



## **MEMORANDUM**

**TO:** City Council, Citizens of Valdez  
**FROM:** Elke Doom, City Manager  
**DATE:** November 7, 2017  
**SUBJECT:** 2018 Draft City Budget Submittal

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### **INTRODUCTION**

This document is intended as a budget summary only and should not be construed by the public as a complete description of all financial activities. City Administration encourages the public to contact the Finance Department with any requests for more specific information that might help them to better evaluate this proposal.

The 2018 draft City budget was submitted to the City Council for their consideration during the first of five work sessions on October 11, 2017. The current version of this budget incorporates all changes/guidance requested by Council, and is now presented to the public in final draft form. The

public hearing for this draft will be conducted on November 21, 2017.

This year's process has been a departure from recent years' in that Administration has attempted to enable council to review and scrutinize from a higher altitude. This entails a leveraging Council's time and effort by:

- Clarifying departmental mission and scope and adjusting provision of resources to match
- Articulating Council priorities and plotting their location in the budget figures throughout the process
- Establishing agreed-upon terminology
- Reviewing revenues and expenses by category, citywide, rather than line-by-line for each department
- Identifying the drivers of budgetary trends

### **SUMMARY OF 2018 BUDGET / CHANGES FROM 2017 ADOPTED BUDGET**

- General Fund Expenditures: \$37.07MM; \$50K / 0.14% Increase from 2017
- General Fund Revenues: \$48.4MM; \$360K Increase
- General Government Expenditures: \$23.7MM; \$179K / 0.7% Reduction
- Total Appropriations: \$50MM, \$23.6MM Reduction

- General Fund Personnel Increase of 3.6 Full-Time-Equivalent (FTE): \$340K Increase
- Ports/Harbor Personnel Increase of 2.0 FTE: \$164K Increase
- 1.5% Salary/Wage Cost of Living adjustment: \$190K Increase
- Continued Maximum School District Funding: \$10.44MM; \$116K / 1.1% Increase

## **COUNCIL PRIORITIES**

Council held a workshop on August 3 to itemize top work-plan priorities for 2018. These are embedded in the 2018 Budget, and include:

- Exploring affordable housing, economic development and branding initiatives
- Increasing flood-mitigation and related infrastructure maintenance
- Reducing deferred maintenance on City-owned assets and establishing regular maintenance schedules
- Initiating Citywide code enforcement
- Improving contracting and procurement practices
- Evaluating facilities and storage needs

Council also established its Capital and Maintenance project priorities during a series of separate work sessions, which were formalized as revisions to the 2017 Budget, and which will carry-forward to subsequent years. This annual projects-prioritization process will begin again in the spring of 2018, and will include solicitation of project requests from all stakeholders. 2018 projects include:

- Completion of the new boat harbor
- Design of the new Kelsey Dock uplands and interpretive center
- Design of the new Fire Station and related land development

## **CONCLUSION**

The 2018 Budget captures Council-articulated priorities, initiates service objectives, and emphasizes improved stewardship of physical and financial resources. Administration and Staff will continue to strive to make incremental improvements to the budget process, so as to ensure optimal efficiency, transparency, and sustainability for the benefit of the community and the taxpayers.