

CITY OF KODIAK, ALASKA

**Annual Operating Budget
July 1, 2017 – June 30, 2018**

CITY OF KODIAK, ALASKA

ANNUAL ADOPTED BUDGET
FISCAL YEAR ENDING JUNE 30, 2018

AS SUBMITTED BY

Mike Tvenge
CITY MANAGER

May 25, 2017

AND ADOPTED BY THE CITY COUNCIL

June 8, 2017

CITY COUNCIL

Mayor

Pat Branson

Council Members

Charles Davison
Randal Bishop
Gabriel Saravia
Laura Arboleda
John Whiddon
Richard Walker

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Budget Message City of Kodiak Fiscal Year 2018

December 28, 2017

Mayor Branson and City Council Members
Residents of the City of Kodiak
Kodiak, Alaska 99615

Dear Mayor, Council Members, and Residents:

Enclosed is the fiscal year 2018 budget document for the City of Kodiak. This operating budget is provided in compliance with state statutes and the City of Kodiak's Charter. The operating budget for the upcoming fiscal year presents the goals and objectives for fiscal year 2018, revenue sources, projected revenues, and the operating plan for all departments including capital expenditures.

Mission Statement

The mission of the City of Kodiak is to provide quality municipal services to all residents and to respond in the most appropriate, and fiscally responsible, manner to their needs and concerns. These services include administration; finance; law enforcement, dispatch and jail; fire and ambulance; public works including water, sewer, and roads; engineering; parks and recreation; library; and port, harbor, and cargo. The City Council's long-term goals and annual budgetary goals, both of which have been outlined below, support the mission of the City of Kodiak.

Major Policy Issues

The City Council adopts specific budget goals that relate to the upcoming fiscal year 2018. The City Council's budget goals are designed to ensure continuity, accountability, and quality of the services offered to the community. These goals were considered when making all budget decisions, including budget development.

Many issues are taken into consideration during the budget development process. These issues include, but are not limited to, the economic outlook for the City, changes in federal and state policies, controlling operational costs, and providing the same level of comprehensive services to the community. In response to these challenges, the staff developed a budget that included conservative revenue estimates based on a stable, local economic outlook, and reflects a change in sales tax revenues due to the sale tax percentage increase instituted during fiscal year 2013. The staff also developed the budget to control operational costs, if possible, and included provisions to allow for the same level of comprehensive services offered to the community. In addition, the staff considered federal and state policies, including current direction and key issues noted by these governing bodies, to ensure that any direct or indirect impacts would be appropriately taken into consideration while developing the City's budget.

These issues are comparable to those addressed in the fiscal year 2017 budget. The City of Kodiak faces these challenges each year and will continue to face these in upcoming years.

Federal Issues

Federal issues have not directly affected preparation of the fiscal year 2018 budget. However, there are federal issues that have exerted some economic influence on the community of Kodiak and, consequently, on the budget. Budget reductions at the federal level over the most recent two years have impacted the City of Kodiak's budget indirectly, primarily seen through reductions in the federal budget and federal programs. These reductions affected primarily the regulatory branch of the commercial fishing industry. In addition, the National Oceanic and Atmospheric Administration agency faced issues relating to their facility and research needs with the mandate to reduce budgets. These actions did not appear to have a noticeable effect on the local economy. However, future developments regarding federal administration changes may impact the local economy in the future.

Federal funding requests for assistance related to projects have been requested for the upcoming fiscal year. These requests have been made for the City's current budget cycle.

Fiscal Year 2018 Federal Budget

The President submitted his budget for the federal fiscal year 2018 of \$4.094 trillion to Congress. The proposed budget includes \$54 billion in cuts to federal departments and a corresponding increase in defense and military spending. The federal budget by program area depicts primary spending within social security, national defense, medicare, health, and income security programs with smaller appropriations to transportation, natural resources and environment, general government, and justice programs. In addition, the federal government has lowered or restricted specific grant programs. Based on these factors, the City staff does not anticipate funding requests for assistance in infrastructure projects to be funded for the City's upcoming fiscal year 2018.

State Issues

The State of Alaska operating budget for fiscal year 2018 experienced additional budget cuts and additional draw down of state savings which will culminate in \$14 billion in drawdown of savings since fiscal year 2014. There will be insufficient funds at the state level to fund the fiscal year 2019 budget. Over the past two years, the State of Alaska's executive branch agencies have reduced their unrestricted state general fund budgets by \$525 million; eleven state of Alaska executive branch departments have unrestricted general fund budget reductions of 20% or greater; hiring and travel restrictions on State of Alaska employees have been imposed and sustained throughout the fiscal 2017 year. Additional reductions of 17% to the State legislative branch and 5% to the judicial branches have been enacted for fiscal year 2017. The State of Alaska continues to face a \$4 billion deficit and low oil prices. The State of Alaska continues to research alternative revenue sources to offset declining oil prices and to build a sustainable future. These alternative revenue sources include discussions at the legislative level to implement income taxes, statewide sales taxes, reduce permanent fund dividends, and reductions to capital projects. Due to the fiscal policies of the State of Alaska, Standard & Poor's bond rating agency has dropped the State of Alaska bond rating from a stable outlook to negative outlook, which could affect the interest rates related to Alaska bonds. These factors will impact the operating and capital budgets at the state and local government levels.

The Legislature passed HB 385 during the prior year, which authorizes the payment of \$3 billion toward the unfunded pension liability in the PERS / TRS retirement systems. This action reduces the state's annual payments to \$369 million and will reduce the amount of liability that a municipality will carry on their balance sheets under the new GASB rules, which took effect during fiscal year 2015.

The State of Alaska legislature, SB 125, in fiscal year 2008 established one uniform rate of 22% for Public Employees Retirement Systems (PERS) employers. Prior to this legislation, separate contribution rates were used for each employer. This rate remains at 22% for fiscal year 2017. The City will not see a budget impact to its PERS contribution rate even though the Alaska Retirement Management Board approved the actuarially determined rate for fiscal year 2017 at 44% per employee.

The Community Revenue Sharing Fund was established during 2008 in the State's general fund. For fiscal year 2018, these programs have been maintained at the State level. The City of Kodiak's revenue from this program for fiscal year 2018 is estimated to be \$109,300. For fiscal year 2017, the City of Kodiak received \$249,981, which is a decrease of \$140,681. The City of Kodiak also receives shared fisheries taxes, shared fuel taxes, and shared utility taxes. For fiscal year 2017, revenues from these sources were \$126,865, \$6,417, and \$44,152 respectively. For fiscal year 2018, these other revenue sharing sources are expected to remain consistent with prior years.

The City receives annual funding through the State of Alaska's Raw Fisheries Tax program. During fiscal year 2017, the City received \$525,670 from the shared Raw Fisheries Tax program. The City anticipates receiving \$525,000 during fiscal year 2018, which is consistent with fiscal year 2017 and has decreased approximately 50% since fiscal year 2016.

The State of Alaska capital budget for fiscal year 2017 includes reallocations and appropriations of funding. However, the City of Kodiak has received funding for major capital projects during fiscal year 2015 and 2016. The fiscal year 2018 budget includes funding for through a legislative grant for a portion of the costs to replace the community's E911 system, which has remained a priority for the past several years.

Economy

Over the past several years, the overall U.S. economy has experienced large financial impacts due to recession. However, until the most recent two-year period, Alaska has managed to avoid these large financial impacts that were recognized in the contiguous United States. Alaska is beginning to recognize these economic impacts at the state level due to low oil prices, low oil production, and thus less discretionary spending throughout the state. The national economy continues to slowly recover; however, public confidence ratings do not reflect improved employment numbers, stock market activity, and other economic indicators, such as improvements in the housing market. This concern is reflected by many Alaskans. Recent oil prices and economic trends has been cause for concern in the Alaska region.

The Kodiak economic community has remained stable. The Fiscal Year 2018 budget document reflects that revenues are continuing to reflect decreases in state and federal revenues as well as sales tax revenues as compared with previous periods. The City's anticipated general fund revenues are comprised of the following: 60%, approximately \$11.75 million, derived from sales tax; 5%, approximately \$975,000, derived from property tax; and 6%, approximately \$1.1 million, derived from intergovernmental revenues. The City's overall appropriations are 11% of anticipated general fund revenues, approximately \$2.2 million, are used for general fund operations that continue to provide the same level of services that will benefit the citizens of the community.

Personnel Costs

The City Council's budget goal for fiscal year 2018 was to maintain a consistent level of staffing. This level of staffing was established during the budget planning meeting in January 2017 at 129.15 full-time equivalent (FTE) positions. During fiscal year 2017, the City added an additional Human Resources manager position. This personnel goal can be attained at the current levels of services and is reflected in the budget. City staff will continue to see several retirements and routine attrition during fiscal year 2018. Vacant positions will be filled with more junior staff which will reduce personnel and employee benefits costs. Other expenses related to employee turnover, such as specialty training, certifications, and required licensures, will increase aspects of personnel costs. These anticipated costs are reflected in the affected departmental budgets.

Based on allocated and filled positions, the fiscal year 2018 budget reflects an increase in salaries and related benefits due to a cost of living adjustment of 5.0% increases to all City employees for fiscal year 2018. Some departments will recognize increases in employee benefits due to increases in health insurance premiums, workers compensation rates, and PERS on behalf costs.

Major Local Policies

The major local policy issues are summarized in the fiscal year 2018 City Council Budget Goals. The City's long term goals are reflected in the fiscal year 2018 budget. The overall goal has been to develop a balanced budget while maintaining existing levels of service, to reduce reliance on the fund balance of the General Fund, and maintain the Enhancement Fund for tax stabilization. The City of Kodiak's goals are to maintain a healthy economy and a healthy environment, and to ensure social fairness.

A Balanced Budget While Maintaining Existing Levels of Service

The first, and most significant, factor addressed in the budget is the goal of balancing current revenues to current expenditures. Fiscal year 2018 is a maintenance budget because it sustains the same level of service as provided in previous years. The City's General Fund revenues have started to decline over the most recent two-year period. These general fund revenues are used to pay for government services such as police, fire, finance, library, parks and recreation, public works, administrative functions, and other aspects of primary government functions.

The major source of General Fund revenue is the local sales tax, which makes up approximately 60% of the General Fund revenues. Another large source of General Fund revenues is from various state revenue sources, which is approximately 6% of general fund revenues. However, state revenue sources can be unpredictable and the City does not have control over revenue received from these sources. State revenue sources have decreased approximately 9% as compared to the prior fiscal year. Property tax consists of approximately 5% of general fund revenues.

The City's mill rate has been set at 2 mills since 1985. While property taxes are predictable, it only provides minimal revenues, approximately \$1 million, to the general fund for fiscal year 2018.

The City increased its primary source of revenue, sales tax, from 6% to 7% in fiscal year 2013. While the decision was difficult, the City Council believed this was imperative because the costs of doing business for the City increased dramatically between 1993, the last time tax rate was adjusted, and 2012. The adjusted consumer price index rose over 50% during that time, requiring the City to pay 50% more for services, supplies, personnel costs, and equipment in 2012 as compared to 1993. Quite simply, it costs more to maintain, repair, upgrade, or replace important infrastructure such as roads, buildings, airports, utility systems, parks, docks, and to provide the same level of services to residents as it did in 1993. The anticipated revenue from sales tax in the fiscal year 2018 budget is approximately \$11.75 million, which is a decrease from the fiscal year 2017 budgeted amount.

The City is conservative in developing operating budgets year over year in order to contain and absorb as many cost increases as possible. However, operational and management costs continue to equal what is received in revenues. The City must use fund balance to offset these cost increases to meet operational and capital needs. In addition, the City must also meet reserve requirements. These reserve requirements consist of three-to-six months of operating funds to have adequate funds available to make necessary budget adjustments to cover unexpected cost increases, make emergency repairs, and to meet governmental mandates and regulatory requirements.

The City Council's budgetary goals include utility rate studies to be performed every five years. Utility rate increases are necessary to maintain the City's facilities and to comply with regulatory requirements relating to water and sewer. A Water Rate Cost of Service Study was presented to the City Council during 2016 and implemented in fiscal year 2017. Based on the outcome of this rate study, water rates will remain consistent for residential flat-rate payers and increase incrementally over the next five years for metered payers based on usage per 1,000 gallons. Sewer rates were increased by 5% in 2014 and will increase by 5% for each of the next two fiscal years. The bio-solid project will determine the method and costs pertaining to the treatment of sludge.

Overall, not including capital projects, the fiscal year 2018 budgeted revenues included City-code mandated transfers and were less than fiscal year 2017. The total citywide use of fund balance for fiscal year 2018 is estimated at \$3,096,688. The budgeted fiscal year 2017 use of fund balance was anticipated to be \$3.6 million. However, actual use of fund balance could be higher than anticipated. These anticipated increases are due to less anticipated revenues from intergovernmental sources due to budget cuts for fiscal year 2018. The total citywide transfers for fiscal year 2018 are budgeted to be \$1.3 million. The budgeted fiscal year 2017 amount of transfers was anticipated to be \$4.4 million. However, the actual amount of transfers is estimated to be consistent with the budgeted transfers for 2017. Overall, not including capital projects, the City's fiscal year 2018 expenditures are lower to the amended fiscal year 2017 final budget which reflects the City's continuing efforts to decrease costs and gain efficiencies.

The City of Kodiak code allows for the allocation of sales tax proceeds to specific funds. These include \$450,000 to the Street Improvement Fund, \$500,000 to the Port & Harbor Improvement Fund, and \$50,000 to the Parks and Recreation Improvement Fund. The fund balance of the General Fund continues to maintain a balance that is consistent with the City Council's goal of up to three months of general fund operating expenses. The budgetary and operational priorities for fiscal year 2018 have not significantly changed since the prior fiscal year. However, there is a continued emphasis on replenishing and sustaining the fund balances in the City's funds.

Maintaining the Enhancement Fund for Tax Stabilization

The second major goal is to maintain the Enhancement Fund for the City of Kodiak. The Enhancement Fund was created from a combination of growth in sales tax collections, an accounting principle change, and conservative spending which culminated in a large unreserved fund balance in the General Fund that was transferred to the Enhancement Fund in 1997. The funds are held perpetually in trust for the benefit of present and future generations of Kodiak residents in order to stabilize local taxes. The funds are inflation-proofed annually and available for appropriation only by a super majority vote of the City Council. The City has not used the fund balance of the Enhancement Fund in fiscal years 2016 and 2017. The City does not anticipate using the fund balance of the Enhancement Fund in fiscal year 2018.

For fiscal year 2017, the fund balance of the General Fund was estimated to be \$8,828,601 and the fund balance of the Enhancement Fund was estimated to be \$4,169,804.

Estimated Fund Balance	General Fund	Enhancement Fund
FY 2017 Year End	\$8,828,601	\$4,169,804
FY 2018 Year End	\$6,578,439	\$4,276,604

The Budget in Brief

Fiscal year 2018 revenues for all funds are anticipated to be \$37,386,307. This is a decrease of \$5,604,000, or 15.0%, as compared to fiscal year 2017 final budgeted amounts. The majority of these decreases are related to capital projects and use of fund balance. The largest nonrecurring projects include replacement of the Channel Transient Float, \$1.5 million awarded in State of Alaska grant programs and \$1.5 million added from the general fund in fiscal year 2016; and the WWTP Centrifuge project, \$1.2 million added in fiscal year 2017. All current and active capital projects can be found on the City’s website in the Long-Term Capital Improvement Plan. The Special Revenue fund is comparable and consistent with prior year. Enterprise Fund revenues are consistent and comparable to prior year, however, increases are expected due to rate studies for the harbor, water, and sewer charges for services. The Internal Service fund is consistent and comparable to prior year based on relatively stable insurance costs.

Summary of Budgeted Revenues – Fiscal Year 2018 Adopted Budget to Fiscal Year 2017 Final Amended Budget

Fund	FY 2018 Adopted Budget	FY 2017 Final Amended Budget	\$ Change	% Change
General	\$ 19,583,887	\$ 19,748,734	\$ (164,847)	-0.84%
Special Revenue	189,500	189,500	-	0.00%
Capital Projects	2,103,901	4,402,336	(2,298,435)	-109.25%
Enterprise	14,894,540	18,100,797	(3,206,257)	-21.53%
Internal Service	614,479	548,940	65,539	10.67%
Total	\$ 37,386,307	\$ 42,990,307	\$ (5,604,000)	-14.99%

Tax Rate and Financial Analysis

The City levies sales tax at 7% on all sales, services, and rentals made within City limits. The maximum taxable sale is \$750 per transaction. The City first increased the rate from 3% to 5% in October 1979. The City increased the rate from 5% to 6% on July 1, 1993. The City increased the rate from 6% to 7% on October 1, 2012. Sales tax is anticipated to generate approximately \$11.75 million in sales tax revenues for fiscal year 2018.

The City levies property tax at 2 mills. Property taxes are collected by the Kodiak Island Borough on behalf of the City. The rate of 2 mills has been in effect since fiscal year 1985. The assessed value of property in the City of Kodiak for fiscal year 2018 is \$561,764,580 and anticipated to generate approximately \$975,000 in property tax revenues for fiscal year 2018.

Tax	City of Kodiak	Kodiak Island Borough	State of Alaska
Real Property	2.00 mills	11.25 mills	None
Personal Property	None	11.25 mills	None
Sales Tax	7%	None	None
Transient Room Tax	5%	5%	None
Income Tax	None	None	None

The City of Kodiak lies within the Kodiak Island Borough. The table above shows the total taxes levied by the city, Borough, and the state of Alaska. The City generates most of its tax revenues from sales tax. The sales tax revenue for fiscal year 2018 is anticipated to decrease as compared to fiscal year 2017. The City of Kodiak's economy is beginning to recognize the economic recession noted throughout the contiguous United States over the most recent years. The increase in sales tax during fiscal year 2013 from 6% to 7% allows the City to generate additional revenues to offset increased costs of doing business and reduce the reliance on the fund balance of the General Fund. However, as costs continue to rise, the costs for providing services are beginning to overcome the City's revenue sources which require the City to use more and more of its savings in order to provide the same level of service to its citizens.

In fiscal year 2018, the City anticipates that the General Fund will deplete \$2,238,227 of the unassigned fund balance. The City does not anticipate using fund balance of the Enhancement Fund. The City Council's goal is to maintain the unassigned fund balance of the General Fund at a balance of approximately three months of general fund operating expenditures, which is estimated to be approximately \$4 million for fiscal year 2018.

The main component of the budget is the General Fund. For fiscal year 2018, the adopted General Fund budget is \$19,583,887, 52.38%, of the total budget. Included in the General Fund budget is \$1,310,901 for transfers to other funds. Therefore, General Fund budgeted expenditures total \$18,272,986. The City currently has one general obligation bond, with an original amount of \$8,000,000. The State of Alaska and the City of Kodiak do not establish a legal debt margin. The voters of the City of Kodiak ultimately determine the amount of debt that can be outstanding. The residents of the City passed a ballot question that allowed the City the authority to issue bonds to fund projects for General Obligation Bonds. There is not a requirement for a ballot question for Revenue Bonds. Currently, the City has three Revenue Bonds and one General Obligation Bond. The outstanding bonds and loans are discussed in detail in the Debt Service section of this document. The City has not budgeted for additional debt in fiscal year 2018.

General Fund anticipated revenues by source for fiscal year 2018 are as follows: \$11,777,500, 60%, in sales tax; \$ 975,000, 5%, in property tax; \$1,116,800, 6%, in intergovernmental revenues; \$1,661,217, 9%, charges for services; \$52,300, 0.50%, in licenses and permits; \$222,000, 1.0%, from miscellaneous sources; and \$1,534,343, 8%, in interfund charges.

Special Revenue funds are \$189,500, or 0.51%, of the total City of Kodiak budget. The City levies transient room taxes at a rate of 5%. Transient room taxes are included in the Tourism fund and are anticipated to be \$170,500.

Capital Projects are \$2,103,901, 5.63%, of the total City of Kodiak fiscal year 2018 budget. Many capital projects are ongoing from prior years with additional funding added during fiscal year 2018. For additional information regarding capital projects, see the Long-Term Capital Improvement Plan located on the City's website. For fiscal year 2018, the City has large nonrecurring capital infrastructure projects.

Enterprise Funds are \$14,894,540, 39.84%, of the total City of Kodiak fiscal year 2018 budget. Cargo and Harbor funds are \$5,097,791, 32.43%, of the total Enterprise funds. Water and Sewer are \$7,622,450, 51.18%, of the total Enterprise Funds. The Trident Basin Float Plane fund is \$302,253, 2.03%, of the total Enterprise Funds. The E-911 Fund is \$13,771, 0.09%, of the total Enterprise Funds. Revenue bonds and loans with the State of Alaska DEC debt service interest payments are included in the Enterprise Funds. These debt service interest payments are shown in the respective enterprise funds. The outstanding bonds and loans are discussed in detail in the Debt Service section of this document.

The Internal Service fund is \$614,479, 1.64%, of the total City of Kodiak budget. The fiscal year 2018 budgeted amounts are consistent and comparable to fiscal year 2017.

Budget Document Organization

The budget document is organized to highlight goals, operational objectives, and performance indicators for every department by fund. The City received the Distinguished Budget Presentation Award from fiscal years 1993 through 1997 and fiscal years 2003 through 2017. The Government Finance Officers Association of the United States and Canada (GFOA) recently gave an award of Distinguished Budget Presentation to the City of Kodiak for its annual budget for the fiscal year beginning July 1, 2016. A government must publish a budget document that meets program criteria as a policy document, as an operational guide, as a financial plan, and as a communicative device to receive this award. We believe our current budget document continues to conform to GFOA program requirements.

Acknowledgement

We want to express our appreciation to all of the City of Kodiak staff for their continuous and dedicated service during the past year. We also want to thank the members of the City Council, the City’s advisory boards, City administration, residents, and the Mayor for their interest and support during the budget process, for their participation in the annual budget planning session, and for adopting budget goals and a budget which allows staff to conduct the financial affairs of the City of Kodiak in a progressive and responsible manner. Lastly, we wish to express our appreciation to the Finance Department for their assistance in the preparation of this document.

Conclusion

This budget is the culmination of many months of effort to determine what levels of service the citizens of Kodiak desire, as well as the necessity of balancing those needs with the public’s willingness to pay. Even a city that monitors expenditures as closely as the City of Kodiak must struggle with the acceptable service levels and the costs of these services to taxpayers.

Costs continue to increase due to unfunded federal and state mandates, reductions in programs and other sources of funding, regulatory changes, insurance premiums, and inflation. The City must also adjust to a reduction in reduced investment revenues as well as reduced funding availability at the state and federal levels. This requires that we continue to seek what funding is available and implement cost saving measures wherever and whenever possible.

The Council, City Manager, and staff stand ready to work with the residents of the City of Kodiak in the upcoming year as we implement the adopted fiscal year 2018 budget.

Respectfully submitted,

City Manager



Mike Tvenge

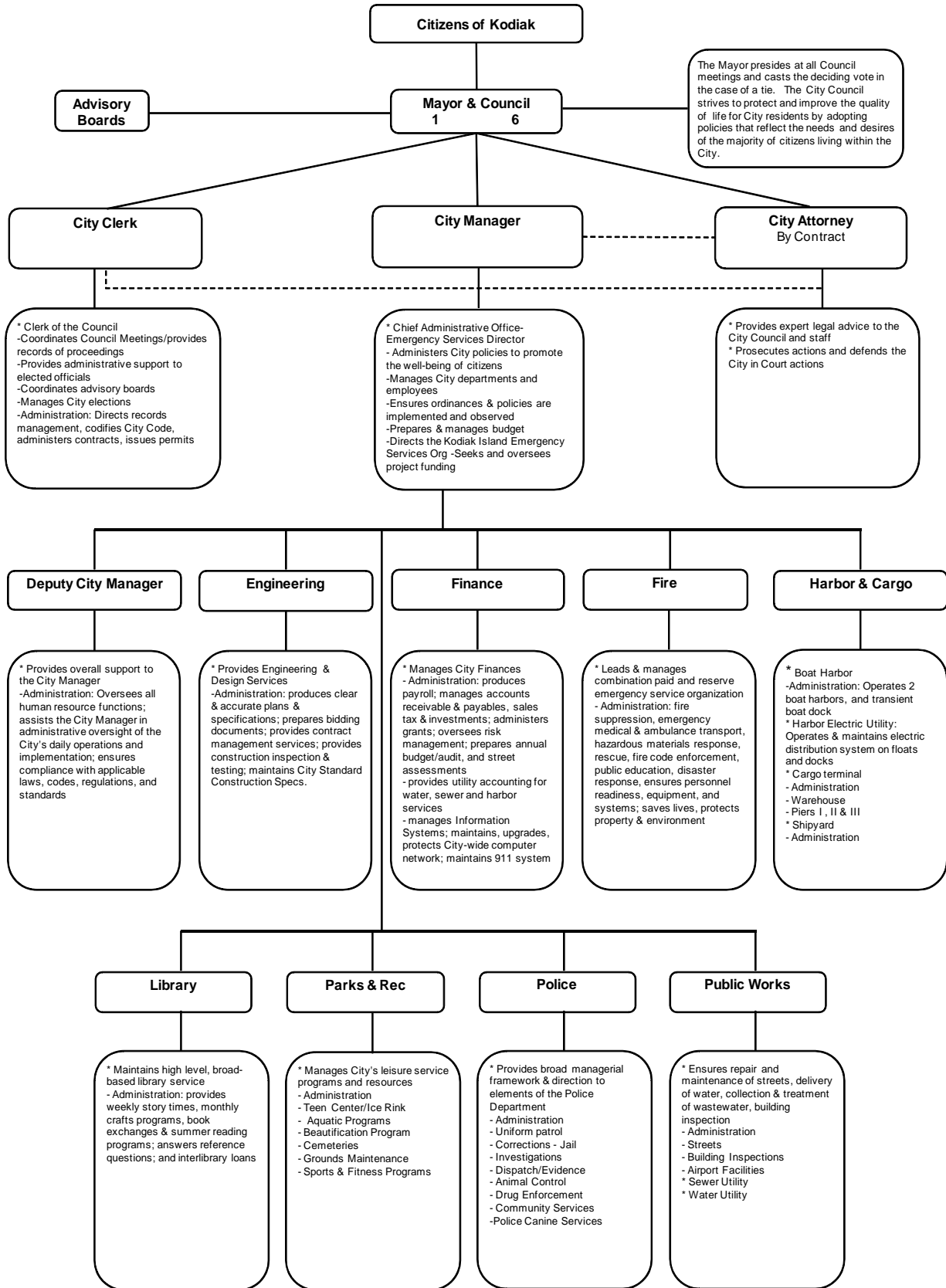
Finance Director



Kelly Mayes



**City of Kodiak
Fiscal Year 2018 Organizational Chart**



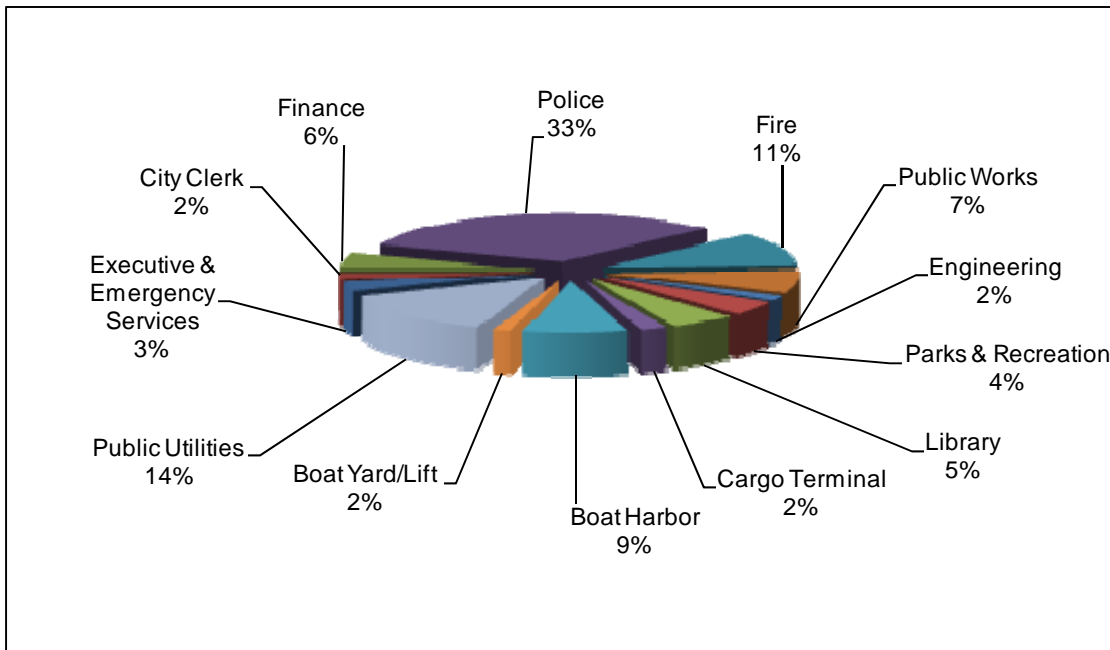


**City of Kodiak
Fiscal Year 2018 Personnel Summary**

<u>Department</u>	<u>FTE</u>
Executive & Emergency Services	4.00
City Clerk	3.00
Finance	7.25
Police	42.50
Fire	13.75
Public Works	9.50
Engineering	2.00
Parks & Recreation	5.75
Library	7.00
Cargo Terminal	3.00
Boat Harbor	11.40
Boat Yard/Lift	2.00
Public Utilities	18.00
Total	129.15

FTE - Full Time Equivalent

See Appendix for more detailed personnel information.





City of Kodiak
Fiscal Year 2018 Fact Sheet

Form of Government

- Home Rule City with Council-Manager form of government
- City residents elect a Mayor and six Council members to serve at-large
- City Council meets on the second and fourth Thursday of each month at 7:30 p.m. in the Kodiak Island Borough Assembly Chambers, 710 Mill Bay Road. The public is invited to attend.
- City Website – <http://www.city.kodiak.ak.us>

City Departments

Name	Department	Email	Phone
Mike Tvenge	City Manager	akniaziowski@city.kodiak.ak.us	907-486-8642
Debra Marlar	City Clerk	dmarlar@city.kodiak.ak.us	907-486-8636
Matt Van Daele	Deputy City Manager	mvandaele@city.kodiak.ak.us	907-486-8640
Kelly Mayes	Finance	kmayes@city.kodiak.ak.us	907-486-8659
Ronda Wallace	Police	rwallace@city.kodiak.ak.us	907-486-8000
Jim Mullican	Fire	jmullican@city.kodiak.ak.us	907-486-8040
Mark Kozak	Public Works	mkozak@city.kodiak.ak.us	907-486-8060
Glenn Melvin	Engingeering	gmelvin@city.kodiak.ak.us	907-486-8065
Corey Gronn	Parks & Recreation	cgronn@city.kodiak.ak.us	907-486-8655
Kathleen Baxter	Library	kbaxter@city.kodiak.ak.us	907-486-8688
Lon White	Cargo & Harbor	lwhite@city.kodiak.ak.us	907-486-8080

Elected Officials

Name	Office	Email	Phone
Pat Branson	Mayor	council@city.kodiak.ak.us	907-486-3641
Laura Arboleda	Council Member	council@city.kodiak.ak.us	907-539-2027
Randall Bishop	Council Member	council@city.kodiak.ak.us	907-486-3364
Charles Davidson	Council Member	council@city.kodiak.ak.us	907-486-3896
Gabriel Saravia	Council Member	council@city.kodiak.ak.us	907-486-5076
John Whiddon	Council Member	council@city.kodiak.ak.us	907-486-8130
Richard Walker	Council Member	council@city.kodiak.ak.us	907-481-3775

Advisory Boards

- Building Code Board of Appeals (as needed)
- Joint Building Code Review Committee (as needed)
- Parks & Recreation Advisory Board
- Personnel Board (as needed)
- Port & Harbor Advisory Board
- Employee Advisory Board (Board members are elected by City employees)
- Kodiak Public Library Association (an independent organization supporting the Library)

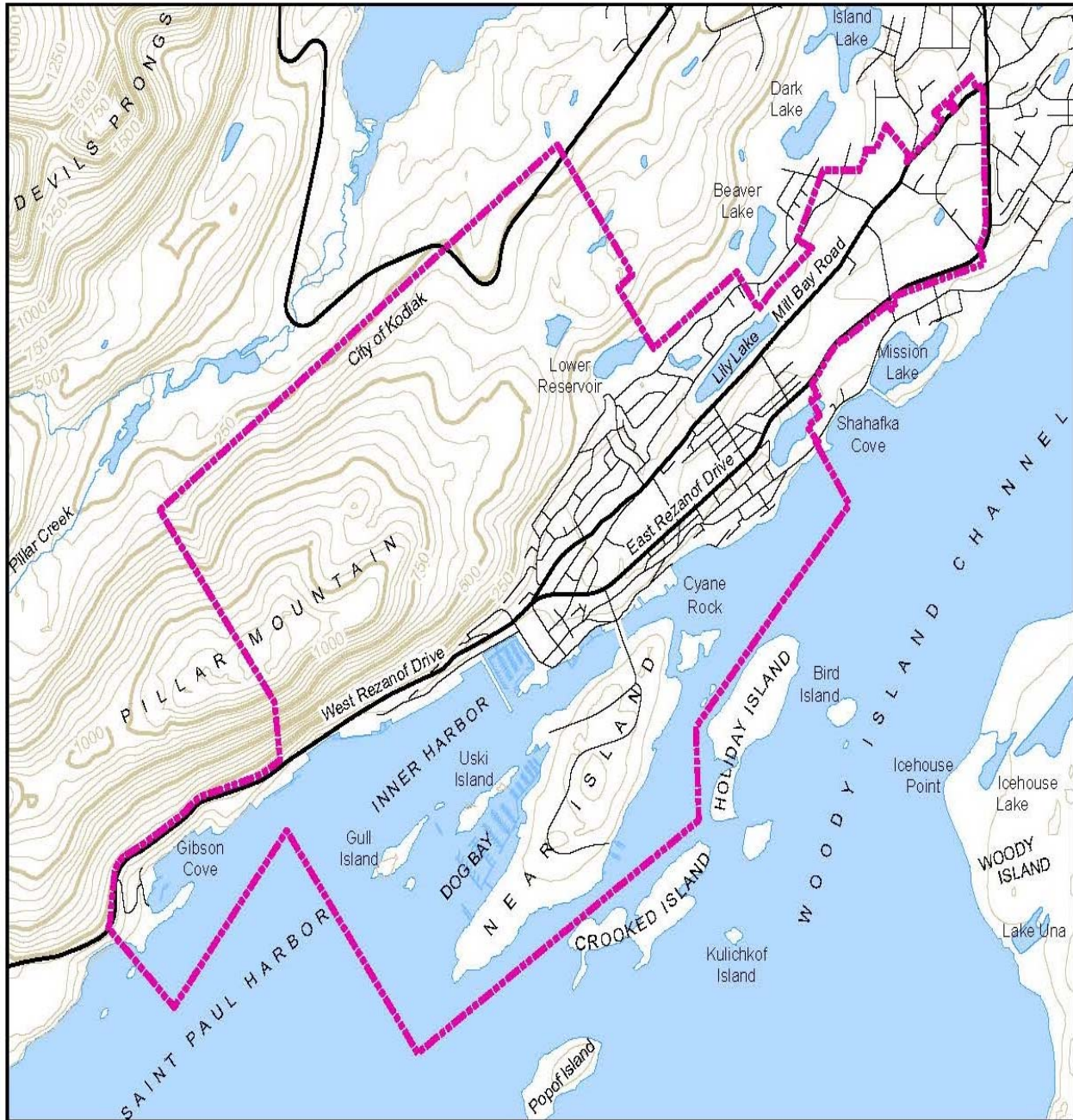


City of Kodiak
Kodiak Island, Alaska





City of Kodiak
City Limits – 6.2 square miles





HISTORY AND ECONOMIC CONDITIONS

The History of Kodiak

Kodiak is located near the northeastern tip of Kodiak Island in the Gulf of Alaska. Kodiak Island, "The Emerald Isle", is the largest island in Alaska, and is second in size only to Hawaii in the U.S. The Kodiak National Wildlife Refuge encompasses nearly 1.9 million acres on Kodiak and Afognak Islands. The City of Kodiak is 252 air miles southwest of Anchorage, a one-hour flight, and is a three-hour flight from Seattle. Two State ferries, the Tustumena and the Kennicott serve the City with a twelve-hour run to the Kenai Peninsula, a two-hour run to the city of Port Lions. The City lies at approximately 57 ° 47' N Latitude, 152 ° and 24' W Longitude. The City encompasses six square miles of land and one square mile of water.

Kodiak Island has been inhabited for at least 8,000 years. The first Non-Native contacts were in 1763, by the Russian Stephen Glotov, and in 1792 by Alexander Baranov, a Russian fur trapper. Sea otter pelts were the primary incentive for Russian exploration, and a settlement was established at Chiniak Bay, the site of present day Kodiak. At that time, there were over 6,500 natives in the area and the Island was called "Kikhtak". It later was known as "Kadiak", the Inuit word for Island. Kodiak became the first capital of Russian America, and Russian colonization had a devastating effect on the local Native population. By the time Alaska became a U.S. Territory in 1867, the Native population had almost disappeared as a viable culture. Alutiiq (Russian-Aleut) is the present day Native language. Sea otter fur harvesting was the major commercial enterprise, and eventually led to the near extinction of the species. However, in 1882 a fish cannery opened at the Karluk spit. This sparked the development of commercial fishing in the area.

The City of Kodiak was incorporated in 1940. During the Aleutian Campaign of World War II, the Navy and the Army built bases on the Island. Fort Abercrombie was constructed in 1939, and later became the first secret radar installation in Alaska. Development continued and the 1960s brought growth in commercial fisheries and fish processing. The 1964 earthquake and subsequent tidal wave virtually leveled downtown Kodiak. The fishing fleet, processing plants, canneries, and 158 homes were destroyed - \$30 million in damage. The infrastructure was rebuilt, and by 1968, Kodiak had become the largest fishing port in the U.S., in terms of dollar value. The Magnusson-Stevens Fisheries Conservation Act adopted by Congress in 1976 extended the U.S. jurisdiction over marine resources to 200 miles offshore, which reduced competition from foreign fleets, and over time, allowed Kodiak to develop a ground fish harvesting and processing industry.

Economic Condition and Outlook

The economic condition of Kodiak remains comparable to prior years. Kodiak's role as a center for transportation, governmental offices, timber, and tourism complements its role as one of the nation's largest producers of seafood. The City of Kodiak has the largest and most diversified fishing port in Alaska and is consistently ranked in the top three largest fishing ports in the U.S. in terms of value landed.

Seafood Industry

Commercial fishing is by far the largest private sector industry in Kodiak. Kodiak is consistently one of the top three fishing ports in the United States. The 2015 ex-vessel value of all fish coming into Kodiak was approximately \$155.4 million as compared to 2014 which was approximately \$147.4 million, an increase of 5.15%. Volume in 2015 was approximately 527 million pounds an increase from 2014 which was approximately 458 million pounds.

Kodiak is the center of fishing activities for the Gulf of Alaska. Its fishery is among the most diverse in the state with approximately 53 different seafood species being delivered and processed in Kodiak for 2015. Salmon has traditionally been the mainstay of Kodiak's fisheries. Because of the cyclical nature of the salmon fisheries the annual volume and value of Kodiak's salmon catch varies greatly. Increased competition in world markets has also driven prices down. However, in the last few years' prices have been rebounding. During recent years, the ground fish fishery has become increasingly important to Kodiak's economy.



Economic Conditions and Outlook continued

In addition to the fish harvesting and processing sectors, there are also several government and educational institutions that conduct fisheries-related research in Kodiak. The National Marine Fisheries Service Utilization and Research Division, along with the University of Alaska's Fisheries Industrial Technology Center, provide lab services, quality and handling studies, product development assistance and other research efforts. The Kodiak branch of the University of Alaska-Anchorage provides educational and job training for many of the support services provided to the fishing community.

Visitor Industry

Tourism, like many other Kodiak industries, is based on our natural resources. Tourists come to Kodiak to view the scenic beauty, hike, camp, visit historical and cultural sites, view and photograph wildlife, and hunt and fish. The visitor industry continues to grow in Kodiak.

As is true elsewhere in Alaska, Kodiak's visitor industry is seasonal with approximately 76% of all visitors arriving during the summer months. The total number of annual visitors to the Kodiak region is approximately 30,000, more than double the population of the entire Kodiak Island Borough.

Kodiak's share of the Southwest Alaska visitor market is approximately 31%. According to the Alaska Visitor Statistics Program, visitors to Kodiak and other Southwest Alaska destinations tend to stay longer than the average visitor to the state, and are significantly more likely to be repeat visitors. Additionally these visitors typically spend more than twice as much as the average visitor to other regions in Alaska. In recent years, the cruise ship industry has stopped at Kodiak with ships of up to 1,300 passengers embarking on the island to visit.

According to the 2015 Marine Highway Traffic Report 10,660 disembarked at Kodiak using the Alaska Marine Highway System (AMHS). Since 2001, the number of embarking at Kodiak using AMHS increased approximately 63%.

Aerospace Industry

The mission of the Alaska Aerospace Development Corporation (AADC) includes establishing and operating, in Alaska, a launch facility promoting aerospace-related economic growth and developing corresponding technologies and support services. The Kodiak Launch Complex (KLC) is the nation's first launch facility not located on federal property and is positioned to meet the challenges and define Alaska's future role in a highly competitive launch industry.

The KLC celebrated its first mission November 1998. The second successful launch from KLC lifted off September 1999. The state of the art facility includes a launch control center, payload processing facility, spacecraft assembly building and launch pad. It is designed to handle small to medium sized rockets used to launch low-earth orbit satellites, as well as military, scientific and research missions.

According to the Northern Economic Inc., the economic impacts of AADC's operations and projects in fiscal year 2010 supported 44 local businesses. The total direct, indirect and included local impacts to Kodiak's regional economy alone amounted to \$6.3 million, generating 59 local jobs with \$3.7 million in local payments for wage and salaries. AADC's expenditures for goods and services, including subcontractor services, generated about \$4.6 million in direct payments to businesses operating in Kodiak. This spending was distributed among 44 local businesses and increased business activities in 25 different industries or sectors in the Kodiak regional economy.

Population

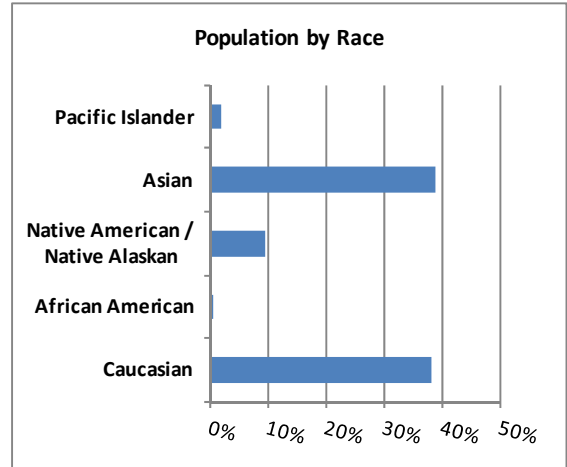
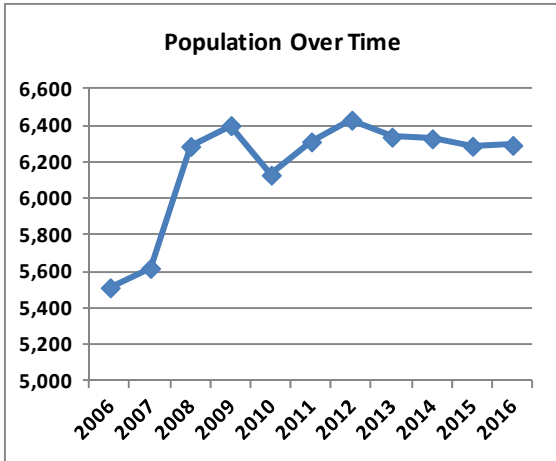
The City of Kodiak is the eighth largest city in Alaska, in terms of population. It ranks behind Anchorage, Fairbanks, Juneau, Sitka, Ketchikan, Kenai and Wasilla in that order. The estimated population for 2016 was 6,293 in the City of Kodiak and 13,563 in the Kodiak Island Borough.



Economic Conditions and Outlook continued

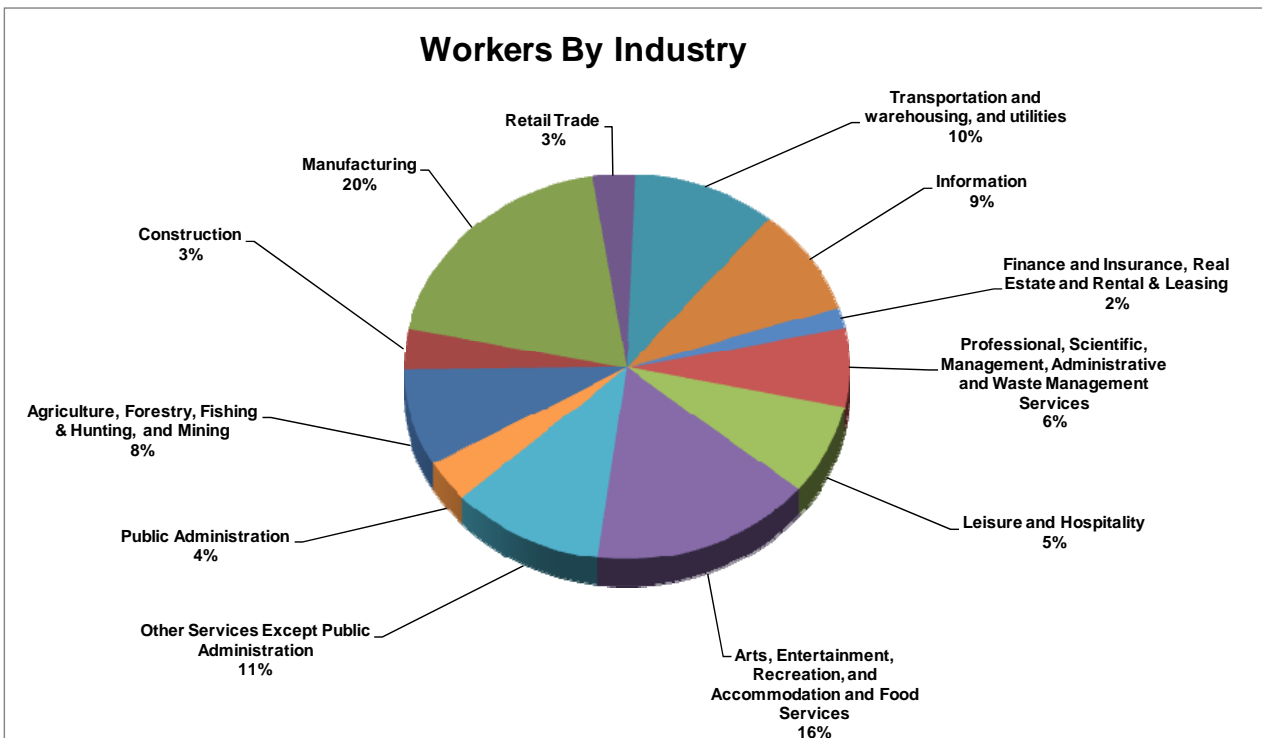
Population continued

Based on the United States Census Bureau 2015 American Community Survey, the median age in Kodiak is 35 years. Approximately 24.85% of the population is under 18 years of age, approximately 1.26% lower than Alaska overall. The population consists of approximately 51.9% male and approximately 48.1% female. Approximately 22.1% of the adults, age 25 and older, hold at least a bachelor's degree, and 87.1% are estimated to have at least a high school diploma.



Labor Force

In 2016, the state estimated the City of Kodiak's average employment by industry to be 3,625 excluding fish harvesting and Coast Guard. This figure more accurately depicts the number of full and part-time jobs as opposed to the number of actual workers.

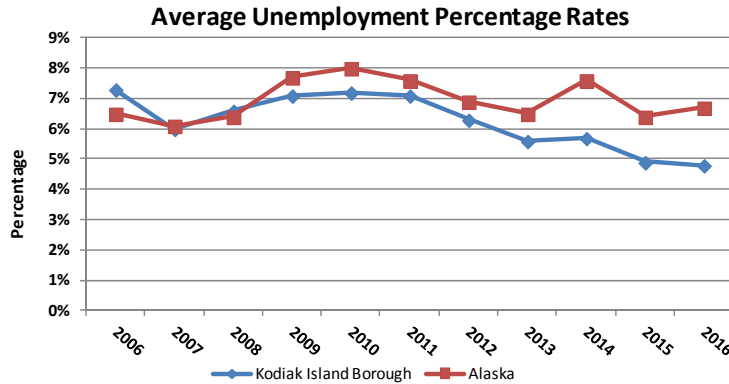




Economic Conditions and Outlook continued

Labor Force continued

Kodiak’s employment varies throughout the year due to the seasonal nature of the fishing industry. Employment usually peaks during the months of July, August, and September when fish harvesting is the busiest, and declines in November and December as yearly fishing quotas are reached. For this reason, Kodiak is characterized by large swings in its monthly unemployment rate throughout the year, from as low as 4.3% (October 2016) to as high as 13.2% (December 2011). The average annual unemployment rate for Kodiak in fiscal year 2016 was 4.8% compared to 6.7% for the state of Alaska.



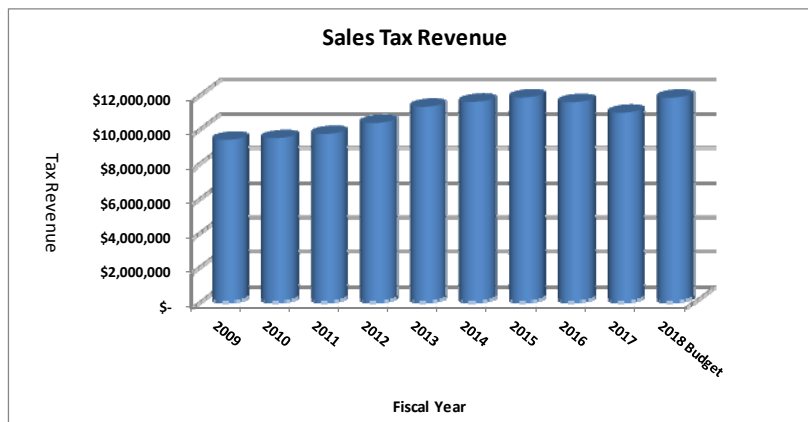
Income

The U.S. Department of Commerce Bureau of Economic Analysis reported the 2016 per capita personal income was \$58,843, a decrease of 1.40%, as compared to \$59,691 reported for 2015 for the Kodiak Island Borough.

Retail Sales

Total retail sales within the city have increased more than 55% since 2000. There is a close correlation between retail sales and the strength of local fisheries. In 1995, after a record breaking salmon season, retail sales climbed 9%. In the second half of 1996, when the salmon harvest dropped and fish prices fell, retail sales went down approximately 10% to 12%. Retail sales have increased significantly since the opening of a local Wal-Mart store in the spring of 1999.

Sales Tax has increased from \$8.8 million in 2008 to an estimated \$10.8 million in 2017. The City’s sales tax rate is 7% with a maximum sales tax of \$52.50 per transaction. This translates to taxing the first \$750 of a sale and exempting any amount over \$750 in any one transaction. The City also exempts its citizens over the age of 65 from sales tax. Sales taxes have continued to decrease over the most recent two fiscal years. The decrease for fiscal year 2016 was \$274,000 and the decrease for fiscal year 2017 was \$616,000. The City will have to grow to provide the same level of services to its residents.





Economic Conditions and Outlook continued

Kodiak Community Highlights

The Kodiak community offers a wide variety of appeal to its residents by location, services, growth, stability, and outdoors activities. These opportunities are recognized by others outside of the Alaska region. In 2011, Kodiak received national recognition for its livability by Outdoor Life magazine and rated No. 4 in the Top 20 Towns for Sportsmen. Senior editor of Outdoor Life, John Taranto, stated "The towns on this list are the dream places to live for outdoorsmen. They're all outstanding places to hunt and fish, but they're also truly livable places where you can raise a family and live comfortably."

Energy Efficient

According to the EcoWatch article, *Second Largest Island Goes 100% Renewable*, Kodiak Electric Association set a goal to become more energy efficient. Their goal was to have 95% of electrical power based on renewable energy by 2020. During fiscal year 2015, Kodiak Island is now 99.7% renewable energy powered. Through the use of windmills and hydro alternatives, Kodiak Island is now one of the top five islands using renewable energy.

During early fiscal year 2016, Matson, Inc. delivered a new cargo crane to its facilities located on the Pier III Cargo Terminal. Reaching over 350 feet high, the 65-ton gantry crane is the largest in the state of Alaska and will be powered entirely by renewable energy.





FISCAL YEAR 2017 BUDGET CALENDAR

The Budget Calendar outlines specific budget action items that occur in sequential order to appropriately prepare and present the City’s annual operating budget. The following activities are outlined as essential components for the orderly formulation of the fiscal year 2018 City of Kodiak Budget for July 1, 2017 – June 30, 2018.

DATE	ITEM	BY
January 14, 2017	Review City Council Goals and prepare suggested changes	City Manager & City Council
February 7, 2017	City Council Presentation FY 2016 Revenue Projections, & Budget Calendar	City Manager & Finance Director
February 28, 2017	City Council adopts Goals by Resolution	City Manager & City Council
March 10, 2017	Meeting of City Manager & Department Heads to distribute budget packets and provide overview of information in packets.	City Manager & Department Heads
March 31, 2017	Final day for departmental budget requests to be returned to Manager (via Finance Department)	Department Heads
April 10-14, 2017	City Manager & Finance Director reviews departmental budget with respective Department Heads.	City Manager/ Finance Director & Department Heads
April 27, 2017	Distribute Manager's Budget to City Council	City Manager
May 6, 2017	Budget presentation to City Council by management staff	City Manager/ Department Heads & City Council
May 25, 2017	First reading of budget ordinance	City Manager/ Finance Director & City Council
May 26, 2017	Advertisement for overall City Council agenda including budget	Clerk
June 8, 2017	Second reading and public hearing of budget ordinance; adoption of budget	City Manager/ Finance Director & City Council
July 1, 2017	Budget Implementation	Finance Director
November 15, 2017	Budget Document Available on the City's website	Finance Director



THE BUDGET PROCESS

The budget process begins in February with the budget guidelines established by the City Manager and City Council. The Capital Improvement Plan (CIP) is reviewed and updated for the fiscal year budget. The CIP is a political and budgetary process, not a technical exercise. This exercise is to start the conversations and look at the big picture as well as the details of policy and funding and community direction. A review takes place of all annual project proposals from all departments with links to the annual budget. Each project is reviewed for the replacement of equipment and facilities and to determine the basis for inclusion of projects in the fiscal year budget. Fund sources are forecasted with the range of taxes to be used as well as other revenues to be allocated or anticipated. The City Council encourages community engagement to demonstrate the dilemma of desired and necessary projects versus available funds. At this point the initial budget worksheets are developed based on the guidelines established by the City Council.

The budget worksheets are distributed to all department directors to aid them in preparing their respective requests. The guidelines encompass any salary adjustments for employees, the use of fund balance, increases in utility and harbor rates, staffing levels of permanent personnel, and the delivery and scope of service programs.

All funds of the City of Kodiak are budgeted with the exception of any Special Assessment Districts established by the City Council.

The Department Heads review their respective department's goals, objectives, performance indicators, assigned permanent personnel, and funding levels. Budget worksheets are due to the Manager via the Finance Director in March. Department Heads are instructed to estimate expenses for the upcoming fiscal year. They are required to submit detailed documentation for expenses related to professional services, travel, any additional expenses above the base budget, and any capital projects requested. They are supplied with personnel projections from the Finance Department and are required to document any additions or changes in this area as well as review all information supplied to them.

The Finance Department enters the completed departmental budgets into the City's computerized budgeting system. The information submitted by the Department Heads includes operation and capital outlay dollars, goals, objectives, and performance indicators for the upcoming year. There has been an increased emphasis on developing performance indicators, linking them to goals and objectives and establishing meaningful measurements. All departments have been asked to improve this area of their budgets. Each fiscal year there has been improvement in this area.

The Finance Director is involved in the process of preparing the preliminary revenue forecast for all funds. These projections fluctuate as certain revenues respond to subsequent events. The real property assessment role is final by June 1, causing tax revenue projections to be estimated prior to knowing the actual amounts of the assessment roll. Sales tax revenues are collected on a quarterly basis, causing a lag time in annual projections. The Alaska State legislative session coincides with the City's budgetary calendar, causing estimates to be based on historical data for the State funding levels to local governments. As the State budget is fine-tuned, adjustments are also made to the City's revenue estimates. Other revenues are projected based on historical data and trend analysis.

The City of Kodiak believes that its' own past performance normally is the most relevant context for analyzing current-year financial data. This experience is best expressed in the form of trend data for key financial indicators such as revenues, expenditures and fund balances. The trend data is viewed over the past five years and examined by the percentage relationship among data elements over time. Items that potentially distort trends such as one-time items or changes in underlying assumptions are noted. The City of Kodiak's sales tax revenue is examined as a percentage of total revenue as is the Salaries and Benefit expenses. This method is used to project the City of Kodiak's revenues and expenditures.

The Manager's Budget is submitted to the City Council in May as a result of lengthy meetings between the City Manager, the Department Heads, and the Finance Director as they review, discuss, justify, make any necessary changes, and compile additional information.



THE BUDGET PROCESS continued

The Council reviews the budget with the City Manager and presentations are given by each Department Head to the City Council. Any changes to anticipated revenues and planned expenditures are incorporated into the budget ordinance, which is generally introduced for the first reading at a May council meeting. Again, any changes are incorporated into the document and the budget is revised accordingly for the public hearing at a meeting in May. The City Clerk gives public notice with an announcement in the local newspaper of a hearing on the proposed budget. The budget is formally adopted by the City Council at the second reading and the budget becomes effective July 1.

Once the budget has been formally adopted by the City Council, a detailed line item budget is distributed to all department heads for use in the upcoming fiscal year. The formal budget document is also created at this time for submittal to the Government Finance Officers Association for consideration for the award of a Distinguished Budget Presentation Award for the City of Kodiak, Alaska for its annual budget for the fiscal year beginning July 1.

Budget Amendments

The adoption of the budget through City Council passage puts the budget into effect for the budget year July 1 through June 30. Amendments to the budget can occur anytime during the fiscal year through a supplemental budget ordinance, which is introduced at one Council meeting and typically adopted at the next Council meeting and requires a public hearing. The City Clerk places a notice in the local newspaper informing the public of the supplemental budget hearing.

The following actions are required for the changes described:

1. All new appropriations are authorized by an appropriation ordinance that amends the annual budget ordinance.
2. A resolution of the City Council is required to move (appropriate) amounts between funds, departments and projects.
3. An approval of the City Council is required to move (appropriate) amounts to add permanent personnel or granting unscheduled salary increases.

Basis of Accounting

The term “basis of accounting” is used to describe the timing in recognition or when the effects of transactions or events should be recognized.

The City of Kodiak uses the same basis for budgeting as accounting. The annual financial statement shows the status of the City’s finances on the basis of “Generally Accepted Accounting Principles” (GAAP). In all cases this conforms to the way the City prepares its budget.

The budget of the General Government type funds (e.g. the General Fund and Special Revenue Funds) is prepared on a modified accrual basis. This means that obligations of the City are budgeted as expenditures when they are incurred, but revenues are recognized only when they are measurable and available. An exception to this general rule is principal and interest on general long-term debt, which is recognized when due. Prepayment of insurance and similar services extending over more than one year is allocated to the years benefited.

The Enterprise Funds (e.g. Cargo, Harbor, Water and Sewer) also budget obligations when incurred as expenditures. Revenues are recognized when they are obligated to the City. For example, user fees are recognized as revenues when services are provided.

Upon the City Council’s acceptance of the annual financial report, necessary budgetary and accounting entries are recorded in the succeeding fiscal year for all outstanding encumbrances and incurred obligations, as disclosed in the prior fiscal year’s annual financial report. Such entries are in accordance with generally accepted budgeting and accounting principles that increase or decrease appropriations to budget line items in the respective departments, programs, projects, and funds.





CITY OF KODIAK GOALS

Mission

To provide quality services to the public in a fiscally responsible manner while fulfilling City responsibilities and exercising powers authorized by Alaska Statute Title 29 and the City of Kodiak Charter.

Purpose

In order to prepare the City's budget for fiscal year 2018, the City Manger and City Council evaluated City funding requirements and potential sources of revenue. The City annually reviews program and service priorities as part of the budget process each fiscal year. This collaborative approach involves decision-makers and staff in the planning process. The City Council adopted a resolution for budget goals for fiscal year 2018.

Background

Like other local governments in the State of Alaska, the City of Kodiak faces the challenge of fulfilling its responsibilities as traditional sources of revenue are becoming less certain. State law and local ordinances require that the City provide specific services and programs. Other programs and services have been provided either to meet specific needs of the residents of Kodiak or to replace services that were once provided to local residents by the state and federal governments. The City of Kodiak must balance providing service expenditures with available revenue. This balancing process requires decisions on types and levels of services that are provided to the public, including services required by law.

Planning Process

The City of Kodiak conducts an annual budget planning process that includes, at a minimum, two full days of council work sessions. In fiscal year 2017, in preparation for fiscal year 2018 and beyond, the City Council held planning work sessions in the winter of 2016 and the spring of 2017. Prior to these planning sessions, Staff meetings were held to collect input from all City department heads. Specific input included department responsibilities and programs; program and activity expenses; and issues and needs or concerns. This information was then reviewed by the City Council in planning work sessions that culminated with a thorough review of the proposed fiscal year 2018 budget. The planning process is expected to continue with a fall fiscal year 2017 planning workshop scheduled for January 2018.

Government Organization and Services

The City of Kodiak incorporated in December 1940 and adopted a Home Rule Charter on March 16, 1964. As a Home Rule municipality, the City of Kodiak provides services, programs, and activities authorized by the City Charter and Code, and not otherwise prohibited by the State of Alaska. The City operates under a council-manager form of government with the City Council comprised of six Council Members and a Mayor. Council Members and the Mayor are elected at-large for terms of three years and two years, respectively.

The Council appoints a City Manager who, as the chief administrative officer of the City, is responsible for the execution of all laws and ordinances of the City and management of the City's main functions and services. The City Manager is responsible for appointing and supervising the various department heads and other employees, except those appointed by the Council, who are responsible for City operations, annual budget preparation, and oversight, organizational planning, and development and management of capital projects.

The City Manager's responsibilities include eight functional areas: Emergency Services Director for the Kodiak Island Area Emergency Services Organization, Engineering, Finance / Information Systems, Fire / EMS / Ambulance; Library; Parks & Recreation including all programs and facilities; Police including the jail, dispatch, animal control, and law enforcement; Harbor & Cargo including all port facilities; and Public Works including roads, sewer, water, and airports.



CITY OF KODIAK GOALS continued

Government Organization and Services continued

The City Council appoints the City Clerk, the City Attorney, and the members of various advisory boards. The current advisory boards are, Building Code Board of Appeals, Parks and Recreation Advisory Board, Personnel Board, Port and Harbor Advisory Board, Public Safety Advisory Board, Employee Advisory Board (members are elected by the employees of the City of Kodiak), and the Kodiak Public Library Association (an independent organization serving the library).

A listing of the City Mayor, Council Members, City Manager, and Department Heads can be found in the budget message section of this document

City Council Goals

A general set of long term goals has been adopted by the City Council that provides broad policy statements on budget and service levels to staff and the community. Department Heads develop their own goals and objectives based on department responsibilities, available staff resources and funding, the provision of quality services to the public, and the broad guidelines established by the City Council.

Long Term Goals

1. Essential government services are to be provided at a level equal to or better than the level previously provided. Forecast and plan for revenues and expenses to create a government that is more efficient, less costly and more accountable to ensure a financially sustainable city for future generations.
2. All services are to be constantly examined to ensure that they are provided in an efficient and effective manner and that unnecessary program costs are eliminated.
3. Authorized capital projects are to be completed as soon as possible, consistent with sound engineering design and approved project cost estimates. Maintain a five year Capital Improvement Plan to ensure resources are planned for and available when needed. Authorized capital projects are included in the Capital Projects section of this document.
4. To ensure that policies of the City Council are observed and to improve the City's overall management process, each City Department Head is required to identify several performance objectives consistent with department goals and to maintain performance indicators, which measure progress toward the achievement of stated objectives. Annually, these goals and objectives are reviewed by the City Manager, the Department Heads, and presented to the City Council. Performance indicators, goals, objectives, and accomplishments for each department are located in the specific funds outlined in this document.
5. Each department's progress in achieving their objectives is reviewed and monitored throughout the budget year.
6. All expenses will be reviewed for cost saving measures. All services will be reviewed for efficiency, purpose and need.
7. Ensure structural balance in all areas of City Operations.
 - Develop expenditure habits based on estimated revenues.
 - Minimize disruption to community services.
 - Minimize the disruption of workforce.
 - Create long-term financial and programmatic stability.
 - Focus on impacts of budget decisions and use of fund balances to maintain program levels.
 - A priority on employee safety to reduce expenses related to accidents.
 - Review department and capital projects budgets for corrections on a quarterly basis.
 - Maintain the economy, environment, and the community to create a balance and sustainable atmosphere for the City of Kodiak.



CITY OF KODIAK GOALS continued

Annual Budget Goals

With recommendations from senior management, the City Council also adopts annual budget goals which provide specific budgetary direction for the coming year. The fiscal year 2018 budget is designed to continue the City's efforts to provide efficient operations and maintain basic and essential service levels. There are some changes in these goals as compared to the prior year. As with the fiscal year 2017 budget, the fiscal year 2018 budget is a maintenance budget with no changes to the services provided. The City Council adopted Resolution Number 2017-05 on February 28, 2017 approving the City Council's Budget Goals for fiscal year 2018.

Specifically, the following are to be established:

**CITY OF KODIAK
RESOLUTION NUMBER 2017-05**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK APPROVING THE CITY COUNCIL'S BUDGET GOALS FOR FY2018

WHEREAS, budget guidelines help ensure that the City's budget is prepared in a manner consistent with City Council desires; and

WHEREAS, the City Council discussed and selected the list of budget goals at their January 14, 2017, planning meeting; and

WHEREAS, management will use the listed budget goals as a framework when developing the FY2018 budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following budget goals will be used in the development of the City of Kodiak's FY2018 budget:

Revenue

Revenues will continue to be estimated conservatively using an analytical and objective approach.

One-time revenues will be used only for one-time expenditures. The City will avoid using temporary revenues or grants to fund routine City services or positions.

Charges for Fees and Services will be reviewed and updated annually to ensure quality service delivery and adequate revenues.

Operating Expenses

General Fund operating (non-personnel) expenses for FY2018 will be at a level consistent with FY2017. Required increases will be justified to the City Manager in writing and, if approved, presented by department heads to the City Council for final consideration during budget presentations.

Review existing programs and services to assess how well budgeted performance indicators met goals and objectives.

City management will continue to examine ways to maintain efficiencies of expenditures without significant impact to level and quality of services provided to residents.

Personnel Goals

The increase in personnel includes the Council approved Human Resource Manager.

The City will not increase the current number of FTEs from 129.15 in FY2018 unless new operational needs or mandates require additional employee positions.

Sections of the PR&R will continue to be reviewed and amended to improve practices that reflect recognized Human Resources standards.



CITY OF KODIAK GOALS continued

Annual Budget Goals continued

RESOLUTION NUMBER 2017-05 continued

General Fund

Council will review ways to increase revenues in the General Fund to help offset increases in operating expenses, meet infrastructure needs, and increase the fund balance, per the plan outlined in "Setting the Course for the Future," 1/14/12.

General Fund revenues will be forecast conservatively and take into consideration possible state funding policies that may affect City revenues such as, community assistance program, shared fisheries and other shared business taxes, pension costs and liabilities, and the required allocation of sales tax.

The General Fund will be budgeted without a deficit through appropriations from the fund balance when/if necessary, and with a goal to maintain up to three months' operating reserves. Council may appropriate additional funds for capital projects.

Enterprise Funds

The major enterprise funds will develop long-term plans to include maintenance and repairs, needed facility replacement or expansion, and a schedule for rate reviews.

Enterprise Funds will continue to conduct rate studies every five years and present them to the City Council for implementation.

The Shipyard will strive to maintain positive cash flows through charges for services to meet debt service payments and maintain facilities operations and maintenance costs. The Shipyard will highlight the services offered by developing a business plan and marketing campaign to maximize revenues. This plan will be reviewed annually for marketing effectiveness.

Ensure adequate revenues are established to continue to maintain and improve Harbor facilities that support fisheries and support sector services and activities.

Community Support

The total amount available to fund non-profit requests will continue to follow the Council established level of funding which is based on 1% of budgeted General Fund revenues.

Capital

Within resources available, the City will maintain capital assets and infrastructure at a level that is adequate to protect its investment, to minimize future replacement and maintenance costs, and to maintain existing service levels.

The City Manager and management staff developed the City's first formal five-year capital improvement plan (CIP) that identifies and ranks projects for capital and major maintenance projects. The plan has additional information for ten-year expense projections for all departments and funds. The City will utilize the planning document and develop policies and procedures identifying criteria and steps for implementation. The capital budget will link to, and flow from, the multi-year capital improvement plan.

Debt Service

The City will not incur new debt without appropriate analysis to:

- Show impacts on rates or taxpayers, or
- Analyze financial capacity for proposed capital projects, or
- Determine if the debt is required for projects mandated by the state or federal government, needed for economic development, environmental, aesthetic or quality of life, or health and safety improvements.



CITY OF KODIAK GOALS continued

Annual Budget Goals continued

RESOLUTION NUMBER 2017–05 continued

Quality of Life

The City will provide adequate services that meet the community needs, priorities, challenges and opportunities with consideration given to the condition of the economy, the composition of the population, technology, legal or regulatory issues, intergovernmental issues, and physical or environmental issues.

Economic Development

The City will continue to promote and support economic development to help ensure a sustainable and healthy economy for Kodiak.

City Council State Capital Improvement Program List

Annually, the City Council will adopt a resolution for the State Capital Improvement Program List. This resolution is part of the overall planning process to identify capital improvement project needs for the community in the upcoming fiscal year. Below is Resolution Number 2016-42(SUB), adopted on December 8, 2016, to identify primary projects as part of the Capital Improvements Plan in conjunction with the annual budget process.

CITY OF KODIAK
RESOLUTION NUMBER 2016–42(SUB)

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ADOPTING A FY2018 STATE CAPITAL IMPROVEMENT PROGRAM LIST

WHEREAS, the City of Kodiak uses a Capital Improvements Program planning process to identify the capital improvement project needs of the community; and

WHEREAS, this identification and planning process plays a vital role in directing the City's administration and is utilized as a long-range planning and policy setting tool for City infrastructure maintenance and enhancement; and

WHEREAS, the City of Kodiak is committed to paying its way to the greatest extent possible, but the cost of some of the City's capital project needs are greater than the resources available locally; and

WHEREAS, the Kodiak City Council has identified and prioritized capital improvement projects for submission to the Alaska State Legislature and Governor for funding consideration due to their significance and/or magnitude; and

WHEREAS, the National Marine Fisheries Service identified Kodiak as the second largest commercial fishing port in the United States in terms of volume and third largest in terms of value of product landed in their most recent national report, and the City requires a large infrastructure to support this commercial activity; and

WHEREAS, the City of Kodiak relies upon the State of Alaska's legislative and matching grant programs and revenue sharing to continue to keep its economy strong.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following infrastructure replacement/improvement projects and issues are considered of primary importance and are hereby adopted as the City of Kodiak's FY2018 State capital improvement project and issues list:



CITY OF KODIAK GOALS continued

Annual Budget Goals continued

RESOLUTION NUMBER 2016–42(SUB) continued

1. New Fire Station, Phase II

\$ 4,000,000

The City of Kodiak identified the need to replace its fire station and has been working toward a replacement plan since 2004. The building has clearly outlived its design life. The building is composed of three structures and sits on a site that is currently very limited. The structure is built of cement block type construction built in the 1940s with two block and wood frame additions added in the 1960s and 1975. The structure poses a significant risk of failure in a seismic event. Cracks in the walls and initial separation of one of the additions from the rest of the structure occurred following the large 7+ earthquake in 2016. It has ongoing plumbing, drainage, and water infiltration issues. The facility houses fire and rescue apparatus, three ambulances, and many types of specialty equipment and medical supplies that support the Advanced Life Support services offered to the entire Kodiak area well beyond the City boundaries. The building condition poses constant challenges and problems to the crews who work and live in the structure. Work to replace this building must continue because it is a key emergency response and life-safety facility for Kodiak and continues to require constant maintenance.

The City proposes completion of the project in three phases. Phase I of this project with a budget of \$1,110,000 and funded by the City was used to study the site, which was determined to be the best site for a new facility once a derelict building is removed. It includes the removal of the old building, site grading, and other work following the demolition of the old building. Phase II would include a site preparation package completed prior to building construction, would make the project more affordable to do in phases, would reduce the impact to the active fire station, and benefit the transition to a new building. It would include design, re-routing of underground utilities, and provide a graded pad for temporary facilities and emergency services equipment. Phase II would total \$4,000,000 and be constructed with the building design anticipated for FY 2018. The remainder, an estimated \$10,000,000, would be required to complete construction and furnish the facility.

The City of Kodiak is requesting funding for Phase II of the New Fire Station project from the State in an amount of \$4,000,000 to ensure the project continues to move forward. This project may also be suitable for a GO Bond package in the event the legislature pursues bonds as a capital budget financing mechanism.

2. Community Assistance Program

As the cost of providing governmental services rise, the City of Kodiak must rely on and use all sources of revenue carefully to meet its obligations. The City received \$249,981 in revenue sharing this year, a substantial drop from the \$377,926 in FY2016. The City urges the State to continue to provide revenue sharing to local governments through this program.



CITY OF KODIAK GOALS continued

Annual Budget Goals continued

RESOLUTION NUMBER 2016-42(SUB) continued

3. Shelikof Street Bulkhead Parking

\$1,100,000

In 2009, the City identified the need for pedestrian improvements from Pier II to downtown Kodiak as the preferred pedestrian route for cruise ship passengers to safely walk the street into the town center and to improve facilities for local residents, workers, and businesses that use the pier, street, and access to the City's adjacent 250 slip boat harbor. The first phase of the project, construction of an ADA accessible sidewalk, new retaining walls, improved lighting and parking, and utility work was completed in 2013. The second phase of the project will be completed by January 2017. This phase covered geotechnical investigation, design, permitting, mapping, preparation for permitting through the Army Corps of Engineers, and completion of the design to accommodate a 30 space bulkhead parking area on the south side of Shelikof Street adjacent to St. Paul Harbor. The roadway area adjacent to the proposed bulkhead parking is highly congested. Due to lack of adequate parking, vehicles block walkways, equipment operates in the ROW, and access to businesses is often blocked, forcing pedestrians into the roadway. Construction of additional off-road parking will direct pedestrian traffic out of the congested roadway. The net increase in parking will benefit harbor users and retail businesses along Shelikof Street. It will provide improved and safer pedestrian access from Marine Way to the fish processors in the immediate area. The task for this phase will be to complete construction of the bulkhead parking area, including curb and gutter, paving, lighting, and utility relocates.

The City of Kodiak is requesting state funding assistance for the final construction of this project, including administration, in the amount of \$1,100,000 to enhance pedestrian and vehicle safety. Funds are requested through the Cruise Ship Excise Tax program or through a legislative grant. This project may also be suitable for a GO Bond package in the event the legislature pursues bonds as a capital budget financing mechanism.

Departmental Goals to Support the City Council Goals

The City Manager works with the City's various department heads to develop departmental budgets that support City Council's budget goals. With direction from the City Manager, department heads define goals and objectives consistent with Council goals and based on department responsibilities, available staff resources and funding, and the provision of quality services to the public.

General Government

Administration Department:

- There was no increase in the number of full-time equivalent employees, meeting the City Council's goal for number of City personnel.
- Support a stable source of funding for Revenue Sharing, Fish Tax Revenue Sharing and other State aid to City programs.
- Provide information on City's long-term goals and annual budget initiatives to department heads to guide them in reaching budget objectives.
- Ensure positioning of the City as a leader in municipal governance by employing a trained and effective work force.
- Lobby to obtain federal and state funding for needed infrastructure projects and programs.
- Make Kodiak an attractive place to live, work and play by encouraging high quality and diversified development and maintenance of infrastructure.
- Work with the City Council and staff to develop a review and prioritization process for capital projects and major maintenance projects to better utilize the new Capital Improvement Plan.
- Continue discussions on revenue enhancement options for City Council action.



CITY OF KODIAK GOALS continued

Departmental Goals to Support the City Council Goals continued

General Government Administration Department continued

- Develop a balanced budget for fiscal year 2018.
- Ensure cost of service studies and rates reflect the cost of providing services within each City enterprise fund.
- Continue the analysis of needs and costs of temporary positions used by the City and ensure the hiring process is consistent with the City's Personnel Rules and Regulations and governmental regulations.
- Selected sections of the Personnel Rules and Regulations will be reviewed and presented to the City Council for amendments or updates.

City Clerk Department:

- There was no department increase in the number of full-time equivalent employees meeting the Council's goal for number of city personnel.
- Continue to improve the records management program.
- Provide timely services to the City Council and the residents of the City of Kodiak.
- Conduct elections.

Finance Department:

- There was no department increase in the number of full-time equivalent employees meeting the Council's goal for number of city personnel.
- Revised Sales Tax policies and procedures have been implemented and will be followed in fiscal year 2018 to reduce delinquent sales tax payments.
- Enhance and expand the City of Kodiak's website to improve access to the public and to facilitate communications with the City over the internet.
- Continue to improve and refine long-range financial planning process.
- Utilize local business preference in purchasing goods and services where possible.

Public Safety

Police Department:

- Personnel Goal: The Police Department has not increased full-time equivalent employees. Staffing in FY 2018 remains unchanged from FY 2017
- General Fund: The Police Department has increased efforts to collect unpaid parking fines. The FY 2018 operating budget meets Council's budgetary goals.
- Capital Fund: The Department will replace the Uninterruptable Power Supply batteries that run the station power in the event of a power outage. Also, staff continues to work with City Information System Division to maintain legacy E-911 infrastructure until a replacement strategy can be developed. This task is becoming increasingly difficult each year as the legacy system has not been supported by the manufacturer for over a decade, and replacement parts, as well as the expertise to maintain the current system is non-existent. In order to maintain a reliable emergency number system it is imperative that the Kodiak Island Borough and the City reach an agreement on governance of the overall system and a strategy for replacing the legacy system.



CITY OF KODIAK GOALS continued

Departmental Goals to Support the City Council Goals continued

Public Safety continued

Fire Department:

- There was no department increase in the number of full-time equivalent employees meeting the Council's goal for number of city personnel.
- The department's budget continues to support the Council's long term goal of providing essential government services such as ambulance transport services throughout the City of Kodiak, and the Kodiak road system to include Pasagshak, Chiniak, Antone Larson Bay, Narrow Cape, and Monashka Bay.
- The department's budget continues to support the Council's long term goal of providing essential government services such as fire, rescue, and hazardous materials response services to City of Kodiak. This type of service is also made available to the Kodiak area fire departments by Mutual Aid request.
- The department's budget continues to support the Council's long term goal of providing essential government services such as fire code inspection to the City of Kodiak. This type of service is also made available to the Kodiak Island Borough by memorandum of agreement.

Engineering

- Engineering will continue to pursue budget reduction and strive to become more efficient with the department.
- There was no department increase in the number of full-time equivalent employees meeting the Council's goal for number of city personnel.
- Engineering will continue to administer contracts and process pay requests for City capital projects.
- Continue to support the other City of Kodiak departments with engineering review and recommendations.

Public Works

- There was no department increase in the number of full-time equivalent employees meeting the Council's goal for number of city personnel in Public Works departments.
- Ensure that the public facilities owned by the City are well maintained and improved so that they are available now and in the future.
- Ensure water and sewer systems meet community and environmental requirements.
- The Public Works Sub-Departments generally met the Council Goal of providing the same level of service as in the FY 2018 budget.
- In the Water Fund the overall budget increased slightly in operational expenses. The Council's goals were kept in other areas of the sub-department for FY 2018.
- In the Sewer Fund the overall budget increased due to the new composting facility. The remaining areas of the sub department met the Council's goals for FY 2018.

Parks & Recreation

- There was no department increase in the number of full-time equivalent employees meeting the Council's goal for number of city personnel.
- Promote the use of sports facilities in the City to promote recreational activities within the City limits.
- Continue to encourage and promote cultural and recreation programs, events, and activities to improve the quality of life of the City's residents and visitors through the use of City facilities such as parks and museums.
- Work closely with the Kodiak Island School District to promote and cross-utilize facilities for educational and recreational purposes.



CITY OF KODIAK GOALS continued

Departmental Goals to Support the City Council Goals continued

Library

- There was no department increase in the number of full-time equivalent employees meeting the Council's goal for number of city personnel.
- The library department meets the Council's goal of providing adequate recreational facilities and programs to community residents through a borrowing collection of physical and downloadable books, videos, DVDs, CDs, physical and downloadable audio books, AV equipment, and downloadable music. Programs offered by the library include story times, craft sessions, book discussion groups, movie presentations, school tours, library orientation sessions, family game times and a summer reading program. Services offered by the library include public Internet computers, wireless Internet access, reference assistance, and interlibrary loan.
- Continue to enhance the new library facility.

Community Services

Non-Departmental – Contributions:

- The annual contribution is established by calculating 1% of the total general fund revenues not including use of fund balance. Contributions are based on four categories; Youth Recreation, Adult Recreation, Emergency Support and Emergency Preparedness.
- By Council policy, the community contributions are adopted by resolution annually to establish the amounts and participants that receive these contributions.

Tourism Department:

- Continue to support implementation and operation of the Kodiak Visitor and Convention Center.
- Complete capital projects related to tourism traffic.

Harbor & Cargo Services

- There was no department increase in the number of full-time equivalent employees meeting the Council's goal for number of city personnel.
- Plan, engineer and construct a replacement for Kodiak's Channel Transient Float, by working closely with the City engineer and engineering consultants. Complete construction in FY 2018.
- Coordinate with the Alaska Department of Transportation and Public Facilities for construction of a new ferry dock at Pier I to be completed in FY 2018.
- Ensure that proper maintenance is budgeted for the Kodiak's port and harbor facilities as they are the cornerstone of Kodiak's infrastructure. Without homeport facilities, the fleet could not operate and Kodiak's economy would decline.
- Operate shipyard as a long-term economic development project creating jobs for the marine trades: welders, machinists, mechanics, painters, suppliers, etc.
- The goal of the shipyard is to reduce Kodiak dollars lost for boat maintenance to other communities.
- Continue maintenance and improvement of harbor facilities to support and enhance fisheries and support sector services.
- Make recommendations to the City Council to adjust fees so that the shipyard enterprise fund operates without subsidy.

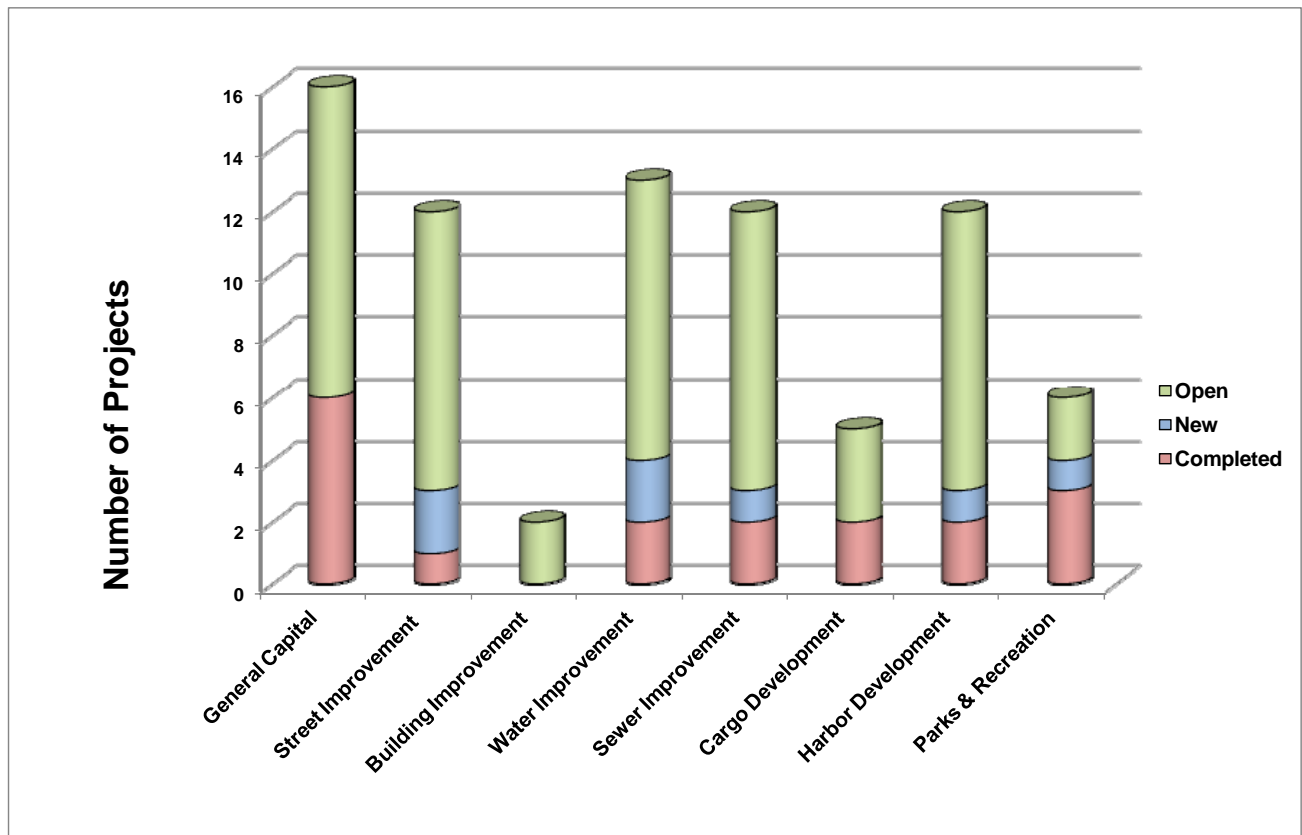
Each department within the City of Kodiak develops goals and objectives, including specific performance measures, that correspond to the overall vision, goals, and functions listed above. Each department will also include the current year's accomplishments that have been attained and update the specific goals and objectives as relates to their respective departments. The goals, objectives, performance measures, and accomplishments are included in each department throughout this budget document.



CITY OF KODIAK GOALS continued

The following lists the goals reached and accomplishments attained across the City for fiscal year 2017:

1. The Mill Rate of 2.0 remained the same for fiscal year 2017.
2. The Sales Tax Cap remained at \$750 for fiscal year 2017.
3. The Hotel & Motel tax rate remained at 5% for fiscal year 2017.
4. The fiscal year 2017 budget did not reduce services and all services provided were maintained at consistent levels.
5. The fiscal year 2018 budget includes eighteen projects completed, seven new projects, and fifty-three open projects. A graph depicting the open, new, and completed projects by fund is shown below. As noted below, the general capital projects comprise the majority of open and completed projects.



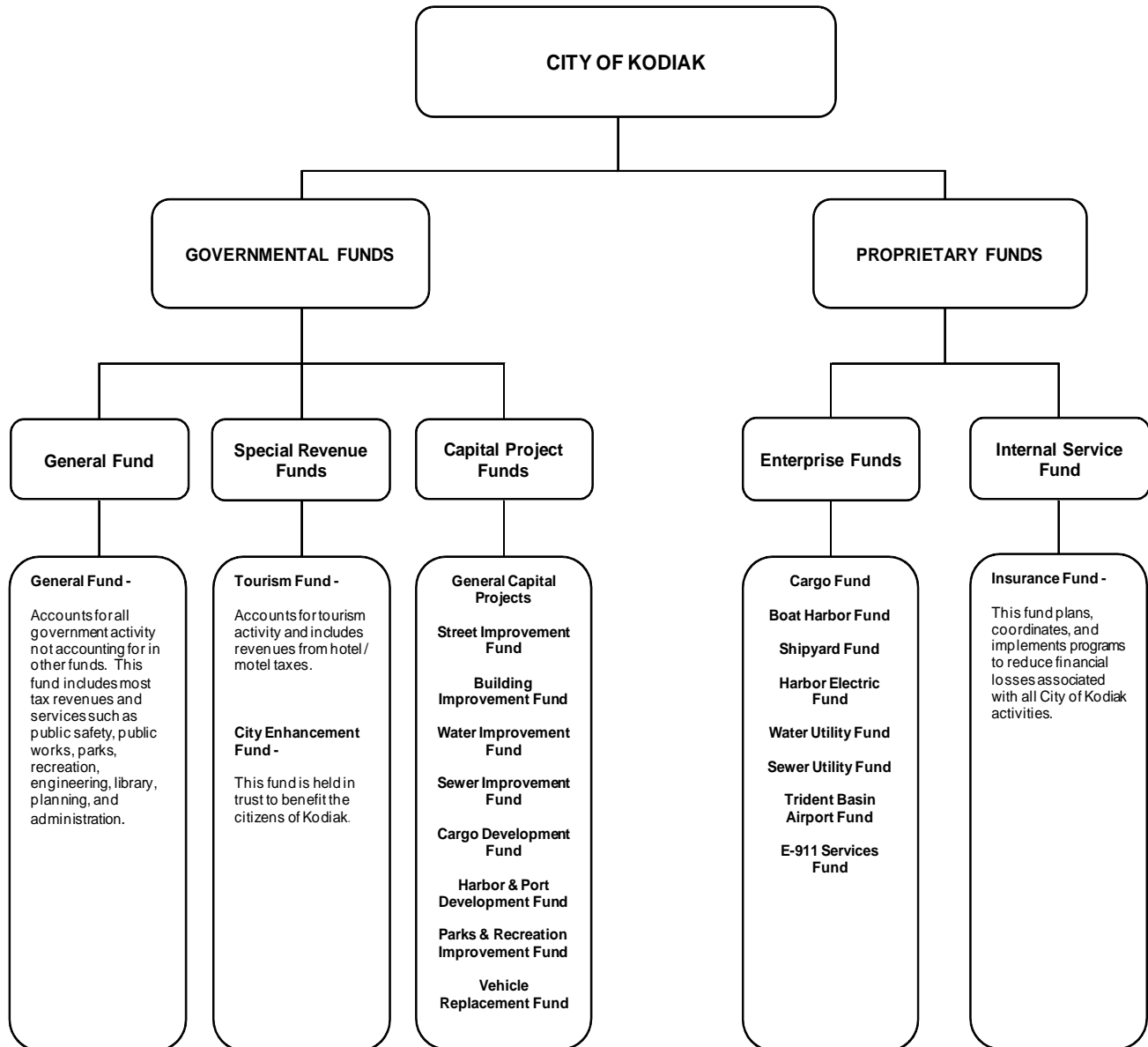




FINANCIAL SUMMARIES

Fund Structure

The City of Kodiak's accounts are organized on the basis of fund and account groups, each of which is considered a separate accounting entity. Operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. City resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds in this report are grouped into five generic fund types within two broad fund categories.





Fund Structure continued

The City of Kodiak is comprised of governmental funds and proprietary funds.

The City's governmental funds include the general fund, special revenue funds, and capital project funds. The major funds within governmental fund include the General Fund. The General Fund is the City's primary operating fund and accounts for all financial resources of the City except those accounted for in another fund.

The City's proprietary funds include enterprise funds and internal service funds. The major funds within the propriety funds include the Cargo Fund, the Harbor Fund, the Shipyard Fund, the Water fund, and the Sewer Fund. The Cargo Fund accounts for all activities of the Cargo pier. The Harbor Fund accounts for all activities of smaller vessels and all boat harbors within the City. The Water Fund accounts for all distribution of water services. The Sewer Fund accounts for the operation of the sewer system. All other proprietary funds are non-major funds.

Governmental Fund Types

The City's governmental funds are noted below.

General Fund – The General Fund is the operating fund of the City and is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue funds are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for a specific purpose. The City has two Special Revenue Funds – the Tourism Fund and the Enhancement Fund.

Capital Project Funds – Capital Project Funds are used to account for financial resources to be used for acquisition or construction of major capital facilities and equipment. The City has nine Capital Project Funds – General Capital Projects; Street Improvement Fund; Building Improvement Fund; Water Improvement Fund; Sewer Improvement Fund; Cargo Development Fund; Harbor & Port Development Fund; Parks & Recreation Improvement Fund; and Vehicle Replacement Fund.

Proprietary Fund Types

The City's proprietary funds are noted below.

Enterprise Funds – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has eight Enterprise Funds – Cargo Fund; Boat Harbor Fund; Shipyard Fund; Harbor Electric Fund; Water Utility Fund; Sewer Utility Fund; Trident Basin Airport Fund; and E-911 Services Fund.

Internal Service Fund – Internal service funds are used to centralize certain services (i.e. insurance fund) and allocate the cost of those services within the government. They are used to report any activity that provides goods or services to other funds and departments on a cost-reimbursement basis. The City has one internal service fund – the Insurance Fund.



Fund Structure continued

Major and Nonmajor Funds

Based on the City's most recent Comprehensive Annual Financial Report, the major funds are noted below.

Major Governmental Funds – The General Fund

Non-major Governmental Funds – All remaining governmental funds.

Major Proprietary Funds – The Cargo Fund, the Boat Harbor Fund, the Shipyard Fund, the Water Utility Fund, and the Sewer Utility Fund.

Non-major Proprietary Funds – All remaining proprietary funds.

POLICIES

Fiscal Policies

The following policies are observed by the City of Kodiak in developing and administering the annual budget. All actions must:

1. Contribute significantly to the City's ability to insulate itself from a fiscal crisis;
2. Enhance long term financial credibility by helping to achieve the highest credit ratings possible;
3. Promote long term financial stability by establishing clear and consistent guidelines;
4. Promote the view of linking long-range financial planning with day-to-day operations; and
5. Provide the City Council and the citizens of the City of Kodiak with a framework for measuring the fiscal impact of government services against established fiscal parameters.

Operating Budget Policies

The City of Kodiak's annual operating budget process is a comprehensive process. Specific policies are adhered to throughout all phases of the budget planning and implementation process. These operating budget policies are as follows:

1. The City of Kodiak develops an annual balanced budget in which planned funds available equal planned expenditures. Total revenues allocated will equal total expenditures allocated for each fiscal year.
2. The budget is a plan for allocating resources. The objective is to enable service delivery with allocated resources. Services must be delivered to the citizens at a level that will meet real needs as efficiently and effectively as possible.
3. The City's goal is to pay for all recurring expenditures with recurring revenues and to use non-recurring revenues for non-recurring expenditures.
4. It is important that a positive undesignated fund balance and a positive cash balance be shown in all governmental funds at the end of each fiscal year.
5. When deficits appear to be forthcoming within a fiscal year, spending during the fiscal year must be reduced sufficiently to create a positive undesignated fund balance and a positive cash balance.



POLICIES continued

Operating Budget Policies continued

6. When possible, the City will integrate performance measurement and productivity indicators within the budget. This is done in an effort to improve the productivity of City programs and employees.
7. The budget must be structured so that the City Council and the general public can readily understand the relationship between expenditures and the achievement of service objectives.
8. The individual department and agency budget submissions are prepared with the basic assumption that the Council will always attempt to maintain the current tax rates.

Budgetary Review by the City Council

As part of the budget policies, the City Council will focus on key concepts within the budget. These key concepts include staff economy, capital construction, program expansions, new programs, existing service costs, and administrative costs.

Staff Economy –

- The size and distribution of staff is a prime concern. The City Council will seek to limit staff increases to areas where program growth and support absolutely requires additional staff and to reduce staff where this can be done without adversely affecting service levels.

Capital Construction –

- Emphasis will be placed upon continued reliance on a viable level of pay-as-we-go construction to fulfill needs in the Long-Term Capital Improvement Plan.

Program Expansions –

- Proposed expansion to existing programs and services must be submitted as budgetary increments requiring detailed justification. Every proposed program or service expansion will be evaluated on the basis of service to the community.

New Programs –

- New programs or services must also be submitted as budgetary increments requiring detailed justification. New programs or services will be evaluated on the same basis as program expansion plus an analysis of long-term fiscal impacts.

Existing Service Costs –

- The justification for base budget costs will be a major factor during budget review.

Administrative Costs –

- The functions of all departments and agencies should be reviewed in an effort toward reducing duplicate activities within the City government.
- The budget will provide for adequate maintenance of capital plant and equipment and for its orderly replacement. The City defines capital assets as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.
- In fiscal year 2018, the City does have major non-routine capital expenditures. These include the replacement of the Channel Transient Float and the WWTP Centrifuge projects.
- The administration will maintain budgetary controls at the character level within each organizational unit. (Characters are broad classifications of expenditures: salaries & wages, professional services, etc.)



POLICIES continued

Operating Budget Policies continued

Budgetary Review by the City Council continued

Administrative Costs continued –

- The preparation and distribution of periodic budget status reports, interim financial statements, and annual financial reports will be maintained.
- The City will remain current in payments to the retirement system.
- The City does not budget for special assessments. After a Special Assessment District is formulated, the cost of the project is funded from sales tax receipts and other special assessment receipts in the Street Improvement Fund. This fund records all costs. After the project is completed, the asset is recorded in the general fixed assets account group and a Special Assessment Fund is established. The property owner is invoiced annually; the actual receipts are transferred to the Street Improvement Fund. The cycle repeats itself, as the dollars received by the Street Improvement Fund are then used for other special assessment projects.

Debt Policies

Noted below are the Debt Policies for the City of Kodiak.

- The City will not fund current operations from the proceeds of borrowed funds.
- The City will confine long-term borrowing to funding of capital improvements or projects that cannot be financed from current revenues.
- When the City finances capital projects by issuing bonds, it will repay the debt within a period not to exceed the expected useful life of the project.
- The City will maintain good communications about its financial condition with bond and credit institutions.
- The City will follow a policy of full disclosure in every annual financial statement and official bond statement.
- Whenever possible the City will utilize special assessments, revenue or other self-supporting bonds instead of General Obligation Bonds. The City currently has one general obligation debt. This general obligation bond is for the construction of the Public Safety Building. This bond has been approved by the voters of the City of Kodiak, and has been issued.
- The State of Alaska and the City of Kodiak do not establish a legal debt margin. The voters of the City of Kodiak ultimately consider the amount that can be outstanding for general obligation bonds. The residents of the City of Kodiak must pass a ballot question giving the City Council authority to issue general obligation bonds to fund projects.
- The City has one general obligation bond, three revenue bonds, and multiple clean water and drinking water loans through the State of Alaska DEC. For more information on debt service, refer to the Debt Service section on pages 181-188.

Revenue Policies

Noted below are the Revenue Policies for the City of Kodiak.

- The City will work to maintain a diversified and stable revenue structure to shelter it from short term fluctuations in any one-revenue source.



POLICIES continued

Revenue Policies continued

- The City will attempt to maintain a diversified and stable economic base by supporting policies that promote fishing, tourism, commercial and industrial employment.
- The City will estimate its annual revenues using an objective and analytical process.
- The City, where possible and reasonable, will institute user fees and charges for specialized programs and services. Rates will be established to recover operational, as well as capital or debt service costs.
- The City will regularly review user fee charges and related expenditures.
- The City will follow an aggressive policy of collecting tax revenues where the annual level of uncollected current sales tax should not exceed two percent (2%).

Investment Policies

Noted below are the Investment Policies for the City of Kodiak.

- The City will maintain an investment policy based on the Government Finance Officers Association (GFOA) model investment policy.
- The City will conduct an analysis of cash flow needs on an ongoing basis. Disbursements, collections, and deposits of all funds will be scheduled to ensure maximum cash availability and investment potential.
- The City will obtain the best possible return on all investments consistent with the underlying criteria of liquidity and safety of principal.
- The City will regularly review contractual opportunities for consolidated banking services.

Accounting, Auditing, and Reporting Policies

Noted below are the Accounting, Auditing, and Reporting Policies for the City of Kodiak.

- The City will establish and maintain a high standard of accounting practices in conformance with Generally Accepted Accounting Principles (GAAP).
- The accounting system will maintain records on a basis consistent with accepted standards for government accounting according to the Government Accounting Standards Board (GASB).
- Regular periodic financial statements and annual financial reports will present a summary of financial activity by departments within all funds.
- Where possible, the reporting system will also provide monthly information on the total cost of specific services by type of expenditure and revenue by fund.
- An independent firm of certified public accountants will perform an annual financial and compliance audit and will publicly issue an opinion.
- The City will annually strive for the GFOA Certificate of Achievement for Excellence in Financial Reporting.



POLICIES continued

Capital Budget Policies

Noted below are the Capital Budget Policies for the City of Kodiak.

- The City will make all capital improvements in accordance with an adopted capital improvements program.
- The City will enact an annual capital budget based on the multi-year capital improvements program.
- The City will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital projects will be projected and included in operating budget forecasts.
- The City will maintain all its assets at a level adequate to protect its capital investments and to minimize future maintenance and replacement costs.
- The City will identify the cash flow needs for all new projects and determine which financing method best meets the cash flow needs of the project.

Reserve Policies

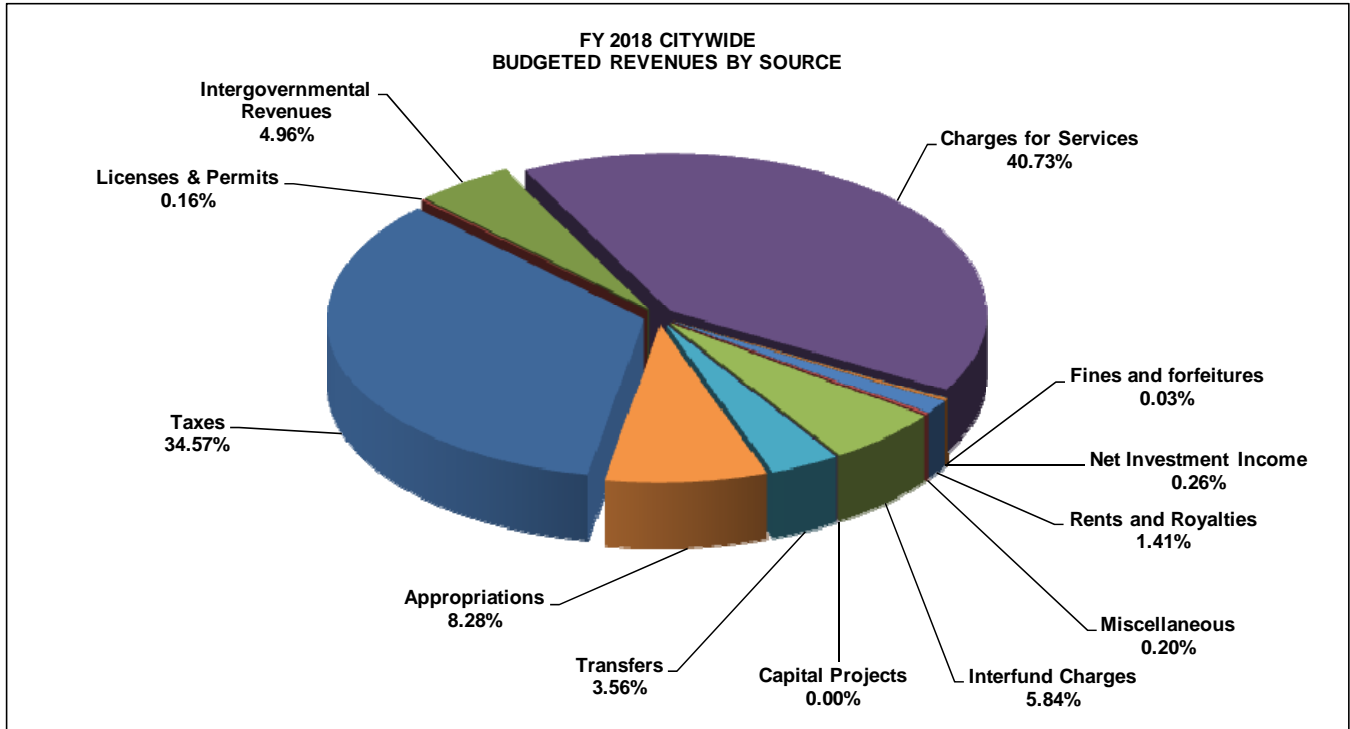
Noted below are the Reserve Policies for the City of Kodiak.

The City will maintain fiscal reserves that will provide sufficient cash flow to minimize the potential of short-term tax anticipation borrowing. The City will maintain appropriated contingencies to provide for unanticipated expenditures. The Fund Balance is the assets of a fund less liabilities, as determined at the end of each fiscal year. Any reservations of fund balance are deducted to result in an "unassigned fund balance."

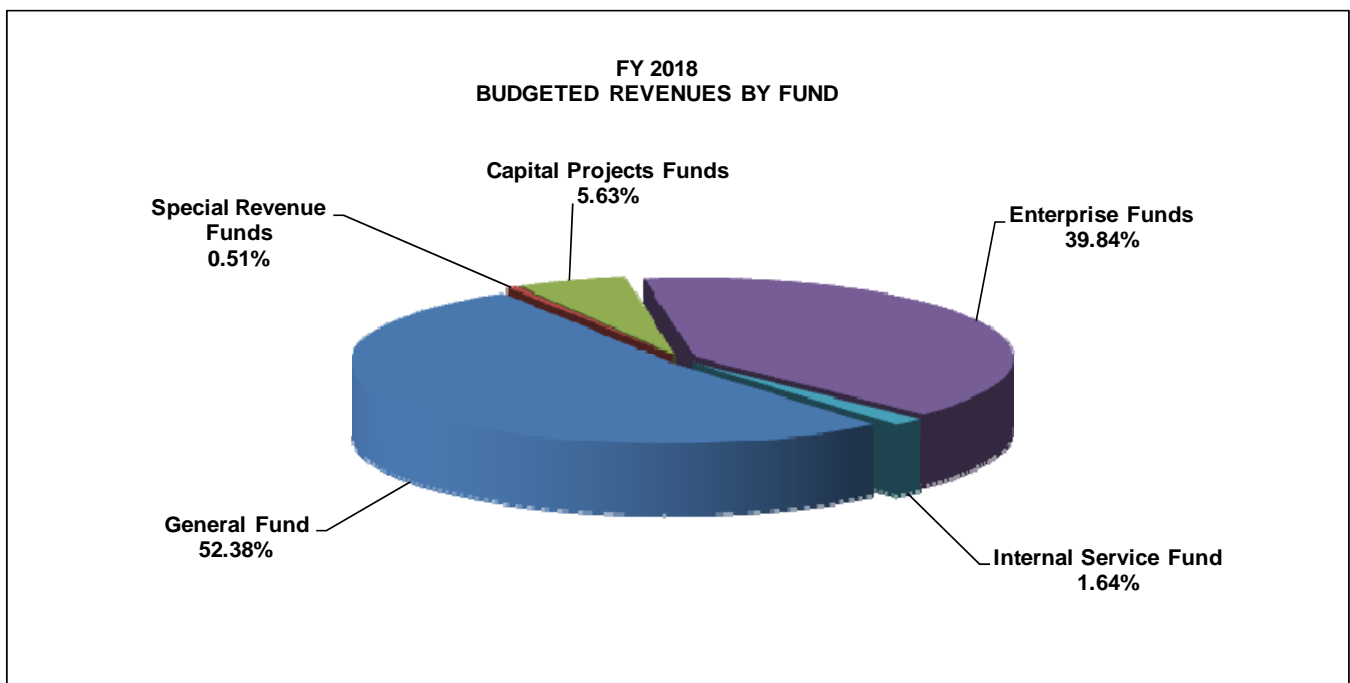


Fiscal Year 2018 Citywide Budgeted Revenues – Summary

The graph below depicts the Fiscal Year Budgeted Revenues by Source. In comparison to the fiscal year 2017 final budget approved by the City Council, the citywide budget decreased approximately 15.0%. As the City's revenue sources decrease, the corresponding budgeted expenditures decrease as well. The decrease in revenues is primarily due to the continued decrease in sales tax revenues, intergovernmental revenues, and transfers for infrastructure projects.



The graph below depicts the Fiscal Year 2018 Budgeted Revenues by Fund.





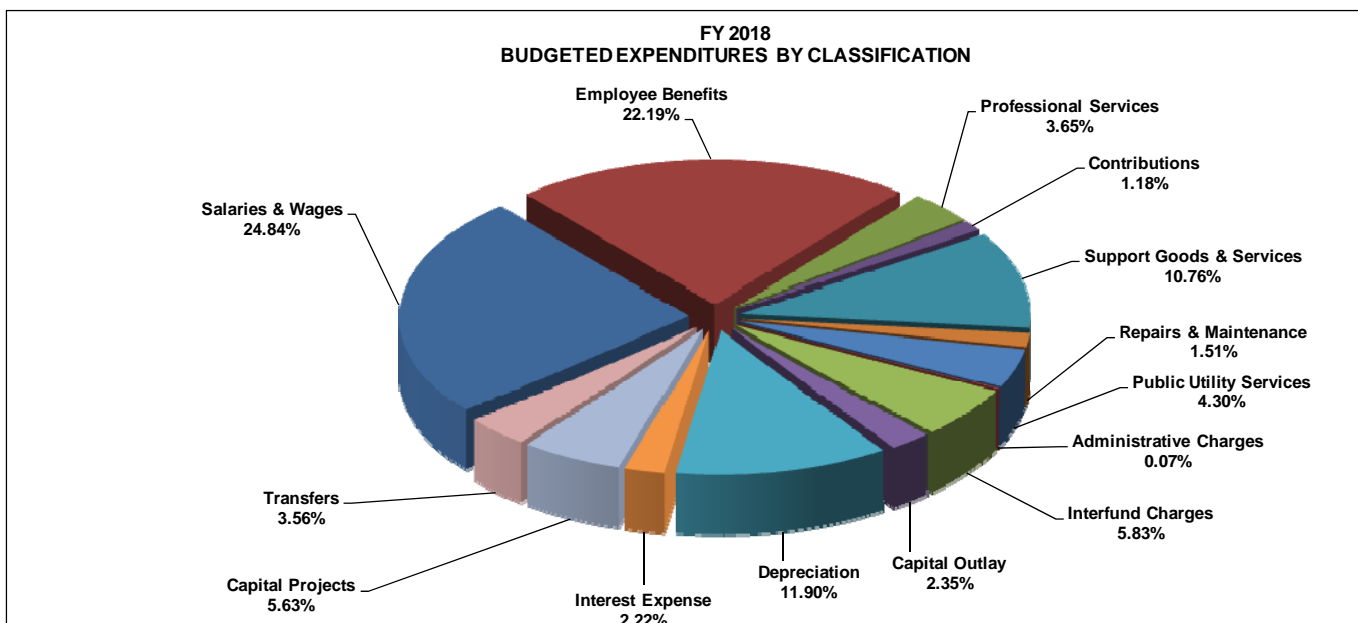
**FINANCIAL SUMMARIES
FY 2018 BUDGETED REVENUES BY FUND**

	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund	FY 2018 Adopted Budget Total	FY 2017 Final Budget Total
Revenues							
Taxes	\$ 12,752,500	\$ 170,500	\$ -	\$ -	\$ -	\$ 12,923,000	\$ 13,448,000
Licenses & Permits	58,800	-	-	-	-	58,800	52,300
Intergovernmental Revenues	1,116,800	-	600,000	139,381	-	1,856,181	3,281,365
Charges for Services	1,661,217	-	-	13,566,755	-	15,227,972	14,988,717
Fines and forfeitures	10,000	-	-	-	-	10,000	15,000
Net Investment Income	15,000	40,000	-	42,000	500	97,500	79,500
Rents and Royalties	175,000	66,800	-	285,625	-	527,425	569,100
Miscellaneous	22,000	-	-	12,300	40,000	74,300	310,510
Interfund Charges	1,534,343	-	-	75,218	573,979	2,183,540	2,148,676
Capital Projects	-	-	-	-	-	-	-
Transfers	-	-	1,330,901	-	-	1,330,901	4,402,336
Appropriations	2,238,227	(87,800)	173,000	773,261	-	3,096,688	3,694,803
Total Revenues	\$ 19,583,887	\$ 189,500	\$ 2,103,901	\$ 14,894,540	\$ 614,479	\$ 37,386,307	\$ 42,990,307

The table above depicts the Fiscal Year 2018 budgeted revenues for the general fund and each type of fund for the City. The City is continuing to recognize decreases in sales tax revenues and intergovernmental revenues. As the budgeted revenues decrease, corresponding decreases are made in expenditures across all funds.

Fiscal Year 2018 Citywide Budgeted Expenditures – Summary

The graph below depicts the Fiscal Year Budgeted Expenditures by Classification. In comparison to the fiscal year 2017 final budget approved by the City Council, the citywide budget decreased approximately 15.0%. As the City's revenue sources decrease, the corresponding budgeted expenditures decrease as well. Budgeted expenditures were researched for efficiency within the citywide departments and numerous small decreases across all budgeted expenditure classifications. The primary decreases in expenditures are attributable to transfers to capital project funds for citywide infrastructure projects and capital outlays for equipment purchases in fiscal year 2018.





FINANCIAL SUMMARIES
FY 2018 BUDGETED EXPENDITURES BY CLASSIFICATION

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Fund</u>	<u>FY 2018 Adopted Budget Total</u>	<u>FY 2017 Final Budget Total</u>
Expenditures							
Salaries & Wages	\$ 6,987,596	\$ -	\$ -	\$ 2,298,452	\$ -	\$ 9,286,048	\$ 9,295,731
Employee Benefits	6,111,829	-	-	2,185,998	-	8,297,827	8,111,226
Professional Services	1,085,079	-	-	280,900	-	1,365,979	1,477,465
Contributions	309,300	115,000	-	18,000	-	442,300	471,600
Support Goods & Services	1,827,558	29,350	-	1,551,488	614,479	4,022,875	3,805,222
Repairs & Maintenance	229,747	-	-	334,500	-	564,247	601,697
Public Utility Services	583,600	-	-	1,023,086	-	1,606,686	1,599,930
Administrative Charges	22,000	-	-	5,000	-	27,000	27,000
Interfund Charges	-	45,150	-	2,133,500	-	2,178,650	2,266,643
Capital Outlay	644,877	-	-	233,977	-	878,854	1,252,898
Depreciation	-	-	-	4,450,298	-	4,450,298	4,384,642
Interest Expense	471,400	-	-	359,341	-	830,741	891,581
Capital Projects	-	-	2,103,901	-	-	2,103,901	4,402,336
Transfers	1,310,901	-	-	20,000	-	1,330,901	4,402,336
Total Expenditures	<u>\$ 19,583,887</u>	<u>\$ 189,500</u>	<u>\$ 2,103,901</u>	<u>\$ 14,894,540</u>	<u>\$ 614,479</u>	<u>\$ 37,386,307</u>	<u>\$ 42,990,307</u>

The table above depicts the Fiscal Year 2018 budgeted expenditures for the general fund and each type of fund for the City. The City is continuing to recognize decreases in sales tax revenues and intergovernmental revenues. As the budgeted revenues decrease, corresponding decreases are made in expenditures across all funds. As noted above, the most significant decreases in corresponding expenditures include transfers to capital project funds for citywide infrastructure projects and capital outlays for equipment purchases in fiscal year 2018.

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Annual Operating Budget
July 1, 2017 – June 30, 2018

FINANCIAL SUMMARIES
Summary of All Funds

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Revenues					
Taxes	\$ 12,912,691	\$ 12,644,951	\$ 13,448,000	\$ 12,176,474	\$ 12,923,000
Licenses and Permits	135,769	59,599	52,300	118,571	58,800
Intergovernmental Sources	4,380,666	2,034,901	3,281,365	1,312,553	1,856,181
Charges for Services	14,936,182	15,028,279	14,988,717	14,801,530	15,227,972
Fines and Forfeitures	14,739	3,382	15,000	1,675	10,000
Net Investment Income	65,204	123,665	79,500	115,492	97,500
Rents and Royalties	531,688	504,173	569,100	521,147	527,425
Miscellaneous	59,199	741,336	310,510	280,290	74,300
Interfund Charges	1,538,500	1,789,284	2,148,676	2,162,371	2,183,540
Capital Projects	-	-	-	-	-
Budgeted Appropriations	-	-	3,694,803	-	3,096,688
Total Revenues	34,574,638	32,929,570	38,587,971	31,490,103	36,055,406
Expenditures					
Salaries & Wages	7,681,600	7,889,753	9,295,731	8,275,000	9,286,048
Employee Benefits	7,399,948	5,135,807	8,111,226	6,551,555	8,297,827
Professional Services	1,381,326	1,220,482	1,477,465	1,175,448	1,365,979
Contributions	395,902	422,414	471,600	445,676	442,300
Support Goods & Services	3,011,473	3,219,716	3,805,222	3,334,806	4,022,875
Repairs & Maintenance	477,598	360,996	601,697	402,110	564,247
Public Utility Services	1,938,969	1,679,216	1,599,930	1,412,950	1,606,686
Administrative Charges	36,958	48,350	27,000	40,688	27,000
Interfund Charges	1,657,989	1,886,138	2,266,643	2,291,104	2,178,650
Capital Outlay	616,248	824,025	1,252,898	951,938	878,854
Depreciation	4,413,502	4,375,521	4,384,642	4,494,428	4,450,298
Interest Expense	944,824	892,830	891,581	1,170,383	830,741
Capital Projects	6,021,244	7,641,041	4,402,336	4,416,030	2,103,901
Total Expenditures	35,977,581	35,596,289	38,587,971	34,962,116	36,055,406
Net Revenues and Expenditures	(1,402,943)	(2,666,719)	-	(3,472,013)	-
Other Financing Sources (Uses)					
Proceeds from bond refunding	-	-	-	6,382,285	-
Premium on bond refunding	-	-	-	389,398	-
Bond refunding escrow agent	-	-	-	(6,682,661)	-
Bond refunding issuance costs	-	-	-	(78,223)	-
Transfers In	6,094,025	8,389,441	4,402,336	4,416,030	1,330,901
Transfers Out	(6,094,025)	(8,389,441)	(4,402,336)	(4,416,030)	(1,330,901)
Net Other Financing Sources (Uses)	-	-	-	10,799	-
Net Increase (Decrease) in All Funds	\$ (1,402,943)	\$ (2,666,719)	\$ -	\$ (3,461,214)	\$ -



FINANCIAL SUMMARIES
Budgeted Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Year Ending June 30, 2018

	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund	FY 2018 Adopted Budget Total
Revenues						
Taxes	\$ 12,752,500	\$ 170,500	\$ -	\$ -	\$ -	\$ 12,923,000
Licenses & Permits	58,800	-	-	-	-	58,800
Intergovernmental Revenues	1,116,800	-	600,000	139,381	-	1,856,181
Charges for Services	1,661,217	-	-	13,566,755	-	15,227,972
Fines and Forfeitures	10,000	-	-	-	-	10,000
Net Investment Income	15,000	40,000	-	42,000	500	97,500
Rents and Royalties	175,000	66,800	-	285,625	-	527,425
Miscellaneous	22,000	-	-	12,300	40,000	74,300
Interfund Charges	1,534,343	-	-	75,218	573,979	2,183,540
Capital Projects	-	-	-	-	-	-
Total Revenues	\$ 17,345,660	\$ 277,300	\$ 600,000	\$ 14,121,279	\$ 614,479	\$ 32,958,718
Expenditures						
Salaries & Wages	\$ 6,987,596	\$ -	\$ -	\$ 2,298,452	\$ -	\$ 9,286,048
Employee Benefits	6,111,829	-	-	2,185,998	-	8,297,827
Professional Services	1,085,079	-	-	280,900	-	1,365,979
Contributions	309,300	115,000	-	18,000	-	442,300
Support Goods & Services	1,827,558	29,350	-	1,551,488	614,479	4,022,875
Repairs & Maintenance	229,747	-	-	334,500	-	564,247
Public Utility Services	583,600	-	-	1,023,086	-	1,606,686
Administrative Charges	22,000	-	-	5,000	-	27,000
Interfund Charges	-	45,150	-	2,133,500	-	2,178,650
Capital Outlay	644,877	-	-	233,977	-	878,854
Depreciation	-	-	-	4,450,298	-	4,450,298
Interest Expense	471,400	-	-	359,341	-	830,741
Capital Projects	-	-	2,103,901	-	-	2,103,901
Total Expenditures	\$ 18,272,986	\$ 189,500	\$ 2,103,901	\$ 14,874,540	\$ 614,479	\$ 36,055,406
Other Financing Sources (Uses)						
Transfers In	\$ -	\$ -	\$ 1,330,901	\$ -	\$ -	\$ 1,330,901
Transfers Out	(1,310,901)	-	-	(20,000)	-	(1,330,901)
Net Other Financing Sources (Uses)	\$ (1,310,901)	\$ -	\$ 1,330,901	\$ (20,000)	\$ -	\$ -
Net Increase (Decrease) in Fund	\$ (2,238,227)	\$ 87,800	\$ (173,000)	\$ (773,261)	\$ -	\$ (3,096,688)



FINANCIAL SUMMARIES
Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Year Ending June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Fund</u>	<u>FY 2017 Estimated Total</u>
Revenues						
Taxes	\$ 11,979,529	\$ 196,945	\$ -	\$ -	\$ -	\$ 12,176,474
Licenses & Permits	118,571	-	-	-	-	118,571
Intergovernmental Revenues	1,248,871	-	-	63,682	-	1,312,553
Charges for Services	1,700,272	-	-	13,101,258	-	14,801,530
Fines and Forfeitures	1,675	-	-	-	-	1,675
Net Investment Income	19,726	32,133	-	62,721	912	115,492
Rents and Royalties	127,238	86,195	-	307,714	-	521,147
Miscellaneous	176,574	-	-	80,506	23,210	280,290
Interfund Charges	1,579,673	-	-	74,258	508,440	2,162,371
Capital Projects	-	-	-	-	-	-
Total Revenues	\$ 16,952,129	\$ 315,273	\$ -	\$ 13,690,139	\$ 532,562	\$ 31,490,103
Expenditures						
Salaries & Wages	\$ 6,298,377	\$ -	\$ -	\$ 1,976,623	\$ -	\$ 8,275,000
Employee Benefits	4,261,785	-	-	2,289,770	-	6,551,555
Professional Services	1,002,347	-	-	173,101	-	1,175,448
Contributions	309,857	119,000	-	16,819	-	445,676
Support Goods & Services	1,528,171	-	-	1,232,041	574,594	3,334,806
Repairs & Maintenance	207,407	-	-	194,703	-	402,110
Public Utility Services	525,225	-	-	887,725	-	1,412,950
Administrative Charges	20,784	5,816	-	14,088	-	40,688
Interfund Charges	-	45,150	-	2,245,954	-	2,291,104
Capital Outlay	880,075	-	-	71,863	-	951,938
Depreciation	-	-	-	4,494,428	-	4,494,428
Interest Expense	521,548	-	-	648,835	-	1,170,383
Capital Projects	-	-	4,416,030	-	-	4,416,030
Total Expenditures	\$ 15,555,576	\$ 169,966	\$ 4,416,030	\$ 14,245,950	\$ 574,594	\$ 34,962,116
Other Financing Sources (Uses)						
Proceeds from bond refunding	6,368,811	-	-	13,474	-	6,382,285
Premium on bond refunding	389,398	-	-	-	-	389,398
Bond refunding escrow agent	(6,682,661)	-	-	-	-	(6,682,661)
Bond refunding issuance costs	(78,223)	-	-	-	-	(78,223)
Transfers In	-	-	4,416,030	-	-	4,416,030
Transfers Out	(1,258,298)	-	-	(3,157,732)	-	(4,416,030)
Net Other Financing Sources (Uses)	\$ (1,260,973)	\$ -	\$ 4,416,030	\$ (3,144,258)	\$ -	\$ 10,799
Net Increase (Decrease) in Fund	\$ 135,580	\$ 145,307	\$ -	\$ (3,700,069)	\$ (42,032)	\$ (3,461,214)



FINANCIAL SUMMARIES

The City of Kodiak budget includes many factors to determine the overall budgeted revenues and expenses for each fund. Each year, the City Manager and Finance Director will review historical trends; local, state, and federal economic factors; the Long-Term Capital Improvement Plan; and many additional sources of statistical data to ensure that the overall budget will adhere to management and City Council goals to continue to provide quality services to the Kodiak community. Noted in the Budget Process section, and also in each of the fund sections throughout this budget document (i.e. general, special revenue, capital projects, enterprise, and internal service funds), are the City's processes for budgeting revenues and expenditures.

General Fund

The main component of the budget is the General Fund. For fiscal year 2018, the adopted General Fund budget is \$19,583,887, 52.48%, of the total budget. Included in the General Fund budget is \$1,310,901 for transfers to other funds, primarily for active capital projects. Sales tax is the primary source of revenue for the General Fund. Sales tax is levied at 7%, with a maximum taxable amount of \$750 per transaction, or \$52.50 in sales tax. Per Kodiak City Code, sales tax revenues are allocated as follows: 0.45% or maximum proceeds of \$450,000 to the Street Improvement fund, 0.05%, or maximum proceeds of \$50,000 to the Parks & Recreation Improvement Fund; and 0.50% or maximum of \$500,000 to the Port and Harbor funds.

General Fund budgeted expenditures total \$19,583,887. Primary expenditures include salaries and wages, employee benefits, and support goods and services. Currently, the City has three Revenue Bonds and one General Obligation Bond and numerous loans with the State of Alaska DEC. The Debt Service section on pages 181-188 of this document details all of the long-term debt that the City currently has outstanding. The City has not budgeted for additional debt in fiscal year 2018. Overall, the General Fund has decreased 1.26% as compared to fiscal year 2017. This decrease is primarily due to citywide efforts to gain efficiencies in operations and lower expenditures.

The fund balance of the General Fund for the City of Kodiak has been relatively stable since 1998. However, due to recent declines in sales tax and intergovernmental revenues from state and federal grant funds and state revenue sharing programs, the City is relying more heavily on the use of fund balance appropriations to balance the budget each year. In fiscal year 2018, the City anticipates that the General Fund will deplete the unassigned fund balance by appropriating \$2,238,227. The City Council's goal is to maintain the unassigned fund balance of the General Fund at a balance of approximately three months of general fund operating expenditures, which is estimated to be approximately \$4 million for fiscal year 2018.

Special Revenue Funds

Special Revenue funds include the Tourism Fund and the Enhancement Fund. Special Revenue funds are \$189,500, or 0.51%, of the total City of Kodiak budget. The City levies transient room taxes at a rate of 5%. Transient room taxes are included in the Tourism fund and are anticipated to be \$170,500. Special Revenue expenditures are primarily contributions to local nonprofit organizations.

Overall, the Special Revenue Funds are anticipated to increase 1.96%, or \$87,800, as compared to prior year. The largest fund of the Special Revenue Funds is the Enhancement Fund. The Enhancement Fund is expected to grow year over year due to investments in marketable securities.

Capital Projects

Capital Projects are \$2,103,901, 5.63%, of the total City of Kodiak fiscal year 2018 budget. Many capital projects are ongoing from prior years with additional funding added during fiscal year 2018. For additional information regarding capital projects, see the Long-Term Capital Improvement Plan located on the City's website. For fiscal year 2018, the City has large nonrecurring capital projects. These capital projects include replacement of the Channel Transient Float and the WWTP Centrifuge projects. As non-recurring projects near completion during fiscal year 2018, additional capital projects will continue to evolve through the design, construction, and completion phases.



FINANCIAL SUMMARIES

Enterprise Funds

Enterprise funds are \$14,894,540, 39.84%, of the total City of Kodiak fiscal year 2018 budget. Cargo and Harbor Funds are \$5,097,791, 32.43%, of the total enterprise funds. Water and Sewer Funds are \$7,622,450, 51.18%, of the total enterprise funds. The Trident Basin Float Plane Fund is \$302,253, 2.03%, of the total enterprise funds. The E-911 Fund is \$13,771, 0.09%, of the total enterprise funds. Revenue bonds and loans with the State of Alaska DEC are included in the enterprise funds. These debt service payments are shown in the respective enterprise fund budgeted expenses. The enterprise funds are estimated to deplete fund balance in the aggregate amount of \$763,261. While some enterprise funds will increase the respective fund balance, others will decrease. See the Enterprise fund detail section on pages 189-267 for further detailed information.

Primary sources of revenue for enterprise funds are charges for services. Charges for services are primarily driven by rates for water, sewer, and harbor usage fees. Utility rate increases are necessary to maintain the City's facilities and to comply with regulatory requirements relating to water and sewer. A Water Rate Study was presented to the City Council during the spring 2016 and implemented in fiscal year 2017. The Water Rate Study identified an element of cost of service based rate increases rather than the flat percentage rate increases. Based on the outcome of this rate study, water rates remained constant for residential customers while meter charges based on usage will increase incrementally per 1,000 gallons of usage over the next five years. Sewer rates were increased by 5% in 2014 and will increase by 5% for the next fiscal year. The bio-solid project will determine the method and costs pertaining to the treatment of sludge. Harbor rate studies will be performed during fiscal year 2017 with anticipated changes in future periods.

Primary expenditures for enterprise funds include salaries and wages, employee benefits, and depreciation on capital assets.

Internal Service Funds

The Insurance Fund, the City's only internal service fund, is \$614,479, 1.64%, of the total City of Kodiak budget. The fiscal year 2018 budgeted amounts are consistent and comparable to fiscal year 2017. The Insurance Fund is for the insurance policies for the City, the City facilities, and related liability coverage. These expenditures are allocated consistently to all City departments and functions. The Insurance Fund is expected to be consistent with fiscal year 2017.

Overall Budget

Fiscal year 2018 revenues for all funds are anticipated to be \$37,386,307. This is a decrease of \$5,604,000, or 15.0%, as compared to fiscal year 2017 final approved budgeted amounts. The majority of these decreases are related to capital projects and use of fund balance. The largest nonrecurring projects include replacement of the Channel Transient Float, \$1.5 million state of Alaska grant and \$1.5 million general fund transfers during fiscal year 2016 and the WWTP Centrifuge project for \$1.2 million in Sewer Fund appropriations during fiscal year 2017. All current and active Capital Projects and pending capital projects are noted in the City's Long-Term Capital Improvement Plan. The special revenue funds are comparable and consistent with prior year. Enterprise fund revenues are consistent and comparable to prior year however, increases are expected due to rate studies for the harbor, water, and sewer charges for services. The Insurance Fund is consistent and comparable to prior year based on relatively stable insurance costs.

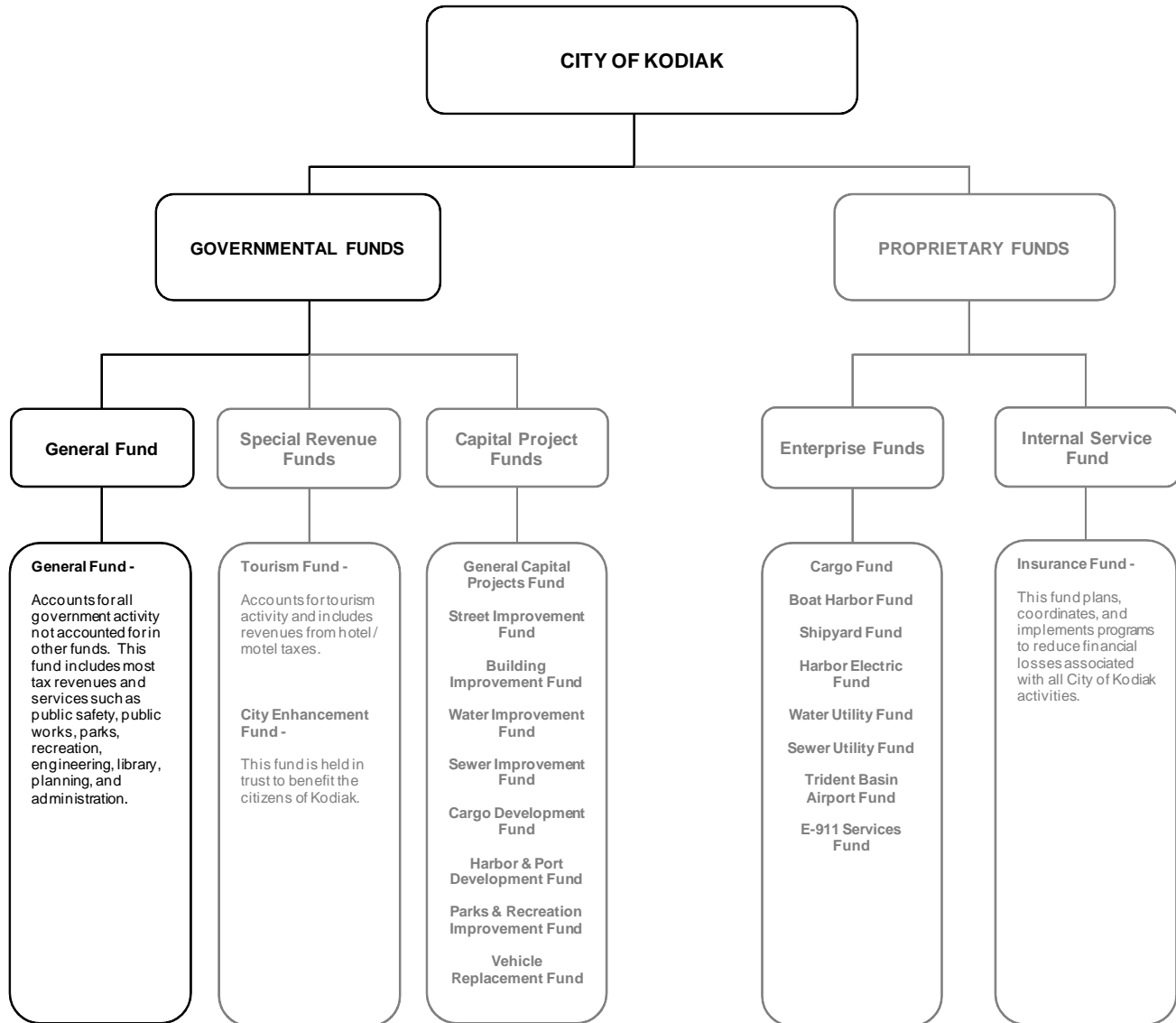
The overall fund balance for fiscal year 2018 is anticipated to be \$145,370,768, a decrease of 0.59%, or \$858,461, as compared to prior year.

The City of Kodiak's revenues have been decreasing over the most recent two-year period. Capital projects will cause fluctuations in revenues and expenditures each year, along with the rising costs of providing services and the economic outlook for the local community. The City of Kodiak anticipates ending fiscal year 2018 with comparable fund balances as compared to prior year in order to ensure quality services provided to its citizens.





GOVERNMENTAL FUNDS – GENERAL FUND





GENERAL FUND

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund. Principal sources of revenue are sales taxes, property taxes, charges for services, and intergovernmental revenue. Primary expenditures are for general government administration, public safety, public works, and leisure activities. The General Fund also contains non-departmental programs which include downtown maintenance and contributions made by the City of Kodiak to others.

The departments within the General Fund include:

- Legislative / Legal
- Executive
- City Clerk
- Finance / Information Systems
- Police
- Fire
- Public Works
- Engineering
- Parks and Recreation
- Library
- Non-Departmental



Fiscal Year 2018 General Fund Overview

General Fund Budget Process

The City operates on a fiscal year from July 1 through June 30 of each year. The budget process begins in January with revenue projections. Once revenue projections have been finalized, the next step is to perform budgets for payroll and benefits for all departments, review the replacement schedules for IT equipment, annual IT software support and maintenance agreements, review the vehicle replacement schedules, review the capital improvement needs, and review the operating needs for each department.

The General Fund – Summary of Revenues and Expenditures table on the following page shows the General Fund revenues by source and expenditures by function for the fiscal year 2018 budget, the estimated annual (i.e. unaudited) amounts for fiscal year 2017, the final amended budget for fiscal year 2017, and the actual amounts for fiscal year 2016 and fiscal year 2015. This five year summary shows the trends in each revenue source and expenditure function for the most recent years.

Revenue Projections

Revenue projections are a critical component of the overall budget process as these define the baseline for anticipated inflows of resources for the upcoming fiscal year. The finance director uses a forecasting model based on historical data to project revenues for the budget. This is done by utilizing the most recent five years of audited revenues and the current year budget to project the anticipated revenues.

Once the forecasting model has been completed, the finance director will analyze all current year revenues received from July 1 through the date the revenue projections are completed. The finance director will use this analytical data for current year revenues to recognize any trends for potential increases or decreases in certain revenue classifications such as sales tax, interest income, rental income, and various City charges for services. The finance director will then contact each of the City department directors to note any changes in charges for services that those departments have seen thus far in the current year. If significant changes are noted, the finance director will adjust the anticipated revenues to reflect these appropriate changes that are seen throughout the City.

For intergovernmental revenues, the finance director will contact the State of Alaska for State of Alaska shared revenues such as PERS on behalf payments, community assistance programs, shared fisheries business tax, fisheries resource landing tax, and various operating grants. Any significant adjustments are reflected in the anticipated revenues to reflect the appropriate changes that are noted through correspondence with State personnel.

Before finalization of the revenue projections, the finance director will meet with the City manager to review all anticipated revenues for the upcoming year. The City manager will provide guidance that has been received through state and federal resources regarding anticipated increases in capital grant funding, anticipated changes to revenue sharing or programs at the state or federal levels, discussions with colleagues throughout the state of Alaska, and other resources at the manager's disposal.

Once all trends and known changes have been reflected, the revenue projections are finalized and presented to the City Council.

General Fund Expenditures

In February each year, the Finance department will prepare payroll budgets for all departments for the upcoming fiscal year. Each council-approved position is budgeted regardless if currently filled or vacant. Vacant positions are budgeted at the starting salary rate with the anticipation that these will be filled within a reasonable time frame. Once payroll budgets have been prepared, the finance director will distribute the total amount of salaries and benefits to each of the directors for their respective budgets.



The Budget Process continued

General Fund Expenditures continued

Each director will determine their operating budget on a line by line basis. The respective operating budgets include uniforms; professional services; general overhead expenditures such as vehicle and heating fuel, advertising, training and travel, dues and subscriptions, telephone, supplies, health and safety supplies, postage, and equipment or building rentals; repairs and maintenance for buildings, equipment, and vehicles; utilities; and capital outlays.

All capital outlays are the result of vehicle and equipment replacements, IT replacements, or capital project needs. These requests must be accompanied by a thorough review of the existing equipment to be replaced, thorough consultation with the City garage (if vehicles or equipment), the IT department (if IT equipment) or capital project request form. Replacement schedules for vehicles, equipment, and IT equipment are reviewed each year to determine which items are scheduled for replacement. The capital improvement plan is reviewed for all capital project requests to determine appropriating funding and priority level.

Once the director has completed their respective department's budget, it is then submitted to the finance director and city manager for review. The finance director and city manager will meet and discuss the nondepartmental budgets, review the capital outlay requests from the directors, and the general fund budget as a whole. The finance director and city manager will review each line item based on a comparison to current year spending to date, and prior year spending. The finance director and city manager will note any significant changes that would cause increase in budget line items such as increased fuel costs, increased utilities cost, if one time repairs and maintenance will be required for City owned buildings or property, and any other areas that would cause an increase or decrease to a specific expenditure line item. The city manager and finance director will also notate any areas for streamlining expenses, transparency through budget line items, and budget efficiencies.

Once the review by the finance director and city manager has been completed, meetings with individual department directors will occur. Each director will review all of their departments with the finance director and city manager. The city manager, finance director, and department director will note areas for improved efficiencies and streamlining expenses within the respective department.

The city manager and finance director will approve or deny any capital outlay requests during this time.

At the completion of meeting with the individual department directors regarding their respective budgets, the finance director will perform the calculations for the total allowable amount for the nonprofit grant awards, review of any council approved contracts, and calculations for enterprise fund allocations for insurance and services rendered by the administrative departments to the enterprise funds.

Once all information has been appropriately entered into the budgeting system, the finance director will produce the draft version of the final budget for the upcoming year. The finance director and city manager will perform a final review and determine any additional areas for improved department and budget efficiencies.



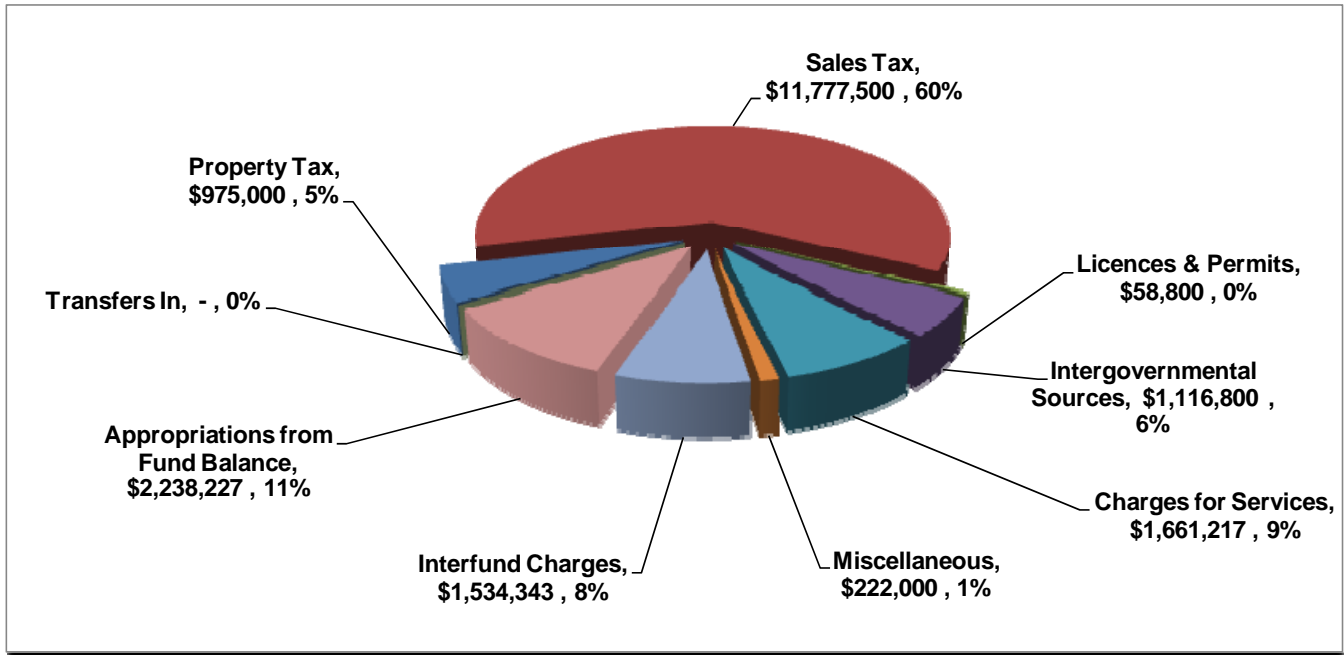
General Fund – Summary of Revenues and Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Revenues					
Taxes	\$ 12,696,272	\$ 12,429,455	\$ 13,277,500	\$ 11,979,529	\$ 12,752,500
Licenses and Permits	135,769	59,599	52,300	118,571	58,800
Intergovernmental Sources	4,244,576	1,912,981	2,831,931	1,248,871	1,116,800
Charges for Services	1,923,897	1,705,250	1,661,217	1,700,272	1,661,217
Fines and Forfeitures	14,738	3,382	15,000	1,675	10,000
Net Investment Income	15,917	20,173	10,000	19,726	15,000
Rents and Royalties	199,411	148,269	230,000	127,238	175,000
Miscellaneous	9,400	361,196	191,140	176,574	22,000
Interfund Charges	871,909	1,210,409	1,565,978	1,579,673	1,534,343
Total Revenues	20,111,889	17,850,714	19,835,066	16,952,129	17,345,660
Expenditures					
General Government	2,462,611	2,436,564	3,187,395	2,689,049	3,081,475
Public Safety	9,251,439	7,733,525	10,102,064	8,669,608	10,156,527
Public Works	2,185,115	1,799,536	2,207,661	1,636,717	2,188,350
Engineering	244,967	165,227	280,451	213,112	281,914
Public Recreation	1,334,690	1,250,316	1,513,707	1,368,463	1,434,270
Library	935,048	763,874	988,352	755,261	929,750
Community Services	208,862	186,613	224,500	223,366	200,700
Total Expenditures	16,622,732	14,335,655	18,504,130	15,555,576	18,272,986
Other Financing Sources (Uses)					
Proceeds from bond refunding	-	-	-	6,368,811	-
Premium on bond refunding	-	-	-	389,398	-
Bond refunding escrow agent	-	-	-	(6,682,661)	-
Bond refunding issuance costs	-	-	-	(78,223)	-
Transfers Out	(1,992,355)	(4,920,949)	(1,244,604)	(1,258,298)	(1,310,901)
Total Other Financing Sources (Uses)	(1,992,355)	(4,920,949)	(1,244,604)	(1,260,973)	(1,310,901)
Net Increase (Decrease) in Fund	\$ 1,496,802	\$ (1,405,890)	\$ 86,332	\$ 135,580	\$ (2,238,227)



General Fund – Fiscal Year 2018 Budgeted Revenues by Source

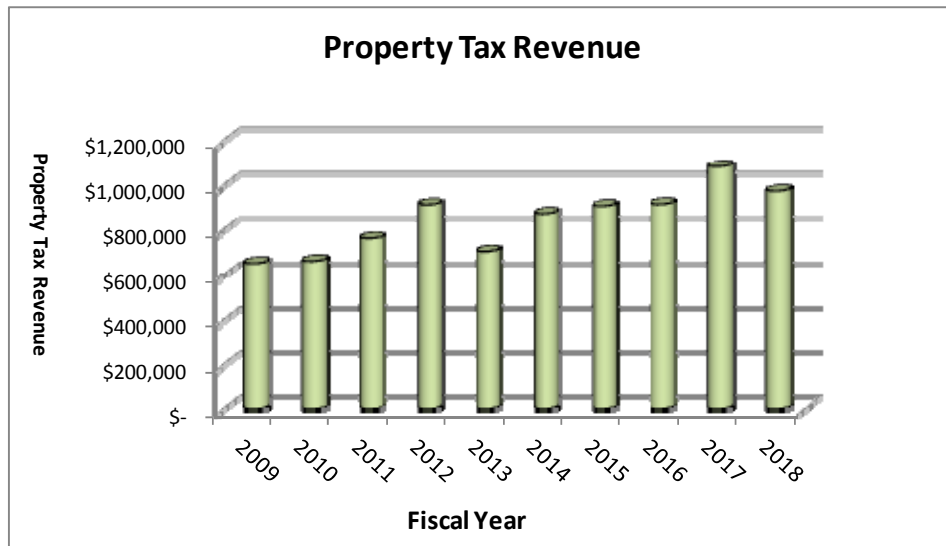
The graph below depicts the Fiscal Year 2018 Revenues by Source.



Taxes: Property tax and Sales tax

Property tax (KCC 3.04.010) – These include real property assessments performed on an annual basis, which is final by June 1. Therefore, tax revenue projections are estimated prior to knowing the actual amounts of the assessment tax roll. Property taxes are projected based on historical trends and economic activity in the community.

The net assessed valuation of real property located within the City is estimated to be \$561,764,580 for fiscal year 2018. Currently, the tax levy for property taxes is 2.00 mills. Property tax is collected by the Kodiak Island Borough and remitted to the City. The actual property taxes collected for fiscal year 2017 were \$1,083,234. Estimated revenue from property tax for fiscal year 2018 is \$975,000. The graph below shows the most recent 10 year period of property taxes collected and budgeted taxes for fiscal year 2018.



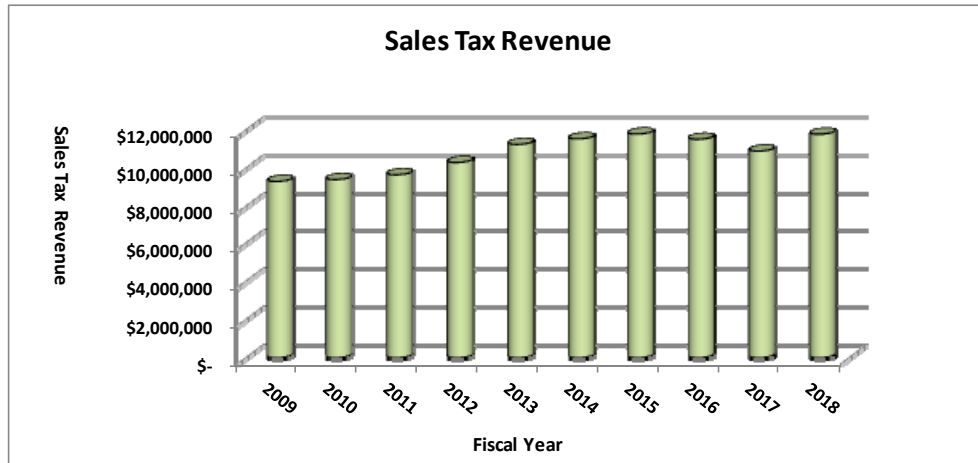


General Fund – Revenue Sources continued

Sales Tax

Sales tax (KCC3.08.010) – These include sales taxes and penalties and interest charged on sales tax. Sales tax revenues are collected on a quarterly basis. Budgeted sales tax revenues and sales tax penalties and interest revenues are projected based on historical trends and economic activity in the community.

The City of Kodiak levies a seven percent (7%) sales tax on all sales, rentals, and services made within the City. The budgeted revenues from sales tax for fiscal year 2018 are \$11,777,500. The estimated sales tax collected for fiscal year 2017 was \$10,896,295. The graph below shows the most recent 10 year period of sales tax collected and budgeted taxes for fiscal year 2018.



Sales tax revenue is the City’s largest tax revenue and has decreased approximately 7% over the past two fiscal years. The decrease from fiscal year 2016 to 2017 was approximately 5%. The City believes these decreases are likely to continue and is currently undergoing a thorough evaluation of sales tax revenues. The City Council adopted an ordinance in fiscal year 2013 budget to increase the sales tax from 6% to 7% effective October 1, 2012. The increase was in effect for most of fiscal year 2013.

Sales tax is collected in the General Fund and then transferred to the following funds based on the City of Kodiak’s Code. Sales tax revenues are allocated as follows:

	<u>Percentage</u>	<u>Maximum Proceeds</u>
General Fund	6.00%	N/A
Street Improvement Fund	0.45%	\$ 450,000
Parks Improvement Fund	0.05%	50,000
Port and Harbor Funds	0.50%	500,000
Total	<u>7.00%</u>	<u>\$1,000,000</u>

Penalties and Interest on Delinquent Taxes (KCC 3.08.170) – Penalty on sales tax is levied at five percent (5%) per month up to a total of twenty percent (20%) and interest is levied at fifteen percent (15%) per annum. For fiscal year 2018, the budgeted penalties and interest are \$27,500. The estimated penalties and interest collected during fiscal year 2017 was \$19,314.



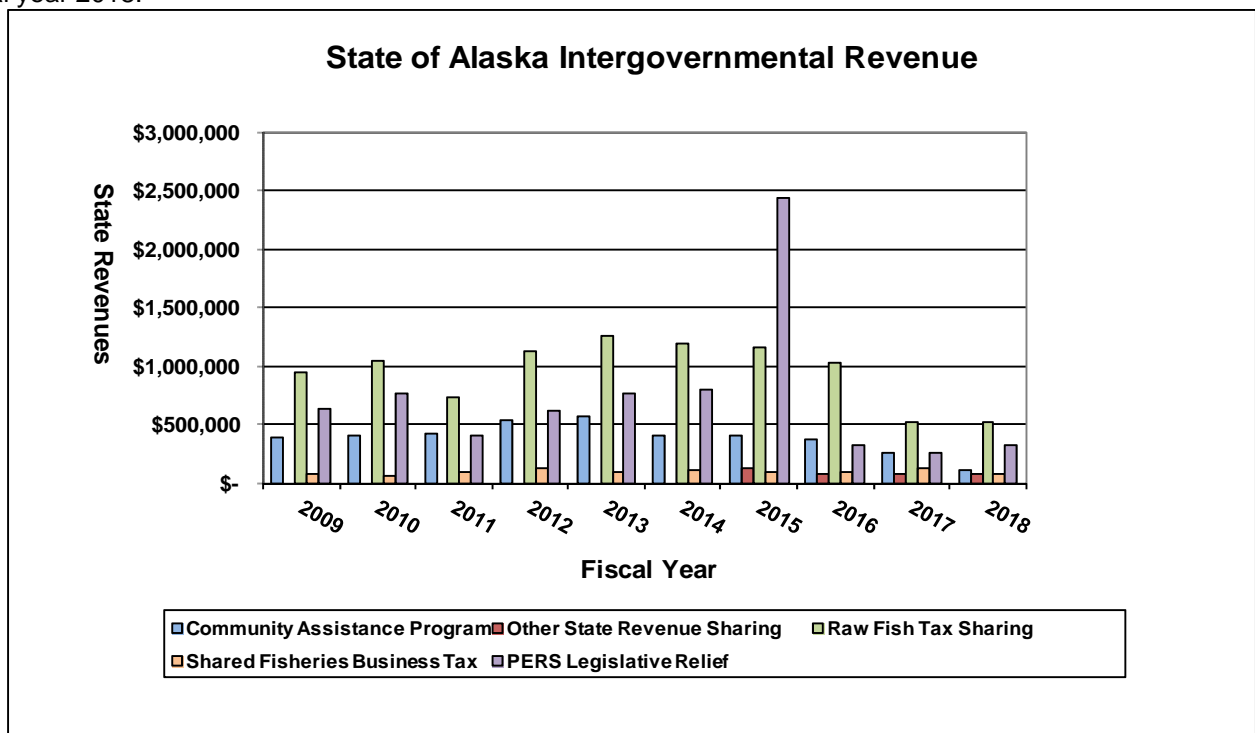
General Fund – Revenue Sources continued

Licenses and Permits: Taxicabs, Buildings, Electrical, Plumbing, Animal and Other

These include various permits and other miscellaneous licenses. These revenues are projected based on historical trends and number of permits issued. Licenses and permits are revenues associated mainly with the building industry. These revenues are primarily derived from building permits. Fiscal year 2017 estimated revenues were \$94,913 for building permits. Other fiscal year 2017 estimated revenues from licenses and permits totaled \$23,658. Fiscal year 2018 budgeted licenses and revenues include \$42,500 for building permits and \$16,300 for all other licenses and permits.

Intergovernmental Sources: Other Government Funding Sources

Intergovernmental sources include State of Alaska Raw Fish Tax Sharing; Shared Fisheries Business Tax; Fuel, Alcohol, and Utility Revenue Sharing; State of Alaska grants; and other miscellaneous sources. The graph below shows the most recent 10 year period of state-sharing revenues received and budgeted state-sharing revenues for fiscal year 2018.



PERS State Revenues – The State of Alaska Division of Retirement and Benefits distributed legislative funding for the Public Employees Retirement System (PERS). PERS on Behalf payments for fiscal year 2017 were estimated at \$256,788. The budgeted amount for fiscal year 2018 is \$325,000. The amounts are determined based on the State of Alaska budget.

Community Assistance Program (AS 29.60.010-29.60.030) – State Equalization of Tax Resources for Municipal Services is an equalization entitlement computation based on population, the relative ability to generate revenue, and the local tax burden of the taxing unit. During fiscal year 2017, the estimated amount was \$249,981 for state revenue sharing funds. The budgeted amount for fiscal year 2018 is \$109,300. These amounts are determined based on the State of Alaska budget.

Fish Tax Revenue Sharing (AS 43.75 and AS 43.77) – The State of Alaska is authorized to levy taxes on fisheries businesses. A portion of the tax collected is refunded to the municipalities.

- Fisheries Business Tax (AS 43.75) – The fisheries business tax is levied on businesses and persons who process or export fisheries resources from Alaska. The tax is based on the value paid to commercial fishers. The rate of the tax is based on the processing activity of the business. For the 2017 fiscal year, the estimated raw fish tax sharing revenues is \$525,670, a 94% decrease from the prior year. The budgeted amount for fiscal year 2018 is \$525,000. This estimate is based on historical trends and the value of fisheries landed.



General Fund – Revenue Sources continued

Intergovernmental Sources: Other Government Funding Sources continued

- Fishery Resource Landing Tax (AS43.77) – The State of Alaska levies taxes on processed fishery resources first landed in Alaska. The tax amount is based on the unprocessed value of the resource. The unprocessed value is determined by multiplying the unprocessed weight by a statewide average price per pound, which is determined by the Alaska Department of Fish and Game. The tax is primarily collected from factory trawlers and floating processors that process fishery resources outside the municipal's boundaries and bring products to Alaska for transshipment. During fiscal year 2017, estimated fish resource landing tax totaled \$126,865. The budgeted amount for fiscal year 2018 is \$74,000. This estimate is based on historical trends.

Fuel Tax Sharing – Certain fuel tax revenue is shared semiannually with those incorporated municipalities in which they were collected. During fiscal year 2017, estimated fuel tax sharing totaled \$6,417. The budgeted amount for fiscal year 2018 is \$5,000. These estimates are based on historical trends.

Alcohol Beverage Sharing (AS 04.11.610) – Certain alcoholic beverage license fees are shared semiannually with those incorporated municipalities in which they were collected. During fiscal year 2017, estimated alcohol beverage sharing revenue totaled \$18,700. The budgeted amount for fiscal year 2018 is \$20,000. These estimates are based on historical trends.

Utility Revenue Sharing – The State of Alaska collects electric and telephone cooperative taxes and shared with municipalities. During fiscal year 2017, estimated utility revenue sharing totaled \$44,152. The budgeted amount for fiscal year 2018 is \$45,000. These estimates are based on historical trends.

Marijuana license fees (AS 17.38.200(c)) – Marijuana license application fees are disbursed to local governments immediately upon receipt of a complete application for the municipality in which they were collected. During fiscal year 2017, estimated marijuana license fee sharing revenue totaled \$500. The budgeted amount for fiscal year 2018 is \$0-. The budgeted amount for 2018 is based on this revenue program being in the early implementation stage.

Grants – Various grants are award through federal, state, and local grantor agencies. These will vary based on the number of grant applications submitted and awarded throughout the fiscal year. For fiscal year 2017, estimated grants totaled \$13,382. The budgeted amount for fiscal year 2018 is \$10,000.

Charges for Services: Police, Fire, Public Works, Parks & Recreation, Library, and Admin

These include services performed for the public associated with the City's departments and miscellaneous administrative services. These revenues are projected based on historical trends, contracts, and agreements.

Boarding of Prisoners – The City has an agreement with the State of Alaska to board prisoners at the City jail. For fiscal year 2017, estimated revenue for boarding of prisoners totaled \$991,851. The budgeted amount for fiscal year 2018 is \$991,552. These amounts are based on updated agreements with the State of Alaska.

Police – The City has a contract with the Alaska State Troopers to operate the jail facility and dispatch communications services. In addition, the police department generates revenue from other miscellaneous sources. For fiscal year 2017, estimated revenue for the police department totaled \$94,520. The budgeted amount for fiscal year 2018 is \$85,750. These amounts are based on the annual contract with the Alaska State Troopers and historical trends.

Kodiak Island Borough – The City performs all building inspections and provides services for animal control. A portion of these services are provided for and paid by the Kodiak Island Borough. For fiscal year 2017, estimated revenues for these services totaled \$186,408. The budgeted amount for fiscal year 2018 is \$229,415.

Ambulance Services – The Fire department provides ambulance services to the public. For fiscal year 2017, estimated revenues for ambulance services totaled \$244,149. The budgeted amount for fiscal year 2018 is \$200,000. These revenues are budgeted based on historical trends and have increased in recent years due to outsourcing of billing and collections.



General Fund – Revenue Sources continued

Charges for Services: Police, Fire, Public Works, Parks & Recreation, Library, and Admin continued

Fire – The Fire department provides miscellaneous services for a fee. For fiscal year 2017, estimated revenues from miscellaneous services totaled \$1,560. The budgeted amount for fiscal year 2018 is \$2,000.

Parks and Recreation – The Parks and Recreation department facilities are available to the public for a fee. These facilities include the racquetball court, swimming pool, and teen center activities. For fiscal year 2017, estimated revenues from parks and recreation facilities totaled \$144,295. The budgeted amount for fiscal year 2018 is \$123,500.

Library – The Library serves the City and surrounding areas. The Library charges fees for copier, fax usage, lost books, fines and other miscellaneous fees. The Library also receives an annual contribution from the Kodiak Island Borough. For fiscal year 2017, estimated revenues for Library usage charges totaled \$23,388 and the estimated contribution from the Kodiak Island Borough totaled \$3,000. The budgeted amount for fiscal year 2018 is \$15,300 for Library usage charges and \$3,000 for contributions from the Kodiak Island Borough. These budgeted amounts are based on historical trends and known changes from the relocation of the Library to the new building in 2013 and additional program services now offered.

Public Works – The Public Works department maintains the Municipal Airport. Fees for services within the municipal airport are charged to the users. For fiscal year 2017, estimated usage fees totaled \$10,021. The budgeted amount for fiscal year 2018 is \$10,000.

Miscellaneous: Fines & Forfeitures, Interest, Rents & Royalties, and Miscellaneous Revenues

Miscellaneous revenues include fines and forfeitures, interest, rents and royalties, judgments, restitutions, asset sales, and other revenues. These revenues are projected based on historical data and trend analysis.

Fines & Forfeitures – Miscellaneous fines and forfeitures are charged throughout the fiscal year. For fiscal year 2017, estimated fines and forfeitures revenue totaled \$1,675. The budgeted amount for fiscal year 2018 is \$15,000. The budgeted amounts are based on historical trends.

Net Investment Income (KCC 3.16 and 3.28) – The City has a central treasury of pooled resources, some of which have been invested in approved investment options. For fiscal year 2017, the estimated net investment income generated from these investments totaled \$19,726. The budgeted amount for fiscal year 2018 is \$15,000. The budgeted amounts are based on historical trends and known changes in the marketplace.

Rents & Royalties – The City has several rental agreements with various entities. For fiscal year 2017, estimated rents and royalties revenue totaled \$127,238. The budgeted amount for fiscal year 2018 is \$175,000.

Miscellaneous – Miscellaneous revenue is comprised of sale of fixed assets, soda vending machines, towing services, restitution, insurance discounts received and other revenues. For fiscal year 2017, estimated miscellaneous revenues totaled \$169,140. The budgeted amount for fiscal year 2018 is \$22,000.

Other: Interfund Charges, Transfers, and Appropriations from Fund Balance

Interfund Charges – These represent the allocation of revenues between funds to cover services rendered. Interfund charges are paid to the General Fund from the Special Revenue and Enterprise funds for administrative and financial services provided for these areas. For fiscal year 2017, estimated interfund charges totaled \$1,579,673. The budgeted amount for fiscal year 2018 is \$1,534,343.

Appropriations from Fund Balance – These include beginning fund balances and the annual change in fund balance that remains after all expenses have been paid. These are incorporated as part of the subsequent year's budget, loan proceeds, and other non-revenue adjustments. Any fund balance reserves are shown separately as committed, nonspendable, or assigned.

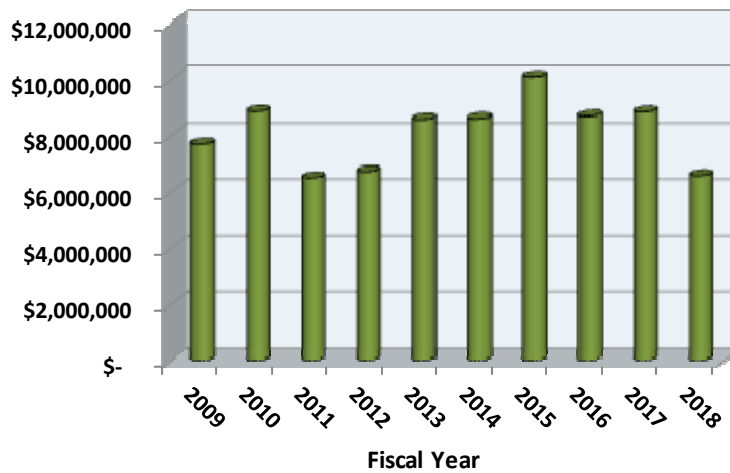


General Fund – Revenue Sources continued

Other: Interfund Charges, Transfers, and Appropriations from Fund Balance continued

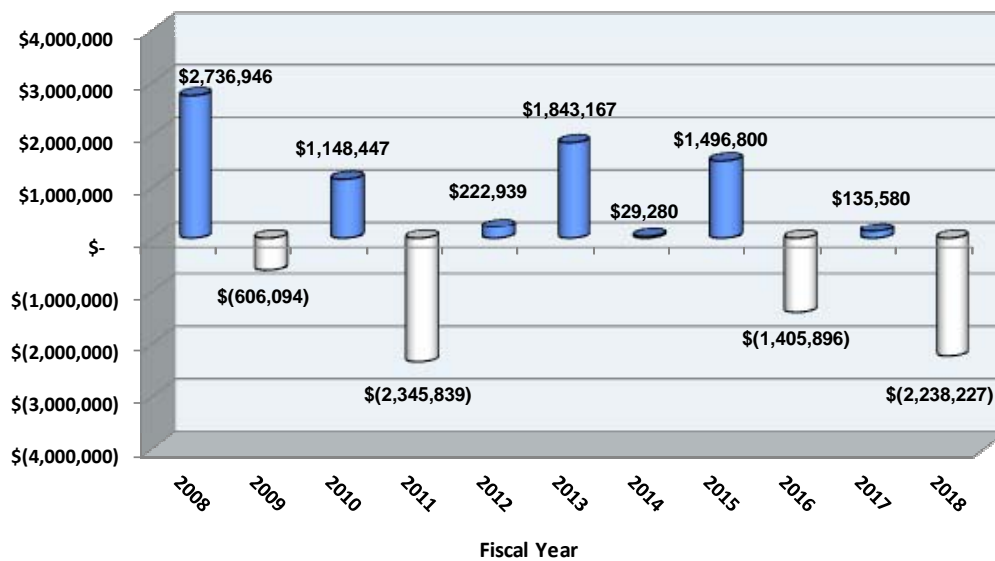
The City’s goal is to maintain the fund balance of the General Fund at approximately \$4 million (i.e. approximately three months of operating expenditures). The City Council decides when the fund balance of the General Fund can be used to offset declining State of Alaska revenues. As shown in the graph below, the fund balance of the General Fund has remained consistent with the City’s goal over the most recent 10 years.

Fund Balance - General Fund



Historically, the City uses less of the fund balance of the General Fund than the amount budgeted each year. The graph below depicts the changes in the fund balance of the General Fund for the most recent ten year period.

Changes in Fund Balance - General Fund





General Fund – Revenue Sources continued

Other: Interfund Charges, Transfers, and Appropriations from Fund Balance continued

Appropriations from Fund Balance continued

For fiscal year 2017, budgeted appropriations increased the fund balance of the General Fund by \$86,332; however, fiscal year 2017 estimates an increase to the fund balance of the General Fund in the amount of \$135,580.

The appropriations from fund balance of the General fund budgeted amounts are based upon known changes in contracts and funding with the State of Alaska, historical trends, and anticipated needs for fiscal year 2018.

Due to continuing declines in intergovernmental revenue from state and federal sources and declines in sales tax, fiscal year 2018 budget a deficit of \$2,238,227 to meet operational needs. This required an appropriation of fund balance from the General fund of \$2,238,227. Throughout the upcoming fiscal year, City staff and the Council are continuing efforts to research factors for increased revenues to meet current service needs for the community.

Transfers – These represent the transfer of monies between funds to pay expenses. The General Fund did not recognize any transfers in from other funds during fiscal year 2017 and no amounts were budgeted for fiscal year 2018.

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GENERAL FUND – DETAIL OF REVENUE BY SOURCE

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Taxes					
Property Taxes	\$ 908,455	\$ 916,518	\$ 950,000	\$ 1,083,234	\$ 975,000
Sales Tax	11,759,863	11,481,934	12,300,000	10,876,981	11,750,000
Penalty And Interest	27,954	31,003	27,500	19,314	27,500
Total Taxes	12,696,272	12,429,455	13,277,500	11,979,529	12,752,500
Licenses & Permits					
Taxi Cab Permits	5,910	3,955	5,500	3,645	5,000
Building Permits	110,990	43,433	37,500	94,913	42,500
Electrical Permits	6,080	1,991	2,000	6,262	4,000
Plumbing Permits	5,459	2,303	2,000	6,013	2,000
Animal Licenses	7,210	7,817	5,000	7,633	5,000
Other Licenses	120	100	300	105	300
Total Licenses & Permits	135,769	59,599	52,300	118,571	58,800
Intergovernmental Sources					
PERS State Revenues	2,434,826	319,133	1,323,556	256,788	325,000
PILOT From KIHA	4,190	5,398	3,500	6,416	3,500
State of Alaska Revenue Sharing	397,792	377,926	249,635	249,981	109,300
Raw Fish Tax Sharing	1,164,404	1,021,500	1,025,000	525,670	525,000
Shared Fisheries Business Tax	90,093	88,138	135,240	126,865	74,000
Fuel Tax Sharing	11,186	7,663	5,000	6,417	5,000
Alcohol Beverage Sharing	28,300	23,100	20,000	18,700	20,000
Utility Revenue Sharing	89,973	45,637	45,000	44,152	45,000
State Marijuana license fees	-	-	-	500	-
Grants	23,812	24,486	25,000	13,382	10,000
Total Intergovernmental Sources	4,244,576	1,912,981	2,831,931	1,248,871	1,116,800
Charges for Services					
Police - Boarding of Prisoners	1,240,018	991,552	991,552	991,851	991,552
State Trooper Comm. Contract	78,750	78,750	78,750	78,750	78,750
Police - Other Police Services	2,604	1,423	5,000	13,970	5,000
Police Protective Custody	150	1,350	2,000	1,800	2,000
KIB - Borough Animal Control	109,415	109,415	109,415	109,415	109,415
KIB - Borough Building Inspect.	113,849	147,490	120,000	76,633	120,000
Fire - Ambulance Service	220,140	214,958	200,000	244,149	200,000
Fire Miscellaneous	1,230	1,560	2,000	1,560	2,000
Parks - School Lifeguard Services	17,068	16,433	15,000	17,193	15,000
Parks - Swimming Pool	44,727	43,581	45,000	44,077	45,000
Parks - Adult Sports	29,156	23,509	25,000	33,180	25,000
Parks - Youth Program	14,480	14,884	20,000	18,340	20,000
Parks - Special Events	-	1,585	1,000	1,585	1,000
Parks - Ice Rink	3,122	8,330	7,000	6,086	7,000
Parks - Teen Center	5,063	6,859	5,500	9,884	5,500
Parks - Racquetball	1,836	-	-	-	-
Parks - Snack Bar	918	-	-	-	-
Parks - Cemetery Charges	8,750	5,050	5,000	13,950	5,000
Library - Borough Library Contribution	3,000	3,000	3,000	3,000	3,000
Library - Fines	5,895	7,993	5,500	8,968	5,500
Library - Lost Books	2,478	1,529	1,400	1,200	1,400
Library - Copier	7,353	9,155	6,000	7,529	6,000
Library - Fax Machine	1,672	2,073	1,500	2,135	1,500
Library - Other	\$ 2,042	\$ 4,171	\$ 900	\$ 3,556	\$ 900



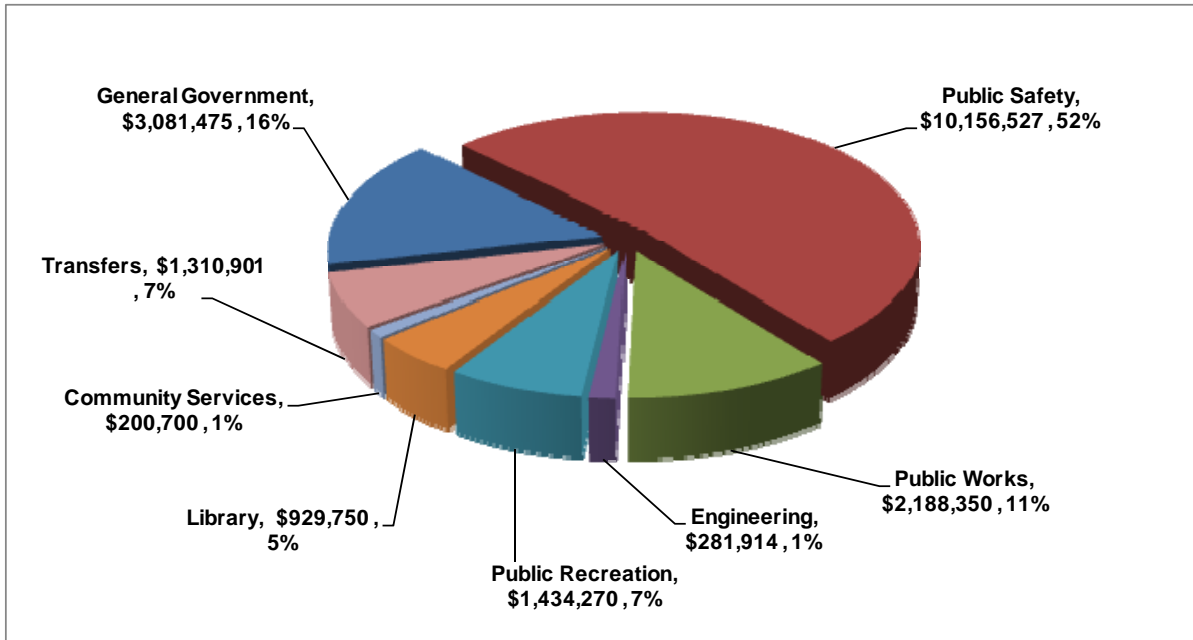
GENERAL FUND – DETAIL OF REVENUE BY SOURCE continued

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Charges for Services continued					
Public Works - Services	\$ 200	\$ -	\$ 500	\$ 1,005	\$ 500
Mun. Airport Fees/Charges	9,781	10,525	10,000	10,021	10,000
NSF Check Returns	200	75	200	435	200
Total Charges for Services	1,923,897	1,705,250	1,661,217	1,700,272	1,661,217
Fines & Forfeitures					
Fines and Forfeitures	14,739	3,382	15,000	1,675	10,000
Total Fines & Forfeitures	14,739	3,382	15,000	1,675	10,000
Net Investment Income					
Interest on Investments	12,472	18,941	10,000	24,762	15,000
Net Realized and Unrealized Gain / Loss on Investments	3,445	1,232	-	(5,036)	-
Total Net Investment Income	15,917	20,173	10,000	19,726	15,000
Rents & Royalties					
Rentals From Others	199,411	148,269	230,000	127,238	175,000
Total Rents & Royalties	199,411	148,269	230,000	127,238	175,000
Miscellaneous Revenues					
Restitution - Police Dept	987	-	1,000	-	1,000
Sales of Fixed Assets	-	-	6,000	-	6,000
Other Revenues	8,412	37,516	15,000	7,434	15,000
Discounts Received	-	323,680	169,140	169,140	-
Total Miscellaneous Revenues	9,399	361,196	191,140	176,574	22,000
Interfund Charges					
Cargo Terminal Services	58,039	86,996	104,562	104,561	111,574
Boat Harbor Services	183,554	211,466	240,662	240,662	240,597
Boat Yard	49,585	59,651	74,031	74,032	69,151
Electric	29,347	38,864	46,990	46,990	46,760
Water Services	163,520	253,506	380,065	380,064	340,092
Sewer Services	182,378	268,048	404,098	404,099	349,830
Trident Basin - Sea Planes	7,818	8,601	7,451	7,451	7,495
Tourism Development Service	45,150	45,150	45,150	45,150	45,150
Public Works Services	53,944	63,464	59,375	59,376	62,793
Vehicle Replacement Fund	98,574	174,663	203,594	217,288	260,901
Total Interfund Charges	871,909	1,210,409	1,565,978	1,579,673	1,534,343
Appropriation (To) From					
Fund Balance	-	-	(86,332)	-	2,238,227
Other Finance Sources					
Proceeds from bond refunding	-	-	-	6,368,811	-
Premium on bond refunding	-	-	-	389,398	-
Total Other Financing Sources	-	-	-	6,758,209	-
Total Revenue	\$20,111,889	\$17,850,714	\$19,748,734	\$23,710,338	\$19,583,887



General Fund – Fiscal Year 2018 Budgeted Expenditures by Function

The graph below depicts Fiscal Year 2018 Expenditures by Function.



Expenditures by Function

General Government: Executive, Legal and Legislative, City Clerk, Finance, and Nondepartmental

Executive – The Executive function implements policies established by the City Council, administers quality cost effective services to the residents of the City of Kodiak, monitors the effectiveness of all City operations, exercises custodianship of the City’s property, and ensures adequate emergency services response. Executive expenditures include salaries and wages, employee benefits, professional services, contributions, support goods and services, and capital outlays.

Legal and Legislative – Legal and Legislative encompasses the mayor, city council, and city attorney. The mayor and city council are elected by the citizens of Kodiak to protect and improve the quality of life for City residents by adopting policies that reflect the needs and desires of the majority of the citizens living within the City. The city attorney is appointed by the city council. The city attorney provides legal services for the City and advises the city council, city manager, and all department directors on matters and procedures that must be in conformity with the law. Legal and legislative expenditures include salaries and wages, employee benefits, professional services, contributions, support goods and services, and capital outlays.

City Clerk – The City Clerk is appointed by the city council for an indefinite term. The city clerk conducts municipal elections; records, maintains, and preserves City records; ensures the City’s legislative processes are open and public; provides a link between constituents and government; attests to City documents; and codifies the City Code. City clerk expenditures include salaries and wages, employee benefits, professional services, support goods and services, and capital outlays.

Finance – The Finance department ensures that all financial transactions are processed and recorded in a timely manner, promotes sound financial management techniques, and adheres to Generally Accepted Accounting Principles. The finance department ensures that all utility accounts are billed accurately and timely. Finance department expenditures include salaries and wages, employee benefits, professional services, support goods and services, and capital outlays.



Expenditures by Function continued

General Government: Executive, Legal and Legislative, City Clerk, Finance, and Nondepartmental continued

Non-departmental – Non-departmental expenditures are general administrative expenditures that are not classified within a single City department. These expenditures include professional services, contributions, support goods and services, administrative services, and capital outlays.

Public Safety: Information Systems, Police, and Fire

Information Systems – The Information Systems department is a division of the finance department and responsible for the administration and operations of the City's computers, networking, and communications systems. Information systems expenditures include salaries and wages, employee benefits, professional services, support goods and services, and capital outlays.

Police – The Police department provides services to promote a safe and secure community, enabling citizens to enjoy a life without fear of crime or victimization. Police department expenditures include salaries and wages, employee benefits, professional services, support goods and services, public utility service, other administrative expenditures, capital outlays, and interest expense on general obligation bonds. General obligation bonds are discussed in further detail in the Debt Service section located on pages 181-188.

Fire – The Fire department ensures that the fire code is enforced and provides safety to the citizens of Kodiak through emergency services, ambulance services, fire suppression, emergency medical services, hazardous materials services, rescue services, and conducts fire / EMS training and public education. Fire department expenditures include salaries and wages, employee benefits, professional services, support goods and services, public utility services, other administrative services, and capital outlays.

Public Works:

Public Works – The Public Works department ensures that all city vehicles are appropriately serviced and maintained, repairs and maintenance of city streets, performs building inspections, and maintains the municipal airport facilities. Public Works department expenditures include salaries and wages, employee benefits, professional services, support goods and services, public utility services, other administrative services, and capital outlays.

Engineering:

Engineering – The Engineering department performs engineering studies and designs for all other City departments. The Engineering department provides engineering advice regarding the City's facilities and projects, prepares bid documents, provides bidding and contract management services, assists in the selection of architectural and engineering professional consultants, inspects and reviews the work of contractors, maintains the City's standard construction specifications, inspects private construction on public rights-of-way, and provides the public with information regarding the City's projects. Engineering department expenditures include salaries and wages, employee benefits, professional services, support goods and services, and capital outlays. As the engineering department assists with projects within other City departments, these expenses are allocated to the appropriate departments.

Public Recreation: Parks and Recreation

Parks and Recreation – The Parks and Recreation department includes all city parks, leisure activities and facilities, and cemeteries. Parks and Recreation department expenditures include salaries and wages, employee benefits, professional services, contributions, support goods and services, public utility services, other administrative services, and capital outlays.



Expenditures by Function continued

Library:

Library – The Library department encompasses all library programs and services, including the informational, recreational, educational, and cultural resources to support the citizens of Kodiak. Library expenditures include salaries and wages, employee benefits, professional services, support goods and services, public utility services, and capital outlays.

Community Services: Downtown Revitalization and Contributions

Downtown Revitalization – Downtown revitalization ensures that the downtown areas are properly maintained, providing for safe and useful space to the citizens of Kodiak. Downtown revitalization expenditures include professional services, support goods and services, and public utility services.

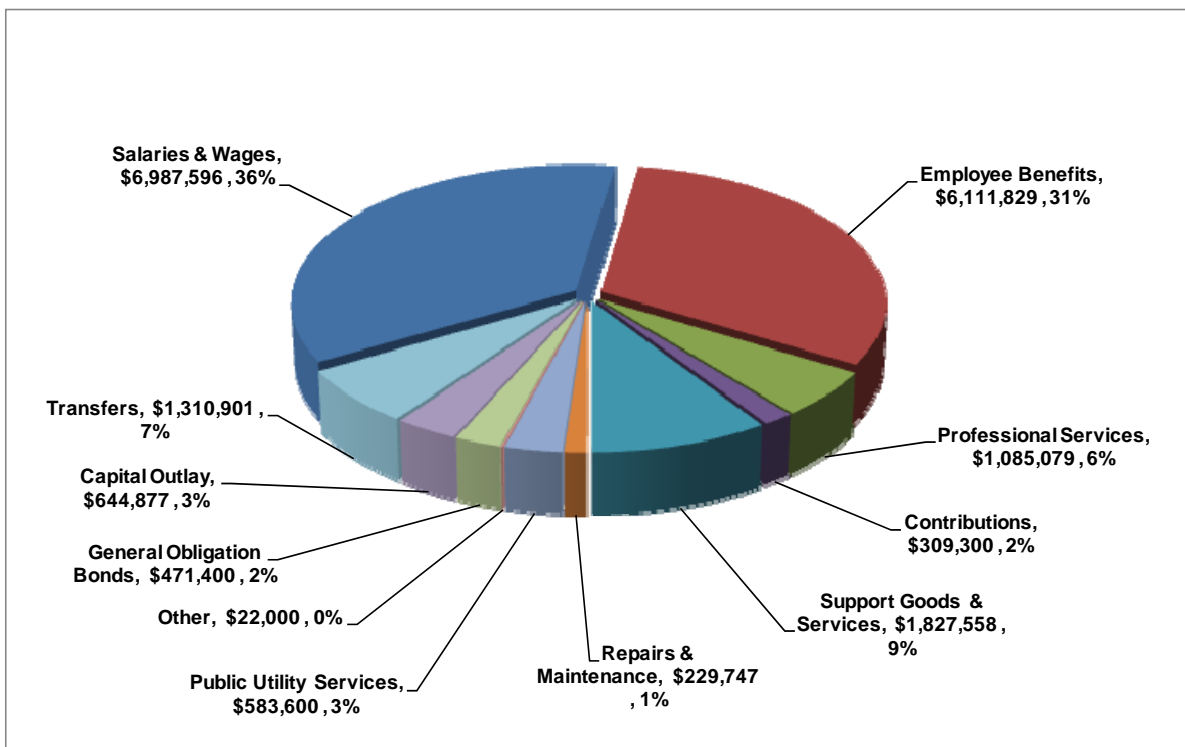
Contributions – Contributions consist of nonprofit grants awarded by the City. Expenditures for contributions include these nonprofit grant awards.

Other Financing Uses: Transfers

Transfers – These represent the transfer of monies between funds to pay expenses.

General Fund – Expenditures by Classification

Each city department will have expenditures grouped by specific classifications. These classifications include salaries and wages, employee benefits, professional services, contributions, support goods and services, public utility services, other administrative expenses including allocated expenses and interest expense on general obligation bonds, and capital outlays. Shown below is a graph of the City’s budgeted expenditures by classification for fiscal year 2018:





Expenditures by Classification:

Salaries and Wages:

Salaries and wages includes all compensation paid to City employees for salaries, hourly wages, overtime, temporary wages, holiday wages, sick leave, and annual leave.

Employee Benefits:

Employee benefits are non-wage and non-salary compensation provided to City employees in addition to their normal compensation. Employee benefits include insurance, payroll taxes, retirement contributions, unemployment compensation, and workers' compensation.

Professional Services:

Professional services are fees paid to third-party consultants and tertiary business to provide support services for the City. Professional services expenses include janitorial services, audit services, consulting services, legal services, and various other sources.

Contributions:

Contributions are payments made by the City to nonprofit organizations. Contributions made each year include nonprofit grant applications, annual performance contracts, and other contributions made by specific departments.

Support Goods and Services:

Support goods and services are expenditures made to support the administrative functions of each City function to provide goods and services to the public. Support goods and services include communications, advertising, dues and subscriptions, training, travel, supplies, and equipment rentals.

Repairs and maintenance:

Repairs and maintenance are expenditures incurred to keep all City equipment, vehicles, roads, buildings, and other infrastructure at the present operating conditions.

Other Expenditures: Public Utility Services, Interest Expense on Bonds, Allocated Expenses, and Other

Public Utility Services – Public utility services are fees paid for public utilities. Public utilities include electric, fuel, heating oil, garbage services, and other miscellaneous utilities.

Interest Expense – The City has one general obligation bond (“2008 Series One Bond”) for the Public Safety building. Interest and principal payments are made annually based on the original terms of the 2008 Series One Bond. For further information related to the City’s bonds and debt service requirements, see pages 181-188.

Allocated Expenses – Allocated expenses apply to specific City functions that support other City-wide departments. As these departments assist with projects within other City departments, expenses are allocated to the appropriate departments.

Other – Other expenditures are generally miscellaneous and administrative in nature. Other expenditures include administrative costs and other miscellaneous items.

Capital Outlay:

Capital outlays are expenditures for improving, acquiring, or extending the use of existing fixed assets.

Other Financing Uses: Transfers

Transfers – These represent the transfer of monies between funds to pay expenses.



GENERAL FUND – EXPENDITURES BY FUNCTION

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
General Government					
Salaries and wages	\$ 680,259	\$ 914,056	\$ 1,105,519	\$ 993,656	\$ 1,166,789
Employee benefits	670,950	499,185	806,869	601,238	900,124
Professional services	415,012	366,230	497,435	432,610	347,439
Contributions	9,881	36,663	53,900	30,657	53,900
Support goods and services	646,501	582,704	677,987	605,948	574,238
Repairs and maintenance	515	-	3,900	3,103	1,500
Public utility services	25,275	14,564	26,000	7,672	26,000
Other	-	3,122	1,000	1,568	1,000
Capital Outlay	14,218	20,040	14,785	12,597	10,485
Total General Government	2,462,611	2,436,564	3,187,395	2,689,049	3,081,475
Public Safety					
Salaries and wages	3,515,712	3,526,086	4,003,770	3,740,808	3,960,142
Employee benefits	3,714,361	2,190,168	3,652,365	2,659,108	3,669,651
Professional services	617,231	576,793	509,000	444,526	609,960
Support goods and services	354,225	411,374	604,927	559,795	695,922
Repairs and maintenance	139,260	50,406	60,397	44,108	60,447
Public utility services	174,833	158,749	184,000	164,351	184,000
Other	19,542	20,630	20,500	19,166	20,500
Capital Outlay	185,035	267,329	534,865	516,198	484,505
Bond principal	185,000	195,000	205,000	205,000	215,000
Bond interest	346,240	336,990	327,240	316,548	256,400
Total Public Safety	9,251,439	7,733,525	10,102,064	8,669,608	10,156,527
Public Works					
Salaries and wages	562,121	590,989	657,038	504,973	703,522
Employee benefits	700,682	375,927	638,936	432,777	683,276
Professional services	17,207	6,293	17,000	13,607	16,500
Support goods and services	273,375	147,999	315,688	144,664	330,238
Repairs and maintenance	92,983	87,380	129,600	115,760	124,300
Public utility services	177,043	182,448	210,600	184,914	200,600
Other	12,360	4,860	-	-	-
Capital Outlay	349,344	403,640	238,799	240,022	129,914
Total Public Works	2,185,115	1,799,536	2,207,661	1,636,717	2,188,350
Engineering					
Salaries and wages	141,089	140,660	169,488	131,776	173,343
Employee benefits	157,832	90,743	149,663	103,785	157,571
Professional services	18,450	681	20,000	9,270	12,500
Support goods and services	9,197	9,873	15,000	8,758	14,000
Repairs and maintenance	2,378	2,516	6,300	2,595	4,500
Capital Outlay	2,468	-	-	-	-
Allocated Expenses	(86,447)	(79,246)	(80,000)	(43,072)	(80,000)
Total Engineering	\$ 244,967	\$ 165,227	\$ 280,451	\$ 213,112	\$ 281,914



GENERAL FUND – EXPENDITURES BY FUNCTION continued

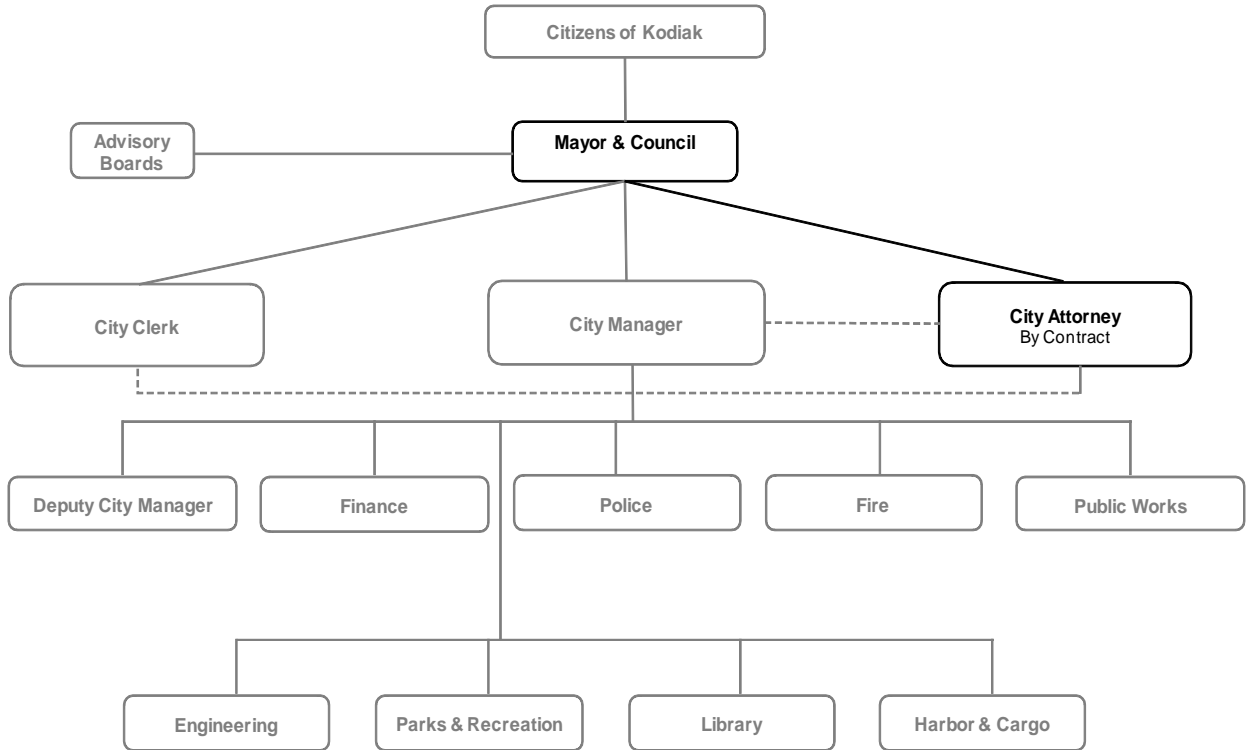
	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Public Recreation					
Salaries and wages	\$ 608,472	\$ 569,197	\$ 659,109	\$ 602,772	\$ 661,549
Employee benefits	352,501	251,932	392,961	301,815	378,718
Professional services	32,189	36,690	40,680	43,308	40,680
Contributions	90,000	93,650	94,700	94,700	94,700
Support goods and services	106,689	106,566	99,000	97,422	111,150
Repairs and maintenance	34,348	30,371	21,500	25,916	24,000
Public utility services	99,189	97,986	102,000	92,588	103,000
Other	783	-	500	50	500
Capital Outlay	10,519	63,924	103,257	109,892	19,973
Total Public Recreation	<u>1,334,690</u>	<u>1,250,316</u>	<u>1,513,707</u>	<u>1,368,463</u>	<u>1,434,270</u>
Library					
Salaries and wages	401,455	400,152	456,853	367,464	402,251
Employee benefits	365,957	171,384	312,569	163,062	322,489
Professional services	36,576	40,340	52,950	51,386	45,000
Support goods and services	40,248	48,700	41,410	57,300	47,410
Repairs and maintenance	1,346	5,254	15,000	15,925	15,000
Public utility services	42,779	43,487	50,000	44,985	45,000
Books and materials	45,918	49,428	58,070	53,773	52,600
Capital Outlay	769	5,129	1,500	1,366	-
Total Library	<u>935,048</u>	<u>763,874</u>	<u>988,352</u>	<u>755,261</u>	<u>929,750</u>
Community Services					
Professional services	10,972	6,378	13,000	7,640	13,000
Contributions	168,098	149,900	184,500	184,500	160,700
Support goods and services	-	398	2,000	511	2,000
Public utility services	29,792	29,937	25,000	30,715	25,000
Total Community Services	<u>208,862</u>	<u>186,613</u>	<u>224,500</u>	<u>223,366</u>	<u>200,700</u>
Other Financing Uses					
Bond refunding escrow agent	-	-	-	6,682,661	-
Bond refunding issuance costs	-	-	-	78,223	-
Operating Transfers Out	1,992,355	4,920,949	1,244,604	1,258,298	1,310,901
Total Other Financing Uses	<u>1,992,355</u>	<u>4,920,949</u>	<u>1,244,604</u>	<u>8,019,182</u>	<u>1,310,901</u>
Total Expenditures	<u>\$ 18,615,087</u>	<u>\$ 19,256,604</u>	<u>\$ 19,748,734</u>	<u>\$ 23,574,758</u>	<u>\$ 19,583,887</u>



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GENERAL FUND DEPARTMENTAL BUDGETS





GENERAL FUND – LEGISLATIVE / LEGAL-CITY COUNCIL

Departmental Vision

The Mayor and City Council protect and improve the quality of life for City residents by adopting policies that reflects the needs and desires of the majority of citizens living within the City. They assume a leadership role in regional issues of primary importance to the City of Kodiak.

Program Description

In 1965, the voters within the City of Kodiak adopted a City Charter that established a Council-Manager form of government. This form of government combines the abilities of a professionally trained, full-time, manager with the City Council to enhance the safety, livability, and prosperity of the community. The City Manager is hired by the City Council.

The City Council is a body of six individuals, elected at-large by the citizens of the City of Kodiak. The City Council establishes policy for the City and its citizens. The City Mayor is also elected at-large by the citizens of the City of Kodiak. The City Mayor presides at all meetings and work sessions of the City Council. The City Mayor certifies the passage of ordinances and resolutions of the City Council, signs all approved City Council meeting minutes, and issues proclamations on behalf of the City. The City Mayor has the power to veto ordinances and resolutions. In the instance of a three-three tie vote of the City Council, the City Mayor casts the deciding vote.

Goals and Objectives

Goal: To appoint and remove, as necessary, the City Manager, City Clerk, and City Attorney

Objective: To maintain the level of qualified professionals who provide services to the City Council and the City of Kodiak.

Goal: To ensure funding levels that reflects the priorities of the residents of the City of Kodiak.

Objective: To adopt the fiscal year 2018 budget by June 30 and supplemental budget adjustments as needed.

Significant Budget Changes and Accomplishments

Significant Budget Changes: In comparison to the prior fiscal year, Fiscal Year 2018 reduced the total department by 1.66%. These reductions include a 3.02% reduction for Professional Services for the Fisheries Analyst contract and a 1.16% reduction for Council and Mayor travel and training conferences.

Accomplishments: The Council and Mayor continued community outreach committees including the Economic Development committee, the Fisheries Workgroup with the Kodiak Island Borough, Downtown Revitalization committee, and various constituent groups regarding continued budget discussions and City long-range plans.

For fiscal year 2017, this department's actual expenses were 16.84% less than the budgeted amount due to decreased travel and training by the City Council and Mayor.

Planned Accomplishments for Fiscal Year 2018

- To ensure funding levels that reflects the priorities of the residents in the City of Kodiak.
- To monitor policy implementation by examining outcome statistics and financial records.
- To maintain services to the residents of the City of Kodiak.
- To provide City Council involvement in fisheries issues and statewide issues
- To review Citywide policies regarding nonprofit funding



GENERAL FUND – LEGISLATIVE / LEGAL-CITY COUNCIL

FUND: General
FUNCTION: General Government

DEPARTMENT: Legislative
COST CENTER: Legislative

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 33,025	\$ 38,825	\$ 42,900	\$ 38,825	\$ 42,900
Employee Benefits	5,763	4,641	7,431	4,589	7,431
Professional Services	107,139	105,042	115,935	107,980	112,439
Contributions	9,281	11,683	8,300	9,306	8,300
Support Goods & Services	80,789	79,009	112,180	79,144	93,680
Capital Outlay	699	1,303	1,658	-	1,658
Total Expenditures	\$ 236,696	\$ 240,503	\$ 288,404	\$ 239,844	\$ 266,408

Elected Officials

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Mayor	1	1	1	1
Council Members	6	6	6	6
Total	7	7	7	7

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Council Meetings	22	24	25	24
Work Sessions	23	26	26	25
Ordinances Effected	17	11	14	14
Resolutions Adopted	30	37	40	35



GENERAL FUND – LEGISLATIVE / LEGAL-LEGAL SERVICE

Departmental Vision

The City Attorney provides professional legal services and assistance to the City of Kodiak. In addition, the City Attorney prosecutes and defends the City of Kodiak's interests in court actions.

Program Description

The City Attorney is under contract with the City of Kodiak. The City Attorney provides legal services to the City of Kodiak through the City Manager. The City Attorney provides services in the form of legal counsel and advice regarding procedural matters. The City Attorney is responsible for prosecuting all actions and represents the City in lawsuits brought by or against the City. The City Attorney is also responsible for reviewing or preparing contract documents and reviewing resolutions and ordinances presented to the City Council for consideration. The City also relies on the services of personnel attorneys to provide needed legal advice on all labor and personnel related matters.

Goals and Objectives

Goal: To ensure that the actions taken by the City are consistent with federal, state, and local laws and regulations and to maintain the highest professional standards.

Objective: To use appropriate legal counsel to ensure the City uses the best practices and avoids unnecessary litigation.

Significant Budget Changes and Accomplishments

Significant Changes: The City is currently undergoing soliciting proposals for City attorneys. Due to a change in legal firms and pending litigation that is expected to close during fiscal year 2018, the legal budget has decreased by 25% for fiscal year 2018.

Accomplishments: The City successfully defended various lawsuits throughout fiscal year 2017.

Planned Accomplishments for Fiscal Year 2018

- To provide expert legal counseling to the City Manager in a timely manner.
- To prosecute actions and defend the City of Kodiak in state and federal courts.
- To ensure the City of Kodiak's interest are protected within its regional environment.



GENERAL FUND – LEGISLATIVE / LEGAL-LEGAL SERVICE

FUND: General
FUNCTION: General Government

DEPARTMENT: Legislative
COST CENTER: Legal

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Professional Services	\$ 57,350	\$ 141,453	\$ 200,000	\$ 219,778	\$ 75,000
Total Expenditures	\$ 57,350	\$ 141,453	\$ 200,000	\$ 219,778	\$ 75,000

Personnel

Number of Employees

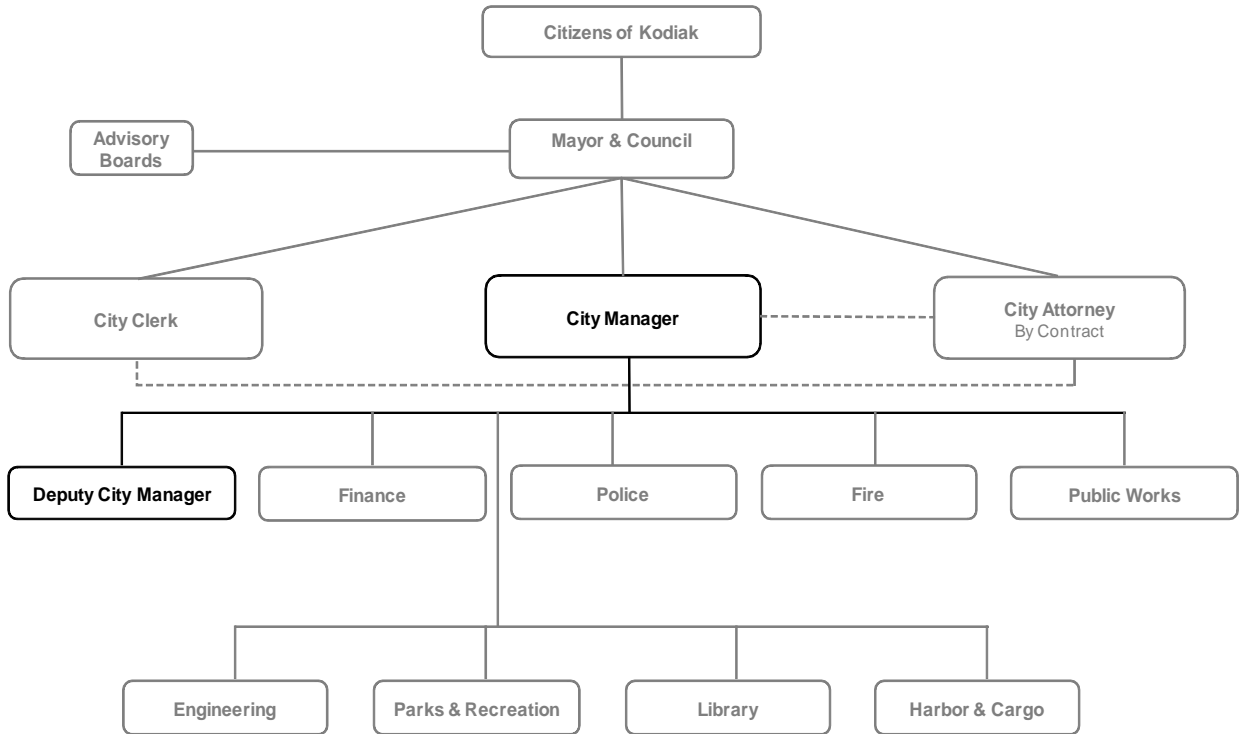
	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0



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**GENERAL FUND
DEPARTMENTAL BUDGETS**





GENERAL FUND – EXECUTIVE-ADMINISTRATION

Departmental Vision

To implement all laws and ordinances, to implement policies established by the City Council, and to administer quality cost effective services to the residents of the City of Kodiak. To implement all of the duties defined in the City of Kodiak Code 2.08.060. To monitor the effectiveness of all City operations and to exercise custodianship of City property. To manage personnel.

Program Description

The City Manager is the chief administrative officer and head of the City government. The City Manager is responsible for the executive of city laws and the administration of the City of Kodiak. The City Manager currently serves as at the city's Personnel Director and responsible for oversight of all personnel matters. The City Manager is responsible for developing the annual budget, submitting the annual budget to the City Council, and administering the annual budget after it is approved. The City Manager ensures City representation and community outreach through membership and participation in the following boards: Chamber of Commerce Board, Kodiak Fisheries Advisory Committee, and Kodiak Regional Workforce Advisory Council.

Goals and Objectives

Goal: To provide professional and consistent management and oversight for the City of Kodiak, its departments, and its residents.

Objective: To maintain and, when needed, to improve services to all City of Kodiak residents and to ensure Kodiak remains a viable community.

Significant Budget Changes and Accomplishments

Significant Changes: The City Administration department reduced the FY 2018 budget for professional services by 42.86%. The department also added one position for the citywide Human Resources manager which accounted for the increase in salaries and wages and related employee benefits.

Accomplishments: For fiscal year 2017, the executive administration department actual expenses were 17.80% less than budgeted. This was due to fewer professional services contracts implemented throughout the fiscal year.

The City Manager used less fund balance in the General Fund than anticipated for FY 2017; assisted in the development of the Long Term Capital Plan; ensured the availability of resources through the application and administration of state and federal grants; and continued to work with City Council to establish a fiscal plan to fully address revenue shortfalls and prepare implementation of the 5-year capital improvement plan.

Planned Accomplishments for Fiscal Year 2018

- To administer government of the City of Kodiak and policies of the City Council to provide residents with equal access to City services and promote the well being of citizens.
- To manage the budget to be consistent with City Council budget goals and to provide optimum services.
- To revise the City's Personnel Rules and Regulations to ensure compliance with state and federal personnel laws and best practices.
- To provide management direction and oversight to the City's departments and operations.
- To manage the City's active capital projects to ensure completion on time and within budget
- To seek out and secure federal and state assistance to fund new and ongoing capital projects
- To finish developing and to implement the capital improvement program.
- To assist the Mayor in the Downtown Revitalization plan



GENERAL FUND – EXECUTIVE-ADMINISTRATION

FUND: General
FUNCTION: General Government

DEPARTMENT: Executive
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 184,391	\$ 294,720	\$ 418,890	\$ 369,012	\$ 424,333
Employee Benefits	178,027	168,198	263,986	207,123	345,731
Professional Services	4,818	21,351	30,000	47	20,000
Contributions	600	600	600	600	600
Support Goods & Services	22,259	20,513	30,600	33,140	30,500
Repairs & Maintenance	-	-	2,400	2,400	-
Capital Outlay	10,331	8,526	9,127	8,821	6,527
Total Expenditures	\$ 400,426	\$ 513,908	\$ 755,603	\$ 621,143	\$ 827,691

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
City Manager	1	1	1	1
Deputy City Manager	1	1	1	1
Human Resources Manager	0	0	1	1
Administrative Assistant	1	1	1	1
Total	3	3	4	4

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Fund Balances in line with Council Goals	Yes	Yes	Yes	Yes
Successful Completion of Capital Projects	Yes	Yes	Yes	Yes
Successful Management of Grants	Yes	Yes	Yes	Yes
Number of Staff Meetings	34	31	29	20
Number of Staff Turn Over	17	29	55	30
Number of FTEs	126.15	128.15	129.15	129.15
Number of Community Outreach Meetings	40	45	45	50



GENERAL FUND – EXECUTIVE-EMERGENCY PREPAREDNESS

Departmental Vision

To provide direction and management of the Kodiak Emergency Services Organization and Emergency Services Council in a manner that, to the extent possible, will: prevent disasters; reduce the vulnerability of Kodiak Island residents to any disasters that cannot be prevented; establish capabilities for protecting citizens from the effects of disasters; respond effectively to the actual occurrence of disasters; provide for recovery in the aftermath of any emergency involving extensive damage or other debilitating influence on the normal pattern of life.

Program Description

The City Manager serves as the Emergency Services Director for the Kodiak Island Borough for the Emergency Preparedness program and is responsible for the management of the local emergency services organization and training of its members for optimum response. The Emergency Preparedness program provides for the direction, professional management, and general administration of the Kodiak Emergency Services Organization and Emergency Services Council as well as the Kodiak Island Borough's Local Emergency Planning Committee (LEPC). The areas of concentration include education, planning, training, hazard identification, and exercises.

Goals and Objectives

Goal: To be prepared with a trained Incident Management team to respond to emergency incidents.

Objective: Successful collaboration with all agencies through the emergency operations center for a positive outcome.

Significant Budget Changes and Accomplishments

Significant Changes: The FY 2018 budget was exactly the same as FY 2017.

Accomplishments: For fiscal year 2017, this department's actual expenses were 39.06% less than the budgeted amount due to a decrease in executed professional services contracts and decreased spending in support goods and services.

The Emergency Preparedness department As Emergency Services Director, the City Manager continued annual assessment of warning sirens and maintenance performed as needed; and ensured, through exercises and reviews a well-planned, comprehensive, citywide approach to solving community safety issues in relation to disaster situations. The City provided National Incident Management System (NIMS) Incident Command Systems training to the City and to the Kodiak Island Borough staff to ensure that all team members were current in position-specific ongoing training in preparation for Alaska Shield. As Emergency Services Director, the City Manager worked to identify Incident Management Team members due to the loss of several trained positions; and completed the update of the Emergency Operations Plan. In conjunction with the state, the City Manager developed and trained annex to the Emergency Operations Plan covering the State Health Department Point of Dispensing Plan.

Planned Accomplishments for Fiscal Year 2018

- To educate Kodiak area residents about potential hazards and proper course of action.
- To organize and conduct meetings of the Emergency Services organization and to implement the Emergency Operations Plan in accordance with state and federal guidelines.
- To participate in regularly scheduled emergency preparedness training by the Incident Management Team and City of Kodiak staff
- To participate in exercises in accordance with state and federal guidelines
- To increase the depth of qualified Incident Management Team members
- To actively administer local emergency response organization, to ensure adequate training for responder, and to provide all hazards outreach and education to the public.



GENERAL FUND – EXECUTIVE-EMERGENCY PREPAREDNESS

FUND: General
FUNCTION: General Government

DEPARTMENT: Executive
COST CENTER: Emergency Preparedness

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Professional Services	\$ 2,168	\$ 1,541	\$ 15,000	\$ 6,223	\$ 15,000
Support Goods & Services	30,005	19,081	23,000	16,934	23,000
Total Expenditures	\$ 32,173	\$ 20,622	\$ 38,000	\$ 23,157	\$ 38,000

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
ESO/LEPC Meetings *	4	4	4	4
ESC Meetings **	4	2	2	4
EOP Revisions/Updates ***	2	1	1	0
Training Programs	5	10	10	12
Exercise Programs	2	3	2	2
Emergency Events	1	1	1	1
Tsunami Siren Tests	52	52	52	52
Incident Management Team/Working Group	4	8	4	6

* ESO/LEPC Emergency Services Organization/Local Emergency Planning Committee

** ESC Emergency Services Council

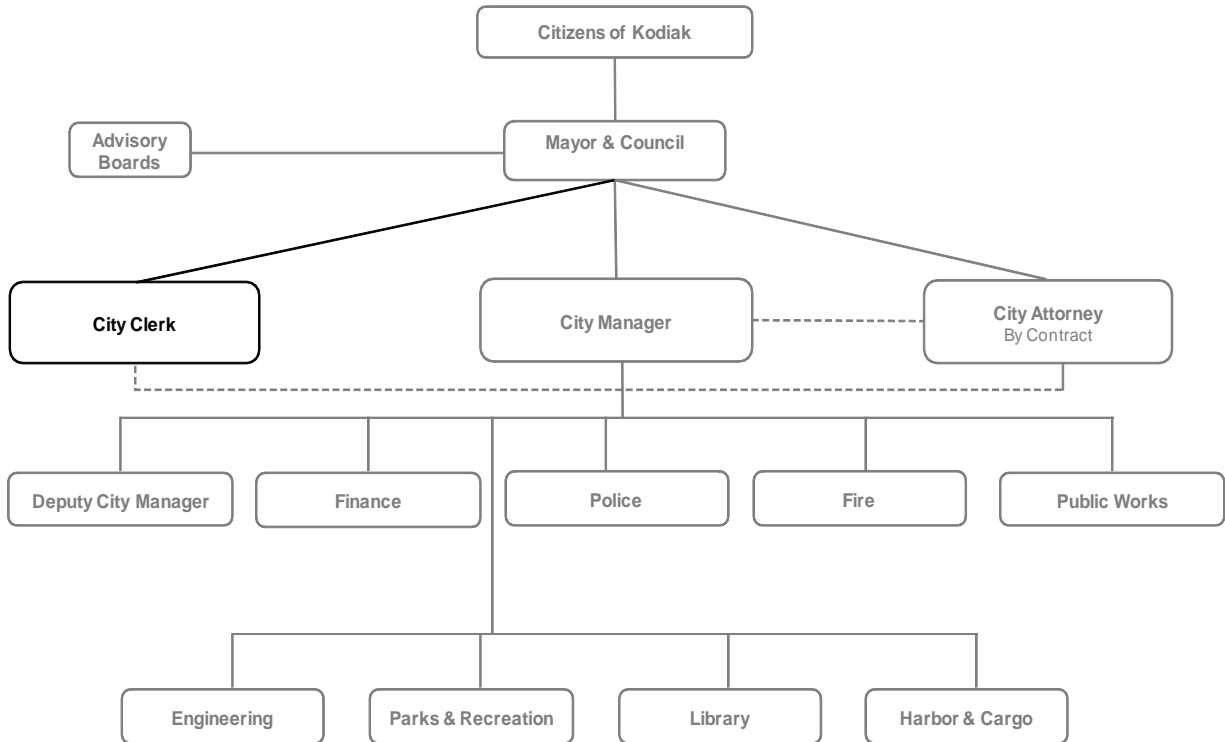
*** EOP Emergency Operations Planning



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**GENERAL FUND
DEPARTMENTAL BUDGETS**





GENERAL FUND – CITY CLERK-ADMINISTRATION

Departmental Vision

The City Clerk-Administration (“Clerk”) provides efficient and effective administrative support to the governing body. The Clerk administers elections according to local, state, and federal statutes. The Clerk provides a uniform method for the management, preservation, retention, and disposal of City records. The Clerk administers certain City contracts. The Clerk provides accurate and timely information on City Council actions and City services to the public. The Clerk increases accessibility of public documents via the internet.

Program Description

The City Clerk’s office is comprised of the City Clerk, the Deputy City Clerk, and City Clerk Administrative Assistant. The City Clerk serves as the Clerk of the City Council. The City Clerk provides public access to City records, administration to the City Council, and the administration of the policy-making process. The City Clerk directs the City’s records management program. The City Clerk provides contract administration. The City Clerk codifies the City Code. The City Clerk preserves the legislative history of the City. The City Clerk serves as the custodian of the City Seal and official City documents. The City Clerk serves as a conduit between the City Council, administration, and the public. The City Clerk coordinates City Council meetings and work sessions, produces meeting packets, and provides records of the proceedings. The City Clerk drafts ordinances, resolutions, and contracts. The City Clerk manages municipal elections and voter registration. The City Clerk administers programs assigned by the City Council. The City Clerk issues burial permits and administers City cemetery records. The City Clerk administers public information services.

Goals and Objectives

Goals: To provide accurate and timely services to the City Council.

Objectives: To serve as a conduit between the public and the City Council.

Significant Budget Changes and Accomplishments

Significant Changes: The FY 2018 budget reflects a 100% decrease as compared to FY 2017 in capital outlays. IT and miscellaneous office equipment used for specific needs were either delayed for future budget year(s) or budgeted through specific General Capital Projects for those specific needs.

Accomplishments: For fiscal year 2017, this department’s actual expenses were 14.89% less than the budgeted amount due to staffing vacancies throughout the fiscal year.

The City Clerk Administrative Assistant attended training as part of the Clerk Certification process.

Planned Accomplishments for Fiscal Year 2018

- To perform all duties required by the City Charter, City Code, and State Statutes.
- To administer City of Kodiak elections.
- To coordinate all City Council meetings and provide complete and accurate records of proceedings
- To ensure that ordinances, resolutions, and other actions of the City Council are correct and reflect the intent of the governing body.
- To codify all adopted ordinances and to process and issue City Code supplements to subscribers
- To review and recommend changes to the City Code
- To update the City Clerk’s internet site for providing City of Kodiak forms, adopted legislation, minutes, and other items of interest
- To manage the City of Kodiak’s property leases
- To update the City Code as needed



GENERAL FUND – CITY CLERK-ADMINISTRATION

FUND: General
FUNCTION: General Government

DEPARTMENT: City Clerk
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 144,579	\$ 150,024	\$ 171,486	\$ 153,865	\$ 176,509
Employee Benefits	177,544	85,944	139,604	105,003	146,096
Professional Services	1,233	729	3,000	2,483	3,000
Support Goods & Services	30,751	37,568	33,800	35,100	33,800
Repairs & Maintenance	320	-	500	-	500
Capital Outlay	3,188	-	2,500	2,177	-
Total Expenditures	\$ 357,615	\$ 274,265	\$ 350,890	\$ 298,628	\$ 359,905

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
City Clerk	0.8	0.8	0.8	0.8
Deputy Clerk	0.5	0.5	0.5	0.5
Administrative Assistant	0.5	0.5	0.5	0.5
Total	1.8	1.8	1.8	1.8

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Council Meetings				
97% of minutes approved by Council / no corrections	100%	100%	100%	100%
Post agendas 5 days before meeting	100%	100%	100%	100%
Post agenda packet to Internet 3 days before meeting	100%	100%	100%	100%
Legislative actions posted to the Internet within 24 hours of adoption	100%	100%	100%	100%
Elections				
Petitions packets provided to 100% of eligible candidates	100%	100%	100%	100%
Ballot eligibility determined	100%	100%	100%	100%
Pamphlet created and mailed to registered voter households	100%	100%	100%	100%



GENERAL FUND – CITY CLERK-RECORDS MANAGEMENT

Departmental Vision

To provide a uniform method for the management, preservation, retention, and disposal of City records.

Program Description

The City Clerk is responsible for the citywide records management program. This program is administered by the Deputy City Clerk and City Clerk Administrative Assistant. The records management program defines records, retention of records, and disposition of records for all City departments.

Goals and Objectives

Goal: To maintain a legally defensible records management program.

Objective: To maintain a records retention schedule, monitor compliance with the records retention policies, and ensure eligible records are destroyed in a timely manner.

Significant Budget Changes and Accomplishments

Significant Changes: The FY 2018 budget is comparable to prior fiscal year. The only changes are annual increases for salaries and wages and related employee benefits.

Accomplishments: For fiscal year 2017, this department's actual expenses were 24.98% less than the budgeted amount due to staffing vacancies throughout the fiscal year and closely monitoring expenditures for support goods and services.

Approximately 7,425 records were created in the record management program and all records eligible for destruction were appropriately destroyed. The records manager effectively and efficiently administered the citywide records management program that includes records management framework; employee training and awareness programs; a records management committee, a corporate records inventory; a corporate records retention schedule; and compliance controls. In addition, this department maintained the vital records program; executed off-island data backup and recovery services contract; provided training and implemented Electronic Records Management System usage citywide; and coordinated the approval of the email retention policy.

Planned Accomplishments for Fiscal Year 2018

- To effectively and efficiently administer the citywide records management program that includes records management framework; employee training and awareness programs; a records management committee; a corporate records inventory; a corporate records retention schedule; and compliance controls.
- To monitor the usage Electronic Records Management System citywide
- To redesign the records management website
- To maintain a vital records program
- To administer social media policies
- To maintain off-island data backup and recovery services contract
- To coordinate the email retention policy in conjunction with the IT department's citywide email archival system and Microsoft exchange server implementation



GENERAL FUND – CITY CLERK-RECORDS MANAGEMENT

FUND: General
FUNCTION: General Government

DEPARTMENT: City Clerk
COST CENTER: Records Management

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 79,207	\$ 80,221	\$ 92,340	\$ 80,321	\$ 95,555
Employee Benefits	43,321	42,580	84,816	58,040	89,310
Professional Services	4,105	205	4,000	640	4,000
Support Goods & Services	6,951	4,056	8,250	3,096	8,250
Total Expenditures	\$ 133,584	\$ 127,062	\$ 189,406	\$ 142,097	\$ 197,115

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
City Clerk	0.2	0.2	0.2	0.2
Deputy Clerk	0.5	0.5	0.5	0.5
Administrative Assistant, Full-time	0.5	0.5	0.5	0.5
Total	1.2	1.2	1.2	1.2

Performance Indicators

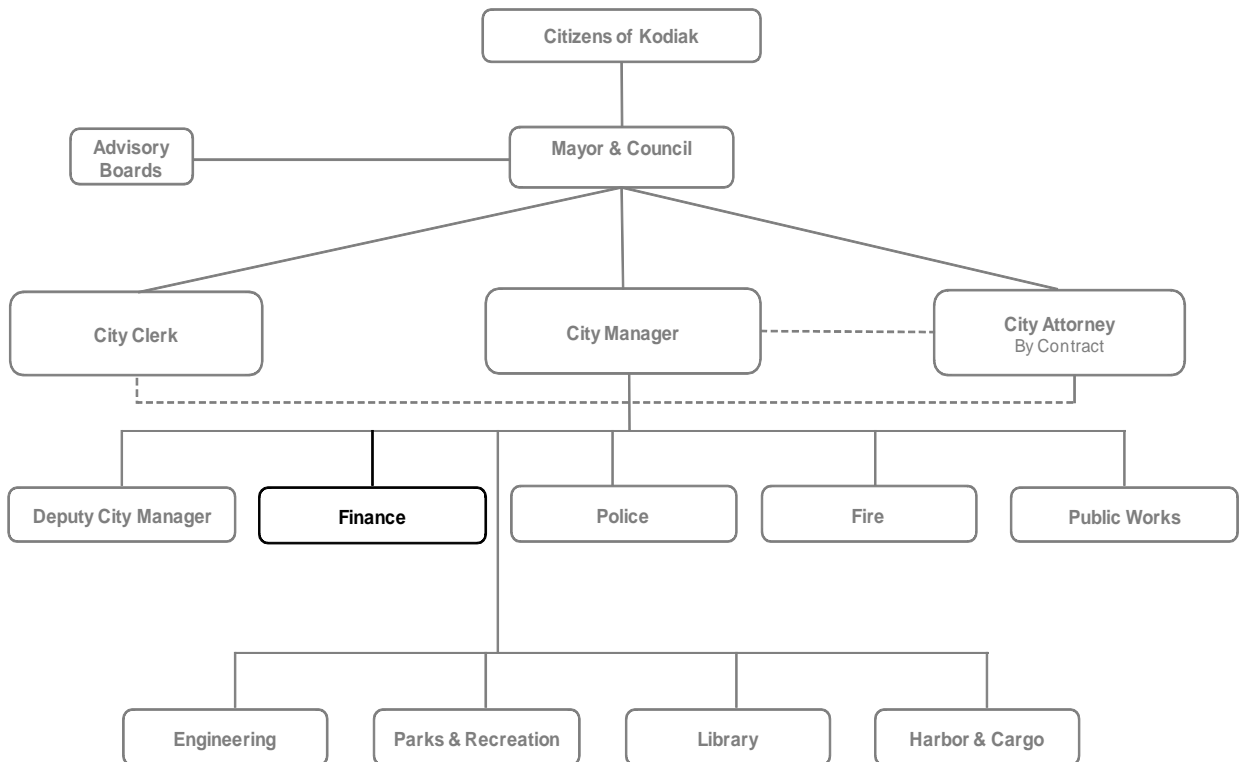
	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Monitor records retention schedule	100%	100%	100%	100%
Provide staff awareness/training to records records coordinators	100%	100%	100%	100%
Meeting of City-wide records management committee bi-annually	100%	100%	100%	100%
Destroy eligible records housed in the Records Center	100%	100%	100%	100%
Relocate pertinent inactive files to Records Center	100%	100%	100%	100%
Respond to Public Records Request within 10 days	100%	100%	99%	98%



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GENERAL FUND DEPARTMENTAL BUDGETS





GENERAL FUND – FINANCE-ADMINISTRATION

Departmental Vision

To ensure all financial transactions are processed and recorded in a timely manner consistent with Generally Accepted Accounting Principles and sound financial management techniques. The finance department continually monitors and evaluates the condition of all City funds and accounts. The Finance Director invests available City funds to provide for high returns on investments while minimizing risks. The finance department continues to improve internal systems to maximize efficiency and deliver quality customer service.

Program Description

The Finance department is responsible for recording and accounting for all financial transactions of the City. These transactions include, but are not limited to, processing payroll, collecting accounts receivable, administering sales tax, processing accounts payable, administering special assessment billing and collections, grants administration, risk management, preparation of the annual budget and annual audit. The Finance Director is responsible for preparing various internal and external financial reports, investing available City funds, and advising management on all aspects of the financial operations of the City.

Goals and Objectives

Goal: To ensure accurate and timely financial reporting for the City of Kodiak in compliance with all regulations.

Objective: To maintain accurate financial statement audits and audits of federal and state awards programs.

Significant Budget Changes and Accomplishments

Significant Changes: As compared to the prior fiscal year, the FY 2018 budget was reduced in professional services by 11.92% and support goods and services by 13.04% due to changes in the city's contracted audit firm and reduced training and travel.

Accomplishments: For fiscal year 2017, this department's actual expenses were 17.32% less than the budgeted amount due to staffing vacancies throughout the fiscal year, a change in the City's audit firm, and reduced training and travel.

The finance department completed the annual audit without management comments. The finance department received the Distinguished Budget Presentation Award for fiscal year 2017 from the Government Finance Officers Association (GFOA) and received a Certificate of Achievement for Excellence in Financial Reporting for the City's fiscal year 2016 Comprehensive Annual Financial Report. The finance department held periodic staff meetings to review policies and procedures and to improve the quality of service delivered to customers.

Planned Accomplishments for Fiscal Year 2018

- To appropriately account for all revenues and expenditures generated during City operations.
- To complete timely and accurate processing of financial transactions.
- To complete the Annual Operating Budget and Comprehensive Annual Financial Report within time constraints
- To perform prudent management of state and federal grant awards
- To maintain a stable and well-trained work force
- To achieve the highest rate of return on invested funds while limited risk and complying with the City Code
- To distribute quarterly updates and annual financial statements timely
- To support financial strategies aimed at enhancing the City's economic base
- To develop and complete the City's Long-Term Capital Plan



GENERAL FUND – FINANCE-ADMINISTRATION

FUND: General
FUNCTION: General Government

DEPARTMENT: Finance
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 225,937	\$ 336,470	\$ 363,925	\$ 337,975	\$ 413,701
Employee Benefits	252,335	188,839	299,513	216,401	291,653
Professional Services	219,582	80,148	96,500	82,239	85,000
Support Goods & Services	23,425	23,711	34,500	20,854	30,000
Repairs & Maintenance	195	-	500	-	500
Capital Outlay	-	1,335	1,500	1,029	2,300
Total Expenditures	\$ 721,474	\$ 630,503	\$ 796,438	\$ 658,498	\$ 823,154

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Finance Director	1	1	1	1
Senior Fiscal Analyst	1	1	1	1
Fiscal Analyst	1	1	1	1
Fiscal Specialist	2	2	2	2
Total	5	5	5	5

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Council financial updates presented within a timely manner	*	*	90%	95%
Completed Budget preparations and document within a timely manner	100%	100%	100%	100%
Grant Reports Submitted Timely	100%	100%	100%	100%
Completed CAFR within 90 days of year end audit	Yes	Yes	Yes	Yes
Completed 90% of general ledger reconciliations within 30 days of month end	100%	100%	100%	100%

* New performance indicator for Fiscal Year 2017



GENERAL FUND – FINANCE-UTILITY ACCOUNTING

Departmental Vision

To provide accurate and timely billing and collection of all utility accounts and to maintain accurate records of all transactions.

Program Description

The Finance Department-Utility Accounting division is responsible for all financial transactions related to water and sewer services within the City of Kodiak. The Finance Department-Utility Accounting division is responsible for all recordkeeping, invoicing, billing, collection, and customer service.

Goals and Objectives

Goal: To accurately collect and maintain all water and sewer utility accounts while improving customer satisfaction through excellent customer service.

Objective: To continue to maintain the high rate of utility bill collections while serving the public in a courteous and professional manner.

Significant Budget Changes and Accomplishments

Significant Changes: As compared to the prior fiscal year, the FY 2018 budget was reduced by 13.69% in salaries and wages due to staffing shortages and turnover.

Accomplishments: For fiscal year 2017, this department's actual expenses were 30.91% less than the budgeted amount due to staffing vacancies throughout the fiscal year, reduced support goods and services related to travel and training and closely monitoring expenses throughout the fiscal year.

The Finance Department-Utility Accounting division continues to provide customer satisfaction in a professional manner. The Utility Accounting division has been cross-trained throughout several Finance Department employees to ensure timely and accurate billing.

Planned Accomplishments for Fiscal Year 2018

- To maintain the current high rate of utility bill collections.
- To serve the public in a courteous and professional manner.
- To improve the internal systems to maximize efficiency and deliver quality customer service.
- To provide specialized training to meet the needs of the employees and customers.
- To research customer complaints to minimize recurrence in the future.



GENERAL FUND – FINANCE-UTILITY ACCOUNTING

FUND: General
FUNCTION: General Government

DEPARTMENT: Finance
COST CENTER: Utility

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 13,120	\$ 13,796	\$ 15,978	\$ 13,658	\$ 13,791
Employee Benefits	13,960	8,983	11,519	10,082	19,903
Professional Services	790	-	-	-	-
Support Goods & Services	27,298	21,296	36,100	20,545	36,100
Repairs & Maintenance	-	-	500	-	500
Capital Outlay	-	7,298	-	-	-
Total Expenditures	\$ 55,168	\$ 51,373	\$ 64,097	\$ 44,285	\$ 70,294

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Fiscal Specialist	0.3	0.3	0.3	0.3
Total	0.3	0.3	0.3	0.3

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Monthly bills mailed within 1 day of target date	12 times	12 times	12 times	12 times
Average number of monthly receipts processed	**	**	1,780	1,800
Percentage of accounts billed accurately	99%	99%	100%	100%
Number of Bank Draft accounts	630	659	760	775

** New performance indicator for Fiscal Year 2017



GENERAL FUND – FINANCE-INFORMATION SYSTEMS

Departmental Vision

To provide the City of Kodiak employees with a reliable, fast, and secure network and to maintain communications systems for the City departments.

Program Description

The Finance Department-Information Systems division is responsible for the administration and operations of the City's computers and networking systems. This includes the designing, implementing, maintaining, recordkeeping procurement and purchasing of all equipment and accessories. The department provides systems security, virus protection, backup procedures, and disaster recovery operations. The Finance-Information Systems division maintains and upgrades 911 systems. This division is also responsible for the overall maintenance of the City's communications equipment.

Goals and Objectives

Goal: To maintain computers, networks, and communications systems through proactive maintenance and troubleshooting to prevent service interruption in a timely and efficient manner.

Objective: To lower the likelihood of service interruptions and proactively maintain all current systems for the City and the City's website.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget is comparable to prior year. Professional services increased due to new E911 systems going in place during FY 2018. Capital outlays will fluctuate year over year based on specific IT equipment needs.

Accomplishments: For fiscal year 2017, this department's actual expenses were 8.52% less than the budgeted amount due to reduced repairs and maintenance and closely monitoring expenses throughout the fiscal year.

The Finance-Information Systems division maintained the virtualization of servers and desktops for energy efficiency and cost reductions. The Information Systems division maintained and updated net applications such as the financial .NET system, Management Solutions for Government (MSGovern), Waste Water and UV Treatment System, Kodiak Police Department systems, and server backup systems. The Information Systems division performed proactive networking and systems management and provided timely services to the City of Kodiak departments. The Information Systems division performs an annual inventory of computer, networking, and communications equipment to determine upcoming replacement needs. The Information Systems division held periodic meetings with all department directors to ensure system needs, upcoming infrastructure projects, and individual departments were operating efficiently and effectively.

Planned Accomplishments for Fiscal Year 2018

- To maintain the citywide disaster recovery plan for computer systems.
- To maintain and upgrade currently installed specialty applications.
- To maintain the information on the City's website
- To keep the E911 system online 24 hours a day / 7 days a week
- To provide all network documentation
- To maintain the City's phone system and voicemail
- To maintain all City workstations, servers, and networking equipment
- To plan and implement network upgrades
- To hold monthly meetings with all department directors to ensure adequate flow of information



GENERAL FUND – FINANCE-INFORMATION SYSTEMS

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Finance
COST CENTER: Information Systems

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 145,671	\$ 141,105	\$ 158,039	\$ 144,187	\$ 161,125
Employee Benefits	164,969	86,522	137,244	110,003	144,156
Professional Services	158,360	150,788	178,200	173,018	265,730
Support Goods & Services	47,017	88,168	76,800	77,534	76,800
Repairs & Maintenance	2,631	3,515	7,500	3,196	7,500
Capital Outlay	6,778	58,113	15,500	16,519	128,000
Total Expenditures	\$ 525,426	\$ 528,211	\$ 573,283	\$ 524,457	\$ 783,311

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Information Systems Administrator	1.95	1.95	1.95	1.95
Total	1.95	1.95	1.95	1.95

Performance Indicators

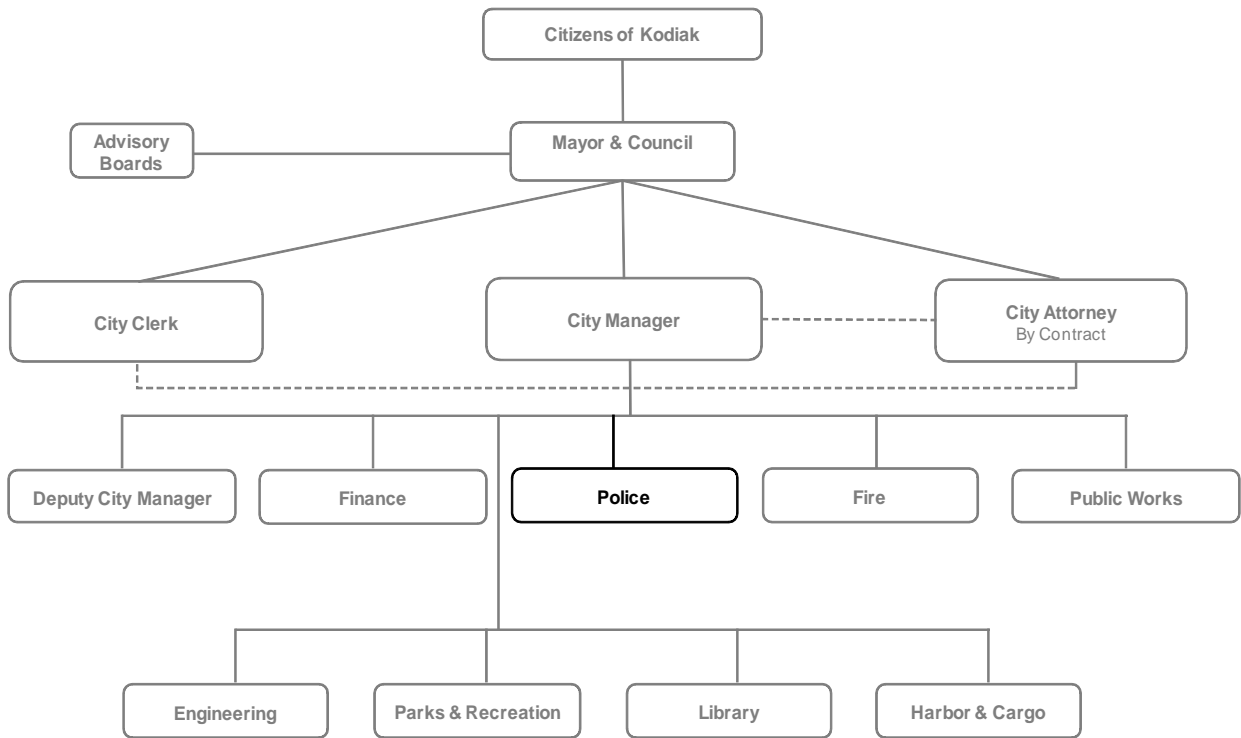
	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Network Users Supported	145	145	148	148
Network Workstations	150	150	149	149
Network Printers	31	34	38	38
Network Servers - Physical	23	28	23	23
Network Servers - Virtual	58	62	69	69
Network Devices (other)	54	58	55	55
Internet connections maintained				
95% of the time	95%	98%	99%	99%
Web site updated with current information	99%	99%	99%	99%
911 System Online Greater Than 99%	98%	99%	99%	99%
80% of priority 1 calls resolved within 24 hrs	95%	97%	95%	95%



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GENERAL FUND DEPARTMENTAL BUDGETS





GENERAL FUND – POLICE-ADMINISTRATION

Departmental Vision

The Kodiak Police Department is committed to providing the highest quality of police services to the people who live, work, and visit the City. The Kodiak Police Department constantly evaluates and improves the public safety services with the goal of improving the quality of life in the City of Kodiak by hiring and promoting talented officers and professional staff, employing the highest standards of performance, performing contemporary policing practices and accountability.

Program Description

The principal mission of the Kodiak Police Department is to promote a safe and secure community, enabling citizens to enjoy a life without fear of crime or victimization. The Chief of Police strives to accomplish this mission by delegating duties and responsibilities to functional units within the Police Department. These functional units are assigned specific tasks that contribute to the accomplishment of this mission. The Kodiak Police Department links internal production with external demand for services by creating an organizational order that supports department members, monitors activities, and measures results. The Kodiak Police Department provides core services and direct services. Core services are fundamental functions which include protection of life, property, and maintenance of order. Direct services are routine actions performed to meet core services. Direct services include law enforcement, crime prevention, investigations, service referrals, and response to emergencies and disasters.

Goals and Objectives

Goal: To improve the Kodiak Police Department's capital.

Objective: To improve leadership development and enhance training.

Goal: To improve the communities' perception of the Kodiak Police Department

Objective: To maintain engagement with media services to aid in transparency of the divisions. To enhance dissemination efforts through the use of the Kodiak Police Department's Nixle messaging services and crime reports. To reinforce the Kodiak Police Department's commitment to customer service.

Goal: To enhance the Kodiak Police Department's performance

Objective: To improve internal communications and internal procedures to support law enforcement operations. To refine systems that manage and analyze overtime and workload. To encourage problem solving at the lowest levels of the organization.

Goal: To advance the use of technology in support of law enforcement operations.

Objective: To improve the Kodiak Police Department's use of technology.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased in 5.29% salaries and wages due to various retirements, decreased 5.56% in public utility services, and decreased 11.42% in bond principal and interest payments due to refunding of the City's general obligation bonds.

Accomplishments: For fiscal year 2017, this department's actual expenses were 12.30% less than the budgeted amount due to staffing vacancies, reduced public utilities, and fewer capital outlays than anticipated.

Planned Accomplishments for Fiscal Year 2018

- To improve the Kodiak Police Department's capital.
- To perform prudent management of state and federal grant awards
- To maintain a stable and well-trained work force
- To increase transparency of communication within the divisions.



GENERAL FUND – POLICE-ADMINISTRATION

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Police
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 342,658	\$ 362,763	\$ 390,998	\$ 333,892	\$ 370,301
Employee Benefits	339,230	205,260	321,032	238,182	323,232
Professional Services	98,723	111,403	107,562	97,229	122,615
Support Goods & Services	21,985	26,613	31,666	30,366	38,841
Repairs & Maintenance	96,891	6,224	7,000	8,571	7,000
Public Utility Services	86,619	78,267	90,000	79,480	85,000
Administrative Services	-	875	-	-	-
Capital Outlay	64,965	3,901	41,250	25,308	-
Bond principal	185,000	195,000	205,000	205,000	215,000
Bond Interest	346,240	336,990	327,240	316,548	256,400
Total Expenditures	\$ 1,582,311	\$ 1,327,296	\$ 1,521,748	\$ 1,334,576	\$ 1,418,389

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Chief of Police	1	1	1	1
Deputy Chief of Police/Lieutenant	2	2	2	2
Administrative Assistant	1.5	1.5	1.5	1.5
Total	4.5	4.5	4.5	4.5

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
UCR Part 1 Crimes Reported	282	212	295	263
UCR Part 2 Crimes Reported	1,468	1,157	1,081	1,235

UCR = Unified Crime Report



GENERAL FUND – POLICE-UNIFORM PATROL

Departmental Vision

To maintain a safe community in which the residents of Kodiak will have a high level of confidence that law enforcement services will be available at a time of need and will be delivered efficiently, effectively, and professionally.

Program Description

Police officers assigned to this functional unit provide direct services to the community. These direct services are provided through interaction with the citizens in a variety of situations which include preventing crime, conducting investigations, maintaining or restoring order, aiding persons in need of assistance, resolving conflicts, enforcing traffic laws, making arrests, writing reports, and using physical or deadly force when protecting human life.

Goals and Objectives

Goal: To train the division to effectively diffuse situations in a professional manner.

Objective: To improve leadership development and enhance training to deescalate before escalating situations arise.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 2.26% in salaries and wages due to various staffing turnovers, decreased 0.83% in professional services, and decreased 76.07% in capital outlays due to delayed vehicle and equipment replacements.

Accomplishments: For fiscal year 2017, this department's actual expenses were 12.55% less than the budgeted amount due to staffing vacancies, and delayed renewal of professional services contracts.

The Kodiak Police Department-Uniform Patrol division trained and staffed two drug recognition experts.

Planned Accomplishments for Fiscal Year 2018

- To maintain organization effectiveness through efficient deployment of police resources.
- To promote community safety and livability by emphasizing proactive policing and problem solving.
- To mitigate reckless or unsafe driving behavior by emphasizing traffic enforcement.



GENERAL FUND – POLICE-UNIFORM PATROL

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Police
COST CENTER: Uniformed Patrol

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 570,789	\$ 660,968	\$ 708,094	\$ 697,652	\$ 692,783
Employee Benefits	694,694	440,076	716,818	532,091	728,372
Professional Services	3,578	2,196	6,000	792	5,950
Support Goods & Services	41,372	51,708	51,300	49,336	61,135
Repairs & Maintenance	-	10	-	90	50
Administrative Services	207	206	500	100	500
Capital Outlay	25,218	16,428	111,448	114,080	26,675
Total Expenditures	\$ 1,335,858	\$ 1,171,592	\$ 1,594,160	\$ 1,394,141	\$ 1,515,465

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Sergeants/Detectives	3	3	3	3
Police Officers/Detectives	8	8	8	8
Total	11	11	11	11

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Calls for Service	14,168	14,100	12,953	14,468
Cases Investigated	793	868	726	858
Cases Forwarded to Prosecution	530	501	330	515
Impaired Driving Arrests made	35	48	39	41
Motor Vehicle Collision Reports	124	132	149	125
Alcohol Retail Sales Compliance Checks	2,231	2,503	2,389	2,400

* The number of cases forwarded to the District Attorney's office dramatically decreased due to the implementation of SB 91 and the implementation of the statewide bail schedule. Certain misdemeanor crimes were reduced to violations (driving offenses, disorderly conduct, etc.) and were no longer forwarded for prosecution.



GENERAL FUND – POLICE-CORRECTIONS

Departmental Vision

To create a safer Kodiak by effectively managing prisoners held at the Kodiak Jail.

Program Description

The Kodiak Jail maintains a secure environment and sustains constitutional conditions for confinement in ways that are efficient, effective, and promotes safety.

Goals and Objectives

Goals and objectives for this division of the Kodiak Police Department are included with the Police-Administration section.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 0.86% in employee benefits due to various staffing turnovers, and decreased 45.64% in professional services.

Accomplishments: For fiscal year 2017, this department's actual expenses were 12.97% less than the budgeted amount due to staffing turnover, changes in professional services, decrease support goods and services, and decreased public utilities.

Planned Accomplishments for Fiscal Year 2018

- To detain all prisoners in a safe environment where they are provided with those amenities required by state and federal laws.
- To promote positive change within prisoners by allowing participation and interaction with community support groups such as Alcoholics Anonymous, Celebrate Recover, etc.
- To maintain prisoner family engagement by allowing visitation with prisoners incarcerated at the Kodiak Jail.
- To incorporate video conferencing to mitigate the amount of prisoner transports in and out of the Kodiak Jail.
- To continue the successful operation of the Inmate Community Work Service program and the Inmate Commissary program
- Work with the State of Alaska Department of Corrections to institute the Pretrial Electronic Monitoring Program



GENERAL FUND – POLICE-CORRECTIONS

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Police
COST CENTER: Corrections

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 539,202	\$ 557,504	\$ 598,776	\$ 602,829	\$ 613,083
Employee Benefits	595,650	379,915	596,111	456,420	591,008
Professional Services	198,777	152,705	22,993	131	12,500
Support Goods & Services	32,703	28,704	163,484	147,147	164,932
Repairs & Maintenance	1,972	1,551	3,000	2,249	3,000
Public Utility Services	57,831	54,677	69,000	55,395	69,000
Capital Outlay	6,698	8,272	5,464	5,464	21,175
Total Expenditures	\$ 1,432,833	\$ 1,183,328	\$ 1,458,828	\$ 1,269,635	\$ 1,474,698

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Corrections Sergeant	1	1	1	1
Corrections Corporal	1	1	1	1
Corrections Officers	8	8	8	8
Total	10	10	10	10

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Jail Bookings (Criminal)	1,196	1,704	787	1,229
Man Days Served	10,405	8,132	6,483	8,240
Protective Custody Detention	44	45	76	55
Prisoners Transported/Court	1,106	855	423	795
Prisoners Transported Trips/Court	558	519	689	589
Prisoners Transported/Medical	15	15	15	15
Summons/Subpoenas Served	344	323	152	273
Visits/Family	1,586	2,781	1,970	2,112
Visits/Support Groups	723	624	687	678

** Changes in Fiscal Year 2017 were dramatically due to the implementation of SB 91 and the presiding judges administrative bail order.



GENERAL FUND – POLICE-INVESTIGATIONS

Departmental Vision

To improve the quality of life through the delivery of investigative services.

Program Description

The Investigations functional unit initiates proactive criminal investigations and conducts follow-up investigations on major crimes. A detective may be assigned to a specialized section such as drug enforcement, computer forensics, and sexual assault. As a result of this specialization, detectives develop a high level of expertise in responding to specific types of crime.

Goals and Objectives

Goals and objectives for this division of the Kodiak Police Department are included with the Police-Administration section.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 4.77% in salaries and wages and decreased 15.99% in employee benefits due to various staffing turnovers.

Accomplishments: For fiscal year 2017, this department's actual expenses were 42.32% less than the budgeted amount due to staffing vacancies throughout the year and decreased professional services.

Planned Accomplishments for Fiscal Year 2018

- To investigate all crimes that fall under the purview of the Investigations division.
- To collaborate with other local, state, and federal law enforcement agencies, including the District Attorney's office, on criminal investigations in which the department has a mutual interest.
- To support the patrol division with additional investigative assets.
- To provide crime prevention training.
- To support the Drug Enforcement Unit with the Kodiak Safe Streets Task Force as a Task Force Officer.



GENERAL FUND – POLICE-INVESTIGATIONS

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Police
COST CENTER: Investigations

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 85,595	\$ 77,775	\$ 161,473	\$ 104,488	\$ 153,767
Employee Benefits	95,823	54,252	165,297	80,286	138,874
Professional Services	2,369	3,798	8,000	3,581	8,000
Support Goods & Services	13,194	14,934	15,500	13,697	17,885
Capital Outlay	-	2,755	-	-	1,500
Total Expenditures	\$ 196,981	\$ 153,514	\$ 350,270	\$ 202,052	\$ 320,026

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Sergeant/Detective	1	1	1	1
Police Officer/Detective	1	1	1	1
Total	2	2	2	2

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Investigations Conducted	271	140	190	200
Adult Sexual Assault Investigations	9	5	18	11
Death Investigations	6	7	5	6
Agency Assist	23	20	67	37
Fraud & Theft type crimes	5	18	17	13
Patrol Assists	56	50	57	54
Child Sexual Assaults	11	3	11	8
Drug Enforcement Unit Assist	14	2	21	12
Child Pornography Crimes	1	3	1	2
Computer Forensic Exams	13	22	1	12
Defendants Charged	23	22	36	27
CVSA (Truth Verification) Exams	4	4	0	3
Search Warrants Served	35	32	63	43
Cellular Telephone Exams	48	78	53	60
Crime Stopper Reports Received	437	424	319	393



GENERAL FUND – POLICE-POLICE DISPATCH / EVIDENCE

Departmental Vision

To support accomplishment of the Kodiak Police Department's mission by processing emergency and nonemergency calls for service in a prompt and efficient manner. To effectively and efficiently perform all collateral unit responsibilities.

Program Description

The principal mission of Police - Police Dispatch / Evidence division is to provide 24-hour emergency and nonemergency telephone answering and dispatch services for all local, state, and federal public safety, fire, and emergency medical service organizations operating within the Kodiak Archipelago. Collateral unit responsibilities include, but are not limited to, managing police records, facilitating the City Chauffeur Licensing program, and overseeing Property and Evidence room operations for the Kodiak Police Department.

Goals and Objectives

Goals and objectives for this functional unit of the Kodiak Police Department are included with the Police-Administration section.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 3.25% in employee benefits due to various staffing turnovers.

Accomplishments: For fiscal year 2017, this department's actual expenses were 17.41% less than the budgeted amount due to staffing vacancies throughout the year, decreased professional services, and decreased support goods and services.

The division implemented a new PowerPhone Total Response system to allow public safety dispatchers to quickly and efficiently find the appropriate line of questioning based on incident-specific information gathered.

Planned Accomplishments for Fiscal Year 2018

- To review and evaluate operational procedures to ensure accuracy, efficiency, and competency.
- To coordinate grant efforts for the new E-911 system and the new Records Management System.
- To collaborate with the state of Alaska with the Uniform Crime Reporting program.



GENERAL FUND – POLICE-POLICE DISPATCH / EVIDENCE

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Police
COST CENTER: Police Dispatch / Evidence

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 541,119	\$ 543,758	\$ 618,891	\$ 582,589	\$ 618,875
Employee Benefits	534,161	311,746	514,697	363,691	497,946
Professional Services	5,229	3,498	7,000	3,600	7,000
Support Goods & Services	67,896	71,305	80,149	59,720	84,894
Repairs & Maintenance	217	217	1,000	446	1,000
Capital Outlay	-	17,166	3,000	1,474	3,300
Total Expenditures	\$ 1,148,622	\$ 947,690	\$ 1,224,737	\$ 1,011,520	\$ 1,213,015

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Communications Sergeant	1	1	1	1
Communications Officers	9	9	9	9
Total	10	10	10	10

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Non-emergency Calls Received	24,060	23,592	20,305	22,652
Emergency Calls Received	6,037	6,148	6,080	6,088
Walk-in Reports (Lobby Visits)	5,447	6,306	4,037	5,263
Service Calls Received/Dispatched	14,202	14,397	12,953	13,950



GENERAL FUND – POLICE-ANIMAL CONTROL

Departmental Vision

To deliver animal control services in an efficient and humane manner.

Program Description

The Animal Control Officer is responsible for investigating all animal complaints occurring within the City of Kodiak and the Kodiak Island Borough. Efforts are accomplished through proactive patrolling and response to complaints filed with the Police Department. The Animal Control Officer issues citations for violations of City ordinances and Borough ordinances, impounds animals and employs humane methods to capture loose or stray animals. The Animal Control Officer also oversees the City Animal Shelter which is managed under contract with the Humane Society of Kodiak.

Goals and Objectives

Goals and objectives for this division of the Kodiak Police Department are included with the Police-Administration section.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 7.42% in salaries and wages and decreased 0.73% in employee benefits due to various staffing vacancies.

Accomplishments: For fiscal year 2017, this department's actual expenses were 18.56% less than the budgeted amount due to staffing vacancies throughout the year and fewer repairs and maintenance than anticipated.

Planned Accomplishments for Fiscal Year 2018

- To patrol the City of Kodiak and Kodiak Island Borough to identify violations of codes and ordinances that pertain to animals.
- To increase community awareness of City ordinances that pertain to animals through public education.
- To perform timely investigations of all vicious and abused animal complaints.
- To encourage community-wide participation in animal registration and vaccination.
- To encourage ethical and humane treatment of animals by their owners through education and enforcement of City and Borough ordinances.
- To continue enhancements for the animal shelter facility to provide a safe environment for shelter animals.



GENERAL FUND – POLICE-ANIMAL CONTROL

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Police
COST CENTER: Animal Control

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 42,930	\$ 43,800	\$ 48,491	\$ 32,135	\$ 44,894
Employee Benefits	43,582	24,469	38,169	19,455	37,890
Professional Services	114,029	117,150	121,700	121,707	125,200
Support Goods & Services	3,629	1,006	4,000	100	4,000
Repairs & Maintenance	206	2,469	3,897	1,773	3,897
Capital Outlay	44,433	5,101	5,101	5,101	5,101
Total Expenditures	\$ 248,809	\$ 193,995	\$ 221,358	\$ 180,271	\$ 220,982

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Animal Control Officer	1	1	1	1
Total	1	1	1	1

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Animal Control Officer				
Calls for Service - Officer Initiated	794	745	740	760
Animals Impounded - Officer	180	197	163	180
Citations Issued	13	13	12	13
Animal Shelter Statistics				
Animals Reclaimed by Owner	106	112	125	114
Animals Adopted	233	233	130	199
Animals Euthanized	26	21	18	22
Animal Licenses Issued	193	209	212	205



GENERAL FUND – POLICE-DRUG ENFORCEMENT

Departmental Vision

To reduce the availability of illegal drugs in the City of Kodiak.

Program Description

The Drug Enforcement functional unit is tasked with identifying, investigating, and apprehending suspects that are involved with the importation, manufacturing, distribution, and sales of illegal drugs in the City of Kodiak.

Goals and Objectives

Goals and objectives for this functional unit of the Kodiak Police Department are included with the Police-Administration section.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 12.72% in salaries and wages due to various staffing vacancies.

Accomplishments: For fiscal year 2017, this department's actual expenses were 19.14% less than the budgeted amount due to staffing turnover that resulted in lower employee benefits throughout the year and fewer support goods and services than anticipated.

During fiscal year 2017, 34 drug related arrests were made, 156 drug-related complaints, and 319 calls to Crime Stoppers in which 513.65 grams of methamphetamine; 1,425.27 grams of heroin; 110.9 grams of cocaine, 58.2 grams of KHAT; 1,023.47 grams of illegal marijuana; 89 pills or pieces, and \$176,006.50 in cash were seized. The total street value of the drugs is \$2,243,737. Additionally, multiple legal and illegal weapons have been seized as part of drug investigations conducted in collaboration with the FBI Safe Streets partners.

Planned Accomplishments for Fiscal Year 2018

- To collaborate with local, state, and federal law enforcement agencies on investigations in which the department has a mutual interest.
- To identify, investigate, and apprehend drug offenders.
- To intercept drugs shipped to Kodiak by all various means.
- To encourage anonymous reporting of information about drugs and drug dealers to Crime Stoppers.
- To collaborate with FBI for the successful operation of the Kodiak Safe Streets program.



GENERAL FUND – POLICE-DRUG ENFORCEMENT

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Police
COST CENTER: Drug Enforcement

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 70,585	\$ 78,735	\$ 58,258	\$ 53,392	\$ 65,906
Employee Benefits	64,633	35,781	47,308	35,392	60,108
Professional Services	135	3,259	7,000	3,377	7,000
Support Goods & Services	6,685	6,815	14,300	10,102	15,725
Repairs & Maintenance	390	-	500	-	500
Capital Outlay	3,815	3,815	3,815	3,815	3,815
Total Expenditures	\$ 146,243	\$ 128,405	\$ 131,181	\$ 106,078	\$ 153,054

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Police Officers/Detectives	1	1	1	1
Total	1	1	1	1

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Investigations Conducted	153	230	86	156
Cases Referred to Prosecution	15	29	38	27
Persons Arrested	6	21	34	20
Crime Stoppers Reports Received	437	277	319	344
General Investigation Unit Assists	20	10	12	14

* Cases investigated are lower due to this position being vacant for 6 months throughout Fiscal Year 2017.



GENERAL FUND – POLICE-COMMUNITY SERVICES

Departmental Vision

To enhance quality of life through effective enforcement of noncriminal ordinances.

Program Description

The Community Services functional unit's primary responsibility is to support the Kodiak Police Department's public safety mission by performing a variety of noncriminal enforcement duties. These noncriminal enforcement duties include animal control, code enforcement, parking and litter enforcement. Collateral duties include, but are not limited to, serving as the department fleet manager and purchasing agent for the Kodiak Police Department.

Goals and Objectives

Goals and objectives for this functional unit of the Kodiak Police Department are included with the Police-Administration section.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget was comparable. The increase is primarily attributable to increases for towing expenses.

Accomplishments: For fiscal year 2017, this department's actual expenses were 12.07% less than the budgeted amount due to staffing vacancies and less repairs and maintenance than anticipated.

Planned Accomplishments for Fiscal Year 2018

- To patrol the City of Kodiak to identify violations that pertain to parking, litter, junk and abandoned vehicles, and animal complaints.
- To increase community awareness of the City ordinances through public education.
- To utilize efficient scheduling practices for routine and non-routine vehicle maintenance to minimize vehicle unavailability.
- To employ preventative maintenance measures to increase vehicle service life.
- To monitor and evaluate the approved City Council Parking Plan to identify strengths and weaknesses.



GENERAL FUND – POLICE-COMMUNITY SERVICES

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Police
COST CENTER: Community Services

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 43,443	\$ 25,708	\$ 51,492	\$ 45,885	\$ 52,770
Employee Benefits	64,390	33,893	66,826	56,759	71,010
Professional Services	10	60	500	-	500
Support Goods & Services	45,928	57,096	66,000	62,017	71,000
Repairs & Maintenance	19,994	19,262	17,500	12,527	17,500
Capital Outlay	5,829	5,829	5,829	5,829	5,829
Total Expenditures	\$ 179,594	\$ 141,848	\$ 208,147	\$ 183,017	\$ 218,609

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Communications Services Officer	1	1	1	1
Total	1	1	1	1

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Calls of Service	473	466	404	448
Citations Issued	9*	32	45	29
Vehicles Impounded	81	122	79	94
Vehicle Work Orders Completed	232	242	174	216

* Amended City Code to allow for City of Kodiak officers to give citations. The decrease from fiscal year 2013 to fiscal year 2014 was due to the State of Alaska amending the State Statute to take away the ability for parking citations to be left on property. During fiscal year 2015, the State Statute was repealed, allowing officers to once again leave parking citations on personal property.



GENERAL FUND – POLICE-POLICE CANINE SERVICES

Departmental Vision

To enhance the police mission through the utilization of a highly trained police canine team to perform specialized functions.

Program Description

The Police Canine functional unit is designed to enhance and augment field and special operations by utilizing a police dog and handler that are trained in scent detection, tracking, search operations, suspect apprehensions, and handler protection.

Goals and Objectives

Goal: To provide scent detection, tracking, search operations, apprehensions, and handler protection.

Objective: To continue to participate in weekly, monthly, and quarterly training to maintain skills. To continue regular health checkups of the canine to ensure the animal remains fit for duty.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 91.04% in capital outlays due to the renewal of the canine program in fiscal year 2017 and decreased 0.71% in employee benefits due to staffing turnover.

Accomplishments: For fiscal year 2017, this department's actual expenses were 51.15% less than the budgeted amount due to staffing vacancies and lower capital outlays than anticipated.

Planned Accomplishments for Fiscal Year 2018

- Handler and canine Trigger to continue to work with the Drug Enforcement Unit and FBI Safe Streets partners offering additional assistance and resources.
- Handler and canine Trigger to obtain certification in scent detection.



GENERAL FUND – POLICE-POLICE CANINE SERVICES

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Police
COST CENTER: Police Canine Services

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 84,586	\$ 21,029	\$ 78,772	\$ 29,989	\$ 93,530
Employee Benefits	76,215	6,076	74,961	25,672	94,288
Professional Services	865	-	2,300	385	2,300
Support Goods & Services	8,901	2,485	9,680	2,831	9,680
Capital Outlay	-	-	74,560	58,506	6,680
Total Expenditures	\$ 170,567	\$ 29,590	\$ 240,273	\$ 117,383	\$ 206,478

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Police Officer/Detective	1	1	1	1
Total	1	1	1	1

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
All Canine Deployments	44	44	27	38
Scent Detection Deployments	34	34	27	32
Apprehensions / Track / Searches (non-drug related)	10	10	**	**
Training Hours	156	156	119	144
Public Appearances	5	5	6	5

** During Fiscal Year 2017, the Kodiak Police Department brought into service a scent-detection only canine. Previous Apprehensions / Tracks / Searches will no longer occur with the new service canine.



GENERAL FUND – POLICE-POLICE SCHOOL RESOURCES

Departmental Vision

To reduce crime on campus and foster positive relationships with youth.

Program Description

The School Resource Officer (SRO) is a component of the department's overall community policing plans and crime prevention efforts within the City of Kodiak. The SRO program focuses on reducing crime in the City's schools and fostering positive relationships with the City's youth.

Goals and Objectives

Goals and objectives for this functional unit of the Kodiak Police Department are included with the Police-Administration section.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget remained comparable to the prior year.

Accomplishments: For fiscal year 2017, this department's actual expenses were 17.06% less than the budgeted amount due to staffing vacancies in uniform patrol requiring the school resources officer to assist in these other areas.

Planned Accomplishments for Fiscal Year 2018

- To maintain a highly visible profile at Kodiak High School; Kodiak Middle School; Main, East, and North Star Elementary Schools.
- To investigate crimes occurring on any campus within the City of Kodiak.
- To provide instruction to students that emphasize a decision-making model that develops, refines, and empowers students to make positive decisions.
- To be an available resource to the City's youth and the Kodiak Island Borough School District staff for the law and law enforcement procedures.



GENERAL FUND – POLICE-POLICE SCHOOL RESOURCES

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Police
COST CENTER: School Resources

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 78,728	\$ 77,525	\$ 87,907	\$ 79,116	\$ 89,024
Employee Benefits	79,820	47,492	74,551	58,468	77,650
Support Goods & Services	2,174	3,975	5,250	1,505	5,850
Repairs & Maintenance	-	-	-	10	-
Total Expenditures	\$ 160,722	\$ 128,992	\$ 167,708	\$ 139,099	\$ 172,524

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Police Officer/Detective	1	1	1	1
Total	1	1	1	1

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
School Based Complaints	1**	136	184	107
Investigations Completed	1**	25	50	25
Investigations Forwarded to Prosecution	1**	10	10	7
D.A.R.E (Drug Abuse Resistance Education) Students Instructed	117	124	120	120
Drunk Busters Impaired Driving Program	200*	0**	67	89

* The Drunk Busters Impaired Driving Program is new for fiscal year 2015.

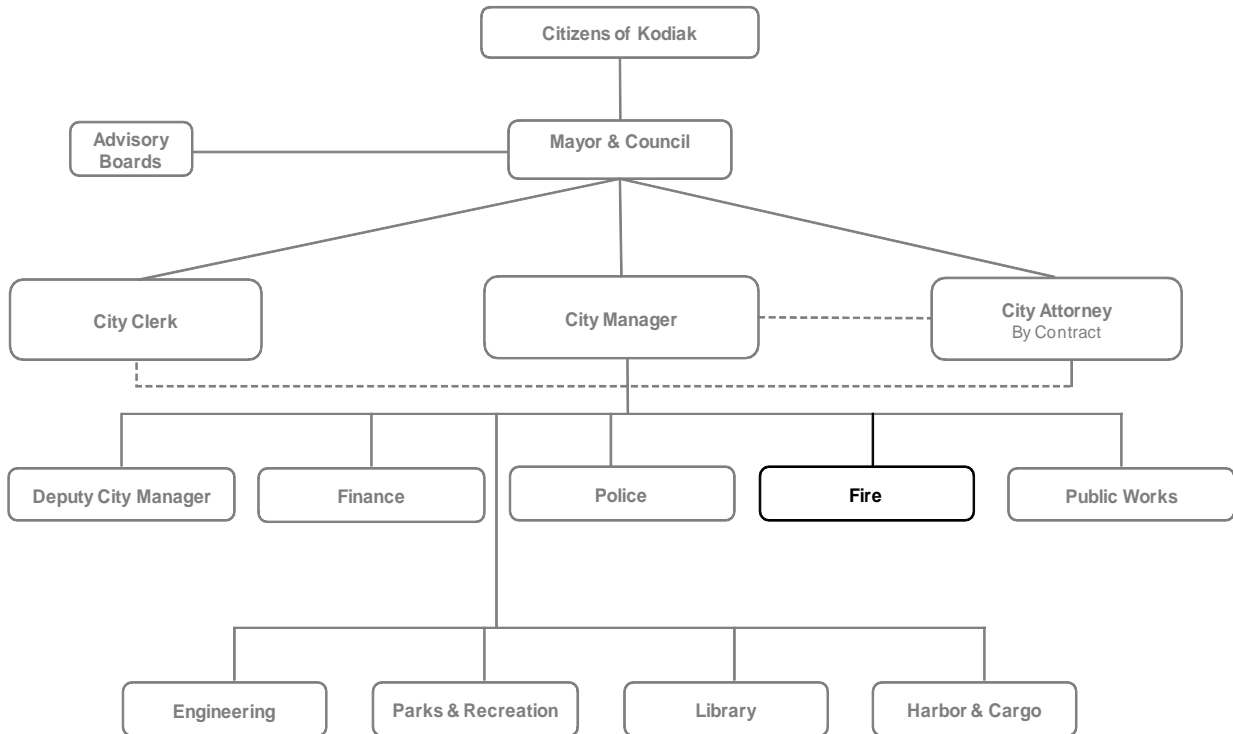
** The decrease in these categories are due to staff shortages and the SRO working patrol shifts throughout the fiscal year.



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GENERAL FUND
DEPARTMENTAL BUDGETS





GENERAL FUND – FIRE ADMINISTRATION / OPERATIONS

Departmental Vision

The Kodiak Fire Department strives to provide the highest level of service possible in the present while planning for a sustainable future. The Kodiak Fire Department aims to protect the lives and property of all persons within our community and to convey this commitment in a professional manner. The Kodiak Fire Department supports education, training, developing skills, and to use these opportunities to further enhance the quality of life for City of Kodiak citizens and visitors.

Program Description

The Fire Department provides fulltime all hazards emergency response to meet the needs of the citizens of Kodiak. These duties include fire fighting operations, advanced life support, medical services and ambulance transport, emergency rescue services, fire code enforcement, Level A hazardous materials response, Fire / EMS training, and public education. The Fire Chief is responsible for and oversees all aspects of Fire Department operations. The Fire Chief also provides contracted Fire Marshall services to the Kodiak Island Borough.

Goals and Objectives

Goal: To ensure departmental readiness by providing effectively and efficient personnel, equipment, and systems service through certification training, physical fitness, equipment maintenance, fire inspections, pre-incident planning, and other nonemergency service programs.

Objective: To serve the City of Kodiak in ways that the Fire Department is uniquely qualified based on training and equipment.

Goal: To enhance departmental performance.

Objective: To improve internal training for officer development. To complete the rewrite of the departmental operations manual. To encourage problem-solving at all levels of the department.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 3.69% in employee benefits due to staffing turnover and retirements.

Accomplishments: For fiscal year 2017, this department's actual expenses were 8.42% less than the budgeted amount due to staffing vacancies and turnover.

The Fire department administered and completed the State of Alaska Fire Fighter 1 certification course.

Planned Accomplishments for Fiscal Year 2018

- To complete a response coverage analysis for the City of Kodiak.
- To provide employee training in expected performance areas.
- To begin Phase 1 of 3 to replace the existing fire station.
- To meet National Fire Protection Agency standards for response times.
- To plan for equipment replacement that meets the current National Fire Project Agency standards and General Services Administration KKK-1822F.
- To maintain positive employee relationships.
- To maintain effective and ongoing relationships with other agencies.
- To maintain a progressive advanced medical treatment and ambulance transport service.
- To provide Fire Prevention Training to the community.
- To maintain Level A Hazardous Materials Response Team.



GENERAL FUND – FIRE ADMINISTRATION / OPERATIONS

FUND: General
FUNCTION: Public Safety

DEPARTMENT: Fire
COST CENTER: Administration / Operations

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 970,406	\$ 935,416	\$ 1,042,579	\$ 1,034,654	\$ 1,004,084
Employee Benefits	961,194	564,686	899,351	682,689	905,117
Professional Services	35,156	31,936	47,745	40,706	53,165
Support Goods & Services	62,741	58,565	86,798	105,440	145,180
Repairs & Maintenance	16,959	17,158	20,000	15,246	20,000
Public Utility Services	30,383	25,805	25,000	29,476	30,000
Administrative Services	19,335	19,549	20,000	19,066	20,000
Capital Outlay	27,299	145,949	268,898	280,102	282,430
Total Expenditures	\$ 2,123,473	\$ 1,799,064	\$ 2,410,371	\$ 2,207,379	\$ 2,459,976

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Fire Chief	1	1	1	1
Deputy Fire Chief	1	1	1	1
Fire Captain	3	3	3	3
Firefighter/EMT III	6	6	6	6
Firefighter/EMT II	1	1	1	1
Firefighter/EMT I	1	1	1	1
Department Assistant (PT)	0.75	0.75	0.75	0.75
Total	13.75	13.75	13.75	13.75

Performance Indicators

** Due to the complexity of Fire Department Performance Indicators, these have been expanded and moved to the following page.



GENERAL FUND – FIRE ADMINISTRATION / OPERATIONS continued

FUND: General
FUNCTION: Public Safety

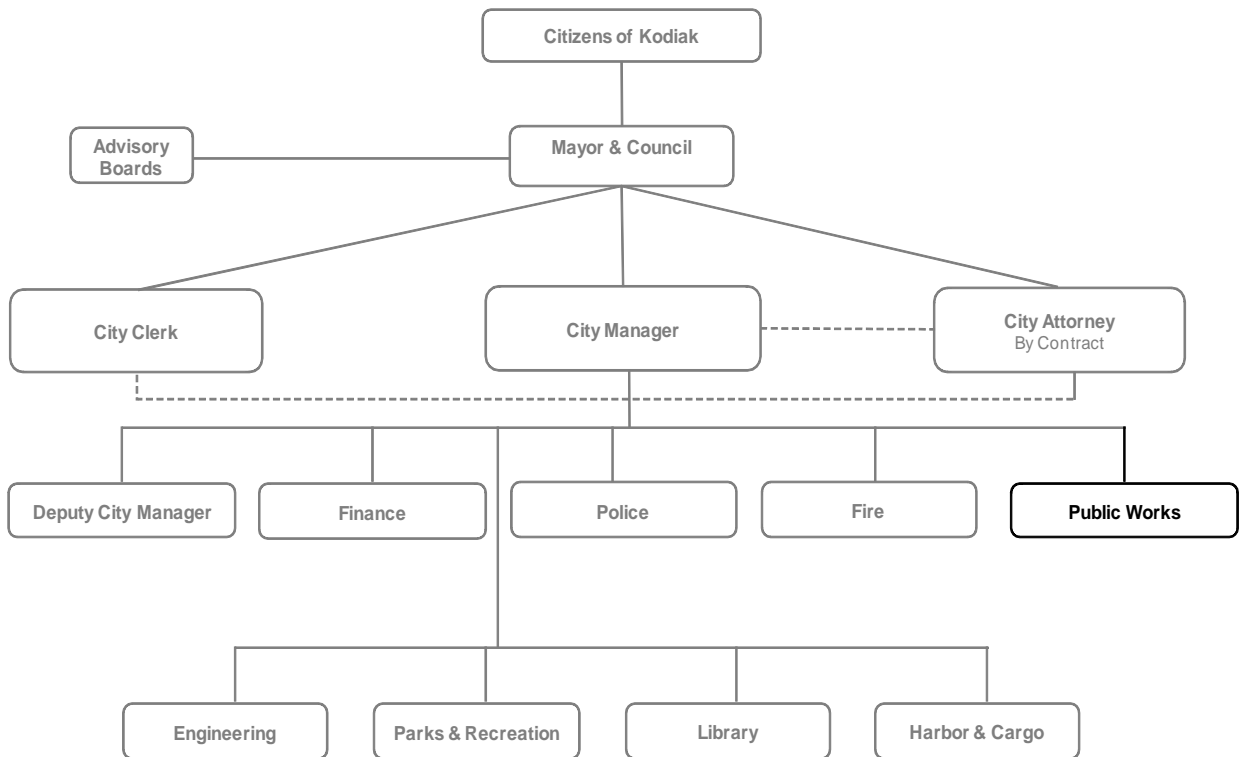
DEPARTMENT: Fire
COST CENTER: Administration / Operations

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Workload: Run Totals	959	1045	1167	1060
Fire Responses - Total	210	245	284	250
City Limits - Total	200	229	262	
Outside City Limits - Total	10	16	22	
Fire Protection District 1	6	13	14	
Fire Protection District 2	0	1	1	
Fire Protection District 3	0	0	0	
U.S. Coast Guard	3	1	5	
Non District	1	1	2	
Fire Loss (inside City Limits)	\$132,600	\$110,500	\$1,282,200	\$0
Ambulance Responses - Total	720	782	843	780
City Limits - Total	541	564	636	
Outside City Limits - Total	179	218	207	
Fire Protection District 1	92	108	93	
Fire Protection District 2	9	13	20	
Fire Protection District 3	18	28	15	
U.S. Coast Guard	55	59	60	
Non District	5	10	19	
Technical Responses - Total	29	18	40	30
Hazardous Materials - Total	22	15	32	20
City Limits - Total	22	15	31	
Outside City Limits - Total	0	0	1	
Fire Protection District 1	0	0	1	
Fire Protection District 2	0	0	0	
Fire Protection District 3	0	0	0	
U.S. Coast Guard	0	0	0	
Non District	0	0	0	
Rescue Totals	7	3	8	10
City Limits - Total	6	2	5	
Outside City Limits - Total	1	1	3	
Fire Protection District 1	1	1	1	
Fire Protection District 2	0	0	1	
Fire Protection District 3	0	0	0	
U.S. Coast Guard	0	0	0	
Non District	0	0	1	
Efficiency: # Calls responded in 5 min				
Fire	188	214	261	250
Ambulance Inside City - Code 3 Only	283	346	368	370
Hazmat	20	14	31	20
Rescue	6	2	5	10
Outcome: 90% Calls responded in 5 min				
Fire	89%	93%	86%	90%
EMS	86%	95%	91%	90%
Hazmat	90%	93%	87%	90%
Rescue	85%	66%	100%	90%



**GENERAL FUND
DEPARTMENTAL BUDGETS**





GENERAL FUND – PUBLIC WORKS-ADMINISTRATION

Departmental Vision

To contribute to the health, welfare, and safety of the City by ensuring a safe and practical program for the efficient repair and maintenance of streets, the delivery of high quality potable water, the collection and treatment of sewage, and to provide a productive building inspection program. To provide the necessary management skills and techniques to affect a total program that brings to fruition all public projects in a timely manner while simultaneously encouraging the free flow of information between the City government and its citizens on proposed projects.

Program Description

The Public Works Administration is responsible for the overall supervision and administration of the Public Works department.

Goals and Objectives

Goal: To continue the level of service that is being provided to the sub-departments.

Objective: To maintain the operations of the Public Works department while minimizing costs.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 33.34% in repairs and maintenance.

Accomplishments: For fiscal year 2017, this department's actual expenses were 16.30% less than the budgeted amount due to additional reductions in repairs and maintenance that were not anticipated.

The administration is responsible for the design, construction, and maintenance of quality streets, storm drains, sewer, and water, as well as City owned airports. Efficient and accurate processing of quality projects was ensured through the design of Phase VI Aleutian Homes Water and Sewer Replacement project. During Fiscal Year 2017, the Lift Stations 1 and 2 refurbishments were completed in the downtown area and began the design of the replacement of Lift Stations 3 and 4. In addition, the Seismic Stability Analysis for Upper Bettinger Dam was awarded in July 2017 based on the 2016 Periodic Dam Safety inspections and ADNR certificate to operate requirements.

Planned Accomplishments for Fiscal Year 2018

- To minimize the need for additional personnel by utilizing the appropriate technology and equipment to accomplish expanded workloads.
- To provide forward-looking management for the Public Works department that reflects the policies and long term objectives of the City of Kodiak.
- To respond to questions, complaints, and requests for information from the public or other agencies in a timely manner.
- To bid and construct the replacements of Lift Station 3 and 4
- To bid and construct Aleutian Homes Phase VI Water and Sewer Replacement
- Award the upcoming Sewer Rate Study by the Spring of 2018 to adopt in FY 2020
- To assess the WWTP facility for the purpose of upgrading the facility
- To complete the Alaska Discharge Pollution Elimination System (APDES) permit renewal and finalize with ADEC.



GENERAL FUND – PUBLIC WORKS-ADMINISTRATION

FUND: General
FUNCTION: Public Works

DEPARTMENT: Public Works
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 56,975	\$ 57,809	\$ 65,698	\$ 60,283	\$ 88,237
Employee Benefits	82,814	32,614	51,131	37,417	48,007
Professional Services	370	1,712	2,000	1,694	2,000
Support Goods & Services	7,185	5,089	7,300	7,350	7,300
Repairs & Maintenance	110	1,553	1,500	80	1,000
Capital Outlay	-	1,473	-	-	-
Total Expenditures	\$ 147,454	\$ 100,250	\$ 127,629	\$ 106,824	\$ 146,544

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Public Works Director	0.5	0.5	0.5	0.5
Total	0.5	0.5	0.5	0.5

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Total Public Works Employees	25	25	27	27



GENERAL FUND – PUBLIC WORKS-STREETS

Departmental Vision

To perform quality maintenance of streets and drainage facilities for the City of Kodiak, its citizens and its visitors.
To provide safe, year round, driving conditions.

Program Description

The Public Works-Streets division is responsible for the surface repair and preventative maintenance of all street surfaces, extending the street life by reducing environmental decay and providing timely repairs. The Public Works-Streets division maintains street surfaces and public parking lots to a degree that will provide safe surface conditions over which vehicles travel. The Public Works-Streets division performs drainage work, maintaining all drainage structures and ditches. The Public Works-Streets division also maintains all street signs.

Goals and Objectives

Goal: To maintain and improve the quality of City owned streets and parking lots.

Objective: To ensure that the current state of the streets and / or parking lots are at a satisfactory or above conditions.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 1.30% in salaries and wages due to staffing turnover, decreased 14.29% in professional services, decreased 5.13% in repairs, decreased 5.26% in public utility services, and decreased 48.71% in capital outlays primarily due to delaying equipment purchases.

Accomplishments: For fiscal year 2017, this department's actual expenses were 26.35% less than the budgeted amount due to staffing vacancies and reduced road supplies due to a mild winter.

Planned Accomplishments for Fiscal Year 2018

- To maintain safe driving conditions on all streets year round.
- To remove snow from the downtown core within 24 hours after a storm.
- To continue to clean a portion of the storm drainage system annually.
- To keep streets and sidewalks clean.
- To maintain traffic signs.
- To respond to road condition complaints within 24 hours.



GENERAL FUND – PUBLIC WORKS-STREETS

FUND: General
FUNCTION: Public Works

DEPARTMENT: Public Works
COST CENTER: Streets

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 239,602	\$ 255,289	\$ 354,245	\$ 255,487	\$ 349,644
Employee Benefits	320,063	191,592	340,589	243,975	355,796
Professional Services	2,994	3,332	3,500	1,053	3,000
Support Goods & Services	233,374	118,159	268,500	108,768	278,500
Repairs & Maintenance	71,374	69,832	81,500	75,809	92,500
Public Utility Service	159,206	166,831	190,000	164,147	180,000
Capital Outlay	342,631	394,323	233,799	235,060	119,914
Total Expenditures	\$ 1,369,244	\$ 1,199,358	\$ 1,472,133	\$ 1,084,299	\$ 1,379,354

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Public Works Supervisor	1	1	1	1
Equipment Operator	2	2	2	2
Public Works Maintenance Worker	2	2	2	2
Utility Worker	0	0	0	0
Total	5	5	5	5

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Lane Miles of Street Maintained	46.8	46.8	46.8	46.8
Time Spent on Snow Removal - man hours	693	700	2,181	1,000
Time Spent on Street Cleaning - man hours	980	489	622	500
Snow Removed within 24 Hours	Yes	Yes	Yes	Yes
Respond to road complaints within 24 hours	6	10	10	10
Time Spent on Drainage System Maintenance - man hours	2,049	1,022	914	1,000



GENERAL FUND – PUBLIC WORKS-GARAGE

Departmental Vision

To provide a quality preventative equipment and vehicle maintenance and repair program that extends the useful life of the City fleet.

Program Description

The Public Works-Garage division is responsible for the maintenance of all Public Works equipment and other City vehicles. This includes preventative maintenance as well as emergency repairs and equipment modifications. The Public Works-Garage division assists other City departments with major vehicle maintenance. The Public Works-Garage personnel also supplement the street crews as needed for snow removal.

Goals and Objectives

Goal: To reduce equipment downtime so that it can be used when needed for support of City functions.

Objective: To maximize the life expectancy of all City owned equipment.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget increased capital outlays and salaries and benefits due to staffing turnover.

Accomplishments: For fiscal year 2017, this department's actual expenses were 15.14% less than the budgeted amount due to staffing vacancies and reduced repairs and maintenance costs.

Planned Accomplishments for Fiscal Year 2018

- To provide a comprehensive preventative maintenance program.
- To reduce downtime associated with equipment repair.
- To complete major equipment modifications and rehabilitation on schedule.
- To perform comprehensive mechanical evaluation on equipment that is scheduled to be replaced.



GENERAL FUND – PUBLIC WORKS-GARAGE

FUND: General
FUNCTION: Public Works

DEPARTMENT: Public Works
COST CENTER: Garage

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 105,915	\$ 83,374	\$ 116,356	\$ 100,184	\$ 119,591
Employee Benefits	122,916	51,030	99,139	82,556	121,963
Professional Services	204	1,249	1,500	1,428	1,500
Support Goods & Services	15,731	11,468	16,000	11,620	16,000
Repairs & Maintenance	17,366	11,585	37,000	29,186	21,000
Public Utility Service	17,414	15,214	20,000	20,391	20,000
Capital Outlay	6,713	5,792	5,000	4,962	10,000
Total Expenditures	\$ 286,259	\$ 179,712	\$ 294,995	\$ 250,327	\$ 310,054

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Shop Supervisor	1	1	1	1
Automotive Mechanic	1	1	1	1
Total	2	2	2	2

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Preventative Maintenance Checks	117	217	193	200
Equipment Repairs	351	336	340	300
Equipment Modifications/Refurbishment	22	50	49	20



GENERAL FUND – PUBLIC WORKS-BUILDING INSPECTIONS

Departmental Vision

To provide an effective plan review and code enforcement program for the community. To recommend code changes to the governing bodies to keep codes current and appropriate. To maintain continuity with the State of Alaska adopted codes. To maintain the Insurance Services Organization (ISO) rating that the community has in place. To retain qualified personnel with certifications in relevant fields. To maintain the community exemptions from the State Fire Marshal's office.

Program Description

The Public Works-Building Inspections division is responsible for the review of plans and code compliance inspections for structures constructed within the City and on the road system of the Kodiak Island Borough. The Public Works-Building Inspections division is also responsible for zoning compliance for activities associated with permitted structures and for providing code information to the public.

Goals and Objectives

Goal: To ensure that the community of Kodiak as well as the residential areas on the road system are up to date and in compliance with adopted building codes.

Objective: To ensure that the structures are seismically appropriate for the geographic area and compliant with life safety standards for commercial and residential construction.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget increased support goods and services and salaries and benefits due to staffing turnover.

Accomplishments: For fiscal year 2017, this department's actual expenses were 39.24% less than the budgeted amount due to staffing vacancies and reduced support goods and services.

Planned Accomplishments for Fiscal Year 2018

- To complete residential plan reviews within 7 working days.
- To complete commercial plan reviews within 20 working days.
- To increase the knowledge of personnel through continuing education.
- To conduct thorough and efficient inspections within 24 hours if requested.
- To stay current with new construction techniques and trends.



GENERAL FUND – PUBLIC WORKS-BUILDING INSPECTIONS

FUND: General
FUNCTION: Public Works

DEPARTMENT: Public Works
COST CENTER: Building Inspection

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 159,629	\$ 194,517	\$ 120,739	\$ 89,019	\$ 146,050
Employee Benefits	174,889	100,691	148,077	68,829	157,510
Professional Services	13,639	-	10,000	9,432	10,000
Support Goods & Services	10,695	6,452	10,938	6,982	11,438
Repairs & Maintenance	4,133	4,410	4,600	4,596	4,800
Capital Outlay	-	2,052	-	-	-
Total Expenditures	\$ 362,985	\$ 308,122	\$ 294,354	\$ 178,858	\$ 329,798

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Building Official	1	1	1	1
Assistant Building Official	1	1	1	1
Total	2	2	2	2

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Plan Reviews Completed	60	54	42	50
Building Permits Issued	193	224	264	200
Electrical Permits Issued	120	110	160	100
Plumbing Permits Issued	62	74	99	70
Number of Inspection Trips	1,123	798	608	750



GENERAL FUND – PUBLIC WORKS-MUNICIPAL AIRPORT / LILY LAKE

Departmental Vision

To provide safe and usable facilities for aircraft users.

Program Description

The Public Works-Municipal Airport / Lily Lake division accounts for all maintenance and repair of the Municipal Airport facility. The Public Works personnel perform weekly patrols and any maintenance issues noted are scheduled for repair.

Goals and Objectives

Goal: To provide prompt and efficient service at affordable costs to the airports.

Objective: To keep the airport environment safe at all times.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget increased support goods and services due to an increase in property insurance allocation for this facility.

Accomplishments: For fiscal year 2017, this department's actual expenses were 11.54% less than the budgeted amount due to reduced support goods and services.

Planned Accomplishments for Fiscal Year 2018

- To provide prompt snow removal and ice control.
- To provide maintenance and repair activities for the runway and taxiways.



GENERAL FUND – PUBLIC WORKS-MUNICIPAL AIRPORT / LILY LAKE

FUND: General
FUNCTION: Public Works

DEPARTMENT: Public Works
COST CENTER: Municipal Airport / Lilly Lake

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Support Goods & services	\$ 6,390	\$ 6,831	\$ 12,950	\$ 9,944	\$ 17,000
Repairs & Maintenance	-	-	5,000	6,089	5,000
Public Utility Services	423	403	600	376	600
Administrative Services	12,360	4,860	-	-	-
Total Expenditures	\$ 19,173	\$ 12,094	\$ 18,550	\$ 16,409	\$ 22,600

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0

Performance Indicators

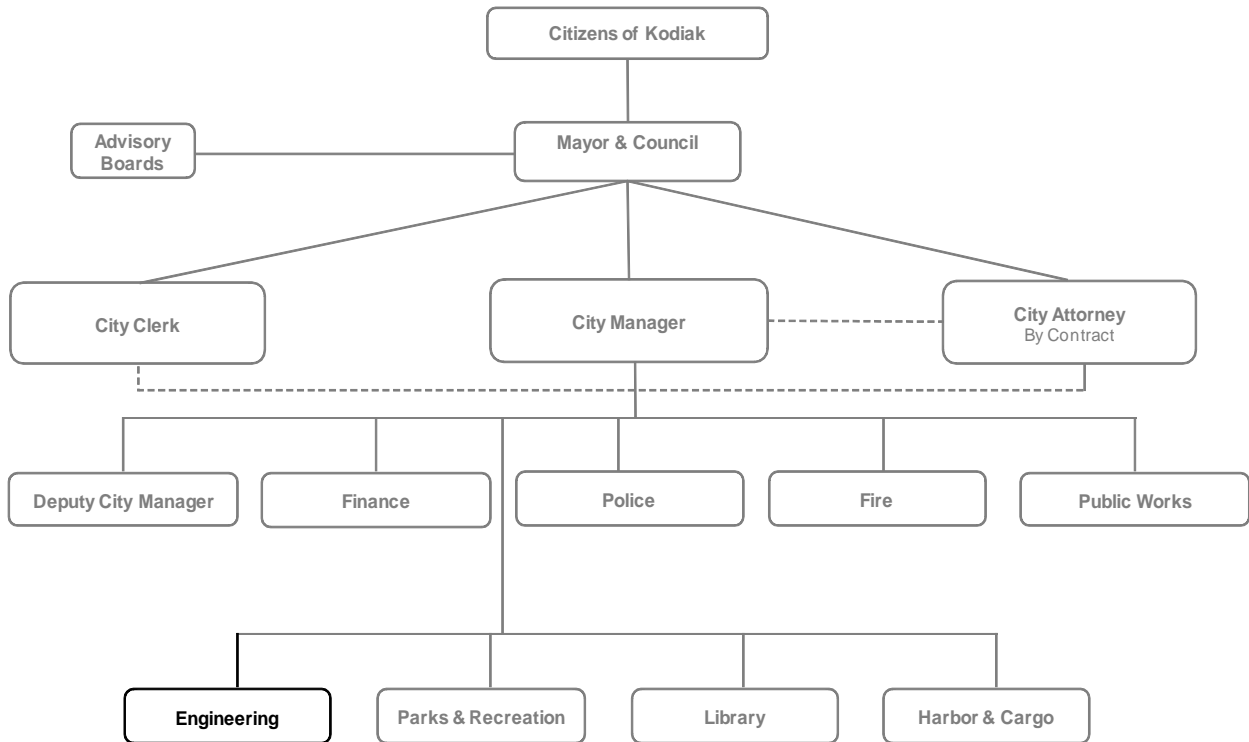
	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Maintenance Effort (man/equipment hours)	240	90	112	100



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**GENERAL FUND
DEPARTMENTAL BUDGETS**





GENERAL FUND – ENGINEERING-ADMINISTRATION

Departmental Vision

To maintain the City of Kodiak Standard Construction Specifications and Standard Details to be compliance with current state regulations and accepted construction practices. To maintain and improve an archive of institutional knowledge to be an available resource when experienced staff is unavailable.

Program Description

The Engineering Department performs engineering studies and research, and administers engineering designs, in support of all City departments. The Engineering Department provides engineering advice regarding City facilities and projects, prepares bid documents, and provides bidding and contract management services. The Engineering Department also assists in the selection of architectural and engineering (A/E) consulting professionals and coordinates and reviews the work of consultants. The Engineering Department inspects and tests the work of contractors, inspects all private construction in the public rights of way, maintains the City of Kodiak's Standard Construction Specifications, and provides the City Council and the public with information regarding City capital projects.

Goals and Objectives

Goal: To support all City departments pertaining to engineering issues.

Objective: To perform duties at a minimized cost with a maximized positive output while remaining within the department's budget.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 37.50% in professional services, 6.67% in support goods and services, and 28.57% in repairs and maintenance due to fewer outsourced services for capital projects during the fiscal year.

Accomplishments: For fiscal year 2017, this department's actual expenses were 24.01% less than the budgeted amount due to reduced professional services, support goods and services, and repairs and maintenance than anticipated.

Planned Accomplishments for Fiscal Year 2018

- To continue to document all department standard operating procedures.
- To use engineering consultants as supplements for minor project support and to support existing capital projects.
- To monitor City Compost Facility construction.
- To monitor the construction of the Pier III Replacement Project.
- To monitor the construction of the Monashka Pump House Replacement Project.
- To monitor the construction of the new Fire Station project.



GENERAL FUND – ENGINEERING-ADMINISTRATION

FUND: General
FUNCTION: Engineering

DEPARTMENT: Engineering
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 141,089	\$ 140,660	\$ 169,488	\$ 131,776	\$ 173,343
Employee Benefits	157,832	90,743	149,663	103,785	157,571
Professional Services	18,450	681	20,000	9,270	12,500
Support Goods & Services	9,197	9,873	15,000	8,758	14,000
Repairs & Maintenance	2,378	2,516	6,300	2,595	4,500
Capital Outlay	2,468	-	-	-	-
Allocated Expenses	(86,447)	(79,246)	(80,000)	(43,072)	(80,000)
Total Expenditures	\$ 244,967	\$ 165,227	\$ 280,451	\$ 213,112	\$ 281,914

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
City Engineer	1	1	1	1
Administrative Assistant	1	1	1	1
Total	2	2	2	2

Performance Indicators

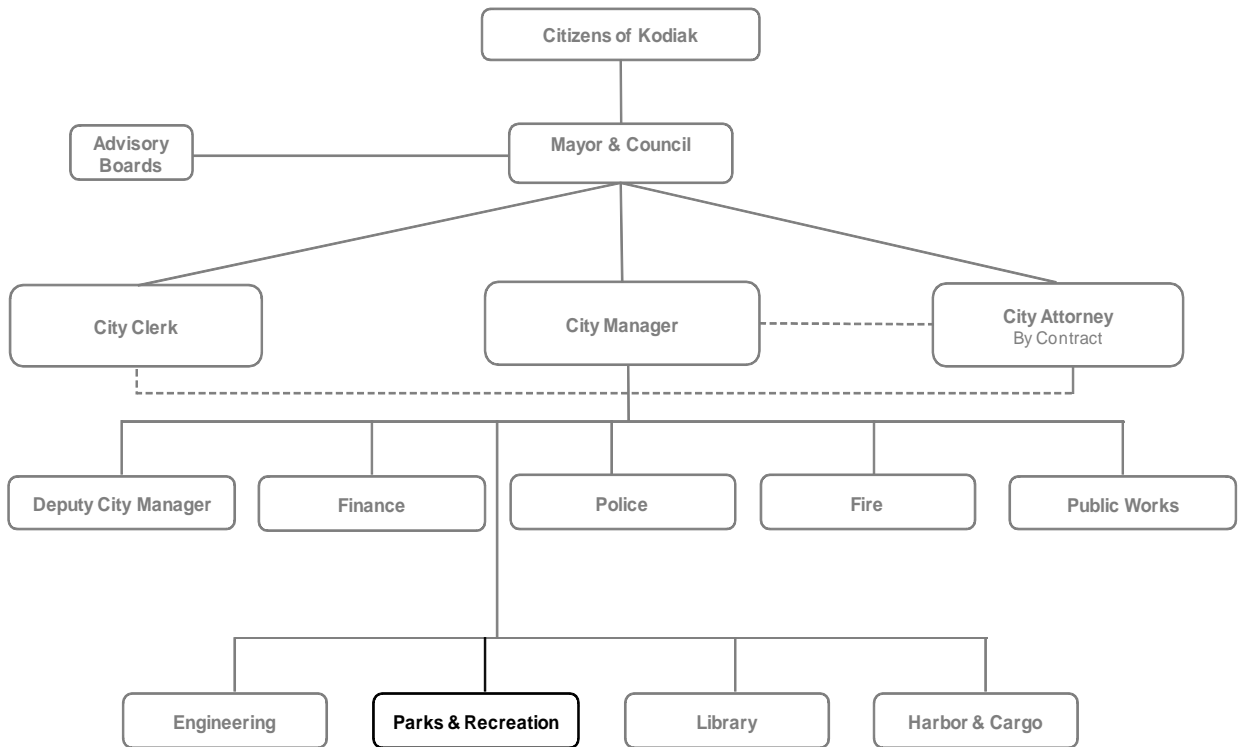
	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Use of Standard Construction Specifications and Standard Details Edition	2012	2012	2012	2012
Projects completed in compliance with specifications	100%	100%	100%	100%
Projects completed on schedule	100%	100%	100%	100%
Projects completed within budget	100%	100%	100%	100%



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GENERAL FUND DEPARTMENTAL BUDGETS





GENERAL FUND – PARKS AND RECREATION-ADMINISTRATION

Departmental Vision

To provide direction and management of Parks and Recreation in a manner that is consistent with the policies and direction of the City Council as well as the goals of the community. These goals will be administered to ensure safe, resourceful, and effective leisure service programs, facilities, and related resources.

Program Description

Parks and Recreation-Administration is responsible for the direction, professional management, and general administration of the City's leisure service programs and resources. Areas of concentration within Parks and Recreation include management of cemeteries, swimming pool, ice rink, city parks, recreation programs, park maintenance and planning, capital improvements, and facility design, development, and maintenance. Recreation programming and maintenance includes City facilities as well as Kodiak Island Borough and Kodiak Island School facilities operated by the City under a joint-use agreement between the City, Borough, and School District.

Goals and Objectives

Goal: To continue to support sub-department goals and objectives.

Objective: To provide safe, resourceful, and effective leisure service programs, facilities, and related resources in a manner consistent with the policies and direction of administration.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 83.32% in capital outlays due to fewer equipment replacement needs in the upcoming year.

Accomplishments: For fiscal year 2017, this department's actual expenses were 6.80% less than the budgeted amount due to streamlining efficiencies within the department.

Planned Accomplishments for Fiscal Year 2018

- To negotiate minor changes to the Facility Joint Use Agreement with the Kodiak Island Borough School District and Kodiak Island Borough.
- Complete Phase 2 of the Skate Park
- To establish classification and compensation guidelines that create a motivated part-time and seasonal workforce capable of sustaining quality work. To align processes to convert many of our one talent/interest seasonal hires to multi-talent/interest part-time employees, thereby reducing the number of annual temporary staff.
- To meet payroll challenges through activating business / organizational partnerships, community volunteerism, and modeling relatively high cost programs toward successful low cost programs.
- To broaden regular and temporary work hours to create evening and weekend coverage while maintaining regular hours on a department annual basis.
- To review City policy and department procedures related to commercial and nonprofit uses of City assets to find ways to encourage partnerships that are cohesive and increase community benefits.
- To address adjacency challenges at the Kodiak Cemetery created by the construction of the Long Term Care Facility, including the removal of wind susceptible trees and access driveway.
- To increase recreation opportunity through maximizing scheduling, developing additional playing surfaces, and diversifying facility use.
- Address parking concerns at Baranof Park.
- To increase the level of cross-training across the department as well as safety training and protocols to include planning and conducting road races.
- To increase summer and winter adult athletic leagues.



GENERAL FUND – PARKS AND RECREATION-ADMINISTRATION

FUND: General
FUNCTION: Public Recreation

DEPARTMENT: Parks and Recreation
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 278,641	\$ 266,287	\$ 317,301	\$ 295,009	\$ 320,678
Employee Benefits	197,181	121,967	191,165	154,524	199,278
Professional Services	23,710	24,909	23,850	25,798	23,850
Support Goods & Services	80,316	69,131	62,000	60,417	70,000
Repairs & Maintenance	5,433	5,655	9,000	10,744	9,000
Public Utility Services	11,211	12,090	12,000	13,205	12,000
Capital Outlay	7,544	59,839	101,757	108,609	16,973
Total Expenditures	\$ 604,036	\$ 559,878	\$ 717,073	\$ 668,306	\$ 651,779

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Parks & Recreation Director	1	1	1	1
Recreation Supervisor	1.5	1.5	1.5	1.5
Parks Maintenance Worker	0.75	0.75	0.75	0.75
Total	3.25	3.25	3.25	3.25

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
City League Basketball Teams	25	24	21	22
City League Basketball Players	315	300	265	275
City League Volleyball Teams	14	20	19	17
City League Volleyball Players	89	158	152	140
Womens League Volleyball Teams	11	11	11	11
Womens League Volleyball Players	75	69	81	75
City League Softball Teams	11	14	10	11
City League Softball Players	178	252	169	180
Races (contestants)				
Earth Day Triathlon	52	33	28	35
Pillar Mountain Classic	50	42	34	40
Pasagshak to Kodiak Bike Ride	27	20	16	20
Marathon	2	1	1	1



GENERAL FUND – PARKS AND RECREATION-MUSEUM

Departmental Vision

The Kodiak Historical Society is responsible for the overall operation of the Baranov Museum, which is located in the Erskine House on Marine Way. The museum is open to the public, year-round, for a total of 1,200 hours.

Program Description

The Kodiak Historical Society conducts tours, provides historical information, classifies historical objects, and maintains security of the Erskine House. The City of Kodiak owns the museum and has an agreement with the Kodiak Historical Society to operate the museum.

Goals and Objectives

Goal: To continue cooperation with the Kodiak Historical Society by maintaining the level of service provided by Parks and Recreation.

Objective: To provide a museum for the educational and cultural benefit of the community of Kodiak as well as to promote the tourism industry.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 33.34% in public utilities.

Accomplishments: For fiscal year 2017, this department's actual expenses were 4.32% less than the budgeted amount due to lower costs for public utilities.

Planned Accomplishments for Fiscal Year 2018

- To complete a new permanent exhibit design that will better share the full and complex history of the Kodiak region, its culture, and its people.
- To develop new and expanded education programs and events, including a spring lecture series, monthly events to share traditional Kodiak crafts and art, and a monthly story time to encourage early literacy and a love of history.
- To continue the care and preservation of objects, photographs, and documents related to the history of Kodiak.
- To continue maintenance and renovation of the Baranov Museum Building.



GENERAL FUND – PARKS AND RECREATION-MUSEUM

FUND: General
FUNCTION: Public Recreation

DEPARTMENT: Parks and Recreation
COST CENTER: Museum

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Contributions	\$ 90,000	\$ 93,650	\$ 94,700	\$ 94,700	\$ 94,700
Repairs & Maintenance	-	-	-	1,275	2,500
Public Utility Services	11,708	8,694	15,000	8,991	10,000
Total Expenditures	\$ 101,708	\$ 102,344	\$ 109,700	\$ 104,966	\$ 107,200

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Number of Visitors Annually	9,014	9,014	9,500	9,500
Number of Historical Artifacts	4,052	4,052	4,100	4,100
Number of Archives (Photos, Maps, Etc.)	48,000	48,000	19,500	19,500
Cost Per Unit of Participation	\$ 10.12	\$ 10.12	\$ 10.12	\$ 10.12



GENERAL FUND – PARKS AND RECREATION-TEEN CENTER

Departmental Vision

To provide the Kodiak community with a variety of activities that supports all cultural diversities. To provide programs and services that promote a sense of belonging to the Kodiak community, a sense of self-worth as a community, and a sense of competency to everyone of all ages. To provide healthy choices for teens / youth in the Kodiak community.

Program Description

The Parks and Recreation-Teen Center provides sustainable drug-free options of recreational leisure to the community of Kodiak and abroad. The Parks and Recreation-Teen Center is responsible for providing reasonably priced sports events to the Kodiak community and offering the community diverse opportunities of leisure. These programs include sustainable afterschool activities that are educational, fun, and exciting and offer youth and adult programs within the Teen Center.

Goals and Objectives

Goal: To continue providing the level of services that the Parks and Recreation-Teen Center currently offers, through maximizing the use of facilities and minimizing costs, and providing community involvement through employment.

Objective: To build the Kodiak community by providing a place where people can play and socialize together as equal members.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 1.81% in salaries and wages, 34.40% in employee benefits, and decreased 100% in capital outlays. These reductions were due to staffing turnover and capital outlays that would not be required in the upcoming fiscal year.

Accomplishments: For fiscal year 2017, this department's actual expenses were 13.29% less than the budgeted amount due to staffing turnover and lower public utilities.

Planned Accomplishments for Fiscal Year 2018

- To provide a variety of activities on a monthly basis that includes art, sports, leisure afterschool activities, and teen-adult programs.
- To reach out to different organizations within the Kodiak community to provide multiple support networks to the Kodiak community.
- To forge relationships with different agencies and businesses within the Kodiak community that supports children's needs and provides a reasonable base for those that need it.
- To be an advocate for diversity, equality, family values, and community values.
- To develop marketing avenues that is fiscally responsible and viable to the Kodiak community.
- To continue developing a fitness room with training opportunities.
- To create protocols in the area of financial cash management, safety and maintenance, fee registration, patron registration, patron activity logs, and database management.
- To evaluate items for repairs and maintenance and replace items as necessary.



GENERAL FUND – PARKS AND RECREATION-TEEN CENTER

FUND: General
FUNCTION: Public Recreation

DEPARTMENT: Parks and Recreation
COST CENTER: Teen Center

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 149,233	\$ 129,855	\$ 140,172	\$ 129,664	\$ 137,641
Employee Benefits	80,818	54,732	81,315	53,104	53,340
Professional Services	400	6,705	11,330	12,380	11,330
Support Goods & Services	7,779	11,573	12,500	11,904	12,500
Repairs & Maintenance	3,203	14,948	5,000	6,084	5,000
Public Utility Services	21,204	14,986	15,000	17,366	15,000
Administrative Services	783	-	500	-	500
Capital Outlay	1,488	3,320	1,500	1,283	-
Total Expenditures	\$ 264,908	\$ 236,119	\$ 267,317	\$ 231,785	\$ 235,311

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Recreation Supervisor	1	1	1	1
Total	1	1	1	1

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Boy Dribblers Teams	17	16	13	15
Boy Dribblers Participants	85	73	98	85
Girl Dribblers Teams	8	9	11	10
Girl Dribblers Participants	61	55	70	65
Spring Soccer Teams	16	13	14	15
Spring Soccer Participants	160	226	255	210
Morning Program/Days	24	24	24	24
Morning Program/Attendance	198	207	200	200
Total Teen Center Attendance (Hourly)	17,408	26,365	30,650	24,000
Teen Center Attendance	10,000	12,894	10,177	11,000



GENERAL FUND – PARKS AND RECREATION-AQUATICS

Departmental Vision

To provide a complete aquatics program that meets the needs of all citizens of Kodiak, to maintain optimal water quality in the swimming pool, and to provide structured and instructional use of the high school gym.

Program Description

Parks and Recreation-Aquatics are responsible for the overall supervision of the public use of the swimming pool and high school gym facilities, staff, patrons, and programs. Parks and Recreation-Aquatics is responsible for the water quality of the swimming pool, the custodial care of the swimming pool area, execution of recreational programs, providing of data for compilation of reports and budgets, and selection, training, evaluation, promotion, and discipline of staff. The City provides these services through an agreement with the Kodiak Island Borough and the Kodiak Island Borough School District.

Goals and Objectives

Goal: To provide a safe and affordable facility for the community and swim teams to maximize and use; to maximize the use of the Kodiak High School gymnasium.

Objective: To build the Kodiak community by providing a place where people can play and socialize together as equal members.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget increased 100% in capital outlays due to IT equipment needs for the upcoming fiscal year.

Accomplishments: For fiscal year 2017, this department's actual expenses were 12.25% less than the budgeted amount due to staffing turnover.

Planned Accomplishments for Fiscal Year 2018

- To represent the Kodiak Island Borough, City of Kodiak, and Kodiak Island Borough School District as the agency in charge of the overall use and operation of the swimming pool.
- To monitor and operate pool chemical equipment, water temperature, and air handling units.
- To partner with Kingfishers to develop a swim lesson plan that would allow for lessons continuously throughout the year.
- To plan, organize, and implement an aquatics program for all ages on a year-round basis.
- To coordinate the entire use by all community and school groups.



GENERAL FUND – PARKS AND RECREATION-AQUATICS

FUND: General
FUNCTION: Public Recreation

DEPARTMENT: Parks and Recreation
COST CENTER: Aquatics

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 144,534	\$ 133,080	\$ 154,565	\$ 136,700	\$ 155,224
Employee Benefits	59,539	54,675	83,060	70,778	86,925
Professional Services	609	-	-	-	-
Support Goods & Services	4,965	5,054	5,000	5,386	5,150
Administrative Services	-	-	-	50	-
Capital Outlay	-	-	-	-	3,000
Total Expenditures	\$ 209,647	\$ 192,809	\$ 242,625	\$ 212,914	\$ 250,299

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Recreation Supervisor	1	1	1	1
Total	1	1	1	1

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Number of Individuals Participating				
Morning Lap	2,597	1,626	1,511	1,900
Noon Lap Swim	4,015	3,340	3,057	3,500
Evening Lap	3,213	2,251	1,525	2,300
Open Swim	12,687	9,306	8,478	10,000
Aerobics	1,775	2,000	1,509	1,750
Family Swim	3,224	3,564	2,702	3,000
Youth Lessons (Daily)	8,000	8,000	8,000	8,000
Swim Team	10,000	10,000	9,189	9,500
Total number of Participants	45,511	40,087	35,971	39,950



GENERAL FUND – PARKS AND RECREATION-ICE RINK

Departmental Vision

To provide programs to the Kodiak community for ice skating and other winter activities. To provide facilities for use when the ice rink is closed for other sporting and community events.

Program Description

The Parks and Recreation-Ice Rink operates seasonally from mid-November through the end of March. The Parks and Recreation-Ice Rink features a refrigeration system and a Zamboni to resurface ice, ensuring that the quality of ice is reliable. Ice skating programs include schedules for free skating times to the public, hockey, and broomball. In addition, there are figure skating and hockey clinics held during Christmas and spring break holidays. The youth hockey league program operates mid February through the end of March. A Learn-To-Skate program is held in two five-week sessions beginning in early January. When not in use for ice skating, the facility is covered and serves as a multipurpose play-court area used for tennis, basketball, roller hockey, soccer, and community events.

Goals and Objectives

Goal: To provide a safe and affordable facility for the community to maximize the use of the Parks and Recreation-Ice Rink.

Objective: To build the Kodiak community by providing a place where people can play and socialize together as equal members.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget increased 34.78% in support goods and services and increased 10% in public utilities due to bringing the ice rink up three weeks early for a special fundraiser.

Accomplishments: For fiscal year 2017, this department's actual expenses were 14.48% less than the budgeted amount due to staffing turnover.

Planned Accomplishments for Fiscal Year 2018

- To plan, organize, schedule, and supervise recreational activities and programs within the community to include coordinating volunteers, determining appropriate sites for events and activities, and locating and solidifying instructors and/or volunteers.
- To coordinate the use of the Parks and Recreation-Ice Rink with community groups and the Kodiak Island Borough School District.
- To maintain an inventory of maintenance tools, machinery, manuals, and reports.
- To expand the Parks and Recreation-Ice Rink oversight to include all of Baranof facilities and other outdoor recreation venues.
- To send staff to the Parks and Recreation-Ice Rink facility for oversight and operational training.



GENERAL FUND – PARKS AND RECREATION-ICE RINK

FUND: General
FUNCTION: Public Recreation

DEPARTMENT: Parks and Recreation
COST CENTER: Ice Rink

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 36,064	\$ 39,975	\$ 47,071	\$ 41,399	\$ 48,006
Employee Benefits	14,963	20,558	37,421	23,409	39,175
Professional Services	2,739	-	500	175	500
Support Goods & Services	8,939	10,808	11,500	14,419	15,500
Repairs & Maintenance	25,712	9,768	7,500	7,813	7,500
Public Utility Services	55,066	62,216	60,000	53,026	66,000
Capital Outlay	1,487	765	-	-	-
Total Expenditures	\$ 144,970	\$ 144,090	\$ 163,992	\$ 140,241	\$ 176,681

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Parks Superior	0	0.5	0.5	0.5
Total	0	0.5	0.5	0.5

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Number of Individuals Participating				
Public Skate	1,181	4,791	5,210	6,000
Novice Hockey			1,201	1,500
Stick & Puck	16	186	521	600
Kodiak Hockey League			10,300	10,000
Women's Hockey	640	428	495	800
Men's Hockey	781	833	895	1,250
Total number of Participants	14,535	8,988	10,300	20,150



GENERAL FUND – PARKS AND RECREATION-BEAUTIFICATION PROGRAM

Departmental Vision

To provide a beautification program to improve the visual effects of downtown Kodiak and to supply the necessary resources through the purchase of supplies and flowers.

Program Description

The Parks and Recreation-Beautification Program provides for the procurement and maintenance of hanging flower baskets and maintenance of St. Paul Plaza, AC Parking Lot, the Russian Well, Y Intersection Island, the Kodiak Police Department, and the Parks and Recreation-Teen Center. The Parks and Recreation-Beautification Program also provides holiday lighting within the downtown Kodiak area.

Goals and Objectives

Goal: To beautify Kodiak and make it an enjoyable place for visitors and citizens of Kodiak.

Objective: To maintain the flower baskets and maintenance of various community areas.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, the FY 2018 budget remained comparable to the prior fiscal year.

Accomplishments: For fiscal year 2017, this department's actual expenses were 21.15% less than the budgeted amount due to reduced supplies purchased throughout the fiscal year.

Planned Accomplishments for Fiscal Year 2018

- To maintain flower baskets through daily watering, weekly weeding, and biweekly fertilization.
- To purchase, install, and maintain winter lights on mall trees and use LED lighting and timers for minimal electrical use.



GENERAL FUND – PARKS AND RECREATION-BEAUTIFICATION PROGRAM

FUND: General
FUNCTION: Public Recreation

DEPARTMENT: Parks and Recreation
COST CENTER: Beautification Program

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Professional Services	\$ 4,731	\$ 5,076	\$ 5,000	\$ 4,955	\$ 5,000
Support Goods & Services	4,690	10,000	8,000	5,296	8,000
Total Expenditures	\$ 9,421	\$ 15,076	\$ 13,000	\$ 10,251	\$ 13,000

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0

Performance Indicators

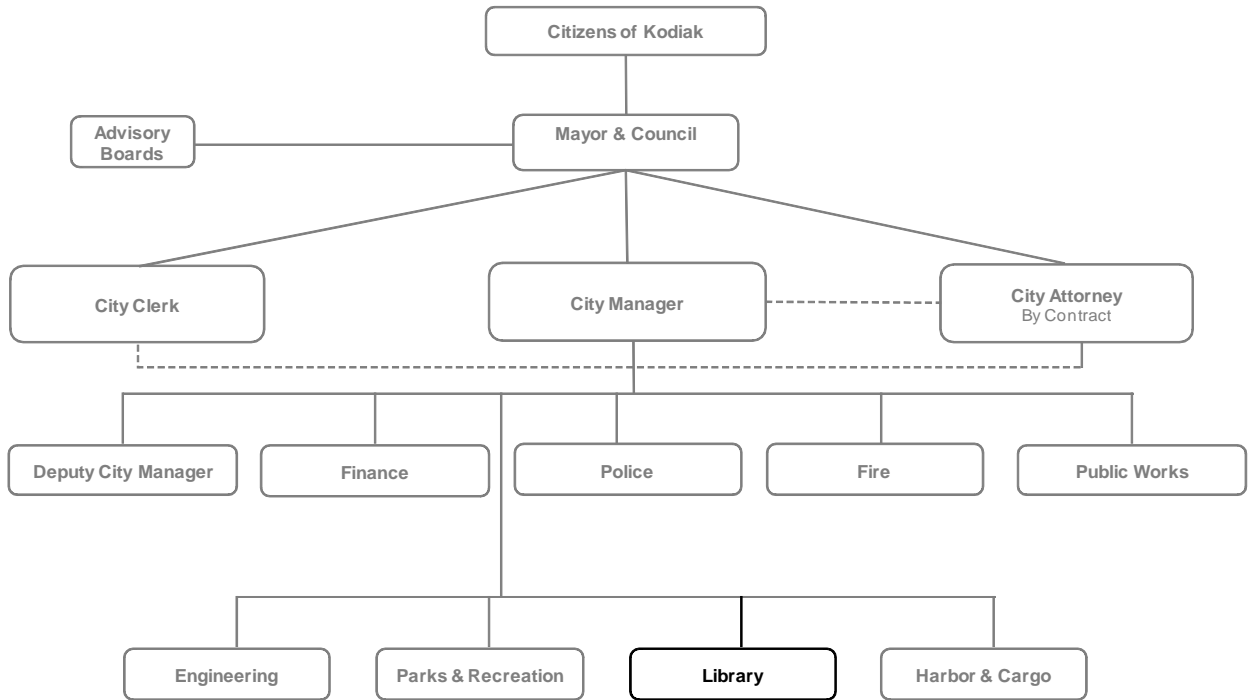
	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Flower Baskets	108	108	100	100
Winter lights on trees in downtown shopping area	16	16	16	16



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**GENERAL FUND
DEPARTMENTAL BUDGETS**





GENERAL FUND – LIBRARY-ADMINISTRATION/OPERATIONS

Departmental Vision

Kodiak Public Library improves the quality of life of community residents by being a community hub for learning, training, and cultural enrichment through its literacy, research, educational, and information services delivered in a fiscally responsible manner by a dedicated, hard-working staff.

Program Description

The Library is responsible for providing informational, recreational, educational, and cultural resources and services within the library and through outreach to support the well being of the Kodiak community. The Library's core values are: the safety and wellness of staff and patrons; the stewardship of its city assets; and, the legacy of providing literacy enrichment, cultural diversity, and learning to future generations.

Goals and Objectives

Goal: To maintain the level of library services that ensures library patrons can maximize the use of the facility, collections, services, and programs while keeping the costs of the library operation as minimal as possible. Library services include, but are not limited to: library card registration; reciprocal borrowing; use of electronic devices, broadband, meeting spaces, enrichment programs and trainings, multi-format collections; and collaborative initiatives.

Objective: To ensure that library patrons receive services and access to collections that are equal to those provided for by the City in past fiscal years.

Significant Budget Changes and Accomplishments

Significant Budget Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 11.95% in salaries and wages due to staffing turnover, 15.01% in professional services, and 10% in public utility services. The overall Library budget decreased 5.93%.

Staffing shortages due to turnover in the library and limited personnel within the library and other city departments delayed completion of some of the exterior grounds work. Timetables for long-range projects related to building modifications, collection development, and training projects were adjusted due to limited staffing.

Accomplishments: For fiscal year 2017, this department's actual expenses were 23.58% less than the budgeted amount due to staffing turnover and vacancies.

The Library was selected as a member of the American Library Association's Young Adult Library Services Association Future Ready with the Library Career Readiness Cohort and delivered training and materials to middle school and high school youth. The Library received a federal internet rate discount coordinated through the Alaska State Library and the state's Online with Libraries program to provide public internet and telecommunications connectivity. Library staff continued to provide reference and technological assistance to adult patrons seeking job training and employment. Anecdotal evidence indicates that a percentage of library patrons found entry-level employment at Walmart, MacDonald's and canneries, and obtained housing as a result of using the library's public internet and staff reference services.

Planned Accomplishments for Fiscal Year 2018

- To upgrade the library's online Integrated Library System to meet industry requirements;
- To continue addressing landscape maintenance and needs of exterior spaces and parking lot;
- To collaborate with Alaskan libraries on small business resources, staff training, and services in support of the City's and State's commitment to economic revitalization;
- To continue Future Ready with the Library Middle School College and Career Readiness services;
- To provide programs and services that enable people to increase their proficiency with technology tools and electronic resources in keeping with 21st century literacies.



GENERAL FUND – LIBRARY-ADMINISTRATION/OPERATIONS

FUND: General
FUNCTION: Library

DEPARTMENT: Library
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 401,455	\$ 400,152	\$ 456,853	\$ 367,464	\$ 402,251
Employee Benefits	365,957	171,384	312,569	163,062	322,489
Professional Services	36,576	40,340	52,950	51,386	45,000
Support Goods & Services	40,248	48,700	41,410	57,300	47,410
Repairs & Maintenance	1,346	5,254	15,000	15,925	15,000
Public Utility Services	42,779	43,487	50,000	44,985	45,000
Books & Materials	45,918	49,428	58,070	53,773	52,600
Capital Outlay	769	5,129	1,500	1,366	-
Total Expenditures	\$ 935,048	\$ 763,874	\$ 988,352	\$ 755,261	\$ 929,750

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Library Director	1	1	1	1
Library Specialist - Nonsupervisor	3	3	3	3
Library Technician - Nonsupervisor	1	1	1	1
Administrative Assistant	0.75	0.75	0.75	0.75
Assistant	1.25	1.25	1.25	1.25
Total	7	7	7	7

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Total Circulation**	67,981	74,780	89,660	90,000
Library Cards Issued	1,090	1,252	868	850
Program Attendance	4,480	5,288	6,618	6,800
Classroom Visits	62	36	52	70
Alaska Digital Library Downloads	4,617	5,757	5,880	5,800
Computer Sessions-Wired	20,390	16,536	15,693	16,000
Computer Sessions-Wireless	37,341	47,520	59,088	50,000
Materials Purchased	3,846	3,474	5,828	3,500
Materials Withdraw	1,121	3,000	4,354	5,000
Library Visitors	152,000	181,188	185,350	185,000

** Total circulation is based on check-out circulation only.



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GENERAL FUND – NONDEPARTMENTAL PROGRAMS AND OPERATIONS

The nondepartmental programs and operations of the general fund are specific programs or operations that cannot be reasonably allocated to specific departments. These programs and operations include the following:

- Downtown Revitalization
- Administration
- Contributions
- Operating Transfers



GENERAL FUND – NONDEPARTMENTAL-DOWNTOWN MAINTENANCE

Departmental Vision

To ensure that the downtown core area is maintained as a safe and useful space to the general public and to increase the sense of community ownership.

Program Description

The Downtown Maintenance program is a maintenance program to address decriminalization of disorderly behaviors, improved lighting, and assessment of downtown parking and retention of St. Paul Plaza as the centerpiece of downtown pocket parks.

Goals and Objectives

Goal: To maintain an attractive downtown area that can be used by the visitors and residents of Kodiak.

Objective: To continue to offer services to make the downtown area safe and functional.

Significant Budget Changes and Accomplishments

Significant Budget Changes: In comparison to the prior fiscal year, the FY 2018 budget was unchanged from the prior fiscal year.

Accomplishments: For fiscal year 2017, this department's actual expenses were 2.84% less than the budgeted amount due to fewer professional services contracts.

Planned Accomplishments for Fiscal Year 2018

- To allocate funds for indigent criminal prosecution and defense counsel costs associated with certain disorderly offences.
- To work closely with the Kodiak Chamber of Commerce to promote the vitality of downtown Kodiak.



GENERAL FUND – NONDEPARTMENTAL-DOWNTOWN MAINTENANCE

FUND: General
FUNCTION: Community Services

DEPARTMENT: Non-Departmental
COST CENTER: Downtown Maintenance

Expenditures

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Final Budget</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
Professional Services	\$ 10,972	\$ 6,378	\$ 13,000	\$ 7,640	\$ 13,000
Support Goods & Services	-	398	2,000	511	2,000
Public Utility Services	<u>29,792</u>	<u>29,937</u>	<u>25,000</u>	<u>30,715</u>	<u>25,000</u>
 Total Expenditures	 <u>\$ 40,764</u>	 <u>\$ 36,713</u>	 <u>\$ 40,000</u>	 <u>\$ 38,866</u>	 <u>\$ 40,000</u>

PERSONNEL

Number of Employees

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
Authorized Personnel	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



GENERAL FUND – NONDEPARTMENTAL-ADMINISTRATION

Departmental Vision

To finance general fund expenses that cannot be reasonably allocated to a specific department.

Program Description

Nondepartmental-Administration provides for expenditures which are not applicable to any specific City department or which cannot be readily allocated to an individual department. These expenditures are primarily for administrative activities such as mandatory employee drug testing, administrative copier charges, payment of the rental lease for City Hall office space, and the economic development contract with the Kodiak Chamber of Commerce.

Goals and Objectives

Goal: To minimize expenses in a cost effective manner.

Objective: To maintain costs while providing the structure to administer general fund departments.

Significant Budget Changes and Accomplishments

Significant Budget Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 20.18% due to the annual property insurance allocation.

Accomplishments: For fiscal year 2017, this department's actual expenses were 12.47% less than the budgeted amount due to fewer professional services contracts and the delayed start of the economic development committee.

Planned Accomplishments for Fiscal Year 2018

- To allocate funds to cover expenses that will benefit all general fund departments.
- To implement the economic development committee.



GENERAL FUND – NONDEPARTMENTAL-ADMINISTRATION

FUND: General
FUNCTION: General Government

DEPARTMENT: Non-Departmental
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Professional Services	\$ 17,827	\$ 15,761	\$ 33,000	\$ 13,220	\$ 33,000
Economic Development	-	24,380	45,000	20,751	45,000
Support Goods & Services	425,023	377,470	399,557	397,135	318,908
Repairs & Maintenance	-	-	-	703	-
Public Utility Service	25,275	14,564	26,000	7,672	26,000
Administrative Services	-	3,122	1,000	1,568	1,000
Capital Outlays	-	1,578	-	570	-
Total Expenditures	\$ 468,125	\$ 436,875	\$ 504,557	\$ 441,619	\$ 423,908

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0



GENERAL FUND – NONDEPARTMENTAL-CONTRIBUTIONS

Departmental Vision

To provide financial assistance to nonprofit organizations that support programs, activities, and services to the citizens and visitors of Kodiak.

Program Description

Nondepartmental-Contributions provide additional funding to nonprofit organizations by the City of Kodiak.

Goals and Objectives

Goal: To provide contributions to nonprofit organizations by allocating 1% of the total general fund budgeted revenue.

Objective: To maintain contributions while adhering to the parameters developed by the City Council.

Significant Budget Changes and Accomplishments

Significant Budget Changes: In comparison to the prior fiscal year, the FY 2018 budget decreased 12.90% due to the calculation of the nonprofit grant awards based on budgeted general fund revenues.

Accomplishments: For fiscal year 2017, this department's actual expenses were equal to the budgeted amount.

The annual contribution amount is established by calculating 1% of the total general fund budgeted revenues not including appropriations from fund balance. Contributions continue to be based on four categories in fiscal year 2017: Youth Recreation, Adult Recreation, Emergency Support, and Emergency Preparedness. Twenty-two nonprofit grants were awarded during fiscal year 2017.

Planned Accomplishments for Fiscal Year 2018

- To fund programs that supplement the services provided by the City of Kodiak for the benefit of the residents and visitors to the community.



GENERAL FUND – NONDEPARTMENTAL-CONTRIBUTIONS

FUND: General
FUNCTION: Community Services

DEPARTMENT: Non-Departmental
COST CENTER: Contributions

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Contributions	\$ 168,098	\$ 149,900	\$ 184,500	\$ 184,500	\$ 160,700
Total Expenditures	\$ 168,098	\$ 149,900	\$ 184,500	\$ 184,500	\$ 160,700

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Number of Non-profits assisted	20	21	22	22



GENERAL FUND – NONDEPARTMENTAL-OPERATING TRANSFERS

Departmental Vision

Not applicable.

Program Description

Nondepartmental-Operating Transfers represents the transfer of monies between funds to pay expenses.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Budget Changes: In comparison to the prior fiscal year, the FY 2018 budget increased 149.88% in transfers to the Fire Station Deferred Maintenance capital project for ongoing repairs and maintenance to the fire station; and increased 28.15% in transfers to the vehicle replacement fund which funds future vehicle replacements.

Accomplishments: For fiscal year 2017, this department's actual expenses were comparable to the budgeted amount.

Planned Accomplishments for Fiscal Year 2018

- Not applicable



GENERAL FUND – NONDEPARTMENTAL-OPERATING TRANSFERS

FUND: General
FUNCTION: Transfers

DEPARTMENT: Non-Departmental
COST CENTER: Transfers

Expenditures

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Final Budget</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
Operating Transfers	\$ 1,992,355	\$ 4,920,949	\$ 1,244,604	\$ 1,258,298	\$ 1,310,901
Total Expenditures	<u>\$ 1,992,355</u>	<u>\$ 4,920,949</u>	<u>\$ 1,244,604</u>	<u>\$ 1,258,298</u>	<u>\$ 1,310,901</u>

Personnel

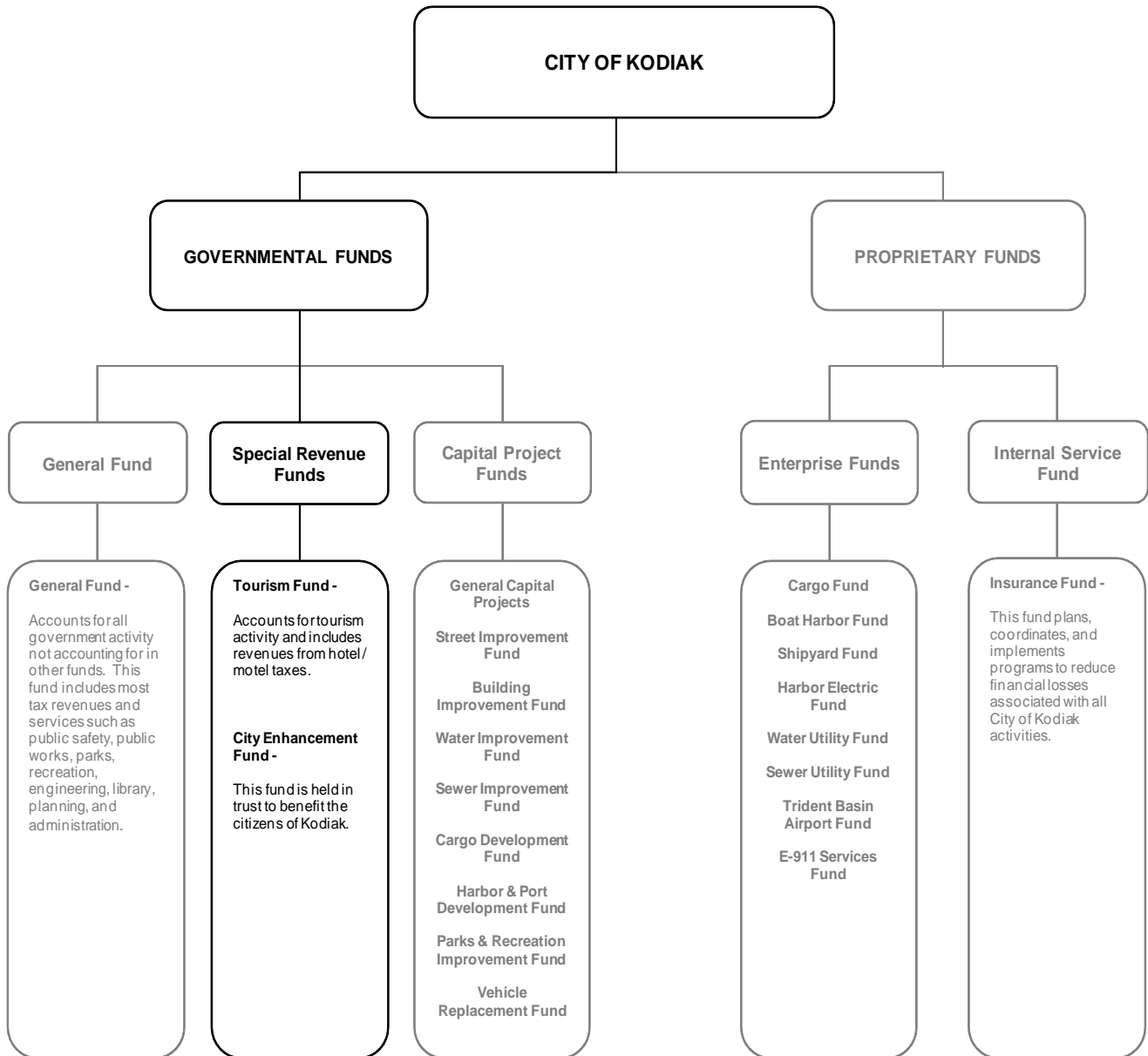
Number of Employees

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
None	0	0	0	0
Total	0	0	0	0





SPECIAL REVENUE FUNDS – NONMAJOR FUNDS





SPECIAL REVENUE FUNDS – NONMAJOR FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The two special revenue funds for the City of Kodiak include the Tourism Fund and the Enhancement Fund. The Tourism Fund is comprised of hotel and motel tax revenues. This fund is for the promotion of tourism within the City of Kodiak. The Enhancement Fund is comprised of invested funds held in trust for the benefit of the residents within the City of Kodiak. This fund provides financial stability of the City of Kodiak.

- Tourism
- Enhancement



SPECIAL REVENUE FUNDS – SUMMARY OF REVENUES AND EXPENDITURES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Revenues					
Hotel & Motel Tax	\$ 212,229	\$ 210,098	\$ 170,500	\$ 196,945	\$ 170,500
Net Investment Income	10,664	37,549	40,000	32,133	40,000
Rents	64,127	72,483	66,800	86,195	66,800
Total Revenues	<u>287,020</u>	<u>320,130</u>	<u>277,300</u>	<u>315,273</u>	<u>277,300</u>
Expenses					
Contributions	111,000	124,621	119,000	119,000	115,000
Administrative Charges	45,150	45,150	45,150	50,966	45,150
Contingency	-	-	25,350	-	29,350
Total Expenses	<u>156,150</u>	<u>169,771</u>	<u>189,500</u>	<u>169,966</u>	<u>189,500</u>
Other Financing Sources (Uses)					
Transfers In	72,781	748,400	-	-	-
Transfers Out	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Other Financing Sources (Uses)	<u>47,781</u>	<u>748,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	<u>\$ 178,651</u>	<u>\$ 898,759</u>	<u>\$ 87,800</u>	<u>\$ 145,307</u>	<u>\$ 87,800</u>

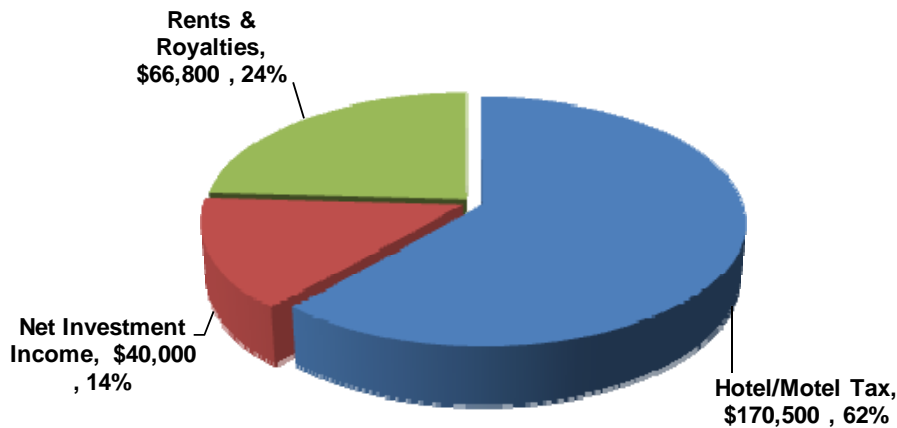


SPECIAL REVENUE FUND – DETAIL OF REVENUES AND EXPENSES BY FUND

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Revenues					
Tourism					
Hotel & Motel Tax	\$ 212,229	\$ 210,098	\$ 170,500	\$ 196,945	\$ 170,500
Interest on Investments	686	1,232	-	1,120	-
Enhancement					
Interest on Investments	9,978	36,317	40,000	31,013	40,000
Rents	64,127	72,483	66,800	86,195	66,800
Total Revenues	287,020	320,130	277,300	315,273	277,300
Expenses					
Tourism					
Contributions	111,000	124,621	119,000	119,000	115,000
Administrative Charges	45,150	45,150	45,150	45,150	45,150
Contingency	-	-	25,350	-	29,350
Enhancement	-	-	-	5,816	-
Total Expenses	156,150	169,771	189,500	169,966	189,500
Appropriations (to) from Fund Balance					
Tourism	-	-	19,000	-	19,000
Enhancement	-	-	(106,800)	-	(106,800)
Net Appropriations (to) from Fund Balance	-	-	(87,800)	-	(87,800)
Operating Transfers					
Tourism - Transfers Out	(25,000)	-	-	-	-
Enhancement - Transfers In	72,781	748,400	-	-	-
Total Operating Transfers	47,781	748,400	-	-	-
Net Increase (Decrease)	\$ 178,651	\$ 898,759	\$ -	\$ 145,307	\$ -



Special Revenue Funds – Fiscal Year 2018 Budgeted Revenues by Source



Revenues by Source –

The budgeted revenues for fiscal year 2018 are consistent with fiscal year 2017. Hotel / Motel tax revenues are projected based on the data provided by the Kodiak Chamber of Commerce for tourists visiting the Kodiak community. Interest rates have been budgeted higher than fiscal year 2017 due to the retention of an investment management and advisory firm to manage the City's investments. Revenues in the Special Revenue Funds are projected based on historical trends, economic activity in the community, and contracts and leases. These revenues remain consistent year over year.

Hotel / Motel Tax (KCC 3.08.010) – A five percent (5%) tax is levied on all transient room rentals within the City. The receipts are allocated to the Tourism Fund to be appropriated and utilized for the increased development of the tourism industry. During fiscal year 2017, estimated revenues totaled \$196,945. For fiscal year 2018, budgeted revenues totaled \$170,500. These budgeted amounts are based on the anticipated growth in the tourism industry within the Kodiak community and historical trends.

Net Investment Income – This amount represents monies earned on investments. The Enhancement Fund investments generate the majority of the net investment income. During the fiscal year, estimated net investment income totaled \$31,013. For fiscal year 2018, budgeted net investment income totaled \$40,000. The budgeted amount is based on historical trends in the marketplace and retention of an investment management firm.

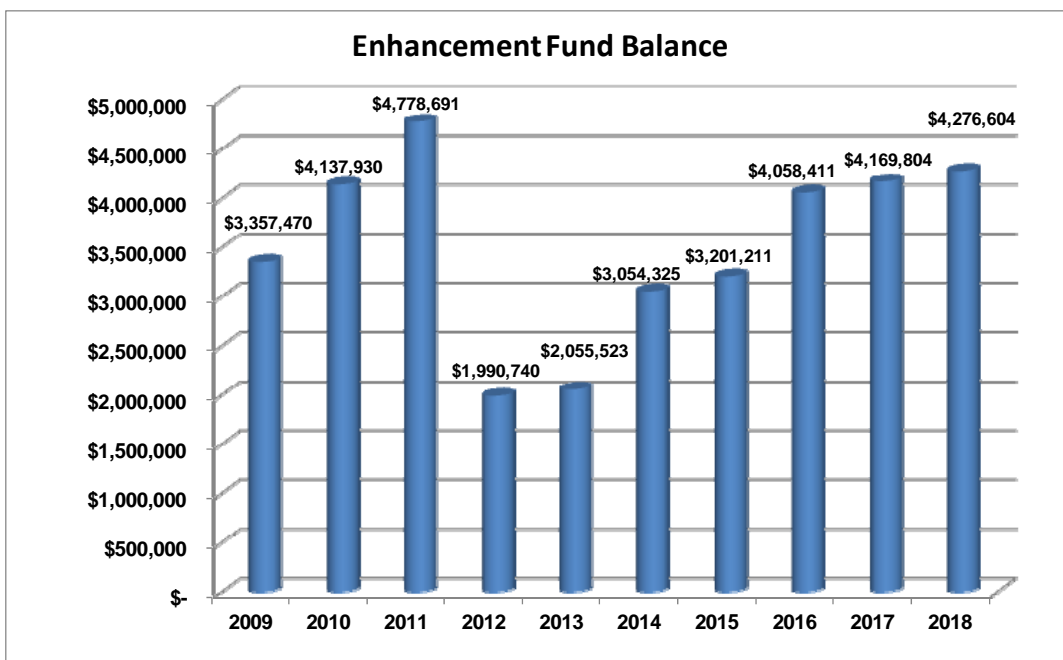
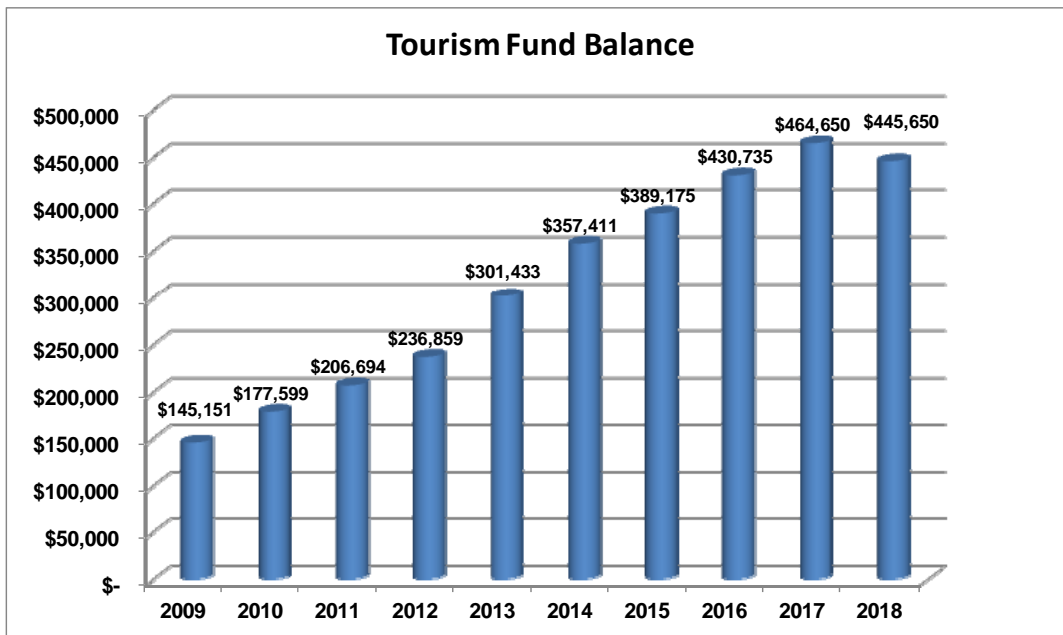
Rents and Royalties – Rents and royalties represent contracts and leases with the City. Gibson Cove Cannery lease agreement totals \$50,000 and various other lease agreements that total \$60,000. During fiscal year 2017, estimated rents and royalties revenues totaled \$86,195. For fiscal year 2018, budgeted revenues totaled \$66,800. The budgeted amounts are based upon lease agreements with the City.



Special Revenue Funds – Fiscal Year 2018 Budgeted Revenues by Source continued

Appropriations to (from) Fund Balance – These include beginning fund balances and the annual change in fund balance that remains after all expenses have been paid. During the fiscal year 2017, estimated appropriations to replenish fund balance for the Tourism Fund totaled \$33,915 and the Enhancement Fund replenished fund balance by \$111,392. For fiscal year 2018, budgeted appropriations from fund balance from the Tourism Fund totaled \$19,000 and estimated appropriations to replenish fund balance for the Enhancement Fund \$106,800.

Shown below is the historical trend for the Special Revenue Tourism fund balance and Special Revenue Enhancement fund balance for the most recent ten-year period. The City has budgeted appropriations to use or replenish fund balance and actual uses are typically lower than budgeted amounts.

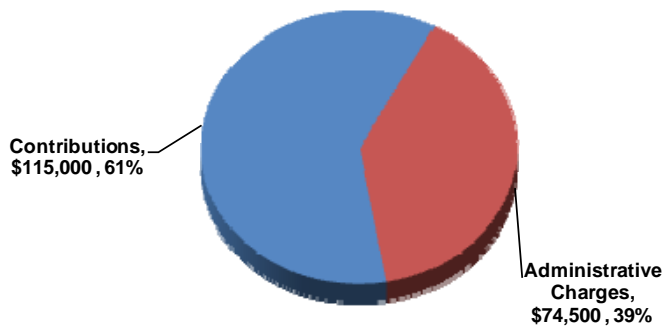




Special Revenue Funds – Fiscal Year 2018 Budgeted Revenues by Source continued

Other Financing Sources – Transfers In – These amounts represent transfers from other funds. For fiscal year 2017, the Tourism Fund and the Enhancement Fund did not recognize any transfers in from other funds. There were no budgeted transfers for fiscal year 2018. The City Council has been replenishing the Enhancement Fund over the past few years. Any uses of the Enhancement Fund would be authorized by a super majority vote of the City Council.

Special Revenue Funds – Fiscal Year 2018 Budgeted Expenses by Classification



Expenditures by Classification

The budgeted expenses for fiscal year 2018 are consistent with fiscal year 2017. The Enhancement Fund did not recognize any transfers during fiscal year 2017 and does not anticipate any operating transfers for fiscal year 2018. The Tourism Fund expenses are based on Kodiak City Code for contributions, administration, and other miscellaneous charges. Overall budgeted expenses for the Special Revenue funds have remained consistent year over year.

Contributions (KCC 3.08.010) – Based on Kodiak City Code, a portion of the receipts from the Hotel / Motel tax is allocated to the Kodiak Island Convention and Visitors Center for the development of the tourism industry and various smaller nonprofit organizations whose mission strives to promote tourism. For fiscal year 2017, estimated contributions totaled \$119,000. Budgeted tourism contributions for fiscal year 2018 total \$115,000. The Kodiak Island Convention and Visitors Center will receive \$108,000 and the Chamber of Commerce will receive \$7,000.

Administrative and Other Charges – For the Tourism Fund, these expenditures represent administration, public works, and beautification services performed. For fiscal year 2017, the estimated amounts for these services totaled \$45,150. Budgeted administrative and other expenditures for fiscal year 2018 totaled \$74,500.

For the Enhancement fund, administrative charges are estimated to be \$5,816. These charges are for investment management and advisory fees for the Enhancement fund investments. At budget implementation, administration charges were not budgeted. Throughout fiscal year 2018, these charges will be reviewed and the budget updated accordingly.

Other Financing Uses – Transfers Out – These amounts represent transfers to other funds. For fiscal year 2017, the Tourism Fund and the Enhancement Fund did not experience any transfers out to other funds. The City Council has been replenishing the Enhancement Fund over the past few years. Any uses of the Enhancement Fund would be authorized by a super majority vote of the City Council. There were no budgeted transfers for fiscal year 2018.



SPECIAL REVENUE FUNDS – TOURISM DEVELOPMENT FUND

Departmental Vision

To expand the City of Kodiak economy by attracting and retaining visitors to the Kodiak community.

Program Description

The Tourism Development Fund was established to assist in promoting tourism to the City of Kodiak. In previous years, monies from this fund have been part of nonprofit organization contributions to the Kodiak Island Convention and Visitors Center, the Chamber of Commerce, and various nonprofit organizations that strive to promote tourism within their respective missions.

Goals and Objectives

Goal: To promote tourism to increase revenues that help fund tourism programs.

Objective: To continue to fund tourism projects.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, Fiscal Year 2018 did not have any budget increases or reductions.

Accomplishments: For fiscal year 2017, Tourism fund revenues were 16.17% higher than anticipated and Tourism fund actual expenses were 13.38% less than budgeted. This allowed for an increase to the fund balance Tourism Fund in the estimated amount of \$33,915 for fiscal year 2017.

The Tourism Development Fund established the Downtown Revitalization Committee and began small beautification projects.

Planned Accomplishments for Fiscal Year 2018

- To attract tourists to Kodiak.
- To attract conventions, meetings, and events to be held in the City of Kodiak.
- To enhance the City of Kodiak through beautification projects.
- To fund and implement the Downtown Revitalization Committee short-term project.



SPECIAL REVENUE FUNDS – TOURISM DEVELOPMENT FUND

FUND: Special Revenue
FUNCTION: Special Revenue

DEPARTMENT: Tourism
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Contributions	\$ 111,000	\$ 124,621	\$ 119,000	\$ 119,000	\$ 115,000
Administrative Charges	45,150	45,150	45,150	45,150	45,150
Other	-	-	25,350	-	29,350
Transfers Out	25,000	-	-	-	-
Total Expenditures	\$ 181,150	\$ 169,771	\$ 189,500	\$ 164,150	\$ 189,500

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Conventions/Meetings/Events	141	145	160	160
Number of Visitor Inquiries	7,953	8,250	8,600	8,600
Number of Visitors at Visitor Center	14,233	14,632	16,500	16,500
Number of Cruise Ships Visits	12	14	20	20



SPECIAL REVENUE FUNDS – CITY ENHANCEMENT FUND

Departmental Vision

To provide the highest returns on investments possible while minimizing risks in the marketplace in order to safeguard the funds.

Program Description

The City Enhancement Fund was established to promote the financial stability of the City and to provide long term tax relief for the provision of public service. The City Enhancement Fund is intended to be held in perpetually in trust for the benefit of present and future obligations.

Goals and Objectives

Goal: To maintain a fund balance as required by the City of Kodiak municipal code.

Objective: To maximize investments and replenish fund balance.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year, Fiscal Year 2018 did not have any budget increases or reductions.

Accomplishments: For fiscal year 2017, Enhancement fund revenues were 9.75% higher than anticipated and Enhancement fund actual expenses were 100% higher than budgeted. This allowed for an increase to the fund balance of the Enhancement Fund in the estimated amount of \$111,392 for fiscal year 2017.

The City recently changed from self-investing funds to retaining an investment management and advisory services firm to manage City investments. The administrative fees were not budgeted for fiscal year 2017 as the implementation took place during the fiscal year.

Planned Accomplishments for Fiscal Year 2018

- To achieve the highest rates of return on investments within the parameters set by the City of Kodiak municipal code.
- To ensure funds are inflation proofed with the earnings of the fund.
- To ensure that 50% of the gross proceeds from the sale or lease of the municipal real property will be deposited in the City Enhancement Fund.
- To ensure that 50% of the prior fiscal years' general fund surplus will be deposited into this fund.
- To hold quarterly investment committee meetings for development of the City's investment policy and review allowable investments by the City Code.



SPECIAL REVENUE FUNDS – CITY ENHANCEMENT FUND

FUND: Special Revenue
FUNCTION: Special Revenue

DEPARTMENT: Enhancement Fund
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Administrative Charges	\$ -	\$ -	-	\$ 5,816	\$ -
Total Expenditures	\$ -	\$ -	\$ -	\$ 5,816	\$ -

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Investment Committee Meetings Held	0*	0*	2	2
City Council Annual Investment Update	0*	0*	1	1

* New Performance Indicator for Fiscal Year 2017





DEBT SERVICE

Debt Administration

The State of Alaska and the City of Kodiak do not establish a legal debt margin. The voters of the City of Kodiak ultimately determine the amount of debt that can be outstanding. The residents of the City of Kodiak passed a ballot question that allowed the City the authority to issue bonds to fund projects for General Obligation Bonds. There is not a requirement for a ballot question for Revenue Bonds. Currently, the City has three Revenue Bonds and one General Obligation Bond. In addition, the City has four Sewer loans, four Water loans, and one Shipyard loan with the State of Alaska DEC.

The necessity to incur debt in order to finance the capital improvement plan carries with it the obligation to manage the debt program effectively. As a result, the level of outstanding debt and the City's ability to incur and repay additional debt require careful consideration.

Review and analysis of the City's debt provides a capital financing plan for infrastructure and other improvements. Both available resources and City needs drive the City's debt issuance program. Long-term projected financing is linked to economic, demographic, and financial resources expected to be available to repay the debt.

Decisions regarding the use of debt are based upon multiple factors including, but not limited to, the long-term needs of the City and the amount of resources available to repay the debt. The City conservatively projects the revenue sources that will be utilized to repay the debt. Included in the City's capital improvement plan, on an annual basis, the City Council prioritizes and updates the plan to maintain a listing of needed capital improvements. Funds spent on capital projects will result in long-term economic growth beyond the initial capital expenditure by ensuring that the residents of Kodiak will receive future benefits from these capital improvements.

Long Term Debt – Governmental Activities

Description of Debt

The City has one general obligation bond, the City of Kodiak Public Safety Bond. The 2008 Series One Bond issuance was obtained for the design and construction of the City of Kodiak's Police station.

2008 Series A Bond Issuance

The 2008 Series A Bond issuance was in the amount of \$8,000,000 for the design and construction of the City's Police Station. Under the terms of the bond issuance, principal payments are due annually and range from \$135,000 to \$480,000 with a final maturity date in 2038, with interest payable semi-annually at a rate ranging from 4.00% to 5.20% over the term.

Advance Refunding of Debt – 2016 Series Three and Four

In November 2016, the City issued \$6,355,000 of Series Three and Four general obligation bonds with an average interest rate of 3.692% to advance refund \$6,280,000 of outstanding 2008 Series A bonds with an average interest rate of 5.073%. The net proceeds of \$6,682,661 (after payment of \$61,738 in issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008 Series A bonds. As a result, the 2008 Series A bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. As of June 30, 2017, the amount of defeased debt still outstanding was \$6,280,000.

The City advanced refunded the 2008 Series A bonds to reduce its total debt service payments over the next 20 years by \$1,222,727, and to obtain an economic gain (different of the present value of the debt service payments on the old and new debt) of \$848,935.



Long Term Debt – Governmental Activities continued

Long Term Debt Outstanding

Long-term debt for Governmental Activities at June 30, 2017 is comprised of the following:

Governmental Activities	Balance at July 1, 2016	Additions	Retirements	Balance at June 30, 2017	Due Within One Year
\$8,000,000 2008 Series A Public Safety Building General Obligation Bonds, due in annual installments of \$195,000 to \$480,000 plus interest at 4.0% to 5.2% through 2038	\$ 6,695,000	\$ -	\$ 6,485,000	\$ 210,000	\$ 210,000
\$8,000,000 2016 Series Three Public Safety Building General Obligation Bonds, due in annual installments of \$205,000 to \$440,000 plus interest at 2.0% to 5.0% through 2038	-	6,355,000	-	6,355,000	5,000
Bond premium	-	389,398	-	389,398	19,470
Net pension liability	9,168,807	2,649,047	-	11,817,854	-
Accrued leave	589,878	517,460	581,857	525,481	518,335
Total Governmental Activities	\$16,453,685	\$9,910,905	\$7,066,857	\$ 19,297,733	\$ 752,805

Budget Process and Annual Debt Service Requirements

As the General Fund derives its revenue primarily through sales tax, these revenues are used to fund the debt service payments for the above long-term debt noted for governmental activities. Each year, the annual debt service payment, including principal and interest, is budgeted as part of the General Fund-Kodiak Police Department-Administration budget. Bond premiums will be allocated in a systematic manner each year over the life of the outstanding bonds; however, these are not required to be budgeted as part of the General Fund. The general obligation bonds will mature in fiscal year 2038. The net pension liability, and accrued leave long-term debt are budgeted through each General Fund department through salaries and wages and retirement pension expense during each budget cycle.

Annual debt service requirements to maturity for all of the above Governmental Activities general obligation bond debt outstanding as of June 30, 2017, are as follows:

Governmental Activities	General Obligation Bonds		
	Principal	Interest	Total
<i>Years Ending June 30,</i>			
2018	\$ 215,000	\$ 256,400	\$ 471,400
2019	205,000	243,850	448,850
2020	215,000	235,450	450,450
2021	225,000	226,650	451,650
2022	230,000	217,550	447,550
2023-2027	1,340,000	904,000	2,244,000
2028-2032	1,690,000	554,469	2,244,469
2033-2037	2,005,000	246,844	2,251,844
2038	440,000	7,425	447,425
	\$6,565,000	\$2,892,638	\$9,457,638

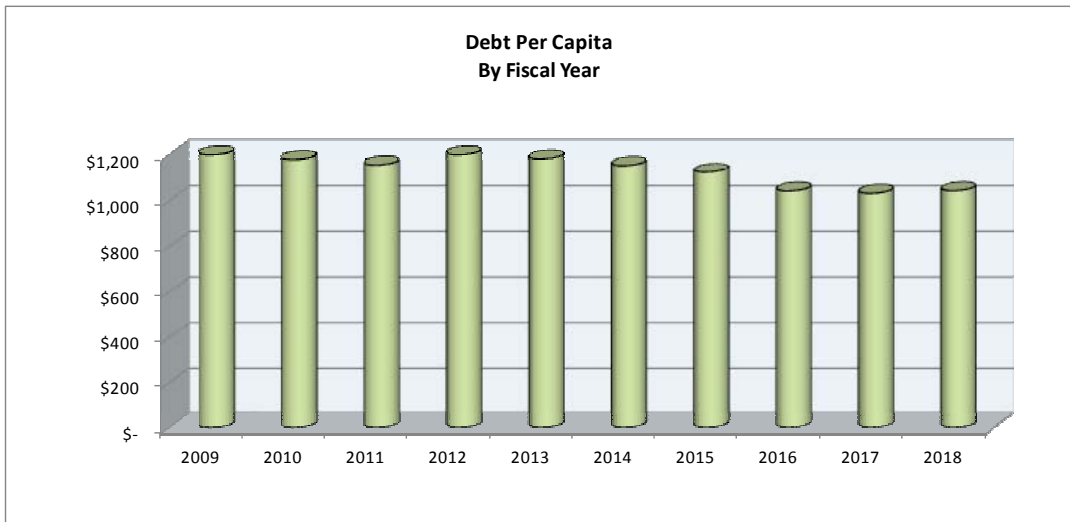


Long Term Debt – Governmental Activities continued

Debt Per Capita

The City strives to maintain debt at a manageable level considering economic factors such as population, assessed valuation, sales tax, and other current and future revenue streams.

Total outstanding debt service required for the general obligation bonds as of fiscal year 2018 totaled \$6,350,000 and the total estimated population of the City of Kodiak is 6,293 residents. The debt per capita is estimated at \$1,043 per resident. The graph below depicts debt per capita for the Governmental Activities for the most recent ten-year period. Debt per capita has remained consistent year over year with decreases due to debt services payments.



Long Term Debt – Business-type Activities

Description of Debt

Boat Harbor Revenue Bonds

The City has one Boat Harbor revenue bond, the 2007 Series A Boat Harbor Revenue Bonds. The 2007 Series A Revenue Bond issuance was obtained for the design and construction to replace M, N, and P floats at St. Herman Harbor.

2007 Series A Boat Harbor Revenue Bonds

The 2007 Series A Bond issuance was in the amount of \$2,000,000 for the design and construction of the St. Herman Harbor M, N, and P floats. Under the terms of the bond issuance, principal payments are due annually and range from \$45,000 to \$125,000 with a final maturity date in 2038, with interest payable semi-annually at a rate ranging from 4.00% to 6.00% over the term.

Advance Refunding of Debt – 2016 Series Three and Four

In November 2016, the Boat Harbor fund issued \$1,680,000 of Series Three and Four Bonds with an average interest rate of 3.675% to advance refund \$1,700,000 of outstanding 2007 Series A bonds with an average interest rate of 4.686%. The net proceeds of \$1,760,432 (after payment of \$16,665 in issuance costs) plus \$10,981 in additional resources were used to purchase U.S. government securities. Those securities were deposited in irrevocable trusts with an escrow agent to provide for all future debt service payments on the 2007 Series A bonds. As a result, the 2007 Series A bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. As of June 30, 2017, the amount of defeased debt still outstanding was \$1,700,000.



Long Term Debt – Business-type Activities continued

Description of Debt continued

Advance Refunding of Debt – 2016 Series Three and Four

The Boat Harbor Fund advance refunded the 2007 Series A bonds to reduce its total debt service payments over the next 20 years by \$253,860, and to obtain an economic gain (difference of the present value of the debt service payments on the old and new debt) of \$187,540.

2007 Series A Shipyard Revenue Bonds

The 2007 Series A Bond issuance was in the amount of \$4,000,000 for the design and construction of the Marine Travel Lift facility. Under the terms of the bond issuance, principal payments are due annually and range from \$70,000 to \$295,000 with a final maturity date in 2038, with interest payable semi-annually at a rate ranging from 4.00% to 6.00% over the term.

Advance Refunding of Debt – 2016 Series Three and Four

In November 2016, the Shipyard Fund issued \$3,485,000 of 2016 Series Three and Four bonds with an average interest rate of 3.599% to advance refund \$3,490,000 of outstanding 2007 Series A bonds with an average interest rate of 4.698%. The net proceeds of \$3,610,306 (after payment of \$33,808 in issuance costs) plus \$26,571 in additional resources were used to purchase U.S. government securities. Those securities were deposited in irrevocable trusts with an escrow agent to provide for all future debt service payments on the 2007 Series A bonds. As a result, the 2007 Series A bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. As of June 30, 2017, the amount of defeased debt still outstanding was \$3,490,000.

The Shipyard Fund advance refunded the 2007 Series A bonds to reduce its total debt service payments over the next 20 years by \$548,776, and to obtain an economic gain (difference of the present value of the debt service payments on the old and new debt) of \$394,172.

2009 Series One Shipyard Revenue Bonds

The 2009 Series One Bond issuance was in the amount of \$1,000,000 for the completion of construction of the Marine Travel Lift facility. Under the terms of the bond issuance, principal payments are due annually and range from \$20,000 to \$65,000 with a final maturity date in 2037, with interest payable semi-annually at a rate ranging from 3.00% to 5.875% over the term.

Advance Refunding of Debt – 2016 Series Three

In November 2016, the Shipyard Fund also issued \$875,000 of 2016 Series Three Bonds with an average interest rate of 3.711% to advance refund \$850,000 of outstanding 2009 Series One bonds with an average interest rate of 5.091%. The net proceeds of \$921,397 (after payment of \$8,581 in issuance costs) plus \$9,642 in additional resources were used to purchase U.S. government securities. Those securities were deposited in irrevocable trusts with an escrow agent to provide for all future debt service payments of the 2009 Series One bonds. As a result, the 2009 Series One bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. As of June 30, 2017, the amount of defeased debt still outstanding was \$850,000.

The Shipyard Fund advance refunded the 2009 Series One bonds to reduce its total debt service payments over the next 20 years by \$199,281, and to obtain an economic gain (difference of the present value of the debt service payments on the old and new debt) of \$139,376.



Long Term Debt – Business-type Activities continued

Description of Debt continued

Alaska DEC Clean Water Loan: Sewer Utility Fund – Aleutian Homes Phase II

The Alaska DEC Clean Water Loan was in the amount of \$550,000 for the design and construction of the water, sewer, and streets infrastructure project in the Aleutian Homes subdivision. Under the terms of the loan, principal payments are due in annual installments of \$55,000, including interest at a rate of 1.5%, with a final maturity date in 2019.

Alaska DEC Clean Water Loan: Sewer Utility Fund – Aleutian Homes Phase IV

The Alaska DEC Clean Water Loan was in the amount of \$1,000,000 for the design and construction of the water, sewer, and streets infrastructure project in the Aleutian Homes subdivision. Under the terms of the loan, principal payments are due in annual installments of \$47,287, including interest at a rate of 1.5%, with a final maturity date in 2030.

Alaska DEC Clean Water Loan: Shipyard Fund – Wastewater Drainage at St. Herman Harbor

The Alaska DEC Clean Water Loan was in the amount of \$930,000 for the design and construction of the wastewater drainage infrastructure project in the shipyard at St. Herman Harbor. Under the terms of the loan, principal payments are due in annual installments of \$46,500, including interest at a rate of 1.5%, with a final maturity date in 2030.

Alaska DEC Drinking Water Loan: Water Utility Fund – Aleutian Homes Phase IV

The Alaska DEC Drinking Water Loan was in the amount of \$862,000 for the design and construction of the water, sewer, and streets infrastructure project in the Aleutian Homes subdivision. Under the terms of the loan, principal payments are due in annual installments of \$50,208, including interest at a rate of 1.5%, with a final maturity date in 2030.

Alaska DEC Drinking Water Loan: Water Utility Fund – Downtown Comprehensive Plan Phase II

The Alaska DEC Drinking Water Loan was in the amount of \$341,930 for the design and construction of the water, sewer, and streets infrastructure project in the downtown area. Under the terms of the loan, principal payments are due in annual installments of \$64,603, including interest at a rate of 1.5%, with a final maturity date in 2019.

Alaska DEC Clean Water Loan: Sewer Utility Fund – Downtown Comprehensive Plan Phase II

The Alaska DEC Clean Water Loan was in the amount of \$341,930 for the design and construction of the water, sewer, and streets infrastructure project in the downtown area. Under the terms of the loan, principal payments are due in annual installments of \$32,302, including interest at a rate of 1.5%, with a final maturity date in 2024.

Alaska DEC Drinking Water Loan: Water Utility Fund – UV Treatment Facility

The Alaska DEC Drinking Water Loan was in the amount of \$5,982,000 for the design and construction of the UV Treatment facility. Under the terms of the loan, principal payments are due in annual installments of \$77,168, including interest at a rate of 1.5%, with a final maturity date in 2032.

Alaska DEC Drinking Water Loan: Water Utility Fund – Monashka Pumphouse

The Alaska DEC Drinking Water Loan was in the amount of \$1,878,492 for the design and construction of the Monashka Pumphouse facility. Under the terms of the loan, principal payments are due in annual installments of \$122,773, including interest at a rate of 1.5%, with a final maturity date in 2036.



Long Term Debt – Business-type Activities continued

Description of Debt continued

Alaska DEC Clean Water Loan: Sewer Utility Fund – Compost Facility

The Alaska DEC Clean Water Loan was in the amount of \$1,794,604 for the design and construction of the Compost facility. Under the terms of the loan, principal payments are due in annual installments of \$89,730, including interest at a rate of 1.5%, with a final maturity date in 2037.

Long Term Debt Outstanding

Long-term debt for Business-Type Activities at June 30, 2017 is comprised of the following:

Business-type Activities	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2017</u>	<u>Due Within One Year</u>
Revenue Bonds:					
\$2,000,000 2007 Series A Boat Harbor Revenue Bonds, due in annual installments of \$45,000 to \$125,000 plus interest at 4.0% to 6.0% through 2038	\$ 1,745,000	\$ -	\$ 1,745,000	\$ -	\$ -
\$2,000,000 2016 Series Three Shipyard Revenue Bonds, due in annual installments of \$55,000 to \$115,000 plus interest at 2.0% to 5.0% through 2038	-	1,680,000	-	1,680,000	55,000
\$4,000,000 2007 Series A Shipyard Revenue Bonds, due in annual installments of \$70,000 to \$295,000 plus interest at 4.0% to 6.0% through 2038	3,565,000	-	3,565,000	-	-
\$4,000,000 2016 Series Three Shipyard Revenue Bonds, due in annual installments of \$85,000 to \$270,000 plus interest at 2.0% to 5.0% through 2038	-	3,485,000	-	3,485,000	85,000
\$1,000,000 2009 Series One Shipyard Revenue Bonds, due in annual installments of \$20,000 to \$65,000 plus interest at 3.0% to 5.875% through 2037	870,000	-	870,000	-	-
\$1,000,000 2016 Series Three Shipyard Revenue Bonds, due in annual installments of \$30,000 to \$60,000 plus interest at 2.0% to 5.0% through 2037	-	875,000	-	875,000	30,000
Loans Payable:					
\$550,000 Sewer loan, due in annual installments of \$55,000, plus interest at 1.5% through 2019	165,000	-	55,000	110,000	55,000
\$1,000,000 Sewer loan, due in annual installments of \$47,287, including interest at 1.5% through 2030	\$ 730,598	\$ -	\$ 47,287	\$ 683,311	\$ 47,997



Long Term Debt – Business-type Activities continued

Long Term Debt Outstanding continued

Business-type Activities, continued	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2017</u>	<u>Due Within One Year</u>
Loans Payable, continued:					
\$930,000 Shipyard loan, due in annual installments of \$46,500, plus interest at 1.5% through 2030	\$ 651,000	\$ -	\$ 46,500	\$ 604,500	\$ 46,500
\$862,000 Water loan, due in annual installments of \$50,208, including interest at 1.5% through 2030	629,775	-	40,761	589,014	41,373
\$341,930 (maximum) Water loan, due in annual installments of \$64,603 plus interest at 1.5% through 2019	258,414	-	64,603	193,811	64,603
\$341,930 (maximum) Sewer loan, due in annual installments of \$32,302 plus interest at 1.5% through 2024	290,715	-	32,302	258,413	32,302
\$5,982,000 (maximum) Water loan, due in annual installments of \$77,168, including interest at 1.5% through 2032	1,150,391	-	59,912	1,090,479	60,811
\$1,878,492 Water loan, due in annual installments of \$122,773 plus interest of 1.5% through 2036	1,878,491	548,130	93,925	2,332,696	122,772
\$1,794,604 Sewer loan, due in annual installments of \$89,730 plus interest of 1.5% through 2037	-	1,794,604	-	1,794,604	89,730
Bond premium	-	311,191	-	311,191	14,819
Net pension liability	2,709,011	1,045,482	-	3,754,493	-
Accrued leave	183,201	168,665	152,236	199,630	76,692
Total Business-type Activities	<u>\$ 14,826,596</u>	<u>\$ 9,908,072</u>	<u>\$ 6,772,526</u>	<u>\$ 17,962,142</u>	<u>\$ 822,599</u>

Budget Process and Annual Debt Service Requirements

As the Enterprise Funds derive their revenue primarily through charges for services, these revenues are used to fund the debt service payments for the above long-term debt noted for business-type activities. Each year, the annual debt service interest expense is budgeted as part of the respective enterprise fund budgets. Bond premiums will be allocated in a systematic manner each year over the life of the outstanding revenue bonds. The net pension liability and accrued leave long-term debt are budgeted through each respective enterprise fund's department through salaries and wages and retirement pension expense during each budget cycle.



Long Term Debt – Business-type Activities continued

Budget Process and Annual Debt Service Requirements continued

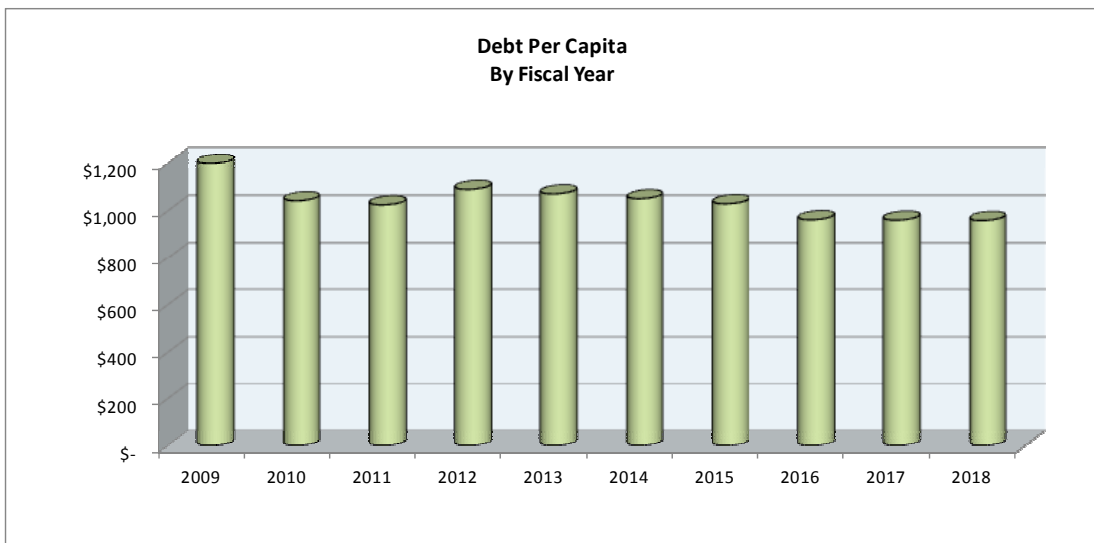
Annual debt service requirements to maturity for all of the above Business-Type Activities revenue bonds outstanding debt and loans payable outstanding as of June 30, 2017, are as follows:

Business-type Activities Years Ending June 30,	Revenue Bonds			Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 170,000	\$ 227,194	\$ 397,194	\$ 561,088	\$ 87,212	\$ 648,300
2019	170,000	222,094	392,094	563,341	100,480	663,821
2020	180,000	215,094	395,094	510,627	97,986	608,613
2021	185,000	207,794	392,794	448,345	90,326	538,671
2022	195,000	200,194	395,194	450,700	83,602	534,302
2023-2027	1,120,000	846,469	1,966,469	2,225,487	316,358	2,541,845
2028-2032	1,575,000	548,813	2,123,813	1,881,469	154,228	2,035,697
2033-2037	2,010,000	246,413	2,256,413	1,015,771	39,747	1,055,518
2038	435,000	7,338	442,338	-	-	-
	<u>\$ 6,040,000</u>	<u>\$ 2,721,403</u>	<u>\$ 8,761,403</u>	<u>\$ 7,656,828</u>	<u>\$ 969,939</u>	<u>\$ 8,626,767</u>

Debt Per Capita

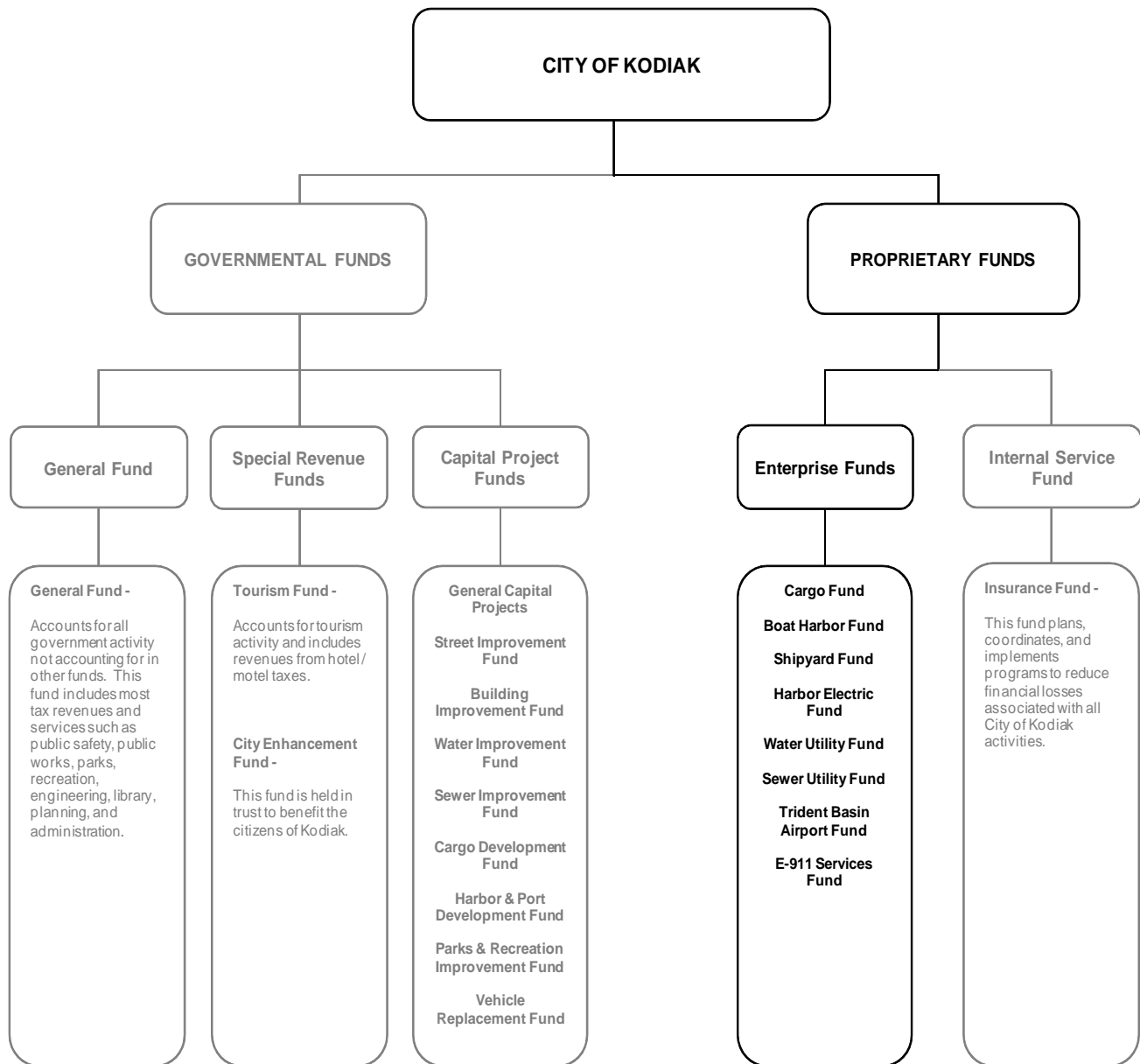
The City strives to maintain debt at a manageable level considering economic factors such as population, assessed valuation, sales tax, and other current and future revenue streams.

Total outstanding debt service required for the revenue bonds as of fiscal year 2018 totaled \$6,040,000 and the total estimated population of the City of Kodiak is 6,293 residents. The debt per capita is estimated at \$960 per resident. The graph below depicts debt per capita for the Business-Type Activities for revenue bonds outstanding debt for the most recent ten-year period. Debt per capita has remained consistent year over year with decreases due to debt services payments.





PROPRIETARY FUNDS – ENTERPRISE FUNDS





ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Enterprise funds are determined by accounting principles generally accepted in the United States and based upon determination by the City Council. The costs of providing goods and services under these funds are recovered or financed primarily through charges for services. The following is a list of the City of Kodiak Enterprise Funds:

- **Cargo Terminal Fund – Major Fund**
The Cargo Terminal Fund accounts for all activity of the City owned and operated cargo terminal. This includes a warehouse and piers.
- **Boat Harbor Fund – Major Fund**
The Boat Harbor Fund accounts for all activity for the City owned and operated Port of Kodiak. This includes two harbors.
- **Shipyards Fund – Major Fund**
The Shipyards Fund accounts for all activity for the City owned and operated Shipyards Facility.
- **Harbor Electric Fund – Major Fund**
The Harbor Electric Fund accounts for the use of electrical power for the Boat Harbor.
- **Water Utility Fund – Major Fund**
The Water Utility Fund accounts for all activity of the City owned and operated water utilities.
- **Sewer Utility Fund – Major Fund**
The Sewer Utility Fund accounts for all activity of the City owned and operated sewer utilities.
- **Trident Basin Airport Fund – Non-Major Fund**
The Trident Basin Airport Fund accounts for all activity of the City owned and operated floatplane facility.
- **E-911 Services Fund – Non-Major Fund**
The E-911 Services Fund accounts for funds collected from telephone charges and accounts for operations of the 911 emergency systems.



Fiscal Year 2018 Enterprise Fund Overview

Enterprise Funds – The Budget Process

The City operates on a fiscal year from July 1 through June 30 of each year. The budget process begins in January with revenue projections. Once revenue projections have been finalized, the next step is to perform budgets for payroll and benefits for all departments, review the replacement schedules for IT equipment, annual IT software support and maintenance agreements, review the vehicle replacement schedules, review the capital improvement needs, and review the operating needs for each department.

This section begins with a summary of revenues by source and expenditures by function for all enterprise funds for the fiscal year 2018 budget, the estimated annual (i.e. unaudited) amounts for fiscal year 2017, the final amended budget for fiscal year 2017, and the actual amounts for fiscal year 2016 and fiscal year 2015. This five year summary shows the trends in each revenue source and expenditure function for the most recent years.

Revenue Projections

Revenue projections are a critical component of the overall budget process as these define the baseline for anticipated inflows of resources for the upcoming fiscal year. The finance director uses a forecasting model based on historical data to project revenues for the budget. This is done by utilizing the most recent five years of audited revenues and the current year budget to project the anticipated revenues.

Once the forecasting model has been completed, the finance director will analyze all current year revenues received from July 1 through the date the revenue projections are completed. The finance director will use this analytical data for current year revenues to recognize any trends for potential increases or decreases in certain revenue classifications and consider the current rate studies for each of the enterprise funds to incorporate the annual changes in each rate charged based on the current fee schedule. The finance director will then contact each of the City department directors to note any changes in charges for services that those departments have seen thus far in the current year. If significant changes are noted, the finance director will adjust the anticipated revenues to reflect these appropriate changes that are seen throughout the City.

For intergovernmental revenues, the finance director will contact the State of Alaska for State of Alaska shared revenues such as PERS on behalf payments, cruise ship revenues, and various ongoing grants. Any significant adjustments are reflected in the anticipated revenues to reflect the appropriate changes that are noted through correspondence with State personnel.

Before finalization of the revenue projections, the finance director will meet with the City manager to review all anticipated revenues for the upcoming year. The City manager will provide guidance that has been received through state and federal resources regarding anticipated increases in capital grant funding, anticipated changes to revenue sharing or programs at the state or federal levels, discussions with colleagues throughout the state of Alaska, and other resources at the manager's disposal.

Once all trends and known changes have been reflected, the revenue projections are finalized and presented to the City Council.

Enterprise Fund Expenditures

In February each year, the Finance department will prepare payroll budgets for all departments for the upcoming fiscal year. Each council-approved position is budgeted regardless if currently filled or vacant. Vacant positions are budgeted at the starting salary rate with the anticipation that these will be filled within a reasonable time frame. Once payroll budgets have been prepared, the finance director will distribute the total amount of salaries and benefits to each of the directors for their respective budgets.

Each director will determine their operating budget on a line by line basis. The respective operating budgets include uniforms; professional services; general overhead expenditures such as vehicle and heating fuel, advertising, training and travel, dues and subscriptions, telephone, supplies, health and safety supplies, postage, and equipment or building rentals; repairs and maintenance for buildings, equipment, and vehicles; utilities; and capital outlays.



The Budget Process continued

Enterprise Fund Expenditures continued

All capital outlays are the result of vehicle and equipment replacements, IT replacements, or capital project needs. These requests must be accompanied by a thorough review of the existing equipment to be replaced, thorough consultation with the City garage (if vehicles or equipment), the IT department (if IT equipment) or capital project request form. Replacement schedules for vehicles, equipment, and IT equipment are reviewed each year to determine which items are scheduled for replacement. The capital improvement plan is reviewed for all capital project requests to determine appropriating funding and priority level.

Once the director has completed their respective department's budget, it is then submitted to the finance director and city manager for review. The finance director and city manager will meet and discuss the nondepartmental budgets, review the capital outlay requests from the directors, and the citywide budget as a whole. The finance director and city manager will review each line item based on a comparison to current year spending to date, and prior year spending. The finance director and city manager will note any significant changes that would cause increase in budget line items such as increased fuel costs, increased utilities cost, if one time repairs and maintenance will be required for City owned buildings or property, and any other areas that would cause an increase or decrease to a specific expenditure line item. The city manager and finance director will also notate any areas for streamlining expenses, transparency through budget line items, and budget efficiencies.

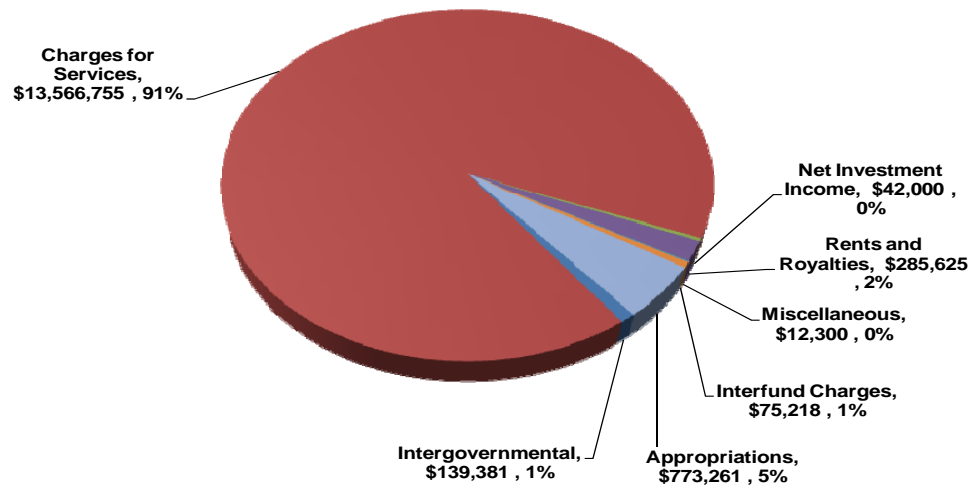
Once the review by the finance director and city manager has been completed, meetings with individual department directors will occur. Each director will review all of their departments with the finance director and city manager. The city manager, finance director, and department director will note areas for improved efficiencies and streamlining expenses within the respective department.

The city manager and finance director will approve or deny any capital outlay requests during this time. At the completion of meeting with the individual department directors regarding their respective budgets, the finance director will perform the calculations for enterprise fund allocations for insurance and services rendered by the administrative departments to the enterprise funds. These are shown as interfund charges.

Once all information has been appropriately entered into the budgeting system, the finance director will produce the draft version of the final budget for the upcoming year. The finance director and city manager will perform a final review and determine any additional areas for improved department and budget efficiencies.



Enterprise Funds – Fiscal Year 2018 Budgeted Revenues by Source



Revenue Sources:

Intergovernmental Sources: PERS on Behalf

The State of Alaska Division of Retirement and Benefits distributed legislative funding for the Public Employees Retirement System (PERS). PERS on Behalf payments are determined by the State of Alaska Budget. The City of Kodiak allocates these payments to the appropriate enterprise funds. Total PERS on Behalf payments budgeted for fiscal year 2018 totaled \$139,381.

Charges for Services:

Revenues for the Enterprise Funds are based on historical trends, rate increases, customer usage, and the economic activity of the Kodiak community. The main industry for Kodiak is commercial fishing. The fishing industry in the Kodiak area began in the early 1800’s and is one of the oldest fishing communities. As Kodiak consistently ranks as one of the top three fishing ports in the United States, all of the City of Kodiak’s Enterprise Funds are impacted by the fishing industry. Rate studies are used to evaluate the current and future revenue needs in order to stay compliant with all state and federal regulations related to water, sewer, and harbor facilities. In addition, rates are also reviewed to allow for planned capital projects.

Harbor revenues are estimated based on the number of fishing vessels moored in the two harbors. Historically the number of vessels moored in Kodiak is consistent year over year.

The Shipyard Enterprise Fund estimated revenues are derived from estimated usage for the shipyard. These projections are based on a feasibility study that includes vessels preferring to stay in Kodiak rather than travel to shipyards on the mainland. The Shipyard rates were adjusted based on various methods and additional fees for hang times.

Water and sewer revenues are impacted on the usage of water from the fishing processing industries located within the City of Kodiak. Canneries are the largest users of water and sewer services. Fishing projections are used to determine the water and sewer usage for the fiscal year. A Water Rate Study was presented to the City Council and implemented in fiscal year 2017. A Sewer Rate Study was presented to the City Council and implemented in fiscal year 2012. Sewer rates were increased by 5% in 2014 and will increase by 5% for each of the next four fiscal years. The bio-solid project will determine the method and costs pertaining to the treatment of sludge.

Charges for services for all enterprise funds for fiscal year 2018 were budgeted at \$13,566,755. A detailed summary of charges for services by fund is shown for each enterprise fund on the following pages.



Enterprise Funds – Fiscal Year 2018 Budgeted Revenues by Source continued

Net Investment Income

Interest (KCC 3.16 and 3.28) – The City has a central treasury of pooled resources, some of which have been invested in approved investment options. The budgeted amount for fiscal year 2018 is \$42,000. The budgeted amounts are based on historical trends and known changes in the marketplace.

Rents and Royalties:

The City has several rental agreements with various entities. Based on these agreements, the budgeted amount for fiscal year 2018 is \$285,625.

Miscellaneous:

Miscellaneous revenue is comprised of sale of fixed assets, soda vending machines, towing services, restitution, and other revenues. The budgeted amount for fiscal year 2018 is \$12,300.

Interfund Charges:

These represent the allocation of revenues between funds to cover services rendered. The Enterprise Funds budgeted amount of interfund charges for fiscal year 2018 totaled \$75,218.

Appropriations from Fund Balance:

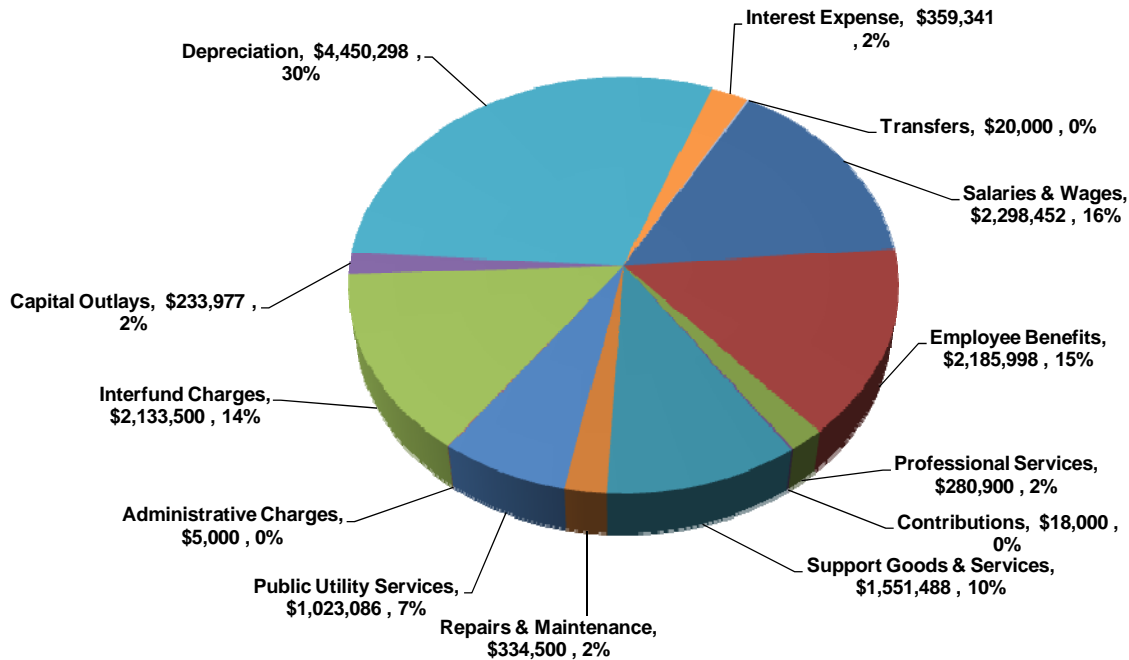
These include beginning fund balances and the annual change in fund balance that remains after all expenses have been paid. These are incorporated as part of the subsequent year's budget, loan proceeds, and other non-revenue adjustments. Any fund balance reserves are shown separately as committed, nonspendable, or assigned. Total budgeted appropriations from fund balance totaled \$773,261 for fiscal year 2018.

Shown below is a summary of Fiscal Year 2018 Budgeted Revenues by Enterprise fund.

	FY 2018 Cargo	FY 2018 Harbor	FY 2018 Shipyard	FY 2018 Electric	FY 2018 Water	FY 2018 Sewer	FY 2018 Trident	FY 2018 E-911	FY 2018 Total
REVENUES									
Intergovernmental	\$ 15,000	\$ 50,000	\$ 13,500	\$ -	\$ 20,000	\$ 40,000	\$ -	\$ 881	\$ 139,381
Charges for Services	1,095,000	2,513,265	616,000	674,500	4,219,000	4,399,290	13,000	36,700	13,566,755
Net Investment Income	12,000	21,000	1,000	1,000	2,000	5,000	-	-	42,000
Rents and Royalties	235,825	16,500	-	-	-	-	33,300	-	285,625
Miscellaneous	-	7,300	-	-	5,000	-	-	-	12,300
Interfund Charges	-	75,218	-	-	-	-	-	-	75,218
Appropriations	(67,470)	1,124,153	600,867	(48,592)	(948,762)	(119,078)	255,953	(23,810)	773,261
TOTAL REVENUES	\$ 1,290,355	\$ 3,807,436	\$ 1,231,367	\$ 626,908	\$ 3,297,238	\$ 4,325,212	\$ 302,253	\$ 13,771	\$ 14,894,540



Enterprise Funds – Fiscal Year 2018 Budgeted Expenses by Classification



Expenditures by Classification:

Salaries and Wages:

Salaries and wages includes all compensation paid to City employees for salaries, hourly wages, overtime, temporary wages, holiday wages, sick leave, and annual leave. For fiscal year 2018, budgeted salaries and wages for all enterprise funds totaled \$2,298,452.

Employee Benefits:

Employee benefits are non-wage and non-salary compensation provided to City employees in addition to their normal compensation. Employee benefits include insurance, payroll taxes, retirement contributions, unemployment compensation, and workers' compensation. For fiscal year 2018, budgeted employee benefits for all enterprise funds totaled \$2,185,998.

Professional Services:

Professional services are fees paid to third-party consultants and tertiary businesses to provide support services for the City. Professional services expenses include janitorial services, audit services, consulting services, legal services, and various other sources. For fiscal year 2018, budgeted professional services for all enterprise funds totaled \$280,900.

Contributions:

Contributions are payments made by the City to nonprofit organizations. Contributions made each year include nonprofit grant applications, annual performance contracts, and other contributions made by specific departments. For fiscal year 2018, budgeted contributions for all enterprise funds totaled \$18,000.

Support Goods and Services:

Support goods and services are expenditures made to support the administrative functions of each City function to provide goods and services to the public. Support goods and services include communications, advertising, dues and subscriptions, training, travel, supplies, and equipment rentals. For fiscal year 2018, budgeted support goods and services for all enterprise funds totaled \$1,551,488.



Enterprise Funds – Expenditures by Classification continued

Repairs and Maintenance:

Repairs and Maintenance are expenditures incurred to keep all City equipment, vehicles, buildings, and other infrastructure at optimal operating conditions. For fiscal year 2018, budgeted Repairs and Maintenance for all enterprise funds totaled \$334,500.

Public Utility Services:

Public Utility Services are fees paid for public utilities. Public utilities include electric, fuel, heating oil, garbage services, and other miscellaneous utilities. For fiscal year 2018, budgeted Public Utility Services for all enterprise funds totaled \$1,023,086.

Administrative Charges:

Administrative Charges are expenditures that are generally miscellaneous and administrative in nature. These include administrative costs and other miscellaneous items. For fiscal year 2018, budgeted Administrative Charges for all enterprise funds totaled \$5,000.

Interfund Charges:

These represent the allocation of revenues and expenses between funds to cover services rendered. For fiscal year 2018, budgeted Interfund Charges for all enterprise funds totaled \$2,133,500.

Capital Outlay:

Capital outlays are expenditures for improving, acquiring, or extending the use of existing fixed assets. For fiscal year 2018, budgeted Capital Outlays for all enterprise funds totaled \$233,977.

Depreciation:

Depreciation is calculated by the cost of a fixed asset, less any salvage value, divided by the estimated useful life of the asset. Each period is charged with a portion of the cost. Through this process, the entire cost of the asset less the salvage value is ultimately charged to expense. For fiscal year 2018, budgeted Depreciation for all enterprise funds totaled \$4,450,298.

Interest Expense:

The City currently has three revenue bonds and various Drinking Water and Clean Water loans through the State of Alaska. Interest and principal payments are made annually based on the original terms of these bonds and loans. For further information related to the City's bonds and debt service requirements, see pages 181-188. Interest Expense is included in Harbor, Shipyard, Water, and Sewer enterprise fund expenses. For fiscal year 2018, budgeted Interest Expense for all enterprise funds totaled \$359,341.

Transfers:

Transfers – These represent the transfer of monies between funds to pay expenses. For fiscal year 2016, budgeted Transfers for all enterprise funds totaled \$20,000.

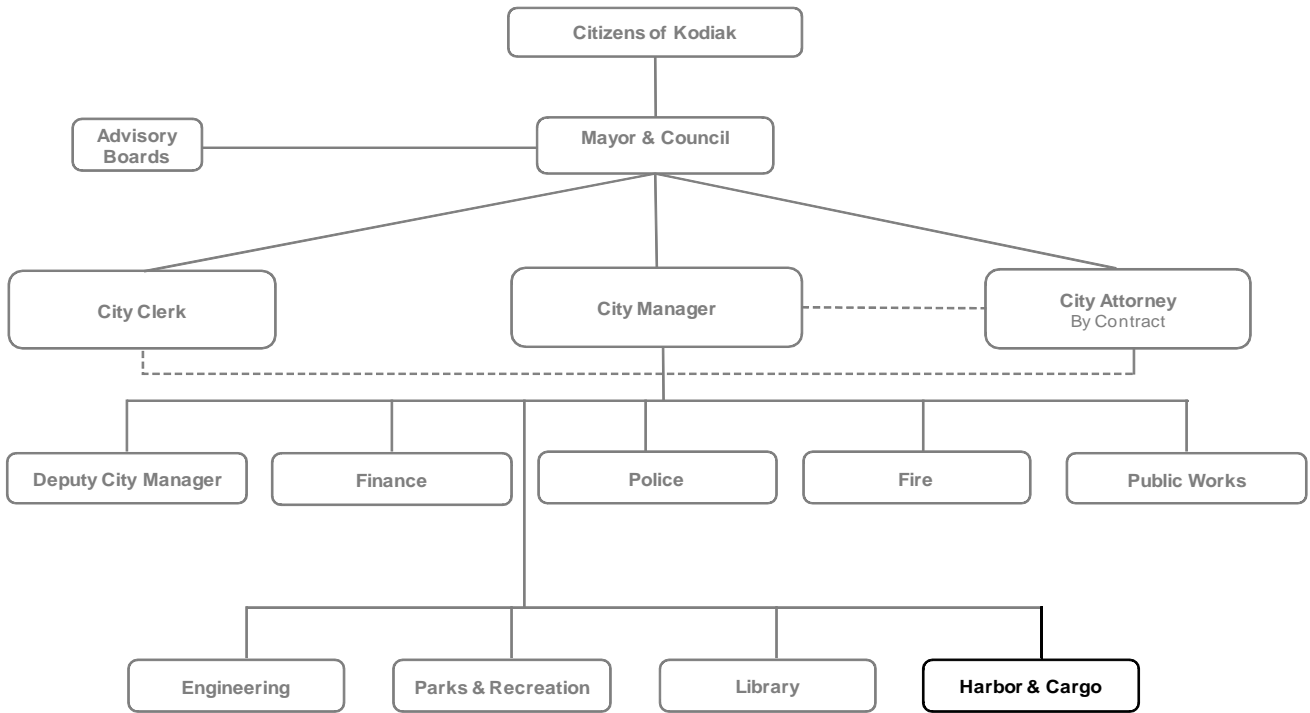


ENTERPRISE FUNDS – SUMMARY OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental	\$ 140,280	\$ 128,476	\$ 449,434	\$ 63,682	\$ 139,381
Charges for Services	13,012,285	13,323,030	13,327,500	13,101,258	13,566,755
Net Investment Income	37,450	64,521	29,000	62,721	42,000
Rents & Royalties	268,150	283,422	272,300	307,714	285,625
Miscellaneous	35,124	183,879	79,370	80,506	12,300
Interfund Charges	71,290	70,435	74,258	74,258	75,218
TOTAL REVENUES	13,564,579	14,053,763	14,231,862	13,690,139	14,121,279
EXPENSES					
Salaries & Wages	1,858,939	1,827,856	2,323,954	1,976,623	2,298,452
Employee Benefits	1,437,666	1,556,709	2,157,863	2,289,770	2,185,998
Professional Services	233,688	187,078	327,400	173,101	280,900
Contributions	16,923	17,580	19,500	16,819	18,000
Support Goods & Services	1,051,304	1,270,126	1,416,850	1,232,041	1,551,488
Repairs & Maintenance	206,769	185,068	365,000	194,703	334,500
Public Utility Services	1,390,059	1,152,046	1,002,330	887,725	1,023,086
Administrative Charges	4,273	19,738	5,000	14,088	5,000
Interfund Charges	1,612,839	1,840,988	2,221,493	2,245,954	2,133,500
Capital Outlay	53,895	63,964	359,692	71,863	233,977
Depreciation	4,413,502	4,375,521	4,384,642	4,494,428	4,450,298
Interest Expense	413,584	360,840	359,341	648,835	359,341
TOTAL EXPENSES	12,693,441	12,857,514	14,943,065	14,245,950	14,874,540
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	-	-	13,474	-
Transfers In	-	-	-	-	-
Transfers Out	(4,076,670)	(3,243,492)	(3,157,732)	(3,157,732)	(20,000)
NET OTHER FINANCING SOURCES (USES)	(4,076,670)	(3,243,492)	(3,157,732)	(3,144,258)	(20,000)
NET INCREASE (DECREASE) IN FUND	\$ (3,205,532)	\$ (2,047,243)	\$ (3,868,935)	\$ (3,700,069)	\$ (773,261)



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CARGO TERMINAL FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental	\$ 12,440	\$ 11,793	\$ 35,017	\$ 5,611	\$ 15,000
Charges for Services	1,054,471	1,122,617	995,500	991,938	1,095,000
Net Investment Income	10,195	13,433	7,000	11,115	12,000
Rents & Royalties	214,649	225,914	222,500	250,105	235,825
Miscellaneous	1,840	13,222	6,570	9,284	-
TOTAL REVENUES	<u>1,293,595</u>	<u>1,386,979</u>	<u>1,266,587</u>	<u>1,268,053</u>	<u>1,357,825</u>
EXPENSES					
Salaries & Wages	161,317	154,759	183,165	163,233	187,221
Employee Benefits	126,088	148,501	173,304	199,602	182,252
Professional Services	33,393	6,066	16,000	1,751	16,000
Support Goods & Services	32,889	27,682	37,140	28,134	112,202
Repairs & Maintenance	10,459	36,266	62,500	2,162	62,500
Public Utility Services	25,976	22,981	26,780	27,997	29,536
Administrative Charges	445	9	-	-	-
Interfund Charges	93,298	123,103	141,686	141,686	148,638
Capital Outlays	3,660	259	-	-	20,000
Depreciation	437,890	425,619	425,619	532,005	532,006
TOTAL EXPENSES	<u>925,415</u>	<u>945,245</u>	<u>1,066,194</u>	<u>1,096,570</u>	<u>1,290,355</u>
OTHER FINANCING USES					
Capital Transfers Out	(2,245,000)	(655,000)	(815,000)	(815,000)	-
NET OTHER FINANCING USES	<u>(2,245,000)</u>	<u>(655,000)</u>	<u>(815,000)</u>	<u>(815,000)</u>	<u>-</u>
NET INCREASE (DECREASE) IN FUND	<u><u>\$(1,876,820)</u></u>	<u><u>\$ (213,266)</u></u>	<u><u>\$ (614,607)</u></u>	<u><u>\$ (643,517)</u></u>	<u><u>\$ 67,470</u></u>



CARGO TERMINAL FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental					
PERS State Revenues	\$ 12,440	\$ 11,793	\$ 35,017	\$ 5,611	\$ 15,000
Total Intergovernmental	12,440	11,793	35,017	5,611	15,000
Charges for Services					
Dockage Pier III	125,281	152,255	130,000	140,709	143,000
Cruise Ship	96,491	151,913	85,000	168,479	105,000
Pier III Lease	295,930	280,235	280,500	285,823	297,000
Wharfage and Handling	536,769	538,214	500,000	396,927	550,000
Total Charges for Services	1,054,471	1,122,617	995,500	991,938	1,095,000
Net Investment Income					
Net Investment Income	10,195	13,433	7,000	11,115	12,000
Total Interest	10,195	13,433	7,000	11,115	12,000
Rents and Royalties					
Warehouse Rental	202,381	203,464	202,500	206,724	205,825
Van Storage Rental	12,268	22,450	20,000	43,381	30,000
Total Rents and Royalties	214,649	225,914	222,500	250,105	235,825
Miscellaneous					
Other Revenues	1,840	13,222	6,570	9,284	-
Total Miscellaneous	1,840	13,222	6,570	9,284	-
Appropriation From Fund Balance					
	-	-	614,607	-	(67,470)
TOTAL REVENUES	1,293,595	1,386,979	1,881,194	1,268,053	1,290,355
EXPENSES					
Salaries & Wages	161,317	154,759	183,165	163,233	187,221
Employee Benefits	126,088	148,501	173,304	199,602	182,252
Professional Services	33,393	6,066	16,000	1,751	16,000
Support Goods & Services	32,889	27,682	37,140	28,134	112,202
Repairs & Maintenance	10,459	36,266	62,500	2,162	62,500
Public Utility Services	25,976	22,981	26,780	27,997	29,536
Administrative Charges	445	9	-	-	-
Interfund Charges	93,298	123,103	141,686	141,686	148,638
Capital Outlays	3,660	259	-	-	20,000
Depreciation	437,890	425,619	425,619	532,005	532,006
TOTAL EXPENSES	925,415	945,245	1,066,194	1,096,570	1,290,355
OTHER FINANCING USES					
Capital Transfers Out	(2,245,000)	(655,000)	(815,000)	(815,000)	-
NET OTHER FINANCING USES	(2,245,000)	(655,000)	(815,000)	(815,000)	-
NET INCREASE (DECREASE) IN FUND					
	\$(1,876,820)	\$ (213,266)	\$ -	\$ (643,517)	\$ -



ENTERPRISE FUND-CARGO TERMINAL FUND – ADMINISTRATION

Departmental Vision

To provide deep-draft terminal facilities that meets the needs of the maritime and fishing industries. To build and maintain port facilities. To participate in marketing the Port of Kodiak as a transportation hub for western Alaska, the Far East, and domestic markets.

Program Description

The Cargo Terminal Fund-Administration division operates and maintains three multi-purpose deep draft docks: Pier I (the ferry dock), Pier II (the fisherman's terminal), and Pier III (the cargo terminal).

The Alaska Marine Highway System's ferries, the Tustemena and the Kennicott, make approximately 300 calls annually at Pier I and Pier II. These piers are also used by commercial fishing vessels, research vessels, and cruise vessels. In addition, the National Oceanic and Atmospheric Association's research vessel, the R/V Oscar Dyson, also berths at Pier II. These facilities are also utilized by many local fishing vessels and a wide variety of other vessels including processors and tug boats.

Pier III is primarily used by Matson, Inc. Matson, Inc. provides bi-weekly containership service to and from various locations including Dutch Harbor, Alaska and Tacoma, Washington on an annual basis.

The Cargo Terminal Fund-Administration responsibilities include billing and collections, budgeting, records management, port development, and planning. The Harbormaster negotiates and administers lease agreements with major tenants and implements port tariffs. In conjunction with the Harbor department, the Cargo Terminal Fund Administration division also provides security, scheduling, repairs and maintenance of Harbor facilities, and monitors dockings and departures for deep draft vessels.

Goals and Objectives

Goal: To continue management of the piers, contracts, and lease agreements ensuring that users and tenants receive the services per their agreements.

Objective: To continue to maintain facilities, Pier I, Pier II, and Pier III in a usable condition to allow for uninterrupted and safe dockage.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 100% in transfers out for capital projects due to the substantial completion of the new cargo terminal.

Accomplishments: For fiscal year 2017, this department's actual expenses were 4.13% less than the budgeted amount due to fewer support goods and services required during the year than anticipated.

Planned Accomplishments for Fiscal Year 2018

- To maintain a financially sound, self-supporting port enterprise fund.
- To keep charges for services, rates, and tariffs reasonable and competitive.
- To provide the necessary port services for the shipping, cruise ship, and commercial fishing industries.



ENTERPRISE FUND-CARGO TERMINAL FUND – ADMINISTRATION

FUND: Enterprise
FUNCTION: Cargo

DEPARTMENT: Cargo Terminal
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 161,317	\$ 154,759	\$ 183,165	\$ 163,233	\$ 187,221
Employee Benefits	126,088	148,501	173,304	199,602	182,252
Professional Services	32,108	4,421	14,000	131	14,000
Support Goods & Services	32,487	26,014	35,140	25,999	110,202
Repairs & Maintenance	-	161	500	385	500
Administrative Charges	445	9	-	-	-
Capital Outlays	3,660	259	-	-	20,000
Total Expenditures	\$ 356,105	\$ 334,124	\$ 406,109	\$ 389,350	\$ 514,175

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Senior Harbor Officer	1	1	1	1
Harbor Officer	1	1	1	1
Fiscal Specialist	1	1	1	1
Total	3	3	3	3

Performance Indicators

Leases and Agreements

Pier II:	Maintain Warehouse Lease
	Maintain Kodiak Oil Sales, Inc. Lease
	Maintain Van Parcel Storage Leases
	Maintain Reception Facilities Marine Debris and Used Oil Collection
Pier III:	Maintain Preferential Use Agreement
	Maintain State of Alaska Tideland Lease
	Maintain Tariff #12
	Maintain National Oceanic and Atmosphere Administration (NOAA)



ENTERPRISE FUND-CARGO TERMINAL FUND – WAREHOUSE

Departmental Vision

To maintain the warehouse and keep it in good operating condition. To ensure that the warehouse tenants adhere to the lease agreement terms. To maintain the port maintenance shop as a safe working environment for City maintenance staff.

Program Description

The Cargo Terminal Fund-Warehouse facility is located at Pier II. The warehouse is leased by Matson, Inc. and NOAA for administrative offices, freight, warehouse operations, and teamster operations. In conjunction with the Harbor department, the Cargo Terminal Fund-Warehouse division is responsible for monitoring the lease agreements with the tenants, repairs and maintenance of the warehouse roof, exterior walls, foundation, plumbing, fire suppression system, and boiler. The City's port maintenance shop is located in the northeast corner, ground level, of the warehouse and is not included in any lease agreements.

Goals and Objectives

Goal: To continue management and maintenance of the facility.

Objective: Not applicable to this section.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 100% in transfers out for capital projects due to the substantial completion of the new cargo terminal.

Accomplishments: For fiscal year 2017, this department's actual expenses were 89.46% less than the budgeted amount due to fewer required repairs and maintenance during the year than anticipated.

Planned Accomplishments for Fiscal Year 2018

- To maintain positive working relationships with Matson, Inc. and NOAA employees as well as other users of the facilities.



ENTERPRISE FUND-CARGO TERMINAL FUND – WAREHOUSE

FUND: Enterprise
FUNCTION: Cargo

DEPARTMENT: Cargo Terminal
COST CENTER: Warehouse

Expenditures

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Final Budget</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
Professional Services	\$ 1,285	\$ 1,645	\$ 2,000	\$ 1,620	\$ 2,000
Support Goods & Services	235	130	-	54	-
Repairs & Maintenance	<u>6,498</u>	<u>767</u>	<u>25,000</u>	<u>1,171</u>	<u>25,000</u>
Total Expenditures	<u><u>\$ 8,018</u></u>	<u><u>\$ 2,542</u></u>	<u><u>\$ 27,000</u></u>	<u><u>\$ 2,845</u></u>	<u><u>\$ 27,000</u></u>

Personnel

Number of Employees

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
None	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Performance Indicators

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
Warehouse Lease Agreements	<u>\$ 202,381</u>	<u>\$ 203,464</u>	<u>\$ 206,724</u>	<u>\$ 205,825</u>



ENTERPRISE FUND-CARGO TERMINAL FUND – PIER II

Departmental Vision

To provide a safe mooring for vessels and working areas for crews. To maintain the dock and fender system to keep in optimal condition. To provide various port services such as water, used oil disposal, and marine debris removal.

Program Description

The Cargo Terminal Fund-Pier II division is responsible for the administration and operations of the multi-use marine terminal. Pier II is primarily for commercial fishing vessels, Alaska Marine Highway System ferries, and the NOAA research vessel, R/V Oscar Dyson, and to stage and work on fishing equipment. Pier II is also used to facilitate deep-draft vessel moorage on an as-needed basis for passenger, cargo, and government vessels. Pier II services include dockage, marine debris removal, used oil collection, potable water, fuel, and other services upon request.

Goals and Objectives

Goal: To maintain and improve the lease agreements and property rentals; to provide a dock for the fishing vessels to load and unload fishing equipment.

Objective: To provide first class dockage and uplands facilities for customer use.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 100% in transfers out for capital projects due to the substantial completion of the new cargo terminal.

Accomplishments: For fiscal year 2017, this department's actual expenses were 18.60% higher than the budgeted amount due to an increase in depreciation due to infrastructure projects being completed during the year and placed in service.

Planned Accomplishments for Fiscal Year 2018

- To continue providing the necessary services to the fishing fleet and other users.
- To provide security to regulated passenger vessels (i.e. cruise ships).



ENTERPRISE FUND-CARGO TERMINAL FUND – PIER II

FUND: Enterprise
FUNCTION: Cargo

DEPARTMENT: Cargo Terminal
COST CENTER: Pier II

Expenditures

	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017 <u>Final Budget</u>	FY 2017 <u>Estimated</u>	FY 2018 Adopted Budget
Support Goods & Services	\$ 167	\$ 1,538	\$ 2,000	\$ 2,081	\$ 2,000
Repairs & Maintenance	1,190	30,586	20,000	205	20,000
Public Utility Services	24,351	20,901	24,780	25,962	27,536
Depreciation	437,890	425,619	425,619	532,005	532,006
Total Expenditures	<u>\$ 463,598</u>	<u>\$ 478,644</u>	<u>\$ 472,399</u>	<u>\$ 560,253</u>	<u>\$ 581,542</u>

Personnel

Number of Employees

	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017 <u>Estimated</u>	FY 2018 Adopted Budget
None	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0

Performance Indicators

	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017 <u>Estimated</u>	FY 2018 Adopted Budget
Cruise Ship Revenues	\$ 96,491	\$ 151,913	\$ 168,479	\$ 105,000
Van Storage Revenues	\$ 12,268	\$ 22,450	\$ 43,381	\$ 30,000



ENTERPRISE FUND-CARGO TERMINAL FUND – PIER III

Departmental Vision

To ensure proper maintenance of Pier III (the container terminal) and ensure that the new facility is in serviceable, operating condition. To monitor lease agreements and tariffs.

Program Description

The Cargo Terminal Fund-Pier III division is responsible for the administration and operations of all non-Matson, Inc. shipping and vessel activity. The Cargo Terminal Fund-Pier III provides the following: vessel traffic control by monitoring arrivals and departures; repair and maintenance of the dock fender system, underground utilities, blacktop common roadways, and van parking parcels; administration of the preferential use agreement with Matson, Inc.

Goals and Objectives

Goal: To maintain and improve the lease agreements and property rentals; to provide a dock for the fishing vessels to load and unload fishing equipment.

Objective: To provide first class dockage and uplands facilities for customer use.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 100% in transfers out for capital projects due to the substantial completion of the new cargo terminal.

Accomplishments: For fiscal year 2017, this department's actual expenses were 87.18% less than the budgeted amount due fewer required repairs and maintenance than anticipated.

Planned Accomplishments for Fiscal Year 2018

- To provide the necessary services and maintain a safe working environment.
- To cultivate positive working relationships with tenants and other users.
- To demolish the obsolete gantry crane at the Pier III facility.



ENTERPRISE FUND-CARGO TERMINAL FUND – PIER III

FUND: Enterprise
FUNCTION: Cargo

DEPARTMENT: Cargo Terminal
COST CENTER: Pier III

Expenditures

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Final Budget</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
Repairs & Maintenance	\$ 2,771	\$ 4,752	\$ 17,000	\$ 401	\$ 17,000
Public Utility Services	1,625	2,080	2,000	2,035	2,000
Total Expenditures	\$ 4,396	\$ 6,832	\$ 19,000	\$ 2,436	\$ 19,000

Personnel

Number of Employees

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0

Performance Indicators

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
Wharfage	\$ 536,769	\$ 538,214	\$ 396,927	\$ 550,000
Dockage Pier III	\$ 125,281	\$ 152,255	\$ 140,709	\$ 143,000



ENTERPRISE FUND-CARGO TERMINAL FUND – INTERFUND CHARGES

Departmental Vision

Not applicable.

Program Description

The Cargo Terminal Fund-Interfund Charges represent the allocation of revenues and expenses between funds to cover services rendered.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 100% in transfers out for capital projects due to the substantial completion of the new cargo terminal.

Accomplishments: For fiscal year 2017, this department's actual expenses were comparable to the budget as these are allocated expenses for insurance and City administration charges from the City's Internal Service Fund and General Fund.

Planned Accomplishments for Fiscal Year 2018

- Not applicable.



ENTERPRISE FUND-CARGO TERMINAL FUND – INTERFUND CHARGES

FUND: Enterprise
FUNCTION: Cargo

DEPARTMENT: Cargo Terminal
COST CENTER: Interfund Charges

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Administrative	\$ 38,843	\$ 56,259	\$ 79,768	\$ 79,768	\$ 81,982
Public Works	19,196	30,737	24,793	24,793	29,592
Engineering	6,743	7,933	7,422	7,422	6,977
Harbor	28,516	28,174	29,703	29,703	30,087
Total Expenditures	\$ 93,298	\$ 123,103	\$ 141,686	\$ 141,686	\$ 148,638

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
None	0	0	0	0
Total	0	0	0	0



ENTERPRISE FUND-CARGO TERMINAL FUND – TRANSFERS

Departmental Vision

Not applicable.

Program Description

The Cargo Terminal Fund-Transfers represents the transfer of monies between funds for capital projects.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 100% in transfers out for capital projects due to the substantial completion of the new cargo terminal.

Accomplishments: For fiscal year 2017, this department's actual expenses were comparable to the budget as these are budgeted transfers to capital projects.

Planned Accomplishments for Fiscal Year 2018

- Not applicable.



ENTERPRISE FUND-CARGO TERMINAL FUND – TRANSFERS

FUND: Enterprise
FUNCTION: Cargo

DEPARTMENT: Cargo Terminal
COST CENTER: Transfers

Expenditures

	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017 <u>Final Budget</u>	FY 2017 <u>Estimated</u>	FY 2018 Adopted Budget
Capital Projects Transfers	\$ 2,245,000	\$ 655,000	\$ 815,000	\$ 815,000	\$ -
Total Expenditures	<u>\$ 2,245,000</u>	<u>\$ 655,000</u>	<u>\$ 815,000</u>	<u>\$ 815,000</u>	<u>\$ -</u>

Personnel

Number of Employees

	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017 <u>Estimated</u>	FY 2018 Adopted Budget
None	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



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BOAT HARBOR FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental	\$ 53,891	\$ 49,238	\$ 147,365	\$ 23,906	\$ 50,000
Charges for Services	2,261,736	2,093,709	2,162,500	2,132,543	2,513,265
Net Investment Income	13,821	17,880	14,000	19,227	21,000
Rents & Royalties	15,765	17,365	16,500	15,765	16,500
Miscellaneous	22,206	89,965	29,300	23,975	7,300
Interfund Charges	71,290	70,435	74,258	74,258	75,218
TOTAL REVENUES	2,438,709	2,338,592	2,443,923	2,289,674	2,683,283
EXPENSES					
Salaries & Wages	679,517	684,100	786,232	713,370	800,161
Employee Benefits	496,264	567,933	693,666	784,943	684,035
Professional Services	66,636	92,846	109,000	65,626	114,000
Contributions	16,923	17,580	19,500	16,819	18,000
Support Goods & Services	166,082	179,918	200,720	177,378	205,190
Repairs & Maintenance	41,913	62,803	100,000	63,349	100,000
Public Utility Services	179,946	180,453	166,500	201,965	195,000
Administrative Charges	(248)	15,526	5,000	11,173	5,000
Interfund Charges	190,297	219,399	248,084	248,084	247,574
Capital Outlays	22,625	18,255	80,232	22,642	75,240
Depreciation	1,315,684	1,303,111	1,299,014	1,302,809	1,279,565
Interest Expense	85,421	82,771	83,671	151,138	83,671
TOTAL EXPENSES	3,261,060	3,424,695	3,791,619	3,759,296	3,807,436
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	-	-	4,089	-
Capital Transfers Out	(1,000,000)	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	(1,000,000)	-	-	4,089	-
NET DECREASE IN FUND	<u>\$(1,822,351)</u>	<u>\$(1,086,103)</u>	<u>\$(1,347,696)</u>	<u>\$(1,465,533)</u>	<u>\$(1,124,153)</u>



BOAT HARBOR FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental					
PERS State Revenues	\$ 53,891	\$ 49,238	\$ 147,365	\$ 23,906	\$ 50,000
Total Intergovernmental	53,891	49,238	147,365	23,906	50,000
Charges for Services					
Dockages AMHS	71,642	75,686	32,500	69,556	25,295
Exclusive Moorage	1,216,601	1,242,620	1,240,000	1,248,292	1,469,400
Transient Moorage	526,930	470,142	525,000	513,356	622,125
Harbormaster Services	6,902	8,655	7,500	4,216	8,890
Tidal Grid Fees	17,246	16,812	15,000	15,302	17,775
Pier / Dock Fees	202,419	110,547	165,000	128,596	175,000
Used Oil Fees	18,987	20,724	15,000	25,095	17,725
Waiting List Fees	2,700	2,925	3,000	2,475	3,555
Trailer Parking Fees	30,457	32,630	35,000	29,600	41,475
Bulk Oil Sales	57,227	18,994	-	1,256	-
Refunds - Charges for Services	-	(13,926)	-	-	-
Gear Storage	84,608	82,668	65,000	66,145	77,025
Parking Meters	5,971	4,395	7,500	3,959	5,000
Launch Ramp Permits	20,046	20,837	19,000	18,917	19,000
Pier I - Wharfage & Handling	-	-	-	-	3,000
Pier I - Dockage AMHS	-	-	-	-	5,000
Pier I - Harbormaster Services	-	-	3,000	-	3,000
Pier I - Pier / Dock Fees	-	-	10,000	5,778	10,000
Pier I - Bulk Oil Sales / Charges	-	-	20,000	-	10,000
Total Charges for Services	2,261,736	2,093,709	2,162,500	2,132,543	2,513,265
Net Investment Income					
Net Investment Income	13,821	17,880	14,000	19,227	21,000
Total Net Investment Income	13,821	17,880	14,000	19,227	21,000
Rents and Royalties					
AMHS Office Rent	15,765	17,365	16,500	15,765	16,500
Total Rents and Royalties	15,765	17,365	16,500	15,765	16,500
Miscellaneous					
Other Revenues	22,206	89,965	29,300	23,975	7,300
Total Miscellaneous	\$ 22,206	\$ 89,965	\$ 29,300	\$ 23,975	\$ 7,300



BOAT HARBOR FUND – DETAIL OF REVENUES AND EXPENSES continued

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES continued					
Interfund Charges					
Harbormaster Services	\$ 71,290	\$ 70,435	\$ 74,258	\$ 74,258	\$ 75,218
Total Interfund Charges	<u>71,290</u>	<u>70,435</u>	<u>74,258</u>	<u>74,258</u>	<u>75,218</u>
Other Financing Sources					
Bond Proceeds	-	-	-	4,089	-
Total Other Financing Sources	-	-	-	4,089	-
Appropriation From Fund Balance	-	-	1,347,696	-	1,124,153
TOTAL REVENUES	<u>2,438,709</u>	<u>2,338,592</u>	<u>3,791,619</u>	<u>2,293,763</u>	<u>3,807,436</u>
EXPENSES					
Salaries & Wages	679,517	684,100	786,232	713,370	800,161
Employee Benefits	496,264	567,933	693,666	784,943	684,035
Professional Services	66,636	92,846	109,000	65,626	114,000
Contributions	16,923	17,580	19,500	16,819	18,000
Support Goods & Services	166,082	179,918	200,720	177,378	205,190
Repairs & Maintenance	41,913	62,803	100,000	63,349	100,000
Public Utility Services	179,946	180,453	166,500	201,965	195,000
Administrative Charges	(248)	15,526	5,000	11,173	5,000
Interfund Charges	190,297	219,399	248,084	248,084	247,574
Capital Outlays	22,625	18,255	80,232	22,642	75,240
Depreciation	1,315,684	1,303,111	1,299,014	1,302,809	1,279,565
Interest Expense	85,421	82,771	83,671	151,138	83,671
TOTAL EXPENSES	<u>3,261,060</u>	<u>3,424,695</u>	<u>3,791,619</u>	<u>3,759,296</u>	<u>3,807,436</u>
OTHER FINANCING USES					
Capital Transfers Out	(1,000,000)	-	-	-	-
NET OTHER FINANCING USES	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET DECREASE IN FUND	<u><u>\$(1,822,351)</u></u>	<u><u>\$(1,086,103)</u></u>	<u><u>\$ -</u></u>	<u><u>\$(1,465,533)</u></u>	<u><u>\$ -</u></u>



ENTERPRISE FUND-BOAT HARBOR FUND – ADMINISTRATION

Departmental Vision

To provide secure moorage and the necessary services for one of the largest commercial fishing fleets in Alaska. To monitor the aging of the Boat Harbor's accounts received in accordance with City policy and to pursue the appropriate procedures for collection. To market the Port of Kodiak as having premier harbor facilities to support the fishing industry. To serve both pleasure and commercial fleets with efficiently managed harbor operations.

Program Description

The Boat Harbor Fund-Administration division operates two large boat harbors, the St. Paul Harbor and the St. Herman Harbor, Pier I (the ferry dock), and the transient boat dock. All of these facilities operate 24 hours a day throughout the entire year. The Boat Harbor Fund-Administration is responsible for moorage, dock scheduling, emergency pumping, VHF radio communication, and used oil collection. In addition to these services, this division is also responsible for scheduling use of all of the port facilities, boat docks and gridirons, stages transient vessels, rents exclusive moorage, registering of vessels, and routine patrols. Routine patrols include foot patrols, vessel patrols and vehicle patrols to enforce the City code in the waterways, docks, grids, parking lots, and loading zones.

Goals and Objectives

Goal: To maintain the level of service and quality to each facility.

Objective: To efficiently manage costs to allow for a maximization of revenues.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 1.39% in employee benefits, decreased 7.69% in contributions, decreased 100% in administrative services, decreased 1.50% in depreciation, and decreased 0.21% in interfund charges.

Accomplishments: For fiscal year 2017, this department's actual expenses were 0.06% less than budget.

Planned Accomplishments for Fiscal Year 2018

- To create an additional sub-division for Pier I (the ferry dock) activity per the Alaska Marine Highway System memorandum of agreement.
- To monitor and work with the Alaska Department of Transportation and the Alaska Marine Highway System through the construction phase of the replacement for Pier I (the ferry dock).
- To research funding, design, and replacement of St. Herman Harbor E through L Floats



ENTERPRISE FUND-BOAT HARBOR FUND – ADMINISTRATION

FUND: Enterprise
FUNCTION: Harbor

DEPARTMENT: Harbor
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 679,517	\$ 684,100	\$ 786,232	\$ 713,370	\$ 800,161
Employee Benefits	496,264	567,933	693,666	784,943	684,035
Professional Services	66,636	92,846	107,000	65,626	112,000
Contributions	16,923	17,580	19,500	16,819	18,000
Support Goods & Services	166,082	179,918	198,720	177,378	203,190
Repairs & Maintenance	41,913	62,803	80,000	62,976	80,000
Public Utility Services	179,946	180,453	162,000	199,207	189,000
Administrative Charges	(248)	15,526	-	11,173	-
Capital Outlays	22,625	18,255	80,232	22,642	75,240
Depreciation	1,315,684	1,303,111	1,299,014	1,302,809	1,279,565
Interest Expense	85,421	82,771	83,671	151,138	83,671
Total Expenditures	\$ 3,070,763	\$ 3,205,296	\$ 3,510,035	\$ 3,508,081	\$ 3,524,862

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Harbormaster	1	1	1	1
Deputy Harbormaster	1	1	1	1
Senior Harbor Officer	3	3	3	4
Harbor Officer	2	2	2	1
Port & Harbor Maintenance Mechanic	2	2	2	2
Harbor Dispatcher	0.4	0.4	0.4	1.4
Administrative Secretary	2	2	2	1
Total	11.4	11.4	11.4	11.4

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Vehicle, Boat and Foot Patrol Hours	8,464	8,425	8,789	10,308
Number of Citizens Assists	4,623	7,063	6,504	10,332
Used Oil Collected (Gallons)	18,987	20,724	25,095	21,560
Maintained Petro Marine Lease	Yes	No	No	N/A

* Petro Marine Lease expired during the State of Alaska Pier I replacement project. This lease is currently not going to be renewed.



ENTERPRISE FUND-BOAT HARBOR FUND – PIER I

Departmental Vision

During fiscal year 2017 and fiscal year 2018, the Pier I Ferry Dock was replaced by the State of Alaska. Pending this agreement are additional requirements to track repairs and maintenance expenses related to the Pier I Ferry Dock.

Program Description

The Boat Harbor Fund-Pier I Ferry Dock represents the transparency of repairs and maintenance expenses directly related to the Pier I Ferry Dock.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 1.39% in employee benefits, decreased 7.69% in contributions, decreased 100% in administrative services, decreased 1.50% in depreciation, and decreased 0.21% in interfund charges.

Accomplishments: For fiscal year 2017, this department's actual expenses were 90.65% less than budget as the Pier I Ferry Dock is still under replacement by the State of Alaska.

Planned Accomplishments for Fiscal Year 2018

- To execute the agreement with the State of Alaska.



ENTERPRISE FUND-BOAT HARBOR FUND – PIER I

FUND: Enterprise
FUNCTION: Harbor

DEPARTMENT: Harbor
COST CENTER: Pier I

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Professional Services	-	-	2,000	-	2,000
Support Goods & Services	-	-	2,000	-	2,000
Repairs & Maintenance	-	-	20,000	373	20,000
Public Utility Services	-	-	4,500	2,758	6,000
Administrative Charges	-	-	5,000	-	5,000
Total Expenditures	\$ -	\$ -	\$ 33,500	\$ 3,131	\$ 35,000

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Harbormaster (1 Day / Month)	0	0	0	0
Deputy Harbormaster (1 Day / Month)	0	0	0	0
Total	0	0	0	0

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Establish lease for Petro Marine	N/A	N/A	N/A	In Process



ENTERPRISE FUND-BOAT HARBOR FUND – INTERFUND CHARGES

Departmental Vision

Not applicable.

Program Description

The Boat Harbor Fund-Interfund Charges represent the allocation of revenues and expenses between funds to cover services rendered.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 1.39% in employee benefits, decreased 7.69% in contributions, decreased 100% in administrative services, decreased 1.50% in depreciation, and decreased 0.21% in interfund charges.

Accomplishments: For fiscal year 2017, this department's actual expenses were comparable to the budget as these are allocated expenses for insurance and City administration charges from the City's Internal Service Fund and General Fund.

Planned Accomplishments for Fiscal Year 2018

- Not applicable.



ENTERPRISE FUND-BOAT HARBOR FUND – INTERFUND CHARGES

FUND: Enterprise
FUNCTION: Harbor

DEPARTMENT: Harbor
COST CENTER: Interfund Charges

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Administrative	\$ 82,683	\$ 109,588	\$ 148,824	\$ 148,824	\$ 135,551
Public Works	100,871	101,878	91,838	91,838	105,046
Engineering	6,743	7,933	7,422	7,422	6,977
Total Expenditures	\$ 190,297	\$ 219,399	\$ 248,084	\$ 248,084	\$ 247,574

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
None	0	0	0	0
Total	0	0	0	0



ENTERPRISE FUND-BOAT HARBOR FUND – TRANSFERS

Departmental Vision

Not applicable.

Program Description

The Boat Harbor Fund-Transfers represents the transfer of monies between funds for capital projects.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 1.39% in employee benefits, decreased 7.69% in contributions, decreased 100% in administrative services, decreased 1.50% in depreciation, and decreased 0.21% in interfund charges.

Accomplishments: For fiscal year 2017, this department's actual expenses were comparable to the budget as these are budgeted transfers to capital projects.

Planned Accomplishments for Fiscal Year 2018

- Not applicable.



ENTERPRISE FUND-BOAT HARBOR FUND – TRANSFERS

FUND: Enterprise
FUNCTION: Harbor

DEPARTMENT: Harbor
COST CENTER: Transfers

Expenditures

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Final Budget</u>	<u>FY 2017 Estimated</u>	<u>FY 2018 Adopted Budget</u>
Capital Projects Transfers	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Personnel

Number of Employees

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimated</u>	<u>FY 2018 Adopted Budget</u>
None	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



SHIPYARD FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental	\$ 5,827	\$ 8,412	\$ 23,235	\$ 3,477	\$ 13,500
Charges for Services	743,949	597,240	688,000	411,360	616,000
Net Investment Income	331	379	1,000	(2,754)	1,000
Miscellaneous	2,053	6,794	4,925	2,919	-
TOTAL REVENUES	752,160	612,825	717,160	415,002	630,500
EXPENSES					
Salaries & Wages	68,713	99,723	114,874	104,699	107,340
Employee Benefits	62,181	133,626	105,040	93,316	98,511
Professional Services	26,680	21,686	50,000	18,185	25,000
Support Goods & Services	66,036	58,755	75,840	58,596	71,935
Repairs & Maintenance	18,003	11,429	25,000	7,156	24,500
Public Utility Services	39,100	37,288	42,000	33,815	41,500
Administrative Charges	1,268	-	-	2,462	-
Interfund Charges	84,844	95,758	111,157	111,157	106,215
Depreciation	529,981	529,981	529,981	529,981	526,860
Interest Expense	241,076	227,175	229,506	431,167	229,506
TOTAL EXPENSES	1,137,882	1,215,421	1,283,398	1,390,534	1,231,367
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	-	-	9,385	-
Capital Transfers In (Out)	(11,000)	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	(11,000)	-	-	-	-
NET INCREASE (DECREASE) IN FUND	\$ (396,722)	\$ (602,596)	\$ (566,238)	\$ (975,532)	\$ (600,867)



SHIPYARD FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental					
PERS	\$ 5,827	\$ 8,412	\$ 23,235	\$ 3,477	\$ 13,500
Total Intergovernmental	5,827	8,412	23,235	3,477	13,500
Charges for Services					
Haul / Launch / Block	342,233	274,078	323,000	225,264	275,000
Pressure Wash	20,550	13,500	20,000	10,500	15,000
Yard Services	55,491	52,952	55,000	34,632	55,000
Container Storage	-	3,320	4,000	-	4,000
Lay Days	189,740	159,597	192,000	87,192	180,000
Electricity	68,225	44,770	40,000	20,796	40,000
Vendor Fees	9,500	7,250	10,000	2,500	5,000
Hang Time	40,362	27,550	32,000	20,475	30,000
Environmental Surcharges	17,848	14,223	12,000	10,001	12,000
Total Charges for Services	743,949	597,240	688,000	411,360	616,000
Net Investment Income					
Net Investment Income	331	379	1,000	(2,754)	1,000
Total Net Investment Income	331	379	1,000	(2,754)	1,000
Miscellaneous					
Other Revenues	2,053	6,794	4,925	2,919	-
Total Miscellaneous	2,053	6,794	4,925	2,919	-
 Appropriation from Fund Balance	 -	 -	 566,238	 -	 600,867
 TOTAL REVENUES	 752,160	 612,825	 1,283,398	 415,002	 1,231,367
EXPENSES					
Salaries & Wages	68,713	99,723	114,874	104,699	107,340
Employee Benefits	62,181	133,626	105,040	93,316	98,511
Professional Services	26,680	21,686	50,000	18,185	25,000
Support Goods & Services	66,036	58,755	75,840	58,596	71,935
Repairs & Maintenance	18,003	11,429	25,000	7,156	24,500
Public Utility Services	39,100	37,288	42,000	33,815	41,500
Administrative Charges	1,268	-	-	2,462	-
Interfund Charges	84,844	95,758	111,157	111,157	106,215
Depreciation	529,981	529,981	529,981	529,981	526,860
Interest Expense	241,076	227,175	229,506	431,167	229,506
TOTAL EXPENSES	1,137,882	1,215,421	1,283,398	1,390,534	1,231,367
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	-	-	-	9,385	-
Capital Transfers In (Out)	(11,000)	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	(11,000)	-	-	9,385	-
 NET INCREASE (DECREASE) IN FUND	 \$ (396,722)	 \$ (602,596)	 \$ -	 \$ (966,147)	 \$ -



ENTERPRISE FUND-SHIPYARD FUND – ADMINISTRATION

Departmental Vision

To promote, operate, and maintain the shipyard and the 660-ton Marine Travel lift effectively and efficiently to meet the needs of both local and non-local vessel owners. To provide excellent service that optimizes customer loyalty and increases the number of vessels utilizing the facility.

Program Description

The Shipyard Fund-Administration division, in conjunction with the Harbor department, is responsible for administration, operation, and maintenance of the shipyard and Marine Travel lift in St. Herman harbor. Vessels, up to a maximum of 660 tons, can be lifted for maintenance and repairs. This division provides lift operators, labor, and management oversight including other services such as a wash down pad and electrical service.

Goals and Objectives

Goal: To provide safe and efficient shipyard services for Kodiak and the surrounding community.

Objective: To maximize the number of vessels lifted each year while increasing revenue to sufficiently meet operating and fixed asset costs, including debt service payments.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 4.05% across all Shipyard departments.

Accomplishments: For fiscal year 2017, this department's actual expenses were 9.14% higher than budget due to additional costs related to the revenue bond refunding.

Planned Accomplishments for Fiscal Year 2018

- To manage the operations of the shipyard and vessel lift efficiently and professionally.
- To increase the number of vessels lifted annually.
- To research the addition of long-term rate structures for storage of vessels during the off-season.



ENTERPRISE FUND-SHIPYARD FUND – ADMINISTRATION

FUND: Enterprise
FUNCTION: Shipyard

DEPARTMENT: Shipyard
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 68,713	\$ 99,723	\$ 114,874	\$ 104,699	\$ 107,340
Employee Benefits	62,181	133,626	105,040	93,316	98,511
Professional Services	26,680	21,686	50,000	18,185	25,000
Support Goods & Services	66,036	58,755	75,840	58,596	71,935
Repairs & Maintenance	18,003	11,429	25,000	7,156	24,500
Public Utility Services	39,100	37,288	42,000	33,815	41,500
Administrative Services	1,268	-	-	2,462	-
Depreciation	529,981	529,981	529,981	529,981	526,860
Interest Expense	241,076	227,175	229,506	431,167	229,506
Total Expenditures	\$ 1,053,038	\$ 1,119,663	\$ 1,172,241	\$ 1,279,377	\$ 1,125,152

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Harbor Maintenance Mechanic	2	2	2	2
Total	2	2	2	2

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Number of Boats Serviced	51	55	37	30
Number of Lay Days	811	648	335	582
Average Number of Lay Days per Boat	16	11	9	38
Average Length of Vessel	85	64	75	196
Haul, Launch, Block Revenue	\$ 342,233	\$ 274,078	\$ 225,264	\$ 275,000
Lay Day Revenue	\$ 189,740	\$ 159,597	\$ 87,192	\$ 180,000



ENTERPRISE FUND-SHIPYARD FUND – INTERFUND CHARGES

Departmental Vision

Not applicable.

Program Description

The Shipyard Fund-Interfund Charges represent the allocation of revenues and expenses between funds to cover services rendered.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 4.05% across all Shipyard departments.

Accomplishments: For fiscal year 2017, this department's actual expenses were comparable to the budget as these are allocated expenses for insurance and City administration charges from the City's Internal Service Fund and General Fund

Planned Accomplishments for Fiscal Year 2018

- Not applicable.



ENTERPRISE FUND-SHIPYARD FUND – INTERFUND CHARGES

FUND: Enterprise
FUNCTION: Shipyard

DEPARTMENT: Shipyard
COST CENTER: Interfund Charges

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Administrative	\$ 20,394	\$ 33,782	\$ 46,821	\$ 46,821	\$ 36,365
Public Works	29,191	25,869	27,211	27,211	32,786
Engineering	6,743	7,933	7,422	7,422	6,977
Harbormaster	28,516	28,174	29,703	29,703	30,087
Total Expenditures	\$ 84,844	\$ 95,758	\$ 111,157	\$ 111,157	\$ 106,215

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
None	0	0	0	0
Total	0	0	0	0



ENTERPRISE FUND-SHIPYARD FUND – TRANSFERS

Departmental Vision

Not applicable.

Program Description

The Shipyard Fund-Transfers represents the transfer of monies between funds for capital projects.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 4.05% across all Shipyard departments.

Accomplishments: For fiscal year 2017, this department's actual expenses were comparable to the budget as these are budgeted transfers to capital projects.

Planned Accomplishments for Fiscal Year 2018

- Not applicable.



ENTERPRISE FUND-SHIPYARD FUND – TRANSFERS

FUND: Enterprise
FUNCTION: Shipyard

DEPARTMENT: Shipyard
COST CENTER: Transfers

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Capital Projects Transfers	\$ 11,000	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 11,000	\$ -	\$ -	\$ -	\$ -

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
None	0	0	0	0
Total	0	0	0	0



ELECTRIC UTILITY FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Charges for Services	\$ 617,571	\$ 673,656	\$ 673,000	\$ 811,129	\$ 674,500
Net Investment Income	1,458	2,639	1,000	2,480	1,000
TOTAL REVENUES	619,029	676,295	674,000	813,609	675,500
EXPENSES					
Professional Services	-	-	15,000	-	15,000
Support Goods & Services	506,868	509,088	535,640	581,040	534,240
Repairs & Maintenance	9,646	8,301	10,000	7,321	10,000
Public Utility Services	16	-	-	-	-
Administrative Charges	-	-	-	453	-
Interfund Charges	43,605	52,951	61,842	61,842	61,804
Capital Outlays	4,725	5,000	5,000	-	5,000
Depreciation	10,402	10,402	10,402	10,402	864
TOTAL EXPENSES	575,262	585,742	637,884	661,058	626,908
NET INCREASE IN FUND	\$ 43,767	\$ 90,553	\$ 36,116	\$ 152,551	\$ 48,592



ELECTRIC UTILITY FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Charges for Services					
Non-Meter Charges	\$ 14,670	\$ 10,888	\$ 15,000	\$ 21,780	\$ 17,000
Customer Charges - Recurring	109,953	110,955	115,000	110,535	115,000
Con / Disc / Trans Fees	8,510	8,640	7,000	9,180	7,000
Energy Charge Fees	479,165	537,100	530,000	661,905	530,000
Record Fees	330	405	1,000	345	500
Electric Service Calls	4,943	5,668	5,000	7,384	5,000
Total Charges for Services	617,571	673,656	673,000	811,129	674,500
Net Investment Income					
Net Investment Income	1,458	2,639	1,000	2,480	1,000
Total Net Investment Income	1,458	2,639	1,000	2,480	1,000
Appropriations from Fund Balance					
	-	-	(36,116)	-	(48,592)
TOTAL REVENUES	619,029	676,295	637,884	813,609	626,908
EXPENSES					
Professional Services	-	-	15,000	-	15,000
Support Goods & Services	506,868	509,088	535,640	581,040	534,240
Repairs & Maintenance	9,646	8,301	10,000	7,321	10,000
Public Utility Services	16	-	-	-	-
Administrative Charges	-	-	-	453	-
Interfund Charges	43,605	52,951	61,842	61,842	61,804
Capital Outlays	4,725	5,000	5,000	-	5,000
Depreciation	10,402	10,402	10,402	10,402	864
TOTAL EXPENSES	575,262	585,742	637,884	661,058	626,908
NET INCREASE IN FUND	\$ 43,767	\$ 90,553	\$ -	\$ 152,551	\$ -



ENTERPRISE FUND-ELECTRIC UTILITY FUND – ADMINISTRATION

Departmental Vision

To operate and maintain the electric distribution system on the floats and docks in the St. Paul Harbor and St. Herman Harbor as effectively and efficiently as possible.

Program Description

The Electric Utility Fund-Administration division is responsible for the administration, operations, and maintenance of the City's electrical service at the City's harbor facilities.

Goals and Objectives

Goal: To maintain the electricity to users.

Objective: To ensure that customers have safe and reliable electricity.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 91.69% in depreciation and decreased 0.06% in interfund charges for insurance and administration expenses.

Accomplishments: For fiscal year 2017, this department's actual expenses were 9.14% higher than budget due to additional costs related to providing the electricity to the Harbor.

Planned Accomplishments for Fiscal Year 2018

- To operate the electric utilities at the harbor facilities in a manner that will provide customers electricity as cost efficiently as possible while maintaining the electric distribution system.
- To research and update the electric tariff.



ENTERPRISE FUND-ELECTRIC UTILITY FUND – ADMINISTRATION

FUND: Enterprise
FUNCTION: Electric

DEPARTMENT: Electric Utility
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Professional Services	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000
Support Goods & Services	506,868	509,088	535,640	581,040	534,240
Repairs & Maintenance	9,646	8,301	10,000	7,321	10,000
Public Utility Services	16	-	-	-	-
Administrative Charges	-	-	-	453	-
Capital Outlays	4,725	5,000	5,000	-	5,000
Depreciation	10,402	10,402	10,402	10,402	864
Total Expenditures	\$ 531,657	\$ 532,791	\$ 576,042	\$ 599,216	\$ 565,104

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Deputy Harbormaster (2 Days / month)	0	0	0	0
Administrative Supervisor (3 Days / month)	0	0	0	0
Total	0	0	0	0



ENTERPRISE FUND-ELECTRIC UTILITY FUND – INTERFUND CHARGES

Departmental Vision

Not applicable.

Program Description

The Electric Utility Fund-Interfund Charges represent the allocation of revenues and expenses between funds to cover services rendered.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 91.69% in depreciation and decreased 0.06% in interfund charges for insurance and administration expenses.

Accomplishments: For fiscal year 2017, this department's actual expenses were comparable to the budget as these are allocated expenses for insurance and City administration charges from the City's Internal Service Fund and General Fund

Planned Accomplishments for Fiscal Year 2018

- Not applicable.



ENTERPRISE FUND-ELECTRIC UTILITY FUND – INTERFUND CHARGES

FUND: Enterprise
FUNCTION: Electric

DEPARTMENT: Electric Utility
COST CENTER: Interfund Charges

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Administrative	\$ 23,018	\$ 31,528	\$ 38,760	\$ 38,760	\$ 40,919
Public Works	6,329	7,336	8,230	8,230	5,841
Harbormaster	14,258	14,087	14,852	14,852	15,044
Total Expenditures	\$ 43,605	\$ 52,951	\$ 61,842	\$ 61,842	\$ 61,804

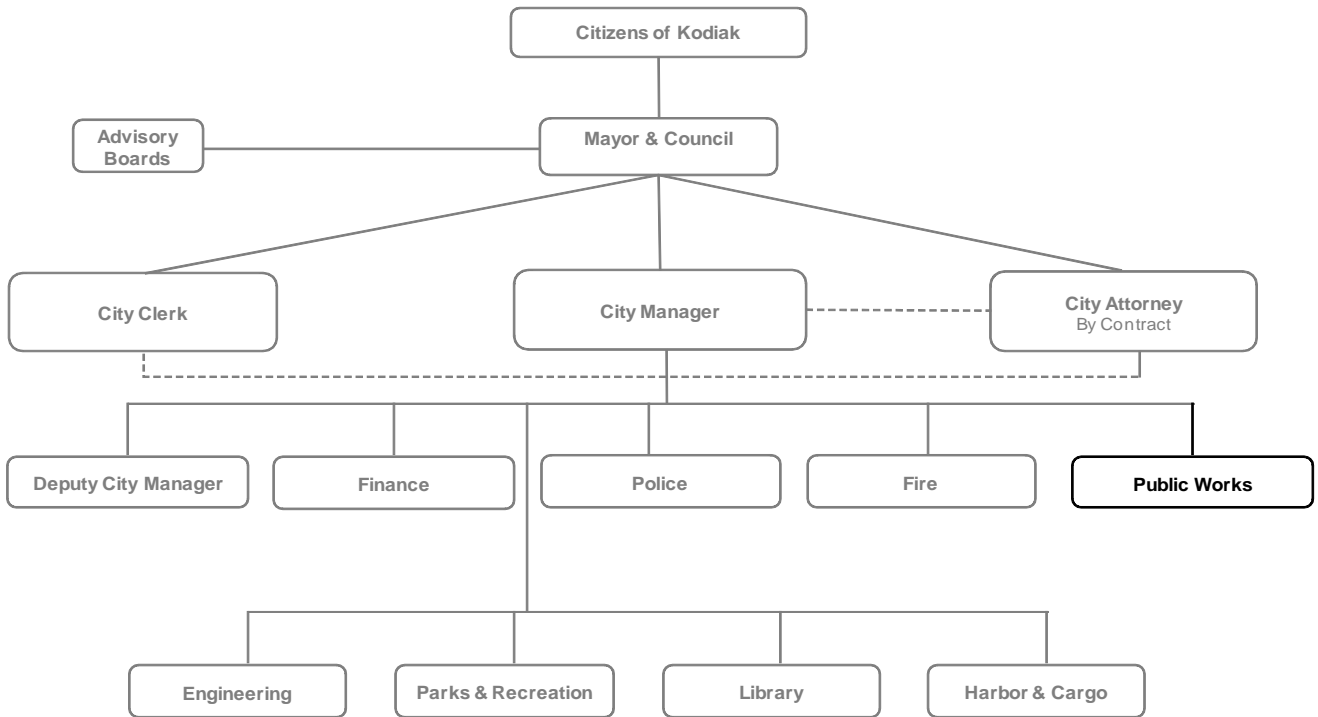
Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
None	0	0	0	0
Total	0	0	0	0



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WATER UTILITY FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental	\$ 22,794	\$ 15,421	\$ 91,563	\$ 13,145	\$ 20,000
Charges for Services	4,428,088	4,750,630	4,569,000	4,527,366	4,219,000
Net Investment Income	11,335	27,459	2,000	27,619	2,000
Miscellaneous	4,661	31,173	17,750	17,253	5,000
TOTAL REVENUES	\$ 4,466,878	\$ 4,824,683	\$ 4,680,313	\$ 4,585,383	\$ 4,246,000
EXPENSES					
Salaries & Wages	\$ 327,077	\$ 280,624	\$ 448,992	\$ 383,213	\$ 465,334
Employee Benefits	263,458	158,803	430,764	664,150	493,283
Professional Services	20,099	27,654	48,400	45,338	48,400
Support Goods & Services	127,874	146,425	197,490	137,243	243,762
Repairs & Maintenance	45,819	14,610	66,000	47,565	41,000
Public Utility Services	424,008	411,165	477,250	371,881	477,250
Interfund Charges	615,141	689,579	834,908	844,340	794,046
Capital Outlays	8,473	25,926	189,835	14,850	43,193
Depreciation	642,914	643,238	644,159	648,990	652,780
Interest Expense	53,270	30,079	28,190	49,217	28,190
TOTAL EXPENSES	\$ 2,528,133	\$ 2,428,103	\$ 3,365,988	\$ 3,206,787	\$ 3,287,238
OTHER FINANCING SOURCES (USES)					
Capital Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Transfers Out	(437,835)	(2,303,492)	(548,128)	(548,128)	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (437,835)	\$ (2,303,492)	\$ (548,128)	\$ (548,128)	\$ (10,000)
NET INCREASE (DECREASE) IN FUND	\$ 1,500,910	\$ 93,088	\$ 766,197	\$ 830,468	\$ 948,762



WATER UTILITY FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental					
PERS	\$ 22,794	\$ 15,421	\$ 91,563	\$ 13,145	\$ 20,000
Total Intergovernmental	22,794	15,421	91,563	13,145	20,000
Charges for Services					
Water Sales - Metered	1,921,671	2,071,705	1,957,000	1,890,297	1,607,000
Water Sales - City	1,466,382	1,580,645	1,545,000	1,575,168	1,545,000
Water Sales - Borough	993,073	1,067,255	1,030,000	1,028,856	1,030,000
Water Service Hookup	18,017	5,370	10,000	15,860	10,000
Penalties and Interest	28,945	25,655	27,000	17,185	27,000
Total Charges for Services	4,428,088	4,750,630	4,569,000	4,527,366	4,219,000
Net Investment Income					
Net Investment Income	11,335	27,459	2,000	27,619	2,000
Total Net Investment Income	11,335	27,459	2,000	27,619	2,000
Miscellaneous					
Other Revenues	4,661	31,173	17,750	17,253	5,000
Total Miscellaneous	4,661	31,173	17,750	17,253	5,000
Appropriations from Fund Balance					
	-	-	(766,197)	-	(948,762)
TOTAL REVENUES	4,466,878	4,824,683	3,914,116	4,585,383	3,297,238
EXPENSES					
Salaries & Wages	327,077	280,624	448,992	383,213	465,334
Employee Benefits	263,458	158,803	430,764	664,150	493,283
Professional Services	20,099	27,654	48,400	45,338	48,400
Support Goods & Services	127,874	146,425	197,490	137,243	243,762
Repairs & Maintenance	45,819	14,610	66,000	47,565	41,000
Public Utility Services	424,008	411,165	477,250	371,881	477,250
Interfund Charges	615,141	689,579	834,908	844,340	794,046
Capital Outlays	8,473	25,926	189,835	14,850	43,193
Depreciation	642,914	643,238	644,159	648,990	652,780
Interest Expense	53,270	30,079	28,190	49,217	28,190
TOTAL EXPENSES	2,528,133	2,428,103	3,365,988	3,206,787	3,287,238
OTHER FINANCING SOURCES (USES)					
Capital Transfers In	-	-	-	-	-
Capital Transfers Out	(437,835)	(2,303,492)	(548,128)	(548,128)	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)	(437,835)	(2,303,492)	(548,128)	(548,128)	(10,000)
NET INCREASE (DECREASE) IN FUND	\$ 1,500,910	\$ 93,088	\$ -	\$ 830,468	\$ -



ENTERPRISE FUND-WATER UTILITY FUND – ADMINISTRATION

Departmental Vision

To supply adequate water to the City of Kodiak with minimal interference of services in compliance with all local, state, and federal ordinances and laws.

Program Description

The Water Utility Fund-Administration division is responsible for the delivery of high quality potable water to the citizens, businesses, and industries of the City and the surrounding area. The Water Fund-Administration division operates and maintains the reservoirs, dams, pump stations, and distribution systems. This division also operates and installs new water hookups, reads meters, and performs minor system improvements.

Goals and Objectives

Goal: To maintain Environmental Protection Agency and Alaska Department of Environmental Conservation water treatment regulations and to continue the community filtration avoidance status.

Objective: To meet all water treatment regulations.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 37.88% in repairs and maintenance, decreased 77.25% in capital outlays, and decreased 4.89% in interfund insurance and administration charges.

Accomplishments: For fiscal year 2017, this department's actual expenses were 0.41% less than budget due to reduced expenses that were not anticipated.

Planned Accomplishments for Fiscal Year 2018

- To continue to meet all federal requirements to maintain our filtration avoidance status.
- To meet all local, state, and federal water regulations.
- To complete and bring operational the new Monashka Pump House.



ENTERPRISE FUND-WATER UTILITY FUND – ADMINISTRATION

FUND: Enterprise
FUNCTION: Water

DEPARTMENT: Water Utility
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 327,077	\$ 275,100	\$ 372,696	\$ 311,682	\$ 387,710
Employee Benefits	263,458	158,739	364,054	614,533	423,388
Professional Services	14,400	17,597	30,000	27,553	30,000
Support Goods & Services	67,169	73,998	112,990	66,880	159,262
Repairs & Maintenance	20,539	5,231	42,000	24,425	17,000
Public Utility Services	362,081	354,855	411,250	315,156	411,250
Capital Outlays	8,473	17,154	84,835	11,179	28,193
Depreciation	642,914	643,238	644,159	648,990	652,780
Interest Expense	53,270	30,079	28,190	49,217	28,190
Interfund Charges	526,638	554,893	636,273	645,705	624,261
Total Expenditures	\$ 2,286,019	\$ 2,130,884	\$ 2,726,447	\$ 2,715,320	\$ 2,762,034

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Equipment Operator	1	1	1	1
Heavy Equipment Mechanic	1	1	1	1
Utility Worker	1	1	1	1
Public Works Maintenance Worker	3	3	3	3
Public Works Director	0.25	0.25	0.25	0.25
Accounting Technician / Cashier-Utilities	0.35	0.35	0.35	0.35
Total	6.6	6.6	6.6	6.6

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Number of times responded to all after hours emergency call outs within 30 minutes	10	5	5	5
Number of water leaks located and repaired	23	18	16	15



ENTERPRISE FUND-WATER UTILITY FUND – WATER TREATMENT

Departmental Vision

To supply potable water that meets state and federal requirements 100% of the time. To track services to determine that the level of service is equal to or better than previously provided.

Program Description

The Water Utility Fund-Water Treatment division encompasses the entire treatment process, meeting all local, state, and federal ordinances and laws. The Water Fund-Water Treatment division operates and maintains the two treatment buildings, tanks, and the computer systems that control the treatment system.

Goals and Objectives

Goal: To meet all federal and state water treatment regulations.

Objective: To provide a continuous and adequate supply of potable water to the Kodiak community.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 37.88% in repairs and maintenance, decreased 77.25% in capital outlays, and decreased 4.89% in interfund insurance and administration charges.

Accomplishments: For fiscal year 2017, this department's actual expenses were 23.15% less than budget due to reduced expenses that were not anticipated.

Planned Accomplishments for Fiscal Year 2018

- To continue to meet all necessary regulatory requirements and meet goals set by the City Council.
- To maintain continuous operation of potable water disinfection system.
- To maintain the water system and planned capital improvements.



ENTERPRISE FUND-WATER UTILITY FUND – WATER TREATMENT

FUND: Enterprise
FUNCTION: Water

DEPARTMENT: Water Utility
COST CENTER: Water Treatment

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ -	\$ 5,524	\$ 76,296	\$ 71,531	\$ 77,624
Employee Benefits	-	64	66,710	49,617	69,895
Professional Services	5,699	10,057	18,400	17,785	18,400
Support Goods & Services	60,705	72,427	84,500	70,363	84,500
Repairs & Maintenance	25,280	9,379	24,000	23,140	24,000
Public Utility Services	61,927	56,310	66,000	56,725	66,000
Capital Outlays	-	8,772	105,000	3,671	15,000
Interfund Charges	88,503	134,686	198,635	198,635	169,785
Total Expenditures	\$ 242,114	\$ 297,219	\$ 639,541	\$ 491,467	\$ 525,204

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Water Treatment Operator	0	0	1	1
Total	0	0	1	1

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Met all state of Alaska and U.S. Environmental Protection Agency water treatment regulations	100%	100%	100%	100%
Respond to all water quality complaints within 1 hour during regular working hours and within 24 hours during non-regular working hours	100%	100%	100%	100%
Number of times responded to all after-hours emergency call outs and alarms	6	9	5	5



ENTERPRISE FUND-WATER UTILITY FUND – TRANSFERS

Departmental Vision

Not applicable.

Program Description

The Water Utility Fund-Transfers represents the transfer of monies between funds for capital projects.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 37.88% in repairs and maintenance, decreased 77.25% in capital outlays, and decreased 4.89% in interfund insurance and administration charges.

Accomplishments: For fiscal year 2017, this department's actual expenses were comparable to the budget as these are budgeted transfers to capital projects.

Planned Accomplishments for Fiscal Year 2018

- Not applicable.



ENTERPRISE FUND-WATER UTILITY FUND – TRANSFERS

FUND: Enterprise
FUNCTION: Water

DEPARTMENT: Water Utility
COST CENTER: Transfers

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Capital Projects Transfers	\$ 437,835	\$ 2,303,492	\$ 548,128	\$ 548,128	\$ 10,000
Total Expenditures	\$ 437,835	\$ 2,303,492	\$ 548,128	\$ 548,128	\$ 10,000

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
None	0	0	0	0
Total	0	0	0	0



SEWER UTILITY FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental	\$ 45,328	\$ 43,612	\$ 151,373	\$ 17,543	\$ 40,000
Charges for Services	3,862,292	4,043,051	4,189,800	4,184,788	4,399,290
Net Investment Income	248	2,535	4,000	4,788	5,000
Miscellaneous	4,364	42,427	20,660	26,913	-
TOTAL REVENUES	3,912,232	4,131,625	4,365,833	4,234,032	4,444,290
EXPENSES					
Salaries & Wages	618,013	604,667	786,281	608,137	733,922
Employee Benefits	486,997	545,496	750,998	544,617	723,620
Professional Services	83,495	35,089	76,500	42,175	56,500
Support Goods & Services	139,690	336,458	354,720	235,042	371,108
Repairs & Maintenance	80,929	51,659	101,500	66,934	86,500
Public Utility Services	707,394	484,836	274,800	234,772	264,800
Administrative Charges	-	122	-	-	-
Interfund Charges	571,093	643,664	808,943	823,972	760,751
Capital Outlays	14,412	14,524	84,625	34,371	90,544
Depreciation	1,212,526	1,214,440	1,226,737	1,221,511	1,209,493
Interest Expense	33,817	20,815	17,974	17,313	17,974
TOTAL EXPENSES	3,948,366	3,951,770	4,483,078	3,828,844	4,315,212
OTHER FINANCING USES					
Capital Transfers Out	(382,835)	(285,000)	(1,794,604)	(1,794,604)	(10,000)
TOTAL OTHER FINANCING USES	(382,835)	(285,000)	(1,794,604)	(1,794,604)	(10,000)
NET INCREASE (DECREASE) IN FUND	\$ (418,969)	\$ (105,145)	\$(1,911,849)	\$(1,389,416)	\$ 119,078



SEWER UTILITY FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental					
PERS	\$ 45,328	\$ 43,612	\$ 151,373	\$ 17,543	\$ 40,000
Total Intergovernmental	45,328	43,612	151,373	17,543	40,000
Charges for Services					
Sewer Services - City	2,416,295	2,537,519	2,625,000	2,648,830	2,757,890
Sewer Services - Borough	1,335,992	1,389,014	1,470,000	1,401,459	1,543,500
Sewer Services - Hookup	7,579	6,122	9,800	19,747	9,800
Septic Tank Discharge	78,456	86,586	62,000	85,432	65,100
Lab Testing Fees	23,970	23,810	23,000	27,620	23,000
Compost Sales	-	-	-	1,700	-
Total Charges for Services	3,862,292	4,043,051	4,189,800	4,184,788	4,399,290
Net Investment Income					
Net Investment Income	248	2,535	4,000	4,788	5,000
Total Net Investment Income	248	2,535	4,000	4,788	5,000
Miscellaneous					
Other Revenues	4,364	42,427	20,660	26,913	-
Total Miscellaneous	4,364	42,427	20,660	26,913	-
Appropriations from Fund Balance					
	-	-	1,911,849	-	(119,078)
TOTAL REVENUES	3,912,232	4,131,625	6,277,682	4,234,032	4,325,212
EXPENSES					
Salaries & Wages	618,013	604,667	786,281	608,137	733,922
Employee Benefits	486,997	545,496	750,998	544,617	723,620
Professional Services	83,495	35,089	76,500	42,175	56,500
Support Goods & Services	139,690	336,458	354,720	235,042	371,108
Repairs & Maintenance	80,929	51,659	101,500	66,934	86,500
Public Utility Services	707,394	484,836	274,800	234,772	264,800
Administrative Charges	-	122	-	-	-
Interfund Charges	571,093	643,664	808,943	823,972	760,751
Capital Outlays	14,412	14,524	84,625	34,371	90,544
Depreciation	1,212,526	1,214,440	1,226,737	1,221,511	1,209,493
Interest Expense	33,817	20,815	17,974	17,313	17,974
TOTAL EXPENSES	3,948,366	3,951,770	4,483,078	3,828,844	4,315,212
OTHER FINANCING USES					
Capital Transfers Out	(382,835)	(285,000)	(1,794,604)	(1,794,604)	(10,000)
TOTAL OTHER FINANCING USES	(382,835)	(285,000)	(1,794,604)	(1,794,604)	(10,000)
NET INCREASE (DECREASE) IN FUND					
	\$ (418,969)	\$ (105,145)	\$ -	\$(1,389,416)	\$ -



ENTERPRISE FUND-SEWER UTILITY FUND – ADMINISTRATION

Departmental Vision

To maintain the sanitary sewer system in stable condition to minimize sewage backups and overflow.

Program Description

The Sewer Utility Fund-Administration division is responsible for maintaining the sanitary sewer system by routine cleaning; sewage operation and maintenance; and clearing of sewer stoppages. This division also installs new sewer hookups and coordinates with the Engineering department to determine line and manhole conditions for inflow and infiltration reduction.

Goals and Objectives

Goal: To continue to perform the required maintenance in order to avoid sewage overflows and stoppages.

Objective: To efficiently manage costs to the City while ensuring uninterrupted sewer service to the residents.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 3.74% across all departments within the Sewer Utility fund.

Accomplishments: For fiscal year 2017, this department's actual expenses were 2.93% less than budget due to reduced expenses that were not anticipated.

Planned Accomplishments for Fiscal Year 2018

- To eliminate chronic sewer line problems.
- To complete rehabilitation of Lift Station # 3 and Lift Station # 4.
- To complete installation of the centrifuge system at the Wastewater Treatment Plant facility.



ENTERPRISE FUND-SEWER UTILITY FUND – ADMINISTRATION

FUND: Enterprise
FUNCTION: Sewer

DEPARTMENT: Sewer Utility
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 65,901	\$ 80,662	\$ 80,734	\$ 66,464	\$ 81,276
Employee Benefits	63,689	74,851	81,260	74,955	85,016
Professional Services	11,446	12,499	16,500	13,227	16,500
Support Goods & Services	18,847	20,699	36,700	24,570	33,200
Repairs & Maintenance	15,586	16,304	17,500	17,767	17,500
Capital Outlays	2,262	1,446	7,700	4,015	8,119
Interfund Charges	473,161	501,707	591,207	606,236	498,651
Total Expenditures	\$ 650,892	\$ 708,168	\$ 831,601	\$ 807,234	\$ 740,262

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Equipment Operator	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	1	1	1	1

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Problem Areas Eliminated	3	3	2	4
# of Infiltration & Infow locations Eliminated	1	8	2	4
# of sewer mains or services unplugged	33	17	7	10



ENTERPRISE FUND-SEWER UTILITY FUND – WASTEWATER TREATMENT

Departmental Vision

To provide water and wastewater treatment with 100% compliance with federal and state standards.

Program Description

The Sewer Utility Fund-Wastewater Treatment division, in conjunction with the Water Treatment division, is responsible for the treatment and discharge of sanitary sewage. This division maintains and operates twenty-two sewage lift stations, a Supervisory Control and Data Acquisition Software System, and the laboratory. The Sewer Utility Fund-Wastewater Treatment division, in conjunction with the Water Treatment division, provides maintenance and operations for both the Water Treatment facility and the Wastewater Treatment facility.

Goals and Objectives

Goal: To rehabilitate the station prior to deterioration requiring replacement due to environmental conditions. This project is expected to solicit bids by February 2018 and construction in the summer of 2018.

Objective: To efficiently manage costs to the City while ensuring operational capabilities while undergoing rehabilitation.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 3.74% across all departments within the Sewer Utility fund.

Accomplishments: For fiscal year 2017, this department's actual expenses were 13.14% less than budget due to staffing vacancies and turnover throughout the year.

Planned Accomplishments for Fiscal Year 2018

- To complete rehabilitation of Lift Station # 3 and Lift Station # 4.



ENTERPRISE FUND-SEWER UTILITY FUND – WASTEWATER TREATMENT

FUND: Enterprise
FUNCTION: Sewer

DEPARTMENT: Sewer Utility
COST CENTER: Waste Water Treatment

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 552,112	\$ 509,618	\$ 535,746	\$ 432,369	\$ 513,801
Employee Benefits	423,308	450,182	525,657	384,231	525,802
Professional Services	72,049	8,124	25,000	9,415	15,000
Support Goods & Services	120,843	140,644	143,820	114,793	161,708
Repairs & Maintenance	65,343	33,522	75,000	45,252	60,000
Public Utility Services	707,394	474,616	252,000	216,469	242,000
Administrative Services	-	122	-	-	-
Capital Outlays	12,150	7,796	46,500	4,128	47,000
Depreciation	1,212,526	1,214,440	1,226,737	1,221,511	1,209,493
Interest Expense	33,817	20,815	17,974	17,313	17,974
Interfund Charges	97,932	141,957	217,736	217,736	152,663
Total Expenditures	\$ 3,297,474	\$ 3,001,836	\$ 3,066,170	\$ 2,663,217	\$ 2,945,441

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Public Works Director	0.25	0.25	0.25	0.25
Account Technician / Cashier	0.35	0.35	0.35	0.35
Administrative Assistant	0	0.75	0.75	0.75
Treatment Plant Operators	6	6	5	5
Treatment Plant Supervisors	1	1	1	1
Total	7.6	8.35	7.35	7.35

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
State of Alaska and U.S. Environmental Protection Agency treatment standards met	Yes	Yes	Yes	Yes
Discharge effluent limits, per APDES permit met	Yes	Yes	Yes	Yes
Number of times responded to all after-hours emergency call outs within 30 minutes, including Wastewater Treatment Plant and Lift Station responses	59	28	18	15



ENTERPRISE FUND-SEWER UTILITY FUND – COMPOST FACILITY

Departmental Vision

The Swer Utility Fund-Compost facility generates Class AAEQ certified compost based on federal EPA and State of Alaska DEC regulations.

Program Description

The Sewer Utility Fund-Compost facility represents the facility operations of the Class AAEQ certified compost based on federal EPA and State of Alaska DEC regulations. This facility is an alternative source to landfill operations.

Goals and Objectives

Goal: To generate Class AAEQ certified compost in compliance with DEC regulations.

Objective: Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 3.74% across all departments within the Sewer Utility fund.

Accomplishments: For fiscal year 2017, this department's actual expenses were 38.77% less than budget due to primary supplies in wood chips being less expensive than anticipated.

Planned Accomplishments for Fiscal Year 2018

- To begin researching opportunities to sell Class AAEQ finished compost in bulk.



ENTERPRISE FUND-SEWER UTILITY FUND – COMPOST FACILITY

FUND: Enterprise
FUNCTION: Sewer

DEPARTMENT: Sewer Utility
COST CENTER: Compost Facility

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ -	\$ 14,387	\$ 169,801	\$ 109,304	\$ 138,845
Employee Benefits	-	20,463	144,081	85,431	112,802
Professional Services	-	14,466	35,000	19,533	25,000
Support Goods & Services	-	175,115	174,200	95,679	176,200
Repairs & Maintenance	-	1,833	9,000	3,915	9,000
Public Utility Services	-	10,220	22,800	18,303	22,800
Capital Outlays	-	5,282	30,425	26,228	35,425
Interfund Charges	-	-	-	-	109,437
Total Expenditures	\$ -	\$ 241,766	\$ 585,307	\$ 358,393	\$ 629,509

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Treatment Operators	0	0	2	2
Total	0	0	2	2

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
State of Alaska and U.S. Environmental Protection Agency treatment standards met	N/A	N/A	Yes	Yes
Number of times responded to all after-hours emergency call outs within 30 minutes, at the Composting Facility			5	5



ENTERPRISE FUND-SEWER UTILITY FUND – TRANSFERS

Departmental Vision

Not applicable.

Program Description

The Sewer Utility Fund-Transfers represents the transfer of monies between funds for capital projects.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget decreased 3.74% across all departments within the Sewer Utility fund.

Accomplishments: For fiscal year 2017, this department's actual expenses were comparable to the budget as these are budgeted transfers to capital projects.

Planned Accomplishments for Fiscal Year 2018

- Not applicable.



ENTERPRISE FUND-SEWER UTILITY FUND – TRANSFERS

FUND: Enterprise
FUNCTION: Sewer

DEPARTMENT: Sewer Utility
COST CENTER: Transfers

Expenditures

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Final Budget</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
Capital Projects Transfers	<u>\$ 382,835</u>	<u>\$ 285,000</u>	<u>\$ 1,794,604</u>	<u>\$ 1,794,604</u>	<u>\$ 10,000</u>
Total Expenditures	<u><u>\$ 382,835</u></u>	<u><u>\$ 285,000</u></u>	<u><u>\$ 1,794,604</u></u>	<u><u>\$ 1,794,604</u></u>	<u><u>\$ 10,000</u></u>

Personnel

Number of Employees

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
None	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



TRIDENT BASIN AIRPORT FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Charges for Services	\$ 13,309	\$ 13,309	\$ 13,000	\$ 15,278	\$ 13,000
Rents & Royalties	37,736	40,143	33,300	41,844	33,300
TOTAL REVENUES	51,045	53,452	46,300	57,122	46,300
EXPENSES					
Professional Services	3,385	3,737	7,500	26	1,000
Support Goods & Services	11,755	11,690	15,190	14,498	13,051
Repairs & Maintenance	-	-	-	216	10,000
Public Utility Services	13,619	15,323	15,000	17,295	15,000
Administrative Charges	2,808	4,081	-	-	-
Interfund Charges	14,561	16,534	14,873	14,873	14,472
Depreciation	264,105	248,730	248,730	248,730	248,730
TOTAL EXPENSES	310,233	300,095	301,293	295,638	302,253
NET DECREASE IN FUND	\$ (259,188)	\$ (246,643)	\$ (254,993)	\$ (238,516)	\$ (255,953)



TRIDENT BASIN AIRPORT FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Charges for Services					
Sea Plane Moorage	\$ 13,309	\$ 13,309	\$ 13,000	\$ 15,278	\$ 13,000
Total Charges for Services	<u>13,309</u>	<u>13,309</u>	<u>13,000</u>	<u>15,278</u>	<u>13,000</u>
Rents and Royalties					
Rentals from Others	37,736	40,143	33,300	41,844	33,300
Total Rents and Royalties	<u>37,736</u>	<u>40,143</u>	<u>33,300</u>	<u>41,844</u>	<u>33,300</u>
Appropriations from Fund Balance	<u>-</u>	<u>-</u>	<u>254,993</u>	<u>-</u>	<u>255,953</u>
TOTAL REVENUES	<u>51,045</u>	<u>53,452</u>	<u>301,293</u>	<u>57,122</u>	<u>302,253</u>
EXPENSES					
Professional Services	3,385	3,737	7,500	26	1,000
Support Goods & Services	11,755	11,690	15,190	14,498	13,051
Repairs & Maintenance	-	-	-	216	10,000
Public Utility Services	13,619	15,323	15,000	17,295	15,000
Administrative Charges	2,808	4,081	-	-	-
Interfund Charges	14,561	16,534	14,873	14,873	14,472
Depreciation	264,105	248,730	248,730	248,730	248,730
TOTAL EXPENSES	<u>310,233</u>	<u>300,095</u>	<u>301,293</u>	<u>295,638</u>	<u>302,253</u>
NET DECREASE IN FUND	<u>\$ (259,188)</u>	<u>\$ (246,643)</u>	<u>\$ -</u>	<u>\$ (238,516)</u>	<u>\$ -</u>



ENTERPRISE FUND-TRIDENT BASIN AIRPORT FUND – ADMINISTRATION

Departmental Vision

To provide safe and usable facilities for aircraft users.

Program Description

The Trident Basin Airport Fund-Administration division is responsible for all maintenance and repair of the Trident Basin Float Plane facility. Public Works personnel perform weekly patrols. During these patrols, if any maintenance issues are noticed, these repairs are scheduled to be performed.

Goals and Objectives

Goal: To maintain the facility for public use.

Objective: Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget comparable across all expenses in the Trident Basin enterprise fund.

Accomplishments: For fiscal year 2017, this department's actual expenses were 1.88% higher than the budget due to public utilities services increases for dumpster service at the facility.

Planned Accomplishments for Fiscal Year 2018

- To provide maintenance and repairs for the Trident Basin Float Plane facility.



ENTERPRISE FUND-TRIDENT BASIN AIRPORT FUND – ADMINISTRATION

FUND: Enterprise
FUNCTION: Trident Basin Airport

DEPARTMENT: Trident Basin Airport
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Professional Services	\$ 3,385	\$ 3,737	\$ 7,500	\$ 26	\$ 1,000
Support Goods & Services	11,755	11,690	15,190	14,498	13,051
Repairs & Maintenance	-	-	-	216	10,000
Public Utility Services	13,619	15,323	15,000	17,295	15,000
Administrative Charges	2,808	4,081	-	-	-
Depreciation	264,105	248,730	248,730	248,730	248,730
Interfund Charges	14,561	16,534	14,873	14,873	14,472
Total Expenditures	\$ 310,233	\$ 300,095	\$ 301,293	\$ 295,638	\$ 302,253

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
None	0	0	0	0
Total	0	0	0	0



EMERGENCY 911 SERVICES FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 881	\$ -	\$ 881
Charges for Services	30,869	28,818	36,700	26,856	36,700
Net Investment Income	62	196	-	246	-
Miscellaneous	-	298	165	162	-
TOTAL REVENUES	30,931	29,312	37,746	27,264	37,581
EXPENSES					
Salaries & Wages	4,302	3,983	4,410	3,971	4,474
Employee Benefits	2,678	2,350	4,091	3,142	4,297
Professional Services	-	-	5,000	-	5,000
Support Goods & Services	110	110	110	110	-
TOTAL EXPENSES	7,090	6,443	13,611	7,223	13,771
NET INCREASE (DECREASE) IN FUND	\$ 23,841	\$ 22,869	\$ 24,135	\$ 20,041	\$ 23,810



EMERGENCY 911 SERVICES FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Intergovernmental					
PERS	\$ -	\$ -	\$ 881	\$ -	\$ 881
Total Intergovernmental	-	-	881	-	881
Charges for Services					
E911 Fees	30,869	28,818	36,700	26,856	36,700
Total Charges for Services	30,869	28,818	36,700	26,856	36,700
Net Investment Income					
Net Investment Income	62	196	-	246	-
Total Net Investment Income	62	196	-	246	-
Miscellaneous Income					
Miscellaneous Income	-	298	165	162	-
Total Miscellaneous Income	-	298	165	162	-
Total Appropriations from Fund Balance	-	-	(24,135)	-	(23,810)
TOTAL REVENUES	30,931	29,312	13,611	27,264	13,771
EXPENSES					
Salaries & Wages	4,302	3,983	4,410	3,971	4,474
Employee Benefits	2,678	2,350	4,091	3,142	4,297
Professional Services	-	-	5,000	-	5,000
Support Goods & Services	110	110	110	110	-
TOTAL EXPENSES	7,090	6,443	13,611	7,223	13,771
NET INCREASE (DECREASE) IN FUND	\$ 23,841	\$ 22,869	\$ -	\$ 20,041	\$ -



ENTERPRISE FUND-EMERGENCY 911 SERVICES FUND – ADMINISTRATION

Departmental Vision

To process emergency calls through the Kodiak Police Department and Public Safety Answering Point for service in a prompt and efficient manner, ensuring that appropriate resources and equipment are dispatched to routine and non-routine requests for services.

Program Description

The Emergency 911 Services Fund-Administration division is responsible for all maintenance and repair of the emergency 911 services. This division provides 24-hour telephone, enhanced 911 and dispatch services for the City of Kodiak Police Department and the Kodiak Fire Department. This service is provided throughout the Kodiak road system.

Goals and Objectives

Goal: To generate funding to maintain the operation of the E911 services.

Objective: To continue to provide E911 services to the City and the Kodiak Island Borough residents on the road system.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2018 budget is comparable across all expenses in the E911 enterprise fund.

Accomplishments: For fiscal year 2017, this department's actual expenses were 46.93% lower than the budget due to the delayed implementation of the new E911 system upgrades.

Planned Accomplishments for Fiscal Year 2018

- To process 90% of all emergency calls for service with 90 seconds.
- To track the work product of the division by totaling calls processed through the dispatch center.
- To complete the upgrade of the E911, CAD, and records management communication systems.



ENTERPRISE FUND-EMERGENCY 911 SERVICES FUND – ADMINISTRATION

FUND: Enterprise
FUNCTION: E-911

DEPARTMENT: E-911
COST CENTER: Administration

Expenditures

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
Salaries & Wages	\$ 4,302	\$ 3,983	\$ 4,410	\$ 3,971	\$ 4,474
Employee Benefits	2,678	2,350	4,091	3,142	4,297
Professional Services	-	-	5,000	-	5,000
Support Goods & Services	110	110	110	110	-
Total Expenditures	\$ 7,090	\$ 6,443	\$ 13,611	\$ 7,223	\$ 13,771

Personnel

Number of Employees

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
Information Systems Administrator	0.05	0.05	0.05	0.05
Total	0.05	0.05	0.05	0.05

Performance Indicators

	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Adopted Budget
911 Calls - Landlines	998	718	780	832
911 Calls - Cell Phones	5,039	4,186	2,831	4,019

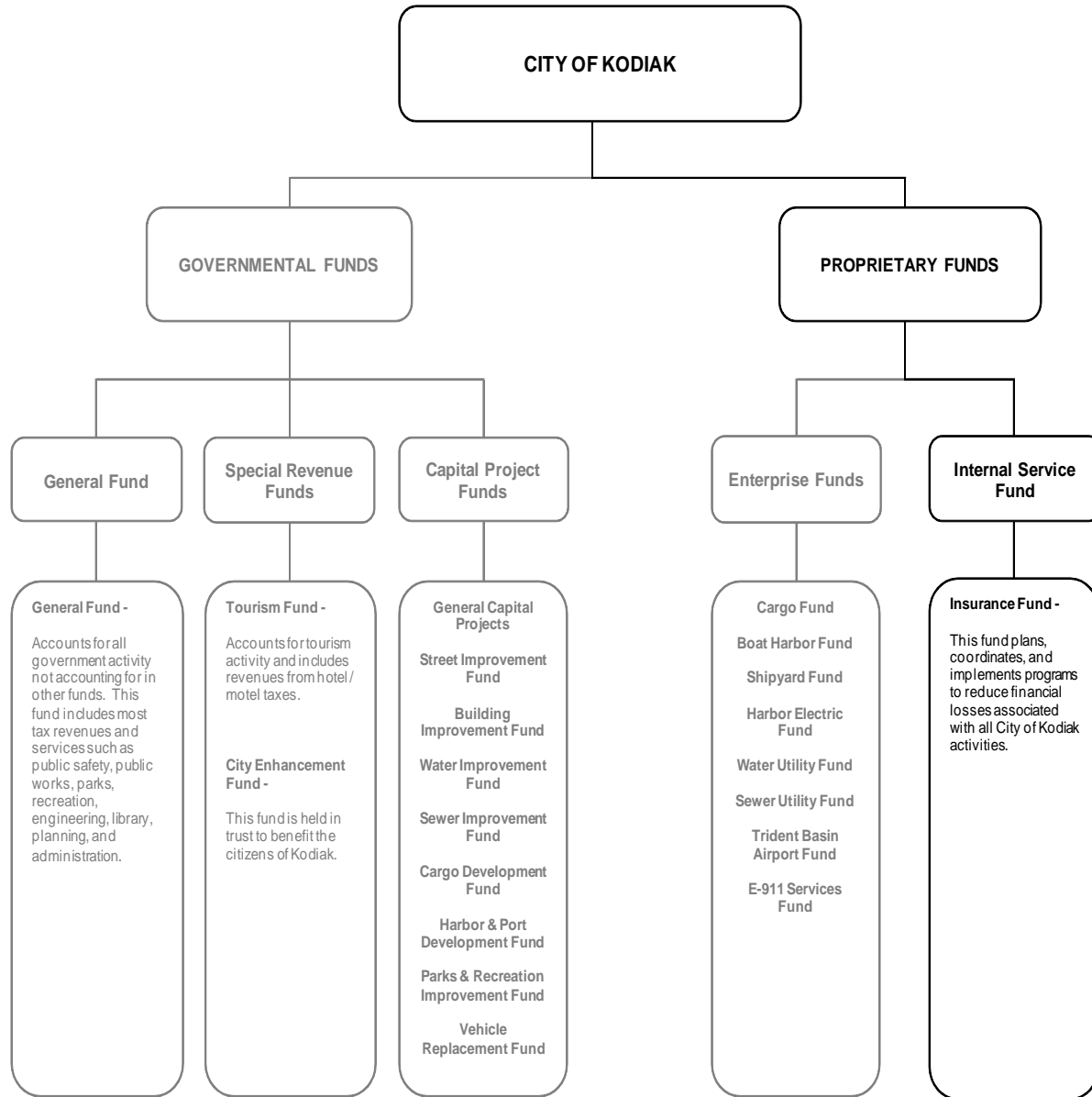
**

** The E911 System will be going through comprehensive upgrades for the E911, CAD, and records management system during fiscal year 2018. Additional expenses will be incurred and additional performance indicators will be added once the system is placed in service.





PROPRIETARY FUNDS – INTERNAL SERVICE FUND





PROPRIETARY FUNDS – INTERNAL SERVICE FUND

The Internal Service Funds are used to centralize certain services and then allocate the cost of those services within the government. These funds are used to report any activity that provides goods or services to other funds and departments on a cost-reimbursement basis.

- Insurance Fund – Non-major

This fund plans, implements, and coordinates programs to reduce financial losses associated with all City activities.



INTERNAL SERVICE FUNDS
SUMMARY OF REVENUES AND EXPENSES

	FY 2015 Actual	FY 2016 Actual	FY 2017 Final Budget	FY 2017 Estimated	FY 2018 Adopted Budget
REVENUES					
Interest on Investments	\$ 1,173	\$ 1,525	\$ 500	\$ 912	\$ 500
Insurance Refund	14,677	196,261	40,000	23,210	40,000
 Interfund Charges					
Charges to General Fund	320,494	234,840	234,840	234,840	159,741
Charges to Trident Basin Fund	11,731	11,690	11,690	11,690	9,551
Charges to Cargo Fund	27,832	25,140	25,140	25,140	103,702
Charges to Boat Harbor Fund	101,657	114,720	114,720	114,720	118,190
Charges to Shipyard Fund	22,084	19,840	19,840	19,840	30,935
Charges to Electric Fund	149	140	140	140	240
Charges to Water Utility Fund	53,962	49,040	49,040	49,040	80,812
Charges to Sewer Fund	57,281	52,920	52,920	52,920	70,808
Charges to E-911 Fund	110	110	110	110	-
 Total Interfund Charges	595,300	508,440	508,440	508,440	573,979
 Appropriation from Fund Balance	-	-	-	-	-
 TOTAL REVENUES	\$ 611,150	\$ 706,226	\$ 548,940	\$ 532,562	\$ 614,479
 EXPENSES					
Support Goods and Services	\$ 484,016	\$ 592,546	\$ 543,940	\$ 574,594	\$ 609,479
Contingency	-	-	5,000	-	5,000
 TOTAL EXPENSES	\$ 484,016	\$ 592,546	\$ 548,940	\$ 574,594	\$ 614,479
 OTHER FINANCING USES					
Operating Transfers Out					
General Capital Projects	\$ -	\$ (225,000)	\$ -	\$ -	\$ -
 NET OTHER FINANCING USES	\$ -	\$ (225,000)	\$ -	\$ -	\$ -
 NET INCREASE (DECREASE) IN FUND	\$ 127,134	\$ (111,320)	\$ -	\$ (42,032)	\$ -



PROPRIETARY FUNDS – INTERNAL SERVICE FUND-INSURANCE

Departmental Vision

To minimize the City's exposures to risk by securing insurance and liability coverage in a cost effective manner while providing a high degree of protection to the City.

Program Description

The Finance Department plans, implements, and coordinates programs to reduce financial losses associated with all City property and operations. The Finance Department also recommends dispositions on claims against the City and coordinates the City's claim programs.

Goals and Objectives

Goal: To reduce insurance risk and maintain sufficient coverage.

Objective: To ensure that all City property and functions are fully insured.

Significant Budget Changes

Significant Changes: In comparison to the prior fiscal year, the Fiscal Year 2018 budget increased 10.67% due to additional property, infrastructure, and vehicles being removed and replacements of such property, infrastructure, and vehicles being placed in service.

Accomplishments: For fiscal year 2017, this department's actual expenses were 4.67% less than the budgeted amount due to changes in property, infrastructure, and vehicles placed in service and / or removed from service.

Planned Accomplishments for Fiscal Year 2018

- To develop procedures for analyzing risk for determining the most cost-beneficial method of handling risk.
- To develop risk identification procedures.
- To develop written reports and special analyses, including schedules of insured property or loss records, to aid in the interpretation of the results of the risk management programs.
- To establish timely goals for claims processing to aid in identifying problem areas, to aid in the claim settlements, and to reduce the time and cost of claims.



PROPRIETARY FUND – INTERNAL SERVICE FUND-INSURANCE

FUND: Internal Service
FUNCTION: Insurance

DEPARTMENT: Insurance
COST CENTER: Administration

Expenditures

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Final Budget</u>	<u>FY 2017 Estimated</u>	Adopted Adopted Budget
Support Goods & Services	\$ 484,016	\$ 592,546	\$ 543,940	\$ 574,594	\$ 609,479
Contingency	-	-	5,000	-	5,000
Transfers to Capital Projects	-	225,000	-	-	-
Total Expenditures	<u><u>\$ 484,016</u></u>	<u><u>\$ 817,546</u></u>	<u><u>\$ 548,940</u></u>	<u><u>\$ 574,594</u></u>	<u><u>\$ 614,479</u></u>

Personnel

Number of Employees

	<u>FY 2015 Actual</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Estimated</u>	FY 2018 Adopted Budget
None	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>





APPENDIX

City of Kodiak Personnel Summary
Fiscal Year 2014 – Fiscal Year 2018
Comparison of Authorized Permanent Personnel

Department	FTEs				
	2014 Approved	2015 Approved	2016 Approved	2017 Approved	2018 Approved
General Fund					
Executive	3.00	3.00	3.00	4.00	4.00
City Clerk	3.00	3.00	3.00	3.00	3.00
Finance	7.25	7.25	7.25	7.25	7.25
Police	41.50	42.50	42.50	42.50	42.50
Fire	13.75	13.75	13.75	13.75	13.75
Public Works	9.50	9.50	9.50	9.50	9.50
Engineering	2.00	2.00	2.00	2.00	2.00
Parks & Recreation	5.75	5.75	5.75	5.75	5.75
Library	7.00	7.00	7.00	7.00	7.00
Total General Fund	92.75	93.75	93.75	94.75	94.75
Enterprise Funds					
Cargo Terminal	3.00	3.00	3.00	3.00	3.00
Boat Harbor	11.40	11.40	11.40	11.40	11.40
Shipyard	2.00	2.00	2.00	2.00	2.00
Water Utility	6.60	6.60	6.60	6.60	6.60
Sewer Utility	9.35	9.35	11.35	11.35	11.35
Emergency Preparedness	0.05	0.05	0.05	0.05	0.05
Total Enterprise Funds	32.40	32.40	34.40	34.40	34.40
Total All Funds	125.15	126.15	128.15	129.15	129.15

FTE: Full Time Equivalent



APPENDIX continued

Decision Band Method (DBM) / Job Evaluation

Job Analysis

DBM ratings address internal equity and support development of pay structures. Decision Bands within DBM include:

- Band A – Defined Decisions
- Band B – Operational Decisions
- Band C – Process Decisions
- Band D – Interpretive Decisions
- Band E – Programming Decisions

Bands are further subdivided into “grades” based on leadership responsibilities and “sub-grades” based on areas such as complexity and difficulty of the work.

Three Step DBM Method

Step 1: Banding –

The DBM method is a three step process that begins with the categorization of job classes into one of five broad decision “Bands” as shown below. These five Bands represent the decision-making requirements of all job classes in an organization (from entry-level clerical support to the leadership positions).

- Band A Defined – Determines manner and speed to perform defined steps of an operation.
- Band B Operational – Determines and how and when to perform steps of process.
- Band C Process – Selects the appropriate process to accomplish operations of programs.
- Band D Interpretive – Interprets programs into the operational plans and deploys resources.
- Band E Programming – Plans, strategies, programs, and allocates resources to meet goals.

Step 2: Grading –

Once a job has been placed into one of the five decision Bands, the next step in the DBM process is called “Grading”. In this process each job is graded into one of the ten possible band/grade ratings based on its level of supervisory responsibility. Jobs with supervisory responsibility for other jobs within the same Band are placed in the higher of two Grades. If a job does not have supervisory responsibility for other jobs within the same Band, it would fall into the lower of two Grades.

Grade Assignment –

- Jobs with coordinating or supervisory responsibility within the same band are placed in the higher grade.
- Jobs without this responsibility within the same band are placed in the lower grade.

Example Band B –

- Grade 3 – Coordinating or Supervisory Jobs
- Grade 2 – Non-coordinating or Non-supervisory Jobs



Step 3: Sub-grading

The final step in the DBM process involves the subdivision of jobs into different Sub-grades within each Band/Grade combination. It is important to note that the margin for error during the Sub-grading process is limited to within each Band/Grade rating. Sub-grading is based on the following principles:

- The greater the difficulty of the decision-making requirements of the job within a Band/Grade.
- The more valuable the contribution of the job to the organization, the higher the Sub-grade of the job.
- The higher the market value of the job, the higher the Sub-grade.

The Sub-grading of City jobs is accomplished by integrating the broad classifications with market compensation data. Once the Sub-grades have been initially established for all classifications and career levels, adjustments may be necessary based on available market data. This is accomplished by matching the market value of a job (through the process of market pricing) to the nearest DBM salary range in the market compensation structure.

STEP 1: BAND	STEP 2: GRADE	STEP 3: SUB-GRADE
A - DEFINED	0 – Non-Supervisory	A01
		A02
		A03
	1 – Non-Supervisory	A11
		A12
		A13
B - OPERATIONAL	2 – Non-Supervisory	B21
		B22
		B23
	3 - Supervisory	B24 or B31
		B25 or B32
C - PROCESS	4 – Non-Supervisory	C41
		C42
		C43
	5 - Supervisory	C44 or C51
		C45 or C52
D - INTERPRETIVE	6 – Non-Supervisory	D61
		D62
		D63
	7 - Supervisory	D64 or D71
		D65 or D72
E - PROGRAMMING	8 – Non-Supervisory	E81
		E82
		E83
	9 - Supervisory	E84 or E91
		E85 or E92



DECISION BAND METHOD SALARY MATRIX
Regular Employees and Fire Department Employees

General Per Hour Salary Structure			
2080 Hours Regular Employees	Min to Max 50% Increase		
	Min to Mid 25% Increase		
	Mid to Max 20% Increase		
DBM	Minimum	Midpoint	Maximum
A11	\$ 15.46	\$ 19.33	\$ 23.19
A12	\$ 16.57	\$ 20.71	\$ 24.85
A13	\$ 17.67	\$ 22.09	\$ 26.51
B21	\$ 18.78	\$ 23.48	\$ 28.17
B22	\$ 19.89	\$ 24.86	\$ 29.83
B23	\$ 20.99	\$ 26.24	\$ 31.49
B24/B31	\$ 22.10	\$ 27.63	\$ 33.15
B25/B32	\$ 23.21	\$ 29.01	\$ 34.81
C41	\$ 25.42	\$ 31.78	\$ 38.13
C42	\$ 26.53	\$ 33.16	\$ 39.79
C43	\$ 27.63	\$ 34.54	\$ 41.45
C44/C51	\$ 28.74	\$ 35.93	\$ 43.11
C45/C52	\$ 29.85	\$ 37.31	\$ 44.77
D61	\$ 32.06	\$ 40.08	\$ 48.10
D62	\$ 33.17	\$ 41.46	\$ 49.75
D63	\$ 34.28	\$ 42.84	\$ 51.41
E81	\$ 38.71	\$ 48.38	\$ 58.06
E82	\$ 39.81	\$ 49.76	\$ 59.72
E83	\$ 40.92	\$ 51.15	\$ 61.37
E84	\$ 42.97	\$ 53.71	\$ 64.45

Fire Department Employees on Platoon System Per Hour Salary Structure			
2764 Hours Fire Department Employees	Min to Max 50% Increase		
	Min to Mid 25% Increase		
	Mid to Max 20% Increase		
DBM	Minimum	Midpoint	Maximum
A11	\$ 11.63	\$ 14.54	\$ 17.45
A12	\$ 12.47	\$ 15.58	\$ 18.70
A13	\$ 13.30	\$ 16.62	\$ 19.95
B21	\$ 14.13	\$ 17.67	\$ 21.20
B22	\$ 14.97	\$ 18.71	\$ 22.45
B23	\$ 15.80	\$ 19.75	\$ 23.70
B24/B31	\$ 16.63	\$ 20.79	\$ 24.95
B25/B32	\$ 17.46	\$ 21.83	\$ 26.20
C41	\$ 19.13	\$ 23.91	\$ 28.70
C42	\$ 19.96	\$ 24.95	\$ 29.95
C43	\$ 20.80	\$ 25.99	\$ 31.19
C44/C51	\$ 21.63	\$ 27.04	\$ 32.45
C45/C52	\$ 22.46	\$ 28.08	\$ 33.69
D61	\$ 24.13	\$ 30.16	\$ 36.19
D62	\$ 24.96	\$ 31.20	\$ 37.44
D63	\$ 25.79	\$ 32.24	\$ 38.69
E81	\$ 29.13	\$ 36.41	\$ 43.69
E82	\$ 29.96	\$ 37.45	\$ 44.94
E83	\$ 30.79	\$ 38.49	\$ 46.19



EMPLOYEE FACT SHEET
Fiscal Year 2018

Social Security

Social Security – 6.2% of gross wages
Medicare – 1.45% of gross wages
Wage base – Social Security - \$127,200 - Medicare – No Limit

PERS (State Retirement) Contributions

Percentage of gross wages up to Social Security Wage Base (not subject to Federal tax)
All employee (except temporary hires) Tier I - III 6.75%, Police & Fire – 7.5%.; Tier IV Employees - 8%
Employer – 22.0%

Insurance – Medical, Dental, and Vision - Aetna

City pays these monthly premiums for employees and dependents (except temporary hires):
Single - \$1,075.79, Employee with spouse - \$2,509.86, Employee with child/children - \$2,059.98 Family rate - \$3,493.77.

Life Insurance

City provides \$2,000 Life and \$5,000 AD&D policy (except temporary hires).

Deferred Compensation

All employees (except temporary hires) are eligible to enroll in the voluntary retirement deferred compensation plan. Up to 100% of taxable compensation, not to exceed \$18,000 per year, can be deferred from federal income tax.

Pay Ranges – Rate, Day, and Place of Pay

See Schedules on previous pages for City pay rates. Employees are paid every other Friday except on holidays, which will be paid on the closest regular workday. The Department Head will distribute the checks. Hourly rate is the current rate noted on the employee's change of status form.

Merit Step Increase – Personnel Rules & Regulations (PR&R) Chapter 4: 406,407, & 420

After a probationary period of satisfactory performance from six months to one year, merit increases will be at annual intervals upon successful evaluations. Effective date of approved merit increase shall be the actual date of the change (except temporary hires).



EMPLOYEE FACT SHEET continued

HOLIDAYS –PR&R Chapter 12:

- January 1, New Years Day
- January (3rd Monday), Martin Luther King Jr. Day
- February (3rd Monday), President’s Day
- March (last Monday), Seward’s Day
- May (last Monday), Memorial Day
- July 4, Independence Day
- September (1st Monday), Labor Day
- October 18, Alaska Day
- November 11, Veterans Day
- November (4th Thursday), Thanksgiving Day
- December 25, Christmas
- Employee’s Birthday

Platoon system employees will be paid 10.6 hours for each holiday – PR&P 1604

Annual Leave - PR&R Chapter 10:

Employees (except temporary hires) accrue leave hours per pay period. Employees working less than 40 hours per week accrue annual leave based on actual hours worked.

<u>Months Worked</u>	<u>Hours Earned Per Pay Period</u>	<u>Hours - Fire Department (Platoon System)</u>
1-24	4.62	6.14
25-60	6.47	8.59
61-120	7.39	9.84
Over 120	8.31	11.04

Sick Leave – PR&R Chapter 11:

Employees (except temporary hires) accrue sick leave at the rate of 3.7 hours per pay period. Employees working less than 40 hours per week accrue sick leave based on actual hours worked. Fire Department Employees accrued sick leave at the rate of 4.9 hours per pay period. The City also manages a sick leave bank on behalf of employees.

**THE CITY OF KODIAK IS AN
EQUAL OPPORTUNITY EMPLOYER
WOMEN AND MINORITIES ARE ENCOURAGED TO APPLY**

**Each Department has an Employee Representative
On the Employee Advisory Board (EAB)**



Government Organization and Services

The City of Kodiak incorporated in December 1940, and adopted a Home Rule Charter on March 16, 1964. The City operates under a Council-Manager form of government with the City Council comprising of six Council Members and a Mayor. Council Members and the Mayor are elected at-large for terms of three years and two years, respectively.

The Council appoints the City Manager who is responsible for appointing and supervising the various department heads and other employees (except those appointed by the council) and prepares and administers the annual budget and the capital improvement program.

Under the City Manager's general direction are eight functional areas, each of which is supervised by a department head. These areas include police, fire, cargo terminal and boat harbor, public works, engineering, parks and recreation, library, and finance. An administrative function and certain non-departmental activities are supervised directly by the City Manager.

City services include police and fire protection, street maintenance, building inspection services, water and sewer services, library services, recreation, parks operations and maintenance, a boat harbor and a port facility. The City also supplies water and accepts discharge to the wastewater treatment facility for Service District #1 located in the Kodiak Island Borough.

The City Council appoints the City Clerk, the City Attorney, and the members of various advisory boards.



Annual Operating Budget
July 1, 2017 – June 30, 2018

STATISTICAL DATA

	2014	2015	2016	2017	2018 Estimated
Taxes					
Real property	2.00 mills	2.00 mills	2.00 mills	2.00 mills	2.00 mills
Personal Property	none	none	none	none	none
Sales Tax	7%	7%	7%	7%	7%
Transient Room Tax	5%	5%	5%	5%	5%
Population of City					
	6,130	6,130	6,434	6,288	6,293
Population of the Kodiak Island Borough					
	13,592	13,592	13,797	13,819	13,563
Total Number of Municipal Employees					
	126.15	126.15	128.15	129.15	129.15
Sales Tax Collected					
	\$ 11,546,559	\$ 11,759,863	\$ 11,481,933	\$ 10,876,981	\$ 11,775,000
Assessed Property Values					
	\$ 439,584,331	\$ 459,530,522	\$ 546,459,838	\$ 539,952,018	\$ 561,764,580
Number of Building Permits					
	158	193	224	264	200
Port & Harbor Services					
Number of Harbors	2	2	2	2	2
Pier I - Ferry Dock	1	1	1	1	1
Pier II - City Dock	1	1	1	1	1
Pier III Container Terminal	1	1	1	1	1
Number of Employees	16.40	16.40	16.40	16.40	16.40
Moorage Rates Per Feet					
Vessel length 0-40 feet	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 35.55
Vessel length 41-60 feet	\$ 41.00	\$ 41.00	\$ 41.00	\$ 41.00	\$ 48.59
Vessel length 61-80 feet	\$ 61.00	\$ 61.00	\$ 61.00	\$ 61.00	\$ 72.29
Vessel length 81-100 feet	\$ 71.50	\$ 71.50	\$ 71.50	\$ 71.50	\$ 84.73
Vessel length 101-120 feet	\$ 82.00	\$ 82.00	\$ 82.00	\$ 82.00	\$ 97.17
Vessel length 121-150 feet	\$ 89.00	\$ 89.00	\$ 89.00	\$ 89.00	\$ 105.47
Vessel length 151 feet & over	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 118.50
Public Works Services					
Number of Treatment Plants	1	1	1	1	1
Number of Employees	25.45	25.45	27.45	27.45	27.45
Monthly Water Rates - Single Family	\$ 47.35	\$ 51.14	\$ 55.23	\$ 55.23	\$ 55.23
Monthly Sewer Rate - Single Family	\$ 62.81	\$ 65.95	\$ 69.25	\$ 72.71	\$ 76.35
Airport Services					
Municipal Airport	1	1	1	1	1
Float Plane Facility	1	1	1	1	1
Parks & Recreation Services					
Number of Parks	5	5	5	5	5
Number of Employees	5.75	5.75	5.75	5.75	5.75
Fire Protection					
Number of Fire Stations	1	1	1	1	1
Number of Employees	13.75	13.75	13.75	13.75	13.75
Ambulance Service/EMS	Yes	Yes	Yes	Yes	Yes
Police Protection					
City Jail	1	1	1	1	1
Number of Employees	41.50	42.50	42.50	42.50	42.50
Library Services					
Number of Libraries	1	1	1	1	1
Number of Employees	7.00	7.00	7.00	7.00	7.00

**CITY OF KODIAK
ORDINANCE NUMBER 1363**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK LEVYING TAXES AND APPROPRIATING FUNDS FOR THE EXPENSES AND LIABILITIES OF THE CITY OF KODIAK FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF JULY 2017 AND ENDING ON THE THIRTIETH DAY OF JUNE 2018

BE IT ORDAINED by the Council of the City of Kodiak as follows:

- Section 1:** A tax in the amount of 2.0 mills is hereby levied against all taxable real property within the City of Kodiak for the fiscal year commencing on the first day of July 2017 and ending on the thirtieth day of June 2018.
- Section 2:** The following sums of money are hereby appropriated for corporate purposes and objects of the City of Kodiak for the fiscal year commencing on the first day of July 2017 and ending on the thirtieth day of June 2018 to defray expenses and liabilities of the City during the fiscal year.

FY2018 BUDGET SUMMARY

GENERAL FUND

	Anticipated Revenues	
Taxes	\$ 12,756,000	
Licenses & Permits	58,800	
Intergovernmental Revenues	1,113,300	
Charges for Services	1,661,217	
Fines & Forfeitures	10,000	
Interest	15,000	
Rents & Royalties	175,000	
Miscellaneous	22,000	
Interfund Charges	1,534,343	
Appropriation from Fund Balance	2,238,227	
Total Anticipated Revenues	19,583,887	
		Planned Expenditures
Legislative		\$ 266,408
Legal		75,000
Executive-Administration		827,691
Executive-Emergency Preparedness		38,000
City Clerk-Administration		359,905
City Clerk-Records Management		197,115

GENERAL FUND EXPENDITURES CONTINUED

Finance	1,676,759
Police	6,913,240
Fire	2,459,976
Public Works	2,188,350
Engineering	281,914
Parks & Recreation	1,434,270
Library	929,750
Non-Departmental	1,935,509
Total Planned Expenditures	19,583,887

SPECIAL REVENUE FUND

	Anticipated
	Revenues
Tourism Fund	\$ 189,500
City Enhancement Fund	-
Total Anticipated Revenues	189,500

	Planned
	Expenditures
Tourism Fund	\$ 189,500
City Enhancement Fund	-
Total Planned Expenditures	189,500

CAPITAL PROJECTS FUND

	Anticipated
	Revenues
General Capital	\$ 50,000
Street Improvements	325,000
Building Improvement Fund	-
Water Capital Fund	600,000
Sewer Capital Fund	600,000
Cargo Development Fund	-
Harbor Development Fund	243,000
Parks & Recreation Fund	25,000
Vehicle Replacement Fund	260,901
Total Anticipated Revenues	2,103,901

CAPITAL PROJECTS FUND CONTINUED

	Planned Expenditures
General Capital	\$ 50,000
Street Improvements	325,000
Building Improvement Fund	-
Water Capital Fund	600,000
Sewer Capital Fund	600,000
Cargo Development Fund	-
Harbor Development Fund	243,000
Parks & Recreation Fund	25,000
Vehicle Replacement Fund	260,901
Total Planned Expenditures	2,103,901

ENTERPRISE FUNDS

	Anticipated Revenues
Cargo Fund	\$ 1,290,355
Harbor Fund	3,807,436
Boat Yard Lift	1,231,367
Harbor Electric Fund	626,908
Water Utility Fund	3,297,238
Sewer Utility Fund	4,325,212
Trident Basin Fund	302,253
E-911 Services	13,771
Total Anticipated Revenues	14,894,540

	Planned Expenditures
Cargo Fund	\$ 1,290,355
Harbor Fund	3,807,436
Boat Yard Lift	1,231,367
Harbor Electric Fund	626,908
Water Utility Fund	3,297,238
Sewer Utility Fund	4,325,212
Trident Basin Fund	302,253
E-911 Services	13,771
Total Planned Expenditures	14,894,540

INTERNAL SERVICE FUNDS

		Anticipated
		Revenues
Self Insurance Fund	\$	614,479
Total Anticipated Revenues		614,479

		Planned
		Expenditures
Self Insurance Fund	\$	614,479
Total Planned Expenditures		614,479

Grand Total Anticipated Revenues	\$	37,386,307	
Grand Total Planned Expenditures			\$ 37,386,307
		Non- Projects	35,282,406
		Non- Projects	35,282,406
		Projects	2,103,901
		Projects	2,103,901
		Total	37,386,307
		Total	37,386,307

Section 3: All unexpended appropriation balances, with the exception of capital project fund appropriations, shall lapse to the appropriate fund as of June 30, 2018.

Section 4: This ordinance shall go into effect July 1, 2017.



CITY OF KODIAK

Pat M... (Handwritten Signature)

MAYOR

ATTEST:

D... M... (Handwritten Signature)
 CITY CLERK

First Reading: May 25, 2017
 Second Reading: June 8, 2017
 Effective Date: July 1, 2017

Ordinance No. 1363
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BUDGET GLOSSARY

Accounting System - The total methods and records established to identify, assemble, analyze record, classify, and report information on the financial position and results of operations of a government or any of its funds, fund types, account groups, or organizational components.

Accounts Payable - A short-term liability account reflecting amounts on an open account owing to private persons or organizations for goods and services received by a government.

Accounts Receivable - An asset account reflecting amounts owing on an open account from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments.)

Accrual Basis - The basis of accounting under which the financial effects of a transaction and other events and circumstances that have cash consequences for the governmental entity are recorded in the period of which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the entity.

Activity - A specific and distinguishable service performed by one or more organizational components of a government to accomplish a function for which the government is responsible.

Adopted Budget - Refers to the budget amounts as originally approved by the City Council at the beginning of the fiscal year. Also the budget document, which consolidates all beginning of the year operating appropriations and new capital project appropriations.

Allocation - A part of a lump-sum appropriation, which is designed for expenditure by specific organization units and/or for the special purposes, activities, or objects.

Amended Budget - Refers to the budget amounts as adjusted by Council approved supplements throughout the year.

Annual Budget - A budget developed and enacted to apply to a single fiscal year.

Appropriation - The legal authorization granted by the Council, which permits officials to incur obligations and make expenditures of governmental resources for specific purposes. Appropriations are usually limited in amounts and time it may be expended.

Assets - A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

Audit - A systematic collection of the sufficient, competent evidential matter to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities. The auditor obtains this evidential matter through inspections, observations, inquiries, and confirmations with third parties.

Available Fund Balance - The difference between fund assets and fund liabilities of governmental and proprietary fund types that is not reserved for specific purposes.

Balanced Budget - A budget in which planned funds available equal planned expenditures.

Basis of Accounting - A term used to refer to when revenues, expenditures, expenses, and transfers (and the related assets and liabilities) are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

Bond - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future, called the maturity date, together with periodic interest at a specified rate.



BUDGET GLOSSARY continued

Bond Ordinance - An ordinance authorizing a bond issue.

Budget - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

Budget Document - The official written statement prepared by the City's staff to present a comprehensive financial program to the City Council.

Budget Message - A general discussion of the proposed budget presented in writing by the City Manager to the City Council. The budget message contains an explanation of the principal budget items, an outline of the City's experience during the past period, its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

Budget Process - The schedule of key dates or milestones, which the City follows in the preparation and adoption of the budget.

Budgetary Control - The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Capital Budget - A plan of proposed capital outlays and the means of financing them.

Capital Improvement Plan - A plan that identifies: (1) all capital improvements which are proposed to be undertaken during a five year period; (2) The cost estimate of each improvement; (3) method of financing each improvement; and (4) the recommended time schedule for each project.

Capital Improvement Program - A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

Capital Projects Funds - Funds created to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Outlay - A type of expenditure which results in the acquisition and/or construction of a fixed asset.

Capital Project - A specific and identifiable improvement or purpose for which expenditures are proposed within the capital budget or capital improvement program.

Collateral - Assets pledged to secure deposits, investments, or loans.

Comprehensive Annual Financial Report (CAFR) - The official annual report of a government. It includes (a) the five combined financial statements in the combined statement-overview and their related notes and (b) combining statements by fund type and individual fund and account group financial statements prepared in conformity with GAAP and organized into a financial report pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, required supplementary information, extensive introductory material, and detailed statistical sections.

Contingency - Those funds included in the budget for the purpose of providing a means to cover minor unexpected costs during the budget year.

Contractual Services - Items of expenditure for services the City receives primarily from an outside company.



BUDGET GLOSSARY continued

Credit Risk - The risk that a counter party to an investment transaction will not fulfill its obligations. Credit risk can be associated with the issuer of a security, with a financial institution holding deposits, or with parties holding securities or collateral. Credit risk exposure can be affected by a concentration of deposits or investments in any one-investment type or with any one-counter party.

Current Year Objectives - Specific, often measurable, things to be accomplished in the current fiscal year.

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

Debt Service Fund - A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Deficit - The excess of expenditures over revenues during an accounting period, or in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

Department - The City Administration is divided into departments, while a department may refer to a single activity; it usually indicates a grouping of related activities.

Depreciation - In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of the asset. Each period is charged with a portion of the cost. Through this process, the entire cost of the asset less the salvage value is ultimately charged off as an expense.

Division - A major organization unit within a department. Usually divisions are responsible for carrying out a major component of the department.

Employee Benefits - Contributions made by the City to designated funds to meet commitments or obligations for employee fringe benefits. Included is the City's share of costs for Social Security and the various pensions, medical, and life insurance plans.

Encumbrances - Commitments related to unperformed contracts for goods or services. Used in budgeting, encumbrances are not expenditures or liabilities, but represent the estimated amount to expenditures that will result if unperformed contracts in process are completed.

Enterprise Fund - A proprietary fund established to account for operations that are financed and operated in a manner similar to private business enterprises. In this case, the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Entitlement - The amount of payment to which a State or Local government is entitled pursuant to an allocation formula contained in applicable statutes.

Entity - (1) The basic unit upon which accounting and/or financial reporting activities focus. The basic governmental legal and account entity is the individual fund and account group. (2) That combination of funds and account groups that constitutes the reporting entity for the financial reporting purposes.

Expenditure - Decreases in net financial resources. Expenditures include current operating expenses, requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

Expenses - Outflows or other consumption of assets or occurrences of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the entities' on-going major or central operation.



BUDGET GLOSSARY continued

Fiduciary Fund Types - The trust and agency funds used to account for assets held by a government unit in a trustee capacity or an agent for individuals, private organizations, other government units, and/or other funds.

Financial Resources - Cash and other assets that in the normal course of operations, become cash.

Fiscal Year - The twelve-month period to which the annual operating budget applies and at the end of which a government determines the financial position and results of its operation. The City's fiscal year extends from July 1 through the following June 30.

Fixed Assets - Long-lived tangible assets obtained as a result of past transactions, events or circumstances. Fixed Assets include buildings, equipment, improvements other than buildings and land.

Function - A group of related activities aimed at accomplishing a major service for which a government is responsible.

Fund - An accounting entity with a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balance, revenues, and expenditures.

Fund Balance - The assets of a fund less liabilities, as determined at the end of each fiscal year. Any reservations of fund balance are deducted to result in an "unrestricted fund balance."

Fund Type - Anyone of seven categories into which all funds are classified in government accounting. The seven types are: general, special revenue, debt services, capital projects, enterprises, internal service, and trust and agency.

General Fund - A fund used to account for all financial resources except those required to be accounted for in another fund.

General Obligation Bonds - Bonds that are backed by full faith and credit of government; i.e., the government's general taxing power, to the repayment of the bonds it issues, then those bonds are general obligations (GO) bonds. Sometimes, the term is also used to refer to bonds, which are to be repaid from taxes and other general revenues. A GO bond is typically used for long-term financing of capital projects and represents a written promise to pay to the bond purchaser a specified sum of money at a specified future date along with periodic interest paid at a specified interest percentage.

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards and guidelines for financial account and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general applications, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations.

Governmental Fund Types - Funds used to account for the acquisition, use, and balances of expendable financial resources and the related current liabilities - accept those accounted for in proprietary funds and fiduciary funds.

Grants - Contributions or gifts of cash or other assets from another government or other organization to be used for a specified purpose, activity or facility. Typically, these contributions are made to Local governments from the State and Federal governments.

Interfund Transfers - Amounts transferred from one fund to another fund. This includes reimbursements, residual equity transfers and operating transfers.

Intergovernmental Revenues - Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.



BUDGET GLOSSARY continued

Investment - Securities held for the production of income in the form of interest or dividends. The term does not include fixed assets used in government operations.

Lapse - As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time.

Levy - To impose taxes, special assessments or service charges for the support of government activities. Also used to denote the total amount of taxes, special assessments or service charges imposed by a government.

Liabilities - Debt or other legal obligations, arising from present obligations of a particular entity, to transfer assets or provide services to other entities in the future as a result of past transactions or events.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

Measure - An absolute indicator of the attainment of an objective. May be simply a determinable result, or may consist of statistical data.

Measurement Focus - The accounting convention that determines (1) which assets and which liabilities are included on a government's balance sheet and where they are reported and (2) whether an operating statement presents information on the flow of financial reoccurrences (revenues and expenditures) or information on the flow of economic resources (revenues and expenses).

Mill - A measure of the rate of property taxation, representing one one-thousandth of a dollar of assessed value.

Millage Rate - The tax rate on property, based on mill(s). A rate of 1 mill applied to a taxable value of \$100,000 would yield \$100 in tax.

Modified Accrual Basis of Accounting - A basis of accounting in which revenues and other financial resources are recognized when they become susceptible to accrual, that is when they are both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used, and (2) prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed. All Governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

Non-departmental - Refers to a group of governmental activities, which are not associated with and cannot be allocated to any particular department.

Obligations - Amounts a government may be required legally to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.

Operating Budget - Plans of current expenditures and the proposed means of financing them. The annual operation budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled. Law usually requires the use of annual operating budgets. Annual operating budgets are essential to sound financial management and should be adopted by every government.

Operating Transfers - All interfund transfers other than residual equity transfers.

Ordinance - A formal legislative enactment by the legislative body which, if not in conflict with any higher form of law, has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges universally require ordinance.



BUDGET GLOSSARY continued

Organizational Unit - A responsibility center within a government.

Other Financing Sources - Governmental fund general long-term debt proceeds, land lease payments, land sale payments, proceeds from the sale of fixed assets, operating transfers in, service charges, and fees for governmental services.

Performance Indicators - Specific quantitative measures of work performed within a city department.

Personal Services - Items of expenditures in the Operating Budget for salaries and wages paid for services performed by city employees, including employee benefits cost, such as the city's contribution for retirement, social security, and health and life insurance.

Program - An organized set of related work activities, which are directed toward a common purpose or goal and represent a well-defined expenditure of city resources.

Program Budget - A budget which structures budget choices and information in terms of programs and their related activities, (i.e. repairing roads, treating water, etc.), provides information on what each program is committed to accomplish in the long run (goals) and in the short run (objectives), and measures the degree of achievement of program objectives (performance measures).

Program Goal - A program goal is a general statement on the intended effect or purpose of the program's activities. It includes terms such as: To provide (a service), to supply (a given need), to control, reduce or eliminate (an occurrence), to maintain (standards), or to maximize (quality). A goal is not limited to a one-year time frame and should generally not change from year to year. A goal statement describes the essential reason for the program's existence.

Program Objective - Objectives are statements of the intended beneficial and/or tangible effects of a program's activities. They are measurable, and related to the proposed budget year. They are specific targets toward which a manager can plan, schedule work activities, and make staff assignments. Objectives should be quantifiable and are addressed in terms such as: to increase an activity, to maintain a service level, to reduce the incidence, or to eliminate a problem.

Property Tax - A tax levied on the assessed value of property.

Proprietary Funds - A type of fund that accounts for governmental operations that are financed and operated in a manner similar to private business enterprises. Proprietary fund types used by the city include the enterprise funds.

Purchase Order - A document authorizing the delivery of specified merchandise or the rendering of certain services for a stated estimated price. Outstanding purchase orders at the end of the fiscal year are called encumbrances.

Recommended Budget - The budget proposed by the City Manager to the City Council for adoption.

Replacement Cost - The amount of cash or other consideration that would be required today to obtain the same asset or its equivalent.

Reserve for Working Capital - A portion of the General Fund balance set aside to provide the necessary cash flow to fund the day-to-day operations of the city. This reserve is not available for appropriation.

Residual Equity Transfers – Non-recurring and non-routine transfers of equity between funds.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.



BUDGET GLOSSARY continued

Retained Earnings - An equity account reflecting the accumulated earning of an enterprise or internal service fund.

Revenue - Increases in the net current assets of a governmental fund type other than expenditure refunds and residual equity transfers. General long-term debt proceeds and operating transfers in are classified as "other financing sources."

Revenue Bonds - Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund.

Risk - In the context of insurance, defined variously as uncertainty of loss, change of loss or variance of actual from expected results. Also, the subject matter of an insurance contract.

Risk Management - All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

Sales Tax - A tax levied on the sales price or charge on all sales, rentals and services made within the city.

Self-insurance - The retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses.

Shared Revenues - Revenues levied by one government are shared on a predetermined basis, often in proportion to the amount collected at the local level, with another government or class of governments.

Single Audit - An audit performed in accordance with the Single Audit Act of 1984 and the Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. The Single Audit Act allows or requires governments (depending on the amount of Federal assistance received) to have one audit performed to meet the needs of all Federal grantor agencies.

Special Revenue Fund - A fund used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditure for specified purposes.

Tax Rate - The level at which taxes are levied. For example, a sales tax may be proposed at 6% of sale.

Tax Levy - The total dollar amount of tax that optimally should be collected based on tax rates and assessed values of personal and real properties.

Transient Room Tax - A tax levied on the rental of a room in a hotel, motel, bunkhouse or bed and breakfast establishment to a person or company for a period of less than 30 days.

Unfunded Liability – Excess of the actuarial accrued liability over the actuarial value of assets.

Workload - A measure of quantity produced, processed, handled, or otherwise acted upon or with, by an organizational unit. Workload is preferably indicated with respect to a specific, identifiable period of time.



BUDGET ABBREVIATIONS & ACRONYMS

ABADE – The Alaska Bureau of Alcohol and Drug Enforcement

CBRNE – Chemical Biological Radiological Nuclear Emergency

CVSA - Computer Voice Stress Analyzer, Truth Verification Exam

D.A.R.E. – Drug Abuse Resistance Education

EAB – Employee Advisory Board

EMS - Emergency Management System

EPA/ADEC - Environmental Protection Agency and the Alaska Department of Environmental Conservation.

EOP- Emergency Operations Planning

ESC - Emergency Services Council

ESO/LEPC - Emergency Services Organization/Local Emergency Planning Committee

ESWTR – Enhanced Surface Water Treatment Rule

FTE – Full Time Equivalent

F/V – Fishing Vessel

GIU - General Investigation Unit

GOB – General Obligation Bond

I & I – Inflow and Infiltration

ISTEA - Intermodal Surface Transportation Efficiency Act. A portion of Federal highway funds will be given to the State of Alaska to be used on local roads.

LEPC - Local Emergency Planning Committee.

MARPOL - Marine pollution.

NOAA – National Oceanic and Atmospheric Administration.

NPDES - National Pollutant Discharge Elimination System.

PERS - Public Employees Retirement System

PILOT - Payment in lieu of taxes.

PHAB – Port and Harbor Advisory Board

PPB - Prevention policy board.

RMS – Records Management System

R/V - Research Vessel.



BUDGET ABBREVIATIONS & ACRONYMS

SHH – Saint Herman Harbor

SPCC – Spill Prevention Control and Counter Measure

SPH – Saint Paul Harbor

UCR – Unified Crime Report

UV – Ultraviolet

WWTP – Waste Water Treatment Plant.

