



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
John Leach, Municipal Administrator

From: Melissa Haley, Controller

Date: April 22, 2020

Subject: **Approval of FY2021 Administrator's Budget**

Background

As budgets, rates, long-term capital improvement plans, and any debt required are all intricately linked, the ordinances 2020-17 through 2020-23 as well as resolution 2020-10 combine approval of appropriations, any rate increases, capital improvements as well as authorization to seek any new debt.

Fiscal Note

Significant analysis and discuss have taken place throughout the budget process. The following summarizes what is contained in each budget ordinance:

Ordinance 2020-17 General Fund and other governmental (special revenue) funds

- Appropriations
 - Total appropriations are \$28,203,415, with revenue projected to be \$29,564,429, resulting in a projected surplus of \$1,375,014
- Rates
 - There are no rates adjustments associated with the City and Borough of Sitka's governmental funds.
- Capital improvement plan
 - For the General Fund, details of the mid to long-range capital improvement plan are located on pages 22-23 of the budget book
- Debt
 - There is no debt proposed for FY2021 for any governmental funds

Ordinance 2020-18 Electric Fund

- Appropriations
 - Total appropriations are \$27,229,806, with revenue projected to be \$19,360,717, resulting in a projected change to working capital of -\$19,898
- Rates
 - There is a 2% increase to electric rates.
- Capital improvement plan

- For the Electric Fund, details of the mid to long-range capital improvement plan are located on page 23 of the budget book
- Debt
 - There is a \$4 million low interest USDA loan proposed for FY2021 to pay for the Green Lake Phase 1 project. The debt service for FY2021 will be paid via a transfer in from the General Fund.

Ordinance 2020-19 Water Fund

- Appropriations
 - Total appropriations are \$4,336,284, with revenue projected to be \$3,093,675, resulting in a projected change to working capital of \$84,597. Please note that a correction to this fund has been made. Transfers out have increase \$9,500 to fully cover the cost of a replacement vehicle. All changes are listed in the budget change document.
- Rates
 - There is a 2% increase to water rates.
- Capital improvement plan
 - For the Water Fund, details of the mid to long-range capital improvement plan are located on page 23 of the budget book
- Debt
 - There is no new debt proposed for FY2021

Ordinance 2020-20 Wastewater Fund

- Appropriations
 - Total appropriations are \$4,405,613, with revenue projected to be \$3,794,511, resulting in a projected change to working capital of \$284,126. Please note that a correction to this fund has been made since the last budget meeting-an over appropriation of \$250,000 in transfers out was corrected. All changes are listed in the budget change document.
- Rates
 - There is a 2% increase to wastewater rates.
- Capital improvement plan
 - For the Wastewater Fund, details of the mid to long-range capital improvement plan are located on page 24 of the budget book
- Debt
 - There is no new debt proposed for FY2021

Ordinance 2020-21 Solid Waste Fund

- Appropriations
 - Total appropriations are \$5,308,116, with revenue projected to be \$5,171,424, resulting in a projected change to working capital of \$31,998.
- Rates
 - There is a 5.5% rate increase for collections and a 2.5% increase for transfer station and other solid waste rates.
- Capital improvement plan
 - The details of the mid to long-range capital improvement plans for the Solid Waste Fund are located on page 20 of the budget book
- Debt
 - There is no new debt proposed for FY2021

Ordinance 2020-22/Resolution 2020-10 Harbor Fund

- Appropriations
 - Total appropriations are \$5,247,152, with revenue projected to be \$4,196,673, resulting in a projected change to working capital of \$323,367.
- Rates
 - There is a 5% rate increase for all harbor rates with the exception of a rate decrease from \$11.35 to \$7.00 for the O'Connell Bridge tender dock. The decrease was proposed by the Port and Harbor Commission in order remain competitive with other markets in Southeast.
- Capital improvement plan
 - The details of the mid to long-range capital improvement plans for the Solid Waste Fund are located on page 24 of the budget book
- Debt
 - There is no new debt proposed for FY2021

Ordinance 2020-23 Airport Terminal Fund, Marine Service Center, and GPIIP Fund

- Appropriations
 - Airport Terminal Fund-Total appropriations are \$1,025,981, with revenue projected to be \$908,500, resulting in a projected change to working capital of \$52,818.
 - Marine Service Center Fund-Total appropriations are \$239,027, with revenue projected to be \$299,064, resulting in a projected change to working capital of \$91,595.
 - GPIIP Fund-Total appropriations are \$743,439, with revenue projected to be \$212,755, resulting in a projected change to working capital of -\$98,020.
- Rates
 - There are no rates adjustments associated with these three enterprise funds
- Capital improvement plan
 - The details of the mid to long-range capital improvement plans for these funds are located on page 25 of the budget book
- Debt
 - There is no new debt proposed for FY2021