



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
From: Hugh Bevan, Interim Municipal Administrator *HB*
Date: November 19, 2019
Subject: FY21 Budget Process

Staff has begun collating the FY21 budget at the Department Head level. Instructions were given to maintain last year's expenditure levels as a first-step process.

Macro level direction is needed from the Assembly before staff can develop a comprehensive budget package for your review.

Below is one proposed schedule for completing the FY21 budget within the timeline identified in the Charter. This schedule assumes that we start early and finish in April when Mr. Leach arrives.

An alternate idea is to begin at the first of March and let Mr. Leach guide the majority of the process.

The schedule listed below assumes we start Assembly dialog in December.

December

One Assembly budget meeting.

Agenda: Review the FY20 budget as adopted on July 1, 2019. Seek Assembly input on what macro level changes you would like to see going into the FY21 process.

January

One Assembly meeting.

Agenda: Review the estimated end of FY20 budget year balances for all Funds.

Discuss estimated revenue projections for FY21 for all Funds

Provide high level assumptions such as the level of school funding, the expectation for fish tax receipts, and the expectation of State funding of school bond debt to staff.

Give direction to staff on utility rate increases.

February

Two Assembly meetings.

Meeting 1 – Meet with School Board and finalize decision on school funding.

Meeting 2 – Macro level overview of draft FY21 budget using decisions made at the January meeting.

Review capital projects programs and identify funding for approved projects.

March

Two Assembly meetings.

Meeting 1 – First detailed look at FY21 General Fund budget.

Make adjustments.

Meeting 2 – First detailed look at FY21 Enterprise and Internal Service Fund budgets.

Make adjustments.

April

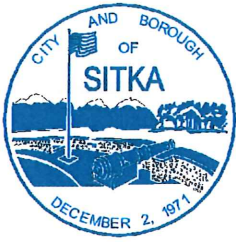
One Assembly meeting to make final adjustments.

May

Reading of budget ordinances at two regular Assembly meetings.

The general concept with this schedule is to make macro decisions early that drive the completion of the micro details in the final budget.

With major Assembly decisions made at the onset staff can adjust their draft FY21 budgets to meet your expectations.



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Subject: FY21 Budget Process – High Level Decision Points

In order to develop the budget staff needs Assembly guidance on high level assumptions that constitute the framework of the budget.

Beginning with the December budget meeting we will provide:

- FY 21 sales tax revenue estimate
- FY21 property tax revenue estimate
- Bed tax revenue estimate
- Permanent Fund contribution estimate

We will seek Assembly guidance on assumptions such as:

- School funding to the cap?
- School funding for other services such as Blatchley pool and Community Schools?
- Include fish tax from the State?
- Assume State will fund school debt reimbursement?
- Index CBS utility rates for 2% inflation?
(Note special attention is required for Solid Waste and Electric Funds)
- Maintain current levels of staffing?

These lists are not exhaustive.

The intent is to detail the macro level of information and assumptions that are necessary to finalize the FY21 budget in a timely and logical manner.