

**JANUARY 3, 2024
CITY COUNCIL WORK SESSION
ADDITIONAL MATERIAL/REVISIONS**

REQUESTED ADDITIONS TO THE PACKET

<u>ACTION</u>	<u>ITEM</u>	<u>REQUESTED BY</u>
Add to Item C.1.	Fiscal Year 2025 Budget Development Goals Presentation <ul style="list-style-type: none">• Recommended Fiscal Year 2025 Budget Development Goals	Administration

Recommended Fiscal Year 2025 Budget Development Goals

Broad Statement of Purpose

It is the goal of the City to formulate and adopt a fiscally responsible budget that meets the needs and priorities of the community it serves. A fiscally responsible budget ensures revenues, taxes, and fees are sufficient but not excessive to fund current operations and contribute to the long-term maintenance of City infrastructure used to provide services. Meeting the needs and priorities of the community means prioritizing essential services while being mindful that non-essential services such as parks, recreation, arts, library, and senior services have significant importance in creating a vibrant, well-balanced community in which individuals desire to live and businesses seek to locate.

Specific Goals

1. Submit a budget for consideration that maintains the City's current mill and sales tax rates and complies with the General Fund, Fund Balance Policy codified in KMC 7.25.
2. Review the City's salary schedule and pay plan, utilizing the employee compensation and classification study currently being prepared, to ensure it provides appropriate compensation to employees comparable to other places of public employment and which allows the City to recruit and retain competent employees without a reduction in critical services or infrastructure support. Incorporate adjustments necessary to the salary schedule and pay plan to address any pay inequities caused by misclassification of positions or those needed for the City to be a competitive public employer.
3. Review the City's health, dental and life insurance benefits offered to employees to improve the sustainability and maintain the quality of employee insurance coverage to ensure it provides adequate coverage comparable to other places of public employment. If the comparison indicates an increase is warranted, limit the increase to employee cost share to not more than 1% of program's total costs. A 1% increase in the employee cost share for FY2025 would bring the employee share to 14%.
4. Seek opportunities to achieve cost savings and efficiencies without negatively impacting operations and services through a transparent budget development process that includes performance measures and a review of previous spending, future needs, and priorities,
5. Compile a list of capital projects, which are projects that cost \$35,000 or more, for Council adoption and ensure that the minimum investment in maintaining City infrastructure over time equals the depreciation, an accounting process by which the cost of an asset is spread over its useful life, recorded annually on City capital assets and infrastructure. The City's FY2023 depreciation by fund and function were:

General Fund:	
General Government	\$ 104,337
Public Safety	251,693
Public Works	838,701
Parks, Recreation & Culture	331,605

Social Welfare Services	<u>67,285</u>
	\$1,593,621

Airport Fund:	\$2,341,217
Water & Sewer Fund	<u>1,062,536</u>
Total All Funds	<u>\$4,997,374</u>

6. Adjust rates, charges and fees in all funds commensurate with inflation as measured by the Alaska Consumer Price Index for All Urban Consumers, second half over second half. Limit any increase in the monthly rents at Vintage Pointe to not more than \$50.00 per month over FY2024 rates for existing tenants as of June 30, 2024.

7. Project ending fund balance/retained earnings of at least 50% of the FY2024 budgeted expenditures net of any projected lapse for the Airport, Water & Sewer, Personal Use Fishery, and Congregate Housing Funds. Ensure any use of fund balance is for one-time or capital purchases and not for reoccurring expenditures/expenses so that the ending fund balance for each fund is not less than:

Airport Fund	\$1,692,487
Water & Sewer Fund	1,520,841
Personal Use Fishery Fund	200,512
Congregate Housing Fund	268,336

8. Adjust Senior Citizen Fund fees and rates to a level sufficient to limit the increase in required transfer from the General Fund to no more than a 10% increase, which equals \$19,948, over FY2024 amounts.