

CITY OF UNALASKA  
UNALASKA, ALASKA

RESOLUTION 2020-06

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING THE COUNCIL'S GOALS FOR THE FY21 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 budget goals for FY21; and

WHEREAS, management will utilize the adopted goals as guidelines when developing the FY21 budget.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council adopts the attached goals as a guideline for developing the FY21 budget.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on January 28, 2020.

  
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Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

  
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Marjie Veeder, CMC  
City Clerk



## **UNALASKA CITY COUNCIL FY21 BUDGET GOALS**

### **Personnel Goals**

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 FY21 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 follow the formula of up to 3.50% 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.

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Jim Sharpe, Interim Finance Director  
Through: Erin Reinders, City Manager  
Date: January 28, 2020  
Re: Resolution 2020-06 approving the Council's Goals for the FY21 Budget

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**SUMMARY:** This memo provides information regarding recommended FY21 Budget Goals, which are attached to the resolution. The Budget Goals utilized to help direct the preparation of the budget. Staff recommends approval.

**PREVIOUS COUNCIL ACTION:** The City Council has reviewed budget goals at the beginning of each budget cycle since about 2002. Council considered the FY21 Budget goals at their January 14, 2020 work session.

**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 FY21 Budget Year are attached to the resolution. Key points on various issues impacting the budget goals are provided below:

***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. The FY20 budget includes 163 full time personnel and 40 part-time positions (11.96 FTE) resulting in a total of 174.96.

***General Fund Surplus/Deficit:*** Staff anticipates the General Fund will operate at a surplus in FY21.

***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, Airport operating costs continue to increase at a greater rate than revenues.

***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 FY21, is planned for the January 28, 2020 Council

Work Session.

**Revenues:** Projected revenues for the Propriety 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 FY21 General Fund revenues will be presented on January 14, 2020. We anticipate this to show a small increase from FY20. 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 completes the budget process we will seek ways to perform our work more efficiently in an effort to reduce costs and increase effectiveness.

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

**LEGAL:** None.

**STAFF RECOMMENDATION:** Staff recommends approval.

**PROPOSED MOTION:** I move to adopt Resolution 2020-06.

**CITY MANAGER COMMENT:** I agree with the Staff Recommendation.