

Proposed Budget Amendments since City Council work session of October 3, 2017

Following the final Council budget work session, and based on Council input, the following potential budget adjustments are available for consideration:

- Increased General Fund expenses \$10,000 (increased Seward Senior Center funding) (see "A")
- Recommend reducing General Fund Transfers-Out to SMIC (and corresponding SMIC Transfers-In) by \$98,008 each year. Instead, increase one-time grant administrative fee revenue \$98,008 each year utilizing SMIC administrative fees from the SMIC Expansion Project, earmarked for SMIC-related capital, to pay the debt service payments for 330-ton boat lift. (see "C") The result will be a balanced SMIC Budget and will free up \$98,008 in General Fund resources each of the two years. This will leave a remaining balance of admin fees for capital purposes of \$179,747.63.
- Restoring two custodial positions (see "B")
Increase in 2018 budget = \$132,780 Increase in 2019 budget = \$178,300
- Utilize 10% of CPV Funding for roads and streets, library, police security, etc. pending outcome of cruise ship impact study. (see "D")
2018 transfers = \$44,717 (10% of 2015 CPV); 2019 transfers = \$45,875 (10% of 2016 CPV)

Assuming the above changes are made, ending General Fund use of general fund reserves to balance the budget is \$58,197 in 2018 and \$75,047 in 2019.

Revisions since 10/3/17

GENERAL FUND
Budgeted Statement of Revenues, Expenditures, Other Financing
Sources (Uses) and Changes in Fund Balance
For Fiscal Year 2018 and 2019

	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2017 - 2018 % Change	2018 - 2019 % Change
Revenue:						
Taxes	6,755,942	6,659,984	6,871,300	6,922,900	3.2%	0.8%
Licenses and Permits	158,174	183,792	148,450	144,450	-19.2%	-2.7%
Intergovernmental	1,092,998	979,683	741,560	741,560	-24.3%	0.0%
Charges for Services	2,930,980	2,918,292	2,972,437	3,011,839	1.9%	1.3%
Fines and Bails	18,365	11,004	17,000	17,000	54.5%	0.0%
Interest	10,354	25,500	31,000	31,000	21.6%	0.0%
Miscellaneous	72,476	15,204	17,300	17,800	13.8%	2.9%
Total Revenue:	\$11,039,289	\$10,793,459	\$10,799,047	\$10,886,549	0.1%	0.8%
Expenditures:						
General Government	3,140,631	3,176,119	A 3,119,957	A 3,122,778	-1.8%	0.1%
Public Safety	3,382,604	3,671,259	3,788,563	3,822,923	3.2%	0.9%
Public Works	1,367,219	1,485,383	B 1,405,438	B 1,374,506	-5.4%	-2.2%
Parks and Recreation	1,286,630	1,391,122	1,480,092	1,524,660	6.4%	3.0%
Library	543,121	630,495	641,685	645,633	1.8%	0.6%
Debt Service	838,409	1,231,187	1,104,065	1,159,935	-10.3%	5.1%
Total Expenditures:	\$10,558,614	\$11,585,565	\$11,539,800	\$11,650,435	-0.4%	1.0%
Excess of revenues over expenditures	\$480,675	-\$792,106	-\$740,753	-\$763,886	-6.5%	3.1%
Other financing sources (uses):						
Operating transfers (to) other funds	-2,271,590	-1,366,613	C -1,611,639	C -1,412,667	17.9%	-12.3%
Operating transfers from other funds	1,978,698	2,017,818	D 2,082,623	D 2,101,506	3.2%	0.9%
Net other financing sources (uses)	-292,892	651,205	470,984	688,839	-27.7%	46.3%
Annual surplus (deficit)	\$187,783	-\$140,901	-\$269,769	-\$75,047	91.5%	100.0%
Fund balance at beginning of year	7,769,717	7,957,498	7,816,597	7,546,828	-1.8%	-3.5%
Fund balance at end of year						
Non-spendable:						
Inventory, Prepaids, Unrealized gains	622,337	300,000	300,000	300,000	0.0%	0.0%
Restricted:	0	0	0	0	0.0%	0.0%
Committed:						
Working Capital	1,500,000	1,500,000	1,500,000	1,500,000	0.0%	0.0%
Insurance Reserves	126,418	126,418	126,418	126,418	0.0%	0.0%
Hospital Cash Flow	500,000	500,000	500,000	500,000	0.0%	0.0%
Assigned:	335,280	335,280	335,280	335,280	0.0%	0.0%
Unassigned:	4,873,463	5,054,899	4,785,130	4,710,083	-5.3%	-1.6%
Total Fund Balance	\$7,957,498 *	\$7,816,597	\$7,546,828	\$7,471,781	-3.5%	-1.0%

* Ties to Comprehensive Annual Financial Report

Revisions since 10/3/17

GENERAL FUND
Budgeted Expenditure Totals by Department
For 2018 and 2019

DEPARTMENT	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2017 - 2018 % Chg	2018 - 2019 % Chg *
General Government:						
Mayor/Council	360,408	383,640	403,968	386,468	5.3%	-4.3% (1)
Legislative	40,226	40,968	36,864	37,555	-10.0%	1.9%
Legal	66,597	86,496	80,000	80,000	-7.5%	0.0%
City Clerk	293,596	311,335	309,540	311,082	-0.6%	0.5% (2)
City Manager	341,275	356,631	376,425	378,767	5.6%	0.6%
MIS	347,045	341,100	356,491	360,655	4.5%	1.2%
Community Development	291,593	300,144	289,669	285,971	-3.5%	-1.3% (3)
Finance	981,132	1,012,977	1,020,777	1,035,757	0.8%	1.5% (4)
General Services	107,768	35,328	-96,700	-96,400	-373.7%	-0.3% (5)
Contributions	310,991	307,500	A 342,923	A 342,923	11.5%	0.0% (6)
Total General Government	\$3,140,631	\$3,176,119	\$3,119,957	\$3,122,778	-1.8%	0.1%
Public Safety:						
Police	1,937,553	2,064,761	2,151,364	2,163,140	4.2%	0.5% (7)
Jail	649,161	752,741	676,843	685,922	-10.1%	1.3% (8)
Animal Control	120,189	148,067	135,487	135,178	-8.5%	-0.2%
Fire	536,637	557,719	675,863	688,351	21.2%	1.8% (9)
Building Inspection	139,064	147,971	149,006	150,332	0.7%	0.9%
Total Public Safety	\$3,382,604	\$3,671,259	\$3,788,563	\$3,822,923	3.2%	0.9%
Public Works:						
Roads and Streets	723,345	698,451	688,134	701,943	-1.5%	2.0% (10)
City Shop	328,935	344,886	315,394	251,938	-8.6%	-20.1% (11)
Municipal Buildings	314,939	442,046	B 401,910	B 420,625	-9.1%	4.7% (12)
Total Public Works	\$1,367,219	\$1,485,383	\$1,405,438	\$1,374,506	-5.4%	-2.2%
Parks and Recreation						
Parks, Campgrounds, Cemetery	704,216	726,911	781,406	795,836	7.5%	1.8% (13) (15)
Sports and Recreation	245,224	323,008	322,389	339,947	-0.2%	5.4% (16)
Teen and Youth Center, Rec Room	337,190	341,203	376,297	388,876	10.3%	3.3% (17)
Total Parks & Recreation	\$1,286,630	\$1,391,122	\$1,480,092	\$1,524,660	6.4%	3.0%
Library	\$543,121	\$630,495	\$641,685	\$645,633	1.8%	0.6%
Debt Service	\$838,409	\$1,231,187	\$1,104,065	\$1,159,935	-10.3%	5.1% (18)
TOTALS:	\$10,558,614	\$11,585,565	\$11,539,800	\$11,650,435	-0.4%	1.0%

* See Footnotes

Denotes budget reductions made since original budget distributed.

Including - Sister City, CM communications, correct some workers' comp rates, remove seasonal money counters, correct error in budgeted hours, correct allocation of P&R office assistant, etc. Changes made since final budget work session. Add back \$10K Senior Center. Add back two janitorial positions in public works.

Revisions since 10/3/17

GENERAL FUND
Budgeted Interfund Transfers
Fiscal Year 2018 and 2019

	2018		2019	
	Transfers- In	Transfers- Out	Transfers- In	Transfers- Out
TRANSFERS FROM OTHER FUNDS:				
Small Boat Harbor Enterprise Fund:				
One-half of land rents and leases	182,358		182,358	
Federal and State lobbying	17,920		17,920	
Payment-in-Lieu-of-Tax	189,558		189,092	
Seward Marine Industrial Center Enterprise Fund:				
One-half of land rents and leases	89,873		89,873	
Payment-in-Lieu-of-Tax	27,396		26,036	
Parking Enterprise Fund Payment-in-Lieu-of-Tax	25,012		25,732	
Electric Enterprise Fund:				
Federal and State lobbying	40,319		40,319	
Payment-in-Lieu-of-Tax	913,040		931,794	
Electric line general operating permit fee	300,000		300,000	
Water Enterprise Fund:				
Federal and State lobbying	5,973		5,973	
Payment-in-Lieu-of-Tax	110,660		108,569	
Wastewater Enterprise Fund:				
Federal and State lobbying	5,973		5,973	
Payment-in-Lieu-of-Tax	93,924		95,427	
Lowell Pt. Sewer Lagoon loan repayment to Cap Fund (a)	0		0	
Commercial Vessel Tax Fund - Cruise Tax for SVAC:	20,000		20,000	
Commercial Vessel Tax Fund - Cruise Tax for Fire:	20,000		20,000	
Commercial Vessel Tax Fund - Cruise Tax for Roads, Library, etc.	D 44,717		D 45,875	
TOTAL TRANSFERS IN:	<u>\$2,086,722</u>		<u>\$2,104,941</u>	
TRANSFERS TO OTHER FUNDS:				
Hospital Debt Service Fund		1,250,000		1,262,500
SMIC Enterprise Fund - cash deficit		C 322,439		C 102,567
Electric Enterprise Fund - loan repayment (b)		0		0
Sewer Enterprise Fund - RV dump		14,000		14,000
ASLC Utility Subsidy to Electric Fund (30%/40% of PILT)		25,200		33,600
Capital Acquisition Fund (equal to Sewer loan repayment) (a)		0		0
Capital Acquisition Fund (equal to State Revenue Sharing)		0		0
TOTAL TRANSFERS OUT:		<u>\$1,611,639</u>		<u>\$1,412,667</u>
NET TRANSFERS:		<u>\$475,083</u>		<u>\$692,274</u>

Revisions since 10/31/17

SMIC ENTERPRISE FUND
Budgeted Statement of Revenues and Expenses
and Change in Net Position
For Fiscal Year 2018 and 2019

	2016 Actual *	2017 Budget	2018 Budget	2019 Budget
Operating revenue:				
Moorage	23,573	3,000	13,000	11,000
Wharfage	10,996	6,252	6,250	6,250
Boat Lift Fees	163,286	140,004	140,941	140,000
Storage	96,362	114,996	115,000	115,000
Power Sales	145,029	40,956	59,000	41,000
Rents and Leases	161,274	152,700	179,745	179,745
Miscellaneous	8,289	12,192	C 107,208	C 110,208
Total operating revenue:	\$608,809	\$470,100	\$621,144	\$603,203
Operating expense before depreciation:				
Salaries & Benefits	101,548	75,444	96,459	97,405
Purchased Services	104,360	80,424	91,026	80,400
Power for Resale	153,550	29,124	49,000	28,500
Supplies and Maintenance	24,351	53,496	51,500	57,500
General and Administrative	203,233	203,952	228,749	227,398
Total operating expense:	\$587,042	\$442,440	\$516,734	\$491,203
Operating income before depreciation	21,767	27,660	104,410	112,000
Depreciation	755,466	1,140,264	1,018,409	1,017,898
Operating loss	(733,699)	(1,112,604)	(913,999)	(905,898)
Non-operating revenue (expense)				
Investment income and other	0	0	0	0
Interest expense	0	0	0	0
Total non-operating revenue (expense)	0	0	0	0
Income (loss) before contributions & transfers	(733,699)	(1,112,604)	(913,999)	(905,898)
Transfers in	165,750	172,033	C 322,439	C 102,567
Capital contributions	0	0	0	0
Transfers out	(124,919)	(101,746)	(117,269)	(115,909)
Change in net position	(\$692,868)	(\$1,042,317)	(\$708,829)	(\$919,240)
Beginning net position	\$37,205,235	\$36,512,367	\$35,470,050	\$34,761,221
Ending net position	\$36,512,367 *	\$35,470,050	\$34,761,221	\$33,841,981

* Ties to annual Comprehensive Annual Financial Report

Of total depreciation expense, the following amounts were attributable to capital assets funded with capital contributions:

(a) \$501,230 or 66%; (b) \$1,017,528 or 89%; (c) \$767,846 or 75%; (d) \$505,980 or 50%

Changes since final budget work session; + \$98,008 Project Admin revenue; Reduced T/F-In of \$98,008 from General Fund.

Revisions since 10/3/17

SMIC ENTERPRISE FUND
Budgeted Statement of Cash Flow
For Fiscal Year 2018 and 2019

	<u>2017</u> Budget	<u>2018</u> Budget	<u>2019</u> Budget
Beginning Cash Balance at I/I/I7 *:	-\$211,515		
Cash is provided by (used for):			
Change in Net Position	(1,042,317)	(708,829)	(919,240)
Other Uses - Debt Principal	-98,004	-98,008	-98,008
Add expense items not affecting cash			
Depreciation	1,140,264	1,018,409	1,017,898
Net increase (decrease) in cash	<u>(57)</u>	<u>211,572</u>	<u>649</u>
Estimated ending cash balance:	<u><u>-\$211,572</u></u>	<u><u>\$0</u></u>	<u><u>\$649</u></u>

* Ties to CAFR

Revisions since 10/3/17

CITY OF SEWARD
S.M.I.C. ENTERPRISE FUND
Budgeted Interfund Transfers
Fiscal Year 2018 and 2019

	2018		2019	
	Transfers- In	Transfers- Out	Transfers- In	Transfers- Out
General Fund - to cover SMIC deficit	<i>C</i> 322,439		<i>C</i> 102,567	
General Fund:				
One-half of land rents and leases		89,873		89,873
Payments-in-Lieu-of-Tax		27,396		26,036
	<u>\$322,439</u>	<u>\$117,269</u>	<u>\$102,567</u>	<u>\$115,909</u>

T/F-In from GF reduced \$98,008 each year. SMIC will utilize one-time Project Admin grant monies to make this prmt in 2018 and 2019.