

CITY OF PETERSBURG, ALASKA

1984/1985 BUDGET

CITY OF PETERSBURG, ALASKA  
1984/1985 Budget Policies

Preparation and adoption of the annual budget is one of the most important responsibilities of the City Council. The budgetary process determines what services the City will provide, the level of these services, and how funds will be provided to finance them.

Recognizing the importance of these decisions, the City Council has adopted the following statements which reflect the principles and priorities the City management should follow in preparing the FY 85 budget recommendations.

MONEY:...

1. Assume a 4 mill property tax limitation. Areas annexed after 1979 and without water or sewer services within 200 feet will be taxed at a rate 80% of the rate in effect for the rest of the City.
2. Assume that State assistance to the municipality will be 90% of the amounts reflected in the Governor's FY 85 budget recommendation.
3. The local appropriation from sales tax funds for school operating and maintenance purposes shall not exceed a millage equivalent of 5 mills. Based upon 1983 assessed valuation data, this appropriation should not exceed \$508,657.
4. The operating subsidy for Petersburg General Hospital shall be equivalent to the amount received from State Aid for Hospitals. (Assume \$225,000).
5. The operating subsidy for Gateway Mental Health, Petersburg Council on Alcoholism & Drug Abuse, and the Public Health Nurse shall be equivalent to the amount received from State Aid for Health Facilities. (Assume \$7,200 per unit).
6. The adequacy of user fees and other direct service charges should be fully reviewed and recommended for adjustments as appropriate.
7. As a general guide, use 2% as the rate of inflation to be used in estimating increased cost of operation and maintenance over current year expenditures.
8. An overhead charge, based upon 5% of operating expenses (adjusted for extraordinary items) should be allocated to each enterprise fund to reimburse the General Fund for expenses of general administration. An overhead administration charge shall not be levied against any of the capital improvement funds or the Federal Revenue Sharing fund.
9. Continue to levy a rental charge for the use of motor pool vehicles. The charge for operation and maintenance should be based upon actual expenses per unit for the calendar year ended December 31, 1983. The charge for replacement shall be computed by dividing the estimated current replacement cost by the useful life of the equipment.

10. Continue to maintain unappropriated reserves for emergency contingencies. An amount equivalent to 3 months of operating expenses should be maintained in the General Fund and each enterprise fund. A reserve equal to next year's payment for debt service on the School General Obligation Bonds should be maintained in the Sales Tax Fund.

11. The budget should be presented in a summarized format to easily compare the recommendations to actual results of operations for the 1982/83 fiscal year as well as the current year to date. Fund and departmental summaries should be provided to highlight key assumptions made with the recommendations as well as any significant changes from current year operations.

#### PAY & BENEFITS

12. The Council is resolved to make earlier decisions on the City employee compensation plan than in previous years.

13. A work session to review recommendations for the pay plan shall be scheduled for Monday, March 12, 1984. At this session, the Council will hear comments and testimony from employees, either individually or collectively, regarding the compensation plan titled "Variation 1".

14. Based upon consensus reached at the work session of March 12, the city manager will be given direction to draft an ordinance revising the pay plan for consideration at the regular Council meeting of March 19.

15. Pension contributions will increase from 15.45% to 16.24% of estimated annual earnings for each permanent employee.

16. Assume that expenses for workers compensation and life insurance will increase 10% over current year rates.

17. Continue to levy an amount equivalent to 3% of estimated annual earnings for unemployment compensation reserves.

18. Requests to hire additional personnel should only be made after needs have been thoroughly documented. Expect disapproval of such requests if it can not be substantiated that the new employee will result in more revenue and/or less expenditures.

#### EXPANDED SERVICES:

19. Renew the feasibility of establishing a new building maintenance department. The proposed department would be established as an internal service fund responsible for the operation, maintenance, repair and limited construction on all buildings owned by the City -- including the school and the hospital. It would consist of a relatively small working staff of persons experienced in the electrical and mechanical trades supplemented by contracted janitorial and maintenance services. Charges for services performed would be levied against the buildings maintained.

1984/1985 Budget Polices

CAPITAL OUTLAYS:

20. Propose a multi-year capital improvement program listing each improvement to be undertaken, the year in which it will be started, the amount expected to be expended in each year, and the proposed method of financing.
21. Local resources should be stretched and multiplied whenever possible by seeking outside funding sources such as federal and state grants for genuine City needs.
  - a. First priority should be given to grant supported projects for which financing has been secured:
    - (1) Hospital Expansion
    - (2) High School Expansion, Phase I
    - (3) Mitkof Highway Sewer Extension
    - (4) Wastewater Treatment Plant Litigation
    - (5) One Million Gallons of Additional Water Storage Capacity
    - (6) Mitkof Highway Electrical Distribution System Improvements
    - (7) Union Street Improvements
    - (8) E Street Park Improvements
  - b. Second priority should be given to grant supported projects for which financing has not been secured:
    - (1) Old High School Renovations, Phase II
    - (2) Wastewater Treatment Systems
    - (3) Old Hospital Renovations
    - (4) Elementary School Playground
    - (5) School Roof Replacement (Industrial Arts Building)
    - (6) Downtown Area Street Paving (1st Street & the side streets leading from 1st Street to Main Street, and Harborway)
    - (7) Scow Bay Deep Water Port
    - (8) Main Street Reconstruction
    - (9) Small Boat Harbor Improvements, Phase IV
22. Another set of projects have begun with local financing. Third priority in terms of capital outlays should be given to continuing appropriations for:
  - (1) Downtown Street Reconstruction
  - (2) Scow Bay Road Improvements
  - (3) Swimming Pool Renovations
  - (4) Municipal Building Renovations
  - (5) Dock Extension at the Port Facility

PASSED and APPROVED by the City Council of the City of Petersburg, Alaska  
this \_\_\_\_ day of \_\_\_\_\_, 1984.

CITY OF PETERSBURG, ALASKA

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NOTICE OF PUBLIC HEARING

CITY OF PETERSBURG FY 85 BUDGET

Notice is hereby given of a public hearing to be held on Monday, May 28, 1984 beginning at 7:30 PM in the Council Chambers of the Petersburg Municipal Building. The purpose of this hearing is to give citizens an opportunity to make comments on Petersburg's budget for the next fiscal year prior to final decision making by the City Council.

Copies of the city manager's budget recommendations are available for public inspection at the office of the City Clerk and at the Petersburg Public Library. Proposed expenditures for fiscal year 1985 are shown below:

	<u>1985 Budget</u>	<u>1984 Estimate</u>	<u>1983 Actual</u>
<u>GOVERNMENTAL FUNDS:</u>			
<u>General Fund:</u>			
General Government	779,906	750,626	448,981
Public Safety	930,523	750,020	830,125
Public Works	942,156	1,122,709	478,512
Health & Welfare	94,800	79,330	70,886
Culture & Recreation	631,130	602,706	134,147
Miscellaneous	-	-	439,484
Transfer to Other Funds	<u>245,152</u>	<u>541,421</u>	<u>794,391</u>
	3,623,667	3,846,812	3,196,526
<u>Sales Tax Fund:</u>			
Administration	52,500	50,450	45,571
Road Construction	325,000	260,000	301,695
School Construction	135,000	360,000	87,255
School Operations	499,863	397,435	470,526
School Debt Service	835,015	807,584	395,072
Utility Debt Service	253,750	45,000	22,750
Sewer Plant Litigation Loan	225,000	260,400	32,000
Sewer Construction	<u>350,000</u>	-	-
	2,676,128	2,180,869	1,354,869
<u>Federal Revenue Sharing Fund:</u>			
Capital Outlays	213,000	58,000	244,203
Transfers to General Fund	<u>350,000</u>	-	<u>42,142</u>
	563,000	58,000	286,345
<u>Capital Improvement Funds:</u>			
Hospital Construction	2,457,450	5,315,509	556,383
School Construction	4,456,668	1,000,019	652,669
Main Street Improvements	1,009,000	-	-
Mitkof Highway Sewer	<u>350,000</u>	-	-
	8,273,118	6,315,528	1,209,052
<u>Debt Service Fund:</u>			
1968 School Bonds	103,400	103,050	107,550
1975 School Bonds	286,320	289,760	287,430
1983 School Bonds	445,295	437,095	-
1984 G.O. Bonds	<u>209,250</u>	-	-
	1,044,625	829,905	394,980

Notice of Public Hearing  
 FY 85 Budget

	1985 <u>Budget</u>	1984 <u>Estimate</u>	1983 <u>Actual</u>
<b>ENTERPRISE FUNDS:</b>			
Electric Utility	4,001,981	2,946,654	3,070,772
Water Utility	1,292,568	336,703	343,080
Wastewater Utility	1,302,632	587,105	1,364,853
Small Boat Harbors	243,627	423,570	148,659
Port Facilities	26,067	423,641	25,738
Elderly Housing	215,052	204,313	2,956,674
Motor Pool	309,255	298,387	271,386
	<u>7,391,182</u>	<u>5,220,373</u>	<u>8,181,162</u>
 Totals*	 <u>23,571,720</u>	 <u>18,451,487</u>	 <u>14,622,934</u>

REVENUE SHARING USES:

In compliance with federal requirements relating to public participation, federal revenue sharing funds are proposed to be used in the following manner:

Estimated Fund Balance, Beginning of Year . . . . .	\$ 409,605
 Estimated Revenues . . . . .	 <u>213,000</u>
 Balance Available for Appropriation . . . . .	 622,605

Proposed Uses:

Scow Bay Road Improvements	\$ 213,000	
Administration Computer Equipment	28,000	
Reurbish Administration Offices	12,000	
Police Facility Improvements	3,375	
Police Equipment	70,000	
Design of Public Safety Building	58,781	
Fire Department Equipment	10,544	
Emergency Services Equipment	1,000	
Ambulance Equipment	3,300	
Public Works Computer Terminal	2,000	
Cemetery Road Improvements	8,000	
Tent City Sewer Extension	12,500	
Fire Station Warning Lights	35,000	
Library Equipment	8,000	
Sandy Beach Restrooms	17,500	
Swimming Pool Improvements	68,000	
Old Gym Improvements	<u>12,000</u>	
Total		<u>563,000</u>
Estimated Fund Balance, End of Year . . . . .		\$ <u>59,605</u>

\* Includes interfund transactions

Notice of Public Hearing  
FY 85 Budget

PUBLIC PARTICIPATION:

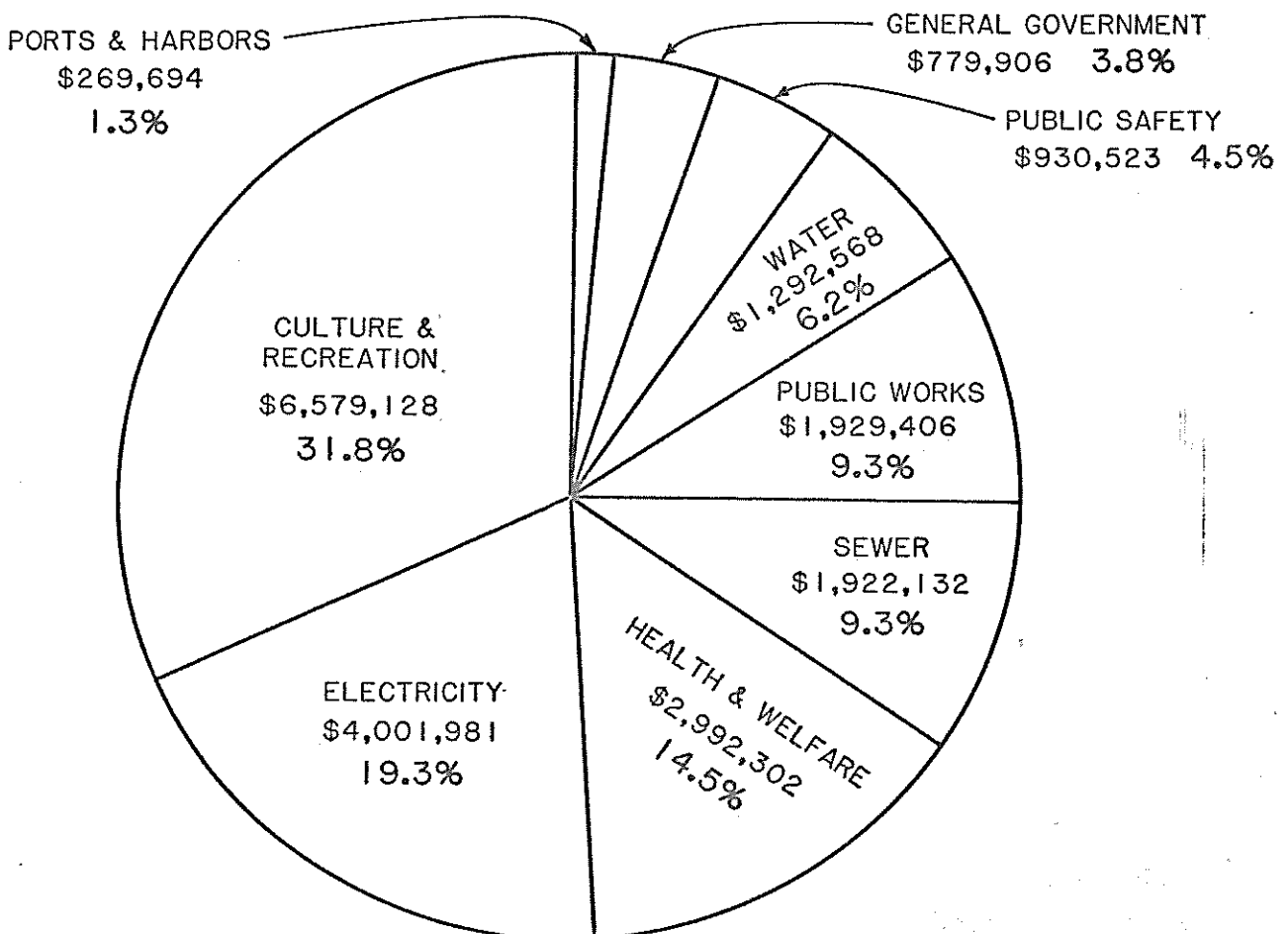
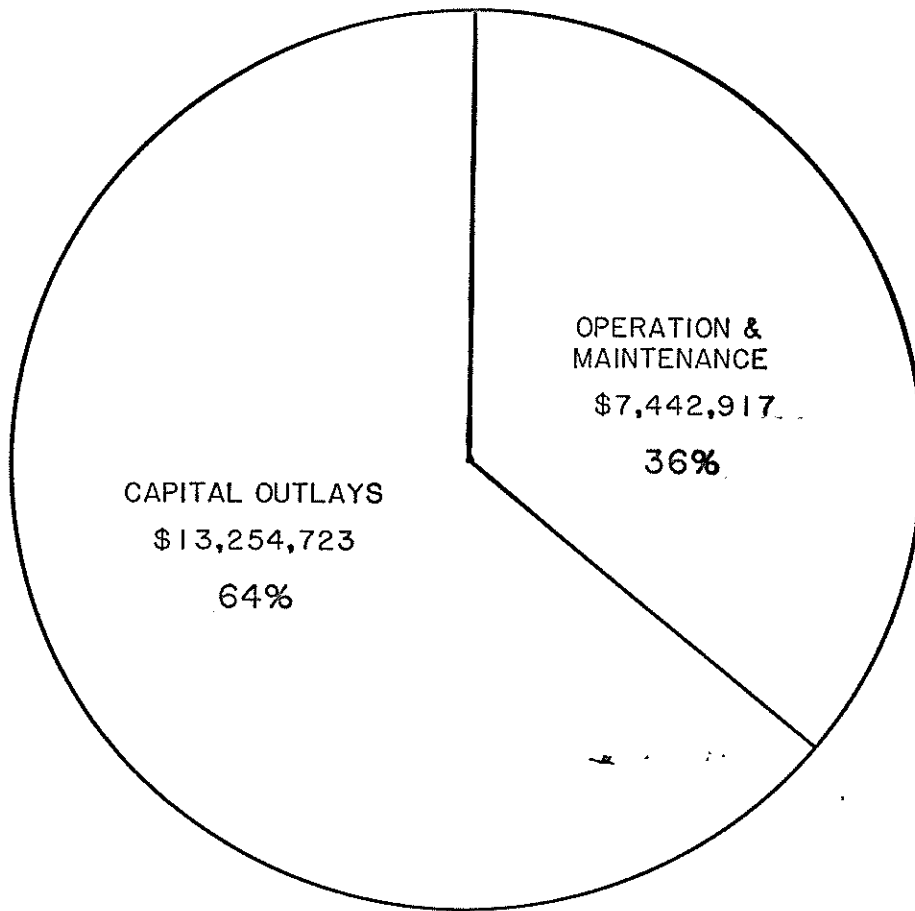
The City Council is expected to make final decisions on the FY 85 municipal budget by June 18, 1984. Comments from the public on the budget proposals are encouraged. Comments may be offered orally at the public hearing or in writing to the attention of Mayor Don Koenigs, P.O. Box 329, Petersburg, Alaska 99833.

Richard Underkofler  
Petersburg City Manager  
May 8, 1984

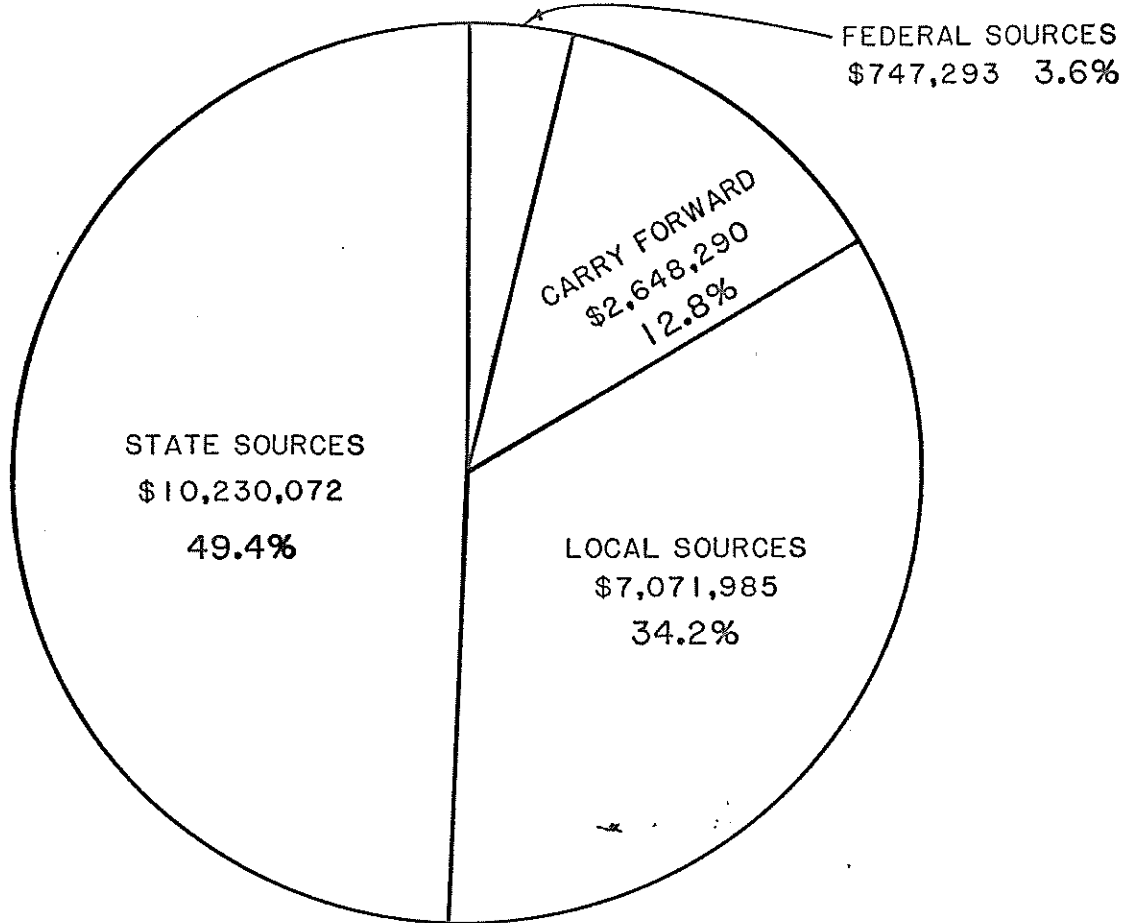
Publish: May 17 & 24, 1984



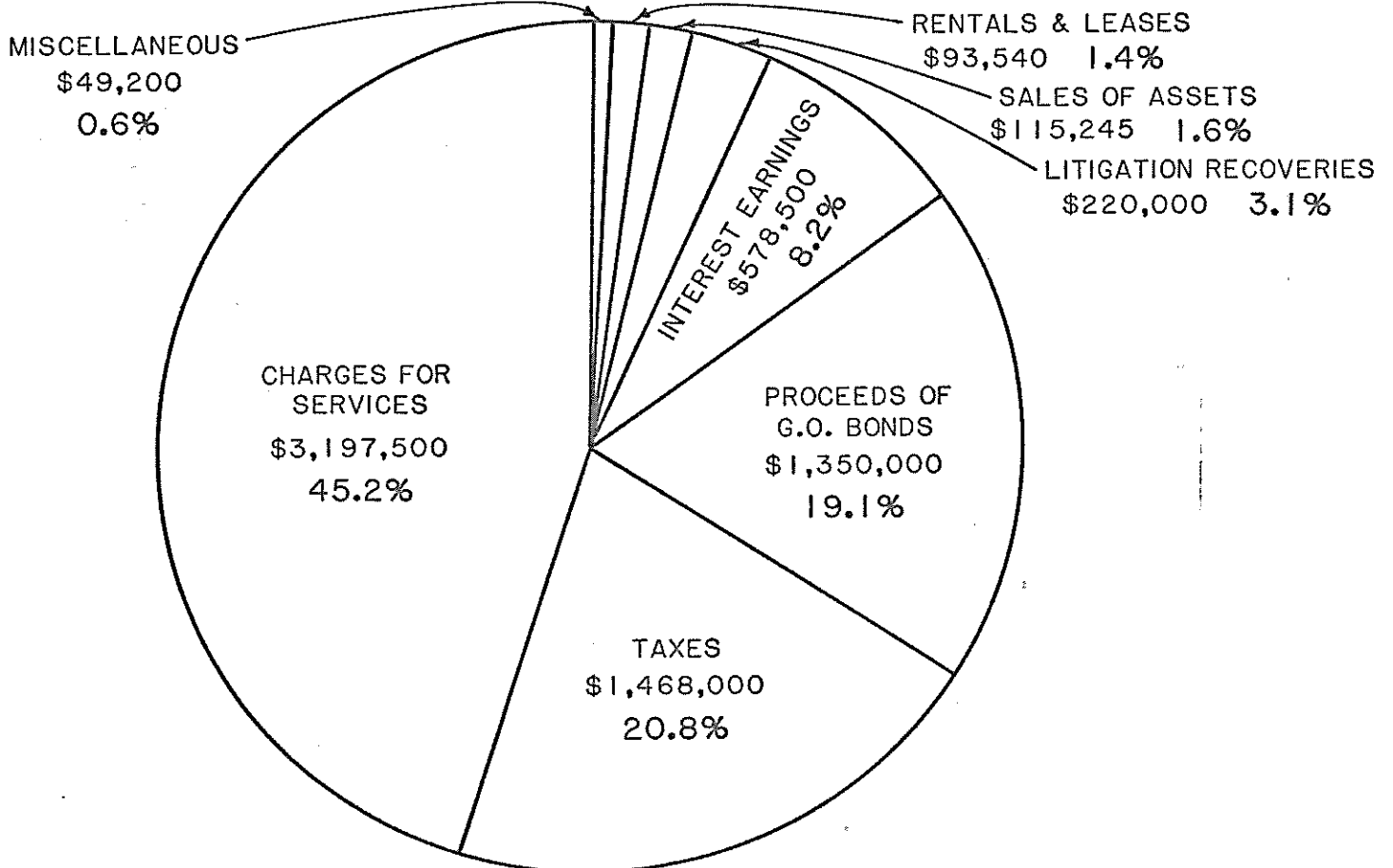
# EXPENDITURES



# SOURCES OF FINANCING



# LOCAL SOURCES OF FINANCING



May 11, 1984

Mayor and Members of the City Council  
City of Petersburg, Alaska

Subject: Budget Recommendations for Fiscal Year 1984/1985

Ladies & Gentlemen:

Transmitted with this letter is the recommended budget for the next fiscal year. The purpose of this communication is to highlight key assumptions made with the recommendations, summarize the budget and call your attention to significant changes from current operations. I conclude with an identification of major policy issues which the City Council should address.

Formal action on the Budget Resolution is scheduled for your Council meeting of June 18. Our Charter specifies that if the Council has not taken formal action to adopt a budget prior to June 28, these budget recommendations will become an appropriation and the budget for next fiscal year without further Council action.

The Property Tax Resolution is scheduled for your consideration at the Council meeting of June 4. The Charter specifies that the Council shall fix the rate of this levy by June 15.

The annual budget process is one of the most important activities of the responsibilities we have as local government officials. It is the only forum we have to review financial information about all municipal services and projects at the same time; to analyze and debate the merits of each activity; and, to make decisions about the level and cost of services to be provided in this community.

The budget represents the fundamental policy document for the City because plans and directions are guided by levels and areas of expenditure. It is a key management tool for monitoring and controlling spending. The process should also provide insights into the longer term implications of where this community is going and how we will get there.

**MAJOR ASSUMPTIONS:**

The budget recommendations incorporate most budget policy guidelines adopted by the City Council back in March before the budget preparations began. Overall levels of expenditure were controlled by establishing limitations upon revenue.

1. The budget assumes a 4 mill property tax limitation in the older areas of the City. It also assumes that areas annexed after 1979 without water or sewer services will have their taxes further limited by a rate 80% of the rate in effect for the rest of the City. (3.2 mills)
2. The budget assumes that there will be no increase in the rates to be charged for electricity, water, sewer, boat harbor or port services.
3. The requested local appropriation from sales tax funds for school operating purposes is \$499,863 -- almost \$9,600 less than the millage equivalent limitation of 6 mills which was adopted by the Council based upon the 1983 assessed valuation of the City.
4. The budget assumes that unappropriated reserves will be maintained for emergency contingencies. An amount no less than 3 months of operating expenses is programmed for the General Fund and each enterprise fund. A reserve equal to next year's payment for debt service on the School General Obligation Bonds has been maintained in the Sales Tax Fund.
5. I've continued to allocate an overhead charge to each enterprise fund to reimburse the General Fund for expenses of general administration. The charge is based upon 5% of operating expenses (adjusted for extraordinary items such as diesel fuel in the electric utility). Where appropriate, we also levy an additional overhead charge for expenses directly allocable to a particular activity. For example, the payroll expense of Public Works administration is equally shared between the Street, Water, Sewer and Motor Pool Departments. The City Engineer's payroll expense has been shared between the Hospital and School Construction Funds.
6. Rental charges for the use of motor pool equipment have been established consistent with policies adopted by the Council last year. The charge for operation and maintenance is based upon actual expenses per unit divided by the hours utilized for the calendar year ended December 31, 1983. The charge for replacement is computed by dividing the estimated current replacement cost by the estimated useful life of the equipment. Labor charges in the motor pool will increase from \$36/hour to \$38/hour effective July 1, 1984 to generate sufficient income to meet payroll expenses.

The budget recommendation deviates in one respect from the revenue limitation policies suggested earlier this year relating to state assistance. It was suggested that I should assume that state assistance for the next fiscal year will be 90% of the amounts reflected in the Governor's FY 85 budget recommendation.

The State Legislature has made sufficient progress this year to enable a better estimation of these revenue sources. The House has adopted an operating budget which has levels of funding for municipal assistance equal to amounts appropriated in FY 84. The Senate is considering measures to increase the amounts adopted by the House. Therefore, my revenue estimates for state assistance are based upon the amounts to be received during 1983/1984.

#### PAY & BENEFITS:

I wish to compliment the Council for making early decisions on the employee pay plan. It really helped to have a definite idea about what pay and benefit assumptions should be used to develop the budget. The budget recommendations incorporate measures adopted by the Council on March 24, 1984. In consideration for actions taken to bring our pay rates in line with prevailing conditions, we also made progress in the direction of reducing the cost of benefits. Although negotiations have not been resolved with the Union representing the Electric Utility, I think you have handled the non union employee issues in a fair and exemplary manner.

The budget makes the following benefit assumptions for non union employees:

1. Longevity Pay. The present plan will continue into the next fiscal year. It consists of an additional 12¢ per hour for each year of service up to ten years of continuous service.
2. Medical Insurance. At present the City pays 100% of the cost for both the employee and dependents. Effective July 1, the City will pay for 100% of the cost for employee coverages, but only 50% of the cost for dependent coverages.
3. Life Insurance. The City will continue to provide a \$5000 term life insurance policy for each permanent employee.
4. Pension. Employer contributions to the Alaska Public Employees Retirement System will increase from 15.45% of annual earnings to 16.24% of annual earnings.
5. Unemployment Compensation. We will continue to set aside an amount equivalent to 3% of annual payroll for self insurance on unemployment compensation claims.

6. Workers Compensation. The budget assumes a 10% increase in the cost of workers compensation insurance.
7. Holidays. Reduced from 11 days to 10 days per year, effective July 1, 1984.
8. Sick Leave. Pay-off of unused sick leave upon termination of employment will be discontinued effective July 1, 1984. Sick leave accrued prior to July 1 will be paid-off according to percentages established in previous compensation plans. The balance of accrued sick leave not cashed out by July 31 will be carried forward to the credit of the employee for as long as employment continues.
9. Vacation. Employees hired before January 1, 1980 currently earn more vacation than those hired after January 1, 1980. Effective July 1, 1984, all non union employees will accrue vacation at the rate in effect for employees hired after January 1, 1980.

The pay and benefits budget for the electric utility is based upon the "last" offer made to the union. Mediation of the impasse which has developed between the negotiators is scheduled for the later part of this month. If an agreement can not be reached through mediation, the contract will be resolved by "binding arbitration" pursuant to provisions of the Alaska Public Employees Relations Act. Other than the reduction in overtime compensation benefits implemented on expiration of the old contract, I plan no change in pay and benefits until an agreement is reached with the union on a new contract.

Requests were received for additional personnel in the Fire Department, the Electric Utility, the Library and the Small Boat Harbors. The Park and Recreation Department requested an increase in the hours of employment for its part-time personnel. The Council has previously approved the hiring of a full time inspector for Phase I of the High School Construction Project. The work force has been reduced by three (3) full time permanent positions over the current fiscal year as a result of a resignation in the Electric Utility and our decision to "contract out" refuse collection and disposal.

1. The budget includes funding for additional employment in Park & Recreation and the Small Board Harbors contingent upon self-sustaining revenues to off-set the additional expense.
2. The budget includes funding for the high school construction inspector -- all expenses to be allocated to the School Construction Fund.

3. The budget includes funding to replace a powerhouse operator in the Electric Utility, but the person will not be hired as long as we can continue to rely upon wholesale power from the Tyee Lake project.
4. The recommended budget does not include funding for additional personnel in the Fire Department, the Library or the Electric Utility.
5. The recommended budget reduces the motor pool staffing from that budgeted in previous years by one (1) half-time mechanic position.

Here is the bottom line summary of the City's payroll and benefit expenses comparing proposals for next year's budget to those experienced during the past year and estimates for the current fiscal year:

	<u>1985</u> <u>Budget</u>	<u>1984</u> <u>Estimate</u>	<u>1983</u> <u>Actual</u>
Salaries & Wages	2,092,640	1,980,292	1,777,182
Personnel Benefits	<u>610,342</u>	<u>593,356</u>	<u>617,264</u>
	\$2,702,982	\$2,573,648	\$2,394,446
Percent Benefits	29%	30%	35%
Rate of Increase	5%	7%	

**BUDGET SUMMARY:**

Operations & Accounting Policies:

The accounts of the City are organized on the basis of funds and account groups. Each fund is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. The various funds are grouped into two broad fund categories as follows:

1. Governmental Funds.

The General Fund is used to account for the general governmental activities of the City. Its revenues are derived principally from the City's taxing and licensing powers, allocations received from the State of Alaska, services rendered by various departments and transfers from other funds representing an allocation of general administrative costs. The principal expenditures of the General Fund relate to the general administration of the City; public safety services; health, welfare, library, museum, and recreation services; and, public works activities relating to maintenance and operation of the City's roads and streets, quarry, cemetery, and various other properties.

The Special Revenue Funds are used to account for the proceeds of revenue sources that are restricted for specified purposes. The following funds are considered Special Revenue Funds:

- a. Sales Tax Fund. Accounts for the revenues received from the City's 5% retail sales tax, reimbursements from the State of Alaska for School General Obligation Bond debt service, and other grant allocations related to expenditures made from the fund. Expenditures from the Sales Tax Fund are restricted to public works projects; principal and interest payments on any general obligation bonds; and, expenditures for the construction, repair, operation and maintenance of school facilities.
- b. Federal Revenue Sharing Fund. Accounts for revenues and expenditures of the Federal General Revenue Sharing Program. Expenditures may be made for any lawful governmental purpose, except education. These accounts are segregated and subject to special reporting requirements of the Federal Government.
- c. Petersburg School District. Includes a series of funds which present the operations and maintenance of the City's school system. Financing is provided primarily from appropriations from sales tax revenues of the City and the State of Alaska.

The City has delegated the administrative and accounting responsibilities of the School District to the elected School Board. This budget proposal encompasses only appropriations of City revenues for the construction, operation and maintenance of the school system.

The Capital Improvement Funds present financial resources, received primarily from State and Federal agencies, to be used for the acquisition and construction of major capital facilities. For presentation in the general purpose financial statements, the following funds are included as capital improvement funds:

- a. Hospital Construction Fund. The grants received for the financing and construction of these assets will be utilized by the Petersburg General Hospital upon completion of construction. Accounting will be maintained in the Capital Improvement Funds until occupancy of the facilities. Thereafter, the assets will be reported in the Hospital Enterprise Fund.



- b. School Construction Fund. The grants received for the construction of these facilities will ultimately be used by the Petersburg School District. After construction is completed, the assets will be reported in the School District's accounts of general fixed assets.
- c. Shooting Range Construction Fund. This project is completed. The fund will be extinguished at the conclusion of the fiscal year ended June 30, 1984.
- d. 1982 and 1983 Per Capita Grant Funds. The City received two categorical grants during the years indicated from the State of Alaska. Use of these grant proceeds were restricted to purposes specified in the supplemental appropriation ordinances accepting the grants. These grants were recorded in the capital improvement funds to facilitate the identification of the receipt and expenditure of the grant funds for future audit. The funds will ultimately be transferred to the benefiting governmental or enterprise funds as appropriate. It is anticipated that both funds will be extinguished at the conclusion of the fiscal year ended June 30, 1984.
- e. Senior Citizen Housing Construction Fund. This project was completed during the 1983/1984 fiscal year. At the conclusion of the audit, the fund will be extinguished and the assets will be reported in the Elderly Housing Enterprise Fund.
- f. 1984 Bond Improvement Fund. This is a new fund to be established at the start of the 1984/1985 fiscal year to account for the proceeds and expenditures of a general obligation bond issue to be used for the improvement of Main Street and the extension of sanitary sewer along Mitkof Highway. Expenditures will consist of payments to the State of Alaska for grant ineligible elements of Main Street improvement; payments to the telephone and cable television utilities for the relocation of their facilities; and, interfund transfers to the electric, water, and sewer funds for additions and improvements to their respective facilities and equipment.

## 2. Proprietary Funds

The proprietary funds of the City include both enterprise and internal service funds. Proprietary funds are used to account for activities of the City that are financed in a manner similar to private business enterprises. For presentation in the general purpose financial statement, the following activities are reported as Enterprise Funds:

- a. Electric Utility Fund
- b. Water Utility Fund
- c. Wastewater Utility Fund
- d. Sanitation Utility Fund
- e. Small Boat Harbor Fund
- f. Port Facilities Fund
- g. Elderly Housing Fund
- h. Petersburg General Hospital

The City has delegated the administrative and accounting responsibilities of the Petersburg General Hospital to the elected Hospital Board. This budget proposal encompasses only appropriations of City general revenues and State grants for the construction, operation and maintenance of the hospital.

Internal Service Funds are used to account for operations similar to those accounted for in Enterprise Funds, but which provide goods or services primarily for the benefit of departments or agencies within the municipality. The Motor Pool Service Fund has been established as an internal service fund to account for vehicular services provided by the motor pool on an equipment rental basis. Interdepartmental charges include a component for operation and maintenance expenses on a cost-reimbursement basis as well as a component for replacement of the equipment at the end of its useful life.

If the Council chooses to establish a Building Maintenance Department during the next fiscal year, it is suggested that another internal service fund be established to account for these activities. Interdepartmental charges would be made against other funds for the services provided. The alternative is to establish the Department within the General Fund with a direct appropriation from general revenues.

During 1984, a decision was made to contract services related to refuse collection and disposal to a private operator. Therefore, the Sanitation Utility Fund will be extinguished upon completion of the audit for the 1983/84 fiscal year. Assets and liabilities of the fund will be assumed by the General Fund.

#### Basis of Accounting:

The accounts of the governmental funds are maintained on the modified accrual basis whereby expenditures or liabilities (other than accrued interest on general obligation bonds) are recorded in the period incurred, and the revenues are reported when cash is received, except for measurable and available amounts which are accrued to properly reflect grants allocated, revenues earned and property taxes levied. The financial statements of all proprietary funds are presented on the accrual basis of accounting under which revenues are reported when earned and expenses are recorded when incurred.

General obligation bonds are retired from the Debt Service Fund from tax monies allocated by transfers from the Sales Tax Fund. Debt arising from the issuance of revenue bonds is recorded in the related enterprise funds and retired from revenues earned by the respective funds. Beginning in 1982, debt incurred for the sewer collection and treatment system has been regarded as a general obligation due to the defective nature of the system. Interfund grants have been made from the Sales Tax Fund to the Wastewater Utility Fund to reimburse the fund for its debt service expenses.

Summary of Expenditures:

Proposed spending for the next fiscal year in all funds totals \$23,571,720. When interfund transactions are excluded, proposed expenditures total \$20,697,640. The following pages break-out the expenditures by activity, type and function.

As shown with graphic representations elsewhere within this document, operation, maintenance and debt service expenditures represent \$7,442,917 or 36% of total expenditures. Capital outlays account for \$13,254,723 or 64% of the proposed budget.

A functional distribution of proposed expenditures may be summarized in the following manner:

	<u>Proposed Budget*</u>	<u>Percent</u>
General Government	\$ 779,906	3.8
Public Safety	930,523	4.5
Public Works	1,929,406	9.3
Health & Welfare	2,992,302	14.5
Culture & Recreation	6,579,128	31.8
Electric Utility	4,001,981	19.3
Water Utility	1,292,568	6.2
Wastewater Utility	1,922,132	9.3
Port & Harbor	<u>269,694</u>	<u>1.3</u>
	\$20,697,640	100.0

\*Note these totals do not include expenditures of the Petersburg School District or Petersburg General Hospital relating to operation and maintenance supported by revenues from sources other than the City.

EXPENDITURES BY ACTIVITY AND TYPE\*

	<u>Operations &amp; Maintenance</u>	<u>Capital Outlays</u>	<u>Totals</u>
<b>GENERAL FUND:</b>			
<u>General Government:</u>			
Legislative	41,862	-	41,862
Publication & Elections	13,000	-	13,000
Administration	457,494	28,000	485,494
Financial Services	100,000	-	100,000
Facilities	77,000	12,000	89,000
Legal Services	16,000	-	16,000
Planning	34,550	-	34,550
	<u>739,906</u>	<u>40,000</u>	<u>779,906</u>
<u>Public Safety:</u>			
Police Services	582,690	73,375	656,065
Fire Protection	147,081	69,325	216,406
Jail Operations	30,400	-	30,400
Emergency Services	2,850	1,000	3,850
Ambulance Services	20,502	3,300	23,802
	<u>783,523</u>	<u>147,000</u>	<u>930,523</u>
<u>Public Works:</u>			
Payroll & Administration	516,321	2,000	518,321
Quarry & Rock Crushing	42,479	75,000	117,479
Cemetery	5,830	8,000	13,830
Tent City	8,250	12,500	20,750
Refuse Collection & Disposal	10,000	7,500	17,500
Road Maintenance	25,500	-	25,500
Storm Drainage	5,000	-	5,000
Snow & Ice Control	24,607	-	24,607
Street Cleaning	15,204	-	15,204
Traffic Control Devices	5,000	35,000	40,000
Structure & Dock Maintenance	500	-	500
Road & Street Construction	-	111,000	111,000
Building Inspection	32,465	-	32,465
	<u>691,156</u>	<u>251,000</u>	<u>942,156</u>
<u>Health &amp; Welfare:</u>			
Social Services	77,700	-	77,700
Health Facilities	17,100	-	17,100
Petersburg Hospital	225,000	-	225,000
	<u>319,800</u>	-	<u>319,800</u>
<u>Culture &amp; Recreation:</u>			
Library	92,800	8,000	100,800
Recreation Administration	78,125	-	78,125
Park Facilities	13,301	197,500	210,801
Swimming Pool	95,634	68,000	163,634
Old Gymnasium	45,365	12,000	57,365
Clausen Museum	22,152	18,405	40,557
	<u>347,377</u>	<u>303,905</u>	<u>651,282</u>
General Fund Totals, Carried Forward	<u>2,881,762</u>	<u>741,905</u>	<u>3,623,667</u>

\* Excludes Interfund Transactions

FY 85 Budget  
Expenditures by Activity and Type\*

	<u>Operations &amp; Maintenance</u>	<u>Capital Outlays</u>	<u>Totals</u>
Brought Forward	\$ 2,881,762	\$ 741,905	\$3,623,667
<b>SALES TAX FUND:</b>			
Union Street Improvements	-	100,000	100,000
Petersburg Public Schools	499,863	135,000	634,863
Sewer Plant Litigation Loan	-	225,000	225,000
Mitkof Highway Sewer Extension	-	350,000	350,000
<b>Debt Service:</b>			
School G.O. Bonds	835,015	-	835,015
Sewer Bonds	44,500	-	44,500
1984 G.O. Bonds	209,250	-	209,250
	<u>1,588,628</u>	<u>810,000</u>	<u>2,398,628</u>
<b>FEDERAL REVENUE SHARING FUND:</b>			
Scow Bay Road Improvements	-	<u>213,000</u>	<u>213,000</u>
<b>CAPITAL IMPROVEMENT FUNDS:</b>			
Hospital Construction	-	2,457,450	2,457,450
School Construction	-	4,457,968	4,457,968
Main Street Improvements	-	465,000	465,000
		<u>7,380,418</u>	<u>7,380,418</u>
<b>ENTERPRISE FUNDS:</b>			
Electric Utility	2,069,981	1,932,000	4,001,981
Water Utility	255,068	1,037,500	1,292,568
Sewer Utility	210,632	1,092,000	1,302,632
Small Boat Harbors	200,727	42,900	243,627
Port Facility	26,067	-	26,067
Elderly Housing	210,052	5,000	215,052
	<u>2,972,527</u>	<u>4,109,400</u>	<u>7,081,927</u>
Totals	<u>7,442,917</u>	<u>13,254,723</u>	<u>20,697,640</u>

\* Excludes interfund transactions

EXPENDITURES-BY FUNCTION

<u>Function</u>	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Revenue Sharing</u>	<u>Capital Improvements</u>	<u>Enterprise Funds</u>	<u>Totals</u>
General Government	779,906					779,906
Public Safety	930,523					930,523
Public Works	942,156	309,250	213,000	465,000		1,929,406
Health & Welfare	319,800			2,457,450	215,052	2,992,302
Culture & Recreation	651,282	1,469,878		4,457,968		6,579,128
Electric Utility					4,001,981	4,001,981
Water Utility					1,292,568	1,292,568
Sewer Utility		619,500			1,302,632	1,922,132
Port & Harbors					269,694	269,694
	<u>3,623,667</u>	<u>2,398,628</u>	<u>213,000</u>	<u>7,380,418</u>	<u>7,081,927</u>	<u>20,697,640</u>

Sources of Financing for the Budget:

Based upon the revenue assumptions described earlier in this report, the budget would be financed in the following ways:

State Sources	10,230,072	49.4
Federal Sources	747,293	3.6
Local Sources	7,071,985	34.2
Carry Forward	<u>2,648,290</u>	<u>12.8</u>
	<u>\$20,697,640</u>	<u>100.0</u>

The carry forward from the current fiscal year consists of undisbursed funds of federal and state grants which are restricted for specific capital improvement projects as well as unrestricted funds carried forward over several previous years from revenues in excess of expenditures.

Local funding resources to be derived over the next fiscal year consist of the following:

	<u>Amount</u>	<u>Percent</u>
Charges for Services	\$ 3,197,500	45.2
Taxes	1,468,000	20.8
G.O. Bonds Proceeds	1,350,000	19.1
Interest Earnings	<u>578,500</u>	8.2
Litigation Recoveries	220,000	3.1
Sales of Assets	115,245	1.6
Rentals & Leases	93,540	1.4
Miscellaneous	<u>49,200</u>	<u>0.6</u>
	<u>\$ 7,071,985</u>	<u>100.0</u>

Major Capital Improvement Projects:

This annual budget includes the capital projects suggested for completion or initiation in the next fiscal year. The Capital Improvement Program, submitted as a separate document, sets forth a recommended program for the construction of major capital projects for future years.

The major projects suggested for next fiscal year include:

Public Safety Building (Design Development) . . . . .	\$ 58,781
E Street Park Improvements . . . . .	180,000
Downtown Street Improvements . . . . .	225,000
Union Street Improvements . . . . .	100,000
Major School Repairs . . . . .	135,000
Scow Bay Road Improvements . . . . .	213,000
Hospital Construction . . . . .	2,457,450
High School Construction . . . . .	4,457,968
Main Street Improvements . . . . .	1,000,000
Electrical Distribution Systems . . . . .	1,280,000
New Water Storage Tank . . . . .	677,000
Mitkof Highway Sewer Extension . . . . .	700,000
301(h) Waiver Application . . . . .	60,000
Sewer Plant Litigation . . . . .	225,000
Joy Street Sewer Extension . . . . .	31,500
Sewer System Rehabilitation . . . . .	60,500

Comparative Data:

Comparative totals showing estimated revenues, recommended expenditures and estimated changes in fund balances or retained earnings are provided immediately following this budget summary in order to provide a complete understanding of the City's financial position and operations.

Note that the figures representing estimated fund balances and retained earnings include restricted assets required to be maintained in bond redemption and reserve accounts by provisions of bond covenants; assets restricted for accounts payable and accrued liabilities; customer deposits; as well as undisbursed funds of grants which may only be used for specified purposes. The estimated unreserved fund balances are shown on the line item budget computer print-outs submitted as a separate document.

MAJOR ISSUES:

1. Level of Property Taxation

Since 1981 the City has reduced its property tax rate in direct proportion to the level of increased financial assistance received from the State of Alaska. Local taxation over the last few years is shown on the following table.

PROPERTY TAX ASSESSMENTS AND RECEIPTS

<u>Year</u>	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Receipts</u>
1978	\$ 38,505,000	12.0	\$ 464,345
1979	56,006,000	14.0*	695,509
1980	61,184,000	12.0*	632,906
1981	75,196,000	3.0*	205,142
1982	77,270,000	2.0*	133,507
1983	101,731,520	3.4*	331,289
Estimate			
1984	105,374,694	4.0*	396,000

\* Areas of the City annexed after 1979 were taxed at a mill rate 50% less than the rate in effect for the rest of the City. After July 1, 1983, the areas without water or sewer were taxed at 80% of the rate in affect for the rest of the City.

Our intent, in lowering the tax levies, was to limit expectations for higher levels of municipal services when the City was flush with state shared revenues from oil production on the North Slope. But now the level of state shared revenue has been reduced and its time to reconsider an appropriate level of local taxation. Here is a summary of what's happened over recent years from primary sources of state assistance for unrestricted purposes in support of the City's General Fund.



	1984 <u>Estimate</u>	1983 <u>Actual</u>	1982 <u>Actual</u>
Corporate Income Tax			
Sharing from Oil	409,342	459,354	634,966
Revenue Sharing	432,212	511,148	421,951
State Aid for Roads	23,527	19,851	22,892
Raw Fish Tax	<u>366,276</u>	<u>330,262</u>	<u>387,004</u>
	<u>1,231,357</u>	<u>1,320,615</u>	<u>1,466,813</u>

Lowered property tax levies together with the reduction in assistance from the State are causing some serious problems for the General Fund. Practically all General Fund revenue for the next fiscal year will be devoted to operation and maintenance expenses. Even the revenue derived from City land sales is being consumed for these purposes. All capital outlays proposed within the General Fund for next fiscal year are being financed by interfund transfers from unreserved balances in the Sales Tax and Federal Revenue Sharing Funds.

This means the General Fund absolutely can not support any request for increased spending beyond the target amount budgeted. Likewise, it means that there will be very few dollars available for capital outlays in upcoming fiscal years.

The Council should seriously consider restoring the property tax levy to the level prevailing in 1979. This would be a rate of 7 mills in areas with full services and a rate of 5.6 mills in the newly annexed areas without water or sewer services. These rates would translate into a tax of about \$70 per \$10,000 of assessed valuation in the central part of the City. The rate in the Scow Bay area would be \$56 per \$10,000 of assessed value.

## 2. Utility Rates

Problems analogous to those described for the General Fund are also occurring in the Electric and Water Utility Funds. These operations are supposed to generate sufficient revenue to offset all expenses of operation, maintenance and debt service; fund reserves for replacement of plant and equipment; and support a reasonable capital improvement program. Neither fund is generating sufficient income to meet these objectives.

I will be making recommendations over the next few months to increase the revenue for both the electric and water utility operations.

## 3. Building Maintenance Department

It was suggested that I should resurrect the idea of establishing a building maintenance department in connection with this year's budget proposals. I proposed to initiate this concept last year, but the idea expired over jurisdictional problems in defining the relationship between the City directed operations and those of the School and the Hospital.

The department would consist of a small working staff of two persons experienced in the electrical and mechanical trades. The department would be responsible for the operation, maintenance, and repair of all buildings owned by the City, including the school and the hospital.

I've suggested that this department should be established as an internal service fund financed by interdepartmental charges against the fund which is responsible for the assets. The school and the hospital, however, are reluctant to give up control over the direction of these operations and the potential charges that may be made against their funds. They suggest that additional appropriations should be made for this purpose without a reduction in the level of appropriations allocated to their operating budgets.

I've been down this road before when the City assumed responsibility for the swimming pool and the old gym with the Park and Recreation Department. The net result was an increase in General Fund operation and maintenance expenditures (a contributing factor to current problems with this fund) without proportionate reductions in the level of City funding for the school.

The General Fund can not afford to assume responsibility for another activity without a proportionate increase in the property tax. Another alternative would be a direct reduction in the level of appropriations for school and hospital operations. These amounts would be transferred into the Building Maintenance Fund to support the cost of services rendered on the school and hospital buildings.

Estimated cost for the first year of operations would be about \$120,000. This cost could be shared on a one third basis between the City, the School and the Hospital for the first year. Thereafter, appropriations could be made based upon a cost reimbursement basis.

SUMMARY:

The proposals transmitted herewith represent a balanced budget wherein the proposed expenditures do not exceed available resources and anticipated revenues. After review and consideration, the Council may wish to cancel, modify, reschedule or add new items of expenditure.

If the Council desires to increase the proposed expenditures, then it will also be necessary to reduce another budget item which is not a fixed expenditure by an equivalent amount.

Respectfully submitted,



Richard Underkofler  
City Manager

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the year ended June 30

	<u>1985</u>	<u>1984</u>	<u>1983</u>
<u>Revenues:</u>	<u>Budget</u>	<u>Estimated</u>	<u>Actual</u>
<u>Local Sources:</u>			
Taxes	423,000	357,400	159,580
Licenses & Permits	8,100	8,100	10,427
Charges for Services	130,100	144,421	84,272
Fines & Forfeitures	11,100	11,100	10,505
Proceeds of General Assets	295,245	102,231	330,100
Miscellaneous	<u>108,500</u>	<u>110,500</u>	<u>133,039</u>
Total Local Sources	976,045	623,252	727,923
 <u>State and Federal Sources:</u>			
Shared Revenue	1,218,130	1,218,130	1,508,104
Operating Grants	377,394	360,870	55,217
Capital Grants	70,000	146,918	74,967
Licenses & Permits	-	-	10,550
Charges for Services	<u>112,600</u>	<u>102,300</u>	<u>81,946</u>
Total State & Federal	1,778,124	1,828,218	1,730,784
 Transfers from Other Funds	 <u>852,332</u>	 <u>645,784</u>	 <u>755,668</u>
Total Revenues	<u>3,606,501</u>	<u>3,097,254</u>	<u>3,214,375</u>
 <u>Expenditures:</u>			
General Government	779,906	750,626	448,981
Public Safety	930,523	750,020	830,125
Public Works	942,156	1,122,709	478,512
Health & Welfare	94,800	79,330	70,886
Culture & Recreation	631,130	602,706	134,147
Miscellaneous	-	-	439,484
Transfers to Other Funds	<u>245,152</u>	<u>541,421</u>	<u>794,391</u>
Total Expenditures	<u>3,623,667</u>	<u>3,846,812</u>	<u>3,196,526</u>
Excess of Revenues over (under) expenditures	(17,166)	(749,558)	17,849
Fund Balance, Beginning of Year	919,607	1,669,165	1,651,316
Fund Balance, End of Year	<u>902,441</u>	<u>919,607</u>	<u>1,669,165</u>

SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	For the year ended June 30		
	1985	1984	1983
	<u>Budget</u>	<u>Estimate</u>	<u>Actual</u>
Revenues:			
Taxes	\$ 1,045,000	\$ 1,161,000	\$ 1,170,855
State Grants	851,216	874,758	539,306
Interest Earnings	65,000	96,184	92,729
Transfers In		117,912	
Other			<u>42,616</u>
Total Revenues	1,961,216	2,249,854	1,845,507
Expenditures:			
General Governmental	52,500	50,450	45,571
Street Construction	325,000	260,000	301,695
School Construction	135,000	360,000	87,255
School Operations	499,863	397,435	470,526
School Debt Service	835,015	807,584	395,072
Sewer Plant Debt Service	44,500	45,000	22,750
Sewer Plant Litigation Loan	225,000	260,400	32,000
Sewer Construction	350,000		
84 G.O. Bond Debt Service	<u>209,250</u>		
Total Expenditures	2,676,128	2,180,869	1,354,872
Excess of revenues over (under) expenditures	(714,912)	68,985	490,635
Fund Balance, Beginning of Year	1,804,478	1,735,493	1,244,858
Fund Balance, End of Year	<u>1,089,566</u>	<u>1,804,478</u>	<u>1,735,493</u>

FEDERAL REVENUE SHARING FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	<u>For the year ended June 30</u>		
	1985	1984	1983
	<u>Budget</u>	<u>Estimate</u>	<u>Actual</u>
Revenues:			
Shared Revenue	205,000	228,260	258,754
Interest Earnings	<u>8,000</u>	<u>19,452</u>	<u>14,119</u>
Total Revenues	213,000	247,712	272,873
Expenditures:			
Capital Outlays	213,000	58,000	244,203
Transfers to General Fund	<u>350,000*</u>	<u>          </u>	<u>42,142</u>
Total Expenditures	563,000	58,000	286,345
Excess of revenues over (under) expenditures	(350,000)	189,712	(13,472)
Fund Balance, Beginning of Year	409,605	219,893	233,365
Fund Balance, End of Year	<u>59,605</u>	<u>409,605</u>	<u>219,893</u>

\* For Capital Expenditures in the General Fund:

General Administration . . . . .	\$ 40,000
Police Department . . . . .	73,375
Fire Department . . . . .	69,325
Emergency Services . . . . .	1,000
Ambulance Services . . . . .	3,300
Public Works . . . . .	57,500
Library . . . . .	8,000
Park & Recreation . . . . .	<u>97,500</u>
	<u>350,000</u>

HOSPITAL CONSTRUCTION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the year ended June 30

	<u>Totals</u>	<u>1985 Budget</u>	<u>1984 Estimate</u>	<u>1983 Actual</u>	<u>1982 Actual</u>	<u>1981 Actual</u>
<u>Revenues:</u>						
Grant #3-020	\$1,500,000		383,918	441,100	328,407	346,575
Grant #3-417	1,655,000		1,324,000	331,000		
Grant #7-553	6,000,000	1,650,000	3,150,000	1,200,000		
Interest Earnings	386,533	100,000	120,000	130,452	36,081	
Sale of Land & Buildings	<u>7,722</u>			<u>7,722</u>		
 Total Revenues	 <u>9,549,255</u>	 <u>1,750,000</u>	 <u>4,977,918</u>	 <u>2,110,274</u>	 <u>364,488</u>	 <u>346,575</u>
 <u>Expenditures:</u>						
Salaries & Wages	26,159	9,752	13,066	3,341		
Personnel Benefits	7,296	2,452	4,053	791		
Supplies	4,762	1,400	3,000	362		
Contracted Services & Expenses	1,121,520	174,428	296,544	332,208	295,664	22,676
Capital Outlays:						
Land	113,667			30,332	59,436	23,899
Buildings	6,297,764	1,609,418	4,616,346	72,000		
Other Improvements	72,500	60,000	12,500			
Machinery & Equipment	<u>1,087,349</u>	<u>600,000</u>	<u>370,000</u>	<u>117,349</u>		
 Total Expenditures	 8,731,017	 <u>2,457,450</u>	 <u>5,315,509</u>	 <u>556,383</u>	 <u>355,100</u>	 <u>46,575</u>
 Excess of Revenues over (under) Expenditures	 818,238	 (707,450)	 (337,591)	 1,553,891	 9,388	 -
 Fund Balance, Beginning of Year		1,525,688	1,863,279	309,388	300,000	
 Fund Balance, End of Year		818,238	1,525,688	1,863,279	309,000	300,000

RU: 5/3/84

SCHOOL CONSTRUCTION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the year ended June 30

	<u>Totals</u>	<u>1985 Budget</u>	<u>1984 Estimate</u>	<u>1983 Actual</u>	<u>1982 Actual</u>
<u>Revenues:</u>					
Federal Energy Grant	68,793	68,793			
Grant #1-281	2,100,000				
Grant #7-488	800,000	641,780	971,740	638,832	489,428
Grant #1-710	287,000	206,913	80,087	158,220	
Grant #03-83 (DOE)	600,850	150,212	300,425	150,213	
Grant #FY 85 (DOE)	3,500,000	3,500,000			
State Energy Grant	26,628	26,628			
FY 83 Bond Proceeds	2,772,322			2,772,322	
Recovery from Litigation	40,000	40,000			
Interest Earnings	<u>399,145</u>	<u>200,000</u>	<u>110,000</u>	<u>53,987</u>	<u>35,158</u>
Total Revenues	<u>10,594,738</u>	<u>4,834,326</u>	<u>1,462,252</u>	<u>3,773,574</u>	<u>524,586</u>
<u>Expenditures:</u>					
Salaries & Wages	62,063	48,123	13,066	874	
Personnel Benefits	15,820	11,581	4,053	186	
Supplies	4,862	2,000	2,500	362	
Other Services & Charges	1,363,364	550,064	438,400	281,135	93,765
Capital Outlays:					
Buildings	4,383,121	3,529,900	500,000	353,221	
Other Improvements	123,891	65,000	42,000	16,891	
Machinery & Equipment	<u>250,000</u>	<u>250,000</u>			
Total Expenditures	<u>6,203,121</u>	<u>4,456,668</u>	<u>1,000,019</u>	<u>652,669</u>	<u>93,765</u>
Excess of Revenues over (under) Expenditures	4,391,617	377,658	462,233	3,120,905	430,821
Fund Balance, Beginning of Year		4,013,959	3,551,726	430,821	
Fund Balance, End of Year		<u>4,391,617</u>	<u>4,013,959</u>	<u>3,551,726</u>	<u>430,821</u>

RU: 5/7/84

1984 BOND IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the year ended June 30

1985  
Budget

Revenues:

General Obligation Debt Proceeds	1,350,000
Interest Earnings	<u>9,000</u>
 Total Revenues	 <u><u>1,359,000</u></u>

Expenditures:

Bond Expenses	9,000
Non Participating Main	
Street Reimbursements to State	395,000
Main Street Cable TV Relocation	7,000
Main Street Phone Relocation	<u>63,000</u>
 Direct Disbursements	 <u>474,000</u>

Transfers to Other Funds:

Electric Utility Fund for	
Main Street Electrical	
Distribution Relocations	260,000
 Water Utility Fund for	
Main Street Water Upgrade	275,000
 Wastewater Utility Fund for	
Mitkof Highway Sewer Extension	<u>350,000</u>
 Total Transfers	 <u>885,000</u>

Total Expenditures 1,359,000

Excess of Revenues over  
(under) Expenditures \_\_\_\_\_

Fund Balance, Beginning of Year \_\_\_\_\_

Fund Balance, End of Year \_\_\_\_\_



DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the year ended June 30

	<u>1985</u>	<u>1984</u>	<u>1983</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Actual</u>
Interfund Transfers from Sales Tax Fund	\$ 1,044,625	\$ 807,584	\$ 394,980
Expenditures:			
1968 School Construction G.O. Bonds	103,400	103,050	107,550
1975 School Construction G.O. Bonds	286,320	289,760	287,430
1983 School Construction G.O. Bonds	445,295	437,095	
1984 Utility G.O. Bonds	<u>209,250</u>	_____	_____
Total Expenditures	1,044,625	829,905	394,980
Excess of interfund transfers over (under) expenditures	-	(22,321)	-
Fund Balance, Beginning of Year	_____	22,321*	_____
Fund Balance, End of Year	_____	_____	_____

\* Interest Proceeds from Bond Sale

ELECTRIC UTILITY FUND\*

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS\*\*

	For the year ended June 30		
	1985	1984	1983
	Budget	Estimate	Actual
<b>Operating Revenues:</b>			
Commercial Electric Sales	\$ 1,281,000	\$ 1,282,030	\$ 1,202,686
Residential Electric Sales	868,000	868,375	830,433
Fuel Adjustment Charges	233,000	233,750	624,317
Street Lighting	34,600	35,128	21,918
Total Operating Revenue	\$ 2,416,600	2,419,283	2,679,354
<b>Non Operating Revenues:</b>			
State Grants	876,906	549,247	605,380
Interest Earnings	48,000	56,420	67,816
Rent	7,000	7,536	6,966
Contract Work	12,300	3,000	119,199
Transfers from General Fund		121,000	87,000
Transfer from Utility Bond Fund	260,000		
Other Misc. Revenues	20,800	22,208	8,229
Total Non Operating Revenue	1,225,006	759,411	894,590
Total Revenues	3,641,606	3,178,694	3,573,944
<b>Operating Expenses:</b>			
Power Production	1,311,151	1,248,158	1,579,204
Power Distribution	160,613	93,210	81,667
General & Administrative	378,052	417,930	538,167
Total Operating Expenses	1,849,816	1,759,298	2,199,038
Debt Service	216,744	218,356	180,964
Capital Outlays	1,932,000	969,000	690,770
Total Expenditures	4,001,981	2,946,654	3,070,772
Excess of Revenues over (under) Expenditures	(360,375)	232,040	503,172
Retained Earnings, Beginning of Year	2,290,524	2,058,484	1,772,061
Retained Earnings End of Year	1,930,149	2,290,524	2,058,484

\* Assumes continued diesel production without Tye Power Purchases

\*\* Excludes depreciation expenses

WATER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE\*

	For the year ended June 30		
	<u>1985</u> <u>Budget</u>	<u>1984</u> <u>Estimated</u>	<u>1983</u> <u>Actual</u>
Operating Revenue:			
Water Sales	250,000	249,045	248,605
Non Operating Revenues:			
Federal Grants	338,500		
State Grants	338,500	32,000	67,327
Interest Earnings	8,000	10,925	13,107
Other Miscellaneous Income	8,100	8,579	13,750
Transfers from Other Funds	<u>275,000</u>		<u>86,456</u>
Total Non Operating Revenues	<u>968,100</u>	<u>51,504</u>	<u>180,640</u>
Total Revenues	<u>1,218,100</u>	<u>300,549</u>	<u>429,245</u>
Operating Expenses:			
Operations & Maintenance	171,868	178,826	138,625
General & Administrative	34,950	36,356	36,945
Debt Service	48,250	48,750	49,250
Transfers to Other Funds			<u>20,235</u>
Total Operating Expenses	255,068	263,932	245,055
Capital Outlays	1,037,500	86,738	98,025
Total Expenditures	1,292,568	350,670	343,080
Excess of Revenues over (under) Expenditures	(74,468)	(50,121)	86,165
Retained Earnings, Beginning of Year	456,211	506,332	423,747
Retained Earnings, End of Year	<u>381,743</u>	<u>456,211</u>	<u>506,332</u>

\* Excludes Depreciation

WASTEWATER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

	For the year ended June 30		
	<u>1985</u>	<u>1984</u>	<u>1983</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Actual</u>
Operating Revenue:			
Sewer Charges	187,000	189,949	182,595
Non Operating Revenue:			
Federal Grants			8,771
State Grants	121,000		1,205,066
Interest Earnings	14,000	13,084	56,447
Other Miscellaneous Income	3,800	5,433	1,245
Transfers from Other Funds	744,500	125,000	22,750
Interfund Loan from Sales Tax	<u>225,000</u>	<u>260,400</u>	<u>32,000</u>
Total Non Operating Revenue	1,108,300	403,917	1,326,279
Total Revenues	<u>1,295,300</u>	<u>593,866</u>	<u>1,508,874</u>
Operating Expenses:			
Operations and Maintenance	134,482	117,184	91,434
General & Administrative	31,650	33,654	51,997
Debt Service	44,500	45,000	45,500
Transfers to Other Funds	<u>-</u>	<u>-</u>	<u>20,235</u>
Total Operating Expenses	210,632	195,838	209,166
Capital Outlays	<u>1,092,000</u>	<u>519,792</u>	<u>1,155,687</u>
Total Expenditures	1,302,632	715,630	1,364,853
Excess of Revenues over (under) Expenditures	(7,332)	(121,764)	144,021
Retained Earnings, Beginning of Year	160,016	281,780	
Retained Earnings, End of Year	<u>152,684</u>	<u>160,016</u>	<u>281,780</u>

SMALL BOAT HARBOR FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS\*

	<u>For the year ended</u>		
	<u>1985</u> <u>Budget</u>	<u>1984</u> <u>Estimate</u>	<u>1983</u> <u>Actual</u>
Operating Revenue:			
Small Boat Harbor Charges	<u>198,000</u>	<u>165,720</u>	<u>146,097</u>
Non Operating Revenues:			
State Grants		60,000	
Interest Earnings	8,000	10,000	8,949
Rental Income	2,400		
Other Miscellaneous Income	400		
Transfers from General Fund		<u>200,000</u>	<u>50,000</u>
Total Non Operating Revenue	<u>10,800</u>	<u>270,000</u>	<u>58,949</u>
Total Revenues	<u>208,800</u>	<u>435,720</u>	<u>205,046</u>
Operating Expenses:			
Operations and Maintenance	191,147	133,061	127,219
General & Administrative	<u>9,560</u>	<u>6,755</u>	<u>10,464</u>
Total Operating Expenses	200,707	139,816	137,683
Capital Outlays	<u>42,900</u>	<u>305,000</u>	<u>10,976</u>
Total Expenditures	243,607	444,816	148,659
Excess of Revenues over (under) Expenditures	(34,807)	(9,096)	56,387
Retained Earnings, Beginning of Year	106,699	115,795	48,432
Retained Earnings, End of Year	<u>71,892</u>	<u>106,699</u>	<u>115,795</u>

\* Excludes Depreciation

PORT FACILITIES FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the year ended June 30

	<u>1985</u>	<u>1984</u>	<u>1983</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Actual</u>
<b>Revenues:</b>			
Harbor & Port Charges	\$ 4,800	\$ 5,000	\$ 4,813
Interest Earnings	1,500	3,000	286
Lease Income	20,000	16,733	14,895
Transfer from General Fund			19,000
Transfer from 83 Per Capita Grant		360,000	40,000
Other	<u>100</u>	<u>4,486</u>	<u>          </u>
Total Revenues	26,400	389,219	78,995
<b>Expenditures:</b>			
Salaries & Wages	4,469	3,087	
Personnel Benefits	983	571	48
Contracted Services	8,238	3,700	5,678
Capital Outlays		394,198	5,802
Debt Service	<u>12,677</u>	<u>13,443</u>	<u>14,207</u>
Total Expenditures	26,067	414,999	25,736
Excess of revenues over (under) expenses	333	(25,780)	53,259
Retained Earnings, Beginning of Year	57,982	83,762	30,503
Retained Earnings, End of Year	<u>58,315</u>	<u>57,982</u>	<u>83,762</u>

ELDERLY HOUSING FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS\*

	For the year ended June 30		
	<u>1985</u> <u>Budget</u>	<u>1984</u> <u>Estimate</u>	<u>1983</u> <u>Actual</u>
Operating Revenues:			
Rental Income	67,140	79,948	63,398
Federal Rent Subsidies	135,000	112,067	118,593
Total Operating Revenue	<u>202,140</u>	<u>192,015</u>	<u>181,991</u>
Non Operating Revenue:			
Interest Earnings	17,000	19,069	10,526
Other Miscellaneous Income	4,000	4,043	3,676
Transfers from Other Funds			226,000
Total Non Operating Revenue	<u>21,000</u>	<u>23,112</u>	<u>240,202</u>
Total Revenues	<u>223,140</u>	<u>215,127</u>	<u>422,193</u>
Operating Expenses:			
Operations and Maintenance	54,600	50,750	34,487
General and Administrative	40,168	38,279	37,599
Debt Service	115,284	115,284	105,807
Total Operating Expenses	210,052	204,313	177,893
Capital Outlays	<u>5,000</u>	-	-
Total Expenditures	215,052	204,313	177,893
Excess of Revenues over (under) Expenditures	8,088	10,814	244,300
Retained Earnings, Beginning of Year	202,309	191,495	-----
Retained Earnings, End of Year	<u>210,397</u>	<u>202,309</u>	<u>191,495</u>

\*Excludes Depreciation

MOTOR POOL SERVICE FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	For the year ended June 30		
	1985	1984	1983
	<u>Budget</u>	<u>Estimate</u>	<u>Actual</u>
<b>Revenues:</b>			
Equipment Rentals - In House	\$ 366,855	\$ 394,908	\$ 673,545
Equipment Rentals - Outside	5,000	12,000	
Interest Earnings	46,700	40,000	8,716
Transfer from General Fund			26,000
Other Miscellaneous	<u>5,000</u>	<u>4,692</u>	<u>50</u>
Total Revenues	371,855	451,600	708,312
<b>Expenses:</b>			
Salaries & Wages	82,779	68,987	71,117
Personnel Benefits	27,304	25,450	22,111
Supplies	90,700	76,500	110,667
Contracted Services	58,222	50,000	59,383
Capital Outlays	<u>50,250</u>	<u>38,500</u>	<u>1,312</u>
Total Expenses	309,255	259,437	264,592
Excess of revenues over (under) expenses	62,600	192,163	443,720
Retained Earnings, Beginning of Year	630,093	437,930	*
Retained Earnings, End of Year	<u>692,693</u>	<u>630,093</u>	<u>437,930</u>

\* Fund established in FY 82/83