

**HAINES BOROUGH
FY25
MANAGER'S BUDGET**



**HAINES BOROUGH
FY25 BUDGET OVERVIEW**

April 9, 2024, Finance Committee

Agenda

1. Budget Process & Schedule
2. Brief Haines Borough Accounting 101
3. FY25 Budget 10,000' view
4. FY25 Projected Mill Rates /Property Tax
5. Sales Tax
6. New or Notable in FY25 Manager's Budget

SCHEDULE*
BUDGET MEETINGS AND PUBLIC HEARINGS
 FY25 BUDGET

All meetings will be held in the Assembly Chambers and on ZOOM

DATE/TIME	AGENDA
Tues, 4/9/24 5:30-6:30	Finance Committee Meeting: FY25 Budget Overview
Tues, 4/23/24 6:30 pm	Introduction of Budget Ordinance at regular meeting
Thurs, 4/25/24 5:30-7:30	Budget COW #1 – Areawide General Fund
Thurs, 5/2/24 5:30-7:30	Budget COW #2 – <u>Townsite</u> Service Area (Police, Public Works and Animal Control), Medical Service (EMS), & Fire Service Areas
Tues., 5/7/24 6:30pm	GAS Committee- Water & Sewer, Vehicle Impound, & Land Development
Tues, 5/14/24 5:30-6:30	Finance Committee Meeting: Capital Improvement Projects
Tues, 5/14/24 6:30 pm	FIRST Public Hearing of Budget Ordinance at regular meeting.
Tues, 5/21/24 6:30 pm	Commerce Committee: Boat Harbor, PC Dock, Lutak Dock, Tourism, Econ Dev, CPV, Permanent Fund, & Debt Service
Thurs, 5/23/24 6:30 pm	Budget COW #3 – Additional COW if needed
Tues, 5/28/24 6:30 pm	SECOND Public Hearing of Budget Ordinance at regular meeting. Adopt Budget. (May set a third hearing if needed.)
Tues, 6/11/24 6:30 pm	THIRD Public Hearing of Budget Ordinance at regular meeting. Adopt Budget. (If needed.)



	01 & 02 GENERAL FUNDS	17-35 SPECIAL REVENUE	42 -61 CAPITAL IMPROVEMENTS	75-76 DEBT SERVICE	90-94 ENTERPRISE FUNDS	97 PERMANENT FUND	TOTALS
REVENUES							
Property Tax	\$ 2,890,000	\$ 367,300		\$ 398,351			\$ 3,655,651
Sales & Excise Tax	2,287,000	1,224,000	\$ 1,243,000				4,754,000
User Fees	232,500	55,500			2,272,000		2,560,000
State of Alaska	1,014,286	403,000	586,414	896,473	4,511,284		7,411,457
Federal	631,300	183,000	5,277,725		20,000,000		26,092,025
Interest/Investment Income	287,000	-			51,000	\$ 576,000	914,000
	\$ 7,342,086	\$ 2,232,800	\$ 7,107,139	\$ 1,294,824	\$ 26,834,284	\$ 576,000	\$ 45,387,133
EXPENDITURES							
Payroll	4,242,146	649,334			674,724		5,566,204
Cost of Fuel Sold	-	-			155,000		155,000
Supplies, Materials, Equipment & Computers	415,630	54,520			162,250		632,400
Professional & Contractual Services	760,267	713,110			142,000	24,000	1,639,377
Dues, Subscriptions, & Fees	19,000	9,300			17,675		45,975
Discretionary Expense	2,300	2,000			-		4,300
Travel, Per Diem, & Training	93,925	52,640			15,750		162,315
Advertising	14,850	156,300			1,350		172,500
Banking & Insurance	199,100	38,000			144,000	1,500	382,600
Vehicle Expense	156,560	21,500			15,000		193,060
Utilities	431,355	53,002			295,200		779,557
Maintenance & Repairs	58,300	3,000			91,000		152,300
Program / Project Expenditures, Misc.	-	10,000	6,737,639		28,108,000		34,855,639
School District	2,025,000	-			-		2,025,000
Debt Service (Principal/Interest)	-	-		1,294,824	218,146		1,512,970
Assembly Appropriations	168,480	26,900					195,380
Work Orders	(170,500)	16,000	68,000		86,500		-
	8,416,413	1,805,606	6,805,639	1,294,824	30,126,595	25,500	48,474,577
TOTAL REVENUE OVER (UNDER) CASH EXPENDITURES	\$ (1,074,327)	\$ 427,194	\$ 301,500	\$ -	\$ (3,292,311)	\$ 550,500	\$ (3,087,444)
DEPRECIATION EXPENSE					1,966,495		1,966,495
TRANSFERS	(396,000)	533,000	198,000	-	(655,000)	320,000	-
ALLOCATIONS	(581,919)	342,256	65,063		174,600		-
EXCESS REVENUE OVER (UNDER) EXPENDITURES,	\$ (96,408)	\$ (448,062)	\$ 38,437	\$ -	\$ (4,778,406)	\$ 230,500	\$ (5,053,939)

TOTALS	Revenue/Exp for		
	Capital	Operating	
\$ 3,655,651		\$ 3,655,651	Property Tax
4,754,000	1,243,000	3,511,000	Sales & Excise Tax
2,560,000		2,560,000	User Fees
7,411,457	5,097,698	2,313,759	State of Alaska
26,092,025	25,277,725	814,300	Federal
914,000		914,000	Interest Income
\$ 45,387,133	31,618,423	\$ 13,768,710	
\$ 5,566,204		\$ 5,566,204	Payroll
155,000		155,000	Cost of Fuel Sold
632,400		632,400	Supplies, Materials, & Equipment
1,639,377		1,639,377	Professional & Contractual Services
45,975		45,975	Dues, Subscriptions, & Fees
4,300		4,300	Discretionary Expense
162,315		162,315	Travel, Per Diem, & Training
172,500		172,500	Advertising
382,600		382,600	Banking & Insurance
193,060		193,060	Vehicle Expense
779,557		779,557	Utilities
152,300		152,300	Maintenance & Repairs
34,855,639	34,845,639	10,000	Program / Project Expenditures, Misc.
2,025,000		2,025,000	School District
1,512,970		1,512,970	Debt Service (Principal/Interest)
195,380		195,380	Assembly Appropriations
-			
48,474,577	34,845,639	13,628,938	
\$ (3,087,444)	(3,227,216)	139,772	

Fund Accounting 101

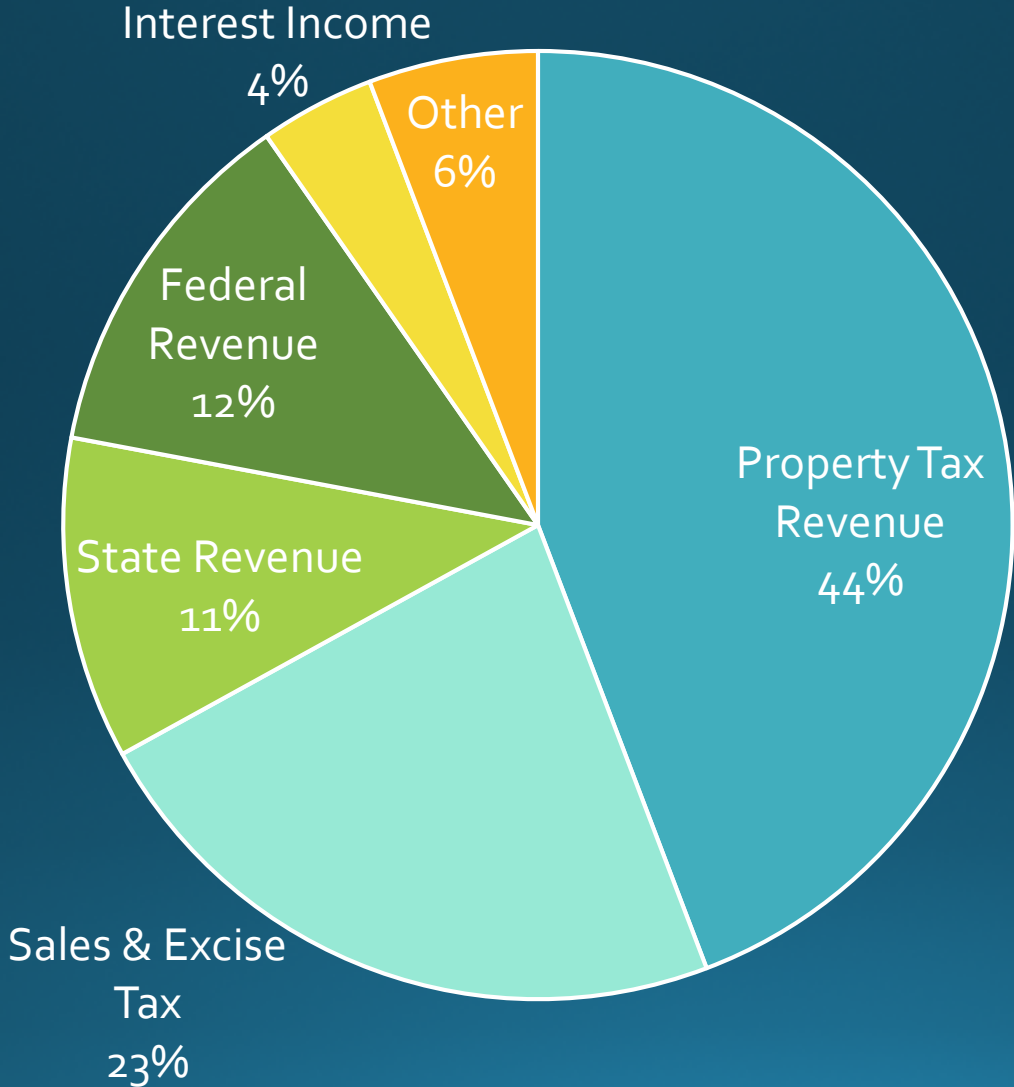
- The Haines Borough has over 20 separate funds of 6 different fund types (GASB)
 - GENERAL FUNDS
 - SPECIAL REVENUE FUNDS
 - CAPITAL PROJECT FUNDS
 - DEBT SERVICE FUNDS
 - ENTERPRISE FUNDS
 - PERMANENT FUND

Areawide General Fund

- Tracks unrestricted revenues that benefit the entire Borough (not a single geographic area)
- The largest fund. Its revenues comprise 37% of all Borough operating revenues



FY25 Areawide Revenues

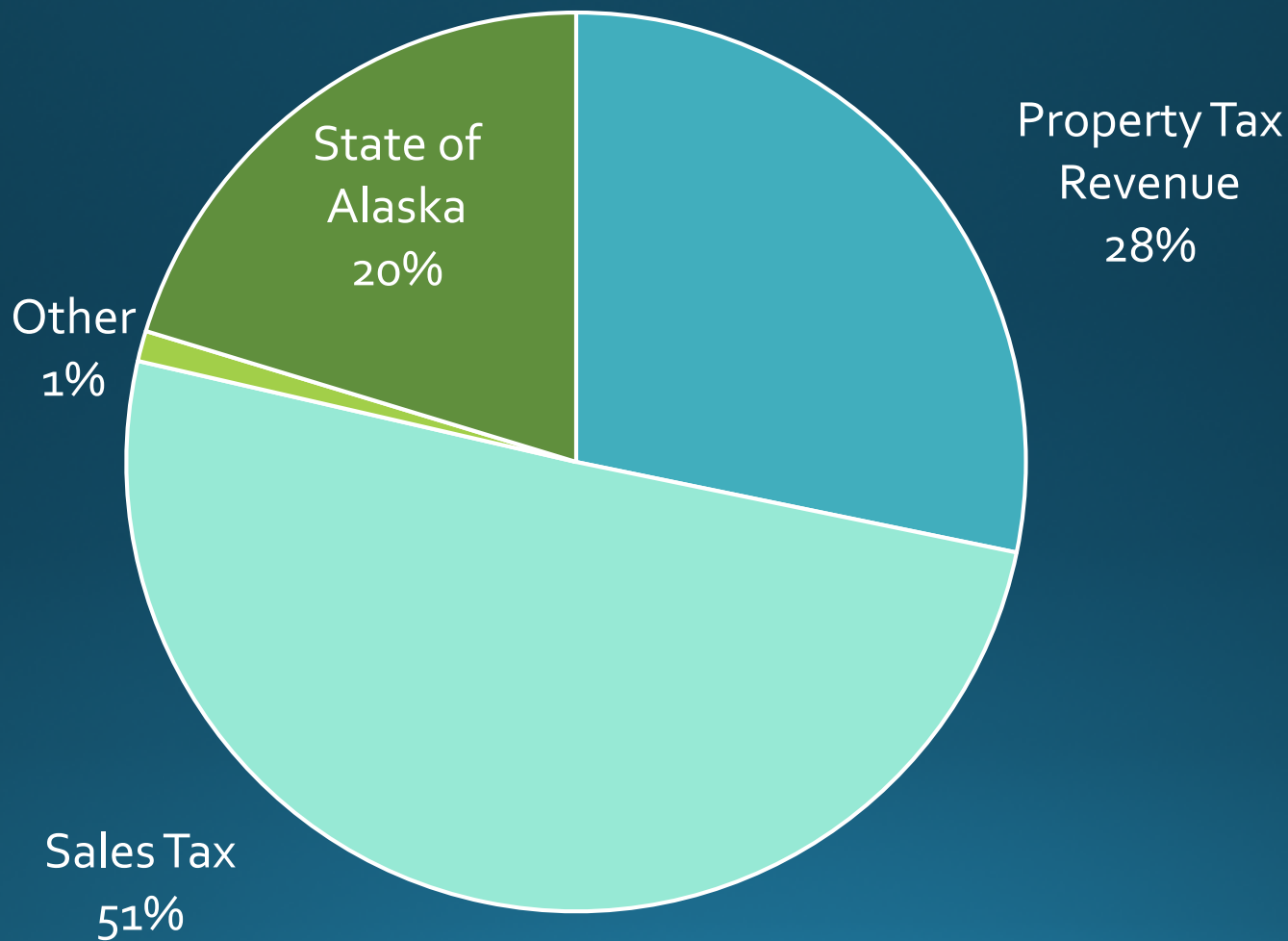


Townsite General Fund

- Tracks revenues that are collected only for service to the Townsite.



FY25 Townsite General Fund Revenues



Special Revenue Funds

- Track revenues that are legally restricted to a specific purpose

LAND
SALES

PASSENGER
VESSEL TAX

ECONOMIC
DEVELOPMENT
& TOURISM

VEHICLE IMPOUNDMENT

MEDICAL
SERVICE
AREA

FIRE
SERVICE
AREAS

Capital Project Funds

- Fund 50 – 1.5% Sales Tax for Capital Improvement Projects
- Fund 42 – CIP Grants



Debt Service Funds

- Library Construction Bonds through 2032 approximately \$100,000 owing
- 2005 School Construction Bonds through 2025 (FY26) approximately \$2.3 million owing
- 2015 School Construction Bonds through 2036 approximately \$1.1 million owing

Enterprise Funds

- Supported by user fees for service



Water

Sewer

PC Dock

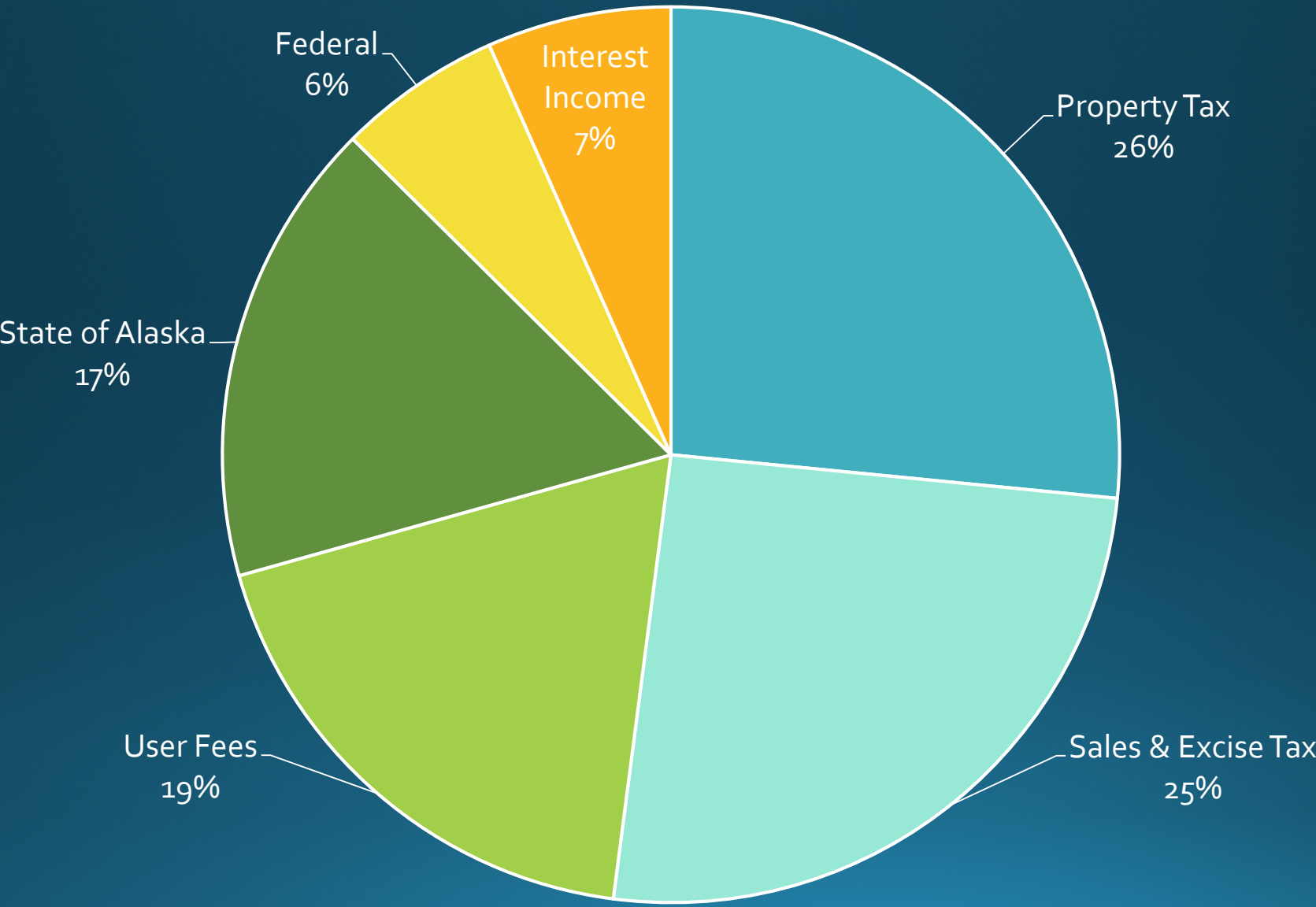


Lutak Dock

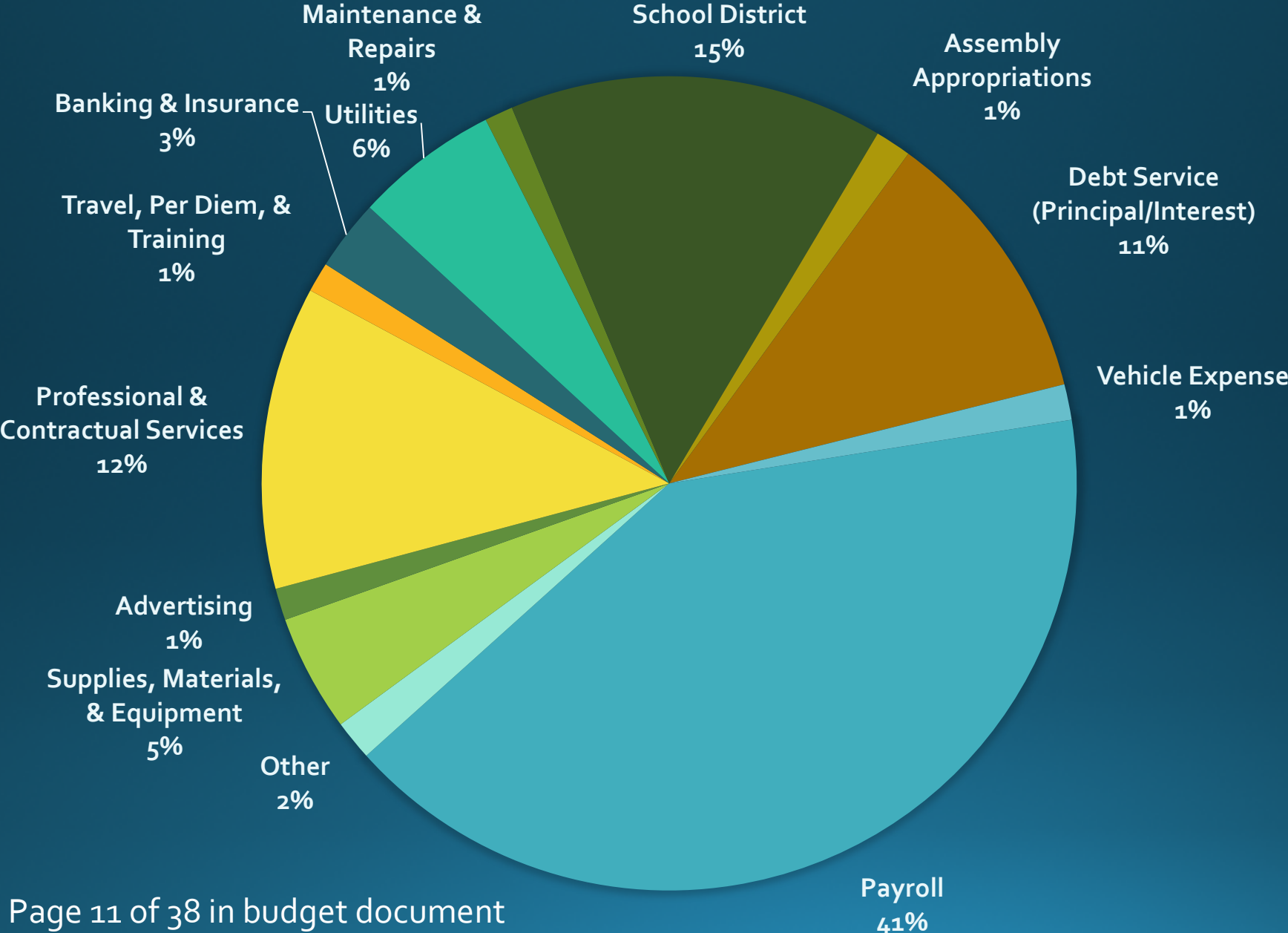


Harbor

FY25 Operating Revenues, All Funds



FY25 Operating Expenditures



Projected June 30, 2025 Working Capital

FUND		Balance June 30, 2023	Previously Designated	FY24 Budget	Proposed FY25 Budget	Projected June 30, 2025
01	Areawide General Fund	\$ 3,928,982	\$ (265,860)	\$ (821,538)	\$ 2,594	\$ 2,844,178
02	Townsite Service Area GF	1,460,542	-	130,284	(99,002)	1,491,824
17	Land Development & Sales	402,858	-	(39,493)	(43,389)	319,976
20	Medical Services	355,131	-	(571)	(24,314)	330,246
23	Economic Dev. & Tourism	1,419,501	(561,072)	(384,155)	(16,993)	457,281
25	Fire Service Areas	60,287	-	5,761	(35,255)	30,793
34	CPV Tax Revenue	204,180	(23,717)	(111,405)	(50,000)	19,058
35	Vehicle Impoundment	61,215	303,110	(62,500)	(278,110)	23,715
50	CIP Fund	2,105,192	(1,279,034)	(745,517)	438	81,079
61	Equipment Sinking	527,536	-	14,000	38,000	579,536
75	Library Bonds	307	-	-	-	307
76	School G.O. Bond	1,277	-	-	-	1,277
90	Water	140,639	-	(88,029)	(73,147)	(20,537)
91	Sewer	675,762	-	(41,176)	(17,548)	617,038
92	Harbor	692,675	-	(144,663)	(28,611)	519,401
93	Lutak Dock	2,676,533	(2,740,716)	256,393	232,180	424,390
94	PC Dock	372,175	-	55,994	(184,069)	244,100

Property Tax



Proposed 2024 (FY25) Mill Rates

HAINES BOROUGH - 2024 (FY25) Real Property Tax Mill Rates*



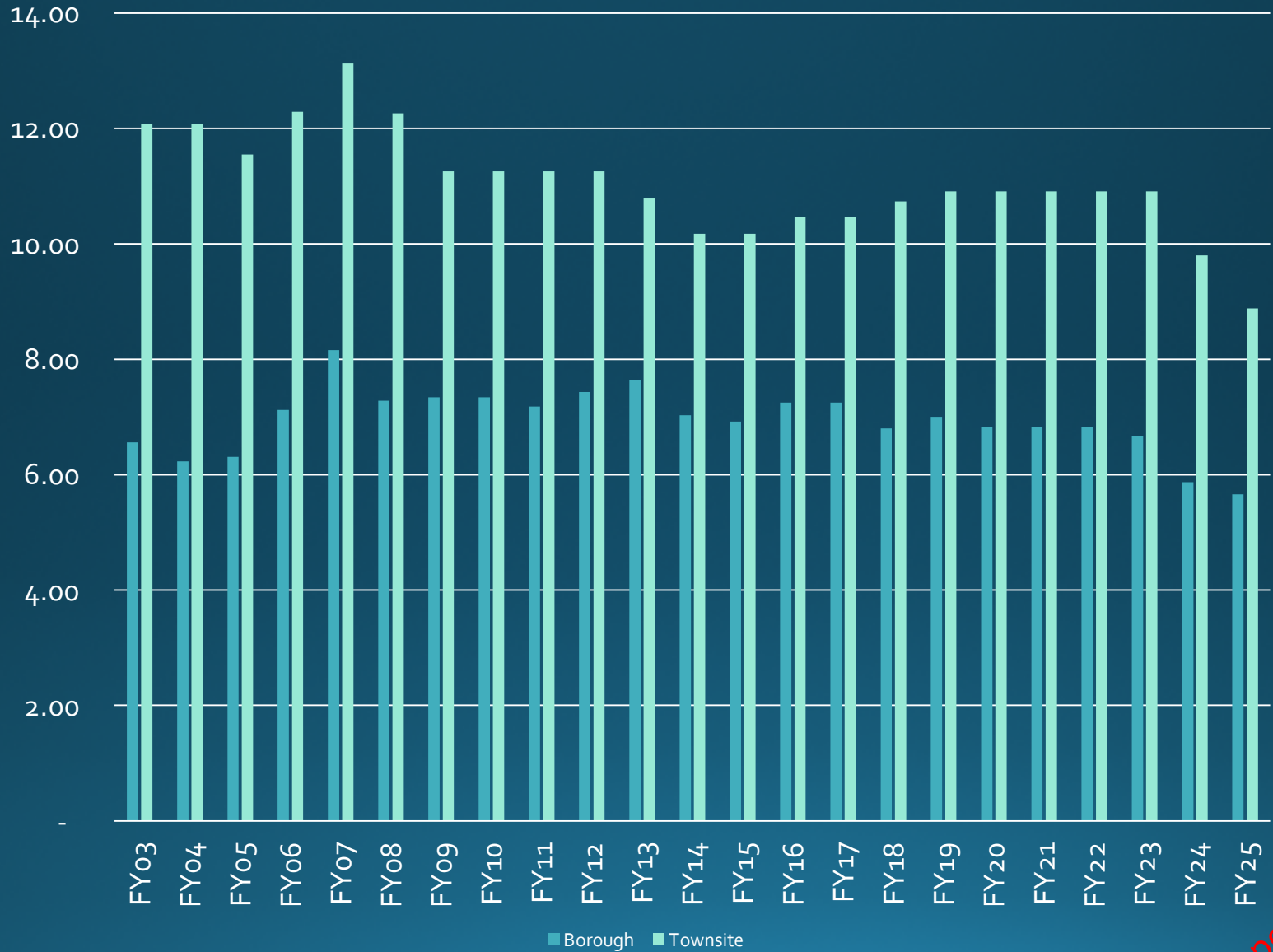
DRAFT

	<u>Borough</u> <u>Areawide</u>	<u>Fire</u> <u>Service</u> <u>Area</u>	<u>Road /</u> <u>Other</u> <u>Service</u> <u>Area</u>	<u>Total Mills</u> <u>without Debt</u> <u>Service</u>	<u>Debt</u> <u>Service</u> <u>Mills**</u>	<u>FY25 Total</u> <u>Levy</u>	<u>FY24</u> <u>Total</u>	<u>Increase /</u> <u>(Decrease)</u> <u>from FY24</u>	<u>%</u> <u>Decrease</u>
Townsite	4.79	0.94	2.28	8.01	0.87	8.88	9.80	(0.92)	-9%
Fire District #1 (outside the Townsite)	4.79	0.94	-	5.73	0.87	6.60	6.81	(0.21)	-3%
Fire District #3	4.79	0.59	-	5.38	0.87	6.25	6.54	(0.29)	-4%
Dalton Trail RMSA	4.79	0.59	0.27	5.65	0.87	6.52	6.85	(0.33)	-5%
Dalton Trail RMSA (no fire service)	4.79	-	0.27	5.06	0.87	5.93	6.18	(0.25)	-4%
Dalton Trail & Eagle Vista RMSA	4.79	0.59	3.77	9.15	0.87	10.02	10.75	(0.73)	-7%
Dalton Trail & Chilkat Lake RMSA	4.79	-	0.52	5.31	0.87	6.18	6.46	(0.28)	-4%
Riverview RMSA	4.79	0.59	-	5.38	0.87	6.25	6.54	(0.29)	-4%
Letnikof RMSA	4.79	0.94	2.62	8.35	0.87	9.22	9.60	(0.38)	-4%
Borough	4.79	-	-	4.79	0.87	5.66	5.87	(0.21)	-4%

*A mill is equal to \$1.00 of tax for each \$1,000 of assessment.

**Per Alaska Statute debt service mills are not subject to the 10 mill tax cap.

Historic mill rates



Proposed

Sales Tax



Sales Tax – FY25 Budgeted

1.0% Areawide General	\$828,000
0.5% Medical Service Area	\$395,000
1.0% Economic Development/Tourism	\$829,000
1.5% Capital Improvement Projects	\$1,243,000
4.0% Areawide Tax	\$3,295,000
1.5% Townsite Service Area	\$1,124,000

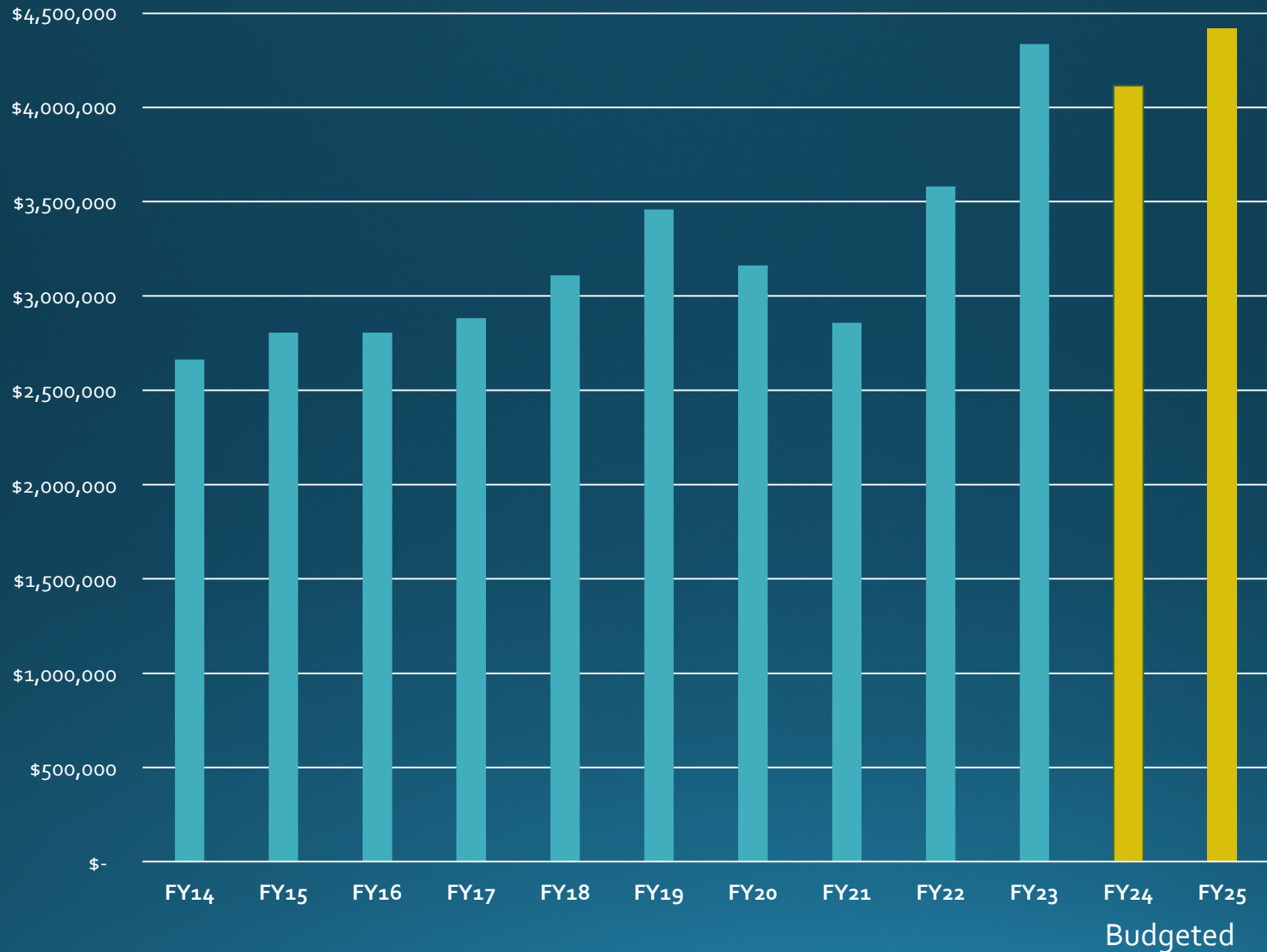
TOTAL 5.5% Sales Tax = \$4,419,000

Special or Excise Taxes– FY25 Budget

Lodging Tax 4%	\$168,000
Marijuana Tax 2%	\$22,000
Tobacco Tax	\$145,000
	<hr/>
Total Excise Taxes	\$335,000
	<hr/>

TOTAL Sales & Excise Tax = \$4,754,000

Haines Borough 5.5% Sales Tax FY14 – FY25



New or Notable in FY25

HAINES BOROUGH FY25 MANAGER'S BUDGET



New or Notable in FY25

- Property Tax revenue overall somewhat flat from FY24 although areawide share is up (TSA down). Proposed mill rates are down.
- Federal PILT & SRS as well as State Community Jails currently unknown budgeted flat from FY24
- 4% increase in CBA step chart
- 25% increase in electricity cost
- Executive Assistant to the Manager
- Anticipated increase for legal
- Continuing work to ramp up cybersecurity
- No appropriations from Assembly (non-profit funding) in fund 01 or fund 23
- Included \$7,000 for plowing at Mosquito Lake Facility

New or Notable continued ...

- Funded HBSD request which is flat from FY24 but up \$200,000 from pre-FY24 funding level
- Using \$100,000 of ARPA funds to offset part of increased payment to HBSD
- Changed formula used to charge for police emergency service outside TSA to account for SOA revenue from jails contract
- Planner not funded in FY25
- Planning & Zoning Tech II to process permit applications
- Contract assessor will come to Haines FY25 with big team Increased level of service from FY24
- Continuing to implement recommendations from Property Tax Ad Hoc committee
- Working with the library to review Borough IT assessment

New or Notable continued ...

- Included maximum annual transfer from permanent fund to general fund of \$320,000
- Plan to use \$99,000 of fund balance in TSA to supplement funding of services because too much was collected in FY24 (as well as several years previous)
- Includes full-time Fire Chief
- Includes 12 months of state and federal lobbyist as well as \$125,000 for HEDC work
- Appropriating the last of ARPA funds – must be encumbered by 12/31/2024
- Planning for junk car removal program to take place in FY25 instead of FY24 (as currently budgeted). Planning to use ARPA funds so will have to make new funding plan if it can't happen this summer.

New or Notable continued ...

- Four FEMA projects are planned for FY25 with one remaining in FY26 (see 6-year CIP for list)
- FY25 second to last year of 2005 school construction GO bond payments (final payment FY26). Costs Haines tax payers roughly \$360,000 annually.
- Water & Sewer utilities in year 3 of the adopted 4-year rate increase schedule but budgeted cash operating expenditures are still outstripping revenues. Need to supplement enterprises with grants/CIP and further increase rates in order to sustain infrastructure & service.
- Need to continue to address Letnikof harbor. Included \$110,000 from CIP for continued design.
- Lutak Dock Replacement

New or Notable continued ...

- 3 major CIP projects at the PC Dock in the works in the next 12 months include:
 - Anodes replacement with ARPA funds (fall 2024)
 - Fender refurbishment
 - Floating dock design
- Continue to seek funding for Public Safety Building replacement
- Porcupine liability currently unknown