

# Budget Workshop Agenda

## Monday, October 21<sup>st</sup>, 2019

- Valdez City Schools funding request
- Counseling Center funding request
- Ports and Harbor Division
  - 3 Departments: Airport, Harbor, Port
- Reserves and Transfers
- Recap of Final Appropriation Numbers
- Procedural Next-Steps

# Education Department Funding

City Budget spans  
Two School Fiscal-Year  
Budgets

	School Fiscal-Year Budgets Ending June 30				
<u>Budget Category</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
Operations	8,799,384	8,511,988	8,628,129	8,694,861	8,897,815
Community Education	871,028	842,505	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>94,000</u>	<u>94,000</u>	<u>94,000</u>	<u>94,000</u>	<u>94,000</u>
<b>Total</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>	<b><u>10,714,320</u></b>
	City Calendar-Year Budgets Ending December 31				
<u>Budget Category</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Education	10,644,412	10,328,503	10,444,634	10,478,000	<b><u>10,612,843</u></b>

# Counseling Center funding request

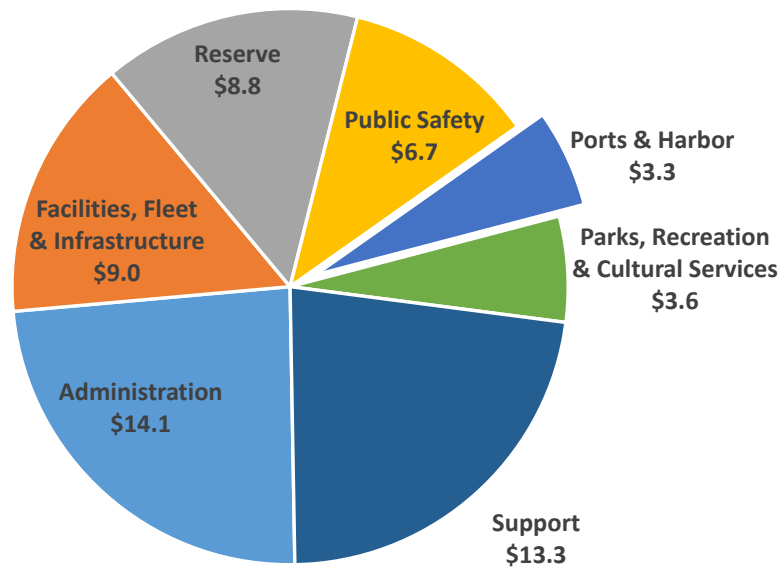
- \$170K Contribution is for Counseling Center
  - Overall contribution increase of \$40K
    - \$30K increase reflects reduced grant funding from State of Alaska
    - \$10K increase reflects cuts to Medicaid rates

FUND NAME	General Fund					
DEPT NAME	Hospital					
REV/EXP	All					
		2016	2017	2018	2019	2020
		Actual	Actual	Actual	Budget	Budget
<b>Other Operating</b>	Contributions	130,000	130,000	130,000	130,000	170,000



# Ports and Harbor Division

Total Appropriations \$58.9MM

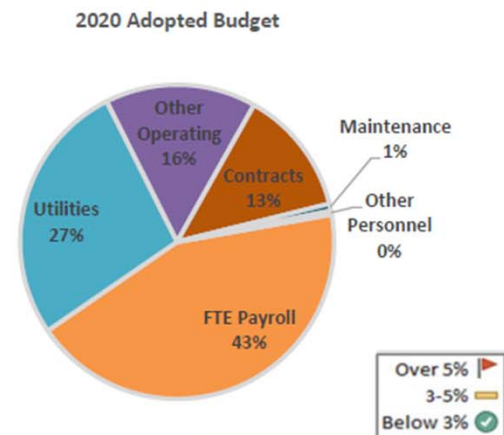
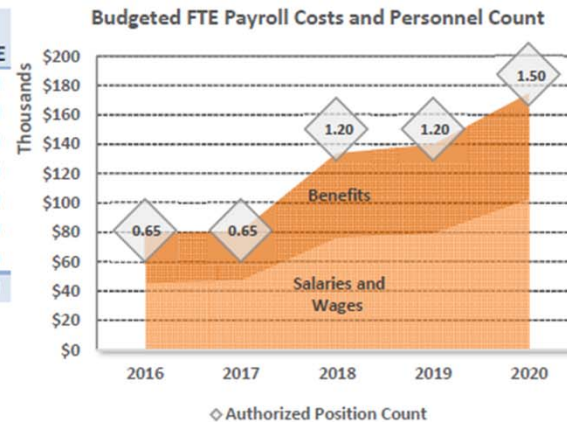


# Ports and Harbor Division

## AIRPORT

**Mission:** *Effective management of commercial leases and ongoing optimization of space for City use.*

	FTE
DIRECTOR	0.10
ADMIN ASSISTANT	0.30
OPERATIONS MANAGER	0.30
MAINT PROJECT MGR	0.10
MAINTENANCE MANAGER	0.30
OFFICE MANAGER	0.10
SECURITY & MAINT TECH	0.30
<b>Grand Total</b>	<b>1.50</b>



	Actual Expenditure			Estimate	Adopted Budget		2019 to 2020 Budget Changes	
	2016	2017	2018		2019	2020	Dollar	Percent
FTE Payroll	72,241	71,856	101,044	122,627	139,751	174,966	35,215	25.2%
Other Operating	41,717	52,840	56,552	61,060	66,825	62,952	(3,873)	-5.8%
Other Personnel	1,146	1,109	189	2,500	2,552	1,564	(988)	-38.7%
Contracts	42,335	35,242	36,019	38,700	47,220	52,420	5,200	11.0%
Utilities	78,158	80,783	93,869	101,000	117,000	110,000	(7,000)	-6.0%
Maintenance	3,448	2,558	1,684	1,900	4,150	3,000	(1,150)	-27.7%
<b>Grand Total</b>	<b>239,046</b>	<b>244,388</b>	<b>289,357</b>	<b>327,787</b>	<b>377,498</b>	<b>404,902</b>	<b>27,404</b>	<b>7.3%</b>

# Ports and Harbor Division

- **Airport**

- Overall Department expense budget up \$27K, 7%
  - \$35K, 25% increase in **FTE Payroll** reflects division-wide reorganization adding 0.3 FTE to department's payroll expenses. A 0.3 addition in FTE to the previous staffing level of 1.2 FTE is a 25% increase.
  - \$3.8K decrease in **Other Operating** reflects reductions in *Equipment Rentals* and *Operating Supplies*
  - \$1K reduction in **Other Personnel** is entirely attributed to reduced *Overtime*
  - \$7K decrease in **Utilities** reflects budgeted level more consistent with historic actual expenses
  - \$1K decrease in **Maintenance** reflects a reduction in *Building & Grounds Maintenance*

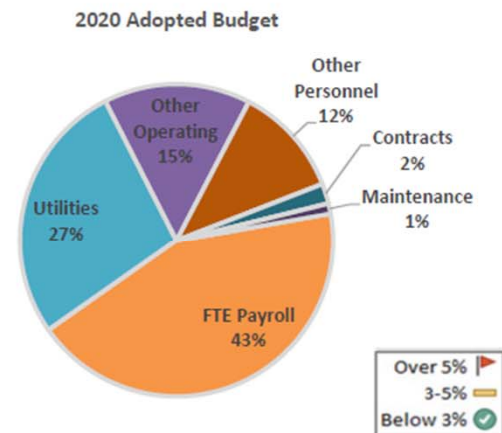
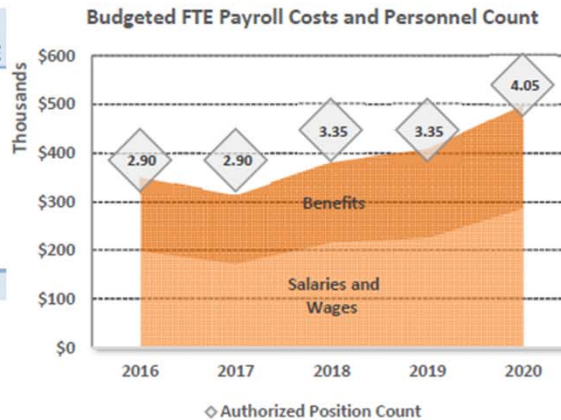
# Ports and Harbor Division

## PORT

### Mission:

The mission of the Port Department is to be a significant contributor to the community's economic development and a catalyst for job and business creation by operating and maintaining the Kelsey Dock and Container Terminal using the most efficient and effective methods possible and by maintaining existing business partnerships while searching for new ones.

	FTE
DIRECTOR	0.45
ADMIN ASSISTANT	0.70
OPERATIONS MANAGER	0.70
MAINT PROJECT MGR	0.40
MAINTENANCE MANAGER	0.70
OFFICE MANAGER	0.40
SECURITY & MAINT TECH	0.70
<b>Grand Total</b>	<b>4.05</b>



	Actual Expenditure			Estimate	Adopted Budget		2019 to 2020 Budget Changes	
	2016	2017	2018		2019	2020	Dollar	Percent
FTE Payroll	322,553	296,994	410,802	415,000	409,466	499,289	89,823	21.9%
Other Operating	117,591	125,273	103,815	161,554	256,560	175,750	(80,810)	-31.5%
Other Personnel	56,553	75,585	80,031	107,115	101,676	132,787	31,111	30.6%
Contracts	16,637	19,165	22,900	115,860	11,435	23,980	12,545	109.7%
Utilities	144,754	263,311	200,674	161,300	251,000	316,000	65,000	25.9%
Maintenance	7,077	10,983	17,311	11,900	13,935	12,300	(1,635)	-11.7%
<b>Grand Total</b>	<b>665,166</b>	<b>791,312</b>	<b>835,534</b>	<b>972,729</b>	<b>1,044,072</b>	<b>1,160,106</b>	<b>116,034</b>	<b>11.1%</b>



# Ports and Harbor Division

- **Port**

- Overall Department budget increase of \$116K, 11%
  - \$89.8K, 22% increase in **FTE Payroll** reflects COLA and division-wide reorganization adding 0.7 FTE to department's payroll expenses. A 0.7 addition in FTE to the previous staffing level of 3.35 FTE is a 20% increase.
  - \$80.1K reduction in **Other Operating** reflects non-recurring expense for "Transportation Symposium"
  - \$31K increase in **Other Personnel** reflects increases to *Temporary Wages* (\$16.5K) and *Overtime* (\$10K) as well as *Dues & Subscriptions* (\$4.5K)
  - \$12.5K increase in **Contracts** reflects increases for Electrical Work, and LED Lighting Upgrade
  - \$65K increase in **Utilities** reflects increase to *Electricity Expenses* (\$65K)
  - \$1.6K decrease in **Maintenance** reflects decrease to *Buildings & Grounds Maintenance*

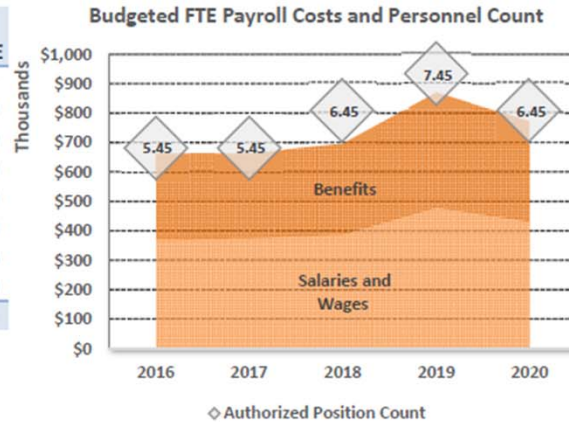
# Ports and Harbor Division

## HARBOR

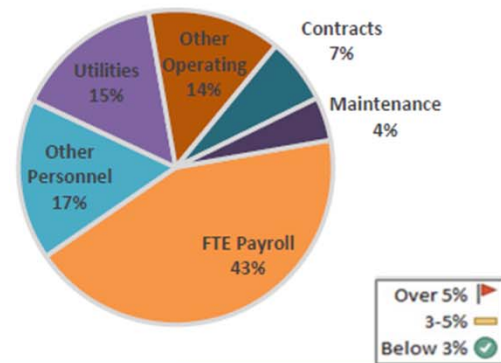
### Mission:

Provide management, maintenance, and accounting of all harbor-related activities occurring within the mooring basins and associated uplands.

	FTE
DIRECTOR	0.45
ADMIN ASSISTANT	1.00
HARBORMASTER	1.00
PORT/HARBOR OFFICE MGR	0.50
MAINT PROJECT MGR	0.50
HARBOR MAINT TECH II	1.00
MAINTENANCE TECH	1.00
EQUIPMENT OPERATOR	1.00
<b>Grand Total</b>	<b>6.45</b>



### 2020 Adopted Budget



	Actual Expenditure			Estimate	Adopted Budget		2019 to 2020 Budget Changes	
	2016	2017	2018		2019	2020	Dollar	Percent
FTE Payroll	538,015	558,099	658,051	712,000	868,852	770,985	(97,867) ✓	-11.3%
Other Operating	91,809	75,096	131,186	207,500	204,228	245,518	41,291 ▴	20.2%
Other Personnel	133,566	135,238	114,135	204,740	219,994	294,968	74,974 ▴	34.1%
Contracts	43,183	57,423	41,703	485,022	100,000	120,955	20,955 ▴	21.0%
Utilities	176,658	190,522	196,951	233,839	272,000	272,000	- ✓	0.0%
Maintenance	18,036	23,321	26,832	34,164	38,500	79,608	41,108 ▴	106.8%
<b>Grand Total</b>	<b>1,001,266</b>	<b>1,039,700</b>	<b>1,168,858</b>	<b>1,877,265</b>	<b>1,703,574</b>	<b>1,784,035</b>	<b>80,461 ▴</b>	<b>4.7%</b>

# Ports and Harbor Division

- **Harbor**

- Overall Department increase of \$80K, 5%
  - \$98K, 11% reduction in **FTE Payroll** reflects COLA and division-wide reorganization reducing FTE count by 1.0 FTE from department's payroll expenses. A 1.0 reduction in FTE to the previous staffing level of 7.45 FTE is a 13% reduction.
  - \$41K increase in **Other Operating** reflects increases for *Communications & Postage* (\$14.7K), *Harbormaster Conference* (\$15K), and *Operating Supplies* (\$10K). Capital equipment purchases total \$33K and represent a net decrease from previous year of \$21.5K
  - \$75K increase in **Other Personnel** reflects increases to *Temporary Wages* (\$66K) and *Overtime* (\$9K)
  - Status quo **Utilities** costs
  - \$41K increase in **Maintenance** reflects additional *Buildings & Grounds Maintenance* obligations

# 2020 Reserve Fund Appropriations: \$8,787,763

Reserve Account	Purpose	Amount
Permanent Fund Reserve	Appropriation set by Valdez Municipal Code Chapter VI. Section 6.7	2,890,600
Landfill Closure Reserve	Current reserve level to 50% of projected cost, increasing reserve level to 100%	1,743,482
Major Equipment Reserve	Scheduled purchases of items exceeding \$10K per item, Budget is based on ten-year future average	1,490,532
Technology Reserve	Scheduled purchases of IT hardware, software, licenses; average of five years future purchases	707,829
Energy Assistance Program	Annual public program	700,000
Harbor Major Maint & Replace	Long term maintenance of existing Harbor	500,000
Leave Liability Reserve	Termination leave time and comp balances; cash-outs for current employees	350,000
Major Maintenance Reserve	Robe River Playground and Shooting Range. Does not obligate Capital Facilities staff. Recommended by Park Maintenance	134,000
Nuisance Abatement Program	Continuation of Nuisance Abatement efforts	96,000
Physicians Assistance	Physician Assistance program; \$60K annually per physician	90,320
COV Properties Conc/Asph Repair	Concrete and Asphalt repair	50,000
Sewer & Lift Station Repairs	Unforeseen pump replacement and other utility infrastructure	35,000
<b>Grand Total</b>		<b>8,787,763</b>

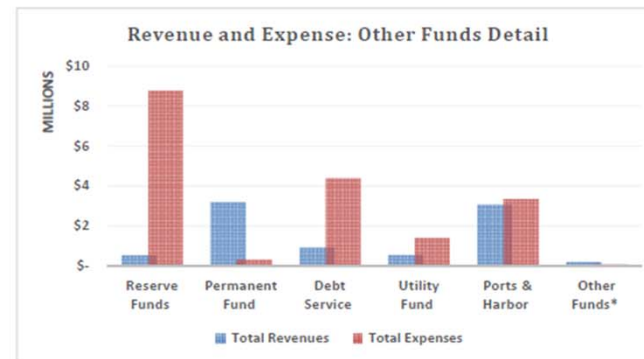
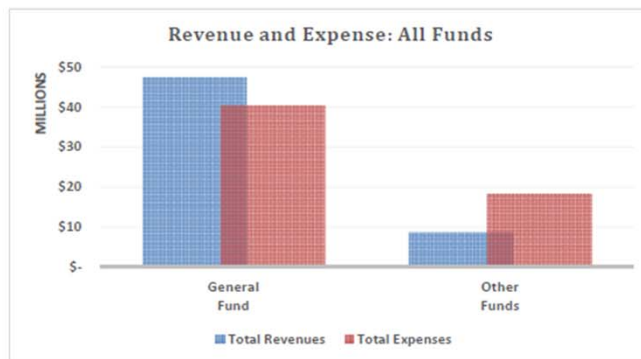
# 2020 Budgeted Transfers

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Notes</u>
General Fund	Airport Fund	276,467	Operating Subsidy
General Fund	Harbor Fund	183,887	Harbor maintenance subsidy
General Fund	Port Fund	331,179	Operating Subsidy
General Fund	Utility Fund	853,051	Operating Subsidy
General Fund	Various Reserve Funds	5,397,163	Operating Surplus
Harbor Fund	Harbor Major Maintenance Reserve	500,000	For Harbor maintenance
Permanent Fund	Permanent Fund Reserve	2,890,600	Pending council direction for liquidation

# Final Appropriation Figures

All Values in Millions

	General Fund	Reserve Funds	Capital Projects	Permanent Fund	Debt Service	Utility Fund	Ports & Harbor	Other Funds*	Grand Total
Beginning Fund Balance	47.4	38.5	38.8	192.4	7.3	1.9	3.9	18.1	348.2
Total Revenues	47.6	0.5	0.3	3.2	0.9	0.5	3.1	0.2	56.3
Transfer In (Out)	(5.4)	8.8	-	(2.9)	-	-	(0.5)	-	-
Operating Subsidy	(1.6)	-	-	-	-	0.9	0.8	-	-
Net of Transfer/Subsidy	(7.0)	8.8	-	(2.9)	-	0.9	0.3	-	-
<b>Division</b>									
Administration	9.3	4.7	-	0.3	4.4	-	-	-	18.7
Support	13.5	-	-	-	-	-	-	-	13.5
Facilities, Fleet & Infrastructure	7.6	3.5	-	-	-	1.4	-	0.1	12.5
Public Safety	6.7	0.1	-	-	-	-	-	-	6.8
Ports & Harbor	-	0.5	-	-	-	-	3.3	-	3.8
Parks, Recreation & Cultural Services	3.6	-	-	-	-	-	-	-	3.6
Total Expenses	40.6	8.8	-	0.3	4.4	1.4	3.3	0.1	58.9
Net Increase (Reduction)	-	0.5	0.3	-	(3.5)	-	-	0.1	(2.6)
Ending Fund Balance	47.4	39.0	39.1	192.4	3.8	1.9	3.9	18.2	345.6



\*Other Funds include: MKG Medical Clinic, Health Insurance, VHIA, Long Term Debt, PVMC, Counselling Center, Museum, and Kelsey Dock Project

# Final Appropriation Figures

*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>	47.4	38.5	38.8	192.4	7.3	1.9	3.9	18.1	348.2
<b>Total Revenues</b>	47.6	0.5	0.3	3.2	0.9	0.5	3.1	0.2	56.3
Transfer In (Out)	(5.4)	8.8	-	(2.9)	-	-	(0.5)	-	-
Operating Subsidy	(1.6)	-	-	-	-	0.9	0.8	-	-
<b>Net of Transfer/Subsidy</b>	<b>(7.0)</b>	<b>8.8</b>	<b>-</b>	<b>(2.9)</b>	<b>-</b>	<b>0.9</b>	<b>0.3</b>	<b>-</b>	<b>-</b>
<b>Expense Category</b>									
FTE Payroll	15.2	-	-	-	-	0.8	1.4	-	17.4
Education	10.6	-	-	-	-	-	-	-	10.6
Other Operating	3.3	2.7	-	0.0	-	0.1	0.5	0.0	6.6
Debt Service	-	-	-	-	4.4	-	-	-	4.4
Contracts	3.1	-	-	0.3	-	0.1	0.2	-	3.7
Other Personnel	2.2	0.4	-	-	-	0.1	0.4	-	3.0
Permanent Fund Reserve	-	2.9	-	-	-	-	-	-	2.9
CSO	2.7	-	-	-	-	-	-	-	2.7
Equipment	-	2.2	-	-	-	-	-	-	2.2
Utilities	0.8	-	-	-	-	0.4	0.7	0.0	2.0
Legal	1.7	-	-	-	-	-	-	-	1.7
Maintenance	0.8	-	-	-	-	0.0	0.1	0.1	1.0
Projects	-	0.6	-	-	-	-	-	-	0.6
Events	0.2	-	-	-	-	-	-	-	0.2
<b>Total Expenses</b>	<b>40.6</b>	<b>8.8</b>	<b>-</b>	<b>0.3</b>	<b>4.4</b>	<b>1.4</b>	<b>3.3</b>	<b>0.1</b>	<b>58.9</b>
<b>Net Increase (Reduction)</b>	<b>-</b>	<b>0.5</b>	<b>0.3</b>	<b>-</b>	<b>(3.5)</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>(2.6)</b>
<b>Ending Fund Balance</b>	<b>47.4</b>	<b>39.0</b>	<b>39.1</b>	<b>192.4</b>	<b>3.8</b>	<b>1.9</b>	<b>3.9</b>	<b>18.2</b>	<b>345.6</b>

# Next Steps

- Budget Presentation
  - Regular Council Meeting in November 5<sup>th</sup>
- Public Hearing
  - November 26<sup>th</sup>, 2019
- Adoption by Resolution
  - December 3<sup>rd</sup>, 2019
- Final Document
  - December 27<sup>th</sup>, 2019
- Process Review
  - Dec/Jan
    - Process, improvements, mill levy
- Projects Budgeting
  - Jan/Feb 2020