



FY22 Special Budget 7

Other Governmental Funds

Follow up on any other funds

April 1, 2021

OTHER GOVERNMENTAL FUNDS (TRUST, AGENCY, SPECIAL REVENUE)



Agency Funds-Cemetery Agency (funds held on behalf of other entity)

➤ Purpose:

Interest generated on original \$100,000 investment to be transferred annually to the Sitka Cemetery Association, a non-profit that assumed ownership of the newly created municipal cemetery in 1981.

- Fund balance end of FY20: **\$105,070**
- Expected revenue FY22: **\$2,000**
- FY22 appropriation: **\$2,000**

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 81-485



Trust Funds-Rowe Trust Fund

➤ Purpose:

Fund created in 1995 from a bequest of a former Sitka School Teacher, Eleanor Rowe. Interest earned on fund balance to be used for the purchase of children's books and computer equipment to facilitate children's enjoyment of reading and other methods of promoting children's love of reading

➤ Fund balance end of FY20: ~**\$227,720**

➤ Expected revenue FY22: **\$4,500**

➤ FY22 appropriation: **\$4,500**



Permanent Fund (fund type-permanent fund)

➤ Purpose:

As per Home Rule Charter, the purpose is to grow the principal of the Permanent Fund to provide an ever-increasing income stream to the Sitka general Fund in perpetuity **to reduce the tax burden on the citizens of Sitka.**

- Net proceeds of the sale of municipal real property shall be deposited into the Permanent Fund
- Must appropriate 6% of average market value of the permanent fund transfer into the general fund.
- To ensure growth of the Permanent Fund, in early 2017 an ordinance was passed to begin, in FY18, transferring back the equivalent of .25% of the average market value of the fund, increasing by .25% each subsequent fiscal year up to a maximum of 2%.
- For FY22 we are transferring back 1.25%, and to simplify the process are lowering the amount of the distribution rather than initiate a separate transaction

➤ Fund balance end of FY20: **\$22,893,964**

➤ Expected revenue FY22: **\$372,000** (includes only revenue on fixed income, not gains on investment of equity holdings of ~ 65%)

➤ FY22 appropriation: **\$1,198,354** (nets transfer back of 1.25% ~ \$301K)



Debt Service Fund-School Bonds

➤ Purpose:

To track the debt service for the general obligation bonds, the state reimbursement of the debt services, and the revenue generated by the 1% sales tax dedicated to paying the debt service on these bonds

- Fund Balance-end of FY20: **\$1,876,192** (est. FY21/FY22 ~ \$729K/\$393K)
- Total Debt-end of FY21/FY22: **\$11.1 million/\$8.7 million**
- Budgeted Revenue FY22: **\$1,250,000** (1% seasonal)
\$816,719 (State reimbursement @ 50%)
- FY22 appropriations: **\$2,402,315** (will change due to refunding)

Seasonal sales tax sunset date 50% reimbursement: FY2027

Seasonal sales tax sunset date 0% reimbursement: FY2029

State resumes full reimbursement: FY2024

Refunding deal underway-at current rates, NPV of savings is over \$500K over next 10 years



Special Revenue Funds

Pet Adoption Fund

➤ Purpose:

*Use interest to provide donations for expenses related to pet adoption.
Funded from donations and fees.*

- Fund balance end of FY20: **\$78,301**
- Expected revenue FY22: **\$4,750**
- FY22 appropriation: **\$15,000**

Sitka Asset Forfeiture Fund

➤ Purpose:

Use to track funds generated when police department seizes/disposes of assets locally.

- Fund balance end of FY20: **\$934**
- Expected revenue FY22: **\$1,000**
- FY22 appropriation: **\$50,000**



Special Revenue Funds, continued

Library Building Fund

➤ Purpose:

Fund created to manage donations for the library (building). \$530,000 was used for the Sitka Public Library renovation project.

- Fund balance end of FY20: **\$18,516**
- Expected revenue FY22: **\$500**
- FY22 appropriation: **\$1,000**

SE Alaska Economic Development Fund

➤ Purpose:

Created with funds directed to Sitka in 1997 after closure of the pulp mill. These funds have been used to provide grants and loans for economic development. Interest earned goes to the Building Maintenance Fund. Recently used only for new internal loans. The only allowable external use is "participation loans" that require going through a financial institution.

- Fund balance end of FY20: **\$3.6 million**
(\$2.6 million cash)
- Loans outstanding: **\$988K**
- Expected revenue FY22: **\$50,000**
- FY22 appropriation: **\$50,000**



Special Revenue Funds, continued

GPIP Contingency Fund

➤ Purpose:

Management of funds set aside for environmental testing and cleanup of GPIP and nearby seabed-interest earned goes to GPIP Fund.

- Fund balance end of FY20: **\$640,311**
- Expected revenue FY22: **\$11,000**
- FY22 appropriation: **\$281,000**
(transfer to GPIP capital \$270K)

Sitka Community Hospital Dedicated Fund

➤ Purpose:

Originally used to track tax on tobacco products. Now, in addition to tobacco tax, it is used to track all revenues and expenditures relating to the Sitka Community Hospital legacy operations, including PERS, receivables, contract close outs, etc...

- Fund balance end of FY20: **(\$1,117,553)**
- Expected revenue FY22: **\$1,548,000**
- FY22 appropriation: **\$1,451,319**



Special Revenue Funds, continued

Student Activities Travel Fund

➤ Purpose:

Fees from state licenses and permits relating to the sale of marijuana are dedicated to support for student travel

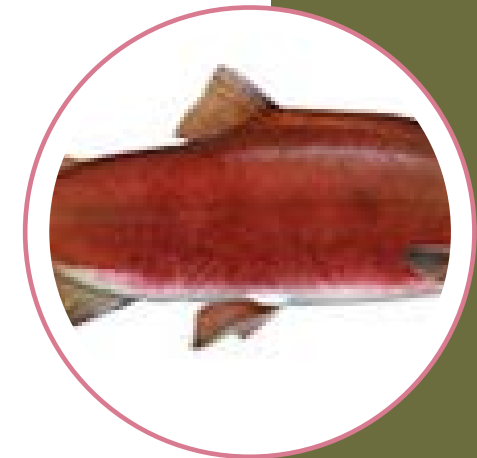
➤ Fund balance end of FY20:	\$10,504
➤ Expected revenue FY22:	\$2,700
➤ FY22 appropriation:	\$10,500

Fisheries Enhancement Fund

➤ Purpose:

Administration of 30% of the fish box tax proceeds for local grants to support fisheries

➤ Fund balance end of FY20:	\$1,371
➤ Expected revenue FY22:	\$30,600
➤ FY22 appropriation:	\$30,600



Special Revenue Funds, continued

Utility Subsidization Fund

➤ Purpose:

Tracking funds appropriated by the assembly to provide utility subsidies to qualifying utility account holders.

- Fund balance end of FY20: \$105,125
- Expected revenue FY22: \$39,000
- FY22 appropriation: \$72,000

**Must appropriate enough for calendar year subsidy*

Comm. Passenger Vessel Excise Tax Fund

➤ Purpose:

The CPET fund tracks the portion of the per passenger fee remitted for cruise ship passengers that is distributed by the State. Use of funds limited by state and federal laws.

- Fund balance end of FY20: **\$1,120,594**
- Expected revenue FY22: **\$12,000**
- FY22 appropriation: **\$140,000**

Funds distributed annually for prior calendar year, so no revenue expected to be received in FY22, even if ships back in Spring of 2022



Special Revenue Funds, continued

Visitor Enhancement Fund

➤ Purpose:

Administration of bed taxes collected. Significant portion of revenues are directed to Chamber/Visit Sitka.

- Fund balance end of FY20: **\$57,060**
- Expected revenue FY22: **\$486,000**
- FY22 appropriation: **\$464,489**

- Per contract, Assembly must confirm amount of funding for Chamber/Visit Sitka with a minimum commitment of \$300,000. Current budget includes \$300,000 for base services plus \$158,600 for additional as proposed at work session.
 - Possible motion: “I direct the Municipal Administrator to Fund Visit Sitka at the base rate of **\$300,000** as well as an additional amount of **\$158,600** for FY22 for additional services as described during the work session on March 23rd and reflect these amount in the annual budget for the Visitor Enhancement Fund.
- Challenges, because of calendar vs. fiscal year. May want to consider shifting contract to fully be on a fiscal year (supplemental fiscal, while commitment to base budget is calendar).



Special Revenue Funds, continued

Revolving Fund

- Purpose:
Working capital available to be used to pay for costs of LIDs

➤ Fund balance end of FY20:	\$1.2 million
➤ Expected revenue FY22:	\$24,000
➤ FY22 appropriation:	\$18,300

Guaranty Fund

- Purpose:
Fund to provide guarantee for debt service for any bond issuance for LIDs

➤ Fund balance end of FY20:	\$285,383
➤ Expected revenue FY22:	\$6,000
➤ FY22 appropriation:	\$6,000



Special Revenue Funds, continued

Library Endowment Fund

- Purpose:
To track donations made to the Sitka Public Library.
- Fund balance end of FY20: **\$267,795**
- Expected revenue FY22: **\$4,000**
- FY22 appropriation: **\$35,000** (transfer to Capital Project Fund for library shelving project)

Bulk Water Fund

- Purpose:
To be used to track revenue and expenses relating to the sale of bulk water.
- Fund balance end of FY20: **\$856,483**
- Expected revenue FY22: **\$11,500**
- FY22 appropriation: **\$30,000**





Wrap up

- Comprehensive draft budget will be compiled/distributed by April 30th, first reading of the budget ordinance will be May 11th.
- Will include budgets as presented to the assembly-any changes from what was shared will be documented.
 - Includes rate assumptions for enterprise funds—all changes to rates will be included as part of the omnibus budget ordinance.
 - Electric—2.5%
 - Water—2%
 - Wastewater—2%
 - Solid Waste—4.5%
 - Moorage—5% (via resolution)
 - Includes recommended changes to improve operational efficiency
 - Assume minimal capital improvements for General Fund
 - No requested new debt for FY22
- Items still pending
 - School funding-ideal to finalize and direct Administrator to issue letter determining final amount of funding for local education for FY22
 - Total funding currently in budget: **\$7,764,150** total, including, \$7,557,150 to be disbursed monthly/as needed, \$150,000 for reimbursement for maintenance of school buildings, and up to \$57,000 paid by the GF for PAC utilities)
 - Pending SRS reauthorization (\$250,000)
- Upcoming external changes
 - American Rescue Plan funding
 - Split into to tranches FY21/22 or FY22/23?
- Any additional budget meetings needed?