

Overview, Revenues, Reserves

2025 Budget Workshop; October 10th, 2024

Agenda

- Overview

- Fund Balances
- Projections
- City Manager Review
- Personnel

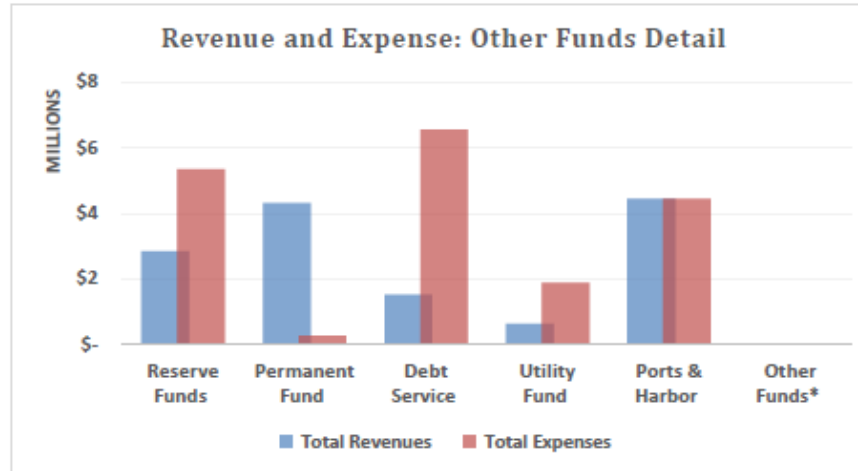
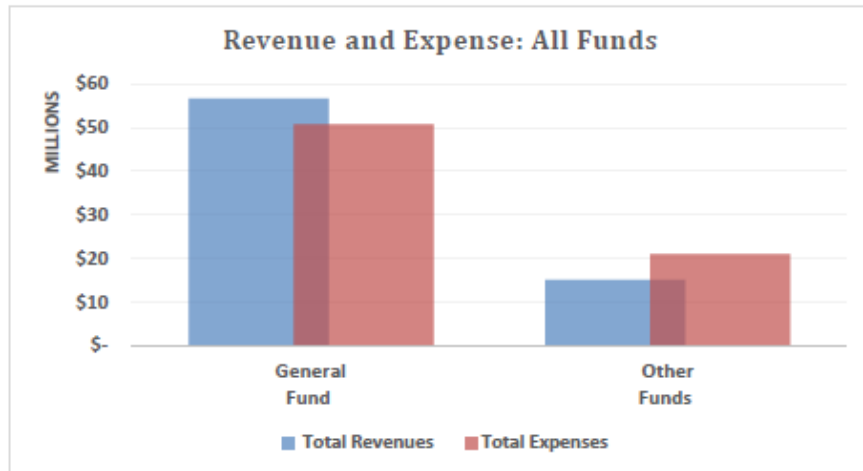
- Appropriations

- Revenues
- Reserves

Financial Schedule by Division

All Values in Millions

	General Fund	Reserve Funds	Capital Projects	Permanent Fund	Debt Service	Utility Fund	Ports & Harbor	Other Funds*	Grand Total
Beginning Fund Balance	26.5	53.6	19.9	269.6	5.6	3.3	9.4	25.2	413.1
Property Taxes	51.1	-	-	-	-	-	-	-	51.1
Other	5.5	2.8	1.3	4.3	1.5	0.6	4.4	-	20.6
Total Revenues	56.6	2.8	1.3	4.3	1.5	0.6	4.4	-	71.7
Transfer In (Out)	(4.5)	2.5	1.2	(4.0)	5.0	-	(0.2)	-	-
Operating Subsidy	(1.4)	-	-	-	-	1.2	0.2	-	-
Net of Transfer/Subsidy	(5.9)	2.5	1.2	(4.0)	5.0	1.2	0.0	-	-
Division									
Facilities, Fleet & Infrastructure	10.0	1.2	2.5	-	6.6	1.9	-	-	22.2
Administration	13.5	3.9	-	0.3	-	-	-	-	17.7
Support	13.5	-	-	-	-	-	-	-	13.5
Emergency Services	9.5	-	-	-	-	-	-	-	9.5
Ports & Harbor	-	0.2	-	-	-	-	4.4	-	4.6
Parks, Recreation & Cultural Services	4.2	-	-	-	-	-	-	-	4.2
Total Expenses	50.7	5.3	2.5	0.3	6.6	1.9	4.4	-	71.7
Net Increase (Reduction)	-	-	-	-	-	-	-	-	-
Ending Fund Balance	26.5	53.6	19.9	269.6	5.6	3.3	9.4	25.2	413.1



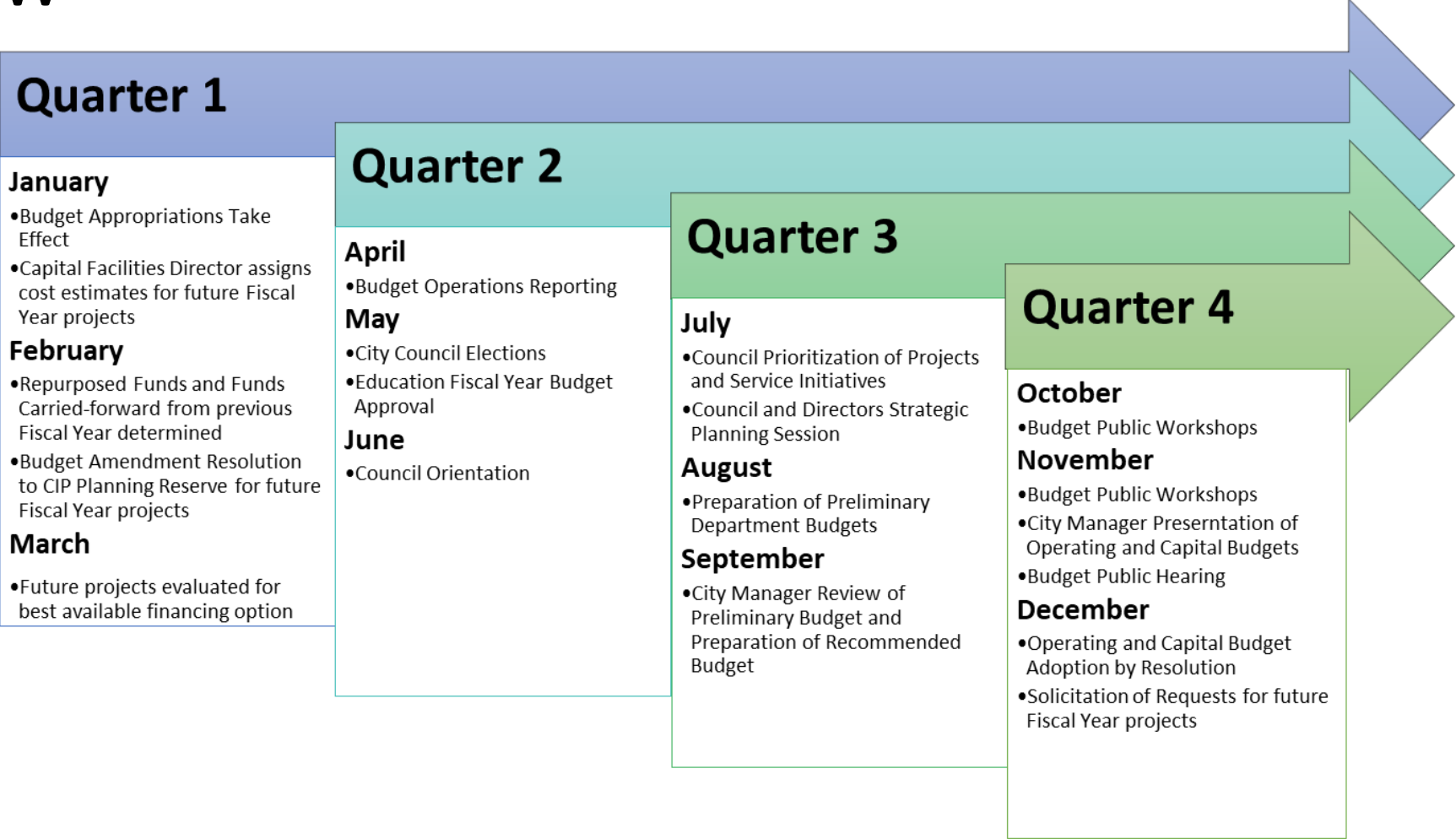
Indicates Major Fund

*Other Funds include: Debt Service, Health Insurance, and Museum

Process Overview

Operating Budget		Capital and Major Maintenance Projects		
PRIORITIZATION				
July	Public workshop(s) are held to establish citywide priorities	↓	Capital Facilities Dir. (CFD) solicits stakeholders for project requests	December
	Council priorities are communicated to staff via City Manager memo		CFD establishes preliminary ranking for City Manager review	
PRELIMINARY BUDGET DEVELOPMENT				
August	Department Directors itemize annual work-plans	↓	CFD assigns cost estimates for future project design and construction	February
	Department Directors create preliminary department budgets		CFD and Finance evaluate funding strategy for lowest cost financing	
CITY MANAGER (CM) REVIEW				
September	CM reviews department budgets with Directors and staff	↓	CM conducts citywide stakeholder meetings to allocate City funding	September
	CM authorizes recommended budget for Council consideration		CM authorizes final projects prioritization for Council consideration	
CITY COUNCIL REVIEW				
October	Several public workshops are held to review citywide budgets	↓	Public workshops are held to review and finalize approved projects	October
	Council directs final budget revisions for adoption		CM directs final project prioritization for adoption	
ADOPTION				
December	Council holds final public hearing prior to adoption	↓	Council holds final public hearing prior to adoption	December
	Council adopts annual budget via Resolution		Council adopts annual budget via Resolution	
MONITORING AND REVISION				
Ongoing / Quarterly	Appropriations are set and controlled at the general ledger line-item level, rather than the fund- or department-level	↓	Appropriations are set and controlled at the general ledger line-item level, rather than the fund- or department-level	Ongoing / Quarterly
	Expenses are continuously monitored by Departments and Finance staff via ERP software and monthly department budget reports		New and/or unanticipated projects are considered by Council on a case-by-case basis	
	Intra-departmental adjustments must be authorized by City Manager		Major Maintenance funding may be adjusted by CM on a limited basis	
	Finance prepares quarterly internal financial statements to Council showing year-to-date budget / actual figures		Capital Project funding revision must be authorized by Council	
	CM and Directors provide quarterly work-plan status to Council		Project financial summaries are provided to Council quarterly	
	Inter-departmental adjustments must be authorized by Council		<i>Indicates Public Engagement</i>	

Process Overview



Workshop Schedule



	Start Time: 6:00 PM	6:30 PM	7:00 PM	7:30 PM	8:00 PM	8:30 PM
Thursday, October 3	Open					
Thursday, October 10	2025 Budget Overview		Revenues	Debt Service and Reserve Funds		
Thursday, October 17	Public Safety Division			Administration		
Tuesday, October 22	CIP				Major Maintenance	
Thursday, October 24	Revisit Topics	Facilities, Fleet, and Infrastructure Division			Major Equipment	
Tuesday, October 29	Revisit Topics	Museum	Parks, Recreation, and Cultural Services & City Events			
Thursday, November 14	Community Service Organizations					
Thursday, November 21	Education	VCVB / VFDA & Sponsored Events	Economic Development	Ports and Harbor Division		
Tuesday, December 3	Open/Contingency		Public Hearing and City Manager Presentation of 2024 Budget Regular City Council Meeting			
Tuesday, December 17			Budget Adoption Regular City Council Meeting			

All Meetings Located in Council Chambers

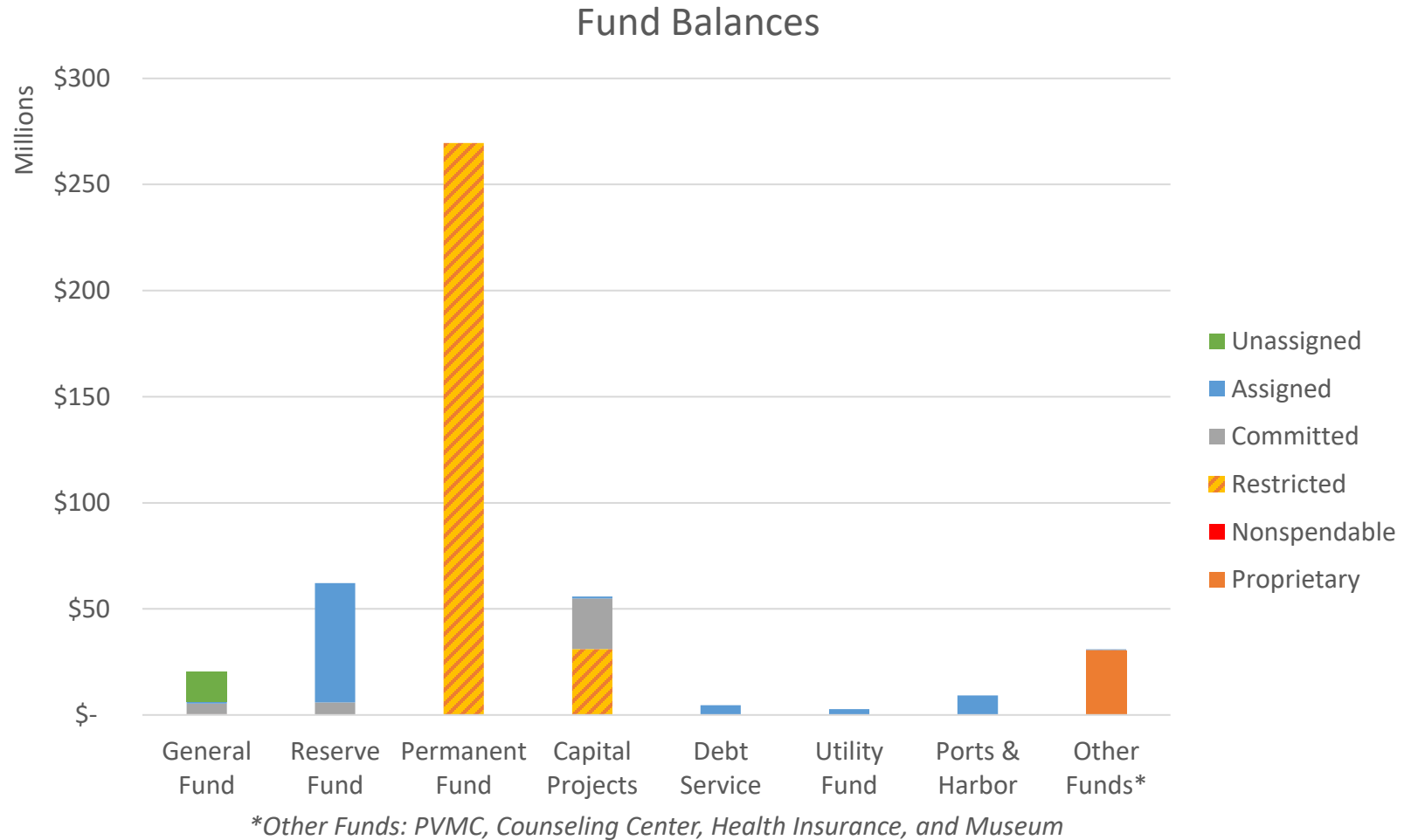
Fund Balances, Financial Schedule, and “The Lines”

Fund Balances

Fund Balances

as of 12/31/2023 (Audited)

- Permanent Fund represents 59% of Citywide Fund Balance
 - Restricted by City Charter, Section 6.7(a)

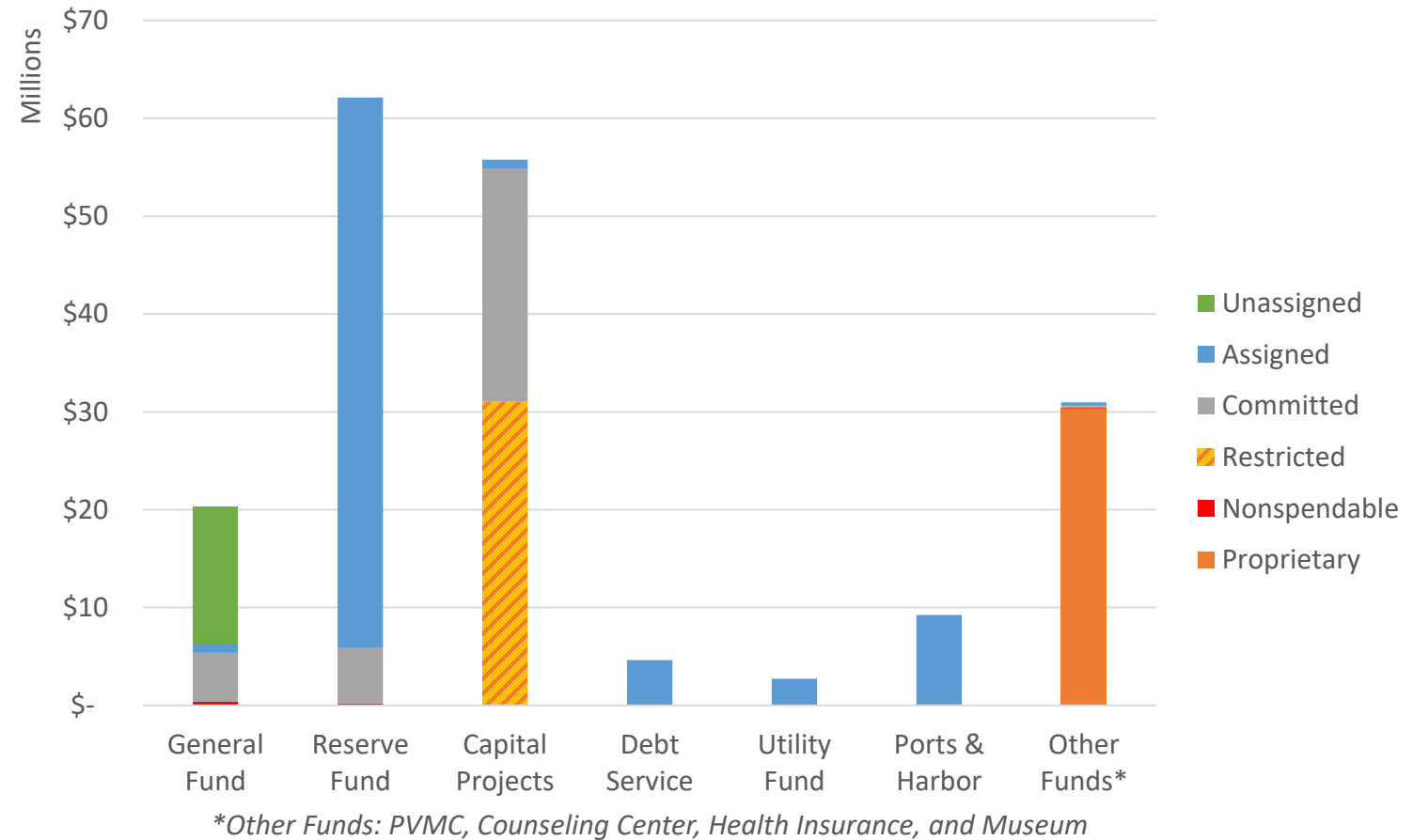


Fund Balances

as of 12/31/2023
(excl Perm Fund)

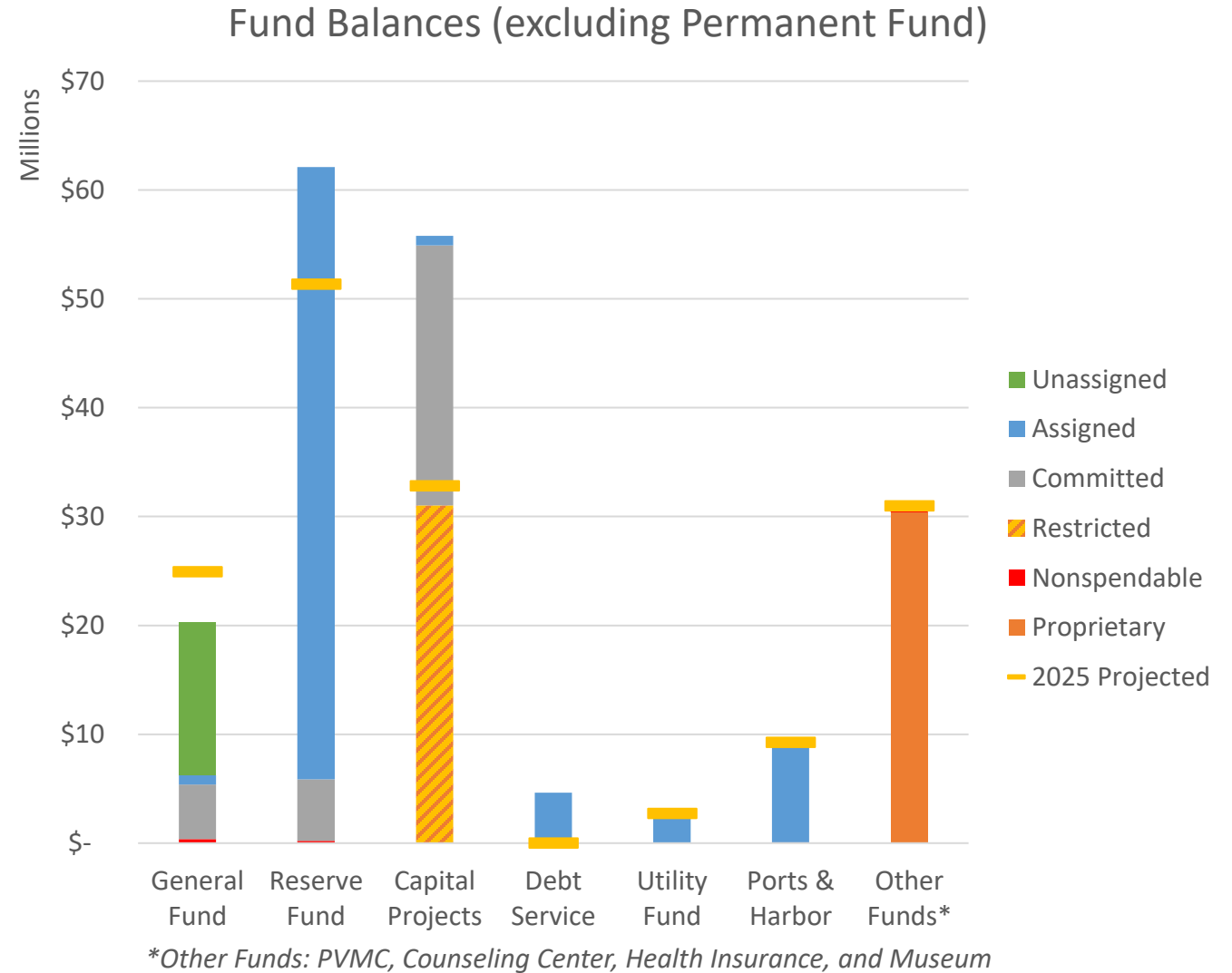
- **Proprietary Funds account for business-type activities**
 - PVMC, PVCC, Museum (External Subsidiary)
 - Health Insurance (Internal Service)
- **Nonspendable**
 - Ex) items that cannot be readily converted into cash; inventory/prepays/etc
- **Restricted**
 - Ex) Bond Proceeds; Sewer Force Main
- **Unrestricted**
 - **Committed**
 - Ex) Projects in Active Design or Construction
 - **Assigned**
 - Ex) Repayment Reserve, Other Reserve Funds, Prioritized projects not underway
 - **Unassigned**
 - Ex) "Savings" \$14.0MM

Fund Balances (excluding Permanent Fund)



2025 Projected Fund Balance

- Yellow Bar represents Projected Fund Balance
- Notable Changes
 - Spenddown of Sewer Force Main Project
 - Update Working Capital Reserve and Reallocate Debt Service
- Excludes Permanent Fund
 - 09/30/2024 Balance: \$296MM

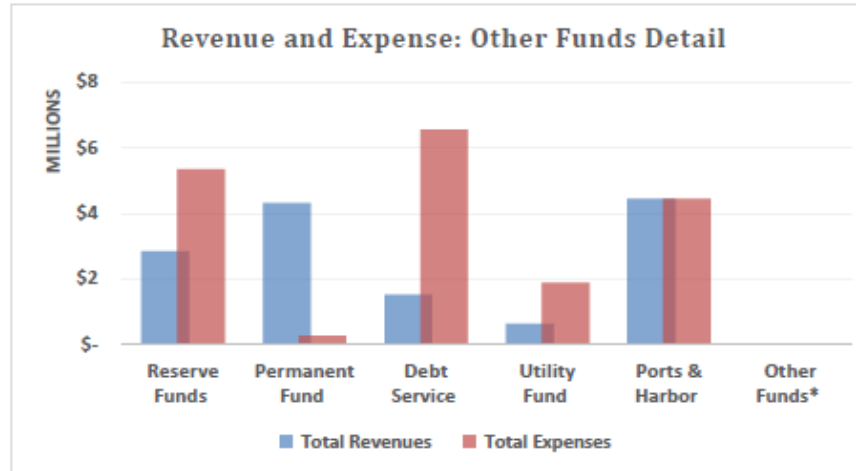
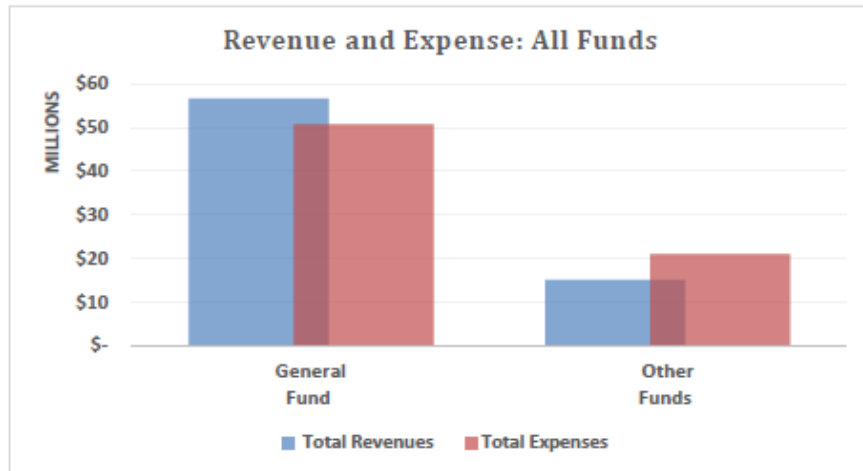


Financial Schedule

Financial Schedule by Division

All Values in Millions

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Total Revenues	56.6	2.8	1.3	4.3	1.5	0.6	4.4	-	71.7
Transfer In (Out)	(4.5)	2.5	1.2	(4.0)	5.0	-	(0.2)	-	-
Operating Subsidy	(1.4)	-	-	-	-	1.2	0.2	-	-
Net of Transfer/Subsidy	(5.9)	2.5	1.2	(4.0)	5.0	1.2	0.0	-	-
Division									
Facilities, Fleet & Infrastructure	10.0	1.2	2.5	-	6.6	1.9	-	-	22.2
Administration	13.5	3.9	-	0.3	-	-	-	-	17.7
Support	13.5	-	-	-	-	-	-	-	13.5
Emergency Services	9.5	-	-	-	-	-	-	-	9.5
Ports & Harbor	-	0.2	-	-	-	-	4.4	-	4.6
Parks, Recreation & Cultural Services	4.2	-	-	-	-	-	-	-	4.2
Total Expenses	50.7	5.3	2.5	0.3	6.6	1.9	4.4	-	71.7
Net Increase (Reduction)	-	-	-	-	-	-	-	-	-
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Financial Schedule by Category

All Values in Millions

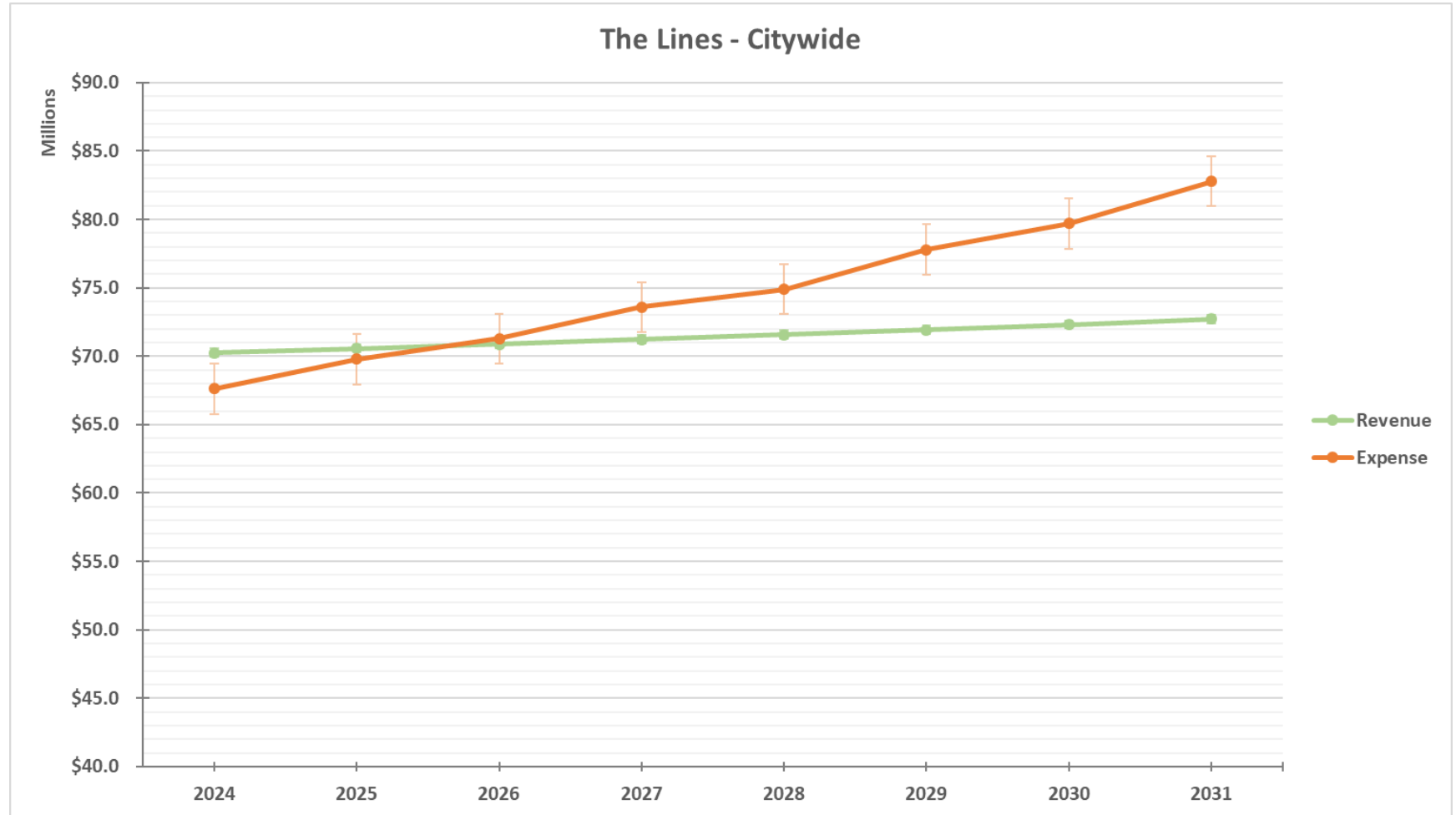
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Operating Subsidy	(1.4)	-	-	-	-	1.2	0.2	-	-
Net of Transfer/Subsidy	(5.9)	2.5	1.2	(4.0)	5.0	1.2	0.0	-	-
Expense Category									
FTE Payroll	20.6	-	-	-	-	1.0	2.1	-	23.6
Education	12.4	-	-	-	-	-	-	-	12.4
Other Operating	3.4	2.8	-	0.0	-	0.1	0.4	-	6.8
Debt Service	-	-	-	-	6.6	-	-	-	6.6
Contracts	3.8	-	-	0.3	-	0.1	0.5	-	4.7
Legal	4.5	-	-	-	-	-	-	-	4.5
Other Personnel	2.8	-	-	-	-	0.1	0.7	-	3.5
Equipment	-	3.3	-	-	-	-	-	-	3.3
Utilities	1.2	-	-	-	-	0.6	0.8	-	2.6
CSO	1.9	-	-	-	-	-	-	-	1.9
Projects	-	(0.8)	2.5	-	-	-	-	-	1.7
Events	0.2	-	-	-	-	-	-	-	0.2
Total Expenses	50.7	5.3	2.5	0.3	6.6	1.9	4.4	-	71.7
Net Increase (Reduction)	-	-	-	(0.0)	-	-	-	-	-
Ending Fund Balance	26.5	53.6	19.9	269.6	5.6	3.3	9.4	25.2	413.1

Projections

Last Year

Revenue and Expense

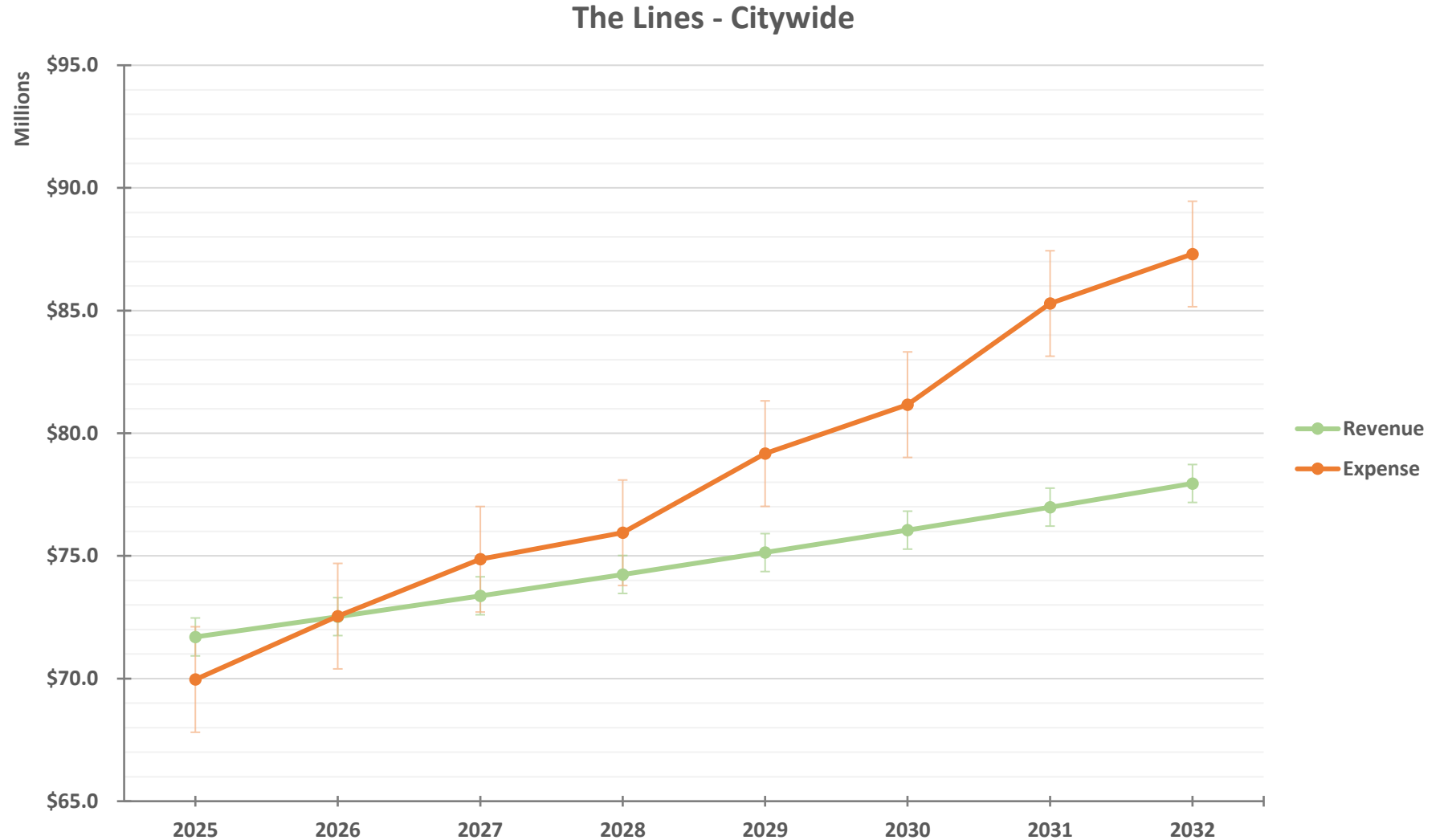
- Revenue appropriations exceed Expense appropriations by \$2.6MM
- School Roof Project estimate is \$10-12MM, no funding source determined



This Year

Revenue and Expense

- Revenue appropriations exceed Expense appropriations by \$1.4MM
- Recommended Budget includes \$1.4MM appropriation to Rural Roads Project in addition to \$5.6MM from CIP Planning Reserve for prioritized projects

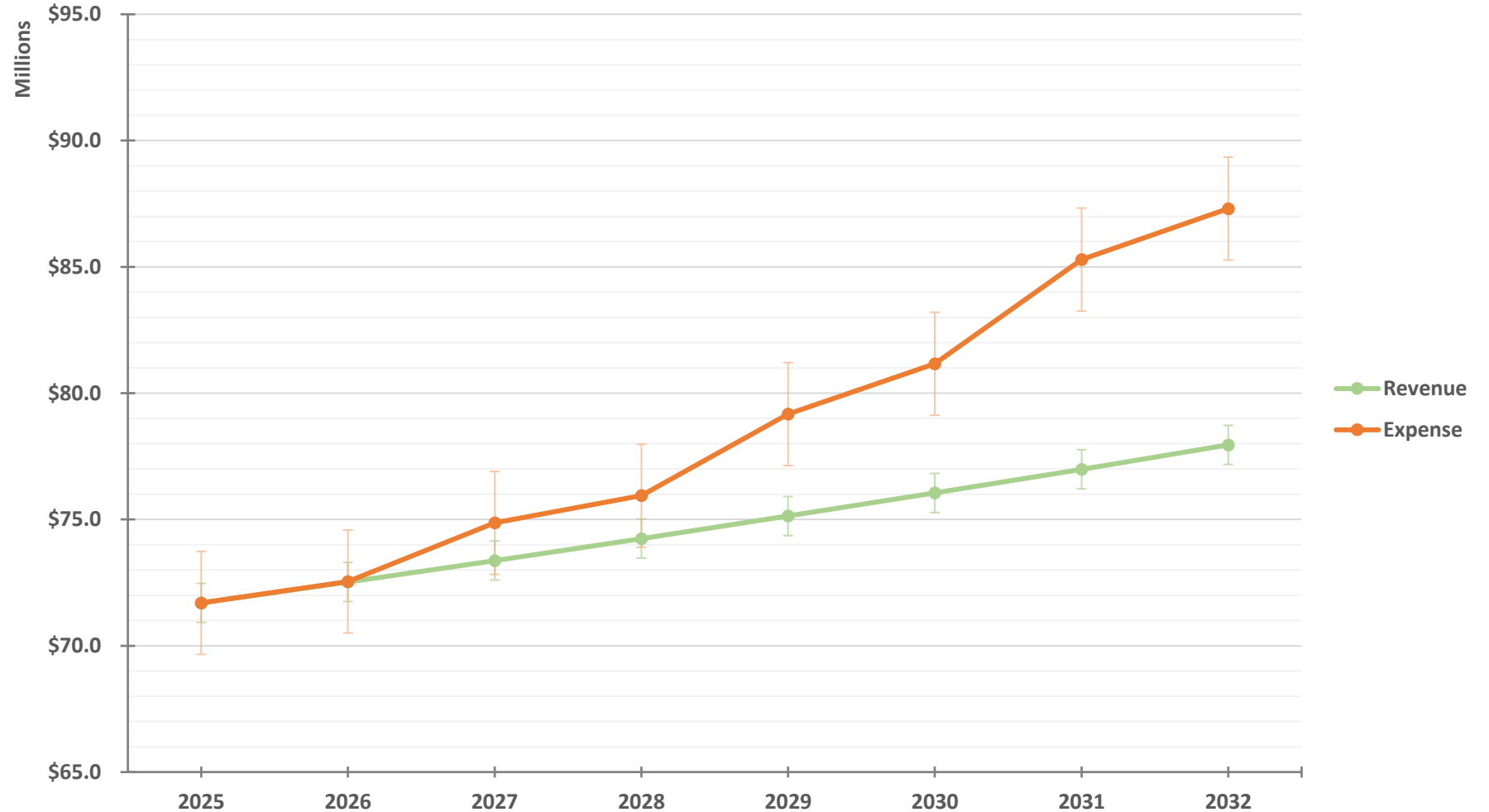


This Year

Revenue and Expense

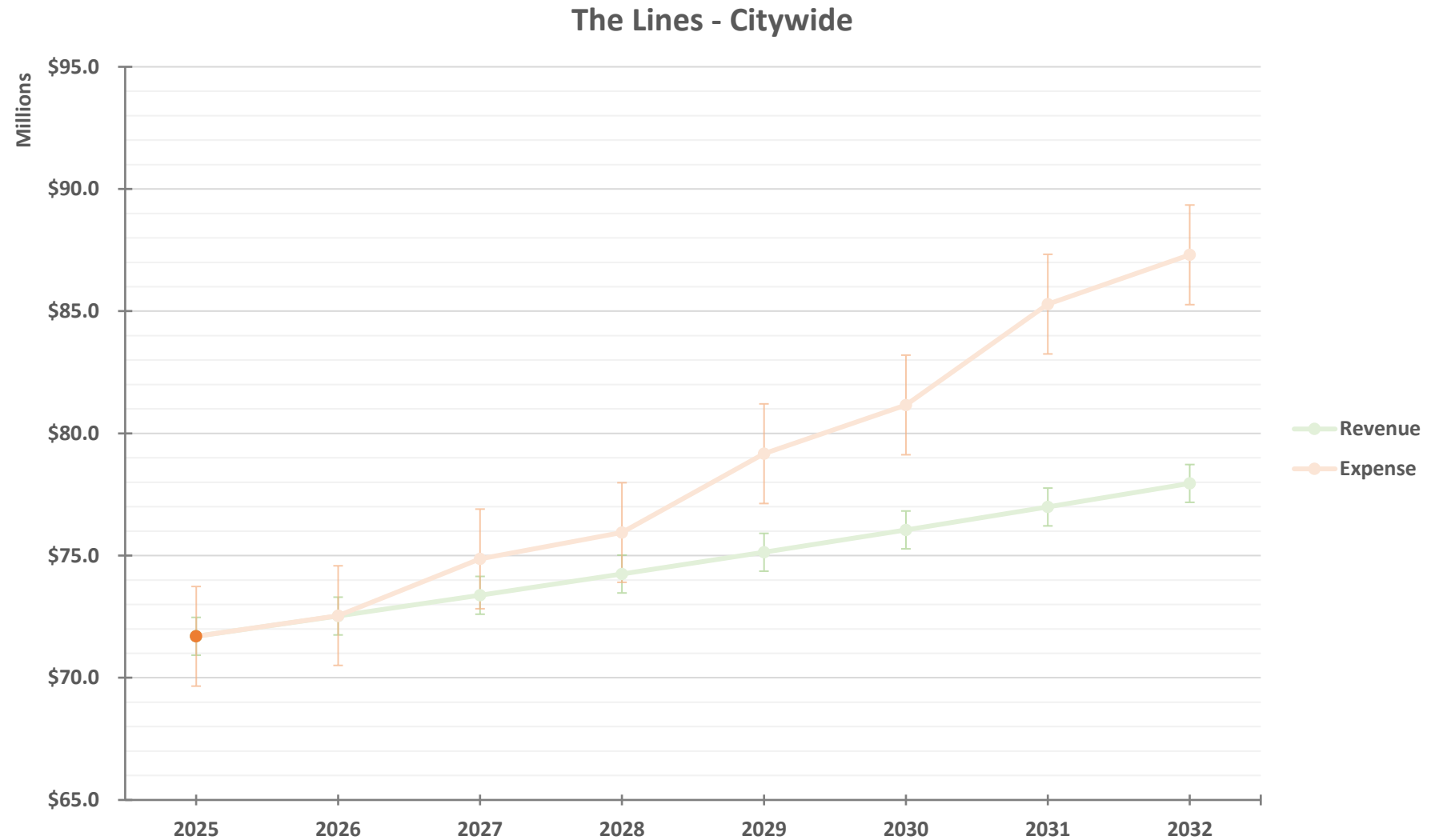
- Add Project Budgeting into the Operating Budget
- Current Baseline Scenario

The Lines - Citywide



Revenue and Expense

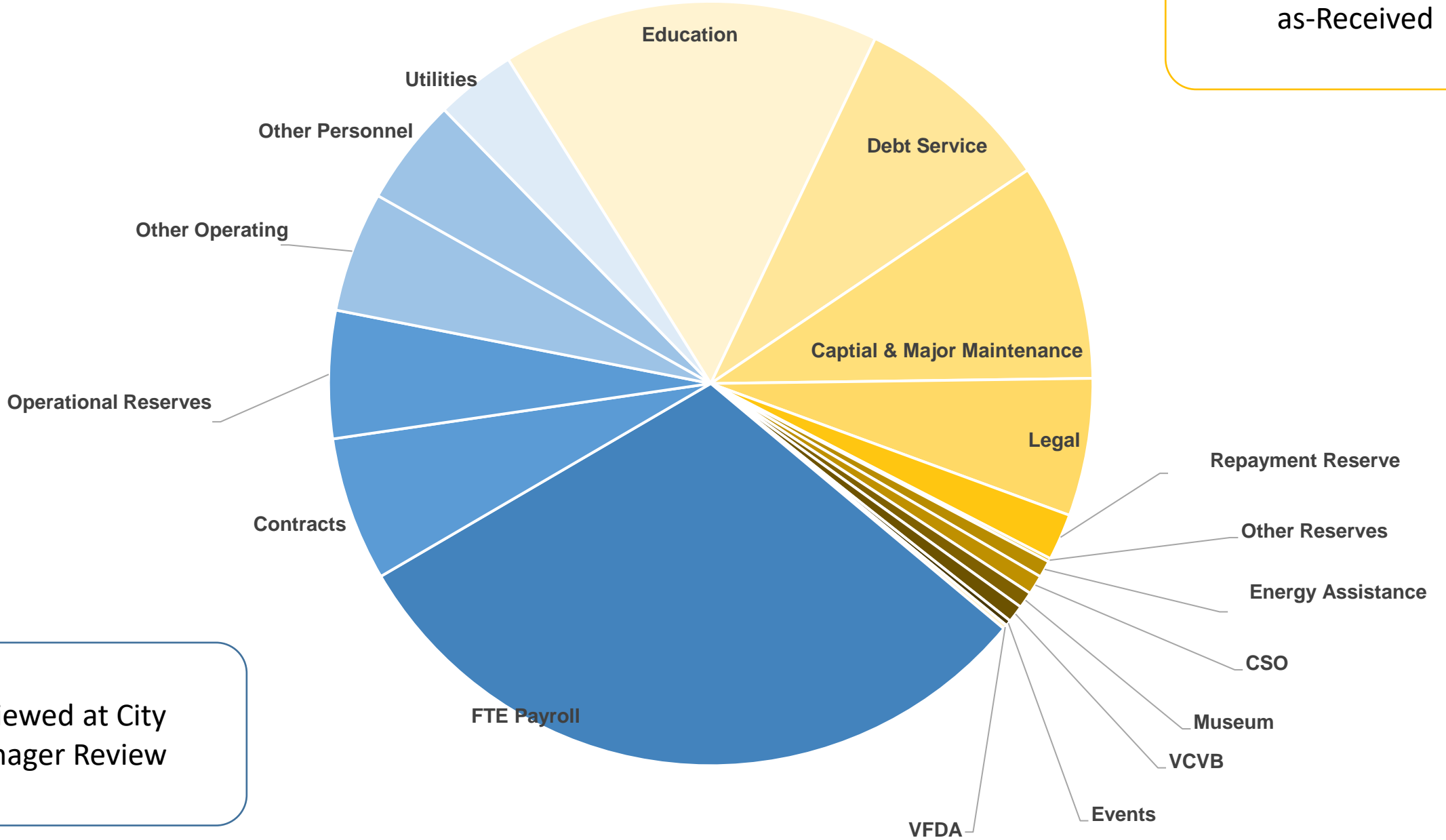
- Unknown beyond 2025
- 5-Year Agreement with TAPS ends after FY25
 - Agreement with TAPS owners reflects 80% of General Fund revenue



Budget Process; Requested -> City Manager -> City Council

Citywide Expense Appropriations \$71.7MM

Forwarded
as-Received

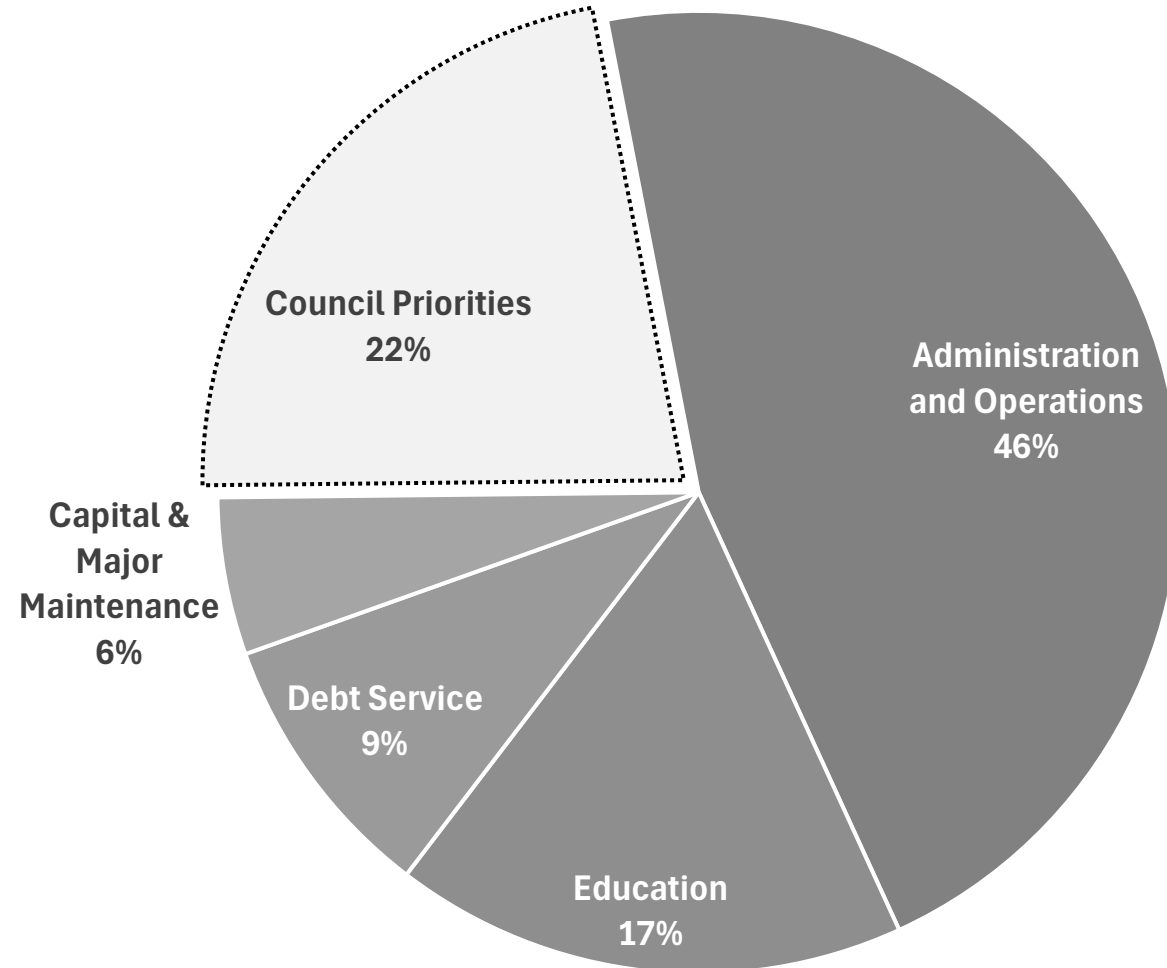


Reviewed at City
Manager Review

FY 2025 Budget

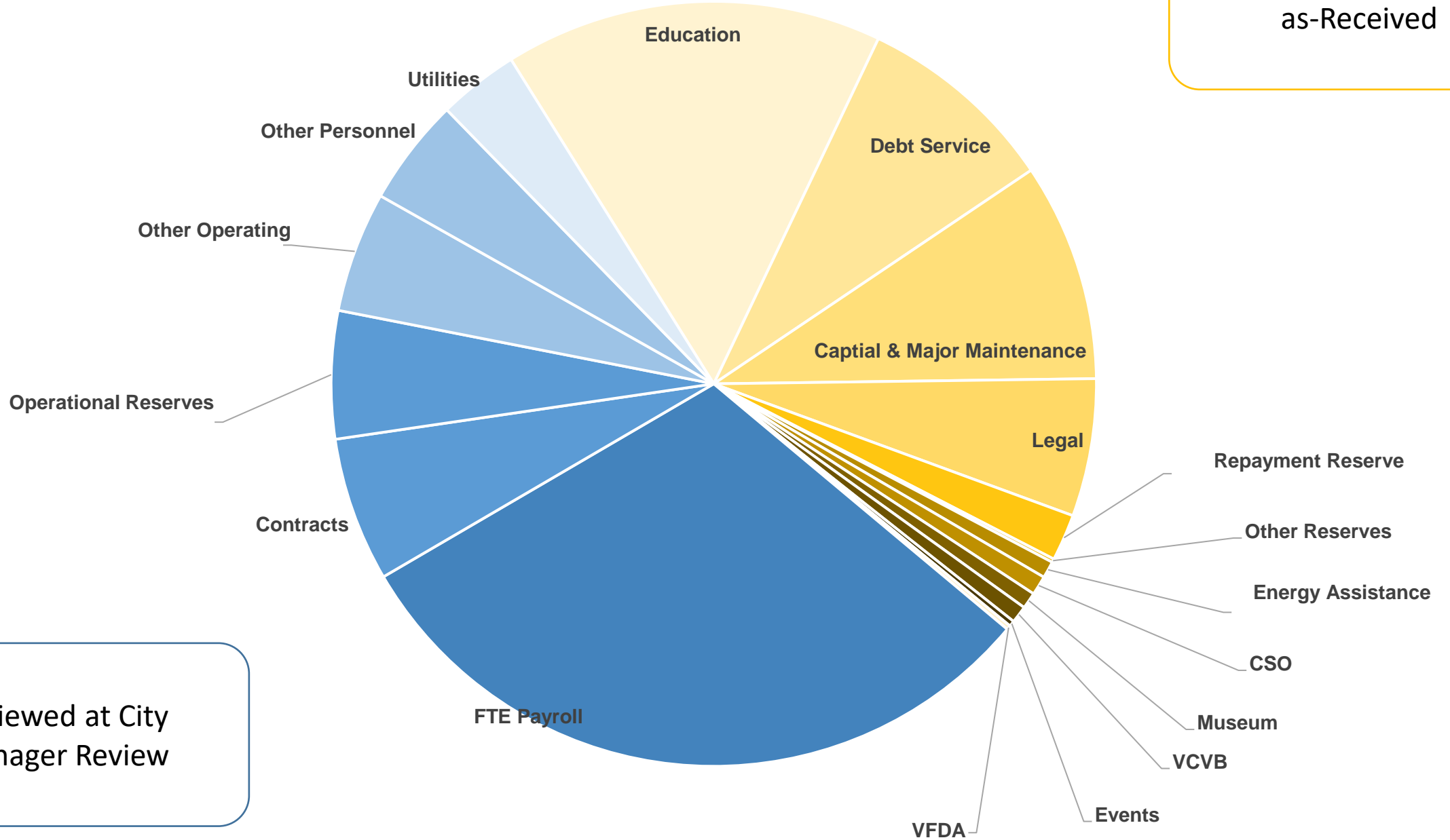
- **Childcare**
 - 2.5MM Appropriation to Childcare Facility
- **Transportation**
 - Road Maintenance and Rural Roads Program
- **Livability**
 - Various Appropriations through Police/Fire, PRCS, and the CSO program
- **Economy**
 - 1MM Appropriation to repair the KD Dolphin.
 - VCVB/VFDA, T3, and Mariculture
- **Adaptable**
 - Radio Tower/Dark Fiber and Stream Gage Agreements

City Wide Appropriations 71.7MM



Citywide Expense Appropriations \$71.7MM

Forwarded
as-Received



Reviewed at City
Manager Review

Initial Requests to City Manager Operating Budget

- City Manager Review 2025 Budget:

- City Manager reviews the operations pursuant to Council Priorities
 - General Fund
 - Debt Service
 - Subsidies



- Citywide Appropriations

- Home-rule functions such as education and non-profit funding
 - Programs with multi-year authorizations
 - New to 2025 budget cycle, Citywide CIP and Major Maintenance
- Align the budget with historic actual spending and City Council expectations

City Manager Budget by Division

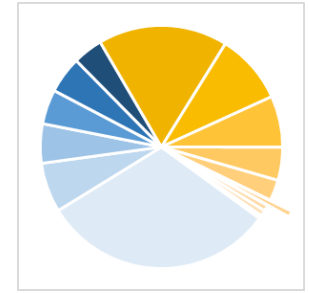
	2025 Requested Budget	City Manager Review	Dollar Change	Percent Change
Facilities, Fleet & Infrastructure	20,442,987	22,195,339	1,752,353	9%
Administration	21,246,403	17,690,747	(3,555,656)	-17%
Support	13,515,722	13,515,722	-	0%
Emergency Services	9,541,139	9,471,718	(69,421)	-1%
Ports & Harbor	4,526,925	4,639,929	113,004	2%
Parks, Recreation & Cultural Services	4,324,083	4,183,406	(140,677)	-3%
Grand Total	73,597,259	71,696,862	(1,900,397)	-3%

City Manager Budget by Category

	2025 Requested Budget	City Manager Review	Dollar Change	Percent Change
FTE Payroll	23,893,586	23,583,642	(309,944)	-1%
Education	12,350,972	12,350,972	-	0%
Other Operating	10,868,312	6,759,212	(4,109,100)	-38%
Debt Service	6,564,029	6,564,029	-	0%
Contracts	4,847,843	4,718,143	(129,700)	-3%
Legal	3,750,000	4,500,000	750,000	20%
Other Personnel	3,520,693	3,506,969	(13,724)	0%
Equipment	3,182,651	3,328,317	145,666	5%
Utilities	2,567,789	2,629,339	61,550	2%
CSO	1,866,187	1,866,187	-	0%
Projects	-	1,704,855	1,704,855	100%
Events	185,196	185,196	-	0%
Grand Total	73,597,259	71,696,862	(1,900,397)	-3%

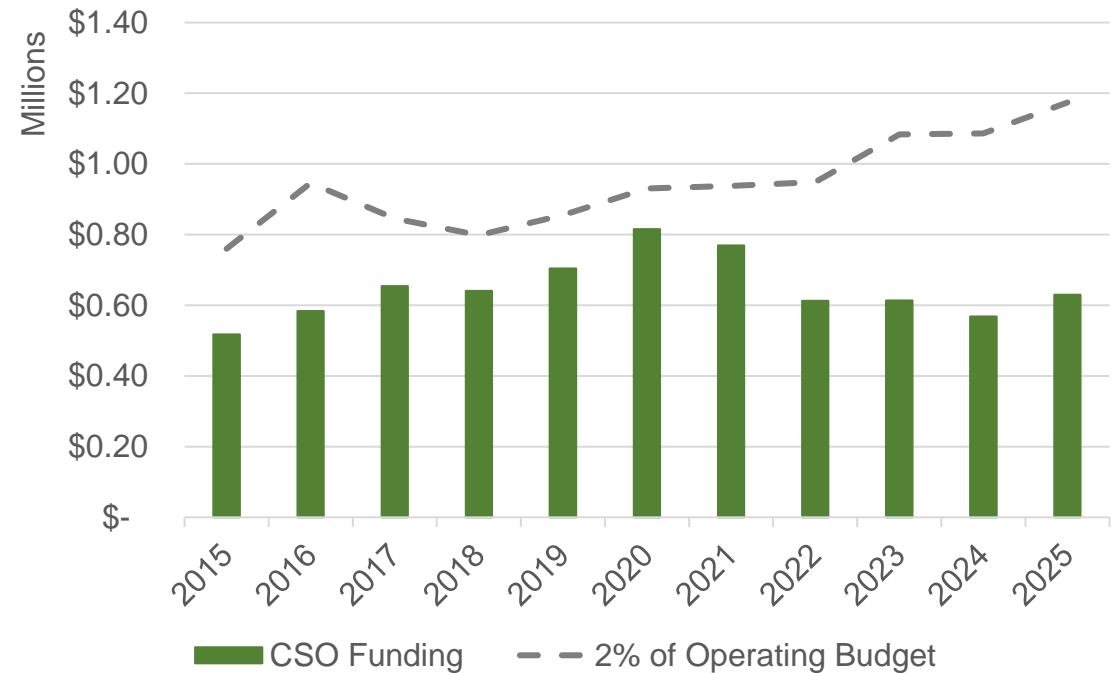
	2025 Requested Budget	City Manager Review	Dollar Change	Percent Change
Operating Subsidy	1,557,502	1,437,830	(119,672)	-8%
Grand Total	1,557,502	1,437,830	(119,672)	-8%

Community Service Organizations (CSOs)



- NTE to be 2% of Operating Budget
- New Requests 2025
 - Valdez Pre-School
 - Valdez Torpedoes Swim Club

Community Service Organization Funding; 10-Year History



Personnel



- October 17
- October 17
- October 24
- October 29
- November 21

Authorized Position Count	2021	2022	2023	2024	2025	
Administration	30	30	30	30	30	■ ■ ■ ■ ■
ADMINISTRATION	2.8	2.8	2.8	2.8	2.8	
CITY CLERK	5	5	5	5	5	
CITY COUNCIL	0	0	0	0	0	
COMMUNITY DEVELOPMENT	7	7	7	7	7	
ECONOMIC DEVELOPMENT	2.2	2.2	1.2	1.2	1.2	
FINANCE	6	6	6	6	6	
HUMAN RESOURCES	2	2	2	2	2	
INFORMATION SERVICES	5	5	6	6	6	
Emergency Services	37	37	38	38	39	— — — — ■
ANIMAL CONTROL	3.2	3.2	3.2	3.2	3.2	
EMERGENCY MANAGEMENT		1	1.5	1.5	2	
FIRE/EMS	11	11	11	11	11	
LAW ENFORCEMENT	13.1	12.3	12.8	12.8	13.3	
PUBLIC SAFETY	9.7	9.5	9.5	9.5	9.5	
Facilities, Fleet & Infrastructure	37.5	37	36.5	36.5	37	■ — — — —
BUILDING MAINTENANCE	8.5	8.5	8.5	8.5	8.5	
ENGINEERING	7.5	7	6.5	5.5	5.5	
SEWER	2.75	2.75	2.75	2.75	2.75	
SOLID WASTE	6.75	6.75	6.75	6.75	6.75	
STREETS/SHOP	9.25	9.25	9.25	10.25	10.75	
WATER	2.75	2.75	2.75	2.75	2.75	
Parks, Recreation & Cultural Services	17.78	17.98	18.38	18.38	18.38	— — ■ ■ ■
CIVIC CENTER	4.6	4.6	4.6	4.6	4.6	
LIBRARY	4.98	4.98	4.98	4.98	4.98	
PARK MAINTENANCE	3.45	4.65	5.05	5.05	5.05	
PARKS & RECREATION	4.75	3.75	3.75	3.75	3.75	
Ports & Harbor	12	12	12	12	13	— — — — ■
AIRPORT	0.9	0.9	0.9	0.9	0.9	
HARBOR	7.95	7.95	7.95	7.95	7.95	
PORT	3.15	3.15	3.15	3.15	4.15	
Grand Total	134.28	133.98	134.88	134.88	137.38	— — — — ■

2025 Proposed Budget

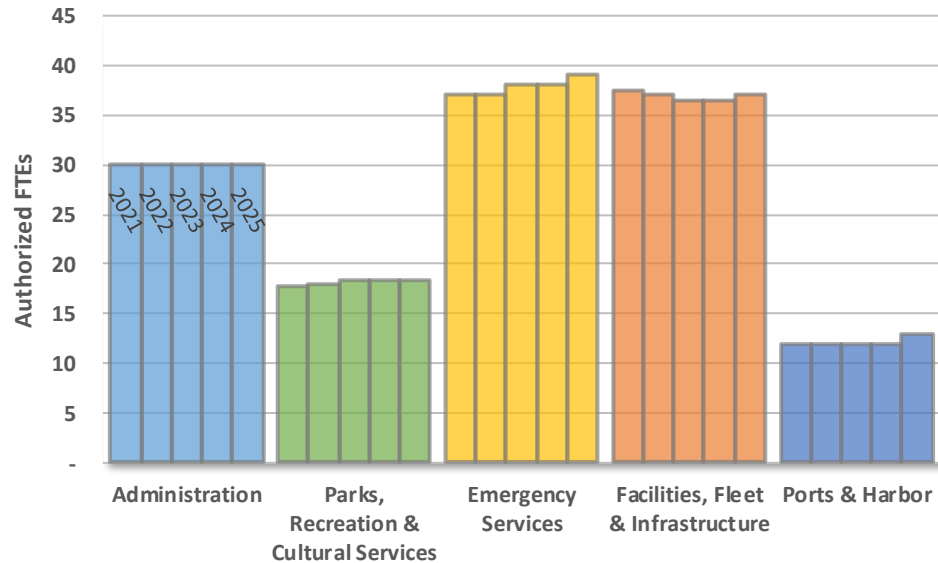
Changes to FTE Personnel	FTE Allocation	FTE Payroll Impact	Other Expenses	Offsets	Total Budgetary Impact
Streets/Shop	0.5	68,924	-	(74,730)	(5,806)
Law Enforcement	0.5	59,091	250		59,341
Emergency Management	0.5	59,091	250	(24,284)	35,057
Port	1.0	120,254	1,900	-	122,154
Total	2.5	307,360	2,400	(99,014)	210,746

Operational Objective

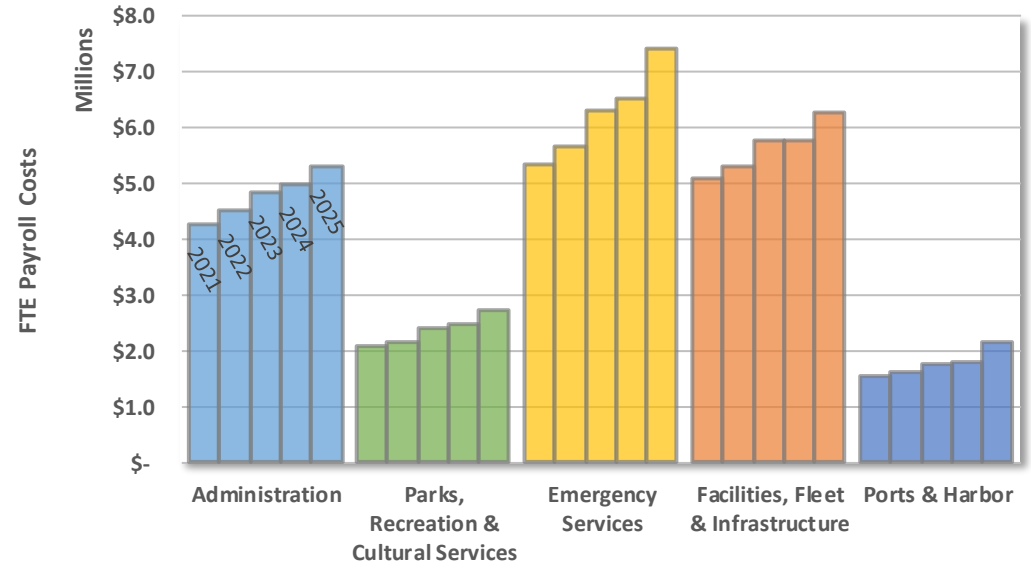
Part-Time operator made full-time. Reduced 2x Temp Records Specialist/Admin for increased public records requests, includes 50% Emergency Mgmt Scope

Maintenance and Security tech for increased workload

**Authorized FTEs by Division
Five-Year History: 2021-2025**



**FTE Payroll Costs by Division
Five-Year History: 2021-2025**



Outstanding personnel requirements

Not embedded in Budget					Total Budgetary Impact	Operational Objective
Changes to FTE Personnel	FTE Allocation	FTE Payroll Impact	Other Expenses	Offsets		
Administration	0.0	136,958	2,000	-	138,958	<i>Increased Scope, Grant Manager</i>
Administration	0.0	149,629	2,000	-	151,629	<i>Multi-Media Coordinator</i>
Streets/Shop	0.0	133,593	-	-	133,593	<i>Growth of Fleet, additional Mechanic</i>
Fire/EMS	0.0	232,261	25,000	-	257,261	<i>Deputy Fire Chief, Succession Planning</i>
Parks and Recreation	0.0	136,958	-	(78,458)	58,500	<i>Increased Scope, Event Coord., Reduce Temp Positions</i>
Ports & Harbor Division	0.0	120,254	-	-	120,254	<i>Maintenance and Security Tech, Increased workload</i>
Total	0.0	909,653	29,000	(78,458)	860,195	

City Manager Review in 2025

- Not approved during City Manager review
- Departments make requests for immediate personnel needs
- Departments identify upcoming personnel needs via newly established internal process

Regular, Temp, and Overtime Budgeted Hours by Division

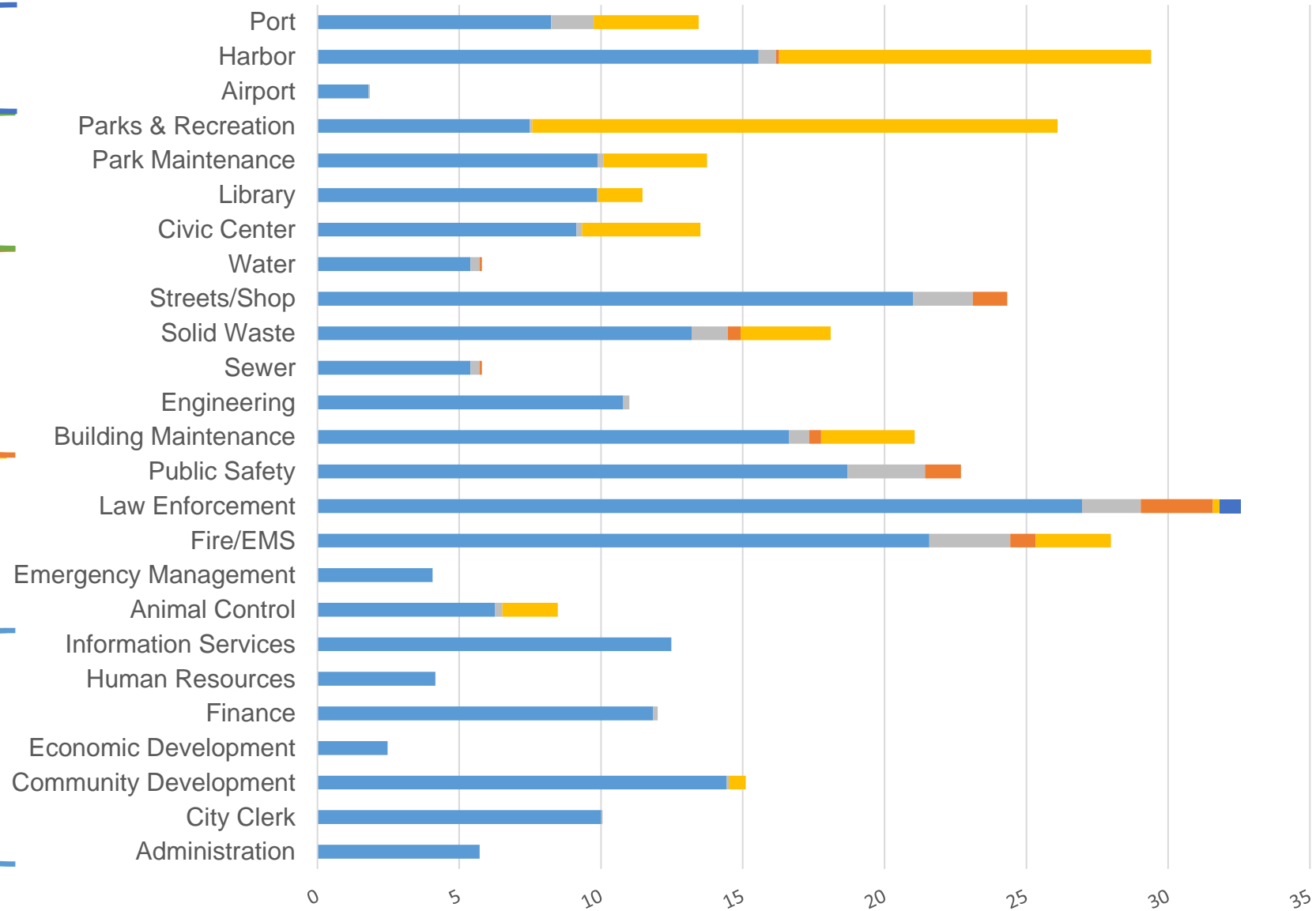
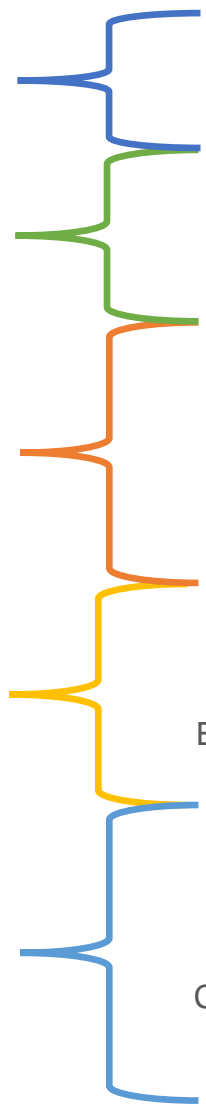
Ports & Harbor Division
Thursday, November 21

Parks, Recreation, &
Cultural Services
Division
Tuesday, Oct 29

Facilities, Fleet, and
Infrastructure Division
Thursday, Oct 24

Emergency Services
Division
Thursday, October 17

Administration Division
Thursday, October 17

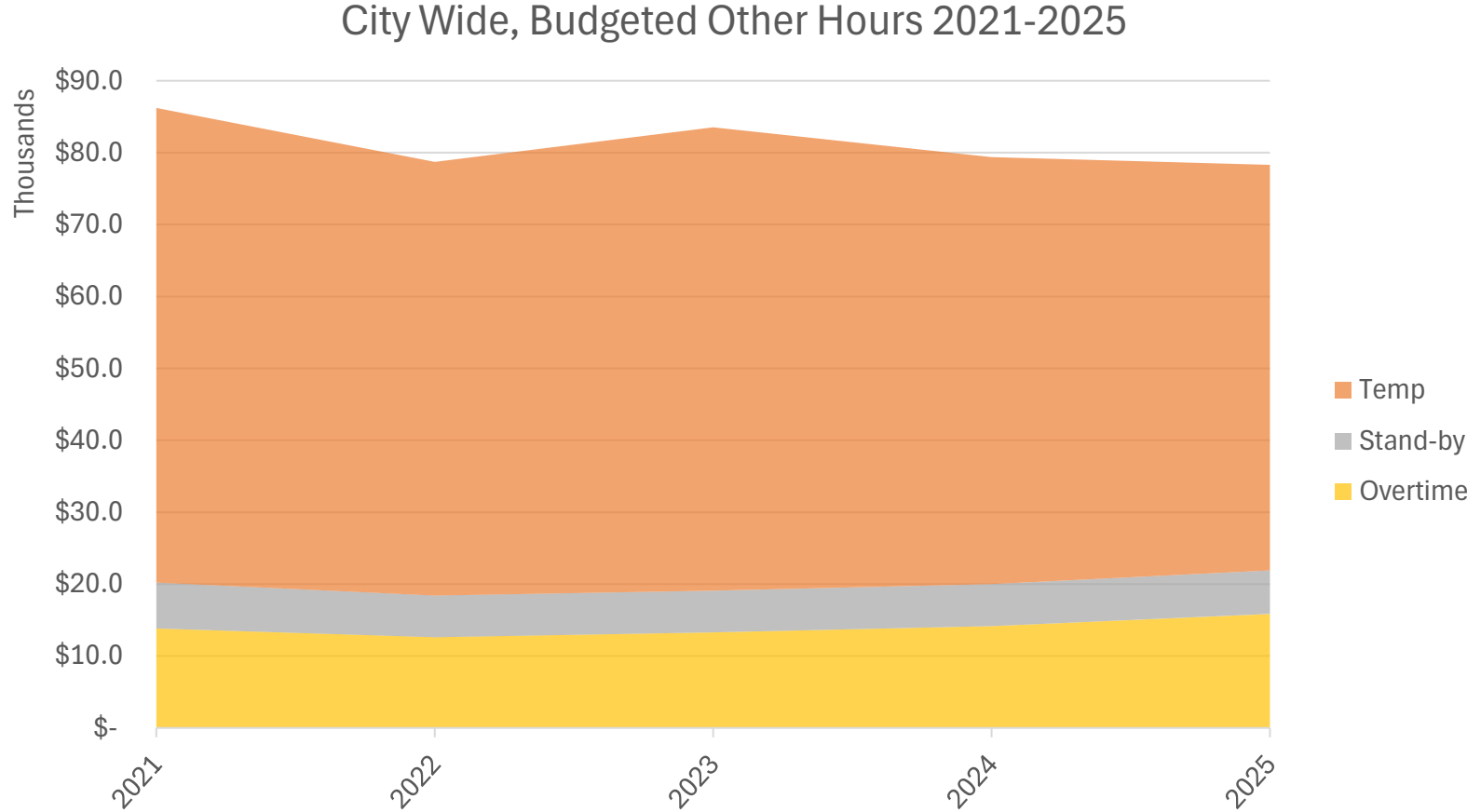


■ Regular ■ OT Hours ■ Stand By Hours ■ Temp Hours ■ NSDP

Thousands

Citywide Budgeted Additional Hours

- Division level review at scheduled budget workshops
- Budget for full employment, including temp staffing
 - Overtime
 - Temporary wages
 - Standby/NSDP



Cost of Living Adjustment

The City of Valdez annual cost of living adjustment has been based on the 1st half Anchorage Alaska CPI number released in July of each year

FY 2023: 8.4%

FY 2024: 2.2%

FY 2025: 2.5%

The 2025 proposed budget contains a built in citywide 2.5% cost of living adjustment

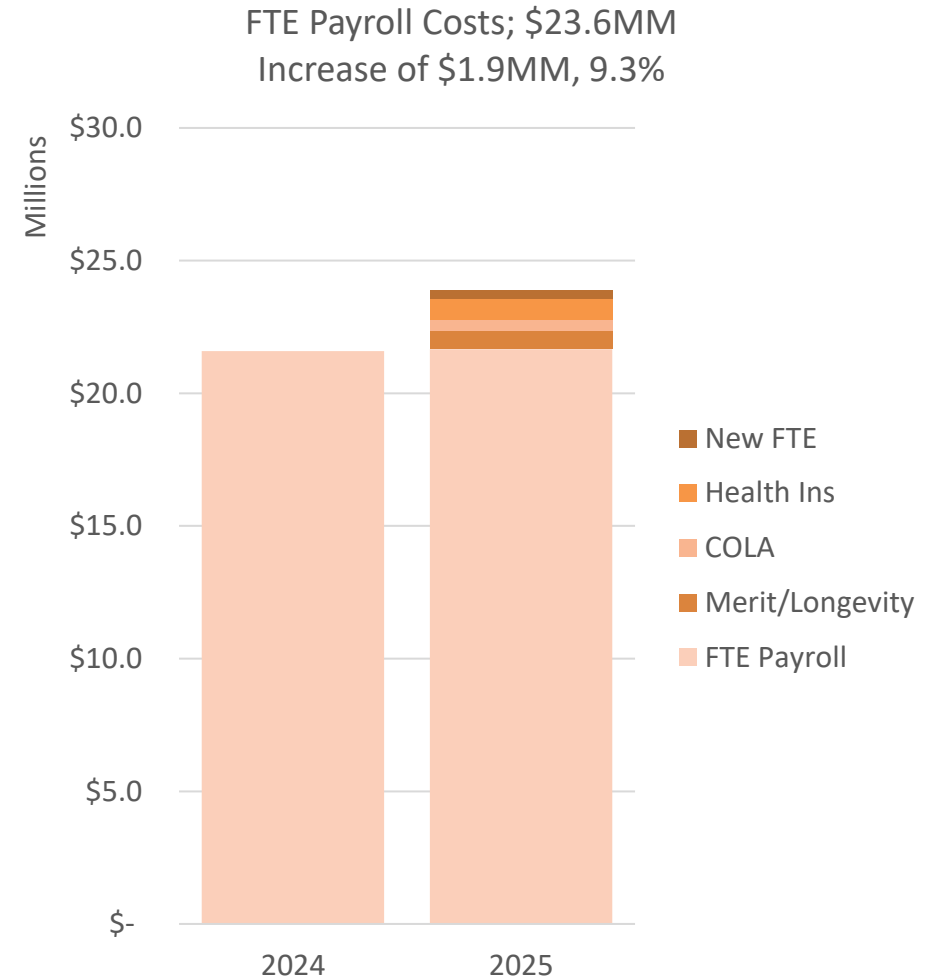
CPI TABLES (2019 - PRESENT)

Urban Alaska
(Index value and 12-month percent change)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	ANNUAL	HALF 1	HALF 2
2019		227.183 2.5%		228.553 2.7%		234.179 2.5%		230.406 0.7%		227.552 -0.3%		226.527 0.0%	228.676 1.4%	228.858 2.6%	228.495 0.2%
2020		226.51 -0.3%		222.909 -2.5%		225.245 -3.8%		226.984 -1.5%		228.343 0.3%		227.259 0.3%	226.153 -1.1%	225.049 -1.7%	227.258 -0.5%
2021		229.478 1.3%		233.519 4.8%		239.296 6.2%		239.899 5.7%		242.708 6.3%		243.568 7.2%	237.188 4.9%	232.679 3.4%	241.698 6.4%
2022		246.369 7.4%		251.041 7.5%		268.916 12.4%		258.149 7.6%		261.093 7.6%		256.634 5.4%	256.423 8.1%	252.271 8.4%	260.576 7.8%
2023		256.856 4.3%		258.866 3.1%		259.93 -3.3%		263.407 2.0%		263.984 1.1%		261.178 1.8%	260.372 1.5%	257.938 2.2%	262.806 0.9%
2024		261.34 1.7%		267.046 3.2%		267.559 2.9%		267.313 1.5%						264.376 2.5%	

FTE Payroll Costs

- \$23.6MM Citywide
 - Salaries and Wages
 - Benefits
- Three factors driving increase
 - Cost of Living Adjustment (\$420K)
 - Merit/Longevity (\$700K)
 - Health Insurance (\$800K)
 - New FTE (\$300K)
- Controlling for new requests:
 - **Baseline Increase 8.1%**



Capital budget folded into operating budget

Projects		2025	Notes
Total Funding		7,127,811	Total appropriations to new infrastructure and major maintenance of existing infrastructure
CIP Planning Reserve		2025	Notes
Total Funding		5,616,946	New CIP Process, reflects amount appropriated to CIP Reserve from Spring Carryforward amount
Child Care Facility		2,500,000	Covered in detail at subsequent workshop
Pioneer Streets		2,000,000	Covered in detail at subsequent workshop
KD Dolphin Replacement		1,000,000	Covered in detail at subsequent workshop
Major Maint. Contingencies		116,946	Covered in detail at subsequent workshop
Major Maintenance		2025	Notes
Total Funding		1,510,865	Additional funding to major maintenance outside the CIP planning reserve amount
Rural Roads Program		1,360,865	Covered in detail at subsequent workshop
Radio Tower/Fiber		150,000	Covered in detail at subsequent workshop

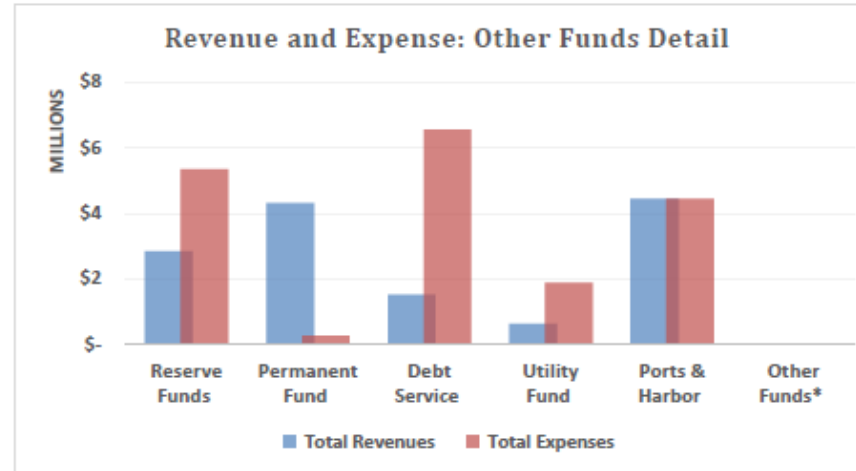
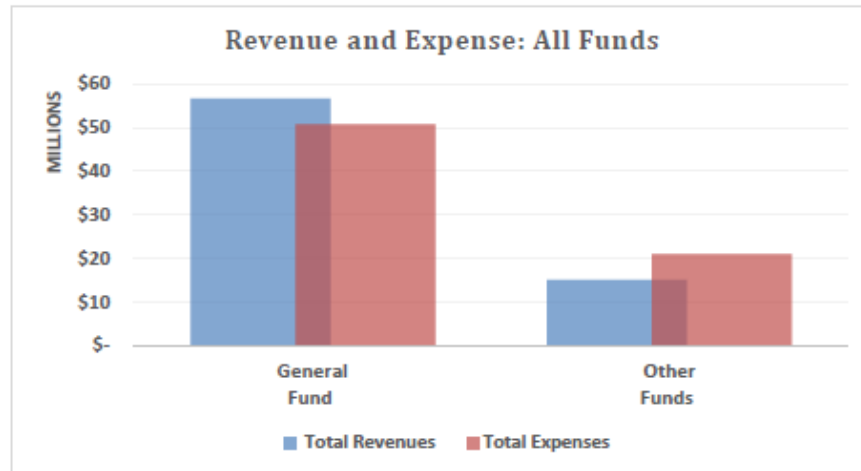
Appropriations

In red

Financial Schedule by Division

All Values in Millions

	General Fund	Reserve Funds	Capital Projects	Permanent Fund	Debt Service	Utility Fund	Ports & Harbor	Other Funds*	Grand Total
Beginning Fund Balance	26.5	53.6	19.9	269.6	5.6	3.3	9.4	25.2	413.1
Property Taxes	51.1	-	-	-	-	-	-	-	51.1
Other	5.5	2.8	1.3	4.3	1.5	0.6	4.4	-	20.6
Total Revenues	56.6	2.8	1.3	4.3	1.5	0.6	4.4	-	71.7
Transfer In (Out)	(4.5)	2.5	1.2	(4.0)	5.0	-	(0.2)	-	-
Operating Subsidy	(1.4)	-	-	-	-	1.2	0.2	-	-
Net of Transfer/Subsidy	(5.9)	2.5	1.2	(4.0)	5.0	1.2	0.0	-	-
Division									
Facilities, Fleet & Infrastructure	10.0	1.2	2.5	-	6.6	1.9	-	-	22.2
Administration	13.5	3.9	-	0.3	-	-	-	-	17.7
Support	13.5	-	-	-	-	-	-	-	13.5
Emergency Services	9.5	-	-	-	-	-	-	-	9.5
Ports & Harbor	-	0.2	-	-	-	-	4.4	-	4.6
Parks, Recreation & Cultural Services	4.2	-	-	-	-	-	-	-	4.2
Total Expenses	50.7	5.3	2.5	0.3	6.6	1.9	4.4	-	71.7
Net Increase (Reduction)	-	-	-	-	-	-	-	-	-
Ending Fund Balance	26.5	53.6	19.9	269.6	5.6	3.3	9.4	25.2	413.1



Indicates Major Fund

*Other Funds include: Debt Service, Health Insurance, and Museum

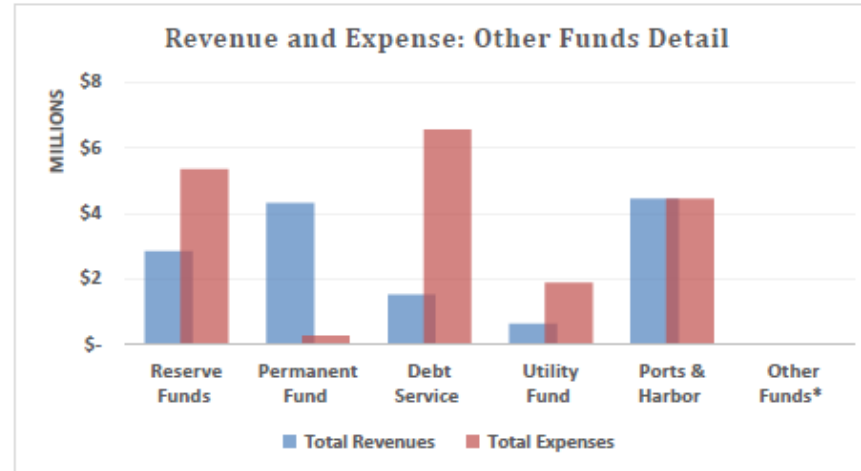
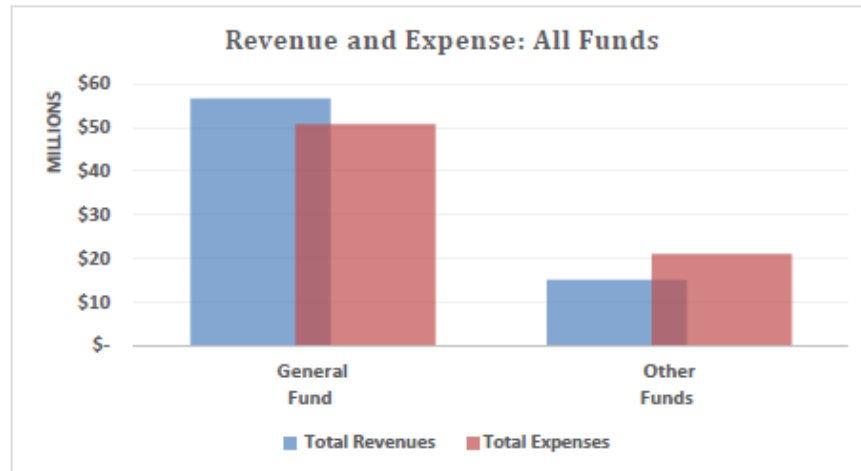
General Fund - Revenues

Fund Name	2024	2025	\$ Change	% Change	% of Total	Notes
General Fund	55,426,887	56,614,444	1,187,557	2%	100%	1.2MM, 2% increase. Increase to property tax revenue offset by reduction in other areas
Taxes	50,145,903	51,844,488	1,698,585	3%	92%	Next Slide
State Shared Revenue	1,843,769	1,595,860	-247,909	-13%	3%	Reduction in National Forest Receipts
Misc Revenue	1,235,880	932,581	-303,299	-25%	2%	Reduction in Fund Balance, reduction in interest income.
Federal and State Grants	623,858	658,000	34,142	5%	1%	Increase in the Jail Grant
PILT	774,226	815,600	41,374	5%	1%	5% increase reflects higher Federal PILT payment
Service Charges and Sales	590,198	542,708	-47,490	-8%	1%	Reduction in property rental revenue
Utilities	116,200	134,925	18,725	16%	0%	Increase to Dumpster/Solid Waste revenue to reflect actuals
Recreational Activities	75,952	77,482	1,530	2%	0%	Reflects increased pool revenue
Licenses and Permits	17,900	11,300	-6,600	-37%	0%	Decrease in liquor license sales
Fines and Forfeitures	3,000	1,500	-1,500	-50%	0%	Removed ordinance violations, reflects only animal fines and impounds

Financial Schedule by Division

All Values in Millions

	General Fund	Reserve Funds	Capital Projects	Permanent Fund	Debt Service	Utility Fund	Ports & Harbor	Other Funds*	Grand Total
Beginning Fund Balance	26.5	53.6	19.9	269.6	5.6	3.3	9.4	25.2	413.1
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Other	5.5	2.8	1.3	4.3	1.5	0.6	4.4	-	20.6
Total Revenues	56.6	2.8	1.3	4.3	1.5	0.6	4.4	-	71.7
Transfer In (Out)	(4.5)	2.5	1.2	(4.0)	5.0	-	(0.2)	-	-
Operating Subsidy	(1.4)	-	-	-	-	1.2	0.2	-	-
Net of Transfer/Subsidy	(5.9)	2.5	1.2	(4.0)	5.0	1.2	0.0	-	-
Division									
Facilities, Fleet & Infrastructure	10.0	1.2	2.5	-	6.6	1.9	-	-	22.2
Administration	13.5	3.9	-	0.3	-	-	-	-	17.7
Support	13.5	-	-	-	-	-	-	-	13.5
Emergency Services	9.5	-	-	-	-	-	-	-	9.5
Ports & Harbor	-	0.2	-	-	-	-	4.4	-	4.6
Parks, Recreation & Cultural Services	4.2	-	-	-	-	-	-	-	4.2
Total Expenses	50.7	5.3	2.5	0.3	6.6	1.9	4.4	-	71.7
Net Increase (Reduction)	-	-	-	-	-	-	-	-	-
Ending Fund Balance	26.5	53.6	19.9	269.6	5.6	3.3	9.4	25.2	413.1



Indicates Major Fund

*Other Funds include: Debt Service, Health Insurance, and Museum

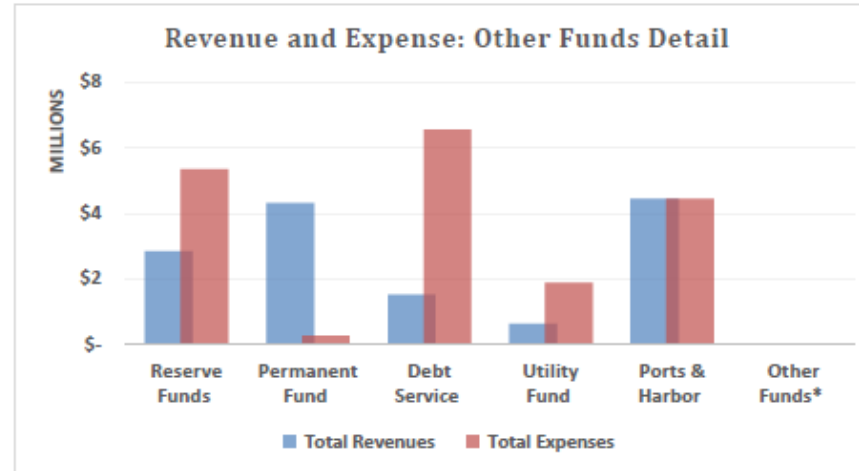
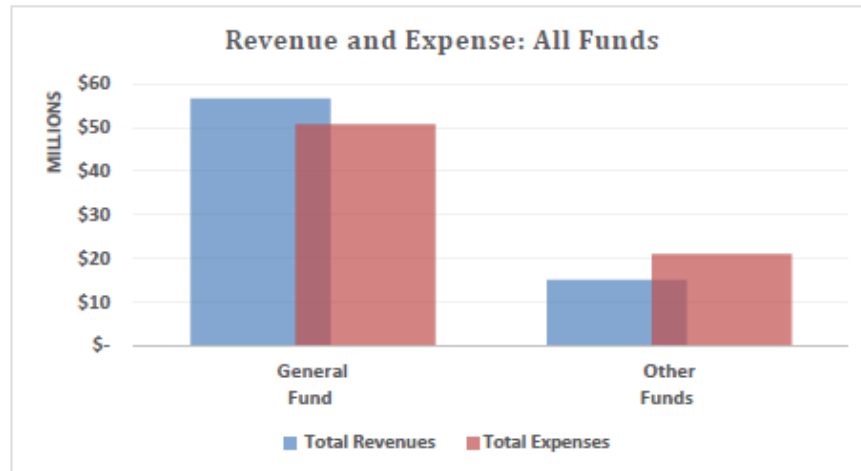
Taxes - Revenues

Fund Name	2024	2025	\$ Change	% Change	% of Total	Notes
Taxes	50,145,903	51,844,488	1,698,585	3%	90%	90% of General Fund Revenue
Real Property Taxes - Current	49,532,108	51,145,130	1,613,022	3%	99%	Reflects 20 Mill Tax Levy, and non-Oil & Gas Tax Assessment at same level as current year
Hotel & Motel Tax	530,000	580,000	50,000	9%	1%	Forecasted increase, increased visitors
Cruise Ship Passenger Tax	70,543	116,358	45,815	65%	0%	Increased Cruise Ships
Penalty & Interest on Delinque	12,552	3,000	-9,552	-76%	0%	Reduced from revenue projections
Reimbursement of Foreclosure C	600	0	-600	-100%	0%	Removed from the forecast
Hotel & Motel Tax Penalty & In	100	0	-100	-100%	0%	Removed from forecast

Financial Schedule by Division

All Values in Millions

	General Fund	Reserve Funds	Capital Projects	Permanent Fund	Debt Service	Utility Fund	Ports & Harbor	Other Funds*	Grand Total
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Other	5.5	2.8	1.3	4.3	1.5	0.6	4.4	-	20.6
Total Revenues	56.6	2.8	1.3	4.3	1.5	0.6	4.4	-	71.7
Transfer In (Out)	(4.5)	2.5	1.2	(4.0)	5.0	-	(0.2)	-	-
Operating Subsidy	(1.4)	-	-	-	-	1.2	0.2	-	-
Net of Transfer/Subsidy	(5.9)	2.5	1.2	(4.0)	5.0	1.2	0.0	-	-
Division									
Facilities, Fleet & Infrastructure	10.0	1.2	2.5	-	6.6	1.9	-	-	22.2
Administration	13.5	3.9	-	0.3	-	-	-	-	17.7
Support	13.5	-	-	-	-	-	-	-	13.5
Emergency Services	9.5	-	-	-	-	-	-	-	9.5
Ports & Harbor	-	0.2	-	-	-	-	4.4	-	4.6
Parks, Recreation & Cultural Services	4.2	-	-	-	-	-	-	-	4.2
Total Expenses	50.7	5.3	2.5	0.3	6.6	1.9	4.4	-	71.7
Net Increase (Reduction)	-	-	-	-	-	-	-	-	-
Ending Fund Balance	26.5	53.6	19.9	269.6	5.6	3.3	9.4	25.2	413.1



Indicates Major Fund

*Other Funds include: Debt Service, Health Insurance, and Museum

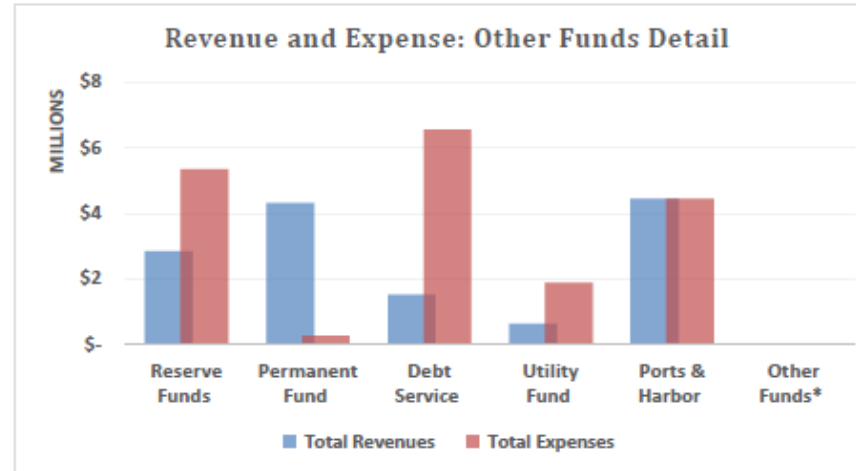
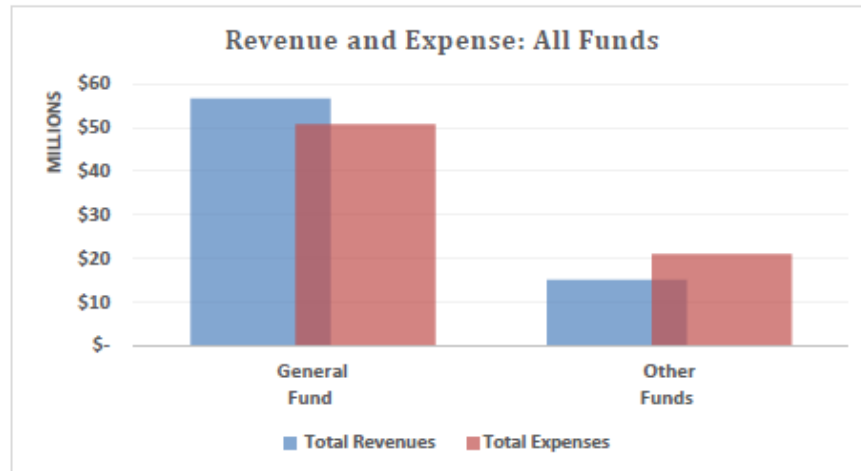
Other Funds - Revenues

Fund Name	2024	2025	\$ Change	% Change	Notes
Reserve Fund	1,995,000	2,787,869	792,869	40%	Interest Income; driven by increased fund balance
Capital Project Fund	1,804,972	1,315,806	-489,166	-27%	Interest Income; driven by decreased fund balance
Permanent Fund	3,948,081	4,316,259	368,178	9%	Reflects Code-driven 1.5% appropriation based on FY2023 Audited Balance
Debt Service Fund	1,668,150	1,519,745	-148,405	-9%	Driven by school bond debt reimbursement

Financial Schedule by Division

All Values in Millions

	General Fund	Reserve Funds	Capital Projects	Permanent Fund	Debt Service	Utility Fund	Ports & Harbor	Other Funds*	Grand Total
Beginning Fund Balance	26.5	53.6	19.9	269.6	5.6	3.3	9.4	25.2	413.1
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Other	5.5	2.8	1.3	4.3	1.5	0.6	4.4	-	20.6
Total Revenues	56.6	2.8	1.3	4.3	1.5	0.6	4.4	-	71.7
Transfer In (Out)	(4.5)	2.5	1.2	(4.0)	5.0	-	(0.2)	-	-
Operating Subsidy	(1.4)	-	-	-	-	1.2	0.2	-	-
Net of Transfer/Subsidy	(5.9)	2.5	1.2	(4.0)	5.0	1.2	0.0	-	-
Division									
Facilities, Fleet & Infrastructure	10.0	1.2	2.5	-	6.6	1.9	-	-	22.2
Administration	13.5	3.9	-	0.3	-	-	-	-	17.7
Support	13.5	-	-	-	-	-	-	-	13.5
Emergency Services	9.5	-	-	-	-	-	-	-	9.5
Ports & Harbor	-	0.2	-	-	-	-	4.4	-	4.6
Parks, Recreation & Cultural Services	4.2	-	-	-	-	-	-	-	4.2
Total Expenses	50.7	5.3	2.5	0.3	6.6	1.9	4.4	-	71.7
Net Increase (Reduction)	-	-	-	-	-	-	-	-	-
Ending Fund Balance	26.5	53.6	19.9	269.6	5.6	3.3	9.4	25.2	413.1



Indicates Major Fund

*Other Funds include: Debt Service, Health Insurance, and Museum

Reserve Funds - Appropriations

Reserve Fund	2024	2025	\$ Change	Percent Change	Notes
Total Funding	9,652,632	6,278,842	-3,373,790	-54%	
Repayment Reserve	3,420,011	1,526,534	-1,893,477	-55%	Increased escaped property valuation, reduced by 4MM to offset legal costs.
Major Equipment Reserve	2,120,207	2,198,720	78,513	4%	Covered in detail at subsequent workshop
Technology Reserve	1,114,642	1,129,597	14,955	1%	Covered in detail at subsequent workshop
Energy Assistance Program	750,000	550,000	-200,000	-27%	Reflects Residential Only payments, appropriations do not expire, now funded to target.
★ Leave Liability Reserve	350,000	400,000	50,000	14%	Funded to target annually, target increased to reflect actuals.
★ Port Major Maint & Replace	347,059	193,991	-153,068		Port budgeted revenues exceeding expenses
★ Budget Variance Reserve	235,000	225,000	-10,000	-4%	Funded to target annually
★ Harbor Major Maint & Replace	171,470	0	-171,470	100%	Harbor budgeted revenues equal expenses
★ Beautification Committee	155,000	55,000	-100,000	-65%	funded to target 200K
★ Council Contingency	989,243	0	-989,243	-100%	Not appropriated due to available balance

Subsequent Slide

Subsequent Workshop

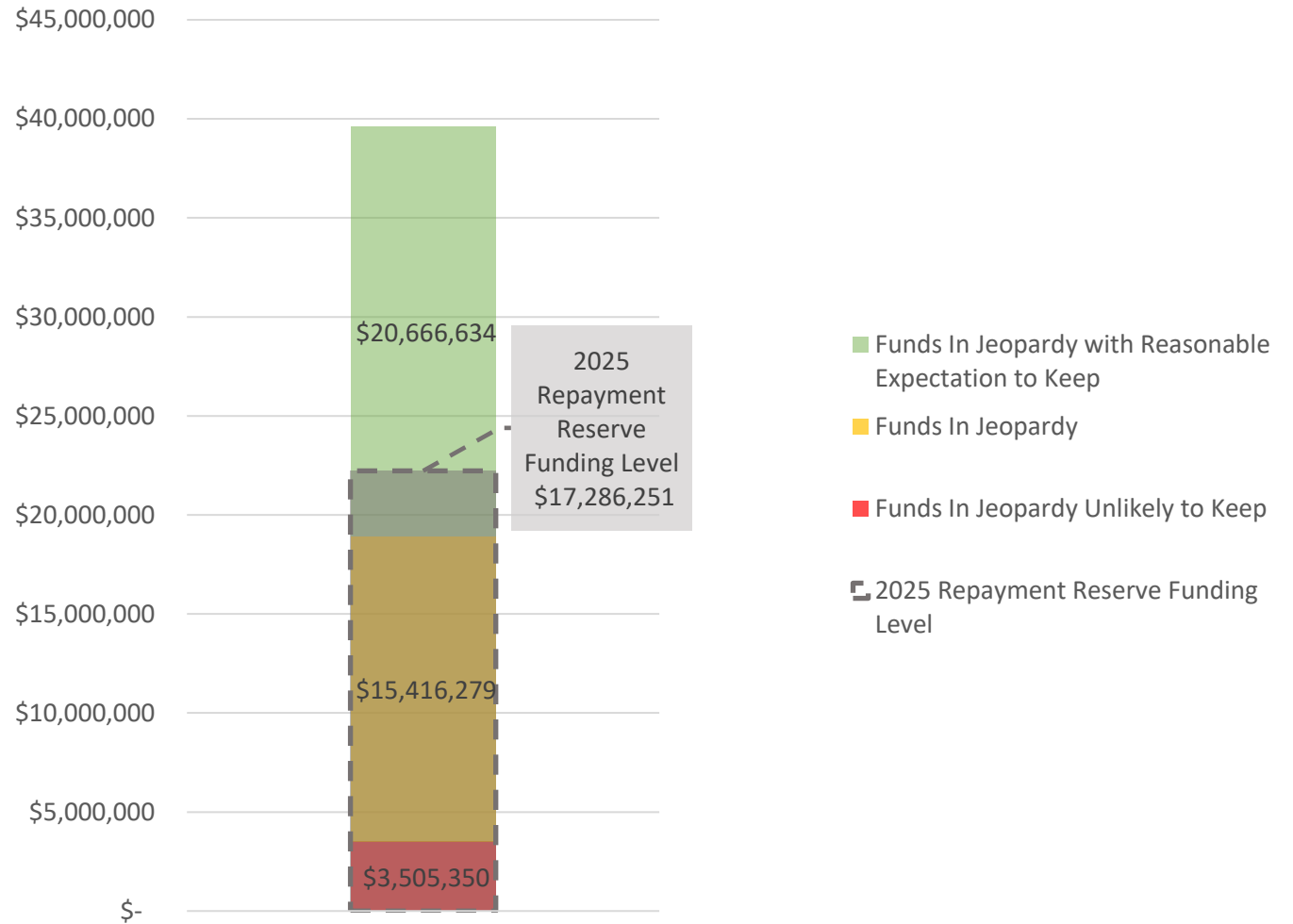
Subsequent Workshop

Subsequent Slide

Repayment Reserve; update

- May of 2022 published Supplemental Tax Roll, taxpayers paid under protest, resulting in one-time revenue “in jeopardy”
 - Repayment Reserve established by Resolution #22-77 for revenue in jeopardy
- 2022, 2023, and 2024 tax years: Total Revenue + Interest of monies “in jeopardy”
 - \$39,588,263
- Total in Repayment Reserve
 - \$17,286,251
- Variance reflects usage for legal fees associated with the case, and simple interest accrued at 8%
 - \$22,302,012

2025 Budget; Repayment Reserve
Funding Level: \$17,286,251



Appropriations – Energy Assistance

- Energy Assistance for **residential only**
 - No commercial applications will be accepted
- Program change discussion
 - Current program \$550 per qualifying applicant paid directly to utility provider
 - Operations can accommodate an **increase** to \$595 per qualifying applicant paid directly to utility provider – with no changes to staffing levels, and/or delivery timeline (approx. +\$60K in costs)
 - Discussion is welcome on other changes to the program – likely involves changes to staffing levels, costs, and/or delivery timeline

Next workshop Agenda

- Emergency Services Division

- Animal Control
- Emergency Management
- Fire/EMS
- Law Enforcement
 - Nuisance Abatement
- Public Safety

- Administration Division

- Administration (City Manager)
- City Clerk
- City Council
- Legal
- Finance
- Human Resources
- Community Development
- Information Services
 - Technology Reserve