

CITY OF KODIAK, ALASKA

**Annual Operating Budget
July 1, 2019 – June 30, 2020**

CITY OF KODIAK, ALASKA

ANNUAL ADOPTED BUDGET FISCAL YEAR ENDING JUNE 30, 2020

AS SUBMITTED BY

Mike Tvenge
CITY MANAGER

May 30, 2019

AND ADOPTED BY THE CITY COUNCIL

June 13, 2019

CITY COUNCIL

Mayor

Pat Branson

Council Members

Charles Davidson
Randall Bishop
Laura Arboleda
John Whiddon
Richard Walker
Terry Haines

TABLE OF CONTENTS

Budget Message.....	1
Budget Calendar.....	19
City of Kodiak Goals.....	23
Financial Summaries.....	31
General Fund.....	45
Special Revenue Fund.....	165
Citywide Debt Service.....	177
Enterprise Funds.....	185
Internal Service Fund.....	263
Appendix.....	269
FY 2020 Budget Ordinance No. 1386.....	273
Budget Glossary & Abbreviations.....	278



Budget Message City of Kodiak Fiscal Year 2020

July 1, 2019

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 2020 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 2020, 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 2020. 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 cap increase instituted during fiscal year 2018. 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 2019 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 2020 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.

State Issues

The State of Alaska operating budget for fiscal year 2019 experienced additional budget cuts and additional draw down of state savings. The State of Alaska's 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 State of Alaska capital budget includes reallocations and appropriations of funding. However, the City of Kodiak has received funding for major capital projects during fiscal year 2015 through 2018. The City continues to pursue any capital grants through the State of Alaska for replacement of aging infrastructure.

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 2020 budget document reflects that revenues are continuing to reflect decreases in state and federal revenues as compared with previous periods. The main industries of the region are commercial fishing and tourism. While some segments of the commercial fishing industry have declined in recent years, others have grown. Tourism continues to grow in Kodiak with an increased number of visitors each year.

Seafood Industry

Commercial fishing is by far the largest private sector industry in Kodiak. In addition to being quite diverse, Kodiak's fishing industry is also one of its oldest, dating back to 1882 when the first cannery was built on the Karluk Spit. Kodiak is consistently one of the top five fishing ports in the United States. Kodiak is the center of fishing activities for the Gulf of Alaska. Its fishery is among the most diverse in the state. Residents participate in at least 27 different fisheries not including the numerous ground fish fisheries. Salmon has traditionally been the mainstay of Kodiak's fisheries. Because of the cyclic 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.

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 State of Alaska Department of Fish and Game, 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.

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 4,000 passengers embarking on the island to visit. The number of cruise ships arriving at Kodiak can vary greatly from year to year and impacts the revenues generated from tourism.

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.

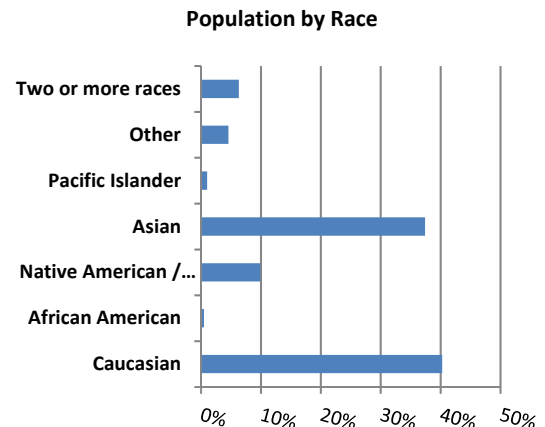
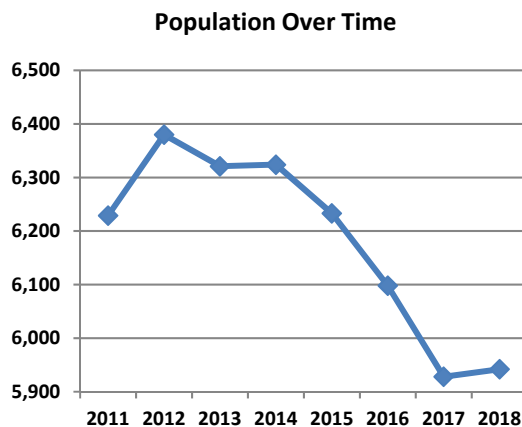
According to the independent research and consulting firm Northern Economics, Inc. (*The Economic Benefits of the Alaska Aerospace Corporation, FY 2010*. Prepared for Alaska Aerospace Corporation. February 2011) in 2010 the total direct, indirect and induced local impacts to Kodiak's regional economy alone amounted to \$6.3 million, generating 59 local jobs with \$3.7 million in local payments for wages and salaries - AAC'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. These sectors include construction, retail, various professional and technical services, computer system design, wholesale trade, and a variety of hospitality and leisure sectors.

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Population

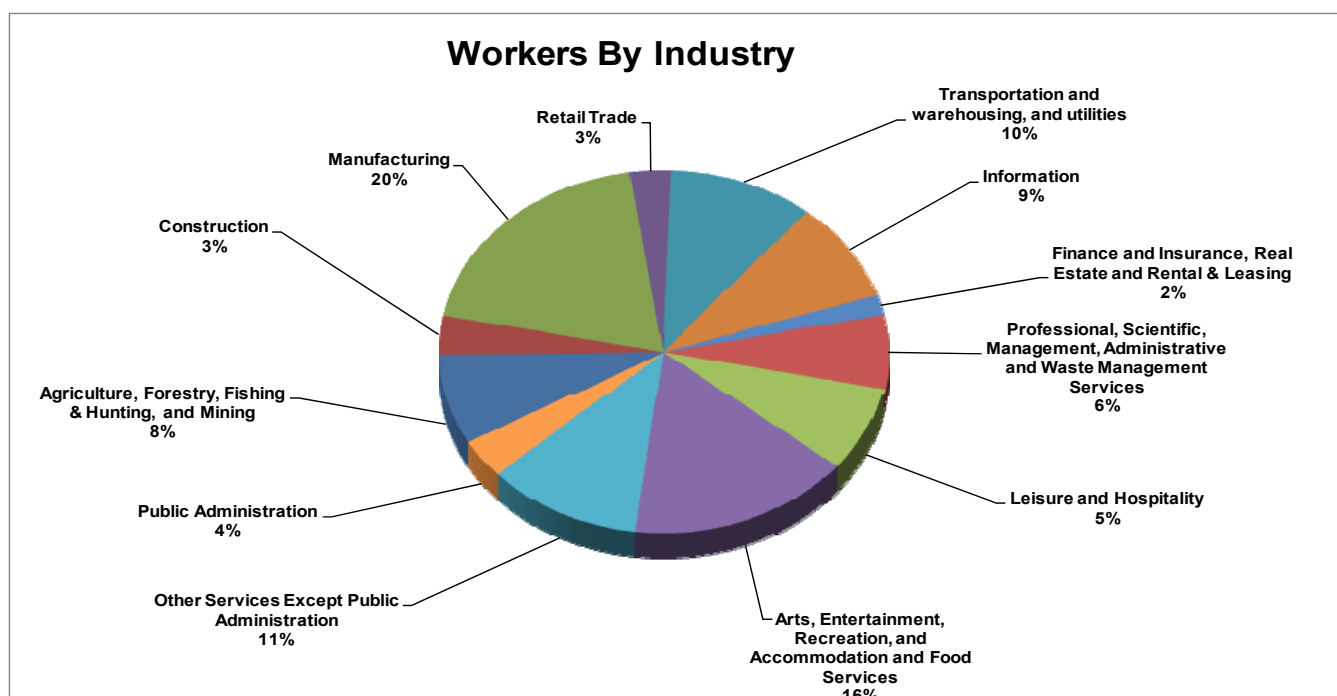
The City of Kodiak is the tenth largest city in Alaska, in terms of population. It ranks behind Anchorage, Juneau, Fairbanks, Wasilla, Sitka, Ketchikan, Kenai, Palmer and Bethel in that order. The estimated population for 2018 was 5,952 in the City of Kodiak and 13,287 in the Kodiak Island Borough.

Approximately 25% of the population is under 18 years of age, approximately 1% lower than Alaska overall. The population consists of approximately 52% male and approximately 48% female. Approximately 22% of the adults, age 25 and older, hold at least a bachelor's degree, and 87% are estimated to have at least a high school diploma.

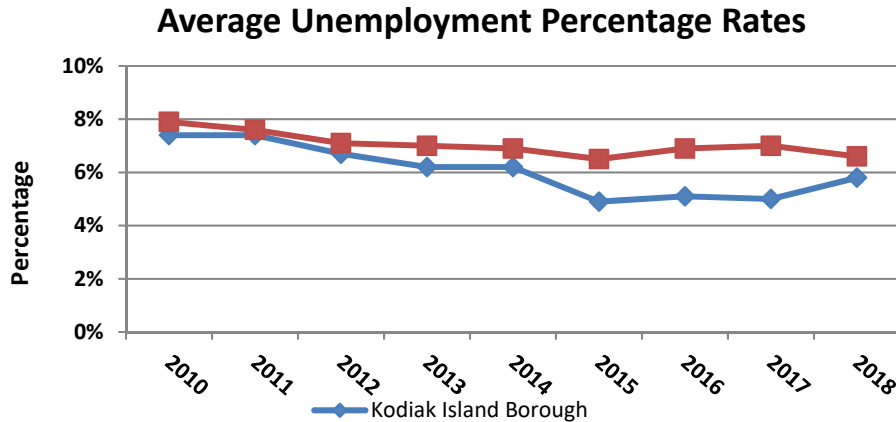


Labor Force

Per the most recent data available per the State of Alaska, the state estimated the Kodiak region's average monthly employment 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.



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 3.8% (August 2015) to as high as 13.2% (December 2011). The average annual unemployment rate for Kodiak in fiscal year 2018 was 6.1% compared to 7.1% for the state of Alaska.



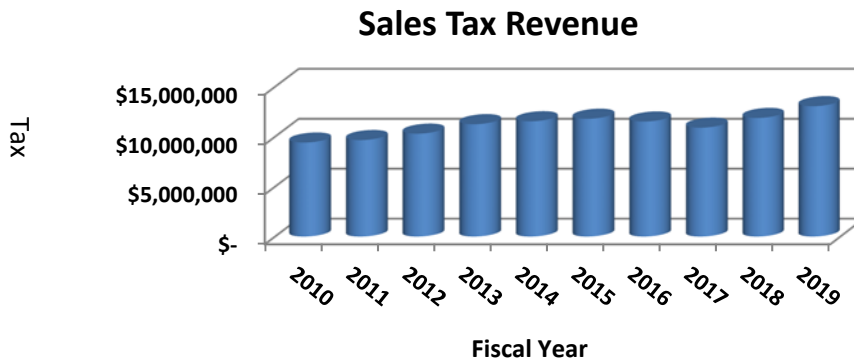
Income

The U.S. Department of Commerce Bureau of Economic Analysis reported the 2018 per capita personal income was \$63,968, an increase of 5.05%, as compared to \$60,891 reported for 2017 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 \$9.2 million in 2009 to approximately \$13.0 million in 2019. The City's sales tax rate is 7% with a maximum sales tax of \$210 per transaction, \$52.50 for rentals. This translates to taxing the first \$3,000 of a sale and exempting any amount over \$3,000 in any one transaction. The City also exempts its citizens over the age of 65 from sales tax. Decreasing sales taxes led the City to increase the maximum sales transaction limit from \$750 to \$3,000 on January 1, 2018. Sales tax revenues have been budgeted accordingly to reflect this increase.



Long-Term Financial Planning

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.
4. As a means to ensure that policies of the City Council are observed, and to improve the City's overall management process, a management by objective program has been initiated. Under this program, 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. All goals and objectives are reviewed by the City Manager and the Department Heads and then reviewed with the City Council as part of the annual budget process.
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.

Major Initiatives

1. The Mill Rate of 2.0 remained the same in fiscal year 2020.
2. The Sales Tax Cap remained the same at \$3,000 for fiscal year 2020.
3. The Hotel & Motel tax rate of 5% remained the same.
4. The fiscal year 2020 budget has no reductions of services, and all services are maintained at consistent levels.

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Future Projects

1. New Fire Station Phase II:

\$14,000,000

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 vulnerable as rests within the tsunami inundation zone. 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 and suffered additional damage during the January 2018 earthquake 60 miles off the Kodiak coast. It has ongoing plumbing, drainage, and water infiltration issues. The facility houses personnel, 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, for a new facility once a derelict building is removed. It included the removal of the derelict building, site grading, and other work following the demolition of the old building. Phase I is complete.

Phase II would include a new site acquisition and design completed prior to construction. Relocation 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. Phase II costs would include site acquisition and building design anticipated during FY2019-20. The City has received a legislative grant award of \$76,755 for partial building design costs. The remaining cost, 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 \$14,000,000 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. St. Herman Harbor Infrastructure Replacement

\$28,000,000

The economy of the City of Kodiak is based upon commercial fishing including local, state and federal governmental activities associated with support of the fisheries as well as research and enforcement activities. Each year Kodiak ranks as a top commercial fishing port. In 2015, NOAA statistics again put Kodiak as the second largest commercial fishing port in the United States in terms of volume and third in terms of value. This activity requires an infrastructure of potable water, electrical systems supply, and harbor and dock infrastructure that is much larger than its population might suggest. Current piling repairs indicate the life to date of the docks which are failing after 50 years of use.

The Kodiak Harbor Department relies on the generation of user fees and the State of Alaska's Harbor Facilities Grant Program to help match municipal costs for dock replacements. The City's request of state funding assistance in the amount of \$28,000,000 would help the City develop a plan, including replacement of this aging infrastructure which supports the nations scientific and food source needs.

Future Projects continued

3. Waste Water Treatment Plant Facility \$19,000,000

The first phase of a larger project is to evaluate the condition of the Waste Water Treatment Plant facility (WWTP) and design a necessary upgrade to the City of Kodiak facility. The prior upgrade to the facility was in 1999. The condition and evaluation assessment included all major components such as the building and aeration basins; including equipment replacement needs. Alaska Pollution Discharge Elimination System (APDES) permitting requirements are also considered during this assessment. The City of Kodiak has received the Alaska Department of Environmental Conservation (ADEC) APDES permit. This new regulation of compliance requires upgrades to our facility including additional monitoring and testing requirements. The APDES permit set a five-year timeline for full compliance of effluent discharge, which has been factored in our condition and evaluation assessment.

The City of Kodiak is requesting state funding in the amount of \$19,000,000 to further assess, design and construct this WWTP project that will help support the wastewater needs of the community for the next twenty years.

4. Parks and Recreation Facility Upgrade \$250,000

The City of Kodiak provides multi-purpose recreation programs for the community residents and visiting public. Baranof Park is home to playground facilities, tennis, track and field, baseball, football, soccer, ice skating and hockey. The park's use continues to increase and has outgrown its original design. The Parks and Recreation Advisory Board, together with the City Council, have requested a master plan study to identify the future growth options.

A local committee of volunteers has offered to provide matching funds to assist with design, and construction of needed improvements. The areas considered include additional parking, enclosure the ice rink, field house or locker rooms, etc. The master plan study is intended to identify these priorities and costs associated with construction.

The City of Kodiak is requesting state funding assistance for the master plan study of Baranof Park, in the amount of \$250,000 to identify facility upgrades.

5. Shelikof Street \$1,950,000

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 was completed in January 2017. This phase covered geotechnical investigation, design, permitting, mapping, preparation for permitting through the Army Corps of Engineers, and 95% 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 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 \$1,950,000 to enhance pedestrian and vehicle safety.

Personnel Costs

The City Council's budget goal for fiscal year 2020 was to maintain a consistent level of staffing. This level of staffing was established during the budget planning meeting in February 2019 at 134.20 full-time equivalent (FTE) positions. 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 2020. 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 2020 budget reflects an overall decrease in salaries and related benefits due to changeover in personnel and lower costs of employee benefits for fiscal year 2020. 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 2020 City Council Budget Goals. The City's long term goals are reflected in the fiscal year 2020 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 2020 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 recover due to an increase in the maximum taxable sale from \$750 to \$3,000 for most purchases within the City. 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 74% of the General Fund revenues. Another large source of General Fund revenues is from various state revenue sources, which is approximately 7% of general fund revenues. However, state revenue sources can be unpredictable and the City does not have control over revenue received from these sources.

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 2020.

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 2020 budget is approximately \$14.50 million.

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 7% in 2020 and will increase based on the most current rate study to be adopted in early fiscal year 2020.

Overall, not including capital projects, the fiscal year 2020 budgeted revenues included City-code mandated transfers and were less than fiscal year 2019. The total citywide use of fund balance for fiscal year 2020 is estimated at \$1,117,527. 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 2020. The total citywide transfers for fiscal year 2020 are budgeted to be \$2.1 million. The budgeted fiscal year 2019 amount of transfers was anticipated to be \$2.4 million. However, the actual amount of transfers is estimated to be consistent with the budgeted transfers for 2019. Overall, not including capital projects, the City's fiscal year 2020 expenditures are comparable to the amended fiscal year 2019 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 2020 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 2018 and 2019. The City does not anticipate using the fund balance of the Enhancement Fund in fiscal year 2020.

For fiscal year 2020, the fund balance of the General Fund was estimated to be \$9.4 million and the fund balance of the Enhancement Fund was estimated to be \$4.4 million.

The Budget in Brief

Fiscal year 2020 revenues for all funds are anticipated to be \$38,617,350. This is a increase of \$837,897, or 2.22%, as compared to fiscal year 2019 final budgeted amounts. The majority of these decreases are related to capital projects and use of fund balance. 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.

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. On January 1, 2018, the City increased the maximum taxable sale from \$750 to \$3,000 per transaction. Sales tax is anticipated to generate approximately \$14.5 million in sales tax revenues for fiscal year 2020.

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 2020 is \$582,546,306 and anticipated to generate approximately \$1.1 million in property tax revenues for fiscal year 2020.

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 2020 is anticipated to remain consistent as compared to fiscal year 2019.

In fiscal year 2020, the City anticipates that the General Fund will replenish \$321,450 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 2020.

The main component of the budget is the General Fund. For fiscal year 2020, the adopted General Fund budget is \$20,484,766, 54%, of the total budget. Included in the General Fund budget is \$1,545,536 for transfers to other funds. Therefore, General Fund budgeted expenditures total \$20,484,766. 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 2020.

General Fund anticipated revenues by source for fiscal year 2019 are as follows: \$15,627,500, 74%, in taxes; \$1,520,000, 7%, in intergovernmental revenues; \$1,820,002, 9%, charges for services; \$80,300, 0.50%, in licenses and permits; \$4,500, 0.5%, from miscellaneous sources; and \$1,615,914, 8%, in interfund charges.

Special Revenue funds are \$295,000 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 \$200,500.

Capital Projects are \$1,995,536 of the total City of Kodiak fiscal year 2020 budget. Many capital projects are ongoing from prior years with additional funding added during fiscal year 2020. For additional information regarding capital projects, see the capital projects section of this document. For fiscal year 2020, the City has large nonrecurring capital infrastructure projects.

Enterprise Funds are \$17,181,454 of the total City of Kodiak fiscal year 2020 budget. Cargo and Harbor funds are \$8,533,600 of the total Enterprise funds. Water and Sewer are \$7,837,437 of the total Enterprise Funds. The Trident Basin Float Plane fund is \$303,500 of the total Enterprise Funds. The E-911 Fund is \$506,917 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 \$753,130 of the total City of Kodiak budget. The fiscal year 2020 budgeted amounts are consistent and comparable to fiscal year 2019.

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 state revenue sharing programs 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 2020 budget.

Respectfully submitted,

City Manager



Mike Tvenge

Deputy City Manager



Josie Bahnke

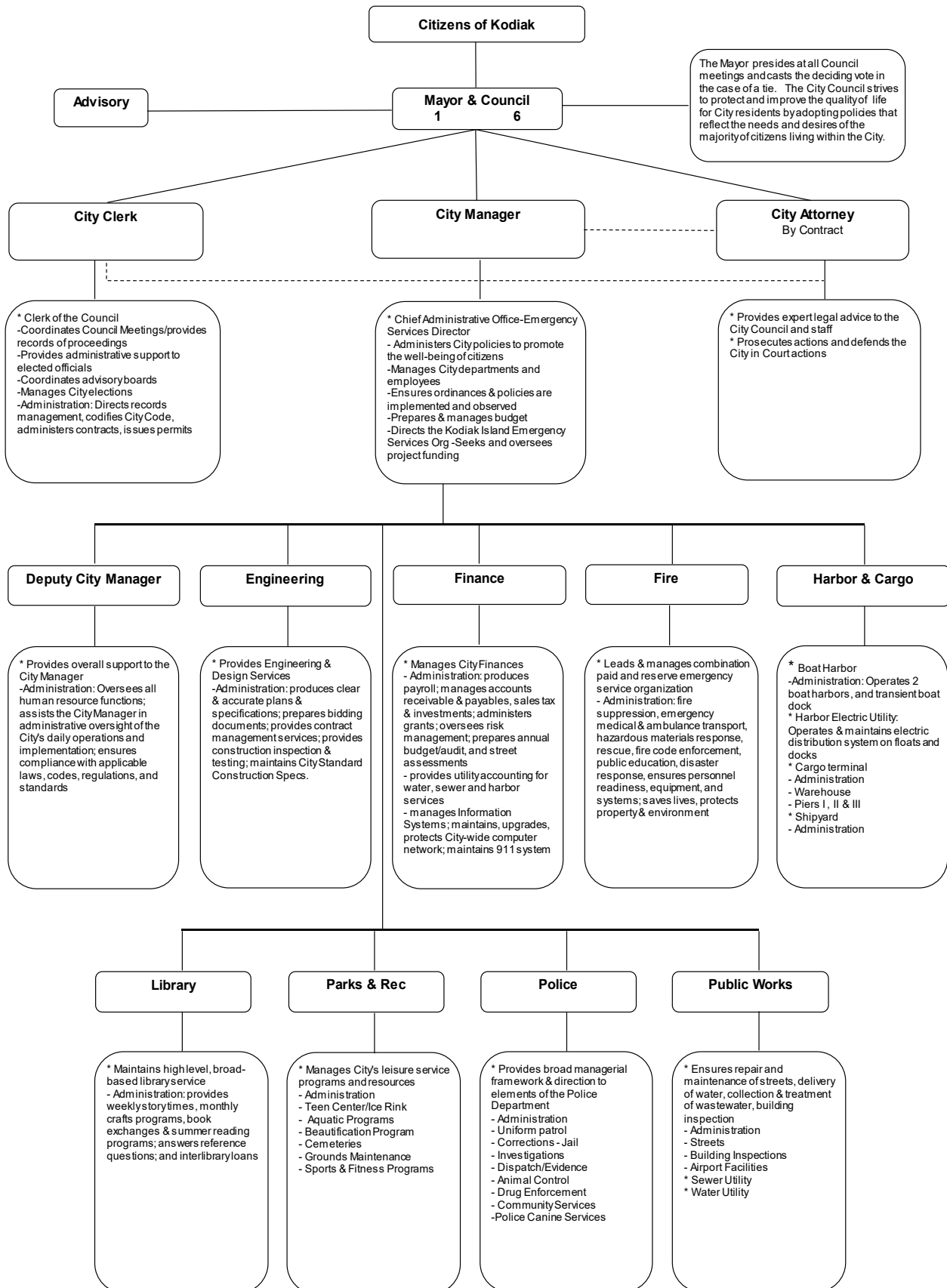
Finance Director



Kelly Mayes



Fiscal Year 2020 Organizational Chart

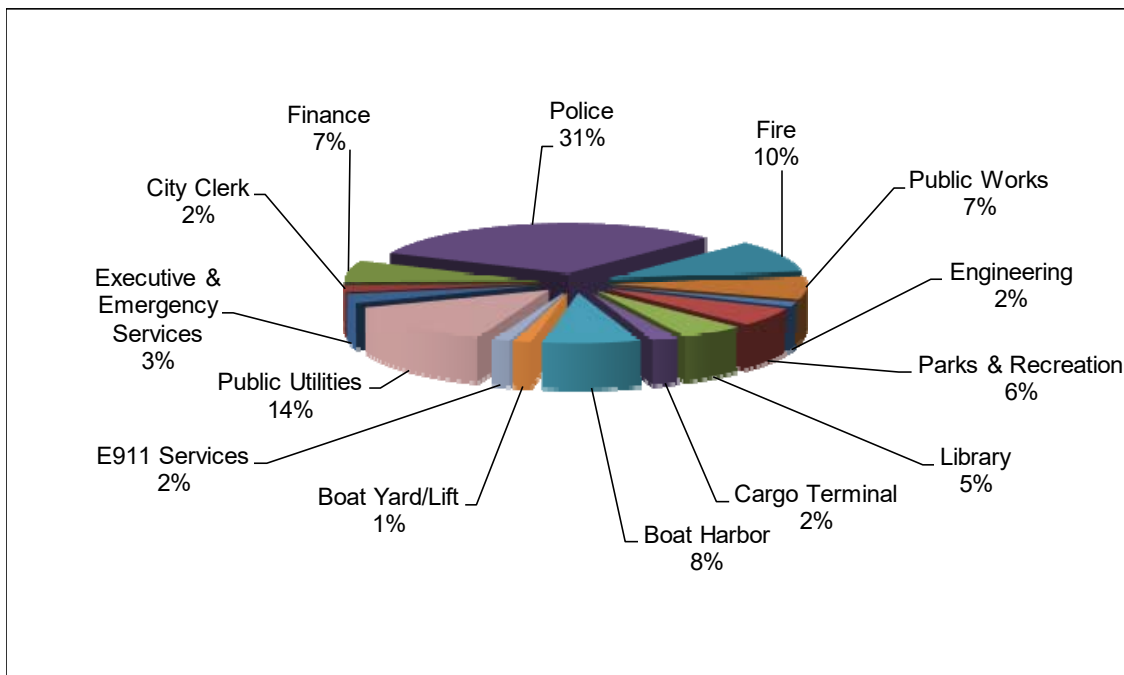




Fiscal Year 2020 Personnel Summary

Department	FTE
Executive & Emergency Services	4.00
City Clerk	3.00
Finance	9.25
Police	41.50
Fire	13.73
Public Works	9.60
Engineering	2.00
Parks & Recreation	7.92
Library	7.00
Cargo Terminal	3.00
Boat Harbor	11.00
Boat Yard/Lift	2.00
E911 Services	2.05
Public Utilities	18.10
Total	134.15

FTE - Full Time Equivalent





City of Kodiak
Fiscal Year 2020 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	mtvenge@city.kodiak.ak.us	907-486-8640
Nova Javier	City Clerk	njavier@city.kodiak.ak.us	907-486-8636
Josie Bahnke	Deputy City Manager	jbahnke@city.kodiak.ak.us	907-486-8640
Kelly Mayes	Finance	kmayes@city.kodiak.ak.us	907-486-8659
Tim Putney	Police	tputney@city.kodiak.ak.us	907-486-8000
Jim Mullican	Fire	jmullican@city.kodiak.ak.us	907-486-8040
Craig Walton	Public Works	cwalton@city.kodiak.ak.us	907-486-8060
Glenn Melvin	Engineering	gmelvin@city.kodiak.ak.us	907-486-8065
Corey Gronn	Parks & Recreation	cgronn@city.kodiak.ak.us	907-486-8655
Laurie Madsen	Library	lmadsen@city.kodiak.ak.us	907-486-8688
Derrik Magnuson	Cargo & Harbor	dmagnuson@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
Terry Haines	Council Member	council@city.kodiak.ak.us	907-942-0365
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)

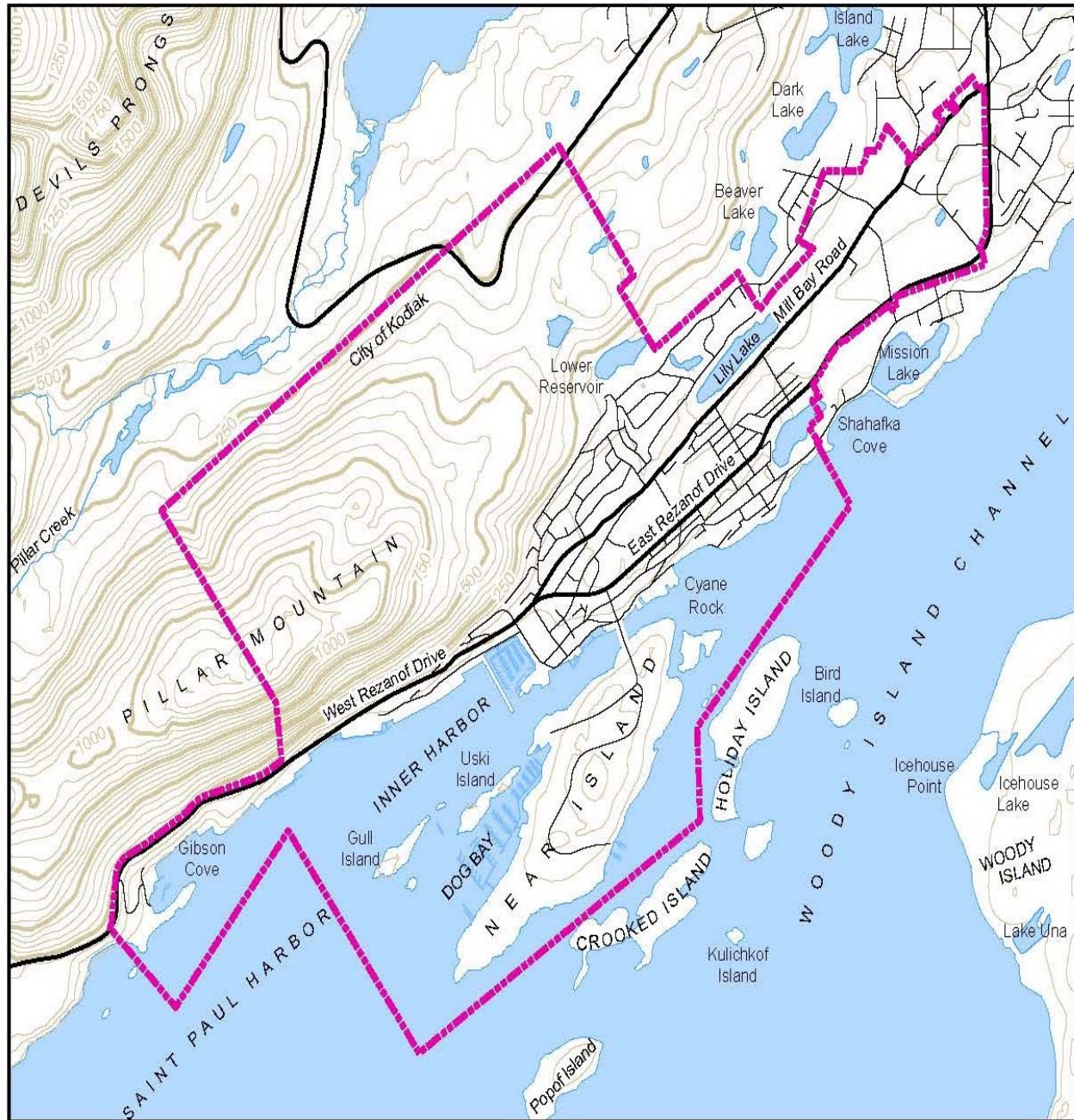


Kodiak Island, Alaska





City of Kodiak
City Limits – 6.2 square miles







Annual Operating Budget July 1, 2019 – June 30, 2020

FISCAL YEAR 2020 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 2020 City of Kodiak Budget for July 1, 2019 – June 30, 2020.

Budget Calendar FY 2020		
DATE	ITEM	BY
January 26, 2019	FY 2020 Revenue Projections	City Manager & Finance Director
January 26, 2019	Review City Council Goals and prepare suggested changes	City Manager & City Council
February 14, 2019	City Council adopts Goals by Resolution	City Manager & City Council
February 19, 2019	Budget Calendar	City Manager, Finance Director, & City Clerk
March 1, 2019	Departmental Budgets available to Department Directors	City Manager & Department Heads
March 13, 2019	Final day for departmental budget requests to be returned to Manager (via Finance Department)	Department Heads
March 19-22, 2019	City Manager & Finance Director reviews departmental budget with respective Department Heads.	City Manager/ Finance Director & Department Heads
April 19, 2019	Distribute Manager's Budget to City Council	City Manager
April 27, 2019	Budget presentation to City Council by management staff	City Manager/ Department Heads & City Council
May 28, 2019	First reading of budget ordinance	City Manager/ Finance Director & City Council
May 28, 2019	Advertisement for overall City Council agenda including budget	Clerk
June 13, 2019	Second reading and public hearing of budget ordinance; adoption of budget	City Manager/ Finance Director & City Council
July 1, 2019	Budget Implementation	Finance Director
November 15, 2019	FY 2020 Budget Available on 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 prepares 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 State of Alaska and citizens.

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 2020, the City Manager 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 2020.

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 2019, in preparation for fiscal year 2020 and beyond, the City Council held planning work sessions in the winter of 2018 and the spring of 2019. 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 2020 budget. The planning process is expected to continue with a fall fiscal year 2019 planning workshop scheduled for January 2020.

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 2020 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 2019 budget, the fiscal year 2020 budget is a maintenance budget with no changes to the services provided. The City Council adopted Resolution Number 2019-05 on February 14, 2019 approving the City Council's Budget Goals for fiscal year 2020.

Specifically, the following are to be established:

CITY OF KODIAK RESOLUTION NUMBER 2019-05

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK APPROVING THE CITY COUNCIL'S BUDGET GOALS FOR FY2020

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 26, 2019, planning meeting; and

WHEREAS, management will use the listed budget goals as a framework when developing the FY2020 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 FY2020 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 FY2020 will endeavor to match FY2020 projected revenues. 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. The City Council will receive quarterly financial updates.

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



CITY OF KODIAK GOALS continued
RESOLUTION NUMBER 2019-05 continued

Personnel Goals

The City will maintain adequate staffing in accordance with the approved FY2020 budget. FTEs will not increase 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.

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, Medicaid, pension costs and liabilities, and the required allocation of sales tax.

The General Fund will be budgeted without a deficit and with a goal to maintain up to six months' operating reserves in fund balance. 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 maintain positive cash flows through charges for services to meet debt service payments and maintain facilities operations and maintenance costs. The Shipyard will develop and implement 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 cash amount available to fund nonprofit organizations is a maximum of one percent of budgeted general fund revenues, not to exceed \$175,000 until such time as the fund balance of the General fund reaches an accumulation of six months of operating expenditures, exclusive of any fund balance appropriation and transfers to capital project funds. In-kind contributions shall be subject to Council approval.

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.



CITY OF KODIAK GOALS continued
RESOLUTION NUMBER 2019-05 continued

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.

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 promote and support economic development to help ensure a diverse, sustainable, and healthy economy for Kodiak.

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 the 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.
- Develop a balanced budget for fiscal year 2020.
- 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 OF KODIAK GOALS continued

Departmental Goals to Support the City Council Goals continued

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 an increase of 1.00 full-time equivalent employee in Finance-IT, as required for operational needs.
- Revised Sales Tax policies and procedures have been implemented and will be followed in fiscal year 2020 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 moved one full-time equivalent employee to the E911 enterprise fund. Otherwise staffing in FY 2020 remains unchanged from FY 2019.
- General Fund: The Police Department has increased efforts to collect unpaid parking fines. The FY 2020 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.

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.



CITY OF KODIAK GOALS continued

Departmental Goals to Support the City Council Goals continued

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 an increase of 2.45 full-time equivalent employees in Parks & Recreation, as required for increased maintenance needs.
- 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.

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.



CITY OF KODIAK GOALS continued

Departmental Goals to Support the City Council Goals continued

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.
- 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.

The following lists the goals reached and accomplishments attained across the City for fiscal year 2020:

1. The Mill Rate of 2.0 remained the same for fiscal year 2020.
2. The Sales Tax Cap remained the same for fiscal year 2020.
3. The Hotel & Motel tax rate remained at 5% for fiscal year 2020.
4. The fiscal year 2020 budget did not reduce services and all services provided were maintained at consistent levels.
5. The fiscal year 2020 budget includes nine projects completed, thirteen new projects, and sixty-two open projects.



FINANCIAL SUMMARIES

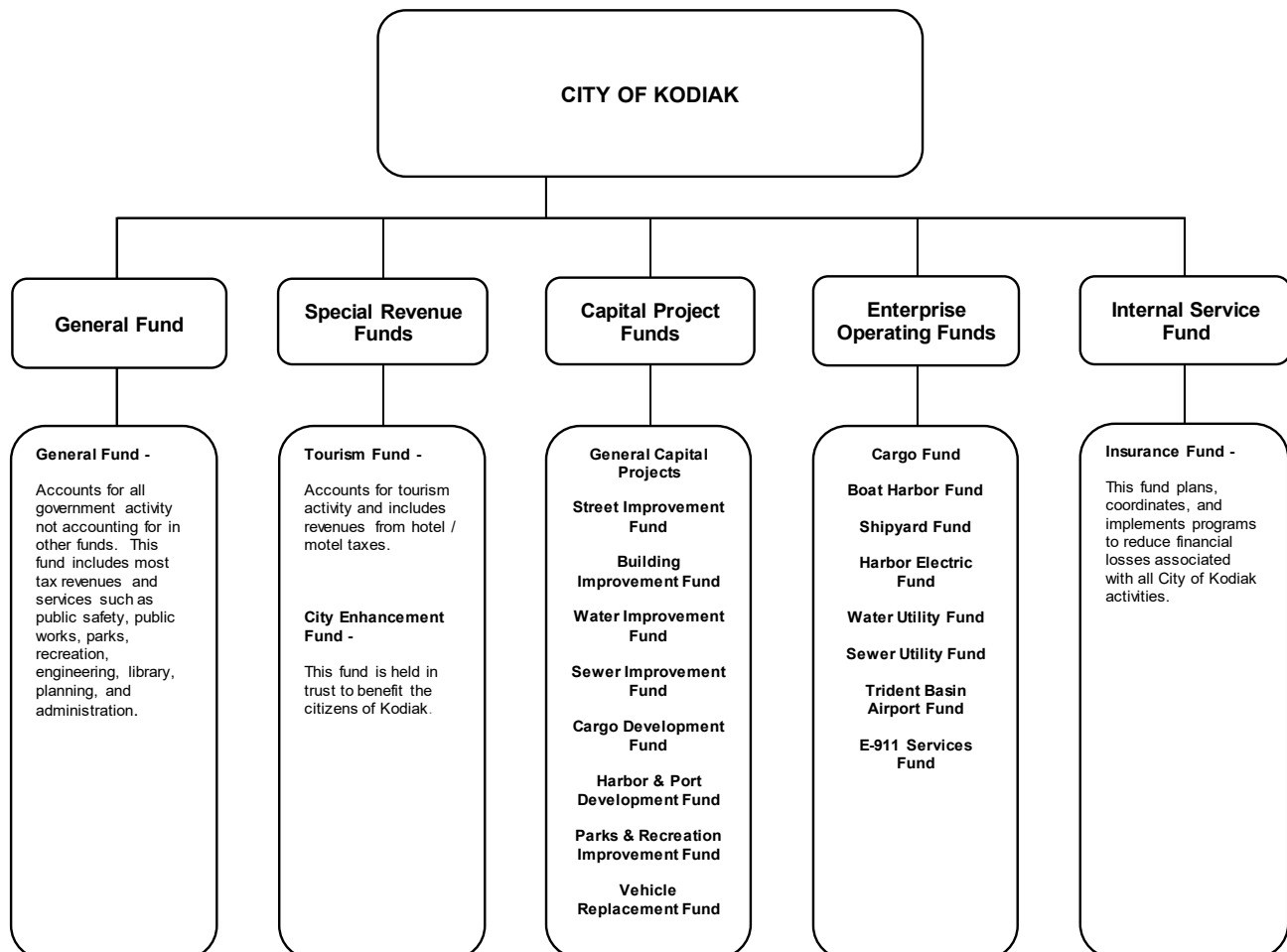
Fund Structure

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.

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.





Fund Structure continued

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.

Governmental 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 five governmental Capital Project Funds – General Capital Projects; Street Improvement Fund; Building Improvement 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.

Enterprise 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 four enterprise Capital Project Funds – Water Improvement Fund; Sewer Improvement Fund; Cargo Development Fund; and Harbor & Port Development 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.

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. For financial reporting purposes, these operating funds are consolidated with the respective enterprise capital project funds.

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.
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.



POLICIES continued
Operating Budget Policies continued

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 2019, the City does not have major non-routine capital expenditures.
- 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.)
- 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.



POLICIES continued

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 of this budget.

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.
- 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%).



POLICIES continued

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.

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.



POLICIES continued

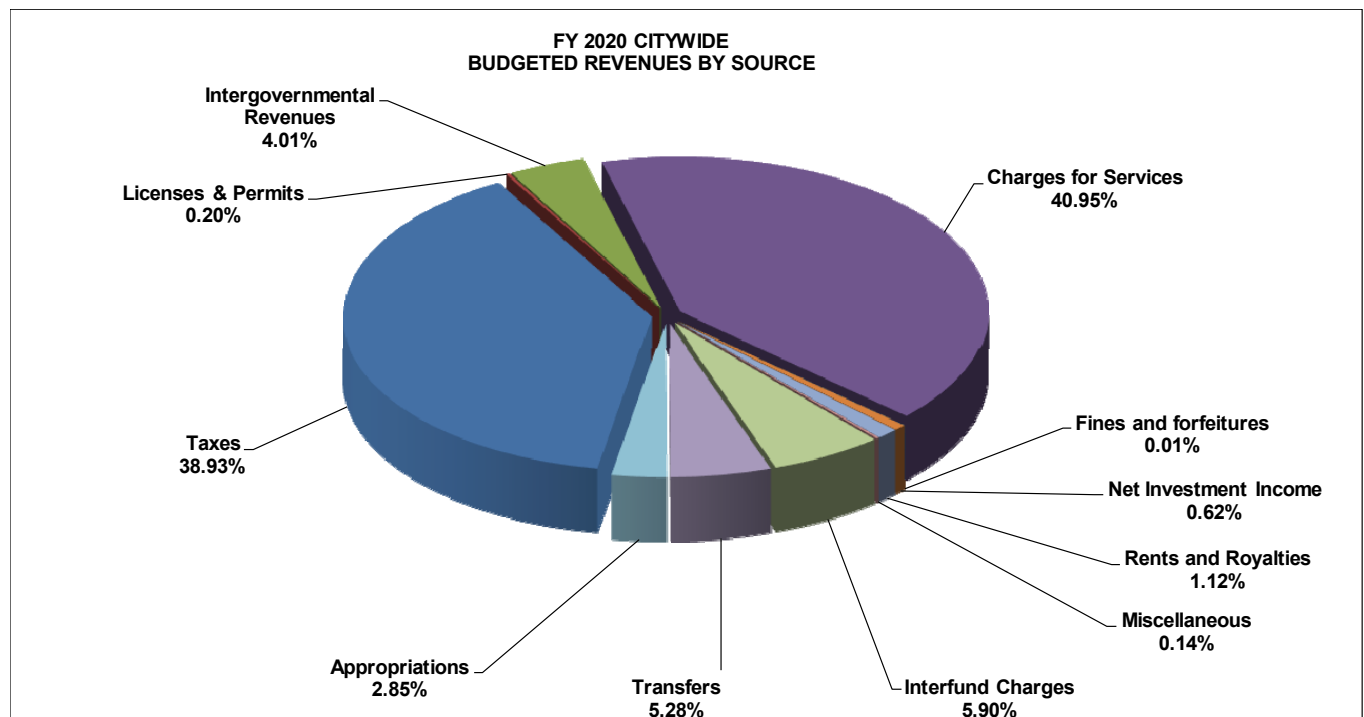
Reserve Policies

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 2020 Citywide Budgeted Revenues – Summary

The graph below depicts the Fiscal Year Budgeted Revenues by Source. In comparison to the fiscal year 2019 final budget approved by the City Council, the citywide budget decreased approximately 3.48%. As the City's revenue sources decrease, the corresponding budgeted expenditures decrease as well. The decrease in revenues is primarily due to decreases in transfers for infrastructure projects.

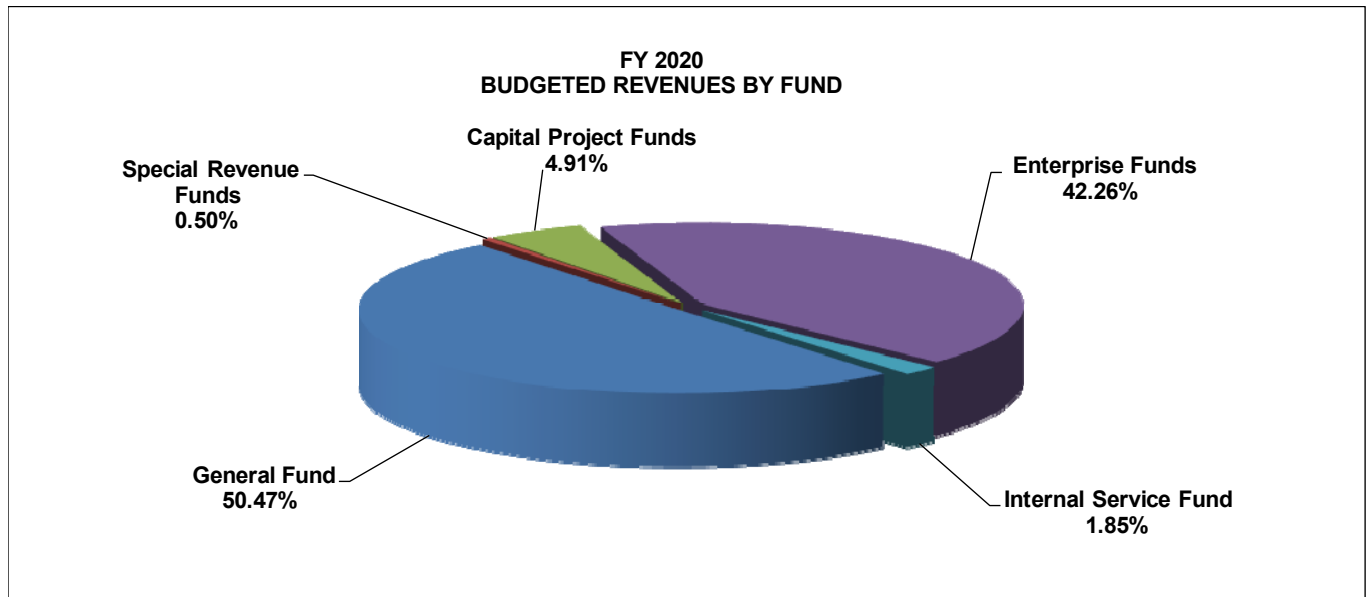


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Fiscal Year 2020 Citywide Budgeted Revenues – Summary continued

The graph below depicts the Fiscal Year 2020 Budgeted Revenues by Fund.



The table below depicts the Fiscal Year 2020 budgeted revenues for the general fund and each type of fund for the City. As the budgeted revenues decrease, corresponding decreases are made in expenditures across all funds.

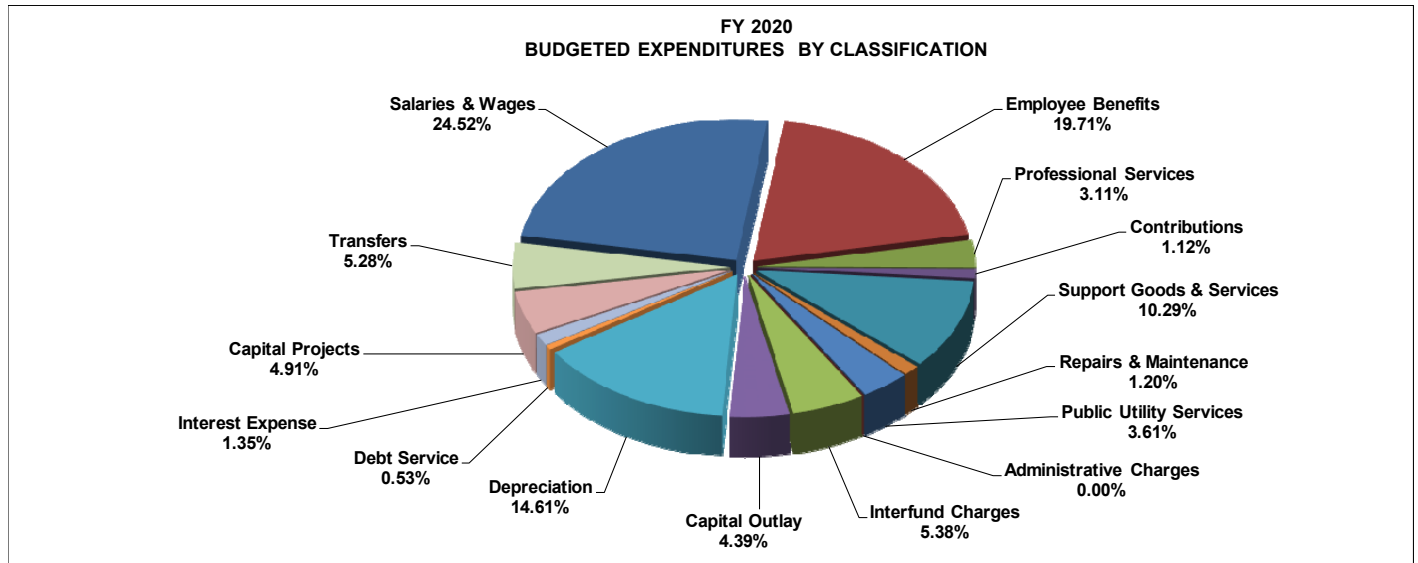
FINANCIAL SUMMARIES FY 2020 BUDGETED REVENUES BY FUND

	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund	FY 2020 Adopted Budget Total	FY 2019 Final Budget Total
Revenues							
Taxes	\$15,627,500	\$ 200,000	\$ -	\$ -	\$ -	\$15,827,500	\$17,146,090
Licenses & Permits	80,300	-	-	-	-	80,300	58,800
Intergovernmental	1,520,000	-	-	108,393	-	1,628,393	1,472,904
Charges for Services	1,820,002	-	-	14,826,245	-	16,646,247	15,882,756
Fines and forfeitures	3,000	-	-	-	-	3,000	3,000
Net Investment Income	50,000	55,000	-	146,500	500	252,000	145,000
Rents and Royalties	120,000	40,000	-	296,920	-	456,920	393,375
Miscellaneous	4,500	-	-	12,300	40,000	56,800	110,114
Interfund Charges	1,615,914	-	-	70,243	712,630	2,398,787	2,321,108
Transfers	-	-	1,995,536	149,876	-	2,145,412	3,810,721
Appropriations	(321,450)	(90,000)	-	1,570,977	-	1,159,527	727,810
Total Revenues	\$20,519,766	\$ 205,000	\$ 1,995,536	\$17,181,454	\$ 753,130	\$40,654,886	\$42,071,678



Fiscal Year 2020 Citywide Budgeted Expenditures – Summary

The graph below depicts the Fiscal Year Budgeted Expenditures by Classification. In comparison to the fiscal year 2019 final budget approved by the City Council, the citywide budget decreased approximately 3.48%. 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 2020.



The table below depicts the Fiscal Year 2020 budgeted expenditures for the general fund and each type of fund for the City.

FINANCIAL SUMMARIES FY 2020 BUDGETED EXPENDITURES BY CLASSIFICATION

	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund	FY 2020 Adopted Budget Total	FY 2019 Final Budget Total
Expenditures							
Salaries & Wages	\$ 7,534,252	\$ -	\$ -	\$ 2,432,750	\$ -	\$ 9,967,002	\$ 9,649,570
Employee Benefits	5,802,117	-	-	2,212,573	-	8,014,690	9,421,403
Professional Services	875,865	-	-	387,900	-	1,263,765	1,315,865
Contributions	323,000	115,000	-	18,420	-	456,420	456,850
Support Goods & Services	1,833,238	41,900	-	1,555,678	753,130	4,183,946	3,911,809
Repairs & Maintenance	268,850	-	-	217,800	-	486,650	471,500
Public Utility Services	551,600	-	-	915,450	-	1,467,050	1,520,650
Administrative Charges	1,500	-	-	500	-	2,000	2,000
Interfund Charges	-	48,100	-	2,138,061	-	2,186,161	2,253,784
Capital Outlay	1,333,358	-	-	451,462	-	1,784,820	1,374,899
Depreciation	-	-	-	5,937,894	-	5,937,894	4,158,530
Debt Service	215,000	-	-	-	-	215,000	205,000
Interest Expense	235,450	-	-	313,090	-	548,540	574,802
Capital Projects	-	-	1,995,536	-	-	1,995,536	2,944,295
Transfers	1,545,536	-	-	599,876	-	2,145,412	3,810,721
Total Expenditures	\$20,519,766	\$ 205,000	\$ 1,995,536	\$17,181,454	\$ 753,130	\$40,654,886	\$42,071,678



Annual Operating Budget
July 1, 2019 – June 30, 2020

FINANCIAL SUMMARIES
Summary of All Funds

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Revenues					
Taxes	\$12,176,474	\$13,194,852	\$17,146,090	\$14,477,470	\$15,827,500
Licenses and Permits	118,571	87,672	58,800	74,590	80,300
Intergovernmental Sources	1,312,552	1,709,931	1,472,904	1,688,255	1,628,393
Charges for Services	14,801,530	16,010,310	15,882,756	16,663,552	16,646,247
Fines and Forfeitures	1,675	40,067	3,000	5,534	3,000
Net Investment Income	109,676	285,151	145,000	849,485	252,000
Rents and Royalties	521,147	568,743	393,375	601,767	456,920
Donations	-	3,300	-	-	-
Miscellaneous	280,291	598,753	110,114	110,552	56,800
Interfund Charges	2,162,371	2,188,587	2,321,108	2,321,102	2,398,787
Capital Projects	-	-	-	-	-
Budgeted Appropriations	-	-	727,810	-	1,159,527
Total Revenues	31,484,287	34,687,366	38,260,957	36,792,307	38,509,474
Expenditures					
Salaries & Wages	8,275,000	8,813,321	9,649,570	8,772,897	9,967,002
Employee Benefits	6,551,556	5,912,224	9,421,403	6,389,197	8,014,690
Professional Services	1,175,110	1,249,954	1,315,865	1,316,816	1,263,765
Contributions	445,676	415,277	456,850	429,506	456,420
Support Goods & Services	3,354,085	3,520,163	3,911,809	3,597,689	4,183,946
Repairs & Maintenance	402,110	436,652	471,500	505,951	486,650
Public Utility Services	1,412,948	1,388,544	1,520,650	1,436,983	1,467,050
Administrative Charges	15,802	15,383	2,000	1,126	2,000
Interfund Charges	2,291,104	2,229,587	2,253,784	2,325,387	2,186,161
Capital Outlay	952,064	785,131	1,374,899	976,084	1,784,820
Depreciation	4,494,428	4,450,938	4,158,530	6,077,093	5,937,894
Debt Service	-	215,000	205,000	205,000	215,000
Interest Expense	872,697	656,870	574,802	538,217	548,540
Capital Projects	4,416,030	1,684,745	2,944,295	3,209,412	1,995,536
Total Expenditures	34,658,610	31,773,789	38,260,957	35,781,358	38,509,474
Net Revenues and Expenditures	(3,174,323)	2,913,577	-	1,010,949	-
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	4,416,030	2,102,488	3,810,721	4,154,749	2,145,412
Transfers Out	(4,416,030)	(2,102,488)	(3,810,721)	(4,154,749)	(2,145,412)
Net Other Financing Sources (Uses)	10,799	-	-	-	-
Net Increase (Decrease) in All Funds	\$ (3,163,524)	\$ 2,913,577	\$ -	\$ 1,010,949	\$ -



Annual Operating Budget
July 1, 2019 – June 30, 2020

FINANCIAL SUMMARIES
Budgeted Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Year Ending June 30, 2020

	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund	FY 2020 Adopted Budget Total
Revenues						
Taxes	\$15,627,500	\$ 200,000	\$ -	\$ -	\$ -	\$15,827,500
Licenses & Permits	80,300	-	-	-	-	80,300
Intergovernmental Revenues	1,520,000	-	-	108,393	-	1,628,393
Charges for Services	1,820,002	-	-	14,826,245	-	16,646,247
Fines and Forfeitures	3,000	-	-	-	-	3,000
Net Investment Income	50,000	55,000	-	146,500	500	252,000
Rents and Royalties	120,000	40,000	-	296,920	-	456,920
Donations	-	-	-	-	-	-
Miscellaneous	4,500	-	-	12,300	40,000	56,800
Interfund Charges	1,615,914	-	-	70,243	712,630	2,398,787
Capital Projects	-	-	-	-	-	-
Total Revenues	\$20,841,216	\$ 295,000	\$ -	\$15,460,601	\$ 753,130	\$37,349,947
Expenditures						
Salaries & Wages	\$ 7,534,252	\$ -	\$ -	2,432,750	\$ -	\$ 9,967,002
Employee Benefits	5,802,117	-	-	2,212,573	-	8,014,690
Professional Services	875,865	-	-	387,900	-	1,263,765
Contributions	323,000	115,000	-	18,420	-	456,420
Support Goods & Services	1,833,238	41,900	-	1,555,678	753,130	4,183,946
Repairs & Maintenance	268,850	-	-	217,800	-	486,650
Public Utility Services	551,600	-	-	915,450	-	1,467,050
Administrative Charges	1,500	-	-	500	-	2,000
Interfund Charges	-	48,100	-	2,138,061	-	2,186,161
Capital Outlay	1,333,358	-	-	451,462	-	1,784,820
Depreciation	-	-	-	5,937,894	-	5,937,894
Debt Service	215,000	-	-	-	-	215,000
Interest Expense	235,450	-	-	313,090	-	548,540
Capital Projects	-	-	1,995,536	-	-	1,995,536
Total Expenditures	\$18,974,230	\$ 205,000	\$ 1,995,536	\$16,581,578	\$ 753,130	\$38,509,474
Other Financing Sources (Uses)						
Transfers In	\$ -	\$ -	\$ 1,995,536	\$ 149,876	\$ -	\$ 2,145,412
Transfers Out	(1,545,536)	-	-	(599,876)	-	(2,145,412)
Net Other Financing Sources (Uses)	\$ (1,545,536)	\$ -	\$ 1,995,536	\$ (450,000)	\$ -	\$ -
Net Increase (Decrease) in Fund	\$ 321,450	\$ 90,000	\$ -	\$ (1,570,977)	\$ -	\$ (1,159,527)



Annual Operating Budget
July 1, 2019 – June 30, 2020

FINANCIAL SUMMARIES
Statement of Revenues, Expenditures, and Changes in Fund Balance (Estimated)
Fiscal Year Ending June 30, 2019

	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund	FY 2019 Estimated Total
Revenues						
Taxes	\$ 14,249,684	\$ 227,786	\$ -	\$ -	\$ -	\$14,477,470
Licenses & Permits	74,590	-	-	-	-	74,590
Intergovernmental Revenues	1,591,758	-	-	96,497	-	1,688,255
Charges for Services	1,918,379	-	-	14,745,173	-	16,663,552
Fines and Forfeitures	5,534	-	-	-	-	5,534
Net Investment Income	144,457	153,154	-	546,649	5,225	849,485
Rents and Royalties	198,755	39,278	-	363,734	-	601,767
Donations	-	-	-	-	-	-
Miscellaneous	21,227	-	-	11,049	78,276	110,552
Interfund Charges	1,607,656	-	-	78,228	635,218	2,321,102
Capital Projects	-	-	-	-	-	-
Total Revenues	\$19,812,040	\$ 420,218	\$ -	\$15,841,330	\$ 718,719	\$36,792,307
Expenditures						
Salaries & Wages	\$ 6,268,303	\$ -	\$ -	2,504,594	\$ -	\$ 8,772,897
Employee Benefits	4,429,712	-	-	1,959,485	-	6,389,197
Professional Services	957,239	-	-	359,577	-	1,316,816
Contributions	296,360	115,000	-	18,146	-	429,506
Support Goods & Services	1,443,504	-	-	1,385,722	768,463	3,597,689
Repairs & Maintenance	354,843	-	-	151,108	-	505,951
Public Utility Services	541,329	-	-	895,654	-	1,436,983
Administrative Charges	7	-	-	1,119	-	1,126
Interfund Charges	-	45,150	-	2,280,237	-	2,325,387
Capital Outlay	900,628	-	-	75,456	-	976,084
Depreciation	-	-	-	6,077,093	-	6,077,093
Debt Service	205,000	-	-	-	-	205,000
Interest Expense	243,850	-	-	294,367	-	538,217
Capital Projects	-	-	3,209,412	-	-	3,209,412
Total Expenditures	\$15,640,775	\$ 160,150	\$ 3,209,412	\$16,002,558	\$ 768,463	\$35,781,358
Other Financing Sources (Uses)						
Transfers In	\$ 78,911	\$ 318,006	\$ 3,209,412	\$ 548,420	\$ -	\$ 4,154,749
Transfers Out	(2,706,741)	(78,911)	-	(1,369,097)	-	(4,154,749)
Net Other Financing Sources (Uses)	\$ (2,627,830)	\$ 239,095	\$ 3,209,412	\$ (820,677)	\$ -	\$ -
Net Increase (Decrease) in Fund	\$ 1,543,435	\$ 499,163	\$ -	\$ (981,905)	\$ (49,744)	\$ 1,010,949



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 2020, the adopted General Fund budget is \$20,519,766, 50.47%, of the total budget. Included in the General Fund budget is \$1,545,536 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 \$3,000 per transaction, or \$210 in sales tax. Per Kodiak City Code, sales tax revenues are allocated as follows: one-seventh or a maximum of \$500,000 to be allocated 90% to the Street Improvement fund and 10% to the Parks & Recreation Improvement Fund; and one-seventh or a maximum of \$500,000 to the Port and Harbor funds.

General Fund budgeted expenditures total \$20,519,766. 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 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 2020. Overall, the General Fund has decreased 7.77% as compared to fiscal year 2019. This decrease is primarily due to fewer transfers for capital infrastructure projects and a continued effort 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 an eroding sales tax base and declining intergovernmental revenues from state and federal grant funds and state revenue sharing programs, previously the City relied more heavily on the use of fund balance appropriations to balance the budget each year. In fiscal year 2020, the City anticipates that the General Fund will increase the unassigned fund balance by approximately \$321,450. 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 \$5.1 million for fiscal year 2020.

Special Revenue Funds

Special Revenue funds include the Tourism Fund and the Enhancement Fund. Special Revenue funds are \$295,000, or 0.50%, 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 \$200,000. Special Revenue expenditures are primarily contributions to local nonprofit organizations.

Overall, the Special Revenue Funds are anticipated to increase approximately 20.23%, or \$34,500, 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 – Governmental and Enterprise Projects

Capital Projects expenditures are \$1,995,536, 4.91%, of the total City of Kodiak fiscal year 2020 expenditure budget. Many capital projects are ongoing from prior years with additional funding added during fiscal year 2020. For additional information regarding capital projects, see the Long-Term Capital Improvement Plan located on the City's website. For fiscal year 2020, capital projects include additions to existing projects, replacement of streets equipment, Baranof Park improvements, water and sewer facility upgrades and major maintenance projects, Harbor maintenance projects as well as a phased approach to the St. Herman Harbor replacement. As non-recurring projects near completion during fiscal year 2020, additional capital projects will continue to evolve through the design, construction, and completion phases.



FINANCIAL SUMMARIES

Enterprise Funds

Enterprise funds are \$17,181,454, 42.26%, of the total City of Kodiak fiscal year 2020 budget. Cargo and Harbor Funds are \$8,533,600, 49.67%, of the total enterprise funds. Water and Sewer Funds are \$7,837,437, 45.62%, of the total enterprise funds. The Trident Basin Float Plane Fund is \$303,500, 1.77%, of the total enterprise funds. The E-911 Fund is \$506,917, 2.95%, 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 \$1,570,977. While some enterprise funds will increase the respective fund balance, others will decrease. See the Enterprise fund detail section within this document.

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. A Sewer Rate Study was performed during the spring of 2019 and implemented in fiscal year 2020. Sewer rates were increased by 5% in 2020 and will increase by 7% per year through fiscal year 2021 and will increase 4% per fiscal year through fiscal year 2023. Harbor rate studies were performed during fiscal year 2017 with a scheduled increase of approximately 2.8% per year through fiscal year 2022.

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

Internal Service Funds

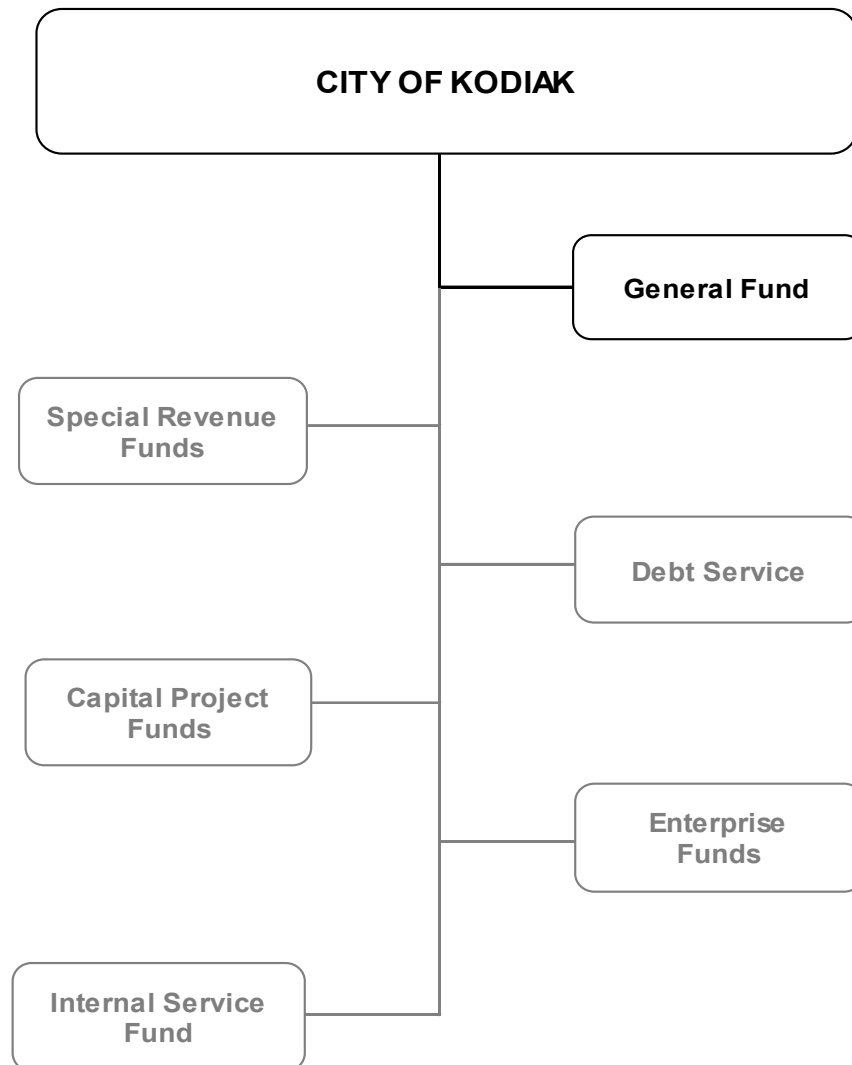
The Insurance Fund, the City's only internal service fund, is \$753,130, 1.85%, of the total City of Kodiak budget. The fiscal year 2020 budgeted amounts are consistent and comparable to fiscal year 2019. The Insurance Fund is for the insurance policies for the City, the City facilities, and related liability coverage. These expenditures are allocated consistently to all City departments and functions.

Overall Budget

Fiscal year 2019 revenues for all funds are anticipated to be \$40,505,010. This is a decrease of \$1,566,668, or 3.87%, as compared to fiscal year 2019 final approved budgeted amounts. The majority of these decreases are related to capital projects and use of fund balance. Capital transfers for fiscal year 2020 include additions to existing projects and other transfers to capital improvement funds as required by City Code. 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 2020 is anticipated to be \$194,147,431, an increase of 1.38%, or \$2,676,082, as compared to prior year. See the City's fiscal year 2019 audited Comprehensive Annual Financial Report for further details regarding restrictions to the City's overall fund balance.

The City of Kodiak's revenues have been fluctuating over the most recent two year period due to increases in the sales tax cap amount, recent implementation of the U.S. versus Wayfair Supreme Court decision regarding sales tax from remote sellers, and fluctuating revenue sharing programs from state and federal sources. 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 2020 with comparable fund balances as compared to prior year in order to ensure quality services provided to its citizens.





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 2020 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 2020 budget, the estimated annual (i.e. unaudited) amounts for fiscal year 2019, the final amended budget for fiscal year 2019, and the actual amounts for fiscal year 2018 and fiscal year 2017. 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, net investment 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 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.



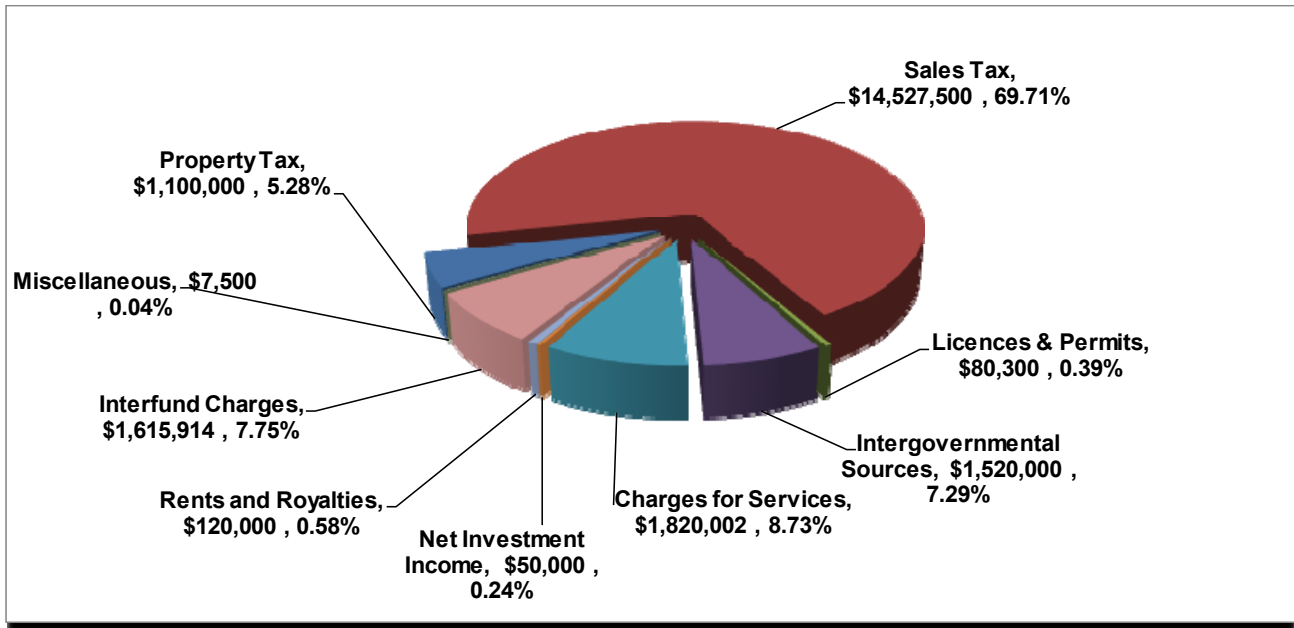
General Fund – Summary of Revenues and Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Revenues					
Taxes	\$11,979,529	\$12,989,626	\$16,975,590	\$14,249,684	\$15,627,500
Licenses and Permits	118,571	87,672	58,800	74,590	80,300
Intergovernmental Sources	1,248,870	1,604,865	1,387,023	1,591,758	1,520,000
Charges for Services	1,700,271	1,863,981	1,698,597	1,918,379	1,820,002
Fines and Forfeitures	1,675	40,067	3,000	5,534	3,000
Net Investment Income	19,726	55,748	20,000	144,457	50,000
Rents and Royalties	127,238	121,409	81,900	198,755	120,000
Donations	-	3,300	-	-	-
Miscellaneous	176,574	401,375	4,500	21,227	4,500
Interfund Charges	1,579,673	1,539,390	1,607,662	1,607,656	1,615,914
Total Revenues	16,952,127	18,707,433	21,837,072	19,812,040	20,841,216
Expenditures					
General Government	2,689,043	2,562,214	3,362,994	2,518,846	3,152,412
Public Safety	8,669,607	9,181,456	10,887,656	8,783,263	10,727,233
Public Works	1,636,718	1,783,057	2,132,191	1,797,569	2,135,960
Engineering	213,112	207,773	297,225	216,579	286,068
Public Recreation	1,368,463	1,330,250	1,579,560	1,389,078	1,549,984
Library	755,262	746,809	933,312	735,085	908,573
Community Services	223,366	194,895	214,000	200,355	214,000
Total Expenditures	15,555,571	16,006,454	19,406,938	15,640,775	18,974,230
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 In	-	17,521	-	78,911	-
Transfers Out	(1,258,298)	(2,082,488)	(2,706,747)	(2,706,741)	(1,545,536)
Total Other Financing Sources (Uses)	(1,260,973)	(2,064,967)	(2,706,747)	(2,627,830)	(1,545,536)
Net Increase (Decrease) in Fund	\$ 135,583	\$ 636,012	\$ (276,613)	\$ 1,543,435	\$ 321,450



General Fund – Fiscal Year 2020 Budgeted Revenues by Source

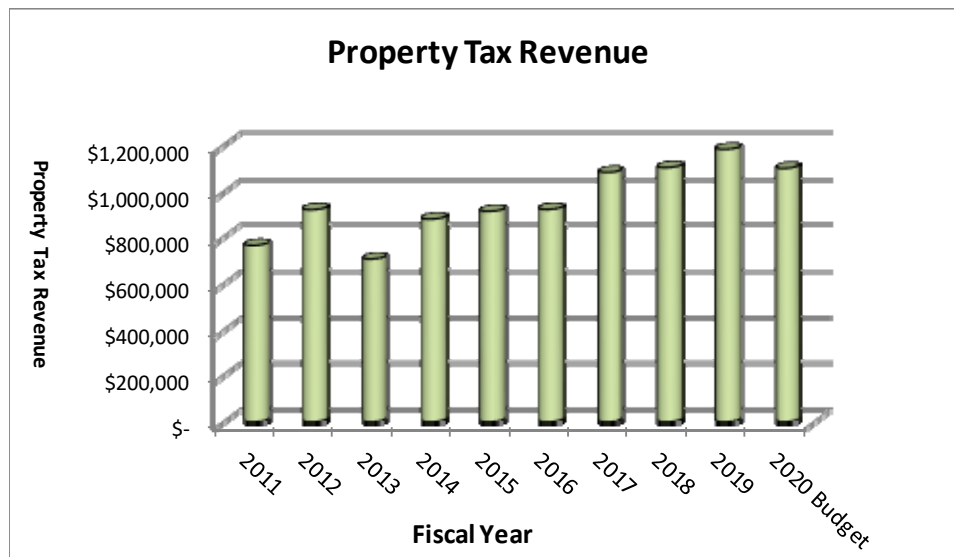
The graph below depicts the Fiscal Year 2020 Revenues by Source.



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 \$587,498,306 for fiscal year 2020. 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 2019 were \$1,181,579. Budgeted revenue from property tax for fiscal year 2020 is \$1,100,000. The graph below shows the most recent 10 year period of property taxes collected and budgeted taxes for fiscal year 2020.



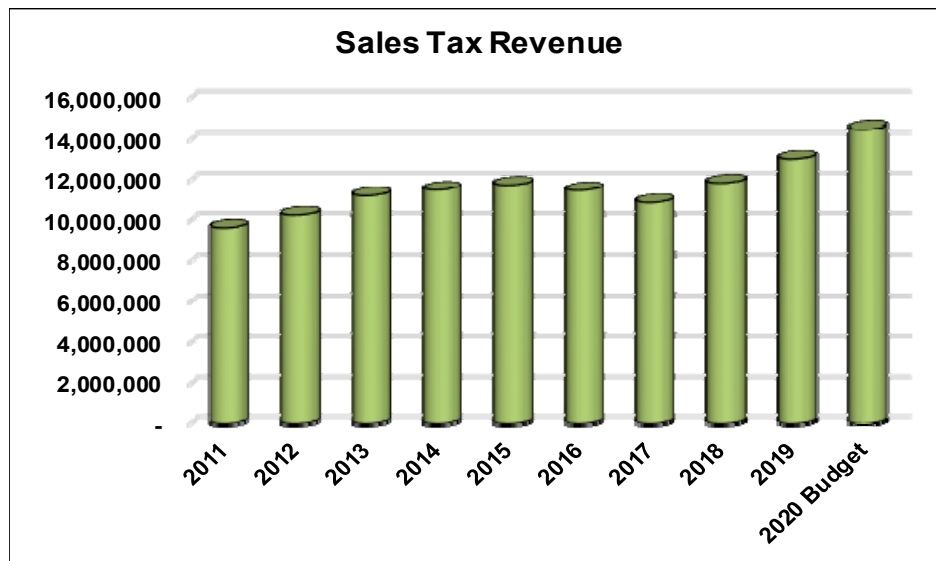


General Fund – Revenue Sources continued

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 2020 are \$14,527,500. The estimated sales tax collected for fiscal year 2019 was \$13,068,105. The graph below shows the most recent 10 year period of sales tax collected and budgeted taxes for fiscal year 2020.



Sales tax revenue is the City's largest tax revenue and has increased from approximately \$9.6 million in 2011 to \$13.0 million in 2019. The City's sales tax rate is 7% with a maximum sales tax of \$210 per transaction, \$52.50 for rentals. This translates to taxing the first \$3,000 of a sale and exempting any amount over \$3,000 per any one transaction. The City also exempts its citizens over the age of 65 from sales tax. Decreasing sales taxes led the City to increase the maximum sales per transaction limit from \$750 to \$3,000 on January 1, 2018. Sales tax revenues have been budgeted accordingly to reflect this increase.

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:

	Percentage	Maximum Proceeds
General Fund	5.00%	N/A
Street Improvement Fund	0.90%	\$ 450,000
Parks Improvement Fund	0.10%	50,000
Port and Harbor Improvement Fund	1.00%	500,000
Total	7.0%	\$ 1,000,000

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 2020, the budgeted penalties and interest are \$27,500. The estimated penalties and interest collected during fiscal year 2019 was \$21,879.



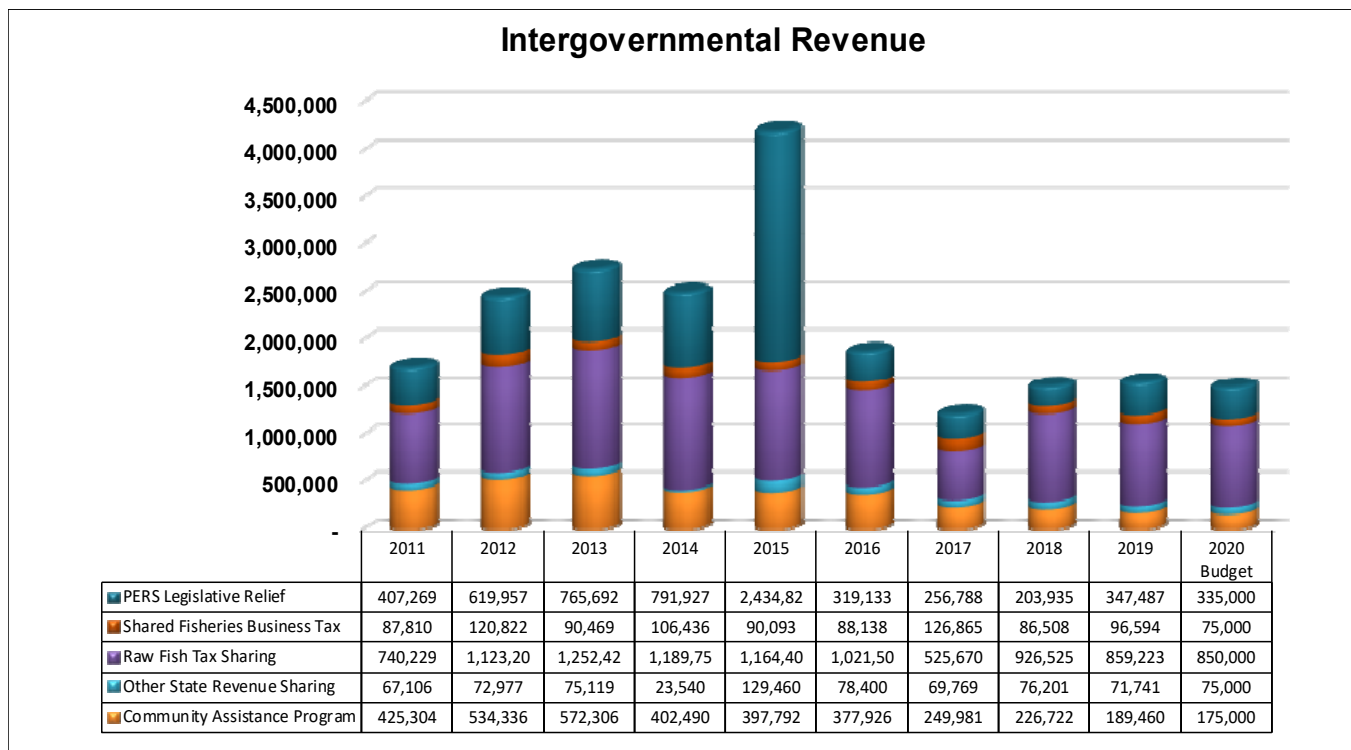
General Fund – Revenue Sources continued

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 2019 estimated revenues were \$53,155 for building permits. Other fiscal year 2019 estimated revenues from licenses and permits totaled \$21,435. Fiscal year 2020 budgeted licenses and revenues include \$60,000 for building permits and \$20,300 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 2020.



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 2019 were estimated at \$347,487. The budgeted amount for fiscal year 2020 is \$335,000. 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 2019, the estimated amount was \$189,460 for state revenue sharing funds. The budgeted amount for fiscal year 2020 is \$175,000. These amounts are determined based on the State of Alaska budget.



General Fund – Revenue Sources continued

Intergovernmental Sources: Other Government Funding Sources continued

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 2019 fiscal year, the estimated raw fish tax sharing revenues is \$859,223. The budgeted amount for fiscal year 2020 is \$850,000. This estimate is based on historical trends and the value of fisheries landed.
- 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 2019, estimated fish resource landing tax totaled \$96,594. The budgeted amount for fiscal year 2020 is \$75,000. 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 2019, estimated fuel tax sharing totaled \$5,701. The budgeted amount for fiscal year 2020 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 2019, estimated alcohol beverage sharing revenue totaled \$18,700. The budgeted amount for fiscal year 2020 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 2019, estimated utility revenue sharing totaled \$41,406. The budgeted amount for fiscal year 2020 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 2019, estimated marijuana license fee sharing revenue totaled \$500. The budgeted amount for fiscal year 2020 is \$-0-. The budgeted amount for 2020 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 2019, estimated grants totaled \$27,253. The budgeted amount for fiscal year 2020 is \$10,000.

Payment in Lieu of Taxes – Property taxes are received from a local source as payment in lieu of taxes. For fiscal year 2019, estimated payment in lieu of taxes from Kodiak Island Housing Authority totaled \$5,434. The fiscal year 2020 budgeted amount is \$5,000. The budgeted amount is based on historical trends.

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 2019, estimated revenue for boarding of prisoners totaled \$1,040,113. The budgeted amount for fiscal year 2020 is \$991,552. These amounts are based on updated agreements with the State of Alaska.



General Fund – Revenue Sources continued

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

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 2019, estimated revenue for the police department totaled \$82,500. The budgeted amount for fiscal year 2020 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 2019, estimated revenues for these services totaled \$283,230. The budgeted amount for fiscal year 2020 is \$263,700.

Ambulance Services – The Fire department provides ambulance services to the public. For fiscal year 2019, estimated revenues for ambulance services totaled \$229,215. The budgeted amount for fiscal year 2020 is \$250,000. These revenues are budgeted based on historical trends and have increased in recent years due to outsourcing of billing and collections.

Fire – The Fire department provides miscellaneous services for a fee. For fiscal year 2019, estimated revenues from miscellaneous services totaled \$1,050. The budgeted amount for fiscal year 2020 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 2019, estimated revenues from parks and recreation facilities totaled \$237,075. The budgeted amount for fiscal year 2020 is \$191,500.

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 2019, estimated revenues for Library usage charges totaled \$19,285 and the estimated contribution from the Kodiak Island Borough totaled \$-0-. The budgeted amount for fiscal year 2020 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 additional program services now offered.

Public Works – The Public Works department maintains the Municipal Airport and charges various fees for services provided to the public. Fees for services within the municipal airport are charged to the users. For fiscal year 2019, estimated usage fees totaled \$25,911. The budgeted amount for fiscal year 2020 is \$17,200.

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 2019, estimated fines and forfeitures revenue totaled \$5,534. The budgeted amount for fiscal year 2020 is \$3,000. 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 2019, the estimated net investment income generated from these investments totaled \$144,457. The budgeted amount for fiscal year 2020 is \$50,000. 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 2019, estimated rents and royalties revenue totaled \$198,755. The budgeted amount for fiscal year 2020 is \$120,000.

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 2019, estimated miscellaneous revenues totaled \$21,227. The budgeted amount for fiscal year 2020 is \$4,500.



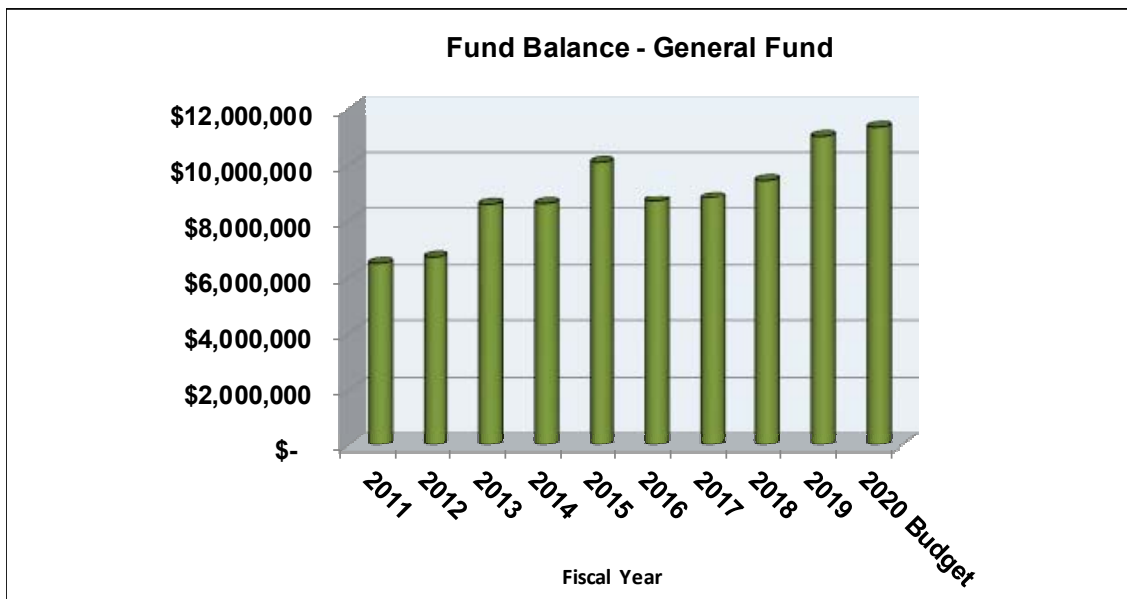
General Fund – Revenue Sources continued

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 2019, estimated interfund charges totaled \$1,607,656. The budgeted amount for fiscal year 2020 is \$1,615,914.

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.

The City's goal is to maintain the fund balance of the General Fund at a minimum of approximately \$4.7 million (i.e. approximately three months of operating expenditures) while striving to reach a goal of approximately six months of operating expenditures or approximately \$9.4 million. 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.



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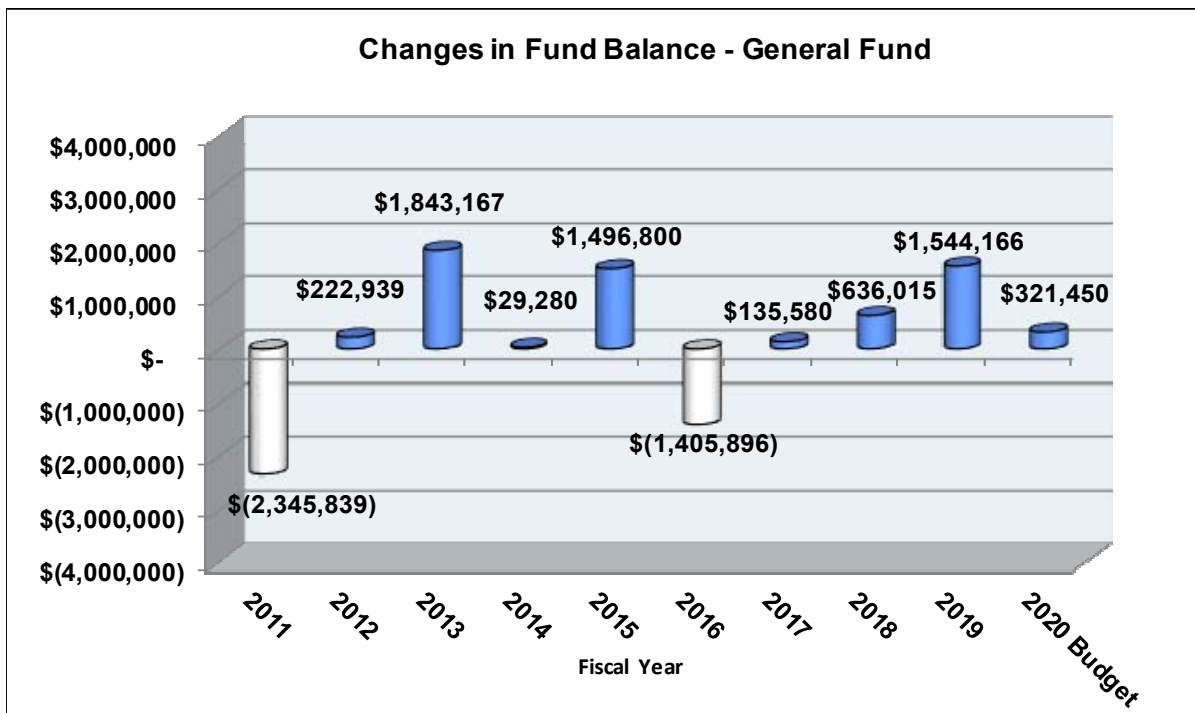


General Fund – Revenue Sources continued

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

Appropriations from Fund Balance continued

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.



For fiscal year 2019, budgeted appropriations were anticipated to decrease the fund balance of the General Fund by \$(276,613); however, fiscal year 2019 estimates an increase to the fund balance of the General Fund in the amount of \$1,544,166. This increase in fiscal year 2019 will be used to continue replacing aging infrastructure and equipment for future needs and assist in offsetting declining state revenue sharing programs.

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 2020. The fiscal year 2020 budget appropriations are anticipated to increase the fund balance of the General Fund by \$321,450.

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 2019 and no amounts were budgeted for fiscal year 2020.

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GENERAL FUND – DETAIL OF REVENUE BY SOURCE

	FY 2017 Actual	FY 2018 Estimated	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Taxes					
Property Taxes	\$ 1,083,234	\$ 1,103,470	\$ 1,148,090	\$ 1,181,579	\$ 1,100,000
Sales Tax	10,876,981	11,868,527	15,800,000	13,046,226	14,500,000
Penalty And Interest	19,314	17,629	27,500	21,879	27,500
Total Taxes	11,979,529	12,989,626	16,975,590	14,249,684	15,627,500
Licenses & Permits					
Taxi Cab Permits	3,645	5,195	5,000	2,970	5,000
Building Permits	94,913	62,279	42,500	53,155	60,000
Electrical Permits	6,262	8,127	4,000	5,760	6,000
Plumbing Permits	6,013	4,963	2,000	3,060	4,000
Animal Licenses	7,633	6,299	5,000	9,245	5,000
Film Permits	-	800	-	400	-
Other Licenses	105	9	300	-	300
Total Licenses & Permits	118,571	87,672	58,800	74,590	80,300
Intergovernmental Sources					
Payment in Lieu of Taxes	6,416	5,872	3,500	5,434	5,000
PERS on Behalf Revenue Sharing	256,788	203,935	260,000	347,487	335,000
State of Alaska Revenue Sharing	249,981	226,722	109,300	189,460	175,000
Raw Fish Tax Sharing	525,670	926,525	859,223	859,223	850,000
Shared Fisheries Business Tax	126,865	86,508	75,000	96,594	75,000
Fuel Tax Sharing	6,417	6,284	5,000	5,701	5,000
Alcohol Beverage Sharing	18,700	23,100	20,000	18,700	20,000
Utility Revenue Sharing	44,152	46,817	45,000	41,406	45,000
State Marijuana license fees	500	-	-	500	-
Grants	13,381	79,102	10,000	27,253	10,000
Total Intergovernmental Sources	1,248,870	1,604,865	1,387,023	1,591,758	1,520,000
Charges for Services					
Police - Boarding of Prisoners	991,851	1,017,708	1,028,932	1,040,113	991,552
State Trooper Comm. Contract	78,750	78,750	78,750	78,750	78,750
Police - Other Police Services	13,970	5,249	5,000	1,900	5,000
Police Protective Custody	1,800	1,050	2,000	1,850	2,000
KIB - Borough Animal Control	109,415	114,015	109,415	115,800	118,700
KIB - Borough Building Inspection	76,633	142,231	120,000	167,430	145,000
Fire - Ambulance Service	244,149	267,298	200,000	229,215	250,000
Fire Miscellaneous	1,560	690	2,000	1,050	2,000
Parks - School Lifeguard Services	17,193	15,487	15,000	23,094	15,000
Parks - Swimming Pool	44,077	72,504	45,000	78,732	65,000
Parks - Adult Sports	33,180	42,933	25,000	45,652	50,000
Parks - Youth Program	18,340	28,770	20,000	33,945	20,000
Parks - Special Events	1,585	1,920	1,000	2,050	1,000
Parks - Ice Rink	6,086	18,105	7,000	38,799	30,000
Parks - Teen Center	8,486	6,442	5,500	8,753	5,500
Parks - Teen Center Donations	1,398	3,551	-	-	-
Parks - Cemetery Charges	13,950	6,250	5,000	6,050	5,000
Library - KIB Contributions	3,000	3,000	3,000	-	3,000
Library - Donations	-	-	-	600	-
Library - Fines	8,968	8,229	5,500	7,080	5,500
Library - Lost Books	1,200	1,184	1,400	1,311	1,400
Library - Copier	7,529	7,308	6,000	7,006	6,000
Library - Fax Machine	2,135	2,040	1,500	1,997	1,500
Library - Other	\$ 3,556	\$ 1,148	\$ 900	\$ 1,291	\$ 900



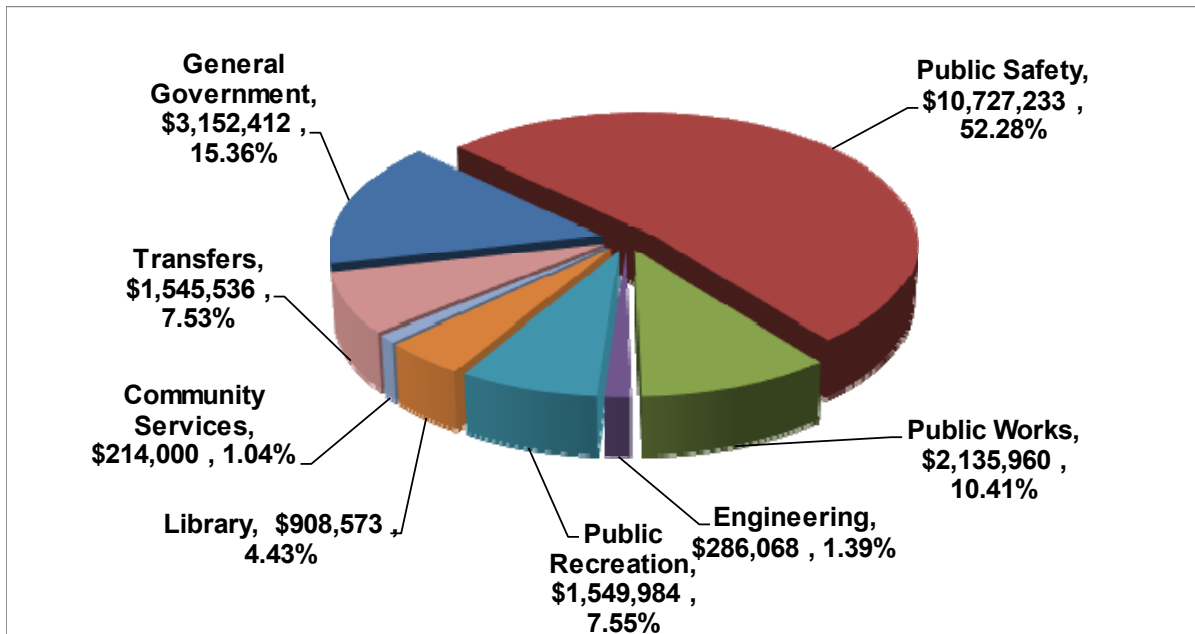
GENERAL FUND – DETAIL OF REVENUE BY SOURCE continued

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Charges for Services continued					
Public Works - Services	\$ 1,005	\$ 7,433	\$ 500	\$ 13,792	\$ 5,000
Mun. Airport Fees/Charges	10,021	10,336	10,000	11,887	12,000
NSF Check Returns	435	348	200	232	200
Total Charges for Services	1,700,272	1,863,979	1,698,597	1,918,379	1,820,002
Fines & Forfeitures					
Fines and Forfeitures	1,675	40,067	3,000	5,534	3,000
Total Fines & Forfeitures	1,675	40,067	3,000	5,534	3,000
Net Investment Income					
Interest on Investments	24,762	52,429	20,000	116,930	50,000
Net Realized and Unrealized Gain / Loss on Investments	(5,036)	3,318	-	27,527	-
Total Net Investment Income	19,726	55,747	20,000	144,457	50,000
Rents & Royalties					
Rentals From Others	127,238	121,409	81,900	198,755	120,000
Total Rents & Royalties	127,238	121,409	81,900	198,755	120,000
Donations					
Police Donations	-	3,300	-	-	-
Total Donations	-	3,300	-	-	-
Miscellaneous Revenues					
Restitution - Police Dept	-	-	1,000	-	1,000
Sales of Fixed Assets	-	9,069	2,500	-	2,500
Other Revenues	7,434	7,632	1,000	21,227	1,000
Discounts Received	169,140	384,674	-	-	-
Total Miscellaneous Revenues	176,574	401,375	4,500	21,227	4,500
Interfund Charges					
Cargo Terminal Services	104,561	111,574	110,161	110,161	140,008
Boat Harbor Services	240,662	240,597	268,911	268,911	259,588
Boat Yard	74,032	69,151	53,502	53,502	58,384
Electric	46,990	46,760	59,771	59,771	42,260
Water Services	380,064	340,092	352,656	352,656	311,721
Sewer Services	404,099	349,830	393,954	393,954	368,521
Trident Basin - Sea Planes	7,451	7,495	8,479	8,479	7,476
Tourism Development Service	45,150	45,150	45,150	45,150	48,100
Public Works Services	59,376	62,793	52,992	52,992	49,320
Vehicle Replacement Fund	217,288	265,948	262,086	262,080	330,536
Total Interfund Charges	1,579,673	1,539,390	1,607,662	1,607,656	1,615,914
Appropriation (To) From Fund Balance	-	-	276,613	-	(321,450)
Other Finance Sources					
Proceeds from bond refunding	6,368,811	-	-	-	-
Premium on bond refunding	389,398	-	-	-	-
Transfers In	-	17,521	-	78,911	-
Total Other Financing Sources	6,758,209	17,521	-	78,911	-
Total Revenue	\$ 23,710,337	\$ 18,724,951	\$ 22,113,685	\$ 19,890,951	\$ 20,519,766



General Fund – Fiscal Year 2020 Budgeted Expenditures by Function

The graph below depicts Fiscal Year 2020 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 of this document.

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.

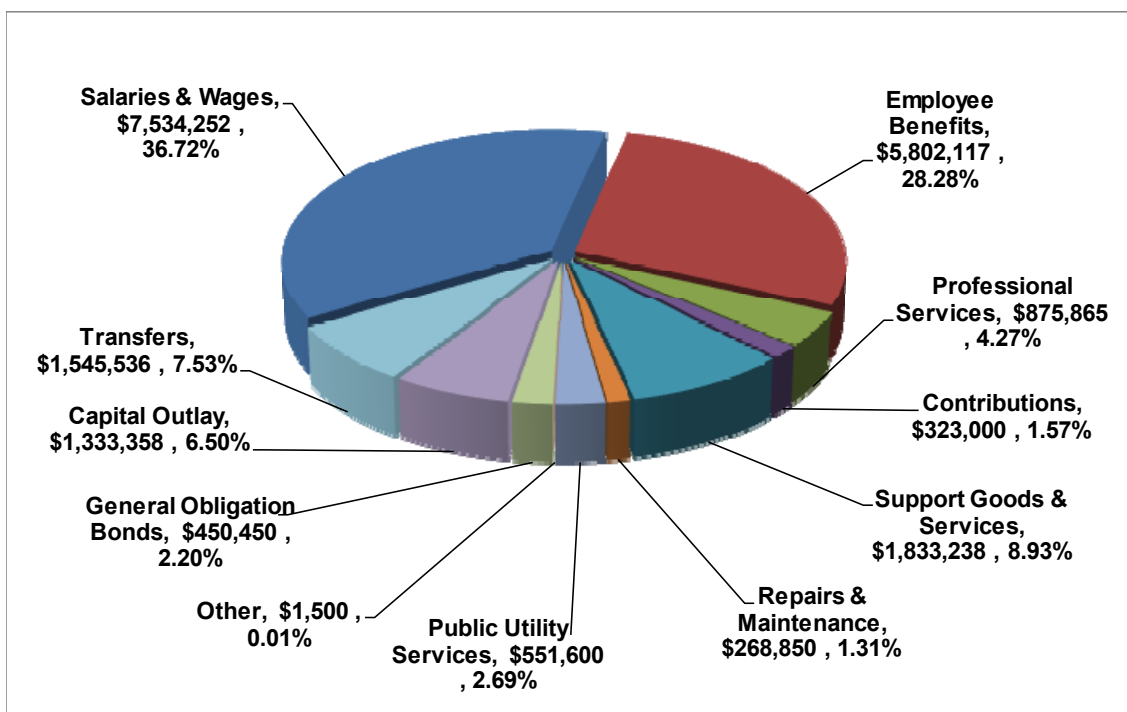
Contributions – Contributions consist of nonprofit grants awarded by the City. Expenditures for contributions include these nonprofit grant awards.

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 2020:





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. See the Debt Service section for further information related to the City's bonds.

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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – EXPENDITURES BY FUNCTION

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
General Government					
Salaries and wages	\$ 993,656	\$ 1,050,249	\$ 1,239,998	\$ 982,935	\$ 1,289,659
Employee benefits	601,238	644,692	1,012,047	613,542	858,087
Professional services	432,274	308,713	425,000	345,438	285,500
Contributions	30,657	21,368	53,900	26,660	53,300
Support goods and services	606,284	510,874	593,564	496,489	622,231
Repairs and maintenance	3,103	6,045	2,100	22,628	22,100
Public utility services	7,671	7,453	10,000	6,338	10,000
Other	1,563	1,261	1,000	-	1,000
Capital Outlay	12,597	11,559	25,385	24,816	10,535
Total General Government	2,689,043	2,562,214	3,362,994	2,518,846	3,152,412
Public Safety					
Salaries and wages	3,740,807	3,938,507	4,097,824	3,660,554	4,284,008
Employee benefits	2,659,110	2,839,919	4,149,860	2,613,808	3,487,053
Professional services	444,523	625,807	441,965	509,159	467,865
Support goods and services	578,738	556,606	695,457	542,970	746,619
Repairs and maintenance	44,108	64,069	118,350	134,072	94,300
Public utility services	164,351	162,127	180,000	176,478	186,000
Other	100	35	500	7	500
Capital Outlay	516,322	522,986	754,850	697,365	1,010,438
Bond Refunding	6,760,884	-	-	-	-
Bond principal	205,000	215,000	205,000	205,000	215,000
Bond interest	316,548	256,400	243,850	243,850	235,450
Total Public Safety	15,430,491	9,181,456	10,887,656	8,783,263	10,727,233
Public Works					
Salaries and wages	504,973	590,263	684,566	569,072	720,329
Employee benefits	432,776	506,146	768,523	550,119	635,077
Professional services	13,608	14,706	9,000	10,803	17,000
Support goods and services	144,664	243,794	252,738	224,674	253,328
Repairs and maintenance	115,760	120,193	104,350	127,098	88,850
Public utility services	184,914	177,020	190,600	184,758	180,600
Capital Outlay	240,023	130,935	122,414	131,045	240,776
Total Public Works	1,636,718	1,783,057	2,132,191	1,797,569	2,135,960
Engineering					
Salaries and wages	131,776	126,709	185,515	167,016	196,567
Employee benefits	103,785	103,430	175,110	131,434	149,901
Professional services	9,270	500	5,000	-	5,000
Support goods and services	8,758	7,420	9,500	6,411	9,500
Repairs and maintenance	2,595	2,164	2,100	1,790	2,100
Capital Outlay	-	-	-	-	3,000
Allocated Expenses	(43,072)	(32,450)	(80,000)	(90,072)	(80,000)
Total Engineering	\$ 213,112	\$ 207,773	\$ 297,225	\$ 216,579	\$ 286,068



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – EXPENDITURES BY FUNCTION continued

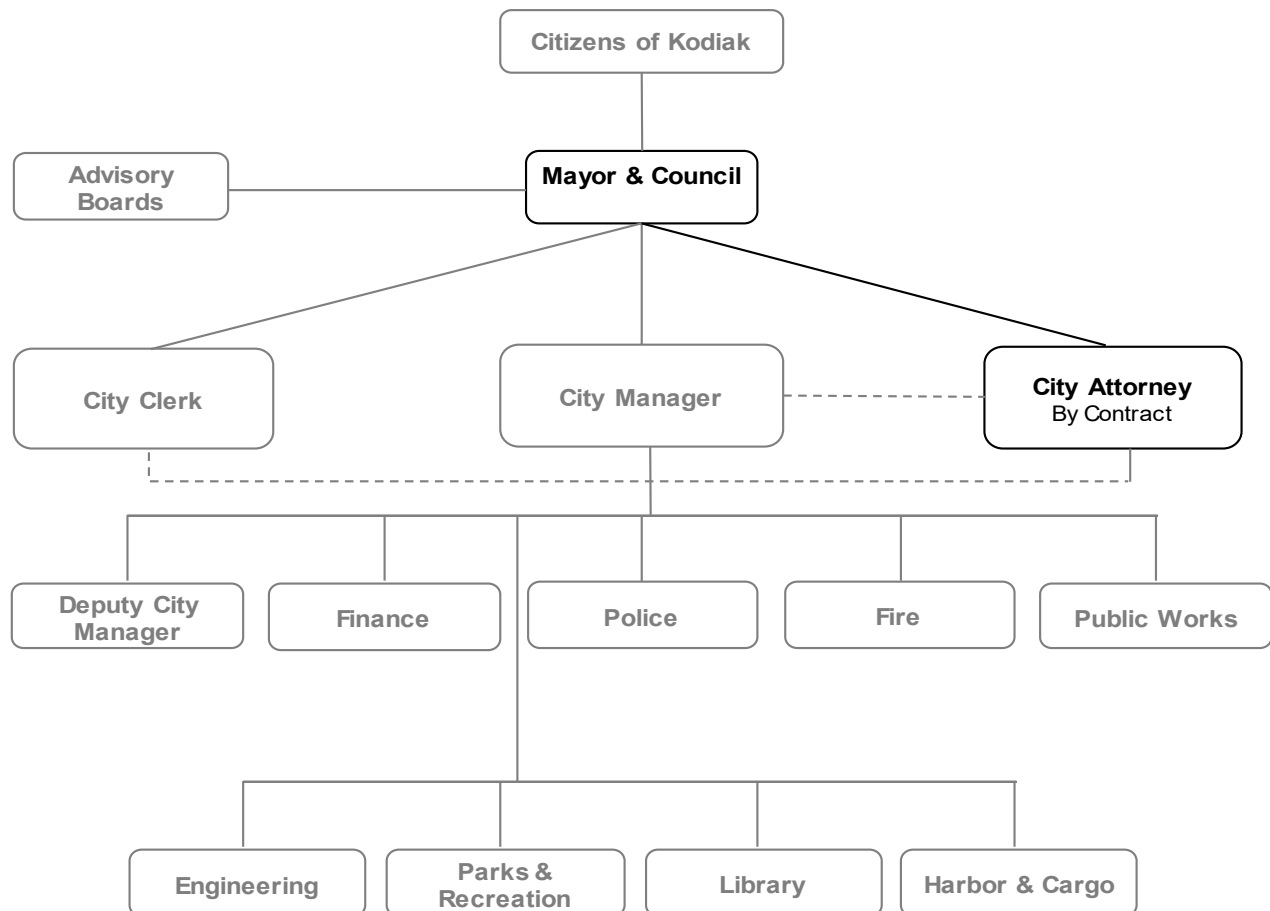
	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Public Recreation					
Salaries and wages	\$ 602,772	\$ 637,464	\$ 646,395	\$ 642,811	\$ 736,052
Employee benefits	301,815	315,254	513,000	305,967	364,143
Professional services	43,308	39,690	40,680	47,606	45,680
Contributions	94,700	94,700	94,700	94,700	94,700
Support goods and services	97,422	101,174	105,650	99,103	107,000
Repairs and maintenance	25,916	29,422	26,500	48,143	41,500
Public utility services	92,588	87,262	103,000	104,519	105,000
Other	50	-	-	-	-
Capital Outlay	109,892	25,284	49,635	46,229	55,909
Total Public Recreation	1,368,463	1,330,250	1,579,560	1,389,078	1,549,984
Library					
Salaries and wages	367,464	374,319	426,252	335,987	387,637
Employee benefits	163,062	169,826	332,630	214,842	307,856
Professional services	51,386	47,060	35,320	32,394	41,820
Support goods and services	57,300	39,485	45,410	36,790	50,160
Repairs and maintenance	15,926	16,918	15,000	21,112	20,000
Public utility services	44,985	45,847	45,000	55,720	45,000
Books and materials	53,773	50,236	32,250	37,067	43,400
Capital Outlay	1,366	3,118	1,450	1,173	12,700
Total Library	755,262	746,809	933,312	735,085	908,573
Community Services					
Professional services	7,640	17,985	13,000	11,839	13,000
Contributions	184,500	162,694	175,000	175,000	175,000
Support goods and services	511	237	1,000	-	1,000
Public utility services	30,715	13,979	25,000	13,516	25,000
Total Community Services	223,366	194,895	214,000	200,355	214,000
Other Financing Uses					
Transfers Out	1,258,298	2,082,488	2,706,747	2,706,741	1,545,536
Total Other Financing Uses	1,258,298	2,082,488	2,706,747	2,706,741	1,545,536
Total Expenditures	\$ 23,574,753	\$ 18,088,942	\$ 22,113,685	\$ 18,347,516	\$ 20,519,766



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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 2020 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 2020 reduced the total department by 17.02%. These reductions include a 53.83% reduction for salaries & wages and related benefits due to council turnovers; 29.35% decrease in professional services due to a change in lobbyist contracts; and a 1.99% decrease in 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 and Consolidation committees with the Kodiak Island Borough, Downtown Revitalization committee, and various constituent groups regarding continued budget discussions and City long-range plans.

For fiscal year 2019, this department's actual expenses were 36.91% less than the budgeted amount due to decreased travel and training by the City Council and Mayor and changes in lobbyist contracts.

Planned Accomplishments for Fiscal Year 2020

- 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, the Alaska Marine Highway System and statewide issues
- To review Citywide policies regarding nonprofit funding



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – LEGISLATIVE / LEGAL-CITY COUNCIL

FUND: General
 FUNCTION: General Government

DEPARTMENT: Legislative
 COST CENTER: Legislative

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 38,825	\$ 39,225	\$ 42,900	\$ 38,825	\$ 42,900
Employee Benefits	4,589	4,420	7,431	3,155	3,431
Professional Services	107,980	110,151	109,000	62,852	77,000
Contributions	9,306	3,768	8,300	6,060	8,300
Support Goods & Services	79,144	60,944	90,580	53,063	88,780
Capital Outlay	-	-	1,658	-	1,658
Total Expenditures	\$ 239,844	\$ 218,508	\$ 259,869	\$ 163,955	\$ 222,069

Elected Officials

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Mayor	1	1	1	1
Council Members	6	6	6	6
Total	7	7	7	7

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Council Meetings	25	25	19	24
Work Sessions	26	26	20	26
Other Council Meetings	*	*	6	10
Ordinances Effected	14	14	8	12
Resolutions Adopted	40	40	13	35

* Other Council Meetings include Joint Work Sessions, Special Meetings, Lobbyist Hiring Meetings, etc.
 This is a new performance indicator starting in FY 2019.



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 contracts all legal services with Boyd, Chandler, Falconer & Munson LLP. The City has been successful in closing pending litigation. Due to the change in legal firms and fewer legal issues, the legal budget has remained consistent with fiscal year 2019.

Accomplishments: The City successfully defended various lawsuits throughout fiscal year 2019.

Planned Accomplishments for Fiscal Year 2020

- 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 interests are protected within its regional environment.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – LEGISLATIVE / LEGAL-LEGAL SERVICE

FUND: General
FUNCTION: General Government

DEPARTMENT: Legislative
COST CENTER: Legal

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Professional Services	<u>\$ 219,778</u>	<u>\$ 80,839</u>	<u>\$ 75,000</u>	<u>\$ 75,899</u>	<u>\$ 75,000</u>
Total Expenditures	<u><u>\$ 219,778</u></u>	<u><u>\$ 80,839</u></u>	<u><u>\$ 75,000</u></u>	<u><u>\$ 75,899</u></u>	<u><u>\$ 75,000</u></u>

Personnel

Number of Employees

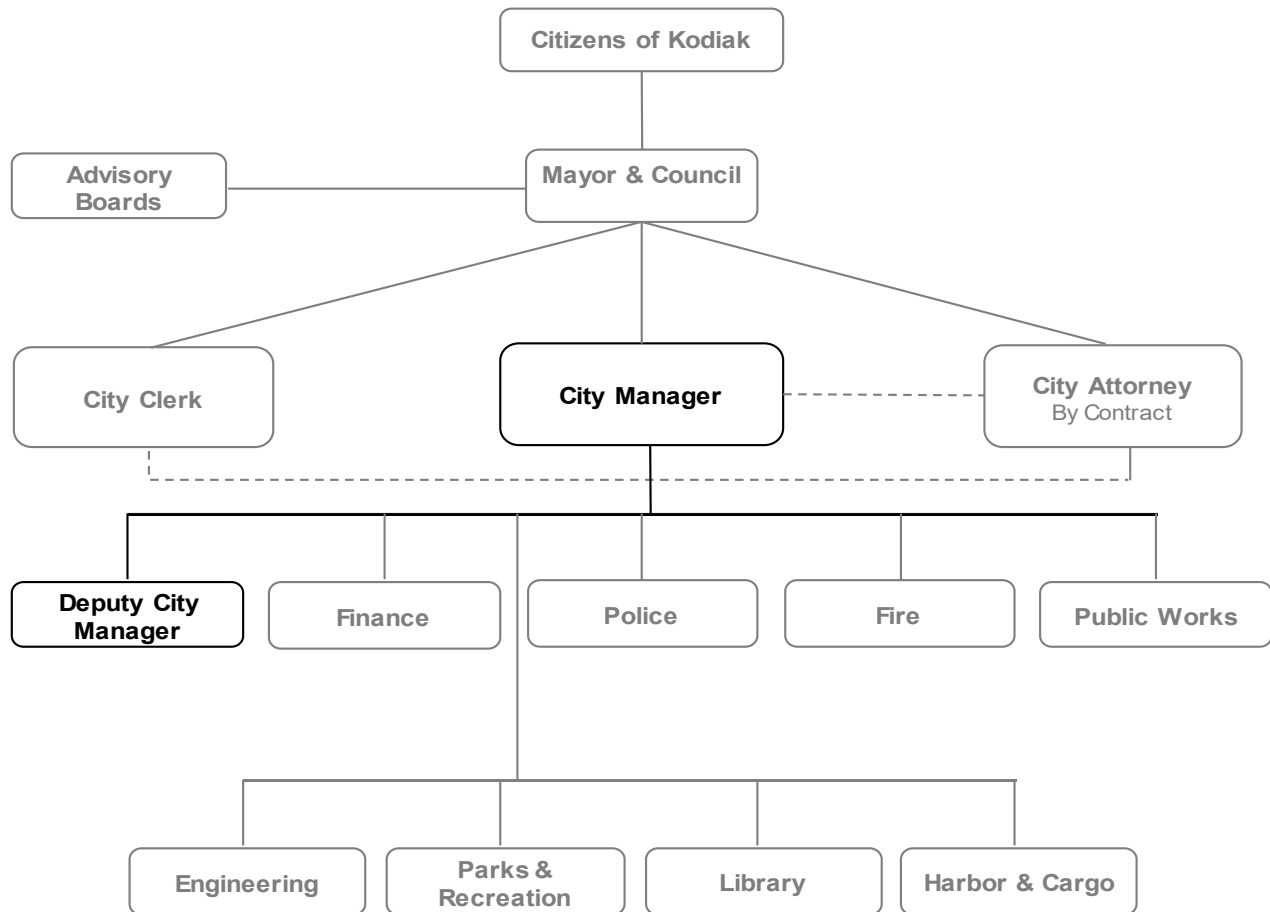
	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Authorized Personnel	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



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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 oversight of city laws and the administration of the City of Kodiak. The City Manager is also 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, and Kodiak Fisheries Advisory Committee.

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 2020 budget overall by 1.78%. This decrease includes a combined decrease of 2.10% for salaries & wages and related employee benefits; 50% decrease in professional services; 100% decrease in contributions; combined with an increase of 15.45% increase in support goods and services due to increased travel for the new Deputy City Manager.

Accomplishments: For fiscal year 2019, the executive administration department actual expenses were 33.81% less than budgeted. This was due to the vacant Deputy City Manager position and decreased training and travel.

The City Manager used less fund balance in the General Fund than anticipated for FY 2019; 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 continued implementation of the 5-year capital improvement plan.

Planned Accomplishments for Fiscal Year 2020

- 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 assist the Mayor in the Downtown Revitalization plan
- To participate in implementation of the Alaska Remote Sellers Sales Tax Commission



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – EXECUTIVE-ADMINISTRATION

FUND: General
 FUNCTION: General Government

DEPARTMENT: Executive
 COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 369,012	\$ 355,370	\$ 419,878	\$ 316,314	\$ 469,572
Employee Benefits	207,123	244,865	367,950	208,983	301,743
Professional Services	47	540	5,000	749	2,500
Contributions	600	600	600	600	-
Support Goods & Services	33,140	21,398	33,000	19,086	38,100
Repairs & Maintenance	2,400	10	100	-	100
Capital Outlay	8,821	4,539	4,027	4,027	4,027
Total Expenditures	<u>\$ 621,143</u>	<u>\$ 627,322</u>	<u>\$ 830,555</u>	<u>\$ 549,759</u>	<u>\$ 816,042</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
City Manager	1	1	1	1
Deputy City Manager	1	1	1	1
Human Resources Manager	0	1	1	1
Administrative Assistant	1	1	1	1
Total	3	4	4	4

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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	29	23	24	20
Number of Staff Turn Over	55	26	29	20
Number of FTEs	129.15	129.15	133.15	133.2
Number of Community Outreach Meetings	45	45	24	40



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 2020 budget increased 16.48% as compared to FY 2019. This increase was related to an increase in repairs and maintenance for existing tsunami sirens.

Accomplishments: For fiscal year 2019, this department's actual expenses were 37.74% 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 to the Emergency Operations Plan covering the State Health Department Point of Dispensing Plan.

Planned Accomplishments for Fiscal Year 2020

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – EXECUTIVE-EMERGENCY PREPAREDNESS

FUND: General
 FUNCTION: General Government

DEPARTMENT: Executive
 COST CENTER: Emergency Preparedness

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Professional Services	\$ 6,223	\$ -	\$ 15,000	\$ -	\$ 15,000
Support Goods & Services	16,934	21,294	23,000	240	10,500
Repairs and Maintenance	-	2,092	-	22,628	20,000
Capital Outlay	-	2,970	-	792	-
Total Expenditures	\$ 23,157	\$ 26,356	\$ 38,000	\$ 23,660	\$ 45,500

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
ESO/LEPC Meetings *	4	4	4	4
ESC Meetings **	2	2	2	4
EOP Revisions/Updates ***	1	1	1	0
Training Programs	10	10	3	12
Exercise Programs	2	2	3	2
Emergency Events	1	1	3	1
Tsunami Siren Tests	52	52	52	52
Incident Management Team/Working Group	4	4	3	6

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

** ESC Emergency Services Council

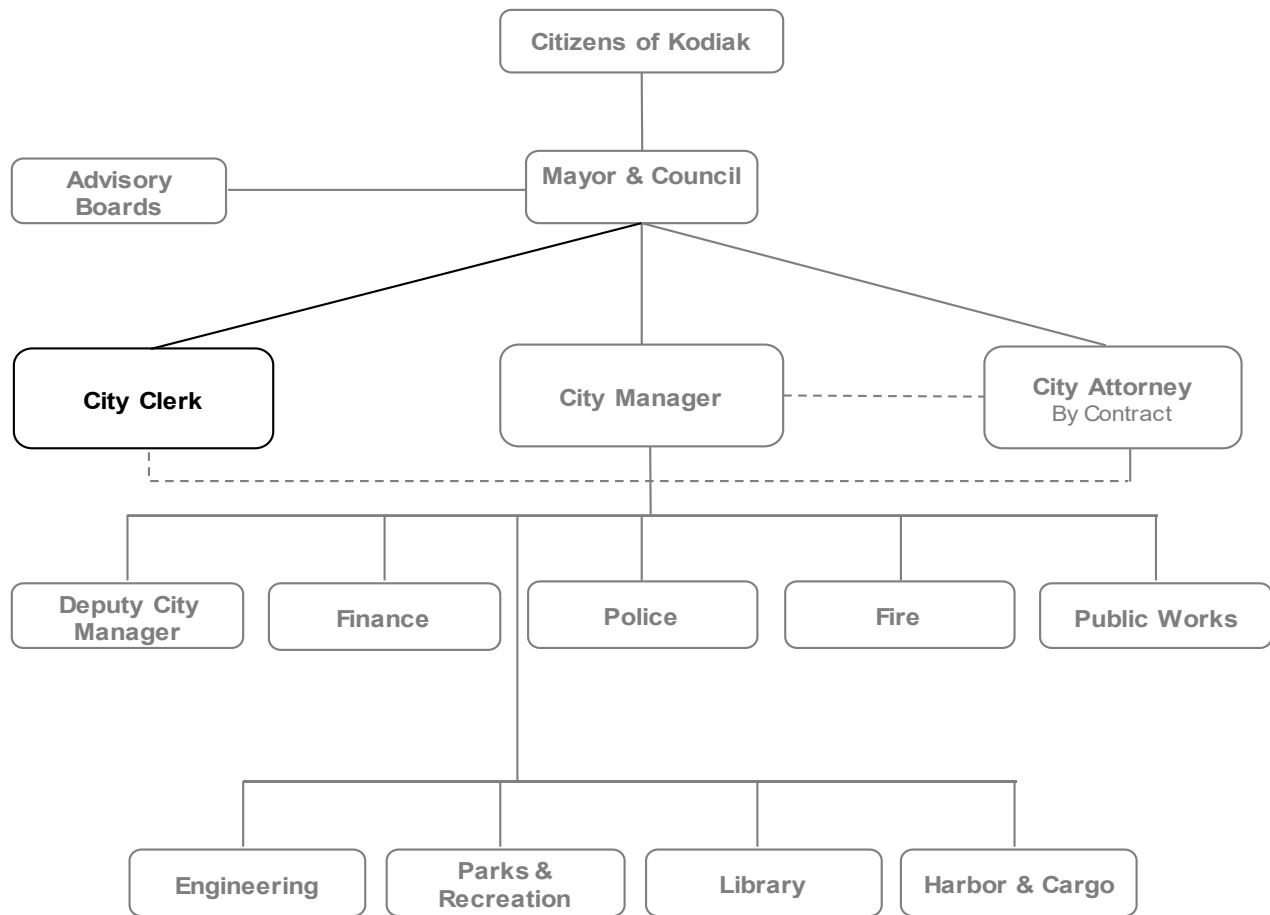
*** EOP Emergency Operations Planning



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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 2020 budget reflects a 3.48% decrease as compared to FY 2019. This overall decrease is primarily related to a change in personnel.

Accomplishments: For fiscal year 2019, this department's actual expenses were 6.04% less than the budgeted amount due to a change in personnel and less spending than anticipated in support goods and services.

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

Planned Accomplishments for Fiscal Year 2020

- 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 update the City Code as needed



GENERAL FUND – CITY CLERK-ADMINISTRATION

FUND: General
FUNCTION: General Government

DEPARTMENT: City Clerk
COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 153,865	\$ 170,986	\$ 189,281	\$ 199,528	\$ 194,307
Employee Benefits	105,003	103,219	144,820	109,181	128,452
Professional Services	2,483	1,003	3,000	3,083	3,000
Support Goods & Services	35,100	30,869	36,800	29,615	37,050
Repairs & Maintenance	-	-	500	-	500
Capital Outlay	2,177	1,281	4,700	14,815	3,050
Total Expenditures	\$ 298,628	\$ 307,358	\$ 379,101	\$ 356,222	\$ 366,359

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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 2020 budget reflects a 4.95% decrease as compared to FY 2019. This overall decrease is primarily related to a change in personnel.

Accomplishments: For fiscal year 2019, this department's actual expenses were 15.00% less than the budgeted amount due to personnel changes.

Planned Accomplishments for Fiscal Year 2020

- 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 maintain a vital records program
- To maintain off-island data backup and recovery services contract
- To implement 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 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 80,321	\$ 92,326	\$ 102,194	\$ 99,728	\$ 105,237
Employee Benefits	58,040	54,309	82,183	60,067	70,001
Professional Services	640	-	4,000	2,745	4,000
Support Goods & Services	3,096	2,655	5,500	2,265	5,500
Total Expenditures	<u>\$ 142,097</u>	<u>\$ 149,290</u>	<u>\$ 193,877</u>	<u>\$ 164,805</u>	<u>\$ 184,738</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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

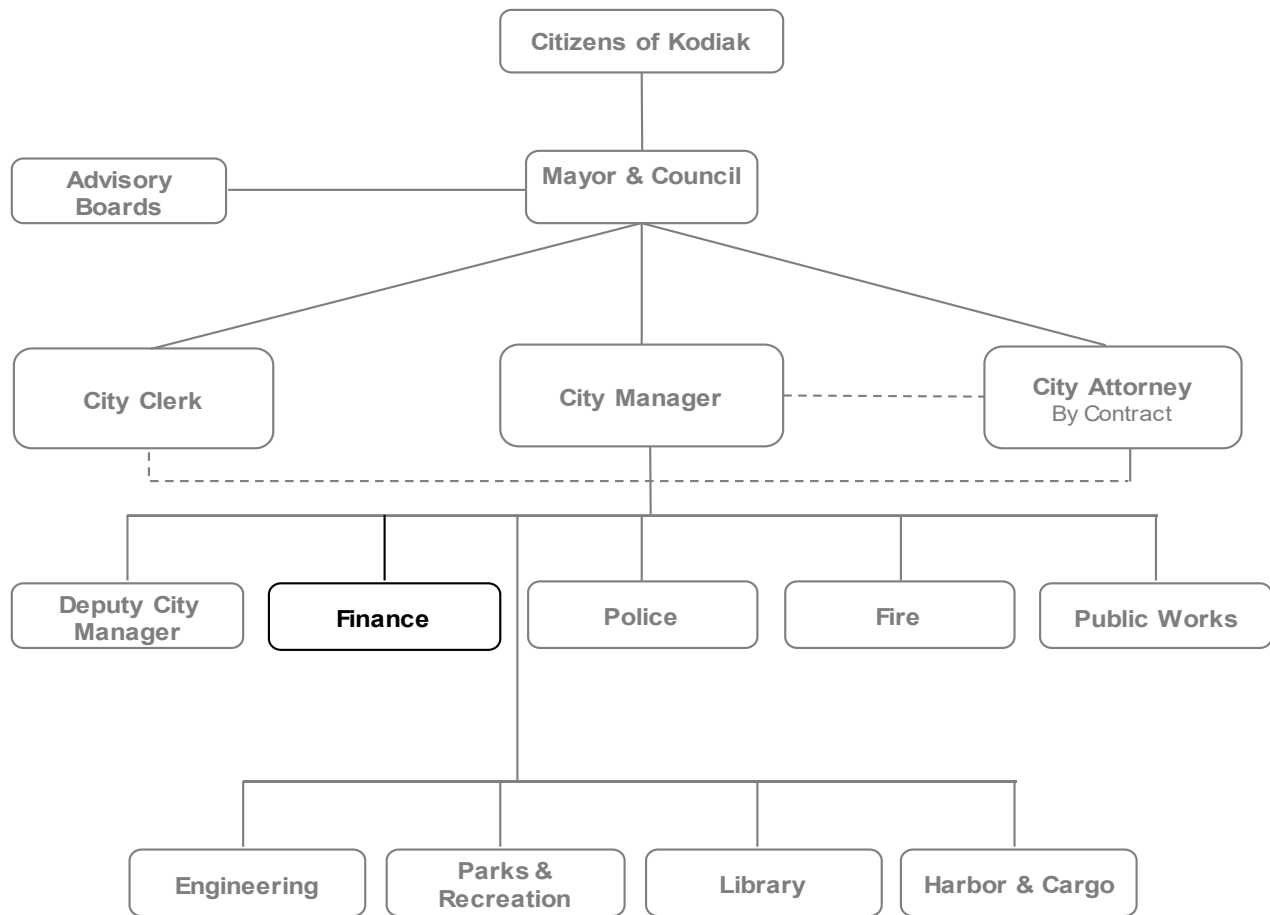
	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Monitor records retention schedule	100%	100%	100%	100%
Provide staff awareness/training to records records coordinators	100%	100%	100%	100%
Meeting of City-wide records management committee bi-annually	100%	100%	100%	100%
Destroy 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%	100%	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: The FY 2020 budget decreased 16.87% as compared to FY 2019. These decreases were primarily related to lower professional services due to staffing changes.

Accomplishments: For fiscal year 2019, this department's actual expenses were 31.07% less than the budgeted amount due to staffing vacancies throughout the fiscal year and reduced professional services.

The finance department completed the annual audit without management comments. The finance department received a Certificate of Achievement for Excellence in Financial Reporting for the City's fiscal year 2018 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 2020

- To appropriately account for all revenues and expenditures generated during City operations.
- To complete timely and accurate processing of financial transactions.
- To complete the 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 limiting 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 continue implementation of the City's Long-Term Capital Plan



GENERAL FUND – FINANCE-ADMINISTRATION

FUND: General
 FUNCTION: General Government

DEPARTMENT: Finance
 COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 337,975	\$ 381,335	\$ 470,217	\$ 314,813	\$ 460,896
Employee Benefits	216,401	223,943	386,054	214,211	333,839
Professional Services	82,239	98,202	190,000	187,743	85,000
Support Goods & Services	20,854	21,841	27,500	29,198	50,000
Repairs & Maintenance	-	-	500	-	500
Capital Outlay	1,029	2,769	15,000	4,869	1,800
Total Expenditures	<u>\$ 658,498</u>	<u>\$ 728,090</u>	<u>\$ 1,089,271</u>	<u>\$ 750,834</u>	<u>\$ 932,035</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Finance Director	1	1	1	1
Senior Fiscal Analyst	1	1	1	2
Fiscal Analyst	1	1	1	1
Fiscal Specialist	2	2	2	2
Total	5	5	5	6

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Council financial updates presented within a timely manner	95%	95%	95%	100%
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 GL reconciliations within 30 days of month end	100%	100%	100%	100%



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 2020 budget was reduced by 2.51% as compared to FY 2019. These decreases were primarily in salaries and wages due to staffing turnover.

Accomplishments: For fiscal year 2019, this department's actual expenses were 24.32% less than the budgeted amount due to changes in personnel, 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 2020

- 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 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 13,658	\$ 11,007	\$ 15,528	\$ 13,727	\$ 16,747
Employee Benefits	10,082	13,936	23,609	17,945	20,621
Support Goods & Services	20,545	25,892	32,500	22,607	32,500
Repairs & Maintenance	-	-	500	-	500
Capital Outlay	-	-	-	313	-
Total Expenditures	\$ 44,285	\$ 50,835	\$ 72,137	\$ 54,592	\$ 70,368

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Fiscal Specialist	0.3	0.3	0.3	0.3
Total	0.3	0.3	0.3	0.3

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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	1,780	1,716	1,750
Percentage of accounts billed accurately	99%	100%	100%	100%
Number of Bank Draft accounts	760	773	811	825



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 2020 budget increased 15.39% due to the increase in personnel for one additional IT technician. Capital outlays will fluctuate year over year based on specific IT equipment needs.

Accomplishments: For fiscal year 2019, this department's actual expenses were 2.41% higher than the budgeted amount due to increased professional services for annual support and maintenance agreement of citywide internet and software.

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 2020

- 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 quarterly meetings with all department directors to ensure adequate flow of information



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – FINANCE-INFORMATION SYSTEMS

FUND: General
 FUNCTION: Public Safety

DEPARTMENT: Finance
 COST CENTER: Information Systems

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 144,187	\$ 154,140	\$ 173,275	\$ 161,956	\$ 228,889
Employee Benefits	110,003	116,159	125,005	123,813	202,111
Professional Services	173,018	192,155	180,000	247,139	210,000
Support Goods & Services	77,534	74,560	76,500	73,345	76,500
Repairs & Maintenance	3,196	3,292	22,500	13,291	7,500
Capital Outlay	16,519	117,967	155,000	130,332	140,500
Total Expenditures	<u>\$ 524,457</u>	<u>\$ 658,273</u>	<u>\$ 732,280</u>	<u>\$ 749,876</u>	<u>\$ 865,500</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Information Systems Administrator	1.95	1.95	1.95	2.95
Total	1.95	1.95	1.95	2.95

Performance Indicators

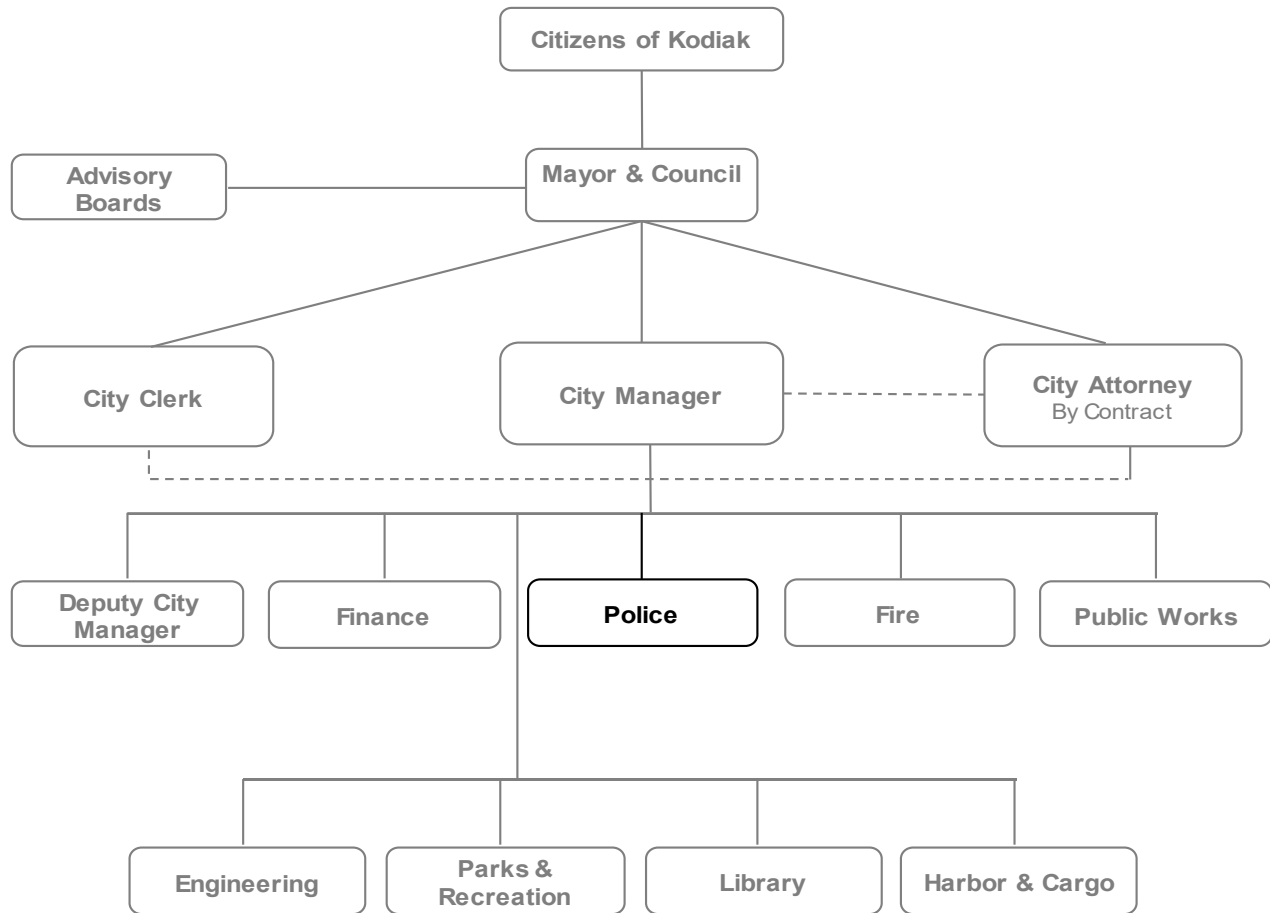
	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Network Users Supported	148	156	156	156
Network Workstations	149	151	164	164
Network Printers	38	38	46	46
Network Servers - Physical	23	23	25	25
Network Servers - Virtual	69	73	81	81
Network Devices (other)	55	58	66	66
Internet connections maintained				
95% of the time	98%	98%	98%	99%
Web site updated with current information	99%	99%	99%	99%
911 System Online Greater Than 99%	99%	99%	99%	99%
80% of priority 1 calls resolved within 24 hrs	98%	98%	98%	99%



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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 2020 budget increased by 2.59% due to increases salaries and wages and related benefits in conjunction with staffing turnover.

Accomplishments: For fiscal year 2019, this department's actual expenses were 9.71% less than the budgeted amount due to staffing vacancies, reduced public utilities, and fewer capital outlays than anticipated.

Planned Accomplishments for Fiscal Year 2020

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – POLICE-ADMINISTRATION

FUND: General
 FUNCTION: Public Safety

DEPARTMENT: Police
 COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 333,892	\$ 356,937	\$ 374,035	\$ 339,664	\$ 389,076
Employee Benefits	238,182	253,443	352,818	258,648	303,571
Professional Services	97,229	70,764	68,400	56,647	61,300
Support Goods & Services	30,366	37,897	31,166	25,393	38,035
Repairs & Maintenance	8,570	30,792	45,700	63,948	46,650
Public Utility Services	79,480	77,060	85,000	82,242	85,000
Capital Outlay	25,308	49,148	9,340	2,502	82,920
Bond Refunding	6,760,884	-	-	-	-
Bond principal	205,000	215,000	205,000	205,000	215,000
Bond Interest	316,548	256,400	243,850	243,850	235,450
Total Expenditures	<u>\$ 8,095,459</u>	<u>\$ 1,347,441</u>	<u>\$ 1,415,309</u>	<u>\$ 1,277,894</u>	<u>\$ 1,457,002</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Chief of Police	1	1	1	1
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 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
UCR Part 1 Crimes Reported	295	504	475	475
UCR Part 2 Crimes Reported	1,081	223*	188*	190

* Arrests only



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 2020 budget decreased 9.02%. These decreases are primarily related to fewer capital outlays requested in fiscal year 2020 and reduced costs of employee benefits.

Accomplishments: For fiscal year 2019, this department's actual expenses were 16.13% less than the budgeted amount due to staffing vacancies.

Planned Accomplishments for Fiscal Year 2020

- 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 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 697,652	\$ 696,720	\$ 790,218	\$ 776,583	\$ 825,107
Employee Benefits	532,091	598,178	918,431	573,987	780,096
Professional Services	791	374	950	15,169	950
Support Goods & Services	49,336	62,139	70,500	83,336	116,980
Repairs & Maintenance	90	590	100	4,461	100
Administrative Services	100	35	500	7	500
Capital Outlay	114,081	30,514	227,815	231,017	118,635
Total Expenditures	\$ 1,394,141	\$ 1,388,550	\$ 2,008,514	\$ 1,684,560	\$ 1,842,368

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Sergeants/Detectives	3	3	3	3
Police Officers/Detectives	8	8	8	8
Total	11	11	11	11

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Calls for Service	12,953	11,952	10,419	11,775
Cases Investigated	726	694	829	750
Cases Forwarded to Prosecution	330	320	407	360
Impaired Driving Arrests made	39	38	41	40
Motor Vehicle Collision Reports	149	161	129	150
Alcohol Retail Sales Compliance Checks	2,389	1,179	562	750

* 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. During fiscal year 2019, certain provisions of SB 91 were repealed.



GENERAL FUND – POLICE-UNIFORM PATROL - SUBSTATION

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.

The KPD Substation was opened during fiscal year 2019 and located in downtown Kodiak. This substation is a subdivision of Uniform Patrol.

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 2020 budget remained comparable. As this subdivision develops, the budget will be adjusted accordingly based on future needs.

Accomplishments: For fiscal year 2019, this department's actual expenses were 122.26% greater than the budgeted amount due to first time opening costs of repairs and maintenance and capital outlays.

Planned Accomplishments for Fiscal Year 2020

- 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.
- To maintain adequate personnel to fully staff the substation.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – POLICE-UNIFORM PATROL-SUBSTATION

FUND: General
 FUNCTION: Public Safety

DEPARTMENT: Police
 COST CENTER: Substation

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Professional Services	\$ -	\$ -	\$ 6,000	\$ 1,650	\$ 6,000
Support Goods & Services	-	-	-	213	500
Repairs & Maintenance	-	-	7,500	18,322	1,000
Public Utility Services	-	-	-	3,631	6,000
Capital Outlay	-	-	-	6,189	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,500</u>	<u>\$ 30,005</u>	<u>\$ 13,500</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Sergeants/Detectives	0	0	0	0
Police Officers/Detectives	0	0	0	0
Total	0	0	0	0

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
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*The substation is a subdivision of Uniform Patrol. See Uniform Patrol for further performance indicators.



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 2020 budget decreased 12.99%. These decreases are primarily related to employee benefit costs and support goods and services.

Accomplishments: For fiscal year 2019, this department's actual expenses were 25.50% less than the budgeted amount due to staffing turnover and decreases support goods and services.

Planned Accomplishments for Fiscal Year 2020

- 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, Kodiak Area Mentor Program, 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
- To maintain the Pretrial Electronic Monitoring Program for Kodiak and other Alaska communities



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – POLICE-CORRECTIONS

FUND: General
 FUNCTION: Public Safety

DEPARTMENT: Police
 COST CENTER: Corrections

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 602,829	\$ 620,918	\$ 654,679	\$ 605,488	\$ 648,327
Employee Benefits	456,420	466,958	696,610	415,171	505,695
Professional Services	131	12,330	500	5,907	2,050
Support Goods & Services	147,147	88,456	160,932	82,964	143,044
Repairs & Maintenance	2,249	651	4,000	2,758	4,500
Public Utility Services	55,395	55,686	65,000	58,523	65,000
Capital Outlay	5,464	18,013	15,984	19,501	45,464
Total Expenditures	<u>\$ 1,269,635</u>	<u>\$ 1,263,012</u>	<u>\$ 1,597,705</u>	<u>\$ 1,190,312</u>	<u>\$ 1,414,080</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Corrections Sergeant	1	1	1	1
Corrections Corporal	1	1	1	1
Corrections Officers	8	8	8	8
Total	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Jail Bookings (Criminal)	787	602	461	625
Man Days Served	6,483	3,889.50	3,814	4,000
Sentenced Electronic Monitoring*	N/A	29	19	25
Pretrial Monitoring*	N/A	178	397	290
Protective Custody Detention	76	71	39	65
Prisoners Transported / Court	423	421	397	415
Prisoners Transported Trips / Court	689	334	289	440
Prisoners Transported / Medical	15	13	4	12
Summons / Subpoenas Served	152	152	226	180
Visits / Family	1,970	1,325	541	1,230
Visits / Support Groups	687	309	238	425

* New Performance Indicator for FY 2018



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 2020 budget decreased 2.85%. These decreases are primarily in salaries and wages and related benefits due to staffing turnover and offset by increases in support goods and services related to staff training and related travel.

Accomplishments: For fiscal year 2019, this department's actual expenses were 5.90% less than the budgeted amount due to staffing vacancies throughout the year and decreased support goods and services related to training and related travel due to staffing turnover.

Planned Accomplishments for Fiscal Year 2020

- 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 High Intensity Drug Trafficking Area.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – POLICE-INVESTIGATIONS

FUND: General
 FUNCTION: Public Safety

DEPARTMENT: Police
 COST CENTER: Investigations

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 104,488	\$ 158,279	\$ 168,927	\$ 184,629	\$ 179,404
Employee Benefits	80,286	115,669	157,082	130,170	135,944
Professional Services	3,581	-	2,000	2,760	2,000
Support Goods & Services	13,697	17,947	12,885	3,710	18,965
Repairs & Maintenance	-	50	100	-	100
Capital Outlay	-	1,380	5,000	4,295	-
Total Expenditures	\$ 202,052	\$ 293,325	\$ 345,994	\$ 325,564	\$ 336,413

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Sergeant/Detective	1	1	1	1
Police Officer/Detective	1	1	1	1
Total	2	2	2	2

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Investigations Conducted	190	92	58	100
Adult Sexual Assault Investigations	18	10	15	15
Death Investigations	5	3	13	9
Agency Assist	67	194	201	155
Fraud & Theft type crimes	17	47	6	25
Patrol Assists	57	247	237	185
Child Sexual Assaults	11	11	25	18
Drug Enforcement Unit Assist	21	49	34	35
Child Pornography Crimes	1	2	3	2
Computer Forensic Exams	1	1	2	2
Defendants Charged	36	45	19	35
CVSA (Truth Verification) Exams	0	5	6	5
Search Warrants Served	63	77	73	70
Cellular Telephone Exams	53	55	11	40



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 2020 budget decreased 2.31%. These decreases are primarily related to decreased costs in employee benefits.

Accomplishments: For fiscal year 2019, this department's actual expenses were 61.84% less than the budgeted amount. These decreases are primarily related to an increased allocation for emergency 911 services to the E911 enterprise fund.

Planned Accomplishments for Fiscal Year 2020

- To review and evaluate operational procedures to ensure accuracy, efficiency, and competency.
- To maintain integration of the E-911 system and the Records Management System into daily operations.
- To implement the new call handling software.
- To collaborate with the state of Alaska to transition from Uniform Crime Reporting program to the Incident Based Reporting system as required by federal mandates.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – POLICE-POLICE DISPATCH / EVIDENCE

FUND: General
 FUNCTION: Public Safety

DEPARTMENT: Police
 COST CENTER: Police Dispatch / Evidence

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 582,588	\$ 607,531	\$ 531,943	\$ 191,754	\$ 551,107
Employee Benefits	363,691	377,359	457,886	142,098	407,908
Professional Services	3,600	3,020	1,500	1,580	2,950
Support Goods & Services	59,596	63,063	75,394	69,421	81,885
Repairs & Maintenance	447	762	1,000	757	1,000
Capital Outlay	1,598	1,981	4,600	3,602	3,300
Total Expenditures	\$ 1,011,520	\$ 1,053,716	\$ 1,072,323	\$ 409,212	\$ 1,048,150

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Communications Sergeant	1	1	1	1
Communications Officers	9	9	9	9
Total	10	10	10	10

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Non-emergency Calls Received	20,305	19,478	19,908	19,950
Emergency Calls Received	6,080	3,827	3,915	4,600
Walk-in Reports (Lobby Visits)	4,037	4,235	4,432	4,235
Service Calls Received/Dispatched	12,953	10,527	11,852	11,800



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 2020 budget increased 7.89%. This increase is primarily related to increases in capital outlays for the animal shelter.

Accomplishments: For fiscal year 2019, this department's actual expenses were 12.44% less than the budgeted amount due to decreased costs of employee benefits and less support goods and services and repairs and maintenance than anticipated.

Planned Accomplishments for Fiscal Year 2020

- 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.
- To implement cross-training efforts between Community Service and Animal Control personnel.



GENERAL FUND – POLICE-ANIMAL CONTROL

FUND: General
 FUNCTION: Public Safety

DEPARTMENT: Police
 COST CENTER: Animal Control

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 32,135	\$ 42,473	\$ 49,297	\$ 39,983	\$ 52,156
Employee Benefits	19,455	29,043	41,748	28,054	34,774
Professional Services	121,707	125,209	125,200	125,025	125,200
Support Goods & Services	100	84	3,500	343	3,500
Repairs & Maintenance	1,773	2,701	3,050	685	3,050
Capital Outlay	5,101	5,101	8,801	8,701	32,751
Total Expenditures	<u>\$ 180,271</u>	<u>\$ 204,611</u>	<u>\$ 231,596</u>	<u>\$ 202,791</u>	<u>\$ 251,431</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Animal Control Officer	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Animal Control Officer				
Calls for Service - Officer Initiated	740	993	819	850
Animals Impounded - Officer	163	157	125	150
Citations Issued	12	20	5	12
Animal Shelter Statistics				
Animals Reclaimed by Owner	125	137	131	130
Animals Adopted	130	154	152	145
Animals Euthanized	18	17	16	17
Animal Licenses Issued	212	178	172	185



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 2020 budget increased 14.24%. These increases are primarily related to increases in salaries and wages and related benefits due staffing turnover.

Accomplishments: For fiscal year 2019, this department's actual expenses were 32.01% 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.

Planned Accomplishments for Fiscal Year 2020

- 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 state and federal partners for the successful operation of the High Intensity Drug Trafficking Area.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – POLICE-DRUG ENFORCEMENT

FUND: General
 FUNCTION: Public Safety

DEPARTMENT: Police
 COST CENTER: Drug Enforcement

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 53,392	\$ 19,570	\$ 44,555	\$ 45,705	\$ 71,579
Employee Benefits	35,393	15,178	79,483	41,390	76,664
Professional Services	3,376	300	4,000	450	4,000
Support Goods & Services	10,102	8,381	13,625	7,766	15,225
Repairs & Maintenance	-	47	350	20	350
Capital Outlay	3,815	3,815	4,362	4,185	2,862
Total Expenditures	\$ 106,078	\$ 47,291	\$ 146,375	\$ 99,516	\$ 170,680

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Police Officers/Detectives	1	1	1	1
Total	1	1	1	1

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Investigations Conducted	86	16	15	20
Cases Referred to Prosecution	38	32	2	10
Persons Arrested	34	32	2	10
Crime Stoppers Reports Received	319	259	180	190
General Investigation Unit Assists	12	99	*	10

* One detective assigned full-time to a regional task force, therefore, GUI Assists are N/A for FY 2019.



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 2020 budget increased by 17.08%. The increase is primarily attributable to increases in capital outlays.

Accomplishments: For fiscal year 2019, this department's actual expenses were 8.44% less than the budgeted amount due to lower costs of employee benefits than anticipated.

Planned Accomplishments for Fiscal Year 2020

- 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.
- To implement cross-training efforts between Community Service and Animal Control personnel.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – POLICE-COMMUNITY SERVICES

FUND: General
 FUNCTION: Public Safety

DEPARTMENT: Police
 COST CENTER: Community Services

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 45,885	\$ 50,198	\$ 56,153	\$ 52,194	\$ 59,453
Employee Benefits	56,759	61,065	80,144	64,392	72,522
Professional Services	-	-	250	-	250
Support Goods & Services	62,017	37,006	70,500	74,109	70,500
Repairs & Maintenance	12,527	11,938	14,000	11,436	10,000
Capital Outlay	5,829	5,829	3,915	3,839	58,565
Total Expenditures	\$ 183,017	\$ 166,036	\$ 224,962	\$ 205,970	\$ 271,290

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Communications Services Officer	1	1	1	1
Total	1	1	1	1

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Calls of Service	404	497	632	515
Citations Issued	45	35	122	70
Vehicles Impounded	79	46	107	80
Vehicle Work Orders Completed	174	251	64	165



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 2020 budget decreased 4.63%. These decreases are primarily attributable to lower costs for employee benefits.

Accomplishments: For fiscal year 2019, this department's actual expenses were 15.04% less than the budgeted amount due to lower costs of employee benefits than anticipated.

Planned Accomplishments for Fiscal Year 2020

- Handler and canine Trigger to continue to work with the Drug Enforcement Unit and state and federal partners offering additional assistance and resources.
- Handler and canine Trigger to obtain recertification in scent detection.



GENERAL FUND – POLICE-POLICE CANINE SERVICES

FUND: General
 FUNCTION: Public Safety

DEPARTMENT: Police
 COST CENTER: Police Canine Services

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 29,989	\$ 81,800	\$ 89,709	\$ 90,141	\$ 93,199
Employee Benefits	25,673	72,947	99,780	77,328	86,354
Professional Services	385	147	1,000	324	1,000
Support Goods & Services	2,831	16,321	15,180	5,949	15,720
Capital Outlay	58,505	6,679	6,680	6,679	6,680
Total Expenditures	\$ 117,383	\$ 177,894	\$ 212,349	\$ 180,421	\$ 202,953

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Police Officer/Detective	1	1	1	1
Total	1	1	1	1

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
All Canine Deployments	27	53	16	**
Scent Detection Deployments	27	53	**	**
Training Hours	119	139	**	**
Public Appearances	6	8	**	**

** During FY 2019, the Canine and Handler were receiving updated annual certifications. At the end of FY 2019, the canine was not recertified and further discussions regarding the canine subdivision will be held throughout FY 2020.



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 2020 budget decreased by 25.03%. These decreases are primarily attributable to lower salaries and wages and related employee benefits due to staffing turnover.

Accomplishments: For fiscal year 2019, this department's actual expenses were 19.50% less than the budgeted amount due to staffing turnover.

Planned Accomplishments for Fiscal Year 2020

- 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 utilizing the D.A.R.E curriculum. This curriculum emphasizes 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – POLICE-POLICE SCHOOL RESOURCES

FUND: General
 FUNCTION: Public Safety

DEPARTMENT: Police
 COST CENTER: School Resources

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 79,116	\$ 88,769	\$ 96,288	\$ 75,581	\$ 68,454
Employee Benefits	58,468	63,732	86,826	71,327	76,281
Support Goods & Services	1,505	5,916	5,850	5,233	6,390
Repairs & Maintenance	10	-	50	10	50
Total Expenditures	<u>\$ 139,099</u>	<u>\$ 158,417</u>	<u>\$ 189,014</u>	<u>\$ 152,151</u>	<u>\$ 151,175</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Police Officer/Detective	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Performance Indicators

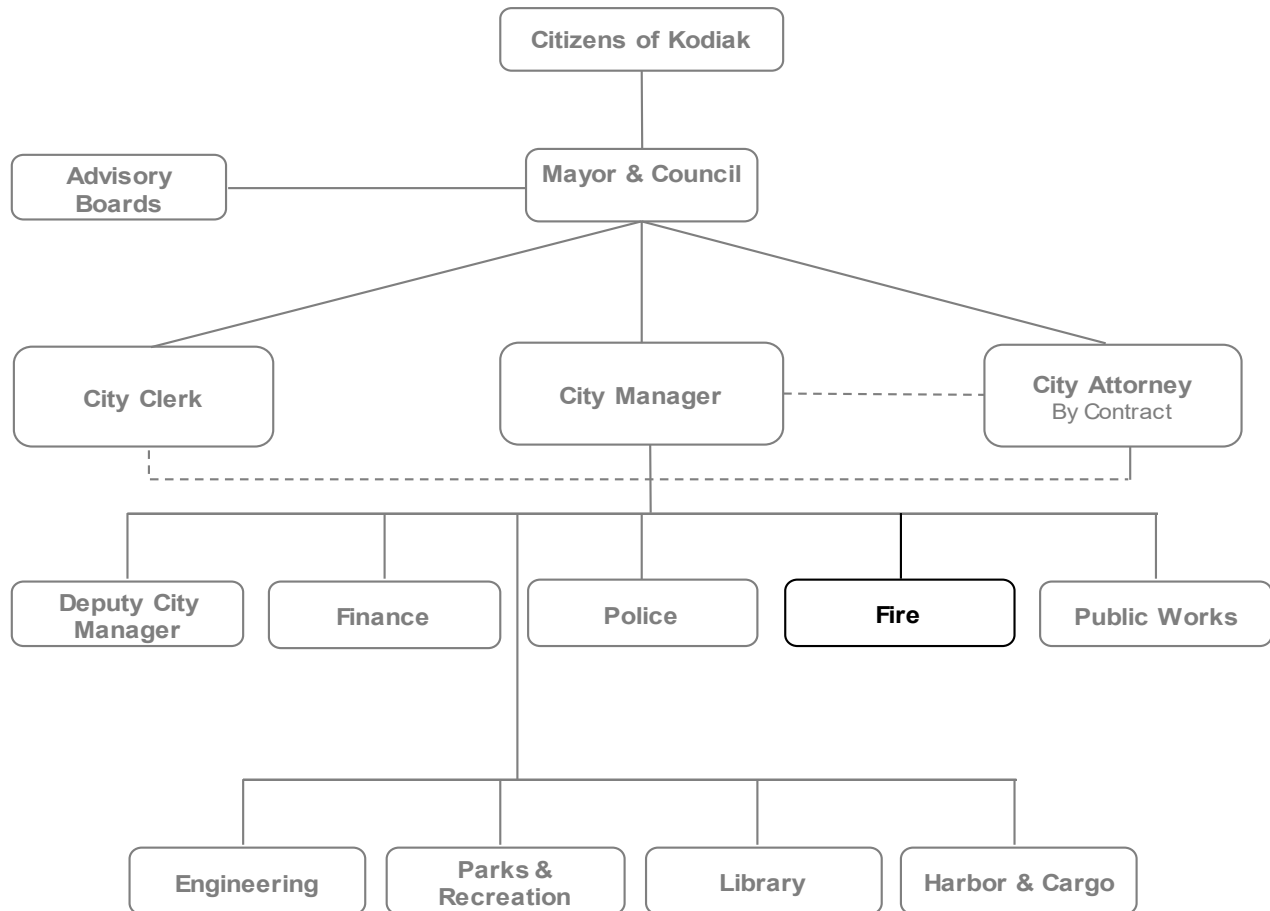
	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
School Based Complaints	<u>184</u>	<u>202</u>	<u>100</u>	<u>160</u>
Investigations Completed	<u>50</u>	<u>62</u>	<u>49</u>	<u>55</u>
Investigations Forwarded to Prosecution	<u>10</u>	<u>4</u>	<u>4</u>	<u>5</u>
D.A.R.E (Drug Abuse Resistance Education) Students Instructed	<u>120</u>	<u>300</u>	<u>138</u>	<u>185</u>
Drunk Busters Impaired Driving Program	<u>67</u>	<u>30</u>	<u>26</u>	<u>40</u>



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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 2020 budget increased 0.18%. The net overall increase is attributable to decreases in costs of employee benefits and increases in capital outlays.

Accomplishments: For fiscal year 2019, this department's actual expenses were 15.67% less than the budgeted amount due to lower costs of employee benefits than anticipated.

Planned Accomplishments for Fiscal Year 2020

- 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 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 1,034,654	\$ 1,061,172	\$ 1,068,745	\$ 1,096,876	\$ 1,117,257
Employee Benefits	682,689	670,188	1,054,047	687,430	805,133
Professional Services	40,705	221,508	52,165	52,508	52,165
Support Goods & Services	124,507	144,836	159,425	111,188	159,375
Repairs & Maintenance	15,246	13,246	20,000	18,384	20,000
Public Utility Services	29,476	29,381	30,000	32,082	30,000
Capital Outlay	280,102	282,559	313,353	276,523	518,761
Total Expenditures	\$ 2,207,379	\$ 2,422,890	\$ 2,697,735	\$ 2,274,991	\$ 2,702,691

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Efficiency: # Calls responded in 5 min				
Fire	261	196	204	220
Ambulance Inside City - Code 3 Only	368	373	456	400
Hazmat	31	17	21	25
Rescue	5	6	5	6
Outcome: 90% Calls responded in 5 min				
Fire	86%	85%	85%	90%
EMS	91%	84%	85%	90%
Hazmat	87%	89%	57%	90%
Rescue	100%	75%	80%	90%



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – FIRE ADMINISTRATION / OPERATIONS continued

FUND: General
FUNCTION: Public Safety

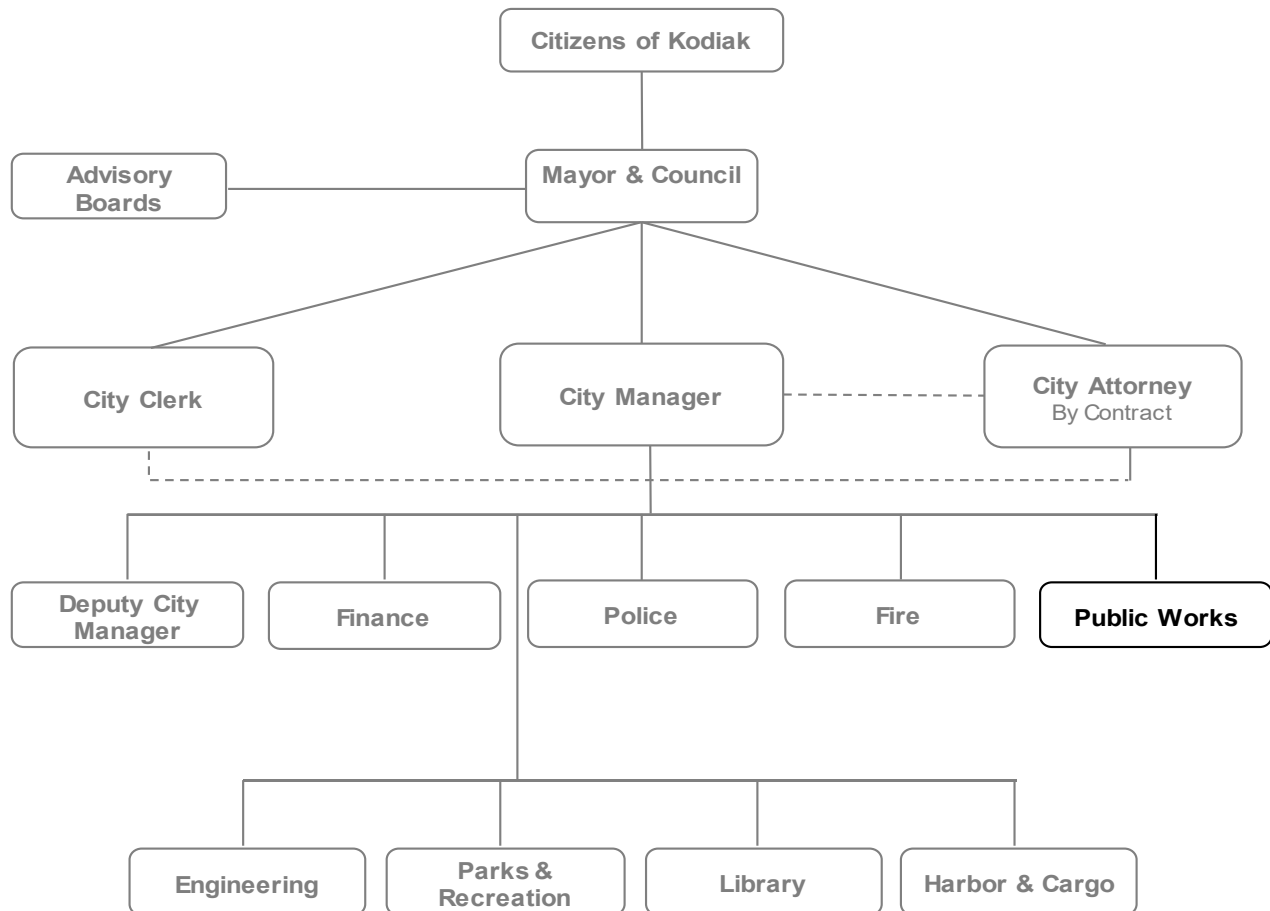
DEPARTMENT: Fire
COST CENTER: Administration / Operations

Performance Indicators - Continued

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Workload: Run Totals	1,167	1,141	1,206	1,300
Fire Responses - Total	284	246	312	275
City Limits - Total	262	228	250	250
Outside City Limits - Total	22	18	30	25
Fire Protection District 1	14	13	17	
Fire Protection District 2	1	1	10	
Fire Protection District 3	0	0	0	
U.S. Coast Guard	5	3	1	
Non District	2	1	2	
Fire Loss (inside City Limits)	\$1,282,200	\$563,090	\$489,900	\$500,000
Ambulance Responses - Total	843	867	894	860
City Limits - Total	636	658	685	650
Outside City Limits - Total	207	209	209	210
Fire Protection District 1	93	113	118	
Fire Protection District 2	20	18	19	
Fire Protection District 3	15	26	13	
U.S. Coast Guard	60	39	49	
Non District	19	13	10	
Technical Responses - Total	40	28	32	36
Hazardous Materials - Total	32	19	24	26
City Limits - Total	31	19	24	25
Outside City Limits - Total	1	0	0	1
Fire Protection District 1	1	0	0	
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	8	9	8	10
City Limits - Total	5	8	5	7
Outside City Limits - Total	3	1	3	3
Fire Protection District 1	1	1	2	
Fire Protection District 2	1	0	0	
Fire Protection District 3	0	0	0	
U.S. Coast Guard	0	0	1	
Non District	1	1	0	



**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. The administration is responsible for the design, construction, and maintenance of quality streets, storm drains, sewer, and water, as well as City owned airports.

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 2020 budget increased 11.50%. This increase is attributable to the addition of part-time administration staff for public works.

Accomplishments: For fiscal year 2019, this department's actual expenses were 13.69% less than the budgeted amount due to lower costs of employee benefits than anticipated.

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 2019, the Lift Stations 3 and 4 refurbishments were underway in the downtown area and began the design of the replacement of Lift Stations 5 and 1B. In addition, routine sidewalk, curb, and gutter repairs and annual paving projects were completed.

Planned Accomplishments for Fiscal Year 2020

- 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 5 and 1B
- To design the Aleutian Homes Phase VII Water and Sewer Replacement
- To assess the WWTP facility for the purpose of upgrading the facility for UV effluent discharge required under state and federal regulations.
- To complete the Alaska Discharge Pollution Elimination System (APDES) permit renewal and finalize with ADEC.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – PUBLIC WORKS-ADMINISTRATION

FUND: General
 FUNCTION: Public Works

DEPARTMENT: Public Works
 COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 60,283	\$ 75,800	\$ 52,097	\$ 48,316	\$ 60,955
Employee Benefits	37,417	42,225	49,862	39,825	49,796
Professional Services	1,695	3,093	2,000	1,162	2,000
Support Goods & Services	7,350	5,073	7,300	5,832	11,100
Repairs & Maintenance	80	180	1,050	1,797	1,550
Capital Outlay	-	-	-	-	1,500
Total Expenditures	<u>\$ 106,825</u>	<u>\$ 126,371</u>	<u>\$ 112,309</u>	<u>\$ 96,932</u>	<u>\$ 126,901</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Public Works Director	0.5	0.5	0.5	0.5
Administrative Assistant	0	0	0	0.35
Total	0.5	0.5	0.5	0.85

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Total Public Works Employees	25	27	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 2020 budget decreased 0.44%. Decreases occurred in costs of employee benefits while increases occurred in capital outlays.

Accomplishments: For fiscal year 2019, this department's actual expenses were 16.18% less than the budgeted amount due to staffing vacancies and reduced road supplies due to a mild winter.

Planned Accomplishments for Fiscal Year 2020

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – PUBLIC WORKS-STREETS

FUND: General
 FUNCTION: Public Works

DEPARTMENT: Public Works
 COST CENTER: Streets

Expenditures

	FY 2017 Actual	FY 2018 Estimated	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 255,487	\$ 275,686	\$ 353,160	\$ 264,030	\$ 357,306
Employee Benefits	243,974	245,738	397,449	297,470	330,836
Professional Services	1,053	6,518	3,000	3,723	4,000
Support Goods & Services	108,768	204,085	204,000	182,694	201,250
Repairs & Maintenance	75,809	95,540	84,500	79,842	69,500
Public Utility Service	164,147	161,035	170,000	162,018	160,000
Capital Outlay	235,061	119,417	117,414	124,671	200,776
Total Expenditures	\$ 1,084,299	\$ 1,108,019	\$ 1,329,523	\$ 1,114,448	\$ 1,323,668

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Public Works Supervisor	1	1	1	1
Equipment Operator	2	2	2	2
Public Works Maintenance Worker	2	2	2	2
Total	5	5	5	5

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Lane Miles of Street Maintained	46.8	46.8	46.8	46.8
Time Spent on Snow Removal - man hours	2,181	2,098	1,021	1,500
Time Spent on Street Cleaning - man hours	622	1,070	1,182	1,500
Snow Removed within 24 Hours	Yes	Yes	Yes	Yes
Respond to road complaints within 24 hours	10	9	9	10
Time Spent on Drainage System Maintenance - man hours	914	392	513	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 2020 budget decreased by 4.63%. These decreases are primarily attributable to lower costs of employee benefits.

Accomplishments: For fiscal year 2019, this department's actual expenses were 21.99% less than the budgeted amount due to lower costs of employee benefits than anticipated.

Planned Accomplishments for Fiscal Year 2020

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – PUBLIC WORKS-GARAGE

FUND: General
 FUNCTION: Public Works

DEPARTMENT: Public Works
 COST CENTER: Garage

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 100,184	\$ 99,271	\$ 128,204	\$ 111,933	\$ 142,636
Employee Benefits	82,556	90,395	148,292	87,391	116,388
Professional Services	1,428	393	1,500	1,002	1,000
Support Goods & Services	11,620	10,458	13,000	14,074	13,000
Repairs & Maintenance	29,186	23,113	11,000	11,994	12,000
Public Utility Service	20,391	15,635	20,000	22,335	20,000
Capital Outlay	4,962	11,518	5,000	6,374	7,500
Total Expenditures	\$ 250,327	\$ 250,783	\$ 326,996	\$ 255,103	\$ 312,524

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Shop Supervisor	1	1	1	1
Automotive Mechanic	1	1	1	1
Total	2	2	2	2

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Preventative Maintenance Checks	193	217	194	200
Equipment Repairs	340	336	363	360
Equipment Modifications/Refurbishment	49	50	54	60



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 2020 budget increased by 2.28%. This overall increase is attributable by decreases due to lower costs of employee benefits offset by increases to capital outlays.

Accomplishments: For fiscal year 2019, this department's actual expenses were 17.56% less than the budgeted amount due to lower costs of employee benefits than anticipated.

Planned Accomplishments for Fiscal Year 2020

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – PUBLIC WORKS-BUILDING INSPECTIONS

FUND: General
 FUNCTION: Public Works

DEPARTMENT: Public Works
 COST CENTER: Building Inspection

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 89,019	\$ 139,506	\$ 151,105	\$ 144,793	\$ 159,432
Employee Benefits	68,829	127,788	172,920	125,433	138,057
Professional Services	9,432	4,702	2,500	4,916	5,000
Support Goods & Services	6,982	9,301	11,438	5,671	14,438
Repairs & Maintenance	4,596	-	2,800	114	800
Capital Outlay	-	-	-	-	31,000
Total Expenditures	<u>\$ 178,858</u>	<u>\$ 281,297</u>	<u>\$ 340,763</u>	<u>\$ 280,927</u>	<u>\$ 348,727</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2019 Adopted Budget
Building Official	1	1	1	1
Assistant Building Official	1	1	1	1
Total	2	2	2	2

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Plan Reviews Completed	42	15	40	20
Building Permits Issued	264	190	210	200
Electrical Permits Issued	160	115	126	120
Plumbing Permits Issued	99	75	82	90
Number of Inspection Trips	608	744	676	725



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 2020 budget increased by 6.38%. This increase is attributable to increased professional services needed to update agreements for municipal airport.

Accomplishments: For fiscal year 2019, this department's actual expenses were 121.94% higher than the budgeted amount due to required repairs and maintenance to the airport facility and grounds during the fiscal year.

Planned Accomplishments for Fiscal Year 2020

- To provide prompt snow removal and ice control.
- To provide maintenance and repair activities for the runway and taxiways.
- To obtain appraisal services to update the agreements for municipal airport.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – PUBLIC WORKS-MUNICIPAL AIRPORT / LILY LAKE

FUND: General
FUNCTION: Public Works

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

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Support Goods & Services	9,944	14,877	17,000	16,403	13,540
Repairs & Maintenance	6,089	1,360	5,000	33,351	5,000
Public Utility Service	376	350	600	405	600
Total Expenditures	\$ 16,409	\$ 16,587	\$ 22,600	\$ 50,159	\$ 24,140

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Authorized Personnel	0	0	0	0
Total	0	0	0	0

Performance Indicators

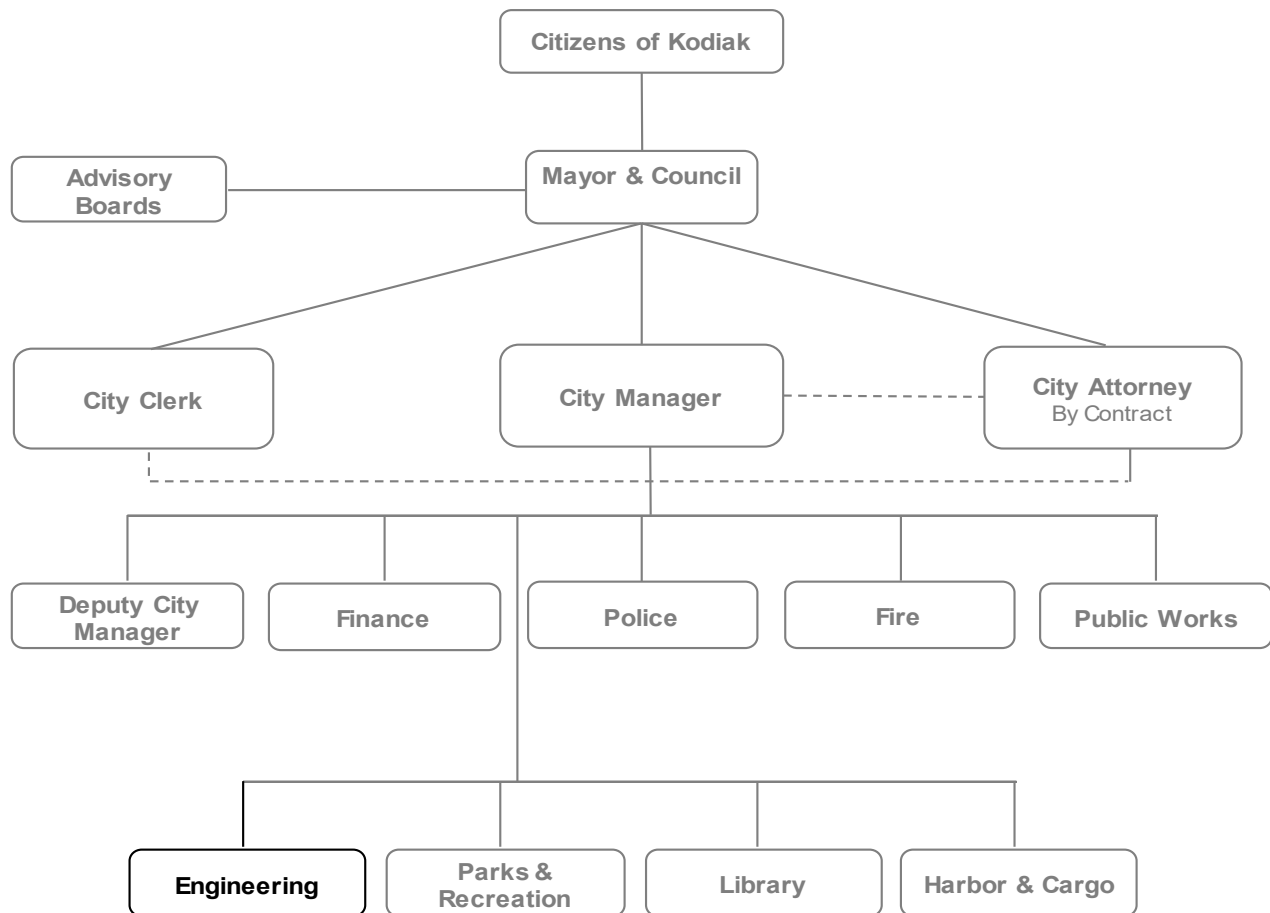
	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Maintenance Effort (man/equipment hours)	112	116	596	885



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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 2020 budget decreased 3.90%. These decreases are primarily attributable to lower costs of employee benefits.

Accomplishments: For fiscal year 2019, this department's actual expenses were 27.13% less than the budgeted amount due to lower costs of employee benefits than anticipated and greater engineering staff time charged to capital projects.

Planned Accomplishments for Fiscal Year 2020

- 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 construction for all open and active City projects.



GENERAL FUND – ENGINEERING-ADMINISTRATION

FUND: General
 FUNCTION: Engineering

DEPARTMENT: Engineering
 COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 131,776	\$ 126,709	\$ 185,515	\$ 167,016	\$ 196,567
Employee Benefits	103,785	103,430	175,110	131,434	149,901
Professional Services	9,270	500	5,000	-	5,000
Support Goods & Services	8,758	7,420	9,500	6,411	9,500
Repairs & Maintenance	2,595	2,164	2,100	1,790	2,100
Capital Outlay	-	-	-	-	3,000
Allocated Expenses	(43,072)	(32,450)	(80,000)	(90,072)	(80,000)
Total Expenditures	\$ 213,112	\$ 207,773	\$ 297,225	\$ 216,579	\$ 286,068

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
City Engineer	1	1	1	1
Administrative Assistant	1	1	1	1
Total	2	2	2	2

Performance Indicators

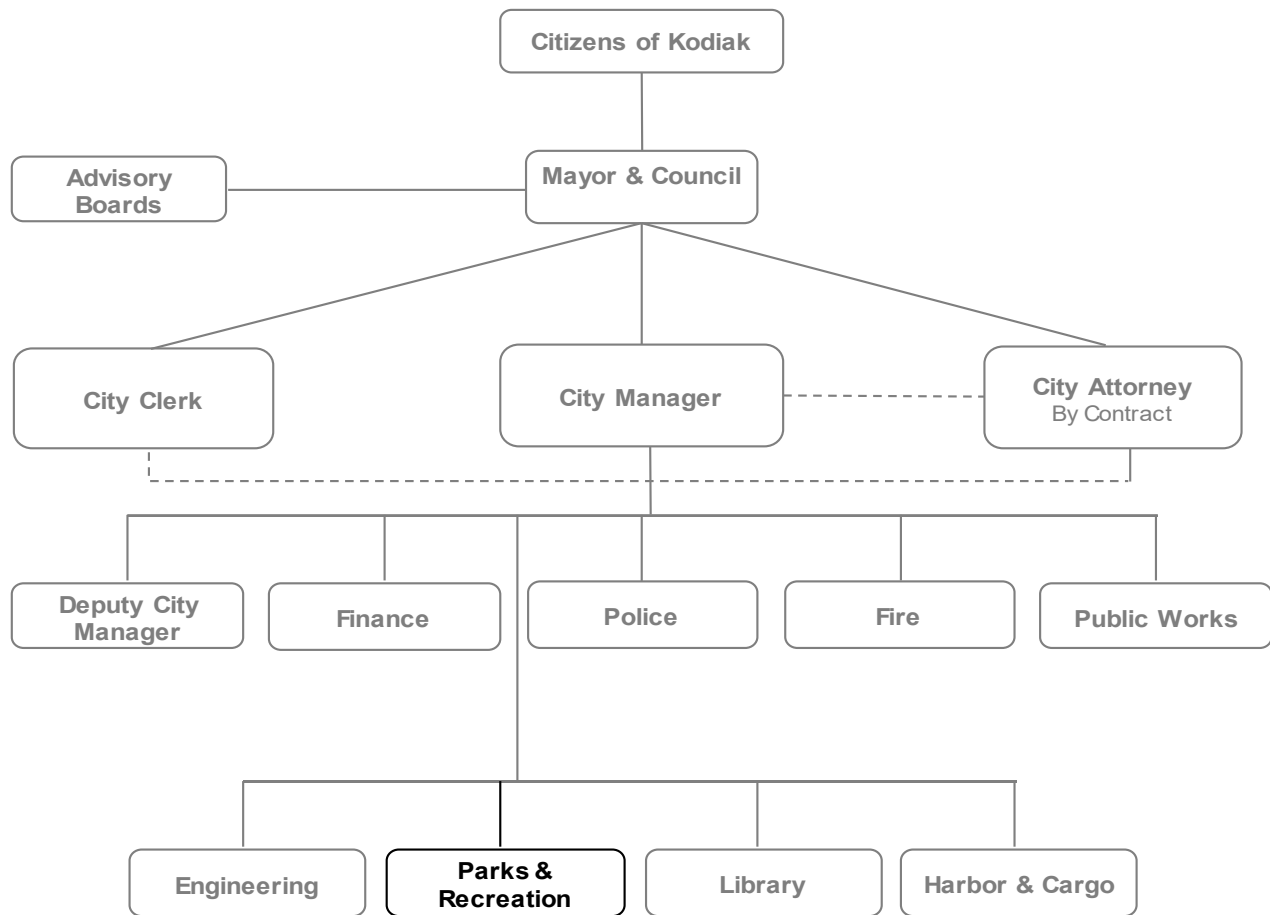
	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Use of Standard Construction Specifications and Standard Details Edition	2012	2012	2012	2012
Projects completed in compliance with specifications	100%	100%	100%	100%
Projects completed on schedule	100%	100%	100%	100%
Projects completed 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 2020 budget decreased 4.19%. This decrease is primarily attributable to lower costs of employee benefits.

Accomplishments: For fiscal year 2019, this department's actual expenses were 18.04% less than the budgeted amount due to lower costs of employee benefits than anticipated and less spending in support goods and services than anticipated.

Planned Accomplishments for Fiscal Year 2020

- To negotiate minor changes to the Facility Joint Use Agreement with the Kodiak Island Borough School District and Kodiak Island Borough.
- 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 maintain Kodiak Cemetery grounds to account for long-term needs.
- 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 begin design and bid procedures for enclosure of the Baranof Park Ice Rink facility.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – PARKS AND RECREATION-ADMINISTRATION

FUND: General
 FUNCTION: Public Recreation

DEPARTMENT: Parks and Recreation
 COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 295,009	\$ 315,133	\$ 289,228	\$ 302,738	\$ 356,387
Employee Benefits	154,524	163,993	302,748	160,156	193,366
Professional Services	25,798	24,435	23,850	28,341	28,850
Support Goods & Services	60,417	66,110	70,500	59,312	69,000
Repairs & Maintenance	10,744	11,178	9,000	10,318	9,000
Public Utility Services	13,205	12,724	12,000	13,278	14,000
Capital Outlay	108,609	22,524	49,635	46,229	55,909
Total Expenditures	\$ 668,306	\$ 616,097	\$ 756,961	\$ 620,372	\$ 726,512

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Parks & Recreation Director	1	1	1	1
Recreation Supervisor	1.5	1.5	1.5	1.5
Maintenance Specialist	0	0	0	1
Parks Maintenance Worker	0.75	0.75	0.75	1.46
Total	3.25	3.25	3.25	4.96

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
City League Basketball Teams	20	20	21	21
City League Basketball Players	291	291	265	267
City League Volleyball Teams	16	16	17	19
City League Volleyball Players	141	141	151	165
Womens League Volleyball Teams	14	14	15	15
Womens League Volleyball Players	105	105	104	104
City League Softball Teams	10	10	9	9
City League Softball Players	169	169	170	170
Races (contestants)				
Earth Day Triathlon	21	21	16	16
Pillar Mountain Classic	37	37	45	45
Pasagshak to Kodiak Bike Ride	19	19	15	15
Marathon	1	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 2020 budget remained comparable.

Accomplishments: For fiscal year 2019, this department's actual expenses were 0.83% less than the budgeted amount and therefore considered consistent with the fiscal year budget.

Planned Accomplishments for Fiscal Year 2020

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – PARKS AND RECREATION-MUSEUM

FUND: General
 FUNCTION: Public Recreation

DEPARTMENT: Parks and Recreation
 COST CENTER: Museum

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Contributions	\$ 94,700	\$ 94,700	\$ 94,700	\$ 94,700	\$ 94,700
Repairs & Maintenance	1,275	2,306	2,500	2,478	2,500
Public Utility Services	8,991	8,613	10,000	9,131	10,000
Total Expenditures	<u>\$ 104,966</u>	<u>\$ 105,619</u>	<u>\$ 107,200</u>	<u>\$ 106,309</u>	<u>\$ 107,200</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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>

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Number of Visitors Annually	<u>9,500</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Number of Historical Artifacts	<u>4,100</u>	<u>2,349</u>	<u>2,349</u>	<u>2,349</u>
Number of Archives (Photos, Maps, Etc.)	<u>19,500</u>	<u>26,162</u>	<u>26,162</u>	<u>26,162</u>
Cost Per Unit of Participation	<u>\$ 11.12</u>	<u>\$ 10.72</u>	<u>\$ 10.72</u>	<u>\$ 10.63</u>



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 2020 budget increased 2.19%. Increases in salaries and wages and support goods and services were offset by decreases caused by anticipated lower costs of employee benefits.

Accomplishments: For fiscal year 2019, this department's actual expenses were 9.72% less than the budgeted amount due to staffing turnover and lower costs of employee benefits than anticipated.

Planned Accomplishments for Fiscal Year 2020

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – PARKS AND RECREATION-TEEN CENTER

FUND: General
 FUNCTION: Public Recreation

DEPARTMENT: Parks and Recreation
 COST CENTER: Teen Center

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 129,664	\$ 131,033	\$ 147,769	\$ 139,862	\$ 159,208
Employee Benefits	53,104	43,341	67,997	45,152	59,325
Professional Services	12,380	10,300	11,330	12,775	11,330
Support Goods & Services	11,904	10,718	10,500	13,214	13,500
Repairs & Maintenance	6,084	8,566	5,000	5,785	5,000
Public Utility Services	17,366	13,223	15,000	15,759	15,000
Capital Outlay	1,283	-	-	-	-
Total Expenditures	\$ 231,785	\$ 217,181	\$ 257,596	\$ 232,547	\$ 263,363

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Recreation Supervisor	1	1	1	1
Recreation Assistant	0	0	0	0.73
Total	1	1	1	1.73

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Boy Dribblers Teams	13	15	16	14
Boy Dribblers Participants	98	116	118	118
Girl Dribblers Teams	11	9	9	8
Girl Dribblers Participants	70	74	73	58
Spring Soccer Teams	24	20	22	22
Spring Soccer Participants	254	233	249	249
Morning Program/Days	24	24	32	32
Morning Program/Attendance	200	278	337	337
Facility Use Rentals	*	*	2,280	2,280
Total Teen Center Attendance (Hourly)	30,650	23,492	25,508	25,508
Teen Center Attendance	10,177	7,582	12,619	12,619



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 2020 budget decreased 1.43%. This decrease is attributable to increased salaries and wages offset by decreases due to anticipated lower costs of employee benefits.

Accomplishments: For fiscal year 2019, this department's actual expenses were 9.30% less than the budgeted amount due to lower costs of employee benefits than anticipated.

Planned Accomplishments for Fiscal Year 2020

- 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 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 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 136,700	\$ 145,544	\$ 159,056	\$ 153,189	\$ 165,437
Employee Benefits	70,778	75,008	98,010	78,686	88,083
Support Goods & Services	5,386	6,410	5,150	5,958	5,000
Administrative Services	50	-	-	-	-
Capital Outlay	-	2,760	-	-	-
Total Expenditures	\$ 212,914	\$ 229,722	\$ 262,216	\$ 237,833	\$ 258,520

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Recreation Supervisor	1	1	1	1
Total	1	1	1	1

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Number of Individuals Participating				
Morning Lap	1,511	1,918	2,030	1,820
Noon Lap Swim	3,057	2,947	2,415	2,800
Evening Lap	1,525	1,618	1,607	1,550
Open Swim	8,478	8,092	8,340	8,300
Aerobics	1,529	1,255	762	1,200
Family Swim	2,702	2,369	3,029	2,700
Youth Lessons (Daily)	8,858	10,478	10,305	10,000
Swim Team	9,189	8,909	7,438	7,500
Rentals	2,091	3,505	2,078	2,000
Special Events	*	*	608	608
Total number of Participants	38,940	41,091	38,612	38,478



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-October 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 hockey clinics held during Christmas and spring break holidays. 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, pickleball, 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 2020 budget decreased by 0.66%. Increases in repairs and maintenance were offset by decreases due to anticipated lower costs of employee benefits.

Accomplishments: For fiscal year 2019, this department's actual expenses were 1.61% less than the budgeted amount due to lower costs of employee benefits offset by over budget amounts for required repairs and maintenance.

Planned Accomplishments for Fiscal Year 2020

- 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 send staff to the Parks and Recreation-Ice Rink facility for oversight and operational training.
- To perform overhaul repairs and maintenance on ice rink compressors.
- To begin implementation of a leak-check schedule to ensure minimal loss of refrigerant.
- To establish a skate-sharpening system to provide skate-sharpening services at the ice rink facility.
- To begin design and bid procedures for enclosure of the Baranof Park Ice Rink facility.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – PARKS AND RECREATION-ICE RINK

FUND: General
 FUNCTION: Public Recreation

DEPARTMENT: Parks and Recreation
 COST CENTER: Ice Rink

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 41,399	\$ 45,754	\$ 50,342	\$ 47,022	\$ 55,020
Employee Benefits	23,409	32,912	44,245	21,973	23,369
Professional Services	175	-	500	1,431	500
Support Goods & Services	14,419	15,725	11,500	13,311	11,500
Repairs & Maintenance	7,813	7,372	10,000	29,562	25,000
Public Utility Services	53,026	52,702	66,000	66,351	66,000
Total Expenditures	\$ 140,241	\$ 154,465	\$ 182,587	\$ 179,650	\$ 181,389

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Parks Superior	0.5	0.5	0.5	0.5
Total	0.5	0.5	0.5	0.5

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Number of Individuals Participating				
Public Skate	2,431	4,791	5,210	5,000
Novice Hockey	500	816	1,201	1,200
Stick & Puck	186	404	521	500
Kodiak Hockey League (daily)	8,488	11,549	10,300	10,000
Women's Hockey	392	334	495	400
Men's Hockey	833	568	895	800
School Use	3,300	7,351	7,699	7,500
Rental	37	30	181	175
Special Events	*	2,010	2,759	2,500
Total number of Participants	16,167	27,853	29,261	28,075



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 2020 budget remained comparable to the prior fiscal year.

Accomplishments: For fiscal year 2019, this department's actual expenses were 4.87% less than the budgeted amount due to reduced supplies purchased throughout the fiscal year.

Planned Accomplishments for Fiscal Year 2020

- To maintain flower baskets through daily watering, weekly weeding, and biweekly fertilization.
- To purchase upgraded flower baskets for the beautification of downtown.
- To purchase, install, and maintain winter lights on mall trees and use LED lighting and timers for minimal electrical use.
- To maintain downtown trash receptacle services in lieu of additional City contracts.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – PARKS AND RECREATION-BEAUTIFICATION PROGRAM

FUND: General
FUNCTION: Public Recreation

DEPARTMENT: Parks and Recreation
COST CENTER: Beautification Program

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Professional Services	\$ 4,955	\$ 4,955	\$ 5,000	\$ 5,059	\$ 5,000
Support Goods & Services	5,296	2,211	8,000	7,308	8,000
Total Expenditures	<u>\$ 10,251</u>	<u>\$ 7,166</u>	<u>\$ 13,000</u>	<u>\$ 12,367</u>	<u>\$ 13,000</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Authorized Personnel	0	0	0	0
Total	0	0	0	0

Performance Indicators

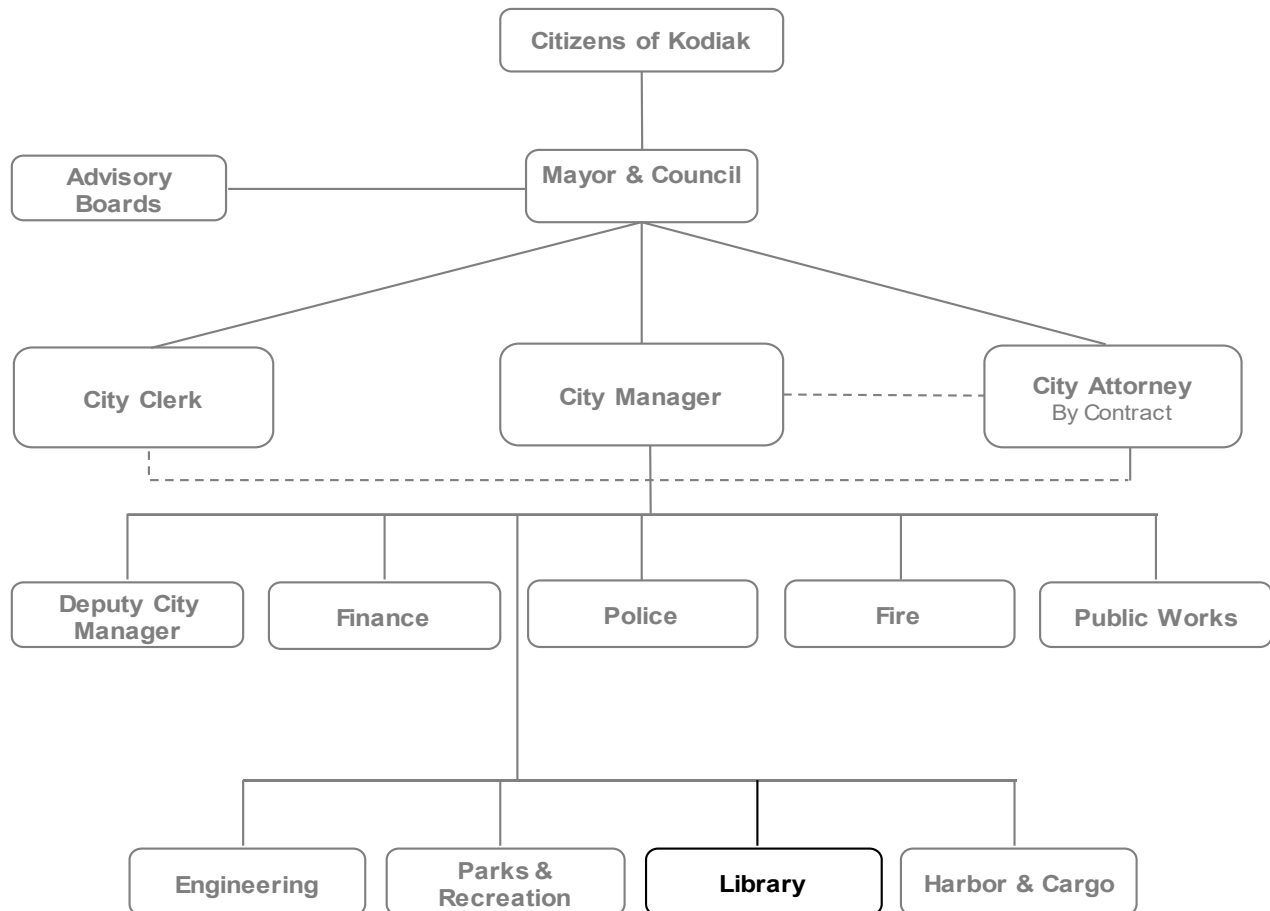
	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Flower Baskets	108	108	100	100
Winter lights on trees in downtown shopping area	16	16	16	16



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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; community outreach; and collaborative initiatives.

Objective: To ensure that library patrons receive services and access to robust collections.

Significant Budget Changes and Accomplishments

Significant Budget Changes: In comparison to the prior fiscal year, the FY 2020 budget decreased by 2.72%. This decrease is attributable to in salaries and wages and related benefits due to staffing turnover offset by increases to capital outlays.

Accomplishments: For fiscal year 2019, this department's actual expenses were 21.24% less than the budgeted amount due to staffing turnover and vacancies.

Planned Accomplishments for Fiscal Year 2020

- To join the Alaska Library Catalog to increase the online integrated library access to materials.
- To continue addressing repairs and maintenance needs to the interior and exterior of the Library facility and grounds.
- To provide programs and services that enable people to increase their proficiency with technology tools and electronic resources in keeping with 21st century literacies.
- To increase and maintain library program services by providing speakers, presentations, and community outreach to the public.
- To preserve and archive Kodiak historical documents that are maintained within the library. These documents will be provided through safe access to the public.
- To maintain a stable and well-trained work force.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – LIBRARY-ADMINISTRATION/OPERATIONS

FUND: General
 FUNCTION: Library

DEPARTMENT: Library
 COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 367,464	\$ 374,319	\$ 426,252	\$ 335,987	\$ 387,637
Employee Benefits	163,062	169,826	332,630	214,842	307,856
Professional Services	51,386	47,060	35,320	32,394	41,820
Support Goods & Services	57,300	39,485	45,410	36,790	50,160
Repairs & Maintenance	15,926	16,918	15,000	21,112	20,000
Public Utility Services	44,985	45,847	45,000	55,720	45,000
Books & Materials	53,773	50,236	32,250	37,067	43,400
Capital Outlay	1,366	3,118	1,450	1,173	12,700
Total Expenditures	<u>\$ 755,262</u>	<u>\$ 746,809</u>	<u>\$ 933,312</u>	<u>\$ 735,085</u>	<u>\$ 908,573</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Total Circulation	89,660	60,181	74,764	80,000
Library Cards Issued	868	896	662	1,010
Program Attendance	6,618	5,217	3,905	4,000
Classroom Visits	52	17	35	50
Alaska Digital Library Downloads	5,880	6,114	6,476	7,000
Computer Sessions-Wired	15,693	14,402	13,541	11,000
Materials Purchased	5,828	1,616	1,474	1,300
Materials Withdraw	4,354	1,212	5,439	880
Library Visitors	88,073	75,848	56,429	47,000



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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 2020 budget was unchanged from the prior fiscal year.

Accomplishments: For fiscal year 2019, this department's actual expenses were 34.99% less than the budgeted amount due to lower public utility costs.

Planned Accomplishments for Fiscal Year 2020

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – NONDEPARTMENTAL-DOWNTOWN MAINTENANCE

FUND: General
FUNCTION: Community Services

DEPARTMENT: Non-Departmental
COST CENTER: Downtown Maintenance

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Professional Services	\$ 7,640	\$ 17,985	\$ 13,000	\$ 11,839	\$ 13,000
Support Goods & Services	511	237	1,000	-	1,000
Public Utility Services	30,715	13,979	25,000	13,516	25,000
Total Expenditures	<u>\$ 38,866</u>	<u>\$ 32,201</u>	<u>\$ 39,000</u>	<u>\$ 25,355</u>	<u>\$ 39,000</u>

PERSONNEL

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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 2020 budget increased 3.14% due to the annual property insurance allocation.

Accomplishments: For fiscal year 2019, this department's actual expenses were 10.83% less than the budgeted amount due to fewer professional services contracts and fewer economic development expenses than anticipated.

Planned Accomplishments for Fiscal Year 2020

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



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – NONDEPARTMENTAL-ADMINISTRATION

FUND: General
FUNCTION: General Government

DEPARTMENT: Non-Departmental
COST CENTER: Administration

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Professional Services	\$ 12,884	\$ 17,978	\$ 24,000	\$ 12,367	\$ 24,000
Economic Development	20,751	17,000	45,000	20,000	45,000
Support Goods & Services	397,471	325,981	344,684	340,415	359,801
Repairs & Maintenance	703	3,943	500	-	500
Public Utility Service	7,671	7,453	10,000	6,338	10,000
Administrative Services	1,563	1,261	1,000	-	1,000
Capital Outlays	570	-	-	-	-
Total Expenditures	<u>\$ 441,613</u>	<u>\$ 373,616</u>	<u>\$ 425,184</u>	<u>\$ 379,120</u>	<u>\$ 440,301</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
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-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 2020 budget remained the same level of funding at \$175,000.

Accomplishments: For fiscal year 2019, 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, and not to exceed \$175,000 until the general fund obtains a balance of six months of operating expenditures. Contributions continue to be based on four categories in fiscal year 2019: Youth Recreation, Adult Recreation, Emergency Support, and Emergency Preparedness. Twenty nonprofit grants were awarded during fiscal year 2019.

Planned Accomplishments for Fiscal Year 2020

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



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – NONDEPARTMENTAL-CONTRIBUTIONS

FUND: General
FUNCTION: Community Services

DEPARTMENT: Non-Departmental
COST CENTER: Contributions

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Contributions	<u>\$ 184,500</u>	<u>\$ 162,694</u>	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 175,000</u>
Total Expenditures	<u>\$ 184,500</u>	<u>\$ 162,694</u>	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 175,000</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
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>

Performance Indicators

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Number of Non-profits assisted	<u>22</u>	<u>20</u>	<u>20</u>	<u>20</u>



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 2020 budget decreased 75.13%. Transfers include transfers to the Fire Station Deferred Maintenance capital project for ongoing repairs and maintenance to the fire station; transfers to the Building Improvement fund for the new Fire Station project; and transfers to the vehicle replacement fund which funds future vehicle replacements.

Accomplishments: For fiscal year 2019, this department's actual expenses were comparable to the budgeted amount.

Planned Accomplishments for Fiscal Year 2020

- Not applicable



Annual Operating Budget
July 1, 2019 – June 30, 2020

GENERAL FUND – NONDEPARTMENTAL - TRANSFERS

FUND: General
FUNCTION: Transfers

DEPARTMENT: Non-Departmental
COST CENTER: Transfers

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Transfers	<u>\$ 1,258,298</u>	<u>\$ 2,082,488</u>	<u>\$ 2,706,747</u>	<u>\$ 2,706,741</u>	<u>\$ 1,545,536</u>
Total Expenditures	<u><u>\$ 1,258,298</u></u>	<u><u>\$ 2,082,488</u></u>	<u><u>\$ 2,706,747</u></u>	<u><u>\$ 2,706,741</u></u>	<u><u>\$ 1,545,536</u></u>

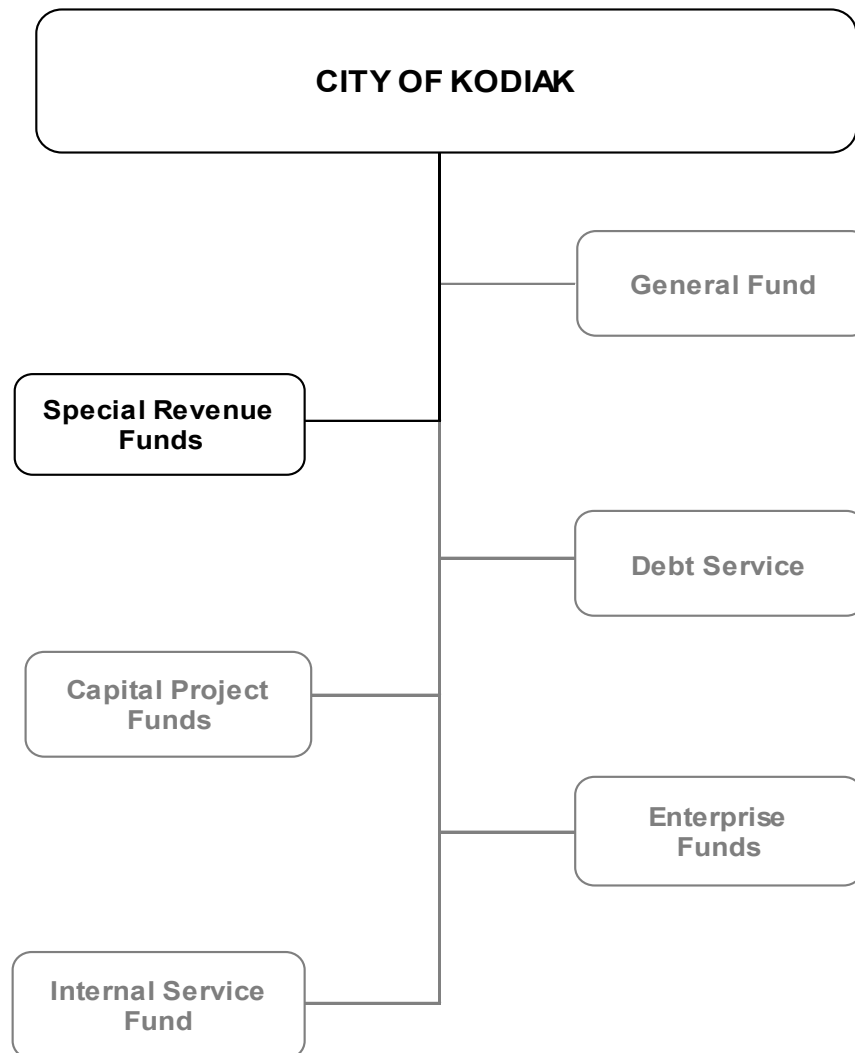
Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
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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SPECIAL REVENUE 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



Annual Operating Budget
July 1, 2019 – June 30, 2020

SPECIAL REVENUE FUNDS – SUMMARY OF REVENUES AND EXPENDITURES

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Revenues					
Hotel & Motel Tax	\$ 196,945	\$ 205,226	\$ 170,500	\$ 227,786	\$ 200,000
Net Investment Income	26,317	3,475	40,000	153,154	55,000
Rents	86,195	79,238	18,900	39,278	40,000
Total Revenues	<u>\$ 309,457</u>	<u>\$ 287,939</u>	<u>\$ 229,400</u>	<u>\$ 420,218</u>	<u>\$ 295,000</u>
Expenses					
Contributions	\$ 119,000	\$ 119,350	\$ 115,000	\$ 115,000	\$ 115,000
Administrative Charges	45,150	45,150	45,150	45,150	48,100
Contingency	-	-	10,350	-	41,900
Total Expenses	<u>\$ 164,150</u>	<u>\$ 164,500</u>	<u>\$ 170,500</u>	<u>\$ 160,150</u>	<u>\$ 205,000</u>
Other Financing Sources (Uses)					
Transfers In	\$ -	\$ 67,790	\$ 318,006	\$ 318,006	\$ -
Transfer Out	-	-	-	(78,911)	-
Net Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 67,790</u>	<u>\$ 318,006</u>	<u>\$ 239,095</u>	<u>\$ -</u>
Net Increase (Decrease)	<u>\$ 145,307</u>	<u>\$ 191,229</u>	<u>\$ 376,906</u>	<u>\$ 499,163</u>	<u>\$ 90,000</u>

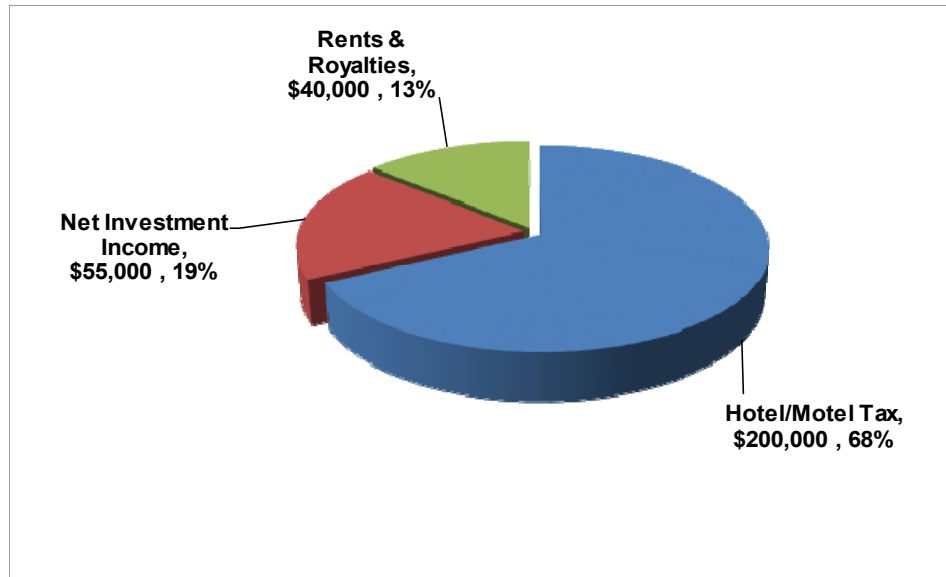


SPECIAL REVENUE FUND – DETAIL OF REVENUES AND EXPENSES BY FUND

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2016 Estimated	FY 2020 Adopted Budget
Revenues					
Tourism					
Hotel & Motel Tax	\$ 196,945	\$ 205,226	\$ 170,500	\$ 227,786	\$ 200,000
Net Investment Income	1,120	3,787	-	9,495	5,000
Enhancement					
Net Investment Income	25,197	(312)	40,000	143,659	50,000
Rents	86,195	79,238	18,900	39,278	40,000
Total Revenues	<u>\$ 309,457</u>	<u>\$ 287,939</u>	<u>\$ 229,400</u>	<u>\$ 420,218</u>	<u>\$ 295,000</u>
Expenses					
Tourism					
Contributions	\$ 119,000	\$ 119,350	\$ 115,000	\$ 115,000	\$ 115,000
Administrative Charges	45,150	45,150	45,150	45,150	48,100
Contingency	-	-	10,350	-	41,900
Enhancement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>\$ 164,150</u>	<u>\$ 164,500</u>	<u>\$ 170,500</u>	<u>\$ 160,150</u>	<u>\$ 205,000</u>
Appropriations (to) from Fund Balance					
Tourism	\$ -	\$ -	\$ -	\$ -	\$ -
Enhancement	<u>-</u>	<u>-</u>	<u>(376,906)</u>	<u>-</u>	<u>(90,000)</u>
Net Appropriations (to) from Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (376,906)</u>	<u>\$ -</u>	<u>\$ (90,000)</u>
Operating Transfers					
Tourism					
Transfer Out	\$ -	\$ -	\$ -	\$ -	\$ -
Enhancement					
Transfers In	-	67,790	318,006	318,006	-
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(78,911)</u>	<u>-</u>
Total Operating Transfers	<u>\$ -</u>	<u>\$ 67,790</u>	<u>\$ 318,006</u>	<u>\$ 239,095</u>	<u>\$ -</u>
Net Increase (Decrease)	<u>\$ 145,307</u>	<u>\$ 191,229</u>	<u>\$ -</u>	<u>\$ 499,163</u>	<u>\$ -</u>



Special Revenue Funds – Fiscal Year 2020 Budgeted Revenues by Source



Revenues by Source –

The budgeted revenues for fiscal year 2020 are projected to be higher than fiscal year 2019 due to increased bed tax, net investment income and leases. Hotel / Motel tax revenues are projected based on the data provided by the Kodiak Chamber of Commerce for tourists visiting the Kodiak community. 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 2019, estimated revenues totaled \$227,786. For fiscal year 2020, budgeted revenues total \$200,000. 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 \$153,154. For fiscal year 2020, budgeted net investment income totals \$55,000. 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. During fiscal year 2019, estimated rents and royalties totaled \$39,278. For fiscal year 2020, budgeted rents and royalties total \$40,000. These budgeted amounts are based upon lease agreements with the City.

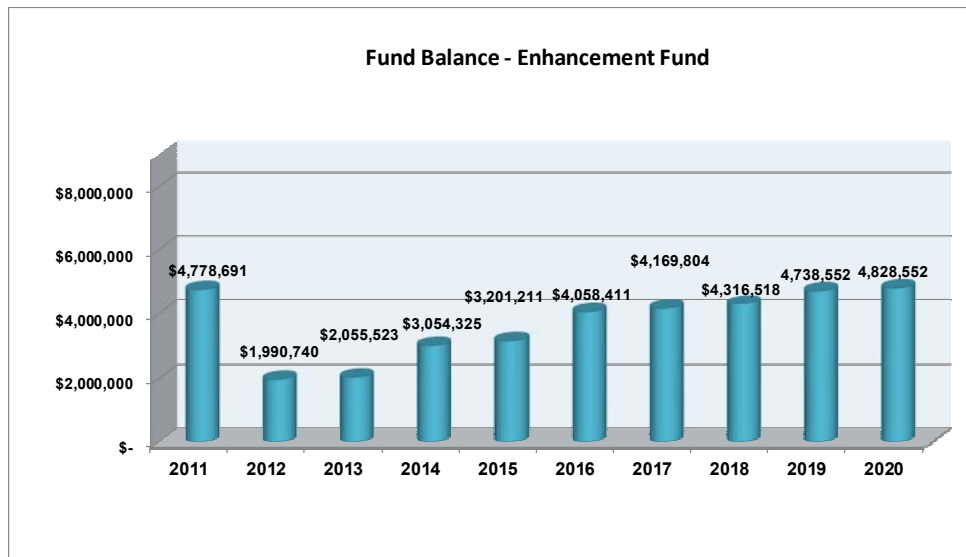
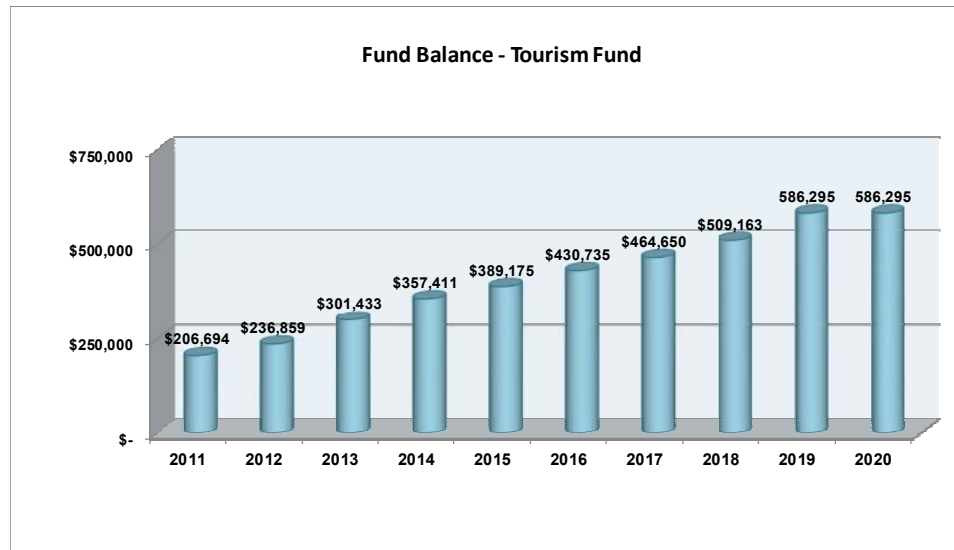
Other Financing Sources (Uses) – Transfers In (Out) – These amounts represent transfers to and from other funds. For fiscal year 2019, the Enhancement Fund received a transfer in of \$318,006 from the General Fund based on KCC 3.28.020 and transferred out \$78,911 to the General Fund based on KCC 3.28.040. 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.

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 2019, estimated appropriations to replenish fund balance for the Tourism Fund totaled \$77,131 and the Enhancement Fund replenished fund balance by \$239,095. For fiscal year 2020, the Tourism Fund budgeted revenues equal budgeted expenditures leaving the fund balance in the Tourism Fund unchanged while estimated appropriations to replenish fund balance for the Enhancement Fund are \$90,000.



Special Revenue Funds – Fiscal Year 2020 Budgeted Revenues by Source continued

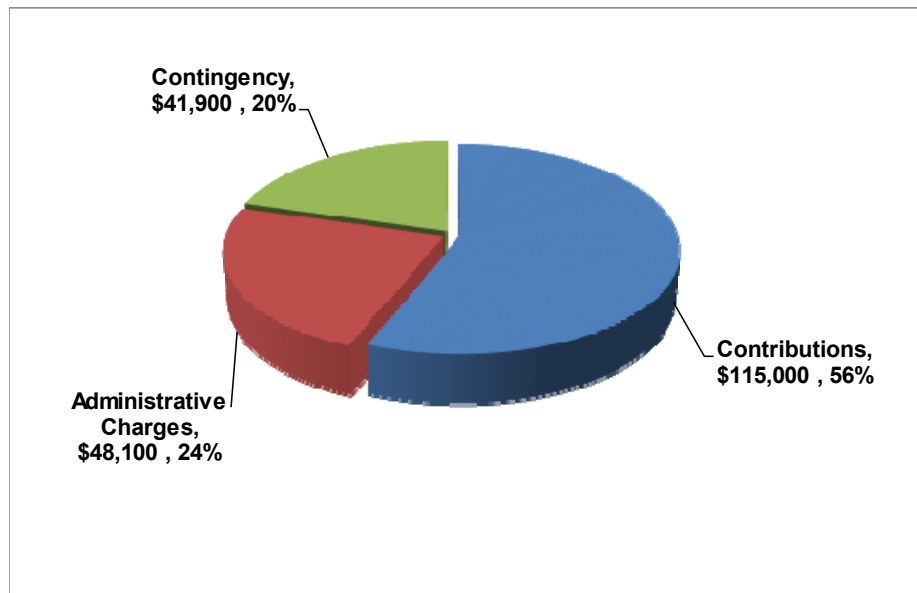
Shown below is the historical trend for the Special Revenue Tourism fund balance and Special Revenue Enhancement fund balance for the most recent ten-year period. The City has budgeted appropriations to use or replenish fund balance and actual uses are typically lower than budgeted amounts.



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Special Revenue Funds – Fiscal Year 2020 Budgeted Expenses by Classification



Expenditures by Classification

The budgeted expenses for fiscal year 2020 are consistent with fiscal year 2019. The Enhancement Fund received a required transfer from the General Fund based on Kodiak City Code provision 3.28.020. The Enhancement fund transferred funds to the General Fund in fiscal year 2019 based on the provisions within Kodiak City Code 3.28.040. The Enhancement Fund does not anticipate any transfers for fiscal year 2020. 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 2019, estimated contributions totaled \$115,000. Budgeted tourism contributions for fiscal year 2020 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 2019, the estimated amounts for these services totaled \$45,150. Budgeted administrative and other expenditures for fiscal year 2020 also total \$45,150.

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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 2020 budgeted expenditures are higher by \$34,500. This is due to increased revenue and a higher contingency budgeted in the fund.

Accomplishments: For fiscal year 2019, Tourism fund revenues were 33.60% higher than anticipated and Tourism fund actual expenses were 6.07% less than budgeted, as the contingency funds were not used. This allowed for an increase to the fund balance Tourism Fund in the estimated amount of \$77,131 for fiscal year 2019.

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

Planned Accomplishments for Fiscal Year 2020

- 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 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Contributions	\$ 119,000	\$ 119,350	\$ 115,000	\$ 115,000	\$ 115,000
Administrative Charges	45,150	45,150	45,150	45,150	48,100
Other	-	-	10,350	-	41,900
Total Expenditures	<u>\$ 164,150</u>	<u>\$ 164,500</u>	<u>\$ 170,500</u>	<u>\$ 160,150</u>	<u>\$ 205,000</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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>

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Conventions/Meetings/Events	141	145	145	160
Number of Visitors at Visitor Center	14,233	14,632	31,711	16,500
Number of Cruise Ships Visits	12	14	27	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 2020 budget increased by \$31,100 for 34.56% due to an anticipated increase in net investment income.

Accomplishments: For fiscal year 2019, Enhancement fund revenues were 210.59% higher than anticipated due to greater return on investments being managed by Alaska Permanent Capital Management.

Planned Accomplishments for Fiscal Year 2020

- 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

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Transfers to General Fund per KCC 3.28.040	\$ -	\$ -	\$ -	\$ 78,911	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,911</u>	<u>\$ -</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
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>

Performance Indicators

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Investment Committee Meetings Held	2	4	4	4
City Council Annual Investment Update	1	1	1	1



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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. During fiscal year 2017, these bonds were refunded and reissued under *2016 Series Three and Four* as described below.

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.

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, 2019 is comprised of the following:

Governmental Activities	Balance at July 1, 2018	Additions	Retirements	Balance at June 30, 2019	Due Within One Year
\$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	\$ 6,350,000	\$ -	\$ 205,000	\$ 6,145,000	\$ 215,000
Bond premium	369,928	-	19,470	350,458	19,470
Net pension liability	10,461,935	233,182	-	10,695,117	-
Accrued leave	553,207	463,052	505,867	510,392	254,060
Total Governmental Activities	\$17,735,070	\$ 696,234	\$ 730,337	\$ 17,700,967	\$ 488,530

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, 2019, are as follows:

Governmental Activities	General Obligation Bonds		
	Principal	Interest	Total
<i>Years Ending June 30,</i>			
2020	\$ 215,000	\$ 235,450	\$ 450,450
2021	225,000	226,650	451,650
2022	230,000	217,550	447,550
2023	240,000	206,950	446,950
2024	255,000	194,575	449,575
2025-2029	1,485,000	762,625	2,247,625
2030-2034	1,815,000	432,825	2,247,825
2035-2038	1,680,000	115,763	1,795,763
	<u>\$6,145,000</u>	<u>\$2,392,388</u>	<u>\$8,537,388</u>

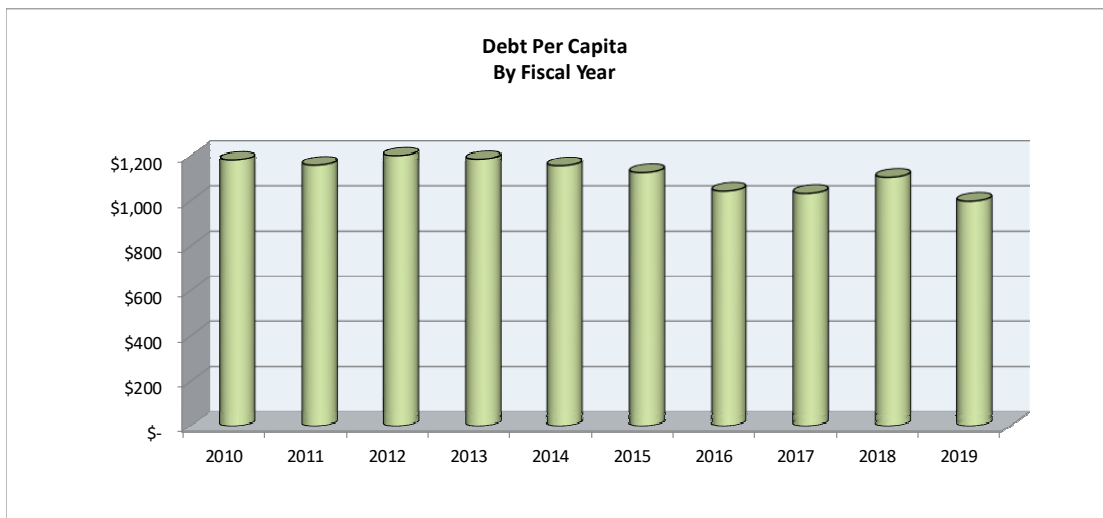


Long Term Debt – Governmental Activities continued

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 2019 totaled \$6,145,000 and the total estimated population of the City of Kodiak is 5,942 residents. The debt per capita is estimated at \$998 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, 2019, the amount of defeased debt still outstanding was \$1,575,000.



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, 2019, the amount of defeased debt still outstanding was \$3,310,000.

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, 2019, the amount of defeased debt still outstanding was \$815,000.

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 2020.

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 Pumpouse

The Alaska DEC Drinking Water Loan was in the amount of \$1,878,492 for the design and construction of the Monashka Pumpouse 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.

Alaska DEC Clean Water Loan: Sewer Utility Fund – WWTP Upgrade Design

The Alaska DEC Clean Water Loan was awarded at a maximum amount of \$600,000 for the design of upgrades for the Wastewater Treatment Plant facility. This loan is currently still in draw-down status. As of June 30, 2019, \$265,126 had been drawn down for this loan.

Long Term Debt Outstanding

Long-term debt for Business-Type Activities at June 30, 2019 is comprised of the following:

Business-type Activities	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2019</u>	<u>Due Within One Year</u>
Revenue Bonds:					
\$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	1,625,000	-	50,000	1,575,000	55,000
\$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	3,400,000	-	90,000	3,310,000	95,000
\$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	845,000	-	30,000	815,000	30,000
Loans Payable:					
\$550,000 Sewer loan, due in annual installments of \$55,000, plus interest at 1.5% through 2019	55,000	-	55,000	-	-
\$1,000,000 Sewer loan, due in annual installments of \$47,287, including interest at 1.5% through 2030	\$ 635,315	\$ -	\$ 48,716	\$ 586,599	\$ 49,447
\$930,000 Shipyard loan, due in annual installments of \$46,500, plus interest at 1.5% through 2030	\$ 558,000	\$ -	\$ 46,500	\$ 511,500	\$ 46,500
\$862,000 Water loan, due in annual installments of \$50,208, including interest at 1.5% through 2030	547,642	-	41,993	505,649	42,623
\$341,930 Water loan, due in annual installments of \$64,603 plus interest at 1.5% through 2020	129,207	-	64,604	64,603	64,603



Annual Operating Budget
July 1, 2019 – June 30, 2020

Long Term Debt – Business-type Activities continued

Long Term Debt Outstanding continued

Business-type Activities, continued	Balance at July 1, 2018	Additions	Retirements	Balance at June 30, 2019	Due Within One Year
Loans Payable, continued:					
\$341,930 Sewer loan, due in annual installments of \$32,302 plus interest at 1.5% through 2024	226,112	-	32,302	193,810	32,302
\$5,982,000 Water loan, due in annual installments of \$77,168, including interest at 1.5% through 2032	1,029,669	-	61,723	967,946	62,649
\$1,878,492 Water loan, due in annual installments of \$122,773 plus interest of 1.5% through 2036	2,209,922	-	122,774	2,087,148	122,774
\$1,794,604 Sewer loan, due in annual installments of \$89,730 plus interest of 1.5% through 2037	1,704,874	-	89,730	1,615,144	89,730
\$600,000 Sewer loan, due in annual installments	-	265,126	-	265,126	-
Bond premium	296,372	-	14,819	281,553	14,819
Net pension liability	3,112,653	1,349,708	-	4,462,361	-
Accrued leave	203,966	244,446	227,547	220,865	106,492
Total Business-type Activities	<u>\$ 16,578,732</u>	<u>\$ 1,859,280</u>	<u>\$ 975,708</u>	<u>\$ 17,462,304</u>	<u>\$ 811,939</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.

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Long Term Debt – Business-type Activities continued

Budget Process and Annual Debt Service Requirements continued

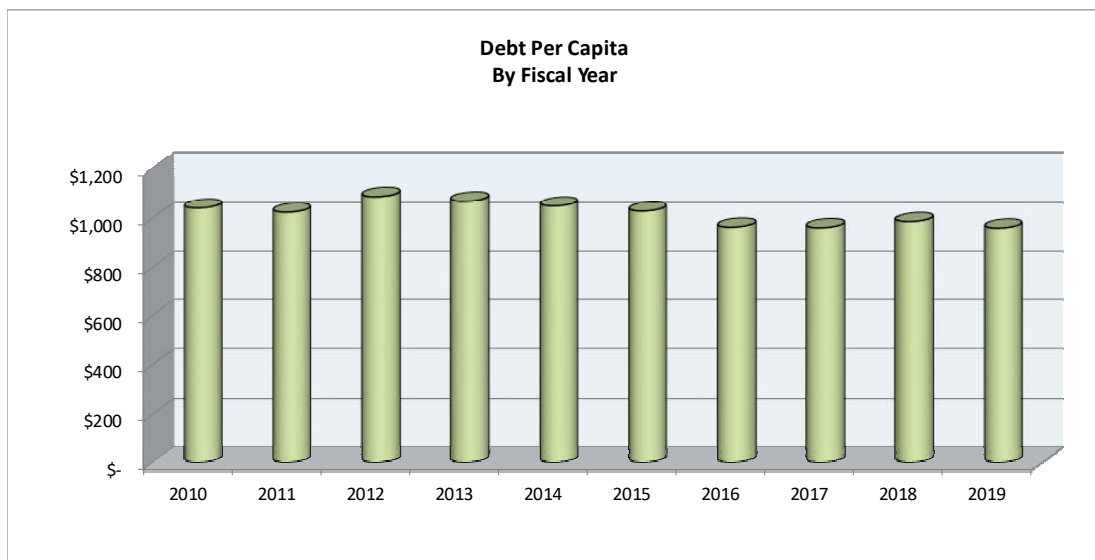
Annual debt service requirements to maturity for all of the above Business-Type Activities revenue bonds outstanding debt and loans payable outstanding as of June 30, 2019, are as follows:

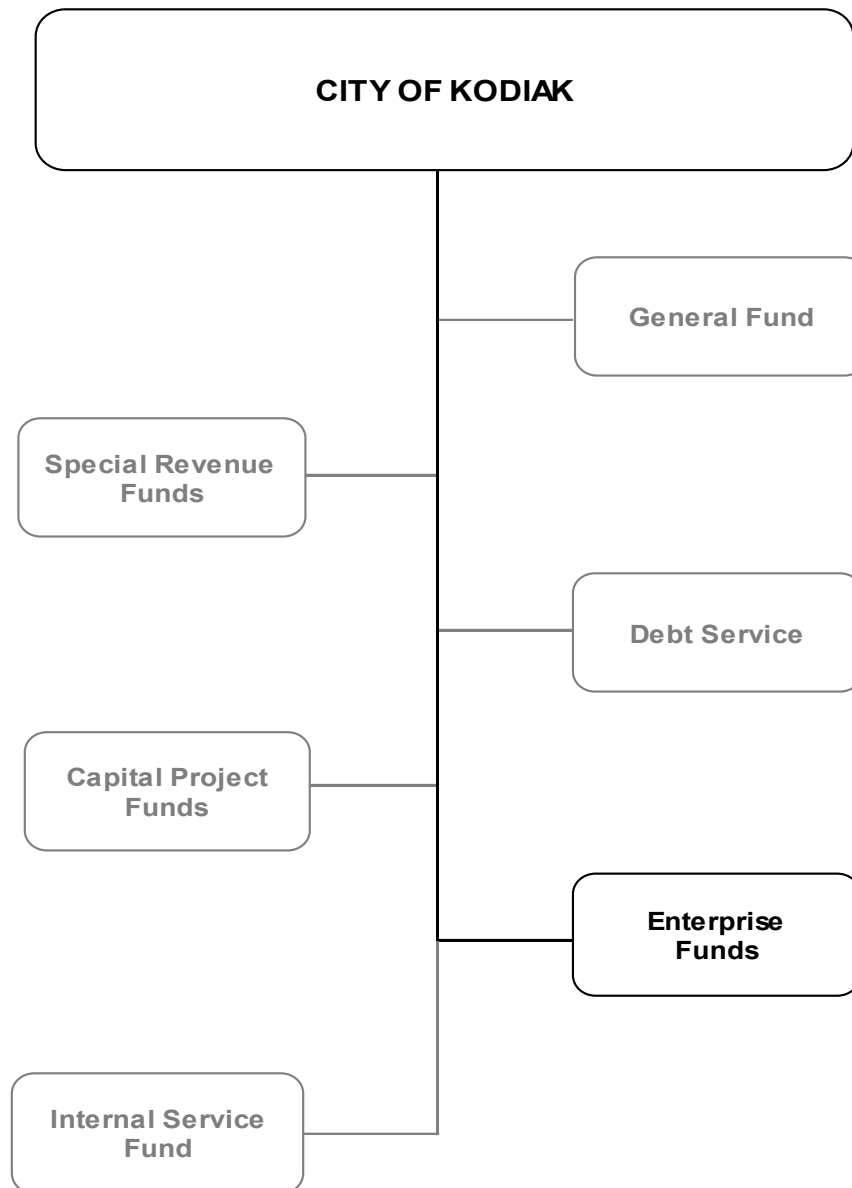
Business-type Activities Years Ending June 30,	Revenue Bonds			Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 180,000	\$ 215,094	\$ 395,094	\$ 510,628	\$ 97,986	\$ 608,614
2021	185,000	207,794	392,794	448,345	90,327	538,672
2022	195,000	200,194	395,194	450,700	83,601	534,301
2023	205,000	191,169	396,169	453,091	76,841	529,932
2024	215,000	180,669	395,669	455,518	70,044	525,562
2025-2029	1,230,000	729,219	1,959,219	2,451,204	253,867	2,705,071
2030-2034	1,815,000	432,637	2,247,637	1,513,303	99,956	1,613,259
2035-2038	1,675,000	115,340	1,790,340	514,736	13,600	528,336
	<u>\$ 5,700,000</u>	<u>\$ 2,272,116</u>	<u>\$ 7,972,116</u>	<u>\$ 6,797,525</u>	<u>\$ 786,222</u>	<u>\$ 7,583,747</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 2019 totaled \$5,700,000 and the total estimated population of the City of Kodiak is 5,942 residents. The debt per capita is estimated at \$959 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.







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.
- **Shipyard Fund – Major Fund**
The Shipyard Fund accounts for all activity for the City owned and operated Shipyard Facility.
- **Harbor Electric Fund – Non-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 2020 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 2020 budget, the estimated annual (i.e. unaudited) amounts for fiscal year 2019, the final amended budget for fiscal year 2019, and the actual amounts for fiscal year 2018 and fiscal year 2017. 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.

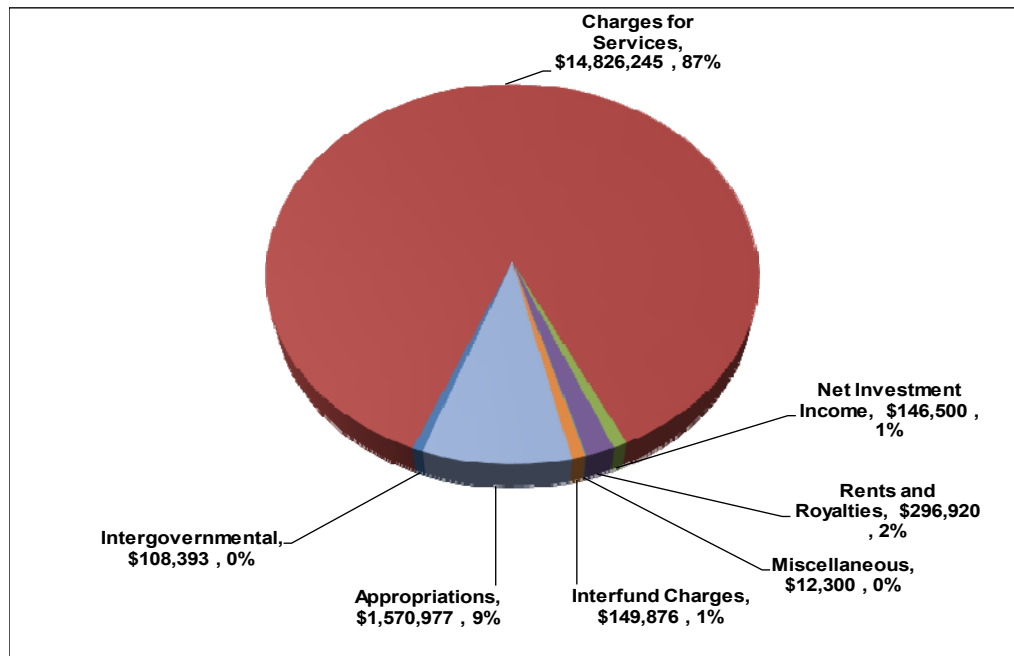
The city manager and finance director will approve or deny any capital outlay requests during this time. At the completion of meeting with the individual department directors regarding their respective budgets, the finance director will perform the calculations for enterprise fund allocations for insurance 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.

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Enterprise Funds – Fiscal Year 2020 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.

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 four 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 2020.

Charges for services for all enterprise funds for fiscal year 2020 were budgeted at \$14,826,245. A detailed summary of charges for services by fund is shown for each enterprise fund on the following pages.



Enterprise Funds – Fiscal Year 2020 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 2020 is \$146,500. 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 2020 is \$296,920.

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 2020 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 2020 totaled \$70,243.

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 \$1,570,977 for fiscal year 2020.

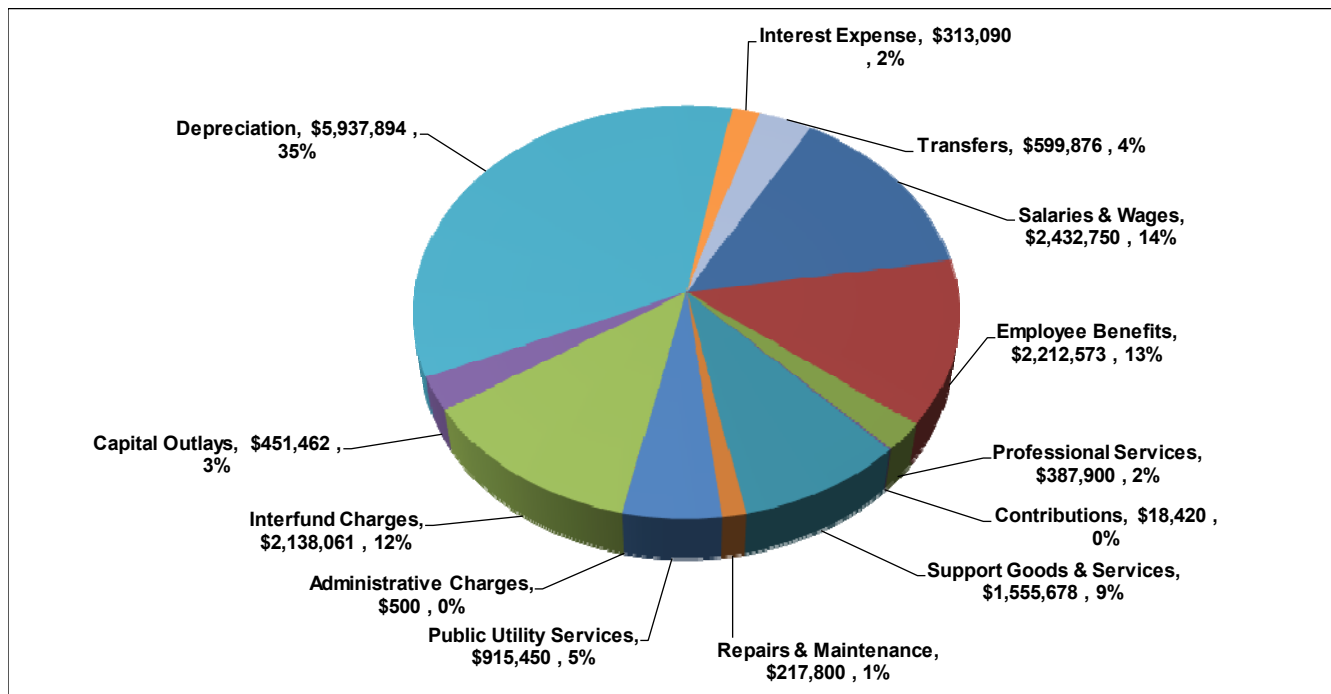
Shown below is a summary of Fiscal Year 2020 Budgeted Revenues by Enterprise fund.

	FY 2020 Cargo	FY 2020 Harbor	FY 2020 Shipyard	FY 2020 Electric	FY 2020 Water	FY 2020 Sewer	FY 2020 Trident	FY 2020 E-911	FY 2020 Total
REVENUES									
Intergovernmental	\$ 8,481	\$ 34,682	\$ 5,018	\$ -	\$ 21,363	\$ 33,019	\$ -	\$ 5,830	\$ 108,393
Charges for Services	1,305,000	2,519,220	468,000	674,500	4,542,000	4,852,525	15,000	450,000	14,826,245
Net Investment Income	30,000	26,000	500	5,000	60,000	25,000	-	-	146,500
Rents and Royalties	240,000	16,920	-	-	-	-	40,000	-	296,920
Miscellaneous	-	7,300	-	-	5,000	-	-	-	12,300
Interfund Charges	-	70,243	-	-	-	-	-	-	70,243
Transfers In	-	-	149,876	-	-	-	-	-	149,876
Appropriations	946,741	1,220,902	527,111	278,106	(1,407,925)	(293,545)	248,500	51,087	1,570,977
TOTAL REVENUES	\$2,530,222	\$3,895,267	\$1,150,505	\$ 957,606	\$ 3,220,438	\$4,616,999	\$303,500	\$506,917	\$17,181,454

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Enterprise Funds – Fiscal Year 2020 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 2020, budgeted salaries and wages for all enterprise funds totaled \$2,432,750.

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 2020, budgeted employee benefits for all enterprise funds totaled \$2,212,573.

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 2020, budgeted professional services for all enterprise funds totaled \$387,900.

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 2020, budgeted contributions for all enterprise funds totaled \$18,420.

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 2020, budgeted support goods and services for all enterprise funds totaled \$1,555,678.



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 2020, budgeted Repairs and Maintenance for all enterprise funds totaled \$217,800.

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 2020, budgeted Public Utility Services for all enterprise funds totaled \$915,450.

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 2020, budgeted Administrative Charges for all enterprise funds totaled \$500.

Interfund Charges:

These represent the allocation of revenues and expenses between funds to cover services rendered. For fiscal year 2020, budgeted Interfund Charges for all enterprise funds totaled \$2,138,061.

Capital Outlay:

Capital outlays are expenditures for improving, acquiring, or extending the use of existing fixed assets. For fiscal year 2020, budgeted Capital Outlays for all enterprise funds totaled \$451,462.

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 2020, budgeted Depreciation for all enterprise funds totaled \$5,937,894.

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. See the Debt Service section for further information related to the City's bonds. Interest Expense is included in Harbor, Shipyard, Water, and Sewer enterprise fund expenses. For fiscal year 2020, budgeted Interest Expense for all enterprise funds totaled \$313,090.

Transfers:

Transfers – These represent the transfer of monies between funds to pay expenses. For fiscal year 2020, budgeted Transfers for all enterprise funds totaled \$599,876.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUNDS – SUMMARY OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental	\$ 63,682	\$ 105,066	\$ 85,881	\$ 96,497	\$ 108,393
Charges for Services	13,101,259	14,146,329	14,184,159	14,745,173	14,826,245
Net Investment Income	62,721	222,623	84,500	546,649	146,500
Rents & Royalties	307,714	368,096	292,575	363,734	296,920
Miscellaneous	80,507	181,552	65,614	11,049	12,300
Interfund Charges	74,258	75,218	78,228	78,228	70,243
TOTAL REVENUES	13,690,141	15,098,884	14,790,957	15,841,330	15,460,601
EXPENSES					
Salaries & Wages	1,976,624	2,128,260	2,449,020	2,504,594	2,432,750
Employee Benefits	2,289,770	1,332,957	2,470,233	1,959,485	2,212,573
Professional Services	173,101	195,493	345,900	359,577	387,900
Contributions	16,819	17,165	18,250	18,146	18,420
Support Goods & Services	1,232,042	1,359,503	1,490,172	1,385,722	1,555,678
Repairs & Maintenance	194,702	197,841	203,100	151,108	217,800
Public Utility Services	887,724	894,856	967,050	895,654	915,450
Administrative Charges	14,089	14,087	500	1,119	500
Interfund Charges	2,245,954	2,184,437	2,208,634	2,280,237	2,138,061
Capital Outlays	71,864	91,249	421,165	75,456	451,462
Depreciation	4,494,428	4,450,938	4,158,530	6,077,093	5,937,894
Interest Expense	556,149	400,470	330,952	294,367	313,090
TOTAL EXPENSES	14,153,266	13,267,256	15,063,506	16,002,558	16,581,578
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	13,474	-	-	-	-
Transfers In	-	332,432	548,420	548,420	149,876
Transfers Out	(3,157,732)	(20,000)	(1,103,974)	(1,369,097)	(450,000)
NET OTHER FINANCING SOURCES (USES)	(3,144,258)	312,432	(555,554)	(820,677)	(300,124)
NET INCREASE (DECREASE) IN FUND	\$ (3,607,383)	\$ 2,144,060	\$ (828,103)	\$ (981,905)	\$ (1,421,101)



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Annual Operating Budget
July 1, 2019 – June 30, 2020

CARGO TERMINAL FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental	\$ 5,611	\$ 9,493	\$ 15,000	\$ 5,982	\$ 8,481
Charges for Services	991,938	1,376,019	1,189,000	1,790,781	1,305,000
Net Investment Income	11,115	42,116	12,000	111,704	30,000
Rents & Royalties	250,105	317,057	235,825	306,408	240,000
Miscellaneous	9,284	40,770	-	1,719	-
TOTAL REVENUES	1,268,053	1,785,455	1,451,825	2,216,594	1,583,481
EXPENSES					
Salaries & Wages	163,233	170,713	192,570	170,839	190,178
Employee Benefits	199,602	124,875	198,190	139,745	182,554
Professional Services	1,751	4,778	7,000	3,407	12,000
Support Goods & Services	28,134	106,018	119,181	119,074	133,846
Repairs & Maintenance	2,162	15,637	20,500	7,932	25,500
Public Utility Services	27,997	26,095	30,500	26,057	30,900
Administrative Charges	-	9,378	-	-	-
Interfund Charges	141,686	148,638	147,340	147,340	173,585
Depreciation	532,005	532,005	532,006	1,781,659	1,781,659
TOTAL EXPENSES	1,096,570	1,138,137	1,247,287	2,396,053	2,530,222
OTHER FINANCING USES					
Capital Transfers Out	(815,000)	-	(1,072,224)	(1,072,224)	-
NET OTHER FINANCING USES	(815,000)	-	(1,072,224)	(1,072,224)	-
NET INCREASE (DECREASE) IN FUND	\$ (643,517)	\$ 647,318	\$ (867,686)	\$ (1,251,683)	\$ (946,741)



Annual Operating Budget
July 1, 2019 – June 30, 2020

CARGO TERMINAL FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental					
PERS State Revenues	\$ 5,611	\$ 9,493	\$ 15,000	\$ 5,982	\$ 8,481
Total Intergovernmental	5,611	9,493	15,000	5,982	8,481
Charges for Services					
Dockage Pier III	140,709	176,260	158,000	246,442	175,000
Cruise Ship	168,479	245,589	105,000	341,081	105,000
Pier III Lease	285,823	303,000	321,000	344,532	375,000
Wharfage and Handling	396,927	651,170	605,000	858,726	650,000
Total Charges for Services	991,938	1,376,019	1,189,000	1,790,781	1,305,000
Net Investment Income					
Net Investment Income	11,115	42,116	12,000	111,704	30,000
Total Interest	11,115	42,116	12,000	111,704	30,000
Rents and Royalties					
Warehouse Rental	206,724	210,132	205,825	283,926	210,000
Van Storage Rental	43,381	106,925	30,000	22,482	30,000
Total Rents and Royalties	250,105	317,057	235,825	306,408	240,000
Miscellaneous					
Other Revenues	9,284	40,770	-	1,719	-
Total Miscellaneous	9,284	40,770	-	1,719	-
Appropriation From					
Fund Balance	-	-	867,686	-	946,741
TOTAL REVENUES	1,268,053	1,785,455	2,319,511	2,216,594	2,530,222
EXPENSES					
Salaries & Wages	163,233	170,713	192,570	170,839	190,178
Employee Benefits	199,602	124,875	198,190	139,745	182,554
Professional Services	1,751	4,778	7,000	3,407	12,000
Support Goods & Services	28,134	106,018	119,181	119,074	133,846
Repairs & Maintenance	2,162	15,637	20,500	7,932	25,500
Public Utility Services	27,997	26,095	30,500	26,057	30,900
Administrative Charges	-	9,378	-	-	-
Interfund Charges	141,686	148,638	147,340	147,340	173,585
Depreciation	532,005	532,005	532,006	1,781,659	1,781,659
TOTAL EXPENSES	1,096,570	1,138,137	1,247,287	2,396,053	2,530,222
OTHER FINANCING USES					
Capital Transfers Out	(815,000)	-	(1,072,224)	(1,072,224)	-
NET OTHER FINANCING USES	(815,000)	-	(1,072,224)	(1,072,224)	-
NET INCREASE (DECREASE)					
IN FUND	\$ (643,517)	\$ 647,318	\$ -	\$ (1,251,683)	\$ -



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 Tustumena 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 2020 budget increased 0.32% and therefore remained comparable to fiscal year 2019.

Accomplishments: For fiscal year 2019, this department's actual expenses were 16.21% less than the budgeted amount due to lower labor costs required during the year than anticipated.

Planned Accomplishments for Fiscal Year 2020

- 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 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 163,233	\$ 170,713	\$ 192,570	\$ 170,839	\$ 190,178
Employee Benefits	199,602	124,875	198,190	139,745	182,554
Professional Services	131	3,138	5,000	2,987	10,000
Support Goods & Services	25,999	104,519	116,681	116,215	131,346
Repairs & Maintenance	385	649	500	-	500
Administrative Charges	-	9,378	-	-	-
Total Expenditures	\$ 389,350	\$ 413,272	\$ 512,941	\$ 429,786	\$ 514,578

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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 2020 budget increased by 28.57% due to increased repairs and maintenance.

Accomplishments: For fiscal year 2019, this department's actual expenses were 58.84% less than the budgeted amount due to fewer required repairs and maintenance during the year than anticipated.

Planned Accomplishments for Fiscal Year 2020

- To maintain positive working relationships with users of the facilities.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-CARGO TERMINAL FUND – WAREHOUSE

FUND: Enterprise
FUNCTION: Cargo

DEPARTMENT: Cargo Terminal
COST CENTER: Warehouse

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Professional Services	\$ 1,620	\$ 1,640	\$ 2,000	\$ 420	\$ 2,000
Support Goods & Services	54	148	500	474	500
Repairs & Maintenance	1,171	12,837	10,000	4,251	15,000
Total Expenditures	<u>\$ 2,845</u>	<u>\$ 14,625</u>	<u>\$ 12,500</u>	<u>\$ 5,145</u>	<u>\$ 17,500</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
None	0	0	0	0
Total	0	0	0	0

Performance Indicators

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Warehouse Lease Agreements	\$ 206,724	\$ 210,132	\$ 283,926	\$ 210,000



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 2020 budget increased by 68.77% due to additional depreciation from capital projects fully in use and placed in service.

Accomplishments: For fiscal year 2019, this department's actual expenses were 218.81% higher than the budgeted amount due to an increase in depreciation from capital projects for reconstructed facilities that were completed and placed in service.

Planned Accomplishments for Fiscal Year 2020

- To continue providing the necessary services to the fishing fleet and other users.
- To provide security to regulated passenger vessels (i.e. cruise ships).



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-CARGO TERMINAL FUND – PIER II

FUND: Enterprise
 FUNCTION: Cargo

DEPARTMENT: Cargo Terminal
 COST CENTER: Pier II

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Support Goods & Services	\$ 2,081	\$ 1,351	\$ 2,000	\$ 2,385	\$ 2,000
Repairs & Maintenance	205	2,040	5,000	539	5,000
Public Utility Services	25,962	23,595	28,500	24,677	28,500
Depreciation	532,005	532,005	532,006	1,781,659	1,781,659
Total Expenditures	<u>\$ 560,253</u>	<u>\$ 558,991</u>	<u>\$ 567,506</u>	<u>\$ 1,809,260</u>	<u>\$ 1,817,159</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
None	0	0	0	0
Total	0	0	0	0

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Cruise Ship Revenues	\$ 168,479	\$ 245,589	\$ 341,081	\$ 105,000
Van Storage Revenues	\$ 43,381	\$ 106,925	\$ 22,482	\$ 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 2020 budget increased by 5.41% due to increased public utility service charges.

Accomplishments: For fiscal year 2019, this department's actual expenses were 35.40% less than the budgeted amount due fewer required repairs and maintenance than anticipated.

Planned Accomplishments for Fiscal Year 2020

- To provide the necessary services and maintain a safe working environment.
- To cultivate positive working relationships with tenants and other users.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-CARGO TERMINAL FUND – PIER III

FUND: Enterprise
 FUNCTION: Cargo

DEPARTMENT: Cargo Terminal
 COST CENTER: Pier III

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Repairs & Maintenance	\$ 401	\$ 111	\$ 5,000	\$ 3,142	\$ 5,000
Public Utility Services	2,035	2,500	2,000	1,380	2,400
Total Expenditures	<u>\$ 2,436</u>	<u>\$ 2,611</u>	<u>\$ 7,000</u>	<u>\$ 4,522</u>	<u>\$ 7,400</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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>

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Wharfage	\$ 396,927	\$ 651,170	\$ 858,726	\$ 650,000
Dockage Pier III	\$ 140,709	\$ 176,260	\$ 246,442	\$ 175,000



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 2020 budget increased by 15.12% as compared to fiscal year 2019. These interfund charges are based on allocation calculations each year and will fluctuate year over year.

Accomplishments: For fiscal year 2019, 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 2020

- Not applicable.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-CARGO TERMINAL FUND – INTERFUND CHARGES

FUND: Enterprise
FUNCTION: Cargo

DEPARTMENT: Cargo Terminal
COST CENTER: Interfund Charges

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Administrative	\$ 79,768	\$ 81,982	\$ 79,042	\$ 79,042	\$ 112,349
Public Works	24,793	29,592	31,119	31,119	27,659
Engineering	7,422	6,977	5,888	5,888	5,480
Harbor	29,703	30,087	31,291	31,291	28,097
Total Expenditures	<u>\$ 141,686</u>	<u>\$ 148,638</u>	<u>\$ 147,340</u>	<u>\$ 147,340</u>	<u>\$ 173,585</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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 prior fiscal year, transfers for capital projects decreased by 100% as these were not budgeted for fiscal year 2020.

Accomplishments: For fiscal year 2019, estimated transfers were comparable to budget for transfers to capital projects.

Planned Accomplishments for Fiscal Year 2020

- Not applicable.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-CARGO TERMINAL FUND – TRANSFERS

FUND: Enterprise
FUNCTION: Cargo

DEPARTMENT: Cargo Terminal
COST CENTER: Transfers

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Capital Projects Transfers	\$ 815,000	\$ -	\$ 1,072,224	\$ 1,072,224	\$ -
Total Expenditures	<u>\$ 815,000</u>	<u>\$ -</u>	<u>\$ 1,072,224</u>	<u>\$ 1,072,224</u>	<u>\$ -</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
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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Annual Operating Budget
July 1, 2019 – June 30, 2020

BOAT HARBOR FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental	\$ 23,906	\$ 40,453	\$ 25,000	\$ 24,399	\$ 34,682
Charges for Services	2,132,544	2,367,680	2,538,359	2,330,044	2,519,220
Net Investment Income	19,227	37,029	21,000	51,864	26,000
Rents & Royalties	15,765	15,765	16,750	16,570	16,920
Miscellaneous	23,976	49,938	7,300	574	7,300
Interfund Charges	74,258	75,218	78,228	78,228	70,243
TOTAL REVENUES	2,289,676	2,586,083	2,686,637	2,501,679	2,674,365
EXPENSES					
Salaries & Wages	713,370	768,002	823,631	713,117	788,206
Employee Benefits	784,943	435,353	740,896	408,289	616,627
Professional Services	65,626	66,088	59,500	78,552	89,500
Contributions	16,819	17,165	18,250	18,146	18,420
Support Goods & Services	177,378	173,032	197,839	188,497	215,148
Repairs & Maintenance	63,349	32,028	60,000	33,959	56,000
Public Utility Services	201,965	238,513	192,000	245,372	193,000
Administrative Charges	11,173	3,845	-	1,119	-
Interfund Charges	248,084	247,574	274,779	274,799	265,068
Capital Outlays	22,642	38,588	97,090	30,256	62,562
Depreciation	1,302,809	1,279,565	1,254,487	1,384,924	1,380,745
Interest Expense	115,431	94,754	62,215	57,422	60,115
TOTAL EXPENSES	3,723,589	3,394,507	3,780,687	3,434,452	3,745,391
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	4,089	-	-	-	-
Capital Transfers Out	-	(332,432)	(548,420)	(548,420)	(149,876)
NET OTHER FINANCING SOURCES (USES)	4,089	(332,432)	(548,420)	(548,420)	(149,876)
NET DECREASE IN FUND	\$ (1,429,824)	\$ (1,140,856)	\$ (1,642,470)	\$ (1,481,193)	\$ (1,220,902)



BOAT HARBOR FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental					
PERS State Revenues	\$ 23,906	\$ 40,453	\$ 25,000	\$ 24,399	\$ 34,682
Total Intergovernmental	<u>23,906</u>	<u>40,453</u>	<u>25,000</u>	<u>24,399</u>	<u>34,682</u>
Charges for Services					
Dockages AMHS	69,556	68,082	32,500	65,392	50,000
Exclusive Moorage	1,248,293	1,476,343	1,510,544	1,476,040	1,552,840
Transient Moorage	513,356	471,444	569,512	463,299	475,000
Harbormaster Services	4,216	8,950	9,137	9,871	9,395
Tidal Grid Fees	15,302	15,631	18,273	16,395	18,785
Pier / Dock Fees	128,596	153,245	201,000	119,770	206,630
Used Oil Fees	25,095	22,742	18,273	21,402	18,785
Waiting List Fees	2,475	2,955	3,655	2,865	3,760
Trailer Parking Fees	29,600	24,457	42,637	22,561	43,830
Bulk Oil Sales	1,256	8,438	-	23,012	-
Gear Storage	66,145	76,310	79,182	68,651	81,400
Public Showers	-	3,366	-	6,956	4,500
Parking Meters	3,959	4,952	7,500	3,890	7,500
Launch Ramp Permits	18,917	17,810	23,146	18,144	23,795
Pier I - Wharfage & Handling	-	-	-	-	-
Pier I - Dockage AMHS	-	-	-	-	-
Pier I - Harbormaster Services	-	-	3,000	-	3,000
Pier I - Pier / Dock Fees	5,778	12,955	10,000	11,796	10,000
Pier I - Bulk Oil Sales / Charges	-	-	10,000	-	10,000
Total Charges for Services	<u>2,132,544</u>	<u>2,367,680</u>	<u>2,538,359</u>	<u>2,330,044</u>	<u>2,519,220</u>
Net Investment Income					
Net Investment Income	19,227	37,029	21,000	51,864	26,000
Total Net Investment Income	<u>19,227</u>	<u>37,029</u>	<u>21,000</u>	<u>51,864</u>	<u>26,000</u>
Rents and Royalties					
AMHS Office Rent	15,765	15,765	16,750	16,570	16,920
Total Rents and Royalties	<u>15,765</u>	<u>15,765</u>	<u>16,750</u>	<u>16,570</u>	<u>16,920</u>
Miscellaneous					
Other Revenues	23,976	49,938	7,300	574	7,300
Total Miscellaneous	<u>\$ 23,976</u>	<u>\$ 49,938</u>	<u>\$ 7,300</u>	<u>\$ 574</u>	<u>\$ 7,300</u>



Annual Operating Budget
July 1, 2019 – June 30, 2020

BOAT HARBOR FUND – DETAIL OF REVENUES AND EXPENSES continued

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES continued					
Interfund Charges					
Harbormaster Services	\$ 74,258	\$ 75,218	\$ 78,228	\$ 78,228	\$ 70,243
Total Interfund Charges	74,258	75,218	78,228	78,228	70,243
Other Financing Sources					
Bond Proceeds	4,089	-	-	-	-
Total Other Financing Sources	4,089	-	-	-	-
Appropriation From					
Fund Balance	-	-	1,642,470	-	1,220,902
TOTAL REVENUES	2,293,765	2,586,083	4,329,107	2,501,679	3,895,267
EXPENSES					
Salaries & Wages	713,370	768,002	823,631	713,117	788,206
Employee Benefits	784,943	435,353	740,896	408,289	616,627
Professional Services	65,626	66,088	59,500	78,552	89,500
Contributions	16,819	17,165	18,250	18,146	18,420
Support Goods & Services	177,378	173,032	197,839	188,497	215,148
Repairs & Maintenance	63,349	32,028	60,000	33,959	56,000
Public Utility Services	201,965	238,513	192,000	245,372	193,000
Administrative Charges	11,173	3,845	-	1,119	-
Interfund Charges	248,084	247,574	274,779	274,799	265,068
Capital Outlays	22,642	38,588	97,090	30,256	62,562
Depreciation	1,302,809	1,279,565	1,254,487	1,384,924	1,380,745
Interest Expense	115,431	94,754	62,215	57,422	60,115
TOTAL EXPENSES	3,723,589	3,394,507	3,780,687	3,434,452	3,745,391
OTHER FINANCING USES					
Capital Transfers Out	-	(332,432)	(548,420)	(548,420)	(149,876)
NET OTHER FINANCING USES	-	(332,432)	(548,420)	(548,420)	(149,876)
NET DECREASE IN FUND	\$ (1,429,824)	\$ (1,140,856)	\$ -	\$ (1,481,193)	\$ -



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 2020 budget decreased by 0.77% and therefore considered comparable to prior year.

Accomplishments: For fiscal year 2019, this department's actual expenses were 10.30% less than budget primarily due to lower salaries and wages and related employee benefits due to staffing turnovers.

Planned Accomplishments for Fiscal Year 2020

- 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



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-BOAT HARBOR FUND – ADMINISTRATION

FUND: Enterprise
FUNCTION: Harbor

DEPARTMENT: Harbor
COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 713,370	\$ 768,002	\$ 823,631	\$ 713,117	\$ 788,206
Employee Benefits	784,943	435,353	740,896	408,289	616,627
Professional Services	65,626	66,088	57,500	78,552	87,500
Contributions	16,819	17,165	18,250	18,146	18,420
Support Goods & Services	177,378	173,032	195,839	188,497	213,148
Repairs & Maintenance	62,976	32,028	42,500	33,959	38,500
Public Utility Services	199,207	232,239	186,000	239,349	186,000
Administrative Charges	11,173	3,845	-	1,119	-
Capital Outlays	22,642	38,588	97,090	30,256	62,562
Depreciation	1,302,809	1,279,565	1,254,487	1,384,924	1,380,745
Interest Expense	115,431	94,754	62,215	57,422	60,115
Total Expenditures	\$ 3,472,374	\$ 3,140,659	\$ 3,478,408	\$ 3,153,630	\$ 3,451,823

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Vehicle, Boat and Foot Patrol Hours	8,789	8,049	8,555	8,600
Number of Citizens Assists	6,505	10,305	10,315	7,000
Used Oil Collected (Gallons)	25,095	13,016	9,396	15,000



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 2020 budget increased by 3.64% due to increased public utility costs.

Accomplishments: For fiscal year 2019, this department's actual expenses were 78.10% less than budgeted as the Pier I Ferry Dock is part of a memorandum of agreement with the State of Alaska. This MOA is still pending execution between the City and the State.

Planned Accomplishments for Fiscal Year 2020

- To execute the agreement with the State of Alaska.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-BOAT HARBOR FUND – PIER I

FUND: Enterprise
FUNCTION: Harbor

DEPARTMENT: Harbor
COST CENTER: Pier I

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Professional Services	-	-	2,000	-	2,000
Support Goods & Services	-	-	2,000	-	2,000
Repairs & Maintenance	373	-	17,500	-	17,500
Public Utility Services	2,758	6,274	6,000	6,023	7,000
Total Expenditures	<u>\$ 3,131</u>	<u>\$ 6,274</u>	<u>\$ 27,500</u>	<u>\$ 6,023</u>	<u>\$ 28,500</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Establish MOA with State	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 2020 budget decreased by 3.66%. Interfund charges are based on allocation calculations and will fluctuate year over year.

Accomplishments: For fiscal year 2019, 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 2020

- Not applicable.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-BOAT HARBOR FUND – INTERFUND CHARGES

FUND: Enterprise
FUNCTION: Harbor

DEPARTMENT: Harbor
COST CENTER: Interfund Charges

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Administrative	\$ 148,824	\$ 135,551	\$ 140,755	\$ 140,775	\$ 138,795
Financial	91,838	105,046	128,136	128,136	120,793
Public Works	7,422	6,977	5,888	5,888	5,480
Total Expenditures	<u>\$ 248,084</u>	<u>\$ 247,574</u>	<u>\$ 274,779</u>	<u>\$ 274,799</u>	<u>\$ 265,068</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
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 2020 budget decreased by 265.92% for transfers to the Shipyard for operations.

Accomplishments: For fiscal year 2019, this department's actual expenses were comparable to the budget as these are budgeted transfers to the Shipyard for operations.

Planned Accomplishments for Fiscal Year 2020

- Not applicable.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-BOAT HARBOR FUND – TRANSFERS

FUND: Enterprise
FUNCTION: Harbor

DEPARTMENT: Harbor
COST CENTER: Transfers

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Operating Transfers to Ship Yard	\$ -	\$ 332,432	\$ 548,420	\$ 548,420	\$ 149,876
Total Expenditures	<u>\$ -</u>	<u>\$ 332,432</u>	<u>\$ 548,420</u>	<u>\$ 548,420</u>	<u>\$ 149,876</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
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>



SHIPYARD FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental	\$ 3,477	\$ 6,272	\$ 5,000	\$ 3,177	\$ 5,018
Charges for Services	411,360	501,601	455,500	531,139	468,000
Net Investment Income	(2,754)	(3)	500	362	500
Miscellaneous	2,919	6,350	-	-	-
TOTAL REVENUES	415,002	514,220	461,000	534,678	473,518
EXPENSES					
Salaries & Wages	104,699	111,145	114,763	107,370	107,064
Employee Benefits	93,316	76,723	107,366	42,480	121,200
Professional Services	18,185	20,985	25,000	37,232	15,000
Support Goods & Services	58,596	70,735	63,372	74,549	71,765
Repairs & Maintenance	7,156	74,216	10,000	37,358	13,500
Public Utility Services	33,815	30,617	40,500	39,506	40,500
Administrative Charges	2,463	-	-	-	-
Interfund Charges	111,157	106,215	90,681	90,681	91,961
Depreciation	529,981	526,860	526,860	526,860	526,860
Interest Expense	374,188	218,627	168,252	157,191	162,655
TOTAL EXPENSES	1,333,556	1,236,123	1,146,794	1,113,227	1,150,505
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	9,385	-	-	-	-
Operating Transfers from Boat Harbor fund	-	332,432	548,420	548,420	149,876
NET OTHER FINANCING SOURCES (USES)	-	332,432	548,420	548,420	149,876
NET INCREASE (DECREASE) IN FUND	\$ (918,554)	\$ (389,471)	\$ (137,374)	\$ (30,129)	\$ (527,111)



Annual Operating Budget
July 1, 2019 – June 30, 2020

SHIPYARD FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental					
PERS	\$ 3,477	\$ 6,272	\$ 5,000	\$ 3,177	\$ 5,018
Total Intergovernmental	<u>3,477</u>	<u>6,272</u>	<u>5,000</u>	<u>3,177</u>	<u>5,018</u>
Charges for Services					
Haul / Launch / Block	225,263	231,789	230,000	265,270	230,000
Pressure Wash	10,500	12,250	12,000	16,250	12,000
Yard Services	34,633	45,124	45,000	42,678	45,000
Container Storage	-	773	4,000	1,825	4,000
Lay Days	87,192	128,717	100,000	123,952	100,000
Electricity	20,796	37,645	25,000	32,212	35,000
Vendor Fees	2,500	6,000	5,000	2,250	5,000
Hang Time	20,475	27,162	22,500	33,850	25,000
Environmental Surcharges	10,001	12,141	12,000	12,852	12,000
Total Charges for Services	<u>411,360</u>	<u>501,601</u>	<u>455,500</u>	<u>531,139</u>	<u>468,000</u>
Net Investment Income					
Net Investment Income	(2,754)	(3)	500	362	500
Total Net Investment Income	<u>(2,754)</u>	<u>(3)</u>	<u>500</u>	<u>362</u>	<u>500</u>
Miscellaneous					
Other Revenues	2,919	6,350	-	-	-
Total Miscellaneous	<u>2,919</u>	<u>6,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
Appropriation from Fund Balance	<u>-</u>	<u>-</u>	<u>137,374</u>	<u>-</u>	<u>527,111</u>
TOTAL REVENUES	<u>415,002</u>	<u>514,220</u>	<u>598,374</u>	<u>534,678</u>	<u>1,000,629</u>
EXPENSES					
Salaries & Wages	104,699	111,145	114,763	107,370	107,064
Employee Benefits	93,316	76,723	107,366	42,480	121,200
Professional Services	18,185	20,985	25,000	37,232	15,000
Support Goods & Services	58,596	70,735	63,372	74,549	71,765
Repairs & Maintenance	7,156	74,216	10,000	37,358	13,500
Public Utility Services	33,815	30,617	40,500	39,506	40,500
Administrative Charges	2,463	-	-	-	-
Interfund Charges	111,157	106,215	90,681	90,681	91,961
Depreciation	529,981	526,860	526,860	526,860	526,860
Interest Expense	374,188	218,627	168,252	157,191	162,655
TOTAL EXPENSES	<u>1,333,556</u>	<u>1,236,123</u>	<u>1,146,794</u>	<u>1,113,227</u>	<u>1,150,505</u>
OTHER FINANCING SOURCES (USES)					
Bond Proceeds	9,385	-	-	-	-
Operating Transfers from Boat Harbor fund	-	332,432	548,420	548,420	149,876
NET OTHER FINANCING SOURCES (USES)	<u>9,385</u>	<u>332,432</u>	<u>548,420</u>	<u>548,420</u>	<u>149,876</u>
NET INCREASE (DECREASE) IN FUND	<u>\$ (909,169)</u>	<u>\$ (389,471)</u>	<u>\$ -</u>	<u>\$ (30,129)</u>	<u>\$ -</u>



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 2020 budget increased 0.23% and is therefore considered comparable to prior year.

Accomplishments: For fiscal year 2019, this department's actual expenses were 3.18% less than budgeted primarily due to changes in salaries and wages and related benefits and professional services for the retirement of the contracted boat lift operator.

Planned Accomplishments for Fiscal Year 2020

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-SHIPYARD FUND – ADMINISTRATION

FUND: Enterprise
 FUNCTION: Shipyard

DEPARTMENT: Shipyard
 COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 104,699	\$ 111,145	\$ 114,763	\$ 107,370	\$ 107,064
Employee Benefits	93,316	76,723	107,366	42,480	121,200
Professional Services	18,185	20,985	25,000	37,232	15,000
Support Goods & Services	58,596	70,735	63,372	74,549	71,765
Repairs & Maintenance	7,156	74,216	10,000	37,358	13,500
Public Utility Services	33,815	30,617	40,500	39,506	40,500
Administrative Services	2,463	-	-	-	-
Depreciation	529,981	526,860	526,860	526,860	526,860
Interest Expense	374,188	218,627	168,252	157,191	162,655
Total Expenditures	\$ 1,222,399	\$ 1,129,908	\$ 1,056,113	\$ 1,022,546	\$ 1,058,544

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Harbor Maintenance Mechanic	2	2	2	2
Total	2	2	2	2

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Number of Boats Serviced	30	32	37	30
Number of Lay Days	582	551	537	550
Average Number of Lay Days per Boat	38	17	15	20
Average Length of Vessel	196	88	87	85
Haul, Launch, Block Revenue	\$ 225,264	\$ 231,787	\$ 265,270	\$ 230,000
Lay Day Revenue	\$ 87,192	\$ 128,717	\$ 123,952	\$ 100,000



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 2020 budget increased by 1.39% due to allocation calculations that fluctuate year over year.

Accomplishments: For fiscal year 2019, 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 2020

- Not applicable.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-SHIPYARD FUND – INTERFUND CHARGES

FUND: Enterprise
FUNCTION: Shipyard

DEPARTMENT: Shipyard
COST CENTER: Interfund Charges

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Administrative	\$ 46,821	\$ 36,365	\$ 25,966	\$ 25,966	\$ 28,225
Financial	27,211	32,786	27,536	27,536	30,159
Public Works	7,422	6,977	5,888	5,888	5,480
Harbormaster	29,703	30,087	31,291	31,291	28,097
Total Expenditures	<u>\$ 111,157</u>	<u>\$ 106,215</u>	<u>\$ 90,681</u>	<u>\$ 90,681</u>	<u>\$ 91,961</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
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>



ENTERPRISE FUND-SHIPYARD FUND – TRANSFERS

Departmental Vision

Not applicable.

Program Description

The Shipyard Fund-Transfers represents the transfer of monies between funds for operating deficits.

Goals and Objectives

Not applicable.

Significant Budget Changes and Accomplishments

Significant Changes: In comparison to the prior fiscal year budget, the Fiscal Year 2020 budget remained at zero as there were no capital transfers budgeted for the upcoming fiscal year.

Accomplishments: For fiscal year 2019, this department's actual expenses agreed to budget and remained at zero as there were no capital transfers budgeted for fiscal year 2019.

Planned Accomplishments for Fiscal Year 2020

- Not applicable.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-SHIPYARD FUND – TRANSFERS

FUND: Enterprise
FUNCTION: Shipyard

DEPARTMENT: Shipyard
COST CENTER: Transfers

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Capital Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
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>



ELECTRIC UTILITY FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Charges for Services	\$ 811,129	\$ 641,892	\$ 674,500	\$ 615,752	\$ 674,500
Net Investment Income	2,480	8,478	1,000	19,737	5,000
TOTAL REVENUES	813,609	650,370	675,500	635,489	679,500
EXPENSES					
Professional Services	-	3,320	7,500	110	7,500
Support Goods & Services	581,040	513,620	533,263	511,250	533,297
Repairs & Maintenance	7,322	4,950	10,000	8,114	10,000
Administrative Charges	453	864	500	-	500
Interfund Charges	61,842	61,804	75,417	75,417	56,309
Capital Outlays	-	-	-	-	-
Depreciation	10,402	-	-	-	-
TOTAL EXPENSES	661,059	584,558	626,680	594,891	607,606
OTHER FINANCING SOURCES (USES)					
Capital Transfers Out	-	-	-	-	(350,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(350,000)
NET INCREASE IN FUND	\$ 152,550	\$ 65,812	\$ 48,820	\$ 40,598	\$ (278,106)



ELECTRIC UTILITY FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Charges for Services					
Non-Meter Charges	\$ 21,780	\$ 16,157	\$ 17,000	\$ 13,956	\$ 17,000
Customer Charges - Recurring	110,535	102,971	115,000	103,227	115,000
Con / Disc / Trans Fees	9,180	6,550	7,000	6,592	7,000
Energy Charge Fees	661,905	513,308	530,000	487,390	530,000
Record Fees	345	195	500	165	500
Electric Service Calls	7,384	2,711	5,000	4,422	5,000
Total Charges for Services	811,129	641,892	674,500	615,752	674,500
Net Investment Income					
Net Investment Income	2,480	8,478	1,000	19,737	5,000
Total Net Investment Income	2,480	8,478	1,000	19,737	5,000
Appropriations from Fund Balance	-	-	(48,820)	-	278,106
TOTAL REVENUES	813,609	650,370	626,680	635,489	957,606
EXPENSES					
Professional Services	-	3,320	7,500	110	7,500
Support Goods & Services	581,040	513,620	533,263	511,250	533,297
Repairs & Maintenance	7,322	4,950	10,000	8,114	10,000
Administrative Charges	453	864	500	-	500
Interfund Charges	61,842	61,804	75,417	75,417	56,309
Capital Outlays	-	-	-	-	-
Depreciation	10,402	-	-	-	-
TOTAL EXPENSES	661,059	584,558	626,680	594,891	607,606
OTHER FINANCING SOURCES (USES)					
Capital Transfers Out	-	-	-	-	(350,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(350,000)
NET INCREASE IN FUND	\$ 152,550	\$ 65,812	\$ -	\$ 40,598	\$ -



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 2020 budget increased 38.84% due to a one time capital project transfer for the Phase I of St. Herman Harbor replacement.

Accomplishments: For fiscal year 2019, this department's actual expenses were 5.77% lower than budget due to reduced demand of electricity at the Harbor.

Planned Accomplishments for Fiscal Year 2020

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-ELECTRIC UTILITY FUND – ADMINISTRATION

FUND: Enterprise
FUNCTION: Electric

DEPARTMENT: Electric Utility
COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Professional Services	\$ -	\$ 3,320	\$ 7,500	\$ 110	\$ 7,500
Support Goods & Services	581,040	513,620	533,263	511,250	533,297
Repairs & Maintenance	7,322	4,950	10,000	8,114	10,000
Administrative Charges	453	864	500	-	500
Capital Transfers to Harbor	-	-	-	-	350,000
Depreciation	10,402	-	-	-	-
Total Expenditures	<u>\$ 599,217</u>	<u>\$ 522,754</u>	<u>\$ 551,263</u>	<u>\$ 519,474</u>	<u>\$ 901,297</u>

Personnel

Number of Employees

	FY 017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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 2020 budget decreased by 33.93% due to allocation calculations that will fluctuate year over year.

Accomplishments: For fiscal year 2019, 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 2020

- Not applicable.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-ELECTRIC UTILITY FUND – INTERFUND CHARGES

FUND: Enterprise
FUNCTION: Electric

DEPARTMENT: Electric Utility
COST CENTER: Interfund Charges

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Administrative	\$ 38,760	\$ 40,919	\$ 51,478	\$ 51,478	\$ 35,924
Financial	8,230	5,841	8,293	8,293	6,336
Harbormaster	14,852	15,044	15,646	15,646	14,049
Total Expenditures	<u>\$ 61,842</u>	<u>\$ 61,804</u>	<u>\$ 75,417</u>	<u>\$ 75,417</u>	<u>\$ 56,309</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
None	0	0	0	0
Total	0	0	0	0



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Annual Operating Budget
July 1, 2019 – June 30, 2020

WATER UTILITY FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental	\$ 13,145	\$ 16,035	\$ 15,000	\$ 13,534	\$ 21,363
Charges for Services	4,527,366	4,607,223	4,392,000	4,627,610	4,542,000
Net Investment Income	27,619	104,812	40,000	271,789	60,000
Miscellaneous	17,253	16,529	5,000	3,875	5,000
TOTAL REVENUES	\$ 4,585,383	\$ 4,744,599	\$ 4,452,000	\$ 4,916,808	\$ 4,628,363
EXPENSES					
Salaries & Wages	\$ 383,214	\$ 382,381	\$ 465,601	\$ 370,252	\$ 472,359
Employee Benefits	664,150	122,537	557,750	466,592	479,496
Professional Services	45,338	39,467	48,400	31,446	48,400
Support Goods & Services	137,243	180,947	221,027	178,602	229,134
Repairs & Maintenance	47,565	25,781	39,000	18,194	39,000
Public Utility Services	371,880	347,403	424,250	333,275	371,250
Interfund Charges	844,340	812,926	804,432	823,405	762,681
Capital Outlays	14,850	17,721	129,531	15,446	50,089
Depreciation	648,990	654,235	653,794	898,702	713,644
Interest Expense	49,217	60,353	58,750	56,300	54,385
TOTAL EXPENSES	\$ 3,206,787	\$ 2,643,751	\$ 3,402,535	\$ 3,192,214	\$ 3,220,438
OTHER FINANCING SOURCES (USES)					
Capital Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Transfers Out	(548,128)	(10,000)	(31,750)	(31,750)	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ (548,128)	\$ (10,000)	\$ (31,750)	\$ (31,750)	\$ -
NET INCREASE (DECREASE) IN FUND	\$ 830,468	\$ 2,090,848	\$ 1,017,715	\$ 1,692,844	\$ 1,407,925



Annual Operating Budget
July 1, 2019 – June 30, 2020

WATER UTILITY FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental					
PERS	\$ 13,145	\$ 16,035	\$ 15,000	\$ 13,534	\$ 21,363
Total Intergovernmental	13,145	16,035	15,000	13,534	21,363
Charges for Services					
Water Sales - Metered	1,890,297	2,005,590	1,750,000	2,027,659	1,900,000
Water Sales - City	1,575,168	1,560,263	1,575,000	1,555,208	1,575,000
Water Sales - Borough	1,028,856	1,022,949	1,030,000	1,003,389	1,030,000
Water Service Hookup	15,860	886	10,000	16,014	10,000
Penalties and Interest	17,185	17,535	27,000	25,340	27,000
Total Charges for Services	4,527,366	4,607,223	4,392,000	4,627,610	4,542,000
Net Investment Income					
Net Investment Income	27,619	104,812	40,000	271,789	60,000
Total Net Investment Income	27,619	104,812	40,000	271,789	60,000
Miscellaneous					
Other Revenues	17,253	16,529	5,000	3,875	5,000
Total Miscellaneous	17,253	16,529	5,000	3,875	5,000
Appropriations from Fund Balance	-	-	(1,017,715)	-	(1,407,925)
TOTAL REVENUES	4,585,383	4,744,599	3,434,285	4,916,808	3,220,438
EXPENSES					
Salaries & Wages	383,214	382,381	465,601	370,252	472,359
Employee Benefits	664,150	122,537	557,750	466,592	479,496
Professional Services	45,338	39,467	48,400	31,446	48,400
Support Goods & Services	137,243	180,947	221,027	178,602	229,134
Repairs & Maintenance	47,565	25,781	39,000	18,194	39,000
Public Utility Services	371,880	347,403	424,250	333,275	371,250
Interfund Charges	844,340	812,926	804,432	823,405	762,681
Capital Outlays	14,850	17,721	129,531	15,446	50,089
Depreciation	648,990	654,235	653,794	898,702	713,644
Interest Expense	49,217	60,353	58,750	56,300	54,385
TOTAL EXPENSES	3,206,787	2,643,751	3,402,535	3,192,214	3,220,438
OTHER FINANCING SOURCES (USES)					
Capital Transfers In	-	-	-	-	-
Capital Transfers Out	(548,128)	(10,000)	(31,750)	(31,750)	-
TOTAL OTHER FINANCING SOURCES (USES)	(548,128)	(10,000)	(31,750)	(31,750)	-
NET INCREASE (DECREASE) IN FUND	\$ 830,468	\$ 2,090,848	\$ -	\$ 1,692,844	\$ -



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 2020 budget decreased by 6.91% primarily due to decreased capital outlays.

Accomplishments: For fiscal year 2019, this department's actual expenses were 5.41% less than budgeted primarily due to lower expenses across multiple categories due to lower costs than anticipated.

Planned Accomplishments for Fiscal Year 2020

- To continue to meet all federal requirements to maintain our filtration avoidance status.
- To meet all local, state, and federal water regulations.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-WATER UTILITY FUND – ADMINISTRATION

FUND: Enterprise
 FUNCTION: Water

DEPARTMENT: Water Utility
 COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 311,682	\$ 300,615	\$ 378,995	\$ 276,997	\$ 375,142
Employee Benefits	614,533	65,311	477,200	399,371	408,850
Professional Services	27,553	33,757	30,000	21,898	30,000
Support Goods & Services	66,880	116,291	140,027	121,520	151,634
Repairs & Maintenance	24,425	17,192	17,000	10,158	17,000
Public Utility Services	315,156	294,229	361,250	279,537	311,250
Capital Outlays	11,179	12,800	129,531	15,446	23,089
Depreciation	648,990	654,235	653,794	898,702	713,644
Interest Expense	49,217	60,353	58,750	56,300	54,385
Interfund Charges	645,705	643,141	630,594	649,567	606,076
Total Expenditures	<u>\$ 2,715,320</u>	<u>\$ 2,197,924</u>	<u>\$ 2,877,141</u>	<u>\$ 2,729,496</u>	<u>\$ 2,691,070</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Number of times responded to all after hours emergency call outs within 30 minutes	5	8	20	20
Number of water leaks located and repaired	16	19	21	30



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 2020 increaseds by 0.75% and therefore considered comparable to prior year.

Accomplishments: For fiscal year 2019, this department's actual expenses were 13.55% less than budgeted due to to lower expenses across multiple categories due to lower costs than anticipated.

Planned Accomplishments for Fiscal Year 2020

- 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 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 71,532	\$ 81,766	\$ 86,606	\$ 93,255	\$ 97,217
Employee Benefits	49,617	57,226	80,550	67,221	70,646
Professional Services	17,785	5,710	18,400	9,548	18,400
Support Goods & Services	70,363	64,656	81,000	57,082	77,500
Repairs & Maintenance	23,140	8,589	22,000	8,036	22,000
Public Utility Services	56,724	53,174	63,000	53,738	60,000
Capital Outlays	3,671	4,921	-	-	27,000
Interfund Charges	198,635	169,785	173,838	173,838	156,605
Total Expenditures	\$ 491,467	\$ 445,827	\$ 525,394	\$ 462,718	\$ 529,368

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Water Treatment Operator	0	1	1	1
Total	0	1	1	1

Performance Indicators

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 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 within 30 minutes	9	5	10	10



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 2020 budget decreased by 100% as there are no transfers for capital projects anticipated for the upcoming fiscal year.

Accomplishments: For fiscal year 2019, this department's actual expenses were comparable to the budget as these are budgeted transfers to capital projects.

Planned Accomplishments for Fiscal Year 2020

- Not applicable.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-WATER UTILITY FUND – TRANSFERS

FUND: Enterprise
FUNCTION: Water

DEPARTMENT: Water Utility
COST CENTER: Transfers

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Capital Projects Transfers	\$ 548,128	\$ 10,000	\$ 31,750	\$ 31,750	\$ -
Total Expenditures	<u>\$ 548,128</u>	<u>\$ 10,000</u>	<u>\$ 31,750</u>	<u>\$ 31,750</u>	<u>\$ -</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
None	0	0	0	0
Total	0	0	0	0



SEWER UTILITY FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental	\$ 17,543	\$ 32,813	\$ 25,000	\$ 22,491	\$ 33,019
Charges for Services	4,184,788	4,383,598	4,619,800	4,537,249	4,852,525
Net Investment Income	4,788	28,788	10,000	91,193	25,000
Miscellaneous	26,913	67,616	53,314	4,881	-
TOTAL REVENUES	4,234,032	4,512,815	4,708,114	4,655,814	4,910,544
EXPENSES					
Salaries & Wages	608,137	691,779	730,034	649,379	747,450
Employee Benefits	544,617	570,095	755,802	614,905	712,972
Professional Services	42,175	43,944	46,500	55,029	56,500
Support Goods & Services	235,043	302,792	332,532	293,837	348,174
Repairs & Maintenance	66,932	44,851	61,600	45,119	71,800
Public Utility Services	234,772	232,975	254,800	232,276	254,800
Interfund Charges	823,972	792,808	801,618	854,228	775,501
Capital Outlays	34,372	34,940	194,544	28,595	283,811
Depreciation	1,221,511	1,209,543	886,453	1,236,218	1,230,056
Interest Expense	17,313	26,736	41,735	23,454	35,935
TOTAL EXPENSES	3,828,844	3,950,463	4,105,618	4,033,040	4,516,999
OTHER FINANCING USES					
Capital Transfers Out	(1,794,604)	(10,000)	-	(265,123)	(100,000)
TOTAL OTHER FINANCING USES	(1,794,604)	(10,000)	-	(265,123)	(100,000)
NET INCREASE (DECREASE) IN FUND	\$ (1,389,416)	\$ 552,352	\$ 602,496	\$ 357,651	\$ 293,545



Annual Operating Budget
July 1, 2019 – June 30, 2020

SEWER UTILITY FUND – DETAIL OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental					
PERS	\$ 17,543	\$ 32,813	\$ 25,000	\$ 22,491	\$ 33,019
Total Intergovernmental	17,543	32,813	25,000	22,491	33,019
Charges for Services					
Sewer Services - City	2,648,830	2,755,042	2,895,000	2,901,126	3,039,750
Sewer Services - Borough	1,401,459	1,465,067	1,621,000	1,525,100	1,702,050
Sewer Services - Hookup	19,747	2,313	10,300	9,755	10,300
Septic Tank Discharge	85,432	108,424	68,500	69,603	71,925
Lab Testing Fees	27,620	43,902	25,000	31,350	27,000
Compost Sales	1,700	8,850	-	315	1,500
Total Charges for Services	4,184,788	4,383,598	4,619,800	4,537,249	4,852,525
Net Investment Income					
Net Investment Income	4,788	28,788	10,000	91,193	25,000
Total Net Investment Income	4,788	28,788	10,000	91,193	25,000
Miscellaneous					
Other Revenues	26,913	67,616	-	4,881	-
Total Miscellaneous	26,913	67,616	-	4,881	-
Appropriations from Fund Balance	-	-	(549,182)	-	(293,545)
TOTAL REVENUES	4,234,032	4,512,815	4,105,618	4,655,814	4,616,999
EXPENSES					
Salaries & Wages	608,137	691,779	730,034	649,379	747,450
Employee Benefits	544,617	570,095	755,802	614,905	712,972
Professional Services	42,175	43,944	46,500	55,029	56,500
Support Goods & Services	235,043	302,792	332,532	293,837	348,174
Repairs & Maintenance	66,932	44,851	61,600	45,119	71,800
Public Utility Services	234,772	232,975	254,800	232,276	254,800
Interfund Charges	823,972	792,808	801,618	854,228	775,501
Capital Outlays	34,372	34,940	194,544	28,595	283,811
Depreciation	1,221,511	1,209,543	886,453	1,236,218	1,230,056
Interest Expense	17,313	26,736	41,735	23,454	35,935
TOTAL EXPENSES	3,828,844	3,950,463	4,105,618	4,033,040	4,516,999
OTHER FINANCING USES					
Capital Transfers Out	(1,794,604)	(10,000)	-	(265,123)	(100,000)
TOTAL OTHER FINANCING USES	(1,794,604)	(10,000)	-	(265,123)	(100,000)
NET INCREASE (DECREASE) IN FUND	\$ (1,389,416)	\$ 552,352	\$ -	\$ 357,651	\$ -



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 2020 budget increased 19.72% primarily due to an increase in capital outlays.

Accomplishments: For fiscal year 2019, this department's actual expenses were 1.95% greater than budgeted due to increased sewer sales fees that were transferred to the sewer improvement fund.

Planned Accomplishments for Fiscal Year 2020

- To eliminate chronic sewer line problems.
- To complete rehabilitation of Lift Station # 3 and Lift Station # 4.
- To begin rehabilitation of Lift Station #5 and Lift Station # 1B.
- To begin design research for repairing inflow and infiltration to remain in compliance with EPA standards.



ENTERPRISE FUND-SEWER UTILITY FUND – ADMINISTRATION

FUND: Enterprise
 FUNCTION: Sewer

DEPARTMENT: Sewer Utility
 COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 66,464	\$ 80,109	\$ 84,823	\$ 84,023	\$ 89,512
Employee Benefits	74,955	78,570	93,906	76,713	82,075
Professional Services	13,227	15,428	16,500	16,953	16,500
Support Goods & Services	24,571	15,097	28,700	14,110	25,700
Repairs & Maintenance	17,766	12,728	17,500	12,042	17,500
Capital Outlays	4,015	3,412	3,119	3,119	208,386
Interfund Charges	606,236	530,698	512,588	565,198	503,470
Total Expenditures	<u>\$ 807,234</u>	<u>\$ 736,042</u>	<u>\$ 757,136</u>	<u>\$ 772,158</u>	<u>\$ 943,143</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Equipment Operator	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Problem Areas Eliminated	2	2	2	2
# of Infiltration & Inflow locations Eliminated	2	3	4	5
# of sewer mains or services unplugged	7	20	20	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 2019 and construction in the summer of 2019.

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 2020 budget increased by 7.24% primarily in depreciation expense as capital projects were completed and placed in service.

Accomplishments: For fiscal year 2019, this department's actual expenses were 1.51% less than budgeted due to fewer salaries and wages and related employee benefits than anticipated.

Planned Accomplishments for Fiscal Year 2020

- To complete rehabilitation of Lift Station # 3 and Lift Station # 4.
- To begin rehabilitation of Lift Station #5 and Lift Station # 1B.
- To begin design research for repairing inflow and infiltration to remain in compliance with EPA standards.
- To continue design for Wastewater Treatment Plant upgrades for UV effluent discharge.



ENTERPRISE FUND-SEWER UTILITY FUND – WASTEWATER TREATMENT

FUND: Enterprise
 FUNCTION: Sewer

DEPARTMENT: Sewer Utility
 COST CENTER: Waste Water Treatment

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 432,369	\$ 495,637	\$ 516,916	\$ 453,574	\$ 533,232
Employee Benefits	384,231	391,211	528,611	400,751	484,998
Professional Services	9,415	10,447	10,000	23,871	20,000
Support Goods & Services	114,793	146,364	156,332	156,752	170,224
Repairs & Maintenance	45,252	21,677	35,100	26,155	45,100
Public Utility Services	216,469	215,634	232,000	216,248	232,000
Capital Outlays	4,129	3,880	171,000	372	40,000
Depreciation	1,221,511	1,209,543	886,453	1,236,218	1,230,056
Interest Expense	17,313	26,736	41,735	23,454	35,935
Interfund Charges	217,736	152,663	157,524	157,524	157,500
Total Expenditures	\$ 2,663,218	\$ 2,673,792	\$ 2,735,671	\$ 2,694,919	\$ 2,949,045

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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	0.75	0.75	0.75	0.75
Treatment Plant Operators	6	5	5	5
Treatment Plant Supervisors	1	1	1	1
Total	8.35	7.35	7.35	7.35

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 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	28	18	30	30



ENTERPRISE FUND-SEWER UTILITY FUND – COMPOST FACILITY

Departmental Vision

The Sewer 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 2020 budget increased by 1.92% due to increased capital outlays.

Accomplishments: For fiscal year 2019, this department's actual expenses were 8.28% less than budgeted due to lower costs than anticipated.

Planned Accomplishments for Fiscal Year 2020

- 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 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 109,304	\$ 116,033	\$ 128,295	\$ 111,782	\$ 124,706
Employee Benefits	85,431	100,314	133,285	137,441	145,899
Professional Services	19,533	18,069	20,000	14,205	20,000
Support Goods & Services	95,679	141,331	147,500	122,975	152,250
Repairs & Maintenance	3,914	10,446	9,000	6,922	9,200
Public Utility Services	18,303	17,341	22,800	16,028	22,800
Capital Outlays	26,228	27,648	20,425	25,104	35,425
Interfund Charges	-	109,447	131,506	131,506	114,531
Total Expenditures	<u>\$ 358,392</u>	<u>\$ 540,629</u>	<u>\$ 612,811</u>	<u>\$ 565,963</u>	<u>\$ 624,811</u>

Personnel

Number of Employees

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Treatment Operators	0	2	2	2
Total	0	2	2	2

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
State of Alaska and U.S. Environmental Protection Agency treatment standards met	N/A	Yes	Yes	Yes
Number of times responded to all after-hours emergency call outs within 30 minutes, at the Composting Facility	N/A	5	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 2020 budget increased by 100% due to capital project transfers for the upcoming fiscal year.

Accomplishments: For fiscal year 2019, this department's actual expenses were over budget as these transfers are for sewer loan draw downs that were received prior to fiscal year end and subsequently transferred to the WWTP upgrade project.

Planned Accomplishments for Fiscal Year 2020

- Not applicable.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-SEWER UTILITY FUND – TRANSFERS

FUND: Enterprise
FUNCTION: Sewer

DEPARTMENT: Sewer Utility
COST CENTER: Transfers

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Capital Projects Transfers	\$ 1,794,604	\$ 10,000	\$ -	\$ 265,123	\$ 100,000
Total Expenditures	<u>\$ 1,794,604</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 265,123</u>	<u>\$ 100,000</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
None	0	0	0	0
Total	0	0	0	0



Annual Operating Budget
July 1, 2019 – June 30, 2020

TRIDENT BASIN AIRPORT FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2010 Estimated	FY 2020 Adopted Budget
REVENUES					
Charges for Services	\$ 15,278	\$ 14,333	\$ 15,000	\$ 14,333	\$ 15,000
Rents & Royalties	41,844	35,274	40,000	40,756	40,000
TOTAL REVENUES	<u>57,122</u>	<u>49,607</u>	<u>55,000</u>	<u>55,089</u>	<u>55,000</u>
EXPENSES					
Professional Services	26	-	-	-	-
Support Goods & Services	14,498	12,359	13,458	13,266	14,814
Repairs & Maintenance	216	378	2,000	432	2,000
Public Utility Services	17,295	19,253	25,000	19,168	25,000
Interfund Charges	14,873	14,472	14,367	14,367	12,956
Depreciation	248,730	248,730	248,730	248,730	248,730
TOTAL EXPENSES	<u>295,638</u>	<u>295,192</u>	<u>303,555</u>	<u>295,963</u>	<u>303,500</u>
NET DECREASE IN FUND	<u>\$ (238,516)</u>	<u>\$ (245,585)</u>	<u>\$ (248,555)</u>	<u>\$ (240,874)</u>	<u>\$ (248,500)</u>



Annual Operating Budget
July 1, 2019 – June 30, 2020

TRIDENT BASIN AIRPORT FUND – DETAIL OF REVENUES AND EXPENSES

	<u>FY 2017</u> <u>Actual</u>	<u>FY 2018</u> <u>Actual</u>	<u>FY 2019</u> <u>Final Budget</u>	<u>FY 2019</u> <u>Estimated</u>	<u>FY 2020</u> <u>Adopted</u> <u>Budget</u>
REVENUES					
Charges for Services					
Sea Plane Moorage	\$ 15,278	\$ 14,333	\$ 15,000	\$ 14,333	\$ 15,000
Total Charges for Services	<u>15,278</u>	<u>14,333</u>	<u>15,000</u>	<u>14,333</u>	<u>15,000</u>
Rents and Royalties					
Rentals from Others	41,844	35,274	40,000	40,756	40,000
Total Rents and Royalties	<u>41,844</u>	<u>35,274</u>	<u>40,000</u>	<u>40,756</u>	<u>40,000</u>
Appropriations from					
Fund Balance	<u>-</u>	<u>-</u>	<u>248,555</u>	<u>-</u>	<u>248,500</u>
TOTAL REVENUES	<u>57,122</u>	<u>49,607</u>	<u>303,555</u>	<u>55,089</u>	<u>303,500</u>
EXPENSES					
Professional Services	26	-	-	-	-
Support Goods & Services	14,498	12,359	13,458	13,266	14,814
Repairs & Maintenance	216	378	2,000	432	2,000
Public Utility Services	17,295	19,253	25,000	19,168	25,000
Interfund Charges	14,873	14,472	14,367	14,367	12,956
Depreciation	248,730	248,730	248,730	248,730	248,730
TOTAL EXPENSES	<u>295,638</u>	<u>295,192</u>	<u>303,555</u>	<u>295,963</u>	<u>303,500</u>
NET DECREASE IN FUND	<u>\$ (238,516)</u>	<u>\$ (245,585)</u>	<u>\$ -</u>	<u>\$ (240,874)</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 2020 budget decreased by 0.02% and therefore is considered comparable to prior year.

Accomplishments: For fiscal year 2019, this department's actual expenses were 2.50% lower than budgeted due to lower public utility costs than anticipated.

Planned Accomplishments for Fiscal Year 2020

- To provide maintenance and repairs for the Trident Basin Float Plane facility.
- To review City leases with entities operating in the Trident Basin Float Plane facility.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-TRIDENT BASIN AIRPORT FUND – ADMINISTRATION

FUND: Enterprise
FUNCTION: Trident Basin Airport

DEPARTMENT: Trident Basin Airport
COST CENTER: Administration

Expenditures

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
Professional Services	\$ 26	\$ -	\$ -	\$ -	\$ -
Support Goods & Services	14,498	12,359	13,458	13,266	14,814
Repairs & Maintenance	216	378	2,000	432	2,000
Public Utility Services	17,295	19,253	25,000	19,168	25,000
Depreciation	248,730	248,730	248,730	248,730	248,730
Interfund Charges	14,873	14,472	14,367	14,367	12,956
Total Expenditures	<u>\$ 295,638</u>	<u>\$ 295,192</u>	<u>\$ 303,555</u>	<u>\$ 295,963</u>	<u>\$ 303,500</u>

Personnel

Number of Employees

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
None	0	0	0	0
Total	0	0	0	0



Annual Operating Budget
July 1, 2019 – June 30, 2020

EMERGENCY 911 SERVICES FUND – SUMMARY OF REVENUES AND EXPENSES

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 881	\$ 26,914	\$ 5,830
Charges for Services	26,856	253,983	300,000	298,265	450,000
Net Investment Income	246	1,403	-	-	-
Miscellaneous	162	349	-	-	-
TOTAL REVENUES	27,264	255,735	300,881	325,179	455,830
EXPENSES					
Salaries & Wages	3,971	4,240	122,421	493,637	127,493
Employee Benefits	3,142	3,374	110,229	287,474	99,724
Professional Services	-	16,911	152,000	153,801	159,000
Support Goods & Services	110	-	9,500	6,647	9,500
Capital Outlays	-	-	-	1,159	55,000
Depreciation	-	-	56,200	-	56,200
TOTAL EXPENSES	7,223	24,525	450,350	942,718	506,917
NET INCREASE (DECREASE) IN FUND	\$ 20,041	\$ 231,210	\$ (149,469)	\$ (617,539)	\$ (51,087)



Annual Operating Budget
July 1, 2019 – June 30, 2020

EMERGENCY 911 SERVICES FUND – DETAIL OF REVENUES AND EXPENSES

	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Final Budget</u>	<u>FY 2019 Estimated</u>	<u>FY 2020 Adopted Budget</u>
REVENUES					
Intergovernmental					
PERS	\$ -	\$ -	\$ 881	\$ 26,914	\$ 5,830
Total Intergovernmental	-	-	881	26,914	5,830
Charges for Services					
E911 Fees	26,856	253,983	300,000	298,265	450,000
Total Charges for Services	26,856	253,983	300,000	298,265	450,000
Net Investment Income					
Net Investment Income	246	1,403	-	-	-
Total Net Investment Income	246	1,403	-	-	-
Miscellaneous Income					
Miscellaneous Income	162	349	-	-	-
Total Miscellaneous Income	162	349	-	-	-
Total Appropriations from Fund Balance	-	-	149,469	-	51,087
TOTAL REVENUES	<u>27,264</u>	<u>255,735</u>	<u>450,350</u>	<u>325,179</u>	<u>506,917</u>
EXPENSES					
Salaries & Wages	3,971	4,240	122,421	493,637	127,493
Employee Benefits	3,142	3,374	110,229	287,474	99,724
Professional Services	-	16,911	152,000	153,801	159,000
Support Goods & Services	110	-	9,500	6,647	9,500
Capital Outlays	-	-	-	1,159	55,000
Depreciation	-	-	56,200	-	56,200
TOTAL EXPENSES	<u>7,223</u>	<u>24,525</u>	<u>450,350</u>	<u>942,718</u>	<u>506,917</u>
NET INCREASE (DECREASE) IN FUND	<u>\$ 20,041</u>	<u>\$ 231,210</u>	<u>\$ -</u>	<u>\$ (617,539)</u>	<u>\$ -</u>



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 2020 budget increased by 11.16% as the fiscal year 2019 budget reflects a mid-year implementation of the E-911 system.

Accomplishments: For fiscal year 2019, this department's actual expenses were 109.33% higher than the budget due to an increased percentage of dispatch salaries and wages and related benefits being allocated to the E911 fund.

Planned Accomplishments for Fiscal Year 2020

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

ENTERPRISE FUND-EMERGENCY 911 SERVICES FUND – ADMINISTRATION

FUND: Enterprise
 FUNCTION: E-911

DEPARTMENT: E-911
 COST CENTER: Administration

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	FY 2020 Adopted Budget
Salaries & Wages	\$ 3,971	\$ 4,240	\$ 122,421	\$ 493,637	\$ 127,493
Employee Benefits	3,142	3,374	110,229	287,474	99,724
Professional Services	-	16,911	152,000	153,801	159,000
Support Goods & Services	110	-	9,500	6,647	9,500
Capital Outlays	-	-	-	1,159	55,000
Depreciation	-	-	56,200	-	56,200
Total Expenditures	\$ 7,223	\$ 24,525	\$ 450,350	\$ 942,718	\$ 506,917

Personnel

Number of Employees

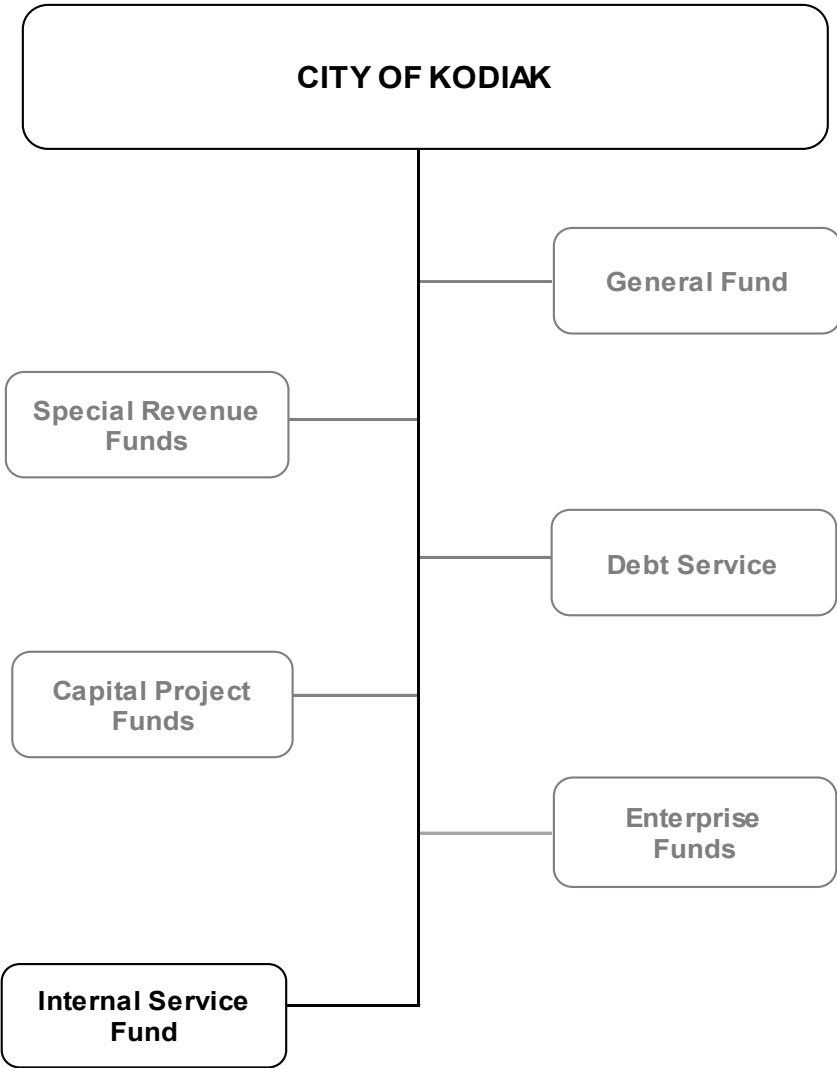
	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Information Systems Administrator	0.05	0.05	0.05	0.05
Dispatch Personnel	0	0	2	2
Total	0.05	0.05	2.05	2.05

Performance Indicators

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Adopted Budget
Non-emergency Calls Received	20,305	19,478	19,908	19,950
Emergency Calls Received	6,080	3,827	3,915	4,600
Walk-in Reports (Lobby Visits)	4,037	4,235	4,432	4,235
Service Calls Received/Dispatched	12,953	10,527	11,852	11,800



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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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

INTERNAL SERVICE FUNDS
SUMMARY OF REVENUES AND EXPENSES

	<u>FY 2017</u> <u>Actual</u>	<u>FY 2018</u> <u>Actual</u>	<u>FY 2019</u> <u>Final Budget</u>	<u>FY 2019</u> <u>Estimated</u>	<u>FY 2020</u> <u>Adopted</u> <u>Budget</u>
REVENUES					
Interest on Investments	\$ 912	\$ 3,305	\$ 500	\$ 5,225	\$ 500
Insurance Refund	23,210	15,826	40,000	78,276	40,000
Interfund Charges					
Charges to General Fund	234,840	159,741	177,196	177,196	188,602
Charges to Trident Basin Fund	11,690	9,551	10,458	10,458	11,814
Charges to Cargo Fund	25,140	103,702	114,181	114,181	129,346
Charges to Boat Harbor Fund	114,720	118,190	128,839	128,839	145,148
Charges to Shipyard Fund	19,840	30,935	33,872	33,872	38,265
Charges to Electric Fund	140	240	263	263	297
Charges to Water Utility Fund	49,040	80,812	88,577	88,577	103,434
Charges to Sewer Fund	52,920	70,808	81,832	81,832	95,724
Charges to E-911 Fund	110	-	-	-	-
Total Interfund Charges	<u>508,440</u>	<u>573,979</u>	<u>635,218</u>	<u>635,218</u>	<u>712,630</u>
TOTAL REVENUES	<u>\$ 532,562</u>	<u>\$ 593,110</u>	<u>\$ 675,718</u>	<u>\$ 718,719</u>	<u>\$ 753,130</u>
EXPENSES					
Support Goods and Services	\$ 574,593	\$ 650,834	\$ 675,718	\$ 768,463	\$ 753,130
TOTAL EXPENSES	<u>\$ 574,593</u>	<u>\$ 650,834</u>	<u>\$ 675,718</u>	<u>\$ 768,463</u>	<u>\$ 753,130</u>
NET INCREASE (DECREASE) IN FUND	<u>\$ (42,031)</u>	<u>\$ (57,724)</u>	<u>\$ -</u>	<u>\$ (49,744)</u>	<u>\$ -</u>



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 2019 budget increased 11% due to additional property, infrastructure, and vehicles being placed in service.

Accomplishments: For fiscal year 2018, this department's actual expenses were 6% higher 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 2019

- 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.



Annual Operating Budget
July 1, 2019 – June 30, 2020

PROPRIETARY FUND – INTERNAL SERVICE FUND-INSURANCE

FUND: Internal Service
FUNCTION: Insurance

DEPARTMENT: Insurance
COST CENTER: Administration

	Expenditures				FY 2020 Adopted Budget
	FY 2017 Actual	FY 2018 Actual	FY 2019 Final Budget	FY 2019 Estimated	
Support Goods & Services	<u>\$ 574,593</u>	<u>\$ 650,834</u>	<u>\$ 675,718</u>	<u>\$ 768,463</u>	<u>\$ 753,130</u>
Total Expenditures	<u><u>\$ 574,593</u></u>	<u><u>\$ 650,834</u></u>	<u><u>\$ 675,718</u></u>	<u><u>\$ 768,463</u></u>	<u><u>\$ 753,130</u></u>

Personnel				
Number of Employees				
	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated	FY 2020 Adopted Budget
None	0	0	0	0
Total	0	0	0	0



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APPENDIX

City of Kodiak Personnel Summary
Fiscal Year 2016 – Fiscal Year 2020
Comparison of Authorized Permanent Personnel

Department	FTEs				
	2016 Approved	2017 Approved	2018 Approved	2019 Approved	2020 Approved
General Fund					
Executive	3.00	4.00	4.00	4.00	4.00
City Clerk	3.00	3.00	3.00	3.00	3.00
Finance	7.25	7.25	7.25	8.25	9.25
Police	42.50	42.50	42.50	41.50	41.50
Fire	13.75	13.75	13.75	13.75	13.73
Public Works	9.50	9.50	9.50	9.50	9.60
Engineering	2.00	2.00	2.00	2.00	2.00
Parks & Recreation	5.75	5.75	5.75	8.20	7.92
Library	7.00	7.00	7.00	7.00	7.00
Total General Fund	<u>93.75</u>	<u>94.75</u>	<u>94.75</u>	<u>97.20</u>	<u>98.00</u>
Enterprise Funds					
Cargo Terminal	3.00	3.00	3.00	3.00	3.00
Boat Harbor	11.40	11.40	11.40	11.00	11.00
Shipyard	2.00	2.00	2.00	2.00	2.00
Water Utility	6.60	6.60	6.60	7.60	7.75
Sewer Utility	11.35	11.35	11.35	10.35	10.35
Emergency Preparedness	0.05	0.05	0.05	2.05	2.05
Total Enterprise Funds	<u>34.40</u>	<u>34.40</u>	<u>34.40</u>	<u>36.00</u>	<u>36.15</u>
Total All Funds	128.15	129.15	129.15	133.20	134.15

FTE: Full Time Equivalent



EMPLOYEE FACT SHEET
Fiscal Year 2020

Social Security

Social Security – 6.2% of gross wages
Medicare – 1.45% of gross wages
Wage base – Social Security - \$128,400 - 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 - \$1,156.23, Employee with spouse - \$2,700.05, Employee with child/children - \$2,213.94 Family rate - \$3,757.47.

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.

**CITY OF KODIAK
ORDINANCE NUMBER 1386**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK LEVYING
TAXES IN THE AMOUNT OF 2 MILS AND APPROPRIATING FUNDS FOR THE
EXPENSES AND LIABILITIES OF THE CITY OF KODIAK FOR THE FISCAL YEAR
COMMENCING ON THE FIRST DAY OF JULY 2019 AND ENDING ON THE THIR-
TIETH DAY OF JUNE 2020**

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 2019 and ending on the thirtieth day of June 2020.

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 2019 and ending on the thirtieth day of June 2020 to defray expenses and liabilities of the City during the fiscal year.

FY2020 BUDGET SUMMARY

GENERAL FUND

	Anticipated Revenues
Taxes	\$ 15,627,500
Licenses & Permits	80,300
Intergovernmental Revenues	1,520,000
Charges for Services	1,820,002
Fines & Forfeitures	3,000
Interest	50,000
Rents & Royalties	120,000
Miscellaneous	4,500
Interfund Charges	1,615,914
Appropriation to Fund Balance	(321,450)
Total Anticipated Revenues	20,519,766

	Planned Expenditures
Legislative	\$ 222,069
Legal	75,000
Executive-Administration	816,042
Executive-Emergency Preparedness	45,500
City Clerk-Administration	366,359
City Clerk-Records Management	184,738

GENERAL FUND EXPENDITURES CONTINUED

Finance	1,867,903
Police	7,159,042
Fire	2,702,691
Public Works	2,135,960
Engineering	286,068
Parks & Recreation	1,549,984
Library	908,573
Non-Departmental	2,199,837
Total Planned Expenditures	20,519,766

SPECIAL REVENUE FUND

	Anticipated Revenues
Tourism Fund	\$ 205,000
City Enhancement Fund	-
Total Anticipated Revenues	205,000

	Planned Expenditures
Tourism Fund	\$ 205,000
City Enhancement Fund	-
Total Planned Expenditures	205,000

CAPITAL PROJECTS FUND

	Anticipated Revenues
General Capital	\$ 65,000
Building Improvement Fund	720,374
Streets Improvement Fund	750,000
Parks & Recreation Fund	100,000
Sewer Improvement Fund	390,000
Water Improvement Fund	540,000
Harbor Development Fund	1,930,000
Cargo Improvement Fund	-
Vehicle Replacement Fund	330,536
Total Anticipated Revenues	4,825,910

CAPITAL PROJECTS FUND CONTINUED

	Planned Expenditures
General Capital	\$ 65,000
Building Improvement Fund	720,374
Streets Improvement Fund	750,000
Parks & Recreation Fund	100,000
Sewer Improvement Fund	390,000
Water Improvement Fund	540,000
Harbor Development Fund	1,930,000
Cargo Improvement Fund	-
Vehicle Replacement Fund	330,536
Total Planned Expenditures	4,825,910

ENTERPRISE FUNDS

	Anticipated Revenues
Cargo Fund	\$ 2,530,222
Harbor Fund	3,895,267
Boat Yard Lift	1,150,505
Harbor Electric Fund	957,606
Water Utility Fund	3,220,438
Sewer Utility Fund	4,616,999
Trident Basin Fund	303,500
E-911 Services	506,917
Total Anticipated Revenues	17,181,454

	Planned Expenditures
Cargo Fund	\$ 2,530,222
Harbor Fund	3,895,267
Boat Yard Lift	1,150,505
Harbor Electric Fund	957,606
Water Utility Fund	3,220,438
Sewer Utility Fund	4,616,999
Trident Basin Fund	303,500
E-911 Services	506,917
Total Planned Expenditures	17,181,454

INTERNAL SERVICE FUNDS

	Anticipated Revenues
Insurance Fund	\$ 753,130
Total Anticipated Revenues	753,130

	Planned Expenditures
Insurance Fund	\$ 753,130
Total Planned Expenditures	753,130

Grand Total Anticipated Revenues	\$ 43,485,260	
Grand Total Planned Expenditures		\$ 43,485,260
Non- Projects	38,659,350	
Non- Projects	38,659,350	
Project Additions	4,825,910	
Project Additions	4,825,910	
Total	43,485,260	
Total		43,485,260

Section 3: All unexpended appropriation balances, with the exception of capital project fund appropriations, shall lapse to the appropriate fund as of June 30, 2020.

Section 4: A three percent cost of living adjustment will constitute an increase for all City full-time and part-time positions, including the City Manager and City Clerk, who are actively employed on the first day of the pay period following the effective date of this ordinance. This cost-of-living adjustment is calculated based on the most recent two-year average for Anchorage, Alaska CPI-U index.

Section 4: This ordinance shall go into effect July 1, 2019.

CITY OF KODIAK


MAYOR

ATTEST:

Nora M. Javier
CITY CLERK

First Reading: May 30, 2019
Second Reading: June 13, 2019
Effective Date: July 1, 2019





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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.

