



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

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

From: Melissa Haley, Controller

Date: May 22, 2019

Subject: FY2020 Budget Adoption Ordinances

The FY2020 budget process began in November of 2018 with staff being directed to budget to keep services at current levels. The first work session took place on January 10, 2019. Since then the assembly has met an additional 6 times and has spent at least 18 hours on FY2020 budget meetings and work sessions. The ordinances presented reflect the final version of the Administrator's budget, which has been amended both through direction given to the administrator via motions made and passed by the assembly, and through corrections made that have resulted from new information. A document is attached that details every change from the time the budgets were originally presented to the assembly. In the past, the budget ordinances consisted of only the appropriations. As the appropriations, approval to apply for loans or grants and rate increases (when applicable), are all interrelated, all are now being presented together.

Ordinance 2019-17

Includes FY2020 appropriations for General Fund, Internal Service Funds, and Special Revenue funds and related capital improvement plan (General Fund only). The only contingent appropriation included in this ordinance is related to grant funding for a storm sewer. The assembly has previously approved a resolution to seek this funding (in the amount of \$55,000). There are no rate increases or loans for any of the funds included in this ordinance.

Ordinance 2019-18

Includes FY2020 appropriations and related capital improvement plan for the Electric Fund. There is no rate increase being proposed for FY2020, nor are there any new loans or grants that appropriations are contingent on.

Ordinance 2019-19

This ordinance includes Water Fund FY2020 appropriations and related capital improvement plan as well as approval to apply for loan funding in FY2020 in the amount of \$1,275,000 for the water system underneath of a portion of Lincoln Street that needs to be replaced.

Ordinance 2019-20

This ordinance includes FY2020 appropriations and related capital improvement plan as well as the 6.5% rate increase that the FY2020 Wastewater Fund budget is based on. Please note that the assembly has already given approval (via resolution) to seek DEC loan funding in the amount of \$5,079,500 for the Wastewater Treatment Plant rehabilitation project.

Ordinance 2019-21

This ordinance includes FY2020 appropriations and related capital improvement plan as well as the 6.5% (collection) / 2.5% drop off rate increase that the Solid Waste Fund budget is based on. There are no new loans or grants that appropriations are contingent on.

Ordinance 2019-22 / Resolution 2019-13

This ordinance covers only the FY2020 appropriations and related capital improvement plan. By code, the rates for harbor moorage are adopted by resolution, thus the proposed 3% rate increase (that has been approved by the Port and Harbor Commission) is being presented separately. Also, it should be noted that there is \$17,203,000 in contingent grants included in the FY2020 budget. The assembly has already authorized the CBS to apply for \$1,703,000 (for projects at Thomsen and Eliason Harbors). The remaining \$16,000,000 is proposed grant funding for the seaplane base project. This will come before the assembly separately due to timing upcoming grant applications.

Ordinance 2019-23

The final ordinance includes FY2020 appropriations and related capital improvement plans for the remaining enterprise funds that have no user fees (Airport Terminal Fund, the Marine Service Center Fund, and the GP Industrial Park Fund).

FISCAL 2020 BUDGET CHANGES

General Fund				
Beginning Revenue	\$	29,979,628.00		
Beginning Expense	\$	29,979,172.73		
		\$	57,000.00	Assembly approval of PAC MOA (4/25)
		\$	15,000.73	Assembly direction to increase library hours (4/23)
		\$	546,224.00	Assembly motion to increase local funding to SSD (5/2)
		\$	(80,000.00)	Transfer in from VEF for HCH visitor support
		\$	(598,578.00)	Health insurance savings
		\$	(7,956.82)	Personnel/Benefit Adjustment
		\$	(48,000.00)	Transfers out for Fish Box Tax Adjustment
		\$	(32,127.00)	Reduction in Travel & Training (5/14)
		\$	25,000.00	Add in funds for the Ride
Ending (deficit)/surplus	\$	123,892.36		
Electric Fund				
Beginning Revenue	\$	18,201,278.00		
Beginning Expense	\$	27,620,304.29		
		\$	(30,320.00)	Including depreciation
		\$	(136,651.12)	IT fee adjustment
		\$	(5,250.00)	Health insurance savings
		\$	(80,000.00)	Reduction in Travel & Training (5/14)
		\$	(80,000.00)	Reduction per 5/14 motion (fuel)
Ending (deficit)/surplus	\$	(9,166,805.17)		
Water				
Beginning Revenue	\$	3,021,185.00		
Beginning Expense	\$	3,796,624.55		
		\$	(6,759.00)	Including depreciation
		\$	(20,224.56)	IT fee adjustment
		\$	(1,050.00)	Health insurance savings
		\$	(1,050.00)	Reduction in Travel & Training (5/14)
Ending (deficit)/surplus	\$	(747,405.99)		
Wastewater				
Beginning Revenue	\$	3,769,356.00		
Beginning Expense	\$	4,481,137.90		
		\$	(14,695.00)	Including depreciation
		\$	(33,048.00)	IT fee adjustment
		\$	(33,048.00)	Health insurance savings
Ending (deficit)/surplus	\$	(664,038.90)		
Solid Waste				
Beginning Revenue	\$	4,825,309.00		
Beginning Expense	\$	5,116,252.48		
		\$	(253.00)	Including depreciation
		\$	(16,449.36)	IT fee adjustment
		\$	(16,449.36)	Health insurance savings
Ending (deficit)/surplus	\$	(274,241.12)		
Harbor				
Beginning Revenue	\$	4,384,870.00		
		\$	(2.00)	Clean up on rounding entries
		\$	(69,000.00)	Fish box tax revenue adjustment
Beginning Expense	\$	6,544,176.95		
		\$	(93,196.08)	Including depreciation
		\$	75,000.00	Health insurance savings
		\$	(10,540.00)	Condition assessment Crescent High-load
		\$	(10,540.00)	IT fee adjustment
Ending (deficit)/surplus	\$	(2,199,572.87)		
Marine Service Center				
Beginning Revenue	\$	166,200.00		
Beginning Expense	\$	258,022.00		
		\$	70,000.00	Including depreciation
		\$	80,000.00	Added to the MSC Roof Condenser Replacement
		\$	80,000.00	Add in MSC Bulkhead Condition Assessment
Ending (deficit)/surplus	\$	(241,822.00)		
IT Fund				
Beginning Revenue	\$	1,552,395.00		
Beginning Expense	\$	1,592,038.63		
		\$	(1,500.00)	Including depreciation
		\$	(1,500.00)	Reduction in Travel & Training (5/14)
Ending (deficit)/surplus	\$	(38,143.63)		
Visitor Enhancement Fund				
Beginning Revenue	\$	535,000.00		
Beginning Expense	\$	445,000.00		
		\$	180,200.00	Increase appropriation based on Assembly decision
		\$	180,200.00	on FY20 funding for marketing/visitor services
		\$	180,200.00	(includes \$80K transfer in to General Fund)
Ending (deficit)/surplus	\$	(90,200.00)		