vehicles | Harbor | HMDE Boat Trailer | \$ 7,000 |
| Vehicles | Harbor | F350 Flatbed | \$ 45,000 |
| Misc Equipment | Harbor | Small Tools | \$ 5,000 |
| | | Total Capital Outlays | \$ 207,000 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022). Vehicle Replacement costs were based on the FY 2021 vehicle replacement schedule.

Depreciation Expense: Increase \$7,237 (0.52%)

Depreciation expense is based on the upcoming FY 2021 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Harbor Administration (510-520-100) continued

Interest Expense: Decrease \$2,202 (3.66%)

The Harbor fund carries revenue bonds. These bonds were refunding during FY 2017 and resulted in lower interest payments for the upcoming fiscal year. Interest expense is budgeted based on the amortization schedules of the Harbor revenue bonds.

Harbor Interfund Charges (510-520-195)

Interfund Charges: Increase \$28,612 (10.79%)

Interfund Charges are based on allocations of other departments. This allocation is reviewed annually by the City's external audit firm during the City's annual audit. Interfund charges are calculated as follows:

- Administrative Services: Harbor % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Manager's FY 2021 Budget and Harbor % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Clerk's FY 2021 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Harbor Number of FY 2019 transactions processed not including payroll and related payroll expenditures (based on FY 2019 Audit) Multiplied by Finance Department (Administration Department Only) FY 2021 Budget and Harbor Number of Workstations Multiplied by IT Department FY 2021 Budget (Note that IT Department Budget used is less FY 2021 Capital Outlays and less FY 2021 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2021 Budget (Less Streets FY 2021 Capital Outlays).

Harbor Transfers (510-520-198)

Transfers to Ship Yard: Decrease \$65,789 (43.89%)

When the Ship Yard was established and the Marine Travel Lift purchased, revenue bond documentation and documentation establishing the Ship Yard Enterprise Fund, approved by the City Council, included a provision that the Boat Harbor Enterprise Fund would fund the Ship Yard if it was unable to meet operating expenditures. Based on the most recent audits, the operations in the Ship Yard continue to decrease. As such, this transfer to the Ship Yard represents the FY 2021 Ship Yard anticipated deficit, not including Ship Yard depreciation.

Pier I (510-520-310)

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Pier I (510-520-310) continued

Public Utility Services: Increase \$3,000 (42.86%)

The Pier I Ferry Dock is still pending transfer from the State of Alaska. However, the City is providing utilities and routine repairs and maintenance for this facility. Increases in public utilities are attributable to continued increases in garbage dumpster services.

Capital Outlays: No increase or decrease as compared to FY 2020 Amended Budget

Capital Project Requests Funded in FY 2021 – Binder Tab 4

Harbor Improvement Fund Capital Projects

- PN 8537: St Herman Harbor Replacement – Phase I = \$500,000 Addition for FY 2021

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FY 2021 BUDGET SUMMARY – SHIP YARD FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Ship Yard Enterprise Fund

Ship Yard Enterprise Fund Revenues – Binder Tab 5 Page 55

Intergovernmental: Increase \$356 (7.09%)

Increases in Intergovernmental Revenues are attributable to the PERS On Behalf revenues received from the State of Alaska. The Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Charges for Services: No increase or decrease as compared to FY 2020 Amended Budget

Revenue projections were performed in February based on known upcoming changes to the fee schedules and trend analysis performed by the Finance Director. The increases for charges for services were based on these trends.

Net Investment Income: No increase or decrease as compared to FY 2020 Amended Budget

Miscellaneous: No increase or decrease as compared to FY 2020 Amended Budget

Appropriations: Increase \$176,792 (32.79%)

Generally accepted accounting principles and government accounting standards dictate that a budget must balance. Each year, as the budget is prepared, the following types of appropriations will exist to balance budgeted revenues to budgeted expenditures:

- **Appropriation TO Fund Balance:** Generally means that the budgeted revenues exceeded the budgeted expenses and therefore, the budget is anticipated to increase the fund balance by this amount. This amount is typically shown in parentheses on the budget report generated from the financial software (i.e. negative amount).
- **Appropriation FROM Fund Balance:** Generally means that the budgeted revenues did not exceed the budgeted expenses and therefore, the budget is anticipated to decrease the fund balance by this amount. This amount is typically shown without parentheses on the budget report generated from the financial software (i.e. positive amount).

For the FY 2020 Amended Budget, the Ship Yard Fund anticipates Appropriation FROM Fund Balance in the amount of \$539,111. For the FY 2021 Budget, the Ship Yard Fund anticipates Appropriation FROM Fund Balance in the amount of \$715,903. This overall net effect is an anticipated increase in appropriations by \$176,792 (32.79%).

Shipyard Enterprise Fund Revenues continued

Transfers In: Decrease \$65,789 (43.89%)

When the Ship Yard was established and the Marine Travel Lift purchased, revenue bond documentation and documentation establishing the Ship Yard Enterprise Fund, approved by the City Council, included a provision that the Boat Harbor Enterprise Fund would fund the Ship Yard if it was unable to meet operating expenditures. Based on the most recent audits, the operations in the Ship Yard continue to decrease. As such, this transfer to the Ship Yard represents the FY 2021 Ship Yard anticipated deficit, not including Ship Yard depreciation.

Shipyard Administration (512-530-100)

Salaries & Wages and Employee Benefits: Combined Increase \$11,508 (5.04%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: Increase \$43,000 (159.26%)

Professional services included contract services for the Marine Travel Lift operator. For FY 2020, these services were being performed by internal employees.

Support Goods and Services: Increase \$13,142 (18.31%)

Adjustments within this expense category include the following: (1) \$8,842 increase in the Citywide insurance allocation for the Ship Yard; and (2) an increase of \$4,300 in training and certifications and related travel. With the exception of the calculations for the insurance allocations, all other changes were based on the most recent five-year spending averages.

Training and Conferences and related travel expenses include the Seattle Boat Show and Expo and training for the Marine Travel Lift.

Repairs and Maintenance: Increase \$10,500 (77.78%)

Repairs and Maintenance-Equipment increased by \$10,000 due to continued repairs on the travel lift and other equipment and Repairs & Maintenance-Building increase by \$500 based on most recent spending averages.

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget.

Shipyard Administration (512-530-100) continued

Capital Outlays: Increase \$4,000 (100.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Harbormaster, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|------------------------------|-------------------|-----------------------------|-----------------|
| Misc Equipment | SY | Hotsy Power Pressure Washer | \$ 4,000 |
| Total Capital Outlays | | | \$ 4,000 |

Depreciation Expense: No increase or decrease as compared to FY 2020 Amended Budget

Depreciation expense is based on the upcoming FY 2021 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciation and has reached the end of its depreciable life.

Interest Expense: Decrease \$5,798 (3.56%)

The Shipyard fund carries revenue bonds. These bonds were refunded during FY 2017 and resulted in lower interest payments for the upcoming fiscal year. Interest expense is based on the amortization schedules for loans and revenue bonds for FY 2021.

Shipyard Interfund Charges (512-530-195)

Interfund Charges: Increase \$35,007 (38.07%)

Interfund Charges are based on allocations of other departments. This allocation is reviewed annually by the City’s external audit firm during the City’s annual audit. Interfund charges are calculated as follows:

- Administrative Services: Shipyard % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Manager’s FY 2021 Budget and Shipyard % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Clerk’s FY 2021 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Shipyard Number of FY 2019 transactions processed not including payroll and related payroll expenditures (based on FY 2019 Audit) Multiplied by Finance Department (Administration Department Only) FY 2021 Budget and Shipyard Number of Workstations Multiplied by IT Department FY 2021 Budget (Note that IT Department Budget used is less FY 2021 Capital Outlays and less FY 2021 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2021 Budget (Less Streets FY 2021 Capital Outlays).
- Harbormaster Services: Number of Hours Harbormaster provides to the Shipyard fund multiplied by the Salaries / Wages and Related Employee Benefits of the FY 2021 Harbor Budget.

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FY 2021 BUDGET SUMMARY – ELECTRIC UTILITY FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Electric Utility Enterprise Fund

Electric Utility Enterprise Fund Revenues – Binder Tab 5 Page 58

Charges for Services: No increase or decrease as compared to FY 2020 Amended Budget

Net Investment Income: No increase or decrease as compared to FY 2020 Amended Budget

Miscellaneous: No increase or decrease as compared to FY 2020 Amended Budget

Appropriations: Decrease \$322,946 (116.12%)

Generally accepted accounting principles and government accounting standards dictate that a budget must balance. Each year, as the budget is prepared, the following types of appropriations will exist to balance budgeted revenues to budgeted expenditures:

- **Appropriation TO Fund Balance:** Generally means that the budgeted revenues exceeded the budgeted expenses and therefore, the budget is anticipated to increase the fund balance by this amount. This amount is typically shown in parentheses on the budget report generated from the financial software (i.e. negative amount).
- **Appropriation FROM Fund Balance:** Generally means that the budgeted revenues did not exceed the budgeted expenses and therefore, the budget is anticipated to decrease the fund balance by this amount. This amount is typically shown without parentheses on the budget report generated from the financial software (i.e. positive amount).

For the FY 2020 Amended Budget, the Electric Utility Fund anticipates Appropriation FROM Fund Balance in the amount of \$278,106. For the FY 2021 Budget, the Electric Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$44,840. This overall net effect is an anticipated decrease in appropriations by \$322,946 (116.12%)

Electric Utility Administration (515-540-100)

Professional Services: Increase \$7,500 (100.00%)

Increases in professional services are for the anticipated need to outsource electrician services that were previously performed by in-house staff.

Electric Utility Administration (515-540-100) continued

Support Goods and Services: Increase \$3,069 (0.58%)

Citywide insurance allocations for the Electric Utility Enterprise fund increased by \$69. In addition, supplies were increased by \$3,000 based on upcoming repairs and maintenance needs.

Repairs and Maintenance: Increase \$15,000 (150.00%)

Increases are attributable to repairs required for wiring, pedestals, and breakers.

Administrative Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2020 Amended Budget

Based on review of the Long-Term Capital Improvement Plan, there are no upcoming capital outlay needs per the replacement schedules.

Depreciation Expense: No increase or decrease as compared to FY 2020 Amended Budget

Depreciation expense is based on the upcoming FY 2021 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Transfers to Other Funds: Decrease \$350,000 (100.00%)

Prior year FY 2020 transfers to other funds included a one-time transfer to Harbor Capital Projects for St Herman Harbor Replacement Phase I. These transfers were not recurring for FY 2021.

Electric Utility Interfund Charges (515-540-195)

Interfund Charges: Increase \$1,485 (2.64%)

Interfund Charges are based on allocations of other departments. This allocation is reviewed annually by the City's external audit firm during the City's annual audit. Interfund charges are calculated as follows:

- Administrative Services: Electric Utility % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Manager's FY 2021 Budget and Electric Utility % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Clerk's FY 2021 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Electric Utility Number of FY 2019 transactions processed not including payroll and related payroll expenditures (based on FY 2019 Audit) Multiplied by Finance Department (Administration Department Only) FY 2021 Budget and Electric Utility Number of Workstations Multiplied by IT Department FY 2021 Budget (Note that IT Department Budget used is less FY 2021 Capital Outlays and less FY 2021 Professional Services expenditures).
- Harbormaster Services: Number of Hours Harbormaster provides to the Electric Utility fund multiplied by the Salaries / Wages and Related Employee Benefits of the FY 2021 Harbor Budget.

FY 2021 Operating Budgets Water and Sewer



FY 2021 BUDGET SUMMARY – WATER UTILITY FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Water Utility Enterprise Fund

Water Utility Enterprise Fund Revenues – Binder Tab 6 Page 60

Penalties and Interest: No increase or decrease as compared to FY 2020 Amended Budget

Intergovernmental: Increase \$1,252 (5.86%)

Increases in Intergovernmental Revenues are attributable to the PERS On Behalf revenues received from the State of Alaska. The Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Charges for Services: Increase \$100,000 (2.21%)

Revenue projections were performed in February based on known upcoming changes to the fee schedules and trend analysis performed by the Finance Director. Increases are based on the rate study that is currently in effect.

Net Investment Income: No increase or decrease as compared to FY 2020 Amended Budget

Miscellaneous: No increase or decrease as compared to FY 2020 Amended Budget

Appropriations: Decrease \$127,638 (9.06%)

Generally accepted accounting principles and government accounting standards dictate that a budget must balance. Each year, as the budget is prepared, the following types of appropriations will exist to balance budgeted revenues to budgeted expenditures:

- **Appropriation TO Fund Balance:** Generally means that the budgeted revenues exceeded the budgeted expenses and therefore, the budget is anticipated to increase the fund balance by this amount. This amount is typically shown in parentheses on the budget report generated from the financial software (i.e. negative amount).
- **Appropriation FROM Fund Balance:** Generally means that the budgeted revenues did not exceed the budgeted expenses and therefore, the budget is anticipated to decrease the fund balance by this amount. This amount is typically shown without parentheses on the budget report generated from the financial software (i.e. positive amount).

For the FY 2020 Amended Budget, the Water Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$1,407,925. For the FY 2021 Budget, the Water Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$1,280,287. This overall net effect is an anticipated decrease in appropriations by \$127,638 (9.07%).

Transfers (550-560-198)

Transfers to Water Improvement Fund: No increase or decrease as compared to FY 2020 Amended Budget

Water Distribution (550-560-360)

Salaries & Wages and Employee Benefits: Combined Decrease \$16,383 (2.09%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Other adjustments within this department include personnel changes as compared to the FY 2020 Amended budget.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: Increase \$29,265 (19.30%)

Changes within this expense category include an increase of \$29,265 in the proportionate share of the Citywide insurance allocated to the Water fund. Training & Certifications and related travel for FY 2021 include continuing education for Operator Licenses and training materials for Operator Licenses.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Decrease \$1,500 (23.08%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|------------------------------|-------------------|--------------------|-----------------|
| Misc Equipment | Water | Small tools | \$ 5,000 |
| Total Capital Outlays | | | \$ 5,000 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022). Vehicle Replacement costs were based on the FY 2021 vehicle replacement schedule.

Water Distribution (550-560-360) continued

Depreciation Expense: Increase \$191,336 (26.81%)

Depreciation expense is based on the upcoming FY 2021 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Interest Expense: Decrease \$4,394 (8.07%)

The Water fund carries loans with the State of Alaska DEC. At the loan inception, interest is typically higher than in later years. As the loan reaches maturity, interest will begin to decrease.

Interfund Charges: Increase \$18,912 (3.12%)

Interfund Charges are based on allocations of other departments. This allocation is reviewed annually by the City's external audit firm during the City's annual audit. Interfund charges are calculated as follows:

- **Administrative Services:** Water % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Manager's FY 2021 Budget and Water % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Clerk's FY 2021 Budget for Clerk Administration and Clerk Records Management
- **Financial Services:** Water Number of FY 2019 transactions processed not including payroll and related payroll expenditures (based on FY 2019 Audit) Multiplied by Finance Department (Administration Department Only) FY 2021 Budget and Water Number of Workstations Multiplied by IT Department FY 2021 Budget (Note that IT Department Budget used is less FY 2021 Capital Outlays and less FY 2021 Professional Services expenditures).
- **Public Works Services:** Number of Hours of Public Works Services multiplied by the Streets FY 2021 Budget (Less Streets FY 2021 Capital Outlays).
- **Water Sales Fee:** 10% of water sales fees are transferred to the Water Improvement fund to fund future capital projects. There was no increase or decrease in this allocation for FY 2021.

Water Treatment (550-560-365)

Salaries & Wages and Employee Benefits: Combined Increase \$2,248 (1.34%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Water Treatment (550-560-365) continued

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Training & Certifications and related travel for FY 2021 includes continuing education and training materials for Operator Licenses.

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Increase \$27,000 (100.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|------------------------------|-------------------|------------------------------|------------------|
| Misc Equipment | Treatment | Small Tools | \$ 5,000 |
| Misc Equipment | Treatment | Water Rectifier - Additional | <u>\$ 22,000</u> |
| Total Capital Outlays | | | \$ 27,000 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

Interfund Charges: Increase \$9,690 (6.19%)

Interfund Charges are based on allocations of other departments. This allocation is reviewed annually by the City’s external audit firm during the City’s annual audit. Interfund charges are calculated as follows:

- Administrative Services: Water % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Manager’s FY 2021 Budget and Water % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Clerk’s FY 2021 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Water Number of FY 2019 transactions processed not including payroll and related payroll expenditures (based on FY 2019 Audit) Multiplied by Finance Department (Administration Department Only) FY 2021 Budget and Water Number of Workstations Multiplied by IT Department FY 2021 Budget (Note that IT Department Budget used is less FY 2021 Capital Outlays and less FY 2021 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2021 Budget (Less Streets FY 2021 Capital Outlays).

Capital Project Requests Funded in FY 2021 – Binder Tab 4

Water Improvement Fund Capital Projects

- PN 7024: Utility Rate Study = \$400,000
- PN 7046: SCADA Systems Upgrade = \$660,000 (\$230,000 Water; \$230,000 Sewer)
- New Project: Aleutian Homes Phase VII – Hemlock = \$170,000 (Water Charges) \$ 1,045,000 (Appropriations)

FY 2021 BUDGET SUMMARY – SEWER UTILITY FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Sewer Utility Enterprise Fund

Sewer Utility Enterprise Fund Revenues – Binder Tab 6 Page 66

Intergovernmental: Increase \$2,531 (7.67%)

Increases in Intergovernmental Revenues are attributable to the PERS On Behalf revenues received from the State of Alaska. The Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Charges for Services: Increase 331,930 (6.84%)

Revenue projections were performed in February based on known upcoming changes to the fee schedules and trend analysis performed by the Finance Director. Increases are based on the rate study that is currently in effect.

Net Investment Income: No increase or decrease as compared to FY 2020 Amended Budget

Miscellaneous: No increase or decrease as compared to FY 2020 Amended Budget

Appropriations: Increase \$71,996 (24.95%)

Generally accepted accounting principles and government accounting standards dictate that a budget must balance. Each year, as the budget is prepared, the following types of appropriations will exist to balance budgeted revenues to budgeted expenditures:

- **Appropriation TO Fund Balance:** Generally means that the budgeted revenues exceeded the budgeted expenses and therefore, the budget is anticipated to increase the fund balance by this amount. This amount is typically shown in parentheses on the budget report generated from the financial software (i.e. negative amount).
- **Appropriation FROM Fund Balance:** Generally means that the budgeted revenues did not exceed the budgeted expenses and therefore, the budget is anticipated to decrease the fund balance by this amount. This amount is typically shown without parentheses on the budget report generated from the financial software (i.e. positive amount).

For the FY 2020 Amended Budget, the Sewer Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$288,545. For the FY 2021 Budget, the Sewer Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$360,541. This overall net effect is an anticipated increase to appropriations by \$71,996 (24.95%).

Transfers (570-580-198)

Transfers to Water Improvement Fund: Increase \$130,000 (130.00%)

Current year transfers to capital project funds include transfers to the Water Improvement Fund for upgrades to the SCADA systems.

Sewer Collection (570-580-380)

Salaries & Wages and Employee Benefits: Combined Increase \$8,205 (4.78%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Training & Certifications and related travel for FY 2021 include continuing education and training materials for Operator Licenses.

- Continuing Education for Operator Licenses
- Training Materials for Operator Licenses

Repairs and Maintenance: Increase \$1,500 (8.57%)

Increases in repairs and maintenance were based on a review of the most recent three-year spending averages.

Capital Outlays: Increase \$147,000 (71.71%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, noted below are the capital outlay purchases for FY 2020:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|------------------------------|-------------------|--------------------|-------------------|
| Vehicle | Sewer | Vactor Sewer Truck | \$ 350,000 |
| Misc Equipment | Sewer | Tapping tool | \$ 2,000 |
| Total Capital Outlays | | | \$ 352,000 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

Sewer Collection (570-580-380) continued

Interfund Charges: Increase \$6,881 (1.37%)

Interfund Charges are based on allocations of other departments. This allocation is reviewed annually by the City's external audit firm during the City's annual audit. Interfund charges are calculated as follows:

- Administrative Services: Sewer % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Manager's FY 2021 Budget and Sewer % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Clerk's FY 2021 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Sewer Number of FY 2019 transactions processed not including payroll and related payroll expenditures (based on FY 2019 Audit) Multiplied by Finance Department (Administration Department Only) FY 2021 Budget and Sewer Number of Workstations Multiplied by IT Department FY 2021 Budget (Note that IT Department Budget used is less FY 2021 Capital Outlays and less FY 2021 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2021 Budget (Less Streets FY 2021 Capital Outlays).
- Sewer Sales Fee: 10% of sewer sales fees are transferred to the Sewer Improvement fund to fund future capital projects. There was no increase or decrease in this allocation for FY 2021.

Sewer Wastewater Treatment (570-580-385)

Salaries & Wages and Employee Benefits: Combined Increase \$216,998 (21.31%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Other changes within this section include an additional WWTP Operator 2 position.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Professional services are for State of Alaska fees and testing requirements.

Support Goods and Services: Increase \$23,578 (13.85%)

Adjustments within this expense category include an increase of \$23,578 in Citywide insurance allocations attributable to the Sewer Fund.

Training & Certifications and related travel for FY 2021 include the following:

- Alaska Rural Water Works Conferences
- Continuing Education for Operator Licenses
- Training Materials for Operator Licenses

Sewer Wastewater Treatment (570-580-385) continued

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Decrease \$32,750 (81.88%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|------------------------------|-------------------|----------------------------|-----------------|
| Misc Equipment | WWTP | Small Tools | \$ 5,000 |
| IT Equipment | WWTP | Dell Desktop - 1 @ \$1,500 | \$ 1,500 |
| IT Equipment | WWTP | HP Printer | \$ 750 |
| Total Capital Outlays | | | \$ 7,250 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

Depreciation Expense: Decrease \$286,508 (23.29%)

Depreciation expense is based on the upcoming FY 2021 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Interest Expense: Decrease \$2,583 (7.16%)

The Sewer fund carries loans with the State of Alaska DEC. During the most recent two years, capital projects that included loan funds were completed and placed in service.

Interfund Charges: Increase \$16,325 (10.37%)

Interfund Charges are based on allocations of other departments. This allocation is reviewed annually by the City's external audit firm during the City's annual audit. Interfund charges are calculated as follows:

- Administrative Services: Sewer % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Manager's FY 2021 Budget and Sewer % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Clerk's FY 2021 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Sewer Number of FY 2019 transactions processed not including payroll and related payroll expenditures (based on FY 2019 Audit) Multiplied by Finance Department (Administration Department Only) FY 2021 Budget and Sewer Number of Workstations Multiplied by IT Department FY 2021 Budget (Note that IT Department Budget used is less FY 2021 Capital Outlays and less FY 2021 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2021 Budget (Less Streets FY 2021 Capital Outlays).

Sewer Compost (570-580-390)

Salaries & Wages and Employee Benefits: Combined Increase \$12,042 (4.45%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended budget

Training & Certifications and related travel for FY 2021 include the following:

- USCC training for Compost Employee
- Continuing Education for Operator Licenses
- Training Materials for Operator Licenses

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Capital Outlays: Decrease \$10,000 (66.67%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, noted below are the capital outlay purchases for FY 2021:

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|------------------------------|-------------------|--------------------|-----------------|
| Misc Equipment | Compost | Small Tools | <u>\$ 5,000</u> |
| Total Capital Outlays | | | \$ 5,000 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

Sewer Compost (570-580-390) continued

Interfund Charges: Increase \$5,334 (4.66%)

Interfund Charges are based on allocations of other departments. This allocation is reviewed annually by the City's external audit firm during the City's annual audit. Interfund charges are calculated as follows:

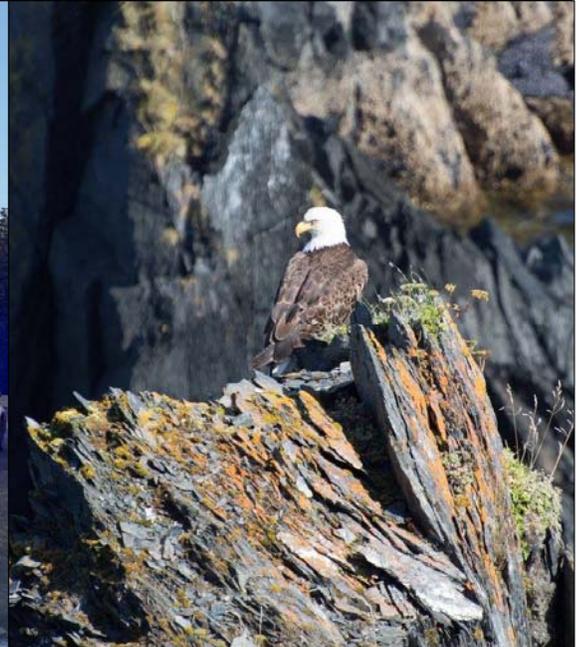
- Administrative Services: Sewer % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Manager's FY 2021 Budget and Sewer % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Clerk's FY 2021 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Sewer Number of FY 2019 transactions processed not including payroll and related payroll expenditures (based on FY 2019 Audit) Multiplied by Finance Department (Administration Department Only) FY 2021 Budget and Sewer Number of Workstations Multiplied by IT Department FY 2021 Budget (Note that IT Department Budget used is less FY 2021 Capital Outlays and less FY 2021 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2021 Budget (Less Streets FY 2021 Capital Outlays).

Capital Project Requests Funded in FY 2021 – Binder Tab 4

Sewer Improvement Fund Capital Projects

- PN 7520: Sewer Utility Deferred Maintenance Addition = \$100,000

FY 2021 Operating Budgets
Trident Basin
E911 Emergency Services



Photos by K Mayer: Trident Basin, Eagle, Bears; All remaining photos were provided by the Kodiak Police Department

FY 2021 BUDGET SUMMARY – TRIDENT BASIN AIRPORT FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Trident Basin Airport Enterprise Fund

Trident Basin Airport Enterprise Fund Revenues – Binder Tab 7 Page 72

Charges for Services: No increase or decrease as compared to FY 2020 Amended Budget

Rents & Royalties: No increase or decrease as compared to FY 2020 Amended Budget

Appropriations: Increase \$4,232 (1.64%)

Generally accepted accounting principles and government accounting standards dictate that a budget must balance. Each year, as the budget is prepared, the following types of appropriations will exist to balance budgeted revenues to budgeted expenditures:

- **Appropriation TO Fund Balance:** Generally means that the budgeted revenues exceeded the budgeted expenses and therefore, the budget is anticipated to increase the fund balance by this amount. This amount is typically shown in parentheses on the budget report generated from the financial software (i.e. negative amount).
- **Appropriation FROM Fund Balance:** Generally means that the budgeted revenues did not exceed the budgeted expenses and therefore, the budget is anticipated to decrease the fund balance by this amount. This amount is typically shown without parentheses on the budget report generated from the financial software (i.e. positive amount).

For the FY 2020 Amended Budget, the Trident Basin Airport Fund anticipates Appropriation FROM Fund Balance in the amount of \$258,500. For the FY 2021 Budget, the Trident Basin Airport Fund anticipates Appropriation FROM Fund Balance in the amount of \$262,732. This overall net effect is an anticipated increase in appropriations by \$4,232 (1.64%).

Trident Basin Administration (580-590-100)

Professional Services: No increase or decrease as compared to FY 2020 Amended Budget

Support Goods and Services: Increase \$2,730 (18.43%)

Adjustments within this category include an increase of \$2,730 for Citywide insurance allocations attributable to Trident Basin.

Trident Basin Administration (580-590-100) continued

Repairs and Maintenance: No increase or decrease as compared to FY 2020 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2020 Amended Budget

Depreciation Expense: No increase or decrease as compared to FY 2020 Amended Budget

Depreciation expense is based on the upcoming FY 2021 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Interfund Charges: Increase \$1,502 (11.59%)

Interfund Charges are based on allocations of other departments. This allocation is reviewed annually by the City's external audit firm during the City's annual audit. Interfund charges are calculated as follows:

- Administrative Services: Trident Basin % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Manager's FY 2021 Budget and Trident Basin % of Citywide Revenues (based on FY 2019 Audit) Multiplied by City Clerk's FY 2021 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Trident Basin Number of FY 2019 transactions processed not including payroll and related payroll expenditures (based on FY 2019 Audit) Multiplied by Finance Department (Administration Department Only) FY 2021 Budget and Trident Basin Number of Workstations Multiplied by IT Department FY 2021 Budget (Note that IT Department Budget used is less FY 2021 Capital Outlays and less FY 2021 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2021 Budget (Less FY 2021 Capital Outlays).

FY 2021 BUDGET SUMMARY – E911 FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14 2020
Topic: FY 2021 Budget Summary – E911 Enterprise Fund

E911 Enterprise Fund Revenues – Binder Tab 7 Page 74

Intergovernmental: Increase \$17,126 (293.76%)

Increases in Intergovernmental Revenues are attributable to the PERS On Behalf revenues received from the State of Alaska. The Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

Charges for Services: No increase or decrease as compared to FY 2020 Amended Budget

Revenue projections were performed in February based on known upcoming changes to the fee schedules and trend analysis performed by the Finance Director. Charges for Services consist of the E911 surcharge collected under State Statute and through agreements with the Kodiak Island Borough.

Net Investment Income: No increase or decrease as compared to FY 2020 Amended budget

Miscellaneous: No increase or decrease as compared to FY 2020 Amended Budget

Appropriations: Increase \$537,876 (1,052.86%)

Generally accepted accounting principles and government accounting standards dictate that a budget must balance. Each year, as the budget is prepared, the following types of appropriations will exist to balance budgeted revenues to budgeted expenditures:

- **Appropriation TO Fund Balance:** Generally means that the budgeted revenues exceeded the budgeted expenses and therefore, the budget is anticipated to increase the fund balance by this amount. This amount is typically shown in parentheses on the budget report generated from the financial software (i.e. negative amount).
- **Appropriation FROM Fund Balance:** Generally means that the budgeted revenues did not exceed the budgeted expenses and therefore, the budget is anticipated to decrease the fund balance by this amount. This amount is typically shown without parentheses on the budget report generated from the financial software (i.e. positive amount).

For the FY 2020 Amended Budget, the E911 Fund anticipates Appropriation FROM Fund Balance in the amount of \$51,087. For the FY 2021 Budget, the E911 Fund anticipates Appropriation FROM Fund Balance in the amount of \$588,963. This overall net effect is an anticipated decrease in appropriations by \$537,876 (1,052.86%).

E911 Administration (585-595-100)

Salaries & Wages and Employee Benefits: Combined Increase \$605,837 (266.63%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 5% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2021 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

In addition, the Citywide calculations for PERS On Behalf recognized from the State of Alaska was updated to a three-year average of actual contributions recognized. These contributions are recognized as a revenue and expense when received and adjusted during the fiscal year end audit.

As noted in the prior fiscal year, 20% of Dispatch salaries and wages and related employee benefits were moved to the E911 Enterprise Fund. Per review of the applicable State of Alaska statutes and discussions between the City Manager, Police Chief, and City Attorney, it was determined that 70% of Dispatch personnel salaries and wages and related benefits were attributable to the E911 Enterprise fund.

The FY 2020 Supplemental budget ordinance scheduled for after this budget presentation will show the 70% amendments from KPD Dispatch to E911. Therefore, the increase and/or decrease compared to prior fiscal year will not appear as significant after this amendment.

Professional Services: Increase \$5,365 (3.37%)

This increase is attributable to the new Power Phone system annual license fee. This system is scheduled for installation in late fiscal year 2020 or early fiscal year 2021.

Support Goods and Services: No increase or decrease as compared to FY 2020 Amended Budget

Training and certifications include APSIN and Spillman continued training for Dispatch.

Capital Outlays: No increase or decrease as compared to FY 2020 Amended Budget

Per discussions with the Police Chief, the Power Phone system was included in the FY 2020 budget. This installation was set to occur in late FY 2020. However, due to recent events, this system installation has been postponed until FY 2021. Therefore, the Power Phone system was kept in place for the FY 2021 budget year.

| <u>Replacement Schedule</u> | <u>Department</u> | <u>Description</u> | <u>Cost</u> |
|---------------------------------|-------------------|-----------------------|------------------|
| IT Equipment | E911 | PowerPhone System | <u>\$ 55,000</u> |
| | | Total Capital Outlays | \$ 55,000 |

Any other items included in the FY 2021 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2022).

FY 2021 Operating Budgets

Insurance Fund



FY 2021 BUDGET SUMMARY – INSURANCE FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 14, 2020
Topic: FY 2021 Budget Summary – Insurance Internal Service Fund

Insurance Internal Service Fund – Binder Tab 8 Page 76

Total Revenues: Increase \$149,869 (19.90%)

Citywide insurance is maintained in the Insurance fund. Each year, allocations are performed based on the most recent audit. Each fund maintains property, plant, and equipment. This baseline is used to determine allocations for citywide insurance. City policies that are specific to one specific department and/or fund (i.e. Marine policies) are charged to that particular department and/or fund.

Total Expenses: Increase \$149,869 (19.90%)

Expenses for the insurance fund primarily consist of the most recent paid premiums for citywide insurance. In addition, other budgeted expenditures include amounts for damages less than the City's deductible and City deductible amounts.

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