

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-12

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING THE COUNCIL'S GOALS FOR THE FY19 BUDGET

WHEREAS, budget guidelines help to ensure that the budget is prepared in a manner consistent with City Council desires; and

WHEREAS, the City Council has discussed and selected the attached set of budget goals for FY19; and

WHEREAS, management will utilize the adopted goals as guidelines when developing the FY19 budget.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council adopts the attached goals as a guideline for developing the FY19 budget.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on February 13, 2018.



Dennis Robinson
Vice Mayor

ATTEST:



R. Winters
Acting City Clerk



UNALASKA CITY COUNCIL FY19 BUDGET GOALS

Personnel

Any proposed increase to the total number of full-time equivalent (FTE) positions will be fully evaluated and justified during the budget approval work sessions.

General Fund Surplus/Deficit

The General Fund operations will be budgeted without a deficit. The Council may appropriate additional funds from surplus to cover costs of capital projects.

Proprietary Funding

Staff will continue to seek ways to balance budgets in the proprietary funds.

Operating Expenses

The City Manager's proposed FY19 General Fund budget shall not increase more than 3 percent for non-personnel expenditures.

The total amount available to fund the Community Support Program grants will continue to follow the formula of up to 3.4642% of the five-year average revenue for the General Fund and up to all of the Bed Tax Fund balance for the most recently completed fiscal year. (Revenues do not include Other Financing Sources.)

City management shall continue to examine ways to reduce expenditures without significantly impacting the level and quality of services to the public.

City management shall continue to examine ways to reduce inventory without significantly impacting the level and quality of services to the public.

Capital Projects

New capital assets or maintenance of existing capital assets will be limited to projects approved by Council in the CMMP, which will include projects that are mandated or required by statute, projects that maintain our existing infrastructure, projects that address life, safety, or health issues, and projects that support the economic development of Unalaska.

The replacement and maintenance plans for all existing capital assets will be reviewed annually. The vehicle and heavy equipment fleet requirements will be reviewed annually and reduced where appropriate without significantly impacting services provided to the public.

Revenues

Proprietary Fund rate studies will be completed every three years and presented to council. The mil rate will be reviewed annually to establish an appropriate mil rate to maintain infrastructure and operations.

Debt Service

The City will not incur new debt without appropriate analysis to show impacts to rates or taxpayers, and will not incur new debt unless the capital asset is eligible for a debt reimbursement program; is mandated by State or Federal government; or is needed to address life, safety or health issues. The City may incur debt for its Proprietary Funds provided there is a documented plan to pay the debt through rate adjustments.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, Assistant City Manager
Through: Nancy Peterson, City Manager
Date: February 13, 2018
Re: Resolution 2018-12, A Resolution of the Unalaska City Council approving the Council's goals for the FY19 budget

SUMMARY: This memo provides information regarding recommended FY19 Budget Goals. The FY19 Budget Goals are attached and will be utilized to help direct the preparation of the budget once approved. Resolution 2018-12 formally adopts these budget goals. Staff recommends approval.

PREVIOUS COUNCIL ACTION: The City Council has reviewed budget goals at the beginning of each budget cycle since about 2002. The City Council considered the FY19 Budget goals during a work session at the January 23, 2018 Council meeting and reached general consensus regarding minor updates from the FY18 goals.

BACKGROUND: Much of what we do as a municipal government is legislatively or code driven. City staff will continue seek ways to perform our service to the community more efficiently in an effort to reduce costs and increase our effectiveness.

DISCUSSION: The City Council Goals for the FY19 Budget are attached. Staff addressed the following key points on various issues impacting the budget goals on January 23rd:

Personnel: Staff anticipates requesting one additional fulltime position and funding for miscellaneous part time roles. The anticipated increase in full time equivalent (FTE) in the FY19 budget is described below.

In FY18, Council authorized a total of 166.13 full time equivalent (FTE) employees, but this total did not include the Natural Resource Analyst and the Building Inspector that were identified as authorized but unfunded positions. The Medium Equipment Operator – Temp was inadvertently left out of the FY18 budget and the authorized total FTE count, as it had been included in previous years.

The number of FTE authorizations being considered by Administration at this time will increase the total by 4.06 to 170.19 in FY19. There are 156 full-time permanent positions (156 FTE), 29 part-time positions (6.69 FTE), and 11 temporary or seasonal positions (5.5 FTE) to be being proposed for FY19. Additionally, there are 2 pending positions (2 FTE) that are not being included in the budget but will be included in the number of authorized positions.

This proposed total FTE includes the authorized and unbudgeted Natural Resource Analyst (1 FTE) and the Building Inspector (1 FTE) as well as the now budgeted Medium Equipment Operator – Temp (.50 FTE).

This total also includes the 5 Planning Commissioners (.012 FTE per Commissioner = 0.06 FTE), who are now getting paid \$100 per meeting as a result of the recent Title 2 changes. Funding for these positions is included in the Planning Department's Personnel budget for FY19.

Funding is being proposed for an additional full time permanent Solid Waste Operator 1 (1.00 FTE), and is included in the proposed FTE total for FY19. Landfill operations and regulations are steadily expanding, yet the Solid Waste Division continues to function, since FY98, with only four full time permanent employees and one seasonal temporary employee. This leaves little other option than consistent overtime in order to maintain operations and stay in compliance with the terms of our operating permits, which is further increased when leave time is required due to vacations or medical needs. Although an analysis of the Solid Waste operations indicates a need for two full time Solid Waste Operators, only one is being considered at this time.

Funding is being considered in the budget to support a 0.50 FTE of Student Aide assistance in Planning. This will reduce the funding required in the non-personnel operational budget as the tasks associated with this position are related to special projects that would have otherwise been accomplished by a more costly external consultant. No benefits are offered to temporary employees, such as the Student Aide.

Administration will have a more detailed discussion with the Council during the budget presentation regarding approval for these proposed positions.

General Fund Surplus/Deficit: While projected revenues are down, we anticipate the ability to once again have a budgeted surplus in FY19.

Proprietary Funds: City owned housing is used as an incentive for recruitment and retention, therefore, while we conservatively budget operations and renovations, a gap in funding will continue. In addition, the cost to operate the Airport continues to increase faster than the revenue gains.

Operating Expenses: Although the goal is set at a maximum increase of 3% for non-personnel expenses, the Directors will prepare their proposed budgets understanding any non-personnel increases will have to be justified and evaluated to ensure that the level and quality of services to the public is maintained or improved.

Capital Projects: The CMMP is currently being developed. A presentation of the draft projects, with a special focus on FY19, is planned for the February 13 Council Work Session.

Revenues: Projected revenues for the Proprietary Funds will be presented along with the draft budget later in the budgeting process. Rate studies for Water, Wastewater and

Solid Waste were completed in FY17 and a rate study for Electrical was completed in FY16. Adjustments have been made accordingly and with Council approval. Port related tariffs and fees were evaluated in FY17, with Council approved adjustments made in July and August of 2017.

Projected revenues for the General funds for FY19 will be presented on January 23, 2018. We anticipate this to be similar to last year's, but a slight decrease is anticipated. No change to the mil rate is recommended at this time.

Debt Service: As Council is aware, the City has incurred debt in the Ports Fund for the UMC, Positions 3 and 4 Project.

ALTERNATIVES: Various alternatives exist. As Staff traverses the budget process we will seek ways to perform our work more efficiently in an effort to reduce costs and increase our effectiveness.

FINANCIAL IMPLICATIONS: Financial implications will be brought forward during the budget presentations.

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends the approval of the FY19 Budget Goals through Resolution 2018-12.