Review Assembly decisions from the December 23, 2019 budget meeting.

City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Gary Paxton and Assembly Members

From: Hugh Bevan, Interim Municipal Administrator

Date: January 8, 2020

Subject: Review of Decisions Points from Dec 23, 2020 Budget Meeting

I have listed below our understanding of direction given staff by the Assembly at the first budget meeting on December 23, 2019.

1. Assume State revenue sharing will be the same as FY20
2. Assume Federal PILT will be $600,000
3. Assume State fish tax revenue will be $900,000
4. Assume State contribution to school bonds reimbursement will be the same percentage as FY20
5. Include the Community Affairs position in the FY21 budget and modify the job description to include grant writing.
6. Assume status quo for City staff levels
7. Assume a 2% increase in electric rates
8. Assume a 2% increase in water rates
9. Assume a 2% increase in sewer rates
10. Assume a 5.5% increase in solid waste rates
11. Assume a 3% increase in harbor rates

The Assembly also discussed school funding with a final decision to be made at a future meeting. A summary of the elements of school funding is shown on the attached page.

Allocation of CBS Funded by School Board

	State Cap	CBS Funded	Instructional	Non Instructional	Maintenance	Miscellaneous
FY20	7,029,231	7,285,700	6,719,941	358,759	150,000	57,000 (PAC electric power)
FY 21 Proposed	7,053,234	7,618,993	7,053,234	358,759	150,000	57,000

The proposed FY21 funding level provides 100% of State cap funding for instructional plus full funding for the same non-cap items as last year.

The net effect is an increase in CBS funding of $333,293   ($7,618,993 - $7,285,700)

Our FY21 budget schedule shows a meeting between the Assembly and the School Board on February 6, 2020.

That budget meeting is dedicated to discussions with the School Board, ~~followed by a similar discussion with the Chamber of Commerce regarding their budget~~.