



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members

From: Keith Brady, Municipal Administrator

Date: 4/5/18

Subject: Current Deficit, Recommended Decrements from General Fund

Decrement	Cost	Beginning Deficit (596,420)
Travel & Training	-\$18,700	(577,720)
Suburban Fire Pumper	-\$150,000	(427,720)
Crescent Park Bathrooms	-\$150,000	(277,720)
Financing Police CAD/RMS & Phone System	-\$316,724	(39,004)
1 FTE: Assistant Fire Chief	-\$100,000	60,996
Additional Local Effort to SSD	+\$200,000	(139,004)

Existing personnel are not in the decrements. However, included in an additional \$200,000 in local effort for the school district to possibly fund an additional two teacher positions. With the amount that's already budgeted for the school district, they have an opportunity to save all teachers jobs. It might require limited access to the pool and PAC, or closing of community schools. A reduction of personnel from either the city, the school district or both could have significant impacts and could affect the community as a whole.

In an effort to increase staffs productivity and proactiveness, I would also recommend a reduction of boards and commissions to alleviate the time and energy of staff and Assembly. Support to boards and commission costs time and money. Also, many boards cover the same or similar information. For example, police and fire could be consolidated with local emergency planning commission; trees and

landscape can combine with parks and rec; and planning commission can combine with historical preservation committee, etc. Special boards or commissions may be convened from time to time as appropriate but with an expiration date.

Unfortunately, with each yearly approved budget the amounts becomes the new normal for CBS and SSD. There are real needs in city infrastructure. Revenue minus operations leaves about \$800k in the budget for capital improvements every year. Fortunately, wise budgeting has left a surplus in years past that can then be transferred to the Public Infrastructure Sinking Fund to be used later. FY19 capital projects are budgeted at \$2.1M. To be on target and meet our infrastructure needs to maintain our current level of service we should have about \$4M for capital projects each year. The citizens' task force recommended we have \$3M. Without the state or federal funding coming in as it used to, there is a real and serious need for more revenue to stay current with our infrastructure needs.

Other potential recommendations are listed below to get us in a surplus budget. These additions are suggested by the Citizens Task Force final report.

Decrement	Cost	Beginning Deficit (139,004)
Sitka Historical Society	-\$97,200	(41,804)
Senior Center/Buses	-\$97,764	55,960
SAFV, Other Non-Profit Donations	-\$100,000	155,960
SCH Capital Contribution	-\$150,671	306,631

Again the Citizens Task Force put together a list of places to look through a very public and exhaustive analysis after listening to many of the directors regarding all services that are provided to the city. The Task Force listed several areas in the general fund and labeled them either core infrastructure/public safety, core regulatory, or core community values. The ones that were not listed as core infrastructure, safety, or regulatory were the annual nonprofit grant support, SEDA, historical museum, the Ride, chamber visitors bureau, senior citizen center, search and rescue, parks and recreation, the library, and Harrigan Centennial Hall.