



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 Steven Eisenbeisz,
Vice Deputy Mayor Bob Potrzuski,
Aaron Bean, Kevin Knox, Dr. Richard Wein,
Benjamin Miyasato*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Thursday, March 22, 2018

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. UNFINISHED BUSINESS

- A** [18-048](#) RECONSIDERATION of the decision made at the March 22nd special meeting to eliminate the contracted lobbyist and any associated costs with the lobbyist contract

Attachments: [Motion reconsideration lobbyist funding.pdf](#)

VI. NEW BUSINESS:

- B** [18-043](#) Executive Summary of the FY19 Enterprise Fund budgets

Attachments: [FY19 Enterprise Funds Executive Summary.pdf](#)

[Additional information from Finance Department.pdf](#)

[Fiscal models-summary sheets.pdf](#)

- C** [18-044](#) Discussion/Direction/Decision on proposed Water Fund user fees, operating outlays and capital outlays
 Attachments: [Water Fund Discussion Direction.pdf](#)
 [Summary Spreadsheet Water Fund.pdf](#)
- D** [18-045](#) Discussion/Direction/Decision on proposed Wastewater Fund user fees, operating outlays and capital outlays
 Attachments: [Wastewater Fund Discussion Direction.pdf](#)
 [Summary Spreadsheet Wastewater Fund.pdf](#)
- E** [18-046](#) Discussion/Direction/Decision on proposed Solid Waste Fund user fees, operating outlays, capital outlays and new FTE positions
 Attachments: [Solidwaste Fund Discussion Direction.pdf](#)
 [Summary Spreadsheet Solid Waste Fund.pdf](#)
 [Scrap Yard memo 3.20.18.pdf](#)
- F** [18-049](#) Discussion/Direction/Decision on proposed Harbor Fund user fees, operating outlays and capital outlays
 Attachments: [Harbor Fund Discussion Direction.pdf](#)
 [Summary Spreadsheet Harbor Fund.pdf](#)
- G** [18-050](#) Discussion/Direction/Decision on proposed Electric Fund user fees, operating outlays and capital outlays
 Attachments: [Electric Fund Discussion Direction.pdf](#)
 [Summary Spreadsheet Electric Fund.pdf](#)
- H** [18-052](#) Discussion/Direction/Decision on proposed Airport Terminal Fund user fees, operating outlays and capital outlays
 Attachments: [Airport Terminal Fund Discussion Direction.pdf](#)
 [Summary Spreadsheet Airport Terminal Fund.pdf](#)
- I** [18-051](#) Discussion/Direction/Decision on proposed Marine Service Center user fees, operating outlays and capital outlays
 Attachments: [Marine Service Center Fund Discussion Direction.pdf](#)
 [Summary Spreadsheet Marine Service Center Fund.pdf](#)
- J** [18-053](#) Discussion/Direction/Decision on proposed Gary Paxton Industrial Park Fund user fees, operating outlays and capital outlays
 Attachments: [GPIP Fund Discussion Direction.pdf](#)
 [Summary Spreadsheet GPIP Fund.pdf](#)

- K** [18-047](#) Discussion/Direction/Decision of the FY2019 Enterprise Funds or General Fund and as they relate to other Funds, the School District, and the Sitka Community Hospital (Assembly may take action)

Attachments: [Item K Discussion Direction overall budget.pdf](#)

VII. PERSONS TO BE HEARD:

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

VIII. EXECUTIVE SESSION

None anticipated.

IX. 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. Assembly meetings are aired live on KCAW FM 104.7 and via video streaming from the City's website. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

*Sara Peterson, MMC, Municipal Clerk
Publish: March 20*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-048 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 3/19/2018 **In control:** City and Borough Assembly

On agenda: 3/22/2018 **Final action:**

Title: RECONSIDERATION of the decision made at the March 22nd special meeting to eliminate the contracted lobbyist and any associated costs with the lobbyist contract

Sponsors:

Indexes:

Code sections:

Attachments: [Motion reconsideration lobbyist funding.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTIONS

Step 1

I MOVE TO reconsider the motion to eliminate the contracted lobbyist and any associated costs with the lobbyist contract.*

Notes:

- At the time of voting at the meeting on March 15, it was thought that funding for the lobbyist was in the General Fund. After the vote, however, it was determined funding is in the Electric Fund. Notice of reconsideration was given by Dr. Wein.
- It was determined the motion would come up for reconsideration at the special budget meeting of March 22, 2018
- *The motion to reconsider needs to be made by a member who voted on the prevailing side: Hunter, Potrzuski, Eisenbeisz, Miyasato, Wein
- Requires a second and majority vote
- If the motion fails, the item is not up for reconsideration, or further debate, and the initial vote stands.

Step 2 – if the motion to reconsider passes

I MOVE TO eliminate the contracted lobbyist and any associated costs with the lobbyist contract.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-043 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 3/15/2018 In control: City and Borough Assembly
On agenda: 3/22/2018 Final action:
Title: Executive Summary of the FY19 Enterprise Fund budgets
Sponsors:
Indexes:
Code sections:
Attachments: [FY19 Enterprise Funds Executive Summary.pdf](#)
[Additional information from Finance Department.pdf](#)
[Fiscal models-summary sheets.pdf](#)

Date	Ver.	Action By	Action	Result
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City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Jay Sweeney, Chief Finance and Administrative Officer

Date: March 19, 2018

Subject: FY2019 Special Budget Meeting—Enterprise Funds—March 22, 2018

Mayor Hunter and Assembly Members,

The second FY2019 special budget meeting is scheduled for March 22nd and will focus on Sitka's eight enterprise funds. To prepare for this special meeting, I would like to highlight, from my perspective as Chief Finance and Administrative Officer, the key issues relating to these particular funds.

During the FY2019 budget process CBS staff have worked together to ensure the proposed enterprise fund budgets are structured to ensure that the funds (particularly the utilities) are providing the same level of service and that risks (particularly the risks associated with aging infrastructure) are addressed through the capital improvement plans. Of note is that the capital improvements inherent in FY2019 budget assumptions are those that utility staff believe are necessary to ensure, not only the same level of service, but also, in the case of utilities, the health and safety of the community. Staff have also carefully reviewed the overall health of each fund going into the future as the decisions we make today are critical to the future financial sustainability of the funds.

Enterprise Funds differ from the General Fund in several important ways, and these differences are the areas in which Assembly overview is most critical. Key differences in Enterprise Funds are (1) that they are established operate as a business; (2) they levy user fees for the provision of some service, normally utility services; and, (3) user fees are established by the Assembly at rates necessary to generate cash flow sufficient to pay for ongoing operating expenses and to accomplish long term fiscal and infrastructure plans which are critically linked.

Given the key differences, I encourage the Assembly to focus on and examine the following broad areas:

(1) Cash flow/Working capital/Debt

What is the cash flow the enterprise fund is generating currently, and, what cash flow is it projected to generate in FY2019? Examine the cash flow from operations. This cash flow is critical as it forms the resource necessary to pay debt service and increase working capital for the future cost of infrastructure. If cash flow is too meager and does not allow for working capital to build to levels identified in fiscal plans, then infrastructure decisions will need to be delayed or revised, or, higher than anticipated levels of debt taken on in the future.

(2) Cost of operations/User fees/Inflationary pressures

What is the proposal for increasing user fees? User fees should be examined annually for adjustment in relation to inflation. Collective bargaining agreements increase operating costs as bargained wage increases become effective; not adjusting user fees in relation to programmatic expense increases has a direct impact on reducing operating cash flow. Proposed user fee increases above inflationary adjustments need to be examined as to their necessity to generate the cash flow required to fund capital infrastructure plans. If political affordability concerns impact user fee increase decisions, then close examination of the proposed capital infrastructure plan is required.

(3) Capital project plan

What is the long term capital infrastructure plan for at least the next decade comprised of? What is being proposed for construction and what is the plan to pay for it? Will there be working capital available to support future needs? What are the risks of delaying or forgoing capital projects in the plan? Each enterprise fund's capital construction plan, and the funding decisions imbedded in it, have a direct impact on user fees.

(4) Overall financial position

If the proposed budget is fully executed, what will the resultant financial position of the enterprise fund be? What is the total amount of debt? What is the percentage of debt in relation to equity? Answers to these questions are necessary to determine if the utility is over-leveraged. The ability to borrow in the future may be severely diminished if a utility becomes over-leveraged.

Critical issues in Sitka's individual enterprise funds.

Water Fund

Due to critical new infrastructure required to ensure a reliable supply of water a 22% user fee increase (an average monthly increase of \$8.92 for a residential user) is being proposed for FY2019, then in 2020 the rate drops back to a 2.2% annual increase through 2026 and inflationary increases thereafter. Of note is that given current trends, staff are not considering the possibility than any additional grant funding will be received

to support the needed capital improvements, rather all projects will be funding through mostly DEC low interest loans. The long-term fiscal plans do seek to improve the amount of undesignated working capital available to fund capital improvements, but in the short-term, we must rely on the DEC loans. The Pro forma financial projection for the Water Fund, on page 122, shows that the Fund will generate operating cash flow of \$770,163. Proposed new capital expenditures from working capital are \$250,000 and are detailed on page 121. In addition, additional contingent capital improvements of \$31,610,500 are listed on page 121.

As with the Electric Fund, it is important that the infrastructure plan for this utility be reviewed in conjunction with the budget, as critical infrastructure repairs are required over the next decade and the bare minimum of working capital is projected to be generated to pay for them. Extensive use of low interest loans from the State of Alaska is planned as the funding source. To obtain these loans, it is critical that the Water Fund generate acceptable levels of cash flow from operations, and, that the capital structure of the Fund not become too leveraged (as measured by the debt-to-equity ratio). The Fiscal Plan for the Water Fund projects its financial condition through the next decade and provides the basis for sustained user fee increases.

Included in the backup documents for this memorandum is a summary of financial requirements for loans from the DEC Clean Water and Clean Drinking Water Revolving Loan Funds. A key requirement that the State of Alaska is requesting is a Financial Capacity Analysis to accompany future loan requests. The Financial Capacity Analysis is independently prepared by a third party and focuses on financial condition and financial rate analysis. Recommendations from Financial Capacity Analyses (such as user fee increases, funding of repair and replacement reserves) may be included as stipulations in loan agreements.

Wastewater Fund

A 5.5% user fee increase is being proposed annually for 2019 and 2020 (equivalent to \$3.08 for a residential account); an increase of 7% in 2021; 3.5% in 2022-2024; 3% in 2025 and beyond. As with the Water Fund, the proposed annual increases are directly tied to the capital required to finance the long-term infrastructure plan. The Wastewater Fund long-term capital infrastructure plan also projects low-interest DEC loans being taken out every year going forward as the source of funding to pay for planned improvements; the reason for this is that insufficient undesignated working capital exists, and will not be generated, to pay for such improvements outright without debt. While the rate structure will slightly improve the working capital available to spend on capital improvements, the fund will still rely heavily on DEC loans to maintain the city's rapidly aging infrastructure. The Pro forma financial projection for the Wastewater Fund, on page 130, shows that the Fund will generate operating cash flow of \$437,243 in FY2019. Proposed new capital expenditures from working capital are \$468,200 and are detailed on page 129. In addition, additional contingent capital improvements of \$5,407,200 are listed on page 129.

As with the Electric and Water Funds, it is important that the infrastructure plan for this utility be reviewed in conjunction with the budget, as critical infrastructure repairs are required over the next decade and the bare minimum of working capital is projected to be generated to pay for them. Extensive use of low interest loans from the State of Alaska is planned as the funding source. To obtain these loans, it is critical that the Water Fund generate acceptable levels of cash flow from operations, and, that the capital structure of the Fund not become too leveraged (as measured by the debt-to-equity ratio). The Fiscal Plan for the Water Fund projects its financial condition through the next decade and provides the basis for sustained user fee increases.

Solid Waste Fund

A 6.5% user fee increase (equivalent to an increase of \$3.38 per month for a residential account with a 96 gallon can) is being proposed for the Solid Waste Fund in FY2019 through 2022 and thereafter an increase of 2% annually. Past increases in operations have resulted in negative cash flow from operations, thus CBS is restructuring the fund to bring some operations to be run by CBS staff, which will ultimately reduce the cost of operations.

It is important to underscore that the current solid waste collection and disposal contracts have annual inflationary adjustments built into them which, in turn, necessitate the need for annual user fee increases of at least the rate of inflation.

Also, due to the need to restore the Fund's working capital, adjustments beyond inflation are necessary in the near-term. The Pro forma financial projection for the Solid Waste Fund, on page 138, shows that the Fund will generate operating cash flow of \$370,917. Proposed new capital expenditures from working capital are \$375,000 and are detailed on page 137.

Harbor Fund

A 6.3% user fee increase is being proposed for the Harbor Fund in FY2018 (equivalent to \$3.53 per month for a 17ft boat). As has been presented to the Assembly in the past, the Harbor Fund has the most daunting challenge in terms of funding capital improvements given the high cost and the relatively modest amount of working capital in the Fund. In addition, based on the current direction of state funding, staff have determined that reliance on state grants is no longer warranted. Major improvements in the amount of \$31,532,636 are scheduled for the 2033 to 2037 time frame and include the replacement of Eliason Harbor and the Crescent Harbor High Load Dock. In all, renovations of \$103 million are planned over the next 40 years to keep the harbor system maintained in its present state. As grant funding from the State of Alaska will be minimal, reliance on working capital as well revenue bond proceeds will be necessary to fund the improvements. As a result, sustained user fee increases above the rate of inflation are required in the Harbor Fund through 2036 to generate sufficient cash flow to pay for some improvements and pay for the debt service for others which require bonding. It is critical to understand and acknowledge that the only ways to moderate sustained user fee increases is to either (1) delay improvements to later years, risking

failure and ultimately increasing the cost of improvements, or (2) not replace the infrastructure, removing it from the system. Hard choices lie ahead.

The Pro forma financial projection for the Harbor Fund, on page 146, shows that the Fund will generate operating cash flow of \$1,095,307. Minimal new capital expenditures from working capital are proposed on page 145. As it now looks unlikely that the CBS will receive a previously anticipated matching grant of \$5,000,000 from the State of Alaska, the issuance of \$13,000,000 in harbor revenue bonds is now planned for FY2019.

Electric Fund

Given current consumption trends as well as the recent and more significant increases to user fees in the Electric Fund, no increase has been proposed for FY2019. Currently projected revenue from operations assumes an increase of approximately 7%. The Pro forma financial projection for the Electric Fund, on page 119, forecasts the debt coverage ratio to be 1.3—above the minimum of 1.25. The proposed budget for the Electric Fund will generate operating cash flow of \$1.5 million. Proposed new capital expenditures are \$1,815,000 and are detailed on page 115. While operating cash flow can fund a portion of proposed capital expenditures, working capital will also be used as the source for funding the proposed improvements. Unspent bond proceeds from the final 2014 electric revenue bond issue are proposed as the most significant source, as opposed to undesignated working capital.

It is important that the long-term infrastructure plan for this utility be reviewed in conjunction with the budget, as critical infrastructure repairs are required over the next decade and the fund must generate sufficient working capital to pay for them. Additional bonding is not a viable option in the near term, given the current high level of debt and debt-to-equity ratio in excess of 50%.

Airport Terminal Fund

The Pro forma financial projection for the Airport Terminal Fund, on page 153, shows that the Fund will generate operating cash flow of \$222,316. A substantial contributor to this cash flow will be the planned receipt of Passenger Facility Charges. The Municipality is in the process of applying for the authority to collect PFCs to fund an Airport Terminal Enhancement Project. The remodeling of the airport terminal is critical to meet the operating requirements of air carriers and major users. \$136,000 in capital expenditures for key improvements necessary to the operation of the airport from working capital are proposed; contingent capital improvements of \$4,000,000 are listed on page 164. If authority to collect PFCs is obtained, the Municipality would look to issue airport terminal revenue bonds to finance the improvements and use PFCs as the revenue stream to pay for debt service.

Marine Service Center

The Pro forma financial projection for the Marine Service Center, on page 161, shows that the Fund will generate operating cash flow of -\$11,674. This is due to significantly reduced revenue to account for uncertainty related to leasing space a current tenant will be vacating. Capital expenditures of \$70,000 necessary to maintain the space will be made from working capital.

Gary Paxton Industrial Park

The Pro forma financial projection for the Gary Paxton Industrial Park, on page 169, shows that the Fund will generate operating cash flow of -\$87,689. While completion of the dock may bring in new revenue streams in the form of moorage, wharfage, and storage fees; usage level of the dock remains uncertain and thus minimal revenue has been budgeted. Capital expenditures of \$20,000 from working capital are included on page 168.

**Financial Requirements for Loans Under the State of Alaska Department of Economic Conservation
Clean Water and Clean Drinking Water Revolving Loan Funds**

Requirements for new loans under these revolving loan programs include a Fiscal Sustainability Plan and Financial Capacity Analysis.

A summary of the contents of a Fiscal Sustainability Plan is attached. A key element of the plan is “*a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities*”.

Also, a summary of the contents of a Financial Capacity Analysis are attached. A key element of a Financial Capacity Analysis *is financial ratio analysis to determine financial viability*.

Finance Department personnel spoke to the **State of Alaska Department of Economic Conservation (DEC)** in regards to specific requirements and limitations of the loan programs. The take-aways from that conversation are as follows:

- There is no absolute maximum individual loan size, nor maximum total amount of debt;
- There are no set minimum of maximum financial ratios program-wide that must be obtained;
- Every new loan request going forward will require a Financial Capacity Analysis;
- The results of the Financial Capacity Analysis will be a large determinant in loan approval;
- If the financial condition of a borrower is weak (over-leveraged) or the ability to repay loans is questionable, the Financial Capacity Analysis may recommend certain actions (such as funding of a renewal and replacement fund, maintaining a minimum level of working capital, raising user fees) as part of the conditions in the loan agreement

Fiscal Sustainability Plans

On June 10, 2014, the president signed into law the Water Resources Reform and Development Act of 2014 (WRRDA). Among its provisions are amendments to Titles I, II, V, and VI of the Federal Water Pollution Control Act (FWPCA). As part of these amendments to FWPCA, under Section 603(d)(1)(E), all publicly owned treatment works projects funded with a Clean Water State Revolving Fund (CWSRF) loan require the borrower to have a Fiscal Sustainability Plan (FSP) in place by project completion.

What is a Fiscal Sustainability Plan?

A FSP is a living document that is regularly reviewed, revised, expanded, and implemented as an integral part of the operation and management of the system. This plan, at a minimum, includes the following:

- a) An inventory of critical assets that are a part of the treatment works;
- b) An evaluation of the condition and performance of inventoried assets or asset groupings;
- c) A certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
- d) A plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities.

Who must develop and implement a Fiscal Sustainability Plan?

Any entity applying for an ACWF construction loan for a treatment works project for repair, replacement, or expansion must certify (see link below) that they have developed and are implementing a fiscal sustainability plan. Some loan applicants, such as large utilities, will already be using a written plan for sustaining operational and financial viability. Applicants that have not developed a plan prior to loan award can still get a loan. Those borrowers will be required to develop the plan that covers the funded project and closely associated components place by project completion or before the last loan disbursement is made.

Fiscal Sustainability Plan [Certification form]

Under what circumstances is a Fiscal Sustainability Plan required?

The requirement for having a FSP is effective for all applicants applying for loans on projects listed in the SFY 2016 ACWF Intended Use Plan (IUP), and there forward for all future ACWF IUP's. Fiscal sustainability plans are required on any loan for construction upgrades, replacement, or expansion of publicly owned treatment works. This includes any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature, or necessary to recycle or reuse water at the most economical cost over the estimated life of the works. For example:

- a) Intercepting sewers, outfall sewers, sewage collection systems, pumping, power, other related equipment, and their appurtenances;
- b) Extensions, improvements, restoration, additions, and alterations of treatment and collection infrastructure;

- c) Elements essential to provide a reliable recycled supply such as standby treatment units and clear well facilities; and
- d) Stormwater collection systems and the infrastructure that treats the pollutants that are, or may be, discharged from them.

Fiscal Sustainability Plan – What is Asset Management?

Asset management is the practice of managing infrastructure capital assets, such as treatment and collection systems, to minimize the total cost of ownership and operation while delivering optimum service levels. A high-performing asset management program incorporates detailed asset inventories, operation and maintenance tasks, and long-range financial planning to build system capacity, and increases a systems sustainability.

When asset management includes existing equipment, it can be used to reduce the cost of developing a preliminary engineering report for future replacement since the information needed to develop a report is more readily accessible to a consultant.

Asset Management Resources	Asset Management Tools
<p>EPA's website¹ is a resource for asset management whether just getting started or looking to enhance your existing plan. Implementing asset management is the foundation of Effective Utility Management².</p> <p>Contact other public utility divisions in your municipality. An asset management application may already be in use and this system may also manage wastewater assets.</p> <p>Use professional network for recommendations on asset management applications. Large utilities can use commercial asset management applications.</p>	<p>Check-up Program for Small Systems, referred to as CUPSS, is a free, easy-to-use, asset management tool for small drinking water and wastewater utilities.</p> <p>Download the CUPSS application³</p> <p>CUPSS has a downloadable MS Excel spreadsheet that can be given to a consultant who can populate it with information for newly financed equipment in a format that can later be uploaded to CUPSS application. This is a quick way to populate the asset inventory module in CUPSS.</p> <p>See the U.S. Environmental Protection Agency's Simple Tools for Effective Performance Guide series at 2003 Asset Management Handbook⁴</p>

¹http://water.epa.gov/infrastructure/sustain/asset_management.cfm

²<http://water.epa.gov/infrastructure/sustain/watereum.cfm>

³<http://water.epa.gov/infrastructure/drinkingwater/pws/cupss/index.cfm>

⁴<http://water.epa.gov/infrastructure/sustain/watereum.cfm>

Fiscal Sustainability Plan – Energy Conservation?

Most treatment plants were built when energy cost were not a concern, they are now. This means that investments focusing on energy conservation can reduce labor, maintenance and disposal costs, and reduce chemical use. Cost savings create a

financial reserve for planned improvements and eliminate or minimize rate increases to ratepayers.

Identify and implement energy conservation efforts appropriate for your utility based on this Plan-Do-Check-Act Approach.

- a) Benchmark and track monthly and annual energy use
- b) Identify and prioritize energy efficiency opportunities
- c) Identify efficiency goals, objectives, and targets
- d) Identify performance indicators to measure progress in energy conservation
- e) Develop an action plan to meet goals
- f) Document success and communicate to stakeholders
- g) Periodically review and adjust energy conservation measures

Energy Conservation Resources	Energy Conservation Tools
<p>Guidance to implement the Plan-Do-Check-Act approach is presented in EPA's An Energy Management Guidebook for Wastewater and Water Utilities.¹</p> <p>Chugach Electric, Alaska's largest power utility offers an Energy Efficiency Web Page² for users to access numerous energy savings tips and tools. These resources range from providing basic homeowner energy assessments to classes and workshops for all sizes of users. Additionally, more energy conservation news, tools, classes and events can be accessed through Chugach's partnership with the Alaska Energy Efficiency Partnership.³</p>	<p>EPA's Energy Use Assessment Tool⁴ is a free Excel-based tool specifically designed for small and medium sized wastewater and water utilities. It enables utilities to analyze current energy bills and energy consumption for major pieces of equipment. The utility can develop a printable summary report outlining current energy consumption and costs, generate graphs, and highlight areas of potential improvement in energy efficiency.</p> <p>Studies estimate potential efficiency savings of 15 to 30 percent⁵ are readily achievable in water and wastewater plants, with substantial financial returns in the thousands of dollars and within payback periods of only a few months to a few years.</p>

¹http://www.epa.gov/owm/waterinfrastructure/pdfs/guidebook_si_energymanagement.pdf

²<http://chugachelectric.com/energy-efficiency/save-energy>

³<http://www.akenergyefficiency.org/>

⁴http://water.epa.gov/infrastructure/sustain/energy_use.cfm

⁵<http://water.epa.gov/infrastructure/sustain/energyefficiency.cfm>

Fiscal Sustainability Plan – Water Conservation?

Water Conservation is a strategy or combination of strategies for reducing the consumption of water, reducing the loss or waste of water, improving or maintaining the efficiency in the use of water, or increasing recycling and reuse of water.

Wastewater utilities can reduce operating costs through water conservation measures. These measures include, but are not limited, to:

1. Green stormwater infrastructure and low impact development practices that minimize the volume of stormwater that requires treatment at the wastewater plant.
2. Reuse of treated wastewater for landscape irrigation will reduce the potable water drawn for those purposes.
3. When planning facility upgrades wastewater utilities can replace faucets and toilets with water conserving models.
4. Collaborate with the drinking water utility in your community to influence the amount of wastewater sent to your facility for treatment and disposal.

Water Conservation Resources

EPA's WaterSense Program¹ has tools and resources to promote water efficiency. States, local governments, and utilities can partner with WaterSense to get access to additional tools and resources to help design and implement water efficiency and conservation programs and partnership is free.

Water Recycling and Reuse: The Environmental Benefits² - EPA HQ Overview of Water Recycling

Water: Sustainable Infrastructure³ - EPA's overview of Key Options for Wastewater Utilities on water reuse.

Water & Energy Efficiency in Water & Wastewater Facilities⁴ - EPA Region 9 overview of the benefits of water reuse contains information on using water more efficiently to generate less wastewater, including case studies and, Guidelines for Water Reuse⁵

EPA's WaterSense Water-Saving Products webpage⁶ has information to help select water conserving products when making facility upgrades.

Water Conservation Tools

EPA's Water Conservation Plan Guidelines⁷ offers helpful recommendations to utilities for creating and implementing a Water Conservation Plan, depending on the size of the population served by the utility.

EPA has an infiltration and inflow tool box⁸ which has a helpful section on estimating capacity.

¹<http://www.epa.gov/watersense/>

²<http://www.epa.gov/region9/water/recycling/>

³http://water.epa.gov/infrastructure/sustain/availability_wp.cfm

⁴<http://www.epa.gov/region9/waterinfrastructure/water-conserv.html>

⁵<http://www.epa.gov/region9/water/recycling/>

⁶<http://www.epa.gov/watersense/products/index.html#cfm>

⁷<http://epa.gov/watersense/pubs/guide.html>⁵<http://www.epa.gov/region9/water/recycling/>

⁸<http://www.epa.gov/region1/sso/toolbox.html>

Fiscal Sustainability Plan - APPENDIX I

What are Frequently Asked Questions?

Q: What is a Fiscal Sustainability Plan (FSP) and when is it completed?

A: A FSP is very similar to an Asset Management Plan (AMP) and should be viewed as a 'living document' that is regularly reviewed, revised, and expanded. For this reason, there is no final deadline for FSP completion. However, in order to ensure compliance with this new statutory requirement, applicants must certify that they have created and implemented a FSP (containing the minimum components listed above).

Q: Does the FSP need to be system wide?

A: No, the FSP can pertain to only those assets that are a part of the State Revolving Funds (SRF)-financed project. For example, if the SRF project is on the collection system only, the FSP would only cover the collection system. The FSP does not need to contain treatment plant infrastructure.

Q: Is the development of a FSP an eligible loan cost?

A: Yes, an applicant can request loan funds to complete an FSP/AMP or to use towards the development/further development of its AMP.

Q: Do FSP's need to be submitted for review/approval?

A: No, FSPs do not need to be submitted for SRF purposes. Municipal Grants & Loans (MGL) staff may ask to review an applicant's FSP during a site visit or inspection. However, if loan funds are being used for the development of an FSP/AMP, MGL may ask to review the applicant's FSP/AMP by project completion or before the last loan disbursement is made.

Q: Who must complete an FSP?

A: A FSP is required for any applicant that is seeking SRF funding for treatment works proposed for upgrade, replacement, or expansion. FSP's are not required for new treatment works (there is no existing system) or for nonpoint source projects.

Q: Are energy and water conservation studies and assessments considered eligible loan activities?

A: Yes, loan eligible activities include energy and water assessments and audits.

Q: What type of energy and water conservation activities can be reviewed and implemented by an applicant?

A: Applicants can find several conservation resources noted in Appendix II.

Fiscal Sustainability Plan - APPENDIX II

Water and Energy Conservation Examples for a Wastewater Treatment Facility

Applicant's that accept SRF assistance must certify that they evaluated and will be implementing water and energy conservation efforts as part of their fiscal sustainability plan. Below are some examples of water and energy conservation efforts that can be evaluated and used to fulfill this requirement:

Energy Conservation:

1. Improve efficiency of aeration equipment: Aeration systems in wastewater plants account for about half of a wastewater treatment plant's energy use. Improved system controls, energy-efficient blowers, and energy-efficient diffuser technologies can reduce costs.
2. Biogas utilization: Biogas recovered from sludge digesters can be burned to produce electricity and heat buildings at the facility. Biogas can also be used to fuel microturbines – an innovative way to generate power using rotational energy.
3. Improve pumping efficiency: Ensure that pumps are sized appropriately and install variable frequency drives that allow speed variations to match flow conditions.
4. Improve efficiency of HVAC and lighting: Replace light fixtures and light bulbs with high efficiency models. Retrofitting HVAC with a more efficient system will have a high initial cost but can reduce energy use by 10-40 percent, generally making it cost-effective over the life of the investment.

5. Improve efficiency of operations: Installing Supervisory Control and Data Acquisition (SCADA) software can increase the efficiency of process monitoring and operational control.

Water Conservation:

1. Plant effluent water system: A plant effluent water system can be utilized to recycle effluent water to wastewater treatment plant systems that normally use treated potable water.
2. Reclaimed water for irrigation: During the summer months, reclaimed water can be used to irrigate lawns and landscaping rather than potable water.
3. Reclaimed water for industrial use: Traditionally, pulp and paper facilities, textile facilities, and other facilities using reclaimed water for cooling tower purposes.

Additional information can be found by searching for water and energy conservation methods on the Environmental Protection Agency's website (www.epa.gov/).



State of Alaska Water/Wastewater Revolving Fund Financial Capacity Analysis

Enter System Name →

Environmental Finance



Boise State University

Checklist

A list of data needed needed to complete program.

Financial Statement Data

Collects key financial information used for ratio analysis and to determine financial viability.

Financial Management Data

Collects data related to financial management criteria.

Economic Data

Collects economic data that provides information about the community's relative economic status. These economic factors are related to affordability.

Customer Data

Collects customer billing and rate information to determine the ability of the customer to pay for water service.

Project Data

Collects project cost information.

Developed By:
**Environmental Finance
at Boise State University**
1910 University Drive
Boise, ID 83725-1936
Phone: (208) 426-1567
Fax: (208) 426-3967
Email: efc@boisestate.edu

*Individuals or communities seeking assistance with completing the model can contact the Environmental Finance Center (EFC) at Boise State University by phone, fax or email using the information provided in the top-right corner of this page. Questions concerning how the model will be used to assess SRF Loan applicants can be directed to the EFC or Mike Lewis, the Clean Water SRF Coordinator for the State of Alaska. He can be reached by phone at: 907-269-7616. **When the model is complete, email it to the EFC along with the supporting documentation requested on the "Checklist" section of the model. If electronic versions of the supporting documents are not available, they may also be sent by mail.***

**Alaska State Revolving Loan Fund
Finance Rate Information**

ADEC adopted revisions to Title 18 Chapter 76 of the Alaska Administrative Code (18 AAC 76) on September 10, 2017 that modified the calculation of finance charges to reflect the current market trend. The table below shows the finance rates for loan agreements effective September 10, 2017.

Finance Rates (after September 10, 2017)

Loan Term	Finance Rate for any Bond Rate* Less than 4 Percent	Finance Rate for Bond Rate* Greater than 4 Percent
20-30 Years	2%	$2 + (0.75 \times (\text{Bond Rate}^* - 4))$
5-20 Years	1.5%	$1.5 + (0.625 \times (\text{Bond Rate}^* - 4))$
0-5 Years	1%	$1 + (0.5 \times (\text{Bond Rate}^* - 4))$

*Bond Buyer's Municipal Bond Index Current Day – Yield to Maturity

City and Borough of Sitka
Water Fund long-term fiscal model

Summary of FY2019 assumptions and projected key performance indicators

Proposed rates:

Rate of inflation used*:	2.00%
Proposed current year user fee increase in addition to adjustment for inflation:	20.00%
Total proposed increase for upcoming fiscal year:	22.00%
Total proposed FY2019 increase for residential service account:	\$8.92

Future year proposed rates

User Fee Increase 2020	2.20%
User Fee Increase 2021-2022	2.20%
User Fee Increase 2023 and forward	2.00%

Borrowing rate:	1.50%
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Other assumptions:

1. No new infrastructure is included in capital plans. All projects proposed will enable CBS to continue to offer the same level of service it currently provides.
2. Projections for this model are considered by staff to be "middle of the road" and neither too optimistic (receiving lots of grants, or our infrastructure lasts longer than expected), nor too conservative (where we expect our infrastructure to hold on longer than can be reasonable expected).

Key performance indicators as impacted by assumptions in this model:

Debt to equity ratio (debt as a % of equity should be no greater than 1):**

2019	2020	2021	2022	2023	2024	2025
0.22	0.47	0.46	0.43	0.41	0.38	0.36

Debt service as a % of cash flow from operations (1.25 or greater to ensure future access to debt)***

2019	2020	2021	2022	2023	2024	2025
3.19	3.04	1.31	1.31	1.34	1.38	1.42

*Note that different rates of inflation may be used for different funds depending on many factors including pre-negotiated contracts/agreements. The rate of inflation for capital projects may be higher than that used for operating expenses.

**The higher the debt to equity ratio, the more leveraged the fund is. In the private sector, water and sewer utilities average at debt to equity ratio of 1.2. CBS strives for a 1:1 ratio, where debt does not exceed equity.

***Debt service as a % of cash flow from operations is a metric that ensures that revenues from operations exceed operational expenditures. This ensures that an enterprise is generating sufficient cash flow to cover its debt service. It is also a requirement when bonding.

City and Borough of Sitka
Wastewater Fund long-term fiscal model

Summary of FY2019 assumptions and projected key performance indicators

Proposed rates:

Rate of inflation used*:	2.00%
Proposed current year user fee increase in addition to adjustment for inflation:	3.50%
Total proposed increase for upcoming fiscal year:	5.50%
Total proposed FY2019 increase for residential service account:	\$3.08

Future year proposed rates

User Fee Increase 2020	5.50%
User Fee Increase 2021	7.00%
User Fee Increase 2022 - 2023	3.50%
User Fee Increase 2024	3.50%
User Fee Increase 2025 and forward	3.00%
Borrowing rate:	1.50%

Other assumptions:

1. No new infrastructure is included in capital plans. All projects proposed will enable CBS to continue to offer the same level of service it currently provides.
2. Projections for this model are considered by staff to be "middle of the road" and neither too optimistic (receiving lots of grants, or our infrastructure lasts longer than expected), nor too conservative (where we expect our infrastructure to hold on longer than can be reasonable expected).

Key performance indicators as impacted by assumptions in this model:

Debt to equity ratio (debt as a % of equity should be no greater than 1):**

2019	2020	2021	2022	2023	2024	2025
0.78	0.96	1.00	0.98	1.04	1.01	1.01

Debt service as a % of cash flow from operations (1.25 or greater to ensure future access to debt)***

2019	2020	2021	2022	2023	2024	2025
1.73	1.31	1.25	1.25	1.29	1.25	1.28

*Note that different rates of inflation may be used for different funds depending on many factors including pre-negotiated contracts/agreements. The rate of inflation for capital projects may be higher than that used for operating expenses.

**The higher the debt to equity ratio, the more leveraged the fund is. In the private sector, water and sewer utilities average at debt to equity ratio of 1.2. CBS strives for a 1:1 ratio, where debt does not exceed equity.

***Debt service as a % of cash flow from operations is a metric that ensures that revenues from operations exceed operational expenditures. This ensures that an enterprise is generating sufficient cash flow to cover its debt service. It is also a requirement when bonding.

City and Borough of Sitka
Solid Waste Fund long-term fiscal model

Summary of FY2019 assumptions and projected key performance indicators

Proposed rates:

Rate of inflation used*:	2.50%
Proposed current year user fee increase in addition to adjustment for inflation:	4.00%
Total proposed increase for upcoming fiscal year:	6.50%
Total proposed FY2019 increase for residential service account (96 gallon can):	\$3.38
Proposed fee increase for transfer station drop offs (increase in price per pound)	\$0.05
Proposed fee increase for scrapyard drop offs (increase in price per pound)	\$0.05

Future year proposed rates

User fee and inflation adjustments 2020 to 2022	6.50%
Transfer station drop off increase 2020 and thereafter	2.50%
Scrapyard drop off rate increase 2020 and thereafter	2.50%
User fee and inflation adjustment 2023 and thereafter	2.00%
Borrowing rate:	1.50%

Other assumptions:

1. No new infrastructure is included in capital plans. All projects proposed will enable CBS to continue to offer the same level of service it currently provides.
2. Projections for this model are considered by staff to be "middle of the road" and neither too optimistic (receiving lots of grants, or our infrastructure lasts longer than expected), nor too conservative (where we expect our infrastructure to hold on longer than can be reasonable expected).

Key performance indicators as impacted by assumptions in this model:

Debt to equity ratio (debt as a % of equity should be no greater than 1)**

2019	2020	2021	2022	2023	2024	2025
1.32	1.14	0.88	0.62	0.42	0.30	0.22

Debt service as a % of cash flow from operations (1.25 or greater to ensure future access to debt)***

2019	2020	2021	2022	2023	2024	2025
(1.22)	2.22	3.45	4.99	6.70	6.96	7.25

*Note that different rates of inflation may be used for different funds depending on many factors including pre-negotiated contracts/agreements. The rate of inflation for capital projects may be higher than that used for operating expenses.

**The higher the debt to equity ratio, the more leveraged the fund is. In the private sector, water and sewer utilities average at debt to equity ratio of 1.2. CBS strives for a 1:1 ratio, where debt does not exceed equity.

***Debt service as a % of cash flow from operations is a metric that ensures that revenues from operations exceed operational expenditures. This ensures that an enterprise is generating sufficient cash flow to cover its debt service. It is also a requirement when bonding.

City and Borough of Sitka
Harbor Fund long-term fiscal model

Summary of FY2019 assumptions and projected key performance indicators

Proposed rates:

Rate of inflation used*:	2.00%
Proposed current year user fee increase in addition to adjustment for inflation:	4.30%
Total proposed increase for upcoming fiscal year:	6.30%
Total proposed FY2019 increase for monthly permanent moorage for 17ft boat:	\$3.53

Future year proposed rates

User Fee Increase 2020-2033	6.30%
User Fee Increase 2034-2036	7.50%
User Fee Increase 2036-2037	2.50%
Borrowing rate:	5.00%

Other assumptions:

1. No new infrastructure is included in capital plans. All projects proposed will enable CBS to continue to offer the same level of service it currently provides.
2. Projections for this model are considered by staff to be "middle of the road" and neither too optimistic (receiving lots of grants, or our infrastructure lasts longer than expected), nor too conservative (where we expect our infrastructure to hold on longer than can be reasonable expected).

Key performance indicators as impacted by assumptions in this model:

Debt to equity ratio (debt as a % of equity should be no greater than 1):**

2019	2020	2021	2022	2023	2024	2025
0.68	0.68	0.67	0.63	0.62	0.60	0.58

Debt service as a % of cash flow from operations (1.25 or greater to ensure future access to debt)***

2019	2020	2021	2022	2023	2024	2025
4.82	1.29	1.42	1.41	1.55	1.62	1.81

*Note that different rates of inflation may be used for different funds depending on many factors including pre-negotiated contracts/agreements. The rate of inflation for capital projects may be higher than that used for operating expenses.

**The higher the debt to equity ratio, the more leveraged the fund is. In the private sector, water and sewer utilities average at debt to equity ratio of 1.2. CBS strives for a 1:1 ratio, where debt does not exceed equity.

***Debt service as a % of cash flow from operations is a metric that ensures that revenues from operations exceed operational expenditures. This ensures that an enterprise is generating sufficient cash flow to cover its debt service. It is also a requirement when bonding.

City and Borough of Sitka
Electric Fund long-term fiscal model

Summary of FY2019 assumptions and projected key performance indicators

Proposed rates:

Rate of inflation used*:	2.00%
Proposed current year user fee increase in addition to adjustment for inflation:	0.00%
Total proposed increase for upcoming fiscal year:	0.00%

Impact of increase on residential service account cost/kwh (average year-round rate) using 1500 kwh/month: \$0.00

Future year proposed rates

User fee increase 2020 and thereafter	1.00%
Borrowing rate:	5.00%

Other assumptions:

1. No new infrastructure is included in capital plans. All projects proposed will enable CBS to continue to offer the same level of service it currently provides.
2. Projections for this model are considered by staff to be "middle of the road" and neither too optimistic (receiving lots of grants, or our infrastructure lasts longer than expected), nor too conservative (where we expect our infrastructure to hold on longer than can be reasonable expected).

Key performance indicators as impacted by assumptions in this model:

Debt to equity ratio (industry standard for electric utilities are 1.2-the CBS electric utility meets the debt to equity ratio goal in 2031/2032, when principal payments on bonds begin):**

2019	2020	2021	2022	2023	2024	2025
1.31	1.33	1.35	1.38	1.39	1.41	1.44

Debt service as a % of cash flow from operations (must be 1.25 or greater to meet bond covenants)***

2019	2020	2021	2022	2023	2024	2025
1.32	1.31	1.32	1.33	1.34	1.25	1.28

**Note that different rates of inflation may be used for different funds depending on many factors including pre-negotiated contracts/agreements. The rate of inflation for capital projects may be higher than that used for operating expenses.*

***The higher the debt to equity ratio, the more leveraged the fund is. In the private sector, water and sewer utilities average at debt to equity ratio of 1.2. CBS strives for a 1:1 ratio, where debt does not exceed equity.*

****Debt service as a % of cash flow from operations is a metric that ensures that revenues from operations exceed operational expenditures. This ensures that an enterprise is generating sufficient cashflow to cover its debt service. It is also a requirement when bonding.*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-044 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/15/2018 In control: City and Borough Assembly

On agenda: 3/22/2018 Final action:

Title: Discussion/Direction/Decision on proposed Water Fund user fees, operating outlays and capital outlays

Sponsors:

Indexes:

Code sections:

Attachments: [Water Fund Discussion Direction.pdf](#)
[Summary Spreadsheet Water Fund.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion/Direction/Decision on
proposed Water Fund user fees,
operating outlays and capital outlays.

Step 2

After discussion, a possible motion is:

I MOVE TO affirm the proposed operating, debt service, and capital expenditure appropriations that are based on the proposed user fees in the Administrator's FY2019 draft budget for the Water Fund for inclusion in the adopting ordinance/resolution without change.*

*This motion is OPTIONAL and is to only affirm that the Assembly does not want to make any changes to the proposed budget after review. The Assembly does not need to make this motion, as the Administrator's budget will proceed to ordinance as is, unless the Assembly changes it. This motion has, however, been made in the past in order to help the Assembly keep track of what it has reviewed and approved to go forward to ordinance. THE BUDGET ADOPTION ORDINANCE AND CAPITAL EXPENDITURE ADOPTION RESOLUTION ARE THE OFFICIAL ACTIONS THE ASSEMBLY TAKES TO APPROVE THE BUDGET.

OR

If the Assembly wishes to make a motion to change the proposed Enterprise Fund user fees and/or appropriations, discussions will be warranted as user fees/revenues are closely intertwined with operating and capital appropriations. A motion could be made to direct the Administrator to bring back to the Assembly various scenarios to accomplish the desired change.

FY2019 Consolidated Budget
Comprehensive Schedule of Proposed Operating Appropriations, Capital
Appropriations, User Fee Increases and Resulting Changes in Working Capital
For City and Borough of Sitka Enterprise Funds

<u>Fund</u>	<u>Operating</u> <u>Appropriations</u>	<u>Debt</u> <u>Service</u> <u>Appropriations</u>	<u>Capital</u> <u>Expenditure</u> <u>Appropriations</u>	<u>Contingent</u> <u>Capital</u> <u>Appropriations</u>	<u>New</u> <u>Debt</u>	<u>User</u> <u>Fee</u> <u>Increases</u>	<u>Working</u> <u>Capital</u> <u>Changes</u>	<u>Projected</u> <u>Working</u> <u>Capital</u>
Electric	\$ 9,608,989	\$ 8,677,187	\$ 1,820,000	\$ -	\$ -	0	\$ (504,451)	\$ 10,663,694
Water	\$ 1,550,915	\$ 584,321	\$ 250,000	\$ 21,610,500	\$ 21,610,500	22.00%	\$ 1,184,688	\$ 3,203,262
Wastewater	\$ 2,651,534	\$ 478,423	\$ 468,200	\$ 5,270,400	\$ 3,603,400	5.50%	\$ 117,043	\$ 7,468,672
Solid Waste	\$ 4,589,578	\$ 134,905	\$ 375,000	\$ -	\$ -	6.50%	\$ (4,083)	\$ (147,571)
Harbors	\$ 2,262,125	\$ 530,007	\$ 360,560	\$ -	\$ 13,000,000	6.30%	\$ 709,057	\$ 9,379,216
Airport Terminal	\$ 407,684	\$ 100,000	\$ 136,000	\$ 4,000,000	\$ 4,000,000	0.00%	\$ 86,316	\$ 1,095,656
Marine Service Center	\$ 171,306	\$ -	\$ 70,000	\$ 8,440,000	\$ -	0.00%	\$ (81,674)	\$ 1,940,282
Gary Paxton Industrial Park	\$ 265,016	\$ 54,673	\$ 20,000	\$ -	\$ -	0.00%	\$ (107,689)	\$ 590,711
Totals:	<u>\$ 21,507,147</u>	<u>\$ 10,559,516</u>	<u>\$ 3,499,760</u>	<u>\$ 39,320,900</u>	<u>\$ 42,213,900</u>		<u>\$ 1,399,207</u>	<u>\$ 34,193,922</u>

Note: Operating appropriations on page 20 of the budget equal the operating and debt service appropriation columns above added together



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-045 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/15/2018 In control: City and Borough Assembly

On agenda: 3/22/2018 Final action:

Title: Discussion/Direction/Decision on proposed Wastewater Fund user fees, operating outlays and capital outlays

Sponsors:

Indexes:

Code sections:

Attachments: [Wastewater Fund Discussion Direction.pdf](#)
[Summary Spreadsheet Wastewater Fund.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion/Direction/Decision on proposed Wastewater Fund user fees, operating outlays and capital outlays.

Step 2

After discussion, a possible motion is:

I MOVE TO affirm the proposed operating, debt service, and capital expenditure appropriations that are based on the proposed user fees in the Administrator's FY2019 draft budget for the Wastewater Fund for inclusion in the adopting ordinance/resolution without change.*

*This motion is OPTIONAL and is to only affirm that the Assembly does not want to make any changes to the proposed budget after review. The Assembly does not need to make this motion, as the Administrator's budget will proceed to ordinance as is, unless the Assembly changes it. This motion has, however, been made in the past in order to help the Assembly keep track of what it has reviewed and approved to go forward to ordinance. THE BUDGET ADOPTION ORDINANCE AND CAPITAL EXPENDITURE ADOPTION RESOLUTION ARE THE OFFICIAL ACTIONS THE ASSEMBLY TAKES TO APPROVE THE BUDGET.

OR

If the Assembly wishes to make a motion to change the proposed Enterprise Fund user fees and/or appropriations, discussions will be warranted as user fees/revenues are closely intertwined with operating and capital appropriations. A motion could be made to direct the Administrator to bring back to the Assembly various scenarios to accomplish the desired change.

FY2019 Consolidated Budget
Comprehensive Schedule of Proposed Operating Appropriations, Capital
Appropriations, User Fee Increases and Resulting Changes in Working Capital
For City and Borough of Sitka Enterprise Funds

<u>Fund</u>	<u>Operating</u> <u>Appropriations</u>	<u>Debt</u> <u>Service</u> <u>Appropriations</u>	<u>Capital</u> <u>Expenditure</u> <u>Appropriations</u>	<u>Contingent</u> <u>Capital</u> <u>Appropriations</u>	<u>New</u> <u>Debt</u>	<u>User</u> <u>Fee</u> <u>Increases</u>	<u>Working</u> <u>Capital</u> <u>Changes</u>	<u>Projected</u> <u>Working</u> <u>Capital</u>
Electric	\$ 9,608,989	\$ 8,677,187	\$ 1,820,000	\$ -	\$ -	0	\$ (504,451)	\$ 10,663,694
Water	\$ 1,550,915	\$ 584,321	\$ 250,000	\$ 21,610,500	\$ 21,610,500	22.00%	\$ 1,184,688	\$ 3,203,262
Wastewater	\$ 2,651,534	\$ 478,423	\$ 468,200	\$ 5,270,400	\$ 3,603,400	5.50%	\$ 117,043	\$ 7,468,672
Solid Waste	\$ 4,589,578	\$ 134,905	\$ 375,000	\$ -	\$ -	6.50%	\$ (4,083)	\$ (147,571)
Harbors	\$ 2,262,125	\$ 530,007	\$ 360,560	\$ -	\$ 13,000,000	6.30%	\$ 709,057	\$ 9,379,216
Airport Terminal	\$ 407,684	\$ 100,000	\$ 136,000	\$ 4,000,000	\$ 4,000,000	0.00%	\$ 86,316	\$ 1,095,656
Marine Service Center	\$ 171,306	\$ -	\$ 70,000	\$ 8,440,000	\$ -	0.00%	\$ (81,674)	\$ 1,940,282
Gary Paxton Industrial Park	\$ 265,016	\$ 54,673	\$ 20,000	\$ -	\$ -	0.00%	\$ (107,689)	\$ 590,711
Totals:	<u>\$ 21,507,147</u>	<u>\$ 10,559,516</u>	<u>\$ 3,499,760</u>	<u>\$ 39,320,900</u>	<u>\$ 42,213,900</u>		<u>\$ 1,399,207</u>	<u>\$ 34,193,922</u>

Note: Operating appropriations on page 20 of the budget equal the operating and debt service appropriation columns above added together



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-046 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/15/2018 In control: City and Borough Assembly

On agenda: 3/22/2018 Final action:

Title: Discussion/Direction/Decision on proposed Solid Waste Fund user fees, operating outlays, capital outlays and new FTE positions

Sponsors:

Indexes:

Code sections:

Attachments: [Solidwaste Fund Discussion Direction.pdf](#)
[Summary Spreadsheet Solid Waste Fund.pdf](#)
[Scrap Yard memo 3.20.18.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion/Direction/Decision on proposed Solid Waste Fund user fees, operating outlays, capital outlays and new FTE positions.

Step 2

After discussion, a possible motion is:

I MOVE TO affirm the proposed operating, debt service, and capital expenditure appropriations that are based on the proposed user fees in the Administrator's FY2019 draft budget for the Solid Waste Fund for inclusion in the adopting ordinance/resolution without change.*

*This motion is OPTIONAL and is to only affirm that the Assembly does not want to make any changes to the proposed budget after review. The Assembly does not need to make this motion, as the Administrator's budget will proceed to ordinance as is, unless the Assembly changes it. This motion has, however, been made in the past in order to help the Assembly keep track of what it has reviewed and approved to go forward to ordinance. THE BUDGET ADOPTION ORDINANCE AND CAPITAL EXPENDITURE ADOPTION RESOLUTION ARE THE OFFICIAL ACTIONS THE ASSEMBLY TAKES TO APPROVE THE BUDGET.

OR

If the Assembly wishes to make a motion to change the proposed Enterprise Fund user fees and/or appropriations, discussions will be warranted as user fees/revenues are closely intertwined with operating and capital appropriations. A motion could be made to direct the Administrator to bring back to the Assembly various scenarios to accomplish the desired change.

FY2019 Consolidated Budget
Comprehensive Schedule of Proposed Operating Appropriations, Capital
Appropriations, User Fee Increases and Resulting Changes in Working Capital
For City and Borough of Sitka Enterprise Funds

<u>Fund</u>	<u>Operating</u> <u>Appropriations</u>	<u>Debt</u> <u>Service</u> <u>Appropriations</u>	<u>Capital</u> <u>Expenditure</u> <u>Appropriations</u>	<u>Contingent</u> <u>Capital</u> <u>Appropriations</u>	<u>New</u> <u>Debt</u>	<u>User</u> <u>Fee</u> <u>Increases</u>	<u>Working</u> <u>Capital</u> <u>Changes</u>	<u>Projected</u> <u>Working</u> <u>Capital</u>
Electric	\$ 9,608,989	\$ 8,677,187	\$ 1,820,000	\$ -	\$ -	0	\$ (504,451)	\$ 10,663,694
Water	\$ 1,550,915	\$ 584,321	\$ 250,000	\$ 21,610,500	\$ 21,610,500	22.00%	\$ 1,184,688	\$ 3,203,262
Wastewater	\$ 2,651,534	\$ 478,423	\$ 468,200	\$ 5,270,400	\$ 3,603,400	5.50%	\$ 117,043	\$ 7,468,672
Solid Waste	\$ 4,589,578	\$ 134,905	\$ 375,000	\$ -	\$ -	6.50%	\$ (4,083)	\$ (147,571)
Harbors	\$ 2,262,125	\$ 530,007	\$ 360,560	\$ -	\$ 13,000,000	6.30%	\$ 709,057	\$ 9,379,216
Airport Terminal	\$ 407,684	\$ 100,000	\$ 136,000	\$ 4,000,000	\$ 4,000,000	0.00%	\$ 86,316	\$ 1,095,656
Marine Service Center	\$ 171,306	\$ -	\$ 70,000	\$ 8,440,000	\$ -	0.00%	\$ (81,674)	\$ 1,940,282
Gary Paxton Industrial Park	\$ 265,016	\$ 54,673	\$ 20,000	\$ -	\$ -	0.00%	\$ (107,689)	\$ 590,711
Totals:	<u>\$ 21,507,147</u>	<u>\$ 10,559,516</u>	<u>\$ 3,499,760</u>	<u>\$ 39,320,900</u>	<u>\$ 42,213,900</u>		<u>\$ 1,399,207</u>	<u>\$ 34,193,922</u>

Note: Operating appropriations on page 20 of the budget equal the operating and debt service appropriation columns above added together



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Harold Greene, Maintenance & Operations Superintendent

Cc: Michael Harmon, Public Works Director
Jay Sweeney, Chief Financial and Administrative Officer

Date: March 19, 2018

Subject: Scrap Yard Operation

Background

CBS has an agreement with Waste Connections of Alaska, dba Alaska Waste to run and operate the scrap yard facility for \$17,874 per month. In turn CBS receives 100% of the commodity of all scrap metal. The current agreement is on a month to month basis until a new agreement can be reached. Alaska Waste is unwilling to continue to operate the scrap yard at this rate and has provided two proposals for operating the scrap yard moving forward.

Proposal A

\$514,031.28 per year – includes replacement of the loader, bobcat, and excavator.

CBS estimated to provide equivalent in-house service with 3 employees would be an annual cost of approximately \$396,000 for an estimated cost savings of \$118,000 per year.

Proposal B

\$622,031.28 per year – includes replacement of loader, bobcat, excavator, baler and vehicle fluid extractor.

CBS estimated to provide equivalent in-house service with 3 employees would be an annual cost of approximately \$479,000 for an estimated cost savings of \$143,000 per year.

Analysis

In looking at the cost to provide the same service internally it became evident that CBS could provide a better value than Alaska Waste. Likewise we feel that Proposal A is the

best value as staff feels the existing baler can remain in service for an additional 5 years. Proposal A includes the money necessary to save for the eventual replacement of all equipment. Lastly we can provide a higher level of service insuring that our scrap is shipped out timely and we see opportunity to high-grade materials to yield higher commodity prices.

Maintaining a safe work environment is Public Works number one priority, three staff will allow this to occur for this facility. A minimum of two employees need to be on site at all times to process materials safely and support staff if an injury or emergency occurs.

CBS plans to rotate an employee between the streets division and scrap yard so personnel are cross trained. This will allow greater flexibility so staff can be utilized in multiple CBS positions and provide relief when staff are on vacation or call in sick.

CBS currently ships scrap metal to Simon Metals who has offered to provide personnel training for better ways to process the scrap. Simon Metals provided a few suggestions to make the scrap yard more profitable.

1. High grade catalytic converters worth approximately \$30.00 to \$90.00.
2. Remove cast iron brake drums. Cast iron is the highest commodity in scrap iron.
3. High grade tires that can be sold back to the public.
4. Micro switches on doors, trunk and engine lids worth approximately \$3.00 each.
5. Radiators copper and aluminum.

Fiscal Note

A 6.5% user fee increase (equivalent to an increase of \$3.38 per month for a residential account with a 96 gallon can) is being proposed for the Solid waste Fund in FY2019 through 2022 and thereafter an increase of 2% annually. Past increases in operations have resulted in negative cash flow from operations, thus CBS is restructuring the fund to bring some operations to be run by CBS staff, which will ultimately reduce the cost of operations.

It is important to underscore that the current solid waste collection and disposal contracts have annual inflationary adjustments built into them which, in turn, necessitate the need for annual user fee increases of at least the rate of inflation. Also, due to the need to restore the Fund's working capital, adjustments beyond inflation are necessary in the near-term. The Pro forma financial projection for the Solid Waste Fund, on page 138, shows that the Fund will generate operating cash flow of \$370,917. Proposed new capital expenditures from working capital are \$375,000 and are detailed on page 137.

Recommendation

Staff recommends providing this service internally including hiring 3 employees to assume responsibly of the scrap yard operations. This will reduce the annual expenses by approximately \$118,000 per year in comparison to the Proposal A received from Alaska Waste.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-049 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/19/2018 In control: City and Borough Assembly

On agenda: 3/22/2018 Final action:

Title: Discussion/Direction/Decision on proposed Harbor Fund user fees, operating outlays and capital outlays

Sponsors:

Indexes:

Code sections:

Attachments: [Harbor Fund Discussion Direction.pdf](#)
[Summary Spreadsheet Harbor Fund.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion/Direction/Decision on
proposed Harbor Fund user fees,
operating outlays and capital outlays.

Step 2

After discussion, a possible motion is:

I MOVE TO affirm the proposed operating, debt service, and capital expenditure appropriations that are based on the proposed user fees in the Administrator's FY2019 draft budget for the Harbor Fund for inclusion in the adopting ordinance/resolution without change.*

*This motion is OPTIONAL and is to only affirm that the Assembly does not want to make any changes to the proposed budget after review. The Assembly does not need to make this motion, as the Administrator's budget will proceed to ordinance as is, unless the Assembly changes it. This motion has, however, been made in the past in order to help the Assembly keep track of what it has reviewed and approved to go forward to ordinance. THE BUDGET ADOPTION ORDINANCE AND CAPITAL EXPENDITURE ADOPTION RESOLUTION ARE THE OFFICIAL ACTIONS THE ASSEMBLY TAKES TO APPROVE THE BUDGET.

OR

If the Assembly wishes to make a motion to change the proposed Enterprise Fund user fees and/or appropriations, discussions will be warranted as user fees/revenues are closely intertwined with operating and capital appropriations. A motion could be made to direct the Administrator to bring back to the Assembly various scenarios to accomplish the desired change.

FY2019 Consolidated Budget
Comprehensive Schedule of Proposed Operating Appropriations, Capital
Appropriations, User Fee Increases and Resulting Changes in Working Capital
For City and Borough of Sitka Enterprise Funds

<u>Fund</u>	<u>Operating</u> <u>Appropriations</u>	<u>Debt</u> <u>Service</u> <u>Appropriations</u>	<u>Capital</u> <u>Expenditure</u> <u>Appropriations</u>	<u>Contingent</u> <u>Capital</u> <u>Appropriations</u>	<u>New</u> <u>Debt</u>	<u>User</u> <u>Fee</u> <u>Increases</u>	<u>Working</u> <u>Capital</u> <u>Changes</u>	<u>Projected</u> <u>Working</u> <u>Capital</u>
Electric	\$ 9,608,989	\$ 8,677,187	\$ 1,820,000	\$ -	\$ -	0	\$ (504,451)	\$ 10,663,694
Water	\$ 1,550,915	\$ 584,321	\$ 250,000	\$ 21,610,500	\$ 21,610,500	22.00%	\$ 1,184,688	\$ 3,203,262
Wastewater	\$ 2,651,534	\$ 478,423	\$ 468,200	\$ 5,270,400	\$ 3,603,400	5.50%	\$ 117,043	\$ 7,468,672
Solid Waste	\$ 4,589,578	\$ 134,905	\$ 375,000	\$ -	\$ -	6.50%	\$ (4,083)	\$ (147,571)
Harbors	\$ 2,262,125	\$ 530,007	\$ 360,560	\$ -	\$ 13,000,000	6.30%	\$ 709,057	\$ 9,379,216
Airport Terminal	\$ 407,684	\$ 100,000	\$ 136,000	\$ 4,000,000	\$ 4,000,000	0.00%	\$ 86,316	\$ 1,095,656
Marine Service Center	\$ 171,306	\$ -	\$ 70,000	\$ 8,440,000	\$ -	0.00%	\$ (81,674)	\$ 1,940,282
Gary Paxton Industrial Park	\$ 265,016	\$ 54,673	\$ 20,000	\$ -	\$ -	0.00%	\$ (107,689)	\$ 590,711
Totals:	<u>\$ 21,507,147</u>	<u>\$ 10,559,516</u>	<u>\$ 3,499,760</u>	<u>\$ 39,320,900</u>	<u>\$ 42,213,900</u>		<u>\$ 1,399,207</u>	<u>\$ 34,193,922</u>

Note: Operating appropriations on page 20 of the budget equal the operating and debt service appropriation columns above added together



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-050 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/19/2018 In control: City and Borough Assembly

On agenda: 3/22/2018 Final action:

Title: Discussion/Direction/Decision on proposed Electric Fund user fees, operating outlays and capital outlays

Sponsors:

Indexes:

Code sections:

Attachments: [Electric Fund Discussion Direction.pdf](#)
[Summary Spreadsheet Electric Fund.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion/Direction/Decision on
proposed Electric Fund user fees,
operating outlays and capital outlays.

Step 2

After discussion, a possible motion is:

I MOVE TO affirm the proposed operating, debt service, and capital expenditure appropriations that are based on the proposed user fees in the Administrator's FY2019 draft budget for the Electric Fund for inclusion in the adopting ordinance/resolution without change.*

*This motion is OPTIONAL and is to only affirm that the Assembly does not want to make any changes to the proposed budget after review. The Assembly does not need to make this motion, as the Administrator's budget will proceed to ordinance as is, unless the Assembly changes it. This motion has, however, been made in the past in order to help the Assembly keep track of what it has reviewed and approved to go forward to ordinance. THE BUDGET ADOPTION ORDINANCE AND CAPITAL EXPENDITURE ADOPTION RESOLUTION ARE THE OFFICIAL ACTIONS THE ASSEMBLY TAKES TO APPROVE THE BUDGET.

OR

If the Assembly wishes to make a motion to change the proposed Enterprise Fund user fees and/or appropriations, discussions will be warranted as user fees/revenues are closely intertwined with operating and capital appropriations. A motion could be made to direct the Administrator to bring back to the Assembly various scenarios to accomplish the desired change.

FY2019 Consolidated Budget
Comprehensive Schedule of Proposed Operating Appropriations, Capital
Appropriations, User Fee Increases and Resulting Changes in Working Capital
For City and Borough of Sitka Enterprise Funds

<u>Fund</u>	<u>Operating</u> <u>Appropriations</u>	<u>Debt</u> <u>Service</u> <u>Appropriations</u>	<u>Capital</u> <u>Expenditure</u> <u>Appropriations</u>	<u>Contingent</u> <u>Capital</u> <u>Appropriations</u>	<u>New</u> <u>Debt</u>	<u>User</u> <u>Fee</u> <u>Increases</u>	<u>Working</u> <u>Capital</u> <u>Changes</u>	<u>Projected</u> <u>Working</u> <u>Capital</u>
Electric	\$ 9,608,989	\$ 8,677,187	\$ 1,820,000	\$ -	\$ -	0	\$ (504,451)	\$ 10,663,694
Water	\$ 1,550,915	\$ 584,321	\$ 250,000	\$ 21,610,500	\$ 21,610,500	22.00%	\$ 1,184,688	\$ 3,203,262
Wastewater	\$ 2,651,534	\$ 478,423	\$ 468,200	\$ 5,270,400	\$ 3,603,400	5.50%	\$ 117,043	\$ 7,468,672
Solid Waste	\$ 4,589,578	\$ 134,905	\$ 375,000	\$ -	\$ -	6.50%	\$ (4,083)	\$ (147,571)
Harbors	\$ 2,262,125	\$ 530,007	\$ 360,560	\$ -	\$ 13,000,000	6.30%	\$ 709,057	\$ 9,379,216
Airport Terminal	\$ 407,684	\$ 100,000	\$ 136,000	\$ 4,000,000	\$ 4,000,000	0.00%	\$ 86,316	\$ 1,095,656
Marine Service Center	\$ 171,306	\$ -	\$ 70,000	\$ 8,440,000	\$ -	0.00%	\$ (81,674)	\$ 1,940,282
Gary Paxton Industrial Park	\$ 265,016	\$ 54,673	\$ 20,000	\$ -	\$ -	0.00%	\$ (107,689)	\$ 590,711
Totals:	<u>\$ 21,507,147</u>	<u>\$ 10,559,516</u>	<u>\$ 3,499,760</u>	<u>\$ 39,320,900</u>	<u>\$ 42,213,900</u>		<u>\$ 1,399,207</u>	<u>\$ 34,193,922</u>

Note: Operating appropriations on page 20 of the budget equal the operating and debt service appropriation columns above added together



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-052 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/19/2018 In control: City and Borough Assembly

On agenda: 3/22/2018 Final action:

Title: Discussion/Direction/Decision on proposed Airport Terminal Fund user fees, operating outlays and capital outlays

Sponsors:

Indexes:

Code sections:

Attachments: [Airport Terminal Fund Discussion Direction.pdf](#)
[Summary Spreadsheet Airport Terminal Fund.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion/Direction/Decision on proposed Airport Terminal Fund user fees, operating outlays and capital outlays.

Step 2

After discussion, a possible motion is:

I MOVE TO affirm the proposed operating, debt service, and capital expenditure appropriations that are based on the proposed Administrator's FY2019 draft budget for the Airport Terminal Fund for inclusion in the adopting ordinance/resolution without change.*

*This motion is OPTIONAL and is to only affirm that the Assembly does not want to make any changes to the proposed budget after review. The Assembly does not need to make this motion, as the Administrator's budget will proceed to ordinance as is, unless the Assembly changes it. This motion has, however, been made in the past in order to help the Assembly keep track of what it has reviewed and approved to go forward to ordinance. THE BUDGET ADOPTION ORDINANCE AND CAPITAL EXPENDITURE ADOPTION RESOLUTION ARE THE OFFICIAL ACTIONS THE ASSEMBLY TAKES TO APPROVE THE BUDGET.

OR

If the Assembly wishes to make a motion to change the proposed Enterprise Fund user fees and/or appropriations, discussions will be warranted as user fees/revenues are closely intertwined with operating and capital appropriations. A motion could be made to direct the Administrator to bring back to the Assembly various scenarios to accomplish the desired change.

FY2019 Consolidated Budget
Comprehensive Schedule of Proposed Operating Appropriations, Capital
Appropriations, User Fee Increases and Resulting Changes in Working Capital
For City and Borough of Sitka Enterprise Funds

<u>Fund</u>	<u>Operating</u> <u>Appropriations</u>	<u>Debt</u> <u>Service</u> <u>Appropriations</u>	<u>Capital</u> <u>Expenditure</u> <u>Appropriations</u>	<u>Contingent</u> <u>Capital</u> <u>Appropriations</u>	<u>New</u> <u>Debt</u>	<u>User</u> <u>Fee</u> <u>Increases</u>	<u>Working</u> <u>Capital</u> <u>Changes</u>	<u>Projected</u> <u>Working</u> <u>Capital</u>
Electric	\$ 9,608,989	\$ 8,677,187	\$ 1,820,000	\$ -	\$ -	0	\$ (504,451)	\$ 10,663,694
Water	\$ 1,550,915	\$ 584,321	\$ 250,000	\$ 21,610,500	\$ 21,610,500	22.00%	\$ 1,184,688	\$ 3,203,262
Wastewater	\$ 2,651,534	\$ 478,423	\$ 468,200	\$ 5,270,400	\$ 3,603,400	5.50%	\$ 117,043	\$ 7,468,672
Solid Waste	\$ 4,589,578	\$ 134,905	\$ 375,000	\$ -	\$ -	6.50%	\$ (4,083)	\$ (147,571)
Harbors	\$ 2,262,125	\$ 530,007	\$ 360,560	\$ -	\$ 13,000,000	6.30%	\$ 709,057	\$ 9,379,216
Airport Terminal	\$ 407,684	\$ 100,000	\$ 136,000	\$ 4,000,000	\$ 4,000,000	0.00%	\$ 86,316	\$ 1,095,656
Marine Service Center	\$ 171,306	\$ -	\$ 70,000	\$ 8,440,000	\$ -	0.00%	\$ (81,674)	\$ 1,940,282
Gary Paxton Industrial Park	\$ 265,016	\$ 54,673	\$ 20,000	\$ -	\$ -	0.00%	\$ (107,689)	\$ 590,711
Totals:	<u>\$ 21,507,147</u>	<u>\$ 10,559,516</u>	<u>\$ 3,499,760</u>	<u>\$ 39,320,900</u>	<u>\$ 42,213,900</u>		<u>\$ 1,399,207</u>	<u>\$ 34,193,922</u>

Note: Operating appropriations on page 20 of the budget equal the operating and debt service appropriation columns above added together



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-051 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/19/2018 In control: City and Borough Assembly

On agenda: 3/22/2018 Final action:

Title: Discussion/Direction/Decision on proposed Marine Service Center user fees, operating outlays and capital outlays

Sponsors:

Indexes:

Code sections:

Attachments: [Marine Service Center Fund Discussion Direction.pdf](#)
[Summary Spreadsheet Marine Service Center Fund.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion/Direction/Decision on proposed Marine Service Center Fund user fees, operating outlays and capital outlays.

Step 2

After discussion, a possible motion is:

I MOVE TO affirm the proposed operating, debt service, and capital expenditure appropriations that are based on the proposed Administrator's FY2019 draft budget for the Marine Service Center Fund for inclusion in the adopting ordinance/resolution without change.*

*This motion is OPTIONAL and is to only affirm that the Assembly does not want to make any changes to the proposed budget after review. The Assembly does not need to make this motion, as the Administrator's budget will proceed to ordinance as is, unless the Assembly changes it. This motion has, however, been made in the past in order to help the Assembly keep track of what it has reviewed and approved to go forward to ordinance. THE BUDGET ADOPTION ORDINANCE AND CAPITAL EXPENDITURE ADOPTION RESOLUTION ARE THE OFFICIAL ACTIONS THE ASSEMBLY TAKES TO APPROVE THE BUDGET.

OR

If the Assembly wishes to make a motion to change the proposed Enterprise Fund user fees and/or appropriations, discussions will be warranted as user fees/revenues are closely intertwined with operating and capital appropriations. A motion could be made to direct the Administrator to bring back to the Assembly various scenarios to accomplish the desired change.

FY2019 Consolidated Budget
Comprehensive Schedule of Proposed Operating Appropriations, Capital
Appropriations, User Fee Increases and Resulting Changes in Working Capital
For City and Borough of Sitka Enterprise Funds

<u>Fund</u>	<u>Operating Appropriations</u>	<u>Debt Service Appropriations</u>	<u>Capital Expenditure Appropriations</u>	<u>Contingent Capital Appropriations</u>	<u>New Debt</u>	<u>User Fee Increases</u>	<u>Working Capital Changes</u>	<u>Projected Working Capital</u>
Electric	\$ 9,608,989	\$ 8,677,187	\$ 1,820,000	\$ -	\$ -	0	\$ (504,451)	\$ 10,663,694
Water	\$ 1,550,915	\$ 584,321	\$ 250,000	\$ 21,610,500	\$ 21,610,500	22.00%	\$ 1,184,688	\$ 3,203,262
Wastewater	\$ 2,651,534	\$ 478,423	\$ 468,200	\$ 5,270,400	\$ 3,603,400	5.50%	\$ 117,043	\$ 7,468,672
Solid Waste	\$ 4,589,578	\$ 134,905	\$ 375,000	\$ -	\$ -	6.50%	\$ (4,083)	\$ (147,571)
Harbors	\$ 2,262,125	\$ 530,007	\$ 360,560	\$ -	\$ 13,000,000	6.30%	\$ 709,057	\$ 9,379,216
Airport Terminal	\$ 407,684	\$ 100,000	\$ 136,000	\$ 4,000,000	\$ 4,000,000	0.00%	\$ 86,316	\$ 1,095,656
Marine Service Center	\$ 171,306	\$ -	\$ 70,000	\$ 8,440,000	\$ -	0.00%	\$ (81,674)	\$ 1,940,282
Gary Paxton Industrial Park	\$ 265,016	\$ 54,673	\$ 20,000	\$ -	\$ -	0.00%	\$ (107,689)	\$ 590,711
Totals:	<u>\$ 21,507,147</u>	<u>\$ 10,559,516</u>	<u>\$ 3,499,760</u>	<u>\$ 39,320,900</u>	<u>\$ 42,213,900</u>		<u>\$ 1,399,207</u>	<u>\$ 34,193,922</u>

Note: Operating appropriations on page 20 of the budget equal the operating and debt service appropriation columns above added together



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-053 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/19/2018 In control: City and Borough Assembly

On agenda: 3/22/2018 Final action:

Title: Discussion/Direction/Decision on proposed Gary Paxton Industrial Park Fund user fees, operating outlays and capital outlays

Sponsors:

Indexes:

Code sections:

Attachments: [GPIP Fund Discussion Direction.pdf](#)
[Summary Spreadsheet GPIP Fund.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion/Direction/Decision on
proposed Gary Paxton Industrial Park Fund
user fees, operating outlays and capital outlays.

Step 2

After discussion, a possible motion is:

I MOVE TO affirm the proposed operating, debt service, and capital expenditure appropriations that are based on the proposed Administrator's FY2019 draft budget for the Gary Paxton Industrial Park Fund for inclusion in the adopting ordinance/resolution without change.*

*This motion is OPTIONAL and is to only affirm that the Assembly does not want to make any changes to the proposed budget after review. The Assembly does not need to make this motion, as the Administrator's budget will proceed to ordinance as is, unless the Assembly changes it. This motion has, however, been made in the past in order to help the Assembly keep track of what it has reviewed and approved to go forward to ordinance. THE BUDGET ADOPTION ORDINANCE AND CAPITAL EXPENDITURE ADOPTION RESOLUTION ARE THE OFFICIAL ACTIONS THE ASSEMBLY TAKES TO APPROVE THE BUDGET.

OR

If the Assembly wishes to make a motion to change the proposed Enterprise Fund user fees and/or appropriations, discussions will be warranted as user fees/revenues are closely intertwined with operating and capital appropriations. A motion could be made to direct the Administrator to bring back to the Assembly various scenarios to accomplish the desired change.

FY2019 Consolidated Budget
Comprehensive Schedule of Proposed Operating Appropriations, Capital
Appropriations, User Fee Increases and Resulting Changes in Working Capital
For City and Borough of Sitka Enterprise Funds

<u>Fund</u>	<u>Operating</u> <u>Appropriations</u>	<u>Debt</u> <u>Service</u> <u>Appropriations</u>	<u>Capital</u> <u>Expenditure</u> <u>Appropriations</u>	<u>Contingent</u> <u>Capital</u> <u>Appropriations</u>	<u>New</u> <u>Debt</u>	<u>User</u> <u>Fee</u> <u>Increases</u>	<u>Working</u> <u>Capital</u> <u>Changes</u>	<u>Projected</u> <u>Working</u> <u>Capital</u>
Electric	\$ 9,608,989	\$ 8,677,187	\$ 1,820,000	\$ -	\$ -	0	\$ (504,451)	\$ 10,663,694
Water	\$ 1,550,915	\$ 584,321	\$ 250,000	\$ 21,610,500	\$ 21,610,500	22.00%	\$ 1,184,688	\$ 3,203,262
Wastewater	\$ 2,651,534	\$ 478,423	\$ 468,200	\$ 5,270,400	\$ 3,603,400	5.50%	\$ 117,043	\$ 7,468,672
Solid Waste	\$ 4,589,578	\$ 134,905	\$ 375,000	\$ -	\$ -	6.50%	\$ (4,083)	\$ (147,571)
Harbors	\$ 2,262,125	\$ 530,007	\$ 360,560	\$ -	\$ 13,000,000	6.30%	\$ 709,057	\$ 9,379,216
Airport Terminal	\$ 407,684	\$ 100,000	\$ 136,000	\$ 4,000,000	\$ 4,000,000	0.00%	\$ 86,316	\$ 1,095,656
Marine Service Center	\$ 171,306	\$ -	\$ 70,000	\$ 8,440,000	\$ -	0.00%	\$ (81,674)	\$ 1,940,282
Gary Paxton Industrial Park	\$ 265,016	\$ 54,673	\$ 20,000	\$ -	\$ -	0.00%	\$ (107,689)	\$ 590,711
Totals:	<u>\$ 21,507,147</u>	<u>\$ 10,559,516</u>	<u>\$ 3,499,760</u>	<u>\$ 39,320,900</u>	<u>\$ 42,213,900</u>		<u>\$ 1,399,207</u>	<u>\$ 34,193,922</u>

Note: Operating appropriations on page 20 of the budget equal the operating and debt service appropriation columns above added together



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 18-047 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 3/15/2018 In control: City and Borough Assembly

On agenda: 3/22/2018 Final action:

Title: Discussion/Direction/Decision of the FY2019 Enterprise Funds or General Fund and as they relate to other Funds, the School District, and the Sitka Community Hospital (Assembly may take action)

Sponsors:

Indexes:

Code sections:

Attachments: [Item K Discussion Direction overall budget.pdf](#)

Date	Ver.	Action By	Action	Result
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Discussion/Direction/Decision of the
FY2019 Enterprise Funds or General Fund and
as they relate to other Funds, the School
District, and the Sitka Community Hospital
(Assembly action may be taken)

