

**Mayor**

*Kristin Smith*

**Council Members**

*Debra Adams*

*Aaron Hansen*

*Kasey Kinsman*

*Michael Mickelson*

*Wendy Ranney*

*Cathy Sherman*

*David Zastrow*

**City Manager**

*Samantha Greenwood*

**City Clerk**

*Susan Bourgeois*

**Deputy Clerk**

*Colette Gilmour*

**City Council Work Session  
October 01, 2025 @ 6:00 pm  
Cordova Center Community Rooms  
Agenda**

**A. Call to order**

**B. Roll call**

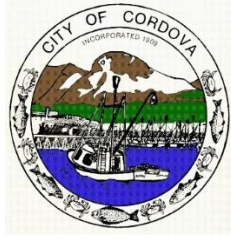
Mayor Kristin Smith, Council members Debra Adams, Aaron Hansen, Kasey Kinsman, Michael Mickelson, Wendy Ranney, Cathy Sherman, and David Zastrow

**C. Work Session topic**

1. Proposed FY26 General Fund Revenue ..... **(page 1)**
2. Potential Revenue Sources

**D. Adjournment**

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## AGENDA ITEM 01

### City Council Work Session Date: 10/1/25

### CITY COUNCIL COMMUNICATION FORM

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**FROM:** Sheryl Glasen, Comptroller (Acting Finance Director)

**DATE:** 10/01/25

**ITEM:** Budget Work Session

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☐ ORDINANCE  
☐ MOTION

☒ RESOLUTION  
☒ INFORMATION

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This provides a brief update on the City's General Fund revenue situation to start our budget worksessions and discussions. In the following spreadsheet, I have provided three year's worth of actuals as well as the Year-To-Date (YTD) amounts for 2025. In the column for the proposed 2026 budget, we started out by carrying over projections from 2025. There are a few lines that we adjusted due to various information points and assumptions (highlighted yellow). I would like to point out the reasons behind these changes.

- **101-300-40009 ARSSC – Sales Tax (Remote Sellers)**  
In 2024 we surpassed the budgeted amount and are potentially on track to again.
- **101-300-40010 Sales & Use Taxes**  
I think this is worthy of a discussion. Last year Council decided to raise the projection to \$4,765,000, currently we are just under 57% of meeting this. We have yet to receive 3<sup>rd</sup> quarter Sales Tax revenue, which is historically our biggest quarter. 3<sup>rd</sup> Quarter will be the last quarter that is received in 2025, as 4<sup>th</sup> quarter comes in by January 31, 2026. We can and will revisit this after October during the budget process.
- **101-300-40040 In Lieu Tax Payments**  
In 2025, we have exceeded the projected budget. We do not anticipate this number to be less in 2026.
- **101-302-40205 DOR – Fish Business Shared Tax**  
We just received \$637,515 for FY25, \$363,000 under budget. As we have discussed in the past, we have been unable to base this projection on solid, actual information because the state does not share this calculation. I believe it would be prudent to lower this projection slightly.
- **101-303-40320 through 101-303-51110 Lease & Rents Section**  
Planning & Public Works reviewed this section and it now reflects leases & rents in appropriate lines. This also accounts for any increases that are lined out in contracts.

- **101-304-40245 State Contract – Jail**

The State of Alaska jail contract for 2026 includes an increase that will go towards added expenses due to some changing requirements with the State of Alaska's new CJIS Modernization project.

- **101-304-40400 through 101-304-40420 Dog License, Impounds & Citations**

In 2025 there was a push to educate the community about the code requirement that all dogs are required to be licensed and it increased the participation. Continued efforts to educate the public will be made in an effort to increase safety throughout our community.

- **101-323-48014 Planning – Other Revenue**

With the increased interest in disposal of City lands, we have seen an increase in fees paid for the RFP process in 2025.

- **101-345-40520 Skater's Cabin Rentals**

We do not anticipate any revenue from the cabin this in 2026, as the structure was recently removed due to safety and structural concerns.

- **101-345-40525 Bidarki Entrance Fees**

Due to increased programmatic offerings and outreach made by the P&R Department, we are seeing an increase in revenue from Bidarki entrance Fees in 2025.

- **101-397-40325 Investment Earnings**

As our cash flow has allowed, we've made a concerted effort to transfer available balances into interest-bearing investment accounts. These strategic moves have resulted in an increase in our overall investment earnings that we hope to continue in 2026.

Notably, the recent budget amendments related to Property Tax, Forest Receipts, and State Debt Service Reimbursement have been carried forward into the proposed 2026 Budget. We continue to monitor news about Forest Receipts and State Debt Service Reimbursement closely for any signs of returning to previous levels. However, at this time, there is insufficient indication to justify restoring them to their prior budgeted amounts.

If we compare 2026 to the original FY25 budget numbers, we are \$664,675 below FY25. The amounts shown in the spreadsheet for FY25 encompass the changes to the Harbor Transfer (-\$120,000), Property Tax (\$465,632), Forest Receipts(-\$729,299), and School Bond Debt Reimbursement (-\$225,000) that we have already made in budget amendments for FY25.

We are currently developing the General Fund expense projections in preparation for presenting a preliminary draft of the full General Fund budget at the October 15, 2025, Budget Work Session. Given anticipated increases in personnel, supply, and service costs, we expect overall expenditures to exceed those of FY25 if current service levels are maintained. As part of the budgeting process, we will explore cost-saving opportunities to help offset these increases while continuing to provide the same level of service to the community.

We would like to encourage a discussion about possible revenue stream ideas during our Work Session.

Account Number	Title	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2025 Actual	2026 Proposed Budget
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8
	Revenues						
<b>Taxes</b>							
101-300-40001	Property Tax	2,999,323	2,837,009	2,983,285	3,585,632	2,306,229	3,585,632
101-300-40003	Property Tax-Penalties	12,662	17,083	22,334	14,000	-135	14,000
101-300-40005	Property Tax-Interest	53,785	4,574	2,693	2,000	2,239	2,000
101-300-40006	Property Tax Exemption Fees	0	0	0	0	850	0
101-300-40008	ARSSC - Sales Tax Fees Contra	-55,903	-55,733	-48,890	-50,000	-36,437	-50,000
101-300-40009	ARSSC - Sales Tax	407,172	505,999	635,619	525,000	425,345	600,000
101-300-40010	Sales & Use Taxes	3,669,216	3,493,750	4,496,727	4,765,000	2,710,726	4,500,000
101-300-40011	Public Accommodations Surtax	182,936	222,835	228,389	230,000	157,300	230,000
101-300-40012	Vehicle Rental Surtax	8,836	11,831	20,117	20,000	9,185	20,000
101-300-40015	MAT Surtax	260,700	210,290	196,246	210,000	126,530	210,000
101-300-40030	Penalties & Int. - Sales Tax	18,552	4,374	32,807	12,000	21,709	12,000
101-300-40035	Penalty & Interest A/R	634	3,360	2,130	2,000	11,536	2,000
101-300-40040	In Lieu Tax Payments	417,238	495,774	531,057	531,000	548,274	545,000
101-300-40041	Payment in Lieu of Tax - Other	10,270	9,343	13,073	7,500	6,547	7,500
Total Taxes:		7,985,421	7,760,489	9,115,587	9,854,132	6,289,898	9,678,132
<b>Licenses &amp; Permits</b>							
101-301-40100	General Business Licenses	25,146	9,695	24,070	20,000	4,630	20,000
101-301-40120	Taxi - For Hire Operators	1,210	1,135	150	0	160	0
Total Licenses & Permits:		26,356	10,830	24,220	20,000	4,790	20,000
<b>Other Governmental</b>							
101-302-40205	DOR- FISH BUSINESS SHARED TAX	1,479,191	1,028,420	922,230	1,000,000	637,515	900,000
101-302-40210	Liquor Licenses - Share Tax	11,350	9,300	0	10,000	11,750	10,000
101-302-40215	Share Revenue - CAP SOA	135,249	108,156	0	105,659	105,659	105,659
101-302-40220	Forest Receipts - Roads	54,048	54,921	51,233	0	0	0
101-302-40221	Forest Receipts - School	627,241	663,336	691,327	13,261	13,261	13,261
101-302-40225	Utility Cooperative Shared Tax	305,667	297,017	12,967	290,000	296,211	290,000
101-302-40230	DCCED - Shared Fish Bus Tax	22,152	36,745	15,287	20,000	7,251	20,000
101-302-40239	Pension State Relief	152,247	95,446	127,237	193,405	0	193,405
101-302-40240	Library Grant	15,000	0	0	0	0	0
Total Other Governmental:		2,802,145	2,293,341	1,820,281	1,632,325	1,071,647	1,532,325
<b>Leases &amp; Rents</b>							
101-303-40320	N. Harbor Fill Lease	222,405	195,454	214,389	229,972	142,503	221,569
101-303-40330	S. Harbor Fill Lease	35,311	35,189	22,000	36,720	21,999	55,176
101-303-40350	Other Land Leases	43,686	46,073	72,376	56,700	29,525	43,495
101-303-40360	Other Building Leases	38,816	34,566	34,741	25,500	22,058	55,827
101-303-40400	LT Leases - Interest Revenue	102	2,998	2,676	0	0	0
101-303-51110	Lease Rev Pass-Thru Mt Eyak	70,868	72,579	50,030	72,549	44,298	73,888
Total Leases & Rents:		411,188	386,859	396,212	421,441	260,383	449,955
<b>Law Enforcement</b>							
101-304-40245	State Contract - Jail	174,993	345,712	465,949	228,743	171,557	286,021
101-304-40250	Surcharge - SOA	120	315	50	200	250	200
101-304-40265	State Dispatch Services	4,725	3,544	0	4,725	7,842	4,725
101-304-40267	USFS Dispatch Services	6,750	6,750	0	6,750	0	6,750
101-304-40269	City of Whittier - Dispatch	36,663	0	0	0	0	0
101-304-40370	Court Fines & Forfeitures	0	530	1,970	1,500	829	1,500
101-304-40371	Citations	2,765	3,694	1,355	3,500	2,093	3,500
101-304-40380	ATV Registration Fees	445	225	75	300	175	300
101-304-40400	Dog Licenses	355	290	255	300	530	550
101-304-40410	Dog Impounds	50	370	125	150	265	200
101-304-40420	Dog Citations	25	0	0	100	515	250
101-304-40440	Airline Security Service	76,689	37,755	66,395	75,000	44,482	75,000
101-304-40450	Fingerprinting Services	4,705	2,985	2,170	3,000	3,220	3,000
101-304-40545	Impound	3,325	11,207	4,837	6,000	4,654	6,000

Account Number	Title	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2025 Actual	2026 Proposed Budget
101-304-40700	Case File Fees	300	875	90	250	315	250
101-304-49740	Miscellaneous Revenue P.D.	6,227	230	1,730	0	6,165	1,000
Total Law Enforcement:		318,137	414,482	545,001	330,518	242,892	389,246
<b>D. M. V.</b>							
101-305-40255	MV, Boat, Snow Trans	21,338	24,457	14,496	31,000	5,192	31,000
101-305-40260	Driver License & ID Fee	8,975	4,684	2,338	6,000	0	6,000
101-305-40266	Vehicle Registration Tax	-12,524	-13,773	-6,528	-15,000	0	-15,000
101-305-40268	Mtr Vehicle Reg Tax St of AK	42,317	41,112	22,916	40,000	12,573	40,000
101-305-49740	Road Tests & Misc Revenue DMV	639	867	2,933	1,000	0	1,000
Total D. M. V.:		60,745	57,347	36,155	63,000	17,765	63,000
<b>Planning</b>							
101-323-40170	Planning Permit Fees	4,930	4,950	4,495	5,000	4,650	5,000
101-323-48014	Other Revenue	543	146	275	250	5,272	2,000
Total Planning:		5,473	5,096	4,770	5,250	9,922	7,000
<b>Recreation</b>							
101-345-40505	Activity Fees	2,580	11,718	7,068	10,000	9,460	10,000
101-345-40520	Skaters Cabin Rental	4,319	4,077	5,754	4,000	2,588	0
101-345-40525	Bidarki Entrance Fees	75,414	99,551	90,771	90,000	95,727	95,000
101-345-40535	Facility Rental	1,110	2,685	3,090	2,500	2,393	2,500
101-345-42100	Fisherman's Memorial Park	1,816	2,567	1,262	1,000	2,710	1,000
101-345-49740	Bidarki Misc.	0	2,047	-977	0	49,395	0
101-345-49745	Merchandise Sales - P&R	0	300	1,531	1,500	1,416	1,500
Total Recreation:		85,239	122,945	108,499	109,000	163,689	110,000
<b>Bob Korn Pool</b>							
101-346-40600	Pool Entrance Fees	46,631	36,867	46,839	37,500	38,349	37,500
101-346-40620	Program Fees	0	250	3,116	3,000	2,164	3,000
101-346-40630	Rental Fees	127	981	1,712	1,000	1,096	1,000
101-346-49740	Pool Misc.	0	4,921	-53	0	140	0
Total Bob Korn Pool:		46,758	43,019	51,614	41,500	41,749	41,500
<b>Sale of Property</b>							
101-347-40710	Sale of Equipment	10,734	23,852	0	0	0	0
101-347-40720	Sale of Cemetery Lots	2,100	4,900	1,100	2,000	1,500	2,000
Total Sale of Property:		12,834	28,752	1,100	2,000	1,500	2,000
<b>Interfund Transfers In</b>							
101-390-41000	Allocated Administrative Costs	577,613	607,100	620,283	647,463	431,642	647,463
101-390-49999	Due to/from Other Funds	0	0	0	0	0	0
Total Interfund Transfers In:		577,613	607,100	620,283	647,463	431,642	647,463
<b>Other Revenue</b>							
101-397-40325	Investment Earnings	82,107	232,472	250,642	75,000	160,863	200,000
101-397-49740	Misc. Revenue	51,956	99,607	935,634	50,000	46,304	50,000
101-397-49770	Cordova Center Revenue	21,010	41,593	67,219	50,000	57,993	55,000
101-397-49800	Donations	25	0	265	1,000	20,818	1,000
Total Other Revenue:		155,098	373,672	1,253,760	176,000	285,978	306,000
<b>State Debt Service Reimbursmen</b>							
101-398-40200	State Debt Service Reimb	2,022,113	1,662,669	899,581	675,000	8,028	675,000
Total State Debt Service Reimbursmen:		2,022,113	1,662,669	899,581	675,000	8,028	675,000
		14,509,120	13,766,601	14,877,063	13,977,629	8,829,883	13,921,621