CITY OF KETCHIKAN, ALASKA
2013 GENERAL GOVERNMENT BUDGET

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RESOLUTION NO. 12-2480

A RESOLUTION ADOPTING THE BUDGET FOR THE YEAR 2013, APPROPRIATING FROM THE GENERAL GOVERNMENT FUNDS FOR THE FISCAL YEAR 2013; AND ESTABLISHING AN EFFECTIVE DATE.

BE IT RESOLVED by the Council of the City of Ketchikan, Alaska as follows:

Section 1: That the budget for the year 2013, entitled CITY OF KETCHIKAN, ALASKA, 2013 GENERAL GOVERNMENT OPERATING AND CAPITAL ANNUAL BUDGET is hereby adopted.

Section 2: That the sum of $22,992,968 as shown in the following items of appropriations is appropriated for the General Fund of the City of Ketchikan for the fiscal year beginning January 1, 2013:

Item of Appropriation		
Mayor and Council	$	232,010
City Clerk		248,632
City Attorney		389,239
City Manager		673,281
Finance		1,820,569
Information Technology		1,114,349
Fire		3,109,325
Police		4,839,545
Library		1,354,683
Museum		904,124
Civic Center		409,404
Public Health		15,000
Public Works - Engineering		1,721,127
Public Works - Streets		1,774,557
Public Works - Cemetery		86,000
Public Works - Garage		525,821
Public Works - Building Maintenance		423,105
Transfers		406,293
Appropriated Reserves		2,945,904
Total	$	22,992,968

Section 3: That the sum of $5,857,632 as shown in the following items of appropriations is appropriated for the Hospital Sales Tax Fund of the City of Ketchikan for the fiscal year beginning January 1, 2013:

Item of Appropriation		
Public Health	$	748,300
Transfers		1,309,249
Appropriated Reserves		3,800,083
Total	$	5,857,632

Section 4: That the sum of $9,564,177 as shown in the following items of appropriations is appropriated for the Public Works Sales Tax Fund of the City of Ketchikan for the fiscal year beginning January 1, 2013:

Item of Appropriation		
Finance		$ 20,000
Fire		175,000
Police		172,000
Museum		10,000
Civic Center		116,500
Public Works - Engineering		62,400
Public Works - Streets		1,890,100
Public Works - Garage		60,000
Public Works - Building Maintenance		1,193,453
Transfers		2,478,422
Appropriated Reserves		3,386,302
Total		$ 9,564,177

Section 5: That the sum of $12,433,755 as shown in the following items of appropriations is appropriated for other Special Revenue Funds of the City of Ketchikan for the fiscal year beginning January 1, 2013:

Fund	Item of Appropration		
Transient Sales Tax Fund	Transfers	$ 364,000	
	Appropriated Reserves	52,262	$ 416,262
Solid Waste Services Fund	Public Works - Solid Waste	3,428,450	
	Appropriated Reserves	3,030,712	6,459,162
Boat Harbor Fund	Port & Harbors	1,162,409	
	Appropriated Reserves	595,391	1,757,800
Cemetery O & M Fund	Transfers	5,000	
	Appropriated Reserves	69,063	74,063
Cemetery Development Fund	Public Works - Cemetery	32,000	
	Appropriated Reserves	18,463	50,463
Cemetery Endowment Fund	Appropriated Reserves	15,838	15,838
Shoreline Fund	Transfers	6,374	
	Appropriated Reserves	131,576	137,950
Community Grant Fund	Mayor and Council	327,240	327,240
Economic Parking & Development Fund	Tourism & Economic Development	171,000	
	Public Works - Engineering	236,000	
	Advances to Other Funds	1,250,000	
	Appropriated Reserves	267,981	1,924,981
US Marshall Fund	Transfers	5,000	
	Appropriated Reserves	277	5,277
Federal & Grant Fund	Public Health	1,264,719	1,264,719
Total			$ 12,433,755

Section 6: That the sum of $1,837,857 as shown in the following items of appropriated is appropriated for the General Obligation Bond Debt Service Fund of the City of Ketchikan for the fiscal year beginning January 1, 2013:

Item of Appropriation	
Debt Service	$ 1,837,857

Section 7: That the sum of $16,386,853 as shown in the following items of appropriations is appropriated for the Capital Project Funds of the City of Ketchikan for the fiscal year beginning January 1, 2013:

Fund	Item of Appropration		
Harbor Construction Fund	Port & Harbors	$ 10,374,872	
	Appropriated Reserves	1,266,245	$ 11,641,117
Major Capital Improvement Funds	Public Works-Streets	469,550	
	Appropriated Reserves	74,094	543,644
Community Facilities Development Funds	Public Works - Bldg Maintenance	580,347	
	Advance to Other Funds	1,500,000	
	Transfers to Other Funds	486,947	
	Appropriated Reserves	1,634,798	4,202,092
Appropriated Reserves Total			$ 16,386,853

Section 8: That the sum of $30,150,695 as shown in the following items of appropriations is appropriated for the General Government Enterprise Funds of the City of Ketchikan for the fiscal year beginning January 1, 2013:

Fund	Item of Appropration		
Wastewater Fund	Public Works - Wastewater	$ 3,231,389	
	Appropriated Reserves	672,084	$ 3,903,473
Ketchikan Port Fund	Port & Harbors	17,250,620	
	Advances to Other Funds	2,700,000	
	Appropriated Reserves	3,159,592	23,110,212
Port Repair & Replacement Fund	Appropriated Reserves	3,137,010	3,137,010
Total			$ 30,150,695

Section 9: That the sum of $2,424,374 as shown in the following items of appropriations is appropriated for the Self Insurance Internal Service Fund of the City of Ketchikan for the fiscal year beginning January 1, 2013:

Item of Appropriation	
Risk Management	$ 1,347,213
Advances to Other Funds	$ 800,000
Appropriated Reserves	277,161
Total	$ 2,424,374

Section 10: This resolution shall be effective upon its passage and approval.

PASSED AND APPROVED this 20th day of December, 2012.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter, City Clerk

November 8, 2013

The Honorable Mayor Lew Williams III
and Members of the City Council
City of Ketchikan, Alaska
334 Front Street
Ketchikan, Alaska 99901

Pursuant to Section 5-2 of the Ketchikan City Charter, the proposed 2013 General Government Operating and Capital Budget (the "2013 Budget") is respectfully submitted. In accordance with Section 5-4 of the Charter, the City Council must adopt a final spending plan no later than the third day before the beginning of the next fiscal year, which is December 29, 2012. At least one public hearing on the proposed budget is required prior to adoption of the final spending plan.

INTRODUCTION AND EXECUTIVE OVERVIEW

The 2013 Budget represents the City's plan for how it proposes to accumulate and spend the financial resources necessary to support cost-effective programs and services consistent with the City Council's stated goal of preserving and enhancing the quality of life currently enjoyed by the citizens of Ketchikan. The development of a financially sound spending plan for the City began by considering the expectations that the citizens of the community have for its local government, the City's role in the local economy and the state of the economy of the community that the City serves.

The programs and services contained within the proposed spending plan for 2013 were developed by the various departments and were subsequently reviewed and modified as necessary by the Office of the City Manager and the Finance Director. Direction from the City Council, the various City Advisory Boards and the general public were considered prior to finalization of the proposed spending plan. Department goals and programs were predicated on the continuation of basic service delivery and long-range issues that have manifested themselves over the course of the past year and during the development of the capital improvement program.

New Budget Format

In 2012, the City began transitioning to a new financial and accounting system. As part of this effort, the chart of accounts used to track financial transactions was totally redesigned in order to take advantage of the system's powerful management and reporting functions. Since it was

necessary to change the format of the City's budget to incorporate the new chart of accounts, a decision was made to revamp the entire format to modernize the document and to provide better information about how the City funds its operations, programs and capital improvements. Some of the improvements are as follows:

- The presentation of interdepartmental charges was changed to make it easier to identify the nature and the amounts of the interdepartmental charges, which funds are paying for the charges, and which departments are partially funded by interdepartmental charges.

- The budget expenditure detail was changed by adding columns to show the changes from the previous year's adopted budget as percentages and amounts. Subtotals are provided for the major expenditure categories.

- A section was added to discuss the major changes between the prior year's adopted budget and the proposed budget. All changes in excess of 5 percent **and** $5,000 are explained in this section.

- The line item narratives were shortened and modified to provide more descriptive information.

The budget is organized by department and includes three new sections that transcend departmental boundaries. These three sections are debt service, risk management and transfers. Each department's budget is organized as follows:

- ***Departmental Executive Summary*** - Provides at the department level a summary of all programs and activities, expenditures by major categories, funding sources, and personnel.

- ***Division/Program/Cost Center Section*** - Includes mission statement, goals, accomplishments, expenditures by major categories, funding sources, personnel staffing detail, operating budget changes, operating budget expenditure detail, and line item narrative.

- ***Capital Budget Section*** – Includes a list of capital improvements and identifies funding sources. Detailed information about the capital improvements can be found in the 2013 – 2017 Capital Improvement Program.

The new budget format is considered to be a work-in-progress. Had time permitted, a few other changes would have been made. Comments and suggestions from the City Council would be appreciated and will be incorporated into next year's budget.

Key Budget Assumptions

In order to prepare a comprehensive and complete budget for 2013, it was necessary to make certain assumptions. The key assumptions used by staff in developing the 2013 Budget are as follows:

- No reductions to existing services or the current level of the work force have been proposed.

- No cost of living adjustments were programmed in 2013. All increases in personnel costs were due to step increases.

- A 10 percent increase in health insurance premiums has been programmed, effective July 1, 2013.

- Water and wastewater rates will be increased 5% and 10%, respectively, effective March 1, 2013. The rate increases are in line with the increases that will be recommended in the soon to be released cost of service study.

- An increase in the property tax mill rate from 6.2 to 7.2 has been programmed and is being driven by the need to fund an estimated $846,491 of annual debt service for the fire station and library general obligation bonds, replace the raw fish tax that has been designated for harbor improvements, and the rising cost of personnel. The increase will raise about $816,600 in additional property tax revenues and is necessary in order to maintain the reserves of the General Fund.

- Assessed property values were projected to increase 1 percent above the 2013 assessment roll.

- Funds in the amount of $486,947 will be transferred from the fire station bond construction account to the General Obligation Bond Debt Service Fund. This transfer will fund a portion of the annual debt service on the bonds issued to finance the construction of the City's new fire station.

- Sales tax revenues have been projected to increase 2 percent above 2012's estimated sales tax revenues. If this projection is realized, it will fall short by about $23,000 of the City's best year on record for sales tax revenues.

- The Port Enterprise Fund will receive $2.1 million in CPV funds from the State of Alaska. This assumes an estimated 840,000 passengers at $2.50 per passenger.

Staff recognizes that some of the assumptions may require modification as more information becomes available and further direction is provided by the City Council. In particular, the projections for sales tax revenues may need revision pending the outcome of third quarter sales tax collections. This information will not be available until December 2012.

Issues That May Impact the Proposed 2013 Budget and Beyond

In preparing the proposed 2013 Budget, staff identified issues that may have the potential to impact the long-term finances of the City, its operations and/or the proposed 2013 Budget. Staff believes that the City Council should be aware of these issues and may want to consider them during its budget deliberations.

Harbor Rates. On June 26, 2012, the voters of Ketchikan authorized the issuance of up to $5 million of general obligation bonds for the capital improvements planned for the City harbors. In addition, $1,250,000 will be loaned from the Economic Development and Parking Fund in 2013 to finance the proposed drive down float. Although many of these projects will be grant funded, the City will be required to put up matching funds. The sale of the bonds will provide the matching funds. A plan needs to be in place to provide for the debt service on these bonds and the loan from the Economic Development and Parking Fund. Current harbor rates are not sufficient to provide for the repayment of this debt. An earlier analysis prepared by staff suggested that harbor rates will need to be raised by 7 percent for every $1 million of debt. It has also been suggested that the raw fish tax be dedicated towards the repayment of the loan from the Economic Development and Parking Fund. Assuming that the annual raw fish tax payment from the State continues to be approximately $425,000, it will take three to four years to repay the loan. The proposed 2013 Budget does not contain a recommendation to increase harbor rates, but the Council may wish to consider a pre-emptive move to phase in rate increases before bonds are issued in order to lessen the impact on harbor users.

Storm Water Management. In 2010, a consultant was hired to inventory and assess the condition of the City storm water collection system and to review the various methods for managing and funding storm drainage systems. In 2011, another consultant was hired to prepare a revenue requirement and cost of service study in the event the City decides moves forward with a comprehensive storm water management program. The purpose of the study was to develop a revenue stream to pay for the program and recommended an initial startup fee of $10 per month per parcel increasing to $20.11 at the end of the six-year study period. Included in the Street Division's 2013 – 2017 Capital Improvement Program is $7.17 million of improvements planned to address significant deficiencies in the City storm water collection system. The amount programmed for 2013 is $198,000 with funding to come from the Public Works Sales Tax Fund. Although it was possible to fund the first year of the proposed five year program from the Public Works Sales Tax Fund, the fund cannot absorb the entire program without compromising other critical maintenance projects such as asphalt overlays that have been traditionally funded by the Public Works Sales Tax Fund. Whether the City decides to establish a formal storm water utility or develop a new funding mechanism to address the immediate issues, it is essential that some action be taken before the City is forced to address catastrophic failures in the system that could result in significant property damage in the neighborhoods located in the high risk areas identified by the City's consultant.

Wastewater Rates. In 2010, the City began a program to gradually increase wastewater rates in order to finance capital improvements for the City's wastewater utility. In 2010 and 2011, rates were increased by five percent. In 2011, a consultant was hired to prepare a revenue

requirement and cost of service study for the wastewater utility and reaffirmed the City's earlier decision to begin increasing its rates. The consultant's study covered a 6-year period and was based on a capital improvement program prepared by staff and reviewed by the Council. The study recommended rate increases ranging from 6.5 percent to 12 percent beginning with a 12 percent increase in 2013. Staff is recommending a 10 percent increase.

Financial Impact of the Proposed 2013 Budget

Compared to what is occurring in municipalities across the nation, the City's finances continue to weather the economic storm that is impacting the country. Property values remain stable and sales tax collections are near record levels. The community managed to avoid the sub-prime mortgages that wreaked havoc on property values. Sales tax collections have been boosted by high fuel prices and an improving tourism industry. The proposed 2013 Budget was developed with the goal of continuing to keep the City financially solvent in a prudent manner without compromising the level of services it provides to its citizens and without passing on to its citizens "unnecessary" increases in taxes or fees for services.

The General Fund is the City's most important fund. Nearly 70 percent of the City's general government labor force is funded by the General Fund. Many of the City's critical services such as public safety and public works are accounted for in the General Fund. Most financial analysts and bond rating agencies look to the financial health of the General Fund as the prime indicator of the overall financial health of a municipality. For these reasons, it is important that the General Fund remain in a strong financial position.

As was discussed in last year's budget transmittal letter, the City's General Fund was heading in a direction that would soon require some important decisions about the City's future revenue and spending policies. The second draft of the proposed 2013 Budget had the reserves of General Fund down to approximately $1.5 million, which was way below the minimum required balance of $3 million. The reasons for this decline can be attributed to the issuance of general obligation bonds for the library and the fire station; changes in revenue policies regarding the raw fish tax, borough library services, business personal property taxes, boat taxes; and cost of living adjustments. Further information can be found in the General Fund Review section on page B-26 of this transmittal letter. To address the deficit, management has made the following recommendations and incorporated them into the proposed 2013 Budget:

- Raise the mill levy from 6.2 to 7.2. This will increase property tax revenues by $816,600 and the payment in lieu of taxes from the City's enterprise funds by $177,000.

- Transfer $486,947 from the Fire Station Bond Construction Fund to fund the debt service on the fire station bonds. The amount that can be transferred is limited under the bond covenants to the amount required for annual debt service. There is approximately $1,014,000 available in the bond construction for debt service.

If the recommendations are implemented, the reserves of the General Fund would be restored to the minimum required fund balance. It is important to note that once the funds in the Fire Station

Bond Construction Fund have been depleted, the General Fund will be required to provide for the annual debt service of approximately $486,000 on the fire station bonds. This will occur in 2015.

The City's revenue generating funds, which include harbors, port, solid waste and wastewater operations, are generally well positioned financially except for the Wastewater Enterprise Fund. For the past several years, the cost of operating the wastewater utility has been rising and its operating results have turned negative. In addition, the utility will begin making payments on bonds issued to finance the Tongass Avenue sewer main replacement projects. In order to put the wastewater utility back on a sound financial footing, a 10 percent rate increase has been recommended for 2013. Preliminary findings from an independently prepared rate and cost of service study support this action and suggest that further rate increases will be necessary if the City plans to move forward with the proposed 2013 – 2017 Wastewater Capital Improvement Program.

The City's Hospital Sales Tax Fund continues to improve its financial position as it recovers from the costs it incurred to address the water infiltration issues at the Ketchikan Medical Center and the winding down of the financial support it has been providing to Gateway Center for Human Services. The fund is projected to end 2013 with nearly $4 million in reserves and will be well positioned if the City Council decides to move forward with the proposed renovations for the Ketchikan Medical Center.

The Public Works Sales Tax Fund will start the year with $3.9 million in reserves but a proposed $2.9 million capital spending plan and annual $2 million transfer to the General Fund will draw the reserves down to $3.3 million, well above the recommended $2.5 million minimum amount that the City should hold in reserves for contingencies, but well below what is anticipated will be required for future storm water improvement capital projects. It is important to keep this fund healthy because it is the most significant local source of unrestricted funding for general government capital projects.

The rest of this transmittal letter is devoted to a review of Ketchikan and its local economy and a detailed financial overview of the 2013 Budget. A discussion of the local economy is important because it is essential that the final adopted 2013 Budget be appropriate for the community at this stage of the current economic cycle. The financial review provides for a better understanding of how the numbers portion (financial component) of the budget was developed and provides opportunities to make changes that bring the proposed spending plan more in line with the goals and objectives of the City Council and the community at large.

COMMUNITY AND LOCAL ECONOMY

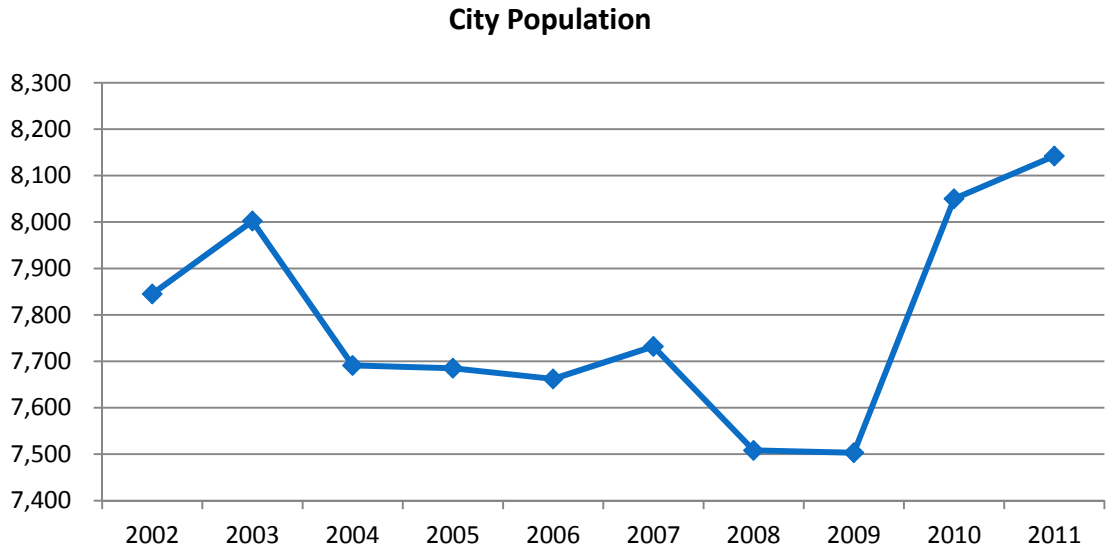
Community Information

The City of Ketchikan, incorporated in 1900, is the fifth largest city in Alaska. Located on Revillagigedo Island in southern Southeast Alaska, and within the boundaries of the Tongass National Forest, Ketchikan is 650 miles north of Seattle, Washington, and 200 miles south of Alaska's capital, Juneau. Ketchikan is the largest city located within the Ketchikan Gateway

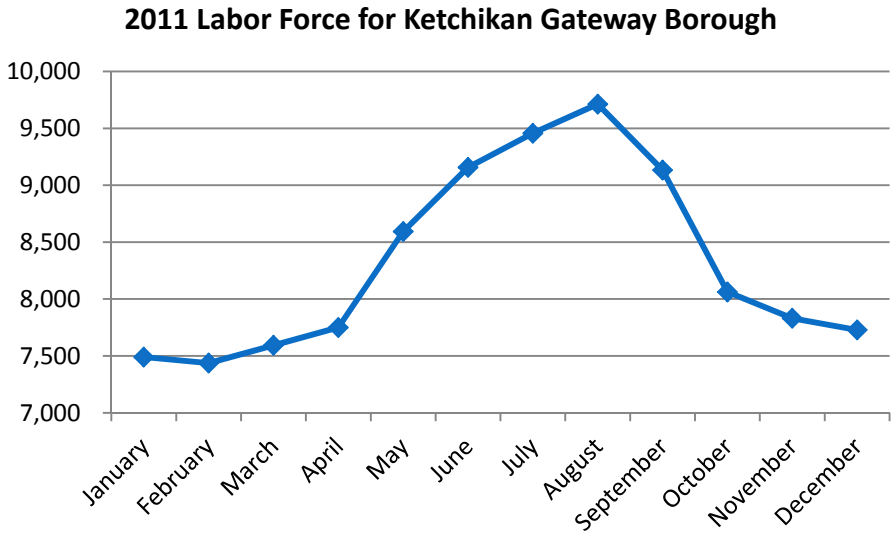
Borough and occupies five square miles. Ketchikan is a major port of call for cruise ships traversing the waters of Alaska and a major economic hub serving the communities of Saxman, Metlakatla, and Prince of Wales Island.

Population Base

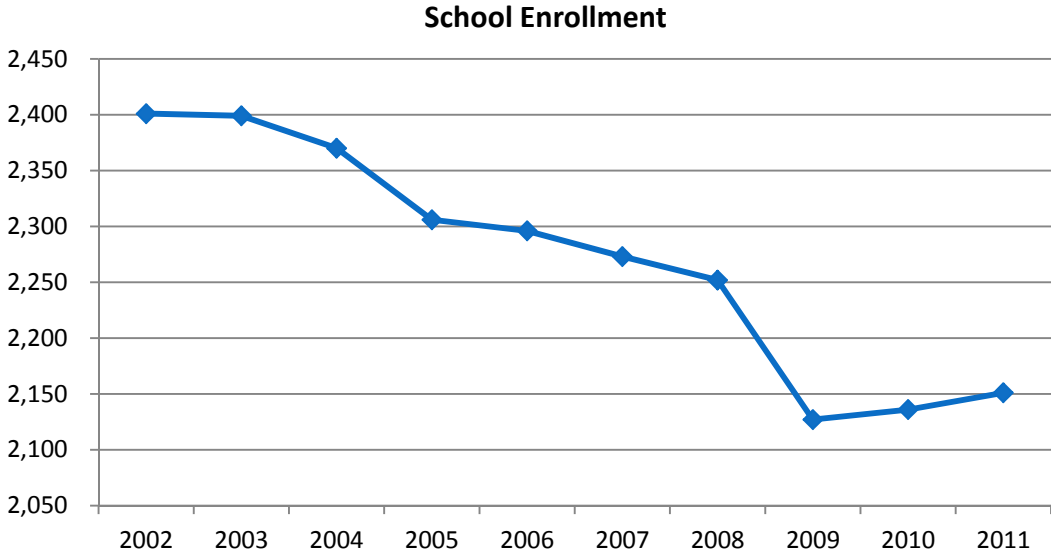
The City and Borough wide population peaked in 1996 at 8,667 and 14,654, respectively. The current population of the City and Borough is 8,142 and 13,686, respectfully. The decline was due to the closure of a major wood products manufacturing facility in 1997. The decline in the City's population bottomed out in 2008 at 7,508.



The increase in the City's population from 2009 to 2010 was due to the results of the 2010 U.S. Census. Per capita income in 2010 was $51,266, a slight increase from 2008 per capita income of $51,104. The City's population temporarily increases between May and September because of the influx of transient workers employed by the tourism and fishing industries. There are no official statistics measuring the impact of transient workers on the City's population but the graph below provides some insight by showing how the Borough's labor force expands and contracts during the year.



School enrollment is an important indicator because it provides some insight into the population demographics of a community. The local school district is also a major employer. School enrollment in Ketchikan peaked at 2,722 in 1997 and was in a steady decline as families migrated from the community and the economy became more reliant on seasonal industries that cannot offer year round employment opportunities.



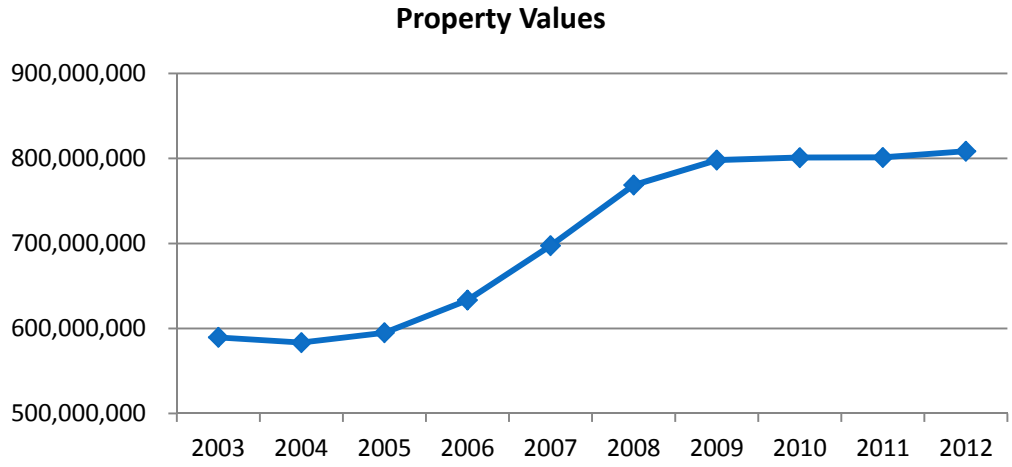
Enrollment in the Ketchikan Gateway Borough School District has been stable since 2008 and in fact is starting to slowly increase. In 2010 enrollment increased to 2,136. The District is forecasting an enrollment of approximately 2,165 students for 2012, making this the third straight year that the District has seen increases in enrollment.

The population and school enrollment trends are consistent with a community facing limited year round employment opportunities. This environment presents many challenges for the City. The

City is faced with determining what services and infrastructure the community needs and how the cost can be shared equitably between permanent and seasonal residents.

Tax Base

Property Taxes - Property values, a traditional measurement of long-term economic stability, increased substantially between 2005 and 2008. The increase was most likely due to circumstances that lead to the subprime mortgage crisis that many parts of the country are facing. The demand for housing during this period pushed up the price of building materials and the cost of construction labor. Remote communities like Ketchikan were also subject to higher transportation costs that were be driven by higher fuel prices. The graph below illustrates the trend in assessed values for the past ten years



Unlike the significant decline in property values experienced in many parts of the country, the City's property values have essentially remained flat since 2009. This is one of the reasons why the City has been able to avoid the massive cuts in services that many municipalities in the lower 48 have been forced to enact. Trends occurring in the lower 48 generally take longer to reach Ketchikan so it is possible that the City may see some devaluation of its property values in future years, but the current sentiment is that property values will mostly likely revert to the historical trend of modest annual increases between 1 and 4 percent. Subprime mortgages, which have been blamed for much of the national real estate bubble, did not play a role in the local real estate market.

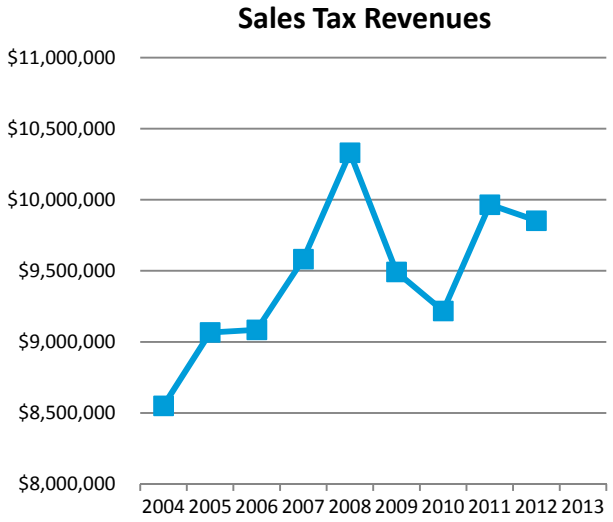
Sales Taxes – Whereas property values are a good indicator of a community's long-term economic prospects, retail sales are an excellent measurement of a community's current state of economic affairs. As the table below illustrates, retail sales and sales tax revenues can be volatile. This is especially true of Ketchikan because tourism is a large part of its economy. Visitors to the community arriving via cruise ship and workers temporarily relocating to the community to support the tourism industry have had a significant impact on gross sales and sales tax revenues. While there are no official statistics measuring their impact on the City's sales tax revenues, it is probable that between 20 and 25 percent of the City's retail sales are being directly driven by the

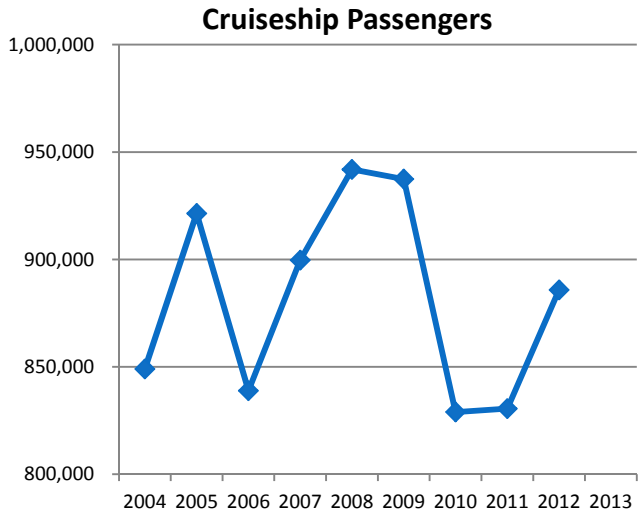
tourism industry. The table below identifies the major segments of the City's gross sales and sales tax revenues for the past five years.

Gross Sales
2007 - 2011

	2007	2008	2009	2010	2011
Construction	$ 71,771,340	$ 73,492,414	$ 44,400,962	$ 50,110,740	$ 95,697,130
Finance, Insur. & Banks	2,802,760	3,173,594	3,525,772	3,519,701	2,942,625
Hotel, Motels & Lodges	16,496,908	16,968,173	15,118,979	15,401,309	14,614,550
Manufacturing	27,604,518	35,183,518	47,045,192	40,265,296	24,912,924
Real Estate	31,777,496	33,294,654	33,656,070	39,764,629	37,637,453
Retail Trade	216,885,807	225,429,414	216,021,701	210,049,511	216,870,617
Retail-Jewelry & Curios	55,847,979	53,424,668	45,576,782	44,331,693	44,792,014
Services	28,016,839	28,870,764	32,655,632	29,853,996	32,704,166
Transport & Utilities	79,168,058	96,250,783	73,575,371	82,031,003	88,101,745
Total	$ 530,371,705	$ 566,087,982	$ 511,576,461	$ 515,327,878	$ 558,273,224

City sales tax revenues peaked in 2008. Interestingly enough, 2008 was also a record year for tourism. Almost 931,000 visitors arrived by cruise ship in 2008. High fuel prices were also a major factor in 2008 and continued to be a factor in 2010 and 2011. Fuel sales are included in the transportation and utilities category. Retail sales have essentially remained flat since reaching a record $279 million in 2008 and then declining to $262 million in 2009. The two graphs below compare sales tax revenues with cruise ship passenger volume and demonstrate the strong correlation between the trends in sales tax revenues and tourism.





The City estimates that in 2012 it will collect $10.1 million in sales taxes, an increase of 1.4 percent over 2011. The projection for 2013 is $10.3 million, an increase of 2 percent.

Economic Profile

Ketchikan's economy is based on natural resources. Since its inception in 1900, the community's economy has been driven by industries involved with the extraction or harvest of natural resources. Industries such as mining and fishing played an important role in the early history of Ketchikan. By the late 1950s, timber had surpassed both of these industries as the cornerstone of the local economy. Timber continued to dominate the local economy until the late 1990s when regulatory and environmental issues overwhelmed the industry and made it economically unfeasible to conduct timber operations in Southeast Alaska.

The loss of the timber industry compelled the community of Ketchikan to seek alternate ways to capitalize on its abundant supply of natural resources to rebuild its economy in order to continue to sustain the quality of life that the community has enjoyed for over 100 years. This was primarily accomplished by shifting from an economy solely based on extracting and harvesting natural resources to an economy that balances extracting and harvesting natural resources with the need to preserve those resources so they can be shared with future generations from around the world. The community of Ketchikan has been very successful in demonstrating that development and conservation are equally important and that both can co-exist in the same environment.

The promotion of Ketchikan's natural resources as an attraction for visitors from outside the community has resulted in tourism becoming a significant component of the local economy. The growth in tourism has driven the reconstruction and expansion of the City's port infrastructure and the rehabilitation of the Downtown Business District. The biggest driver of the tourism industry is the cruise ships that call on Ketchikan annually from May through September. In 2008, a record 931,000 cruise ship passengers visited the community. Beginning in 2009, the numbers of visitors to Ketchikan started to decline because of the weakened state of the national and global economies and the imposition of a state head tax on cruise ship passengers traveling to Alaska by the State of Alaska. By 2010, the number of visitors had declined to 821,000. The prospects for the industry improved in 2011 when the State substantially reduced its head tax and the number of visitors increased to 830,000. The number of visitors increased again in 2012 to 886,000. Based on a preliminary cruise ship calendar for 2013, the number of visitors to Ketchikan is expected to reach a new record of 960,000. The number of ships making a port of call will increase by one ship to 29 and the number of stops will increase from 434 to 475. Depending on the outcome of litigation involving EPA's decision to include much of Alaska in the newly created Emissions Control Area (ECA), this upward trend could be reversed if vessels are again redeployed out of state due to increased fuel costs.

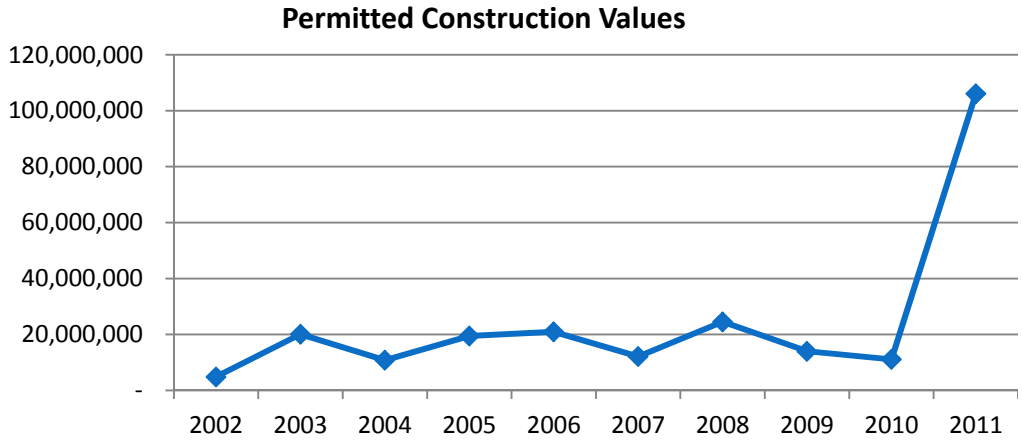
Other important segments of the local economy include fishing, government, healthcare and construction. The fishing industry encompasses the fleet and processing facilities. The fishing industry is primarily seasonal although efforts have been made to extend it by developing winter and dive fisheries. The shore base canneries and cold storage facilities are one of the primary drivers of the increase in the local workforce. The industry's contribution to the local economy is unpredictable because harvest volumes, market prices, and operating costs are volatile. The purse seine fishery is the largest producer. An ex-vessel value of $64 million is projected to be harvested in 2012. This value is well below the 2011 record ex-vesssel value of $105.7 million, but above the

10-year average of $44 million. Since market prices were comparable to 2011, the decline is most likely attributable to the number of recorded seine permits. In 2012, there were 238 seine permits participating in the fisheries. In 2011, the number of seine permits participating reached 508.

Government is a major force in the local economy. Government includes the City of Ketchikan, Ketchikan Public Utilities, the Ketchikan Gateway Borough, the Ketchikan International Airport, the Ketchikan Gateway Borough School District, the US Forest Service, the State of Alaska, and the Alaska Marine Highway System. Approximately 28% of the community's workforce is employed by government. Government is important to the local economy because it provides stable and year round employment opportunities for the citizens of Ketchikan.

Healthcare and social assistance is another important component of Ketchikan's economy. The single largest private employer in the area is the Ketchikan Medical Center, a licensed 25 bed acute care facility that serves Ketchikan and southern Southeast Alaska. The KMC employs over 350 individuals and also operates a 29 bed long-term care facility. Other healthcare and social assistance providers employ 479 employees bringing the total employed by the healthcare industry in Ketchikan to 829. This accounts for nearly 12% of the community's workforce. Plans are under way for a $70 million addition to the Ketchikan Medical Center that will broaden its services and increase its importance in the region. Like government, the healthcare industry is stable source of high paying, year round employment opportunities.

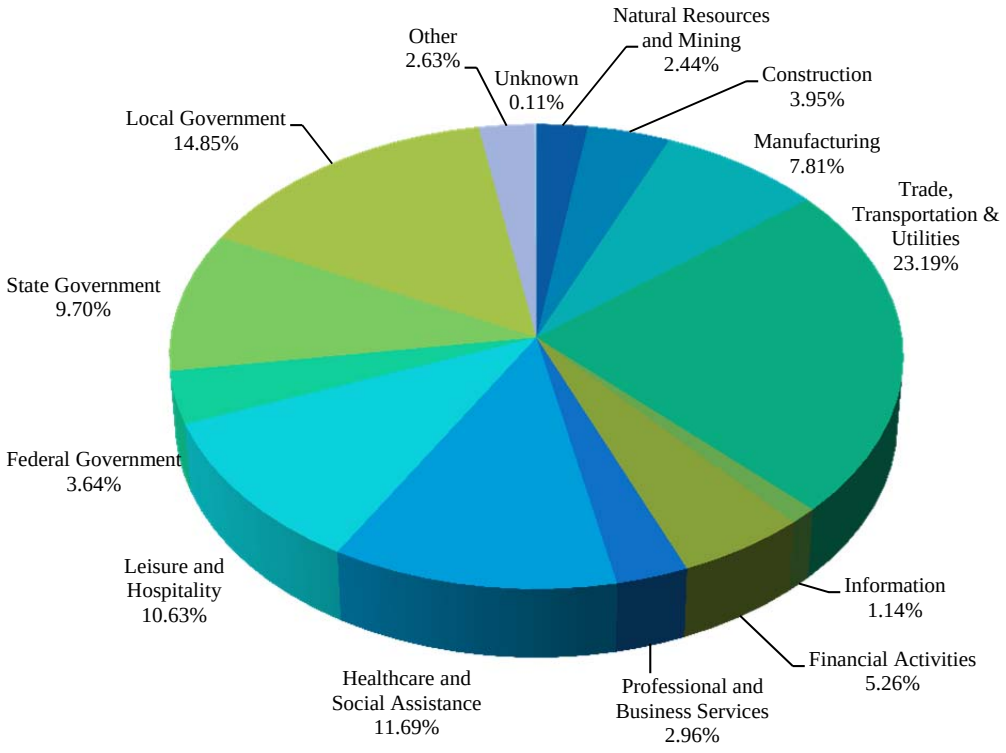
Another important segment of Ketchikan's economy is construction. The construction industry contribution to Ketchikan's economy is very cyclical because of the inherent nature of it business. Infrastructure generally has long lives and the financial resources required to build new infrastructure or replace existing infrastructure is contingent on the availability of federal and state grants, the ability of municipalities to issue bonds, and private sectors willingness to make investments and provide financing. The construction industry is also a source of high paying jobs. In 2011, construction activity accounted for 17.1 percent of the City's gross tax sales. In 2012, the City also issued 142 building permits with a construction value of $10.7 million. The graph that follows shows the level of permitted construction activity for the past ten years.



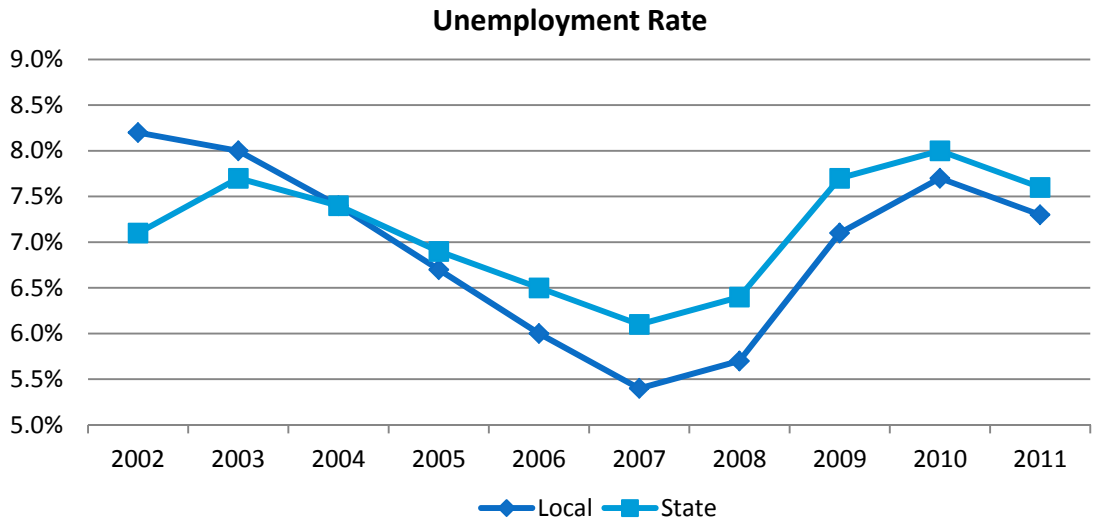
Permitting activity for 2013 is projected to return to more historical levels ranging between $10 and $20 million. The record level reached in 2011 was due to the unusually large number of high valued commercial building projects that were undertaken such as a new community pool, fire station, and public library and the construction new facilities at the local shipyard.

Workforce

In 2011, the average workforce of the Ketchikan Gateway Borough totaled 7,299, an increase of 6.7 percent from 2010. The workforce is very diversified and seasonal. Employment levels are low at the beginning of the year, rise in the spring, peak in the summer and then decline in the fall. Over the course of a year, the workforce declines to almost 6,000 and peaks at nearly 9,000 in the months of July and August. This is typical of a seasonal economy. The pie chart that follows identifies the major segments of the community's workforce.



As it has for much of the past decade, the community continues to enjoy an average unemployment rate that is lower than the average for the State of Alaska. This was not the case at the beginning of the decade when the community was still reeling from the aftermath of the closure of Ketchikan Pulp Company. In recent years, the community's unemployment rate has also been trending lower than the national unemployment rate.



The current local unemployment rate is currently trending at 5.1%. This is somewhat misleading because it was measured in August 2012, during the community's peak employment period. The State's unemployment rate for August 2012 was 6.6%.

The Economy Looking Forward

It appears that the local economy is slowly improving and there is some hope that it will continue to improve and become more diversified. The contraction in the tourism industry has been halted and the number of cruise ships and passengers coming to Alaska is on a major upswing, which could break the record set in 2008. As long as the nation does not suffer another economic meltdown and the global economy doesn't falter, the growth in tourism should continue to be strong. As we learned in 2009 and 2010, contractions in the tourism industry have the potential to immediately impact the finances of the City and its citizens.

Alaska Ship and Dry Dock (ASD) is still on track to become the prime contractor for the Alaska Class Ferries. The company was purchased in 2012 by Vigor Industries, a large regional shipyard operator located in the Pacific Northwest. Ownership of ASD by Vigor has resulted in an infusion of capital that will provide ASD with the financial resources necessary to take on a project as large and complex as the construction of an Alaska Class ferry. ASD recently completed the construction of a covered vessel assembly building large enough to house an Alaska Class ferry while it is being constructed. If ASD is successful in its effort to become the prime contractor, it would be a major boost to the local economy and create a significant number of direct and indirect employment opportunities in the community, many of which would most likely be paid at above average wages. Since a number of ferries have been proposed for construction by the State of Alaska, this could become a long-term project for ASD that will enable the maritime industry to become well established in Ketchikan and build up a reputation as premier provider of quality maritime services in Alaska.

The mining industry, once an important part of the local economy, continues to gain ground in its efforts to reestablish itself in Ketchikan. The Niblack Mining Company is currently evaluating the

prospects for a mine located on Prince of Wales Island. The evaluation is in the advance stages and the results look promising. The company is looking for a location for an ore processing facility and appears to be leaning toward locating it at the Gravina Island Industrial Complex. The processing facility would create approximately 80 new jobs. The construction of the mine could start as early as 2015 and has an estimated life of 10 to 12 years and could employ up to 130 people. The mine would focus on the extraction of copper, gold, zinc and silver. Progress also continues on Ucore Rare Metals, Inc.'s Bokan Mountain Project, which is also located on Prince of Wales Island. The site is the location of the largest rare metal deposit in the United States. The Bokan Mountain Project is in the early stages of its development. More work is required before the company can determine if the project is economically feasible.

Over the years, Ketchikan has seen what appeared to be opportunities to expand and diversify its economy slip away because a business plan fails the financial scrutiny of potential investors or government regulations makes the plan financially unfeasible. The community is actively working together with various industry officials and their investors, legislators and federal and state agencies to create a positive business environment that encourages businesses to locate and invest in Ketchikan. The investments proposed by ASD, Niblack Mining, and Ucore Rare Metals would strengthen and diversify the local economy and improve the quality of life for all the residents of Ketchikan.

FINANCIAL OVERVIEW OF THE
2013 GENERAL GOVERNMENT ANNUAL BUDGET

The 2013 Budget includes all governmental funds and all proprietary funds of the City, except for Ketchikan Public Utilities. A separate budget has been prepared for Ketchikan Public Utilities. The table below summarizes the 2013 Budget and compares it with the 2012 Budget.

	2012 Budget	2012 Estimates	2013 Budget
Estimated Beginning Reserves, Jan 1	$ 30,628,667	$ 31,584,910	$ 30,260,876
Revenues and Transfers:			
Taxes	15,345,800	15,257,305	16,290,535
PILOT	1,160,000	1,107,000	1,284,000
Intergovernmental Revenues	16,423,744	17,420,748	28,703,631
Charges for Services	16,770,500	16,919,280	17,844,800
Other Revenues	496,747	529,403	483,704
Bond Proceeds	8,459,451	4,784,822	2,500,000
Foundation	1,000,000	-	-
Interdepartmental Revenues	4,743,325	4,590,640	4,769,013
Total Revenues	64,399,567	60,609,198	71,875,683
Transfers from Other Funds	6,042,291	5,669,363	5,322,165
Interfund Advances	1,297,000	1,302,148	1,250,000
Total Revenues and Transfers	71,738,858	67,580,709	78,447,848
Total Funds Available	102,367,525	99,165,619	108,708,724
Expenditures and Transfers:			
Operating Expenditures	36,785,839	36,021,780	37,741,327
Capital Expenditures	33,321,386	25,911,452	35,001,533
Total Expenditures	70,107,225	61,933,232	72,742,860
Transfers to Other Funds	6,042,291	5,669,363	5,322,165
Advances to Other Funds	1,297,000	1,302,148	6,250,000
Total Expenditures and Transfers	77,446,516	68,904,743	84,315,025
Estimated Ending Reserves, Dec 31	$24,921,009	$30,260,876	$24,393,699

Total funds available for appropriations in 2013, included beginning reserves of $30.3 million, is $108.7 million. The amount requested for appropriations in 2013 is $84.3 million; or $6.87 million more than 2012. Operating and capital expenditures increased by $2.64 million, advances to other funds increased by $4.95 million and transfers to other funds decreased by $736,686. The 2013 Budget will require a $5.87 million drawdown of total General Government reserves.

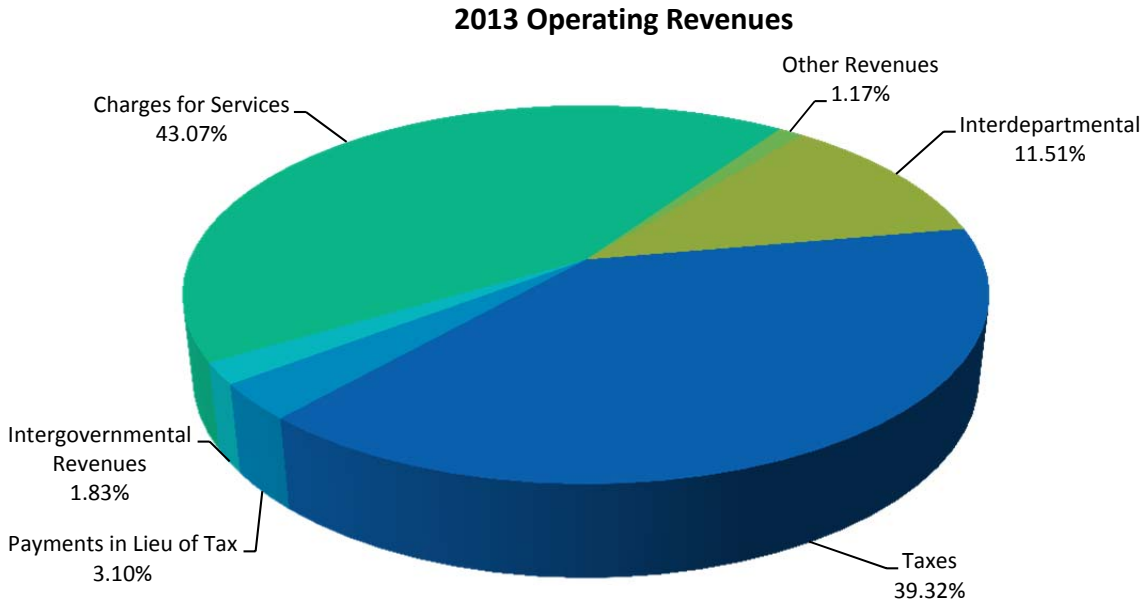
This overview contains a review of the proposed spending plan for 2013 and will include a discussion of the following areas: (1) revenues; (2) transfers to and from other funds; (3) expenditures; (3) General Fund review; (4) Capital Improvement Program; and (5) debt management.

REVENUES

The revenues of the City come from a variety of sources. Most of the revenues are from external sources such as taxes and charges for services. Some of the revenues such as interdepartmental charges are internal to the City. This section includes a discussion of the major revenues realized by the City and information on major factors affecting the revenue sources. The table below summarizes the major revenues of the City.

	2012 Budget	2012 Estimate	2013 Budget
Taxes	$15,345,800	$15,257,305	$16,290,535
Payment in Lieu of Taxes	1,160,000	1,107,000	1,284,000
Licenses and Permits	83,500	75,100	76,000
Revenue from Other Governments - Operating	906,267	1,039,659	758,063
Charges for Services	16,770,500	16,919,280	17,844,800
Fines and Forfeitures	155,500	169,250	169,250
Interdepartmental	4,743,325	4,590,640	4,769,013
Other Revenue - Miscellaneous	257,747	285,053	238,454
Operating Revenues	39,422,639	39,443,287	41,430,115
Revenue from Other Governments - Capital	13,417,477	14,433,841	25,845,568
Revenue from Other Governments - CPV	2,100,000	1,947,248	2,100,000
Other Revenue - Bond Proceeds	8,459,451	4,784,822	2,500,000
Other Revenue - Foundation	1,000,000		
Total Revenues	$64,399,567	$60,609,198	$71,875,683

The City is projecting that its revenues for 2013 will total $71.88 million and its operating revenues will total $41.43 million. Total revenues are projected to increase by $7.48 million and operating revenues are projected to increase by $2.01 million. The following chart identifies the major revenue sources of the City and their respective percentage of the total revenue stream.



Taxes: At 39%, tax revenues are the second highest category of operating revenues collected by the City. Tax revenues are used to finance the programs of the City's general fund, its two sales tax funds and transient tax fund. The City currently assesses three types of taxes: (1) ad valorem real and personal property taxes; (2) 3.5% consumer sales tax; and (3) 7% transient occupancy tax. The table below summarizes the major tax revenues of the City.

	2012 Budget	2012 Estimate	2013 Budget
Property Taxes	$4,741,300	$4,662,805	$5,489,535
Sales Taxes	10,101,000	10,101,000	10,307,500
Transient Occupancy Taxes	360,000	350,000	350,000
Other Taxes	143,500	143,500	143,500
Total	$15,345,800	$15,257,305	$16,290,535

Other taxes include automobile and liquor taxes shared by the State of Alaska with the City and boat taxes on private and commercial vessels.

Property Taxes. Revenues from property taxes are a function of assessed property values and the mill rate. Assessed property values are determined by the Ketchikan Gateway Borough Assessment Department and certified by the Borough Assembly acting as the Board of Equalization. The Borough reappraises property located within the city on a four-year cycle as follows:

Cycle 1 – residential zoned property from Schoenbar Bypass to the south City limits.
Cycle 2 – commercial and industrial zoned property.
Cycle 3 – no city property appraised in Cycle 3.
Cycle 4 – residential zoned property from Schoenbar Bypass to the north City limits.

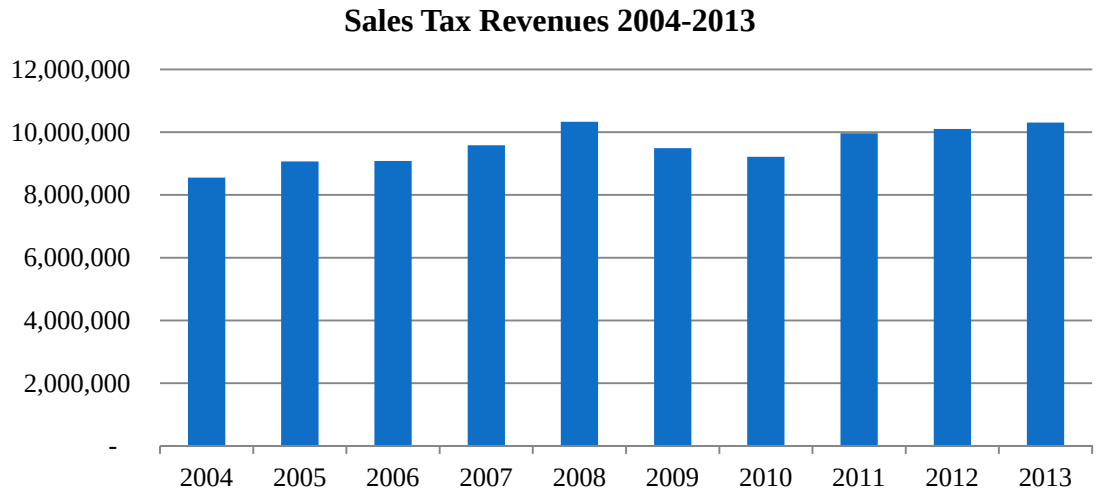
Cycle 2 properties are currently being reappraised and the results will impact the 2013 assessment roll. The reappraisal will include all commercial and industrial zoned properties. Properties not scheduled for reappraisal are generally subject to a market analysis and adjusted accordingly. The real estate market in Ketchikan appears to be entering a period of stability. Since 2010, assessed values have increased less than one percent annually. In discussions with the Ketchikan Gateway Borough Director of Assessment, there is no evidence to suggest that this will change in 2013. Assessed values have been programmed to increase one percent in 2013. The actual assessed property values will not be known until the Ketchikan Gateway Borough Board of Equalization certifies the assessment roll in May of 2013. The City is required to adopt its annual mill levy by June 15.

The City currently receives $6.20 per $1,000 of assessed valuation from property owners located within the City limits. It is recommended that the City raise the amount it collects to $7.20 per $1,000 of assessed valuation. The effect of this action would be a property tax increase of $200 on a home assessed at $200,000 and would raise approximately $817,000. This additional property tax revenue would be dedicated to provide for a portion of the $846,491 required for the annual debt service on the general obligation bonds issued to finance the construction of the City's new fire station and library facilities and replace the loss of raw fish tax revenue that was previously accounted for in the General Fund.

Sales Taxes. Sales tax revenues are generated from a 3.5 percent sales tax imposed on retail sales within the City limits. Sales tax revenues are accounted for in three separate funds as follows:

- General Fund – 1%
- Hospital Sales Tax Fund – 1%
- Public Works Sales Tax Fund - 1.5%

For 2013, sales tax revenues have been projected to total $10.31 million, or about 2 percent more than 2012. Improving prospects for the tourism industry is the primary driver behind the projected increase in sales tax revenues for 2013.



A 7 percent transient occupancy tax is assessed against consumers using overnight lodging facilities located within the City limits. This tax has historically been used to provide financial support to the Ketchikan Visitors Bureau (KVB) and the Ted Ferry Civic Center, if funds are available after funding the KVB.

Payment in Lieu of Taxes (PILOT): Governments are exempt from property taxes, however, many municipalities, including the City, have a policy of requiring their enterprise funds to pay an amount in lieu of property taxes. The payments in lieu of taxes are based on the estimated assessed values of enterprise fund properties located within the City limits and the proposed mill rate.

	2012 Budget	2012 Estimate	2013 Budget
Ketchikan Public Utilities	$763,000	$728,000	$845,000
Port of Ketchikan	309,000	295,000	343,000
Wastewater	78,000	74,000	86,000
Tlingit & Haida Regional Housing Authority	10,000	10,000	10,000
Total	$1,160,000	$1,107,000	$1,284,000

Included in the PILOT is an estimate of the payment in lieu of taxes that will be made by the Tlingit & Haida Regional Housing Authority for their affordable housing projects.

Revenues From Other Governments: The City receives a substantial amount of revenues from other governments. The majority of this revenue comes from the State of Alaska and is usually in the form of grants for infrastructure. The following table below summarizes the major sources of revenues from other governments.

	2012 Budget	2012 Estimate	2013 Budget
Operating:			
License Refunds	45,000	45,500	40,000
State Grants - Shared Fisheries Tax	18,000	24,000	24,000
Federal and State Grants - Public Safety	197,450	120,541	45,197
State Revenue Sharing	495,000	698,801	500,000
ERZD Bond Interest Rebate	150,817	150,817	148,866
	906,267	1,039,659	758,063
Capital:			
State Raw Fish Tax	350,000	472,000	425,000
Borough Grants	513,000	16,858	1,746,142
State CPV	2,100,000	1,947,248	2,100,000
State Grants - Capital	11,840,738	10,926,635	22,335,000
Federal Grants - Capital	713,739	3,018,348	1,339,426
	15,517,477	16,381,089	27,945,568
Total	$16,423,744	$17,420,748	$28,703,631

Changes in capital grants occur because they are project specific and subject to the availability of funding. Of the $27.95 million programmed for capital grants, the City has been awarded $17.25 million. The raw fish tax is subject to harvest volumes and market prices for fish. State revenue sharing for 2013 is predicated on funding from the $60 million that the State has already set aside for the FY 2014 State Revenue Sharing Program. In 2011 and 2012, the City received an additional $200,000 in revenue sharing through special appropriations approved by the State Legislature. It is possible that the State Legislature may consider a special appropriation for the FY 2014 State Revenue Sharing Program, but such action is contingent on the price of oil and the amount of oil taxes collected by the State. The amount contributed to the State's revenue sharing program cannot exceed 20 percent of the oil taxes collected by the State. In order to maintain funding for the program at $60 million, oil prices must remain above $90 per barrel. If oil price rise above $90 per barrel, the Legislature could potentially increase the $60 million cap and authorize another supplemental appropriation.

Charges For Services: Charges for services is the City's single largest source of operating revenues. It includes user fees for general and utility services provided by the City. Fees for services include building inspection and plan review, parking, ambulance, harbor moorage, port dockage, library services to nonresidents of the City and the University of Alaska, solid waste collection and disposal, wastewater and other fees charged to identifiable users of government services. The following table summarizes the major categories of charges for services.

	2012 Budget	2012 Estimate	2013 Budget
Parking	$85,000	$92,000	$92,000
Ambulance	515,000	525,000	525,000
E-911 Services	390,000	415,000	415,000
Borough Library Services	388,000	397,800	411,100
UAS Library Services	204,234	195,000	206,000
Civic Center	120,000	141,000	141,000
Solid Waste Fees	2,858,800	3,002,000	2,987,000
Wastewater Fees	2,206,000	2,209,300	2,393,300
Harbor Fees	1,138,500	1,166,000	1,169,000
Port Fees	8,520,300	8,464,000	9,202,000
Museum Fees	204,900	168,950	165,700
Other	139,766	143,230	137,700
Total	$16,770,500	$16,919,280	$17,844,800

Charges for services have been projected to remain unchanged for 2013, except for the following:

- Port revenues have been projected to increase by $681,700 because of an improving climate for cruises to Alaska. Another cruise ship has been added to the Alaska market bringing the total to 29 ships. More passengers are expected to visit Ketchikan. A minimum of 915,000 passengers has been projected by the industry based on lower berth capacity. Historically, the actual passenger counts tend to trend at roughly 106% of the lower berth estimate. The City has assumed that this trend will continue in 2013 and is projecting 960,000 passengers.

- A ten percent rate increase has been proposed for wastewater fees, effective March 2013. The rate increase will bring in an additional $187,000 in operating revenues.

Interdepartmental Charges: Interdepartmental charges are fees assessed against the revenue generating and enterprise funds that collect fees from users and other funds of the City. The General Fund and the Self-Insurance Fund provides certain services for these funds. The services include City Council, City Clerk, legal, engineering, central garage, finance, information technology, personnel, and risk management. Since KPU maintains a separate garage, it is not charged for this service.

	2012 Budget	2012 Estimate	2013 Budget
KPU	$2,162,550	$2,115,550	$2,242,200
Port Fund	177,000	170,000	183,000
Harbor Fund	169,000	160,000	141,000
Solid Waste Fund	453,000	393,000	407,000
Wastewater Fund	447,000	447,000	450,000
Self Insurance Fund	1,334,775	1,305,090	1,345,813
Total	$4,743,325	$4,590,640	$4,769,013

Interdepartmental charges are determined using a variety of methods. The amount charged for cost of services provided to KPU is based on a model developed by a consultant engaged by the KPU Telecommunications Division. Services charged to other revenue generating operations of the City are based on labor. Insurance charges are based on labor and property distribution. No significant increases have been programmed for 2013.

TRANSFERS IN AND ADVANCES FROM OTHER FUNDS

Transfers in from other funds include operating subsidies, the movement of financial resources from one fund to another in order to share the cost of programs or activities accounted for in another fund and the transfer of financial resources for debt service. For 2013, $5,322,165 has been programmed for transfers in from other funds.

	2012 Budget	2012 Estimate	2013 Budget
General Fund	$ 3,271,870	$ 3,221,717	$ 2,800,374
Community Grant Fund	243,180	270,680	310,800
Harbor Construction Fund	277,158	277,158	
GO Bond Debt Service Fund	1,728,083	1,377,808	1,688,991
Port Repair & Replacement Fund	522,000	522,000	522,000
Total	$ 6,042,291	$ 5,669,363	$ 5,322,165

For more information about transfers in, please refer to the Transfers section of the 2013 Budget.

Included in the 2013 Budget is a proposed advance of $1,250,000 to the Harbor Construction Fund. An advance is a short-term loan between funds of a municipality. The proposed advance will come from the Economic Development and Parking Fund and will be used to finance the proposed drive down float for Bar Harbor. The advance will be repaid over an unspecified period with interest beginning in 2014.

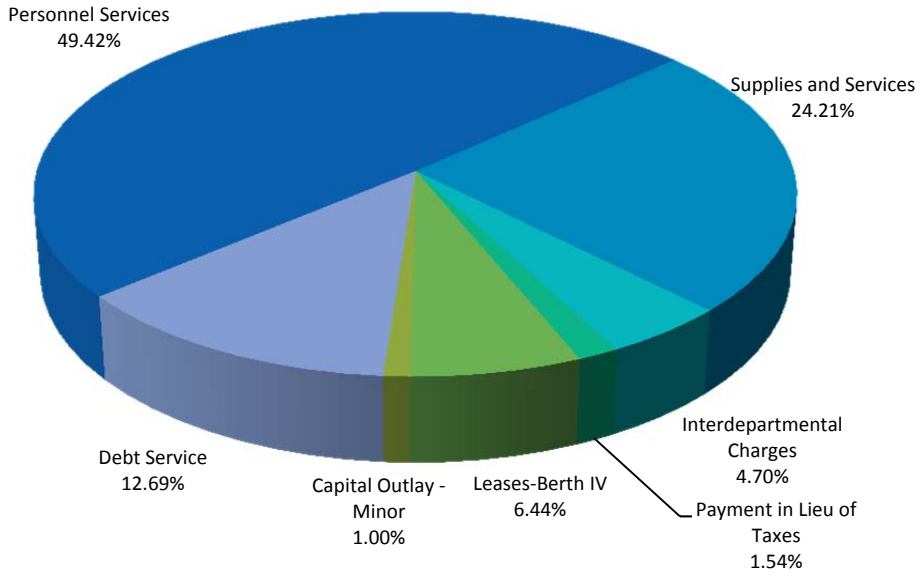
EXPENDITURES

Expenditures in the amounts of $72,742,860 have been programmed for 2013. The table below summarizes the major expenditures of the City and compares 2013 with 2012.

	2012 Budget	2012 Estimate	2013 Budget
Personnel Services	$18,377,029	$18,055,561	$18,651,871
Supples and Services	8,786,250	8,739,043	9,136,041
Interdepartmental Charges	1,697,250	1,730,559	1,774,242
Payment In-Lieu of Taxes	540,000	522,000	582,000
Leases - Berth IV	2,095,000	2,115,000	2,431,000
Capital Outlay - Minor	408,918	393,391	376,544
Debt Service	4,881,392	4,466,226	4,789,629
Total Operating Expenditures	36,785,839	36,021,780	37,741,327
Capital Outlay - Major	33,321,386	25,911,452	35,001,533
Total Operating and Capital Expenditures	70,107,225	61,933,232	72,742,860
Interfund Advances	1,297,000	1,302,148	
Total Expenditures	$71,404,225	$63,235,380	$72,742,860

Total operating expenditures for 2013 are projected to increase by $955,488 from 2012, or 2.6%. Increases in the cost of personnel and the Berth IV lease payment account for $610,842 of the increase. The following chart summarizes the major categories of operating expenditures for 2013.

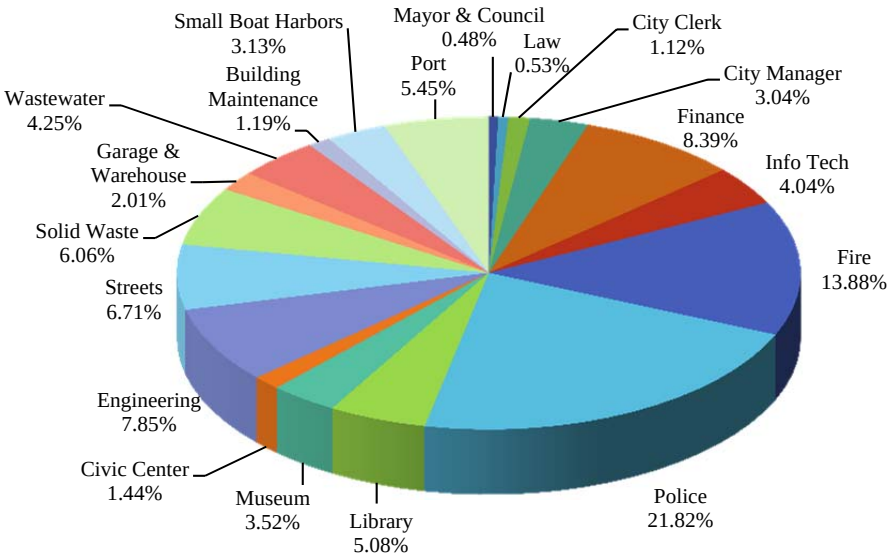
2013 Operating Expenditures



Personnel Services: The cost of personnel is projected to consume 49 percent of the City's annual operating expenses. This category includes salaries and wages for regular and temporary employees, overtime and employee benefits. Employee benefits include health insurance, life insurance, retirement, workers compensation, social security, unemployment and accrued leave. The cost of personnel services is summarized as follows:

	2012 Budget	2012 Estimate	2013 Budget
Salaries and Wages-Regular Employees	$10,099,263	$9,869,876	$10,222,039
Salaries and Wages-Temporary Employees	1,051,300	1,007,995	1,100,350
Overtime	698,850	863,550	847,350
Payroll Taxes	907,860	900,670	930,734
Pension Benefits	2,144,740	2,109,945	2,189,900
Insurance Benefits	3,098,380	2,953,850	3,007,960
Other Benefits	250,380	251,725	255,895
Allowances	126,256	97,950	97,643
Total	$18,377,029	$18,055,561	$18,651,871
Number of Employees (FTE)	176.81	177.31	176.31

The chart below shows how the 176.81 FTE employees are distributed among the various City departments.



The proposed level of staffing for 2013 is 176.31 FTE, a decrease of .50 FTE over 2012. The table below summarizes by department the proposed changes to personnel.

Department	Position	Action	FTE
Public Works - Bldg Inspec			
Building Inspection	Building Inspector	Decrease	0.50
Total			0.50

A retiring building inspector that remained on staff to assist with the work load and train a replacement was no longer needed.

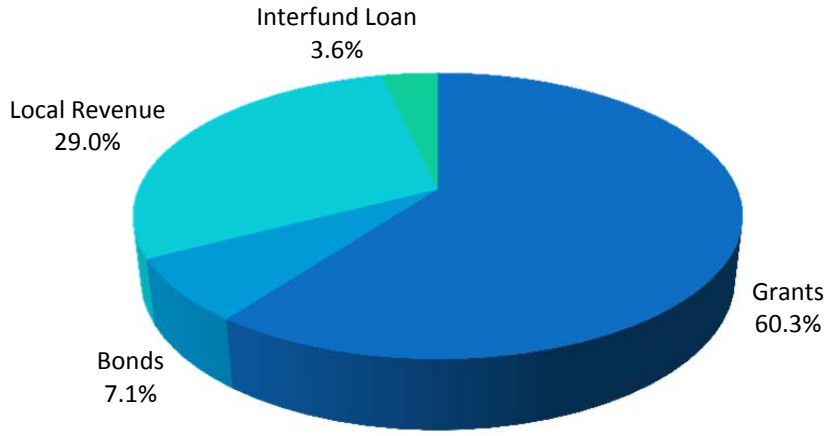
Regular salaries and wages are projected to increase by $122,776 to $10,222,039. The increase is being driven by step increases. The estimate for 2012 is 2.3 percent less than the amount budgeted for 2012. This is consistent with the City's employee vacancy rate, which improved substantially in 2012 when compared to 2011. Benefit costs are projected to remain relatively flat when compared to the amount budgeted for 2012. This is because health insurance premiums decreased by 2 percent in 2012 instead of increasing by 10 percent as originally projected. Several employees have lowered their coverage or opted out of the City's health insurance plan.

Supplies and Services: Supplies and services is a catchall category that includes all expenditures except personnel services, interdepartmental charges, taxes, leases, advances, capital outlay, and debt service. This category accounts for 24.2 percent of operating expenditures. Supplies and services are projected to increase by $349,791, or 4 percent, to $9,136,041. Higher fuel prices were partially responsible for the increase.

Capital Outlay: The amount requested for major capital outlay has been programmed to increase by $1,680,147 to $35,001,533. The amount requested for minor capital outlay has decreased by $32,374 to $376,544. The chart below identifies the source of funding for the capital projects

proposed for 2013. For more information regarding the City's capital spending plans for 2013, please see the 2013 – 2017 Capital Improvement Program.

Source of Funding for 2013 Capital Budget



Debt Service: Debt service's share of operating expenses is 12.7percent. Please see the discussion under debt management for further information about the City's debt obligations.

The General Government Budget Overview Report Section beginning with page C-1 provides additional analyses for expenditures.

TRANSFERS OUT AND ADVANCES TO OTHER FUNDS

Transfers out from other funds include operating subsidies, the movement of financial resources from one fund to another in order to share the cost of programs or activities accounted for in another fund and the transfer of financial resources for debt service. For 2013, $5,322,165 has been programmed for transfers in from other funds.

	2012 Budget	2012 Estimate	2013 Budget
General Fund	$958,813	$636,038	$448,344
Hospital Sales Tax Fund	1,328,230	1,328,230	1,351,300
Public Works Sales Tax Fund	2,104,220	2,104,220	2,133,200
Transient Tax Fund	364,000	364,000	364,000
Bayview Cemetery O & M Fund	5,000	5,000	5,000
Shoreline Fund	6,374	6,374	6,374
Special Assessment Guarantee Fund	456,496	406,343	
US Marshal Fund	20,000	20,000	5,000
Community Facilities Development Fund			486,947
Harbor Construction Fund	277,158	277,158	
Port Enterprise Fund	522,000	522,000	522,000
Total	$6,042,291	$5,669,363	$5,322,165

The transfer from the Special Assessment Guarantee Fund in 2012 closed out the fund. The US Marshal is almost depleted so the transfer for 2013 was reduced accordingly. The proposed transfer from the General Fund was decreased from $958,813 to $448,344 because staff has recommended that the 2013 debt service payment required for the 2010 Fire Station Bond be paid from the excess funds remaining in the bond construction account instead of the General Fund. The bond construction account is accounted for the in Community Facilities Development Fund and a transfer of $486,947 from this fund to the General Obligation Bond Debt Service Fund will be required in order to implement staff's recommendation. For more information about transfers out, please refer to the Transfers section of the 2013 Budget.

Included in the 2013 Budget are proposed advances totaling $6,250,000 to the Harbor Construction and the Ketchikan Public Utilities Funds. The Economic Development and Parking Fund will advance or loan to the Harbor Construction Fund $1,250,000. The Port Enterprise, Community Facilities Development, and the Self Insurance Funds will advance $2,700,000, $1,500,000 and $800,000, respectively, to the Ketchikan Public Utilities Fund. The loans will carry a market rate of interest. The $5 million advance to the Ketchikan Public Utilities Fund will be repaid in six years. A plan to repay the $1.25 million advance from the Economic Development and Parking Fund has yet to be determined.

GENERAL FUND REVIEW

The General Fund is the main operating fund of the City and is considered the City's most important fund. It provides the financial resources for the administration of the City and many of its vital services such as fire and police protection, library, museum and civic center facilities, public health, street and cemetery operations and maintenance, and the maintenance of the City's rolling stock and buildings. The General Fund accounts for:

- 147 of the City's 176 general government employees and 80% of its annual general government payroll
- 23% percent of the City's annual revenues
- 52% of the City's annual operating expenses for general government

As noted earlier in the transmittal letter, a financially healthy General Fund is important to the overall finances of the City. Rating agencies and other private and governmental agencies that evaluate the financial position of municipalities generally look to a municipality's General Fund to make their assessment. It was also noted that the City's General Fund is at the crossroad where major decisions will need to be made about the City's revenue and spending policies. The table below illustrates the concerns of staff.

	2011 Actual	2012 Adopted Budget	2012 Estimate	2013 Draft Budget	2013 Proposed Budget
Beginning Reserves, January 1	$4,438,995	$4,322,333	$4,884,570	$4,026,123	$4,026,123
Revenues					
Taxes:					
Property	4,573,923	4,741,300	4,662,805	4,712,935	5,489,535
Sales	2,847,192	2,886,000	2,886,000	2,945,000	2,945,000
Other	130,113	105,000	105,000	105,000	105,000
Payments in Lieu of Taxes	1,107,064	1,160,000	1,107,000	1,107,000	1,284,000
Licenses and Permits	193,890	83,500	75,100	76,000	76,000
Intergovernmental	1,133,544	737,450	864,842	585,197	585,197
Charges for Services	2,042,081	2,020,700	2,043,180	2,073,500	2,073,500
Fines and Forfeitures	156,707	152,000	166,000	166,000	166,000
Investment Earnings	3,132	5,000	1,000	1,000	1,000
Other Revenues	78,885	64,850	73,100	79,000	79,000
Interdepartmental Charges	3,175,838	3,408,550	3,306,294	3,423,200	3,423,200
	15,442,369	15,364,350	15,290,321	15,273,832	16,227,432
Expenditures					
Personnel	13,934,918	14,918,374	14,664,735	15,103,569	15,103,569
Supplies	1,234,963	1,314,175	1,335,062	1,464,426	1,464,426
Contracts & Purchased Servic	2,003,783	2,355,278	2,251,089	2,626,067	2,626,067
Minor Capital	170,156	278,868	274,041	243,894	243,894
Major Capital	170,093	105,000	100,000	115,000	115,000
Interdepartmental Charges	89,630	69,400	109,520	120,593	120,593
	17,603,543	19,041,095	18,734,447	19,673,549	19,673,549
Surplus(Deficit) Before Transfer	(2,161,174)	(3,676,745)	(3,444,126)	(4,399,717)	(3,446,117)
Transfers					
Transfers From Other Funds	2,923,054	3,271,870	3,221,717	2,800,374	2,800,374
Transfers to Other Funds		(69,480)	(96,980)	(88,800)	(88,800)
Transfers for Debt Service	(316,305)	(889,333)	(539,058)	(846,491)	(359,544)
	2,606,749	2,313,057	2,585,679	1,865,083	2,352,030
Total Surplus(Deficit)	445,575	(1,363,688)	(858,447)	(2,534,634)	(1,094,087)
Ending Reserves, December 31	$4,884,570	$2,958,645	$4,026,123	$1,491,489	$2,932,036

The first three columns are self-explanatory. The fourth column, 2013 Draft Budget, illustrates the difficulties in achieving a balanced budget and why staff is concerned. The fifth column, 2013

Proposed Budget, is the budget for 2013 that is being presented for consideration by the City Council.

The 2013 Draft Budget shown in the above table was the spending plan that was developed after considering and evaluating all of the requests from the City's department heads, some of which were denied or deferred in an effort to produce a balanced budget. The result was a drawdown of reserves in the amount of $2.53 million and a projected end of the year reserve balance of $1.49 million. This plan was not acceptable because it put reserves below the minimum balance of $3 million and it was clearly not sustainable beyond 2013. If the City were to have continued down this path, all of the reserves of the General Fund would have been eliminated by 2014 and the fund would have ended the year with a negative fund balance of $1 million. This would not be permissible under the City Charter.

It is important to have an understanding of why staff was not able to balance the budget for the General Fund using the current revenue base in order to determine the steps that need to be taken in order to bring revenues and expenses back in line. Some of the key factors affecting the revenue base and expenditures and causing the deficit are discussed below.

The General Fund's revenue base has shrunken as a result of policy changes approved by the City Council. Some of the policies enacted or under consideration are as follows:

- The raw fish tax is no longer accounted for as revenue of the General Fund. The raw fish tax funds have been designated for harbor capital improvements. This policy reduced annual General Fund revenues by approximately $440,000 (based on a three-year average). The total loss of revenues to the General Fund as result of this policy since its inception is $1,599,100.

- The formula for the borough payment for library services was changed from being based on assessed property values to one that is based on population. This policy reduced the annual reimbursement from the Borough for non-areawide library services by about $45,500. The total loss of revenues to the General Fund as result of this policy since its inception is $228,000.

- In 2011, the Council adopted a policy to exempt the first $50,000 of business personal property from property taxes. This action reduced annual General Fund revenues by approximately $32,000. The total loss of revenues to the General Fund as result of this policy since its inception is $63,800.

- In 2012, the Council passed an ordinance in first reading to abolish the boat tax. If approved, this will reduce annual General Fund revenue by approximately $30,000.

- Staff recommended building and inspection fees required to cover the added cost of conducting inspections and plan reviews formerly performed by the State Fire Marshal were reduced.

These policies have resulted in a cumulative loss of revenues totaling $1,921,000. Had these revenues been collected by the General Fund, the reserves for the 2013 Draft Budget would have totaled $3,412,489 instead of $1,491,489.

The General Fund's expenditures have also increased. In addition to inflation, which typically drives up the overall cost of doing business, high fuel prices and vacancies have also played a role. Policy decisions have also increased expenditures. Some of key factors are as follows:

- Debt service has increased due to the issuance of bonds to finance the construction of the City's new library and new fire station. This added $846,491 to the expenditures of the General Fund.

- A 2 percent cost of living adjustment approved in 2012 increased expenditures of the General Fund by $ 205,200.

Absent any directive to reverse some of the revenue policy decisions noted above or assuming a return to higher vacancy rates, the $2.5 million deficit appears very real. While it is true that the City never spends all of its appropriation, it is highly unlikely that spending would be reduced enough to substantially eliminate a $2.5 million deficit. The cost of personnel accounts for nearly 77 percent of General Fund expenditures. This leaves 23 percent for debt service, community grants, and supplies and services necessary for operations. The City is obligated to make payments on its bonds so debt service cannot be reduced. It would be difficult to cut $816,600 from supplies and services without compromising the City's ability to provide services to its citizens. Assuming that the City Council does not want to reduce the City's work force, staff is recommending the following actions:

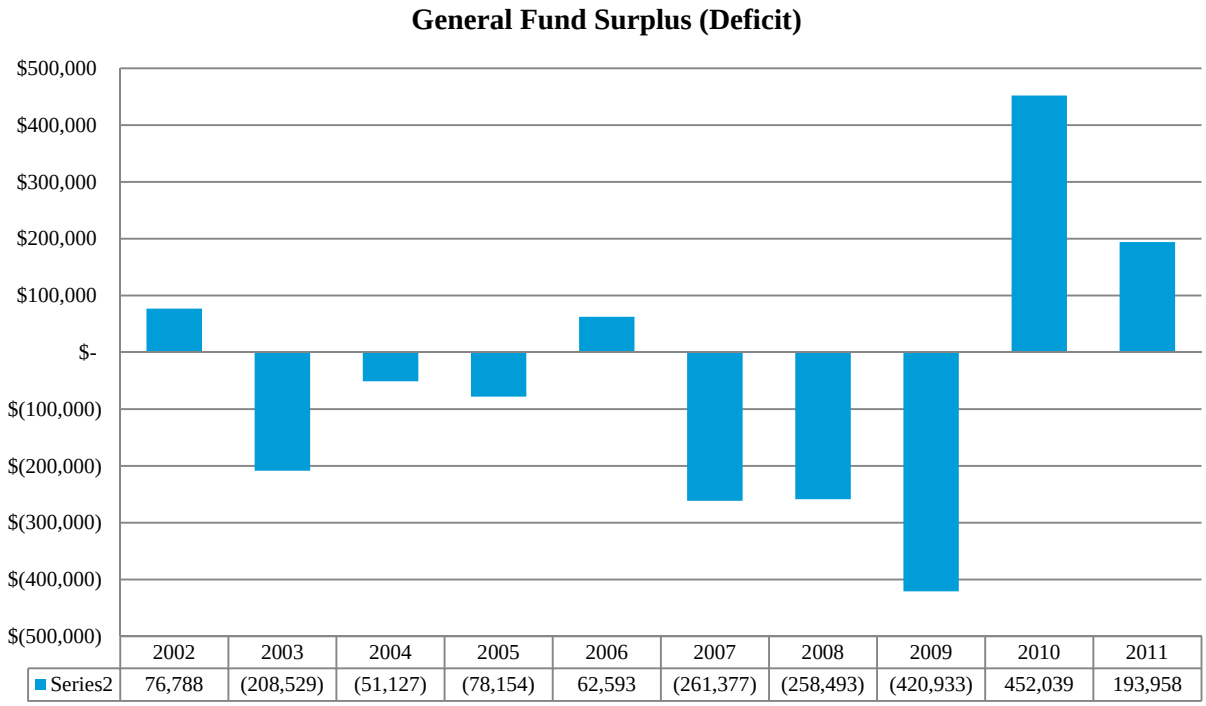
- Raise the mill levy from 6.2 to 7.2. This will increase property tax revenues by $816,600 and the payment in lieu of taxes from the City's enterprise funds by $177,000.

- Transfer $486,947 from the Fire Station Bond Construction Fund to fund the debt service on the fire station bonds. This is the maximum amount that can be transferred under the City's bond covenants. There is approximately $1,014,000 available in the bond construction for debt service.

These actions will increase the reserves of the General Fund from $1,491,489 to $2,932,036. As shown in the table above under the Proposed 2013 Budget column, the deficit will decrease from $2,529,904 to $1,089,357. This will put the deficit within a range that is manageable and, depending on how the City spends its 2013 appropriations, the actual deficit could be lower.

There are other measures that could be taken, but they would require reductions in other expenditures that the City Council has traditionally endorsed, or, alternatively, a decrease to the existing level of the General Government work force could be considered. If requested, staff is prepared to offer recommendations for potential spending reductions.

The purpose of this review is to increase the understanding of why expenditures of the General Fund are increasing and drive home the point that with no growth in its revenue base, the City's general fund could exhaust its reserves as early as 2014. Staff expects that the City will continue not spending all its appropriations as it has in the past. As the chart below illustrates, the City has been able to overcome programmed deficits in its General Fund budgets ranging between $600,000 and $1,000,000. It is highly unlikely that the City would be successful in overcoming programmed deficits of $2.5 million.



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Series2	76,788	(208,529)	(51,127)	(78,154)	62,593	(261,377)	(258,493)	(420,933)	452,039	193,958

Based on revenue estimates prepared by Finance and expenditure estimates prepared by City departments, a deficit between $600,000 and $850,000 has been projected for the General Fund in 2012.

Staff continues to recommend that the City's General Fund retain at least $3 million in reserves. This amounts to approximately 15 percent of total expenses of the general fund, including operating transfers out. Ketchikan's economy is seasonal and very cyclical. Because of its heavy reliance on tourism, Ketchikan's economy is also subject to factors that are totally beyond its control. In addition, the general fund relies on sales tax revenues to fund nearly 28 percent of its operations. Economic cycles and downturns in the tourism industry can have a big impact on consumer spending. As you may recall, sales tax revenues declined by 8.1 percent or $838,919 in 2009, and further declined by another $273,760 in 2010, for a total of $1,112,679. The cumulative impact to the General Fund was $557,600 over the two year period. The 2013 Budget, if adopted by the City Council as presented, would maintain a reserve balance of no less than 14.6%, or $2,936,766.

CAPITAL IMPROVEMENT PROGRAM

The proposed 2013 - 2017 Capital Improvement Program (CIP) was developed by staff to address the needs of the community and ensure the proper maintenance of the City's infrastructure. The estimated cost of the CIP for the five-year period ending December 31, 2017 is $104.1 million. The first year of the CIP, also known as the 2013 Capital Budget, has been incorporated into the 2013 Annual General Government Budget. The cost of the 2013 Capital Budget is $35 million. For detailed information regarding specific projects, please refer to the CIP, which contains cost estimates and narratives for each project.

DEBT MANAGEMENT

On January 1, 2013, the City will have outstanding five general obligation bond issues totaling $16,309,271 and one revenue bond issue totaling $34,315,000. The table below summarizes the City's six outstanding bond issues.

				Debt Service		
Issue	Balance Jan 1, 2013	Final Maturity	Type	2012 Budget	2012 Estimate	2013 Budget
1994 Port	$270,000	2013	GO	$299,700	$299,700	$284,850
2006 Port	34,315,000	2035	Revenue	2,577,550	2,577,550	2,577,675
1997 Hospital	3,650,000	2017	GO	838,750	838,750	842,500
Wastewater 481011	883,866	2032	GO	88,658	60,351	52,447
Wastewater 481071	631,592	2032	GO	36,584		36,800
2010 Fire Station	6,700,000	2030	GO	640,150	640,150	635,813
2012 Library	4,825,000	2031	GO	400,000	49,724	359,544
Total	$51,275,458			$4,881,392	$4,466,225	$4,789,629

All of the bonds have been issued, or will be issued, through the Alaska Municipal Bond Bank with the exception of the 1994 Port and ADEC Wastewater Bonds. The 1994 Port Bond was issued on the open market and the Wastewater Bonds were issued through the Alaska Department of Environmental Conservation's Clean Water Fund. Bonds issued through the Bond Bank permit the City to take advantage of the Bond Bank's AAA credit rating and lower issuance costs. The ADEC loans are subsidized by the federal government, resulting in an interest rate of 1.5%.

Total annual debt service in the amount of $4,789,629 has been programmed in the 2013 Budget. On January 1, 2013, the total debt service required to maturity, including interest of $36,426,924, will be $87,702,382. Please see page C-17 for schedule of the City's debt obligations.

CONCLUSION

The proposed 2013 Budget allows for the continuation of basic local government services without unnecessarily increasing the tax burden on the citizens who ultimately pay for the services. It is a

fiscally responsible spending plan that will require the use of reserves to balance the operations of the General Fund, but it does so in a manner that does not compromise the City's financial position. The proposed budget also recognizes the importance of the City's role in the local economy by recommending choices that will bring about favorable long-term results for the community.

Over the next few weeks, the City Manager, the Finance Director and the department heads look forward to working with the City Council to develop a spending plan that ensures that the needs of the community stay in the forefront. By working together, staff is convinced that the challenges facing the community of Ketchikan and the City can be met and that Ketchikan will continue to be a community in which its residents desire to work and live, and enjoy a special quality of life.

We would like to take this opportunity to express our appreciation to the department heads and their respective staffs for their assistance during the preparation of the 2013 General Government Annual Budget. Special thanks go to Financial Analyst Camille Nelson, Executive Assistant Diane Walker, Senior General Government Accountant Patty Keeley, Senior Electric and Water Accountant Stan Aegerter, Fixed Assets and Grants Accountant Angie Delaney, and Office Services Technician Gretchen Blanchard. Without their efforts and dedication, it would not have been possible to deliver this document to you in a professional and timely manner.

Respectfully submitted,

Karl R. Amylon
City Manager

Robert E. Newell, Jr., CPA
Finance Director

(Note: This transmittal letter does not reflect any subsequent action taken by the City Council during its budget deliberations to modify the spending plan proposed for 2013.)

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
REVENUES AND APPROPRIATIONS SUMMARY BY FUND
ALL FUNDS

Fund	Est Funds Available Jan 1, 2013	Revenues			Appropriations				Appropriated Reserves Dec. 31, 2013
		Revenues	Transfers In	Advances	Operating	Capital	Transfers Out	Advances	
101 General	4,026,123	15,677,972	3,288,873		19,525,771	115,000	406,293		2,945,904
Special Revenue Tax Funds									
110 Hospital Sales Tax	2,898,132	2,959,500			148,300	600,000	1,309,249		3,800,083
111 Public Works Sales Tax	5,119,977	4,444,200				3,699,453	2,478,422		3,386,302
210 Transient Tax	66,252	350,010					364,000		52,262
Special Revenue Funds - Revenue Generating									
220 Solid Waste Services	3,432,878	3,026,284			2,933,050	495,400			3,030,712
240 Small Boat Harbor	561,150	1,196,650			1,134,909	27,500			595,391
250 Bayview Cemetery O & M	68,043	6,020					5,000		69,063
251 Bayview Development	38,463	12,000				32,000			18,463
252 Cemetery Endowment	13,838	2,000							15,838
Special Revenue Funds - Other									
112 Shoreline	137,910	40					6,374		131,576
117 Community Grant Fund		163,620	163,620		327,240				
118 Economic & Parking Development	1,923,981	1,000			171,000	236,000		1,250,000	267,981
280 US Marshall Property Seizure	5,277						5,000		277
290 Federal and State Grant		1,264,719				1,264,719			
Debt Service Funds									
410 GO Bond Debt Service		148,866	1,688,991		1,837,857				
Capital Project Funds									
310 Major Capital Improvements	74,094	469,550				469,550			74,094
320 Harbor Construction Fund	894,610	9,496,507		1,250,000		10,374,872			1,266,245
330 Community Facilities Development	4,200,092	2,000				580,347	486,947	1,500,000	1,634,798
Enterprise and Internal Service Funds									
505 Wastewater Services	1,509,973	2,393,500			2,301,889	929,500			672,084
510 Ketchikan Port Fund	3,663,212	19,447,000			7,787,921	8,860,500	602,199	2,700,000	3,159,592
511 Port Repair & Replacement Fund	2,612,810	2,200	522,000						3,137,010
610 Self-Insurance Fund	1,077,161	1,347,213			1,347,213			800,000	277,161
Total	**32,323,976**	**62,410,851**	**5,663,484**	**1,250,000**	**37,515,150**	**27,684,841**	**5,663,484**	**6,250,000**	**24,534,836**

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
COMPARATIVE SCHEDULE OF RESERVES-All FUNDS
2007 - 2013

	Fund	Actual					2012		Budget
		2007	2008	2009	2010	2011	Budget	Estimate	2013
101	General	4,523,852	4,436,748	4,046,686	4,189,709	4,635,284	2,958,645	4,026,123	2,945,904
Special Revenue Funds - Tax									
110	Hospital Sales Tax	1,368,308	1,752,976	2,398,058	3,042,484	3,089,521	3,553,987	2,898,132	3,800,083
111	Public Works Sales Tax	8,971,613	6,881,208	4,984,135	5,204,280	5,919,783	2,704,021	5,119,977	3,386,302
210	Transient Tax	347,304	510,268	256,344	62,151	80,242	58,251	66,252	52,262
Special Revenue Funds - Revenue Generating								-	-
135	Gateway Center for Human Services	318,161	65,960	103,166					
220	Solid Waste Services	3,552,299	3,612,240	3,563,159	3,496,754	3,521,514	2,452,108	3,432,878	3,030,712
240	Boat Harbor	336,782	367,302	500,120	811,151	781,135	529,182	561,150	595,391
250	Bayview Cemetery O & M	55,385	63,429	64,929	65,189	67,023	67,339	68,043	69,063
251	Bayview Development	120,289	154,281	13,182	35,867	50,453	39,967	38,463	18,463
252	Cemetery Endowment	5,543	9,624	7,561	9,746	12,038	14,146	13,838	15,838
Special Revenue Funds - Other								-	-
112	Shoreline	162,106	163,351	161,122	155,459	149,244	128,211	137,910	131,576
117	Community Grant							-	-
118	Economic and Parking Development	76,822	80,505	925,441	929,603	1,590,382	1,961,453	1,923,981	267,981
230	Special Assessment Guarantee	428,194	445,484	453,855	455,846	406,343	-	-	-
280	US Marshall Property Seizure	9,671	96,692	146,295	106,870	25,267	5,430	5,277	277
290	Federal State and Grant							-	-
Debt Service Funds								-	-
410	GO Bond Debt Service							-	-
Capital Improvement Funds								-	-
310	Major Capital Improvements	1,509,925	1,593,455	1,990,928	187,214	74,919	187,732	74,094	74,094
320	Harbor Construction	2,747,883	594,792	541,736	511,324	749,587	69,491	894,610	1,266,245
330	Community Facilities Development	1,170,435	2,575,104	3,068,130	2,317,682	2,118,028	2,032,122	4,200,092	1,634,798
Enterprise and Internal Service Funds								-	-
505	Wastewater	2,254,383	2,182,896	2,349,822	2,290,013	2,250,114	1,306,149	1,509,973	672,084
510	Port	6,023,237	3,705,079	3,052,325	3,044,592	3,170,207	3,161,609	3,663,212	3,159,592
511	Port Repair & Replacement	-	565,604	1,051,171	1,566,728	2,088,610	2,619,728	2,612,810	3,137,010
610	Self Insurance	1,668,790	728,601	761,197	1,071,438	1,077,161	1,071,438	1,077,161	277,161
Total All Funds		**35,650,982**	**30,585,599**	**30,439,362**	**29,554,100**	**31,856,855**	**24,921,009**	**32,323,976**	**24,534,836**

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
REVENUES AND APPROPRIATIONS SUMMARY BY DEPARTMENT
ALL FUNDS

	General	Hospital Sales Tax	Public Works Sales Tax	Shoreline Area	Community Grant	Economic & Parking Development	Transient Sales Tax	Solid Waste Services	Ketchikan Boat Harbor	Bayview Cemetery O & M	Cemetery Development	Cemetery Endowment	US Marshal Property Seizure	Federal & State Grant
Beginning Reserves, January 1	**4,026,123**	**2,898,132**	**5,119,977**	**137,910**		**1,923,981**	**66,252**	**3,432,878**	**561,150**	**68,043**	**38,463**	**13,838**	**5,277**	
Revenues														
Taxes	8,131,235	2,958,500	4,442,500				350,000							
Payments in Lieu of Tax	1,195,000													
Licenses and Permits	76,000													
Intergovermental	585,197								24,000					1,264,719
Charges for Services	2,073,500							2,987,000	1,169,000	6,000	12,000	2,000		
Fines and Forfeitures	166,000								3,250					
Other Revenues	80,000	1,000	1,700	40	163,620	1,000	10	39,284	400	20				
Bond Proceeds														
Interfund Advances														
Interdepartmental Charges	3,371,040													
Total Revenues	**15,677,972**	**2,959,500**	**4,444,200**	**40**	**163,620**	**1,000**	**350,010**	**3,026,284**	**1,196,650**	**6,020**	**12,000**	**2,000**		**1,264,719**
Transfers In	**3,288,873**				**163,620**									
Funds Available	**22,992,968**	**5,857,632**	**9,564,177**	**137,950**	**327,240**	**1,924,981**	**416,262**	**6,459,162**	**1,757,800**	**74,063**	**50,463**	**15,838**	**5,277**	**1,264,719**
Expenditures														
Mayor Council	232,010				327,240									
Law	389,239													
Clerk	248,632													
Manager	673,281													
Finance	1,820,569		20,000											
Information Technology	1,114,349													
Fire	3,109,325		175,000											
Police	4,839,545		172,000											
Library	1,354,683													
Museum	904,124		10,000											
Civic Center	409,404		116,500											
Tourism & Economic Development						171,000								
Public Health Center	15,000	748,300												1,264,719
Public Works-Engineering	1,721,127		62,400			236,000								
Public Works-Streets	1,774,557		1,890,100											
Public Works-Solid Waste								3,428,450						
Public Works-Cemetery	86,000										32,000			
Public Works-Garage	525,821		60,000											
Public Works-Wastewater														
Public Works-Building Maintenance	423,105		1,193,453											
Small Boat Harbors									1,162,409					
Port														
Risk Management														
Debt Service														
Transfers	406,293	1,309,249	2,478,422	6,374			364,000			5,000			5,000	
Advances						1,250,000								
Total Expenditures	**20,047,064**	**2,057,549**	**6,177,875**	**6,374**	**327,240**	**1,657,000**	**364,000**	**3,428,450**	**1,162,409**	**5,000**	**32,000**		**5,000**	**1,264,719**
Ending Reserves, December 31	**2,945,904**	**3,800,083**	**3,386,302**	**131,576**		**267,981**	**52,262**	**3,030,712**	**595,391**	**69,063**	**18,463**	**15,838**	**277**	

CITY OF KETCHIKAN, ALAS
2013 ANNUAL BUDGET
REVENUES AND APPROPRIATIONS SUMMARY BY DEPARTMENT
ALL FUNDS

	Major Capital Improvements	Harbor Construction	Community Facilities Development	General Obligation Debt Service	Wastewater Services	Ketchikan Port	Port Repair and Replacement	Self Insurance	Total
Beginning Reserves, January 1	**74,094**	**894,610**	**4,200,092**		**1,509,973**	**3,663,212**	**2,612,810**	**1,077,161**	**32,323,976**
Revenues									
Taxes									15,882,235
Payments in Lieu of Tax									1,195,000
Licenses and Permits									76,000
Intergovermental	469,550	6,996,507		148,866	2,393,300	10,225,000			22,107,139
Charges for Services						9,202,000			15,451,500
Fines and Forfeitures									169,250
Other Revenues			2,000		200	20,000	2,200	1,400	312,874
Bond Proceeds		2,500,000							2,500,000
Interfund Advances		1,250,000							1,250,000
Interdepartmental Charges								1,345,813	4,716,853
Total Revenues	**469,550**	**10,746,507**	**2,000**	**148,866**	**2,393,500**	**19,447,000**	**2,200**	**1,347,213**	**63,660,851**
Transfers In				**1,688,991**			**522,000**		**5,663,484**
Funds Available	**543,644**	**11,641,117**	**4,202,092**	**1,837,857**	**3,903,473**	**23,110,212**	**3,137,010**	**2,424,374**	**101,648,311**
Expenditures									
Mayor Council									559,250
Law									389,239
Clerk									248,632
Manager									673,281
Finance									1,840,569
Information Technology									1,114,349
Fire									3,284,325
Police									5,011,545
Library									1,354,683
Museum									914,124
Civic Center									525,904
Tourism & Economic Development									171,000
Public Health Center									2,028,019
Public Works-Engineering									2,019,527
Public Works-Streets	469,550								4,134,207
Public Works-Solid Waste									3,428,450
Public Works-Cemetery									118,000
Public Works-Garage									585,821
Public Works-Wastewater					3,231,389				3,231,389
Public Works-Building Maintenance			580,347						2,196,905
Small Boat Harbors		10,374,872							11,537,281
Port						16,648,421			16,648,421
Risk Management								1,347,213	1,347,213
Debt Service				1,837,857					1,837,857
Transfers			486,947			602,199			5,663,484
Advances			1,500,000			2,700,000		800,000	6,250,000
Total Expenditures	**469,550**	**10,374,872**	**2,567,294**	**1,837,857**	**3,231,389**	**19,950,620**		**2,147,213**	**77,113,475**
Ending Reserves, December 31	**74,094**	**1,266,245**	**1,634,798**		**672,084**	**3,159,592**	**3,137,010**	**277,161**	**24,534,836**

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
REVENUES AND APPROPRIATIONS SUMMARY BY MAJOR EXPENDITURE CATEGORIES
ALL FUNDS

	General	Hospital Sales Tax	Public Works Sales Tax	Shoreline Area	Solid Waste Services	Wastewater Services	Transient Sales Tax	Community Grant	Economic & Parking Development	Ketchikan Boat Harbor	US Marshal Property Seizure	Federal & State Grant
Beginning Reserves, January 1	**4,026,123**	**2,898,132**	**5,119,977**	**137,910**	**3,432,878**	**1,509,973**	**66,252**		**1,923,981**	**561,150**	**5,277**	
Revenues												
Taxes	8,131,235	2,958,500	4,442,500				350,000					
Payments in Lieu of Tax	1,195,000											
Licenses and Permits	76,000											
Intergovermental	585,197									24,000		1,264,719
Charges for Services	2,073,500				2,987,000	2,393,300				1,169,000		
Fines and Forfeitures	166,000									3,250		
Other Revenues	80,000	1,000	1,700	40	39,284	200	10	163,620	1,000	400		
Bond Proceeds												
Interfund Advances												
Interdepartmental Charges	3,371,040											
Total Revenues	**15,677,972**	**2,959,500**	**4,444,200**	**40**	**3,026,284**	**2,393,500**	**350,010**	**163,620**	**1,000**	**1,196,650**		**1,264,719**
Transfers In												
Transfers From Other Funds	3,288,873							163,620				
Total Transfers In	**3,288,873**							**163,620**				
Funds Available	**22,992,968**	**5,857,632**	**9,564,177**	**137,950**	**6,459,162**	**3,903,473**	**416,262**	**327,240**	**1,924,981**	**1,757,800**	**5,277**	**1,264,719**
Expenditures												
Personnel Services	15,128,484				1,106,485	810,422				570,034		
Supplies	1,464,426	15,000			333,780	388,200		327,240		72,240		
Contract & Purchase Services	2,530,090	125,000			1,000,150	339,480			171,000	274,600		
Capital Outlay - Minor	243,894				33,650	71,500				19,000		
Operating Grants - (Police & Fire)												
Interdepartmental Charges	158,877	8,300			458,985	523,040				199,035		
Debt Service						89,247						
Risk Management												
Payment In Lieu of Taxes						80,000						
Total Operating Expenditures	**19,525,771**	**148,300**			**2,933,050**	**2,301,889**		**327,240**	**171,000**	**1,134,909**		
Capital Outlay - Major	115,000	600,000	3,699,453		495,400	929,500			236,000	27,500		1,264,719
Transfers Out	406,293	1,309,249	2,478,422	6,374			364,000				5,000	
Advances to Other Funds									1,250,000			
Total Expenditures	**20,047,064**	**2,057,549**	**6,177,875**	**6,374**	**3,428,450**	**3,231,389**	**364,000**	**327,240**	**1,657,000**	**1,162,409**	**5,000**	**1,264,719**
Ending Reserves, December 31	**2,945,904**	**3,800,083**	**3,386,302**	**131,576**	**3,030,712**	**672,084**	**52,262**		**267,981**	**595,391**	**277**	

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
REVENUES AND APPROPRIATONS SUMMARY BY MAJOR EXPENDITURE CATEGORIES
ALL FUNDS

	Bayview Cemetery O & M	Cemetery Development	Cemetery Endowment	General Obligation Debt Service	Self Insurance	Harbor Construction	Major Capital Improvements	Community Facilities Development	Ketchikan Port	Port Repair and Replacement	Total
Beginning Reserves, January 1	**68,043**	**38,463**	**13,838**		**1,077,161**	**894,610**	**74,094**	**4,200,092**	**3,663,212**	**2,612,810**	**32,323,976**
Revenues											
Taxes											15,882,235
Payments in Lieu of Tax											1,195,000
Licenses and Permits											76,000
Intergovermental				148,866		6,996,507	469,550		10,225,000		19,713,839
Charges for Services	6,000	12,000	2,000						9,202,000		17,844,800
Fines and Forfeitures											169,250
Other Revenues	20				1,400			2,000	20,000	2,200	312,874
Bond Proceeds						1,250,000					1,250,000
Interfund Advances						2,500,000					2,500,000
Interdepartmental Charges					1,345,813						4,716,853
Total Revenues	**6,020**	**12,000**	**2,000**	**148,866**	**1,347,213**	**10,746,507**	**469,550**	**2,000**	**19,447,000**	**2,200**	**63,660,851**
Transfers In											
Transfers From Other Funds				1,688,991						522,000	5,663,484
Total Transfers In				**1,688,991**						**522,000**	**5,663,484**
Funds Available	**74,063**	**50,463**	**15,838**	**1,837,857**	**2,424,374**	**11,641,117**	**543,644**	**4,202,092**	**23,110,212**	**3,137,010**	**101,648,311**
Expenditures											
Personnel Services									1,019,446		18,634,871
Supplies									69,595		2,670,481
Contract & Purchase Services									2,940,290		7,380,610
Capital Outlay - Minor									8,500		376,544
Operating Grants - (Police & Fire)											
Interdepartmental Charges									415,565		1,763,802
Debt Service				1,837,857					2,862,525		4,789,629
Risk Management					1,347,213						1,347,213
Payment In Lieu of Taxes									472,000		552,000
Total Operating Expenditures				**1,837,857**	**1,347,213**				**7,787,921**		**37,515,150**
Capital Outlay - Major		32,000				10,374,872	469,550	580,347	8,860,500		27,684,841
Transfers Out	5,000							486,947	602,199		5,663,484
Advances to Other Funds					800,000			1,500,000	2,700,000		6,250,000
Total Expenditures	**5,000**	**32,000**		**1,837,857**	**2,147,213**	**10,374,872**	**469,550**	**2,567,294**	**19,950,620**		**77,113,475**
Ending Reserves, December 31	**69,063**	**18,463**	**15,838**		**277,161**	**1,266,245**	**74,094**	**1,634,798**	**3,159,592**	**3,137,010**	**24,534,836**

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
COMPARATIVE SCHEDULE OF APPROPRIATIONS BY DEPARTMENT
2009 - 2013

	2009	2010	2011	ADOPTED BUDGET	2012 AMENDED BUDGET	ESTIMATES	2013 BUDGET	% Change 2012-2013 Increase(Decrease)
Operating Expenditures								
Mayor & Council	556,738	538,548	272,158	573,424	636,424	630,424	559,250	-2.47%
City Law	343,356	344,013	396,658	363,283	363,283	331,330	387,239	6.59%
City Clerk	194,223	219,890	234,607	245,387	245,387	240,050	242,632	-1.12%
City Manager	634,112	611,267	639,602	693,561	693,671	597,098	653,881	-5.72%
Finance	1,513,638	1,548,911	1,565,487	1,745,656	1,760,185	1,729,425	1,795,269	2.84%
Information Technology	935,120	925,381	975,868	997,105	994,555	993,775	1,004,549	0.75%
Fire	2,844,563	3,107,103	2,818,214	3,125,003	3,120,003	2,899,702	3,084,825	-1.29%
Police	4,085,120	3,998,987	4,394,389	4,542,200	4,705,215	4,617,100	4,788,278	5.42%
Library	1,260,982	1,188,401	1,260,446	1,282,763	1,284,263	1,250,526	1,337,478	4.27%
Museum	758,165	755,773	754,662	814,635	814,325	786,091	899,899	10.47%
Civic Center	321,981	346,435	345,166	387,229	387,229	370,894	404,704	4.51%
Tourism & Economic Development	180,490	180,000	180,945	171,000	171,000	171,000	171,000	0.00%
Public Health	17,539	567,762	637,437	365,400	365,400	363,300	161,800	-55.72%
PW-Engineering & Bldg Inspection	1,156,655	1,122,075	1,273,451	1,657,676	1,711,941	1,662,228	1,678,327	1.25%
PW-Streets	1,640,732	1,327,048	1,483,008	1,576,871	1,710,921	1,708,950	1,760,557	11.65%
PW-Solid Waste	2,629,282	2,652,098	2,641,357	2,880,515	2,880,515	2,797,020	2,899,400	0.66%
PW-Cemetery	81,117	73,633	69,950	84,710	84,710	80,650	85,500	0.93%
PW-Garage & Warehouse	493,333	463,563	463,601	509,099	514,099	498,710	519,821	2.11%
PW-Wastewater	1,778,822	1,732,007	1,923,619	2,232,776	2,232,776	2,162,655	2,230,389	-0.11%
PW-Building Maintenance	364,666	356,700	326,247	387,002	387,002	369,200	417,605	7.91%
Small Boat Harbors	1,063,448	1,066,807	1,113,827	1,113,584	1,122,784	1,113,639	1,115,909	0.21%
Port Development	9,299,115	7,740,482	8,199,495	9,263,567	9,285,067	9,243,655	7,779,421	-16.02%
Risk Management	2,125,588	1,580,311	1,299,310	1,337,075	1,337,075	1,306,490	1,347,213	0.76%
Debt Service	837,318	839,280	1,254,029	1,878,900	1,878,900	1,528,625	1,837,857	-2.18%
Total Operating	**35,116,103**	**33,286,475**	**34,523,533**	**38,228,421**	**38,686,730**	**37,452,537**	**37,162,803**	**-2.79%**

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
COMPARATIVE SCHEDULE OF APPROPRIATIONS BY DEPARTMENT
2009 - 2013

	2009	2010	2011	ADOPTED BUDGET	2012 AMENDED BUDGET	ESTIMATES	2013 BUDGET	% Change 2012-2013 Increase(Decrease)
Capital Expenditures								
Mayor & Council	-	-	-	-	7,052	7,052	-	0.00%
City Law	7,612	-	1,620	2,000	2,829	1,200	2,000	0.00%
City Clerk	1,217	2,101	0	6,500	17,593	17,593	6,000	-7.69%
City Manager	1,246	8,764	2,008	4,150	11,107	9,982	19,400	367.47%
Finance	36,562	42,246	395,780	60,500	61,329	41,329	45,300	-25.12%
Information Technology	145,624	118,324	144,308	113,800	121,889	114,000	109,800	-3.51%
Fire	827,314	1,727,957	10,423,307	1,100,450	1,105,450	253,800	199,500	-81.87%
Police	624,957	55,071	233,032	628,150	652,907	625,917	223,267	-64.46%
Library	(236,460)	1,328,336	9,756,443	3,162,242	3,160,742	721,178	17,205	-99.46%
Museum	18,262	432,401	(2,606)	66,590	66,900	58,973	14,225	-78.64%
Civic Center	43,506	12,307	26,555	103,000	103,000	41,388	121,200	17.67%
Tourism & Economic Development	-	-	-	-	-	-	-	0.00%
Public Health	695,295	90,301	1,516,553	1,178,939	4,233,237	3,578,679	1,866,219	58.30%
PW-Engineering & Bldg Inspection	214,483	84,810	50,605	1,097,400	1,098,229	831,429	341,200	-68.91%
PW-Streets	5,701,448	4,673,912	1,389,134	6,278,200	6,753,384	2,042,353	2,373,650	-62.19%
PW-Solid Waste	292,918	247,119	278,328	721,650	730,372	332,900	529,050	-26.69%
PW-Cemetery	351,829	0	(17,510)	32,000	32,000	24,000	32,500	1.56%
PW-Garage & Warehouse	21,281	512	4,791	58,000	53,000	5,000	66,000	13.79%
PW-Wastewater	282,456	4,986,134	2,934,188	2,810,633	5,213,387	5,051,887	1,001,000	-64.39%
PW-Building Maintenance	84,137	37,787	119,156	1,339,100	2,209,601	472,801	1,779,300	32.87%
Small Boat Harbors	689,932	1,924,979	357,532	8,198,500	8,194,300	2,166,036	10,421,372	27.11%
Port Development	1,010,221	1,241,257	6,513,085	6,736,000	8,137,511	7,865,588	8,869,000	31.67%
Risk Management	-	-	-	-	-	-	-	0.00%
Debt Service	-	-	-	-	-	-	-	0.00%
Transfers/Advances to Other Funds	8,310	-	-	-	-	-	-	0.00%
Total Capital	**10,822,150**	**17,014,318**	**34,126,309**	**33,697,804**	**41,965,819**	**24,263,085**	**28,037,188**	**-16.80%**

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
COMPARATIVE SCHEDULE OF APPROPRIATIONS BY DEPARTMENT
2009 - 2013

	2009	2010	2011	ADOPTED BUDGET	2012 AMENDED BUDGET	ESTIMATES	2013 BUDGET	% Change 2012-2013 Increase(Decrease)
Transfers Out								
Transfers/Advances to Other Funds	4,717,231	4,266,503	4,079,889	5,520,291	5,547,791	5,147,363	11,913,484	115.81%
Total Transfers Out	**4,717,231**	**4,266,503**	**4,079,889**	**5,520,291**	**5,547,791**	**5,147,363**	**11,913,484**	115.81%
Combined Operating, Capital and Transfers Out								
Mayor & Council	556,738	538,548	272,158	573,424	643,476	637,476	559,250	-2.47%
City Law	350,968	344,013	398,278	365,283	366,112	332,530	389,239	6.56%
City Clerk	195,440	221,991	234,607	251,887	262,980	257,643	248,632	-1.29%
City Manager	635,358	620,031	641,610	697,711	704,778	607,080	673,281	-3.50%
Finance	1,550,200	1,591,157	1,961,267	1,806,156	1,821,514	1,770,754	1,840,569	1.91%
Information Technology	1,080,744	1,043,705	1,120,176	1,110,905	1,116,444	1,107,775	1,114,349	0.31%
Fire	3,671,877	4,835,060	13,241,521	4,225,453	4,225,453	3,153,502	3,284,325	-22.27%
Police	4,710,077	4,054,058	4,627,421	5,170,350	5,358,122	5,243,017	5,011,545	-3.07%
Library	1,024,522	2,516,737	11,016,889	4,445,005	4,445,005	1,971,704	1,354,683	-69.52%
Museum	776,427	1,188,174	752,056	881,225	881,225	845,064	914,124	3.73%
Civic Center	365,487	358,742	371,721	490,229	490,229	412,282	525,904	7.28%
Tourism & Economic Development	180,490	180,000	180,945	171,000	171,000	171,000	171,000	0.00%
Public Health	712,834	658,063	2,153,990	1,544,339	4,598,637	3,941,979	2,028,019	31.32%
PW-Engineering & Bldg Inspection	1,371,138	1,206,885	1,324,056	2,755,076	2,810,170	2,493,657	2,019,527	-26.70%
PW-Streets	7,342,180	6,000,960	2,872,142	7,855,071	8,464,305	3,751,303	4,134,207	-47.37%
PW-Solid Waste	2,922,200	2,899,217	2,919,685	3,602,165	3,610,887	3,129,920	3,428,450	-4.82%
PW-Cemetery	432,946	73,633	52,440	116,710	116,710	104,650	118,000	1.11%
PW-Garage & Warehouse	514,614	464,075	468,392	567,099	567,099	503,710	585,821	3.30%
PW-Wastewater	2,061,278	6,718,141	4,857,807	5,043,409	7,446,163	7,214,542	3,231,389	-35.93%
PW-Building Maintenance	448,803	394,487	445,403	1,726,102	2,596,603	842,001	2,196,905	27.28%
Small Boat Harbors	1,753,380	2,991,786	1,471,359	9,312,084	9,317,084	3,279,675	11,537,281	23.90%
Port Development	10,309,336	8,981,739	14,712,580	15,999,567	17,422,578	17,109,243	16,648,421	4.06%
Risk Management	2,125,588	1,580,311	1,299,310	1,337,075	1,337,075	1,306,490	1,347,213	0.76%
Debt Service	837,318	839,280	1,254,029	1,878,900	1,878,900	1,528,625	1,837,857	-2.18%
Transfers/Advances to Other Funds	4,725,541	4,266,503	4,079,889	5,520,291	5,547,791	5,147,363	11,913,484	115.81%
Total Expenditures	**50,655,484**	**54,567,296**	**72,729,731**	**77,446,516**	**86,200,340**	**66,862,985**	**77,113,475**	**-0.43%**

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
COMPARATIVE SCHEDULE OF REVENUES-ALL FUNDS
2009-2013

	2009	2010	2011	2012 ADOPTED BUDGET	2012 AMENDED BUDGET	2012 ESTIMATES	2013 BUDGET	% CHANGE 2012-2013 BUDGET
Revenues								
Taxes								
Real Property	4,211,787	4,244,885	4,289,607	4,424,830	4,424,830	4,398,657	4,771,415	7.83%
Business - Personal	311,937	300,896	284,316	316,470	316,470	264,148	309,820	-2.10%
Sales	9,491,524	9,217,764	9,965,173	10,101,000	10,101,000	10,101,000	10,307,500	2.04%
Transient	366,856	385,286	378,096	360,000	360,000	350,000	350,000	-2.78%
Other	134,969	183,691	200,823	143,500	143,500	143,500	143,500	
Payments in Lieu of Tax	972,995	1,033,546	1,107,064	1,160,000	1,160,000	1,107,000	1,195,000	3.02%
Licenses and Permits	91,739	119,522	193,890	83,500	83,500	75,100	76,000	-8.98%
Intergovermental	5,836,825	8,737,329	21,403,828	16,423,744	21,274,315	17,442,090	19,713,839	20.03%
Charges for Services								
General Fund Services	1,967,053	1,947,618	2,042,081	2,020,700	2,020,700	2,058,180	2,073,500	2.61%
Solid Waste	2,776,617	2,816,287	2,940,491	2,858,800	2,858,800	3,002,000	2,987,000	4.48%
Wastewater	2,029,614	2,010,732	2,119,155	2,206,000	2,206,000	2,209,300	2,393,300	8.49%
Small Boat Harbor	1,156,343	1,116,361	1,159,273	1,138,500	1,146,500	1,166,000	1,169,000	2.68%
Port	8,922,097	8,000,492	7,986,404	8,520,300	8,520,300	8,464,000	9,202,000	8.00%
Other	24,251	29,840	23,428	26,200	26,200	19,800	20,000	-23.66%
Fines and Forfeitures	150,308	136,681	159,574	155,500	155,500	169,250	169,250	8.84%
Other Revenues	2,805,153	372,250	195,650	1,257,747	1,285,247	285,053	312,874	-75.12%
Bond Proceeds		3,809,762	9,688,754	8,459,451	9,111,951	4,784,822	2,500,000	-70.45%
Interfund Advances	834,581		840,439	1,297,000	1,297,000	1,302,148	1,250,000	-3.62%
Interdepartmental Charges								
Administration	3,029,714	3,048,226	3,178,034	3,406,250	3,406,250	3,284,150	3,369,640	-1.07%
Insurance	2,152,421	1,564,391	1,299,310	1,337,075	1,337,075	1,306,490	1,347,213	0.76%
Total Revenues	**47,266,784**	**49,075,559**	**69,455,390**	**65,696,567**	**71,235,138**	**61,932,688**	**63,660,851**	**-3.10%**

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
COMPARATIVE SCHEDULE OF REVENUES - CHARGES FOR SERVICES - ALL FUNDS
2009-2013

	2009	2010	2011	2012 ADOPTED BUDGET	2012 AMENDED BUDGET	2012 ESTIMATES	2013 BUDGET	% Change 2012-2013 BUDGET
Revenues-Charges for Services								
General Fund								
Civic Center	108,971	117,069	107,260	120,000	120,000	141,000	141,000	17.50%
Ambulance	385,373	516,049	521,621	515,000	515,000	525,000	525,000	1.94%
Parking Revenue	85,212	80,810	88,755	85,000	85,000	92,000	92,000	8.24%
Fees for Service	28,222	9,322	7,369	8,266	8,500	23,000	16,000	93.56%
Borough Library Service	421,585	341,273	370,849	388,000	388,000	397,800	411,100	5.95%
UAS Library Services	177,014	177,196	190,058	204,234	204,000	195,000	206,000	0.86%
Library Services to KGBSD	30,149	39,367	30,654	33,000	33,000	32,980	33,000	0.00%
911 Services	389,893	413,006	415,448	390,000	390,000	415,000	415,000	6.41%
Museum Services & Admission Fees	244,365	216,639	189,755	204,900	204,900	168,950	165,700	-19.13%
Other	49,184	36,887	120,312	72,300	72,300	67,450	68,700	-4.98%
General Fund Total	1,919,968	1,947,618	2,042,081	2,020,700	2,020,700	2,058,180	2,073,500	2.61%
Solid Waste								
Recycling	48,937	109,862	132,582	120,000	120,000	100,000	100,000	-16.67%
Fees for Services	55,038	60,747	49,405	60,000	60,000	80,000	65,000	8.33%
Residential Collections	285,849	284,574	289,840	286,000	286,000	295,000	295,000	3.15%
Business Collections	586,029	565,542	578,163	585,000	585,000	605,000	605,000	3.42%
Sanitary Landfill Charges	799,477	790,350	875,464	800,000	800,000	894,000	894,000	11.75%
Residential Access Fees	988,090	991,903	1,002,336	994,800	994,800	1,015,000	1,015,000	2.03%
Other	13,197	13,309	12,701	13,000	13,000	13,000	13,000	0.00%
Solid Waste Total	2,776,617	2,816,287	2,940,491	2,858,800	2,858,800	3,002,000	2,987,000	4.48%
Wastewater								
Residential Sewer Service	1,217,603	1,212,873	1,269,208	1,328,000	1,328,000	1,328,000	1,439,000	8.36%
Business Sewer Service	799,448	785,117	841,766	865,000	865,000	868,000	941,000	8.79%
Other	12,563	12,742	8,181	13,000	13,000	13,300	13,300	2.31%
Wastewater Total	2,029,614	2,010,732	2,119,155	2,206,000	2,206,000	2,209,300	2,393,300	8.49%

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
COMPARATIVE SCHEDULE OF REVENUES - CHARGES FOR SERVICES - ALL FUNDS
2009-2013

	2009	2010	2011	2012 ADOPTED BUDGET	2012 AMENDED BUDGET	2012 ESTIMATES	2013 BUDGET	% Change 2012-2013 BUDGET
Small Boat Harbor								
Electrical Service	5,601	60,227	68,957	64,000	64,000	76,000	76,000	18.75%
Solid Waste Fees	14,645	48,599	49,773	50,000	50,000	50,000	50,000	0.00%
Reserved Moorage	615,904	618,695	623,765	620,000	620,000	631,000	635,000	2.42%
Transient Moorage	471,122	312,488	336,568	322,000	330,000	330,000	330,000	2.48%
Other	49,071	76,352	80,210	82,500	82,500	79,000	78,000	-5.45%
Small Boat Harbor Total	1,156,343	1,116,361	1,159,273	1,138,500	1,146,500	1,166,000	1,169,000	2.68%
Cemetery								
Burial & Endowment Fees	24,251	29,840	23,428	26,200	26,200	19,800	20,000	-23.66%
Total	24,251	29,840	23,428	26,200	26,200	19,800	20,000	-23.66%
Port								
Electric Service	90,876	122,903	68,891	110,000	110,000	25,000	65,000	-40.91%
Additional Docking Fees	778,788	695,044	692,902	725,000	725,000	732,300	790,000	8.97%
Wharfage	6,471,647	5,725,215	5,786,811	6,216,000	6,216,000	6,183,000	6,714,000	8.01%
Water	188,437	171,986	165,640	180,000	180,000	196,000	170,000	-5.56%
Parking Revenue	65,058	60,865	60,630	65,000	65,000	61,000	61,000	-6.15%
Rental Income	175,443	197,953	189,055	195,000	195,000	243,000	245,000	25.64%
Transient Docking Fees	1,150,619	1,025,501	1,006,703	1,025,000	1,025,000	1,021,600	1,154,000	12.59%
Other	1,229	1,025	15,772	4,300	4,300	2,100	3,000	-30.23%
Port Total	8,922,097	8,000,492	7,986,404	8,520,300	8,520,300	8,464,000	9,202,000	8.00%
Total Charges for Services	**16,828,890**	**15,921,330**	**16,270,832**	**16,770,500**	**16,778,500**	**16,919,280**	**17,844,800**	**6.41%**

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
COMPARATIVE SCHEDULE OF EMPLOYEES
2009 -2013

Department/Division		2009 Actual	2010 Actual	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
1110	Mayor and Council	8.00	8.00	8.00	8.00	8.00	8.00	8.00	-	0.00%
1120	Law	2.00	2.00	1.00	1.00	1.00	1.00	1.00	-	0.00%
1130	Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	0.00%
1140	City Manager	4.50	4.50	4.50	4.50	4.50	4.50	4.50	-	0.00%
1150	Finance	16.00	16.00	16.00	16.00	16.00	16.00	16.00	-	0.00%
1160	Information Technology	8.10	7.00	7.00	7.00	7.00	7.00	7.00	-	0.00%
1210	Fire	20.00	20.00	19.00	19.00	19.00	19.00	19.00	-	0.00%
1220	Police	35.30	36.30	36.30	36.30	36.30	36.30	36.30	-	0.00%
1410	Library	13.33	11.83	11.83	12.31	12.31	12.31	12.41	0.10	0.81%
1420	Museums	8.45	7.45	7.20	7.20	7.20	7.20	7.20	-	0.00%
1430	Civic Center	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	0.00%
1510	Engineering	11.00	11.00	11.50	12.50	13.00	13.00	12.00	(0.50)	-4.00%
1530	Streets	14.00	13.00	13.00	13.00	13.00	13.00	13.00	-	0.00%
1540	Garage and Warehouse	4.00	4.00	4.00	4.00	4.00	4.00	4.00	-	0.00%
1550	Building Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	0.00%
1560	Solid Waste	11.00	11.00	11.00	11.00	11.00	11.00	11.00	-	0.00%
3000	Wastewater	8.00	8.00	8.00	8.00	8.00	8.00	8.00	-	0.00%
1710	Harbor	4.80	4.80	5.40	5.40	5.40	5.40	5.40	-	0.00%
4000	Port Development	4.20	4.20	4.60	4.60	4.60	4.60	4.60	-	0.00%
	TOTAL	**179.68**	**176.08**	**175.33**	**176.81**	**177.31**	**177.31**	**176.41**	**(0.40)**	**-0.23%**

CITY OF KETCHIKAN, ALASKA
2013 OPERATING AND CAPITAL BUDGET
SCHEDULE OF ASSESSED VALUATION AND PROPERTY TAX REVENUES
1993 - 2013

Year	Total Assessed Valuation		Millage Rate	Property Tax Revenue
1993	415,272,600		7.5	3,114,545
1994	428,992,800		7.5	3,217,446
1995	462,507,200		7.0	3,237,550
1996	504,116,300		7.0	3,332,000
1997	508,823,000		6.7	3,377,579
1998	520,858,000		6.4	3,333,491
1999	528,989,700		6.4	3,385,534
2000	535,803,200		6.4	3,429,140
2001	607,216,600		6.4	3,886,185
2002	596,304,300		6.4	3,816,348
2003	589,537,900		6.4	3,773,043
2004	583,361,200		6.4	3,733,512
2005	594,968,200		6.4	3,807,796
2006	633,321,300		6.4	4,053,256
2007	697,332,200		6.1	4,253,726
2008	768,741,400		6.1	4,689,323
2009	798,108,100		6.1	4,868,459
2010	800,956,600		6.1	4,885,836
2011	801,175,000		6.2	4,967,286
2012	808,516,900		6.2	5,012,801
2013	816,602,100	*	6.7	5,471,234

*Estimated

CITY OF KETCHIKAN, ALASKA
2013 OPERATING AND CAPITAL BUDGET
SCHEDULE OF SALES TAX REVENUES
1993 - 2013

Year		Total Sales Tax Revenues	General Fund	Hospital Sales Tax Fund	Public Works Sales Tax Fund
1993		5,234,737	1,497,135	1,497,135	2,240,467
1994		5,884,868	1,681,391	1,681,391	2,522,086
1995		6,108,738	1,734,071	1,749,876	2,624,791
1996		6,490,829	1,843,912	1,858,767	2,788,150
1997		6,436,017	1,838,862	1,838,862	2,758,293
1998		6,561,037	1,874,582	1,874,582	2,811,873
1999		6,748,899	1,928,257	1,928,257	2,892,385
2000		6,862,729	1,960,767	1,960,767	2,941,195
2001		7,392,507	2,112,145	2,112,145	3,168,217
2002		7,311,908	2,089,116	2,089,117	3,133,675
2003		7,870,467	2,248,705	2,248,705	3,373,057
2004		8,510,327	2,431,522	2,431,522	3,647,283
2005		9,066,564	2,590,447	2,590,447	3,885,670
2006		9,084,670	2,595,620	2,595,620	3,893,430
2007		9,581,723	2,737,635	2,737,635	4,106,453
2008		10,330,443	2,951,555	2,951,555	4,427,333
2009		9,491,524	2,711,864	2,711,864	4,067,796
2010		9,217,764	2,633,647	2,633,647	3,950,470
2011		9,965,173	2,847,192	2,847,192	4,270,789
2012	(1)	10,101,000	2,886,000	2,886,000	4,329,000
2013	(1)	10,307,500	2,945,000	2,945,000	4,417,500

(1) Estimated

CITY OF KETCHIKAN, ALASKA
2012 ANNUAL BUDGET
SCHEDULE OF SHARED STATE REVENUES
1993 - 2013

Year	Total State Revenues	Safe Communities	Revenue Sharing	Raw Fish Tax	Shared Fisheries Business Tax	Other State Assistance	Liquor License Refunds
1993	1,385,462	691,436	341,863	308,963			43,200
1994	1,010,086	650,398	288,161	209,225	4,988		66,539
1995	894,136	565,950	282,373	323,163	6,238		39,575
1996	829,082	531,032	246,170	317,661	6,605		45,275
1997	949,606	675,976	229,661	238,795	5,769		38,200
1998	702,601	424,365	214,953	270,987	18,383		44,900
1999	728,826	280,002	128,730	282,794	12,505		37,300
2000	763,802	247,457	115,363	328,763	27,319		44,900
2001	693,057	263,327	117,976	253,049	24,005		34,700
2002	698,659	257,770	107,428	276,572	11,389		45,500
2003	375,990	128,258	53,397	141,758	20,377		32,200
2004	199,039			142,925	14,314		41,800
2005	236,122			181,411	20,911		33,800
2006	484,817			194,279	21,389	252,538 (2)	38,150
2007	721,852			234,757	20,846	434,949 (2)	31,300
2008	805,985		494,469	254,399	11,617		45,500
2009	749,798		479,015	218,560	20,473		31,750
2010	1,036,432		472,287	277,158	11,457	225,630 (3)	49,900
2011	1,137,762		661,607	424,942	23,288		27,925
2012 (1)	1,240,301		698,801	472,000	24,000		45,500
2013 (1)	989,000		500,000	425,000	24,000		40,000

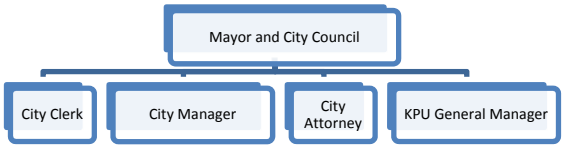
(1) Estimated
(2) Municipal Energy Assistance
(3) State Stimulus Funds

CITY OF KETCHIKAN, ALASKA
2013 ANNUAL BUDGET
SCHEDULE OF ANNUAL DEBT SERVICE TO MATURITY

	General Obligation Bonds						Revenue Bonds	
Year	1994 Port	1997 Hospital	ADEC 481011 Wastewater Tongass Ave Phase I	[1]ADEC 481071/72 Wastewater Tongass Ave Phase II	2011 Fire Station	2012 Library	2006 Port	Total
2013	284,850	842,500	52,447	36,800	635,813	359,544	2,577,675	4,789,629
2014		839,500	52,447	36,800	634,963	361,044	2,576,225	4,500,979
2015		845,000	52,447	36,800	632,582	360,644	2,576,088	4,503,561
2016		843,500	52,447	36,800	628,506	358,244	2,579,050	4,498,547
2017		845,250	52,447	36,800	622,799	360,644	2,579,875	4,497,815
2018			52,447	36,800	615,300	357,644	2,576,250	3,638,441
2019			52,447	36,800	611,080	357,394	2,579,875	3,637,596
2020			52,447	36,800	605,919	361,644	2,575,200	3,632,010
2021			52,447	36,800	594,788	360,143	2,577,500	3,621,678
2022			52,447	36,800	587,538	360,544	2,576,225	3,613,554
2023			52,447	36,800	578,891	358,044	2,576,375	3,602,557
2024			52,447	36,800	573,794	360,044	2,577,675	3,600,760
2025			52,447	36,800	561,919	361,294	2,579,850	3,592,310
2026			52,447	36,800	553,883	358,319	2,577,625	3,579,074
2027			52,447	36,800	542,921	359,469	2,576,000	3,567,637
2028			52,447	36,800	526,020	359,938	2,578,000	3,553,205
2029			52,447	36,800	518,494	364,700	2,575,750	3,548,191
2030			52,447	36,800	504,716	358,975	2,579,250	3,532,188
2031			52,447	36,800		362,250	2,578,000	3,029,497
2032			26,224	36,800			2,577,000	2,640,024
2033							2,576,000	2,576,000
2034							2,579,750	2,579,750
2035							2,577,750	2,577,750
Total	**284,850**	**4,215,750**	**1,022,717**	**736,000**	**10,529,926**	**6,840,522**	**59,282,988**	**82,912,753**

(1) Estimated

As the elected legislative governing board, the Mayor and City Council are charged with the responsibility of working together to represent the interests of the City of Ketchikan, uniting together to facilitate the effective sustainability, management and growth of the community at large.



The Mayor and City Council is comprised of one operating division and oversees the Community Grant Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Centers	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	273,968	260,447	275,499	269,499	232,010	(28,437)	-15.8%
Community Grant Program	(1,810)	312,977	367,977	367,977	327,240	14,263	-11.1%
Total	**272,158**	**573,424**	**643,476**	**637,476**	**559,250**	**(14,174)**	**-13.1%**

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	99,902	98,930	98,930	98,930	98,930	-	0.0%
Supplies	2,103	2,550	2,550	2,550	2,550	-	0.0%
Contract/Purchased Services	169,075	470,744	533,744	527,744	456,570	(14,174)	-14.5%
Minor Capital Outlay	-	-	7,052	7,052	-	-	-100.0%
Interdepartmental Charges	1,078	1,200	1,200	1,200	1,200	-	0.0%
Total	**272,158**	**573,424**	**643,476**	**637,476**	**559,250**	**(14,174)**	**-13.1%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	100,162	166,387	199,499	197,259	132,869	(33,518)	-33.4%
Solid Waste Services Fund	9,479	9,020	9,540	9,330	8,060	(960)	-15.5%
Wastewater Fund	7,096	6,750	7,140	6,990	6,130	(620)	-14.1%
Harbor Fund	5,205	4,950	5,240	5,130	4,390	(560)	-16.2%
Port Fund	7,753	7,380	7,800	7,630	6,660	(720)	-14.6%
Hospital Sales Tax Fund	-	69,480	69,480	69,480	46,749	(22,731)	-32.7%
Public Works Sales Tax Fund	-	104,220	104,220	104,220	70,122	(34,098)	-32.7%
KPU Enterprise Fund	142,463	205,237	240,557	237,437	284,270	79,033	18.2%
Total	**272,158**	**573,424**	**643,476**	**637,476**	**559,250**	**(14,174)**	**-13.1%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Operations	8.00	8.00	8.00	8.00	73,170	-	0.0%
Total	**8.00**	**8.00**	**8.00**	**8.00**	**73,170**	-	**0.0%**

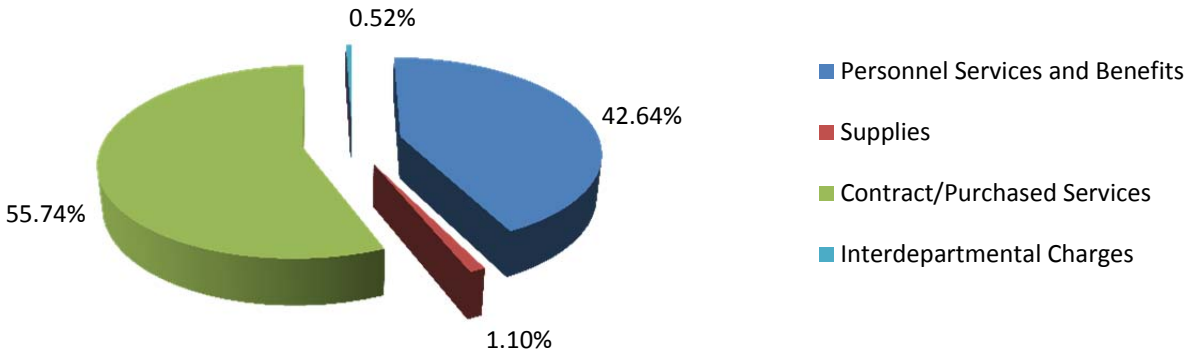
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	99,902	98,930	98,930	98,930	98,930	-	0.0%
Supplies	2,103	2,550	2,550	2,550	2,550	-	0.0%
Contract/Purchased Services	170,885	157,767	165,767	159,767	129,330	(28,437)	-18.0%
Minor Capital Outlay	-	-	7,052	7,052	-	-	0.0%
Interdepartmental Charges	1,078	1,200	1,200	1,200	1,200	-	0.0%
Total	**273,968**	**260,447**	**275,499**	**269,499**	**232,010**	**(28,437)**	**-10.9%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	101,972	96,907	102,519	100,279	86,120	(10,787)	-11.1%
Solid Waste Services Fund	9,479	9,020	9,540	9,330	8,060	(960)	-10.6%
Wastewater Fund	7,096	6,750	7,140	6,990	6,130	(620)	-9.2%
Harbor Fund	5,205	4,950	5,240	5,130	4,390	(560)	-11.3%
Port Fund	7,753	7,380	7,800	7,630	6,660	(720)	-9.8%
KPU Enterprise Fund	142,463	135,440	143,260	140,140	120,650	(14,790)	-10.9%
Total	**273,968**	**260,447**	**275,499**	**269,499**	**232,010**	**(28,437)**	**-10.9%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Mayor	1.00	1.00	1.00	1.00	10,170	-	0.0%
Council	7.00	7.00	7.00	7.00	63,000	-	0.0%
Total	**8.00**	**8.00**	**8.00**	**8.00**	**73,170**	-	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Community Promotion (Account No. 610-01) has been decreased by $3,000, because the amount requested for 2013 does not include a special one-time only award to the Lions Club for Fourth of July fireworks that was made in 2012.
- Management Consulting Services (Account No. 640-04) has been decreased by $22,937 to reflect a reduction in funding for the Federal Lobbyist services contract.
- As no additional iPads will be acquired in 2013 for newly elected officials, Machinery & Equipment (Account No. 725-00) has been decreased by $7,052.

DIVISION OPERATING BUDGET DETAIL

			2011	2012 Budget			2013	Budget Change 2012 - 2013	
Operating Expenditures			Actual	Adopted	Amended	Estimate	Budget	Amount	%
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	73,005	73,170	73,170	73,170	73,170	-	0.0%
505	00	Payroll Taxes	6,528	6,400	6,400	6,400	6,400	-	0.0%
506	00	Pension	7,882	7,900	7,900	7,900	7,900	-	0.0%
507	00	Insurance Benefits	300	300	300	300	300	-	0.0%
509	05	Allowances - Expense	12,187	11,160	11,160	11,160	11,160	-	0.0%
		Personnel Services and Benefits	**99,902**	**98,930**	**98,930**	**98,930**	**98,930**	**-**	**0.0%**
Supplies									
510	01	Office Supplies	2,103	2,500	2,500	2,500	2,500	-	0.0%
520	02	Postage	-	50	50	50	50	-	0.0%
		Supplies	**2,103**	**2,550**	**2,550**	**2,550**	**2,550**	**-**	**0.0%**
Contract/Purchased Services									
600	01	Travel-Business	13,284	18,000	18,000	12,000	12,000	(6,000)	-33.3%
605	02	Advertising & Public Announcements	1,035	750	750	750	750	-	0.0%
610	01	Community Promotion	10,697	13,000	16,000	16,000	13,000	-	0.0%
610	03	Program Subsidies	25,000	25,000	25,000	25,000	25,000	-	0.0%
615	02	Assn. Membership Dues & Fees	7,437	8,100	13,100	13,100	8,600	500	6.2%
640	04	Management Consulting Services	113,417	92,417	92,417	92,417	69,480	(22,937)	-24.8%
650	01	Telecommunications	15	500	500	500	500	-	0.0%
		Contract/Purchased Services	**170,885**	**157,767**	**165,767**	**159,767**	**129,330**	**(28,437)**	**-18.0%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012 - 2013 Amount	Budget Change 2012 - 2013 %
Minor Capital									
725	00	Machinery & Equipment	-	-	7,052	7,052	-	-	0.0%
		Minor Capital Outlay	**-**	**-**	**7,052**	**7,052**	**-**	**-**	**0.0%**
Interdepartmental Charges									
825	01	Insurance Premiums and Claims	1,078	1,200	1,200	1,200	1,200	-	0.0%
		Interdepartmental Charges	**1,078**	**1,200**	**1,200**	**1,200**	**1,200**	**-**	0.0%
		Total Expenditures by Type	**273,968**	**260,447**	**275,499**	**269,499**	**232,010**	**(28,437)**	**-10.9%**

NARRATIVE

500-01 Regular Salaries and Wages: $73,170 – This account provides for the compensation paid to the Mayor and City Councilmembers for attending Council meetings. It includes compensation for the Mayor in the amount of $330 per regular meeting and $187.50 per special meeting. It also includes compensation for the Councilmembers in the amount of $300 per regular meeting and $150 per special meeting. Twelve special meetings have been budgeted.

505-00 Payroll Taxes: $6,400 – This account provides for employer contributions to Social Security and Medicare and other similar payroll taxes.

506-00 Pension: $7,900 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $300 – This account provides for employer contributions to workers compensation.

509-05 Allowances - Expense: $11,160 – This account provides for taxable allowances for the Mayor and Councilmembers.

510-01 Office Supplies: $2,500 – This account provides for the cost of expendable supply items used by the City Clerk's office in support of the Mayor and Council.

520-02 Postage: $50 – This account provides for the cost of postal related services such as postage and mailing materials.

600-01 Travel-Business: $12,000 – This account provides for expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with the travel of the Mayor and City Councilmembers for business meetings.

605-02 Advertising and Public Announcements: $750 – This account provides for expenditures for legal notices, public services announcements, community issues, election notices, requests for proposals in publications, newspapers, Internet or broadcasts over radio or television.

610-01 Community Promotion: $13,000 – This account provides for expenditures for promotion of community activities and programs.

610-03 Program Subsidies: $25,000 – This account provides for the cost of the City's share of the Small Business Development Center.

615-02 Assn. Membership Dues & Fees: $8,600 – This account provides for expenditures for membership in the Alaska Municipal League, Alaska Conference of Mayors, the Alaska Miners' Association and Sister Cities International.

640-04 Management Consulting Services: $69,480 – This account provides for expenditures for engaging a federal and state lobbyist to represent General Government and Ketchikan Public Utilities for the 2012-13 legislative year.

650-01 Telecommunications: $500 – This account provides for expenditures for the Mayor and City Council's monthly telephone charges, long-distance services, line rentals and maintenance of the telephone systems.

825-01 Interdepartmental Charges-Insurance: $1,200 – This account provides for expenditures for risk management services.

COMMUNITY GRANT PROGRAM SUMMARY

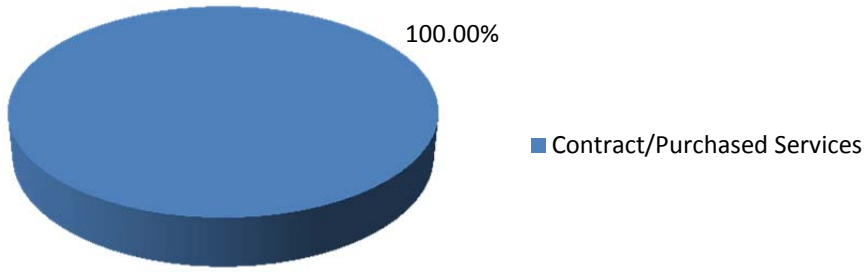
The Community Grant Program was established to provide financial support to community based non-profit humanitarian agencies. The level of funding is determined annually and is based on a percentage of the City's annual sales tax revenues. For the year 2013, the City Council determined that funding would be budgeted at 3.24 percent of annual sales tax revenue for the period ending September 30, 2012. The City of Ketchikan provides fifty percent of the annual funding and Ketchikan Public Utilities provides the remaining fifty percent. The City's contribution comes from the General Fund and its two sales tax funds. KPU's contribution comes from the KPU Enterprise Fund. Applications for funding are reviewed by the Community Grant Committee and awarded in February.

PROGRAM SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Contract/Purchased Services	(1,810)	312,977	367,977	367,977	327,240	14,263	4.6%
Total Expenditures	**(1,810)**	**312,977**	**367,977**	**367,977**	**327,240**	**14,263**	**4.6%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund	(1,810)	69,480	96,980	96,980	46,749	(22,731)	-32.7%
Hospital Sales Tax Fund	-	69,480	69,480	69,480	46,749	(22,731)	-32.7%
Public Works Sales Tax Fund	-	104,220	104,220	104,220	70,122	(34,098)	-32.7%
KPU Enterprise Fund	-	69,797	97,297	97,297	163,620	93,823	134.4%
Total Funding	**(1,810)**	**312,977**	**367,977**	**367,977**	**327,240**	**14,263**	**4.6%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- A $327,240 appropriation has been proposed for 2013 community agency grants based on 3.24 percent of estimated sales tax receipts for the previous four quarters as directed by the City Council at its meeting of November 26, 2012. This is an increase of $14,263, or 4.6% over the amount originally appropriated in 2012.

PROGRAM OPERATING BUDGET DETAIL

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Contract/Purchased Services							
610 02 Community Agency Grants	(1,810)	312,977	367,977	367,977	327,240	14,263	4.6%
Contract/Purchased Services	**(1,810)**	**312,977**	**367,977**	**367,977**	**327,240**	**14,263**	**4.6%**
Total Expenditures by Type	**(1,810)**	**312,977**	**367,977**	**367,977**	**327,240**	**14,263**	**4.6%**

NARRATIVE

610-02 Community Agency Grants: $327,240 – This account provides for expenditures for the Mayor and City Council's Community Agency Grant Program.

The City Attorney provides certain legal services to the City Council, Ketchikan Public Utilities and General Government Departments; provides legal representation to General Government and Ketchikan Public Utilities on matters where legal representation is not otherwise provided; drafts contracts, ordinances and other legal documents for the General Government and Ketchikan Public Utilities; and interprets, applies and prosecutes the ordinances and policies of the General Government and Ketchikan Public Utilities. This office does not provide legal services or advice to private individuals.

The City Attorney's department is comprised of one operating division.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Centers	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	398,278	365,283	366,112	332,530	389,239	23,956	6.6%
Total	**398,278**	**365,283**	**366,112**	**332,530**	**389,239**	**23,956**	**6.6%**

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	159,554	96,383	96,383	96,300	98,139	1,756	1.8%
Supplies	15,924	21,800	21,800	20,610	23,800	2,000	9.2%
Contract/Purchased Services	219,559	242,900	242,900	212,220	263,100	20,200	8.3%
Minor Capital Outlay	1,620	2,000	2,829	1,200	2,000	-	0.0%
Interdepartmental Charges	1,621	2,200	2,200	2,200	2,200	-	0.0%
Total	**398,278**	**365,283**	**366,112**	**332,530**	**389,239**	**23,956**	**6.6%**

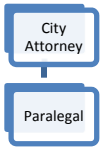
Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	160,669	148,483	148,802	136,300	157,079	8,596	5.8%
Solid Waste Services Fund	13,095	11,950	11,980	10,820	12,820	870	7.3%
Waste Water Fund	9,803	8,950	8,970	8,100	9,750	800	8.9%
Harbor Fund	7,191	6,570	6,580	5,940	6,980	410	6.2%
Port Fund	10,711	9,780	9,800	8,850	10,600	820	8.4%
KPU Enterprise Fund	196,809	179,550	179,980	162,520	192,010	12,460	6.9%
Total	**398,278**	**365,283**	**366,112**	**332,530**	**389,239**	**23,956**	**6.6%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Operations	1.00	1.00	1.00	1.00	56,139	-	0.0%
Total	**1.00**	**1.00**	**1.00**	**1.00**	**56,139**	**-**	**0.0%**

MISSION STATEMENT

It is the mission of the Law Department to:

- Provide advice on legal matters to the City Council and all of the departments of General Government and Ketchikan Public Utilities;
- Provide legal representation to General Government and Ketchikan Public Utilities on legal matters when representation is not otherwise provided;
- Interpret, apply and prosecute the ordinances and policies of General Government and Ketchikan Public Utilities; and
- Draft contracts, ordinances and other legal documents for General Government and Ketchikan Public Utilities.



GOALS FOR 2013

The Law Department is perhaps unique in that it has less control over its direction and goals than other departments. Unlike policy-making departments or the departments providing direct services to the public, the Law Department finds itself most often in the role of supporting and achieving the goals set by other departments. For these reasons the primary goal of the Law Department is to effectively advance the goals and objectives of the City Council, the managers and the various departments. General goals for 2013 include the following:

- Maintain accessibility to City officers and employees.
- Review and revise construction contract documents used by General Government and Ketchikan Public Utilities.
- Facilitate recodification of the Ketchikan Municipal Code.
- Continue to streamline office procedures.
- Continue professional development through video seminars and occasional seminar attendance.

ACCOMPLISHMENTS FOR 2012

- Devoted extensive time to resolving issues concerning the Ketchikan General Hospital HVAC Project and transitioning completion of the work to new contractor.
- Devoted substantial efforts concerning various procurement and other issues related to the Whitman Lake Hydro Project.
- Other accomplishments have been set forth in periodic reports to the Council.

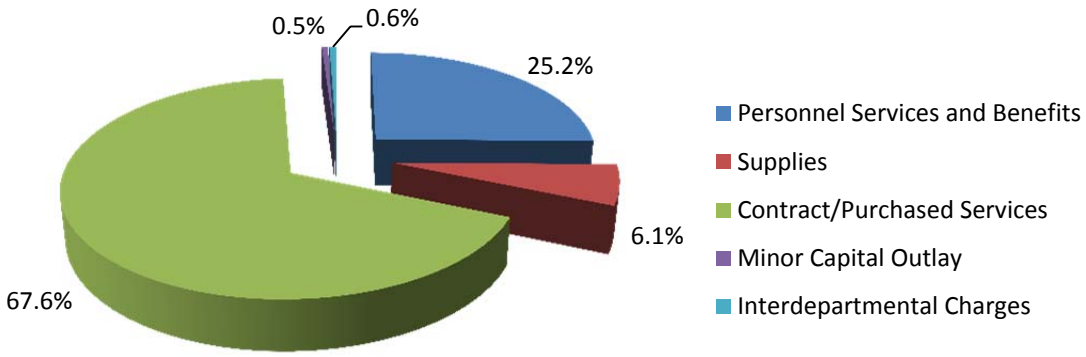
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	159,554	96,383	96,383	96,300	98,139	1,756	1.8%
Supplies	15,924	21,800	21,800	20,610	23,800	2,000	9.2%
Contract/Purchased Services	219,559	242,900	242,900	212,220	263,100	20,200	8.3%
Minor Capital Outlay	1,620	2,000	2,829	1,200	2,000	-	0.0%
Interdepartmental Charges	1,621	2,200	2,200	2,200	2,200	-	0.0%
Total Expenditures	**398,278**	**365,283**	**366,112**	**332,530**	**389,239**	**23,956**	**6.6%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	160,669	148,483	148,802	136,300	157,079	8,596	5.8%
Solid Waste Services Fund	13,095	11,950	11,980	10,820	12,820	870	7.3%
Waste Water Fund	9,803	8,950	8,970	8,100	9,750	800	8.9%
Harbor Fund	7,191	6,570	6,580	5,940	6,980	410	6.2%
Port Fund	10,711	9,780	9,800	8,850	10,600	820	8.4%
KPU Enterprise Fund	196,809	179,550	179,980	162,520	192,010	12,460	6.9%
Total Expenditures	**398,278**	**365,283**	**366,112**	**332,530**	**389,239**	**23,956**	**6.6%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Paralegal	1.00	1.00	1.00	1.00	56,139	-	0.0%
Total FTEs	**1.00**	**1.00**	**1.00**	**1.00**	**56,139**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Additional funds in the amount of $20,000 have been added to Management and Consulting Services (Account No. 640-04) to provide for recodification of the Ketchikan Municipal Code.
- Professional and Trade Publications (Account No. 530-03) has been increased slightly due to increasing costs of publications and legal research services.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	97,338	54,483	54,483	54,400	56,139	1,656	3.0%
502	01	Temporary Wages	7,808	6,500	6,500	6,500	6,500	-	0.0%
505	00	Payroll Taxes	8,043	4,700	4,700	4,700	4,800	100	2.1%
506	00	Pension	24,983	12,000	12,000	12,000	12,400	400	3.3%
507	00	Insurance Benefits	19,900	17,600	17,600	17,600	17,000	(600)	-3.4%
508	00	Other Benefits	1,482	1,100	1,100	1,100	1,300	200	18.2%
		Personnel Services and Benefits	**159,554**	**96,383**	**96,383**	**96,300**	**98,139**	**1,756**	**1.8%**
Supplies									
510	01	Office Supplies	1,361	2,700	2,700	1,900	2,700	-	0.0%
510	05	Small Tools and Equipment	-	300	300	200	300	-	0.0%
520	02	Postage	250	800	800	510	800	-	0.0%
530	03	Professional and Trade Publications	14,313	18,000	18,000	18,000	20,000	2,000	11.1%
		Supplies	**15,924**	**21,800**	**21,800**	**20,610**	**23,800**	**2,000**	**9.2%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Contract/Purchased Services									
600	01	Travel-Business	1,330	2,000	2,000	100	2,000	-	0.0%
600	02	Travel-Training	665	1,000	1,000	-	1,000	-	0.0%
600	03	Training and Education	665	1,000	1,000	-	1,000	-	0.0%
605	01	Advertising & Public Announcements	1,400	2,000	2,000	500	2,000	-	0.0%
615	01	Professional and Technical Licenses	-	-	-	-	100	100	New
630	06	Service Charges and Fees	582	600	600	150	600	-	0.0%
635	07	Machinery & Equipment Maintenance Services	91	600	600	200	600	-	0.0%
640	01	Legal and Accounting Services	213,625	233,400	233,400	210,000	233,400	-	0.0%
640	04	Management and Consulting Services	-	-	-	-	20,000	20,000	New
650	01	Telecommunications	1,201	2,300	2,300	1,270	2,300	-	0.0%
650	02	Eletric, Water, Sewer and Solid Waste	-	-	-	-	100	100	New
		Contract/Purchased Services	**219,559**	**242,900**	**242,900**	**212,220**	**263,100**	**20,200**	**8.3%**
Minor Capital									
715	00	Furniture and Fixtures	810	1,000	600	-	1,000	-	0.0%
725	00	Machinery and Equipment	540	500	900	900	500	-	0.0%
735	00	Software	270	500	1,329	300	500	-	0.0%
		Minor Capital Outlay	**1,620**	**2,000**	**2,829**	**1,200**	**2,000**	**-**	**0.0%**
Interdepartmental Charges									
825	01	Insurance Premiums and Claims	1,621	2,200	2,200	2,200	2,200	-	0.0%
		Interdepartmental Charges	**1,621**	**2,200**	**2,200**	**2,200**	**2,200**	**-**	**0.0%**
		Total Expenditures by Type	**398,278**	**365,283**	**366,112**	**332,530**	**389,239**	**23,956**	**6.6%**

NARRATIVE

500-01 Regular Salaries and Wages: $56,139 – This account provides for the cost of the annual salary paid to the Law Department's Paralegal.

502-01 Temporary Wages: $6,500 - This account provides for compensation paid for temporary personnel services for those occasions when the Paralegal is absent.

505-00 Payroll Taxes: $4,800 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $12,400 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $17,000– This account provides for employer contributions to employee health and life insurance plans and workers compensation.

508-00 Other Benefits: $1,300 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $2,700 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers.

510-05 Small Tools and Equipment: $300 - This account provides for minor tools and operating and office equipment with a value of less than $1,000. Included are computer accessories, space heaters, calculators, file cabinets and similar types of minor tools and equipment.

520-02 Postage: $800 - This account provides for postal related services such as postage, express delivery and mailing materials.

530-03 Professional and Technical Publications: $20,000 - This account provides for subscription costs to professional and technical publications. Included are electronic subscription services for legal research (BNA Labor and Employment Law Resource Center, Westlaw Database) as well as subscriptions to maintain the Law Department's library; *i.e.*, Alaska Statutes, Alaska Digest, Alaska Administrative Code and Pacific Reporter. The total costs of the BNA Labor and Employment Law Resource Center is to be split between the Law Department and the Human Resources Division.

600-01 Travel-Business: $2,000 – This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business or litigation.

600-02 Travel-Training: $1,000 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $1,000 – This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or third-parties.

605-01 Advertising and Public Announcements: $2,000 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are legal notices and recruiting.

615-01 Professional Licenses and Technical Certifications: $100 – This account provides for licensing professional, technical and other employees requiring a license in order to perform their duties. Included are fees paid for the Paralegal's Notary Public Commission.

630-06 Service Charges and Fees: $600 - This account provides for payment of fees and services provided by the state and local process servers. Included are filing fees paid to the state for opening civil cases, fees paid to Department of Motor Vehicles for re-titling of vehicles taken through the DWI forfeiture process, recording of documents at the Ketchikan Recorder's Office and fees charged by local process servers.

635-07 Machinery and Equipment Maintenance Services: $600 - This account provides for the repair and maintenance of office equipment, machinery and other operating equipment owned or leased by the Law Department. This account includes labor and materials required to provide the service to the Law Department's facsimile and color copier.

640-01 Legal and Accounting Services: $233,400 - This account provides for legal services. Included are contract attorney services, public defender services, specialized legal services for complex issues that cannot be addressed by the Law Department and other legal services.

640-04 Management and Consulting Services: $20,000 - This account provides for management and consulting services associated with the re-codification of the Ketchikan Municipal Code. The Ketchikan Municipal Code is obsolete. The current KMC was codified in 1969. Over the last 43 years, the City has amended it and added to it but has never done a comprehensive review, reorganization and updating. The need for this was apparent to former City Attorney Schweppe for more than 10 years. However, re-codification was postponed pending the outcome of the two consecutive consolidation efforts.

The City of Ketchikan may have the oldest municipal code in the State. The Ketchikan Gateway Borough re-codified its ordinances several years ago, as have Anchorage, Juneau and Wrangell. According to former City Attorney Schweppe, almost every department that regularly uses the Code has complained about the section which applies to it. There are numerous sections which simply are no longer enforced or enforceable. These include obscenity, gambling, firearms, prostitution, infectious diseases, food service establishments, animal cruelty and shipyard operations. In most of these cases, other governments enforce laws on these topics. The traffic ordinances contain obsolete provisions which conflict with State law as do the ordinances concerning the use of alcohol by minors. Re-codification includes a legal review of the ordinances.

It should be possible to recover most of the cost of the re-codification through improved efficiencies and to a degree updated fees, charges and fines.

650-01 Telecommunications: $2,300 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, Internet, long distance and toll-free numbers.

650-02 Electric, Water, Sewer & Solid Waste: $100 - This account provides for solid waste utility services associated with incineration of Law Department files that are no longer retained according to the retention schedule.

715-00 Furniture and Fixtures: $1,000 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets and storage cabinets.

725-00 Machinery and Equipment: $500 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment and operating equipment required to provide services or maintain capital assets.

735-00 Software: $500 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements.

825-01 Interdepartmental Charges – Insurance: $2,200 - This account provides for risk management services and claims.

The City Clerk's office makes every effort to present a courteous, service-oriented team of professionals who provide quality administrative support to the City's elected officials and staff, and to serve the public by providing a liaison between the community and government through the dissemination of information. The City Clerk is appointed by the Mayor and City Council.

The City Clerk's Department is comprised of one operating division.

DEPARTMENT EXECUTIVE SUMMARY

	2011	2012			2013	Change 2012-2013	
Divisions/Programs/Activity	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Operations	234,607	251,887	262,980	257,643	248,632	(3,255)	-1.3%
Total Department Expenditures	**234,607**	**251,887**	**262,980**	**257,643**	**248,632**	**(3,255)**	**-1.3%**

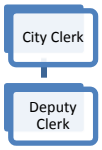
	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	205,413	206,687	206,687	203,100	204,612	(2,075)	-1.0%
Supplies	2,703	8,500	8,500	7,750	8,160	(340)	-4.0%
Contract/Purchased Services	24,623	28,200	28,200	27,200	27,860	(340)	-1.2%
Minor Capital Outlay	-	6,500	17,593	17,593	6,000	(500)	-7.7%
Interdepartmental Charges	1,868	2,000	2,000	2,000	2,000	-	0.0%
Total Expenditures	**234,607**	**251,887**	**262,980**	**257,643**	**248,632**	**(3,255)**	**-1.3%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund	87,321	93,753	97,860	95,863	92,302	(1,451)	-1.5%
Solid Waste Services Fund	8,117	8,715	9,100	8,920	8,630	(85)	-1.0%
Waste Water Fund	6,076	6,524	6,820	6,680	6,570	46	0.7%
Harbor Fund	4,458	4,786	5,000	4,900	4,700	(86)	-1.8%
Port Fund	6,639	7,128	7,450	7,300	7,140	12	0.2%
KPU Enterprise Fund	121,995	130,981	136,750	133,980	129,290	(1,691)	-1.3%
Total Expenditures	**234,607**	**251,887**	**262,980**	**257,643**	**248,632**	**(3,255)**	**-1.3%**

	2011	2012		2013		FTE Change 2012-2013	
Personnel	**Actual**	**Adopted**	**Amended**	**Budget**	**Salary**	**Amount**	**%**
Operations	2.00	2.00	2.00	2.00	117,912	-	0.0%
Total FTEs	**2.00**	**2.00**	**2.00**	**2.00**	**117,912**	**-**	**0.0%**

MISSION STATEMENT

The mission of the City Clerk's Office is to provide quality services and staff support efficiently and effectively to the public at large, to the City Council and to the City and KPU staff. Additionally, the City Clerk's office oversees municipal elections and other such elections as may be required by law or ordinance. The City Clerk serves as the clerical officer to the City Council. The City Clerk's Office records the minutes of all proceedings of the City Council and maintains resolutions and ordinances as may be adopted. The City Clerk is the custodian of such documents, records and archives as may be provided by law or ordinance.



GOALS FOR 2013

- Maintain the same level of service to the City Council, staff and citizens of Ketchikan.
- Continue to operate the City Clerk's Office in a manner that reflects positively on the City of Ketchikan.
- One election has been scheduled for 2013.

ACCOMPLISHMENTS FOR 2012

- Worked cooperatively with the Information Technology Department to successfully implement use of iPads for City Council packet delivery.
- Conducted a special election on June 26, 2012 for harbor bonds and a regular election on October 2, 2012. The mayor and two councilmembers were elected.
- Continued to coordinate activities of the City Council in accordance with policy and law, including meetings, agenda preparation, travel arrangements, legal notices, etc.
- Maintained City historical and legislative documents as required.

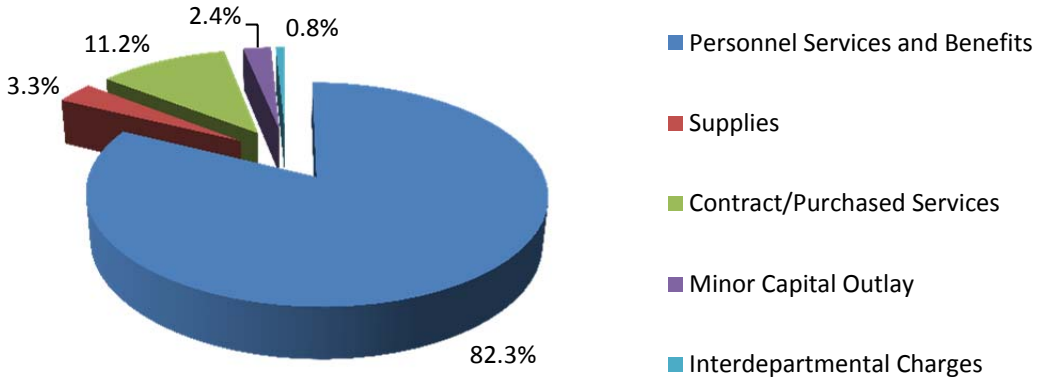
DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	205,413	206,687	206,687	203,100	204,612	(2,075)	-1.0%
Supplies	2,703	8,500	8,500	7,750	8,160	(340)	-4.0%
Contract/Purchased Services	24,623	28,200	28,200	27,200	27,860	(340)	-1.2%
Minor Capital Outlay	-	6,500	17,593	17,593	6,000	(500)	-7.7%
Interdepartmental Charges	1,868	2,000	2,000	2,000	2,000	-	0.0%
Total Expenditures	**234,607**	**251,887**	**262,980**	**257,643**	**248,632**	**(3,255)**	**-1.3%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	87,321	93,753	97,860	95,863	92,302	(1,451)	-1.5%
Solid Waste Services Fund	8,117	8,715	9,100	8,920	8,630	(85)	-1.0%
Waste Water Fund	6,076	6,524	6,820	6,680	6,570	46	0.7%
Harbor Fund	4,458	4,786	5,000	4,900	4,700	(86)	-1.8%
Port Fund	6,639	7,128	7,450	7,300	7,140	12	0.2%
KPU Enterprise Fund	121,995	130,981	136,750	133,980	129,290	(1,691)	-1.3%
Total Expenditures	**234,607**	**251,887**	**262,980**	**257,643**	**248,632**	**(3,255)**	**-1.3%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Clerk	1.00	1.00	1.00	1.00	76,000	-	0.0%
Deputy Clerk	1.00	1.00	1.00	1.00	41,912	-	0.0%
Total FTEs	**2.00**	**2.00**	**2.00**	**2.00**	**117,912**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Personnel Services and Benefits decreased by $2,075 due to a change in the cost of employee health insurance premiums.
- Supplies decreased by $340 due to a slight reduction in office supplies and library books.
- Contract/Purchased Services decreased by $800 due to a change in Technical Services (contracted services for programming election memory cards).

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	115,208	118,687	118,687	116,700	117,912	(775)	-0.7%
501	01	Overtime Wages	1,520	1,500	1,500	1,500	1,500	-	0.0%
502	01	Temporary Wages	3,140	4,900	4,900	4,900	4,900	-	0.0%
505	00	Payroll Taxes	9,170	9,600	9,600	9,400	9,500	(100)	-1.0%
506	00	Pension	25,680	26,400	26,400	26,000	26,300	(100)	-0.4%
507	00	Insurance Benefits	41,400	42,300	42,300	41,400	41,100	(1,200)	-2.8%
508	00	Other Benefits	8,570	2,300	2,300	2,200	2,400	100	4.3%
509	05	Allowances-Expense	725	1,000	1,000	1,000	1,000	-	0.0%
		Personnel Services and Benefits	**205,413**	**206,687**	**206,687**	**203,100**	**204,612**	**(2,075)**	**-1.0%**
Supplies									
510	01	Office Supplies	1,175	3,900	3,900	3,500	3,500	(400)	-10.3%
510	02	Operating Supplies	1,438	4,000	4,000	3,900	4,000	-	0.0%
520	02	Postage	90	500	500	250	500	-	0.0%
530	02	Periodicals	-	100	100	100	160	60	60.0%
		Supplies	**2,703**	**8,500**	**8,500**	**7,750**	**8,160**	**(340)**	**-4.0%**
Contract/Purchased Services									
600	02	Travel-Training	8,074	6,300	6,300	6,300	6,300	-	0.0%
600	03	Training and Education	2,820	2,200	2,200	2,200	2,200	-	0.0%
605	02	Advertising and Public Announcements	10,726	11,800	11,800	11,800	11,800	-	0.0%
605	04	Printing and Binding	871	2,000	2,000	2,000	2,000	-	0.0%
615	01	Professional & Technical Licenses	-	-	-	-	250	250	NEW
615	02	Assn. Membership Dues & Fees	457	1,000	1,000	1,000	750	(250)	-25.0%
635	04	Software Maintenance Services	499	500	500	500	500	-	0.0%
635	07	Machinery & Equip Maint Services	-	500	500	500	500	-	0.0%
635	12	Technical Services	550	2,800	2,800	2,000	2,000	(800)	-28.6%
650	01	Telecommunications	615	800	800	800	1,260	460	57.5%
650	02	Eletric, Water, Sewer & Solid Waste	11	300	300	100	300	-	0.0%
		Contract/Purchased Services	**24,623**	**28,200**	**28,200**	**27,200**	**27,860**	**(340)**	**-1.2%**
Minor Capital									
715	00	Furniture and Fixtures	-	1,500	2,500	2,500	2,500	1,000	66.7%
725	00	Machinery and Equipment	-	3,000	9,650	9,650	3,500	500	16.7%
735	00	Software		2,000	5,443	5,443	-	(2,000)	-100.0%
		Minor Capital Outlay	**-**	**6,500**	**17,593**	**17,593**	**6,000**	**(500)**	**-7.7%**
Interdepartmental Charges									
825	01	Insurance Premiums and Claims	1,868	2,000	2,000	2,000	2,000	-	0.0%
		Interdepartmental Charges	**1,868**	**2,000**	**2,000**	**2,000**	**2,000**	**-**	**0.0%**
		Total Expenditures by Type	**234,607**	**251,887**	**262,980**	**257,643**	**248,632**	**(3,255)**	**-1.3%**

NARRATIVE

500-01 Regular Salaries and Wages: $117,912 – This account provides for compensation paid to all regular salaried and hourly employees of the City Clerk's office.

501-01 Overtime Wages: $1,500 - This account provides for compensation paid to the Deputy City Clerk for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $4,900 - This account provides for compensation paid to election workers as well as for fill-in assistance when The City Clerk and Deputy City Clerk are out of the office.

505-00 Payroll Taxes: $9,400 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $26,300 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $40,700 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $2,900 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-05 Allowances - Expense: $1,000 - This account provides for the cost of the $25 per meeting vehicle expense stipend granted to the City Clerk for attending City Council meetings as well as other incidental expenses.

510-01 Office Supplies: $3,500 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines, and tape dispensers.

510-02 Operating Supplies: $4,000 - This account provides for minutes, resolution and ordinance books; specialized supplies for archival records and election supplies.

520-02 Postage: $500 - This account provides for postal related services such as postage, express delivery, mailing materials and the rent of post office boxes and postage machines.

530-02 Periodicals: $160 - This account provides for the newspapers, magazines and trade journals.

600-02 Travel-Training: $6,300 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training. Both the City Clerk and Deputy City Clerk attend the International Institute of Municipal Clerks Annual Conference as well as the Alaska Association of Municipal Clerks Annual Conference.

600-03 Training and Education: $2,200 - This account provides for registration fees for both the City Clerk and Deputy City Clerk to attend the International Institute of Municipal Clerks Annual Conference as well as the Alaska Association of Municipal Clerks Annual Conference.

605-02 Advertising and Public Announcements: $11,800 - This account provides for advertising and announcements primarily in the local newspaper. Included are legal notices, election notices, agenda advertisements, special meeting announcements, etc.

605-04 Printing and Binding: $2,000 – This account provides for job printing and binding services. Included is the printing of election ballots.

615-01 Professional and Technical Licenses: $250 – This account provides for notary licenses for both the City Clerk and Deputy City Clerk, as well as for the Certified Municipal Clerk designation, for which the Deputy City Clerk will qualify this year.

615-02 Assn. Membership Dues & Fees: $750 – This account provides for memberships for both the City Clerk and Deputy City Clerk in the International Institute of Municipal Clerks and the Alaska Association of Municipal Clerks.

635-04 Software Maintenance Services: $500 - This account provides for maintenance agreements to support specific software the City Clerk's Office uses.

635-07 Machinery & Equipment Maintenance Services: $500 - This account provides for services for the repair and maintenance of office equipment such as transcribers and recorders..

635-12 Technical Services: $2,000 - This account provides for programming of the memory cards for elections.

650-01 Telecommunications: $1,260 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, long-distance, and the iPad 4G network.

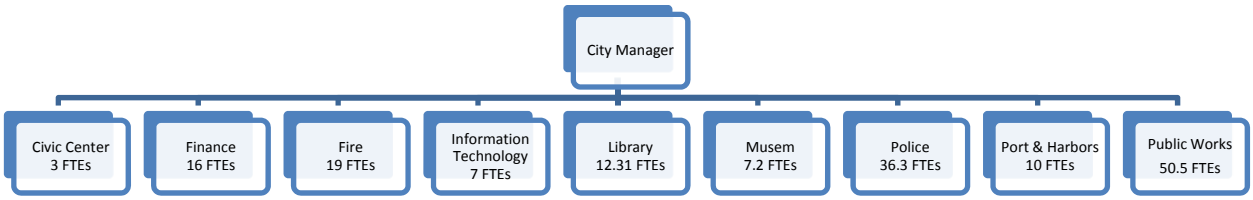
650-02 Electric, Water, Sewer & Solid Waste: $300 - This account provides primarily for the disposal of records that have reached the end of their retention life.

715-00 Furniture and Fixtures: $2,500 - This account provides for the purchase of one fire-proof filing cabinet for retention of documents that must be maintained in original condition.

725-00 Machinery and Equipment: $3,500 - This account provides for the acquisition of a computer for the scanner work station.

825-01 Interdepartmental Charges – Insurance: $2,000 - This account provides for risk management services and claims.

The City Manager's Office serves as the chief executive branch of the City of Ketchikan municipal government. It oversees the daily operation of eleven (11) separate departments and numerous operating divisions that have a combined budget in excess of $44.7 million annually.



The City Manager's Office is comprised of two operating divisions and oversees one Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Activity	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	247,824	264,661	266,529	262,019	264,507	(154)	-0.1%
Human Resources	393,786	433,050	438,249	345,061	394,774	(38,276)	-8.8%
Capital	-	-	-	-	14,000	14,000	New
Total	**641,610**	**697,711**	**704,778**	**607,080**	**673,281**	**(24,430)**	**-3.5%**

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	523,819	560,641	556,341	479,836	509,836	(50,805)	-9.1%
Supplies	29,827	40,345	40,671	34,051	38,870	(1,475)	-3.7%
Contract/Purchased Services	91,550	98,475	102,559	87,861	109,075	10,600	10.8%
Minor Capital Outlay	2,008	4,150	11,107	9,982	5,400	1,250	30.1%
Interdept'l Charges/Reimbursable Credits	(5,594)	(5,900)	(5,900)	(4,650)	(3,900)	2,000	-33.9%
Major Capital Outlay	-	-	-	-	14,000	14,000	New
Total	**641,610**	**697,711**	**704,778**	**607,080**	**673,281**	**(24,430)**	**-3.5%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	418,867	453,581	457,828	407,030	447,601	(5,980)	-1.3%
Solid Waste Fund	22,200	24,150	24,400	21,010	22,880	(1,270)	-5.3%
Wastewater Fund	16,618	18,080	18,270	15,730	17,420	(660)	-3.7%
Harbor Fund	12,191	13,260	13,400	11,540	12,470	(790)	-6.0%
Port Fund	18,157	19,750	19,960	17,190	18,940	(810)	-4.1%
KPU Enterprise Fund	153,577	168,890	170,920	134,580	153,970	(14,920)	-8.8%
Total	**641,610**	**697,711**	**704,778**	**607,080**	**673,281**	**(24,430)**	**-3.5%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Operations	1.50	1.50	1.50	1.50	157,982	-	0.0%
Human Resources	3.00	3.00	3.00	3.00	188,254	-	0.0%
Total	**4.50**	**4.50**	**4.50**	**4.50**	**346,236**	**-**	**0.0%**

MISSION STATEMENT

The mission of the City of Ketchikan government is to provide quality municipal services as efficiently and effectively as possible within guidelines established by federal and state law; the Charter of the City of Ketchikan; the Ketchikan Municipal Code; and the citizens of Ketchikan as represented by the City Council. The City Manager's Office exercises line authority over all municipal departments with combined operating and capital improvement budgets in support of daily service delivery and furtherance of long-range goals. The City Manager's Office ensures implementation, supervision and evaluation of all municipal activities, programs and facilities. This includes the normal range of programs and projects associated with all City departments and special projects and/or tasks that do not fall within the scope of the City's traditional departmental structure. The mission of this office is to ensure that these responsibilities and duties are carried out in a timely and efficient manner that reflects positively on the City of Ketchikan.

GOALS FOR 2013

- Provide timely information and recommendations to the City Council.
- Coordinate and improve citizen participation and public information efforts.
- Coordinate and improve employee outreach and recognition programs.
- Strengthen employee focus on customer service and improvement of all municipal programs and services.
- Encourage team building among staff.
- Continue management oversight of Ketchikan Public Utilities.
- Work with the department heads, in order to move forward with City Council approved Capital Improvement Programs.
- Work with PeaceHealth and Ketchikan's representatives to the Alaska State Legislature, in order to finalize a funding plan for the Ketchikan Medical Center Addition and Alterations Project.
- Work with the Governor's Office and Ketchikan's representatives to the Alaska State Legislature, in order to secure the remaining funding necessary to complete the replacement of Water Street Trestle No. 2.

ACCOMPLISHMENTS FOR 2012

- Continued management and oversight responsibility of Ketchikan Public Utilities.
- Submitted the 2012 General Government Annual Budget.
- Working closely with the City's state lobbyist, Ray Matiashowski, staff successfully lobbied the Legislature for appropriations in the amounts of $9,250,000, $7,000,000 and $3,000,000 respectively for the rehabilitation/replacement of off-system City bridges, the replacement of Berths I and II and for design of the Ketchikan Medical Center Addition and Alterations Project.
- Completed construction of the new Fire Station in the spring of 2012.
- Completed construction of the new Ketchikan Public Library in the fall of 2012.
- Completed construction of the Alaska Avenue Water and Sewer Main Replacement Project.
- Completed Construction of the first phase of the Berths I and II Replacement Project.

- Completed negotiations of a new three-year collective bargaining agreement with the International Brotherhood of Electrical Workers, Local 1547. Agreements with the International Association of Firefighters, Local 2761 and the Public Safety Employees Association are anticipated in the near future.
- Continued to participate as staff to the Ketchikan Gateway Borough/City of Ketchikan Cooperative Relations, Lobbying Executive and Legislative Liaison Committees.
- Continued to update and keep current the General Government and Ketchikan Public Utilities' website.

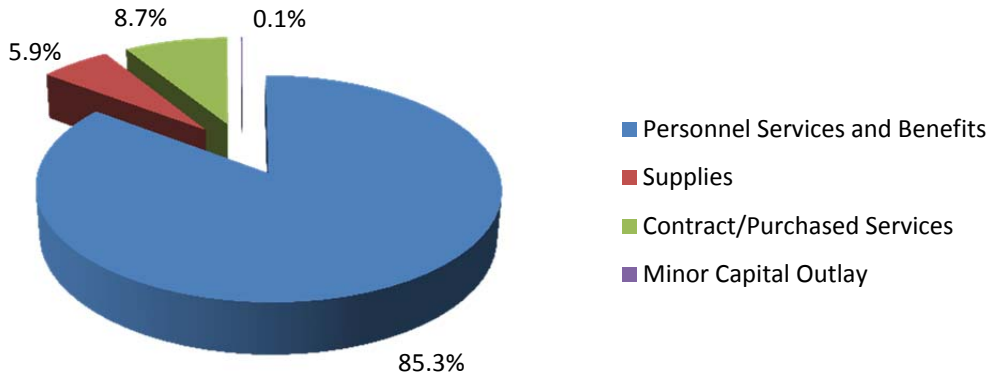
DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	219,444	230,836	230,836	230,836	231,482	646	0.3%
Supplies	17,663	18,700	19,026	16,526	16,050	(2,650)	-14.2%
Contract/Purchased Services	18,629	23,975	22,860	19,600	23,575	(400)	-1.7%
Minor Capital Outlay	532	150	2,807	2,807	400	250	166.7%
Interdept' Charges/Reimbursable Credits	(8,444)	(9,000)	(9,000)	(7,750)	(7,000)	2,000	-22.2%
Total Expenditures	**247,824**	**264,661**	**266,529**	**262,019**	**264,507**	**(154)**	**-0.1%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund	221,108	236,121	237,769	233,759	235,737	(384)	-0.2%
Solid Waste Fund	8,575	9,160	9,230	9,070	9,180	20	0.2%
Wastewater Fund	6,419	6,860	6,910	6,790	6,990	130	1.9%
Harbor Fund	4,709	5,030	5,070	4,980	5,000	(30)	-0.6%
Port Fund	7,013	7,490	7,550	7,420	7,600	110	1.5%
Total Funding	**247,824**	**264,661**	**266,529**	**262,019**	**264,507**	**(154)**	**-0.1%**

	2011	2012		2013		FTE Change 2012-2013	
Personnel	**Actual**	**Adopted**	**Amended**	**Budget**	**Salary**	**Amount**	**%**
City Manager	0.50	0.50	0.50	0.50	75,142	-	0.0%
Assistant City Manager	0.50	0.50	0.50	0.50	55,987	-	0.0%
Executive Assistant	0.50	0.50	0.50	0.50	26,853	-	0.0%
Total	**1.50**	**1.50**	**1.50**	**1.50**	**157,982**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Personnel Services and Benefits (Account No. 500-01) increased by $3,246 due to annual employee step increases programmed for 2013.
- Vehicle Motor Fuel & Lubricants (Account No. 525-04) increased by $350 as a result of rising gasoline costs and escalating mileage due to increased project site visits.
- Travel-Business (Account No. 600-01) increased by $500 as a result of the anticipated enrollment of the Assistant City Manager in the ICMA Emerging Leaders Program.
- Furniture and Fixtures (Account No. 705-00) increased by $250 for the replacement of two office end tables.
- The 2012 estimates and 2013 appropriations for Office Supplies (Account No. 510-01) and Machinery and Equipment Maintenance Services (Account No. 635-07) have been reprogrammed to account for the costs of the operation and maintenance of the 3rd and 4th floor copiers, which was previously tracked under the Other/Non-Departmental cost center.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits							
500 01 Regular Salaries and Wages	149,515	154,736	154,736	154,736	157,982	3,246	2.1%
501 01 Overtime Wages	225	1,000	1,000	1,000	1,000	-	0.0%
502 01 Temporary Wages	1,962	2,000	2,000	2,000	2,000	-	0.0%
505 00 Payroll Taxes	11,605	12,100	12,100	12,100	12,300	200	1.7%
506 00 Pension	32,942	34,300	34,300	34,300	35,000	700	2.0%
507 00 Insurance Benefits	21,600	23,600	23,600	23,600	20,100	(3,500)	-14.8%
508 00 Other Benefits	1,595	3,100	3,100	3,100	3,100	-	0.0%
Personnel Services and Benefits	**219,444**	**230,836**	**230,836**	**230,836**	**231,482**	**646**	**0.3%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	01	Office Supplies	16,459	17,000	17,000	14,500	14,000	(3,000)	-17.6%
515	01	Vehicle Maintenance Materials	-	250	250	250	250	-	0.0%
520	02	Postage	179	200	200	200	200	-	0.0%
525	04	Vehicle Motor Fuel & Lubricants	367	250	576	576	600	350	140.0%
535	02	Business and Meal Expenses	658	1,000	1,000	1,000	1,000	-	0.0%
		Supplies	**17,663**	**18,700**	**19,026**	**16,526**	**16,050**	**(2,650)**	**-14.2%**
Contract/Purchased Services									
600	01	Travel-Business	3,826	6,375	5,260	2,000	6,875	500	7.8%
605	02	Advertising and Public Announcements	508	1,000	1,000	1,000	1,000	-	0.0%
615	02	Assn. Membership Dues & Fees	3,754	3,500	3,500	3,500	3,500	-	0.0%
635	07	Machinery & Equip Maint Services	7,037	10,000	10,000	10,000	9,000	(1,000)	-10.0%
635	12	Technical Services	-	-	-	-	100	100	100.0%
650	01	Telecommunications	3,468	3,000	3,000	3,000	3,000	-	0.0%
650	02	Electric, Water, Sewer & Solid Waste	36	100	100	100	100	-	0.0%
		Contract/Purchased Services	**18,629**	**23,975**	**22,860**	**19,600**	**23,575**	**(400)**	**-1.7%**
Minor Capital									
705	00	Furniture and Fixtures	532	150	939	939	400	250	166.7%
725	00	Machinery and Equipment	-	-	1,868	1,868	-	-	0.0%
		Minor Capital Outlay	**532**	**150**	**2,807**	**2,807**	**400**	**250**	**166.7%**
Interdepartmental Charges/ Reimbursable Credits									
825	01	Interdepartmental-Insurance	2,299	2,500	2,500	2,500	2,500	-	0.0%
890	00	Reimbursable Credits	(10,743)	(11,500)	(11,500)	(10,250)	(9,500)	2,000	100.0%
		Interdepartmental Charges	**(8,444)**	**(9,000)**	**(9,000)**	**(7,750)**	**(7,000)**	**2,000**	**-22.2%**
		Total Expenditures by Type	**247,824**	**264,661**	**266,529**	**262,019**	**264,507**	**(154)**	**-0.1%**

NARRATIVE

500-01 Regular Salaries and Wages: $157,982 – This account provides for the cost of the annual salaries paid to the employees of the City Manager's Office.

501-01 Overtime Wages: $1,000 – This account provides for the compensation paid to the Executive Assistant for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $2,000 – This account provides for the compensation paid for temporary secretarial/clerical help for those occasions when Executive Assistant is absent or for additional hours worked when workloads are unusually heavy.

505-00 Payroll Taxes: $12,300 – This account provides for employer contributions to Social Security and Medicare and other similar payroll taxes.

506-00 Pension: $35,000 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $20,100 – This account provides for employer contributions to employee health and life insurance plans and workers compensation.

508-00 Other Benefits: $ 3,100 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $14,000 – This account provides for expendable office supply items.

515-01 Vehicle Maintenance Materials: $250 – This account provides for the cost associated with the materials to maintain the department's vehicle.

520-02 Postage: $200 – This account provides for the cost for postal related services such as postage and mailing materials.

525-04 Vehicle Motor Fuel and Lubricants: $600 – This account provides for expenditures that involve the purchase of gasoline and other lubricants used for the operations of the division's vehicle.

535-02 Business and Meal Expenses: $1,000 – This account provides for general expenses incurred by the City Manager's staff during the course of the year.

600-01 Travel - Business: $6,875 – This account provides for the cost associated with business travel by the City Manager and office staff.

605-01 Advertising and Public Announcements: $1,000 – This account provides for public notice and classified advertising expenses.

615-02 Assn. Membership Dues & Fees: $3,500 – This account provides for the cost of membership in the International City/County Management Association and the Alaska Municipal League.

635-07 Machinery & Equipment Maintenance Services: $9,000 – This account provides for services for routine and non-routine maintenance associated with equipment located in the 3rd and 4th floor copier rooms.

635-12 Technical Services: $100 – This account provides for the cost of framing government awards and certificates.

650-01 Telecommunications: $3,000 – This account provides for monthly charges, long-distance services, long-distance facsimile transmission, line rentals and maintenance of the phone system in the City Manager's Office.

650-02 Electric, Water, Sewer & Solid Waste: $100 – This account provides for the cost associated with the destruction of records from the City Manager's Office that have reached the end of their retention life.

705-00 Furniture and Fixtures: $400 – This account provides the cost of office equipment and furniture.

825-01 Interdepartmental Charges-Insurance: $2,500 – This account provides for the cost for risk management services.

890-00 Reimbursable Credits: ($9,500) – This account provides for reimbursements from other departments for their share of the cost of operating the large volume copiers at City Hall.

MISSION STATEMENT

The mission of the Human Resources Division is to assist management staff and employees of both General Government and Ketchikan Public Utilities, in order to attract and retain a work force that can provide efficient and cost-effective services to the community. The division provides centralized personnel and employment services to all City and KPU departments including, but not limited to: employee recruitment and selection; establishing and maintaining job descriptions; updating the employee performance evaluation system and notifying supervisors when evaluations are due; administering the compensation plan; developing and administering personnel policies and procedures; ensuring compliance with state and federal labor, safety and health laws; assisting managers in eliminating time losses from accidents; maintaining employee records; assisting managers with grievance resolution and disciplinary actions; serving as a member of the City and KPU's collective bargaining teams; ensuring that the City and KPU have well-trained work forces; and managing employee recognition programs.

GOALS FOR 2013

- Coordinate and oversee ongoing recruitment efforts.
- Further develop the General Government/KPU safety programs.
- Provide employee training in relevant areas.
- Implement recommendations from the Matrix Consulting Group's Peer Review of the Human Resources Division.
- Continue to provide strong divisional support regarding legal issues associated with employment and employees.

ACCOMPLISHMENTS FOR 2012

- Assisted the City Manager's Office in negotiating a new three-year collective bargaining agreement with the International Brotherhood of Electrical Workers, Local 1547.New agreements with the International Association of Firefighters, Local 2761 and the Public Safety Employees Association are anticipated in the near future.
- Initiated planning efforts for implementation of the recommendations contained in the Matrix Consulting Group's Peer Review of the Human Resources Division.
- Assisted various departments and divisions with the recruitment of five (5) management, sixty (60) non-management and ninety-three (93) temporary positions. Recruitment efforts included nationwide advertising, conducting thorough background checks and orientation for all new employees.
- Continued Employee Service Award Program.
- Continued OSHA required safety training for General Government and KPU employees.
- Monitored Employee Evaluation Program.
- Successfully administered the City's random drug and alcohol testing program.

- Assisted various departments and divisions with numerous issues pertaining to employee relations, including several complex internal investigations and disciplinary proceedings.

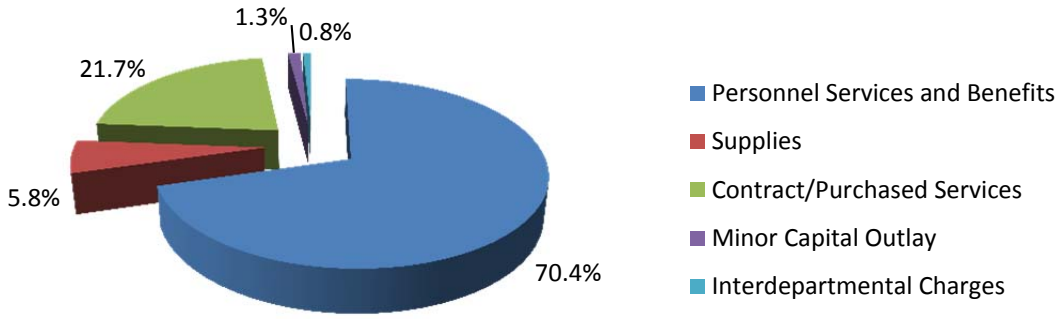
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	304,375	329,805	325,505	249,000	278,354	(51,451)	-15.6%
Supplies	12,164	21,645	21,645	17,525	22,820	1,175	5.4%
Contract/Purchased Services	72,921	74,500	79,699	68,261	85,500	11,000	14.8%
Minor Capital Outlay	1,476	4,000	8,300	7,175	5,000	1,000	25.0%
Interdepartmental Charges	2,850	3,100	3,100	3,100	3,100	-	0.0%
Total Expenditures	**393,786**	**433,050**	**438,249**	**345,061**	**394,774**	**(38,276)**	**-8.8%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	197,759	217,460	220,059	173,271	197,864	(19,596)	-9.0%
Solid Waste Fund	13,625	14,990	15,170	11,940	13,700	(1,290)	-8.6%
Wastewater Fund	10,199	11,220	11,360	8,940	10,430	(790)	-7.0%
Harbor Fund	7,482	8,230	8,330	6,560	7,470	(760)	-9.2%
Port Fund	11,144	12,260	12,410	9,770	11,340	(920)	-7.5%
KPU Enterprise Fund	153,577	168,890	170,920	134,580	153,970	(14,920)	-8.8%
Total Funding	**393,786**	**433,050**	**438,249**	**345,061**	**394,774**	**(38,276)**	**-8.8%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Human Resources Manager	1.00	1.00	1.00	1.00	89,660	-	0.0%
Safety Coorindator	1.00	1.00	1.00	1.00	54,144	-	0.0%
Administrative Assistant	1.00	1.00	1.00	1.00	44,450	-	0.0%
Total	**3.00**	**3.00**	**3.00**	**3.00**	**188,254**	**-**	**0.0%**

2013 Expenditures by Type



BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Insurance Benefits decreased by $53,500 (Account No. 507-00) as a result of two employees electing not to enroll in the City's health insurance program.
- Operating Supplies (Account No. 510-02)increased by $1,000 to offset escalating costs associated with the Annual Employee Christmas Party.
- Training and Education (Account No. 600-03) increased by $17,393 for supervisory and employee training as recommended by the Matrix Consulting Group's Peer Review of the Human Resources Division.
- Management and Consulting Services (Account No. 640-04) decreased by $13,900, which reflects the deletion of $20,900 of funding for Victor-Four Labor Relations and limited funding for various initiatives as recommended by the Matrix Consulting Group's Peer Review of the Human Resources Division.
- Furniture and Fixtures (Account No. 715-00) decreased by $4,300 in anticipation of no additional file storage being acquired in 2013.
- Machinery and Equipment (Account No. 725-00) increased by $1,000, in order to acquire a new division printer and a computer for the Safety Coordinator.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits							
500 01 Regular Salaries and Wages	188,853	188,105	188,105	163,400	188,254	149	0.1%
502 01 Temporary Wages	-	3,000	7,500	7,500	3,000	-	0.0%
505 00 Payroll Taxes	14,447	14,600	14,600	13,100	14,600	-	0.0%
506 00 Pension	41,548	41,400	41,400	36,000	41,400	-	0.0%
507 00 Insurance Benefits	55,727	73,900	65,100	25,200	22,300	(51,600)	-69.8%
508 00 Other Benefits	3,800	3,800	3,800	3,800	3,800	-	0.0%
509 09 Allowances-Incentive Pay	-	5,000	5,000	-	5,000	-	0.0%
Personnel Services and Benefits	**304,375**	**329,805**	**325,505**	**249,000**	**278,354**	**(51,451)**	**-15.6%**

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies							
510 01 Office Supplies	2,337	3,500	3,500	2,500	3,500	-	0.0%
510 02 Operating Supplies	7,947	11,620	11,620	9,000	12,620	1,000	8.6%
510 03 Safety Program Supplies	629	2,500	2,500	2,500	2,500	-	0.0%
520 02 Postage	616	600	600	600	600	-	0.0%
525 04 Vehicle Motor Fuel & Lubricants	635	750	750	250	750	-	0.0%
530 03 Professional & Technical Publications	-	2,675	2,675	2,675	2,850	175	6.5%
Supplies	**12,164**	**21,645**	**21,645**	**17,525**	**22,820**	**1,175**	**5.4%**
Contract/Purchased Services							
600 01 Travel-Business	2,351	1,743	3,179	2,930	8,950	7,207	413.5%
600 03 Training and Education	-	4,207	7,670	7,070	21,600	17,393	413.4%
615 02 Membership Dues & Fees	7,600	350	350	350	350	-	0.0%
635 03 Vehicle Maintenance Services	452	600	600	511	600	-	0.0%
635 12 Technical Services	9,000	23,100	17,400	11,000	23,400	300	1.3%
640 01 Legal and Accounting Services	-	16,500	16,500	12,400	16,500	-	0.0%
640 04 Management and Consulting Services	51,567	25,900	31,900	31,900	12,000	(13,900)	-53.7%
650 01 Telecommunications	1,875	2,000	2,000	2,000	2,000	-	0.0%
650 02 Electric, Water, Sewer & Solid Waste	76	100	100	100	100	-	0.0%
Contract/Purchased Services	**72,921**	**74,500**	**79,699**	**68,261**	**85,500**	**11,000**	**14.8%**
Minor Capital							
715 00 Furniture and Fixtures	-	-	4,300	4,300	-	-	0.0%
725 00 Machinery & Equipment	1,476	2,500	1,125	-	3,500	1,000	40.0%
735 00 Software	-	1,500	2,875	2,875	1,500	-	0.0%
Minor Capital Outlay	**1,476**	**4,000**	**8,300**	**7,175**	**5,000**	**1,000**	**25.0%**
Interdepartmental Charges							
825 01 Interdepartmental Charges-Insurance	2,850	3,100	3,100	3,100	3,100	-	0.0%
Interdepartmental Charges	**2,850**	**3,100**	**3,100**	**3,100**	**3,100**	**-**	**0.0%**
Total Expenditures by Type	**393,786**	**433,050**	**438,249**	**345,061**	**394,774**	**(38,276)**	**-8.8%**

NARRATIVE

500-01 Regular Salaries and Wages: $188,254 – This account provides for the cost of the annual salaries paid to the employees of the Human Resources Division.

502-01 Temporary Wages: $3,000 – This account provides for the compensation paid for temporary secretarial/clerical help for those occasions when the Administrative Assistant is absent or for additional hours worked when workloads are unusually heavy.

505-00 Payroll Taxes: $14,600 – This account provides for employer contributions to Social Security and Medicare and other similar payroll taxes.

506-00 Pension: $41,400 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $22,300 – This account provides for employer contributions to employee health and life insurance plans and workers compensation.

508-00 Other Benefits: $3,800 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-03 Allowances-Incentive Pay: $5,000 – This account provides for general expenses of the Employee Suggestion/Incentive Program.

510-01 Office Supplies: $3,500 – This account provides for expendable office supply items.

510-02 Operating Supplies: $12,620 – This account provides for costs associated with service recognition pins and retirement watches awarded to employees; new and updated State & Federal Labor Compliance poster kits; and supplies for the annual employee Christmas party.

510-05 Safety Program Supplies: $2,500 – This account provides for the cost of supplies utilized to conduct ongoing safety programs for both General Government and Ketchikan Public Utilities.

520-02 Postage – $600 This account provides for the cost for postal related services such as postage and mailing materials.

525-04 Vehicle Motor Fuel and Lubricants: $750 – This account provides for expenditures that involve the purchase of gasoline and other lubricants used for the operation of the division's vehicle.

530-03 Professional & Technical Publications: $2,850 – This account provides for costs associated with subscriptions to the Alaska Labor Law Letter, Workers' Compensation Bulletin, updates to the Fair labor Standards Act, Employee Classification Handbook and the Family Medical Leave Handbook.

600-01 Travel-Business: $8,950 – This account provides for the cost associated with business travel by the Human Resources Manager and division staff.

600-03 Training and Education: $21,600 – This account provides for the University of Alaska Southeast Ketchikan to conduct a two-day leadership and management training course for managers and supervisors ($12,500) and a four-hour workplace training course for employees ($9,100). This training was recommended by the Matrix Consulting Group's Peer Review of the Human Resources Division.

615-02 Assn. Membership Dues & Fees: $350 – This account provides for the cost associated with the membership in the Society for Human Resources Management Association and International Personnel Management Association.

635-04 Vehicle Maintenance Services: $600 – This account provides for the cost associated with repair and maintenance of City vehicles by outside maintenance facilities.

635-12 Technical Services: $23,400 – This account provides for the expenses associated with employee background checks and drug testing services.

640-01 Legal and Accounting Services: $16,500 – This account provides for the expense of grievance and disciplinary appeal arbitration hearings for General Government and KPU employees.

640-04 Management and Consulting Services: $12,000 – This account provides for the annual cost associated with routine job description reviews conducted by Ralph Andersen and Associates ($5,000). As a result of the recommendations brought forward by the Matrix Consulting Group's Peer Review of the Human Resources Division, additional funding has been budgeted for the preparation of a division desk top manual ($7,000).

650-01 Telecommunications: $2,000 – This account provides for monthly charges, long-distance services, long-distance facsimile transmission, line rentals and maintenance of the phone system in the Human Resources Division's Office.

650-02 Electric, Water, Sewer & Solid Waste: $100 – This account provides for the cost associated with the destruction of records from the division that have reached the end of their retention life.

725-00 Machinery & Equipment: $3,500 – This account provides for the purchase of computers as recommended by the Information Technology Department.

735-00 Software: $1,500 – This account provides for the cost associated with the renewal of the Safety Training Database.

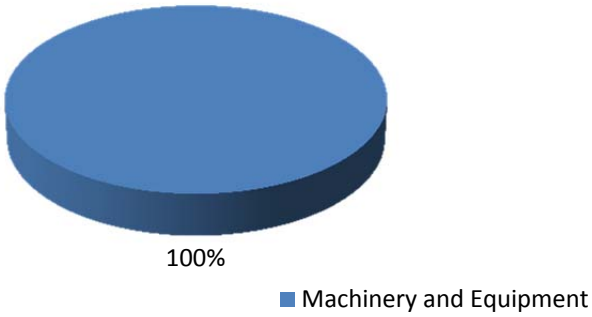
825-01 Interdepartmental Charges-Insurance: $3,100 – This account provides for the cost for risk management services.

Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
725-00 Machinery and Equipment	-	-	-	-	14,000	14,000	New
Total Major Capital Outlay	**-**	**-**	**-**	**-**	**14,000**	**14,000**	**New**

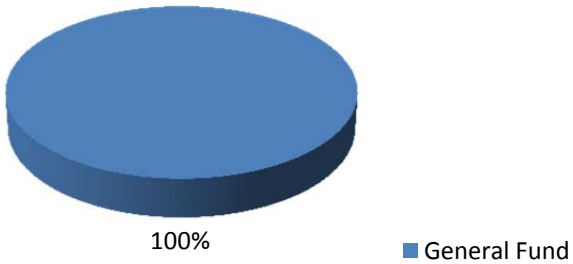
2013 Capital Improvement Projects

Project #	Project	Funding Sources General Fund			Total
725-00	**Machinery and Equipment**				
	Third Floor Copier	14,000	-	-	14,000
	Total Machinery and Equipment	**14,000**	**-**	**-**	**14,000**
	Total 2013 Capital Budget	**14,000**	**-**	**-**	**14,000**

Expenditures by Type



Expenditures by Funding Source



The Finance Department is committed to supporting the citizens of Ketchikan, the City Council and the City management team by providing accurate, timely and reliable financial services.

The Finance Department is comprised of two operating divisions and oversees one capital improvement program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Centers	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Accounting	1,010,095	1,170,115	1,170,944	1,142,184	1,197,132	27,017	2.3%
Office Services	569,780	591,041	605,570	603,570	623,437	32,396	5.5%
Capital	381,392	45,000	45,000	25,000	20,000	(25,000)	-55.6%
Total	**1,961,267**	**1,806,156**	**1,821,514**	**1,770,754**	**1,840,569**	**34,413**	**1.9%**

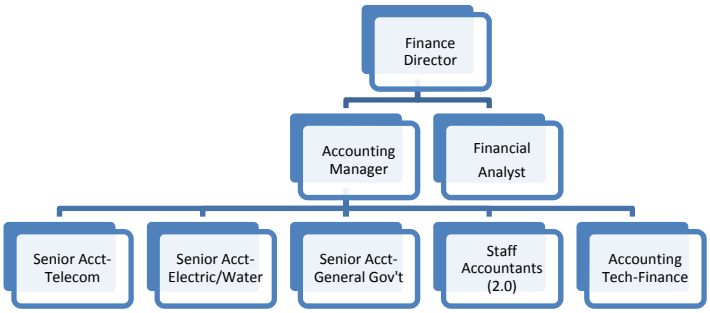
Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	1,434,545	1,532,156	1,545,085	1,522,325	1,576,139	43,983	2.9%
Supplies	25,501	28,150	26,750	26,150	27,900	(250)	-0.9%
Contract/Purchased Services	91,766	171,150	174,150	166,750	177,030	5,880	3.4%
Minor Capital Outlay	14,388	15,500	16,329	16,329	25,300	9,800	63.2%
Interdepartmental Charges	13,675	14,200	14,200	14,200	14,200	-	0.0%
Major Capital Outlay	381,392	45,000	45,000	25,000	20,000	(25,000)	-55.6%
Total	**1,961,267**	**1,806,156**	**1,821,514**	**1,770,754**	**1,840,569**	**34,413**	**1.9%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	687,892	755,956	764,124	752,324	781,909	25,953	3.4%
Public Works Sales Tax Fund	381,392	45,000	45,000	25,000	20,000	(25,000)	-55.6%
Solid Waste Fund	54,663	60,960	61,480	60,410	63,190	2,230	3.7%
Wastewater Fund	40,919	45,610	46,020	45,230	48,070	2,460	5.4%
Harbor Fund	30,018	33,430	33,760	33,180	34,420	990	3.0%
Port Fund	41,711	49,830	50,280	49,420	52,260	2,430	4.9%
KPU Enterprise Fund	724,672	815,370	820,850	805,190	840,720	25,350	3.1%
Total	**1,961,267**	**1,806,156**	**1,821,514**	**1,770,754**	**1,840,569**	**34,413**	**1.9%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Accounting	9.00	9.00	9.00	9.00	647,947	-	0.0%
Office Services	7.00	7.00	7.00	7.00	349,467	-	0.0%
Total	**16.00**	**16.00**	**16.00**	**16.00**	**997,414**	**-**	**0.0%**

MISSION STATEMENT

The General Accounting Division is committed to providing accurate, timely and reliable financial services to all departments of General Government and Ketchikan Public Utilities. The division's services include accounting, budgeting, cash management, debt service management, financial forecasting, financial reporting, grants administration and risk management. The General Accounting Division's mission is to ensure that the quality of these services meets or exceeds the highest professional standards; the level of these services meets the needs of all departments of General Government and Ketchikan Public Utilities; and that the delivery of these services reflects positively on the City of Ketchikan.



GOALS FOR 2013

- Complete the City's 2012 Financial and Compliance Audit by April 30, 2013 as required by the City Charter and issue the City's 2012 Comprehensive Annual Financial Report by June 2013.
- Continue to provide co-project management for the implementation of the new financial and accounting information system.
- Continue with the implementation of the payroll/human resources and financial management phases of a four-phased 18 month effort to replace the City's financial and accounting information system and begin the implementation of the utility management and community development phases.
- Continue to support the efforts to sell the telecommunications utility if an offer is received and the decision is made to move forward with the sale.
- Issue general obligation bonds for wastewater utility and harbor improvements and revenue bonds for electric and water utility improvements.

ACCOMPLISHMENTS FOR 2012

- Completed the City's 2011 Financial and Compliance Audit by April 30, 2012. The City received a clean opinion and for the second year in a row no single audit findings were reported. Successfully implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.
- Provided co-project management for the implementation of the new financial and accounting information system.
- Started the implementation of the human resources/payroll and financial management phases of the City's new financial and accounting information system.
- Participated in the procedural review of and evaluation of current accounting business practices and developed modifications as neccessitated by the new financial and accounting information system.
- Issued general obligation bonds for wastewater utility improvements and revenue bonds for water utility and wastewater utility improvements.

- Completed, in conjunction with the office of City Manager/KPU General Manager, the proposed 2013 General Government and KPU Operating and Capital Budgets and their respective 2013 – 2017 Capital Improvement Programs.
- Received a certificate of achievement for excellence in financial reporting from the Government Finance Officers Association. This is the City's 33rd certificate, the most awarded to a municipality in the State of Alaska.
- Revamped the format of the General Government and Ketchikan Public Utilities annual budgets.

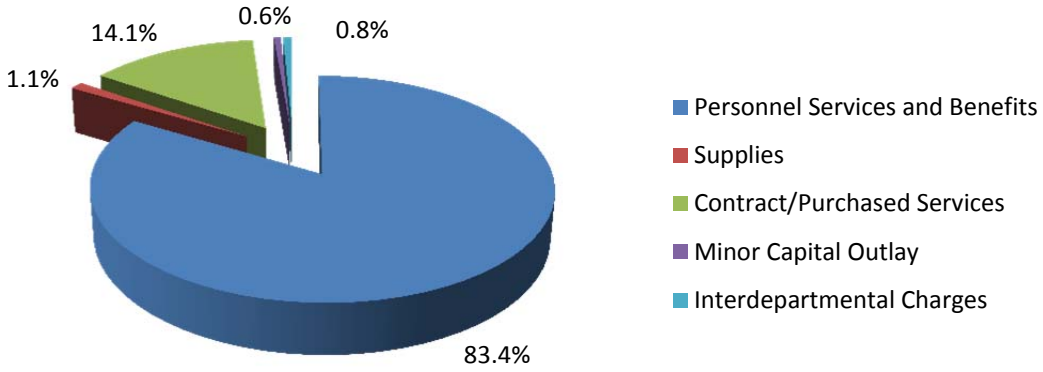
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	890,295	973,635	970,635	949,275	999,322	25,687	2.6%
Supplies	15,336	13,650	13,650	13,650	13,400	(250)	-1.8%
Contract/Purchased Services	85,269	164,230	167,230	159,830	168,310	4,080	2.5%
Minor Capital Outlay	10,437	9,500	10,329	10,329	7,000	(2,500)	-26.3%
Interdepartmental Charges	8,758	9,100	9,100	9,100	9,100	-	0.0%
Total Expenditures	**1,010,095**	**1,170,115**	**1,170,944**	**1,142,184**	**1,197,132**	**27,017**	**2.3%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	378,957	435,515	435,804	425,094	444,472	8,957	2.1%
Solid Waste Fund	34,949	40,500	40,520	39,520	41,550	1,050	2.6%
Wastewater Fund	26,162	30,300	30,330	29,590	31,610	1,310	4.3%
Harbor Fund	19,192	22,200	22,250	21,710	22,630	430	1.9%
Port Fund	25,586	33,100	33,140	32,330	34,360	1,260	3.8%
KPU Enterprise Fund	525,249	608,500	608,900	593,940	622,510	14,010	2.3%
Total Funding	**1,010,095**	**1,170,115**	**1,170,944**	**1,142,184**	**1,197,132**	**27,017**	**2.3%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Finance Director	1.00	1.00	1.00	1.00	133,150	-	0.0%
Accounting Manager	1.00	1.00	1.00	1.00	84,720	-	0.0%
Senior Accountant Telecom	1.00	1.00	1.00	1.00	62,494	-	0.0%
Senior Accountant-Elec & Water	1.00	1.00	1.00	1.00	65,349	-	0.0%
Senior Accountant-General Gov't	1.00	1.00	1.00	1.00	73,615	-	0.0%
Staff Accountant	2.00	2.00	2.00	2.00	121,244	-	0.0%
Financial Analyst	1.00	1.00	1.00	1.00	63,778	-	0.0%
Accounting Tech-Finance	1.00	1.00	1.00	1.00	43,597	-	0.0%
Total	**9.00**	**9.00**	**9.00**	**9.00**	**647,947**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Regular salaries and wages (Account No. 500-01) have been projected to increase due to the reclassification of the Senior Administrative Assistant to Financial Analyst; annual step increases; and the expansion of steps in the compensation plan from R to U.
- Costs for overtime (Account No. 501-01) have been eliminated in 2013 due to the reclassification of an employee classification from non-exempt to exempt.
- Software and maintenance services (Account No. 635-04) have been projected to increase because of the fee escalation clause in the software maintenance agreement for the new financial and accounting system.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	574,522	621,760	608,560	594,000	647,947	26,187	4.2%
501	01	Overtime Wages	7,595	5,000	5,000	5,000	-	(5,000)	-100.0%
502	01	Temporary Wages	1,680	2,500	12,700	12,700	2,500	-	0.0%
505	00	Payroll Taxes	43,500	48,100	48,100	47,200	49,800	1,700	3.5%
506	00	Pension	122,400	135,300	135,300	132,600	140,000	4,700	3.5%
507	00	Insurance Benefits	124,500	140,800	140,800	138,000	141,000	200	0.1%
508	00	Other Benefits	15,864	20,100	20,100	19,700	18,000	(2,100)	-10.4%
509	08	Allowances-Medical Expenses	234	75	75	75	75	-	0.0%
		Personnel Services and Benefits	**890,295**	**973,635**	**970,635**	**949,275**	**999,322**	**25,687**	**2.6%**

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies							
510 01 Office Supplies	11,194	9,500	9,500	9,500	9,500	-	0.0%
510 02 Operating Supplies	1,178	1,000	1,000	1,000	1,000	-	0.0%
510 05 Small Tools and Equipment	589	500	500	500	500	-	0.0%
520 02 Postage	266	100	100	100	100	-	0.0%
530 03 Professional and Technical Publications	2,109	2,550	2,550	2,550	2,300	(250)	-9.8%
Supplies	**15,336**	**13,650**	**13,650**	**13,650**	**13,400**	**(250)**	**-1.8%**
Contract/Purchased Services							
600 02 Travel-Training	1,933	4,000	4,000	1,500	4,000	-	0.0%
600 03 Training and Education	4,509	7,000	7,000	2,500	7,000	-	0.0%
605 01 Recruiting	-	-	2,500	2,500	-	-	0.0%
605 02 Advertising and Public Announcements	3,018	-	500	500	500	500	0.0%
615 01 Professional Licenses & Certifications	250	-	-	-	300	300	0.0%
615 02 Assn. Membership Dues & Fees	750	750	750	750	750	-	0.0%
630 06 Service Charges and Fees	500	500	500	500	500	-	0.0%
635 04 Software Maintenance Services	-	62,040	62,040	62,040	65,860	3,820	6.2%
635 07 Machinery & Equip Maintenance Services	5,655	8,540	8,540	8,140	8,000	(540)	-6.3%
640 01 Legal and Accounting Services	65,750	78,000	78,000	78,000	78,000	-	0.0%
650 01 Telecommunications	2,904	3,400	3,400	3,400	3,400	-	0.0%
Contract/Purchased Services	**85,269**	**164,230**	**167,230**	**159,830**	**168,310**	**4,080**	**2.5%**
Minor Capital							
715 00 Furniture and Fixtures	5,971	3,500	3,500	3,500	3,500	-	0.0%
725 00 Machinery and Equipment	4,466	6,000	6,829	6,829	3,500	(2,500)	-41.7%
Minor Capital Outlay	**10,437**	**9,500**	**10,329**	**10,329**	**7,000**	**(2,500)**	**-26.3%**
Interdepartmental Charges							
825 01 Interdepartmental Charges-Insurance	8,758	9,100	9,100	9,100	9,100	-	0.0%
Interdepartmental Charges	**8,758**	**9,100**	**9,100**	**9,100**	**9,100**	**-**	**0.0%**
Total Expenditures by Type	**1,010,095**	**1,170,115**	**1,170,944**	**1,142,184**	**1,197,132**	**27,017**	**2.3%**

NARRATIVE

500-01 Regular Salaries and Wages: $647,947 – This account provides for compensation paid to regular employees for personnel services.

502-01 Temporary Wages: $2,500 – This account provides for compensation paid for temporary help during staff absences or during periods when workloads are unusually heavy.

505-00 Payroll Taxes: $49,800 – This account provides for employer contributions for Social Security and Medicare and other similar payroll taxes.

506-00 Pension: $140,000 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $141,000 – This account provides for employer contributions to employee health and life insurance plans and workers compensation.

508-00 Other Benefits: $18,000 – This account provides for the reimbursement of direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-08 Allowances-Medical Expenses: $75 – This account provides for employee medical exams paid directly to employees.

510-01 Office Supplies: $9,500 – This account provides for expendable office supplies.

510-02 Operating Supplies: $1,000 – This account provides for supplies that are not of a maintenance nature and are required to support division operations.

510-05 Small Tools and Equipment: $500 – This account provides for calculators, space heaters and minor computer accessories.

520-02 Postage: $100 – This account provides for postage and mailing materials used for general correspondence.

530-03 Professional and Technical Publications: $2,300 - This account provides for professional literature, technical publications and a subscription to an electronic data base used to keep current with accounting and auditing standards and financial management practices.

600-02 Travel – Training: $4,000 – This account provides for transportation, lodging, meals, per diems and other incidental expenses incurred by employees to attend training and educational opportunities not available in the community.

600-03 Training and Education: $7,000 – This account provides for the registration fees, training materials and fees for on-premises training programs provided by a third-party.

605-02 Advertising and Public Announcements: $500 – This account provides for legal notices and community information notices.

615-01 Professional Licenses and Certifications: $300 – This account provides for state licenses required for certain members of the professional staff.

615-02 Assn. Membership Dues & Fees: $750 – This account provides for professional membership fees for the American Institute of Certified Public Accountants and the Government Finance Officers Association.

630-06 Service Charges and Fees: $500 – This account provides for application fees required for the review of the City's comprehensive Annual Financial Report by the Government Finance Officers Association.

635-04 Software Maintenance Services: $65,860 – This account provides for the annual software maintenance support agreements for the New World financial and accounting system and Kobelt inventory system.

635-07 Machinery and Equipment Maintenance Services: $8,000 – This account provides for the maintenance service agreements for office equipment.

640-01 Legal and Accounting Services: $78,000 – This account provides for the annual audit of the City's financial statements and other professional accounting and legal services. Legal services generally include bond and payroll tax matters.

650-01 Telecommunications: $3,400 – This account provides for the monthly charges, long-distance services, long-distance facsimile transmission, line rentals and maintenance of the phone system.

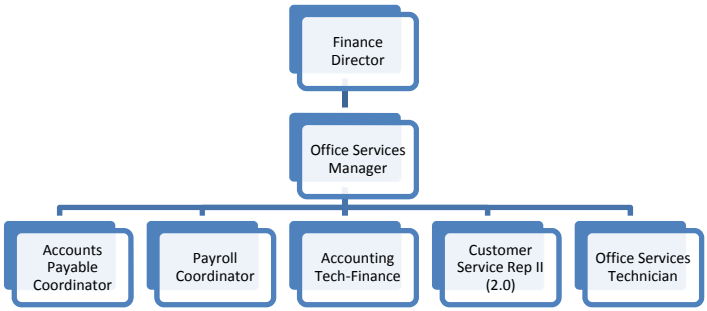
715-00 Furniture and Fixtures: $3,500 – This account provides for replacement of miscellaneous office furniture and fixtures.

725-00 Machinery and Equipment: $3,500 – This account provides for the replacement of two personal computers, one lap top and the acquisition of one iPad.

825-01 Interdepartmental Charges-Insurance: $9,100 – This account for the Division's share of the City's risk management program.

MISSION STATEMENT

The Office Services Division provides timely customer services and accurate information to the general public and individual City of Ketchikan departments regarding all charges for City services. The division processes all payable and payroll transactions for General Government and Ketchikan Public Utilities and maintains accurate accounting information regarding these expenditures.



GOALS FOR 2013

- Extend the procurement card program to all departments.
- Continue to provide co-project management for the implementation of the new financial and accounting information system.
- Continue with the implementation of the payroll/human resources and financial management phases of a four-phased 18 month effort to replace the City's financial and accounting information system and begin the implementation of the utility management and community development phases.

ACCOMPLISHMENTS FOR 2012

- Provided co-project management for the implementation of the new financial and accounting information system.
- Participated in the procedural review of and evaluation of current payroll and accounts payable business practices and developed modifications as necessitated by the new financial and accounting information system.
- Coordinated the implementation of the Human Resources/Payroll phase of the new financial and accounting information system.
- Implemented a pilot procurement card program.

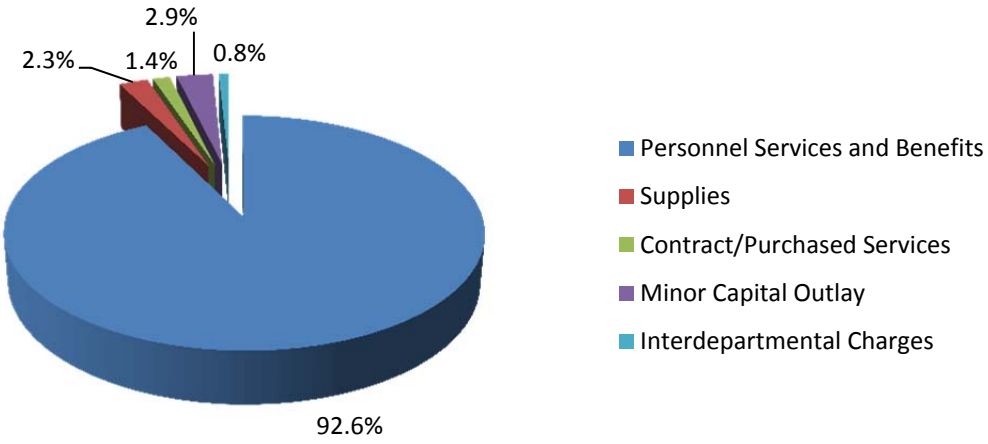
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	544,250	558,521	574,450	573,050	576,817	18,296	3.3%
Supplies	10,165	14,500	13,100	12,500	14,500	-	0.0%
Contract/Purchased Services	6,497	6,920	6,920	6,920	8,720	1,800	26.0%
Minor Capital Outlay	3,951	6,000	6,000	6,000	18,300	12,300	205.0%
Interdepartmental Charges	4,917	5,100	5,100	5,100	5,100	-	0.0%
Total Expenditures	**569,780**	**591,041**	**605,570**	**603,570**	**623,437**	**32,396**	**5.5%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	308,935	320,441	328,320	327,230	337,437	16,996	5.3%
Solid Waste Fund	19,714	20,460	20,960	20,890	21,640	1,180	5.8%
Wastewater Fund	14,757	15,310	15,690	15,640	16,460	1,150	7.5%
Harbor Fund	10,826	11,230	11,510	11,470	11,790	560	5.0%
Port Fund	16,125	16,730	17,140	17,090	17,900	1,170	7.0%
KPU Enterprise Fund	199,423	206,870	211,950	211,250	218,210	11,340	5.5%
Total Funding	**569,780**	**591,041**	**605,570**	**603,570**	**623,437**	**32,396**	**5.5%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Office Services Manager	1.00	1.00	1.00	1.00	79,504	-	0.0%
Accounts Payable Coordinator	1.00	1.00	1.00	1.00	46,717	-	0.0%
Payroll Coordinator	1.00	1.00	1.00	1.00	55,786	-	0.0%
Accounting Tech-Finance	1.00	1.00	1.00	1.00	44,907	-	0.0%
Customer Service Rep II-Finance	2.00	2.00	2.00	2.00	82,659	-	0.0%
Office Services Technician	1.00	1.00	1.00	1.00	39,894	-	0.0%
Total	**7.00**	**7.00**	**7.00**	**7.00**	**349,467**	**-**	**0.0%**

2013 Expenditures by Type



BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Machinery and Equipment (Account No. 725-00) has increased by $12,300 to provide for the acquisition of a new scanner ($8,500)to scan documents into the new accounting system. This account also provides for the replacement of MICR check printer ($4,950), which is almost six years old.

DIVISION OPERATING BUDGET DETAIL

		Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012- 2013 Amount	Budget Change 2012- 2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	327,340	336,571	338,700	338,700	349,467	12,896	3.8%
501	01	Overtime Wages	2,152	2,000	13,700	13,700	2,000	-	0.0%
502	01	Temporary Wages	-	500	500	500	500	-	0.0%
505	00	Payroll Taxes	25,700	26,000	27,800	27,500	27,000	1,000	3.8%
506	00	Pension	61,200	61,700	65,100	65,100	64,500	2,800	4.5%
507	00	Insurance Benefits	121,200	124,900	124,900	124,900	126,400	1,500	1.2%
508	00	Other Benefits	6,658	6,700	3,600	2,500	6,800	100	1.5%
509	08	Allowances-Medical Expenses	-	150	150	150	150	-	0.0%
		Personnel Services and Benefits	**544,250**	**558,521**	**574,450**	**573,050**	**576,817**	**18,296**	**3.3%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	01	Office Supplies	1,934	3,000	3,000	2,630	3,000	-	0.0%
510	02	Operating Supplies	320	500	500	435	500	-	0.0%
510	05	Small Tools and Equipment	325	500	500	435	500	-	0.0%
520	02	Postage	376	500	500	400	500	-	0.0%
520	03	Bulk Mailing	7,210	10,000	8,600	8,600	10,000	-	0.0%
		Supplies	**10,165**	**14,500**	**13,100**	**12,500**	**14,500**	**-**	**0.0%**
Contract/Purchased Services									
600	02	Travel-Training	845	1,100	1,100	1,100	2,600	1,500	136.4%
600	03	Training and Education	592	770	770	770	770	-	0.0%
605	02	Advertising and Public Announcements	0	250	250	250	250	-	0.0%
615	00	Assn. Membership Fees & Dues	439	450	450	450	450	-	0.0%
635	07	Machinery and Equipment Maintenance Ser	736	500	500	500	500	-	0.0%
635	12	Technical Services	0	0	0	0	300	300	0.0%
645	02	Rents and Leases - Machinery & Equip	1,006	1,000	1,000	1,000	1,000	-	0.0%
650	01	Telecommunications	2,779	2,650	2,650	2,650	2,650	-	0.0%
650	02	Electric, Water, Sewer & Solid Waste	100	200	200	200	200	-	0.0%
		Contract/Purchased Services	**6,497**	**6,920**	**6,920**	**6,920**	**8,720**	**1,800**	**26.0%**
Minor Capital									
715	00	Furniture and Fixtures	2,352	1,000	1,000	1,000	1,000	-	0.0%
725	00	Machinery & Equipment	1,599	5,000	5,000	5,000	17,300	12,300	246.0%
		Minor Capital Outlay	**3,951**	**6,000**	**6,000**	**6,000**	**18,300**	**12,300**	**205.0%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	4,917	5,100	5,100	5,100	5,100	-	0.0%
		Interdepartmental Charges	**4,917**	**5,100**	**5,100**	**5,100**	**5,100**	-	0.0%
		Total Expenditures by Type	**569,780**	**591,041**	**605,570**	**603,570**	**623,437**	**32,396**	**5.5%**

NARRATIVE

500-01 Regular Salaries and Wages: $349,467 – This account provides for compensation paid to regular employees for personnel services.

501-01 Overtime Wages: $2,000 – This account provides for compensation paid to non-exempt regular and temporary employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $500 – This account provides for compensation paid for temporary help during staff absences or during periods when workloads are unusually heavy.

505-00 Payroll Taxes: $27,000 – This account provides for employer contributions for Social Security and Medicare and other similar payroll taxes.

506-00 Pension: $64,500 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $126,400 – This account provides for employer contributions to employee health and life insurance plans and workers compensation.

508-00 Other Benefits: $6,800 – This account provides for the reimbursement of direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-08 Allowances-Medical Expenses: $150 – This account provides for employee medical exams paid directly to employees.

510-01 Office Supplies: $3,000 - This account provides for expendable office supplies.

510-02 Operating Supplies: $500 – This account provides for supplies that are not of a maintenance nature and are required to support division operations.

510-05 Small Tools and Equipment: $500 – This account provides for calculators, space heaters and minor computer accessories.

520-02 Postage: $500 - This account provides for postage and mailing materials used for general correspondence.

520-02 Bulk Mailing: $10,000 – This account provides for the mailing of monthly billing statements for City services.

600-02 Travel – Training: $2,600 – This account provides for transportation, lodging, meals, per diems and other incidental expenses incurred by employees to attend training and educational opportunities not available in the community. The majority of the travel will be incurred to attend training sessions for the new accounting system.

600-03 Training and Education: $770 – This account provides for the registration fees, training materials and fees for on-premises training programs provided by a third-party.

605-02 Advertising and Public Announcements: $250 – This account provides for legal notices and community information notices.

615-00 Assn. Membership Dues & Fees: $450 – This account provides for professional membership fees for the American Payroll Association and the American Accounts Payable Association.

635-07 Machinery and Equipment Maintenance Services: $500 – This account provides for the maintenance and maintenance service agreements for office equipment.

635-12 Technical Services: $300 – This account provides for monitoring services required for the silent alarm system.

645-02 Rents and Leases – Machinery and Equipment: $1,000 – This account provides for the lease of the postage meter.

650-01 Telecommunications: $2,650 - This account provides for the monthly charges, long-distance services, long-distance facsimile transmission, line rentals and maintenance of the phone system.

650-02 Electric, Water, Sewer & Solid Waste: $200 – This account provides for disposal of records that have reached the end of their retention life.

715-00 Furniture and Fixtures: $1,000 – This account provides for replacement of miscellaneous office furniture and fixtures.

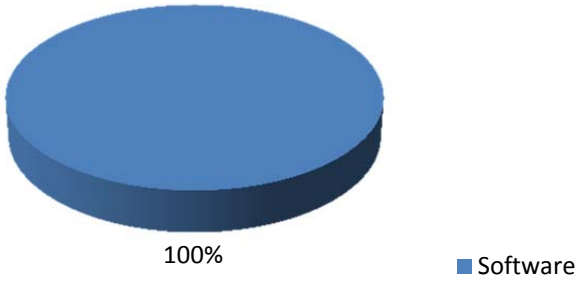
725-00 Machinery and Equipment: $17,300 – This account provides for the replacement of two personal computers at a cost of $3,000, one scanner at a cost of $8,500, one lap top for $850 and one MICR check printer. The two personal computers are scheduled replacements. The scanner is required to scan documents into the City's new accounting system. The MICR check printer is a specialized printer using special ink to print checks. The current MICR check printer was purchased in 2007. IT recommends that it be replaced.

825-01 Interdepartmental Charges-Insurance: $5,100 – This account for the Division's share of the City's risk management program.

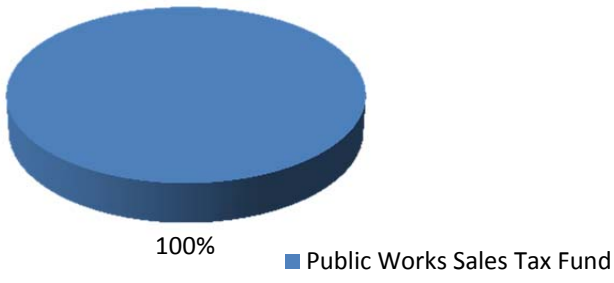
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
735-00 Software	381,392	45,000	45,000	25,000	20,000	(25,000)	-55.6%
Total Major Capital Outlay	**381,392**	**45,000**	**45,000**	**25,000**	**20,000**	(25,000)	-55.6%

Project #	Project	Funding Sources: Public Works Sales Tax Fund	Total
735-00	**Software**		
	Financial & Accounting System Replacement	20,000	20,000
	Total Software	**20,000**	**20,000**
	Total 2013 Capital Budget	**20,000**	**20,000**

2013 Expenditures by Type



2013 Expenditures by Funding Source



The Information Technology Department is committed to matching advances in technology with the needs of other City departments and analyzing benefits and costs to ensure that the new technology is cost effective. These services include collecting, processing and distributing data via the City's central computer; supporting personal computers and wide area networks; programming, evaluating and designing systems; and maintaining the integrity of the Department's hardware and the data flowing through its information systems.

The Information Technology department is comprised of one operating division and oversees a Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

	2011	2012			2013	Change 2012-2013	
Divisions/Programs/Cost Center	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Operations	983,141	1,005,905	1,011,444	1,007,775	1,013,349	7,444	0.7%
Capital	137,035	105,000	105,000	100,000	101,000	(4,000)	-3.8%
Total	**1,120,176**	**1,110,905**	**1,116,444**	**1,107,775**	**1,114,349**	**3,444**	**0.3%**

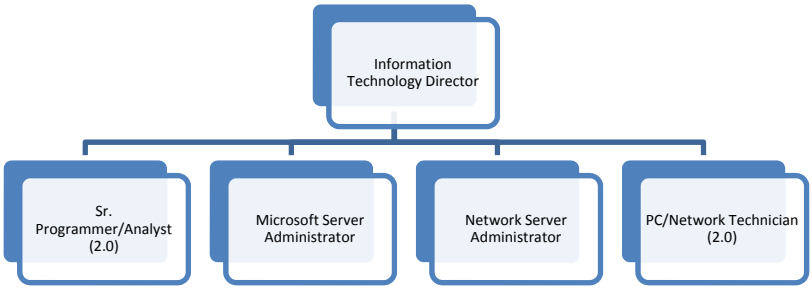
	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	730,090	737,480	737,480	737,400	741,749	4,269	0.6%
Supplies	26,479	26,850	29,300	28,700	28,900	2,050	7.6%
Contract/Purchased Services	211,125	223,975	218,975	218,975	225,100	1,125	0.5%
Minor Capital Outlay	7,273	8,800	16,889	14,000	8,800	-	0.0%
Interdepartmental Charges	8,174	8,800	8,800	8,700	8,800	-	0.0%
Major Capital Outlay	137,035	105,000	105,000	100,000	101,000	(4,000)	-3.8%
Total	**1,120,176**	**1,110,905**	**1,116,444**	**1,107,775**	**1,114,349**	**3,444**	**0.3%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund	372,122	369,025	370,864	367,975	369,159	134	0.0%
Solid Waste Services Fund	38,758	38,440	38,630	38,330	38,670	230	0.6%
Waste Water Fund	29,013	28,780	28,920	28,700	29,420	640	2.2%
Harbor Fund	21,283	21,110	21,220	21,050	21,070	(40)	-0.2%
Port Fund	31,701	31,440	31,600	31,360	31,990	550	1.7%
KPU Enterprise Fund	627,299	622,110	625,210	620,360	624,040	1,930	0.3%
Total	**1,120,176**	**1,110,905**	**1,116,444**	**1,107,775**	**1,114,349**	**3,444**	**0.3%**

	2011	2012		2013		FTE Change 2012-2013	
Personnel	**Actual**	**Adopted**	**Amended**	**Budget**	**Salary**	**Amount**	**%**
Operations	7.00	7.00	7.00	7.00	478,099	-	0.0%
Total	**7.00**	**7.00**	**7.00**	**7.00**	**478,099**	**-**	**0.0%**

MISSION STATEMENT

The mission of the Information Technology Department is to provide efficient and timely computing services and support to all departments of General Government and Ketchikan Public Utilities. These services include collecting, processing and distributing data through the City's central computer systems; supporting personal computers and local and wide area networks; evaluating, designing and programming systems; and maintaining the security and the integrity of the data flowing through the City's information systems while providing external vendor access to needed applications. The department is committed to matching advances in technologies with the needs of City and Utility departments and analyzing benefits and costs to ensure that the new technologies are cost effective.



GOALS FOR 2013

- Replace City Hall's main network switch to replace aging technology and ensure reliable network traffic.
- Upgrade Storage Area Network disk capacity to ensure reliable storage of City data and provide room for continued growth.
- Work with Telecommunications Division Central Office to provide direct access to City applications to Central Office network personnel.
- Continue migration of financial system data to New World's ERP system. Work on Utility Billing migration and begin custom reporting for Accounting and Payroll.
- Migrate files from Novell to Microsoft disk systems and tune backup systems accordingly.
- Upgrade iSeries operating system to current level to maintain support.
- Assist Police Department with implementation of Cellular Phase II deployment.
- Actively support: 300 PC's, 35 servers, 100 printers, 30 applications and the iSeries platform including custom code for utility billing.

ACCOMPLISHMENTS FOR 2012

- Upgraded Virtual Server environment to provide reliable platform for new financial system and other departmental systems.
- Replaced obsolete folder/inserter system to ensure timely distribution of Telephone and Electric bills.
- Upgraded the Laserfiche system to a more robust virtual server. Added Weblinks module to provide supplemental documents for new financial system.
- Continued migration of financial system data to New World's ERP system.
- Upgraded E911 system to latest software versions which enabled Phase II cellular support (to be completed 2013).
- Assisted Fire Department with relocation to new facilities.
- Assisted Library Department with relocation to new facilities. Assist with purchase and configuration of new PC/Laptop hardware as part of an awarded grant.

- Assisted Port and Harbors migration to new Harbor billing software running on MS SQL in virtual environment.
- Assisted Ted Ferry Civic Center with new billing system and event scheduling software.
- Completed PC preparation for Network operating system migration to Microsoft Active Directory.
- Actively supported: 300 PC's, 35 servers, 100 printers, 30 applications and the iSeries platform including custom code for accounting and utility billing.

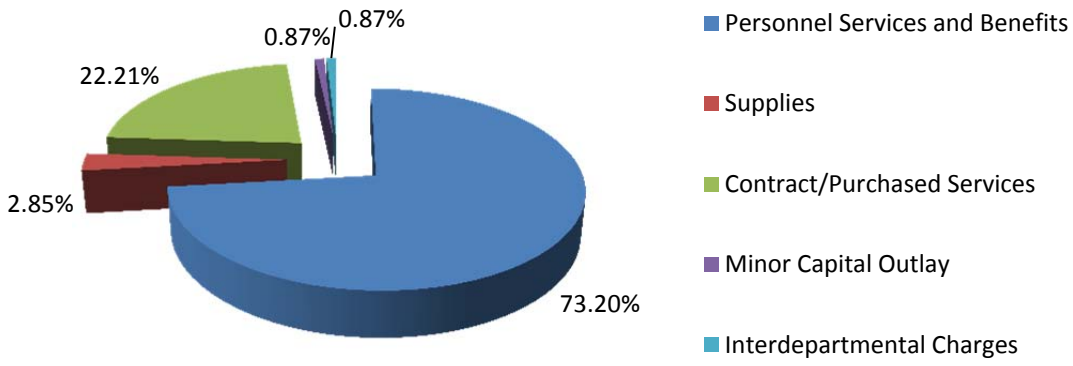
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	730,090	737,480	737,480	737,400	741,749	4,269	0.6%
Supplies	26,479	26,850	29,300	28,700	28,900	2,050	7.6%
Contract/Purchased Services	211,125	223,975	218,975	218,975	225,100	1,125	0.5%
Minor Capital Outlay	7,273	8,800	16,889	14,000	8,800	-	0.0%
Interdepartmental Charges	8,174	8,800	8,800	8,700	8,800	-	0.0%
Total Expenditures	**983,141**	**1,005,905**	**1,011,444**	**1,007,775**	**1,013,349**	**7,444**	**0.7%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	326,599	334,135	335,984	334,755	335,689	1,554	0.5%
Solid Waste Services Fund	34,017	34,810	35,000	34,870	35,170	360	1.0%
Wastewater Fund	25,463	26,060	26,200	26,110	26,760	700	2.7%
Harbor Fund	18,680	19,120	19,220	19,150	19,160	40	0.2%
Port Fund	27,823	28,470	28,630	28,530	29,090	620	2.2%
KPU Enterprise Fund	550,559	563,310	566,410	564,360	567,480	4,170	0.7%
Total Expenditures	**983,141**	**1,005,905**	**1,011,444**	**1,007,775**	**1,013,349**	**7,444**	**0.7%**

FTEs by Division	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Information Technology Director	1.00	1.00	1.00	1.00	104,016	-	0.0%
Sr. Programmer/Analyst	2.00	2.00	2.00	2.00	147,193	-	0.0%
Database & Systems Administrator	1.00	1.00	1.00	1.00	54,409	-	0.0%
Network/Security Administrator	1.00	1.00	1.00	1.00	68,359	-	0.0%
PC/Network Technician	2.00	2.00	2.00	2.00	104,122	-	0.0%
Total	**7.00**	**7.00**	**7.00**	**7.00**	**478,099**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

There are no significant budget changes for 2013. The operating budget has been projected to increase $7,444, or .7 percent and the capital budget has been projected to decrease $4,000, or 3.8 percent for a net increase of $3,444, or .3 percent from 2012.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits							
500 01 Regular Salaries and Wages	459,733	475,230	465,380	465,300	478,099	2,869	0.6%
501 01 Overtime Wages	11,621	5,000	15,000	15,000	6,000	1,000	20.0%
505 00 Payroll Taxes	36,200	36,700	36,800	36,800	37,000	300	0.8%
506 00 Pension	95,796	97,600	97,600	97,600	98,500	900	0.9%
507 00 Insurance Benefits	109,000	109,200	109,150	109,150	108,300	(900)	-0.8%
508 00 Other Benefits	17,740	13,600	13,550	13,550	13,700	100	0.7%
509 08 Allowances-Medical Expenses	-	150	-	-	150	-	0.0%
Personnel Services and Benefits	**730,090**	**737,480**	**737,480**	**737,400**	**741,749**	**4,269**	**0.6%**

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies							
510 01 Office Supplies	7,373	7,000	8,200	8,000	8,000	1,000	14.3%
510 02 Operating Supplies	11,063	11,000	12,300	12,000	12,000	1,000	9.1%
515 04 Machinery & Equipment Maintenance Materials	6,594	7,500	7,500	7,500	7,500	-	0.0%
520 02 Postage	301	400	300	200	400	-	0.0%
525 04 Vehicle Motor Fuel & Lubricants	424	350	600	600	600	250	71.4%
530 03 Professional and Trade Publications	724	600	400	400	400	(200)	-33.3%
Supplies	**26,479**	**26,850**	**29,300**	**28,700**	**28,900**	**2,050**	**7.6%**
Contract/Purchased Services							
600 02 Travel-Training	10,725	8,925	8,925	8,925	9,000	75	0.8%
600 03 Training and Education	7,150	5,950	5,950	5,950	6,000	-	0.0%
630 02 Vehicle Licenses	10	100	100	100	100	-	0.0%
635 04 Software Maintenance Services	32,839	45,000	40,000	40,000	42,000	(3,000)	-6.7%
635 07 Machinery & Equip Maintenance Services	102,371	105,000	105,000	105,000	108,000	3,000	2.9%
650 01 Telecommunications	58,030	59,000	59,000	59,000	60,000	1,000	1.7%
Contract/Purchased Services	**211,125**	**223,975**	**218,975**	**218,975**	**225,100**	**1,125**	**0.5%**
Minor Capital							
715 00 Furniture and Fixtures	1,015	1,000	-	-	1,000	-	0.0%
725 00 Machinery and Equipment	4,313	5,000	10,000	10,000	5,000	-	0.0%
735 00 Software	1,945	2,800	6,889	4,000	2,800	-	0.0%
Minor Capital Outlay	**7,273**	**8,800**	**16,889**	**14,000**	**8,800**	**-**	**0.0%**
Interdepartmental Charges							
825 01 Interdepartmental Charges - Insurance	7,555	7,800	7,800	7,800	7,800	-	0.0%
850 01 Interdepartmental Charges - Garage	619	1,000	1,000	900	1,000	-	0.0%
Interdepartmental Charges	**8,174**	**8,800**	**8,800**	**8,700**	**8,800**	**-**	**0.0%**
Total Expenditures by Type	**983,141**	**1,005,905**	**1,011,444**	**1,007,775**	**1,013,349**	**7,444**	**0.7%**

NARRATIVE

500-01 Regular Salaries and Wages: $478,099 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $6,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

505-00 Payroll Taxes: $37,000 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $98,500 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $108,300 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $13,700 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-08 Allowances – Medical Expenses: $150 – This account provides for expenditures for employee medical exams paid directly to employees.

510-01 Office Supplies: $8,000 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers.

510-02 Operating Supplies: $12,000 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as copy paper, greenbar paper for billing andreporting purposes, and toner.

515-04 Machinery and Equipment Maintenance Materials: $7,500 – This account provides for the materials used to the repair and maintain machinery and equipment owned or leased and operated by Information Technology.. Included are office equipment, operating equipment, computer networks and computers.

520-01 Postage: $400 - This account provides for postal related services such as postage, express delivery, mailing materials and the rent of post office boxes and postage machines.

525-04 Vehicle Motor Fuel and Lubricants: $600 - This account provides for gasolineand lubricants used by Information Technology vehicles.

530-03 Professional and Technical Publications: $400 - This account provides for professional and technical publications. Included are print and electronic subscription services forinformation technology.

600-02 Travel-Training: $9,000 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $6,000 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

630-02 Vehicle Licenses: $100 – This account provides for licensing Information Technology vehicles for operations on public highways.

635-04 Software Maintenance Services: $42,000 - This account provides for maintenance agreements to support licensed software systems.

635-07 Machinery and Equipment Maintenance Services: $108,000 - This account provides for services required to repair and maintain office equipment, computers, networks, servers and otheroperating equipment owned or leased by Information Technology. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

650-01 Telecommunications: $60,000 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, and long distance..

715-00 Furniture and Fixtures: $1,000 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $5,000 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment and operating equipment required to provide services or maintain capital assets.

735-00 Software: $2,800 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements.

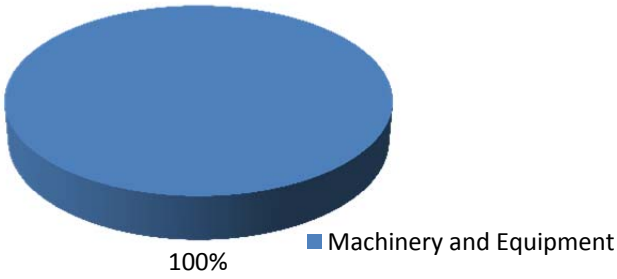
825-01 Interdepartmental Charges – Insurance: $7,800 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $1,000 - This account provides for fleet maintenance services provided by the Public Works Department-Garage Division.

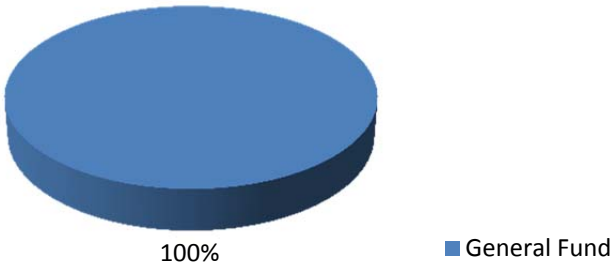
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
725-00 Machinery and Equipment	137,035	105,000	105,000	100,000	101,000	(4,000)	-3.8%
Total Major Capital Outlay	**137,035**	**105,000**	**105,000**	**100,000**	**101,000**	**(4,000)**	**-3.8%**

2013 Capital Improvement Projects Project # Project	Funding Sources General Fund	Total
725-00 Machinery and Equipment		
SAN (Storage Disk) Upgrade	32,000	32,000
Ethernet Switch Upgrade	69,000	69,000
Total Machinery and Equipment	**101,000**	**101,000**
Total 2013 Capital Budget	**101,000**	**101,000**

2013 Expenditures by Type

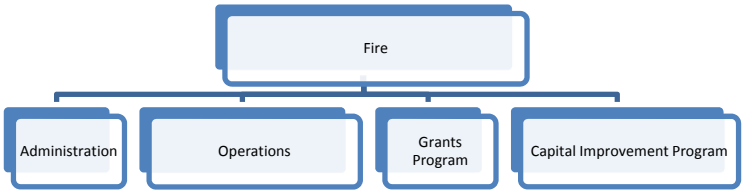


2013 Expenditures by Funding Source



The Ketchikan Fire Department is dedicated to the community through safety, service and excellence. The department values:

- **INTEGRITY** - Doing the right thing for the right reason, even when no one is watching.
- **PROFESSIONALISM** - In our training, service and how we present ourselves.
- **RESPECT** - Treat others how you would want to be treated, with respect and dignity, on and off the job.
- **COMPASSION** - Caring for the people you are serving and your coworkers through compassion and tolerance.
- **TEAMWORK** - Working together with each other and with outside organizations.
- **INNOVATION** - Open to new and creative ideas and a willingness to think out of the box.



The Fire Department is comprised of two operating divisions and oversees a Grant Program and a Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Administration	652,484	833,709	833,709	800,659	837,441	3,732	0.4%
Operations	2,042,558	2,216,594	2,216,594	2,105,502	2,229,187	12,593	0.6%
Grants	135,490	110,150	110,150	32,341	42,697	(67,453)	-61.2%
Capital	10,410,989	1,065,000	1,065,000	215,000	175,000	(890,000)	-83.6%
Total	**13,241,521**	**4,225,453**	**4,225,453**	**3,153,502**	**3,284,325**	**(941,128)**	**-22.3%**

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	2,327,190	2,551,104	2,537,704	2,409,255	2,508,471	(42,633)	-1.7%
Supplies	150,567	189,880	207,350	193,367	200,100	10,220	5.4%
Contract/Purchased Services	236,664	278,719	270,349	229,905	279,857	1,138	0.4%
Minor Capital Outlay	46,753	67,950	72,950	38,800	48,697	(19,253)	-28.3%
Interdepartmental Charges	69,358	72,800	72,100	67,175	72,200	(600)	-0.8%
Major Capital Outlay	10,410,989	1,065,000	1,065,000	215,000	175,000	(890,000)	-83.6%
Total	**13,241,521**	**4,225,453**	**4,225,453**	**3,153,502**	**3,284,325**	**(941,128)**	**-22.3%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	-	-	-	-	-	-	0.0%
Tax Supported	649,064	980,629	980,629	894,687	1,022,028	41,399	4.2%
Charges for Services	616,008	562,100	562,100	562,100	572,100	10,000	1.8%
Public Safety Sales Tax	1,423,596	1,443,000	1,443,000	1,443,000	1,472,500	29,500	2.0%
Public Works Sales Tax Fund	-	12,500	12,500	10,000	175,000	162,500	1300.0%
Shoreline Area Fund	6,374	21,374	21,374	11,374	-	(21,374)	-100.0%
Bond Proceeds	5,410,989	1,000,000	1,000,000	200,000	-	(1,000,000)	-100.0%
Federal and State Grants	5,135,490	205,850	205,850	32,341	42,697	(163,153)	-79.3%
Total	**13,241,521**	**4,225,453**	**4,225,453**	**3,153,502**	**3,284,325**	**(941,128)**	**-22.3%**

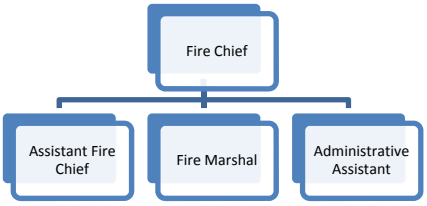
Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Administration	4.00	4.00	4.00	4.00	326,384	-	0.0%
Operations	15.00	15.00	15.00	15.00	1,041,987	-	0.0%
Total	**19.00**	**19.00**	**19.00**	**19.00**	**1,368,371**	**-**	**0.0%**

MISSION STATEMENT

The mission of the Administration Division is to provide department members with the tools they need to be effective and safe during the course of their duties. Those duties include: preserving the quality of life and the economic viability of the community from losses or injury by educating staff members and Ketchikan's citizenry; providing optimum levels of fire suppression, emergency medical services and disaster preparedness; offering continuous training, exercise and drills; managing hazardous material emergencies and disasters; and providing stress management to members of the department. The administration of this department strives to fulfill its mission statement by dispatching appropriate personnel and apparatus in a cost effective and efficient manner within guidelines established by federal and state laws, the City Charter, the Ketchikan Municipal Code and the citizens of Ketchikan as represented by the City Council.

The Administration Division manages the delivery of fire protection, fire investigation, fire prevention, Fire/EMS emergency dispatch oversight and life safety inspection services within the City; as well as emergency medical services, ambulance, and disaster relief assistance, both locally and on a regional basis.

The Administration Division is responsible for the maintenance of facilities, vehicles, equipment and Fire/EMS dispatch oversight of the Fire Operations Division. This enables the Operations Division to complete its mission.



GOALS FOR 2013

- Continue to streamline operations after the completion of Fire Station No. 1.
- Maintain and continue to improve the department's safety program to ensure all members are physically capable to perform the duties of their assignments and operate safely.
- Develop, distribute and review results of a web-based "Customer Satisfaction Survey" to develop a strategy for improving Fire and EMS service levels to the community.
- Continue to work with Systems Design, KGH, insurance carriers and the Finance Department to provide the highest rate of return possible on ambulance billing.
- Continue to pursue FEMA, DHS, CDC and/or AFG Grants and other state grant funding for the department and community.
- Continue to use performance standards to ensure proficiency in both career and volunteer members and develop performance-based standards to be used for evaluations and promotions.
- Develop standardized promotional and hiring processes that are consistent and clear to all members and potential members.
- Strengthen current mutual aid agreements with local counterparts and work towards an Automatic Aid Agreement.
- Improve the departmental "Captain Qualified Training Program" to ensure Captains and those who stand in for Captains will function professionally, confidently and safely.
- Continue to pursue and improve Ketchikan Fire Department and City interaction partnerships with state, local and federal agencies to allow for better opportunities to obtain grant funds.

- Exceed the minimum standards required for interior and exterior firefighters.
- Manage programs, including re-certification, which equal or exceed national or state standards in the following subjects:

  EMT-I, EMT-II, EMT-III
  ACLS, PHTLS, PALS
  Firefighter I and II
  Hazardous Materials Operations and Technician
  Emergency Vehicle Operations
  CPR
  Confined Space Rescue
  Paramedic Re-certification, State of Alaska and National Registry
  Shipboard Firefighting
  Fire Service and EMS Instructor
  ARFF
  NIMS/ICS Training and Certification
  Dive Team Training

- Seek-out challenging educational opportunities provided by other agencies, in order to augment courses and training delivered by the Ketchikan Fire Department.
- Reevaluate and identify all disciplines requiring certifications and develop a tracking program to flag expiration dates. This will coordinate and provide training to avoid expiration.
- Ensure continuing guidance and support for the department's safety committee.
- Provide maximum service allowed within budget constraints.

ACCOMPLISHMENTS FOR 2012

- Completed construction of a new fire station on Lot 10A-1.
- Hosted Southeast Region EMS Symposium at Ted Ferry Civic Center.
- Participated in two (2) DHS&EM funded joint Hazmat exercises in Sitka and Fairbanks.
- Secured funding from the Southeast Region EMS (SEREMS) Code Blue grant program in the amount of $61,878 to purchase four (4) new cardiac monitors.
- Secured funding from ADEC in the amount of $8,500 for Hazmat team equipment, maintenance and training.
- Provided a National Fire Academy Leadership I class.
- Provided a grant funded 5-day Driver Pump Operator class.
- Provided a 2-day National Fire Academy Incident Command System class.
- By working with the Medical Director, the department reviewed and updated all of its standing orders for EMS.
- Trained all personnel to the awareness level for confined space rescue.
- Sent six (6) KFD members to the international EMS symposium.
- Sent one (1) Captain to two (2) Southeast Region EMS Council board meetings to help improve EMS systems in Ketchikan and Alaska.
- Recertified three (3) KFD CPR/First Aid instructors.
- Provided all members of KFD physical examinations via the department's safety program, in order to ensure they are fit for duty in their assigned capacities.

- Maintained and promoted the "Safe Kids for Alaska" child car passenger safety seat program by assisting parents in the proper installation of car safety seats.
- Purchased new Firefighter protective gear with the remaining funds from the 2009 SHSP Grant.
- Attended the spring and fall DHS&EM preparedness conference.
- Served as the vice-chair of the Greater Ketchikan Area LEPC.
- Served on the SEAK-MMRS steering committee.
- Continued to provide dispatch training for the Public Safety Dispatch Center and upgraded text based dispatching for off duty crews. Provided training in CPR and life safety to city personnel, KPD officers and dispatchers.
- Promoted three (3) Firefighter/EMTs to Fire Medics.
- Completed the update of the Emergency Operations Plan (EOP), including the evacuation plan and local capabilities assessment.
- Provided guidance and leadership for the delivery of more than 7,000 man-hours of training and over 3,000 hours of volunteer in house ride along time.
- Recruited, hired and trained eleven (11) new volunteer members to fill this important role.
- Sponsored the department's Cadet Program to promote an interest in the Fire Department among Kayhi students. The department provided training in the use and care of equipment, the development of safe living habits, the prevention of fires and the value of taking an interest in the community. The SAFER Grant provided partial funding for this program.
- Worked with KGH Trauma Committee monthly to improve quality assurance of patient care and transportation.
- Continued to review and update departmental Operating Procedures and Standard Operating Guidelines (SOGs).
- Continued to provide department personnel training drills and scenarios that include: hazardous materials procedures, stress management techniques, incident command procedures, run reviews, fire service and EMS on-scene support, policies and procedures review and CPR training.
- Under the fire inspection program, coordinated more than 500 business inspections within the City limits that generated more than $10,000 in revenue from special permits and seasonal business inspections. The department collected 100% of "seasonal" inspection fees.

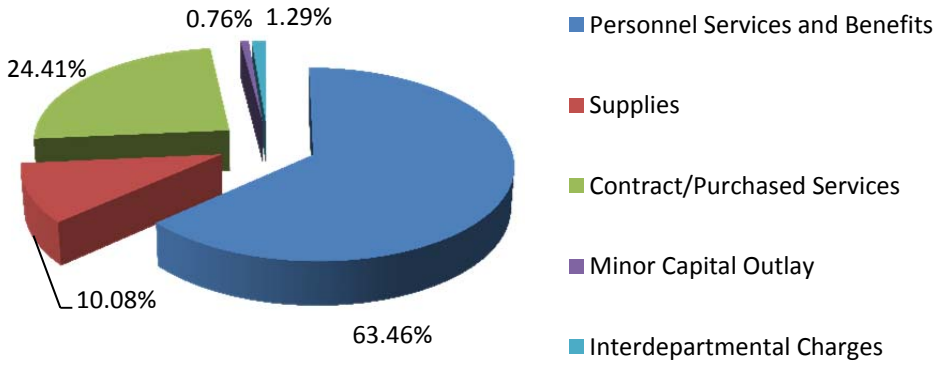
DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	418,478	543,990	530,590	521,400	525,284	(18,706)	-3.4%
Supplies	66,020	82,150	96,350	84,200	86,100	3,950	4.8%
Contract/Purchased Services	157,666	190,769	187,169	175,559	208,557	17,788	9.3%
Minor Capital Outlay	3,355	9,300	12,800	12,800	6,500	(2,800)	-30.1%
Interdepartmental Charges	6,965	7,500	6,800	6,700	11,000	3,500	46.7%
Total	**652,484**	**833,709**	**833,709**	**800,659**	**837,441**	**3,732**	**0.4%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Supported	195,824	419,485	419,485	386,435	422,216	2,731	0.7%
Public Safety Sales Tax	355,899	360,750	360,750	360,750	368,125	7,375	2.0%
Fire Marshall Fees	94,387	47,100	47,100	47,100	47,100	-	0.0%
Shoreline Fund	6,374	6,374	6,374	6,374	-	(6,374)	-100.0%
Total	**652,484**	**833,709**	**833,709**	**800,659**	**837,441**	**3,732**	**0.4%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Fire Chief	1.00	1.00	1.00	1.00	104,509	-	0.0%
Assistant Fire Chief	1.00	1.00	1.00	1.00	92,355	-	0.0%
Fire Marshal	1.00	1.00	1.00	1.00	82,824	-	0.0%
Administrative Assistant	1.00	1.00	1.00	1.00	46,696	-	0.0%
Total	**4.00**	**4.00**	**4.00**	**4.00**	**326,384**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Overtime Wages (Account No. 501-01) decreased due to streamlined operations.
- Temporary Wages (Account No. 502-01) decreased due to streamlined operations.
- Telecommunications Services (Account No. 650-01) decreased with the elimination of unused cell phones and services.

- Machinery & Equipment Maintenance Materials (Account No. 515-04) decreased due the acquisition of new equipment acquired as part of the new fire station.
- Heating Fuel (Account No. 525-03) increased to due higher heating costs anticipated for the new fire station.
- Janitorial and Cleaning Services (Account No. 635-02) increased due to the new fire station coming on line.
- Electric, Water, Sewer & Solid Waste (Account No. 650-02) increased due to the new fire station.
- Regular Salaries and Wages (Account No. 500-01) increased due to step increases.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012 - 2013 Amount	Budget Change 2012 - 2013 %
Personnel Services and Benefits							
500 01 Regular Salaries and Wages	245,043	320,490	320,490	317,200	326,384	5,894	1.8%
501 01 Overtime Wages	4,477	10,000	4,600	4,600	6,000	(4,000)	-40.0%
502 01 Temporary Wages	7,758	16,000	8,000	8,000	12,000	(4,000)	-25.0%
505 00 Payroll Taxes	19,681	26,500	26,500	25,230	27,000	500	1.9%
506 00 Pension	54,894	72,700	72,700	72,600	74,000	1,300	1.8%
507 00 Insurance Benefits	75,553	89,600	89,600	85,170	71,100	(18,500)	-20.6%
508 00 Other Benefits	11,072	8,700	8,700	8,600	8,800	100	1.1%
Personnel Services and Benefits	**418,478**	**543,990**	**530,590**	**521,400**	**525,284**	**(18,706)**	**-3.4%**
Supplies							
510 01 Office Supplies	1,927	1,950	3,350	3,350	2,000	50	2.6%
510 02 Operating Supplies	5,913	7,000	7,000	6,000	6,500	(500)	-7.1%
510 03 Safety Program Supplies	1,008	3,000	3,000	1,500	3,000	-	0.0%
510 04 Janitorial Supplies	2,121	4,500	4,500	4,500	4,500	-	0.0%
510 07 Food/Catering	-	-	1,000	1,000	1,000	1,000	New
515 02 Building & Grounds Maint Materials	-	500	500	250	500	-	0.0%
515 03 Furniture & Fixtures Maint Materials	-	200	200	100	200	-	0.0%
515 04 Machinery & Equip Maint Materials	1,481	16,300	16,300	8,150	10,000	(6,300)	-38.7%
520 02 Postage	514	1,500	1,500	1,500	1,500	-	0.0%
525 03 Heating Fuel	33,042	36,100	47,900	47,900	44,300	8,200	22.7%
525 04 Vehicle Motor Fuel & Lubricants	2,499	3,800	3,800	3,800	3,800	-	0.0%
525 07 Machinery & Equip Fuel and Lubricants	-	-	-	-	2,000	2,000	New
530 02 Periodicals	-	500	500	500	500	-	0.0%
530 03 Professional and Technical Publications	-	2,500	2,500	2,000	2,500	-	0.0%
535 01 Moving Expenses	15,368	-	-	-	-	-	0.0%
535 02 Business and Meal Expenses	-	500	500	150	-	(500)	-100.0%
535 04 Uniforms/Badges/Clothing	-	800	800	500	800	-	0.0%
535 05 Special Protective Clothing	2,147	3,000	3,000	3,000	3,000	-	0.0%
Supplies	**66,020**	**82,150**	**96,350**	**84,200**	**86,100**	**3,950**	**4.8%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012 - 2013 Amount	Budget Change 2012 - 2013 %
Contract/Purchased Services									
600	01	Travel-Business	6,175	6,947	6,947	3,027	7,000	53	0.8%
600	02	Travel-Training	7,060	7,939	7,939	3,459	8,000	61	0.8%
600	03	Training and Education	3,090	3,474	3,474	1,514	3,500	26	0.7%
605	01	Advertising and Public Announcements	3,001	1,500	1,500	400	3,000	1,500	100.0%
615	01	Professional Licenses and Certifications	-	-	-	-	200	200	New
615	02	Assn. Membership Dues & Fees	1,658	2,200	2,200	2,200	2,200	-	0.0%
630	02	Vehicle Licenses	55	100	100	100	100	-	0.0%
635	02	Janitorial and Cleaning Services	-	-	-	-	5,200	5,200	New
635	03	Vehicle Maintenance Services	3,980	4,500	3,450	3,300	2,500	(2,000)	-44.4%
635	06	Buildings & Grounds Maint Services	8,889	13,000	5,100	5,100	13,000	-	0.0%
635	07	Machinery & Equip Maint Services	3,809	10,150	3,900	3,900	10,000	(150)	-1.5%
635	12	Technical Services	32,518	32,000	32,000	32,000	33,000	1,000	3.1%
640	05	Medical Services	12,000	12,000	12,000	12,000	12,000	-	0.0%
645	01	Rents and Leases-Land and Buildings	6,374	6,374	6,374	6,374	6,057	(317)	-5.0%
650	01	Telecommunications	34,122	50,185	50,185	50,185	37,000	(13,185)	-26.3%
650	02	Electric, Water, Sewer & Solid Waste	34,935	40,400	52,000	52,000	65,800	25,400	62.9%
		Contract/Purchased Services	**157,666**	**190,769**	**187,169**	**175,559**	**208,557**	**17,788**	**9.3%**
Minor Capital									
715	00	Furniture and Fixtures	-	500	500	500	500	-	0.0%
725	00	Machinery and Equipment	-	5,800	5,800	5,800	6,000	200	3.4%
735	00	Software	3,355	3,000	6,500	6,500	-	(3,000)	-100.0%
		Minor Capital Outlay	**3,355**	**9,300**	**12,800**	**12,800**	**6,500**	**(2,800)**	**-30.1%**
Interdepartmental Charges									
825	01	Interdepartmental Charges - Insurance	4,309	4,500	4,500	4,500	6,000	1,500	33.3%
850	01	Interdepartmental Charges - Garage	2,656	3,000	2,300	2,200	5,000	2,000	66.7%
		Interdepartmental Charges	**6,965**	**7,500**	**6,800**	**6,700**	**11,000**	**3,500**	**46.7%**
		Total Expenditures by Type	**652,484**	**833,709**	**833,709**	**800,659**	**837,441**	**3,732**	**0.4%**

NARRATIVE

500-01 Regular Salaries and Wages: $326,384 – This account provides for compensation paid to all regular salaried and hourly employees in the Administration Division.

501-01 Overtime Wages: $6,000 - This account provides for compensation paid to the Administrative Assistant and Fire Marshal for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $12,000 - This account provides for compensation paid for temporary personnel services during extended leaves of the Administrative Assistant.

505-00 Payroll Taxes: $27,000 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes in the Administration Division.

506-00 Pension: $74,000– This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $71,100– This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance in the Administration Division.

508-00 Other Benefits: $8,800 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $2,000 - This account provides for paper, pens, pencils, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers.

510-02 Operating Supplies: $6,500 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations.

510-03 Safety Program Supplies: $3,000 - This account provides for the purchase of materials and supplies necessary to conduct an ongoing safety program within the division. It also covers the required OSHA and departmental medical exams.

510-04 Janitorial Supplies: $4,500 – This account provides for cleaning and sanitation supplies used by in-house and contracted janitors.

510-07 Food/Catering: $1,000 - This account provides for food or catering services during extended training or emergencies.

515-02 Building and Grounds Maintenance Materials: $500 – This account provides for the repair and maintenance of buildings and upkeep of the grounds owned or leased and operated by the department.

515-03 Furniture and Fixtures Maintenance Materials: $200 **-** This account provides for the repair and maintenance of furniture and building fixtures owned or leased and operated by the department.

515-04 Machinery and Equipment Maintenance Materials: $10,000 – This account provides for the repair and maintenance of machinery and equipment owned or leased and operated by the department.. Included are office equipment, operating equipment, computer networks and computers.

520-01 Postage: $1,500 - This account provides for postal related services such as postage, express delivery and mailing materials.

525-03 Heating Fuel: $44,300 - This account provides for heating fuel used to heat facilities owned or leased and operated by the department.

525-04 Vehicle Motor Fuel and Lubricants: $3,800 - This account provides for gasoline, diesel fuel and lubricants used in the operations of the department vehicles.

525-07 Machinery and Equipment Fuel and Lubricants: $2,000 – This account provides for gasoline, diesel fuel, propane and lubricants used in the operations of department machinery and equipment and generators.

530-02 Periodicals: $500 - This account provides for the newspapers, magazines and trade journals.

530-03 Professional and Technical Publications: $2,500 - This account provides for professional and technical publications. Included are professional handbooks, print and electronic subscription services for management, building codes, professional standards and technical journals.

535-04 Allowances-Uniforms/Badges/Clothing: $800 - This account provides for direct purchases of or reimbursements to employees for work related clothing required by department policies. Included are work clothes, collar insignia, patches, raingear, hats, boots and badges.

535-05 Allowances-Special Protective Clothing: $3,000 - This account provides for direct purchases of or reimbursements to employees for special protective clothing required by department policies.

600-01 Travel-Business: $7,000 – This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business and trade meetings.

600-02 Travel-Training: $8,000 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training and education not locally available.

600-03 Training and Education: $3,500 – This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or third-parties.

605-01 Advertising and Public Announcements: $3,000 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are public service announcements, community issues, recruiting, requests for proposals and vacancies.

615-01 Professional Licenses and Technical Certifications: $200 – This account provides for licensing professional, technical and other employees requiring a license in order to perform their duties. Included are fees paid to license Paramedics; and fees paid for technical certifications required by medical technicians, divers and operators of special equipment.

615-02 Assn. Dues and Membership Fees: $2,200 – This account provides for memberships in professional and trade associations and regional organizations.

630-02 Vehicle Licenses: $100 – This account provides for licensing department vehicles for operations on public highways.

635-02 Janitorial and Cleaning Services: $5,200 – This account provides for services to clean facilities and equipment owned by the department.

635-03 Vehicle Maintenance Services: $2,500 – This account provides for expenditure for the repair and maintenance of department vehicles and boats by outside maintenance facilities.

635-06 Buildings and Grounds Maintenance Services: $13,000 - This account provides for contractual services required to repair and maintain buildings and the upkeep of grounds owned or leased by the department. This account includes contract labor and materials required to provide the service.

635-07 Machinery and Equipment Maintenance Services: $10,000 - This account provides for contractual services required to repair and maintain office equipment, machinery and other operating equipment owned or leased by the department. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635-12 Technical Services: $33,000 - This account provides for services that are not regarded as professional but require technical or special knowledge. Included are background checks, employee drug testing, data base management, website maintenance and pest control.

640-05 Medical Services: $12,000 – Expenditure for services provided by medical practitioners and medical facilities. Included are services provided by physicians for Medical Director services.

645-01 Rents and Leases - Land and Buildings: $6,057 - This account provides for the costs that will not exceed $6,087 that are paid to the Public Works Building Maintenance Department for the rent of Station 3.

650-01 Telecommunications: $37,000 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers.

650-02 Electric, Water, Sewer & Solid Waste: $65,800 - This account provides for electric, water, sewer and solid waste utility services.

715-00 Furniture and Fixtures: $500 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

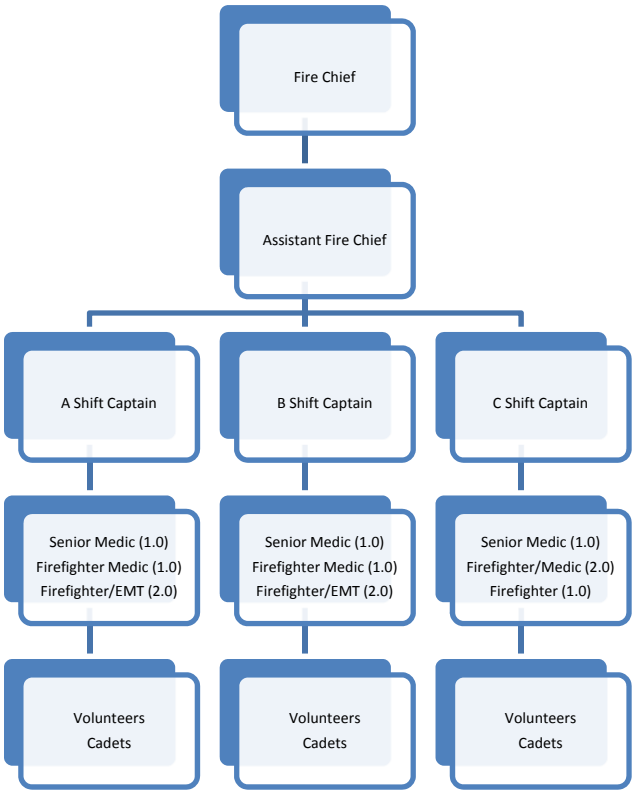
725-00 Machinery and Equipment: $6,000 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment and operating equipment required to provide services or maintain capital assets.

825-01 Interdepartmental Charges – Insurance: $6,000 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $5,000 - This account provides for fleet maintenance services provided by the Public Works Department-Garage Division.

MISSION STATEMENT

It is the mission of the Fire Department Operations Division to maintain the quality of life and the economic viability of the community from losses due to fire, accident, injury or illness. The Operations Division does this by training for, responding to and mitigating incidents of fire, natural disaster, accidents or illness, which require suppression, containment or intervention. Firefighters, Paramedics and EMTs provide emergency medical care to victims of accidents and acute illness by providing expedited transportation to the appropriate medical facility and quality patient care. Department members play a vital role in fire prevention, public education, accident prevention and emergency preparedness training for the public. The Operations Division strives to fulfill its mission statement by responding with well-trained personnel and well-maintained equipment and apparatus in a cost effective and efficient manner within guidelines established by federal and state laws, the City Charter, the Ketchikan Municipal Code and the citizens of Ketchikan as represented by the City Council.



GOALS FOR 2013

- Continue to meet all NIMS requirements for department personnel.
- Maintain the number of volunteers through recruitment and retention.
- Maintain and assemble on-scene, twenty (20) “interior” qualified and equipped fire suppression personnel within 20 minutes of an alarm.
- Continue to meet staffing, training and equipment requirements for current and future community needs.
- Continue to spearhead the Ketchikan and SE Alaska Hazardous Materials Response Programs as members of the Statewide Hazmat Response Team.
- Continue to train and improve Dive Team in water-rescue and recovery situations.

- Meet the national response criteria to have eighty-five percent (85%) of initial response equipment on scene within four minutes of an alarm.
- Train and drill quarterly with mutual-aid fire departments to assure safety and continuity of operations at all fires and emergency scenes.
- Identify the origin and cause of all fires in the community.
- Deliver programs, including re-certification, which equal or exceed national or state standards in the following subjects:

  EMT-I, EMT-II, EMT-III
  ACLS, PHTLS, PALS
  Firefighter I and II
  Hazardous Materials Operations and Technician
  Emergency Vehicle Operations
  CPR
  Confined Space Rescue
  Paramedic Re-certification, State of Alaska and National Registry
  Shipboard Firefighting
  Fire Service and EMS Instructor
  ARFF
  NIMS/ICS Training and Certification

- Continue to provide an EMT-III or higher level of care or greater on all primary (frontline) EMS responses.
- Continue to identify community needs relating to Emergency Medical Services through discussions with healthcare providers and members of the community.
- Ensure that each department member is trained regarding updated emergency medical services standing orders and any associated changes.
- Send two (2) department members to receive paramedic training.
- Provide training for other service levels not currently provided by the department such as confined space.

ACCOMPLISHMENTS FOR 2012

- Promoted three (3) Fire Medics.
- Grant funding provided a joint training and Mass Casualty exercise for all department members to participate in.
- Three (3) volunteers and thirteen (13) career personnel attended the EMS symposium in Ketchikan for Advanced Life Support training and seminars.
- All department personnel attended Domestic Violence and Sexual Harassment training.
- Provided two days of Advance Cardiac Life Support (ACLS) and two days of Pre Hospital Trauma Life Support (PHTLS) training for all department personnel and outside agencies with an outside Paramedic Instructor.
- Supplied ongoing training for department members in fire service, emergency medical services, hazmat, dive and confined space rescue functions.
- Responded to an estimated 1,700 calls for service in 2012.
- Conducted fire prevention talks, fire extinguisher training and station tours for more than 1,200 members of the general public. The division also conducted fire prevention programs for elementary and pre-school aged children in the community schools and in the fire stations.
- In cooperation with the University of Alaska, provided Basic and Advanced Shipboard Training to AMHS employees and other mariners.
- Tested all departmental pumps, hoses and ground ladders to national standards.

- Provided "Quality Assurance" on every EMS call for the year.
- Attended and actively participated in more than 7,000 man-hours of training, drills and exercises and 3,000 hours of in house ride time for volunteer members.
- Provided weekly training in EMS, fire service, Hazmat, NIMS and fire boat functions.
- Renewed certifications to ensure compliance with State of Alaska Statutes for "Additional Skills and Medications for EMTs."
- Operated within budget constraints and guidelines.

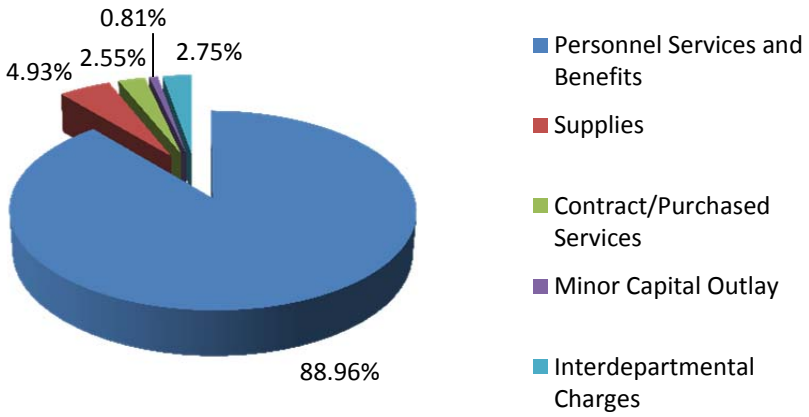
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	1,876,967	1,983,364	1,983,364	1,883,930	1,983,187	(177)	0.0%
Supplies	74,599	103,230	101,730	99,897	110,000	6,770	6.6%
Contract/Purchased Services	19,636	38,550	38,550	35,200	56,800	18,250	47.3%
Minor Capital Outlay	8,963	26,150	27,650	26,000	18,000	(8,150)	-31.2%
Interdepartmental Charges	62,393	65,300	65,300	60,475	61,200	(4,100)	-6.3%
Total	**2,042,558**	**2,216,594**	**2,216,594**	**2,105,502**	**2,229,187**	**12,593**	**0.6%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	453,240	619,344	619,344	508,252	599,812	(19,532)	-3.2%
Public Safety Sales Tax	1,067,697	1,082,250	1,082,250	1,082,250	1,104,375	22,125	2.0%
Ambulance Fees	521,621	515,000	515,000	515,000	525,000	10,000	1.9%
Total	**2,042,558**	**2,216,594**	**2,216,594**	**2,105,502**	**2,229,187**	**12,593**	**0.6%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Captain	3.00	3.00	3.00	3.00	246,028	-	0.0%
Senior Medic	3.00	3.00	3.00	3.00	222,071	-	0.0%
Firefighter/Medic	2.00	4.00	5.00	4.00	273,309	-	0.0%
Firefighter/EMT	7.00	5.00	4.00	5.00	300,579	-	0.0%
Total	**15.00**	**15.00**	**15.00**	**15.00**	**1,041,987**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Overtime Wages (Account No. 501-01) increased due to mandated training that was previously grant funded and an anticipated increase in calls based on an (9%) nine percent increase in cruise ship activity.
- Insurance Benefits (Account No. 507-00) decreased due to changes in employee health insurance status.
- Travel-Training (Account No. 600-02) increased due to mandated training that was previously grant funded.
- Training and Education (Account No. 600-03) increased due to mandated training that was previously grant funded.
- Safety Program Supplies (Account No. 510-03) increased due to the increased cost of OSHA mandated physicals.
- Software (Account No. 735-00) decreased because the cost of software was less than anticipated.
- Vehicle Maintenance Materials (Account No. 515-01)decreased due to the anticipated purchase of new apparatus.
- Machinery and Equipment (Account No. 725-00) decreased due to proper care and maintenance by the crews.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012 - 2013 Amount	Budget Change 2012 - 2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	1,004,888	1,039,564	1,039,564	1,014,000	1,041,987	2,423	0.2%
501	01	Overtime Wages	157,422	160,000	160,000	160,000	176,500	16,500	10.3%
502	01	Temporary Wages	59,971	60,000	60,000	50,200	60,000	-	0.0%
505	00	Payroll Taxes	93,505	96,360	96,360	93,650	97,800	1,440	1.5%
506	00	Pension	255,708	263,900	263,900	258,280	268,000	4,100	1.6%
507	00	Insurance Benefits	265,587	324,040	324,040	269,200	298,300	(25,740)	-7.9%
508	00	Other Benefits	23,386	23,000	23,000	22,100	24,100	1,100	4.8%
509	06	Allowances - Meals	16,500	16,500	16,500	16,500	16,500	-	0.0%
		Personnel Services and Benefits	**1,876,967**	**1,983,364**	**1,983,364**	**1,883,930**	**1,983,187**	**(177)**	**0.0%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012 - 2013 Amount	Budget Change 2012 - 2013 %
Supplies									
510	01	Office Supplies	1,344	1,500	2,000	2,000	1,500	-	0.0%
510	02	Operating Supplies	30,279	37,000	37,000	37,000	38,000	1,000	2.7%
510	03	Safety Program Supplies	10,418	27,000	27,000	27,000	35,000	8,000	29.6%
510	05	Small Tools and Equipment	307	1,000	1,000	1,000	1,000	-	0.0%
510	07	Food/Catering	-	-	-	-	1,000	1,000	New
515	01	Vehicle Maintenance Materials	1,583	1,622	1,500	1,500	1,500	(122)	-7.5%
515	03	Furniture and Fixtures Maintenance Materials	441	378	500	500	500	122	32.3%
515	04	Machinery & Equipment Maintenance Materials	7,287	8,000	4,700	3,375	4,000	(4,000)	-50.0%
525	04	Vehicle Motor Fuel & Lubricants	14,722	14,230	17,030	17,022	17,500	3,270	23.0%
530	02	Periodicals	-	700	700	300	200	(500)	-71.4%
530	03	Professional and Technical Publications	-	2,800	1,300	1,200	800	(2,000)	-71.4%
535	04	Uniforms/Badges/Clothing	8,218	9,000	9,000	9,000	9,000	-	0.0%
		Supplies	**74,599**	**103,230**	**101,730**	**99,897**	**110,000**	**6,770**	**6.6%**
Contract/Purchased Services									
600	01	Travel-Business	655	1,660	1,660	1,660	4,000	2,340	141.0%
600	02	Travel-Training	1,905	4,840	4,840	4,840	12,200	7,360	152.1%
600	03	Training and Education	2,475	6,250	6,250	6,250	15,500	9,250	148.0%
605	02	Advertising and Public Announcements	(72)	1,050	1,050	-	1,000	(50)	-4.8%
615	01	Professional Licenses and Certifications	484	3,500	3,500	2,500	3,000	(500)	-14.3%
630	02	Vehicle Licenses	75	250	250	250	250	-	0.0%
635	03	Vehicle Maintenance Services	10,500	10,400	10,400	9,700	10,000	(400)	-3.8%
635	04	Software Maintenance Services	-	2,100	2,100	1,500	2,100	-	0.0%
635	12	Technical Services	3,614	8,500	8,500	8,500	8,750	250	2.9%
		Contract/Purchased Services	**19,636**	**38,550**	**38,550**	**35,200**	**56,800**	**18,250**	**47.3%**
Minor Capital									
715	00	Furniture and Fixtures	-	1,250	1,250	500	1,000	(250)	-20.0%
725	00	Machinery & Equipment	1,350	18,000	24,500	24,500	16,000	(2,000)	-11.1%
735	00	Software	7,613	6,900	1,900	1,000	1,000	(5,900)	-85.5%
		Minor Capital Outlay	**8,963**	**26,150**	**27,650**	**26,000**	**18,000**	**(8,150)**	**-31.2%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	37,976	41,200	41,200	41,200	41,200	-	0.0%
850	01	Interdepartmental Charges - Garage	24,417	24,100	24,100	19,275	20,000	(4,100)	-17.0%
		Interdepartmental Charges	**62,393**	**65,300**	**65,300**	**60,475**	**61,200**	**(4,100)**	**-6.3%**
		Total Expenditures by Type	**2,042,558**	**2,216,594**	**2,216,594**	**2,105,502**	**2,229,187**	**12,593**	**0.6%**

NARRATIVE

500-01 Regular Salaries and Wages: $1,041,987 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $176,500 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $60,000 - This account provides for compensation paid to Volunteer employees for temporary personnel services.

505-00 Payroll Taxes: $97,800 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $268,000– This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $298,300– This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $24,100 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-06 Allowances-Meals: $16,500 – This account provides for employer provided semi-annual meal stipends to employees of the Fire Department. These benefits are taxable to the employees.

510-01 Office Supplies: $1,500 - This account provides for paper, pens, pencils, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers and tape dispensers.

510-02 Operating Supplies: $38,000 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as expendable medical supplies for ambulance and rescue type calls, and other departmental supplies used by the division during the course of a year.

510-03 Safety Program Supplies: $35,000 - This account provides for the City safety program. Included are safety training audio and video programs, safety equipment, OSHA required medical exams, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control items.

510-05 Small Tools and Equipment: $1,000 - This account provides for minor tools, operating and office equipment with a value of less than $1,000. Included are hand tools, chain saws, blow torches, hydraulic jacks, sump pumps, computer accessories, space heaters, kitchen and dining equipment, radios, calculators, file cabinets and similar types of minor tools and equipment.

510-07 Food/Catering: $1,000 - This account provides for food or catering services during extended training exercises or emergencies.

515-01 Vehicle Maintenance Materials: $1,500 – This account provides for the repair and maintenance of vehicles owned or leased and operated by the department. Included are licensed and unlicensed rolling stock and boats.

515-03 Furniture and Fixtures Maintenance Materials: $500 **-** This account provides for the repair and maintenance of furniture and building fixtures owned or leased and operated by the division.

515-04 Machinery and Equipment Maintenance Materials: $4,000 – This account provides for the repair and maintenance of machinery and equipment operated by the division. Included are office equipment, operating equipment, computer networks and computers.

525-04 Vehicle Motor Fuel and Lubricants: $17,500 - This account provides for gasoline, diesel fuel and lubricants used in the operations of division vehicles.

530-02 Periodicals: $200 - This account provides for the newspapers, magazines and trade journals.

530-03 Professional and Technical Publications: $800 - This account provides for professional and technical publications. Included are professional handbooks, print and electronic subscription services for management, building codes, professional standards and technical journals

535-04 Allowances-Uniforms/Badges/Clothing: $9,000 - This account provides for direct purchases of or reimbursements to employees for work related clothing required by department policies. Included are work clothes, collar insignia, patches, raingear, hats, boots and badges.

600-01 Travel-Business: $4,000 – This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business and trade meetings.

600-02 Travel-Training: $12,200 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $15,500 – This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or third-parties.

605-01 Advertising and Public Announcements: $1,000 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are community issues, recruiting, requests for proposals and vacancies.

615-01 Professional Licenses and Technical Certifications: $3,000 – This account provides for licensing professional, technical and other employees requiring a license in order to perform their duties. Included are fees paid to license Paramedics; and fees paid for technical certifications required by medical technicians, divers and operators of special equipment.

630-02 Vehicle Licenses: $250 – This account provides for licensing division vehicles for operations on public highways.

635-03 Vehicle Maintenance Services: $10,000 – This account provides for expenditure for the repair and maintenance of department vehicles and boats by outside maintenance facilities.

635-04 Software Maintenance Services: $2,100 - This account provides for maintenance agreements to support licensed firehouse software systems.

635-12 Technical Services: $8,750 - This account provides for the payment of services provided to the Emergency Medical Services Division under written contract and/or purchase order. This includes a service contract on monitor/defibrillators.

715-00 Furniture and Fixtures: $1,000 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $16,000 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment and operating equipment required to provide services or maintain capital assets.

735-00 Software: $1,000 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements.

825-01 Interdepartmental Charges – Insurance: $41,200 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $20,000 - This account provides for fleet maintenance services provided by the Public Works Department-Garage Division.

MISSION STATEMENT

The Ketchikan Fire Department is looked upon by its peers as being one of the leaders in Alaska's Fire Service, EMS and Hazardous Materials response. Every year management seeks out additional funding sources to ensure the community is prepared for not only the routine day-to-day calls, but for any incident that goes beyond the norm. If the department is prepared for those extreme events, personnel will be better equipped to handle the common, day-to-day incidents.

GOALS FOR 2013

The department has applied for $548,297 in SHSP grant money from the Department of Homeland Security and Emergency Management for equipment and training. The department also applied to FEMA for 2013 Assistance to Firefighters Grant monies (AFG & SAFER) to provide training and scholarship opportunities. Staff will continue to utilize monies from the 2008 SAFER Grant (FEMA) for volunteer incentives and retention. Management also expects to receive another $8,500 for Hazmat team support funding from ADEC. Staff will continue to seek additional alternative funding sources.

ACCOMPLISHMENTS FOR 2012

In 2012, grant funds received by the Ketchikan Fire Department provided the department with a variety of training opportunities. Department members evaluated and exercised their Hazmat skills with Hazmat teams from all over Alaska during exercises held in Fairbanks and Sitka. The SEAK MMRS granted about $5,000 of Hazmat, sheltering and disaster equipment. The Alaska Department of Environmental Conservation (ADEC) granted the department $8,500 for Hazmat equipment maintenance and training. These funds purchased new equipment, provided funds for equipment maintenance and sent one KFD member to advanced HAZMAT Technician training in Washington. In 2012, the department utilized SHSP Grant funding for the purchase of firefighter protective gear, dive/rescue equipment and advanced Hazmat training. In 2012, the City was awarded $52,400 from the SEREMS Code Blue Grant to purchase four (4) new cardiac monitors and train all personnel on their use. The department also continued to use funding provided by the 2008 SAFER grant ($12,000 annually for 4 years) for volunteer recruiting and retention. and continuing the cadet program during 2012.

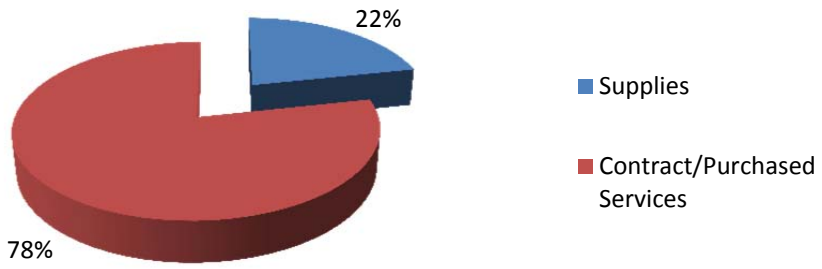
OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- The Fire Department's grant budget has been projected to decrease $67,455, or 61.2 percent from 2012. It is becoming increasingly more difficult to secure grants for public safety because federal funding has been declining.

PROGRAM OPERATING BUDGET DETAIL

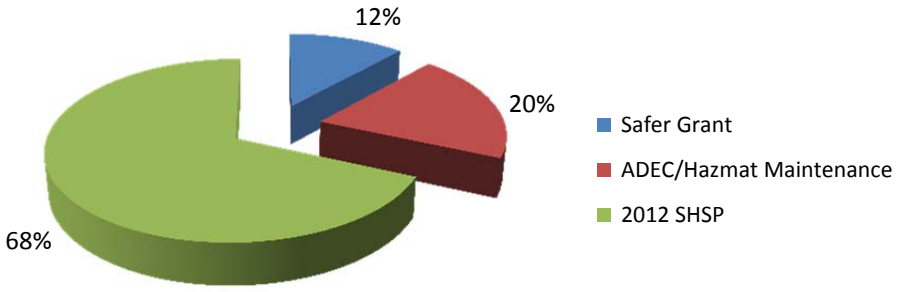
Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012 - 2013 Amount	Budget Change 2012 - 2013 %
Personnel Services and Benefits									
501	01	Overtime Wages	19,041	16,200	16,200	2,635	-	(16,200)	-100.0%
502	01	Temporary Wages	2,242	1,550	1,550	-	-	(1,550)	-100.0%
505	00	Payroll Taxes	10,462	6,000	6,000	1,290	-	(6,000)	-100.0%
		Personnel Services and Benefits	**31,745**	**23,750**	**23,750**	**3,925**	**-**	**(23,750)**	**-100.0%**
Supplies									
510	02	Operating Supplies	9,880	4,500	9,270	9,270	4,000	(500)	-11.1%
520	01	Postage	68	-	-	-	-	-	0.0%
		Supplies	**9,948**	**4,500**	**9,270**	**9,270**	**4,000**	**(500)**	**-11.1%**
Contract/Purchased Services									
600	02	Travel-Training	53,650	35,750	35,518	14,914	14,500	(21,250)	-59.4%
605	01	Advertising and Public Announcements	1,034	2,500	2,500	1,500	-	(2,500)	-100.0%
625	03	Liability Insurance Premiums	2,347	2,000	2,232	2,232	-	-	0.0%
635	14	Other Contractual Services	-	8,650	3,880	-	-	-	0.0%
645	01	Land and Buildings	1,894	-	-	-	-	-	0.0%
650	01	Telecommunications	437	500	500	500	-	(500)	-100.0%
		Contract/Purchased Services	**59,362**	**49,400**	**44,630**	**19,146**	**14,500**	**(34,900)**	**-70.6%**
Minor Capital									
725	00	Machinery & Equipment	34,435	32,500	32,500	-	24,197	(8,303)	-25.5%
		Minor Capital Outlay	**34,435**	**32,500**	**32,500**	**-**	**24,197**	**(8,303)**	**-25.5%**
		Total Expenditures by Type	**135,490**	**110,150**	**110,150**	**32,341**	**42,697**	**(67,453)**	**-61.2%**

2013 Expenditures by Type



Grant Program	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012 - 2013 Amount	Budget Change 2012 - 2013 %
NACCHO	6,158	17,150	17,150	1,732	-	(17,150)	-100.0%
Safer Grant	17,586	20,400	20,400	12,200	5,000	(15,400)	-75.5%
FP & S Grant	19,678	-	-	-	-	-	0.0%
ADEC/Hazmat Maintenance	8,236	8,500	8,500	8,500	8,500	-	0.0%
2011 ASPR	5,277	-	-	-	-	-	0.0%
2011 SHSP	8,444	-	-	-	-	-	0.0%
2009 SHSP Grant	26,045	7,100	7,100	2,718	-	(7,100)	-100.0%
AFG Grant Training	43,659	57,000	57,000	7,191	-	(57,000)	-100.0%
MMRS	407	-	-	-	-	-	0.0%
2012 SHSP	-	-	-	-	29,197	29,197	0.0%
Total Expenditures by Grant Program	**135,490**	**110,150**	**110,150**	**32,341**	**42,697**	**(67,453)**	**-61.2%**

Expenditures by Grant Program



NARRATIVE

510-02 Operating Supplies: $4,000 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as employee awards and recognition pins, brochures, medical supplies, crime scene materials, posters, and general materials for classes and public programs.

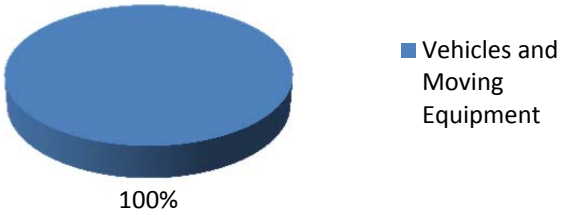
600-02 Travel-Training: $14,500 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

725-00 Machinery and Equipment: $24,197 - This account provides for the acquisition of an oxygen generator system.

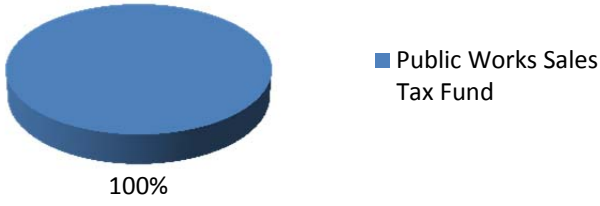
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00 Buildings	10,410,989	1,015,000	1,015,000	205,000	-	(1,015,000)	-100.0%
720-00 Vehicles and Moving Equipment	-	-	-	-	175,000	175,000	New
725-00 Machinery and Equipment	-	50,000	50,000	10,000	-	(50,000)	-100.0%
Total Major Capital Outlay	**10,410,989**	**1,065,000**	**1,065,000**	**215,000**	**175,000**	**(890,000)**	**-83.6%**

2013 Capital Improvement Projects		Funding Sources			
Project #	Project	Public Works Sales Tax Fund			Total
720-00	**Vehicles and Moving Equipment**				
	Command No. 2 Replacement	25,000	-	-	25,000
	Medic No. 11 Replacement	150,000	-	-	150,000
	Total Vehicles and Moving Equipment	**175,000**	**-**	**-**	**175,000**
	Total 2013 Capital Budget	**175,000**	**-**	**-**	**175,000**

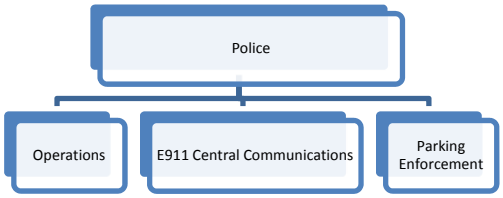
2013 Expenditures by Type



Expenditures by Funding Source



It is the mission of the Ketchikan Police Department, together with all the residents of the City, to make the community a safe place within which to live and work.



The Police Department is comprised of three operating divisions and oversees a Grant Program and a Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	3,350,416	3,574,906	3,622,806	3,570,650	3,658,116	83,210	2.3%
E911 Central Communications	976,592	927,735	1,039,917	1,004,647	1,098,462	170,727	18.4%
Parking Enforcement	77,252	77,209	87,009	86,320	80,467	3,258	4.2%
Grants	21,038	10,500	11,400	11,400	2,500	(8,000)	-76.2%
Capital	202,123	580,000	596,990	570,000	172,000	(408,000)	-70.3%
Total	**4,627,421**	**5,170,350**	**5,358,122**	**5,243,017**	**5,011,545**	**(158,805)**	**-3.1%**

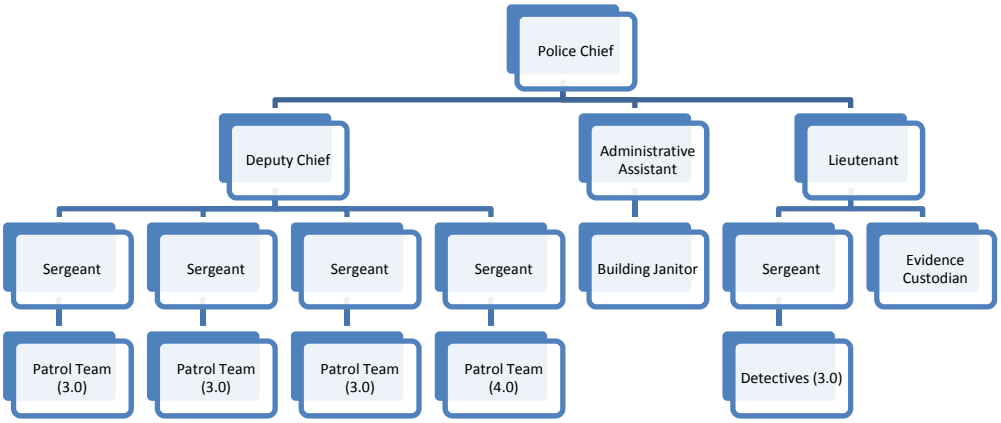
Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	3,914,237	4,047,440	4,120,233	4,055,180	4,189,518	142,078	3.5%
Supplies	180,309	160,650	183,939	182,300	173,700	13,050	8.1%
Contract/Purchased Services	214,679	264,460	309,393	287,970	345,410	80,950	30.6%
Minor Capital Outlay	30,909	48,150	55,917	55,917	51,267	3,117	6.5%
Interdepartmental Charges	85,164	69,650	91,650	91,650	79,650	10,000	14.4%
Major Capital Outlay	202,123	580,000	596,990	570,000	172,000	(408,000)	-70.3%
Total	**4,627,421**	**5,170,350**	**5,358,122**	**5,243,017**	**5,011,545**	**(158,805)**	**-3.1%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Support	2,326,829	2,574,850	2,744,732	2,648,617	2,793,545	218,695	8.5%
Public Safety Sales Tax	1,423,596	1,443,000	1,443,000	1,443,000	1,472,500	29,500	2.0%
Charges for Services	415,448	390,000	390,000	400,000	400,000	10,000	2.6%
Fines and Forfeitures	156,707	152,000	152,000	150,000	166,000	14,000	9.2%
US Marshal Fund	81,680	20,000	20,000	20,000	5,000	(15,000)	-75.0%
Federal and State Grants	28,036	10,500	11,400	11,400	2,500	(8,000)	-76.2%
Public Works Sales Tax	195,125	580,000	596,990	570,000	172,000	(408,000)	-70.3%
Total	**4,627,421**	**5,170,350**	**5,358,122**	**5,243,017**	**5,011,545**	**(158,805)**	**-3.1%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Operations	26.00	26.00	26.00	26.00	1,888,966	-	0.0%
E911 Central Communications	9.30	9.30	9.30	9.30	447,945	-	0.0%
Parking Enforcement	1.00	1.00	1.00	1.00	39,707	-	0.0%
Total	**36.30**	**36.30**	**36.30**	**36.30**	**2,376,618**	**-**	**0.0%**

MISSION STATEMENT

To protect and serve the City of Ketchikan and its citizens by providing progressive public safety services.



GOALS FOR 2013

- Continue to respond to the needs of Ketchikan's citizens and visitors using sound customer service philosophies.
- Remain fiscally responsible by providing the highest quality law enforcement services while operating within budget limitations.
- Continue with an aggressive areawide drug enforcement strategy.
- Continue to provide quality individual and team training to members of the department.
- Implement a Reserve Officer Program.

ACCOMPLISHMENTS FOR 2012

- Reorganized the department to enhance operational efficiency.
- Investigations Division brought to full staffing.
- School Resource Officer redeployed.
- Aggressive areawide drug enforcement strategy implemented using Drug Enforcement Team.
- Trained two staff members to use the Universal Forensic Electronic Device (UFED) to recover evidence from cellular telephones.
- Participated in a large scale Active Shooter Exercise with University of Alaska Southeast staff and area fire departments.
- Entered into an agreement with the Federal Bureau of Investigation to participate in the Safe Streets Task Force to better investigate, disrupt and dismantle drug trafficking organizations.
- Hosted a "National Night Out" event at the Plaza Mall.
- Final implementation of the Digital Evidence Management System.

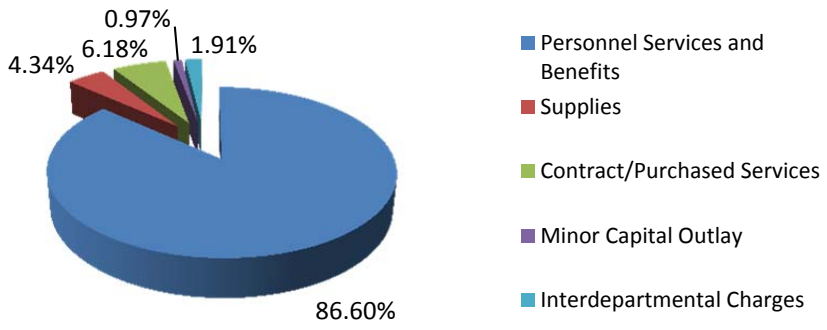
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	2,920,540	3,137,006	3,088,856	3,048,000	3,168,266	31,260	1.0%
Supplies	146,736	137,950	160,100	158,600	158,650	20,700	15.0%
Contract/Purchased Services	186,846	203,250	255,150	245,350	226,000	22,750	11.2%
Minor Capital Outlay	21,190	37,000	37,000	37,000	35,500	(1,500)	-4.1%
Interdepartmental Charges	75,104	59,700	81,700	81,700	69,700	10,000	16.8%
Total Expenditures	**3,350,416**	**3,574,906**	**3,622,806**	**3,570,650**	**3,658,116**	**83,210**	**2.3%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Support	1,780,646	2,044,906	2,092,806	2,062,650	2,119,616	74,710	3.7%
Public Safety Sales Tax	1,423,596	1,443,000	1,443,000	1,443,000	1,472,500	29,500	2.0%
Fines and Forfeitures	64,494	67,000	67,000	45,000	61,000	(6,000)	-9.0%
US Marshal Fund	81,680	20,000	20,000	20,000	5,000	(15,000)	-75.0%
Total	**3,350,416**	**3,574,906**	**3,622,806**	**3,570,650**	**3,658,116**	**83,210**	**2.3%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Police Chief	0.90	0.90	0.90	0.90	96,123	-	0.0%
Deputy Chief	0.95	0.95	0.95	0.95	95,764	-	0.0%
Lieutenant	2.00	1.00	1.00	1.00	87,246	-	0.0%
Sergeant	4.00	5.00	5.00	5.00	411,659	-	0.0%
Corporal	3.00	2.00	2.00	2.00	151,272	-	0.0%
Police Officer	10.00	11.00	11.00	11.00	728,596	-	0.0%
Detective/Investigations	3.00	3.00	3.00	3.00	215,080	-	0.0%
Administrative Assistant	0.95	0.95	0.95	0.95	47,582	-	0.0%
Evidence Custodian	0.90	0.90	0.90	0.90	44,075	-	0.0%
Custodian	0.30	0.30	0.30	0.30	11,569	-	0.0%
Total	**26.00**	**26.00**	**26.00**	**26.00**	**1,888,966**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Vehicle Motor Fuel and Lubricants (Account No. 525-04) is projected to increase due to continued high fuel prices.
- Vehicle Maintenance Services (Account No. 635-07) has been increased to more accurately reflect actual expenditures from 2011 and 2012.
- Investigative Services (Account No. 635-10) has been increased to provide continued funding for long term drug investigations.
- Insurance Benefits (Account No. 507-00) decreased due to changes in employee health insurance status.

DIVISION OPERATING BUDGET DETAIL

			2011	2012 Budget			2013	Budget Change 2012-2013	
Operating Expenditures			Actual	Adopted	Amended	Estimate	Budget	Amount	%
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	1,693,335	1,852,206	1,787,656	1,763,000	1,888,966	36,760	2.0%
501	01	Overtime Wages	164,328	160,000	179,100	179,100	160,000	-	0.0%
502	01	Temporary Wages	2,091	-	500	500	-	-	0.0%
505	00	Payroll Taxes	142,271	153,900	153,900	148,600	156,700	2,800	1.8%
506	00	Pension	400,345	440,200	440,200	427,300	448,200	8,000	1.8%
507	00	Insurance Benefits	424,900	440,100	440,100	432,515	420,900	(19,200)	-4.4%
508	00	Other Benefits	46,622	38,600	35,400	45,385	41,900	3,300	8.5%
509	01	Allowances-Police Uniforms	43,975	50,400	50,400	50,000	50,000	(400)	-0.8%
509	08	Allowances-Medical Expenses	2,673	1,600	1,600	1,600	1,600	-	0.0%
		Personnel Services and Benefits	**2,920,540**	**3,137,006**	**3,088,856**	**3,048,000**	**3,168,266**	**31,260**	**1.0%**
Supplies									
510	01	Office Supplies	7,862	8,500	9,000	9,000	9,000	500	5.9%
510	02	Operating Supplies	27,403	30,000	30,000	30,000	30,000	-	0.0%
510	03	Safety Program Supplies	12,334	12,000	11,500	10,000	10,000	(2,000)	-16.7%
510	04	Janitorial Supplies	2,002	2,200	2,350	2,350	2,400	200	9.1%
515	04	Machinery & Equip Maint Materials	299	1,000	1,000	1,000	1,000	-	0.0%
520	02	Postage	4,376	5,250	5,250	5,250	5,250	-	0.0%
525	03	Heating Fuel	28,931	29,000	32,000	32,000	32,000	3,000	10.3%
525	04	Vehicle Motor Fuel & Lubricants	45,056	41,000	60,000	60,000	60,000	19,000	46.3%
535	01	Moving Expenses	14,057	5,000	5,000	5,000	5,000	-	0.0%
535	04	Allowances-Uniforms/Badges/Clothing	4,416	4,000	4,000	4,000	4,000	-	0.0%
		Supplies	**146,736**	**137,950**	**160,100**	**158,600**	**158,650**	**20,700**	**15.0%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Contract/Purchased Services									
600	01	Travel-Business	1,340	1,500	1,500	1,500	1,500	-	0.0%
600	02	Travel-Training	31,260	35,000	35,000	35,000	35,000	-	0.0%
600	03	Training and Education	4,910	5,500	5,500	5,500	5,500	-	0.0%
605	02	Advertising and Public Announcements	2,793	3,000	3,000	3,000	3,000	-	0.0%
610	01	Community Promotion	3,644	4,000	4,000	4,000	4,000	-	0.0%
615	02	Assn. Membership Dues and Fees	3,131	4,000	4,000	4,000	4,000	-	0.0%
620	02	Towing of Impounded Property	904	4,500	5,500	5,500	5,000	500	11.1%
630	02	Vehicle Licenses	490	750	750	450	500	(250)	-33.3%
635	01	Government Contractual Services	27,964	25,000	26,900	26,900	26,000	1,000	4.0%
635	07	Machinery & Equip Maintenance Services	5,884	10,000	11,500	11,500	11,500	1,500	15.0%
635	10	Investigation Services	15,112	20,000	70,000	70,000	40,000	20,000	100.0%
640	05	Medical Services	8,252	5,000	3,500	1,000	5,000	-	0.0%
650	01	Telecommunications	34,710	40,000	39,000	36,000	40,000	-	0.0%
650	02	Electric, Water, Sewer & Solid Waste	46,452	45,000	45,000	41,000	45,000	-	0.0%
		Contract/Purchased Services	**186,846**	**203,250**	**255,150**	**245,350**	**226,000**	**22,750**	**11.2%**
Minor Capital									
715	00	Furniture and Fixtures	531	4,000	4,000	4,000	4,000	-	0.0%
725	00	Machinery and Equipment	12,705	20,500	20,500	20,500	20,000	(500)	-2.4%
725	01	Computers, Printers and Copiers	7,954	12,500	12,500	12,500	11,500	(1,000)	-8.0%
		Minor Capital Outlay	**21,190**	**37,000**	**37,000**	**37,000**	**35,500**	**(1,500)**	**-4.1%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	30,796	29,700	29,700	29,700	29,700	-	0.0%
850	01	Interdepartmental Charges-Garage	44,308	30,000	52,000	52,000	40,000	10,000	33.3%
		Interdepartmental Charges	**75,104**	**59,700**	**81,700**	**81,700**	**69,700**	**10,000**	**16.8%**
		Total Expenditures by Type	**3,350,416**	**3,574,906**	**3,622,806**	**3,570,650**	**3,658,116**	**83,210**	**2.3%**

NARRATIVE

500-01 Regular Salaries and Wages: $1,888,966 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $160,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

505-00 Payroll Taxes: $156,700 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $448,200 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $420,900 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $41,900 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-01 Allowances – Police Uniforms: $50,000 – This account provides for employer provided uniform allowances paid directly to police officers pursuant to collective bargaining agreements or the Personnel Rules.

509-08 Allowances- Medical Expenses: $1,600 - This account provides for employee medical exams paid directly to employees. These benefits are taxable to the employees.

510-01 Office Supplies: $9,000 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers.

510-02 Operating Supplies: $30,000 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as CDs, DVDs, batteries, narcotic test kits, training materials, crime scene investigation materials, pepper spray, ammunition and targets.

510-03 Safety Program Supplies: $10,000 - This account provides supplies for the City safety program. Included are safety information brochures, safety training audio and video programs, soft body armors, ballistic vests, safety equipment, OSHA required medical exams, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control.

510-04 Janitorial Supplies: $2,400 – This account provides for cleaning and sanitation supplies used by in-house and contracted janitors.

515-04 Machinery and Equipment Maintenance Materials: $1,000 – This account provides for the materials required to repair and maintain machinery and equipment owned or leased and operated by the department. Included are office equipment, operating equipment, computer networks and computers.

520-02 Postage: $5,250 - This account provides for postal related services such as postage, express delivery, mailing materials and the rent of post office boxes and postage machines.

525-03 Heating Fuel: $32,000 - This account provides for heating fuel for the Police Department.

525-04 Vehicle Motor Fuel and Lubricants: $60,000 - This account provides for gasoline and lubricants used for the operation of police vehicles.

535-01 Moving Expenses: $5,000: This account provides for the reimbursements to employees for expenditures incurred to relocate to Ketchikan.

535-04 Allowances-Uniforms/Badges/Clothing: $4,000 - This account provides for direct purchases of or reimbursements to employees for work related clothing required by department policies. Included are badges, collar insignia, patches and department awards.

600-01 Travel-Business: $1,500 – This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business and trade meetings.

600-02 Travel-Training: $35,000 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $5,500 – This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or third-parties.

605-01 Advertising and Public Announcements: $3,000 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are legal notices, public service announcements, community issues, recruiting, election notices, requests for proposals, contracts and sales of property and equipment.

610-01 Community Promotion: $4,000 – This account provides for the promotion of community activities and programs. Included activities are National Night Out, Health Fair and Halloween Safety.

615-02 Assn. Dues and Membership Fees: $4,000 – This account provides for memberships in professional and trade associations such as the FBI National Academy Associates, Alaska Association of Chiefs of Police, International Association of Chiefs of Police and others.

620-02 Towing of Impounded Property: $5,000 – This account provides for towing and/or storing of impounded vehicles and marine vessels.

630-02 Vehicle Licenses: $500 – This account provides for licensing City vehicles for operations on public highways.

635-01 Government Contractual Services: $26,000 - This account provides for services provided by federal, state and local governments. Included are prisoner charges and fees paid for services provided by federal, state and local governments.

635-07 Machinery and Equipment Maintenance Services: $11,500 - This account provides for the contractual services requird to repair and maintain office equipment, machinery and other operating equipment owned or leased by the department. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635-10 Investigation Services: $40,000 - This account provides for major criminal investigations, undercover operations and other types of investigation and inspection services.

640-05 Medical Services: $5,000 – This account provides for the costs of medical examinations for individuals held in protective custody, medical screenings for arrestees and DUI blood draws.

650-01 Telecommunications: $40,000 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers.

650-02 Electric, Water, Sewer & Solid Waste: $45,000 - This account provides for electric, water, sewer and solid waste utility services.

715-00 Furniture and Fixtures: $4,000 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $20,000 - This account will provide for the acquisition of ten X2 Tasers and accessories, Taser training cartridges, four less than lethal launchers and accessories and four patrol rifles.

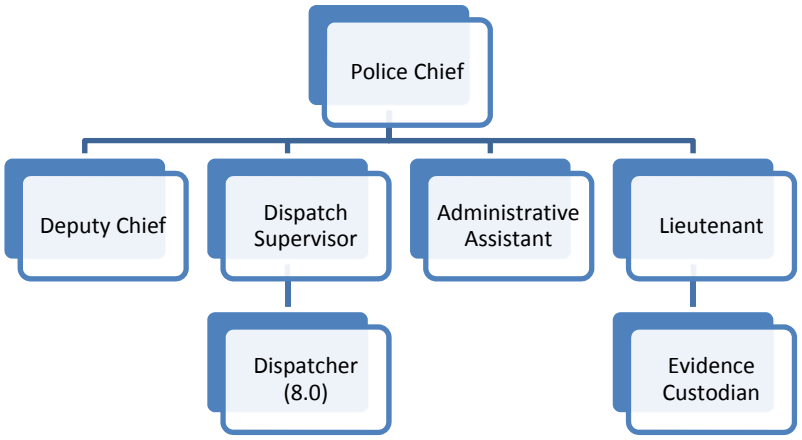
725-01 Computers, Printers and Copiers: $11,500 - This account provides for acquisition of five replacement PC's and one laser printer.

825-01 Interdepartmental Charges – Insurance: $29,700 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $40,000 – Expenditures for fleet maintenance services provided by the Public Works Department – Garage Division.

MISSION STATEMENT

It is the mission of the E-911 Central Communications Division to provide 24-hour emergency dispatch services for the community, in order to provide for expedited and professional responses from Police, Fire and EMS.



GOALS FOR 2013

- Continue to provide professional Police, Fire and Emergency Medical dispatch services to the community.
- Continue to respond to the needs of Ketchikan's citizens and visitors using sound customer service philosophies.
- Strive to provide continued communications training for all dispatchers.

ACCOMPLISHMENTS FOR 2012

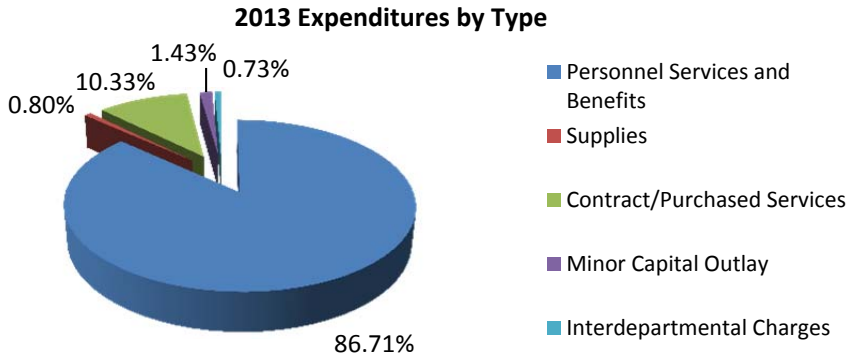
- E-911 Central Communications Division completed a full upgrade to its existing E-911, radio and recording systems.
- A supervisor's dispatch position was added providing for three fully functional dispatch positions.
- Maintenance contracts were obtained to cover E-911 systems and software.

DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	925,386	843,585	955,767	932,120	952,445	108,860	12.9%
Supplies	8,200	8,500	8,750	8,750	8,750	250	2.9%
Contract/Purchased Services	27,446	56,500	48,483	36,860	113,500	57,000	100.9%
Minor Capital Outlay	7,719	11,150	18,917	18,917	15,767	4,617	41.4%
Interdepartmental Charges	7,841	8,000	8,000	8,000	8,000	-	0.0%
Total	**976,592**	**927,735**	**1,039,917**	**1,004,647**	**1,098,462**	**170,727**	**18.4%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Support	561,144	537,735	649,917	604,647	698,462	160,727	29.9%
Charges for Services - E911	415,448	390,000	390,000	400,000	400,000	10,000	2.6%
Total	**976,592**	**927,735**	**1,039,917**	**1,004,647**	**1,098,462**	**170,727**	**18.4%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Police Chief	0.10	0.10	0.10	0.10	10,680	-	0.0%
Deputy Chief	0.05	0.05	0.05	0.05	5,040	-	0.0%
Administrative Assistant	0.05	0.05	0.05	0.05	2,504	-	0.0%
Dispatch Supervisor	1.00	1.00	1.00	1.00	58,926	-	0.0%
Dispatcher	8.00	8.00	8.00	8.00	365,898	-	0.0%
Evidence Custodian	0.10	0.10	0.10	0.10	4,897	-	0.0%
Total	**9.30**	**9.30**	**9.30**	**9.30**	**447,945**	**-**	**0.0%**



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Overtime Wages (Account No. 501-01) for E-911 Central Communications is being increased for 2013 to reflect projected expenditures supported by 2011 and 2012 actual expenditures.
- Temporary Wages (Account No. 502-01) for E-911 Central Communications is being increased to provide for two temporary dispatchers that are used to fill in for full-time dispatchers in an effort to minimize overtime.
- Machinery and Equipment Maintenance (Account No. 635-07) has been increased due to current maintenance contracts for the new E-911, radio and recording systems.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	438,818	450,385	465,247	453,600	447,945	(2,440)	-0.5%
501	01	Overtime Wages	116,548	61,000	125,400	122,400	125,000	64,000	104.9%
502	01	Temporary Wages	45,409	20,000	28,000	28,000	40,000	20,000	100.0%
505	00	Payroll Taxes	45,959	40,700	45,500	46,206	46,900	6,200	15.2%
506	00	Pension	122,180	112,500	129,320	126,720	126,100	13,600	12.1%
507	00	Insurance Benefits	140,600	140,300	143,500	140,300	148,600	8,300	5.9%
508	00	Other Benefits	8,372	9,700	9,800	7,894	10,900	1,200	12.4%
509	02	Allowances-Dispatch Uniforms	7,500	9,000	9,000	7,000	7,000	(2,000)	-22.2%
		Personnel Services and Benefits	**925,386**	**843,585**	**955,767**	**932,120**	**952,445**	**108,860**	**12.9%**
Supplies									
510	02	Operating Supplies	5,033	7,000	7,250	7,250	7,250	250	3.6%
535	01	Moving Expenses	1,500	-	-	-	-	-	0.0%
535	04	Uniforms/Badges/Clothing	1,667	1,500	1,500	1,500	1,500	-	0.0%
		Supplies	**8,200**	**8,500**	**8,750**	**8,750**	**8,750**	**250**	**2.9%**
Contract/Purchased Services									
600	02	Travel-Training	5,917	10,000	10,000	8,217	10,000	-	0.0%
600	03	Training and Education	1,180	2,000	2,000	1,643	2,000	-	0.0%
605	02	Advertising and Public Announcements	427	1,000	1,000	1,000	1,000	-	0.0%
630	05	Software Licenses	1,697	1,000	1,000	1,000	1,500	500	50.0%
635	07	Machinery & Equip Maint Services	8,171	30,000	21,983	12,500	86,500	56,500	188.3%
635	11	Subscription Services	6,250	6,000	6,000	6,000	6,000	-	0.0%
650	01	Telecommunications	3,804	5,500	5,500	5,500	5,500	-	0.0%
650	02	Electric, Water, Sewer & Solid Waste	-	1,000	1,000	1,000	1,000	-	0.0%
		Contract/Purchased Services	**27,446**	**56,500**	**48,483**	**36,860**	**113,500**	**57,000**	**100.9%**
Minor Capital									
715	00	Furniture and Fixtures	-	5,000	12,767	12,767	5,000	-	0.0%
725	00	Machinery & Equipment	1,087	3,300	3,300	3,300	7,767	4,467	135.4%
735	00	Software	6,632	2,850	2,850	2,850	3,000	150	5.3%
		Minor Capital Outlay	**7,719**	**11,150**	**18,917**	**18,917**	**15,767**	**4,617**	**41.4%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	7,841	8,000	8,000	8,000	8,000	-	0.0%
		Interdepartmental Charges	**7,841**	**8,000**	**8,000**	**8,000**	**8,000**	**-**	**0.0%**
		Total Expenditures by Type	**976,592**	**927,735**	**1,039,917**	**1,004,647**	**1,098,462**	**170,727**	**18.4%**

NARRATIVE

500-01 Regular Salaries and Wages: $447,945 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $125,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $40,000 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $46,900 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $126,100 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $148,600 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $10,900 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-02 Allowances – Dispatch Uniforms: $7,000 - This account provides for employer provided uniform allowances paid directly to police dispatchers pursuant to collective bargaining agreements or the Personnel Rules.

510-02 Operating Supplies: $7,250 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as communications headsets, batteries, , employee awards and recognition pins, brochures, medical supplies, and general materials for classes and public programs.

535-04 Allowances-Uniforms/Badges/Clothing: $1,500 - This account provides for direct purchases of or reimbursements to employees for work related clothing required by department policies. Included are work clothes, collar insignia, patches, raingear, hats, boots and branded logo wear.

600-02 Travel-Training: $10,000 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $2,000 – This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or a third-parties.

605-01 Advertising and Public Announcements: $1,000 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are legal notices, public service announcements, community issues, recruiting, election notices, requests for proposals, contracts and sales of property and equipment.

630-05 Software Licenses: $1,500 – This account provides for acquiring licenses for the right to use proprietary software.

635-07 Machinery and Equipment Maintenance Services: $86,500 - This account provides for the contractual services required to repair and maintain office equipment, radios, the E-911 systemand other operating

equipment owned or leased by the City. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635-11 Subscription Services: $6,000 - This account provides for subscriptions for access to telephonic and web based services. Included are Alaska Public Information System, on-line reference databases, Statewide Library Electronic Doorway and other similar telephonic and web based subscription services.

650-01 Telecommunications: $5,500 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers.

650-02 Electric, Water, Sewer & Solid Waste: $1,000 - This account provides for electric, water, sewer and solid waste utility services.

715-00 Furniture and Fixtures: $5,000 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $7,767 - This account will provide for a replacement multifunction copier.

735-00 Software: $3,000 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements.

825-01 Interdepartmental Charges – Insurance: $8,000 - This account provides for risk management services and claims.

MISSION STATEMENT

The mission of the Parking Enforcement Division is to provide parking enforcement in the City Center District as well as all other areas within City jurisdiction in a fair and equitable manner and in accordance with the Ketchikan Municipal Code.

GOALS FOR 2013

- Identify parking issues within the City and bring forth working solutions.
- Continue to aggressively remove abandoned vehicles to alleviate congested parking on City Streets.
- Enforce the parking codes in the downtown core to ensure adequate parking for daily use.

ACCOMPLISHMENTS FOR 2012

- The department hired a seasonal Parking Enforcement Specialist for the summer. This employee was an asset to the unit and generated a large amount of citations to help gain compliance in the downtown core.
- Aggressively identified abandoned vehicles and removed them from City streets.
- The Parking Enforcement Specialist identified signage issues, which were brought forth and have since been corrected.
- The Parking Enforcement Division issued 3,606 citations as of August 27, 2012.

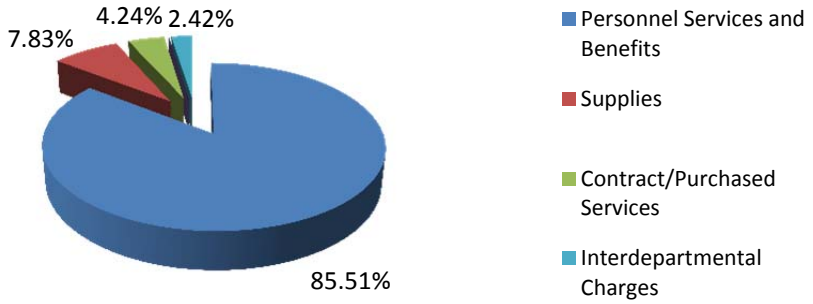
DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	68,311	66,849	75,610	75,060	68,807	1,958	2.9%
Supplies	4,335	6,200	6,189	6,050	6,300	100	1.6%
Contract/Purchased Services	387	2,210	3,260	3,260	3,410	1,200	54.3%
Minor Capital Outlay	2,000	-	-	-	-	-	0.0%
Interdepartmental Charges	2,219	1,950	1,950	1,950	1,950	-	0.0%
Total	**77,252**	**77,209**	**87,009**	**86,320**	**80,467**	**3,258**	**4.2%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	-	-	-	-	-	-	0.0%
Tax Supported (Rev. Producing)	(14,961)	(7,791)	2,009	(18,680)	(24,533)	(16,742)	214.9%
Charges for Services	-	-	-	-	-	-	0.0%
Fines and Forfeitures	92,213	85,000	85,000	105,000	105,000	20,000	23.5%
Total	**77,252**	**77,209**	**87,009**	**86,320**	**80,467**	**3,258**	**4.2%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Parking Enforcement Specialist	1.00	1.00	1.00	1.00	39,707	-	0.0%
Total	**1.00**	**1.00**	**1.00**	**1.00**	**39,707**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- No significant changes to amounts budgeted by account have been proposed.

DIVISION OPERATING BUDGET DETAIL

		Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	36,240	38,549	39,110	38,560	39,707	1,158	3.0%
502	01	Temporary Wages	4,296	-	7,700	7,700	-	-	0.0%
505	00	Payroll Taxes	3,100	3,000	3,500	3,500	3,000	-	0.0%
506	00	Pension	5,900	6,200	6,200	6,200	6,400	200	3.2%
507	00	Insurance Benefits	16,500	17,300	17,300	17,300	17,900	600	3.5%
508	00	Other Benefits	1,027	800	800	800	800	-	0.0%
509	03	Allowances-Public Works Clothing	1,248	1,000	1,000	1,000	1,000	-	0.0%
		Personnel Services and Benefits	**68,311**	**66,849**	**75,610**	**75,060**	**68,807**	**1,958**	**2.9%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	01	Office Supplies	2,349	3,300	3,300	3,300	3,300	-	0.0%
510	02	Operating Supplies	25	200	300	300	300	100	50.0%
520	02	Postage	1,666	2,200	2,200	2,200	2,200	-	0.0%
525	04	Vehicle Motor Fuel & Lubricants	295	500	389	250	500	-	0.0%
		Supplies	**4,335**	**6,200**	**6,189**	**6,050**	**6,300**	**100**	**1.6%**
Contract/Purchased Services									
605	02	Advertising and Public Announcements	40	200	200	200	200	-	0.0%
630	02	Vehicle Licenses	20	10	10	10	10	-	0.0%
635	04	Software Maintenance Services	-	1,500	2,700	2,700	2,700	1,200	80.0%
650	01	Telecommunications Services	327	500	350	350	500	-	0.0%
		Contract/Purchased Services	**387**	**2,210**	**3,260**	**3,260**	**3,410**	**1,200**	**54.3%**
Minor Capital									
715	00	Furniture and Fixtures	2,000	-	-	-	-	-	0.0%
		Minor Capital Outlay	**2,000**	**-**	**-**	**-**	**-**	**-**	**0.0%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	813	1,200	1,200	1,200	1,200	-	0.0%
850	01	Interdepartmental Charges-Garage	1,406	750	750	750	750	-	0.0%
		Interdepartmental Charges	**2,219**	**1,950**	**1,950**	**1,950**	**1,950**	**-**	**0.0%**
		Total Expenditures by Type	**77,252**	**77,209**	**87,009**	**86,320**	**80,467**	**3,258**	**4.2%**

NARRATIVE

500-01 Regular Salaries and Wages: $39,707 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

505-00 Payroll Taxes: $3,000 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.(If necessary, revise to reflect deletion of Temporary Salaries.)

506-00 Pension: $6,400 – This account provides for employer contributions to retirement plans.(If necessary, revise to reflect deletion of Temporary Salaries.)

507-00 Insurance Benefits: $17,900 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance. (If necessary, revise to reflect deletion of Temporary Salaries.)

508-00 Other Benefits: $800 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-03 Allowances – Public Works Clothing: $1,000 – This account provides for employer provided protective clothing allowances paid directly to represented employees of Parking Enforcement pursuant to collective bargaining agreements or the personnel rules.

510-01 Office Supplies: $3,300 – This account provides for the cost of monthly, annual and temporary City parking permits, past-due notice forms and envelopes, new parking ticket stock, printer cartridges and other supplies.

510-02 Operating Supplies: $300 - This account provides for office supplies for the division during the course of the year.

520-01 Postage: $2,200 - This account provides for postal related services such as postage, express delivery, and mailing materials..

525-04 Vehicle Motor Fuel and Lubricants: $500 - This account provides for gasoline, diesel fuel, propane and lubricants used in the operation of the Parking Enforcement Vehicle.

605-01 Advertising and Public Announcements: $200 - This account provides for advertising and announcements in publications and newspapers.

630-02 Vehicle Licenses: $10 – This account provides for licensing City vehicles for operations on public highways.

635-04 Software Maintenance Services: $2,700 - This account provides for maintenance agreements to support licensed software systems.

650-01 Telecommunications Services: $500 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers.

825-01 Interdepartmental Charges – Insurance: $1,200 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $750 - This account provides for fleet maintenance services provided by the Public Works Department-Garage Division.

MISSION STATEMENT

The Ketchikan Police Department prides itself in being one of the leaders in Alaska's law enforcement community. Every year the department seeks out additional funding sources to ensure the community is prepared for routine, day-to-day calls, and any incidents that go beyond the norm. In the past, the department has received funds to help offset the cost of officer vests, bicycle helmets and gun locks, as well as the new dispatch console. The department has also received funding to enhance law enforcement training programs from state and federal sources.

GOALS FOR 2013

- Actively pursue new State and Federal grant funding opportunities.
- Continue to solicit funding from the Alaska Police Standards Council for training and training equipment.

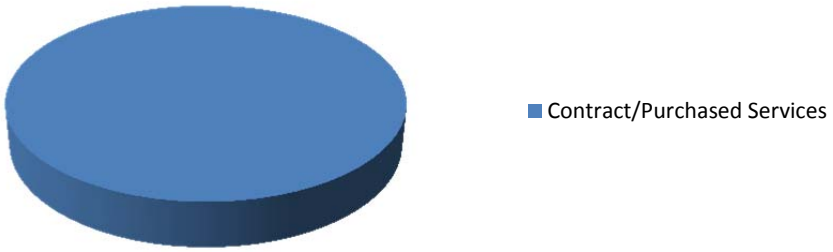
ACCOMPLISHMENTS FOR 2012

- Received over $9,500 direct funding from the Alaska Police Standards Council for travel and training. These funds provided training for School Resource Officers, Emergency Entry Team Leader, Defensive Tactics Instructor and Firearms Instructor.
- Received Simmunition training equipment valued at $7,900 from the Alaska Police Standards Council.
- Used Drug Education Grant to provide a nationally recognized speaker to give a public drug awareness presentation.
- Used Drug Education Grant to provide educational materials for children in schools and the community at large.

PROGRAM OPERATING BUDGET DETAIL

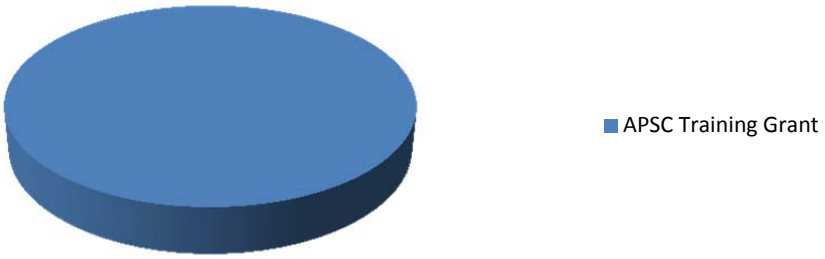
		2011	2012 Budget			2013	Budget Change 2012-2013	
Operating Expenditures		**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Supplies								
510 03	Safety Program Supplies	21,038	8,000	8,900	8,900	-	**(8,000)**	**-100.0%**
	Supplies	**21,038**	**8,000**	**8,900**	**8,900**	**-**	**(8,000)**	**-100.0%**
Contract/Purchased Services								
600 02	Travel-Training	-	2,500	2,500	2,500	2,500	**-**	**0.0%**
	Contract/Purchased Services	**-**	**2,500**	**2,500**	**2,500**	**2,500**	**-**	**0.0%**
	Total Expenditures by Type	**21,038**	**10,500**	**11,400**	**11,400**	**2,500**	**(8,000)**	**-76.2%**

2013 Expenditures by Type



Grant Program	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Meth Grant	21,038	-	-	-	-	-	0.0%
APSC Training Grant	-	2,500	2,500	2,500	2,500	-	0.0%
State-Funded Enforcement Programs	-	8,000	8,900	8,900	-	(8,000)	-100.0%
Total Expenditures by Grant Program	**21,038**	**10,500**	**11,400**	**11,400**	**2,500**	**(8,000)**	**-76.2%**

2013 Expenditures by Grant Program



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- No significant changes to amounts budgeted by account have been proposed.

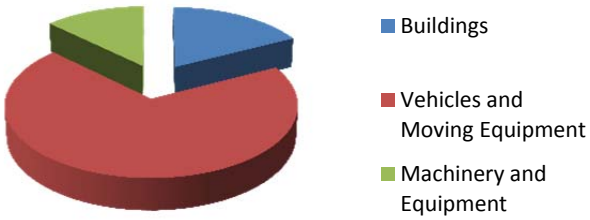
NARRATIVE

600-02 Travel-Training: $2,500 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

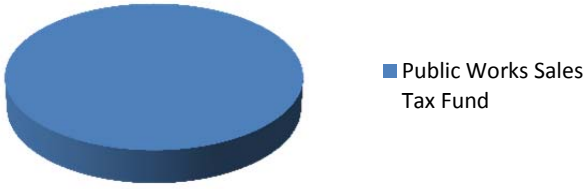
Major Capital Projects		2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00	Buildings	-	-	-	-	30,000	30,000	New
715-00	Furniture and Fixtures	54,218	-	-	-	-	-	0.0%
720-00	Vehicles and Moving Equipment	100,000	120,000	120,000	120,000	120,000	-	0.0%
725-00	Machinery and Equipment	-	60,000	60,000	60,000	22,000	(38,000)	-63.3%
735-00	Software	47,905	400,000	416,990	390,000	-	(400,000)	-100.0%
Total Major Capital Outlay		**202,123**	**580,000**	**596,990**	**570,000**	**172,000**	**(408,000)**	**-70.3%**

2013 Capital Improvement Projects		Funding Sources			
Project #	Project	Public Works Sales Tax Fund	Grants	Bonds	Total
705-00	**Buildings**				
	Climate Control Replacement	30,000	-	-	30,000
	Total Buildings	**30,000**	**-**	**-**	**30,000**
720-00	**Vehicles and Moving Equipment**				
	Replacement of Three Police Vehicles	120,000	-	-	120,000
	Total Vehicles and Moving Equipment	**120,000**	**-**	**-**	**120,000**
725-00	**Machinery and Equipment**				
	VoIP Phone System Upgrade	22,000	-	-	22,000
	Total Machinery and Equipment	**22,000**	**-**	**-**	**22,000**
	Total 2013 Capital Budget	**172,000**	**-**	**-**	**172,000**

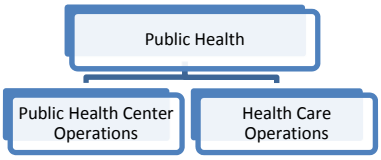
2013 Expenditures by Type



2013 Expenditures by Funding Source



The Public Health Department is comprised of two operating divisions and oversees a Capital Improvement Program.



DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Public Health Center	14,150	19,800	19,800	16,800	15,000	(4,800)	-24.2%
Health Care Operations	623,965	348,300	348,300	348,300	148,300	(200,000)	-57.4%
Capital	1,515,875	1,176,239	4,230,537	3,576,879	1,864,719	688,480	58.5%
Total Department Expenditures	**2,153,990**	**1,544,339**	**4,598,637**	**3,941,979**	**2,028,019**	**483,680**	**31.3%**

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Supplies	22,122	23,250	23,250	22,970	21,000	(2,250)	-9.7%
Contract/Purchased Services	607,023	333,850	333,850	332,030	132,500	(201,350)	-60.3%
Minor Capital Outlay	678	2,700	2,700	1,800	1,500	(1,200)	-44.4%
Interdept'l Charges/Reimbursable Credits	8,292	8,300	8,300	8,300	8,300	-	0.0%
Major Capital Outlay	1,515,875	1,176,239	4,230,537	3,576,879	1,864,719	688,480	58.5%
Total Expenditures	**2,153,990**	**1,544,339**	**4,598,637**	**3,941,979**	**2,028,019**	**483,680**	**31.3%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	14,150	19,800	19,800	16,800	15,000	(4,800)	-24.2%
Hospital Sales Tax Fund	1,576,079	1,098,300	2,438,659	1,763,659	748,300	(350,000)	-31.9%
Federal & State Grant Fund	563,761	426,239	2,140,178	2,161,520	1,264,719	838,480	196.7%
Total Funding	**2,153,990**	**1,544,339**	**4,598,637**	**3,941,979**	**2,028,019**	**483,680**	**31.3%**

MISSION STATEMENT

The mission of the Ketchikan Public Health Center (KPHC): Protecting and improving the health of Alaskans through partnering with individuals, communities and systems while championing self-reliance, dignity and cultural integrity.

The KPHC provides a multitude of services to Ketchikan residents as well as the greater Ketchikan population area including Hyder and Metlakatla. The Craig Public Health Center staff, under the supervision of KPHC Nurse Manager, serves Prince of Wales Island villages and all clients who visit the Craig site. Public Health services include home visits to prenatal and postpartum women; well-child exams; immunizations; pregnancy testing; family planning services; communicable disease screening; treatment and surveillance; HIV screening; TB screening and case management; educational presentations; and a genetics clinic for families with special needs. KPHC is also involved in community coalitions including the Ketchikan Wellness Coalition, Substance Abuse Task Force, Year-Round Economy Task Force, Domestic Violence Task Force, southeast Alaska Networking Elderly Topics (SEANET) and First City Homeless Services. KPHC staff collaborates with community partners in disaster preparedness and to utilize available resources, in order to promote optimum health care for Ketchikan residents.

GOALS FOR 2013

- Continue to assess Ketchikan's public health care needs through work with the Ketchikan Wellness Coalition steering committee and the 6 task force groups: Strengthening Cultural Unity, Empowering Youth, Promoting Respectful Relationships, Cost of Substance Abuse, Uniting Around Life Challenges and Year-Around Economy. We are becoming very active in education and prevention of obesity.
- KPHC staff will work with the Ketchikan Wellness Coalition and other community partners on completing a community health assessment, identifying and addressing health improvement processes for Ketchikan.
- Participate in numerous community and state coalitions and committees. The KPHC will continue to participate in the following local groups: Diabetes Coalition, SEANET, MRC, First City Homeless Services, LEPC and Domestic Violence Task Force.
- Staff will continue to participate in local and statewide disaster preparedness trainings.
- Provide seasonal flu vaccines to children. Work with Community Partners to ensure that Adult vaccine is available and provide technical support through an Immunization Coalition for the Greater Ketchikan Area.
- Continue screening, treatment, education and surveillance of communicable diseases with a focus on Chlamydia.
- Work towards fulfilling the goals outlined in Nursing Management Plan FY11-FY15: improving immunizations rates, screening and referrals for Domestic Violence, reducing rates of Chlamydia, collaborating in community health assessments for health improvement process, reduce health inequities by addressing root causes, engage in meaningful flow of information and hold ourselves accountable for honest and respectful communication at all levels, and practice exceptional stewardship of resources through continuous quality improvement.

ACCOMPLISHMENTS FOR 2012

- Provided support (administrative leadership, office, storage and meeting space) for the Wellness Coalition.
- Continued to provide office and storage space for the Women, Infants and Children (WIC) Nutritional Program. The KPHC staff screened 547 women, infants and children for the WIC program.
- Provided public health services through 6,882 visits for 2,505 clients.
- Provided health promotion and education to citizens through individual encounters, radio spots, newspaper articles and classes at the schools, civic groups and the local health fair.
- Provided women's health care (family planning, cancer screening and other services) for 517 clients with 1,115 visits. The KPHC continues to provide family planning service in the Petersburg, Wrangell and Craig Public Health Centers.
- The KPHC strives to ask all clients if they have encountered family violence/domestic violence. Family violence/domestic violence screenings were asked of 2,994 visits with 28 positives and 2 suspected positives for violence. Clients involved in family violence/domestic violence are offered referrals to WISH and other community resources. If appropriate, a report is made to the Office of Children's Services.
- Offered clinical and community nursing experiences to student nurses from the University of Alaska Anchorage. One Ketchikan High School student in the Vocational Med Program shadowed public health nurses.
- Assisted the school population by consulting with the school administration and supplementing the health curriculum with presentations by a public health nurse. The KPHC has served as consultants on issues such as reproductive health, lice, scabies, immunizations, communicable diseases and blood borne pathogens. Public Health Nurses also worked with the counselors and refered students to other resources as needed. KPHC continues to be concerned about the lack of school nurses.
- Provided 306 pregnancy tests with 80 positive (2 were for clients under 18 years of age). KPHC provided prenatal consultation visits for at-risk pregnant families. KPHC staff coordinated care for pregnant women and provided outreach for the Denali Kid Care Program.
- Disaster preparedness continues to be the focus of many meetings and trainings. KPHC participates in the Local Emergency Planning Committee (LEPC).
- Provided infant and children's services through newborn home visits to new parents as well as home visits to families in need of parenting assistance. Clinic services were provided to infants and children. 1,182 children received services with a total of 2,111 visits.
- 1,309 immunizations were given to adults and children.
- 234 flu vaccines were given to individuals of all ages.
- Participated in the Reach Out and Read Program. The program encourages parents to read to their child by providing a new book to children 4 years of age and younger who have a well-child screening exam at the KPHC.
- Supported a specialty pediatric genetic clinic and neurodevelopmental clinic throughout the year. These clinics hosted a specialist team of physicians who travel to Ketchikan to provide services.
- Investigated and followed up on communicable diseases. TB tests were administered to 515 clients. Public Health Nurses continued to case manage TB clients and dispense TB medication.
- Collaborated with State and Federal agencies in response to Paralytic Shellfish Poisoning Outbreak in the Greater Ketchikan Area. Education was provided and posters updated on a regular basis and posted at local beaches.
- Provided screening, diagnosis and treatment for persons with sexually transmitted diseases (STD); 307 clients were screened for an STD with 597 visits. Provided HIV testing for 215 clients. The KPHC continues to record no new positive HIV tests although it did follow up with 50 positive cases of Chlamydia. This number is a decrease from the previous year.

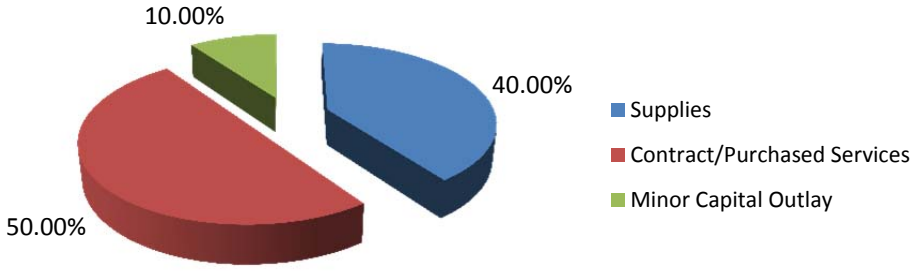
- Participated in the First City Homeless Services, Diabetes Coalition, PATCHWorks, SEANET, Domestic Violence Task Group, Compass II Workgroup/Ketchikan Wellness Coalition Steering Committee, Substance Abuse Task Force and the Year-Round Economy Task Force.

DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Supplies	7,195	8,250	8,250	7,970	6,000	(2,250)	-27.3%
Contract/Purchased Services	6,277	8,850	8,850	7,030	7,500	(1,350)	-15.3%
Minor Capital Outlay	678	2,700	2,700	1,800	1,500	(1,200)	-44.4%
Total Expenditures	**14,150**	**19,800**	**19,800**	**16,800**	**15,000**	**(4,800)**	**-24.2%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund Tax Supported	14,150	19,800	19,800	16,800	15,000	(4,800)	-24.2%
Total Funding	**14,150**	**19,800**	**19,800**	**16,800**	**15,000**	**(4,800)**	**-24.2%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- The Public Health Center has voluntarily decreased its budget from $19,800 to $15,000.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	01	Office Supplies	1,127	1,500	1,500	1,500	1,000	(500)	-33.3%
510	02	Operating Supplies	5,164	5,000	5,000	5,000	4,000	(1,000)	-20.0%
515	02	Building & Grounds Maint Materials	-	75	75	60	100	25	33.3%
515	03	Furniture & Fixtures Maint Materials	-	225	225	180	100	(125)	-55.6%
515	04	Machinery & Equip Maint Materials	370	450	450	360	300	(150)	-33.3%
530	03	Professional & Technical Publications	534	1,000	1,000	870	500	(500)	-50.0%
		Supplies	**7,195**	**8,250**	**8,250**	**7,970**	**6,000**	**(2,250)**	**-27.3%**
Contract/Purchased Services									
600	01	Travel-Business	-	1,000	1,000	-	-	(1,000)	-100.0%
605	02	Advertising and Public Announcements	665	750	750	300	750	-	0.0%
615	01	Professional and Technical Licenses	750	1,850	1,850	1,630	750	(1,100)	-59.5%
635	06	Building & Grounds Maintenance Services	4,862	5,250	5,250	5,100	6,000	750	14.3%
		Contract/Purchased Services	**6,277**	**8,850**	**8,850**	**7,030**	**7,500**	**(1,350)**	**-15.3%**
Minor Capital									
715	00	Furniture and Fixtures	678	1,000	1,000	1,000	1,000	-	0.0%
725	00	Machinery and Equipment	-	300	300	300	250	(50)	-16.7%
735	00	Software	-	1,400	1,400	500	250	(1,150)	-82.1%
		Minor Capital Outlay	**678**	**2,700**	**2,700**	**1,800**	**1,500**	**(1,200)**	**-44.4%**
		Total Expenditures by Type	**14,150**	**19,800**	**19,800**	**16,800**	**15,000**	**(4,800)**	**-24.2%**

NARRATIVE

510-01 Office Supplies: $1,000 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers.

510-02 Operating Supplies: $4,000 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as brochures, medical supplies, laboratory supplies, posters, general materials for classes and public programs.

515-02 Building and Grounds Maintenance Materials: $100 – This account provides for materials required for the repair and maintenance of buildings and upkeep of the grounds owned or leased and operated by the State of Alaska Department of Health and Social Services.

515-03 Furniture and Fixtures Maintenance Materials: $100 **-** This account provides for materials required for the repair and maintenance of furniture and building fixtures owned or leased and operated by the State of Alaska Department of Health and Social Services.

515-04 Machinery and Equipment Maintenance Materials: $300 – This account provides for materials required for the repair and maintenance of machinery and equipment owned or leased and operated by the State of Alaska Department of Health and Social Services.. Included are office equipment, operating equipment, computer networks and computers.

530-03 Professional and Technical Publications: $500 - This account provides for professional and technical publications. Included are professional handbooks, print and electronic subscription services, professional standards and technical journals.

605-01 Advertising and Public Announcements: $750 - This account provides for advertising and announcements in publications, newspapers, Internet or broadcasts over radio and television. Included are legal notices, public service announcements, and community issues.

615-01 Professional and Technical Licenses: $750 – This account provides for licensing professional, technical and other employees requiring a license in order to perform their duties. Included are fees paid for technical certifications required by medical technicians.

635-06 Buildings and Grounds Maintenance Services: $6,000 - This account provides for contractual services required for the repair and maintenance of buildings and the upkeep of grounds owned or leased by the State of Alaska Department of Health and Social Services.. This account includes contract labor and materials required to provide the service.

715-00 Furniture and Fixtures: $1,000 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $250 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment and operating equipment required to provide services or maintain capital assets.

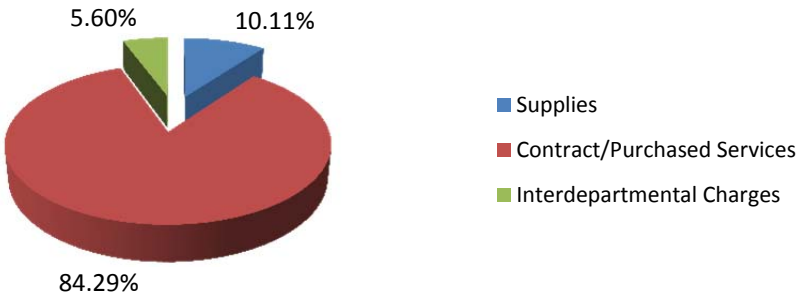
735-00 Software: $250 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements.

DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Supplies	14,927	15,000	15,000	15,000	15,000	-	0.0%
Contract/Purchased Services	600,746	325,000	325,000	325,000	125,000	(200,000)	-61.5%
Interdepartmental Charges	8,292	8,300	8,300	8,300	8,300	-	0.0%
Total Expenditures	**623,965**	**348,300**	**348,300**	**348,300**	**148,300**	**(200,000)**	**-57.4%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Hospital Sales Tax Fund	623,965	348,300	348,300	348,300	148,300	(200,000)	-57.4%
Total Funding	**623,965**	**348,300**	**348,300**	**348,300**	**148,300**	**(200,000)**	**-57.4%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- A $200,000 decrease to Program Subsidies (Account No. 610-03) has been programmed to reflect the terms of the agreement for services provided by Akeela, Inc. to Gateway Center for Human Services. The subsidy had been declining and will end in 2013.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
515	02	Building & Grounds Maint. Materials	14,927	15,000	15,000	15,000	15,000	-	0.0%
		Supplies	**14,927**	**15,000**	**15,000**	**15,000**	**15,000**	**-**	**0.0%**
Contract/Purchased Services									
610	03	Program Subsidies	600,000	300,000	300,000	300,000	100,000	(200,000)	-66.7%
635	06	Buildings & Grounds Maint. Services	746	25,000	25,000	25,000	25,000	-	0.0%
		Contract/Purchased Services	**600,746**	**325,000**	**325,000**	**325,000**	**125,000**	**(200,000)**	**-61.5%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	8,292	8,300	8,300	8,300	8,300	-	0.0%
		Interdepartmental Charges	**8,292**	**8,300**	**8,300**	**8,300**	**8,300**	**-**	**0.0%**
		Total Expenditures by Type	**623,965**	**348,300**	**348,300**	**348,300**	**148,300**	**(200,000)**	**-57.4%**

NARRATIVE

515-02 Building and Grounds Maintenance Materials: $15,000 – This account provides for the materials required for minor repair and maintenance of buildings and upkeep of the grounds of the Ketchikan Medical Center..

610-03 Program Subsidies: $100,000 - This account provides for an operating subsidy provided to Akeela, Inc. in support of Gateway Center for Human Services.

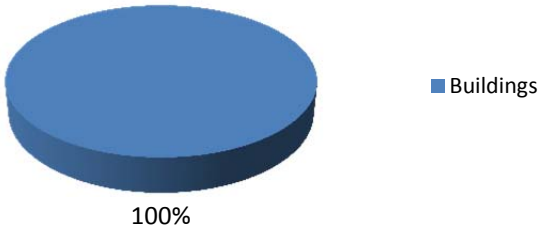
635-06 Buildings and Grounds Maintenance Services: $25,000 - This account provides for contractual services required for the minor repair and maintenance of buildings and the upkeep of grounds of the Ketchikan Medical Center. This account includes contract labor and materials required to provide the service.

825-01 Interdepartmental Charges – Insurance: $8,300 - This account provides for a special policy to protect the City from claims arising from the operations of Gateway Center for Human Services while it was under the management of the City.

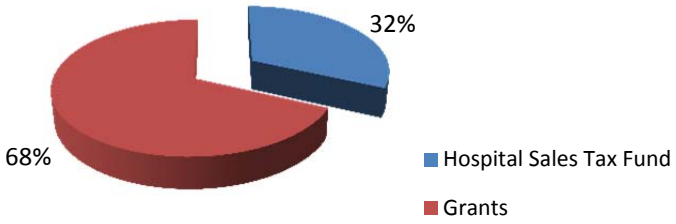
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00 Buildings	1,515,875	1,176,239	4,230,537	3,576,879	1,864,719	688,480	58.5%
Total Major Capital Outlay	**1,515,875**	**1,176,239**	**4,230,537**	**3,576,879**	**1,864,719**	**688,480**	**58.5%**

2013 Capital Improvement Projects				
		Funding Sources		
Project #	Project	Hospital Sales Tax Fund	Grants	Total
705-00 Buildings				
	Elevator Upgrades	600,000	-	600,000
	KMC Additions-Alterations Project Management	-	1,264,719	1,264,719
	Total Buildings	**600,000**	**1,264,719**	**1,864,719**
	Total 2013 Capital Budget	**600,000**	**1,264,719**	**1,864,719**

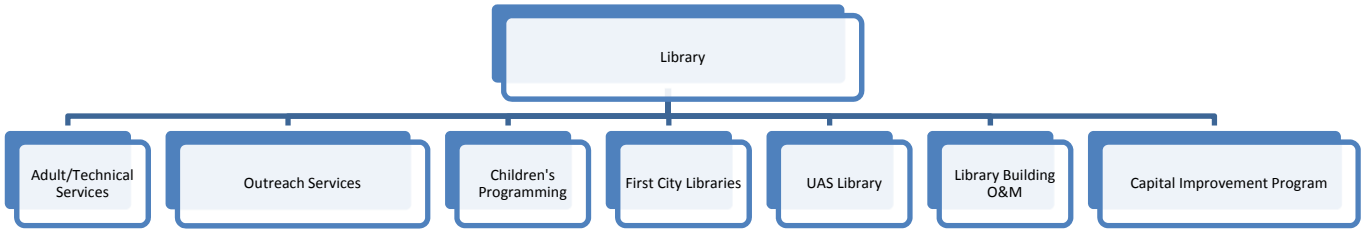
2013 Expenditures by Type



2013 Expenditures by Funding Source



The Ketchikan Public Library provides informational, educational, and recreational materials and services for the people of Ketchikan. This is accomplished through development, maintenance, and promotion of materials, physical spaces, and programs responsive to the diverse interests and needs of our community. The services offered by the library are numerous, and the library works to be responsive to the needs of the community.



The Library Department is comprised of six operating divisions and oversees one Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Adult Technical Services	548,176	559,014	559,014	547,894	564,389	5,375	1.0%
Outreach Services	87,064	78,810	78,810	71,905	79,584	774	1.0%
Children's Programming	323,944	321,810	321,810	317,775	330,052	8,242	2.6%
First City Libraries	69,391	72,310	72,310	71,560	81,847	9,537	13.2%
UAS Library	184,235	204,234	204,234	195,020	205,943	1,709	0.8%
Library Building O&M	65,088	71,713	71,713	67,550	92,868	21,155	29.5%
Capital	9,738,991	3,137,114	3,137,114	700,000	-	(3,137,114)	-100.0%
Total	**11,016,889**	**4,445,005**	**4,445,005**	**1,971,704**	**1,354,683**	**(3,090,322)**	**-69.5%**

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	889,010	927,288	927,283	902,400	940,493	13,205	1.4%
Supplies	161,385	144,892	140,898	140,478	186,640	41,748	28.8%
Contract/Purchased Services	232,074	231,883	237,382	228,948	231,645	(238)	-0.1%
Minor Capital Outlay	17,452	25,128	23,628	21,178	17,205	(7,923)	-31.5%
Interdpt'l Charges/Reimbursable Credits	(22,023)	(21,300)	(21,300)	(21,300)	(21,300)	-	0.0%
Major Capital Outlay	9,738,991	3,137,114	3,137,114	700,000	-	(3,137,114)	-100.0%
Total	**11,016,889**	**4,445,005**	**4,445,005**	**1,971,704**	**1,354,683**	**(3,090,322)**	**-69.5%**

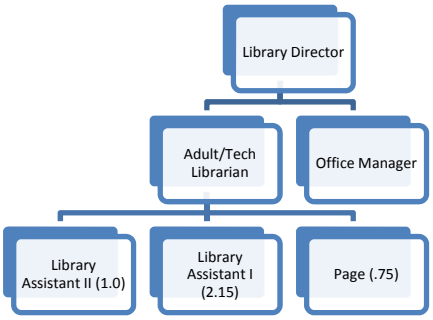
Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Supported	707,284	672,470	672,470	636,935	694,448	21,979	3.3%
Charges for Services - KGB	370,849	387,987	387,987	397,799	411,092	23,104	6.0%
Charges for Services - KGBSD	30,654	33,000	33,000	33,000	33,000	-	0.0%
Charges for Services - UAS	184,235	204,234	204,234	195,020	205,943	1,709	0.8%
Other Charges for Services	10,313	10,200	10,200	8,950	10,200	-	0.0%
Public Works Sales Tax	(25,000)	-	-	-	-	-	0.0%
Major Capital Improvements Fund	(517)	-	-	-	-	-	0.0%
Community Facililties Development Fund	-	-	-	-	-	-	0.0%
General Obligation Bond	3,738,991	1,724,089	1,724,089	579,129	-	(1,724,089)	-100.0%
Foundation Funding & Contributions	80	1,000,000	1,000,000	120,871	-	(1,000,000)	-100.0%
Federal and State Grants	6,000,000	413,025	413,025	-	-	(413,025)	-100.0%
Total	**11,016,889**	**4,445,005**	**4,445,005**	**1,971,704**	**1,354,683**	**(3,090,322)**	**-69.5%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Adult Technical Services	5.82	6.22	6.22	6.22	265,349	-	0.0%
Outreach Services	0.97	0.97	0.97	0.97	49,209	-	0.0%
Children's Programming	3.41	3.41	3.41	3.41	160,202	-	0.0%
UAS Library	1.63	1.71	1.71	1.71	89,233	-	0.0%
Total	**11.83**	**12.31**	**12.31**	**12.31**	**563,993**	**-**	**0.0%**

MISSION STATEMENT

The Adult and Technical Services Division serves the needs of the community in three ways. It makes books, eBooks, magazines, videotapes, audiobooks, CDs, DVDs and electronic resources of the Internet available to library users. It provides reference and readers' advisory services to meet the needs of patrons. The division also performs the cataloging, processing and repair functions required to categorize and classify materials, in order to prepare them for circulation and to return them to circulation if they are damaged.

Collection areas receiving special attention are reference, popular fiction, crafts, do-it-yourself, marine, travel, small business, health, consumer electronics and the Internet. Materials are selected from reviews and from patron requests. The collection is regularly evaluated for currency and relevancy. Staff of the Adult and Technical Services Division do the majority of cataloging, processing and repairing of library materials for the entire department.



GOALS FOR 2013

- Continue staff development and training:
  1. Provide department-wide training for the staff on using the digital microfilm reader.
  2. Provide online training opportunities for using Microsoft Office 2010, so staff can assist patrons more easily.
- Establish efficient workflow and desk scheduling in the new library building.
- Install new videoconferencing equipment being provided by the statewide Alaska OWL Project.
- Explore Adult programming possibilities in the new facility.
- Maintain currency and relevancy of adult collection.
- Conduct inventory of entire library collection.
- Provide computer literacy training for senior citizens.

ACCOMPLISHMENTS FOR 2012

- Circulated 93,393 items and signed up 12,086 patrons to use in-house library equipment, such as computers, typewriters, microfilm readers, stereo and television.
- As of Aug. 31, 2012, the Adult library answered 5,495 reference questions.
- Visits to the Adult Library averaged 2,189 people per week in the cruise ship season and 1,292 people per week during the winter months, with a total of 60,338 people coming to the Adult Library as of August 31, 2012.

- Created 508 new patron accounts as of August 31, 2011, including 107 temporary patrons. This is an average of 64 first-time library users per month.
- Participated in the addition of 5,308 new titles to the ListenAlaska consortium, including 3,835 new eBook titles. In the past year, Ketchikan patrons have downloaded 3,987 titles from ListenAlaska, an average of 332 items per month. This is a 56% increase from 2011.
- Expanded access and bandwidth limits of wireless Internet to library patrons. Usage of the library's wireless network has increased 66% over the same period in 2011. In addition, visitor donations have increased 66%, bringing in over $1,800 to the New Building fund.
- Continued to develop the library website into a gateway to information. The library website receives over 3,488 hits each month, an average of 112 each day. In addition to providing lists of new materials, the website allows patrons to look for books and information, monitor their accounts, learn about library events, access free databases and link to ListenAlaska's free downloads.
- Sent 1,938 items to local area schools for the use of students and teachers during the 2011-2012 school year, an average of 215 items per month.
- Installed a digital microfilm reader, which allows library staff to find and directly email newspaper articles to patrons in response to reference requests.
- Added the Gale LegalForms subscription database to the library website, allowing patrons 24-hour access to free legal forms and information.
- Created a special Alaskana collection from over 800 historical, cultural and economic local-interest items in the existing nonfiction collection. This Alaskana collection will protect and preserve unique and out-of-print materials for research purposes.
- Participated in the 2012 Ketchikan Job Fair, presenting attendees with information about print and online career development resources.
- Installed a Download Station computer, allowing patrons without home Internet access to check out and download audiobooks from ListenAlaska.
- Updated the library's nonfiction DVD collection to include materials on woodworking, computers, boat maintenance, hunting, art technique, health and dance instruction.
- Added the Freegal music download service, which allows patrons free and legal music downloads.
- Inventoried over 40,000 books, videos, audiobooks, and CD-ROMs.
- Weeded 10% of the Adult fiction and nonfiction collections in preparation for moving into the new library building, as well as the entire cassette audiobook collection and the CD-ROM collection.
- Installed the BookMyne app capability to the library catalog, allowing patrons to easily access their library account and search the library collection from their smart phones.
- Added a direct link to the library catalog from Facebook, so that patrons can directly access the catalog from the library's Facebook page.
- Created new informational brochures for a variety of online resources: Mango Languages, Testing and Education Reference Center, Live Homework Help, Gale LegalForms, career resources and library database apps.

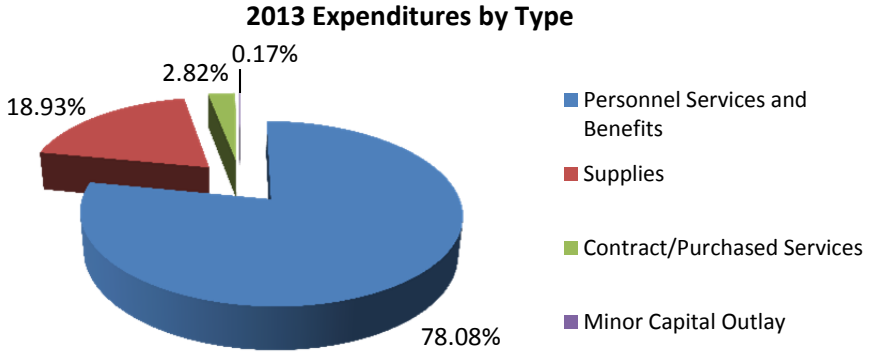
- Continued staff development and training:
    1. The Library Director and Adult Services Librarian went to the State Library Conference in Fairbanks in February, where they attended sessions on marketing, adult programming, working effectively with children and ListenAlaska.
    2. The Adult Services Librarian attended training in Anchorage in May on troubleshooting computers, wireless networks, using statewide subscription databases and videoconferencing equipment. This training was paid for by a federal grant to the Alaska State Library OWL project.
    3. The library staff completed an online tutorial on using the library's newest subscription database, Gale LegalForms, so that they can assist patrons in locating and printing free legal forms online.
    4. The entire library staff completed a tutorial on using the Testing and Education Reference Center, which is a subscription database provided by the Alaska Library Network that helps Alaskan residents with test preparation, resume building, computer skills, college searches and career development.

DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	407,586	433,900	433,900	425,000	440,649	6,749	1.6%
Supplies	117,161	102,800	98,806	98,806	106,820	4,020	3.9%
Contract/Purchased Services	17,079	12,336	16,330	14,110	15,935	3,599	29.2%
Minor Capital Outlay	6,350	9,978	9,978	9,978	985	(8,993)	-90.1%
Total Expenditures	**548,176**	**559,014**	**559,014**	**547,894**	**564,389**	**5,375**	**1.0%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund							
Tax Supported	346,622	346,234	346,234	330,114	346,239	5	0.0%
Charges for Services - KGB	191,241	202,580	202,580	208,830	207,950	5,370	2.7%
Other Charges for Services	10,313	10,200	10,200	8,950	10,200	-	0.0%
Total Funding	**548,176**	**559,014**	**559,014**	**547,894**	**564,389**	**5,375**	**1.0%**

	2011	2012		2013		FTE Change 2012-2013	
Personnel	**Actual**	**Adopted**	**Amended**	**Budget**	**Salary**	**Amount**	**%**
Director	0.32	0.32	0.32	0.32	20,195	-	0.0%
Adult Technical Librarian	1.00	1.00	1.00	1.00	53,363	-	0.0%
Library Office Manager	1.00	1.00	1.00	1.00	53,643	-	0.0%
Library Assistant II	1.00	1.00	1.00	1.00	42,973	-	0.0%
Library Assistant I	1.75	2.15	2.15	2.15	82,109	-	0.0%
Page	0.75	0.75	0.75	0.75	13,066	-	0.0%
Total	**5.82**	**6.22**	**6.22**	**6.22**	**265,349**	**-**	**0.0%**



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Furniture and Fixtures (Account No. 715-00) decreased by $5,149 and reflects the move to the new building.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	239,827	261,400	261,400	257,000	265,349	3,949	1.5%
502	01	Temporary Wages	15,820	17,000	17,000	15,000	17,000	-	0.0%
505	00	Payroll Taxes	19,557	21,300	21,300	20,808	21,600	300	1.4%
506	00	Pension	40,002	43,600	43,600	42,870	44,000	400	0.9%
507	00	Insurance Benefits	83,444	85,400	85,400	84,027	87,200	1,800	2.1%
508	00	Other Benefits	8,936	5,200	5,200	5,295	5,500	300	5.8%
		Personnel Services and Benefits	**407,586**	**433,900**	**433,900**	**425,000**	**440,649**	**6,749**	**1.6%**
Supplies									
510	01	Office Supplies	6,629	7,300	7,000	7,000	8,000	700	9.6%
510	02	Operating Supplies	6,024	7,000	7,300	7,300	8,000	1,000	14.3%
510	07	Food/Catering	-	-	-	-	500	500	New
520	02	Postage	2,415	2,450	2,450	2,450	3,675	1,225	50.0%
520	03	Bulk Mailing	1,035	1,050	1,050	1,050	1,575	525	50.0%
530	01	Library Books	56,650	55,954	53,325	53,325	56,000	46	0.1%
530	02	Periodicals	5,726	5,655	5,390	5,390	5,660	5	0.1%
530	03	Professional and Technical Publications	941	929	886	886	930	1	0.1%
530	04	Movies and Visual Series	6,373	6,295	5,999	5,999	6,300	5	0.1%
530	05	Audio and Digital Books	14,041	13,869	13,216	13,216	13,880	11	0.1%
530	06	Music	2,327	2,298	2,190	2,190	2,300	2	0.1%
535	01	Moving Expenses	15,000	-	-	-	-	-	0.0%
		Supplies	**117,161**	**102,800**	**98,806**	**98,806**	**106,820**	**4,020**	**3.9%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Contract/Purchased Services									
600	02	Travel-Training	5,029	2,295	2,295	2,295	3,598	1,303	56.8%
600	03	Training and Education	1,146	523	523	523	820	297	56.8%
605	02	Advertising and Public Announcements	3,423	555	555	555	555	-	0.0%
615	02	Assn. Membership Dues & Fees	541	690	690	690	1,385	695	100.7%
630	04	Broadcast Content Fees	174	175	175	175	175	-	0.0%
630	05	Software Licenses	822	825	825	825	825	-	0.0%
635	11	Subscription Services	4,068	2,753	6,747	6,747	4,077	1,324	48.1%
650	01	Telecommunications	1,876	4,520	4,520	2,300	4,500	(20)	-0.4%
		Contract/Purchased Services	**17,079**	**12,336**	**16,330**	**14,110**	**15,935**	**3,599**	**29.2%**
Minor Capital									
715	00	Furniture and Fixtures	1,733	5,149	5,149	5,149	-	(5,149)	-100.0%
725	00	Machinery and Equipment	-	-	-	-	985	985	New
735	00	Software	4,617	4,829	4,829	4,829	-	(4,829)	-100.0%
		Minor Capital Outlay	**6,350**	**9,978**	**9,978**	**9,978**	**985**	**(8,993)**	**-90.1%**
		Total Expenditures by Type	**548,176**	**559,014**	**559,014**	**547,894**	**564,389**	**5,375**	**1.0%**

NARRATIVE

500-01 Regular Salaries and Wages: $265,349 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

502-01 Temporary Wages: $17,000 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services. Substitute library assistants, who are called in year-round to fill in when regular staff are sick or on vacation, are paid from this account.

505-00 Payroll Taxes: $21,600 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $44,000 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $87,200 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $5,500 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $8,000 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers.

510-02 Operating Supplies: $8,000 - This account provides for supplies that are normally not of a maintenance nature and are required to support library operations. This includes supplies associated with the processing of books, videos, CDs and other library materials to prepare them for circulation or for mending damaged items, such as plastic covers, special glues and tape, stamps, labels, plastic boxes, cleaning equipment and supplies and security system supplies. The account also covers general materials for classes and public programs.

510-07 Food/Catering: $500 - This account provides for food for library programs. The Teen Advisory Group hosts dozens of meetings and programs during the year, with an average of 58 teens a month participating. Food is an integral part of teen events.

520-01 Postage: $3,675 - This account provides for the cost of mailing interlibrary loan items, library mailings and packages.

520-03 Bulk Mailing: $1,575 - This account provides for bulk mailing of overdue and lost item notices to patrons and monthly event calendars to local organizations.

530-01 Library Books: $56,000 - This account provides for the acquisition of books and print materials for the library collection. Included are books, maps, nautical charts and other print materials.

530-02 Periodicals: $5,660 - This account provides for newspapers, magazines and trade journals.

530-03 Professional and Technical Publications: $930 - This account provides for professional and technical publications. The Fire Marshall has advised the library that the ICC standards for 2006 will likely be adopted in 2013, and the library will need to update the 16-volume International Code books in the Reference section to reflect the updated rules. The library also subscribes to Information Outlook, the journal of the Association of Special Libraries.

530-04 Movies and Visual Series: $6,300 - This account provides for the acquisition of DVD and other format films and television serials for the library collection. Included are education and entertainment selections.

530-05 Audio and Digital Books: $13,880 - This account provides for the acquisition of books in electronic format for the library. Included are books on CDs, Playaways, e-books, online audiobooks, online music and other similar forms of electronic media.

530-06 Music: $2,300 - This account provides for the acquisition of music CDs for the library collection.

600-02 Travel-Training: $3,598 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training. The Library Director and the Adult Services Librarian will be attending the Alaska State Library Association annual conference in March in Valdez, Alaska. The Library Director will also be attending the Pacific Northwest Library Association annual conference in Boise, Idaho.

600-03 Training and Education: $820 – This account provides for registration fees and on-premises training programs provided by staff or third-parties. This includes registration for the library conferences in Valdez, Idaho, and Nebraska, online customer service training from the Public Libraries Association and mandatory training provided by the Human Resources department.

605-01 Advertising and Public Announcements: $555 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. This would cover recruitment to fill library positions if they become vacant.

615-02 Assn. Dues and Membership Fees: $1,385 – Expenditures for memberships in professional associations. The library is an institutional member of the Alaska Library Association, the Pacific Northwest Library Association, and the Alaska Library Network. The Library Director is a member of the American Library Association and the Teen Advisory Group leader is a member of the Young Adult Library Services Association.

630-04 Broadcast Content Fees: $175 – This account provides for the right to broadcast copyrighted intellectual property. The library has a license to show films during public programs.

630-05 Software Licenses: $825 – This account provides for acquiring licenses for the right to use proprietary software. The library uses PC Reservation to allocate public access on the library computers, and Antamedia Hotspot to allocate access to the library's wireless network.

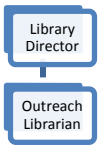
635-11 Subscription Services: $4,077 - This account provides for subscriptions for access to telephonic and web based services. Included are Alaska Public Information System, on-line reference databases, Statewide Library Electronic Doorway and other similar telephonic and web based subscription services. The library provides patron access to ListenAlaska, Hobbies & Crafts database, Gale LegalForms and Encyclopedia Britannica Online. The library also has a StatCounter program to gather statistics on the library's webpage.

650-01 Telecommunications: $4,500 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers. The new building will have faster internet service (100MG)and a VOIP phone system, consisting of 19 phones.

725-00 Machinery and Equipment: $985 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included is office equipment, computer equipment, and operating equipment required to provide services or maintain capital assets. The library is budgeting for the replacement of a staff workstation.

MISSION STATEMENT

The Outreach Services Division of the Ketchikan Public Library provides services to the blind, physically handicapped, the homebound, residents of institutions such as the Pioneer Home, New Horizons Long Term Care, SeaView Terrace, The Manor Assisted Living Center, Ketchikan Regional Youth Detention Center and to the inmates of the Ketchikan Correctional Center. The Outreach Librarian maintains the Correctional Center Library, the large print collection at the Public Library and is the local coordinator for the Alaska State Talking Book program.



GOALS FOR 2013

- Create a workshop on finding employment after incarceration.
- Institute regular Reading Aloud programs at Rendezvous.
- Perform regular programs and visiting at the City of Saxman Senior Housing.
- Perform a regular shift on the circulation desk and become more comfortable with the everyday routines on the desk.
- Discover new homebound patrons.

ACCOMPLISHMENTS FOR 2012

- Held 24 book discussion group meetings with an average of 6 people at each meeting.
- Did 5 class visits for young adults with an average of 6 people at each visit at the Ketchikan Correctional Center/Ketchikan Regional Youth Facility.
- Held 3 holiday and cultural programs for adults with an average of 25 people at each program.
- Continued to discover new homebound patrons.

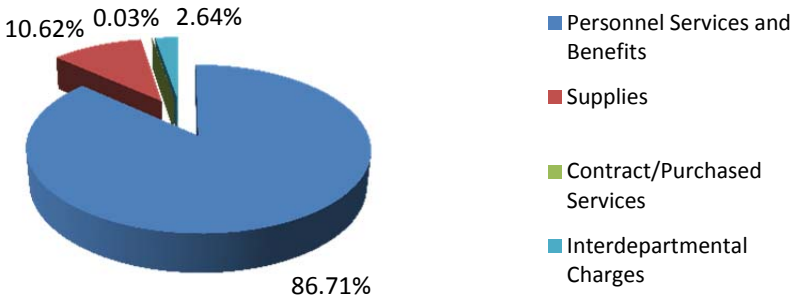
DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	70,721	68,885	68,885	62,400	69,009	124	0.2%
Supplies	10,768	7,550	7,550	7,380	8,450	900	11.9%
Contract/Purchased Services	3,165	125	125	25	25	(100)	-80.0%
Minor Capital Outlay	100	150	150	-	-	(150)	-100.0%
Interdepartmental Charges	2,310	2,100	2,100	2,100	2,100	-	0.0%
Total Expenditures	**87,064**	**78,810**	**78,810**	**71,905**	**79,584**	**774**	**1.0%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Supported	56,690	50,250	50,250	44,495	50,264	14	0.0%
Charges for Services - KGB	30,374	28,560	28,560	27,410	29,320	760	2.7%
Total Funding	**87,064**	**78,810**	**78,810**	**71,905**	**79,584**	**774**	**1.0%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Director	0.32	0.32	0.32	0.32	20,195	-	0.0%
Outreach Librarian	0.65	0.65	0.65	0.65	29,014	-	0.0%
Total	**0.97**	**0.97**	**0.97**	**0.97**	**49,209**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- No significant changes to amounts budgeted by account have been proposed.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012 - 2013 Amount	Budget Change 2012 - 2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	50,600	49,085	49,085	44,525	49,209	124	0.3%
505	00	Payroll Taxes	3,985	3,800	3,800	3,420	3,800	-	0.0%
506	00	Pension	9,638	9,100	9,100	8,287	9,100	-	0.0%
507	00	Insurance Benefits	5,573	5,900	5,900	5,274	5,900	-	0.0%
508	00	Other Benefits	925	1,000	1,000	894	1,000	-	0.0%
		Personnel Services and Benefits	**70,721**	**68,885**	**68,885**	**62,400**	**69,009**	**124**	**0.2%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012 - 2013 Amount	Budget Change 2012 - 2013 %
Supplies									
510	01	Office Supplies	77	100	100	50	50	(50)	-50.0%
510	02	Operating Supplies	169	150	150	30	100	(50)	-33.3%
525	04	Vehicle Motor Fuel & Lubricants	237	300	300	300	300	-	0.0%
530	01	Library Books	9,667	6,580	6,580	6,580	7,500	920	14.0%
530	02	Periodicals	618	420	420	420	500	80	19.0%
		Supplies	**10,768**	**7,550**	**7,550**	**7,380**	**8,450**	**900**	**11.9%**
Contract/Purchased Services									
605	02	Advertising and Public Announcements	3,165	100	100	-	-	(100)	-100.0%
630	02	Vehicle Licenses	-	25	25	25	25	-	0.0%
		Contract/Purchased Services	**3,165**	**125**	**125**	**25**	**25**	**(100)**	**-80.0%**
Minor Capital									
735	00	Software	100	150	150	-	-	(150)	-100.0%
		Minor Capital Outlay	**100**	**150**	**150**	**-**	**-**	**(150)**	**-100.0%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	1,209	1,300	1,300	1,300	1,300	-	0.0%
850	01	Interdepartmental Charges-Garage	1,101	800	800	800	800	-	New
		Interdepartmental Charges	**2,310**	**2,100**	**2,100**	**2,100**	**2,100**	**-**	**0.0%**
		Total Expenditures by Type	**87,064**	**78,810**	**78,810**	**71,905**	**79,584**	**774**	**1.0%**

NARRATIVE

500-01 Regular Salaries and Wages: $49,209 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

505-00 Payroll Taxes: $3,800 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $9,100 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $5,900 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $1,000 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $50 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories, and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers.

510-02 Operating Supplies: $100 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as personnel action forms, purchase orders, billing statements, brochures, library circulation preparation materials, posters and general materials for classes and public programs.

525-04 Vehicle Motor Fuel and Lubricants: $300 - This account provides for gasoline, diesel fuel, propane and lubricants used in the operations of City and Ketchikan Public Utilities vehicles.

530-01 Library Books: $7,500 - This account provides for the acquisition of books and print materials for the library collection. Included are large print materials.

530-02 Periodicals: $500 - This account provides for newspapers and magazines.

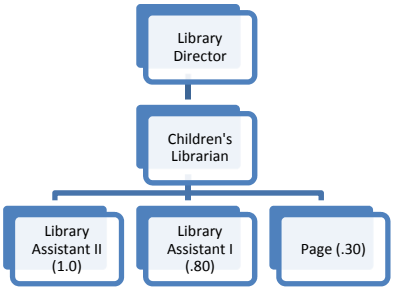
630-02 Vehicle Licenses: $25 – This account provides for licensing City vehicles for operations on public highways.

825-01 Interdepartmental Charges – Insurance: $1,300 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $800 - This account provides for fleet maintenance services provided by the Public Works Department-Garage Division.

MISSION STATEMENT

The Children's Programming Division serves all the children of the community with recreational and informational materials. The main focus is on preschool children as there is no other library in the community to serve them. In addition to children, the division serves all those who need children's materials in a variety of print and electronic formats, including parents and early childhood educators. Instilling a love of books and reading at an early age is the best way to combat illiteracy.



GOALS FOR 2013

Improve library service to the public:

- Outreach to local daycares and Ketchikan Head Start;
- Outreach to kids enrolled in summer school; and
- Provide opportunities for book discussion groups and writers groups to form.

Improve access to the library collection:

- Update country and history books; and
- Expand and update audio book collection.

Improve programming:

- Offer programs for seniors;
- Do a health and wellness series of classes;
- Plan and present a series of "App Chats" on topics for all ages; and
- Plan and present a series of math and science based story hours.

ACCOMPLISHMENTS FOR 2012

Improved service to the public:

- Began the "Read Away Your Fines" program;
- Launched the "Read, Walk, and Talk" campaign;
- Updated library Facebook page weekly;
- Made Facebook albums of library events;
- Visited area schools to promote Summer Reading Club;
- Collaborated with Community Connections on the "Ketchikan Passport for Kids Program";
- Continued "Born to Read" program with grants from First Book, PATCHworks, and the Friends of the Library, delivering 300 bags, books, and baby t-shirts to the hospital; and

- Offered the division's summer reading program with 569 participants, a 19% increase over last year.

Improved programming:

- Collaborated with Juneau, Sitka, and Anchorage public libraries on performer and author visits;
- Offered innovative summer programming that included marionettes, jugglers, and roller skating for the first time;
- Partnered with Parnassus Books on eight author visits;
- Offered 44 special events with 2,048 patrons;
- Gave 16 tours to 540 children and adults;
- Offered 131 story hours to 3,183 patrons;
- Obtained $1,500 grant from First Bank for summer reading club funding; and
- Partnered with AEYC, Parents as Teachers, Wells Fargo, and Community Connections on 8 Family Nights with a total of 386 participants (adults and children).

Improved access to library collections:

- Inventoried entire youth services collection;
- Evaluated and weeded 16 parent shelf titles;
- Evaluated and weeded 36 teen CDs;
- Deleted 112 lost and missing items; and
- Updated Story Hour binder.

Librarian improved professional skills:

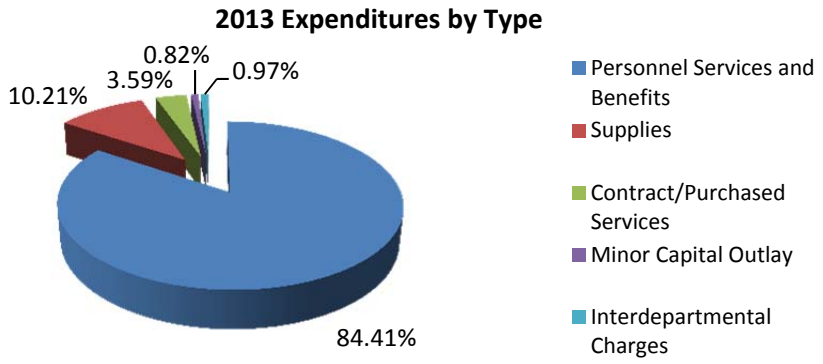
- Served as a member of the nationwide Collaborative Summer Reading Program Committee for Alaska;
- Attended the Alaska Library Conference and presented two library education classes;
- Attended the Pacific Northwest Library Association Conference;
- Served on the statewide Ready to Read Resource Center Board;
- Served as Chair of First Book Southeast Alaska;
- Spoke to the board of First Bank about early childhood literacy and reading;
- Submitted photos for the statewide "Library Snapshot Day"; and
- Participated in numerous events at area schools including Battle of the Book, PTA Reflections, and Career Day.

DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	272,647	273,889	273,884	270,700	278,602	4,713	1.7%
Supplies	31,359	30,872	30,872	30,872	33,700	2,828	9.2%
Contract/Purchased Services	9,919	8,349	9,854	9,003	11,850	3,501	41.9%
Minor Capital Outlay	6,968	5,500	4,000	4,000	2,700	(2,800)	-50.9%
Interdepartmental Charges	3,051	3,200	3,200	3,200	3,200	-	0.0%
Total Expenditures	**323,944**	**321,810**	**321,810**	**317,775**	**330,052**	**8,242**	**2.6%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Supported	210,931	205,190	205,190	196,655	208,442	3,252	1.6%
Charges for Services - KGB	113,013	116,620	116,620	121,120	121,610	4,990	4.3%
Total Funding	**323,944**	**321,810**	**321,810**	**317,775**	**330,052**	**8,242**	**2.6%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Director	0.31	0.31	0.31	0.31	19,564	-	0.0%
Children's Librarian	1.00	1.00	1.00	1.00	61,930	-	0.0%
Library Assistant II	1.00	1.00	1.00	1.00	46,280	-	0.0%
Library Assistant I	0.80	0.80	0.80	0.80	27,240	-	0.0%
Page	0.30	0.30	0.30	0.30	5,188	-	0.0%
Total	**3.41**	**3.41**	**3.41**	**3.41**	**160,202**	**-**	**0.0%**



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- No significant changes to amounts budgeted by account have been proposed.

DIVISION OPERATING BUDGET DETAIL

		Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	157,191	156,789	156,784	156,700	160,202	3,413	2.2%
502	01	Temporary Wages	12,047	8,500	8,500	8,500	8,500	-	0.0%
505	00	Payroll Taxes	12,947	12,600	12,600	12,640	12,900	300	2.4%
506	00	Pension	29,175	29,100	29,100	29,085	29,700	600	2.1%
507	00	Insurance Benefits	58,012	62,200	62,200	59,808	62,500	300	0.5%
508	00	Other Benefits	3,275	4,700	4,700	3,967	4,800	100	2.1%
		Personnel Services and Benefits	**272,647**	**273,889**	**273,884**	**270,700**	**278,602**	**4,713**	**1.7%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	01	Office Supplies	798	800	800	800	2,800	2,000	250.0%
510	02	Operating Supplies	1,507	2,300	2,300	2,300	1,300	(1,000)	-43.5%
510	05	Small Tools and Equipment	-	-	-	-	400	400	New
510	07	Food/Catering	-	-	-	-	200	200	New
530	01	Library Books	19,035	18,195	18,195	18,195	19,000	805	4.4%
530	02	Periodicals	1,002	958	958	958	1,000	42	4.4%
530	04	Movies and Visual Series	5,510	5,267	5,267	5,267	5,500	233	4.4%
530	05	Audio and Digital Books	2,004	1,915	1,915	1,915	2,000	85	4.4%
530	06	Music	1,002	958	958	958	1,000	42	4.4%
530	07	Software	501	479	479	479	500	21	4.4%
		Supplies	**31,359**	**30,872**	**30,872**	**30,872**	**33,700**	**2,828**	**9.2%**
Contract/Purchased Services									
600	02	Travel-Training	1,955	2,339	2,339	2,332	4,075	1,736	74.2%
600	03	Training and Education	489	585	585	583	1,000	415	70.9%
605	02	Advertising and Public Announcements	3,166	-	-	-	500	500	New
615	02	Assn. Membership Dues & Fees	225	225	230	230	325	100	44.4%
630	04	Broadcast Content Fees	225	250	250	250	250	-	0.0%
635	04	Software Maintenance Services	2,972	3,750	5,250	4,408	200	(3,550)	-94.7%
635	14	Other Contractual Services	887	1,200	1,200	1,200	5,500	4,300	358.3%
		Contract/Purchased Services	**9,919**	**8,349**	**9,854**	**9,003**	**11,850**	**3,501**	**41.9%**
Minor Capital									
715	00	Furniture and Fixtures	2,933	2,500	1,000	1,000	2,500	-	0.0%
735	00	Software	4,035	3,000	3,000	3,000	200	(2,800)	-93.3%
		Minor Capital Outlay	**6,968**	**5,500**	**4,000**	**4,000**	**2,700**	**(2,800)**	**-50.9%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	3,051	3,200	3,200	3,200	3,200	-	0.0%
		Interdepartmental Charges	**3,051**	**3,200**	**3,200**	**3,200**	**3,200**	**-**	**0.0%**
		Total Expenditures by Type	**323,944**	**321,810**	**321,810**	**317,775**	**330,052**	**8,242**	**2.6%**

NARRATIVE

500-01 Regular Salaries and Wages: $160,202 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

502-01 Temporary Wages: $8,500 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $12,900 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $29,700 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $62,500– This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $4,800 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $2,800 - This account provides for paper, pens, pencils, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers. This account also provides for arts and crafts supplies for children's programs.

510-02 Operating Supplies: $1,300 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as billing statements, brochures, library circulation preparation materials, posters and general materials for classes and public programs.

510-05 Small Tools and Equipment: $400 - This account provides for minor tools, operating and office equipment with a value of less than $1,000. Included are a portable PA system and a digital camera for use in children's programs.

510-07 Food/Catering: $200 - This account provides for food or catering services for children's programs..

530-01 Library Books: $19,000 - This account provides for the acquisition of books and print materials for the library collection. Included are books and other print materials.

530-02 Periodicals: $1,000 - This account provides for newspapers, magazines and trade journals.

530-04 Movies and Visual Series: $5,500 - This account provides for the acquisition of DVD and other format films and television serials for the library collection. Included are education and entertainment selections.

530-05 Audio and Digital Books: $2,000 - This account provides for the acquisition of books in electronic format for the library. Included are books on CDs, Playaways, e-books, online audiobooks, online music and other similar forms of electronic media.

530-06 Music: $1,000 - This account provides for the acquisition of music CDs for the library collection.

530-07 Software: $500 - This account provides for the acquisition of software for the library collection.

600-02 Travel-Training: $4,075 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training. The Children's Librarian will be attending the Alaska State Library Association annual conference in March in Valdez, Alaska, the Pacific Northwest Library Association annual conference in Boise, Idaho and the American Library Association annual conference in Chicago, Illinois.

600-03 Training and Education: $1,000 – This account provides for registration fees and on-premises training programs provided by staff or third-parties. It includes registration for the library conferences in Valdez, Idaho, and Illinois and mandatory training provided by the Human Resources Division.

605-01 Advertising and Public Announcements: $500 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are public service announcements and community issues.

615-02 Assn. Dues and Membership Fees: $325 – This account provides for memberships in professional organizations, such as the American Library Association and the Pacific Northwest Library Association.

630-04 Broadcast Content Fees: $250 – This account provides for the right to broadcast copyrighted intellectual property.

635-04 Software Maintenance Services: $200 - This account provides for maintenance agreements to support licensed software systems.

635-14 Other Contractual Services: $5,500 - This account provides for contractual services not identified in the account classifications under contractual services, such as honorariums for visiting authors and performers for children's programs..

715-00 Furniture and Fixtures: $2,500 - This account provides for acquisition of furniture and fixtures. Included are educational and skill-developing play structures for the Children's Area.

735-00 Software: $200 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements.

825-01 Interdepartmental Charges – Insurance: $3,200 - This account provides for risk management services and claims.

MISSION STATEMENT

The mission of the First City Libraries is to provide quick, reliable on-line access to the holdings, circulation data, cataloging data, the Internet and other information of the community's library consortium. This system is a cooperative effort between the City of Ketchikan, the Ketchikan Gateway Borough School District and the University of Alaska Ketchikan Campus Library. It links all of Ketchikan's libraries, thereby giving all citizens access to materials.

GOALS FOR 2013

- Improve service by housing server at KPU.
- Solidify Consortium expectations and administration with documentation.
- Seek cost-effective methods to provide consistent, reliable IT support .
- Continue to lobby for school library media specialists in school libraries.

ACCOMPLISHMENTS FOR 2012

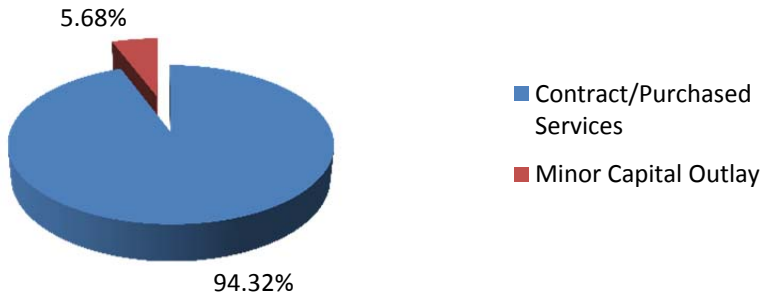
- Updated software to keep current.
- Continued work on system-wide upgrades.
- Successfully completed the de-duplication of records in the FCL catalog.
- 4,177 = total number of items sent between all members of the consortium during the 2011-2012 school year, an average of 464 items per month.
- All members, including school clerks and librarians, met twice during the year to discuss business of the Consortium.
- Discussed Consortium business in monthly Alaska Library Association Ketchikan chapter meetings.

DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Supplies	729	1,000	1,000	750	-	(1,000)	-100.0%
Contract/Purchased Services	102,058	101,810	101,810	101,810	108,327	6,517	6.4%
Minor Capital Outlay	60	2,500	2,500	2,000	6,520	4,020	160.8%
Interdpt'l Charges/Reimbursable Credits	(33,456)	(33,000)	(33,000)	(33,000)	(33,000)	-	0.0%
Total Expenditures	**69,391**	**72,310**	**72,310**	**71,560**	**81,847**	**9,537**	**13.2%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Supported	25,223	25,060	25,060	23,860	30,847	5,787	23.1%
Charges for Services - KGB	13,514	14,250	14,250	14,700	18,000	3,750	26.3%
Charges for Services - KGBSD	30,654	33,000	33,000	33,000	33,000	-	0.0%
Total Funding	**69,391**	**72,310**	**72,310**	**71,560**	**81,847**	**9,537**	**13.2%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Machinery and Equipment (Account No. 725-00) increased by $6,520, which provides for a new Dell Production Server for the Consortium.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	02	Operating Supplies	729	1,000	1,000	750	-	(1,000)	-100.0%
		Supplies	**729**	**1,000**	**1,000**	**750**	**-**	**(1,000)**	**-100.0%**
Contract/Purchased Services									
600	02	Travel-Training	286	850	850	850	1,300	450	52.9%
600	03	Training and Education	50	150	150	150	220	70	46.7%
635	04	Software Maintenance Services	28,625	29,563	29,563	29,563	31,438	1,875	6.3%
635	11	Subscription Services	6,829	7,052	7,052	7,052	7,500	448	6.4%
635	12	Technical Services	45,407	46,895	46,895	46,895	49,869	2,974	6.3%
650	01	Telecommunications	20,861	17,300	17,300	17,300	18,000	700	4.0%
		Contract/Purchased Services	**102,058**	**101,810**	**101,810**	**101,810**	**108,327**	**6,517**	**6.4%**

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Minor Capital							
715 00 Furniture and Fixtures	-	1,000	1,000	1,000	-	(1,000)	-100.0%
725 00 Machinery & Equipment	-	-	-	-	6,520	6,520	New
735 00 Software	60	1,500	1,500	1,000	-	(1,500)	-100.0%
Minor Capital Outlay	**60**	**2,500**	**2,500**	**2,000**	**6,520**	**4,020**	**160.8%**
Interdept'l Charges/Reimbursable Credits							
890 00 Reimbursable Credits	(33,456)	(33,000)	(33,000)	(33,000)	(33,000)	-	0.0%
Interdpt'l Charges/Reimbursable Credits	**(33,456)**	**(33,000)**	**(33,000)**	**(33,000)**	**(33,000)**	**-**	**0.0%**
Total Expenditures by Type	**69,391**	**72,310**	**72,310**	**71,560**	**81,847**	**9,537**	**13.2%**

NARRATIVE

600-02 Travel-Training: $1,300 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for the Library Director to attend the Association for Rural and Small Libraries (ARSL) annual conference in Omaha, Nebraska in the fall for training.

600-03 Training and Education: $220 – This account provides for registration fees for the library conference in Nebraska for the Library Director.

635-04 Software Maintenance Services: $31,438 - This account provides for maintenance agreements to support licensed software systems. This amount includes SirsiDynix support service for a new server and regular software maintenance services.

635-11 Subscription Services: $7,500 - This account provides for subscriptions for access to telephonic and web based services. Included are Alaska Public Information System, on-line reference databases, Statewide Library Electronic Doorway and other similar telephonic and web based subscription services.

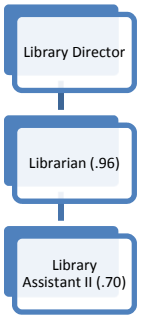
635-12 Technical Services: $49,869 - This account provides for services that are not regarded as professional but require technical or special knowledge. This amount is the Consortium's payment for KGBSD's IT Department to maintain the SirsiDynix server. This is for 22 hours/week.

650-01 Telecommunications: $18,000 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services and Internet.

725-00 Machinery and Equipment: $6,520 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included is a new Dell Production Server for the Consortium.

890-00 Reimbursable Credits: ($33,000) - A contra-expense account for crediting First City Libraries Division for operating-costs that will be paid by the KGBSD and UAS Library.

The UAS Ketchikan Campus Library provides UAS students and faculty, without regard to their geographic location, a full range of library services and resources. The Library supports the instructional programs of the University and strives to meet the informational and research needs of the Ketchikan community. The Library offers access to high quality resources, services and gateways to information.



GOALS FOR 2013

- To teach members of the UAS Ketchikan community, no matter their geographic location, to be effective users and producers of information in order to meet their current academic needs and to prepare them for a lifetime of learning and of responsible leadership;
- To improve and increase library outreach to students, faculty and the UAS Ketchikan community;
- To serve as an information and referral resource to the entire community; and
- To provide a comfortable, stimulating and vital information center for the community, supporting the academic programs and curricula of the university.

ACCOMPLISHMENTS FOR 2012

Continued to increase awareness of the Library's programs and services:

- Participated in the Library Department's weekly newspaper column;
- Increased frequency of and methods for communications with program and adjunct faculty regarding the need for and the importance of information literacy instruction for their students by the campus librarian;
- Participated in Campus Public Relations Programs; and
- Completed second One Ketchikan One Book project.

Maintained currency and relevancy of the collections:

- Yearly evaluation of the collection for worn, outdated or unneeded items in consultation with the faculty;
- Completed inventory of library collections; and
- Selected and purchased new materials based on a review of sources and faculty consultations.

Encouraged community support and enrollment for the Campus by:

- Encouraging Ketchikan Gateway Borough School District faculty and students to use the Library; and
- Working with Campus faculty to ensure that Information Literacy Skills are acquired by students according to UAS guidelines.

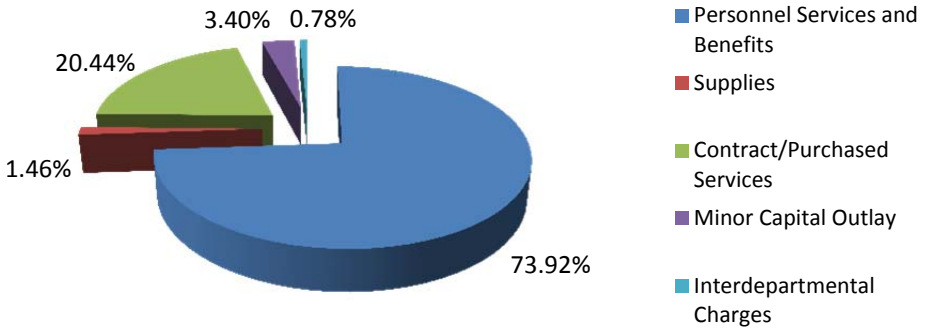
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	138,056	150,614	150,614	144,300	152,233	1,619	1.1%
Supplies	1,323	2,420	2,420	2,420	3,010	590	24.4%
Contract/Purchased Services	39,395	42,600	42,600	41,500	42,100	(500)	-1.2%
Minor Capital Outlay	3,974	7,000	7,000	5,200	7,000	-	0.0%
Interdepartmental Charges	1,487	1,600	1,600	1,600	1,600	-	0.0%
Total Expenditures	**184,235**	**204,234**	**204,234**	**195,020**	**205,943**	**1,709**	**0.8%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Charges for Services - UAS	184,235	204,234	204,234	195,020	205,943	1,709	0.8%
Total Funding	**184,235**	**204,234**	**204,234**	**195,020**	**205,943**	**1,709**	**0.8%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Director	0.05	0.05	0.05	0.05	3,155	-	0.0%
Librarian	0.92	0.96	0.96	0.96	58,574	-	0.0%
Library Assistant II	0.66	0.70	0.70	0.70	27,504	-	0.0%
Total	**1.63**	**1.71**	**1.71**	**1.71**	**89,233**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- No significant changes to amounts budgeted by account have been proposed.

DIVISION OPERATING BUDGET DETAIL

		Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	80,749	88,014	88,014	83,500	89,233	1,219	1.4%
502	01	Temporary Wages	2,049	2,000	2,000	2,000	2,000	-	0.0%
505	00	Payroll Taxes	6,334	6,900	6,900	6,540	7,000	100	1.4%
506	00	Pension	16,239	17,700	17,700	16,795	18,000	300	1.7%
507	00	Insurance Benefits	31,044	34,200	34,200	33,718	34,300	100	0.3%
508	00	Other Benefits	1,641	1,800	1,800	1,747	1,700	(100)	-5.6%
		Personnel Services and Benefits	**138,056**	**150,614**	**150,614**	**144,300**	**152,233**	**1,619**	**1.1%**
Supplies									
510	01	Office Supplies	601	900	900	900	900	-	0.0%
510	02	Operating Supplies	635	600	600	600	600	-	0.0%
510	07	Food/Catering	-	-	-	-	550	550	New
520	02	Postage	(33)	800	800	800	840	40	5.0%
535	02	Business and Meal Expenses	120	120	120	120	120	-	0.0%
		Supplies	**1,323**	**2,420**	**2,420**	**2,420**	**3,010**	**590**	**24.4%**
Contract/Purchased Services									
600	02	Travel-Training	2,088	2,000	2,000	1,467	2,000	-	0.0%
600	03	Travel-Training and Education	1,044	1,000	1,000	733	1,000	-	0.0%
605	02	Advertising and Public Announcements	269	300	300	150	300	-	0.0%
605	04	Printing and Binding	270	300	300	150	300	-	0.0%
635	07	Machinery & Equipment Maint Services	643	1,000	1,000	1,000	500	(500)	-50.0%
635	11	Subscription Services	35,081	38,000	38,000	38,000	38,000	-	0.0%
		Contract/Purchased Services	**39,395**	**42,600**	**42,600**	**41,500**	**42,100**	**(500)**	**-1.2%**
Minor Capital									
715	00	Furniture and Fixtures	213	3,000	2,300	500	3,000	-	0.0%
725	00	Machinery & Equipment	-	-	-	-	4,000	4,000	New
735	00	Software	3,761	4,000	4,700	4,700	-	(4,000)	-100.0%
		Minor Capital Outlay	**3,974**	**7,000**	**7,000**	**5,200**	**7,000**	**-**	**0.0%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	1,487	1,600	1,600	1,600	1,600	-	0.0%
		Interdepartmental Charges	**1,487**	**1,600**	**1,600**	**1,600**	**1,600**	**-**	**0.0%**
		Total Expenditures by Type	**184,235**	**204,234**	**204,234**	**195,020**	**205,943**	**1,709**	**0.8%**

NARRATIVE

500-01 Regular Salaries and Wages: $89,233 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

502-01 Temporary Wages: $2,000 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $7,000 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension Benefits: $18,000 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $34,300 – This account provides for employer contributions to employee health and life insurance plans, workers compensation, and unemployment insurance.

508-00 Other Benefits: $1,700 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $900 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers.

510-02 Operating Supplies: $600 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as personnel action forms, checks, purchase orders, billing statements, brochures, library circulation preparation materials, posters and general materials for classes and public programs.

510-07 Food/Catering: $550 - This account provides for food for library programs.

520-02 Postage: $840 - This account provides for postage associated with the cost of mailing interlibrary loan items, library mailings and packages.

535-02 Business and Meal Expenses: $120 – This account provides for reimbursements to employees for mileage for use of personal vehicles.

600-02 Travel-Training: $2,000 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Travel-Training and Education: $1,000 - This account provides for registration fees and on-premises training programs provided by staff or third-parties.

605-01 Advertising and Public Announcements: $300 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included public service announcements and community issues.

605-03 Printing and Binding: $300 – This account provides for job printing and binding services. Included are designing and printing of posters and monthly event calendars.

635-07 Machinery and Equipment Maintenance Services: $500 - This account provides for maintenance service costs for office equipment utilized by the division.

635-11 Subscription Services: $38,000 - This account provides for subscriptions for access to telephonic and web based services. Included are Alaska Public Information System, on-line reference databases, Statewide Library Electronic Doorway and other similar telephonic and web based subscription services.

715-00 Furniture and Fixtures: $3,000 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets and storage cabinets.

725-00 Machinery and Equipment: $4,000 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment and computer equipment required to provide services.

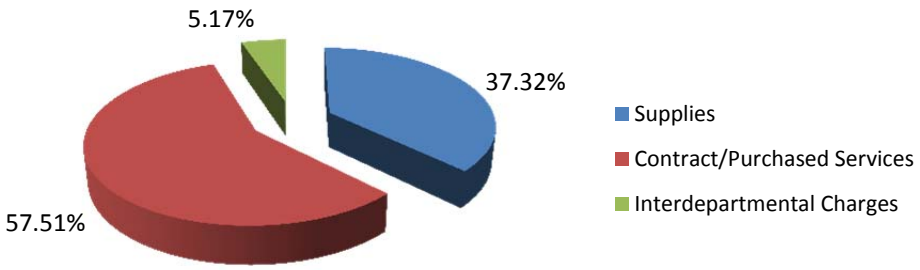
825-01 Interdepartmental Charges – Insurance: $1,600 - This account provides for risk management services and claims.

COST CENTER SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Supplies	45	250	250	250	34,660	34,410	13764.0%
Contract/Purchased Services	60,458	66,663	66,663	62,500	53,408	(13,255)	-19.9%
Interdepartmental Charges	4,585	4,800	4,800	4,800	4,800	-	0.0%
Total Expenditures	**65,088**	**71,713**	**71,713**	**67,550**	**92,868**	**21,155**	**29.5%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Supported	42,381	45,736	45,736	41,811	58,656	12,921	28.3%
Charges for Services - KGB	22,707	25,977	25,977	25,739	34,212	8,234	31.7%
Total Funding	**65,088**	**71,713**	**71,713**	**67,550**	**92,868**	**21,155**	**29.5%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

Due to the move to the new Ketchikan Public Library on Copper Ridge Lane, a separate facility operations and maintenance cost center is being presented as part of the operating budget.

- Heating Fuel (Account No. 525-03) increased by $20,739 and provides for wood pellets to heat the library building.
- Machinery and Equipment Fuel and Lubricants (Account No. 525-07) increased by $6,171 and provides for the propane used to run the fireplace in the new building.
- Janitorial and Cleaning Services (Account No. 635-02) increased by $21,000. This reflects the anticipation of a contract based on the current budget for janitorial services for the Centennial Building.
- Machinery & Equipment Maintenance Services (Account No. 635-07) decreased by $5,430 and reflects the change in IT management.
- Rents and Leases—Land and Buildings (Account No. 645-01) decreased by $55,100 and reflects the move out of the Centennial Building. The remaining amount is for rent at the Heckman Building for library collection storage.

- Electric, Water, Sewer & Solid Waste (Account No. 650-02) increased by $24,150 and is based on the usage at the Centennial Building.

DIVISION OPERATING BUDGET DETAIL

			2011	2012 Budget			2013	Budget Change 2012-2013	
Operating Expenditures			Actual	Adopted	Amended	Estimate	Budget	Amount	%
Supplies									
510	04	Janitorial Supplies	-	-	-	-	3,500	3,500	New
510	05	Small Tools and Equipment	45	250	250	250	1,250	1,000	400.0%
515	03	Furniture & Fixtures Maint Materials	-	-	-	-	3,000	3,000	New
525	03	Heating Fuel	-	-	-	-	20,739	20,739	New
525	07	Machinery & Equip Fuel & Lubricants	-	-	-	-	6,171	6,171	New
		Supplies	**45**	**250**	**250**	**250**	**34,660**	**34,410**	**13764.0%**
Contract/Purchased Services									
635	02	Janitorial and Cleaning Services	-	-	-	-	21,000	21,000	New
635	06	Bldg & Grounds Maint Services	-	-	-	-	1,200	1,200	New
635	07	Machinery & Equip Maint Services	8,549	9,463	9,463	5,300	4,033	(5,430)	-57.4%
635	12	Technical Services	-	-	-	-	925	925	New
645	01	Rents and Leases-Land and Buildings	51,909	57,200	57,200	57,200	2,100	(55,100)	-96.3%
650	02	Electric, Water, Sewer & Solid Waste	-	-	-	-	24,150	24,150	New
		Contract/Purchased Services	**60,458**	**66,663**	**66,663**	**62,500**	**53,408**	**(13,255)**	**-19.9%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	4,585	4,800	4,800	4,800	4,800	-	0.0%
		Interdepartmental Charges	**4,585**	**4,800**	**4,800**	**4,800**	**4,800**	**-**	**0.0%**
		Total Expenditures by Type	**65,088**	**71,713**	**71,713**	**67,550**	**92,868**	**21,155**	**29.5%**

NARRATIVE

510-04 Janitorial Supplies: $3,500 – This account provides for cleaning and sanitation supplies used in-house and by contracted janitors. The estimate for this account is based on supply use at the Centennial Building.

510-05 Small Tools and Equipment: $1,250 - This account provides for minor tools, operating and office equipment with a value of less than $1,000. The new library facility will need a variety of tools for maintenance: 10’ ladder, a snow melt spreader, a power broom and a vacuum cleaner.

515-03 Furniture and Fixtures Maintenance Materials: $3,000 **-** This account provides for the repair and maintenance of furniture and building fixtures owned or leased and operated by the City.

525-03 Heating Fuel: $20,739 - This account provides for heating fuel and wood pellets to heat the library building and run the fireplace.

525-07 Machinery and Equipment Fuel and Lubricants: $6,171 – This account provides for gasoline, diesel fuel, propane and lubricants used in the operations of City and Ketchikan Public Utilities machinery and equipment. The fireplace in the new building runs on propane.

635-02 Janitorial and Cleaning Services: $21,000 - This account provides for services to clean facilities and equipment owned or leased by the City. Included are janitorial services and carpet cleaning. Since the contract has not yet been awarded, this estimate is based on the current budget for janitorial services for the Centennial Building.

635-06 Buildings and Grounds Maintenance Services: $1,200 - This account provides for the repair and maintenance of buildings and the upkeep of grounds owned or leased by the City. This account includes contract labor and materials required to provide the service.

635-07 Machinery and Equipment Maintenance Services: $4,033 - This account provides for the repair and maintenance of office equipment, machinery and other operating equipment owned or leased by the City. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements. The library has a public access copier machine that is serviced by Tongass Business Center. The library also has 2 microfilm readers.

635-12 Technical Services: $925 – This account provides for expenditures for services that are not regarded as professional but require technical or special knowledge, including fire extinguisher inspections, fire alarm inspection and fire sprinkler inspection.

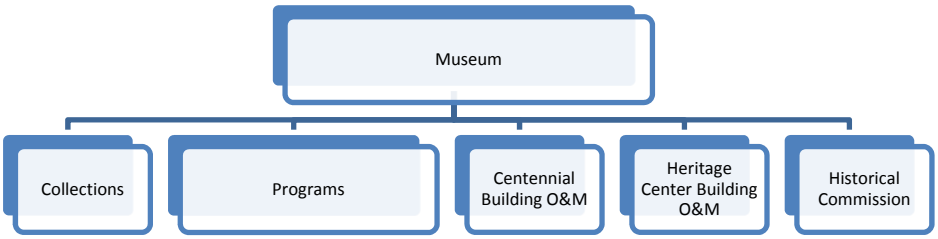
645-01 Rents and Leases: - Land and Buildings: $2,100 - This account provides for the rent of heated offsite storage at the Heckman Building for reference materials, repository documents and seasonal items and supplies.

650-02 Electric, Water, Sewer & Solid Waste: $ 24,150 - This account provides for electric, water, sewer and solid waste utility services. The estimate for this account in based on the usage at the Centennial Building.

825-01 Interdepartmental Charges – Insurance: $4,800 - This account provides for risk management services and claims.

Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00 Buildings	9,738,991	3,137,114	3,137,114	700,000	-	(3,137,114)	-100.0%
Total Major Capital Outlay	**9,738,991**	**3,137,114**	**3,137,114**	**700,000**	**-**	**(3,137,114)**	**-100.0%**

The City of Ketchikan Museum Department preserves and interprets the history of Ketchikan and Southeast Alaska for the benefit of present and future residents and visitors to our community. The Department operates two museums: the Tongass Historical Museum and the Totem Heritage Center. Together, the museums offer a wide array of permanent and temporary exhibitions, public presentations, educational programs, classes and workshops.



The Museum Department is comprised of four operating divisions, a Historical Commission Program and oversees one Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Activity	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Collections	258,464	276,611	276,611	276,411	278,722	2,111	0.8%
Programs	407,724	460,814	460,814	433,638	454,202	(6,612)	-1.4%
Centennial Bldg O&M	27,155	29,800	29,800	29,715	92,200	62,400	209.4%
THC Bldg O&M	46,376	52,500	52,500	51,300	62,500	10,000	19.0%
Historical Commission	738	1,500	1,500	1,500	1,500	-	0.0%
Grants	21,466	-	-	-	15,000	15,000	New
Capital	(9,867)	60,000	60,000	52,500	10,000	(50,000)	-83.3%
Total	**752,056**	**881,225**	**881,225**	**845,064**	**914,124**	**32,899**	**3.7%**

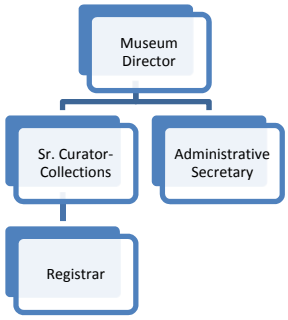
Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	581,357	643,533	643,533	619,869	635,992	(7,541)	-1.2%
Supplies	70,187	76,675	76,340	75,873	95,543	18,868	24.6%
Contract/Purchased Services	142,022	137,577	137,602	134,154	156,664	19,087	13.9%
Minor Capital Outlay	7,261	6,590	6,900	6,473	4,225	(2,365)	-35.9%
Interdpt'l Charges/Reimbursable Credits	(38,904)	(43,150)	(43,150)	(43,805)	11,700	54,850	-127.1%
Major Capital Outlay	(9,867)	60,000	60,000	52,500	10,000	(50,000)	-83.3%
Total	**752,056**	**881,225**	**881,225**	**845,064**	**914,124**	**32,899**	**3.7%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	-	-	-	-	-	0	0.0%
General Fund Support	525,796	616,325	616,325	623,614	738,424	122,099	19.8%
Charges for Services	189,755	204,900	204,900	168,950	165,700	(39,200)	-19.1%
Public Works Sales Tax	(3,173)	60,000	60,000	52,500	10,000	(50,000)	-83.3%
Federal and State Grants	46,372	-	-	-	-	-	0.0%
Major Capital Improvements	(6,694)	-	-	-	-	-	0.0%
Total	**752,056**	**881,225**	**881,225**	**845,064**	**914,124**	**32,899**	**3.7%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Collections	2.82	2.82	2.82	2.82	153,198	-	0.0%
Programs	4.38	4.38	4.38	4.38	204,644	-	0.0%
Total	**7.20**	**7.20**	**7.20**	**7.20**	**357,842**	**-**	**0.0%**

MISSION STATEMENT

The Collections Division of the Museum Department acquires, researches, documents and preserves objects and archival materials relating to the history and culture of the Ketchikan area. The division provides efficient access to the Museum's collections for researchers, staff and the public.



GOALS FOR 2013

- Manage the intellectual and physical integrity of the Museum's collections during the Centennial Building renovation process.
- Improve access to photograph and document collections for researchers, media, museum staff and the public by scanning and storing items in retrievable digital form.
- Complete the migration of existing digital collections from DVD format to the City's storage server.
- Improve Department work efficiency by upgrading data transmission lines at the Centennial Building and the Totem Heritage Center from 10 to 100 megabytes per second.
- Develop a public research area within the archives office that allows better access to the museum's collections. Additionally, develop a program to allow public access to digital collections through the Web.
- Assist Programs Division in research, development and implementation of new programs and exhibits.
- Acquire items for the museum collections that represent and illustrate the history and culture of Ketchikan. Only objects that are directly relevant to the museum's mission will be added to the collection in addition to filling out the exhibit spaces in a renovated museum facility.
- Assist with installation and interpretation of the Puyallup Mine stamp mill at an accessible public viewing site.

ACCOMPLISHMENTS FOR 2012

- Participated in the production of exhibits at the Tongass Historical Museum and the Totem Heritage Center by providing research, photographs, label text, identification and preparation of objects and archival materials for exhibits, and assistance with exhibit installation.
- Maintained public access to collections and archives, providing timely and thorough responses to requests for research and historical photograph reproduction. In addition to private individuals and commercial operations, the division has provided images and historical information for use by federal, state and local governments; local and statewide media services; KVB; Historic Ketchikan; Alaska Airlines; and other organizations, including the Rasmuson Foundation and KAAHC.

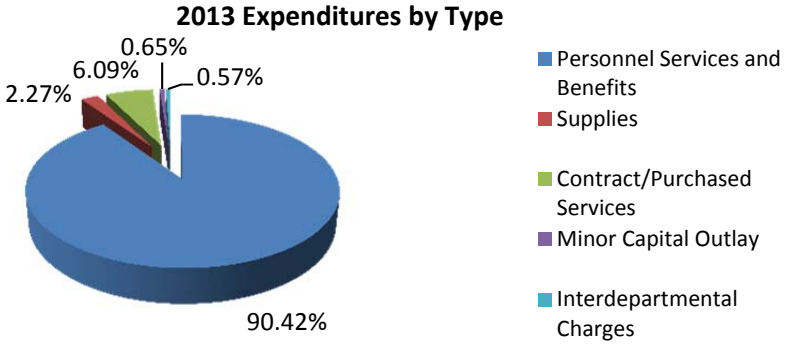
- Worked with producers in selecting and supplying historic images for use in the films produced for the KVB's *Ketchikan Story Project*.
- Participated in planning and conducting the 2012 tourism development conference, *Selling Our Story: The Benefits of Heritage Tourism*; provided resources to KVB and other organizations involved in the conference.
- Processed all items acquired for the collection in 2012: completed legal transfer; documented history, provenance and condition; performed basic cleaning; photographed; properly filed paperwork; and recorded item data in the PastPerfect museum collection management software database.
- Expanded access to the Museum's photograph and document collections by digitizing documents and images. As of August 2012, more than 800 gigabytes of data, representing photographic images, documents, etc., had been digitized and stored on DVDs. The process of migrating those files to the City's storage server has begun, with more than 438 gigabytes of photographic image data transferred to date.
- Assisted in the production of the following exhibits: *A Forest of Words, Youth Voices Celebrate the Tongass National Forest; Into the Light, Recent Acquisitions; Our Town: The Life and Times of Ketchikan;* and *Nunavut's Culture on Cloth*, a traveling exhibition. Prepared for an exhibit of vintage photographs depicting New England Fish Co. activities in Alaska, scheduled to open January 4, 2013. Worked with the Ketchikan Fire Department to create exhibits for Fire Station No. 1.

DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	235,457	249,019	249,019	249,019	251,998	2,979	1.2%
Supplies	4,012	5,150	5,150	5,143	6,325	1,175	22.8%
Contract/Purchased Services	16,813	18,842	18,842	18,649	16,974	(1,868)	-9.9%
Minor Capital Outlay	789	2,000	2,000	2,000	1,825	(175)	-8.8%
Interdepartmental Charges	1,393	1,600	1,600	1,600	1,600	-	0.0%
Total	**258,464**	**276,611**	**276,611**	**276,411**	**278,722**	**2,111**	**0.8%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund Support	258,464	276,611	276,611	276,411	278,722	2,111	0.8%
Total	**258,464**	**276,611**	**276,611**	**276,411**	**278,722**	**2,111**	**0.8%**

	2011	2012		2013		FTE Change 2012-2013	
Personnel	**Actual**	**Adopted**	**Amended**	**Budget**	**Salary**	**Amount**	**%**
Director	0.45	0.45	0.45	0.45	34,161	-	0.0%
Administrative Secretary	0.37	0.37	0.37	0.37	14,399	-	0.0%
Sr. Curator-Collections	1.00	1.00	1.00	1.00	55,800	-	0.0%
Registrar	1.00	1.00	1.00	1.00	48,838	-	0.0%
Total	**2.82**	**2.82**	**2.82**	**2.82**	**153,198**	**-**	**0.0%**



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Artifacts (Account No. 510-08) increased from $0 to $1,000, reflecting a transfer of this account, without a change in amount, from the Programs Division to the Collections Division.
- Telecommunications Services (Account No. 650-01) shows a net decrease of $1,700, reflecting the following: discontinuation of voice and data service to offsite exhibits work space ($1,850 decrease); transfer of Totem Heritage Center data line expense from the Collections Division to the Programs Division ($2,891 decrease); and upgrading the Centennial Building data transfer line from 10 MB to 100MB ($3,010 increase, including $625 installation charge.)
- The Department does not anticipate any change in budget amount in the former 97 accounts, which have been broken up into the following newly created accounts: Account No. 635-04, Software Maintenance, which funds the maintenance fee for PastPerfect; Account No. 735-00, Software, which funds new Adobe Software; and Account No. 725-00, Machinery and Equipment, which funds computer hardware and photographic printer.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012 - 2013 Amount	Budget Change 2012 - 2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	140,792	150,619	150,619	150,619	153,198	2,579	1.7%
501	01	Overtime Wages	165	500	800	800	500	-	0.0%
505	00	Payroll Taxes	10,783	11,600	11,600	11,600	11,800	200	1.7%
506	00	Pension	28,417	30,400	30,400	30,400	30,900	500	1.6%
507	00	Insurance Benefits	52,200	53,000	53,000	53,000	52,600	(400)	-0.8%
508	00	Other Benefits	3,100	2,900	2,600	2,600	3,000	100	3.4%
		Personnel Services and Benefits	**235,457**	**249,019**	**249,019**	**249,019**	**251,998**	**2,979**	**1.2%**
Supplies									
510	01	Office Supplies	1,397	1,500	1,500	1,500	1,500	-	0.0%
510	02	Operating Supplies	1,702	2,250	2,075	2,075	2,250	-	0.0%
510	09	Artifacts	-	-	-	-	1,000	-	New
525	03	Heating Fuel	768	1,200	1,200	1,200	1,200	-	0.0%
530	01	Library Books	145	150	150	150	150	-	0.0%
530	02	Periodicals	-	-	175	168	175	175	New
535	02	Business and Meal Expenses	-	50	50	50	50	-	New
		Supplies	**4,012**	**5,150**	**5,150**	**5,143**	**6,325**	**1,175**	**22.8%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Contract/Purchased Services									
600	02	Travel-Training	300	800	800	800	800	-	0.0%
600	03	Training and Education	69	200	200	200	200	-	0.0%
615	02	Assn. Membership Dues & Fees	181	525	525	350	375	(150)	-28.6%
635	04	Software Maintenance Services	575	450	450	432	432	(18)	-4.0%
635	07	Machinery & Equip Maint Services	127	500	500	500	500	-	0.0%
635	11	Subscription Services	125	175	175	175	175	-	0.0%
645	01	Rents and Leases-Land and Buildings	4,692	4,692	4,692	4,692	4,692	-	0.0%
650	01	Telecommunications	10,744	11,500	11,500	11,500	9,800	(1,700)	-14.8%
		Contract/Purchased Services	**16,813**	**18,842**	**18,842**	**18,649**	**16,974**	**(1,868)**	**-9.9%**
Minor Capital									
725	00	Machinery and Equipment	-	1,700	1,700	1,700	1,665	(35)	-2.1%
735	00	Software	789	300	300	300	160	(140)	-46.7%
		Minor Capital Outlay	**789**	**2,000**	**2,000**	**2,000**	**1,825**	**(175)**	**-8.8%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	1,393	1,600	1,600	1,600	1,600	-	0.0%
		Interdepartmental Charges	**1,393**	**1,600**	**1,600**	**1,600**	**1,600**	**-**	**0.0%**
		Total Expenditures by Type	**258,464**	**276,611**	**276,611**	**276,411**	**278,722**	**2,111**	**0.8%**

NARRATIVE

500-01 Regular Salaries and Wages: $153,198 – This account provides for the annual wages of the employees of the Collections Division.

501-01 Overtime Wages: $500 - This account provides for the cost of overtime incurred by Collections staff during the course of the year.

505-00 Payroll Taxes: $11,800 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes for Collections staff.

506-00 Pension: $30,900 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $52,600 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $3,000 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $1,500 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers.

510-02 Operating Supplies: $2,250 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. In the Collections Division, this includes items such as poly envelopes for negative and print storage, acid free storage boxes, Museum wax, curatorial metal cleaning solvents, blotting paper, corrugated document boxes, etc.

510-09 Artifacts: $1,000 - This account provides for the acquisition of artifacts, artwork and other items for the permanent collections. In previous years, this account has been under the Programs Division.

525-03 Heating Fuel: $1,200 - This account provides for heating fuel to heat the South Tongass artifact storage space leased by the Museum Department.

530-01 Library Books: $150 - This account provides for the acquisition of books and print materials for the library collection. Included are books, large print items, maps, nautical charts and other print materials.

530-02 Periodicals: $175 - This account provides for subscriptions to newspapers, magazines and trade journals.

535-02 Business and Meal Expenses: $50 - This account provides for reimbursements to employees for business and job related meals, mileage for use of personal vehicles and other business related expenses.

600-02 Travel-Training: $800 - This account provides for transportation, lodging, meals, per diem and incidental expenses associated with travel for training. It is anticipated that the division will send a staff member to the 2013 Museums Alaska conference.

600-03 Training and Education: $200 – This account provides for a staff member's registration for the 2013 Museums Alaska conference.

615-02 Assn. Dues and Membership Fees: $375 – This account provides for memberships in A.A.S.L.H, Museums Alaska, Alaska History Association and other professional and trade associations.

635-04 Software Maintenance Services: $432 - This account provides for maintenance agreements in support of the Department's collections management software, *PastPerfect 5*.

635-07 Machinery and Equipment Maintenance Services: $500 - This account provides for services for the repair and maintenance of office equipment, machinery and other operating equipment owned or leased by theMusuem Department. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635-11 Subscription Services: $175 – This account provides for an annual subscription to the on-line genealogy research database, Ancestry.com.

645-01 Rents and Leases - Land and Buildings: $4,692 - This account provides for the rent of heated off-site storage space for large items in the Museum collections that are not on exhibit.

650-01 Telecommunications: $9,800 - This account provides for telecommunication services for voice, alarm and data transfer lines at the Centennial Building. The decrease in this line item reflects discontinuation of voice and data service at the Museum's off-site exhibits preparation space and transfer of charges for the Totem Heritage Center data line from the Collections Division to the Programs Division. The decrease is somewhat offset by higher data transfer costs, which result from an upgrade in line capacity from 10 to 100 MB.

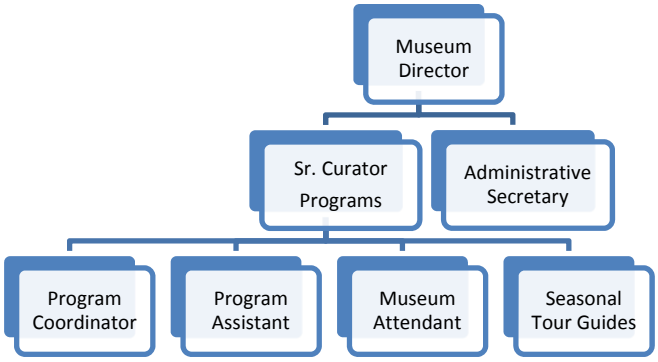
725-00 Machinery and Equipment: $1,665 - This account provides for the purchase of a Stylus Pro 3880 Ink Jet Printer which will replace a failing machine.

735-00 Software: $160 - This will provide for purchase of 2 copies of *Family Tree Maker 2012* software for the Collections Division.

825-01 Interdepartmental Charges – Insurance: $1,600 - This account provides for risk management services and claims.

MISSION STATEMENT

The Programs Division fosters preservation, understanding and dissemination of knowledge of the history and culture of the Ketchikan region through exhibits, classes, workshops, lectures, publications, gallery talks and other public programs. The division strives to reach the broadest possible audience by designing, aggressively publicizing and carrying out a variety of interpretive programs that match the interests and abilities of people of all ages and walks of life.



GOALS FOR 2013

- Expand awareness of the Ketchikan Museums as a community educational and historical resource.
- Work with all Museum staff to plan and produce a variety of engaging and informative exhibits.
- Collaborate with area educators to develop Museum-related programs and printed educational materials pertinent to various grade levels and units of study throughout the school district.
- Develop exhibit-related educational and public programs that will attract new audiences and stimulate the participation of community members interested in local history and culture.
- Attract new audiences for Native Art classes and other fee-based programs. Strengthen cooperative relationships with UAS Ketchikan, Parks and Recreation, Native corporations, tribal organizations and the Arts Council for sponsorship and promotion of classes at the Totem Heritage Center and exhibit-related activities at the Tongass Historical Museum.
- Identify opportunities to train staff in areas that will improve services to the public, such as educational program development, exhibit techniques, planning and evaluation, computer skills and customer service skills.
- Identify new sources of financial support and apply for funding from both public and private sources to support exhibits, interpretive programs and other Museum activities.
- Increase walk-in traffic at the Totem Heritage Center through marketing efforts targeting cruise ship and ferry passengers and through new and continued partnerships with local organizations.
- Increase commercial tours at the Totem Heritage Center through targeting smaller tour companies, as well as larger cruise ship company tours.
- Train tour staff in areas that will improve services to the public: customer service skills, tour techniques, surveys and evaluations, and team participation skills.
- Educate the public on the Museum expansion, including assisting in the development of public programs and other informative programs and meetings. Create appropriate educational and informational materials related to the expansion.
- Continue the review and reform of the Native Art Studies Certificate of Merit Program.

ACCOMPLISHMENTS FOR 2012

- The Museum Department presented four exhibits at the Tongass Historical Museum during the year. *Our Town: The Life and Times of Ketchikan* (May – Sept.) provided a general overview of Ketchikan history for summer visitors and locals alike. During the "off season," the Museum produced three exhibits tailored to the interests of local residents: *A Forest of Words: Youth Voices Celebrate the Tongass National Forest*, a collaboration with the USDA Forest Service (Jan. - February*); Into the Light: Recent Acquisitions* (March - April); and *Nunavut's Culture on Cloth*, scheduled to open in October.
- 11 Northwest Coast Native Art classes were offered at the Totem Heritage Center in 2012. Exceptional local and visiting instructors taught the traditional Northwest Coast arts of weaving, carving, design and regalia making. A weaving class for local youths, taught by Haida weaver Holly Churchill Burns, was offered during Spring Break.
- The Programs Division collaborated with the University of Alaska Southeast Ketchikan Campus to offer optional university credit for Totem Heritage Center classes that met university requirements.
- A thorough review and reform of the Certificate of Merit program was conducted in which program requirements and classes offered through the Native Arts Studies Program were examined for effectiveness and relevance based on data collected through attendance and conversations with program instructors.
- The Totem Heritage Center hosted 115 Road Scholar (formerly Elderhostel) program participants during the summer season. They received hands-on presentations and were given in-depth interpretive tours of the Totem Heritage Center by staff.
- Staff provided both general and focused tours of the Totem Heritage Center and Tongass Historical Museum for classes from local schools, as well as schools in Metlakatla. Several free and open family "fundays" were held at the Tongass Historical Museum. Youth educational programs and tours attendance totaled more than 400 in 2012.
- Ketchikan Museums staff provided technical assistance to community non-profits, including the Arts Council, Historic Ketchikan and the Tongass Historical Society. The Museum also participated in community events, including the Blueberry Arts Festival and the Annual Winter Art Walk.
- The Senior Curator of Programs represented the Ketchikan Museums at the annual Museums Alaska conference in Sitka.
- Staff continued to develop and promote the Totem Heritage Center library as a resource for instructors, students and researchers to research subjects related to Northwest Coast Native art and artists.
- The Programs Division increased public awareness of Museum Department activities and programs through display posters, publications, weekly & monthly radio shows and web presence, including FaceBook pages for both museums. Four newsletters were published, highlighting exhibits and Museum collection and program activities. Programs staff provided updated schedules of Northwest Coast Native Art classes, Museum newsletters and program announcements for the City website. Photographic essays provided by Programs staff appeared periodically on SitNews, Ketchikan's community website.
- Six seasonal tour guides were recruited and trained to provide interpretive tours and visitor services at the Totem Heritage Center and the Tongass Historical Museum from May through September.
- The Programs Division staff introduced a variety of cultural perspectives to a wide range of visitors by presenting group tours and interpretive services, as well as providing answers to visitor questions, information on local attractions, etc. Attendance at museum facilities exceeded 50,000 people in 2012.
- Well-attended public forums on the Tongass Historical Museum expansion were held in September and October. Public commentary and ideas gathered during the events will prove highly valuable as the next steps are taken in developing a concept for the Tongass Historical Museum as it expands into the space vacated by the public library.

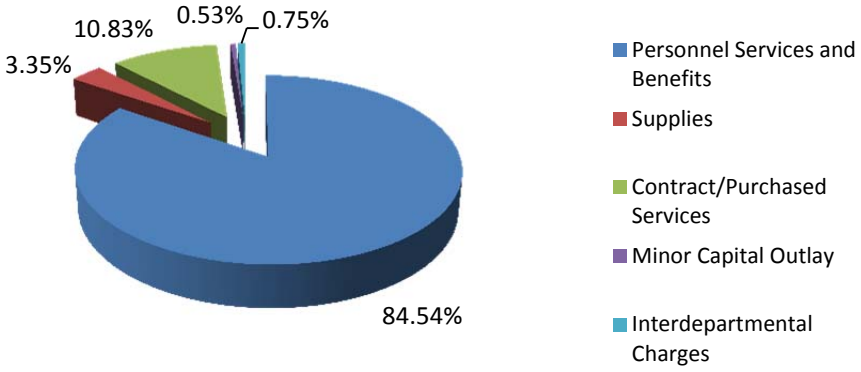
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	345,900	394,514	394,514	370,850	383,994	(10,520)	-2.7%
Supplies	11,914	15,325	14,990	14,530	15,218	(107)	-0.7%
Contract/Purchased Services	40,124	42,735	42,760	40,705	49,190	6,455	15.1%
Minor Capital Outlay	6,472	4,590	4,900	4,473	2,400	(2,190)	-47.7%
Interdepartmental Charges	3,314	3,650	3,650	3,080	3,400	(250)	-6.8%
Total	**407,724**	**460,814**	**460,814**	**433,638**	**454,202**	**(6,612)**	**-1.4%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	-	-	-	-	-	0	0.0%
General Fund Support	217,969	255,914	255,914	264,688	288,502	32,588	12.7%
Charges for Services	189,755	204,900	204,900	168,950	165,700	(39,200)	-19.1%
Total	**407,724**	**460,814**	**460,814**	**433,638**	**454,202**	**(6,612)**	**-1.4%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Director	0.55	0.55	0.55	0.55	41,753	-	0.0%
Administrative Secretary	0.38	0.38	0.38	0.38	14,788	-	0.0%
Sr. Curator-Programs	1.00	1.00	1.00	1.00	53,615	-	0.0%
Program Coordinator	1.00	1.00	1.00	1.00	44,637	-	0.0%
Museum Attendant	0.70	0.70	0.70	0.70	21,927	-	0.0%
Program Assistant	0.75	0.75	0.75	0.75	27,924	-	0.0%
Total	**4.38**	**4.38**	**4.38**	**4.38**	**204,644**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Artifacts (Account No. 510-09) decreased from $1,000 to $0, reflecting a transfer of this account, without a change in amount, from the Programs Division to the Collections Division.
- Bulk Mailing (Account No. 520-02) increased $1050 due to increased mailings of Museum newsletters and program announcements.
- Building and Operating Permits (Account No. 630-01) increased by $100 to cover bi-annual Alaska business license fee, due in 2014.
- Telecommunications Services (Account No. 650-01) increased by $6,200, reflecting transfer of Totem Heritage Center data line expense ($2,890 in 2012) from the Collections Division to the Programs Division and upgrading data transfer speed from 10 MB to 100MB (additional $3,310 increase, including a $625 installation charge.)
- Machinery and Equipment (Account No. 725-00) decreased $385, reflecting reduced computer equipment replacement needs.
- Software (Account No. 735-00) decreased $1805 due to recent installation of new and upgraded software on Programs Division computers.

DIVISION OPERATING BUDGET DETAIL

			2011	2012 Budget			2013	Budget Change 2012-2013	
Operating Expenditures			Actual	Adopted	Amended	Estimate	Budget	Amount	%
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	187,324	207,564	207,564	189,500	204,644	(2,920)	-1.4%
501	01	Overtime Wages	-	750	750	750	750	-	0.0%
502	01	Temporary Wages	44,574	50,000	50,000	50,000	50,000	-	0.0%
505	00	Payroll Taxes	17,740	19,800	19,800	18,380	19,500	(300)	-1.5%
506	00	Pension	36,370	40,300	40,300	36,800	39,700	(600)	-1.5%
507	00	Insurance Benefits	56,090	71,600	71,600	71,320	64,800	(6,800)	-9.5%
508	00	Other Benefits	3,802	4,500	4,500	4,100	4,600	100	2.2%
		Personnel Services and Benefits	**345,900**	**394,514**	**394,514**	**370,850**	**383,994**	**(10,520)**	**-2.7%**
Supplies									
510	01	Office Supplies	3,392	3,325	3,350	3,350	3,350	25	0.8%
510	02	Operating Supplies	5,159	6,200	6,310	6,300	6,050	(150)	-2.4%
510	03	Safety Program Supplies	-	-	-	-	250	250	New
510	05	Small Tools and Equipment	184	300	300	300	300	-	0.0%
510	07	Food/Catering	653	700	700	700	700	-	0.0%
510	08	Inventory for Resale	794	1,000	450	200	1,000	-	0.0%
510	09	Artifacts	972	1,000	1,000	1,000	-	(1,000)	
515	01	Vehicle Maintenance Materials	85	100	80	-	100	-	0.0%
520	02	Postage	381	350	450	450	350	-	0.0%
520	03	Bulk Mailing	-	950	950	950	2,000	1,050	110.5%
520	04	Freight-Material and Supplies	-	700	700	700	400	(300)	-42.9%
525	04	Vehicle Motor Fuel & Lubricants	117	300	300	230	300	-	0.0%
530	01	Library Books	50	150	150	150	150	-	0.0%
530	02	Periodicals	127	150	150	150	168	18	12.0%
535	02	Business and Meal Expenses	-	100	100	50	100	-	0.0%
		Supplies	**11,914**	**15,325**	**14,990**	**14,530**	**15,218**	**(107)**	**-0.7%**

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Contract/Purchased Services							
600 02 Travel-Training	1,198	1,900	1,900	1,210	1,900	-	0.0%
600 03 Training and Education	190	300	300	260	300	-	0.0%
605 02 Advertising and Public Announcements	6,034	6,000	5,950	5,850	6,000	-	0.0%
605 04 Printing and Binding	6,298	6,175	6,200	6,200	6,260	85	1.4%
615 02 Assn. Membership Dues & Fees	251	250	250	200	210	(40)	-16.0%
630 01 Building and Operating Permits	400	300	300	275	400	100	33.3%
630 02 Vehicle Licenses	10	10	10	10	10	-	0.0%
630 03 Bank and Merchant Charges	386	300	350	350	410	110	36.7%
635 07 Machinery and Equipment Maintenance Ser	127	500	500	450	500	-	0.0%
635 14 Other Contractual Services	16,514	18,000	18,000	17,300	18,000	-	0.0%
645 01 Rents and Leases-Land and Buildings	6,000	6,000	6,000	6,000	6,000	-	0.0%
650 01 Telecommunications	2,716	3,000	3,000	2,600	9,200	6,200	206.7%
Contract/Purchased Services	**40,124**	**42,735**	**42,760**	**40,705**	**49,190**	**6,455**	**15.1%**
Minor Capital							
725 00 Machinery & Equipment	3,560	2,385	2,710	2,708	2,000	(385)	-16.1%
735 00 Software	2,912	2,205	2,190	1,765	400	(1,805)	-81.9%
Minor Capital Outlay	**6,472**	**4,590**	**4,900**	**4,473**	**2,400**	**(2,190)**	**-47.7%**
Interdepartmental Charges							
825 01 Interdepartmental Charges-Insurance	2,555	2,900	2,900	2,900	2,900	-	0.0%
850 01 Interdepartmental Charges-Garage	759	750	750	180	500	(250)	-33.3%
Interdepartmental Charges	**3,314**	**3,650**	**3,650**	**3,080**	**3,400**	**(250)**	**-6.8%**
Total Expenditures by Type	**407,724**	**460,814**	**460,814**	**433,638**	**454,202**	**(6,612)**	**-1.4%**

NARRATIVE

500-01 Regular Salaries and Wages: $204,644 – This account provides for the annual wages of the employees of the Programs Division.

501-01 Overtime Wages: $750 - This account provides for the cost of overtime incurred by Programs staff during the course of the year.

502-01 Temporary Wages: $50,000 - This account provides for the compensation of five to six seasonal tour guides who are employed 35-40 hours per week at the Totem Heritage Center during the tour season.

505-00 Payroll Taxes: $19,500 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes for Programs staff.

506-00 Pension: $39,700 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $64,800 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $4,600 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $3,350 - This account provides for general offices supplies used by the Programs Division and the Department's administrative office, including, paper, pens, pencils, small desk accessories, etc.

510-02 Operating Supplies: $6,050 - This account provides for supplies for the Native Arts Studies program, exhibit-related programs and general supplies for Programs and Administration. It also provides for the purchase of paint, lumber, plexiglass, mountings, frames and other materials for exhibit production.

510-03 Safety Program Supplies: $250 **-** This account covers safety training for staff, etc.

510-05 Small Tools and Equipment: $300 - This account provides for the purchase of small hand tools for the Native Arts Studies program and Totem Heritage Center woodshop.

510-07 Food/Catering: $700 - This account provides for food or catering services for special and public programs such as exhibit openings, lectures, meetings and gatherings, etc.

510-08 Inventory for Resale: $1,000 - This account provides for the purchase of the Native arts/crafts materials, which are sold to students participating in Totem Heritage Center classes. Expenditures under this account are fully recovered through sales.

515-01 Vehicle Maintenance Materials: $100 - This account provides for routine maintenance materials for the Museum Department van.

520-01 Postage: $350 - This account provides for general postage for all Museum Department operations.

520-03 Bulk Mailing: $2,000 - This account provides for bulk mailing of exhibit and program announcements and newsletters for the Museum Department.

520-04 Freight – Materials and Supplies: $400 - This account provides for shipping or transporting supplies and program materials to and from vendors, as well as shipping for traveling exhibits.

525-04 Vehicle Motor Fuel and Lubricants: $300 - This account provides for gasoline and lubricants used in the operation of the Museum Department van.

530-01 Library Books: $150 - This account provides for the purchase of resource books for the Totem Heritage Center library.

530-02 Periodicals: $168 - This account provides for annual subscriptions to the Ketchikan Daily News and Native arts and culture magazines.

535-02 Business and Meal Expenses: $100 - This account provides for reimbursements to employees for business and job related meals, mileage for use of personal vehicles and other business-related expenses incurred in the conduct of Programs Division operations.

600-02 Travel-Training: $1,900 - This account provides for transportation, lodging, meals, per diem and incidental expenses associated with travel and training when the Museum Director and Sr. Curator of Programs participate in the annual Museums Alaska conference.

600-03 Training and Education: $300 – This account provides for registration fees, training fees, training materials and other incidental expenses associated with the annual Museums Alaska conference; also training in interpretive techniques and customer service skills for seasonal tour guides is funded from this account.

605-01 Advertising and Public Announcements: $6,000 - This account provides for commercial advertising in tourism and travel publications to attract visitors and increase attendance at Museum events. It also provides funds for local ads for position vacancies.

605-04 Printing and Binding: $6,260 – This account provides for printing of the Ketchikan Museums' quarterly newsletter, exhibit announcements, the Native Arts Studies class brochure and educational materials.

615-02 Assn. Membership Dues and Fees: $210 – This account provides for the Programs Division's share of membership fees for professional regional and national museum organizations and associations.

630-01 Building and Operating Permits: $400 – This account provides for the cost of a bi-annual Alaska business license and an annual parking permit for the Museum Department van.

630-02 Vehicle Licenses: $10 – This account provides for licensing the Museum Department van.

630-03 Bank and Merchant Charges: $410 – This account provides for bank card fees and credit card discount charges incurred through class registration fees, retail sales and program admissions.

635-07 Machinery and Equipment Maintenance Services: $500 - This account provides for services for routine and non-routine maintenance on the Programs Division's copiers, printers, personal computers, projectors and fax machine.

635-14 Other Contractual Services: $18,000 - This account provides for Native Arts Studies instructor fees and expenses, interpreters for history and exhibit-related programs, specialized services related to exhibits, etc.

645-01 Rents and Leases - Land and Buildings: $6,000 - This account provides for rental of off-site space for exhibit production.

650-01 Telecommunications: $9,200 - This account provides for telephone lines for voice, fax, and alarms at the Totem Heritage Center, as well as data transmission links between the Heritage Center and the Centennial Building and City Hall.

725-00 Machinery and Equipment: $2,000 - This account provides for the cost of replacing the Museum Director's desk top, graphics-capable PC.

735-00 Software: $400 - This account provides for acquisition of software and upgrades used by Programs staff.

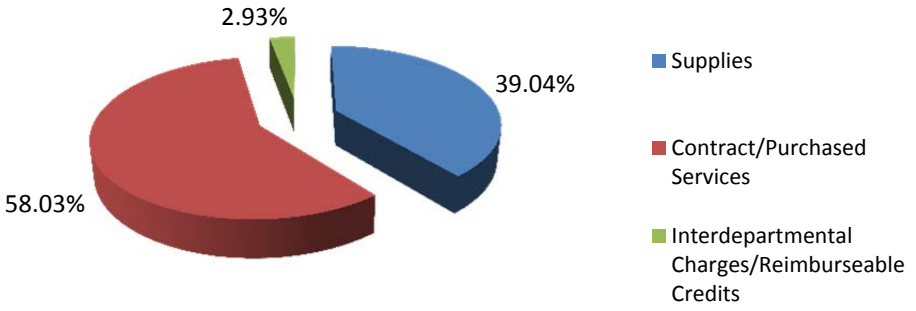
825-01 Interdepartmental Charges – Insurance: $2,900 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $500 – This account provides for vehicle maintenance provided by the Public Works Department – Garage Division.

COST CENTER OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	02	Operating Supplies	5,498	5,500	5,500	5,500	5,000	(500)	-9.1%
515	02	Building & Grounds Maint Materials	1,499	1,500	1,500	1,500	2,000	500	33.3%
525	03	Heating Fuel	25,009	26,200	26,200	26,200	29,000	2,800	10.7%
		Supplies	**32,006**	**33,200**	**33,200**	**33,200**	**36,000**	**2,800**	**8.4%**
Contract/Purchased Services									
635	02	Janitorial and Cleaning Services	18,220	21,000	19,000	19,000	21,000	-	0.0%
635	06	Bldg & Grounds Maint Services	1,560	5,000	5,000	5,000	5,000	-	0.0%
650	02	Electric, Water, Sewer and Solid Waste	22,730	23,000	25,000	25,000	27,500	4,500	19.6%
		Contract/Purchased Services	**42,510**	**49,000**	**49,000**	**49,000**	**53,500**	**4,500**	**9.2%**
Interdepartmental Charges/Reimburseable Credits									
825	01	Interdepartmental Charges-Insurance	2,448	2,700	2,700	2,700	2,700	-	0.0%
890	00	Reimburseable Credits	(49,809)	(55,100)	(55,100)	(55,185)	-	55,100	-100.0%
		Interdept'l Charges/Reimburseable Credits	(47,361)	(52,400)	(52,400)	(52,485)	2,700	55,100	-105.2%
		Total Expenditures by Type	**27,155**	**29,800**	**29,800**	**29,715**	**92,200**	**62,400**	**209.4%**

2013 Expenditures by Type



NARRATIVE

510-02 Operating Supplies: $5,000 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are paper towels, toilet tissue, soap, trash can liners, light bulbs and tubes, etc.

515-02 Building and Grounds Maintenance Materials: $2,000 – This account provides for materials for the repair and maintenance of buildings and upkeep of the grounds owned or leased and operated by the City.

525-03 Heating Fuel: $29,000 - This account provides for heating fuel to heat the Centennial Building.

635-02 Janitorial and Cleaning Services: $21,000 - This account provides for services to clean the Centennial Building. Included are janitorial and carpet cleaning services, etc.

635-06 Buildings and Grounds Maintenance Services: $5,000 - This account provides for contractual services such as fire and intrusion alarm maintenance & repair, broken window replacement, etc.

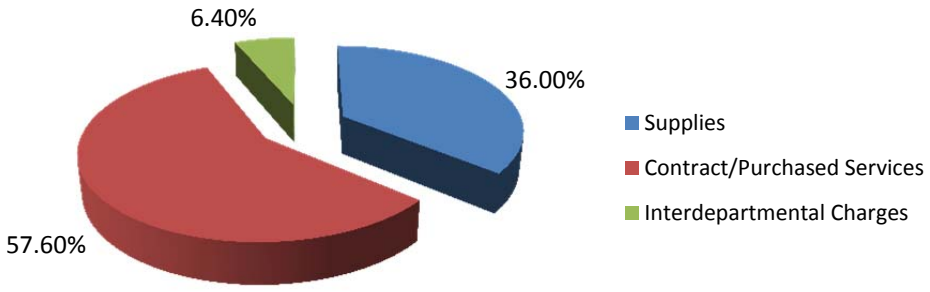
650-02 Electric, Water, Sewer & Solid Waste: $27,500 - This account provides for electric, water, sewer and solid waste utility services.

825-01 Interdepartmental Charges – Insurance: $2,700 - This account provides for risk management services and claims.

COST CENTER OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	02	Operating Supplies	1,438	1,500	1,500	1,500	1,500	-	0.0%
515	02	Building & Grounds Maint Materials	4,112	4,500	4,500	4,500	3,500	(1,000)	-22.2%
525	03	Heating Fuel	15,004	16,500	16,500	16,500	17,500	1,000	6.1%
		Supplies	**20,554**	**22,500**	**22,500**	**22,500**	**22,500**	**-**	**0.0%**
Contract/Purchased Services									
635	02	Janitorial and Cleaning Services	9,220	10,000	10,000	9,000	10,000	-	0.0%
635	06	Bldg & Grounds Maint Services	5,480	7,500	7,500	7,500	17,500	10,000	133.3%
650	02	Electric, Water, Sewer and Solid Waste	7,372	8,500	8,500	8,300	8,500	-	0.0%
		Contract/Purchased Services	**22,072**	**26,000**	**26,000**	**24,800**	**36,000**	**10,000**	**38.5%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	3,750	4,000	4,000	4,000	4,000	-	0.0%
		Interdepartmental Charges	**3,750**	**4,000**	**4,000**	**4,000**	**4,000**	**-**	**0.0%**
		Total Expenditures by Type	**46,376**	**52,500**	**52,500**	**51,300**	**62,500**	**10,000**	**19.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Other Contractual Services (Account No. 635-13) increased $10,000 at the suggestion of the Public Works Director to provide for preventive maintenance measures on the building envelope that were recommended by BCRA Consultants in 2009 to extend the life of the structure.

NARRATIVE

510-02 Operating Supplies: $1,500 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are paper towels, toilet tissue, soap, trash can liners, light bulbs and tubes, etc.

515-02 Building and Grounds Maintenance Materials: $3,500 – This account provides for materials for the repair and maintenance of buildings and upkeep of the grounds owned or leased and operated by the City.

525-03 Heating Fuel: $17,500 - This account provides for heating fuel to heat the Centennial Building.

635-02 Janitorial and Cleaning Services: $10,000 - This account provides for services to clean the Centennial Building. Included are janitorial and carpet cleaning services, etc.

635-06 Buildings and Grounds Maintenance Services: $17,500 - This account provides for contractual services such as fire and intrusion alarm maintenance & repair, carpet replacement, broken window repair, etc. Also included is $10,000 for preventive maintenance measures on the building envelope that were recommended by BCRA Consultants in 2009 to extend the life of the structure.

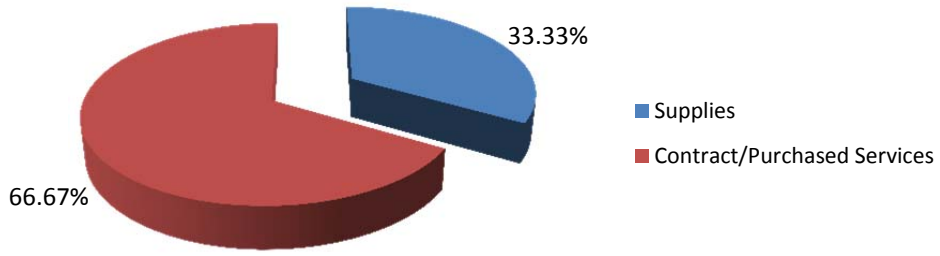
650-02 Electric, Water, Sewer & Solid Waste: $8,500 - This account provides for electric, water, sewer and solid waste utility services.

825-01 Interdepartmental Charges – Insurance: $4,000 - This account provides for risk management services and claims.

COST CENTER OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012 - 2013 Amount	Budget Change 2012 - 2013 %
Supplies									
510	02	Operating Supplies	-	500	500	500	500	-	0.0%
		Supplies	**-**	**500**	**500**	**500**	**500**	**-**	**0.0%**
Contract/Purchased Services									
605	02	Advertising & Public Announcements	297	500	500	500	500	-	0.0%
635	14	Other Contractual Services	441	500	500	500	500	-	0.0%
		Contract/Purchased Services	**738**	**1,000**	**1,000**	**1,000**	**1,000**	**-**	**0.0%**
		Total Expenditures by Type	**738**	**1,500**	**1,500**	**1,500**	**1,500**	**-**	**0.0%**

2013 Expenditures by Type



NARRATIVE

510-02 Operating Supplies: $500 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations.

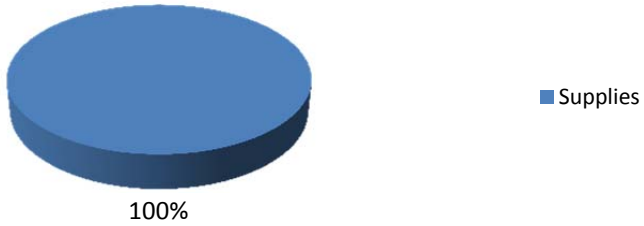
605-01 Advertising and Public Announcements: $500 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are requests for proposals, meeting announcements, etc.

635-14 Other Contractual Services: $500 - This account provides for contractual services not identified in the account classifications under contractual services.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	01	Office Supplies	534	-	-	-	-	-	0.0%
510	02	Operating Supplies	1,167	-	-	-	-	-	0.0%
510	09	Artifacts	-	-	-	-	15,000	15,000	New
		Supplies	**1,701**	**-**	**-**	**-**	**15,000**	**15,000**	**0.0%**
Contract/Purchased Services									
635	13	Other Contractual Services	19,765	-	-	-	-	-	0.0%
		Contract/Purchased Services	**19,765**	**-**	**-**	**-**	**-**	**-**	**0.0%**
		Total Expenditures by Type	**21,466**	**-**	**-**	**-**	**15,000**	**15,000**	**0.0%**

2013 Expenditures by Type



	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
KGB Grant-Creek, Stedman, Thomas St. Sign	20,932	-	-	-	-	-	0.0%
Downtown & Creek Street Survey	534	-	-	-	-	-	0.0%
Rasmuson Art Acquisition	-	-	-	-	15,000	15,000	New
Total Expenditures by Grant Program	**21,466**	**-**	**-**	**-**	**15,000**	**15,000**	**0.0%**

2013 Expenditures by Funding Source

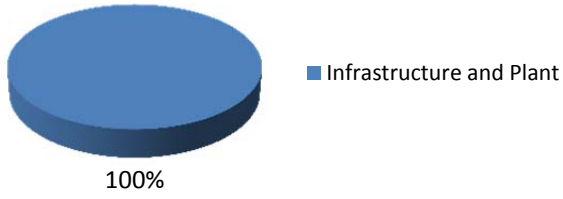
NARRATIVE

510-09 Artifacts: $15,000 - This account provides for the acquisition of grant-funded artifacts, artwork and other items for the permanent collections.

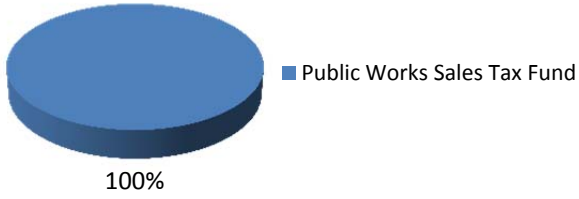
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00 Buildings	(9,150)	50,000	50,000	50,000	-	(50,000)	-100.0%
730-00 Infrastructure and Plant	(717)	10,000	10,000	2,500	10,000	-	0.0%
Total Major Capital Outlay	**(9,867)**	**60,000**	**60,000**	**52,500**	**10,000**	**(50,000)**	**-83.3%**

Project #	Project	Funding Sources: Public Works Sales Tax Fund			Total
730-00 Infrastructure and Plant					
	Clean & Repair Totem Poles	10,000	-	-	10,000
	Total Infrastructure and Plant	**10,000**	-	-	**10,000**
	Total 2013 Capital Budget	**10,000**	-	-	**10,000**

2013 Expenditures by Type



Expenditures by Funding Source



The Ted Ferry Civic Center is a multi-purpose public facility intended to encourage a balance of uses to meet the economic, social, cultural and convention needs of the Ketchikan community. The Civic Center staff is committed to ensuring that the facility and services provided reflect favorably on the City of Ketchikan.

The Civic Center Department is comprised of one operating division and oversees one Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

	2011	2012			2013	Change 2012-2013	
Divisions/Programs/Cost Center	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Operations	346,846	405,229	405,229	387,282	409,404	4,175	1.0%
Capital	24,875	85,000	85,000	25,000	116,500	31,500	37.1%
Total	**371,721**	**490,229**	**490,229**	**412,282**	**525,904**	**35,675**	**7.3%**

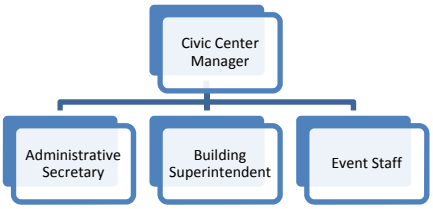
	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	237,878	263,689	263,689	256,000	264,046	357	0.1%
Supplies	44,794	54,441	54,441	50,333	52,663	(1,778)	-3.3%
Contract/Purchased Services	56,445	62,899	62,899	58,361	81,795	18,896	30.0%
Minor Capital Outlay	1,680	18,000	18,000	16,388	4,700	(13,300)	-73.9%
Interdepartmental Charges	6,049	6,200	6,200	6,200	6,200	-	0.0%
Major Capital Outlay	24,875	85,000	85,000	25,000	116,500	31,500	37.1%
Total	**371,721**	**490,229**	**490,229**	**412,282**	**525,904**	**35,675**	**7.3%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund							
Charges for Services	108,835	120,000	120,000	141,000	141,000	21,000	17.5%
Public Works Sales Tax	24,875	85,000	85,000	25,000	116,500	31,500	37.1%
Transient Sales Tax	238,011	285,229	285,229	246,282	268,404	(16,825)	-5.9%
Total	**371,721**	**490,229**	**490,229**	**412,282**	**525,904**	**35,675**	**7.3%**

	2011	2012		2013		FTE Change 2012-2013	
Personnel	**Actual**	**Adopted**	**Amended**	**Budget**	**Salary**	**Amount**	**%**
Operations	3.00	3.00	3.00	3.00	132,446	-	0.0%
Total	**3.00**	**3.00**	**3.00**	**3.00**	**132,446**	**-**	**0.0%**

MISSION STATEMENT

It is the mission of the Ted Ferry Civic Center staff to operate the Civic Center in a courteous and professional manner; to ensure that the building is well maintained, available and operationally ready to meet the needs of those desiring to use it; to assist the public in coordination and production of events from booking through final billing; and to provide flexible and technologically current services to those with special needs.



GOALS FOR 2013

- Continue to provide well-trained staff for all types of events. Ensure facility is maintained and operationally ready to meet the needs of the community, out-of-town conventions and visitors.
- Continue marketing via the Internet through the City's website and the Ketchikan Visitors Bureau's website. Develop a social media platform for the Civic Center to provide information to the community regarding current events at the facility, availability of the facility and event planning tips & guidelines. Continue working with the KVB on marketing strategies and increasing the economic impact of the Civic Center.
- Establish a "Facility Free-Use" Policy through a grant-like process. This will open the facility up for requests based on need, community necessity and priority, and will allow all community entities interested in utilizing the facility the same opportunities for free-use by establishing guidelines and a standardized application process.
- Establish a training program for A/V Equipment at the facility (to include, sound, lights, projectors, etc.). This program would be for current staff members, as well as be available to interested community members.
- Send the Civic Center Manager to the regional IAVM Conference (International Association of Venue Managers). This will provide the manager with training, knowledge of new products available to enhance current equipment offerings and ongoing development of new contacts.
- Send the Civic Center Manager to the MPI Cascadia Conference. This trip is partially financed by the Ketchikan Visitors Bureau and will allow for sales calls in the Pacific Northwest, as well as give staff the opportunity to develop further networking opportunities and contact with meeting planners from around the nation.
- Increase facility use by local individuals, businesses and organizations through exceptional customer service, facility promotions and local advertising.

ACCOMPLISHMENTS FOR 2012

- The economic impact of the Ted Ferry Civic Center is estimated at $756,650 for 2012. This is based on 3,051 hotel nights at $248/night. This includes events already scheduled for September-December 2012, but does not include additional events that may be scheduled from now until the end of the year. There are 105 days pre-booked for 2013 as of October 19, 2012.
- The Ted Ferry Civic Center will have hosted five conventions and two tradeshows in 2012.

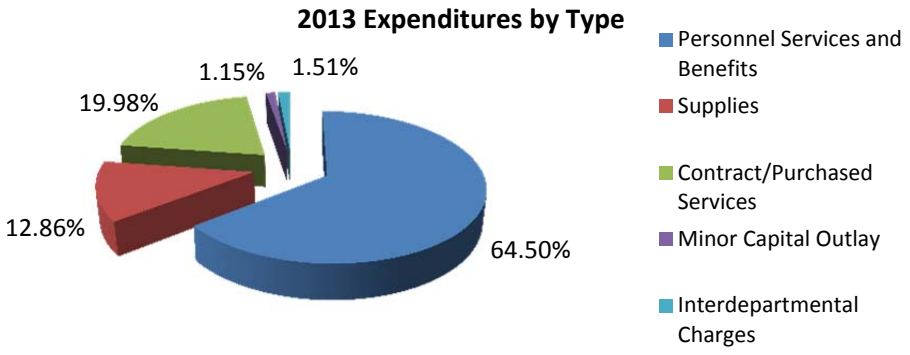
- The Ted Ferry Civic Center has three conventions pre-booked for 2013 and 2 conventions pre-booked for 2014.
- The Civic Center Manager attended the 2012 Meeting Planners International Cascadia Conference in March of 2012 in conjunction with the Ketchikan Visitor's Bureau's Meeting & Convention Planner. This was a very beneficial conference as it allowed for sales calls in the Seattle/Tacoma area.
- The Civic Center is working on audio & visual system upgrades to bring the facility current with the technological advancements and quality improvements that have developed over the last 9 years.
- The Civic Center is fully staffed.

DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	237,878	263,689	263,689	256,000	264,046	357	0.1%
Supplies	44,794	54,441	54,441	50,333	52,663	(1,778)	-3.3%
Contract/Purchased Services	56,445	62,899	62,899	58,361	81,795	18,896	30.0%
Minor Capital Outlay	1,680	18,000	18,000	16,388	4,700	(13,300)	-73.9%
Interdepartmental Charges	6,049	6,200	6,200	6,200	6,200	-	0.0%
Total	**346,846**	**405,229**	**405,229**	**387,282**	**409,404**	**4,175**	**1.0%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Charges for Services	108,835	120,000	120,000	113,500	115,000	(5,000)	-4.2%
Transient Sales Tax	238,011	285,229	285,229	273,782	294,404	9,175	3.2%
Total	**346,846**	**405,229**	**405,229**	**387,282**	**409,404**	**4,175**	**1.0%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Civic Center Manager	1.00	1.00	1.00	1.00	55,236	-	0.0%
Administrative Secretary	1.00	1.00	1.00	1.00	43,181	-	0.0%
Building Superintendent	1.00	1.00	1.00	1.00	34,029	-	0.0%
Total	**3.00**	**3.00**	**3.00**	**3.00**	**132,446**	**-**	**0.0%**



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Building and Grounds Maintenance Services (Account No. 635-06) increased by $9,638 as a result of budgeting for a professional groundskeeper to landscape the islands adjacent to the building and parking lot. This is a single year expense that can be expected to occur every 5 years.
- Software & Equipment Maintenance (Account No. 635-04) increase $1,081 per year due to a new annual service maintenance agreement with Caterease (new invoicing program).
- Furniture and Fixtures Maintenance Services (Account No. 635-05) increased by $4,001 to evaluate, service and provide maintenance for the three operable partitions of the Civic Center.
- Machinery and Equipment and Software (Accounts Nos. 725-00 and 735-00) decreased by $13,200 as a result of having purchased a new copier and computers in 2012.

DIVISION OPERATING BUDGET DETAIL

			2011	2012 Budget			2013	Budget Change 2012-2013	
Operating Expenditures			**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	118,554	131,189	117,189	115,000	132,446	1,257	1.0%
501	01	Overtime Wages	831	1,500	4,000	4,000	1,500	-	0.0%
502	01	Temporary Wages	27,946	25,000	39,000	39,000	25,000	-	0.0%
505	00	Payroll Taxes	11,271	12,100	12,100	12,090	12,200	100	0.8%
506	00	Pension	26,563	29,200	26,700	26,180	29,500	300	1.0%
507	00	Insurance Benefits	50,266	61,900	61,900	57,230	60,500	(1,400)	-2.3%
508	00	Other Benefits	2,447	2,800	2,800	2,500	2,900	100	3.6%
		Personnel Services and Benefits	**237,878**	**263,689**	**263,689**	**256,000**	**264,046**	**357**	**0.1%**
Supplies									
510	01	Office Supplies	1,232	1,350	1,100	1,000	1,350	-	0.0%
510	02	Operating Supplies	2,520	2,650	2,650	2,550	2,200	(450)	-17.0%
510	03	Safety Program Supplies	35	500	500	350	200	(300)	-60.0%
510	04	Janitorial Supplies	2,160	2,500	2,500	2,500	2,500	-	0.0%
510	05	Small Tools & Equipment	494	1,000	1,000	1,000	1,000	-	0.0%
510	08	Inventory for Resale	2,502	2,500	2,450	2,450	2,450	(50)	-2.0%
515	02	Bldg & Grounds Maint Materials	291	1,185	1,185	674	1,000	(185)	-15.6%
515	03	Furniture & Fixtures Maint Materials	269	1,096	1,096	623	925	(171)	-15.6%
515	04	Machinery & Equip Maint Materials	436	1,777	1,777	1,011	1,500	(277)	-15.6%
515	05	Infrastructure Maintenance Materials	1,091	4,443	4,443	2,527	3,750	(693)	-15.6%
520	02	Postage	71	150	150	100	150	-	0.0%
525	03	Heating Fuel	33,677	35,000	35,000	35,000	35,000	-	0.0%
525	07	Machinery & Equipment Fuel	-	-	-	-	50	50	New
530	02	Periodicals	-	100	150	148	148	48	48.0%
535	02	Business and Meal Expenses	16	190	190	150	190	-	0.0%
535	04	Clothing and Badges	-	-	250	250	250	250	100.0%
		Supplies	**44,794**	**54,441**	**54,441**	**50,333**	**52,663**	**(1,778)**	**-3.3%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Contract/Purchased Services									
600	01	Travel-Business	894	1,550	1,550	683	1,550	-	0.0%
600	02	Travel-Training	478	825	825	363	825	-	0.0%
600	03	Training and Education	118	200	200	88	200	-	0.0%
605	02	Advertising and Public Announcements	415	400	510	507	400	-	0.0%
615	02	Assn. Membership Dues & Fees	917	1,000	895	895	895	(105)	-10.5%
630	03	Bank and Merchant Charges	653	850	850	750	750	(100)	-11.8%
635	02	Janitorial and Cleaning Services	1,582	1,747	1,742	1,683	4,200	2,453	140.4%
635	04	Software Maintenance Services	700	769	769	741	1,850	1,081	140.6%
635	05	Furniture & Fixtures Maint Services	2,580	2,849	2,849	2,744	6,850	4,001	140.4%
635	06	Bldg & Grounds Maint Services	6,210	6,862	6,862	6,610	16,500	9,638	140.5%
635	07	Machinery & Equip Maint Services	790	873	873	841	2,100	1,227	140.5%
635	08	Infrastructure Maintenance Services	450	499	499	481	1,200	701	140.5%
645	02	Rents and Leases-Machinery & Equip	338	475	475	475	475	-	0.0%
650	01	Telecommunications	9,126	10,500	10,500	9,500	10,500	-	0.0%
650	02	Electric, Water, Sewer & Solid Waste	31,194	33,500	33,500	32,000	33,500	-	0.0%
		Contract/Purchased Services	**56,445**	**62,899**	**62,899**	**58,361**	**81,795**	**18,896**	**30.0%**
Minor Capital									
715	00	Furniture and Fixtures	-	2,600	2,600	2,375	2,500	(100)	-3.8%
725	00	Machinery and Equipment	-	8,800	8,800	7,500	1,000	(7,800)	-88.6%
735	00	Software	1,680	6,600	6,600	6,513	1,200	(5,400)	-81.8%
		Minor Capital Outlay	**1,680**	**18,000**	**18,000**	**16,388**	**4,700**	**(13,300)**	**-73.9%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	6,049	6,200	6,200	6,200	6,200	-	0.0%
		Interdepartmental Charges	**6,049**	**6,200**	**6,200**	**6,200**	**6,200**	**-**	**0.0%**
		Total Expenditures by Type	**346,846**	**405,229**	**405,229**	**387,282**	**409,404**	**4,175**	**1.0%**

NARRATIVE

500-01 Regular Salaries and Wages: $132,446 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $1,500 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $25,000 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $12,200 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension Benefits: $29,500 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $60,500 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $2,900 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $1,350 - This account provides for expendable office supply items.

510-02 Operating Supplies: $2,200 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as brochures, medical supplies, posters, convention center materials, paint, solvents, public trash cans and public benches.

510-03 Safety Program Supplies: $200 - This account provides for the City safety program. Included are safety information brochures, safety training audio and video programs, safety equipment, OSHA required medical exams, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control.

510-04 Janitorial Supplies: $2,500 – This account provides for cleaning and sanitation supplies.

510-05 Small Tools and Equipment: $1,000 - This account provides for minor tools, operating and office equipment with a value of less than $1,000. Included are computer accessories, space heaters, kitchen and dining equipment, radios, calculators, file cabinets and similar types of minor tools and equipment.

510-08 Inventory for Resale: $2,450 - This account provides for inventory purchases that are to be resold or rented to end users. Included are video and media equipment and beverages and snacks.

515-02 Building and Grounds Maintenance Materials: $1,000 – This account provides for the materials required for the repair and maintenance of buildings and upkeep of the grounds owned or leased and operated by the City.

515-03 Furniture and Fixtures Maintenance Materials: $925 **-** This account provides for the materials required for the repair and maintenance of furniture and building fixtures owned or leased and operated by the City.

515-04 Machinery and Equipment Maintenance Materials: $1,500 – This account provides for the materials required for the repair and maintenance of machinery and equipment owned or leased and operated by the City. Included are office equipment, operating equipment, computer networks and computers.

515-05 Infrastructure Maintenance Materials: $3,750 - This account provides for the materials required for the repair and maintenance of infrastructure owned or leased and operated by the City. Included are streets, sidewalks, and parking lots.

520-01 Postage: $150 - This account provides for postal related services such as postage, express delivery, mailing materials and the rent of post office boxes and postage machines.

525-03 Heating Fuel: $35,000 - This account provides for heating fuel and wood pellets to heat facilities owned or leased and operated by the City and Ketchikan Public Utilities.

525-07 Machinery and Equipment Fuel and Lubricants: $50 – This account provides for gasoline purchase for the snow blower used by the Civic Center.

530-02 Periodicals: $148 - This account provides for the newspapers, magazines and trade journals.

535-02 Business and Meal Expenses: $190 - This account provides for reimbursements to employees for business and job related meals and other business related expenses.

535-04 Allowances-Uniforms/Badges/Clothing: $250 - This account provides for direct purchases of work related clothing required by department policies (TFCC Staff wear navy polo shirts).

600-01 Travel-Business: $1,550 – This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business and trade meetings.

600-02 Travel-Training: $825 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $200 – This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or third-parties.

605-01 Advertising and Public Announcements: $400 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are recruiting, requests for proposals, and contracts.

615-02 Assn. Membership Dues and Fees: $895 – This account provides for memberships in the International Association of Venue Managers and Meeting Planners Internationals.

630-03 Bank and Merchant Charges: $750 – This account provides for monthly bank account service charges, merchant fees for use of credit and debit cards, wire transfer fees and other fees for banking services.

635-02 Janitorial and Cleaning Services: $4,200 - This account provides for carpet cleaning and laundry services.

635-04 Software Maintenance Services: $1,850 - This account provides for maintenance agreements to support the two licensed software systems, Caterease & Meeting Matrix, the Civic Center uses for invoicing and diagraming.

635-05 Furniture and Fixtures Maintenance Services: $6,850 - This account provides for the services required for repair and maintenance of furniture and building fixtures by outside contractors. Amount increased by $4,001 to allow for the three moveable partitions at the Civic Center to be evaluated, serviced and repaired by a professional contractor who specializes in operable partitions.

635-06 Buildings and Grounds Maintenance Services: $16,500 - This account provides for the services required for repair and maintenance of buildings and the upkeep of grounds.. It is proposed to hire a professional landscape company to revamp and cleanup the Civic Center's islands in the parking lot, the areas around the building and the back parking lot area. This is to provide a more aesthetically pleasing appearance and keep regular maintenance to a more controlled level by replacing some of the plants with lower maintenance foliage.

635-07 Machinery and Equipment Maintenance Services: $2,100 - This account provides for the services required for the repair and maintenance of office equipment, machinery and other operating equipment owned or leased by the City. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635-08 Infrastructure and Plant Maintenance Services: $1,200 - This account provides for the services required for the repair and maintenance of infrastructure owned or leased by the City. This account includes contract labor and materials required to provide the service. Included are sidewalks and parking lots.

645-02 Rents and Leases - Machinery & Equipment: $475 - This account provides for the rent and lease of machinery and equipment.

650-01 Telecommunications: $10,500 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers.

650-02 Electric, Water, Sewer & Solid Waste: $33,500 - This account provides for electric, water, sewer and solid waste utility services.

715-00 Furniture and Fixtures: $2,500 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $1,000 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment and operating equipment required to provide services or maintain capital assets.

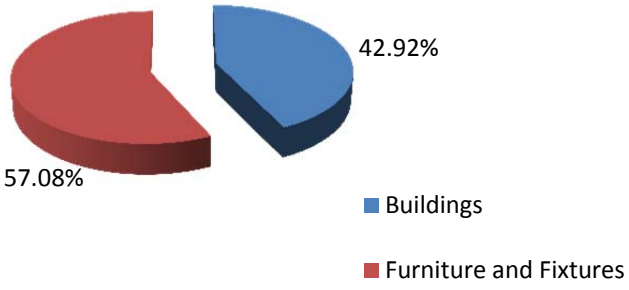
735-00 Software: $1,200 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements.

825-01 Interdepartmental Charges – Insurance: $6,200 - This account provides for risk management services and claims.

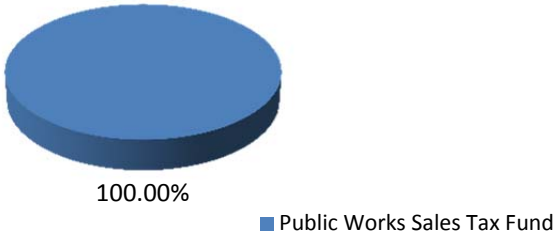
Major Capital Projects		2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00	Buildings	24,875	85,000	85,000	25,000	50,000	(35,000)	-41.18%
715-00	Furniture and Fixtures	-	-	-	-	66,500	66,500	100.00%
Total Major Capital Outlay		**24,875**	**85,000**	**85,000**	**25,000**	**116,500**	**31,500**	**37.06%**

2013 Capital Improvement Projects		Funding Sources			
Project #	Project	Public Works Sales Tax Fund			Total
705-00	**Buildings**				
	Facility Interim Repairs	10,000	-	-	10,000
	Facility Sound System Improvements	40,000	-	-	40,000
	Total Buildings	**50,000**	**-**	**-**	**50,000**
715-00	**Furniture and Fixtures**				
	Banquet Chair Replacement	66,500	-	-	66,500
	Total Furniture and Fixtures	**66,500**	**-**	**-**	**66,500**
	Total 2013 Capital Budget	**116,500**	**-**	**-**	**116,500**

Expenditures by Type



Expenditures by Funding Source



The Tourism and Economic Development is comprised of one operating division.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Activity	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	180,945	171,000	171,000	171,000	171,000	-	0.0%
Total	**180,945**	**171,000**	**171,000**	**171,000**	**171,000**	**-**	**0.0%**

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Supplies	2,820	-	-	-	-	-	0.0%
Contract/Purchased Services	178,125	171,000	171,000	171,000	171,000	-	0.0%
Total	**180,945**	**171,000**	**171,000**	**171,000**	**171,000**	**-**	**0.0%**

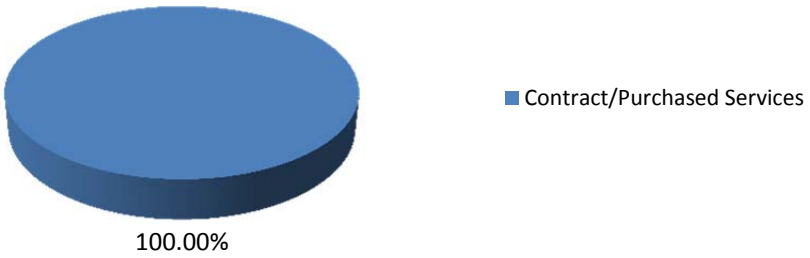
Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Eonomic/Parking Dev Fund	180,945	171,000	171,000	171,000	171,000	-	0.0%
Total	**180,945**	**171,000**	**171,000**	**171,000**	**171,000**	**-**	**0.0%**

DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Supplies	2,820	-	-	-	-	-	0.0%
Contract/Purchased Services	178,125	171,000	171,000	171,000	171,000	-	0.0%
Total Expenditures	**180,945**	**171,000**	**171,000**	**171,000**	**171,000**	**-**	**0.0%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Economic/Parking Dev Fund	180,945	171,000	171,000	171,000	171,000	-	0.0%
Total Expenditures	**180,945**	**171,000**	**171,000**	**171,000**	**171,000**	**-**	**0.0%**

2013 Expenditures by Type



100.00%

OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- No significant change to the operating budget has been proposed.

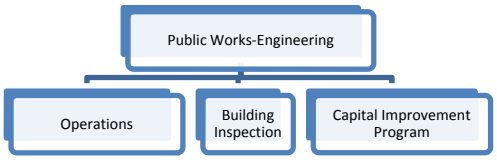
DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
520	04	Freight-Materials and Supplies	2,820	-	-	-	-	-	0.0%
		Supplies	**2,820**	**-**	**-**	**-**	**-**	**-**	**0.0%**
Contract/Purchased Services									
635	13	Marketing Services	178,125	171,000	171,000	171,000	171,000	-	0.0%
		Contract/Purchased Services	**178,125**	**171,000**	**171,000**	**171,000**	**171,000**	**-**	**0.0%**
		Total Expenditures by Type	**180,945**	**171,000**	**171,000**	**171,000**	**171,000**	**-**	**0.0%**

NARRATIVE

635-13 Marketing Services: $171,000 - This account provides for services provided by the Ketchikan Visitors Bureau to market and promote the community of Ketchikan. Fifty percent, or $171,000, of the Ketchikan Visitors Bureau annual contract is paid by the Economic and Parking Development Fund and 50 percent is paid by the Port Enterprise Fund.

The Engineering Department is led and managed by registered professional civil engineers overseeing design, mapping and surveying technicians, two building inspectors and support staff for a toal of twelve (12) full time employees. Additionally, the department manages all forms of site development, construction permits, building inspections, derelict building demolition, infrastructure inspections and emergency responses to all facets of the City's Public Works infrastructure.



The Public Works-Engineering Department is comprised of two operating divisions and oversees a Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Engineering	1,052,747	1,336,311	1,337,140	1,285,527	1,381,872	45,561	3.4%
Building Inspection	251,991	286,365	340,630	340,630	255,255	(31,110)	-10.9%
KPU Admin Building	-	81,400	81,400	81,400	84,000	2,600	3.2%
Capital	19,318	1,051,000	1,051,000	786,100	298,400	(752,600)	-71.6%
Total	**1,324,056**	**2,755,076**	**2,810,170**	**2,493,657**	**2,019,527**	**(735,549)**	**-26.7%**

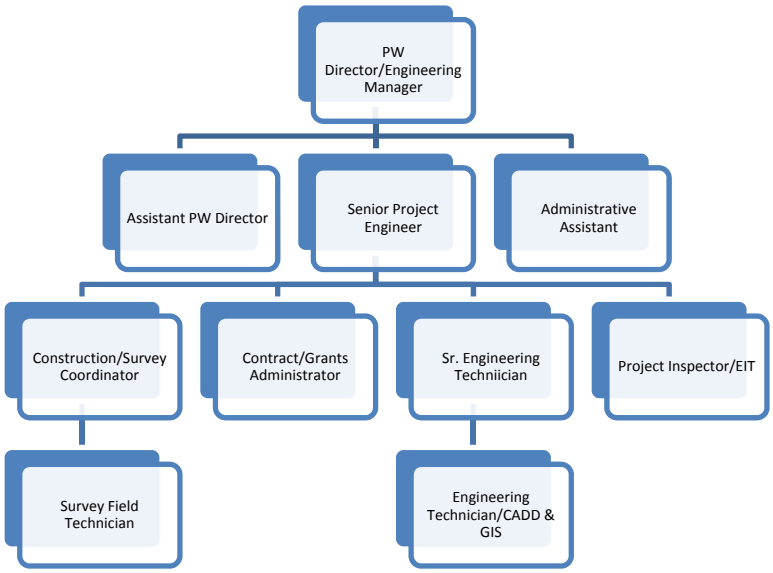
Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	1,140,582	1,437,148	1,476,463	1,428,350	1,435,777	(1,371)	-0.1%
Supplies	36,839	43,150	64,800	64,800	60,600	17,450	40.4%
Contract/Purchased Services	86,855	167,578	160,878	159,278	172,150	4,572	2.7%
Minor Capital Outlay	31,287	46,400	47,229	45,329	42,800	(3,600)	-7.8%
Interdepartmental Charges	9,175	9,800	9,800	9,800	9,800	-	0.0%
Major Capital Outlay	19,318	1,051,000	1,051,000	786,100	298,400	(752,600)	-71.6%
Total	**1,324,056**	**2,755,076**	**2,810,170**	**2,493,657**	**2,019,527**	**(735,549)**	**-26.7%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Supported	589,217	824,126	879,220	850,507	888,427	64,301	7.8%
Licenses and Permits	192,200	81,900	81,900	73,500	73,500	(8,400)	-10.3%
Charges for Services	2,585	2,500	2,500	17,000	10,000	7,500	300.0%
Public Works Sales Tax Fund	19,318	301,000	301,000	272,100	62,400	(238,600)	-79.3%
Solid Waste Fund	182,770	232,000	232,000	224,000	229,000	(3,000)	-1.3%
Wastewater Fund	243,430	309,000	309,000	297,000	285,000	(24,000)	-7.8%
Harbor Fund	57,509	73,000	73,000	70,000	46,000	(27,000)	-37.0%
Economic & Parking Development	-	750,000	750,000	514,000	236,000	(514,000)	-68.5%
Port Fund	37,027	47,000	47,000	45,000	49,000	2,000	4.3%
KPU Enterprise Fund	-	134,550	134,550	130,550	140,200	5,650	4.2%
Total	**1,324,056**	**2,755,076**	**2,810,170**	**2,493,657**	**2,019,527**	**(735,549)**	**-26.7%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Engineering	9.00	10.00	10.00	10.00	698,222	-	0.0%
Building Inspection	2.50	2.50	3.00	2.00	129,355	(0.50)	-20.0%
Total	**11.50**	**12.50**	**13.00**	**12.00**	**827,577**	**(0.50)**	**-4.0%**

MISSION STATEMENT

The mission of the Engineering Division is to consistently provide high quality administrative and engineering support to City residents and to each of the operating divisions of General Government and Ketchikan Public Utilities. The Engineering Division is responsible for providing design engineering, contract administration, project management, mapping, inspection and surveying; plan reviews and building inspection;; administration of cemetery operations, maintenance contracts; and hospital infrastructure contracts, management of capital improvement projects and long range infrastructure replacement planning.



GOALS FOR 2013

- Public Works Engineering will provide complete engineering services, including design, drafting, maps, plans and specifications; bidding services and clerical support; project inspections; safety management; and construction management for capital improvement projects for the departments of General Government.
- Continue to improve the level of service in 2013 as in 2012 and improve data management of all municipal facilities and property.
- Design and solicit bids for numerous capital improvement projects as authorized by the City Council.
- Upgrade the building inspection function of the division and improve its associated record keeping systems.
- Continue to provide cross training to ensure consistent service levels during annual leave and other absences.

ACCOMPLISHMENTS FOR 2012

- Continued responsibility for general engineering management and contract administration for the divisions of General Government and Ketchikan Public Utilities.
- Continued upgrade of the division's current mapping system and provided maps for public and private sector use.
- Reviewed and issued excavation and sewer permits for work in the public right-of-way.
- Administered the Bayview Cemetery Operations and Maintenance Contract.

- Successfully completed the 2012 Spring Cleanup.
- Drafted and submitted numerous Federal and State grant proposals.
- Provided support to the Law Department in claims investigations and development of legal descriptions for easements and deeds.
- Prepared ADEC and administrative grant applications.
- Managed ongoing bridge maintenance activities.
- Administered the ongoing Ketchikan Medical Center Addition and Alterations Project.
- Administered 2010 Storm Drainage System Study and Subsequent Planning Phases.
- Administered the Jackson/Monroe Streets & 4th/7th Avenues Reconstruction Project, including a complete re-bid with a second contractor.
- Administered the Ketchikan General Hospital, Surgical Suite HVAC Replacement Project.
- Administered the Ketchikan Public Library Construction Project.
- Administered the Ketchikan Fire Station #1 Construction Project.
- Redesigned and administered the Waterfront Promenade Project.
- Completed Bayview/Warren Bridge Replacement Project.
- Designed, bid and administered the construction of Copper Ridge Lane.
- Administered 2012 Safer Street and Sidewalks Projects.
- Administered the City Hall Exterior and First Floor Renovation Project.
- Administered the Centennial Building Analysis and Design Project.
- Bid and Administered the WW Treatment Plant A Force Main and Flow Meter Replacement Project.
- Repaired municipally owned buildings and facilities.
- Disposed of City surplus equipment and vehicles.
- Administered Vehicle and Equipment Procurement Contracts.
- Correction of Neighborhood Storm Drainage Problems.
- Administered Creek Street Trestle Repair Project.
- Designed, bid and administered the Alaska Avenue Reconstruction Project.
- Completed the 2011 Asphalt Overlay Project including Millar, Lund, Second Avenue, Sales, Gorge, Dock, Fair and Bawden.
- Administered 2012 Asphalt Overlay Project including Nordstrom Drive, lower Grant Street, portions of Jefferson Street and Carlanna Lake Road.
- Administered maintenance paving of Jackson Street.
- Administered mill and pave Front/Dock Street intersection.
- Developed two new asphalt mix designs to accommodate a wider variety of pavement applications.
- Developed an asphalt maintenance map to help track and assess pavement life cycles.
- Developed, prepared and submitted various permits to the Corps of Engineers and the State for processing by the Division of Governmental Coordination.
- Provided surveying services for General Government and KPU.
- Provided numerous parking, restriping and re-signing upgrades including a complete GIS survey of the downtown parking arrangement.
- Administered the demolition of the Bawden Street Apartment Building.

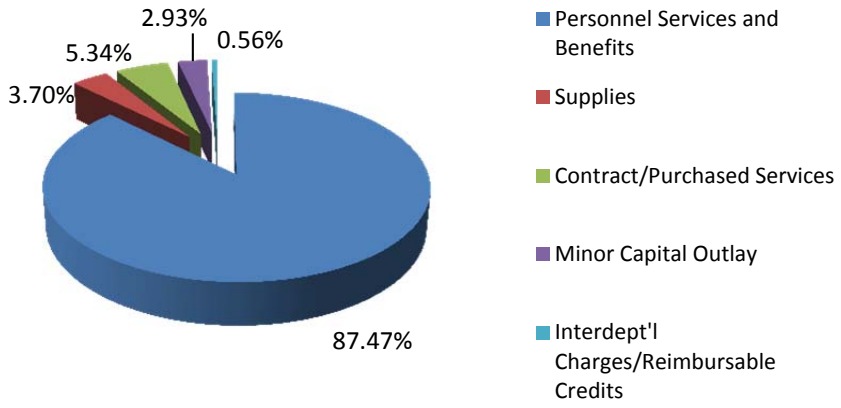
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	910,548	1,179,913	1,165,513	1,117,400	1,208,722	28,809	2.4%
Supplies	33,234	36,250	56,950	56,950	51,150	14,900	41.1%
Contract/Purchased Services	73,106	68,548	62,248	60,648	73,800	5,252	7.7%
Minor Capital Outlay	28,714	43,900	44,729	42,829	40,500	(3,400)	-7.7%
Interdept'l Charges/Reimbursable Credits	7,145	7,700	7,700	7,700	7,700	-	0.0%
Total Expenditures	**1,052,747**	**1,336,311**	**1,337,140**	**1,285,527**	**1,381,872**	**45,561**	**3.4%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Supported	529,426	561,811	562,640	525,527	647,872	86,061	15.3%
Charges for Services	2,585	2,500	2,500	17,000	10,000	7,500	300.0%
Solid Waste Fund	182,770	232,000	232,000	224,000	229,000	(3,000)	-1.3%
Wastewater Fund	243,430	309,000	309,000	297,000	285,000	(24,000)	-7.8%
Harbor Fund	57,509	73,000	73,000	70,000	46,000	(27,000)	-37.0%
Port Fund	37,027	47,000	47,000	45,000	49,000	2,000	4.3%
KPU Enterprise Fund	-	111,000	111,000	107,000	115,000	4,000	3.6%
Total Funding	**1,052,747**	**1,336,311**	**1,337,140**	**1,285,527**	**1,381,872**	**45,561**	**3.4%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Director/Engineering Manager	0.50	1.00	1.00	1.00	114,815	-	0.0%
Assistant Public Works Director	1.00	1.00	1.00	1.00	103,489	-	0.0%
Sr. Project Engineer	1.00	1.00	1.00	1.00	90,084	-	0.0%
Survey Field Technician	1.00	1.00	1.00	1.00	46,218	-	0.0%
Construction/Survey Coordinator	1.00	1.00	1.00	1.00	63,461	-	0.0%
Project Inspector/EIT	1.00	1.00	1.00	1.00	55,786	-	0.0%
Contract/Grants Administrator	-	1.00	1.00	1.00	58,594	-	0.0%
Sr. Engineering Technician	-	1.00	1.00	1.00	57,179	-	0.0%
Engineering Technician	2.00	-	-	-	-	-	0.0%
Engineering Tech/CADD & GIS	1.00	1.00	1.00	1.00	59,238	-	0.0%
Administrative Assistant	0.50	1.00	1.00	1.00	49,358	-	0.0%
Total	**9.00**	**10.00**	**10.00**	**10.00**	**698,222**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Insurance Benefits (Account No. 507-00) increased by $10,800 due to a change in an employee's health insurance status.
- Office Supplies (Account No. 510-01) increased by $10,000 to accommodate the dramatic increase in the demand for large scale printing for other departments and for the extensive number of CIP and PM activities that are undertaken by the department.
- Machinery and Equipment (Account No. 725-00) decreased by $7,000 as the replacement of items for 2013 are projected to be at a lower level than in 2012.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	544,611	683,813	673,443	667,100	698,222	14,409	2.1%
501	01	Overtime Wages	35,104	50,000	53,700	53,700	50,000	-	0.0%
502	01	Temporary Wages	10,147	55,600	53,100	24,500	55,600	-	0.0%
505	00	Payroll Taxes	45,124	60,400	58,500	57,015	61,500	1,100	1.8%
506	00	Pension	104,565	131,600	128,270	123,078	133,800	2,200	1.7%
507	00	Insurance Benefits	156,911	181,700	181,700	176,507	192,500	10,800	5.9%
508	00	Other Benefits	12,104	14,800	14,800	13,500	15,100	300	2.0%
509	03	Allowances-PW Clothing	1,982	2,000	2,000	2,000	2,000	-	0.0%
		Personnel Services and Benefits	**910,548**	**1,179,913**	**1,165,513**	**1,117,400**	**1,208,722**	**28,809**	**2.4%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	01	Office Supplies	6,842	10,000	22,500	22,500	20,000	10,000	100.0%
510	02	Operating Supplies	2,867	5,800	6,300	6,300	6,300	500	8.6%
510	03	Safety Program Supplies	294	2,150	2,150	2,150	2,150	-	0.0%
510	05	Small Tools & Equipment	3,078	3,400	4,200	4,200	3,800	400	11.8%
515	01	Vehicle Maintenance Materials	192	1,000	1,000	1,000	2,000	1,000	100.0%
520	02	Postage	759	1,700	1,700	1,700	1,800	100	5.9%
525	04	Vehicle Motor Fuel & Lubricants	5,290	5,100	7,650	7,650	8,000	2,900	56.9%
530	03	Professional & Technical Publications	69	900	900	900	900	-	0.0%
535	01	Moving Expenses	8,586	-	4,350	4,350	-	-	0.0%
535	02	Business and Meal Expenses	5,257	6,200	6,200	6,200	6,200	-	0.0%
		Supplies	**33,234**	**36,250**	**56,950**	**56,950**	**51,150**	**14,900**	**41.1%**
Contract/Purchased Services									
600	02	Travel-Training	4,281	12,000	7,560	6,600	12,000	-	0.0%
600	03	Training and Education	2,854	8,000	5,040	4,400	8,000	-	0.0%
605	02	Advertising and Public Announcements	5,941	6,800	6,000	6,000	8,000	1,200	17.6%
615	01	Professional & Technical Licenses	739	1,900	1,900	1,900	1,900	-	0.0%
615	02	Assn. Membership Dues & Fees	1,242	1,900	1,900	1,900	1,900	-	0.0%
630	05	Software Licenses	3,000	3,100	5,000	5,000	5,000	1,900	61.3%
635	04	Software Maintenance Services	14,000	15,000	15,000	15,000	16,000	1,000	6.7%
635	07	Machinery & Equip Maint Services	4,380	4,700	4,700	4,700	5,000	300	6.4%
640	04	Management and Consulting Services	27,660	5,000	5,000	5,000	5,000	-	0.0%
650	01	Telecommunications	9,009	10,148	10,148	10,148	11,000	852	8.4%
		Contract/Purchased Services	**73,106**	**68,548**	**62,248**	**60,648**	**73,800**	**5,252**	**7.7%**
Minor Capital									
705	00	Furniture and Fixtures	4,761	5,400	5,400	5,400	5,500	100	1.9%
725	00	Machinery and Equipment	13,000	24,000	24,829	24,829	17,000	(7,000)	-29.2%
735	00	Software	10,953	14,500	14,500	12,600	18,000	3,500	24.1%
		Minor Capital Outlay	**28,714**	**43,900**	**44,729**	**42,829**	**40,500**	**(3,400)**	**-7.7%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	7,145	7,700	7,700	7,700	7,700	-	0.0%
		Interdepartmental Charges	**7,145**	**7,700**	**7,700**	**7,700**	**7,700**	**-**	**0.0%**
		Total Expenditures by Type	**1,052,747**	**1,336,311**	**1,337,140**	**1,285,527**	**1,381,872**	**45,561**	**3.4%**

NARRATIVE

500-01 Regular Salaries and Wages: $698,222 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $50,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $55,600 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $61,500 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $133,800 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $192,500 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $15,100 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-03 Allowances – Public Works Clothing: $2,000 – This account provides for employer provided protective clothing allowances paid directly to represented employees of Public Works pursuant to collective bargaining agreements or the Personnel Rules.

510-01 Office Supplies: $20,000 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers.

510-02 Operating Supplies: $6,300 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as employee awards and recognition pins, brochures, posters, general materials for public programs, engineering materials, paint, solvents..

510-03 Safety Program Supplies: $2,150 - This account provides for the City safety program. Included are safety information brochures, safety training audio and video programs, safety equipment, OSHA required medical exams, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control.

510-05 Small Tools and Equipment: $3,800 - This account provides for minor tools, operating and office equipment with a value of less than $1,000. Included are hand tools, snow removal equipment, computer accessories, space heaters, fans, , radios, calculators, file cabinets, and similar types of minor tools and equipment.

515-01 Vehicle Maintenance Materials: $2,000 - This account provides for the repair and maintenance of vehicles owned or leased and operated by the department. Included are licensed and unlicensed rolling stock.

520-02 Postage: $1,800 - This account provides for postal related services such as postage, express delivery, mailing materials and the rent of post office boxes and postage machines.

525-04 Vehicle Motor Fuel and Lubricants: $8,000 - This account provides for gasoline, diesel fuel, propane and lubricants used in the operations of City vehicles.

530-03 Professional and Technical Publications: $900 - This account provides for professional and technical publications. Included are professional handbooks, print and electronic subscription services for management, legal, engineering, information technology and finance, building codes, professional standards and technical journals

535-02 Business and Meal Expenses: $6,200 - This account provides for reimbursements to employees for business and job related meals, mileage for use of personal vehicles, and other business related expenses.

600-02 Travel-Training: $12,000 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $8,000 - This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or a third-party.

605-01 Advertising and Public Announcements: $8,000 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are legal notices, public service announcements, community issues, recruiting, etc.

615-01 Professional and Technical Licenses: $1,900 – This account provides for licensing professional, technical, and other employees requiring a license in order to perform their duties. Included are fees paid to license engineers, and fees paid for technical certifications required by survey staff, and operators of special equipment.

615-02 Assn. Membership Dues and Fees: $1,900 – This account provides for memberships in professional and trade associations.

630-05 Software Licenses: $5,000 – This account provides for acquiring licenses for the right to use proprietary software.

635-04 Software Maintenance Services: $16,000 - This account provides for maintenance agreements to support licensed software systems, including AutoCad, ESRI, eQuorum, Bently, Bluebeam and other design programs.

635-07 Machinery and Equipment Maintenance Services: $5,000 - This account provides for contractual services for the repair and maintenance of office equipment, machinery and other operating equipment owned or leased by the department. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

640-04 Management and Consulting Services: $5,000 - This account provides for management and consulting services. Included are project management services, rate studies, management studies and other management and consulting engagement requiring persons or firms with specialized skills and knowledge.

650-01 Telecommunications: $11,000 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, and long distance.

715-00 Furniture and Fixtures: $5,500 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

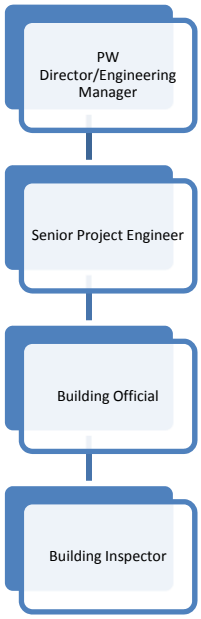
725-00 Machinery and Equipment: $17,000 - This account provides for machinery and equipment usually composed of a complex combination of parts. Included is office equipment such as copiers, printers, scanners, plotters, and computer equipment and operating equipment required to provide services or maintain capital assets.

735-00 Software: $18,000 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements. Included are updates such as Adobe Acrobat Professional, and at least two AutoCad seats to a higher classification to accommodate mapping upgrades.

825-01 Interdepartmental Charges – Insurance: $7,700 - This account provides for risk management services and claims.

MISSION STATEMENT

The mission of the Building Inspection Division is to ensure minimum code compliance standards for all new building construction and alterations to existing structures. The Building Inspection Division now performs the life/safety plans reviews previously performed by the State Fire Marshalls office. The inspection services, information sharing and coordination with citizens and other agencies are the division's daily responsibility**.**



GOALS FOR 2013

- Adopt the most current family of building codes in order to remain a deferred municipality from the State Fire Marshal's office, and to retain the best ISO rating within the State.
- During the public comment period and prior to submitting the codes to City Council for approval, public hearings will be held in which all parties will be invited to attend.
- Continue to update the building department web-page to inform the public in the manner in which to navigate the building permit and inspection process.
- Retain Alaska Housing Finance Corporation (AHFC) approved city status for Certificate of Occupancy of new home inspections.
- Continue to update and enforce the provisions of the dangerous building code per the community preservation file.

ACCOMPLISHMENTS FOR 2012

- Successfully updated the building department web pages designed to inform the general public in the method and means to navigate the building permit application and the required inspection processes.
- Hired and trained a new, competent building inspector to replace the retiring inspector.
- Instituted a dangerous/abandoned building report per City Council direction (Community Preservation Report), with enforcement provisions to insure compliance.
- Retained the City's ISO rating (best in Alaska).

- Retained the City's AHFC approved municipality rating, allowing the new homebuilder to forego a fee inspector.
- Retained the City's deferred status from the State Fire Marshal's office.
- Maintained education requirements for the necessary ICC Certifications as required for the positions.

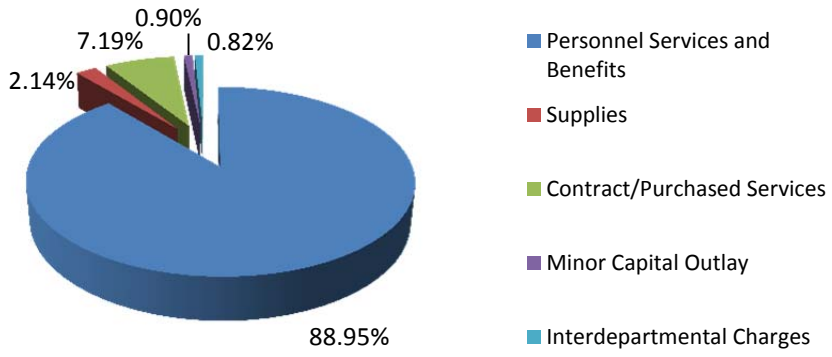
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	230,034	257,235	310,950	310,950	227,055	(30,180)	-11.7%
Supplies	3,605	3,900	4,450	4,450	5,450	1,550	39.7%
Contract/Purchased Services	13,749	20,630	20,630	20,630	18,350	(2,280)	-11.1%
Minor Capital Outlay	2,573	2,500	2,500	2,500	2,300	(200)	-8.0%
Interdepartmental Charges	2,030	2,100	2,100	2,100	2,100	-	0.0%
Total Expenditures	**251,991**	**286,365**	**340,630**	**340,630**	**255,255**	**(31,110)**	**-10.9%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
General Fund Support	59,791	204,465	258,730	267,130	181,755	(22,710)	-11.1%
Licenses and Permits	192,200	81,900	81,900	73,500	73,500	(8,400)	-10.3%
Total Funding	**251,991**	**286,365**	**340,630**	**340,630**	**255,255**	**(31,110)**	**-10.9%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Building Official	1.00	1.00	1.00	1.00	72,176	-	0.0%
Building Inspector	1.50	1.50	2.00	1.00	57,179	(0.50)	-33.3%
Total	**2.50**	**2.50**	**3.00**	**2.00**	**129,355**	**(0.50)**	**-20.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Labor costs and related benefits will show a uniform decrease with the retirement of the Sr. Building Inspector.
- Overtime Wages (Account No. 500-01) will increase by $10,000 in order to meet the demands that are required by the Building Inspection staff.

DIVISION OPERATING BUDGET DETAIL

			2011	2012 Budget			2013	Budget Change 2012-2013	
Operating Expenditures			Actual	Adopted	Amended	Estimate	Budget	Amount	%
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	136,556	157,285	195,700	195,700	129,355	(27,930)	-17.8%
501	01	Overtime Wages	15,486	10,000	10,000	10,000	20,000	10,000	100.0%
502	01	Temporary Wages	-	5,000	2,500	2,500	5,000	-	0.0%
505	00	Payroll Taxes	11,631	13,200	16,100	16,100	11,800	(1,400)	-10.6%
506	00	Pension	19,100	20,700	24,800	24,800	18,500	(2,200)	-10.6%
507	00	Insurance Benefits	43,300	47,100	57,100	57,100	39,100	(8,000)	-17.0%
508	00	Other Benefits	3,461	3,200	4,000	4,000	2,800	(400)	-12.5%
509	03	Allowances-PW Clothing	500	750	750	750	500	(250)	-33.3%
		Personnel Services and Benefits	**230,034**	**257,235**	**310,950**	**310,950**	**227,055**	**(30,180)**	**-11.7%**
Supplies									
510	01	Office Supplies	586	500	750	750	750	250	50.0%
510	02	Operating Supplies	342	-	-	-	-	-	-
510	03	Safety Program Supplies	616	-	-	-	500	500	New
510	05	Small Tools & Equipment	-	-	-	-	400	400	New
525	04	Vehicle Motor Fuel & Lubricants	1,855	1,600	2,300	2,300	2,000	400	25.0%
530	03	Professional & Technical Publications	206	1,800	1,400	1,400	1,800	-	0.0%
		Supplies	**3,605**	**3,900**	**4,450**	**4,450**	**5,450**	**1,550**	**39.7%**
Contract/Purchased Services									
600	02	Travel-Training	4,042	7,200	7,200	7,200	6,000	(1,200)	-16.7%
600	03	Training and Education	2,694	4,800	4,800	4,800	4,000	(800)	-16.7%
615	01	Professional & Technical Licenses	-	400	400	400	400	-	0.0%
615	02	Assn. Membership Dues & Fees	760	1,230	1,230	1,230	950	(280)	-22.8%
640	04	Management and Consulting Services	5,247	6,000	6,000	6,000	6,000	-	0.0%
650	01	Telecommunications	1,006	1,000	1,000	1,000	1,000	-	0.0%
		Contract/Purchased Services	**13,749**	**20,630**	**20,630**	**20,630**	**18,350**	**(2,280)**	**-11.1%**
Minor Capital									
715	00	Furniture and Fixtures	2,229	500	500	500	500	-	0.0%
725	00	Machinery and Equipment	-	1,400	1,400	1,400	1,400	-	0.0%
735	00	Software	344	600	600	600	400	(200)	-33.3%
		Minor Capital Outlay	**2,573**	**2,500**	**2,500**	**2,500**	**2,300**	**(200)**	**-8.0%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	2,030	2,100	2,100	2,100	2,100	-	0.0%
		Interdepartmental Charges	**2,030**	**2,100**	**2,100**	**2,100**	**2,100**	**-**	**0.0%**
		Total Expenditures by Type	**251,991**	**286,365**	**340,630**	**340,630**	**255,255**	**(31,110)**	**-10.9%**

NARRATIVE

500-01 Regular Salaries and Wages: $129,355 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $20,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $5,000 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $11,800 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $18,500 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $39,100 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $2,800 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-03 Allowances – Public Works Clothing: $500 – This account provides for employer provided protective clothing allowances paid directly to represented employees of Public Works pursuant to collective bargaining agreements or the personnel rules.

510-01 Office Supplies: $750 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers and tape dispensers.

510-03 Safety Program Supplies: $500 - This account provides for the City safety program. Included are safety information brochures, safety training audio and video programs, safety equipment, OSHA required medical exams, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control.

510-05 Small Tools and Equipment: $400 - This account provides for minor tools, operating and office equipment with a value of less than $1,000. Included are hand tools, flashlights, inspection equipment, computer accessories, space heaters, radios, calculators, file cabinets and similar types of minor tools and equipment.

525-04 Vehicle Motor Fuel and Lubricants: $2,000 - This account provides for gasoline, diesel fuel, propane and lubricants used in the operations of City vehicles.

530-03 Professional and Technical Publications: $1,800 - This account provides for professional and technical publications. Included are professional handbooks, print and electronic subscription services for building codes, professional standards and technical journals.

600-02 Travel-Training: $6,000 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $4,000 - This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or a third-party.

615-01 Professional and Technical Licenses: $400 – This account provides for licensing professional, technical, and other employees requiring a license in order to perform their duties. Included are fees paid for technical certifications.

615-02 Assn. Membership Dues and Fees: $950 – This account provides for memberships in professional and trade associations.

640-04 Management and Consulting Services: $6,000 - This account provides for management and consulting services. Included are consulting services requiring persons or firms with specialized knowledge for work such as structural or seismic plan reviews.

650-01 Telecommunications: $1,000 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, and long distance.

715-00 Furniture and Fixtures: $500 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

515-04 Machinery and Equipment Maintenance Materials $1,400 – This account provides for the repair and maintenance of machinery and equipment owned or leased and operated by the department. Included are office equipment, operating equipment, computer networks and computers.

735-00 Software: $400 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements.

825-01 Interdepartmental Charges – Insurance: $2,100 - This account provides for risk management services and claims.

ACTIVITY STATEMENT

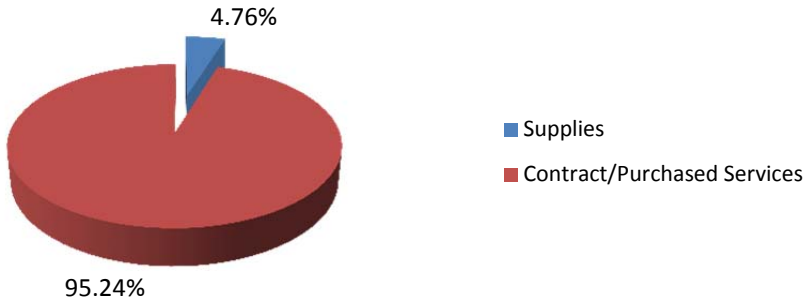
The KPU Administration Building O&M cost center was established to monitor the cost of operating and maintaining the KPU Administration Building. This facility houses the offices of the City Public Works Department and the KPU Water Division administrative offices. The cost of operating and maintaining the Administration Building is shared by the City Public Works Department and the KPU Water Division and is based on the square footage occupied by the each department/division. Public Works currently occupies 70 percent of the office space and the Water Division occupies 30 percent of the office space. Operating and maintaining the Administration Building is a Public Works function. The Water Division is assessed an interdepartmental charge for its share of operating and maintaining the Administration Building.

COST CENTER SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Supplies	-	3,000	3,400	3,400	4,000	1,000	33.3%
Contract/Purchased Services	-	78,400	78,000	78,000	80,000	1,600	2.0%
Total Expenditures	**-**	**81,400**	**81,400**	**81,400**	**84,000**	**2,600**	**3.2%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
General Fund Support	-	57,850	57,850	57,850	58,800	950	1.6%
KPU Enterprise Fund	-	23,550	23,550	23,550	25,200	1,650	7.0%
Total Funding	**-**	**81,400**	**81,400**	**81,400**	**84,000**	**2,600**	**3.2%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Budget for the KPU Admin Building increased by 3.2%, or $2,600 from 2012. Last year was the first year that the KPU Admin Building was accounted for as a separate activity.

COST CENTER OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
515	02	Building & Grounds Maintenance Materials	-	3,000	3,400	3,400	4,000	1,000	33.3%
		Supplies	**-**	**3,000**	**3,400**	**3,400**	**4,000**	**1,000**	**33.3%**
Contract/Purchased Services									
635	06	Building & Grounds Maintenance Services	-	28,400	21,000	21,000	23,000	(5,400)	-19.0%
650	01	Telecommunications	-	10,000	10,000	10,000	10,000	-	0.0%
650	02	Electric, Water, Sewer & Solid Waste	-	40,000	47,000	47,000	47,000	7,000	17.5%
		Contract/Purchased Services	**-**	**78,400**	**78,000**	**78,000**	**80,000**	**1,600**	**2.0%**
		Total Expenditures by Type	**-**	**81,400**	**81,400**	**81,400**	**84,000**	**2,600**	**3.2%**

NARRATIVE

515-02 Building and Grounds Maintenance Materials: $4,000 – This account provides for materials required for the repair and maintenance of KPU Administration building.

635-06 Buildings and Grounds Maintenance Services: $23,000 - This account provides for contractual services required for the repair and maintenance of the KPU Administration building.

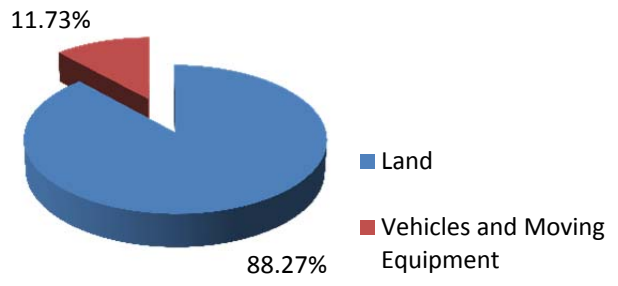
650-01 Telecommunications: $10,000 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, and long distance..

650-02 Electric, Water, Sewer & Solid Waste: $47,000 - This account provides for electric, water, sewer and solid waste utility services.

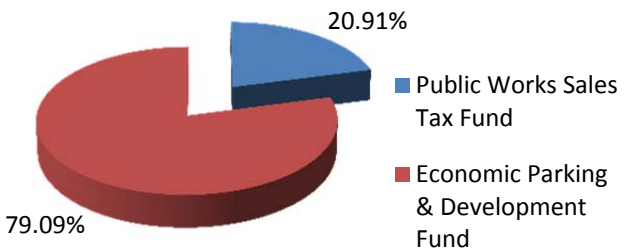
Major Capital Projects		2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
700-00	Land	-	1,000,000	1,000,000	751,600	263,400	(736,600)	-73.7%
715-00	Furniture and Fixtures	19,318	-	-	-	-	-	0.0%
720-00	Vehicles and Moving Equipment	-	35,000	35,000	24,500	35,000	-	0.0%
725-00	Machinery and Equipment	-	16,000	16,000	10,000	-	(16,000)	-100.0%
Total Major Capital Outlay		**19,318**	**1,051,000**	**1,051,000**	**786,100**	**298,400**	**(752,600)**	**-71.6%**

2013 Capital Improvement Projects		Funding Sources: Public Works Sales Tax Fund	Funding Sources: Economic Parking & Development Fund		Total
Project #	Project				
700-00	**Land**				
	Abatement of Dangerous Buildings	12,400	236,000	-	248,400
	Derelict Building Remediation	15,000	-	-	15,000
	Total Land	**27,400**	**236,000**	**-**	**263,400**
720-00	**Vehicles and Moving Equipment**				
	Replacement Vehicle	35,000	-	-	35,000
	Total Vehicles and Moving Equipment	**35,000**	**-**	**-**	**35,000**
	Total 2013 Capital Budget	**62,400**	**236,000**	**-**	**298,400**

2013 Expenditures by Type



2013 Expenditures by Funding Source



The Bayview Cemetery is owned and operated by the City of Ketchikan.

The Public Works-Cemetery Department is comprised of one operating division and oversees a Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	69,950	84,710	84,710	80,650	86,000	1,290	1.5%
Capital	(17,510)	32,000	32,000	24,000	32,000	-	0.0%
Total	**52,440**	**116,710**	**116,710**	**104,650**	**118,000**	**1,290**	**1.1%**

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Supplies	5,308	6,300	6,300	6,300	6,300	-	0.0%
Contract/Purchased Services	63,591	77,110	77,110	73,050	77,900	790	1.0%
Minor Capital Outlay	-	-	-	-	500	500	New
Interdepartmental Charges	1,051	1,300	1,300	1,300	1,300	-	0.0%
Major Capital Outlay	(17,510)	32,000	32,000	24,000	32,000	-	0.0%
Total	**52,440**	**116,710**	**116,710**	**104,650**	**118,000**	**1,290**	**1.1%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Supported	64,950	79,710	79,710	75,650	81,000	1,290	1.6%
Public Works Sales Tax Fund	(17,310)	-	-	-	-	-	0.0%
Cemetery O&M Fund	5,000	5,000	5,000	5,000	5,000	-	0.0%
Cemetery Development Fund	(200)	32,000	32,000	24,000	32,000	-	0.0%
Total	**52,440**	**116,710**	**116,710**	**104,650**	**118,000**	**1,290**	**1.1%**

MISSION STATEMENT

To provide a respectful and appropriate resting place for Ketchikan's loved ones in a manner that reflects positively on the City of Ketchikan.

GOALS FOR 2013

- Expand the installation of new sub-drain systems in areas of Section 2.
- Install the first sections of safety fence on the lower end of Section 9.
- Continue to provide an attractive, well maintained burial facility and to provide expansion space to meet projected burial needs.
- Continue surface leveling project and drainage work in portions of Sections 6 & 6A.
- Initiate repair of retaining walls adjacent to Sections 2.

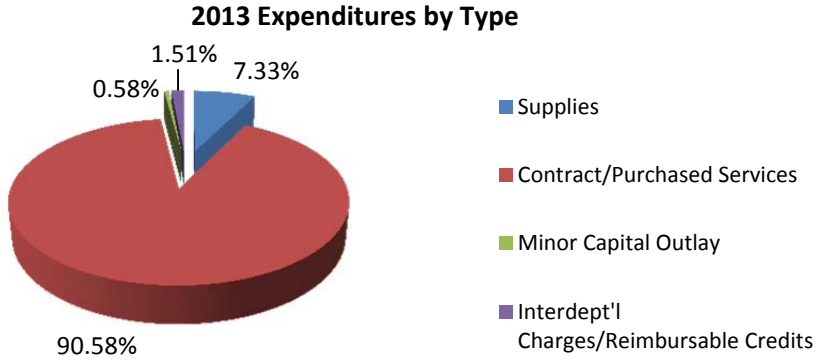
ACCOMPLISHMENTS FOR 2012

- Designed/installed several new sub-drain systems to provide adequate sub-surface drainage in areas of Section 2, where severe surface discharge has been encountered.
- Increased the planting of ornamental shrubs and trees.
- Constructed two new perennial flower planters in Section 9.
- Filled and leveled numerous sunken grave sites and reestablished turf.
- Raised and releveled 75-100 headstones to match the surrounding grade.

DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Supplies	5,308	6,300	6,300	6,300	6,300	-	0.0%
Contract/Purchased Services	63,591	77,110	77,110	73,050	77,900	790	1.0%
Minor Capital Outlay	-	-	-	-	500	500	New
Interdept'l Charges/Reimbursable Credits	1,051	1,300	1,300	1,300	1,300	-	0.0%
Total Expenditures	**69,950**	**84,710**	**84,710**	**80,650**	**86,000**	**1,290**	**1.5%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund	69,950	84,710	84,710	80,650	86,000	1,290	1.5%
Total Funding	**69,950**	**84,710**	**84,710**	**80,650**	**86,000**	**1,290**	**1.5%**



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- No significant changes are included in this year's operating budgets for the Cemetery Division.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	02	Operating Supplies	173	200	200	200	200	-	0.0%
515	02	Bldg & Grounds Maint Materials	3,436	4,000	4,000	4,000	4,000	-	0.0%
525	03	Heating Fuel	1,699	2,100	2,100	2,100	2,100	-	0.0%
		Supplies	**5,308**	**6,300**	**6,300**	**6,300**	**6,300**	**-**	**0.0%**
Contract/Purchased Services									
635	06	Bldg & Grounds Maint Services	61,861	75,000	74,500	70,500	75,000	-	0.0%
635	07	Machinery & Equip Maint Services	263	400	400	400	400	-	0.0%
650	01	Telecommunications	495	510	1,010	950	1,300	790	154.9%
650	02	Electric, Water, Sewer and Solid Waste	972	1,200	1,200	1,200	1,200	-	0.0%
		Contract/Purchased Services	**63,591**	**77,110**	**77,110**	**73,050**	**77,900**	**790**	**1.0%**
Minor Capital									
725	00	Machinery and Equipment	-	-	-	-	500	500	New
		Minor Capital Outlay	**-**	**-**	**-**	**-**	**500**	**500**	**New**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	1,051	1,300	1,300	1,300	1,300	-	0.0%
		Interdepartmental Charges	**1,051**	**1,300**	**1,300**	**1,300**	**1,300**	**-**	**0.0%**
		Total Expenditures by Type	**69,950**	**84,710**	**84,710**	**80,650**	**86,000**	**1,290**	**1.5%**

NARRATIVE

510-02 Operating Supplies: $200 - This account provides for supplies that are normally not of a maintenance nature and are required to support Cemetery Division operations.

515-02 Building and Grounds Maintenance Materials: $4,000 – This account provides for materials required for the repair and maintenance of buildings and upkeep of the cemetery grounds.

525-03 Heating Fuel: $2,100 - This account provides for heating fuel to heat the caretaker's building owned and operated by the City.

635-06 Buildings and Grounds Maintenance Services: $75,000 - This account provides for contractual services required for the repair and maintenance of buildings and the upkeep of cemetery grounds. This account includes contract labor and materials required to provide the service.

635-07 Machinery and Equipment Maintenance Services: $400 - This account provides for contractual services required for the repair and maintenance of machinery and other operating equipment owned or leased by the division. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

650-01 Telecommunications: $1,300 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, and long distance.

650-02 Electric, Water, Sewer & Solid Waste: $1,200 - This account provides for electric, water, sewer and solid waste utility services.

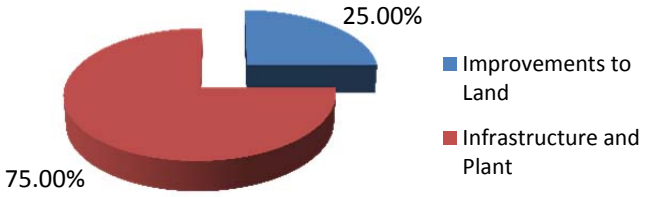
725-00 Machinery and Equipment: $500 - This account provides for the rental of specialized equipment occasionally needed to access the upper crypts and to open saturated and/or frozen burial sites.

825-01 Interdepartmental Charges – Insurance: $1,300 - This account provides for risk management services and claims.

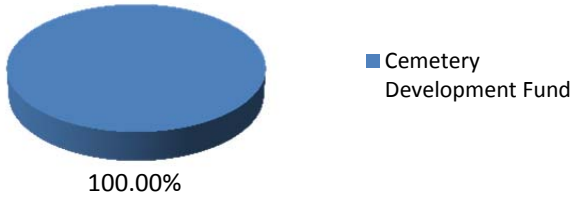
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00 Buildings	(22,310)	-	-	-	-	-	0.0%
710-00 Improvements to Land	-	8,000	8,000	-	8,000	-	0.0%
730-00 Infrastructure and Plant	4,800	24,000	24,000	24,000	24,000	-	0.0%
Total Major Capital Outlay	**(17,510)**	**32,000**	**32,000**	**24,000**	**32,000**	**-**	**0.0%**

2013 Capital Improvement Projects Project # Project	Funding Sources: Cemetery Development Fund		Total
710-00 Improvements to Land			
Safety Fence	-	8,000	- 8,000
Total Improvements to Land	**-**	**8,000**	**- 8,000**
730-00 Infrastructure and Plant			
Grading Improvements	-	24,000	- 24,000
Total Infrastructure and Plant	**-**	**24,000**	**- 24,000**
Total 2013 Capital Budget	**-**	**32,000**	**- 32,000**

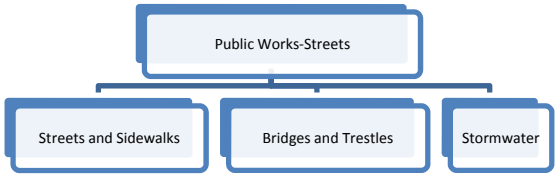
2013 Expenditures by Type



Expenditures by Funding Source



The Public Works Streets Department provides preventative maintenance on City streets, sidewalks, boardwalks and the municipal storm drainage system.



The Public Works-Streets Department is comprised of one operating division, provides for a Seasonal Litter Program and oversees a Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	1,486,911	1,590,871	1,656,871	1,654,900	1,694,358	103,487	6.5%
Seasonal Litter Program	-	-	68,050	68,050	80,199	80,199	New
Capital	1,385,231	6,264,200	6,739,384	2,028,353	2,359,650	(3,904,550)	-62.3%
Total Department Expenditures	**2,872,142**	**7,855,071**	**8,464,305**	**3,751,303**	**4,134,207**	**(3,720,864)**	**-47.4%**

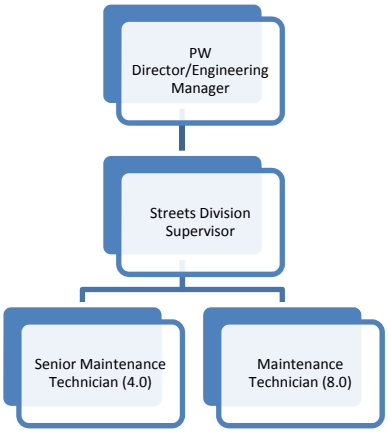
Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	1,152,394	1,229,154	1,296,745	1,295,066	1,326,773	97,619	7.9%
Supplies	282,367	290,992	303,342	303,050	315,700	24,708	8.5%
Contract/Purchased Services	28,686	36,625	52,450	52,450	59,700	23,075	63.0%
Minor Capital Outlay	3,903	14,000	14,000	14,000	14,000	-	0.0%
Interdepartmental Charges	19,561	20,100	58,384	58,384	58,384	38,284	190.5%
Major Capital Outlay	1,385,231	6,264,200	6,739,384	2,028,353	2,359,650	(3,904,550)	-62.3%
Total Expenditures	**2,872,142**	**7,855,071**	**8,464,305**	**3,751,303**	**4,134,207**	**(3,720,864)**	**-47.4%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	1,486,911	1,590,871	1,656,871	1,654,900	1,774,557	183,686	11.5%
Public Works Sales Tax Fund	1,385,231	2,851,200	3,075,828	1,777,797	1,890,100	(961,100)	-33.7%
Grants	-	3,413,000	3,731,606	318,606	469,550	(2,943,450)	-86.2%
Total Funding	**2,872,142**	**7,855,071**	**8,464,305**	**3,751,303**	**4,134,207**	**(3,720,864)**	**-47.4%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Streets	13.00	13.00	13.00	13.00	644,958	-	0.0%
Total FTEs	**13.00**	**13.00**	**13.00**	**13.00**	**644,958**	**-**	**0.0%**

MISSION STATEMENT

The mission of the Streets Division is to provide sufficient preventative maintenance in a cost effective manner to City streets, sidewalks, boardwalks and the municipal storm drainage system, in order to prevent injury to citizens and damage to public and private property from accidents and flooding.



GOALS FOR 2013

- Provide ongoing street painting of crosswalks and curbs.
- Maintain bridges and trestles, undertaking priority improvements as funding is made available.
- Improve and maintain stairways and sidewalks.
- Maintain City streets during winter months by providing adequate snow removal, sanding and application of de-icing materials.
- Maintain a program of cleaning storm drainage systems.
- Maintain gravel and asphalt streets with grading and patching as needed.
- Support other City departments with deliveries and moving services.
- Assist with community service projects.
- Maintain and install street signs.
- Provide flushing and sweeping of all City streets and sidewalks.
- Provide routine collection of municipal street refuse containers.
- Upgrade boardwalks and handrails throughout the City.

ACCOMPLISHMENTS FOR 2012

- Picked up and removed Christmas trees throughout the City.
- Secured abandoned buildings throughout the City.
- Picked up and removed 212 tons of debris during spring clean-up week.
- Conducted emergency repairs on failed expansion joints on Berth II.
- Installed new bollard ropes on Berth II.
- Conducted emergency major reconstruction of railings and stairway on Berth II following vehicle accident.
- Repaired concrete parking lot surface on Berth II.
- Cleaned and filled cracks and seams on pavement at Bayview Cemetery Mausoleum.
- Sealed cracks and joints city wide with sealant material.

- Rebuilt sections of Quinn St. walkway.
- Installed new handrail on Married Mans Trail.
- Installed new storm drain lines in the Craig Parking Lot, behind the City warehouse and equipment storage shed.
- Completed construction of the new storage shed at the City warehouse.
- Replaced rotted wood on sand storage facility.
- Reconstructed material storage area at the City warehouse facility.
- Repaired log bull-rails beyond the dead end of Hillside Road.
- Repaired log bull-rail at the Totem Heritage Center.
- Removed alder tree and rock debris from storm water intakes on Bailey Blvd.
- Completed emergency repair of metal handrail on Ketchikan Creek following a Park Avenue accident.
- Collected and stored surplus materials from City, KPU and Akeela.
- Completed re-decking the wood surface of Thomas Street.
- Removed carved salmon art from Ketchikan Creek and stored for preservation.
- Assisted with burials at the Bayview Cemetery.
- Completed 194 miscellaneous work orders.

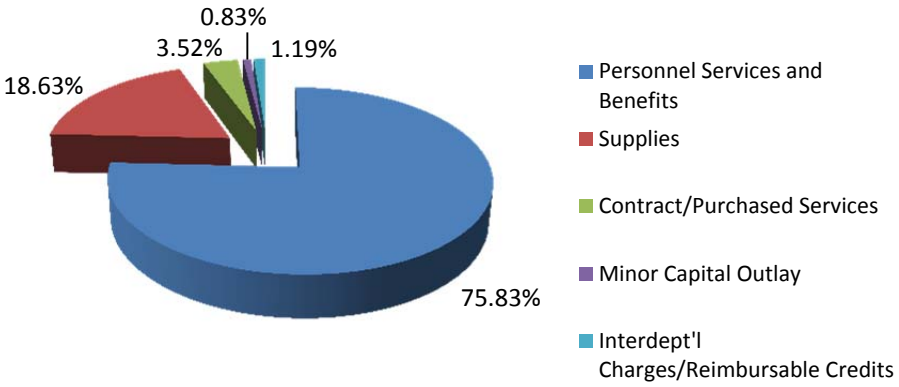
DIVISION SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	1,152,394	1,229,154	1,266,979	1,265,300	1,284,858	55,704	4.5%
Supplies	282,367	290,992	303,342	303,050	315,700	24,708	8.5%
Contract/Purchased Services	28,686	36,625	52,450	52,450	59,700	23,075	63.0%
Minor Capital Outlay	3,903	14,000	14,000	14,000	14,000	-	0.0%
Interdepartmental Charges	19,561	20,100	20,100	20,100	20,100	-	0.0%
Total Expenditures	**1,486,911**	**1,590,871**	**1,656,871**	**1,654,900**	**1,694,358**	**103,487**	**6.5%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund	1,486,911	1,590,871	1,656,871	1,654,900	1,694,358	103,487	6.5%
Total Funding	**1,486,911**	**1,590,871**	**1,656,871**	**1,654,900**	**1,694,358**	**103,487**	**6.5%**

	2011	2012		2013		FTE Change 2012-2013	
Personnel	**Actual**	**Adopted**	**Amended**	**Budget**	**Salary**	**Amount**	**%**
Supervisor	1.00	1.00	1.00	1.00	64,721	-	0.0%
Senior Maintenance Technician	4.00	4.00	4.00	4.00	210,436	-	0.0%
Maintenance Technician	8.00	8.00	8.00	8.00	369,801	-	0.0%
Total FTEs	**13.00**	**13.00**	**13.00**	**13.00**	**644,958**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Overtime Wages (Account No. 500-01) increased by $45,000 to meet the level of services expected by the City and the increased workloads mandated.
- Safety Program Supplies (Account No. 510-02) increased by $2,500 to cover the additional costs of safety boots and raingear now included in the contract.
- Janitorial Supplies (Account No. 510-04) increased by $1,650 to account for line item adjustments in the new financial system.
- Infrastructure Maintenance Services (Account No. 635-08) increased by $20,000 to address aging infrastructure demands.
- Advertising and Public Announcements (Account No. 600-03) increased by $1,500 to address increasing expectations for public notices.
- Vehicle Motor Fuels and Lubricants (Account No. 525-04) increased by $15,000 to account for increasing petroleum prices.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	587,531	640,854	624,854	624,500	644,958	4,104	0.6%
501	01	Overtime Wages	89,955	85,000	140,000	139,400	130,000	45,000	52.9%
502	01	Temporary Wages	56,815	67,500	66,325	66,385	67,500	-	0.0%
505	00	Payroll Taxes	56,174	60,700	60,700	63,455	61,000	300	0.5%
506	00	Pension	106,931	117,200	117,200	113,660	117,500	300	0.3%
507	00	Insurance Benefits	236,495	238,100	238,100	238,100	244,300	6,200	2.6%
508	00	Other Benefits	15,467	16,200	16,200	16,200	16,000	(200)	-1.2%
509	03	Allowances-PW Clothing	3,026	3,000	3,000	3,000	3,000	-	0.0%
509	08	Allowances-Medical Expenses	-	600	600	600	600	-	0.0%
		Personnel Services and Benefits	**1,152,394**	**1,229,154**	**1,266,979**	**1,265,300**	**1,284,858**	**55,704**	**4.5%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	01	Office Supplies	745	700	1,700	1,650	1,500	800	114.3%
510	02	Operating Supplies	4,517	7,000	6,000	6,000	6,000	(1,000)	-14.3%
510	03	Safety Program Supplies	6,774	4,500	5,500	5,500	7,000	2,500	55.6%
510	04	Janitorial Supplies	-	350	1,700	1,700	2,000	1,650	471.4%
510	05	Small Tools & Equipment	2,622	3,000	3,000	3,000	4,000	1,000	33.3%
515	05	Infrastructure Maintenance Materials	204,505	215,300	210,600	210,600	220,000	4,700	2.2%
520	02	Postage	-	200	200	200	200	-	0.0%
520	04	Freight-Material and Supplies	13,984	14,700	14,400	14,400	15,000	300	2.0%
525	04	Vehicle Motor Fuel & Lubricants	48,978	45,000	60,000	60,000	60,000	15,000	33.3%
535	02	Business and Meal Expenses	242	242	242	-	-	(242)	-100.0%
		Supplies	**282,367**	**290,992**	**303,342**	**303,050**	**315,700**	**24,708**	**8.5%**
Contract/Purchased Services									
600	02	Travel-Training		4,200	4,200	4,200	4,320	120	2.9%
600	03	Training and Education	625	2,800	2,800	2,800	2,880	80	2.9%
605	02	Advertising and Public Announcements	2,482	2,500	3,000	3,000	4,000	1,500	60.0%
630	05	Software Licenses	220	500	500	500	500	-	0.0%
635	07	Machinery & Equip Maint Services	665	1,000	1,200	1,200	1,200	200	20.0%
635	08	Infrastructure Maintenance Services	6,700	5,000	18,000	18,000	25,000	20,000	400.0%
645	02	Rents and Leases-Machinery & Equip	1,269	1,500	2,500	2,500	1,500	-	0.0%
650	01	Telecommunications	7,343	7,125	8,250	8,250	8,300	1,175	16.5%
650	02	Electric, Water, Sewer and Solid Waste	9,382	12,000	12,000	12,000	12,000	-	0.0%
		Contract/Purchased Services	**28,686**	**36,625**	**52,450**	**52,450**	**59,700**	**23,075**	**63.0%**
Minor Capital									
715	00	Furniture and Fixtures	-	500	500	500	500	-	0.0%
725	00	Machinery and Equipment	3,903	10,000	10,000	10,000	10,000	-	0.0%
735	00	Software	-	3,500	3,500	3,500	3,500	-	0.0%
		Minor Capital Outlay	**3,903**	**14,000**	**14,000**	**14,000**	**14,000**	**-**	**0.0%**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	19,561	20,100	20,100	20,100	20,100	-	0.0%
		Interdepartmental Charges	**19,561**	**20,100**	**20,100**	**20,100**	**20,100**	**-**	**0.0%**
		Total Expenditures by Type	**1,486,911**	**1,590,871**	**1,656,871**	**1,654,900**	**1,694,358**	**103,487**	**6.5%**

NARRATIVE

500-01 Regular Salaries and Wages: $644,958 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $130,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $67,500 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $61,000 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $117,500 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $244,300 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $16,000 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-03 Allowances – Public Works Clothing: $3,000 – This account provides for employer provided protective clothing allowances paid directly to represented employees of Public Works pursuant to collective bargaining agreements or the Personnel Rules.

509-07 Allowances- Medical Expenses: $600 - This account provides for employee medical exams paid directly to employees. These benefits are taxable to the employees.

510-01 Office Supplies: $1,500 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, comb binding machines and tape dispensers.

510-02 Operating Supplies: $6,000 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as medical supplies, paint, solvents, public trash cans and public benches.

510-03 Safety Program Supplies: $7,000 - This account provides for the City safety program. Included are safety information brochures, safety training audio and video programs, safety equipment, OSHA required medical exams, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control supplies.

510-04 Janitorial Supplies: $2,000 – This account provides for cleaning and sanitation supplies used by in-house and contracted janitors.

510-05 Small Tools and Equipment: $4,000 - This account provides for minor tools, operating and office equipment with a value of less than $1,000. Included are hand tools, chain saws, blow torches, hydraulic jacks, sump pumps, computer accessories, space heaters, radios, calculators, file cabinets and similar types of minor tools and equipment.

515-05 Infrastructure Maintenance Materials: $220,000 - This account provides for materials for the repair and maintenance of infrastructure owned by the City. Infrastructure includesstreets, bridges, sidewalks, parking lots, promenades, , storm drainage, sstairways and boardwalks. Materials include sand, salt, asphalt, concrete, treated wood, gravel, signs, posts, bollards, and pavement striping.

520-02 Postage: $200 - This account provides for postal related services such as postage, express delivery, mailing materials and postage machines.

520-04 Freight – Materials and Supplies: $15,000 - This account provides for shipping or transporting supplies and material to and from vendors.

525-04 Vehicle Motor Fuel and Lubricants: $60,000 - This account provides for gasoline, diesel fuel, propane and lubricants used in the operations of City vehicles.

600-02 Travel-Training: $4,320 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $2,880 – Expenditures for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or a third-party.

605-01 Advertising and Public Announcements: $4,000 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are public service announcements, community issues, recruiting, requests for proposals, contracts and sales of property & equipment.

630-05 Software Licenses: $500 – This account provides for acquiring licenses for the right to use proprietary software.

635-07 Machinery and Equipment Maintenance Services: $1,200 - This account provides for contractual services for the repair and maintenance of office equipment, machinery and other operating equipment used by the division. . This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635-08 Infrastructure Maintenance Services: $25,000 - This account provides for contractual services for the repair and maintenance of infrastructure owned or leased by the City. This account includes contract labor and materials required to provide the service. Infrastructure includes streets, bridges, sidewalks, parking lots, promenades, storm drainage, stairways and boardwalks.,, Services also include snow removal by outside contractors.

645-02 Rents and Leases - Machinery & Equipment: $1,500 - This account provides for the rent and lease of machinery and equipment.

650-01 Telecommunications: $8,300 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, and long distance .

650-02 Electric, Water, Sewer & Solid Waste: $12,000 - This account provides for electric, water, sewer and solid waste utility services.

715-00 Furniture and Fixtures: $500 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $10,000 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment and operating equipment required to provide services or maintain capital assets.

735-00 Software: $3,500 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements.

825-01 Interdepartmental Charges – Insurance: $20,100 - This account provides for risk management services and claims.

PROGRAM STATEMENT

The Seasonal Litter Program was established to promote a litter free community with a focus on the downtown core. The program operates during the peak tourism season, which runs from May through September, and consists of a two-person crew picking up litter and emptying waste receptacles throughout the community.

GOALS FOR 2013

- Maintain a clean, attractive community for residents and visitors.

ACCOMPLISHMENTS FOR 2012

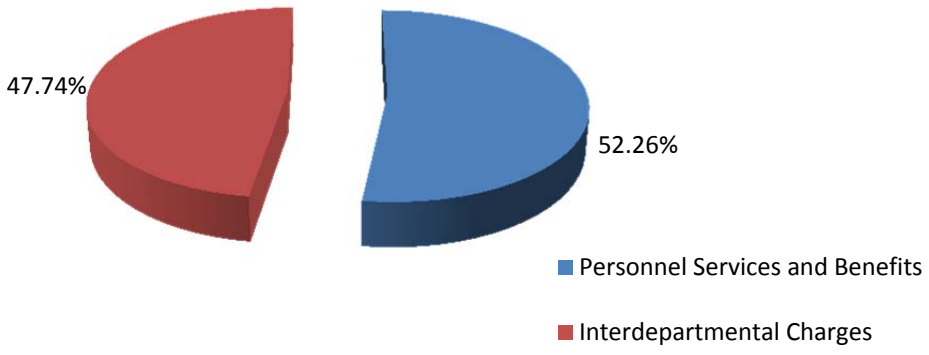
- Successfully established and implemented the Seasonal Litter Program.

PROGRAM SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Personnel Services and Benefits	-	-	29,766	29,766	41,915	41,915	New
Interdepartmental Charges	-	-	38,284	38,284	38,284	38,284	New
Total Expenditures	**-**	**-**	**68,050**	**68,050**	**80,199**	**80,199**	**New**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund	-	-	-	-	80,199	80,199	New
Public Works Sales Tax Fund	-	-	68,050	68,050	-	-	New
Total Funding	**-**	**-**	**68,050**	**68,050**	**80,199**	**80,199**	**New**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Temporary Wages (Account No. 502-01) increased 46.4% or $11,740 over the prior year because the program was not fully operational at the beginning of the 2012 tourism season.

PROGRAM OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
502	01	Temporary Wages	-	-	25,310	25,310	37,050	37,050	New
505	00	Payroll Taxes	-	-	1,968	1,968	2,834	2,834	New
507	00	Insurance Benefits	-	-	1,139	1,139	1,660	1,660	New
508	00	Other Benefits	-	-	1,349	1,349	371	371	New
		Personnel Services and Benefits	**-**	**-**	**29,766**	**29,766**	**41,915**	**41,915**	**New**
Interdepartmental Charges									
851	01	Interdepartmental Charges-Equipment Charges	-	-	38,284	38,284	38,284	38,284	New
		Interdepartmental Charges	**-**	**-**	**38,284**	**38,284**	**38,284**	**38,284**	**New**
		Total Expenditures	**-**	**-**	**68,050**	**68,050**	**80,199**	**80,199**	**New**

NARRATIVE

502-01 Temporary Wages: $37,050- This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $2,834 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

507-00 Insurance Benefits: $1,660 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

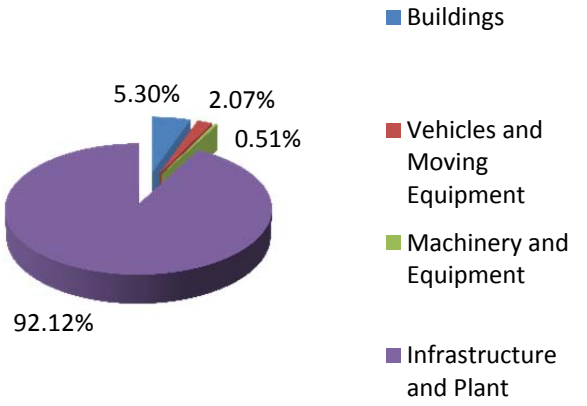
508-00 Other Benefits: $371 – This account provides for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

851-01 Interdepartmental Charges-Equipment Charges: $38,284 – This account provides for charges for the use of equipment belonging to the Solid Waste Fund by the seasonal litter crew.

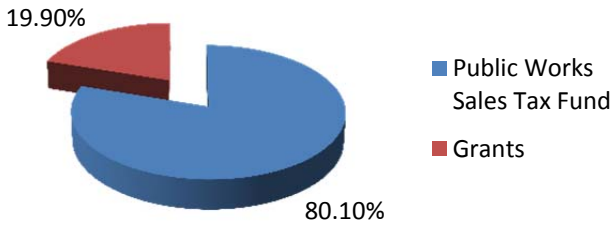
Major Capital Projects		2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00	Buildings	44,935	125,000	125,000	-	125,000	-	0.0%
720-00	Vehicles and Moving Equipment	194,095	272,000	293,022	293,022	49,000	(223,000)	-82.0%
725-00	Machinery and Equipment	-	-	-	-	12,000	12,000	New
730-00	Infrastructure and Plant	1,146,201	5,867,200	6,321,362	1,735,331	2,173,650	(3,693,550)	-63.0%
Total Major Capital Outlay		**1,385,231**	**6,264,200**	**6,739,384**	**2,028,353**	**2,359,650**	**(3,904,550)**	**-62.3%**

2013 Capital Improvement Projects		Funding Sources			
Project #	Project	Public Works Sales Tax Fund		Grants	Total
705-00	**Buildings**				
	Building Demolition - Millar Street	125,000	-	-	125,000
	Total Buildings	**125,000**	**-**	**-**	**125,000**
720-00	**Vehicles and Moving Equipment**				
	1 Ton Flatbed Truck w/ Plow	49,000	-	-	49,000
	Total Vehicles and Moving Equipment	**49,000**	**-**	**-**	**49,000**
725-00	**Machinery and Equipment**				
	10,000 Gallon Storage Tank	12,000	-	-	12,000
	Total Machinery and Equipment	**12,000**	**-**	**-**	**12,000**
730-00	**Infrastructure and Plant**				
	Pavement Overlay - Surface Repair	600,000	-	-	600,000
	Safer Streets and Sidewalks Program	124,100	-	-	124,100
	Staircase Reconstruction	25,000	-	-	25,000
	Rock & Tree Maintenance	10,000	-	-	10,000
	Thomas Basin Seawall Improvements	275,000	-	-	275,000
	Bridge Maintenance and Repair	50,000	-	-	50,000
	Water Street Interim Repairs	-	-	156,550	156,550
	Harris Street Bridge Repaint/Repairs	78,000	-	-	78,000
	Bauer Way/Hopkins Alley Trestle	200,000	-	-	200,000
	Creek Street Trestle Repair	-	-	313,000	313,000
	Water Street Trestle #1 Reconstruction	134,000	-	-	134,000
	Sayles Gorge Bridge Replacement	10,000	-	-	10,000
	Hilltop Drainage Improvements	52,000	-	-	52,000
	East Branch Hilltop Drainage Replacement	39,000	-	-	39,000
	West Hilltop Drainage Improvements	28,000	-	-	28,000
	Culvert at Brown Deer and Fairy Chasm	79,000	-	-	79,000
	Total Infrastructure and Plant	**1,704,100**	**-**	**469,550**	**2,173,650**
	Total 2013 Capital Budget	**1,890,100**	**-**	**469,550**	**2,359,650**

2013 Expenditures by Type



2013 Expenditures by Funding Source



The Public Works-Garage Department is comprised of one operating division and oversees a Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Activity	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	468,545	517,099	517,099	501,710	525,821	8,722	1.7%
Capital	(153)	50,000	50,000	2,000	60,000	10,000	20.0%
Total	**468,392**	**567,099**	**567,099**	**503,710**	**585,821**	**18,722**	**3.3%**

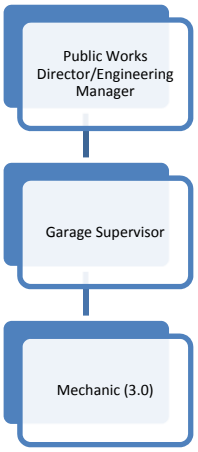
Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	347,939	369,289	380,239	379,950	377,711	8,422	2.3%
Supplies	164,716	167,550	163,100	148,000	176,950	9,400	5.6%
Contract/Purchased Services	39,655	43,760	42,260	42,260	46,660	2,900	6.6%
Minor Capital Outlay	4,944	8,000	3,000	3,000	6,000	(2,000)	-25.0%
Interdepartmental Charges	(88,709)	(71,500)	(71,500)	(71,500)	(81,500)	(10,000)	14.0%
Major Capital Outlay	(153)	50,000	50,000	2,000	60,000	10,000	20.0%
Total	**468,392**	**567,099**	**567,099**	**503,710**	**585,821**	**18,722**	**3.3%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
General Fund Support	416,717	472,949	459,449	444,060	463,671	(9,278)	-2.0%
Public Works Sales Tax Fund	(153)	50,000	50,000	2,000	60,000	10,000	20.0%
Solid Waste Services Fund	21,840	20,300	20,300	20,300	20,300	-	0.0%
Wastewater Fund	18,788	12,000	25,000	25,000	30,000	18,000	150.0%
Small Boat Harbors Fund	5,368	8,850	8,850	8,850	8,850	-	0.0%
Port Enterprise Fund	5,832	3,000	3,500	3,500	3,000	-	0.0%
Total	**468,392**	**567,099**	**567,099**	**503,710**	**585,821**	**18,722**	**3.3%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Operations	4.00	4.00	4.00	4.00	226,211	-	0.0%
Total	**4.00**	**4.00**	**4.00**	**4.00**	**226,211**	**-**	**0.0%**

MISSION STATEMENT

The mission of the Garage & Warehouse Division is to provide professional quality maintenance and repairs to the City and Public Works Department's vehicle fleet and rolling stock. The division's goal is to ensure that the quality of these services meets or exceeds professional standards and that all equipment is readily available to respond in a safe condition.



GOALS FOR 2013

- Utilize work management system to effectively manage division resources.
- Continue to develop waste oil recovery and expand waste oil burning to reduce heating costs.
- Continue specialized training on vehicles and equipment, and achieve related certification.
- Provide a level of service that will enhance the operation of other departments and extend the useful life of equipment and vehicles.
- Assist other divisions with future equipment needs and development of bid specifications for the equipment.
- Evaluate the equipment fleet for units that are beyond their expected service life.
- Continue corrosion control program to enhance the life of equipment and reduce future maintenance costs.
- Continue to reduce the quantity of hazardous materials used in the garage operations.

ACCOMPLISHMENTS FOR 2012

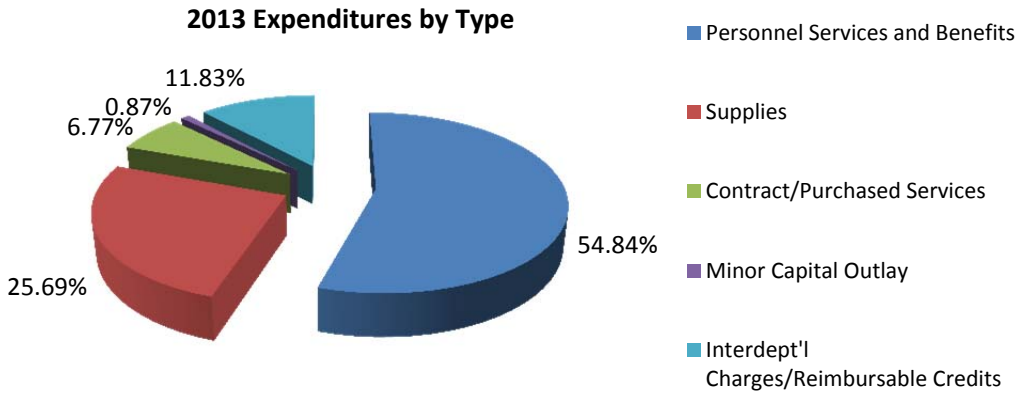
- Performed delivery inspections and generated a discrepancy list for acceptance of new vehicles and equipment for 2012.
- Staff maintained and repaired more than 152 pieces of equipment.
- Assisted the Fire Department in its annual pump testing on fire apparatus.
- Continued to implement corrosion control measures to extend the life of the equipment.
- Completed another full year with no lost time accidents.
- Fabricated specialty fixtures for engineering projects so as to keep their project completion time on track.
- Assisted other divisions with the preparation of bid specifications for new equipment.
- Performed readiness testing on Ketchikan Police Department's standby generator.

DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	347,939	369,289	380,239	379,950	377,711	8,422	2.3%
Supplies	164,716	167,550	163,100	148,000	176,950	9,400	5.6%
Contract/Purchased Services	39,655	43,760	42,260	42,260	46,660	2,900	6.6%
Minor Capital Outlay	4,944	8,000	3,000	3,000	6,000	(2,000)	-25.0%
Interdept'l Charges/Reimbursable Credits	(88,709)	(71,500)	(71,500)	(71,500)	(81,500)	(10,000)	14.0%
Total Expenditures	**468,545**	**517,099**	**517,099**	**501,710**	**525,821**	**8,722**	**1.7%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
General Fund Support	416,717	472,949	459,449	444,060	463,671	(9,278)	-2.0%
Solid Waste Services Fund	21,840	20,300	20,300	20,300	20,300	-	0.0%
Wastewater Fund	18,788	12,000	25,000	25,000	30,000	18,000	150.0%
Small Boat Harbors Fund	5,368	8,850	8,850	8,850	8,850	-	0.0%
Port Enterprise Fund	5,832	3,000	3,500	3,500	3,000	-	0.0%
Total Funding	**468,545**	**517,099**	**517,099**	**501,710**	**525,821**	**8,722**	**1.7%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Supervisor	1.00	1.00	1.00	1.00	69,723	-	0.0%
Mechanic	3.00	3.00	3.00	3.00	156,488	-	0.0%
Total	**4.00**	**4.00**	**4.00**	**4.00**	**226,211**	**-**	**0.0%**



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- No significant changes are included in this year's operating budgets for the Garage and Warehouse.

DIVISION OPERATING BUDGET DETAIL

		Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	209,022	219,739	229,889	229,600	226,211	6,472	2.9%
501	01	Overtime Wages	3,187	4,000	5,800	5,800	4,000	-	0.0%
502	01	Temporary Wages	-	1,000	-	-	1,000	-	0.0%
505	00	Payroll Taxes	16,200	17,200	17,200	18,008	17,700	500	2.9%
506	00	Pension	36,800	39,200	39,200	39,200	39,600	400	1.0%
507	00	Insurance Benefits	77,200	82,200	82,200	81,392	83,300	1,100	1.3%
508	00	Other Benefits	4,167	4,400	4,400	4,400	4,600	200	4.5%
509	03	Allowances-PW Clothing	1,242	1,250	1,250	1,250	1,000	(250)	-20.0%
509	07	Allowances-Medical Expenses	121	300	300	300	300	-	0.0%
		Personnel Services and Benefits	**347,939**	**369,289**	**380,239**	**379,950**	**377,711**	**8,422**	**2.3%**
Supplies									
510	01	Office Supplies	327	500	250	250	500	-	0.0%
510	02	Operating Supplies	5,989	7,000	6,450	6,450	7,000	-	0.0%
510	03	Safety Program Supplies	435	500	500	500	500	-	0.0%
510	04	Janitorial Supplies	316	250	250	250	250	-	0.0%
510	05	Small Tools & Equipment	6,932	7,000	6,000	6,000	7,000	-	0.0%
515	01	Vehicle Maintenance Materials	937	500	500	450	500	-	0.0%
515	02	Bldg & Grounds Maint Materials	2,000	2,000	2,000	1,700	2,000	-	0.0%
515	03	Furniture & Fixtures Maint Materials	500	500	500	450	500	-	0.0%
515	04	Machinery & Equip Maint Materials	111,333	113,600	110,030	95,867	117,000	3,400	3.0%
520	02	Postage	178	200	200	200	200	-	0.0%
520	04	Freight-Material and Supplies	2,854	2,900	2,820	2,460	3,000	100	3.4%
525	03	Heating Fuel	22,133	23,100	24,100	24,000	28,000	4,900	21.2%
525	04	Vehicle Motor Fuel & Lubricants	10,404	9,000	9,000	9,000	10,000	1,000	11.1%
535	04	Uniforms/Badges/Clothing	378	500	500	423	500	-	0.0%
		Supplies	**164,716**	**167,550**	**163,100**	**148,000**	**176,950**	**9,400**	**5.6%**
Contract/Purchased Services									
600	02	Travel-Training	4,150	4,590	4,590	4,590	4,590	-	0.0%
600	03	Training and Education	2,766	3,060	3,060	3,060	3,060	-	0.0%
605	02	Advertising and Public Announcements	207	-	-	-	-	-	0.0%
615	02	Assn. Membership Dues and Fees	100	200	200	200	200	-	0.0%
620	03	Towing	-	250	250	250	250	-	0.0%
630	05	Software Licenses	25	500	500	500	500	-	0.0%
635	03	Vehicle Maintenance Services	265	500	500	500	500	-	0.0%
635	07	Machinery & Equip Maint Services	4,247	5,000	1,000	1,000	5,000	-	0.0%
635	12	Technical Services	2,230	2,000	2,000	2,000	2,000	-	0.0%
650	01	Telecommunications	689	660	660	660	660	-	0.0%
650	02	Electric, Water, Sewer and Solid Waste	24,976	27,000	29,500	29,500	29,900	2,900	10.7%
		Contract/Purchased Services	**39,655**	**43,760**	**42,260**	**42,260**	**46,660**	**2,900**	**6.6%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Minor Capital									
715	00	Furniture and Fixtures	-	500	500	500	500	-	0.0%
725	00	Machinery and Equipment	3,587	3,000	1,000	1,000	5,500	2,500	83.3%
735	00	Software	1,357	4,500	1,500	1,500	-	(4,500)	-100.0%
		Minor Capital Outlay	**4,944**	**8,000**	**3,000**	**3,000**	**6,000**	**(2,000)**	**-25.0%**
Interdepartmental Charges/Reimbursable Credits									
825	01	Interdepartmental Charges-Insurance	3,668	3,500	3,500	3,500	3,500	-	0.0%
890	00	Reimbursable Credits	(92,377)	(75,000)	(75,000)	(75,000)	(85,000)	(10,000)	13.3%
		Interdept'l Charges/Reimbursable Credits	**(88,709)**	**(71,500)**	**(71,500)**	**(71,500)**	**(81,500)**	**(10,000)**	**14.0%**
		Total Expenditures by Type	**468,545**	**517,099**	**517,099**	**501,710**	**525,821**	**8,722**	**1.7%**

NARRATIVE

500-01 Regular Salaries and Wages: $226,211 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $4,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $1,000 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $17,700 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $39,600 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $83,300 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $4,600 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-03 Allowances – Public Works Clothing: $1,000 – This account provides for employer provided protective clothing allowances paid directly to represented employees of Public Works pursuant to collective bargaining agreements or the Personnel Rules.

509-07 Allowances- Medical Expenses: $300 - This account provides for employee medical exams paid directly to employees. These benefits are taxable to the employees.

510-01 Office Supplies: $500 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, and tape dispensers.

510-02 Operating Supplies: $7,000 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as , paint, solvents and shop materials.

510-03 Safety Program Supplies: $500 - This account provides for the City safety program. Included are safety information brochures, safety training audio and video programs, safety equipment, OSHA required medical exams, specialized hazardous materials handling and disposal information, and specialized protective safety clothing.

510-04 Janitorial Supplies: $250 – This account provides for cleaning and sanitation supplies used by in-house and contracted janitors.

510-05 Small Tools and Equipment: $7,000 - This account provides for minor tools, operating and office equipment with a value of less than $1,000. Included are hand tools, , blow torches, hydraulic jacks, sump pumps, computer accessories, space heaters, radios, calculators, file cabinets and similar types of minor tools and equipment.

515-01 Vehicle Maintenance Materials: $500 - This account provides for the repair and maintenance of vehicles owned or leased and operated by the division. Included are licensed and unlicensed rolling stock.

515-02 Building and Grounds Maintenance Materials: $2,000 – This account provides for materials required for the repair and maintenance of buildings and upkeep of the grounds owned or leased and operated by the division.

515-03 Furniture and Fixtures Maintenance Materials: $500 **-** This account provides for materials required for the repair and maintenance of furniture and building fixtures owned or leased and operated by the department.

515-04 Machinery and Equipment Maintenance Materials: $117,000 – This account provides for materials and parts required for the repair and maintenance of City owned machinery and equipment by the division.

520-02 Postage: $200 - This account provides for postal related services such as postage, express delivery, mailing materials and the rent of post office boxes and postage machines.

520-04 Freight – Materials and Supplies: $3,000 - This account provides for shipping or transporting supplies and material to and from vendors.

525-03 Heating Fuel: $28,000 - This account provides for heating fuel to heat the garage and the warehouse. .

525-04 Vehicle Motor Fuel and Lubricants: $10,000 - This account provides for gasoline, diesel fuel, propane and lubricants used in the operations of the division.

535-04 Allowances-Uniforms/Badges/Clothing: $500 - This account provides for direct purchases of or reimbursements to employees for work related clothing required by department policies. Included are work clothes, raingear, hats, boots and gloves.

600-02 Travel-Training: $4,590 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $3,060 - This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or a third-party.

615-02 Assn. Membership Dues and Fees: $200 – This account provides for memberships in professional and trade associations.

620-03 Towing: $250 – This account provides for towing of City vehicles.

630-05 Software Licenses: $500 – This account provides for acquiring licenses for the right to use proprietary software.

635-03 Vehicle Maintenance Services: $500 – This account provides for contractual services required for the repair and maintenance of City vehicles by outside maintenance facilities. Included are licensed and unlicensed rolling stock. This account includes contract labor and materials required to provide the service.

635-07 Machinery and Equipment Maintenance Services: $5,000 - This account provides for contractual services required for the repair and maintenance of machinery and other operating equipment used by the division. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635-12 Technical Services: $2,000 - This account provides for services that are not regarded as professional but require technical or special knowledge. Included are specialized automotive services.

650-01 Telecommunications: $660 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, and long distance.

650-02 Electric, Water, Sewer & Solid Waste: $29,900 - This account provides for electric, water, sewer and solid waste utility services.

715-00 Furniture and Fixtures: $500 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $5,500 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment and operating equipment required to provide services or maintain capital assets.

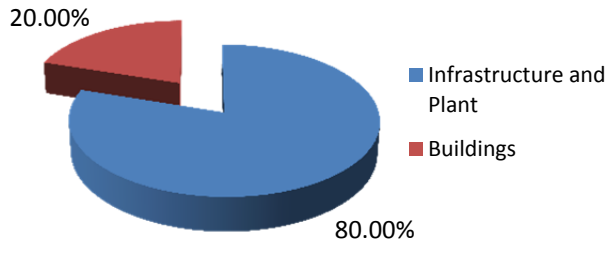
825-01 Interdepartmental Charges – Insurance: $3,500 - This account provides for risk management services and claims.

890-00 Reimbursable Credits: ($85,000) – A contra-expense account for crediting Garage department for operating costs that will be paid by another department.

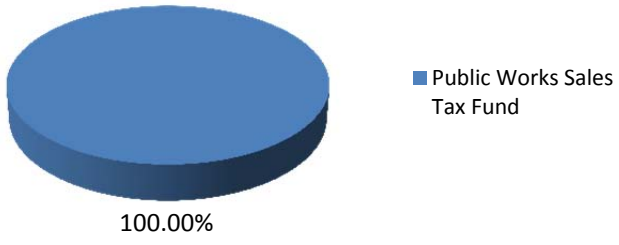
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00 Buildings	(153)	-	-	-	12,000	12,000	100.0%
730-00 Infrastructure and Plant	-	50,000	50,000	2,000	48,000	(2,000)	-4.0%
Total Major Capital Outlay	**(153)**	**50,000**	**50,000**	**2,000**	**60,000**	**10,000**	**20.0%**

2013 Capital Improvement Projects					
		Funding Sources			
Project #	Project	Public Works Sales Tax Fund			Total
705-00 Buildings					
	Electrical Improvements	12,000	-	-	12,000
	Total Buildings	**12,000**	**-**	**-**	**12,000**
730-00 Infrastructure and Plant					
	Storm Drainage Improvements	48,000	-	-	48,000
	Total Infrastructure and Plant	**48,000**	**-**	**-**	**48,000**
	Total 2013 Capital Budget	**60,000**	**-**	**-**	**60,000**

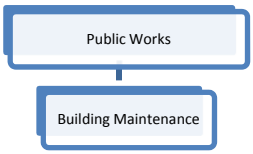
2013 Expenditures by Type



Expenditures by Funding Source



The Public Works Building Maintenance Division is responsible for maintenance of various City owned facilities.



The Public Works-Building Maintenance Department is comprised of one operating division and oversees two cost centers and a Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	230,538	283,102	283,152	268,850	291,438	8,336	2.9%
City Hall O&M	95,709	108,900	108,850	105,350	122,600	13,700	12.6%
Shoreline Maintainance Bldg O &M	-	-	-	-	9,067	9,067	New
Capital	119,156	1,334,100	2,204,601	467,801	1,773,800	439,700	33.0%
Total	**445,403**	**1,726,102**	**2,596,603**	**842,001**	**2,196,905**	**470,803**	**27.3%**

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	176,831	217,452	216,452	203,650	220,298	2,846	1.3%
Supplies	41,215	42,400	47,100	47,100	57,550	15,150	35.7%
Contract/Purchased Services	105,338	123,350	119,650	114,650	139,314	15,964	12.9%
Minor Capital Outlay	-	5,000	5,000	5,000	5,500	500	10.0%
Interdept'l Charges/Reimbursable Credits	2,863	3,800	3,800	3,800	443	(3,357)	-88.3%
Major Capital Outlay	119,156	1,334,100	2,204,601	467,801	1,773,800	439,700	33.0%
Total	**445,403**	**1,726,102**	**2,596,603**	**842,001**	**2,196,905**	**470,803**	**27.3%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Supported	326,247	392,002	392,002	374,200	416,731	24,729	6.3%
Public Works Sales Tax Fund	119,156	1,334,100	1,334,100	177,647	1,193,453	(140,647)	-10.5%
Economic Parking Development Fund	-	-	287,501	287,501	-	-	0.0%
Community Facilities Development Fund	-	-	583,000	2,653	580,347	580,347	0.0%
Shoreline Fund	-	-	-	-	6,374	6,374	New
Total	**445,403**	**1,726,102**	**2,596,603**	**842,001**	**2,196,905**	**470,803**	**27.3%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Operations	2.00	2.00	2.00	2.00	97,448	-	0.0%
Total	**2.00**	**2.00**	**2.00**	**2.00**	**97,448**	**-**	**0.0%**

MISSION STATEMENT

The mission of the Building Maintenance Division is to maintain and operate as efficiently as possible the heating and ventilating, plumbing and electrical systems of General Government facilities, as well as to undertake interior and exterior building repairs when required.

GOALS FOR 2013

- Replace the AC units at Ketchikan Police Station and paint various interior doors and trim.
- Transition the Building Maintenance Division to Fire Station #3.
- Assume interim maintenance duties for the now vacant "Old Fire Station No. 1".
- Install new loading dock seals at the Solid Waste Recycling & Handling Facility (SWRHF).
- Continue to provide routine maintenance and troubleshooting as needed to all building systems within the responsibility of the division.
- Train staff to maintain and operate wood pellet heating systems at the new Ketchikan Public Library.
- Continue to train for efficient operation of the new DDC (Direct Digital Control) systems at the new Library and Ketchikan Fire Station No. 1.

ACCOMPLISHMENTS FOR 2012

- Performed building inspections and pressure washing of all City owned buildings.
- Continued implementing moisture control study recommendations at the Totem Heritage Center.
- Continued rebuilding walkways, installing new non-skid surface, pressure washing and general clean up at the Totem Heritage Center.
- Continued integrating the Building Maintenance Division's records and data into the Hansen software system.
- Completed over two hundred work orders for various repairs and improvements to City facilities.
- Completed construction of additional vehicle storage building at the Public Works Warehouse.
- Continued to complete other unforeseen repair/remodel requests as time and weather permitted.
- Recertified all backflow preventers (check valves) for all boiler systems in the division.
- Recertified all fire protection sprinkler systems in the division.
- Removed wood shingles from Totem Heritage Center storage sheds and replaced with metal roofs.
- Continued with replacement program for emergency lighting to install all LED units.

- Installed numerous ballast replacements and undertook lighting troubleshooting throughout City facilities.
- Replaced heating coils on the 3rd floor City Hall HVAC system.
- Remodeled various offices and the mechanical room in the Ketchikan Police Department.
- Painted various offices in City Hall.
- Refurbished incinerator chimneys and combustion chambers at the (SWRHF), and received training on controls and operations and maintenance.

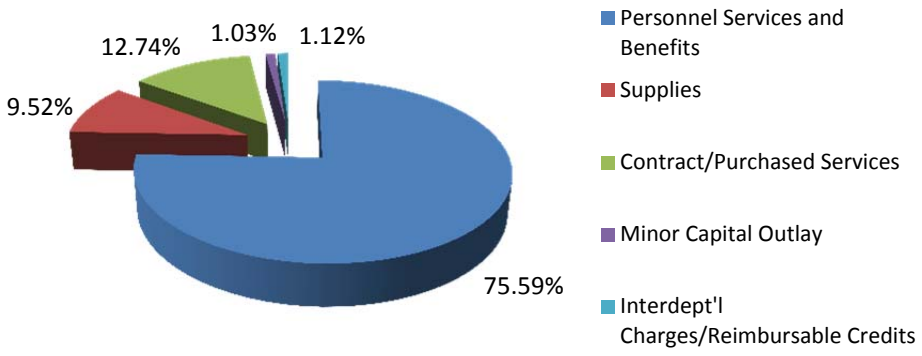
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	176,831	217,452	216,452	203,650	220,298	2,846	1.3%
Supplies	26,774	26,000	29,400	29,400	27,750	1,750	6.7%
Contract/Purchased Services	26,933	33,850	31,500	30,000	37,140	3,290	9.7%
Minor Capital Outlay	-	5,000	5,000	5,000	3,000	(2,000)	-40.0%
Interdept'l Charges/Reimbursable Credits	-	800	800	800	3,250	2,450	New
Total Expenditures	**230,538**	**283,102**	**283,152**	**268,850**	**291,438**	**8,336**	**2.9%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund							
Tax Supported	230,538	283,102	283,152	268,850	291,438	8,336	2.9%
Total Funding	**230,538**	**283,102**	**283,152**	**268,850**	**291,438**	**8,336**	**2.9%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Bldg Maintenance Supervisor	1.00	1.00	1.00	1.00	54,954	-	0.0%
Maintenance Technician	1.00	1.00	1.00	1.00	42,494	-	0.0%
Total	**2.00**	**2.00**	**2.00**	**2.00**	**97,448**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- No significant increases in this year's operating budget for the Public Works-Building Maintenance Division have been programmed. The organization of the operating budget has been changed to incorporate separate cost centers for City Hall and the Shoreline Building.

DIVISION OPERATING BUDGET DETAIL

		Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	85,702	96,002	97,002	96,900	97,448	1,446	1.5%
501	01	Overtime Wages	1,150	3,600	3,600	2,000	3,600	-	0.0%
502	01	Temporary Wages	29,186	50,000	48,000	40,000	50,000	-	0.0%
505	00	Payroll Taxes	8,877	11,400	11,400	10,900	11,600	200	1.8%
506	00	Pension	13,600	15,200	15,200	14,500	15,300	100	0.7%
507	00	Insurance Benefits	35,523	38,100	38,100	36,300	39,200	1,100	2.9%
508	00	Other Benefits	2,312	2,500	2,500	2,400	2,500	-	0.0%
509	03	Allowances-PW Clothing	481	500	500	500	500	-	0.0%
509	07	Allowances-Medical Expenses	-	150	150	150	150	-	0.0%
		Personnel Services and Benefits	**176,831**	**217,452**	**216,452**	**203,650**	**220,298**	**2,846**	**1.3%**
Supplies									
510	02	Operating Supplies	1,235	1,000	1,000	1,000	1,200	200	20.0%
510	03	Safety Program Supplies	485	300	1,000	1,000	350	50	16.7%
510	05	Small Tools & Equipment	4,265	3,000	3,000	3,000	4,000	1,000	33.3%
515	01	Vehicle Maintenance Materials	-	-	-	-	-	-	0.0%
515	02	Bldg & Grounds Maint Materials	17,891	18,400	21,100	21,100	18,900	500	2.7%
520	02	Postage	-	50	50	50	50	-	0.0%
520	04	Freight-Material and Supplies	450	500	500	500	500	-	0.0%
525	04	Vehicle Motor Fuel & Lubricants	2,448	2,750	2,750	2,750	2,750	-	0.0%
		Supplies	**26,774**	**26,000**	**29,400**	**29,400**	**27,750**	**1,750**	**6.7%**
Contract/Purchased Services									
600	02	Travel-Training	1,243	3,720	3,720	3,720	3,720	-	0.0%
600	03	Training and Education	828	2,480	2,480	2,480	2,480	-	0.0%
630	02	Vehicle Licenses	40	300	450	450	450	150	50.0%
645	02	Rents and Leases-Machinery & Equip	5,447	6,000	3,000	3,000	6,000	-	0.0%
650	01	Telecommunications	1,875	1,350	1,850	1,850	4,490	3,140	232.6%
650	02	Electric, Water, Sewer and Solid Waste Serv	-	-	-	-	-	-	New
		Contract/Purchased Services	**26,933**	**33,850**	**31,500**	**30,000**	**37,140**	**3,290**	**9.7%**
Minor Capital									
725	00	Machinery and Equipment	-	2,500	2,500	2,500	3,000	500	20.0%
735	00	Software	-	2,500	2,500	2,500	-	(2,500)	-100.0%
		Minor Capital Outlay	**-**	**5,000**	**5,000**	**5,000**	**3,000**	**(2,000)**	**-40.0%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	-	-	-	-	750	750	New
850	01	Interdepartmental Charges-Garage	-	800	800	800	2,500	1,700	212.5%
		Interdepartmental Charges	**-**	**800**	**800**	**800**	**3,250**	**2,450**	**306.3%**
		Total Expenditures by Type	**230,538**	**283,102**	**283,152**	**268,850**	**291,438**	**8,336**	**2.9%**

NARRATIVE

500-01 Regular Salaries and Wages: $97,448 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $3,600 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $50,000 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $11,600 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $15,300 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $39,200 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $2,500 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-03 Allowances – Public Works Clothing: $500 – This account provides for employer provided protective clothing allowances paid directly to represented employees of Public Works pursuant to collective bargaining agreements or the Personnel Rules.

509-07 Allowances- Medical Expenses: $150 - This account provides for employee medical exams paid directly to employees. These benefits are taxable to the employees.

510-02 Operating Supplies: $1,200 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as purchase orders, billing statements, employee awards and recognition pins, brochures, posters, engineering materials, paint and solvents.

510-03 Safety Program Supplies: $350 - This account provides for the City safety program. Included are safety information brochures, safety training audio and video programs, safety equipment, OSHA required medical

exams, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control and sign materials.

510-05 Small Tools and Equipment: $4,000 - This account provides for minor tools, operating and office equipment with a value of less than $1,000. Included are hand tools, chain saws, blow torches, hydraulic jacks, sump pumps, computer accessories, space heaters, radios, calculators, file cabinets and similar types of minor tools and equipment.

515-02 Building and Grounds Maintenance Materials: $18,900 – This account provides for the repair and maintenance of buildings and upkeep of the grounds owned or leased and operated by the City.

520-02 Postage: $50 - This account provides for postal related services such as postage, express delivery, mailing materials and the rent of post office boxes and postage machines.

520-04 Freight – Materials and Supplies: $500 - This account provides for shipping or transporting supplies and material to and from vendors.

525-04 Vehicle Motor Fuel and Lubricants: $2,750 - This account provides for gasoline, diesel fuel, propane and lubricants used in the operations of City and Ketchikan Public Utilities vehicles.

600-02 Travel-Training: $3,720 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $2,480 - This account provides for the registration fees, training materials and fees for on-premises training programs provided by a third-party.

630-02 Vehicle Licenses: $450 – This account provides for licensing City vehicles for operations on public highways.

635-12 Technical Services: $20,000 - This account provides for services that are not regarded as professional but require technical or special knowledge. Included are video camera operators, building security, pest control, elevator inspections and DDC Support.

645-03 Rents and Leases – Vehicles: $6,000 - This account provides for the rent and lease of vehicles. Both operating and capital leases are accounted for in this account.

650-01 Telecommunications: $4,490 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers.

725-00 Machinery and Equipment: $3,000 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment and operating equipment required to provide services or maintain capital assets.

825-01 Interdepartmental Charges – Insurance: $750 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges - Garage: $2,500 - This account provides for fleet maintenance services provided by the Public Works Department – Garage Division.

COST CENTER STATEMENT

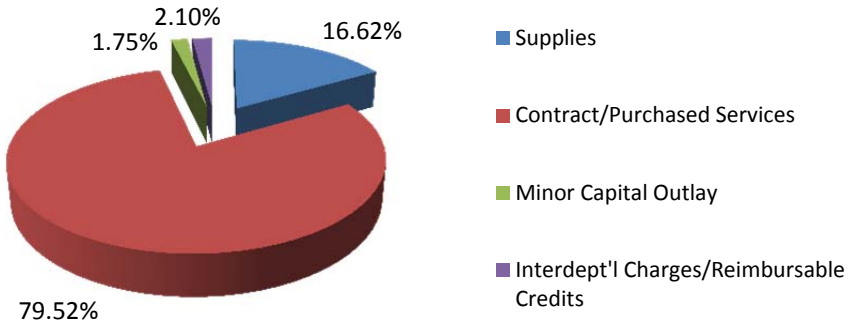
The City Hall Building O&M cost center was established to monitor the cost of operating and maintaining the City Hall Building. This facility houses the offices of the Mayor and Council, City Attorney, City Clerk, City Manager, Finance and Information Technology Departments. Operating and maintaining the City Hall Building is a Public Works function. The cost of operating and maintaining former Fire Station No. 1 is also included in this activity pending its reassignment to another department.

COST CENTER SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Supplies	14,441	16,400	17,700	17,700	23,700	7,300	44.5%
Contract/Purchased Services	78,405	89,500	88,150	84,650	93,400	3,900	4.4%
Minor Capital Outlay	-	-	-	-	2,500	2,500	New
Interdept'l Charges/Reimbursable Credits	2,863	3,000	3,000	3,000	3,000	-	0.0%
Total Expenditures	**95,709**	**108,900**	**108,850**	**105,350**	**122,600**	**13,700**	**12.6%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund							
Tax Supported	95,709	108,900	108,850	105,350	122,600	13,700	12.6%
Total Funding	**95,709**	**108,900**	**108,850**	**105,350**	**122,600**	**13,700**	**12.6%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Budget for the City Hall Building increased by 8.7%, or $11,200 from 2012. Last year was the first year that the City Hall Building was accounted for as a separate activity. The increase is due to the addition of the former Fire Station No. 1 to the cost center.

COST CENTER OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
510	04	Janitorial Supplies	236	300	300	300	300	-	0.0%
515	02	Bldg & Grounds Maint Materials	2,038	2,100	2,400	2,400	2,400	300	14.3%
525	03	Heating Fuel	12,167	14,000	15,000	15,000	21,000	7,000	50.0%
		Supplies	**14,441**	**16,400**	**17,700**	**17,700**	**23,700**	**7,300**	**44.5%**
Contract/Purchased Services									
635	02	Janitorial and Cleaning Services	29,450	30,000	30,000	28,000	30,000	-	0.0%
635	06	Bldg & Grounds Maint Services	6,696	9,500	8,150	8,150	10,000	500	5.3%
635	12	Technical Services	17,500	20,000	20,000	18,500	20,000	-	0.0%
650	02	Electric, Water, Sewer and Solid Waste	24,759	30,000	30,000	30,000	33,400	3,400	11.3%
		Contract/Purchased Services	**78,405**	**89,500**	**88,150**	**84,650**	**93,400**	**3,900**	**4.4%**
Minor Capital									
725	00	Machinery and Equipment	-	-	-	-	2,500	2,500	New
		Minor Capital Outlay	**-**	**-**	**-**	**-**	**2,500**	**2,500**	**New**
Interdepartmental Charges									
825	01	Interdepartmental Charges-Insurance	2,863	3,000	3,000	3,000	3,000	-	0.0%
		Interdepartmental Charges	**2,863**	**3,000**	**3,000**	**3,000**	**3,000**	**-**	**0.0%**
		Total Expenditures by Type	**95,709**	**108,900**	**108,850**	**105,350**	**122,600**	**13,700**	**12.6%**

NARRATIVE

510-04 Janitorial Supplies: $300 – This account provides for cleaning and sanitation supplies used by in-house and contracted janitors.

515-02 Building and Grounds Maintenance Materials: $2,400 – This account provides for the repair and maintenance of City Hall.

525-03 Heating Fuel: $21,000 - This account provides for heating fuel to heat City Hall ($16,500) and the former Fire Station No. 1 ($4,500).

635-02 Janitorial and Cleaning Services: $30,000 - This account provides for services to clean City Hall. Included are janitorial, carpet cleaning and laundry services.

635-06 Buildings and Grounds Maintenance Services: $10,000 - This account provides for the repair and maintenance of City Hall.

635-12 Technical Services: $20,000 - This account provides for services that are not regarded as professional but require technical or special knowledge. Included are video camera operators, building security, pest control, elevator inspections and DDC Support.

650-02 Electric, Water, Sewer & Solid Waste Services: $33,400 - This account provides for electric, water, sewer and solid waste utility services for City Hall ($31,800) and former Fire Station No. 1 ($1,600).

725-00 Machinery and Equipment: $2,500 - This account provides for the acquisition of a key card system for the back door of City Hall in order to improve building security.

825-01 Interdepartmental Charges – Insurance: $3,000 - This account provides for risk management services and claims.

COST CENTER STATEMENT

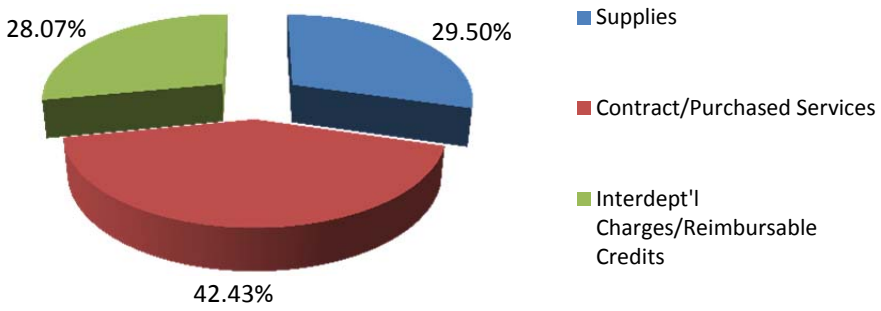
The Shoreline Maintenance Building O&M cost center was established to monitor the cost of operating and maintaining the Shoreline Maintenance Building. This facility houses the offices of the Building Maintenance Division and storage areas for the Fire Department. Operating and maintaining the Shoreline Maintenance Building is a Public Works function.

COST CENTER SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Supplies	-	-	-	-	6,100	6,100	New
Contract/Purchased Services	-	-	-	-	8,774	8,774	New
Interdept'l Charges/Reimbursable Credits	-	-	-	-	(5,807)	(5,807)	New
Total Expenditures	**-**	**-**	**-**	**-**	**9,067**	**9,067**	**New**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
General Fund							
Tax Supported	-	-	-	-	2,693	2,693	New
Shoreline Fund	-	-	-	-	6,374	6,374	New
Total Funding	**-**	**-**	**-**	**-**	**9,067**	**9,067**	**New**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- The 2013 Budget for the Shoreline Maintenance Building is $9,067. This is the first year that the Shoreline facility is accounted for as a separate activity. This function used to be accounted for under the Fire Department.

COST CENTER OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Supplies									
515	02	Bldg & Grounds Maint Materials	-	-	-	-	2,700	2,700	New
525	03	Heating Fuel	-	-	-	-	3,400	3,400	New
		Supplies	**-**	**-**	**-**	**-**	**6,100**	**6,100**	**New**
Contract/Purchased Services									
645	01	Rents and Leases-Land & Buildings	-	-	-	-	6,374	6,374	New
650	02	Electric, Water, Sewer and Solid Waste	-	-	-	-	2,400	2,400	New
		Contract/Purchased Services	**-**	**-**	**-**	**-**	**8,774**	**8,774**	**New**
Interdeprt'l Charges/Reimbursable Credits									
825	01	Interdepartmental Charges-Insurance	-	-	-	-	250	250	New
890	00	Reimburseable Credits	-	-	-	-	(6,057)	(6,057)	New
		Interdept'l Charges/Reimbursable Credits	**-**	**-**	**-**	**-**	**(5,807)**	**(5,807)**	**New**
		Total Expenditures by Type	**-**	**-**	**-**	**-**	**9,067**	**9,067**	**New**

NARRATIVE

515-02 Building and Grounds Maintenance Materials: $2,700 – This account provides for the repair and maintenance of the Shoreline Maintenance Building.

525-03 Heating Fuel: $3,400 - This account provides for heating fuel to heat the Shoreline Maintenance Building.

645-01 Rents and Leases - Land and Buildings: $6,374 - This account provides for the rent and lease of the Shoreline Maintenance Building.

650-02 Electric, Water, Sewer & Solid Waste: $2,400 - This account provides for electric, water, sewer and solid waste utility services.

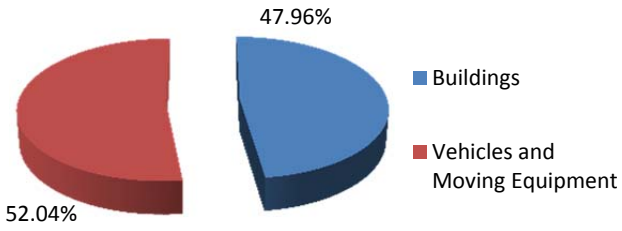
825-01 Interdepartmental Charges – Insurance: $250 - This account provides for risk management services and claims.

890-00 Reimbursable Credits: ($6,057) - This is a contra-expense account that provides for a reimbursement for the Fire Department's share of the cost of operating and maintaining the Shoreline Maintenance Building. The cost will be shared equally but the Fire Department's share shall not exceed $6,057.

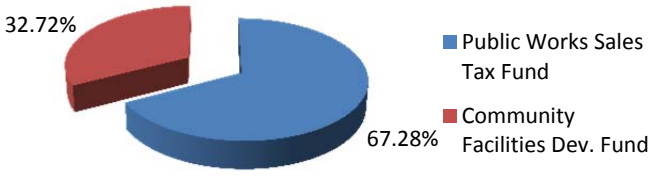
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00 Buildings	119,156	1,334,100	2,204,601	467,801	1,736,800	402,700	30.2%
720-00 Vehicles and Moving Equipment	-	-	-	-	37,000	37,000	New
Total Major Capital Outlay	**119,156**	**1,334,100**	**2,204,601**	**467,801**	**1,773,800**	**439,700**	**33.0%**

2013 Capital Improvement Projects		Funding Sources			
Project #	Project	Public Works Sales Tax Fund	Community Facilities Dev. Fund		Total
705-00 Buildings					
	City Hall Carpet	34,100	-	-	34,100
	City Hall Siding & Roof Replacement	1,122,353	580,347	-	1,702,700
	Total Buildings	**1,156,453**	**580,347**	**-**	**1,736,800**
720-00 Vehicles and Moving Equipment					
	Service Van Replacement	37,000	-	-	37,000
	Total Vehicles and Moving Equipment	**37,000**	**-**	**-**	**37,000**
	Total 2013 Capital Budget	**1,193,453**	**580,347**	**-**	**1,773,800**

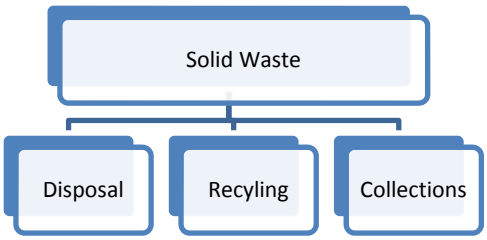
Expenditures by Type



Expenditures by Funding Source



The Public Works Solid Waste Department is responsible for providing safe and efficient handling of municipal solid waste, demolition debris and recyclable products.



The Solid Waste Department is comprised of three operating divisions and oversees a capital improvement program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Disposal	1,803,683	1,875,953	1,907,953	1,884,701	1,899,474	23,521	1.3%
Recycling	91,350	166,360	133,360	110,950	165,776	(584)	-0.4%
Collections	755,039	871,852	872,852	830,919	867,800	(4,052)	-0.5%
Capital	269,613	688,000	696,722	303,350	495,400	(192,600)	-28.0%
Total	**2,919,685**	**3,602,165**	**3,610,887**	**3,129,920**	**3,428,450**	**(173,715)**	**-4.8%**

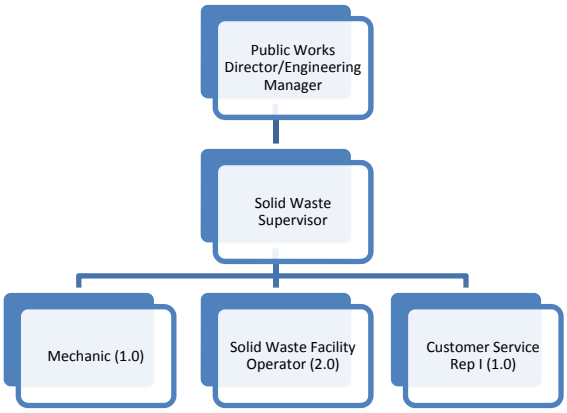
Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	987,280	1,111,135	1,119,335	1,057,250	1,106,485	(4,650)	-0.4%
Supplies	294,237	325,930	330,730	326,450	333,780	7,850	2.4%
Contract/Purchased Services	920,229	983,950	970,350	965,550	1,000,150	16,200	1.6%
Minor Capital Outlay	8,715	33,650	33,650	29,550	33,650	-	0.0%
Interdept'l Charges/Reimbursable Credits	439,611	459,500	460,100	447,770	458,985	(515)	-0.1%
Major Capital Outlay	269,613	688,000	696,722	303,350	495,400	(192,600)	-28.0%
Total	**2,919,685**	**3,602,165**	**3,610,887**	**3,129,920**	**3,428,450**	**(173,715)**	**-4.8%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Solid Waste Services Fund	2,919,685	3,602,165	3,610,887	3,129,920	3,428,450	(173,715)	-4.8%
Total	**2,919,685**	**3,602,165**	**3,610,887**	**3,129,920**	**3,428,450**	**(173,715)**	**-4.8%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Disposal	4.50	4.50	4.50	4.50	227,784	-	0.0%
Recycling	1.00	1.00	1.00	1.00	49,046	-	0.0%
Collections	5.50	5.50	5.50	5.50	258,437	-	0.0%
Total	**11.00**	**11.00**	**11.00**	**11.00**	**535,267**	**-**	**0.0%**

MISSION STATEMENT

The mission of the Solid Waste Disposal Division is to continue providing safe and economic solid waste disposal management and to offer such services in an environmentally sound manner while fostering recycling, composting and re-use. The division strives to furnish customers with expedient and efficient service.



GOALS FOR 2013

- Provide solid waste disposal services in compliance with ADEC permit requirements and in a manner that reflects positively on the City of Ketchikan.
- Continue approval of bio-solids land application through the USDA.
- Continue to address facility and grounds clean up with a focus on site drainage improvements and housekeeping efforts to ensure storm water run-off continues to meet acceptable levels.
- Continue to ship putrescible solid waste. Work at reducing weights and volumes where possible by improving the recycling of materials.
- Provide safe and sanitary disposal of waste to ensure a better and cleaner environment.

ACCOMPLISHMENTS FOR 2012

- The City's household hazardous waste program collected and disposed of approximately 42,200 pounds of various hazardous materials.
- The 2012 community wide spring clean-up program was a community success. The division's staff handled the operation in a manner that was extremely efficient and provided direction and service for the disposal of a wide variety of materials. The total volume received in a one-week period was 982,324 pounds (491.16 tons). A total of 2,320 vehicles for that one-week period was recorded at the division's scale station.
- The division provided support for the 4th of July, Blueberry Arts Festival and the ALPAR program. Various Earth Day cleanup projects were conducted. The division continued focus on community cleanup programs involving various non-profit and/or volunteer groups and has participated in areawide anti-litter education. The division continues to work with the Forest Service in disposal of noxious weeds such as Tansy Ragwort.
- Disposal of the Bawden Street Apartments and the Alaska Duty Free buildings in the division's asbestos cell.
- Worked with Engineering Division to provide mapping and location for the design of the current disposal cell.
- The division continued to provide support in materials, manpower and equipment to other divisions of the City for projects as requested. The division has continued to work on the development of the cemetery as requested.

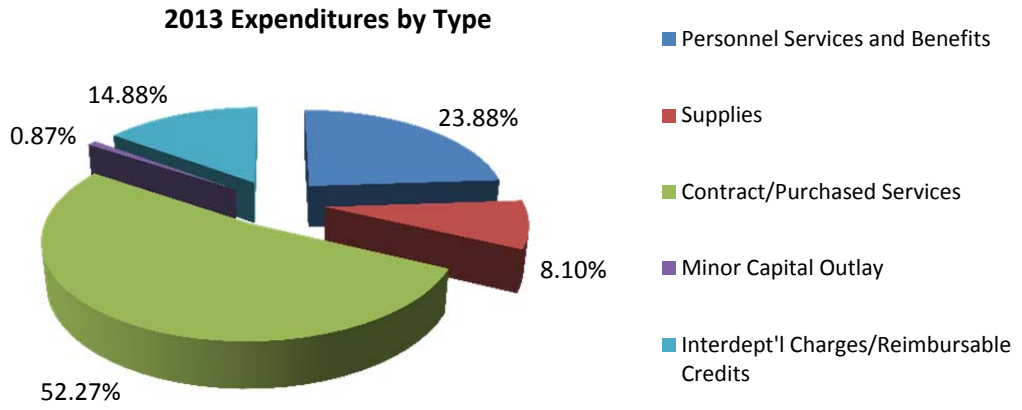
- The division has continued to work on a closure plan while keeping cost at a minimum.

DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	460,027	446,323	487,323	480,000	453,684	7,361	1.6%
Supplies	154,854	149,730	153,730	151,450	153,780	4,050	2.7%
Contract/Purchased Services	915,833	976,700	963,100	958,500	992,900	16,200	1.7%
Minor Capital Outlay	7,255	16,500	16,500	16,000	16,500	-	0.0%
Interdept'l Charges/Reimbursable Credits	265,714	286,700	287,300	278,751	282,610	(4,090)	-1.4%
Total Expenditures	**1,803,683**	**1,875,953**	**1,907,953**	**1,884,701**	**1,899,474**	**23,521**	**1.3%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Solid Waste Services Fund	1,803,683	1,875,953	1,907,953	1,884,701	1,899,474	23,521	1.3%
Total Funding	**1,803,683**	**1,875,953**	**1,907,953**	**1,884,701**	**1,899,474**	**23,521**	**1.3%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Solid Waste Supervisor	0.50	0.50	0.50	0.50	34,863	-	0.0%
Mechanic	1.00	1.00	1.00	1.00	50,274	-	0.0%
Solid Waste Facility Operator	2.00	2.00	2.00	2.00	105,789	-	0.0%
Customer Service Rep I	1.00	1.00	1.00	1.00	36,858	-	0.0%
Total	**4.50**	**4.50**	**4.50**	**4.50**	**227,784**	**-**	**0.0%**



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- No significant changes are included in this year's operating budgets for the Disposal Division.

DIVISION OPERATING BUDGET DETAIL

		Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	245,665	224,760	254,760	253,400	227,784	3,024	1.3%
501	01	Overtime Wages	18,754	30,000	29,275	25,000	31,000	1,000	3.3%
502	01	Temporary Wages	18,944	31,000	23,700	23,000	32,000	1,000	3.2%
505	00	Payroll Taxes	21,677	22,000	23,500	23,100	22,200	200	0.9%
506	00	Pension	42,307	42,300	45,700	44,600	42,400	100	0.2%
507	00	Insurance Benefits	104,200	89,700	103,400	101,300	91,500	1,800	2.0%
508	00	Other Benefits	7,230	5,100	5,400	8,100	5,300	200	3.9%
509	03	Allowances-PW Clothing	1,250	1,125	1,250	1,250	1,250	125	11.1%
509	08	Allowances-Medical Expenses	-	338	338	250	250	(88)	-26.0%
		Personnel Services and Benefits	**460,027**	**446,323**	**487,323**	**480,000**	**453,684**	**7,361**	**1.6%**
Supplies									
510	01	Office Supplies	2,563	4,300	4,300	4,000	4,300	-	0.0%
510	02	Operating Supplies	32,475	34,510	34,510	34,300	34,510	-	0.0%
510	03	Safety Program Supplies	1,382	1,500	1,500	1,500	1,550	50	3.3%
510	04	Janitorial Supplies	533	720	720	600	720	-	0.0%
510	05	Small Tools & Equipment	4,389	4,000	4,000	4,000	4,000	-	0.0%
515	01	Vehicle Maintenance Materials	57,425	44,700	44,700	43,700	44,700	-	0.0%
515	02	Bldg & Grounds Maint Materials	16,829	19,000	19,000	18,850	19,000	-	0.0%
525	03	Heating Fuel	32,685	32,000	36,000	36,000	36,000	4,000	12.5%
525	04	Vehicle Motor Fuel & Lubricants	6,573	9,000	9,000	8,500	9,000	-	0.0%
		Supplies	**154,854**	**149,730**	**153,730**	**151,450**	**153,780**	**4,050**	**2.7%**
Contract/Purchased Services									
600	02	Travel-Training	1,561	2,700	2,700	2,700	2,700	-	0.0%
600	03	Training and Education	1,041	1,800	1,800	1,800	1,800	-	0.0%
605	02	Advertising and Public Announcements	4,289	8,000	8,000	7,700	8,000	-	0.0%
615	01	Professional and Technical Licenses	758	1,500	1,500	1,000	1,500	-	0.0%
615	02	Assn. Membership Dues & Fees	646	700	700	650	700	-	0.0%
620	01	Salvage and Disposal of Property	27,675	50,000	41,400	40,500	50,000	-	0.0%
630	01	Building and Operating Permits	997	1,500	1,500	1,070	1,300	(200)	-13.3%
630	03	Bank and Merchant Charges	864	1,000	1,000	930	1,200	200	20.0%
635	06	Bldg and Grounds Maint Services	14,189	9,500	9,500	9,500	9,500	-	0.0%
635	07	Machinery & Equip Maint Services	14,189	9,500	9,500	9,500	9,500	-	0.0%
635	09	Disposal Services	786,406	814,150	814,150	814,000	832,350	18,200	2.2%
635	12	Technical Services	1,964	15,000	10,000	8,000	13,000	(2,000)	-13.3%
635	14	Other Contractual Services	-	5,850	5,850	5,850	5,850	-	0.0%
645	02	Rents and Leases-Machinery & Equip	521	1,000	1,000	800	1,000	-	0.0%
650	01	Telecommunications	9,378	9,500	9,500	9,500	9,500	-	0.0%
650	02	Electric, Water, Sewer & Solid Waste	51,355	45,000	45,000	45,000	45,000	-	0.0%
		Contract/Purchased Services	**915,833**	**976,700**	**963,100**	**958,500**	**992,900**	**16,200**	**1.7%**
Minor Capital									
715	00	Furniture and Fixtures	280	1,000	1,000	1,000	1,000	-	0.0%
725	00	Machinery and Equipment	6,457	10,000	10,000	10,000	10,000	-	0.0%
735	00	Software	518	5,500	5,500	5,000	5,500	-	0.0%
		Minor Capital Outlay	**7,255**	**16,500**	**16,500**	**16,000**	**16,500**	**-**	**0.0%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Interdepartmental Charges									
800	00	Interdept'l Charges-Administrative	17,996	18,567	18,867	18,840	19,052	485	2.6%
801	01	Interdept'l Charges-Human Resources	7,177	7,405	7,705	5,900	6,757	(648)	-8.8%
802	00	Interdept'l Charges-Finance	29,189	30,116	30,116	29,450	31,130	1,014	3.4%
803	01	Interdept'l Charges-Info Technology	18,411	18,996	18,996	18,945	19,055	59	0.3%
804	01	Interdept'l Charges-Engineering	152,567	174,000	174,000	168,000	169,000	(5,000)	-2.9%
805	01	Interdept'l Charges-KPU Billing Services	14,457	14,916	14,916	14,916	14,916	-	0.0%
825	01	Interdept'l Charges-Insurance	8,077	7,400	7,400	7,400	7,400	-	0.0%
850	01	Interdept'l Charges-Garage	17,840	15,300	15,300	15,300	15,300	-	0.0%
		Interdepartmental Charges	**265,714**	**286,700**	**287,300**	**278,751**	**282,610**	**(4,090)**	**-1.4%**
		Total Expenditures	**1,803,683**	**1,875,953**	**1,907,953**	**1,884,701**	**1,899,474**	**23,521**	**1.3%**

NARRATIVE

500-01 Regular Salaries and Wages: $227,784 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $31,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $32,000 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $22,200 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $42,400 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $91,500 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $5,300 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-03 Allowances – Public Works Clothing: $1,250 – This account provides for employer provided protective clothing allowances paid directly to represented employees of Public Works pursuant to collective bargaining agreements or the Personnel Rules.

509-08 Allowances - Medical Expenses: $250 - This account provides for employee medical exams.

510-01 Office Supplies: $4,300 - This account provides for paper, scale tickets, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers and tape dispensers.

510-02 Operating Supplies: $34,510 - This account provides for the purchase of departmental supplies including cleaning materials, baler wire, disposal overalls, equipment wash, chains and cables, first aid materials, etc., which are used by the division during the course of the year.

510-03 Safety Program Supplies: $1,550 - This account provides for the City safety program. This account traditionally is used to purchase materials and supplies necessary to conduct an ongoing safety program within the division. Included are safety information brochures, safety training audio and video programs, safety equipment, etc.

510-04 Janitorial Supplies: $720 – This account provides for the cost of janitorial supplies used to maintain the SWRHF during the course of the year.

510-05 Small Tools and Equipment: $4,000 - This account provides for minor tools. Included are hand tools, chain saws, blow torches, hydraulic jacks and similar types of minor tools and equipment.

515-01 Vehicle Maintenance Materials: $44,700 - This account provides for the repair and maintenance of Landfill vehicles and equipment . Included are licensed and unlicensed rolling stock.

515-02 Building & Grounds Maintenance Materials: $19,000 - This account provides for the cost and supplies of materials including filters, light bulbs, paint, steel, ceiling tiles, electrical wire and parts, lumber and building supplies, etc., which are used by the division to maintain the SWRHF and grounds throughout the course of the year.

525-03 Heating Fuel: $36,000 - This account provides for the cost of diesel fuel for SWRHF equipment & incinerator operation.

525-04 Vehicle Motor Fuel and Lubricants: $9,000 - This account provides for gasoline, diesel fuel, lubricants associated with the SWRHF vehicles and equipment.

600-02 Travel-Training: $2,700 – This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $1,800 – This account provides for registration fees, training fees, training materials, travel, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or third-parties.

605-01 Advertising and Public Announcements: $8,000 - This account provides for cost of legal advertisements, bid invitations and other regulatory notifications issued by the division during the course of the year. This account also provides for advertising costs incurred to educate the public regarding changes in operations.

615-01 Professional and Technical Licenses: $1,500 – This account provides for cost of staff professional licenses and certificates required for operating equipment.

615-02 Assn. Membership Dues and Fees: $700 – This account provides for the cost of membership in the Solid Waste Association of North America (SWANA) and the price of subscriptions to publications that provide information for managing and operation of disposal systems. As members of SWANA, employees receive reduced admission to training programs in the fields of solid waste, hazardous materials and recycling.

620-01 Salvage and Disposal of Impounded Property: $50,000 - This account provides for salvaging and/or disposing of junked vehicles and marine vessels. Although the funding in this line item is a cost to the division, the funds are managed by the Police Department.

630-01 Building and Operating Permits: $1,300 - This account provides for state regulatory fees & charges.

630-03 Bank and Merchant Charges: $1,200 - This account provides for merchant fees for use of credit and debt cards.

635-06 Buildings and Grounds Maintenance Services: $9,500 - This account provides contractual services required for the repair and maintenance of buildings and the upkeep of grounds located at the SWRHF. . This account includes contract labor and materials required to provide the service.

635-07 Machinery and Equipment Maintenance Services: $9,500 - This account provides contractual services required for the repair and maintenance of office equipment, machinery and other operating equipment used at the Landfill. . This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635-09 Disposal Services: $832,350 - This account provides for the disposal of putrescible waste, hazardous materials through our Household Hazardous Waste Program, freon disposal from refrigeration units, shipping and disposal of Harbor generated used oil and other environmentally sensitive material.

635-12 Technical Services: $13,000 - This account provides for services that are not regarded as professional but require technical or special knowledge. Included is the cost of outside professional expertise such as water quality testing, which is sometimes required for non-routine specialty tasks. This account also provides for routine semi-annual ADEC inspections required for permitting and general operations. The State of Alaska presently charges for services provided for managing the division's permit and review of the proposed closure plan.

635-14 Other Contractual Services: $5,850 - This account provides for contractual services not identified in the account classifications under contractual services which include pest control, systems alarm monitoring, etc.

645-02 Rents and Leases - Machinery & Equipment: $1,000 - This account provides for the rent and lease of machinery and equipment.

650-01 Telecommunications: $9,500 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, and long distance..

650-02 Electric, Water, Sewer & Solid Waste: $45,000 - This account provides for electric, water, sewer and solid waste utility services.

715-00 Furniture and Fixtures: $1,000 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $10,000 - This account provides for the acquisition of interchangeable tools for Landfill equipment.

735-00 Software: $5,500 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements which includes the purchase of a Preventative Maintenance program to track upcoming equipment maintenance and to provide for a record of previous repairs .

800-00 Interdepartmental Charges – Administrative: $19,052 - This account provides for administrative and management services provided by the departments of the City Council, City Clerk and City Attorney and the administrative office of the City Manager.

801-01 Interdepartmental Charges – Human Resources: $6,757 - This account provides for human resource services provided by the Human Resources Division

802-00 Interdepartmental Charges - Finance: $31,130 - This account provides for financial, accounting, payroll, accounts payable, billing, customer service and budgeting services provided by the Finance Department.

803-01 Interdepartmental Charges – Information Technology: $19,055 - This account provides for information technology services provided by the Information Technology Department.

804-01 Interdepartmental Charges – Engineering: $169,000 - This account provides for engineering services provided by the Public Works Department-Engineering Division.

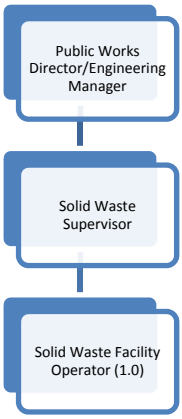
805-01 Interdepartmental Charges – KPU Billing Services: $14,916 – This account provides for billing and collection services provided by the KPU Sales, Marketing and Customer Service Division.

825-01 Interdepartmental Charges – Insurance: $7,400 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $15,300 - This account provides for fleet maintenance services provided by the Public Works Department-Garage Division.

MISSION STATEMENT

The Solid Waste Recycling Division is responsible for providing safe and efficient collection of recyclable products. The division attempts to make service beneficial to the public by maximizing recycling when economically feasible and improving the operation to better serve Ketchikan. It is the responsibility of the staff to help and assist the public. The division is responsible for promoting programs that reduce waste and educate the community.



GOALS FOR 2013

- Complete design for a possible expansion of the Recycling Center.
- Expand current paper collection route to include high volume producers.
- Continue efforts at schools within the City to capture additional recycling volumes.
- Continue efforts to capture additional metal volumes from materials received at the landfill.

ACCOMPLISHMENTS FOR 2012

- The division provided collection of paper products from a residential drop site by means of a drop box. The division has used its six cubic yard packer to collect office paper using rolling carts at municipal offices and schools throughout the City.
- The division continues to bale and ship white goods (appliances) as recyclable material, thereby removing them from the waste stream. Staff will continue to educate the public about materials currently accepted at the Recycling Center.
- The division collects and grinds clean wood products to be recycled in its composting operation. Some contractors and other industrial users continue to separate wood for more efficient processing.
- The division continues focusing on removal of scrap metal for additional recycling volumes.

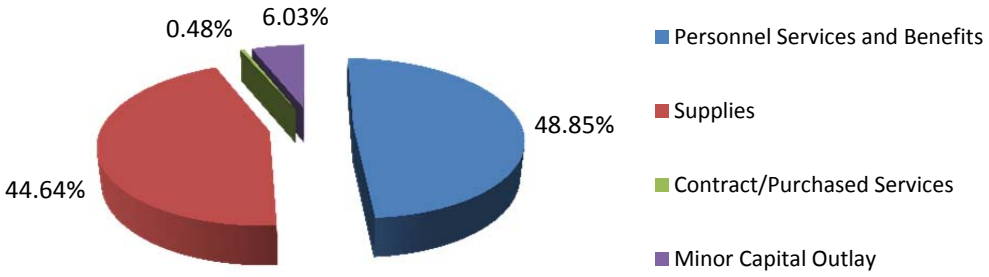
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	40,079	81,560	60,560	43,650	80,976	(584)	-0.7%
Supplies	51,271	74,000	62,000	60,000	74,000	-	0.0%
Contract/Purchased Services	-	800	800	800	800	-	0.0%
Minor Capital Outlay	-	10,000	10,000	6,500	10,000	-	0.0%
Total Expenditures	**91,350**	**166,360**	**133,360**	**110,950**	**165,776**	**(584)**	**-0.4%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Solid Waste Fund	91,350	166,360	133,360	110,950	165,776	(584)	-0.4%
Total Funding	**91,350**	**166,360**	**133,360**	**110,950**	**165,776**	**(584)**	**-0.4%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Solid Waste Facility Operator	1.00	1.00	1.00	1.00	49,046	-	0.0%
Total	**1.00**	**1.00**	**1.00**	**1.00**	**49,046**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- No significant changes are included in this year's operating budgets for the Recycling Division.

DIVISION OPERATING BUDGET DETAIL

		Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	24,309	48,330	27,330	26,000	49,046	716	1.5%
501	01	Overtime Wages	-	1,000	1,000	500	-	(1,000)	-100.0%
502	01	Temporary Wages	-	1,000	1,000	500	-	(1,000)	-100.0%
505	00	Payroll Taxes	1,900	3,700	3,700	2,100	3,800	100	2.7%
506	00	Pension	3,900	7,700	7,700	4,300	7,800	100	1.3%
507	00	Insurance Benefits	9,400	18,600	18,600	9,100	19,100	500	2.7%
508	00	Other Benefits	570	900	900	900	900	-	0.0%
509	03	Allowances-PW Clothing	-	250	250	250	250	-	0.0%
509	08	Allowances-Medical Expenses	-	80	80	-	80	-	0.0%
		Personnel Services and Benefits	**40,079**	**81,560**	**60,560**	**43,650**	**80,976**	**(584)**	**-0.7%**
Supplies									
510	02	Operating Supplies	757	1,000	1,000	1,000	1,000	-	0.0%
510	05	Small Tools & Equipment	1,412	2,000	2,000	2,000	2,000	-	0.0%
515	01	Vehicle Maintenance Materials	9,221	15,000	3,000	3,000	15,000	-	0.0%
515	04	Machinery & Equip Maint Materials	263	1,000	1,000	1,000	1,000	-	0.0%
520	04	Freight-Materials and Supplies	39,618	55,000	55,000	53,000	55,000	-	0.0%
		Supplies	**51,271**	**74,000**	**62,000**	**60,000**	**74,000**	**-**	**0.0%**
Contract/Purchased Services									
600	03	Training and Education	-	800	800	800	800	-	0.0%
		Contract/Purchased Services	**-**	**800**	**800**	**800**	**800**	**-**	**0.0%**
Minor Capital									
725	00	Machinery and Equipment	-	10,000	10,000	6,500	10,000	-	0.0%
		Minor Capital Outlay	**-**	**10,000**	**10,000**	**6,500**	**10,000**	**-**	**0.0%**
		Total Expenditures by Type	**91,350**	**166,360**	**133,360**	**110,950**	**165,776**	**(584)**	**-0.4%**

NARRATIVE

500-01 Regular Salaries and Wages: $49,046 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

505-00 Payroll Taxes: $3,800 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $7,800 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $19,100 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $900 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-03 Allowances – Public Works Clothing: $250 – This account provides for employer provided protective clothing allowances paid directly to represented employees of Public Works pursuant to collective bargaining agreements or the Personnel Rules.

509-08 Allowances- Medical Expenses: $80 - This account provides for employee medical exams paid directly to employees. These benefits are taxable to the employees.

510-02 Operating Supplies: $1,000 - This account provides for departmental supplies including cleaning materials, signs, bags, totes, chains and cable, educational materials, which are used by the division during the course of a year.

510-05 Small Tools and Equipment: $2,000 - This account provides for minor tools & equipment used by the division in a course of a year.

515-01 Vehicle Maintenance Materials: $15,000 - This account provides for the cost of operating and maintaining vehicles and equipment operated by the division. This account will also be used to maintain drop boxes and the additional hardware required.

515-04 Machinery and Equipment Maintenance Materials: $1,000 – This account provides for the cost of maintaining recycling containers.

520-04 Freight – Materials and Supplies: $55,000 - This account provides for shipping recycled products to market.

600-03 Training and Education: $800 – This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or a third-parties.

725-00 Machinery and Equipment: $10,000 - This account provides for the acquisition of new recycled drop boxes that will be used on the division's 1-ton truck chassis.

MISSION STATEMENT

The Solid Waste Collection Division is responsible for providing safe and efficient collection of municipal solid waste, demolition debris and recyclable products. The operation continues to be beneficial to the public by maximizing recycling when economically feasible and improving operations to better serve Ketchikan. It is the responsibility of the staff to help and serve the public. The division is responsible for promoting programs that reduce waste and educate the community. The division follows regulatory guidelines and makes every effort to meet the requirements set forth by those regulations. It is the responsibility of the division to promote an active and positive image of solid waste collection.

GOALS FOR 2013

- Complete full solid waste audit of residential and commercial accounts. Ensure all are paying for collection service.
- Generate daily collection sheet to include residential households.
- Improve route efficiencies on existing routes with a strong focus on cost savings.
- Increase collection of recyclable materials by identifying customers that may have waste that can be diverted as recyclable materials in a cost effective solution.
- Continue working with Finance Department to improve the tracking of seasonal business operators signing up for service.

ACCOMPLISHMENTS FOR 2012

- Customer collection relations continue to be the division's number one priority. The collection staff is well informed about operations and services and is able to answer questions with regard to recycling and the handling of special waste.
- Seasonal adjustment of the commercial route to 6:00 a.m. has resulted in a much cleaner downtown earlier and less complaints about collection vehicles blocking businesses and tourists.
- Collection crews have kept up with demand by working seven days a week during tourist season.
- The division provided containers and collection services for special events as requested. Staff also worked extra hours due to holidays and special events.
- The division works with ordinances dealing with litter and has worked at cleaning up problematic areas. The community still has bear issues and staff will continue to work with KPD and wildlife specialists to help educate the general public.

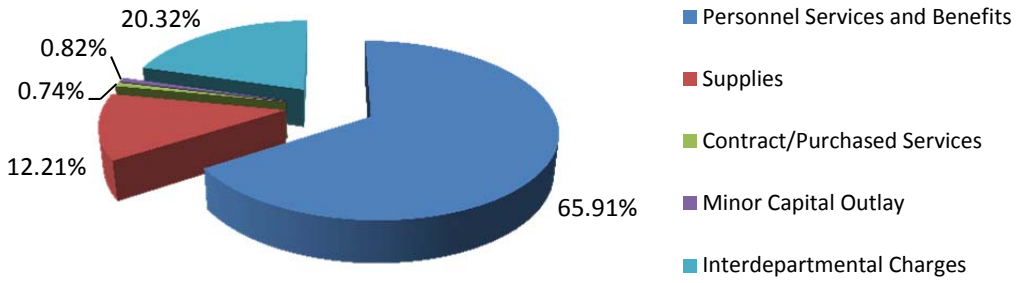
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	487,174	583,252	571,452	533,600	571,825	(11,427)	-2.0%
Supplies	88,112	102,200	115,000	115,000	106,000	3,800	3.7%
Contract/Purchased Services	4,396	6,450	6,450	6,250	6,450	-	0.0%
Minor Capital Outlay	1,460	7,150	7,150	7,050	7,150	-	0.0%
Interdepartmental Charges	173,897	172,800	172,800	169,019	176,375	3,575	2.1%
Total Expenditures	**755,039**	**871,852**	**872,852**	**830,919**	**867,800**	**(4,052)**	**-0.5%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Solid Waste Fund	755,039	871,852	872,852	830,919	867,800	(4,052)	-0.5%
Total Funding	**755,039**	**871,852**	**872,852**	**830,919**	**867,800**	**(4,052)**	**-0.5%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Supervisor	0.50	0.50	0.50	0.50	34,863	-	0.0%
Solid Waste Collector	5.00	5.00	5.00	5.00	223,574	-	0.0%
Total	**5.50**	**5.50**	**5.50**	**5.50**	**258,437**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Temporary Wages (Account No. 502-01) have been reduced by $20,000 to reflect collection practices of the downtown receptacles.

DIVISION OPERATING BUDGET DETAIL

		Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	225,556	253,664	253,664	238,500	258,437	4,773	1.9%
501	01	Overtime Wages	20,523	25,000	24,200	20,000	25,000	-	0.0%
502	01	Temporary Wages	65,859	95,000	84,000	75,000	75,000	(20,000)	-21.1%
505	00	Payroll Taxes	23,900	28,600	28,600	25,500	29,000	400	1.4%
506	00	Pension	39,400	46,700	46,700	41,400	47,300	600	1.3%
507	00	Insurance Benefits	106,700	125,100	124,800	123,800	127,800	2,700	2.2%
508	00	Other Benefits	3,558	7,400	7,500	7,500	7,500	100	1.4%
509	03	Allowances-PW Clothing	1,174	1,375	1,375	1,300	1,375	-	0.0%
509	08	Allowances-Medical Expenses	504	413	613	600	413	-	0.0%
		Personnel Services and Benefits	**487,174**	**583,252**	**571,452**	**533,600**	**571,825**	**(11,427)**	**-2.0%**
Supplies									
510	02	Operating Supplies	3,249	3,000	3,000	3,000	3,000	-	0.0%
510	03	Safety Program Supplies	929	1,000	1,300	1,300	1,300	300	30.0%
510	05	Small Tools & Equipment	713	1,000	1,000	1,000	1,000	-	0.0%
510	08	Inventory for Resale	14,378	21,000	20,000	20,000	21,000	-	0.0%
515	01	Vehicle Maintenance Materials	30,812	37,000	49,000	49,000	39,000	2,000	5.4%
515	04	Machinery & Equip Maint Materials	817	2,500	2,500	2,500	2,500	-	0.0%
525	04	Vehicle Motor Fuel & Lubricants	37,214	36,700	38,200	38,200	38,200	1,500	4.1%
		Supplies	**88,112**	**102,200**	**115,000**	**115,000**	**106,000**	**3,800**	**3.7%**
Contract/Purchased Services									
600	03	Training and Education	-	1,200	1,200	1,000	1,200	-	0.0%
605	02	Advertising and Public Announcements	-	500	500	500	500	-	0.0%
615	01	Professional and Technical Licenses	750	1,000	1,000	1,000	1,000	-	0.0%
630	02	Vehicle Licenses	150	150	150	150	150	-	0.0%
630	03	Bank and Merchant Charges	3,496	3,600	3,600	3,600	3,600	-	0.0%
		Contract/Purchased Services	**4,396**	**6,450**	**6,450**	**6,250**	**6,450**	**-**	**0.0%**
Minor Capital									
725	00	Machinery and Equipment	1,460	7,150	7,150	7,050	7,150	-	0.0%
		Minor Capital Outlay	**1,460**	**7,150**	**7,150**	**7,050**	**7,150**	**-**	**0.0%**
Interdepartmental Charges									
800	00	Interdept'l Charges-Administrative	21,112	18,787	19,387	19,280	19,603	816	4.3%
801	01	Interdept'l Charges-Human Resources	8,516	7,578	6,978	6,040	6,943	(635)	-8.4%
802	00	Interdept'l Charges-Finance	34,635	30,820	30,820	30,140	32,040	1,220	4.0%
803	01	Interdept'l Charges-Info Technology	21,848	19,441	19,441	19,385	19,615	174	0.9%
805	01	Interdept'l Charges-Engineering	49,242	58,000	58,000	56,000	60,000	2,000	3.4%
805	01	Interdept'l Charges-KPU Billing Services	25,143	22,374	22,374	22,374	22,374	-	0.0%
825	01	Interdept'l Charges-Insurance	9,401	10,800	10,800	10,800	10,800	-	0.0%
850	01	Interdept'l Charges-Garage	4,000	5,000	5,000	5,000	5,000	-	0.0%
		Interdepartmental Charges	**173,897**	**172,800**	**172,800**	**169,019**	**176,375**	**3,575**	**2.1%**
		Total Expenditures by Type	**755,039**	**871,852**	**872,852**	**830,919**	**867,800**	**(4,052)**	**-0.5%**

NARRATIVE

500-01 Regular Salaries and Wages: $258,437 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $25,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $75,000 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $29,000 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $47,300 – This account provides for employer contributions to retirement systems.

507-00 Insurance Benefits: $127,800 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $7,500 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-03 Allowances – Public Works Clothing: $1,375 – This account provides for employer provided protective clothing allowances paid directly to represented employees of Public Works pursuant to collective bargaining agreements or the Personnel Rules.

509-08 Allowances- Medical Expenses: $413 - This account provides for employee medical exams.

510-02 Operating Supplies: $3,000 - This account provides for the purchase of departmental supplies such as gloves, safety vests, safety glasses, back braces and first aid equipment used during the course of the year.

510-03 Safety Program Supplies: $1,300 – This account provides for the City safety program. This account is traditionally used to purchase materials and supplies necessary to conduct an ongoing safety program within the division. Included are safety information brochures, safety training audio and video programs, safety equipment, etc.

510-05 Small Tools and Equipment: $1,000 – This account provides for the purchase and or replacement of small tolls and equipment used by the division during the course of the year.

510-08 Inventory for Resale: $21,000 - This account provides for the purchase of equipment such as solid waste dumpsters and drop boxes that are utilized by both the Recycling and Collection Divisions. These in turn are sold to commercial customers of the Solid Waste Collection Division or placed in areas for the collection of recyclable materials from the general public.

515-01 Vehicle Maintenance Materials: $39,000 - This account provides for the cost of operating and maintaining vehicles operated by the division. This account will also be used to maintain drop boxes and the additional hardware required.

515-04 Machinery and Equipment Maintenance Materials: $2,500 – This account provides for the cost of supplies and materials such as shovels, fastening hardware, brooms, wheel cart parts, vehicle wash and brushes that are used by the division through the course of the year.

525-04 Vehicle Motor Fuel and Lubricants: $38,200 - This account provides for the purchase of gasoline, diesel fuel and lubricants associated with the division's use of vehicles.

600-03 Training and Education: $1,200 – This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or third-parties.

605-01 Advertising and Public Announcements: $500 - This account provides for advertising and announcements in newspapers or broadcasts over radio. This account also provides for educating the public about waste collection requirements, which includes notification and education to help manage bear problems within the City Limits.

615-01 Professional and Technical Licenses: $1,000 – This account provides for cost of commercial drivers licenses and other certificates required for operating equipment.

630-02 Vehicle Licenses: $150 – This account provides for the cost of various licenses and fees associated with the permitting of the division's vehicles..

630-03 Bank and Merchant Charges: $3,600 - This account provides for merchant fees for use of credit and debt cards.

725-00 Machinery and Equipment: $7,150 - This account provides for the purchase of replacement equipment such as cart tippers and other miscellaneous items for the collection vehicles.

800-00 Interdepartmental Charges – Administrative: $19,603 - This account provides for administrative and management services provided by the departments of the City Council, City Clerk and City Attorney, and the administrative office of the City Manager.

801-01 Interdepartmental Charges – Human Resources: $6,943 - This account provides for human resource services provided by the Human Resources Division

802-00 Interdepartmental Charges - Finance: $32,040 - This account provides for financial, accounting, payroll, accounts payable, billing, customer service and budgeting services provided by the Finance Department.

803-01 Interdepartmental Charges – Information Technology: $19,615 - This account provides for information technology services provided by the Information Technology Department.

804-01 Interdepartmental Charges – Engineering: $60,000 - This account provides for engineering services provided by the Public Works Department-Engineering Division.

805-01 Interdepartmental Charges – KPU Billing Services: $22,374 – This account provides for billing and collection services provided by the KPU Sales, Marketing and Customer Service Division.

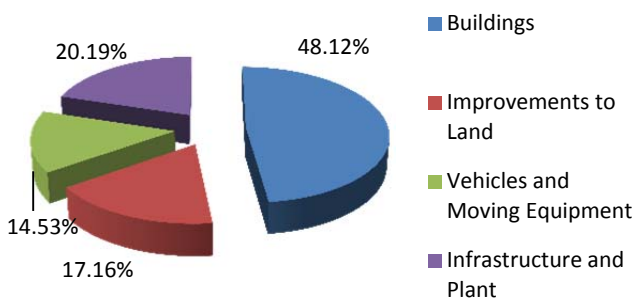
825-01 Interdepartmental Charges – Insurance: $10,800 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $5,000 - This account provides for fleet maintenance services provided by the Public Works Department-Garage Division.

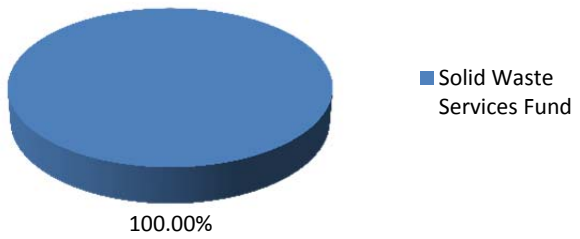
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00 Buildings	33,494	230,000	230,000	21,600	238,400	8,400	3.7%
710-00 Improvements to Land	406	50,000	50,000	50,000	85,000	35,000	70.0%
720-00 Vehicles and Moving Equipment	149,100	215,000	223,722	222,825	72,000	(143,000)	-66.5%
725-00 Machinery and Equipment	36,052	8,000	8,000	7,925	-	(8,000)	-100.0%
730-00 Infrastructure and Plant	50,561	185,000	185,000	1,000	100,000	(85,000)	-45.9%
Total Major Capital Outlay	**269,613**	**688,000**	**696,722**	**303,350**	**495,400**	**(192,600)**	**-28.0%**

2013 Capital Improvement Projects		Funding Sources			
Project #	Project	Solid Waste Services Fund			Total
705-00	**Buildings**				
	Transfer Floor Overlay	38,400	-	-	38,400
	SWRHF Bulding Extension & Design	182,000	-	-	182,000
	Transfer Station Building Repair	18,000	-	-	18,000
	Total Buildings	**238,400**	**-**	**-**	**238,400**
710-00	**Improvements to Land**				
	Drainage and Sludge Improvements	65,000	-	-	65,000
	L3A & L2A Drainage Improvements	20,000	-	-	20,000
	Total Improvements to Land	**85,000**	**-**	**-**	**85,000**
720-00	**Vehicles and Moving Equipment**				
	Trackhoe Boom RepairEX200LC	30,000	-	-	30,000
	Bobcat 5600 Toolcat Utility Work Machine	42,000	-	-	42,000
	Total Vehicles and Moving Equipment	**72,000**	**-**	**-**	**72,000**
730-00	**Infrastructure and Plant**				
	Cover Generation	100,000	-	-	100,000
	Total Infrastructure and Plant	**100,000**	**-**	**-**	**100,000**
	Total 2013 Capital Budget	**495,400**	**-**	**-**	**495,400**

2013 Expenditures by Type



2013 Expenditures by Funding Source



The Wastewater Division manages, operates and maintains the municipal sanitary wastewater system. The system consists of a secondary treatment plant, a collection system and seven pump stations located through its service area. The service area is limited to providing services to businesses and residents living within the boundaries of the City and the Ketchikan International Airport. Wastewater is a division of the Public Works Department.

The Wastewater Division is comprised of one operating division and oversees a Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	1,966,689	2,296,676	2,296,676	2,226,555	2,301,889	5,213	0.2%
Capital	2,891,118	2,746,733	5,149,487	4,987,987	929,500	(1,817,233)	-66.2%
Total	**4,857,807**	**5,043,409**	**7,446,163**	**7,214,542**	**3,231,389**	**(1,812,020)**	**-35.9%**

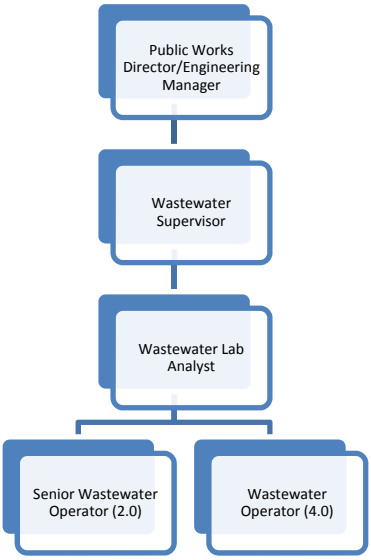
Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	715,388	779,754	779,754	764,134	810,422	30,668	3.9%
Supplies	348,879	386,200	401,700	401,700	388,200	2,000	0.5%
Contract/Purchased Services	295,933	338,580	338,580	338,380	339,480	900	0.3%
Minor Capital Outlay	43,070	63,900	63,900	63,900	71,500	7,600	11.9%
Interdepartmental Charges	489,419	525,000	538,000	524,090	523,040	(1,960)	-0.4%
Debt Service	-	125,242	96,742	60,351	89,247	(35,995)	-28.7%
Payment in Lieu of Taxes	74,000	78,000	78,000	74,000	80,000	2,000	2.6%
Major Capital Outlay	2,891,118	2,746,733	5,149,487	4,987,987	929,500	(1,817,233)	-66.2%
Total	**4,857,807**	**5,043,409**	**7,446,163**	**7,214,542**	**3,231,389**	**(1,812,020)**	**-35.9%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Wastewater Fund	2,287,601	3,121,676	3,265,346	3,033,725	3,231,389	109,713	3.5%
Grants	1,776,517	1,222,713	2,899,297	2,899,297	-	(1,222,713)	-100.0%
Bonds	793,689	699,020	1,281,520	1,281,520	-	(699,020)	-100.0%
Total	**4,857,807**	**5,043,409**	**7,446,163**	**7,214,542**	**3,231,389**	**(1,812,020)**	**-56.6%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Operations	8.00	8.00	8.00	8.00	430,758	-	0.0%
Total	**8.00**	**8.00**	**8.00**	**8.00**	**430,758**	**-**	**0.0%**

MISSION STATEMENT

It is the mission of the Wastewater Division to protect the environment through effective management, operation and maintenance of the sanitary wastewater system. Management's primary concern is for the health and safety of the citizens and employees. The division strives to provide the citizens of the City of Ketchikan with quality service using experienced, well-trained personnel and by continuing to upgrade the existing treatment plant, equipment and collection system components.



GOALS FOR 2013

- Maintain the sewer system as efficiently as possible within the constraints of the Wastewater Division's budget.
- Continue to meet EPA parameters without exceeding limits for BOD, fecal coliform, chlorine residual, pH, dissolved oxygen, copper and zinc.
- Continue the small pump station upgrade program as time and personnel allow.

ACCOMPLISHMENTS FOR 2012

- Hosted a surprise site visit from the EPA and obtained a compliance visit with zero (0) violations for the first time in Ketchikan's history.
- Replaced and upgraded numerous manhole lids and rings around town to reduce the sound of clanking lids.
- Stayed below EPA limit parameters without exceeding limits for biological oxygen demand (BOD), chlorine residual, fecal coliform, dissolved oxygen, copper and zinc.
- Consistently achieved over thirty percent removal of BOD and suspended solids.
- Continued public awareness program of wastewater ordinance violations.
- Provided cost effective service, which meets the federally mandated provision of the City's 301H waiver of secondary treatment.
- Complied with EPA requirements to change to flow proportional sampling from timed proportional sampling.
- Replaced the sanitary sewer force-main and flow meter in front of Treatment Plant A.
- Replaced motor operated valves and victaulic (glass lined) pipes in Treatment Plant A screen room.

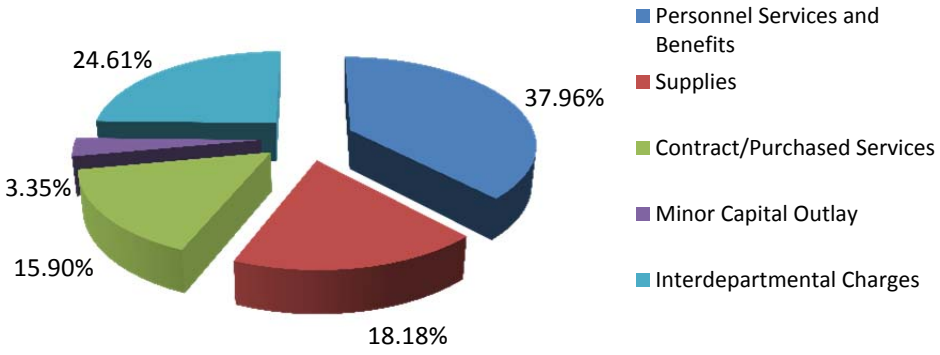
DIVISION EXECUTIVE SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	715,388	779,754	779,754	764,134	810,422	30,668	3.9%
Supplies	348,879	386,200	401,700	401,700	388,200	2,000	0.5%
Contract/Purchased Services	295,933	338,580	338,580	338,380	339,480	900	0.3%
Minor Capital Outlay	43,070	63,900	63,900	63,900	71,500	7,600	11.9%
Interdepartmental Charges	489,419	525,000	538,000	524,090	523,040	(1,960)	-0.4%
Debt Service	-	125,242	96,742	60,351	89,247	(35,995)	-28.7%
Payment In-Lieu of Taxes	74,000	78,000	78,000	74,000	80,000	2,000	2.6%
Total Expenditures	**1,966,689**	**2,296,676**	**2,296,676**	**2,226,555**	**2,301,889**	**5,213**	**0.2%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Wastewater Fund	1,966,689	2,296,676	2,296,676	2,226,555	2,301,889	5,213	0.2%
Total Expenditures	**1,966,689**	**2,296,676**	**2,296,676**	**2,226,555**	**2,301,889**	**5,213**	**0.2%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Wastewater Supervisor	1.00	1.00	1.00	1.00	76,199	-	0.0%
Senior Wastewater Operator	2.00	2.00	2.00	2.00	104,332	-	0.0%
Wastewater Operator	4.00	4.00	4.00	4.00	189,850	-	0.0%
Wastewater Lab Analyst	1.00	1.00	1.00	1.00	60,377	-	0.0%
Total	**8.00**	**8.00**	**8.00**	**8.00**	**430,758**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Overtime Wages (Account No. 501-01) increased by $15,000 to accommodate the increase in capital projects, after hours inspections and aging infrastructure needs.
- Machinery and Equipment (Account No. 725-00) increased $7,600 to include 3 new computer replacements.

- Interdepartmental Charges – Engineering (Account 804-01) decreased $24,000 because Public Works-Engineering Division has projected that it will be spending less time working on wastewater projects in 2013.
- Interdepartmental Charges – Garage (Account 850-01) increased $24,000 because aging equipment is requiring more services from the Public Works Garage Division.
- Payments in Lieu of Taxes (Account 975-00) increased $8,000 due to a proposed increase in the mill rate from 6.2 to 7.2.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	405,794	423,654	419,654	412,000	430,758	7,104	1.7%
501	01	Overtime Wages	28,933	35,000	50,000	50,000	50,000	15,000	42.9%
502	01	Temporary Wages	8,248	38,000	27,000	27,000	38,000	-	0.0%
505	00	Payroll Taxes	33,888	38,000	38,000	37,400	39,700	1,700	4.5%
506	00	Pension	72,965	75,640	75,640	74,000	78,700	3,060	4.0%
507	00	Insurance Benefits	151,187	154,840	154,840	149,300	158,400	3,560	2.3%
508	00	Other Benefits	11,676	11,120	11,120	10,934	11,364	244	2.2%
509	03	Allowances-Public Works Clothing	1,776	2,000	2,000	2,000	2,000	-	0.0%
509	08	Allowances-Medical Expenses	921	1,500	1,500	1,500	1,500	-	0.0%
		Personnel Services and Benefits	**715,388**	**779,754**	**779,754**	**764,134**	**810,422**	**30,668**	**3.9%**
Supplies									
510	01	Office Supplies	2,270	2,000	2,000	2,000	2,000	-	0.0%
510	02	Operating Supplies	1,357	2,000	2,000	2,000	2,000	-	0.0%
510	03	Safety Program Supplies	8,358	7,000	7,000	7,000	7,000	-	0.0%
510	04	Janitorial Supplies	5,425	8,000	8,000	8,000	8,000	-	0.0%
510	05	Small Tools & Equipment	10,894	10,000	12,000	12,000	12,000	2,000	20.0%
510	06	Chemicals	100,220	120,000	120,000	120,000	120,000	-	0.0%
515	04	Machinery & Equip Maint Materials	16,703	20,000	20,000	20,000	20,000	-	0.0%
515	05	Infrastructure Maint Materials	133,626	160,000	160,000	160,000	160,000	-	0.0%
520	02	Postage	2,400	2,000	2,500	2,500	2,000	-	0.0%
525	03	Heating Fuel	52,257	40,000	53,000	53,000	40,000	-	0.0%
525	04	Vehicle Motor Fuel & Lubricants	10,031	9,100	9,100	9,100	9,100	-	0.0%
530	03	Professional & Technical Publications	76	500	500	500	500	-	0.0%
535	02	Business and Meal Expenses	297	600	600	600	600	-	0.0%
535	04	Uniforms/Badges/Clothing	4,965	5,000	5,000	5,000	5,000	-	0.0%
		Supplies	**348,879**	**386,200**	**401,700**	**401,700**	**388,200**	**2,000**	**0.5%**

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Contract/Purchased Services							
600 02 Travel-Training	7,734	9,000	9,000	9,000	10,000	1,000	11.1%
600 03 Training and Education	5,156	6,000	6,000	6,000	5,000	(1,000)	-16.7%
605 02 Advertising & Public Announcements	1,928	1,500	1,500	1,500	2,500	1,000	66.7%
615 01 Professional & Technical Licenses	421	500	500	500	500	-	0.0%
615 02 Assn. Membership Dues & Fees	200	500	500	500	500	-	0.0%
630 01 Building & Operating Permits	2,865	3,000	3,000	3,000	2,800	(200)	-6.7%
630 02 Vehicle Licenses	60	100	100	100	500	400	400.0%
630 03 Bank and Merchant Charges	6,159	6,400	6,400	6,200	6,200	(200)	-3.1%
635 03 Vehicle Maintenance Services	1,000	4,000	4,000	4,000	4,000	-	0.0%
635 04 Software Maintenance Services	3,600	3,600	3,600	3,600	3,500	(100)	-2.8%
635 06 Bldg & Grounds Maint Services	10,877	7,650	7,650	7,650	8,000	350	4.6%
635 07 Machinery & Equip Maint Services	5,439	3,820	3,820	3,820	4,000	180	4.7%
635 08 Infrastructure Maint Services	57,104	40,140	40,140	40,140	42,000	1,860	4.6%
635 12 Technical Services	3,399	2,390	2,390	2,390	2,500	110	4.6%
640 02 Engineering & Architectural Services	-	5,000	5,000	5,000	5,000	-	0.0%
640 04 Management & Consulting Services	289	70,000	70,000	70,000	67,500	-	-3.6%
645 02 Rents & Leases-Mach & Equip	426	1,000	1,000	1,000	1,000	-	0.0%
650 01 Telecommunications	13,112	13,980	13,980	13,980	13,980	-	0.0%
650 02 Electric, Water, Sewer & Solid Waste	176,164	160,000	160,000	160,000	160,000	-	0.0%
Contract/Purchased Services	**295,933**	**338,580**	**338,580**	**338,380**	**339,480**	**900**	**0.3%**
Minor Capital							
715 00 Furniture and Fixtures	450	1,500	1,500	1,500	1,500	-	0.0%
725 00 Machinery and Equipment	42,620	62,400	62,400	62,400	70,000	7,600	12.2%
Minor Capital Outlay	**43,070**	**63,900**	**63,900**	**63,900**	**71,500**	**7,600**	**11.9%**
Interdepartmental Charges							
800 00 Interdept'l - Administrative	31,242	27,700	28,700	28,535	29,420	1,720	6.2%
801 01 Interdept'l - Human Resources	12,643	11,210	10,210	8,940	10,425	(785)	-7.0%
802 00 Interdept'l - Finance	51,443	45,610	45,610	45,215	48,065	2,455	5.4%
803 01 Interdept'l - Info Technology	32,449	28,770	28,770	28,690	29,420	650	2.3%
804 01 Interdept'l - Engineering	246,524	309,000	309,000	297,000	285,000	(24,000)	-7.8%
805 01 Interdept'l - KPU Billing Services	48,170	42,710	42,710	42,710	42,710	-	0.0%
825 01 Interdept'l - Insurance	33,160	33,000	33,000	33,000	33,000	-	0.0%
850 01 Interdept'l - Garage	18,788	12,000	25,000	25,000	30,000	18,000	150.0%
851 01 Interdept'l- Equipment	15,000	15,000	15,000	15,000	15,000	-	0.0%
Interdepartmental Charges	**489,419**	**525,000**	**538,000**	**524,090**	**523,040**	**(1,960)**	**-0.4%**
Debt Service							
931 00 Debt Service - Principal	-	92,990	52,490	16,592	66,636	(26,354)	-28.3%
932 00 Debt Service - Interest	-	32,252	44,252	43,759	22,611	(9,641)	-29.9%
Debt Service	**-**	**125,242**	**96,742**	**60,351**	**89,247**	**(35,995)**	**-28.7%**
Other Costs							
975 00 Payment in Lieu of Taxes	74,000	78,000	78,000	74,000	80,000	2,000	2.6%
Other Costs	**74,000**	**78,000**	**78,000**	**74,000**	**80,000**	**2,000**	**2.6%**
Total Expenditures by Type	**1,966,689**	**2,296,676**	**2,296,676**	**2,226,555**	**2,301,889**	**5,213**	**0.2%**

NARRATIVE

500-01 Regular Salaries and Wages: $430,758 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $50,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $38,000 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $39,700 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $78,700 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $158,400 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $11,364 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509-03 Allowances – Public Works Clothing: $2,000 – This account provides for employer provided protective clothing allowances paid directly to represented employees of Public Works pursuant to collective bargaining agreements or the Personnel Rules.

509-08 Allowances-Medical Expenses: $1,500 – This account provides for employer provided medical exams paid directly to employees.

510-01 Office Supplies: $2,000 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers, and tape dispensers.

510-02 Operating Supplies: $2,000 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as employee awards and recognition pins, brochures, laboratory supplies, posters, general materials for public programs, engineering materials, and paint.

510-03 Safety Program Supplies: $7,000 - This account provides for the City safety program. Included are safety information brochures, safety training audio and video programs, safety equipment, OSHA required medical exams, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control equipment.

510-04 Janitorial Supplies: $8,000 – This account provides for cleaning and sanitation supplies used by in-house and contracted janitors.

510-05 Small Tools and Equipment: $12,000 - This account provides for minor tools, operating and office equipment with a value of less than $1,000. Included are hand tools, chain saws, blow torches, hydraulic jacks, sump pumps, computer accessories, space heaters, radios, calculators, file cabinets and similar types of minor tools and equipment.

510-06 Chemicals: $120,000 - This account provides for chemicals used for wastewater treatment and testing.

515-04 Machinery and Equipment Maintenance Materials: $20,000 – This account provides for materials required for the repair and maintenance of machinery and equipmentoperated by the division.. Included are office equipment, operating equipment, computer networks and computers.

515-05 Infrastructure Maintenance Materials: $160,000 - This account provides for materials required for the repair and maintenance of infrastructure aoperated by the division. Included are, sewer mains, sewer pump stations, generators, and SCADA communications.

520-01 Postage: $2,000 - This account provides for postal related services such as postage, express delivery, mailing materials and the rent of post office boxes and postage machines.

525-03 Heating Fuel: $40,000 - This account provides for heating fuel to heat facilities owned or leased and operated by the City and Ketchikan Public Utilities.

525-04 Vehicle Motor Fuel and Lubricants: $9,100 - This account provides for gasoline, diesel fuel, propane and lubricants used in the operations of City and Ketchikan Public Utilities vehicles.

530-03 Professional and Technical Publications: $500 - This account provides for professional and technical publications. Included are professional handbooks, print and electronic subscription services for engineering, information technology and professional standards and technical journals.

535-02 Business and Meal Expenses: $600 - This account provides for reimbursements to employees for business and job related meals, and other business related expenses.

535-04 Allowances-Uniforms/Badges/Clothing: $5,000 - This account provides for direct purchases of or reimbursements to employees for work related clothing required by department policies. Included are work clothes, , raingear, hats, boots and gloves.

600-02 Travel-Training: $10,000 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $5,000 – This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or third-parties.

605-01 Advertising and Public Announcements: $2,500 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are legal notices, public service announcements, community issues, recruiting, requests for proposals, contracts and sales of property and equipment.

615-01 Professional Licenses and Technical Certifications: $500 – This account provides for licensing professional, technical and other employees requiring a license in order to perform their duties. Included are fees paid to license engineers and commercial drivers; and fees paid for technical certifications required by treatment plant operators, lab technicians, and operators of special equipment.

615-02 Assn. Membership Dues and Fees: $500 – This account provides for memberships in professional and trade associations.

630-01 Building and Operating Permits: $2,800 - This account provides for permits required for construction, right-of-ways, easements, environmental, occupancy and operations.

630-02 Vehicle Licenses: $500 – This account provides for licensing City vehicles for operations on public highways.

630-03 Bank and Merchant Charges: $6,200 – This account provides for monthly bank account service charges, merchant fees for use of credit and debt cards, wire transfer fees and other fees for banking services.

635-03 Vehicle Maintenance Services: $4,000 – This account provides for expenditure for the repair and maintenance of City vehicles by outside maintenance facilities. Included are licensed and unlicensed rolling stock and boats. This account includes contract labor and materials required to provide the service.

635-04 Software Maintenance Services: $3,500 - This account provides for maintenance agreements to support licensed software systems.

635-06 Buildings and Grounds Maintenance Services: $8,000 - This account provides contractual services for the repair and maintenance of buildings and the upkeep of grounds owned or leased by the City. This account includes contract labor and materials required to provide the service.

635-07 Machinery and Equipment Maintenance Services: $4,000 - This account provides contractual services for the repair and maintenance of office equipment, machinery and other operating equipment used byby the division. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635-08 Infrastructure Maintenance Services: $42,000 - This account provides contractual services for the repair and maintenance of infrastructure owned or leased by the City. This account includes contract labor and materials required to provide the service. Included are sewer mains, sewer pump stations, generators and SCADA systems.

635-12 Technical Services: $2,500 - This account provides for services that are not regarded as professional but require technical or special knowledge. Included are , wastewater testing, data base management, video camera operators, pest control and security.

640-02 Engineering and Architectural Services: $5,000 - This account provides for engineering and architectural services outside the scope of available services with internal staff.

640-04 Management and Consulting Services: $67,500 - This account provides for management and consulting services. Included is project management, rate studies, management studies and other management and consulting engagement requiring persons or firms with specialized skills and knowledge.

645-02 Rents and Leases - Machinery & Equipment: $1,000 - This account provides for the rent and lease of machinery and equipment.

650-01 Telecommunications: $13,980 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers.

650-02 Electric, Water, Sewer & Solid Waste: $160,000 - This account provides for electric, water, sewer and solid waste utility services.

715-00 Furniture and Fixtures: $1,500 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $70,000 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment, pumps, motors, fittings valves and operating equipment required to provide services or maintain capital assets.

800-00 Interdepartmental Charges – Administrative: $29,420 - This account provides for administrative and management services provided by the departments of the City Council, City Clerk and City Attorney, and the administrative office of the City Manager.

801-01 Interdepartmental Charges – Human Resources: $10,425 - This account provides for human resource services provided by the Human Resources Division

802-00 Interdepartmental Charges - Finance: $48,065 - This account provides for financial, accounting, payroll, accounts payable, billing, customer service and budgeting services provided by the Finance Department.

803-01 Interdepartmental Charges – Information Technology: $29,420 - This account provides for information technology services provided by the Information Technology Department.

804-01 Interdepartmental Charges – Engineering: $285,000 - This account provides for engineering services provided by the Public Works Department-Engineering Division.

805-01 Interdepartmental Charges – KPU Billing Services: $42,710 - This account provides for billing and collection services provided by the KPU Sales, Marketing and Customer Service Division.

825-01 Interdepartmental Charges – Insurance: $33,000 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $30,000 - This account provides for fleet maintenance services provided by the Public Works Department-Garage Division

851-01 Equipment Charges: $15,000 - This account provides for the use of equipment owned by one department of the City by another department of the City.

931-00 Debt Service-Principal: $66,636 - This account provides for principal on bonds, loans, capital leases and other financing arrangements.

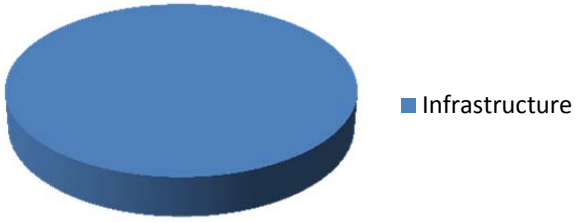
932-00 Debt Service-Interest: $22,611 - This account provides for interest on bonds, loans, capital leases and other financing arrangements.

975-00 Payments in Lieu of Taxes: $80,000 - This account provides for payments in lieu of taxes assessed against the enterprise funds of the City.

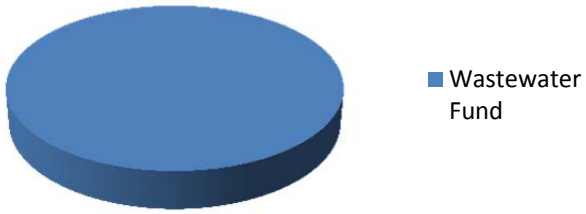
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
725-00 Machinery and Equipment	73,630	30,000	30,000	30,000	-	(30,000)	-100.0%
730-00 Infrastructure	2,817,488	2,716,733	5,119,487	4,957,987	929,500	(1,787,233)	-65.8%
Total Major Capital Outlay	**2,891,118**	**2,746,733**	**5,149,487**	**4,987,987**	**929,500**	**(1,817,233)**	**-66.2%**

2013 Capital Improvement Projects		Funding Sources			
Project #	Project	Wastewater Fund	Grants	Bonds	Total
730-00	**Infrastructure**				
	Sewer Main & Manhole Repair/Replacement	100,000	-	-	100,000
	Upgrade Sewer Laterals	30,000	-	-	30,000
	Small Pump Station Upgrades	40,000	-	-	40,000
	CIPP Sewer Lining	600,000	-	-	600,000
	Front & Mill Streets Sewer Replacement	89,500	-	-	89,500
	Dunton St. Viaduct and Utility Reconstruction	12,000	-	-	12,000
	Sayles Gorge Bridge & Utility Reconstruction	8,000	-	-	8,000
	Replacement of Effluent Line	50,000	-	-	50,000
	Total Infrastructure	**929,500**	**-**	**-**	**929,500**
	Total 2013 Capital Budget	**929,500**	**-**	**-**	**929,500**

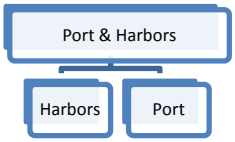
2013 Expenditures by Type



2013 Expenditures by Funding Source



The Port & Harbors Department operates and maintains six boat harbors: Bar Harbor South, Bar Harbor North, Thomas Basin, Casey Moran, Knudson Cove and Hole-In-The-Wall; three launch ramps; and the Port of Ketchikan.



The Harbors Division of the Port & Harbors Department is comprised of one operating division and oversees one Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	1,123,541	1,132,584	1,137,584	1,128,039	1,134,909	2,325	0.2%
Capital	347,818	8,179,500	8,179,500	2,151,636	10,402,372	2,222,872	27.2%
Total	**1,471,359**	**9,312,084**	**9,317,084**	**3,279,675**	**11,537,281**	**2,225,197**	**23.9%**

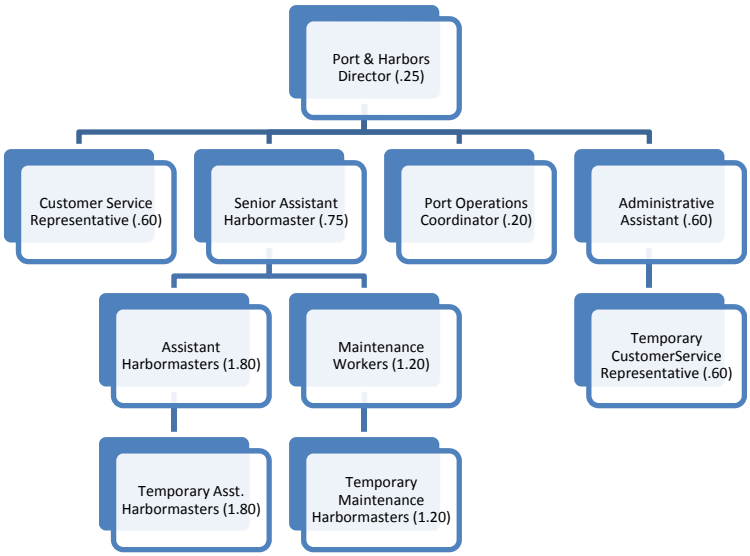
Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	589,280	572,284	565,084	565,084	570,034	(2,250)	-0.4%
Supplies	64,077	68,500	71,900	71,450	72,240	3,740	5.5%
Contract/Purchased Services	222,763	247,750	260,750	256,800	274,600	26,850	10.8%
Minor Capital Outlay	9,714	19,000	14,800	14,400	19,000	-	0.0%
Interdepartmental Charges	237,707	225,050	225,050	220,305	199,035	(26,015)	-11.6%
Major Capital Outlay	347,818	8,179,500	8,179,500	2,151,636	10,402,372	2,222,872	27.2%
Total	**1,471,359**	**9,312,084**	**9,317,084**	**3,279,675**	**11,537,281**	**2,225,197**	**23.9%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Harbor Fund	1,216,713	1,142,084	1,147,084	1,136,477	1,162,409	20,325	1.8%
Grants	254,646	2,012,500	2,012,500	1,539,063	6,571,507	4,559,007	226.5%
Raw Fish Tax	-	1,051,158	1,051,158	604,135	53,365	(997,793)	-94.9%
Bonds	-	5,106,342	5,106,342	-	2,500,000	(2,606,342)	-51.0%
Interfund Loan	-	-	-	-	1,250,000	1,250,000	New
Total	**1,471,359**	**9,312,084**	**9,317,084**	**3,279,675**	**11,537,281**	**2,220,197**	**23.9%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Operations	5.40	5.40	5.40	5.40	302,534	-	0.0%
Total	**5.40**	**5.40**	**5.40**	**5.40**	**302,534**	**-**	**0.0%**

MISSION STATEMENT

The mission of the Harbor Division is to maintain and operate the City-owned public boat harbors to provide safe and convenient use of the harbors by the commercial fishing fleet, charter boat fleet, pleasure vessels and the general public. The harbors are operated in accordance with the State Boat Harbor Management Agreement and Title 14 of the Ketchikan Municipal Code. The Harbor Division will, with the aid of the City Council, the City Manager's Office, the Port & Harbors Advisory Board and the State of Alaska, identify and pursue construction of new facilities and maintain existing facilities. The Harbor Division will promote the City of Ketchikan and assist the community in maintaining economic growth and prosperity.



GOALS FOR 2013

- Complete construction of Bar Harbor Launch Ramp Replacement Project.
- Complete design, advertise for bids, award contract and begin construction of Bar Harbor Drive Down Float Project.
- Begin design of Bar Harbor South Floats 1N and 9 Replacement Project.

ACCOMPLISHMENTS FOR 2012

- Completed construction of sixteen (16) new harbor carts and two (2) net racks for net float.
- Passed $5,000,000 harbor bond initiative.
- Completed design, advertised for bids, awarded contract and began construction of Bar Harbor Launch Ramp Replacement Project.
- Began design of Bar Harbor Drive Down Float Project.
- Installed 5 new fish cleaning stations.
- Replaced marina management and accounting software.

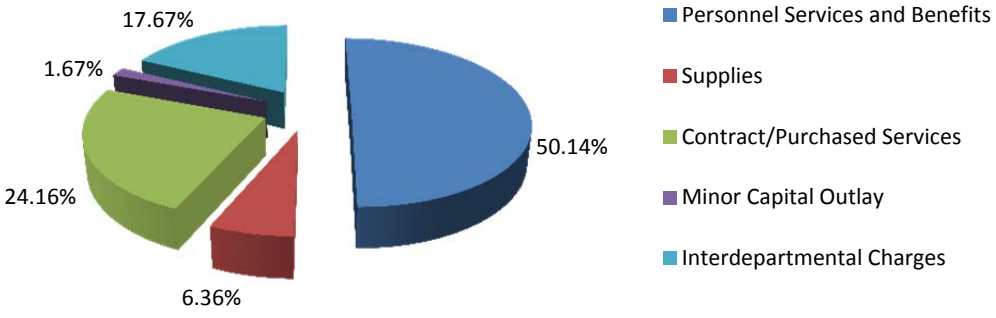
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	589,280	572,284	565,084	565,084	570,034	(2,250)	-0.4%
Supplies	64,077	68,500	71,900	71,450	72,240	3,740	5.5%
Contract/Purchased Services	222,763	247,750	260,750	256,800	274,600	26,850	10.8%
Minor Capital Outlay	9,714	19,000	14,800	14,400	19,000	-	0.0%
Interdepartmental Charges	237,707	225,050	225,050	220,305	199,035	(26,015)	-11.6%
Total Expenditures	**1,123,541**	**1,132,584**	**1,137,584**	**1,128,039**	**1,134,909**	**2,325**	**0.2%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Harbor Fund	1,123,541	1,132,584	1,137,784	1,128,039	1,134,909	2,325	0.2%
Total Expenditures	**1,123,541**	**1,132,584**	**1,137,784**	**1,128,039**	**1,134,909**	**2,325**	**0.2%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Director of Port & Harbors	0.25	0.25	0.25	0.25	26,654	-	0.0%
Senior Assistant Harbormaster	0.75	0.75	0.75	0.75	52,014	-	0.0%
Port Operations Coordinator	0.20	0.20	0.20	0.20	12,871	-	0.0%
Assistant Harbormasters	1.80	1.80	1.80	1.80	97,335	-	0.0%
Maintenance Worker	1.20	1.20	1.20	1.20	61,626	-	0.0%
Administrative Assistant	0.60	0.60	0.60	0.60	27,737	-	0.0%
Customer Service Rep I	0.60	0.60	0.60	0.60	24,297	-	0.0%
Total	**5.40**	**5.40**	**5.40**	**5.40**	**302,534**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Insurance Benefits (Account No. 507-00) decreased by $7,200 due to changes in employee health insurance status.

- Telecommunications (Account No. 650-01) increased by $5,900 to cover the cost of data streaming due to all of the new security cameras finally being placed in operation.
- Electric, Water, Sewer & Solid Waste (Account No. 650-02) increased by $19,700 to cover the recent and proposed increases in KPU water rates.
- Vehicle Motor Fuel & Lubricants (Account 524-01) increased by $3,000 to cover higher fuel costs.
- Interdepartmental Charges – Engineering (Account 804-01 decreased by $27,000 because Public Works-Engineering Division has projected that it will be spending less time working on harbor projects in 2013.

DIVISION OPERATING BUDGET DETAIL

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Personnel Services and Benefits							
500 01 Regular Salaries and Wages	320,288	298,284	298,284	298,284	302,534	4,250	1.4%
501 01 Overtime Wages	9,750	8,000	9,800	9,800	8,000	-	0.0%
502 01 Temporary Wages	52,000	69,000	60,000	60,000	69,000	-	0.0%
505 00 Payroll Taxes	29,225	28,800	28,800	28,160	29,000	200	0.7%
506 00 Pension	71,549	66,400	66,400	66,790	66,900	500	0.8%
507 00 Insurance Benefits	97,843	93,600	93,600	93,600	86,400	(7,200)	-7.7%
508 00 Other Benefits	8,625	8,200	8,200	8,450	8,200	-	0.0%
Personnel Services and Benefits	**589,280**	**572,284**	**565,084**	**565,084**	**570,034**	**(2,250)**	**-0.4%**
Supplies							
510 01 Office Supplies	4,428	4,450	4,450	4,400	4,450	-	0.0%
510 02 Operating Supplies	1,624	3,300	3,300	3,200	3,300	-	0.0%
510 03 Safety Program Supplies	160	300	300	300	300	-	0.0%
510 04 Janitorial Supplies	1,056	1,800	1,800	1,800	1,850	50	2.8%
535 04 Small Tools & Equipment	3,766	4,100	4,100	4,100	4,150	50	1.2%
515 05 Infrastructure Maint Materials	34,837	35,500	35,500	35,500	35,500	-	0.0%
520 02 Postage	2,374	2,800	2,800	2,500	2,940	140	5.0%
525 03 Heating Fuel	4,463	5,200	5,700	5,700	5,700	500	9.6%
525 04 Vehicle Motor Fuel & Lubricants	8,927	8,850	11,750	11,750	11,850	3,000	33.9%
530 02 Periodicals	230	100	100	100	100	-	0.0%
535 04 Uniforms/Badges/Clothing	2,212	2,100	2,100	2,100	2,100	-	0.0%
Supplies	**64,077**	**68,500**	**71,900**	**71,450**	**72,240**	**3,740**	**5.5%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Contract/Purchased Services									
600	02	Travel-Training	3,000	2,700	2,700	2,700	2,800	100	3.7%
600	03	Training and Education	1,008	900	900	900	1,100	200	22.2%
605	02	Advertising and Public Announcements	1,000	1,500	6,500	6,500	1,550	50	3.3%
605	03	Marketing	1,001	1,500	1,500	1,500	1,500	-	0.0%
615	02	Assn. Membership Dues & Fees	400	200	500	300	200	-	0.0%
620	01	Salvage & Disposal of Impounded Prop	25	19,600	14,800	13,950	20,000	400	2.0%
620	02	Towing of Impounded Property	-	400	400	400	500	100	25.0%
630	01	Building & Operating Permits	962	900	900	900	900	-	0.0%
630	02	Vehicle Licenses	20	20	20	20	20	-	0.0%
630	03	Bank and Merchant Charges	11,000	9,630	9,630	9,180	9,630	-	0.0%
635	02	Janitorial and Cleaning Services	3,600	3,500	3,500	3,500	3,600	100	2.9%
635	03	Vehicle Maintenance Services	-	5,000	2,100	1,950	5,000	-	0.0%
635	04	Software Maintenance Services	1,500	3,900	3,900	3,517	3,900	-	0.0%
635	06	Bldg & Grounds Maintenance Services	2,500	3,500	3,500	3,157	3,600	100	2.9%
635	07	Machinery & Equip Maintenance Services	4,000	4,000	4,000	3,608	4,100	100	2.5%
635	08	Infrastructure Maintenance Services	8,205	9,000	9,000	8,118	9,100	100	1.1%
645	02	Rents & Leases-Mach & Equip	184	900	900	600	900	-	0.0%
650	01	Telecommunications	18,577	20,600	24,800	24,800	26,500	5,900	28.6%
650	02	Electric, Water, Sewer & Solid Waste	165,781	160,000	171,200	171,200	179,700	19,700	12.3%
		Contract/Purchased Services	**222,763**	**247,750**	**260,750**	**256,800**	**274,600**	**26,850**	**10.8%**
Minor Capital									
715	00	Furniture and Fixtures	-	4,000	4,000	4,000	4,000	-	0.0%
725	00	Machinery and Equipment	9,714	12,200	8,000	7,600	12,200	-	0.0%
735	00	Software		2,800	2,800	2,800	2,800	-	0.0%
		Minor Capital Outlay	**9,714**	**19,000**	**14,800**	**14,400**	**19,000**	**-**	**0.0%**
Interdepartmental Charges									
800	00	Interdept'l Charges - Administrative	-	20,203	21,203	20,920	21,055	852	4.2%
801	01	Interdept'l Charges - Human Resources	11,148	8,228	7,228	6,560	7,460	(768)	-9.3%
802	00	Interdept'l Charges - Finance	48,488	33,462	33,462	32,725	34,410	948	2.8%
803	01	Interdept'l Charges - Info Technology	33,118	21,107	21,107	21,050	21,060	(47)	-0.2%
804	01	Interdept'l Charges - Engineering	77,939	73,000	73,000	70,000	46,000	(27,000)	-37.0%
825	01	Interdept'l Charges - Insurance	61,646	60,200	60,200	60,200	60,200	-	0.0%
850	01	Interdept'l Charges - Garage	5,368	8,850	8,850	8,850	8,850	-	0.0%
		Interdepartmental Charges	**237,707**	**225,050**	**225,050**	**220,305**	**199,035**	**(26,015)**	**-11.6%**
		Total Expenditures by Type	**1,123,541**	**1,132,584**	**1,137,584**	**1,128,039**	**1,134,909**	**2,325**	**0.2%**

NARRATIVE

500-01 Regular Salaries and Wages: $302,534 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $8,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $69,000 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $29,000 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $66,900 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $86,400 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $8,200 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $4,450 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, calculators, staplers, comb binding machines and tape dispensers.

510-02 Operating Supplies: $3,300 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as medical supplies, coffee, creamer, disposable cups, paper plates, plastic utensils, public trash cans, public benches, keys and locksets.

510-03 Safety Program Supplies: $300 - This account provides for the City safety program. Included are safety information brochures, safety training audio and video programs, safety equipment, OSHA required medical exams, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control.

510-04 Janitorial Supplies: $1,850 – This account provides for cleaning and sanitation supplies used by in-house and contracted janitors.

510-05 Small Tools and Equipment: $4,150 - This account provides for minor tools and operating & office equipment with a value of less than $1,000. Included are hand-held radios, hand tools, chain saws, torches, hydraulic jacks, de-watering pumps, computer accessories, portable heaters, radios, welders, and similar types of minor tools and equipment.

515-05 Infrastructure Maintenance Materials: $35,500 - This account provides for the materials required for the repair and maintenance of infrastructure owned or leased and operated by the Harbor Department.. Included are launch ramps, access ramps, floats, piles, lighting, water lines and other items associated with the harbor facilities.

520-02 Postage: $2,940 - This account provides for postal related services such as postage, express delivery, mailing materials, etc.

525-03 Heating Fuel: $5,700 - This account provides for heating fuel to heat facilities owned or leased and operated by the City.

525-04 Vehicle Motor Fuel and Lubricants: $11,850 - This account provides for gasoline, diesel fuel, propane and lubricants used in the operations of the Harbor Department..

530-02 Periodicals: $100 - This account provides for the newspapers, magazines and trade journals.

535-04 Allowances-Uniforms/Badges/Clothing: $2,100 - This account provides for direct purchases of or reimbursements to employees for work related clothing required by department policies. Included are work shirts, jackets, float suits, raingear, hats, boots and gloves.

600-02 Travel-Training: $2,800 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $1,100 – This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or third-parties.

605-01 Advertising and Public Announcements: $1,550 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are public service announcements, community issues, recruiting, requests for proposals, contracts and sales of property and equipment.

605-03 Marketing: $1,500 - This account provides for announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television.

615-02 Dues and Membership Fees: $200 – This account provides for memberships in professional and trade associations.

620-01 Salvage and Disposal of Impounded Property: $20,000 - This account provides for salvaging and/or disposing of junked marine vessels.

620-02 Towing of Impounded Property: $500 – This account provides for towing and/or storing of impounded vehicles and marine vessels.

630-01 Building and Operating Permits: $900 - This account provides for permits required for construction, right-of-ways, easements, environmental, occupancy and operations.

630-02 Vehicle Licenses: $20 – This account provides for licensing City vehicles for operations on public highways.

630-03 Bank and Merchant Charges: $9,630 – This account provides for monthly bank account service charges, merchant fees for use of credit and debit cards, wire transfer fees and other fees for banking services.

635-02 Janitorial and Cleaning Services: $3,600 - This account provides for services to clean facilities and equipment owned or leased by the City. Included are janitorial, carpet cleaning and laundry services.

635-03 Vehicle Maintenance Services: $5,000 – This account provides for services required for the repair and maintenance of Harbor Department vehicles by outside maintenance facilities. Included are licensed and

unlicensed rolling stock and boats. This account includes contract labor and materials required to provide the service.

635-04 Software Maintenance Services: $3,900 - This account provides for maintenance agreements to support licensed software systems.

635-06 Buildings and Grounds Maintenance Services: $3,600 - This account provides for services required for the repair and maintenance of buildings and the upkeep of grounds owned or leased by the Harbor Department. . This account includes contract labor and materials required to provide the service.

635-07 Machinery and Equipment Maintenance Services: $4,100 - This account provides for services required for the repair and maintenance of office equipment, machinery and other operating equipment owned or leased by the Harbor Department. . This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635-08 Infrastructure Maintenance Services: $9,100 - This account provides for the services required for repair and maintenance of infrastructure owned or leased by the Harbor Department.. This account includes contract labor and materials required to provide the service. Included are sidewalks, parking lots, promenades harbor berthing facilities.

645-02 Rents and Leases - Machinery & Equipment: $900 - This account provides for the rent and lease of machinery and equipment.

650-01 Telecommunications: $26,500 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers.

650-02 Electric, Water, Sewer & Solid Waste: $179,700 - This account provides for electric, water, sewer and solid waste utility services.

715-00 Furniture and Fixtures: $4,000 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $12,200 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment and operating equipment required to provide services or maintain capital assets.

735-00 Software: $2,800 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements.

800-00 Interdepartmental Charges – Administrative: $21,055 - This account provides for administrative and management services provided by the departments of the City Council, City Clerk and City Attorney, and the administrative office of the City Manager.

801-01 Interdepartmental Charges – Human Resources: $7,460 - This account provides for human resource services provided by the Human Resources Division.

802-00 Interdepartmental Charges - Finance: $34,410 - This account provides for financial, accounting, payroll, accounts payable, billing, customer service and budgeting services provided by the Finance Department.

803-01 Interdepartmental Charges – Information Technology: $21,060 - This account provides for information technology services provided by the Information Technology Department.

804-01 Interdepartmental Charges – Engineering: $46,000 - This account provides for engineering services provided by the Public Works Department-Engineering Division.

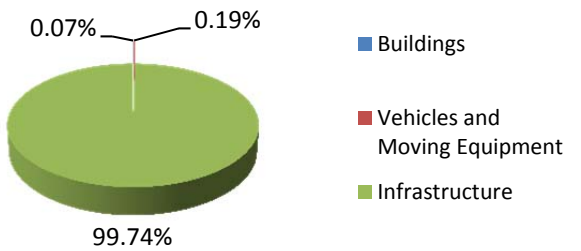
825-01 Interdepartmental Charges – Insurance: $60,200 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $8,850 - This account provides for fleet maintenance services provided by the Public Works Department-Garage Division.

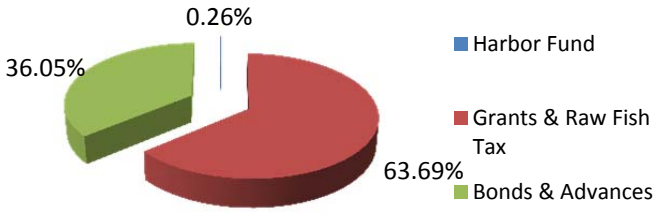
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00 Buildings	-	-	-	-	7,500	7,500	100.0%
720-00 Vehicles and Moving Equipment	16,671	-	-	-	20,000	20,000	100.0%
725-00 Machinery and Equipment	115	-	-	-	-	-	0.0%
730-00 Infrastructure	331,032	8,170,000	8,170,000	2,143,198	10,374,872	2,204,872	27.0%
735-00 Software	-	9,500	9,500	8,438	-	(9,500)	-100.0%
Total Major Capital Outlay	**347,818**	**8,179,500**	**8,179,500**	**2,151,636**	**10,402,372**	**2,222,872**	**27.2%**

2013 Capital Improvement Projects		Funding Sources			
Project #	Project	Harbor Fund	Grants & Raw Fish Tax	Bonds & Advances	Total
705-00 Buildings					
	Paint & Stain Harbormaster Building	7,500	-	-	7,500
	Total Buildings	**7,500**	**-**	**-**	**7,500**
720-00 Vehicles and Moving Equipment					
	3/4 Ton Work Truck	20,000	-	-	20,000
	Total Vehicles and Moving Equipment	**20,000**	**-**	**-**	**20,000**
730-00 Infrastructure					
	Replacement of Bar Harbor South Floats 9 & 1N	-	2,500,000	2,500,000	5,000,000
	Bar Harbor South Drive Down Float	-	3,856,730	1,250,000	5,106,730
	Bar Harbor South Net Float Repairs	-	183,142	-	183,142
	Bar Harbor South Float 7 Electrical Repairs	-	85,000	-	85,000
	Total Infrastructure	**-**	**6,624,872**	**3,750,000**	**10,374,872**
	Total 2013 Capital Budget	**27,500**	**6,624,872**	**3,750,000**	**10,402,372**

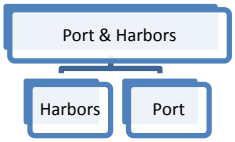
2013 Expenditures by Type



2013 Expenditures by Funding Source



The Port & Harbors Department operates and maintains the Port of Ketchikan; six boat harbors: Bar Harbor South, Bar Harbor North, Thomas Basin, Casey Moran, Knudson Cove, and Hole-In-The-Wall; and three launch ramps.



The Port Division of the Port & Harbors Department is comprised of one operating division and oversees a Capital Improvement Program.

DEPARTMENT EXECUTIVE SUMMARY

Divisions/Programs/Cost Center	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Operations	8,208,950	9,277,067	9,297,067	9,255,155	8,390,120	(886,947)	-9.6%
Capital	6,503,630	6,722,500	8,125,511	7,854,088	8,860,500	2,138,000	31.8%
Total	**14,712,580**	**15,999,567**	**17,422,578**	**17,109,243**	**17,250,620**	**1,251,053**	**7.8%**

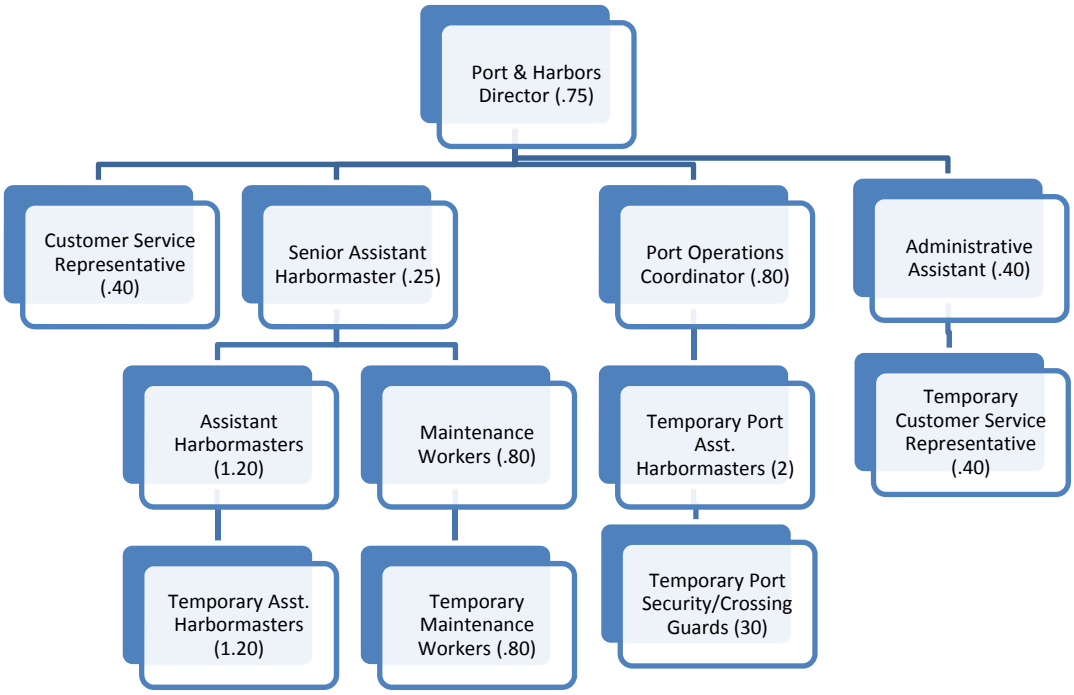
Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	825,272	995,482	995,482	981,482	1,019,446	23,964	2.4%
Supplies	42,680	61,295	75,395	75,395	69,595	8,300	13.5%
Contract/Purchased Services	2,327,235	2,638,540	2,641,292	2,631,840	2,940,290	301,750	11.4%
Minor Capital Outlay	9,455	13,500	12,000	11,500	8,500	(5,000)	-37.0%
Interdepartmental Charges	429,166	410,000	410,500	405,540	415,565	5,565	1.4%
Major Capital Outlay	6,503,630	6,722,500	8,125,511	7,854,088	8,860,500	2,138,000	31.8%
Debt Service	2,869,097	2,877,250	2,877,250	2,877,250	2,862,525	(14,725)	-0.5%
Other Costs	1,706,045	2,281,000	2,285,148	2,272,148	1,074,199	(1,206,801)	-52.9%
Total	**14,712,580**	**15,999,567**	**17,422,578**	**17,109,243**	**17,250,620**	**1,251,053**	**7.8%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Port Enterprise Fund	8,215,942	9,999,567	10,259,578	9,946,243	9,250,620	(748,947)	-7.5%
Grants	6,496,638	6,000,000	7,163,000	7,163,000	8,000,000	2,000,000	33.3%
Total	**14,712,580**	**15,999,567**	**17,422,578**	**17,109,243**	**17,250,620**	**1,251,053**	**7.8%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Operations	4.60	4.60	4.60	4.60	289,046	-	0.0%

MISSION STATEMENT

The mission of the Port Division is to maintain and operate the Port of Ketchikan in a manner that provides for the safe and convenient use of the Port facilities by the cruise industry, commercial fishing fleet, charter boat fleet and the general public. The Port is operated in accordance with Title 13 of the Ketchikan Municipal Code. The Port Division will, with the aid of the City Council, City Manager's Office, the Port & Harbors Advisory Board and the Cruise Ship Industry, identify and pursue construction of new facilities and maintain existing facilities. The Port Division will promote the City of Ketchikan and assist the community in maintaining economic growth and prosperity.



GOALS FOR 2013

- Complete construction of Phase II of Berths I & II Rehabilitation Project.
- Complete design, advertise for bids, award contract and begin construction of Phase III of Berths I & II Rehabilitation Project.
- Begin design of Phase IV of Berths I & II Rehabilitation Project.
- Complete construction of Berths IC & ID fender pile replacement Project.

ACCOMPLISHMENTS FOR 2012

- Completed construction of Phase I of Berths I & II Rehabilitation Project.
- Completed design, advertised for bids, awarded contract and began construction of Phase II of Berths I & II Rehabilitation Project.
- Began design of Phase III of Berths I&II Rehabilitation Project.
- Completed design, advertised for bids, awarded contract and began construction of Berths IC & ID Fender Pile Replacement Project.
- Completed construction of project connecting Harborview Park to Waterfront Promenade.

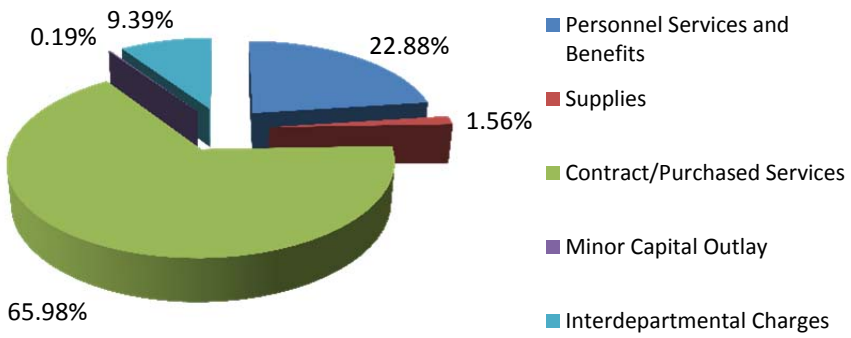
DIVISION SUMMARY

Expenditures by Category	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Personnel Services and Benefits	825,272	995,482	995,482	981,482	1,019,446	23,964	2.4%
Supplies	42,680	61,295	75,395	75,395	69,595	8,300	13.5%
Contract/Purchased Services	2,327,235	2,638,540	2,641,292	2,631,840	2,940,290	301,750	11.4%
Minor Capital Outlay	9,455	13,500	12,000	11,500	8,500	(5,000)	-37.0%
Interdepartmental Charges	429,166	410,000	410,500	405,540	415,565	5,565	1.4%
Debt Service	2,869,097	2,877,250	2,877,250	2,877,250	2,862,525	(14,725)	-0.5%
Transfers	519,654	522,000	522,000	522,000	602,199	80,199	15.4%
Payment in Lieu of Taxes	447,762	462,000	461,000	448,000	472,000	10,000	2.2%
Interfund Advance	738,629	1,297,000	1,302,148	1,302,148	-	(1,297,000)	-100.0%
Total Expenditures	**8,208,950**	**9,277,067**	**9,297,067**	**9,255,155**	**8,390,120**	**(886,947)**	**-9.6%**

Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
Port Fund	8,208,950	9,277,067	9,297,067	9,255,155	8,390,120	(886,947)	-9.6%
Total Expenditures	**8,208,950**	**9,277,067**	**9,297,067**	**9,255,155**	**8,390,120**	**(886,947)**	**-9.6%**

Personnel	2011 Actual	2012 Adopted	2012 Amended	2013 Budget	2013 Salary	FTE Change 2012-2013 Amount	FTE Change 2012-2013 %
Director of Port & Harbors	0.75	0.75	0.75	0.75	79,962	-	0.0%
Senior Assistant Harbormaster	0.25	0.25	0.25	0.25	17,338	-	0.0%
Port Operations Coordinator	0.80	0.80	0.80	0.80	51,484	-	0.0%
Assistant Harbormasters	1.20	1.20	1.20	1.20	64,489	-	0.0%
Maintenance Worker	0.80	0.80	0.80	0.80	41,084	-	0.0%
Administrative Assistant	0.40	0.40	0.40	0.40	18,491	-	0.0%
Customer Service Rep I	0.40	0.40	0.40	0.40	16,198	-	0.0%
Total	**4.60**	**4.60**	**4.60**	**4.60**	**289,046**	**-**	**0.0%**

2013 Expenditures by Type



OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Overtime Wages (Account 501-01) increased by $5,000 to cover anticipated longer stay times by several cruise ships during the 2013 cruise ship season.
- Temporary Wages (Account 502-01) increased by $15,000 to cover anticipated need for staffing cross walks on Saturdays. This increase is being driven by changes in the draft 2013 cruise ship schedule.
- Infrastructure Maintenance Materials (Account 515-05) increased by $5,000 to cover the cost of rebuilding several water lines at the Port.
- Building and Grounds Maintenance Services (Account 635-06) increased by $4,000 for the one-time cost of removing overgrown evergreen bushes from a majority of the planters located at the Port and replacing them with annuals and perennials.
- Rents & Leases-Infrastructure (Account 645-04) increased by $336,000 pursuant to the terms of the lease agreement for Berth IV. The annual lease payment includes a fixed component and a varilable component that is tied to passenger traffic. For 2013, passenger traffic is expected to rise by 8 percent.
- Telecommunications Services (Account 650-01) increased by $3,500 to provide for the cost of data streaming required for the new security cameras that were installed at the Port.
- Electric, Water, Sewer & Solid Waste Services (Account 650-02) has decreased by $45,000 due to the decision of the Alaska Marine Highway System not to berth one of its ferries at Berth III for the winter of 2012-2013.
- Payments in Lieu of Taxes (Account 975-00) increased $34,000 due to a proposed increase in the mill rate from 6.2 to 7.2.

DIVISION OPERATING BUDGET DETAIL

			2011	2012 Budget			2013	Budget Change 2012-2013	
Operating Expenditures			Actual	Adopted	Amended	Estimate	Budget	Amount	%
Personnel Services and Benefits									
500	01	Regular Salaries and Wages	208,716	284,282	284,282	284,282	289,046	4,764	1.7%
501	01	Overtime Wages	54,393	40,000	40,000	40,000	45,000	5,000	12.5%
502	01	Temporary Wages	373,299	421,300	421,300	421,300	436,300	15,000	3.6%
505	00	Payroll Taxes	48,685	57,100	57,100	57,100	59,000	1,900	3.3%
506	00	Pension	57,279	70,600	70,600	70,600	72,500	1,900	2.7%
507	00	Insurance Benefits	74,334	111,200	111,200	97,200	106,600	(4,600)	-4.1%
508	00	Other Benefits	8,566	11,000	11,000	11,000	11,000	-	0.0%
		Personnel Services and Benefits	**825,272**	**995,482**	**995,482**	**981,482**	**1,019,446**	**23,964**	**2.4%**
Supplies									
510	01	Office Supplies	2,396	3,500	3,500	3,500	3,500	-	0.0%
510	02	Operating Supplies	1,181	5,000	5,000	5,000	5,000	-	0.0%
510	03	Safety Program Supplies	280	400	400	400	400	-	0.0%
510	04	Janitorial Supplies	8,128	8,000	8,000	8,000	8,100	100	1.3%
510	05	Small Tools & Equipment	3,167	8,000	8,000	8,000	8,000	-	0.0%
515	05	Infrastructure Maintenance Materia	12,084	18,000	29,000	29,000	23,000	5,000	27.8%
520	02	Postage	-	95	95	95	95	-	0.0%
525	03	Heating Fuel	4,340	5,300	5,800	5,800	5,900	600	11.3%
525	04	Vehicle Motor Fuel & Lubricants	6,215	6,300	8,900	8,900	8,900	2,600	41.3%
530	02	Periodicals	200	200	200	200	200	-	0.0%
535	04	Uniforms/Badges/Clothing	4,689	6,500	6,500	6,500	6,500	-	0.0%
		Supplies	**42,680**	**61,295**	**75,395**	**75,395**	**69,595**	**8,300**	**13.5%**

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Contract/Purchased Services							
600 02 Travel-Training	3,130	3,500	3,500	3,500	3,550	50	1.4%
600 03 Training and Education	3,130	3,500	3,500	3,500	3,700	200	5.7%
605 02 Advertising & Public Announcements	400	500	500	500	500	-	0.0%
605 03 Marketing	1,655	2,500	2,500	2,000	2,000	(500)	-20.0%
615 02 Assn. Membership Dues & Fees	400	300	1,100	900	300	-	0.0%
620 01 Salvage & Disposal of Impounded Prop	-	2,000	2,000	2,000	2,000	-	0.0%
620 02 Towing of Impounded Property	-	-	-	-	500	500	New
630 01 Building & Operating Permits	-	100	100	100	100	-	0.0%
630 02 Vehicle Licenses	100	100	100	100	100	-	0.0%
630 03 Bank and Merchant Charges	337	800	800	800	800	-	0.0%
635 02 Janitorial and Cleaning Services	12,850	15,000	12,000	12,000	15,000	-	0.0%
635 03 Vehicle Maintenance Services	-	3,000	3,500	3,500	3,000	-	0.0%
635 04 Software Maintenance Services	-	2,000	4,000	4,000	2,000	-	0.0%
635 06 Bldg & Grounds Maintenance Services	5,307	4,500	11,500	11,500	8,500	4,000	88.9%
635 07 Machinery & Equip Maint Services	6,830	10,500	15,000	15,000	12,000	1,500	14.3%
635 08 Infrastructure Maintenance Services	6,830	10,500	15,000	15,000	12,000	1,500	14.3%
635 12 Technical Services	3,000	5,000	5,000	5,000	5,000	-	0.0%
635 13 Marketing Services	171,000	171,490	171,490	171,490	171,490	-	0.0%
640 01 Legal and Accounting Services	4,900	5,000	5,000	5,000	5,000	-	0.0%
640 02 Engineering and Architectural Services	-	14,500	14,500	14,500	14,500	-	0.0%
645 01 Rents & Leases-Land & Buildings	1,575	2,000	2,000	2,000	2,000	-	0.0%
645 02 Rents & Leases-Mach & Equip	221	750	750	750	750	-	0.0%
645 04 Rents & Leases-Infrastructure	1,862,237	2,095,000	2,115,000	2,115,000	2,431,000	336,000	16.0%
650 01 Telecommunications	18,672	21,000	24,500	24,500	24,500	3,500	16.7%
650 02 Electric, Water, Sewer & Solid Waste	224,661	265,000	227,952	219,200	220,000	(45,000)	-17.0%
Contract/Purchased Services	**2,327,235**	**2,638,540**	**2,641,292**	**2,631,840**	**2,940,290**	**301,750**	**11.4%**
Minor Capital							
715 00 Furniture and Fixtures	-	4,000	2,000	2,000	3,000	(1,000)	-25.0%
725 00 Machinery and Equipment	9,455	8,000	8,000	7,500	4,000	(4,000)	-50.0%
735 00 Software	-	1,500	2,000	2,000	1,500	-	0.0%
Minor Capital Outlay	**9,455**	**13,500**	**12,000**	**11,500**	**8,500**	**(5,000)**	**-37.0%**
Interdepartmental Charges							
800 00 Interdepartmental - Administrative	33,808	30,130	31,230	31,180	31,990	1,860	6.2%
801 01 Interdepartmental - Human Resources	14,126	12,590	11,490	9,765	11,340	(1,250)	-9.9%
802 00 Interdepartmental - Finance	55,921	49,840	49,840	48,745	52,250	2,410	4.8%
803 01 Interdepartmental - Information Tech	35,276	31,440	31,440	31,350	31,985	545	1.7%
804 01 Interdepartmental - Engineering	46,322	47,000	47,000	45,000	49,000	2,000	4.3%
825 01 Interdepartmental - Insurance	237,881	236,000	236,000	236,000	236,000	-	0.0%
850 01 Interdepartmental - Garage	5,832	3,000	3,500	3,500	3,000	-	0.0%
Interdepartmental Charges	**429,166**	**410,000**	**410,500**	**405,540**	**415,565**	**5,565**	**1.4%**
Debt Service							
931 00 Debt Service - Principal	995,000	1,045,000	1,045,000	1,045,000	1,080,000	35,000	3.3%
932 00 Debt Service - Interest	1,874,097	1,832,250	1,832,250	1,832,250	1,782,525	(49,725)	-2.7%
Debt Service	**2,869,097**	**2,877,250**	**2,877,250**	**2,877,250**	**2,862,525**	**(14,725)**	**-0.5%**

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Other Costs									
910	101	Transfer to General Fund	-	-	-	-	80,199	80,199	New
910	511	Transfer to Port R & R Fund	519,654	522,000	522,000	522,000	522,000	-	0.0%
975	00	Payment in Lieu of Taxes	447,762	462,000	461,000	448,000	472,000	10,000	2.2%
999	00	Interfund Advance	738,629	1,297,000	1,302,148	1,302,148	-	(1,297,000)	-100.0%
		Other Costs	**1,706,045**	**2,281,000**	**2,285,148**	**2,272,148**	**1,074,199**	**(1,206,801)**	**-52.9%**
		Total Expenditures by Type	**8,208,950**	**9,277,067**	**9,297,067**	**9,255,155**	**8,390,120**	**(886,947)**	**-9.6%**

NARRATIVE

500-01 Regular Salaries and Wages: $289,046 – This account provides for compensation paid to all regular salaried and hourly employees for personnel services.

501-01 Overtime Wages: $45,000 - This account provides for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502-01 Temporary Wages: $436,300 - This account provides for compensation paid to salaried and hourly employees for temporary personnel services.

505-00 Payroll Taxes: $59,000 – This account provides for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506-00 Pension: $72,500 – This account provides for employer contributions to retirement plans.

507-00 Insurance Benefits: $106,600 – This account provides for employer contributions to employee health and life insurance plans, workers compensation and unemployment insurance.

508-00 Other Benefits: $11,000 – This account provides for expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

510-01 Office Supplies: $3,500 - This account provides for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers and tape dispensers.

510-02 Operating Supplies: $5,000 - This account provides for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as medical supplies, coffee, creamer, disposable cups, paper plates, plastic utensils, public trash cans, public benches, keys and locksets.

510-03 Safety Program Supplies: $400 - This account provides for the City safety program. Included are safety information brochures, safety training audio and video programs, safety equipment, OSHA required medical

exams, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control.

510-04 Janitorial Supplies: $8,100 – This account provides for cleaning and sanitation supplies used at the Harbormaster Building and public restrooms including Berths III and IV, by in-house and contracted janitors.

510-05 Small Tools and Equipment: $8,000 - This account provides for minor tools and operating & office equipment with a value of less than $1,000. Included are hand held radios, hand tools, chain saws, torches, hydraulic jacks, de-watering pumps, computer accessories, portable heaters, radios, welders, cabinets and similar types of minor tools and equipment.

515-05 Infrastructure Maintenance Materials: $23,000 - This account provides for the materials required for the repair and maintenance of infrastructure owned or leased and operated by the Port. Included are sidewalks, parking lots, promenades, and Port & Harbor berthing facilities.

520-02 Postage: $95 - This account provides for postal related services such as postage, express delivery, mailing materials and the rent of post office boxes and postage machines.

525-03 Heating Fuel: $5,900 - This account provides for heating fuel to heat the Harbormaster Building, shop and other facilities operated by the Port. .

525-04 Vehicle Motor Fuel and Lubricants: $8,900 - This account provides for gasoline, diesel fuel, propane and lubricants used in the operations of Port vehicles and vessels.

530-02 Periodicals: $200 - This account provides for the newspapers, magazines and trade journals.

535-04 Allowances-Uniforms/Badges/Clothing: $6,500 - This account provides for direct purchases of or reimbursements to employees for work related clothing required by department policies. Included are work shirts, jackets, float suits, raingear, hats, boots and gloves.

600-02 Travel-Training: $3,550 - This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600-03 Training and Education: $3,700 – This account provides for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees; and on-premises training programs provided by staff or third-parties.

605-01 Advertising and Public Announcements: $500 - This account provides for advertising and announcements in publications, newspapers, trade journals, Internet, or broadcasts over radio and television. Included are public service announcements, community issues, recruiting, requests for proposals, contracts, and sales of property and equipment.

605-03 Marketing: $2,000 - This account provides for announcements in publications, newspapers, trade journals, Internet, or broadcasts over radio and television.

615-02 Assn. Membership Dues and Fees: $300 – This account provides for memberships in professional and trade associations.

620-01 Salvage and Disposal of Impounded Property: $2,000 - This account provides for salvaging and/or disposing of junked marine vessels.

620-02 Towing of Impounded Property: $500 – This account provides for towing and/or storing of impounded vehicles and marine vessels.

630-01 Building and Operating Permits: $100 - This account provides for permits required for construction, right-of-ways, easements, environmental, occupancy and operations.

630-02 Vehicle Licenses: $100 – This account provides for licensing Port vehicles for operations on public highways.

630-03 Bank and Merchant Charges: $800 – This account provides for monthly bank account service charges, merchant fees for use of credit and debit cards, wire transfer fees and other fees for banking services.

635-02 Janitorial and Cleaning Services: $15,000 - This account provides for services to clean facilities and equipment owned or leased by the City. Included are janitorial and carpet cleaning for the Harbormaster Building and public restrooms including Berths III and IV.

635-03 Vehicle Maintenance Services: $3,000 – This account provides for the services requiredfor the repair and maintenance of Port vehicles and vessels by outside maintenance facilities. Included are licensed and unlicensed rolling stock and boats. This account includes contract labor and materials required to provide the service.

635-04 Software Maintenance Services: $2,000 - This account provides for maintenance agreements to support licensed software systems.

635-06 Buildings and Grounds Maintenance Services: $8,500 - This account provides for the services required for the repair and maintenance of buildings and the upkeep of the security planters on the Port. This account includes contract labor and materials required to provide the service.

635-07 Machinery and Equipment Maintenance Services: $12,000 - This account provides for the services required for the repair and maintenance of office equipment, machinery and other operating equipment owned or leased by the City. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635-08 Infrastructure Maintenance Services: $12,000 - This account provides for the services required for the repair and maintenance of infrastructure owned or leased by the Port. This account includes contract labor and materials required to provide the service. Included are, sidewalks, parking lots, promenades, Port berthing facilities and elevator maintenance in the Harbormaster Building,. Repairs by qualified electricians to electrical circuits, lighting and capstains account for the majority of this category.

635-12 Technical Services: $5,000 - This account provides for services that are not regarded as professional but require technical or special knowledge. Included are , data base management, video monitoring, website maintenance, , and pest control

635-13 Marketing Services: $171,490 - This account provides for services to market, improve and promote competitive services offered by the Port. Included are consulting services for developing marketing strategies, customer surveys and direct marketing services offered by third-parties such as Ketchikan Visitors Bureau.

640-01 Legal and Accounting Services: $5,000 - This account provides for legal and accounting services. Included are contract attorney services, public defender services, audit services, accounting and financial services, arbitration services, specialized legal services for complex issues that cannot be addressed by the City's legal department and other legal services.

640-02 Engineering and Architectural Services: $14,500 - This account provides for engineering and architectural services.

645-01 Rents and Leases - Land and Buildings: $2,000 - This account provides for the rent and lease of land and buildings. Included are offices, space rental for events, storage yards and covered storage facilities. Both operating and capital leases are accounted for in this account.

645-02 Rents and Leases - Machinery & Equipment: $750 - This account provides for the rent and lease of machinery and equipment.

645-04 Rents and Leases – Infrastructure: $2,431,000 - This account provides for the lease of Berth IV. The annual lease payment includes a fixed amount of $1.8 million plus a variable amount if the number of passengers arriving by cruise ship exceeds 820,000.

650-01 Telecommunications: $24,500 - This account provides for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance, and toll-free numbers.

650-02 Electric, Water, Sewer & Solid Waste: $220,000 - This account provides for electric, water, sewer, and solid waste utility services.

715-00 Furniture and Fixtures: $3,000 - This account provides for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

725-00 Machinery and Equipment: $4,000 - This account provides for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, computer equipment and operating equipment required to provide services or maintain capital assets.

735-00 Software: $1,500 - This account provides for acquisition of software systems and upgrades not covered by maintenance agreements.

800-00 Interdepartmental Charges – Administrative: $31,990 - This account provides for administrative and management services provided by the departments of the City Council, City Clerk and City Attorney, and the administrative office of the City Manager.

801-01 Interdepartmental Charges – Human Resources: $11,340 - This account provides for human resource services provided by the Human Resources Division

802-00 Interdepartmental Charges - Finance: $52,250 - This account provides for financial, accounting, payroll, accounts payable, billing, customer service, and budgeting services provided by the Finance Department.

803-01 Interdepartmental Charges – Information Technology: $31,985 - This account provides for information technology services provided by the Information Technology Department.

804-01 Interdepartmental Charges – Engineering: $49,000 - This account provides for engineering services provided by the Public Works Department-Engineering Division.

825-01 Interdepartmental Charges – Insurance: $236,000 - This account provides for risk management services and claims.

850-01 Interdepartmental Charges – Garage: $3,000 - This account provides for fleet maintenance services provided by the Public Works Department-Garage Division.

910-101 Transfer to General Fund: $80,199 – This accounts for the funding of the Seasonal Litter Program.

910-511 Transfer to Port R & R Fund: $522,000 – This accounts for the funding of Port Repair and Replacement Fund pursuant to the terms of the City's bond covenants for the 2006 Port Revenue Bonds and the Berth IV lease agreement between the City and Ketchikan Dock Company.

931-00 Debt Service-Principal: $1,080,000 - This account provides for principal on the 1994 Port GO and 2006 Port Revenue Bonds.

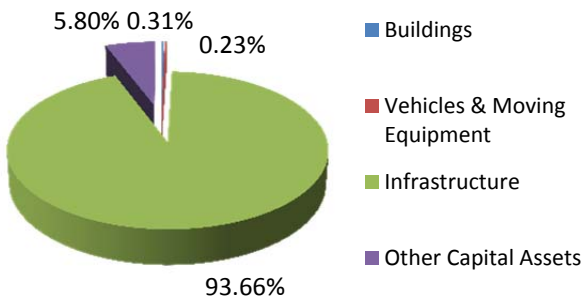
932-00 Debt Service-Interest: $1,782,525 - This account provides for interest on the 1994 Port GO and 2009 Port Revenue Bonds.

975-00 Payments in Lieu of Taxes: $472,000 - This account provides for payments in lieu of taxes in the amount of $326,000 assessed against the Port by the City of Ketchikan and $146,000 in taxes assessed against Berth IV by the City and the Ketchikan Gateway Borough. Berth IV is privately-owned and is subject to both City and Borough property taxes.

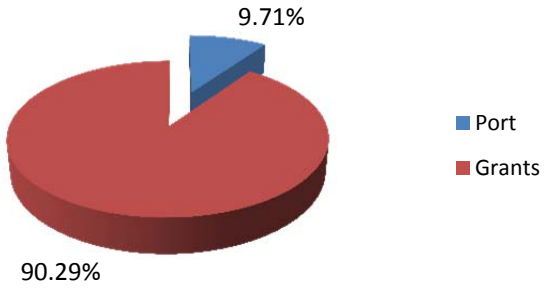
Major Capital Projects	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
705-00 Buildings	-	-	-	-	27,500	27,500	New
720-00 Vehicles & Moving Equipment	16,117	-	-	-	20,000	20,000	New
725-00 Machinery and Equipment	25,972	-	-	-	-	-	New
730-00 Infrastructure	6,461,541	6,713,000	7,876,823	7,613,823	8,299,000	1,586,000	23.6%
735-00 Software	-	9,500	9,500	8,077	-	(9,500)	-100.0%
740-03 Other Capital Assets	-	-	239,188	232,188	514,000	514,000	New
Total Major Capital Outlay	**6,503,630**	**6,722,500**	**8,125,511**	**7,854,088**	**8,860,500**	**2,138,000**	**31.8%**

2013 Capital Improvement Projects		Funding Sources			
Project #	Project	Port Fund/CPV	Grants		Total
705-00 Buildings					
	Paint & Stain Harbormaster Building	7,500	-	-	7,500
	Yates Building Restoration	20,000	-	-	20,000
	Total Buildings	**27,500**	**-**	**-**	**27,500**
720-00 Vehicles and Moving Equipment					
	3/4 Ton Work Truck	20,000	-	-	20,000
	Total Vehicles and Moving Equipment	**20,000**	**-**	**-**	**20,000**
730-00 Infrastructure					
	Berth I and II Replacement - Phase III	-	8,000,000	-	8,000,000
	Berth III - Replacment of Arch Fenders	36,000	-	-	36,000
	Berth I- Replacement of Fender Pile	263,000	-	-	263,000
	Total Infrastructure	**299,000**	**8,000,000**	**-**	**8,299,000**
740-00 Other Capital Assets					
	Public Art-Ketchikan Creek Salmon Replacement	7,000	-	-	7,000
	Public Art-Rehab/Replace Thundering Wings Totem	100,000	-	-	100,000
	Public Art-Rain Guage Sign	107,000	-	-	107,000
	Public Art-Waterfront Promenade Stained Glass Panels	45,000	-	-	45,000
	Public Art-Waterfront Promenade Master Plan	20,000	-	-	20,000
	Public Art-Timber & Wood Products Interpretive Exhibit	15,000	-	-	15,000
	Public Art-Stamp Mill Interpretive Exhibit	25,000	-	-	25,000
	Public Art-Interpretive & Wayfinding Signage	70,000	-	-	70,000
	Rain Canopies	**125,000**	**-**	**-**	**125,000**
	Total Other Capital Assets	**514,000**	**-**	**-**	**514,000**
	Total 2013 Capital Budget	**860,500**	**8,000,000**	**-**	**8,860,500**

2013 Expenditures by Type



2013 Expenditures by Funding Source



Risk management covers the insurance program developed to protect the City from the risk of incurring a substantial financial loss due to damage to its property and equipment and claims arising from third parties for damages to their property or personal injury. Risk management also includes a workers compensation insurance program to protect the City employees in the event that they are injured while performing their duties.

The insurance programs are accounted for in the Self-Insurance Fund. Each department of the City is assessed an interdepartmental charge that is based on the same method used by the insurance company to develop the premiums charged to the City. Liability insurance is based on the department's personnel costs and property insurance is based on the facilities and equipment used by the department. The amounts paid by the departments are accounted for in Account 825-01, Interdepartmental Charges – Insurance.

The interdepartmental charge for workers compensation insurance is based on rates developed by the National Council on Compensation Insurance, adjusted for the City's experience modifier and other discounts offered by the insurance company. The rates developed by the NCCI vary between worker classes. For example, the City pays $5.46 per $100 of compensation to insure its firefighters and 41 cents per $100 of compensation to insure its clerical workers. The amount paid by a department depends on the demographics of its work force and its total compensation. The amounts paid by the departments are accounted for in Account 507-00, Insurance Benefits.

RISK MANAGEMENT SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Contract/Purchased Services	1,299,310	1,337,075	1,337,075	1,306,490	1,347,213	10,138	0.8%
Total Expenditures	**1,299,310**	**1,337,075**	**1,337,075**	**1,306,490**	**1,347,213**	**10,138**	**0.8%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Interdepartmental Charges	1,299,310	1,337,075	1,337,075	1,306,490	1,347,213	10,138	0.8%
Total Funding	**1,299,310**	**1,337,075**	**1,337,075**	**1,306,490**	**1,347,213**	**10,138**	**0.8%**

OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Overall, the total cost of the City's insurance programs is projected to increase by $10,138, or .8%. There are significant variances between the various programs. This is due to changing market conditions. The insurance market is beginning to tighten and premiums are beginning to rise. Our insurance broker is expecting premiums to increase on average by a minimum of 5 percent effective July 1, 2013. Since the City's insurance policies run from July 1 to June 30, the effective calendar year 2013 increase will be about 3 percent. The cost of the City's insurance programs peaked at $1.99 million during the 2005-06 policy year.

OPERATING BUDGET DETAIL

Operating Expenditures			2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Contract/Purchased Services									
625	01	Property Insurance Premiums	281,340	327,200	302,200	280,462	291,290	(35,910)	-11.0%
625	02	Comm. Auto Insurance Premiums	47,685	36,000	54,000	53,294	52,612	16,612	46.1%
625	03	Liability Insurance Premiums	109,845	106,575	96,575	89,818	91,213	(15,362)	-14.4%
625	04	Workers Compensation Premiums	505,352	515,000	522,000	521,072	545,846	30,846	6.0%
625	05	Wharfage and Marine Premiums	85,089	77,300	87,300	86,844	91,252	13,952	18.0%
625	50	Self-Insured Claims-Property	84,690	70,000	70,000	70,000	70,000	-	0.0%
625	51	Self-Insured Claims-Auto	15,802	20,000	20,000	20,000	20,000	-	0.0%
625	52	Self-Insured Claims-Liability	99,507	110,000	110,000	110,000	110,000	-	0.0%
640	04	Management & Consulting Services	70,000	75,000	75,000	75,000	75,000	-	0.0%
		Contract/Purchased Services	**1,299,310**	**1,337,075**	**1,337,075**	**1,306,490**	**1,347,213**	**10,138**	0.8%

NARRATIVE

625-01 Property Insurance Premiums: $291,290 – This account provides for premiums paid for property, casualty and fire insurance for the City's buildings and equipment.

625-02 Commercial Auto Insurance Premiums: $52,612 – This account provides for premiums paid for auto insurance for the City's fleet.

625-03 Liability Insurance Premiums: $91,213 - This account provides for premiums paid for commercial general, public officials and law enforcement and other liability insurance.

625-04 Workers Compensation Insurance Premiums: $545,846 - This account provides for premiums paid for workers compensation insurance for all City employees.

625-05 Wharfage and Marine Premiums: $91,252 – This account provides for premiums paid for wharfingers and marine insurance.

625-50 Self-Insured Claims – Property: $70,000 - This account provides for property claims not covered by insurance. Included are deductibles and self–insured claims.

625-51 Self-Insured Claims – Auto: $20,000 - This account provides for auto claims not covered by insurance. Included are deductibles and self–insured claims.

625-52 Self-Insured Claims – Liability: $110,000 - This account provides for liability claims not covered by insurance. Included are deductibles and self–insured claims.

640-04 Management and Consulting Services: $75,000 – This account provides for risk management services provided by an insurance broker.

Debt service for all tax-supported general obligation bond indebtness is paid by the GO Bond Debt Service Fund. It is from this fund that the City makes principal and interest payments on general obligation bonds and other types of loan obligations for which the City has pledged its full faith and credit. General obligation bonds issued to finance enterprise activities are accounted for in enterprise funds. Revenue bonds are paid for exclusively by enterprise funds and would not be accounted for in the GO Bond Debt Service Fund.

There are three revenue sources that fund the City's GO Bond Debt Service Fund. The first source is a transfer from the City's General Fund. This transfer represents a transfer of resources of the General Fund, primarily property taxes, which have been designated by the City Council for the payment of general obligation debt. The second source is a transfer of sales tax from the Hospital Sales Tax Fund. The third source is derived from the Economic Recovery Zone rebates from the federal government.

DEBT SERVICE SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Debt Service	1,254,029	1,878,900	1,878,900	1,528,625	1,837,857	(41,043)	-2.2%
Total Expenditures	**1,254,029**	**1,878,900**	**1,878,900**	**1,528,625**	**1,837,857**	**(41,043)**	**-2.2%**

	2011	2012			2013	Change 2012-2013	
Funding Source	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Property Taxes	316,305	889,333	889,333	539,058	359,544	(529,789)	-59.6%
Bond Proceeds	-	-	-	-	486,947	486,947	New
Hospital Sales Taxes	840,530	838,750	838,750	838,750	842,500	3,750	0.4%
Economic Recovery Zone Rebate	97,194	150,817	150,817	150,817	148,866	(1,951)	-1.3%
Total Funding	**1,254,029**	**1,878,900**	**1,878,900**	**1,528,625**	**1,837,857**	**(41,043)**	**-2.2%**

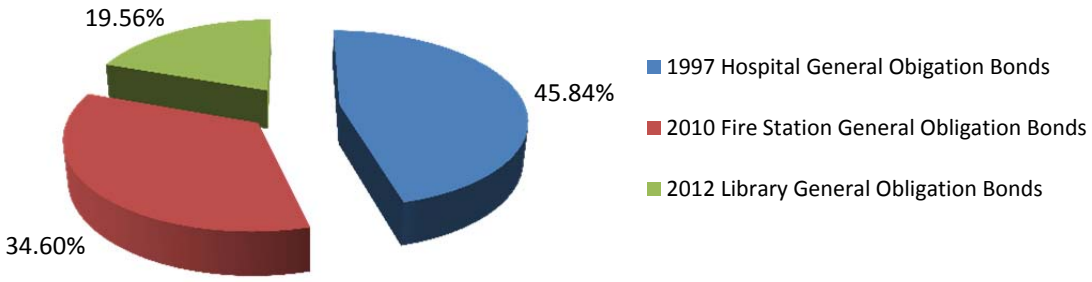
OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Debt service in 2013 will be increasing as result of the issuance of the Library General Obligation Bonds in 2012. Debt service payments required for this bond issue in 2012 were limited to an interest only payment of $49,725. In 2013, the City will make the first full year annual principal and interest payment for this new bond issue in the amount of $359,544.

OPERATING BUDGET DETAIL

Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Debt Service							
931 00 Debt Service - Principal	800,000	1,122,000	1,122,000	930,000	1,140,000	18,000	1.6%
932 01 Debt Service - Interest	454,029	756,900	756,900	598,625	697,857	(59,043)	-7.8%
Debt Service	**1,254,029**	**1,878,900**	**1,878,900**	**1,528,625**	**1,837,857**	**(41,043)**	*-2.2%*
Total Expenditures	**1,254,029**	**1,878,900**	**1,878,900**	**1,528,625**	**1,837,857**	**(41,043)**	**-2.2%**
Debt Instrument							
1997 Hospital General Obigation Bonds	840,530	838,750	838,750	838,750	842,500	3,750	0.4%
2010 Fire Station General Obligation Bonds	413,499	640,150	640,150	640,150	635,813	(4,337)	-0.7%
2012 Library General Obligation Bonds	-	400,000	400,000	49,725	359,544	(40,456)	-10.1%
Total Debt	**1,254,029**	**1,878,900**	**1,878,900**	**1,528,625**	**1,837,857**	**(41,043)**	**-2.2%**

2013 Expenditures by Bond Issue



NARRATIVE

931-00 Debt Service-Principal: $1,140,000 – This account provides for principal payments required for tax-supported general obligation bonds.

932-00 Debt Service-Interest: $697,857 – This account provides for interest payments required for tax-supported general obligaton bonds.

CITY OF KETCHIKAN
2013 Operating and Capital Budget
Transfers and Advances

Transfers are necessitated when revenues earned and accounted for in one fund are earmarked for expenditures that are accounted for in another fund. For example, the Ketchikan Municipal Code requires that the City's 1% Hospital Sales Tax be accounted for in the Hospital Sales Tax Fund. The 1% Hospital Sales Tax can be used for improvements to the Ketchikan Medcial Center, debt service for bonds issued to finance improvements to the Ketchikan Medical Center or any other general government purpose designated by the City Council. Transfers are made from the Hospital Sales Tax Fund to a capital improvement fund, the General Obligation Bond Debt Service Fund or the General Fund. These are the funds where the actual expenditures occur.

Some transfers occur frequently and other transfers occur infrequently. Transfers to fund operating costs and debt service occur frequently and are generally consistent from year to year. Transfers to fund capital improvements occur infrequently and can vary from year to year depending on the nature of the capital improvements.

The major transfers of funds for operating costs are as follows:

- Hospital Sales Tax fund to the General Fund for the operating costs of the General Fund.
- Public Works Sales Tax Fund to the General Fund for the operating costs of the Public Works Department.
- Transient Sales Tax Fund to the General Fund for the operating costs of the Civic Center.

The major transfers of funds for debt service are as follows:

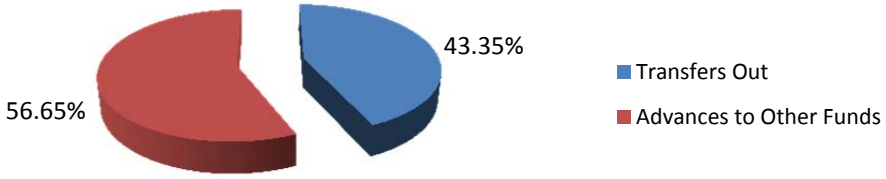
- Hospital Sales Tax Fund to the General Obligation Bond Debt Service Fund for debt issued to finance a patient wing for the Ketchikan Medical Center.
- General Fund to the General Obligation Bond Debt Service Fund for debt issued to finance a fire station and a library facility.

Advances are temporary or short-term loans from one fund to another fund. Advances are usually made to address temporary short-term cash flow issues or finance improvements or capital projects with short payback periods. It is the policy of the City to charge a market rate of interest on all advances.

TRANSFERS AND ADVANCES SUMMARY

	2011	2012			2013	Change 2012-2013	
Expenditures by Category	**Actual**	**Adopted**	**Amended**	**Estimate**	**Budget**	**Amount**	**%**
Transfers Out	4,079,889	5,520,291	5,547,791	5,147,363	5,141,484	(378,807)	-6.9%
Advances to Other Funds	-	-	-	-	6,250,000	6,250,000	New
Total Expenditures	**4,079,889**	**5,520,291**	**5,547,791**	**5,147,363**	**11,391,484**	**5,871,193**	**106.4%**

2013 Expenditures by Type



Funding Source	2011 Actual	2012 Adopted	2012 Amended	2012 Estimate	2013 Budget	Change 2012-2013 Amount	Change 2012-2013 %
General Fund	316,305	958,813	986,313	636,038	406,293	(552,520)	-57.6%
Hospital Sales Taxes	1,260,530	1,328,230	1,328,230	1,328,230	1,309,249	(18,981)	-1.4%
Public Works Sales Taxes	2,000,000	2,104,220	2,104,220	2,104,220	2,478,422	374,202	17.8%
Shoreline Fund	6,374	6,374	6,374	6,374	6,374	-	0.0%
US Marshal Fund	81,680	20,000	20,000	20,000	5,000	(15,000)	-75.0%
Cemetery O & M Fund	5,000	5,000	5,000	5,000	5,000	-	0.0%
Spec. Assessment Guarantee Fund	50,000	456,496	456,496	406,343	-	(456,496)	-100.0%
Transient Tax Fund	360,000	364,000	364,000	364,000	364,000	-	0.0%
Econ & Parking Development Fund	-	-	-	-	1,250,000	1,250,000	New
Community Facilities Development Fu	-	-	-	-	1,986,947	1,986,947	New
Port Enterprise Fund	-	-	-	-	2,780,199	2,780,199	New
Self Insurance Fund	-	-	-	-	800,000	800,000	New
Harbor Fund	-	277,158	277,158	277,158	-	(277,158)	-100.0%
Total Funding	**4,079,889**	**5,520,291**	**5,547,791**	**5,147,363**	**11,391,484**	**5,871,193**	**106.4%**

OPERATING BUDGET CHANGES FOR 2013 COMPARED TO 2012

- Transfers in total decreased $378,807, or 7% from 2012. Closing out the fund balance of the Special Assessment Guarantee Fund to the General Fund in 2012 accounted for $456,496 of the reduction. A one time only transfer of $277,158 to move the proceeds of the Raw Fish Tax from the Boat Harbor Fund to the Harbor Constuction Fund will not be repeated in 2013.
- Advances to other funds increased $6,250,000 in order to make loans to the Harbor Construction Fund and the KPU Enterprise Fund. A loan in the amount of $1,250,000 will be made to the Harbor Construction Fund to finance a drive down float. Several loans totaling $5,000,000 will be make to the KPU Enteprise Fund to finance the deployment of 4G/LTE and the construction of a microwave radio link.

OPERATING BUDGET DETAIL

		Operating Expenditures	2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Transfers Out									
910	101	Transfers to General Fund	2,923,054	3,271,870	3,271,870	3,221,717	3,288,873	17,003	0.5%
910	117	Transfers to Community Grant Fund	-	243,180	270,680	270,680	163,620	(79,560)	-32.7%
910	320	Transfers to Harbor Const Fund	-	277,158	277,158	277,158	-	(277,158)	-100.0%
910	410	Transfers to Debt Service Fund	1,156,835	1,728,083	1,728,083	1,377,808	1,688,991	(39,092)	-2.3%
		Transfers Out	**4,079,889**	**5,520,291**	**5,547,791**	**5,147,363**	**5,141,484**	**(378,807)**	-6.9%
Advances to Other Funds									
920	320	Advances to Harbor Construction Fund	-	-	-	-	1,250,000	1,250,000	New
920	520	Advances to KPU	-	-	-	-	5,000,000	5,000,000	New
		Advances to Other Funds	**-**	**-**	**-**	**-**	**6,250,000**	**6,250,000**	**New**
		Total Expenditures	**4,079,889**	**5,520,291**	**5,547,791**	**5,147,363**	**11,391,484**	**5,871,193**	**106.4%**

Operating Expenditures		2011 Actual	2012 Budget Adopted	2012 Budget Amended	2012 Budget Estimate	2013 Budget	Budget Change 2012-2013 Amount	Budget Change 2012-2013 %
Transfers Out and Advances - Detail								
910-101 Transfers To General Fund From:								
Fund	**Purpose**							
Hospital Sales Tax Fund	General Fund Support	420,000	420,000	420,000	420,000	420,000	-	0.0%
Public Works Sales Tax Fund	Public Works Department	2,000,000	2,000,000	2,000,000	2,000,000	2,408,300	408,300	20.4%
Shoreline Fund	Public Works - Bldg Maint	6,374	6,374	6,374	6,374	6,374	-	0.0%
Transient Tax Fund	Civic Center	360,000	364,000	364,000	364,000	364,000	-	0.0%
Special Assessment Guarantee Fund	General Fund Support	50,000	456,496	456,496	406,343	-	(456,496)	-100.0%
US Marshall Fund	Police Department	81,680	20,000	20,000	20,000	5,000	(15,000)	-75.0%
Bayview Cemetery O & M Fund	Cemetery Operations	5,000	5,000	5,000	5,000	5,000	-	0.0%
Port Fund	Streets Seasonal Litter Crew	-	-	-	-	80,199	80,199	New
Transfers to General Fund		**2,923,054**	**3,271,870**	**3,271,870**	**3,221,717**	**3,288,873**	**(391,297)**	**0.5%**
910-117 Transfers to Community Grant Fund From:								
Fund	**Purpose**							
General Fund	Community Grant Program	-	69,480	96,980	96,980	46,749	(22,731)	-32.7%
Hospital Sales Tax	Community Grant Program	-	69,480	69,480	69,480	46,749	(22,731)	-32.7%
Public Works Sales Tax	Community Grant Program	-	104,220	104,220	104,220	70,122	(34,098)	-32.7%
Transfers to Community Grant Fund		**-**	**243,180**	**270,680**	**270,680**	**163,620**	**(79,560)**	**-32.7%**
910-320 Transfers to Harbor Construction Fund From:								
Fund	**Purpose**							
Harbor Fund	Transfer Raw Fish Tax	-	277,158	277,158	277,158	-	(277,158)	-100.0%
Transfers to Harbor Construction Fund		**-**	**277,158**	**277,158**	**277,158**	**-**	**(277,158)**	**-100.0%**
910-410 Transfers to Debt Service Fund From:								
Fund	**Purpose**							
Community Facilities Development Fund	2010 Fire Station GO Bonds	316,305	489,333	489,333	489,333	486,947	(2,386)	-0.5%
General Fund	2011 Library GO Bonds	-	400,000	400,000	49,725	359,544	(40,456)	-10.1%
Hospital Sales Tax	1997 Hospital GO Bonds	840,530	838,750	838,750	838,750	842,500	3,750	0.4%
Transfers to Debt Service Fund		**1,156,835**	**1,728,083**	**1,728,083**	**1,377,808**	**1,688,991**	**(39,092)**	**-2.3%**
920-320 Advances to Harbor Construction Fund From:								
Fund	**Purpose**							
Economic & Parking Development Fund	Loan for Drive Down Ramp	-	-	-	-	1,250,000	1,250,000	New
Total Advances to Harbor Construction Fund		**-**	**-**	**-**	**-**	**1,250,000**	**1,250,000**	**New**
920-520 Advances to KPU From:								
Fund	**Purpose**							
Community Facilities Development Fund	Loan to KPU Telecom	-	-	-	-	1,500,000	1,500,000	New
Port Enterprise Fund	Loan to KPU Telecom	-	-	-	-	2,700,000	2,700,000	New
Self Insurance Fund	Loan to KPU Telecom	-	-	-	-	800,000	800,000	New
Total Advances to KPU		**-**	**-**	**-**	**-**	**5,000,000**	**5,000,000**	**New**
Total Expenditures		**4,079,889**	**5,520,291**	**5,547,791**	**5,147,363**	**11,391,484**	**5,462,893**	**106.4%**

NARRATIVE

910-101 Transfers Out to the General Fund: $3,288,873 – This account provides for transfers to the General Fund from various funds of the City to fund operating expenditures incurred by the General Fund.

910-117 Transfers Out to the Community Grant Fund: $163,620 – This account provides for transfers to the Community Grant Fund from various funds of the City to fund the Community Grant Program.

910-410 Transfers Out to the Debt Service Fund: $1,688,991 – This account provides for transfers to the Debt Service Fund from various funds of the City to fund debt service on the City's tax-supported general obligation debt.

932-320 Advances to Harbor Construction Fund: $1,250,000 – This account provides for an advance to the Harbor Construction Fund in the form of a short-term loan from Economic and Parking Development Fund.

932-520 Advances to KPU: $5,000,000 – This account provides for an advance to the KPU Enteprise Fund in the form of a short-term loan from various funds of the City.