



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

April 18, 2012

**Mayor, Assembly Members, and Fellow Citizens of the
City and Borough of Sitka**

In accordance with the provisions of Article XI, Section 11.02 of the Home Rule Charter of the City and Borough of Sitka, the Fiscal Year 2013 Consolidate Operating Budget of the City and Borough of Sitka and Sitka Community Hospital are hereby presented for your approval.

Administrator's Personal Message (as presented at first budget meeting April 28)

Ladies and Gentlemen of the Assembly, we find ourselves at a defining moment in the history of our Municipality. We are facing extraordinary financial challenges unlike any seen in the past decades. Our municipal infrastructure is aging rapidly; repair and maintenance costs are sharply rising while, at the same time, our municipal revenues are shrinking. There are simply not enough resources available any longer to meet all of the legitimate needs. Thus, it is with concern and trepidation that I submit the City and Borough of Sitka's FY2013 budget to you for your approval.

As you will see upon review of the budget document, I am submitting to you a balanced budget which includes reduced Federal and State of Alaska revenue, no new taxes, and, deep and painful cuts in Municipal services. Over \$700,000 in expenditure cuts are reflected in the attached document, including substantial reductions in our Municipal workforce and our first-ever reduction in force of filled and previously budgeted positions.

Fiscal year 2012 was the last year in which we received Secure Rural Schools Act funding from the Federal government. This funding, which was in excess of \$1.1 million dollars in fiscal year 2012, will be lost unless Congress approves an extension of the program, which is far from certain. Furthermore, revenue sharing from the State of Alaska in fiscal year 2012 included a one-time appropriation which also is not certain to be renewed. This funding decrease amounts to almost a million and a half dollars. While some of this revenue decrease is borne by the Sitka School District, the City and Borough of Sitka's revenue forecast for fiscal year 2013 includes almost a million less dollars from these sources than fiscal year 2012.

In addition to balancing the Municipal budget without the addition of any new taxes, our staff has taken initial steps to address under-funding of several of our sinking funds. In particular, staff analysis found the Central Garage Fund, which provides for vehicle replacements, to be severely underfunded. To remedy this underfunding, we have demonstrated fiscal discipline by

Providing for today...preparing for tomorrow

increasing transfers into the sinking funds while, at the same time, recommending painful service cuts.

As I mentioned previously, our municipal infrastructure is rapidly aging and maintenance costs are sharply rising. Our municipal staff has been undertaking a systematic effort to assess the condition of all aspects of our infrastructure, from roads to harbors. As we complete these assessments, we have consistently found that user fees and fund balances are insufficient to provide for repair and eventual replacement of our infrastructure. As a result, we are faced with difficult choices as to whether or not to raise rates to provide for these necessary repairs and replacements. We will again be recommending rate increases for water and wastewater treatment as well as a necessary rate increase for electric service and moorage.

In previous years, the Citizens of Sitka voted to undertake the financial commitment to increase the height of Blue Lake Dam and upgrade the Blue Lake Hydroelectric Facility. This project will ultimately exceed over \$100 million dollars in cost, with half being borne by the State of Alaska. The resulting \$50 million dollar portion to be borne by the Citizens of Sitka will result in sizeable electric rate increases in order to service the increased debt required to pay for the project. We expect to award the general construction contract for this project in fiscal year 2013 and, at its completion, it will represent the largest public works project ever undertaken by the City and Borough of Sitka.

The Municipality's difficult economic circumstances will also not allow us to provide for any pay increase again next year for our Municipal employees. For some of our municipal employees, this would mark the 4th consecutive year without a pay or cost of living increase of any kind.

Our Municipal budget, as in past year, continues to adequately provide for a multitude of basic and special services to the Citizens of Sitka. Public safety needs are provided for, as well as public works and the provision of basic utilities and the operation of public harbors. We will continue to provide for the other governmental services that our citizens desire, including our municipal library and Centennial building. While some service levels will be reduced, most noticeably in the area of parks and recreation, no major municipal service areas have been eliminated in their entirety.

Fund Structure of the City and Borough

The Fiscal Year 2012 Consolidated Operating Budget contains operating budgets for the Sitka General Fund and Permanent Fund; eight Enterprise Funds (Electric, Water, Waste Water, Solid Waste, Harbor, Airport Terminal, Marine Service Center, and Sawmill Cove Industrial Park); three Internal Service Funds (Management Information Systems, Central Garage and Building Maintenance); four Special Revenue Funds (SE Alaska Economic Development, Revolving LID Fund, Guarantee Fund, and Library Endowment); one Fiduciary Fund (Rowe Trust); all Capital Projects Funds; and the Sitka Community Hospital.

General Overview of the Financial Condition of the City and Borough

It is the financial philosophy of the City and Borough that each Enterprise Fund and Internal Service Fund of the City and Borough is a separate and distinct business element and should stand on its own financially. The City and Borough believes, in addition, that the General Fund should finance the expenditures for general government services in line with projected revenues. In light of this philosophy, each operating budget has been balanced for FY13, through a combination of operating revenues, expenditure reduction, and working capital balances. The Water, Solid Waste Disposal, Harbor, Airport Terminal Building, Marine Service Center, MIS, and Central Garage Funds project a cash flow surplus to be added to its working capital during FY13; all other funds are either balanced or project a cash flow deficit.

The overall financial condition of the City and Borough of Sitka is projected to remain healthy with an adequate level of combined working capital (both restricted and unrestricted) for all of its funds. Cash flow and liquidity is also projected to remain adequate. The value of the City and Borough's combined investment portfolio is approximately \$88 million including approximately \$19.0 million in the Permanent Fund.

While the overall financial condition remains healthy, six of our Enterprise Funds – Electric, Water, Waste Water, Solid Waste, Harbor, and Sawmill Cove Industrial Park – have insufficient revenues and working capital to provide for the long-term maintenance and replacement of their physical plants. As a result, needed repairs and infrastructure replacement will require a combination of increased user rates and debt financing. Systematic condition assessments have found that infrastructure is aging rapidly and inadequate financial provisions have been made for repair and/or replacement. As previously mentioned, the cost of the Blue Lake Dam Hydroelectric project will necessitate a substantial rate increase in FY13 and several subsequent fiscal years. Assessments of waste and wastewater treatment infrastructure have demonstrated the need for multi-year sustained rate increases and we project those increases to again be necessary in fiscal year 2013. The Sawmill Cove Industrial Park continues to face difficult economic circumstances and the Fund is projected to completely exhaust its fund balance in fiscal year 2013, necessitating support from the General Fund. Finally, a recent assessment of the conditions of our Municipal harbors has brought to light an extreme level of degradation requiring expensive repairs and replacements in the near term. The balance of the Harbor Fund is insufficient to meet the forecasted needs, necessitating a combination of substantially higher moorage rates and debt financing to pay for the needed repairs.

An Overview of the Fiscal Year 2013 Consolidated Operating Budget

Fiscal Year 2013 Budget Process

In developing each operating budget, the City and Borough Administrator, Finance Director and other Department Heads used zero-based budgeting techniques to develop the City and Borough of Sitka's departmental budgets from the ground up. Funding levels from last year and subsequent years served as guidelines but were not used as a starting point for incremental funding. The strengths of this process are that each line item can be justified in terms of specific required expenditures and that each Department Head has been fully involved in planning the resource needs of their Department for FY13.

To balance planned expenditures with predicted revenues and to fund additional personnel costs, Department Heads were requested to present their budgets based on services requested by the local citizens and with a reduction of seven percent of the previous year's expenditures. After the first round of proposed expenditures, the Administrator decremented certain line items before the presentation to the Assembly.

In order to provide a complete, readable, and understandable Consolidated Operating Budget, we have utilized the following:

- a. The same budget format has been developed for all funds, including Fiduciary Fund and Special Revenue Funds. The format includes all components of both revenues and expenditures identified by line number and, in addition, documents Fiscal Year 2011 actual amounts, Fiscal Year 2012 budgeted and projected amounts, and Fiscal Year 2013 budgeted amounts.
- b. A table of personnel allowances has been included which details both the Municipality's required positions and those that are authorized.
- c. A fund summary sheet has been developed for each Enterprise and Internal Service Fund that clearly identifies which components of reserve working capital are earmarked for capital projects and which components are truly unrestricted.
- d. Proprietary Fund budgets have been constructed on a cash inflow or outlay basis. To more clearly show the financial condition and results of these funds on an accrual accounting basis: however, we have not budgeted for non-cash, accrued, and amortized expenses and, in addition, have constructed pro forma financial statements to clearly show the financial effects of each projected budget.

Level of Service and Service Reductions

The FY13 budget was built on the expectation that the actual revenue plus working capital would be sufficient to cover the budgeted expenditures and should the actual revenues fall short, then we will be at the decision to curtail or suspend services or undertake a staff reduction. Across the board, we intend to supply the same services to our citizens as we have in the past.

Work Force Management, Composition, and Compensation

Total budgeted compensation for the City and Borough's municipal work force is \$17,825,273 (excluding Sitka Community Hospital), of which \$7,090,529 or 39.78% is borne by the various Enterprise and Internal Service Funds. The number of municipal employees for FY13 is 156.044 FTE (Full Time Equivalents) (excluding temporary employees and the Sitka Community Hospital).

Three unions represent approximately 2/3 of the work force and the IBEW contract had a wage adjustment on January 1, 2012 of 1.5%. The IBEW contract expires December 31, 2012. The ASEA employees and the non-union employees received a one-time payment in July 2010 of \$1250. The ASEA contract is up for negotiations June 30, 2013. The PSEA contract is also to be negotiated not later than June 30, 2013. The PSEA has demanded arbitration for a 4% wage increase in FY2011 and for a wage increase for the FY2012. Arbitration is being scheduled.

The benefits package for municipal employees is basically the same in FY13. The Municipality will offer optional group term life insurance for all employees. The full cost of this additional optional insurance will be borne by the employees. Health insurance costs were negotiated with a decrease of 3% for FY13 compared to the rates for FY12. The health insurance cost will be covered by both the municipality and employees at their current ratio of 10% for the employees and 90% for the municipality. Only exception is for employees represented by the Public Safety Employees Association (PSEA), for whom the municipality pays the total cost of the health insurance plan for those members and their families.

Taxes and Other Revenues

A property tax levy of six mills has been unchanged for the past twenty-two years.

Sales taxes will again be levied at five percent, adjusted seasonally to six percent from April thru September with the extra proceeds dedicated to school-related general obligation debt. Sales taxes are anticipated to remain flat in comparison with fiscal year 2012.

Municipal Revenue Sharing from the State of Alaska is anticipated to be approximately \$815,000 for the Municipality in FY13. Some additional one-time revenue sharing may occur

but is in no way certain. School bond debt reimbursement from the State of Alaska is again expected to be fully funded at 70% of total principal and interest payments, for a total reimbursement of \$887,000.

Within the General Fund, all interest revenue earned by the Revolving and Guarantee Funds in FY13 will again be transferred to the General Fund. This will result in \$32,000 in additional revenue to the General Fund.

Municipal Debt

The City and Borough will have \$34,065,000 in General Obligation Bonds, \$47,570,000 in Revenue Bonds, and \$8,674,241 in long term note (Electric Fund) outstanding at the start of FY13. In addition, the following funds have low interest loans from the State of Alaska: the General Fund, The Water Fund, the Wastewater Treatment Fund, the Solid Waste Disposal Fund, and the Harbor Fund. Total anticipated debt service for fiscal year 2013 will be \$9,116,700 of which \$2,548,059 will be reimbursed by the State of Alaska's Department of Education.

The City and Borough anticipates entering into additional bonded indebtedness in fiscal year 2013. This anticipated additional new debt includes approximately \$39,000,000 in electric revenue bonds to complete the Blue Lake Dam Hydroelectric Project and to finance additional backup diesel generation; \$4,250,000 in harbor revenue bonds to help finance the replacement of ANB Harbor; and, \$5,000,000 in water revenue bonds to finance an alternative water distribution system. Economic and engineering factors will ultimately determine if such indebtedness is entered into.

The City and Borough has and must retain a sufficient level of general obligation bonding capacity in order to meet future needs and to comply with the bond covenants.

Individual Departmental Highlights

1. General Government

General governmental activities (those financed by the General Fund) in FY13 will concentrate on maintaining the current level of municipal services to our citizens. The General Fund budget is essentially balanced, with an excess of revenues over expenditures in the amount of \$920.

We have balanced the General Fund budget through painful fiscal discipline by reducing or eliminating expenditures of over \$1,200,000. No new taxes or tax increases have been

planned for, and, we have not planned to utilize any of our General Fund balance (i.e., take from savings) to balance the budget.

2. Electric Department

The Electric Department has continued to plan for the commencement of the Blue Lake Dam Hydroelectric Project. This project will involve the purchase of three turbines at the Blue Lake Hydroelectric Generation Plant along with rising of the dam height to increase the amount of electricity generated by the facility. The total cost of the project is anticipated to be approximately \$100,000,000. \$49,500,000 of the cost will be funded by grants from the State of Alaska with the remainder to be financed through electric revenue bonds.

Approximately \$22,000,000 was raised through the sale of electric revenue bonds in 2010 and the remainder is anticipated to be raised through a second revenue bond sale in fiscal year 2013.

In addition to the Blue Lake Dam Hydroelectric Project, the Electric Department is also planning for the upgrade of the stand-by diesel generation plant. This upgrade, which is critical to ensure adequate electricity to the City and Borough is estimated to cost approximately \$10,000,000. The cost of this project is also planned to be financed through the issuance of electric revenue bonds.

The financial condition and working capital of the Electric Fund is adequate, but cash flow from operations has declined to the point where in the ability to meet debt service coverage covenants are in jeopardy. The additional debt service required for the anticipated new debt will further impact and squeeze cash flow. As a result, we will be proposing electric rate increases, to be phased in over multiple years, in order to improve cash flow. It is critical to note that this point was understood when the voters approved the dam project, and, that a rate increase is absolutely necessary in order to borrow the money necessary to complete the project.

Our goal for the Electric Department remains the same - to generate surplus cash flow from operations of approximately \$1.0 million per year with \$750,000 per year to be used for capital improvements and \$250,000 to be added to the reserve working capital.

3. Water Department

The Water Department is actively planning for two major capital improvements, an alternative water supply and a UV Disinfection facility.

In the late summer of 2014, the Blue Lake Dam Hydroelectric Project will require the capping of the current penstock, leaving a 60-day period where the municipality's primary

water intake will be inaccessible. As a result, an alternative water supply must be designed and implemented prior to this date. The anticipated cost of this alternative water supply is approximately \$5,000,000.

New drinking water laws have also required secondary treatment for the Municipality's drinking water supply. Accordingly, the City and Borough has been progressing with plans to construct a UV Disinfection facility.

The financial condition of the Water Fund remains weak but is improving. The rate increase approved by the Assembly in FY2012 helped to generate positive cash flow from operations, but working capital remains very low at approximately \$700,000. The entire amount of working capital available is planned to help finance the UV Disinfection facility. As a result, we will be requesting that the Municipality continue with the planned water rate increases set forth in the Water Master Plan.

4. Waste Water Treatment

Inflow and Infiltration (I & I) infrastructure improvements continue to be the focus of the Waste Water Treatment Department. Future I & I infrastructure improvements will be funded with a low interest rate loan from the State of Alaska. Several loans have been applied for, and approved by the State of Alaska; however, any appropriations from the loan must be approved by the Assembly.

As with the Water Fund, the financial condition of the Waste Water Treatment Fund is weak but is improving. Our wastewater treatment infrastructure is expansive and costly, and the decline in value of this infrastructure is only partially being offset by positive cash flow. As a result, insufficient working capital is being accumulated to finance anticipated future repairs and replacement of the waste water physical plant. An ever-present additional risk remains that future laws may be passed requiring mandatory secondary treatment for wastewater which would require a substantial investment on the part of the City and Borough.

We are currently progressing with the completion of a Waste Water Master Plan to help guide waste water treatment rates in order to meet these future requirements. Until the plan is completed, we will be requesting that the Municipality continue with the current level of annual wastewater treatment rates previously presented to the Assembly.

5. Solid Waste Disposal

The financial condition of the Solid Waste Disposal Fund and its cash flow from operations are both adequate. Working capital is estimated to be approximately \$750,000 at the end of fiscal year 2012. No major infrastructure projects are planned for fiscal year 2013.

6. Harbors

A recent facility condition assessment taken of the City and Borough of Sitka's harbor facilities was sobering. The assessment revealed that the harbors are aging and deteriorating rapidly and that significant investments in facility repairs and replacements will be required over the next fifty years.

Moorage rates are currently inadequate to pay for the needed infrastructure improvements. As a result, we will be recommending a series of moorage rate step increases followed by annual increases to provide for inflation.

The key infrastructure project to commence in fiscal year 2013 is the replacement of ANB Harbor. This project is estimated to cost \$8,500,000 of which the State of Alaska is expected to pay for half. The remaining cost, to be borne by the Harbor Fund, is larger than its projected working capital. As a result, we will be proposing that the City and Borough's portion of the cost of this project be financed through the issuance of moorage revenue bonds.

7. Airport Terminal Building

The financial condition of the Airport Terminal Building Fund and its cash flow from operations are both adequate. Working capital is estimated to be approximately \$380,000 at the end of fiscal year 2012. No major infrastructure projects are planned for fiscal year 2013.

8. Marine Service Center

The financial condition of the Marine Service Center Fund and its cash flow from operations are both good. Working capital is estimated to be approximately \$1,100,000 at the end of fiscal year 2012. No major infrastructure projects are planned for fiscal year 2013.

9. Sawmill Cove Industrial Park

The financial condition of the Sawmill Cove Industrial Park Fund is extremely weak and the Fund has negative cash flow from operations. The management of the Park has been unable

to secure enough tenants to generate rental income sufficient to cover the cost of operations and revenue from water sales and water sales options remain unsteady and unpredictable.

Unless business operations turn around significantly in fiscal year 2013, the Fund will completely exhaust its working capital. At such a time, ongoing financial support in the form of funds transfers from the General Fund will be required to keep the fund solvent.

10. Management Information Systems

The financial condition of the Management Information Systems Fund is fair. Working capital is estimated to be approximately \$200,000 at the end of fiscal year 2012.

The Fund has historically been able to pay for minor repairs and replacements of individual pieces of office equipment and desktop computer hardware. The Fund has not, however, accumulated sufficient working capital to fund major upgrades.

A major critical need of the Municipality is a new Enterprise Resource Planning (ERP) system. The current backbone of the resource planning and financial reporting capability is a software package which is over 20 years old. The software predates Microsoft Windows and still incorporates green screen keyboard data entry. The current system does not allow for adequate planning or financial analysis and is a major liability. In addition, the developer of the City and Borough's current financial management software has indicated that they will no longer develop additional applications for the Municipality's package and have actively encouraged its clients to migrate to a Microsoft Windows product.

A new Microsoft Windows-based ERP would cost in excess of \$500,000 and insufficient working capital has been accumulated over time to finance such expenditures. The implementation of such a system is critical in the near future.

11. Central Garage

The financial condition of the Central Garage Fund is problematic. Working capital is estimated to be approximately \$600,000 at the end of fiscal year 2012.

The Fund has historically been structured as a sinking fund, wherein sinking fund payments made by other funds combined with investment returns on the fund balance were supposed to be sufficient to finance all future vehicle replacements. Recent financial analysis has shown, however, that the Fund is severely underfunded as a result of having historically used too high of an estimated investment return in its funding calculations. Current calculations show only approximately 50% percent of the calculated required funds as being on hand.

We have worked to resolve this underfunding by making extra contributions to the Central Garage Fund in fiscal year 2013. These extra contributions will not resolve the underfunding fully, however, and increased contributions will need to be made in succeeding years in order to restore the fund balance to the proper level.

12. Building Maintenance

The financial condition of the Building Maintenance Fund is healthy and sufficient to accomplish the intended purpose of the fund, which is routine and minor maintenance to public buildings. Working capital is estimated to be approximately \$2,500,000 at the end of fiscal year 2012.

This Fund was never intended; however, to provide for major repair, renovation, or replacement of Municipal buildings. No provision for financing such major replacements has been planned for by the Municipality and remains one of the biggest fiscal challenges we face as a community.

Capital Improvement Program

The 2013-2016 Capital Improvement Program has been developed to address the pressing infrastructure and service needs of our community. Maximum effort has been made to identify Federal and State sources of revenue in order to finance these projects. Individual capital improvement projects have already been described in detail in many of the previous discussions of individual Departments/Funds. Detailed information concerning the Capital Improvements Program is contained within a separate section of this Consolidated Operating Budget.

This year we have again constructed a separate budget for each individual capital improvement project. These budgets clearly show the amount, and source, of all of the working capital to be expended in each project including grant revenue, transfers from the General Fund or Proprietary Funds, or expenditures of reserve working capital in each fund (from previous years grant advances or transfers from other funds).

Future Outlook

At this time in its history, the City and Borough of Sitka is clearly at a crossroad. Much of the public infrastructure that our citizens have come to expect and enjoy is rapidly aging and deteriorating. A substantial portion of this infrastructure was funded through State of Alaska and Federal grants and taxation policies were not enacted over time in order to provide funds for repair and replacement of this infrastructure.

Repair and maintenance costs are escalating while revenue streams are stagnant or declining. As a result, needed infrastructure repairs, notable in the area of street repairs, are being deferred due to a lack of funds. This situation is expected to continue and worsen as time passes. As a result, the City and Borough government will have to continue to give critical thought as to the scope and composition of Municipal operations. Some municipal services offered in the past may have to be curtailed or eliminated altogether due to the lack of funds.

There are several major critical issues which follow this outlook assessment and which require continued vigilance in the years ahead:

1. Long-Term Funding for Public Infrastructure Renovation and Replacement

The municipality does not currently have a formal sinking fund for the major renovation and replacement of major items of public infrastructure such as streets, buildings, sidewalks, and parking lots. A secure funding source must be established in order to provide for these critical infrastructure renovations and replacements.

2. Continued Diversification of Our Local Economy

In order for our Municipality to grow, both figuratively, culturally, and economically, we must find ways to continue to diversify our local economy. We need to continue to do everything within our power to attract environmentally friendly industries that will provide permanent jobs with wages that will allow Sitkans to live and support a family.

3. Scope and Complexity of Municipal Services

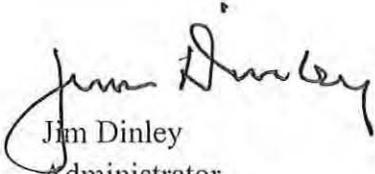
Even though Sitka is a town of only 8,800 residents, the City and Borough government provides an array of public services comparable to that of a small city of 100,000 residents in the continental 48 states. This is due to the isolated location of Sitka and the absence of private alternatives. To provide this array of services, the City and Borough government is one of the largest and most complex organizations in Sitka, second only, perhaps, to SEARHC.

We must be vigilant not to directly, or indirectly, increase the scope and expanse of municipal services which, in turn, make the governmental structure more complex. This includes critical analysis of the future impact of major decisions, especially in regards to how such decisions carry future price tags for ongoing operation, maintenance and replacement of infrastructure.

Summary

Our Municipal government continues to provide an outstanding array of services to its citizens through the collective efforts of outstanding, dedicated, and talented municipal employees. The financial condition of the Municipality remains in good shape, with a solid level of combined reserve working capital. We will strive to continue to provide the best possible service to our citizens and to carefully manage the resources they give us to do the job.

Respectfully submitted,



Jim Dinley
Administrator



John P. (Jay) Sweeney III
Finance Director

This page intentionally left blank.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2012-17

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADOPTING BUDGETS FOR THE FISCAL YEAR JULY 1, 2012
THROUGH JUNE 30, 2013

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
2. **SEVERABILITY.** If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
3. **PURPOSE.** The purpose of this ordinance is to set forth budgetary requirements for the operation of the various divisions, departments and organizations of the City and Borough of Sitka for Fiscal Year 2013.
4. **ENACTMENT. NOW THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka, Alaska that the following expenditure budgets for the fiscal period beginning July 1, 2012 and ending June 30, 2013 are hereby adopted as follows:

<u>FUND</u>	<u>REVENUE</u>	<u>EXPENDITURE BUDGET</u>		
<u>GENERAL FUNDS</u>	REVENUE	OPERATIONS	CAPITAL/ TRANSFER	TOTAL
General Fund	\$ 27,136,388	\$ 23,178,612	\$ 3,957,776	\$ 27,136,388
<u>ENTERPRISE FUNDS</u>				
Electric Fund	\$ 23,367,604	\$ 11,939,253	\$ 12,269,353	\$ 24,208,606
Water Fund	\$ 4,382,719	\$ 1,376,115	\$ 3,025,000	\$ 4,401,115
Wastewater Fund	\$ 3,141,487	\$ 2,397,367	\$ 929,000	\$ 3,326,367
Solid Waste Fund	\$ 3,159,500	\$ 3,022,137	\$ -0-	\$ 3,022,137
Harbor Fund	\$ 2,923,600	\$ 1,996,707	\$ 60,000	\$ 2,056,707
Airport Terminal Fund	\$ 585,873	\$ 450,105	\$ 275,000	\$ 725,105
Marine Service Center Fund	\$ 250,196	\$ 140,646	\$ -0-	\$ 140,646
Sawmill Cove Industrial Complex	\$ 261,209	\$ 256,887	\$ -0-	\$ 256,887

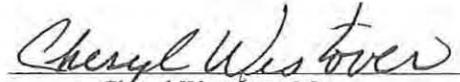
<u>INTERNAL SERVICE FUNDS</u>	REVENUE	OPERATIONS	CAPITAL/ TRANSFER	TOTAL
Management Information Systems Fund	\$ 776,862	\$ 727,919	\$ -0-	\$ 727,919
Central Garage Fund	\$ 1,937,310	\$ 929,130	\$ 289,500	\$ 1,218,630
Building Maintenance Fund	\$ 723,834	\$ 897,191	\$ -0-	\$ 897,191
<u>SPECIAL REVENUE FUNDS</u>				
SE Alaska Economic Development Fund	\$ 443,000	\$ 138,000	\$ -0-	\$ 138,000
Revolving Fund	\$ 44,000	\$ 31,200	\$ -0-	\$ 31,200
Guarantee Fund	\$ 7,000	\$ 7,000	\$ -0-	\$ 7,000
Rowe Trust Fund	\$ 4,900	\$ 4,800	\$ -0-	\$ 4,800
Library Endowment Fund	\$ 5,000	\$ 4,000	\$ -0-	\$ 4,000
<u>PERMANENT FUND</u>				
Permanent Fund	\$ 442,000	\$ 1,110,000	\$ -0-	\$ 1,110,000
<u>CAPITAL PROJECT FUNDS</u>				
General Capital Project Fund	\$ 2,709,000	\$ -0-	\$ 2,709,000	\$ 2,709,000
Electric Capital Project Fund	\$ 12,259,353	\$ -0-	\$ 12,259,353	\$ 12,259,353
Water Capital Project Fund	\$ 3,025,000	\$ -0-	\$ 3,025,000	\$ 3,025,000
Wastewater Capital Project Fund	\$ 830,000	\$ -0-	\$ 830,000	\$ 830,000
Solid Waste Capital Project Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Harbor Capital Project Fund	\$ 50,000	\$ -0-	\$ 50,000	\$ 50,000
Airport Terminal Fund	\$ 275,000	\$ -0-	\$ 275,000	\$ 275,000
Marine Service Center	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>COMPONENT UNIT</u>				
Sitka Community Hospital	\$22,385,615	\$ 20,672,524	\$ 635,715	\$21,308,239

EXPLANATION

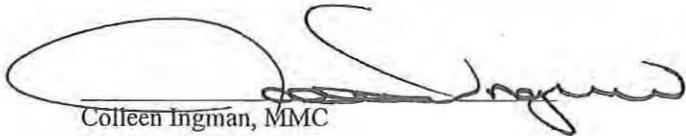
Details of individual budgets are contained in Enclosure 1. Support to the Sitka School District has been included in the General Fund Expenditures. Budgeted amounts for all funds include revenue, operating expenditures and new capital outlays.

5. **EFFECTIVE DATE.** This ordinance shall become effective on July 1, 2012.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 12th day of June, 2012.


Cheryl Westover, Mayor

ATTEST:


Colleen Ingman, MMC
Municipal Clerk

This page intentionally left blank.