
FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – General Fund Revenues

General Fund Revenues – Binder Tab 2 Page 1

Taxes: Increase \$5,075,000 (39.80%)

As compared to the FY 2018 Amended Budget, overall taxes increased by 39.80%. This increase is attributable to an increase in sales taxes by \$4,050,000 or 34.46% and an increase in property taxes by \$1,025,000 or 105.12%. The following changes were incorporated into the FY 2019 budget: an increase of the sales tax cap from \$750 to \$3,000; maintaining the sales tax cap at \$750 for real property residential and real property commercial rentals at \$750 sales tax cap; eliminating the 2% discount for early sales tax filers; and increasing the mill rate from 2.0 mills to 4.0 mills per council direction at previous work sessions. In addition to these changes, per our FY 2017 audit, our auditors noted a need to change the classification of Payment in Lieu of Taxes (PILOT), which is budgeted for \$3,500, from *Taxes to Intergovernmental Revenue*.

Licenses and Permits: No increase or decrease as compared to FY 2018 Amended Budget

Intergovernmental Revenue: Decrease \$64,000 (5.73%)

As compared to the FY 2018 Amended budget, overall intergovernmental revenue decreased by 5.73%. The following changes were incorporated into the FY 2019 budget: a decrease of \$65,000 in State of Alaska PERS On Behalf revenue; and an increase of \$1,000 in State of Alaska Fuel Tax Sharing.

Charges for Services: No increase or decrease as compared to FY 2018 Amended Budget

Fines and forfeitures: Decrease \$7,000 (70%)

As compared to the FY 2018 Amended budget, overall fines and forfeitures revenue decreased by 70%. This decrease was based on the most recent five-year averages of fines and forfeitures revenue received.

Interest: Increase \$5,000 (33.33%)

As compared to the FY 2018 Amended budget, overall interest and net investment income increased by \$5,000. This increased is based on continual increases in net investment income due to the management of investment funds by Alaska Permanent Capital Management and market fluctuations.

Rents and Royalties: Decrease \$93,100 (53.20%)

As compared to the FY 2018 Amended budget, overall rents and royalty income decreased by 53.20%. This decrease is attributable to the termination of certain lease agreements for City property during FY 2018.

General Fund Revenues continued

Miscellaneous: Decrease \$17,500 (79.55%)

As compared to the FY 2018 Amended budget, overall miscellaneous revenue decreased by 79.55%. These decreases are attributable to the most recent five-year averages of miscellaneous revenues received.

Interfund Charges: Increase \$73,319 (4.78%)

As compared to the FY 2018 Amended budget, overall interfund charges increased 4.78%. Interfund Charges are based on allocations of enterprise funds and Tourism fund. This allocation is reviewed annually by the City's external audit firm during the City's annual audit. Interfund charges are calculated as follows:

- Administrative Services: Enterprise Fund % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Manager's FY 2019 Budget and Enterprise Fund % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Clerk's FY 2019 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Enterprise Fund's Number of FY 2017 transactions processed not including payroll and related payroll expenditures (based on FY 2017 Audit) Multiplied by Finance Department (Administration Department Only) FY 2019 Budget and Enterprise Fund's Number of Workstations Multiplied by IT Department FY 2019 Budget (Note that IT Department Budget used is less FY 2019 Capital Outlays and less FY 2019 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2019 Budget (Less Streets FY 2019 Capital Outlays).

Other Interfund Charges include the General Fund-Vehicle Replacement fund.

Appropriations: Decrease \$3,004,670 (102.30%)

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

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

For the FY 2018 Amended Budget, the General Fund anticipates Appropriation FROM Fund Balance in the amount of \$2,936,977. For the FY 2019 Budget, the General Fund anticipates Appropriation TO Fund Balance in the amount of (\$67,693). This overall net effect is an anticipated decrease in appropriations by \$3,004,670 (102.30%).

FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Legislative

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

Salaries & Wages and Employee Benefits: No increase or decrease as compared to FY 2018 Amended Budget

Professional Services: Decrease \$3,439 (3.05%)

Professional services decreased due to changes in contracts throughout fiscal year 2018. Contracts and other professional services within this category include the following:

- D.C. Lobbyist, Brad Gilman (\$2,350 per month) = \$28,200
- Juneau Lobbyist, Ray Gillespie (\$45,000 annual plus travel expenses of \$2,000) = \$47,000
- Fisheries Analyst, Heather McCarty (\$2,292 per month plus travel expenses of \$3,000) = \$30,504
- Other miscellaneous expenses (photos, maps, room rentals, etc.) = \$3,000

Contributions-Community Promotions: No increase or decrease as compared to FY 2018 Amended Budget

Community Promotions within this category include the following:

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

Support Goods and Services: Decrease \$3,800 (4.06%)

Overall support goods and services decreased by 4.06% as compared to the FY 2018 Amended budget. These decreases include (1) decrease of \$1,000 in Advertising; (2) increase of \$2,600 in Mayor Travel; (4) decrease of \$4,900 in Council Travel; and (5) decrease of \$500 in supplies. Decreases in Advertising and Supplies were based on the most recent five-year spending averages.

Legislative (100-100-105) continued

Support Goods and Services: Decrease \$3,800 (4.06%) continued

Dues and Subscriptions remain unchanged as compared to FY 2018 Amended Budget. Legislative Dues & Subscriptions include the following:

- AML Annual Dues = \$6,400;
- AML / ACOM Mayor's Annual Dues = \$100;
- NLC Annual Dues = \$1,200; SWAMC Annual Dues = \$4,200;
- AT&T Data Plan for City iPads (7 at \$30/month = \$210/month; \$60 for potential overage) = \$2,580
- Other miscellaneous dues & subscriptions = \$400

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

Overall travel includes the following:

Mayor Travel, Training / Conferences = \$15,300 *Increase \$2,600 as compared to FY 2018 Amended Budget*

- AML Summer Legislative Meetings and Conference of Mayors (Denali, AK) = \$2,600
- AML Fall Conference and Conference of Mayors (Anchorage, AK) = \$1,600
- AML Winter Fly-In and Conferences of Mayors (Juneau, AK) = \$2,300
- SWAMC Winter Conference (Anchorage, AK) = \$-0-
- May Lobbying Trip (Washington, D.C.) = \$5,500
- Lobbying (unscheduled) = \$1,800
- NPFMC Meeting (location unknown) = \$1,500
- State Lobbying (Juneau, AK) = \$-0-

Council Travel, Training / Conferences = \$29,900 *Decrease \$4,900 as compared to FY 2018 Amended Budget*

- AML Summer Legislative Meetings (Denali, AK) – 2 Council at \$2,600 each = \$5,200
- AML Fall Conference (Anchorage, AK) – 3 Council at \$1,600 each = \$4,800
- AML NEO November (Anchorage, AK) – 1 Council at \$1,200 = \$1,200
- AML Winter Fly-In (Juneau, AK) – 2 Council at \$2,500 = \$5,000
- SWAMC Winter Conference (Anchorage, AK) – 2 Council at \$1,500 = \$3,000
- NLC Conferences (Washington, D.C. and/or Los Angeles, CA) – 2 Council at \$4,600 each = \$9,200
- NPFMC Meeting (location unknown) – 1 Council at \$1,500 = \$1,500
- May Lobbying Trip (Washington, D.C.) = \$-0-
- State Lobbying (Juneau, AK) = \$-0-

Capital Outlays: No increase or decrease as compared to FY 2018 Amended Budget

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

FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: **FY 2019 Budget Summary – Legal**

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

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget
Professional Services for this department include the City Attorney. During fiscal year 2018, the City acquired new legal services through Boyd, Chandler, and Falconer, LLP. In addition, throughout fiscal year 2018 pending and continued citywide litigation continues to be resolved. As the FY 2018 Amended Budget may see increases before the end of Fiscal Year 2018, budgeted professional services for FY 2019 are anticipated to be \$75,000.

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FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: **FY 2019 Budget Summary – Executive Administration & Emergency Preparedness**

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

Salaries & Wages and Employee Benefits: Combined Increase \$17,764 (2.31%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Professional Services: Decrease \$15,000 (75%)

Professional services are used for services directly related to the City administration or City human resources divisions. Professional services have not been used since outside parties performed specific services for the City Manager's office. Therefore, as no outside services are anticipated for this division, the budget amount has been decreased to \$5,000.

Contributions: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: Increase \$2,500 (8.20%)

Increases to support goods and services include the following: (1) an increase of \$2,000 for Travel, Training / Conferences; and (2) an increase of \$500 for Supplies. Increases for supplies are based on the most recent five-year spending averages. Travel and related training / conferences include the following:

City Manager Travel = \$16,200

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

Deputy City Manager Travel = November AML Conference (Anchorage, AK) = \$1,600

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

Executive Administration Department (100-110-100) continued

Repairs & Maintenance: Increase of \$100 (100%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. Included in vehicle repairs and maintenance are tag renewals for vehicles assigned to this department. Therefore, a budgeted amount of \$100 has been added to this line item.

Capital Outlays: Decrease \$2,500 (38.30%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan, there are no pending capital outlay purchases for FY 2019.

Emergency Preparedness Department (100-110-110)

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2018 Amended Budget

FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: **FY 2019 Budget Summary – Clerks Administration & Clerks Citywide Records Management**

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

Salaries & Wages and Employee Benefits: Combined Increase \$11,496 (3.57%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: Decrease \$4,500 (13.31%)

Per discussion with the City Clerk, changes in the methods of advertising and types of publications are currently being investigated. Due to these upcoming changes, the City Clerk anticipates advertising expense to be lower in the upcoming fiscal year 2019.

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

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

Repairs & Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Clerks Administration Department (100-120-100) continued

Capital Outlays: Increase \$4,700 (100%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the City Clerk, noted below are the capital outlay purchases for FY 2019:

<u>Description</u>	<u>Cost</u>
Office Chair - Clerk	\$ 900
Label Printer - Records	\$ 300
Dell Laptop - Assistant	\$ 2,500
* Filing Cabinets - 1 @ \$1,000	\$ 1,000
Total Capital Outlays	\$ 4,700

* Due to recent events, one filing cabinet scheduled for replacement in a future period was moved up on the replacement schedule to FY 2019.

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2020).

Clerks Records Management Department (100-120-120)

Salaries & Wages and Employee Benefits: Combined Decrease \$488 (0.26%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual costs are unknown, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages. Please note that while it would appear that these expense classifications should increase, the decrease compared to FY 2018 is attributable to turnover of staffing.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: Decrease \$2,750 (33.33%)

Decreases in training & certificates and related travel are \$2,750. Anticipated upcoming travel and training / conferences for the Citywide Records Management department include the following:

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

FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: **FY 2019 Budget Summary – Finance Administration; Finance Utilities; and Finance-IT including Citywide IT**

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

Salaries & Wages and Employee Benefits: Combined Increase \$159,917 (22.67%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this department include an additional Fiscal Specialist position. This increase is due to the increased demand on fiscal specialists that maintain water / sewer billing and cashing; sales tax administration and collection; issuing and maintaining all sales tax exemptions, including senior exemptions, the anticipated implementation of the city business license program, and departmental records maintenance.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: Increase \$17,500 (58.33%)

The following line items were changed for FY 2019: (1) Printing and binding – decrease of \$3,000 due to printing and binding needs performed internally. (2) Travel and Training – increase of \$20,000 due to Finance Director travel (agreement pending). (3) Vehicle fuel – Increase of \$500; this line item was added to all departments for more transparency on use of vehicle resources throughout the City.

Training & Certifications and related Travel include the following:

- Fall AGFOA Conference (Anchorage, AK) – Finance Director and 1 Staff = \$3,000
- New World / Tyler Annual User Conference (Varies) – Finance Director = \$4,500
- Finance Director travel to Kodiak, AK (agreement pending) = 10 trips at an estimated \$2,000 per trip = \$20,000

Repairs & Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Finance Administration (100-130-100) continued

Capital Outlays: Increase \$3,700 (160.86%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Finance Director, noted below are the capital outlay purchases for FY 2019:

<u>Department</u>	<u>Description</u>	<u>Cost</u>
Finance Admin	Desktops 3 @ \$1,500	\$ 4,500
Finance Admin	Printer	\$ 500
* Finance Admin	Scanner	\$ 500
Finance Admin	Printer	\$ 500
Total Capital Outlays		\$ 6,000

* Due to recent events, one scanner was added to the replacement schedule for FY 2019.

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2020).

Finance Utilities (100-130-130)

Salaries & Wages and Employee Benefits: Combined Increase \$5,443 (16.15%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Support Goods and Services: Decrease \$3,600 (9.97%)

Decreases to Support Goods and Services include the following: (1) decrease of \$3,600 to Supplies. This decrease is based on the most recent five-year spending average.

Repairs & Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

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

Salaries & Wages and Employee Benefits: Combined Increase \$27,999 (9.17%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual costs are unknown, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: Decrease \$105,730 (39.79%)

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

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

- Citywide Spam Filter = \$1,900
- 911 Database = ACS costs of \$12,500 per month moved to E911 Enterprise fund
- Citywide Backup Storage = \$2,900
- Citywide Antivirus Software = \$3,330
- Citywide Firewall Software = \$2,900
- KPD Crime Reports Software = \$100
- KPD Crossmatch LiveScan Fingerprint Scan Software = \$2,400
- KFD Software = \$1,700
- Citywide website hosting = \$1,100
- Finance / Harbor AS400 = \$3,500
- KPD Identatronics ID Card Software = \$600
- Library LAT Stenna Software = \$4,500
- ITG Safety Suite Case Management Software = Replaced by Spillman and moved to E911 Enterprise Fund
- Citywide Backup Software = \$7,100
- MSGovern Sales Tax Software = \$17,000
- New World / Tyler Technology Financial Software Suite - \$25,500
- Faronics Library Software = \$1,200
- KPD / KFD / PW / Harbor ProComm Motorola Radio Software = \$40,000
- SIRSI Library Circulation Software = \$15,000
- KPD Stancil Voice Recording Software = \$2,900
- Citywide Records Management Versatile / Zasio Software = \$12,500
- Citywide Virtual Machine Software = \$5,000
- Office Tech Folder Machine = \$1,500
- Library Patrol Public Use Computer Management Software (Cybrarian) = \$1,500
- Citywide Website = \$2,800
- Clerks Social Media Archival Software = \$2,400

Support Goods and Services: Decrease \$300 (0.39%)

The following line items were changed for FY 2019: (1) Postage for the IT department was increased to \$1,500. The postage is used for shipping citywide backups to the off-site / off-island long-term records storage. (2) Dues and subscriptions were decreased by \$500. (3) Supplies were decreased by \$1,300. These decreases were based on the most recent five-year spending averages.

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

Capital Outlays: Increase \$137,000 (107.03%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Finance Director, noted below are the capital outlay purchases for FY 2019:

<u>Department</u>	<u>Description</u>	<u>Cost</u>
Citywide IT	Routers / Switches / Hubs	\$ 5,000
Citywide IT	Cisco Phone System Upgrade	\$ 110,000
Citywide IT	Microsoft Exchange Server	\$ 22,000
Citywide IT	SAN Storage for Virtual Servers	\$ 60,000
Citywide IT	Microsoft Office Suites Upgrade	\$ 68,000
	Total Capital Outlays	\$ 265,000

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2020).

FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: **FY 2019 Budget Summary – KPD Administration, Uniform Patrol, Corrections, Investigations, Dispatch, Animal Control, Drug Enforcement, Community Services, Canine, School Resources**

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

Salaries & Wages and Employee Benefits: Combined Increase \$33,320 (4.80%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include a reduction in Temporary Wages by \$4,738 to \$5,500. This was based on the most recent five-year spending averages.

Professional Services: Decrease \$54,215 (44.22%)

Two contracts previous within Professional Services are for repairs & maintenance contracts – Long Building (budgeted \$16,000 pending contract approval) and Emerson Network (budgeted \$15,600). These two contracts have been moved to Repairs and Maintenance.

Fiscal Year 2019 Professional Services budget includes Taser services and vacant position recruiting. Janitorial Services was also reduced by \$2,615.

Support Goods and Services: Decrease \$7,675 (19.76%)

Training and Certifications including related travel was reduced by \$7,175 (61.35%). Travel for FY 2019 will include the Chief's Annual Conference. In addition, Supplies were reduced by \$500 based on the most recent five-year spending average.

Repairs and Maintenance: Increase \$38,700 (552.86%)

As noted above in Professional Services, two maintenance contracts were moved to this line item for a total budgeted amount of \$31,600. An additional \$5,500 was added for pending painting of interior and exterior walls and \$1,600 for annual generator maintenance.

Public Utilities: No increase or decrease as compared to FY 2018 Amended Budget

Administration (100-140-100) continued

Capital Outlays: Increase \$195,360

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Police Chief, noted below are the capital outlay purchases for FY 2019:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	Admin	Dell Desktops 1 @ \$1,500	\$ 1,500
IT Equipment	KPD Admin	Multifunction Printer	\$ 3,920
IT Equipment	KPD Records	Multifunction Printer	\$ 3,920
Total Capital Outlays			\$ 9,340

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2020).

Interest Expense: Decrease \$22,550 (4.78%)

The GOB Bond Principal and Interest expense line items were reduced based on the upcoming scheduled bond payments for FY 2019.

Uniform Patrol (100-140-141)

Salaries & Wages and Employee Benefits: Combined Increase \$287,494 (20.23%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include (1) a reduction in Overtime Wages by \$11,666 to \$60,000; and (2) addition of a patrol officer which will increase this department to 12 FTEs. The addition of the patrol officer is anticipation of pending discussions regarding satellite police offices within the downtown area.

Professional Services: Decrease \$5,000 (84.03%)

Professional services decrease based on the most recent-five year spending averages and more transparency within the GL accounts to record expenses to the proper expense account.

Uniform Patrol (100-140-141) continued

Support Goods and Services: Increase \$9,365 (15.32%)

Training and Travel increased by \$14,365 to \$40,500. Travel and Training & Certifications includes the following: (1) Academy costs for two new hires at \$25,000; (2) \$8,000 for tactics course; (3) \$4,500 for recertification occurring in FY 2019; and (4) travel costs related to these courses. The State of Alaska is now requiring the municipalities pay tuition and related costs to the Academy. Previously, the City only had to pay the travel costs.

Supplies were decreased by \$5,000 based on the most recent five-year spending average.

Repairs and Maintenance: Increase \$50 (100%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. Included in vehicle repairs and maintenance are tag renewals for vehicles assigned to this department.

Administrative Services: No increase or decrease as compared to FY 2018 Amended Budget

Capital Outlays: Increase \$176,140 (660.32%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Police Chief, noted below are the capital outlay purchases for FY 2019:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Vehicles	KPD Patrol	Explorer (Replaces Patrol 9)	\$ 55,000
* Vehicles	KPD Patrol	Explorer (New)	\$ 55,000
Vehicles	KPD Patrol	Explorer (Replaces Patrol 8)	\$ 55,000
* IT Equipment	KPD Patrol	2 Laptops @ \$2,500 for Satellite	\$ 5,000
Misc Equipment	KPD Patrol	Ballistic Vests	\$ 2,300
Total Capital Outlays			\$ 172,300

*These items were included with the new patrol officer position included in pending discussions regarding satellite police offices within the downtown area.

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2020).

Vehicle Replacement costs were increased based on the FY 2019 vehicle replacement schedule.

Corrections (100-140-142)

Salaries & Wages and Employee Benefits: Combined Increase \$147,198 (12.22%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Professional Services: Decrease \$12,000 (96.00%)

Professional services decrease based on the most recent-five year spending averages and more transparency within the GL accounts to record expenses to the proper expense account. In prior years, this account has included the possibility of inmate medical costs not covered by the State of Alaska for those inmates that need medical attention while in custody. If the need arises to increase this budget line item, it will be addressed on an as-needed basis in the future.

Support Goods and Services: Decrease \$4,000 (2.43%)

Changes noted include an increase of \$1,000 to Insurance and Bonding due to notary fees and related expenses. These have been previously recorded in professional services and for more transparency with the GL expense accounts, these costs have now been reclassified to insurance and bonding. In addition, Supplies decreased by \$5,000 based on the most recent five-year spending averages and more transparency within the GL accounts to record expenses to the proper expense account.

Training & Certifications for FY 2019 include the following:

- Transport Officers Training
- Corrections Academy

Repairs and Maintenance: Increase \$1,000 (33.33%)

As compared to FY 2018 Amended Budget, Repairs & Maintenance was increased by \$1,000. This was based on the most recent five-year spending average.

Public Utility Services: Decrease \$4,000 (5.79%)

A reduction in public utilities of \$4,000 was based on the most recent five-year spending averages.

Corrections (100-140-142) continued

Capital Outlays: Increase \$24,809 (117.16%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Police Chief, noted below are the capital outlay purchases for FY 2019:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	KPD Corrections	Jail CCTV software	\$ 30,000
IT Equipment	KPD Corrections	Dell Desktops 1 @ \$1,500	\$ 1,500
IT Equipment	KPD Corrections	Multifunction Printer	\$ 3,920
Misc Equipment	KPD Corrections	Multi-Threat Body Armor	\$ 1,700
Misc Equipment	KPD Corrections	Inmate Exercise Equipment	\$ 3,400
Total Capital Outlays			\$ 40,520

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2020).

Vehicle Replacement costs were increased based on the FY 2019 vehicle replacement schedule.

Investigations (100-140-143)

Salaries & Wages and Employee Benefits: Combined Increase \$33,368 (11.40%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

Professional Services: Decrease \$6,000 (75.00%)

Professional services decrease based on the most recent-five year spending averages and more transparency within the GL accounts to record expenses to the proper expense account.

Support Goods and Services: No increase or decrease as compared to FY 2018 Amended Budget

Within this category, Training & Certifications and related travel costs are included. Budgeted training and travel for FY 2019 includes the following:

- Computer Forensics Training – 6 week course

Repairs and Maintenance: Increase \$100 (100%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. Included in vehicle repairs and maintenance are tag renewals for vehicles assigned to this department.

Investigations (100-140-143) continued

Capital Outlays: Decrease \$1,500 (100%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan, there are no pending capital outlay purchases for FY 2019.

Support Services – Dispatch (100-140-144)

Salaries & Wages and Employee Benefits: Combined Decrease \$126,992 (11.37%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this category include the following: (1) 20% of Dispatch salaries and wages and related employee benefits were moved to the E911 Enterprise Fund. This percentage calculation was based on the number of emergency calls received as compared to the overall total calls received by Dispatch. For the most recent three year period, this calculated to be approximately 20% each year. Therefore, based on review of the applicable State of Alaska statutes, it was concluded that 20% of Dispatch salaries and wages and related benefits could be serviced by the E911 Enterprise fund. (2) A lead dispatch designation was created within the department. Based on current Personnel Rules & Regulations, this would constitute a promotion and therefore applicable pay rates have been adjusted accordingly.

Professional Services: Decrease \$5,500 (78.57%)

Professional services decrease based on the most recent-five year spending averages and more transparency within the GL accounts to record expenses to the proper expense account.

Support Goods and Services: Decrease \$9,500 (11.19%)

Adjustments within this expense category include: (1) decrease of \$7,000 to telephone expenses and (2) decrease of \$2,500 to Supplies expense. These adjustments were based on the most recent five-year spending averages.

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

- CAD / Power Phone / Uniform Crime Reports (UCR) training for new dispatchers
- Recertifications for existing dispatchers for CAD / Power Phone / Uniform Crime Reports

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

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

Capital Outlays: Decrease \$300 (9.09%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Police Chief, noted below are the capital outlay purchases for FY 2019:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	Dispatch	Dell Desktops 2 @ \$1,500	<u>\$ 3,000</u>
		Total Capital Outlays	\$ 3,000

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2020).

Animal Control (100-140-145)

Salaries & Wages and Employee Benefits: Combined Increase \$8,261 (9.98%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

The Humane Society Contract expires on June 30, 2018. During budget preparations, there was no indication of any funding requests. Therefore, this contract was funded for FY 2019 at the same level as FY 2018.

Support Goods and Services: Decrease \$500 (12.50%)

Adjustments within this expense category include: (1) decrease of \$500 to Supplies expense. These adjustments were based on the most recent five-year spending averages.

Training & Certifications and related travel expenses included in this expense category include cross-training opportunities with the Community Services department.

Repairs and Maintenance: Decrease \$847 (21.73%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. Included in vehicle repairs and maintenance are tag renewals for vehicles assigned to this department. In addition, the Repairs & Maintenance account was decreased based on the most recent five-year spending average.

Animal Control (100-140-145) continued

Capital Outlays: Increase \$3,700 (72.53%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Police Chief, noted below are the capital outlay purchases for FY 2019:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Misc Equipment	Animal Shelter	Trench Grates	\$ 3,000
Misc Equipment	Animal Shelter	Fuel Tank Removal	\$ 700
		Total Capital Outlays	\$ 3,700

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2020).

Vehicle Replacement costs were based on the FY 2019 vehicle replacement schedule.

Drug Enforcement (100-140-146)

Salaries & Wages and Employee Benefits: Combined Increase \$30,524 (24.22%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include (1) a reduction in Overtime Wages by \$2,738 to \$7,500.

Professional Services: Decrease \$3,000 (42.85%)

Professional services decrease based on the most recent-five year spending averages and more transparency within the GL accounts to record expenses to the proper expense account.

Support Goods and Services: Decrease \$500 (3.18%)

Adjustments within this expense category include: (1) decrease of \$500 to Supplies expense. These adjustments were based on the most recent five-year spending averages.

Training & Certifications and related travel costs for FY 2019 include the following:

- Basic Drug Investigation School for new hire

Drug Enforcement (100-140-146) continued

Repairs and Maintenance: Decrease \$150 (30.00%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. Included in vehicle repairs and maintenance are tag renewals for vehicles assigned to this department. In addition, the Repairs & Maintenance account was decreased based on the most recent five-year spending average.

Capital Outlays: Decrease \$547

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Police Chief, noted below are the capital outlay purchases for FY 2019:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	Drug Enforcement	Dell Desktops 1 @ \$1,500	<u>\$ 1,500</u>
		Total Capital Outlays	\$ 1,500

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2020).

Vehicle Replacement costs were based on the FY 2019 vehicle replacement schedule.

Community Services (100-140-147)

Salaries & Wages and Employee Benefits: Combined Increase \$12,517 (10.11%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include (1) a reduction in Overtime Wages by \$524 to \$500.

Professional Services: Decrease \$250 (50.00%)

Professional services decrease based on the most recent-five year spending averages and more transparency within the GL accounts to record expenses to the proper expense account.

Support Goods and Services: Decrease \$500 (50.00%)

Adjustments within this expense category include: (1) decrease of \$500 to Supplies expense. These adjustments were based on the most recent five-year spending averages.

Community Services (100-140-147) continued

Repairs and Maintenance: Decrease \$2,500 (14.28%)

All Repairs & Maintenance for KPD fleet vehicles are recorded in this department with the exception of tag renewals for each vehicle in its assigned department. This decrease is attributable to the most recent five-year spending average.

Capital Outlays: Decrease \$2,914 (49.99%)

Vehicle Replacement costs were decreased based on the FY 2019 vehicle replacement schedule.

Canine (100-140-148)

Salaries & Wages and Employee Benefits: Combined Increase \$1,671 (0.89%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include (1) a reduction in Overtime Wages by \$9,417 to \$30,000.

Professional Services: Decrease \$1,300 (56.52%)

Professional services decrease based on the most recent-five year spending averages and more transparency within the GL accounts to record expenses to the proper expense account.

Support Goods and Services: Increase \$5,500 (56.82%)

Training and travel increased by \$5,500 to \$12,500. Training & Certifications and related travel include three quarterly required trainings for the Canine Officer and Canine Trigger.

Capital Outlays: No increase or decrease as compared to FY 2018 Amended Budget

Vehicle Replacement costs were based on the FY 2019 vehicle replacement schedule.

School Resources (100-140-149)

Salaries & Wages and Employee Benefits: Combined Increase \$16,440 (9.86%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include (1) a reduction in Overtime Wages by \$3,250 to \$7,500.

School Resources (100-140-149) continued

Support Goods and Services: No increase or decrease as compared to FY 2018 Amended Budget
Training & Certifications and related travel include the annual DARE conference.

Repairs and Maintenance: Increase \$50 (100.00%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. Included in vehicle repairs and maintenance are tag renewals for vehicles assigned to this department.

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FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Fire Department Administration

Fire Administration (100-150-100) – Binder Tab 2 Page 23

Salaries & Wages and Employee Benefits: Combined Increase \$228,591 (11.97%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include: (1) a 10% increase to the starting wage of three vacant firefighter positions. This increase is pending further approval. (2) An increase to Uniforms of \$1,000. This includes alterations for new firefighter uniforms. Previously, this expense was charged to Professional Services. For more transparency within the GL, these expenses are being reclassified for proper recording within the expense accounts.

Professional Services: Decrease \$1,000 (1.88%)

As compared to the FY 2018 Amended Budget, and noted above, \$1,000 was removed from the Professional Services line item to the Uniforms line item.

Support Goods and Services: Decrease \$5,755 (3.48%)

Adjustments within this expense category include: (1) increase of \$4,700 in Training & Certifications and related travel. See detail below for all budgeted training & certifications and related travel. (2) Decrease of \$53,440 in Supplies. This was reclassified to Health & Safety Supplies for more transparency within the GL accounts. (3) Increase of \$53,485 in Health & Safety Supplies. This was reclassified from Supplies for more transparency within the GL accounts. (4) Decrease of \$10,500 in Fitness Supplies. This was based upcoming needs discussed with the Fire Chief and the most recent five-year spending average.

Training & Certifications and related travel for FY 2019 include the following:

- Deferred Jurisdiction forum = \$3,000
- Fire Investigation forum = \$3,000
- Rope Rescue 1 and Rope Rescue 2 = \$6,000
- National Fire Academy Books & Training Materials = \$2,000
- Firefighter / EMS / Tech Rescue Books & Continuing Education Materials = \$2,000
- Medical / Fire / Rescue / Hazmat Training Supplies 3 at \$1,500 each = \$4,500
- EMT Recertification costs including instructor cards issued to employees = \$2,500

Fire Administration (100-150-100) continued

Support Goods and Services: Training & Certifications and related travel for FY 2019 – continued:

- ½ Tuition and Travel for PW mechanic to Pierce Aerial School = \$3,000
- Hazmat Tech class, Anchorage, AK = \$6,000
- Scott Tech training for fire air pack certifications = \$3,000
- EMT2 Class for 2 people = \$6,000
- EMS Symposium for 2 people = \$6,000
- Fire Chief Leadership Summit = \$5,000

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

While the net change to the repairs and maintenance category was \$-0-, please note that repairs and maintenance-vehicles increased \$15,000 and repairs and maintenance decreased by \$15,000.

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

Capital Outlays: Increase \$10,923 (3.87%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Fire Chief, noted below are the capital outlay purchases for FY 2019. Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2020).

**Denotes price and/or quantity change as compared to the Long-Term Capital Improvement Plan.

*Due to recent developments, this denotes any new items added to the Long-Term Capital Improvement Plan for FY 2019.

Vehicle Replacement costs were based on the FY 2019 vehicle replacement schedule.

<u>Replacement Schedule</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	Dell Desktops 2 @ \$1,500	\$ 3,000
Heavy Equipment	Fire Panels	\$ 3,000
Misc Equipment	AMKUS ARRS	\$ 10,000
** Misc Equipment	Turnout Leather Thorogood 14" Oblique Toe Structural Boot	\$ 1,300
Misc Equipment	Fire Apparatus Batteries (Manufacturer Recommended)	\$ 1,800
Misc Equipment	Medic Batteries (Manufacturer Recommended)	\$ 300
Misc Equipment	Zoll Auto Pulse Batteries	\$ 2,550
Misc Equipment	Zoll X Series Batteries	\$ 500
Misc Equipment	Zoll E Series Batteries	\$ 1,700
** Misc Equipment	Batteries - Stryker	\$ 1,200
Misc Equipment	Batteries - SCBA/Mic's/Amps/EMS Equipment Various	\$ 2,400
Misc Equipment	Batteries - Dewalt	\$ 200
Misc Equipment	Bag, Jump w/Modules Stat Pack Bag 300	\$ 600
Misc Equipment	Bag, O2 Caddy Stat Pack G3 Tidal Volume Pack	\$ 175
Misc Equipment	Calibration, Rad meter Ludlum	\$ 600
Misc Equipment	Child Safety Seat Evenflow Birth to 3 Yrs - 6 @ \$60 each	\$ 360
Misc Equipment	Tire Chain - Firetruck Peway ASV	\$ 1,400
Misc Equipment	SCBA Cylinder 4.5 Scott - 3 @ \$1,270 each	\$ 3,810

Fire Administration (100-150-100) continued

Capital Outlays continued

Replacement Schedule	Description	Cost
Misc Equipment	SCBA Cascade Scott 6000psi - \$1,500 each	\$ 6,000
Misc Equipment	Defibrillator Zoll X Series with Capno	\$ 35,000
Misc Equipment	Dewalt Drills - 2	\$ 560
Misc Equipment	Extinguisher - Dry Chem Kidde 10BC	\$ 650
Misc Equipment	Fan, PPV Gas Tempest DD 21-H-5.6	\$ 10,000
Misc Equipment	Flash Hoods Darley Sure Fit Cobra Hood	\$ 600
Misc Equipment	Forest Fire Protection Shelter, Large	\$ 6,000
Misc Equipment	Forestry, Backpack True North Fireball Pack - ##5992	\$ 2,550
Misc Equipment	Forestry, Cantine Nalgene Wide Mouth Water Bottle, 32 oz.	\$ 450
Misc Equipment	Forestry, Coveralls Crew Boss 6.0 oz Nomex IIIA Jumpsuits	\$ 5,625
Misc Equipment	Gages, Certified N/A Engine, hose tester, hydrant tester, etc.	\$ 2,250
Misc Equipment	Grinder, Station DeWalt 8 in Variable speed w/stand	\$ 250
Misc Equipment	ONESuit Flash HAZMAT Suit	\$ 6,000
** Misc Equipment	Helmet, Fire Bullard UST Traditional	\$ 1,800
Misc Equipment	Wild land Bullard Lime-Yellow Wildland Fire Helmet	\$ 1,500
Misc Equipment	Hose, 1 3/4 Hi Combat Grainger 1 3/4 Double Jacketed - 50Ft	\$ 750
Misc Equipment	Hose, 2 1/2 Hi Combat Grainger 2 1/2 Double Jacketed - 50 Ft	\$ 800
Misc Equipment	Hose, 4" Storz Grainger 4" Single Jacket Supply Line - 100Ft	\$ 1,000
Misc Equipment	Hose, Hard Suction Darley Flexible Hard Suction - 4 1/2"	\$ 1,000
Misc Equipment	KED Bound tree Medical Extrication Device	\$ 900
Misc Equipment	Ladder Cost Effective 6 ft 1A - A Frame	\$ 175
Misc Equipment	Ladder Cost Effective 16ft 1A - A Frame	\$ 420
Misc Equipment	Life Vest Mustang HIT Inflatable PFD - 10 @ \$320 each	\$ 3,200
Misc Equipment	Monitor, Radiological Ludlum Emergency Response Kit	\$ 200
Misc Equipment	Nozzle, 1" Forestry Moon America Grainger #41H471	\$ 2,480
Misc Equipment	Pump, HBR Honda HP400-B	\$ 8,000
Misc Equipment	Pollution Response Consumables N/A Absorbant	\$ 3,000
** Misc Equipment	Masimo Rad-57 Pulse Oximeter, SpO2 Monitor	\$ 6,000
Misc Equipment	Rescue, Mule CMC Rescue Mule II w/Handles	\$ 1,750
Misc Equipment	Bound tree Sager Adult - 4 @ \$450 each	\$ 1,800
Misc Equipment	SCBA Scott ProPak	\$ 26,000
Misc Equipment	Software, Posi Check Manufacture Recommend Required Update	\$ 1,500
Misc Equipment	Software, Station Manufacture Recommend Required Update	\$ 1,500
Misc Equipment	Tent - HAZMAT Most Cost Effective 10x10x8Ft self erecting	\$ 3,500
* Misc Equipment	Electronic Mannequins - CPR Training	\$ 5,000
Misc Equipment	Trainer, IO (Ped Leg) Laerdal Medical Corp 651108	\$ 675
Misc Equipment	Trainer, Anatomical Models Lippencott Full Torso	\$ 1,400
** Misc Equipment	Turn Outs Santiam S25 Ultramotion Coat & S35 Ultramotion Pant	\$ 21,500
Misc Equipment	Vacuum - Backpack Salvage Master BH141 - 2 @ \$1,900 each	\$ 3,800
Misc Equipment	Vac-u-Splints - Splint Set, Leg, Arm, and Wrist/Ankle	\$ 900
* Misc Equipment	Hotel Pack Straps	\$ 700
* Misc Equipment	Stabilization devices / struts for accident scenes	\$ 7,000
* Misc Equipment	Auto Pulse bags	\$ 1,500
* Misc Equipment	Rope rescue equipment lines	\$ 6,800
Total Capital Outlays		\$ 227,380

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FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: **FY 2019 Budget Summary – Public Works Administration; Streets; Garage; Building Inspections; Municipal Airport**

Administration (100-160-100) – Binder Tab 2 Page 24

Salaries & Wages and Employee Benefits: Combined Decrease \$34,285 (25.16%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include an estimated salary and benefits due to the retirement of the Public Works director.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2018 Amended Budget

Repairs and Maintenance: Increase \$50 (5.00%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. The increase is attributable to additional repairs and maintenance-vehicles for vehicle tag renewals.

Streets (100-160-162)

Salaries & Wages and Employee Benefits: Combined Increase \$45,169 (6.40%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include a decrease in overtime of \$16,071 as compared to FY 2018.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Streets (100-160-162) continued

Support Goods and Services: Decrease \$74,500 (26.75%)

Adjustments in this expense category include: (1) decrease of \$50,000 in Supplies; (2) decrease of \$5,000 in Vehicle Fuel; and (3) decrease of \$20,000 in Equipment Rental. These decreases are based on a review of the most recent five-year spending averages.

Repairs and Maintenance: Increase \$12,000 (12.97%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. The increase is attributable to additional repairs and maintenance-vehicles for vehicles and heavy equipment. Other increases include repairs and maintenance-buildings to repair and replace the storage doors during FY 2019. The streets storage building encloses the heavy equipment from the elements when the equipment is not in use.

Public Utility Services: Decrease \$10,000 (5.55%)

Adjustments include a decrease of \$10, 000 to Public Utility Services based on a review of the most recent five-year spending averages.

Capital Outlays: Increase \$317,500 (264.77%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, noted below are the capital outlay purchases for FY 2019:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Heavy Equipment	Streets	Case 812B Loader	<u>\$ 320,000</u>
		Total Capital Outlays	\$ 320,000

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2020).

Other capital outlays include replacement of small tools and vehicle replacement costs. Vehicle Replacement costs were based on the FY 2019 vehicle replacement schedule.

Garage (100-160-163)

Salaries & Wages and Employee Benefits: Combined Increase \$34,942 (14.47%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

Garage (100-160-163) continued

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: Decrease \$3,000 (18.75%)

Adjustments include a decrease of \$3,000 to Training & Travel. Training & Certifications and related travel for FY 2019 include the following:

- ½ Tuition and Travel for PW mechanic to Pierce Aerial School = \$3,000

Repairs and Maintenance: Decrease \$10,000 (47.62%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. The decrease is attributable to repairs and maintenance-buildings based on upcoming needs and the most recent five-year spending average.

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

Capital Outlays: Decrease \$5,000 (50.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, this department did not have any upcoming capital outlays for FY 2019. Items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted have been moved to the following year (FY 2020).

Other capital outlays include replacement of small tools and vehicle replacement costs. Vehicle Replacement costs were based on the FY 2019 vehicle replacement schedule.

Building Inspections (100-160-164)

Salaries & Wages and Employee Benefits: Combined Increase \$20,465 (6.74%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Professional Services: Decrease \$7,500 (75.00%)

Per discussions with the Public Works Director and Building Official, these costs are associated with large building plans to be sent off-site for review and approval and paid for by the requestor. Pending plans for large construction projects are unknown at this time. Therefore this line item has been decreased by \$7,500. If the need arises in the future, a supplemental budget adjustment can be requested to adjust to the appropriate amount.

Building Inspections (100-160-164) continued

Support Goods and Services: No increase or decrease as compared to FY 2018 Amended Budget
Training & Certifications and related travel costs for FY 2019 include the following:

- Annual Fire Marshal forum in Anchorage, AK = \$1,500
- Edu-Code West Coast Building Official forum = \$3,500

Repairs and Maintenance: Decrease \$2,000 (41.67%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. The decrease is attributable to repairs and maintenance based on upcoming needs and the most recent five-year spending average.

Muni Airport (100-160-165)

Support Goods and Services: No increase or decrease as compared to FY 2018 Amended Budget

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Engineering

Administration (100-165-100) – Binder Tab 2 Page 29

Salaries & Wages and Employee Benefits: Combined Increase \$29,711 (8.98%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Professional Services: Decrease \$7,500 (60.00%)

Adjustments include a decrease of \$7,500 to Professional Services based on a review of the most recent five-year spending averages.

Support Goods and Services: Decrease \$4,500 (32.14%)

Adjustments to this category include the following: (1) a decrease of \$1,000 to Telephone; (2) a decrease of \$3,500 to Training & Travel; (3) a decrease of \$1,500 to Supplies; and (4) an increase of \$1,500 to Vehicle Fuel. These adjustments are based on a review of the most recent five-year spending averages.

Training & Certifications and related travel for FY 2019 include the following:

- Alaska Water / Wastewater Engineering Conference = \$3,000

Repairs and Maintenance: Decrease \$2,400 (53.33%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. The decrease is based on upcoming needs and the most recent five-year spending average.

Allocated Expenses: No increase or decrease as compared to FY 2018 Amended Budget

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

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FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: **FY 2019 Budget Summary – Parks & Recreation Administration; Baranof Museum; Teen Center; Aquatics; Ice Rink; Beautification Program**

Administration (100-170-100) – Binder Tab 2 Page 30

Salaries & Wages and Employee Benefits: Combined Increase \$140,340 (26.99%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes in this department include: (1) a reduction in temporary wages by \$41,666. This reduction was offset by an additional part-time maintenance technician including employee benefits. (2) The addition of a full-time maintenance technician that would perform janitorial services for multiple city facilities. As a result, the offsetting janitorial services that were budgeted in prior years have not been budgeted for FY 2019.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: Increase \$500 (0.71%)

Adjustments to this category include increases in Dues and Subscriptions. Over the most recent two-year period, adjustments have been made to record expenses in proper classifications for more transparency within the accounting records.

Training & Certifications and related travel for FY 2019 include the following:

- National Parks & Recreation Association Annual Conference – 2 people = \$4,000

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Repairs & Maintenance expenses were decreased by \$1,000 and Repairs & Maintenance – Vehicle were increased by \$1,000. These adjustments are based on properly classifying expenses within the budget for more transparency of the department's expenses.

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

Administration (100-170-100) continued

Capital Outlays: Increase \$1,662 (9.79%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Parks & Recreation Director, this department did not have any upcoming capital outlays for FY 2019. Items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted have been moved to the following year (FY 2020). Vehicle Replacement costs were based on the FY 2019 vehicle replacement schedule.

Museum (100-170-171)

Contributions: No increase or decrease as compared to FY 2018 Amended Budget

The Kodiak Historical Society contract is level-funded for FY 2019. Once the contract has been renewed for the upcoming fiscal year, additional adjustments may be necessary to reflect the contract amount.

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

Teen Center (100-170-172)

Salaries & Wages and Employee Benefits: Combined Increase \$24,785 (12.98%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes in this department include a reduction in temporary wages by \$23,023. This reduction was offset by salaries and wages for an additional part-time position.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: Decrease \$2,000 (16.00%)

Adjustments to this category include a decrease of \$2,000 in Dues and Subscriptions based on the cancellation of a subscription service at the Teen Center.

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

Teen Center (100-170-172) continued

Administrative Services: Decrease \$500 (100.00%)

Decreases in Resell Items are based on the most recent five-year spending average.

Capital Outlays: No increase or decrease as compared to FY 2018 Amended Budget

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Parks & Recreation Director, this department did not have any upcoming capital outlays for FY 2019. Items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted have been moved to the following year (FY 2020).

Aquatics (100-170-173)

Salaries & Wages and Employee Benefits: Combined Increase \$14,917 (6.16%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Support Goods and Services: No increase or decrease as compared to FY 2018 Amended Budget

Administrative Services: No increase or decrease as compared to FY 2018 Amended Budget

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

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Parks & Recreation Director, this department did not have any upcoming capital outlays for FY 2019. Items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted have been moved to the following year (FY 2020).

Ice Rink (100-170-174)

Salaries & Wages and Employee Benefits: Combined Increase \$7,406 (8.49%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Ice Rink (100-170-174) continued

Support Goods and Services: Decrease \$4,000 (25.81%)

The decrease in this category is attributable to the reduction of Training & Certifications and related travel for the upcoming fiscal year. This department does not anticipate any required Training & Certifications and related travel for FY 2019.

Repairs and Maintenance: Increase \$2,500 (33.33%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. The increase for repairs and maintenance is based on upcoming needs and the most recent five-year spending average.

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

Beautification Program (100-170-175)

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2018 Amended Budget

FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Library Administration

Administration (100-180-100) – Binder Tab 2 Page 36

Salaries & Wages and Employee Benefits: Combined Increase \$34,142 (4.71%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Professional Services: Decrease \$35,000 (77.78%)

Decreases in professional services include: (1) \$30,000 decrease in Janitorial Services due to the new full-time position added in Parks & Recreation administration to cover janitorial needs within City facilities; and (2) \$5,000 decrease in Library Program Services.

Support Goods and Services: Decrease \$2,000 (4.22%)

Adjustments to this category include a decrease of \$2,000 in Dues and Subscriptions based on the most recent five-year spending averages.

Training & Certifications and related travel for FY 2019 include the following:

- Annual Alaska Library Association Conference – 2 people = \$3,360

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

For greater transparency, repairs and maintenance has been separated based on type (i.e. vehicles, buildings, equipment, etc.). While there was no overall change in the Repairs and Maintenance expense category, there is a reclassification from Repairs & Maintenance to Repairs & Maintenance-Buildings.

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

Books and Materials (Support Goods and Services): Decrease \$20,350 (38.69%)

Adjustments to this category include the following: (1) a decrease of \$7,000 to Books / Materials Grants as grant expenditures are not budgeted until the grant has been awarded and the appropriate paperwork has been received from the granting agency; (2) a decrease of \$3,000 to Books and Materials; (3) a decrease of \$800 to newspapers; (4) a decrease of \$2,800 to periodicals; (5) a decrease of \$1,750 to collection support; (6) a decrease of \$3,500 to audio, visual, and e-materials; and (7) a decrease of \$1,500 to literacy materials. These decreases are based on the most recent five-year spending average.

Administration (100-180-100) continued

Capital Outlays: Increase \$1,450 (100.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Library Director, noted below are the capital outlay purchases for FY 2019:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	Library	Dell Printer	\$ 750
Misc Equipment	Library	Commercial paper cutter	\$ 400
Misc Equipment	Library	Document scanner	\$ 300
		Total Capital Outlays	\$ 1,450

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2020).

FY 2019 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: **FY 2019 Budget Summary – Non-Departmental Administration; Contributions; Downtown Maintenance; Transfers to Capital Projects**

Non-Departmental Administration (100-190-100) – Binder Tab 2 Page 37

Employee Benefits: Increase \$500 (100.00%)

The City paid-employee life insurance annual fees have not been budgeted in prior years. The FY 2019 budget increase is for these fees. This amount is based on the most recent five-year spending averages.

Professional Services: Decrease \$9,000 (27.27%)

Adjustments to Professional Services include: (1) \$10,000 decrease to professional services; and (2) increase \$1,000 to bankcard services. These adjustments are based on the most recent five-year spending average.

Contributions: No increase or decrease as compared to FY 2018 Amended Budget

Non-Departmental Administration Contributions are attributable to Economic Development. The current contract for A3 Consulting is currently under discussion. As this contract is finalized, additional adjustments may be required in the future.

Repairs and Maintenance: Increase \$500 (100.00%)

Non-Departmental Repairs and Maintenance covers repairs and maintenance at facilities that are owned by the City but not attributable to one specific department (i.e. Barn, Shelikof Restrooms, etc.). As these expenses have not been budgeted in the past, this amount is based upon upcoming needs in the next fiscal year and the most recent five-year spending average.

Public Utility Services: Decrease \$16,000 (61.54%)

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

Administrative Services: No increase or decrease as compared to FY 2018 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2018 Amended Budget

Non-Departmental Contributions (100-190-180) – Binder Tab 2 Page 38

Contributions: Increase \$38,100 (23.71%)

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

Non-Departmental Downtown Maintenance (100-190-185) – Binder Tab 2 Page 39

Professional Services: Decrease \$6,000 (46.15%)

Adjustments within professional services include: (1) \$6,000 decrease in Janitorial Services for City facilities not attributable to a specific department. Janitorial Services will now be performed by a full-time Parks & Recreation staff. (2) reclassification of \$2,000 from Indigent Defense to Criminal Prosecution based on the most recent five-year spending average.

Repairs and Maintenance: Decrease \$1,000 (50.00%)

Non-Departmental-Downtown Maintenance – Repairs and Maintenance covers repairs and maintenance at City-owned facilities located in the downtown area but not attributable to one specific department (i.e. Barn, Shelikof Restrooms, etc.). This decrease is based upon upcoming needs in the next fiscal year and the most recent five-year spending average.

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

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

Transfers Out to Capital Projects: Increase \$427,497 (21.27%)

The following details the transfers for capital projects in the upcoming fiscal year.

General Capital Projects: \$860,062

- New Project: Quantar Repeater and Voting Receiver = \$368,400
- New Project: Gold Elite Dispatch Console = \$399,623
- New Project: Sales Tax and Business License Software = \$35,000
- PN 4002: City Land Development Addition = \$2,138
- PN 4015: Fire Station Deferred Maintenance Addition = \$50,000
- PN 4049: Federal Equipment Grant Addition = \$4,901

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

- New Project: Downtown Phase 3 Water / Sewer / Streets (Water Fund Project) = \$90,000
- PN 5003: Annual Sidewalk Curb & Gutter Addition = \$25,000
- PN 5037: Underground Storage Tank Addition = \$15,000
- PN 5039: Annual Pavement Repairs Addition = \$300,000

Building Capital Projects: \$315,000

- PN 6015: New Fire Station Addition = \$315,000

Non-Departmental Transfers (100-190-198) continued

Transfers Out to Capital Projects continued

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

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

- PN 9013: Major Park Maintenance Addition = \$25,000
- PN 9017: Major Building Maintenance Addition = \$25,000

General Fund-Vehicle Replacement Fund: \$262,086 (Mandated by City Policy)

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FY 2019 BUDGET SUMMARY – TOURISM FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Tourism Fund Administration

Tourism Revenues – Binder Tab 2 Page 41

Taxes: No increase or decrease as compared to FY 2018 Amended Budget

Interest: No increase or decrease as compared to FY 2018 Amended Budget

Appropriations: Decrease \$19,000 (100.00%)

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

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

For the FY 2018 Amended Budget, the Tourism Fund anticipates Appropriation FROM Fund Balance in the amount of \$19,000. For the FY 2019 Budget, the Tourism Fund does not anticipate the use of Fund Balance.

Tourism Administration (251-260-100)

Contributions: No increase or decrease as compared to FY 2018 Amended Budget

As mandated by City Code, 70% or less of Bed Tax Revenue is appropriated for Council Approved Tourism. For FY 2019, this amount remains at \$119,350. The following Council approved tourism contracts include the following:

- Discover Kodiak = \$108,000
- Chamber of Commerce = \$7,000
- Remaining Council-Approved Tourism = \$4,350

Tourism Administration (251-260-100) continued

Interfund Charges: No increase or decrease as compared to FY 2018 Amended Budget

As mandated by City Code, 20% or less of Bed Tax Revenue is appropriated for City Enhancement Projects and 10% for Administration. For FY 2019, this amount remains at \$51,150. The following are included in City Enhancement Projects:

- Beautification Program: These include Parks & Recreation services for the City (i.e. flower baskets, maintaining trash receptacles, Christmas lights, etc.) = \$16,000
- Public Works Services: These include Streets and Public Works services for the City (i.e. street sweeping, cleaning, etc.) = \$12,000
- Remaining City Enhancement Projects = \$6,000
- Administration = \$17,050

FY 2019 BUDGET SUMMARY – ENHANCEMENT FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Enhancement Fund Administration

Enhancement Fund Revenues – Binder Tab 2 Page 43

Interest: No increase or decrease as compared to FY 2018 Amended Budget

As the principal amount invested for the Enhancement Fund has remained unchanged, the net interest and investment income budget has remained unchanged as compared to FY 2018. City investments are continuing to see increased performance but are still subject to market and interest rate fluctuations. City investments are managed by Alaska Permanent Capital Management.

Rents and Royalties: Decrease \$47,900 (71.71%)

As compared to the FY 2018 Amended budget, overall rents and royalty income decreased by 71.71%. This decrease is attributable to the termination of certain lease agreements for City property during FY 2018.

Appropriations: Decrease \$53,900 (50.46%)

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

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

For the FY 2018 Amended Budget, the Enhancement Fund anticipates Appropriation TO Fund Balance in the amount of \$106,800. For the FY 2019 Budget, the Enhancement Fund anticipates Appropriation TO Fund Balance in the amount of 52,900. This overall net effect is an anticipated decrease in appropriations by \$53,900 (50.46%).

Enhancement Administration (299-290-100)

Professional Services: Increase \$6,000 (100.00%)

City investments are managed by Alaska Permanent Capital Management. These services were implemented in FY 2017 and related fees have not been previously budgeted. This increase represents the amount of investment management fees for these services provided to the City.

FY 2019 BUDGET SUMMARY – CARGO FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Cargo Enterprise Fund

Cargo Enterprise Fund Revenues – Binder Tab 5 Page 44

Revenue projections were performed in December based on known upcoming changes to the fee schedules and trend analysis performed by the Finance Director. There were not any increases or decreases as compared to the amended FY 2018 budget.

Intergovernmental Revenues: No increase or decrease as compared to FY 2018 Amended Budget

Charges for Services: No increase or decrease as compared to FY 2018 Amended Budget

Interest: No increase or decrease as compared to FY 2018 Amended Budget

Rents & Royalties: No increase or decrease as compared to FY 2018 Amended Budget

Miscellaneous: No increase or decrease as compared to FY 2018 Amended Budget

Appropriations: Increase \$43,068 (63.83%)

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

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

For the FY 2018 Amended Budget, the Cargo Fund anticipates Appropriation TO Fund Balance in the amount of \$67,470. For the FY 2019 Budget, the Cargo Fund anticipates Appropriation TO Fund Balance in the amount of 110,538. This overall net effect is an anticipated increase in appropriations by \$43,068 (63.83%).

Cargo Administration (500-510-100)

Salaries & Wages and Employee Benefits: Combined Increase \$21,287 (5.76%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include: (1) a reduction in Temporary Wages by \$4,484 to \$6,000; a reduction in Overtime by \$3,191 to \$5,000.

Professional Services: Decrease \$9,000 (64.28%)

Professional services include grant writing services for the new TWIC card readers and port security audits. These were decreased based on the most recent five-year spending average.

Support Goods and Services: Increase \$6,479 (5.88%)

Changes within this expense category include the following: (1) a decrease of \$2,000 in Advertising; (2) a decrease of \$2,000 in Training & Conferences and related travel; and (3) an increase in the Cargo's proportionate share of Citywide insurance. Training & Certifications and related travel are detailed in the Harbor Enterprise Fund.

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Capital Outlays: Decrease \$20,000 (100.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Harbormaster, there are no anticipated capital outlay purchases for FY 2019. Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2020).

Cargo Interfund Charges (500-510-195)

Interfund Charges: Decrease \$1,298 (0.87%)

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

- Administrative Services: Cargo % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Manager's FY 2019 Budget and Cargo % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Clerk's FY 2019 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Cargo Number of FY 2017 transactions processed not including payroll and related payroll expenditures (based on FY 2017 Audit) Multiplied by Finance Department (Administration Department Only) FY 2019 Budget and Cargo Number of Workstations Multiplied by IT Department FY 2019 Budget (Note that IT Department Budget used is less FY 2019 Capital Outlays and less FY 2019 Professional Services expenditures).

Cargo Interfund Charges (500-510-195) continued

Interfund Charges: Decrease \$1,298 (0.87%) continued

- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2019 Budget (Less FY 2019 Capital Outlays).
- Harbormaster Services: Number of Hours Harbormaster provides to the Cargo fund multiplied by the Salaries / Wages and Related Employee Benefits of the FY 2019 Harbor Budget.

Cargo Transfers (500-510-198)

Transfers: No increase or decrease as compared to FY 2018 Amended Budget

Cargo Warehouse (500-510-301)

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: Increase \$500 (100.00%)

Supplies expenditures were increased by \$500 based on the most recent five-year spending averages.

Repairs and Maintenance: Decrease \$15,000 (60.00%)

Repairs and maintenance-Bldg was decreased by \$15,000 to \$10,000 based on the most recent five-year spending averages.

Cargo Pier II (500-510-302)

Support Goods and Services: No increase or decrease as compared to FY 2018 Amended Budget

Repairs and Maintenance: Decrease \$15,000 (75.00%)

Repairs and maintenance-Dock was decreased by \$15,000 to \$5,000 based on the most recent five-year spending averages.

Public Utility Services: Increase \$964 (3.50%)

Utilities – Garbage was increased by \$964 based on continued increases from Alaska Waste.

Depreciation Expense: No increase or decrease as compared to FY 2018 Amended Budget

Depreciation expense is based on the upcoming FY 2019 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Cargo Pier III (500-510-303)

Repairs and Maintenance: Decrease \$12,000 (70.59%)

Repairs and maintenance-Dock was decreased by \$12,000 to \$5,000 based on the most recent five-year spending averages.

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

FY 2019 BUDGET SUMMARY – HARBOR FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Harbor Enterprise Fund

Harbor Enterprise Fund Revenues – Binder Tab 5 Page 48

Intergovernmental: Decrease \$25,000 (50.00%)

PERS on Behalf from the State of Alaska is continuing to decline. Based on the FY 2017 audit, these intergovernmental revenues have been reduced.

Charges for Services: Increase \$25,094 (1.00%)

Revenue projections were performed in December based on known upcoming changes to the fee schedules and trend analysis performed by the Finance Director.

Net Investment Income: No increase or decrease as compared to FY 2018 Amended Budget

Rents and Royalties: Increase \$250 (1.52%)

Rents include Office Rent to AMHS. Based on a 1% annual escalation, the rents revenue has been increased by \$250.

Miscellaneous: No increase or decrease as compared to FY 2018 Amended Budget

Interfund Charges: Increase \$3,010 (4.00%)

Harbormaster Services: Number of Hours Harbormaster provides to the Cargo fund, Shipyard fund, and Electric Utility fund multiplied by the Salaries / Wages and Related Employee Benefits of the FY 2019 Harbor Budget. As noted below, this allocation is reviewed by the City's external auditors during the City's annual audit.

Harbor Enterprise Fund Revenues continued

Appropriations: Increase \$128,847 (11.46%)

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

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

For the FY 2018 Amended Budget, the Harbor Fund anticipates Appropriation FROM Fund Balance in the amount of \$1,124,153. For the FY 2019 Budget, the Harbor Fund anticipates Appropriation FROM Fund Balance in the amount of 1,253,000. This overall net effect is an anticipated increase in appropriations by \$128,847 (11.46%).

Harbor Administration (510-520-100)

Salaries & Wages and Employee Benefits: Combined Increase \$80,331 (5.41%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include: (1) a reduction in Temporary Wages by \$6,376 to \$30,000; (2) removal of the part-time Harbor Dispatcher position that has been vacant since FY 2013 and has not been actively recruited since that time.

Professional Services: Decrease \$54,500 (48.66%)

Changes to Professional Services expense category include the following: (1) a decrease of \$52,500 in Professional Services which include Janitorial Services. Janitorial Services will now be part of the Parks & Recreation Administration department. (2) A decrease of \$2,000 in Legal Services. These are based on the most recent five-year spending averages.

Contributions: Increase \$250 (1.39%)

Contributions include payment to the Chamber of Commerce that offsets the Office Rent to AMHS. Based on a 1% annual escalation, the rents revenue has been increased by \$250 therefore the contributions would increase as well.

Harbor Administration (510-520-100) continued

Support Goods and Services: Decrease \$7,351 (3.62%)

Changes within this expense category include the following: (1) \$10,649 increase based on the Citywide insurance allocation to the Harbor fund; (2) a decrease of \$4,000 in Advertising; (3) a decrease of \$7,000 in Training & Certifications and related travel expenses; (4) a decrease of \$2,500 in Office Supplies; (5) a decrease of \$3,000 in Vehicle Fuel; (6) a decrease of \$2,500 in Postage; and (7) an increase of \$1,000 in Equipment Rental. Except for Citywide insurance allocations, all other changes within this expense category are based on the most recent five-year spending averages.

Training & Conferences and related travel for FY 2019 include the following:

- Alaska Harbor Association Annual Conference
- Pacific Coast Harbor Association Conference

Repairs and Maintenance: Decrease \$37,500 (46.88%)

Changes within this expense category include the following: (1) a decrease of \$20,000 in Repairs and Maintenance; (2) a decrease of \$10,000 in Repairs and Maintenance-Bldg; (3) a decrease of \$2,500 in Repairs and Maintenance-Vehicle; and (4) a decrease of \$5,000 in Repairs and Maintenance Float/Storage Bldg. These reductions are based on the most recent five-year spending average.

Administrative Services: No increase or decrease as compared to FY 2018 Amended Budget

Capital Outlays: Increase \$21,850 (29.04%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Harbormaster, noted below are the capital outlay purchases for FY 2019:

Replacement Schedule	Department	Description	Cost
Vehicle	Harbor	F150 4X4	\$ 25,000
Vehicle	Harbor	F350 Flatbed	\$ 40,000
* Misc Equipment	Harbor	Radios	\$ 10,000
IT	Harbor	Dell Desktops 3 @ \$1,500	\$ 4,500
IT	Harbor	Dell Printer	\$ 750
Total Capital Outlays			\$ 80,250

*Due to recent events, this denotes an additional item previously not included in the replacement schedules.

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2020).

Harbor Administration (510-520-100) continued

Depreciation Expense: Decrease \$25,078 (1.96%)

Depreciation expense is based on the upcoming FY 2019 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Interest Expense: Decrease \$21,456 (25.64%)

The Harbor fund carries revenue bonds. These bonds were refunding during FY 2017 and resulted in lower interest payments for the upcoming fiscal year.

Harbor Interfund Charges (510-520-195)

Interfund Charges: Increase \$27,205 (10.99%)

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

- Administrative Services: Harbor % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Manager's FY 2019 Budget and Harbor % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Clerk's FY 2019 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Harbor Number of FY 2017 transactions processed not including payroll and related payroll expenditures (based on FY 2017 Audit) Multiplied by Finance Department (Administration Department Only) FY 2019 Budget and Harbor Number of Workstations Multiplied by IT Department FY 2019 Budget (Note that IT Department Budget used is less FY 2019 Capital Outlays and less FY 2019 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2019 Budget (Less Streets FY 2019 Capital Outlays).

Harbor Transfers (510-520-198)

Transfers to Ship Yard: Increase \$158,950 (100.00%)

When the Ship Yard was established and the Marine Travel Lift purchased, revenue bond documentation and documentation establishing the Ship Yard Enterprise Fund, approved by the City Council, included a provision that the Boat Harbor Enterprise Fund would fund the Ship Yard if it was unable to meet operating expenditures. Based on the most recent audits, the operations in the Ship Yard continue to decrease. As such, this transfer to the Ship Yard represents the FY 2019 Ship Yard anticipated deficit, not including Ship Yard depreciation.

Pier I (510-520-310)

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2018 Amended Budget

Repairs and Maintenance: Decrease \$2,500 (12.50%)

The decrease to repairs and maintenance-dock was based on anticipated future needs when the Pier I Ferry Dock is turned over to the City by the State of Alaska upon completion.

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

Administrative Services: No increase or decrease as compared to FY 2018 Amended Budget

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

All anticipated capital outlays for FY 2019 have been noted in the Harbor Administration department.

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FY 2019 BUDGET SUMMARY – SHIP YARD FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Ship Yard Enterprise Fund

Ship Yard Enterprise Fund Revenues – Binder Tab 5 Page 54

Intergovernmental: Decrease \$8,500 (62.96%)

PERS on Behalf from the State of Alaska is continuing to decline. Based on the FY 2017 audit, these intergovernmental revenues have been reduced.

Charges for Services: Decrease \$160,500 (26.06%)

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

Net Investment Income: Decrease \$500 (50.00%)

There is a decrease in interest income to the Shipyard as these are based on positive cash flow allocations. Due to declining revenues in the Shipyard, this fund is not maintaining positive cash flows.

Miscellaneous: No increase or decrease as compared to FY 2018 Amended Budget

Appropriations: Decrease \$74,023 (12.32%)

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

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

For the FY 2018 Amended Budget, the Ship Yard Fund anticipates Appropriation FROM Fund Balance in the amount of \$600,867. For the FY 2019 Budget, the Ship Yard Fund anticipates Appropriation FROM Fund Balance in the amount of \$526,844. This overall net effect is an anticipated decrease in appropriations by \$74,023 (12.32%).

Shipyard Enterprise Fund Revenues continued

Transfers In: Increase \$158,950 (100.00%)

When the Ship Yard was established and the Marine Travel Lift purchased, revenue bond documentation and documentation establishing the Ship Yard Enterprise Fund, approved by the City Council, included a provision that the Boat Harbor Enterprise Fund would fund the Ship Yard if it was unable to meet operating expenditures. Based on the most recent audits, the operations in the Ship Yard continue to decrease. As such, this transfer to the Ship Yard represents the FY 2019 Ship Yard anticipated deficit, not including Ship Yard depreciation.

Shipyard Administration (512-530-100)

Salaries & Wages and Employee Benefits: Combined Increase \$16,278 (7.91%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Professional services include the contract with William Feda to operate the Marine Travel Lift.

Support Goods and Services: Decrease \$8,563 (11.90%)

Adjustments within this expense category include the following: (1) \$2,937 increase in the Citywide insurance allocation for the Ship Yard; (2) a decrease of \$6,000 in Advertising; (3) a decrease of \$5,000 in Supplies; and (4) a decrease of \$500 in Vehicle Fuel. With the exception of the calculations for the insurance allocations, all other changes were based on the most recent five-year spending averages.

Training and Conferences and related travel expenses include the Seattle Boat Show and Expo.

Repairs and Maintenance: Decrease \$14,500 (59.18%)

Changes within this expense category include the following: (1) a decrease of \$9,000 in Repairs and Maintenance-Miscellaneous; (2) a decrease of \$1,500 in Repairs and Maintenance-Bldg; (3) a decrease of \$1,500 in Repairs and Maintenance-Equipment; and (4) a decrease of \$2,500 in Repairs and Maintenance Roads/Grds. These changes are based on the most recent five-year spending averages.

Public Utility Services: Decrease \$1,000 (2.41%)

Adjustments within this expense category include a decrease of \$1,000 to Util-Used Oil Handling. This decrease is based on the most recent five-year spending average.

Administrative Services: No increase or decrease as compared to FY 2018 Amended Budget

Shipyard Administration (512-530-100) continued

Depreciation Expense: No increase or decrease as compared to FY 2018 Amended Budget

Depreciation expense is based on the upcoming FY 2019 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Interest Expense: Decrease \$61,254 (26.69%)

The Shipyard fund carries revenue bonds. These bonds were refunding during FY 2017 and resulted in lower interest payments for the upcoming fiscal year.

Shipyard Interfund Charges (512-530-195)

Interfund Charges: Decrease \$15,534 (14.63%)

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

- Administrative Services: Shipyard % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Manager's FY 2019 Budget and Shipyard % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Clerk's FY 2019 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Shipyard Number of FY 2017 transactions processed not including payroll and related payroll expenditures (based on FY 2017 Audit) Multiplied by Finance Department (Administration Department Only) FY 2019 Budget and Shipyard Number of Workstations Multiplied by IT Department FY 2019 Budget (Note that IT Department Budget used is less FY 2019 Capital Outlays and less FY 2019 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2019 Budget (Less Streets FY 2019 Capital Outlays).
- Harbormaster Services: Number of Hours Harbormaster provides to the Shipyard fund multiplied by the Salaries / Wages and Related Employee Benefits of the FY 2019 Harbor Budget.

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FY 2019 BUDGET SUMMARY – ELECTRIC UTILITY FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Electric Utility Enterprise Fund

Electric Utility Enterprise Fund Revenues – Binder Tab 5 Page 58

Charges for Services: No increase or decrease as compared to FY 2018 Amended Budget

Interest: No increase or decrease as compared to FY 2018 Amended Budget

Miscellaneous: No increase or decrease as compared to FY 2018 Amended Budget

Appropriations: Increase \$228 (0.47%)

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

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

For the FY 2018 Amended Budget, the Electric Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$48,592. For the FY 2019 Budget, the Electric Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$48,820. This overall net effect is an anticipated increase in appropriations by \$228 (0.47%).

Electric Utility Administration (515-540-100)

Professional Services: Decrease \$7,500 (50.00%)

Professional Services were decreased by \$7,500 based on the most recent five-year spending averages.

Support Goods and Services: Decrease \$997 (0.18%)

Citywide insurance allocations for the Electric Utility Enterprise fund increase by \$23. Other changes within this expense category include the following: (1) a decrease of \$1,000 in Training and Travel.

Electric Utility Administration (515-540-100) continued

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Administrative Services: Increase \$500 (100.00%)

An increase of \$500 to Bad Debt expense was based on the most recent five-year spending average.

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

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

Depreciation Expense: Decrease \$864 (100.00%)

Depreciation expense is based on the upcoming FY 2019 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Electric Utility Interfund Charges (515-540-195)

Interfund Charges: Increase \$13,613 (22.03%)

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

- Administrative Services: Electric Utility % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Manager's FY 2019 Budget and Electric Utility % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Clerk's FY 2019 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Electric Utility Number of FY 2017 transactions processed not including payroll and related payroll expenditures (based on FY 2017 Audit) Multiplied by Finance Department (Administration Department Only) FY 2019 Budget and Electric Utility Number of Workstations Multiplied by IT Department FY 2019 Budget (Note that IT Department Budget used is less FY 2019 Capital Outlays and less FY 2019 Professional Services expenditures).
- Harbormaster Services: Number of Hours Harbormaster provides to the Electric Utility fund multiplied by the Salaries / Wages and Related Employee Benefits of the FY 2019 Harbor Budget.

FY 2019 BUDGET SUMMARY – WATER UTILITY FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Water Utility Enterprise Fund

Water Utility Enterprise Fund Revenues – Binder Tab 6 Page 60

Penalties and Interest: No increase or decrease as compared to FY 2018 Amended Budget

Intergovernmental: Decrease \$5,000 (25.00%)

PERS on Behalf from the State of Alaska is continuing to decline. Based on the FY 2017 audit, these intergovernmental revenues have been reduced.

Charges for Services: Increase \$173,000 (4.13%)

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

Net Investment Income: Increase \$38,000 (1,900.00%)

Net investment income is allocated based on positive cash flows. As the investment income increases, the allocated portion to the water fund continues to increase.

Miscellaneous: No increase or decrease as compared to FY 2018 Amended Budget

Appropriations: Increase \$75,703 (7.98%)

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

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

For the FY 2018 Amended Budget, the Water Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$948,762. For the FY 2019 Budget, the Water Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$1,024,465. This overall net effect is an anticipated increase in appropriations by \$75,703 (7.98%).

Transfers (550-560-198)

Transfers to Water Improvement Fund: Increase \$15,000 (150.00%)

Current year transfers to capital project funds include the following adjustments: (1) a decrease of \$10,000 to Streets Improvement fund; and (2) an increase \$25,000 to the Water Improvement fund. See below for addition details regarding FY 2019 Capital Projects.

Water Distribution (550-560-360)

Salaries & Wages and Employee Benefits: Combined Increase \$45,097 5.56%

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include: (1) an estimated salary and benefits due to the retirement of the Public Works director; and (2) a reduction of Overtime wages by \$5,595 to \$20,000.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: Decrease \$19,235 (12.08%)

Changes within this expense category include the following: (1) an increase of \$7,765 in the proportionate share of the Citywide insurance allocated to the Water fund; (2) a decrease of \$25,000 in Supplies; and (3) a decrease of \$2,000 in Vehicle Fuel. Decreases in Supplies and Vehicle Fuel are based on the most recent five-year spending averages.

Training & Certifications and related travel for FY 2019 include the following:

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

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Public Utility Services: Decrease \$50,000 (12.16%)

Changes in this expense category include a reduction in Public Utility Services of \$50,000 based on the most recent five-year spending averages.

Water Distribution (550-560-360) continued

Capital Outlays: Increase \$101,338 (359.44%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, noted below are the capital outlay purchases for FY 2019:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Vehicle	Water Crew	Ford F350	\$ 36,000
Heavy Equipment	Water	Mitsubishi 15B Forklift	\$ 40,000
Heavy Equipment	Water	Trailmax Trailer	\$ 40,000
Total Capital Outlays			\$ 116,000

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2020).

Depreciation Expense: Increase \$1,014 (0.16%)

Depreciation expense is based on the upcoming FY 2019 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Interest Expense: Increase \$30,560 (108.41%)

The Water fund carries loans with the State of Alaska DEC. During the most recent two years, capital projects that included loan funds were completed and placed in service. Therefore, the repayment schedules for these loans became active and interest expense increased.

Interfund Charges: Increase \$6,333 (1.01%)

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

- Administrative Services: Water % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Manager’s FY 2019 Budget and Water % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Clerk’s FY 2019 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Water Number of FY 2017 transactions processed not including payroll and related payroll expenditures (based on FY 2017 Audit) Multiplied by Finance Department (Administration Department Only) FY 2019 Budget and Water Number of Workstations Multiplied by IT Department FY 2019 Budget (Note that IT Department Budget used is less FY 2019 Capital Outlays and less FY 2019 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2019 Budget (Less Streets FY 2019 Capital Outlays).
- Water Sales Fee: 10% of water sales fees are transferred to the Water Improvement fund to fund future capital projects. There was no increase or decrease in this allocation for FY 2019.

Water Treatment (550-560-365)

Salaries & Wages and Employee Benefits: Combined Increase \$19,637 (13.31%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include: (1) an increase of Overtime wages by \$1,000.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: Decrease \$3,500 (4.14%)

Adjustments within this expense category include the following: (1) a decrease of \$8,000 in Supplies; (2) a decrease of \$500 in Vehicle Fuel; and an increase of \$5,000 in Chemicals. These are based on the most recent five-year spending averages.

Training & Certifications and related travel for FY 2019 includes the following:

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

Repairs and Maintenance: Decrease \$2,000 (8.33%)

Repairs and maintenance expenses decreased by \$2,000 based on the most recent five-year spending averages.

Public Utility Services: Decrease \$3,000 (4.55%)

Changes in this expense category include a reduction in Public Utility Services of \$3,000 based on the most recent five-year spending averages.

Capital Outlays: Decrease \$15,000 (100.00%)

All capital outlays have been noted in the Water Distribution department.

Water Treatment (550-560-365) continued

Interfund Charges: Increase \$4,053 (2.39%)

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

- Administrative Services: Water % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Manager's FY 2019 Budget and Water % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Clerk's FY 2019 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Water Number of FY 2017 transactions processed not including payroll and related payroll expenditures (based on FY 2017 Audit) Multiplied by Finance Department (Administration Department Only) FY 2019 Budget and Water Number of Workstations Multiplied by IT Department FY 2019 Budget (Note that IT Department Budget used is less FY 2019 Capital Outlays and less FY 2019 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2019 Budget (Less Streets FY 2019 Capital Outlays).

Capital Project Requests Funded in FY 2019 – Binder Tab 4

Water Improvement Fund Capital Projects

- New Project: CT Tank Painting (Design) = \$300,000
- New Project: Downtown Phase 3 Center Street (Design) = \$300,000 (\$105,000 Water; \$105,000 Sewer; and \$90,000 Streets)
- PN 7039: Dam Safety Inspections Addition = \$60,000

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FY 2019 BUDGET SUMMARY – SEWER UTILITY FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Sewer Utility Enterprise Fund

Sewer Utility Enterprise Fund Revenues – Binder Tab 6 Page 65

Intergovernmental: Decrease \$15,000 (37.50%)

PERS on Behalf from the State of Alaska is continuing to decline. Based on the FY 2017 audit, these intergovernmental revenues have been reduced.

Charges for Services: Increase \$220,510 (5.01%)

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

Net Investment Income: Increase \$5,000 (100.00%)

Net investment income is allocated based on positive cash flows. As the investment income increases, the allocated portion to the water fund continues to increase.

Miscellaneous: No increase or decrease as compared to FY 2018 Amended Budget

Appropriations: Increase \$430,104 (361.20%)

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

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

For the FY 2018 Amended Budget, the Sewer Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$119,078. For the FY 2019 Budget, the Sewer Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$549,182. This overall net effect is an anticipated increase in appropriations by \$430,104 (361.20%).

Transfers (570-580-198)

Transfers to Sewer Improvement Fund: Decrease \$10,000 (100.00%)

Current year transfers to capital project funds include the following adjustments: (1) a decrease of \$10,000 to Streets Improvement fund. See below for addition details regarding FY 2019 Capital Projects.

Sewer Collection (570-580-380)

Salaries & Wages and Employee Benefits: Combined Increase \$12,437 (7.48%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include: (1) a reduction of Overtime wages by \$2,619 to \$2,500.

Professional Services: No increase or decrease as compared to FY 2018 Amended Budget

Support Goods and Services: Decrease \$4,500 (13.55%)

Adjustments within this expense category include the following: (1) a decrease of \$500 in Training & Travel; (2) a decrease of \$3,000 in Supplies; and (3) a decrease of \$1,000 in Vehicle Fuel. These are based on the most recent five-year spending averages.

Training & Certifications and related travel for FY 2019 include the following:

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

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Capital Outlays: Increase \$166,000

All capital outlays have been noted in the WWTP department. The vehicle replacement was based on the upcoming FY 2019 calculations.

Sewer Collection (570-580-380) continued

Interfund Charges: Increase \$13,937 (2.79%)

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

- Administrative Services: Sewer % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Manager's FY 2019 Budget and Sewer % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Clerk's FY 2019 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Sewer Number of FY 2017 transactions processed not including payroll and related payroll expenditures (based on FY 2017 Audit) Multiplied by Finance Department (Administration Department Only) FY 2019 Budget and Sewer Number of Workstations Multiplied by IT Department FY 2019 Budget (Note that IT Department Budget used is less FY 2019 Capital Outlays and less FY 2019 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2019 Budget (Less Streets FY 2019 Capital Outlays).
- Sewer Sales Fee: 10% of sewer sales fees are transferred to the Sewer Improvement fund to fund future capital projects. There was no increase or decrease in this allocation for FY 2019.

Sewer Wastewater Treatment (570-580-385)

Salaries & Wages and Employee Benefits: Combined Increase \$5,924 (0.57%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include: (1) an estimated salary and benefits due to the retirement of the Public Works director.

Professional Services: Decrease \$5,000 (33.34%)

Professional services were decreased \$5,000 based on the most recent five-year spending averages.

Support Goods and Services: Decrease \$5,376 (3.32%)

Adjustments within this expense category include the following: (1) an increase of \$11,024 in Citywide insurance allocations attributable to the Sewer Fund; (2) a decrease of \$3,000 in Training & Travel; (3) a decrease of \$5,000 in Supplies; (4) a decrease of \$6,000 in Health & Safety Supplies; and (5) a decrease of \$2,400 in Vehicle Fuel.

Training & Certifications and related travel for FY 2019 include the following:

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

Sewer Wastewater Treatment (570-580-385) continued

Repairs and Maintenance: Decrease \$24,900 (41.50%)

Decreases in repairs and maintenance expense category include the following: (1) decrease of \$15,000 in Repairs & Maintenance; (2) decrease of \$10,000 in Repairs & Maintenance-Bldg; and (3) an increase \$100 in Repairs & Maintenance-Vehicles.

Public Utility Services: Decrease \$10,000 (4.13%)

Decreases in public utility services include the following: (1) a decrease of \$5,000 in Public Utility Service; and (2) a decrease of \$5,000 in Utilities-Fuel. These are based on the most recent five-year spending averages.

Capital Outlays: Increase \$124,000 (263.83%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan and discussions with the Public Works Director, noted below are the capital outlay purchases for FY 2019:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Vehicle	WWTP	Ford F350	\$ 36,000
Heavy Equipment	Sewer	Cat 430D Backhoe	<u>\$ 135,000</u>
		Total Capital Outlays	\$ 171,000

Any other items included in the FY 2019 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2020).

Depreciation Expense: Decrease \$323,040 (26.71%)

Depreciation expense is based on the upcoming FY 2019 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Interest Expense: Increase \$23,761 (132.20%)

The Sewer fund carries loans with the State of Alaska DEC. During the most recent two years, capital projects that included loan funds were completed and placed in service. Therefore, the repayment schedules for these loans became active and interest expense increased.

Sewer Wastewater Treatment (570-580-385) continued

Interfund Charges: Increase \$4,861 (3.18%)

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

- Administrative Services: Sewer % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Manager's FY 2019 Budget and Sewer % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Clerk's FY 2019 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Sewer Number of FY 2017 transactions processed not including payroll and related payroll expenditures (based on FY 2017 Audit) Multiplied by Finance Department (Administration Department Only) FY 2019 Budget and Sewer Number of Workstations Multiplied by IT Department FY 2019 Budget (Note that IT Department Budget used is less FY 2019 Capital Outlays and less FY 2019 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2019 Budget (Less Streets FY 2019 Capital Outlays).

Sewer Compost (570-580-390)

Salaries & Wages and Employee Benefits: Combined Increase \$9,933 (3.95%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Other changes within this section include: (1) a reduction in Overtime wages of \$20,000 to \$10,000.

Professional Services: Decrease \$5,000 (20.00%)

Professional services were decreased \$5,000 based on the most recent five-year spending averages.

Support Goods and Services: Decrease \$28,700 (16.29%)

Adjustments within this expense category include the following: (1) a decrease of \$2,500 in Training & Travel; (2) a decrease of \$1,200 in Vehicle Fuel; and (3) a decrease of \$25,000 in Supplies-Wood Chips based on pricing within the Contract for FY 2019.

Training & Certifications and related travel for FY 2019 include the following:

- Compost Operator License – Certification Course 1 Employee
- Continuing Education for Operator Licenses
- Training Materials for Operator Licenses

Sewer Compost (570-580-390) continued

Repairs and Maintenance: No increase or decrease as compared to FY 2018 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2018 Amended Budget

Capital Outlays: Decrease \$15,000

Current year budgeted capital outlays are included in the WWTP department. The Vehicle Replacement fund expenditures are based on the calculations for the upcoming fiscal year.

Interfund Charges: Increase \$22,069 (20.17%)

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

- Administrative Services: Sewer % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Manager's FY 2019 Budget and Sewer % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Clerk's FY 2019 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Sewer Number of FY 2017 transactions processed not including payroll and related payroll expenditures (based on FY 2017 Audit) Multiplied by Finance Department (Administration Department Only) FY 2019 Budget and Sewer Number of Workstations Multiplied by IT Department FY 2019 Budget (Note that IT Department Budget used is less FY 2019 Capital Outlays and less FY 2019 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2019 Budget (Less Streets FY 2019 Capital Outlays).

Capital Project Requests Funded in FY 2019 – Binder Tab 4

Sewer Improvement Fund Capital Projects

- New Project: Lift Station Emergency Generators = \$40,000
- New Project: Downtown Phase 3 Center Street (Design) = \$300,000 (\$105,000 Water; \$105,000 Sewer; and \$90,000 Streets)
- PN 7522: Waste Water Treatment Plant Upgrade Addition = \$75,000

FY 2019 BUDGET SUMMARY – TRIDENT BASIN AIRPORT FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – Trident Basin Airport Enterprise Fund

Trident Basin Airport Enterprise Fund Revenues – Binder Tab 7 Page 71

Charges for Services: Increase \$2,000 (15.38%)

Increases include \$2,000 to Sea Plane Moorage based on the most recent five-year average.

Rents & Royalties: Increase \$6,700 (20.12%)

Increases include \$6,700 to Rentals from Others based on the most recent five-year average.

Appropriations: Decrease \$7,398 (2.89%)

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

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

For the FY 2018 Amended Budget, the Trident Basin Airport Fund anticipates Appropriation FROM Fund Balance in the amount of \$255,953. For the FY 2019 Budget, the Trident Basin Airport Fund anticipates Appropriation FROM Fund Balance in the amount of \$248,555. This overall net effect is an anticipated decrease in appropriations by \$7,398 (2.89%).

Trident Basin Administration (580-590-100)

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

Professional Services were decreased by \$1,000 based on the most recent five-year spending averages.

Support Goods and Services: Increase \$407 (3.12%)

Adjustments within this category include the following: (1) \$907 increase for Citywide insurance allocations attributable to Trident Basin; and (2) \$500 decrease to Supplies based on the most recent five-year spending average.

Trident Basin Administration (580-590-100) continued

Repairs and Maintenance: Decrease \$8,000 (80.00%)

A decrease of \$8,000 to Repairs and Maintenance expense was based on the most recent five-year activity.

Public Utility Services: Increase \$10,000 (66.67%)

An increase of \$10,000 to Public Utility expense was based on the most recent five-year activity.

Depreciation Expense: No increase or decrease as compared to FY 2018 Amended Budget

Depreciation expense is based on the upcoming FY 2019 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Interfund Charges: Decrease \$105 (0.73%)

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

- Administrative Services: Trident Basin % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Manager's FY 2019 Budget and Trident Basin % of Citywide Revenues (based on FY 2017 Audit) Multiplied by City Clerk's FY 2019 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Trident Basin Number of FY 2017 transactions processed not including payroll and related payroll expenditures (based on FY 2017 Audit) Multiplied by Finance Department (Administration Department Only) FY 2019 Budget and Trident Basin Number of Workstations Multiplied by IT Department FY 2019 Budget (Note that IT Department Budget used is less FY 2019 Capital Outlays and less FY 2019 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2019 Budget (Less FY 2019 Capital Outlays).

FY 2019 BUDGET SUMMARY – E911 FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: FY 2019 Budget Summary – E911 Enterprise Fund

E911 Enterprise Fund Revenues – Binder Tab 7 Page 73

Intergovernmental: No increase or decrease as compared to FY 2018 Amended Budget

Specific personnel are allocated to the E911 fund, therefore PERS On Behalf Revenue is allocated to the E911 fund. See below for a discussion of personnel allocations to the E911 fund.

Charges for Services: Increase \$263,300 (717.44%)

Current year E911 revenues are based on one month of estimates from the Kodiak Island Borough for fees collected under the new E911 rate: estimated \$25,000 per month multiplied by 12 months.

Interest: No increase or decrease as compared to FY 2018 Amended Budget

Appropriations: Increase \$173,279 (727.76%)

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

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

For the FY 2018 Amended Budget, the E911 Fund anticipates Appropriation TO Fund Balance in the amount of \$23,810. For the FY 2019 Budget, the E911 Fund anticipates Appropriation FROM Fund Balance in the amount of \$149,469. This overall net effect is an anticipated increase in appropriations by \$173,279 (727.76%). The primary reason for this change is the additional expenses that are being charged to this fund under Alaska State Statutes.

E911 Administration (585-595-100)

Salaries & Wages and Employee Benefits: Combined Increase \$219,405 (2,501.48%)

Salaries & Wages and Employee Benefits were updated based on the annual increases, increases in health insurance costs (as actual premium rates for FY 2019 are unknown until after the budget has been completed, these are budgeted with a 20% increase), and related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

Under Alaska State Statues, specific personnel allocations can be expenses with E911 fees. As the KPD-Support Services Dispatch division falls under these regulations, an allocation was calculated based on the most recent three years of 911 call activity to total calls received by KPD-Support Services Dispatch. Each year calculates to 20% of total calls being 911-call activity. Therefore, 20% of KPD-Support Services-Dispatch has been allocated from the General Fund to the E911 Fund.

Professional Services: Increase \$147,000 (2,940.00%)

Professional Services were increased by \$145,000 to a total of \$150,000. These services are monthly support and maintenance charges from ACS for the new E911 system. In addition, the APSIN fee of \$2,000 has been allocated to the E911 Fund.

Support Goods and Services: Increase \$9,500 (100.00%)

This increase represents KPD-Dispatch training and new certifications related to the new E911 system.

Depreciation Expense: Increase \$56,200 (100.00%)

Depreciation expense is based on the upcoming FY 2019 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Depreciation has been estimated based on the total quote for the new systems currently in progress that will be placed in service during late FY 2018. Depreciation will be adjusted as soon as the equipment is placed in service.

Interfund Charges: No increase or decrease as compared to FY 2018 Amended Budget

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

As the new systems are placed in service, interfund charges will be allocated to this fund in upcoming fiscal years based on the calculations performed for all City Enterprise funds.

FY 2019 BUDGET SUMMARY – INSURANCE FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: March 2, 2018
Topic: **FY 2019 Budget Summary – Insurance Internal Service Fund**

Insurance Internal Service Fund – Binder Tab 8 Page 75

Total Revenues: Increase \$61,239 (9.97%)

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

Total Expenses: Increase \$61,239 (9.97%)

Expenses for the insurance fund primarily consist of the most recent paid premiums for citywide insurance. In addition, other budgeted expenditures include amounts for damages less than the City's deductible and City deductible amounts.

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