

AGENDA

FOR THE REGULAR MEETING
OF THE CITY COUNCIL FOR THE
CITY OF THORNE BAY, ALASKA

TUESDAY, JUNE 17, 2025

TIME: 6:30 p.m.

THERE WILL BE A WORKSHOP BEGINNING AT 6:00PM

LOCATION: IN PERSON AT CITY HALL or TELECONFERENCE/VIDEO CONFERENCING LINE

Phone Number: 1-650-479-3208

Meeting Link:

<https://cityofthornebay.my.webex.com/cityofthornebay.my/j.php?MTID=m42b083fd76962762fbfe73f3a84b405b>

Meeting number: 182 229 9375 Password [D4gxVSXpz84 \(34498797\)](#) from phones and video systems)

- 1) CALL TO ORDER:
- 2) PLEDGE TO FLAG:
- 3) OATH OF OFFICE
 - a.) Thom Cunningham, Seat C
- 4) ROLL CALL:
- 5) APPROVAL OF AGENDA:
- 6) MAYOR'S REPORT:
- 7) ADMINISTRATIVE REPORTS:
 - a) City Administrator:
 - b) City Clerk:
- 8) PUBLIC COMMENTS:
- 9) COUNCIL COMMENTS:
- 10) CONSENT AGENDA:
 - a) MINUTES
 - i. [Minutes of the June 3, 2025, Regular City Council Meeting, discussion and action item:](#)
- 11) NEW BUSINESS:
 - a) Resolution 25-06-17-01, Approving the Renewal of Short-Term Lease with Papac Logging Inc., Discussion and Action Item;
- 12) ORDINANCES FOR INTRODUCTION:
 - a) Ordinance 25-06-17-01, an ordinance of the city council for the city of Thorne Bay, Alaska; providing for the establishment of the budget for the city of Thorne Bay, fiscal year 2026, July 1, 2025 -June 30, 2026, anticipated revenues and expenditures, discussion and action item;
- 13) CONTINUATION OF PUBLIC COMMENT:
- 14) CONTINUATION OF COUNCIL COMMENT:
- 15) ADJOURNMENT:

POSTED: June 13, 2025

Minutes

FOR THE REGULAR MEETING
OF THE CITY COUNCIL FOR THE
CITY OF THORNE BAY, ALASKA

TUESDAY, June 3, 2025

TIME: 6:30 p.m.

THERE WAS A WORKSHOP BEGINNING AT 6:00PM

1) **CALL TO ORDER:**

Vice Mayor called the meeting to order at 6:30pm

2) **PLEDGE TO FLAG:**

The audience and council stood for the pledge to the flag.

3) **ROLL CALL:**

Those present were:

Pesterfield, Lovell, Kaer, Blair, Nyquest

Those Absent were:

Killian

4) **APPROVAL OF AGENDA:**

Mayor moved to approve the Agenda, seconded, No discussion

MOTION: Move to approve the agenda.

F/S: Nyquest/ Pesterfield

YEAS: Pesterfield, Lovell, Kaer, Blair, Nyquest

ABSENT: Killian

STATUS: Motion Passed

5) **MAYOR'S REPORT:**

a) Considering extending the deadline for council seat vacancy filling.

b) Commented that the cemetery is on the radar as well as a community center

c) Will be leaving in a few weeks

6) **ADMINISTRATIVE REPORTS:**

a) City Administrator: None given – will report at next meeting.

7) **DEPARTMENT REPORTS:**

a) Water Report: Written report given

b) EMS Report: Written report given

c) Harbor Report: Written report given

8) **PUBLIC COMMENTS:**

a) **Thom Cunningham** commented on the vacant council seat – filled out before the deadline. Summarized council experience and expressed belief that Thorne Bay would like to see him seated on the Council. Stands for accountability. Considers himself the best Candidate.

b) **Linda Shilts** commented agreement with Thom and would like opportunity to have a vote. Would like him to be considered based off of Election results.

c) **Keith Landers** would like a decision made tonight – should not notify people. People should decide.

d) **Trina Pesterfield** commented in agreement. Should not disregard what's been done in the past.

e) **Robert Hartwell** commented that the USFS will be spraying Herbicides

f) **Kim Ostrom commented** the herbicide spraying is precise and targets certain plants.

Annual updates for over 30 sites island wide to monitor use and effect. Using glyphosate and aminopyralid. More information is available from him at the USFS office.

i. **POI: Nyquest:** questioned the application method – by truck or pack?

Ostrom commented by packs – small amounts.

- g) **Brandy Schmitz-Prefontaine** Spoke out against pesticide and herbicide application due to effect on subsistence harvesting of fish, deer, and life of pollinators. Hard to return to not using after it's been allowed. Glyphosate in Low soil levels and high precipitation levels is a cause for concern. Manual treatment is only application she can support.

9) **COUNCIL COMMENTS:**

- a) **Pesterfield thanked** Ostrom for the information. Commented that during the time frame he did talk with people about applying for council seat. Commented that at Davidson Landing by the down ramp, vehicles were parked in a way to block the ramp down to harbor. Would be good to have a guard rail or something to keep people from driving off the edge as well as encourage others to pull all the way forward. Suggested logs instead of guard rails due to price.
- b) **Sean Kaer** is against pesticides and agreed that council should move on the Resolution tonight.
- c) **Nyquest commented** that public comments happen twice here, which is more than other places. In order to keep the meeting going, there is only one opportunity at each public comment section. Clarified the information on vacant seats. The procedure needs to be cleaned up, yes. Clarified contacting community members to fill a seat, was not backhanded or malicious, simply contacting people who have at one point expressed interest. Clarified that council appoints, will take Commented on the failed variance from the last meeting. One of the concerns last meeting was fire. Allowed uses in that zone include trailers. Accidental fires from the past came mainly from trailers. Housing shortages in Thorne Bay. Would like to see out of the box solutions for the problems left from the past. Ex: fire-resistant materials necessary. This would help mitigate the problems for the future of Thorne Bay.
- d) **Lovell thanked** the City Administrator for Southside rd word completed. Suggested that if a resolution is sent out, it should be done, without back tracking. Thankful for input from community members. Council should be moving within the regulations.

10) **CONSENT AGENDA:**

- a) **Minutes** of the May 6, 2025, Regular City Council Meeting, action item:

Mayor moved to approve the Consent Agenda consisting of the Minutes from May 6, 2024 Regular City Council Meeting, seconded, No discussion

MOTION: Move to approve the Consent Agenda.

F/S: Nyquest/ Lovell

YEAS: Pesterfield, Lovell, Kaer, Blair, Nyquest

ABSENT: Killian

STATUS: Motion Passed

11) **NEW BUSINESS:**

- a) **Resolution 25-06-03-01:** A Resolution of the City Council of the City of Thorne Bay authorizing a budget of \$25,000 from the Community Development account for the Solid Waste Bailer Building Project, discussion and possible action item;

Mayor moved to approve the Resolution 25-06-03-01: A Resolution of the City Council of the City of Thorne Bay authorizing a budget of \$25,000 from the Community Development account for the Solid Waste Bailer Building Project, seconded,

- Discussion:
 - **Lovell** questioned if there is any other place that this could come out of. It is the first time to see this fiscal years budget. If it's a community line item, there should be community dialogue.
 - **Pesterfield** commented in agreement with Lovell on the community dialogue for the community fund and last meeting said this should be reflected in the budget – agrees all improvements to Solid Waste are important. Additionally, would have upped the price of dump tickets if we had known these issues. Cost of living increases across the budget will cause a raise in enterprise fees in order to have a savings robust enough to repair the department facilities.
 - **Clerk** clarified R&R account budget line.
 - **Nyquest** commented that it is a safety concern and feels that the community uses and needs the facility. If we need to put it into the budget, so be it.
 - **Kaer** agreed we should look at it another way. Should consider putting it into the budget for transparency.

MOTION: Move to approve Resolution 25-06-03-01

F/S: Nyquest/ Blair

YEAS: Blair, Nyquest

Nays: Pesterfield, Lovell, Kaer,

ABSENT: Killian

STATUS: Motion Failed

- b) **Resolution 25-06-03-02:** A Resolution of the City council of the City of Thorne Bay, Alaska, appointing one person to fill Vacated City Council Seat C, discussion and action item;

Mayor moved to approve Resolution 25-06-03-02 appointing one person to fill Vacated City Council Seat C

- Discussion:

Lovell commented belief that time was sufficient to for notice to fill vacancy.

Pesterfield thanked the applicant. Agreed that it would be nice for more applicants but it will only be 4 months until the election.

Kear commented that Thom should be on seat until the elections.

Nyquest agreed that Thom would be a good candidate, but he would still be a candidate and there's no hurry to do it tonight.

MOTION: Move to approve Resolution 25-06-03-02

F/S: Nyquest/ Pesterfield

YEAS: Pesterfield, Lovell, Kaer, Blair,

NAYS: Nyquest

ABSENT: Killian

STATUS: Motion Passed

- c) **Discussion:** Letter from Jim Seeley to City Council, discussion item;

i. **Discussion as follows:**

- **Pesterfield** commented that Jim Seeley is one of the first Thorne Bay kids and going to Craig for hardware now. Store would be beneficial not just Thorne Bay, but for the island. Would like to lease property, not sell. Would like a discussion on long-term leasing costs to really review all terms and conditions.
- **Lovell** looks forward to more in Thorne Bay for tax revenue and jobs. Agreement with lease review and long-term plan.
- **Kaer** commented that we need to have a plan. Agreed that a hardware store would be beneficial.
- **Nyquest** commented that there will need to be some stipulation for longevity of operation.
- **Huestis** stated that we do have a strategic waterfront operation plan that was shared with Mr. Seeley and will send a copy to Councilman Kaer.
- **Lovell** requested the entire council receive the waterfront operation plan
- **Pesterfield** we are all working for the city and agreed that it needs to be established before any purchase comes along.

12) **ORDINANCES FOR PUBLIC HEARING:**

- a) **Ordinance 25-05-17-01: AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA; PROVIDING FOR THE ESTABLISHMENT OF THE BUDGET FOR THE CITY OF THORNE BAY, FISCAL YEAR 2025, JULY 1, 2025 -JUNE 30, 2026, ANTICIPATED REVENUES AND EXPENDITURES**

Mayor moved to approve Ordinance 25-05-17-01, an ordinance establishing FY26 Budget, Seconded.
Discussion:

No Public Comments;

- **Lovell** asked if we could go over the overview of departments.
- **Nyquest** commented that it is an overview of things we would like to see done.
- **Huestis** clarified some of the department narratives and commented he is open to Council's recommendations and comments.
- **Lovell** questioned further what the department projects are for and is there a budget line for these projects built into the lines?
- **Nyquest** commented that the projects are thing we would like to do.
- **Huestis** clarified some of the administration projects in the interest of clarity.
- **Kaer** asked where the fines were budgeted?
- **Huestis** questioned the fines?
- **Lovell** clarified – fines from the state for being out of compliance.
- **Huestis** clarified the State tried to get us to sign a COBC, that has been dropped and there are no fines.
- **Lovell** questioned where the Solid Waste funds will be appropriated from in the budget?
- **Nyquest** commented that it will be budgeted from Solid Waste, subsidized from the General Fund.
- **Pesterfield** questioned line items throughout the budget and gave recommendations for line item increases or removal.
 - **Clerk clarified when questions asked.**
- **David Shilts** questioned why there isn't a line item under snow removal and overtime?
- **Huestis** clarified it is included in the other lines. (i.e. Vehicle fuel, payroll lines, materials and supplies etc). It's not a project budget line.

- **Lovell** questioned Streets and Roads projects – clarified that it is not an enterprise – but there is not a lot of Southside projects, would like to know if there is more southside focused projects?
- **Nyquest** interjected that the projects cover both sides of the bay. The paving of the road is still in the works as well.
- **Lovell commented** he'd like day to day planning for pothole repair.
- **Huestis** commented the grader repairs are for southside road maintenance. Clarified the City's responsibility in regards to easements dedicated by creation of plats. Would like to do more, but we just don't have the income to support it.
- **Kaer commented** in objection to Huestis' comments.
- **Linda Shilts** commented that she pays city sales tax, could get a tax-free card but chooses not to. When people are ordering, they are contributing to city sales tax.
- **Thom Cunningham** commented on the Southside Road ownership - Mayor redirected back to the Agenda item for discussion. Didn't see a line item for road maintenance in the subdivision within the budget.
- **John Stram** commented that he has a tax free card and still pays taxes on purchases made online.

MOTION: Move to approve Ordinance 24-05-17-01, an ordinance establishing FY26 Budget
 F/S: Nyquest/ Lovell
 YEAS: Kaer, Blair, Nyquest, Pesterfield, Lovell
 NAYS: None
 ABSENT: Killian
 STATUS: Motion Passed.

13) CONTINUATION OF PUBLIC COMMENT:

- a) **David Shilts** thanked the Council for voting for Thom and feels procedures were followed.
- b) **Thom Cunningham** commented on the proposal from Seeley in agreement with Mayor that a long term lease would solidify the business and the opportunity would help with employment issues.
- c) **Brandy Schmitz-Prefontaine** Appreciated the discussion- Island-wide Resolutions 2013-2014 (COTB Resolution 14-09-16-02) supporting the non-use of pesticides and herbicides. Quoted Whereas quote within resolution. Island-wide agreement that roadside management is not done by using chemicals.
- d) **Keith Landers** is wondering how many bids on the solid waste bailer project?
- i. **Nyquest redirected** – Point of Order – Public comment period.

14) CONTINUATION OF COUNCIL COMMENT:

- a) **Lovell** thanked Clerk and Administrator for putting together the budget and providing answers to questions.
- b) **Pesterfield** thanked the public for the attendance, thanked Ostrom for information on herbicide application, and clerk for easy to read budget.
- c) **Nyquest** showed appreciation to Ostrom for making it to the meeting, and the public for the discussion.

15) **ADJOURNMENT:** Adjourned at 8:20 pm

ATTEST:

Anthony Lovell, Vice Mayor

Caitlyn Sawyer, City Clerk/Treasurer



**CITY OF THORNE BAY
RESOLUTION 25-06-17-01**

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, APPROVING THE RENEWAL OF SHORT-TERM LEASE WITH PAPAC LOGGING INC. FOR LEASE OF CITY OWNED PROPERTY AT THE THORNE BAY SORTYARD FOR A TERM OF 1-YEAR, EXPIRING MAY 31, 2026.

WHEREAS, the City Council is the governing body of the City of Thorne Bay; and

WHEREAS, the Thorne Bay Municipal Code 2.56.240-provides that negotiated leasing may be conducted with a single prospective lessee or renter through the use of resolution; and

WHEREAS, the current lease between Papac Logging Inc. and the City expired effective May 31, 2025, and the City Council through Resolution 24-05-07-05, authorized the City Administrator to negotiate new lease terms with Papac Logging Inc.; and

WHEREAS, the new lease terms included an increased monthly lease rate from \$260.372 per acre to \$266.208 per acre, for a total monthly rate of \$532.42, for land in the Sortyard, containing a total of 2 acres; and

WHEREAS, it is in the City's best interest to retain Papac Logging Inc. as a "renter" under the terms of a 1-year short-term lease.

NOW THEREFORE, BE IT RESOLVED that the City Council for the City of Thorne Bay hereby approves the renewal of a short-term lease, effective June 1, 2025, through May 31, 2026, for the rental of city owned lands located at the Sortyard.

PASSED AND APPROVED this 17th day of June 2025, by a duly constituted quorum of the City Council with a vote of ____ Yeah, ____ Nays & ____ Absent/Abstained.

ATTEST:

Anthony Lovell, Vice Mayor

Caitlyn Sawyer, City Clerk/Treasurer

RENTAL AGREEMENT CITY & PAPAC

This Rental Agreement is entered into by and between the City of Thorne Bay, Alaska, P.O. Box 110, Thorne Bay, Alaska 99919 (hereinafter called the "CITY" and, Papac Alaska Logging, Inc., (hereinafter called the "RENTER").

1. **Rented Premises.** The City does hereby Rent to the Renter two acres of land at the Sort Yard on municipally owned property within the corporate boundaries of the City of Thorne Bay.

Municipal Code, Title 2, Article III, Incorporated. The provisions of "Title 2, Article III of the Thorne Bay Municipal Code shall apply to the terms of this Rental Agreement unless otherwise amended in this Rental Agreement.

2. **Term.** The term of this Rental Agreement shall be One (1) year (s) beginning June 1, 2025 and ending May 31, 2026. Monthly rental payments due the City shall commence prior to use of Rented Premises and continue throughout the term of this Rental Agreement. Monthly Sales Taxes due the City shall commence upon the signing of Rental Agreement. Renter shall not have the option to renew this Rent.

This Rental Agreement expires automatically on the last day of the One (1) year period absent the approval of a new Rental Agreement by the Thorne Bay City Council. Absent an approved Rental Agreement, the Renter shall vacate the premise on or before the ending date of this Rental Agreement.

In addition to any rights of the City to terminate this Rental Agreement as specified in this Rental Agreement, or as specified in the Thorne Bay Municipal Code, the City shall have all rights to terminate this Rental Agreement in accordance with any provision of applicable law.

3. **Monthly Rent Payment.** Renter covenants and agrees to pay City monthly Rent payments in the sum of Five Hundred Thirty Two Dollars and Forty Two Cents (\$532.42) plus applicable sales tax payable in advance on the first day of each month of the Rent term. In the event any payment required to be made pursuant to this Rental Agreement is more than ten (10) days past due, a late charge equal to ten percent (10%) per annum on such past due amount will be assessed and charged to Renter by City.
4. **Deposits.** Renter shall deposit with the City an amount equal to N/A Upon termination of the Rental Agreement the Renter shall vacate the premise leaving it in the same clean condition as presented at the time said Rental Agreement was initiated. If the premise is in need of cleaning, repairs or the Renter is in default in payments said deposit shall be used to offset such costs. In the event the Rented Premise is clean and in need of no repairs the deposit will be refunded in full. First and last month may be

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waved in lieu of improvements to the Rented Premises or other City Facilities as provided by Renter per "Exhibit A".

5. **Use.** Renter shall use the Rented Premises for the purpose of Storing and working on heavy equipment used for logging and road building. The Rented Premises shall be used for no other purposes without the prior written consent of City.
6. **Utilities and Fees.** Renter shall be responsible for all utility accounts and applicable deposits for said accounts. Renter agrees to pay, and keep current, ALL charges, including deposits, for all utilities, including but not limited to water, sewer, refuse collection, electricity, propane, fuel oil and telephone. Failure to do so will result in the utility being shutoff. Activation of a city shutoff shall constitute a material breach of the Rent Agreement resulting in the City's termination of the Rent Agreement. Absent an approved Rental Agreement, the Renter shall vacate the premise immediately.
7. **Repairs, Maintenance and Compliance with Laws.** Renter shall maintain the Rented Premises at Renter's sole cost and expense and at all times keep the Rented Premises neat, clean and in a sanitary condition. Renter shall keep and use the Rented Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of all governmental authorities. Renter shall permit no waste, damage or injury to the Rented Premises. Renter's use of the Rented Premises in violation of any law or regulation of any governmental entity related to public health or safety or environmental pollution shall be a material breach of the Rental Agreement and grounds for City's termination of the Rental Agreement. Renter is required to obtain building permit authorization from the city for construction of any and all structures placed on or in the Rented Premises.
8. **Signs, Alterations and Improvements.** All signs or symbols placed on or about the Rented Premises shall be subject to City's prior written approval. After prior written consent of City, Renter may make alterations and improvements to the Rented Premises, at Renter's sole cost and expense. City may elect to require Renter to remove any such alterations and improvements upon termination of this Rental Agreement at Renter's sole cost and expense. Any of Renter's improvements remaining on the Rented Premises longer than thirty (30) days after Renter's possessors rights to the Rented Premises have expired shall become Rented Premises of City.
9. **Insolvency.** In the event Renter becomes insolvent, bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Renter, City, in City's sole discretion may immediately terminate this Rental Agreement and require that Renter vacate the Rental Premises.

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10. **Subletting or Assignment.** Renter shall not sublet the whole or any part of the Rented Premises nor assign this Rental Agreement without the prior written consent of City. This Rental Agreement shall not be assignable by operation of law. All terms and conditions of the Rental Agreement shall be binding upon any sub Renter or assignee of this Rental Agreement and Renter shall remain fully responsible to City for performance of this Rental Agreement.

11. **Permits and Compliance with Law.** Renter shall obtain all necessary local, state and federal permits necessary for the operation of Renter's business and shall comply with all local, state and federal laws, rules and regulations.

Failure to comply with any requirements of this section shall constitute a material breach of the Rental Agreement. Failure to remedy the violation within 30 days will result in the City's termination of the Rental Agreement. Absent an approved Rental Agreement, the Renter shall vacate the premise immediately.

12. **Insurance.** General Liability Insurance: The Renter shall procure and maintain during the life of this agreement, General Liability Insurance on an "occurrence basis" with limits of liability not less than \$1,000,000 per occurrence and /or aggregate combined single limit, personal injury, bodily injury and property damage.

Proof of Insurance shall be provided to City within thirty (30) days after the parties have executed this agreement and prior to public use of said premises. City shall be notified at least thirty (30) days before the cancellation or termination of any policy.

City shall be named as additional insured.

13. **Accidents and Liability.** City or its agent shall not be liable for any injury or damage to the persons or property sustained by Renter or others, in and about the Rented Premises.

14. **Indemnification and Waiver of Subrogation.** To the fullest extent permitted by law, the Renter agrees to defend, indemnify and hold harmless the City, its elected and appointed officials, employees and volunteers against any and all liabilities, claims, demands, lawsuits, or losses, including costs and attorney fees incurred in defense thereof, arising out of or in any way connected or associated with this agreement.

To the extent permitted by law, the Renter hereby re-Rents the City, its elected and appointed officials, employees and volunteers from any and all liability or responsibility to the Renter or anyone claiming through or under the Renter by way of subrogation or otherwise, for any loss or damage to the property caused by fire or any other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of the City, its elected or appointed officials, employees or volunteers. This

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provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the time of the Renter's occupancy or use.

Renter understands that the City accepts no responsibility whatsoever for loss of, or damage to Renter's property.

15. **Removal of Renter's Property and Repair of Rented Property.** All buildings, fixtures and equipment of whatsoever nature, that Renter shall have acquired and installed upon Rented premises, whether permanently affixed or otherwise, shall continue to be the property of the Renter and must be removed by the Renter at the expiration or termination of this Rental Agreement; and at its own expense, Renter shall repair any injury to Rented Premises resulting from such removal. Renter shall remove all buildings, fixtures, and equipment, and make all repairs, within thirty days of the date the Renter vacates Rented Premises. If the Renter fails to remove its buildings, fixtures, and equipment, and fails to make the necessary repairs, the City may do so, and seek reimbursement from the Renter for the full amount of the repairs, without any deduction for the value of any buildings, fixtures, or equipment left on the premises by the Renter. If City determines that it is in City's best interest to acquire the improvements, it may negotiate to purchase Renter's buildings, fixtures, and equipment at a price equal to or less than fair market value.
16. **Taxes.** Renter shall be solely and fully responsible for the payment of all applicable federal, state, and Thorne Bay municipal taxes including all Monthly Sales Taxes due the City.
17. **Liens.** Renter shall maintain Rented Premises free of any and all liens. Renter will not permit any mechanics', laborers' or materialmen's liens to stand against the Rented Property or improvements for any labor or materials furnished to Renter or claimed to have been furnished to Renter, or to Renter's agents, contractors, or sub-Renters, in connection with work of any character performed or claimed to have been performed on Rented premises or improvements by or at the direction or sufferance of Renter; provided, however, Renter shall have the right to contest the validity or amount of any such lien or claimed lien, In the event of such contest, Renter shall give to the City such reasonable security as may be demanded by the City to insure payment of such lien or such claim of lien. Renter will immediately pay any judgment rendered with all proper costs and charges and shall have such lien re-Rented or judgment satisfied at Renter's own expense. Renter agrees to indemnify, hold harmless and to defend the City and Rented premises from such liens. Renter consents to the City's recording of and posting of a statutory notice of non-responsibility in accordance with Alaska Statute 34.35.065
18. **Default by Renter.** Each of the following shall be deemed a default by the Renter and a breach of the Rental Agreement:

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- (a) A failure to make payment of any installment, of rent or of any other sum herein specified to be paid by Renter, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to make payment;
- (b) Upon shut off of utilities;
- (c) A default in the performance of any other covenant or condition on the part of the Renter to be performed for a period of thirty (30) days after receipt by Renter of a notice specifying the particular default or defaults;
- (d) The filing of a petition by or against Renter for adjudication as a bankrupt, or for reorganization or arrangement within the meaning of the Bankruptcy Act;
- (e) The dissolution or the commencement of any action or proceeding for the dissolution or liquidation of the Renter or for the appointment of a receiver or trustee of Rented Premises of the Renter;
- (f) The taking possession of Rented Premises of the Renter by any governmental officer of agency pursuant to statutory authority for the dissolution or liquidation of the Renter;
- (g) The making by the Renter of an assignment for the benefit of creditors;
- (h) Renter vacates or abandons the Rented Premises; and
- (i) A failure that continues for five (5) days or more to have the City named as an additional insured as required under paragraph 18, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to name the City as an additional insured.

The specification of events constituting default by the Renter in this Section, are in addition to any defaults specified in the Thorne Bay Municipal Code.

19. City's Remedies for Default. In the event of any default of the Renter, the City shall have the following rights and remedies – all in addition to any rights or remedies that may be given to the City by statute, common law, or under Thorne Bay Municipal Code.

- (a) Distraint for rent due and subsequent sale of chattels so distrained. The sale of any such chattels shall be in accordance with the procedure set forth in Alaska Statutes.
- (b) Re-enter Rented Premises and take possession thereof, remove all persons therefrom, and remove Renter's property therefrom and store it in a public warehouse or elsewhere at the cost of Renter, all without service of notice or resort to legal process (all of which Renter expressly waives) and without becoming liable for trespass, forcible entry, detainer, or other tort or for any loss or damage which may be occasioned thereby;
- (c) Declare the Term ended;

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- (d) Re-let Rented premises in whole or in part for any period equal to or greater, or less, than the remainder of the Term for any sum which is commercially reasonable;
- (e) Cure any such default, if possible, and demand immediate payment until all costs incurred in curing the default have been reimbursed fully, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska;
- (f) Collect all reasonable damages, costs and expenses that the City may incur by reason of default by Renter, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska.
- (g) The City shall use reasonable diligence to relet Rented Premises in or to mitigate the City's damages, consistent with the uses of Rented Premises, and all applicable Thorne Bay code provisions related to this Rent and Rented Premises.

20. **Rights and Remedies.** Except insofar as this is inconsistent with or contrary to any provision of this Rent, no right or remedy herein conferred upon reserved to the City or Renter is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

21. **Waiver.** Except to the extent that a party may have otherwise agreed in writing, no waiver by a party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by a party to seek a remedy for any breach of the other party be deemed a waiver of its rights or remedies with respect to such breach.

22. **Changes.** No modifications, amendments, deletions, additions or alterations of the Rent Agreement shall be effective unless in writing and signed by all of the parties hereto and such representatives of the parties as have been duly authorized to make such changes.

23. **Joint Product.** The language set out in this Rental Agreement represents the joint product of the parties and shall not be construed against one party in favor of the other. Each party hereto has had the option of seeking the advice of legal counsel in the drafting of this Rental Agreement, and the rule of construction favoring construction against the drafter shall not apply. Renter acknowledges and agrees that Renter has not received any legal advice from the City's attorney or from anyone associated with the City.

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24. **Authority.** The parties and their undersigned representatives warrant that they have full authority to enter into this Rental Agreement and to execute this Rental Agreement.
25. **Hazardous Materials.** The Renter shall not permit, store, manufacture or dispose on Rented Premises any hazardous material or controlled substance as determined by federal, state, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to , the Comprehensive Environmental Response, Compensation and liability Act (42 U.S.C. 9601 et seq.), the Hazardous materials Transportation Act (42 U.S.C. 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C.7401 et seq.), the Toxic Substance Control Act, as amended (15 U.S.C. 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. 651et seq.), and Title 46 of the Alaska Statutes as these laws have been and may hereafter be amended or supplemented. “Hazardous Substance” means any pollutant, contaminant, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, PCB’s or any other substance the removal of which is required, or the manufacture, preparation production, generation, use maintenance, treatment, storage, transfer, handling or ownership of which is restricted , prohibited, regulated or penalized by any and all federal, state, or municipal statutes or laws now or at any time hereafter in effect. Hazardous material shall not include cleaning supplies used in the routine daily cleaning and operation of a restaurant.
26. **Acceptance of the Rented Property by Renter.** Renter acknowledges that it has thoroughly examined Rented Premises. Renter accepts Rented Premises in their “**AS IS**” condition, and the City shall not be required to perform any work to prepare Rented Premises for the Renter. Renter’s taking possession of Rented Premises shall be conclusive evidence against it that, at the time possession was taken, Rented Premises were in good and satisfactory condition. Renter acknowledges that, except for those representations and statements regarding the condition of Rented Premises expressly stated herein, Renter has not relied upon any representations or statements of the City or its representatives or agents regarding the condition of Rented premises or their suitability for Renter’s uses under this Rent.
27. **Attorneys’ Fees and Costs.** Should any dispute and/or legal action arise by reason of any default or breach on the part of Renter in the performance of any of the provisions of the Rental Agreement, Renter agrees to pay all reasonable attorneys’ fees and costs incurred by City in connection therewith including City’s attorneys’ fees and costs incurred on appeal. It is agreed that the venue of any legal action brought under the terms of this Rental Agreement will be the First Judicial District, at Ketchikan, Alaska.

RENTAL AGREEMENT

CITY & PAPAC

Renter specifically agrees that venue for trial in any action related to this Rent shall be in Craig, Alaska.

28. **No Waiver of Covenants.** Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future or similar breach. This Rental Agreement contains all the agreements between the parties, and there shall be no modification of the agreements contained herein except by written instrument signed by both parties.
29. **Surrender of Rented Premises.** Upon termination of this Rental Agreement, Renter agrees to peacefully quit and surrender the Rented premises without notice, remove all of Renter's personal property and leave the Rented premises neat and clean. If City elects to require Renter to remove any alterations or improvements made by Renter, then Renter shall restore the Rented Premises to their previous condition, at Renter's sole expense.
30. **Binding on Heirs, Successors and Assigns.** The covenants and agreements of this Rental Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of both parties thereto, except as hereinabove provided, and as allowable by law.
31. **Notice.** Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to **City at P.O. Box 19110, Thorne Bay, Alaska 99919**, or the **Renter at, PO Box 404, Craig, AK 99921**, or at such other address as either party may designate in writing to the other.
32. **City's Right of Entry.** The City shall have the right to enter Rented premises at all reasonable times to examine the condition of same.

IN WITNESS WHEREOF, the parties hereto have executed this Rental Agreement as of the date first set above written.

CITY:
THE CITY OF THORNE BAY

RENTER:
PAPAC ALASKA LOGGING

By _____
Shane Nyquest, Mayor "City"

By Mike Papac
Papac Alaska Logging, Inc. "Renter"

ATTEST:

Caitlyn Sawyer, City Clerk/Treasurer



**ORDINANCE 25-06-17-01
CITY OF THORNE BAY**

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA;
PROVIDING FOR THE ESTABLISHMENT OF THE BUDGET FOR THE CITY OF THORNE BAY,
FISCAL YEAR 2026, JULY 1, 2025 - JUNE 30, 2026, ANTICIPATED REVENUES AND
EXPENDITURES

BE IT ENACTED BY THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA;

Section 1. **Classification.** This is a non-code ordinance.

Section 2. **General Provisions.** The budget documents attached hereto list the authorized appropriations for expenditures, revenues and the change in cash balances as part of the budget for the period **July 1, 2025, to June 30, 2026**, detail anticipated line-item revenues and expenditures for each appropriation and make the budget a matter of public record.

Section 3. **Authorization and Appropriation.** The appropriations are adopted and authorized for the period July 1, 2025, to June 30, 2026, and for that period. Subject to council approval by resolution, the mayor may establish line-item expenditures within an authorized appropriation. Subject to council approval by ordinance, the mayor may transfer from one authorized appropriation to another any amount that would not annually exceed 10 percent or \$10,000, whichever is less.

Section 4. **Effective Date.** This ordinance shall become effective upon adoption.

PASSED AND APPROVED: June 17, 2025

ATTEST

Shane Nyquest, Mayor

Caitlyn Sawyer, City Clerk

FY26 BUDGET

CITY OF THORNE BAY



Prepared by:

Mayor, Shane Nyquest

City Administrator, John Huestis

City Clerk/Treasurer, Caitlyn Sawyer

FY26 Budget - Cover

<u>OPERATING BUDGET</u>	<u>FY24 Actuals</u>	<u>FY25 Budget</u>	<u>FY25 Actuals</u>	<u>Proposed FY26 Budget</u>
Income	\$ 1,537,542.63	\$ 1,667,177.00	\$ 1,613,509.39	\$ 1,642,885.86
Expense	\$ 1,680,424.09	\$ 1,806,387.15	\$ 1,562,868.33	\$ 1,690,534.07
NET Operating Income:	\$ (379.16)	\$ (139,210.15)	\$ 50,641.06	\$ (47,648.21)

<u>Class List:</u>	<u>Income:</u>	<u>Expense:</u>	<u>Net:</u>	<u>Revenue Distribution:</u>
<i>Carryover from FY25</i>	<i>\$ 1,613,509.39</i>	<i>\$ 1,562,868.33</i>	<i>\$ 50,641.06</i>	<i>\$ 50,641.06</i>
Admin-FY26	\$ 791,340.00	\$ 519,451.16	\$ 271,888.84	\$ 322,529.90
Council-FY26	\$ 600.00	\$ 27,500.00	\$ (26,900.00)	\$ 295,629.90
PZ-FY26	\$ 287.00	\$ 25.00	\$ 262.00	\$ 295,891.90
EMS-FY26	\$ 68,773.86	\$ 38,960.00	\$ 29,813.86	\$ 325,705.76
Fire-FY26	\$ 45,500.00	\$ 45,500.00	\$ -	\$ 325,705.76
Harbor-FY26	\$ 119,060.00	\$ 126,615.54	\$ (7,555.54)	\$ 318,150.22
VPSO-FY26	\$ 21,000.00	\$ 31,353.20	\$ (10,353.20)	\$ 307,797.02
Library-FY26	\$ 10,425.00	\$ 9,424.78	\$ 1,000.22	\$ 308,797.24
Parks-FY26	\$ 11,750.00	\$ 9,280.00	\$ 2,470.00	\$ 311,267.24
RV-FY26	\$ 6,350.00	\$ 5,700.00	\$ 650.00	\$ 311,917.24
Streets-FY26	\$ 76,650.00	\$ 197,692.31	\$ (121,042.31)	\$ 190,874.93
SW-FY26	\$ 158,500.00	\$ 226,501.49	\$ (68,001.49)	\$ 122,873.44
Sewer-FY26	\$ 151,500.00	\$ 201,765.73	\$ (50,265.73)	\$ 72,607.70
Water-FY26	\$ 181,150.00	\$ 250,764.85	\$ (69,614.85)	\$ 2,992.85

FY26 BUDGET	\$ 1,642,885.86	\$ 1,690,534.07	\$ 50,641.06	\$ 2,992.85
FY26 OPERATING INCOME/EXPENSE BUDGET:			2,992.85	
Total Excess to Return to Reserve Account:			(2,992.85)	
TOTAL NET OPERATING BUDGET:			0.00	
Total Repair & Replacement Expense:			\$ 70,229.46	

This operating budget includes the expenses from each enterprise account to a repair and replacement fund that was established to help with any future costs associated with the repair or replacement of equipment, buildings or grounds of the department. A detailed breakdown of each department expense to their R&R Fund is as follows:

Subsidized Revenues	\$ 5,941.81
Local Revenues	\$ 1,294,162.00
State Revenues:	\$ 266,600.00

Water	\$ 15,180.66
Sewer	\$ 13,556.04
Solid Waste	\$ 16,000.00
RV Park	\$ 5,000.00
Harbor	\$ 10,492.77
Streets & Roads	\$ 10,000.00
	\$ 70,229.46

Administration & Finance:



FY26 Recommendations:

- Hire Project labor to provide repairs and maintenance to City buildings.
- Hold a surplus sale to raise revenues
- Pursue grant funding for broadband
- Pursue grant funding for cemetery

Department Projects:

- Develop site plan and building concept for new City Hall
- Oversee City Projects - Kasaan Road, Kasaan Road Bridges, Solid Waste Re-organization, Wastewater Collection System Upgrades, Wastewater Treatment Plant Study, Planning for new Cemetery

OVERVIEW:

Administration and Finance is the "catch all" for a majority of the City's revenues, including Community Revenue Sharing, PILT and City Sales Tax. Thus, its "profit margin" is critical to continue subsidies in other non-revenue generating departments (library, VPSO, City Council, Fire, EMS, etc.).

Working with interested individuals and businesses to secure residential and commercial property will enhance economic growth and lead to Increases in sales tax revenue and local employment.

Grant / Funding Opportunities:

- State Legislature
- Denali Commission

Administration & Finance				
Income	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENTS
SURPLUS INCOME				
Subsidized Income				
FEES & PERMITS INCOME				
Animal Fees	350.00	280.00	300.00	
ATV Fees	850.00	850.00	950.00	
Fees & Permits	300.00	50.00	100.00	
Parking Permit Income	15,500.00	18,285.95	20,000.00	
Senior Tax Cards	3,000.00	1,102.00	1,500.00	
Credit Card Use Fee	0.00	576.55	650.00	
Total FEES & PERMITS INCOME	20,000.00	21,144.50	23,500.00	
FINES & PENALTIES				
Citations	300.00	0.00	0.00	
Finance Charge Income	350.00	375.57	300.00	
Total FINES & PENALTIES	650.00	375.57	300.00	
INTEREST & INVESTMENT INCOME				
Dividend, Interest (Securities)	1,200.00	4,422.00	1,200.00	
Interest Income	120.00	9.46	120.00	Income from our investment accounts
Total INTEREST & INVESTMENT INCOME	1,320.00	4,431.46	1,320.00	
MISCELLANEOUS INCOME				
Copier/Fax	100.00	190.38	200.00	

FY26 Budget – Administration & Finance

Misc. Income	100.00	0.00	20.00	
Total MISCELLANEOUS INCOME	200.00	190.38	220.00	
RENTALS & LEASE INCOME				
Lease of City Property	25,000.00	54,481.59	35,000.00	
Rental Income	20.00	22.00	20.00	
Total RENTALS & LEASE INCOME	25,020.00	54,503.59	35,000.00	
SALES				
Rock Sales	5,000.00	180.00	200.00	
Surplus Property	500.00	60,000.00	30,000.00	Surplus Sales
Total SALES	5,500.00	60,180.00	30,200.00	
SERVICE CHARGES				
Notary/Lamination	350.00	248.50	350.00	
Public Records Labor	200.00	7.50	100.00	
Passport Services	600.00	183.22	350.00	
Reconnection of Services	1,000.00	723.00	1,000.00	
Total SERVICE CHARGES	2,150.00	1,162.22	1,800.00	
STATE REVENUES				
Community Aide Assistance	4,000.00	3,269.73	4,000.00	This is an unknown amount at this time.
Payment in Lieu of Taxes	145,000.00	182,321.54	145,000.00	We do not know what is anticipated for PILT because the State has not adopted their budget yet.
Total STATE REVENUES	149,000.00	185,591.27	149,000.00	
TAX INCOME				

FY26 Budget – Administration & Finance

Sales Tax	520,000.00	497,845.09	550,000.00	
Total TAX INCOME	520,000.00	497,845.09	550,000.00	
Total Income	723,840.00	825,424.08	791,340.00	

Expense	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENT
CONTRACT SERVICES				
Contract Labor	10,000.00	1,020.00	7,500.00	
Legal Services	5,000.00	2,750.00	5,000.00	
Total CONTRACT SERVICES	15,000.00	3,770.00	12,500.00	
FEES / PERMITS / LICENS EXPENSE				
Advertising and Promotion	500.00	0.00	500.00	Advertising needs would only be for when we publish in the Island Post for RFP's, or other notices.
Bank Service Charges	220.00	175.53	200.00	
Credit Card Merchant Fees	5,350.00	3,321.88	5,350.00	
Dues and Subscriptions	6,800.00	5,555.02	6,800.00	Adobe Acrobat, On-the-clock time payroll timekeeping, AML Membership Dues, AAMC Membership dues.
Fees Permits & Licensing Exp	5,500.00	4,109.51	5,500.00	Alaska Municipal Clerk Membership, Notary Renewals.
Total FEES / PERMITS / LICENS EXPENSE	18,370.00	13,161.94	18,350.00	
INSURANCE EXPENSE				
AML/Insurance	20,324.00	27,122.60	28,000.00	AML Increased all of our coverage. You will notice this mostly in the Water and Sewer departments.
Total INSURANCE EXPENSE	20,324.00	27,122.60	28,000.00	

MATERIALS & SUPPLIES				
Computer/Software	3,500.00	1,593.13	3,000.00	
Furniture & Equipment	1,000.00	0.00	1,000.00	
Materials & Supplies	7,000.00	5,228.26	6,000.00	
Total MATERIALS & SUPPLIES	11,500.00	6,821.39	10,000.00	
OPERATING EXPENSES				
Bldg/Grnd Maint Repair	4,000.00	1,392.77	4,000.00	
Electricity	4,500.00	3,527.74	4,500.00	
Heating Fuel	8,500.00	5,995.71	7,500.00	
Internet Use	2,200.00	2,250.00	2,300.00	
Postage and Freight	3,000.00	1,359.39	2,500.00	
Records Maintenance	1,500.00	0.00	500.00	Time, materials & supplies, filing, scanning, policy updates & archiving of City Records
Telephone, Telecommunications	5,000.00	4,706.90	5,000.00	City phones, Long distance & Admin Cell
Total OPERATING EXPENSES	28,700.00	19,232.51	26,300.00	
PAYROLL EXPENSES				
H.S.A. Company	6,000.00	6,000.00	6,000.00	HSA added per Resolution 23-07-08-02
Health Insurance	30,896.26	35,263.04	45,148.51	Switched to Aetna (per Resolution 23-07-08-02).
Life Insurance	368.16	225.15	490.88	
Payroll Taxes	6,670.92	7,807.28	8,724.77	
PERS	49,573.26	67,640.77	54,961.50	
Worker's Compensation	1,215.00	1,250.31	1,260.00	AML RENEWAL

FY26 Budget – Administration & Finance

PAYROLL EXPENSES - Wages	233,639.81	221,071.37	295,845.50	COLI increases for 2025 Wage Scale
Total PAYROLL EXPENSES	328,363.41	339,257.92	412,431.16	
TRAVEL & TRAINING				
Conference, Convention, Meeting	3,200.00	2,038.98	3,200.00	Clerk Conference December, John SE Conference, PNW Clerks Training in Tacoma
Mileage Reimbursement	120.00		120.00	
Per Diem	1,500.00	1,109.46	1,500.00	
Travel	3,500.00	3,000.00	3,500.00	
Total TRAVEL & TRAINING	8,320.00	6,148.44	8,320.00	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Maint & Repair	1,500.00	223.99	1,500.00	Boiler repairs are needed annually, would like to do printer maintenance on copier.
Equipment Purchase	1,500.00	0.00	1,500.00	Would like a small budget for equipment replacement as necessary
Vehicle Fuel	950.00	103.61	300.00	reduction in fuel needs for Admin.
Vehicle Maintenance & Repairs	250.00	0.00	250.00	oil change and tune up necessary
Total VEHICLE & EQUIPMENT EXPENSES	4,200.00		3,550.00	
Total Expense	434,777.41	415,514.80	519,451.16	
Net Income	289,062.59	409,909.28	271,888.84	

City Council				
Income	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENTS
Subsidized Income Gen Account	29,700.00	25,379.77	26,900.00	
MISCELLANEOUS INCOME				
Donation Income	0.00	114.50	0.00	Christmas Dinner Donations
Election Income	600.00	1,200.00	600.00	We receive \$300 from the State for each State Election. This is for my time as Absentee Official + Use of City Hall and Davidson Fire Hall for State Elections.
Total MISCELLANEOUS INCOME	600.00	1,314.50	600.00	
Total Income	600.00	1,314.50	600.00	

Expense	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENTS
ELECTION EXPENSES				
Election Materials & Supplies	250.00	102.05	250.00	Paper, Pens, Sanitary Supplies, Envelopes, Veggie trays for each polling station.
Election Worker Wages	1,800.00	1,895.00	1,600.00	3 election workers for each polling location @ \$20 per hour with 13 hours per Election.. Only one election for this year.
Total ELECTION EXPENSES	2,050.00	1,997.05	1,850.00	
FEES / PERMITS / LICENS EXPENSE				

FY26 Budget - City Council

Dues and Subscriptions	3,200.00	2,682.90	3,200.00	Godaddy Email subscriptions for all councilmembers + Expense for Webex public meeting participation by web/telephone continued. Budget increased due to GoDaddy subscription increase
Total FEES / PERMITS / LICENS EXPENSE	3,200.00	2,682.90	3,200.00	
MATERIALS & SUPPLIES				
Furniture & Equipment	150.00	0.00	150.00	I do not know of any furniture needs for the Council for FY26, but I budgeted a small amount in case.
Materials & Supplies	75.00	84.02	75.00	
Total MATERIALS & SUPPLIES	225.00	84.02	225.00	
MISCELLANEOUS EXPENSES				
Donations	3,500.00	1,800.21	3,500.00	Annual donation to VOTEC in the amount of \$1500 for FY26 budget and future + \$1000 TB Athletics Dept.
Total MISCELLANEOUS EXPENSES	3,500.00	1,800.21	3,500.00	
OPERATING EXPENSES				
Postage and Freight	225.00	0.00	225.00	I would like to introduce sending Postcard Notifications of Elections.
Telephone, Telecommunications	0.00	0.00	0.00	
Total OPERATING EXPENSES	225.00	0.00	225.00	
PAYROLL EXPENSES				
Payroll Taxes	1,400.00	1,107.36	1,400.00	
PAYROLL EXPENSES - Other	14,400.00	13,995.00	14,400.00	Councilmembers stipend of \$100 per meeting + Mayor Stipend of \$500 per month

FY26 Budget - City Council

Total PAYROLL EXPENSES	15,800.00	15,102.36	15,800.00	
TRAVEL & TRAINING				
Training	5,200.00	5,027.73	2,600.00	Newly Elected Official Training Perdiem Costs. This is done partially online now using Zoom, however there are costs associated for registering for the class and receiving materials. Budgeted for 1 member to attend in Anchorage. (Registration, Airfare, & Per Diem)
Total TRAVEL & TRAINING	5,200.00	5,027.73	2,600.00	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Purchase	100.00	0.00	100.00	Not a used line but leaving a small amount just in case.
Total VEHICLE & EQUIPMENT EXPENSES	100.00	0.00	100.00	
Total Expense	30,300.00	26,694.27	27,500.00	
Net Income	-29,700.00	-25,379.77	-26,900.00	
Subsidized Income From Gen Account			26,900.00	
Total Operating Budget			0	

EMS				
Income	FY25 Budget	Jul 1, '24 - Jun 30, '25	FY26 Proposed Budget	COMMENTS
SUBSIDIZED INCOME	\$ 4,814.30		\$ (29,813.86)	
MISCELLANEOUS INCOME				
Derby Donation Income	1,500.00	1,500.00	1,500.00	
Donation Income	1,000.00	875.00	1,000.00	
Event Income	4,000.00	2,985.20	3,000.00	With a more active squad, there is likely to be more donations
Total MISCELLANEOUS INCOME	6,500.00	5,360.20	5,500.00	
GRANT REVENUES				
ARPA-EMS	0.00		44,773.86	ARPA funds Allocated to EMS/Fire per Resolution 22-03-01-03
Total GRANT REVENUES	0.00	0.00	44,773.86	
STATE REVENUES				
Community Aide Assistance	20,000.00	20,000.00	18,500.00	This amount depends on the total award for CAA from the State. We don't know this amount yet.
Total STATE REVENUES	20,000.00	20,000.00	18,500.00	
Total Income	26,500.00	25,360.20	68,773.86	

Expense	FY25 Budget	Jul 1, '24 - Jun 30, '25	FY26 Proposed Budget	COMMENT
CONTRACT SERVICES				
Contract Labor	0.00	0.00	0.00	
Total CONTRACT SERVICES	0.00	0.00	0.00	
FEES / PERMITS / LICENS EXPENSE				
Fees Permits & Licensing Exp	10.00	0.00	10.00	EMS Coordinator Email - Not being done as Employee this year, so we can save this fee.
Total FEES / PERMITS / LICENS EXPENSE	10.00	0.00	10.00	

FY26 Budget – EMS

INSURANCE EXPENSE					
AML/Insurance	3,400.00	3,628.37	3,800.00		
Total INSURANCE EXPENSE	3,400.00	3,628.37	3,800.00		
MATERIALS & SUPPLIES					
Materials & Supplies	250.00	104.20	250.00		
Total MATERIALS & SUPPLIES	250.00	104.20	250.00		
OPERATING EXPENSES					
Bldng. Grnds. Maint & Repair	125.00	0.00	125.00		
Electricity	925.00	693.20	925.00		
Heating Fuel	500.00	0.00	150.00		
Telephone, Telecommunications	1,250.00	967.64	1,250.00		This is split between EMS & Fire
Total OPERATING EXPENSES	2,800.00	1,660.84	2,450.00		
PAYROLL EXPENSES					
Payroll Taxes	2,500.00	1,536.13	2,000.00		Dispatch is now handled 100% through EMS and no longer done through City Hall.
Worker's Compensation	2,080.00	2,080.00	2,100.00		
PAYROLL EXPENSES - Other	20,000.00	15,125.00	26,600.00		
Total PAYROLL EXPENSES	24,580.00	18,741.13	30,700.00		
VEHICLE & EQUIPMENT EXPENSES					
Equipment Maint & Repair	500.00	0.00	250.00		
Equipment Purchase/Lease	0.00	0.00	0.00		
Vehicle Fuel	1,400.00	615.00	1,000.00		Increased due to increase in fuel prices.
Vehicle Repairs and Maintenance	1,000.00	0.00	500.00		Ambulance maintenance needs
Total VEHICLE & EQUIPMENT EXPENSES	2,900.00	615.00	1,750.00		
Total Expense	33,940.00	24,749.54	38,960.00		
Net Income	-7,440.00	610.66	29,813.86		
Subsidized Income From Gen Account					-29,813.86
Total Operating Budget					0.00

FY26 Budget - Fire

Fire				
Income	FY25 Budget	Jul 1, '24 - May 30, '25	FY26 Proposed Budget	COMMENTS
Subsidized Income Gen Account	1,779.75	0.00	1,779.75	
MISCELLANEOUS INCOME				
Donation Income	500.00	0.00	500.00	
Total MISCELLANEOUS INCOME	500.00	0.00	500.00	
GRANT REVENUES				
ARPA-EMS	0.00		63,699.31	ARPA funds Allocated to EMS/Fire per Resolution 22-03-01-03
Total GRANT REVENUES	0.00	0.00	63,699.31	
STATE REVENUES				
Community Aide Assistance	10,000.00	15,000.00	10,000.00	This amount depends on the total award for CAA from the State. We don't know this amount yet.
Total STATE REVENUES	10,000.00	15,000.00	10,000.00	
Total Income	10,500.00	15,000.00	74,199.31	

Expense	FY25 Budget	Jul 1, '24 - May 30, '25	FY26 Proposed Budget	COMMENT
FEES/PERMITS/LICENSING EXP				
Dues & Subscriptions	10.00	0.00	10.00	
Total FEES/PERMITS/LICENSING	10.00	0.00	10.00	
INSURANCE EXPENSE				
AML/Insurance	5,400.00	5,389.00	5,400.00	Fire equipment and building coverage

FY26 Budget - Fire

Total INSURANCE EXPENSE	5,400.00	5,389.00	5,400.00	
MATERIALS & SUPPLIES				
Materials & Supplies	0.00	0.00	0.00	ARPA Grant Funds to cover.
Total MATERIALS & SUPPLIES	0.00	0.00	0.00	
OPERATING EXPENSES				
Building Grounds Maint. Repair	2,500.00	325.99	500.00	
Electricity	2,000.00	2,070.55	2,000.00	
Heating Fuel	700.00	534.14	700.00	
Telephone, Telecommunications	1,300.00	1,190.12	1,300.00	
Total OPERATING EXPENSES	6,500.00	4,120.80	4,500.00	
PAYROLL EXPENSES				
Payroll Taxes	25.95	25.95	337.35	
Worker's Compensation	1,746.00	1,527.56	1,746.00	
PAYROLL EXPENSES - Other	150.00	0.00	3,750.00	
Total PAYROLL EXPENSES	1,921.95	1,553.51	5,833.35	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Maint & Repair	50.00	0.00	50.00	
Equipment Purchase	0.00	0.00	0.00	
Vehicle Fuel	200.00	297.70	300.00	
Vehicle Repairs and Maintenance	0.00	0.00	0.00	ARPA Grant Funds
Total VEHICLE & EQUIPMENT EXPENSES	250.00	297.70	350.00	
Total Expense	14,081.95	11,361.01	16,093.35	
Net Income	-3,581.95	3,638.99	58,105.96	
Subsidized Income From Gen Account			-58,105.96	
Total Operating Budget			0.00	

Harbor:



FY26 Recommendations:

- Seek opportunities to acquire a more suitable boat for the Harbormaster.
- Upgrade security cameras to have more useful views of the Harbors.
- Evaluate additional lights and power to float plane dock.
- Continue to address parking issues at Harbor to find improvements.
- Seek funding opportunities for South Harbor boat ramp improvements.
- Update Harbor firefighting equipment and procedures.
- Maintenance of existing harbor infrastructure

Grant / Funding Opportunities:

- AKDOT&PF FY26 Harbor Grant
- Seek Planning Grant for Boat Pullout Yard development.

OVERVIEW:

The Harbor Department is doing well overall. The new Harbormasters, Zack Ender and Owen Jennings are sharing the position as part time employees and both gaining knowledge of Thorne Bay's harbor management and development of the required skills and abilities.

It is expected that 2026 will see both the North and South Harbor's at or very near capacity. The USFS Bunkhouse Barge in the North Harbor is gone and the additional live-a-board revenues are too.

There are no major vehicle or equipment purchases and no capital projects planned for the Department within the 2026 budget year.

Rates appear to be appropriate for this year but some minor adjustments to policies/procedures/codes may be recommended to improve management efficiency.

Department Projects:

No major projects planned for 2026.

Minor projects include: repairs and maintenance of both harbors, cleaning and organizing Harbor office and storage, working areas, replacing aging dock elements, improving signing for both docks and parking areas, addressing parking violations more assertively, working on Harbormaster boat to find suitable replacement.

Harbor				
Income	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENTS
Subsidized Income	-5,438.19		7,555.54	This number is auto calculated based on the total net income.
ENTERPRISE ACCTS				
Davidson Landing Fees	26,000.00	26,664.47	28,000.00	
Grid Fees	50.00	0.00	50.00	
North Harbor Fees	70,000.00	68,337.36	70,000.00	Annual slip renewals come in May and June - I am confident we will meet this revenue.
Harbor Showers	3,200.00	1,290.39	3,200.00	
Live-aboard Fees	13,000.00	6,953.29	7,500.00	Live-aboard fees
Total ENTERPRISE ACCTS	112,250.00	103,245.51	108,750.00	
FINES & PENALTIES				
Citations	350.00	0.00	350.00	Parking citations, other harbor violations
Parking Violation Fines	750.00	0.00	750.00	
Total FINES & PENALTIES	1,100.00	0.00	1,100.00	
INTEREST & INVESTMENT INCOME				
Interest Income	25.00	99.13	25.00	
Total INTEREST & INVESTMENT INCOME	25.00	99.13	25.00	
MISCELLANEOUS INCOME				
Misc. Income	250.00	243.31	100.00	Misc. donations or other revenue sources
Total MISCELLANEOUS INCOME	250.00	243.31	100.00	

FY26 Budget - Harbor

SALES					
Surplus Income	250.00	0.00	250.00		
Total SALES INCOME	250.00	0.00	250.00		
SERVICE CHARGES					
Laborer	75.00	0.00	75.00		
Reconnection Fee - Live-a-board	60.00	0.00	60.00		
Services Availability	1,200.00	159.64	1,200.00		
Total SERVICE CHARGES	1,335.00	159.64	1,335.00		
STATE REVENUES					
Fishery Tax Receipts	3,000.00	763.45	3,000.00		This is an estimated amount.
Total STATE REVENUES	3,000.00	763.45	3,000.00		
TAX INCOME					
Sales Tax	4,500.00	4,154.50	4,500.00		
Total TAX INCOME	4,500.00	4,154.50	4,500.00		
Total Income	122,460.00	108,665.54	119,060.00		

Expense	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENT
BAD DEBT				
Bad Debt - Collection Accts	500.00	313.08	500.00	
Total BAD DEBT	500.00	313.08	500.00	
CONTRACT SERVICES				
Contract Labor	0.00	0.00	0.00	
Vehicle/Vessel Impoundment	0.00	0.00	0.00	
Total CONTRACT SERVICES	0.00	0.00	0.00	

FY26 Budget - Harbor

FEES / PERMITS / LICENS EXPENSE				
Dues and Subscriptions	25.00	23.98	25.00	Internet Security Software
Fees Permits & Licensing Exp	10.00	10.00	10.00	Vehicle registration renewals every 2 years
Total FEES / PERMITS / LICENS EXPENSE	35.00	33.98	35.00	
INSURANCE EXPENSE				
AML/Insurance	7,750.00	8,745.00	7,750.00	
Total INSURANCE EXPENSE	7,750.00	8,745.00	7,750.00	
MATERIALS & SUPPLIES				
Computer/Software	0.00	0.00	0.00	Purchased new computer in 2021 and Microsoft Office is paid under dues and subscriptions above.
Furniture & Equipment	250.00	0.00	250.00	
Materials & Supplies	2,500.00	1,774.44	10,000.00	Lumber for dock board replacement and connecting pins
Total MATERIALS & SUPPLIES	2,750.00	1,774.44	10,250.00	
MISCELLANEOUS EXPENSES				
Other Misc. Expenses	250.00	0.00	250.00	Misc expenses not covered in other line items. Example: Coffee
Total MISCELLANEOUS EXPENSES	250.00	0.00	250.00	
OPERATING EXPENSES				
Bldg/Grnd Maint Repair	1,500.00	1,102.86	3,500.00	
Electricity	14,206.97	14,966.08	17,215.00	
Internet Use	1,000.00	799.50	1,000.00	Current rate is \$79.95 per month
Postage and Freight	250.00	170.61	250.00	
Telephone, Telecommunications	600.00	638.60	700.00	Cell phone
Total OPERATING EXPENSES	17,556.97	17,677.65	22,665.00	
PAYROLL EXPENSES				

FY26 Budget - Harbor

H.S.A. Company	4,000.00	461.55	0.00	No Fulltime Permanent Harbor Employees
Health Insurance	34,548.67	13,838.36	0.00	No Fulltime permanent Harbor Employees
Life Insurance	122.72	0.00	0.00	No Fulltime permanent Harbor Employees
Payroll Taxes	1,192.02	5,500.64	9,772.77	
PERS	10,703.86	9,473.24	0.00	No Fulltime Permanent Harbor Employees
Worker's Compensation	3,722.00	3,722.00	3,960.00	
PAYROLL EXPENSES - Other	49,735.00	42,987.73	56,490.00	CY26 COLI in Jan
Total PAYROLL EXPENSES	104,024.27	75,983.52	70,222.77	
REPAIR & REPLACEMENT ENTERPRISE				
Harbor Replacement expense	5,500.00	11,176.95	10,492.77	This is 10% of the total revenues from the Harbor income. This is deposited into a savings account dedicated to Harbor Repair and Replacement.
Total REPAIR & REPLACEMENT ENTERPRISE	5,500.00	11,176.95	10,492.77	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Maint & Repair	750.00	0.00	750.00	
Equipment Purchase	750.00	278.40	750.00	
Equipment Rental Expense	250.00	0.00	250.00	
Vehicle Fuel	1,950.00	1,298.01	1,500.00	
Vehicle Repairs and Maintenance	2,500.00	0.00	1,200.00	Annual preventative maintenance and unforeseen issues
Total VEHICLE & EQUIPMENT EXPENSES	6,200.00	1,576.41	4,450.00	
Total Expense	144,566.24	117,281.03	126,615.54	
Net Income	-22,106.24	-8,615.49	-7,555.54	
Subsidized Income From Gen Account			7,555.54	
Total Operating Budget			0.00	

Library				
Income	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENTS
SUBSIDIZED INCOME	\$ 3,586.78		\$ (1,000.22)	
MISCELLANEOUS INCOME				
Copier/Fax	200.00	130.35	200.00	
Donation Income	100.00	287.02	100.00	
Misc. Income	25.00	0.00	25.00	
Total MISCELLANEOUS INCOME	325.00	417.37	325.00	
SALES				
Surplus Property	100.00	41.00	100.00	
Total SALES	100.00	41.00	100.00	
STATE REVENUES				
PLA Grant	7,000.00	7,000.00	7,000.00	
Community Aide Assistance	6,000.00	6,000.00	3,000.00	
Total STATE REVENUES	13,000.00	6,000.00	10,000.00	
Total Income	13,425.00	6,458.37	10,425.00	

Expense	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENT
FEES / PERMITS / LICENS EXPENSE				
Advertising and Promotion	0.00	0.00	0.00	
Dues and Subscriptions	191.88	800.00	191.88	email subscription & yearly subscription for Catalog System.
Total FEES / PERMITS / LICENS EXPENSE	191.88	800.00	191.88	

FY 26 Budget - Library

INSURANCE EXPENSE				
AML/Insurance	2,063.00	2,063.00	2,063.00	Library Insurance
Total INSURANCE EXPENSE	2,063.00	2,063.00	2,063.00	
MATERIALS & SUPPLIES				
Computer/Software	350.00	0.00	800.00	800 catalog yearly fee
Furniture & Equipment	250.00	0.00	150.00	
Materials & Supplies	1,250.00	624.42	500.00	
Total MATERIALS & SUPPLIES	1,850.00	624.42	1,450.00	
MISCELLANEOUS EXPENSES				
Other Misc. Expenses	100.00	0.00	50.00	
Total MISCELLANEOUS EXPENSES	100.00	0.00	50.00	
OPERATING EXPENSES				
Bldg/Grnd Maint Repair	150.00	26.00	150.00	New Library, Maintenance and Repair needs should be low for this first year.
Electricity	2,300.00	2,003.25	2,000.00	New library has electric heat. Jan-March rate was around \$300 and April - May averages \$200
Internet Use	0.00	0.00	0.00	OWL Grant has paid for internet @ 80%. The Friends of the Library pay a portion of the bill & PLAG pays for the remaining.
Postage and Freight	50.00	170.62	200.00	ILL expenses
Telephone, Telecommunications	370.00	270.00	370.00	
Total OPERATING EXPENSES	2,870.00	2,469.87	2,720.00	
PAYROLL EXPENSES				
Life Insurance	0.00	0.00	0.00	
Payroll Taxes	224.90	38.32	224.90	
PAYROLL EXPENSES - Other	2,600.00	1,900.00	2,600.00	We pay \$100 bi-weekly to Library Director.
Total PAYROLL EXPENSES	2,824.90	1,938.32	2,824.90	
TRAVEL & TRAINING				
Training	0.00	0.00	0.00	

FY 26 Budget - Library

Travel	0.00	0.00	0.00	Not sure of the needs the Library Director will have. Most training is done online, meaning less travel expenses. But there may be costs for training even if done online. Before COVID our Library Director had to go to Juneau at least once a year for training.
Total TRAVEL & TRAINING	0.00	0.00	0.00	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Maint & Repair	50.00	0.00	50.00	
Equipment Purchase	75.00	0.00	75.00	
Total VEHICLE & EQUIPMENT EXPENSES	125.00	0.00	125.00	
Total Expense	10,024.78	7,895.61	9,424.78	
Net Income	3,400.22	-1,437.24	1,000.22	
Subsidized Income From Gen Account			-1,000.22	
Total Operating Budget			0.00	

Planning & Zoning				
Income	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENTS
SUBSIDIZED INCOME	\$ (262.00)		\$ (262.00)	
FEES & PERMITS INCOME				
Zoning Application Fees	200.00	100.00	200.00	
Total FEES & PERMITS INCOME	200.00	100.00	200.00	
FINES & PENALTIES				
Citations	0.00	0.00	75.00	Fines for zoning violations.
Total FINES & PENALTIES	0.00	0.00	75.00	
STATE REVENUES				
Community Aide Assistance	0.00	0.00	0.00	
Total STATE REVENUES	0.00	0.00	0.00	
SALES TAX:	0.00	3.00	12.00	
Total Income	200.00	103.00	287.00	

Expense	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENT
FEES / PERMITS / LICENS EXPENSE				
Fees Permits & Licensing Exp	0.00	0.00	0.00	
Total FEES / PERMITS / LICENS EXPENSE	0.00	0.00	0.00	
MATERIALS & SUPPLIES				
Materials & Supplies	0.00	0.00	0.00	Envelopes, notepads or other misc. exp.
Total MATERIALS & SUPPLIES	0.00	0.00	0.00	

FY26 Budget – Planning & Zoning

OPERATING EXPENSES				Postage expenses for mailing notices of Zoning Permits or other changes to all effected property owners. Variances, Conditional Use Permits, Notice of Intents, Zoning Amendments, etc., are all examples of what we would send out notices for.
Postage and Freight	25.00	20.00	25.00	
Total OPERATING EXPENSES	25.00	20.00	25.00	
PAYROLL EXPENSES				No Current Planning Commission.
Payroll Taxes	0.00	0.00		
Worker's Compensation	0.00	0.00	0.00	
PAYROLL EXPENSES - Other		0.00	0.00	
Total PAYROLL EXPENSES	0.00	0.00	0.00	
Total Expense	25.00	20.00	25.00	
Net Income	175.00	83.00	262.00	
Subsidized Income From Gen Account			-262.00	
Total Operating Budget			0.00	

Parks & Recreation:



FY26 Recommendations:

- Consider developing the boat ramp area into park per the 2016 Waterfront Master Plan. Identify ideal properties for developing a fenced dog park.
- Keep public areas mowed and maintained as well as possible with no additional summer help employees.

Department Projects:

- Seek to develop design concepts for a new community hall.
- Repairs/improvements on the Healthy Heart Trail.
- Brush, clean and expand boat launch park area.

OVERVIEW:

The Parks and Recreation Department currently does not have its own source of revenue generation and thus it is reliant on subsidies from other City sources of revenue. The Department will not be staffed with part time/seasonal help in 2026. The two part time harbor employees will provide upkeep for the P&R spaces. Although this Department is not an Enterprise and does not collect rates or fees it is imperative to the City Administration to keep our parks, grounds, green spaces, and buildings maintained and in good condition. The work of this Department is some of the most visible of all City works and contributes to overall health and wellbeing of the Community. In the months and years ahead, we will be looking to find other sources of revenue to help support the operations of the Parks and Recreation Department.

Grant / Funding Opportunities:

- USDA-Farmer's market Promotion Program.
- Alaska DNR-Land and Water Conservation Fund.
- Denali Commission.

Parks & Recreation

Income	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENTS
SUBSIDIZED INCOME	\$ 13,893.63		\$ (2,470.00)	
MISCELLANEOUS INCOME				
Event Income	1,000.00	870.00	1,000.00	
Misc. Income	0.00	0.00	0.00	
Total MISCELLANEOUS INCOME	1,000.00	870.00	1,000.00	
RENTALS & LEASE INCOME				
Rental Income	750.00	40.00	750.00	This would be if we rented ATV, park equipment, maintenance equipment like a weed eater, etc.
Total SALES	750.00	40.00	750.00	
STATE REVENUES				
Community Aide Assistance	15,000.00	15,000.00	10,000.00	This amount depends on the total award for CAA from the State. We don't know this amount yet.
Total STATE REVENUES	15,000.00	15,000.00	10,000.00	
Total Income	16,750.00	15,910.00	11,750.00	

Expense	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENT
FEES / PERMITS / LICENS EXPENSE				
Fees Permits & Licensing Exp	200.00	227.89	230.00	Email subscription annual expense.

Total FEES / PERMITS / LICENS EXPENSE	200.00	227.89	230.00	
INSURANCE EXPENSE				
AML/Insurance	60.00	60.00	100.00	
Total INSURANCE EXPENSE	60.00	60.00	100.00	
MATERIALS & SUPPLIES				
Materials & Supplies	700.00	707.27	700.00	Park upgrades and baseball field maintenance.
Total MATERIALS & SUPPLIES	700.00	707.27	700.00	
OPERATING EXPENSES				
Bldg/Grnd Maint Repair	1,600.00	1,863.88	1,600.00	Grounds are ball field, bball court, park, etc.
Electricity	1,500.00	1,243.10	1,500.00	
Postage and Freight	250.00	155.00	250.00	freight of supplies for parks maintenance
Total OPERATING EXPENSES	3,350.00	3,261.98	3,350.00	
PAYROLL EXPENSES				
Life Insurance	0.00	0.00	0.00	No fulltime Perm employees for Parks
Payroll Taxes	2,155.36	1,663.02	0.00	
PERS	0.00	0.00	0.00	
Worker's Compensation	3,547.00	3,485.31	0.00	AML WORK/COMP
PAYROLL EXPENSES - Other	19,191.27	19,225.63	0.00	Parks & Rec covered by parttime Harbor-SW employees
Total PAYROLL EXPENSES	24,893.63	24,373.96	0.00	
TRAVEL & TRAINING				
Mileage Reimbursement	0.00	0.00	0.00	
Total OPERATING EXPENSES	0.00	0.00	0.00	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Maint & Repair	250.00	155.00	1,500.00	

FY26 Budget – Parks & Rec

Equipment Purchase	250.00	200.00	1,500.00	
Equipment Rental Expense	600.00	1,110.00	1,500.00	Bathroom rental for park and ball field
Vehicle Fuel	250.00	245.84	250.00	
Vehicle Repairs and Maintenance	150.00	155.00	150.00	
Total VEHICLE & EQUIPMENT EXPENSES	1,500.00	1,865.84	4,900.00	
Total Expense	30,703.63	30,496.94	9,280.00	
Net Income	-13,953.63	-14,586.94	2,470.00	
Subsidized Income From Gen Account			-2,470.00	
Total Operating Budget			0.00	

FY26 Budget – RV Park

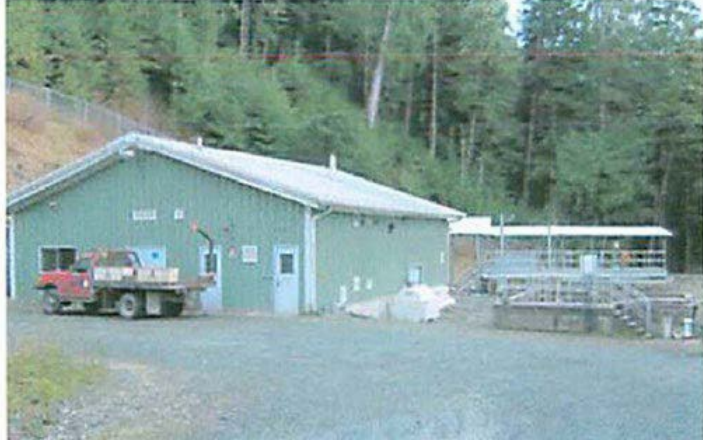
RV Park				
Income	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENTS
SUBSIDIZED INCOME	\$ 2,617.00		\$ (650.00)	
RENTALS & LEASE INCOME				
RV Park Fees	10,000.00	5,961.58	6,000.00	Down to 1 tenant. We could get more revenue if we repaired electric pedestals or repurposed the lot.
Total RENTALS & LEASE INCOME	10,000.00	5,961.58	6,000.00	
TAX INCOME				
Sales Tax	350.00	357.70	350.00	
Total TAX INCOME	350.00	357.70	350.00	
Total Income	10,350.00	6,319.28	6,350.00	

Expense	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENT
CONTRACT SERVICES				
Contract Labor	1,000.00	0.00	0.00	Electrical pedestal replacements REQUIRED-Should seek grant funding. We may be able to use Comm Dev Funds if needed.
Total CONTRACT SERVICES	1,000.00	0.00	0.00	
FEES / PERMITS / LICENS EXPENSE				
Dues and Subscriptions	77.00	75.00	0.00	Propane tank rental fee
Total FEES / PERMITS / LICENS EXPENSE	77.00	75.00	0.00	

FY26 Budget – RV Park

INSURANCE EXPENSE				
AML/Insurance	150.00	150.00	0.00	Trailer insurance
Total INSURANCE EXPENSE	150.00	150.00	0.00	
OPERATING EXPENSES				
Bldg/Grnd Maint Repair	150.00	0.00	150.00	
Electricity	500.00	203.83	500.00	Transient Electricity
Internet Expense	840.00	710.00	0.00	Canceled Internet services.
Postage and Freight	50.00	0.00	50.00	
Total OPERATING EXPENSES	1,540.00	913.83	700.00	
REPAIR AND REPLACEMENT FUND				
RV Repair and Replacement Fund	7,583.00	275.00	5,000.00	RV Park is an enterprise account since it generates revenue from the service provided. This fund will be used for long-term repairs to the RV grounds such as electrical upgrades, etc.
Total REPAIR & REPLACEMENT	7,583.00	275.00	5,000.00	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Purchase	0.00	0.00	0.00	
Equipment Maint & Repair	0.00	0.00	0.00	
Total VEHICLE & EQUIPMENT EXPENSES	0.00	0.00	0.00	
Total Expense	10,350.00	1,138.83	5,700.00	
Net Income	0.00	5,180.45	650.00	
Subsidized Revenue for creating a balanced budget:			-650.00	
Total Operating Budget			0.00	

SEWER:



FY26 Recommendations:

- Work with Tyler Rental to correct issues caused by dumping septic waste.
- Develop update to operations plan to find efficiencies that cut costs.
- Settle ADEC issues with past violations for treatment and discharge volume.

Department Projects:

- Clean and organize the wastewater treatment plant and storage areas.
- Drain and clean the clarifier and perform 3-year maintenance as needed.
- Replace the UV lighting.
- Inspect the outfall diffuser in the bay as required per permit.
- Install debris screen in lift station for Tyler septic dump operations.
- Work with ADEC VSW on the projects for I&I and treatment plant upgrades.

OVERVIEW:

The Sewer Department is an Enterprise that is not generating enough revenue to cover expenditures. Improvements must be made to increase efficiency of operations and minimize expenditures such as electricity, while also looking for opportunities to generate new sources of revenue

The collection system is the next major system upgrade currently being developed for construction. Infiltration and inflow remain a serious problem that causes the utility to utilize more electricity than necessary and increases wear and tear on the entire system including the treatment plant.

There are no major purchases planned for the Sewer Department in 2026.

Grant / Funding Opportunities:

- ADEC Village Safe Water
- USDA Rural Communities Programs
- Federal Infrastructure Grants

Sewer				
Income	FY25 Budget	Jul 1, '23 - May 31, 2025	FY26 Proposed Budget	COMMENTS
Supplemental Income	12,349.39	40,163.84	50,265.73	
ENTERPRISE ACCTS				
Sewer Fees	130,000.00	120,396.40	130,000.00	
Sewer Pump out Fees	15,000.00	10,300.00	15,000.00	
Total ENTERPRISE ACCTS	145,000.00	130,696.40	145,000.00	
INTEREST & INVESTMENT INCOME				
Interest Income	0.00		0.00	Moved to Repair and Replacement Account
Total INTEREST & INVESTMENT INCOME	0.00	0.00	0.00	
TAX INCOME				
Sales Tax	6,500.00	4,863.95	6,500.00	
Total TAX INCOME	6,500.00	4,863.95	6,500.00	
Total Income	151,500.00	135,560.35	151,500.00	

Expense	FY25 Budget	Jul 1, '23 - May 31, 2025	FY26 Proposed Budget	COMMENT
CONTRACT SERVICES				

FY26 Budget - Sewer

Contract Labor	2,500.00	2,733.75	2,500.00	Amount needed for pumps and station components that go out due to power outages.
Total CONTRACT SERVICES	2,500.00	2,733.75	2,500.00	
FEES / PERMITS / LICENS EXPENSE				
Fees Permits & Licensing Exp	2,750.00	1,530.00	2,250.00	
Testing	16,500.00	10,623.38	16,500.00	
Total FEES / PERMITS / LICENS EXPENSE	19,250.00	12,153.38	18,750.00	
INSURANCE EXPENSE				
AML/Insurance	19,000.00	18,557.00	19,000.00	
Total INSURANCE EXPENSE	19,000.00	18,557.00	19,000.00	
MATERIALS & SUPPLIES				
Materials & Supplies	4,500.00	948.70	4,500.00	
Total MATERIALS & SUPPLIES	4,500.00	948.70	4,500.00	
OPERATING EXPENSES				
Bldg/Grnd Maint Repair	600.00	364.20	600.00	
Electricity	35,000.00	26,923.31	30,000.00	
Heating Fuel	4,500.00	53.41	4,500.00	
Postage and Freight	2,500.00	1,304.91	2,500.00	shipping for parts and chemicals
Telephone, Telecommunications	600.00	587.10	0.00	Canceled unused phone line.
Chemicals	0.00		4,000.00	
Internet	1,080.00	1,233.00	1,080.00	
Total OPERATING EXPENSES	43,200.00	29,232.93	37,600.00	
PAYROLL EXPENSES				
H.S.A. Company	2,000.00	1,846.14	2,000.00	
Health Insurance	13,255.44	10,162.31	10,599.84	
Life Insurance	122.72	118.32	122.72	
Payroll Taxes	6,118.22	1,310.22	5,054.22	

FY26 Budget - Sewer

PERS	13,321.12	13,107.84	13,546.03	
Worker's Compensation	3,264.00	2,973.31	3,264.00	
Payroll Wages	60,550.54	59,581.02	61,572.88	
Total PAYROLL EXPENSES	98,632.04	89,099.16	96,159.70	
REPAIR & REPLACEMENT ENTERPRISE				
Sewer Repair and Replacement	13,314.35	15,934.87	13,556.04	10% of income excluding subsidized funding. (Increased from \$15,500)
Total REPAIR & REPLACEMENT ENTERPRISE	13,314.35	15,934.87	13,556.04	
TRAVEL & TRAINING				
Training	200.00	0.00	200.00	
Travel	250.00	0.00	250.00	Fuel reimbursement for travel to VOC TEC for Trainings
Total TRAVEL & TRAINING	450.00	0.00	450.00	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Maint & Repair	700.00	1,143.87	5,000.00	Pump replacement parts, plant repairs
Equipment Purchase	5,000.00	8,834.29	1,500.00	Replacement bushing parts for sewer plant.
Vehicle Fuel	2,000.00	516.14	2,000.00	
Vehicle Repairs and Maintenance	750.00	0.00	750.00	Upkeep on maintenance year round
Total VEHICLE & EQUIPMENT EXPENSES	8,450.00	10,494.30	9,250.00	
Total Expense	209,296.39	179,154.09	201,765.73	
Net Income	-57,796.39	-43,593.74	-50,265.73	
Subsidized Income From Gen Account			50,265.73	
Total Operating Budget			0.00	

SOLID WASTE:



FY26 Recommendations:

- Complete updated maintenance & operation plan.
- Improve surface water management.
- Repair baling building 3rd garage door, lighting and leaks in roof.
- Clean and organize solid waste facility.

Department Projects:

- Cleaning and maintenance of conveyor, compactor, and entire bailing system.
- Upgrade and repair bailer building
- Clear and grub areas to create more storage space and mine cover material.
- Reorganize land use in preparation for opening of cell No. 2.
- Seek metals recycling opportunities.

OVERVIEW:

The Solid Waste Department is an Enterprise that is not generating enough revenue to cover expenditures. Improvements must be made to increase efficiency of operations and minimize expenditures while also looking for opportunities to generate new sources of revenue.

A major update is needed to the operations and maintenance plan for the site to run more efficiently. Once these changes have been implemented, an updated operational analysis should be done to verify that the correct rate structure is in place for the long-term viability of the utility. 2026 may require higher than normal costs to accomplish a major reorganization of the Department that will pay off in future years.

There is also the need for a project employee and also contracted work to accomplish the baler building repairs and site reorganization and cleanup plans.

Grant / Funding Opportunities:

- Alaska DEC/Village Safe Water
- Alaska DEC Municipal Grants and Loans Alaska DEC
- Municipal Matching Grants SWANA/SEASWA
- USDA Rural Development Grants and Loans

FY26 Budget – Solid Waste

Solid Waste				
Income	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENTS
Subsidized Income	72,933.47		68,001.49	
ENTERPRISE ACCTS				
Solid Waste Fees	150,000.00	150,461.40	150,000.00	
Total ENTERPRISE ACCTS	150,000.00	150,461.40	150,000.00	
INTEREST & INVESTMENT INCOME				
Interest Income	0.00	0.00	0.00	Interest will be in the R& R account
Total INTEREST & INVESTMENT INCOME	0.00	0.00	0.00	
MISCELLANEOUS INCOME				
Misc. Income	0.00	0.00	0.00	
Total MISCELLANEOUS INCOME	0.00	0.00	0.00	
SALES				
Rock Sales	0.00	0.00	0.00	
Surplus Property	0.00	0.00	2,000.00	Surplus vehicles, high value metals, parts, etc.
Total SALES	0.00	0.00	2,000.00	
TAX INCOME				
Sales Tax	6,500.00	4,863.95	6,500.00	
Total TAX INCOME	6,500.00	4,863.95	6,500.00	
TOTAL INCOME	156,500.00	155,325.35	158,500.00	

Expense	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENT
CONTRACT SERVICES				

FY26 Budget – Solid Waste

Contract Labor	2,500.00	500.00	4,500.00	Labor for Wire Tie or Baler Repair person
Total CONTRACT SERVICES	2,500.00	500.00	4,500.00	
FEES / PERMITS / LICENS EXPENSE				
Dues and Subscriptions	300.00	227.89	300.00	Email fee and Internet Security Software
Fees Permits & Licensing Exp	1,500.00	973.06	1,500.00	Cheyenne Scale & State DOT for Certification & Inspection of Scales & Landfill Permit.
Testing	2,000.00	3,070.00	3,200.00	Testing expenses for the ground water required annually per SW Permit.
Total FEES/PERMITS/LICENSE EXPENSE	3,800.00	4,270.95	5,000.00	
INSURANCE EXPENSE				
AML/Insurance	5,000.00	4,954.00	5,000.00	
Total INSURANCE EXPENSE	5,000.00	4,954.00	5,000.00	
MATERIALS & SUPPLIES				
Computer/Software	0.00	0.00	0.00	Purchased a new computer and have the internet security and email paid and budgeted for through dues and subscriptions.
Furniture & Equipment	250.00	0.00	250.00	Desk, chairs, filing cabinets, etc.
Materials & Supplies	1,500.00	1,478.71	2,000.00	
Total MATERIALS & SUPPLIES	1,750.00	1,478.71	2,250.00	
MISCELLANEOUS EXPENSES				
Misc. Expenses	100.00	0.00	50.00	
Total MISCELLANEOUS EXPENSES	100.00	0.00	50.00	
OPERATING EXPENSES				

FY26 Budget – Solid Waste

Bldg/Grnd Maint Repair	1,000.00	2,187.09	25,000.00	Bailer Building repairs - Lights, Garage doors, etc.
Electricity	10,500.00	7,586.46	9,000.00	
Internet Use	1,080.00	2,572.89	1,080.00	Canceled HghesNet - Replaced with Starlink
Postage and Freight	1,000.00	465.86	500.00	
Telephone, Telecommunications	190.00	155.52	190.00	
Total OPERATING EXPENSES	13,770.00	12,967.82	35,770.00	
PAYROLL EXPENSES				
H.S.A. Company	4,000.00	615.40	4,000.00	
Health Insurance	24,585.72	4,959.53	34,548.67	Auto calculated from the wage table below. Please do not change any numbers here.
Life Insurance	245.44	39.44	245.44	
Payroll Taxes	4,605.10	3,913.24	2,116.73	
PERS	17,722.98	3,492.01	14,219.04	
Worker's Compensation	7,227.00	7,225.31	7,227.00	
Payroll Wages	105,167.93	58,981.34	72,274.61	One fulltime Permanent - One Parttime non Perm.
Total PAYROLL EXPENSES	163,554.17	79,226.27	134,631.49	
REPAIR & REPLACEMENT ENTERPRISE				
Solid Waste Repair Replacement	17,456.31	15,046.14	16,000.00	10% of estimated revenue (excluding supplemental income). This is deposited into its own Savings Acct for future repairs to grounds and equipment required for the facility to operate.
Total REPAIR & REPLACEMENT ENTERPRISE	17,456.31	15,046.14	16,000.00	
TRAVEL & TRAINING				
Mileage Reimbursement	0.00	0.00	0.00	

FY26 Budget – Solid Waste

Training	500.00	0.00	500.00	Solid Waste Training September
Travel	250.00	0.00	300.00	Travel/Training for SE Conference to Petersburg.
Total TRAVEL & TRAINING	750.00	0.00	800.00	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Maint & Repair	8,000.00	5,563.28	8,000.00	Anticipated conveyor, hydraulic ram, baler, wire tie machine repair needs.
Equipment Purchase	5,000.00	4,983.50	5,000.00	
Vehicle & Equipment Fuel	7,500.00	6,918.86	7,500.00	Increased Fuel Prices
Vehicle Repairs and Maintenance	2,000.00	1,383.25	2,000.00	
Total VEHICLE & EQUIPMENT EXPENSES	22,500.00	18,848.89	22,500.00	
Total Expense	231,180.48	137,292.78	226,501.49	
Net Income	-74,680.48	18,032.57	-68,001.49	
Subsidized Income From Gen Account			68,001.49	
Total Operating Budget			0.00	

Streets & Roads



FY26 Recommendations:

- Purchase new Sander for the Ford F550, the old one is shot.
- Develop plans for grader replacement or other means for grading gravel roads.
- Continue to fill in dips in paved streets with cold mix patches.

Department Projects:

- Fill worst sags in Shoreline Drive with reinforced concrete.
- Fill potholes in pavement with bituminous cold patch material.
- Clean, replace, add road signing where needed.

Dept. Overview:

The Streets and Roads Department is not an Enterprise and does not collect user fees but does have established revenue sources, both state and local. Streets and Road is responsible for the maintenance and operations of all the City's transportation easements and rights of way.

This Department currently has only one FTE who provides for general maintenance. In prior years this Department also provided for the maintenance and repairs of the City's vehicles and heavy equipment. Due to budgetary issues, the city has been without these services since 2022. Recommend continuing to use a contract mechanic to assist with mechanical repairs on vehicles and equipment.

Grant Opportunity:

- Alaska State Legislature AKDOT& PF Programs.
- Federal Infrastructure Programs.
- Denali Commission Programs.

Streets & Roads

Streets & Roads				
Income	FY25 Budget	Jul 1, '23 - May 31, 2025	FY26 Proposed Budget	COMMENTS
SUBSIDIZED INCOME	168,970.91	166,655.44	121,042.31	
RENTALS & LEASE INCOME				
Equipment Rental	10,000.00	8,117.00	5,000.00	We are renting equipment with operator for public use
Total RENTALS & LEASE INCOME	10,000.00	8,117.00	5,000.00	
SALES				
Laborer - Rock Sales	150.00	270.00	150.00	
Rock Sales	5,000.00	1,440.00	1,500.00	Rock sales include rock sales to Grant Projects and crushed rock and other fill materials. People have expressed interest in overburden on dirt and materials that we will have from ditching.
Surplus Sales	20,000.00		20,000.00	Surplus equipment - old 590 backhoe?
Total SALES	25,150.00	1,710.00	21,650.00	
STATE REVENUES				
National Forest Receipts	60,000.00	1,466.91	50,000.00	100% of National Forest Receipts is dedicated to Roads - Federal funding cut this year. Normal payments are between 50-60K
Total STATE REVENUES	60,000.00	1,466.91	50,000.00	
TAX INCOME				
<i>Sales Tax</i>	650.00	580.62	650.00	

FY26 Budget – Streets & Roads

Total TAX INCOME	650.00	580.62	650.00
Total Income	95,150.00	11,293.91	76,650.00

Expense	FY25 Budget	Jul 1, '23 - May 31, 2025	FY26 Proposed Budget	COMMENT
CONTRACT SERVICES				
Contract Labor	1,500.00		1,500.00	
Total CONTRACT SERVICES	1,500.00	0.00	1,500.00	
FEES / PERMITS / LICENS EXPENSE				
Dues and Subscriptions	250.00	227.89	250.00	
Fees Permits & Licensing Exp	150.00	0.00	100.00	
Total FEES / PERMITS / LICENS EXPENSE	400.00	227.89	350.00	
INSURANCE EXPENSE				
AML/Insurance	7,800.00	7,249.29	7,500.00	
Total INSURANCE EXPENSE	7,800.00	7,249.29	7,500.00	
MATERIALS & SUPPLIES				
Materials & Supplies	8,000.00	3,305.29	5,000.00	Cold patch, cement, signs, culverts
Total MATERIALS & SUPPLIES	8,000.00	3,305.29	5,000.00	
OPERATING EXPENSES				
Bldg/Grnd Maint Repair	1,500.00	1,271.58	1,500.00	
Electricity	4,500.00	3,135.25	4,500.00	
Heating Fuel	4,300.00	2,481.53	4,300.00	
Postage and Freight	2,000.00	1,654.79	2,000.00	
Internet	0.00	1,266.39	1,080.00	Starlink added to City Shop for safety
Telephone, Communications	200.00	116.80	200.00	push to talk phone

FY26 Budget – Streets & Roads

Total OPERATING EXPENSES	12,500.00	9,926.34	13,580.00	
PAYROLL EXPENSES				
H.S.A. Company	4,000.00	3,538.45	4,000.00	
Health Insurance	24,858.72	22,669.09	24,858.72	
Life Insurance	122.72	113.53	122.72	
Payroll Taxes	2,647.00	1,135.35	1,490.14	
PERS	13,239.29	11,860.38	13,380.82	
Worker's Compensation	6,288.00	5,853.31	6,288.00	
PAYROLL EXPENSES - Other	73,354.12	53,910.92	60,821.91	
Total PAYROLL EXPENSES	124,509.85	99,081.03	110,962.31	
REPAIR & REPLACEMENT ENTERPRISE				
Streets Repair Funds	9,580.00	2,337.05	10,000.00	10% of Streets & Roads income not including state revenues or sales tax
Total REPAIR & REPLACEMENT ENTERPRISE	9,580.00	2,337.05	10,000.00	
TRAVEL & TRAINING				
Mileage Reimbursement	0.00	0.00	0.00	
Total TRAVEL & TRAINING	0.00	0.00	0.00	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Lease- Purchase Payments	52,000.00	47,381.40	25,300.00	Mini-Excavator & Skid Steer- Loan to purchase equipment. Mini excavator loan ends in July 2025
Equipment Maint & Repair	15,000.00	6,104.36	9,500.00	Grader, loader, backhoe, excavator all being worked on or need repaired.
Equipment Purchase	18,000.00	0.00	10,000.00	Plow & sander needs
Vehicle & Equipment Fuel	5,100.00	2,076.58	2,500.00	Fuel prices have increased

FY26 Budget – Streets & Roads

Vehicle Repairs and Maintenance	1,500.00	260.12	1,500.00	Regular oil changes & other misc. maint requirements.
Total VEHICLE & EQUIPMENT EXPENSES	91,600.00	55,822.46	48,800.00	
Total Expense	255,889.85	177,949.35	197,692.31	
Net Income	-160,739.85	-166,655.44	-121,042.31	
Subsidized Income From Gen Account				121,042.31
Total Operating Budget	0.00			

FY26 Budget - VPSO

VPSO				
Income	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENTS
SUPPLIMENTAL INCOME	\$ 37,753.20		\$ (31,353.20)	
FINES & PENALTIES				
Citations	500.00	0.00	500.00	Start enforcing municipal ordinances and citing City code vs. State code. We really need this income to help offset expenses in this department
Total FINES & PENALTIES	500.00	0.00	500.00	
STATE REVENUES				
Community Aide Assistance	22,500.00	22,500.00	18,500.00	This amount depends on the total award for CAA from the State. We don't know this amount yet.
Total STATE REVENUES	22,500.00	22,500.00	18,500.00	
SURPLUS REVENUES				
Surplus Sales	2,000.00	0.00	2,000.00	Sale of impounded/abandoned vehicles
Total TAX INCOME	2,000.00	0.00	2,000.00	
Total Income	25,000.00	22,500.00	21,000.00	

Expense	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENT
CONTRACT SERVICES				
Impound Expenses	550.00	0.00	550.00	Need to impound abandoned vehicles
Total CONTRACT SERVICES	550.00	0.00	550.00	
INSURANCE EXPENSE				

FY26 Budget - VPSO

AML/Insurance	850.00	850.00	850.00	
Total INSURANCE EXPENSE	850.00	850.00	850.00	
MATERIALS & SUPPLIES				
Materials & Supplies	200.00	198.42	200.00	
Total MATERIALS & SUPPLIES	200.00	198.42	200.00	
OPERATING EXPENSES				
Bldg/Grnd Maint Repair	200.00	2,144.66	200.00	
Electricity	1,000.00	667.25	1,000.00	
Heating Fuel	1,000.00	899.27	1,000.00	
Postage and Freight	50.00	29.75	50.00	
Telephone, Telecommunications	2,900.00	1,996.21	1,500.00	Canceled unused lines - cell phones only
Total OPERATING EXPENSES	5,150.00	5,737.14	3,750.00	
PAYROLL EXPENSES				
Payroll Taxes	1,453.20	833.98	1,453.20	
PAYROLL EXPENSES - Other	16,800.00	12,150.00	16,800.00	2 VPSO's with \$700 housing stipends. Conversation has been had about 3 VPSOs, might need to increase to accommodate.
Total PAYROLL EXPENSES	18,253.20	12,983.98	18,253.20	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Maint & Repair	2,250.00	0.00	2,250.00	
Vehicle Fuel	9,000.00	2,465.25	4,000.00	
Vehicle Maintenance & Repairs	2,500.00	78.64	1,500.00	vehicle maintenance
Total VEHICLE & EQUIPMENT EXPENSES	13,750.00	2,543.89	7,750.00	
Total Expense	38,753.20	22,313.43	31,353.20	
Net Income	-13,753.20	186.57	31,353.20	
Subsidized Income From Gen Account			31,353.20	
Total Operating Budget			0.00	

Water:



FY26 Recommendations:

- Treated water storage tank needs to be cleaned and inspected.
- Develop update to operations plan to find efficiencies that reduce costs.

Department Projects:

- Contract for and support water tank cleaning and inspection.
- Clean and organize water plant and storage areas.
- Inventory all parts and supplies to track spare parts on-hand.
- Review and update operational plans as necessary.
- Flush the fire hydrants on schedule.

OVERVIEW:

The Water Department is an Enterprise that is not generating enough revenue to cover expenditures. Improvements must be made to increase efficiency of operations and minimize expenditures such as electricity, while also looking for opportunities to generate new sources of revenue.

The treated water storage tank inspection, cleaning and repair is the next major work improvement needed.

Grant / Funding Opportunities:

- ADEC Village Safe Water
- USDA Rural Communities Programs
Federal Infrastructure Programs

Water				
Income	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENTS
Subsidized Income	22,543.80		69,614.85	
ENTERPRISE ACCTS				
Water Fees	150,000.00	131,257.11	160,000.00	
Total ENTERPRISE ACCTS	150,000.00	131,257.11	160,000.00	
INTEREST & INVESTMENT INCOME				
Interest Income	0.00	12.17	0.00	Moving to Repair and Replacement Account
Total INTEREST & INVESTMENT INCOME	0.00	12.17	0.00	
RENTAL & LEASE INCOME				
Equipment Rental	100.00	67.50	100.00	
Total RENTALS & LEASE INCOME	100.00	67.50	100.00	
SALES				
Surplus Property	300.00	0.00	300.00	We are going to try and have a surplus sale this year for the City...Not sure how much from each dept. The water dept also has a surplus of barrels at times and those are offered for sale @ \$75 per barrel.
Total SALES	300.00	0.00	300.00	
SERVICE CHARGES				
Services Availability	14,000.00	14,420.63	14,000.00	This has an estimated increase due to billing for the vacant and

FY26 Budget - Water

				abandoned properties on the City's water line.
Staff Dispatch Unauthorized Use	250.00	0.00	250.00	This is charged when a customer turns his water on or off at the main meter without prior authorization from the department. This is a problem every year from the same customers
Total SERVICE CHARGES	14,250.00	14,420.63	14,250.00	
TAX INCOME				
Sales Tax	6,500.00	6,049.18	6,500.00	Sales taxes collected on revenues. Tax rate is 6%, however some customers are exempt.
Total TAX INCOME	6,500.00	6,049.18	6,500.00	
Total Income	171,150.00	151,806.59	181,150.00	

Expense	FY25 Budget	Jul 1, '24 - May 31, 2025	FY26 Proposed Budget	COMMENT
CONTRACT SERVICES				
Contract Labor	1,750.00	1,280.00	1,750.00	\$900.00 annually for contracting North Coast-Network access to water plant (allowing RMC to connect to our system and see what is happening) + \$50 per year for text alarm service.
Total CONTRACT SERVICES	1,750.00	1,280.00	1,750.00	
FEES / PERMITS / LICENS EXPENSE				
Dues and Subscriptions	1,250.00	1,137.64	1,000.00	Alaska Rural Water Assoc Fee, DEC Certification Renewals,

FY26 Budget - Water

				Internet Security Fee, Email Hosting Fee.
Testing	4,000.00	7,783.76	8,000.00	SGS fees for delivering tests to facility have gone up exponentially.
Total FEES / PERMITS / LICENS EXPENSE	5,250.00	8,921.40	9,000.00	
INSURANCE EXPENSE				
AML/Insurance	19,000.00	17,844.00	19,000.00	
Total INSURANCE EXPENSE	19,000.00	17,844.00	19,000.00	
MATERIALS & SUPPLIES				
Chemicals	8,500.00	9,883.65	8,500.00	Chlorine, Nalco, Soda Ash
Materials & Supplies	8,000.00	1,016.10	8,000.00	
Total MATERIALS & SUPPLIES	16,500.00	10,899.75	16,500.00	
MISCELLANEOUS EXPENSES				
Misc. Expenses	750.00	0.00	750.00	For unforeseen expenses that are not covered under other line items
Total MISCELLANEOUS EXPENSES	750.00	0.00	750.00	
OPERATING EXPENSES				
Bldg/Grnd Maint Repair	1,000.00	175.00	1,000.00	may have unforeseen expenses upcoming.
Electricity	15,500.00	20,406.44	22,000.00	energy prices have gone up.
Heating Fuel	12,500.00	7,524.94	8,000.00	Fuel costs have risen terribly.
Internet Use	3,000.00	2,797.46	3,000.00	\$2,640.00 annually, \$220.00/mo for Water Plant Operation Internet Annual Expense and Networking Annual Expenses

FY26 Budget - Water

				Freight for shipping water samples required by State. Also costs of materials and supplies, equipment etc. ordered and shipped. We need to consider what kind of purchases we will make this upcoming year and factor the freight into that.
Postage and Freight	4,500.00	3,530.63	4,500.00	
Total OPERATING EXPENSES	36,500.00	34,434.47	38,500.00	
PAYROLL EXPENSES				
H.S.A. Company	0.00	3,692.37	4,000.00	These are auto calculated cells based on the payroll data entered below. Please do not mess with these numbers. Thank you.
Health Insurance	21,179.86	30,567.09	34,548.67	
Life Insurance	128.18	118.32	122.72	
Payroll Taxes	1,585.72	1,299.05	1,822.70	
PERS	14,239.09	14,306.58	16,367.12	
Worker's Compensation	3,230.00	3,318.75	3,577.00	
PAYROLL EXPENSES - Other	64,723.14	53,983.89	74,395.98	
Total PAYROLL EXPENSES	105,085.99	107,286.05	134,834.19	
REPAIR & REPLACEMENT ENTERPRISE				
Water Repair and Replacement	15,188.33	15,188.33	15,180.66	10% of estimated revenues (not including subsidized funding)
Total REPAIR & REPLACEMENT ENTERPRISE	15,188.33	15,188.33	15,180.66	
TRAVEL & TRAINING				
Mileage Reimbursement	50.00	0.00	50.00	
Per Diem	500.00	0.00	500.00	
Training	750.00	0.00	750.00	
Travel	750.00	0.00	750.00	With online courses available more now, travel is less....But may have travel expenses to Klawock for testing at VOCTEC.

FY26 Budget - Water

Total TRAVEL & TRAINING	1,500.00	0.00	1,500.00	
VEHICLE & EQUIPMENT EXPENSES				
Equipment Maint & Repair	6,500.00	958.40	6,500.00	tank Cleaning Costs
Equipment Purchase	20,500.00	9,750.00	4,000.00	high budget last year for filters. Expect less this year.
Vehicle Fuel	2,500.00	1,822.77	2,250.00	Fuel is split between water and sewer 50/50
Vehicle Repairs and Maintenance	1,000.00	468.90	1,000.00	
Total VEHICLE & EQUIPMENT EXPENSES	30,500.00	13,000.07	13,750.00	
Total Expense	232,024.32	208,854.07	250,764.85	
Net Income	-60,874.32	-57,047.48	-69,614.85	
Subsidized Income From Gen Account			69,614.85	
Total Operating Budget			0.00	