

## Manager Report

Regular City Council Meeting

January 24, 2023

Interim Manager Chris Hladick

1. **Makushin Project:** OCCP has signed a contract with Ormat for the construction of the project. They would not receive a notice to proceed until financing is secured.
2. **State Priorities:** CAPSIS will be updated in a timely fashion.
3. **Budget:** This evening we will be discussing revenue and expenditure projections for the coming fiscal year. Clay Darnell is working on the Power Point presentation for revenue projections and will be presenting.

Frank Kelty has provided fishery tax projections. The budget revenues have remained healthy because of the cost for a barrel of oil has been high. When fuel prices are high the city receives more sales tax revenue. Tax revenue for crab fishing is down but sales tax due to fuel costs is up. This is always a crap shoot to predict the price of oil for the coming year.

Our assessor indicates we can expect the assessed values of taxable property to be roughly the same as last year, with the only big addition being the value of GCI's fiber optic cable in the ground. The assessor expects to have that valuation completed by the end of January.

We also need to understand if there will be any changes to the school's funding request for the coming year.

From this discussion a list of questions will be generated for council regarding the budget goals for the upcoming year. A copy of last year's budget goals is enclosed for your review. The questions are the same as last year.

4. **Capital Projects Update:** There will be a capital projects update for this meeting outlining the disposition of our projects. The changes from when I was here in 2015 looks like we are much heavier on major maintenance than new projects.
5. **CMMP:** This will be a high level discussion on the process and what we can expect for the coming year. A major emphasis will be placed on answering the question "how are we going to pay for this". We will not have final answers but you will be introduced to the size of the challenge before us.
6. **Legislative Session:** The session is upon us. As you may know the House struggled to organize but has pretty much completed the process. Cathy Tilton from the Valley will be speaker of the house. I am sure that Diane Blummer will provide an update on the process in her monthly report. I think it is going to be a lean year at the State level; however, there is funding at the Federal level. It is unknown right now if there will be congressionally directed spending. We will be following closely.