



# Overview, Revenues, Reserves

2026 Budget Workshop; October 2<sup>nd</sup>, 2025

# Agenda

- Budget Process
- Financial Schedule
- Fund Balances
- The Lines
- Budget Parameters
- Requested vs City Manager Budget
- Revenues & Appropriations
- Special Revenue Funds; Utility Fund



# Budget Process



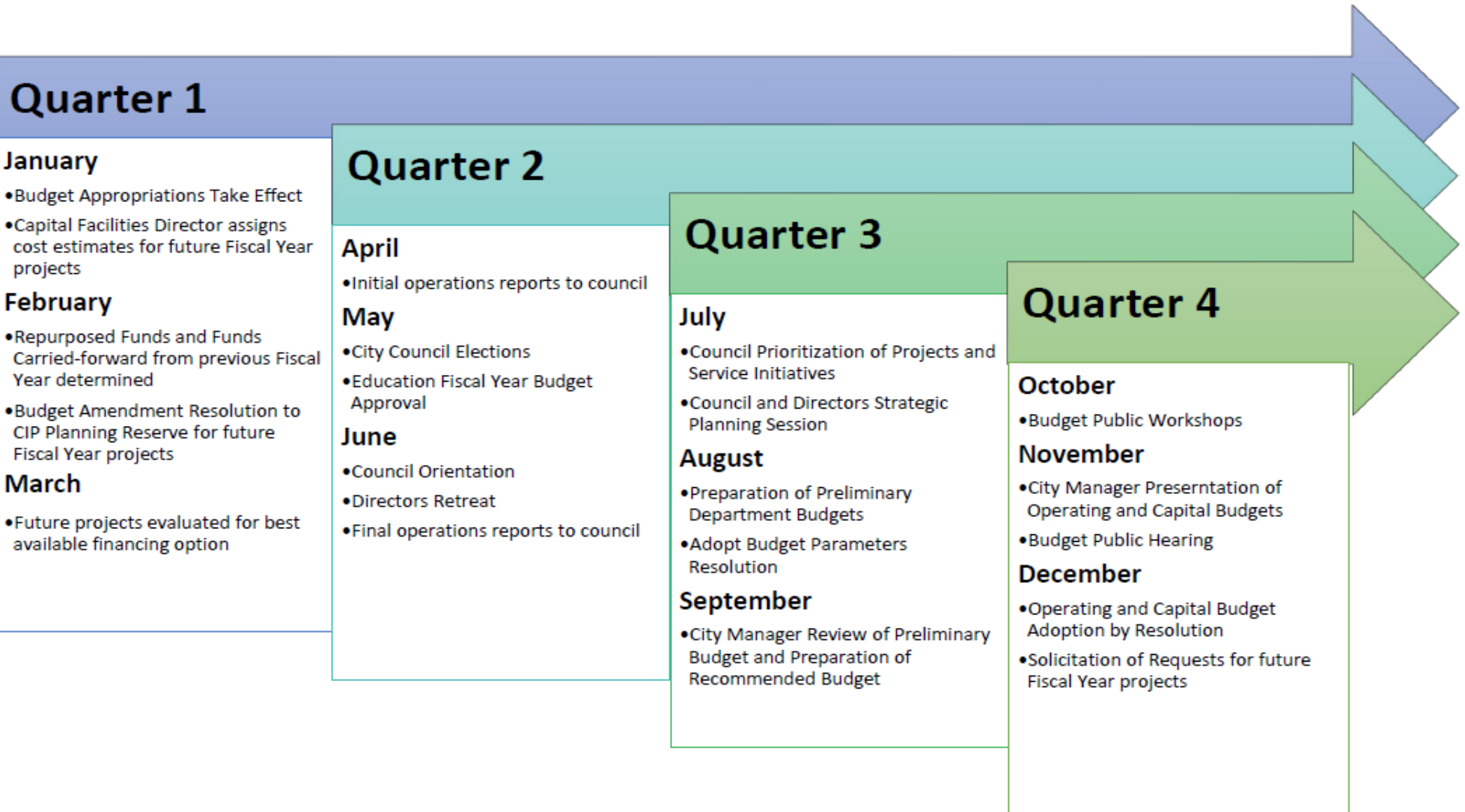
# 2026 Workshop Schedule



	Start Time:			
	6:00 PM	6:30 PM	7:00 PM	7:30 PM
Thursday, October 2	Workshop #1 Budget Overview			
Thursday, October 9	Community Service Organizations			
Monday, October 27 (3)	Museum (4)	VFDA and VCVB (4)	Sponsored Events (4)	Administration Division( 4)
Tuesday, October 28	Facilities, Fleet, Infrastructure Division, Major Equipment, & Projects (2)			
Wednesday, October 29	Education (1)	Parks, Recreation, & Cultural Services Division		Emergency Services Division
Thursday, October 30	Ports & Harbor Division		Reserves	Wrap Up Revisit Topics (Open)
Tuesday, November 18	Public Hearing			

*Monday October 27 Workshop Held at the Civic Center*

# Annual Budgeting Process By Calendar Quarter





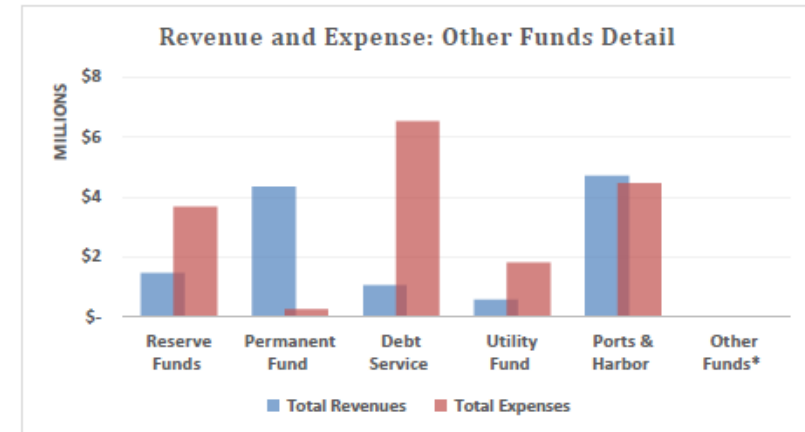
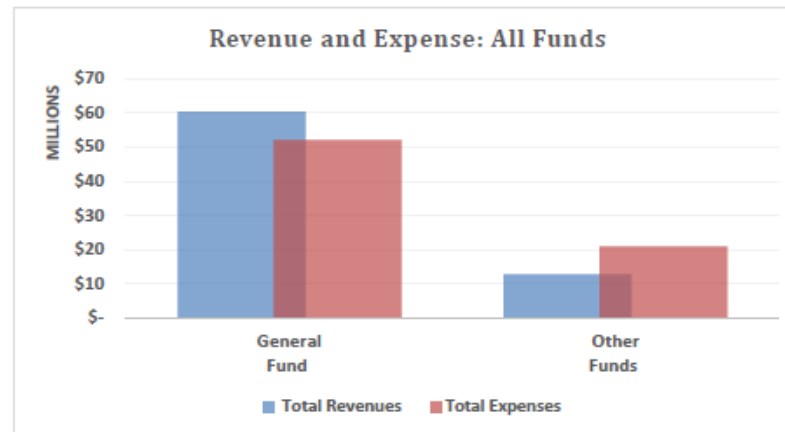
# Financial Schedule



## Financial Schedule

All Values in Millions

	General Fund	Reserve Funds	Capital Projects	Permanent Fund	Debt Service	Utility Fund	Ports & Harbor	Other Funds*	Grand Total
<b>Beginning Fund Balance</b>	19.1	65.0	22.3	290.1	5.1	3.0	9.5	25.6	439.7
Property Taxes	55.6	-	-	-	-	-	-	-	55.6
Other	4.7	1.5	0.6	4.4	1.0	0.6	4.7	-	17.5
<b>Total Revenues</b>	60.3	1.5	0.6	4.4	1.0	0.6	4.7	-	73.0
Transfer In (Out)	(6.8)	2.2	3.6	(4.1)	5.5	-	(0.5)	-	-
Operating Subsidy	(1.5)	-	-	-	-	1.2	0.2	-	-
<b>Net of Transfer/Subsidy</b>	(8.2)	2.2	3.6	(4.1)	5.5	1.2	(0.2)	-	-
<b>Division</b>									
Administration	13.9	5.6	-	0.3	-	-	-	-	19.8
Facilities, Fleet & Infrastructure	10.1	(2.4)	4.2	-	6.5	1.8	-	-	20.3
Parks, Recreation & Cultural Services	4.2	-	-	-	-	-	-	-	4.2
Ports & Harbor	-	0.5	-	-	-	-	4.5	-	4.9
Support	14.2	-	-	-	-	-	-	-	14.2
Emergency Services	9.6	-	-	-	-	-	-	-	9.6
<b>Total Expenses</b>	52.1	3.7	4.2	0.3	6.5	1.8	4.5	-	73.0
<b>Net Increase (Reduction)</b>	-	-	-	-	-	-	-	-	-
<b>Ending Fund Balance</b>	19.1	65.0	22.3	290.1	5.1	3.0	9.5	25.6	439.7



Indicates Major Fund

\*Other Funds include: Health Insurance, Hospital Special Revenue, and Museum

## Financial Schedule by Category

All Values in Millions

	General Fund	Reserve Funds	Capital Projects	Permanent Fund	Debt Service	Utility Fund	Ports & Harbor	Other Funds*	Grand Total
<b>Beginning Fund Balance</b>	19.1	65.0	22.3	290.1	5.1	3.0	9.5	25.6	439.7
Property Taxes	55.6	-	-	-	-	-	-	-	55.6
Other	4.7	1.5	0.6	4.4	1.0	0.6	4.7	-	17.5
<b>Total Revenues</b>	60.3	1.5	0.6	4.4	1.0	0.6	4.7	-	73.0
Transfer In (Out)	(6.8)	2.2	3.6	(4.1)	5.5	-	(0.5)	-	-
Operating Subsidy	(1.5)	-	-	-	-	1.2	0.2	-	-
<b>Net of Transfer/Subsidy</b>	(8.2)	2.2	3.6	(4.1)	5.5	1.2	(0.2)	-	-
<b>Expense Category</b>									
FTE Payroll	21.5	-	-	-	-	1.0	2.1	-	24.7
Education	12.8	-	-	-	-	-	-	-	12.8
Other Operating	3.5	4.3	-	0.0	-	0.1	0.6	-	8.6
Debt Service	-	-	-	-	6.5	-	-	-	6.5
CSO	1.3	-	-	-	-	-	-	-	1.3
Legal	4.5	-	-	-	-	-	-	-	4.5
Contracts	3.6	-	-	0.3	-	0.0	0.4	-	4.2
Other Personnel	2.8	-	-	-	-	0.1	0.6	-	3.4
Equipment	-	3.1	-	-	-	-	-	-	3.1
Utilities	1.2	-	-	-	-	0.6	0.8	-	2.5
Events	0.2	-	-	-	-	-	-	-	0.2
Projects	-	(3.8)	4.2	-	-	-	-	-	0.5
<b>Total Expenses</b>	52.1	3.7	4.2	0.3	6.5	1.8	4.5	-	73.0
Net Increase (Reduction)	-	-	-	-	-	-	-	-	-
<b>Ending Fund Balance</b>	19.1	65.0	22.3	290.1	5.1	3.0	9.5	25.6	439.7

\*Other Funds include: Health Insurance, Hospital Special Revenue, and Museum



### 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
<b>Beginning Fund Balance</b>	19.1	65.0	22.3	290.1	5.1	3.0	9.5	25.6	439.7
Property Taxes	55.6	-	-	-	-	-	-	-	55.6
Other	4.7	1.5	0.6	4.4	1.0	0.6	4.7	-	17.5
<b>Total Revenues</b>	60.3	1.5	0.6	4.4	1.0	0.6	4.7	-	73.0
Transfer In (Out)	(6.8)	2.2	3.6	(4.1)	5.5	-	(0.5)	-	-
Operating Subsidy	(1.5)	-	-	-	-	1.2	0.2	-	-
<b>Net of Transfer/Subsidy</b>	(8.2)	2.2	3.6	(4.1)	5.5	1.2	(0.2)	-	-
<b>Division</b>									
Administration	13.9	5.6	-	0.3	-	-	-	-	19.8
Facilities, Fleet & Infrastructure	10.1	(2.4)	4.2	-	6.5	1.8	-	-	20.3
Parks, Recreation & Cultural Services	4.2	-	-	-	-	-	-	-	4.2
Ports & Harbor	-	0.5	-	-	-	-	4.5	-	4.9
Support	14.2	-	-	-	-	-	-	-	14.2
Emergency Services	9.6	-	-	-	-	-	-	-	9.6
<b>Total Expenses</b>	52.1	3.7	4.2	0.3	6.5	1.8	4.5	-	73.0
Net Increase (Reduction)	-	-	-	-	-	-	-	-	-
<b>Ending Fund Balance</b>	19.1	65.0	22.3	290.1	5.1	3.0	9.5	25.6	439.7

# Total Appropriations \$73.0MM

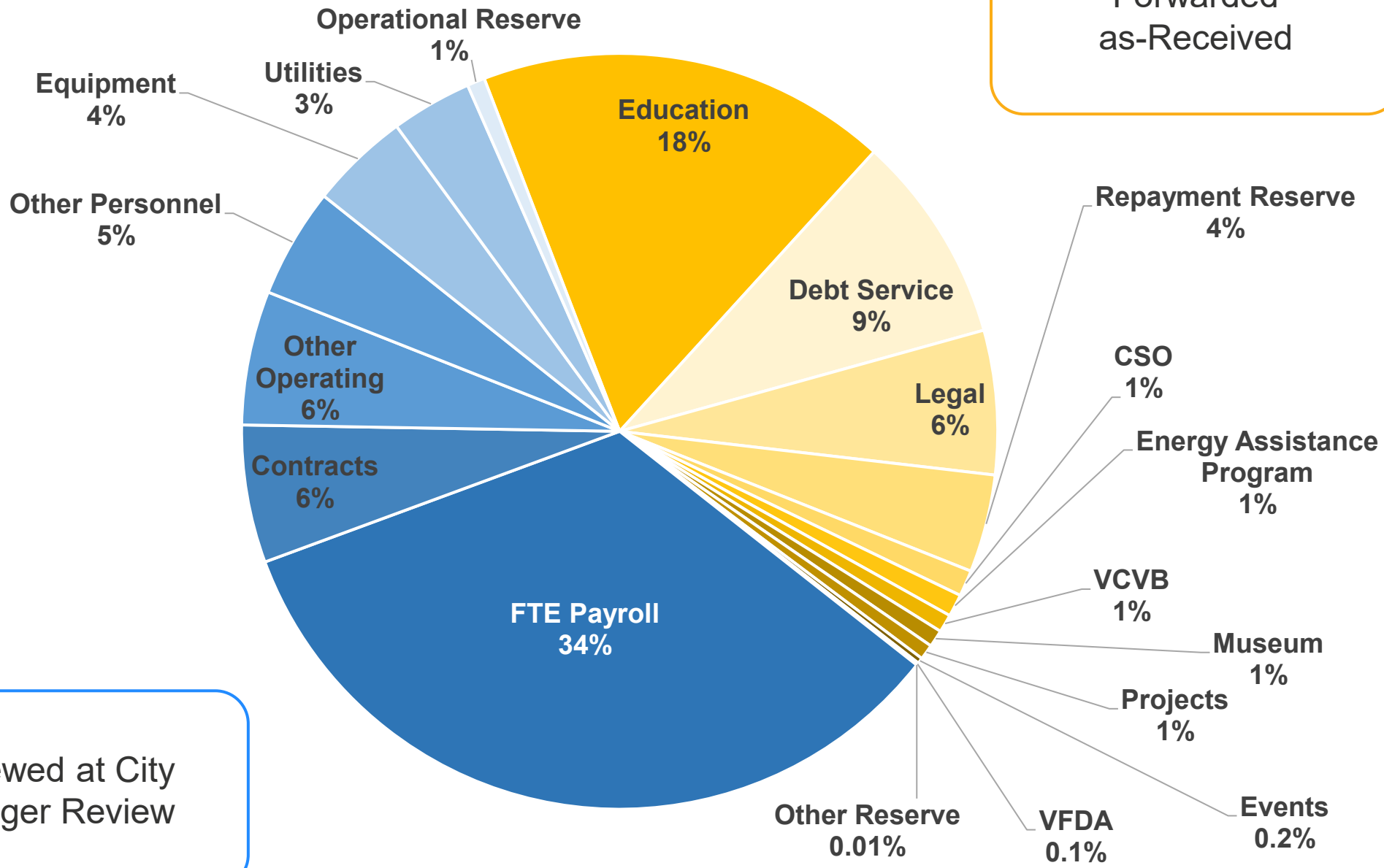
	2025	2026	Change from 2025 to 2026	
			Value Change	Percent Change
Citywide Appropriations	71,636,862	73,030,783	1,393,921	1.9%
CPI (Urban Alaska HALF1)	264.376	270.441	6.065	2.3%

- Citywide Appropriations growing below most recent CPI Benchmark
  - Fund and/or Category Specific



Citywide Expense Appropriations \$73.0MM

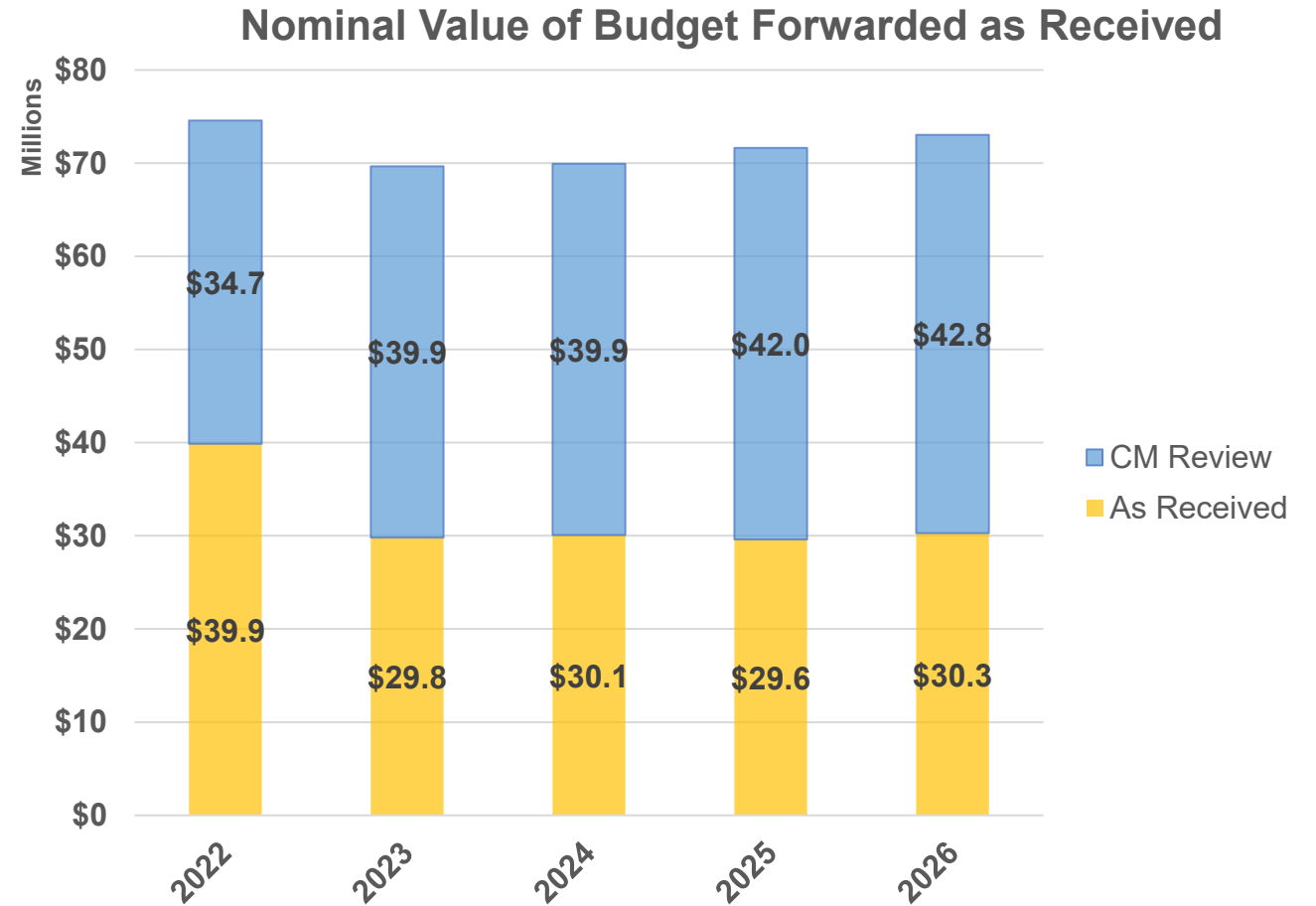
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Reviewed at City  
Manager Review



# Expense Appropriation Review; 5 Years





# Citywide Expense Appropriations

EXP	71,636,862	73,030,783	1,393,921	2%
Education	12,199,589	12,840,685	641,096	5%
Debt Service	6,564,029	6,527,067	(36,962)	-1%
Law	4,500,000	4,500,000	-	0%
Capital Projects	5,500,000	4,241,774	(1,258,226)	-23%
Reserve Fund	2,803,342	4,152,387	1,349,045	48%
Building Maintenance	3,671,183	3,725,050	53,867	1%
Streets/Shop	3,323,111	3,322,337	(774)	0%
Law Enforcement	3,414,890	3,263,025	(151,865)	-4%
Fire/EMS	2,923,188	3,037,868	114,679	4%
Harbor	2,496,317	2,356,609	(139,707)	-6%
Public Safety	1,896,434	2,058,205	161,770	9%
Solid Waste	1,956,593	1,946,993	(9,599)	0%
Community Development	1,626,050	1,718,652	92,602	6%
Port	1,540,024	1,668,862	128,839	8%
Information Services	1,474,371	1,509,301	34,931	2%
Finance	1,196,228	1,393,341	197,113	16%
Economic Development	1,306,566	1,263,406	(43,160)	-3%
Park Maintenance	1,157,379	1,186,551	29,172	3%
Parks & Recreation	1,277,194	1,168,606	(108,588)	-9%
Engineering	1,105,498	1,133,506	28,008	3%
Water	983,398	988,940	5,542	1%
Civic Center	909,259	963,264	54,006	6%
City Clerk	889,044	928,779	39,735	4%
Library	825,395	875,285	49,890	6%
Sewer	897,243	824,578	(72,666)	-8%
CSO	629,750	814,500	184,750	29%
Administration	809,848	795,702	(14,146)	-2%
Insurance	658,967	755,041	96,074	15%
Animal Control	609,021	631,615	22,594	4%
Emergency Management	628,184	578,820	(49,364)	-8%
Human Resources	522,370	570,632	48,263	9%
City Council	475,000	560,787	85,787	18%
Museum	535,000	535,000	-	0%
Airport	409,598	440,615	31,017	8%
Permanent Fund	272,800	253,000	(19,800)	-7%
Transfer	(350,000)	(500,000)	(150,000)	43%

# General Fund Expense Appropriations

EXP	50,520,112	52,076,952	1,556,840	3%
Education	12,199,589	12,840,685	641,096	5%
Law	4,500,000	4,500,000	-	0%
Building Maintenance	3,671,183	3,725,050	53,867	1%
Streets/Shop	3,323,111	3,322,337	(774)	0%
Law Enforcement	3,414,890	3,263,025	(151,865)	-4%
Fire/EMS	2,923,188	3,037,868	114,679	4%
Public Safety	1,896,434	2,058,205	161,770	9%
Solid Waste	1,956,593	1,946,993	(9,599)	0%
Community Development	1,626,050	1,718,652	92,602	6%
Information Services	1,474,371	1,509,301	34,931	2%
Finance	1,196,228	1,393,341	197,113	16%
Economic Development	1,306,566	1,263,406	(43,160)	-3%
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Emergency Management	628,184	578,820	(49,364)	-8%
Human Resources	522,370	570,632	48,263	9%
City Council	475,000	560,787	85,787	18%
Museum	535,000	535,000	-	0%



# Citywide Revenue Appropriations

REV	(71,636,862)	(73,030,783)	(1,393,921)	2%
Finance	(60,361,760)	(61,584,006)	(1,222,246)	2%
Permanent Fund	(4,316,259)	(4,351,750)	(35,491)	1%
Harbor	(2,496,317)	(2,420,061)	76,255	-3%
Port	(1,734,014)	(2,083,122)	(349,108)	20%
Public Safety	(631,000)	(605,000)	26,000	-4%
Economic Development	(580,000)	(505,200)	74,800	-13%
Water	(259,581)	(258,200)	1,381	-1%
Sewer	(263,418)	(245,400)	18,018	-7%
Community Development	(271,950)	(213,450)	58,500	-22%
Airport	(213,298)	(211,394)	1,905	-1%
Civic Center	(198,608)	(206,300)	(7,692)	4%
Fire/EMS	(60,000)	(125,000)	(65,000)	108%
Solid Waste	(134,925)	(107,500)	27,425	-20%
Parks & Recreation	(77,982)	(75,500)	2,482	-3%
Library	(23,000)	(28,500)	(5,500)	24%
Animal Control	(12,250)	(10,400)	1,850	-15%
Law Enforcement	-	-	-	
Gilson Medical Clinic	-	-	-	
Long Term Debt Fund	-	-	-	
Police	(2,500)	-	2,500	-100%
Park Maintenance	-	-	-	
Health Insurance Fund	-	-	-	
Streets/Shop	-	-	-	
Building Maintenance	-	-	-	
City Clerk	-	-	-	

# General Fund Revenue Appropriations

REV	(56,614,444)	(60,278,566)	(3,664,122)	6%
Finance	(54,622,229)	(58,401,716)	(3,779,487)	7%
Public Safety	(631,000)	(605,000)	26,000	-4%
Economic Development	(580,000)	(505,200)	74,800	-13%
Community Development	(271,950)	(213,450)	58,500	-22%
Civic Center	(198,608)	(206,300)	(7,692)	4%
Fire/EMS	(60,000)	(125,000)	(65,000)	108%
Solid Waste	(134,925)	(107,500)	27,425	-20%
Parks & Recreation	(77,982)	(75,500)	2,482	-3%
Library	(23,000)	(28,500)	(5,500)	24%
Animal Control	(12,250)	(10,400)	1,850	-15%
Park Maintenance	-	-	-	
Building Maintenance	-	-	-	
Law Enforcement	-	-	-	
City Clerk	-	-	-	
Police	(2,500)	-	2,500	-100%
Streets/Shop	-	-	-	

# Fund Balances



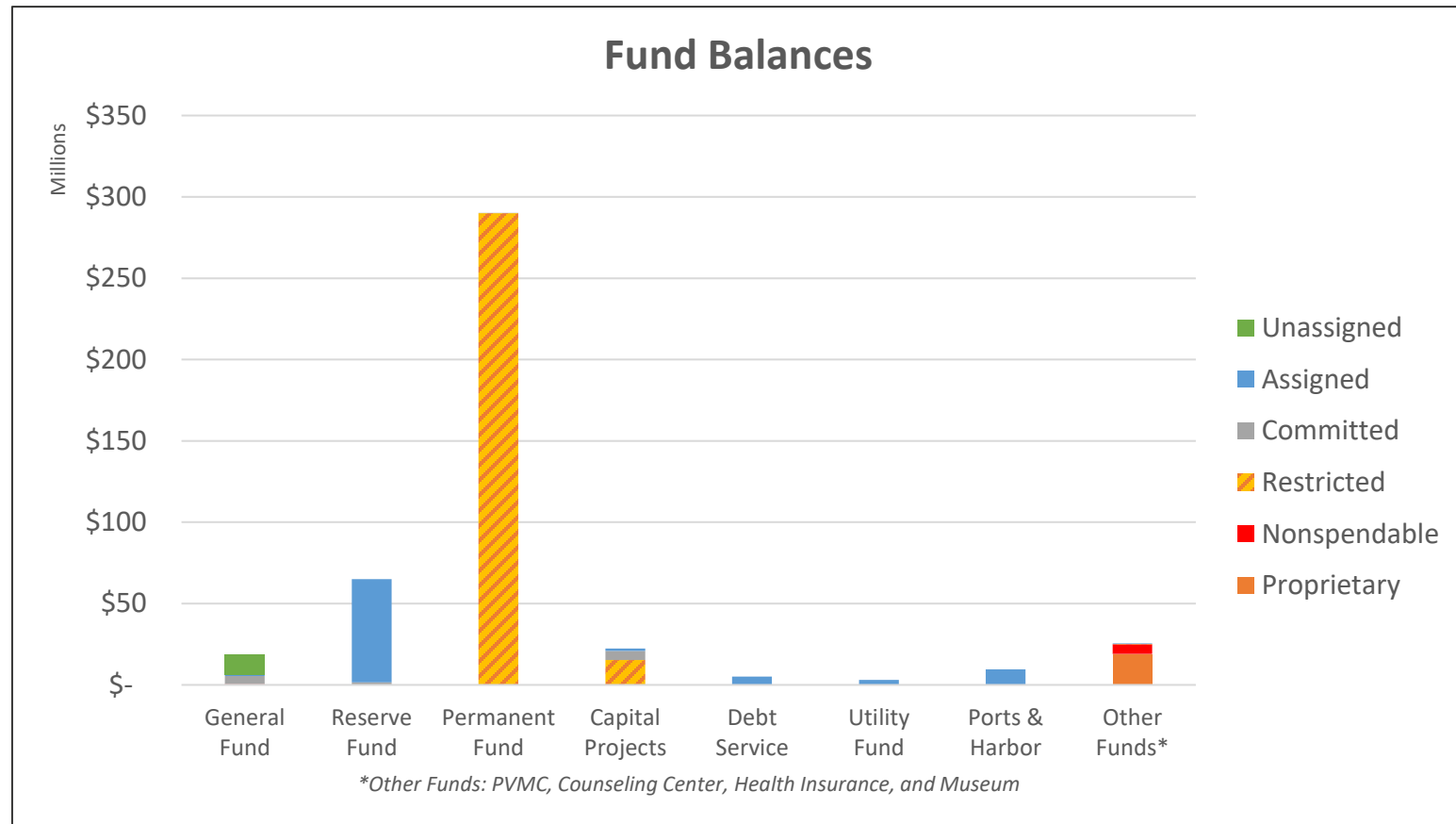




# Audited Fund Balances

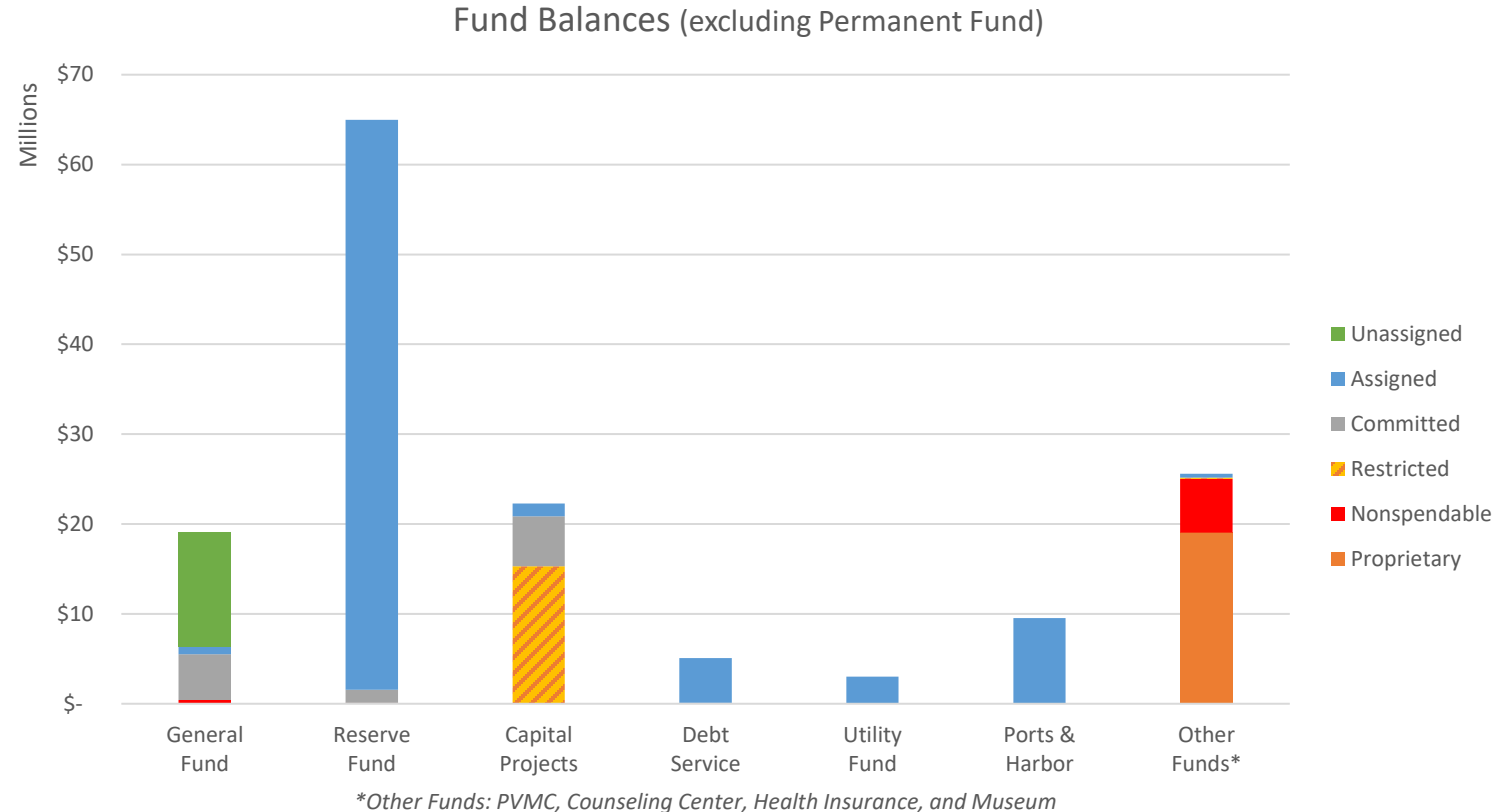
Citywide Fund Balance as of 12/31/2024

Permanent Fund Represents **65%** of Citywide Fund Balance



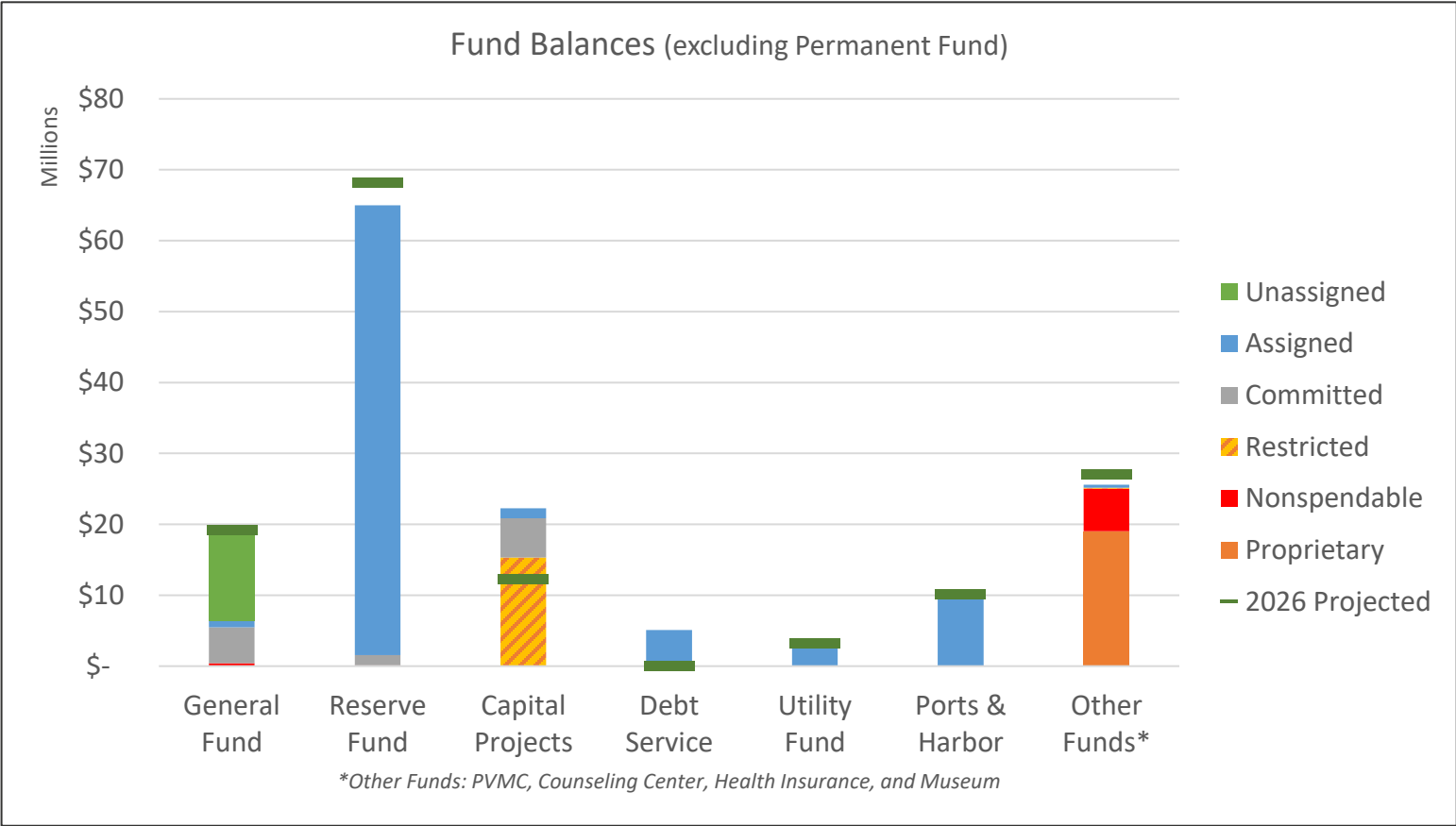
# Audited Fund Balances 2024

- Proprietary Funds for Business-Type Activities
  - PVMC, PVCC, Museum
  - Health Insurance
- Nonspendable
  - Items that cannot be converted into cash
- Restricted
  - Bond Proceeds
- Unrestricted
  - Committed
    - Projects in Active Design
  - Assigned
    - Various reserves assigned
  - Unassigned
    - “Savings” 12.6MM



# 2026 Projected Fund Balance

- Green Bar Represents Projected Fund Balance
- Notable Changes
  - Completion of Sewer Force Main Project
  - Reallocate Debt Service fund Balance moved to Capital Projects (2025)
- Excludes Permanent Fund
  - 9/24/2025 Balance: \$317MM



# The Lines

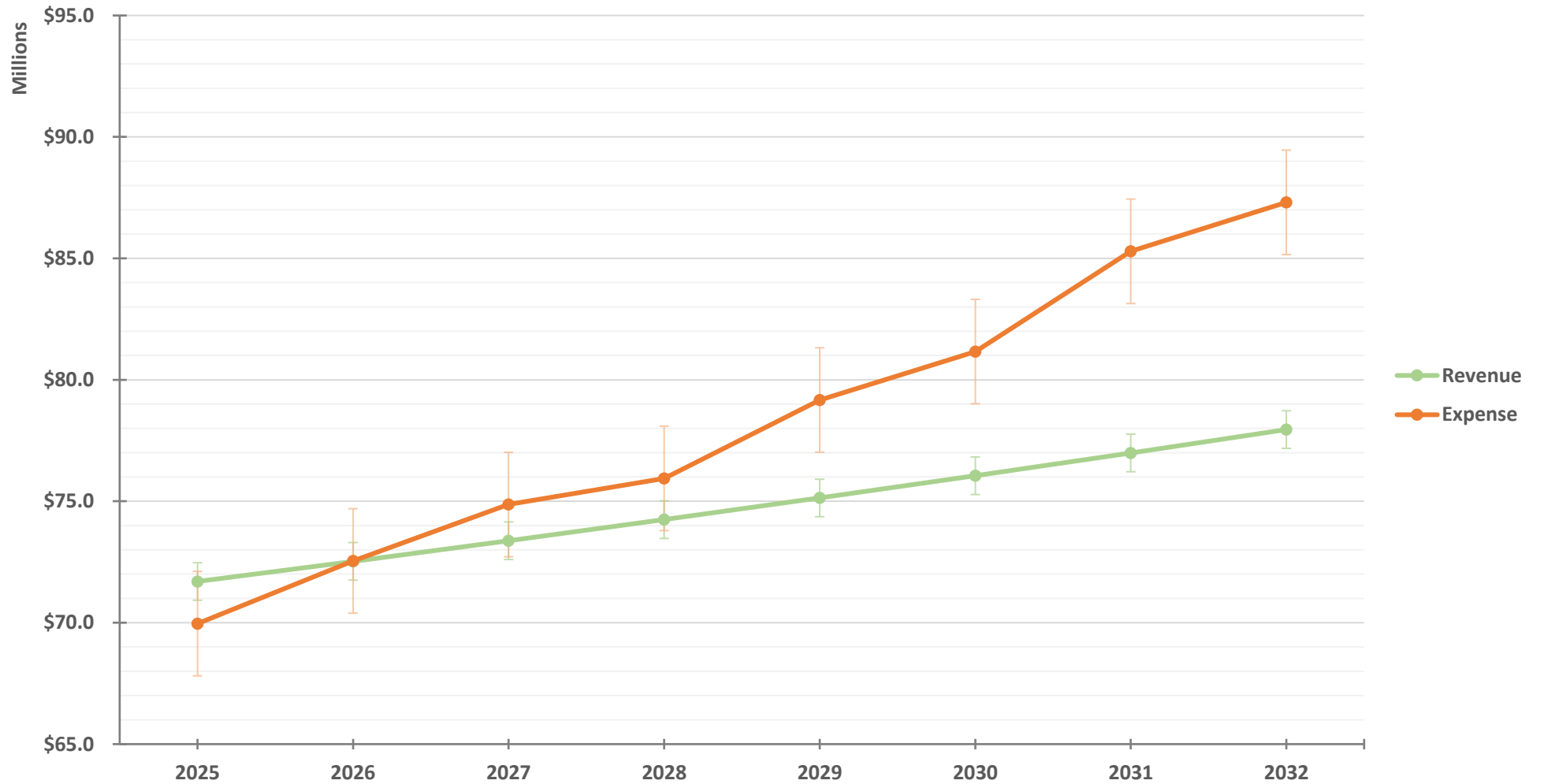






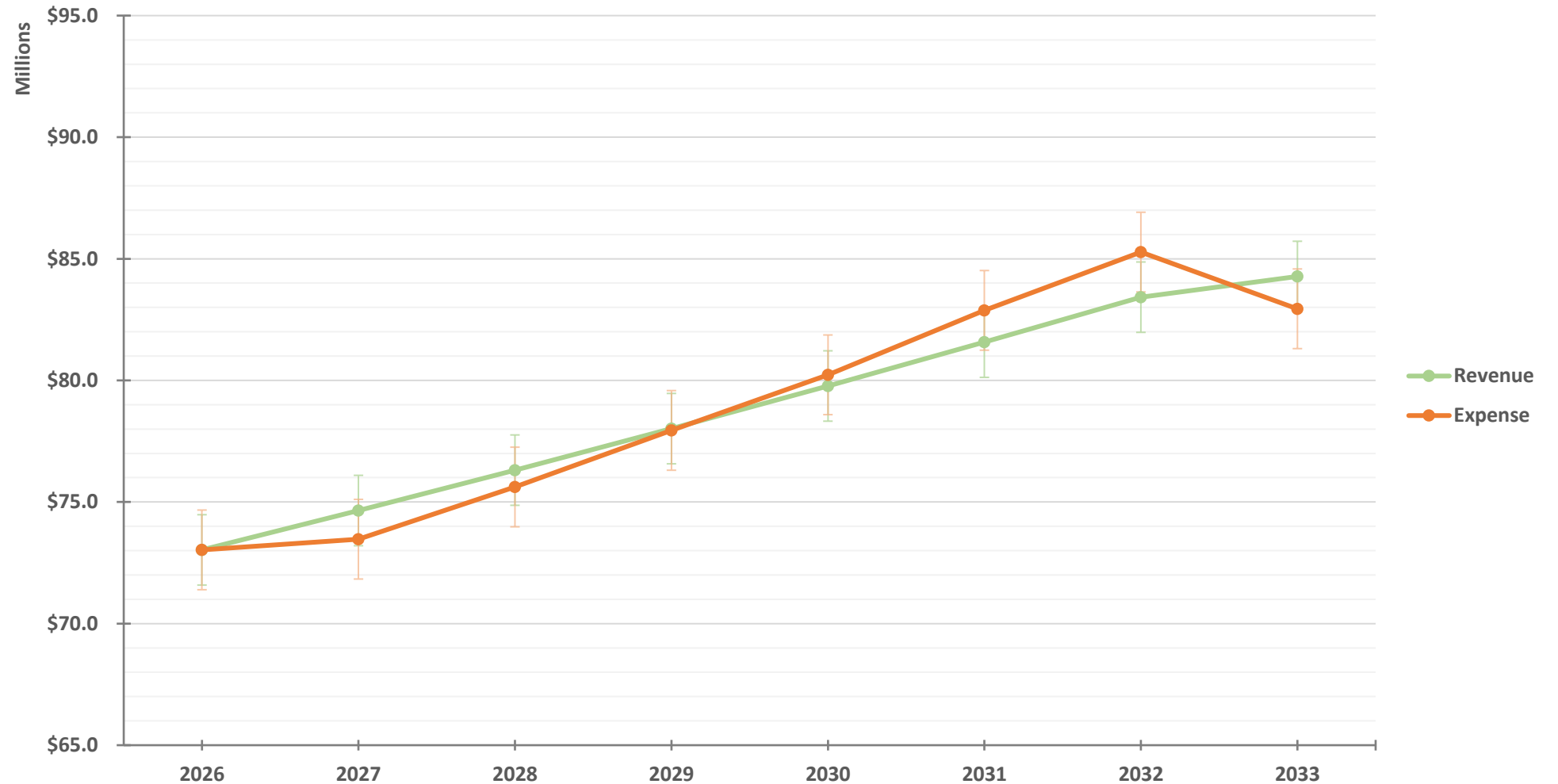
# The Lines - Last Year

The Lines - Citywide



# Lines – This Year

The Lines - Citywide



# Budget Parameters Resolution



# Council Priorities

- **Housing**

- Maximum primary home exemption
- Comprehensive Plan Revision
- Mobile Home Replacement Program

- **Childcare**

- Continued efforts on Childcare facility (No additional appropriations required)

- **Maintenance**

- Specific appropriations for deferred maintenance

- **Expand: Outdoor Recreation, Tourism, Maritime & Community**

- Civic Center travel, promotion, and facility enhancement
- Specific City Parks appropriations for consideration
- Waterfront masterplan update to include port facility upgrade
- Extending life of current travel lift



# Budget Parameters for 2026 Budget

- 20 Mill Property Tax Levy
- Port and Harbor Revenues exceed expenses
- Maximum Local Contribution to VCS \$11.8MM
  - Maintain Dual Credit Program
  - Increase contribution to PWSC
- Legal Expenses set at \$4.5MM
  - Expenses related to revenue in jeopardy paid from Repayment Reserve
- \$4.2MM Appropriated for Capital Projects
- Utility Rates Unchanged
  - \$1.25MM Operating Subsidy for Water and Sewer

# Levels of Service

- **Expand**
  - Funding levels reflect expansion in quantity or quality of services
- **Sustain**
  - No change to services provided and adequately funded
- **Constrain**
  - Funding is not adequate to ensure same level of service; lowered services not planned
- **Reduce**
  - Funding levels reflect reduction in quantity or quality of services

Department	Service Level	Budget Change	
		Amount	Percentage
Finance	Expand	\$ 197,113	16.5%
Human Resources	Expand	\$ 48,263	9.2%
Public Safety	Sustain	\$ 161,770	8.5%
Airport	Sustain	\$ 31,017	7.6%
Library	Sustain	\$ 49,890	6.0%
Civic Center	Expand	\$ 54,006	5.9%
Community Development	Sustain	\$ 81,458	5.0%
Port	Sustain	\$ 74,493	4.8%
City Clerk	Sustain	\$ 39,735	4.5%
Fire	Sustain	\$ 114,679	3.9%
Animal Control	Sustain	\$ 22,594	3.7%
Engineering	Sustain	\$ 28,008	2.5%
Park Maintenance	Sustain	\$ 29,172	2.5%
Information Services	Sustain	\$ 34,931	2.4%
Building Maintenance	Sustain	\$ 53,867	1.5%
Water	Sustain	\$ 5,542	0.6%
Streets and Shop	Sustain	\$ (774)	0.0%
Solid Waste	Sustain	\$ (9,599)	-0.5%
Administration	Sustain	\$ (14,146)	-1.7%
Economic Development	Sustain	\$ (43,160)	-3.3%
Law Enforcement	Sustain	\$ (151,865)	-4.4%
Harbor	Sustain	\$ (139,707)	-5.6%
Emergency Management	Sustain	\$ (49,364)	-7.9%
Sewer	Sustain	\$ (72,666)	-8.1%
Parks and Recreation	Sustain	\$ (108,588)	-8.5%

# Levels of Service; Expand

- Finance
  - \$100K VMC 3.30
  - \$45K Professional Grant Administration
- Human Resources
  - \$30K Citywide Career Development
  - \$16.5K Gym Memberships
- Civic Center
  - \$35K Promoting and upgrading facility to leverage existing infrastructure

Department	Service Level	Budget Change Amount	Budget Change Percentage
Finance	Expand	\$ 197,113	16.5%
Human Resources	Expand	\$ 48,263	9.2%
Public Safety	Sustain	\$ 161,770	8.5%
Airport	Sustain	\$ 31,017	7.6%
Library	Sustain	\$ 49,890	6.0%
Civic Center	Expand	\$ 54,006	5.9%
Community Development	Sustain	\$ 81,458	5.0%
Port	Sustain	\$ 74,493	4.8%
City Clerk	Sustain	\$ 39,735	4.5%
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Information Services	Sustain	\$ 34,931	2.4%
Building Maintenance	Sustain	\$ 53,867	1.5%
Water	Sustain	\$ 5,542	0.6%
Streets and Shop	Sustain	\$ (774)	0.0%
Solid Waste	Sustain	\$ (9,599)	-0.5%
Administration	Sustain	\$ (14,146)	-1.7%
Economic Development	Sustain	\$ (43,160)	-3.3%
Law Enforcement	Sustain	\$ (151,865)	-4.4%
Harbor	Sustain	\$ (139,707)	-5.6%
Emergency Management	Sustain	\$ (49,364)	-7.9%
Sewer	Sustain	\$ (72,666)	-8.1%
Parks and Recreation	Sustain	\$ (108,588)	-8.5%

# 2.3% Cost of Living Adjustment

## • 8/19 Budget Parameters Resolution

*Cost of Living Adjustment (COLA) – Salary and Wage rates will reflect a 2.3% Cost of Living Adjustment (COLA). This figure is based on Alaska/Anchorage official First-Half Consumer Price Index (CPI) figure and is supported by the City Council to be included in the 2026 Budget*

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%	<b>228.676</b> <b>1.4%</b>	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%	<b>226.153</b> <b>-1.1%</b>	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%	<b>237.188</b> <b>4.9%</b>	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%	<b>256.423</b> <b>8.1%</b>	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%	<b>260.372</b> <b>1.5%</b>	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%		269.404 2.1%		267.312 2.3%	<b>266.208</b> <b>2.2%</b>	264.376 2.5%	268.039 2.0%
2025		269.022 2.9%		271.358 1.6%		271.728 1.6%		273.815 2.4%						270.441 2.3%	



# Energy Assistance

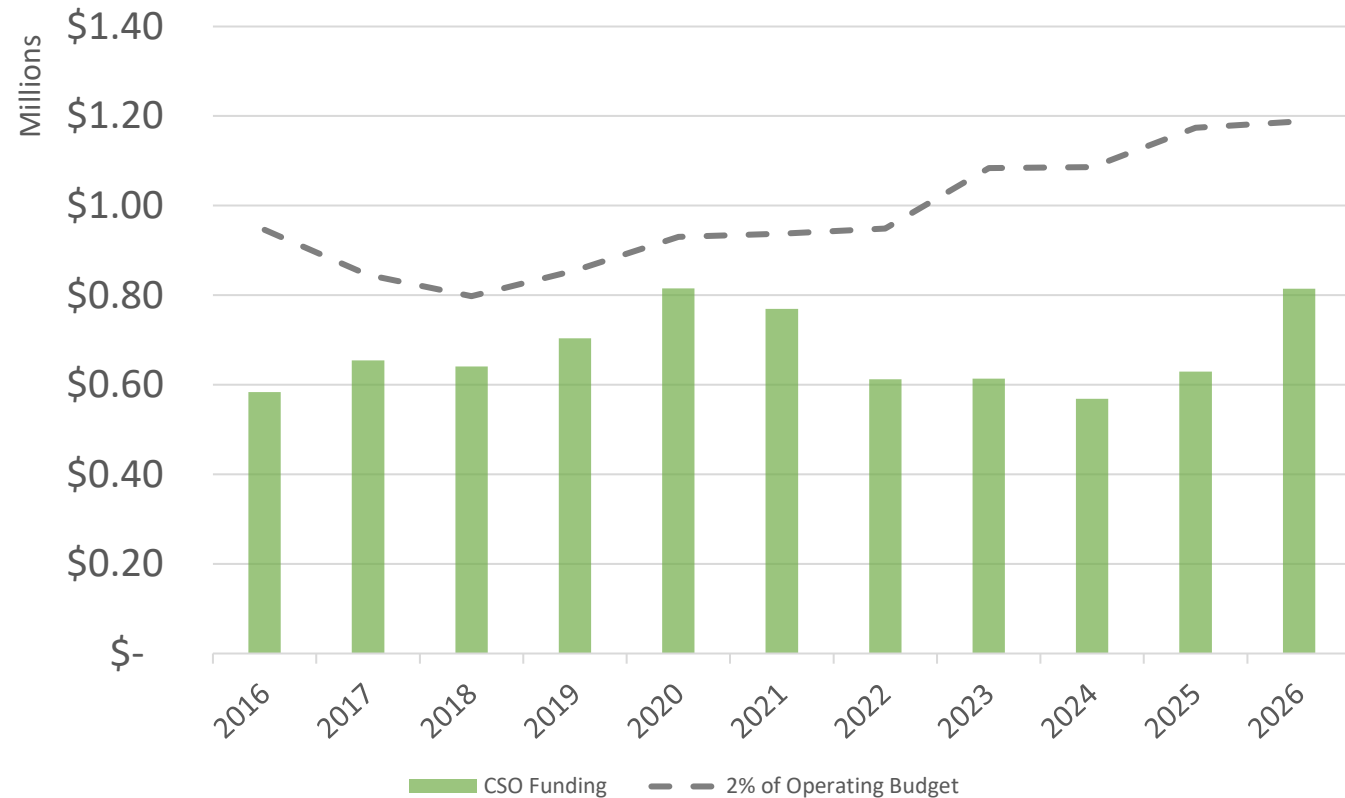
## Program Cost

- 2023 – \$714K
  - 2024 - \$654K
  - 2025 - \$719K
- 
- Applications available November 3 to December 31
  - \$595 per household

# Community Service Organizations

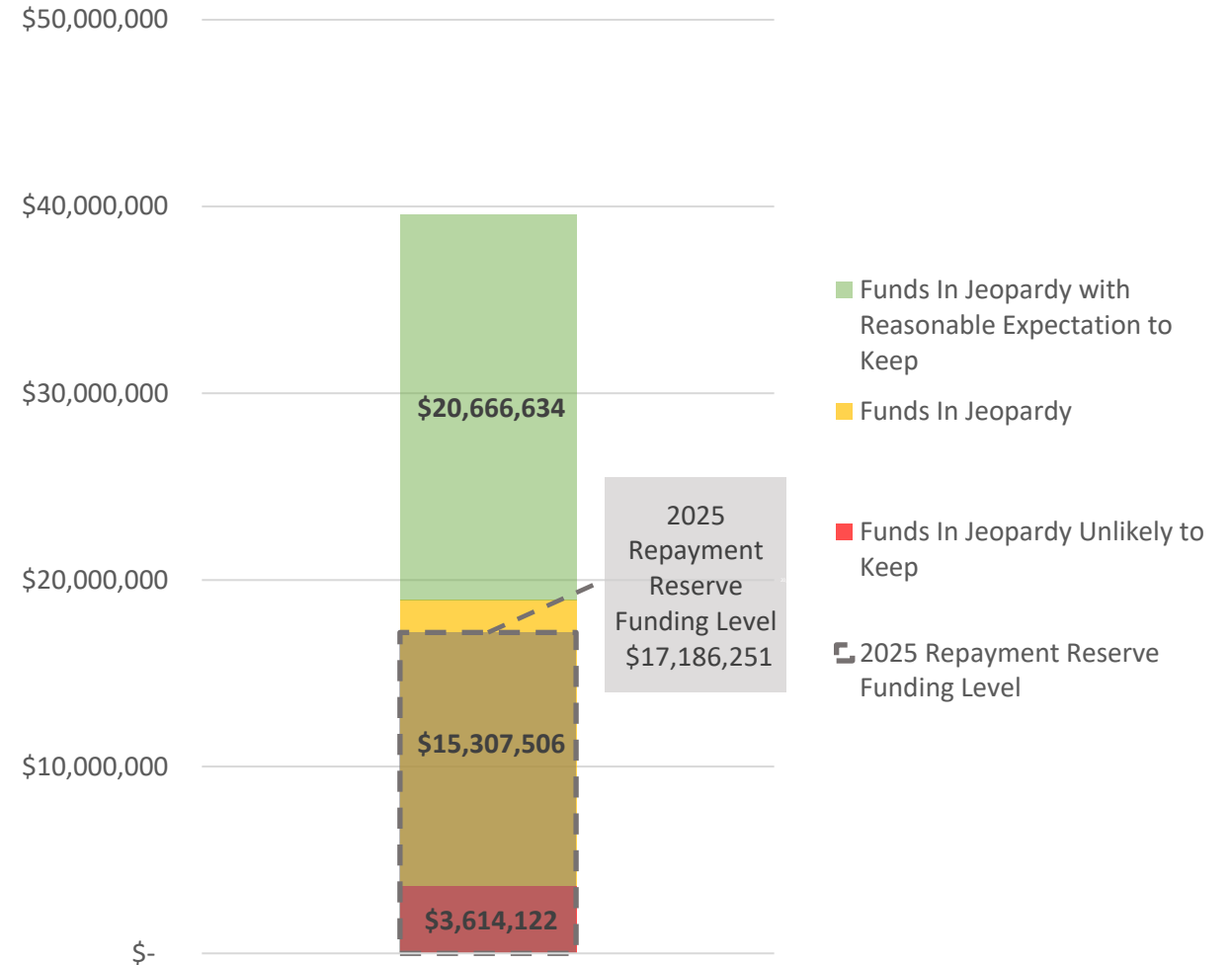
- NTE 2% of Operating Budget
- New Requests 2026
  - Alaska Fellows Program
  - Friends of Valdez Animal Shelter
  - KCHU
- Not Requested in 2026
  - Valdez Preschool

Community Service Organization Funding;  
10 Year History



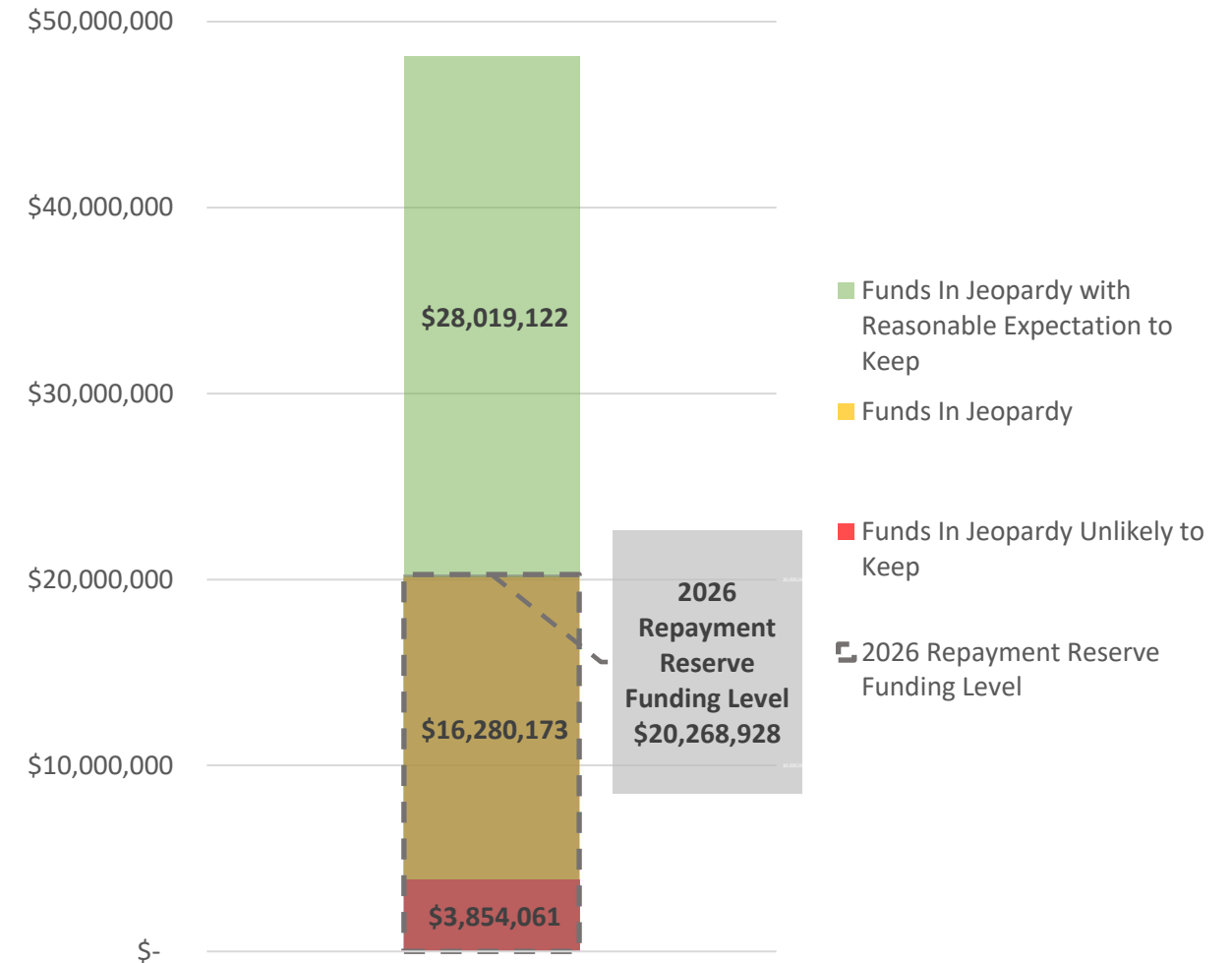
# 2025 (last year) Repayment Reserve

2025 Budget; Repayment Reserve  
Funding Level: \$17,186,251



# Repayment Reserve

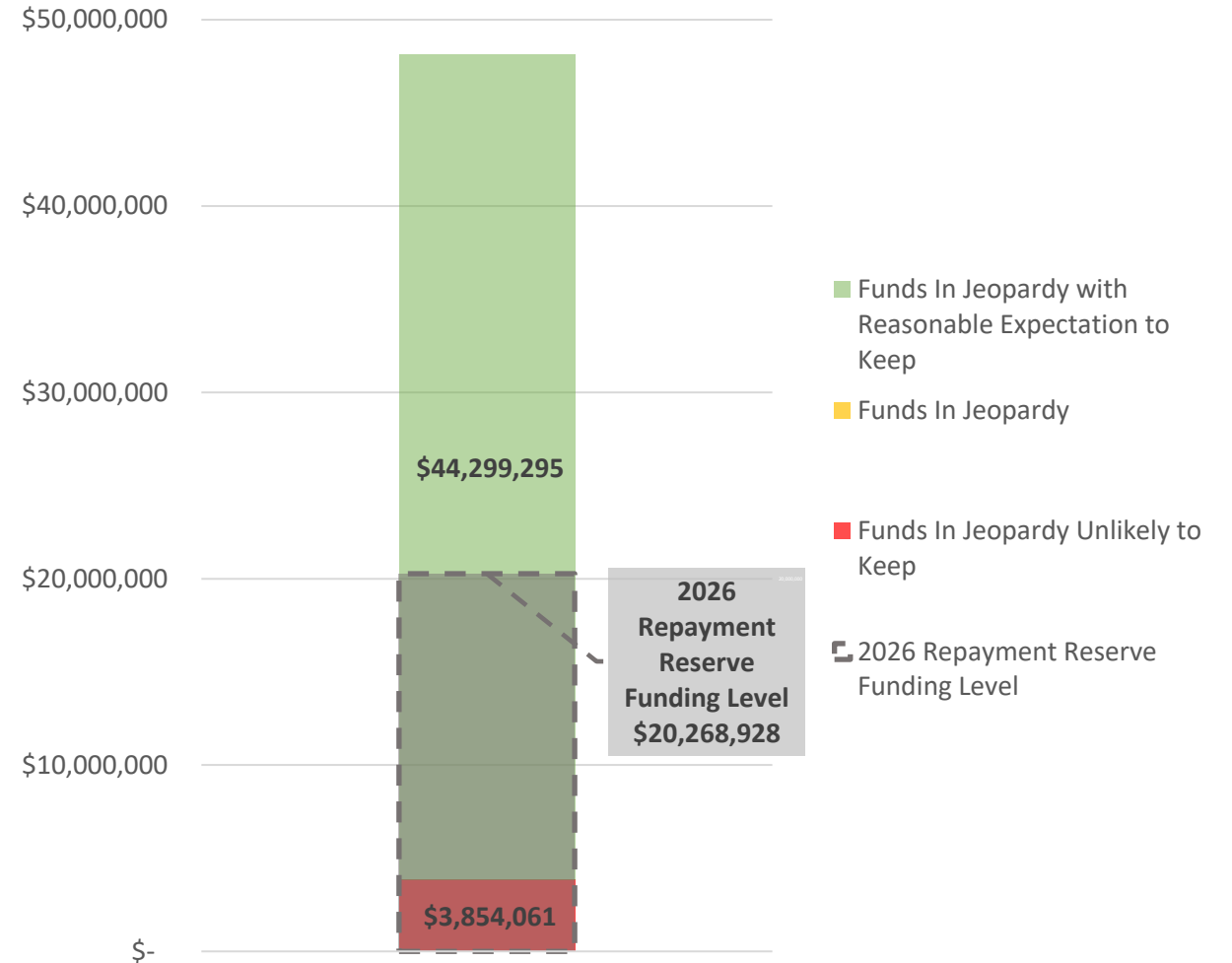
## 2026 Budget; Repayment Reserve Funding Level: \$20,268,928





# Repayment Reserve

## 2026 Budget; Repayment Reserve Funding Level: \$20,268,928



# Permanent Fund

- Budget Parameters
  - “For the 2026 budget, the City Council will appropriate for expenditure 1.5% from the permanent fund, as mandated by the charter's Section 6.7(a). Management will present steps to avoid utilization of the appropriation and its corresponding expenditure in future budgets.”
- \$4,351,750

# Citywide Revenue Appropriations

REV	(71,636,862)	(73,030,783)	(1,393,921)	2%
Finance	(60,361,760)	(61,584,006)	(1,222,246)	2%
Permanent Fund	(4,316,259)	(4,351,750)	(35,491)	1%
Harbor	(2,496,317)	(2,420,061)	76,255	-3%
Port	(1,734,014)	(2,083,122)	(349,108)	20%
Public Safety	(631,000)	(605,000)	26,000	-4%
Economic Development	(580,000)	(505,200)	74,800	-13%
Water	(259,581)	(258,200)	1,381	-1%
Sewer	(263,418)	(245,400)	18,018	-7%
Community Development	(271,950)	(213,450)	58,500	-22%
Airport	(213,298)	(211,394)	1,905	-1%
Civic Center	(198,608)	(206,300)	(7,692)	4%
Fire/EMS	(60,000)	(125,000)	(65,000)	108%
Solid Waste	(134,925)	(107,500)	27,425	-20%
Parks & Recreation	(77,982)	(75,500)	2,482	-3%
Library	(23,000)	(28,500)	(5,500)	24%
Animal Control	(12,250)	(10,400)	1,850	-15%
Law Enforcement	-	-	-	
Gilson Medical Clinic	-	-	-	
Long Term Debt Fund	-	-	-	
Police	(2,500)	-	2,500	-100%
Park Maintenance	-	-	-	
Health Insurance Fund	-	-	-	
Streets/Shop	-	-	-	
Building Maintenance	-	-	-	
City Clerk	-	-	-	



# Citywide Expense Appropriations

EXP	71,636,862	73,030,783	1,393,921	2%
Education	12,199,589	12,840,685	641,096	5%
Debt Service	6,564,029	6,527,067	(36,962)	-1%
Law	4,500,000	4,500,000	-	0%
Capital Projects	5,500,000	4,241,774	(1,258,226)	-23%
Reserve Fund	2,803,342	4,152,387	1,349,045	48%
Building Maintenance	3,671,183	3,725,050	53,867	1%
Streets/Shop	3,323,111	3,322,337	(774)	0%
Law Enforcement	3,414,890	3,263,025	(151,865)	-4%
Fire/EMS	2,923,188	3,037,868	114,679	4%
Harbor	2,496,317	2,356,609	(139,707)	-6%
Public Safety	1,896,434	2,058,205	161,770	9%
Solid Waste	1,956,593	1,946,993	(9,599)	0%
Community Development	1,626,050	1,718,652	92,602	6%
Port	1,540,024	1,668,862	128,839	8%
Information Services	1,474,371	1,509,301	34,931	2%
Finance	1,196,228	1,393,341	197,113	16%
Economic Development	1,306,566	1,263,406	(43,160)	-3%
Park Maintenance	1,157,379	1,186,551	29,172	3%
Parks & Recreation	1,277,194	1,168,606	(108,588)	-9%
Engineering	1,105,498	1,133,506	28,008	3%
Water	983,398	988,940	5,542	1%
Civic Center	909,259	963,264	54,006	6%
City Clerk	889,044	928,779	39,735	4%
Library	825,395	875,285	49,890	6%
Sewer	897,243	824,578	(72,666)	-8%
CSO	629,750	814,500	184,750	29%
Administration	809,848	795,702	(14,146)	-2%
Insurance	658,967	755,041	96,074	15%
Animal Control	609,021	631,615	22,594	4%
Emergency Management	628,184	578,820	(49,364)	-8%
Human Resources	522,370	570,632	48,263	9%
City Council	475,000	560,787	85,787	18%
Museum	535,000	535,000	-	0%
Airport	409,598	440,615	31,017	8%
Permanent Fund	272,800	253,000	(19,800)	-7%
Transfer	(350,000)	(500,000)	(150,000)	43%



# Reserve Fund Appropriations

- If Council chooses to reinvest 1.5% from the Permanent Fund:
  - Eliminate appropriation to Repayment Reserve  
-and-  
Appropriate \$1,296,024 from Fund Balance
  - or-
  - Appropriate \$4,351,750 from Fund Balance

[-] Reserve Fund				
[-] Projects	(2,969,588)	(3,264,062)	(294,473)	10%
[-] Other Operating				
Repayment Reserve	1,526,534	3,055,726	1,529,191	100%
Energy Assistance Progr:	550,000	700,000	150,000	27%
Leave Liability Reserve	400,000	300,000	(100,000)	-25%
Budget Variance Reserve	225,000	250,000	25,000	11%
Physicians Assistance	60,000	60,000	-	0%
Beautification Committee	55,000	5,000	(50,000)	-91%
Council Contingency	-	-	-	100%
Permanent Fund Reserve	-	-	-	100%
Land Development	-	-	-	100%
PVMCTransfer for Physic	(60,000)	(60,000)	-	0%
[-] Equipment				
Major Equipment Reserv	1,886,799	1,881,129	(5,670)	0%
Technology Reserve	1,129,597	1,224,594	94,997	8%

# **Requested Budget vs City manager Budget**



# Initial Requests to City Manager by Division

	2026 Requested Budget	City Manager Review	Dollar Change	Percent Change
Facilities, Fleet & Infrastructure	20,764,568	20,349,600	(414,968)	-2%
Administration	20,891,462	19,783,961	(1,107,501)	-5%
Support	14,190,185	14,190,185	-	0%
Emergency Services	9,700,282	9,569,532	(130,750)	-1%
Ports & Harbor	4,985,876	4,943,799	(42,078)	-1%
Parks, Recreation & Cultural Services	4,232,215	4,193,706	(38,509)	-1%
<b>Grand Total</b>	<b>74,764,588</b>	<b>73,030,783</b>	<b>(1,733,805)</b>	<b>-2%</b>

	2026 Requested Budget	City Manager Review	Dollar Change	Percent Change
Operating Subsidy	1,558,576	1,468,760	(89,816)	-6%
<b>Grand Total</b>	<b>1,558,576</b>	<b>1,468,760</b>	<b>(89,816)</b>	<b>-6%</b>

# City manager Budget by category

	2026 Requested Budget	City Manager Review	Dollar Change	Percent Change
FTE Payroll	24,659,988	24,659,826	(162)	0%
Education	12,840,685	12,840,685	-	0%
Other Operating	9,914,445	8,497,821	(1,416,624)	-14%
Debt Service	6,527,067	6,527,067	-	0%
Legal	4,500,000	4,500,000	-	0%
Contracts	4,564,181	4,301,221	(262,960)	-6%
Other Personnel	3,541,054	3,430,049	(111,005)	-3%
Equipment	3,081,129	3,105,723	24,594	1%
Utilities	2,567,439	2,527,439	(40,000)	-2%
CSO	1,349,500	1,349,500	-	0%
Support	635,742	635,742	-	0%
Projects	406,760	477,712	70,952	17%
Events	176,598	177,998	1,400	1%
Grand Total	74,764,588	73,030,783	(1,733,805)	-2%



# **Revenues & Appropriations**





# General Fund - Revenues

Fund Name	2025	2026	\$ Change	% Change	% of Total	Notes
General Fund	56,614,444	60,323,566	3,709,122	7%	100%	Increase in property tax revenue VMC 3.30 related Property. Reduction in other revenues
Taxes	51,844,488	56,261,241	4,416,753	9%	93%	Next Slide
State Shared Revenue	1,595,860	1,356,734	-239,126	-15%	2%	Reduction in National Forest Receipts. Reflects five-year average of NFR
Misc Revenue	932,581	509,491	-423,090	-45%	1%	Reduction in interest income from reduction in fund balances, lower money market rates
Federal and State Grants	658,000	631,800	-26,200	-4%	1%	Decrease in Jail grant revenue
PILT	815,600	814,500	-1,100	0%	1%	Based on trend
Service Charges and Sales	542,708	554,750	12,042	2%	1%	Increase in ambulance services, decrease in property rentals
Utilities	134,925	107,500	-27,425	-20%	0%	Decreased Solid Waste revenue
Recreational Activities	77,482	74,500	-2,982	-4%	0%	
Licenses and Permits	11,300	12,550	1,250	11%	0%	
Fines and Forfeitures	1,500	500	-1,000	-67%	0%	

# Taxes- Revenues

Category	2025	2026	\$ Change	% Change	% of Total	Notes
Taxes	51,841,488	56,261,241	4,419,753	9%	90%	90% of General Fund Revenue
Real Property Taxes - Current	51,145,130	55,569,441	4,424,311	9%	99%	Reflects 20 Mill Tax Levy, and non-Oil & Gas Tax Assessment at same level as current year. Added Revenue previously VMC 3.30
Public Accommodation Tax	580,000	505,000	-75,000	-13%	1%	Public Accommodation Tax is Decreasing, lower visitors in 2026 (Macro Conditions)
Cruise Ship Passenger Tax	116,358	138,600	22,242	19%	0%	small decrease to reflect observed revenue
Penalties on Delinquencies	0	3,000	3,000	Added	0%	Added to better reflect revenue
Hotel & Motel Tax Penalties	0	200	200	Added	0%	Added to better reflect revenue

## Other Funds- Revenues

Fund Name	2025	2026	\$ Change	% Change	Notes
Reserve Fund	2,787,869	1,462,577	-1,325,291	-48%	Interest Income; driven by decreased fund balance
Capital Project Fund	1,315,806	600,062	-715,744	-54%	Interest Income; driven by decreased fund balance
Permanent Fund	4,316,259	4,351,750	35,491	1%	Code Driven 1.5% appropriation, General Fund paying for expenses
Debt Service Fund	1,519,745	1,049,272	-470,473	-31%	Driven by school bond debt repayments and no interest income

# Reserve Funds - Appropriations

Reserve Fund	2025	2026	\$ Change	Percent Change	Notes
<b>Total Funding</b>	<b>6,278,842</b>	<b>7,921,111</b>	<b>1,642,269</b>	<b>21%</b>	
Repayment Reserve	1,526,534	3,082,676	1,556,142	102%	Deposit to repayment reserve does not cover all in Jeopardy property taxes
Major Equipment Reserve	2,198,720	1,881,129	-317,591	-14%	Driven by 10-year average
Technology Reserve	1,129,597	1,224,594	94,997	8%	IT adding additional high-cost items to replacement schedule
Energy Assistance Program	550,000	700,000	150,000	27%	Residential Only payments, 2025 actual 718K. Funded to \$780K
Leave Liability Reserve	400,000	300,000	0	0%	2025 YTD 324K. 300K remaining. Target 500K
Port Major Maint & Replace	193,991	414,260	220,269	114%	Increased Port revenue, revenues exceed expenses
Budget Variance Reserve	225,000	250,000	-75,000	-33%	Current Requests; Balance 350K, Target 500K
Harbor Major Maint & Replace	0	63,452	63,452	100%	Harbor budgeted revenues exceed expenses unlike 2025
Beautification Committee	55,000	5,000	-50,000	-91%	funded to target 200K, YTD actual 2.2K, 195K Balance



# **Special Revenue Fund; Utility Fund**







# Rate Changes

## Rates adjusted 12/20/2004

### Current Rates

Water: **\$9.58**

Sewer: **\$13.54**

## Resolution 04-112 Recommended Raising Rate 2006-2008

Water: **\$10.95**

Sewer: **\$13.82**

### Rate Adjusted for inflation

**\$15.65 Water**

**\$22.11 Sewer**

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 04-112

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA,  
ESTABLISHING WATER AND SEWER FEES

WHEREAS, the City of Valdez provides water and sewer service; and

WHEREAS, the City wants to provide equity in the cost of providing these  
services; and

WHEREAS, the City of Valdez is not generating revenue from water and sewer  
fees to completely cover the costs to supply these services; and

WHEREAS, federal funding for water and sewer projects is expected to decline in the  
coming years

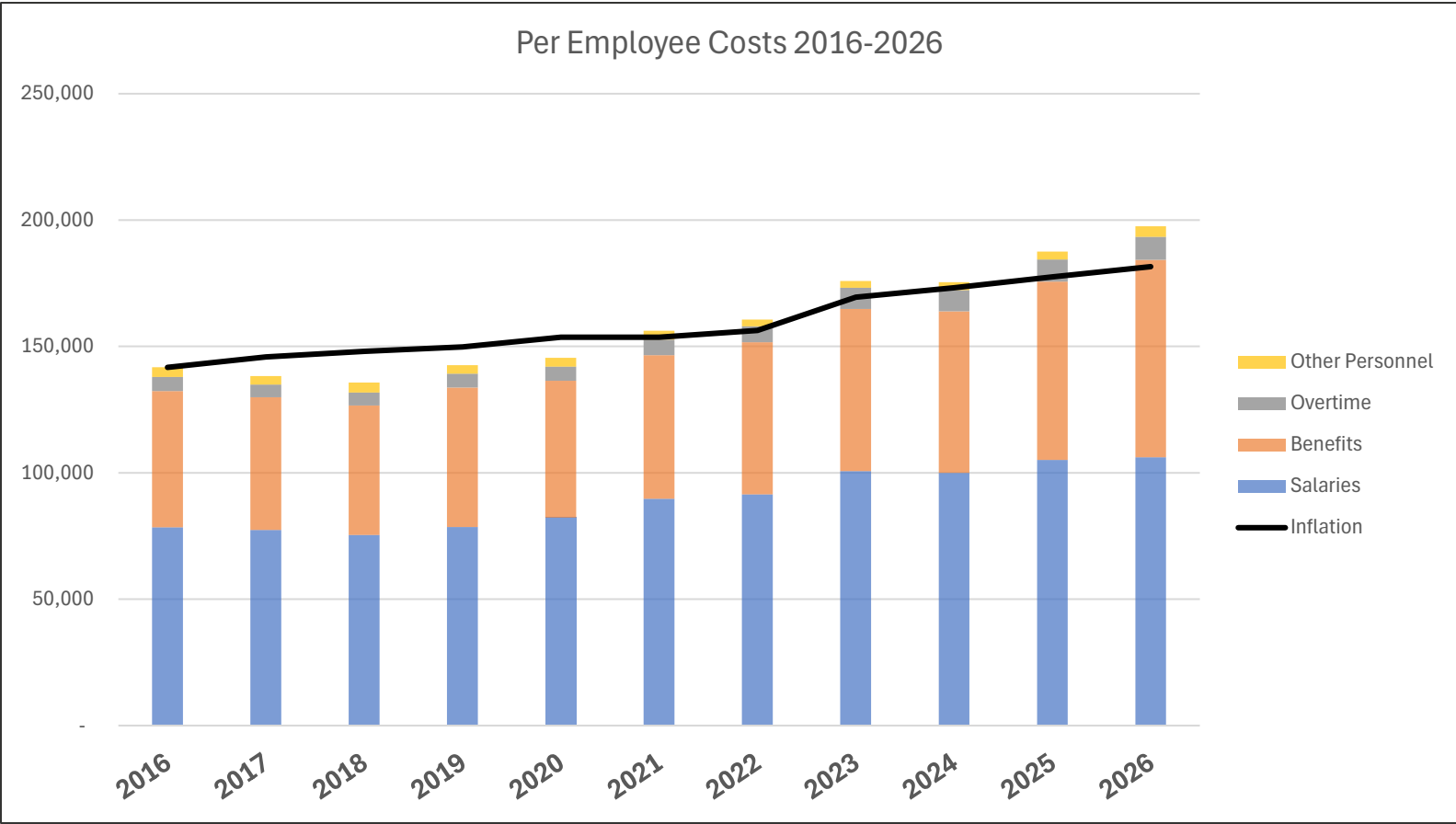
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF VALDEZ, ALASKA,

Section 1: Resolution No. 99-23 is hereby repealed

Section 2: The following rates are established:

- |    |                                 |   |
|----|---------------------------------|---|
| 1. | Metered water usage             | \$ .63 / per 1000 gallons                           |
| 2. | Residential unit for water      | \$9.58 / per month                                  |
| 3. | Bulk usage of hydrant           | \$30.00 minimum for up to<br>6000 gallons           |
|    | \$ .63 / 1000 over 6000 gallons |   |
| 4. | Water test                      | \$15.00 / Valdez Resident<br>\$35.00 / Non-resident |
| 5. | Residential unit for sewer      | \$13.54 / per month                                 |
| 6. | Sewer rate                      | \$.89 / per 1000 gallons<br>water usage             |
| 7. | Wastewater discharge permit     | \$500.00 annually                                   |
| 8. | Wastewater discharge fee        | \$5.00 / per 1000 gallons                           |
|    | Minimum or fraction thereof     |   |

# Composition of Utility Per Employee Costs



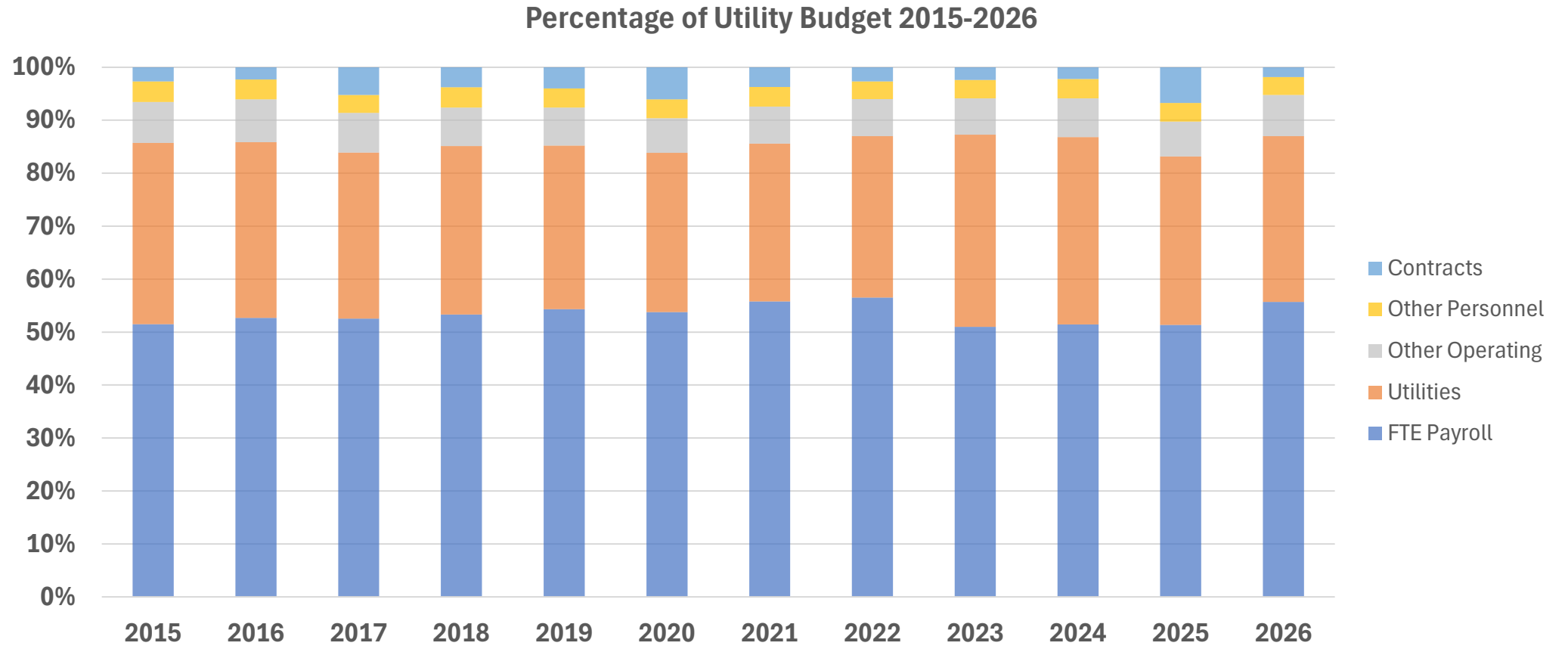
Water and Sewer Department has had consistent Per Employee costs

Increases have only recently outpaced inflation





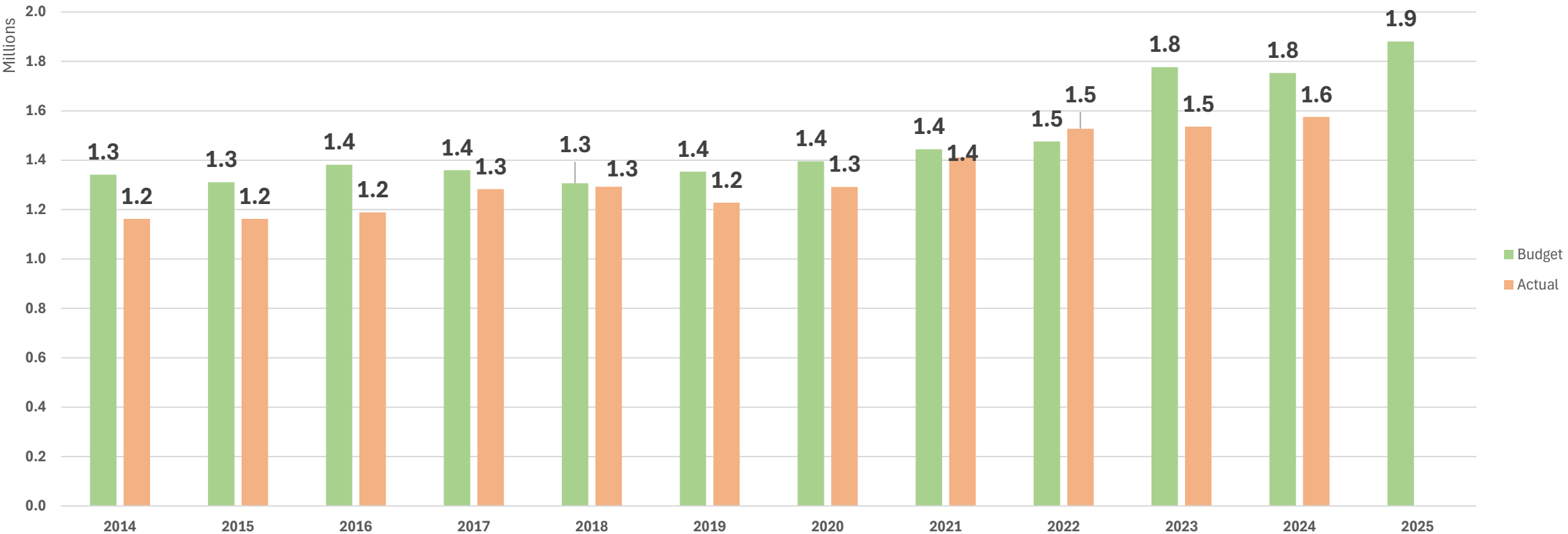
# Composition of Utility Budgeting



Occasional expansion in Contracts for permits. Increase in Utilities due to prices in 2023

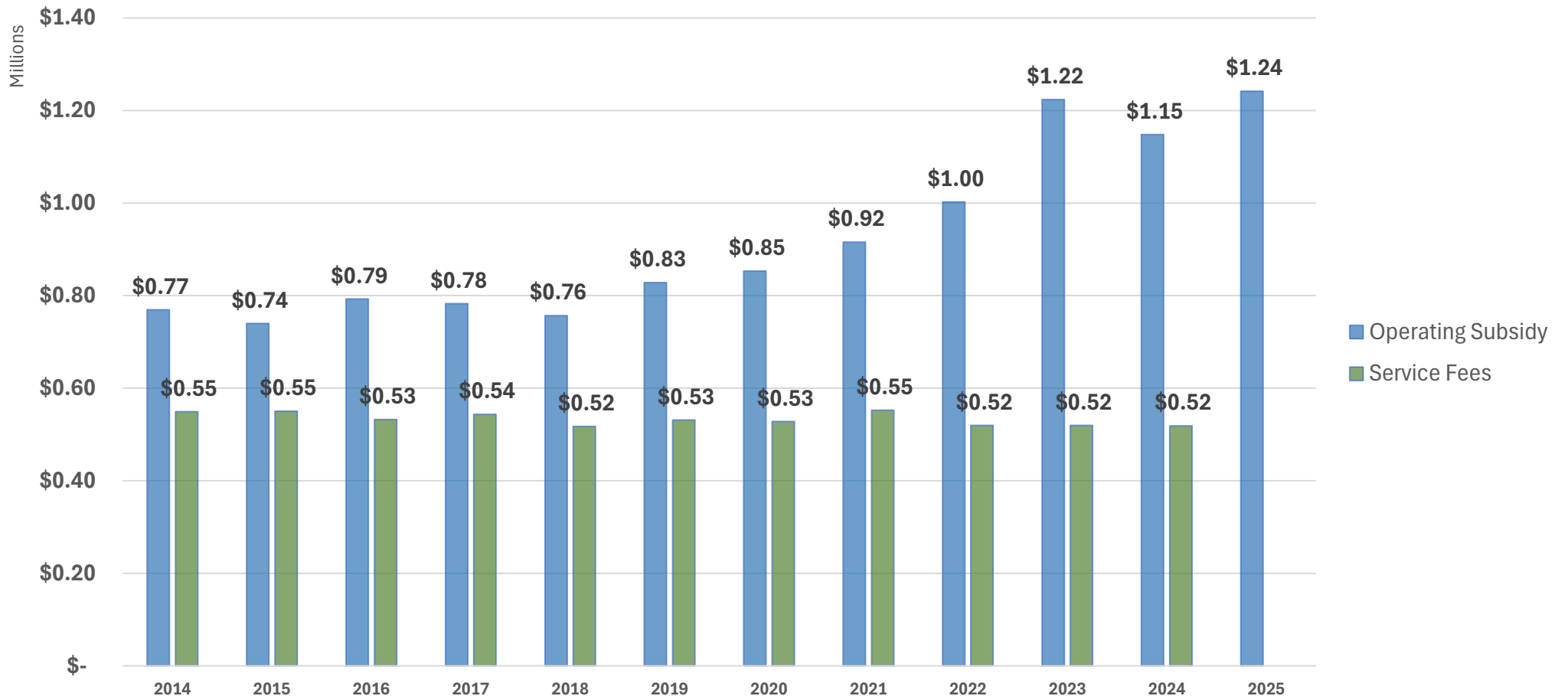
# Budget vs Actual

Utility Fund budget vs actual 2014-2025



# Operating Subsidy and Fees

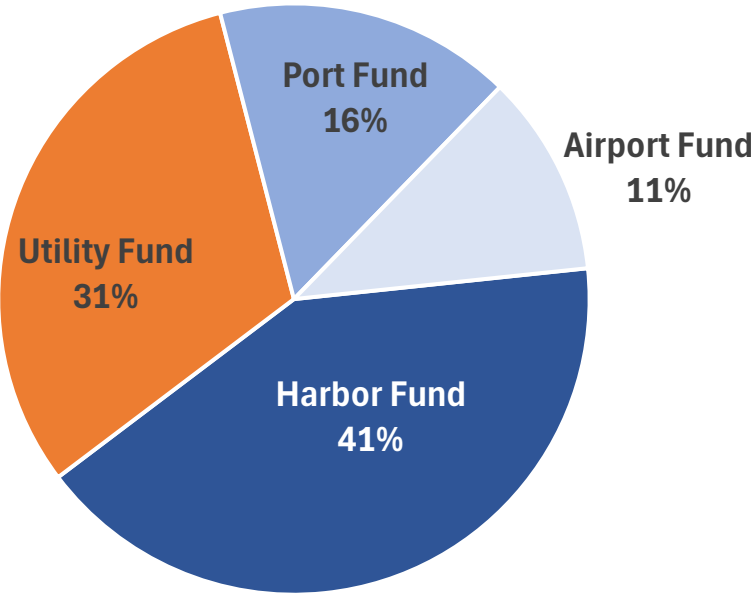
Operating Subsidy vs Water and Sewer Fees, Utility Fund 2014-2025



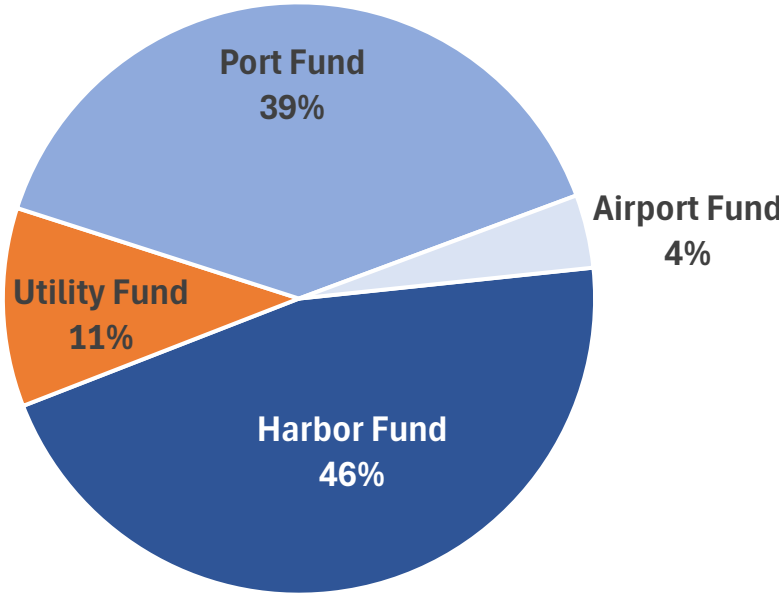


# Composition of Special Revenue Fund; Revenues

Special Revenue Funds; Percentage of  
Revenues 2007

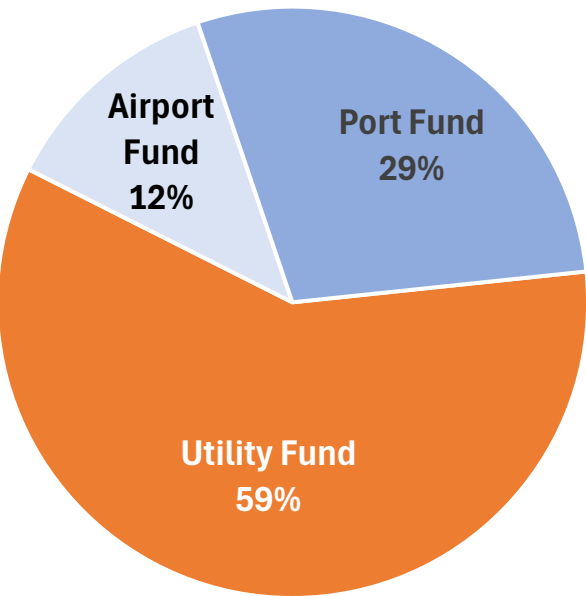


Special Revenue Funds; Percentage of Revenues  
2026

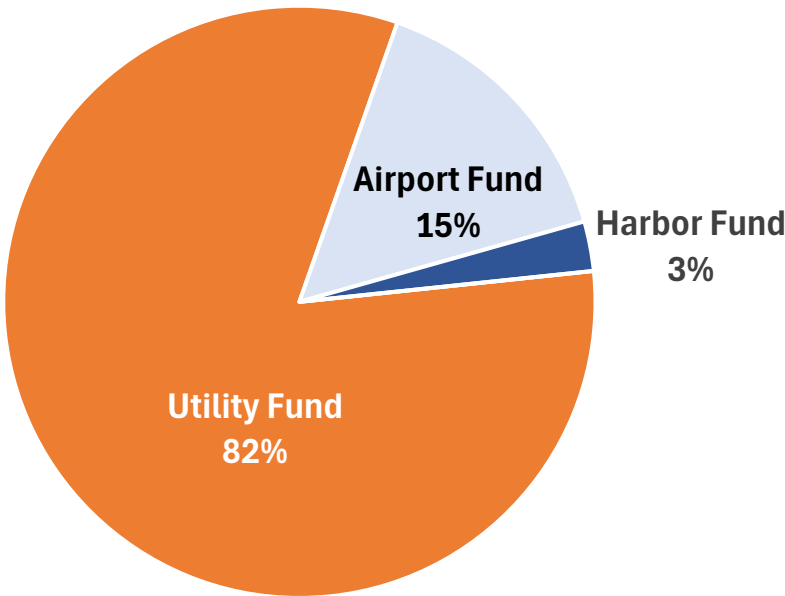


# Composition of Special Revenue Fund; Operating Subsidy

Special Revenue Funds; Percentage of  
Operating Subsidy 2008

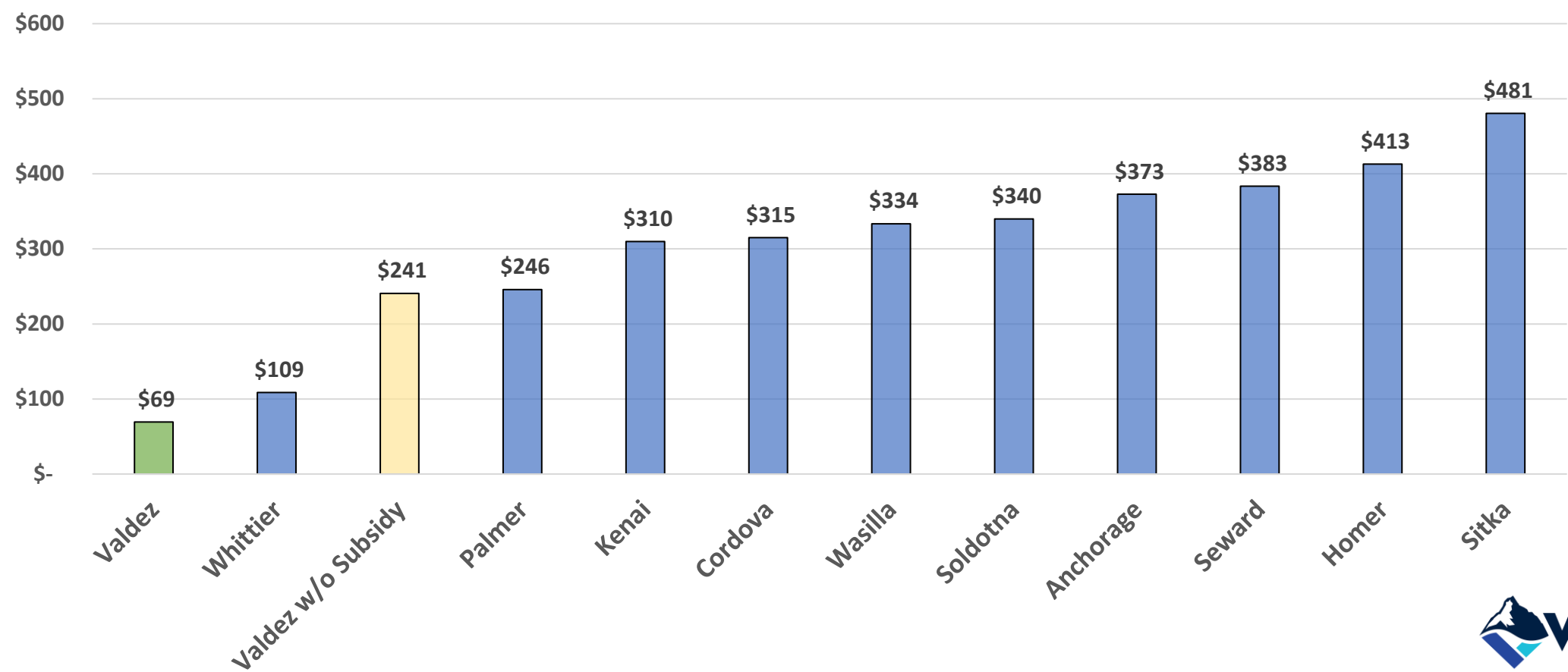


Special Revenue Funds; Percentage of Operating  
Subsidy 2026



# Rate Comparisons

Quarterly combined Water and Sewer Rates for Various Communities



# **FTE Payroll Costs**



# 2026 Position Summary

Authorized Position Count	2022	2023	2024	2025	2026	
<b>Administration</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	■ ■ ■ ■ ■
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	1.2	1.2	1.2	1.2	
FINANCE	6	6	6	6	6	
HUMAN RESOURCES	2	2	2	2	2	
INFORMATION SERVICES	5	6	6	6	6	
<b>Emergency Services</b>	<b>37</b>	<b>38</b>	<b>38</b>	<b>39</b>	<b>39</b>	— — — ■ ■
ANIMAL CONTROL	3.2	3.2	3.2	3.2	3.2	
EMERGENCY MANAGEMENT	1	1.5	1.5	2	2	
FIRE/EMS	11	11	11	11	11	
LAW ENFORCEMENT	12.3	12.8	12.8	13.3	13.3	
PUBLIC SAFETY	9.5	9.5	9.5	9.5	9.5	
<b>Facilities, Fleet &amp; Infrastructure</b>	<b>37</b>	<b>36.5</b>	<b>36.5</b>	<b>37</b>	<b>37</b>	■ — — — ■
BUILDING MAINTENANCE	8.5	8.5	8.5	8.5	8.5	
ENGINEERING	7	6.5	5.5	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	10.25	10.75	10.75	
WATER	2.75	2.75	2.75	2.75	2.75	
<b>Parks, Recreation &amp; Cultural Services</b>	<b>17.98</b>	<b>18.38</b>	<b>18.38</b>	<b>18.38</b>	<b>18.38</b>	— ■ ■ ■ ■
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	4.65	5.05	5.05	5.05	5.05	
PARKS & RECREATION	3.75	3.75	3.75	3.75	3.75	
<b>Ports &amp; Harbor</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>	— — — ■ ■
AIRPORT	0.9	0.9	0.9	0.9	1.1	
HARBOR	7.95	7.95	7.95	7.95	7.45	
PORT	3.15	3.15	3.15	4.15	4.45	
<b>Grand Total</b>	<b>133.98</b>	<b>134.88</b>	<b>134.88</b>	<b>137.38</b>	<b>137.38</b>	— — — ■ ■

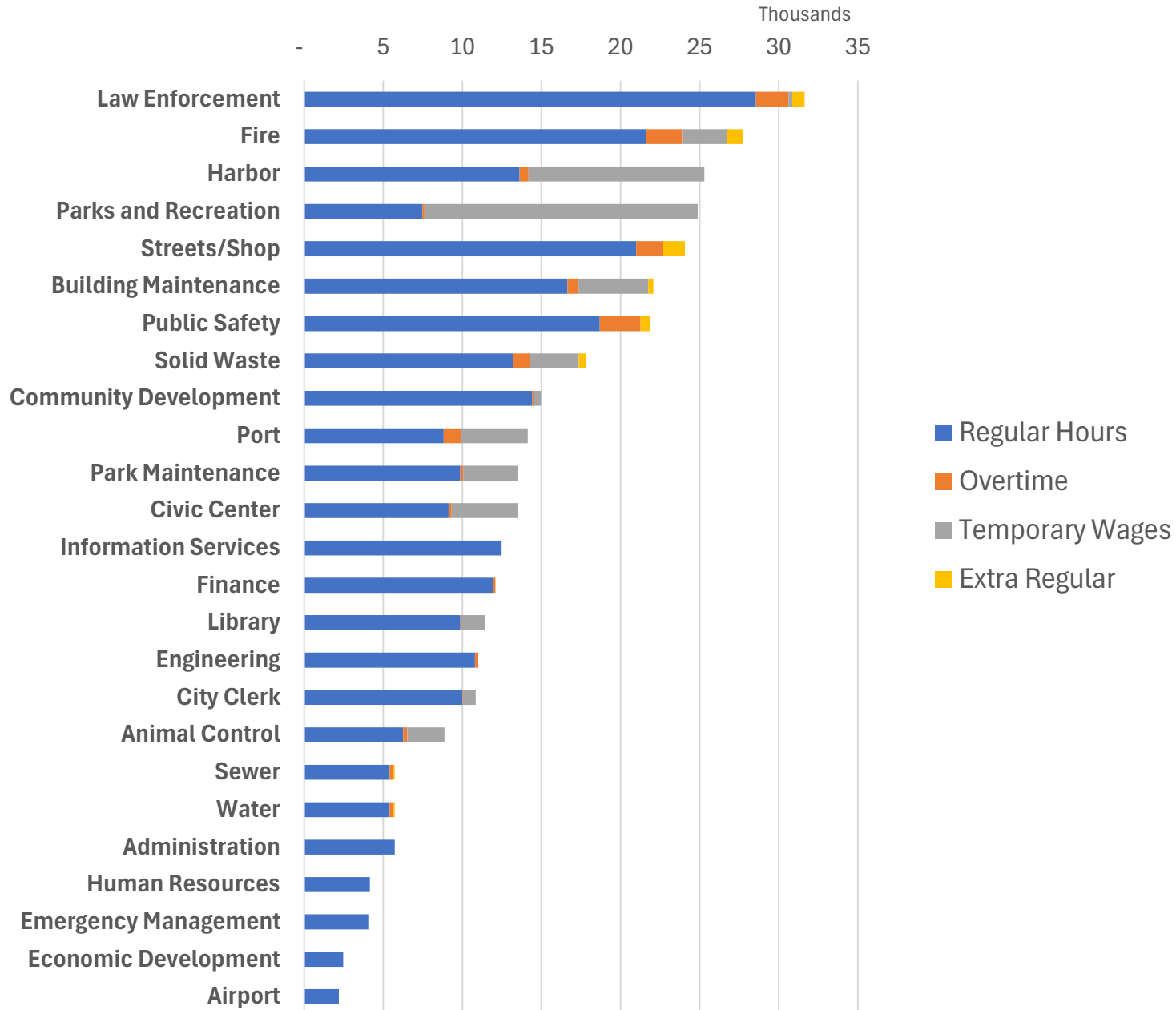
**Previous  
Maintenance Tech I**  
0.5 Harbor  
0.4 Port  
0.1 Airport

**Adjusted to**  
0.7 Port  
0.3 Airport

**2026 Budget; Staffing  
Levels Unchanged**



## Budgeted Hours by Department; 2026 budget



**56,000 Temporary Hours**

**13,500 Overtime Hours**

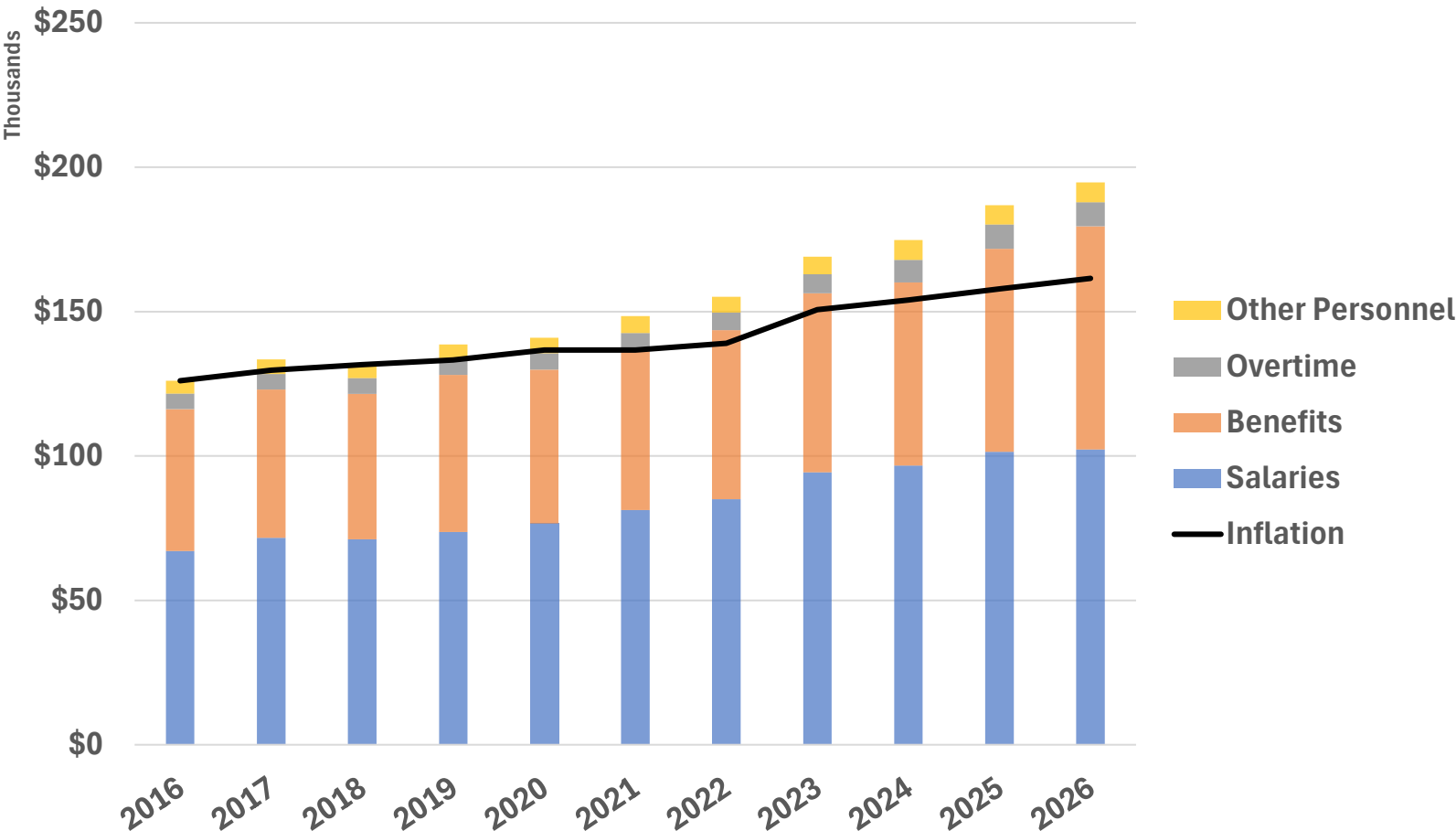


# Payroll Costs

Per Employee Costs increasing faster than inflation

- Benefits
- Retention
- Merit Increases

Per Employee Costs 2016-2026



# Pay Grid

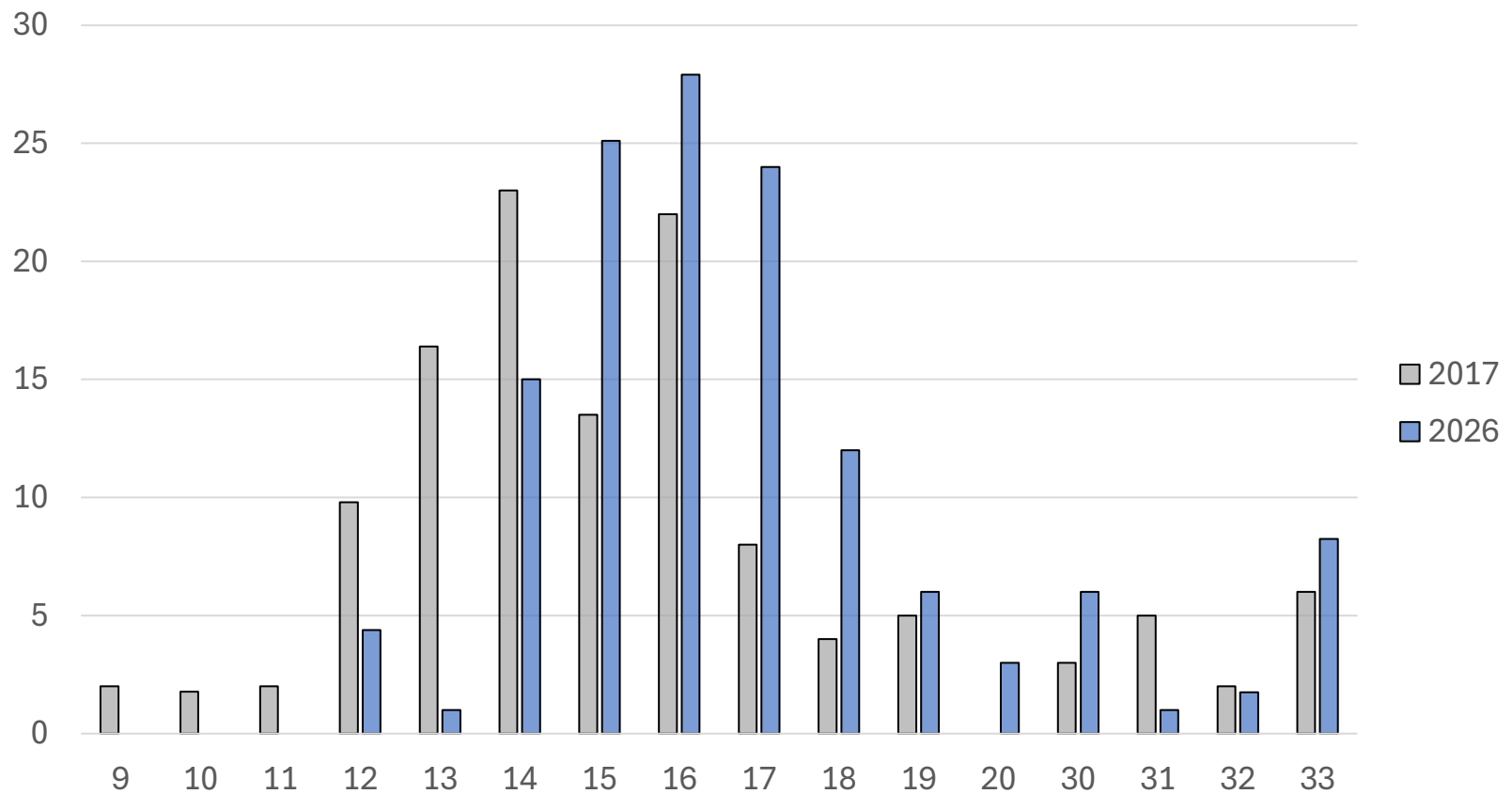
- Ranges (rows) 9 to 20 for non-executive, 31 to 33 for executive
- Steps (columns) A to M, with sequential omissions

## 2025 Pay Scale Annual, Bi-Weekly, and Hourly

1950 Hours Annually										
Steps RANGE	Step A	Step B	Step C	Step D	Step E	Step F	Step J	Step K	Step L	Step M
9	44,530.40	45,889.16	47,216.52	48,672.39	50,290.31	51,682.02	53,267.96	54,885.68	56,731.16	58,477.38
	1,712.71	1,764.97	1,816.02	1,872.02	1,934.24	1,987.77	2,048.77	2,110.99	2,181.97	2,249.13
	22.8361	23.5329	24.2136	24.9602	25.7899	26.5036	27.3169	28.1465	29.0929	29.9884
10	47,216.52	48,672.39	50,290.31	51,682.02	53,267.96	54,885.68	56,731.16	58,477.38	60,516.89	62,588.37
	1,816.02	1,872.02	1,934.24	1,987.77	2,048.77	2,110.99	2,181.97	2,249.13	2,327.57	2,407.25
	24.2136	24.9602	25.7899	26.5036	27.3169	28.1465	29.0929	29.9884	31.0343	32.0966
11	50,290.31	51,682.02	53,267.96	54,885.68	56,731.16	58,477.38	60,516.89	62,588.37	64,757.16	67,118.61
	1,934.24	1,987.77	2,048.77	2,110.99	2,181.97	2,249.13	2,327.57	2,407.25	2,490.66	2,581.49
	25.7899	26.5036	27.3169	28.1465	29.0929	29.9884	31.0343	32.0966	33.2088	34.4198
12	53,267.96	54,885.68	56,731.16	58,477.38	60,516.89	62,588.37	64,757.16	67,119.20	69,513.60	72,134.21
	2,048.77	2,110.99	2,181.97	2,249.13	2,327.57	2,407.25	2,490.66	2,581.51	2,673.60	2,774.39
	27.3169	28.1465	29.0929	29.9884	31.0343	32.0966	33.2088	34.4201	35.648	36.9919

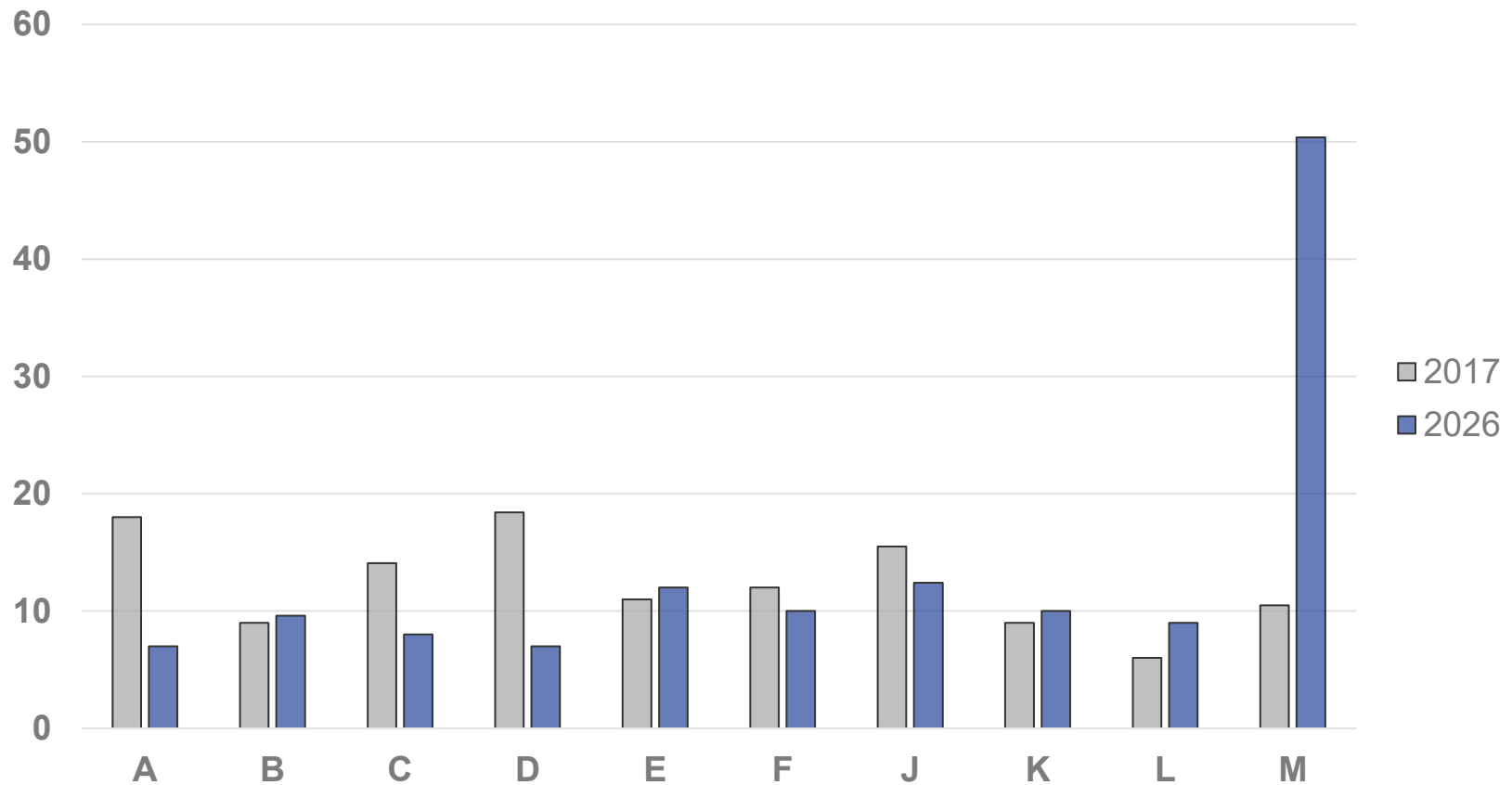
# Payroll Analysis

FTE Personnel By Level; 2017 vs 2026



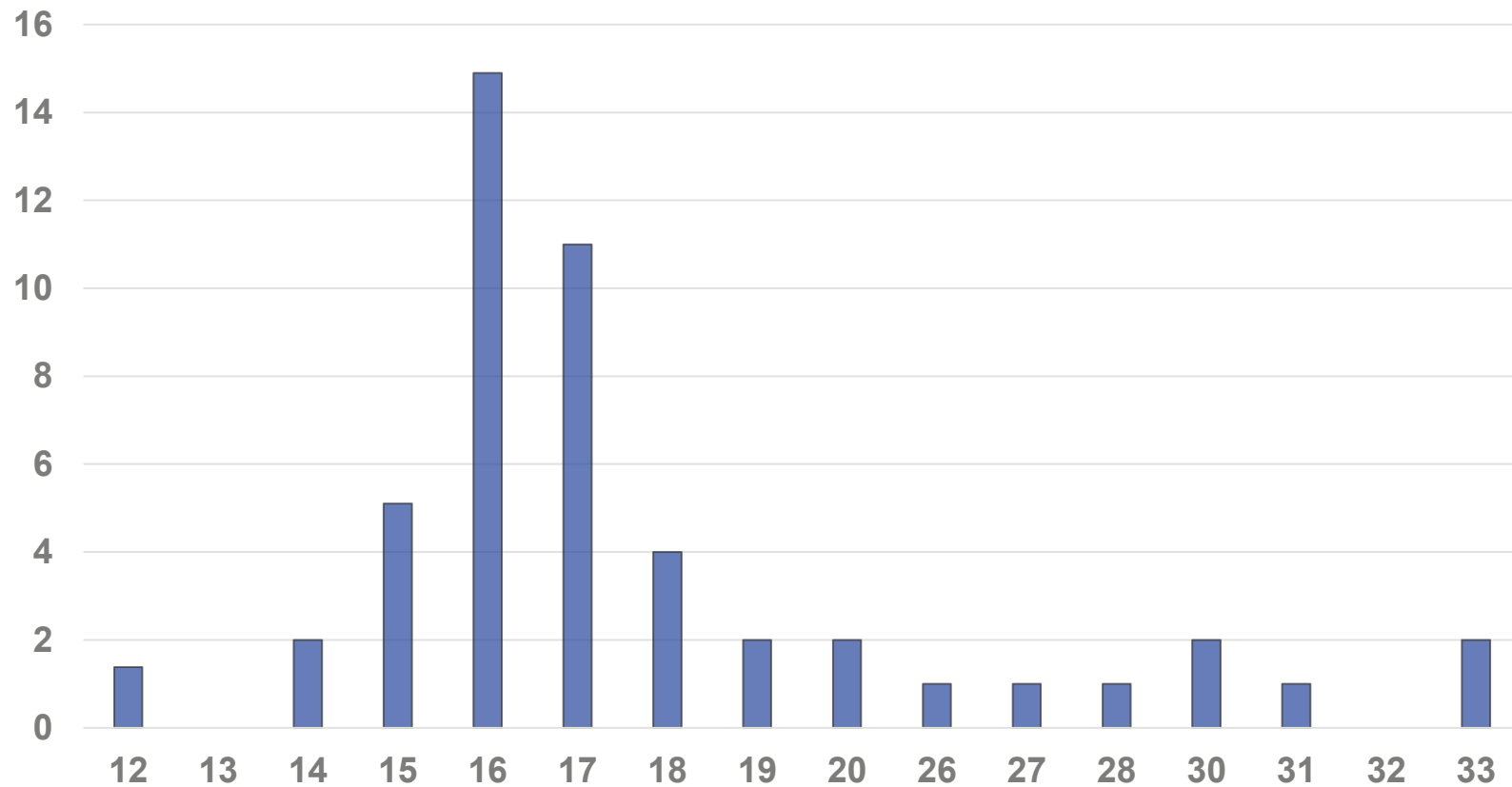
# Payroll Analysis

FTE Personnel by Step; 2017 vs 2026



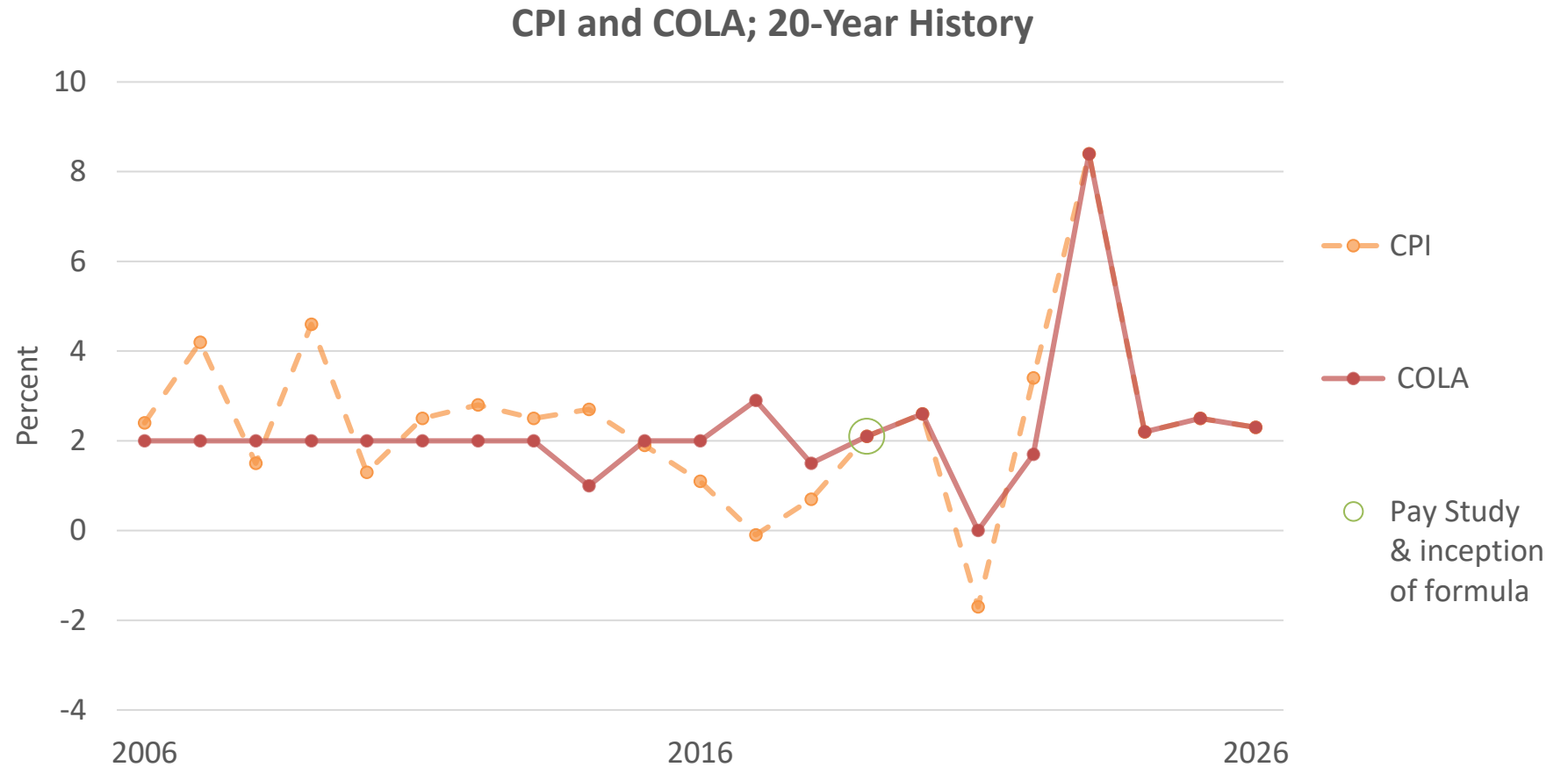
# Payroll Analysis

Current M Employees





# COLA slide with history



# Looking Ahead

Restructure personnel as-needed, evaluate the best use of each authorized FTE

## Next Steps

- Update Paygrid
  - Incentivize merit
  - Encourage longevity
  - Align positions with market

# Next Workshop Agendas

- **October 9<sup>th</sup>**
  - Community Service Organizations
- **October 27<sup>th</sup> (Held at Civic Center)**
  - Museum
  - VFDA/VCVB
  - City Sponsored Events
  - Administration Division
    - Economic Development
    - HR
    - IT
    - Community Development
    - City Clerk/City Council
    - Administration
    - Finance and Debt Service/Permanent Fund/Insurance