



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Meeting Agenda

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Thursday, March 9, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

V. NEW BUSINESS:

- A [17-029](#) Executive Summary of the FY18 General Fund budget from Chief Finance and Administrative Officer including decrements
Attachments: [Executive Summary memo and Decrements.pdf](#)
- B [17-030](#) Discussion/Direction of budget requests not included in the FY18 budget: 1) the RIDE, and 2) Others (Assembly action may be taken)
Attachments: [Budget requests.pdf](#)
- C [17-023](#) Discussion/Direction of the FY18 Municipal Budget and as it relates to the General Fund, other Funds, the School District and the Sitka Community Hospital (Assembly action may be taken)
Attachments: [Discussion Direction FY18 budget.pdf](#)

VI. PERSONS TO BE HEARD:

Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.

VII. EXECUTIVE SESSION**VIII. ADJOURNMENT**

Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

*Melissa Henshaw, CMC, Acting Municipal Clerk
Publish: March 7*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-029 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 2/23/2017 **In control:** City and Borough Assembly

On agenda: 3/9/2017 **Final action:**

Title: Executive Summary of the FY18 General Fund budget from Chief Finance and Administrative Officer including decrements

Sponsors:

Indexes:

Code sections:

Attachments: [Executive Summary memo and Decrements.pdf](#)

Date	Ver.	Action By	Action	Result
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Memo

Thru: Mark Gorman, Municipal Administrator

To: City and Borough of Sitka Assembly

From: Jay Sweeney, Chief Finance and Administrative Officer

Date: March 7, 2017

Re: **FY2018 Budget Special Meeting on March 9, 2017**

Mayor Hunter and Assembly Members,

To prepare for the first FY2018 budget meeting on March 9th, I wanted to review critical aspects of what is (1) already contained in the budget documents you have received, and (2) highlight uncertainties in the budget due to external decisions pending but not yet made.

Critical Aspects of the FY2018 Budget Documents You Have Already Received

As of the writing of this memo, the FY2018 preliminary General Fund budget has a beginning bottom line deficit of (\$695,387). This deficit follows on a proposal introduced by Administration to the Assembly at a previous visioning session in which a projected \$2 million dollar deficit would be addressed through three separate actions – (1) budget cuts of one third, (2) new revenue of one third, and (3) use of General Fund unassigned fund balance for the remainder.

Administration has engaged in a comprehensive process to identify and eliminate its spending of approximately \$750,000. You will see in the attached document that Administration has accomplished this goal identifying and eliminating \$762,698. In addition, the Sitka School District and Sitka Community Hospital have also been informed that Municipal support for their organizations will be reduced proportionally to the overall amount of the spending reduction.

As for the second part of the plan to address the budget, the Assembly recently voted to increase the taxable transaction limit for sales tax. This increase is projected to bring in an additional \$800,000 in FY2018 with an annualized revenue projected at \$1,200,000 in FY2019. The third part of the proposal to address the FY2018 overall budget deficit would be ultimate passage of a General Fund budget in which unassigned fund balance is used to balance the budget, or in other words, a deficit budget.

The General Fund budget has \$762,698 in reductions. These reductions include the following:

- A decrease in travel and training of \$34,674;
- Elimination of a COPS position at the police Department for \$93,743;
- A combination reduction in Public Works spending of \$214,000 which includes substantial reduction in the employment of temporary project managers;
- \$12,816 reduction in Police overtime;
- Elimination of lobbying expenditures for \$35,500
- Elimination of maintenance and fuel for Senior Center vehicles for \$38,000
- Elimination to temporary Assessing employees assisting in reevaluations for \$63,000
- Reduction in non-profit support for \$22,100
- Other combined reductions of \$248,775.

The General Fund budget does include, or is constructed in the anticipation of receiving or not receiving the following important and significant items:

- A reduction of the workforce of one FTE and no new positions;
- A pay increase for all Municipal employees. Non-represented Municipal employees are scheduled for a 1.5% pay increase and employees covered by collective bargaining agreements will receive pay increases achieved through collective bargaining negotiations;
- Capital expenditure appropriations for new Public Works capital projects of \$1,369,000. These are budgeted as transfers to other funds (Capital Project Fund);
- An earmark of \$1,000,000 for some sort of electric user fee support or subsidization, budgeted as transfers to other funds (Electric Fund);
- An earmark of \$266,757 for an anticipated 15% health insurance increase, budgeted in Department 7, General Office, Sub-department 801, 100 Lincoln Street, Other Expenses.
- Seasonal decreases in sales tax receipts for the two off-season quarters, mirroring FY2016 and 2017 experience, and increases in summer season quarters due to increased visitation and the increase in the taxable transaction limit;
- A small increase in total net property tax receipts;
- No provision for Secure Rural Schools;
- Continued receipt of Payment In Lieu of Taxes (PILT) from the Federal Government;
- No reduction in revenue sharing from FY2017 levels from the State of Alaska;
- No change in the contribution rate for PERS or TRS; and,
- No further reduction in the school bond debt reimbursement rate from the State of Alaska that would necessitate subsidization of the school bond debt fund from the General Fund.

Uncertainties in the Budget due to External Decisions Not Yet Made

The following uncertainties fall into three categories: Federal funding, State funding, and health insurance costs. In most cases, Administration has made some assumption or estimate as to the anticipated amount of revenue or expense which is built into the budget and described above.

- Federal Secure Rural Schools funding (not budgeted for);
- Federal PILT funding (budgeted for);
- State Revenue Sharing (budgeted no change)
- State PERS/TRS rate (budgeted no change)
- State school bond debt reimbursement (budgeted no change in percentage of reimbursement)
- Health care premiums (budgeted for at a 15% increase)
- State Community jail support (budgeted for no change)

City and Borough of Sitka
FY2018 Decrement Proposal
Version 4.1 January 11 2017

Target CBS Budget Reduction Goal, FY 2018

FY2017 Original Budget

Revenues	\$ 28,288,850
Revenues	<u>\$ 28,288,850</u>
	\$ -

FY2018 Macro Budget - As of January 6, 2017

2018 Current Budgeted Revenues:	\$ 26,373,912
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2018 Original Budgeted Outlays:	<u>\$ 26,785,342</u>
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Decrement List	Additional Expense	
\$ (6,474)	Administrator/Assembly/Clerk	Travel & Training
\$ (35,500)		Contracted/Purchased Serv (Lobbying)
\$ (2,000)		Admin/Mayor Contingencies
\$ (23,500)		Other Expenses
\$ (6,300)	Non-Profits	SEDA
\$ (10,800)		Historical Society
\$ (5,000)		SAFV
\$ (40,000)		Sitka Community Playground
\$ (38,000)	Senior Center	Transportation/Vehicles
\$ (16,200)	Finance	Travel
\$ (63,000)	Assessing	Temp Wages
\$ (1,000)	Planning and Com Development	Travel / Training
\$ (44,500)		Contracted/Purchased Services
\$ (1,200)		Other Expenses
\$ (75,000)	Police	Contracted/new building
\$ (93,743)		Police Officer (1 COPS Position)
\$ (10,000)		Training/travel
\$ (12,816)		Overtime
\$ (40,000)	Fire	Reduction
\$ (214,000)	Public Works	Reduction - overall
\$ (2,000)	Library	Travel/Training
\$ (300)		Cell Phone Stipend
\$ (300)		Supplies
\$ (3,040)		Repairs/Maintenance
\$ (525)		Contracted/Purchased Services
\$ (500)		Tools/Small Equip
\$ (500)		Advertising
\$ (500)		Rent Equipment
\$ (10,000)		Books & Publications
\$ (3,000)		Other Expense
\$ (3,000)	Centennial Hall	Reduction
<u>\$ (762,698)</u>		
\$ 1,000,000		Electric Department Subsidization
\$ 46,655	Transfers Out	Fish Box Tax to Fisheries Enhancement
		<u>\$ (695,387)</u>

2018 Current Budgeted Outlays:	<u>\$ 27,069,299</u>
Shortfall/Surplus	

FY18 Anticipated/Possible Changes:

Premiera Increase?		*Note Approximate 15% Increase \$266,757
State Impacts	?	
Projected Shortfall:		<u>\$ (695,387)</u>

FY2018 Budget Balancing Macro Plan

New Revenue:	\$ -
Use of Reserves:	<u>\$ (695,387)</u>
Final Projected Bottom Line:	<u>\$ (695,387)</u>



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-030 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 2/23/2017 **In control:** City and Borough Assembly

On agenda: 3/9/2017 **Final action:**

Title: Discussion/Direction of budget requests not included in the FY18 budget: 1) the RIDE, and 2) Others (Assembly action may be taken)

Sponsors:

Indexes:

Code sections:

Attachments: [Budget requests.pdf](#)

Date	Ver.	Action By	Action	Result
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Discussion/Direction of budget requests
not included in the FY18 budget:
1) the RIDE, and 2) Others

Assembly action may be taken



February 17, 2017

Matt Hunter, Mayor
and Assembly Members
City and Borough of City

Dear Mayor Hunter:

Re: FY18 Budget Request

The RIDE public transit system provides a vital service to Sitkan residents, visitors, and transient work forces. Most other local governments in Alaska invest in local public transit.

We are asking that the Assembly try to find at least \$25,000 in the FY18 budget to assist with public transit.

Just to recap history of City support of public transit:

In 2003, the City gave \$15,000 from the Economic Development account, for startup costs.

In 2004, the City gave \$10,000 for the required 20% cash match to buy just one of the RIDE's buses.

No contributions from 2004 until 2014.

FY 15 (July 1, 2014), the City made a contribution of \$25,000 toward the RIDE.

FY16 (July 1, 2014), the City contributed \$25,000.

No contribution in FY17. Present request for FY18.

We do want to give the City credit for assistance to the paratransit part of our RIDE system, by which the City contributes fuel and maintenance for the Swan Lake Care-A-Vans. These amounts vary each year, but actual figures from City Finance show, in the last two years:

	FY16	FY15
Fuel	\$20,277.00	\$23,440.00
Maintenance	\$7,553.00	\$9,138.00

The RIDE public transit system, operated in a three way partnership of Center for Community, Sitka Tribe of Alaska, and Catholic Community Services, brings over \$900,000 every year into Sitka from outside revenue sources. These are funds spent locally, mostly on local jobs.

In FY16, the RIDE provided nearly 53,000 rides. Care-A-Van provided 13,795 assisted rides to seniors and persons with disabilities.

We all acknowledge that the City is facing tough budgetary times. However, if the City stops contributing even a token amount each year to public transit, this sends a wrong message to State and Federal funding sources—that our local community does not value public transit.

Let's say the City contributes \$25,000 for FY18—if the blue buses, the RIDE fixed routes, provide 54,000 rides, then then City would have chipped in \$0.46 per ride. There's a great economic return here for the City: for 46 cents, Sitkans and visitors get 54,000 rides to work, social affairs, shopping, tourism sites, church, etc.

Please consider once again at least making public transit a small part of the City's operating budget.

Sincerely,



Connie J. Sipe
Executive Director and Transit System Administrator
Center for Community

cc: Mark Gorman, City Administrator
Jay Sweeney, Finance Director

CENTER FOR COMMUNITY

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CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-023 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 2/22/2017 **In control:** City and Borough Assembly

On agenda: 3/9/2017 **Final action:**

Title: Discussion/Direction of the FY18 Municipal Budget and as it relates to the General Fund, other Funds, the School District and the Sitka Community Hospital (Assembly action may be taken)

Sponsors:

Indexes:

Code sections:

Attachments: [Discussion Direction FY18 budget.pdf](#)

Date	Ver.	Action By	Action	Result
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Discussion/Direction of the FY18 Municipal Budget and as it relates to the General Fund, other Funds, the School District and the Sitka Community Hospital.
(Assembly action may be taken)

Note: This item is optional. No action or discussion is required.