



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## 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**

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### **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