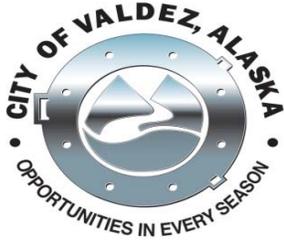


FINANCIAL SUMMARY AS OF 12/31/2017

Prepared By: Brian Carlson, Finance Director

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	ADOPTED BUDGET	REVISED BUDGET	BUDGET CHANGE	YTD ACTUAL	YTD TO BUDGET	NOTES
GENERAL FUND SUMMARY						
BEGINNING FUND BALANCE	81,956,876	81,956,876	-	81,956,876		
REVENUE	45,406,298	45,415,048	8,750	46,959,820	103.4%	
EXPENSE	<u>37,178,958</u>	<u>37,457,388</u>	<u>278,430</u>	<u>33,618,528</u>	89.8%	
NET REVENUE (EXPENSE)	8,227,340	7,957,660	(269,680)	13,341,292		
TRANSFERS IN	2,757,950	2,828,009	70,059	2,828,009	100.0%	
TRANSFERS OUT	<u>32,293,488</u>	<u>30,426,377</u>	<u>(1,867,111)</u>	<u>30,426,377</u>	100.0%	
NET TRANSFERS IN (OUT)	(29,535,538)	(27,598,368)	1,937,170	(27,598,368)		
ENDING FUND BALANCE	<u>60,648,678</u>	<u>62,316,168</u>	<u>1,667,490</u>	<u>67,699,800</u>		
GENERAL FUND DETAIL						
REVENUE						
TAXES	43,400,100	43,400,100	-	44,271,404	102.0%	
STATE SHARED	195,000	195,000	-	231,160	118.5%	
PILT	703,500	703,500	-	751,532	106.8%	
INTEREST	101,000	101,000	-	481,313	476.5%	1
SERV CHARGES & SALES	402,900	402,900	-	475,238	118.0%	2
FED & STATE GRANTS	377,149	384,649	7,500	393,449	102.3%	
UTILITIES	137,100	137,100	-	166,333	121.3%	3
LICENSES & PERMITS	12,500	12,500	-	15,100	120.8%	
MISC	29,549	30,799	1,250	116,211	377.3%	4
RECREATION	33,500	33,500	-	46,488	138.8%	5
FINES & FORFEITURES	<u>14,000</u>	<u>14,000</u>	<u>-</u>	<u>11,592</u>	<u>82.8%</u>	
TOTAL REVENUE	45,406,298	45,415,048	8,750	46,959,820	103.4%	
TRANSFERS IN	<u>2,757,950</u>	<u>2,828,009</u>	<u>70,059</u>	<u>2,828,009</u>	100.0%	
TOTAL REVENUES & TRANSFERS IN	<u>48,164,248</u>	<u>48,243,057</u>	<u>78,809</u>	<u>49,787,829</u>	103.2%	



FINANCIAL SUMMARY AS OF 12/31/2017

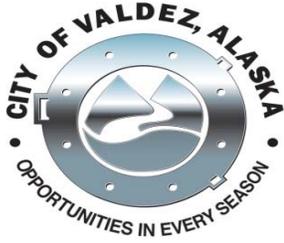
Prepared By: Brian Carlson, Finance Director

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GENERAL FUND DETAIL, CONT'D

DEPT EXPENSE

	<u>ADOPTED</u> <u>BUDGET</u>	<u>REVISED</u> <u>BUDGET</u>	<u>BUDGET</u> <u>CHANGE</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD TO</u> <u>BUDGET</u>	<u>NOTES</u>
ADMINISTRATION	862,780	1,037,036	174,256	825,062	79.6%	
ANIMAL CONTROL	441,592	441,592	-	379,378	85.9%	
BUILDING MAINT	1,716,010	1,733,914	17,904	1,513,021	87.3%	
CITY CLERK	615,177	632,777	17,600	599,597	94.8%	
CITY COUNCIL	341,554	341,554	-	262,876	77.0%	
CIVIC CENTER	832,728	832,748	20	699,683	84.0%	
COMMUNITY DEVEL	965,819	965,819	-	840,412	87.0%	
ECON DEVEL	445,363	443,763	(1,600)	222,437	50.1%	6
ENGINEERING	755,985	755,985	-	695,664	92.0%	
FINANCE	1,134,240	1,203,240	69,000	1,069,337	88.9%	
FIRE	1,937,820	1,937,820	-	1,817,361	93.8%	
HOSPITAL	130,000	130,000	-	130,000	100.0%	
INFORMATION TECH	1,043,437	1,043,437	-	922,054	88.4%	
INSURANCE	269,419	269,419	-	228,843	84.9%	
LAW	2,000,000	2,000,000	-	1,050,060	52.5%	7
LAW ENFORCEMENT	2,109,106	2,109,106	-	1,851,050	87.8%	
LIBRARY	502,314	503,564	1,250	459,072	91.2%	
PARKS & REC	1,189,726	1,189,726	-	1,036,588	87.1%	
PARKS MAINT	661,382	661,382	-	627,475	94.9%	
PUB SAFETY SUPPORT	1,289,533	1,289,533	-	1,165,954	90.4%	
SOLID WASTE	1,745,703	1,745,703	-	1,375,454	78.8%	
STREET/SHOP	2,497,680	2,497,680	-	2,155,559	86.3%	
TOTAL DEPT EXPENSES	23,487,368	23,765,798	278,430	19,926,938	83.8%	
SUPPORT EXPENSES						
EDUCATION	10,486,453	10,486,453	-	10,486,453	100.0%	
COMMUNITY SVC ORGS	3,205,137	3,205,137	-	3,205,137	100.0%	
TOTAL SUPPORT EXPENSES	13,691,590	13,691,590	-	13,691,590	100.0%	
TRANSFERS OUT	32,293,488	30,426,377	(1,867,111)	30,426,377	100.0%	
TOTAL DEPT EXPENSE, SUPPORT & TRANSFER	69,472,446	67,883,765	(1,588,681)	64,044,905	94.3%	

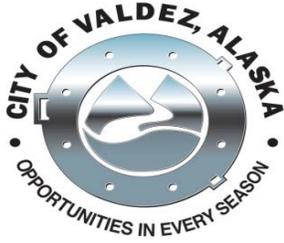


FINANCIAL SUMMARY AS OF 12/31/2017

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	<u>ADOPTED</u>	<u>REVISED</u>	<u>BUDGET</u>	<u>YTD</u>	<u>YTD TO</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>CHANGE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>NOTES</u>
SPECIAL REVENUE FUNDS						
AIRPORT FUND						
BEGINNING FUND BALANCE	738,254	738,254	-	738,254		
REVENUE	126,853	126,853	-	127,256	100.3%	
EXPENSE	324,846	325,592	746	244,388	75.1%	8
NET REVENUE (EXPENSE)	(197,993)	(198,739)	(746)	(117,132)		
NET TRANSFER IN (OUT)	197,993	200,299	2,306	197,993		
ENDING FUND BALANCE	738,254	739,814	1,560	819,115		
HARBOR FUND						
BEGINNING FUND BALANCE	1,918,020	1,918,020	-	1,918,020		
REVENUE	1,578,908	1,578,908	-	1,530,728	96.9%	
EXPENSE	1,205,857	1,205,857	(0)	1,039,700	86.2%	
NET REVENUE (EXPENSE)	373,051	373,051	0	491,028		
NET TRANSFER IN (OUT)	(373,050)	(373,050)	-	(373,050)		
ENDING FUND BALANCE	1,918,021	1,918,021	0	2,035,998		
PORT FUND						
BEGINNING FUND BALANCE	1,173,714	1,173,714	-	1,173,714		
REVENUE	573,990	716,990	143,000	856,321	119.4%	
EXPENSE	706,609	798,041	91,432	791,312	99.2%	
NET REVENUE (EXPENSE)	(132,619)	(81,051)	51,568	65,009		
NET TRANSFER IN (OUT)	132,619	179,051	46,432	179,051		
ENDING FUND BALANCE	1,173,714	1,271,714	98,000	1,417,774		



FINANCIAL SUMMARY AS OF 12/31/2017

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	<u>ADOPTED</u> <u>BUDGET</u>	<u>REVISED</u> <u>BUDGET</u>	<u>BUDGET</u> <u>CHANGE</u>	<u>YTD</u> <u>ACTUAL</u>	<u>YTD TO</u> <u>BUDGET</u>	<u>NOTES</u>
SPECIAL REVENUE FUNDS, CONT'D						
UTILITY FUND						
BEGINNING FUND BALANCE	1,843,185	1,843,185	-	1,843,185		
REVENUE	567,800	567,800	-	548,551	96.6%	
EXPENSE	<u>1,352,476</u>	<u>1,352,476</u>	-	<u>1,276,801</u>	94.4%	
NET REVENUE (EXPENSE)	(784,676)	(784,676)	-	(728,250)		
NET TRANSFER IN (OUT)	<u>782,811</u>	<u>782,811</u>	-	<u>782,811</u>		
ENDING FUND BALANCE	<u>1,841,320</u>	<u>1,841,320</u>	-	<u>1,897,746</u>		
GILSON MEDICAL CLINIC						
BEGINNING FUND BALANCE	359,497	359,497	-	359,497		
REVENUE	144,101	144,101	-	144,082	100.0%	
EXPENSE	<u>104,050</u>	<u>104,050</u>	-	<u>90,522</u>	87.0%	
NET REVENUE (EXPENSE)	40,051	40,051	-	53,560		
NET TRANSFER IN (OUT)	<u>-</u>	<u>-</u>	-	<u>-</u>		
ENDING FUND BALANCE	<u>399,548</u>	<u>399,548</u>	-	<u>413,057</u>		
VALDEZ HOUSING IMPROVEMENT AUTHORITY						
BEGINNING FUND BALANCE	3,126,737	3,126,737	-	3,126,737		
REVENUE	-	-	-	23,099	-	9
EXPENSE	<u>2,606,458</u>	<u>2,606,458</u>	-	<u>-</u>	0.0%	
NET REVENUE (EXPENSE)	(2,606,458)	(2,606,458)	-	23,099		
NET TRANSFER IN (OUT)	<u>(500,000)</u>	<u>(500,000)</u>	-	<u>(500,000)</u>		
ENDING FUND BALANCE	<u>20,279</u>	<u>20,279</u>	-	<u>2,649,836</u>		
OTHER GOVERNMENTAL FUNDS						
DEBT SERVICE FUND						
BEGINNING FUND BALANCE	9,823,965	9,823,965	-	9,823,965		
REVENUE	1,828,860	1,828,860	-	1,231,830	67.4%	10
EXPENSE	<u>4,109,164</u>	<u>4,150,997</u>	41,833	<u>4,418,482</u>	106.4%	
NET REVENUE (EXPENSE)	(2,280,304)	(2,322,137)	(41,833)	(3,186,651)		
NET TRANSFER IN (OUT)	<u>2,260,000</u>	<u>41,833</u>	<u>(2,218,167)</u>	<u>41,833</u>		
ENDING FUND BALANCE	<u>9,803,661</u>	<u>7,543,661</u>	<u>(2,260,000)</u>	<u>6,679,147</u>		

Notes to Financial Summary

- ¹ Budgeted figure is an estimate of portfolio interest earnings. Actual figure includes unrealized gains reflecting price increase of securities that will likely be held to maturity.
- ² Revenues over budget: Civic Center \$19K, Gravel Sales \$37K, Animal Shelter \$16K, Property Rentals \$19K
- ³ Revenues over budget: Solid Waste \$31K
- ⁴ Copper Valley Telecom Co-op payment: \$67K. This is booked as expense reimbursement. The figure varies each year. City does not budget for this revenue.
- ⁵ Revenues over budget: Parks and Recreation \$15K, Pool \$3K
- ⁶ Department is comprised of a single employee, and was staffed mid-year.
- ⁷ Legal activity in 2017 is well under budget. Other Departments (Finance, CommDev) have used other firms for various services, and have coded costs to their respective departments. 2018 Budget consolidates all legal services in Law department.
- ⁸ Expenses under budget: Heating and Electricity \$49K, Contractual Services \$12K
- ⁹ VHIA fund shares in City-wide treasury interest, pro-rated based on its fund balance. This revenue was not budgeted.
- ¹⁰ Debt Reimbursement for Middle School Bond is understated by \$400K, which will leave this item \$200K under budget. Original budget figure was overstated, based on staff's miscalculation of statewide reimbursement reductions. These additional reductions are eliminated in 2018.



CAPITAL PROJECTS SUMMARY AS OF 12/31/2017

<u>GL Account</u>	<u>Project Description</u>	<u>Revenues To Date</u>	<u>Prior Years Expenditures</u>	<u>2017 Available Budget</u>	<u>YTD Encumbrances</u>	<u>YTD Expenditures</u>	<u>12/31/2017 Account Balance</u>
310020058200	Project Contingency	2,098,444	-	1,027,000	-	-	1,027,000
310052058000	Air National Guard Memorial	35,000	-	35,000	-	-	35,000
310104258010	Homestead Special Assessment	310,000	117,183	192,817	-	-	192,817
310112058000	Wellhouse 2 & 3 Backup Gen	350,000	-	350,000	4,685	15,458	329,857
310113058000	Roof Replacements	1,463,120	1,405,311	2,417,809	86,770	89,720	2,241,319
310114058000	East Pioneer Reconstruction	1,740,113	1,396,036	344,077	42,212	91,941	209,924
310115058000	Egan Drive Beautification	3,534,696	3,102,954	431,742	9,018	291,404	131,320
310163255000	Fire Station -Assesment	50,000	-	50,000	4,526	6,497	38,977
310163355000	City Wide Storage Facility -	25,000.00	-	25,000	-	-	25,000
310163458000	New Fire Station	2,000,000	-	2,000,000	-	-	2,000,000
310216058000	Alpine Woods Sewer Project	2,894,556	551,646	395,592	240,857	60,849	93,886
310251558000	STP Outfall Design	194,076	115,944	2,083	2,083	-	-
310253258000	STP Generator Project	50,000	-	150,000	5,986	14,416	129,598
310253458000	Water/Sewer Master Plan	139,647	-	33,046	33,046	-	-
310253658000	Sewer Force Main Assesment	200,000	-	200,000	-	-	200,000
310253755000	North Tank Mineral Creek	750,000	-	750,000	-	711,293	38,707
310253858000	WASE WATE New Well #5	1,513,007	-	1,513,007	-	-	-
310405058000	City Buildings - Mobile Genera	462,600	-	462,600	22,643	45,772	394,185
310453058000	MKG Medical Clinic Pipes	350,000	1,540	348,460	3,450	5,791	339,219
310471658000	Airport Plumbing & Restroom	400,000	10,054	739,946	177,113	280,819	282,013
310552058000	Meyring Park (North) Upgrades	684,951	641,398	63,553	-	27,494	36,059
310644258000	SBH Dredging	542,000	97,168	752,832	558,764	7,519	186,549
310645058000	New Harbor Planning (COV \$\$)	33,989,076	1,555,096	31,499,637	21,412,599	5,708,693	4,378,345
310645058010	New Harbor GO 2015	20,000,000	19,397,091	602,909	-	180,206	422,703
310645049545	SBH Expansion and Uplands Grant 14-DC-141	1,000,000	744,591	255,409	-	255,409	(0)
310680058000	PORT CONT LED Light Upgr	125,000	-	125,000	-	-	125,000
310680458000	VCT Water Main	1,000,000	-	1,000,000	-	-	1,000,000
310806058000	Flood Mitigation Project	492,444	483,682	475,642	1,631	99,148	374,863
310806058001	Flood Mitigation (COV Contribution)	142,453	105,254	37,199	-	-	37,199
310806049542	Valdez Emergency Watershed Protection Grai	1,340,250	-	1,340,250	-	971,564	368,686
310806158000	Mineral Creek Kicker Dike Desi	37,010	-	37,010	13,831	29,093	(5,915)
310806258000	Glacier Stream Downstream Desi	26,943	-	26,943	73	26,870	-
310806358000	Glacier Stream Upstream Design	43,970	-	43,970	24,290	19,680	-
310806458000	South Lowe River Kicker Dike	934,500	-	939,500	-	906,912	32,588
310806558000	Watershed Match	535,790	-	535,790	70,751	323,855	141,184
310816558000	Whalen Ave Improvements	350,000	-	350,000	1,769	52,590	295,641
310817058000	Sawmill Road Extension to Atigun	300,000	25,018	300,000	-	-	300,000
310817558000	Aleutian Village Improvements	2,600,000	-	2,600,000	-	-	2,600,000
310819058000	Airport Industrial Subd Water/Sewer	1,500,000	-	1,500,000	-	-	1,500,000
310916449565	Senior Center Facility Upgrade	150,000	119,746	30,254	11,250	19,004	-
310916449566	Senior Center Canopies Grant	150,000	-	150,000	11,600	6,000	132,400
310919558000	Hospital Parking Lot Improvements	500,000	426,142	(0)	-	-	(0)
310919658000	Hospital Oxygen Generator	300,000	2,767	(0)	-	-	(0)
310919758000	Hospital Copper Pipe Replacement	1,250,000	25	(0)	-	-	(0)
310931058000	MKG Medical Clinic Backup Gene	75,000	-	75,000	-	-	75,000



CAPITAL PROJECTS SUMMARY AS OF 12/31/2017

<u>GL Account</u>	<u>Project Description</u>	<u>Revenues</u> <u>To Date</u>	<u>Prior Years</u> <u>Expenditures</u>	<u>2017</u> <u>Available</u> <u>Budget</u>	<u>YTD</u> <u>Encumbrances</u>	<u>YTD</u> <u>Expenditures</u>	<u>12/31/2017</u> <u>Account Balance</u>
310950258000	VHS HVAC Replacement	4,344,495	4,244,040	100,455	-	70,751	29,703
310950458000	VHS Library Windows & Carpet	600,000	-	600,000	-	-	600,000
310950658000	VHS Gym Floor Replacement	750,000	-	750,000	2,608	462,555	284,837
310950758000	New VMS (Bond Proceeds)	40,361,693	38,739,437	1,616,791	-	263,607	1,353,185
310950958000	HHES Exterior Upgrade	2,000,000	-	2,000,000	5,000	605	1,994,395
310951258000	New City Maintenance Building	5,420,002	5,416,769	1,514	-	-	1,514
310951458000	High School ADA	100,000	14,860	1,541,009	4,215	89,016	1,447,778
310959158000	Valdez City Schools Cameras	257,422	-	257,422	-	257,422	-
312640049560	Kelsey Dock 15RR008	1,667,094	-	1,667,094	272,722	102,450	1,291,923
312640049550	Kelsey Dock GRANT	800,000	-	800,000	1,700	85,590	712,710
312640058000	City's Contribution	2,037,367	-	355,106	-	-	355,106
	Grand Total Capital Facilities Fund	144,967,717	78,713,753	63,898,466	23,025,192	11,579,993	27,780,274
	Grant Funded Projects CY Funds				297,271	1,440,017	2,505,718
	Total Capital Facilities Fund COV Funds				22,727,921	10,139,976	25,274,556



RESERVE FUND SUMMARY AS OF 12/31/2017

Account Description	2017			Account Balance
	Available Balance	YTD Encumbrances	YTD Expenditures	
School Budgetary Stabilization	500,000	-	157,950.00	342,050
Council Contingency HOLDING	175,862	-	-	175,862
Harbor Major Maint & Replacement	5,539,559	-	-	5,539,559
Projects Planning Reserve	-	-	-	-
Landfill Closure Reserve	2,478,591	-	-	2,478,591
Major Maintenance Reserve	8,093,559	713,332	1,558,934	5,821,294
Sewer & Lift Station Repairs	475,922	-	14,715	461,207
Leave Liability Reserve	434,606	-	439,135	(4,529)
Major Equipment Reserve	6,232,705	361,516	1,956,420	3,914,770
Energy Assistance Program	730,236	-	693,759	36,391
Technology Reserve	1,030,752	4,103	366,565	660,085
Special Events Reserve	2,202	-	(415)	2,618
Nuisance Abatement Program	371,144	-	1,500	369,644
Incident Management Reserve	1,469,767	49,122	295,707	1,124,938
Dike Repairs	542,359	-	136,000	406,359
Flood Mitigation Maintenance				
Low River Dike Slope Impr Design	10,910	-	10,825	85
South Glacier Stream Gravel Extraction	154,000	-	154,000	-
Copper Ave Levee Erosion Protection & Gravel	-	-	-	-
Low River Freeboard	56,325	-	56,325	-
Beautification Committee	90,566	-	33,299	57,266
ROW Road and Sidewalk Repair	129,457	-	14,153	115,304
Concrete/Asphalt Repairs for COV properties	50,000	-	-	50,000
LEPC Grant	6,984	-	6,984	-
LEPC Grant	11,800	7,867	3,933	-
Master Planning				
Master Planning Comprehensive	950,301	733,725	216,275	301
Master Planning Building Fire Code Revision	32,717	-	-	32,717
Master Planning CEDS	36,628	-	-	36,628
Master Planning Flood Planning	106,887	12,911	-	93,975
Master Planning Water/Sewer Study	125,000	-	-	125,000
Master Planning Solid Waste	75,000	-	-	75,000
Master Planning Water/Sewer	50,000	-	-	50,000
Pavement Management Plan	100,000	-	-	100,000
City Onsite Sewer Regulations	25,000	-	-	25,000
Mineral Creek Existing Revetment Evaluation	17,870	4,259	11,290	2,321
Mineral Creek Gravel Extraction PLAN	20,028	14	20,014	-



RESERVE FUND SUMMARY AS OF 12/31/2017

Account Description	2017			Account Balance
	Available Balance	YTD Encumbrances	YTD Expenditures	
Glacier Stream Gravel Extraction Plan	26,385	51	26,334	-
Mineral Creek Sediment Budget Analysis	29,419	5,398	20,427	3,594
Low River Gravel Extraction Imple Plan Review	56,990	14,665	42,325	-
Low River Buyout Option	13,740	5,094	8,646	-
COE Levee System Match	100,000	-	-	100,000
Low River Levee Evaluation	13,840	7	13,834	-
Qaniq Challenge	17,431	400	13,246	3,785
Running Series	2,106	-	-	2,106
Land Development				
Land Development Snow Lots	1,781,768	13,534	52,192	1,716,042
Land Development Misc	579,209	9,156	193,443	376,611
Surveying Municipal Land	43,767	28,000	-	15,767
Grand Total Reserve	32,791,390	1,963,153	6,517,814	24,310,337



Major Maintenance Reserve as of 12/31/2017

<i>Project</i>		<i>Amended Budget</i>	<i>Prior Years Actual</i>	<i>Current Year Encumbrance</i>	<i>Current Year Actual</i>	<i>Balance</i>
Airport - replace water lines (design only)	1108	40,276	40,234	41	-	-
Airport Chair Replacement	1118	51,705	51,705	-	-	-
Civic Center Weatherization Study/Design	1210	30,148	29,818	330	-	-
2013 School Projects	1312	133,094	36,626	-	-	96,468
Police Storage Facility	1314	230,324	324	-	-	230,000
Police Technology Upgrade Grant	1316	35,000	23,787	-	-	11,213
Zook Sewer Extension	1403	210,037	209,437	600	-	-
Museum Entry Door Replacement & ADA Upgrade (design)	1404	60,377	57,957	2,420	-	-
VHS Gym Acoustics	1411	185,306	183,757	1,545	-	-
VCT Underwater Inspections	1412	248,436	247,831	-	605	-
High School Restroom ADA Upgrade	1416	500,000	49,109	6,760	-	444,131
Clark St Drainage & Street Repair	1417	467,391	64,161	-	369,774	33,456
Swimming Pool Cover & Boiler Upgrade	1419	1,150,000	80,555	80,636	8,956	979,853
Contingency Reserve	1500	210,240	-	-	-	210,240
Hospital - Transformer	1501	76,681	75,438	1,243	-	-
HHES Underground Fuel Tanks Replacement	1601	600,000	29,335	55,617	501,551	13,496
Library - Carpet and Repaint walls	1604	400,000	-	1,140	32,068	366,792
Fire Station I - Berthing Quarters (design)	1605	50,000	-	-	-	50,000
Animal Shelter - Kennel Curbs & Drains Replacement	1606	175,000	3,743	8,100	7,260	155,897
Harbor - Walk/Concrete/Fence Replacement	1609	150,000	-	-	-	150,000
Museum - Replace Lighting	1610	100,000	-	-	-	100,000
Hazmat Testing - various buildings	1611	250,000	-	-	-	250,000
Senior Center/City Hall - Elevator Controls	1612	270,000	-	183,875	605	85,520
Old Trap/Police Range - Remediation Study	1615	50,000	-	-	-	50,000
City-wide Exit Signs	1616	164,509	34,989	-	996	128,525
Airport Door Upgrade	1627	195,867	171,053	-	24,814	0
VCT R.E. Staite Building Improvements	1628	80,000	3,925	-	-	76,075
New Playground	1629	65,000	3,677	-	61,282	41
City Hall Mall Asbestos Assessment	1632	150,000	8,448	2,270	14,445	124,837
Day Tank - Baler	1634	6,000	-	-	-	6,000
VCT Safety Ladder Replacement	1635	40,000	-	-	15	39,985
Staff Relocation - Airport	1636	96,273	95,674	-	195	404
Staff Relocation - City Hall	1637	59,200	2,965	-	56,283	(49)
Clinic - Sidewalks	1701	47,484	-	-	47,484	-
SBH - underwater inspections repairs	1702	125,000	-	23,496	12,432	89,072
Hospital- Infection Control Enhancements	1704	200,000	-	-	97,673	102,327
Senior Center Upgrades	1707	80,000	-	4,475	35,392	40,133
VCT Security Gate Replacement	1708	310,000	-	126,976	133,523	49,501
Kelsey Dock Security Cameras	1709	15,000	-	-	-	15,000
New Offices - Airport	1710	12,308	-	-	12,308	-
VCT North Laydown Yard Improvements	1711	122,298	-	-	122,298	-
VCT Repairs	1712	749,395	-	95,506	34,953	618,936
STRE S Meals Curb, Gutter Sidewalk Repl	1713	2,000,000	-	2,350	6,150	1,991,500
STRE W Klutina Repave, Gutter and Sidewalk Repl	1714	1,000,000	-	69,995	-	930,005
PORT CONT Electrical Inspection, Maint, Repa	1715	500,000	-	-	3,390	496,610



Major Maintenance Reserve as of 12/31/2017

<i>Project</i>		<i>Amended Budget</i>	<i>Prior Years Actual</i>	<i>Current Year Encumbrance</i>	<i>Current Year Actual</i>	<i>Balance</i>
BUIL Fuel tank Repl	1716	150,000	-	-	-	150,000
BUIL CIVI Exterior Staining	1717	85,000	-	-	-	85,000
BUIL CIVI Stage Repairs & Refinishing	1718	28,457	-	-	-	28,457
BUIL DDC Systems and HVAC upgr	1719	200,000	-	-	-	200,000
Grand Total Major Maintenance Reserve		12,155,806	1,504,547	667,377	1,584,451	8,399,428
Grant Funded Projects CY Funds				-	-	11,213
Total Major Maintenance Reserve COV Funds				667,377	1,584,451	8,388,215
Hospital - Electrical Line Conditioner	1503	200,000	3,720	-	-	196,280
Hospital - Water/Snow Drainage Study	1504	50,000	5,255	-	-	44,745
Hospital Humidity Control	1619	250,000	-	-	-	250,000
Hospital Long term Doors	1620	100,000	-	-	-	100,000
Hospital Security Enhancements	1621	100,000	-	-	-	100,000
Hospital Door Stops & Fire Door Closure	1622	75,000	-	-	-	75,000
Hospital New Power Supply	1623	50,000	7,109	-	-	42,892
Hospital Duct Above Server Room	1624	50,000	7,230	-	-	42,770
Hospital Panic Bar Upgrade	1625	60,000	-	-	-	60,000
Hospital Cuvert at Truck Delivery Drive	1626	100,000	-	-	-	100,000
Hospital Emergency Lighting	1705	100,000	-	-	2,970	97,030
Hospital - Roof Maintenance	1706	100,000	-	-	-	100,000
Hospital Parking Lot Improvement	9195	73,858	-	-	52,671	21,187
Hospital Oxygen Generator Relocation	9196	897,233	-	19,761	98,097	779,375
Hospital Copper Pipe Replacement	9197	1,249,975	-	64,889	52,248	1,132,838
		3,456,066	23,313	84,650	205,986	3,142,117

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of December 31, 2017, with the distribution as of September 30, 2017. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	December 31, 2017		Net New Inv.	Inv. Return	September 30, 2017	
	Market Value	Weight			Market Value	Weight
Domestic Equity	\$64,067,361	31.40%	\$(2,780)	\$3,851,811	\$60,218,329	30.47%
Large Cap Equity	\$44,775,936	21.95%	\$(2,780)	\$2,785,634	\$41,993,082	21.25%
Vanguard Institutional Index	44,775,936	21.95%	(2,780)	2,785,634	41,993,082	21.25%
Mid Cap Equity	\$12,691,408	6.22%	\$0	\$745,963	\$11,945,445	6.04%
Vanguard S&P Mid Cap 400 Index	12,691,408	6.22%	0	745,963	11,945,445	6.04%
Small Cap Equity	\$6,600,016	3.24%	\$0	\$320,213	\$6,279,803	3.18%
RBC Small Cap Core	6,600,016	3.24%	0	320,213	6,279,803	3.18%
International Equity	\$46,779,725	22.93%	\$(21,164)	\$1,761,383	\$45,039,505	22.79%
Vanguard Intl Growth	19,562,245	9.59%	0	775,125	18,787,119	9.51%
Vanguard Intl Value	18,190,840	8.92%	0	849,834	17,341,006	8.77%
Brandes International Small Cap	9,026,640	4.42%	(21,164)	136,424	8,911,380	4.51%
Fixed Income	\$74,296,024	36.42%	\$(1,361)	\$400,465	\$73,896,920	37.39%
Alaska Permanent Cap Mgmt	26,331,358	12.91%	(1,361)	141,457	26,191,262	13.25%
Standish Global Fixed	21,732,612	10.65%	0	141,335	21,591,277	10.92%
Baird Aggregate Bond	26,232,054	12.86%	0	117,673	26,114,381	13.21%
Real Estate	\$18,873,422	9.25%	\$(46,130)	\$431,840	\$18,487,712	9.35%
UBS Trumbull Property	9,193,525	4.51%	(23,159)	211,471	9,005,213	4.56%
Morgan Stanley Prime Property Fund	9,679,897	4.74%	(22,971)	220,369	9,482,499	4.80%
Total Fund	\$204,016,531	100.0%	\$(71,436)	\$6,445,500	\$197,642,467	100.0%

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended December 31, 2017

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	6.40%	19.45%	11.10%	15.55%	13.45%
Russell 3000 Index	6.34%	21.13%	11.12%	15.58%	13.50%
Large Cap Equity	6.63%	21.79%	11.38%	15.76%	13.73%
Vanguard Institutional Index	6.63%	21.79%	11.38%	15.76%	13.73%
S&P 500 Index	6.64%	21.83%	11.41%	15.79%	13.76%
Mid Cap Equity	6.24%	16.18%	11.08%	-	-
Vanguard S&P Mid Cap 400 Index	6.24%	16.18%	11.08%	-	-
S&P Mid Cap 400 Index	6.25%	16.24%	11.14%	15.01%	12.85%
Small Cap Equity	5.10%	10.97%	9.14%	-	-
RBC Small Cap Core	5.10%	10.97%	9.14%	-	-
Russell 2000 Index	3.34%	14.65%	9.96%	14.12%	11.62%
International Equity	3.91%	30.37%	10.94%	9.47%	7.17%
Vanguard Intl Growth	4.13%	43.16%	13.61%	11.27%	8.51%
Vanguard Intl Value	4.90%	27.96%	8.43%	7.76%	5.88%
MSCI EAFE	4.23%	25.03%	7.80%	7.90%	6.04%
MSCI ACWI ex US IMI (net)	5.23%	27.81%	8.38%	7.22%	5.15%
International Equity Target	5.23%	27.81%	8.50%	7.39%	5.48%
Brandes International Small Cap	1.54%	12.80%	-	-	-
ACWI Sm Cap ex US	6.56%	31.65%	11.96%	10.03%	6.54%
Fixed Income	0.54%	3.97%	2.46%	2.24%	3.38%
Alaska Permanent Cap Mgmt	0.54%	3.39%	2.46%	2.26%	3.45%
Baird Aggregate Bond	0.45%	4.20%	-	-	-
Blmbg Aggregate Index	0.39%	3.54%	2.24%	2.10%	3.20%
Standish Global Fixed	0.65%	4.43%	-	-	-
Blmbg Global Aggregate Index	0.80%	3.04%	2.66%	3.06%	3.76%
Real Estate	2.34%	8.05%	9.67%	10.22%	-
UBS Trumbull Property - Net	2.09%	5.12%	7.52%	8.40%	-
Morgan Stanley Prime Property - Net	2.08%	8.75%	-	-	-
NFI-ODCE Equal Weight Net	1.94%	6.92%	9.77%	10.62%	11.13%
Total Fund	3.26%	14.28%	7.48%	8.45%	7.85%
Target Benchmark*	3.28%	13.75%	6.79%	7.80%	7.34%
CPI + 4.5%	0.94%	6.68%	6.02%	5.77%	6.10%

* Current Quarter Target = 40.0% Blmbg Aggregate, 29.0% Russell 3000 Index, 21.0% MSCI ACWI ex US IMI and 10.0% NCREIF NFI-ODCE Eq Wt Net.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended December 31, 2017

	Last 10 Years	Last 15 Years	Last 20-1/4 Years
Domestic Equity	8.45%	10.05%	-
Russell 3000 Index	8.60%	10.25%	7.43%
Large Cap Equity	8.50%	9.92%	-
Vanguard Institutional Index	8.50%	9.92%	-
S&P 500 Index	8.50%	9.92%	7.25%
International Equities	3.53%	9.09%	-
Vanguard Intl Growth	4.85%	-	-
Vanguard Intl Value	2.24%	-	-
MSCI EAFE	1.94%	8.11%	4.76%
MSCI ACWI ex US IMI (net)	2.20%	9.17%	5.40%
International Equity Target	2.36%	9.27%	5.61%
Fixed Income	3.84%	4.01%	5.07%
Alaska Permanent Cap Mgmt	4.38%	4.44%	5.40%
Blmbg Aggregate Index	4.01%	4.15%	5.07%
Total Fund	5.98%	7.11%	6.62%
Target Benchmark*	5.81%	6.95%	6.26%
CPI + 4.5%	6.08%	6.57%	6.59%

* Current Quarter Target = 40.0% Blmbg Aggregate, 29.0% Russell 3000 Index, 21.0% MSCI ACWI ex US IMI and 10.0% NCREIF NFI-ODCE Eq Wt Net.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	2017	2016	2015	2014	2013
Domestic Equity	19.45%	15.08%	(0.24%)	12.72%	33.25%
Russell 3000 Index	21.13%	12.74%	0.48%	12.56%	33.55%
Large Cap Equity	21.79%	11.93%	1.37%	13.65%	32.35%
Vanguard Institutional Index	21.79%	11.93%	1.37%	13.65%	32.35%
S&P 500 Index	21.83%	11.96%	1.38%	13.69%	32.39%
Mid Cap Equity	16.18%	20.66%	(2.23%)	9.72%	-
Vanguard S&P Mid Cap 400 Index	16.18%	20.66%	(2.23%)	9.72%	-
S&P Mid Cap 400 Index	16.24%	20.74%	(2.18%)	9.77%	33.50%
Small Cap Equity	10.97%	26.34%	(7.27%)	4.68%	-
RBC Small Cap Core	10.97%	26.34%	(7.27%)	4.68%	-
Russell 2000 Index	14.65%	21.31%	(4.41%)	4.89%	38.82%
International Equities	30.37%	5.17%	(0.43%)	(6.09%)	22.62%
Vanguard Intl Growth	43.16%	2.17%	0.25%	(5.51%)	23.12%
Vanguard Intl Value	27.96%	5.33%	(5.41%)	(6.69%)	22.15%
MSCI EAFE	25.03%	1.00%	(0.81%)	(4.90%)	22.78%
MSCI ACWI ex US IMI (net)	27.81%	4.41%	(4.60%)	(3.89%)	15.82%
International Equity Target	27.81%	4.85%	(4.69%)	(3.44%)	15.78%
Brandes International Small Cap	12.80%	10.62%	-	-	-
ACWI Sm Cap ex US	31.65%	3.91%	2.60%	(4.03%)	19.73%
Fixed Income	3.97%	2.98%	0.47%	5.85%	(1.87%)
Alaska Permanent Cap Mgmt	3.39%	2.96%	1.04%	5.80%	(1.73%)
Baird Aggregate Bond	4.20%	2.59%	-	-	-
Blmbg Aggregate Index	3.54%	2.65%	0.55%	5.97%	(2.02%)
Standish Global Fixed	4.43%	2.45%	-	-	-
Blmbg Global Aggregate Index	3.04%	3.95%	1.02%	7.59%	(0.14%)
Real Estate	8.05%	8.07%	12.96%	11.68%	10.43%
UBS Trumbull Property - Net	5.12%	5.90%	11.64%	10.38%	9.12%
Morgan Stanley Prime Property	8.75%	-	-	-	-
NFI-ODCE Equal Weight Net**	6.92%	8.36%	14.18%	11.42%	12.36%
Total Fund	14.28%	7.48%	1.08%	5.28%	14.77%
Target Benchmark*	13.75%	6.70%	0.34%	6.01%	12.74%
CPI + 4.5%	6.68%	6.49%	4.89%	4.83%	5.96%

* Current Quarter Target = 40.0% Blmbg Aggregate, 29.0% Russell 3000 Index, 21.0% MSCI ACWI ex US IMI and 10.0% NCREIF NFI-ODCE Eq Wt Net.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	2017	2016	2015	2014	2013
Domestic Equity	19.45%	15.08%	(0.24%)	12.72%	33.25%
Russell 3000 Index	21.13%	12.74%	0.48%	12.56%	33.55%
Large Cap Equity	21.79%	11.93%	1.37%	13.65%	32.35%
Vanguard Institutional Index	21.79%	11.93%	1.37%	13.65%	32.35%
S&P 500 Index	21.83%	11.96%	1.38%	13.69%	32.39%
International Equity	30.37%	5.17%	(0.43%)	(6.09%)	22.62%
Vanguard Intl Growth	43.16%	2.17%	0.25%	(5.51%)	23.12%
Vanguard Intl Value	27.96%	5.33%	(5.41%)	(6.69%)	22.15%
MSCI EAFE	25.03%	1.00%	(0.81%)	(4.90%)	22.78%
MSCI ACWI ex US IMI (net)	27.81%	4.41%	(4.60%)	(3.89%)	15.82%
International Equity Target	27.81%	4.85%	(4.69%)	(3.44%)	15.78%
Fixed Income	3.97%	2.98%	0.47%	5.85%	(1.87%)
Alaska Permanent Cap Mgmt	3.39%	2.96%	1.04%	5.80%	(1.73%)
Blmbg Aggregate Index	3.54%	2.65%	0.55%	5.97%	(2.02%)
Total Fund	14.28%	7.48%	1.08%	5.28%	14.77%
Target Benchmark*	13.75%	6.70%	0.34%	6.01%	12.74%
CPI + 4.5%	6.68%	6.49%	4.89%	4.83%	5.96%

* Current Quarter Target = 40.0% Blmbg Aggregate, 29.0% Russell 3000 Index, 21.0% MSCI ACWI ex US IMI and 10.0% NCREIF NFI-ODCE Eq Wt Net.



Health Insurance Fund Report
December 31, 2017

Prepared by: Brian Carlson, Finance Director
Contact: 907.834.3461, bcarlson@ci.valdez.ak.us

MONTH	CITY				SCHOOL				COMBINED			
	DEPOSITS	CLAIMS	ADMIN FEE	VARIANCE	DEPOSITS	CLAIMS	ADMIN FEE	VARIANCE	DEPOSITS	CLAIMS	ADMIN FEE	VARIANCE
JAN	\$ 211,498	\$ 115,009	\$ 33,913	\$ 62,576	\$ 261,305	\$ 124,423	\$ 35,383	\$ 101,498	\$ 472,803	\$ 239,433	\$ 69,296	\$ 164,074
FEB	219,675	118,654	35,622	65,399	261,305	114,179	35,383	111,743	480,980	232,833	71,005	177,141
MAR	218,352	191,500	36,347	(9,495)	261,305	254,248	35,383	(28,327)	479,656	445,748	71,730	(37,822)
APR	228,531	-	38,638	189,893	261,305	-	37,656	223,649	489,836	-	76,294	413,542
MAY	240,433	311,712	37,379	(108,658)	-	182,032	37,083	(219,115)	240,433	493,744	74,462	(327,774)
JUN	229,478	293,462	37,389	(101,372)	518,103	221,248	37,083	259,772	747,581	514,710	74,472	158,400
JUL	227,173	60,380	38,395	128,398	236,944	61,761	33,536	141,647	464,117	122,141	71,931	270,045
AUG	235,312	157,043	37,537	40,732	246,402	175,549	34,828	36,025	481,714	332,592	72,365	76,757
SEP	237,196	253,191	39,239	(55,234)	-	173,602	34,828	(208,430)	237,196	426,793	74,067	(263,664)
OCT	255,805	382,827	40,860	(167,881)	492,869	225,157	35,150	232,562	748,675	607,984	76,010	64,681
NOV	243,523	308,111	38,240	(102,829)	251,856	157,859	25,472	68,525	495,379	465,969	63,713	(34,303)
DEC	241,267	157,119	40,169	43,978	255,171	315,987	36,116	(96,933)	496,437	473,106	76,285	(52,954)
TOTALS	\$ 2,788,243	\$ 2,349,009	\$ 453,728	\$ (14,494)	\$ 3,046,563	\$ 2,006,045	\$ 417,903	\$ 622,616	\$ 5,834,807	\$ 4,355,054	\$ 871,631	\$ 608,122

Health Insurance Fund Balance (Including Reserve)12/31/15:	\$2,919,197
Total Deposits	5,834,807
Total Claims	(4,355,054)
Premiums/Admin.Fee/Cost:	(871,631)
Claims and Stop Loss	(3,931)
Refunds, Stop Loss	97,876
Annual Fee US Pay.Gov	(6,242)
Bank Fees	(1,500)
Interest Accrued	1,171
City Wellness & BIO Screening	<u>(13,825)</u>
Health Insurance Fund Balance (Including Reserve)	<u>\$3,600,868</u>