
FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – General Fund Revenues

General Fund Revenues – Binder Tab 2 Page 1

Taxes: Decrease \$1,200,000 (7.13%)

As compared to the FY 2019 Amended Budget, overall taxes decreased by 7.13%. This decrease is attributable to \$100,000 increase in property taxes and \$1,300,000 decrease in sales taxes.

Property taxes received were reviewed over the most recent three-year period and the City has been consistently collecting \$1.1 million in property tax revenue each year. The budget was adjusted to appropriately reflect these continued increases.

Sales taxes received over the past twelve-month period have increased as compared to prior years based on the changes that occurred during fiscal year 2018 for the following changes: 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; and eliminating the 2% discount for early sales tax filers. As the City is still recognizing the full potential of these changes, a five-year regression analysis was performed to project sales tax revenues in addition to a thorough review of the past four quarters collected under the revised changes. Therefore, the sales tax budget is based on these conservative estimates.

Licenses and Permits: Increase \$21,500 (36.56%)

As compared to the FY 2019 Amended budget, building permits, electrical permits, and plumbing permits have been consistently increasing over the most recent two fiscal periods and has exceeded budgeted amounts. Based on this continuing trend, these budgets were increased.

Intergovernmental Revenue: Increase \$467,200 (44.38%)

As compared to the FY 2019 Amended budget, overall intergovernmental revenue increased by \$467, 200 or 44.38%. The following changes were incorporated into the FY 2020 budget: PERS on Behalf was budgeted based on the most recent three-year average for actual PERS relief recognized; Payment in Lieu of Taxes is budgeted based on the most recent three-year averages received; Fish Resource Landing Tax and Shared Fisheries Taxes were based on the most recent three-year averages received. Each of these revenue sources have consistently shown increases in recent years.

General Fund Revenues continued

Charges for Services: Increase \$158,785 (9.56%)

As compared to the FY 2019 Amended Budget, Charges for Services increased based on renewed contracts and the most recent three-year averages for revenues actually received. Areas increased include the following: contract renewals for animal control and building inspection services; ambulance services; parks-swimming pool, parks-adult sports, parks-ice rink; and public works services.

Fines and forfeitures: No increase or decrease as compared to FY 2019 Amended Budget

Net investment income: Increase \$30,000 (150.00%)

As compared to the FY 2018 Amended budget, overall interest and net investment income increased by \$3,000. This increase 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: Increase \$38,100 (46.52%)

As compared to the FY 2018 Amended budget, overall rents and royalty income increased by 46.52%. This increase is based on the most recent three-year average. Rents and royalties include leases of city property and royalties received from quarry operations. The City is currently reviewing all contracts and leases.

Miscellaneous: No increase or decrease as compared to FY 2019 Amended Budget

Interfund Charges: Increase \$8,252 (0.51%)

As compared to the FY 2019 Amended budget, overall interfund charges increased 0.51%. 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 2018 Audit) Multiplied by City Manager's FY 2020 Budget and Enterprise Fund % of Citywide Revenues (based on FY 2018 Audit) Multiplied by City Clerk's FY 2020 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Enterprise Fund's Number of FY 2018 transactions processed not including payroll and related payroll expenditures (based on FY 2018 Audit) Multiplied by Finance Department (Administration Department Only) FY 2020 Budget and Enterprise Fund's Number of Workstations Multiplied by IT Department FY 2020 Budget (Note that IT Department Budget used is less FY 2020 Capital Outlays and less FY 2020 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2020 Budget (Less Streets FY 2020 Capital Outlays).

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

General Fund Revenues continued

Appropriations: Decrease \$724,850 (196.76%)

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 2019 Amended Budget, the General Fund anticipates Appropriation FROM Fund Balance in the amount of \$368,400. For the FY 2020 Budget, the General Fund anticipates Appropriation TO Fund Balance in the amount of (\$356,450). This overall net effect is an anticipated decrease in appropriations by \$724,850 (196.76%).

The FY 2020 budgeted surplus (i.e. Appropriations TO Fund Balance) has been reserved internally pending the following items:

- (1) Matching grant funds – the City has applied for numerous infrastructure grants through state and federal sources. These grants typically require a matching percentage from the City. The City will not be notified of these grants until August or September 2019. Therefore, this surplus is held as a placeholder until the City receives notification that infrastructure grants have or have not been awarded.
- (2) If infrastructure grants are not awarded, this surplus will be applied to critical infrastructure needs identified by the Mayor, Council, and Manager.
- (3) This surplus is also held reserved pending further notification from the State regarding fix tax revenue sharing programs.

FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Legislative

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

Salaries & Wages and Employee Benefits: Decrease \$4,000 (53.83%)

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

Professional Services: Decrease \$32,000 (29.35%)

Professional services decreased due to changes in contracts throughout fiscal year 2019. Contracts and other professional services within this category include the following:

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

Contributions-Community Promotions: No increase or decrease as compared to FY 2019 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 \$1,800 (1.99%)

Overall support goods and services decreased by 1.99% as compared to the FY 2019 Amended budget. These decreases include: (1) decrease of \$600 in Mayor Travel; and (2) decrease of \$1,200 in Council Travel. A detailed list of Mayor travel and Council travel is included on the following page.

Legislative (100-100-105) continued

Support Goods and Services: Decrease \$1,800 (1.99%) continued

Dues and Subscriptions remain unchanged as compared to FY 2019 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 = \$11,400 *Decrease \$600 as compared to FY 2019 Amended Budget*

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

Council Travel, Training / Conferences = \$32,700 *Decrease \$1,200 as compared to FY 2019 Amended Budget*

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

Capital Outlays: No increase or decrease as compared to FY 2019 Amended Budget

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

FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Legal

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Professional Services for this department include the City Attorney. The City obtains legal services through Boyd, Chandler, and Falconer, LLP. Throughout fiscal year 2019 pending and continued citywide litigation continues to be resolved. As the FY 2019 Amended Budget may see increases before the end of Fiscal Year 2019, budgeted professional services for FY 2020 are anticipated to be \$75,000.

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FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: **FY 2020 Budget Summary – Executive Administration & Emergency Preparedness**

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

Salaries & Wages and Employee Benefits: Combined Decrease \$16,513 (2.10%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: Decrease \$2,500 (50.00%)

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 \$2,500.

Contributions: Decrease \$600 (100.00%)

Contributions consisted solely of the annual dues paid to the Kodiak Chamber of Commerce. This amount has been reclassified to the Dues and Subscriptions line item which falls under Support Goods and Services.

Support Goods and Services: Increase \$5,100 (15.45%)

Increases to support goods and services include the following: (1) an increase of \$1,600 for Travel, Training / Conferences for the Deputy City Manager; (2) an increase of \$1,000 for Dues and Subscriptions; and (3) an increase of \$2,500 for Meals and Entertainment. Increases for Dues and Subscriptions include additional dues for the Deputy City Manager and a reclassification of the Chamber of Commerce dues from Contributions. Meals and Entertainment consist of the Citywide employee picnic, Christmas cards, and miscellaneous items such as Senator or House legislative official visits to municipal offices.

Executive Administration Department (100-110-100) continued
Support Goods and Services: Increase \$5,100 (15.45%) continued

Travel and related training / conferences include the following:

City Manager Travel = \$16,200

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

Deputy City Manager Travel = \$3,200

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

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

Repairs & Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2019 Amended Budget

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan, there are no pending capital outlay purchases for FY 2020.

Emergency Preparedness Department (100-110-110)

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Decrease \$12,500 (54.35%)

Support goods and services decrease budgeted telephone expenses by \$18,500 and increased training and certifications by \$7,500. Budgeted telephone expenses decreased due to a new service for telephone services that lowered the rates for first responders.

Training and certifications include internal courses for emergency preparedness training for all citywide departments.

Repairs and Maintenance: Increase \$20,000 (100%)

Repairs and maintenance includes the first phase of repairs for the City-owned and operated tsunami sirens. Replacement of these sirens is pending grant requests.

FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: **FY 2020 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 Decrease \$11,342 (3.39%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Increase \$250 (0.68%)

Increases in Support Goods and Services include an increase in dues and subscriptions for FY 2020 as compared to FY 2019. Dues and subscription services for the City Clerk's office include municipal clerk association dues, LexisNexus, and the Kodiak Daily Mirror.

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 2019 Amended Budget

Clerks Administration Department (100-120-100) continued

Capital Outlays: Decrease \$1,650 (35.10%)

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 2020:

* Due to recent events, one filing cabinet scheduled for replacement in a future period was moved up on the replacement schedule to FY 2020.

<u>Description</u>	<u>Cost</u>
Office Chair	\$ 350
Desk - Deputy Clerk	\$ 700
Filing cabinets	<u>\$ 2,000</u>
Total Capital Outlays	\$ 3,050

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2021).

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 following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

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

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

FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: **FY 2020 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 Decrease \$70,536 (8.15%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

*Professional Services: No increase or decrease as compared to FY 2019 Amended Budget**

An additional FY 2019 Supplemental Budget request is currently pending for approximately \$105,000 for additional Finance Director contract services that were required for the first 7 months of FY 2019.

Support Goods and Services: Increase \$22,500 (58.33%)

The following line items were changed for FY 2019: (1) Printing and binding – decrease of \$1,500 due to printing and binding needs performed internally. (2) Travel and Training – increase of \$22,000 due to Finance Director travel.

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 = 11 trips at an estimated \$2,000 per trip = \$22,000

Repairs & Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Finance Administration (100-130-100) continued

Capital Outlays: Decrease \$4,200 (70.00%)

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

<u>Department</u>	<u>Description</u>	<u>Cost</u>
Finance Admin	Dell Desktop	\$ 1,500
Finance Admin	Printer	\$ 300
	Total Capital Outlays	\$ 1,800

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2021).

Finance Utilities (100-130-130)

Salaries & Wages and Employee Benefits: Combined Decrease \$1,769 (4.52)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

Repairs & Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

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

Salaries & Wages and Employee Benefits: Combined Increase \$97,720 (29.32%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Salaries & Wages and Employee Benefits: Combined Increase \$97,720 (29.32%) continued

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

Due to increased IT needs, the City has budgeted for one additional entry-level IT technician.

Professional Services: Increase \$15,000 (9.37%)

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
- Adobe Professional Licenses for Records Management = \$5,500
- 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
- Citywide Backup Software = \$7,100
- MSGovern Sales Tax Software = \$18,000
- New World / Tyler Technology Financial Software Suite - \$34,500
- 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: No increase or decrease as compared to FY 2019 Amended Budget

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

Capital Outlays: Decrease \$124,500 (46.98%)

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 2020:

<u>Department</u>	<u>Description</u>	<u>Cost</u>
Citywide IT	Routers / Switches / Hubs	\$ 5,000
Citywide IT	Uninterruptable Power Supplies	\$ 4,500
Citywide IT	Xerox Admin Printer	\$ 24,000
Citywide IT	Intel Server STANCIL	\$ 35,000
Citywide IT	SQL Upgrades - 20 Cores	\$ 16,000
Citywide IT	Microsoft Enterprise Licenses	\$ 35,000
Citywide IT	Alaska Library Consortium Migration	\$ 21,000
	Total Capital Outlays	\$ 140,500

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2021).

FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019

Topic: **FY 2020 Budget Summary – KPD Administration, Uniform Patrol, Corrections, Investigations, Dispatch, Animal Control, Drug Enforcement, Community Services, Canine, School Resources**

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

Salaries & Wages and Employee Benefits: Combined Decrease \$34,206 (4.71%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: Decrease \$7,100 (10.38%)

Professional services include vacant position recruiting, Taser services, language line interpreter services, and janitorial services. This decrease is attributable to a new contract for janitorial services with MH Island Cleaning.

Support Goods and Services: Increase \$6,869 (22.04%)

Adjustments to support goods and services include: (1) a decrease of \$5,411 for telephone expenses; (2) an increase in travel and training of \$13,280; (3) a decrease of \$1,000 for supplies.

Travel and training include the following:

- Staff Professional Development – \$800
- Chief's Conference – \$3,500
- Taser recertification – \$6,000
- Computer Voice Street Analyzer recertifications – \$3,000
- FBI LEEDA series – \$2,500
- Tuition reimbursements – \$2,000

Administration (100-140-100) continued

Repairs and Maintenance: Increase \$950 (2.08%)

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

Public Utilities: No increase or decrease as compared to FY 2019 Amended Budget

Capital Outlays: Increase \$73,580 (787.79%)

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 2020:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	Admin	Dell Desktops 2 @ \$1,500	\$ 3,000
IT Equipment	KPD Records	Multifunction Printer	\$ 3,920
Misc Equipment	KPD Admin	VLRA Batteries	\$ 76,000
Total Capital Outlays			\$ 82,920

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2021).

Interest Expense: Increase \$1,600 (0.36%)

The GOB Bond Principal and Interest expense line items were adjusted based on the upcoming scheduled bond payments for FY 2020.

Substation (100-140-140)

Professional Services: Increase \$6,000 (100%)

KPD opened a satellite substation on Shelikof Street during FY 2019. Professional services for this substation include janitorial services for this office.

Support Goods and Services: Increase \$500 (100%)

Support goods and services include supplies attributable to the substation.

Repairs and Maintenance: Increase \$1,000 (100%)

As the KPD repurposed this facility for substation use, repairs and maintenance to the building will be continuing as needs arise.

Utility Services: Increase \$6,000 (100%)

Utility services include public utilities for the substation office.

Uniform Patrol (100-140-141)

Salaries & Wages and Employee Benefits: Combined Decrease \$103,446 (6.05%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other changes within this section include (1) an increase in overtime wages of \$20,000. This increase was based on the most recent three-year average of overtime incurred.

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Increase \$46,480 (65.93%)

Support goods and services include the following: (1) increase \$6,480 for telephone expenses; and (2) increase travel and training by \$40,000. Previously telephone expenses were under the administration department and discounted rates are now being offered for the city under the emergency first responder programs.

Travel and training include the following:

- Academy costs for new hires – 4 @ \$14,000 each = \$56,000 (previously, these were paid by the State of Alaska Department of Public Safety; over the most recent years, the State has discontinued providing the cost of the police academy).
- Lateral academy for new hire – \$4,000
- Field Training Officer Course – \$9,000
- Crime Scene Investigator Course – \$2,500
- FBI LEEDA for Sergeants – \$7,000
- ALERRT Conference (Instructors) – \$5,000

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Administrative Services: No increase or decrease as compared to FY 2019 Amended Budget

Uniform Patrol (100-140-141) continued

Capital Outlays: Decrease \$110,400 (64.07%)

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 2020:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Vehicles	KPD Patrol	Chevrolet Tahoe (Replaces Patrol 1)	\$ 55,000
Misc Equipment	KPD Patrol	Ballistic Vests (2 replacements)	\$ 2,300
* Misc Equipment	KPD Patrol	Ballistic Vests (4 new hires)	\$ 4,600
Total Capital Outlays			\$ 61,900

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

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2021).

Vehicle Replacement costs were increased based on the FY 2020 vehicle replacement schedule.

Corrections (100-140-142)

Salaries & Wages and Employee Benefits: Combined Decrease \$197,267 (14.60%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: Increase \$1,550 (310.00%)

Professional services include the ASPIN annual license fee of \$900 and recruiting and hiring expenses of \$1,150. In prior fiscal years, this account has included the possibility of inmate medical costs not covered by the State of Alaska for those inmates that need medical attention while in custody. If the need arises to increase this budget line item, it will be addressed on an as-needed basis in the future.

Corrections (100-140-142) continued

Support Goods and Services: Decrease \$17,888 (11.12%)

Changes noted include: (1) an increase of \$500 to Insurance and Bonding due to notary fees and related expenses; (2) an increase of \$112 to Telephone expenses; (3) a decrease of \$25,000 in Meals for Prisoners based on the inmate population; and (4) an increase of \$6,500 to Training and Travel.

Training & Certifications for FY 2020 include the following:

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

Repairs and Maintenance: Increase \$500 (12.50%)

As compared to FY 2019 Amended Budget, Repairs & Maintenance was increased by \$500. This was based on the most recent five-year spending average.

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

Capital Outlays: Decrease \$520 (1.28%)

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 2020:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	KPD Corrections	Dell Desktops 2 @ \$1,500	\$ 3,000
Misc Equipment	Corrections	Stackable Bunks	\$ 37,000
		Total Capital Outlays	\$ 40,000

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2021).

Vehicle Replacement costs were increased based on the FY 2020 vehicle replacement schedule.

Investigations (100-140-143)

Salaries & Wages and Employee Benefits: Combined Decrease \$10,661 (3.27%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Increase \$1,080 (6.04%)

Increases are attributable to an increase of \$1,080 to telephone expenses. Also included within this category, Training & Certifications and related travel costs are included. Budgeted training and travel for FY 2020 includes the following:

- Computer Forensics Training – 6 week course

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2019 Amended Budget

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan, there are no pending capital outlay purchases for FY 2020.

Support Services – Dispatch (100-140-144)

Salaries & Wages and Employee Benefits: Combined Decrease \$30,814 (3.11%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

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

Salaries & Wages and Employee Benefits: Combined Decrease \$30,814 (3.11%) continued

As noted in the prior fiscal year, 20% of Dispatch salaries and wages and related employee benefits were moved to the E911 Enterprise Fund. 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.

Professional Services: Increase \$1,450

Professional services include recruiting and hiring expenses of \$1,500 and chauffeur license and testing of \$1,450.

Support Goods and Services: Increase \$6,491 (8.61%)

Adjustments within this expense category include: (1) an increase of \$2,461 to dues and subscriptions; an increase of \$1,325 to equipment rental; and (3) an increase of \$2,705 for training and travel. These adjustments were based on the most recent five-year spending averages.

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

- CAD / Power Phone / Uniform Crime Reports (UCR) training for new dispatchers – \$3,240
- UCR and APSIN training for NIBRS – \$1,879
- FBI LEEDA supervisory training – \$3,500
- APCO / Spillman Conference – \$5,500
- Recertifications for existing dispatchers for CAD / Power Phone / Uniform Crime Reports

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

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Capital Outlays: Increase \$300 (10.00%)

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 2020:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	Dispatch	Dell Desktops 1 @ \$1,500	\$ 1,500
Misc Equipment	Dispatch	Chairs - 2 @ \$900	\$ 1,800
Total Capital Outlays			\$ 3,300

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2021).

Animal Control (100-140-145)

Salaries & Wages and Employee Benefits: Combined Decrease \$4,115 (4.52%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Professional Services includes the contract with the Humane Society for the Animal Shelter.

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

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

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Capital Outlays: Increase \$23,950 (647.30%)

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

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Misc Equipment	Animal Shelter	Heaters & Light Fixture Replacement	\$ 10,560
Misc Equipment	Animal Shelter	Interior / Exterior Upgrades	\$ 6,000
Misc Equipment	Animal Shelter	Concrete for Outdoor Animal Runs	\$ 11,000
Total Capital Outlays			\$ 27,560

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2021).

Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

Drug Enforcement (100-140-146)

Salaries & Wages and Employee Benefits: Combined Decrease \$8,295 (5.30%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

Training & Certifications and related travel costs for FY 2020 include the following:

- Basic Drug Investigation School for new hire

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Capital Outlays: Decrease \$1,500 (100.00%)

Per review of the replacement schedules located in the Long-Term Capital Improvement Plan, there are no pending capital outlay purchases for FY 2020.

Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

Community Services (100-140-147)

Salaries & Wages and Employee Benefits: Combined Decrease \$7,622 (3.17%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Community Services (100-140-147) continued

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget
Included in Support Goods and Services is \$40,000 for towing abandoned vehicles.

Repairs and Maintenance: Increase \$5,000 (33.34%)

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.

Capital Outlays: Increase \$55,650 (100.00%)

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 2020:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Heavy Equipment	Community Svcs	Alcan Utility Trailer - Barricades	\$ 8,000
Vehicles	Community Svcs	Chevrolet Van (Replaces CSO18)	\$ 47,650
		Total Capital Outlays	\$ 55,650

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted above will be moved to the following year (FY 2021).

Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

Canine (100-140-148)

Salaries & Wages and Employee Benefits: Combined Decrease \$9,936 (5.24%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Canine (100-140-148) continued

Support Goods and Services: Increase \$540 (3.56%)

Increases are attributable to an increase of \$540 in telephone expenses. Training & Certifications and related travel include three quarterly required trainings for the Canine Officer and Canine Trigger.

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2019 Amended Budget

Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

School Resources (100-140-149)

Salaries & Wages and Employee Benefits: Combined Decrease \$38,379 (20.96%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

In addition, during Fiscal Year 2019, personnel changes between KPD departments also attributed to a fluctuation in budgeted salaries & wages and related employee benefits.

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

Increases are attributable to an increase of \$540 in telephone expenses. Training & Certifications and related travel include the annual DARE conference.

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

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.

FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Fire Department Administration

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

Salaries & Wages and Employee Benefits: Combined Decrease \$215,402 (10.08%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Decrease \$50 (0.03%)

Adjustments within this expense category include: (1) decrease of \$5,050 in Health and Safety Supplies; and (2) an increase of \$5,000 in Ambulance Supplies. This was based upcoming needs discussed with the Fire Chief and the most recent five-year spending average. Training & Certifications and related travel for FY 2020 include the following:

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

Fire Administration (100-150-100) continued

Repairs and Maintenance: 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: Increase \$197,810 (87.00%)

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 2020. Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

<u>Replacement Schedule</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	Dell Desktops 3 @ \$1,500	\$ 4,500
Heavy Equipment	Light Rescue (Replaces Rescue 1)	\$ 225,000
Misc Equipment	Battery Charger Zoll X Series	\$ 2,600
Misc Equipment	Jaws of Life - Spreaders Hurst SP555E2	\$ 10,000
Misc Equipment	Jaws of Life - Cutters Hurst S700E2	\$ 10,000
Misc Equipment	Jaws of Life - Ram Hurst R421E2	\$ 9,000
Misc Equipment	Life Vest Mustang HIT Inflatable PFD - 10 @ \$320 each	\$ 3,200
Misc Equipment	Trainer, ALS Pediatric Manikin Simuluids 3621-80219	\$ 12,500
Misc Equipment	Ped Curaplex Pedi Board with Case	\$ 4,000
Misc Equipment	Turnout Leather Thorogood 14" Oblique Toe Structural Boot	\$ 700
Misc Equipment	Zoll Auto Pulse Batteries	\$ 2,550
Misc Equipment	Zoll X Series Batteries	\$ 500
Misc Equipment	Batteries - Hurst	\$ 1,200
Misc Equipment	Batteries - Stryker	\$ 450
Misc Equipment	Batteries - SCBA/Mic's/Amps/EMS Equipment Various	\$ 2,400
Misc Equipment	Batteries - Portable Radios	\$ 1,550
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	Digital Camera Sony - Duty	\$ 100
Misc Equipment	Calibration, Rad meter Ludlum	\$ 600
Misc Equipment	Cribbing Dura Crib, wedge, stair blocks, wheet chocks	\$ 1,500
Misc Equipment	Tire Chain - Firetruck Peway ASV	\$ 1,400

Fire Administration (100-150-100) continued

Capital Outlays continued

<u>Replacement Schedule</u>	<u>Description</u>	<u>Cost</u>
Misc Equipment	SCBA Cascade Scott 6000psi - \$1,500 each	\$ 10,000
Misc Equipment	Defibrillator Zoll X Series with Capno	\$ 35,000
Misc Equipment	DVD Player - Most Cost Effective	\$ 300
Misc Equipment	Flash Hoods Darley Sure Fit Cobra Hood	\$ 800
Misc Equipment	Gages, Certified N/A Engine, hose tester, hydrant tester, etc.	\$ 2,250
Misc Equipment	Gloves, Extrication Ringers Ringers Barrier 1 Extrication	\$ 500
Misc Equipment	GENSET, Portable 1000 Watt	\$ 1,500
Misc Equipment	ONESuit Flash HAZMAT Suit 2 @ \$3,000	\$ 6,000
Misc Equipment	Rope Rescue Helmet - Petzl White Work-at-Height	\$ 640
Misc Equipment	Helmet, Industrial Bullard A2 - White	\$ 1,575
Misc Equipment	Rope Rescue CMC Rescue Decender, MPD, Brake Rack, etc.	\$ 2,700
Misc Equipment	Harness, Rope Rescue CMC Rescue Fire Rescue Harness	\$ 3,500
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, 1" Forestry Grainger 1" Single Jacket	\$ 800
Misc Equipment	Tires - E-1 Michelin Manufacturer Recommended	\$ 10,000
Misc Equipment	Lifeline, Rope Rescue CMC Rescue 1/2 Lifeline - 300 Ft Sections	\$ 1,100
Misc Equipment	Mattress Tempur-Pedic Twin	\$ 4,000
Misc Equipment	Nozzle, Cellar Elkhart 2 1/2" Cellar Nozzle	\$ 1,300
Misc Equipment	Pollution Response Consumables N/A Absorbant	\$ 3,000
Misc Equipment	Regulator, O2 Bountree 2-15 LPM - 8 @ \$100 each	\$ 800
Misc Equipment	RIT Pak Scott Rit Pak 50	\$ 8,000
Misc Equipment	SCBA Scott ProPak	\$ 28,000
Misc Equipment	Smoke Machine Tempest Shadow Nightfall	\$ 2,500
Misc Equipment	Software, Fit Tester Manufacture Recommend Required Update	\$ 1,500
Misc Equipment	DEWALT 15-Amp Worm Drive Corded Circular Saw	\$ 400
Misc Equipment	Trainer, Intubulation (Ped) Laerdal Medical Corp L250000	\$ 750
Misc Equipment	Trainer, IO (Adult Leg) Laerdal Medical Corp 3633-20500	\$ 400
Misc Equipment	Trainer, Tension Pneumothorax Simulator Simulaid 651180	\$ 600

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FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: **FY 2020 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 Increase \$8,792 (8.62%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other changes within this section include an increase for one part-time personnel for clerical and records administration within the public works department.

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Increase \$3,800 (52.05%)

Increases are attributable to the following items: (1) training and travel increased \$3,300; and (2) an increase of \$500 in Supplies.

Training and related travel for FY 2020 include the following:

- Municipal Public Works Conference – Anchorage, AK = \$3,300

Repairs and Maintenance: Increase \$500 (47.62%)

Repairs and maintenance includes building and vehicle repairs and maintenance. Additional upcoming maintenance includes replacing four of the existing windows in the Public Works building.

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

Capital Outlays: Increase \$1,500 (100.00%)

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

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

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

Streets (100-160-162)

Salaries & Wages and Employee Benefits: Combined Decrease \$62,467 (8.32%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other changes within this section include a decrease in overtime of \$10,000 and an increase in temporary wages of \$10,000 as compared to FY 2019.

Professional Services: Increase \$1,000 (33.34%)

Increases in professional services are attributable to anticipated increases in surveying costs to assist with more in-house projects.

Support Goods and Services: Decrease \$2,750 (1.35%)

Adjustments in this expense category include: (1) decrease of \$250 in Advertising; and (2) decrease of \$2,500 in Equipment Rental. These decreases are based on a review of the most recent five-year spending averages.

Streets (100-160-162) continued

Repairs and Maintenance: Decrease \$15,000 (17.75%)

Adjustments include a decrease of \$15,000 Repairs & Maintenance based on a review of the most recent five-year spending averages.

Public Utility Services: Decrease \$10,000 (5.88%)

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: Decrease \$67,500 (2,700.00%)

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

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Vehicles	Streets	Sprayer Unit	\$ 25,000
Vehicles	Streets	Shop Ford F350 1 Ton	\$ 45,000
Total Capital Outlays			\$ 70,000

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Other capital outlays include replacement of small tools and vehicle replacement costs. Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

Garage (100-160-163)

Salaries & Wages and Employee Benefits: Combined Decrease \$17,472 (6.32%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

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

Other adjustments include an increase in temporary wages of \$10,000 as compared to the FY 2019 Amended Budget.

Garage (100-160-163) continued

Professional Services: Decrease \$500 (33.33%)

Adjustments include a decrease of \$500 based on the most recent five-year spending averages.

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

Training & Certifications and related travel for FY 2020 include the following:

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

Repairs and Maintenance: Increase \$1,000 (9.09%)

For greater transparency, vehicle repairs and maintenance has been separated from all other repairs and maintenance. The increase 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 2019 Amended Budget

Capital Outlays: Increase \$2,500 (50.00%)

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

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

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Other capital outlays include replacement of small tools and vehicle replacement costs. Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

Building Inspections (100-160-164)

Salaries & Wages and Employee Benefits: Combined Decrease \$26,536 (8.19%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: Decrease \$2,500 (100.00%)

Professional services include the annual support and maintenance contract for the community development software.

Support Goods and Services: Increase \$3,000 (26.23%)

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 = \$6,500

Repairs and Maintenance: Decrease \$2,000 (71.43%)

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.

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

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

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Vehicles	Bldg Insp	Binspectors - SUV	\$ 28,000
Misc Equipment	Bldg Insp	Filing cabinets	\$ 3,000
Total Capital Outlays			\$ 31,000

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Other capital outlays include vehicle replacement costs. Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

Muni Airport (100-160-165)

Professional Services: Increase \$5,000 (100.00%)

Increases in professional services are due to anticipated surveying needs to expand the current hangars and update the existing agreements.

Support Goods and Services: Decrease \$3,460 (20.35%)

This decrease is attributable to insurance and bonding. Property and liability insurance specifically related to airport coverage is based on the current premiums.

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Engineering

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

Salaries & Wages and Employee Benefits: Combined Decrease \$14,157 (3.93%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

Adjustments to this category include the following: (1) a decrease of \$1,000 to Supplies; and (2) an increase of \$1,000 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 2020 include the following:

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

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Administration (100-165-100) – continued

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

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

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

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Allocated Expenses: No increase or decrease as compared to FY 2019 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 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: **FY 2020 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 Decrease \$110,543 (16.74%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other changes in this department include: (1) a reduction in temporary wages by \$5,952. This reduction was offset by an additional part-time maintenance technician including employee benefits. (2) The removal of a full-time maintenance technician added in FY 2019 to perform janitorial services for multiple city facilities.

Professional Services: Increase \$5,000 (20.96%)

This increase is attributable to an increase in Officiating Services. Due to the increase demand in activities offered by Parks & Recreation, additional Officiating Services are required to meet the needs of these activities.

Support Goods and Services: Decrease \$1,500 (2.13%)

Adjustments to this category include: (1) a decrease of \$2,500 in Telephone expense; (2) a decrease of \$2,500 in Supplies; (3) an increase of \$2,500 in Health & Safety Supplies; and (4) an increase of \$1,000 in Vehicle Fuel. Over the most recent three-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 2020 include the following:

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

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Administration (100-170-100) continued

Public Utility Services: Increase \$2,000 (16.67%)

This increase to public utilities was based on the most recent five-year average.

Capital Outlays: Increase \$33,500 (100.00%)

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

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	Admin	Dell Desktop - 1 @ 1,500	\$ 1,500
Vehicles	Crew	Replace 1999 Dodge Dakota	<u>\$ 32,000</u>
		Total Capital Outlays	\$ 33,500

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Other capital outlays include vehicle replacement costs. Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

Museum (100-170-171)

Contributions: No increase or decrease as compared to FY 2019 Amended Budget

The contract with the Kodiak Historical Society for the museum is included in Contributions. The contract has remained unchanged for FY 2020.

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

Teen Center (100-170-172)

Salaries & Wages and Employee Benefits: Combined Increase \$2,767 (1.28%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other changes in this department include an increase in temporary wages by \$6,000.

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Increase \$3,000 (28.57%)

Adjustments to this category include an increase of \$3,000 in Supplies for Teen Center programs.

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2019 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 2020. Items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted have been moved to the following year (FY 2021).

Aquatics (100-170-173)

Salaries & Wages and Employee Benefits: Combined Decrease \$3,546 (1.38%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Aquatics (100-170-173) continued

Salaries & Wages and Employee Benefits: Combined Decrease \$3,546 (1.38%) continued

Other changes in this department include an increase in temporary wages by \$2,620. This increase is offset by billable hours to the School District.

Support Goods and Services: Decrease \$150 (2.91%)

Decreases are attributable to a \$150 decrease in Dues and Subscriptions. The previous subscription service was cancelled. This department does not anticipate any required training and related travel for FY 2020.

Capital Outlays: No increase or decrease as compared to FY 2019 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 2020. Items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted have been moved to the following year (FY 2021).

Ice Rink (100-170-174)

Salaries & Wages and Employee Benefits: Combined Decrease \$16,198 (17.12%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

This department does not anticipate any required training and related travel for FY 2020.

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

Compressor # 1 and Compressor # 2 require a 5,000-hour overhaul maintenance. These maintenance requirements came due in December 2018. These will need to be completed in early FY 2020.

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

Beautification Program (100-170-175)

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Library Administration

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

Salaries & Wages and Employee Benefits: Combined Decrease \$63,389 (8.35%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other adjustments within this department include personnel changes as compared to the FY 2019 Amended budget.

Professional Services: Increase \$31,820 (318.20%)

Increases in professional services include: (1) \$25,320 increase in Janitorial Services due to the new contract with MH Islanding Cleaning; and (2) \$6,500 increase in Library Program Services.

Support Goods and Services: Decrease \$4,750 (10.46%)

Adjustments to this category include reclassifications within different expenses based on the most recent five-year spending averages. These reclassifications include the following: (1) \$1,500 increase in Postage; (2) \$400 increase in Advertising; (3) \$4,000 increase in Printing & Binding; (4) \$4,400 decrease in Dues & Subscriptions; (5) \$3,300 increase in Training and related travel; (6) \$4,000 increase in Janitorial Supplies now required under the new contract; (7) \$4,000 decrease in Supplies; and (8) \$50 decrease in Equipment Rental.

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

- American Library Association Conference = \$3,300
- Alaska Director's Leadership Conference = \$1,500
- Staff development and training = \$1,800

Administration (100-180-100) continued

Repairs and Maintenance: Increase \$5,000 (33.34%)

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

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

Books and Materials (Support Goods and Services): Increase \$11,150 (34.57%)

Adjustments to this category include the following: (1) an increase of \$3,200 to Books & Materials; (2) an increase of \$200 to Newspapers; (3) a decrease of \$500 to Periodicals; (4) an increase of \$1,500 to Digital; (4) an increase of \$1,250 to Collection Support; (5) an increase of \$3,500 to Audio / Visual / eMaterials; and (6) an increase of \$2,000 to Literacy Materials. These decreases are based on the most recent five-year spending average.

Capital Outlays: Increase \$11,250 (775.86%)

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 2020:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
IT Equipment	Library	Printer	\$ 1,200
IT Equipment	Library	iMac Multimedia Station	\$ 5,500
IT Equipment	Library	Dell Desktops - 6 @ \$1,500	\$ 6,000
		Total Capital Outlays	\$ 12,700

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

FY 2020 BUDGET SUMMARY – GENERAL FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: **FY 2020 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 \$250 (50.00%)

These include the City-paid employee life insurance annual fees. The FY 2020 budget increased based on the most recent five-year spending averages.

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Contributions: No increase or decrease as compared to FY 2019 Amended Budget

Non-Departmental Administration Contributions are attributable to Economic Development.

Support Goods and Services: Increase \$14,867 (4.32%)

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

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

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

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

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

Administrative Services: No increase or decrease as compared to FY 2019 Amended Budget

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

Contributions: No increase or decrease as compared to FY 2019 Amended Budget

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

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

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

Adjustments within professional services include an increase of \$6,000 for Janitorial Services for City facilities not attributable to a specific department.

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Non-Departmental-Downtown Maintenance – Repairs and Maintenance covers repairs and maintenance at City-owned facilities located in the downtown area but not attributable to one specific department (i.e. Barn, Shelikof Restrooms, etc.).

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

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

Transfers Out to Capital Projects: Decrease \$698,305 (31.12%)

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

General Capital Projects: \$65,000

- PN 4015: Fire Station Deferred Maintenance Addition = \$50,000
- PN 4058: Jail CCTV Software Addition = \$15,000*

*There is currently \$30,000 budgeted in the Corrections Operating budget for FY 2019. Pending the FY 2019 Supplemental Budget, this will be transferred to a new project. An additional \$15,000 is requested for this project.

Building Capital Projects: \$315,000

- New Project: Hillside Drive Renovations = \$150,000
- PN 6016: New Fire Station Addition = \$1,289,830.32*

**Pending the FY 2019 Supplemental Budget, the existing fire station project (PN 6016) was used to demolish the old library and ready the site for the new fire station. Due to a change in inundation zones, the City is currently searching for new sites. Therefore, PN 6015 will be changed to demolish old library and the remaining funds will be transferred to PN 6016. In addition, the FY 2019 Supplemental Budget will formally accept grant funds for the new Fire Station. This addition appropriates existing funds within the Building Improvement Fund.

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

Transfers Out to Capital Projects continued

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

- Streets Capital Equipment (Purchase 821B Loader) = \$320,000
 - PN 5039: Annual Pavement Repairs Addition = \$130,000
- Note: See Capital Projects Section for additional Streets Capital Projects

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

- New Project: Baranof Park Improvements = \$50,000

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

- New Project: Harbor Software Replacement = \$35,000
 - New Project: Safety Inspections and Improvements = \$170,000
 - New Project: Anode Replacements = \$225,000
 - New Project: Piers & Docks Repairs & Maintenance = \$70,000
- Note: See Capital Projects Section for additional Harbor Capital Projects

General Fund-Vehicle Replacement Fund: \$330,536 (Mandated by City Policy)

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FY 2020 BUDGET SUMMARY – TOURISM FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Tourism Fund Administration

Tourism Revenues – Binder Tab 2 Page 41

Taxes: Increase \$29,500 (17.30%)

Taxes include bed tax (hotel / motel tax) per City Code. Over the most recent three-year period, the City has consistently shown increases in bed tax. The FY 2020 budget reflects this increase.

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

Net investment income is allocated across all City departments. During FY 2016, the City contracted investment management services. The increase in interest is a reflection of higher interest rates and benefit from investment management services provided by Alaska Permanent Capital Management.

Appropriations: No increase or decrease as compared to FY 2019 Amended Budget

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

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

For the FY 2020 Budget, the Tourism Fund does not anticipate the use of Fund Balance (i.e. budgeted revenues equal budgeted expenditures).

Tourism Administration (251-260-100)

Contributions: No increase or decrease as compared to FY 2019 Amended Budget

As mandated by City Code, 70% or less of Bed Tax Revenue is appropriated for Council Approved Tourism. For FY 2020, this amount is \$140,000. The following Council approved tourism contracts included in the FY 2020 Budget are as follows:

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

Interfund Charges: Increase \$2,950 (6.53%)

As mandated by City Code, 20% or less of Bed Tax Revenue is appropriated for City Enhancement Projects and 10% for Administration. For FY 2020, this amount is \$60,000. The following are included in City Enhancement Projects:

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

FY 2020 BUDGET SUMMARY – ENHANCEMENT FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Enhancement Fund Administration

Enhancement Fund Revenues – Binder Tab 2 Page 43

Net Investment Income: Increase \$10,000 (25.00%)

As the principal amount invested for the Enhancement Fund has slightly increased, the net interest and investment income budget has increased as compared to FY 2019. City investments are continuing to see increased performance but are still subject to market and interest rate fluctuations. City investments are managed by Alaska Permanent Capital Management. Also included in net investment income are fees related to services provided by Alaska Permanent Capital Management.

Rents and Royalties: Increase \$21,000 (1111.64%)

As compared to the FY 2019 Amended budget, overall rents and royalty income increased due to updated lease agreements and annual escalations included in the lease agreements. The budgeted rents and royalties for FY 2020 are comparable to the most recent three-year average of rental income received.

Appropriations: Increase \$31,100 (52.80%)

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 2019 Amended Budget, the Enhancement Fund anticipates Appropriation TO Fund Balance in the amount of \$52,900. For the FY 2020 Budget, the Enhancement Fund anticipates Appropriation TO Fund Balance in the amount of \$90,000. This overall net effect is an anticipated increase in appropriations by \$31,100 (52.80%).

FY 2020 BUDGET SUMMARY – CARGO FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Cargo Enterprise Fund

Cargo Enterprise Fund Revenues – Binder Tab 5 Page 44

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

Intergovernmental Revenues: Decrease \$6,519 (43.46%)

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

Charges for Services: Increase \$116,000 (9.76%)

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

Net Investment Income: Increase \$18,000 (150.00%)

As the principal amount invested for the City's operating investments has slightly increased, the net interest and investment income budget has increased as compared to FY 2019. City investments are continuing to see increased performance but are still subject to market and interest rate fluctuations. City investments are managed by Alaska Permanent Capital Management.

Rents & Royalties: Increase \$4,175 (1.77%)

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

Miscellaneous: No increase or decrease as compared to FY 2019 Amended Budget

Cargo Enterprise Fund Revenues continued

Appropriations: Increase \$1,151,279 (562.87%)

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 2019 Amended Budget, the Cargo Fund anticipates Appropriation TO Fund Balance in the amount of \$204,538. For the FY 2020 Budget, the Cargo Fund anticipates Appropriation FROM Fund Balance in the amount of 946,741. This overall net effect is an anticipated increase in appropriations by \$1,151,279 (562.87%).

Cargo Administration (500-510-100)

Salaries & Wages and Employee Benefits: Combined Decrease \$18,028 (4.61%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other changes within this section include changes in personnel as compared to FY 2019.

Professional Services: Increase \$5,000 (100.00%)

Professional services include the port security audits and funding for a Cargo rate study during FY 2020.

Support Goods and Services: Increase \$14,665 (12.57%)

Changes within this expense category include the following: (1) a decrease of \$500 in Advertising; and (2) an increase in the Cargo's proportionate share of Citywide insurance. Training & Certifications and related travel are detailed in the Harbor Enterprise Fund.

Cargo Administration (500-510-100) continued

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Capital Outlays: No increase or decrease as compared to FY 2019 Amended Budget

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 2020. Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Cargo Interfund Charges (500-510-195)

Interfund Charges: Increase \$26,245 (17.81%)

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 2018 Audit) Multiplied by City Manager's FY 2020 Budget and Cargo % of Citywide Revenues (based on FY 2018 Audit) Multiplied by City Clerk's FY 2020 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Cargo Number of FY 2018 transactions processed not including payroll and related payroll expenditures (based on FY 2018 Audit) Multiplied by Finance Department (Administration Department Only) FY 2020 Budget and Cargo Number of Workstations Multiplied by IT Department FY 2020 Budget (Note that IT Department Budget used is less FY 2020 Capital Outlays and less FY 2020 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2020 Budget (Less FY 2020 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 2020 Harbor Budget.

Cargo Transfers (500-510-198)

Transfers: No increase or decrease as compared to FY 2019 Amended Budget

Cargo Warehouse (500-510-301)

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

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

Repairs and maintenance-Bldg was increased due to the anticipated need to replace the warehouse doors in FY 2020.

Cargo Pier II (500-510-302)

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

Depreciation Expense: Increase \$1,249,653 (234.89%)

Depreciation for all Cargo fund capital assets are shown within this line item. Depreciation expense is based on the upcoming FY 2020 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.

As Pier III Replacement construction was finalized, this asset was placed in service during FY 2019. FY 2020 depreciation increases are primarily attributable to a full year of depreciation for this asset.

Cargo Pier III (500-510-303)

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Public Utility Services: Increase \$400 (20.00%)

Public Utilities was increased based on the most recent five-year spending averages.

FY 2020 BUDGET SUMMARY – HARBOR FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Harbor Enterprise Fund

Harbor Enterprise Fund Revenues – Binder Tab 5 Page 48

Intergovernmental: Increase \$9,682 (38.73%)

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

Charges for Services: Decrease \$19,139 (0.75%)

Revenue projections were performed in February based on known upcoming changes to the fee schedules and trend analysis performed by the Finance Director. In addition, the Finance Director, Harbormaster, and City Manager discussed known changes within the Harbor. The primary contributor to this decrease is lower transient moorage. The budgeted transient moorage is based on the most recent three-year period for transient moorage received.

Net Investment Income: Increase \$5,000 (23.81%)

As the principal amount invested for the City's operating investments has slightly increased, the net interest and investment income budget has increased as compared to FY 2019. City investments are continuing to see increased performance but are still subject to market and interest rate fluctuations. City investments are managed by Alaska Permanent Capital Management.

Rents and Royalties: Increase \$170 (1.01%)

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

Miscellaneous: No increase or decrease as compared to FY 2019 Amended Budget

Interfund Charges: Decrease \$7,985 (10.21%)

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 2020 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: Decrease \$44,370 (1.13%)

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 2019 Amended Budget, the Harbor Fund anticipates Appropriation FROM Fund Balance in the amount of \$1,253,000. For the FY 2020 Budget, the Harbor Fund anticipates Appropriation FROM Fund Balance in the amount of 1,220,902. This overall net effect is an anticipated decrease in appropriations by \$44,370 (2.56%).

Harbor Administration (510-520-100)

Salaries & Wages and Employee Benefits: Combined Decrease \$159,694 (10.21%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other changes within this section include an increase in overtime of \$2,143 due to the increased cruise ship vessels and the required time needed for security duties.

Professional Services: Increase \$30,000 (52.17)

Changes to Professional Services expense category include an increase of \$30,000 for Janitorial Services. These are based on the most recent five-year spending averages.

Contributions: Increase \$170 (0.93%)

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

Harbor Administration (510-520-100) continued

Support Goods and Services: Increase \$17,309 (8.84%)

Changes within this expense category include the following: (1) \$16,309 increase based on the Citywide insurance allocation to the Harbor fund; (2) a decrease of \$2,000 in Advertising; and (3) an increase of \$3,000 in Training & Certifications and related travel expenses. 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 2020 include the following:

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

Repairs and Maintenance: Decrease \$4,000 (9.41%)

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

Administrative Services: No increase or decrease as compared to FY 2019 Amended Budget

Capital Outlays: Decrease \$40,990 (51.08%)

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 2020:

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
* Vehicles	Harbor	2006 Ford F150 Replacement	\$ 27,500
IT Equipment	Harbor	Xerox Multifunction Printer	\$ 11,760
		Total Capital Outlays	\$ 39,260

*This denotes an additional item previously not included in the replacement schedules.

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Vehicle Replacement: Increase \$6,462 (38.37%)

Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

Harbor Administration (510-520-100) continued

Depreciation Expense: Increase \$126,258 (10.06%)

Depreciation expense is based on the upcoming FY 2020 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Interest Expense: Decrease \$2,100 (3.38%)

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: Decrease \$9,711 (3.53%)

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 2018 Audit) Multiplied by City Manager's FY 2020 Budget and Harbor % of Citywide Revenues (based on FY 2018 Audit) Multiplied by City Clerk's FY 2020 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Harbor Number of FY 2018 transactions processed not including payroll and related payroll expenditures (based on FY 2018 Audit) Multiplied by Finance Department (Administration Department Only) FY 2020 Budget and Harbor Number of Workstations Multiplied by IT Department FY 2020 Budget (Note that IT Department Budget used is less FY 2020 Capital Outlays and less FY 2020 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2020 Budget (Less Streets FY 2020 Capital Outlays).

Harbor Transfers (510-520-198)

Transfers to Ship Yard: Decrease \$9,074 (5.71%)

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 2020 Ship Yard anticipated deficit, not including Ship Yard depreciation.

Pier I (510-520-310)

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Public Utility Services: Increase \$1,000 (16.67%)

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

Capital Outlays: No increase or decrease as compared to FY 2019 Amended Budget

Capital Project Requests Funded in FY 2020 – Binder Tab 4

Harbor Improvement Fund Capital Projects

- New Project: Harbor Software Replacement = \$35,000
- New Project: Safety Inspections & Improvements = \$170,000
- New Project: Anode Replacements = \$225,000
- New Project: Piers & Docks Repairs & Maintenance = \$100,000
- New Project: Security Improvements = \$50,000
- New Project: St Herman Harbor Replacement – Phase I = \$1,350,000

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FY 2020 BUDGET SUMMARY – SHIP YARD FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Ship Yard Enterprise Fund

Ship Yard Enterprise Fund Revenues – Binder Tab 5 Page 54

Intergovernmental: Increase \$18 (0.36%)

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

Charges for Services: Increase \$12,500 (2.74%)

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

Net Investment Income: No increase or decrease as compared to FY 2019 Amended Budget

Miscellaneous: No increase or decrease as compared to FY 2019 Amended Budget

Appropriations: Increase \$267 (0.05%)

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 2019 Amended Budget, the Ship Yard Fund anticipates Appropriation FROM Fund Balance in the amount of \$526,844. For the FY 2020 Budget, the Ship Yard Fund anticipates Appropriation FROM Fund Balance in the amount of \$527,111. This overall net effect is an anticipated increase in appropriations by \$267 (0.05%).

Shipyard Enterprise Fund Revenues continued

Transfers In: Decrease \$9,074 (5.71%)

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 2020 Ship Yard anticipated deficit, not including Ship Yard depreciation.

Shipyard Administration (512-530-100)

Salaries & Wages and Employee Benefits: Combined Increase \$6,135 (2.76%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other adjustments within this department include personnel changes as compared to the FY 2019 Amended Budget.

Professional Services: Decrease \$10,000 (40.00%)

In prior fiscal years, professional services included contract services for the Marine Travel Lift operator. These services are now being performed by internal employees. In addition, professional services for FY 2020 will include a Ship Yard rate study and marketing plans to improve use of the facility.

Support Goods and Services: Increase \$8,393 (13.24%)

Adjustments within this expense category include the following: (1) \$4,393 increase in the Citywide insurance allocation for the Ship Yard; and (2) an increase of \$4,000 in Advertising. 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: Increase \$3,500 (35.00%)

Repairs and Maintenance-Equipment increased by \$3,500 due to continued repairs on the genie lift.

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget.

Shipyard Administration (512-530-100) continued

Depreciation Expense: No increase or decrease as compared to FY 2019 Amended Budget

Depreciation expense is based on the upcoming FY 2020 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 \$5,597 (3.33%)

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: Increase \$1,280 (1.41%)

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 2018 Audit) Multiplied by City Manager's FY 2020 Budget and Shipyard % of Citywide Revenues (based on FY 2018 Audit) Multiplied by City Clerk's FY 2020 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Shipyard Number of FY 2018 transactions processed not including payroll and related payroll expenditures (based on FY 2018 Audit) Multiplied by Finance Department (Administration Department Only) FY 2020 Budget and Shipyard Number of Workstations Multiplied by IT Department FY 2020 Budget (Note that IT Department Budget used is less FY 2020 Capital Outlays and less FY 2020 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2020 Budget (Less Streets FY 2020 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 2020 Harbor Budget.

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FY 2020 BUDGET SUMMARY – ELECTRIC UTILITY FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 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 2019 Amended Budget

Net Investment Income: Increase \$4,000 (400.00%)

As the principal amount invested for the City's operating investments has slightly increased, the net interest and investment income budget has increased as compared to FY 2019. 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.

Miscellaneous: No increase or decrease as compared to FY 2019 Amended Budget

Appropriations: Increase \$326,926 (669.66%)

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 2019 Amended Budget, the Electric Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$48,820. For the FY 2020 Budget, the Electric Utility Fund anticipates Appropriation FROM Fund Balance in the amount of \$278,106. This overall net effect is an anticipated increase in appropriations by \$326,926 (669.66%)

Electric Utility Administration (515-540-100)

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Increase \$34 (0.01%)

Citywide insurance allocations for the Electric Utility Enterprise fund increase by \$34.

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Administrative Services: No increase or decrease as compared to FY 2019 Amended Budget

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

Capital Outlays: No increase or decrease as compared to FY 2019 Amended Budget

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

Depreciation Expense: No increase or decrease as compared to FY 2019 Amended Budget

Depreciation expense is based on the upcoming FY 2020 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

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

Transfers to Other Funds includes a one-time transfer to Harbor Capital Projects for St Herman Harbor Replacement Phase I. See Harbor Improvement Fund Capital Projects for further information regarding this project.

Electric Utility Interfund Charges (515-540-195)

Interfund Charges: Decrease \$19,108 (25.34%)

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 2018 Audit) Multiplied by City Manager's FY 2020 Budget and Electric Utility % of Citywide Revenues (based on FY 2018 Audit) Multiplied by City Clerk's FY 2020 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Electric Utility Number of FY 2018 transactions processed not including payroll and related payroll expenditures (based on FY 2018 Audit) Multiplied by Finance Department (Administration Department Only) FY 2020 Budget and Electric Utility Number of Workstations Multiplied by IT Department FY 2020 Budget (Note that IT Department Budget used is less FY 2020 Capital Outlays and less FY 2020 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 2020 Harbor Budget.

FY 2020 BUDGET SUMMARY – WATER UTILITY FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 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 2019 Amended Budget

Intergovernmental: Increase \$6,363 (42.42%)

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

Charges for Services: Increase \$150,000 (3.44%)

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 \$20,000 (50.00%)

As the principal amount invested for the City's operating investments has slightly increased, the net interest and investment income budget has increased as compared to FY 2019. 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.

Miscellaneous: No increase or decrease as compared to FY 2019 Amended Budget

Appropriations: Increase \$383,460 (37.43%)

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).

Water Utility Enterprise Fund Revenues continued

Appropriations: Increase \$383,460 (37.43%) continued

For the FY 2019 Amended Budget, the Water Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$1,024,465. For the FY 2020 Budget, the Water Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$1,407,925. This overall net effect is an anticipated increase in appropriations by \$383,460 (37.43%).

Transfers (550-560-198)

Transfers to Water Improvement Fund: Decrease \$25,000 (100.00%)

Current year transfers to capital project funds are not anticipated from the Water Operating budget other than the 10% Charges for Services currently budgeted. See Water Improvement Fund Capital Projects for further details.

Water Distribution (550-560-360)

Salaries & Wages and Employee Benefits: Combined Decrease 72,203 (8.43%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other adjustments within this department include personnel changes as compared to the FY 2019 Amended budget.

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Increase \$11,607 (8.29%)

Changes within this expense category include the following: (1) an increase of \$14,857 in the proportionate share of the Citywide insurance allocated to the Water fund; (2) a decrease of \$250 in Advertising; (3) a decrease of \$2,000 in Training and related travel expenses; and (4) a decrease of \$1,000 in Vehicle Fuel. These changes, except citywide insurance allocations, are based on the most recent five-year spending averages. Training & Certifications and related travel for FY 2020 include the following:

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

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Water Distribution (550-560-360) continued

Public Utility Services: Decrease \$50,000 (13.84%)

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

Capital Outlays: Decrease \$111,500 (94.49%)

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

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

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Vehicle Replacement: Increase \$5,058 (43.86%)

Vehicle Replacement costs were based on the FY 2020 vehicle replacement schedule.

Depreciation Expense: Increase \$59,850 (9.15%)

Depreciation expense is based on the upcoming FY 2020 calculations. Typically increases occur when additional property or equipment has been placed in service and decreases occur as property or equipment becomes fully depreciated and has reached the end of its depreciable life.

Interest Expense: Decrease \$4,365 (7.42%)

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.

Water Distribution (550-560-360) continued

Interfund Charges: Decrease \$24,518 (3.89%)

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 2018 Audit) Multiplied by City Manager's FY 2020 Budget and Water % of Citywide Revenues (based on FY 2018 Audit) Multiplied by City Clerk's FY 2020 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Water Number of FY 2018 transactions processed not including payroll and related payroll expenditures (based on FY 2018 Audit) Multiplied by Finance Department (Administration Department Only) FY 2020 Budget and Water Number of Workstations Multiplied by IT Department FY 2020 Budget (Note that IT Department Budget used is less FY 2020 Capital Outlays and less FY 2020 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2020 Budget (Less Streets FY 2020 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 2020.

Water Treatment (550-560-365)

Salaries & Wages and Employee Benefits: Combined Increase \$707 (0.42%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other changes within this section include: (1) an increase of Overtime wages by \$4,000.

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Decrease \$3,500 (4.37%)

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

Training & Certifications and related travel for FY 2020 includes the following:

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

Water Treatment (550-560-365) continued

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Public Utility Services: Decrease \$3,000 (4.76%)

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: Increase \$27,000 (100.00%)

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

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Misc Equipment	Water	Small tools	\$ 1,000
Heavy Equipment	Water	Rectifier	\$ 26,000
		Total Capital Outlays	\$ 27,000

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Interfund Charges: Decrease \$17,233 (9.91%)

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 2018 Audit) Multiplied by City Manager’s FY 2020 Budget and Water % of Citywide Revenues (based on FY 2018 Audit) Multiplied by City Clerk’s FY 2020 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Water Number of FY 2018 transactions processed not including payroll and related payroll expenditures (based on FY 2018 Audit) Multiplied by Finance Department (Administration Department Only) FY 2020 Budget and Water Number of Workstations Multiplied by IT Department FY 2020 Budget (Note that IT Department Budget used is less FY 2020 Capital Outlays and less FY 2020 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2020 Budget (Less Streets FY 2020 Capital Outlays).

Capital Project Requests Funded in FY 2019 – Binder Tab 4

Water Improvement Fund Capital Projects

- New Project: Dam & Spillway Repairs = \$100,000
- New Project: SCATA Systems Upgrade = \$200,000 (\$100,000 Water; \$100,000 Sewer)
- New Project: Aleutian Homes Phase VII – Hemlock = \$240,000

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FY 2020 BUDGET SUMMARY – SEWER UTILITY FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Sewer Utility Enterprise Fund

Sewer Utility Enterprise Fund Revenues – Binder Tab 6 Page 65

Intergovernmental: Increase \$8,019 (32.08%)

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

Charges for Services: Increase 232,725 (5.04%)

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. The Sewer Rates are currently undergoing a rate study. Any changes to the current rates will be noted in future supplemental budget adjustments during FY 2020.

Net Investment Income: Increase \$15,000 (150.00%)

As the principal amount invested for the City's operating investments has slightly increased, the net interest and investment income budget has increased as compared to FY 2019. 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.

Miscellaneous: No increase or decrease as compared to FY 2019 Amended Budget

Appropriations: Decrease \$255,637 (46.55%)

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).

Sewer Utility Enterprise Fund Revenues continued

Appropriations: Decrease \$255,637 (46.55%) continued

For the FY 2019 Amended Budget, the Sewer Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$549,182. For the FY 2020 Budget, the Sewer Utility Fund anticipates Appropriation TO Fund Balance in the amount of \$293,545. This overall net effect is an anticipated increase in appropriations by \$255,637 (46.55%).

Transfers (570-580-198)

Transfers to Water Improvement Fund: Increase \$100,000 (100.00%)

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

Sewer Collection (570-580-380)

Salaries & Wages and Employee Benefits: Combined Decrease \$7,142 (4.00%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Decrease \$3,000 (10.45%)

Adjustments within this expense category include a decrease of \$3,000 in Supplies. These are based on the most recent five-year spending averages.

Training & Certifications and related travel for FY 2020 include the following:

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

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Sewer Collection (570-580-380) continued

Capital Outlays: Increase \$200,000 (100.00%)

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

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Vehicle	Sewer	International Fusher	<u>\$ 200,000</u>
Total Capital Outlays			\$ 200,000

*This item was incorrectly listed as Streets Equipment on the Long-Term Capital Improvement Plan Replacement Schedules. After detailed discussions with the Public Works Director and City Manager, it was determined that this equipment is actually Sewer Equipment.

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Interfund Charges: Decrease \$9,118 (1.78%)

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 2018 Audit) Multiplied by City Manager’s FY 2020 Budget and Sewer % of Citywide Revenues (based on FY 2018 Audit) Multiplied by City Clerk’s FY 2020 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Sewer Number of FY 2018 transactions processed not including payroll and related payroll expenditures (based on FY 2018 Audit) Multiplied by Finance Department (Administration Department Only) FY 2020 Budget and Sewer Number of Workstations Multiplied by IT Department FY 2020 Budget (Note that IT Department Budget used is less FY 2020 Capital Outlays and less FY 2020 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2020 Budget (Less Streets FY 2020 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 2020.

Sewer Wastewater Treatment (570-580-385)

Salaries & Wages and Employee Benefits: Combined Decrease \$27,297 (2.61%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

Sewer Wastewater Treatment (570-580-385) continued

Salaries & Wages and Employee Benefits: Combined Decrease \$27,297 (2.61%) continued

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

Other changes within this section include a part-time records management employee.

Professional Services: Increase \$10,000 (100.00%)

Professional services were increased due to increases in State of Alaska fees and testing requirements.

Support Goods and Services: Increase \$13,892 (8.89%)

Adjustments within this expense category include an increase of \$13,892 in Citywide insurance allocations attributable to the Sewer Fund.

Training & Certifications and related travel for FY 2020 include the following:

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

Repairs and Maintenance: Increase \$10,000 (28.49%)

Increases in repairs and maintenance expense are attributable to repairing and maintaining aging equipment.

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

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: Decrease \$131,000 (76.61%)

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

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Vehicle	WWTP	Ford F150 (WWTP Manager)	\$ 32,000
Misc Equipment	WWTP	Small tools	\$ 5,000
IT Equipment	WWTP	Dell Desktops - 2 @ \$1,500	\$ 3,000
		Total Capital Outlays	\$ 40,000

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Sewer Wastewater Treatment (570-580-385) continued

Depreciation Expense: Increase \$343,603 (38.76%)

Depreciation expense is based on the upcoming FY 2020 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 \$5,800 (13.90%)

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

Interfund Charges: Decrease \$24 (0.02%)

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 2018 Audit) Multiplied by City Manager's FY 2020 Budget and Sewer % of Citywide Revenues (based on FY 2018 Audit) Multiplied by City Clerk's FY 2020 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Sewer Number of FY 2018 transactions processed not including payroll and related payroll expenditures (based on FY 2018 Audit) Multiplied by Finance Department (Administration Department Only) FY 2020 Budget and Sewer Number of Workstations Multiplied by IT Department FY 2020 Budget (Note that IT Department Budget used is less FY 2020 Capital Outlays and less FY 2020 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2020 Budget (Less Streets FY 2020 Capital Outlays).

Sewer Compost (570-580-390)

Salaries & Wages and Employee Benefits: Combined Increase \$9,025 (3.45%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman's compensation, etc. which are based on a percentage of salaries and wages.

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

Other changes within this section include: (1) a reduction in Overtime wages of \$5,000 to \$5,000; and (2) changes in personnel as compared to FY 2019 Amended Budget.

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Sewer Compost (570-580-390) continued

Support Goods and Services: Increase \$4,750 (3.22%)

Adjustments within this expense category include the following: (1) a decrease of \$500 in Advertising; (2) an increase of \$1,000 in Dues & Subscriptions; (3) an increase of \$2,250 in Training and Certifications and related travel; and (4) an increase of \$2,000 in Supplies.

Training & Certifications and related travel for FY 2020 include the following:

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

Repairs and Maintenance: Increase \$200 (2.22%)

Adjustments within this expense category include a \$1,000 decrease to Repairs & Maintenance and an increase of \$1,200 to Repairs & Maintenance-Vehicles. This reclassification is to enhance transparency on repairs and maintenance performed on vehicles and equipment.

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

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

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

<u>Replacement Schedule</u>	<u>Department</u>	<u>Description</u>	<u>Cost</u>
Misc Equipment	Compost	Small tools	\$ 5,000
* Misc Equipment	Compost	Screens	<u>\$ 10,000</u>
Total Capital Outlays			\$ 15,000

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

Vehicle Replacement: No increase or decrease as compared to FY 2019 Amended Budget

Sewer Compost (570-580-390) continued

Interfund Charges: Decrease \$16,975 (12.91%)

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 2018 Audit) Multiplied by City Manager's FY 2020 Budget and Sewer % of Citywide Revenues (based on FY 2018 Audit) Multiplied by City Clerk's FY 2020 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Sewer Number of FY 2018 transactions processed not including payroll and related payroll expenditures (based on FY 2018 Audit) Multiplied by Finance Department (Administration Department Only) FY 2020 Budget and Sewer Number of Workstations Multiplied by IT Department FY 2020 Budget (Note that IT Department Budget used is less FY 2020 Capital Outlays and less FY 2020 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2020 Budget (Less Streets FY 2020 Capital Outlays).

Capital Project Requests Funded in FY 2019 – Binder Tab 4

Sewer Improvement Fund Capital Projects

- New Project: Upgrade Lift Stations # 5 and # 1B = \$350,000
- PN 7523: Emergency Generators Addition = \$40,000

FY 2020 BUDGET SUMMARY – TRIDENT BASIN AIRPORT FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Trident Basin Airport Enterprise Fund

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

Charges for Services: No increase or decrease as compared to FY 2019 Amended Budget

Rents & Royalties: No increase or decrease as compared to FY 2019 Amended Budget

Appropriations: Decrease \$55 (0.02%)

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 2019 Amended Budget, the Trident Basin Airport Fund anticipates Appropriation FROM Fund Balance in the amount of \$248,555. For the FY 2020 Budget, the Trident Basin Airport Fund anticipates Appropriation FROM Fund Balance in the amount of \$248,500. This overall net effect is an anticipated decrease in appropriations by \$55 (0.02%).

Trident Basin Administration (580-590-100)

Professional Services: No increase or decrease as compared to FY 2019 Amended Budget

Support Goods and Services: Increase \$1,356 (10.08%)

Adjustments within this category include an increase of \$1,356 for Citywide insurance allocations attributable to Trident Basin.

Trident Basin Administration (580-590-100) continued

Repairs and Maintenance: No increase or decrease as compared to FY 2019 Amended Budget

Public Utility Services: No increase or decrease as compared to FY 2019 Amended Budget

Depreciation Expense: No increase or decrease as compared to FY 2019 Amended Budget

Depreciation expense is based on the upcoming FY 2020 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 \$1,411 (9.82%)

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 2018 Audit) Multiplied by City Manager's FY 2020 Budget and Trident Basin % of Citywide Revenues (based on FY 2018 Audit) Multiplied by City Clerk's FY 2020 Budget for Clerk Administration and Clerk Records Management
- Financial Services: Trident Basin Number of FY 2018 transactions processed not including payroll and related payroll expenditures (based on FY 2018 Audit) Multiplied by Finance Department (Administration Department Only) FY 2020 Budget and Trident Basin Number of Workstations Multiplied by IT Department FY 2020 Budget (Note that IT Department Budget used is less FY 2020 Capital Outlays and less FY 2020 Professional Services expenditures).
- Public Works Services: Number of Hours of Public Works Services multiplied by the Streets FY 2020 Budget (Less FY 2020 Capital Outlays).

FY 2020 BUDGET SUMMARY – E911 FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – E911 Enterprise Fund

E911 Enterprise Fund Revenues – Binder Tab 7 Page 73

Intergovernmental: Increase \$4,949 (561.75%)

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

Charges for Services: Increase \$150,000 (50.00%)

Revenue projections were performed in February based on known upcoming changes to the fee schedules and trend analysis performed by the Finance Director. Due to increased revenues received for 911 charges, the budget has been increased accordingly.

Net Investment Income: No increase or decrease as compared to FY 2019 Amended budget

Miscellaneous: No increase or decrease as compared to FY 2019 Amended Budget

Appropriations: Decrease \$105,382 (70.50%)

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 2019 Amended Budget, the E911 Fund anticipates Appropriation FROM Fund Balance in the amount of \$149,469. For the FY 2020 Budget, the E911 Fund anticipates Appropriation FROM Fund Balance in the amount of \$44,087. This overall net effect is an anticipated decrease in appropriations by \$105,382 (70.50%).

E911 Administration (585-595-100)

Salaries & Wages and Employee Benefits: Combined Decrease \$5,433 (2.34%)

Salaries & Wages and Employee Benefits were updated based on the following information: (1) a 3% cost of living increase for all permanent employees; (2) annual merit increases; (3) increases in health insurance costs (as actual premium rates for FY 2020 are unknown until after the budget has been completed, these are budgeted with a 12% increase), and (4) related increases to payroll taxes, PERS contributions, workman’s compensation, etc. which are based on a percentage of salaries and wages.

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

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: No increase or decrease as compared to FY 2019 Amended Budget.

Support Goods and Services: No increase or decrease as compared to FY 2019 Amended Budget.

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

Depreciation Expense: No increase or decrease as compared to FY 2019 Amended Budget

Depreciation expense is based on the upcoming FY 2020 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.

Capital Outlays: Increase \$55,000 (100.00%)

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

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

Any other items included in the FY 2020 replacement schedules located in the Long-Term Capital Improvement Plan that have not been noted below will be moved to the following year (FY 2021).

FY 2020 BUDGET SUMMARY – INSURANCE FUND

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager
Through: Kelly Mayes, Finance Director
Date: April 27, 2019
Topic: FY 2020 Budget Summary – Insurance Internal Service Fund

Insurance Internal Service Fund – Binder Tab 8 Page 75

Total Revenues: Increase \$77,412 (11.46%)

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 \$77,412 (11.46%)

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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