

# Workshop Agenda, July 18, 2019

- Review 2019 Priorities and Work Plans
- Discuss 2020 Priorities
  - Non-Critical Project Priorities to be Discussed in Spring of 2020
  - Draft 2020 Budget Policy Statement
- Re-cap July 11<sup>th</sup> Workshop; Discuss Policy Recommendations

# 2019 Council Work-Plan Priorities

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## Work Plan

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Continuation and completion of Kelsey Dock project.

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Create multi-year plan for office and storage space needs.

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Design of proposed new fire station.

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Development and implementation of pavement management plan.

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Enhanced communications and public outreach.

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Enhanced enforcement of city codes and zoning regulations.

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Expansion of housing options.

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Explore expanded and optimized project management options.

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Explore expanded senior healthcare initiatives.

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Long-term financial planning and budget sustainability

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Mitigate wildlife hazards.

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Ongoing economic development and diversification.

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Ongoing flood hazard assessment and mitigation.

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Review of citywide procurement procedures.

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Review of options for daycare and early childhood development.

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Scheduling and quantifying of ongoing and deferred maintenance.

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# General Fund Policies and Priorities:

- **Fund Balance Target**
  - Set at two months; \$6.5MM
  - Assign remaining balance; \$65MM
    - Economic Development
    - Specific Initiatives
- **Mill Levy**
  - Continue at 20 Mills (maximum)
  - Explore possible 30 Mills (legal)
  - Adjust based on a target
- **TAPS Litigation**
  - Settlement Ends after 2020
- **School Funding**
  - Continue at Statutory Cap (\$10MM)
- **Personnel**
  - FTE Targets and Limits
  - Health Insurance
  - COLA
- **Carry-Forward Funds (\$3-\$4MM)**
  - Set a Target to Drive Budgeting Practices
  - Earmark for Specific Purpose
- **Community Orgs (CSOs)**
  - Set a Cap; % or \$
  - Use Earmarked Funds
- **Operating Surplus / Deficit**
  - Evaluate Operations and Initiatives by “The Lines”

# Reserves and Projects: Policies and Priorities

- Continue with Existing Processes and Dates
- Use(s) of Surplus and Carry-Forward
- Continue with Energy Assistance Program
- Targets for Equipment and Technology Reserves
- New Reserves, New Initiatives

# Permanent Fund Policies and Priorities

- Mission, Strategy, Tactics
- Appropriations & Liquidations
  - 1.5% Annually Per City Charter (\$3MM); Ballot Measure to Change
  - When to Use Annual Appropriation?
  - Earmark for Specific Initiative(s)
- Additions
  - Whether / When to Add Funds; Greater Investment Flexibility

# Debt Service Fund: Policies and Priorities

- Use of Debt to Retain Excess Revenue
- SB57; Oil and Gas Properties
- Five-Year Settlement and Ongoing TAPS Valuation

# Special Revenue Funds: Policies and Priorities

- How to Plan, Budget, and Evaluate Operations?
  - Manage Rates – Maintain “Affordable” Costs for Citizens
  - Manage Subsidies
    - Maintain a Percentage Range
    - Maintain a Dollar Range
  - Manage Toward Self-Sufficiency and/or Profitability
  - Equipment and Capital Improvement Funded via General Fund
  - Allow Managers Greater Authority if Targets Are Met
  - Clarify Management Objectives

Department	2019 Budgeted \$ Subsidy	2019 Budgeted % Subsidy	Rate Changes Since 2015
Airport	264,798	70%	None
Harbor	None	None	Increase
Port	352,772	34%	Increase
Sewer	318,020	53%	None
Water	521,361	69%	None
<b>Total Subsidies</b>	<b>1,456,951</b>		

# Other Funds: Policies and Priorities

- Housing Fund: \$2.7MM Balance
  - Inactive Since Inception in 2016
- Health Insurance Fund
  - Not Directly Budgeted; Indirect via “Benefits” Expense
  - What are Triggers for Plan Design Change?
    - Fund Balance
    - Premium Renewal Rates
    - Participant Requests
- Providence Valdez Medical Center (PVMC)
  - External Fund – Not on City’s Books
  - Apprx. \$7MM Unassigned Fund Balance



# Budget Document: Review, Analysis, Presentation

- **Comparisons to Prior Years**
  - Adopted vs Revised Budgets
  - Actual Expenses
  - Multi-Year Averages
- **Council Priorities**
  - Identification of Budget Impacts
- **Department Budgets**
  - Work Plans and Budget Impacts
  - Personnel Requests
  - “A La Carte”
- **Personnel**
  - Budget for Full Employment
  - “A La Carte”
- **Annual, Bi-Annual**
  - Begin Bi-Annual with 2021 Budget
- **Council Binders**