

September 16, 2021

Jordan Nelson
Budget and Financial Planning Analyst
City of Valdez
212 Chenega
Valdez, AK 99686

Dear Mr. Nelson:

We are pleased to inform you, based on the examination of your budget by a panel of independent reviewers, that your budget document has been awarded the Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA) for the current fiscal period. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement by your organization.

The Distinguished Budget Presentation Award is valid for one year. To continue your participation in the program, it will be necessary to submit your next annual budget document to GFOA within 90 days of the proposed budget's submission to the legislature or within 90 days of the budget's final adoption. Information about how to submit an application for the Distinguished Budget Program application is posted on GFOA's website.

Each program participant is provided with confidential comments and suggestions for possible improvements to the budget document. Your comments are enclosed. We urge you to carefully consider the suggestions offered by our reviewers as you prepare your next budget.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award. Enclosed is a Certificate of Recognition for Budget Preparation for:

Finance Department

Continuing participants will receive a brass medallion that will be mailed separately. First-time recipients will receive an award plaque within eight to ten weeks. Enclosed is a camera-ready reproduction of the award for inclusion in your next budget. If you reproduce the camera-ready image in your next budget, it should be accompanied by a statement indicating continued compliance with program criteria. The following standardized text should be used:

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Valdez, Alaska**, for its Annual Budget for the fiscal year beginning **January 01, 2021**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

A press release is enclosed.

Upon request, GFOA can provide a video from its Executive Director congratulating your specific entity for winning the Budget Award.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain excellence in governmental budgeting. The most current list of award recipients can be found on GFOA's website at www.gfoa.org. If we can be of further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive style with a large initial "M".

Michele Mark Levine
Director, Technical Services Center

Enclosure

FOR IMMEDIATE RELEASE

September 16, 2021

For more information, contact:

Technical Services Center

Phone: (312) 977-9700

Fax: (312) 977-4806

E-mail: budgetawards@gfoa.org

(Chicago, Illinois)--Government Finance Officers Association is pleased to announce that **City of Valdez, Alaska**, has received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- a policy document
- a financial plan
- an operations guide
- a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for having achieved the award. This has been presented to **Finance Department**.

There are over 1,700 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources and practical research for more than 21,000 members and the communities they serve.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Valdez
Alaska**

For the Fiscal Year Beginning

January 01, 2021

Christopher P. Morill

Executive Director



**The Government Finance Officers Association
of the United States and Canada**

presents this

CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION

to

**Finance Department
City of Valdez, Alaska**



The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards

Executive Director

Christopher P. Morill

Date: **September 16, 2021**

BUDGET REVIEW COMPOSITE RATING FORM
GFOA Distinguished Budget Presentation Awards Program
For budgets beginning January 1, 2021 or later

Agency: **City of Valdez AK**

Fiscal Year beginning: **1/1/21**

Document number: **B9944215**

At least 2 of the three reviewers must rate the document "proficient" or "outstanding" on all four overall categories and all mandatory criteria in order for the document to receive the award

Information Not Present (1)			Does Not Satisfy (2)			Proficient (3)			Outstanding (4)			
R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3	
												Introduction and Overview
						✓	✓	✓	✓		✓	* C1 Table of contents (mandatory)
						✓	✓	✓	✓			* P1 Strategic goals & strategies (mandatory)
							✓	✓	✓	✓		* P2 Priorities and issues (mandatory)
									✓	✓	✓	* C2 Budget overview (mandatory)
												Financial Structure, Policy, and Process
						✓	✓	✓	✓			* O1 Organizational chart (mandatory)
						✓			✓	✓		F1 Fund descriptions and fund structure
						✓	✓	✓	✓	✓		O2 Department/fund relationship
						✓	✓	✓				F2 Basis of budgeting
						✓	✓	✓	✓			* P3 Financial policies (mandatory)
									✓	✓	✓	* P4 Budget process (mandatory)
												Financial Summaries
						✓	✓	✓	✓		✓	* F3 Consolidated financial schedule (mandatory)
						✓	✓	✓				F4 Three (four) year consolidated & fund financial schedules
						✓	✓	✓				* F5 Fund balance (mandatory)
✓					✓	✓	✓	✓	✓			* F6 Revenues (mandatory)
						✓	✓	✓				F7 Long-range operating financial plans
												Capital & Debt
						✓	✓	✓				* F8 Capital program (mandatory)
						✓	✓	✓				* F9 Debt (mandatory)
												Departmental Information
						✓	✓	✓				* O3 Position summary schedule (mandatory)
						✓	✓	✓				* O4 Departmental/program descriptions (mandatory)
						✓	✓	✓				O5 Departmental/program goals and objectives
			✓			✓	✓	✓				* O6 Performance measures (mandatory)
												Document-wide Criteria
						✓	✓	✓				C3 Statistical/supplemental section
						✓	✓	✓				C4 Glossary
						✓	✓	✓		✓		C5 Charts and graphs
						✓	✓	✓			✓	C6 Understandability and usability
												Overall
						✓	✓	✓				Overall as a policy document
						✓	✓	✓				Overall as a financial plan
						✓	✓	✓				Overall as a operations guide
						✓	✓	✓				Overall as a communications device

N Special Capital recognition (three "outstanding ratings on F8)

N Special Performance Measure recognition (three "outstanding" ratings on O6)

Name of Entity: City of Valdez
Reviewer ID R 203
Fiscal Year:

City/Province: AK
Document Number B9944215
Record Number 224322001

Note: Using revised criteria effective for budgets starting in 2021.

Introduction and Overview

- C1. **Mandatory:** Include a table of contents that makes it simple to locate information. **4 – outstanding – The budget document includes a good table of contents including hyperlinks to the relevant sections or pages of the document.**
- P1. **Mandatory:** Provide a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues. **3 – proficient – The budget includes clear organization wide policy goals for the city.**
- P2. **Mandatory:** Provide a budget message that articulates priorities and issues for the upcoming year. **3 – proficient – The budget describes the challenges, and goals of the city for the budget period and beyond.**
- C2. **Mandatory:** The document should provide an overview of significant budgetary items and trends. **4 – outstanding - The budget includes very good summary information that compliments the message and leads into the rest of the document.**

Financial Structure, Policy, and Process

- O1. **Mandatory:** The document shall include an organization chart for the entire entity. **3 – proficient – The document includes an entity wide organization chart.**
- F1. The document should include and describe all funds that are subject to appropriation **4 – outstanding – The document describes and illustrates the funds and fund structure sufficiently.**
- O2. The document should provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and non-major funds in the aggregate. **4 – outstanding – The document includes information that makes the relationship between the financial structure and the organizational structure very clear.**
- F2. The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis. **3 – proficient – The budget describes the basis of budgeting and contrast it to the accounting / reporting basis.**
- P3. **Mandatory:** The document should include a coherent statement of entity-wide long-term financial policies. **3 – proficient – the budget includes good descriptions of the financial policies.**
- P4. **Mandatory:** The document shall describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption. **4 – outstanding – the budget describes the process and includes charts and a schedule to visually illustrate the budget process. I liked how you had the parallel processes (operating and capital budgets) side-by-side in the presentation.**

Financial Summaries

- F3. **Mandatory:** The document shall present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization. **4 – outstanding – the budget provides a good financial summary of revenues and expenditures by major revenues and major expenditures for the city as a whole. The financial plan for the city is very clear as a result of the combining funds schedule.**
- F4. The document must include summaries of revenues and other financing sources, and of expenditures and other financing uses for the prior year actual, the current year budget and / or estimated current year actual, and the proposed budget year. **3 – proficient - the budget includes good financial histories in the context of the financial schedules.**
- F5. **Mandatory:** The document shall include projected changes in fund balances for appropriated governmental funds included in the budget presentation. **3 – proficient - the budget includes illustrations of the fund balances including an analysis of the uses and expectations for fund balances.**
- F6. **Mandatory:** The document shall describe major revenue, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends. **3 – proficient – the budget includes descriptions, discussions and an analysis of the major revenues.**
- F7. The document should explain long-range plans and its affect upon the budget and the budget process. **2 – does not satisfy - The budget includes a brief discussion about long-range financial plans for operating budget. Consider including forecasts, trends or other data reflective of the city operating budgets for at least three years beyond the budget period.**

Capital & Debt

- F8. **Mandatory:** The document should include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget. **3 – proficient – A discussion about the capital needs and plans for the city is included, including brief descriptions of planned, major capital projects.**
- F9. **Mandatory:** The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations. **3 – proficient – The budget describes the debt management plan for the city.**

Departmental Information

- O3. **Mandatory:** A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided. **3 – proficient – A personnel summary for the organization as a whole covering at least three years of comparison is included in the document along with descriptions of the personnel issues and changes contemplated.**
- O4. **Mandatory:** Include departmental/program descriptions. **3 – proficient – the budget includes descriptions for each of the major operating units in the budget.**
- O5. The document should include clearly stated goals and objectives of organizational units (*e.g., citys, divisions, units or programs*). **3 – proficient – The organizational unit goals are included in the budget.**

- O6. **Mandatory:** Provide objective measures of progress toward accomplishing the government’s mission as well as goals and objectives for specific departments and programs. **3 – proficient – The budget includes performance information and metrics.**

Document-wide Criteria

- C3. The document should include statistical and supplemental data that describe the organization, its community, and population. **3 – proficient – good statistical and supplemental information is included in the document.**
- C4. A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader. **3 – proficient – a glossary of terms unique to budgeting and to the city’s budget is included.**
- C5. Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident. **3 – proficient – The document includes good charts and graphs to help provide understanding of the budget.**
- C6. The document should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs. **4 – outstanding – The budget looks very good and is easy to follow.**

A nice job!

Name of Entity: Valdez, AK
Reviewer: R953

Introduction and Overview

C1-MANDATORY Table of Contents- The Document shall include a table of contents that makes it easier to locate information in the document-Table of Contents is included. Proficient.

P1-The document should include a coherent statement of organization-wide, strategic goals, and strategies that address long-term concerns and issues. The document includes good strategic planning. Additional sections or information would allow the reader to understand the strategic planning quickly. Proficient

P2-The document should describe the entity's short-term factors that influence the decisions made in developing the budget for the upcoming year- Priorities and issues are included. The short-term factors link with the strategic plan. Proficient.

C2 Mandatory The document should provide an overview of critical budgetary items and trends. A summary should be presented within the budget document either in a separate section or integrated within the transmittal letter or as a separate budget-in-brief document. The document helps readers to quickly understand major budgetary items and trends (revenues, expenditures, and capital). Outstanding.

Financial Structure, Policy, and Process

O1The document shall include an organization chart(s) for the entire entity. – A chart shows the significance of the service center. The charts satisfy the criterion. Proficient.

F1-The document should include and describe all funds that are subject to appropriation- Information on the funds of your government goes above the requirement. Outstanding.

O2-The document should provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and non-major funds taken together. The matrix is nicely done and shows the comparison between funds and the pockets of potential dollars. Outstanding.

F2-The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis. - The basis of budgeting is included. Proficient.

P3 Mandatory-The document should include a coherent statement of entity-wide long-term financial policies. -The financial policies are included. Proficient.

P4 Mandatory-The budget process is detailed and exceeds the required criterion for this section. Outstanding.

Financial Summaries

F3-Mandatory-The document shall present a summary of major revenues and expenditures and other financing sources and uses to provide an overview of the total resources budgeted by the organization. Revenues and expenditures are included in the summary form. Proficient.

F4-Mandatory- The document must include summaries of revenues and other financing sources and of expenditures and other financing uses for the prior year actual, the current year budget and estimated current year actual, and the proposed budget year. – Current, future and historical information is included. This information is valuable for analysis, funding, and trend monitoring. Proficient.

F5-Mandatory-The document shall include projected changes in fund balances as defined by the entity in the document for appropriated governmental funds included in the budget presentation (fund equity if not governmental funds are included in the document). Fund balance change is included. Proficient.

F6-Revenues-The document shall describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends. The revenues are included, and analytical information is available for each related section. Proficient.

F7-Long Range Financial Plans—Long-term planning is an essential part of any budget document. It should carry through from the goals, both long and short-term, to the performance measurements. While the budget offers reasonable revenue projections and economic planning, it would benefit from additional information. Proficient.

Capital and Debt

F8Mandatory-The document should include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget. - The document provides a summary of information relating to the capital planning. If there are any significant nonrecurring capital expenditures, the document should describe these items in detail. Proficient.

F9-Mandatory-The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations. - The budget includes basic information on debt service. This could be expanded to show actual payback requirements. Proficient.

Departmental Information

O3 Mandatory-A schedule or summary table of personnel or position counts for prior, current, and budgeted years shall be provided. The Personnel section satisfies the requirement. Proficient.

O4 Mandatory-The document shall describe activities, services or functions carried out by organizational units-. This section also includes summary information about functions carried out by the organizational unit. Proficient.

O5-The document should include clearly stated goals and objectives of organizational units (e.g., departments, divisions, offices, or programs). The goals and objectives provide information that gives the stakeholder a good understanding of the effectiveness of core services. Proficient.

O6-The document should provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific units and programs. A good performance plan will assist legislators and administrators in the development of service levels. Comparative data will provide legislators and administrators with the information needed to make financial decisions. The document does not provide a comparison or measurements that would allow for analysis of services performed. The information presented does not satisfy the criterion.

Document-wide Criteria

C3-The document should include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other pertinent background information related to the services provided. - Statistical and demographic information is supplied. Proficient.

C4-A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader. The glossary provides supporting information for the document. Proficient.

C5-Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the message conveyed by the graphs is not self-evident. The charts and graphs are well done and informative. Outstanding.

C6-The document should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs. The document is formatted correctly and easy to navigate. Proficient.

The document includes most of the required information. However, I suggest that you expand the information to include performance measurements that have some comparative data that will allow stakeholders to understand the effectiveness of each core service. I am recommending that Valdez, AK receive the Distinguished Budget Presentation Award. Congratulations.

Name of Entity: City of Valdez
Reviewer ID: T346
Fiscal Year: 2021

State/Province: AK
Document Number: B9944215
Record Number: 224322001

INTRODUCTION AND OVERVIEW

- C1. **Table of contents (mandatory):** Document includes a comprehensive table of contents; the table of contents is in agreement with page numbers throughout the document.
- P1. **Strategic goals & strategies:** The City's strategic goals and strategies are specific and succinct. The process by which they were developed is clear. The challenge may be that goals are not easily measurable.
- P2. **Priorities and issues (mandatory):** The City Manager's letter clearly and succinctly conveys the primary issues facing the City of Valdez and how they will be addressed through the budget.
- C2. **Budget Overview (mandatory):** The City Manager's letter provides an excellent overview to the City of Valdez's budget and challenges. Graphics illustrate the City's financial position well and lend readability to the budget document.

FINANCIAL STRUCTURE, POLICY AND PROCESS

- O1. **Organization chart (mandatory):** This is one of the best municipal organization charts that I have seen in both form and substance. In particular, this organization chart succeeds in conveying roles and relationships in a simple but highly informative and effective way.
- F1. **Fund descriptions and fund structure:** The City's fund structure and relationships are well-presented in the graphic and clearly discussed..
- O2. **Department/fund relationship:** The presentation of the department/fund relationship is good, as is the accompanying graphic.
- F2. **Basis of Budgeting.** Basis of budgeting is proficiently explained.
- P3. **Financial policies (mandatory):** Summary of the City's financial policies is absent. There is an update on how the fund balance policy may change; there is a scant description of how the revenue policy is set, etc. but there is no summary of what each of these policies actually covers.
- P5. **Budget process (mandatory):** The City's budget process is very well-explained and thorough. The budget stages and timeline graphics are very helpful representations in conveying the annual process.

FINANCIAL SUMMARIES

- F3. **Consolidated financial schedule (mandatory):** Major revenues and expenditures by division and use are well presented in tables.
- F4. **Three (four) year consolidated and fund financial schedules (mandatory).** The document proficiently presents summaries of revenues/sources and of expenditures/use for the prior three years (actual), the current year estimated

and adopted budget. The charts provide a helpful graphic depicting historical revenue trend.

- F5. **Fund balance (mandatory):** The fund schedules by category and division proficiently present beginning and ending fund balances for all municipal funds, including expected uses of and contributions to the balances. The graphs provide a helpful presentation illustrating the funds' sizes in relationship to each other.
- F6. **Revenues (mandatory):** Revenues are well-presented in narrative and graphics.
- F7. **Long-range financial plans:** While there is general discussion about future fund revenues, there is no presentation of financial projections.

CAPITAL & DEBT

- F8. **Capital expenditures (mandatory):** Presentation of the capital budget is somewhat confusing. A summary table capturing the entire capital program sources and uses for each year would be helpful to see the City's entire intended capital spending. The component tables provide good graphical illustrations of the different types of capital expenditures by the City of Valdez. There is no discussion of the current and future operating impact of capital projects, once completed.
- F9. **Debt (mandatory):** The debt limit and coverage requirements to which the City of Valdez is subject is well explained. The bond rating is also presented; is there another one? A summary table of principal and interest payments through maturity for each outstanding bond would be helpful to see; there is no presentation of each bond fund principal and interest payment through maturity.

DEPARTMENTAL INFORMATION

- O3. **Position summary schedule (mandatory):** Budget document does a fine job of presenting position counts and changes from year to year. The graphics perfectly illustrate staffing levels over time for the City's divisions and departments.
- O4. **Department descriptions (mandatory):** The divisional and departmental charts and tables are very effective in conveying their budgets and work plans. Clearer page headings would enhance the effectiveness of this section. The divisional charts beginning on page 44 were honestly difficult to decipher initially because of the non-descriptive page heading.
- O5. **Departmental/program goals and objectives:** Effective presentation of departmental responsibilities, workplan and measures, although they do not seem to be connected to citywide overarching strategies and objectives. The measures are all quantified, boiled down to their essence. It's a novel approach.
- O6. **Performance measures:** Departmental measures are adequately presented. As with most all municipal performance measures, the ones presented in

departmental budget sections are largely inputs and outputs, much less so outcomes focusing on results and accomplishments.

DOCUMENT-WIDE CRITERIA

- C3. **Statistical/supplemental section:** This section is not present in the budget document. Instead, the budget letter is presented. The statistical/supplemental section is meant to describe the municipality; for example, its meant to depict the city's history, major employers, demographics, etc.
- C4. **Glossary:** The glossary is adequate.
- C5. **Charts and graphs:** Charts and graphics are excellent and innovative.
- C6. **Understandability and usability:** The budget document is generally clear and easily understood.