

# 2023 BUDGET PRESENTATION

City Council Meeting

November 15, 2022

# PROPERTY TAX & OTHER REVENUE SOURCES

- Adopting **2023 Budget at 20 Mills**
- \$48.6 Million in projected property tax collections
- Other Revenue projections:
  - **\$3.7 Million** Ports & Harbor Funds
  - **\$536,000** Utility Fund
  - **\$480,000** Hotel & Motel Tax
  - **\$1.42 Million** National Forest Receipts
  - **\$200,000** Interest Earnings (General Fund)
  - **\$650,000** PILT-Federal
  - **\$598,000** Jail Grant
  - **\$1.6 Million** Bond Reimbursement



# MAJOR EXPENDITURE OVERVIEW

- **\$45 Million** General Fund Budget 8% above 2022
- **\$2.44 Billion** in taxable value
- **8.3%** increase in combined full-time Salary/Wage/Benefits costs (Reflects merit increases, COLA, and personnel turnover)
- **8.4%** COLA (4.2% already applied)
- **\$750,000** appropriated for energy assistance
- **\$1.2 Million Water & Sewer Subsidy**
- **\$1.9 Million** absorbed by General Fund for solid waste/landfill
- **\$12.1 Million** dedicated to education (K-12 & College)
- **\$1.9 Million** allotted to Outside Organizations (CSOs, Museum, VFDA, and VCVB)

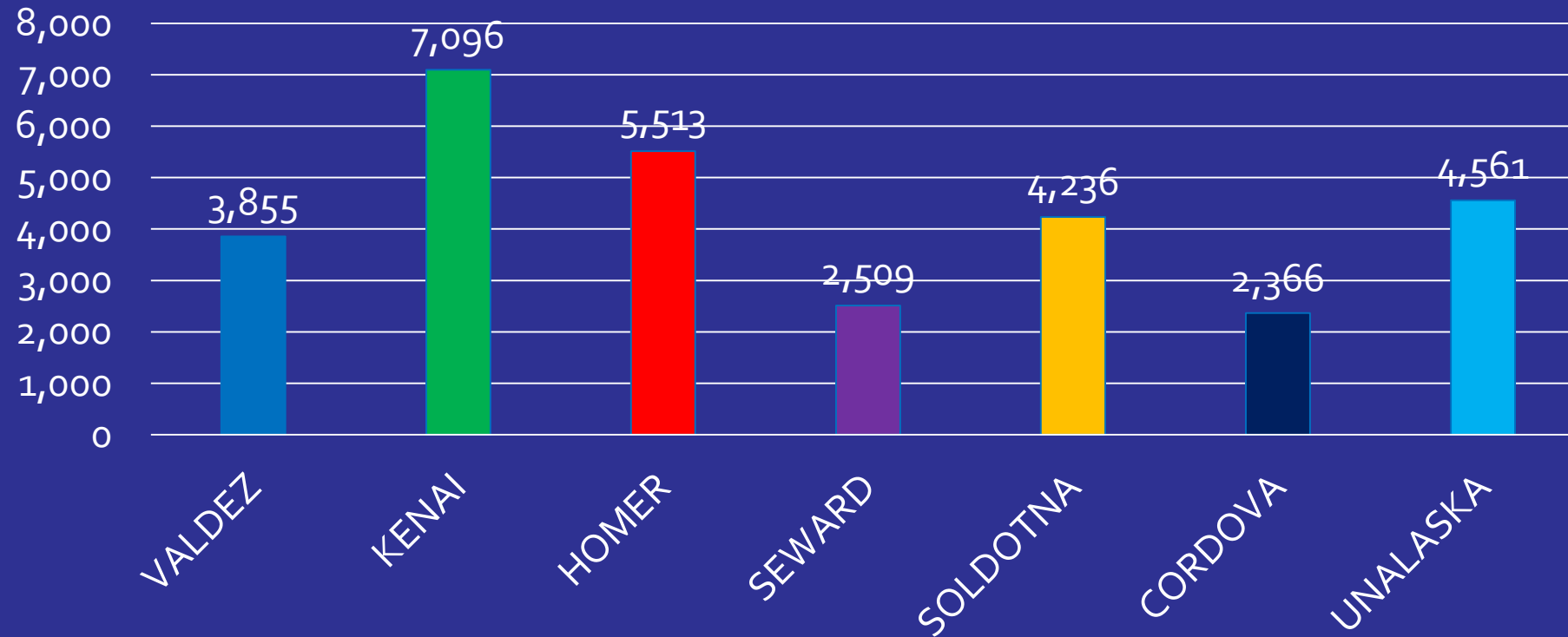


# COUNCIL PRIORITIES 2023 BUDGET

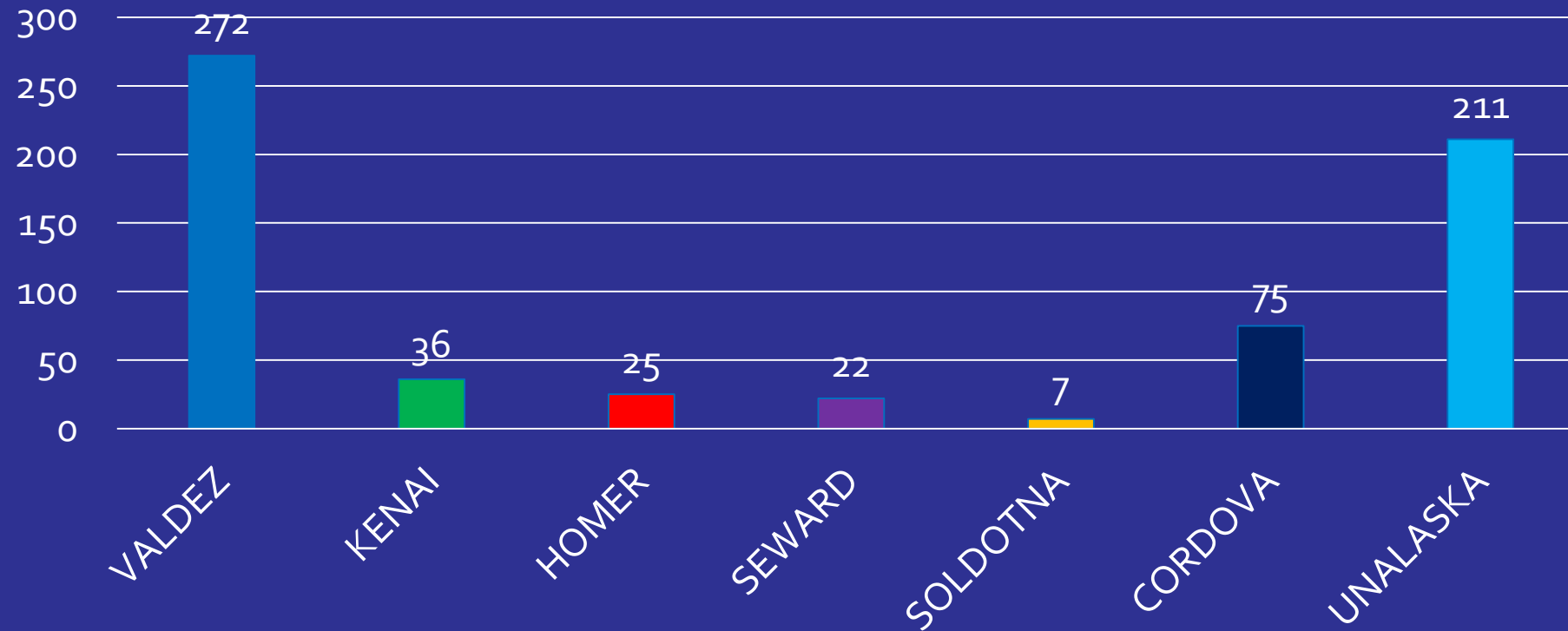
- Housing = **\$4.7 Million available in Valdez Housing Authority and Land Development Funds for housing incentive and development grants**-PLAN VALDEZ GOAL “Promote, protect, and build quality housing.”
- Sewer Force Main = **\$35 Million (Bond issue in May of 2022 and construction in 2023)**-PLAN VALDEZ GOAL “Plan for responsible growth.” \$5 Million Earmark proposed by Murkowski.
- Small Boat Harbor H-K Dock Replacement = **\$16 Million - \$ 5 Million from State Harbor Grant**-PLAN VALDEZ GOAL “Build upon Valdez’s core economy.” \$ 5 million short on H-K project.
- Planning & Zoning - Title 17 and 16 revisions = **\$150,000** PLAN VALDEZ GOAL “Plan for responsible growth.”
- Health and Childcare Service Support = **Approximately \$300,000 for Hospital Master Plan Update** PLAN VALDEZ GOAL “Provide Community Services.” \$56,000 for Stellar Group Childcare Study.
- Communications = **Budgeting for a City Wide Strategic Communications Plan**-PLAN VALDEZ GOAL “Improve communications between the City and its residents.”
- Fund Budget- “4-5 Million for Budget will come from City Saving Reserves.



# COMPARABLE ALASKAN CITIES POPULATION

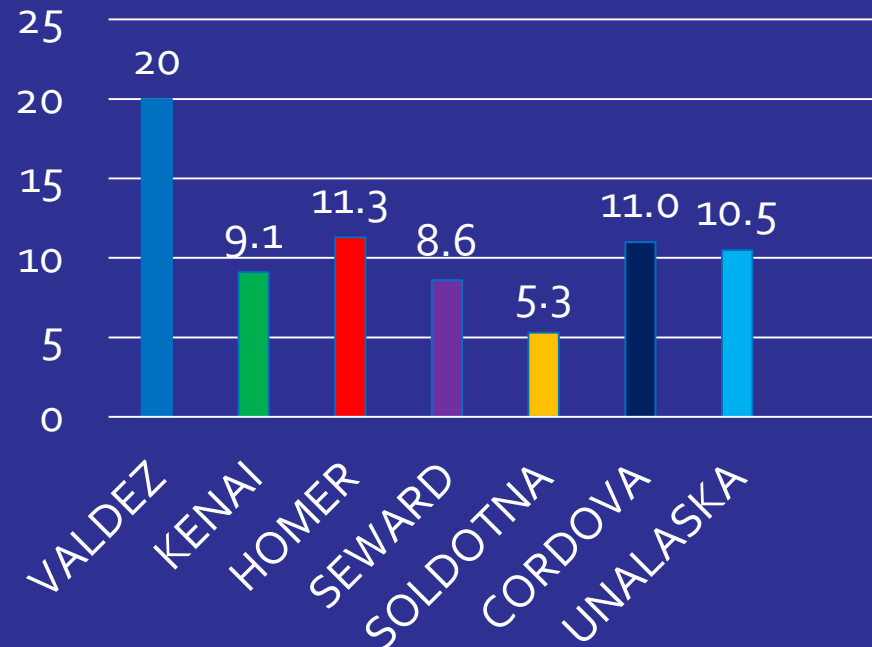


# COMPARABLE ALASKAN CITIES SQUARE MILES

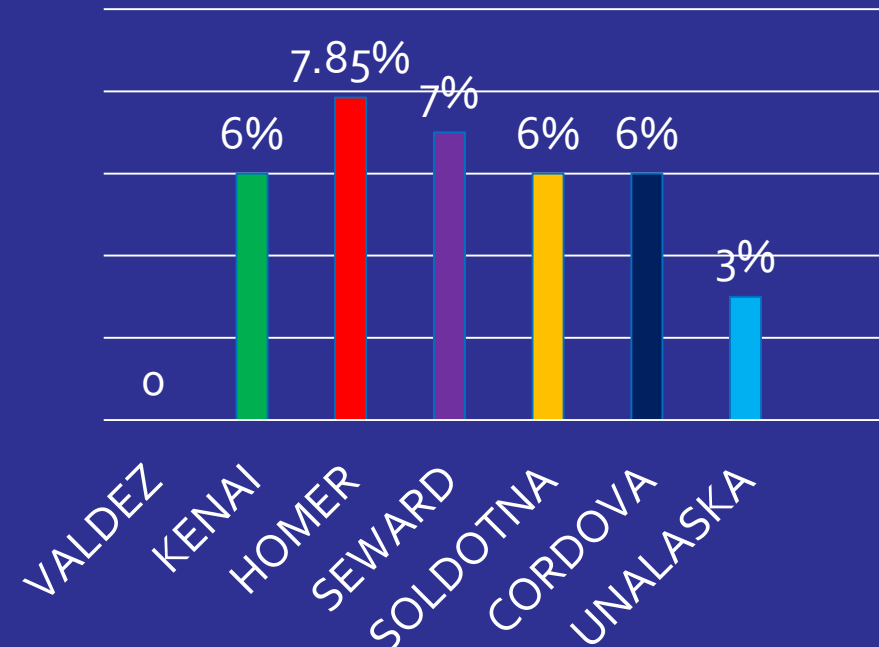


# COMPARABLE CITY MILL LEVY & SALES TAX\*

## MILL LEVY



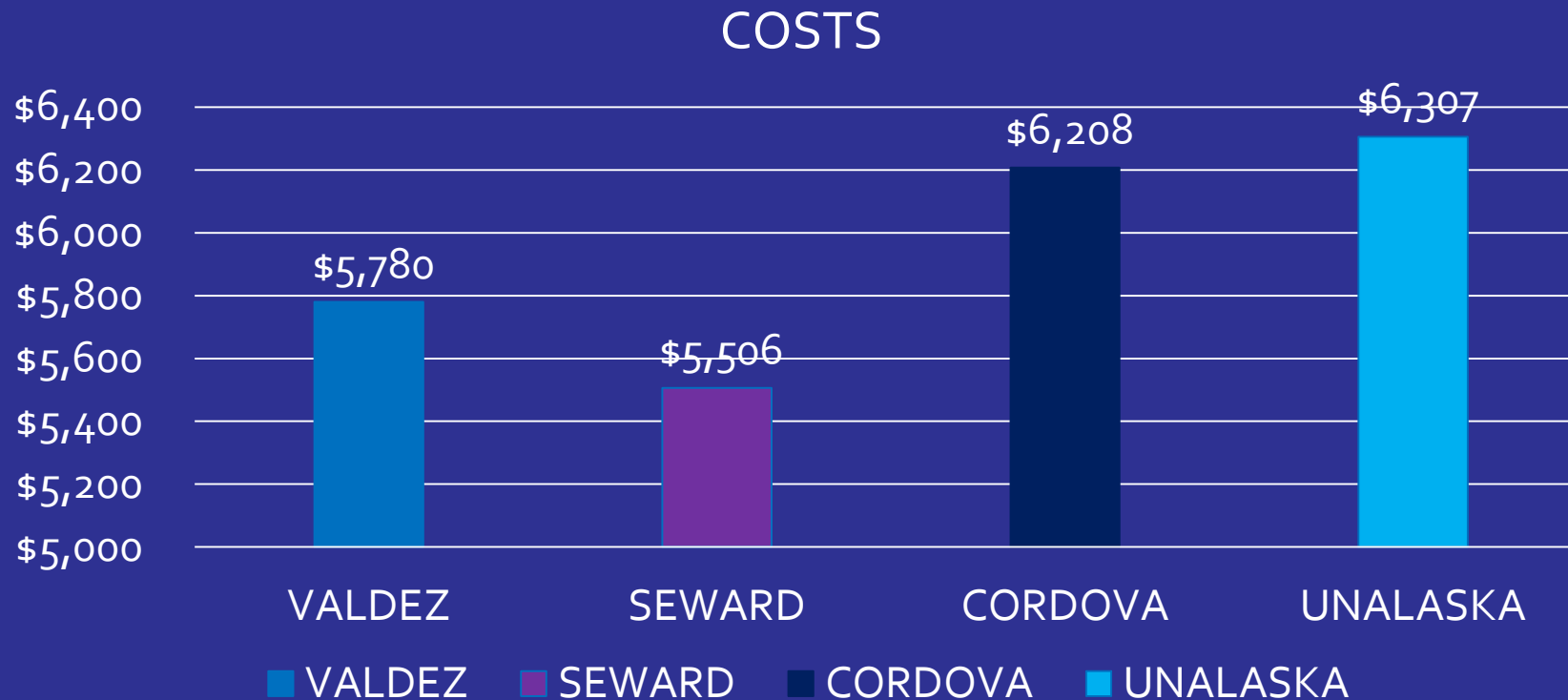
## SALES TAX BY %



This data was retrieved from the Alaska Taxable 2021 Report - Office of the State Assessor, Department of Commerce, Community and Economic Development.



# COMPARABLE CITY COST OF LIVING PROPERTY TAX ON 350,000 HOME (400,000 UNLASKA-WITH 75,000 EXEMPTION), SALES TAX-17,000 IN TAXABLE PURCHASE, WATER, SEWER, SOLID WASTE)\*



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# COMPARABLE CITIES EMPLOYMENT LEVELS\*

- VALDEZ= 136 FTES (UNORGANIZED BOROUGH)
- KENAI=117 FTES (259 KENAI PENINSULA BOROUGH EMPLOYEES)
- HOMER=110 FTES (259 KENAI PENINSULA BOROUGH EMPLOYEES)
- SOLDOTNA=75 FTES (259 KENAI PENINSULA BOROUGH EMPLOYEES)
- SEWARD=113 FTES (259 KENAI PENINSULA BOROUGH EMPLOYEES - ELECTRIC UTILITY)
- CORDOVA=66 FTES (UNORGANIZED BOROUGH)-6% Alcohol, 6% Marijuana, 6% Tobacco Tax
- UNALASKA=174 FTES (UNORGANIZED BOROUGH - ELECTRIC UTILITY)

\*Sales Tax is regressive tax in Kenai Peninsula Borough Communities due to lower incomes.

\*Valdez transfers money to utility funds from general fund. Exact opposite in other comparable cities.

\*Other cities use “standard public finance” requiring utility funds to be self sufficient and utilizing sales tax to capture “free riders.”

\*Valdez tax system is more transparent. Most people don’t track sales tax expenditures or realize their utility payments are subsidized by General Fund.



# CITY OF VALDEZ MISSION STATEMENT

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“TO CULTIVATE AN ENVIRONMENT OF OPPORTUNITY, SUSTAINED PROSPERITY, AND WELL-BEING FOR ALL PEOPLE OF VALDEZ.”

