

## **Workshop Agenda: Friday, October 19<sup>th</sup>, 2018**

- I. 2019 Proposed Budget: High-Level Summary
- II. Support Division
  - a) Education Request
  - b) Hospital Request
  - c) Community Service Organization (CSO) Requests
- III. Events (Economic Development Department, Administration Division)
- IV. Employee Cost-of-Living Adjustment
- V. Preview of October 23<sup>rd</sup> and 25<sup>th</sup> Workshops

## Beginning Surplus Before Reserve Funding

Beginning Surplus	2015-2017 Actual Avg	2018 Adopted Budget	2019 Prelim Budget
General Fund Rev	52,258,919	48,747,228	50,066,060
General Fund Exp	33,198,230	36,914,151	39,342,919
Subsidies			
Harbor	-	-	-
Port	31,938	184,238	248,888
Airport	94,132	250,648	225,192
Utility	624,769	764,967	815,894
<b>Total Subsidies</b>	<b>750,839</b>	<b>1,199,853</b>	<b>1,289,974</b>
<b>Beginning Surplus</b>	<b>18,309,850</b>	<b>10,633,224</b>	<b>9,433,166</b>

## Citywide Revenues

Revenues by Fund	2015-2017 Actual Avg	2018 Adopted Budget	2019 Prelim Budget	% of Total	\$ Change	% Change
<b>General Fund</b>	<b>52,258,919</b>	<b>48,747,228</b>	<b>50,066,060</b>	<b>90.9%</b>	<b>1,318,832</b>	<b>3%</b>
TAXES	45,796,884	43,425,100	44,327,100	80.5%	902,000	2%
Perm Fund 1.5%	2,637,087	2,800,000	3,043,000	5.5%	243,000	9%
Other	3,824,949	2,522,128	2,695,960	4.9%	173,832	7%
<b>Other Funds</b>	<b>5,020,948</b>	<b>4,823,452</b>	<b>5,011,201</b>	<b>9.1%</b>	<b>187,749</b>	<b>4%</b>
Harbor	1,593,121	1,817,598	2,173,103	3.9%	355,505	20%
Port	693,519	696,107	699,200	1.3%	3,093	0%
Airport	150,322	124,470	150,100	0.3%	25,630	21%
Utility	586,507	541,375	525,200	1.0%	(16,175)	-3%
Debt Service	1,820,383	1,500,755	1,275,798	2.3%	(224,957)	-15%
Clinic	148,178	143,147	147,800	0.3%	4,653	3%
VHIA	28,919	-	40,000	0.1%	40,000	n/a
<b>Total Revenues</b>	<b>57,279,868</b>	<b>53,570,679</b>	<b>55,077,260</b>	<b>100%</b>	<b>1,506,581</b>	<b>3%</b>

City of Valdez 2019 Budget: October 19th Workshop

## Expenses by Fund – Excluding Transfers

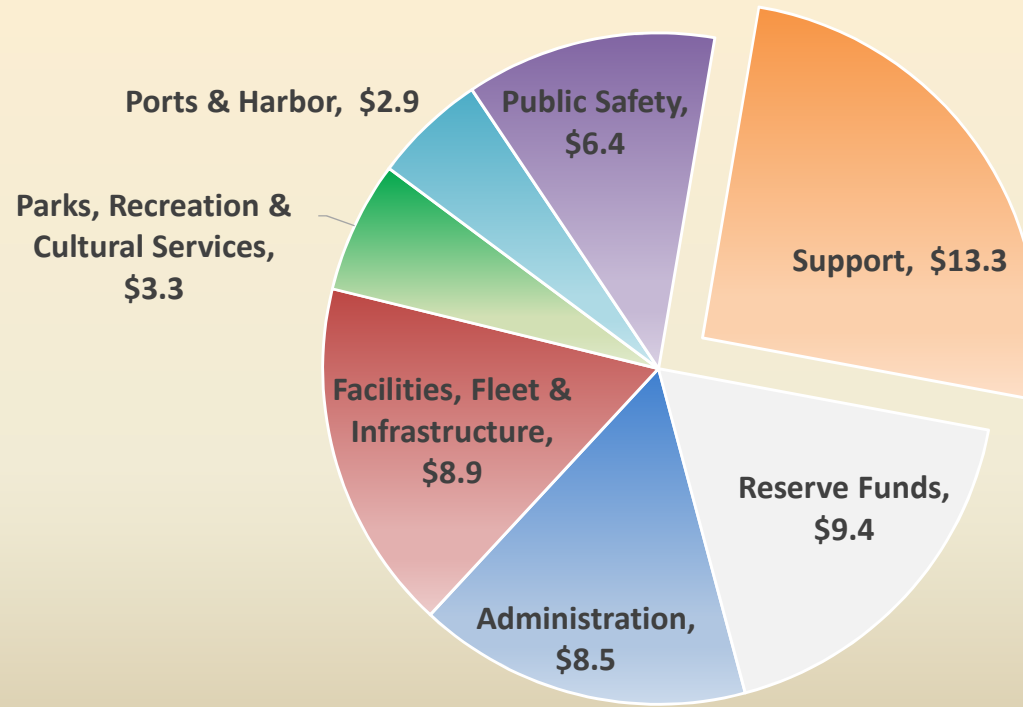
Expenses by Fund	2015-2017 Actual Avg	2018 Adopted Budget	2019 Prelim Budget	% of Total	\$ Change	% Change
<b>General Fund</b>	<b>33,198,230</b>	<b>36,914,151</b>	<b>39,342,919</b>	<b>86.6%</b>	<b>2,428,769</b>	<b>7%</b>
FTE Payroll	11,314,885	13,895,428	14,401,523	31.7%	506,095	4%
Education	10,612,952	10,444,634	10,478,000	23.1%	33,366	0%
CSO	2,305,705	2,422,099	2,696,442	5.9%	274,343	11%
Other	8,964,689	10,151,990	11,766,954	25.9%	1,614,965	16%
<b>Other Funds</b>	<b>9,179,991</b>	<b>5,822,189</b>	<b>6,093,216</b>	<b>13.4%</b>	<b>271,027</b>	<b>5%</b>
Harbor	1,050,811	1,360,092	1,554,891	3.4%	194,799	14%
Port	725,458	880,345	948,088	2.1%	67,743	8%
Airport	244,453	375,118	375,292	0.8%	174	0%
Utility	1,211,276	1,306,342	1,341,094	3.0%	34,752	3%
Debt Service	5,861,973	1,791,651	1,785,401	3.9%	(6,250)	0%
Clinic	86,020	108,642	88,450	0.2%	(20,192)	-19%
VHIA	-	-	-	0.0%	-	n/a
<b>Total Expenses</b>	<b>42,378,221</b>	<b>42,736,340</b>	<b>45,436,135</b>	<b>100%</b>	<b>2,699,795</b>	<b>6%</b>

## Expenses by Division

Division	2015-17 Actual Average	2018 Adopted Budget	2019 Prelim Budget	Dollar Change	Percent Change
<b>Administration</b>	<b>6,392,735</b>	<b>7,765,540</b>	<b>8,466,949</b>	<b>701,409</b>	<b>9%</b>
FTE Payroll	3,454,663	3,988,823	4,039,896	51,073	1%
Other	2,938,072	3,776,717	4,427,053	650,336	17%
<b>Facilities, Fleet &amp; Infrastructure</b>	<b>7,022,512</b>	<b>8,262,466</b>	<b>8,917,164</b>	<b>654,698</b>	<b>8%</b>
FTE Payroll	3,855,399	4,223,392	4,354,571	131,179	3%
Other	3,167,112	4,039,074	4,562,594	523,519	13%
<b>Parks, Recreation &amp; Cultural</b>	<b>2,979,159</b>	<b>3,208,013</b>	<b>3,344,055</b>	<b>136,042</b>	<b>4%</b>
FTE Payroll	1,490,659	1,776,668	1,842,088	65,420	4%
Other	1,488,500	1,431,345	1,501,967	70,622	5%
<b>Ports &amp; Harbor</b>	<b>2,075,401</b>	<b>2,615,555</b>	<b>2,874,308</b>	<b>258,753</b>	<b>10%</b>
FTE Payroll	926,950	1,211,869	1,267,412	55,543	5%
Other	1,148,451	1,403,686	1,606,897	203,211	14%
<b>Public Safety</b>	<b>5,221,244</b>	<b>5,987,740</b>	<b>6,355,798</b>	<b>368,057</b>	<b>6%</b>
FTE Payroll	4,247,915	4,602,803	4,888,606	285,804	6%
Other	973,329	1,384,938	1,467,192	82,254	6%
<b>Grand Total</b>	<b>23,691,050</b>	<b>27,839,314</b>	<b>29,958,274</b>	<b>2,118,960</b>	<b>8%</b>
FTE Payroll	13,975,586	15,803,554	16,392,573	589,018	4%
Other	9,715,464	12,035,760	13,565,702	1,529,942	13%

City of Valdez 2019 Budget: October 19th Workshop

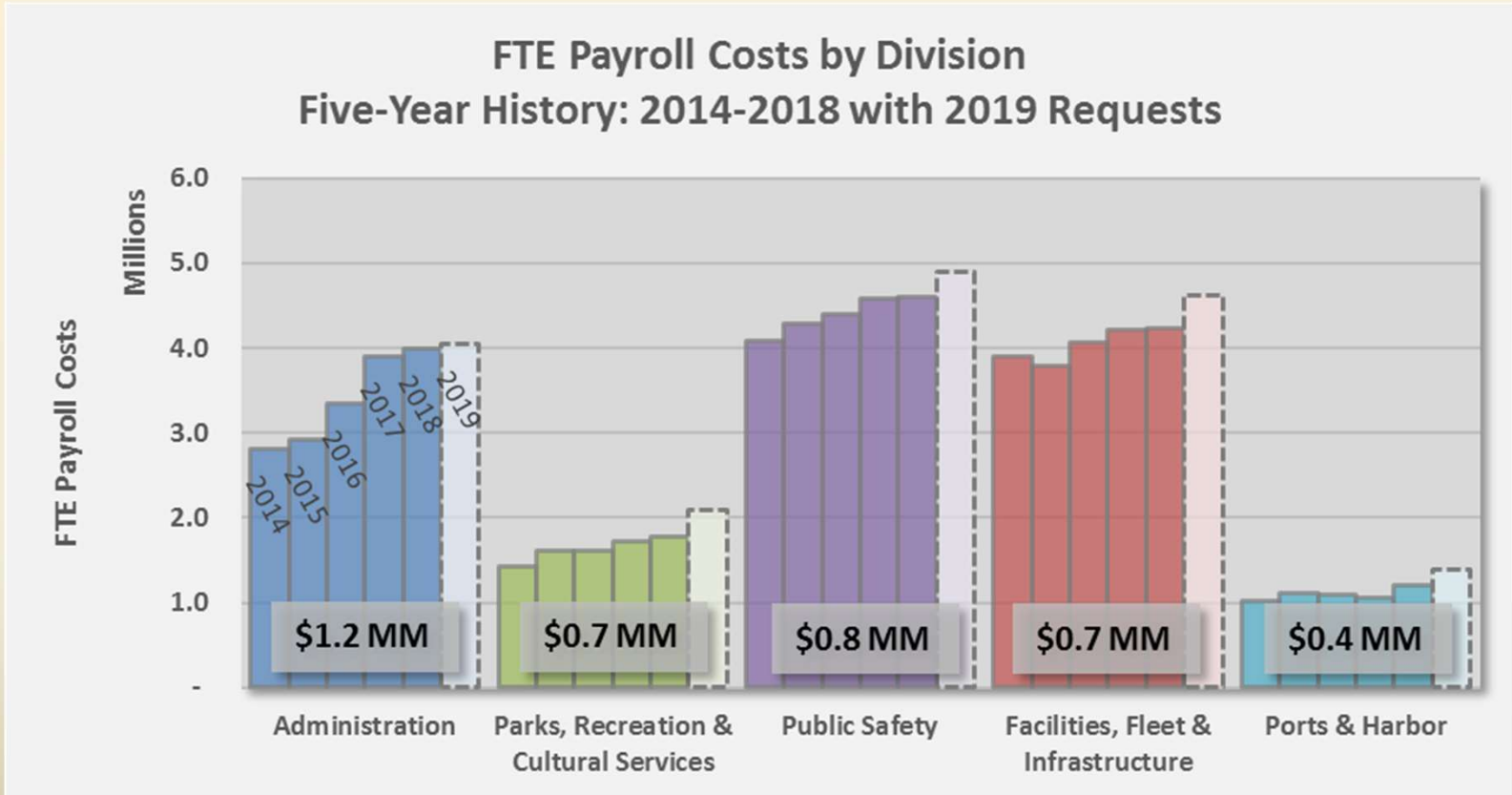
## Citywide Appropriations: \$52.7MM



## 2019 FTE Requests

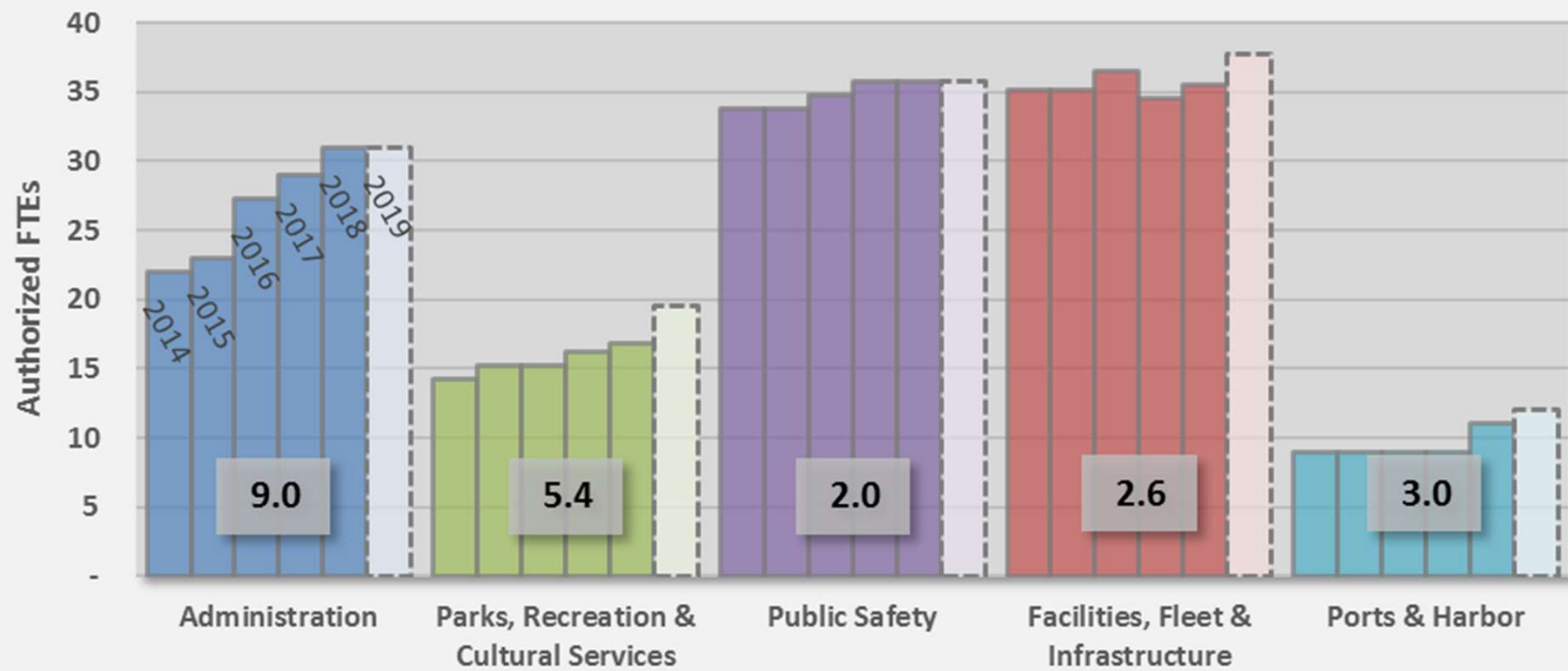
New Requests	FTE Allocation	FTE Payroll Impact	Other Expenses	Offsets	Total Budgetary Impact
<b>BUILDING MAINTENANCE</b>	<b>0.25</b>	<b>24,848</b>	<b>3,770</b>	<b>(17,000)</b>	<b>11,618</b>
TECHNICIAN	0.25	24,848	3,770	(17,000)	11,618
<b>ENGINEERING</b>	<b>2.00</b>	<b>231,375</b>	<b>103,504</b>	<b>(300,000)</b>	<b>34,879</b>
PROJECT MANAGER I	1.00	109,526	51,752	(150,000)	11,278
PROJECT MANAGER II	1.00	121,849	51,752	(150,000)	23,601
<b>HARBOR</b>	<b>1.00</b>	<b>128,687</b>	<b>64,721</b>	<b>-</b>	<b>193,408</b>
MAINTENANCE SUPERVISOR	1.00	128,687	64,721	-	193,408
<b>PARK MAINTENANCE</b>	<b>0.75</b>	<b>74,740</b>	<b>21,659</b>	<b>(17,000)</b>	<b>79,399</b>
TECHNICIAN	0.75	74,740	21,659	(17,000)	79,399
<b>PARKS &amp; RECREATION</b>	<b>2.00</b>	<b>173,884</b>	<b>26,260</b>	<b>(45,000)</b>	<b>155,144</b>
ASSISTANT AQUATIC COORD	1.00	86,942	13,130	(22,500)	77,572
ASSISTANT REC COORD	1.00	86,942	13,130	(22,500)	77,572
<b>Grand Total</b>	<b>6.00</b>	<b>633,534</b>	<b>219,914</b>	<b>(379,000)</b>	<b>474,448</b>

City of Valdez 2019 Budget: October 19th Workshop





### Authorized FTEs by Division Five-Year History: 2014-2018 with 2019 Requests



## **Education Budget Process**

- School Fiscal-Year Estimate Approved by School Board in October
- City Budget Request = Average of Two School Fiscal-Years
- Final School Budget in Spring
- City Budget Revised as Needed from School Stabilization Reserve
- Dual-Credit Program is in CSO Department Budget

## Education Budget History

	School Fiscal-Year Budgets Ending June 30				
<u>Budget Category</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Operations	9,008,950	8,799,384	8,511,988	8,628,129	8,694,861
Community Education	842,505	871,028	842,505	842,505	842,505
Food Service	400,000	400,000	400,000	400,000	400,000
Pupil Activities	355,000	355,000	355,000	355,000	355,000
Technology	125,000	125,000	125,000	125,000	125,000
Pupil Transportation	<u>94,062</u>	<u>94,000</u>	<u>94,000</u>	<u>94,000</u>	<u>94,000</u>
<b>Total</b>	<b><u>10,825,517</u></b>	<b><u>10,644,412</u></b>	<b><u>10,328,493</u></b>	<b><u>10,444,634</u></b>	<b><u>10,511,366</u></b>
	City Calendar-Year Budget				
<u>Budget Category</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Education	10,707,990	10,644,412	10,328,503	10,444,634	<b><u>10,478,000</u></b>

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## **Hospital Department Background**

- Ongoing \$130K Contribution is for Counseling Center
- Department Previously Included City Staff for Maintenance
  - Discontinued in 2016; Now Fully Staffed by Providence
- Providence Management Fee & Physician Assistance Program Not Reflected in City Budget
  - Management Fee is Deducted from PVMC Earnings
  - \$60K per Physician is Funded from Reserve Account

## CSO Funding History

	Actual			Estimate	Request	Total
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	2015-2019
<b>Total CSO Funding</b>	<b>2,089,525</b>	<b>2,356,118</b>	<b>2,471,473</b>	<b>2,642,099</b>	<b>2,696,442</b>	
<b>\$ Increase</b>		266,593	115,355	170,627	54,343	606,917
<b>% Increase</b>		13%	5%	7%	2%	29%

## CSO Funding Detail

<b><u>New / Increasing</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
Avalanche Center	20,000	40,000	52,500	52,500	52,500
Connecting Ties	7,000	-	-	62,904	32,000
Copper River Basin Child Adv Ctr	-	-	10,400	10,900	10,900
Dual Credit Program	-	-	60,936	65,000	70,000
Levitation 49	-	150,000	150,000	83,450	114,550
Prince William Sound College	743,243	758,273	810,000	750,000	820,000
Stepping Stones Daycare	-	-	-	-	91,030
Valdez Fisheries Dvlp. Assoc.	-	110,000	110,000	110,000	214,417
Valdez Senior Center	250,000	290,000	264,000	489,000	265,000
Valdez Youth Court	-	-	-	-	7,700
<b>Sub-Total</b>	<b>1,020,243</b>	<b>1,348,273</b>	<b>1,457,836</b>	<b>1,623,754</b>	<b>1,678,097</b>
<b><u>Flat / Decreasing</u></b>					
Advocates for Victims of Violence	40,000	40,000	45,000	45,000	45,000
Food Bank	49,000	49,500	45,292	35,000	35,000
KCHU	-	-	5,000	-	-
Valdez Arts Council	15,000	15,000	15,000	15,000	15,000
Valdez Conv. and Vis. Bureau	488,782	446,245	446,245	446,245	446,245
Valdez Imagination Library	1,500	2,100	2,100	2,100	2,100
Valdez Museum	475,000	455,000	455,000	475,000	475,000
<b>Sub-Total</b>	<b>1,069,282</b>	<b>1,007,845</b>	<b>1,013,637</b>	<b>1,018,345</b>	<b>1,018,345</b>

City of Valdez 2019 Budget: October 19th Workshop

## CSO Funding Analysis: Annual Increases and Reductions

<b><u>New / Increasing</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>Total</u></b>
Avalanche Center	20,000	12,500	0	0	32,500
Connecting Ties	(7,000)	0	62,904	(30,904)	25,000
Copper River Basin Child Adv Ctr	0	10,400	500	0	10,900
Dual Credit Program	0	60,936	4,065	5,000	70,000
Levitation 49	150,000	0	(66,550)	31,100	114,550
Prince William Sound College	15,030	51,727	(60,000)	70,000	76,757
Stepping Stones Daycare	0	0	0	91,030	91,030
Valdez Fisheries Dvlp. Assoc.	110,000	0	0	104,417	214,417
Valdez Senior Center	40,000	(26,000)	225,000	(224,000)	15,000
Valdez Youth Court	0	0	0	7,700	7,700
<b>Annual \$ Increase</b>	<b>328,030</b>	<b>109,563</b>	<b>165,919</b>	<b>54,343</b>	<b>657,854</b>
<b><u>Flat / Decreasing</u></b>					
Advocates for Victims of Violence	0	5,000	0	0	5,000
Food Bank	500	(4,208)	(10,292)	0	(14,000)
KCHU	0	5,000	(5,000)	0	0
Valdez Arts Council	0	0	0	0	0
Valdez Conv. and Vis. Bureau	(42,537)	0	0	0	(42,537)
Valdez Imagination Library	600	0	0	0	600
Valdez Museum	(20,000)	0	20,000	0	0
<b>Annual \$ Increase (Reduction)</b>	<b>(61,437)</b>	<b>5,792</b>	<b>4,708</b>	<b>0</b>	<b>(50,937)</b>

City of Valdez 2019 Budget: October 19th Workshop

## Events Funding Request

Event	2018 Budget	2019 Budget	Dollar Change
Alaska Cup Chainsaw Carving Contest	-	54,050	54,050
Confluence	13,597	-	(13,597)
Fatbike	26,431	-	(26,431)
fireweed 400	2,500	2,500	-
fly in	30,000	35,000	5,000
gold rush days	7,500	5,000	(2,500)
hooping for spring	2,000	2,000	-
ice festival	9,672	-	(9,672)
July 4th Celebration	-	18,100	18,100
kids pink slamon derby	-	-	-
Military Appreciation	-	15,350	15,350
New Years Eve Fireworks	-	15,000	15,000
Octoberfest	1,000	-	(1,000)
relay for life	2,500	2,500	-
RHR festival	1,000	5,000	4,000
Rock Climbing Festival	16,850	-	(16,850)
snow machine	20,000	40,000	20,000
Theatre Conference	-	-	-
Valdez Chocolate Festival	-	29,065	29,065
Valdez Music Festival	-	36,568	36,568
Valdez Seafood Festival (Pink Salmon)	-	25,390	25,390
Valdez Transportation Summit ( one time)	-	89,600	89,600
women of distinction dinner	3,000	3,000	-
Women's Silver Salmon Derby	-	-	-
<b>Grand Total</b>	<b>136,050</b>	<b>378,123</b>	<b>242,073</b>

City of Valdez 2019 Budget: October 19th Workshop



## Employee COLA and Regional Inflation Data

FTE Expense Category	COLA		2.1%	
	2019 Budget Status Quo	2019 Budget COLA Added	Dollar Change	Percent Change
Salaries and Wages	7,987,274	8,155,006	167,733	2.1%
Benefits	5,918,166	5,976,018	57,852	1.0%
Overtime	621,716	634,772	13,056	2.1%
<b>Grand Total</b>	<b>14,527,155</b>	<b>14,765,796</b>	<b>238,641</b>	<b>1.6%</b>

### Anchorage Regional CPI Data

Source: <http://live.laborstats.alaska.gov/cpi/index.cfm>:

	Urban Alaska					
Year	1st Half	Percent Change	2nd Half	Percent Change	Annual	Percent Change
2018	223.099	2.1				
2017	218.616	0.7	219.131	0.2	218.873	0.5
2016	216.999	-0.1	218.660	0.9	217.830	0.4

City of Valdez 2019 Budget: October 19th Workshop

## Upcoming Workshops

- **Tuesday, October 23<sup>rd</sup>, 6pm**
  - Parks, Recreation & Cultural Services Division
    - Departments (4): Parks & Rec, Parks Maintenance, Civic Center, Library
  - Public Safety Division
    - Departments (4): Law Enforcement, Public Safety, Animal Control  
Fire/EMS
  - Other: Misc. Reserve Funds, Insurance, Debt Service, Perm Fund
- **Thursday, October 25<sup>th</sup>, 6pm**
  - Facilities, Fleet & Infrastructure Division
    - Departments (6): Engineering, Building Maintenance, Clinic  
Streets/Shop, Solid Waste, Water/Sewer
  - Other: Major Equipment Reserve