

**KENAI CITY COUNCIL – WORK SESSION
FY2023 BUDGET
MAY 14, 2022 – 9:00 A.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
MAYOR BRIAN GABRIEL, PRESIDING**

NOTES

Council present: B. Gabriel, H. Knackstedt, J. Baisden, T. Winger, J. Glendening, G. Pettey, D. Sounart

Others present: City Manager P. Ostrander, Finance Director T. Eubank, City Attorney S. Bloom, City Clerk S. Saner, Planning Director R. Foster, Public Works Director S. Curtin, Airport Director E. Conway, Parks & Recreation Director B. Walker, Senior Center Director K. Romain, Library Director K. Wolfe, Fire Chief T. Prior, Police Chief D. Ross

A. Call to Order

Mayor Gabriel called the work session to order at 9:00 a.m. and welcomed everyone.

B. Budget Introduction – P. Ostrander, City Manager

City Manager Ostrander provided an introduction on the FY23 Budget process, noting the proposed budget focuses on the needs of the community and the goals as established by the Council through Resolution 2022-05.

C. Budget Overview – T. Eubank, Finance Director

Director Eubank presented a general overview of the FY23 Budget, read the Broad Statement of Purpose as adopted by Council through Resolution 2022-05; he noted the budget included a 4.35% CPI; continued efforts to find a sustainable solution for medical plans; and reviewed the schedule of rates, charges and fees. There was discussion regarding how the CPI was measured.

D. Department Presentations

1. Airport Fund

a. General and Revenue Overview

Director Eubank presented an overview of the Airport fund, including revenue sources, the Airport Permanent fund, and special capital projects, noting a majority of funding came from the Airport Permanent Fund not user fees.

b. Airport Departments

Director Conway provided an overview of the five Airport Department proposed budgets, review of the FY22 Goals, FY23 Goals, capital projects and reported no staffing changes. There was discussion regarding airport properties, airport reserves and creating additional lease lots.

2. Senior Citizen Fund

a. General and Revenue Overview

Director Eubank provided an overview of revenue sources; he noted most funding came from state and other granting resources and fund balance supplements; and that funding from the Kenai Peninsula Borough was based on population.

b. Senior Citizen Fund Departments

Director Romain provided an overview of the Senior Citizen Fund Departments proposed budget, FY22 Goals, FY23 Goals and future considerations from the draft budget; she reported no staffing changes, an increase in activity at the Senior Center and tracking the hours of volunteers.

3. Congregate Housing Fund

a. General and Revenue Overview

Director Eubank provided an overview of revenue sources, market rental rates and capital projects related to the congregate housing fund; he noted savings to remodel kitchens and bathrooms; and summarized the Congregate Housing Enterprise Fund financial performance.

b. Senior Citizen Fund Departments

Director Romain provided an overview of the Senior Citizen fund Department proposed budget, FY22 Goals, FY23 Goals and Capital Improvement Projects. There was discussion regarding what services can be provided by the state for tenants who reside within the facility.

4. Personal Use Fishery Fund

a. General, Revenue and Department Overview

Director Eubank provided an overview of the Personal Use Fishery Fund proposed budget, proposed increases to the fees and noted the management of the Personal Use Fishery was transitioning to one department.

5. Water & Sewer Fund

a. General and Revenue Overview

Director Eubank provided an overview of the Water & Sewer Fund, Capital Improvement Projects; and noted revenues were primarily user fees; reported a pending utility rate study; and summarized details from the 2011 utility rate study.

b. Water & Sewer Departments

Director Curtin provided an overview of goals and projects; he noted personnel changes; completion of the condition assessments; and fulfilling a nationally required risk assessment. There was discussion regarding Water Testing requirements.

c. Sewer Treatment Plant

Director Curtin provided an overview of goals and projects, noting increased focus on training.

6. General Fund

a. General and Revenue Overview

Director Eubank provided an overview on general fund revenues, sales tax, property tax, health care expenses, and capital project funding; he reviewed total operating revenues and expenditures, the fund balance policy and the sustainability of the budget as presented.

b. Public Works Administration

Director Curtin provided an overview of the Public Works Administration proposed budget, reported no staffing changes, reviewed FY2022 Goals, FY2023 Goals, performance measures and future considerations from the draft budget.

Safety – an overview of the Safety Department proposed budget, FY22 Goals, FY23 Goals and future considerations from the draft budget was provided.

Shop – an overview of the Shop Department proposed budget, FY22 Goals, FY23 Goals, performance measures and future considerations from the draft budget was provided; he noted there were two new pieces of equipment that would be arriving soon.

Streets – an overview of the Street Department proposed budget, FY22 Goals, FY23 Goals, performance measures and future considerations from the draft budget; he noted proposed changes to the snow removal policy that will be brought forward to Council at a later date.

Buildings – an overview of the Buildings Department proposed budget, FY22 Goals, FY23 Goals and future considerations from the draft budget was provided; he noted updates to permit applications and process were underway.

Street Lighting – an overview of the Street Lighting proposed budget, FY22 Goals, FY23 Goals and future considerations from the draft budget; he noted transitioning from metal halide lights to LED.

Boating Facility – an overview of the Boating Facility proposed budget, FY22 Goals, FY23 Goals, performance measures and future considerations from the draft budget were provided; he referenced the federal requirements that must be met for dredging approval.

c. Planning and Zoning

Director Foster provided an overview of the Planning and Zoning proposed budget, FY22 Goals, FY23 Goals, performance measures, reported no changes to staffing and presented future consideration from the draft budget; he noted the need to review zoning code and use permits within certain zone. There was discussion regarding enforcement resources and appeal processes.

d. Legal

City Attorney Bloom highlighted the Legal Department proposed budget, FY22 Goals, FY23 Goals and noted there were no substantial changes to the Legal Department proposed budget; he identified certain situations where outside council may be needed. There was discussion regarding the time spent representing the City in court for fines and tickets.

[Clerk's Note: Legal Department Budget Presentation took place immediately following the Senior Citizen Fund Department Presentation.]

e. Police

Chief Ross provided an overview of the Police Department proposed budget, FY22 Goals, FY23 Goals, performance measures, future considerations from the draft budget, reported no changes to personnel; he noted the current challenges with replacing vehicles.

Communications – an overview of the Communications Department proposed budget, FY22 Goals, FY23 Goals, reported no changes to personnel, reviewed performance measures and future consideration from the draft budget.

Animal Control – an overview of the Animal Control proposed budget, FY22 Goals, FY23 Goals, reported no change in personnel, reviewed performance measures and future consideration from the draft budget.

f. Fire

Fire Chief Prior provided an overview of the Fire Department proposed budget, FY22 Goals, FY23 Goals, reported a reduction in personnel, a review of performance measures and future consideration from the draft budget were provided.

g. Library

Director Wolfe provided an overview of the Library Department proposed budget, FY22 Goals, FY23 Goals, reported no personnel changes, reviewed performance measures and future consideration from the draft budget; and she noted the successful implementation and use RFID Tracking System.

h. Parks, Recreation and Beautification

Director Walker provided an overview of the Parks, Recreation and Beautification Department proposed budgets, FY22 Goals, FY23 Goals, performance measures, fee schedule, reported changes in personnel and reviewed future considerations from the draft budget; he noted opportunities to connect existing trail systems and the benefits of software to track facility usage.

i. City Clerk

City Clerk Saner provided an overview of the City Clerk Department proposed budget, FY22 Goals, FY23 Goals and future considerations from the draft budget were provided; she noted needed equipment and supply replacement.

Legislative – an overview of the Legislative Department proposed budget, FY22 Goals, FY23 Goals and future consideration from the draft budget were provided.

j. City Manager

City Manager Ostrander provided an overview of the City Manager proposed budget, FY22 Goals, FY23 Goals, identified changes in staffing, reviewed performance measures and efficiencies, and future considerations from the draft budget were provided; he noted incentive programs for business that still need to be pursued.

Visitor Center – an overview of the Visitor Center proposed budget was provided and noted the strong relationship between the City and the Chamber.

Land Administration – an overview of the Land Administration proposed budget was provided noting there was no staff; however, a temporary staff member was hired during the development of the Land Management Plan Inventory.

k. Human Resources

City Manager Ostrander provided an overview of the Human Resource Department proposed budget.

l. Finance

Director Eubank provided an overview of the Finance Department proposed budget, FY22 Goals, FY23 Goals, reported no staffing changes and future considerations from the draft budget were provided; he noted the time involved for employee onboarding or exiting and the importance of documenting standard processes.

Non-Departmental – an overview of the Non-Departmental proposed budget was provided.

7. Employee Healthcare Fund

a. General, Revenue and Department Overview

Director Eubank provided an overview of the Employee Health Care Fund, which was an internal service fund, noting it was created to offset annual increases; projected revenue sources, the need for protecting the reserve; utilization and fund balance were discussed.

8. Permanent Funds

a. General, Revenue and Department Overview

Director Eubank provided an overview of the Airport and General Land Sale Permanent funds, noting how they could be utilized and reviewed projected revenues; he explained the earnings reserve procedures and reviewed the funds financial performances.

9. Debt Service

a. General, Revenue and Department Overview

Director Eubank provided an overview of the debt service noting the current debt is for the Library and that the Bluff Erosion Bonds reference within the budget document will be removed.

10. Equipment Replacement

a. General, Revenue and Department Overview

Director Eubank provided an overview of the Equipment Replacement Fund, clarified it funds equipment replacements for General Fund departments; and provided an overview of the amount the fund charged to departments.

11. Fleet Replacement

a. General, Revenue and Department Overview

Director Eubank provided an overview of the Fleet Replacement Fund; noted it was the same process as the Equipment Replacement fund only for fleet vehicles.

E. Public Comments

There was no one wishing to be heard.

F. Additional Council Comments

Vice Mayor Glendening thanked everyone, noted he was pleased with the work session.

Council Member Winger thanked everyone for their presentations.

Council Member Sounart thanked everyone.

Council Member Knackstedt thanked everyone and noted his appreciation for the process.

Council Member Petty appreciated all the detail that went into this and the efficiencies that are ongoing.

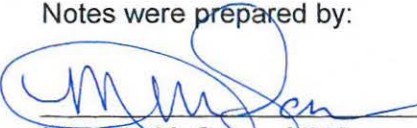
Council Member Baisden thanked everyone for the good discussion.

Mayor Gabriel stated his appreciation for the work and recognized the amount of time put into the budget process.

G. ADJOURNMENT

The work session adjourned at 7:37 p.m.

Notes were prepared by:


Michelle M. Saner, MMC
City Clerk