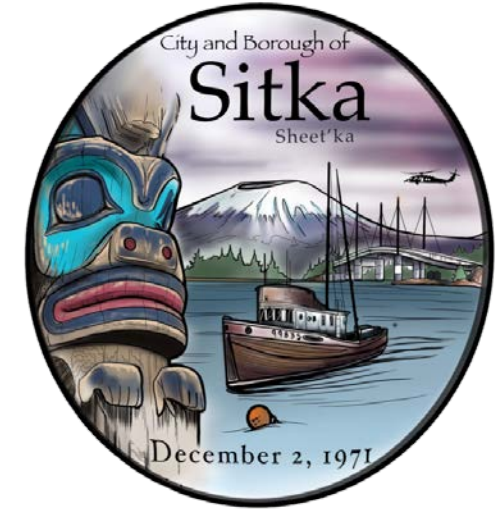


FY2024 General Fund Budget

March 2, 2024



Draft Administrator's budget for the General Fund



- Challenges:
 - Concerns around the economy
 - Impacts of increase in cruise passengers
 - Inflation
 - Capacity to implement federal funding
 - Staffing
- Opportunities
 - Strategic plan
 - Increased tourism
 - Federal funding

FY2024 process to develop draft budget

Assessing Risk

Risk is the product of Likelihood of Failure (LoF) and Consequence of Failure (CoF).

Risk = (LoF) x (CoF)

	Green	Yellow	Red	Red
	Green	Yellow	Red	Red
	Green	Green	Yellow	Yellow
	Green	Green	Green	Yellow

To determine LoF and CoF values, project managers will reference the 2022 Risk Assessment Matrix. This can be found on the FY24 Budget Planning SharePoint Site.

- The process was somewhat different this year
 - Resource proposals tying anything we haven't been doing to the strategic plan
 - Further development of risk analysis process for capital projects

- Draft budget

Revenue= \$42,617,789
Expense= \$42,600,148
Surplus= \$17,641

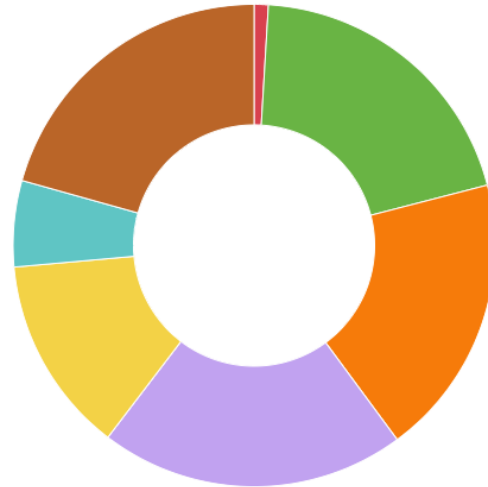


City of Sitka - FY24 General Fund Draft

You have a surplus.

\$17,641

Where the Money Goes



Spending

Donations & Non-Profit Support: \$405,000	>
Public Education: \$8.5m	>
Administrative: \$8.1m	>
Public Safety: \$8.7m	>
Public Works: \$5.6m	>
Public Services: \$2.5m	>
Other: \$8.8m	>
Total \$42.6m	

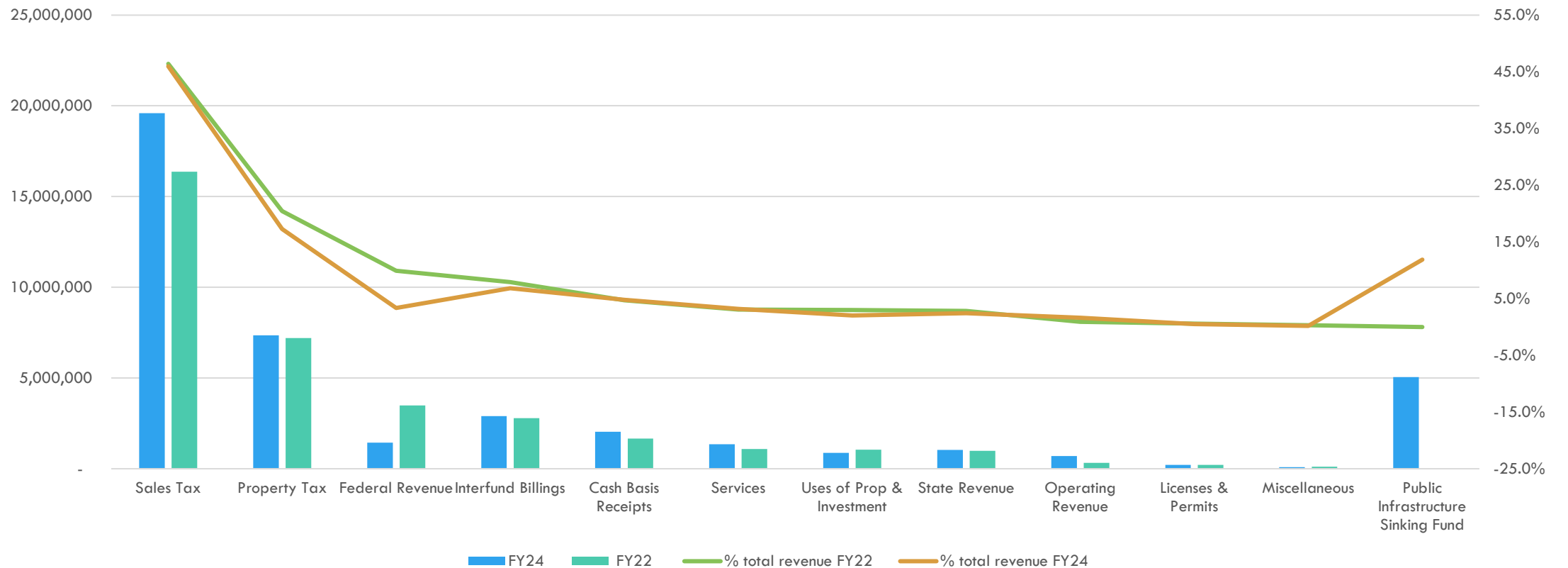
Revenue



FY2024 Revenue \$42,617,789

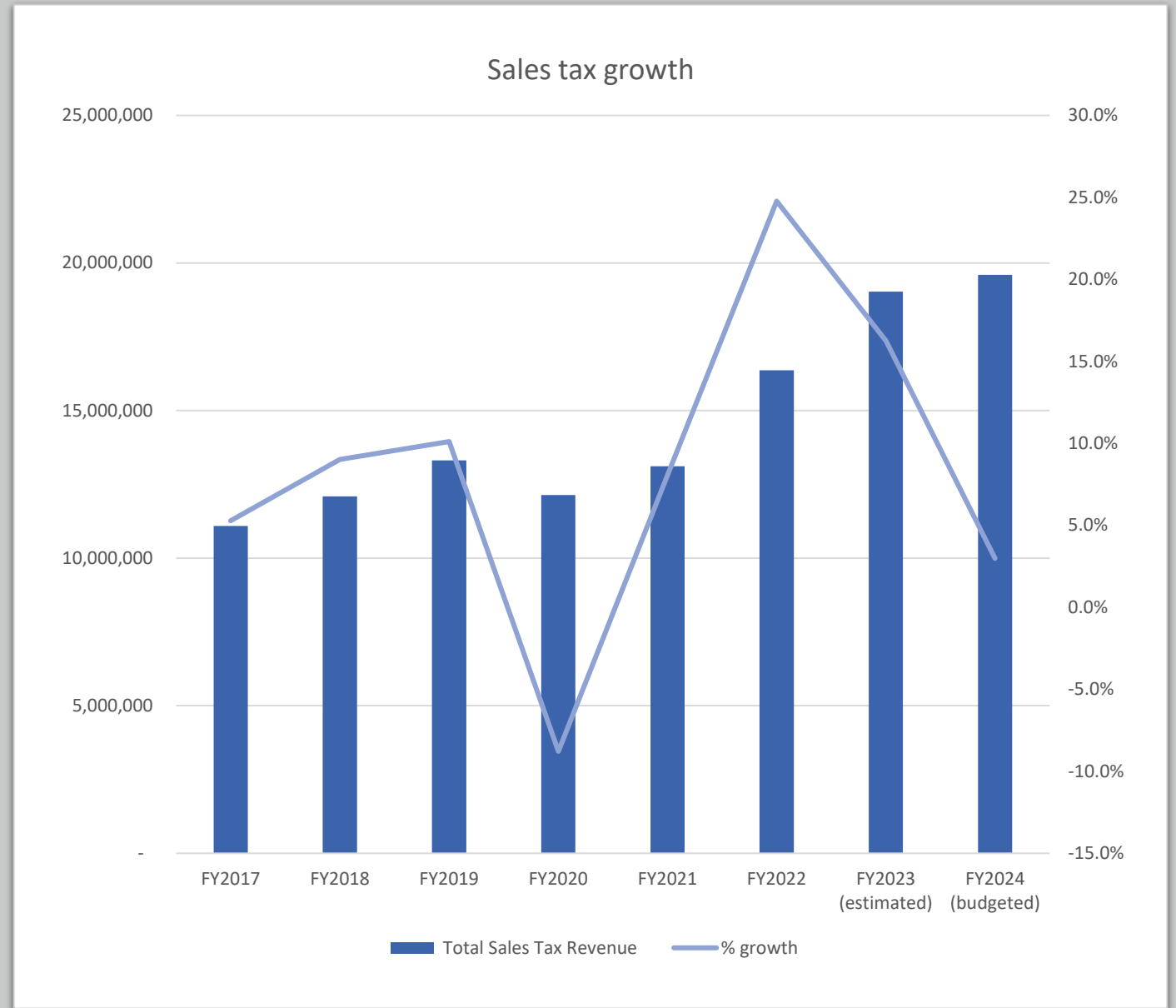
➤ REDUCTION IN FEDERAL RELIEF ➤ MAKING UP FOR REDUCED CAPITAL SPENDING ➤ INCREASE IN SALES TAX

Revenue-FY2024 (\$42.6M) vs FY2022 (\$35.3M)



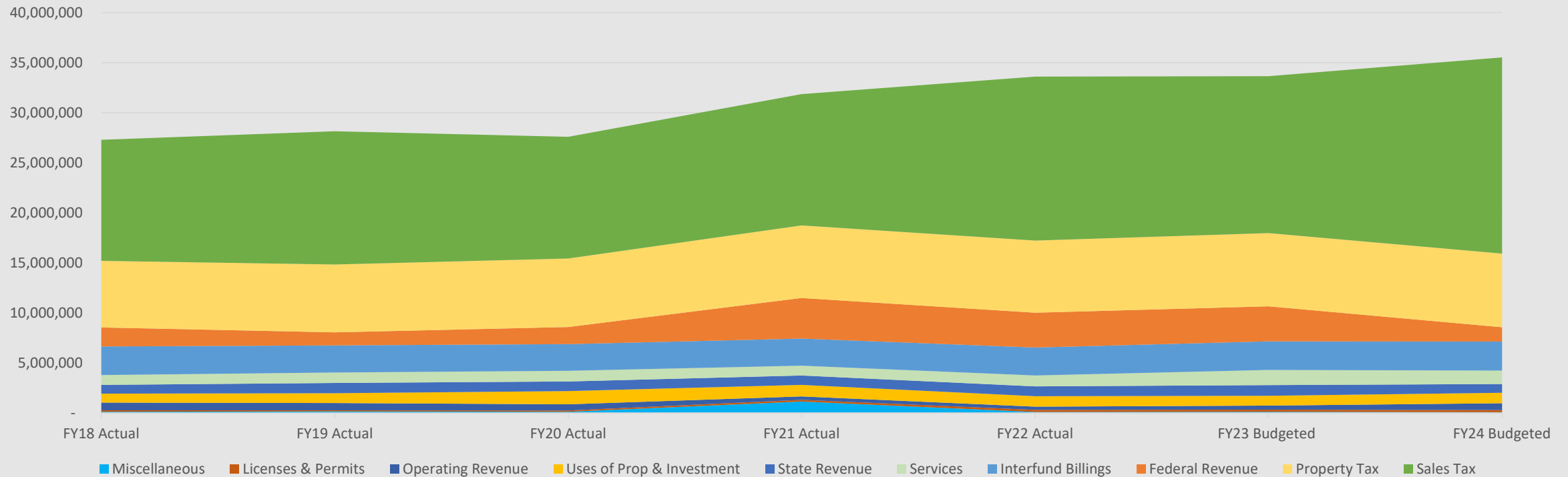
GROWTH IN SALES TAX -challenges projecting-

Tourism
Seasonal COVID
Senior Cruise
Tax sales Cap ARRSTC
Exemption
Bonds School
Infrastructure



GENERAL FUND REVENUE TRENDS

Historical revenue excluding transfers



FY2024 Expenditures

Assumptions:

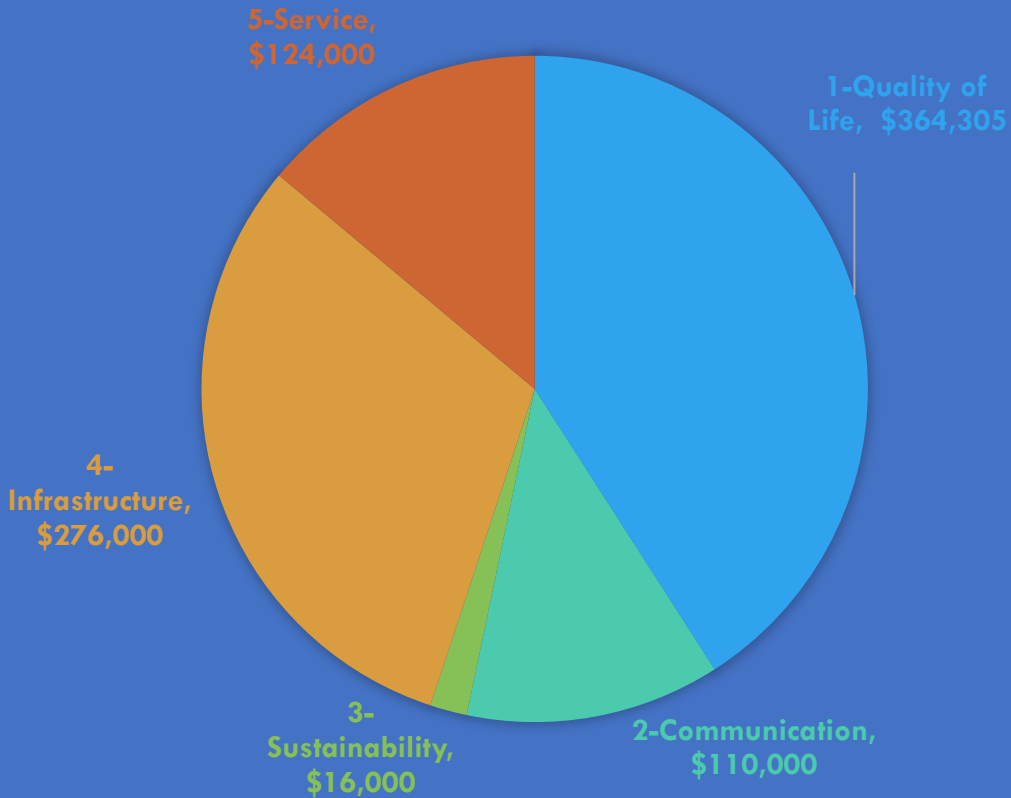
- 5.4% inflation
- 11% increase budgeted for health insurance, average across the state 14.9%
- 3% vacancy rate assumed for most of GF

Possible changes/unknowns:

- Education—changes to base student allocation?
- Health insurance increase

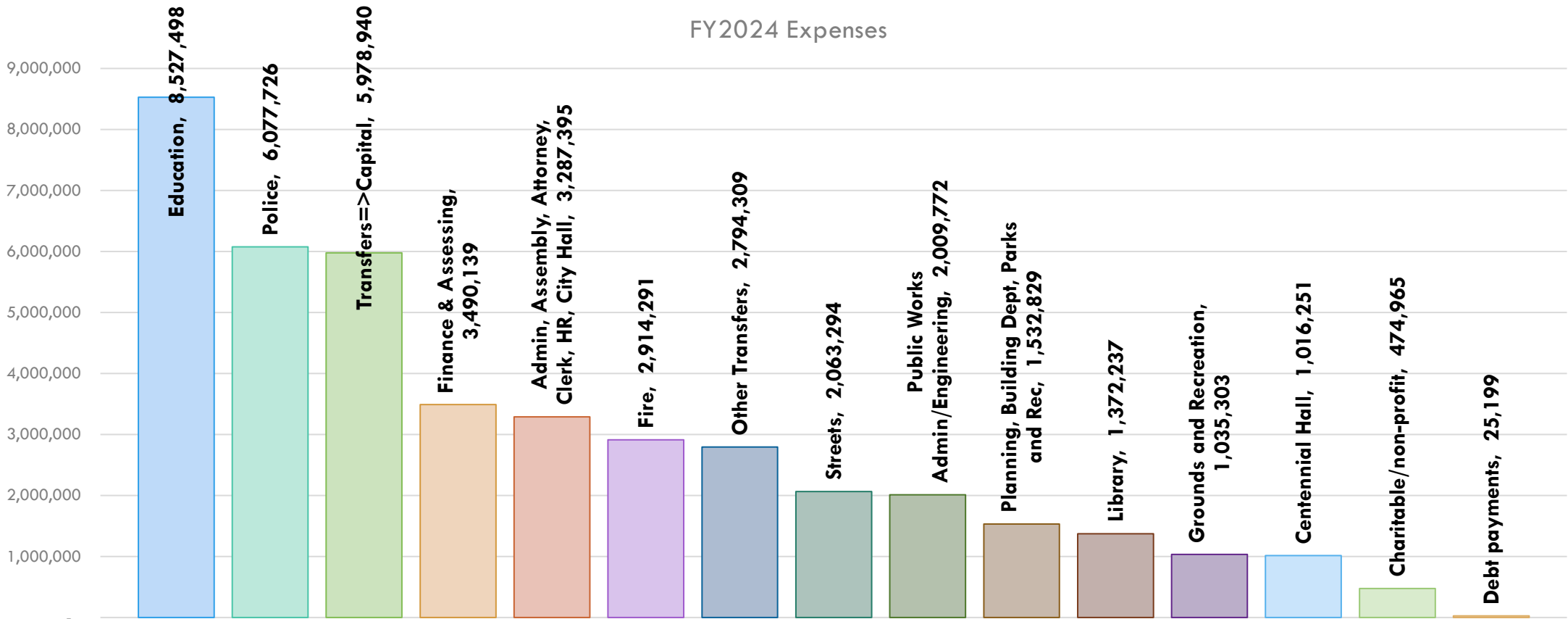
New/non-core expenses FY2024

NEW INVESTMENT FY2024 (\$890,305)

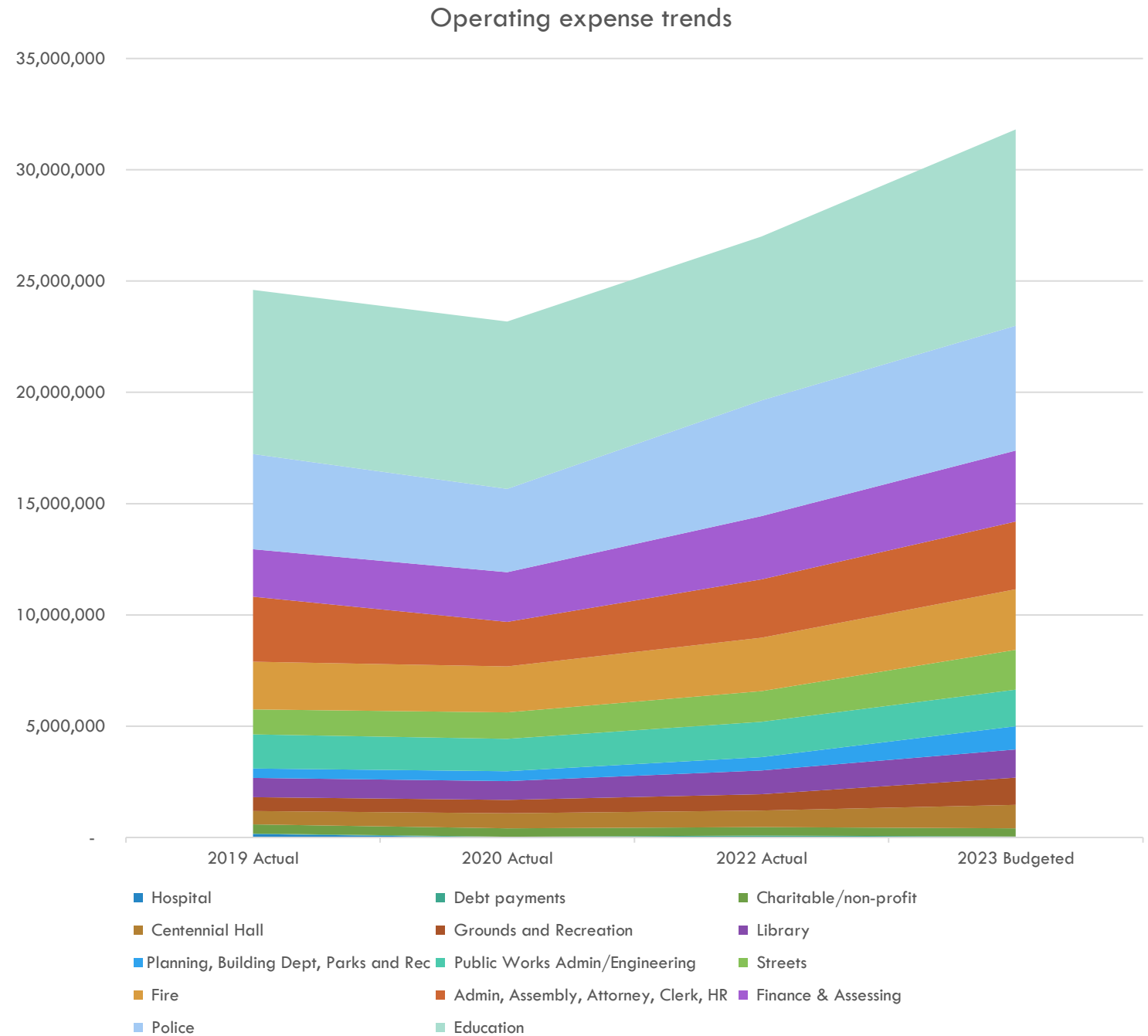


Strategic goal	Resource
1. PRESERVE THE QUALITY OF LIFE AND AFFORDABILITY FOR ALL SITKANS	Housing study, non-profit support, Sitka Historical Society, Senior Center, the Ride, Sitka Homeless Coalition, elimination of Code Enforcement Officer
2. IMPROVE COMMUNICATIONS AND STRENGTHEN RELATIONSHIPS WITHIN THE COMMUNITY AND ORGANIZATION	Record Migration/digitization, SAFV support, REAL Institute
3. ALIGN RESOURCES AND FINANCIAL AND ECONOMIC POLICIES FOR A SUSTAINABLE COMMUNITY	Building plan review services, SEDA support, fiscal policy development
4. PLAN AND INVEST IN SUSTAINABLE INFRASTRUCTURE FOR FUTURE GENERATIONS	Asset management as organizational priority, additional engineering/contract support, vehicle monitoring system, Sitka Trail Works support
5. CBS IS RECOGNIZED AS BEING A GREAT PLACE TO WORK AND EXCELLENT SERVICE PROVIDER TO THE COMMUNITY	Time tracking system, voting tabulator replacement, improvement of financial systems, finance personnel training

FY2024 Expenditures \$42,600,148



Expenditure trends (less transfers/capital)



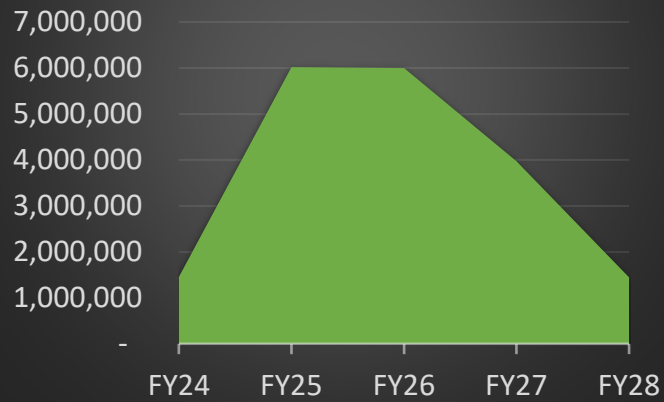
FY2024 Capital
Appropriations—
\$5.7M

Spend Start	Spend End	Project Title	Estimated Cost	Funding secured through FY23	Unfunded Amount	FY24 Appropriation	Remaining funding need
FY24	FY28	Katlian Street Road and Utility (HPR to Lincoln) - General Fund Portion	4,784,057	152,868	4,631,189	926,238	3,704,951
FY24	FY26	Emergency Fund (General Storm Drain Improvements replaced by GF Emergency Fund)	100,000	100,000	-	400,000	-
FY24	FY26	STUDY - Streets Condition Assessment	20,000	-	20,000	20,000	-
FY24	FY26	STUDY - Housing Development Study	750,000	-	750,000	750,000	-
FY24	FY26	Fire Hall - Replace Fire Alarm Control Panel	30,000	-	30,000	30,000	-
FY25	FY27	Water/Wastewater Replacement at Senior Center (Roll into one SC upgrade project)	135,000	101,000	34,000	34,000	-
FY24	FY24	Senior Center - Sprinkler Replacement	75,000	-	75,000	75,000	-
FY25	FY24	Senior Center - ADA Ramp & Rear Porch Improvements (Roll into one SC upgrade project)	95,000	15,000	80,000	80,000	-
FY26	FY26	Wachusett Storm Drains (Peterson Phase II)	1,600,000	303,371	1,296,629	580,000	716,629
FY25	FY27	Lake-Hirst and Monastery-Kinthead Utility & Street Improvements (Roll into 90969) - General Fund Portion	2,639,225	798,060	1,841,165	1,741,481	99,684
FY25	FY28	Lincoln Street (Jeff Davis to Lake) Road & Utility Project - General Fund Portion	1,963,338	-	1,963,338	392,668	1,570,670
FY24	FY26	City/State Building - Exterior Painting	50,000	-	50,000	50,000	-
FY24	FY26	Fire Hall - Carpet Replacement	125,000	-	125,000	125,000	-
FY25	FY27	Lincoln Street Paving (Harbor Way to Harbor Drive) - General Fund Portion	4,798,070	3,070,000	1,728,070	345,614	1,382,456
FY25	FY26	Seawalk Phase II	1,832,773	1,832,773	126,940	126,940	-

Prioritization and Execution

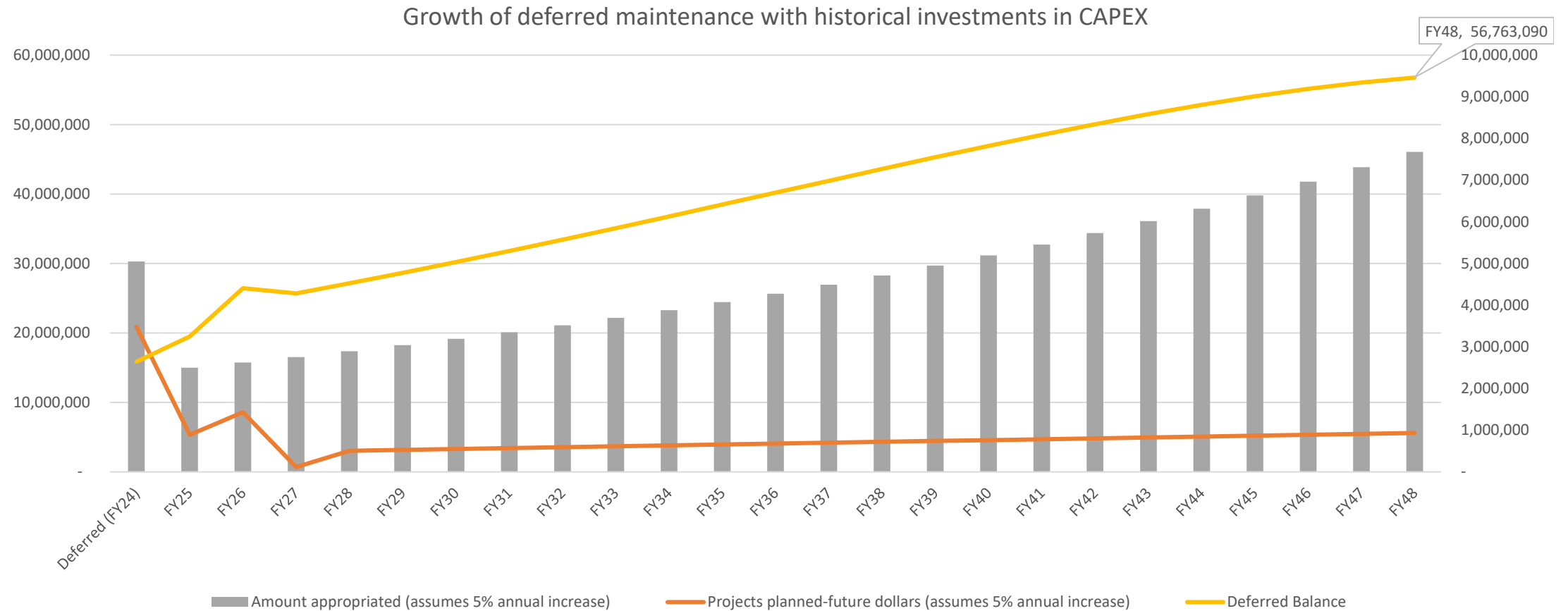
- As an organization, must prioritize all projects in terms of timing (same team working on ~\$95M in funded projects)
- Weigh available funding with capacity
- Grant funding may impact prioritization
- While projects may be funded, they may not actually be under construction
- Emergency fund to support emergency procurement process

Execution of projects funded in FY24



Project Title	LoF	Public Safety	Personnel Safety	Compliance	Reliability	Reputation	Financial Impact	Initial Risk Score
Katlian Street Road and Utility (HPR to Lincoln) - General Fund Portion	8	7	2	2	4	4	4	56
Emergency Fund (General Storm Drain Improvements replaced by GF Emergency Fund)	-	-	-	-	-	-	-	56
STUDY - Streets Condition Assessment	-	-	-	-	-	-	-	56
STUDY - Housing Development Study	-	-	-	-	-	-	-	56
Fire Hall - Replace Fire Alarm Control Panel	8	1	6	3	4	3	4	48
Water/Wastewater Replacement at Senior Center (Roll into one SC upgrade project)	7	6	2	4	5	4	3	42
Senior Center - Sprinkler Replacement	8	3	1	5	4	2	1	40
Senior Center - ADA Ramp & Rear Porch Improvements (Roll into one SC upgrade project)	7	5	3	3	3	3	3	35
Wachusett Storm Drains (Peterson Phase II)	8	1	1	2	2	4	2	32
Lake-Hirst and Monastery-Kinthead Utility & Street Improvements (Roll into 90969) - General Fund Portion	6	1	1	1	4	3	2	24
Lincoln Street (Jeff Davis to Lake) Road & Utility Project - General Fund Portion	6	2	1	3	4	4	4	24
City/State Building - Exterior Painting	8	1	1	1	2	3	3	24
Fire Hall - Carpet Replacement	8	3	3	1	2	2	2	24
Lincoln Street Paving (Harbor Way to Harbor Drive) - General Fund Portion	7	1	1	3	1	3	3	21
Seawalk Phase II	7	2	1	1	3	3	1	21

General Fund Capital Repairs (less schools)





Looking forward

- What is the new normal of funding for capital?
- Identify funding source for school buildings
- Asset management-continue effort that will maximize life of assets as well as ensure more critical assets addressed
- Condition assessments

Next steps

With feedback from last week's meeting, we will finalize enterprise fund budgets

Meeting on enterprise fund budgets March 23rd