

City of Seward

2018/2019 Biennial Budget Part 2



Fire Department – Fire, Volunteers, SVAC, Emergency Preparedness; Building Inspection; Library

Healthcare and Seward Mountain Haven Enterprise Funds
Electric Fund
Motor Pool Fund

Budget Calendar



- ❑ September 27: General Fund Part 1, Harbor, SMIC, Parking
- ❑ October 2: General Fund Part 2 (Fire, Building Inspection, Library); Healthcare (CHC, Hospital, SMH); Electric, Motor Pool
- ❑ October 3: Public Works, Municipal Buildings, Water, Wastewater, Capital Improvement Plan and Council direction to administration
- ❑ October 23: First Public hearing on budget
- ❑ November 13: Second Public hearing and adoption of budget (alternate dates Nov. 27 or Dec. 11)



Follow-up from 9/27 work session – additional cost savings

- ❑ Reduced city manager communications (\$1K)
- ❑ Reduced Sister City program (\$10K)
- ❑ Reduced some workers' comp due to code assignment (\$3,528)
- ❑ Removed seasonal \$ counters P&R, shifted office asst. position (\$16,785)
- ❑ Reallocated office asst. position among P&R divisions
- ❑ Reduced finance personnel (\$12,080)
- ❑ Increased PILT from wastewater fund to general fund (\$4,100)



Follow-up from 9/27 work session – cont'd

- ❑ General Services 2016 expense \$61,838 was asbestos abatement/demo City Hall
- ❑ YTD city manager communications visible in newly added 9/30/17 column
- ❑ Shoulder season camping increased 20% yoy when shoulder season rates reduced
- ❑ Budget does not include eliminating merit increases in 2018
- ❑ Finance payroll position postponed for 2 years due to hiring 25+ year employee back and reduction in workload associated with reduced grants
- ❑ Added roll-up report for police, public works, fire, parks and rec
- ❑ Added 9/30/17 year-to-date expenditures column for comparison
- ❑ Complete budget document online, including revised pages (labeled "Revised")

General Fund Highlights



Fire Department



- ❑ P. 27-31 of tonight's packet
- ❑ Utilities up due to hydrant rent and CPI increases
- ❑ Need \$20K to begin replacing air packs
- ❑ Volunteer stipend increased for retention; from CPV funds
- ❑ SVAC receives \$20K from CPV funds

Library, p. 49



- ❑ No change in personnel
- ❑ P/Y actuals down due to vacancies
- ❑ Contracted services mainly janitorial
- ❑ Other Special Services – online catalog, library network
- ❑ Equip rent – copier leases



General Fund Debt Service

- P. 50 of tonight's packet
- Retirement reflects unfunded pension/health liability for PERS
- Library bond \$247K
- Road bond \$207K
- Delaying repayment to electric

Healthcare Fund Highlights



Healthcare Fund, p. 63



- ❑ Balanced budget
- ❑ Revenues equal ¼ of City sales tax (\$1.25M)
- ❑ \$500K/yr. hospital/ER/LTC capital p. 63
- ❑ \$300K and \$200K/ CHC operating p. 63
- ❑ \$200K and \$300K/ facilities expansion p. 68
- ❑ \$992,898 and \$163,924/ SMH bond reserves p. 68
- ❑ Outstanding hospital PERS loan \$693K at 1/1/18;
\$98,576/yr.

Seward Mountain Haven Fund Highlights



Seward Mountain Haven Fund, p. 69



- ❑ Balanced budget with surplus to reserves
- ❑ Revenues from Seward Mtn Haven capital component of daily rate
- ❑ \$17,855,000 bond balance 1/1/18 (\$22.8M including interest)
- ❑ \$2.3M bond reserves 1/1/17
- ❑ Transfers in from Healthcare Fund bring cash (bond reserves to estimated \$5.3M at 12/31/19)
- ❑ Bond matures 2033
- ❑ Annual payments \$1.6M 2018; \$1.5M 2019

Electric Fund Highlights





Electric Fund, p. 79 of original packet

- ❑ Budget includes 2.1% CPI offset with 2.0% CEA rate reduction, 1.6% 2019
- ❑ Seasonal rates do not affect budget; to be discussed with tariff
- ❑ Includes COPA to replace FCA
- ❑ Outstanding debt \$5.0M at 1/1/18; annual payments \$345K
- ❑ No loan repayment from GF in this budget
- ❑ Includes motor pool contributions
- ❑ Infrastructure budgeted \$230K and \$140K



Electric Fund, continued

- ASLC special contract 10/9 agenda
 - Glidepath to LGS rate by 2025
- Icicle special contract has automatic renewal
- Revenues projected down due to reduced consumption
- Fuel costs projected up by 2%
- Personnel reduced 3.4% (OT, turnover)
- Contracted services (\$240K Natl Metering meter exchange); T-line design; harbor ramp replacement; boring subdivisions, \$90K 2019 DOT Seward Hwy project, \$200K CEA T-line clearing; etc.
- Buildings – pave warehouse parking lot

Electric Fund, continued



- ❑ Dues - \$50K ARCTEC; \$25K NWPPA; APPA
- ❑ Travel & Education – new operations supervisor; meter tech training; environmental regs; SCADA operations; electronic meter reading; etc.
- ❑ Equipment rent for T-line clearing
- ❑

Motor Pool Fund Highlights





Motor Pool Fund, p. 77

- Cash at 1/1/17 = \$1.4M
- Outstanding loans due to MP:
 - \$693K from Healthcare Fund for hospital pensions; lifetime savings of \$986K from internal borrowing
 - \$686K from SMIC for 330-ton boat lift (being repaid by General Fund tax dollars)
- No outstanding debt in Motor Pool
- New lease (vs buy) of van for tyc

Motor Pool Fund, p. 78



- 2018 purchases:
 - \$450K electric bucket truck
 - \$340K public works road grader
 - \$106K used vac truck, public works
 - \$45K parks plow
 - \$45K police car

Motor Pool Fund, p. 78



- 2019 purchases:
 - \$200K two public works dump trucks
 - \$340K loader w/snowblower attachment
 - \$350K excavator
 - \$45K police car
- Projected cash balance 12/31/19: \$1.07M

The end

