

A nighttime photograph of the Ketchikan waterfront in Alaska. The scene features several brightly lit buildings, including a prominent red multi-story structure and a smaller green building. The lights from the buildings and street lamps reflect on the calm water in the foreground. A full moon is visible in the dark, cloudy sky above the town.

City of
Ketchikan
Alaska

2026 General Government Operating and Capital Budget

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CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 25-2996

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KETCHIKAN,
ALASKA ADOPTING THE BUDGET FOR THE YEAR 2026;
APPROPRIATING FROM THE GENERAL GOVERNMENT FUNDS FOR
THE FISCAL YEAR 2026; AND ESTABLISHING AN EFFECTIVE DATE**

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

Section 1: That the budget for the year 2026, entitled CITY OF KETCHIKAN, ALASKA, 2026 GENERAL GOVERNMENT OPERATING AND CAPITAL BUDGET is hereby adopted.

Section 2: That the sum of \$41,382,474 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, 2026:

<u>Item of Appropriation</u>	
Mayor and Council	\$ 220,245
City Attorney	398,690
City Clerk	603,621
City Manager	1,487,920
Finance	2,814,370
Information Technology	2,694,777
Fire	6,620,784
Police	8,274,655
Library	1,993,731
Museum	1,666,189
Civic Center	950,150
Public Health	14,325
Public Works – Engineering	3,035,995
Public Works – Cemetery	130,315
Public Works – Streets	2,591,898
Public Works – Garage	945,325
Public Works – Building Maintenance	781,541
Transfers	1,097,355
Appropriated Reserves	<u>5,060,588</u>
	<u>\$ 41,382,474</u>

Section 3: That the sum of \$12,105,781 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, 2026:

<u>Item of Appropriation</u>	
Public Health	\$ 105,000
Transfers	4,972,104
Appropriated Reserves	<u>7,028,677</u>
Total	<u>\$ 12,105,781</u>

Section 4: That the sum of \$13,892,035 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, 2026:

<u>Item of Appropriation</u>	
Fire	\$ 328,500
Police	454,925
Museum	148,435
Public Works – Engineering	354,600
Public Works – Cemetery	1,320,000
Public Works – Streets	3,392,024
Public Works – Garage	55,000
Public Works - Building Maintenance	100,000
Transfers	2,921,743
Appropriated Reserves	<u>4,816,808</u>
Total	<u>\$ 13,892,035</u>

Section 5: That the sum of \$32,821,225 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, 2026:

<u>Fund</u>	<u>Item of Appropriation</u>		
Transient Sales Tax Fund	Transfers	\$ 934,150	
	Appropriated Reserves	<u>1,017,103</u>	\$ 1,951,253
Marijuana Sales Tax Fund	Mayor and Council	94,500	
	Transfers	85,500	
	Appropriated Reserves	<u>92,893</u>	272,893
Solid Waste Services Fund	Public Works - Solid Waste	5,718,692	
	Appropriated Reserves	<u>1,450,436</u>	7,169,128
Boat Harbor Fund	Port & Harbors	2,255,375	
	Transfers	193,695	
	Appropriated Reserves	<u>1,282,843</u>	3,731,913
Cemetery O & M Fund	Transfers	5,000	
	Appropriated Reserves	<u>59,496</u>	64,496
Cemetery Development Fund	Public Works - Cemetery	12,000	
	Appropriated Reserves	<u>61,204</u>	73,204
Cemetery Endowment Fund	Appropriated Reserves	<u>33,223</u>	33,223
Shoreline Fund	Transfers	6,374	
	Appropriated Reserves	<u>67,196</u>	73,570
Community Grant Fund	Mayor and Council	416,745	
	Appropriated Reserves	<u>20,631</u>	437,376
Economic Parking & Development Fund	Appropriated Reserves	<u>336,836</u>	336,836
Commercial Passenger Vessel Excise Tax Fund	Tourism Management	660,285	
	Transfers	4,661,777	
	Appropriated Reserves	<u>9,856,978</u>	15,179,040
US Marshall Fund	Appropriated Reserves	<u>122,594</u>	122,594
Fire Department SEMT	Transfers	1,316,153	
	Appropriated Reserves	<u>2,059,546</u>	3,375,699
Total			<u>\$ 32,821,225</u>

Section 6: That the sum of \$4,046,866 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, 2026:

<u>Item of Appropriation</u>	
Debt Service	<u>\$ 4,046,866</u>

Section 7: That the sum of \$13,125,853 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, 2026:

<u>Fund</u>	<u>Item of Appropriation</u>		
Major Capital Improvement Fund	Fire	\$ 1,441,500	
	Civic Center	185,000	
	Tourism Management	9,118	
	Appropriated Reserves	<u>234,893</u>	\$ 1,870,511
Harbor Construction Fund	Port & Harbors	1,304,040	
	Appropriated Reserves	<u>1,294,365</u>	2,598,405
Community Facilities Development Fund	Museum	485,000	
	Civic Center	150,000	
	Building Maintenance	1,900,000	
	Appropriated Reserves	<u>884,964</u>	3,419,964
Hospital Construction Fund	Public Health	1,421,568	
	Appropriated Reserves	<u>-</u>	1,421,568
CPV Capital Improvement Fund	Tourism Management	3,812,876	
	Appropriated Reserves	<u>2,529</u>	3,815,405
Total			<u>\$ 13,125,853</u>

Section 8: That the sum of \$75,717,632 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, 2026:

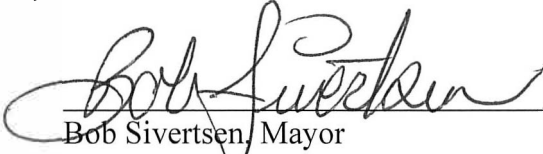
<u>Fund</u>	<u>Item of Appropriation</u>		
Wastewater Fund	Public Works - Wastewater	\$ 11,777,286	
	Appropriated Reserves	<u>1,938,660</u>	\$ 13,715,946
Ketchikan Port Fund	Port & Harbors	22,616,510	
	Advance to Other Funds	762,680	
	Appropriated Reserves	<u>30,657,315</u>	\$ 54,036,505
Port Repair & Replacement Fund	Port & Harbors	-	
	Appropriated Reserves	<u>7,965,181</u>	7,965,181
Total			<u>\$ 75,717,632</u>

Section 9: That the sum of \$4,160,613 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, 2026:

<u>Item of Appropriation</u>	
Risk Management	\$ 3,139,930
Appropriated Reserves	<u>1,020,683</u>
Total	<u>\$ 4,160,613</u>

Section 10: This resolution shall become effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Ketchikan on this 18th day of December, 2025.



Bob Sivertsen, Mayor

ATTEST:



Kim Stanker, City Clerk



November 14, 2025

The Honorable Mayor Robert Sivertsen
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 2026 General Government Operating and Capital Budget (the “2026 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, 2025. At least one public hearing on the proposed budget is required prior to adoption of the final spending plan.

INTRODUCTION AND EXECUTIVE OVERVIEW

The 2026 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 while complying with the Council’s fund balance policy and maintaining acceptable debt service coverage. 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. A financial plan was presented to the Council during the 2026 Budget work session outlining the expected operating cost increases, capital project needs and the revenues needed to cover current costs and prepare for large capital needs via debt service or use of reserves.

At the 2026 Budget work session, the Council directed staff to keep spending flat wherever possible in order to keep increases at or below 5%. The programs and services contained within the proposed spending plan for 2026 were developed by the various departments and were subsequently reviewed and modified as necessary by the Offices of the City Manager and the Finance Director. Department goals and programs were predicated on the continuation of basic service delivery and addressing long-range issues that have manifested themselves over the course of the past year and during the development of the capital improvement program.

Key Budget Assumptions

In order to present a complete spending plan for 2026, it was necessary for management to make certain assumptions regarding the operations and finances of General Government. The key assumptions used to compile the spending plan for 2026 are as follows:

- Staffing levels remained the same as 2025 except for positions approved and defunded by Council in 2025. The 2025 FTE’s that were defunded include one public compliance officer in Finance and one human resources generalist in Human Resources.
- Most employee benefit costs are percentage based. The percentage-based costs, such as worker’s compensation, pension and taxes, increase as salaries and wages increase. The drivers for changes to wages are updates in the CBA and COLA’s approved by Council. The 2026 Budget assumes that the State of Alaska will not raise the current PERS employer contribution rate of 22 percent. Health Insurance is a fiscal year premium re-negotiated annually by obtaining quotes from available providers. Health insurance premiums have been projected to rise in 2026 by 10%. Due to changes in the Affordable Care Act, it is very possible this projected increase is not sufficient, but there is not enough data at this time to determine the effects with any certainty. The projected

increase in the cost for health insurance will be shared in accordance with a tiered formula for its non-represented, IAFF and City IBEW employees. The PSEA Health Insurance is provided by the ASEA's plan and is projected to increase 20% from January through June and an additional 8.1% from July through December.

- Salaries and wages have been programmed to increase due to step increases for general government employees and a 5.0% cost of living increase negotiated by the bargaining units for the City IBEW, International Association of Fire Fighters (IAFF) and Public Safety Employee Association (PSEA) bargaining units. A 5.0% COLA for Non-Represented employees has been factored into the 2026 Budget to follow past practice of applying COLA's approved in the City IBEW CBA to Non-Represented employees and prevent compaction between supervisors and represented employees.
- The seasonal sales tax rate will remain at 3.0% October through March and increase to 6.0% April through September, reflecting a 0.5% seasonal rate increase during the second and third quarter. The Council was presented with this plan during CBA negotiations, again during the 2026 Budget Work Session and approved this increase in concept at its September 18 Regular Council Meeting.
- The Ketchikan Gateway Borough has informed management that property tax valuations will only increase slightly depending on the data collected through real estate sales and the review of the next assessment cycle. Staff has reviewed previous assessment value increases and increased the 2026 values to reflect an average increase of 2.9%. This valuation increase has been programmed into the 2026 revenues for property taxes. The Council will need to consider changes to the mill rate to fund increases in salaries, wages and benefits, absent an increase in the seasonal sales tax rate or lower than projected sales.
- Liability, property and auto insurance premiums have been programmed to increase by 17.0%, 5.0% and 50.0%, respectively. The City's liability, auto and property insurance policies expire annually on July 1 and, therefore, the renewals overlap the City's calendar year. The recent increases are due to the liabilities resulting from claims and a transition to a new insurance carrier. The auto policy saw a large increase due to the insurance carrier's method for calculating the premium, which increased the cost for each vehicle. While the property policy did not increase as expected in 2025, the new carrier notified the City that all properties would be evaluated within a three-year period, which may result in larger increases in future years.
- Workers compensation insurance policies will also expire on July 1, 2026, and overlap the City's calendar year. Premiums for workers' compensation insurance have been projected to increase by an overall 10% over 2025 actual and have been programmed for such. The City's experience factor increased in 2025 due to the fact that employees were injured in the landslide that occurred in August 2024. In general, the premiums for workers' compensation are based on staffing demographics and the rates are set for each employee classification by the National Council on Compensation Insurance. As a result, some departments may experience an increase in the cost of workers' compensation by more than 10% and others will experience an increase of less than 10%.
- Charges for services provided by the City's General Fund are expected to remain at 2025 budgeted levels for 2026.
- In 2026, approximately 1.6 million cruise ship passengers and 685 ships are projected to visit the Port of Ketchikan and cruise port at Ward Cove per Cruise Line Agencies staff. Based on the cruise ship schedule and projected passenger counts, the passengers disembarking at the Port of Ketchikan are projected to be 1.2 million or a 5% increase above 2025. Port revenues have been projected accordingly.
- Annual debt service is projected to remain the same as 2025. Debt service payments for the Harbor Fund and Wastewater Fund have not been finalized but is expected to be approximately \$103,600 for the Harbor Fund and \$175,000 for the Wastewater Services Fund in 2026.
- In 2026, departments were directed to keep operating expenditures at 2025 levels and provide a business reason for any increases in excess of \$5,000 and 5.0%. Departments were also directed to limit capital projects to those that are essential unless outside funding is available.

Staff recognize 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 results of third quarter sales tax and online sales tax collections. This information will not be available until December 2025.

Issues that Impacted or May Impact the Proposed 2026 Budget and Beyond

In 2025, the City negotiated a new collective bargaining agreement with the City IBEW – Local 1547 and the International Association of Fire Fighters (IAFF) that was effective January 1, 2025. The City is also expecting to finalize negotiations with the Public Safety Employee Association (PSEA).

The rate of inflation is currently at 3.01% and the cumulative increase in inflation over the last ten years is 36.5% and 24.8% over the last five years. The cost of heating fuel and gasoline prices continue to decrease slightly. Gasoline is averaging \$3.10 per gallon, heating fuel is averaging \$2.28 per gallon and heating oil is averaging \$3.57 per gallon. The Energy Information Administration is projecting fuel prices to stay at current levels or decrease slightly in 2026. While the prices are expected to decrease slightly, the market can be unpredictable. The increase in fuel affects all departments across the City and KPU as well as the cost of shipping goods to Ketchikan, travel costs and the contract costs for shipping solid waste materials. In the event the utility needs to run diesel for generation, the general government departments could potentially see an additional increase in their utilities accounts. This is something that could have far-reaching impacts on Ketchikan's economy.

Employee vacancies and wages continue to be a major area of concern for the City. Vacancies create a salary savings that covers the cost of overtime in some cases and can improve the overall state of the budget. However, it does not provide for a numerical cost to the demands placed on employees who are covering those vacancies to ensure services are not interrupted. Long-term coverage of vacant positions can affect morale and productivity. The City is competing with other local governments and businesses to hire and retain qualified personnel. It can be challenging to find qualified personnel locally when our current wage scales are not competitive with other local entities. Hiring outside the community can be costly but necessary to ensure that adequate personnel is available to provide the services that make our community a desirable place to live.

The following current issues affecting all local governments should be considered when reviewing the 2026 Budget for our municipality:

- Revenues have not kept up with the increase in costs.
- Aging infrastructure – Deferred maintenance leads to emergency and/or more costly replacements later.
- Obsolete, inefficient processes and paper-based workflow – Staff is taking on projects to update to electronic processes, but this takes an investment of time and money to accomplish these updates.
- Recruitment and employee retention – Wages and benefits need to be competitive to retain and attract employees.
- Climate related emergencies – The Council saw how the landslide directly affected our community. Other communities that are plagued with natural disasters can also impact on the cost of the City's insurance. Consideration of how Ketchikan can prepare and mitigate the effects of climate emergencies may be necessary.
- Economic decline – Increasing costs are causing small businesses to suffer. Consideration of how the City can foster growth may be necessary.
- Loss of trust in government – Maintain transparency and accountability by communicating with constituents often. Respond to complaints and citizen comments.

Other Issues — State of Alaska Fiscal Challenges

Per the State of Alaska Department of Labor, the number of fishing jobs in Alaska declined 7.6% in 2024, marking the fifth consecutive year and bringing the industry's total job count to its lowest level since at least 2001. In addition, the net migration is negative for the 12th straight year. This is particularly important when evaluating the labor pool and the ability to raise revenues associated with the population base. The State of Alaska continues to address the fiscal challenges caused by reduced oil revenues that have decreased and are expected to continue to remain at 2025 levels in 2026 which reduces the funds available to communities. The Governor has vetoed approximately \$122 million in funding for the Base Student Allocation as a result of reduced state revenues. The Governor's goals remain the same: "reduce crime, improve educational outcomes, pass a balanced budget and bring in outside investment." To date, this has resulted in less funding being passed down to small municipal governments. Some of the measures taken have resulted in the elimination

of services or service reductions, cuts in state revenue sharing and grant programs. The State employed 438 workers in Ketchikan in 2024, this is an approximately 37% decrease compared to ten years ago. The City should continue to carefully monitor future efforts undertaken by the Governor's Office and the State Legislature to develop solutions to solve the state's fiscal challenges. Some of the more important areas of interest to the City and the associated fiscal impacts are as follows:

- Public Employees Retirement System – the current PERS employer contribution rate is 22%. This is a statutory rate. It is not an actuarially determined rate required to fund the PERS. The difference between the actuarially determined rate and the statutory rate is currently funded by the State of Alaska. Any changes to the statutory rate could be costly for local municipalities. A one percent (1%) increase in the PERS employer contribution rate would cost the City about \$163,250.
- Community Assistance Program — this program is the old State Revenue Sharing Program. At one point, the City received as much as \$700,000 under this program. In 2026, the City is projected to receive \$75,000.
- University of Alaska Southeast - Ketchikan Campus – this program provides local employment development opportunities and a low-cost option for many local residents attending their first two years of college or considering one of the campus's vocational programs.
- Alaska Marine Highway System – the AMHS serves as a large employer and provides a vital transportation system that is important to the overall economic health of Ketchikan and Southeast Alaska. It is the primary means for connecting Ketchikan to the national highway system. Senator Lisa Murkowski was instrumental in negotiating funding for the Alaska Marine Highway System of more than \$285 million. The funds are expected to restore services and reliability of the marine highway for 30 communities relying on its service. The projects that have been awarded include the repair and modernization of four ferries, upgrades to infrastructure, operations funding and future mainline ferry design and procurement. The presence of the Alaska Marine Highway System provides a way for residents and non-residents to travel and transport cargo to Southeast Alaska communities, including Ketchikan.
- Ketchikan Pioneer Home – the Pioneer Home provides local employment and a much-needed long-term nursing facility for senior citizens who have chosen to make Ketchikan their home. The lack of long-term nursing facilities could result in many long-time residents being required to uproot and move away from Ketchikan.
- ADEC Clean and Drinking Water Loan Programs – this is a low interest loan program administered by the Alaska Department of Environmental Conservation. This program has been used by the City to finance many of its water and wastewater utility infrastructure projects. The program also offers loan subsidies in the form of principal forgiveness. The elimination of these programs would increase the cost of repairing and replacing utility infrastructure and thus shifting the full cost directly to ratepayers, causing significant utility rate increases above what is already projected.
- Alaska Municipal Bond Bank Authority offers a loan program that is administered by the Alaska Department of Revenue. This program permits municipalities to issue debt based on the State's bond rating, which is usually near the top of the investment grade category. By comparison, the City's standalone bond rating is at the bottom of the investment grade category. This program has been used by the City to finance many of its building projects, such as the library, fire station and hospital; and infrastructure projects for the port and electric utility. The elimination of this program would increase the cost of financing the repair and replacement of buildings and utility infrastructure, which would then result in tax and utility rate increases.

The proposed 2026 Budget allows for the continuation of basic local government services as well as needed infrastructure maintenance and improvements. It is a fiscally responsible spending plan that employs a number of strategies to ensure that cash flow will be sufficient to permit the City to continue operations throughout the year.

This budget works to ensure that the City will have sufficient reserves on hand at the end of 2026 that could be used for emergency needs in 2027 or balance the City's budget for future years. The draft 2026 General Government Operating and Capital Budget achieves this for some funds but not for all funds. We have seen the negative effects of deferring projects are having on the current cost of capital and cannot stress enough how **vital it is for the Council and staff to continue review of its rate structure and develop a plan to ensure the City works towards strengthening its financial situation rather than weaken it**. Management

would also like to ensure the City Council is considering the future needs of the City. The Council must **continue the planned** rate increases for Solid Waste, Harbor and Wastewater Funds, now and in the future, to be able to fund operations and infrastructure improvements that are currently not possible with their respective reserve balances. While it has been necessary to focus on current needs, thought must be given to future projects and how to provide sufficient resources for operating and capital needs. The City Council must commit to new strategies regarding responsible rate setting, ensure timely infrastructure maintenance and replacement and remain responsive to changes. Even though Ketchikan's tourism sector has returned, it still remains to be seen how national and global changes in the economy can affect our community. Management believes it is necessary to remember the effects COVID-19 had on our community's economy and keep planning for the future with good budget and rate-setting policies and practices.

Over the next few weeks, the Acting City Manager, the Acting Assistant City Manager, the Finance Director and the department heads look forward to working with the City Council to support 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 2026 General Government Operating and Capital Budget. Special thanks go to Financial Analyst Meghan Traudt, Senior General Government Accountant Camille Nelson, Senior Electric and Water Accountant Stan Aegerter, Senior Telecommunications Accountant Joe Graham, Treasury and Customer Services Supervisor Danita Scott, Capital Asset and Grants Accountant Cristina Doyle, Staff Accountant Anita Beaudoin, Offices Services Technician Anna Combrink and Executive Assistant Myrna Johannsen. Without their efforts and dedication, it would not have been possible to deliver this document to you in a professional and timely manner.

The remaining analysis and review of 2026 Budget is included in the **Funds Summary Overview**. The overview is intended to provide a better understanding of how the financial component of the budget was developed and to identify opportunities for changes that bring the proposed spending plan more in line with the goals and objectives of the City Council and the community at large.

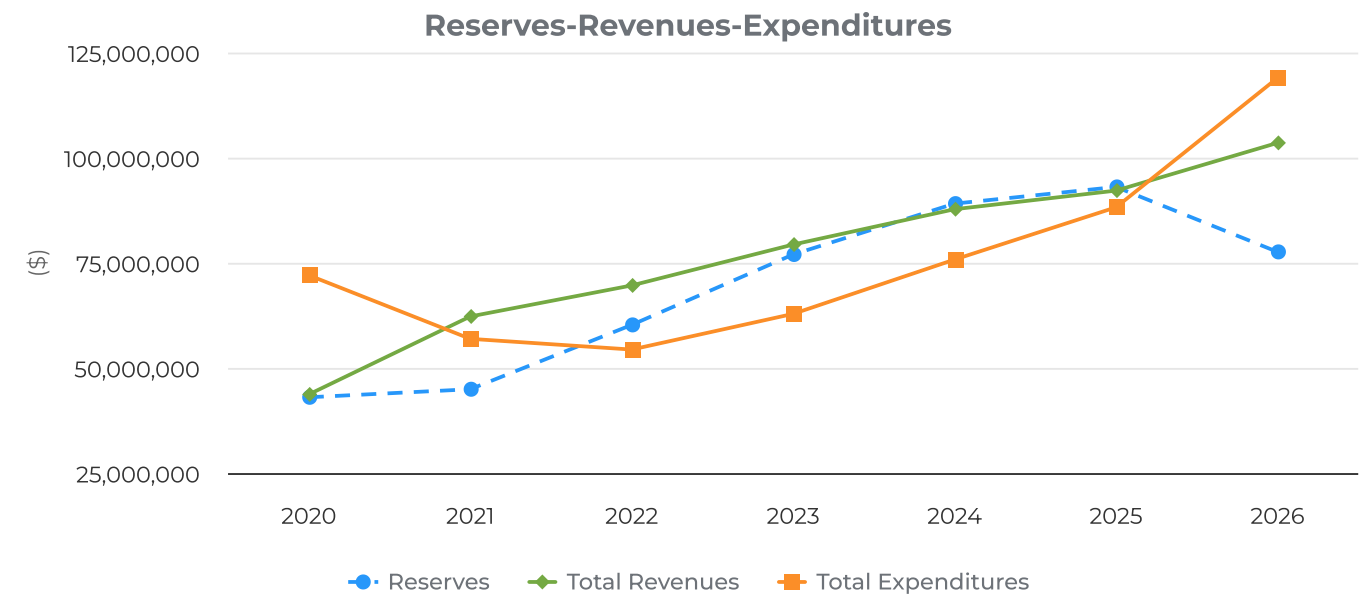
Financial Overview

The 2026 Budget includes all governmental funds and 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 2026 Budget and compares it with the 2025 Budget and 2024 Actual.

The total funds available for appropriations in 2026, including beginning reserves of \$93.04 million, is \$196.56 million. The projection for total revenues in 2026 is \$103.52 million, an increase of \$16.26 million from 2025. The amount requested for appropriations in 2026 is \$119.00 million; or \$2.34 million more than 2025. Operating expenditures increased by \$3.25 million, capital expenditures decreased by \$908,507 and transfers to other funds decreased by \$9,561. The 2026 Budget will require a \$15.45 million drawdown of total General Government reserves if budgeted costs are realized. As you can see above, the majority of the draw-down of reserves in the 2025 budget column and the 2026 budget column is due to capital expenditures. Approximately \$20.54 million of the 2025 capital projects are scheduled to be rolled over into the 2026 capital projects. The projects presented are essential to the needs of the City and maintaining assets to provide basic services. The 2025 reserve balance reflects the carryover of these projects from 2025 to 2026, showing a higher reserve balance for 2025 and the draw-down moved to 2026. Had the City been able to complete all projects in 2025, the 2026 fiscal year-end would not show a deficit.

	2024 Actual	2025 Budget	2025 Estimate	2026 Budget
Estimated Beginning Reserves, Jan	\$ 77,106,096	\$ 83,532,234	\$ 89,078,413	\$93,043,493
Revenues and Transfers:				
Operating Revenues	70,143,353	73,106,183	72,105,969	75,914,643
Non-Operating Revenues	8,134,664	6,658,377	7,390,706	10,603,921
Total Revenues	78,278,017	79,764,560	79,496,675	86,518,564
Transfers from Other Funds	9,470,496	17,009,664	12,675,706	17,000,103
Total Revenues and Transfers	87,748,513	96,774,224	92,172,381	103,518,667
Total Funds Available	164,854,609	180,306,458	181,250,794	196,562,160
Expenditures and Transfers:				
Operating Expenditures	51,870,343	61,597,853	58,019,989	64,852,578
Capital Expenditures	14,435,357	38,056,201	17,511,606	37,147,694
Total Expenditures	66,305,700	99,654,054	75,531,595	102,000,272
Transfers to Other Funds	9,470,496	17,009,664	12,675,706	17,000,103
Total Expenditures and Transfers	75,776,196	116,663,718	88,207,301	119,000,375
Estimated Ending Reserves, Dec 31	\$ 89,078,413	\$ 63,642,740	\$ 93,043,493	\$77,597,725

The graph below gives a bird’s eye view of the total reserves, total revenues and total expenditures from 2020-2026. The 2020-2024 data is based on **actual** reserves, revenues and expenditures, 2025 data is based on **estimated** reserves, revenues and expenditures and the 2026 data is based on **budgeted** reserves, revenues and expenditures. As you can see, the reserve balance is trending down because of revenues not keeping up with expenditures.



The remainder of the Funds Summary Overview contains a review of the proposed spending plan for 2026 and will include a discussion of the following areas: (1) Revenues – All Funds; (2) Transfers In from Other Funds – All Funds; (3) Operating and Capital Expenditures – All Funds; (4) Transfers Out and Advances to Other Funds – All Funds; (5) Review of Major Funds; (6) Capital Improvement Program; and (7) Debt Management.

2026 Budget Priorities

During the 2026 Budget Work Session, the following direction was given to staff:

- Keep costs at 2025 levels except for wages. Increases in the 2026 budget should not exceed 5% without justification.
- Staffing levels must not increase above 2025 levels. In addition, one Finance position and one Human Resources position were defunded by the Council.
- Implement recommendations from the Cruise Ship Passenger Impact Study.

During the budget work session, staff provided a review of tax and service rates to address the City's financial needs. As a result of this review, certain tax and service rate increases have been factored into the 2026 General Government Operating and Capital Budget per the Council's Rate Setting Policy - COK1.05. The core principles for rate setting are Cost Recovery, Equity and Fairness, Transparency and Public Participation, Efficiency and Conservation, Long-Term Sustainability and Compliance with Regulations.

The recommended rate increases are as follows:

- 0.5% Seasonal Sales Tax increase — Approved in concept by motion during the September 18, 2025, City Council Meeting.
- A property tax mill rate increase is recommended for 2027 but a smaller increase in 2026 and 2027 may be more palatable and should be considered to fund police and fire operations.
- 9.5% Solid Waste rate increase in 2026 and 5.5% from 2027 to 2030 — This may change pending the outcome of a rate review of solid waste services.
- 8.0% Harbor Services rate increase, annually over the next 5 years.
- 8.0% Wastewater Services rate increase, annually over the next 5 years.
- 8.0% Water Services rate increase, annually over the next 5 years — Addressed in the KPU Budget.
- 8.0% Electric rate increase, annually over the next 3-5 years— This rate increase is pending the results of a rate review of electric services and will be addressed in the KPU Budget.

The rate increases referenced during the work session were recommended minimum increases to keep the City moving in a positive direction. The cost of services and capital improvements have increased, but the rates have not kept up with costs.

Staff also recommended establishing rates sufficient to fund certain debt service thresholds and further defining the use of funds when the debt service is below the threshold. These thresholds are as follows:

- General Fund Facilities Debt Service Threshold is \$1,000,000 — A transfer from the General Fund to the Community Facilities Development Fund will be factored into the budget if debt service related to City owned facilities is below the \$1,000,000 threshold.
- Harbor Fund Debt Service Threshold is \$650,000 — A transfer from the Harbor Services Fund to the Harbor Construction Fund will be factored into the budget if debt service related to harbor infrastructure is below the \$650,000 threshold.
- Wastewater Services Fund Debt Service Threshold is \$650,000 — A transfer from Wastewater Reserves to Wastewater Capital Reserves will be factored into the budget if debt service related to wastewater infrastructure is below the threshold. Any State-mandated projects and debt related to those projects will be excluded from this calculation.
- Water Services Debt Service Threshold is \$1,500,000 — Water debt service threshold will be addressed in the KPU budget.
- Electric Services Debt Service Threshold is \$1,500,000 - Electric debt service threshold will be addressed in the KPU budget.

City of Ketchikan

Fund Balance Policy

Policy: The City of Ketchikan (the City) will build and maintain, at a minimum, a fund balance in certain identified funds (the Funds). The following fund balances are believed to be sufficient to avoid the necessity of internal or external borrowing, and in doing so, provide for sufficient cash balances to fund operations and allow for financial stability of the City.

Fund balance targets for respective funds are as follows:

- General Fund a minimum fund balance equal to three (3) months of operations, or 25% of budgeted expenditures in the Fund.
- Public Works Sales Tax Fund – a minimum fund balance equal to three (3) months of operations, or 25% of budgeted expenditures in the Fund, plus amounts consistent with the City's capital improvement plan as applies to relevant infrastructure and equipment replacement and major maintenance.
- Solid Waste Fund - a minimum fund balance equal to three (3) months of operations, or 25% of budgeted expenditures in the Fund, plus amounts consistent with the City's capital improvement plan as applies to solid waste capital, closure and post-closure requirements.
- Wastewater Fund - a minimum fund balance equal to six (6) months of operations, or 25% of budgeted expenditures in the Fund, plus amounts consistent with the City's capital improvement plan as applies to wastewater infrastructure replacement and major maintenance.
- Boat Harbor Fund - a minimum fund balance equal to six (6) months of operations, or 25% of budgeted expenditures in the Fund, plus amounts consistent with the City's capital improvement plan as applies to harbor-related infrastructure replacement and major maintenance.
- Port Fund - a minimum fund balance equal to five (5) months of operations, or 25% of budgeted expenditures in the Fund.
- Ketchikan Public Utilities Fund - a minimum fund balance equal to three (3) months of operations, or 25% of budgeted expenditures in the Fund, plus amounts consistent with the City's capital improvement plan as applies to public utilities infrastructure replacement and major maintenance.

Purpose: The City wishes to maintain existing service levels without unnecessary increases in taxes or fees, and maintain a stable financial position during periods of economic uncertainty. To that end, the City will establish prudent reserves in the Funds in order to ensure financial stability throughout the fiscal year including provision for unforeseen contingencies and consideration to revenue timing. This policy establishes a threshold minimum for the City's Funds and is intended to serve as a guide for operational, budgetary, and policy decisions made by the City Council and management.

Definition: The term "fund balance" as referred to in this policy is defined as any amounts that are not legally or contractually required to be maintained intact; externally restricted by grantors, contributors, laws or regulations; or restricted by law, through constitutional provisions or enabling legislation.

Background: An adequate fund balance is critical to lessen the impact of revenue shortfalls and/or unanticipated expenditures over time. Fund balance also serves as a source of bridge funding from year to year, allowing the City to maintain or transition to sustainable service levels.

Maintaining a sufficient level of fund balance provides a lower level of financial risk and allows the City time to react to unfavorable conditions or events that may occur. This lower level of risk and greater flexibility provided must be balanced with the needs of the community served by the City, and with the City Council's goals and objectives.

As a best financial management practice, the City will maintain a prudent fund balance in the Funds to:

1. Provide sufficient resources to meet cash flow needs;
2. Maintain an investment grade bond rating capacity;
3. Cover unforeseen emergencies;

4. Avoid short-term borrowing to fund operations; and

5. Set aside funds for major capital projects or equipment purchase when deemed appropriate.

An adequate fund balance provides sufficient cash flow during those periods of the fiscal year when expenditures typically exceed revenues coming into the City. While some revenues are received uniformly through the year (utility charges and quarterly sales tax receipts e.g.), others are seasonal (port and harbor related revenues), and property taxes are received in the fall following the levy. .

GFOA best practices, comparisons with similar cities, and analyses of the City's future financial needs and challenges identified through discussion with City staff and the City's capital improvement plan were considered in determining appropriate levels of fund balance.

List of Funds

General Fund

101 - General Fund – This fund is the operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund. The assets of this fund have not been restricted.

General Funds - Tax Revenue Funds

110 – Hospital Sales Tax Fund – This fund is used to account for the proceeds of the one percent (1%) sales tax levy that is primarily restricted to the payment of the cost of acquiring, constructing and maintaining healthcare facilities pursuant to Section 3.04.130(b) of the Ketchikan Municipal Code. The proceeds can also be used to defray part of the operating cost of city government if they are not needed for healthcare facilities. The assets of this fund have been restricted by the Ketchikan Municipal Code.

111- Public Works Sales Tax Fund – This fund is used to account for the proceeds of the one and one-half percent (1 ½%) sales tax levy that is primarily restricted to the payment of the cost of acquiring, constructing and maintaining general government infrastructure and other capital assets pursuant to Section 3.04.130(a) of the Ketchikan Municipal Code. The proceeds can also be used to defray part of the operating cost of city government if they are not needed for infrastructure and other capital assets. The assets of this fund have been restricted by the Ketchikan Municipal Code.

Special Revenue Funds – Tax Revenue Funds

210 – Transient Tax Fund – This fund is used to account for the proceeds of the seven percent (7%) occupancy tax levied on transient lodging rent pursuant to Section 3.28.030 of the Ketchikan Municipal Code. The proceeds from the transient tax must be used primarily for the purpose of promoting the City, including but not limited to funding the Ketchikan Visitors Bureau. The proceeds may also be used for other purposes as determined by the City Council. The assets of this fund have been restricted by the Ketchikan Municipal Code.

211 – Marijuana Sales Tax Fund – This fund is used to account for the proceeds of the five percent marijuana sales tax under Section 3.04.030 of the Ketchikan Municipal Code. These funds must be used primarily for the purpose of assisting and addressing the needs of the homeless population or other humanitarian purposes as determined by the City Council.

Special Revenue Funds – Revenue Generating Funds

220 – Solid Waste Services Fund – This fund is used to account for the revenues received from the collection and disposal of solid waste and the related expenditures incurred to provide solid waste services. The fund was established in accordance with Section 7.16.080 of the Ketchikan Municipal Code. The assets of this fund have been restricted by the Ketchikan Municipal Code.

240 – Ketchikan Boat Harbor Fund – This fund is used to account for the revenues received or harbor moorage and related expenditures incurred to provide mooring facilities. The authority for establishing this fund cannot be determined. Certain grant agreements accepted by the City for harbor improvements now require that fees collected for moorage be restricted for the operation and maintenance of grant funded improvements.

250 – Bayview Cemetery Operation and Maintenance Fund – This fund is used to account for the revenues received that are dedicated to support the operations of the Bayview Cemetery. This fund was established at the direction of the City Council.

251 – Bayview Cemetery Development Fund – This fund is used to account for the revenues received that are dedicated to the upgrading and improvement of the Bayview Cemetery. This fund was established at the direction of the City Council.

252 – Bayview Cemetery Endowment Fund - This fund is used to account for the revenues received that are dedicated to the perpetual care of the Bayview Cemetery. This fund was established at the direction of the City Council.

General Funds – Other

112 – Shoreline Area Fund – This fund is used to account for the assets and liabilities of the former Shoreline Service Area that were transferred to the City at the time the service area was annexed. This fund was established at the direction of the City Council.

117 – Community Grant Fund – This fund is used to account for the funds dedicated for the Community Grant Program. This fund was established at the direction of the City Council.

118 – Economic Development and Parking Fund – This fund is used to account for the proceeds from the sale of the Spruce Mill property. These proceeds must be used for economic development and the development of parking facilities as determined by the City Council. This fund was established at the direction of the City Council.

119- Emergency Relief Fund – This fund is used to account for the proceeds from disaster relief and to account for the related expenditures

Special Revenue Funds - Other

260 – CPV Fund – This fund is used to account for revenues received from the State of Alaska's commercial passenger vessel excise tax. The tax collected by the State is \$34.50 per passenger. The State passes \$2.50 per passenger through to the City. The assets of this fund have been restricted under federal and state law and must be used for the benefit of passengers traveling on commercial passenger vessels in Alaska waters.

280 – U.S. Marshall Fund – This fund is used to account for revenues received from the seizure of assets during drug enforcement operations that are dedicated to law enforcement activities. The assets of this fund have been restricted under federal and state law.

285 – Supplemental Emergency Medical Transport Fund – This fund is used to account for the annual revenues received from the State of Alaska's Title 7 of the Alaska Administrative Code, Chapter 145.750, Supplemental Emergency Medical Transport program. These revenues will be used to pay for Fire Department EMS programs, major projects and training of fire department personnel in order to update and maintain Fire Department medical equipment and staff.

290 – Federal and State Grant Fund – This fund is used to account for the receipt of grant revenues and to account for the related expenditures. Grant funds are restricted and can only be used for specific purposes.

Capital Project Funds

310 – Major Capital Improvements Fund – This fund is used to account for the accumulation of resources for the purpose of constructing major capital improvements as determined by the City Council. This fund currently has no source of continuing revenues. This fund was established at the direction of the City Council.

320 – Harbor Construction Fund – This fund is used to account for the proceeds from state grants utilized for the construction costs associated with the deferred maintenance of harbor facilities. This fund was established by the Finance Department in order to comply with the accounting and reporting requirements of the State. The assets of the fund have been restricted by agreement with the State.

330 – Community Facilities Development Fund – This fund is used to account for the accumulation of resources for the purpose of upgrading community facilities as determined by the City Council and the cost of construction. This fund was being funded primarily by annual transfers from the General Fund and local fund raising efforts. The annual transfers ceased when the City issued bonds for the library and fire station projects. This fund was established at the direction of the City Council.

340 – Hospital Construction Fund – This fund is used to account for the proceeds from state grants and bonds utilized to finance the design and construction costs associated with Ketchikan Medical Center Expansion Project. This fund was established by the Finance Department in order to comply with the accounting and reporting requirements of the State and the City's bond covenants. The assets of the fund have been restricted by the grant agreement with the State and the bond covenants and must be used for the Ketchikan Medical Center Expansion Project.

360 – CPV Fund – This fund is used to account for Capital Projects funded from CPV Funds. See Fund 260 for restrictions.

Debt Service Funds

410 – General Obligation Bond Debt Service Fund – This fund is used to accumulate funds for the payment of principal and interest on the hospital; library and fire station general obligation bonds. Funding is provided from property and sales tax revenues. This fund was established by the Finance Department. The assets of the fund have been restricted by bond covenants for the payment of debt service.

Enterprise and Internal Services Funds

505 – Wastewater Fund – This fund is used to account for the operations, maintenance and capital improvements of the municipal wastewater collection and treatment utility system. The fund was established pursuant to Section 12.09.110 of the Ketchikan Municipal Code. Use of the funds is governed by Section 12.09.115 of the Ketchikan Municipal Code. The assets of this fund have been restricted by the Ketchikan Municipal Code.

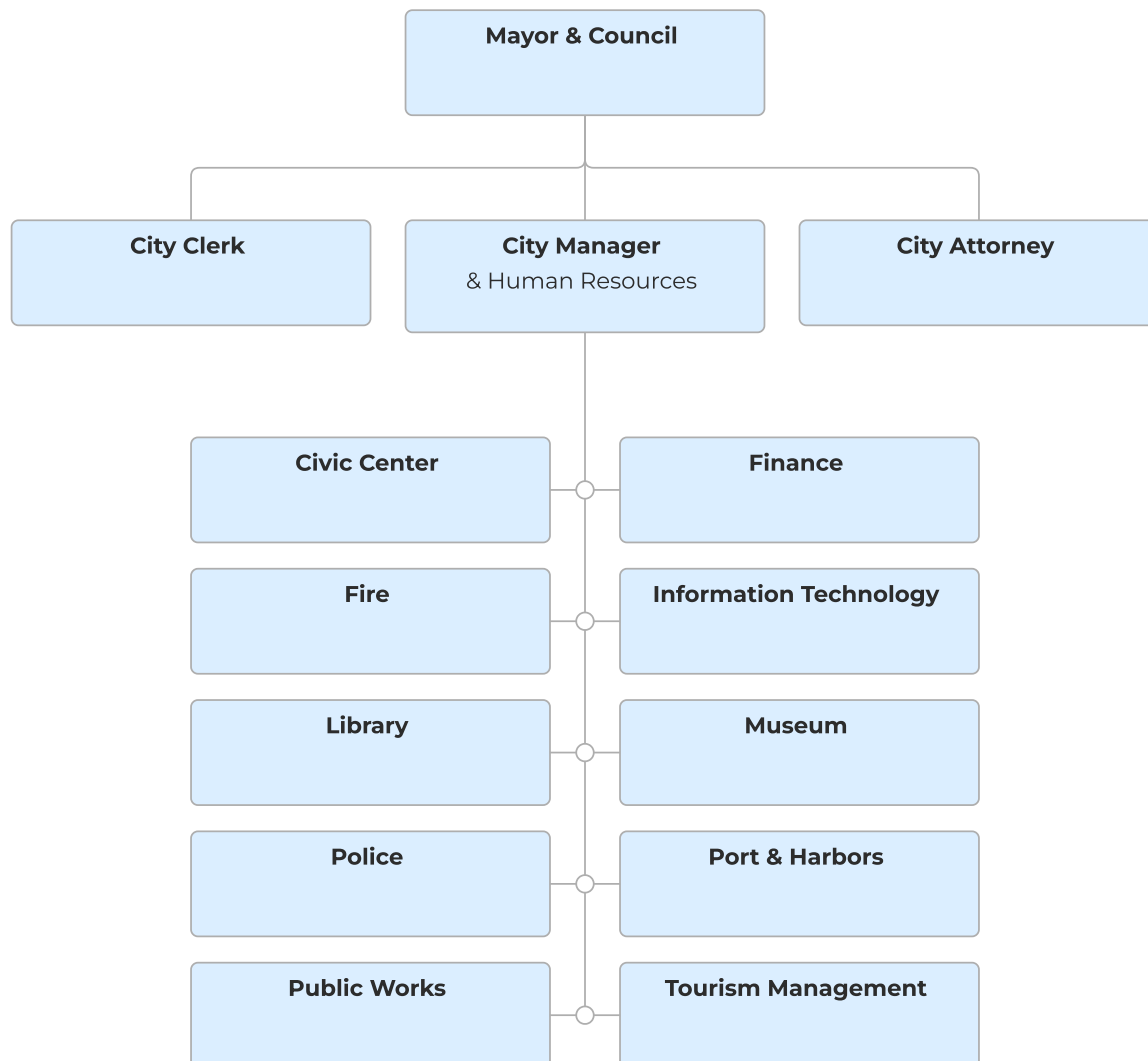
510 – Ketchikan Port Fund – This fund is used to account for the operations, maintenance and capital improvements of city-owned port facilities. This fund was established in accordance with Section 13.04.050 of the Ketchikan Municipal Code. Use of the funds is governed by Section 13.04.060 of the Ketchikan Municipal Code. Federal law restricts the use of passenger wharfage fees and the 2006 Port Revenue Bond covenants place restrictions on the use of all revenues of the Ketchikan Port Fund. The assets of this fund have been restricted by the Ketchikan Municipal Code, federal law and bond covenants.

511 – Port Repair and Replacement Fund – This fund is used to accumulate funds for the repair and maintenance associated with city owned and leased port facilities. This fund was established pursuant to the terms and conditions of the 2006 Port Revenue Bond covenants and the terms and conditions of the Berth IV lease between the City of Ketchikan and Ketchikan Dock Company. The assets of this fund have been restricted by bond covenants and third party agreements.

520 – Ketchikan Public Utilities Fund – This fund is used to account for the operations, maintenance and capital improvements of Ketchikan Public Utilities, a combined utility that provides electric, telecommunications and water services. The fund was established in accordance with Section 8.1 of the City Charter. The assets of this fund have been restricted by the City Charter and KPU's municipal utility revenue bond covenants.

610 – Self-Insurance Fund – This fund accounts for claims not covered by the City's insurance policies. This fund was established at the direction of the City Council, working in consultation with the City's insurance brokers. This fund was established by the City Council.

City of Ketchikan Organizational Chart



City of Ketchikan Comparative Schedule of Employees (2022-2026)

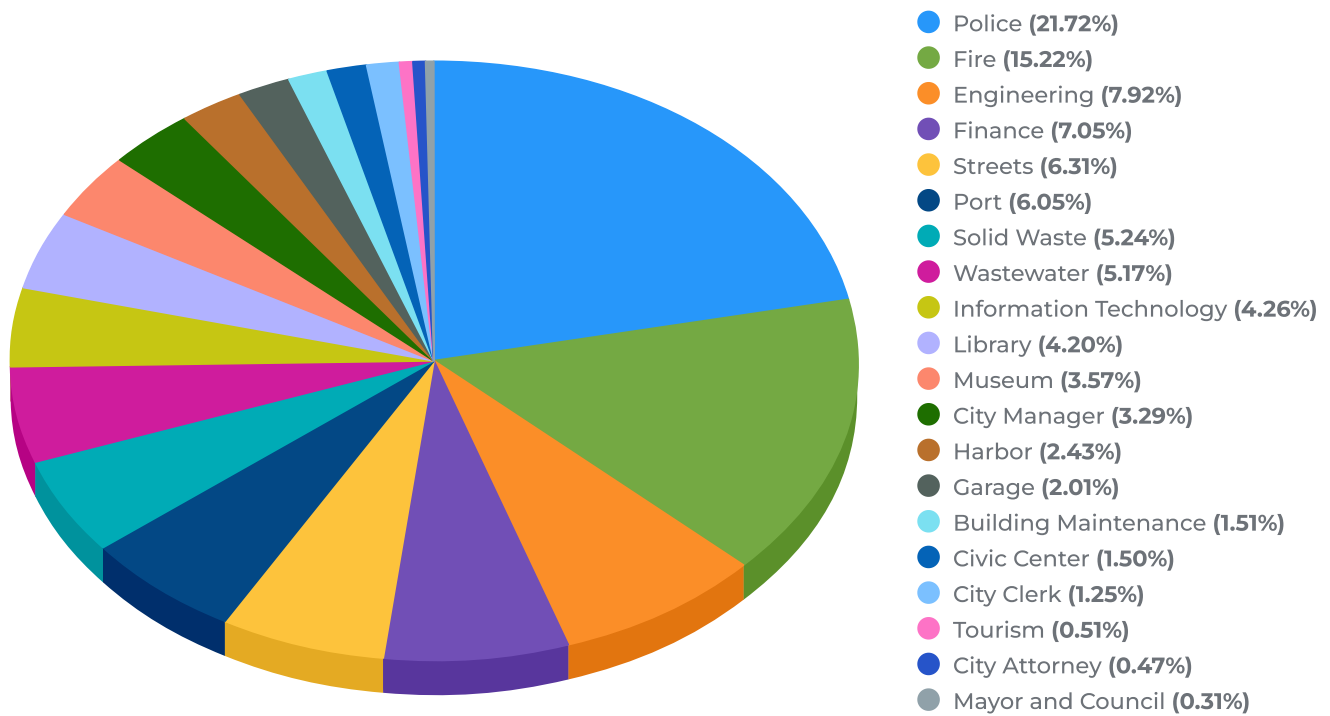
Department/Division		2022	2023	2024	2025			2026	2025 Adopt	
		Actual	Actual	Actual	Adopted	Amended	Estimate	Budget	Incr(Decr)	%
1110	Mayor and Council	8.000	8.000	8.000	8.000	8.000	8.000	8.000	-	0.00%
1120	Law	1.000	1.000	1.000	1.000	1.000	1.000	1.000	-	0.00%
1130	Clerk	2.000	2.000	2.000	2.000	2.000	2.000	2.000	-	0.00%
1140	City Manager	4.500	4.500	4.500	5.250	4.750	4.750	4.750	(0.500)	-9.52%
1150	Finance	16.000	16.000	15.000	16.000	15.000	15.000	15.000	(1.000)	-6.25%
1160	Information Technology	6.000	6.000	8.000	8.000	8.000	8.000	8.000	-	0.00%
1210	Fire	22.000	22.590	24.500	25.000	25.000	25.000	25.000	-	0.00%
1220	Police	38.550	38.550	40.550	40.550	36.550	36.550	36.550	(4.000)	-9.86%
1410	Library	11.125	11.125	11.125	11.225	11.225	11.225	11.225	-	0.00%
1420	Museum	8.200	8.250	8.250	8.250	8.250	8.250	8.250	-	0.00%
1430	Civic Center	3.000	3.000	3.000	3.000	3.000	3.000	3.000	-	0.00%
1440	Tourism Management	-	1.000	1.000	1.000	1.000	1.000	1.000	-	0.00%
1510	Engineering	13.000	13.000	13.000	14.000	14.000	14.000	14.000	-	0.00%
1530	Streets	13.000	13.000	13.000	13.000	13.000	13.000	13.000	-	0.00%
1540	Garage and Warehouse	4.000	4.000	4.000	4.000	4.000	4.000	4.000	-	0.00%
1550	Building Maintenance	3.000	3.000	3.000	3.000	3.000	3.000	3.000	-	0.00%
1560	Solid Waste	11.000	11.000	11.000	11.000	11.000	11.000	11.000	-	0.00%
3000	Wastewater	8.000	8.000	8.000	8.000	8.000	8.000	8.000	-	0.00%
1710	Harbor	5.200	5.200	5.200	5.200	5.200	5.200	5.200	-	0.00%
4000	Port Development	4.800	4.800	5.800	6.800	6.800	6.800	6.800	-	0.00%
TOTAL		182.375	184.015	189.925	194.275	188.775	188.775	188.775	(5.500)	-2.83%

Personnel Services

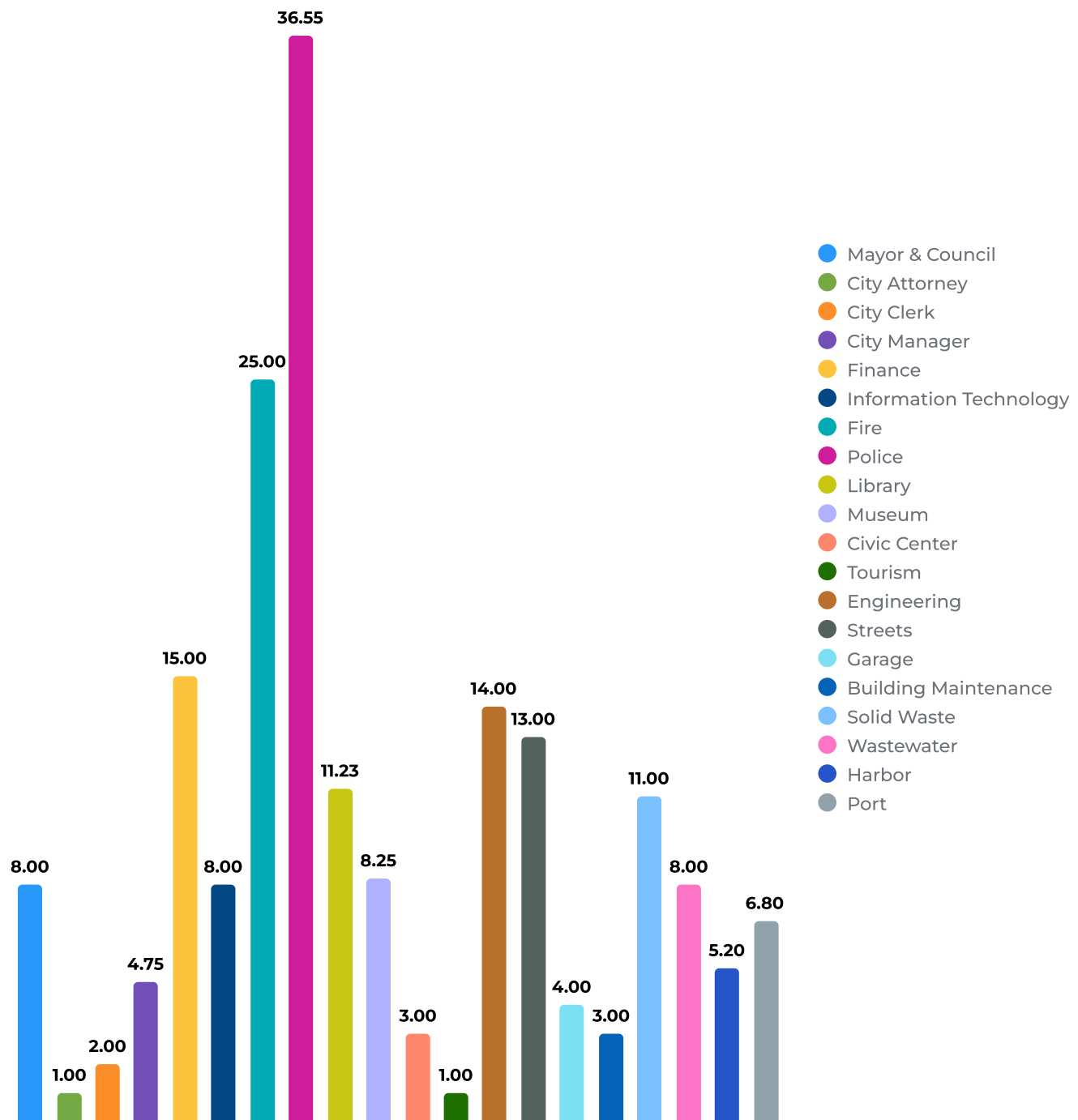
The cost of personnel is projected to consume 50.86% of the City's 2026 operating expenses, which is approximately the same share as 2025. This category includes salaries and wages for regular and temporary employees, overtime and employee benefits. Employee benefits include health insurance, life insurance, retirement, workers compensation, social security, unemployment, accrued leave and allowances for uniforms and clothing. The cost of personnel services is summarized as follows:

	2024 Actual	2025 Budget	2025 Estimate	2026 Budget
Salaries and Wages-Regular	\$ 13,683,085	\$ 16,439,967	\$ 15,081,422	\$ 17,315,952
Salaries and Wages-Temporary	1,082,988	1,308,420	1,272,660	1,435,900
Overtime	1,288,459	1,198,100	1,305,700	1,198,100
Payroll Taxes	1,223,017	1,466,747	1,355,590	1,539,897
Pension Benefits	3,104,329	3,736,744	3,517,085	4,004,039
Health Insurance Benefits	3,612,401	5,084,862	4,151,884	5,393,518
Workers Compensation	378,471	508,864	509,326	517,889
Other Benefits	652,751	688,451	676,561	876,429
Allowances	147,920	224,510	175,547	206,645
Total	<u>\$ 25,173,421</u>	<u>\$ 30,656,665</u>	<u>\$ 28,045,775</u>	<u>\$ 32,488,369</u>
Number of Employees (FTE)	<u>189.925</u>	<u>194.275</u>	<u>188.775</u>	<u>188.775</u>

2026 Personnel Costs by Department



2026 Full Time Equivalents by Department



Regular salaries and wages have been projected to increase by \$875,985 to \$17.32 million in 2026. The increase is due to a 5.0% COLA per collective bargaining agreements and annual step increases. The City-IBEW Local 1547, International Association of Fire Fighters (IAFF) and Public Safety Employee Association (PSEA) negotiated a 5.0% COLA in 2026 and a 4.0% COLA in 2027. The costs of temporary wages have been programmed to increase by \$127,480 across all departments. Overtime has also been programmed to remain at 2025 levels. **All Departments are expected to keep overtime at budgeted levels by managing staff accordingly.**

Workers compensation, which is based on a rate per \$100 of compensation at the straight time rate for hours worked, has been programmed to increase by \$9,025. Wages increased 2.5 to 3.0% in 2025 and are expected to increase 5.0% or more due to the approved COLA and extension of steps in 2026. The workers compensation premium for fiscal year 2025-2026 increased due to the change in the City's workers compensation premium loss modifier, which increased from .98 to 1.23. This premium modification factor may remain high for the next two fiscal years due to an employee fatality and injury that occurred during a landslide.

Health insurance *costs* have been programmed to increase \$308,656. The health insurance *premiums* have been projected to increase 10%. The effective dates vary because the City participates in five health insurance plans, one of which is the PSEA agreement that participates in the State's ASEA contract for health insurance. This plan increased 20% July 1, 2025 and is expected to increase 8% July 1, 2026. Health insurance premiums are difficult to project because they are based on the claims experience of the health insurance plans, the type of coverage selected by the employee and vacancies. Three of City's plans offer different levels of coverage with different premiums and the other two offer a "one size fits all" coverage with a uniform premium. Since the annual cost of health insurance premiums range between \$11,376 for an employee-only plan and \$43,522 for a family plan, vacancies can have a significant impact on the City's total outlay for health insurance benefits for its employees.

Demographics

Population



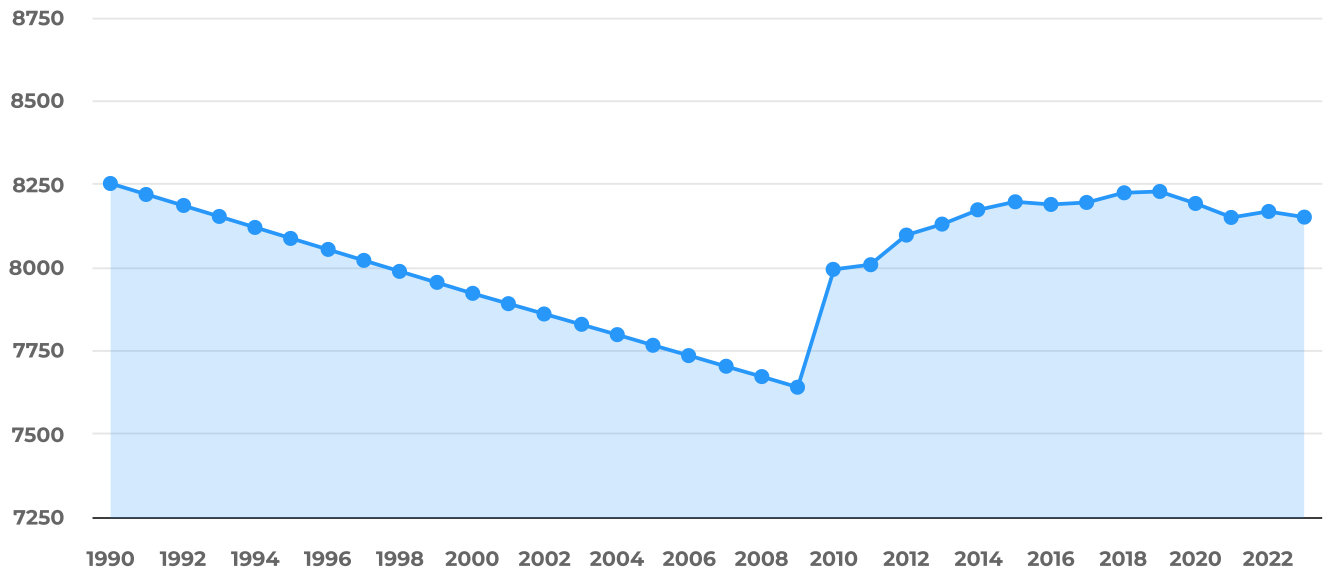
TOTAL POPULATION

8,151

-0.21%
vs. 2022

GROWTH RANK

61 out of **148** Municipalities in Alaska



** Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses*



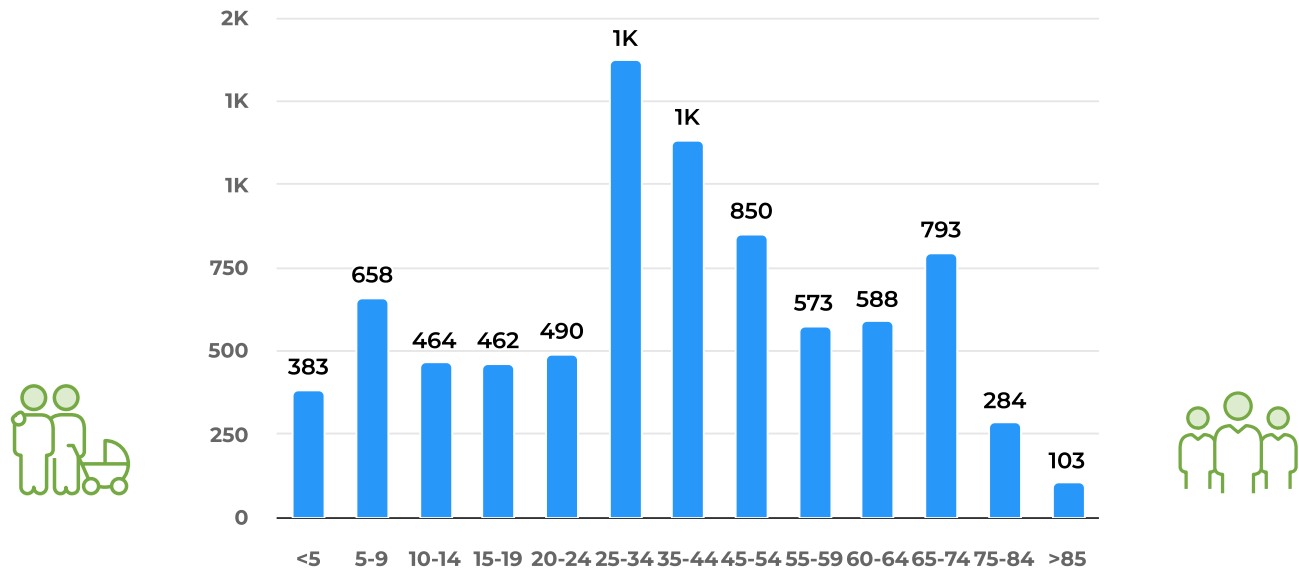
DAYTIME POPULATION

9,925

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

** Data Source: American Community Survey 5-year estimates*

POPULATION BY AGE GROUP



Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

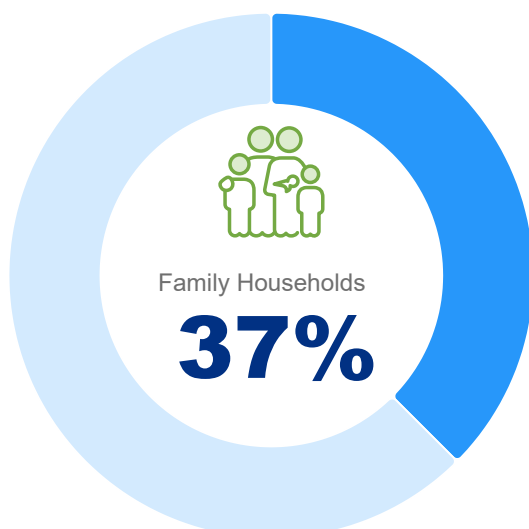
* Data Source: American Community Survey 5-year estimates

Household

TOTAL HOUSEHOLDS

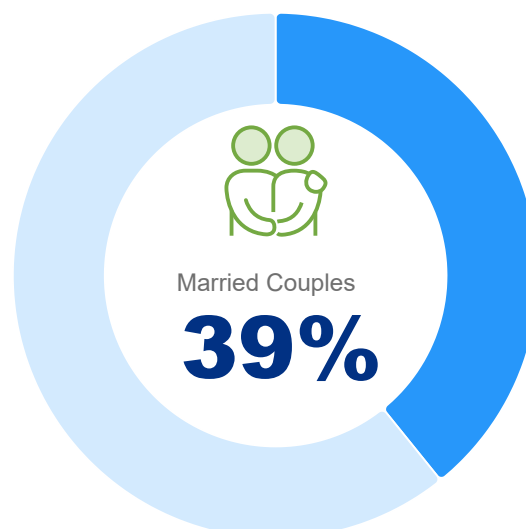
3,311

Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



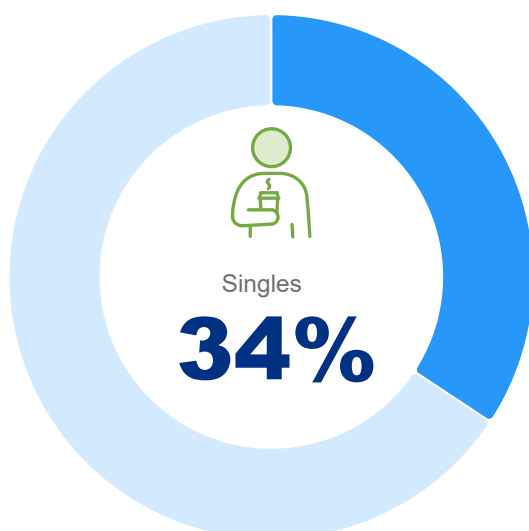
-30%

lower than state average



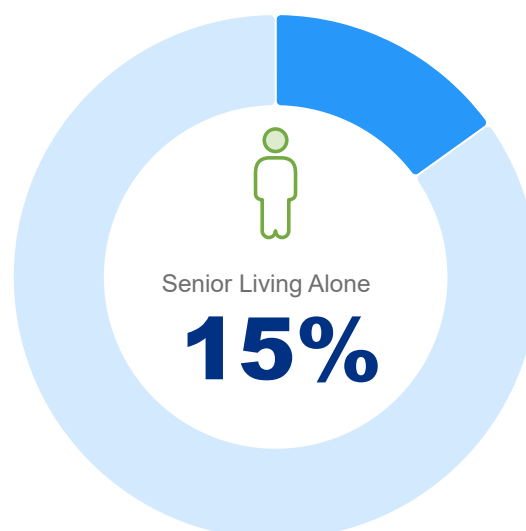
-21%

lower than state average



33%

higher than state average



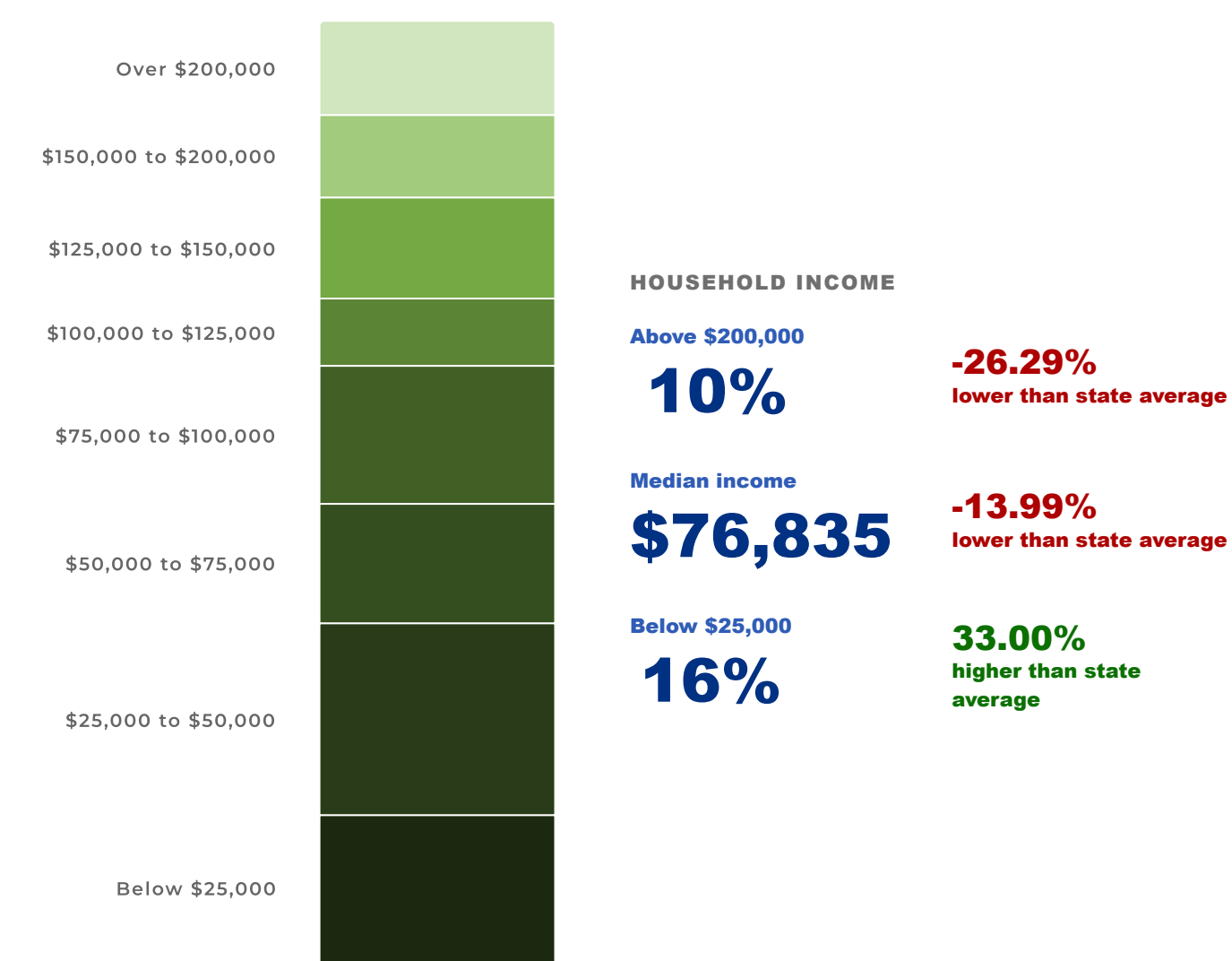
58%

higher than state average

** Data Source: American Community Survey 5-year estimates*

Economic

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



* Data Source: American Community Survey 5-year estimates

Housing

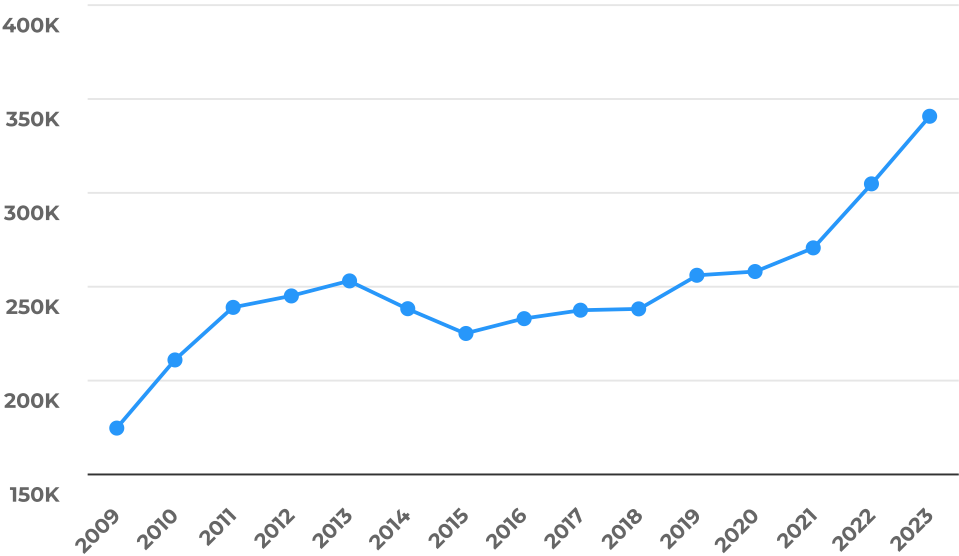


2023 MEDIAN HOME VALUE

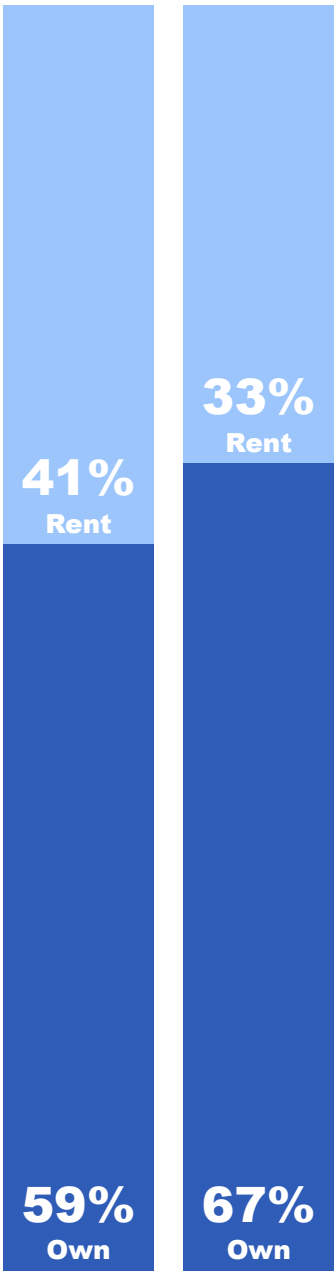
\$340,300

HOME OWNERS VS RENTERS

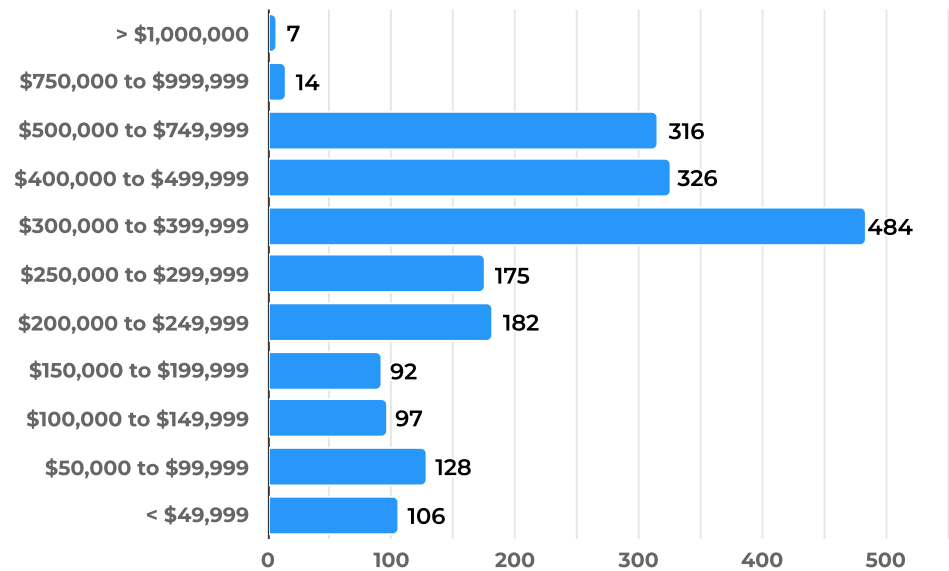
Ketchikan State Avg.



** Data Source: 2023 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*



HOME VALUE DISTRIBUTION



** Data Source: 2023 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

** Data Source: 2023 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

Funds Summary Overview

This overview contains a review of the proposed spending plan for 2026 and will include a discussion of the following areas: (1) Revenues – All Funds; (2) Transfers In from Other Funds – All Funds; (3) Operating and Capital Expenditures – All Funds; (4) Transfers Out and Advances to Other Funds – All Funds; (5) Review of Major Funds; (6) Capital Improvement Program; and (7) Debt Management.

Revenues - All Funds - Financial Overview

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 revenues.

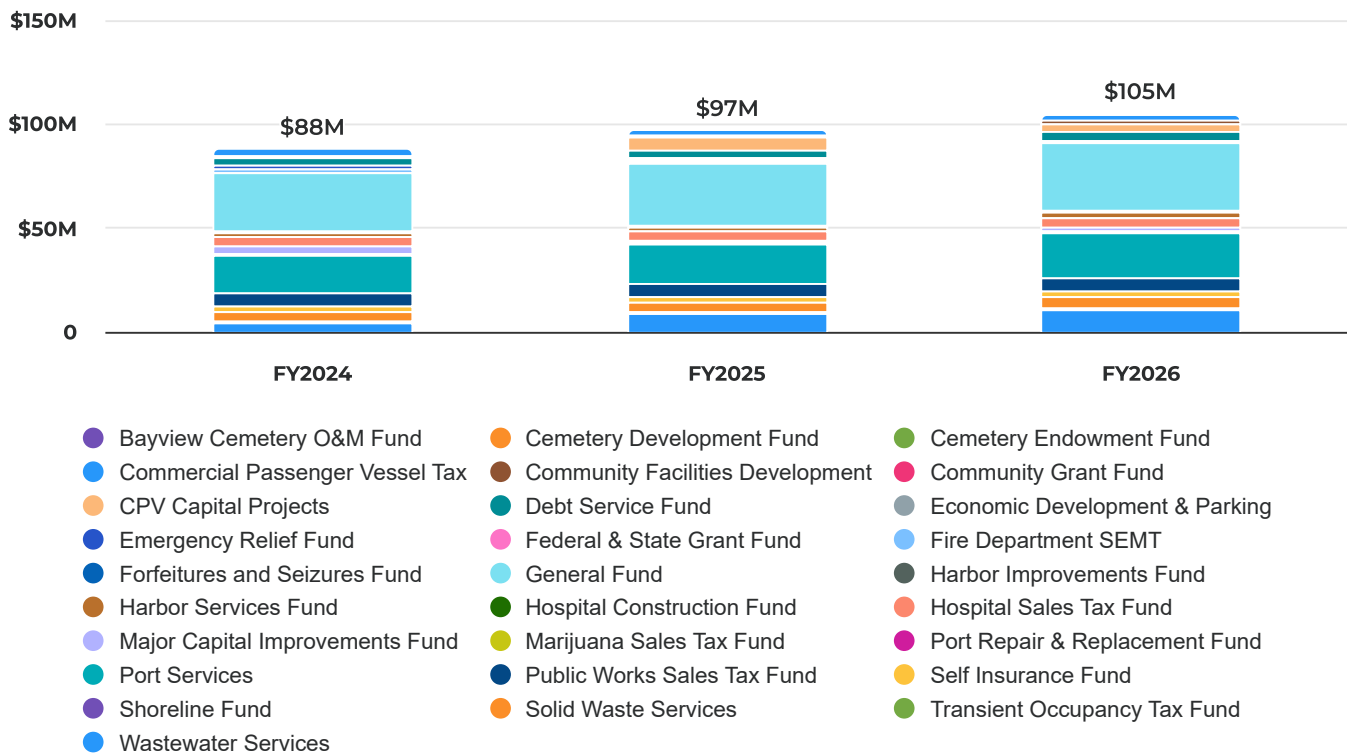
Summary of Revenue Goals

The revenue goals for 2026 include the following:

1. Continue to set fair, equitable and sustainable rates, while also balancing the needs of each division with the affordability to customers and ratepayers.
2. Ensure adequate funding of operations to maintain ideal service levels.
3. Ensure sufficient funding for debt service payments and/or plan funding reserves to complete essential capital improvements.
4. Plan for funding of annual projects in order to minimize more costly emergency repairs and replacements.

2026 Revenues by Fund

Historical Revenues by Fund



The 2026 Revenue by Fund is led by the General Fund, which accounts for \$32.7 million or 31.72% of the total revenue. Following this, Port Services contribute \$21.3 million, representing 20.71%. Wastewater Services provide \$10.3 million, making up 9.95% of the revenue.

The Public Works Sales Tax Fund adds \$6.3 million, equivalent to 6.07%, while Solid Waste Services contribute \$5.4 million or 5.27%. The Hospital Sales Tax Fund accounts for \$4.3 million, which is 4.12% of the total.

Debt Service Fund revenue totals \$4 million, representing 3.93%, and CPV Capital Projects accounts for \$3.7 million, or 3.55%. The Self Insurance Fund contributes \$3.1 million, making up 3.05%, and the Commercial Passenger Vessel Tax adds \$3 million, which is 2.87% of

the revenue.

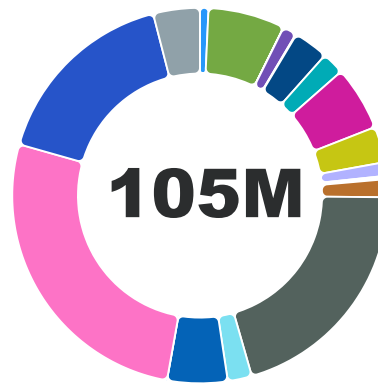
There are also 15 smaller categories not listed here that contribute to the overall revenue for 2026.

Revenues by Fund

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
General Fund	28,291,225	29,682,198	29,757,698	29,002,365	32,709,617	3,027,419	10.20%
Hospital Sales Tax Fund	4,469,115	4,243,000	4,243,000	4,327,600	4,250,000	7,000	0.16%
Public Works Sales Tax Fund	6,801,826	6,258,000	6,258,000	6,304,236	6,258,000	-	0.00%
Shoreline Fund	3,934	-	-	1,775	-	-	0.00%
Community Grant Fund	378,000	396,900	396,900	396,900	416,745	19,845	5.00%
Economic Development & Parking	16,802	4,000	4,000	7,350	4,500	500	12.50%
Emergency Relief Fund	1,529,114	950,000	950,000	950,000	-	-950,000	-
Transient Occupancy Tax Fund	850,059	814,000	814,000	805,116	764,000	-50,000	-6.14%
Marijuana Sales Tax Fund	227,837	180,000	180,000	180,956	180,000	-	0.00%
Solid Waste Services	4,562,193	4,359,200	4,359,200	4,842,205	5,426,900	1,067,700	24.49%
Harbor Services Fund	1,855,625	1,899,750	1,899,750	2,010,289	2,745,850	846,100	44.54%
Bayview Cemetery O&M Fund	7,523	3,500	3,500	10,230	5,500	2,000	57.14%
Cemetery Development Fund	7,720	10,000	10,000	6,705	12,000	2,000	20.00%
Cemetery Endowment Fund	1,220	1,500	1,500	2,445	1,500	-	0.00%
Commercial Passenger Vessel Tax	3,223,972	2,722,800	2,722,800	3,100,225	2,962,490	239,690	8.80%
Forfeitures and Seizures Fund	97,544	500	500	69,838	500	-	0.00%
Fire Department SEMT	1,498,167	898,000	898,000	946,108	920,000	22,000	2.45%
Federal & State Grant Fund	498,788	944,286	1,024,296	123,011	-	-944,286	-
Major Capital Improvements Fund	3,453,387	899,000	921,212	926,787	1,626,500	727,500	80.92%
Harbor Improvements Fund	407,700	955,000	955,000	224,420	1,141,375	186,375	19.52%
Community Facilities Development	150,843	10,000	10,000	110,000	1,380,877	1,370,877	13,708.77%
Hospital Construction Fund	180,786	-	-	16,340	4,500	4,500	-
CPV Capital Projects	43,080	6,034,000	6,034,000	2,546,124	3,812,876	-2,221,124	-36.81%
Debt Service Fund	4,048,981	4,050,264	4,050,264	4,050,264	4,046,866	-3,398	-0.08%
Wastewater Services	3,915,090	8,457,891	8,457,891	6,669,398	10,502,787	2,044,896	24.18%
Port Services	18,143,273	19,630,200	19,630,200	20,645,163	21,797,680	2,167,480	11.04%
Port Repair & Replacement Fund	646,765	532,000	532,000	547,464	532,000	-	0.00%
Self Insurance Fund	2,437,944	2,838,235	3,028,282	3,202,057	3,139,930	301,695	10.63%
Total Revenues	87,748,513	96,774,224	97,141,993	92,025,371	104,642,993	7,868,769	8.13%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

2026 Revenues by Revenue Category



Advances	\$762,680	0.73%
Bonds Issuance	\$6,913,281	6.61%
Contributions	\$17,470	0.02%
Culture and Tourism	\$1,226,901	1.17%
Fines and Forfeitures	\$65,600	0.06%
General Government	\$3,139,930	3.00%
Harbors	\$2,024,900	1.94%
Interdepartmental	\$5,794,760	5.54%
Intergovernmental Revenues	\$3,240,640	3.10%
Investment Revenues	\$1,216,000	1.16%
Licenses and Permits	\$140,000	0.13%
Other Revenues	\$145,200	0.14%
Payment In Lieu of Tax	\$1,627,950	1.56%
Port - Operating Revenues	\$21,347,680	20.40%
Public Safety	\$2,176,500	2.08%
Public Works	\$5,425,200	5.18%
Sale of Capital Assets	\$10,000	0.01%
Taxes	\$27,816,022	26.58%
Transfers In	\$17,344,279	16.57%
Wastewater - Operating Revenues	\$4,208,000	4.02%

For the "All Funds Financial Overview," the revenue is primarily composed of Taxes at \$27.8 million, representing 26.99% of the total. Port - Operating Revenues follow with \$21.3 million, accounting for 20.71%. Transfers In contribute \$16.2 million, or 15.75%. Bonds Issuance adds \$6.9 million, which is 6.71% of the revenue. Interdepartmental revenues total \$5.8 million, making up 5.62%, while Public Works-Solid Waste provides \$5.4 million, or 5.26%. Wastewater - Operating Revenues amount to \$4.2 million, representing 4.08%. Intergovernmental Revenues are \$3.2 million, or 3.14%, and General Government revenues are \$3.1 million, accounting for 3.05%. Public Safety contributes \$2.2 million, which is 2.11% of the total revenue. Nine smaller categories are not included in this summary.

The Financial Plan discussed during the June 24, 2025, 2026 Budget Work Session proposed an increase in the seasonal sales tax rate of 0.5% (April through September) and rate increases for Solid Waste Services (9.5%), Wastewater Services (8.0%) and Harbor Services (8.0%). An increase in Payments In Lieu of Taxes to reflect the increase in assessed values has also been factored into the 2026 Revenues.

Revenues by Revenue Category

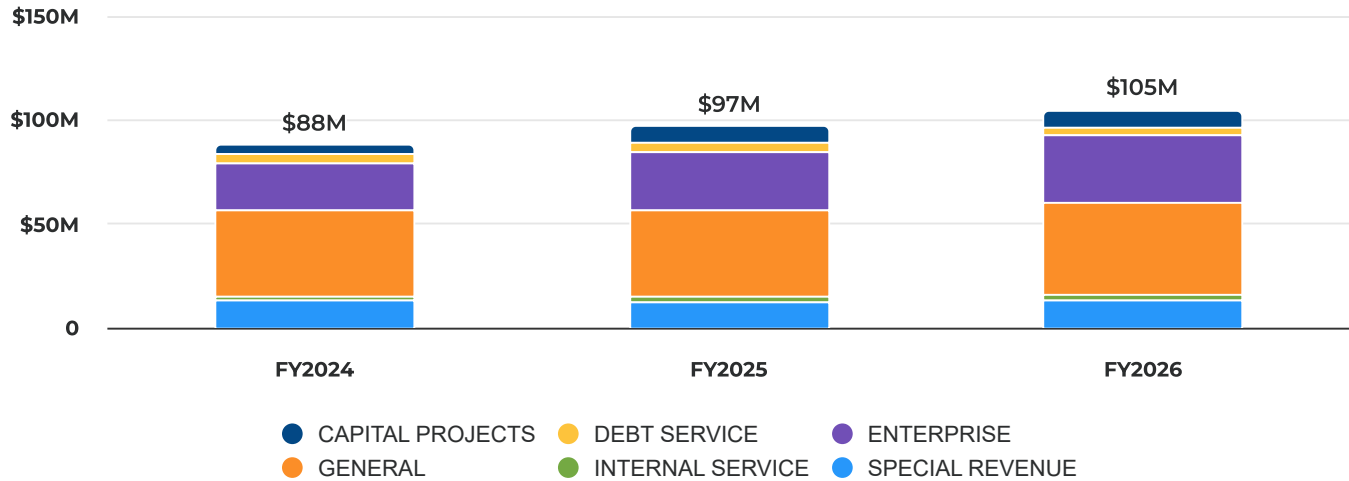
Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Taxes	26,341,553	26,712,551	26,712,551	26,473,231	27,816,022	1,103,471	4.13%
Payment In Lieu of Tax	1,222,402	1,210,000	1,210,000	1,210,000	1,627,950	417,950	34.54%
Other Revenues	170,260	145,200	335,247	354,753	145,200	-	0.00%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Investment Revenues	3,939,117	802,500	802,500	2,464,326	1,216,000	413,500	51.53%
Licenses and Permits	286,490	127,500	127,500	167,838	140,000	12,500	9.80%
Culture and Tourism	1,097,891	1,044,039	1,044,039	1,147,914	1,226,901	182,862	17.51%
Public Safety	2,845,584	2,114,500	2,114,500	2,204,300	2,176,500	62,000	2.93%
Public Works	4,478,242	4,358,000	4,358,000	4,799,119	5,425,200	1,067,200	24.49%
Harbors	1,767,380	1,876,500	1,876,500	1,951,832	2,024,900	148,400	7.91%
Fines and Forfeitures	140,509	67,000	67,000	126,202	65,600	-1,400	-2.09%
Intergovernmental Revenues	6,914,664	4,967,336	5,123,346	4,598,596	3,240,640	-1,726,696	-34.76%
Contributions	388,977	131,500	131,500	13,989	17,470	-114,030	-86.71%
Transfers In	9,470,496	16,259,664	16,281,376	12,525,706	17,344,279	1,084,615	6.67%
Advances	-	750,000	750,000	-	762,680	12,680	1.69%
Bonds Issuance	1,220,000	4,714,091	4,714,091	2,792,110	6,913,281	2,199,190	46.65%
Sale of Capital Assets	228,258	10,000	10,000	5,500	10,000	-	0.00%
Interdepartmental	4,186,442	5,526,608	5,526,608	4,808,272	5,794,760	268,152	4.85%
General Government	2,374,701	2,838,235	2,838,235	3,012,010	3,139,930	301,695	10.63%
Wastewater - Operating Revenues	3,603,415	3,688,800	3,688,800	3,658,324	4,208,000	519,200	14.08%
Port - Operating Revenues	17,072,132	19,430,200	19,430,200	19,711,349	21,347,680	1,917,480	9.87%
Total Revenues	87,748,513	96,774,224	97,141,993	92,025,371	104,642,993	7,868,769	8.13%

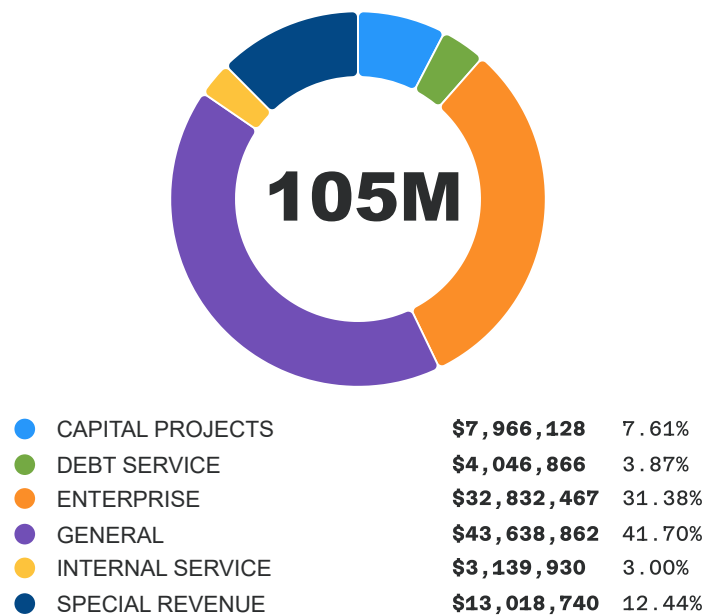
- The 4.13% increase in tax revenue reflects the implementation of a 0.5% increase in the seasonal sales tax rate effective April through September.
- The 34.54% increase in payments in lieu of taxes is noted in the financial plan above. Going forward, payments in lieu of taxes will increase for two reasons, a mill rate increase and/or an increase in assessed values.
- The 24.49% increase in "public works" revenue above is solid waste revenue and reflects a 9.5% increase in 2026 and a full year of the increase approved in 2025, since the 2025 increase was applied in August and December. Please see the Solid Waste Services Fund - Overview for more detailed information.
- The 7.91% increase in harbor revenues reflects the implementation of an 8.0% increase in all rates. Please see the Harbor Services - Overview for more detailed information.
- The 14.08% increase in wastewater revenue reflects the implementation of a public restroom rate and an 8.0% increase in all rates. Please see the Wastewater Services Fund - Overview for more detailed information.
- The 10.63% increase in "general government" revenue above is revenue related to projected increases in insurance. Please see the Risk Management Services section for more information.
- The 9.87% increase in port revenues is due to the projected increase in cruise ships and passengers expected in 2026.

Revenues by Fund Type

Historical Revenues by Fund Type



2026 Revenues by Fund Type



The GENERAL fund accounts for \$43.6 million, representing 42.32% of the total revenue. The ENTERPRISE funds account for \$32.1 million, which is 31.17% of the revenue. SPECIAL REVENUE funds make up \$12.3 million or 11.95%. CAPITAL PROJECTS funds total \$7.8 million, comprising 7.58%. DEBT SERVICE funds amount to \$4 million, representing 3.93%, and INTERNAL SERVICE (Risk Management) fund accounts for \$3.1 million, which is 3.05% of the total fiscal year revenue.

Please see the list of funds to see more information regarding fund type, General, Special Revenue, Capital Projects, Debt Service, Enterprise and Internal Service.

Revenues by Fund Type

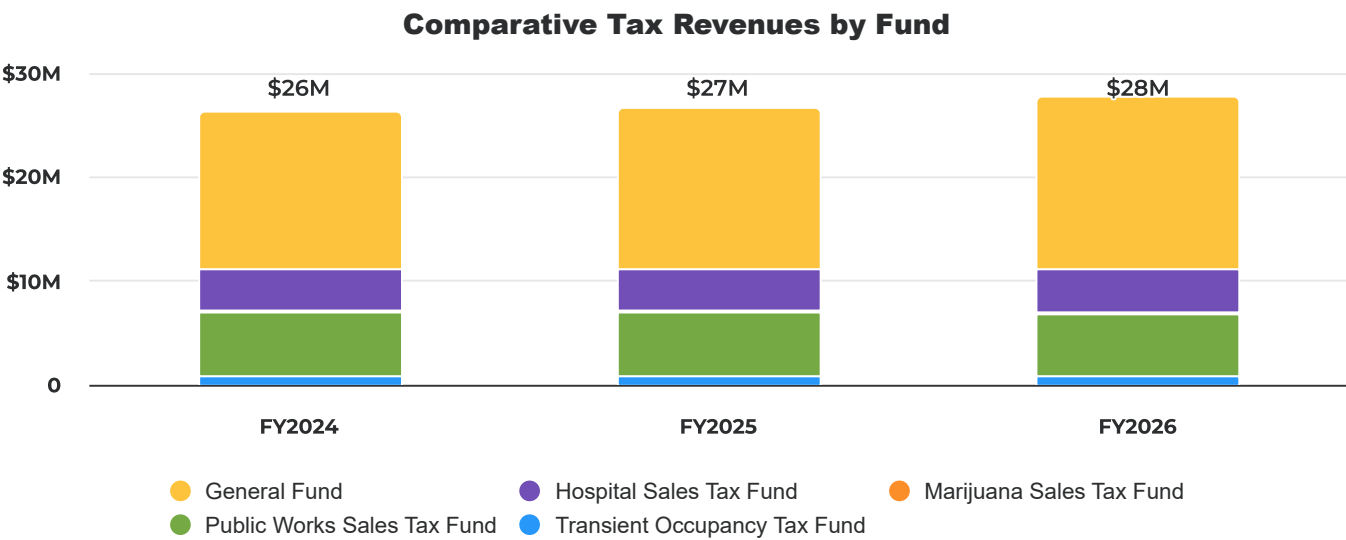
Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
GENERAL	41,490,016	41,534,098	41,609,598	40,990,226	43,638,862	2,104,764	5.07%
Taxes	25,376,296	25,732,551	25,732,551	25,543,231	26,886,022	1,153,471	4.48%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Payment In Lieu of Tax	1,222,402	1,210,000	1,210,000	1,210,000	1,627,950	417,950	34.54%
Other Revenues	160,177	145,000	145,000	164,600	145,000	-	0.00%
Investment Revenues	1,233,511	379,000	379,000	617,125	389,500	10,500	2.77%
Licenses and Permits	286,490	127,500	127,500	167,838	140,000	12,500	9.80%
Culture and Tourism	1,097,891	1,044,039	1,044,039	1,147,914	1,226,901	182,862	17.51%
Public Safety	1,423,551	1,219,500	1,219,500	1,309,300	1,281,500	62,000	5.08%
Public Works	3,360	5,000	5,000	2,175	2,000	-3,000	-60.00%
Fines and Forfeitures	56,686	65,500	65,500	57,998	65,000	-500	-0.76%
Intergovernmental Revenues	2,149,883	1,158,500	1,193,500	1,390,178	338,150	-820,350	-70.81%
Contributions	238,534	131,500	131,500	13,989	17,470	-114,030	-86.71%
Transfers In	3,826,535	4,779,400	4,819,900	4,552,106	5,714,609	935,209	19.57%
Sale of Capital Assets	228,258	10,000	10,000	5,500	10,000	-	0.00%
Interdepartmental	4,186,442	5,526,608	5,526,608	4,808,272	5,794,760	268,152	4.85%
SPECIAL REVENUE	12,830,648	11,833,536	11,913,546	12,097,128	13,018,740	1,185,204	10.02%
Taxes	965,257	980,000	980,000	930,000	930,000	-50,000	-5.10%
Other Revenues	10,083	200	200	106	200	-	0.00%
Investment Revenues	859,703	153,500	153,500	499,669	302,000	148,500	96.74%
Public Safety	1,422,033	895,000	895,000	895,000	895,000	-	0.00%
Public Works	4,474,882	4,353,000	4,353,000	4,796,944	5,423,200	1,070,200	24.59%
Harbors	1,767,380	1,876,500	1,876,500	1,951,832	2,024,900	148,400	7.91%
Fines and Forfeitures	83,823	1,500	1,500	68,204	600	-900	-60.00%
Intergovernmental Revenues	3,196,644	3,573,836	3,653,846	2,955,373	2,737,490	-836,346	-23.40%
Contributions	943	-	-	-	-	-	-
Transfers In	49,900	-	-	-	705,350	705,350	-
CAPITAL PROJECTS	4,235,796	7,898,000	7,920,212	3,823,671	7,966,128	68,128	0.86%
Investment Revenues	274,130	30,000	30,000	194,290	34,500	4,500	15.00%
Intergovernmental Revenues	1,568,137	210,000	251,000	228,045	165,000	-45,000	-21.43%
Contributions	149,500	-	-	-	-	-	-
Transfers In	1,024,029	6,908,000	6,889,212	3,401,336	6,103,948	-804,052	-11.64%
Advances	-	750,000	750,000	-	762,680	12,680	1.69%
Bonds Issuance	1,220,000	-	-	-	900,000	900,000	-
DEBT SERVICE	4,048,981	4,050,264	4,050,264	4,050,264	4,046,866	-3,398	-0.08%
Transfers In	4,048,981	4,050,264	4,050,264	4,050,264	4,046,866	-3,398	-0.08%
ENTERPRISE	22,705,128	28,620,091	28,620,091	27,862,025	32,832,467	4,212,376	14.72%
Investment Revenues	1,508,530	240,000	240,000	1,153,242	490,000	250,000	104.17%
Intergovernmental Revenues	-	25,000	25,000	25,000	-	-25,000	-
Transfers In	521,051	522,000	522,000	522,000	773,506	251,506	48.18%
Bonds Issuance	-	4,714,091	4,714,091	2,792,110	6,013,281	1,299,190	27.56%
Wastewater - Operating Revenues	3,603,415	3,688,800	3,688,800	3,658,324	4,208,000	519,200	14.08%
Port - Operating Revenues	17,072,132	19,430,200	19,430,200	19,711,349	21,347,680	1,917,480	9.87%
INTERNAL SERVICE	2,437,944	2,838,235	3,028,282	3,202,057	3,139,930	301,695	10.63%
Other Revenues	-	-	190,047	190,047	-	-	0.00%
Investment Revenues	63,243	-	-	-	-	-	-
General Government	2,374,701	2,838,235	2,838,235	3,012,010	3,139,930	301,695	10.63%
Total Revenues	87,748,513	96,774,224	97,141,993	92,025,371	104,642,993	7,868,769	8.13%

Taxes

Tax revenues are used to finance the programs of the City’s General Fund, two sales tax funds and a transient tax fund. The City currently assesses four types of taxes: (1) ad valorem real and personal property taxes; (2) an in-season sales tax of 5.5% April-September and an off-season sales tax of 3.0% October-December; (3) 7.0% transient occupancy tax; and (4) 5.0% marijuana sales tax. The schedule below summarizes the major tax revenues of the City.

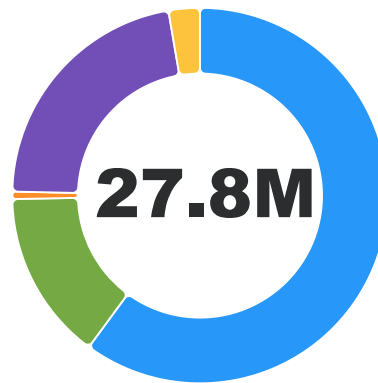
Tax Revenues by Fund



The total revenue from Taxes for 2026 is \$27.8 million, representing a 4.13% increase from the previous year's total of \$26.7 million. The General Fund remains the largest category, increasing to \$16.7 million, which is 60.08% of the total and reflects a \$1.2 million or 7.43% increase from FY2025. The Public Works Sales Tax Fund holds the second largest share at \$6.1 million, accounting for 21.96% of the total, with no change from the prior year.

The Hospital Sales Tax Fund is the third largest category at \$4.1 million, making up 14.61% of the total, and shows a slight decrease of \$3,000 or 0.07%. The Transient Occupancy Tax Fund decreased by \$50,000 or 6.25% to \$750,000, representing 2.7% of the total. The Marijuana Sales Tax Fund remains steady at \$180,000, comprising 0.65% of the total with no change from the previous year.

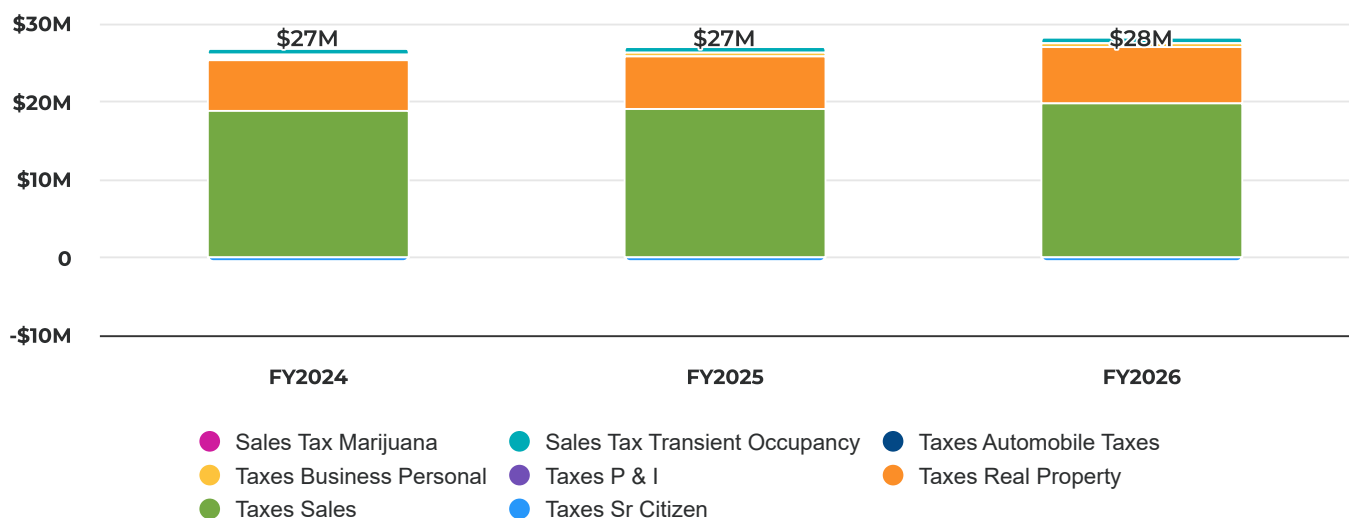
Overall, the most significant increase is seen in the General Fund, while the largest decreases occur in the Transient Occupancy Tax Fund and the Hospital Sales Tax Fund. The Public Works Sales Tax Fund and Marijuana Sales Tax Fund remain stable compared to 2025.

2026 Tax Revenues by Fund

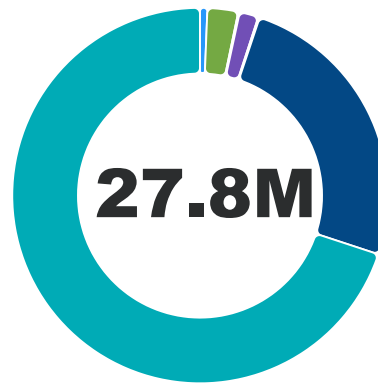
General Fund	\$16,713,022	60.08%
Hospital Sales Tax Fund	\$4,065,000	14.61%
Marijuana Sales Tax Fund	\$180,000	0.65%
Public Works Sales Tax Fund	\$6,108,000	21.96%
Transient Occupancy Tax Fund	\$750,000	2.70%

Tax Revenues by Fund

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
General Fund	15,162,046	15,556,551	15,556,551	15,369,995	16,713,022	1,156,471	7.43%
Hospital Sales Tax Fund	4,085,700	4,068,000	4,068,000	4,065,000	4,065,000	-3,000	-0.07%
Public Works Sales Tax Fund	6,128,550	6,108,000	6,108,000	6,108,236	6,108,000	-	0.00%
Transient Occupancy Tax Fund	787,712	800,000	800,000	750,000	750,000	-50,000	-6.25%
Marijuana Sales Tax Fund	177,545	180,000	180,000	180,000	180,000	-	0.00%
Total Revenues	26,341,553	26,712,551	26,712,551	26,473,231	27,816,022	1,103,471	4.13%

Tax Revenues by Revenue Category**Comparative Tax Revenues by Revenue Category**

2026 Tax Revenues by Category



● Sales Tax Marijuana	\$180,000	0.65%
● Sales Tax Transient Occupancy	\$750,000	2.70%
● Taxes Automobile Taxes	\$36,000	0.13%
● Taxes Business Personal	\$460,724	1.66%
● Taxes P & I	\$38,000	0.14%
● Taxes Real Property	\$7,070,276	25.42%
● Taxes Sales	\$19,860,000	71.40%
● Taxes Sr Citizen	-\$578,978	-2.08%

The revenue from Taxes is primarily composed of Sales Taxes, which account for \$19.9 million or 71.4% of the total taxes collected. This is followed by Real Property Taxes at \$7.1 million, representing 25.42%. Transient Occupancy Sales Tax contributes \$750,000, making up 2.7% of the revenue. Business Personal Taxes adds \$460,724, which is 1.66%, while Marijuana Sales Tax provides \$180,000 or 0.65%. Slighter amounts collected include P & I on Taxes at \$38,000 (0.14%) and Automobile Taxes at \$36,000 (0.13%). There is a negative amount in Senior Citizen Exemptions on Taxes, totaling \$578,978, which reflects exemptions given to disabled veterans and senior citizens over the age of 65.

Note: The senior citizen exemption is required per Alaska Statute 29.45.030. The Council would need to lobby the State to change this exemption. For example, a needs-based exemption helps those in lower income brackets, while an age exemption can apply to wealthy taxpayers, essentially causing property tax increases for lower-income families to fund property tax for the wealthy.

Tax Revenues

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Taxes Real Property	6,685,779	6,786,773	6,786,773	6,918,084	7,070,276	283,503	4.18%
Taxes Automobile Taxes	43,354	36,000	36,000	36,000	36,000	-	0.00%
Taxes Sr Citizen	-553,267	-561,222	-561,222	-561,222	-578,978	-17,756	3.16%
Taxes Sales	18,680,484	19,000,000	19,000,000	18,660,000	19,860,000	860,000	4.53%
Taxes Business Personal	406,039	405,000	405,000	452,133	460,724	55,724	13.76%
Taxes P & I	113,907	66,000	66,000	38,236	38,000	-28,000	-42.42%
Sales Tax Marijuana	177,545	180,000	180,000	180,000	180,000	-	0.00%
Sales Tax Transient Occupancy	787,712	800,000	800,000	750,000	750,000	-50,000	-6.25%
Total Revenues	26,341,553	26,712,551	26,712,551	26,473,231	27,816,022	1,103,471	4.13%

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:

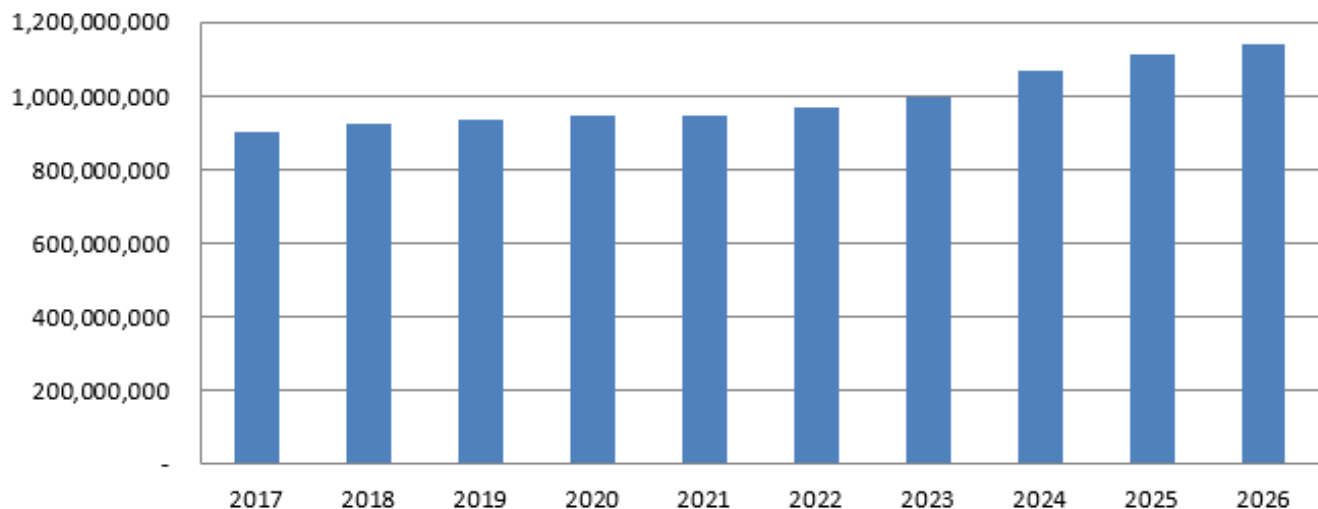
- Cycle 1 – residential zoned property from Schoenbar Bypass to the southern City limits.
- Cycle 2 – commercial and industrial zoned property.

- Cycle 3 – no city property appraised in Cycle 3.
- Cycle 4 – residential zoned property from Schoenbar Bypass to the northern City limits.

Properties not scheduled for reappraisal are generally subject to market analysis and adjusted accordingly. Market indicators show assessed values increasing but at a low to moderate rate. As a result, assessed values are projected to increase approximately 2.9% percent in 2026, based on an average increase of the assessed values of properties located in the City over the last 10 years, since it is more reflective of current market indicators. Usually the City uses a 5-year average, but large market adjustments were implemented over the last three years, increasing assessed values 17.8% which would skew the 5-year average and potentially overestimate the revenue for 2026.

The City currently receives \$6.60 per \$1,000 of assessed valuation from property owners located within the City limits. If the assessed values are not sufficient to fund the budgeted revenue, the Council will need to consider a mill rate increase to make up for the shortfall. A 1.0 mill increase would generate approximately \$1,030,863 and a 0.1 mill rate increase would generate approximately \$103,086 in revenue. Actual assessed property values will not be known until the Ketchikan Gateway Borough Board of Equalization certifies the assessment roll in May 2026. The City is required to adopt its annual mill levy by June 15 each year. Pursuant to the Council's budget policy and the anticipated valuation increase, a mill levy increase has not been factored into the 2026 Budget, but the Council should be prepared to increase the mill rate if sales tax revenues do not meet projections and in anticipation of wage increases per collective bargaining agreements. Should market conditions drastically change between now and June, staff will review those changes and make the appropriate recommendations to the Council.

Property Tax Assessments 2017-2026



Sales Taxes Sales tax revenues are generated from a seasonal sales tax rate of three percent October through March and five and one half percent April through September imposed on retail sales within the City limits. Sales tax revenues are accounted for in three separate funds as follows:

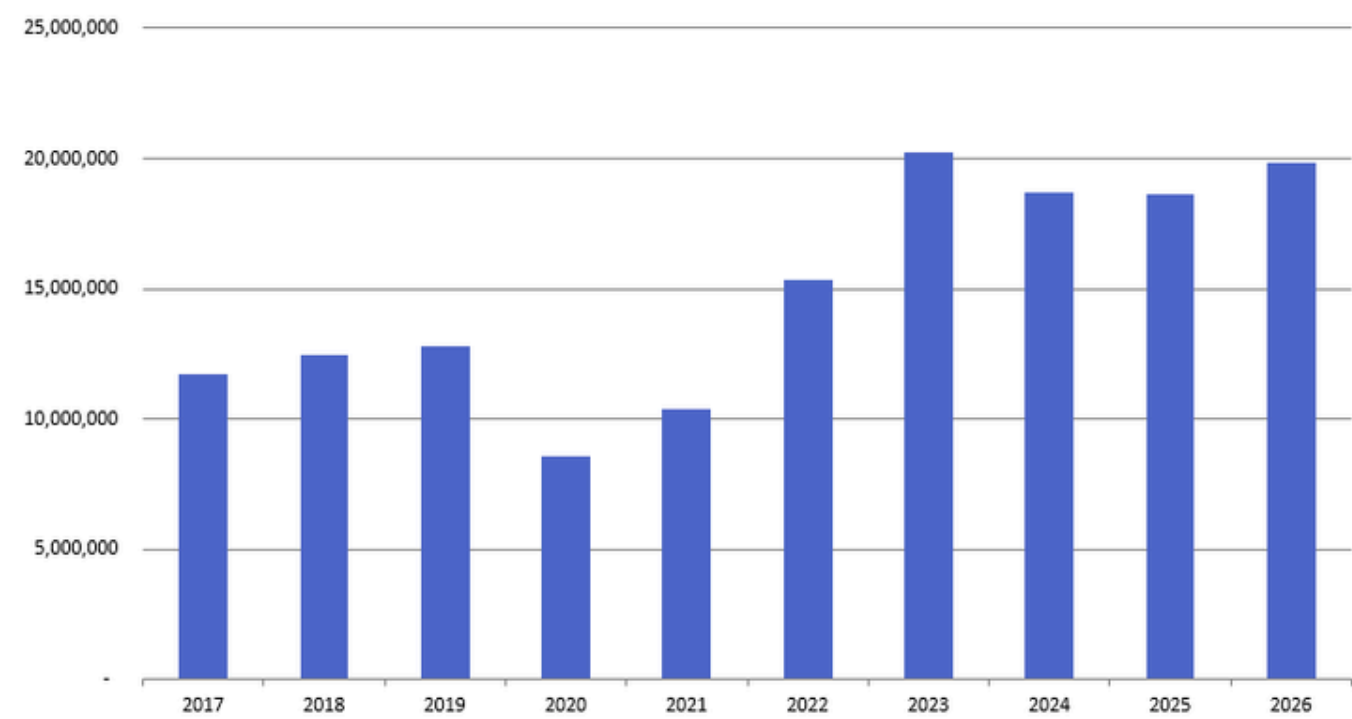
- General Fund – 3.0% April – September, 0.5% October-December
- Hospital Sales Tax Fund – 1%
- Public Works Sales Tax Fund – 1.5%

Per the 2026 Budget Work Session and Council action taken on September 18, 2025, the seasonal sales tax will increase from 5.5% to 6.0% to offset increases in wages for CITY IBEW, IAFF, PSEA and Non-represented personnel. The sales tax revenues have been estimated to increase from \$18.68 million to \$19.86 million, an increase of \$1.2 million for 2026. The revenues are based on the projected taxable sales from 2024 since the data for 2025 is not available to date. Approximately 78% of the sales tax revenue is estimated to come from a 6.0% tax rate during the peak tourism months, April through September, and the remaining 22% is estimated to come from a 3.0% tax rate during the offseason, October through March. To date,

2025 sales are keeping pace with 2024, this means the revenue projection for 2025 should be \$18.68 million. Once the next sales tax payment is received staff will update the Council accordingly.

In late 2020, the City became a member of the Alaska Remote Sellers Sales Tax Commission and began participating in the collection of sales taxes from online sales. The 2025 remote sales tax collected through September is \$957,093. The 2025 remote sales tax revenues are \$48,977 less than the January to September sales tax revenues collected in 2024 but slightly more than 2023 collections during the same time period..

Sales Tax Revenues 2017-2026



Transient Occupancy and Marijuana Sales Taxes A seven percent transient occupancy tax is assessed against consumers using overnight lodging facilities located within the City limits. This tax is used to provide financial support to the Ted Ferry Civic Center and community promotion. A five percent sales tax assessed on retail marijuana sales within the City limits became effective April 1, 2017. This tax is used to support humanitarian programs. Both taxes are in addition to the City's seasonal sales tax of three percent October through March and five- and one-half percent April through September.

The transient occupancy tax revenues averaged \$510,000 annually prior to 2020. Post-COVID revenues were much higher than the pre-COVID average with 2023 revenues at \$826,646 and 2024 revenues at \$787,712. To date, 2025 is trending down slightly, showing an estimate closer to \$750,000. The revenue projected for 2026 is \$750,000. Revenues of \$750,000 is close to funding Civic Center operations of \$757,050 and reserves are sufficient to fund the capital improvements of \$185,000 budgeted for 2026. Staff moved the HVAC Improvements capital project to the Community Facilities Fund to relieve the draw on the Transient Occupancy Tax Fund. ***Going forward, the Council should consider increasing the tax rate to keep up with the increase in operational costs and capital improvements for the Ted Ferry Civic Center or determine another funding source for civic center operations and capital improvements.***

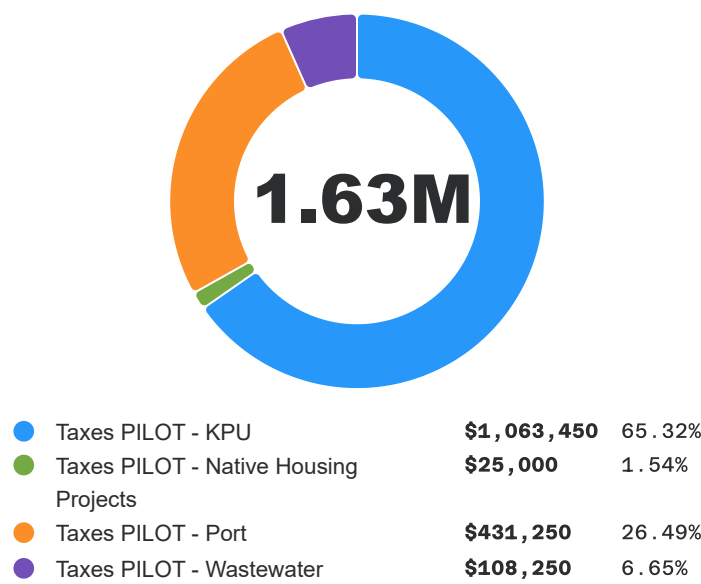
In 2026, the Marijuana Sales Tax Fund projected revenues of \$180,000 exceed the projected uses of \$94,500 due to a reduction in the services offered to unhoused individuals. The difference between the budgeted revenues and expenditures is programmed as a transfer to the General Fund to support police operations. The justification for this is the police presence and response related to unhoused individuals.

Payments In Lieu of Taxes

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. Also included in the PILOT is an estimate of the payment in lieu of taxes that will be made by certain organizations administering affordable housing programs.

In 2025, staff proposed a change to the procedure for calculating payments in lieu of taxes, resulting in a 34.54% increase in 2026. Going forward, the percentage increase in assessed values will cause a like-kind increase in payments in lieu of taxes to keep up with market values. A mill rate increase will also increase payments in lieu of taxes, but a mill rate increase has not been programmed into the 2026 Budget.

PILOT Revenue by Source



Payments In Lieu of Taxes

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Taxes PILOT - KPU	786,000	786,000	786,000	786,000	1,063,450	277,450	35.30%
Taxes PILOT - Port	319,000	319,000	319,000	319,000	431,250	112,250	35.19%
Taxes PILOT - Wastewater	80,000	80,000	80,000	80,000	108,250	28,250	35.31%
Taxes PILOT - Native Housing Projects	37,402	25,000	25,000	25,000	25,000	-	0.00%
Total Revenues	1,222,402	1,210,000	1,210,000	1,210,000	1,627,950	417,950	34.54%

Revenues From Other Governments

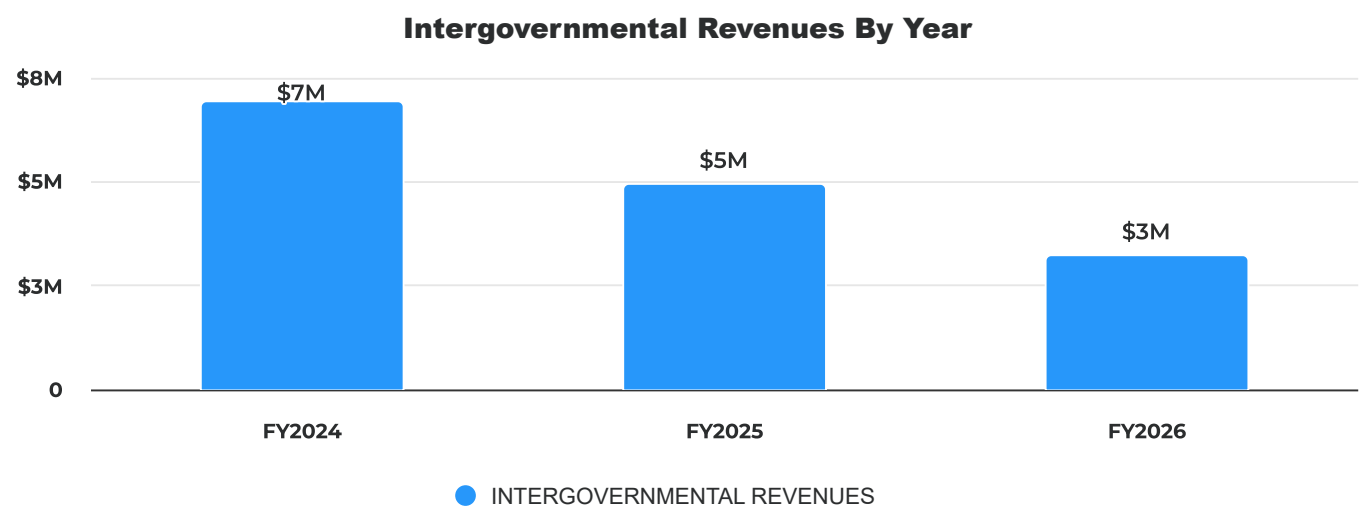
This category includes operating and capital grants and other forms of financial assistance from the federal and state governments. Although the City generally receives a substantial amount of revenues from other governments, the amount received tends to fluctuate widely from year-to-year. Operating grants tend to be more stable and capital grants for infrastructure and major maintenance fluctuate widely from year-to-year. Staff applied for several other grants in 2025 but are still awaiting results. Staff continues and will continue to search for other grants that are available through various grant programs in 2026.

Capital grant awards are subject to the availability of funding and tend to be project specific. The Fire Department is in search of grant funding for a fire boat to replace the previous fire boat that was decommissioned in 2022. The Port and Harbor Department is also in search of grants to help replace infrastructure.

The State's raw fish tax is subject to harvest volumes and market prices for fish. This variance tends to make the amount the City receives a challenge to estimate. Seventy-seven percent of the raw fish tax is dedicated for harbor infrastructure improvements. The remaining 23% is accounted for in the KPU Enterprise Fund and is used to subsidize water rates for the seafood processors.

Funding for the Community Assistance Program for 2026 is predicated on the Alaska Legislature funding the program for FY2026. The State Commercial Passenger Vessel Excise Tax is shared with the City is based on the number of cruise ship passengers visiting the State of Alaska. The City receives \$2.50 per passenger arriving at the Port of Ketchikan and is expecting to receive approximately \$2,737,490 in CPV Excise Tax reflecting a full cruise ship season in 2025. Per information provided by Cruise Line Agency of Alaska, the passenger and ship counts are expected to increase in 2026. The City's projections remain conservative due to economic conditions and the desire for larger cruise ships to berth at ward cove. *Informational Note: CPV revenues received in 2026 reflect the passengers that visited Ketchikan in 2025 and revenues received in 2025 reflect the passengers that visited Ketchikan in 2024.

	2024 Actual	2025 Budget	2025 Estimate	2026 Budget
Operating Grants:				
License Refunds	\$ 46,725	\$ 42,000	\$ 42,000	\$ 10,000
State Grants - Shared Fisheries Tax	6,752	6,750	3,087	-
State Raw Fish Tax	305,198	185,000	162,045	165,000
Community Assistance Program	347,532	76,000	106,373	75,000
State CPV	2,681,412	2,622,800	2,829,275	2,737,490
Police Department Grants	9,692	-	-	-
Fire Department Grants	22,016	20,000	112,092	71,000
Library Department Grants	1,300	7,000	16,250	19,750
Museum Department Grants	10,000	-	-	-
Emergency Relief Grants	1,529,114	950,000	950,000	-
Mobile Integrated Health	150,519	-	-	-
Federal-Operating Grants	-	63,500	60,563	26,400
Public Health Grants	41,777	100,000	100,000	136,000
Other	900	-	2,900	-
	<u>5,152,937</u>	<u>4,073,050</u>	<u>4,384,585</u>	<u>3,240,640</u>
Capital Grants:				
Fire Department Grants	498,788	944,286	144,011	-
Police Department Grants	-	-	20,000	-
Public Works Grants	1,250,000	50,000	50,000	-
Harbors Grants	12,939	-	-	-
	<u>1,761,727</u>	<u>994,286</u>	<u>214,011</u>	<u>-</u>
Total	<u>\$ 6,914,664</u>	<u>\$ 5,067,336</u>	<u>\$ 4,598,596</u>	<u>\$ 3,240,640</u>



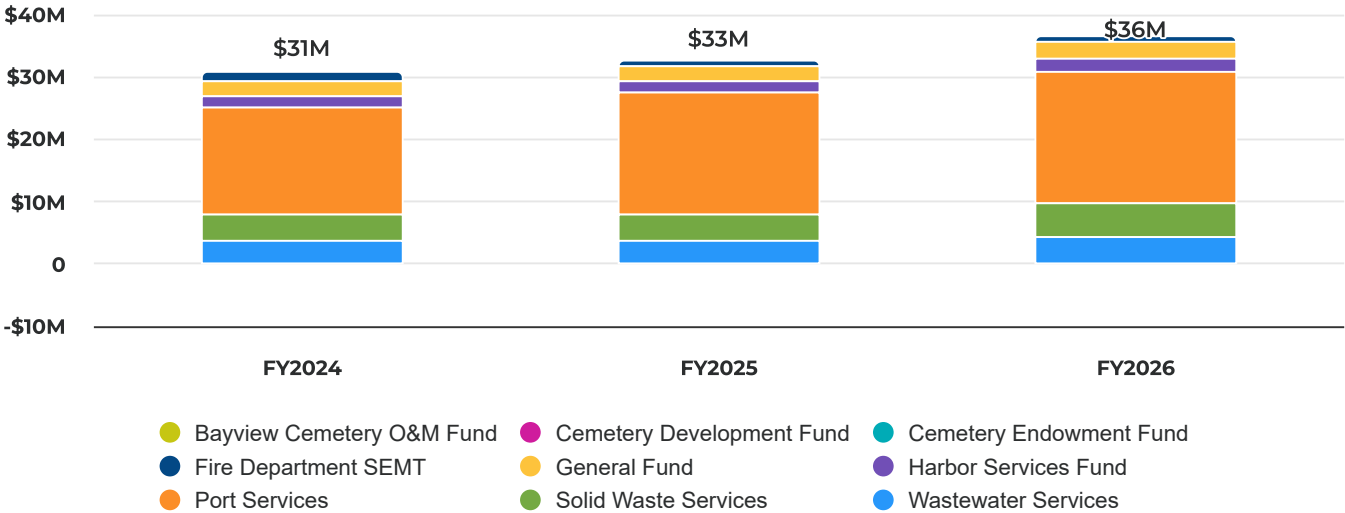
Intergovernmental Revenues by Fund

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
INTERGOVERNMENTAL REVENUES	6,914,664	4,967,336	5,123,346	4,598,596	3,240,640	-1,726,696	-34.76%
General Fund	620,769	208,500	243,500	440,178	338,150	129,650	62.18%
Emergency Relief Fund	1,529,114	950,000	950,000	950,000	-	-950,000	-
Harbor Services Fund	6,752	6,750	6,750	3,087	-	-6,750	-
Commercial Passenger Vessel Tax	2,681,412	2,622,800	2,622,800	2,829,275	2,737,490	114,690	4.37%
Forfeitures and Seizures Fund	9,692	-	-	-	-	-	-
Federal & State Grant Fund	498,788	944,286	1,024,296	123,011	-	-944,286	-
Major Capital Improvements Fund	1,250,000	25,000	66,000	66,000	-	-25,000	-
Harbor Improvements Fund	318,137	185,000	185,000	162,045	165,000	-20,000	-10.81%
Wastewater Services	-	25,000	25,000	25,000	-	-25,000	-
Total Revenues	6,914,664	4,967,336	5,123,346	4,598,596	3,240,640	-1,726,696	-34.76%

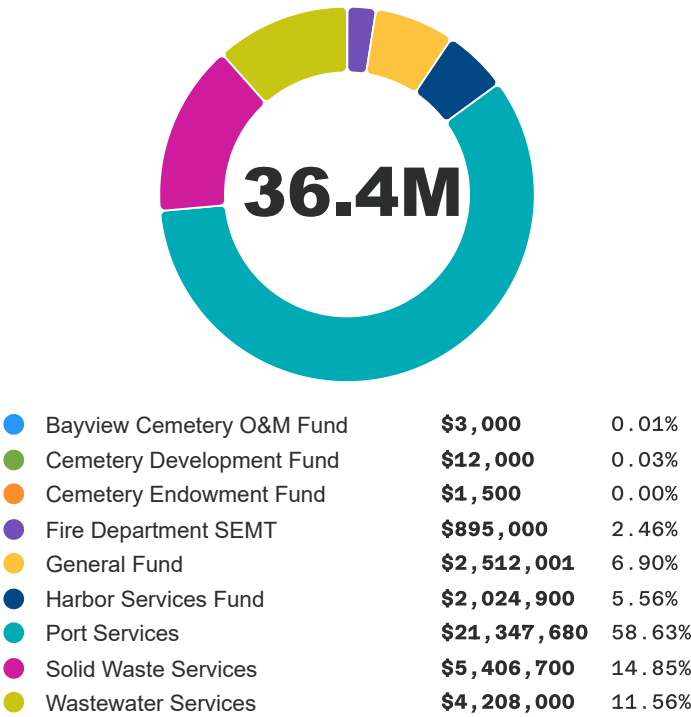
Charges for Services

Charges for services account for 44.34% of the City's total operating revenue and is the largest source of operating revenues. It includes user fees for general government and utility services provided by the City. Fees for services include building inspections and plan reviews, parking, emergency medical transport services, harbor moorage, port dockage, library facilities for residents and nonresidents of the City, solid waste collection and disposal, and wastewater. The following table summarizes the major categories of charges for services.

Charges for Services by Fund



2026 Revenues by Fund



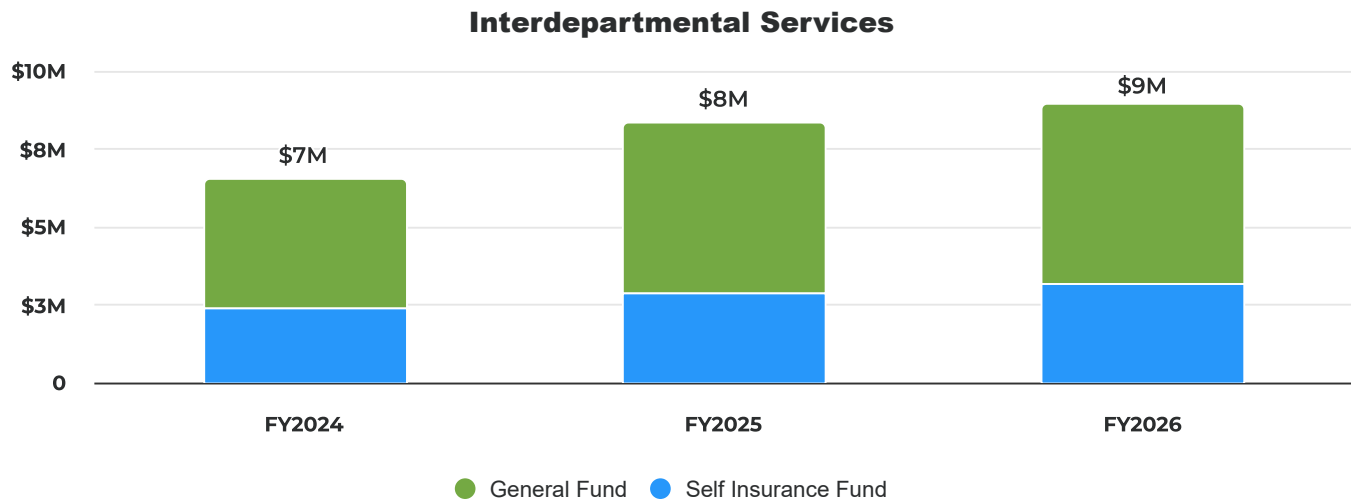
The 2026 Revenues by Fund for Charges For Services include Port Services at \$21.3 million, representing 58.63% of the total. Solid Waste Services contributed \$5.4 million, or 14.85%. Wastewater Services account for \$4.2 million, which is 11.56%. The General Fund provides \$2.5 million, making up 6.9%. Harbor Services Fund adds \$2 million, or 5.56%. Fire Department SEMT contributes \$895,000, representing 2.46%. Cemetery Development Fund accounts for \$12,000, or 0.03%. Bayview Cemetery O&M Fund provides \$3,000, which is 0.01%, and Cemetery Endowment Fund contributes \$1,500, representing 0% of the total.

Charges for Services by Fund

Category	2024 Actual	2025 Adopted	2025 Estimate	2025 Amended	2026 Budget	*Incr/Decr	*% Change
General Fund	2,531,122	2,293,539	2,479,992	2,293,539	2,512,001	218,462	9.53%
Solid Waste Services	4,466,127	4,339,000	4,782,939	4,339,000	5,406,700	1,067,700	24.61%
Harbor Services Fund	1,767,380	1,876,500	1,951,832	1,876,500	2,024,900	148,400	7.91%
Bayview Cemetery O&M Fund	-185	2,500	4,855	2,500	3,000	500	20.00%
Cemetery Development Fund	7,720	10,000	6,705	10,000	12,000	2,000	20.00%
Cemetery Endowment Fund	1,220	1,500	2,445	1,500	1,500	-	0.00%
Fire Department SEMT	1,422,033	895,000	895,000	895,000	895,000	-	0.00%
Wastewater Services	3,603,415	3,688,800	3,658,324	3,688,800	4,208,000	519,200	14.08%
Port Services	17,072,132	19,430,200	19,711,349	19,430,200	21,347,680	1,917,480	9.87%
Total Revenues	30,870,964	32,537,039	33,493,441	32,537,039	36,410,781	3,873,742	11.91%

Interdepartmental Services

Interdepartmental services 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 provide certain services for these funds. The services include City Council, City Clerk, Legal, Engineering, Central Garage, Finance, Information Technology, Human Resources, and Risk Management. Since KPU maintains a separate garage, it is not charged for this service.



For the fiscal year 2026, the Interdepartmental Charges revenues by fund consist of \$5.7 million, representing 64.54% from the General Fund, and \$3.1 million, representing 35.46% from the Self Insurance Fund.

Interdepartmental Services

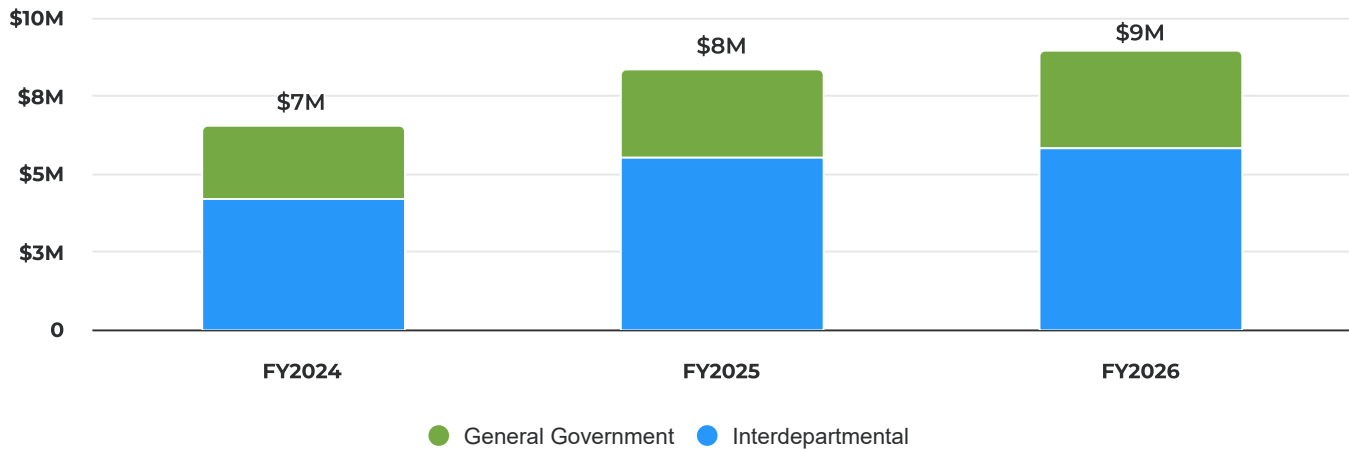
Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
General Fund	4,186,442	5,526,608	5,526,608	4,808,272	5,794,760	268,152	4.85%
INTERDEPARTMENTAL REVENUE- ADMINISTRATION	3,386,613	4,357,873	4,357,873	3,762,690	4,593,040	235,167	5.40%
INTERDEPARTMENTAL REVENUE-GARAGE	67,099	74,240	74,240	65,240	74,240	-	0.00%
INTERDEPARTMENTAL REVENUE-ENGINEERING	690,814	1,046,000	1,046,000	932,000	1,079,000	33,000	3.15%
INTERDEPARTMENTAL REVENUE-SPACE & EQUIP RENTAL	41,916	48,495	48,495	48,342	48,480	-15	-0.03%
Self Insurance Fund	2,374,701	2,838,235	2,838,235	3,012,010	3,139,930	301,695	10.63%
INTERDEPARTMENTAL REVENUE-INSURANCE	2,374,701	2,838,235	2,838,235	3,012,010	3,139,930	301,695	10.63%
Total Revenues	6,561,143	8,364,843	8,364,843	7,820,282	8,934,690	569,847	6.81%

Interdepartmental services are determined using a variety of methods. The amount charged for the 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 funds of the City are based on labor costs. In 2025, staff reviewed and adjusted the Port Enterprise allocation for Human Resources and Finance as a result of the additional services needed to process applications and payroll for port security guards each year. Staff also reviewed Information Technology charges to KPU resulting in a reduction of services charged to Telecommunications related to the AS-400 maintenance. This review also highlighted the need to allocate a share of Information Technology to KPU Sales Marketing and Customer Service and KPU General Manager. An increase of \$569,847 for Interdepartmental services has been

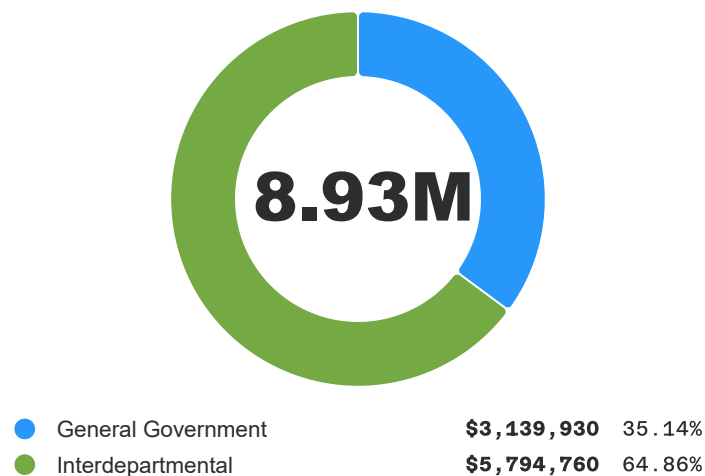
programmed in 2026. Premiums for property, auto and liability insurance continue to rise due to current claims and overall increases in premiums. As a result, insurance premiums have been projected to increase by \$301,695. For information about insurance premiums, please refer to the Risk Management section of the 2026 Budget. The increase in other interdepartmental services of \$268,152 is a result of increased personnel services, information technology equipment replacements and upgrades and the overall cost of goods and services for those divisions that provide services to the KPU, Port, Harbor, Solid Waste and Wastewater Funds.

Revenues by Revenue Category

Historical Revenues by Revenue Category



2026 Revenues by Revenue Category



Revenues by Revenue Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Interdepartmental	4,186,442	5,526,608	5,526,608	4,808,272	5,794,760	268,152	4.85%
Interdepartmental Revenue-Administration Solid Waste	204,563	232,545	232,545	203,270	248,650	16,105	6.93%
Interdepartmental Revenue-Administration Harbor	105,808	114,717	114,717	100,160	122,490	7,773	6.78%
Interdepartmental Revenue-Administration CPV	-	20,490	20,490	18,080	21,880	1,390	6.78%
Interdepartmental Revenue-Administration Wastewater	157,537	195,257	195,257	172,280	210,700	15,443	7.91%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Interdepartmental Revenue-Administration Port	256,879	658,545	658,545	560,340	683,430	24,885	3.78%
Interdepartmental Revenue-Administration KPU	2,661,826	3,136,319	3,136,319	2,708,560	3,305,890	169,571	5.41%
Interdepartmental Revenue-Garage Solid Waste	2,336	14,050	14,050	5,050	14,050	-	0.00%
Interdepartmental Revenue-Garage Harbor	4,128	6,280	6,280	6,280	6,280	-	0.00%
Interdepartmental Revenue-Garage Wastewater	52,531	46,370	46,370	46,370	46,370	-	0.00%
Interdepartmental Revenue-Garage Port	8,104	7,540	7,540	7,540	7,540	-	0.00%
Interdepartmental Revenue-Engineering Solid Waste	163,483	239,000	239,000	218,000	255,000	16,000	6.69%
Interdepartmental Revenue-Engineering Harbor	74,641	109,000	109,000	91,000	103,000	-6,000	-5.50%
Interdepartmental Revenue - Engineering Commercial Passenger Vessel Tax	-	38,000	38,000	48,000	58,000	20,000	52.63%
Interdepartmental Revenue-Engineering Wastewater	304,440	443,000	443,000	349,000	404,000	-39,000	-8.80%
Interdepartmental Revenue-Engineering Port	50,262	75,000	75,000	82,000	96,000	21,000	28.00%
Interdepartmental Revenue-Engineering KPU Fund	97,988	142,000	142,000	144,000	163,000	21,000	14.79%
Interdepartmental Revenue-Space & Equip Rental Wastewater	15,000	15,000	15,000	15,000	15,000	-	0.00%
Interdepartmental Revenue-Space & Equip Rental KPU	26,916	33,495	33,495	33,342	33,480	-15	-0.04%
General Government	2,374,701	2,838,235	2,838,235	3,012,010	3,139,930	301,695	10.63%
Interdepartmental Revenue-Insurance Claims - Budget	-	2,838,235	2,838,235	-	-	-2,838,235	-
Interdepartmental Revenue-Insurance General Fund	813,771	-	-	1,122,143	1,155,830	1,155,830	-
Interdepartmental Revenue-Insurance Solid Waste Fund	82,208	-	-	106,930	110,585	110,585	-
Interdepartmental Revenue-Insurance Harbor Fund	129,694	-	-	146,460	152,095	152,095	-
Interdepartmental Revenue-Insurance Commercial Passenger Vessel Tax	2,077	-	-	3,430	3,440	3,440	-
Interdepartmental Revenue-Insurance Wastewater Fund	90,777	-	-	110,175	116,850	116,850	-
Interdepartmental Revenue-Insurance Port Fund	357,008	-	-	396,700	418,000	418,000	-
Interdepartmental Revenue-Insurance KPU Fund	899,166	-	-	1,126,172	1,183,130	1,183,130	-
Total Revenues	6,561,143	8,364,843	8,364,843	7,820,282	8,934,690	569,847	6.81%

Revenue Transfers In and Advances From Other Funds

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 Medical 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 while 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 and the Mobile Integrated Health Program.
- Public Works Sales Tax Fund to the General Fund for the operating costs of the Public Works Department.
- Transient Tax Fund to the General Fund for the operating costs of the Civic Center.
- Supplemental Emergency Services Transport Fund to the General Fund for the operating costs of the Fire Department and Mobile Integrated Health Program.

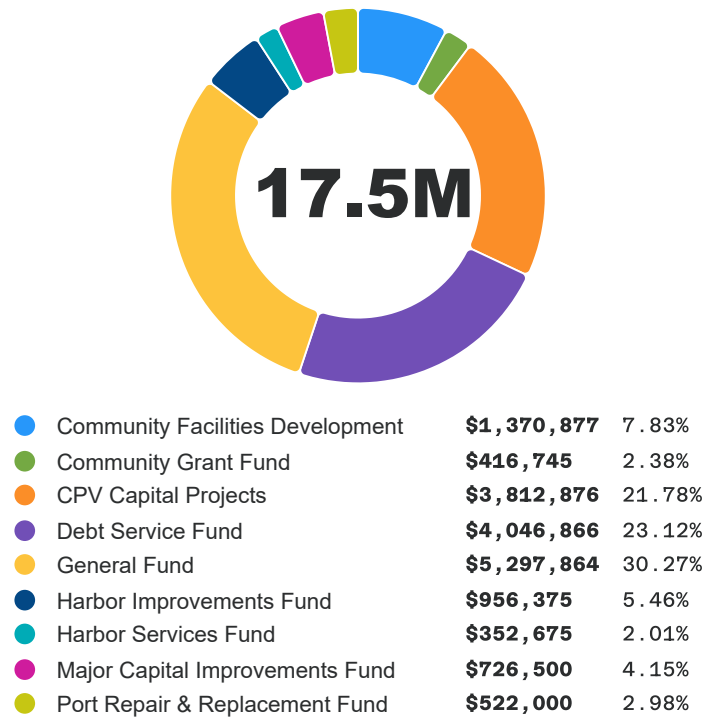
The major transfers of funds for debt service are as follows:

- Hospital Sales Tax Fund to the General Obligation Bond Debt Service Fund for debt issued to finance the construction of a new surgical suite and clinical space for the Ketchikan Medical Center in 2014. In 2026, the City Council approved a one-time transfer for general obligation debt in the Wastewater Services Fund and the Harbor Services Fund.
- General Fund to the General Obligation Bond Debt Service Fund for debt issued to finance the construction of new fire station and library facilities.
- Public Works Sales Tax Fund to the General Obligation Bond Debt Service Fund for debt issued to finance fire apparatus and emergency medical service vehicles.

The major transfer of funds for capital improvements is as follows:

- Hospital Sales Tax Fund to the Community Facilities Development Fund to finance improvements to city-owned facilities. See the narrative section of the Major Fund Review for the Hospital Sales Tax Fund for more information.
- Harbor Services Fund to the Harbor Construction Fund to finance capital improvements to harbor infrastructure.
- Commercial Passenger Vessel Tax Funds to the Commercial Passenger Vessel Capital Projects Funds to finance capital improvements as defined by the State of Alaska per AS 43.52.200 (1) improve port and harbor infrastructure, (2) provide services to commercial passenger vessels and the passengers on board those vessels, or (3) improve the safety and efficiency of the interstate and foreign commerce activities in which the vessels and the passengers on board those vessels are engaged.
- Supplemental Emergency Services Transport Fund to Major Capital Improvements Fund to finance Fire Department emergency medical services capital projects and equipment.

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. One advance is programmed in 2026 from the Port Fund to the Harbor Construction Fund for the Maintenance Building CIP.

2026 Transfers In and Advances To Other Funds

Transfers and advances 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 2026, \$17.0 million has been programmed for transfers in from other funds to the funds listed below. The Transfers In From Other Funds for 2026 include the General Fund at \$5.3 million, representing 31.16% of the total. The Debt Service Fund follows with \$4 million, accounting for 23.8%. The CPV Capital Projects account for \$3.7 million, or 21.55%. The Community Facilities Development fund accounts for \$1.4 million, which is 8.06% of the total. The Harbor Improvements Fund adds \$956,375, making up 5.63%. The Major Capital Improvements Fund accounts for \$726,500, or 4.27%. The Port Repair & Replacement Fund accounts for \$522,000, representing 3.07%. Lastly, the Community Grant Fund accounts for \$416,745, which is 2.45% of the total Transfers In From Other Funds.

Revenues by Fund

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
General Fund	3,637,535	4,382,500	4,423,000	4,155,206	5,297,864	915,364	20.89%
Community Grant Fund	189,000	396,900	396,900	396,900	416,745	19,845	5.00%
Marijuana Sales Tax Fund	49,900	-	-	-	-	-	-
Harbor Services Fund	-	-	-	-	352,675	352,675	-
Major Capital Improvements Fund	980,949	874,000	855,212	855,212	726,500	-147,500	-16.88%
Harbor Improvements Fund	-	750,000	750,000	-	956,375	206,375	27.52%
Community Facilities Development	-	-	-	-	1,370,877	1,370,877	-
CPV Capital Projects	43,080	6,034,000	6,034,000	2,546,124	3,812,876	-2,221,124	-36.81%
Debt Service Fund	4,048,981	4,050,264	4,050,264	4,050,264	4,046,866	-3,398	-0.08%
Port Repair & Replacement Fund	521,051	522,000	522,000	522,000	522,000	-	0.00%
Total Revenues	9,470,496	17,009,664	17,031,376	12,525,706	17,502,778	493,114	2.90%

For more detailed information about transfers-in, please refer to the Transfers and Advances section of the 2026 Budget.

Operating and Capital Expenditures - All Funds - Financial Overview

Summary of Expenditure Goals

The expenditure goals for 2026 include the following:

1. Keep staffing levels the same as 2025.
2. Keep costs at 2025 levels except for wages. Increases in the 2026 budget should not exceed 5% without justification.
3. Implement recommendations from the Cruise Ship Passenger Impact Study.

Operating and Capital Expenditures - All Funds

Total operating and capital expenditures in the amount of \$102.0 million have been programmed for 2026. The table below summarizes the major expenditures of the City and compares 2026 with 2025 and 2024.

For the fiscal year expenditures by expense category, Major Capital Outlay accounts for \$37.1 million, representing 31.23% of the total. Personnel Services and Benefits follow with \$32.5 million, or 27.28%. Transfers Out make up \$16.2 million, which is 13.65% of the expenditures. Debt Service is \$7.1 million, comprising 5.95%. Contractual Services total \$4.5 million, or 3.78%, while Interdepartmental Charges are \$4.1 million, representing 3.42%. Utilities account for \$3.4 million, or 2.87%, and Contract/Purchased Services are \$3 million, making up 2.55%. Rents and Leases amount to \$2.9 million, or 2.46%, and General Supplies are \$2 million, which is 1.71% of the expenditures. Fifteen smaller categories are not included in this summary.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	25,173,421	30,656,665	30,639,158	28,045,774	32,488,369	1,831,704	5.97%
GENERAL SUPPLIES	1,602,648	1,942,225	1,999,530	1,950,364	2,031,034	88,809	4.57%
POSTAGE AND FREIGHT	80,016	85,910	92,610	86,740	114,760	28,850	33.58%
FUELS/LUBRICANTS/ENERGY COSTS	349,672	553,200	544,305	415,634	486,595	-66,605	-12.04%
BOOKS AND PERIODICALS	112,594	127,202	127,214	121,962	128,447	1,245	0.98%
ALLOWANCES	72,984	93,000	93,270	86,970	96,000	3,000	3.23%
TRAVEL AND EDUCATION	304,614	593,210	637,020	570,143	604,930	11,720	1.98%
ADVERTISING AND PUBLISHING	74,093	118,405	133,540	113,229	124,930	6,525	5.51%
PROMOTION AND GRANTS	597,656	627,400	625,000	560,000	547,245	-80,155	-12.78%
DUES AND MEMBERSHIPS	34,560	64,932	65,021	55,746	63,721	-1,211	-1.87%
TOWING AND SALVAGE	72,748	83,250	83,590	80,400	83,250	-	0.00%
CONTRACT/PURCHASED SERVICES	2,266,943	2,738,785	3,046,250	2,872,005	3,035,030	296,245	10.82%
PERMITS, LICENSES AND FEES	202,846	238,995	268,698	249,013	275,610	36,615	15.32%
CONTRACTUAL SERVICES	4,798,468	4,991,401	5,163,013	4,888,006	4,512,845	-478,556	-9.59%
PROFESSIONAL SERVICES	966,814	1,496,950	1,421,943	997,344	1,410,200	-86,750	-5.80%
RENTS AND LEASES	2,870,766	2,928,784	2,931,510	2,883,990	2,921,434	-7,350	-0.25%
UTILITIES	1,741,256	2,270,395	2,309,811	2,505,054	3,412,190	1,141,795	50.29%
MAJOR CAPITAL OUTLAY	14,435,357	38,056,201	38,991,033	12,858,676	42,395,408	4,339,207	11.40%
MINOR CAPITAL OUTLAY	599,251	647,189	718,238	616,979	692,019	44,830	6.93%
INTERDEPARTMENTAL CHARGES	2,793,958	3,863,034	3,931,093	3,587,110	4,075,435	212,401	5.50%

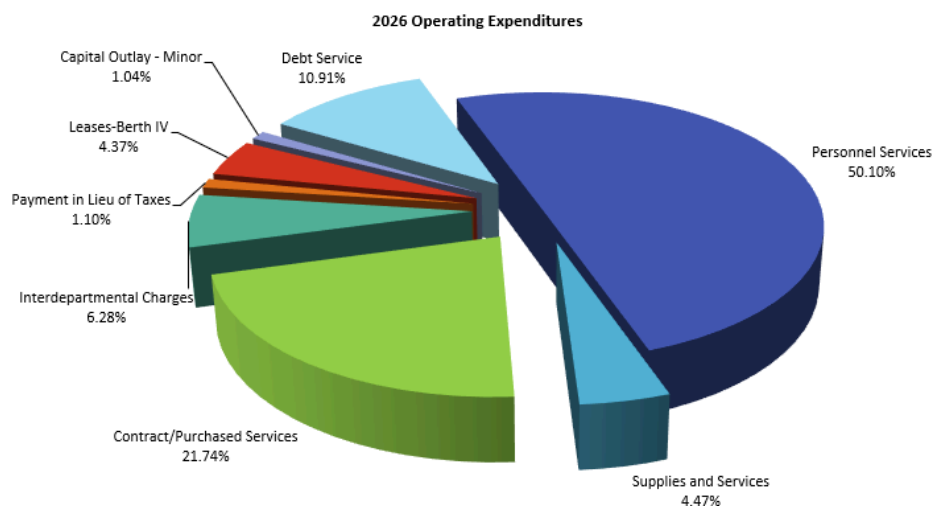
Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
REIMBURSABLE CREDITS	-202,285	-225,647	-225,647	-190,897	-233,397	-7,750	3.43%
DEBT SERVICE	6,791,438	7,073,648	7,073,648	6,795,018	7,073,751	103	0.00%
OTHER COSTS	565,881	621,420	621,420	568,405	714,000	92,580	14.90%
TRANSFERS OUT	9,470,497	16,259,663	16,281,375	12,525,706	17,218,526	958,863	5.90%
ADVANCES TO OTHER FUNDS	-	750,000	750,000	-	762,680	12,680	1.69%
Total Expenditures	75,776,196	116,656,217	118,322,643	83,243,371	125,035,012	8,378,795	7.18%

Supplies: Supplies include office and operating supplies, maintenance materials, fuel, postage, books and publications, chemicals and similar expendable items used in operations. This category accounts for 4.47% of operating expenditures. The amount requested for supplies in 2026 is \$95,144 or 3.4% more than the amount requested in 2026. This increase is being driven by an overall increase in the cost of supplies and transportation to Ketchikan.

All Other Contractual and Purchased Services: All other contractual and purchased services include travel, training, advertising, maintenance services, software and equipment maintenance agreements, leases and rentals of property and equipment, professional services, utilities and technical services. This category accounts for 21.74% of operating expenditures, excluding the Berth IV lease and 26.11% including the Berth IV lease. The amount requested for contractual and purchased services in 2026 is \$1,021,162, or 7.81%, more than the amount requested in 2025. The solid waste transport and disposal contract and increasing utility costs across the City are the two main reasons for the proposed 2026 increase.

Capital Outlay: The amount requested for major capital outlay has been programmed to decrease by \$908,257 to \$37.15 million. The decrease is due to the start or completion of some projects in 2025 reducing the amount that needs to be rolled into 2026, the Tourism's Spruce Mill-Thomas Basin Promenade Project and the Water Street Sewer main work are two such projects. The amount requested for minor capital outlay has increased by \$29,430 to \$676,619. For more information regarding the City's capital spending plans for 2026, please see the 2026 – 2030 Capital Improvement Program.

Debt Service: Debt service accounts for 10.91% of operating expenses. The amount requested for debt service in 2026 is \$7,073,751 or \$103, more than the amount requested in 2025. The increase is due to the annual fluctuation that occurs annually per the debt service schedule. The voters approved \$15 million in additional bonding capacity for the Wastewater Fund. The projects related to this bonding capacity will start in 2026. Additional debt services will be budgeted upon completion of those projects. Any additional new debt related to capital improvements in 2026 or later will require voter approval. Please see the discussion under Debt Management for further information about the City's debt obligations.



Review of Major Funds

This section contains a review of all the major funds of the City except for the KPU Enterprise Fund. Included are the following funds:

- General Fund
- Sales Tax Funds
 - Public Works Sales Tax
 - Hospital Sales Tax
- Special Revenue Generating Funds
 - Small Boat Harbor
 - Solid Waste Services
- Enterprise Funds
 - Wastewater
 - Port

The seven funds listed above account for \$71.07 million, or 93.06%, of the City of Ketchikan's total operating revenue, \$56.39 million, or 86.96%, of the City's total operating expenditures and 100% of all general government personnel. For information about the KPU Enterprise Fund, please see the 2026 KPU Operating and Capital Budget.

General Fund Summary

The General Fund is the main operating fund of the City and is considered its most important fund. This fund 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:

- 157.775 of the City's 188.775 general government employees and 80.45% of its annual general government payroll;
- 35.43 % of the City's annual operating revenues for general government; and
- 53.29% of the City's annual operating expenses for general government

The General Fund relies heavily on tax revenues to finance its operations. Between tax revenues that are deposited directly into the General Fund, tax revenues transferred from other funds, and the PILOT that is assessed against enterprise funds of the City, a total of about \$21.85 million of tax revenues has been programmed to finance 60.1% of the General Fund's \$36.37 million budget for 2026. Charges for services and interdepartmental revenues have been forecasted to finance \$8.33 million, or 22.9% of the General Fund's 2026 Budget. For more information about tax revenues and charges for services, see the Funds Summary Overview section of the budget.

The biggest expenditure of the General Fund is personnel services, which amounts to \$26.14 million and accounts for 71.87% of the General Fund's proposed budget for 2026. Since the General Fund's labor force is relatively static, the primary factors impacting costs are step increases, cost of living adjustments, staff turnover, retirement and health insurance costs. Employer contribution rates for retirement plans have remained unchanged. The cost of health insurance continues to increase. The cost of employee benefits is approximately 46.7% of compensation. For more information about the cost of personnel services, see the Organizational Structure and Personnel Services section of the Transmittal Letter.

Although a deficit of \$3.67 million has been programmed for the General Fund in 2026, it is somewhat unlikely that it will materialize because the City rarely comes close to spending all the appropriations of the General Fund. In 2024, the General Fund realized 85.37% of its annual budgeted appropriations, mostly due to several vacancies in the police and engineering department. In 2025 the engineering department became fully staffed and the police department negotiated increased wages by giving up 4 positions. Due to this, in addition to the current economic factors, there is an expectation that a higher percentage of the costs budgeted will be realized in 2026. The 2025 expenditures estimate is 92% of the 2025 approved appropriations. If the City were to spend 92% of 2026 budgeted expenditures, the deficit would be \$764,486 and the reserve balance would be \$7,885,380. As discussed in the 2026 Budget Priorities, the 2026 Budget factors in a 0.5% seasonal sale tax rate increase. *If the sales are less than projected, the Council will need to consider an increase in the mill rate assessed on property in the City, an increase in the offseason sales tax rate or additional funding from the SEMT Fund. The SEMT Fund is accumulating proceeds from the State to address the cost of providing emergency medical services and could be used to fund Fire Department operations if necessary.* Given the uncertainty of the economy, the most likely outcome is that the General Fund will realize a deficit, so the Council should be prepared to take further action if revenues do not meet projections.

Under the City's fund balance policy, which requires reserves of no less than 25% of expenditures, reserves at the end of 2026 should amount to \$9.09 million to be in compliance with the policy. The projected reserves balance, which assumes that all appropriations will be spent by the end of 2026, is \$4.98 million, which represents a \$4.1 million shortfall.

A summary of the proposed 2026 Budget for the **General Fund**, with a comparison to 2025 and 2024 is provided below.

Comprehensive Fund Summary

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Beginning Fund Balance	9,793,328	10,699,426	10,699,426	8,652,857
Revenues				
Taxes PILOT - KPU	786,000	786,000	786,000	1,063,450
Taxes PILOT - Port	319,000	319,000	319,000	431,250

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Taxes PILOT - Wastewater	80,000	80,000	80,000	108,250
Taxes PILOT - Native Housing Projects	37,402	25,000	25,000	25,000
Miscellaneous Revenues General	30,287	20,000	20,000	20,000
Miscellaneous Revenues Tideland Leases	29,201	25,000	44,000	25,000
Investment Earnings Interest General	456,773	150,000	250,000	150,000
Licenses & Permits Itinerant Merchant	20	-	-	-
Licenses & Permits Public Vehicles/Drivers	18,090	2,500	15,820	15,000
Licenses & Permits Building Permits	268,380	125,000	152,018	125,000
Charges For Services Rental Income	22,881	-	23,397	23,400
Charges For Services Fire Dept Fees & Services	10,498	5,000	7,800	5,000
Charges For Services Fire Marshall Svcs-Permits	5,463	5,000	4,430	5,000
Charges For Services Fire Marshall Svcs-Inspections	5,720	5,000	-	5,000
Charges For Services Ambulance Services	801,993	625,000	700,000	700,000
Charges For Services Ambulance Isolet Charges	2,000	1,500	1,500	1,500
Charges For Services Parking Revenue	112,860	98,000	85,000	85,000
Charges For Services E-911 Services	403,014	400,000	400,000	400,000
Charges For Services Special Parking Permits (Constr)	900	-	-	-
Charges For Services Police Dept. Fees For Service	-	-	750	-
Charges For Services Borough Dispatch Services	81,103	80,000	109,820	80,000
Charges For Services Library Copy Machine	985	500	526	500
Charges For Services Library Service Charge	6,215	4,400	4,580	4,400
Charges For Services Library Services - Borough	571,246	639,924	637,991	739,101
Charges For Services KGBSD Library Services	26,375	29,715	25,000	27,000
Charges For Services Museum Copy Machine	32	500	250	500
Charges For Services Museum Other Sales & Services	1,680	-	175	-
Charges For Services Museum Admission Fees	329,175	260,000	360,030	340,000
Charges For Services Museum Class Fees	26,071	15,000	800	-
Charges For Services Museum Store Sales	6,290	4,000	2,000	2,000
Charges For Services Museum Commercial Admissions	-	5,000	8,165	5,000
Charges For Services Civic Center Services	106,941	85,000	85,000	85,000
Charges For Services Public Works Fees For Service	1,660	3,500	1,175	1,000
Charges For Services Cemetery Revenue	1,700	1,500	1,000	1,000
Fines & Forfeitures Fines	-265	500	530	-
Fines & Forfeitures Court Fines & Deposits	7,385	5,000	7,468	5,000
Fines & Forfeitures Parking Fines	49,566	60,000	50,000	60,000
Intergovernmental Revenues Federal Operating Grants	172,535	20,000	112,092	51,000
Intergovernmental Revenues USD Health & Human Services (Op)	41,777	-	-	-
Intergovernmental Revenues USD Homeland Security (Op)	-	63,500	60,563	20,000
Intergovernmental Revenues USD Education - Library Svc (Op)	-	7,000	-	-
Intergovernmental Revenues State Operating Grants	1,300	-	100,000	136,000
Intergovernmental Revenues AKD Education (Op)	10,000	-	16,250	26,150
Intergovernmental Revenues AKD Public Safety (Op)	46,725	42,000	42,000	10,000
Intergovernmental Revenues AKD Homeland Security - MVA (Op)	-	-	-	20,000
Intergovernmental Revenues Marijuana Shared Revenue	900	-	2,900	-

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Intergovernmental Revenues State Revenue Sharing (Op)	347,532	76,000	106,373	75,000
Contributions Contr & Private Grants (Op)	39,750	-	-	-
Contributions Library	26	500	3	-
Contributions Museum	9,758	5,000	8,986	-
Contributions Contr & Private Grants (Ca)	-	126,000	5,000	-
Transfers In From Hospital Sales Tax Fund	449,457	558,000	498,504	578,286
Transfers In From Public Works Sales Tax Fund	2,100,000	2,100,000	2,100,000	2,100,000
Transfers In From Shoreline Fund	6,374	6,374	6,374	6,374
Transfers In From Transient Tax Fund	515,060	711,026	677,106	749,150
Transfers In From Marijuana Sales Tax Fund	-	-	-	85,500
Transfers In From Cemetery O&M Fund	5,000	5,000	5,000	5,000
Transfers In From CPV Fund	544,730	558,096	558,096	998,901
Transfers In Fire Department SEMT	16,914	444,004	310,126	774,653
Sale of Assets Equipment	27,000	10,000	5,500	10,000
Sale of Assets Land	1,258	-	-	-
Interdepartmental Revenue-Administration Solid Waste	204,563	232,545	203,270	248,650
Interdepartmental Revenue-Administration Harbor	105,808	114,717	100,160	122,490
Interdepartmental Revenue-Administration Wastewater	157,537	195,257	172,280	210,700
Interdepartmental Revenue-Administration Port	256,879	658,545	560,340	683,430
Interdepartmental Revenue-Administration KPU	2,661,826	3,136,319	2,708,560	3,305,890
Interdepartmental Revenue-Garage Solid Waste	2,336	14,050	5,050	14,050
Interdepartmental Revenue-Garage Harbor	4,128	6,280	6,280	6,280
Interdepartmental Revenue-Garage Wastewater	52,531	46,370	46,370	46,370
Interdepartmental Revenue-Garage Port	8,104	7,540	7,540	7,540
Interdepartmental Revenue-Engineering Solid Waste	163,483	239,000	218,000	255,000
Interdepartmental Revenue-Engineering Harbor	74,641	109,000	91,000	103,000
Interdepartmental Revenue-Engineering Wastewater	304,440	443,000	349,000	404,000
Interdepartmental Revenue-Engineering Port	50,262	75,000	82,000	96,000
Interdepartmental Revenue-Engineering KPU Fund	97,988	142,000	144,000	163,000
Interdepartmental Revenue-Space & Equip Rental Wastewater	15,000	15,000	15,000	15,000
Interdepartmental Revenue-Space & Equip Rental KPU	26,916	33,495	33,342	33,480
Taxes Real Property	6,685,779	6,786,773	6,918,084	7,070,276
Taxes Automobile Taxes	43,354	36,000	36,000	36,000
Taxes Sr Citizen	-553,267	-561,222	-561,222	-578,978
Taxes Sales	8,499,584	8,840,000	8,500,000	9,700,000
Taxes Business Personal	406,039	405,000	452,133	460,724
Taxes P & I	80,557	50,000	25,000	25,000
Interdepartmental Revenue	-	20,490	18,080	21,880
Interdepartmental Revenue - Engineering Commercial Passenger Vessel Tax	-	38,000	48,000	58,000
Total Revenues	28,291,225	29,682,198	29,002,365	32,692,147
Expenditures				
PERSONNEL SERVICES AND BENEFITS	20,400,616	24,892,564	22,505,786	26,186,269
GENERAL SUPPLIES	937,104	1,148,225	1,120,042	1,167,479
POSTAGE AND FREIGHT	49,181	52,610	55,090	59,460

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
FUELS/LUBRICANTS/ENERGY COSTS	232,425	383,300	276,134	371,695
BOOKS AND PERIODICALS	112,230	126,127	121,004	127,372
ALLOWANCES	51,414	66,000	61,970	68,500
TRAVEL AND EDUCATION	273,309	525,330	501,632	546,550
ADVERTISING AND PUBLISHING	56,371	90,205	88,394	97,405
PROMOTION AND GRANTS	18,756	50,500	48,100	36,000
DUES AND MEMBERSHIPS	30,196	46,562	37,846	44,921
TOWING AND SALVAGE	1,415	72,250	71,500	72,250
CONTRACT/PURCHASED SERVICES	504	550	505	600
PERMITS, LICENSES AND FEES	84,751	121,925	106,445	126,975
CONTRACTUAL SERVICES	1,211,558	1,733,160	1,638,749	1,850,122
PROFESSIONAL SERVICES	614,533	918,450	716,786	881,200
RENTS AND LEASES	45,684	71,484	70,390	76,934
UTILITIES	819,540	1,047,635	1,131,634	1,556,170
MAJOR CAPITAL OUTLAY	539,650	461,000	365,333	695,667
MINOR CAPITAL OUTLAY	486,770	482,709	444,360	506,694
INTERDEPARTMENTAL CHARGES	737,870	915,450	942,820	1,018,845
REIMBURSABLE CREDITS	-202,285	-225,647	-190,897	-233,397
TRANSFERS OUT	906,896	915,311	915,311	1,108,195
Total Expenditures	27,408,488	33,895,700	31,028,934	36,365,906
Total Revenues Less Expenditures	882,737	-4,213,502	-2,026,569	-3,673,759
Ending Fund Balance	10,676,065	6,485,924	8,672,857	4,979,098

Hospital Sales Tax Summary

The Hospital Sales Tax Fund is primarily used to accumulate and account for resources to be used to acquire, operate and maintain city-owned health care facilities. Resources not required to satisfy its primary purpose may, at the discretion of the City Council, be used for public works purposes or to partially pay for the general operational cost of the City government. Currently, the Hospital Sales Tax Fund is providing the resources required for the annual debt service on the 2014 Hospital General Obligation Bond and a \$441,000 transfer to the General Fund that is used to help hold the mill rate at the level currently programmed. The fund is also used to cover the cost of major maintenance that may be required for the Ketchikan Medical Center and funding for the Community Grant Program.

A small deficit of \$326,206 has been programmed for the Hospital Sales Tax Fund for 2026 and at the end of the year reserves have been projected to total \$7.53 million. Currently, 60% of the sales tax revenues of the Hospital Sales Tax Fund must be set aside for debt service on the 2014 Hospital General Obligation Bond. Given the potential volatility of sales tax revenues, maintaining an adequate level of reserves is important for the City to keep its promise to the voters that it would not increase property taxes to pay for the debt service on the 2014 Hospital General Obligation Bond. In addition, the City should maintain sufficient reserves to cover emergency repairs for the older sections of the Ketchikan Medical Center, some of which are 50 years old. In 2024, an additional transfer was programmed to help fund the Mobile Integrated Health program. The Mobile Integrated Health program is in its third year and a transfer of \$137,286 is proposed for 2026, along with the annual transfer of \$441,000, to the General Fund to help cover general government annual operations, has been programmed.

Based on projected reserves of \$7.53 million, the City has sufficient reserves for almost 3.0 times the annual debt service. The reserve component for debt service should not be permitted to fall below \$2.5 million, or approximately 1.0 times annual debt service. The balance of reserves should be dedicated for emergency repairs and contingencies. Given that the Ketchikan Medical Center is a very important asset to community, the City should consider engaging the services of a consultant to determine how much should be put aside in reserves for emergency repairs and other contingencies.

During the 2026 Budget Work Session, staff introduced redistributing a share of the reserves in the Hospital Sales Tax Fund to the General Fund. During budget deliberations with the City Manager, it was determined that the Community Facilities Fund had a greater need for these funds absent revenues to fund capital improvements for city-owned facilities. Until the Council establishes a fund balance threshold for the Hospital Sales Tax Fund, staff will evaluate the current capital needs of the Ketchikan Medical Center with other city-owned facilities and transfer funds to the Community Facility Development Fund to fund capital improvements for city-owned buildings only. The Hospital Sales Tax Fund reserves will maintain a minimum balance to fund the annual debt service plus \$5.0 million for hospital repairs and maintenance to ensure funds are available for emergency repairs and address contingencies as needed. The proposed transfer to the Community Facilities Development Fund is \$1.17 million.

A summary of the proposed 2026 Budget for the **Hospital Sales Tax Fund**, with a comparison to 2025 and 2024 is provided below.

Comprehensive Fund Summary

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Beginning Fund Balance	5,300,930	6,737,315	6,737,315	7,855,781
Revenues				
Miscellaneous Revenues GCHS Payments	689	-	600	-
Miscellaneous Revenues PH KMC Lease	100,000	100,000	100,000	100,000
Investment Earnings Interest General	282,726	75,000	162,000	85,000
Taxes Sales	4,072,360	4,060,000	4,060,000	4,060,000
Taxes P & I	13,340	8,000	5,000	5,000
Total Revenues	4,469,115	4,243,000	4,327,600	4,250,000
Expenditures				
GENERAL SUPPLIES	-	10,000	-	10,000

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
CONTRACTUAL SERVICES	-	20,000	10,000	20,000
PROFESSIONAL SERVICES	40	25,000	-	75,000
TRANSFERS OUT	3,032,690	3,258,630	3,199,134	4,471,206
Total Expenditures	3,032,730	3,313,630	3,209,134	4,576,206
Total Revenues Less Expenditures	1,436,385	929,370	1,118,466	-326,206
Ending Fund Balance	6,737,315	7,666,685	7,855,781	7,529,575

Public Works Sales Tax Summary

The Public Work Sales Tax Fund is the primary source of local funding for major maintenance and capital projects for departments and functions that are not supported by the revenue-generating or enterprise funds of the City. An annual transfer of \$2.1 million has been programmed from the Public Works Sales Tax Fund to the General Fund to support public works operations accounted for in the General Fund. The total cost of the public works functions accounted for in the General Fund is \$7.5 million. Transfers are also made to the Community Grant Fund to support the City’s Community Grant Program.

The proposed budget for the Public Works Sales Tax Fund is expected to generate a deficit of \$2.45 million. Approximately 66.3% of the expenditures programmed for this fund are for major maintenance or capital improvements. The actual disbursement of these expenditures is contingent on such factors as the weather, the availability of contractors to perform the work, and project coordination with other City departments and the State of Alaska. The transfers to the General Fund and the Community Grant Fund will occur as programmed. This transfer to the General Fund is used to partially offset the cost of the Public Works functions accounted for in the General Fund and is necessary in order to keep the programmed mil rate at 6.6.

The Public Works Sales Tax Fund is projected to end 2026 with \$5.23 million in reserves. Prior to the COVID-19 pandemic, the average annual capital expenditures were \$3.6 million. Since 2019, inflation has increased costs 31.0%, applying this inflation factor, the average cost for capital projects would now be \$4.72 million. The proposed capital projects for 2026 is \$5.77 million. The fund balance policy has established that this fund shall maintain 25% of annual expenditures plus an amount consistent with the capital improvement plan. Even though a deficit is proposed, the reserve balance is projected to be above the level required per the fund balance policy by \$2.18 million. The City should strive to reduce costs in the long term by reducing mobilization and de-mobilization costs by using vendors while they are on location and extend the life of the City’s roads by using materials less susceptible to our weather conditions. For detailed information regarding specific projects, please refer to the CIP, which contains cost estimates and narratives for each project.

A summary of the proposed 2026 Budget for the **Public Works Sales Tax Fund**, with a comparison to 2025 and 2024 is provided below.

Comprehensive Fund Summary

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Beginning Fund Balance	9,155,639	6,738,858	6,738,858	7,675,260
Revenues				
Investment Earnings Interest General	473,276	150,000	196,000	150,000
Sale of Assets Equipment	200,000	-	-	-
Taxes Sales	6,108,540	6,100,000	6,100,000	6,100,000
Taxes P & I	20,010	8,000	8,236	8,000
Total Revenues	6,801,826	6,258,000	6,304,236	6,258,000
Expenditures				
MAJOR CAPITAL OUTLAY	6,351,864	4,653,748	2,477,836	5,770,104
TRANSFERS OUT	2,897,753	2,931,222	2,931,223	2,933,373
Total Expenditures	9,249,617	7,584,970	5,409,059	8,703,477
Total Revenues Less Expenditures	-2,447,791	-1,326,970	895,177	-2,445,477
Ending Fund Balance	6,707,848	5,411,888	7,634,035	5,229,783

Solid Waste Services Summary

The Solid Waste Services Fund is used to account for the resources required to operate and maintain the municipal solid waste landfill and solid waste collection and recycling services. It relies solely on user fees to support its operations and provide for capital improvements. Bonds can be issued to fund capital improvements, but the current capital needs are related to equipment replacements and are more geared toward a possible lease financing proposition rather than a bond issue.

A deficit of \$283,958 has been programmed for the Solid Waste Services Fund for 2026. The deficit is the result of escalating operating costs, particularly related to solid waste transport fees. In 2020, the City entered into a new agreement for the transport and disposal of putrescible solid waste to a regional landfill in Washington State. Since this agreement was put in place, the fees for disposal have increased 69.5% due to an annual inflation factor clause in the agreement. At the same time, the recycling costs have also increased due to limited recycling plants that are willing to take certain recyclable materials. A rate increase approved by the City Council in 2025 will help offset the increase in the disposal contract only.

A Solid Waste Services rate review is currently in process. Once the review is complete, staff will review the findings to determine if the 9.5% proposed rate increase is sufficient and other rate changes can be structured to achieve the financial goals for the Solid Waste Services Fund. In the meantime, a 9.5% rate increase has been factored into the 2026 Budget to offset the increase in wages since 2020 and the continued increase in disposal costs. Since 2020, personnel services costs have increased 34.5% and are programmed to increase another 4.0% in 2027 per the City IBEW collective bargaining agreement but have not been reflected in the rates.

Revenues for the Solid Waste Service Fund need to be monitored to evaluate the effectiveness of the increase in rates and whether those increases are allowing the division to maintain its reserves level established per the fund balance policy. The Solid Waste Services Fund is only in compliance with the fund balance policy if the budgeted revenues are realized in 2026 and the landfill post-closure liability is excluded from the calculation. The fund is projected to have reserves totaling \$1.45 million at the end of 2026. The minimum amount recommended under the City's fund balance policy is \$1.24 million plus \$984,780 that is required for closing the landfill for a total of \$2.22 million. The fund is not in compliance with the City's fund balance policy and will need to raise rates to restore funds for closing the landfill, keep up with increasing operating costs and comply with the fund balance policy.

A summary of the proposed 2026 Budget for the **Solid Waste Services Fund**, with a comparison to 2025 and 2024 is provided below.

Comprehensive Fund Summary

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Beginning Fund Balance	1,782,941	1,913,898	1,913,898	1,734,394
Revenues				
Miscellaneous Revenues General	1	200	106	200
Investment Earnings Interest General	95,122	20,000	59,160	20,000
Charges For Services Fees For Service	48,235	35,000	37,061	35,000
Charges For Services SW Late Payment Charges	19,753	20,000	18,500	20,000
Charges For Services Residential Collection Services	352,792	345,000	360,000	405,000
Charges For Services Business Collection Services	1,095,099	1,080,000	1,165,000	1,380,000
Charges For Services Sanitary Landfill Services	3,204,063	3,150,000	3,375,000	3,635,000
Charges For Services Landfill Fee - City (Contra)	-687,664	-725,000	-725,000	-797,500
Charges For Services Residential Access Fee	1,651,005	1,640,000	1,760,000	2,044,000
Charges For Services Disposal Fee - City (Contra)	-976,068	-950,000	-950,000	-1,045,000
Charges For Services SWD Fee Credits-Residential	-279,095	-268,000	-287,000	-294,800
Charges For Services Recycling Revenues	38,007	12,000	29,378	25,000
Contributions Contr & Private Grants (Op)	943	-	-	-

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Total Revenues	4,562,193	4,359,200	4,842,205	5,426,900
Expenditures				
PERSONNEL SERVICES AND BENEFITS	1,384,131	1,591,983	1,497,306	1,701,060
GENERAL SUPPLIES	253,804	288,150	286,514	309,200
POSTAGE AND FREIGHT	21,861	23,000	23,000	30,000
FUELS/LUBRICANTS/ENERGY COSTS	68,425	78,400	72,000	80,250
TRAVEL AND EDUCATION	954	4,780	1,000	4,780
ADVERTISING AND PUBLISHING	5,552	7,200	7,200	7,525
DUES AND MEMBERSHIPS	245	1,400	700	1,400
TOWING AND SALVAGE	64,333	-	-	-
PERMITS, LICENSES AND FEES	36,457	33,870	49,360	53,925
CONTRACTUAL SERVICES	1,614,476	1,701,241	1,728,279	1,979,508
PROFESSIONAL SERVICES	-	-	42,710	-
RENTS AND LEASES	99	800	-	1,000
UTILITIES	69,713	102,690	99,000	107,590
MAJOR CAPITAL OUTLAY	418,904	515,000	644,166	770,000
MINOR CAPITAL OUTLAY	25,697	31,980	27,610	33,425
INTERDEPARTMENTAL CHARGES	466,847	590,395	535,030	631,195
Total Expenditures	4,431,498	4,970,889	5,013,875	5,710,858
Total Revenues Less Expenditures	130,695	-611,689	-171,670	-283,958
Ending Fund Balance	1,913,636	1,302,209	1,742,228	1,450,436

Harbor Services Summary

The Harbor Services Fund is used to account for the resources required to operate and maintain City-owned and managed harbors. It relies primarily on user fees to support its operations and provide for debt service. The fund's ability to support capital spending is currently limited to minor capital outlay. The current rate structure is not adequate to support operations, major capital outlay or additional debt service for capital outlay. The current major capital outlays are budgeted in the Harbor Construction Fund. The Harbor Construction Fund relies on a share of the State's raw fish tax, grants and bonds to finance major capital improvements to the City's harbors.

In 2023, the City approved a two-year rate increase to offset the increasing cost of operations. The rates that were approved were less than the consultant's recommended amounts, resulting in the need to apply another rate increase to generate revenues to cover the increasing cost of operations. As noted in the 2026 Budget Priorities, an 8.0% rate increase is needed to cover the increasing costs due to COLA's and other operating costs. A multi-year plan to increase revenues reflects the anticipated wage increases and will avoid unnecessary spikes in the rates while also giving harbor users time to plan for the increases.

The Port and Harbor share a maintenance building that is in need of replacement. An inter-fund loan has been programmed into the Harbor's debt service costs in the amount of \$103,630. This cost was not factored into the study that resulted in the 2024 and 2025 rate increases, further indicating that the 2026 rate increase is necessary to work towards covering the cost of the debt service for a new maintenance building and increasing operational costs. The users of the harbor should pay for the costs to operate and maintain the harbor. If rates are not increased, the City may have to increase taxes in order to pay for the debt service related to a service that benefits the users of the harbor and is not necessarily representative of those that pay the tax. Another factor affecting rates is, if additional bond financing is used to fund capital improvements, the current harbor rates have to be adjusted accordingly to provide for the annual debt service.

The harbor fund is projected to incur a deficit of \$408,570 in 2026 and end the year with a fund balance of \$930,168. The 2026 reserve balance is projected to increase, which is a step in the right direction, but revenues are still insufficient to cover the projected increases in wages, debt service and capital improvements. The City's fund balance policy requires six months of operational costs, which is \$1.13 million or 25% of total costs, which is \$563,844. The projected fund balance meets 25% of the total costs but does not meet the six months of operations threshold. Staff has incorporated the 8.0% rate increase identified in the 2026 Budget Priorities section into the 2026 Budget.

A summary of the proposed 2026 Budget for the **Harbor Services Fund**, with a comparison to 2025 and 2024 is provided below.

Comprehensive Fund Summary

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Beginning Fund Balance	1,054,704	1,243,816	1,243,816	1,338,738
Revenues				
Miscellaneous Revenues General	10,082	-	-	-
Investment Earnings Interest General	69,551	15,000	55,000	15,000
Charges For Services Harbor Reserved Moorage	882,953	1,055,000	1,102,250	1,139,400
Charges For Services Harbor Bad Debt Recovery	9,215	2,000	7,045	2,160
Charges For Services Harbor Late Payment Charges	8,362	3,000	3,887	3,240
Charges For Services Harbor Electric Services	175,791	160,000	167,650	172,800
Charges For Services Harbor Live Aboard Fees	23,469	5,500	21,000	5,940
Charges For Services Harbor Solid Waste Fees	112,702	92,000	92,000	99,360
Charges For Services Harbor Transient/Docking Fees	587,509	500,000	500,000	540,000
Charges For Services Harbor Wait List Fees	34,992	9,000	4,500	8,000
Charges For Services Harbor Launch Ramp Fees	49,882	50,000	53,500	54,000
Charges For Services Contra Revenue -Write Off Accts	-117,495	-	-	-

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Fines & Forfeitures Harbor Impound Fees	1,860	1,000	360	500
Fines & Forfeitures Sale of Impound Items	-	500	10	100
Intergovernmental Revenues Shared Fisheries Business Tax	6,752	6,750	3,087	-
Total Revenues	1,855,625	1,899,750	2,010,289	2,040,500
Expenditures				
PERSONNEL SERVICES AND BENEFITS	566,104	748,997	662,390	790,700
GENERAL SUPPLIES	68,129	82,550	82,373	82,700
POSTAGE AND FREIGHT	4,187	4,000	3,000	4,000
FUELS/LUBRICANTS/ENERGY COSTS	8,891	15,000	11,500	14,850
BOOKS AND PERIODICALS	91	125	104	125
ALLOWANCES	2,557	4,500	4,000	4,500
TRAVEL AND EDUCATION	5,764	10,000	9,400	10,500
ADVERTISING AND PUBLISHING	3,203	4,000	3,135	4,000
DUES AND MEMBERSHIPS	213	750	750	750
TOWING AND SALVAGE	7,000	10,500	8,800	10,500
PERMITS, LICENSES AND FEES	50,603	50,200	50,140	51,200
CONTRACTUAL SERVICES	18,163	50,000	43,925	48,500
PROFESSIONAL SERVICES	2,258	2,500	2,300	2,500
RENTS AND LEASES	-	500	2,600	500
UTILITIES	270,105	340,500	340,500	384,500
MINOR CAPITAL OUTLAY	7,494	21,500	14,905	21,500
INTERDEPARTMENTAL CHARGES	302,202	362,547	326,620	367,745
DEBT SERVICE	349,550	452,555	348,925	456,305
TRANSFERS OUT	-	-	-	193,695
Total Expenditures	1,666,514	2,160,724	1,915,367	2,449,070
Total Revenues Less Expenditures	189,111	-260,974	94,922	-408,570
Ending Fund Balance	1,243,815	982,842	1,338,738	930,168

Wastewater Services Summary

The Wastewater Fund is used to account for the resources required to operate and maintain the municipal wastewater utility. It relies solely on user fees to support its operations and provide for capital improvements. Grants, if available, and bond financing are also used to help fund capital improvements.

An 8.0% rate increase has been factored into the 2026 Budget to increase revenues for additional wages required per the collective bargaining agreement for City IBEW and additional compliance requirements per the Alaska Department of Environmental Conservation. The previous rate increase addressing operating costs was approved in 2019, since then inflation has increased 29.4%. The wastewater personnel services increased 86% since 2019 due to the reclassification of personnel to reflect the certifications required for the wastewater staff. The rates have not increased with the cost of inflation or wages. Staff is recommending a minimum rate increase of 8% for the next five years to prepare for new disinfection requirements, to keep up with wage increases and other much needed infrastructure replacements. Due to little growth in residential housing and limited opportunities for commercial property expansion, the customer base for the wastewater utility remains constant from year-to-year. Any expansion efforts beyond the current wastewater system would require significant infrastructure investment. For example, a feasibility study was performed to evaluate the addition of wastewater lines out to Shoreline area residents and found the cost of expansion to be prohibitive. The Alaska Department of Environmental Conservation has notified the City that it is issuing more restrictive requirements for disinfection that will require a new disinfection facility expected to cost in excess of \$14.0 million. The current rates are not sufficient to pay the expected debt service of \$833,000 for financing the capital project plus additional maintenance costs to run the new facility.

A capital budget totaling almost \$7.49 million has been programmed for 2026. Of this amount, \$6.01 million will be financed from the issuance of debt. One of the capital projects currently programmed is in preparation for one of the Alaska Department of Transportation projects along Water Street. The proposed debt service for 2027 is expected to be \$256,000 for Phase II of the Water Street Sewer Main Replacement project. This additional debt service will require a rate increase of 6.0% above the current rate increase of 8.0% included in the 2026 Budget. ADEC may require another mid-year increase to achieve revenues sufficient to show the City is able to pay the required debt service in order to obtain new loans for Water Street Phase II and the Disinfection Facility Improvements. For more information about the proposed capital program, please see the Wastewater Division's 2026 – 2030 Capital Improvement Program.

If all costs are realized, the fund is expected to generate a deficit of \$1.52 million in 2026 and end the year with \$1.59 million in reserves. *The current rate structure is not generating enough revenue to keep up with the operating and capital needs.*

Under the City's fund balance policy, the Wastewater Fund should maintain a minimum reserve balance of six months of operational costs or \$2.14 million. The fund balance policy also recommends that 25% of total expenditures or \$2.94 million remain in reserves. A 21% rate increase would be needed to generate enough revenue to meet the fund balance policy. **This highlights the importance of the current proposed rate increase of 8.0% over the next five years.**

A summary of the proposed 2026 Budget for the **Wastewater Fund**, with a comparison to 2025 and 2024 is provided below.

Comprehensive Fund Summary

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Beginning Fund Balance	5,279,185	5,174,480	5,174,480	3,113,912
Revenues				
Investment Earnings Interest Wastewater Services	311,675	30,000	193,964	30,000
Intergovernmental Revenues USD EPA (Ca)	-	-	25,000	-
Intergovernmental Revenues AKD Administration (Op)	-	25,000	-	-
Bond Issuance Proceeds From Bond Sale	-	4,714,091	2,792,110	6,013,281
Wastewater Revenue Residential Sewer Services	2,276,683	2,331,000	2,331,000	2,475,000
Wastewater Revenue Business Sewer Services	1,306,603	1,342,800	1,315,000	1,720,000
Wastewater Revenue Sewer Permits	710	500	1,220	500

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Wastewater Revenue Fees For Service	6,320	500	2,607	500
Wastewater Revenue Late Payments Charges	13,099	14,000	8,497	12,000
Total Revenues	3,915,090	8,457,891	6,669,398	10,251,281
Expenditures				
PERSONNEL SERVICES AND BENEFITS	1,254,279	1,398,320	1,461,857	1,678,870
GENERAL SUPPLIES	241,936	282,500	309,020	329,500
POSTAGE AND FREIGHT	1,150	2,000	2,000	5,000
FUELS/LUBRICANTS/ENERGY COSTS	27,905	60,000	44,000	56,500
BOOKS AND PERIODICALS	182	750	750	750
ALLOWANCES	4,693	6,000	4,500	6,000
TRAVEL AND EDUCATION	1,383	22,000	15,470	24,000
ADVERTISING AND PUBLISHING	637	6,000	6,000	6,000
DUES AND MEMBERSHIPS	900	2,250	2,250	2,250
PERMITS, LICENSES AND FEES	30,980	32,500	43,010	43,010
CONTRACTUAL SERVICES	72,297	97,000	108,510	163,000
PROFESSIONAL SERVICES	154,289	255,000	84,000	325,000
RENTS AND LEASES	2,750	5,000	5,000	7,000
UTILITIES	240,932	275,395	275,395	275,395
MAJOR CAPITAL OUTLAY	1,060,408	7,625,781	5,131,585	7,488,281
MINOR CAPITAL OUTLAY	70,966	96,500	96,500	100,500
INTERDEPARTMENTAL CHARGES	654,895	836,157	722,290	820,150
DEBT SERVICE	162,498	337,829	162,829	337,830
OTHER COSTS	80,000	80,000	80,000	108,250
Total Expenditures	4,063,080	11,420,982	8,554,966	11,777,286
Total Revenues Less Expenditures	-147,990	-2,963,091	-1,885,568	-1,526,005
Ending Fund Balance	5,131,195	2,211,389	3,288,912	1,587,907

Port Services Summary

The Port Fund is used to account for the resources required to operate and maintain the Port of Ketchikan. It relies solely on user fees to support its operations and provide for capital improvements. Grants from the State of Alaska and bond financing are also used to help fund capital improvements.

The City Manager and Council's proactive approach to raising the passenger wharfage fees in 2024 and all port fees in 2025 are now evident in the projected reserves for 2025 and 2026. A deficit of \$1.58 million is projected for 2026, but this is expected due to capital projects proposed for 2026. While the Port is in a good position the rate increases approved for 2027, 2028 and 2029 we should continue to monitor the rates to ensure they are keeping up with increasing costs and can maintain a strong reserve for the Port's future operating and capital needs that include major maintenance, expansion and electrification.

The 2026 Budget for the Port Enterprise Fund was based on the premise that the cruise lines will be operating at full capacity in Southeast Alaska in 2026, taking into consideration that approximately 25% of the passengers will disembark at the Ward Cove facility. The increases in the 2026 budget are a result of the cruise passenger impact study and the expected increase in passengers expected in the downtown core.

Under the City's fund balance policy, the Port Fund meets the minimum fund balance threshold of \$4.27 million, which is five months of operations, or \$5.6 million, which is 25% of budgeted expenditures in the Port Fund.

A summary of the proposed 2026 Budget for the **Port Fund**, with a comparison to 2025 and 2024 is provided below.

Comprehensive Fund Summary

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
Beginning Fund Balance	17,678,898	26,421,755	26,421,755	32,238,825
Revenues				
Investment Earnings Interest Port	1,071,141	200,000	933,814	450,000
Port Revenues Wharfage	12,540,500	14,365,000	14,247,666	15,630,000
Port Revenues Transient Docking Fees	2,413,250	2,760,000	2,775,433	2,950,000
Port Revenues Additional Docking Fees	1,344,711	1,750,000	1,756,745	1,850,000
Port Revenues Rental Income	314,205	245,000	308,140	305,000
Port Revenues Water Services	165,120	180,000	344,080	352,480
Port Revenues Sewer Services	-	500	-	500
Port Revenues Solid Waste Services	-	500	-	500
Port Revenues Electric Services	42,380	25,000	55,488	35,000
Port Revenues Vehicle Access Fees	231,829	100,000	220,090	220,000
Port Revenues Lighter Float Fees	3,120	3,500	3,120	3,500
Port Revenues Fees For Service	453	200	23	200
Port Revenues Late Payments Charges	16,564	500	564	500
Total Revenues	18,143,273	19,630,200	20,645,163	21,797,680
Expenditures				
PERSONNEL SERVICES AND BENEFITS	1,431,834	1,873,036	1,766,670	1,967,065
GENERAL SUPPLIES	93,744	130,000	133,640	130,000
POSTAGE AND FREIGHT	3,570	3,500	3,500	3,500
FUELS/LUBRICANTS/ENERGY COSTS	12,026	16,500	12,000	16,500
BOOKS AND PERIODICALS	91	200	104	200
ALLOWANCES	12,436	14,000	14,000	14,000
TRAVEL AND EDUCATION	8,894	12,000	11,541	12,000

Category	2024 Actual	2025 Adopted	2025 Estimate	2026 Budget
ADVERTISING AND PUBLISHING	5,355	5,000	5,000	5,000
DUES AND MEMBERSHIPS	213	400	400	400
TOWING AND SALVAGE	-	500	100	500
PERMITS, LICENSES AND FEES	55	500	58	500
CONTRACTUAL SERVICES	185,341	236,550	224,243	236,550
PROFESSIONAL SERVICES	45,699	96,000	48,798	96,000
RENTS AND LEASES	2,822,233	2,851,000	2,806,000	2,836,000
UTILITIES	308,356	437,500	591,850	921,860
MAJOR CAPITAL OUTLAY	613,457	14,035,540	305,580	16,509,040
MINOR CAPITAL OUTLAY	8,015	14,500	13,604	14,500
INTERDEPARTMENTAL CHARGES	630,263	1,097,155	991,100	1,148,895
DEBT SERVICE	2,230,409	2,233,000	2,233,000	2,232,750
OTHER COSTS	485,881	541,420	488,405	605,750
TRANSFERS OUT	521,051	522,000	522,000	522,000
ADVANCES TO OTHER FUNDS	-	750,000	-	762,680
Total Expenditures	9,418,923	24,870,301	10,171,593	28,035,690
Total Revenues Less Expenditures	8,724,350	-5,240,101	10,473,570	-6,238,010
Ending Fund Balance	26,403,248	21,181,654	36,895,325	26,000,815

Expenditure Transfers Out and Advances To Other Funds

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 Medical 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 while 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 and Mobile Integrated Health program.
- Public Works Sales Tax Fund to the General Fund for the operating costs of the Public Works Department.
- Transient Tax Fund to the General Fund for the operating costs of the Civic Center.
- Commercial Passenger Vessel Tax Funds to the General Fund for operating costs of the Fire Department, Police and E-911 Central Dispatch.
- Supplemental Emergency Services Transport Fund to the General Fund for the operating costs of the Fire Department and Mobile Integrated Health Program.

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 the construction of a new surgical suite and clinical space for the Ketchikan Medical Center in 2014. In 2026, the City Council approved a one-time transfer for general obligation debt in the Wastewater Services Fund and the Harbor Services Fund.
- General Fund to the General Obligation Bond Debt Service Fund for debt issued to finance the construction of new fire station and library facilities.
- Public Works Sales Tax Fund to the General Obligation Bond Debt Service Fund for debt issued to finance fire apparatus and emergency medical service vehicles.

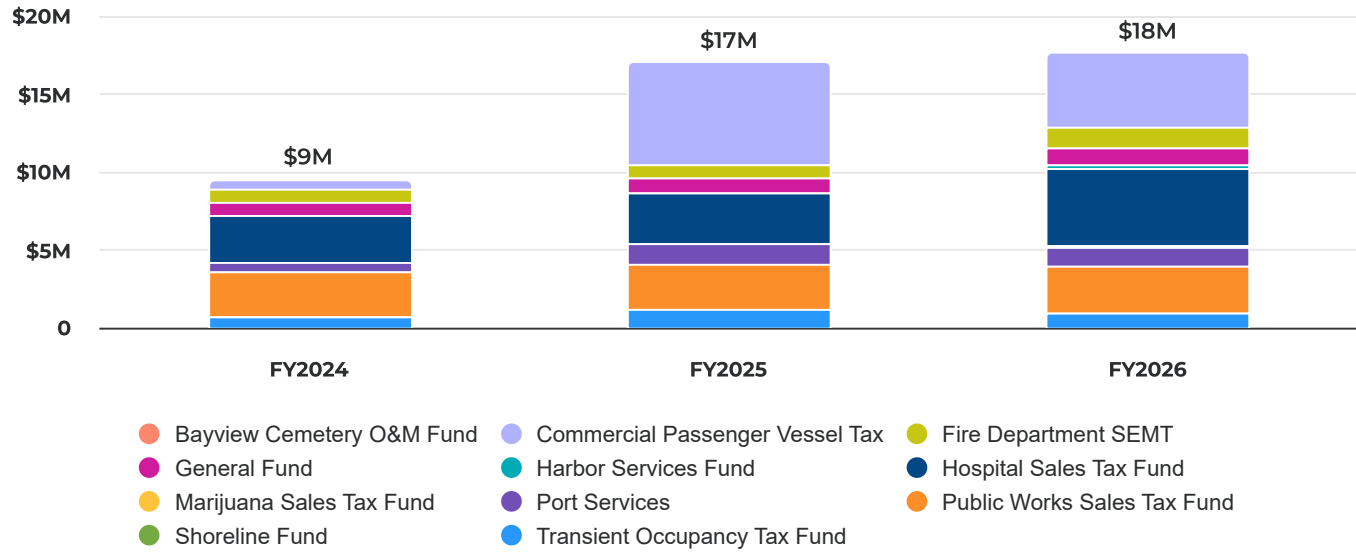
The major transfer of funds for capital improvements is as follows:

- Hospital Sales Tax Fund to the Community Facilities Development Fund to finance improvements to city-owned facilities. See the narrative section of the Major Fund Review for the Hospital Sales Tax Fund for more information.
- Harbor Services Fund to Harbor Construction Fund to finance capital improvements of harbor infrastructure.
- Commercial Passenger Vessel Tax Funds to Commercial Passenger Vessel Capital Projects Funds to finance capital improvements as defined by the State of Alaska per AS 43.52.200 (1) improve port and harbor infrastructure, (2) provide services to commercial passenger vessels and the passengers on board those vessels, or (3) improve the safety and efficiency of the interstate and foreign commerce activities in which the vessels and the passengers on board those vessels are engaged.
- Supplemental Emergency Services Transport Fund to Major Capital Improvements Fund to finance Fire Department emergency medical services capital projects and equipment.

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. One advance is programmed in 2026 from the Port Fund to the Harbor Construction Fund for the Maintenance Building CIP.

Expenditures by Fund

Comparative Expenditures By Year

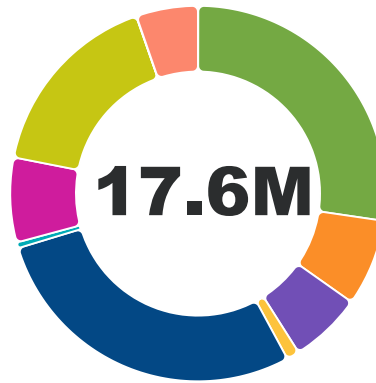


In 2026, the total Transfers Out To Other Funds budget remains steady at \$17 million, reflecting a slight decrease of 0.06% from FY2025. The Commercial Passenger Vessel Tax, while still the largest category, decreased significantly by \$1.9 million or 29.28%, now representing 27.42% of the total budget compared to 38.76% the previous year.

The Hospital Sales Tax Fund saw a notable increase of \$1.2 million or 37.21%, rising to \$4.5 million and accounting for 26.3% of the total budget, making it the second-largest category. The Public Works Sales Tax Fund remained relatively stable with a marginal increase of \$2,151 or 0.07%, maintaining its share at 17.26% of the total.

The Fire Department SEMT experienced a substantial increase of \$422,149 or 47.22%, reaching \$1.3 million and 7.74% of the total budget. Port Services also increased slightly by \$12,680 or 1%, holding steady at 7.56% of the total. The General Fund grew by \$192,884 or 21.07%, now comprising 6.52% of the budget.

Conversely, the Transient Occupancy Tax Fund decreased by \$200,876 or 17.7%, dropping to \$934,150 and 5.49% of the total. New entries in the top categories include the Harbor Services Fund at \$193,695 (1.14%) and the Marijuana Sales Tax Fund at \$85,500 (0.5%). The Shoreline Fund remained unchanged at \$6,374, representing 0.04% of the total budget.

2026 Expenditures by Fund

Bayview Cemetery O&M Fund	\$5,000	0.03%
Commercial Passenger Vessel Tax	\$4,811,777	27.30%
Fire Department SEMT	\$1,316,153	7.47%
General Fund	\$1,097,355	6.22%
Harbor Services Fund	\$193,695	1.10%
Hospital Sales Tax Fund	\$4,972,104	28.20%
Marijuana Sales Tax Fund	\$85,500	0.49%
Port Services	\$1,284,680	7.29%
Public Works Sales Tax Fund	\$2,921,743	16.57%
Shoreline Fund	\$6,374	0.04%
Transient Occupancy Tax Fund	\$934,150	5.30%

Expenditures by Fund

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
General Fund	906,896	915,311	915,311	915,311	1,097,355	182,044	19.89%
Transfers Out To Community Grant Fund	82,880	111,770	111,770	111,770	97,355	-14,415	-12.90%
Transfers Out To Marijuana Sales Tax Fund	21,881	-	-	-	-	-	-
Transfers Out To Community Facilities Dev.	-	-	-	-	201,857	201,857	-
Transfers Out to Debt Service Fund	802,135	803,541	803,541	803,541	798,143	-5,398	-0.67%
Hospital Sales Tax Fund	3,032,690	3,258,630	3,258,630	3,199,134	4,972,104	1,713,474	52.58%
Transfers Out To General Fund	449,457	558,000	558,000	498,504	578,286	20,286	3.64%
Transfers Out To Community Grant Fund	42,450	171,180	171,180	171,180	214,920	43,740	25.55%
Transfers Out To Marijuana Sales Tax Fund	11,208	-	-	-	-	-	-
Transfer Out To Harbor Services Fund	-	-	-	-	352,675	352,675	-
Transfers Out to Community Facilities Development Fund	-	-	-	-	1,169,020	1,169,020	-
Transfers Out To Debt Service Fund	2,529,575	2,529,450	2,529,450	2,529,450	2,531,450	2,000	0.08%
Transfers Out To Wastewater Fund	-	-	-	-	125,753	125,753	-
Public Works Sales Tax Fund	2,897,753	2,931,222	2,931,222	2,931,223	2,921,743	-9,479	-0.32%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Transfers Out To General Fund	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	-	0.00%
Transfers Out To Community Grant Fund	63,670	113,950	113,950	113,950	104,470	-9,480	-8.32%
Transfers Out To Marijuana Sales Tax Fund	16,811	-	-	-	-	-	-
Transfers Out To Debt Service Fund	717,272	717,272	717,272	717,273	717,273	1	0.00%
Shoreline Fund	6,374	6,374	6,374	6,374	6,374	-	0.00%
Transfers Out To General Fund	6,374	6,374	6,374	6,374	6,374	-	0.00%
Transient Occupancy Tax Fund	673,075	1,135,026	1,135,026	1,101,106	934,150	-200,876	-17.70%
Transfers Out To General Fund	515,060	711,026	711,026	677,106	749,150	38,124	5.36%
Transfers Out To Major Capital Improvements	158,015	424,000	424,000	424,000	185,000	-239,000	-56.37%
Marijuana Sales Tax Fund	-	-	-	-	85,500	85,500	-
Transfers Out To General Fund	-	-	-	-	85,500	85,500	-
Harbor Services Fund	-	-	-	-	193,695	193,695	-
Transfers Out To Harbor Construction Fund	-	-	-	-	193,695	193,695	-
Bayview Cemetery O&M Fund	5,000	5,000	5,000	5,000	5,000	-	0.00%
Transfers Out To General Fund	5,000	5,000	5,000	5,000	5,000	-	0.00%
Commercial Passenger Vessel Tax	587,810	6,592,096	6,592,096	3,104,220	4,811,777	-1,780,319	-27.01%
Transfers Out To General Fund	544,730	558,096	558,096	558,096	998,901	440,805	78.98%
Transfers Out To CPV Capital Improvements Fund	43,080	6,034,000	6,034,000	2,546,124	3,812,876	-2,221,124	-36.81%
Fire Department SEMT	839,848	894,004	915,716	741,338	1,316,153	422,149	47.22%
Transfers Out To General Fund	16,914	444,004	484,504	310,126	774,653	330,649	74.47%
Transfers Out To Major Capital Improvements	822,934	450,000	431,212	431,212	541,500	91,500	20.33%
Port Services	521,051	1,272,000	1,272,000	522,000	1,284,680	12,680	1.00%
Transfers Out To Port R&R Fund	521,051	522,000	522,000	522,000	522,000	-	0.00%
Advances To Other Funds Harbor Improvements Fund	-	750,000	750,000	-	762,680	12,680	1.69%
Total Expenditures	9,470,497	17,009,663	17,031,375	12,525,706	17,628,531	618,868	3.64%

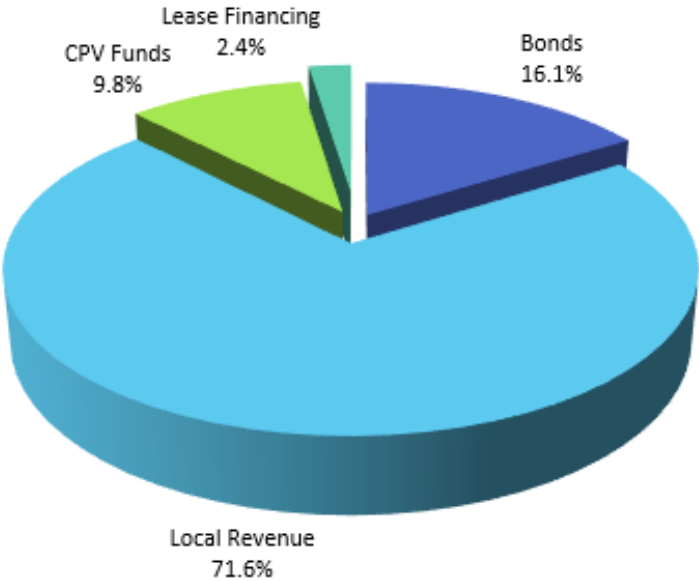
Capital Improvement Program

The proposed 2026- 2030 Capital Improvement Program (CIP) was developed to address the long-term capital 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, 2030, is \$192.26 million. The first year of the CIP, also known as the Capital Budget, has been incorporated into the 2026 General Government Operating and Capital Budget. The cost of the 2026 Capital Budget is \$37.27 million, of which \$30.35 million will be funded from local revenues.

For detailed information regarding specific projects, please refer to the Capital Improvement Plan section of the budget, which contains cost estimates and narratives for each project.

The chart below identifies the source of funding for the capital projects proposed for 2026. For more information regarding the City's capital spending plans for 2026, please see the 2026 – 2030 Capital Improvement Program.

Source of Funding for 2026 Capital Budget



Outstanding Debt

In 2026, the City will have to fund the annual debt service for nine general obligation bonds totaling \$41,239,033, four revenue bond issues totaling \$20,522,946, three capital financing leases totaling \$2,262,055 and one inter-fund loan totaling \$762,680. The table below summarizes the City's 17 outstanding debt issues and their annual debt service requirements.

Principal Balance and Annual Debt Service Requirements

Issue	Balance Jan 1, 2026	Final Maturity	Type	Annual Debt Service Requirements		
				2025 Budget	2025 Estimate	2026 Budget
2016 Port Refund	\$ 17,255,000	2035	Revenue	\$2,233,000	\$ 2,233,000	\$2,232,750
Wastewater 481011	347,277	2032	GO	52,448	52,448	52,447
Wastewater 481071	142,605	2033	GO	17,933	17,933	17,933
Wastewater 481072	146,840	2033	GO	18,465	18,465	18,466
Wastewater 481101	357,311	2035	GO	36,907	36,907	36,908
Wastewater 481111	142,587	2033	Revenue	17,930	17,930	17,930
Wastewater 481031	225,359	2038	Revenue	19,146	19,146	19,146
Wastewater 481211	2,900,000	TBD	Revenue	175,000		175,000
2010 Fire Station	1,985,000	2030	GO	461,500	461,500	459,250
2012 Library	1,915,000	2031	GO	342,041	342,041	338,893
2014 Harbor	1,540,000	2034	GO	202,925	202,925	205,925
2014 Hospital	33,670,000	2043	GO	2,529,450	2,529,450	2,531,450
2016 Harbor	1,135,000	2036	GO	146,000	146,000	146,750
2022 Ambulance Leas	143,572	2029	Lease	38,699	38,699	38,699
2019 Fire Lease	248,906	2027	Lease	252,666	252,666	252,666
2023 Fire Lease	1,869,577	2030	Lease	425,908	425,908	425,908
Interfund Loan	762,680	TBD	Interfund	103,630		103,630
Total	\$ 64,786,714			\$7,073,648	\$ 6,795,018	\$7,073,751

Note: Project costs related to Wastewater 481211 Loan and the Inter-fund Loan have not been finalized.
An amortization schedule will be prepared once the projects are complete.

All of the bonds have been issued through the Alaska Municipal Bond Bank with the exception of the ADEC Wastewater Bonds, the Fire Equipment Lease and the Inter-fund Loan. The Wastewater Bonds were issued through the Alaska Department of Environmental Conservation's Clean Water Loan Fund and the Fire Equipment Leases were issued through Bank of America. Bonds issued through the Bond Bank permit the City to take advantage of the Bond Bank's A1 and A+ credit rating, from Moody's Investors Service and S&P Global Ratings respectively, which results in favorable interest rates and lower issuance costs. The ADEC loans are subsidized by the federal government and carry an interest rate of 1.5-1.71%.

In 2026, the City is expected to begin making debt service payments on a bond issued through ADEC's Clean Water Loan Program and an inter-fund loan from the Port Fund to the Harbor Fund. The amount of the Wastewater bond is \$2.9 million. The term of the bond is 20-years and its annual payments will be approximately \$175,000 at an interest rate of 1.7063%. The bond was issued to finance the replacement of the Water Street sewer main. The inter-fund loan from the Port to the Harbor will finance a shared maintenance building for the Harbor and Port maintenance needs. Once the building is completed, the Harbor Fund will reimburse the Port Fund over a 10-year period using the City's rate of return on investments at the time of construction.

Debt by Funding Source

The tables below summarize the funding source used to pay for the annual debt service.

Source of Funding for 2026 Debt Service

Fund Name	FY2023	FY2024	FY2025	FY2026	% Change	\$ Change
GENERAL	3,622,404	4,048,983	4,050,264	4,046,867	-0.08%	-3,397
SPECIAL REVENUE	349,675	349,550	348,925	456,305	30.77%	107,380
ENTERPRISE	4,799,593	5,045,736	5,183,754	5,349,812	3.20%	166,058
Total Debt	8,771,672	9,444,269	9,582,943	9,852,984	2.82%	270,041

Debt Funded by Property and Sales Tax

Fund Name	FY2023	FY2024	FY2025	FY2026	% Change	\$ Change
General Fund	798,964	802,135	803,541	798,144	-0.67%	-5,397
Hospital Sales Tax Fund	2,532,075	2,529,575	2,529,450	2,531,450	0.08%	2,000
Public Works Sales Tax Fund	291,365	717,273	717,273	717,273	0.00%	0
Total Debt	3,622,404	4,048,983	4,050,264	4,046,867	-0.08%	-3,397

Debt Funded by Harbor Services Fund

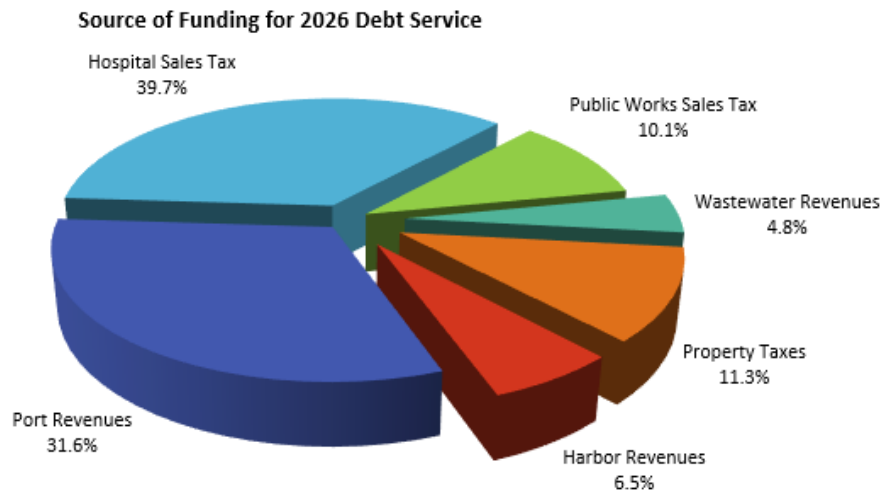
Fund Name	FY2023	FY2024	FY2025	FY2026	% Change	\$ Change
Harbor Services Fund	349,675	349,550	348,925	456,305	30.77%	107,380
Total Debt	349,675	349,550	348,925	456,305	30.77%	107,380

Debt Funded by Wastewater Services, Port Services and KPU Fund

Fund Name	FY2023	FY2024	FY2025	FY2026	% Change	\$ Change
Wastewater Services	162,826	162,827	162,826	337,826	107.48%	175,000
Port Services	2,234,500	2,235,250	2,233,000	2,232,750	-0.01%	-250
Ketchikan Public Utilities (KPU) Fund	2,402,267	2,647,659	2,787,928	2,779,236	-0.31%	-8,692
Total Debt	4,799,593	5,045,736	5,183,754	5,349,812	3.20%	166,058

*The tables above pull data from all debt obligations across the City and KPU.

The chart below identifies the source of funding for general government debt service only.



Total annual debt service in the amount of \$7,073,751 has been programmed in the 2026 Budget. On January 1, 2026 the total debt service required to maturity, including interest of \$21,840,103, will be \$86,626,817. Please see the debt service pages for information regarding the City's debt obligations. For information regarding bonds issued for KPU, please see debt service pages of the 2026 KPU Operating and Capital Budget.

CITY OF KETCHIKAN, ALASKA

2026 Annual Budget - Revenues and Appropriations Summary by Fund - All Funds

Fund	Est Funds Available		Revenues				Appropriations				Appropriated Reserves Dec. 31, 2026	Compliance	25% of Total Exp Unless Other	Months
	Jan 1, 2026	Operating	Capital Grants	Bond Proceeds	Transfers In	Advances	Operating	Capital	Transfers Out	Advances				
101 General	8,672,857	27,056,133	355,620	-	5,297,864	-	34,528,864	695,667	1,097,355	-	5,060,588	No	9,080,472	8,906,555
Special Revenue Tax Funds														
110 Hospital Sales Tax	7,855,781	4,250,000	-	-	-	-	105,000	-	4,972,104	-	7,028,677	Debt Service	2,529,575	
111 Public Works Sales Tax	7,634,035	6,258,000	-	-	-	-	-	6,153,484	2,921,743	-	4,816,808	Yes	2,268,807	730,436
210 Transient Tax	1,187,253	764,000	-	-	-	-	-	-	934,150	-	1,017,103	None		
211 Marijuana Sales Tax	92,893	180,000	-	-	-	-	94,500	-	85,500	-	92,893	CY Receipts	180,000	
Special Revenue Funds - Revenue Generating														
220 Solid Waste Services	1,742,228	5,426,900	-	-	-	-	4,940,858	777,834	-	-	1,450,436	Yes	1,429,673	1,235,215
240 Small Boat Harbor	1,338,738	2,040,500	-	-	352,675	-	2,255,375	-	193,695	-	1,282,843	No	563,844	1,127,688
250 Bayview Cemetery O & M	58,996	5,500	-	-	-	-	-	-	5,000	-	59,496	CC Restricted		
251 Bayview Development	61,204	12,000	-	-	-	-	-	12,000	-	-	61,204	CC Restricted		
252 Cemetery Endowment	31,723	1,500	-	-	-	-	-	-	-	-	33,223	CC Restricted		
Special Revenue Funds - Other														
112 Shoreline	73,570	-	-	-	-	-	-	-	6,374	-	67,196	CC Restricted		
117 Community Grant Fund	20,631	-	-	-	416,745	-	416,745	-	-	-	20,631	Zero		
118 Economic & Parking Development	332,336	4,500	-	-	-	-	-	-	-	-	336,836	CC Restricted		
119 Emergency Relief Fund	-	-	-	-	-	-	-	-	-	-	-			
260 CPV Fund	12,366,550	225,000	2,737,490	-	-	-	660,285	-	4,811,777	-	9,856,978	Restricted		
280 US Marshall Property Seizure	122,094	500	-	-	-	-	-	-	-	-	122,594	Restricted		
285 Fire Department SEMT	2,455,699	920,000	-	-	-	-	-	-	1,316,153	-	2,059,546	CY Receipts	895,000	895,000
290 Federal and State Grant	-	-	-	-	-	-	-	-	-	-	-			
Debt Service Funds														
410 GO Bond Debt Service	-	-	-	-	4,046,866	-	4,046,866	-	-	-	-			
Capital Project Funds														
310 Major Capital Improvements	244,011	-	25,000	900,000	726,500	-	-	1,660,618	-	-	234,893	None		
320 Harbor Construction Fund	1,457,030	20,000	165,000	-	193,695	762,680	-	1,304,040	-	-	1,294,365	Restricted		
330 Community Facilities Development	2,039,087	10,000	-	-	1,370,877	-	-	2,535,000	-	-	884,964	None		
340 Hospital Construction Fund	1,417,068	4,500	-	-	-	-	-	1,421,568	-	-	-	Restricted		
360 CPV Capital Improvement Fund	2,529	-	-	-	3,812,876	-	-	3,812,876	-	-	2,529	Restricted		
Enterprise and Internal Service Funds														
505 Wastewater Services	3,263,912	4,238,000	25,000	6,013,281	125,753	-	4,214,005	7,513,281	-	-	1,938,660	No	2,931,822	2,107,003
510 Ketchikan Port Fund	36,895,325	21,797,680	-	-	-	-	10,241,970	16,509,040	522,000	762,680	30,657,315	Yes	6,818,253	4,267,488
511 Port Repair & Replacement Fund	7,433,181	10,000	-	-	522,000	-	-	-	-	-	7,965,181	Restricted		
610 Self-Insurance Fund	1,020,683	3,139,930	-	-	-	-	3,139,930	-	-	-	1,020,683	None		
Total	97,819,414	76,364,643	3,308,110	6,913,281	16,865,851	762,680	64,644,398	42,395,408	16,865,851	762,680	77,365,642			

CITY OF KETCHIKAN, ALASKA

2026 Annual Budget Comparative Schedule of Appropriations by Department 2021 - 2026

	2021	2022	2023	2024	ADOPTED BUDGET	2025 AMENDED BUDGET	ESTIMATES	2026 BUDGET	2025 ADOPTED-2026 % INCR(DECR)
Operating Expenditures									
Mayor & Council	629,503	716,849	699,973	752,363	812,050	812,280	746,850	731,490	-9.92%
City Law	333,543	334,853	343,700	353,280	388,285	388,545	388,285	398,690	2.68%
City Clerk	264,889	330,021	376,729	379,975	469,258	470,118	420,393	518,621	10.52%
City Manager	713,671	708,796	852,328	1,013,112	1,459,269	1,465,689	1,124,680	1,487,920	1.96%
Finance	1,966,385	2,072,363	2,112,825	2,262,625	2,725,188	2,732,588	2,376,230	2,790,370	2.39%
Information Technology	985,401	948,156	1,140,909	1,458,836	2,090,023	2,049,892	1,852,367	2,108,110	0.87%
Fire	3,743,325	3,937,273	4,799,259	5,083,140	6,153,841	6,204,846	5,836,062	6,620,784	7.59%
Police	5,367,355	5,548,434	6,319,749	6,339,206	7,804,881	7,889,071	7,148,024	8,274,655	6.02%
Emergency Relief Operations	-	-	-	1,529,114	950,000	950,000	950,000	-	-100.00%
Library	1,314,719	1,252,829	1,409,554	1,498,755	1,739,844	1,754,720	1,706,663	1,993,731	14.59%
Museum	975,564	1,105,617	1,172,259	1,341,421	1,487,470	1,525,180	1,431,470	1,666,189	12.01%
Civic Center	461,529	508,115	573,210	612,471	796,026	797,356	759,916	950,150	19.36%
Tourism Management	142,143	133,984	252,456	418,731	625,990	635,320	511,815	660,285	5.48%
Public Health	779,298	9,684	13,127	22,226	69,325	69,325	24,325	119,325	72.12%
PW-Engineering & Bldg Inspection	1,370,665	1,524,498	1,679,320	2,063,719	2,933,707	2,941,827	2,636,467	3,035,995	3.49%
PW-Streets	1,629,869	1,677,008	1,768,576	1,953,606	2,461,701	2,467,576	2,184,327	2,591,898	5.29%
PW-Solid Waste	3,292,951	3,501,301	3,704,934	4,012,594	4,455,889	4,515,909	4,369,709	4,940,858	10.88%
PW-Cemetery	90,680	55,093	101,985	107,429	130,130	130,240	125,745	130,315	0.14%
PW-Garage & Warehouse	680,669	732,010	579,334	715,505	929,179	931,129	913,445	945,325	1.74%
PW-Wastewater	2,238,873	2,328,498	2,534,235	3,002,672	3,795,201	3,943,523	3,423,381	4,214,005	11.04%
PW-Building Maintenance	505,355	515,571	526,794	583,213	701,112	702,902	684,941	781,541	11.47%
Small Boat Harbors	1,578,720	1,559,919	1,668,013	1,666,514	2,160,724	2,160,724	1,915,367	2,255,375	4.38%
Port Development	6,041,411	6,919,273	8,141,752	8,805,466	10,084,761	10,084,761	9,866,013	10,763,970	6.74%
Risk Management	1,954,215	1,949,229	2,162,258	2,366,439	2,838,235	2,947,465	2,974,250	3,139,930	10.63%
Debt Service	6,731,368	3,584,483	3,622,402	4,048,981	4,050,264	4,050,264	4,050,264	4,046,866	-0.08%
Total Operating	43,792,101	41,953,857	46,555,681	52,391,393	62,112,353	62,621,250	58,420,989	65,166,398	4.92%

CITY OF KETCHIKAN, ALASKA
2026 Annual Budget Comparative Schedule of Appropriations by Department
2021 - 2026

	2021	2022	2023	2024	ADOPTED BUDGET	2025 AMENDED BUDGET	ESTIMATES	2026 BUDGET	2025 ADOPTED-2026 % INCR(DEC)
Capital Expenditures									
Mayor & Council	-	-	-	-	-	-	-	-	0.00%
City Law	-	-	-	-	-	-	-	-	0.00%
City Clerk	-	-	-	-	72,000	72,000	-	85,000	0.00%
City Manager	-	-	-	-	-	-	-	-	0.00%
Finance	-	-	15,780	6,362	20,000	20,000	500	24,000	20.00%
Information Technology	12,499	49,545	298,496	539,650	389,000	432,451	365,333	586,667	50.81%
Fire	262,991	867,158	2,231,235	2,940,319	1,697,328	1,816,050	912,565	1,770,000	4.28%
Police	57,438	147,711	712,278	997,989	369,575	418,575	238,073	454,925	23.09%
Library	-	-	-	-	-	-	-	-	0.00%
Museum	-	139,907	93,360	826,037	645,914	645,914	268,155	633,435	-1.93%
Civic Center	-	-	198,064	158,015	424,000	424,000	424,000	335,000	0.00%
Tourism Management	-	906,723	51,074	10,689	6,044,768	6,044,768	2,547,774	3,821,994	-36.77%
Public Health	3,900,516	1,819	24,720	-	1,241,755	1,241,755	-	1,421,568	14.48%
PW-Engineering & Bldg Inspection	-	60,782	22,381	-	245,000	245,000	45,000	354,600	44.73%
PW-Streets	320,320	1,001,141	1,970,616	6,296,594	2,007,500	2,618,045	1,473,525	3,417,024	70.21%
PW-Solid Waste	-	107,460	233,673	418,904	515,000	515,000	644,166	777,834	51.04%
PW-Cemetery	-	-	-	1,950	1,262,000	1,262,000	50,000	1,332,000	5.55%
PW-Garage & Warehouse	17,065	17,065	14,736	510	125,000	125,000	106,000	55,000	NA
PW-Wastewater	521,127	320,394	1,961,099	1,060,408	7,625,781	7,663,895	5,131,585	7,513,281	-1.48%
PW-Building Maintenance	-	93,588	28,308	-	200,000	200,000	110,000	2,000,000	900.00%
Small Boat Harbors	239,030	141,275	1,263	350,147	1,136,040	1,186,040	162,420	1,304,040	14.79%
Port Development	146,772	19,572	251,188	827,783	14,035,540	14,060,540	330,580	16,509,040	17.62%
Total Capital	5,477,758	3,874,140	8,108,271	14,435,357	38,056,201	38,991,033	12,809,676	42,395,408	11.40%
Transfers Out									
Transfers/Advances to Other Funds	7,657,377	8,545,571	8,196,141	8,949,446	16,487,663	16,509,375	12,003,706	17,106,531	3.75%
Total Transfers Out	7,657,377	8,545,571	8,196,141	8,949,446	16,487,663	16,509,375	12,003,706	17,106,531	3.75%

CITY OF KETCHIKAN, ALASKA
2026 Annual Budget Comparative Schedule of Appropriations by Department
2021 - 2026

	2021	2022	2023	2024	ADOPTED BUDGET	2025 AMENDED BUDGET	ESTIMATES	2026 BUDGET	2025 ADOPTED-2026 % INCR(DECR)
Combined Operating, Capital and Transfers Out									
Mayor & Council	629,503	716,849	699,973	752,363	812,050	812,280	746,850	731,490	-9.92%
City Law	333,543	334,853	343,700	353,280	388,285	388,545	388,285	398,690	2.68%
City Clerk	264,889	330,021	376,729	379,975	541,258	542,118	420,393	603,621	11.52%
City Manager	713,671	708,796	852,328	1,013,112	1,459,269	1,465,689	1,124,680	1,487,920	1.96%
Finance	1,966,385	2,072,363	2,128,605	2,268,987	2,745,188	2,752,588	2,376,730	2,814,370	2.52%
Information Technology	997,900	997,701	1,439,405	1,998,486	2,479,023	2,482,343	2,217,700	2,694,777	8.70%
Fire	4,006,316	4,804,431	7,030,494	8,023,459	7,851,169	8,020,896	6,748,627	8,390,784	6.87%
Police	5,424,793	5,696,145	7,032,027	7,337,195	8,174,456	8,307,646	7,386,097	8,729,580	6.79%
Emergency Relief Operations	-	-	-	1,529,114	950,000	950,000	950,000	-	
Library	1,314,719	1,252,829	1,409,554	1,498,755	1,739,844	1,754,720	1,706,663	1,993,731	14.59%
Museum	975,564	1,245,524	1,265,619	2,167,458	2,133,384	2,171,094	1,699,625	2,299,624	7.79%
Civic Center	461,529	508,115	771,274	770,486	1,220,026	1,221,356	1,183,916	1,285,150	5.34%
Tourism Management	142,143	1,040,707	303,530	429,420	6,670,758	6,680,088	3,059,589	4,482,279	-32.81%
Public Health	4,679,814	11,503	37,847	22,226	1,311,080	1,311,080	24,325	1,540,893	17.53%
PW-Engineering & Bldg Inspection	1,370,665	1,585,280	1,701,701	2,063,719	3,178,707	3,186,827	2,681,467	3,390,595	6.67%
PW-Streets	1,950,189	2,678,149	3,739,192	8,250,200	4,469,201	5,085,621	3,657,852	6,008,922	34.45%
PW-Solid Waste	3,292,951	3,608,761	3,938,607	4,431,498	4,970,889	5,030,909	5,013,875	5,718,692	15.04%
PW-Cemetery	90,680	55,093	101,985	109,379	1,392,130	1,392,240	175,745	1,462,315	5.04%
PW-Garage & Warehouse	697,734	749,075	594,070	716,015	1,054,179	1,056,129	1,019,445	1,000,325	-5.11%
PW-Wastewater	2,760,000	2,648,892	4,495,334	4,063,080	11,420,982	11,607,418	8,554,966	11,727,286	2.68%
PW-Building Maintenance	505,355	609,159	555,102	583,213	901,112	902,902	794,941	2,781,541	208.68%
Small Boat Harbors	1,817,750	1,701,194	1,669,276	2,016,661	3,296,764	3,346,764	2,077,787	3,559,415	7.97%
Port Development	6,188,183	6,938,845	8,392,940	9,633,249	24,120,301	24,145,301	10,196,593	27,273,010	13.07%
Risk Management	1,954,215	1,949,229	2,162,258	2,366,439	2,838,235	2,947,465	2,974,250	3,139,930	10.63%
Debt Service	6,731,368	3,584,483	3,622,402	4,048,981	4,050,264	4,050,264	4,050,264	4,046,866	-0.08%
Transfers/Advances to Other Funds	7,657,377	8,545,571	8,196,141	8,949,446	16,487,663	16,509,375	12,003,706	17,106,531	3.75%
Total Expenditures	56,927,236	54,373,568	62,860,093	75,776,196	116,656,217	118,121,658	83,234,371	124,668,337	6.87%

CITY OF KETCHIKAN, ALASKA
 2026 Schedule of Annual Debt Service to Maturity

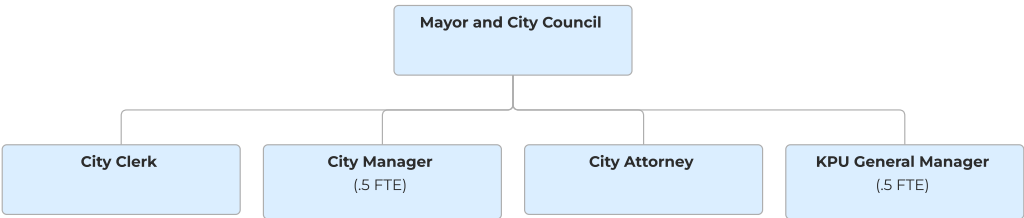
Year	General Obligation Bonds					Revenue Bonds								
	ADEC 481011 Wastewater Tongass Ave Phase I	ADEC 481071 Wastewater Tongass Ave Phase II	ADEC 481072 Wastewater Tongass Ave Phase II	ADEC 481101 Wastewater Jackson & Monroe	2020 Fire Station	2021 Library	2014 Harbor	2014 Hospital	2016 Harbor	ADEC 481111 Wastewater Alaska Ave	ADEC 481031 Wastewater Front/Stedman	ADEC 481211 Wastewater Water Street	2016 Port	Total Bond Financing
2026	52,447	17,933	18,465	36,908	459,250	338,894	205,925	2,531,450	146,750	17,930	19,146	175,000	2,232,750	6,252,848
2027	52,447	17,933	18,465	36,908	461,250	340,288	203,550	2,530,450	147,250	17,930	19,146	175,000	2,234,250	6,254,867
2028	52,447	17,933	18,465	36,908	457,250	340,542	206,600	2,533,000	147,500	17,930	19,146	175,000	2,237,250	6,259,971
2029	52,447	17,933	18,465	36,908	457,500	345,090	205,100	2,529,600	147,500	17,930	19,146	175,000	2,231,500	6,254,119
2030	52,447	17,933	18,465	36,908	456,750	338,681	203,400	2,534,000	147,250	17,930	19,146	175,000	2,237,250	6,255,160
2031	52,447	17,933	18,465	36,908	-	342,109	201,500	2,531,100	146,750	17,930	19,146	175,000	2,233,750	5,793,038
2032	52,447	17,933	18,465	36,908	-	-	204,300	2,530,900	146,000	17,930	19,146	175,000	2,236,250	5,455,279
2033	-	17,933	18,465	36,908	-	-	201,800	2,533,200	145,000	17,930	19,146	175,000	2,234,250	5,399,632
2034	-	8,959	9,229	36,908	-	-	204,000	2,532,900	148,750	8,961	19,146	175,000	2,237,750	5,381,603
2035	-	-	-	36,908	-	-	-	2,530,000	147,000	-	19,146	175,000	2,231,250	5,139,304
2036	-	-	-	18,441	-	-	-	2,534,300	-	-	19,146	175,000	-	2,746,887
2037	-	-	-	-	-	-	-	2,530,700	-	-	19,146	175,000	-	2,724,846
2038	-	-	-	-	-	-	-	2,534,100	-	-	19,132	175,000	-	2,728,232
2039	-	-	-	-	-	-	-	2,529,400	-	-	-	175,000	-	2,704,400
2040	-	-	-	-	-	-	-	2,531,500	-	-	-	175,000	-	2,706,500
2041	-	-	-	-	-	-	-	2,530,200	-	-	-	175,000	-	2,705,200
2042	-	-	-	-	-	-	-	2,530,400	-	-	-	175,000	-	2,705,400
2043	-	-	-	-	-	-	-	2,531,900	-	-	-	175,000	-	2,706,900
2044	-	-	-	-	-	-	-	2,529,600	-	-	-	175,000	-	2,704,600
2045	-	-	-	-	-	-	-	-	-	-	-	175,000	-	175,000
Total	367,129	152,423	156,949	387,521	2,292,000	2,045,604	1,836,175	48,098,700	1,469,750	152,401	248,884	3,500,000	22,346,250	83,053,786

Other - Lease Financing					Advances	Summary by Financing Type					
	Fire Apparatus Lease	Ambulance Lease	Fire Engine Lease	Total Lease Financing	Interfund Loan Harbor		GO Bond Financing	Revenue Bond Financing	Lease Financing	Interfund Loan	Total Debt Financing
Year						Year					
2026	252,665	38,699	425,908	717,272	103,630	2026	3,808,022	2,444,826	717,272	103,630	7,073,750
2027	-	38,699	425,908	464,607	103,600	2027	3,808,541	2,446,326	464,607	103,600	6,823,074
2028	-	38,699	425,908	464,607	103,600	2028	3,810,645	2,449,326	464,607	103,600	6,828,178
2029	-	38,699	425,908	464,607	103,600	2029	3,810,543	2,443,576	464,607	103,600	6,822,326
2030	-	-	425,908	425,908	103,600	2030	3,805,834	2,449,326	425,908	103,600	6,784,668
2031	-	-	-	-	103,600	2031	3,347,212	2,445,826	-	103,600	5,896,638
2032	-	-	-	-	103,600	2032	3,006,953	2,448,326	-	103,600	5,558,879
2033	-	-	-	-	103,600	2033	2,953,306	2,446,326	-	103,600	5,503,232
2034	-	-	-	-	103,600	2034	2,940,746	2,440,857	-	103,600	5,485,203
2035	-	-	-	-	103,600	2035	2,713,908	2,425,396	-	103,600	5,242,904
2036	-	-	-	-	-	2036	2,552,741	194,146	-	-	2,746,887
2037	-	-	-	-	-	2037	2,530,700	194,146	-	-	2,724,846
2038	-	-	-	-	-	2038	2,534,100	194,132	-	-	2,728,232
2039	-	-	-	-	-	2039	2,529,400	175,000	-	-	2,704,400
2040	-	-	-	-	-	2040	2,531,500	175,000	-	-	2,706,500
2041	-	-	-	-	-	2041	2,530,200	175,000	-	-	2,705,200
2042	-	-	-	-	-	2042	2,530,400	175,000	-	-	2,705,400
2043	-	-	-	-	-	2043	2,531,900	175,000	-	-	2,706,900
2044	-	-	-	-	-	2044	2,529,600	175,000	-	-	2,704,600
2045	-	-	-	-	-	2045	-	175,000	-	-	175,000
Total	252,665	154,796	2,129,540	2,537,001	1,036,030	Total	56,806,251	26,247,535	2,537,001	1,036,030	86,626,817

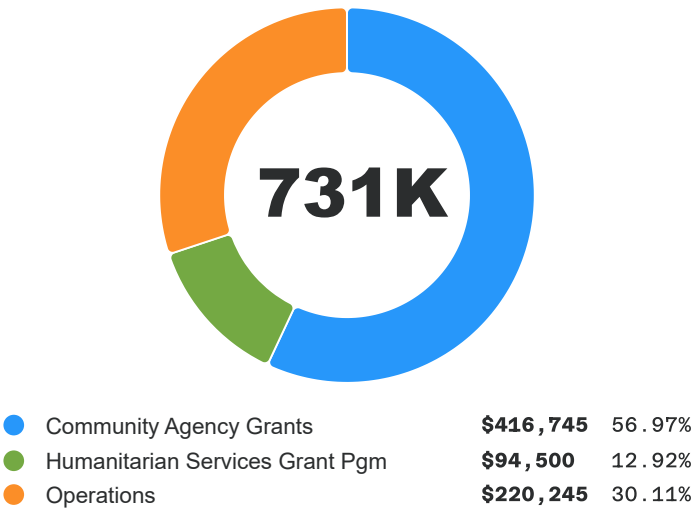
Mayor & Council

As the elected 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 management, growth and sustainability of the community at large.

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



2026 Expenditures by Activity



Expenditures by Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	173,463	235,150	235,380	234,950	220,245	-14,905	-6.34%
Community Agency Grants	378,000	396,900	396,900	396,900	416,745	19,845	5.00%
Humanitarian Services Grant Pgm	200,900	180,000	180,000	115,000	94,500	-85,500	-47.50%
Total Expenditures	752,363	812,050	812,280	746,850	731,490	-80,560	-9.92%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	84,218	102,170	102,170	102,170	102,185	15	0.01%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
GENERAL SUPPLIES	1,272	1,500	1,500	1,500	1,500	-	0.00%
POSTAGE AND FREIGHT	65	50	2,450	2,450	50	-	0.00%
TRAVEL AND EDUCATION	6,884	12,000	12,000	12,000	12,000	-	0.00%
ADVERTISING AND PUBLISHING	80	1,400	1,400	1,400	750	-650	-46.43%
PROMOTION AND GRANTS	591,772	621,900	619,500	554,500	541,745	-80,155	-12.89%
DUES AND MEMBERSHIPS	13,811	14,500	14,500	14,500	14,500	-	0.00%
CONTRACTUAL SERVICES	798	800	800	570	800	-	0.00%
PROFESSIONAL SERVICES	48,000	50,000	50,000	50,000	50,000	-	0.00%
UTILITIES	1,364	2,000	2,000	1,800	2,000	-	0.00%
MINOR CAPITAL OUTLAY	2,282	3,000	3,000	3,000	3,000	-	0.00%
INTERDEPARTMENTAL CHARGES	1,817	2,730	2,960	2,960	2,960	230	8.42%
Total Expenditures	752,363	812,050	812,280	746,850	731,490	-80,560	-9.92%

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	170,104	201,920	202,150	201,860	181,800	(20,120)	-10.0%
Hospital Sales Tax Fund	53,658	171,180	171,180	171,180	214,920	43,740	25.6%
Public Works Sales Tax Fund	80,481	113,950	113,950	113,950	104,470	(9,480)	-8.3%
Marijuana Sales Tax Fund	151,000	180,000	180,000	115,000	94,500	(85,500)	-47.5%
Solid Waste Fund	6,037	7,410	7,410	7,400	6,940	(470)	-6.3%
Wastewater Fund	4,649	6,280	6,280	6,270	5,880	(400)	-6.4%
Harbor Fund	3,122	3,640	3,640	3,640	3,410	(230)	-6.3%
Port Enterprise Fund	7,580	9,380	9,380	9,370	8,790	(590)	-6.3%
KPU Enterprise Fund	275,732	117,580	117,580	117,480	110,120	(7,460)	-6.3%
Tourism - CPV Fund	-	710	710	700	660	(50)	-7.0%
Total Funding	752,363	812,050	812,280	746,850	731,490	(80,560)	-9.9%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	8.00	8.00	8.00	8.00	83,070	-	0.0%
Total	8.00	8.00	8.00	8.00	83,070	-	0.0%

Mayor & Council Operations

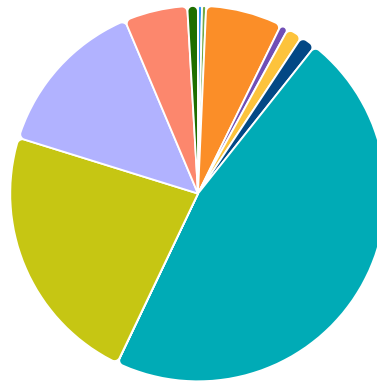
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	65,343	90,150	90,380	90,090	84,445	(5,705)	-6.3%
Solid Waste Fund	6,037	7,410	7,410	7,400	6,940	(470)	-6.3%
Wastewater Fund	4,649	6,280	6,280	6,270	5,880	(400)	-6.4%
Harbor Fund	3,122	3,640	3,640	3,640	3,410	(230)	-6.3%
Port Enterprise Fund	7,580	9,380	9,380	9,370	8,790	(590)	-6.3%
KPU Enterprise Fund	86,732	117,580	117,580	117,480	110,120	(7,460)	-6.3%
Tourism - CPV Fund	-	710	710	700	660	(50)	-7.0%
Total Funding	173,463	235,150	235,380	234,950	220,245	(14,905)	-6.3%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase / Decrease	% Change
Mayor	1.00	1.00	1.00	1.00	11,670	-	0.0%
Council	7.00	7.00	7.00	7.00	71,400	-	0.0%
Total	8.00	8.00	8.00	8.00	83,070	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$750	0.34%
CONTRACTUAL SERVICES	\$800	0.36%
DUES AND MEMBERSHIPS	\$14,500	6.58%
GENERAL SUPPLIES	\$1,500	0.68%
INTERDEPARTMENTAL CHARGES	\$2,960	1.34%
MINOR CAPITAL OUTLAY	\$3,000	1.36%
PERSONNEL SERVICES AND BENEFITS	\$102,185	46.40%
POSTAGE AND FREIGHT	\$50	0.02%
PROFESSIONAL SERVICES	\$50,000	22.70%
PROMOTION AND GRANTS	\$30,500	13.85%
TRAVEL AND EDUCATION	\$12,000	5.45%
UTILITIES	\$2,000	0.91%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Community Promotion (Account 610.01) decreased by \$14,500, or by 32.22%, as these funds were programmed in 2025 to support the City of Ketchikan 125th Anniversary Celebration activities and were a one-time expenditure.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1110-110-500.01	66,855	83,070	83,070	83,070	83,070	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1110-110-505.00	5,968	7,210	7,210	7,210	7,230	20	0.28%
Personnel Benefits - Insurance Worker's Compensation	101-1110-110-507.30	183	250	250	250	245	-5	-2.00%
Personnel Benefits - Other Budget Only	101-1110-110-508.00	52	480	480	480	480	-	0.00%
Payroll Allowances Expense	101-1110-110-509.05	11,160	11,160	11,160	11,160	11,160	-	0.00%
Total PERSONNEL SERVICES AND BENEFITS		84,218	102,170	102,170	102,170	102,185	15	0.01%
GENERAL SUPPLIES								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
General Supplies Office Supplies	101-1110-110-510.01	1,272	1,500	1,500	1,500	1,500	-	0.00%
Total GENERAL SUPPLIES		1,272	1,500	1,500	1,500	1,500	-	0.00%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1110-110-520.02	65	50	2,450	2,450	50	-	0.00%
Total POSTAGE AND FREIGHT		65	50	2,450	2,450	50	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Business	101-1110-110-600.01	6,884	12,000	12,000	12,000	12,000	-	0.00%
Total TRAVEL AND EDUCATION		6,884	12,000	12,000	12,000	12,000	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1110-110-605.01	80	1,400	1,400	1,400	750	-650	-46.43%
Total ADVERTISING AND PUBLISHING		80	1,400	1,400	1,400	750	-650	-46.43%
PROMOTION AND GRANTS								
Contributions, Grants and Subsidies Community Promotion	101-1110-110-610.01	12,872	45,000	42,600	42,600	30,500	-14,500	-32.22%
Total PROMOTION AND GRANTS		12,872	45,000	42,600	42,600	30,500	-14,500	-32.22%
DUES AND MEMBERSHIPS								
Dues and Memberships Assoc. Membership Dues & Fees	101-1110-110-615.02	13,811	14,500	14,500	14,500	14,500	-	0.00%
Total DUES AND MEMBERSHIPS		13,811	14,500	14,500	14,500	14,500	-	0.00%
CONTRACTUAL SERVICES								
Contract Services	101-1110-110-635.04	104	-	-	-	-	-	0.00%
Contractual Services Machinery & Equipment Maint. Svc	101-1110-110-635.07	694	800	800	570	800	-	0.00%
Total CONTRACTUAL SERVICES		798	800	800	570	800	-	0.00%
PROFESSIONAL SERVICES								
Professional Services Management & Consulting Services	101-1110-110-640.04	48,000	50,000	50,000	50,000	50,000	-	0.00%
Total PROFESSIONAL SERVICES		48,000	50,000	50,000	50,000	50,000	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1110-110-650.01	1,364	2,000	2,000	1,800	2,000	-	0.00%
Total UTILITIES		1,364	2,000	2,000	1,800	2,000	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay M&E-Computers Printers & Copier	101-1110-110-790.26	2,282	3,000	3,000	3,000	3,000	-	0.00%
Total MINOR CAPITAL OUTLAY		2,282	3,000	3,000	3,000	3,000	-	0.00%
INTERDEPARTMENTAL CHARGES								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Interdepartmental Charges Insurance	101-1110-110-825.01	1,817	2,730	2,960	2,960	2,960	230	8.42%
Total INTERDEPARTMENTAL CHARGES		1,817	2,730	2,960	2,960	2,960	230	8.42%
Total Expenditures		173,463	235,150	235,380	234,950	220,245	-14,905	-6.34%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$83,070 – This account provides expenditures 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. Twenty special meetings have been budgeted.

505.00 Payroll Taxes: \$7,230 – This account provides expenditures for employer contributions to Social Security and Medicare and other similar payroll taxes.

507.30 Workers Compensation: \$245 – This account provides expenditures for employer contributions to workers' compensation.

508.00 Other Benefits: \$480 - This account provides expenditures for unemployment benefits.

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

510.01 Office Supplies: \$1,500 – This account provides expenditures 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 expenditures for the cost of postal related services such as postage and mailing materials.

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

605.01 Advertising and Public Announcements: \$750 – This account provides expenditures for public service announcements and community issues.

610.01 Community Promotion: \$30,500 – This account provides expenditures for promotion of community activities and programs, the 4th of July downtown sponsorship and the annual fireworks display.

615.02 Assn. Membership Dues & Fees: \$14,500 – This account provides expenditures for membership in the Alaska Municipal League, Alaska Conference of Mayors, Southeast Conference and the Alaska Miners' Association.

635.07 Machinery & Equipment Maintenance Services: \$800 – This account provides expenditures for services for routine and non-routine maintenance associated with equipment located on the 3rd and 4th floor.

640.04 Management & Consulting Services: \$50,000 – This account provides expenditures for engaging lobbyists to represent General Government and Ketchikan Public Utilities for the 2026-27 legislative year.

650.01 Telecommunications: \$2,000 – This account provides expenditures for the Mayor and City Council's monthly telephone charges, long-distance services, line rentals and maintenance of the telephone systems.

790.26 Minor Computers, Printers & Copiers: \$3,000 – This account provides expenditures for the replacement of one Councilmember tablet.

825.01 Interdepartmental Charges - Insurance: \$2,960– This account provides expenditures for risk management services.

Community Grant Program

The Community Grant Program was established to provide financial support to community based non-profit humanitarian agencies. The level of funding has traditionally been determined on an annual basis and was previously based on a percentage of the City's annual sales tax revenues. The City Council determined that funding would be budgeted at 3.24 percent of annual sales tax revenue for the year ending September 30th. General Government provided fifty percent of the annual funding with Ketchikan Public Utilities providing the remaining fifty percent. The City's contribution traditionally comes from the General Fund and its two sales tax funds. KPU's contribution comes from the KPU Enterprise Fund. In 2018, the City Council determined that community grants for homeless programs and services would be funded through revenues generated by the City's new five percent sales tax assessed against marijuana products, which are now dedicated to the homeless population. Applications for funding are reviewed by the Community Grant Committee and are typically awarded in February.

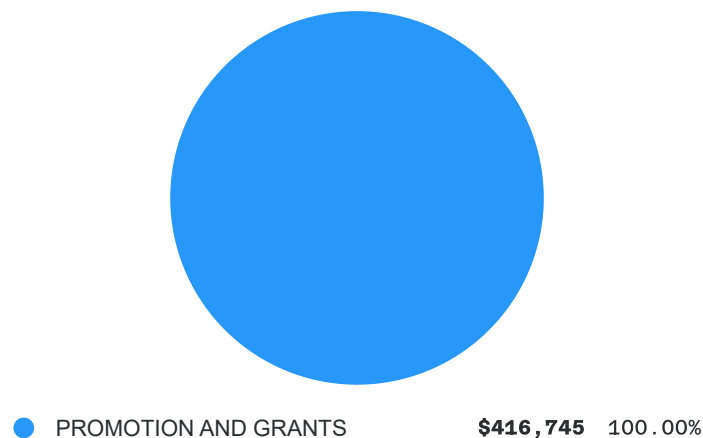
In order to comply with the Budget Policy established in 2023, expenditures for this program should not be budgeted to increase more than 5.0% annually.

In 2025, Council redistributed the funding to come from the General Fund, Hospital Sales Tax Fund and Public Works Sales Tax Fund based on a percentage of reserves available. The funding previously provided by the KPU Fund was reduced to zero.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	82,880	111,770	111,770	111,770	97,355	(10,335)	-12.9%
Hospital Sales Tax Fund	42,450	171,180	171,180	171,180	214,920	36,605	25.6%
Public Works Sales Tax Fund	63,670	113,950	113,950	113,950	104,470	(6,425)	-8.3%
KPU Enterprise Fund	189,000	-	-	-	-	-	0.0%
Total Funding	378,000	396,900	396,900	396,900	416,745	19,845	5.0%

2026 Expenditures by Category



Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Grant Awards (Account 610.02) increased by \$19,845 or 5% in compliance with the City's budget policy.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Amended	2025 Adopted	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PROMOTION AND GRANTS								
Contributions, Grants and Subsidies Community Agency Grants	117-1110-150-610.02	378,000	396,900	396,900	396,900	416,745	19,845	5.00%
Total PROMOTION AND GRANTS		378,000	396,900	396,900	396,900	416,745	19,845	5.00%
Total Expenditures		378,000	396,900	396,900	396,900	416,745	19,845	5.00%

**Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.*

Operating Account Narrative

610.02 Grant Awards: \$416,745 - This account provides for financial assistance awards for community agency grant programs.

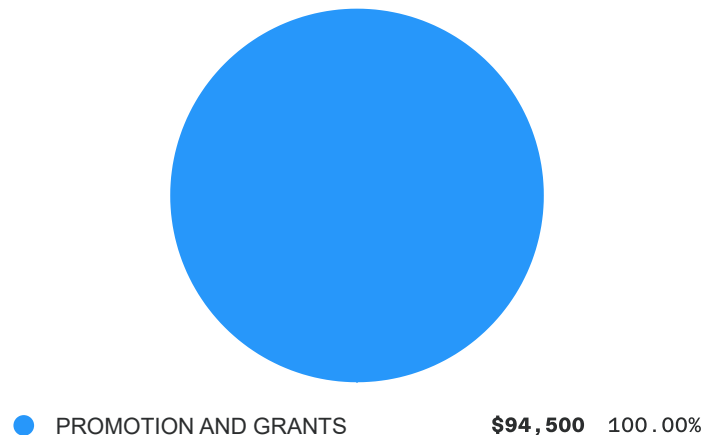
Humanitarian Services Grant Program

The Humanitarian Services Grant Program was established primarily to assist and address the needs of the homeless population in the City of Ketchikan. In 2018, the Ketchikan Municipal Code (KMC) was amended by adding 3.04.020 (b), which established a five percent marijuana sales tax. The KMC was also amended by adding 3.04.130 (e), which required that the proceeds from the five percent marijuana sales tax be used to support the needs of the City's homeless population. Any proceeds not required for assisting and addressing needs of the homeless shall be used for other humanitarian purposes.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Marijuana Sales Tax Fund	151,000	180,000	180,000	115,000	94,500	(85,500)	-47.5%
General Fund	21,881	-	-	-	-	-	NA
Hospital Sales Tax Fund	11,208	-	-	-	-	-	NA
Public Works Sales Tax Fund	16,811	-	-	-	-	-	NA
Total Funding	200,900	180,000	180,000	115,000	94,500	(85,500)	-47.5%

2026 Expenditures by Category



Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Grant Awards (Account 610.02) decreased by \$85,500 or 47.5% due a reduction in the services offered to unhoused individuals.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Amended	2025 Adopted	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PROMOTION AND GRANTS								
Contributions, Grants and Subsidies Community Agency Grants	211-1110-151-610.02	200,900	180,000	180,000	115,000	94,500	-85,500	-47.50%

Category	Account ID	2024 Actual	2025 Amended	2025 Adopted	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Total PROMOTION AND GRANTS		200,900	180,000	180,000	115,000	94,500	-85,500	-47.50%
Total Expenditures		200,900	180,000	180,000	115,000	94,500	-85,500	-47.50%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

**See transfers section for explanation.

Operating Account Narrative

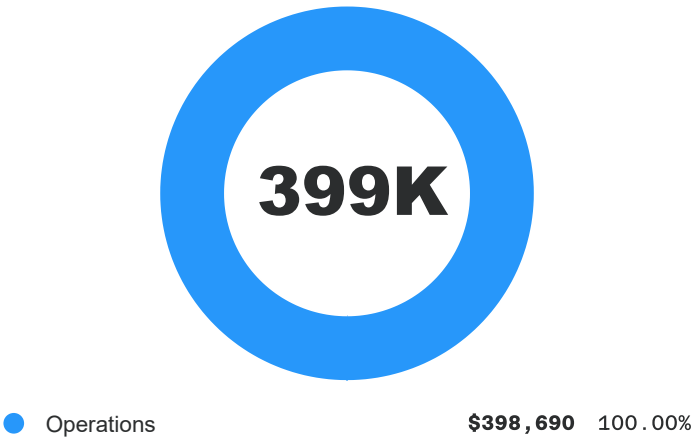
610.02 Grant Awards: \$94,500 - This account provides for financial assistance awards for community agency grant programs.

City Attorney

The City Attorney provides certain legal services to the City Council, General Government and Ketchikan Public Utilities; 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 General Government and Ketchikan Public Utilities; and interprets, applies and prosecutes the ordinances and policies of General Government and Ketchikan Public Utilities. This office does not provide legal services or advice to private individuals.

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

2026 Expenditures by Activity



Expenditures by Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	353,280	388,285	388,545	388,285	398,690	10,405	2.68%
Total Expenditures	353,280	388,285	388,545	388,285	398,690	10,405	2.68%

**Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.*

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	128,650	142,650	142,650	142,650	152,795	10,145	7.11%
GENERAL SUPPLIES	2,795	2,900	2,900	2,900	2,900	-	0.00%
POSTAGE AND FREIGHT	32	500	500	500	500	-	0.00%
BOOKS AND PERIODICALS	21,941	22,500	22,500	22,500	22,500	-	0.00%
TRAVEL AND EDUCATION	169	1,000	1,000	1,000	1,000	-	0.00%
ADVERTISING AND PUBLISHING	-	1,500	1,500	1,500	1,500	-	0.00%
DUES AND MEMBERSHIPS	154	375	375	375	375	-	0.00%
PERMITS, LICENSES AND FEES	474	1,560	1,560	1,300	1,560	-	0.00%
CONTRACTUAL SERVICES	410	700	700	700	700	-	0.00%
PROFESSIONAL SERVICES	195,600	204,000	204,000	204,000	204,000	-	0.00%
UTILITIES	1,321	2,250	2,250	2,250	2,250	-	0.00%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
MINOR CAPITAL OUTLAY	-	5,700	5,700	5,700	5,700	-	0.00%
INTERDEPARTMENTAL CHARGES	1,734	2,650	2,910	2,910	2,910	260	9.81%
Total Expenditures	353,280	388,285	388,545	388,285	398,690	10,405	2.68%

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	156,829	173,195	173,455	173,195	177,490	4,295	2.5%
Solid Waste Fund	11,523	11,550	11,550	11,550	11,880	330	2.9%
Wastewater Fund	8,874	9,790	9,790	9,790	10,070	280	2.9%
Harbor Fund	5,960	5,680	5,680	5,680	5,840	160	2.8%
Port Fund	14,470	14,630	14,630	14,630	15,050	420	2.9%
KPU Enterprise Fund	155,624	172,340	172,340	172,340	177,230	4,890	2.8%
Tourism - CPV Fund	-	1,100	1,100	1,100	1,130	30	2.7%
Total Funding	353,280	388,285	388,545	388,285	398,690	10,405	2.7%

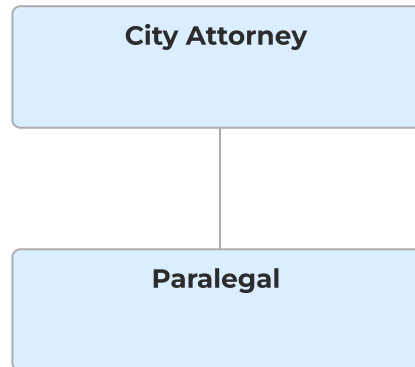
Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	1.00	1.00	1.00	1.00	81,680	-	0.0%
Total	1.00	1.00	1.00	1.00	81,680	-	0.0%

City Attorney Operations

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 2026

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 2026 include the following:

- Maintain accessibility to City Officers, Councilmembers and employees;
- Continuing efforts in digitization of archived files and organization of archive; and
- Review of law library for outdated materials to streamline and organize.

2025 Accomplishments

- Continued to expend considerable effort on contract review for various departments due to changes in staff, (i.e. retirements and new hires);
- Continued to dedicate substantial time to criminal prosecution as caseload continues to grow; and
- Other accomplishments, which have been set forth in periodic reports to the City Council.

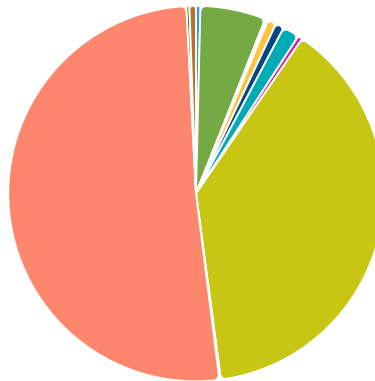
Funding Source

	2024	2025	2025	2025	2026	Increase/	%
	Actual	Adopted	Amended	Estimate	Budget	Decrease	Change
General Fund	156,829	173,195	173,455	173,195	177,490	4,295	2.5%
Solid Waste Fund	11,523	11,550	11,550	11,550	11,880	330	2.9%
Wastewater Fund	8,874	9,790	9,790	9,790	10,070	280	2.9%
Harbor Fund	5,960	5,680	5,680	5,680	5,840	160	2.8%
Port Enterprise Fund	14,470	14,630	14,630	14,630	15,050	420	2.9%
KPU Enterprise Fund	155,624	172,340	172,340	172,340	177,230	4,890	2.8%
Tourism - CPV Fund	-	1,100	1,100	1,100	1,130	30	2.7%
Total Funding	353,280	388,285	388,545	388,285	398,690	10,405	2.7%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase /	%
	Actual	Adopted	Amended	Budget	Salary	Decrease	Change
Paralegal	1.00	1.00	1.00	1.00	81,680	-	0.0%
Total	1.00	1.00	1.00	1.00	81,680	-	0.0%

2026 Expenditures by Category



● ADVERTISING AND PUBLISHING	\$1,500	0.38%
● BOOKS AND PERIODICALS	\$22,500	5.64%
● CONTRACTUAL SERVICES	\$700	0.18%
● DUES AND MEMBERSHIPS	\$375	0.09%
● GENERAL SUPPLIES	\$2,900	0.73%
● INTERDEPARTMENTAL CHARGES	\$2,910	0.73%
● MINOR CAPITAL OUTLAY	\$5,700	1.43%
● PERMITS, LICENSES AND FEES	\$1,560	0.39%
● PERSONNEL SERVICES AND BENEFITS	\$152,795	38.32%
● POSTAGE AND FREIGHT	\$500	0.13%
● PROFESSIONAL SERVICES	\$204,000	51.17%
● TRAVEL AND EDUCATION	\$1,000	0.25%
● UTILITIES	\$2,250	0.56%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$10,145 or 7.11% due to annual step increases; a 5.0% cost of living adjustment for non-represented employees that will become effective January 1, 2026, and projected increases in pension, health insurance and other benefits.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1120-110-500.01	73,947	75,875	75,875	75,875	81,680	5,805	7.65%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1120-110-501.01	476	-	-	-	-	-	-
Personnel Services and Wages - Temporary Wages	101-1120-110-502.01	-	6,500	6,500	6,500	6,500	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1120-110-505.00	5,411	6,300	6,300	6,300	6,750	450	7.14%
Personnel Benefits - Pension Budget Only	101-1120-110-506.00	16,875	17,080	17,080	17,080	18,790	1,710	10.01%
Personnel Benefits - Insurance Budget Only	101-1120-110-507.00	29,332	32,620	32,620	32,620	34,350	1,730	5.30%
Personnel Benefits - Insurance Worker's Compensation	101-1120-110-507.30	175	245	245	245	235	-10	-4.08%
Personnel Benefits - Other Budget Only	101-1120-110-508.00	2,434	4,030	4,030	4,030	4,490	460	11.41%
Total PERSONNEL SERVICES AND BENEFITS		128,650	142,650	142,650	142,650	152,795	10,145	7.11%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1120-110-510.01	2,041	2,000	2,000	2,000	2,000	-	0.00%
General Supplies Operating Supplies	101-1120-110-510.02	600	600	600	600	600	-	0.00%
General Supplies Small Tools & Equipment	101-1120-110-510.05	154	300	300	300	300	-	0.00%
Total GENERAL SUPPLIES		2,795	2,900	2,900	2,900	2,900	-	0.00%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1120-110-520.02	32	500	500	500	500	-	0.00%
Total POSTAGE AND FREIGHT		32	500	500	500	500	-	0.00%
BOOKS AND PERIODICALS								
Books and Periodicals Professional & Technical Pubs	101-1120-110-530.03	21,941	22,500	22,500	22,500	22,500	-	0.00%
Total BOOKS AND PERIODICALS		21,941	22,500	22,500	22,500	22,500	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Business	101-1120-110-600.01	-	500	500	500	500	-	0.00%
Travel and Education Travel - Training	101-1120-110-600.02	169	250	250	250	250	-	0.00%
Travel and Education Training and Education	101-1120-110-600.03	-	250	250	250	250	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Total TRAVEL AND EDUCATION		169	1,000	1,000	1,000	1,000	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1120-110- 605.01	-	1,500	1,500	1,500	1,500	-	0.00%
Total ADVERTISING AND PUBLISHING		-	1,500	1,500	1,500	1,500	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Professional Lic. and Certs.	101-1120-110- 615.01	154	375	375	375	375	-	0.00%
Total DUES AND MEMBERSHIPS		154	375	375	375	375	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Bank & Merchant Fees	101-1120-110- 630.03	14	60	60	60	60	-	0.00%
Licenses and Fees Service Charges and Fees	101-1120-110- 630.06	460	1,500	1,500	1,240	1,500	-	0.00%
Total PERMITS, LICENSES AND FEES		474	1,560	1,560	1,300	1,560	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Machinery & Equipment Maint. Svc	101-1120-110- 635.07	410	700	700	700	700	-	0.00%
Total CONTRACTUAL SERVICES		410	700	700	700	700	-	0.00%
PROFESSIONAL SERVICES								
Professional Services Legal & Accounting Services	101-1120-110- 640.01	195,600	204,000	204,000	204,000	204,000	-	0.00%
Total PROFESSIONAL SERVICES		195,600	204,000	204,000	204,000	204,000	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1120-110- 650.01	1,321	2,150	2,150	2,150	2,150	-	0.00%
Utilities Electric, Water, Sewer & Garbage	101-1120-110- 650.02	-	100	100	100	100	-	0.00%
Total UTILITIES		1,321	2,250	2,250	2,250	2,250	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay M&E- Computers Printers & Copier	101-1120-110- 790.26	-	5,700	5,700	5,700	5,700	-	0.00%
Total MINOR CAPITAL OUTLAY		-	5,700	5,700	5,700	5,700	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1120-110- 825.01	1,734	2,650	2,910	2,910	2,910	260	9.81%
Total INTERDEPARTMENTAL CHARGES		1,734	2,650	2,910	2,910	2,910	260	9.81%
Total Expenditures		353,280	388,285	388,545	388,285	398,690	10,405	2.68%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$81,680 – This account provides expenditures for the cost of the annual salary paid to the Law Department's Paralegal.

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

505.00 Payroll Taxes: \$6,750 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$18,790 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$34,350 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$235 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$4,490 – This account provides 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 expenditures 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 expenditures for the purchase of annual parking permits for City Attorney staff.

510.05 Small Tools and Equipment: \$300 - This account provides expenditures 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: \$500 - This account provides expenditures for postal related services such as postage, express delivery and mailing materials.

530.03 Professional and Technical Publications: \$22,500 - This account provides expenditures for subscription costs to professional and technical publications. Included are electronic subscription services for legal research (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

600.01 Travel-Business: \$500 – This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business or litigation.

600.02 Travel-Training: \$250 - This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600.03 Travel-Training and Education: \$250 – This account provides 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 third-parties.

605.01 Ads and Public Announcements: \$1,500 - This account provides expenditures 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 and Technical Licenses: \$375 – This account provides expenditures 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 and continuing required membership and renewal in Paralegal certifying body.

630.03 Bank and Merchant Charges: \$60 – This account provides expenditures for monthly bank account service charges, merchant fees for use of credit and debit cards, wire transfer fees and other fees for banking services.

630.06 Service Charges and Fees: \$1,500 - This account provides expenditures 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 the Department of Motor Vehicles for re-titling of vehicles taken through the DWI forfeiture process, recording of documents and fees charged by local process servers.

635.07 Machinery and Equipment Maintenance Services: \$700 - This account provides expenditures 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: \$204,000 - This account provides expenditures 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.

650.01 Telecommunications: \$2,150 - This account provides expenditures 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 expenditures for solid waste utility services associated with incineration of Law Department files that are no longer retained according to the retention schedule.

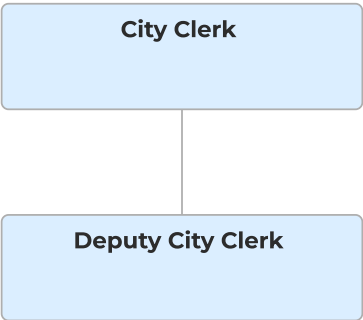
790.26 Computers, Printers and Copiers: \$5,700 - This account provides expenditures for computers, printers and copiers. Two workstations, one printer, and one UPC battery backup will be replaced per the replacement schedule developed by the Information Technology Department due to aging.

825.01 Interdepartmental Charges – Insurance: \$2,910 - This account provides expenditures for risk management services and claims.

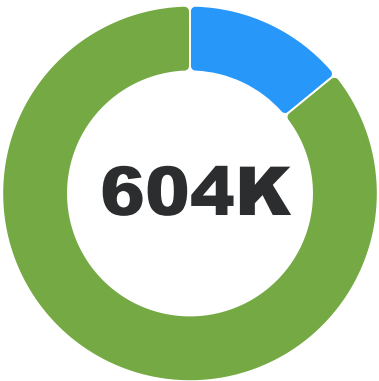
City Clerk

The City Clerk's Office makes every effort to 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 Office is comprised of one operating division.



2026 Expenditures by Activity



● Capital Projects	\$85,000	14.08%
● Operations	\$518,621	85.92%

Expenditures by Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	379,975	469,258	470,118	420,393	518,621	49,363	10.52%
Capital Projects	-	72,000	72,000	-	85,000	13,000	18.06%
Total Expenditures	379,975	541,258	542,118	420,393	603,621	62,363	11.52%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	312,267	355,529	355,529	327,085	405,915	50,386	14.17%
GENERAL SUPPLIES	3,707	5,100	4,433	4,050	5,100	-	0.00%
POSTAGE AND FREIGHT	124	200	200	200	2,400	2,200	1,100.00%
BOOKS AND PERIODICALS	182	190	207	207	207	17	8.95%
TRAVEL AND EDUCATION	7,957	10,700	10,700	6,250	11,100	400	3.74%
ADVERTISING AND PUBLISHING	18,244	24,000	32,200	32,200	32,000	8,000	33.33%
DUES AND MEMBERSHIPS	684	889	889	619	889	-	0.00%
CONTRACTUAL SERVICES	19,035	40,550	37,250	21,317	39,200	-1,350	-3.33%
RENTS AND LEASES	7,124	7,500	7,500	7,480	7,900	400	5.33%
UTILITIES	2,766	2,300	1,900	1,675	2,300	-	0.00%
MAJOR CAPITAL OUTLAY	-	72,000	72,000	-	85,000	13,000	18.06%
MINOR CAPITAL OUTLAY	3,478	15,650	11,800	11,800	4,100	-11,550	-73.80%
INTERDEPARTMENTAL CHARGES	4,407	6,650	7,510	7,510	7,510	860	12.93%
Total Expenditures	379,975	541,258	542,118	420,393	603,621	62,363	11.52%

Funding Source

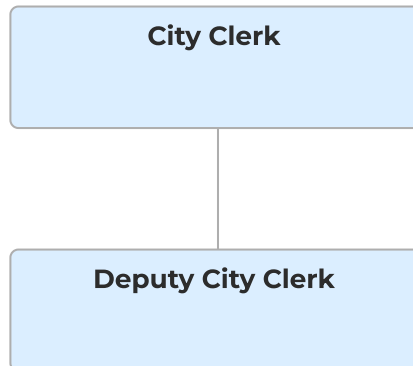
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	146,585	202,268	203,128	161,183	231,421	29,153	14.4%
Solid Waste Fund	13,030	18,840	18,840	13,240	19,020	180	1.0%
Wastewater Fund	10,035	14,510	14,510	11,220	16,120	1,610	11.1%
Harbor Fund	6,740	9,740	9,740	6,520	9,360	(380)	-3.9%
Port Enterprise Fund	16,363	23,650	23,650	16,770	24,080	430	1.8%
KPU Enterprise Fund	187,222	270,630	270,630	210,200	301,810	31,180	11.5%
Tourism - CPV Fund	-	1,620	1,620	1,260	1,810	190	11.7%
Total Funding	379,975	541,258	542,118	420,393	603,621	62,363	11.5%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	2.00	2.00	2.00	2.00	229,140	-	0.0%
Total	2.00	2.00	2.00	2.00	229,140	-	0.0%

City Clerk Operations

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 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 2026

- Maintain the same level of quality 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.
- Continue to inventory and, as appropriate, supervise the destruction of departments' records.
- Continue training on the City-wide records program with departments and divisions.
- Continue to revise and update the City's retention schedule.
- Continue an effort toward as much transparency as possible to engage the public in many aspects of City Council and City operations.
- One local election has been scheduled for 2026.
- One Alaska State Primary election will occur in 2026.
- Continue educational training towards the Deputy City Clerk's Master Municipal Clerk designation.
- Maintain City historical and legislative documents as required.
- Provide assistance to the Public Works Department for design and placement of a new mausoleum at Bayview Cemetery. Update fees and rules for the cemetery.
- Participate in the Ketchikan High School Government Class field trip.
- Create engaging postcards with election information for the 2026 municipal election.

2025 Accomplishments

- Conducted a regular election on October 7, 2025. Two Councilmembers were elected for a three-year term each and seven propositions.
- Created election postcards with the assistance of KPU Sales, Marketing and Customer Service to mail out to all City households with information on the 2025 ballot that included two Council seats, one bond proposition and six Charter propositions.
- Clerk and Deputy Clerk attended the Alaska Association of Municipal Clerks Conference in Anchorage, Alaska for continuing education.
- Deputy Clerk attended the Northwest Clerks Institute in Tacoma, WA for continuing education.
- Provided assistance to all departments regarding administration of their pages on the City's website.

- Continued to coordinate activities of the City Council in accordance with policy and law, including additional special meetings, agenda preparation and legal notices, etc.
- Issued public vehicle certificates to taxicab and sightseeing tour operators for a total of 217 in 2025. Forms, certificates, files, etc. were created as required by ordinance.
- Assisted with the Ketchikan High School Government Class field trip, held at the Ketchikan Gateway Borough.
- Assisted other City departments with record requests and retention information.
- Assisted the Port & Harbors Department with utilizing the Council Chambers and posting their monthly advisory meetings.
- Assisted the Library Department with utilizing the Council Chambers and posting their quarterly advisory meetings.
- Updated City's website election page to provide information on the 2025 Election and provided quick links to frequently requested items.

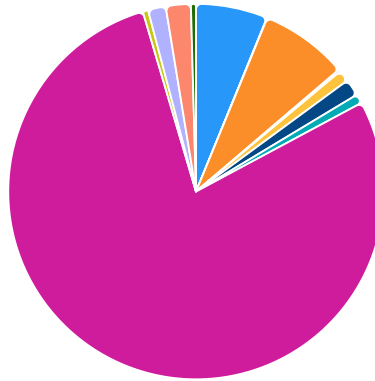
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	146,585	202,268	203,128	161,183	146,421	(55,847)	-27.6%
Solid Waste Fund	13,030	18,840	18,840	13,240	19,020	180	1.0%
Wastewater Fund	10,035	14,510	14,510	11,220	16,120	1,610	11.1%
Harbor Fund	6,740	9,740	9,740	6,520	9,360	(380)	-3.9%
Port Enterprise Fund	16,363	23,650	23,650	16,770	24,080	430	1.8%
KPU Enterprise Fund	187,222	270,630	270,630	210,200	301,810	31,180	11.5%
Tourism - CPV Fund	-	1,620	1,620	1,260	1,810	190	11.7%
Total Funding	379,975	541,258	542,118	420,393	518,621	62,363	-4.2%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Clerk	1.00	1.00	1.00	1.00	124,330	-	0.0%
Deputy Clerk	1.00	1.00	1.00	1.00	104,810	-	0.0%
Total	2.00	2.00	2.00	2.00	229,140	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$32,000	6.17%
BOOKS AND PERIODICALS	\$207	0.04%
CONTRACTUAL SERVICES	\$39,200	7.56%
DUES AND MEMBERSHIPS	\$889	0.17%
GENERAL SUPPLIES	\$5,100	0.98%
INTERDEPARTMENTAL CHARGES	\$7,510	1.45%
MINOR CAPITAL OUTLAY	\$4,100	0.79%
PERSONNEL SERVICES AND BENEFITS	\$405,915	78.27%
POSTAGE AND FREIGHT	\$2,400	0.46%
RENTS AND LEASES	\$7,900	1.52%
TRAVEL AND EDUCATION	\$11,100	2.14%
UTILITIES	\$2,300	0.44%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$50,386 or 14.17% due to annual step increases; a 5.0% cost of living adjustment for non-represented employees that will become effective January 1, 2026, and projected increases in pension, health insurance and other benefits along with a Council approved wage increase for the City Clerk in 2025.
- Computers, Printers & Copiers (Account 790.26) \$11,550 decrease or -73.8%. Decrease due to the City's procurement of two (2) Dominion ADA Touch Screen Image Cast Machines for municipal elections. The City is now compliant with all three (3) in-City precincts meeting the standards of the [Americans with Disabilities Act \(ADA\)](#).

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	* % Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1130-110-500.01	183,551	198,404	205,700	205,650	229,140	30,736	15.49%
Personnel Services and Wages - Regular Longevity Bonus	101-1130-110-500.05	1,500	1,600	1,600	1,600	850	-750	-46.88%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1130-110-501.01	6,752	7,000	7,000	7,000	7,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	* % Change
Personnel Services and Wages - Temporary Wages	101-1130-110-502.01	3,940	7,400	7,400	3,000	7,400	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1130-110-505.00	14,664	16,575	16,575	16,575	18,890	2,315	13.97%
Personnel Benefits - Pension Budget Only	101-1130-110-506.00	43,150	46,180	47,300	47,300	54,320	8,140	17.63%
Personnel Benefits - Insurance Budget Only	101-1130-110-507.00	45,388	65,240	56,824	32,830	68,700	3,460	5.30%
Personnel Benefits - Insurance Worker's Compensation	101-1130-110-507.30	461	610	610	610	615	5	0.82%
Personnel Benefits - Other Budget Only	101-1130-110-508.00	10,461	10,120	10,120	10,120	16,600	6,480	64.03%
Payroll Allowances Expense	101-1130-110-509.05	2,400	2,400	2,400	2,400	2,400	-	0.00%
Total PERSONNEL SERVICES AND BENEFITS		312,267	355,529	355,529	327,085	405,915	50,386	14.17%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1130-110-510.01	2,858	3,000	2,350	2,350	3,000	-	0.00%
General Supplies Operating Supplies	101-1130-110-510.02	849	2,100	2,083	1,700	2,100	-	0.00%
Total GENERAL SUPPLIES		3,707	5,100	4,433	4,050	5,100	-	0.00%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1130-110-520.02	124	200	200	200	2,400	2,200	1,100.00%
Total POSTAGE AND FREIGHT		124	200	200	200	2,400	2,200	1,100.00%
BOOKS AND PERIODICALS								
Books and Periodicals Periodicals	101-1130-110-530.02	182	190	207	207	207	17	8.95%
Total BOOKS AND PERIODICALS		182	190	207	207	207	17	8.95%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	101-1130-110-600.02	6,182	8,400	8,400	5,000	8,800	400	4.76%
Travel and Education Training and Education	101-1130-110-600.03	1,775	2,300	2,300	1,250	2,300	-	0.00%
Total TRAVEL AND EDUCATION		7,957	10,700	10,700	6,250	11,100	400	3.74%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1130-110-605.01	15,446	20,000	25,900	25,900	24,000	4,000	20.00%
Advertising and Publishing Printing & Binding	101-1130-110-605.03	2,798	4,000	6,300	6,300	8,000	4,000	100.00%
Total ADVERTISING AND PUBLISHING		18,244	24,000	32,200	32,200	32,000	8,000	33.33%
DUES AND MEMBERSHIPS								
Dues and Memberships Professional Lic. and Certs.	101-1130-110-615.01	50	200	200	-	200	-	0.00%
Dues and Memberships Assoc. Membership Dues & Fees	101-1130-110-615.02	634	689	689	619	689	-	0.00%
Total DUES AND MEMBERSHIPS		684	889	889	619	889	-	0.00%
CONTRACTUAL SERVICES								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	* % Change
Contractual Services Government Contractual Services	101-1130-110- 635.01	3,414	4,200	4,200	3,800	4,200	-	0.00%
Contractual Services Software & Equip Maint Services	101-1130-110- 635.04	10,988	24,950	24,950	9,617	26,000	1,050	4.21%
Contractual Services Machinery & Equipment Maint. Svc	101-1130-110- 635.07	172	1,400	400	200	1,000	-400	-28.57%
Contractual Services Technical Services	101-1130-110- 635.12	4,461	10,000	7,700	7,700	8,000	-2,000	-20.00%
Total CONTRACTUAL SERVICES		19,035	40,550	37,250	21,317	39,200	-1,350	-3.33%
RENTS AND LEASES								
Rents and Leases Machinery & Equipment	101-1130-110- 645.02	7,124	7,500	7,500	7,480	7,900	400	5.33%
Total RENTS AND LEASES		7,124	7,500	7,500	7,480	7,900	400	5.33%
UTILITIES								
Utilities Telecommunications	101-1130-110- 650.01	2,676	2,000	1,600	1,400	2,000	-	0.00%
Utilities Electric, Water, Sewer & Garbage	101-1130-110- 650.02	90	300	300	275	300	-	0.00%
Total UTILITIES		2,766	2,300	1,900	1,675	2,300	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1130-110- 790.15	380	-	-	-	-	-	-
Minor Capital Outlay M&E- Computers Printers & Copier	101-1130-110- 790.26	3,098	15,650	11,800	11,800	4,100	-11,550	-73.80%
Total MINOR CAPITAL OUTLAY		3,478	15,650	11,800	11,800	4,100	-11,550	-73.80%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1130-110- 825.01	4,407	6,650	7,510	7,510	7,510	860	12.93%
Total INTERDEPARTMENTAL CHARGES		4,407	6,650	7,510	7,510	7,510	860	12.93%
Total Expenditures		379,975	469,258	470,118	420,393	518,621	49,363	10.52%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$229,140– This account provides expenditures for compensation paid to all regular salaried and hourly employees of the City Clerk's Office.

500.05 Longevity Pay: \$850 - Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$7,000 - This account provides expenditures for compensation paid to the Deputy Clerk for hours worked in excess of a regular working cycle.

502.01 Temporary Wages: \$7,400 - This account provides expenditures for compensation paid for temporary personnel services when the City Clerk and/or Deputy Clerk are out of the office.

505.00 Payroll Taxes: \$18,890 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$54,320 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$68,700 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$615 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Expenses: \$16,600 - This account provides expenditures for the reimbursement of direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509.05 Allowances - Expense: \$2,400 - This account provides expenditures for the cost of the \$200 per month vehicle expense stipend granted to the City Clerk for attending City Council meetings as well as other incidental expenses.

510.01 Office Supplies: \$3,000 - This account provides expenditures for paper, pens, pencils, adding machine ribbons and tape, note pads, file folders, scotch tape, toner, toner 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: \$2,100 - This account provides expenditures for minutes, resolution and ordinance books; specialized supplies for archival records and election supplies and the purchase of annual parking permits for employees.

520.02 Postage: \$2,400 - This account provides expenditures for postal related services such as postage, express delivery, and mailing materials for the City Clerk's Office, including absentee by-mail ballots and election informational postcards.

530.02 Periodicals: \$207 - This account provides expenditures for a subscription to the Ketchikan Daily News.

600.02 Travel-Training: \$8,800 - This account provides expenditure for travel for the City Clerk and Deputy Clerk to attend the International Institute of Municipal Clerk's conference in Reno, Nevada and the Alaska Association of Municipal Clerks conference in Anchorage, Alaska.

600.03 Training and Education: \$2,300 - This account provides expenditures for registration fees associated with educational training for the City Clerk and Deputy City Clerk to attend the International Institute of Municipal Clerk's conference in Reno, Nevada and the Alaska Association of Municipal Clerks conference in Anchorage, Alaska.

605.01 Advertising and Public Announcements: \$24,000 - This account provides expenditures for advertising and announcements primarily in the local newspaper. Included are legal notices, election notices, agenda advertisements, special meeting announcements, etc.

605.03 Printing and Binding: \$8,000 – This account provides expenditures for job printing and binding services. Included is the printing of election ballots and for election informational postcards.

615.01 Professional and Technical Licenses: \$200 - This account provides expenditures for the Deputy City Clerk's Master Municipal Clerk designation, a professional license.

615.02 Assn. Membership Dues & Fees: \$689 – This account provides expenditures for memberships for the City Clerk and Deputy Clerk in both the International Institute of Municipal Clerks, the Alaska Association of Municipal Clerks (AAMC) and the National Association of Government Archives and Records Administrators (NAGARA)

635.01 Governmental Contractual Services: \$4,200 - This account provides expenditures for the reimbursement paid to the Ketchikan Gateway Borough for compensation paid to election workers and canvass board assistance.

635.04 Software Maintenance Services: \$26,000 - This account provides expenditures for video streaming and agenda management services, licensing and warranties for ADA election equipment, election programming, Adobe and Transcription software.

635.07 Machinery & Equipment Maintenance Services: \$1,000 - This account provides expenditures for services for the repair and maintenance of office equipment such as transcribers and recorders.

635.12 Technical Services: \$8,000 - This account provides expenditures for codification updates to the Ketchikan Municipal Code.

645.02 Rents and Leases-Machinery & Equipment: \$7,900 - This account provides expenditures for the lease of voting equipment needed for the local municipal election.

650.01 Telecommunications: \$2,000 - This account provides expenditures for telecommunication services. Included are charges for wired and wireless telecommunications services, long-distance and the iPad LTE network.

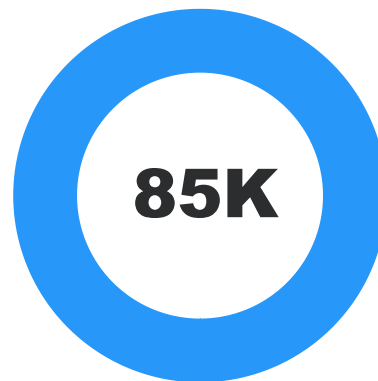
650.02 Electric, Water, Sewer & Solid Waste: \$300 - This account provides expenditures primarily for the disposal of records of the City Clerk's Office that have reached the end of retention life.

790.26 Computers, Printers & Copiers: \$4,100 - This account provides for expenditures for a workstation, a laptop and two battery backups, per the 2026 replacement schedule developed by the Information Technology Department.

825.01 Interdepartmental Charges – Insurance: \$7,510 - This account provides expenditures for risk management services and claims.

City Clerk Capital Program

2026 Expenditures by Type



● Machinery & Equipment \$85,000 100.00%

Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Machinery & Equipment	-	72,000	72,000	-	85,000	13,000	18.06%
Total Expenditures	-	72,000	72,000	-	85,000	13,000	18.06%

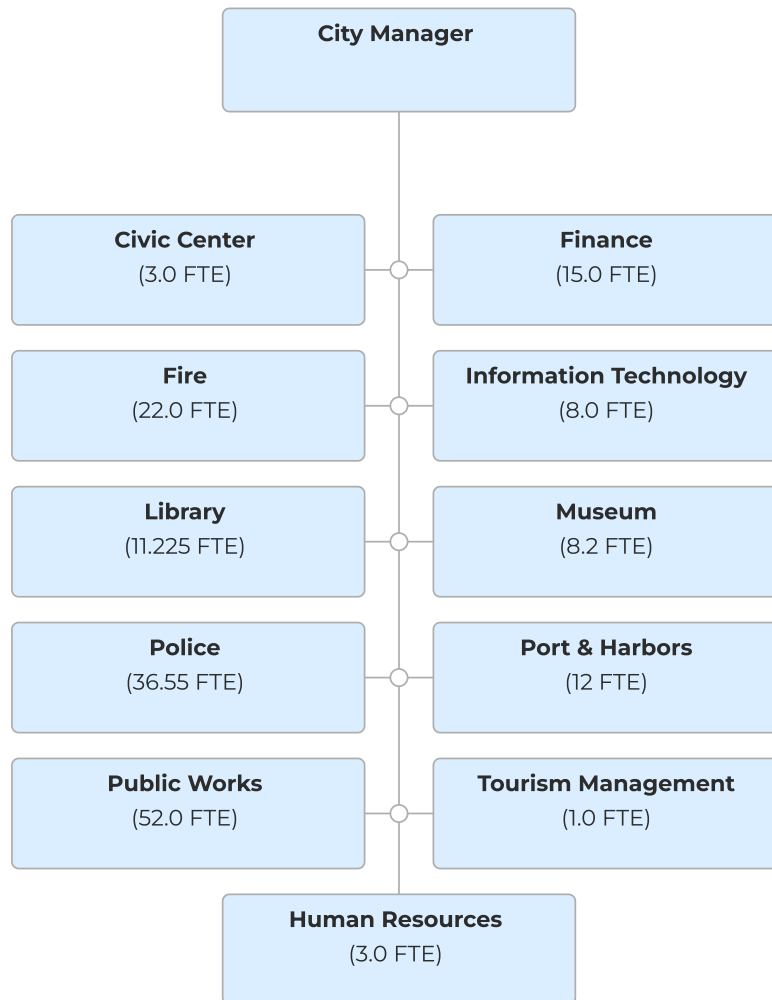
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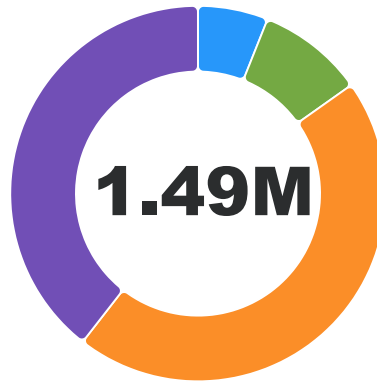
Expenditures by Activity

Category	2026 Budget
Capital Projects	
General Fund	
Machinery & Equipment General	85,000
Council Chamber Video Conferencing System	85,000
Total General Fund	85,000
Total Capital Projects	85,000
Total Expenditures	85,000

City Manager

The City Manager serves as the chief executive of the City of Ketchikan municipal government. The office oversees the daily operation of twelve (12) separate departments and numerous operating divisions that have a combined annual budget of approximately \$84.6 million.



2026 Expenditures by Activity

Grant Writer Program	\$90,000	6.05%
Grants	\$136,000	9.14%
Human Resources Division	\$674,480	45.33%
Operations	\$587,440	39.48%

Expenditures by Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	380,275	536,605	539,225	475,265	587,440	50,835	9.47%
Human Resources Division	479,837	696,664	700,464	489,415	674,480	-22,184	-3.18%
Grant Writer Program	53,000	90,000	90,000	60,000	90,000	-	0.00%
Grants	100,000	136,000	136,000	100,000	136,000	-	0.00%
Total Expenditures	1,013,112	1,459,269	1,465,689	1,124,680	1,487,920	28,651	1.96%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	754,592	1,049,624	1,041,824	830,550	1,069,265	19,641	1.87%
GENERAL SUPPLIES	39,883	35,350	36,550	34,950	34,550	-800	-2.26%
POSTAGE AND FREIGHT	176	340	340	150	240	-100	-29.41%
FUELS/LUBRICANTS/ENERGY COSTS	249	500	500	500	500	-	0.00%
BOOKS AND PERIODICALS	628	715	730	730	715	-	0.00%
ALLOWANCES	61	500	500	500	500	-	0.00%
TRAVEL AND EDUCATION	7,782	22,000	28,800	18,600	22,000	-	0.00%
ADVERTISING AND PUBLISHING	1,874	7,000	5,785	800	7,000	-	0.00%
DUES AND MEMBERSHIPS	3,141	4,775	4,775	4,775	4,825	50	1.05%
PERMITS, LICENSES AND FEES	-	150	150	150	150	-	0.00%
CONTRACTUAL SERVICES	63,576	103,560	103,560	68,000	103,500	-60	-0.06%
PROFESSIONAL SERVICES	121,630	205,000	205,000	128,000	205,000	-	0.00%
UTILITIES	5,188	5,895	5,895	5,695	5,895	-	0.00%
MINOR CAPITAL OUTLAY	3,159	7,000	7,000	7,000	7,000	-	0.00%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
INTERDEPARTMENTAL CHARGES	11,173	16,860	24,280	24,280	26,780	9,920	58.84%
Total Expenditures	1,013,112	1,459,269	1,465,689	1,124,680	1,487,920	28,651	1.96%

Funding Source

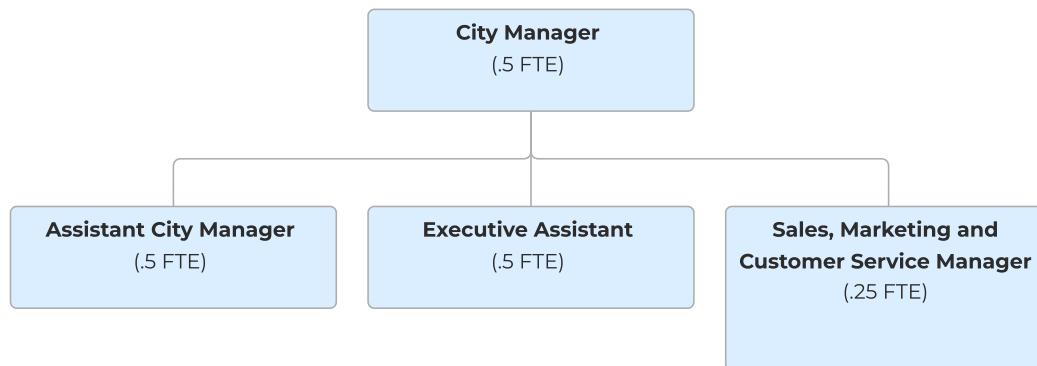
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	588,096	847,379	853,799	633,130	820,180	(27,199)	-3.2%
Solid Waste Fund	29,458	41,140	41,140	30,040	39,290	(1,850)	-4.5%
Wastewater Fund	22,686	33,000	33,000	25,460	33,280	280	0.8%
Harbor Fund	15,237	20,860	20,860	14,810	19,360	(1,500)	-7.2%
Port Enterprise Fund	36,992	51,850	51,850	89,780	121,040	69,190	133.4%
KPU Enterprise Fund	220,643	327,430	327,430	230,030	317,010	(10,420)	-3.2%
Tourism - CPV Fund	-	1,610	1,610	1,430	1,760	150	9.3%
Grants	100,000	136,000	136,000	100,000	136,000	-	0.0%
Total Funding	1,013,112	1,459,269	1,465,689	1,124,680	1,487,920	28,651	2.0%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	1.50	1.75	1.75	1.75	332,750	-	0.0%
Human Resources	3.00	3.50	3.00	3.00	329,320	(0.50)	-16.7%
Total	3.00	3.50	3.00	3.00	329,320	(0.50)	0.0%

City Manager Operations

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 2026

- Provide timely information and recommendations to the City Council.
- Follow through on direction provided by the City Council as the result of business conducted at regular meetings of the City Council or through enactment of policies provided for in the 2026 General Government Operating and Capital Budget.
- Continue management oversight of Ketchikan Public Utilities.
- 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.
- Work with the department heads in order to advance City Council approved Capital Improvement Programs.
- Assist the City Council in the recruitment of a new City Manager/KPU General Manager to replace Delilah A. Walsh, who resigned April 16, 2025, and assist during the leadership transition period.
- Continue working with the cruise ship industry, Tourism Manager, and City Attorney in order to develop a Memorandum of Agreement defining the relationship between the City and industry to develop a long-term strategy and financial plan for the effective management, maintenance, and expansion of the Port of Ketchikan to remain a viable, premier port within the Alaska market. This process remains ongoing.
- Work with the cruise ship industry, in order to undertake a series of upland improvements to attract, accommodate, and efficiently move cruise ship visitors in downtown Ketchikan. Promote downtown Ketchikan as a world class visitor destination.
- Work with the City's state legislative lobbyist, in order to ensure the continued distribution of state Commercial Passenger Vessel (CPV) tax revenues to the City of Ketchikan.
- Continue working with the City Council and PeaceHealth to apply the terms of a new long-term lease agreement for the Ketchikan Medical Center through the function of the Healthcare Advisory Committee (HAC).

- Continue working with the Engineering Division, the Fire Department and the City Attorney's Office to address abandoned and/or blighted buildings within City limits.
- Prepare the draft 2027 General Government Annual Budget and the 2027-2031 Capital Improvement Program. Evaluate traditional service delivery in light of continued reductions in state programs and/or direct assistance to municipalities.
- Work with the City Council, staff, public and stakeholders identified by the City Council to develop a comprehensive strategic plan for General Government.
- With the City Council, Human Resources Division, and Finance Department, evaluate current employee compensation and develop solutions to address recruitment and retention issues identified in the 2024 Employee Retention Survey.
- Work with the City Council, Department Heads and Division Managers, Finance Department, and third-party consultants as appropriate to evaluate current utilities rates and develop sustainable rate structures to support operations and implement a new rate setting process for all rate-driven enterprises.
- Continue work with the Alaska Legislative Delegation and Public Works - Wastewater Division to enhance the City's wastewater discharge system to retain a 301(h) waiver as part of the NPDES re-permitting process.
- Continue work with the Federal Emergency Management Agency and the State of Alaska Division of Homeland Security & Emergency Management to receive federal and state reimbursement funding for the response, recovery, and restoration of the August 25, 2024, landslide disaster.

2025 Accomplishments

- Continued management oversight responsibility of Ketchikan Public Utilities.
- Submitted the draft 2026 General Government Operating and 2026-2030 Capital Improvement Program to the City Council.
- Assisted the City Council in the recruitment of a new City Manager/KPU General Manager following the resignation of Delilah A. Walsh.
- Assistant City Manager Lacey Simpson was appointed to Acting City Manager effective March 1, 2025, while the City Council undertakes a recruitment process for a new City Manager/KPU General Manager.
- Finance Controller Shawn Hart was appointed to Acting Assistant City Manager effective April 1, 2025, during the transition to a new City Manager.
- Convened and represented the City during the quarterly Healthcare Advisory Committee (HAC) as a function of the City and PeaceHealth to monitor and apply the terms of the new long-term lease agreement for occupation and operation of the Ketchikan Medical Center by PeaceHealth.
- Worked closely with state lobbyist Ray Matiashowski, in order to raise awareness for the City's continued financial, capital and policy needs.
- Continued to participate as staff in the Ketchikan Gateway Borough/City of Ketchikan Cooperative Relations, Lobbying Executive and Legislative Liaison Committees.
- Continued to update and keep the General Government and Ketchikan Public Utilities' website current.
- Worked with representatives of the Federal Emergency Management Agency and the State of Alaska Division of Homeland Security & Emergency Management to submit all necessary information on the response, recovery and restoration needed on the August 25, 2024, landslide disaster in order to receive federal and state reimbursement funding. This process remains ongoing.
- As part of the Unified Command, worked with the State of Alaska Department of Transportation & Public Facilities, their road construction contractor, and division managers to respond to the March 20, 2025, Wolfe Point Landslide to maintain the ability to respond to emergencies on either side of the highway impasse caused by the landslide and established a marine passenger shuttle program to move residents around the blocked portion of the highway. Continued work with the State of Alaska to secure reimbursement funding for costs incurred to run the marine passenger shuttle program.
- Worked with the City Council, City Attorney, and staff to negotiate Addendum Two (2) to the lease agreement between the City and Ketchikan Dock Company for Berth IV following Ketchikan Dock Company's plans to expand the facility to accommodate larger vessels now calling in the Alaska market.
- Concluded the grant-funded Rural Housing Coordinator contract to develop a final report and strategic plan to address Ketchikan's housing and homeless needs.

Funding Source

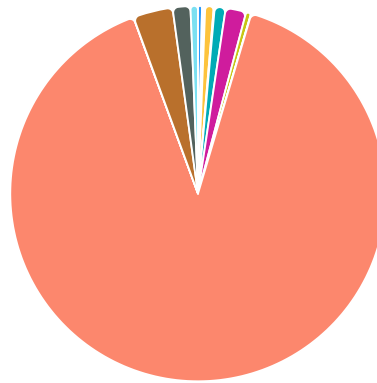
	2024	2025	2025	2025	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Estimate	Budget		
General Fund	333,785	474,035	476,655	419,845	518,940	44,905	9.5%
Solid Waste Fund	13,121	16,900	16,900	14,970	18,510	1,610	9.5%
Wastewater Fund	10,105	14,330	14,330	12,690	15,680	1,350	9.4%
Harbor Fund	6,787	8,320	8,320	7,370	9,110	790	9.5%
Port Enterprise Fund	16,477	21,410	21,410	18,960	23,440	2,030	9.5%
Tourism - CPV Fund	-	1,610	1,610	1,430	1,760	150	9.3%
Total Funding	380,275	536,605	539,225	475,265	587,440	50,835	9.5%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Budget	Salary		
City Manager	0.50	0.50	0.50	0.50	134,700	-	0.0%
Assistant City Manager	0.50	0.50	0.50	0.50	106,760	-	0.0%
Executive Assistant	0.50	0.50	0.50	0.50	39,640	-	0.0%
Sales, Marketing & CS Manager*	0.00	0.25	0.25	0.25	41,650	-	0.0%
Total	1.50	1.75	1.75	1.75	322,750	-	0.0%

*This is an allocation to reflect the Sales, Marketing & Customer Service Manager's role as the Public Information Officer for General Government.

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$2,000	0.34%
ALLOWANCES	\$500	0.09%
BOOKS AND PERIODICALS	\$165	0.03%
CONTRACTUAL SERVICES	\$1,000	0.17%
DUES AND MEMBERSHIPS	\$4,250	0.72%
FUELS/LUBRICANTS/ENERGY COSTS	\$500	0.09%
GENERAL SUPPLIES	\$5,500	0.94%
INTERDEPARTMENTAL CHARGES	\$10,390	1.77%
MINOR CAPITAL OUTLAY	\$2,500	0.43%
PERMITS, LICENSES AND FEES	\$150	0.03%
PERSONNEL SERVICES AND BENEFITS	\$527,590	89.81%
POSTAGE AND FREIGHT	\$100	0.02%
PROFESSIONAL SERVICES	\$20,000	3.40%
TRAVEL AND EDUCATION	\$9,000	1.53%
UTILITIES	\$3,795	0.65%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$49,065 or 10.25% due to annual step increases, a 5% cost of living adjustment for non-represented employees that will become effective January 1, 2026, projected increases in health insurance premiums and the addition of a \$10,000 moving expense to reflect half of the projected costs associated with filling the vacant City Manager position.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1140-110-500.01	236,352	291,440	284,640	262,010	322,750	31,310	10.74%
Personnel Services and Wages - Regular Longevity Bonus	101-1140-110-500.05	-	-	-	-	590	590	-
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1140-110-501.01	-	1,000	1,000	500	1,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Personnel Services and Wages - Temporary Wages	101-1140-110-502.01	-	2,000	2,000	1,000	2,000	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1140-110-505.00	16,050	22,525	22,525	20,175	24,530	2,005	8.90%
Personnel Benefits - Pension Budget Only	101-1140-110-506.00	53,593	68,265	68,265	55,975	73,160	4,895	7.17%
Personnel Benefits - Insurance Budget Only	101-1140-110-507.00	41,001	79,710	79,710	58,870	77,300	-2,410	-3.02%
Personnel Benefits - Insurance Worker's Compensation	101-1140-110-507.30	555	825	825	825	840	15	1.82%
Personnel Benefits - Other Budget Only	101-1140-110-508.00	6,189	12,760	12,760	12,760	15,420	2,660	20.85%
Payroll Allowances Moving Expense - Taxed	101-1140-110-509.07	-	-	-	-	10,000	10,000	-
Total PERSONNEL SERVICES AND BENEFITS		353,740	478,525	471,725	412,115	527,590	49,065	10.25%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1140-110-510.01	6,243	5,000	5,000	4,000	4,500	-500	-10.00%
General Supplies Operating Supplies	101-1140-110-510.02	600	900	900	600	600	-300	-33.33%
Maintenance Materials Vehicle Maintenance Materials	101-1140-110-515.01	-	400	400	100	400	-	0.00%
Total GENERAL SUPPLIES		6,843	6,300	6,300	4,700	5,500	-800	-12.70%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1140-110-520.02	56	200	200	50	100	-100	-50.00%
Total POSTAGE AND FREIGHT		56	200	200	50	100	-100	-50.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1140-110-525.04	249	500	500	500	500	-	0.00%
Total FUELS/LUBRICANTS/ENERGY COSTS		249	500	500	500	500	-	0.00%
BOOKS AND PERIODICALS								
Books and Periodicals Periodicals	101-1140-110-530.02	91	165	165	165	165	-	0.00%
Total BOOKS AND PERIODICALS		91	165	165	165	165	-	0.00%
ALLOWANCES								
Allowances Business and Meal Expense	101-1140-110-535.02	61	500	500	500	500	-	0.00%
Total ALLOWANCES		61	500	500	500	500	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Business	101-1140-110-600.01	4,254	8,200	15,000	15,000	8,200	-	0.00%
Travel and Education Training and Education	101-1140-110-600.03	579	800	800	600	800	-	0.00%
Total TRAVEL AND EDUCATION		4,833	9,000	15,800	15,600	9,000	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1140-110-605.01	276	2,000	2,000	300	2,000	-	0.00%
Total ADVERTISING AND PUBLISHING		276	2,000	2,000	300	2,000	-	0.00%
DUES AND MEMBERSHIPS								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Dues and Memberships Professional Lic. and Certs.	101-1140-110-615.01	-	-	-	-	50	50	-
Dues and Memberships Assoc. Membership Dues & Fees	101-1140-110-615.02	2,877	4,200	4,200	4,200	4,200	-	0.00%
Total DUES AND MEMBERSHIPS		2,877	4,200	4,200	4,200	4,250	50	1.19%
PERMITS, LICENSES AND FEES								
Licenses and Fees Bank & Merchant Fees	101-1140-110-630.03	-	150	150	150	150	-	0.00%
Total PERMITS, LICENSES AND FEES		-	150	150	150	150	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Machinery & Equipment Maint. Svc	101-1140-110-635.07	285	1,000	1,000	500	1,000	-	0.00%
Total CONTRACTUAL SERVICES		285	1,000	1,000	500	1,000	-	0.00%
PROFESSIONAL SERVICES								
Professional Services Management & Consulting Services	101-1140-110-640.04	-	20,000	20,000	20,000	20,000	-	0.00%
Total PROFESSIONAL SERVICES		-	20,000	20,000	20,000	20,000	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1140-110-650.01	3,252	3,700	3,700	3,500	3,700	-	0.00%
Utilities Electric, Water, Sewer & Garbage	101-1140-110-650.02	-	95	95	95	95	-	0.00%
Total UTILITIES		3,252	3,795	3,795	3,595	3,795	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay M&E-Computers Printers & Copier	101-1140-110-790.26	2,561	2,500	2,500	2,500	2,500	-	0.00%
Total MINOR CAPITAL OUTLAY		2,561	2,500	2,500	2,500	2,500	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1140-110-825.01	5,151	7,770	10,390	10,390	10,390	2,620	33.72%
Total INTERDEPARTMENTAL CHARGES		5,151	7,770	10,390	10,390	10,390	2,620	33.72%
Total Expenditures		380,275	536,605	539,225	475,265	587,440	50,835	9.47%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$322,750 – This account provides expenditures for the cost of the annual salaries paid to the employees of the City Manager's Office.

500.05 Longevity Pay: \$590 - Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$1,000 – This account provides expenditures for the compensation paid to the Executive Assistant for hours worked more than a regular working cycle. These excess hours typically occur during budget and legislative preparation periods.

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

- 505.00 Payroll Taxes: \$24,530** – This account provides expenditures for employer contributions to Social Security and Medicare and other similar payroll taxes.
- 506.00 Pension: \$73,160** – This account provides expenditures for employer contributions to retirement plans.
- 507.00 Health and Life Insurance: \$77,300** – This account provides expenditures for employer contributions to employee health and life insurance plans.
- 507.30 Workers Compensation: \$840** – This account provides expenditures for employer contributions to workers compensation.
- 508.00 Other Benefits: \$15,420** – This account provides expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.
- 509.07 Allowances – Moving Expense: \$10,000** – This account provides expenditures to relocate a new City Manager to Ketchikan.
- 510.01 Office Supplies: \$4,500** – This account provides expenditures for expendable office supply items such as pens, markers, paper, tape, paperclips, staples, envelopes, notepads, correction tape, post-its, etc. It also provides funds to supply all departments housed at City Hall with their copy paper needs.
- 510.02 Operating Supplies: \$600** – This account provides expenditures for annual parking permits for the staff of the City Manager's Office.
- 515.01 Vehicle Maintenance Materials: \$400** – This account provides expenditures for the cost associated with the materials to maintain the City Manager's vehicle.
- 520.02 Postage: \$100** – This account provides expenditures for the cost of postal related services such as postage and mailing materials.
- 525.04 Vehicle Motor Fuel and Lubricants: \$500** – This account provides expenditures for the purchase of gasoline and other lubricants used for the operations of the City Manager's vehicle.
- 530.02 Periodicals: \$165** – This account provides expenditures for the cost of newspapers, magazines, and trade journals.
- 535.02 Business and Meal Expenses: \$500** – This account provides expenditures for general expenses incurred by the City Manager's staff during the year.
- 600.01 Travel - Business: \$8,200** – This account provides expenditures for the cost associated with business travel by the City Manager and office staff to attend conferences, legislative meetings, and other business requiring travel.
- 600.03 Training & Education: \$800** – This account provides expenditures for the registration fees, training materials and fees for training programs.
- 605.01 Advertising and Public Announcements: \$2,000** – This account provides expenditures for public notice and classified ad expenses.
- 615.01 Professional Licenses & Certifications: \$50** – This account provides expenditures for the cost of City Manager's Office Notary license.
- 615.02 Assn. Membership Dues & Fees: \$4,200** – This account provides expenditures for the cost of membership in the International City/County Management Association and the Alaska Municipal League.

630.03 Bank & Merchant Fees: \$150 – This account provides expenditures for merchant fees for use of credit cards, foreign transaction fees, and service charges.

635.07 Machinery & Equipment Maintenance Services: \$1,000 – This account provides expenditures for routine and non-routine maintenance services associated with equipment located in the 3rd and 4th floor copier rooms.

640.04 Management and Consulting Services: \$20,000 – This account provides expenditures for management and consulting services associated with developing a strategic plan for General Government. This cost will vary depending on whether the Manager will have the time to complete this independently.

650.01 Telecommunications: \$3,700 – This account provides expenditures for monthly wired and wireless charges, long-distance services, long-distance facsimile transmission, line rentals and maintenance of the phone system, as well as the iPad 4G Network for the City Manager's Office.

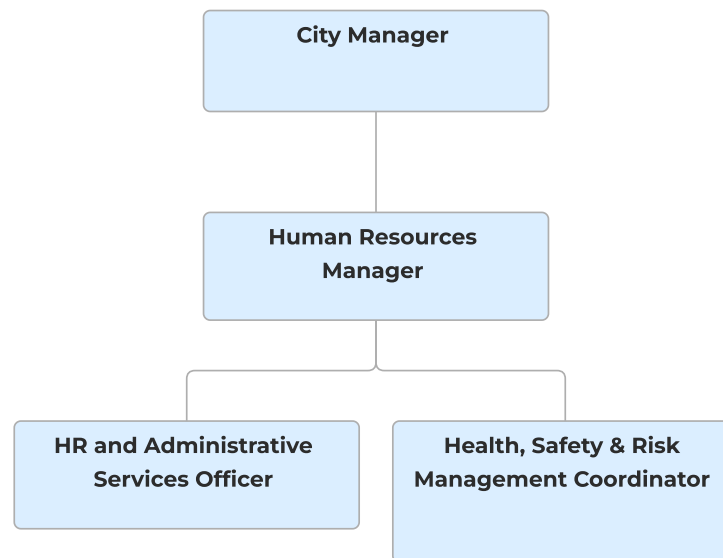
650.02 Electric, Water, Sewer & Solid Waste: \$95 – This account provides expenditures for the cost associated with the destruction of records from the City Manager's Office that have reached the end of their retention life.

790.26 Minor Computers, Printers & Copiers: \$2,500 – This account provides for half of the purchase costs for a new laptop, a new desktop monitor, a new workstation, and one UPS backup battery for the City Manager's Office per the replacement schedule developed by the Information Technology Department.

825.01 Interdepartmental Charges - Insurance: \$10,390 – This account provides expenditures for the division's share of the City's risk management program.

Human Resources Division

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 workforce 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 2026

- Assist the City Manager's Office in negotiating successor collective bargaining agreements with the International Brotherhood of Electrical Workers representing the Ketchikan Public Utilities employees which will expire on December 31, 2026.
- Continue to conduct labor management meetings with IAFF, PSEA and IBEW.
- Continue to update and maintain all City/KPU personnel policies and procedures.
- Continue to enhance and streamline Human Resources Division systems, processes, records and work environment.
- Collaborate with departments/divisions to provide education and training on issues related to human resources, supervision, workers' compensation, FMLA and payroll.
- Conduct employee training in the areas of sexual harassment and ethics.
- Revise and update Human Resources Division forms and convert to Laserfiche.
- Continue to promote the City of Ketchikan as a great place to work and live.

2025 Accomplishments

- Assisted various departments and divisions with position recruitment consisting of thirty-nine full-time employees: thirty-two temporary and eighteen promotions.
- Successfully bargained successor bargaining agreements with IBEW City and IAFF.
- Recruitment efforts included advertising, conducting thorough background checks and orientation for all new employees.
- Assisted the City Manager's Office in the recruitment of the Museum Director and Port and Harbors Director.
- Created job descriptions and pay scales for new positions in the several departments.
- Continued employee identification badges and electronic keys for all City of Ketchikan and Ketchikan Public Utilities employees.
- Continued the employee service award program.
- Continued to monitor the employee evaluation program.
- Continued to conduct a portion of the background check process. Human Resources Division staff conducts the employer and/or reference check portion of the background check process.
- Successfully administered the City's random alcohol and drug testing program.

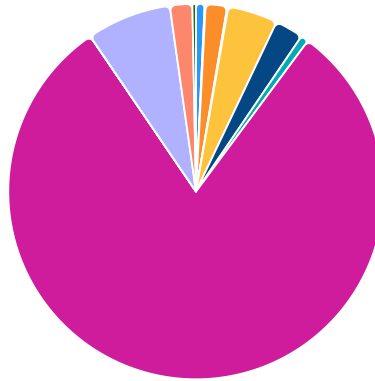
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	201,311	283,344	287,144	153,285	211,240	(72,104)	-25.4%
Solid Waste Fund	16,337	24,240	24,240	15,070	20,780	(3,460)	-14.3%
Wastewater Fund	12,581	18,670	18,670	12,770	17,600	(1,070)	-5.7%
Harbor Fund	8,450	12,540	12,540	7,440	10,250	(2,290)	-18.3%
Port Enterprise Fund	20,515	30,440	30,440	70,820	97,600	67,160	220.6%
KPU Enterprise Fund	220,643	327,430	327,430	230,030	317,010	(10,420)	-3.2%
Total Funding	479,837	696,664	700,464	489,415	674,480	(22,184)	-3.2%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Human Resources Manager	1.00	1.00	1.00	1.00	152,400	-	0.0%
Human Resources Generalist	-	0.50	-	-	-	(0.50)	-100.0%
Safety Coordinator	1.00	1.00	-	-	-	(1.00)	-100.0%
Health, Safety, & Risk Mgmt Coordinator	-	-	1.00	1.00	83,310	1.00	100.0%
Administrative Assistant	1.00	-	-	-	-	-	NA
Office Manager	-	1.00	-	-	-	(1.00)	-100.0%
HR & Administrative Services Officer	-	-	1.00	1.00	93,610	1.00	100.0%
Total	3.00	3.50	3.00	3.00	329,320	(0.50)	-16.7%

2026 Expenditures by Expense Category



ADVERTISING AND PUBLISHING	\$5,000	0.74%
BOOKS AND PERIODICALS	\$550	0.08%
CONTRACTUAL SERVICES	\$12,500	1.85%
DUES AND MEMBERSHIPS	\$575	0.09%
GENERAL SUPPLIES	\$29,050	4.31%
INTERDEPARTMENTAL CHARGES	\$16,390	2.43%
MINOR CAPITAL OUTLAY	\$4,500	0.67%
PERSONNEL SERVICES AND BENEFITS	\$541,675	80.31%
POSTAGE AND FREIGHT	\$140	0.02%
PROFESSIONAL SERVICES	\$49,000	7.26%
TRAVEL AND EDUCATION	\$13,000	1.93%
UTILITIES	\$2,100	0.31%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below

- Personnel Services and Benefits decreased by \$99,489 or 5.16% due to direction from the Council to remove the budgeted Human Resources Generalist.

Expenditures by Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1140-200-500.01	268,269	364,124	363,124	290,150	329,320	-34,804	-9.56%
Personnel Services and Wages - Regular Longevity Bonus	101-1140-200-500.05	6,400	-	-	-	-	-	-
Personnel Services and Wages - Temporary Wages	101-1140-200-502.01	-	1,500	1,500	1,500	1,500	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1140-200-505.00	22,549	27,970	27,970	22,300	25,300	-2,670	-9.55%
Personnel Benefits - Pension Budget Only	101-1140-200-506.00	60,829	81,950	81,950	66,490	75,740	-6,210	-7.58%
Personnel Benefits - Insurance Budget Only	101-1140-200-507.00	21,063	86,165	86,165	28,605	97,620	11,455	13.29%
Personnel Benefits - Insurance Worker's Compensation	101-1140-200-507.30	684	990	990	990	915	-75	-7.58%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Personnel Benefits - Other Budget Only	101-1140-200-508.00	21,058	8,400	8,400	8,400	11,280	2,880	34.29%
Total PERSONNEL SERVICES AND BENEFITS		400,852	571,099	570,099	418,435	541,675	-29,424	-5.15%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1140-200-510.01	4,574	3,800	3,800	3,800	3,800	-	0.00%
General Supplies Operating Supplies	101-1140-200-510.02	27,383	25,000	25,000	25,000	25,000	-	0.00%
General Supplies Safety Program Supplies	101-1140-200-510.03	1,083	250	1,450	1,450	250	-	0.00%
Total GENERAL SUPPLIES		33,040	29,050	30,250	30,250	29,050	-	0.00%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1140-200-520.02	120	140	140	100	140	-	0.00%
Total POSTAGE AND FREIGHT		120	140	140	100	140	-	0.00%
BOOKS AND PERIODICALS								
Books and Periodicals Professional & Technical Pubs	101-1140-200-530.03	537	550	565	565	550	-	0.00%
Total BOOKS AND PERIODICALS		537	550	565	565	550	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	101-1140-200-600.02	2,263	3,000	3,000	3,000	3,000	-	0.00%
Travel and Education Training and Education	101-1140-200-600.03	686	10,000	10,000	-	10,000	-	0.00%
Total TRAVEL AND EDUCATION		2,949	13,000	13,000	3,000	13,000	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1140-200-605.01	1,598	5,000	3,785	500	5,000	-	0.00%
Total ADVERTISING AND PUBLISHING		1,598	5,000	3,785	500	5,000	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Assoc. Membership Dues & Fees	101-1140-200-615.02	264	575	575	575	575	-	0.00%
Total DUES AND MEMBERSHIPS		264	575	575	575	575	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Machinery & Equipment Maint. Svc	101-1140-200-635.07	2,189	2,560	2,560	1,500	2,500	-60	-2.34%
Contractual Services Technical Services	101-1140-200-635.12	8,102	10,000	10,000	6,000	10,000	-	0.00%
Total CONTRACTUAL SERVICES		10,291	12,560	12,560	7,500	12,500	-60	-0.48%
PROFESSIONAL SERVICES								
Professional Services Legal & Accounting Services	101-1140-200-640.01	-	14,000	14,000	6,000	14,000	-	0.00%
Professional Services Management & Consulting Services	101-1140-200-640.04	21,630	35,000	35,000	2,000	35,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Total PROFESSIONAL SERVICES		21,630	49,000	49,000	8,000	49,000	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1140-200-650.01	1,910	2,000	2,000	2,000	2,000	-	0.00%
Utilities Electric, Water, Sewer & Garbage	101-1140-200-650.02	26	100	100	100	100	-	0.00%
Total UTILITIES		1,936	2,100	2,100	2,100	2,100	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay M&E-Computers Printers & Copier	101-1140-200-790.26	598	4,500	4,500	4,500	4,500	-	0.00%
Total MINOR CAPITAL OUTLAY		598	4,500	4,500	4,500	4,500	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1140-200-825.01	6,022	9,090	12,890	12,890	12,890	3,800	41.80%
Interdepartmental Charges Garage Charges	101-1140-200-850.01	-	-	1,000	1,000	3,500	3,500	-
Total INTERDEPARTMENTAL CHARGES		6,022	9,090	13,890	13,890	16,390	7,300	80.31%
Total Expenditures		479,837	696,664	700,464	489,415	674,480	-22,184	-3.18%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries & Wages: \$329,320 – This account provides expenditures for the cost of the annual salaries paid to the employees of the Human Resources Division.

502.01 Temporary Wages: \$1,500 - This account provides expenditures for the cost of hiring a temporary employee when the Office Manager goes on leave for an extended period.

505.00 Payroll Taxes: \$25,300 – This account provides expenditure for employer contributions to Social Security, Medicare and other similar payroll taxes.

506.00 Pension: \$75,740 – This account provides expenditure for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$97,620 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$850 – This account provides expenditures for employer contributions to workers' compensation.

508.00 Other Benefits: \$11,280 – This account provides 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: \$3,800 – This account provides expenditures for expendable office supply items such as pens, markers, paper, tape, paperclips, files, staples, envelopes, notepads, correction tape, post-its, etc.

510.02 Operating Supplies: \$25,000 – This account provides expenditures for costs associated with service recognition pins and retirement watches awarded to employees; employee recognition gifts; new and updated State and Federal Labor Compliance poster kits; printing of forms such as PAF's; maintenance items for department printer and the cost of supplies and services for the annual employee appreciation Holiday Party.

- 510.03 Safety Program Supplies: \$250** – This account provides expenditures for the cost of supplies utilized to conduct ongoing safety programs for both General Government and Ketchikan Public Utilities.
- 520.02 Postage: \$140** – This account provides expenditures for the costs of postal related services such as postage and mailing materials.
- 530.03 Professional & Technical Publications: \$550** – This account provides expenditures for costs associated with subscriptions to the Alaska Labor & Employment Law, Personnel Problems in Alaska; and updates to the Fair Labor Standards Act and the Family Medical Leave Handbook.
- 600.02 Travel & Training: \$3,000** - This account provides expenditures for costs associated with transportation, lodging, per diem/meals and other incidental travel expenses by the Safety Coordinator and staff to attend the annual IPMA-HR or SHRM conference.
- 600.03 Training & Education: \$10,000** – This account provides expenditures for required annual sexual harassment training and for the Safety Coordinator to attend the IPMA-HR or SHRM annual conference.
- 605.01 Ads & Public Announcements: \$5,000** - This account provides expenditures for costs associated with advertising for a Human Resources Manager.
- 615.02 Assn. Membership Dues & Fees: \$575** – This account provides expenditures for the costs associated with the membership in the Society for Human Resources Management Association and the International Personnel Management Association, as well as annual consortium fees for Tongass Substance Screening.
- 635.07 Machinery & Equipment Maintenance Services: \$2,500** – This account provides expenditures for services for routine and non-routine maintenance associated with equipment located in the 3rd floor copier room.
- 635.12 Technical Services: \$10,000** – This account provides expenditures for the expenses associated with employee background checks and drug testing services for all random, post-accident and DOT screens for current employees.
- 640.01 Legal & Accounting Services: \$14,000** – This account provides expenditures for the expense of grievance and disciplinary appeal arbitration hearings for General Government and KPU employees.
- 640.04 Management & Consulting Services: \$35,000** – This account provides expenditures for the costs associated with travel expenses and professional fees paid to a new firm to negotiate the collective bargaining agreement with the International Brotherhood of Electrical Workers, Local 1547 for represented employees within Public Works and Clerical unit, which expires on December 31, 2026.
- 650.01 Telecommunications: \$2,000** – This account provides expenditures for monthly cell phone charges, long-distance services, long-distance facsimile transmissions, line rentals and maintenance of the phone system in the Human Resources Offices.
- 650.02 Electric, Water, Sewer & Solid Waste: \$100** – This account provides expenditures for the costs associated with the destruction of records for the division, which have reached the end of their retention life.
- 790.26 Minor Computers, Printers & Copiers: \$4,500** - This account provides expenditures for the cost associated with a new computer, monitor, printer and to replace a UPS battery backup for the Human Resources Manager per the replacement schedule developed by the Information Technology Department.
- 825.01 Interdepartmental Charges - Insurance: \$12,890** – This account provides expenditures for the division's share of the City's risk management program

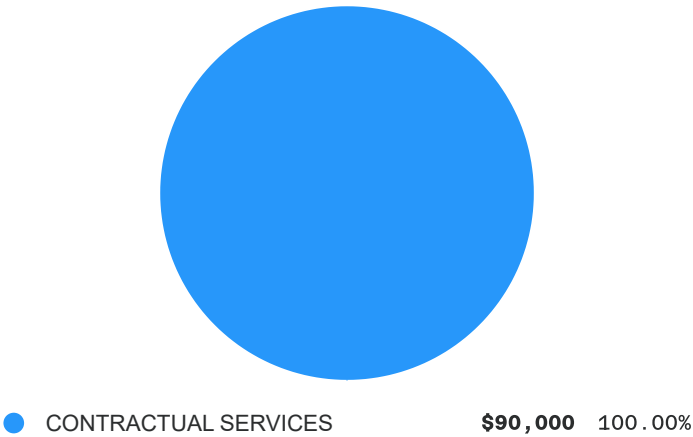
Grant Writer Program

The Grant Writer Program was established to account for the resources used to support the services needed to search grant opportunities, write compelling grant proposals to acquire funding, and work with our leadership team to ensure we have enough capital each year. This account is used for general government departments who are engaging with grant-writing consultants.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	53,000	90,000	90,000	60,000	90,000	-	0.0%
Total Funding	53,000	90,000	90,000	60,000	90,000	-	0.0%

2026 Expenditures by Category



Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- There are no significant changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Amended	2025 Adopted	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
CONTRACTUAL SERVICES								
Contractual Services Other	101-1140-160-	53,000	90,000	90,000	60,000	90,000	-	0.00%
Contractual Services	635.14							
Total CONTRACTUAL SERVICES		53,000	90,000	90,000	60,000	90,000	-	0.00%
Total Expenditures		53,000	90,000	90,000	60,000	90,000	-	0.00%

Operating Account Narrative

635.14 Other Contractual Services: \$90,000 - This account provides for contractual services for the Grant Writer Program.

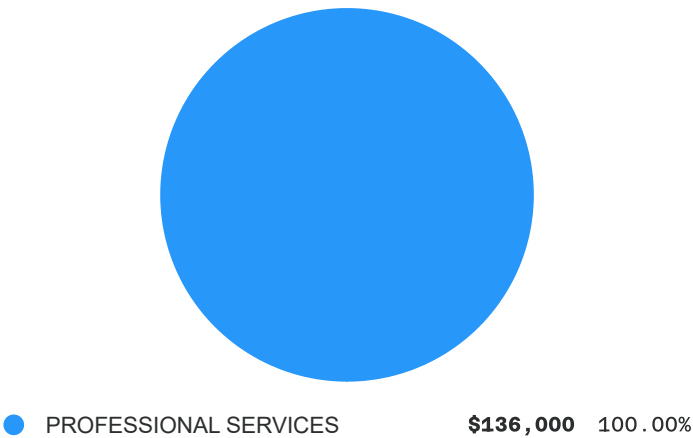
Rural Housing Coordinator Program

The Rural Housing Coordinator Program was established after the City received one-year grant funds from the Alaska Housing Finance Corporation. The purpose of the program is to support the delivery of homeless prevention services. In coordination with other local agencies, the goal of the program is to maximize resources within the community to address homelessness or housing inequality. This grant funded program will expire in 2025, after which time the program may end or continue should funding be made available.

Funding Source

	2024	2025	2025	2025	2026	Increase/	%
	Actual	Adopted	Amended	Estimate	Budget	Decrease	Change
General Fund	100,000	136,000	136,000	100,000	136,000	-	0.0%
Total Funding	100,000	136,000	136,000	100,000	136,000	-	0.0%

2026 Expenditures by Category



Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- There are no significant changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PROFESSIONAL SERVICES								
Professional Services Management & Consulting Services	101-1140-192-640.04	100,000	136,000	136,000	100,000	136,000	-	0.00%
Total PROFESSIONAL SERVICES		100,000	136,000	136,000	100,000	136,000	-	0.00%
Total Expenditures		100,000	136,000	136,000	100,000	136,000	-	0.00%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

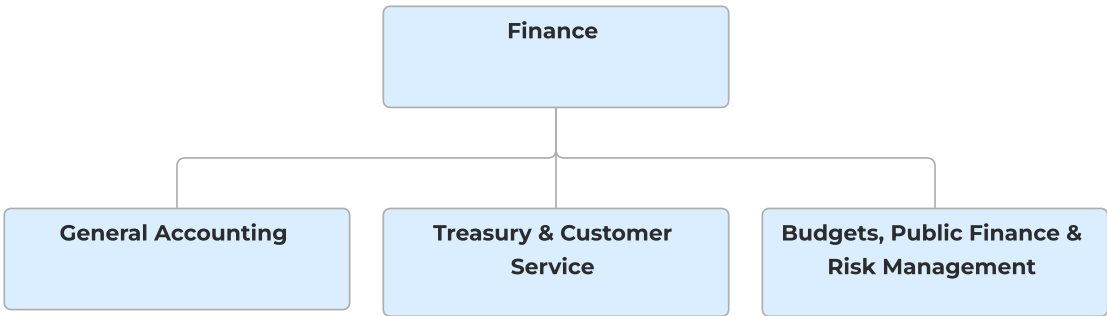
Operating Account Narrative

640.04 Management and Consulting Services: \$136,000 - This account provides expenditures for services for management and consulting services associated with rural housing development.

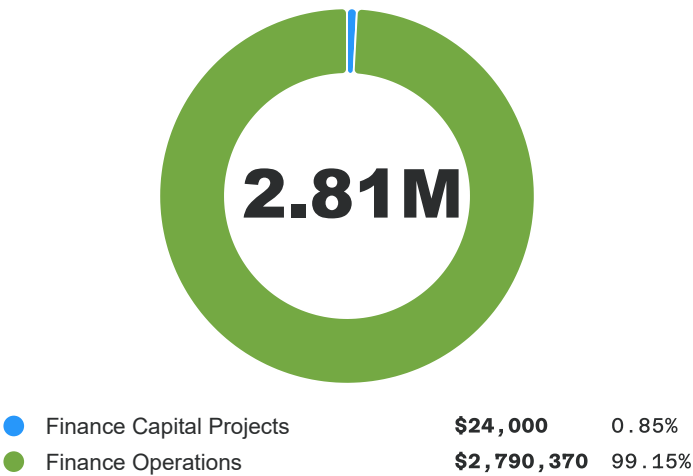
Finance

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 one operating division that encompasses three functional units and one Capital Improvement Program.



2026 Expenditures by Activity



Expenditures by Detail Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Finance Operations	2,262,625	2,725,188	2,732,588	2,376,230	2,790,370	65,182	2.39%
Finance Capital Projects	6,362	20,000	20,000	500	24,000	4,000	20.00%
Total Expenditures	2,268,987	2,745,188	2,752,588	2,376,730	2,814,370	69,182	2.52%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	1,857,831	2,238,488	2,238,488	1,909,610	2,288,870	50,382	2.25%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
GENERAL SUPPLIES	29,987	27,250	26,980	26,980	27,250	-	0.00%
POSTAGE AND FREIGHT	7,805	10,500	10,500	10,500	10,500	-	0.00%
BOOKS AND PERIODICALS	-	1,800	1,800	1,500	1,800	-	0.00%
ALLOWANCES	141	400	670	500	1,150	750	187.50%
TRAVEL AND EDUCATION	3,786	20,000	20,000	17,500	20,000	-	0.00%
ADVERTISING AND PUBLISHING	166	500	500	500	500	-	0.00%
DUES AND MEMBERSHIPS	595	1,500	1,500	1,500	1,500	-	0.00%
PERMITS, LICENSES AND FEES	40,115	64,600	62,300	49,600	64,600	-	0.00%
CONTRACTUAL SERVICES	118,507	155,000	155,000	145,275	152,850	-2,150	-1.39%
PROFESSIONAL SERVICES	159,894	140,000	140,000	138,500	145,500	5,500	3.93%
RENTS AND LEASES	684	750	750	750	1,000	250	33.33%
UTILITIES	7,747	8,050	10,350	10,000	10,500	2,450	30.43%
MAJOR CAPITAL OUTLAY	6,362	20,000	20,000	500	24,000	4,000	20.00%
MINOR CAPITAL OUTLAY	8,081	15,150	15,150	14,915	15,750	600	3.96%
INTERDEPARTMENTAL CHARGES	27,286	41,200	48,600	48,600	48,600	7,400	17.96%
Total Expenditures	2,268,987	2,745,188	2,752,588	2,376,730	2,814,370	69,182	2.52%

Funding Source

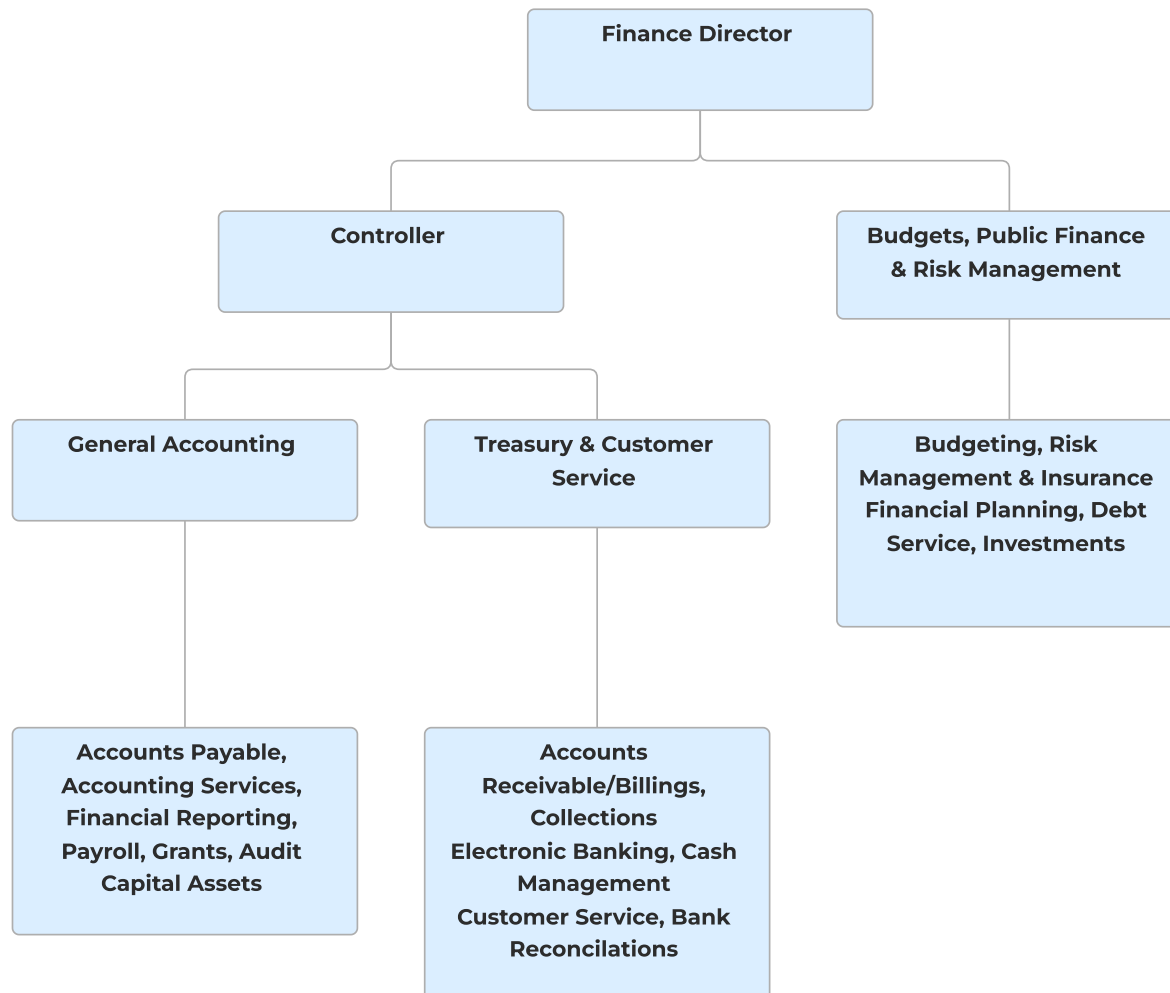
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	953,751	845,348	852,748	737,110	874,390	29,042	3.4%
Public Works Sales Tax	6,362	20,000	20,000	500	-	(20,000)	-100.0%
Solid Waste Fund	77,359	83,940	83,940	73,180	86,630	2,690	3.2%
Wastewater Fund	59,575	71,130	71,130	62,020	73,400	2,270	3.2%
Harbor Fund	40,014	41,420	41,420	36,120	42,750	1,330	3.2%
Port Enterprise Fund	97,143	394,330	394,330	343,840	406,950	12,620	3.2%
KPU Enterprise Fund	1,034,783	1,280,840	1,280,840	1,116,830	1,321,810	40,970	3.2%
Tourism - CPV Fund	-	8,180	8,180	7,130	8,440	260	3.2%
Total Funding	2,268,987	2,745,188	2,752,588	2,376,730	2,814,370	69,182	2.5%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	15.00	16.00	15.00	15.00	1,372,470	(1.00)	-6.7%
Total	15.00	16.00	15.00	15.00	1,372,470	(1.00)	-6.7%

Finance Operations

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.



Goals for 2026

- Complete the City's 2025 Financial and Compliance Audit by May 31, 2026.
- Continue the process updating and documenting written procedures to incorporate the City's accounting, human resources and utility billing systems.
- Continue to provide annual training for purchasing and compliance with the KMC.
- Continue to assist all departments with budgeting, purchasing, accounts payable, payroll, billing and collections, financing capital purchases, asset management, insurance, and financial reporting needs.
- Continue refining processes in the new budgeting software.
- Provide training for departments to complete their 2027 budget narratives within the ClearGov software.
- Work with Raftelis on a rate study of Water and Wastewater.
- Support the KPU General Manager and Human Resources through the KPU International Brotherhood of Electrical Workers collective bargaining agreement negotiation process.
- Support the transition of the new City Manager/KPU General Manager.

2025 Accomplishments

- Completed the City's 2024 Financial and Compliance Audit. The City received a clean opinion and there were no single audit findings for the current year.
- Completed, in conjunction with the office of the City Manager/KPU General Manager, the proposed 2025 General Government and KPU Operating and Capital Budgets with their respective 2025-2029 Capital Improvement Programs.
- Successfully transitioned the City and KPU's budgeting process into the ClearGov software and provided budget entry training to departments.
- Worked with Raftelis to begin a rate study of the Electric and Wastewater divisions.
- Assisted the City Manager/KPU General Manager in providing financial information for Collective Bargaining Agreement negotiations between the City and City-International Brotherhood of Electrical Workers, Local 1547, the Police Department - Public Safety Employee Association (PSEA) employees and the International Association of Fire Fighters Union, Local 2761.
- In response to the Cruise Passenger Impact Study, worked with various departments to review rates and current procedures related to payment in lieu of taxes and interdepartmental charges to ensure resources are allocated appropriately.
- Applied for a certificate of achievement in excellence in financial reporting from the Government Finance Officers Association for the City's 2024 Financial and Compliance Audit. If awarded, this will be the City's 46th certificate, the most awarded to a municipality in the State of Alaska.
- Continued strengthening internal controls and procedures.
- Worked with City Manager and Human Resources to revise the City's Longevity Policy and develop a Leave Payout Policy.
- Recruited Rye Denny from KPU Customer Service to fill a vacant Customer Service II position.
- Recruited Alicia Birch to fill our Accounts Payable Technician position that was vacant due to an internal promotion.

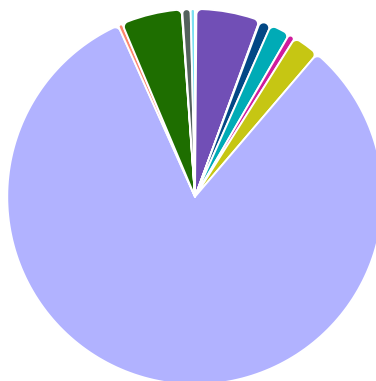
Funding Source

	2024	2025	2025	2025	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Estimate	Budget		
General Fund	953,751	845,348	852,748	737,110	850,390	5,042	0.6%
Solid Waste Fund	77,359	83,940	83,940	73,180	86,630	2,690	3.2%
Wastewater Fund	59,575	71,130	71,130	62,020	73,400	2,270	3.2%
Harbor Fund	40,014	41,420	41,420	36,120	42,750	1,330	3.2%
Port Enterprise Fund	97,143	394,330	394,330	343,840	406,950	12,620	3.2%
KPU Enterprise Fund	1,034,783	1,280,840	1,280,840	1,116,830	1,321,810	40,970	3.2%
Tourism - CPV Fund	-	8,180	8,180	7,130	8,440	260	3.2%
Total Funding	2,262,625	2,725,188	2,732,588	2,376,230	2,790,370	65,182	2.4%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/	%
	Actual	Adopted	Amended	Budget	Salary	Decrease	Change
Finance Director	1.00	1.00	1.00	1.00	173,240	-	0.0%
Controller	1.00	1.00	1.00	1.00	143,640	-	0.0%
Treasury & Customer Service Supervisor	1.00	1.00	1.00	1.00	88,910	-	0.0%
Senior Accountant - Telecom	1.00	1.00	1.00	1.00	102,630	-	0.0%
Senior Accountant - Electric/Water	1.00	1.00	1.00	1.00	103,180	-	0.0%
Senior Accountant - General Gov't	1.00	1.00	1.00	1.00	101,660	-	0.0%
Staff Accountant	2.00	2.00	2.00	2.00	175,240	-	0.0%
Financial Analyst	1.00	1.00	1.00	1.00	92,100	-	0.0%
Compliance/Procurement Officer	-	1.00	-	-	-	(1.00)	-100.0%
Accounts Payable Coordinator	1.00	1.00	1.00	1.00	75,500	-	0.0%
Accounts Payable Technician	1.00	1.00	1.00	1.00	56,940	-	0.0%
Payroll Coordinator	1.00	1.00	1.00	1.00	75,790	-	0.0%
Customer Service Representative I	1.00	1.00	-	-	-	(1.00)	-100.0%
Customer Service Representative II	1.00	1.00	2.00	2.00	130,000	1.00	50.0%
Office Services Technican	1.00	1.00	1.00	1.00	53,640	-	0.0%
Total	15.00	16.00	15.00	15.00	1,372,470	(1.00)	-6.7%

2026 Expenditures by Category



● ADVERTISING AND PUBLISHING	\$500	0.02%
● ALLOWANCES	\$1,150	0.04%
● BOOKS AND PERIODICALS	\$1,800	0.06%
● CONTRACTUAL SERVICES	\$152,850	5.48%
● DUES AND MEMBERSHIPS	\$1,500	0.05%
● GENERAL SUPPLIES	\$27,250	0.98%
● INTERDEPARTMENTAL CHARGES	\$48,600	1.74%
● MINOR CAPITAL OUTLAY	\$15,750	0.56%
● PERMITS, LICENSES AND FEES	\$64,600	2.32%
● PERSONNEL SERVICES AND BENEFITS	\$2,288,870	82.03%
● POSTAGE AND FREIGHT	\$10,500	0.38%
● PROFESSIONAL SERVICES	\$145,500	5.21%
● RENTS AND LEASES	\$1,000	0.04%
● TRAVEL AND EDUCATION	\$20,000	0.72%
● UTILITIES	\$10,500	0.38%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Other Benefits (Account 508.00) increased by \$21,710 or 40.63% due to three long-term employees who are eligible for retirement, increasing the cost of this account.
- Interdepartmental Charges - Insurance (Account 825.01) increased by \$7,400 or 17.96% due to increases in insurance premiums and estimates for 2025 claims that have impacted what must be factored in to the 2026 budget.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1150-110-500.01	1,167,172	1,352,661	1,352,661	1,186,900	1,372,470	19,809	1.46%
Personnel Services and Wages - Regular Longevity Bonus	101-1150-110-500.05	17,150	18,400	18,400	18,400	21,150	2,750	14.95%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1150-110-501.01	5,792	11,500	11,500	8,500	11,500	-	0.00%
Personnel Services and Wages - Temporary Wages	101-1150-110-502.01	9,278	20,000	20,000	2,500	20,000	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1150-110-505.00	88,836	107,500	107,500	91,670	109,040	1,540	1.43%
Personnel Benefits - Pension Budget Only	101-1150-110-506.00	257,044	300,150	300,150	264,500	305,210	5,060	1.69%
Personnel Benefits - Insurance Budget Only	101-1150-110-507.00	274,562	370,897	370,897	279,760	370,480	-417	-0.11%
Personnel Benefits - Insurance Worker's Compensation	101-1150-110-507.30	2,783	3,790	3,790	3,790	3,720	-70	-1.85%
Personnel Benefits - Other Budget Only	101-1150-110-508.00	35,214	53,440	53,440	53,440	75,150	21,710	40.63%
Payroll Allowances Medical Expense	101-1150-110-509.08	-	150	150	150	150	-	0.00%
Total PERSONNEL SERVICES AND BENEFITS		1,857,831	2,238,488	2,238,488	1,909,610	2,288,870	50,382	2.25%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1150-110-510.01	25,787	21,000	21,000	21,000	21,000	-	0.00%
General Supplies Operating Supplies	101-1150-110-510.02	4,200	6,000	5,730	5,730	6,000	-	0.00%
General Supplies Small Tools & Equipment	101-1150-110-510.05	-	250	250	250	250	-	0.00%
Total GENERAL SUPPLIES		29,987	27,250	26,980	26,980	27,250	-	0.00%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1150-110-520.02	7,805	10,500	10,500	10,500	10,500	-	0.00%
Total POSTAGE AND FREIGHT		7,805	10,500	10,500	10,500	10,500	-	0.00%
BOOKS AND PERIODICALS								
Books and Periodicals Professional & Technical Pubs	101-1150-110-530.03	-	1,800	1,800	1,500	1,800	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Total BOOKS AND PERIODICALS		-	1,800	1,800	1,500	1,800	-	0.00%
ALLOWANCES								
Allowances Business and Meal Expense	101-1150-110-535.02	-	250	520	350	1,000	750	300.00%
Allowances Food & Catering	101-1150-110-535.07	141	150	150	150	150	-	0.00%
Total ALLOWANCES		141	400	670	500	1,150	750	187.50%
TRAVEL AND EDUCATION								
Travel and Education Travel - Business	101-1150-110-600.01	-	2,000	2,000	2,000	2,000	-	0.00%
Travel and Education Travel - Training	101-1150-110-600.02	1,936	10,000	10,000	7,500	10,000	-	0.00%
Travel and Education Training and Education	101-1150-110-600.03	1,850	8,000	8,000	8,000	8,000	-	0.00%
Total TRAVEL AND EDUCATION		3,786	20,000	20,000	17,500	20,000	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1150-110-605.01	166	500	500	500	500	-	0.00%
Total ADVERTISING AND PUBLISHING		166	500	500	500	500	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Professional Lic. and Certs.	101-1150-110-615.01	-	500	500	500	500	-	0.00%
Dues and Memberships Assoc. Membership Dues & Fees	101-1150-110-615.02	595	1,000	1,000	1,000	1,000	-	0.00%
Total DUES AND MEMBERSHIPS		595	1,500	1,500	1,500	1,500	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Bank & Merchant Fees	101-1150-110-630.03	35,568	60,000	57,700	45,000	60,000	-	0.00%
Licenses and Fees Service Charges and Fees	101-1150-110-630.06	4,547	4,600	4,600	4,600	4,600	-	0.00%
Total PERMITS, LICENSES AND FEES		40,115	64,600	62,300	49,600	64,600	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	101-1150-110-635.04	109,003	147,500	147,500	137,775	145,350	-2,150	-1.46%
Contractual Services Machinery & Equipment Maint. Svc	101-1150-110-635.07	6,640	7,500	7,500	7,500	7,500	-	0.00%
Contractual Services Technical Services	101-1150-110-635.12	2,864	-	-	-	-	-	-
Total CONTRACTUAL SERVICES		118,507	155,000	155,000	145,275	152,850	-2,150	-1.39%
PROFESSIONAL SERVICES								
Professional Services Legal & Accounting Services	101-1150-110-640.01	104,750	108,500	108,500	108,500	113,500	5,000	4.61%
Professional Services Information Technology Services	101-1150-110-640.03	-	1,500	1,500	-	2,000	500	33.33%
Professional Services Management & Consulting	101-1150-110-640.04	55,144	30,000	30,000	30,000	30,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Services								
Total PROFESSIONAL SERVICES		159,894	140,000	140,000	138,500	145,500	5,500	3.93%
RENTS AND LEASES								
Rents and Leases Machinery & Equipment	101-1150-110-645.02	684	750	750	750	1,000	250	33.33%
Total RENTS AND LEASES		684	750	750	750	1,000	250	33.33%
UTILITIES								
Utilities Telecommunications	101-1150-110-650.01	7,588	7,700	10,000	10,000	10,500	2,800	36.36%
Utilities Electric, Water, Sewer & Garbage	101-1150-110-650.02	159	350	350	-	-	-350	-
Total UTILITIES		7,747	8,050	10,350	10,000	10,500	2,450	30.43%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1150-110-790.15	1,847	500	500	500	500	-	0.00%
Minor Capital Outlay Machinery & Equipment	101-1150-110-790.25	-	1,500	3,415	3,415	1,500	-	0.00%
Minor Capital Outlay M&E-Computers Printers & Copier	101-1150-110-790.26	6,234	13,150	11,235	11,000	13,750	600	4.56%
Total MINOR CAPITAL OUTLAY		8,081	15,150	15,150	14,915	15,750	600	3.96%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1150-110-825.01	27,286	41,200	48,600	48,600	48,600	7,400	17.96%
Total INTERDEPARTMENTAL CHARGES		27,286	41,200	48,600	48,600	48,600	7,400	17.96%
Total Expenditures		2,262,625	2,725,188	2,732,588	2,376,230	2,790,370	65,182	2.39%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$1,372,470 – This account provides expenditures for compensation paid to regular employees for personnel services.

500.05 Longevity Pay: \$21,150 – Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$11,500 – This account provides expenditures for compensation paid to non-exempt regular and temporary employees for hours worked in excess of a regular working cycle.

502.01 Temporary Wages: \$20,000 – This account provides expenditures for compensation paid for temporary help during staff absences or during periods when workloads are unusually heavy.

505.00 Payroll Taxes: \$109,040 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll taxes.

506.00 Pension: \$305,210 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$370,480 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$3,720 – This account provides expenditures for employer contributions for mandatory workers compensation insurance.

508.00 Other Benefits: \$75,150 – This account provides expenditures 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 expenditures for employee medical exams paid directly to employees.

510.01 Office Supplies: \$21,000 – This account provides expenditures for expendable office supplies.

510.02 Operating Supplies: \$6,000 – This account provides expenditures for supplies that are not of a maintenance nature and are required to support division operations. It also provides expenditures for annual parking permits for Finance department staff.

510.05 Small Tools and Equipment: \$250 – This account provides expenditures for calculators, space heaters and minor computer accessories.

520.02 Postage: \$10,500 – This account provides expenditures for postage and mailing materials used for customer invoices and statements for City services and general correspondence.

530.03 Professional and Technical Publications: \$1,800 - This account provides expenditures for professional literature, technical publications and a subscription to an electronic database used to keep current with accounting and auditing standards and financial management practices.

535.02 Allowances - Business and Meals: \$1,000 - This account provides expenditures for employee anniversaries and recognition.

535.07 Allowances - Food and Catering: \$150 - This account provides expenditures for the occasional meal or snacks for city-wide and department training.

600.01 Travel - Business: \$2,000 Expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business and trade meetings.

600.02 Travel – Training: \$10,000 – This account provides expenditures 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: \$8,000 – This account provides expenditures for the registration fees, training materials and fees for training programs. Included are an annual governmental accounting update for the professional staff, industry specific training for the utility accountants, and training for the new financial and accounting information system.

605.01 Ads and Public Announcements: \$500 – This account provides expenditures for legal notices and community information notices.

615.01 Professional Licenses & Certifications: \$500 – This account provides expenditures for licensing professional employees requiring a license in order to perform their duties.

615.02 Assn. Membership Dues & Fees: \$1,000 – This account provides expenditures for membership fees for the American Institute of Certified Public Accountants, Government Finance Officers Association, Northern Credit Bureau, American Payroll Association

and American Accounts Payable Association.

630.03 Bank & Merchant Fees: \$60,000– This account provides expenditures for account maintenance fees for the City's primary bank account, credit card equipment and transaction fees, and fees for storing customer credit card information.

630.06 Service Charges and Fees: \$4,600 – This account provides expenditures for application fees required for the review of the City's Comprehensive Annual Financial Report by the Government Finance Officers Association, escrow fees for the source code for the financial management and accounting system, mandatory fees paid to the State of Alaska for administering the Statewide FICA Program and mandatory patient centered outcome research fees arising from the health reimbursement accounts paid to the IRS.

635.04 Software Maintenance Services: \$145,350 – This account provides expenditures for the annual software maintenance support agreement for the financial management and accounting system, netDuty time-keeping software and an electronic budgeting software.

635.07 Machinery and Equipment Maintenance Services: \$7,500 – This account provides expenditures for the maintenance service agreements for office equipment, copiers and document scanners.

640.01 Legal and Accounting Services: \$113,500 – This account provides expenditures 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.

640.03 Information Technology Services: \$2,000 – The account provides expenditures for technical assistance required to install upgrades to the financial accounting and management system.

640.04 Management and Consulting Services: \$30,000 – The account provides expenditures for management and consulting services required to improve workflow processes and comply with industry or governmental rules and regulations. Included in this request is funding for a third-party review of the City's compliance with Payment Card Industry Data Security Standards. Merchants accepting credit cards are mandated by the credit card companies to adhere to these standards.

645.02 Rents and Leases – Machinery and Equipment: \$1,000 – This account provides expenditures for the lease of the postage meter.

650.01 Telecommunications: \$10,500 – This account provides expenditures for the monthly charges, long-distance services, long-distance facsimile transmission, line rentals and maintenance of the phone system.

790.15 Furniture and Fixtures: \$500 – This account provides expenditures for the purchase of minor office furniture and fixtures in the event of needed replacements.

790.25 Machinery and Equipment: \$1,500 – This account provides expenditures for the purchase of minor machinery and equipment in the event of needed replacements.

790.26 Computers, Printers and Copiers: \$13,750 – This account provides expenditures for the replacement of four workstations, three monitors, two laptops, and one printer as recommended by the Information Technology Department. The replacement schedule is predicated on replacing personal computers every five years.

825.01 Interdepartmental Charges-Insurance: \$48,600 – This account provides expenditures for the department's share of the City's risk management program.

Finance Capital Program

2026 Expenditures by Type



● Machinery & Equipment \$24,000 100.00%

Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Machinery & Equipment	-	-	-	-	24,000	24,000	-
Software	6,362	20,000	20,000	500	-	-20,000	-
Total Expenditures	6,362	20,000	20,000	500	24,000	4,000	20.00%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Activity

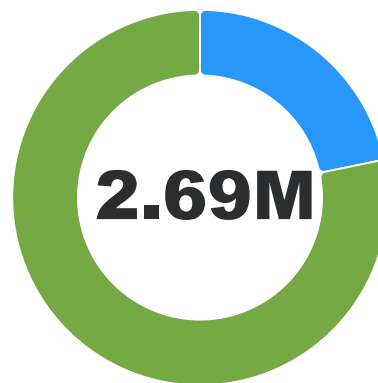
Category	2026 Budget
Capital Projects	
General Fund	
Machinery & Equipment General	24,000
Folder Inserter Machine Replacement	24,000
Total General Fund	24,000
Total Capital Projects	24,000
Total Expenditures	24,000

Information Technology

The mission of the Information Technology Department is to deliver efficient, responsive, and forward-thinking technology services to all City and Ketchikan Public Utilities departments. We are responsible for the comprehensive management and security of data across the City's central systems, the support of personal computing devices and networks, and the provision of expert system evaluation, design, and programming. We maintain a steadfast commitment to safeguarding the integrity of information while enabling secure and seamless access for external vendors. Our department is dedicated to aligning emerging technologies with the strategic needs of City and Utility departments, ensuring that all technological advancements are both cost-effective and beneficial to the organization.

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

2026 Expenditures by Activity



Capital Projects	\$586,667	21.77%
Operations	\$2,108,110	78.23%

Expenditures by Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	1,458,736	2,026,523	1,986,392	1,788,867	2,108,110	81,587	4.03%
Capital Projects	539,750	389,000	432,451	365,333	586,667	197,667	50.81%
Grants	-	63,500	63,500	63,500	-	-63,500	-
Total Expenditures	1,998,486	2,479,023	2,482,343	2,217,700	2,694,777	215,754	8.70%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	1,011,174	1,343,633	1,343,633	1,212,030	1,384,430	40,797	3.04%
GENERAL SUPPLIES	22,044	34,150	35,150	33,150	40,800	6,650	19.47%
POSTAGE AND FREIGHT	652	2,000	2,000	2,000	5,200	3,200	160.00%
FUELS/LUBRICANTS/ENERGY COSTS	294	1,000	1,000	500	1,500	500	50.00%
TRAVEL AND EDUCATION	2,460	6,000	6,000	5,977	6,000	-	0.00%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
ADVERTISING AND PUBLISHING	1,198	4,500	3,500	500	2,500	-2,000	-44.44%
PERMITS, LICENSES AND FEES	10	20	20	20	20	-	0.00%
CONTRACTUAL SERVICES	222,637	378,750	375,299	329,500	369,200	-9,550	-2.52%
PROFESSIONAL SERVICES	-	75,000	35,000	35,000	40,000	-35,000	-46.67%
RENTS AND LEASES	16,955	38,500	38,500	36,500	43,000	4,500	11.69%
UTILITIES	84,192	89,880	89,880	85,880	94,750	4,870	5.42%
MAJOR CAPITAL OUTLAY	539,650	389,000	432,451	365,333	586,667	197,667	50.81%
MINOR CAPITAL OUTLAY	84,874	95,000	95,000	86,400	95,800	800	0.84%
INTERDEPARTMENTAL CHARGES	19,846	29,090	32,410	32,410	32,410	3,320	11.41%
REIMBURSABLE CREDITS	-7,500	-7,500	-7,500	-7,500	-7,500	-	0.00%
Total Expenditures	1,998,486	2,479,023	2,482,343	2,217,700	2,694,777	215,754	8.70%

Funding Source

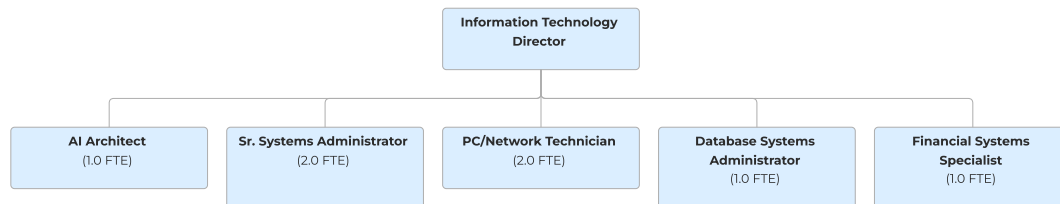
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	775,543	1,163,783	1,167,103	1,041,340	1,302,657	138,874	11.2%
Solid Waste Fund	69,396	76,330	76,330	67,860	84,890	8,560	11.2%
Wastewater Fund	53,443	64,690	64,690	57,520	71,950	7,260	11.2%
Harbor Fund	35,894	37,560	37,560	33,390	41,770	4,210	11.2%
Port Enterprise Fund	87,144	96,680	96,680	85,950	107,520	10,840	11.2%
KPU Enterprise Fund	977,066	969,210	969,210	861,680	1,077,910	108,700	11.2%
Tourism - CPV Fund	-	7,270	7,270	6,460	8,080	810	11.1%
Grants	-	63,500	63,500	63,500	-	(63,500)	-100.0%
Total Funding	1,998,486	2,479,023	2,482,343	2,217,700	2,694,777	215,754	8.7%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	8.00	8.00	8.00	8.00	812,840	-	0.0%
Total	8.00	8.00	8.00	8.00	812,840	-	0.0%

Information Technology Operations

The mission of the Information Technology Department is to deliver efficient, responsive, and forward-thinking technology services to all City and Ketchikan Public Utilities departments. We are responsible for the comprehensive management and security of data across the City's central systems, the support of personal computing devices and networks, and the provision of expert system evaluation, design, and programming. We maintain a steadfast commitment to safeguarding the integrity of information while enabling secure and seamless access for external vendors. Our department is dedicated to aligning emerging technologies with the strategic needs of City and Utility departments, ensuring that all technological advancements are both cost-effective and beneficial to the organization.



Goals for 2026

- **Finalize migration of all City sites onto the new network infrastructure.** Complete the citywide transition to the upgraded IT network environment and initiate a lifecycle replacement plan to ensure the system remains modern, reliable, and future proof.
- **Reduce technical debt and streamline systems.** Consolidate legacy platforms and retire underutilized applications to improve efficiency, security, and long-term maintainability.
- **Establish an Artificial Intelligence governance framework.** Develop policies and standards to guide the ethical, transparent, and secure deployment of AI, machine learning, and automation technologies across City operations.
- **Advance automation through departmental partnerships.** Work with departments to identify two to three high-impact workflows where automation can deliver measurable savings and enhanced service delivery.
- **Expand virtualization capacity with GPU-focused hosts.** Add specialized hypervisor resources to support the growing demands of GIS, AI and automation initiatives, ensuring scalability and system resilience.
- **Pilot citizen-facing digital services.** Collaborate with departments to launch self-service portals such as online permitting, automated payment support, and AI-powered tools, improving accessibility and convenience for residents.
- **Pursue funding opportunities for modernization.** Seek grants and alternative funding sources to offset the cost of technology upgrades on residents and support continued investment in innovative services.

2025 Accomplishments

- Major progress made with comprehensive overhaul of the City's IT network, Multiple departments have been moved to the new infrastructure, and we are working with KPU to schedule move of the remaining sites.
- Markedly reduced network latency, enhancing reliability and responsiveness across all departments.
- We replaced much of the office furniture within the IT department to create a more organized and pleasant workspace for staff.
- We procured a second vehicle for the IT department to minimize the need for staff to use personal vehicles for work-related tasks. This was a surplus vehicle from another City department.
- Expanded or primary server cluster by adding two additional host servers. This addition provided the necessary capacity to support our ever-evolving software and systems infrastructure and ensure adequate redundancy for scheduled maintenance and unforeseen hardware failures.
- Development of in-house Artificial Intelligence and Machine Learning & Automation services underway. We are starting to develop in-house tools to streamline workflows. We are focusing efforts on tools that will free up staff time for other more complex tasks. Our goal is to continue to integrate emerging technologies that have the potential to streamline and enhance City operations.
- Supported a robust organizational network that includes 236+ workstations, 81+ laptops, 80+ virtual & physical servers, 106+ printers, and a wide array of mobile devices.

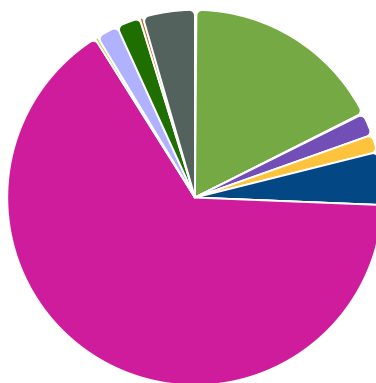
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	513,008	975,741	958,055	864,738	1,019,062	43,321	4.4%
Solid Waste Fund	52,394	64,076	62,708	56,352	66,410	2,334	3.6%
Wastewater Fund	39,032	54,304	53,144	47,766	56,286	1,982	3.6%
Harbor Fund	27,528	31,530	30,857	27,727	32,677	1,147	3.6%
Port Enterprise Fund	65,608	81,159	79,425	71,373	84,112	2,953	3.6%
KPU Enterprise Fund	761,166	813,610	796,230	715,547	843,243	29,633	3.6%
Tourism - CPV Fund	-	6,103	5,973	5,364	6,320	217	3.6%
Total Funding	1,458,736	2,026,523	1,986,392	1,788,867	2,108,110	81,587	4.0%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Information Technology Director	1.00	1.00	1.00	1.00	144,320	-	0.0%
Sr. Systems Administrator	2.00	2.00	2.00	2.00	236,640	-	0.0%
Sr. Programmer/Analyst	1.00	-	-	-	-	-	0.0%
Artificial Intelligence Solutions Architect	-	1.00	1.00	1.00	114,350	-	0.0%
Database System Administrator	1.00	1.00	1.00	1.00	96,690	-	0.0%
PC/Network Technician	2.00	2.00	2.00	2.00	150,540	-	0.0%
Financial Systems Specialist	1.00	1.00	1.00	1.00	70,300	-	0.0%
Total	8.00	8.00	8.00	8.00	812,840	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$2,500	0.12%
CONTRACTUAL SERVICES	\$369,200	17.51%
FUELS/LUBRICANTS/ENERGY COSTS	\$1,500	0.07%
GENERAL SUPPLIES	\$40,800	1.94%
INTERDEPARTMENTAL CHARGES	\$32,410	1.54%
MINOR CAPITAL OUTLAY	\$95,800	4.54%
PERMITS, LICENSES AND FEES	\$20	0.00%
PERSONNEL SERVICES AND BENEFITS	\$1,384,430	65.67%
POSTAGE AND FREIGHT	\$5,200	0.25%
PROFESSIONAL SERVICES	\$40,000	1.90%
REIMBURSABLE CREDITS	-\$7,500	-0.36%
RENTS AND LEASES	\$43,000	2.04%
TRAVEL AND EDUCATION	\$6,000	0.28%
UTILITIES	\$94,750	4.49%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Minor Capital Outlay Furniture & Fixtures to finish(Account 790.15) decreased \$10,000 or by 40% for 2026. We were able to update most of the furniture in the primary office spaces in 2025, providing for a much more organized and modern workspace for staff. We will need to finish updating our storage room, PC tech work area & server room workspaces in 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1160-110-500.01	588,568	774,598	774,598	740,700	812,840	38,242	4.94%
Personnel Services and Wages - Regular Longevity Bonus	101-1160-110-500.05	1,600	-	-	-	-	-	-
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1160-110-501.01	4,881	10,000	10,000	4,700	10,000	-	0.00%
Personnel Services and Wages - Temporary Wages	101-1160-110-502.01	-	10,000	10,000	-	10,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*** Change
Personnel Benefits - Taxes Budget Only	101-1160-110-505.00	47,181	60,790	60,790	57,085	63,730	2,940	4.84%
Personnel Benefits - Pension Budget Only	101-1160-110-506.00	128,758	167,595	167,595	163,300	180,020	12,425	7.41%
Personnel Benefits - Insurance Budget Only	101-1160-110-507.00	191,041	275,470	275,470	212,445	262,410	-13,060	-4.74%
Personnel Benefits - Insurance Worker's Compensation	101-1160-110-507.30	1,503	2,270	2,270	2,270	2,160	-110	-4.85%
Personnel Benefits - Other Budget Only	101-1160-110-508.00	47,642	27,910	27,910	27,910	28,270	360	1.29%
Payroll Allowances Moving Expense - Taxed	101-1160-110-509.07	-	15,000	15,000	3,620	15,000	-	0.00%
Total PERSONNEL SERVICES AND BENEFITS		1,011,174	1,343,633	1,343,633	1,212,030	1,384,430	40,797	3.04%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1160-110-510.01	3,727	5,500	6,500	5,500	6,500	1,000	18.18%
General Supplies Operating Supplies	101-1160-110-510.02	4,777	9,900	9,900	9,900	10,900	1,000	10.10%
General Supplies Food & Catering	101-1160-110-510.07	109	750	750	250	500	-250	-33.33%
Maintenance Materials Machinery & Equipment Maint.	101-1160-110-515.04	13,431	18,000	18,000	17,500	22,900	4,900	27.22%
Total GENERAL SUPPLIES		22,044	34,150	35,150	33,150	40,800	6,650	19.47%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1160-110-520.02	652	2,000	2,000	2,000	5,200	3,200	160.00%
Total POSTAGE AND FREIGHT		652	2,000	2,000	2,000	5,200	3,200	160.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1160-110-525.04	294	1,000	1,000	500	1,500	500	50.00%
Total FUELS/LUBRICANTS/ENERGY COSTS		294	1,000	1,000	500	1,500	500	50.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	101-1160-110-600.02	240	3,000	878	877	3,000	-	0.00%
Travel and Education Training and Education	101-1160-110-600.03	2,220	3,000	5,122	5,100	3,000	-	0.00%
Total TRAVEL AND EDUCATION		2,460	6,000	6,000	5,977	6,000	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1160-110-605.01	1,198	4,500	3,500	500	2,500	-2,000	-44.44%
Total ADVERTISING AND PUBLISHING		1,198	4,500	3,500	500	2,500	-2,000	-44.44%
PERMITS, LICENSES AND FEES								
Licenses and Fees Vehicle Licenses	101-1160-110-630.02	10	20	20	20	20	-	0.00%
Total PERMITS, LICENSES AND FEES		10	20	20	20	20	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	101-1160-110-635.04	197,385	290,250	290,250	248,000	304,700	14,450	4.98%
Contractual Services Machinery & Equipment Maint. Svc	101-1160-110-635.07	25,252	60,000	56,549	53,000	64,500	4,500	7.50%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Total CONTRACTUAL SERVICES		222,637	350,250	346,799	301,000	369,200	18,950	5.41%
PROFESSIONAL SERVICES								
Professional Services Management & Consulting Services	101-1160-110-640.04	-	40,000	-	-	40,000	-	0.00%
Total PROFESSIONAL SERVICES		-	40,000	-	-	40,000	-	0.00%
RENTS AND LEASES								
Rents and Leases Infrastructure	101-1160-110-645.04	16,955	38,500	38,500	36,500	43,000	4,500	11.69%
Total RENTS AND LEASES		16,955	38,500	38,500	36,500	43,000	4,500	11.69%
UTILITIES								
Utilities Telecommunications	101-1160-110-650.01	83,995	89,000	89,000	85,000	93,400	4,400	4.94%
Utilities Electric, Water, Sewer & Garbage	101-1160-110-650.02	197	880	880	880	1,350	470	53.41%
Total UTILITIES		84,192	89,880	89,880	85,880	94,750	4,870	5.42%
MAJOR CAPITAL OUTLAY								
Machinery & Equipment General	101-1160-110-725.00	-100	-	-	-	-	-	-
Total MAJOR CAPITAL OUTLAY		-100	-	-	-	-	-	-
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1160-110-790.15	26,475	25,000	25,000	24,000	15,000	-10,000	-40.00%
Minor Capital Outlay Vehicles & Moving Equipment	101-1160-110-790.20	-	10,000	10,000	3,500	10,000	-	0.00%
Minor Capital Outlay Machinery & Equipment	101-1160-110-790.25	23,881	30,000	30,000	29,000	34,900	4,900	16.33%
Minor Capital Outlay M&E-Computers Printers & Copier	101-1160-110-790.26	30,619	21,500	21,500	21,500	26,400	4,900	22.79%
Minor Capital Outlay Software	101-1160-110-790.35	3,899	8,500	8,500	8,400	9,500	1,000	11.76%
Total MINOR CAPITAL OUTLAY		84,874	95,000	95,000	86,400	95,800	800	0.84%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1160-110-825.01	16,932	25,250	28,570	28,570	28,570	3,320	13.15%
Interdepartmental Charges Garage Charges	101-1160-110-850.01	2,914	3,840	3,840	3,840	3,840	-	0.00%
Total INTERDEPARTMENTAL CHARGES		19,846	29,090	32,410	32,410	32,410	3,320	11.41%
REIMBURSABLE CREDITS								
Reimbursable Credits General	101-1160-110-890.00	-7,500	-7,500	-7,500	-7,500	-7,500	-	0.00%
Total REIMBURSABLE CREDITS		-7,500	-7,500	-7,500	-7,500	-7,500	-	0.00%
Total Expenditures		1,458,736	2,026,523	1,986,392	1,788,867	2,108,110	81,587	4.03%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$812,840 – This account provides expenditures for compensation paid to all regular salaried and hourly employees for personnel services.

501.01 Overtime Wages: \$10,000 – This account provides expenditures for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle. IT supports the following departments that provide services after standard work hours: KPU Telecommunications, KPU Customer Service, Police, Fire, and Library. In addition, some tasks are scheduled after normal work hours to reduce the effect on City personnel.

502.01 Temporary Wages: \$10,000 – Compensation paid to salaried and hourly employees for temporary personnel services. We anticipate an additional workload in 2024 while we train existing personal in preparation for anticipated vacancies within our department. These funds would also be utilized during the major network equipment upgrade projects planned for 2024. The funds would allow for a more streamlined and efficient deployment by providing additional short-term labor capacity.

505.00 Payroll Taxes: \$63,730 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll-related taxes.

506.00 Pension: \$180,020 – Employer contributions to retirement plans for which the City participates. Included are contributions to the Alaska Public Employees Retirement System and the IBEW Alaska Health and Welfare Trust.

507.00 Insurance Benefits - (Health and Life Insurance): \$262,410 – Employer contributions to employee health and life insurance plans. Included are contributions to health plans administered by Blue Cross, PSEA Trust and the IBEW Alaska Health and Welfare Trust and employee life insurance plans.

507.30 Workers Compensation: \$2,160 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$28,270 – This account provides expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509.07 Allowances-Moving Expense (Taxed): \$15,000 - Expenditures to relocate new employees to Ketchikan if required to fill vacancies.

510.01 Office Supplies: \$6,500 - This account provides expenditures for toner, laser printer maintenance kits, and minor office equipment and supplies such as staplers and note pads.

510.02 Operating Supplies: \$10,900 - This account provides expenditures for supplies that are required to support department operations. Copy paper and envelopes are included for miscellaneous billing and payroll processing. It also provides expenditures for annual parking permits for Information Technology staff.

510.07 Food & Catering: \$500 - Expenditures for food or catering services to be used for employee years of service celebrations & internal training events.

515.04 Machinery and Equipment Maintenance Materials: \$22,900 – This account provides expenditures for the materials used to repair personal computers and networks maintained or operated by Information Technology. Included are personal computer replacement components, computer network cables and hardware, network switch and server repair components and other information technology parts required to maintain systems.

520.02 Postage: \$5,200 - This account provides expenditures for postal services related to new equipment purchases or to ship computer equipment to vendors for return or repair service.

525.04 Vehicle Motor Fuel and Lubricants: \$1,500 - This account provides expenditures for gasoline and lubricants used by Information Technology Department vehicles. We have staff using City vehicles to travel to sites on a more frequent basis and believe this will continue.

600.02 Travel-Training: \$3,000 - Expenditures for transportation, lodging, meals, per diems, and other incidental expenses associated with travel for training. This will allow for focused and in-depth training experiences not available through online sources.

600.03 Training and Education: \$3,000 - This account provides 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 third parties. The department needs to continually train staff to ensure proper support for its computing environment. We also need to keep reference materials and training equipment current.

605.01 Ads and Public Announcements: \$2,500 - This account provides expenditures 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.

630.02 Vehicle Licenses: \$20 – This account provides expenditures for licensing Information Technology Department vehicles for operations on public highways.

635.04 Software Maintenance Services: \$304,700 - This account provides expenditures for maintenance agreements to support licensed software systems. This includes, but is not limited to, hosted web services (Office 365 Suite, City's Website, LogMeIn, Council WebEx, etc.), mail system maintenance, Anti-Virus, remote access, Cisco 'DUO' multi-factor authentication (MFA), Laserfiche document archiving, and other software maintenance, migration, and licenses. Many of the annual renewal and support fees have increased in recent years, and it is expected this will continue.

635.07 Machinery and Equipment Maintenance Services: \$64,500 - This account provides expenditures for services required to repair and maintain office equipment, computers, networks, servers, and other operating equipment owned or leased by the Information Technology Department. This account includes contract labor and materials required to provide the service for hardware systems such as the iSeries, Dell storage arrays, Pitney Bowes inserter, Network Firewalls, and other hardware systems.

640.04 Management and Consulting Services: \$40,000 – Expenditures for management and consulting services. We request that the funds be available to retain professional assistance and consultation if required throughout the year for projects that may exceed the scope of in-house knowledge or our operational capacity.

645.04 Rents and Leases - Infrastructure: \$43,000 – This account provides expenditures for the rent and lease of infrastructure. This provides us with server and network cabinet space at KPU's datacenter. This leased cabinet provides offsite equipment space for City IT for network hardware providing connectivity to City buildings. This allows critical operational systems and data to operate and to be replicated offsite. These backups could be made accessible as needed in the event of an incident at City Hall. Offsite data replication and high-speed network access benefits all department.

650.01 Telecommunications: \$93,400 - This account provides expenditures for telecommunication services. This account funds efficient local and wide area network access for all City/KPU sites. Also included in this account are landlines, cell phones, and long-distance and redundant wan connections.

650.02 Electric, Water, Sewer & Solid Waste: \$1,350 - This account provides expenditures for solid waste fees associated with obsolete computer equipment disposal.

790.15 Minor Furniture and Fixtures: \$15,000 – Minor purchases of furniture and fixtures. Items included are desks, workbenches, and storage shelves. This will allow the development of new workflows, allowing staff to operate in a more organized and efficient manner and fully utilize the space available.

790.20 Minor Vehicles and Moving Equipment: \$10,000 - This account provides expenditures for the acquisition of a surplus vehicle

790.25 Machinery and Equipment: \$34,900 - This account provides expenditures for the acquisition of machinery and equipment usually composed of a complex combination of parts, including devices to maintain the City's network infrastructure such as switches, routers, test equipment, etc. These funds also allow us to stock spare critical equipment and components, allowing for expedited service restoration in the event of hardware failure.

790.26 Computers, Printers and Copiers: \$26,400 - This account provides expenditures for the acquisition of computers, printers, tablets, phones, copiers and other computer equipment used by IT staff for operations.

790.35 Software: \$9,500 - This account provides expenditures for the acquisition of software systems and upgrades not covered by maintenance agreements. IT uses many software utilities like Adobe Acrobat, FTP software, Conversion utilities, etc. These software programs need to be upgraded periodically.

825.01 Interdepartmental Charges – Insurance: \$28,570 - This account provides expenditures for risk management services and claims.

850.01 Interdepartmental Charges – Garage: \$3,840 - This account provides expenditures for fleet maintenance services provided by the Public Works Department-Garage Division.

890.00 Reimbursable Credit: (\$7,500) - This account is related to the IT support provides to First City Libraries.

Information Technology Grant Program

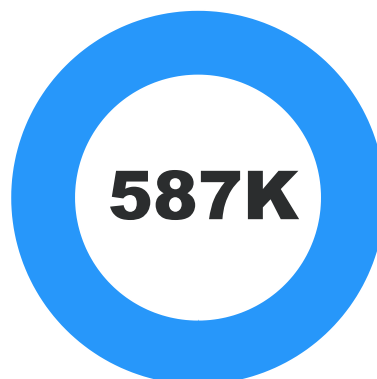
Expenditures by Expense Category

Category	2024 Actual	2025 Amended	2025 Adopted	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
CONTRACTUAL SERVICES							
Contractual Services							
Software & Equip Maint Services	-	28,500	28,500	28,500	-	-28,500	-
Total CONTRACTUAL SERVICES	-	28,500	28,500	28,500	-	-28,500	-
PROFESSIONAL SERVICES							
Professional Services							
Management & Consulting Services	-	35,000	35,000	35,000	-	-35,000	-
Total PROFESSIONAL SERVICES	-	35,000	35,000	35,000	-	-35,000	-
Total Expenditures	-	63,500	63,500	63,500	-	-63,500	-

There is no 2026 budget for the Information Technology Department's Grant Program. This page was included in the budget due to prior year activity.

Information Technology Capital Program

2026 Expenditures by Type



● Machinery & Equipment **\$586,667** 100.00%

Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Machinery & Equipment	539,750	389,000	432,451	365,333	586,667	197,667	50.81%
Total Expenditures	539,750	389,000	432,451	365,333	586,667	197,667	50.81%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

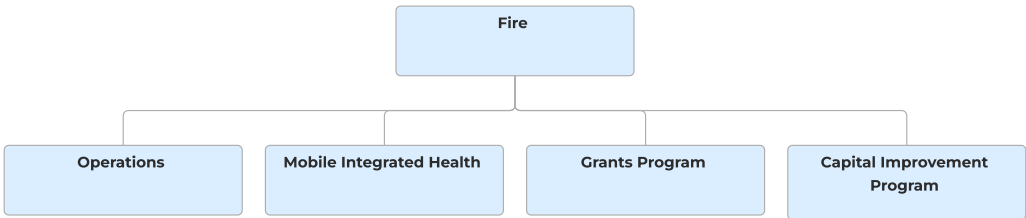
Expenditures by Activity

Category	2026 Budget
Capital Projects	
General Fund	
Machinery & Equipment General	586,667
Security appliance replacement	114,000
Host Servers 2026	240,000
Storage array refresh & expansion / Evergreen service contract renew 2026	210,000
Eaton UPS System Overhaul	22,667
Total General Fund	586,667
Total Capital Projects	586,667
Total Expenditures	586,667

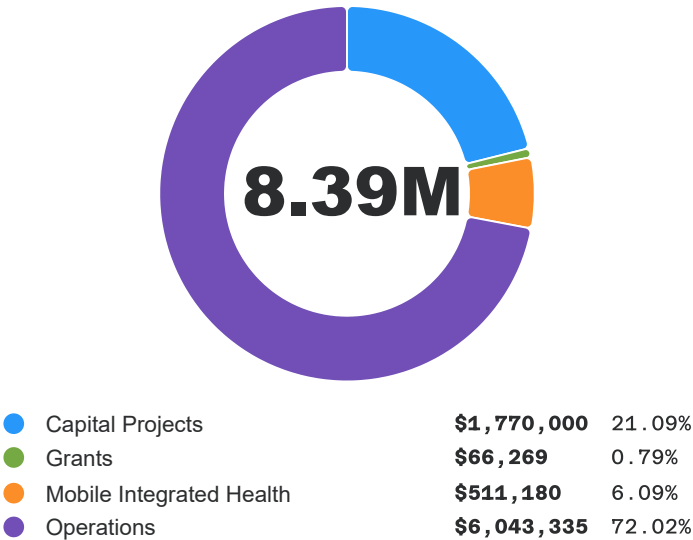
Fire Department

The Ketchikan Fire Department is dedicated to protecting lives, property, and the environment through the delivery of fire suppression, emergency medical and hazardous materials response. Disaster management, fire prevention and public education services are provided by well trained, professional and dedicated personnel.

The Fire Department is comprised of one operating division and oversees a Grant Program and a Capital Improvement Program.



2026 Expenditures by Activity



Expenditures by Division

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	4,749,451	5,543,151	5,625,906	5,415,383	6,043,335	500,184	9.02%
Capital Projects	2,428,095	753,042	767,542	768,042	1,770,000	1,016,958	135.05%
Mobile Integrated Health	279,658	452,623	420,873	263,375	511,180	58,557	12.94%
Grants	566,255	1,102,353	1,206,575	301,827	66,269	-1,036,084	-93.99%
Total Expenditures	8,023,459	7,851,169	8,020,896	6,748,627	8,390,784	539,615	6.87%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	3,990,060	4,788,475	4,770,475	4,468,029	4,945,619	157,144	3.28%
GENERAL SUPPLIES	131,953	188,850	197,500	189,030	197,795	8,945	4.74%
POSTAGE AND FREIGHT	15,933	10,250	10,250	10,120	10,250	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS	32,220	50,550	50,550	36,850	53,000	2,450	4.85%
BOOKS AND PERIODICALS	2,101	5,190	5,190	2,500	3,000	-2,190	-42.20%
ALLOWANCES	38,777	46,000	46,000	44,300	47,500	1,500	3.26%
TRAVEL AND EDUCATION	162,092	207,160	244,260	202,515	214,140	6,980	3.37%
ADVERTISING AND PUBLISHING	1,197	4,000	6,500	700	4,000	-	0.00%
PROMOTION AND GRANTS	746	500	500	500	500	-	0.00%
DUES AND MEMBERSHIPS	3,632	11,661	11,661	3,975	10,370	-1,291	-11.07%
CONTRACT/PURCHASED SERVICES	504	550	550	505	600	50	9.09%
PERMITS, LICENSES AND FEES	14,251	17,950	17,950	15,200	20,850	2,900	16.16%
CONTRACTUAL SERVICES	121,743	144,800	160,200	142,950	145,300	500	0.35%
PROFESSIONAL SERVICES	50,673	146,000	111,750	84,448	139,000	-7,000	-4.79%
RENTS AND LEASES	6,057	6,060	6,060	6,060	6,060	-	0.00%
UTILITIES	128,735	177,130	195,130	286,500	457,000	279,870	158.00%
MAJOR CAPITAL OUTLAY	2,940,319	1,697,328	1,816,050	912,565	1,770,000	72,672	4.28%
MINOR CAPITAL OUTLAY	147,944	89,500	108,500	82,000	78,500	-11,000	-12.29%
INTERDEPARTMENTAL CHARGES	234,522	259,215	261,820	259,880	287,300	28,085	10.83%
Total Expenditures	8,023,459	7,851,169	8,020,896	6,748,627	8,390,784	539,615	6.87%

Funding Source

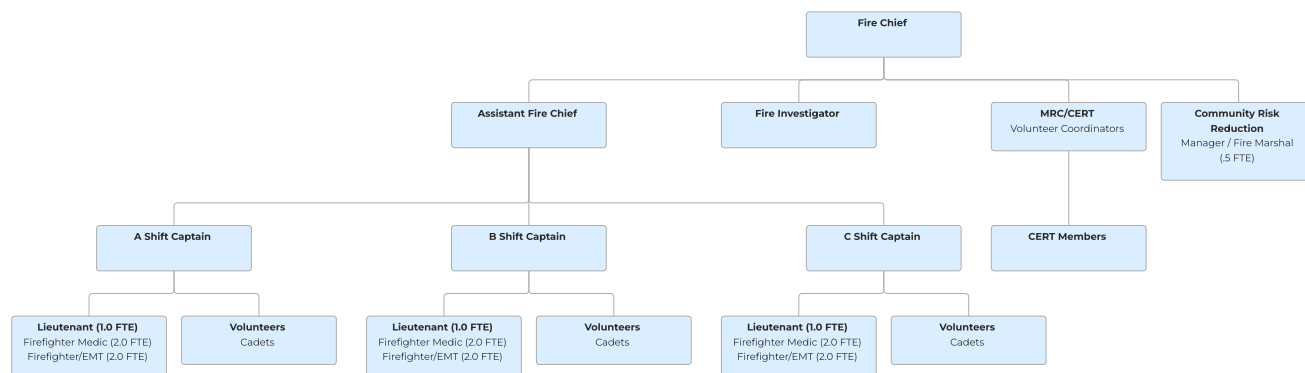
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Tax Support	1,619,479	1,764,287	1,764,287	1,700,925	1,738,005	(26,282)	-1.5%
Charges for Service	825,674	641,500	641,500	713,730	716,500	75,000	11.7%
Public Safety Sales Tax	2,007,590	2,662,822	2,705,077	2,530,755	2,784,896	122,074	4.6%
Operating Grants	182,535	132,445	132,445	131,439	46,269	(86,176)	-65.1%
Hospital Sales Tax Fund - MIH	14,910	117,000	106,333	57,504	137,286	20,286	17.3%
Public Works Sales Tax Fund	516,298	303,042	340,542	340,542	328,500	25,458	8.4%
Lease Financing	1,098,562	-	-	-	900,000	900,000	100.0%
Federal and State Grant Fund	498,789	944,286	1,024,296	123,011	-	(944,286)	-100.0%
SEMT Funds							
Fire Department - Operations	21,000	207,000	247,500	198,500	500,903	293,903	142.0%
Fire Department - MIH	29,731	237,204	216,121	111,626	273,750	36,546	15.4%
Fire Dept Capital Acquisitions	826,670	450,000	451,212	449,012	541,500	91,500	20.3%
CPV Special Revenue Fund	382,222	391,583	391,583	391,583	423,175	31,592	8.1%
Total Funding	8,023,460	7,851,169	8,020,896	6,748,627	8,390,784	539,615	6.9%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Budget	Salary		
Operations	22.50	22.50	22.50	22.50	2,235,730	-	0.0%
Mobile Integrated Health Program	2.50	2.50	2.50	2.50	237,310	-	0.0%
Total	25.00	25.00	25.00	25.00	2,473,040	-	0.0%

Fire Operations

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



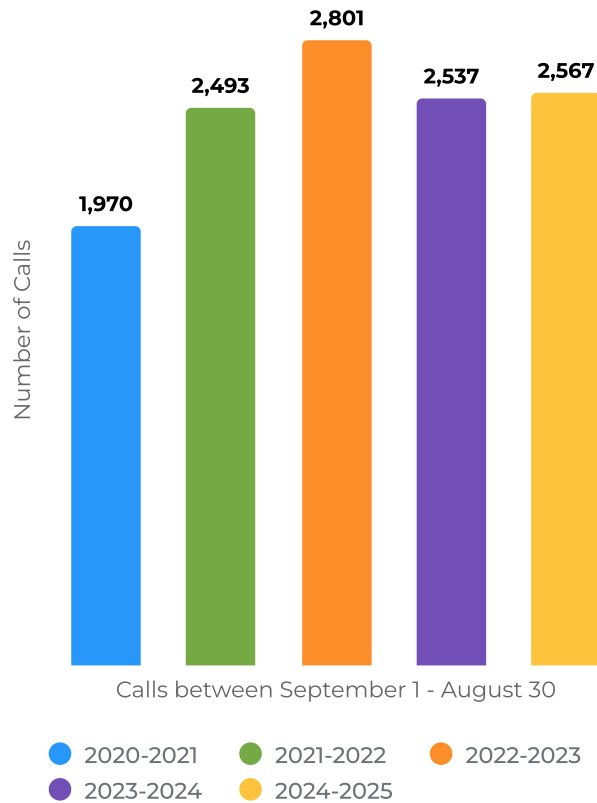
Goals for 2026

- Continue to work toward the development of a strategic plan.
- Improve community connection with implementing the community connection web site
- Develop a comprehensive training plan for all employees and implement our learning management system
- Reduce fire risk in our community with inspection follow up
- Increase grant applications by 25%
- Develop and inventory management system that allows for long range prediction on expenses and equipment replacement
- Develop a phased plan for a training site for live fire evolutions
- Develop a communication plan to update our current radio system to be compliant with current standards

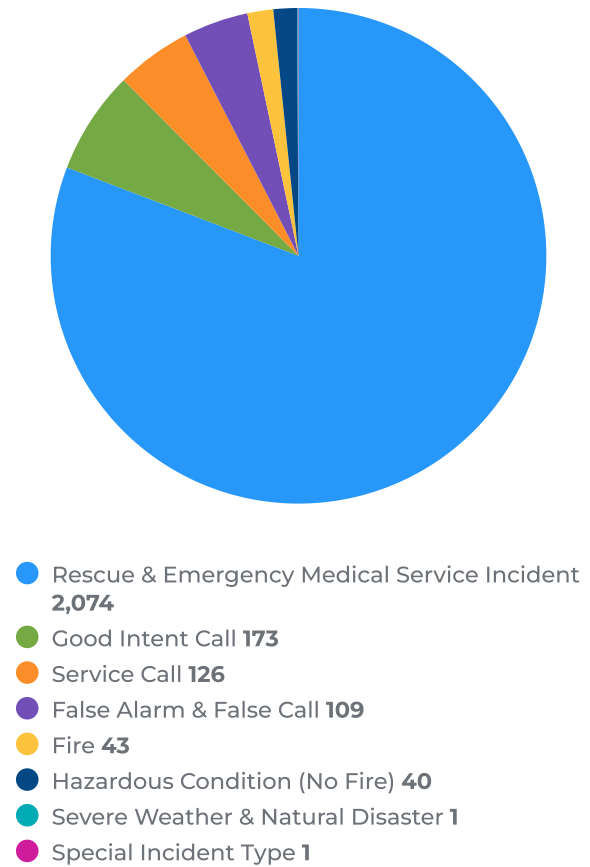
2025 Accomplishments

- Trained three new paramedics
- Conducted technical rescue training for KFD and other city departments
- Purchased a used rescue truck to be refurbished and equipped
- Two ambulances Refurbished
- Preformed public education and community outreach
- Started High School EMT Class
- Actively engaged in the school system with providing health science training
- Sent our Captains to Officer Development Training
- Implemented a new RMS Platform
- Updated our EOC and conducted training and tabletops
- Anticipated receiving over 5.5 million in outside funding from SEMT and Grants
- Implemented NFPA compliant Fire Station Alerting System
- Hosted SEREMS Conference
- Were Awarded the State Arson Investigation Conference
- Fire Investigations resulted in two Arson Convictions and one additional arrest
- Updated AEDS and Bleeding Control Kits City Wide and provided training
- Implemented Ventilators for better patient care
- Updated the Fire and Building Codes for the city.

Call Volume Over the Last Five Years



Incident Types



Funding Source

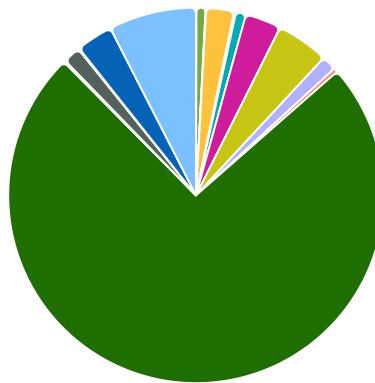
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	1,619,479	1,764,287	1,764,287	1,700,925	1,738,005	(26,282)	-1.5%
Public Safety Sales Tax	1,901,076	2,538,781	2,581,036	2,410,645	2,664,752	125,971	5.0%
Service Fees	21,681	16,500	16,500	13,730	16,500	-	0.0%
Ambulance Fees	803,993	625,000	625,000	700,000	700,000	75,000	12.0%
Emergency Medical Transport Program (SEMT)	21,000	207,000	247,500	198,500	500,903	293,903	142.0%
Borough Emergency Management Services	-	-	-	-	-	-	0.0%
CPV Special Revenue Fund	382,222	391,583	391,583	391,583	423,175	31,592	8.1%
Total Funding	4,749,451	5,543,151	5,625,906	5,415,383	6,043,335	500,184	9.0%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Budget	Salary		
Fire Chief	1.00	1.00	1.00	1.00	147,520	-	0.0%
Assistant Fire Chief	1.00	1.00	1.00	1.00	124,430	-	0.0%
*Community Risk Reduction/Fire Marshal	0.25	0.50	0.50	0.50	65,070	-	0.0%
Fire Marshal	0.75	-	-	-	-	-	NA
Office Manager	-	1.00	1.00	1.00	72,540	-	0.0%
Administrative Assistant	1.00	-	-	-	-	-	NA
Captain	3.00	3.00	3.00	3.00	373,350	-	0.0%
Lieutenant	3.00	3.00	3.00	3.00	337,910	-	0.0%
Fire Inspector	-	1.00	1.00	1.00	65,810	-	0.0%
Firefighter/Medic	7.00	5.00	5.00	6.00	587,040	1.00	-100.0%
Firefighter/EMT	5.00	7.00	7.00	6.00	462,060	(1.00)	-16.7%
Total	22.00	22.50	22.50	22.50	2,235,730	-	0.0%

*Division Chief

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$3,000	0.05%
ALLOWANCES	\$46,500	0.77%
BOOKS AND PERIODICALS	\$3,000	0.05%
CONTRACT/PURCHASED SERVICES	\$600	0.01%
CONTRACTUAL SERVICES	\$144,300	2.39%
DUES AND MEMBERSHIPS	\$9,870	0.16%
FUELS/LUBRICANTS/ENERGY COSTS	\$52,000	0.86%
GENERAL SUPPLIES	\$187,400	3.10%
INTERDEPARTMENTAL CHARGES	\$273,650	4.53%
MINOR CAPITAL OUTLAY	\$77,000	1.27%
PERMITS, LICENSES AND FEES	\$20,800	0.34%
PERSONNEL SERVICES AND BENEFITS	\$4,474,655	74.04%
POSTAGE AND FREIGHT	\$10,000	0.17%
PROFESSIONAL SERVICES	\$89,000	1.47%
RENTS AND LEASES	\$6,060	0.10%
TRAVEL AND EDUCATION	\$190,500	3.15%
UTILITIES	\$455,000	7.53%

Operating Budget Changes for 2026

- Personnel Services and Benefits increased by \$220,700 or 5.14% due to annual step increases, a 5% cost of living adjustment for non-represented and IAFF employees that will become effective January 1, 2026, and projected increases in pension, health insurance and other benefits.
- Vehicle Maintenance Materials (Account 515.01) increased by \$12,000 or 240% due to the aging condition of the fleet, which requires more frequent and costly maintenance, combined with the rising cost of parts and services. This funding ensures vehicles remain operational and reliable for emergency response.
- Travel & Education – Travel: Training (Account 600.02) increased by \$10,280 or 18.12% due to the rising cost of travel associated with training, ensuring adequate funding to support required professional development and certification opportunities.
- Training & Education (Account 600.03) decreased by \$11,000 or 9.57% to allow for an increase in Account 600.03.
- Utilities – Electric, Water, Sewer & Garbage (Account 650.02) increased by \$275,000 or 323.53% due to Council action reinstating fees charged to the Fire Department for fire hydrant maintenance in addition to anticipated increases in utility rates.
- Minor Capital Outlay – Furniture & Fixtures (Account 790.15) decreased by \$7,500 or 33.33%. Recent purchases were made to replace EOC tables, a broken refrigerator at Station 2, and update mattresses. With these needs addressed and a furniture replacement schedule now in place, the demand for additional funding in FY2026 has been reduced.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1210-110-500.01	1,937,491	2,163,256	2,125,346	2,010,445	2,235,730	72,474	3.35%
Personnel Services and Wages - Regular Longevity Bonus	101-1210-110-500.05	22,175	24,050	24,050	23,100	19,700	-4,350	-18.09%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1210-110-501.01	388,157	350,000	450,000	450,000	350,000	-	0.00%
Personnel Services and Wages - Temporary Wages	101-1210-110-502.01	36,558	38,500	64,710	64,710	38,500	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1210-110-505.00	180,274	197,049	197,049	195,000	208,420	11,371	5.77%
Personnel Benefits - Pension Budget Only	101-1210-110-506.00	527,361	577,530	577,530	571,000	603,070	25,540	4.42%
Personnel Benefits - Insurance Budget Only	101-1210-110-507.00	438,150	667,920	549,920	496,500	727,880	59,960	8.98%
Personnel Benefits - Insurance Worker's Compensation	101-1210-110-507.30	94,389	122,730	122,730	122,730	129,915	7,185	5.85%
Personnel Benefits - Other Budget Only	101-1210-110-508.00	36,422	115,120	115,120	115,120	118,240	3,120	2.71%
Payroll Allowances Meals	101-1210-110-509.06	19,617	19,800	31,500	31,500	43,200	23,400	118.18%
Payroll Allowances Moving Expense - Taxed	101-1210-110-509.07	15,000	15,000	15,000	-	-	-15,000	-
Payroll Allowances Housing Allowance	101-1210-110-509.14	900	-	-	-	-	-	-
Total PERSONNEL SERVICES AND BENEFITS		3,696,494	4,290,955	4,272,955	4,080,105	4,474,655	183,700	4.28%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1210-110-510.01	3,095	5,200	5,200	5,200	5,200	-	0.00%
General Supplies Operating Supplies	101-1210-110-510.02	58,634	65,000	65,000	65,000	65,000	-	0.00%
General Supplies Safety Program Supplies	101-1210-110-510.03	5,059	40,000	29,000	25,000	40,000	-	0.00%
General Supplies Janitorial Supplies	101-1210-110-510.04	3,926	9,300	9,300	8,700	9,300	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*** Change
General Supplies Small Tools & Equipment	101-1210-110-510.05	15,081	21,500	33,150	33,150	21,500	-	0.00%
General Supplies Food & Catering	101-1210-110-510.07	2,318	6,100	6,100	5,000	6,100	-	0.00%
Maintenance Materials Vehicle Maintenance Materials	101-1210-110-515.01	2,660	5,000	13,000	13,000	17,000	12,000	240.00%
Maintenance Materials Building and Grounds Maintenance	101-1210-110-515.02	24,956	17,000	17,000	17,000	17,000	-	0.00%
Maintenance Materials Furniture & Fixtures	101-1210-110-515.03	103	1,000	1,000	75	1,000	-	0.00%
Maintenance Materials Machinery & Equipment Maint.	101-1210-110-515.04	9,587	5,300	5,300	5,300	5,300	-	0.00%
Total GENERAL SUPPLIES		125,419	175,400	184,050	177,425	187,400	12,000	6.84%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1210-110-520.02	12,559	10,000	10,000	10,000	10,000	-	0.00%
Postage and Freight Materials & Supplies	101-1210-110-520.04	3,281	-	-	-	-	-	-
Total POSTAGE AND FREIGHT		15,840	10,000	10,000	10,000	10,000	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Heating Fuel	101-1210-110-525.03	11,131	26,400	25,900	13,000	25,000	-1,400	-5.30%
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1210-110-525.04	19,625	22,500	22,500	22,000	25,000	2,500	11.11%
Fuels, Lubricants and Energy Costs Machinery & Equipment	101-1210-110-525.07	1,164	650	1,150	1,150	2,000	1,350	207.69%
Total FUELS/LUBRICANTS/ENERGY COSTS		31,920	49,550	49,550	36,150	52,000	2,450	4.94%
BOOKS AND PERIODICALS								
Books and Periodicals Professional & Technical Pubs	101-1210-110-530.03	2,101	5,190	5,190	2,500	3,000	-2,190	-42.20%
Total BOOKS AND PERIODICALS		2,101	5,190	5,190	2,500	3,000	-2,190	-42.20%
ALLOWANCES								
Allowances Uniforms/Badges/Clothing	101-1210-110-535.04	17,515	20,000	20,000	19,000	20,000	-	0.00%
Allowances Special Protective Clothing	101-1210-110-535.05	20,316	25,000	25,000	25,000	26,500	1,500	6.00%
Total ALLOWANCES		37,831	45,000	45,000	44,000	46,500	1,500	3.33%
TRAVEL AND EDUCATION								
Travel and Education Travel - Business	101-1210-110-600.01	17,085	19,500	14,500	12,500	19,500	-	0.00%
Travel and Education Travel - Training	101-1210-110-600.02	54,952	56,720	80,220	70,500	67,000	10,280	18.12%
Travel and Education Training and Education	101-1210-110-600.03	83,630	115,000	133,600	117,000	104,000	-11,000	-9.57%
Total TRAVEL AND EDUCATION		155,667	191,220	228,320	200,000	190,500	-720	-0.38%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1210-110-605.01	296	3,000	3,000	-	3,000	-	0.00%
Total ADVERTISING AND PUBLISHING		296	3,000	3,000	-	3,000	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Professional Lic. and Certs.	101-1210-110-615.01	1,700	7,620	7,620	2,000	6,620	-1,000	-13.12%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*** Change
Dues and Memberships Assoc. Membership Dues & Fees	101-1210-110-615.02	1,932	3,241	3,241	1,900	3,250	9	0.28%
Total DUES AND MEMBERSHIPS		3,632	10,861	10,861	3,900	9,870	-991	-9.12%
CONTRACT/PURCHASED SERVICES								
Insurance Premiums and Claims Premiums - Liability	101-1210-110-625.03	504	550	550	505	600	50	9.09%
Total CONTRACT/PURCHASED SERVICES		504	550	550	505	600	50	9.09%
PERMITS, LICENSES AND FEES								
Licenses and Fees Vehicle Licenses	101-1210-110-630.02	140	250	250	200	200	-50	-20.00%
Licenses and Fees Bank & Merchant Fees	101-1210-110-630.03	447	600	600	500	600	-	0.00%
Licenses and Fees Service Charges and Fees	101-1210-110-630.06	13,646	17,000	17,000	14,500	20,000	3,000	17.65%
Total PERMITS, LICENSES AND FEES		14,233	17,850	17,850	15,200	20,800	2,950	16.53%
CONTRACTUAL SERVICES								
Contractual Services Janitorial & Cleaning Services	101-1210-110-635.02	-	3,500	3,500	2,500	3,500	-	0.00%
Contractual Services Vehicle Maintenance Services	101-1210-110-635.03	92	6,500	5,650	1,000	6,500	-	0.00%
Contractual Services Software & Equip Maint Services	101-1210-110-635.04	50,906	50,000	60,000	55,000	50,000	-	0.00%
Contractual Services Building and Grounds Maint. Svc	101-1210-110-635.06	17,145	15,750	21,150	21,150	15,750	-	0.00%
Contractual Services Machinery & Equipment Maint. Svc	101-1210-110-635.07	7,805	10,700	11,550	11,550	10,700	-	0.00%
Contractual Services Technical Services	101-1210-110-635.12	45,795	55,850	55,850	50,000	57,850	2,000	3.58%
Total CONTRACTUAL SERVICES		121,743	142,300	157,700	141,200	144,300	2,000	1.41%
PROFESSIONAL SERVICES								
Professional Services Management & Consulting Services	101-1210-110-640.04	13,041	50,000	52,648	52,648	53,000	3,000	6.00%
Professional Services Medical Services	101-1210-110-640.05	36,282	36,000	33,352	30,000	36,000	-	0.00%
Total PROFESSIONAL SERVICES		49,323	86,000	86,000	82,648	89,000	3,000	3.49%
RENTS AND LEASES								
Rents and Leases Land & Buildings	101-1210-110-645.01	6,057	6,060	6,060	6,060	6,060	-	0.00%
Total RENTS AND LEASES		6,057	6,060	6,060	6,060	6,060	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1210-110-650.01	37,028	90,630	90,630	82,000	95,000	4,370	4.82%
Utilities Electric, Water, Sewer & Garbage	101-1210-110-650.02	90,404	85,000	103,000	203,000	360,000	275,000	323.53%
Total UTILITIES		127,432	175,630	193,630	285,000	455,000	279,370	159.07%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1210-110-790.15	23,452	22,500	22,500	15,000	15,000	-7,500	-33.33%
Minor Capital Outlay Machinery & Equipment	101-1210-110-790.25	92,205	43,000	62,000	52,500	40,000	-3,000	-6.98%
Minor Capital Outlay M&E-Computers Printers & Copier	101-1210-110-790.26	21,955	22,000	22,000	14,500	22,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Total MINOR CAPITAL OUTLAY		137,612	87,500	106,500	82,000	77,000	-10,500	-12.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1210-110-825.01	128,907	146,085	156,690	156,690	173,650	27,565	18.87%
Interdepartmental Charges Garage Charges	101-1210-110-850.01	94,440	100,000	92,000	92,000	100,000	-	0.00%
Total INTERDEPARTMENTAL CHARGES		223,347	246,085	248,690	248,690	273,650	27,565	11.20%
Total Expenditures		4,749,451	5,543,151	5,625,906	5,415,383	6,043,335	500,184	9.02%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Personnel Services costs have been reduced in Operations by \$50,384 due to grants received by the Fire Department. These costs are reflected in the Grant Program.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$2,235,730 - This account provides expenditures for compensation paid to all regular salaried and hourly employees of the department.

500.05 Longevity Pay: \$19,700 – Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$350,000 - This account provides expenditures for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502.01 Temporary Wages: \$38,500 - This account provides expenditures for compensation paid to temporary employees during extended absences of full-time staff and in support of approved department programs such as the paramedic program, fire prevention program, volunteer stipends, etc. and additional personnel needed to provide adequate staffing during the cruise ship season.

505.00 Payroll Taxes: \$208,420 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$603,070 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$727,880 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$129,915 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$118,240 – This account provides 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: \$43,200 – This account provides expenditures for employer provided semi-annual meal stipends to employees of the Fire Department. These benefits are taxable to the employees.

510.01 Office Supplies: \$5,200 - This account provides expenditures for copy paper, pens, pencils, note pads, file folders, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers and tape dispensers.

510.02 Operating Supplies: \$65,000 - This account provides expenditures 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, fire suppression, inspection supplies, smoke detectors, flags and public education supplies, awards and volunteer recognition, and other departmental supplies used by the division during the course of a year.

510.03 Safety Program Supplies: \$40,000 - This account provides expenditures for the City safety program. Included are safety training audio and video programs, safety equipment, physical fitness equipment, OSHA/NFPA 1583 required medical exams, immunizations, specialized hazardous materials handling and disposal information, and traffic control items.

510.04 Janitorial Supplies: \$9,300 – This account provides expenditures for cleaning and sanitation supplies such as paper towels, toilet paper, cleaning solutions, etc. used by in-house, and contracted janitors.

510.05 Small Tools and Equipment: \$21,500 - This account provides expenditures 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. Per direction by KPU Telecommunications, the major increase in 2023 is for the replacement of obsolete Cisco office phones.

510.07 Food/Catering: \$6,100 - This account provides expenditures for food, water or catering services during extended training exercises or emergencies as well as for coffee for each station.

515.01 Vehicle Maintenance Materials: \$17,000 – This account provides expenditures for the repair and maintenance of vehicles owned or leased and operated by the department. Included are licensed and unlicensed rolling stock and boats.

515.02 Building and Grounds Maintenance Materials: \$17,000 – This account provides expenditures for the repair and maintenance of buildings and upkeep of the grounds used by the department. Salt, paint, caulk and HVAC filters are examples of purchases under this line item.

515.03 Furniture and Fixtures Maintenance Materials: \$1,000 - This account provides expenditures 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: \$5,300 – This account provides expenditures for the repair and maintenance of machinery and equipment owned or leased and operated by the division. Included are office equipment, operating equipment, HazMat equipment, computer networks and computers.

520.02 Postage and Freight: \$10,000 - This account provides expenditures for postal related services such as postage, express delivery, barge line freight, HazMat shipping and mailing materials.

525.03 Heating Fuel: \$25,000 - This account provides expenditures for heating fuel used to heat facilities owned or leased and operated by the department.

525.04 Vehicle Motor Fuel and Lubricants: \$25,000 - This account provides expenditures for gasoline, diesel fuel and lubricants used in the operations of division vehicles and boats.

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

530.03 Professional and Technical Publications: \$3,000 - This account provides expenditures 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 Uniforms/Badges/Clothing: \$20,000 - This account provides expenditures 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, belts, badges, and class A dress uniforms.

535.05 Special Protective Clothing: \$26,500 - This account provides expenditures for direct purchases of or reimbursements to employees for special protective clothing required by department policies.

600.01 Travel-Business: \$19,500 – This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business and trade meetings.

600.02 Travel-Training: \$67,000 - This account provides expenditures 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: \$ 104,000 – This account provides expenditures for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees as well as on-premises training programs provided by staff or third-parties. This also includes our contractually obligated paramedic reimbursement program. This is funding for paramedic school, technical rescue trainings, new hire academy. We had to amend the 2025 budget to move money from a CIP for paramedic school and this matches the amended budget. We also will need to conduct a promotion process this year.

605.01 Ads and Public Announcements: \$3,000 - This account provides expenditures for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are public service announcements, community issues, requests for proposals and recruiting. This is also to cover the cost of some emergency management publishing that we will need to do this year to update some of the emergency management plans.

615.01 Professional Licenses and Technical Certifications: \$6,620 – This account provides for licensing professional, technical and other employees requiring a license in order to perform their duties. Included are fees paid to licensed Paramedics; and fees paid for technical certifications required by medical technicians, divers and operators of special equipment.

615.02 Assn. Dues and Membership Fees: \$3,250 – This account provides expenditures for memberships in professional and trade associations and regional organizations.

625.03 Insurance Premiums-Liability: \$600 – This account provides expenditures for a KFD Volunteer supplemental insurance program that is not grant funded effective 2019.

630.02 Vehicle Licenses: \$200 – This account provides expenditures for licensing division vehicles for operations on public highways.

630.03 Bank and Merchant Charges: \$600 – This account provides expenditures for monthly bank account service charges, merchant fees for use of credit and debit cards, wire transfer fees and other fees for banking services.

630.06 Licenses and Fees Service Charges and Fees: \$20,000 – This account provides expenditures for payment of fees that are charged by the Ketchikan Gateway Borough for medical transport to and from the Ketchikan International Airport as well as Medicare billing.

635.02 Janitorial and Cleaning Services: \$3,500 – This account provides expenditures for services to clean facilities and equipment owned by the department.

635.03 Vehicle Maintenance Services: \$6,500 – This account provides expenditures for the repair and maintenance of department .

635.04 Software and Equipment Maintenance Services: \$50,000 – This account provides expenditures for maintenance agreements to support licensed software systems and other technology based systems that include both software and hardware components. Included are expenses for R911 annual software support, Emergency Reporting/ESO annual license and support fees, Basecamp annual license and support fees, Knox Box annual licenses, Samsaura Dash Cams and Nixle. Switching to the Neris federally mandated reporting system. Pheonix G2 support for firehouse alerting. Mobile CAD access.

635.06 Buildings and Grounds Maintenance Services: \$15,750 - This account provides expenditures 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. It also includes annual elevator contract and sprinkler/backflow testing.

635.07 Machinery and Equipment Maintenance Services: \$10,700 - This account provides expenditures 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 and monitoring services from Johnson Controls as well as a copier contract with Kelley Create.

635.12 Technical Services: \$57,850 - This account provides expenditures for services that are not regarded as professional but require technical or special knowledge provided under written contract and/or purchase order. Included are service contracts on monitor/defibrillators, radio repairs, alarm monitoring, R-911 annual software support, background checks, employee drug testing, database management, website maintenance, pest control and contract ambulance billing with Systems Design West.

640.04 Management and Consulting Services: \$53,000 - This account provides for the expenditures for management and consulting services. Included are grant writers, emergency management consulting services, and hiring/promotional testing services. This is to include some needed emergency management plans that require updating and are needed for every department in the city. This is based on the estimate to update our COOP plan for the city.

640.05 Medical Services: \$36,000 – This account provides expenditures for services provided by medical practitioners and medical facilities. Included are services provided by physicians for Medical Director services and mental health services. The major increase is due to a new medical director contract, which will be more competitive in the current market. This agreement has yearly increases.

645.01 Rents and Leases - Land and Buildings: \$6,060 - This account provides expenditures for the costs of leasing storage space at Fire Station No. 3 from the Public Works Department - Building Maintenance Division.

650.01 Telecommunications: \$95,000 - This account provides expenditures for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers. We have had to transfer money into this account. This brings the amount into a reflection of actual charges.

650.02 Electric, Water, Sewer & Solid Waste: \$360,000 - This account provides expenditures for electric, water, sewer and solid waste utility services. We the rates are increased we need to increase our budget to reflect the actual cost so that a budget transfer is not required each year.

790.15 Furniture and Fixtures: \$15,000 - This account provides expenditures for minor purchases for furniture and fixtures. The expected major purchases will include replacement of a refrigerator/freezer at Station 2 and worn out mattresses and/or furniture at both stations.

790.25 Machinery and Equipment: \$40,000 - This account provides expenditures for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are fire truck appliances, HazMat Equipment, iPad(s) for in-cab dispatching, and operating equipment, like thermal imagers and rope rescue equipment, required to provide services or maintain capital assets.

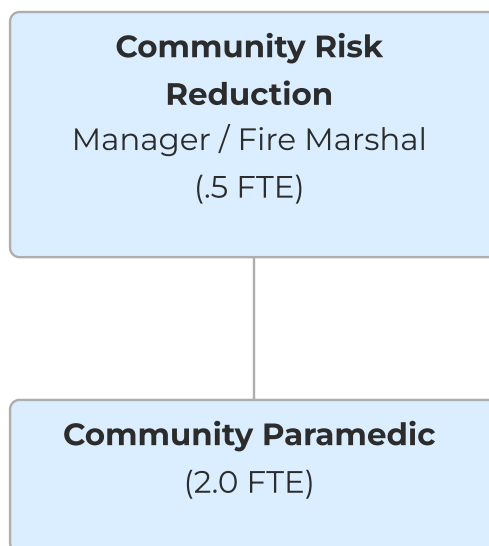
790.26 Computers, Printers, & Copiers: \$22,000 - This account provides expenditures for desktops, monitors, laptops, battery backups, tablets, computer printers, scanners, photocopiers and fax machines. This will include the replacement of our office copier machine from subscription service to purchase.

825.01 Interdepartmental Charges – Insurance: \$173,650 - This account provides expenditures for risk management services and claims.

850.01 Interdepartmental Charges – Garage: \$100,000 - This account provides expenditures for fleet maintenance services provided by the Public Works Department-Garage Division.

Mobile Integrated Health

The Ketchikan Fire Department's Mobile Integrated Healthcare Team is focused on bridging healthcare gaps within our community. This is done by developing a patient-centered approach that provides resources that can fill healthcare gaps, provide mental health access and provide education that helps improve the communities of Ketchikan, Saxman and the Ketchikan Gateway Borough.



Goals for 2026

- Fill vacant Paramedic Position
- Expand program to work with Ketchikan Correctional Facility
- Maintain clinic at Salvation Army
- Continue to develop collaboration with Ketchikan Indian Community

2025 Accomplishments

Demographics

- Current number of patients enrolled: 202
- Documented patient contacts: 1000 (434 one on one appointments, 566 clinic visits)
- Average patient age: 58 (ranging from 18 years old – 93 Years old)
- Patient Sex: 62% Male, 37% Female, 1% Unknown
- Patient Race: 47% White, 38% Alaska Native, 2% Asian, 2% Black, 1% Hispanic, 10% Unknown
- Housing Status: 59% housed, 41% unhoused
- Insurance coverage: 30% Medicaid, 22% KIC beneficiary, 20% Medicare, 20% No Coverage, 6% Private, 2% VA benefits

Awards

- 2025 State of Alaska Office of Rural Health Community Star
- 2025 Alaska Hospital and Healthcare Association Annual Champion Award for innovation in Patient Safety and Quality

Funding Source

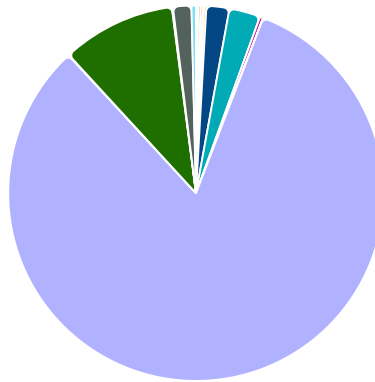
	2024	2025	2025	2025	2026	Increase/	%
	Actual	Adopted	Amended	Estimate	Budget	Decrease	Change
General Fund	84,498	98,419	98,419	94,245	100,144	1,725	1.8%
Hospital Sales Tax Fund	14,910	117,000	106,333	57,504	137,286	20,286	17.3%
Emergency Medical Transport Program (SEMT)	29,731	237,204	216,121	111,626	273,750	36,546	15.4%
Federal and State Grants	150,519	-	-	-	-	-	NA
Total Funding	279,658	452,623	420,873	263,375	511,180	58,557	12.9%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/	%
	Actual	Adopted	Amended	Budget	Salary	Decrease	Change
*Community Risk Reduction/Fire Marshal	0.50	0.50	0.50	0.50	65,070	-	0.0%
Community Paramedic	2.00	2.00	2.00	2.00	172,240	-	0.0%
Total	2.50	2.50	2.50	2.50	237,310	-	0.0%

*Division Chief

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$1,000	0.20%
ALLOWANCES	\$1,000	0.20%
CONTRACTUAL SERVICES	\$1,000	0.20%
DUES AND MEMBERSHIPS	\$500	0.10%
FUELS/LUBRICANTS/ENERGY COSTS	\$1,000	0.20%
GENERAL SUPPLIES	\$10,150	1.99%
INTERDEPARTMENTAL CHARGES	\$13,650	2.67%
MINOR CAPITAL OUTLAY	\$1,500	0.29%
PERMITS, LICENSES AND FEES	\$50	0.01%
PERSONNEL SERVICES AND BENEFITS	\$420,580	82.28%
POSTAGE AND FREIGHT	\$250	0.05%
PROFESSIONAL SERVICES	\$50,000	9.78%
PROMOTION AND GRANTS	\$500	0.10%
TRAVEL AND EDUCATION	\$8,000	1.57%
UTILITIES	\$2,000	0.39%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$66,887 or 18.91% due to annual step increases, a 5.0% cost of living adjustment for IAFF and non-represented employees that will become effective January 1, 2026 and projected increases to pension, health insurance and other benefits.
- Medical Services (Account 640.05) decreased by \$10,000 or 16.67% due to the needs of the Mobile Integrated Program.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1210-121-500.01	154,984	221,838	221,838	158,850	237,310	15,472	6.97%
Personnel Services and Wages - Regular Longevity Bonus	101-1210-121-500.05	900	950	950	950	1,000	50	5.26%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1210-121-501.01	1,483	3,000	3,000	1,000	3,000	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1210-121-505.00	12,514	17,200	17,200	12,500	18,500	1,300	7.56%
Personnel Benefits - Pension Budget Only	101-1210-121-506.00	35,483	50,620	50,620	36,500	61,110	10,490	20.72%
Personnel Benefits - Insurance Budget Only	101-1210-121-507.00	11,866	44,160	44,160	13,250	73,950	29,790	67.46%
Personnel Benefits - Insurance Worker's Compensation	101-1210-121-507.30	6,928	11,245	11,245	11,245	11,720	475	4.22%
Personnel Benefits - Other Budget Only	101-1210-121-508.00	17,417	4,680	4,680	4,680	13,990	9,310	198.93%
Payroll Allowances Moving Expense - Taxed	101-1210-121-509.07	7,960	-	-	-	-	-	-
Total PERSONNEL SERVICES AND BENEFITS		249,535	353,693	353,693	238,975	420,580	66,887	18.91%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1210-121-510.01	244	250	250	200	250	-	0.00%
General Supplies Operating Supplies	101-1210-121-510.02	4,001	5,000	5,000	5,000	6,500	1,500	30.00%
General Supplies Safety Program Supplies	101-1210-121-510.03	2,289	3,000	3,000	1,700	3,000	-	0.00%
Maintenance Materials Vehicle Maintenance Materials	101-1210-121-515.01	-	250	250	150	250	-	0.00%
Maintenance Materials Machinery & Equipment Maint.	101-1210-121-515.04	-	150	150	-	150	-	0.00%
Total GENERAL SUPPLIES		6,534	8,650	8,650	7,050	10,150	1,500	17.34%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1210-121-520.02	93	250	250	120	250	-	0.00%
Total POSTAGE AND FREIGHT		93	250	250	120	250	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1210-121-525.04	300	1,000	1,000	700	1,000	-	0.00%
Total FUELS/LUBRICANTS/ENERGY		300	1,000	1,000	700	1,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	%% Change
COSTS								
ALLOWANCES								
Allowances Uniforms/Badges/Clothing	101-1210-121-535.04	946	1,000	1,000	300	1,000	-	0.00%
Total ALLOWANCES		946	1,000	1,000	300	1,000	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	101-1210-121-600.02	-	4,000	4,000	-	4,000	-	0.00%
Travel and Education Training and Education	101-1210-121-600.03	6,425	4,000	4,000	215	4,000	-	0.00%
Total TRAVEL AND EDUCATION		6,425	8,000	8,000	215	8,000	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1210-121-605.01	901	1,000	3,500	700	1,000	-	0.00%
Total ADVERTISING AND PUBLISHING		901	1,000	3,500	700	1,000	-	0.00%
PROMOTION AND GRANTS								
Contributions, Grants and Subsidies Community Promotion	101-1210-121-610.01	746	500	500	500	500	-	0.00%
Total PROMOTION AND GRANTS		746	500	500	500	500	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Professional Lic. and Certs.	101-1210-121-615.01	-	800	800	75	500	-300	-37.50%
Total DUES AND MEMBERSHIPS		-	800	800	75	500	-300	-37.50%
PERMITS, LICENSES AND FEES								
Licenses and Fees Service Charges and Fees	101-1210-121-630.06	18	100	100	-	50	-50	-50.00%
Total PERMITS, LICENSES AND FEES		18	100	100	-	50	-50	-50.00%
CONTRACTUAL SERVICES								
Contractual Services Vehicle Maintenance Services	101-1210-121-635.03	-	1,000	1,000	250	1,000	-	0.00%
Total CONTRACTUAL SERVICES		-	1,000	1,000	250	1,000	-	0.00%
PROFESSIONAL SERVICES								
Professional Services Medical Services	101-1210-121-640.05	1,350	60,000	25,750	1,800	50,000	-10,000	-16.67%
Total PROFESSIONAL SERVICES		1,350	60,000	25,750	1,800	50,000	-10,000	-16.67%
UTILITIES								
Utilities Telecommunications	101-1210-121-650.01	1,303	1,500	1,500	1,500	2,000	500	33.33%
Total UTILITIES		1,303	1,500	1,500	1,500	2,000	500	33.33%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Machinery & Equipment	101-1210-121-790.25	332	2,000	2,000	-	1,500	-500	-25.00%
Total MINOR CAPITAL OUTLAY		332	2,000	2,000	-	1,500	-500	-25.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1210-121-825.01	8,005	10,630	10,630	10,190	11,150	520	4.89%
Interdepartmental Charges Garage Charges	101-1210-121-850.01	3,170	2,500	2,500	1,000	2,500	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Total INTERDEPARTMENTAL CHARGES		11,175	13,130	13,130	11,190	13,650	520	3.96%
Total Expenditures		279,658	452,623	420,873	263,375	511,180	58,557	12.94%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries: \$237,310 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the department.

500.05 Longevity Pay: \$1,000 - Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$3,000 - This account provides expenditures for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

505.00 Payroll Taxes: \$18,500 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$61,110 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$73,950 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$11,720 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$13,990 – This account provides 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: \$250 - This account provides expenditures for copy paper, pens, pencils, note pads, file folders, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as adding machines, staplers and tape dispensers.

510.02 Operating Supplies: \$6,500 - This account provides expenditures 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, fire suppression, inspection supplies, smoke detectors, flags and public education supplies, awards and volunteer recognition, and other departmental supplies used by the division during the course of a year.

510.03 Safety Program Supplies: \$3,000 - This account provides expenditures for the City safety program. Included are safety training audio and video programs, safety equipment, physical fitness equipment, OSHA/NFPA 1583 required medical exams, immunizations, specialized hazardous materials handling and disposal information, and traffic control items.

515.01 Vehicle Maintenance Materials: \$250 - This account provides expenditures for the repair and maintenance of vehicles owned or leased and operated by the department. Included are licensed and unlicensed rolling stock and boats.

515.04 Machinery & Equipment Maintenance: \$150 - This account provides expenditures for the repair and maintenance of machinery and equipment owned or leased and operated by the division. Included are office equipment, operating equipment, HazMat equipment, computer networks and computers.

520.02 Postage and Freight: \$250 - This account provides expenditures for postal related services such as postage, express delivery, barge line freight, HazMat shipping and mailing materials.

525.04 Vehicle Motor Fuel and Lubricant: \$1,000 - This account provides expenditures for gasoline, diesel fuel and lubricants used in the operations of division vehicles and boats.

535.04 Uniforms/Badges/Clothing: \$1,000 - This account provides expenditures 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, belts, badges, and class A dress uniforms.

600.02 Travel-Training: \$4,000 - This account provides expenditures 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: \$4,000 – This account provides expenditures for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees as well as on-premises training programs provided by staff or third-parties. This also includes our contractually obligated paramedic reimbursement program.

605.01 Ads and Announcements: \$1,000 - This account provides expenditures for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are public service announcements, community issues, requests for proposals and recruiting.

610.01 Community Promotion: \$500 - Expenditures for the promotion of community activities and programs. Included are donations to civic organizations, sport teams and hosting or sponsoring community events.

615.01 Professional and Technical Licenses: \$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 licensed Paramedics; and fees paid for technical certifications required by medical technicians, divers and operators of special equipment.

630.06 Services Charges & Fees: \$50 - This account provides expenditures for payment of fees that are charged by the Ketchikan Gateway Borough for medical transport to and from the Ketchikan International Airport as well as Medicare billing.

635.03 Vehicle Maintenance Services: \$1,000 – This account provides expenditures for the repair and maintenance of department vehicles and boats by outside maintenance facilities, including storage of the fire boat while out of service.

640.05 Medical Services: \$15,000 – This account provides expenditures for services provided by medical practitioners and medical facilities.

650.01 Utilities Telecommunications: \$2,000 - This account provides expenditures for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers.

790.25 Machinery and Equipment: \$1,500 - This account provides expenditures for the acquisition of machinery and equipment usually composed of a complex combination of parts.

825.01 Interdepartmental Charges – Insurance: \$11,150 - This account provides expenditures for risk management services and claims.

850.01 Interdepartmental Charges – Garage: \$2,500 - This account provides expenditures for fleet maintenance services provided by the Public Works Department-Garage Division.

Fire Grant Program

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 2026

Staffing & Workforce Development

- Pursue additional SAFER funding (supplemental or retention-focused) to sustain and expand career staffing levels.
- Explore grant opportunities for volunteer and retention programs.
- Apply for training and certification grants (Fire Officer, Paramedic, Specialty Rescue) to reduce out-of-pocket costs and strengthen workforce capability.

Health & Safety

- Apply for Assistance to Firefighters Grant (AFG) to support:
 - Replacement of aging turnout gear.
 - Installation of decontamination and clean cab systems.
 - Purchase of high-fidelity EMS simulation equipment to improve training.
- Seek funding for cancer prevention initiatives, including:
 - Gear washers and dryers
 - Second sets of PPE
 - Particulate-blocking hoods

Facilities & Equipment

- Submit FEMA and state-level grants to support:
 - Fire Station 2 rebuild project (design, site work, construction)
 - Regional training facility upgrades (flash over chamber, confined space props, collapse rescue simulators)

Marine & Port Safety

- Reapply for Port Security Grant to fully fund projects that harden and protect the port.
- Pursue funding for portable barriers that can be quickly deployed to isolate areas of the port during emergencies.

Emergency Management & Community Preparedness

- Apply for EMPG renewals to support Emergency Management operations
- Pursue SHSP funding for:
 - Expanded EOC security.
 - Cyber protection upgrades
 - Interoperable radios.
- Seek grant support for community risk reduction programs (CPR, AED, Stop the Bleed, wildfire defensible space).
- Continue assisting Public Works in researching and completing federal and state grant opportunities.

Summary: These 2026 grant goals prioritize people, health, facilities, technology, and community protection. By diversifying funding streams, KFD will enhance operational readiness, firefighter safety, and community resilience.

2025 Accomplishments

- SAFER Grant - Awarded funding to hire three new career staff for KFD.
- AFG (Assistance to Firefighters Grant) - Awarded funding for installation of vehicle exhaust capture systems in Station 1 & 2 to reduce firefighter cancer risk.
- State Hazmat Grant - Received \$10,000 for hazardous materials training and equipment
- EMPG (Emergency Management Performance Grant) - Funding received to offset costs of citywide emergency management activities.

Grant Application Submitted - Awaiting Award Notification

- Congressional Directed Spending - Secured \$3,000,000 (passed in the U.S. House, pending final adoption of the federal budget) and upgrading island-wide public safety communications systems.
- SEMT (Supplemental Emergency Medical Transport) Program - Received \$1.6 million in reimbursement funding, with additional funds pending final state audit.
- SHSP (State Homeland Security Program) - Funding awarded to secure the EOC and purchase P25-compliant radios for KFD and KPD.

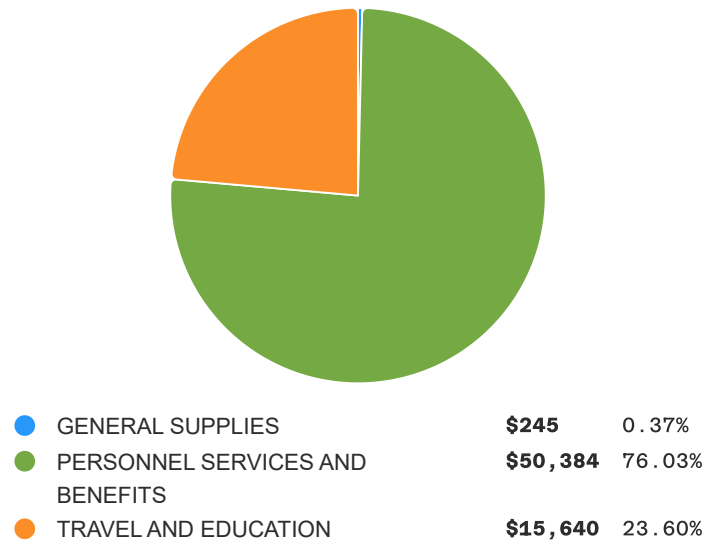
Pending Applications:

- Port Security Grant - Application submitted to partially fund acquisition of a new fire boat.
- Public Works Generator Grant - Assisted in writing a federal application to secure generator funding for critical city infrastructure.
- Fire Prevention Grant that will allow KFD to complete a community wide needs assessment.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund						-	
Federal Grant	22,015	20,000	20,000	20,000	20,000	-	0.0%
State Grant	10,000	112,445	112,445	111,439	26,269	(86,176)	-76.6%
Local Match	22,016	25,622	25,622	25,865	20,000	(5,622)	-21.9%
Total Funding	54,031	158,067	158,067	157,304	66,269	(91,798)	-58.1%

2026 Expenditures by Category



Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits in the Fire Department's Grant Program decreased by \$93,443 because the Emergency Management Planning Grant has not been awarded yet.
- Major Capital Outlay decreased by \$944,286 or 100% due to the completion of the Handheld Radios project (\$94,286) and due to the removal of the Fire Boat (\$850,000) from the budget. Until funding is available, this will not be included in the budget.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Amended	2025 Adopted	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1210-192-500.01	30,327	94,272	108,972	106,805	37,867	-71,105	-65.25%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1210-192-501.01	53	-	-	-	-	-	-
Personnel Benefits - Taxes Budget Only	101-1210-192-505.00	2,291	14,493	26,193	5,400	2,791	-23,402	-89.34%
Personnel Benefits - Pension Budget Only	101-1210-192-506.00	6,681	18,074	6,374	23,550	8,410	2,036	31.94%
Personnel Benefits - Insurance Budget Only	101-1210-192-507.00	3,450	16,870	2,170	13,064	1,207	-963	-44.38%
Personnel Benefits - Insurance Worker's Compensation	101-1210-192-507.30	1,229	118	118	130	109	-9	-7.63%
Total PERSONNEL SERVICES AND BENEFITS		44,031	143,827	143,827	148,949	50,384	-93,443	-64.97%
GENERAL SUPPLIES								
General Supplies Operating Supplies	101-1210-192-510.02	-	4,800	4,800	4,555	245	-4,555	-94.90%
Total GENERAL SUPPLIES		-	4,800	4,800	4,555	245	-4,555	-94.90%
TRAVEL AND EDUCATION								

Category	Account ID	2024 Actual	2025 Amended	2025 Adopted	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Travel and Education Travel - Business	101-1210-192-600.01	-	2,500	2,500	-	2,500	-	0.00%
Travel and Education Travel - Training	101-1210-192-600.02	-	3,440	3,440	1,500	11,940	8,500	247.09%
Travel and Education Training and Education	101-1210-192-600.03	-	2,000	2,000	800	1,200	-800	-40.00%
Total TRAVEL AND EDUCATION		-	7,940	7,940	2,300	15,640	7,700	96.98%
CONTRACTUAL SERVICES								
Contractual Services Other Contractual Services	101-1210-192-635.14	-	1,500	1,500	1,500	-	-1,500	-
Total CONTRACTUAL SERVICES		-	1,500	1,500	1,500	-	-1,500	-
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Machinery & Equipment	101-1210-192-790.25	10,000	-	-	-	-	-	-
Total MINOR CAPITAL OUTLAY		10,000	-	-	-	-	-	-
Total Expenditures		54,031	158,067	158,067	157,304	66,269	-91,798	-58.08%

Operating Account Narrative

500.01 Regular Salaries: \$37,867 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the department.

505.00 Payroll Taxes: \$2,791 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$8,410 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$1,207 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$109 – This account provides expenditures for employer contributions to workers compensation.

510.02 Operating Supplies: \$245 - This account provides expenditures 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, fire suppression, inspection supplies, smoke detectors, flags and public education supplies, awards and volunteer recognition, and other departmental supplies used by the division during the course of a year.

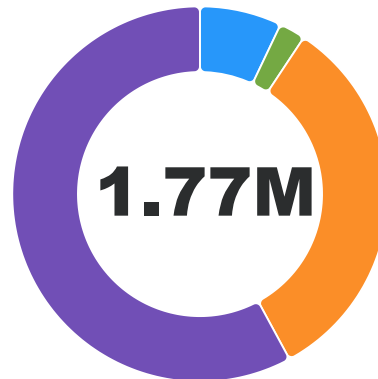
600.01 Travel-Business: \$2,500 - This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business and trade meetings.

600.02 Travel-Training: \$1,940 - This account provides expenditures 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: \$1,200 - This account provides expenditures for registration fees, training fees, training materials, tuition reimbursements and other incidental expenses associated with training and educating employees as well as on-premises training programs provided by staff or third-parties. This also includes our contractually obligated paramedic reimbursement program.

Fire Capital Program

2026 Expenditures by Type



Buildings	\$125,000	7.06%
Land	\$40,000	2.26%
Machinery & Equipment	\$580,000	32.77%
Vehicles & Moving Equipment	\$1,025,000	57.91%

Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Land	-	-	-	-	40,000	40,000	-
Buildings	34,790	-	35,000	35,000	125,000	125,000	-
Vehicles & Moving Equipment	1,917,086	1,350,000	1,350,000	500,000	1,025,000	-325,000	-24.07%
Machinery & Equipment	988,443	347,328	431,050	377,565	580,000	232,672	66.99%
Total Expenditures	2,940,319	1,697,328	1,816,050	912,565	1,770,000	72,672	4.28%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Activity

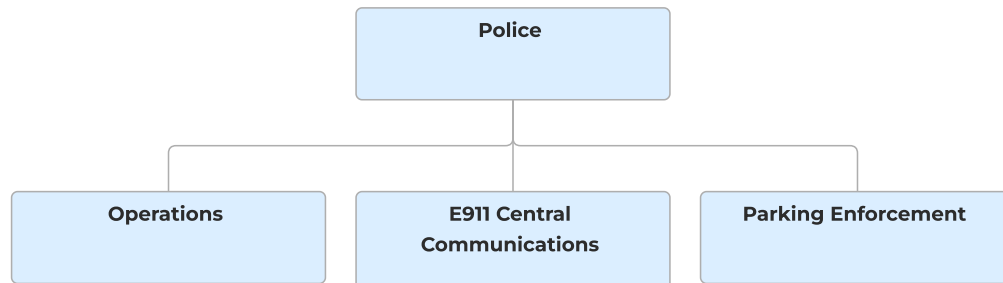
Category	2026 Budget
Capital Projects	
Public Works Sales Tax Fund	
Land General	40,000
Fire Training Facilities	40,000
Buildings General	125,000
Station 2 - Design and Replacement	50,000
Station 1 Maintenance, Improvements & Equipment	75,000
Vehicles & Moving Equipment General	25,000
Retro-Fit Command 2 with Plow and Lift	25,000
Machinery & Equipment General	138,500
Fire Equipment for New Apparatus	100,000
Adding MDTs and Updating Network Capabilities	38,500
Total Public Works Sales Tax Fund	328,500
Major Capital Improvements Fund	
Vehicles & Moving Equipment General	1,000,000
Replace Command 1 (52-776)	100,000

Category	2026 Budget
Replace Pumper Tanker	900,000
Machinery & Equipment General	441,500
Critical Care EMS Equipment and Training Equipment	250,000
Technical Rescue Equipment	100,000
Adding MDTs and Updating Network Capabilities	91,500
Total Major Capital Improvements Fund	1,441,500
Total Capital Projects	1,770,000
Total Expenditures	1,770,000

Police

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.



Expenditures by Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	4,880,101	6,153,071	6,168,771	5,428,414	6,494,475	341,404	5.55%
Capital Projects	997,989	369,575	397,575	266,073	454,925	85,350	23.09%
Dispatch/Central Communications	1,341,083	1,495,125	1,554,225	1,522,935	1,616,745	121,620	8.13%
Parking Enforcement	118,022	156,685	157,075	138,675	163,435	6,750	4.31%
Grants	-	-	21,000	21,000	-	-	0.00%
Forfeitures and Seizures Program	-	-	9,000	9,000	-	-	0.00%
Total Expenditures	7,337,195	8,174,456	8,307,646	7,386,097	8,729,580	555,124	6.79%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	5,582,366	6,559,871	6,558,531	6,003,524	7,057,545	497,674	7.59%
GENERAL SUPPLIES	70,683	98,900	109,230	105,030	98,900	-	0.00%
POSTAGE AND FREIGHT	6,363	8,500	8,500	7,200	7,200	-1,300	-15.29%
FUELS/LUBRICANTS/ENERGY COSTS	54,233	122,900	122,900	55,700	67,700	-55,200	-44.91%
ALLOWANCES	3,212	7,600	7,600	5,400	7,600	-	0.00%
TRAVEL AND EDUCATION	49,071	148,300	160,300	160,300	148,300	-	0.00%
ADVERTISING AND PUBLISHING	3,212	3,400	3,400	3,000	3,000	-400	-11.76%
PROMOTION AND GRANTS	5,138	5,000	5,000	5,000	5,000	-	0.00%
DUES AND MEMBERSHIPS	2,390	4,500	4,500	4,500	4,500	-	0.00%
TOWING AND SALVAGE	1,415	71,000	71,340	71,000	71,000	-	0.00%
PERMITS, LICENSES AND FEES	1,765	5,810	6,810	6,610	7,010	1,200	20.65%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
CONTRACTUAL SERVICES	149,832	273,700	277,191	200,000	273,700	-	0.00%
PROFESSIONAL SERVICES	8,733	32,000	30,420	16,670	32,000	-	0.00%
UTILITIES	119,828	139,100	139,100	124,100	145,050	5,950	4.28%
MAJOR CAPITAL OUTLAY	997,989	369,575	418,575	287,073	454,925	85,350	23.09%
MINOR CAPITAL OUTLAY	75,448	56,550	103,800	76,800	57,050	500	0.88%
INTERDEPARTMENTAL CHARGES	205,517	267,750	280,449	254,190	289,100	21,350	7.97%
Total Expenditures	7,337,195	8,174,456	8,307,646	7,386,097	8,729,580	555,124	6.79%

Funding Source

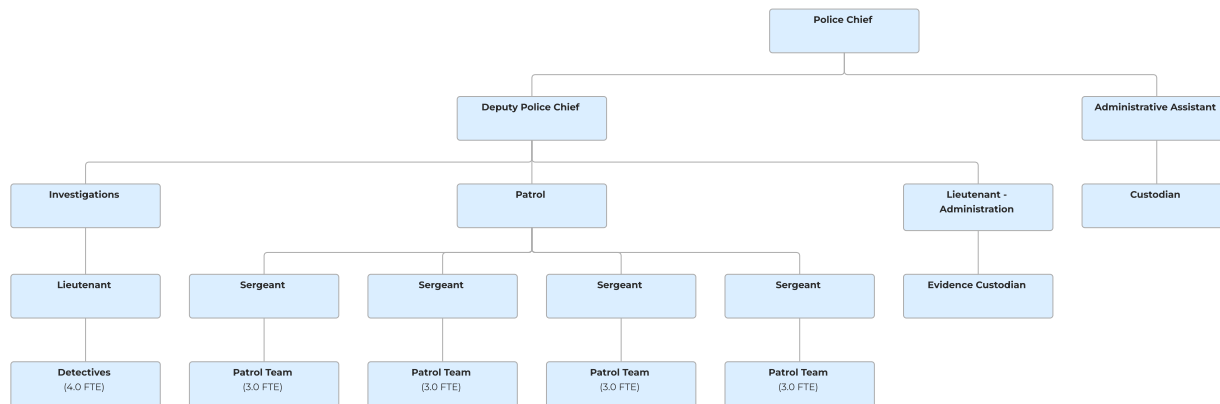
3940476	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Tax Support	3,118,825	3,859,986	3,919,476	3,240,929	3,310,070	(549,916)	-14.2%
Public Safety Sales Tax	2,517,070	3,232,883	3,189,583	3,082,765	4,022,584	789,701	24.4%
Charges for Services	484,117	480,000	480,000	509,820	480,000	-	0.0%
Fines and Forfeitures	56,686	65,500	65,500	57,998	65,000	(500)	-0.8%
Marijuana Sales Tax Fund	-	-	-	-	85,500	85,500	100.0%
CPV Special Revenue Fund	162,508	166,512	166,512	166,512	311,501	144,989	87.1%
Forfeitures and Seizures Fund	68,678	-	68,000	41,000	-	-	0.0%
Public Works Sales Tax Fund	929,311	369,575	397,575	266,073	454,925	85,350	23.1%
Major Capital Improvements Fund	-	-	21,000	21,000	-	-	0.0%
Total Funding	7,337,195	8,174,456	8,307,646	7,386,097	8,729,580	555,124	6.8%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	30.35	30.35	26.35	26.35	3,145,870	(4.00)	-15.2%
E911 Central Communications	9.20	9.20	9.20	9.20	695,020	-	0.0%
Parking Enforcement	1.00	1.00	1.00	1.00	61,990	-	0.0%
Total	40.55	40.55	36.55	36.55	3,902,880	(4.00)	-10.9%

Police Operations

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



Goals for 2026

- Continue to update policy and procedure manual.
- Develop a wellness program for all employees. Provide access to counseling, peer-support groups, and wellness checks to reduce stress and burnout.
- Develop and implement the Officer in Charge program. This will allow officers to prepare for upcoming promotional opportunities.
- Scenario-based Training. Integrate regular drills focusing on de-escalation, active shooter preparedness, and traffic stop safety.
- Minimum Training Hours. Require all officers to complete at least 40 hours of continuing education annually, including de-escalation techniques, crisis intervention, and cultural competency training.
- Participate in our annual community outreach programs to include Shop with a Cop, Halloween Safety, Coffee with a Cop, and the drug takeback program.

2025 Accomplishments

- Updated multiple policies and procedures.
- Developed and implemented a Public Safety drone program.
- Established a department tactical team.
- Replaced certified trainers in specialized areas that veteran officers have vacated.
- Promoted and trained a new Deputy Chief of Police and 2 new Sergeants.
- Trained and certified a Detective to identify and investigate child sexual abuse material cases in Southeast Alaska.
- The canine program became fully operational. Canine Hondo is currently state-certified.

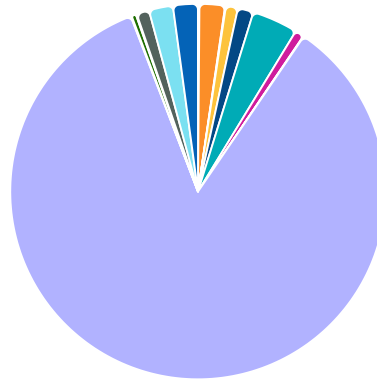
Funding Source

	2024	2025	2025	2025	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Estimate	Budget		
General Fund							
Tax Support	2,239,434	2,798,057	2,798,057	2,189,020	2,229,533	(568,524)	-20.3%
Public Safety Sales Tax	2,517,070	3,232,883	3,189,583	3,082,765	4,022,584	789,701	24.4%
Fines and Forfeitures	7,120	5,500	5,500	7,998	5,000	(500)	-9.1%
Marijuana Sales Tax	-	-	-	-	85,500	85,500	100.0%
CPV Special Revenue Fund	116,477	116,631	116,631	116,631	151,858	35,227	30.2%
Total Funding	4,880,101	6,153,071	6,109,771	5,396,414	6,494,475	341,404	5.5%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Budget	Salary		
Police Chief	0.90	0.90	0.90	0.90	163,810	-	0.0%
Deputy Chief	0.95	0.95	0.95	0.95	159,000	-	0.0%
Lieutenant	2.00	2.00	2.00	2.00	318,680	-	0.0%
Sergeant	4.00	4.00	4.00	4.00	533,080	-	0.0%
Police Officer	16.25	16.25	12.25	12.25	1,353,640	(4.00)	-32.7%
Detective/Investigations	4.00	4.00	4.00	4.00	470,430	-	0.0%
Administrative Assistant	0.95	0.95	0.95	0.95	65,240	-	0.0%
Evidence Custodian	1.00	1.00	1.00	1.00	66,420	-	0.0%
Custodian	0.30	0.30	0.30	0.30	15,570	-	0.0%
Total	30.35	30.35	26.35	26.35	3,145,870	(4.00)	-15.2%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$2,500	0.04%
ALLOWANCES	\$5,700	0.09%
CONTRACTUAL SERVICES	\$142,000	2.19%
DUES AND MEMBERSHIPS	\$4,500	0.07%
FUELS/LUBRICANTS/ENERGY COSTS	\$67,000	1.03%
GENERAL SUPPLIES	\$88,100	1.36%
INTERDEPARTMENTAL CHARGES	\$256,250	3.95%
MINOR CAPITAL OUTLAY	\$50,050	0.77%
PERMITS, LICENSES AND FEES	\$3,000	0.05%
PERSONNEL SERVICES AND BENEFITS	\$5,497,125	84.64%
POSTAGE AND FREIGHT	\$5,200	0.08%
PROFESSIONAL SERVICES	\$24,000	0.37%
PROMOTION AND GRANTS	\$5,000	0.08%
TOWING AND SALVAGE	\$71,000	1.09%
TRAVEL AND EDUCATION	\$133,800	2.06%
UTILITIES	\$139,250	2.14%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$368,474 or 7.18% due to grade increases for Police Department personnel approved in 2025, projected increases in pension, health insurance and other benefits.
- Electric, Water, Sewer & Solid Waste (Account 650.02) increased by \$5,919 or by 9.5%, due to rate increases in utility services.
- Interdepartmental Charges - Insurance (Account 825.01) increased by \$20,480 or 15.43% due to increases in insurance premiums and estimates for 2025 claims that have impacted what must be factored in to the 2026 budget.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1220-110-500.01	2,531,195	2,948,765	2,890,925	2,609,800	3,145,870	197,105	6.68%
Personnel Services and Wages - Regular Longevity Bonus	101-1220-110-500.05	19,120	21,925	21,925	19,955	18,690	-3,235	-14.75%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1220-110-501.01	194,872	195,700	195,700	195,700	195,700	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1220-110-505.00	211,334	242,229	242,229	220,250	261,476	19,247	7.95%
Personnel Benefits - Pension Budget Only	101-1220-110-506.00	615,048	704,416	704,416	632,500	766,449	62,033	8.81%
Personnel Benefits - Insurance Budget Only	101-1220-110-507.00	514,087	662,858	662,858	560,500	745,761	82,903	12.51%
Personnel Benefits - Insurance Worker's Compensation	101-1220-110-507.30	77,945	98,554	98,554	98,554	104,240	5,686	5.77%
Personnel Benefits - Other Budget Only	101-1220-110-508.00	59,021	145,904	145,904	145,904	158,659	12,755	8.74%
Payroll Allowances Police Uniforms	101-1220-110-509.01	49,188	56,700	56,700	52,181	48,680	-8,020	-14.14%
Payroll Allowances Moving Expense - Taxed	101-1220-110-509.07	5,870	50,000	50,000	20,000	50,000	-	0.00%
Payroll Allowances Medical Expense	101-1220-110-509.08	-	1,600	1,600	-	1,600	-	0.00%
Total PERSONNEL SERVICES AND BENEFITS		4,277,680	5,128,651	5,070,811	4,555,344	5,497,125	368,474	7.18%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1220-110-510.01	3,949	8,000	8,000	8,000	8,000	-	0.00%
General Supplies Operating Supplies	101-1220-110-510.02	30,013	50,000	50,000	50,000	50,000	-	0.00%
General Supplies Safety Program Supplies	101-1220-110-510.03	9,505	10,500	10,500	7,000	10,500	-	0.00%
General Supplies Janitorial Supplies	101-1220-110-510.04	2,742	3,400	3,400	3,400	3,400	-	0.00%
Maintenance Materials Vehicle Maintenance Materials	101-1220-110-515.01	957	-	-	-	-	-	-
Maintenance Materials Building and Grounds Maintenance	101-1220-110-515.02	15,635	15,000	15,000	15,000	15,000	-	0.00%
Maintenance Materials Machinery & Equipment Maint.	101-1220-110-515.04	212	1,200	1,200	500	1,200	-	0.00%
Total GENERAL SUPPLIES		63,013	88,100	88,100	83,900	88,100	-	0.00%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1220-110-520.02	4,880	5,200	5,200	5,200	5,200	-	0.00%
Total POSTAGE AND FREIGHT		4,880	5,200	5,200	5,200	5,200	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Heating Fuel	101-1220-110-525.03	19,422	56,000	56,000	22,000	22,000	-34,000	-60.71%
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1220-110-525.04	34,543	66,200	66,200	33,000	45,000	-21,200	-32.02%
Total FUELS/LUBRICANTS/ENERGY COSTS		53,965	122,200	122,200	55,000	67,000	-55,200	-45.17%
ALLOWANCES								
Allowances Uniforms/Badges/Clothing	101-1220-110-535.04	2,911	5,700	5,700	3,500	5,700	-	0.00%
Total ALLOWANCES		2,911	5,700	5,700	3,500	5,700	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Business	101-1220-110-600.01	961	1,000	4,000	4,000	1,000	-	0.00%
Travel and Education Travel - Training	101-1220-110-600.02	24,947	80,000	80,000	80,000	80,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Travel and Education Training and Education	101-1220-110-600.03	20,080	52,800	49,800	49,800	52,800	-	0.00%
Total TRAVEL AND EDUCATION		45,988	133,800	133,800	133,800	133,800	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1220-110-605.01	2,661	2,500	2,500	2,500	2,500	-	0.00%
Total ADVERTISING AND PUBLISHING		2,661	2,500	2,500	2,500	2,500	-	0.00%
PROMOTION AND GRANTS								
Contributions, Grants and Subsidies Community Promotion	101-1220-110-610.01	5,138	5,000	5,000	5,000	5,000	-	0.00%
Total PROMOTION AND GRANTS		5,138	5,000	5,000	5,000	5,000	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Assoc. Membership Dues & Fees	101-1220-110-615.02	2,390	4,500	4,500	4,500	4,500	-	0.00%
Total DUES AND MEMBERSHIPS		2,390	4,500	4,500	4,500	4,500	-	0.00%
TOWING AND SALVAGE								
Towing and Salvage Abandoned Property	101-1220-110-620.01	-	68,000	68,340	68,000	68,000	-	0.00%
Towing and Salvage Impound and Disposal of Property	101-1220-110-620.02	1,415	3,000	3,000	3,000	3,000	-	0.00%
Total TOWING AND SALVAGE		1,415	71,000	71,340	71,000	71,000	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Vehicle Licenses	101-1220-110-630.02	265	500	500	300	500	-	0.00%
Licenses and Fees Bank & Merchant Fees	101-1220-110-630.03	1,290	1,300	2,300	2,300	2,500	1,200	92.31%
Total PERMITS, LICENSES AND FEES		1,555	1,800	2,800	2,600	3,000	1,200	66.67%
CONTRACTUAL SERVICES								
Contractual Services Government Contractual Services	101-1220-110-635.01	7,429	27,000	27,000	15,000	27,000	-	0.00%
Contractual Services Vehicle Maintenance Services	101-1220-110-635.03	-	-	3,491	-	-	-	0.00%
Contractual Services Software & Equip Maint Services	101-1220-110-635.04	5,040	38,000	38,000	38,000	38,000	-	0.00%
Contractual Services Building and Grounds Maint. Svc	101-1220-110-635.06	3,666	5,000	5,000	5,000	5,000	-	0.00%
Contractual Services Machinery & Equipment Maint. Svc	101-1220-110-635.07	-	7,000	7,000	2,000	7,000	-	0.00%
Contractual Services Investigation Services	101-1220-110-635.10	14,942	15,000	15,000	15,000	15,000	-	0.00%
Contractual Services Other Contractual Services	101-1220-110-635.14	9,500	50,000	50,000	-	50,000	-	0.00%
Total CONTRACTUAL SERVICES		40,577	142,000	145,491	75,000	142,000	-	0.00%
PROFESSIONAL SERVICES								
Professional Services Medical Services	101-1220-110-640.05	5,170	24,000	23,750	10,000	24,000	-	0.00%
Total PROFESSIONAL SERVICES		5,170	24,000	23,750	10,000	24,000	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1220-110-650.01	55,683	71,000	71,000	56,000	71,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Utilities Electric, Water, Sewer & Garbage	101-1220-110-650.02	59,580	62,300	62,300	62,300	68,250	5,950	9.55%
Total UTILITIES		115,263	133,300	133,300	118,300	139,250	5,950	4.46%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1220-110-790.15	3,632	5,000	5,000	5,000	5,000	-	0.00%
Minor Capital Outlay Machinery & Equipment	101-1220-110-790.25	19,008	24,250	24,500	24,500	24,250	-	0.00%
Minor Capital Outlay M&E-Computers Printers & Copier	101-1220-110-790.26	50,308	20,300	20,300	20,300	20,800	500	2.46%
Total MINOR CAPITAL OUTLAY		72,948	49,550	49,800	49,800	50,050	500	1.01%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1220-110-825.01	100,158	132,770	145,970	145,970	153,250	20,480	15.43%
Interdepartmental Charges Garage Charges	101-1220-110-850.01	84,389	103,000	99,509	75,000	103,000	-	0.00%
Total INTERDEPARTMENTAL CHARGES		184,547	235,770	245,479	220,970	256,250	20,480	8.69%
Total Expenditures		4,880,101	6,153,071	6,109,771	5,396,414	6,494,475	341,404	5.55%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$3,145,870 – This account provides expenditures for compensation paid to all regular salaried and hourly employees for personnel services.

500.05 Longevity Pay: \$18,690 – Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$195,700 - This account provides expenditures for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

505.00 Payroll Taxes: \$261,476 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$766,449 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$745,761 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$104,240 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$158,659 – This account provides 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: \$48,680 – This account provides expenditures for employer provided uniform allowances paid directly to police officers pursuant to collective bargaining agreements or the City Personnel Rules.

509.07 Allowances - Moving Expense: \$50,000 - This account provides expenditures for direct payments or reimbursements to employees for expenditures incurred to relocate to Ketchikan.

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

510.01 Office Supplies: \$8,000- This account provides expenditures for paper, pens, pencils, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as staplers and tape dispensers.

510.02 Operating Supplies: \$50,000 - This account provides expenditures 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, taser cartridges, pepper spray, ammunition, targets and armor supplies. It also provides expenditures for veterinary costs associated with canine. This account also allows for any food, housing, training and equipment.

510.03 Safety Program Supplies: \$10,500- This account provides expenditures for supplies for the department 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 accessories.

510.04 Janitorial Supplies: \$3,400 – This account provides expenditures for cleaning and sanitation supplies used by the in-house janitor.

515.02 Building and Grounds Maintenance Materials: \$15,000 – This account provides expenditures for materials required to repair and maintain the building and the upkeep of the grounds at the Police Station.

515.04 Machinery and Equipment Maintenance Materials: \$1,200 – This account provides expenditures 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: \$5,200- This account provides expenditures for postal related services such as postage, express delivery and mailing materials.

525.03 Heating Fuel: \$22,000 - This account provides expenditures for heating fuel for the Police Department.

525.04 Vehicle Motor Fuel and Lubricants: \$45,000 - This account provides expenditures for gasoline and lubricants used for the operation of Police vehicles.

535.04 Uniforms/Badges/Clothing: \$5,700 - This account provides expenditures 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: \$1,000 – This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for department business.

600.02 Travel-Training: \$80,000- This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600.03 Training and Education: \$52,800 – This account provides 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 third-parties. Tuition for new officers to attend the Public Safety Training Academy is also paid with this account as needed.

605.01 Ads and Public Announcements: \$2,500 - This account provides expenditures 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 and recruiting.

610.01 Community Promotion: \$5,000 – This account provides expenditures for the promotion of community activities and programs. Included activities are Shop with a Cop, Coffee with a Cop, Citizens Academy, Health Fair and Halloween Safety.

615.02 Assn. Membership Dues and Fees: \$4,500 – This account provides expenditures 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.

620.01 Towing of Abandoned Property: \$68,000 - This account provides expenditures for salvaging and/or disposing of junked vehicles and marine vessels.

620.02 Towing of Impounded Property: \$3,000 – This account provides expenditures for towing and/or storing of impounded vehicles.

630.02 Vehicle Licenses: \$500 – This account provides expenditures for licensing department vehicles for operations on public highways.

630.03 Bank and Merchant Fees: \$2,500 - This account provides expenditures for monthly merchant fees for use of credit and debit cards associated with payment of parking tickets and fines.

635.01 Government Contractual Services: \$27,000 - This account provides expenditures 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.

635.04 Software and Equipment Maintenance Services: \$38,000 - This account provides expenditures for maintenance agreements to support licensed software systems and other technology-based systems that include both software and hardware components. The agreements in place for the division include support and updates for the digital evidence management system, Cellebrite Universal Forensic Electronic Device (UFED) and AXON body-worn cameras.

635.06 Building and Grounds Maintenance Services: \$5,000 - This account provides expenditures for services required to repair and maintain the building and the upkeep of the grounds at the Police Station.

635.07 Machinery and Equipment Maintenance Services: \$7,000- This account provides expenditures for the 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.

635.10 Investigation Services: \$15,000 - This account provides expenditures for major criminal investigations, undercover operations and other types of investigation and inspection services.

635.14 Other Contractual services: \$50,000 - This account provides expenditures for the cost of contracting third party to apply for and obtain funds for the department.

640.05 Medical Services: \$24,000 – This account provides expenditures for the costs of medical examinations for individuals held in protective custody, medical screenings for arrestees and DUI blood draws. This covers state required pre-employment psychological examinations for police officers, wellness visits for police department personnel, post incident psychologically based debriefings, organizational consultation and any other relevant psychological services as necessary or appropriate. This account also provides for costs associated with Sexual Assault Response (SAR) kits, which are occasionally reimbursed by the State of Alaska.

650.01 Telecommunications: \$71,000- This account provides expenditures 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: \$68,219 - This account provides expenditures for electric, water, sewer and solid waste utility services.

790.15 Furniture and Fixtures: \$5,000 - This account provides for the acquisition of furniture and fixtures for the Police Station.

790.25 Machinery and Equipment: \$24,250 - This account provides expenditures for the acquisition of replacement X2 Tasers, body-worn cameras.

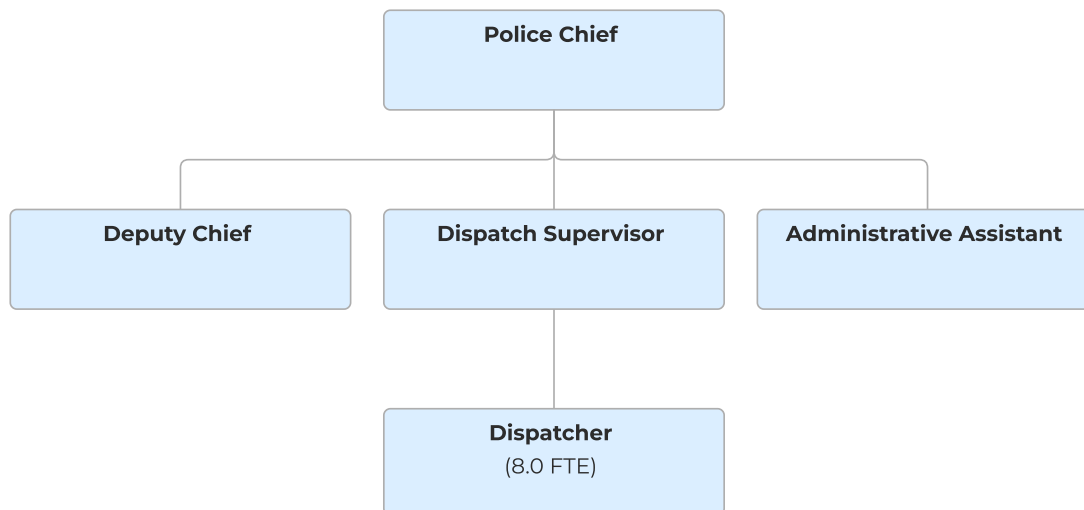
790.26 Computers, Printers and Copiers: \$20,800 - This account provides expenditures for the replacement of 4 workstations, 7 monitors, 4 laptops, 2 printers and 3 UPC back up batteries per replacement schedule developed by the Information Technology Department.

825.01 Interdepartmental Charges – Insurance: \$153,250 This account provides expenditures for risk management services and claims.

850.01 Interdepartmental Charges – Garage: \$103,000 – This account provides expenditures for fleet maintenance services provided by the Public Works Department – Garage Division.

E911 Central Communications Division

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



Goals for 2026

- Select and train a dispatcher in the Critical Incident Stress Management (CISM) area team.
- Develop quarterly in-house training for Dispatchers. Require a minimum of 40 hours of continuing education training, including the 12-hour Medical Dispatch (EMD) requirement.
- Provide excellent customer service to the citizens of Ketchikan and our visitors by following the EMD guidelines during medical emergencies.

2025 Accomplishments

- Provided excellent customer service to the citizens of Ketchikan.
- Provided individual training to dispatchers.
- Implemented E-911 upgrade and provided training to all dispatchers.
- Hired and trained two new dispatchers.
- Completed quarterly Emergency medical dispatch call reviews.

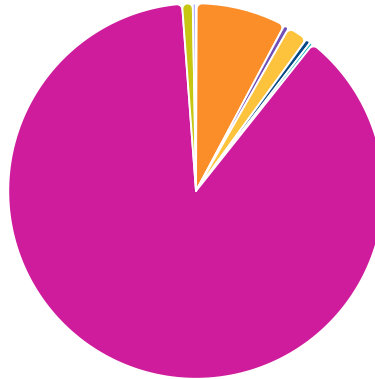
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Tax Support	810,935	965,244	1,024,344	963,234	977,102	11,858	1.2%
Charges for Services - Borough	81,103	80,000	80,000	109,820	80,000	-	0.0%
Charges for Services - E911	403,014	400,000	400,000	400,000	400,000	-	0.0%
Marijuana Sales Tax	-	-	-	-	-	-	0.0%
CPV Special Revenue Fund	46,031	49,881	49,881	49,881	159,643	109,762	220.0%
Total Funding	1,341,083	1,495,125	1,554,225	1,522,935	1,616,745	121,620	8.1%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Budget	Salary		
Police Chief	0.10	0.10	0.10	0.10	18,200	-	0.0%
Deputy Chief	0.05	0.05	0.05	0.05	8,370	-	0.0%
Administrative Assistant	0.05	0.05	0.05	0.05	3,430	-	0.0%
Dispatch Supervisor	1.00	1.00	1.00	1.00	99,620	-	0.0%
Dispatcher	8.00	8.00	8.00	8.00	565,400	-	0.0%
Total	9.20	9.20	9.20	9.20	695,020	-	0.0%

2026 Expenditures by Expense Category



● ADVERTISING AND PUBLISHING	\$500	0.03%
● ALLOWANCES	\$500	0.03%
● CONTRACTUAL SERVICES	\$125,000	7.73%
● GENERAL SUPPLIES	\$7,200	0.45%
● INTERDEPARTMENTAL CHARGES	\$28,575	1.77%
● MINOR CAPITAL OUTLAY	\$7,000	0.43%
● PERMITS, LICENSES AND FEES	\$4,000	0.25%
● PERSONNEL SERVICES AND BENEFITS	\$1,424,870	88.13%
● TRAVEL AND EDUCATION	\$14,500	0.90%
● UTILITIES	\$4,600	0.28%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

Personnel Services and Benefits increased by \$119,545 or 9.16% due to grade increases for Police Department personnel approved in 2025, projected increases in pension, health insurance and other benefits.

Expenditures by Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1220-220-500.01	533,965	645,320	636,025	604,750	695,020	49,700	7.70%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Personnel Services and Wages - Regular Longevity Bonus	101-1220-220-500.05	1,780	1,885	1,970	1,970	1,160	-725	-38.46%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1220-220-501.01	186,578	140,000	196,500	196,500	140,000	-	0.00%
Personnel Services and Wages - Temporary Wages	101-1220-220-502.01	37,739	40,000	40,000	40,000	40,000	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1220-220-505.00	58,766	63,140	64,550	64,550	67,610	4,470	7.08%
Personnel Benefits - Pension Budget Only	101-1220-220-506.00	162,051	176,700	184,500	184,500	192,060	15,360	8.69%
Personnel Benefits - Insurance Budget Only	101-1220-220-507.00	155,336	199,390	199,390	199,390	237,240	37,850	18.98%
Personnel Benefits - Insurance Worker's Compensation	101-1220-220-507.30	5,302	5,565	5,565	5,565	7,100	1,535	27.58%
Personnel Benefits - Other Budget Only	101-1220-220-508.00	49,601	25,000	25,000	25,000	36,350	11,350	45.40%
Payroll Allowances Police Uniforms	101-1220-220-509.01	188	225	225	210	230	5	2.22%
Payroll Allowances Dispatch Uniforms	101-1220-220-509.02	7,403	8,100	8,100	8,100	8,100	-	0.00%
Total PERSONNEL SERVICES AND BENEFITS		1,198,709	1,305,325	1,361,825	1,330,535	1,424,870	119,545	9.16%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1220-220-510.01	-	1,000	1,000	1,000	1,000	-	0.00%
General Supplies Operating Supplies	101-1220-220-510.02	5,355	6,200	6,200	6,200	6,200	-	0.00%
Total GENERAL SUPPLIES		5,355	7,200	7,200	7,200	7,200	-	0.00%
ALLOWANCES								
Allowances Uniforms/Badges/Clothing	101-1220-220-535.04	301	500	500	500	500	-	0.00%
Total ALLOWANCES		301	500	500	500	500	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	101-1220-220-600.02	21	7,500	7,500	7,500	7,500	-	0.00%
Travel and Education Training and Education	101-1220-220-600.03	3,062	7,000	7,000	7,000	7,000	-	0.00%
Total TRAVEL AND EDUCATION		3,083	14,500	14,500	14,500	14,500	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1220-220-605.01	551	500	500	500	500	-	0.00%
Total ADVERTISING AND PUBLISHING		551	500	500	500	500	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Software Licenses	101-1220-220-630.05	200	4,000	4,000	4,000	4,000	-	0.00%
Total PERMITS, LICENSES AND FEES		200	4,000	4,000	4,000	4,000	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	101-1220-220-635.04	107,773	120,000	120,000	120,000	120,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Contractual Services Machinery & Equipment Maint. Svc	101-1220-220- 635.07	1,482	3,500	3,500	3,500	3,500	-	0.00%
Contractual Services Subscription Services	101-1220-220- 635.11	-	1,500	1,500	1,500	1,500	-	0.00%
Total CONTRACTUAL SERVICES		109,255	125,000	125,000	125,000	125,000	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1220-220- 650.01	3,565	4,600	4,600	4,600	4,600	-	0.00%
Total UTILITIES		3,565	4,600	4,600	4,600	4,600	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1220-220- 790.15	2,500	2,500	2,500	2,500	2,500	-	0.00%
Minor Capital Outlay Machinery & Equipment	101-1220-220- 790.25	-	2,500	2,500	2,500	2,500	-	0.00%
Minor Capital Outlay Software	101-1220-220- 790.35	-	2,000	2,000	2,000	2,000	-	0.00%
Total MINOR CAPITAL OUTLAY		2,500	7,000	7,000	7,000	7,000	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1220-220- 825.01	17,564	26,500	29,100	29,100	28,575	2,075	7.83%
Total INTERDEPARTMENTAL CHARGES		17,564	26,500	29,100	29,100	28,575	2,075	7.83%
Total Expenditures		1,341,083	1,495,125	1,554,225	1,522,935	1,616,745	121,620	8.13%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$695,020 – This account provides expenditures for compensation paid to all regular salaried and hourly employees for personnel services.

500.05 Longevity Pay: \$1,160 – Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$140,000 - This account provides expenditures 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 expenditures for compensation paid to hourly employees for temporary personnel services.

505.00 Payroll Taxes: \$67,610 - This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$192,060 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$237,240 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$7,100 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$36,350 – This account provides 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: \$230 - This account provides expenditures for employer provided uniform allowances paid directly to police officers pursuant to collective bargaining agreements or the Personnel Rules.

509.02 Allowances – Dispatch Uniforms: \$8,100 - This account provides expenditures for employer provided uniform allowances paid directly to police dispatchers pursuant to collective bargaining agreements or the Personnel Rules.

510.01 Office Supplies: \$1,000- This account provides expenditures for paper, pens, pencils, note pads, file folders, scotch tape, toner, ink cartridges, photocopy charges, small desk accessories and minor office equipment such as staplers and tape dispensers.

510.02 Operating Supplies: \$6,200 - This account provides expenditures for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as communications wireless bases and headsets, batteries, employee awards and recognition pins, brochures, medical supplies, and general materials for classes and public programs. It also provides expenditures for annual parking permits for the Police Department's dispatchers.

535.04 Allowances-Uniforms/Badges/Clothing: \$500 - This account provides expenditures for direct purchases of or reimbursements to employees for work related clothing required by department policies. Included are work clothes, collar insignia, patches, badges, name plates, boots, shoes and branded logo wear.

600.02 Travel-Training: \$7,500 - This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600.03 Training and Education: \$7,000 – This account provides 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 third parties.

605.01 Ads and Public Announcements: \$500 - This account provides expenditures 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 and contracts.

630.05 Software Licenses: \$4,000 – This account provides expenditures for acquiring licenses for the right to use proprietary software such as Adobe and scheduling software for the Department.

635.04 Software and Equipment Maintenance Services: \$120,000 - This account provides expenditures for maintenance agreements to support licensed software systems and other technology-based systems that include both software and hardware components. The agreements in place for the division include support and updates for the computer-aided dispatch system, records management system, recording system interface for the dispatch consoles and remote monitoring, dispatch consoles and the APSIN criminal justice information system for Alaska.

635.07 Machinery and Equipment Maintenance Services: \$3,500 - This account provides expenditures for the contractual services required to repair and maintain office equipment and operating equipment. It also includes maintenance service agreements.

635.11 Subscription Services: \$1,500 - This account provides expenditures for subscriptions for access to telephonic and web-based services. Included are Alaska Public Safety Information System, Department of Motor Vehicles Photo Site, on-line reference databases, Statewide Gateway for APSIN, NCIC and Statewide Library Electronic Doorway.

650.01 Telecommunications: \$4,600 - This account provides expenditures for telecommunication services. Included are charges for wired and wireless telecommunications services, Internet and long distance.

790.15 Furniture and Fixtures: \$2,500 - This account provides expenditures for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

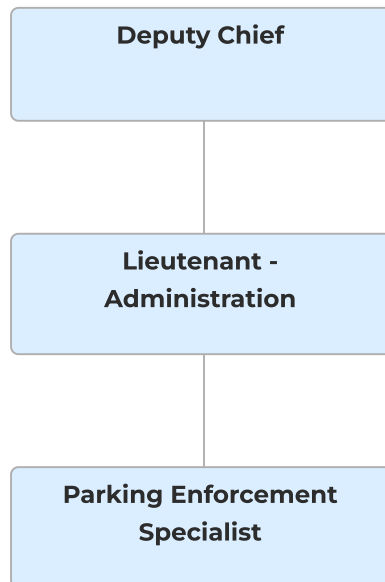
790.25 Machinery and Equipment: \$2,500 - This account provides for the replacement of minor machinery and equipment, such as wireless base stations for E911 Central Communications and department owned wireless headsets.

790.35 Software: \$2,000 - This account provides expenditures for acquisition of software systems and upgrades not covered by maintenance agreements.

825.01 Interdepartmental Charges – Insurance: \$28,575 - This account provides expenditures for risk management services and claims.

Parking Enforcement Division

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 2026

- Implement the new ticketing software and become familiar with its new functionality of handheld computers.
- Advocate for a comprehensive traffic plan and improvements.

2025 Accomplishments

- Identified more effective timed parking procedures.
- Hired and trained a temporary parking specialist for summer season.

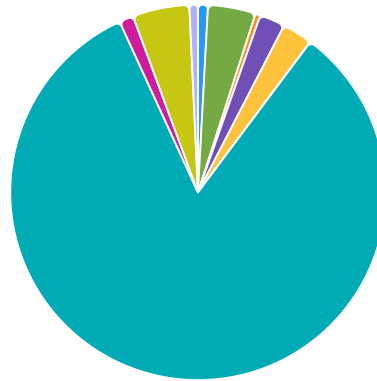
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Tax Supported	68,456	96,685	97,075	88,675	103,435	6,750	7.0%
Fines and Forfeitures	49,566	60,000	60,000	50,000	60,000	-	0.0%
Total Funding	118,022	156,685	157,075	138,675	163,435	6,750	4.3%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Budget	Salary		
Parking Enforcement Specialist	1.00	1.00	1.00	1.00	61,990	-	0.0%
Total	1.00	1.00	1.00	1.00	61,990	-	0.0%

2026 Expenditures by Expense Category



● ALLOWANCES	\$1,400	0.86%
● CONTRACTUAL SERVICES	\$6,700	4.10%
● FUELS/LUBRICANTS/ENERGY COSTS	\$700	0.43%
● GENERAL SUPPLIES	\$3,600	2.20%
● INTERDEPARTMENTAL CHARGES	\$4,275	2.62%
● PERMITS, LICENSES AND FEES	\$10	0.01%
● PERSONNEL SERVICES AND BENEFITS	\$135,550	82.94%
● POSTAGE AND FREIGHT	\$2,000	1.22%
● PROFESSIONAL SERVICES	\$8,000	4.89%
● UTILITIES	\$1,200	0.73%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

Personnel Services and Benefits increased by \$9,655 or 7.67% due to annual step increases; a 5.0% cost of living adjustment that will become effective January 1, 2026, and projected increases in pension, health insurance and other payroll related costs.

Expenditures by Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	%% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1220-221-500.01	55,068	56,950	58,600	58,600	61,990	5,040	8.85%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1220-221-501.01	40	-	-	-	-	-	-
Personnel Services and Wages - Temporary Wages	101-1220-221-502.01	7,887	20,000	18,250	10,000	20,000	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1220-221-505.00	4,654	5,110	5,110	5,110	6,300	1,190	23.29%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Personnel Benefits - Pension Budget Only	101-1220-221-506.00	10,511	10,780	10,780	10,780	11,780	1,000	9.28%
Personnel Benefits - Insurance Budget Only	101-1220-221-507.00	25,033	26,350	26,350	26,350	29,260	2,910	11.04%
Personnel Benefits - Insurance Worker's Compensation	101-1220-221-507.30	1,772	2,165	2,165	2,165	2,460	295	13.63%
Personnel Benefits - Other Budget Only	101-1220-221-508.00	762	4,290	4,290	4,290	3,410	-880	-20.51%
Payroll Allowances Police Uniforms	101-1220-221-509.01	250	250	350	350	350	100	40.00%
Total PERSONNEL SERVICES AND BENEFITS		105,977	125,895	125,895	117,645	135,550	9,655	7.67%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1220-221-510.01	1,946	3,200	3,200	3,200	3,200	-	0.00%
General Supplies Operating Supplies	101-1220-221-510.02	369	400	1,730	1,730	400	-	0.00%
Total GENERAL SUPPLIES		2,315	3,600	4,930	4,930	3,600	-	0.00%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1220-221-520.02	1,483	3,300	3,300	2,000	2,000	-1,300	-39.39%
Total POSTAGE AND FREIGHT		1,483	3,300	3,300	2,000	2,000	-1,300	-39.39%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1220-221-525.04	268	700	700	700	700	-	0.00%
Total FUELS/LUBRICANTS/ENERGY COSTS		268	700	700	700	700	-	0.00%
ALLOWANCES								
Allowances Uniforms/Badges/Clothing	101-1220-221-535.04	-	1,400	1,400	1,400	1,400	-	0.00%
Total ALLOWANCES		-	1,400	1,400	1,400	1,400	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1220-221-605.01	-	400	400	-	-	-400	-
Total ADVERTISING AND PUBLISHING		-	400	400	-	-	-400	-
PERMITS, LICENSES AND FEES								
Licenses and Fees Vehicle Licenses	101-1220-221-630.02	10	10	10	10	10	-	0.00%
Total PERMITS, LICENSES AND FEES		10	10	10	10	10	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	101-1220-221-635.04	-	6,700	6,700	-	6,700	-	0.00%
Total CONTRACTUAL SERVICES		-	6,700	6,700	-	6,700	-	0.00%
PROFESSIONAL SERVICES								
Professional Services Information Technology Services	101-1220-221-640.03	3,563	8,000	6,670	6,670	8,000	-	0.00%
Total PROFESSIONAL SERVICES		3,563	8,000	6,670	6,670	8,000	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1220-221-650.01	1,000	1,200	1,200	1,200	1,200	-	0.00%
Total UTILITIES		1,000	1,200	1,200	1,200	1,200	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1220-221-825.01	1,993	2,730	3,120	3,120	3,275	545	19.96%
Interdepartmental Charges Garage Charges	101-1220-221-850.01	1,413	2,750	2,750	1,000	1,000	-1,750	-63.64%
Total INTERDEPARTMENTAL CHARGES		3,406	5,480	5,870	4,120	4,275	-1,205	-21.99%
Total Expenditures		118,022	156,685	157,075	138,675	163,435	6,750	4.31%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$61,990 – This account provides expenditures for compensation paid to all regular salaried and hourly employees for personnel services.

502.01 Temporary Wages: \$20,000 – This account provides expenditures for compensation paid to hourly employees for temporary personnel services.

505.00 Payroll Taxes: \$6,300 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$11,780 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$29,260 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$2,460 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$3,410 – This account provides 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: \$350 – This account provides expenditures for employer provided clothing allowances paid directly to employees pursuant to collective bargaining agreements or the City's Personnel Rules.

510.01 Office Supplies: \$3,200 – This account provides expenditures 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: \$400 - This account provides expenditures for supplies for the division during the course of the year.

520.02 Postage: \$2,000 - This account provides expenditures for postal related services such as postage, express delivery and mailing materials.

525.04 Vehicle Motor Fuel and Lubricants: \$700 - This account provides expenditures for gasoline, diesel fuel, propane and lubricants used in the operation of the Parking Enforcement Vehicle.

535.04 Allowances-Uniforms/Badges/Clothing: \$1,400 - This account provides for expenditures for direct purchases of or reimbursements to employees for work related clothing required by department policies. Included are work clothes, collar insignia, patches, badges, name plates, boots, shoes and branded logo wear.

605.01 Ads and Public Announcements: \$400 - This account provides expenditures for advertising and announcements in publications and newspapers.

630.02 Vehicle Licenses: \$10 – This account provides expenditures for licensing City vehicles for operations on public highways.

635.04 Software Maintenance Services: \$6,700 - This account provides expenditures for maintenance agreements to support licensed software systems.

640.03 Information Technology Services: \$8,000 - This account provides expenditures for programming services for the City's parking ticket collection and billing system. The system needs a new interface with the State of Alaska Department of Motor Vehicles in order to keep its vehicle owner registration database updated and current.

650.01 Telecommunications Services: \$1,200 - This account provides expenditures for telecommunication services.

825.01 Interdepartmental Charges – Insurance: \$3,275 - This account provides expenditures for risk management services and claims.

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

Forfeitures and Seizures

The mission of the Forfeitures and Seizures cost center is to provide a resource and tracking mechanism to account for the operations of the Police Department as efficiently as possible. The Forfeitures and Seizures fund is used to account for revenues received from the seizure of assets during drug enforcement operations that are dedicated to law enforcement activities and the related expenditures of these funds. This cost center was established in 2019 to improve the City's ability to account for how the funds are spent and to satisfy federal reporting requirements.

Funding Source

	2024	2025	2025	2025	2026	Increase/ Decrease	%
	Actual	Adopted	Amended	Estimate	Budget		Change
Forfeitures and Seizures Fund	68,678	-	68,000	41,000	-	-	0.0%
Total Funding	68,678	-	68,000	41,000	-	-	0.0%

(continued from above)

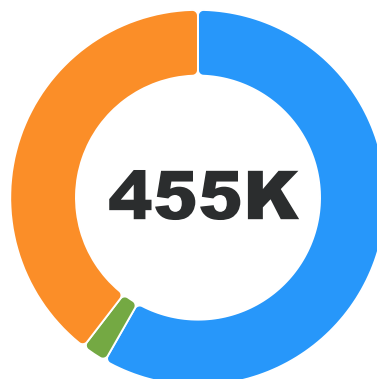
Expenditures by Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*** Change
GENERAL SUPPLIES								
General Supplies Operating Supplies	280-1220-193-510.02	-	-	9,000	9,000	-	-	0.00%
Total GENERAL SUPPLIES		-	-	9,000	9,000	-	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	280-1220-110-600.02	-	-	12,000	12,000	-	-	0.00%
Total TRAVEL AND EDUCATION		-	-	12,000	12,000	-	-	0.00%
MAJOR CAPITAL OUTLAY								
Vehicles & Moving Equipment General	280-1220-190-720.00	68,678	-	-	-	-	-	-
Total MAJOR CAPITAL OUTLAY		68,678	-	-	-	-	-	-
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Machinery & Equipment	280-1220-110-790.25	-	-	47,000	20,000	-	-	0.00%
Total MINOR CAPITAL OUTLAY		-	-	47,000	20,000	-	-	0.00%
Total Expenditures		68,678	-	68,000	41,000	-	-	0.00%

There is no budget for the Police Department's Forfeitures and Seizures Program in 2026. This page is included due to prior year activity.

Police Capital Program

2026 Expenditures by Type



Buildings	\$265,000	58.25%
Machinery & Equipment	\$9,925	2.18%
Vehicles & Moving Equipment	\$180,000	39.57%

Expenditures by Expense Type

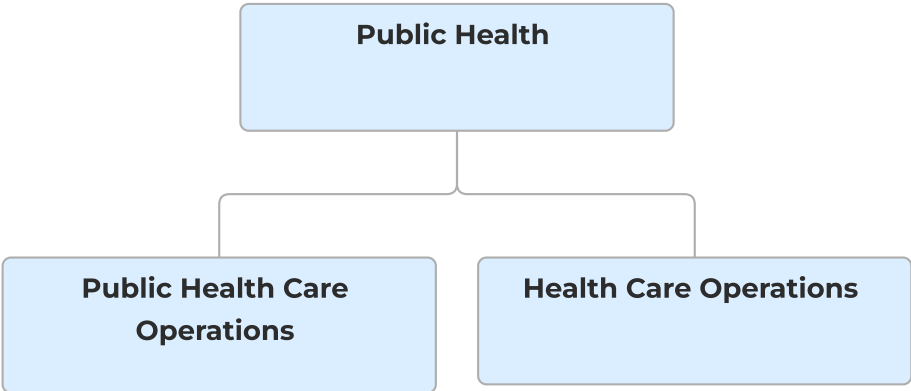
Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Buildings	-38,520	-	-	-	265,000	265,000	-
Vehicles & Moving Equipment	475,187	339,575	339,575	217,998	180,000	-159,575	-46.99%
Machinery & Equipment	571,291	30,000	30,000	20,075	9,925	-20,075	-66.92%
Software	-9,969	-	28,000	28,000	-	-	0.00%
Total Expenditures	997,989	369,575	397,575	266,073	454,925	85,350	23.09%

Expenditures by Activity

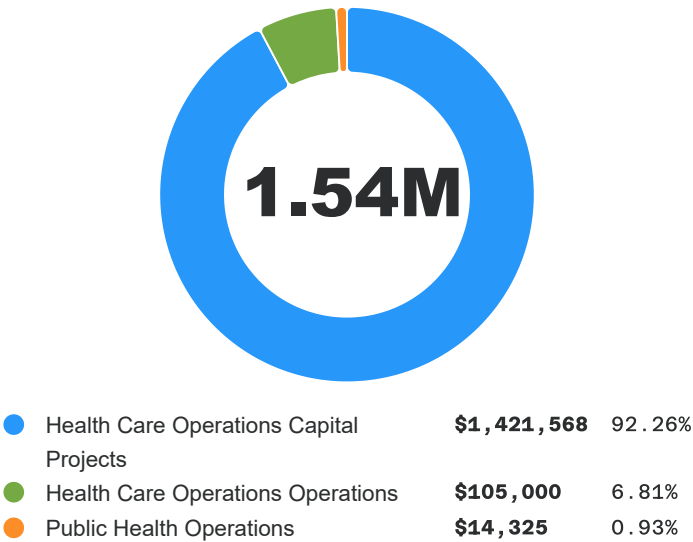
Category	2026 Budget
Capital Projects	
Public Works Sales Tax Fund	
Buildings General	265,000
Replace Flooring	150,000
Doors and Hardware	90,000
Secured Landfill Storage	25,000
Vehicles & Moving Equipment General	180,000
Replace 2 police vehicles	180,000
Machinery & Equipment General	9,925
Drone program	9,925
Total Public Works Sales Tax Fund	454,925
Total Capital Projects	454,925
Total Expenditures	454,925

Public Health

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



2026 Expenditures by Activity



Expenditures by Detail Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Public Health Operations	22,186	14,325	14,325	14,325	14,325	-	0.00%
Health Care Operations Operations	40	55,000	55,000	10,000	105,000	50,000	90.91%
Health Care Operations Capital Projects	-	1,241,755	1,241,755	-	1,421,568	179,813	14.48%
Total Expenditures	22,226	1,311,080	1,311,080	24,325	1,540,893	229,813	17.53%

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
GENERAL SUPPLIES	6,051	17,325	18,525	8,525	18,875	1,550	8.95%
BOOKS AND PERIODICALS	182	500	150	150	250	-250	-50.00%
ADVERTISING AND PUBLISHING	751	1,000	950	950	500	-500	-50.00%
CONTRACTUAL SERVICES	2,800	24,000	23,500	13,500	23,500	-500	-2.08%
PROFESSIONAL SERVICES	40	25,000	25,000	-	75,000	50,000	200.00%
MAJOR CAPITAL OUTLAY	-	1,241,755	1,241,755	-	1,421,568	179,813	14.48%
MINOR CAPITAL OUTLAY	12,402	1,500	1,200	1,200	1,200	-300	-20.00%
Total Expenditures	22,226	1,311,080	1,311,080	24,325	1,540,893	229,813	17.53%

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Tax Support	12,186	14,325	14,325	14,325	14,325	-	0.0%
Grant	10,000	-	-	-	-	-	0.0%
Hospital Sales Tax Fund	40	55,000	55,000	10,000	105,000	50,000	90.9%
Hospital Construction Fund	-	1,241,755	1,241,755	-	1,421,568	179,813	14.5%
Total Funding	22,226	1,311,080	1,311,080	24,325	1,540,893	229,813	17.5%

Public Health Center Operations

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

KPHC provides a multitude of essential services to Ketchikan residents as well as the greater Ketchikan population area, including Hyder and Metlakatla. KPHC serves as a safety-net provider for a range of individual services, including immunizations, women's health services, pregnancy testing; family planning services, prenatal counseling, postpartum outreach, well-child exams, TB screening and case management, school screenings, and sexually transmitted infection (STI) and HIV screening. Public Health Nurses (PHN) work closely with local schools and other various agencies to provide health education on a variety of topics. KPHC also leverages on the unique skills and competencies of public health nursing to collaborate and partner with other agencies, coalitions, and organizations to identify community health needs and to develop activities and responses to meet these needs.

Goals for 2026

- KPHC will continue to work toward fulfilling the goals as outlined in the Public Health Nursing (SOPHN) Strategic Plan with priority areas of substance misuse, sexually transmitted infections, vaccine preventable diseases, emergency preparedness, interpersonal violence, tuberculosis, external communication, and culture of quality.
- KPHC will continue to provide safety-net services to community members, while continuing to screen and offer appropriate services, referrals, and resources for immunizations, interpersonal violence, healthy lifestyle, and risky alcohol and substance-use behavior at all encounters.
- KPHC will continue to lead efforts to assess the public health needs of Ketchikan and plans to partner with agencies, such as PeaceHealth Community Collaboration Committee, Ketchikan Indian Community, and Ketchikan Wellness Coalition, to conduct ongoing community health assessments and develop health improvement plans.
- KPHC will continue to participate in numerous community and state coalitions and committees such as: The Ketchikan Wellness Coalition, Women in Safe Homes, Community Collaboration Committee, Substance Abuse Task Force, Building a Healthy Community, Behavioral Health Task Force, Ketchikan Reentry Coalition, Southeast Alaska Networking Elderly Topics, Local Emergency Preparedness Committee, and Domestic Violence Task Force.
- PHNs will continue to aim to reduce health inequities by addressing social determinants of health and other root causes through this community work.

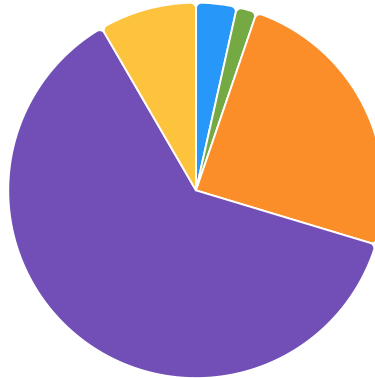
2025 Accomplishments

- KPHC provided support to the Ketchikan School District by providing hearing and vision screening to student K-12.
- KPHC staff continues to provide Narcan kits to the Ketchikan Community.
- KPHC staff have assisted in coordinating services including testing and vaccination for underserved members of the Ketchikan community such as persons experiencing homelessness and the uninsured.
- KPHC staff continue to provide infectious disease response to the Ketchikan community. Disease investigations include but are not limited to Sexually Transmitted Infections, Monkeypox, food/water-borne diseases, Tuberculosis, and other infectious respiratory diseases.
- KPHC has been a resource for the community and Ketchikan Gateway Borough School District. PHN's have educated school district staff and worked to inform the public regarding Infectious Disease.
- KPHC provided reproductive health education to Ketchikan High School and Schoenbar Middle School.
- KPHC continued to promote health and educate citizens through individual encounters, public service announcements on the radio, and community events, such as the Blueberry Festival, Filipino Festival, and annual POD.
- KPHC continued to provide safety net services to the Ketchikan Community, including STI, reproductive health, immunizations, infectious disease response, and TB case management. Implemented rapid STI testing locally, patients can be screened and treated in the same appointment, reducing patients who are lost to follow up.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Tax Support	12,186	14,325	14,325	14,325	14,325	-	0.0%
Grant	10,000	-	-	-	-	-	0.0%
Total Funding	22,186	14,325	14,325	14,325	14,325	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$500	3.49%
BOOKS AND PERIODICALS	\$250	1.75%
CONTRACTUAL SERVICES	\$3,500	24.43%
GENERAL SUPPLIES	\$8,875	61.95%
MINOR CAPITAL OUTLAY	\$1,200	8.38%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

There are no significant changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1310-110-510.01	596	500	900	900	800	300	60.00%
General Supplies Operating Supplies	101-1310-110-510.02	3,636	5,825	6,125	6,125	7,075	1,250	21.46%
General Supplies Food & Catering	101-1310-110-510.07	1,819	1,000	1,500	1,500	1,000	-	0.00%
Total GENERAL SUPPLIES		6,051	7,325	8,525	8,525	8,875	1,550	21.16%
BOOKS AND PERIODICALS								
Books and Periodicals Periodicals	101-1310-110-530.02	182	500	150	150	250	-250	-50.00%
Total BOOKS AND PERIODICALS		182	500	150	150	250	-250	-50.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1310-110- 605.01	751	1,000	950	950	500	-500	-50.00%
Total ADVERTISING AND PUBLISHING		751	1,000	950	950	500	-500	-50.00%
CONTRACTUAL SERVICES								
Contractual Services Building and Grounds Maint. Svc	101-1310-110- 635.06	2,800	4,000	3,500	3,500	3,500	-500	-12.50%
Total CONTRACTUAL SERVICES		2,800	4,000	3,500	3,500	3,500	-500	-12.50%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1310-110- 790.15	548	500	800	800	800	300	60.00%
Minor Capital Outlay Machinery & Equipment	101-1310-110- 790.25	11,854	1,000	400	400	400	-600	-60.00%
Total MINOR CAPITAL OUTLAY		12,402	1,500	1,200	1,200	1,200	-300	-20.00%
Total Expenditures		22,186	14,325	14,325	14,325	14,325	-	0.00%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

510.01 Office Supplies: \$800 - This account provides expenditures 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: \$7,075 - This account provides expenditures 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 and general materials for classes and public programs.

510.07 Food/Catering: \$1,000 – This account provides expenditures for food or catering services during training, health education sessions, or other public health community events.

530.02 Periodicals: \$250 - This account provides expenditures for the newspapers, magazines and trade journals provided for the public health center clients and staff.

605.01 Ads and Public Announcements: \$500 - This account provides expenditures for advertising and announcements in publications, newspapers, Internet or broadcasts over radio and television. Included are legal notices, public service announcements and community issues.

635.06 Buildings and Grounds Maintenance Services: \$3,500 - This account provides expenditures 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.

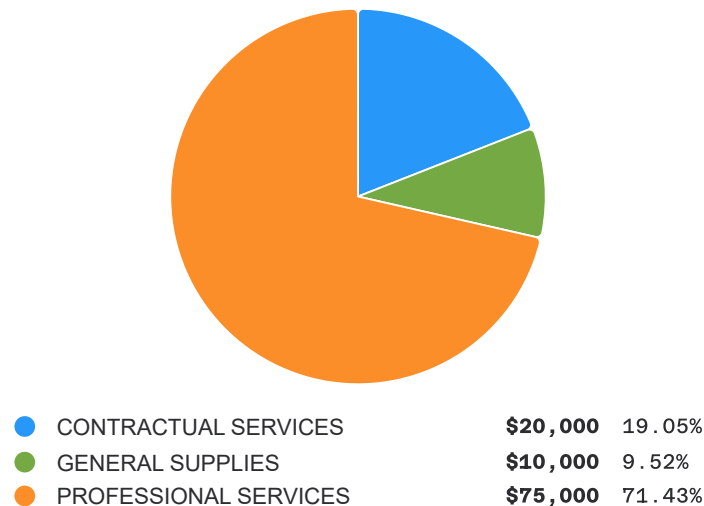
790.15 Furniture and Fixtures: \$800 - This account provides expenditures for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

Health Care Operations

Funding Source

	2024	2025	2025	2025	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Estimate	Budget		
Hospital Sales Tax Fund	40	55,000	55,000	10,000	105,000	50,000	90.9%
Total Funding	40	55,000	55,000	10,000	105,000	50,000	90.9%

2026 Expenditures by Category



Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Professional Services Management & Consulting Services (Account 640.04) increased by \$50,000 or 200% to provide professional consulting services that may be needed in the 5-year lease review process between the City and PeaceHealth for the Ketchikan Medical Center.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
GENERAL SUPPLIES								
Maintenance Materials Building and Grounds Maintenance	110-1320-110-515.02	-	10,000	10,000	-	10,000	-	0.00%
Total GENERAL SUPPLIES		-	10,000	10,000	-	10,000	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Building and Grounds Maint. Svc	110-1320-110-635.06	-	20,000	20,000	10,000	20,000	-	0.00%
Total CONTRACTUAL SERVICES		-	20,000	20,000	10,000	20,000	-	0.00%
PROFESSIONAL SERVICES								
Professional Services Legal & Accounting Services	110-1320-110-640.01	40	-	-	-	-	-	-

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Professional Services Management & Consulting Services	110-1320-110- 640.04	-	25,000	25,000	-	75,000	50,000	200.00%
Total PROFESSIONAL SERVICES		40	25,000	25,000	-	75,000	50,000	200.00%
Total Expenditures		40	55,000	55,000	10,000	105,000	50,000	90.91%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

515.02 Building and Grounds Maintenance Materials: \$10,000 – This account provides expenditures for the materials required for minor repair and maintenance of buildings and upkeep of the grounds of the Ketchikan Medical Center.

635.06 Buildings and Grounds Maintenance Services: \$20,000 - This account provides expenditures 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.

640.04 Management & Consulting Services: \$75,000 - This account provides expenditures for management and consulting services in connection with the Ketchikan Medical Center facility.

Public Health Capital Program

2026 Expenditures by Type



● Buildings

\$1,421,568 100.00%

Expenditures by Expense Type

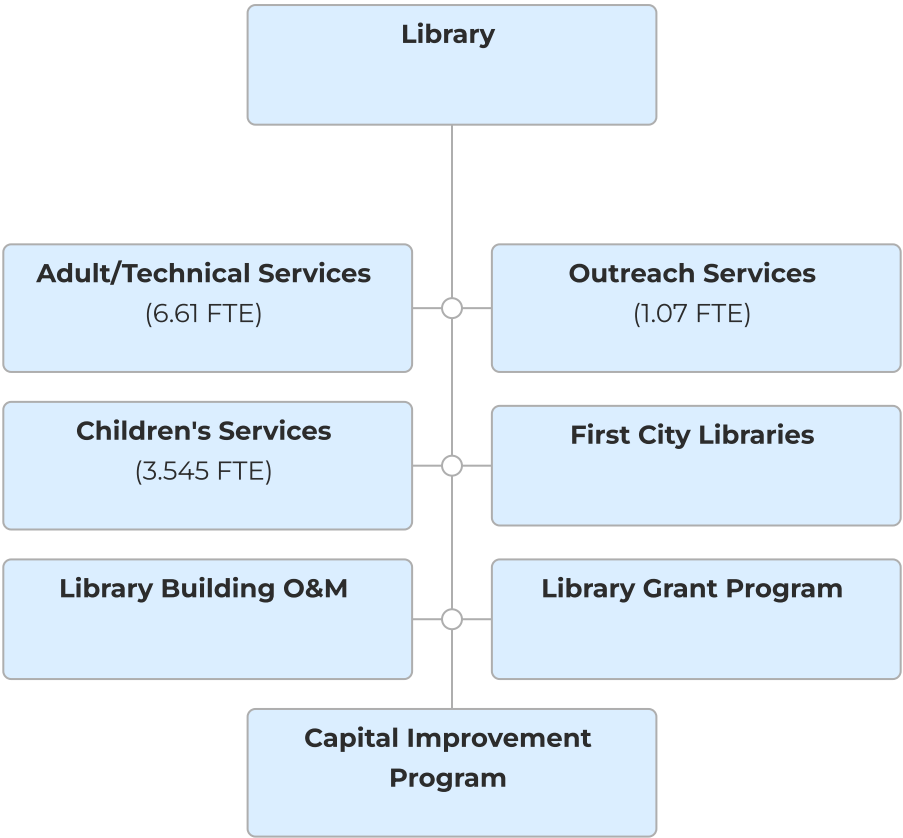
Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Buildings	-	1,241,755	1,241,755	-	1,421,568	179,813	14.48%
Total Expenditures	-	1,241,755	1,241,755	-	1,421,568	179,813	14.48%

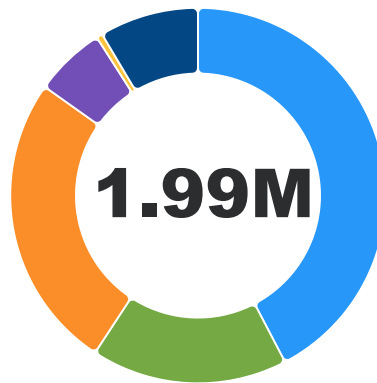
Expenditures by Activity

Category	2026 Budget
Capital Projects	
Hospital Construction Fund	
Buildings General	1,421,568
Ketchikan Medical Center Expansion	1,421,568
Total Hospital Construction Fund	1,421,568
Total Capital Projects	1,421,568
Total Expenditures	1,421,568

Library

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 receptive to the diverse interests and needs of the community.



2026 Expenditures by Activity

Adult and Technical Services	\$844,075	42.34%
Building Operations & Maint.	\$336,844	16.90%
Children's Services	\$510,275	25.59%
First City Libraries	\$121,762	6.11%
Grants	\$10,500	0.53%
Outreach Services	\$170,275	8.54%

Expenditures by Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Adult and Technical Services	699,168	800,003	773,791	755,126	844,075	44,072	5.51%
Outreach Services	105,531	145,091	159,953	159,420	170,275	25,184	17.36%
Children's Services	428,727	477,820	475,516	472,476	510,275	32,455	6.79%
Grants	8,053	7,000	7,000	7,000	10,500	3,500	50.00%
First City Libraries	60,067	66,600	66,600	63,839	121,762	55,162	82.83%
Building Operations & Maint.	197,209	243,330	271,860	248,802	336,844	93,514	38.43%
Total Expenditures	1,498,755	1,739,844	1,754,720	1,706,663	1,993,731	253,887	14.59%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	1,101,746	1,269,444	1,252,515	1,235,590	1,365,455	96,011	7.56%
GENERAL SUPPLIES	26,526	32,430	32,450	27,452	31,800	-630	-1.94%
POSTAGE AND FREIGHT	2,172	2,400	2,400	2,300	2,400	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS	2,566	3,000	3,000	2,049	3,800	800	26.67%
BOOKS AND PERIODICALS	85,663	91,500	91,780	90,650	95,100	3,600	3.93%
ALLOWANCES	1,496	1,300	1,300	1,070	1,300	-	0.00%
TRAVEL AND EDUCATION	3,426	2,020	2,020	300	7,400	5,380	266.34%
ADVERTISING AND PUBLISHING	162	500	500	300	500	-	0.00%
DUES AND MEMBERSHIPS	1,614	1,850	1,850	1,840	1,850	-	0.00%
PERMITS, LICENSES AND FEES	3,159	3,520	4,231	3,868	3,970	450	12.78%
CONTRACTUAL SERVICES	76,271	96,550	105,730	99,946	165,062	68,512	70.96%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
RENTS AND LEASES	2,100	2,100	2,100	2,100	2,100	-	0.00%
UTILITIES	133,765	157,390	176,054	163,318	177,000	19,610	12.46%
MINOR CAPITAL OUTLAY	13,845	22,000	22,000	21,150	78,094	56,094	254.97%
INTERDEPARTMENTAL CHARGES	44,244	53,840	56,790	54,730	57,900	4,060	7.54%
Total Expenditures	1,498,755	1,739,844	1,754,720	1,706,663	1,993,731	253,887	14.59%

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Property Taxes	885,881	1,058,305	1,063,931	1,022,316	1,176,405	118,100	11.2%
Charges for Services - KGB	571,246	639,924	639,924	637,991	739,101	99,177	15.5%
Charges for Services - KGBSD	26,375	29,715	29,715	25,000	53,575	23,860	80.3%
Charges for Services - Other	7,200	4,900	4,900	5,106	4,900	-	0.0%
Grants	8,053	7,000	16,250	16,250	19,750	12,750	182.1%
Total Funding	1,498,755	1,739,844	1,754,720	1,706,663	1,993,731	253,887	14.6%

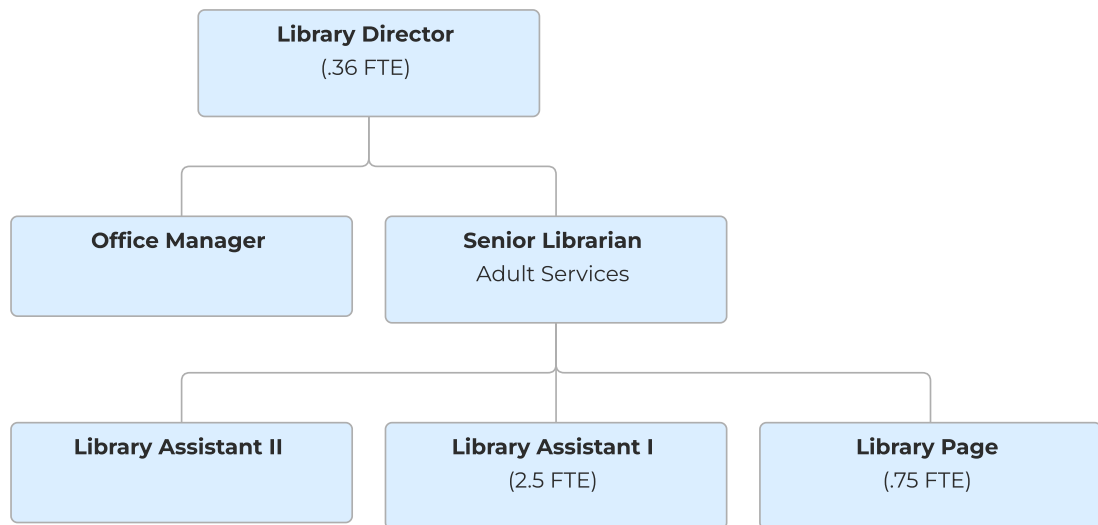
Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Adult Technical Services	6.610	6.610	6.610	6.610	410,900	-	0.0%
Outreach Services	0.970	1.070	1.070	1.070	89,950	-	0.0%
Children's Services	3.545	3.545	3.545	3.545	244,110		
Total	11.125	11.225	11.225	11.225	744,960	-	0.0%

Adult Services

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 Alaskan, popular fiction, crafts, do-it-yourself, marine, travel, small business, health, consumer electronics and the Internet. Materials are selected from professional reviews and from patron requests. The collection is regularly evaluated for currency and relevancy. Staff of the Adult and Technical Services Division perform the majority of cataloging, processing and repairing of library materials for the entire department.



Goals for 2026

- Partner with the Ketchikan High School library to ease the transition of graduating Seniors into Public Library services.
- Outreach to Seasonal workers to increase the visibility of library services for temporary residents.
- Host an Adult Winter Reading program to encourage recreational and educational reading during the dark months of late winter.
- Crosstrain library staff to keep all library support operations running smoothly in the event of illness or absence.

2025 Accomplishments

Engaged with the community through literary and educational programs:

- New York Times Bestselling author Marc Cameron presented his 7th book in the Arliss Cutter series, "Dead Line".
- Hosted a performance by Taiko drumming master Takumi Kato as part of his national Japanese Peace Drumming tour. This was a partnership with the Ketchikan Gero-Kanayama Exchange Program, and 115 people attended.
- Artist Ray Troll presented two new books - "On an ocean journey: animals in motion through the seas" and "Alaska dinosaurs, mammoths & more!" – as well as a new edition of "Sharkabet".
- Hosted both a Spring and Fall mini-performance and discussion about classical music with visiting professional quartets. This was a partnership with Island Music and the Ketchikan Area Arts and Humanities Council.
- Alaskan author Larry Johansen gave a presentation on early baseball in Alaska in conjunction with the 125th Anniversary of the City of Ketchikan. The presentation was based on images from his updated book "The golden days of baseball : the story of baseball in frontier Alaska and the Klondyke".

Provided the community with opportunities for creative development:

- Conducted an Adult Winter Reading challenge during the months of January, February, and March. There was a 37% increase in participation compared to 2024.
- Conducted Blind Date With a Book in celebration of Valentine's Day. The event connected patrons with unfamiliar authors.
- Developed a series of monthly adult craft programs called Craft-n-Connect, which aimed to both teach a variety of crafting techniques and give adults an opportunity for social engagement.
- Held a Seed Swap to give experienced and novice gardeners access to new seed varieties and a chance to exchange gardening tips. Seeds were donated by Walmart and Madison Lumber.
- Distributed Holiday Kindness Kits to create Christmas decorations and cheerful notes for elders. Completed kits and notes were delivered to the residents of the Pioneer Home and New Horizons Long Term care.

Engaged with the community through community partnerships:

- Partnered with Ketchikan Community Gardens to offer a series of classes on growing fruit in Southeast Alaska.
- Held a series of classes on the rules and strategies of chess, taught by members of the Ketchikan Chess Club.
- Partnered with Courageous Conversations to provide monthly workshops for Advance Care Directive planning.
- Presented to the Ketchikan Garden Club about gardening resources available through the library, including the Seed Library.
- Presented an awareness event of library resources available to quilters and textile crafters. This was a partnership with the Ketchikan Quilter's Guild.
- Partnered with Walmart to create and distribute Children's Garden Kits to over 85 children.
- Hosted the Ketchikan Kapamilya & Ketchikan Wellness Coalition's Kaibigan Kids' Night as part of Filipino American History Month.

Promoted library services for under-represented segments of the community:

- Hosted a series of monthly workshops (Next Steps) for high school Seniors to assist them with applying to colleges, technical schools and internships as well as scholarship opportunities.
- Attended the "Welcome to Ketchikan" night hosted by the US Coast Guard to promote library services to newly arrived Guard members and their families.
- Highlighted works by Native American & Alaska Native authors for National Native American Heritage month.
- Attended the Fil-Am Festival to showcase library materials in Tagalog and books written by Filipino-American authors.
- Partnered with the community Homeschool cooperative to offer monthly STEAM classes during the winter months.

Promoted the library as a community gathering space:

- Held two community Chess Tournaments - one for youth and one for adults.
- Hosted twice-weekly yoga classes throughout the year, with an attendance of over 1,300 adults.
- Hosted multiple study parties for high school students, offering study resources & supplies, stress release activities, and snacks.
- Held a community Board Game Day for families and friend groups.
- Hosted weekly drop-in Chess programs.
- Held two community Jigsaw Puzzle Tournaments for all ages.
- Hosted twice-monthly meetings of the Free Style Book Club to encourage patrons to discuss and share their latest reads.

Expanded library services:

- Began offering NewsBank – which provides full-text access to newspapers and news magazines from across the country - to cardholders. This service was made possible through funding from the Atwood Foundation.
- Made two new collections of videos available through Kanopy – 'Film Favorites' and 'British Cinema & TV'.

Encouraged staff development and training with a number of different educational opportunities:

- Promoted Library Substitute Debi Karlik to the position of Library Assistant I.
- The entire library staff completed Mental Health First Aid training with the Ketchikan Wellness Coalition.

- Inventoried the entire collection.

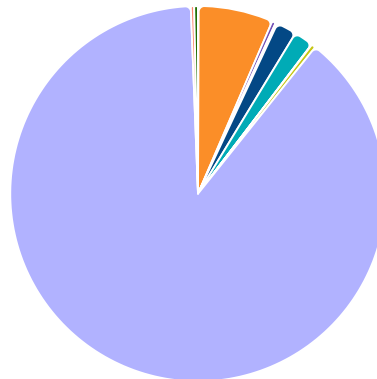
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Property Taxes	420,664	488,971	479,440	462,373	516,938	27,967	5.7%
Charges for Services - KGB	271,304	306,132	289,451	287,647	322,237	16,105	5.3%
Charges for Services - Other	7,200	4,900	4,900	5,106	4,900	-	0.0%
Total Funding	699,168	800,003	773,791	755,126	844,075	44,072	5.5%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Director	0.360	0.360	0.360	0.360	38,450	-	0.0%
Adult Technical Services Librarian	1.000	1.000	1.000	1.000	89,410	-	
Library Office Manager	1.000	1.000	1.000	1.000	62,850	-	
Library Assistant II	1.000	1.000	1.000	1.000	61,580	-	0.0%
Library Assistant I	2.500	2.500	2.500	2.500	132,380	-	
Page	0.750	0.750	0.750	0.750	26,230	-	
Total	6.610	6.610	6.610	6.610	410,900	-	0.0%

2026 Expenditures by Category



● ADVERTISING AND PUBLISHING	\$200	0.02%
● ALLOWANCES	\$350	0.04%
● BOOKS AND PERIODICALS	\$54,150	6.42%
● CONTRACTUAL SERVICES	\$2,700	0.32%
● DUES AND MEMBERSHIPS	\$1,300	0.15%
● GENERAL SUPPLIES	\$14,600	1.73%
● INTERDEPARTMENTAL CHARGES	\$14,150	1.68%
● MINOR CAPITAL OUTLAY	\$200	0.02%
● PERMITS, LICENSES AND FEES	\$2,940	0.35%
● PERSONNEL SERVICES AND BENEFITS	\$748,285	88.65%
● POSTAGE AND FREIGHT	\$2,400	0.28%
● TRAVEL AND EDUCATION	\$2,800	0.33%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$42,362 or 6% due to annual step increases; a 5.0% cost of living adjustment for non-represented and City IBEW employees that will become effective January 1, 2026, and projected increases in pension, health insurance and other benefits.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1410-230-500.01	339,549	387,723	360,245	358,070	410,900	23,177	5.98%
Personnel Services and Wages - Regular Longevity Bonus	101-1410-230-500.05	6,500	6,775	6,775	6,775	7,200	425	6.27%
Personnel Services and Wages - Temporary Wages	101-1410-230-502.01	14,147	18,000	18,000	18,000	18,000	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1410-230-505.00	27,357	31,710	31,710	31,710	33,370	1,660	5.23%
Personnel Benefits - Pension Budget Only	101-1410-230-506.00	66,561	73,210	73,210	73,210	78,210	5,000	6.83%
Personnel Benefits - Insurance Budget Only	101-1410-230-507.00	139,450	169,300	169,300	156,500	170,600	1,300	0.77%
Personnel Benefits - Insurance Worker's Compensation	101-1410-230-507.30	865	1,155	1,155	1,155	1,155	-	0.00%
Personnel Benefits - Other Budget Only	101-1410-230-508.00	24,057	18,050	18,050	18,050	28,850	10,800	59.83%
Total PERSONNEL SERVICES AND BENEFITS		618,486	705,923	678,445	663,470	748,285	42,362	6.00%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1410-230-510.01	5,480	6,500	6,500	5,800	6,500	-	0.00%
General Supplies Operating Supplies	101-1410-230-510.02	6,038	7,500	7,500	7,500	7,500	-	0.00%
General Supplies Small Tools & Equipment	101-1410-230-510.05	114	130	150	140	200	70	53.85%
General Supplies Food & Catering	101-1410-230-510.07	450	500	500	300	400	-100	-20.00%
Total GENERAL SUPPLIES		12,082	14,630	14,650	13,740	14,600	-30	-0.21%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1410-230-520.02	2,172	2,400	2,400	2,300	2,400	-	0.00%
Total POSTAGE AND FREIGHT		2,172	2,400	2,400	2,300	2,400	-	0.00%
BOOKS AND PERIODICALS								
Books and Periodicals Library Books	101-1410-230-530.01	37,461	40,500	40,500	40,500	41,000	500	1.23%
Books and Periodicals Periodicals	101-1410-230-530.02	4,342	4,000	4,000	3,600	3,800	-200	-5.00%
Books and Periodicals Movies and Visual Series	101-1410-230-530.04	791	1,700	1,700	1,600	1,700	-	0.00%
Books and Periodicals Audio & Digital Books	101-1410-230-530.05	5,045	6,000	6,000	5,600	6,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Books and Periodicals Music	101-1410-230-530.06	1,331	1,650	1,650	1,500	1,500	-150	-9.09%
Books and Periodicals Interactive Materials	101-1410-230-530.08	122	150	150	150	150	-	0.00%
Total BOOKS AND PERIODICALS ALLOWANCES		49,092	54,000	54,000	52,950	54,150	150	0.28%
Allowances Business and Meal Expense	101-1410-230-535.02	303	350	350	320	350	-	0.00%
Total ALLOWANCES		303	350	350	320	350	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	101-1410-230-600.02	-	20	20	-	2,400	2,380	11,900.00%
Travel and Education Training and Education	101-1410-230-600.03	200	650	650	-	400	-250	-38.46%
Total TRAVEL AND EDUCATION		200	670	670	-	2,800	2,130	317.91%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1410-230-605.01	162	200	200	-	200	-	0.00%
Total ADVERTISING AND PUBLISHING		162	200	200	-	200	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Assoc. Membership Dues & Fees	101-1410-230-615.02	1,275	1,300	1,300	1,300	1,300	-	0.00%
Total DUES AND MEMBERSHIPS		1,275	1,300	1,300	1,300	1,300	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Bank & Merchant Fees	101-1410-230-630.03	37	120	120	40	100	-20	-16.67%
Licenses and Fees Software Licenses	101-1410-230-630.05	470	480	493	493	520	40	8.33%
Licenses and Fees Service Charges and Fees	101-1410-230-630.06	1,856	2,000	2,315	2,315	2,320	320	16.00%
Total PERMITS, LICENSES AND FEES		2,363	2,600	2,928	2,848	2,940	340	13.08%
CONTRACTUAL SERVICES								
Contractual Services Subscription Services	101-1410-230-635.11	1,991	2,250	1,938	1,938	2,000	-250	-11.11%
Contractual Services Technical Services	101-1410-230-635.12	174	700	700	200	700	-	0.00%
Total CONTRACTUAL SERVICES		2,165	2,950	2,638	2,138	2,700	-250	-8.47%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1410-230-790.15	2,199	1,900	1,900	1,750	200	-1,700	-89.47%
Total MINOR CAPITAL OUTLAY		2,199	1,900	1,900	1,750	200	-1,700	-89.47%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1410-230-825.01	8,669	13,080	14,310	14,310	14,150	1,070	8.18%
Total INTERDEPARTMENTAL CHARGES		8,669	13,080	14,310	14,310	14,150	1,070	8.18%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Total Expenditures		699,168	800,003	773,791	755,126	844,075	44,072	5.51%

**Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.*

Operating Account Narrative

500.01 Regular Salaries and Wages: \$410,900 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Adult/Technical Services Division.

500.05 Longevity Pay: \$7,200– Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

502.01 Temporary Wages: \$18,000 - This account provides expenditures 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: \$33,370 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$78,210 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$170,600– This account provides expenditures for employer contributions to employee health and life insurance plans. Included are contributions to health plans administered by Blue Cross, the IBEW Alaska Health and Welfare Trust and employee life insurance plans.

507.30 Workers Compensation: \$1,155 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$28,850 – This account provides 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: \$6,500 - This account provides expenditures for paper, toner, pens, pencils, note pads, file folders, scotch tape, register tape, etc.

510.02 Operating Supplies: \$7,500 - This account provides expenditures 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.

510.05 Small Tools and Equipment: \$200 – This account provides expenditures for minor tools, operating and office equipment with a value of less than \$1,000. The library will be purchasing a wheelbarrow for use during gardening programs and for maintenance of the Children's Garden.

510.07 Food/Catering: \$400 – This account provides expenditures for food for library programs, such as coffee and cookies during author presentations.

520.02 Postage: \$2,400 - This account provides expenditures for the cost of mailing interlibrary loan items, library mailings, overdue and lost item notices to patrons and monthly event calendars to local organizations.

530.01 Library Books: \$41,000 - This account provides expenditures for the acquisition of books and print materials for the library collection. Included are books, maps, reference books and other print materials.

530.02 Periodicals: \$3,800 - This account provides expenditures for newspapers, magazines and trade journals.

530.04 Movies and Visual Series: \$1,700 - This account provides expenditures for the acquisition of DVDs for the library collection, as well as access to a collection of films that can be streamed through Kanopy. Included are educational and entertainment selections.

530.05 Audio and Digital Books: \$6,000 - This account provides expenditures for access to books in electronic or digital format for patron use. Included are books on CDs, Playaways, e-books, online audiobooks, and other similar forms of electronic media. This year it will be used to pay a portion of the cost of Hoopla, an electronic resource that provides access to a variety of electronic and audio resources.

530.06 Music: \$1,500 - This account provides expenditures for patron access to streaming and song downloads through Freegal+.

530.08 Interactive Materials: \$150 - This account provides expenditures for the acquisition of physical objects for patron checkout. Included are maps, charts, board games, craft equipment, small craft tools, and other 3-dimensional objects.

535.02 Business and Meal Expenses: \$350 – This account provides expenditures for reimbursement to employees for mileage for use of personal vehicle used to empty the book drop at the Plaza Mall, delivery of Interlibrary Loan packages to the post office and document delivery and pickup to and from the Library and City Hall.

600.02 Travel - Training: \$2,400 – This account provides for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training. In 2026 the Alaska Library Association (AkLA) Conference will be held in Sitka, Alaska from March 26 – March 28. Adult Services staff have not attended out-of-town training since 2019, so two Adult Services staff members will attend this conference.

600.03 Training and Education: \$400 – The Adult Services Librarian and Library Assistant II will be attending the 2026 Alaska Library Association annual conference to learn more about library programming and personnel management.

605.01 Ads and Public Announcements: \$200 - This account provides expenditures for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. This will cover recruitment ads and announcements to fill vacant library positions.

615.02 Assn. Dues and Membership Fees: \$1,300 – This account provides expenditures for memberships in professional associations: the Alaska Library Association, the Pacific Northwest Library Association, the Association for Rural and Small Libraries, and the Alaska Library Network. These memberships provide staff discounts for training and educational opportunities and provide access to digital materials for the public.

630.03 Bank and Merchant Fees: \$100 – This account provides expenditures for the service fees charged to the library for providing the library with the ability to receive fines and fees payments from patrons using their debit or credit cards.

630.05 Software Licenses: \$520 – This account provides expenditures for acquiring licenses for the right to use proprietary software. The library uses PC Reservation to allocate public access on the library computers and DeepFreeze to protect public-use terminals from damage.

630.06 Service Charges and Fees: \$2,320 – This account provides expenditures for miscellaneous service charges and fees. Included are service charges for collection agency services used to recover outstanding debts for lost and damaged materials. This account also covers the Adult & Technical Services portion of the Library's Google Workspace service, the library's calendar / scheduling system.

635.11 Subscription Services: \$2,000 - This account provides expenditures for subscriptions for access to web-based services, website hosting fees, and domain registration for library websites. The library provides patron access to the Alaska Digital Library and Mango Languages. It also provides expenditures on the Adult & Technical Services portion of WIX, the library website's platform; and Canva, used to design posters, signs and other library graphics.

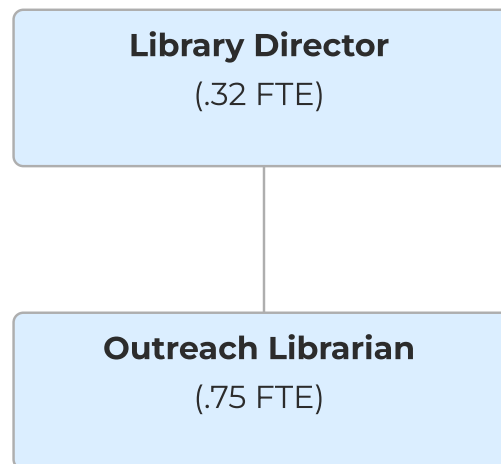
635.12 Technical Services: \$700 - This account provides expenditures for contractual services, such as fees for visiting authors and instructors of educational programs for adults.

790.15 Furniture and Fixtures: \$200 - This account provides expenditures for acquisition of furniture and fixtures.

825.01 Interdepartmental Charges: Insurance: \$14,150 - This account provides expenditures for risk management services and claims.

Outreach Services

The Outreach Services Division of the Ketchikan Public Library provides services to those who are unable to visit the library due to mobility or mental health issues. Services are also provided to residents of facilities such as the Pioneers Home, the Saxman-Ketchikan Senior Center, Rendezvous Senior Day Services, Seaview Terrace, New Horizons Long-Term Care, Park Avenue Temporary Home, First City Homeless, Salvation Army, Regional Youth Center and to the inmates of the Ketchikan Correctional Center. The Outreach Librarian maintains the large-print collection at the Public Library and several community bookshares throughout the island.



Goals for 2026

- Maintain consistent deliveries and collaboration with senior citizen centers, the Ketchikan Correctional Center, area homeless and family advocacy shelters, and home-based patrons unable to visit the library due to mobility reasons.
- Partner with new groups to bring library materials and innovative library Outreach programs to community members.
- Investigate procuring a surplus City/KPU rig for the Ketchikan Public Library to enable transportation for deliveries to home-based patrons and those living in facilities (i.e. Ketchikan Pioneer Home, New Horizons Long-Term Care, Park Avenue Temporary Home, etc.), along with offering offsite library programs (i.e. Seaview Terrace, Ketchikan Indian Community, etc.) and promoting library services to the community at-large.

2025 Accomplishments

- Initiated weekly visits to the Ketchikan Rec Center Summer Kids Camp, where participants received a library show-and-tell time that showcased a read aloud and library materials like audiobooks, puzzles, games, large-format books, laminated posters, the seed library and even the Sensory Garden earthworms. In all, Outreach Services offered fourteen (14) 30-minute library programs at the Rec Center this summer.
- Provided four community presentations for Outreach Services to the Ketchikan Gateway Borough Assembly, Ketchikan Library Advisory Board, Ketchikan Friends of the Library and SouthEast Agencies Networking on Elder Topics.
- Partnered with the Ketchikan Police Department for a Senior Safety Series; talks included a drug take-back that included safe practices for prescription drugs and the latest cyber scams.
- Partnered with KPU Telecom Division to provide Senior Tech Talks, which enables local elders to receive one-on-one help with their phones, computers and other devices.

- Re-located the Ketchikan Indian Community Outreach program to its Elder Café lunchroom, greatly boosting participation and visibility. During this monthly visit, Elders can pick up a library calendar, apply for a library card, take free discarded/donated books and magazines, see new and existing library materials and ask questions. It's been a hit!
- Continued weekly material deliveries and read-aloud times at the Ketchikan Pioneer Home, and biweekly deliveries and read-alouds at Rendezvous Senior Day Services and New Horizons Long-term Care at the hospital.
- Continued regular, borough-wide deliveries to at-home patrons unable to easily visit due to their mobility.
- For the third year, planted and maintained the library's outdoor Sensory Garden's Sweetly Scented, Soft, Swishy and Squirmy boxes.
- Led and promoted Weekly Worm Feedings for families to see how vermiculture works in the Sensory Garden's Squirmy Box. Participants were invited to ask questions, hold earthworms (and other critters) and take a complimentary keepsake plastic worm.
- Partnered with Southeast Alaska Independent Living work crew in the Sensory Garden to help with new planter boxes and remove unwanted brush.
- Provided materials to the Park Avenue Temporary Home, Regional Youth Center, Women in Safe Homes and Ketchikan Correctional Center for distribution to their residents.
- Maintained the large-print collection, including its purchase of new books and weeding of materials.
- Continued participation in meetings for SouthEast Agencies Networking on Elder Topics and the Ketchikan Re-Entry Coalition.
- Continued authoring "What's on Your Shelf," the monthly Ketchikan Daily News column, for its fifth year. All-local readers and their book recommendations were featured to promote the library's impact and the importance of reading. This year's readers included Joe Williams, Louise Bueno, Derek McGarrigan, Martha Jacobson, Orla Roberts, Jenn Powell, CJ Davidshofer, Jean Bartos and U.S. Coast Guard Lt. Col. Andrea Rice.
- Received an Alaska Press Club award for the "What's on Your Shelf" library column.
- Created business cards using free recycled materials that feature a QR Code that connects with an online form to receive Outreach Services.
- Procured low-cost headphones for distribution to Outreach patrons who are unable to read due to conditions requiring off-island surgery for use with PlayAway audiobooks.
- Installed new bookshares at the Alaska Public Assistance Office and Mary Frances Building, and provided materials for each U.S. Coast Guard vessel and its base. Other community bookshares monitored by Outreach include Highliner Laundromat, Ketchikan Public Health, Green Bean Coffee, Frontier Shipping and Copyworks, the Rec Center and North Shore Gardens.

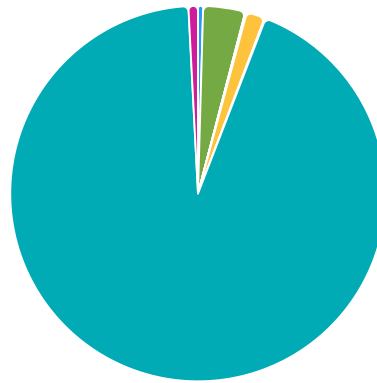
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Property Taxes	64,163	89,608	100,131	98,681	104,889	15,281	17.1%
Charges for Services - KGB	41,368	55,483	59,822	60,739	65,386	9,903	17.8%
Total Funding	105,531	145,091	159,953	159,420	170,275	25,184	17.4%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Director	0.320	0.320	0.320	0.320	34,180	-	0.0%
Outreach Librarian	0.650	0.750	0.750	0.750	55,770	-	
Total	0.970	1.070	1.070	1.070	89,950	-	0.0%

2026 Expenditures by Category



● ALLOWANCES	\$750	0.44%
● BOOKS AND PERIODICALS	\$6,150	3.61%
● DUES AND MEMBERSHIPS	\$50	0.03%
● GENERAL SUPPLIES	\$200	0.12%
● INTERDEPARTMENTAL CHARGES	\$2,675	1.57%
● PERMITS, LICENSES AND FEES	\$180	0.11%
● PERSONNEL SERVICES AND BENEFITS	\$158,870	93.30%
● TRAVEL AND EDUCATION	\$1,400	0.82%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$23,719 or 17.5% due to the increase in wages for regular step increases and a 5.0% cost of living adjustment for IBEW, Local 1547 employees and non-represented employees that will become effective January 1, 2026, and the projected increases in pension, health insurance, workers compensation and other benefits.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1410-231-500.01	69,705	76,651	82,400	82,400	89,950	13,299	17.35%
Personnel Benefits - Taxes Budget Only	101-1410-231-505.00	5,293	5,860	6,310	6,310	6,880	1,020	17.41%
Personnel Benefits - Pension Budget Only	101-1410-231-506.00	14,376	15,680	16,950	16,950	18,460	2,780	17.73%
Personnel Benefits - Insurance Budget Only	101-1410-231-507.00	4,156	24,390	30,700	30,700	34,120	9,730	39.89%
Personnel Benefits - Insurance Worker's Compensation	101-1410-231-507.30	1,594	2,270	2,720	2,720	2,720	450	19.82%
Personnel Benefits - Other Budget Only	101-1410-231-508.00	2,789	10,300	10,300	10,300	6,740	-3,560	-34.56%
Total PERSONNEL SERVICES AND BENEFITS		97,913	135,151	149,380	149,380	158,870	23,719	17.55%
GENERAL SUPPLIES								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
General Supplies Office Supplies	101-1410-231-510.01	-	50	50	50	50	-	0.00%
General Supplies Operating Supplies	101-1410-231-510.02	13	100	100	100	100	-	0.00%
General Supplies Food & Catering	101-1410-231-510.07	50	50	50	50	50	-	0.00%
Total GENERAL SUPPLIES		63	200	200	200	200	-	0.00%
BOOKS AND PERIODICALS								
Books and Periodicals Library Books	101-1410-231-530.01	3,584	5,000	5,000	5,000	5,000	-	0.00%
Books and Periodicals Periodicals	101-1410-231-530.02	1,137	850	850	850	850	-	0.00%
Books and Periodicals Movies and Visual Series	101-1410-231-530.04	-	50	50	50	50	-	0.00%
Books and Periodicals Audio & Digital Books	101-1410-231-530.05	-	50	50	50	50	-	0.00%
Books and Periodicals Interactive Materials	101-1410-231-530.08	-	200	200	200	200	-	0.00%
Total BOOKS AND PERIODICALS		4,721	6,150	6,150	6,150	6,150	-	0.00%
ALLOWANCES								
Allowances Business and Meal Expense	101-1410-231-535.02	993	750	750	750	750	-	0.00%
Total ALLOWANCES		993	750	750	750	750	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	101-1410-231-600.02	-	-	-	-	1,200	1,200	-
Travel and Education Training and Education	101-1410-231-600.03	-	250	250	-	200	-50	-20.00%
Total TRAVEL AND EDUCATION		-	250	250	-	1,400	1,150	460.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Assoc. Membership Dues & Fees	101-1410-231-615.02	49	50	50	50	50	-	0.00%
Total DUES AND MEMBERSHIPS		49	50	50	50	50	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Service Charges and Fees	101-1410-231-630.06	226	180	463	180	180	-	0.00%
Total PERMITS, LICENSES AND FEES		226	180	463	180	180	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1410-231-825.01	1,566	2,360	2,710	2,710	2,675	315	13.35%
Total INTERDEPARTMENTAL CHARGES		1,566	2,360	2,710	2,710	2,675	315	13.35%
Total Expenditures		105,531	145,091	159,953	159,420	170,275	25,184	17.36%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$89,950 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Outreach Services Division.

505.00 Payroll Taxes: \$6,880 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$18,460 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$34,120 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$2,720 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$6,740 – This account provides 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 expenditures for paper, pens, pencils, note pads, file folders, scotch tape, toner, ink cartridges, and small desk accessories such as staplers and tape dispensers.

510.02 Operating Supplies: \$100 - This account provides expenditures for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as brochures, library circulation preparation materials, posters and general materials for classes and programs.

510.07 Food and Catering: \$50 - This account provides expenditures for snacks during Senior Tech Time and other Outreach events.

530.01 Library Books: \$5,000 - This account provides expenditures for the acquisition of large print books for the library collection.

530.02 Periodicals: \$850 - This account provides expenditures for newspapers and magazines for Outreach Services.

530.04 Movies and Visual Series: \$50 - This account provides expenditures 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: \$50 - This account provides expenditures for the acquisition of books in electronic or digital format for patron use. Included are books on CDs, Playaways, e-books, online audiobooks, online music and other similar forms of electronic media.

530.08 Interactive Materials: \$200 - This account provides expenditures for the acquisition of games, memory kits, and other interactive materials for Outreach patron checkout and use.

535.02 Business and Meal Expenses: \$750 – This account provides expenditures for reimbursement to employees for mileage for use of personal vehicle used to deliver library materials to homebound patrons and various institutions island-wide, check the Plaza bookdrop and replenish area Outreach bookshares.

600.02 Travel – Training: \$1,200 – This account provides travel expenditures for training and professional development opportunities. In 2026 the Alaska Library Association Conference is in Sitka, Alaska, and it is essential that the Outreach Librarian attend this conference, particularly since there were no in-person professional opportunities in 2025.

600.03 Training and Education: \$200 – This account provides expenditures for registration fees for conferences associated with training and educating employees. In 2026 this will be used for registration for the 2026 Alaska Library Association Conference in Sitka.

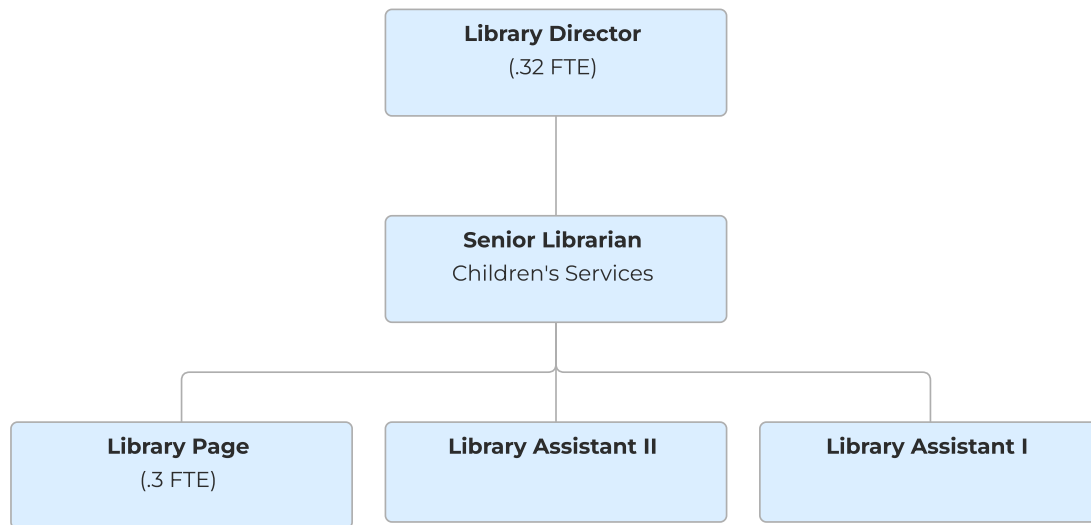
615.02 Assn Membership Dues and Fees: \$50 – This account provides expenditures for memberships in professional and trade associations. Included are membership dues for the Association of Bookmobile and Outreach Services.

630.06 Service Charges and Fees \$180 - This account covers the Outreach Services portion of the Library's Google Workspace service, the library's calendar / scheduling system.

825.01 Interdepartmental Charges – Insurance: \$2,675 - This account provides expenditures for risk management services and claims.

Children's Services

The Children's Services Division serves all the children and teens of the community with recreational and informational materials. Instilling a love of books and reading at an early age is the best way to combat illiteracy. 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. The Children's Services Division strives to offer dynamic, educational programming that promotes library use as well as family and community engagement.



Goals for 2026

- Division staff will continue to provide enriching programming in a variety of formats best suited to community needs at any given time. Each program will be planned out and connected back to the library's strategic plan. Each program will also promote literacy, education/learning, and/or love of reading and be guided by the 2023-2027 Strategic Plan.
- The library will host or participate in at least two programs where children and/or families will be able to receive a new (free) book for their home libraries. This will promote family literacy and ensure that all children have access to books in their own homes.
- In the Summer of 2026, Ketchikan Public Library will partner with Ketchikan Museums to host a summer learning program around the museum's theme of cedar. This program will also include other community partnerships that are designed to combat learning loss.
- The library will host a variety of storytimes to promote early literacy and give caregivers the tools they need to help children develop early literacy milestones.
- During the month of May, the library will visit schools to promote the Summer Learning Programing and the resources available to families at the public library.
- Thie library will continue to host local area Head Start preschool groups for monthly storytimes. The library will explore other opportunities to partner with other community organizations to promote mutually shared goals.
- The library will continue to provide Born to Read bags to every baby born at Peace Health Medical Center.

2025 Accomplishments

- The library hosted two successful reading programs during the summer of 2025. The youth in the community logged over 295,560 minutes. This program will be followed with a fall reading challenge and a Winter Reading Program.
- By July 2025, youth services had circulated 20,896 items, roughly amounting to \$355,232 in savings for families. This illustrates the importance of free and open access to books for families.
- This past year, the division continued its tradition of handing out free books to children in the community to help them build their home libraries. This was made possible through the support of the IBEW and the Friends of the Ketchikan Public Library. In total, we estimate that we gave away over 800 books.
- The library hosted a variety of programs that were well attended by the community. These programs ran the gamut for themes, ranging from Dia De Lost Muertos crafts to a Community Resource Faire to a Mad Hatter Tea Party in Partnership with First City Players. The library's free programming continues to be a widely used and very popular asset for the community.
- Outreach took place at all the schools, Head Start Preschool, Pet and Doll Parade, and Peace Health. This allowed the library to reach users that might normally be missed and invite them to the library, which led to increased participation in library programming.
- During the Fall of 2025, the library began to host Astronomy Labs with educator Resi Bauccho. This STEAM focused program was designed for all ages and happened once a month.
- The library participated in several community outreach events including Pet & Doll.
- The Head of Youth Services acted as a Judge for the annual Battle of the Books program in the winter of 2025.
- The library was again selected to act as a host library for the Children's Book Council's Favorites Award panel. Youth in our community were able to read and vote on approximately 450 newly published books that we donated by the publishers. Their votes help to create a recommended national reading list for their peers.

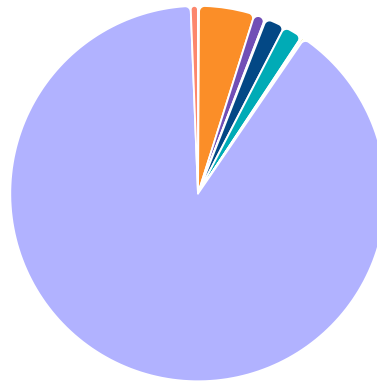
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Property Taxes	260,666	299,517	297,197	292,463	314,329	14,812	4.9%
Charges for Services - KGB	168,061	178,303	178,319	180,013	195,946	17,643	9.9%
Total Funding	428,727	477,820	475,516	472,476	510,275	32,455	6.8%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Director	0.360	0.360	0.360	0.360	34,180	-	0.0%
Children's Librarian	1.000	1.000	1.000	1.000	85,510	-	
Library Assistant II	1.000	1.000	1.000	1.000	67,420	-	
Library Assistant I	0.925	0.925	0.925	0.925	46,510	-	
Page	0.300	0.300	0.300	0.300	10,490	-	
Total	3.585	3.585	3.585	3.585	244,110	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$300	0.06%
ALLOWANCES	\$200	0.04%
BOOKS AND PERIODICALS	\$24,300	4.76%
CONTRACTUAL SERVICES	\$5,000	0.98%
DUES AND MEMBERSHIPS	\$500	0.10%
GENERAL SUPPLIES	\$8,500	1.67%
INTERDEPARTMENTAL CHARGES	\$8,625	1.69%
MINOR CAPITAL OUTLAY	\$500	0.10%
PERMITS, LICENSES AND FEES	\$850	0.17%
PERSONNEL SERVICES AND BENEFITS	\$458,300	89.81%
TRAVEL AND EDUCATION	\$3,200	0.63%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$29,930 or 6.99% due to annual employee step increase, a 5.0% cost of living adjustment for IBEW, Local 1547 and non-represented employees effective January 1, 2026, and the projected increases in pension, health insurance, workers compensation and other benefit costs.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1410-232-500.01	206,492	225,100	221,420	219,990	244,110	19,010	8.45%
Personnel Services and Wages - Temporary Wages	101-1410-232-502.01	9,438	22,520	22,520	22,000	15,000	-7,520	-33.39%
Personnel Benefits - Taxes Budget Only	101-1410-232-505.00	15,716	18,950	18,950	18,950	20,390	1,440	7.60%
Personnel Benefits - Pension Budget Only	101-1410-232-506.00	42,612	44,780	44,780	44,780	49,180	4,400	9.83%
Personnel Benefits - Insurance Budget Only	101-1410-232-507.00	95,180	102,860	102,860	102,860	111,470	8,610	8.37%
Personnel Benefits - Insurance Worker's Compensation	101-1410-232-507.30	507	670	670	670	700	30	4.48%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Personnel Benefits - Other Budget Only	101-1410-232-508.00	15,402	13,490	13,490	13,490	17,450	3,960	29.36%
Total PERSONNEL SERVICES AND BENEFITS		385,347	428,370	424,690	422,740	458,300	29,930	6.99%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1410-232-510.01	2,330	3,000	3,000	3,000	3,000	-	0.00%
General Supplies Operating Supplies	101-1410-232-510.02	5,141	4,500	4,500	4,500	4,500	-	0.00%
General Supplies Small Tools & Equipment	101-1410-232-510.05	56	200	200	200	200	-	0.00%
General Supplies Food & Catering	101-1410-232-510.07	783	800	800	800	800	-	0.00%
Total GENERAL SUPPLIES		8,310	8,500	8,500	8,500	8,500	-	0.00%
BOOKS AND PERIODICALS								
Books and Periodicals Library Books	101-1410-232-530.01	16,545	16,900	16,900	16,900	16,600	-300	-1.78%
Books and Periodicals Periodicals	101-1410-232-530.02	701	800	800	800	800	-	0.00%
Books and Periodicals Movies and Visual Series	101-1410-232-530.04	1,963	2,000	2,000	2,000	2,000	-	0.00%
Books and Periodicals Audio & Digital Books	101-1410-232-530.05	3,998	4,000	4,000	4,000	4,000	-	0.00%
Books and Periodicals Music	101-1410-232-530.06	-	50	330	250	300	250	500.00%
Books and Periodicals Interactive Materials	101-1410-232-530.08	590	600	600	600	600	-	0.00%
Total BOOKS AND PERIODICALS		23,797	24,350	24,630	24,550	24,300	-50	-0.21%
ALLOWANCES								
Allowances Business and Meal Expense	101-1410-232-535.02	200	200	200	-	200	-	0.00%
Total ALLOWANCES		200	200	200	-	200	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	101-1410-232-600.02	2,816	100	100	-	2,400	2,300	2,300.00%
Travel and Education Training and Education	101-1410-232-600.03	410	1,000	1,000	300	800	-200	-20.00%
Total TRAVEL AND EDUCATION		3,226	1,100	1,100	300	3,200	2,100	190.91%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1410-232-605.01	-	300	300	300	300	-	0.00%
Total ADVERTISING AND PUBLISHING		-	300	300	300	300	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Assoc. Membership Dues & Fees	101-1410-232-615.02	290	500	500	490	500	-	0.00%
Total DUES AND MEMBERSHIPS		290	500	500	490	500	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Bank & Merchant Fees	101-1410-232-630.03	37	140	140	140	50	-90	-64.29%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Licenses and Fees Service Charges and Fees	101-1410-232- 630.06	533	600	700	700	800	200	33.33%
Total PERMITS, LICENSES AND FEES		570	740	840	840	850	110	14.86%
CONTRACTUAL SERVICES								
Contractual Services Subscription Services	101-1410-232- 635.11	2,017	2,500	2,500	2,500	2,500	-	0.00%
Contractual Services Technical Services	101-1410-232- 635.12	-	2,500	2,126	2,126	2,500	-	0.00%
Total CONTRACTUAL SERVICES		2,017	5,000	4,626	4,626	5,000	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1410-232- 790.15	93	1,400	1,400	1,400	500	-900	-64.29%
Total MINOR CAPITAL OUTLAY		93	1,400	1,400	1,400	500	-900	-64.29%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1410-232- 825.01	4,877	7,360	8,730	8,730	8,625	1,265	17.19%
Total INTERDEPARTMENTAL CHARGES		4,877	7,360	8,730	8,730	8,625	1,265	17.19%
Total Expenditures		428,727	477,820	475,516	472,476	510,275	32,455	6.79%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$244,110 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Children's Services Division.

502.01 Temporary Wages: \$15,000 - This account provides expenditures for compensation paid to temporary salaried and hourly employees of the Children's Services Division.

505.00 Payroll Taxes: \$20,390 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$49,180 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$111,470 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$700 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$17,450 – This account provides 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: \$3,000 - This account provides expenditures for paper, pens, pencils, note pads, file folders, scotch tape, toner, ink cartridges for printers, photocopy charges, small desk accessories, and minor office equipment such as staplers, scissors, and tape dispensers. The cost of these items, especially printing and toner costs, have significantly increased due to the large amount of programming and rising costs over the last year making it necessary for us to increase the amount of money that is in this line item.

510.02 Operating Supplies: \$4,500 - This account provides expenditures for supplies that are normally not of a maintenance nature and are required to support department operations. Included are many art and craft supplies for the numerous family, children, tween and teen programs, as well as promotional materials, educational games and toys for the children and teen areas, and small prizes.

510.05 Small Tools and Equipment: \$200 - This account provides expenditures for minor tools, operating and office equipment with a value of less than \$1,000.

510.07 Food/Catering: \$800 - This account provides expenditures for food or catering services for children's and teen programs.

530.01 Library Books: \$16,600 - This account provides expenditures for the acquisition of books and print materials for the library collection. Included are books and other print materials.

530.02 Periodicals: \$800 - This account provides expenditures for newspapers, magazines and trade journals.

530.04 Movies and Visual Series: \$2,000 - This account provides expenditures for the acquisition of DVD and other format films and television series for the library collection. Included are education and entertainment selections.

530.05 Audio and Digital Books: \$4,000 - This account provides expenditures for the acquisition of materials 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, including Hoopla, which contains electronic media in many formats.

530.06 Music: \$300 - This account provides expenditures for the acquisition of music CDs for the library collection. This past year we have seen an increased number of music CD requests to accommodate these new requests we moved \$300 from the 530.01 line to this line.

530.08 Interactive Materials: \$600 - This account provides expenditures for the acquisition of games, puppets, and other interactive materials for patron checkout and use.

535.02 Business and Meal Expenses: \$200 - This account provides expenditures for reimbursement to employees for mileage for use of personal vehicle used to empty the bookdrop at the Plaza Mall, distribute promotional library posters throughout Ketchikan and deliver "Born to Read" materials to the Ketchikan Medical Center.

600.02 Travel - Training: \$2,400 - This account provides expenditures for travel to conferences and in-person training. In 2026 the Alaska Library Association Conference will take place in Sitka. These are vital training courses for library staff, and we plan to send two staff members from the Children's Division to this conference.

600.03 Training and Education: \$800 - This account provides expenditures for registration fees and training programs provided by staff or third parties. Includes registration for library conferences and for continuing education classes. Two Children's Services staff will attend the 2026 Alaska Library Association Conference in Sitka in 2026, and online training as needed.

605.01 Ads and Public Announcements: \$300 - This account provides expenditures for announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are public service announcements, community issues and recruiting.

615.02 Assn. Dues and Membership Fees: \$500 - This account provides expenditures for membership in professional organizations, such as the Alaska Library Association, the American Library Association, the Public Library Association, and the Association of Library Service to Young Children. These memberships provide access to information and discounts on continuing education classes that increase staff skills and resources.

630.03 Bank and Merchant Fees: \$50 - This account provides expenditures for merchant fees for use of credit and debit cards.

630.06 Service Charges and Fees: \$800 - This account provides expenditures for miscellaneous service charges and fees. Included are service charges for collection agency services used to recover outstanding debts for lost and damaged materials. This

account also covers the Children's Services portion of the Library's Google Workspace service, the library's calendar / scheduling system, which we saw an increase in this past year. To accommodate the increase, we have increased this line by \$106.

635.11 Subscription Services: \$2,500 - This account provides expenditures for children's and teen databases, such as Scholastic Teachables and ComicsPlus. It also provides expenditures the Children's Services portion of WIX, the library website's platform, and Canva, used to design posters, signs and other library graphics.

635.12 Technical Services: \$2,500 - This account provides expenditures for contractual services, such as fees for visiting authors and performers for children's programs. We expect to host at least one paid performer during 2026.

790.15 Furniture and Fixtures: \$500 - This account provides expenditures for acquisition of furniture and fixtures. Each year the Children's Library loses an average of one lamp per year, one small area rug, and one seating element. In 2026 the Children's Library must replace its popular train table as. The average cost of a new table is \$200.

825.01 Interdepartmental Charges – Insurance: \$8,625 - This account provides expenditures for risk management services and claims.

First City Libraries

The mission of the First City Libraries (FCL) Consortium is to provide informational, educational and recreational materials and services for the residents of the City of Ketchikan and the Ketchikan Gateway Borough. This is accomplished through development, maintenance and promotion of materials, physical spaces and programs responsive to the diverse interests and needs of the community. This consortium is a cooperative effort between the City of Ketchikan and the Ketchikan Gateway Borough School District. It links Ketchikan's public and school libraries, thereby giving all citizens access to materials.

Goals for 2026

- Continue to promote library use between the Ketchikan Public Library and the KGB School District Libraries.
- Work with the UAS-Ketchikan Campus Library to serve Ketchikan residents who wish to access Campus Library collections.
- Hold an annual fall meeting of First City Libraries staff of the public, school district and campus libraries, to conduct training, share updates, and resolve any issues with the shared online catalog.
- If funding is approved by City Council and by the KGB School District, distribute a Request for Proposal to library system vendors with the intent to migrate from FCL's 18-year-old SirsiDynix system to a system that is more functional, secure and less costly than the current system.

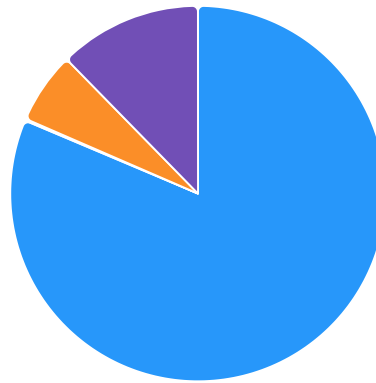
2025 Accomplishments

- Held a fall 2025 meeting of FCL and UAS staff to coordinate practices and explore ways to improve library services to Ketchikan.
- Successfully applied for FY26 Federal Erate discounts on consortial internet service for the shared online catalog.
- Prepared and distributed a brochure for families explaining FCL library services and policies.
- Worked with City IT and SirsiDynix to update and troubleshoot SirsiDynix system software.
- Collaborated with FCL division heads and City IT to develop and distribute a Request for Information (RFI) to library system vendors, to determine how much a system migration would cost in order to submit 2026 capital expense requests to the City and the KGBSD.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Property Taxes	20,485	22,769	22,769	24,041	42,003	19,234	84.5%
Charges for Services - KGB	13,207	14,116	14,116	14,798	26,184	12,068	85.5%
Charges for Services - KGBSD	26,375	29,715	29,715	25,000	53,575	23,860	80.3%
Total Funding	60,067	66,600	66,600	63,839	121,762	55,162	82.8%

2026 Expenditures by Category



● CONTRACTUAL SERVICES	\$99,062	81.36%
● GENERAL SUPPLIES	\$200	0.16%
● INTERDEPARTMENTAL CHARGES	\$7,500	6.16%
● UTILITIES	\$15,000	12.32%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Contractual Services Software & Equipment Maintenance Services (Account 635.04) increased by \$56,340 or 160.97% due to an upgrade to the First City Libraries Consortium integrated software system and the anticipated maintenance costs of the current program in 2026 due to the timing of implementation. This system has undergone minor changes since 2008 and an upgrade is part of the Ketchikan Public Library's 2022-2027 Strategic Plan with the objective of migrating to a more modern, cost-effective system.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
GENERAL SUPPLIES								
General Supplies Operating Supplies	101-1410-233-510.02	-	200	200	200	200	-	0.00%
Total GENERAL SUPPLIES		-	200	200	200	200	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	101-1410-233-635.04	33,240	35,000	35,534	35,535	91,340	56,340	160.97%
Contractual Services Subscription Services	101-1410-233-635.11	7,143	7,400	7,400	7,354	7,722	322	4.35%
Total CONTRACTUAL SERVICES		40,383	42,400	42,934	42,889	99,062	56,662	133.64%
UTILITIES								
Utilities Telecommunications	101-1410-233-650.01	12,184	16,500	15,966	13,250	15,000	-1,500	-9.09%
Total UTILITIES		12,184	16,500	15,966	13,250	15,000	-1,500	-9.09%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges-IT Information Technology	101-1410-233-803.01	7,500	7,500	7,500	7,500	7,500	-	0.00%
Total INTERDEPARTMENTAL CHARGES		7,500	7,500	7,500	7,500	7,500	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Total Expenditures		60,067	66,600	66,600	63,839	121,762	55,162	82.83%

**Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.*

Operating Account Narrative

510.02 Operating Supplies: \$200 – This account provides expenditures for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as barcodes, security strips and carbon overdue mailers. Barcodes may need to be purchased in 2026.

635.04 Software and Equipment Maintenance Services: \$91,340 - This account provides expenditures for a new library system and maintenance agreements to support the current licensed software systems. Included is the yearly hardware and software system renewal for the SirsiDynix server, which the vendor estimates will increase by 7.9%. If funding to migrate to a new system is funded by the City Council and KGB School District, the migration would likely occur late in 2026.

635.11 Subscription Services: \$7,722 - This account provides expenditures for a subscription for access to the Online Computer Library Center (OCLC). The OCLC provides unlimited cataloging, interlibrary loans and access to WorldCat (a catalog which itemizes the collections of 71,000 libraries in 112 countries).

650.01 Telecommunications: \$15,000 - This account provides expenditures for telecommunication services. Included are charges for the library server connection and server hosting and power.

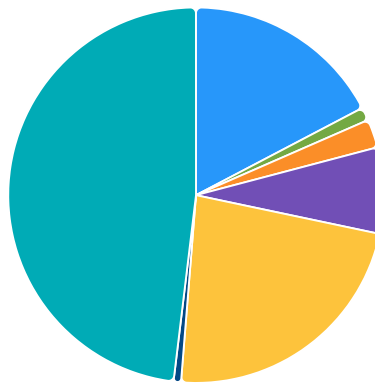
803.01 Interdepartmental Charges - Information Technology: \$7,500 - This account provides expenditures for information technology services provided by the Information Technology Department. The IT Department maintains the Consortium server.

Ketchikan Public Library O&M

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Property Taxes	119,903	157,440	164,394	144,758	198,246	40,806	25.9%
Charges for Services - KGB	77,306	85,890	98,216	94,794	129,348	43,458	50.6%
Grants	-	-	9,250	9,250	9,250	9,250	100.0%
Total Funding	197,209	243,330	271,860	248,802	336,844	93,514	38.4%

2026 Expenditures by Category



CONTRACTUAL SERVICES	\$58,300	17.31%
FUELS/LUBRICANTS/ENERGY COSTS	\$3,800	1.13%
GENERAL SUPPLIES	\$8,300	2.46%
INTERDEPARTMENTAL CHARGES	\$24,950	7.41%
MINOR CAPITAL OUTLAY	\$77,394	22.98%
RENTS AND LEASES	\$2,100	0.62%
UTILITIES	\$162,000	48.09%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Janitorial & Cleaning Services (Account 635.02) increased by \$12,300 or by 46% due to the increase in contractual services costs.
- Electric, Water, Sewer & Solid Waste (Account 635.02) increased by \$17,000 or 20% due to increases in utility costs.
- Minor Capital Outlay - Buildings (Account 790.05) increased by \$54,894 due to the need to replace the 13-year old security camera system and security gate that were installed when the building was new. Both are no longer working consistently causing potential issues with safety and theft from the library's collection.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
GENERAL SUPPLIES								
General Supplies Safety	101-1410-235-							
Program Supplies	510.03	2,172	-	-	-	-	-	-

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
General Supplies Janitorial Supplies	101-1410-235-510.04	2,239	4,000	4,000	3,318	3,500	-500	-12.50%
General Supplies Small Tools & Equipment	101-1410-235-510.05	250	300	300	286	300	-	0.00%
Maintenance Materials Building and Grounds Maintenance	101-1410-235-515.02	43	500	500	371	500	-	0.00%
Maintenance Materials Furniture & Fixtures	101-1410-235-515.03	263	1,500	1,500	511	1,500	-	0.00%
Maintenance Materials Machinery & Equipment Maint.	101-1410-235-515.04	774	1,000	1,000	326	1,000	-	0.00%
Maintenance Materials Infrastructure & Plant Maint.	101-1410-235-515.05	330	1,600	1,600	-	1,500	-100	-6.25%
Total GENERAL SUPPLIES		6,071	8,900	8,900	4,812	8,300	-600	-6.74%
FUELS/LUBRICANTS/ENERGY COSTS								
Vehicle Motor Fuel and Lubricants	101-1410-235-525.04	-	-	-	400	1,300	1,300	-
Fuels, Lubricants and Energy Costs Machinery & Equipment	101-1410-235-525.07	2,566	3,000	3,000	1,649	2,500	-500	-16.67%
Total FUELS/LUBRICANTS/ENERGY COSTS		2,566	3,000	3,000	2,049	3,800	800	26.67%
CONTRACTUAL SERVICES								
Contractual Services Janitorial & Cleaning Services	101-1410-235-635.02	24,425	27,000	39,300	39,300	39,300	12,300	45.56%
Contractual Services Building and Grounds Maint. Svc	101-1410-235-635.06	1,474	9,200	6,232	5,225	10,000	800	8.70%
Contractual Services Machinery & Equipment Maint. Svc	101-1410-235-635.07	975	4,000	4,000	1,500	3,500	-500	-12.50%
Contractual Services Technical Services	101-1410-235-635.12	4,832	6,000	6,000	4,268	5,500	-500	-8.33%
Total CONTRACTUAL SERVICES		31,706	46,200	55,532	50,293	58,300	12,100	26.19%
RENTS AND LEASES								
Rents and Leases Land & Buildings	101-1410-235-645.01	2,100	2,100	2,100	2,100	2,100	-	0.00%
Total RENTS AND LEASES		2,100	2,100	2,100	2,100	2,100	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1410-235-650.01	41,364	57,890	67,520	57,500	62,000	4,110	7.10%
Utilities Electric, Water, Sewer & Garbage	101-1410-235-650.02	80,217	83,000	92,568	92,568	100,000	17,000	20.48%
Total UTILITIES		121,581	140,890	160,088	150,068	162,000	21,110	14.98%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Buildings	101-1410-235-790.05	-	-	-	-	54,894	54,894	-
Minor Capital Outlay Vehicles & Moving Equipment	101-1410-235-790.20	-	-	-	-	4,500	4,500	-
Minor Capital Outlay M&E-Computers Printers & Copier	101-1410-235-790.26	11,553	18,700	18,700	18,000	18,000	-700	-3.74%
Total MINOR CAPITAL OUTLAY		11,553	18,700	18,700	18,000	77,394	58,694	313.87%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1410-235-825.01	21,632	23,540	23,540	20,480	21,450	-2,090	-8.88%
Interdepartmental Charges Garage Charges	101-1410-235-850.01	-	-	-	1,000	3,500	3,500	-
Total INTERDEPARTMENTAL CHARGES		21,632	23,540	23,540	21,480	24,950	1,410	5.99%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Total Expenditures		197,209	243,330	271,860	248,802	336,844	93,514	38.43%

**Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.*

Operating Account Narrative

510.04 Janitorial Supplies: \$3,500 – This account provides expenditures for cleaning and sanitation supplies used by contracted janitors as well as consumable materials such as toilet paper, paper towels, etc.

510.05 Small Tools and Equipment: \$300 - This account provides expenditures for minor tools and operating equipment with a value of less than \$1,000.

515.02 Building and Grounds Maintenance Materials: \$500 - This account provides expenditures 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: \$1,500 - This account provides expenditures 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: \$1,000 – This account provides expenditures for the repair and maintenance of machinery and equipment owned and operated by the City. Included are the library's computers.

515.05 Infrastructure and Plant Maintenance Materials: \$1,500 – This account provides expenditures for the repair and maintenance of infrastructure and plant owned and operated by the City. Included are sidewalks, parking lots and a boiler.

525.04 Vehicle Motor Fuel and Lubricants: \$1,300 - Expenditures for gasoline, diesel fuel, propane and lubricants used in the operations of City vehicles.

525.07 Machinery and Equipment Fuel and Lubricants: \$2,500 – This account provides expenditures for the propane used to operate the fireplace.

635.02 Janitorial and Cleaning Services: \$39,300 - This account provides expenditures for services to clean the library building.

635.06 Buildings and Grounds Maintenance Services: \$10,000 - This account provides expenditures 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. In 2026, this will include the cost of repairing and replacing gutters and snow stops as needed on the building's roof.

635.07 Machinery and Equipment Maintenance Services: \$3,500 - This account provides expenditures 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 for the public access copier machine and microfilm reader. The library pays an annual fee for the propane tank; also included in this account is maintenance for the security camera system.

635.12 Technical Services: \$5,500 – This account provides expenditures for services that are not regarded as professional but require technical or special knowledge, including fire extinguisher inspections, fire alarm inspection and monitoring, pest control and fire sprinkler inspection.

645.01 Rents and Leases - Land and Buildings: \$2,100 - This account provides expenditures for the rent of heated offsite storage at the Heckman Building for reference materials, repository documents and seasonal items and supplies.

650.01 Telecommunications Services: \$62,000 - This account provides expenditures for wired and wireless telecommunication services. Included are landline services, network and data services, internet and long distance.

650.02 Electric, Water, Sewer & Solid Waste: \$100,000 This account provides expenditures for electric, water, sewer and solid waste utility services.

790.05 Minor Capital - Buildings: \$54,894 - This account provides funding for two building related capital project requests for the library: security camera system and security gate replacement as outlined in the department's CIP.

790.20 Minor Vehicles and Moving Equipment: \$4,500 – Minor purchases of vehicles or moving equipment. Library staff drive around the island daily to deliver and drop off mail, visit senior facilities, provide materials to homebound individuals, and distribute posters and event calendars. It is not feasible for staff to use their own vehicles for work purposes, so the Library will have its own.

790.26 Computers, Printers, and Copiers: \$18,000 - This account provides expenditures for desktop, laptops, and tablet computers; computer printers and scanners, photocopiers and fax machines. Per the replacement schedule developed by the Information Technology Department, in 2025 the following equipment will be replaced: 4 staff workstations, 1 patron workstation, 1 lookup computer, 1 patron laptop, 1 staff laptop, 1 staff printer, 1 patron printer, 5 UPS battery backups.

825.01 Interdepartmental Charges – Insurance: \$21,450 - This account provides expenditures for risk management services and claims.

850.01 Interdepartmental Charges – Garage: \$3,500 – Expenditures for fleet maintenance services provided by the Public Works Department-Garage Division.

Library Grant Program

Goals for 2026

- Apply for the FY27 State Public Library Assistance Grant, if it is offered.
- Apply for the FY27 State OWL Internet Assistance Grant, if it is offered.
- Apply for other grants when applicable and available.

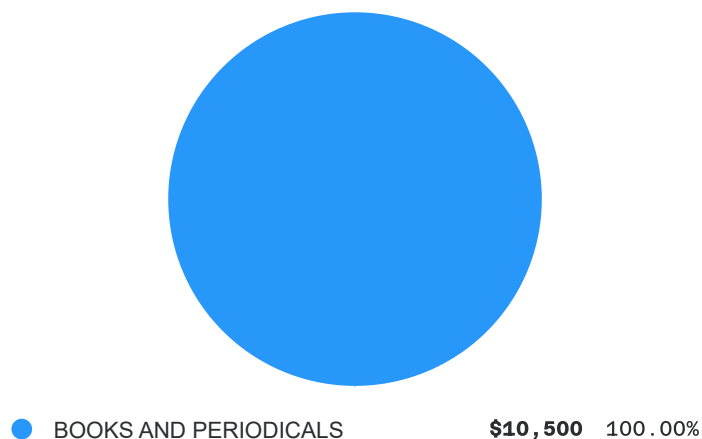
2025 Accomplishments

- Applied for and received the FY26 Public Library Assistance Grant, which provides additional funding for library books.
- Applied for the FY26 State OWL Internet Assistance Grant; as of September 2025 grant awards have not been announced.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Grant	8,053	7,000	7,000	7,000	10,500	3,500	50.0%
Total Funding	8,053	7,000	7,000	7,000	10,500	3,500	50.0%

2026 Expenditures by Category



Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- There are no significant changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
BOOKS AND PERIODICALS								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Books and Periodicals Library Books	101-1410-192- 530.01	8,053	7,000	7,000	7,000	10,500	3,500	50.00%
Total BOOKS AND PERIODICALS		8,053	7,000	7,000	7,000	10,500	3,500	50.00%
Total Expenditures		8,053	7,000	7,000	7,000	10,500	3,500	50.00%

Operating Account Narrative

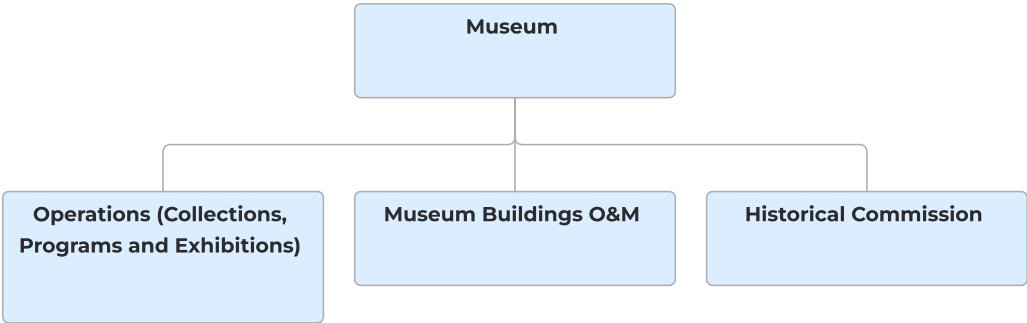
530.01 Library Books: \$7,000 - This account provides expenditures for the acquisition of books and print materials for the library collection. Included are books, maps and other print materials.

650.01 Telecommunications: \$1,000 - This account provides expenditures for wired and wireless telecommunication services. Included are landline services, network and data services, internet and long distance.

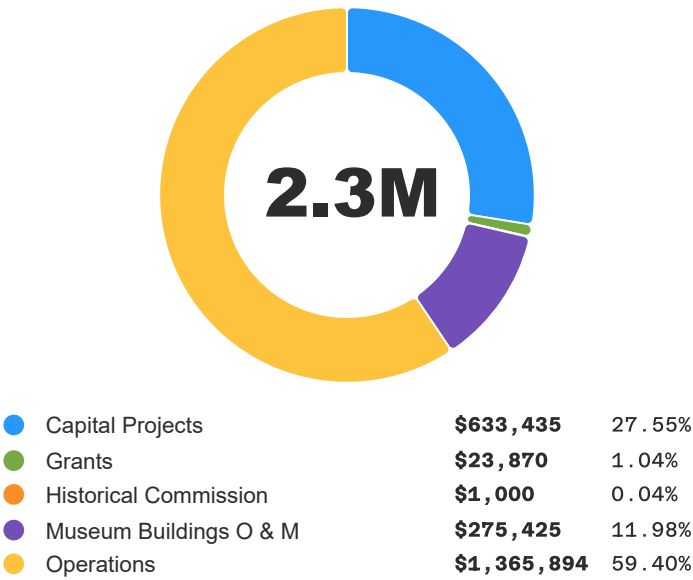
Museum

Ketchikan Museums collect, preserve, interpret and creatively share the history and culture of the region to serve, educate, engage and enrich the community. The department operates two museums: the Tongass Historical Museum and the Totem Heritage Center. In addition to stewarding a collection of regional artifacts, photographs and archives, the museums offer exhibitions, educational programs and research services.

The Museum Department is comprised of two operating divisions, a Historical Commission Program and oversees one Capital Improvement Program.



2026 Expenditures by Activity



Expenditures by Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	1,108,852	1,307,390	1,297,434	1,223,214	1,365,894	58,504	4.47%
Capital Projects	826,037	645,914	645,914	268,155	633,435	-12,479	-1.93%
Museum Buildings O & M	149,915	179,080	191,746	173,256	275,425	96,345	53.80%
Historical Commission	316	1,000	1,000	-	1,000	-	0.00%
Grants	82,338	-	35,000	35,000	23,870	23,870	-

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Total Expenditures	2,167,458	2,133,384	2,171,094	1,699,625	2,299,624	166,240	7.79%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	946,084	1,099,382	1,071,037	1,014,445	1,158,215	58,833	5.35%
GENERAL SUPPLIES	46,942	45,870	46,440	45,620	47,225	1,355	2.95%
POSTAGE AND FREIGHT	2,398	3,200	3,200	2,500	9,000	5,800	181.25%
FUELS/LUBRICANTS/ENERGY COSTS	28,092	47,500	47,500	30,220	34,000	-13,500	-28.42%
BOOKS AND PERIODICALS	532	532	557	557	575	43	8.08%
ALLOWANCES	845	-	-	-	-	-	-
TRAVEL AND EDUCATION	6,234	2,400	2,400	1,000	3,360	960	40.00%
ADVERTISING AND PUBLISHING	19,652	19,655	19,655	18,794	20,655	1,000	5.09%
DUES AND MEMBERSHIPS	1,756	962	962	562	562	-400	-41.58%
PERMITS, LICENSES AND FEES	6,906	7,500	10,000	10,000	8,000	500	6.67%
CONTRACTUAL SERVICES	134,550	82,190	142,185	138,319	126,497	44,307	53.91%
RENTS AND LEASES	3,355	3,700	3,876	3,876	4,000	300	8.11%
UTILITIES	67,103	103,560	103,560	103,160	177,150	73,590	71.06%
MAJOR CAPITAL OUTLAY	826,037	645,914	645,914	268,155	633,435	-12,479	-1.93%
MINOR CAPITAL OUTLAY	39,694	24,809	24,888	13,737	24,450	-359	-1.45%
INTERDEPARTMENTAL CHARGES	37,278	46,210	48,920	48,680	52,500	6,290	13.61%
Total Expenditures	2,167,458	2,133,384	2,171,094	1,699,625	2,299,624	166,240	7.79%

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
General Fund Support	895,835	1,202,970	1,205,680	1,025,050	1,138,694	(64,276)	-5.3%
Charges for Services	363,248	284,500	284,500	371,420	347,500	63,000	22.1%
Public Works Sales Tax	1,369	158,631	158,631	98,196	148,435	(10,196)	-6.4%
Grants	82,338	-	35,000	35,000	23,870	23,870	100.0%
CPV						-	
Operations Support	-	-	-	-	156,125	156,125	NA
Capital Project Fund	40,000	-	-	-	-	-	NA
Community Facilities Development Fund	784,668	487,283	487,283	169,959	485,000	(2,283)	-0.5%
Total Funding	2,167,458	2,133,384	2,171,094	1,699,625	2,299,624	166,240	7.8%

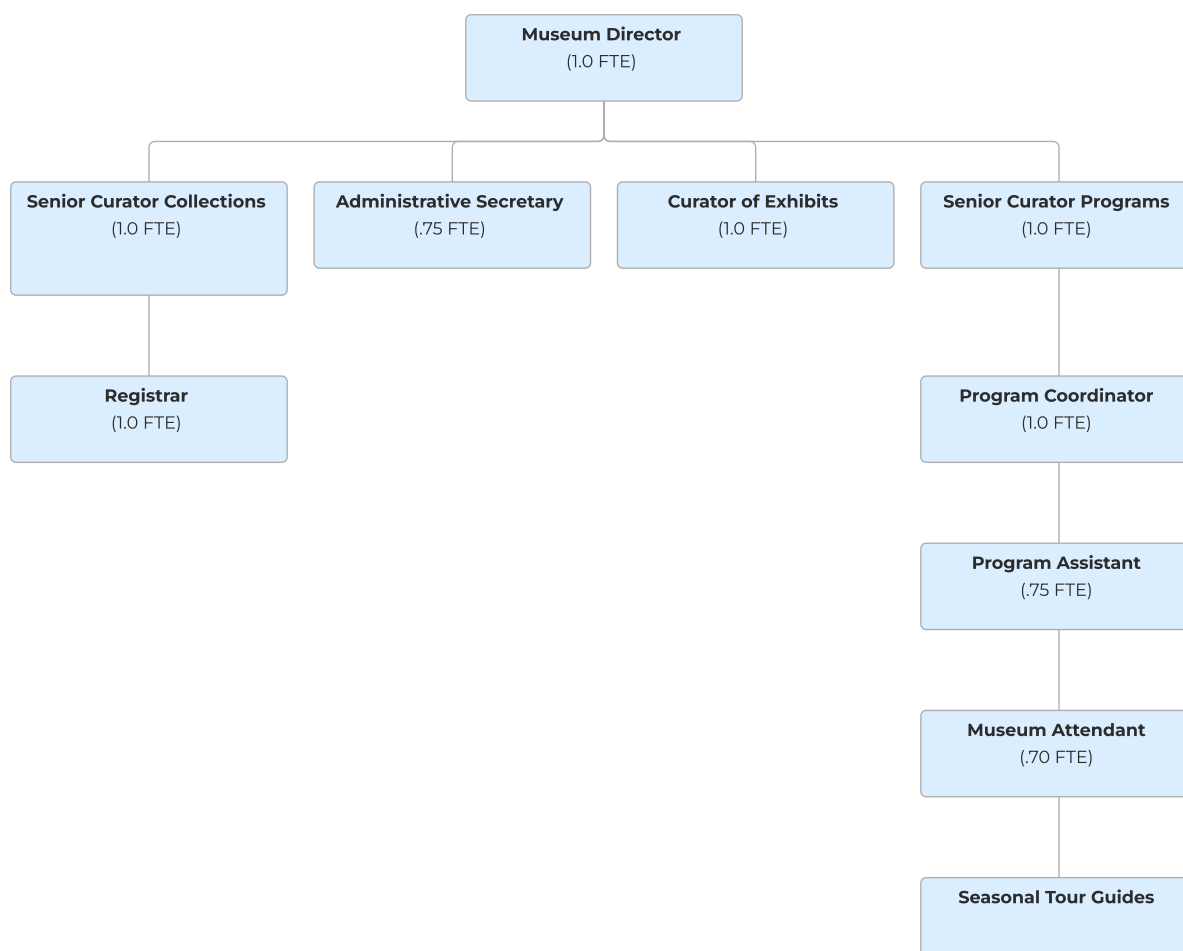
Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	8.25	8.25	8.25	8.25	598,330	-	0.0%
Total	8.25	8.25	8.25	8.25	598,330	-	0.0%

Museum Operations

The mission of the Ketchikan Museums is to collect, preserve, interpret and creatively share the history and culture of our region to serve, educate, engage and enrich our community. In addition, the Totem Heritage Center preserves and perpetuates the living artistic traditions of the Tlingit, Haida and Tsimshian peoples that gave rise to the original totem poles on display and provides the opportunity to discover, learn and practice Native arts to inspire cultural understanding.

Core Values: **Discovery:** Ketchikan Museums will offer relevant experiences to explore, educate, and enlighten. **Community Identity:** Ketchikan Museums will safeguard and reflect Ketchikan's vibrant cultural landscape. **Integrity:** Ketchikan Museums will be credible stewards of the community's public trust, investment and its most treasured asset, its heritage. **Communication:** Ketchikan Museums will serve as a leader to innovatively inspire and encourage meaningful community-wide interaction, participation, and collaboration.



Goals for 2026

2026 will be a year for growth and reflection. With a new director in place and the expiration of the current strategic plan, we will have opportunity to evaluate the museums and consider the best directions forward. During 2026, we hope to explore new avenues while also continuing to maintain public trust in caring for and exhibiting Ketchikan's cultural history. Importantly, the Totem Heritage Center's 50th Anniversary will begin this year, so we will look to both celebrating this milestone while also visioning what the next 50 years may look like at both museums. This year, we hope to:

- Embark on a thoughtful strategic planning process to develop a new 5-year plan.
- Ensure proper staffing and training exists to support activities and produce a Museum specific employee handbook to codify procedures.
- Explore revenue growth strategies that align with Ketchikan Museums' mission and needs of the City.
- Continue to develop programs, exhibitions, and collections that are responsive to the community's needs and interests.
- Continue to provide stewardship, care, and access to the collections.
- Update the Totem Heritage Center exhibits and host events to celebrate its 50th Anniversary.

2025 Accomplishments

Numbers reflect September 1, 2024 – August 31, 2025

- Hosted 90,662 visitors at the Tongass Historical Museum and Totem Heritage Center (139,393 including restroom visitors), reflecting a 20% increase in visitation from 2024. Additionally, the Museums earned \$372,475.75 in admissions revenue. 5% of visitors were locals, who are always given free admission and can bring their visitors free of charge.
- Earned \$10,000 in donations from the public.
- Responded to 206 requests for research or historical photographs for personal, scholarly, or governmental inquiries. This research helped to provide support for publications, give background into the underground structure and aid in the rebuilding of the Wolfe Point landslide area, and served as inspiration for the 125th memorial merchandise.
- Conducted a successful 49th season of the Native Arts Studies Program, with 14 classes for 119 students, 357 hours of instruction, and 5 months of weekly Open Craft events. These classes offered students a unique opportunity to learn from skilled Northwest Coast artists at an affordable and accessible level but still raised nearly \$25,000 in revenue through class and materials fees.
- Installed a new Instructor-Student Case at the Totem Heritage Center to recognize the accomplishments of the 49th season of the Native Arts Studies Program in October 2025. The exhibit will run until September 2026 and features items created in classes alongside examples from instructors.
- Celebrated the opening of the feature exhibit, *History Afloat*, at the Tongass Historical Museum with 204 attendees in March 2025. The exhibit will run until January 2026 and features photographs by local artist Brooke Ratzat as well as the faces and stories of many residents.
- Received 42 loaned items from 13 lenders for use in these exhibits.
- Continued to update interpretive panels at the Totem Heritage Center to better communicate information to visitors and enhance understanding of the poles.
- Continued to grow online presence and engagement with 35,000+ users visiting the website and 28,000+ users visiting Virtual Exhibits and 12,000+ PastPerfect Online. This shows a major increase in web traffic, up 114% from the previous year.
- Social media engagement also saw an increase, with 5,597 Facebook followers and 263,478 engagements, 1,200+ Instagram likes/comments, and 9,731 views on YouTube totaling 243.5 hours of watch time.
- Photographed 620 individual objects with the intent to make them all available to the public online with help from Contract Photographer Deborah Mercy.
- Scanned and made available 2240 Totem Heritage Center photographs online in preparation for the 50th Anniversary celebration.

- Accepted 43 new (donated and purchased) acquisitions consisting of 517 individual items for the collection. Highlights include items commemorating the Tatsuda family and Bill Tatsuda's impact on the community, forgery curio poles seized in connection to the 2024 fraud case, and archival collections documenting the fishing industry in Ketchikan.
- Hosted State Conservator Ellen Carrlee, who evaluated and provided care for the totem poles at the Totem Heritage Center as well as offered advice on environmental and pest monitoring procedures at both facilities.
- Installed two custom stained-glass panels by local artist Terry Leberman in the lobby of the Tongass Historic Museum.
- Offered 7 Museum Midday presentations featuring a diverse set of speakers including artists, educators, and experts in various fields relevant to the Ketchikan community. The presentations were attended by over 200 participants, almost all Ketchikan locals.
- Led 25 school tours for 685 students and 90 teachers, paraprofessionals, and chaperones, enhancing our local education system and programs.
- Collaborated with the Village of Saxman to coordinate a paddle-making workshop at the Totem Heritage Center to prepare for a canoe journey with the newly acquired Tèesh Kwaan Xagu (Saxman) canoe.
- Participated in the Artober Art Walk, Winter Art Walk, and Celebration of the Sea Art Walk, welcoming 503 visitors to the Tongass Historical Museum.
- Participated in numerous community events, including the U.S. Coast Guard Station Ketchikan's annual welcome event, the Annual Senior Picnic at the Lake, the Celebrating Community & You Festival, and TSAS's da Vinci Night, providing resources and information on Ketchikan Museums.
- Hosted the Tongass Historical Society's annual meeting with speaker Peter Stanton describing his latest publication on Tlingit history.
- Celebrated Registrar Erika Brown's 20th anniversary of employment with the City of Ketchikan.
- Bid farewell to Shellie Tabb (administrative secretary) and Deborah Mercy (museum attendant) but welcomed Kristen Peterson and Hope Krisko into the respective positions.
- Employed 12 seasonal tour guides to help us through a busy tourist season. The Totem Heritage Center also worked with three tour providers to schedule 74 tours of the facility.

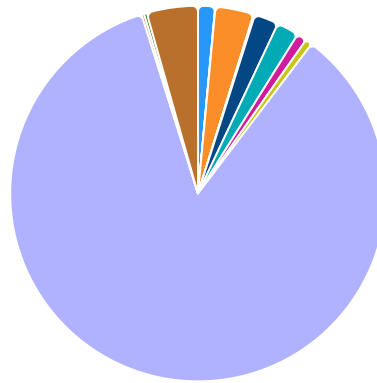
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
General Fund Support	745,604	1,022,890	1,012,934	851,794	862,269	(160,621)	-15.7%
Charges for Services	363,248	284,500	284,500	371,420	347,500	63,000	22.1%
CPV - Operations Support	-	-	-	-	156,125	156,125	100.0%
Total Funding	1,108,852	1,307,390	1,297,434	1,223,214	1,365,894	58,504	3.8%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Director	1.00	1.00	1.00	1.00	105,230	-	0.0%
Administrative Assistant	0.75	0.75	0.75	0.75	43,770	-	0.0%
Sr. Curator - Collections	1.00	1.00	1.00	1.00	80,560	-	0.0%
Sr. Curator - Programs	1.00	1.00	1.00	1.00	80,950	-	0.0%
Curator of Exhibits	1.00	1.00	1.00	1.00	67,050	-	0.0%
Program Coordinator	1.00	1.00	1.00	1.00	68,050	-	0.0%
Museum Attendant	0.75	0.75	0.75	0.75	33,720	-	0.0%
Program Assistant	0.75	0.75	0.75	0.75	38,880	-	0.0%
Registrar	1.00	1.00	1.00	1.00	80,120	-	0.0%
Total	8.25	8.25	8.25	8.25	598,330	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$19,905	1.46%
BOOKS AND PERIODICALS	\$575	0.04%
CONTRACTUAL SERVICES	\$44,982	3.29%
DUES AND MEMBERSHIPS	\$562	0.04%
FUELS/LUBRICANTS/ENERGY COSTS	\$1,000	0.07%
GENERAL SUPPLIES	\$28,620	2.10%
INTERDEPARTMENTAL CHARGES	\$26,025	1.91%
MINOR CAPITAL OUTLAY	\$11,650	0.85%
PERMITS, LICENSES AND FEES	\$8,000	0.59%
PERSONNEL SERVICES AND BENEFITS	\$1,158,215	84.80%
POSTAGE AND FREIGHT	\$3,000	0.22%
TRAVEL AND EDUCATION	\$3,360	0.25%
UTILITIES	\$60,000	4.39%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$58,833 or 5.35% due to annual step increases, a 5.0% cost of living adjustment for IBEW, Local 1547 employees and non-represented employees that will become effective January 1, 2026, and projected increases in pension, health insurance and other benefit costs.
- Technical Services (Account 635.12) increased by \$12,000 or by 39% to hire a consultant for strategic planning of the Museum staff, allowing the Director to be a full participant in the process as recommended by the Museum Advisory Board.
- Utilities - Telecommunications (Account 650.01) decreased by \$7,260 or 10.79% due to a change in the services billed to the Museum.
- Minor Capital Outlay - Machinery & Equipment (Account 790.25) decreased by \$5,500 or 100% due to the anticipated needs of the department in 2026.
- Computers, Printers & Copiers (Account 790.26) decreased by \$12,400 or by 73.8% due to the projected needs in 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1420-110-500.01	498,249	562,337	550,417	540,550	598,330	35,993	6.40%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*** Change
Personnel Services and Wages - Regular Longevity Bonus	101-1420-110-500.05	1,900	2,500	2,500	2,500	2,100	-400	-16.00%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1420-110-501.01	1,483	1,300	1,300	1,300	1,300	-	0.00%
Personnel Services and Wages - Temporary Wages	101-1420-110-502.01	72,281	95,000	85,800	80,000	95,000	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1420-110-505.00	44,661	50,585	49,880	47,900	53,300	2,715	5.37%
Personnel Benefits - Pension Budget Only	101-1420-110-506.00	103,993	117,200	117,200	113,500	126,360	9,160	7.82%
Personnel Benefits - Insurance Budget Only	101-1420-110-507.00	177,463	251,740	245,220	209,975	259,100	7,360	2.92%
Personnel Benefits - Insurance Worker's Compensation	101-1420-110-507.30	1,417	1,870	1,870	1,870	1,895	25	1.34%
Personnel Benefits - Other Budget Only	101-1420-110-508.00	29,637	16,850	16,850	16,850	20,830	3,980	23.62%
Payroll Allowances Moving Expense - Taxed	101-1420-110-509.07	15,000	-	-	-	-	-	-
Total PERSONNEL SERVICES AND BENEFITS		946,084	1,099,382	1,071,037	1,014,445	1,158,215	58,833	5.35%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1420-110-510.01	3,750	4,000	4,000	4,000	4,000	-	0.00%
General Supplies Operating Supplies	101-1420-110-510.02	15,062	14,250	14,250	14,250	14,250	-	0.00%
General Supplies Small Tools & Equipment	101-1420-110-510.05	481	500	500	500	500	-	0.00%
General Supplies Food & Catering	101-1420-110-510.07	981	1,250	1,250	1,250	1,250	-	0.00%
General Supplies Inventory for Resale	101-1420-110-510.08	5,620	5,620	5,620	5,620	5,620	-	0.00%
General Supplies Artifacts	101-1420-110-510.09	3,734	3,000	3,000	3,000	3,000	-	0.00%
Total GENERAL SUPPLIES		29,628	28,620	28,620	28,620	28,620	-	0.00%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1420-110-520.02	522	450	450	450	250	-200	-44.44%
Postage and Freight Bulk Mailing	101-1420-110-520.03	799	1,500	1,500	800	750	-750	-50.00%
Postage and Freight Materials & Supplies	101-1420-110-520.04	1,077	1,250	1,250	1,250	2,000	750	60.00%
Total POSTAGE AND FREIGHT		2,398	3,200	3,200	2,500	3,000	-200	-6.25%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1420-110-525.04	-	-	-	-	1,000	1,000	-
Total FUELS/LUBRICANTS/ENERGY COSTS		-	-	-	-	1,000	1,000	-
BOOKS AND PERIODICALS								
Books and Periodicals Library Books	101-1420-110-530.01	350	350	350	350	350	-	0.00%
Books and Periodicals Periodicals	101-1420-110-530.02	182	182	207	207	225	43	23.63%
Total BOOKS AND PERIODICALS		532	532	557	557	575	43	8.08%
ALLOWANCES								
Allowances Business and Meal Expense	101-1420-110-535.02	845	-	-	-	-	-	-

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Total ALLOWANCES		845	-	-	-	-	-	-
TRAVEL AND EDUCATION								
Travel and Education Travel - Business	101-1420-110-600.01	3,167	-	-	-	-	-	-
Travel and Education Travel - Training	101-1420-110-600.02	1,067	1,400	1,400	-	2,360	960	68.57%
Travel and Education Training and Education	101-1420-110-600.03	500	1,000	1,000	1,000	1,000	-	0.00%
Total TRAVEL AND EDUCATION		4,734	2,400	2,400	1,000	3,360	960	40.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1420-110-605.01	1,154	1,250	1,250	1,150	1,250	-	0.00%
Advertising and Publishing Marketing	101-1420-110-605.02	3,989	4,000	4,000	3,989	5,000	1,000	25.00%
Advertising and Publishing Printing & Binding	101-1420-110-605.03	12,588	13,655	13,655	13,655	13,655	-	0.00%
Total ADVERTISING AND PUBLISHING		17,731	18,905	18,905	18,794	19,905	1,000	5.29%
DUES AND MEMBERSHIPS								
Dues and Memberships Assoc. Membership Dues & Fees	101-1420-110-615.02	456	962	962	562	562	-400	-41.58%
Total DUES AND MEMBERSHIPS		456	962	962	562	562	-400	-41.58%
PERMITS, LICENSES AND FEES								
Licenses and Fees Bank & Merchant Fees	101-1420-110-630.03	6,906	7,500	10,000	10,000	8,000	500	6.67%
Total PERMITS, LICENSES AND FEES		6,906	7,500	10,000	10,000	8,000	500	6.67%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	101-1420-110-635.04	432	432	432	432	432	-	0.00%
Contractual Services Machinery & Equipment Maint. Svc	101-1420-110-635.07	868	500	500	-	500	-	0.00%
Contractual Services Subscription Services	101-1420-110-635.11	1,184	1,458	4,558	1,192	1,250	-208	-14.27%
Contractual Services Technical Services	101-1420-110-635.12	29,088	30,800	40,775	40,775	42,800	12,000	38.96%
Total CONTRACTUAL SERVICES		31,572	33,190	46,265	42,399	44,982	11,792	35.53%
UTILITIES								
Utilities Telecommunications	101-1420-110-650.01	32,923	67,260	67,260	67,260	60,000	-7,260	-10.79%
Total UTILITIES		32,923	67,260	67,260	67,260	60,000	-7,260	-10.79%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1420-110-790.15	6,183	-	-	-	-	-	-
Minor Capital Outlay Vehicles & Moving Equipment	101-1420-110-790.20	-	-	-	-	4,500	4,500	-
Minor Capital Outlay Machinery & Equipment	101-1420-110-790.25	-	5,500	5,500	-	-	-5,500	-
Minor Capital Outlay M&E-Computers Printers & Copier	101-1420-110-790.26	12,880	16,800	16,800	11,148	4,400	-12,400	-73.81%
Minor Capital Outlay Software	101-1420-110-790.35	2,279	2,509	2,588	2,589	2,750	241	9.61%
Total MINOR CAPITAL OUTLAY		21,342	24,809	24,888	13,737	11,650	-13,159	-53.04%
INTERDEPARTMENTAL CHARGES								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Interdepartmental Charges Insurance	101-1420-110-825.01	13,701	20,630	23,340	23,340	23,525	2,895	14.03%
Interdepartmental Charges Garage Charges	101-1420-110-850.01	-	-	-	-	2,500	2,500	-
Total INTERDEPARTMENTAL CHARGES		13,701	20,630	23,340	23,340	26,025	5,395	26.15%
Total Expenditures		1,108,852	1,307,390	1,297,434	1,223,214	1,365,894	58,504	4.47%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$598,330 – This account provides expenditures for the annual wages of all regular Museum Department employees.

500.05 Longevity Pay: \$2,100 – Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$1,300 - This account provides expenditures for the cost of overtime incurred by staff during the course of the year.

502.01 Temporary Wages: \$95,000 - This account provides expenditures for the compensation of seasonal tour guides who are employed during the tour season to provide interpretation and visitor services at both museums.

505.00 Payroll Taxes: \$53,300 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes for Museums staff.

506.00 Pension: \$126,360 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$259,100 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$1,895 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$20,830 – This account provides 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: \$4,000 - This account provides expenditures for paper, pens, pencils, file folders, tape, toner, ink cartridges for photo printing, photocopy charges, small desk accessories, and minor office equipment.

510.02 Operating Supplies: \$14,250 - This account provides expenditures for collections related supplies. This account also provides supplies for the Native Arts Studies Program, educational supplies, and supplies associated with exhibitions such as paint, lumber, and hardware. It also provides expenditures for annual parking permits for Museum staff.

510.05 Small Tools & Equipment: \$500 - This account provides for tools and equipment needed to conduct the Native Arts Studies Program.

510.07 Food/Catering: \$1,250 - This account provides expenditures for food or catering services for public programs such as an annual exhibit opening, open houses, and special events.

510.08 Inventory for Resale: \$5,620 - This account provides expenditures for the purchase of materials which are sold to participants of classes and other programs or events. Expenditures under this account is fully recovered through sales and vary annually depending on the class schedule.

510.09 Artifacts: \$3,000 - This account provides expenditures for the acquisition of artifacts, artwork, and other items for the permanent collection and costs associated with acquisitions.

520.02 Postage: \$250 - This account provides expenditures for general postage for all department operations.

520.03 Bulk Mailing: \$750 - This account provides expenditures for bulk mailing of exhibit and program announcements and department newsletters.

520.04 Freight-Material and Supplies: \$2,000 - This account provides expenditures for shipping materials.

530.01 Library Books: \$350 - This account provides for the acquisition of books and digital materials for the Tongass Historical Museum's research library and Totem Heritage Center student resource library. Included are books, maps, charts, and other printed or digital materials.

530.02 Periodicals: \$225 - This account provides expenditures for an annual subscription to the *Ketchikan Daily News*.

600.02 Travel - Training: \$2,360 - This account provides expenditures for transportation, lodging, and per diem associated with travel for training at annual conferences.

600.03 Training and Education: \$1,000 - This account provides expenditures for registrations at an annual museum conference or online professional development.

605.01 Ads and Public Announcements: \$1,250 - This account provides expenditures for announcements in publications, journals, Internet, or broadcasts over radio and television. Included are legal notices, employee recruiting, and requests for proposals.

605.02 Marketing: \$5,000 - This account provides expenditures for advertising in the local Ketchikan Walking Tour map, other visitor outreach efforts, and domain name registrations.

605.03 Printing and Binding: \$13,655 - This account provides for printing newsletters, exhibit-related printing, the Native Arts Studies Program class schedule, interpretive brochures and panels, educational materials, and admissions materials.

615.02 Assn. Dues and Membership Fees: \$562 - This account provides for the cost of the department's memberships to Museums Alaska, the Alaska Historical Society, and other professional resource associations.

630.03 Bank and Merchant Charges: \$8,000 - This account provides expenditures for bank card fees and credit card charges associated with photo orders, class registration fees, material fees, and general admissions. Additional income offsets increase to these fees as there is a standard percentage charged per transaction.

635.04 Software Maintenance Services: \$432 - This account provides expenditures for the maintenance agreement to support the department's collections management software, PastPerfect.

635.07 Machinery and Equipment Maintenance Services: \$500 - This account provides expenditures for the repair and maintenance of office equipment, machinery, and other operating equipment.

635.11 Subscription Services: \$1,250 - This account provides expenditures for annual subscriptions to Ancestry.com, an on-line genealogy research database; PastPerfect Online, a service providing Web access to museum collections; QR Code Generator to maintain digital assets related to the Salmon Walk project; and other digital services.

635.12 Technical Services: \$42,800 - This account provides expenditures for fees and expenses for the Native Arts Studies Program instructors and other professional services provided by contractors.

650.01 Telecommunications: \$60,000- This account provides expenditures for telecommunication services for voice, alarm, data transfer and security lines at the Tongass Historical Museum and the Totem Heritage Center.

790.26 Computers, Printers & Copiers: \$4,400 - This account provides expenditures for the replacement of workstations, monitors, battery back-ups, printers, and other technological needs.

790.35 Software: \$2,750 - This account provides expenditures for access to cloud-based software for design of exhibits and educational materials and processing of historic photos such as Adobe, Photoshop, and SketchUp.

825.01 Interdepartmental Charges – Insurance: \$22,975 - This account provides expenditures for risk management services and claims.

Museum Buildings O&M

Goals for 2026

A continual goal for the Museums is to maintain adequate facilities to both care for the collections and provide visitor comfort. This will be in front of mind as we move into strategic planning and longer-term goals will develop as a result. Immediate goals for 2026 include:

- Improve and update the exhibits at the Totem Heritage Center, particularly the Classroom Exhibit, to celebrate the 50th Anniversary.
- Better protection of the facilities from dangerous activities with increased security and safety measures.
- Continue to address issues proactively as they arise.

2025 Accomplishments

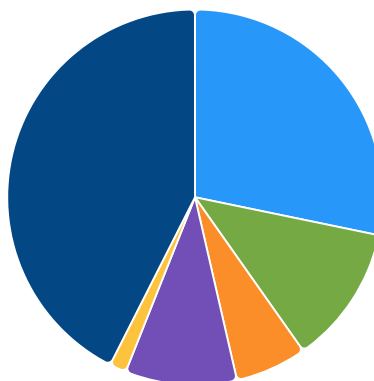
With aging infrastructure, it has been a challenge to keep up with both facilities' many needs. However, Museum staff and Building Maintenance, along with contractors, have been able to tackle projects to make improvements where possible.

- Building Maintenance addressed many issues related to failing environmental control systems, including repairing boilers and air conditioner units well beyond their life span.
- Building Maintenance also addressed many issues related to high-use restrooms being used beyond their capabilities, including unclogging many drains, fixing door handles, and repairing leaks.
- With the addition of a nightly security patrol from 49th State Security, there have been reduced instances of overnight camping at both facilities, as well as a reduced need for clean-ups in the mornings.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
General Fund Support	149,915	179,080	191,746	173,256	275,425	96,345	53.8%
Total Funding	149,915	179,080	191,746	173,256	275,425	96,345	53.8%

2026 Expenditures by Category



● CONTRACTUAL SERVICES	\$77,800	28.25%
● FUELS/LUBRICANTS/ENERGY COSTS	\$33,000	11.98%
● GENERAL SUPPLIES	\$17,000	6.17%
● INTERDEPARTMENTAL CHARGES	\$26,475	9.61%
● RENTS AND LEASES	\$4,000	1.45%
● UTILITIES	\$117,150	42.53%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Heating Fuel (Account 525.03) decreased by \$14,500 or by 30.6% due to the anticipated decline in usage during 2026.
- Buildings and Grounds Maintenance Services (Account 635.06) increased by \$28,800 or by 144% in order to provide a full year of nightly security patrols by 49th State Security.
- Electric, Water, Sewer, Garbage (Account 650.02) increased by \$80,850 or 222.73% due to the introduction of a Public Restroom rate. This is expected to be funded by CPV.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
GENERAL SUPPLIES								
General Supplies Operating Supplies	101-1420-242-510.02	9,684	10,000	10,570	10,000	10,000	-	0.00%
Maintenance Materials Building and Grounds Maintenance	101-1420-242-515.02	5,249	7,000	7,000	7,000	7,000	-	0.00%
Total GENERAL SUPPLIES		14,933	17,000	17,570	17,000	17,000	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Heating Fuel	101-1420-242-525.03	28,092	47,500	47,500	30,220	33,000	-14,500	-30.53%
Total FUELS/LUBRICANTS/ENERGY COSTS		28,092	47,500	47,500	30,220	33,000	-14,500	-30.53%
CONTRACTUAL SERVICES								
Contractual Services Janitorial & Cleaning Services	101-1420-242-635.02	26,160	29,000	29,000	29,000	29,000	-	0.00%
Contractual Services Building and Grounds Maint. Svc	101-1420-242-635.06	19,618	20,000	31,920	31,920	48,800	28,800	144.00%
Total CONTRACTUAL SERVICES		45,778	49,000	60,920	60,920	77,800	28,800	58.78%
RENTS AND LEASES								
Rents and Leases Land & Buildings	101-1420-242-645.01	3,355	3,700	3,876	3,876	4,000	300	8.11%
Total RENTS AND LEASES		3,355	3,700	3,876	3,876	4,000	300	8.11%
UTILITIES								
Utilities Electric, Water, Sewer & Garbage	101-1420-242-650.02	34,180	36,300	36,300	35,900	117,150	80,850	222.73%
Total UTILITIES		34,180	36,300	36,300	35,900	117,150	80,850	222.73%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1420-242-825.01	23,577	25,580	25,580	25,340	26,475	895	3.50%
Total INTERDEPARTMENTAL CHARGES		23,577	25,580	25,580	25,340	26,475	895	3.50%
Total Expenditures		149,915	179,080	191,746	173,256	275,425	96,345	53.80%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

510.02 Operating Supplies: \$10,000 - This account provides expenditures for consumable supplies that are normally not of a maintenance nature. Included are toilet paper, paper towels, other supplies necessary for the public restrooms.

515.02 Building and Grounds Maintenance Materials: \$7,000 – This account provides expenditures for materials for the repair and maintenance of the Tongass Historical Museum and Totem Heritage Center Buildings and the upkeep of the grounds.

525.03 Heating Fuel: \$33,000 - This account provides expenditures for heating fuel to heat the Tongass Historical Museum and Totem Heritage Center Buildings.

635.02 Janitorial and Cleaning Services: \$29,000 - This account provides expenditures for contracted services to clean the Tongass Historical Museum and Totem Heritage Center Buildings.

635.06 Buildings and Grounds Maintenance Services: \$48,800 - This account provides expenditures for contractual services such as fire and intrusion alarm maintenance and repair, security services, annual inspections, boiler maintenance, broken window replacement, landscaping services, etc.

645.01 Rents and Leases: \$4,000 - This account provides expenditures for one secure storage unit for large artifacts that do not fit within museum facilities.

650.02 Electric, Water, Sewer & Solid Waste: \$117,150 - This account provides expenditures for electric, water, sewer and solid waste utility services.

825.01 Interdepartmental Charges – Insurance: \$26,475 - This account provides expenditures for risk management services and claims.

Historical Commission

Goals for 2026

The Ketchikan Historic Commission (KHC) aims to use historic preservation as an essential strategy to promote Ketchikan’s unique identities and become an important component of economic, environmental, and social sustainability. KHC works in partnership to identify, preserve, protect, and interpret the state’s cultural, historic, and archaeological resources ensuring that Ketchikan’s heritage is passed on to future generations. In 2026, KHC hopes to:

- Work on reviewing and shaping the Ketchikan Gateway Borough’s comprehensive plan to ensure that consideration is given to historic assets.
- Develop a Historic Preservation Plan that outlines the historic preservation needs of the community and strategies solutions.
- Continue to respond to DOT and public notices regarding modifications to historic buildings and areas.
- Recruit and onboard an additional member to the KHC to serve the Archeologist role. On board additional interested community members if possible.
- Submit the Yates Memorial Building for inclusion on the National Register of Historic Places.

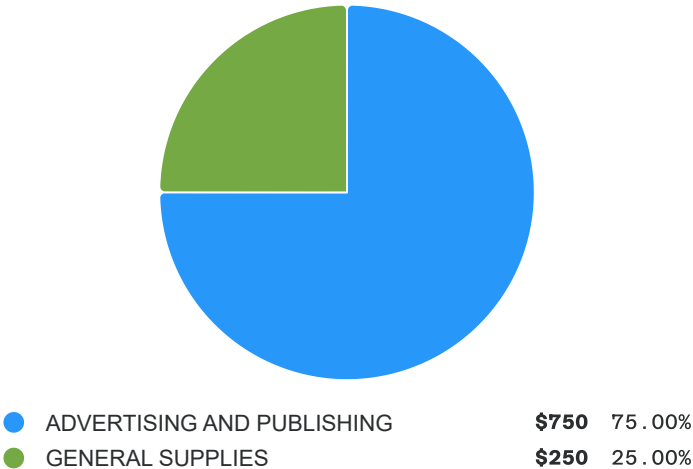
2025 Accomplishments

- Participated in sessions with the Ketchikan Gateway Borough’s comprehensive planning sessions.
- Had 11 meetings from September 2024 – August 2025.
- Held a training with the National Alliance of Preservation Commissions on historic preservation planning, inviting 30 attendees including both local and statewide partners and facilitating statewide membership into the NAPC program.
- Facilitated writing a nomination for the Yates Memorial for consideration for the National Register of Historic Places.
- Supported stabilization work of the foundation of the Pioneer Hall.

Funding Source

	2024	2025	2025	2025	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Estimate	Budget		
General Fund							
General Fund Support	316	1,000	1,000	-	1,000	-	0.0%
Total Funding	316	1,000	1,000	-	1,000	-	0.0%

2026 Expenditures by Category



Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- There are no changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
GENERAL SUPPLIES								
General Supplies Operating Supplies	101-1420-244-510.02	-	250	250	-	250	-	0.00%
Total GENERAL SUPPLIES		-	250	250	-	250	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1420-244-605.01	316	750	750	-	750	-	0.00%
Total ADVERTISING AND PUBLISHING		316	750	750	-	750	-	0.00%
Total Expenditures		316	1,000	1,000	-	1,000	-	0.00%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

510.02 Operating Supplies: \$250 - This account provides expenditures for supplies for public meetings and the production of informational materials.

605.01 Ads and Public Announcements: \$750 - This account provides expenditures for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are requests for proposals, meeting announcements, membership, etc.

Museum Grant Program

Goals for 2026

While the federal funding situation has made the pursuit of grants for cultural heritage organizations more difficult in recent years, in 2026, the Museum intends to pursue grant opportunities were available as well as establish its own fund to collect donations from the public and establish a community grant program for itself.

- Raise funds through the newly developed Community Fund to improve the interpretation of the lower level of the Totem Heritage Center.
- Use the Grant-In-Aid award along with a Museums Alaska's Collections Management Fund award to purchase and install two new exhibition cases in the Totem Heritage Center's Classroom Exhibit area, helping to celebrate THC's 50th Anniversary.
- Research other grant opportunities for which the Museums may be eligible for to help offset expenses.

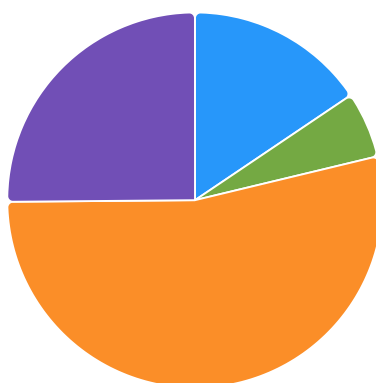
2025 Accomplishments

- In 2025, the Museum was awarded one of only 10 grants in the entire state from the Alaska State Museum's Grant-In-Aid program. The \$6,400 will go toward purchasing new exhibit cases for the Totem Heritage Center.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Museums Alaska Collections Management	19,993	-	-	-	23,870	23,870	100.0%
State of Alaska Museums - Training	2,800	-	-	-	-	-	0.0%
Pioneers of Alaska and Arcturus Group	50,000	-	-	-	-	-	0.0%
Historic Preservation - History Afloat	2,345	-	-	-	-	-	0.0%
Historic Preservation Plan	-	-	35,000	35,000	-	-	0.0%
Historic Commission - Yates Building Registry	7,200	-	-	-	-	-	0.0%
Total Funding	82,338	-	35,000	35,000	23,870	23,870	100.0%

2026 Expenditures by Category



● CONTRACTUAL SERVICES	\$3,715	15.56%
● GENERAL SUPPLIES	\$1,355	5.68%
● MINOR CAPITAL OUTLAY	\$12,800	53.62%
● POSTAGE AND FREIGHT	\$6,000	25.14%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- There are no changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
GENERAL SUPPLIES								
General Supplies Operating Supplies	101-1420-192-510.02	2,381	-	-	-	1,355	1,355	-
Total GENERAL SUPPLIES		2,381	-	-	-	1,355	1,355	-
POSTAGE AND FREIGHT								
Postage and Freight Materials & Supplies	101-1420-192-520.04	-	-	-	-	6,000	6,000	-
Total POSTAGE AND FREIGHT		-	-	-	-	6,000	6,000	-
TRAVEL AND EDUCATION								
Travel and Education Training and Education	101-1420-192-600.03	1,500	-	-	-	-	-	-
Total TRAVEL AND EDUCATION		1,500	-	-	-	-	-	-
ADVERTISING AND PUBLISHING								
Advertising and Publishing Printing & Binding	101-1420-192-605.03	1,605	-	-	-	-	-	-
Total ADVERTISING AND PUBLISHING		1,605	-	-	-	-	-	-
DUES AND MEMBERSHIPS								
Dues and Memberships Assoc. Membership Dues & Fees	101-1420-192-615.02	1,300	-	-	-	-	-	-
Total DUES AND MEMBERSHIPS		1,300	-	-	-	-	-	-
CONTRACTUAL SERVICES								
Contractual Services Technical Services	101-1420-192-635.12	57,200	-	35,000	35,000	3,715	3,715	-
Total CONTRACTUAL SERVICES		57,200	-	35,000	35,000	3,715	3,715	-
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1420-192-790.15	18,352	-	-	-	12,800	12,800	-
Total MINOR CAPITAL OUTLAY		18,352	-	-	-	12,800	12,800	-
Total Expenditures		82,338	-	35,000	35,000	23,870	23,870	-

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

510.02 Operating Supplies: \$1,355 - This account provides expenditures for collections related supplies.

520.04 Freight-Material and Supplies: \$6,000 - This account provides expenditures for shipping materials.

635.12 Technical Services: \$3,715 - This account provides expenditures for fees and expenses for the Native Arts Studies Program instructors and other professional services provided by contractors.

790.15 Furnitures & Fixtures: \$12,800 - This account will provide expenditures toward purchasing new exhibit cases for the Totem Heritage Center.

Museum Capital Program

2026 Expenditures by Type



● Buildings

\$633,435 100.00%

Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Buildings	824,668	537,283	537,283	268,155	633,435	96,152	17.90%
Other Capital Outlay	1,369	108,631	108,631	-	-	-108,631	-
Total Expenditures	826,037	645,914	645,914	268,155	633,435	-12,479	-1.93%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

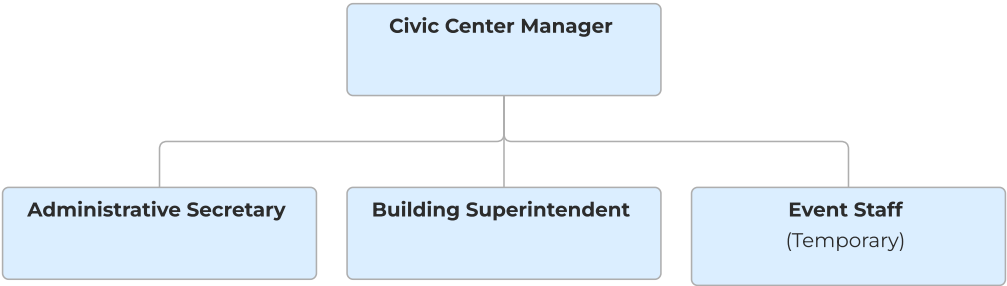
Expenditures by Activity

Category	2026 Budget
Capital Projects	
Public Works Sales Tax Fund	
Buildings General	148,435
Museum Safety Improvements	75,000
Maintain Totem Poles	48,435
Totem Heritage Center Campus Updates	25,000
Total Public Works Sales Tax Fund	148,435
Community Facilities Development	
Buildings General	485,000
Museum HVAC - Phase V - HVAC Design	210,000
Totem Heritage Center Structural Repairs	225,000
Ketchikan Museums Buildings Updates	50,000
Total Community Facilities Development	485,000
Total Capital Projects	633,435
Total Expenditures	633,435

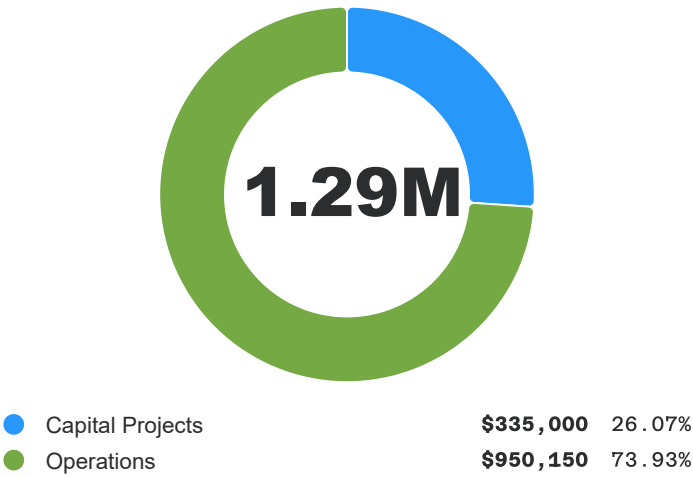
Civic Center

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 greater 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.



2026 Expenditures by Division



Expenditures by Division

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	612,471	796,026	797,356	759,916	950,150	154,124	19.36%
Capital Projects	158,015	424,000	424,000	424,000	335,000	-89,000	-20.99%
Total Expenditures	770,486	1,220,026	1,221,356	1,183,916	1,285,150	65,124	5.34%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	366,925	453,471	417,506	390,856	488,800	35,329	7.79%
GENERAL SUPPLIES	28,892	25,725	26,115	25,365	24,625	-1,100	-4.28%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
POSTAGE AND FREIGHT	122	175	175	175	175	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS	30,387	35,100	33,100	33,100	32,100	-3,000	-8.55%
BOOKS AND PERIODICALS	182	200	225	210	225	25	12.50%
ALLOWANCES	4,855	1,000	1,000	1,000	1,000	-	0.00%
TRAVEL AND EDUCATION	-	-	-	-	2,500	2,500	-
ADVERTISING AND PUBLISHING	738	5,000	10,000	10,000	6,500	1,500	30.00%
PERMITS, LICENSES AND FEES	1,200	1,400	1,400	1,400	1,400	-	0.00%
CONTRACTUAL SERVICES	64,854	143,350	171,500	169,350	146,350	3,000	2.09%
PROFESSIONAL SERVICES	-	750	750	750	-	-750	-
RENTS AND LEASES	395	-	750	750	-	-	-
UTILITIES	67,735	90,425	87,725	80,550	208,050	117,625	130.08%
MAJOR CAPITAL OUTLAY	158,015	424,000	424,000	424,000	335,000	-89,000	-20.99%
MINOR CAPITAL OUTLAY	28,450	17,850	23,950	23,250	14,950	-2,900	-16.25%
INTERDEPARTMENTAL CHARGES	17,736	21,580	23,160	23,160	23,475	1,895	8.78%
Total Expenditures	770,486	1,220,026	1,221,356	1,183,916	1,285,150	65,124	5.34%

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Charges for Services	106,941	85,000	85,000	85,000	85,000	-	-
Transient Sales Tax							
Operations Support	505,530	711,026	712,356	674,916	757,050	46,024	6%
Capital Project Support	158,015	424,000	424,000	424,000	185,000	(239,000)	-56%
CPV - Operations Support	-	-	-	-	108,100	108,100	100%
Community Facilities Development Fund	-	-	-	-	150,000	150,000	100%
Total Funding	770,486	1,220,026	1,221,356	1,183,916	1,285,150	65,124	5.0%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	3.00	3.00	3.00	3.00	234,090	-	0.0%
Total	3.00	3.00	3.00	3.00	234,090	-	0.0%

Civic Center Operations

It is the mission of the Civic Center Department to operate the Ted Ferry 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 unique requirements.

Goals for 2026

- Continue to provide well-trained staff for all types of events. Ensure facility is maintained and operationally ready to meet the demands of the community and visiting tenants.
- Continue marketing through the City's website, Facebook and the Ketchikan Visitors Bureau member website. Keep current with trends in social media for the Civic Center to provide information to the community regarding current events, availability of the facility and event planning tips and guidelines. Continue working with the KVB on marketing strategies and increasing the economic impact of the Civic Center.
- Develop a marketing plan highlighting the amenities at the Civic Center.
- Increase facility use by local individuals, businesses and organizations through exceptional customer service, facility promotions and improvements, and local advertising.
- Continue working with the Public Works Department to complete programmed capital improvement projects with minimal disruption to Civic Center users and scheduled events.
- Continue working with the City Manager's office to develop and update Civic Center policies, rates and procedures.
- There are 73 days prebooked for 2026 for a variety of conventions, meetings, banquets, ceremonies, auctions, fundraisers and other events. Of note is SE Conference that begins in mid-September.

2025 Accomplishments

- During 2025, the Ted Ferry Civic Center was booked for 190 days for various meetings, banquets, ceremonies, auctions, fundraisers, and arts events.
- As of August 2025 the following **public events** took place or are scheduled to take place at the Ted Ferry Civic Center in 2025: City of Ketchikan/CLIA Meeting, First City Player's Jazz/Cabaret Performances, KIC Annual Membership and Elections Meeting, KAAHC Wearable Art Show, Board of Fisheries Meeting, Rainy Day Quilter's Quilt Show, Nude and Rude Revue Performances, Ketchikan Visitor's Bureau Banquet, American Fisheries Society Meeting, 49th Estate Planning Workshops, Alaska Department of Fish and Game Meetings, SEREMS Conference, Ketchikan Wellness Coalition Summit, City of Ketchikan/CLIA Meeting, UAS Graduation, AIDEA Town Hall, KIC Graduation, Revilla Graduation, NRTA Conference, First City Player's Patsy Cline Performances, Ketchikan Pride Alliance Pride Prom, FERC Meetings, First City Player's Fish Pirate's Daughter, Waterfall Foundation Dinner, First City Player's Diva/Divos Performances, KWC Gala Dinner, Ketchikan Theatre Ballet Autumn Showcase, First City Council on Cancer Dinner, Cape Fox Corporation Annual Membership and Election Meeting, Peacehealth Town Hall, Greater Ketchikan Chamber of Commerce Gala, Ketchikan Volunteer Fire Department Magic Show, KAAHC Winter Arts Faire, and KIC Meet the Candidates.
- As of August, the economic impact of the Civic Center for 2025 was estimated to be \$536,517.
- The Ted Ferry Civic Center kitchen remodel was completed in September of 2025.

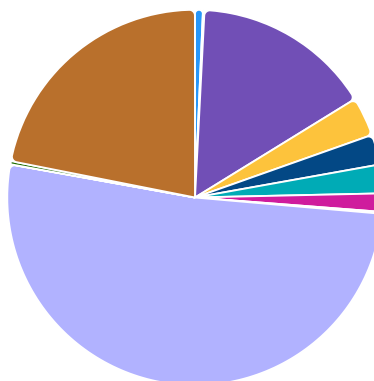
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Charges for Services	106,941	85,000	85,000	85,000	85,000	-	0.00%
Transient Sales Tax	505,530	711,026	712,356	674,916	757,050	46,024	6.47%
CPV - Operations Support	-	-	-	-	108,100	108,100	100.00%
Total Funding	612,471	796,026	797,356	759,916	950,150	154,124	-

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Civic Center Manager	1.00	1.00	1.00	1.00	101,660	-	0.0%
Administrative Secretary	1.00	1.00	1.00	1.00	61,010	-	0.0%
Building Superintendent	1.00	1.00	1.00	1.00	71,420		
Total	3.00	3.00	3.00	3.00	234,090	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$6,500	0.68%
ALLOWANCES	\$1,000	0.11%
BOOKS AND PERIODICALS	\$225	0.02%
CONTRACTUAL SERVICES	\$146,350	15.40%
FUELS/LUBRICANTS/ENERGY COSTS	\$32,100	3.38%
GENERAL SUPPLIES	\$24,625	2.59%
INTERDEPARTMENTAL CHARGES	\$23,475	2.47%
MINOR CAPITAL OUTLAY	\$14,950	1.57%
PERMITS, LICENSES AND FEES	\$1,400	0.15%
PERSONNEL SERVICES AND BENEFITS	\$488,800	51.44%
POSTAGE AND FREIGHT	\$175	0.02%
TRAVEL AND EDUCATION	\$2,500	0.26%
UTILITIES	\$208,050	21.90%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$35,329 or 7.79% due to annual step increases; a 5.0% cost of living adjustment that will become effective January 1, 2026 and projected increases in pension, health insurance and other benefits.
- Electric, Water, and Sewer (Account 650.02) increased by \$117,625 or by 257.10% due to programmed increases in rates and the introduction of a Public Restroom rate expected to be paid for by CPV.
- Machinery and Equipment (Account 790.25) decreased by \$7,000 or by 58.3% due to Black Box replacement completion.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	%% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1430-110-500.01	195,952	216,721	216,721	216,721	234,090	17,369	8.01%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1430-110-501.01	46	1,000	1,000	1,000	1,000	-	0.00%
Personnel Services and Wages - Temporary Wages	101-1430-110-502.01	78,041	72,000	72,000	72,000	72,000	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1430-110-505.00	20,825	21,250	21,250	21,250	23,500	2,250	10.59%
Personnel Benefits - Pension Budget Only	101-1430-110-506.00	44,442	48,990	48,990	48,990	54,070	5,080	10.37%
Personnel Benefits - Insurance Budget Only	101-1430-110-507.00	13,159	79,710	43,745	17,095	83,880	4,170	5.23%
Personnel Benefits - Insurance Worker's Compensation	101-1430-110-507.30	3,818	7,940	7,940	7,940	7,540	-400	-5.04%
Personnel Benefits - Other Budget Only	101-1430-110-508.00	10,642	5,860	5,860	5,860	12,720	6,860	117.06%
Total PERSONNEL SERVICES AND BENEFITS		366,925	453,471	417,506	390,856	488,800	35,329	7.79%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1430-110-510.01	1,241	1,000	1,000	1,000	1,000	-	0.00%
General Supplies Operating Supplies	101-1430-110-510.02	3,690	3,000	3,000	3,000	3,000	-	0.00%
General Supplies Safety Program Supplies	101-1430-110-510.03	83	225	215	215	225	-	0.00%
General Supplies Janitorial Supplies	101-1430-110-510.04	4,492	4,500	4,500	4,500	4,500	-	0.00%
General Supplies Small Tools & Equipment	101-1430-110-510.05	892	1,000	1,000	1,000	1,000	-	0.00%
General Supplies Inventory for Resale	101-1430-110-510.08	3,540	3,500	3,500	3,500	3,500	-	0.00%
Maintenance Materials Building and Grounds Maintenance	101-1430-110-515.02	13,100	7,000	8,500	8,500	7,000	-	0.00%
Maintenance Materials Furniture & Fixtures	101-1430-110-515.03	-	500	500	500	500	-	0.00%
Maintenance Materials Machinery & Equipment Maint.	101-1430-110-515.04	1,304	2,500	2,500	2,500	2,500	-	0.00%
Maintenance Materials Infrastructure & Plant Maint.	101-1430-110-515.05	550	2,500	1,400	650	1,400	-1,100	-44.00%
Total GENERAL SUPPLIES		28,892	25,725	26,115	25,365	24,625	-1,100	-4.28%
POSTAGE AND FREIGHT								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	%% Change
Postage and Freight Postage	101-1430-110-520.02	122	175	175	175	175	-	0.00%
Total POSTAGE AND FREIGHT		122	175	175	175	175	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Heating Fuel	101-1430-110-525.03	30,387	35,000	33,000	33,000	32,000	-3,000	-8.57%
Fuels, Lubricants and Energy Costs Machinery & Equipment	101-1430-110-525.07	-	100	100	100	100	-	0.00%
Total FUELS/LUBRICANTS/ENERGY COSTS		30,387	35,100	33,100	33,100	32,100	-3,000	-8.55%
BOOKS AND PERIODICALS								
Books and Periodicals Periodicals	101-1430-110-530.02	182	200	225	210	225	25	12.50%
Total BOOKS AND PERIODICALS		182	200	225	210	225	25	12.50%
ALLOWANCES								
Allowances Business and Meal Expense	101-1430-110-535.02	4,454	500	500	500	500	-	0.00%
Allowances Uniforms/Badges/Clothing	101-1430-110-535.04	401	500	500	500	500	-	0.00%
Total ALLOWANCES		4,855	1,000	1,000	1,000	1,000	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Training and Education	101-1430-110-600.03	-	-	-	-	2,500	2,500	-
Total TRAVEL AND EDUCATION		-	-	-	-	2,500	2,500	-
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1430-110-605.01	2	500	500	500	500	-	0.00%
Advertising and Publishing Marketing	101-1430-110-605.02	270	4,500	9,500	9,500	6,000	1,500	33.33%
Advertising and Publishing Printing & Binding	101-1430-110-605.03	466	-	-	-	-	-	-
Total ADVERTISING AND PUBLISHING		738	5,000	10,000	10,000	6,500	1,500	30.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Bank & Merchant Fees	101-1430-110-630.03	1,200	1,400	1,400	1,400	1,400	-	0.00%
Total PERMITS, LICENSES AND FEES		1,200	1,400	1,400	1,400	1,400	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Janitorial & Cleaning Services	101-1430-110-635.02	9,389	7,500	7,500	7,500	9,500	2,000	26.67%
Contractual Services Software & Equip Maint Services	101-1430-110-635.04	3,838	3,850	3,850	3,850	3,850	-	0.00%
Contractual Services Furniture & Fixtures Maint Svcs	101-1430-110-635.05	-	500	-	-	-	-500	-
Contractual Services Building and Grounds Maint. Svc	101-1430-110-635.06	5,653	9,500	23,000	23,000	10,000	500	5.26%
Contractual Services Machinery & Equipment Maint. Svc	101-1430-110-635.07	9,711	5,000	8,150	6,000	6,000	1,000	20.00%
Contractual Services Technical Services	101-1430-110-635.12	36,263	16,000	28,000	28,000	16,000	-	0.00%
Contractual Services Other Contractual Services	101-1430-110-635.14	-	101,000	101,000	101,000	101,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Total CONTRACTUAL SERVICES		64,854	143,350	171,500	169,350	146,350	3,000	2.09%
PROFESSIONAL SERVICES								
Professional Services Engineering & Architectural Svcs	101-1430-110-640.02	-	750	750	750	-	-750	-
Total PROFESSIONAL SERVICES		-	750	750	750	-	-750	-
RENTS AND LEASES								
Rents and Leases Machinery & Equipment	101-1430-110-645.02	395	-	750	750	-	-	-
Total RENTS AND LEASES		395	-	750	750	-	-	-
UTILITIES								
Utilities Telecommunications	101-1430-110-650.01	21,453	44,675	39,675	32,500	44,675	-	0.00%
Utilities Electric, Water, Sewer & Garbage	101-1430-110-650.02	46,282	45,750	48,050	48,050	163,375	117,625	257.10%
Total UTILITIES		67,735	90,425	87,725	80,550	208,050	117,625	130.08%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1430-110-790.15	936	-	7,300	7,300	4,000	4,000	-
Minor Capital Outlay Machinery & Equipment	101-1430-110-790.25	22,209	12,000	10,100	10,100	5,000	-7,000	-58.33%
Minor Capital Outlay M&E-Computers Printers & Copier	101-1430-110-790.26	3,969	5,050	5,750	5,050	5,150	100	1.98%
Minor Capital Outlay Software	101-1430-110-790.35	1,336	800	800	800	800	-	0.00%
Total MINOR CAPITAL OUTLAY		28,450	17,850	23,950	23,250	14,950	-2,900	-16.25%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1430-110-825.01	15,334	19,080	20,660	20,660	20,975	1,895	9.93%
Interdepartmental Charges Garage Charges	101-1430-110-850.01	2,402	2,500	2,500	2,500	2,500	-	0.00%
Total INTERDEPARTMENTAL CHARGES		17,736	21,580	23,160	23,160	23,475	1,895	8.78%
Total Expenditures		612,471	796,026	797,356	759,916	950,150	154,124	19.36%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$234,090 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Ted Ferry Civic Center.

501.01 Overtime Wages: \$1,000 - This account provides expenditure for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502.01 Temporary Wages: \$72,000 - This account provides expenditures for compensation paid to temporary salaried and hourly employees of the Ted Ferry Civic Center.

505.00 Payroll Taxes: \$23,500 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$54,070 – This account provides expenditures for employer contributions to retirement plans for which the City participates.

507.00 Health and Life Insurance: \$83,880 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$7,540 – This account provides expenditures for employer contributions toward workers compensation.

508.00 Other Benefits: \$12,720 – This account provides 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: \$1,000 - This account provides expenditure for office supply items including paper, pens, file folders, scotch tape, toner, ink cartridges, and minor office equipment such as staplers and adding machines.

510.02 Operating Supplies: \$3,000 - This account provides expenditures for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as flags, batteries and adapters for Civic Center A/V equipment, first aid supplies, and public trash cans and public benches.

510.03 Safety Program Supplies: \$225 - This account provides expenditures 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: \$4,500 – This account provides expenditures for cleaning and sanitation supplies.

510.05 Small Tools and Equipment: \$1,000 - This account provides expenditures for minor tools, operating and office equipment with a value of less than \$1,000. Included are hand tools, computer accessories, file cabinets and similar types of minor tools and equipment.

510.08 Inventory for Resale: \$3,500 - This account provides expenditures for inventory purchases that are to be resold or rented to end users. Included are video and media equipment, and beverages and snacks. All expenditures under this account are fully recovered through sales.

515.02 Building and Grounds Maintenance Materials: \$7,000 – This account provides expenditures for the materials required for the repair and maintenance of the Ted Ferry Civic Center and upkeep of the grounds around the Ted Ferry Civic Center. Includes the maintenance materials associated with deferred capital projects such as safety and security upgrades, sidewalk replacement, kitchen upgrades, and equipment replacement.

515.03 Furniture and Fixtures Maintenance Materials: \$500 - This account provides expenditures for the materials required for the repair and maintenance of furniture and building fixtures in the Ted Ferry Civic Center.

515.04 Machinery and Equipment Maintenance Materials: \$2,500 – This account provides expenditures 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. Includes the maintenance materials associated with deferred capital projects such as heating and ventilation upgrades, kitchen upgrades, and equipment replacements.

515.05 Infrastructure Maintenance Materials: \$1,400 - This account provides expenditures 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.

520.02 Postage: \$175 - This account provides expenditures for postal related services such as postage, express delivery and mailing materials.

525.03 Heating Fuel: \$32,000 - This account provides expenditures for heating fuel at the Ted Ferry Civic Center.

525.07 Machinery and Equipment Fuel and Lubricants: \$100 – This account provides expenditures for gasoline, diesel fuel, propane and lubricants used in the operation of Ted Ferry Civic Center machinery and equipment.

530.02 Periodicals: \$225 - This account provides expenditures for newspapers, magazines and trade journals.

535.02 Business and Meal Expenses: \$500 - This account provides expenditures for reimbursements to employees for business- and job-related meals, mileage reimbursements and other business-related expenses.

535.04 Uniforms/Badges/Clothing: \$500 - This account provides expenditures for uniforms, badges and clothing purchased for use by department personnel.

600.03 Training and Education: \$2,500 - Expenditures for registration fees, training fees, training materials, and tuition reimbursements and other incidental expenses associated with training and educating employees. Included for 2026 are marketing courses to assist with the development of a marketing plan for the Civic Center.

605.01 Ads and Public Announcements: \$500 - This account provides expenditures for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are ads for personnel recruiting, requests for proposals and contracts.

605.02 Marketing: \$6,000 – This account provides expenditures for announcements in publications, newspapers, trade journals, internet, or broadcasts over radio and television for marketing and promoting competitive services offered by the Ted Ferry Civic Center.

630.03 Bank and Merchant Charges: \$1,400 – This account provides expenditures for monthly merchant fees for use of credit and debit cards for payments of Ted Ferry Civic Center services.

635.02 Janitorial and Cleaning Services: \$9,500 - This account provides expenditures for carpet cleaning and laundry services.

635.04 Software Maintenance Services: \$3,850 - This account provides expenditures for maintenance agreements to support the Planning Pod software system used by the Civic Center for maintaining event files, drafting agreements and room set-up diagrams, and invoicing.

635.06 Buildings and Grounds Maintenance Services: \$10,000 - This account provides expenditures for the contract labor and materials to provide services required for the repair and maintenance of buildings and the upkeep of grounds. Includes the service calls and complex maintenance associated with deferred capital projects such as safety and security upgrades, sidewalk replacement, kitchen upgrades, and equipment replacement.

635.07 Machinery and Equipment Maintenance Services: \$6,000 - This account provides expenditures 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 for equipment that does not require software support and is paid either a fixed fee or a fee based on usage. Includes the service calls and complex maintenance associated with deferred capital projects such as heating and ventilation upgrades, kitchen upgrades, and equipment replacements.

635.12 Technical Services: \$16,000 – This account provides expenditures for services that are not regarded as professional but require technical or special knowledge. Included are video camera operators, website maintenance, framing, pest control, security and alarm monitoring and testing.

635.14 Other Contractual Services: \$101,000 - This account provides expenditures for services to market, improve and promote competitive services offered by the Civic Center. Included are direct marketing services offered by third parties such as the Ketchikan Visitors Bureau.

650.01 Telecommunications: \$44,675 - This account provides expenditures for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and toll-free numbers, as well as charges for indoor and outdoor security cameras.

650.02 Electric, Water, Sewer & Solid Waste: \$163,375 - This account provides expenditures for electric, water, sewer and solid waste utility services.

790.15 Furniture and Fixtures: \$4,000 - This account provides expenditures for the acquisition of furniture and fixtures. Included for 2026 is the replacement of four tables.

790.25 Machinery and Equipment: \$5,000 - This account provides expenditures for the acquisition of machinery and equipment.

790.26 Computers, Printers and Copiers: \$5,150 - This account provides expenditures for the acquisition of computers, printers and copiers. Included for 2026 is the replacement of one workstation, monitor, printer, laptop, and battery backup per the replacement schedule developed by the Information Technology Department.

790.35 Software: \$800 - This account provides expenditures for acquisition of software systems and upgrades not covered by maintenance agreements. This includes the Yodeck and Black Box software utilized by the audio-visual system to send information, images, and video throughout the building.

825.01 Interdepartmental Charges – Insurance: \$20,975 - This account provides expenditures for risk management services and claims.

850.01 Interdepartmental Charges - Garage: \$2,500 - This account provides expenditures for maintenance services provided by the Public Works Department - Garage Division.

Civic Center Capital Program

2026 Expenditures by Type



● Buildings

\$335,000 100.00%

Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*Change
Buildings	30,920	424,000	424,000	424,000	335,000	-89,000	-20.99%
Machinery & Equipment	94,611	-	-	-	-	-	-
Capital Projects	32,484	-	-	-	-	-	-
Total Expenditures	158,015	424,000	424,000	424,000	335,000	-89,000	-20.99%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

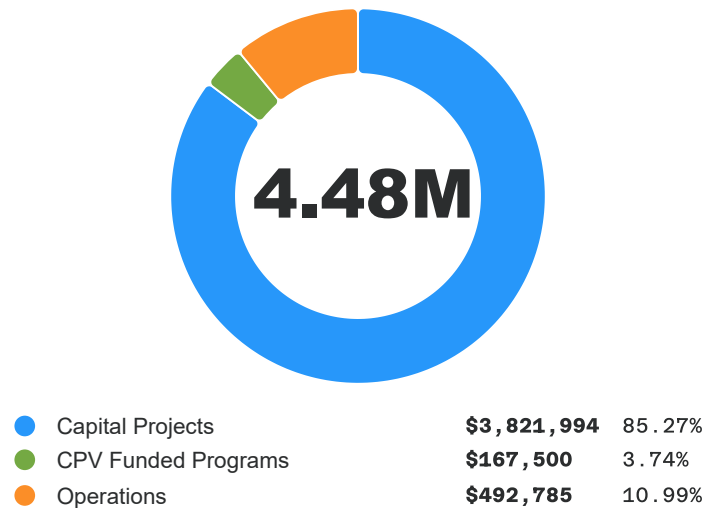
Expenditures by Activity

Category	2026 Budget
Capital Projects	
Major Capital Improvements Fund	
Buildings General	185,000
Flooring Replacement	185,000
Total Major Capital Improvements Fund	185,000
Community Facilities Development	
Buildings General	150,000
Heating and Ventilation System Upgrade	150,000
Total Community Facilities Development	150,000
Total Capital Projects	335,000
Total Expenditures	335,000

Tourism Management

Tourism Management is comprised of one division, one program and one Capital Improvement Program. A significant portion of the funding for many of the activities administered by Tourism Management are funded from the State of Alaska Commercial Passenger Vessel Excise Tax.

2026 Expenditures by Activity



Expenditures by Division

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	362,881	558,490	567,820	444,315	492,785	-65,705	-11.76%
Capital Projects	10,689	6,044,768	6,044,768	2,547,774	3,821,994	-2,222,774	-36.77%
CPV Funded Programs	55,850	67,500	67,500	67,500	167,500	100,000	148.15%
Total Expenditures	429,420	6,670,758	6,680,088	3,059,589	4,482,279	-2,188,479	-32.81%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	136,457	151,765	151,765	151,765	164,405	12,640	8.33%
GENERAL SUPPLIES	7,931	800	800	775	800	-	0.00%
POSTAGE AND FREIGHT	67	800	800	150	800	-	0.00%
ALLOWANCES	1,884	2,500	2,500	2,500	3,000	500	20.00%
TRAVEL AND EDUCATION	14,310	19,100	19,100	19,100	19,100	-	0.00%
ADVERTISING AND PUBLISHING	2,975	6,000	6,000	3,500	5,000	-1,000	-16.67%
DUES AND MEMBERSHIPS	2,793	13,570	13,800	13,800	14,000	430	3.17%
CONTRACTUAL SERVICES	167,519	203,450	212,450	184,300	203,450	-	0.00%
PROFESSIONAL SERVICES	49,995	100,000	89,770	-	-	-100,000	-
UTILITIES	32,610	66,675	66,675	66,675	166,675	100,000	149.98%
MAJOR CAPITAL OUTLAY	10,689	6,044,768	6,044,768	2,547,774	3,821,994	-2,222,774	-36.77%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
MINOR CAPITAL OUTLAY	309	-	-	-	-	-	-
INTERDEPARTMENTAL CHARGES	1,881	61,330	71,660	69,250	83,055	21,725	35.42%
Total Expenditures	429,420	6,670,758	6,680,088	3,059,589	4,482,279	-2,188,479	-32.81%

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
CPV Special Revenue Fund	418,731	625,990	635,320	511,815	660,285	34,295	21.5%
Major Capital Improvement Fund	7,609	10,768	10,768	1,650	9,118	(1,650)	-15.3%
CPV Capital Project Fund	3,080	6,034,000	6,034,000	2,546,124	3,812,876	(2,221,124)	-39.3%
Total Funding	429,420	6,670,758	6,680,088	3,059,589	4,482,279	(2,188,479)	-33.6%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	1.00	1.00	1.00	1.00	96,760	-	0.0%
Total	1.00	1.00	1.00	1.00	96,760	-	0.0%

Tourism Management Operations

The mission of the Tourism Department is to proactively advance community goals related to the impact of tourism in the City of Ketchikan. Through collaboration with internal and external stakeholders and government agencies, the department advocates for sustainable development of the tourism industry for economic, resource, revenue and citizen impacts.



Goals for 2026

- Complete MOA with cruise industry partners to clarify use of collection of passenger fees.
- Implement an economic impact study of visitor industry.
- Install portable restroom unit.
- Update and install downtown wayfinding signage.
- Complete Welcome to Ketchikan arch update from neon to LED.

2025 Accomplishments

- Implemented the collection of sales tax on goods and services from cruise ships when docked at the Port of Ketchikan.
- In collaboration with the City Manager Office and Finance Department completed Port Cost Allocation Study.
- In collaboration with the City Manager Office and Port and Harbors Department requested \$1 million in CPV funding from the Ketchikan Gateway Borough. The request was approved at \$500,000.
- Implemented and completed the 2025 Dock Vendor and Food Vendor Program bid processes.
- In collaboration with the Public Works Department purchased seven bear resistant trash can enclosures that were installed in the Creek Street area.
- Continued Port of Ketchikan Youth Fundraising Booth Program that was utilized by 14 student groups for a total of 34 reservation days and 102 total fundraising hours.
- Continued support for popular "Music on the Docks" program presented by the Ketchikan Area Arts & Humanities Council.
- Hosted annual in-person workshop with the City Council and members of Cruise Line International Association Alaska.
- Working with other Southeast Alaska municipalities, formalized Port Communities of Alaska as a membership organization for cruise communities to collaborate on visitor industry issues. Laurie Booyse serves as the organizations vice-president.

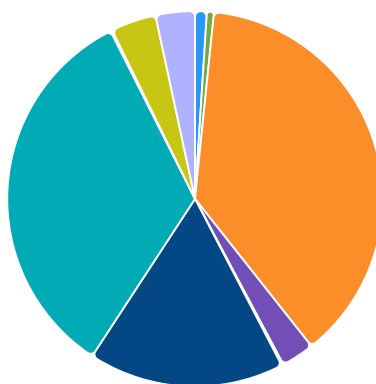
Funding Source

	2024	2025	2025	2025	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Estimate	Budget		
CPV Special Revenue Fund	362,881	558,490	567,820	444,315	492,785	(65,705)	-11.7%
Total Funding	362,881	558,490	567,820	444,315	492,785	(65,705)	-11.7%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Budget	Salary		
Tourism Manager	1.00	1.00	1.00	1.00	96,760	-	0.0%
Total	1.00	1.00	1.00	1.00	96,760	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$5,000	1.01%
ALLOWANCES	\$3,000	0.61%
CONTRACTUAL SERVICES	\$185,950	37.73%
DUES AND MEMBERSHIPS	\$14,000	2.84%
GENERAL SUPPLIES	\$800	0.16%
INTERDEPARTMENTAL CHARGES	\$83,055	16.85%
PERSONNEL SERVICES AND BENEFITS	\$164,405	33.36%
POSTAGE AND FREIGHT	\$800	0.16%
TRAVEL AND EDUCATION	\$19,100	3.88%
UTILITIES	\$16,675	3.38%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$12,640 or 8.3% due to annual step increases; a 5.0% cost of living adjustment for non-represented employees that will be become effective January 1, 2026, and projected increases in pension, health insurance and other benefits.
- Interdepartmental Charges - Engineering (Account 804.01) increased by \$20,000 or 52.63% due to a reevaluation of Engineering personnel and the allocation of their costs based on how their time is spent.

There are no other significant changes between the adopted 2025 and the proposed operating budget for 2026 aside from proposed appropriations to new line item expenditures needed to fully support the operations and priorities of the Tourism Manager and Tourism Management budget in 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	260-1440-110-500.01	83,455	89,885	89,885	89,885	96,760	6,875	7.65%
Personnel Benefits - Taxes Budget Only	260-1440-110-505.00	6,157	6,880	6,880	6,880	7,400	520	7.56%
Personnel Benefits - Pension Budget Only	260-1440-110-506.00	18,923	20,230	20,230	20,230	22,250	2,020	9.99%
Personnel Benefits - Insurance Budget Only	260-1440-110-507.00	22,946	32,620	32,620	32,620	34,350	1,730	5.30%
Personnel Benefits - Insurance Worker's Compensation	260-1440-110-507.30	196	260	260	260	265	5	1.92%
Personnel Benefits - Other Budget Only	260-1440-110-508.00	4,738	1,890	1,890	1,890	3,380	1,490	78.84%
Payroll Allowances Moving Expense - Taxed	260-1440-110-509.07	42	-	-	-	-	-	-
Total PERSONNEL SERVICES AND BENEFITS		136,457	151,765	151,765	151,765	164,405	12,640	8.33%
GENERAL SUPPLIES								
General Supplies Office Supplies	260-1440-110-510.01	338	500	500	475	500	-	0.00%
General Supplies Operating Supplies	260-1440-110-510.02	300	300	300	300	300	-	0.00%
Total GENERAL SUPPLIES		638	800	800	775	800	-	0.00%
POSTAGE AND FREIGHT								
Postage and Freight Postage	260-1440-110-520.02	67	300	300	150	300	-	0.00%
Postage and Freight Bulk Mailing	260-1440-110-520.03	-	500	500	-	500	-	0.00%
Total POSTAGE AND FREIGHT		67	800	800	150	800	-	0.00%
ALLOWANCES								
Allowances Business and Meal Expense	260-1440-110-535.02	1,884	2,500	2,500	2,500	3,000	500	20.00%
Total ALLOWANCES		1,884	2,500	2,500	2,500	3,000	500	20.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Business	260-1440-110-600.01	8,631	10,000	10,000	10,000	10,000	-	0.00%
Travel and Education Travel - Training	260-1440-110-600.02	3,434	4,600	4,600	4,600	4,600	-	0.00%
Travel and Education Training and Education	260-1440-110-600.03	2,245	4,500	4,500	4,500	4,500	-	0.00%
Total TRAVEL AND EDUCATION		14,310	19,100	19,100	19,100	19,100	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	260-1440-110-605.01	2,975	6,000	6,000	3,500	5,000	-1,000	-16.67%
Total ADVERTISING AND PUBLISHING		2,975	6,000	6,000	3,500	5,000	-1,000	-16.67%
DUES AND MEMBERSHIPS								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Dues and Memberships Assoc. Membership Dues & Fees	260-1440-110- 615.02	2,793	13,570	13,800	13,800	14,000	430	3.17%
Total DUES AND MEMBERSHIPS		2,793	13,570	13,800	13,800	14,000	430	3.17%
CONTRACTUAL SERVICES								
Contractual Services Janitorial & Cleaning Services	260-1440-110- 635.02	-	20,000	20,000	-	20,000	-	0.00%
Contractual Services Machinery & Equipment Maint. Svc	260-1440-110- 635.07	35	500	9,500	1,350	500	-	0.00%
Contractual Services Infrastructure & Plant Maint Svc	260-1440-110- 635.08	46,160	65,000	65,000	65,000	65,000	-	0.00%
Contractual Services Marketing Services	260-1440-110- 635.13	61,824	-	-	-	-	-	-
Contractual Services Other Contractual Services	260-1440-110- 635.14	42,000	100,450	100,450	100,450	100,450	-	0.00%
Total CONTRACTUAL SERVICES		150,019	185,950	194,950	166,800	185,950	-	0.00%
PROFESSIONAL SERVICES								
Professional Services Management & Consulting Services	260-1440-110- 640.04	49,995	100,000	89,770	-	-	-100,000	-
Total PROFESSIONAL SERVICES		49,995	100,000	89,770	-	-	-100,000	-
UTILITIES								
Utilities Telecommunications	260-1440-110- 650.01	1,553	16,675	16,675	16,675	16,675	-	0.00%
Total UTILITIES		1,553	16,675	16,675	16,675	16,675	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay M&E- Computers Printers & Copier	260-1440-110- 790.26	309	-	-	-	-	-	-
Total MINOR CAPITAL OUTLAY		309	-	-	-	-	-	-
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges- Admin Mayor & Council	260-1440-110- 800.01	-	710	710	700	660	-50	-7.04%
Interdepartmental Charges- Admin City Clerk	260-1440-110- 800.02	-	1,620	1,620	1,260	1,810	190	11.73%
Interdepartmental Charges- Admin City Attorney	260-1440-110- 800.03	-	1,100	1,100	1,100	1,130	30	2.73%
Interdepartmental Charges- Admin City Manager	260-1440-110- 800.04	-	1,610	1,610	1,430	1,760	150	9.32%
Interdepartmental Charges- Finance General Accounting	260-1440-110- 802.01	-	8,180	8,180	7,130	8,440	260	3.18%
Interdepartmental Charges-IT Information Technology	260-1440-110- 803.01	-	7,270	7,270	6,460	8,080	810	11.14%
Interdepartmental Charges- Engineering Engineering	260-1440-110- 804.01	-	38,000	48,000	48,000	58,000	20,000	52.63%
Interdepartmental Charges Insurance	260-1440-110- 825.01	1,881	2,840	3,170	3,170	3,175	335	11.80%
Total INTERDEPARTMENTAL CHARGES		1,881	61,330	71,660	69,250	83,055	21,725	35.42%
Total Expenditures		362,881	558,490	567,820	444,315	492,785	-65,705	-11.76%

**Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.*

Operating Account Narrative

500.01 Regular Salaries and Wages: \$96,760 – This account provides expenditures for the cost of the annual salary paid to the Tourism Manager.

505.00 Payroll Taxes: \$7,400 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$22,250 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$34,350 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$265 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$3,380 – This account provides 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: \$500 - This account provides expenditures for expendable office supply items such as pens, markers, paper, tape, paperclips, staples, envelopes, note pads, correction tape, post-its, etc.

510.02 Operating Supplies: \$300 - This account provides expenditures for an annual parking permit for the Tourism Manager.

520.02 Postage: \$300 - This account provides expenditures for the cost of postal related services such as postage and mailing materials.

520.03 Bulk Mailing: \$500 – Expenditures for bulk mailing of bills and invoices for City and KPU services, brochures, mass public notices and other similar types of mailings.

535.02 Business and Meal Expenses: \$3,000 – This account provides expenditures for general expenses incurred by the Tourism Manager during the year including hosting two City Council workshops with members of Cruise Lines International Association Alaska.

600.01 Travel - Business: \$10,000 – This account provides expenditures for the cost associated with business travel by the Tourism Manager to attend conferences, legislative or trade meetings, and other business requiring travel. In 2026 anticipated events include Southeast Conference annual meeting and mid-session summit, Alaska Outdoor Alliance annual meeting, Destinations International annual meeting, and Cruise Line Industry Association of Alaska annual workshops.

600.02 Travel - Training: \$4,600 – Expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training. In 2026 anticipated events include Destinations International annual meeting, Alaska Travel Industry Association annual convention, and Certified Destination Management Executive training sessions.

600.03 Training and Education: \$4,500 – Expenditures for registration fees, training fees, training materials, and tuition reimbursement and other incidental expenses associated with training and educating employees. In 2026 anticipated training opportunities include Certified Destination Management Executive training sessions, and Alaska Travel Industry Association annual convention.

605.01 Advertising and Public Announcements: \$5,000 - This account provides expenditures for public notice and classified ad expenses associated in advertising for tourism related public meetings, forums and listening sessions.

615.02 Assn. Membership Dues & Fees: \$14,000 - This account provides expenditures for the cost of membership in industry associations including Alaska Travel Industry Association, Destination Development Association, Destinations International, US Travel Association and International City/County Management Association.

635.02 Janitorial & Cleaning Services: \$20,000 - This account provides expenditure on cleaning facilities and equipment owned or leased by the City, including the planned temporary downtown restroom trailer.

635.07 Machinery & Equipment Maintenance Services: \$500 - This account provides expenditures for services for routine and non-routine maintenance associated with equipment located in the 3rd floor copier room.

635.08 Infrastructure & Plant Maintenance Services: \$65,000 - This account provides expenditures for services to repair and maintain infrastructure owned or leased by the City for tourism and other economic development activities, including the maintenance and repair of the planned temporary downtown restroom trailer.

635.14 Other Contractual Services: \$100,450 - This account provides for expenditures for contractual services not identified in the account classifications under contractual services. For the 2026 visitor season, the City will contract with the Ketchikan Visitors Bureau to assist visitors with basic wayfinding and to provide a safe and welcoming environment to visitors to the community and promote meetings and events to come to Ketchikan.

650.01 Telecommunications: \$16,675 - This account provides expenditures for monthly wired and wireless broadband charges, long-distance services, long-distance facsimile transmission, line rentals, and maintenance of the phone system as well as cellular services.

800.01 Interdepartmental - Mayor & Council: \$660 - Expenditures for administrative and management services provided by the departments of the City Council.

800.02 Interdepartmental - City Clerk: \$1,810 - Expenditures for administrative and management services provided by the City Clerk.

800.03 Interdepartmental - City Clerk: \$1,130 - Expenditures for administrative and management services provided by the City Attorney.

800.04 Interdepartmental - City Manager: \$1,760 - Expenditures for administrative and management services provided by the City Manager.

802.01 Interdepartmental - Finance: \$8,440 - Expenditures for financial, accounting, payroll, accounts payable, billing, customer service, and budgeting services provided by the Finance Department.

803.01 Interdepartmental - Info Technology: \$8,080 - Expenditures on information technology services provided by the Information Technology Department.

804.01 Interdepartmental - Engineering: \$58,000 - Expenditures on engineering services provided by the Public Works Department-Engineering Division.

825.01 Interdepartmental Charges-Insurance: \$3,175 – This account provides expenditures for the division's share of the City's risk management program.

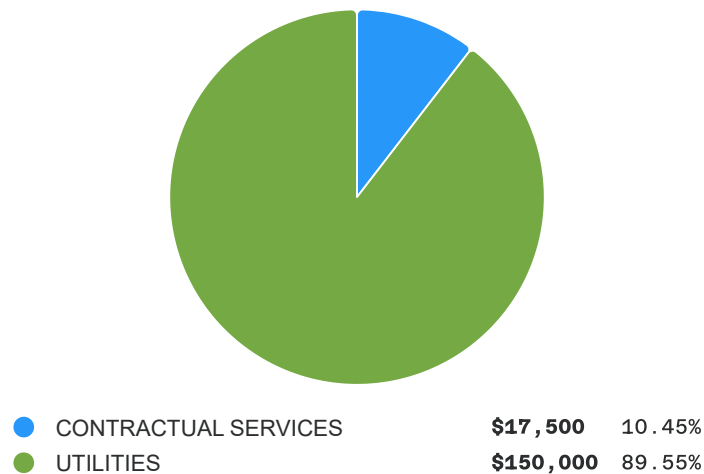
CPV Funded Programs

The CPV Funded Programs account for the resources used to fund a variety of minor programs that support tourism management. Proceeds from the State of Alaska Commercial Vessel Passenger Excise Tax have been designated as the prime source of funding for these programs.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
CPV Special Revenue Fund	55,850	67,500	67,500	67,500	167,500	100,000	148.1%
Total Funding	55,850	67,500	67,500	67,500	167,500	-	148.1%

2026 Expenditures by Category



Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Electric, Water, Sewer & Garbage (Account 650.02) increased by \$100,000 or 200% due to expected rate increases as a result of the rate study and cruise passenger impact study.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
GENERAL SUPPLIES								
Operating Supplies	260-1440-141-510.02	7,293	-	-	-	-	-	0.00%
Total GENERAL SUPPLIES		7,293	-	-	-	-	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Other	260-1440-141-635.14	17,500	17,500	17,500	17,500	17,500	-	0.00%
Total CONTRACTUAL SERVICES		17,500	17,500	17,500	17,500	17,500	-	0.00%
UTILITIES								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Utilities Electric, Water, Sewer & Garbage	260-1440-141- 650.02	31,057	50,000	50,000	50,000	150,000	100,000	200.00%
Total UTILITIES		31,057	50,000	50,000	50,000	150,000	100,000	200.00%
Total Expenditures		55,850	67,500	67,500	67,500	167,500	100,000	148.15%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

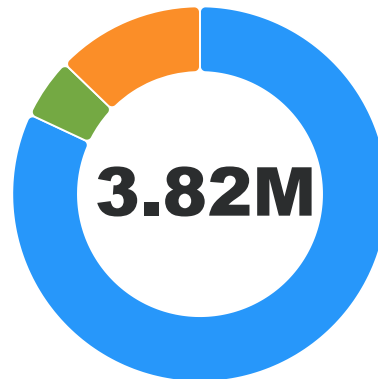
Operating Account Narrative

635.14 Other Contractual Services: \$17,500 - This account provides expenditures for funding of a weekly arts series at the Port of Ketchikan, *Music on the Docks*. Modeled after SeaTac's *Experience the City of Music Program*, it is an effort to showcase Ketchikan's diverse musical talent to the community's cruise ship visitors. This successful program was previously a function of the Port Department and was funded through Port funds.

650.02 Electric, Water, Sewer & Solid Waste: \$150,000 - This account provides expenditures for the collection of solid waste from the downtown core during tourism season. This is a seasonal program that starts in May and typically ends in September. Most of the solid waste collected will come from cruise ship passengers and crew members visiting Ketchikan.

Tourism Management Capital Program

2026 Expenditures by Type



Capital Projects	\$3,132,738	81.97%
Machinery & Equipment	\$200,000	5.23%
Other Capital Outlay	\$489,256	12.80%

Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Machinery & Equipment	-	200,000	200,000	-	200,000	-	0.00%
Capital Projects	-	5,600,000	5,600,000	2,467,262	3,132,738	-2,467,262	-44.06%
Other Capital Outlay	10,689	244,768	244,768	80,512	489,256	244,488	99.89%
Total Expenditures	10,689	6,044,768	6,044,768	2,547,774	3,821,994	-2,222,774	-36.77%

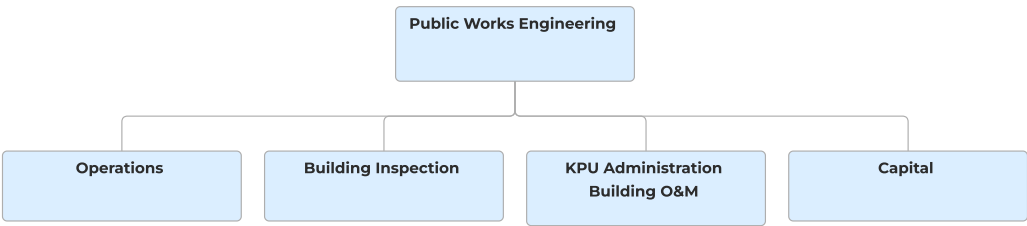
Expenditures by Activity

Category	2026 Budget
Capital Projects	
Major Capital Improvements Fund	
Other Capital Outlay General	9,118
Salmon Walk Enhancements	9,118
Total Major Capital Improvements Fund	9,118
CPV Capital Projects	
Machinery & Equipment General	200,000
Downtown Mobile Restroom	200,000
Capital Projects Infrastructure & Plant	3,132,738
Thomas Basin Promenade	3,132,738
Other Capital Outlay General	480,138
Wayfinding Signage Enhancements	125,000
Fair Street Bus Lane	200,000
Downtown Visitor Amenities	94,638
Welcome to Ketchikan Sign Electrical Upgrade	60,500
Total CPV Capital Projects	3,812,876
Total Capital Projects	3,821,994
Total Expenditures	3,821,994

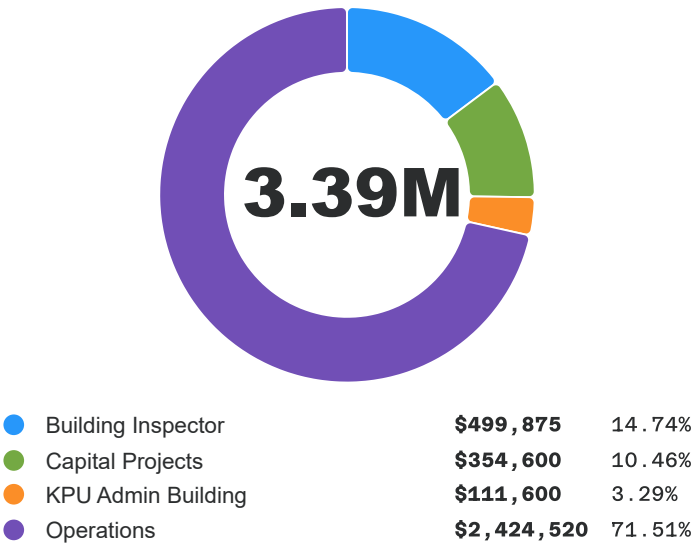
Engineering

The Public Works Engineering Division is led and managed by registered professional civil engineers overseeing design, mapping and surveying technicians, two building inspectors and support staff for a total of thirteen (13.0) full-time employees. Additionally, the department manages all forms of site development, construction permits, building inspections, derelict building demolition, infrastructure design and inspections and emergency responses to all facets of the City’s Public Works Department infrastructure.

The Public Works Engineering Division is comprised of two operating divisions and oversees a Capital Improvement Program and the KPU Administration Building operations and maintenance.



2026 Expenditures by Activity



Expenditures by Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	1,610,477	2,335,014	2,340,154	2,104,497	2,424,520	89,506	3.83%
Capital Projects	-	245,000	245,000	45,000	354,600	109,600	44.73%
Building Inspector	362,349	487,043	490,023	420,830	499,875	12,832	2.63%
KPU Admin Building	90,893	111,650	111,650	111,140	111,600	-50	-0.04%
Total Expenditures	2,063,719	3,178,707	3,186,827	2,681,467	3,390,595	211,888	6.67%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	1,799,615	2,476,072	2,476,072	2,188,072	2,573,255	97,183	3.92%
GENERAL SUPPLIES	15,637	33,350	33,350	29,900	33,350	-	0.00%
POSTAGE AND FREIGHT	362	500	500	500	500	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS	3,221	7,200	7,200	6,000	7,200	-	0.00%
BOOKS AND PERIODICALS	819	3,000	3,000	2,000	3,000	-	0.00%
ALLOWANCES	1,529	2,700	2,700	2,700	2,700	-	0.00%
TRAVEL AND EDUCATION	15,737	62,000	56,440	56,440	55,000	-7,000	-11.29%
ADVERTISING AND PUBLISHING	7,732	15,000	16,200	15,000	15,000	-	0.00%
DUES AND MEMBERSHIPS	2,044	5,050	5,050	4,700	5,050	-	0.00%
PERMITS, LICENSES AND FEES	3,375	5,815	5,697	5,697	5,815	-	0.00%
CONTRACTUAL SERVICES	46,120	61,700	67,460	67,460	61,800	100	0.16%
PROFESSIONAL SERVICES	18,972	60,700	59,418	59,418	60,700	-	0.00%
UTILITIES	80,790	92,000	92,000	92,000	92,000	-	0.00%
MAJOR CAPITAL OUTLAY	-	245,000	245,000	45,000	354,600	109,600	44.73%
MINOR CAPITAL OUTLAY	27,500	52,650	52,650	43,000	56,650	4,000	7.60%
INTERDEPARTMENTAL CHARGES	40,266	55,970	64,090	63,580	63,975	8,005	14.30%
Total Expenditures	2,063,719	3,178,707	3,186,827	2,681,467	3,390,595	211,888	6.67%

*Difference of \$120,400 is due to KPU Water providing funding for one of Engineering's 2026 CIPs related to the KPU Admin Building.

Funding Source

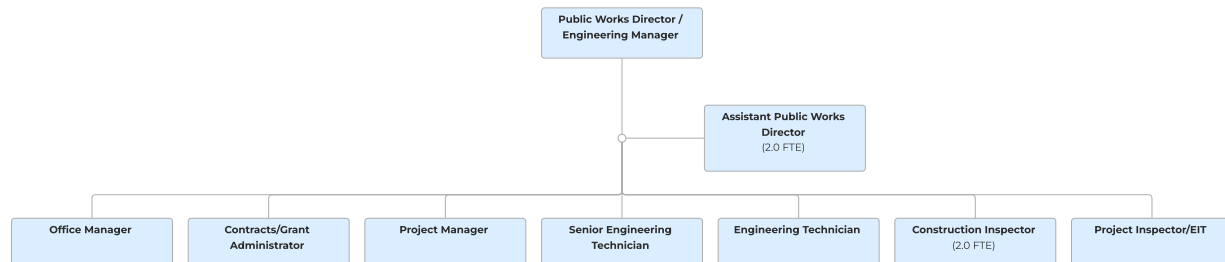
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
General Fund Support	1,075,597	1,725,712	1,716,832	1,517,932	1,797,510	71,798	4.9%
Licenses and Permits	268,380	125,000	125,000	152,018	125,000	-	0.0%
Charges for Service	1,660	3,500	3,500	1,175	1,000	(2,500)	-71.4%
Public Works Sales Tax Fund	-	225,500	225,500	45,000	354,600	129,100	57.3%
Solid Waste Fund	163,483	239,000	239,000	218,000	255,000	16,000	6.7%
Wastewater Fund	304,440	443,000	443,000	349,000	404,000	(39,000)	-8.8%
Harbor Fund	74,641	109,000	109,000	91,000	103,000	(6,000)	-5.5%
Port Enterprise Fund	50,262	75,000	82,000	82,000	96,000	21,000	28.0%
CPV Fund	-	38,000	48,000	48,000	58,000	20,000	52.6%
KPU Enterprise Fund	125,256	175,495	175,495	177,342	196,485	20,990	12.0%
KPU Enterprise Fund Capital	-	19,500	19,500	-	120,400	100,900	517.4%
Total Funding	2,063,719	3,178,707	3,186,827	2,681,467	3,510,995	332,288	10.8%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/	%
	Actual	Adopted	Amended	Budget	Salary	Decrease	Change
Engineering	11.00	11.00	11.00	11.00	1,252,435	-	0.0%
Building Inspection	3.00	3.00	3.00	3.00	257,150	-	
Total	14.00	14.00	14.00	14.00	1,509,585	-	0.0%

Engineering Operations

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 and hospital infrastructure contracts; management of capital improvement projects; and long-range infrastructure replacement planning.



Goals for 2026

- Shift away from providing complete engineering services to providing limited services and utilizing consultants for larger projects, including design, drafting, estimating, maps, plans and specifications; bidding services and clerical support; project inspections; and construction management for capital improvement projects (CIPs) for the departments of General Government (City) and the divisions of Ketchikan Public Utilities (KPU).
- Continue to apply for and secure grant and/or loan funding for Capital Improvement Projects.
- Continue to improve data management of all municipal facilities and properties.
- Continue to improve and streamline the City's permitting process.
- Perform high quality engineering for in-house design, bidding, construction management and inspection of Public Works capital improvement projects and for City facilities.
- Provide excellent customer service to City/KPU, residents, businesses and agencies of the community and state.
- Provide technical assistance to other City departments/KPU divisions in a professional, timely and accurate manner.
- Assist other departments/divisions to help them carry out their missions.
- Continue focus on improving accessibility for the disabled population.
- Continue focus on maintaining existing road conditions and creating safer streets and sidewalks.
- Continue to update standard details for utilities, roadway and site development.
- Continue implementation of long-term strategies for staff retention to the extent that such strategies are not inhibited by a lack of funding or collective bargaining agreements.
- Fill the vacant position of Building Inspector.
- Continue to provide necessary training courses and certifications for new staff.
- Partner with KIC to utilize additional funding opportunities to improve our local roads.
- Continue to work with grant writing consultants to secure additional funding for our larger capital improvement project needs.
- Contract administration and inspection for the safe completion of the Water Street Sewer Phase A capital project.
- Secure additional funding, complete design and contract documents, bidding and begin construction of the Water Street Sewer Phase B capital project.
- Continue our Engineering Intern mentorship program.
- Continue to mentor and train new staff.
- Continue implementation of trenchless technologies to reduce costs and community impacts of capital projects.
- Assist the Emergency Manager and Emergency Operations Center as requested.
- Present a joint white paper at the North American Society for Trenchless Technology's No Dig Show for the 2024 Schoenbar Culvert Rehabilitation capital project.

- Continue to design and administer the annual paving program.
- Continue to participate, as a key stakeholder, with ADOT&PF on various projects within City limits.

2025 Accomplishments

- Continued to provide excellent engineering design, management and contract administration for the departments/divisions of General Government and Ketchikan Public Utilities.
- Continued improvement to the GIS mapping system, assisted other departments/divisions in installation, implementation and updates of said system and provided maps for public and private sector use.
- Reviewed and issued building, site development, excavation, traffic and sewer permits for work in the public right-of-way as well as on private property.
- Worked across KPU and City Departments to establish the City's capital project priorities.
- Administered the Bayview Cemetery Operations and Maintenance Contract.
- Provided support to the Law Department in claims investigations and various other matters.
- Provided technical support to the Law Department in matters related to actual or potential litigation and various other matters.
- Prepared and administered ADEC grant and loan applications securing a \$3.9M loan with \$1M forgiveness (grant) for Wastewater Division capital projects.
- Awarded a Denali grant to advance planning for reconstruction of Ketchikan Lakes Road.
- Managed ongoing bridge inspection and maintenance activities.
- Administered the 2025 Streets CIP program focused on transportation infrastructure maintenance and repair. Projects include: Valley Ct road construction, Bar Harbor Ramp 4 paving, Hillside Rd paving, Don King Rd maintenance patch, Hillside Rd reconstruction design, 5th Ave culvert replacement, Jim Creek structure improvements, Hoadley Creek bank stabilization & debris removal, Schoenbar Rd valley gutter, Ketchikan Lakes Rd repairs, Bawden St sink hole, Misty Marie Ln storm drain, Wiley St danger trees, 1st Ave curb & fence, new sand shed for Streets Div, downtown pressure washing, design of the 2025 Road Surfacing project; and various sidewalk and catch basin repairs and associated resurfacing.
- Designed and administered handrail replacement, road repairs, electrical and lighting repairs resulting from the 2024 3rd Ave landslide.
- Ongoing review, comments, and collaboration on numerous State of Alaska highway construction projects.
- Ongoing support and agency reviews for the KGB Planning Department on various platting, zoning, major developments, and real property issues.
- Completed numerous legislative grant requests.
- Facilitated repairs of municipally owned buildings and facilities.
- Administered vehicle and equipment procurement contracts.
- Identified, designed and implemented solutions to neighborhood storm drainage problems.
- Provided surveying services for General Government and KPU.
- Provided numerous parking, restriping and sign upgrades.
- Provided design, bidding, contract administration and inspection for numerous projects including: wastewater main and manhole repairs, Bawden St side sewer capping, clean and camera outmoded wastewater pipes, cemetery mausoleum design & structure acquisition, cemetery foundation retaining wall, solid waste truck scale replacement and solid waste transfer station floor replacement.
- Continued to collaborate with ADOT to advance the replacement of Sayles Gorge Bridge, Wolf Point Slope stabilization, Tongass Avenue reconstruction project and the Tongass & Water St viaducts project.
- Continued administration of the Water Street Sewer Force Main Rehab & Replacement design contract.
- Assisted developers with an eye toward advancing and encouraging housing developments in Ketchikan.
- Submitted an application and was selected to present a joint white paper at the North American Society for Trenchless Technology's No Dig Show for the Schoenbar Culvert Rehabilitation Project.
- Performed a 1-year performance inspection of the Schoenbar Culvert.
- Performed structural inspections of Harbor View Park, Main School parking lot retaining wall and various other structures, rock slopes and retaining walls.

- Administered and inspected the immediate re-construction of 100-linear feet of Creek Street damaged by a vehicle accident.
- Managed the Ted Ferry Kitchen Remodel construction project.
- Managed the installation of three new backup generators at wastewater pumpstations 2, 5, and 6.
- Demolished 2112 1st Avenue and 2813 Tongass Avenue, City owned houses identified as dangerous buildings.
- Hired qualified staff for the positions of Project Manager, Engineer-In-Training and Engineering Technician.
- Completed various technical training courses for new staff.
- Assisted the Emergency Manager and Emergency Operations Center on a variety of emergency responses.
- Attended the State of Alaska's Earthquake, Tsunami and Landslide Hazards Conference.
- Assisted in implementation of new emergency alert system.
- Assisted Federal and State agencies to install two additional weather stations.

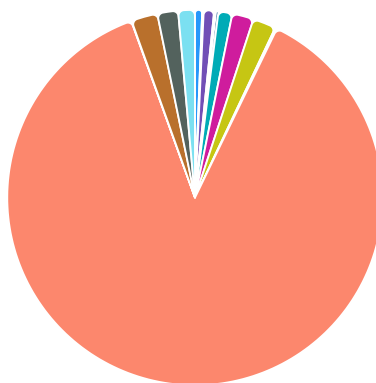
Funding Source

	2024	2025	2025	2025	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Estimate	Budget		
General Fund							
General Fund Support	918,003	1,285,514	1,273,654	1,171,322	1,344,520	59,006	5.5%
Charges for Service	1,660	3,500	3,500	1,175	1,000	(2,500)	-71.4%
Solid Waste Fund	163,483	239,000	239,000	218,000	255,000	16,000	6.7%
Wastewater Fund	304,440	443,000	443,000	349,000	404,000	(39,000)	-8.8%
Harbor Fund	74,641	109,000	109,000	91,000	103,000	(6,000)	-5.5%
Port Enterprise Fund	50,262	75,000	82,000	82,000	96,000	21,000	28.0%
CPV Fund	-	38,000	48,000	48,000	58,000	20,000	52.6%
KPU Enterprise Fund	97,988	142,000	142,000	144,000	163,000	21,000	14.8%
Total Funding	1,610,477	2,335,014	2,340,154	2,104,497	2,424,520	89,506	4.3%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Budget	Salary		
Director/Engineering Manager	1.00	1.00	1.00	1.00	193,180	-	0.0%
Assistant Public Works Director	2.00	2.00	2.00	2.00	342,530	-	0.0%
Sr. Project Engineer	1.00	1.00	-	-	-	(1.00)	-100.0%
Project Manager	-	-	1.00	1.00	102,590	1.00	100.0%
Project Engineer/EIT	1.00	1.00	1.00	1.00	92,850	-	0.0%
Contract/Grants Administrator	1.00	1.00	1.00	1.00	98,550	-	0.0%
Public Works Inspector	2.00	2.00	2.00	2.00	170,840	-	0.0%
Sr. Engineering Technician	1.00	1.00	1.00	1.00	102,855	-	0.0%
Engineering Technician	1.00	1.00	1.00	1.00	74,330	-	0.0%
Office Manager	1.00	1.00	1.00	1.00	74,710	-	0.0%
Total	11.00	11.00	11.00	11.00	1,252,435	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$15,000	0.62%
ALLOWANCES	\$2,700	0.11%
BOOKS AND PERIODICALS	\$500	0.02%
CONTRACTUAL SERVICES	\$21,500	0.89%
DUES AND MEMBERSHIPS	\$4,000	0.16%
FUELS/LUBRICANTS/ENERGY COSTS	\$5,000	0.21%
GENERAL SUPPLIES	\$28,800	1.19%
INTERDEPARTMENTAL CHARGES	\$44,925	1.85%
MINOR CAPITAL OUTLAY	\$48,000	1.98%
PERMITS, LICENSES AND FEES	\$3,775	0.16%
PERSONNEL SERVICES AND BENEFITS	\$2,116,820	87.31%
POSTAGE AND FREIGHT	\$500	0.02%
PROFESSIONAL SERVICES	\$55,000	2.27%
TRAVEL AND EDUCATION	\$43,000	1.77%
UTILITIES	\$35,000	1.44%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Training & Education (Account 600.03) increased by \$5,000 or 33.33% due to the Engineering Division being fully staffed and new staff requiring technical training courses; additionally continuing education credits are required for three professional licenses to renew.
- Moving Allowance (Account 509.07) decreased by \$30,000 or 100% due to the Engineering Division being fully staffed.
- Interdepartmental Insurance (Account 825.01) increased by \$5,135 or 12.91% due to increases in insurance premiums and estimates for 2025 claims that have impacted what must be factored in to the 2026 budget.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1510-110-500.01	859,560	1,159,350	1,159,000	1,033,950	1,252,435	93,085	8.03%
Personnel Services and Wages - Regular Longevity Bonus	101-1510-110-500.05	3,300	6,250	6,250	6,250	4,150	-2,100	-33.60%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1510-110-501.01	19,908	35,000	35,000	23,500	35,000	-	0.00%
Personnel Services and Wages - Temporary Wages	101-1510-110-502.01	15,000	35,000	35,000	35,000	35,000	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1510-110-505.00	68,253	95,411	95,411	83,715	101,640	6,229	6.53%
Personnel Benefits - Pension Budget Only	101-1510-110-506.00	180,497	255,824	255,824	228,650	273,130	17,306	6.76%
Personnel Benefits - Insurance Budget Only	101-1510-110-507.00	234,663	361,457	361,457	309,370	351,320	-10,137	-2.80%
Personnel Benefits - Insurance Worker's Compensation	101-1510-110-507.30	11,899	19,107	19,107	19,107	18,390	-717	-3.75%
Personnel Benefits - Other Budget Only	101-1510-110-508.00	69,550	30,225	30,225	30,225	43,580	13,355	44.19%
Payroll Allowances PW Clothing	101-1510-110-509.03	1,000	1,750	2,100	2,100	2,100	350	20.00%
Payroll Allowances Moving Expense - Taxed	101-1510-110-509.07	1,442	30,000	30,000	30,000	-	-30,000	-
Payroll Allowances Medical Expense	101-1510-110-509.08	-	75	75	75	75	-	0.00%
Total PERSONNEL SERVICES AND BENEFITS		1,465,072	2,029,449	2,029,449	1,801,942	2,116,820	87,371	4.31%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1510-110-510.01	5,036	8,500	8,500	8,500	8,500	-	0.00%
General Supplies Operating Supplies	101-1510-110-510.02	3,872	7,500	7,500	7,500	7,500	-	0.00%
General Supplies Safety Program Supplies	101-1510-110-510.03	985	7,500	7,500	7,500	7,500	-	0.00%
General Supplies Small Tools & Equipment	101-1510-110-510.05	1,785	3,500	3,500	350	3,500	-	0.00%
Maintenance Materials Vehicle Maintenance Materials	101-1510-110-515.01	-	800	800	800	800	-	0.00%
Maintenance Materials Machinery & Equipment Maint.	101-1510-110-515.04	918	1,000	1,000	1,000	1,000	-	0.00%
Total GENERAL SUPPLIES		12,596	28,800	28,800	25,650	28,800	-	0.00%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1510-110-520.02	362	500	500	500	500	-	0.00%
Total POSTAGE AND FREIGHT		362	500	500	500	500	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1510-110-525.04	2,270	5,000	5,000	5,000	5,000	-	0.00%
Total FUELS/LUBRICANTS/ENERGY COSTS		2,270	5,000	5,000	5,000	5,000	-	0.00%
BOOKS AND PERIODICALS								
Books and Periodicals Professional & Technical Pubs	101-1510-110-530.03	364	500	500	500	500	-	0.00%
Total BOOKS AND PERIODICALS		364	500	500	500	500	-	0.00%
ALLOWANCES								
Allowances Business and Meal Expense	101-1510-110-535.02	595	1,500	1,500	1,500	1,500	-	0.00%
Allowances Uniforms/Badges/Clothing	101-1510-110-535.04	934	1,200	1,200	1,200	1,200	-	0.00%
Total ALLOWANCES		1,529	2,700	2,700	2,700	2,700	-	0.00%
TRAVEL AND EDUCATION								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Travel and Education Travel - Business	101-1510-110-600.01	1,832	20,000	14,440	14,440	8,000	-12,000	-60.00%
Travel and Education Travel - Training	101-1510-110-600.02	6,067	15,000	15,000	15,000	15,000	-	0.00%
Travel and Education Training and Education	101-1510-110-600.03	3,404	15,000	15,000	15,000	20,000	5,000	33.33%
Total TRAVEL AND EDUCATION		11,303	50,000	44,440	44,440	43,000	-7,000	-14.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1510-110-605.01	7,732	15,000	15,000	15,000	15,000	-	0.00%
Total ADVERTISING AND PUBLISHING		7,732	15,000	15,000	15,000	15,000	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Professional Lic. and Certs.	101-1510-110-615.01	852	2,000	2,000	2,000	2,000	-	0.00%
Dues and Memberships Assoc. Membership Dues & Fees	101-1510-110-615.02	560	2,000	2,000	2,000	2,000	-	0.00%
Total DUES AND MEMBERSHIPS		1,412	4,000	4,000	4,000	4,000	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Building & Operating Permits	101-1510-110-630.01	12	350	350	350	350	-	0.00%
Licenses and Fees Vehicle Licenses	101-1510-110-630.02	50	75	75	75	75	-	0.00%
Licenses and Fees Software Licenses	101-1510-110-630.05	5	3,000	2,882	2,882	3,000	-	0.00%
Licenses and Fees Service Charges and Fees	101-1510-110-630.06	-	350	350	350	350	-	0.00%
Total PERMITS, LICENSES AND FEES		67	3,775	3,657	3,657	3,775	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	101-1510-110-635.04	18,469	20,000	25,678	25,678	20,000	-	0.00%
Contractual Services Machinery & Equipment Maint. Svc	101-1510-110-635.07	-	1,500	1,500	1,500	1,500	-	0.00%
Total CONTRACTUAL SERVICES		18,469	21,500	27,178	27,178	21,500	-	0.00%
PROFESSIONAL SERVICES								
Professional Services Engineering & Architectural Svcs	101-1510-110-640.02	18,972	50,000	50,000	50,000	50,000	-	0.00%
Professional Services Management & Consulting Services	101-1510-110-640.04	-	5,000	5,000	5,000	5,000	-	0.00%
Total PROFESSIONAL SERVICES		18,972	55,000	55,000	55,000	55,000	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1510-110-650.01	32,751	35,000	35,000	35,000	35,000	-	0.00%
Total UTILITIES		32,751	35,000	35,000	35,000	35,000	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1510-110-790.15	3,237	5,000	5,000	-	5,000	-	0.00%
Minor Capital Outlay Vehicles & Moving Equipment	101-1510-110-790.20	-	12,000	12,000	12,000	12,000	-	0.00%
Minor Capital Outlay M&E-Computers Printers & Copier	101-1510-110-790.26	6,602	26,000	26,000	26,000	30,000	4,000	15.38%
Minor Capital Outlay Software	101-1510-110-790.35	720	1,000	1,000	1,000	1,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Total MINOR CAPITAL OUTLAY		10,559	44,000	44,000	39,000	48,000	4,000	9.09%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1510-110-825.01	27,019	39,790	44,930	44,930	44,925	5,135	12.91%
Total INTERDEPARTMENTAL CHARGES		27,019	39,790	44,930	44,930	44,925	5,135	12.91%
Total Expenditures		1,610,477	2,335,014	2,340,154	2,104,497	2,424,520	89,506	3.83%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries & Wages: \$1,252,435 This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Engineering Division.

500.05 Longevity Pay: \$4,150 – Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$35,000 – This account provides expenditures for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502.01 Temporary Wages: \$35,000 – This account provides expenditures for compensation paid to temporary salaried and hourly employees of the Engineering Division.

505.00 Payroll Taxes: \$101,640 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$273,130– This account provides expenditures for employer contributions to retirement plans.

507.00 Health & Life Insurance: \$351,320 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers' Compensation: \$18,390 – This account provides expenditures for employer contributions to workers' compensation.

508.00 Other Benefits: \$43,580– 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: \$2,100 – This account provides expenditures 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: \$75 – This account provides expenditures for employee medical exams paid directly to employees. These benefits are taxable to the employee.

510.01 Office Supplies: \$8,500 - This account provides expenditures 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: \$7,500 - This account provides expenditures 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, and solvents.

510.03 Safety Program Supplies: \$7,500 - This account provides expenditures for safety training audio and video programs, safety equipment, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control.

510.05 Small Tools & Equipment: \$3,500 - This account provides expenditures 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: \$800 - This account provides expenditures for the repair and maintenance of vehicles owned or leased and operated by the Public Works Engineering Division.

515.04 Machinery & Equipment Maintenance: \$1,000 – This account provides expenditures for repair and maintenance of machinery and equipment owned or leased by the City. Included are office equipment, surveying equipment, GPS and data collection equipment and computers.

520.02 Postage: \$500 - This account provides expenditures for postal related services such as postage, express delivery and mailing materials.

525.04 Vehicle Motor Fuel & Lubricants: \$5,000 - This account provides expenditures for gasoline, diesel fuel, propane and lubricants used in the operations of the Engineering Division vehicles.

530.03 Professional & Technical Publications: \$500 - This account provides expenditures for professional and technical publications. Included are professional handbooks, print and electronic subscription services for management, engineering, building codes, professional standards and technical journals.

535.02 Business & Meal Expenses: \$1,500 - This account provides expenditures for reimbursements to employees for business and job related meals, mileage for use of personal vehicles and other business related expenses.

535.04 Uniforms/Badges/Clothing: \$1,200 - This account provides expenditures for non-represented employees for the purchase of job related clothing purchased by department personnel.

600.01 Travel-Business: \$8,000 - This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business.

600.02 Travel-Training: \$15,000 - This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600.03 Training & Education: \$20,000 - This account provides 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 Ads & Public Announcements: \$15,000 - This account provides expenditures 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 & Technical Licenses: \$2,000 – This account provides expenditures for licensing professional, technical and other employees requiring a license in order to perform their duties. Included are fees paid to licensed engineers, and fees paid for technical certifications required by survey staff and operators of special equipment.

615.02 Assn. Membership Dues & Fees: \$2,000 – This account provides expenditures for memberships in professional and trade associations such as the American Concrete Institute, American Society of Civil Engineers, National Society of Professional Surveyors and Solid Waste Association of North America.

630.01 Building & Operating Permits: \$350 - This account provides expenditures for permits required for construction, right-of-ways, easements, environmental, occupancy and operations.

630.02 Vehicle Licenses: \$75 – This account provides expenditures for licensing City vehicles for operations on public highways.

630.05 Software Licenses: \$3,000 – This account provides expenditures for acquiring licenses for the right to use proprietary software.

630.06 Service Charges & Fees: \$350 - This account provides expenditures for miscellaneous service charges and fees. Included are filing fees, recording fees and fees not accounted for in other accounts.

635.04 Software Maintenance Services: \$20,000 - This account provides expenditures for maintenance agreements to support licensed software systems, including AutoCAD (DLT Solutions), ESRI, eQuorum, Bluebeam Software and other design programs.

635.07 Machinery & Equipment Maintenance Services: \$1,500 - This account provides expenditures 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.

640.02 Engineering & Architectural Services: \$50,000 - This account provides expenditures for engineering and architectural services, such as asbestos clearance monitoring.

640.04 Management & Consulting Services: \$5,000 - This account provides expenditures for management and consulting services. Included are project management services, rate studies, management studies and other management and consulting services requiring persons or firms with specialized skills and knowledge.

650.01 Telecommunications: \$35,000 - This account provides for expenditures telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet and long distance.

790.15 Furniture & Fixtures: \$5,000 - This account provides expenditures for acquisition of furniture and fixtures. Included are desks, chairs, tables, conference room chairs, workstations, file cabinets, storage cabinets and building fixtures. For 2022, this will fund the replacement of several office chairs that are beyond their useful life.

790.20 Vehicle and Moving Equipment: \$12,000 - This account provides expenditures for acquisition of vehicles and moving equipment including boat trailers and other small rolling stock.

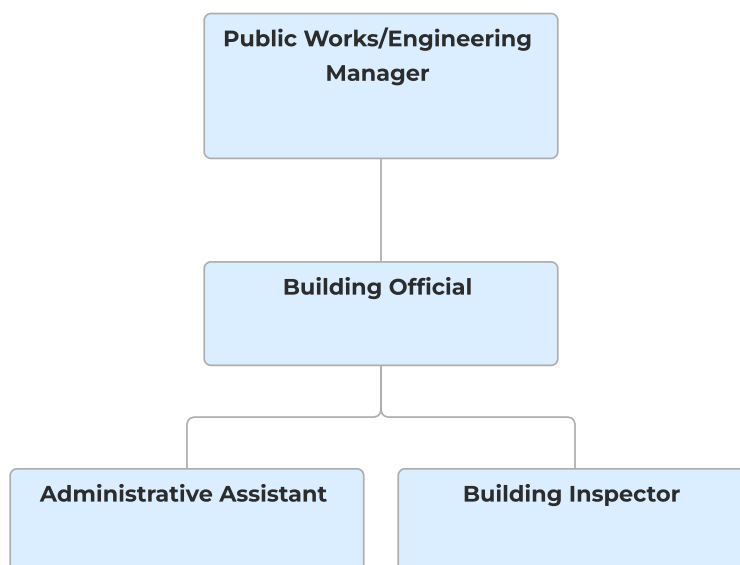
790.26 Computers, Printers & Copiers: \$30,000 - This account provides expenditures for desktop, laptops, and tablet computers; computer printers and scanners, mapping plotter, photocopiers and fax machines. Per the replacement schedule developed by the Information Technology Department, four workstations, seven monitors, one laptop, one printer, and four UPS battery backups will be replaced.

790.35 Software: \$1,000 - This account provides expenditures 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: \$44,925 This account provides expenditures for risk management services and claims.

Building Inspection Operations

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 plan reviews previously performed by the State Fire Marshal's office. The inspection services, information sharing and coordination with citizens and other agencies are the division's daily responsibility.



Goals for 2026

- Finish updating Building Division documents and applications on the city website with new 2021 code information.
- Continue to work with KGB Planning and Community Development to streamline the plan submittal and approval processes.
- Recruit a qualified building inspector to replace departing inspector.
- Enroll Administrative Assistant in ICC Permit Technician training courses.
- Continue upward trajectory of code enforcement actions to improve public safety through permitted demolitions and repairs.

2025 Accomplishments

- Successfully adopted into Ketchikan Municipal Code the 2021 versions of International Building Code, International Fire Code, Uniform Plumbing Code, International Energy Conservation Code, International Mechanical Code, International Residential Code, International Existing Building Code, and the 2020 National Electric Code.
- Oversaw the repairs and demolitions of multiple dangerous buildings.
- Issued numerous code enforcement action letters resulting in a safer and cleaner community.
- Made significant progress in scanning archived hard copies of past permits and plans into "Project by Location" computer files for easy access by staff.
- On track to exceed the previous record of 300 permits issued in one year (2024) with 270 permits already issued as of August 29, 2025.
- Hosted a series of open house meetings providing code books with local amendments for public review prior to the code updates being brought to Council.

- Established new process for coordinating electrical permits and inspections with KPU Electric to ensure projects meet both building and utility standards.
- Building Official attended OBOA Spring Educational Institute to maintain existing ICC certification status with 1.8 CEUs. Classes attended included Simplified Structural Plan Review, 2021 Fire & Smoke Protection Features, and Tenant Improvement Plan Review.

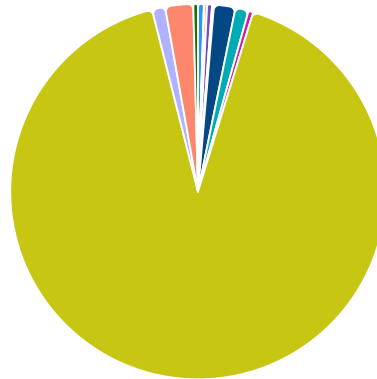
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
General Fund Support	93,969	362,043	365,023	268,812	374,875	12,832	3.5%
Licenses and Permits	268,380	125,000	125,000	152,018	125,000	-	0.0%
Total Funding	362,349	487,043	490,023	420,830	499,875	12,832	2.6%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Building Official	1.00	1.00	1.00	1.00	112,710	-	0.0%
Building Inspector	1.00	1.00	1.00	1.00	80,780	-	0.0%
Administrative Assistant	1.00	1.00	1.00	1.00	63,660	-	0.0%
Total	3.00	3.00	3.00	3.00	257,150	-	0.0%

2026 Expenditures by Category



BOOKS AND PERIODICALS	\$2,500	0.50%
CONTRACTUAL SERVICES	\$300	0.06%
DUES AND MEMBERSHIPS	\$1,050	0.21%
FUELS/LUBRICANTS/ENERGY COSTS	\$2,200	0.44%
GENERAL SUPPLIES	\$750	0.15%
INTERDEPARTMENTAL CHARGES	\$9,250	1.85%
MINOR CAPITAL OUTLAY	\$5,650	1.13%
PERMITS, LICENSES AND FEES	\$2,040	0.41%
PERSONNEL SERVICES AND BENEFITS	\$456,435	91.31%
PROFESSIONAL SERVICES	\$5,700	1.14%
TRAVEL AND EDUCATION	\$12,000	2.40%
UTILITIES	\$2,000	0.40%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services - Other Benefits (508.00) increased by \$8,840 or 164% due to retirement eligibility of employees in the division.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	%% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1510-250-500.01	199,528	252,808	252,808	241,700	257,150	4,342	1.72%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1510-250-501.01	3,535	6,000	6,000	5,000	6,000	-	0.00%
Personnel Services and Wages - Temporary Wages	101-1510-250-502.01	19,663	5,000	5,000	2,000	5,000	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1510-250-505.00	15,518	20,180	20,180	18,900	20,850	670	3.32%
Personnel Benefits - Pension Budget Only	101-1510-250-506.00	33,570	51,580	51,580	50,150	52,870	1,290	2.50%
Personnel Benefits - Insurance Budget Only	101-1510-250-507.00	50,103	98,225	98,225	55,550	92,870	-5,355	-5.45%
Personnel Benefits - Insurance Worker's Compensation	101-1510-250-507.30	5,063	6,940	6,940	6,940	6,765	-175	-2.52%
Personnel Benefits - Other Budget Only	101-1510-250-508.00	7,063	5,390	5,390	5,390	14,230	8,840	164.01%
Payroll Allowances PW Clothing	101-1510-250-509.03	500	500	500	500	700	200	40.00%
Total PERSONNEL SERVICES AND BENEFITS		334,543	446,623	446,623	386,130	456,435	9,812	2.20%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1510-250-510.01	149	300	300	200	300	-	0.00%
General Supplies Safety Program Supplies	101-1510-250-510.03	-	150	150	50	150	-	0.00%
General Supplies Small Tools & Equipment	101-1510-250-510.05	-	300	300	200	300	-	0.00%
Total GENERAL SUPPLIES		149	750	750	450	750	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1510-250-525.04	951	2,200	2,200	1,000	2,200	-	0.00%
Total FUELS/LUBRICANTS/ENERGY COSTS		951	2,200	2,200	1,000	2,200	-	0.00%
BOOKS AND PERIODICALS								
Books and Periodicals Professional & Technical Pubs	101-1510-250-530.03	455	2,500	2,500	1,500	2,500	-	0.00%
Total BOOKS AND PERIODICALS		455	2,500	2,500	1,500	2,500	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	101-1510-250-600.02	3,928	6,000	6,000	6,000	6,000	-	0.00%
Travel and Education Training and Education	101-1510-250-600.03	506	6,000	6,000	6,000	6,000	-	0.00%
Total TRAVEL AND EDUCATION		4,434	12,000	12,000	12,000	12,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
ADVERTISING AND PUBLISHING								
Ads & Public Announcements	101-1510-250-605.01	-	-	1,200	-	-	-	0.00%
Total ADVERTISING AND PUBLISHING		-	-	1,200	-	-	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Professional Lic. and Certs.	101-1510-250-615.01	360	400	400	400	400	-	0.00%
Dues and Memberships Assoc. Membership Dues & Fees	101-1510-250-615.02	272	650	650	300	650	-	0.00%
Total DUES AND MEMBERSHIPS		632	1,050	1,050	700	1,050	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Vehicle Licenses	101-1510-250-630.02	-	40	40	40	40	-	0.00%
Licenses and Fees Bank & Merchant Fees	101-1510-250-630.03	3,308	2,000	2,000	2,000	2,000	-	0.00%
Total PERMITS, LICENSES AND FEES		3,308	2,040	2,040	2,040	2,040	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	101-1510-250-635.04	282	200	282	282	300	100	50.00%
Total CONTRACTUAL SERVICES		282	200	282	282	300	100	50.00%
PROFESSIONAL SERVICES								
Professional Services Management & Consulting Services	101-1510-250-640.04	-	5,700	4,418	4,418	5,700	-	0.00%
Total PROFESSIONAL SERVICES		-	5,700	4,418	4,418	5,700	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1510-250-650.01	1,755	2,000	2,000	2,000	2,000	-	0.00%
Total UTILITIES		1,755	2,000	2,000	2,000	2,000	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1510-250-790.15	340	-	-	-	-	-	-
Minor Capital Outlay M&E-Computers Printers & Copier	101-1510-250-790.26	11,302	5,450	5,450	1,000	5,450	-	0.00%
Minor Capital Outlay Software	101-1510-250-790.35	-	200	200	-	200	-	0.00%
Total MINOR CAPITAL OUTLAY		11,642	5,650	5,650	1,000	5,650	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1510-250-825.01	4,198	6,330	9,310	9,310	9,250	2,920	46.13%
Total INTERDEPARTMENTAL CHARGES		4,198	6,330	9,310	9,310	9,250	2,920	46.13%
Total Expenditures		362,349	487,043	490,023	420,830	499,875	12,832	2.63%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries & Wages: \$257,150 This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Engineering Division.

501.01 Overtime Wages: \$6,000 – This account provides expenditures 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 expenditures for compensation paid to temporary salaried and hourly employees of the Engineering Division.

505.00 Payroll Taxes: \$20,850 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$52,870 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health & Life Insurance: \$92,870 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers' Compensation: \$6,765 – This account provides expenditures for employer contributions to workers' compensation.

508.00 Other Benefits: \$14,230 – 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: \$700 – This account provides expenditures 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: \$300 - This account provides expenditures 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.

510.03 Safety Program Supplies: \$150 - This account provides expenditures for safety training audio and video programs, safety equipment, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control.

510.05 Small Tools & Equipment: \$300 - This account provides expenditures 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.

525.04 Vehicle Motor Fuel & Lubricants: \$2,200 - This account provides expenditures for gasoline, diesel fuel, propane and lubricants used in the operations of the Engineering Division vehicles.

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

600.02 Travel-Training: \$6,000 - This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600.03 Training & Education: \$6,000 - This account provides 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.

615.01 Professional & Technical Licenses: \$400 – This account provides expenditures for licensing professional, technical and other employees requiring a license in order to perform their duties. Included are fees paid to licensed engineers, and fees paid for technical certifications required by survey staff and operators of special equipment.

615.02 Assn. Membership Dues & Fees: \$650 – This account provides expenditures for memberships in professional and trade associations such as the American Concrete Institute, American Society of Civil Engineers, National Society of Professional Surveyors and Solid Waste Association of North America.

630.02 Vehicle Licenses: \$40 – This account provides expenditures for licensing City vehicles for operations on public highways.

630.03 Software Licenses: \$2,000 – This account provides expenditures for merchant fees for use of credit and debit cards for building permit fees.

635.04 Software Maintenance Services: \$300 - This account provides expenditures for maintenance agreements to support licensed software systems, including AutoCAD (DLT Solutions), ESRI, eQuorum, Bluebeam Software and other design programs.

640.04 Management & Consulting Services: \$5,700 - This account provides expenditures for management and consulting services. Included are project management services, rate studies, management studies and other management and consulting services requiring persons or firms with specialized skills and knowledge.

650.01 Telecommunications: \$2,000 - This account provides for expenditures telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet and long distance.

790.26 Computers, Printers & Copiers: \$5,450 - This account provides expenditures for desktop, laptops, and tablet computers; computer printers and scanners, mapping plotter, photocopiers and fax machines. Per the replacement schedule developed by the Information Technology Department, four workstations, seven monitors, one laptop, one printer, and four UPS battery backups will be replaced.

790.35 Software: \$200 - This account provides expenditures 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: \$9,250 This account provides expenditures for risk management services and claims.

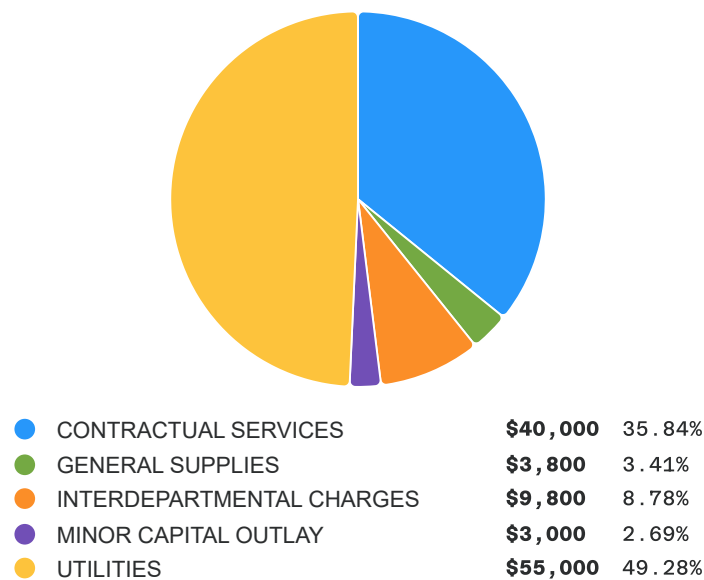
KPU Administration Building O&M

The KPU Administration Building O&M cost center accounts for 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 each department/division. Public Works currently occupies 70 percent of the office space and the KPU Water Division occupies 30 percent of the office space. Operating and maintaining the Administration Building is a Public Works Department function. The Water Division is assessed an interdepartmental charge for its share of the costs.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
General Fund Support	63,625	78,155	78,155	77,798	78,115	(40)	-0.1%
KPU Enterprise Fund	27,268	33,495	33,495	33,342	33,485	(10)	0.0%
Total Funding	90,893	111,650	111,650	111,140	111,600	(50)	0.0%

2026 Expenditures by Category



Operating Budget Changes in 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- There are no significant changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
GENERAL SUPPLIES								
Maintenance Materials Building and Grounds Maintenance	101-1510-251- 515.02	2,892	3,800	3,800	3,800	3,800	-	0.00%
Total GENERAL SUPPLIES		2,892	3,800	3,800	3,800	3,800	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
CONTRACTUAL SERVICES								
Contractual Services Janitorial & Cleaning Services	101-1510-251-635.02	14,297	15,000	15,000	15,000	15,000	-	0.00%
Contractual Services Building and Grounds Maint. Svc	101-1510-251-635.06	13,072	25,000	25,000	25,000	25,000	-	0.00%
Total CONTRACTUAL SERVICES		27,369	40,000	40,000	40,000	40,000	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1510-251-650.01	7,876	10,000	10,000	10,000	10,000	-	0.00%
Utilities Electric, Water, Sewer & Garbage	101-1510-251-650.02	38,408	45,000	45,000	45,000	45,000	-	0.00%
Total UTILITIES		46,284	55,000	55,000	55,000	55,000	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Machinery & Equipment	101-1510-251-790.25	5,299	3,000	3,000	3,000	3,000	-	0.00%
Total MINOR CAPITAL OUTLAY		5,299	3,000	3,000	3,000	3,000	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1510-251-825.01	9,049	9,850	9,850	9,340	9,800	-50	-0.51%
Total INTERDEPARTMENTAL CHARGES		9,049	9,850	9,850	9,340	9,800	-50	-0.51%
Total Expenditures		90,893	111,650	111,650	111,140	111,600	-50	-0.04%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

515.02 Building and Grounds Maintenance Materials: \$3,800 – This account provides expenditures for materials required for the repair and maintenance of the KPU Administration Building and the upkeep of its grounds.

635.02 Janitorial and Cleaning Services: \$15,000 – This account provides expenditures for contractual services for carpet cleaning and other miscellaneous cleaning services at the KPU Administration Building.

635.06 Buildings and Grounds Maintenance Services: \$25,000 - This account provides expenditures for contractual services required for the repair and maintenance of the KPU Administration Building and the upkeep of its grounds.

650.01 Telecommunications: \$10,000 - This account provides expenditures for telecommunication services. Included are charges for wired and wireless telecommunications services and Internet.

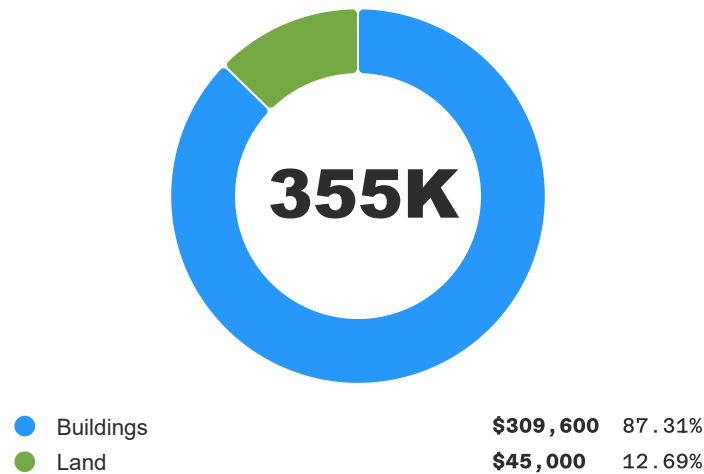
650.02 Electric, Water, Sewer & Solid Waste: \$45,000 - This account provides expenditures for electric, water, sewer and solid waste utility services.

790.25 Machinery & Equipment: \$3,000 - This account provides for minor purchases of machinery and equipment. For 2022, this will fund the purchase of security cameras for the Admin Building.

825.01 Interdepartmental Charges – Insurance: \$9,800 - This account provides expenditures for risk management services and claims.

Engineering Capital Program

2026 Expenditures by Type



Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Land	-	180,000	180,000	45,000	45,000	-135,000	-75.00%
Buildings	-	65,000	65,000	-	309,600	244,600	376.31%
Total Expenditures	-	245,000	245,000	45,000	354,600	109,600	44.73%

Expenditures by Activity

Category	2026 Budget
Capital Projects	
Public Works Sales Tax Fund	
Land General	45,000
Dangerous Building Abatement/Foreclosed/Property Remediation & Disposal	45,000
Buildings General	309,600
PW - Admin Building Heating Repairs	309,600
Total Public Works Sales Tax Fund	354,600
Total Capital Projects	354,600
Total Expenditures	354,600

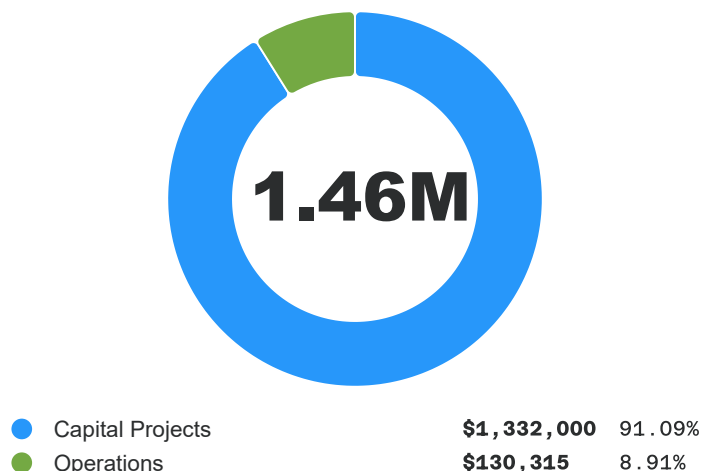
*The total for PW - Admin Building Heating Repairs differs from the CIP by \$120,400 due to the allocation of the projected paid for by KPU Water.

Cemetery

The Bayview Cemetery is owned and operated by the City of Ketchikan.

The Public Works Cemetery Division is comprised of one operating division and oversees a Capital Improvement Program.

2026 Expenditures by Activity



Expenditures by Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	107,429	130,130	130,240	125,745	130,315	185	0.14%
Capital Projects	1,950	1,262,000	1,262,000	50,000	1,332,000	70,000	5.55%
Total Expenditures	109,379	1,392,130	1,392,240	175,745	1,462,315	70,185	5.04%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
GENERAL SUPPLIES	1,659	2,390	2,390	2,300	2,350	-40	-1.67%
FUELS/LUBRICANTS/ENERGY COSTS	1,562	2,600	2,140	1,700	2,000	-600	-23.08%
PERMITS, LICENSES AND FEES	114	300	300	300	300	-	0.00%
CONTRACTUAL SERVICES	99,298	102,960	104,290	102,796	104,790	1,830	1.78%
UTILITIES	3,444	3,900	4,422	2,451	3,700	-200	-5.13%
MAJOR CAPITAL OUTLAY	1,950	1,262,000	1,262,000	50,000	1,332,000	70,000	5.55%
MINOR CAPITAL OUTLAY	-	16,500	15,108	14,608	15,500	-1,000	-6.06%
INTERDEPARTMENTAL CHARGES	1,352	1,480	1,590	1,590	1,675	195	13.18%
Total Expenditures	109,379	1,392,130	1,392,240	175,745	1,462,315	70,185	5.04%

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
General Fund Support	102,429	125,130	125,240	120,745	125,315	185	0.14%
Cemetery O&M Fund	5,000	5,000	5,000	5,000	5,000	-	0.0%
Cemetery Development Fund	1,950	12,000	12,000	12,000	12,000	-	0.0%
Public Works Sales Tax Fund	-	1,250,000	1,250,000	38,000	1,320,000	70,000	5.55%
Total Funding	109,379	1,392,130	1,392,240	175,745	1,462,315	70,185	5.0%

Cemetery Operations

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 2026

- Continue maintenance of cemetery grounds, drainage system, buildings and public facilities to provide a respectful place for deceased loved ones and their visitors.
- Build new mausoleum to expand crypt and niche capacity.
- Work with Clerk's Office and Finance Dept to update and restructure the service fees.
- Install new signage and row markers.
- Continue planning for cemetery expansion in Section 10.
- Stabilize the office building with a new retaining wall.

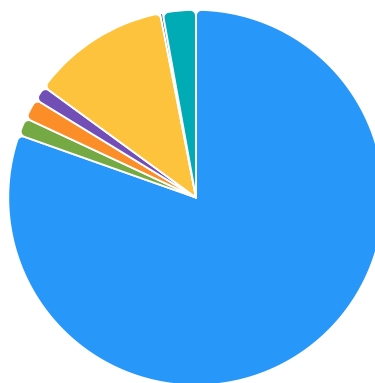
2025 Accomplishments

- Continued maintenance of individual burial sites that require leveling.
- Re-set a number of crooked tombstones to plumb.
- Continued planning for cemetery expansion.
- Continued refurbishing the greenhouse.
- Replaced all garbage cans and benches.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund Support	102,429	125,130	125,240	120,745	125,315	185	0.1%
Cemetery O&M Fund	5,000	5,000	5,000	5,000	5,000	-	0.0%
Total Funding	107,429	130,130	130,240	125,745	130,315	185	0.1%

2026 Expenditures by Category



● CONTRACTUAL SERVICES	\$104,790	80.41%
● FUELS/LUBRICANTS/ENERGY COSTS	\$2,000	1.53%
● GENERAL SUPPLIES	\$2,350	1.80%
● INTERDEPARTMENTAL CHARGES	\$1,675	1.29%
● MINOR CAPITAL OUTLAY	\$15,500	11.89%
● PERMITS, LICENSES AND FEES	\$300	0.23%
● UTILITIES	\$3,700	2.84%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- There are no significant changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
GENERAL SUPPLIES								
General Supplies Operating Supplies	101-1520-110-510.02	58	190	190	100	150	-40	-21.05%
Maintenance Materials Building and Grounds Maintenance	101-1520-110-515.02	1,601	2,200	2,200	2,200	2,200	-	0.00%
Total GENERAL SUPPLIES		1,659	2,390	2,390	2,300	2,350	-40	-1.67%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Heating Fuel	101-1520-110-525.03	1,562	2,600	2,140	1,700	2,000	-600	-23.08%
Total FUELS/LUBRICANTS/ENERGY COSTS		1,562	2,600	2,140	1,700	2,000	-600	-23.08%
PERMITS, LICENSES AND FEES								
Licenses and Fees Bank & Merchant Fees	101-1520-110-630.03	114	300	300	300	300	-	0.00%
Total PERMITS, LICENSES AND FEES		114	300	300	300	300	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	101-1520-110-635.04	2,530	2,660	2,660	2,655	2,790	130	4.89%
Contractual Services Building and Grounds Maint. Svc	101-1520-110-635.06	96,768	100,000	98,489	97,000	100,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Contractual Services Machinery & Equipment Maint. Svc	101-1520-110-635.07	-	300	3,141	3,141	2,000	1,700	566.67%
Total CONTRACTUAL SERVICES UTILITIES		99,298	102,960	104,290	102,796	104,790	1,830	1.78%
Utilities Telecommunications	101-1520-110-650.01	1,897	2,400	2,222	951	1,800	-600	-25.00%
Utilities Electric, Water, Sewer & Garbage	101-1520-110-650.02	1,547	1,500	2,200	1,500	1,900	400	26.67%
Total UTILITIES		3,444	3,900	4,422	2,451	3,700	-200	-5.13%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1520-110-790.15	-	16,000	14,608	14,608	15,000	-1,000	-6.25%
Minor Capital Outlay Machinery & Equipment	101-1520-110-790.25	-	500	500	-	500	-	0.00%
Total MINOR CAPITAL OUTLAY		-	16,500	15,108	14,608	15,500	-1,000	-6.06%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1520-110-825.01	1,352	1,480	1,590	1,590	1,675	195	13.18%
Total INTERDEPARTMENTAL CHARGES		1,352	1,480	1,590	1,590	1,675	195	13.18%
Total Expenditures		107,429	130,130	130,240	125,745	130,315	185	0.14%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

510.02 Operating Supplies: \$150 - This account provides expenditures for supplies that are normally not of a maintenance nature and are required to support Cemetery Division operations.

515.02 Building & Grounds Maintenance Materials: \$2,200 – This account provides expenditures for materials required for the repair and maintenance of buildings and upkeep of the cemetery grounds.

525.03 Heating Fuel: \$2,000 - This account provides expenditures for heating fuel to heat the caretaker's building owned and operated by the City.

630.03 Bank & Merchant Fees: \$300 - This account provides expenditures for monthly bank account service charges, merchant fees paid to banks for customer use of credit and debit cards and other fees for banking services.

635.04 Software Maintenance Services: \$2,790 - This account provides expenditures for maintenance service agreements to support cemetery management software.

635.06 Buildings & Grounds Maintenance Services: \$100,000 - This account provides expenditures 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 & Equipment Maintenance Services: \$2,000 - This account provides expenditures 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: \$1,800- This account provides expenditures 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: \$1,900 - This account provides expenditures for electric, water, sewer and solid waste utility services.

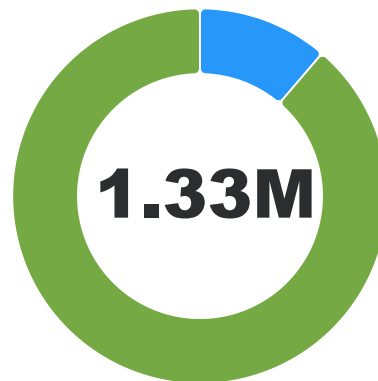
790.15 Furniture and Fixtures: \$15,000 - This account provides expenditures for the acquisition of a new entryway sign and row markers to help locate plots.

790.25 Machinery and Equipment: \$500 - This account provides expenditures 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: \$1,675 - This account provides expenditures for risk management services and claims.

Cemetery Capital Program

2026 Expenditures by Type



Buildings	\$150,000	11.26%
Capital Projects	\$1,182,000	88.74%

Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Buildings	-	-	-	-	150,000	150,000	-
Capital Projects	1,950	1,262,000	1,262,000	50,000	1,182,000	-80,000	-6.34%
Total Expenditures	1,950	1,262,000	1,262,000	50,000	1,332,000	70,000	5.55%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

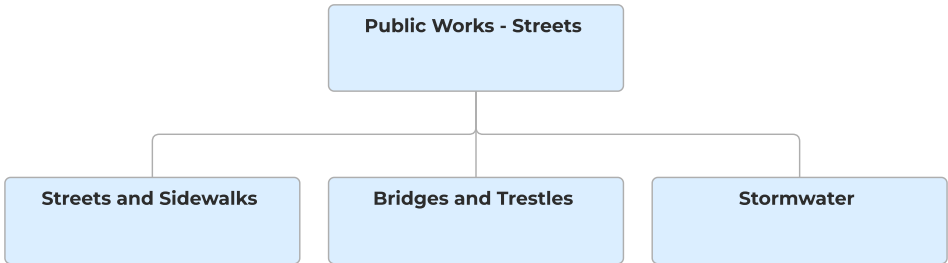
Expenditures by Activity

Category	2026 Budget
Capital Projects	
Public Works Sales Tax Fund	
Buildings General	150,000
Office Foundation Stabilization	150,000
Capital Projects Infrastructure & Plant	1,170,000
Cemetery Expansion	1,150,000
Water Supply	20,000
Total Public Works Sales Tax Fund	1,320,000
Cemetery Development Fund	
Capital Projects Infrastructure & Plant	12,000
Cemetery Grading and Drainage Improvements	12,000
Total Cemetery Development Fund	12,000
Total Capital Projects	1,332,000
Total Expenditures	1,332,000

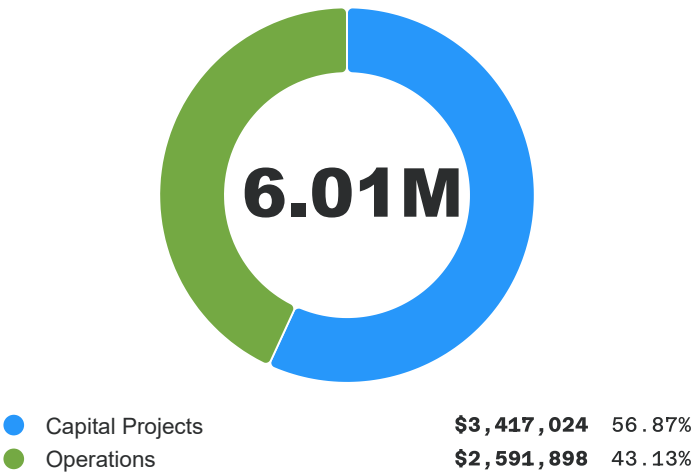
Streets

The Public Works Streets Division provides preventative maintenance and repairs on City streets, bridges, trestles, sidewalks, boardwalks, the municipal storm drainage system, and right-of-ways.

The Public Works-Streets Division is comprised of one operating division and oversees a Capital Improvement Program.



2026 Expenditures by Activity



Expenditures by Activity

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	1,953,606	2,461,701	2,467,576	2,184,327	2,591,898	130,197	5.29%
Capital Projects	6,296,594	2,007,500	2,618,045	1,473,525	3,417,024	1,409,524	70.21%
Total Expenditures	8,250,200	4,469,201	5,085,621	3,657,852	6,008,922	1,539,721	34.45%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	1,539,853	1,934,631	1,934,601	1,651,485	2,050,240	115,609	5.98%
GENERAL SUPPLIES	280,566	304,500	300,488	300,355	305,000	500	0.16%
POSTAGE AND FREIGHT	8,122	6,050	6,050	6,050	6,050	-	0.00%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
FUELS/LUBRICANTS/ENERGY COSTS	27,848	41,000	41,000	41,000	41,000	-	0.00%
ALLOWANCES	215	1,250	1,250	1,250	1,250	-	0.00%
TRAVEL AND EDUCATION	1,670	15,000	15,000	15,000	15,000	-	0.00%
ADVERTISING AND PUBLISHING	1,206	2,500	2,500	2,500	2,500	-	0.00%
DUES AND MEMBERSHIPS	375	500	500	500	500	-	0.00%
PERMITS, LICENSES AND FEES	210	840	840	840	840	-	0.00%
CONTRACTUAL SERVICES	7,103	37,000	41,012	41,012	41,038	4,038	10.91%
PROFESSIONAL SERVICES	11,031	-	-	-	-	-	-
RENTS AND LEASES	2,640	5,000	5,000	5,000	5,000	-	0.00%
UTILITIES	24,950	50,355	50,355	50,355	50,355	-	0.00%
MAJOR CAPITAL OUTLAY	6,296,594	2,007,500	2,618,045	1,473,525	3,417,024	1,409,524	70.21%
MINOR CAPITAL OUTLAY	6,323	11,850	11,850	11,850	11,850	-	0.00%
INTERDEPARTMENTAL CHARGES	41,494	51,225	57,130	57,130	61,275	10,050	19.62%
Total Expenditures	8,250,200	4,469,201	5,085,621	3,657,852	6,008,922	1,539,721	34.45%

Funding Source

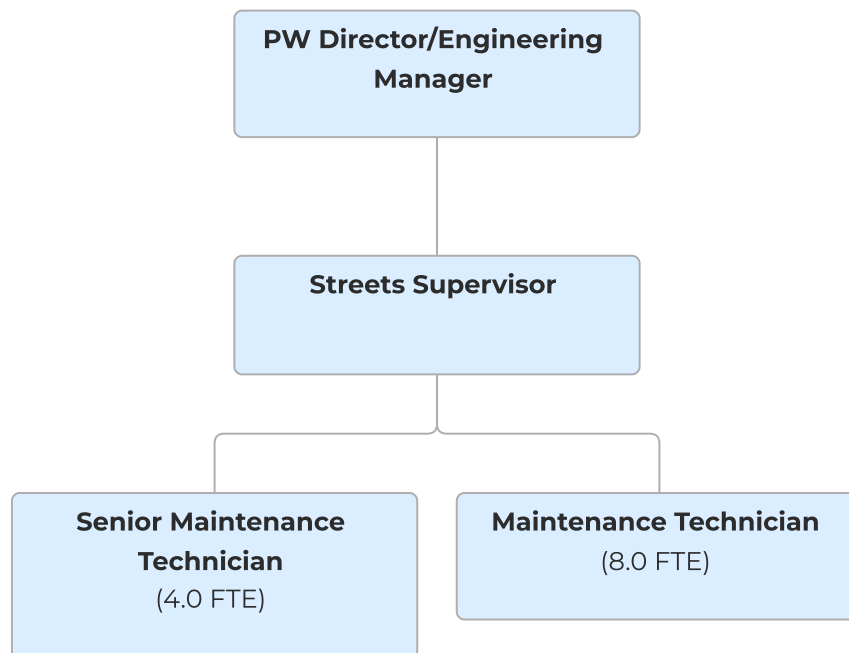
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	1,953,606	2,461,701	2,467,576	2,184,327	2,591,898	130,197	5.3%
Public Works Sales Tax Fund	4,898,014	1,982,500	2,593,045	1,473,525	3,392,024	1,409,524	71.1%
Major Capital Improvement Fund	148,580	-	-	-	-	-	0.0%
Grants	1,250,000	25,000	25,000	-	25,000	-	0.0%
Total Funding	8,250,200	4,469,201	5,085,621	3,657,852	6,008,922	1,539,721	34.5%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	13.00	13.00	13.00	13.00	1,076,320	-	0.0%
Total	13.00	13.00	13.00	13.00	1,076,320	-	0.0%

Streets Operations

The mission of the Streets Division is to provide sufficient preventative maintenance and repairs in a cost effective manner to City streets, bridges, trestles, sidewalks, boardwalks, the municipal storm drainage system, and right-of-ways, in order to prevent injury to citizens and damage to public and private property from accidents and flooding.



Goals for 2026

- Continue to maintain and rebuild City staircases
- Re-claim streets with asphalt and concrete
- Maintain city streets in the winter season
- Maintain clean streets in the summer months
- Continue painting curbs, sidewalks and parking lots
- Provide support to all other City departments
- Respond in a timely manner to citizen complaints and concerns
- Continue to clean overgrown trees and brush throughout the City of Ketchikan

2025 Accomplishments

- Replaced several failing catch basins throughout the City of Ketchikan
- Received and trained 3 crew members on our new Vactor
- Painted crosswalks, curbs and parking lots throughout the Ketchikan
- Removed brush from sidewalks, streets and staircases
- Built ramp on backside of Jim creek for easier access
- Built retaining wall for Hoadley creek alongside Jackson Heights

- Installed aquapahalt in pot holes
- Continued updating and improving the safety program
- Responded in a timely manner to citizen complaints and concerns
- Installed a new storm drain system on Misty Marie Lane
- Assisted in the response to the Creek Street car crash

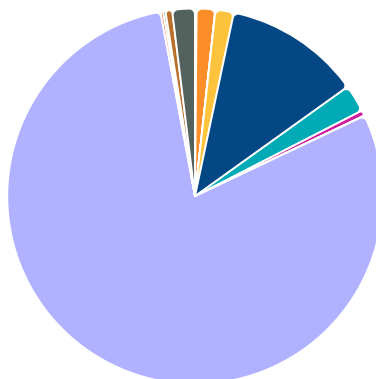
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund	1,953,606	2,461,701	2,467,576	2,184,327	2,591,898	130,197	5.3%
Total Funding	1,953,606	2,461,701	2,467,576	2,184,327	2,591,898	130,197	5.3%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Supervisor	1.00	1.00	1.00	1.00	117,890	-	0.0%
Senior Maintenance Technician	4.00	4.00	4.00	4.00	360,540		
Maintenance Technician	8.00	8.00	8.00	8.00	597,890	-	
Total	13.00	13.00	13.00	13.00	1,076,320	-	0.0%

2026 Expenditures by Category



● ADVERTISING AND PUBLISHING	\$2,500	0.10%
● ALLOWANCES	\$1,250	0.05%
● CONTRACTUAL SERVICES	\$41,038	1.58%
● DUES AND MEMBERSHIPS	\$500	0.02%
● FUELS/LUBRICANTS/ENERGY COSTS	\$41,000	1.58%
● GENERAL SUPPLIES	\$305,000	11.77%
● INTERDEPARTMENTAL CHARGES	\$61,275	2.36%
● MINOR CAPITAL OUTLAY	\$11,850	0.46%
● PERMITS, LICENSES AND FEES	\$840	0.03%
● PERSONNEL SERVICES AND BENEFITS	\$2,050,240	79.10%
● POSTAGE AND FREIGHT	\$6,050	0.23%
● RENTS AND LEASES	\$5,000	0.19%
● TRAVEL AND EDUCATION	\$15,000	0.58%
● UTILITIES	\$50,355	1.94%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$115,609 or 5.98% due to annual step increases, a 5% cost of living adjustment for City IBEW, Local 1547 employees and non-represented employees, and projected increases to pension, health insurance, and other benefits.
- Interdepartmental Insurance (Account 825.01) increased by \$10,050 or 19.62% due to increases in insurance premiums and estimates for 2025 claims that must be factored into the 2026 budget.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1530-110-500.01	827,212	1,025,521	1,024,541	870,150	1,076,320	50,799	4.95%
Personnel Services and Wages - Regular Longevity Bonus	101-1530-110-500.05	6,150	6,175	6,175	6,175	5,650	-525	-8.50%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1530-110-501.01	62,440	90,000	90,000	60,000	90,000	-	0.00%
Personnel Services and Wages - Temporary Wages	101-1530-110-502.01	25,269	50,000	50,000	30,000	50,000	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1530-110-505.00	70,572	88,115	88,115	74,500	93,790	5,675	6.44%
Personnel Benefits - Pension Budget Only	101-1530-110-506.00	169,387	211,830	211,830	177,000	226,330	14,500	6.85%
Personnel Benefits - Insurance Budget Only	101-1530-110-507.00	292,315	351,180	351,180	320,900	381,170	29,990	8.54%
Personnel Benefits - Insurance Worker's Compensation	101-1530-110-507.30	33,092	49,590	49,590	49,590	44,190	-5,400	-10.89%
Personnel Benefits - Other Budget Only	101-1530-110-508.00	49,916	58,720	58,720	58,720	78,590	19,870	33.84%
Payroll Allowances PW Clothing	101-1530-110-509.03	3,500	3,500	4,450	4,450	4,200	700	20.00%
Total PERSONNEL SERVICES AND BENEFITS		1,539,853	1,934,631	1,934,601	1,651,485	2,050,240	115,609	5.98%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1530-110-510.01	185	2,000	2,000	2,000	2,000	-	0.00%
General Supplies Operating Supplies	101-1530-110-510.02	9,251	17,500	17,500	17,500	17,500	-	0.00%
General Supplies Safety Program Supplies	101-1530-110-510.03	7,184	8,500	8,500	8,500	9,000	500	5.88%
General Supplies Janitorial Supplies	101-1530-110-510.04	441	2,000	2,000	2,000	2,000	-	0.00%
General Supplies Small Tools & Equipment	101-1530-110-510.05	6,510	8,000	8,000	8,000	8,000	-	0.00%
General Supplies Food & Catering	101-1530-110-510.07	-	-	133	-	-	-	0.00%
Maintenance Materials Vehicle Maintenance Materials	101-1530-110-515.01	51	1,000	1,000	1,000	1,000	-	0.00%
Maintenance Materials Building and Grounds Maintenance	101-1530-110-515.02	390	3,500	3,500	3,500	3,500	-	0.00%
Maintenance Materials Machinery & Equipment Maint.	101-1530-110-515.04	-	2,000	2,000	2,000	2,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	%% Change
Maintenance Materials Infrastructure & Plant Maint.	101-1530-110-515.05	256,554	260,000	255,855	255,855	260,000	-	0.00%
Total GENERAL SUPPLIES		280,566	304,500	300,488	300,355	305,000	500	0.16%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1530-110-520.02	3,568	50	50	50	50	-	0.00%
Postage and Freight Materials & Supplies	101-1530-110-520.04	4,554	6,000	6,000	6,000	6,000	-	0.00%
Total POSTAGE AND FREIGHT		8,122	6,050	6,050	6,050	6,050	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1530-110-525.04	27,636	40,000	40,000	40,000	40,000	-	0.00%
Fuels, Lubricants and Energy Costs Machinery & Equipment	101-1530-110-525.07	212	1,000	1,000	1,000	1,000	-	0.00%
Total FUELS/LUBRICANTS/ENERGY COSTS		27,848	41,000	41,000	41,000	41,000	-	0.00%
ALLOWANCES								
Allowances Business and Meal Expense	101-1530-110-535.02	215	1,000	1,000	1,000	1,000	-	0.00%
Allowances Uniforms/Badges/Clothing	101-1530-110-535.04	-	250	250	250	250	-	0.00%
Total ALLOWANCES		215	1,250	1,250	1,250	1,250	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	101-1530-110-600.02	-	-	5,924	5,924	5,000	5,000	-
Travel and Education Training and Education	101-1530-110-600.03	1,670	15,000	9,076	9,076	10,000	-5,000	-33.33%
Total TRAVEL AND EDUCATION		1,670	15,000	15,000	15,000	15,000	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1530-110-605.01	1,206	2,500	2,500	2,500	2,500	-	0.00%
Total ADVERTISING AND PUBLISHING		1,206	2,500	2,500	2,500	2,500	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Professional Lic. and Certs.	101-1530-110-615.01	375	500	500	500	500	-	0.00%
Total DUES AND MEMBERSHIPS		375	500	500	500	500	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Vehicle Licenses	101-1530-110-630.02	210	240	240	240	240	-	0.00%
Licenses and Fees Software Licenses	101-1530-110-630.05	-	600	600	600	600	-	0.00%
Total PERMITS, LICENSES AND FEES		210	840	840	840	840	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Government Contractual Services	101-1530-110-635.01	5,500	-	-	-	-	-	-
Contractual Services Software & Equip Maint Services	101-1530-110-635.04	141	-	3,838	3,838	3,838	3,838	-
Contractual Services Machinery & Equipment Maint. Svc	101-1530-110-635.07	-	2,000	2,174	2,174	2,200	200	10.00%
Contractual Services Infrastructure & Plant Maint Svc	101-1530-110-635.08	1,462	35,000	35,000	35,000	35,000	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Total CONTRACTUAL SERVICES		7,103	37,000	41,012	41,012	41,038	4,038	10.91%
PROFESSIONAL SERVICES								
Professional Services	101-1530-110-640.02	11,031	-	-	-	-	-	-
Engineering & Architectural Svcs								
Total PROFESSIONAL SERVICES		11,031	-	-	-	-	-	-
RENTS AND LEASES								
Rents and Leases Machinery & Equipment	101-1530-110-645.02	2,640	5,000	5,000	5,000	5,000	-	0.00%
Total RENTS AND LEASES		2,640	5,000	5,000	5,000	5,000	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1530-110-650.01	9,551	35,355	35,355	35,355	35,355	-	0.00%
Utilities Electric, Water, Sewer & Garbage	101-1530-110-650.02	15,399	15,000	15,000	15,000	15,000	-	0.00%
Total UTILITIES		24,950	50,355	50,355	50,355	50,355	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	101-1530-110-790.15	508	1,500	1,500	1,500	1,500	-	0.00%
Minor Capital Outlay Machinery & Equipment	101-1530-110-790.25	4,899	5,000	5,000	5,000	5,000	-	0.00%
Minor Capital Outlay M&E-Computers Printers & Copier	101-1530-110-790.26	916	5,350	5,350	5,350	5,350	-	0.00%
Total MINOR CAPITAL OUTLAY		6,323	11,850	11,850	11,850	11,850	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1530-110-825.01	41,494	51,225	57,130	57,130	61,275	10,050	19.62%
Total INTERDEPARTMENTAL CHARGES		41,494	51,225	57,130	57,130	61,275	10,050	19.62%
Total Expenditures		1,953,606	2,461,701	2,467,576	2,184,327	2,591,898	130,197	5.29%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries & Wages: \$1,076,320 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Streets Division.

500.05 Longevity Pay: \$5,650 – Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$90,000 - This account provides expenditures 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 expenditures for compensation paid to temporary salaried and hourly employees of the Streets Division.

505.00 Payroll Taxes: \$93,790 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$226,330 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health & Life Insurance: \$381,170– This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers' Compensation: \$44,190 – This account provides expenditures for employer contributions to workers' compensation.

508.00 Other Benefits: \$78,590 – This account provides 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: \$4,200 – This account provides expenditures for employer provided protective clothing allowances paid directly to represented employees of the Public Works Department pursuant to collective bargaining agreements or the Personnel Rules.

510.01 Office Supplies: \$2,000 - This account provides expenditures 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: \$17,500 - This account provides expenditures for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as medical supplies, shop supplies, public trash cans, public benches and cigarette disposal urns.

510.03 Safety Program Supplies: \$9,000 - This account provides expenditures for safety information brochures, safety training audio and video programs, safety equipment, specialized hazardous materials handling and disposal information, specialized protective safety clothing and traffic control supplies.

510.04 Janitorial Supplies: \$2,000 – This account provides expenditures for cleaning and sanitation supplies used by the in-house janitor.

510.05 Small Tools & Equipment: \$8,000 - This account provides expenditures 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.

515.01 Vehicle Maintenance Materials: \$1,000 - This account provides expenditures for the materials required for maintaining vehicles such as tires.

515.02 Building and Grounds Maintenance Materials: \$3,500 - This account provides expenditures for the repair and maintenance of buildings owned and operated by the City of Ketchikan. Included are items for maintenance of doors, windows, etc.

515.04 Machinery & Equipment Maintenance Materials: \$2,000 – This account provides expenditures for materials required for maintaining machinery and equipment such as office equipment and operating equipment.

515.05 Infrastructure Maintenance Materials: \$260,000 - This account provides expenditures for materials for the repair and maintenance of infrastructure owned by the City. Infrastructure includes streets, bridges, sidewalks, parking lots, promenades, storm drainage, stairways and boardwalks. Materials include sand, salt, asphalt, concrete, treated wood, gravel, signs, posts, bollards, hardware, pipe, steel, paint, asphalt patching materials and pavement striping.

520.02 Postage: \$50 - This account provides expenditures for postal related services such as postage, express delivery and mailing materials.

520.04 Freight – Materials & Supplies: \$6,000 - This account provides expenditures for shipping or transporting supplies and material to and from vendors.

525.04 Vehicle Motor Fuel & Lubricants: \$40,000 - This account provides expenditures for gasoline, diesel fuel, propane and lubricants used in the operations of City vehicles.

525.07 Machinery & Equipment Fuel & Lubricants: \$1,000 - This account provides expenditures for gasoline, diesel fuel, propane and lubricants used in the operations of City machinery and equipment.

535.02 Business and Meals: \$1,000 - Reimbursement to employees for business and job related meals, mileage for use of personal vehicles, and other business related expenses.

535.04 Allowances-Uniforms/Badges/Clothing: \$250 - This account provides expenditures for employer provided uniforms, badges and clothing purchased for the use by department or division personnel. These benefits are non-taxable to the employees.

600.02 Travel - Training: \$5,000 - This account provides expenditures for transportation, lodging, meals, per diem, and other incidental expenses associated with travel for training.

600.03 Training & Education: \$10,000 – This account provides 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 & Public Announcements: \$2,500 - This account provides expenditures 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.

615.01 Professional Licenses & Certificates: \$500 - This account provides expenditures for licensing professional, technical, and other employees requiring a license in order to perform their duties. Included are fees paid to license engineers, accountants, attorneys, commercial drivers; and fees paid for technical certifications required by medical technicians, notaries, surveyors, divers and operators of special equipment.

630.02 Vehicle Licenses: \$240 – This account provides expenditures for licensing department vehicles for operations on public highways.

630.05 Software Licenses: \$600 – This account provides expenditures for acquiring licenses for the right to use proprietary software.

635.04 Software Maintenance Services: \$3,838 - This account provides expenditures for maintenance agreements to supported licensed software systems.

635.07 Machinery & Equipment Maintenance Services: \$2,200 - This account provides expenditures 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: \$35,000 - This account provides expenditures 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: \$5,000 - This account provides expenditures for the rent and lease of machinery and equipment.

650.01 Telecommunications: \$35,355 - This account provides expenditures 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: \$15,000 - This account provides expenditures for electric, water, sewer and solid waste utility services.

790.15 Furniture & Fixtures: \$1,500 - This account provides expenditures for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures. For 2022, this will fund the purchase of miscellaneous office furniture.

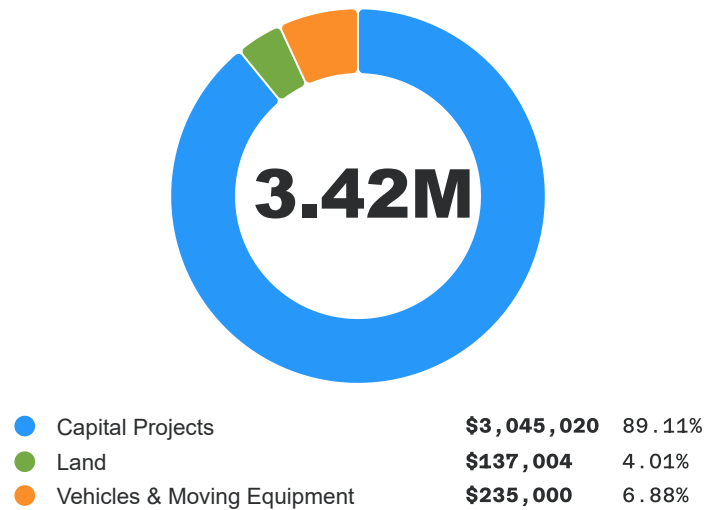
790.25 Machinery & Equipment: \$5,000 - This account provides expenditures for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office and operating equipment required to provide services or maintain capital assets. For 2022, this will fund the purchase of necessary machinery or equipment that fails and is not able to be repaired.

790.26 Computers, Printers & Copiers: \$5,350 - This account provides expenditures of network systems, computers, monitors, printers, and copiers. Per the replacement schedule developed by the Information Technology Department, two computers, one monitor, and two UPS battery backups will be replaced.

825.01 Interdepartmental Charges – Insurance: \$61,275 - This account provides expenditures for risk management services and claims.

Streets Capital Program

2026 Expenditures by Type



Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Land	-	-	-	-	137,004	137,004	-
Vehicles & Moving Equipment	628,635	522,500	607,500	488,000	235,000	-287,500	-55.02%
Capital Projects	5,667,959	1,485,000	2,010,545	985,525	3,045,020	1,560,020	105.05%
Total Expenditures	6,296,594	2,007,500	2,618,045	1,473,525	3,417,024	1,409,524	70.21%

Expenditures by Activity

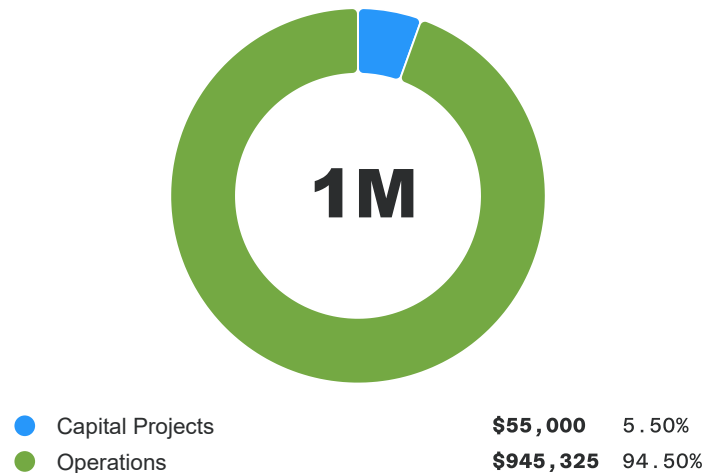
Category	2026 Budget
Capital Projects	
Public Works Sales Tax Fund	
Land General	137,004
Rainbird Trail Rock Stabilization	137,004
Vehicles & Moving Equipment General	235,000
Replace Front End Loader	235,000
Capital Projects Infrastructure & Plant	3,020,020
Transportation Infrastructure	800,000
ST - Ketchikan Lakes Road Concrete Segment Reconstruction	225,000
Bridge Repairs Construction/Maintenance	750,000
ST - Ketchikan Lakes Road (Gravel Portion) Repair	100,000
ST - Park Ave & Harris St Revitalization and Flood Hardening Design	250,000
Harris St Bridge Replacement	50,000
Sayles/Gorge Street Bridge Replacement	150,000
ST - Second Avenue Reconstruction in Landslide Area	310,000
ST - Ketchikan Lakes Road Asphalt Segment Reconstruction	20,000
Martin Street Stairs	365,020
Total Public Works Sales Tax Fund	3,392,024
Major Capital Improvements Fund	
Capital Projects Infrastructure & Plant	25,000

Category	2026 Budget
ST - Ketchikan Lakes Road Concrete Segment Reconstruction	25,000
Total Major Capital Improvements Fund	25,000
Total Capital Projects	3,417,024
Total Expenditures	3,417,024

Garage

The Public Works Garage Division is comprised of one operating division and oversees a Capital Improvement Program.

2026 Expenditures by Activity



Expenditures by Division

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	715,505	929,179	931,129	913,445	945,325	16,146	1.74%
Capital Projects	510	125,000	125,000	106,000	55,000	-70,000	-56.00%
Total Expenditures	716,015	1,054,179	1,056,129	1,019,445	1,000,325	-53,854	-5.11%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	538,997	649,129	649,329	602,195	652,905	3,776	0.58%
GENERAL SUPPLIES	210,252	278,700	267,700	268,700	280,600	1,900	0.68%
POSTAGE AND FREIGHT	4,855	7,800	11,300	10,300	10,850	3,050	39.10%
FUELS/LUBRICANTS/ENERGY COSTS	28,759	46,000	46,000	43,000	46,500	500	1.09%
ALLOWANCES	-	4,500	4,500	4,500	4,750	250	5.56%
TRAVEL AND EDUCATION	6,041	16,000	16,000	16,000	16,000	-	0.00%
ADVERTISING AND PUBLISHING	159	250	750	250	500	250	100.00%
TOWING AND SALVAGE	-	1,250	1,250	500	1,250	-	0.00%
PERMITS, LICENSES AND FEES	13,152	12,060	12,060	11,060	12,060	-	0.00%
CONTRACTUAL SERVICES	6,080	12,050	19,050	19,050	21,550	9,500	78.84%
UTILITIES	43,955	47,800	47,800	47,800	50,000	2,200	4.60%
MAJOR CAPITAL OUTLAY	510	125,000	125,000	106,000	55,000	-70,000	-56.00%
MINOR CAPITAL OUTLAY	33,290	42,050	42,050	42,000	42,050	-	0.00%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
INTERDEPARTMENTAL CHARGES	18,693	23,680	25,430	25,430	26,150	2,470	10.43%
REIMBURSABLE CREDITS	-188,728	-212,090	-212,090	-177,340	-219,840	-7,750	3.65%
Total Expenditures	716,015	1,054,179	1,056,129	1,019,445	1,000,325	-53,854	-5.11%

Funding Source

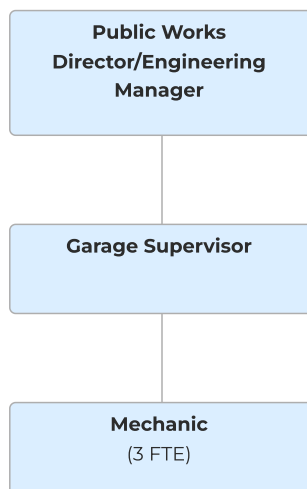
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
General Fund Support	648,406	854,939	856,889	848,205	871,085	16,146	1.0%
Public Works Sales Tax Fund	510	125,000	125,000	106,000	55,000	(70,000)	-56.0%
Solid Waste Fund	2,336	14,050	14,050	5,050	14,050	-	0.0%
Wastewater Fund	52,531	46,370	46,370	46,370	46,370	-	0.0%
Harbor Fund	4,128	6,280	6,280	6,280	6,280	-	0.0%
Port Enterprise Fund	8,104	7,540	7,540	7,540	7,540	-	0.0%
Total Funding	716,015	1,054,179	1,056,129	1,019,445	1,000,325	(53,854)	-5.1%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	4.00	4.00	4.00	4.00	358,360	-	0.0%
Total	4.00	4.00	4.00	4.00	358,360	-	0.0%

Garage Operations

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 2026

- Utilize our existing work management system to effectively manage division resources.
- Continue specialized training on vehicles and equipment and achieve related certifications.
- Provide a level of service that will enhance the operation of other departments.
- Preserve and maintain the longevity of the equipment fleet to achieve maximum usable life of each asset.
- Evaluate the equipment fleet for units that are beyond their expected service life or are no longer safe.
- Continue corrosion control program to enhance the life of equipment and reduce future maintenance costs.
- Continue to tackle more frequent major maintenance items due to not being able to replace equipment and vehicles in a timelier fashion.
- Have mechanics become certified in both Vactor, and Elgin/Broom Bear Sweeper.
- Replace 1957 Forklift.
- Have mechanic's perform specialized Fire truck repair and maintenance training.

2025 Accomplishments

- Mechanics traveled to the Vactor facility to get specialized training to be certified in the repair of Streets new Vactor.
- Successfully got back on track with proper scheduled maintenance of our fleet. This has minimized major breakdowns and has decreased unnecessary overtime. This involves pulling engine oil samples on most equipment to have it tested, which allows us to evaluate engine condition, and potential failures.
- Programmed all the City of Ketchikan's Emergency Generators, on weekly exercise (runs generator and transfers power). This has reduced unknown failures during power outages.
- Transitioned all new asset purchases to be spec built by the Garage Supervisor. This helps streamline our fleet into less manufacturers. This also reduces costs and time for repairing various types of vehicles and equipment.
- Continued our corrosion control program. Involved upgrading our type of paint and materials used when reconditioning our assets.

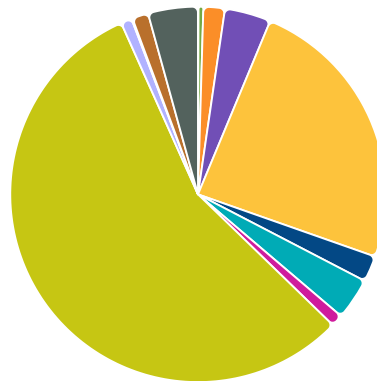
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
General Fund Support	648,406	854,939	856,889	848,205	871,085	16,146	1.9%
Solid Waste Fund	2,336	14,050	14,050	5,050	14,050	-	0.0%
Wastewater Fund	52,531	46,370	46,370	46,370	46,370	-	0.0%
Harbor Fund	4,128	6,280	6,280	6,280	6,280	-	0.0%
Port Enterprise Fund	8,104	7,540	7,540	7,540	7,540	-	0.0%
Total Funding	715,505	929,179	931,129	913,445	945,325	16,146	1.7%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Supervisor	1.00	1.00	1.00	1.00	101,620	-	0.0%
Mechanic	3.00	3.00	3.00	3.00	256,740	-	0.0%
Total	4.00	4.00	4.00	4.00	358,360	-	0.0%

2026 Expenditures by Category



● ADVERTISING AND PUBLISHING	\$500	0.05%
● ALLOWANCES	\$4,750	0.50%
● CONTRACTUAL SERVICES	\$21,550	2.28%
● FUELS/LUBRICANTS/ENERGY COSTS	\$46,500	4.92%
● GENERAL SUPPLIES	\$280,600	29.68%
● INTERDEPARTMENTAL CHARGES	\$26,150	2.77%
● MINOR CAPITAL OUTLAY	\$42,050	4.45%
● PERMITS, LICENSES AND FEES	\$12,060	1.28%
● PERSONNEL SERVICES AND BENEFITS	\$652,905	69.07%
● POSTAGE AND FREIGHT	\$10,850	1.15%
● REIMBURSABLE CREDITS	-\$219,840	-23.26%
● TOWING AND SALVAGE	\$1,250	0.13%
● TRAVEL AND EDUCATION	\$16,000	1.69%
● UTILITIES	\$50,000	5.29%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- There are no significant changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1540-110-500.01	310,032	363,459	363,459	330,450	358,360	-5,099	-1.40%
Personnel Services and Wages - Regular Longevity Bonus	101-1540-110-500.05	2,625	2,750	2,750	2,750	-	-2,750	-
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1540-110-501.01	2,517	4,500	4,500	4,500	4,500	-	0.00%
Personnel Services and Wages - Temporary Wages	101-1540-110-502.01	15,258	27,500	27,500	20,000	27,500	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1540-110-505.00	24,619	30,445	30,445	28,250	29,930	-515	-1.69%
Personnel Benefits - Pension Budget Only	101-1540-110-506.00	57,988	73,230	73,230	68,850	73,010	-220	-0.30%
Personnel Benefits - Insurance Budget Only	101-1540-110-507.00	93,701	107,190	107,190	107,190	117,830	10,640	9.93%
Personnel Benefits - Insurance Worker's Compensation	101-1540-110-507.30	11,443	16,305	16,305	16,305	15,285	-1,020	-6.26%
Personnel Benefits - Other Budget Only	101-1540-110-508.00	19,814	22,500	22,500	22,500	25,440	2,940	13.07%
Payroll Allowances PW Clothing	101-1540-110-509.03	1,000	1,250	1,450	1,400	1,050	-200	-16.00%
Total PERSONNEL SERVICES AND BENEFITS		538,997	649,129	649,329	602,195	652,905	3,776	0.58%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1540-110-510.01	883	1,200	1,500	1,200	1,500	300	25.00%
General Supplies Operating Supplies	101-1540-110-510.02	8,996	10,500	10,500	10,500	11,000	500	4.76%
General Supplies Safety Program Supplies	101-1540-110-510.03	1,011	2,500	2,500	2,500	2,750	250	10.00%
General Supplies Janitorial Supplies	101-1540-110-510.04	667	1,000	1,000	1,000	1,100	100	10.00%
General Supplies Small Tools & Equipment	101-1540-110-510.05	7,728	10,000	10,000	10,000	10,250	250	2.50%
Maintenance Materials Vehicle Maintenance Materials	101-1540-110-515.01	173,990	234,000	222,700	225,000	234,000	-	0.00%
Maintenance Materials Building and Grounds Maintenance	101-1540-110-515.02	13,628	12,000	12,000	12,000	12,500	500	4.17%
Maintenance Materials Furniture & Fixtures	101-1540-110-515.03	117	1,500	1,500	1,500	1,500	-	0.00%
Maintenance Materials Machinery & Equipment Maint.	101-1540-110-515.04	3,232	6,000	6,000	5,000	6,000	-	0.00%
Total GENERAL SUPPLIES		210,252	278,700	267,700	268,700	280,600	1,900	0.68%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1540-110-520.02	241	300	300	300	350	50	16.67%
Postage and Freight Materials & Supplies	101-1540-110-520.04	4,614	7,500	11,000	10,000	10,500	3,000	40.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Total POSTAGE AND FREIGHT		4,855	7,800	11,300	10,300	10,850	3,050	39.10%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Heating Fuel	101-1540-110-525.03	16,634	33,000	33,000	30,000	33,000	-	0.00%
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1540-110-525.04	12,125	13,000	13,000	13,000	13,500	500	3.85%
Total FUELS/LUBRICANTS/ENERGY COSTS		28,759	46,000	46,000	43,000	46,500	500	1.09%
ALLOWANCES								
Allowances Uniforms/Badges/Clothing	101-1540-110-535.04	-	1,000	1,000	1,000	1,000	-	0.00%
Allowances Special Protective Clothing	101-1540-110-535.05	-	2,500	2,500	2,500	2,750	250	10.00%
Allowances Food & Catering	101-1540-110-535.07	-	1,000	1,000	1,000	1,000	-	0.00%
Total ALLOWANCES		-	4,500	4,500	4,500	4,750	250	5.56%
TRAVEL AND EDUCATION								
Travel and Education Training and Education	101-1540-110-600.03	6,041	16,000	16,000	16,000	16,000	-	0.00%
Total TRAVEL AND EDUCATION		6,041	16,000	16,000	16,000	16,000	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	101-1540-110-605.01	159	250	750	250	500	250	100.00%
Total ADVERTISING AND PUBLISHING		159	250	750	250	500	250	100.00%
TOWING AND SALVAGE								
Towing and Salvage Towing of Property	101-1540-110-620.03	-	1,250	1,250	500	1,250	-	0.00%
Total TOWING AND SALVAGE		-	1,250	1,250	500	1,250	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Vehicle Licenses	101-1540-110-630.02	-	60	60	60	60	-	0.00%
Licenses and Fees Software Licenses	101-1540-110-630.05	13,152	12,000	12,000	11,000	12,000	-	0.00%
Total PERMITS, LICENSES AND FEES		13,152	12,060	12,060	11,060	12,060	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Vehicle Maintenance Services	101-1540-110-635.03	5,097	7,000	7,000	7,000	5,000	-2,000	-28.57%
Contractual Services Building and Grounds Maint. Svc	101-1540-110-635.06	-	-	-	-	8,000	8,000	-
Contractual Services Machinery & Equipment Maint. Svc	101-1540-110-635.07	-	3,500	10,500	10,500	7,000	3,500	100.00%
Contractual Services Technical Services	101-1540-110-635.12	983	1,550	1,550	1,550	1,550	-	0.00%
Total CONTRACTUAL SERVICES		6,080	12,050	19,050	19,050	21,550	9,500	78.84%
UTILITIES								
Utilities Telecommunications	101-1540-110-650.01	3,895	4,800	4,800	4,800	5,000	200	4.17%
Utilities Electric, Water, Sewer & Garbage	101-1540-110-650.02	40,060	43,000	43,000	43,000	45,000	2,000	4.65%
Total UTILITIES		43,955	47,800	47,800	47,800	50,000	2,200	4.60%
MINOR CAPITAL OUTLAY								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Minor Capital Outlay Machinery & Equipment	101-1540-110-790.25	17,489	23,000	23,000	23,000	23,000	-	0.00%
Minor Capital Outlay M&E-Computers Printers & Copier	101-1540-110-790.26	2,886	7,050	7,050	7,000	7,050	-	0.00%
Minor Capital Outlay Infrastructure & Plant	101-1540-110-790.30	12,915	12,000	12,000	12,000	12,000	-	0.00%
Total MINOR CAPITAL OUTLAY		33,290	42,050	42,050	42,000	42,050	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1540-110-825.01	18,693	23,680	25,430	25,430	26,150	2,470	10.43%
Total INTERDEPARTMENTAL CHARGES		18,693	23,680	25,430	25,430	26,150	2,470	10.43%
REIMBURSABLE CREDITS								
Reimbursable Credit	101-1540-110-890.00	-188,728	-212,090	-212,090	-177,340	-219,840	-7,750	3.65%
Total REIMBURSABLE CREDITS		-188,728	-212,090	-212,090	-177,340	-219,840	-7,750	3.65%
Total Expenditures		715,505	929,179	931,129	913,445	945,325	16,146	1.74%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries & Wages: \$358,360 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Garage & Warehouse Division.

501.01 Overtime Wages: \$4,500 - This account provides expenditures for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502.01 Temporary Wages: \$27,500 - This account provides expenditures for compensation paid to all temporary employees in the Garage Division

505.00 Payroll Taxes: \$29,930 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$73,010 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health & Life Insurance: \$117,830 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers' Compensation: \$15,285 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$25,440 – This account provides 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: \$1,050 – This account provides expenditures for employer provided protective clothing allowances paid directly to represented employees of the Public Works Department pursuant to collective bargaining agreements or the Personnel Rules.

510.01 Office Supplies: \$1,500 - This account provides expenditures 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: \$11,000 - This account provides expenditures 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. General supplies for shop. Degreaser, oil response kits, chemicals and fluids.

510.03 Safety Program Supplies: \$2,750 - This account provides expenditures 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: \$1,100 – This account provides expenditures for cleaning and sanitation supplies used by in-house and contracted janitors.

510.05 Small Tools & Equipment: \$10,250 - This account provides expenditures 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: \$234,000 - This account provides expenditures for the cost of materials used 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 & Grounds Maintenance Materials: \$12,500 – This account provides expenditures 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 & Fixtures Maintenance Materials: \$1,500 - This account provides expenditures for materials required for the repair, maintenance, & replacement of furniture and building fixtures owned or leased and operated by the division.

515.04 Machinery & Equipment Maintenance Materials: \$6,000 – This account provides expenditures for materials and parts required for the repair and maintenance of City owned machinery and equipment used by the division.

520.02 Postage: \$350 - This account provides expenditures 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 & Supplies: \$10,500 - This account provides expenditures for shipping or transporting supplies and materials to and from vendors, as well as unforeseen costs in Shipping/Freight for emergency repairs.

525.03 Heating Fuel: \$33,000 - This account provides expenditures for heating fuel to heat the garage and the warehouse.

525.04 Vehicle Motor Fuel & Lubricants: \$13,500 - This account provides expenditures for gasoline, diesel fuel, propane and lubricants used in the operations of the division.

535.04 Uniforms/Badges/Clothing: \$1,000 - This account provides expenditures 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.

535.05 Special Protective Clothing: \$2,750 - Employer provided special protective clothing purchased for the use by department or division personnel. These benefits are non-taxable to the employee's

535.07 Food & Catering: \$1,000 - reasonable expenditures for meals and refreshments eaten during meetings at which city business is conducted and in those cases where recessing the meeting for a meal will adversely affect the flow or timing of the meeting

600.03 Training & Education: \$16,000 - This account provides 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. For 2025, training will focus on the repair and maintenance of New Vactor and New Sweeper.

605.01 Ads & Public Announcements: \$500 - This account provides expenditures for 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.

620.03 Towing: \$1,250 This account provides expenditures for towing of City vehicles.

630.02 Vehicle Licenses: \$60 – This account provides expenditures for acquiring licenses for vehicles for operations on public highways.

630.05 Software Licenses: \$12,000 – This account provides expenditures for acquiring licenses for the right to use proprietary software.

635.03 Vehicle Maintenance Services: \$5,000 – This account provides expenditures 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 & Equipment Maintenance Services: \$7,000 - This account provides expenditures 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: \$1,550 - This account provides expenditures for services that are not regarded as professional but require technical or special knowledge. Included are specialized automotive services.

650.01 Telecommunications: \$5,000 - This account provides expenditures 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 expenditures for electric, water, sewer and solid waste utility services.

790.25 Machinery & Equipment: \$23,000 - This account provides expenditures for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office and operating equipment required to provide services or maintain capital assets. For 2024, this will fund an upgrade of the main shop lights to LED lights.

790.26 Computers, Printers & Copiers: \$7,050 - This account provides expenditures for desktop, laptops, and tablet computers; computer printers and scanners, photocopiers and fax machines. Per the computer replacement schedule developed by the Information Technology Department, one computer, one laptop, one printer and one UPS battery back-up will be replaced.

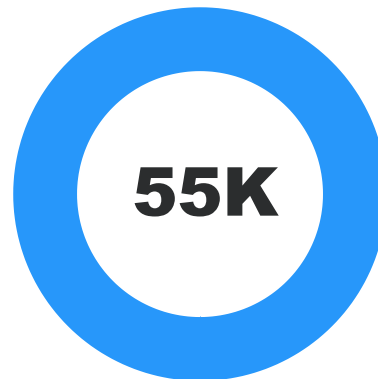
790.30 Infrastructure and Plant: \$12,000 - This account provides expenditures for costs associated with replacing the exhaust system in the shop.

825.01 Interdepartmental Charges – Insurance: \$26,150 - This account provides expenditures for risk management services and claims.

890.00 Reimbursable Credits: (\$219,090) – A contra-expense account for crediting the Garage department for operating costs that will be paid by another General Fund department.

Garage Capital Program

2026 Expenditures by Type



● Vehicles & Moving Equipment \$55,000 100.00%

Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Vehicles & Moving Equipment	510	125,000	125,000	106,000	55,000	-70,000	-56.00%
Total Expenditures	510	125,000	125,000	106,000	55,000	-70,000	-56.00%

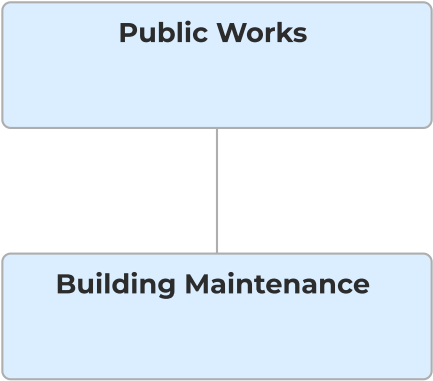
Expenditures by Activity

Category	2026 Budget
Capital Projects	
Public Works Sales Tax Fund	
Vehicles & Moving Equipment General	55,000
Replace 1957 Hyster Forklift	55,000
Total Public Works Sales Tax Fund	55,000
Total Capital Projects	55,000
Total Expenditures	55,000

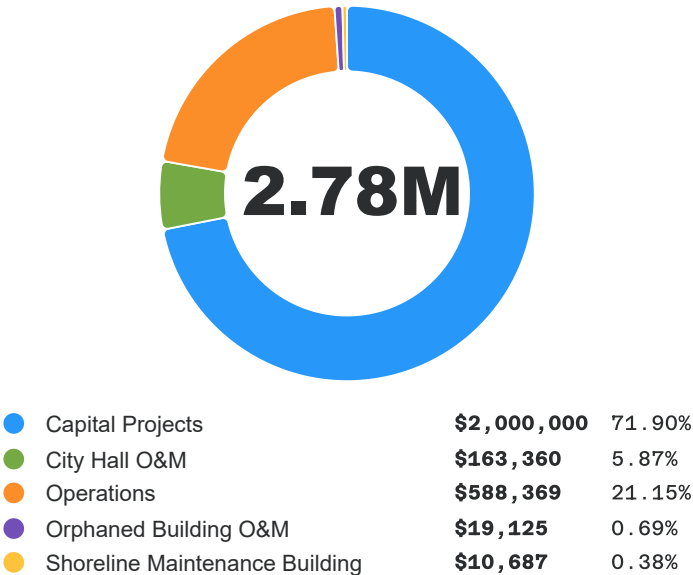
Building Maintenance

The Public Works Building Maintenance Division is responsible for maintenance of various City-owned facilities.

The Public Works Building Maintenance Division is comprised of one operating division and oversees three cost centers and a Capital Improvement Program.



2026 Expenditures by Activity



Expenditures by Division

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	434,441	520,985	519,815	516,091	588,369	67,384	12.93%
Capital Projects	-	200,000	200,000	110,000	2,000,000	1,800,000	900.00%
City Hall O&M	132,539	160,125	159,027	149,712	163,360	3,235	2.02%
Shoreline Maintenance Building	8,413	9,962	10,262	10,262	10,687	725	7.28%
Orphaned Building O&M	7,820	10,040	13,798	8,876	19,125	9,085	90.49%
Total Expenditures	583,213	901,112	902,902	794,941	2,781,541	1,880,429	208.68%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	386,238	429,995	429,995	427,495	490,775	60,780	14.14%
GENERAL SUPPLIES	18,255	23,935	23,447	23,235	26,214	2,279	9.52%
POSTAGE AND FREIGHT	-	145	145	145	145	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS	22,994	25,950	25,515	25,515	28,195	2,245	8.65%
ALLOWANCES	283	750	750	750	750	-	0.00%
TRAVEL AND EDUCATION	-	750	750	750	750	-	0.00%
PERMITS, LICENSES AND FEES	20	400	400	400	400	-	0.00%
CONTRACTUAL SERVICES	77,944	95,500	100,893	89,004	106,000	10,500	10.99%
PROFESSIONAL SERVICES	-	5,000	-	-	5,000	-	0.00%
RENTS AND LEASES	6,374	7,874	7,874	7,874	7,874	-	0.00%
UTILITIES	46,657	75,600	78,630	74,100	78,170	2,570	3.40%
MAJOR CAPITAL OUTLAY	-	200,000	200,000	110,000	2,000,000	1,800,000	900.00%
MINOR CAPITAL OUTLAY	-	5,950	3,450	5,950	5,950	-	0.00%
INTERDEPARTMENTAL CHARGES	30,505	35,320	37,110	35,780	37,375	2,055	5.82%
REIMBURSABLE CREDITS	-6,057	-6,057	-6,057	-6,057	-6,057	-	0.00%
Total Expenditures	583,213	901,112	902,902	794,941	2,781,541	1,880,429	208.68%

Funding Source

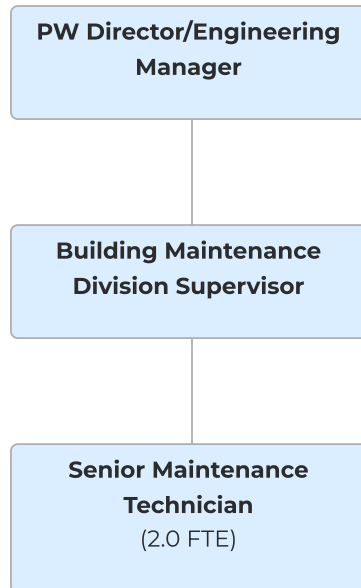
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Tax Supported	576,839	694,738	696,528	678,567	775,167	80,429	11.6%
Shoreline Fund	6,374	6,374	6,374	6,374	6,374	-	0.0%
Public Works Sales Tax Fund	-	200,000	200,000	110,000	100,000	(100,000)	-50.0%
Community Facilities Fund	-	-	-	-	1,900,000	1,900,000	100.0%
Total Funding	583,213	901,112	902,902	794,941	2,781,541	1,880,429	208.7%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	3.00	3.00	3.00	3.00	284,810	-	0.0%
Total	3.00	3.00	3.00	3.00	284,810	-	0.0%

Building Maintenance Operations

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 2026

- Continue to troubleshoot and provide maintenance for all building systems and facilities within the responsibility of the division.
- Continue upgrades to City Hall as needed.
- Continue implementing upgrades and moisture control recommendations at the Totem Heritage Center.
- Continue obtaining training for the Building Maintenance Division staff including HVAC systems, electrical, automated building controls and supervisory professional development.
- Continue upgrading lighting to more energy efficient ballasts/bulbs, and changing to direct wired LEDs where possible.

2025 Accomplishments

- Completed hundreds of work orders for various repairs and maintenance to citywide buildings and structures. Maintained HVAC systems and controls. Changed oil in compressors and provided annual service to apparatus doors. Scheduled inspections on sprinkler systems, back flow preventers, fire alarms, annual boiler, and furnace maintenance. Maintained and serviced hand-free toilets and faucets. Performed monthly mechanical walkthroughs, pressure washed buildings, dealt with homeless encampments and garbage.
- Museum: Helped build exhibits, new exterior wall to cover warm air exhaust, apply clean gravel to mote. Removed questionable tree leaning towards building and totem pole.
- Admin Building: Leaking upstairs window due to trim loosening, refastened and refinished interior. Repaired exterior parking light fixtures. Repaired a leak in the refrigerant line on AC unit.
- Solid Waste: Rebuilt an access window in the scale house after it was broken into. The sprinkler drain line froze and broke, setting off alarms. We fixed the pipe, reset the alarm, and recharged the sprinkler. Installed new exterior lights with LED" s, pressure washed buildings and gutters and cleaned downspouts.

- Fire Stations 1 and 2: Quarterly maintenance and inspections on apparatus doors. Haul pressure washer to roof and clean. Remove 400 lbs. of shells. Paint access door.
- Police: New sensor failed on new apparatus door. Replaced and reset. Communications center AC troubleshoot, replaced stepdown transformer. Replaced boilers PRV's line and PRV's.
- City Hall: AC problems for KPU telephone fault on mezzanine, worked with KPU and HVAC contractors and electricians to install a new heat pump. Pressure washed the roof. First floor control issues. Worked with Long Building Technologies to troubleshoot and fix.
- Wastewater: Custom fit new door motor, rewire and set controls.
- Library: Install new water filler station and remove old one, replum and wire in new one. Broken and fallen exterior tiles replaced. Misc. maintenance during yearly maint. closure. Exterior wood sanded and stained. Electrical lighting contractor needing replacement for cabinet lighting. Low water cutout on boiler needed new control board installed.
- Garage: New custom wall and door installed on conex
- Totem Heritage Center: Scrape all loose stain and paint. Pressure washed and re-stained all exterior wood. Fix non-skid on ramp and install temporary support under the ramp until replaced in the fall.

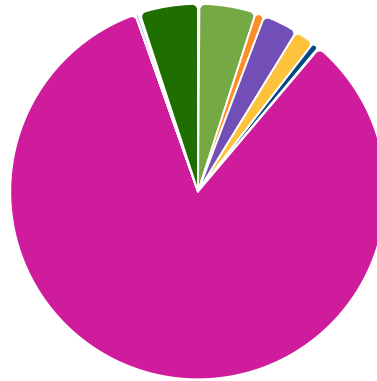
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Tax Supported	434,441	520,985	519,815	516,091	588,369	67,384	12.9%
Total Funding	434,441	520,985	519,815	516,091	588,369	67,384	12.9%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Bldg Maintenance Supervisor	1.00	1.00	1.00	1.00	104,050	-	0.0%
Maintenance Technician	2.00	2.00	2.00	2.00	180,760	-	
Total	3.00	3.00	3.00	3.00	284,810	-	0.0%

2026 Expenditures by Category



● ALLOWANCES	\$750	0.13%
● CONTRACTUAL SERVICES	\$28,500	4.84%
● FUELS/LUBRICANTS/ENERGY COSTS	\$4,600	0.78%
● GENERAL SUPPLIES	\$17,829	3.03%
● INTERDEPARTMENTAL CHARGES	\$10,150	1.73%
● MINOR CAPITAL OUTLAY	\$3,450	0.59%
● PERMITS, LICENSES AND FEES	\$400	0.07%
● PERSONNEL SERVICES AND BENEFITS	\$490,775	83.41%
● POSTAGE AND FREIGHT	\$145	0.02%
● RENTS AND LEASES	\$1,500	0.25%
● TRAVEL AND EDUCATION	\$750	0.13%
● UTILITIES	\$29,520	5.02%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$60,780 or 14.14% due to promotions of the Building Maintenance Technicians to Senior Building Maintenance Technicians in 2025, annual step increases, a 5.0% cost of living adjustment for City IBEW, Local 1547 employees that will become effective January 1, 2026 and projected increases in payroll taxes, pension, health insurance, and other benefit costs.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	101-1550-110-500.01	233,257	248,960	253,050	253,050	284,810	35,850	14.40%
Personnel Services and Wages - Regular Longevity Bonus	101-1550-110-500.05	2,875	3,000	3,000	3,000	3,750	750	25.00%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	101-1550-110-501.01	1,250	3,600	3,600	1,500	3,600	-	0.00%
Personnel Services and Wages - Temporary Wages	101-1550-110-502.01	-	7,500	2,600	2,500	7,500	-	0.00%
Personnel Benefits - Taxes Budget Only	101-1550-110-505.00	17,664	20,140	20,140	20,140	23,000	2,860	14.20%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Personnel Benefits - Pension Budget Only	101-1550-110-506.00	41,876	47,990	48,500	48,500	54,790	6,800	14.17%
Personnel Benefits - Insurance Budget Only	101-1550-110-507.00	75,100	79,040	79,040	79,040	87,780	8,740	11.06%
Personnel Benefits - Insurance Worker's Compensation	101-1550-110-507.30	6,676	8,985	8,985	8,985	8,915	-70	-0.78%
Personnel Benefits - Other Budget Only	101-1550-110-508.00	6,790	9,730	9,730	9,730	15,280	5,550	57.04%
Payroll Allowances PW Clothing	101-1550-110-509.03	750	750	1,050	1,050	1,050	300	40.00%
Payroll Allowances Medical Expense	101-1550-110-509.08	-	300	300	-	300	-	0.00%
Total PERSONNEL SERVICES AND BENEFITS		386,238	429,995	429,995	427,495	490,775	60,780	14.14%
GENERAL SUPPLIES								
General Supplies Office Supplies	101-1550-110-510.01	164	300	300	300	300	-	0.00%
General Supplies Operating Supplies	101-1550-110-510.02	634	630	630	630	1,200	570	90.48%
General Supplies Safety Program Supplies	101-1550-110-510.03	402	695	695	695	729	34	4.89%
General Supplies Janitorial Supplies	101-1550-110-510.04	-	50	50	50	50	-	0.00%
General Supplies Small Tools & Equipment	101-1550-110-510.05	3,409	4,000	4,000	4,000	4,000	-	0.00%
Maintenance Materials Building and Grounds Maintenance	101-1550-110-515.02	8,973	11,000	11,000	11,000	11,550	550	5.00%
Total GENERAL SUPPLIES		13,582	16,675	16,675	16,675	17,829	1,154	6.92%
POSTAGE AND FREIGHT								
Postage and Freight Postage	101-1550-110-520.02	-	45	45	45	45	-	0.00%
Postage and Freight Materials & Supplies	101-1550-110-520.04	-	100	100	100	100	-	0.00%
Total POSTAGE AND FREIGHT		-	145	145	145	145	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	101-1550-110-525.04	4,604	4,400	4,400	4,400	4,600	200	4.55%
Total FUELS/LUBRICANTS/ENERGY COSTS		4,604	4,400	4,400	4,400	4,600	200	4.55%
ALLOWANCES								
Allowances Business and Meal Expense	101-1550-110-535.02	283	750	750	750	750	-	0.00%
Total ALLOWANCES		283	750	750	750	750	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Training and Education	101-1550-110-600.03	-	750	750	750	750	-	0.00%
Total TRAVEL AND EDUCATION		-	750	750	750	750	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Vehicle Licenses	101-1550-110-630.02	20	400	400	400	400	-	0.00%
Total PERMITS, LICENSES AND FEES		20	400	400	400	400	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Building and Grounds Maint. Svc	101-1550-110-635.06	1,375	2,500	1,276	1,276	2,500	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Contractual Services Machinery & Equipment Maint. Svc	101-1550-110-635.07	-	500	1,724	500	3,000	2,500	500.00%
Contractual Services Technical Services	101-1550-110-635.12	16,520	22,000	20,840	20,840	23,000	1,000	4.55%
Total CONTRACTUAL SERVICES		17,895	25,000	23,840	22,616	28,500	3,500	14.00%
RENTS AND LEASES								
Rents and Leases Machinery & Equipment	101-1550-110-645.02	-	1,500	1,500	1,500	1,500	-	0.00%
Total RENTS AND LEASES		-	1,500	1,500	1,500	1,500	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1550-110-650.01	5,982	29,520	28,020	28,020	29,520	-	0.00%
Total UTILITIES		5,982	29,520	28,020	28,020	29,520	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Machinery & Equipment	101-1550-110-790.25	-	300	300	300	300	-	0.00%
Minor Capital Outlay M&E-Computers Printers & Copier	101-1550-110-790.26	-	3,150	3,150	3,150	3,150	-	0.00%
Total MINOR CAPITAL OUTLAY		-	3,450	3,450	3,450	3,450	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1550-110-825.01	5,837	8,400	9,890	9,890	10,150	1,750	20.83%
Total INTERDEPARTMENTAL CHARGES		5,837	8,400	9,890	9,890	10,150	1,750	20.83%
Total Expenditures		434,441	520,985	519,815	516,091	588,369	67,384	12.93%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries & Wages: \$284,810 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Building Maintenance Division.

500.05 Longevity Pay: \$3,750 – Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$3,600 - This account provides expenditures for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502.01 Temporary Wages: \$7,500 - This account provides expenditures for compensation paid to temporary salaried and hourly employees of the Building Maintenance Division.

505.00 Payroll Taxes: \$23,000 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$54,790 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health & Life Insurance: \$87,780 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers' Compensation: \$8,915 – This account provides expenditures for employer contributions to workers' compensation insurance.

508.00 Other Benefits: \$15,280 – This account provides 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: \$1,050 – This account provides expenditures for employer provided protective clothing allowances paid directly to represented employees of the Building Maintenance Division pursuant to collective bargaining agreements or the Personnel Rules.

509.08 Allowances-Medical Expenses: \$300 - This account provides expenditures for employee medical exams paid directly to employees.

510.01 Office Supplies: \$300 – This account provides expenditures for expendable office supplies and equipment such as 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: \$1,200 - This account provides expenditures for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as adhesives, misc. fasteners, nails and screws, and bottled water service.

510.03 Safety Program Supplies: \$729 - This account provides expenditures for safety training audio and video programs, safety equipment, specialized hazardous materials handling and disposal information and specialized protective safety clothing and traffic control.

510.04 Janitorial Supplies: \$50 - This account provides expenditures for cleaning and sanitation supplies used for in-house janitor duties.

510.05 Small Tools & Equipment: \$4,000 - This account provides expenditures 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 & Grounds Maintenance Materials: \$11,550 – This account provides expenditures for the repair and maintenance of buildings and upkeep of the grounds owned or leased and operated by the City.

520.02 Postage: \$45 - This account provides for expenditures for postal related services such as postage, express delivery and mailing materials.

520.04 Freight – Materials & Supplies: \$100 - This account provides expenditures for shipping or transporting supplies and materials to and from vendors.

525.04 Vehicle Motor Fuel & Lubricants: \$4,600 - This account provides expenditures for gasoline, diesel fuel, propane and lubricants used in the operations of vehicles.

535.02 Business and Meal: \$750 - Reimbursement to employees for business and job related meals, mileage for use of personal vehicles, and other business-related expense.

600.03 Training & Education: \$750 - This account provides expenditures for the registration fees, training materials and fees for on-premises training programs provided by a third-party.

630.02 Vehicle Licenses: \$400 – This account provides expenditures for licensing City vehicles for operations on public highways.

635.06 Buildings & Grounds Maintenance Services: \$2,500 – This account provides expenditures 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 & Equipment Maintenance Services: \$3,000 – This account provides expenditures 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: \$23,000 - This account provides expenditures 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.

645.02 Rents & Leases – Machinery & Equipment: \$1,500 - This account provides expenditures for the rent and lease of vehicles. Both operating and capital leases are accounted for in this account.

650.01 Telecommunications: \$29,520 – This account provides expenditures for wired and wireless telecommunication services. Included are landline and cell phone services, network and data services, Internet, long distance and toll free numbers. Purchases of cell phones are also charged to this account.

790.25 Machinery & Equipment: \$300 - This account provides expenditures for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment and operating equipment required to provide services or maintain capital assets.

790.26 Computers, Printers & Copiers: \$3,150 - This account provides expenditures for desktop, laptops, and tablet computers; computer printers and scanners, photocopiers and fax machines. Per the computer replacement schedule developed by the Information Technology Department, one computer, one monitor, and one UPS battery back-up will be replaced.

825.01 Interdepartmental Charges – Insurance: \$10,150 - This account provides expenditures for risk management services and claims.

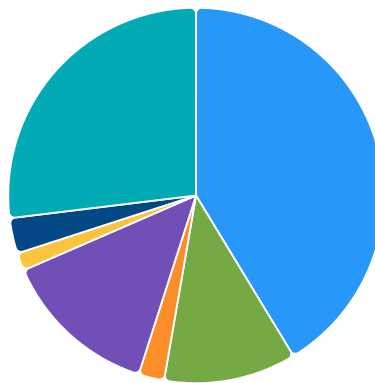
City Hall O&M

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/KPU General Manager, Finance and Information Technology Departments. Operating and maintaining the City Hall Building is a Public Works Department function.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Tax Supported	132,539	160,125	159,027	149,712	163,360	3,235	2.0%
Total Funding	132,539	160,125	159,027	149,712	163,360	3,235	2.0%

2026 Expenditures by Category



● CONTRACTUAL SERVICES	\$67,500	41.32%
● FUELS/LUBRICANTS/ENERGY COSTS	\$18,635	11.41%
● GENERAL SUPPLIES	\$3,600	2.20%
● INTERDEPARTMENTAL CHARGES	\$22,125	13.54%
● MINOR CAPITAL OUTLAY	\$2,500	1.53%
● PROFESSIONAL SERVICES	\$5,000	3.06%
● UTILITIES	\$44,000	26.93%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- There are no significant changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
GENERAL SUPPLIES								
General Supplies Janitorial Supplies	101-1550-255-510.04	-	100	100	100	100	-	0.00%
General Supplies Small Tools & Equipment	101-1550-255-510.05	-	750	50	50	750	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Maintenance Materials Building and Grounds Maintenance	101-1550-255-515.02	3,154	2,625	2,625	2,625	2,750	125	4.76%
Total GENERAL SUPPLIES		3,154	3,475	2,775	2,775	3,600	125	3.60%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Heating Fuel	101-1550-255-525.03	15,873	17,750	17,750	17,750	18,635	885	4.99%
Total FUELS/LUBRICANTS/ENERGY COSTS		15,873	17,750	17,750	17,750	18,635	885	4.99%
CONTRACTUAL SERVICES								
Contractual Services Janitorial & Cleaning Services	101-1550-255-635.02	47,521	40,000	50,665	40,000	40,000	-	0.00%
Contractual Services Building and Grounds Maint. Svc	101-1550-255-635.06	2,253	5,500	5,137	5,137	5,500	-	0.00%
Contractual Services Technical Services	101-1550-255-635.12	7,740	21,000	17,800	17,800	22,000	1,000	4.76%
Total CONTRACTUAL SERVICES		57,514	66,500	73,602	62,937	67,500	1,000	1.50%
PROFESSIONAL SERVICES								
Professional Services Engineering & Architectural Svcs	101-1550-255-640.02	-	5,000	-	-	5,000	-	0.00%
Total PROFESSIONAL SERVICES		-	5,000	-	-	5,000	-	0.00%
UTILITIES								
Utilities Telecommunications	101-1550-255-650.01	9,883	9,540	9,540	9,540	10,000	460	4.82%
Utilities Electric, Water, Sewer & Garbage	101-1550-255-650.02	25,668	33,040	33,040	33,040	34,000	960	2.91%
Total UTILITIES		35,551	42,580	42,580	42,580	44,000	1,420	3.33%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Machinery & Equipment	101-1550-255-790.25	-	2,500	-	2,500	2,500	-	0.00%
Total MINOR CAPITAL OUTLAY		-	2,500	-	2,500	2,500	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1550-255-825.01	20,447	22,320	22,320	21,170	22,125	-195	-0.87%
Total INTERDEPARTMENTAL CHARGES		20,447	22,320	22,320	21,170	22,125	-195	-0.87%
Total Expenditures		132,539	160,125	159,027	149,712	163,360	3,235	2.02%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

510.04 Janitorial Supplies: \$100 – This account provides expenditures for cleaning and sanitation supplies used by the janitor.

510.05 Small Tools & Equipment: \$750 - This account provides expenditures 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 & Grounds Maintenance Materials: \$2,750 – This account provides expenditures for materials for the repair and maintenance of City Hall and the upkeep of its grounds.

525.03 Heating Fuel: \$18,635 - This account provides expenditure for heating fuel to heat City Hall.

635.02 Janitorial & Cleaning Services: \$40,000 - This account provides expenditures for services to clean City Hall. Included are janitorial and carpet cleaning.

635.06 Buildings & Grounds Maintenance Services: \$5,500 - This account provides expenditures for the services to repair and maintain City Hall and the upkeep of its grounds.

635.12 Technical Services: \$22,000 - This account provides expenditures 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 Display Data Channel (DDC) Support.

640.02 Engineering & Architectural Services: \$5,000 - This account provides expenditures for services for engineering and architectural services.

650.01 Telecommunications: \$10,000 – This account provides expenditures for wired and wireless telecommunication services. Included are landline and cell phone services, network and data services, Internet, long distance and toll free numbers. Purchases of cell phones are also charged to this account.

650.02 Electric, Water, Sewer & Solid Waste Services: \$34,000 - This account provides expenditures for electric, water, sewer and solid waste utility services for City Hall.

790.25 Machinery & Equipment: \$2,500 - This account provides expenditures 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: \$22,125 - This account provides expenditures for risk management services and claims.

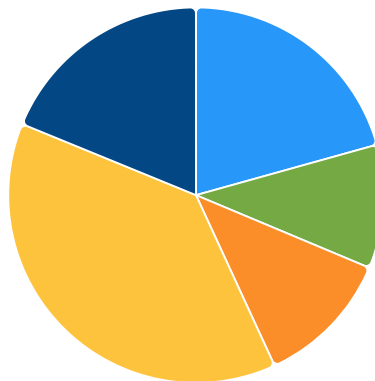
Shoreline Maintenance Building O&M

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.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Tax Supported	2,039	3,588	3,888	3,888	4,313	725	20.2%
Shoreline Fund	6,374	6,374	6,374	6,374	6,374	-	0.0%
Total Funding	8,413	9,962	10,262	10,262	10,687	725	7.3%

2026 Expenditures by Category



FUELS/LUBRICANTS/ENERGY COSTS	\$3,460	32.38%
GENERAL SUPPLIES	\$1,785	16.70%
INTERDEPARTMENTAL CHARGES	\$1,975	18.48%
REIMBURSABLE CREDITS	-\$6,057	-56.68%
RENTS AND LEASES	\$6,374	59.64%
UTILITIES	\$3,150	29.48%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- There are no significant changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	%% Change
GENERAL SUPPLIES								
Maintenance Materials Building and Grounds Maintenance	101-1550-256-515.02	1,359	1,785	1,785	1,785	1,785	-	0.00%
Total GENERAL SUPPLIES		1,359	1,785	1,785	1,785	1,785	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Fuels, Lubricants and Energy Costs Heating Fuel	101-1550-256-525.03	2,517	3,300	3,300	3,300	3,460	160	4.85%
Total FUELS/LUBRICANTS/ENERGY COSTS		2,517	3,300	3,300	3,300	3,460	160	4.85%
RENTS AND LEASES								
Rents and Leases Land & Buildings	101-1550-256-645.01	6,374	6,374	6,374	6,374	6,374	-	0.00%
Total RENTS AND LEASES		6,374	6,374	6,374	6,374	6,374	-	0.00%
UTILITIES								
Utilities Electric, Water, Sewer & Garbage	101-1550-256-650.02	2,788	3,000	3,000	3,000	3,150	150	5.00%
Total UTILITIES		2,788	3,000	3,000	3,000	3,150	150	5.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1550-256-825.01	1,432	1,560	1,860	1,860	1,975	415	26.60%
Total INTERDEPARTMENTAL CHARGES		1,432	1,560	1,860	1,860	1,975	415	26.60%
REIMBURSABLE CREDITS								
Reimbursable Credit	101-1550-256-890.00	-6,057	-6,057	-6,057	-6,057	-6,057	-	0.00%
Total REIMBURSABLE CREDITS		-6,057	-6,057	-6,057	-6,057	-6,057	-	0.00%
Total Expenditures		8,413	9,962	10,262	10,262	10,687	725	7.28%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

515.02 Building & Grounds Maintenance Materials: \$1,785 – This account provides expenditures for materials for the repair and maintenance of the Shoreline Maintenance Building and the upkeep of its grounds.

525.03 Heating Fuel: \$3,460 - This account provides expenditures for heating fuel to heat the Shoreline Maintenance Building.

645.01 Rents & Leases - Land & Buildings: \$6,374 - This account provides expenditures for the rent and lease of the Shoreline Maintenance Building.

650.02 Electric, Water, Sewer & Solid Waste: \$3,150 - This account provides expenditures for electric, water, sewer and solid waste utility services.

825.01 Interdepartmental Charges – Insurance: \$1,975 - This account provides expenditures for risk management services and claims.

890.00 Reimbursable Credits: (\$6,057) - This is a contra-expense account that provides expenditures for reimbursement for the Fire Department's share of the cost of operating and maintaining the Shoreline Maintenance Building. The shared cost for the Fire Department shall not exceed \$6,057.

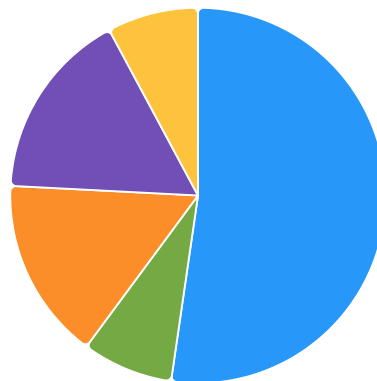
Orphaned Buildings O&M

The mission of the Building Maintenance Orphaned Buildings O&M cost center is to provide a resource and tracking mechanism to preserve and maintain buildings owned or leased and operated by the City that are not needed for operations. The heating and ventilating, plumbing and electrical systems of the facility formerly known as the Ketchikan Regional Youth Facility (KRYF) are included in this section along with required maintenance and inspections to keep the facilities functional until final disposition is determined by the City Council. Per City Council action, the Ketchikan Regional Youth Facility was conveyed to Women in Safe Homes (WISH) in late 2021 and the associated expenses in maintaining the facility are included in this section as decreases, which began in 2022.

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
General Fund							
Tax Supported	7,820	10,040	13,798	8,876	19,125	9,085	90.5%
Total Funding	7,820	10,040	13,798	8,876	19,125	9,085	90.5%

2026 Expenditures by Category



● CONTRACTUAL SERVICES	\$10,000	52.29%
● FUELS/LUBRICANTS/ENERGY COSTS	\$1,500	7.84%
● GENERAL SUPPLIES	\$3,000	15.69%
● INTERDEPARTMENTAL CHARGES	\$3,125	16.34%
● UTILITIES	\$1,500	7.84%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- There are no significant changes between 2025 and 2026.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
GENERAL SUPPLIES								
Maintenance Materials Building and Grounds Maintenance	101-1550-257-515.02	160	2,000	2,212	2,000	3,000	1,000	50.00%
Total GENERAL SUPPLIES		160	2,000	2,212	2,000	3,000	1,000	50.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Heating Fuel	101-1550-257-525.03	-	500	65	65	1,500	1,000	200.00%
Total FUELS/LUBRICANTS/ENERGY COSTS		-	500	65	65	1,500	1,000	200.00%
CONTRACTUAL SERVICES								
Contractual Services Building and Grounds Maint. Svc	101-1550-257-635.06	1,160	2,000	1,451	1,451	5,000	3,000	150.00%
Contractual Services Technical Services	101-1550-257-635.12	1,375	2,000	2,000	2,000	5,000	3,000	150.00%
Total CONTRACTUAL SERVICES		2,535	4,000	3,451	3,451	10,000	6,000	150.00%
UTILITIES								
Utilities Telecommunications	101-1550-257-650.01	477	-	1,152	-	-	-	0.00%
Utilities Electric, Water, Sewer & Garbage	101-1550-257-650.02	1,859	500	3,878	500	1,500	1,000	200.00%
Total UTILITIES		2,336	500	5,030	500	1,500	1,000	200.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	101-1550-257-825.01	2,789	3,040	3,040	2,860	3,125	85	2.80%
Total INTERDEPARTMENTAL CHARGES		2,789	3,040	3,040	2,860	3,125	85	2.80%
Total Expenditures		7,820	10,040	13,798	8,876	19,125	9,085	90.49%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

515.02 Building & Grounds Maintenance Materials: \$3,000 – This account provides expenditures for the repair and maintenance of buildings and upkeep of the grounds owned or leased and operated by the City.

525.03 Heating Fuel: \$1,500 - This account provides expenditures for heating fuel for orphaned buildings owned by the City.

635.06 Building & Grounds Maintenance Services: \$5,000 - This account provides expenditures for services incurred for the repair and maintenance of buildings and the upkeep of grounds owned or leased and operated by the City.

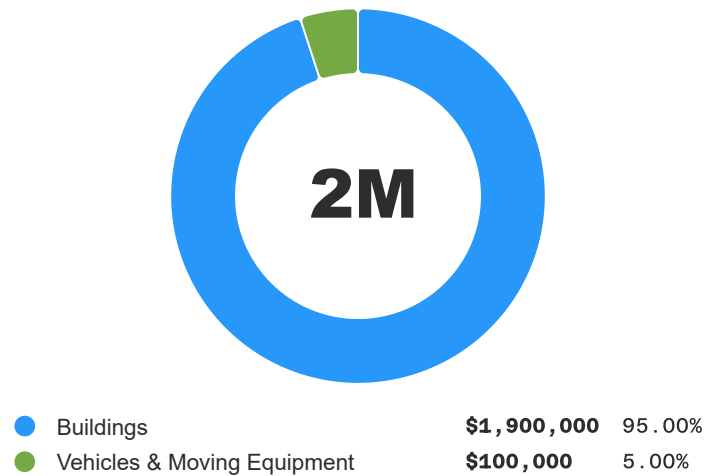
635.12 Technical Services: \$5,000 - This account provides expenditures for services that are not regarded as professional but require technical or special knowledge. Included are video camera operators, building security, pest control and special inspections.

650.02 Electric, Water, Sewer & Solid Waste: \$1,500 - This account provides expenditures for electric, water, sewer and solid waste services for buildings owned or leased and operated by the City.

825.01 Interdepartmental Charges – Insurance: \$3,125 - This account provides expenditures for risk management services and claims.

Building Maintenance Capital Program

2026 Expenditures by Type



Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Buildings	-	200,000	200,000	110,000	1,900,000	1,700,000	850.00%
Vehicles & Moving Equipment	-	-	-	-	100,000	100,000	-
Total Expenditures	-	200,000	200,000	110,000	2,000,000	1,800,000	900.00%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

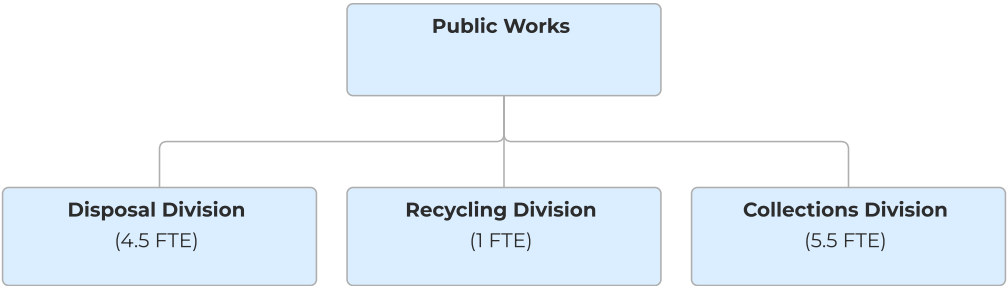
Expenditures by Activity

Category	2026 Budget
Capital Projects	
Public Works Sales Tax Fund	
Vehicles & Moving Equipment General	100,000
Building Maintenance Vehicle Replacement	100,000
Total Public Works Sales Tax Fund	100,000
Community Facilities Development	
Buildings General	1,900,000
City Hall HVAC Replacement	1,900,000
Total Community Facilities Development	1,900,000
Total Capital Projects	2,000,000
Total Expenditures	2,000,000

Solid Waste

The Public Works Solid Waste Division is responsible for providing safe and efficient handling of municipal solid waste, demolition debris and recyclable products.

The Solid Waste Division is comprised of three operating divisions and oversees a Capital Improvement Program.



2026 Expenditures by Division



Expenditures by Division

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Capital Projects	418,904	515,000	515,000	644,166	777,834	262,834	51.04%
Disposal	2,911,940	3,098,906	3,101,071	3,073,932	3,442,383	343,477	11.08%
Recycling	101,168	175,245	197,055	153,925	220,990	45,745	26.10%
Collections	999,486	1,181,738	1,217,783	1,141,852	1,277,485	95,747	8.10%
Total Expenditures	4,431,498	4,970,889	5,030,909	5,013,875	5,718,692	747,803	15.04%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	1,384,131	1,591,983	1,587,983	1,497,306	1,701,060	109,077	6.85%
GENERAL SUPPLIES	253,804	288,150	293,312	286,514	309,200	21,050	7.31%
POSTAGE AND FREIGHT	21,861	23,000	23,000	23,000	30,000	7,000	30.43%
FUELS/LUBRICANTS/ENERGY COSTS	68,425	78,400	72,400	72,000	80,250	1,850	2.36%
TRAVEL AND EDUCATION	954	4,780	4,780	1,000	4,780	-	0.00%
ADVERTISING AND PUBLISHING	5,552	7,200	7,200	7,200	7,525	325	4.51%
DUES AND MEMBERSHIPS	245	1,400	1,259	700	1,400	-	0.00%
TOWING AND SALVAGE	64,333	-	-	-	-	-	-
PERMITS, LICENSES AND FEES	36,457	33,870	51,270	49,360	53,925	20,055	59.21%
CONTRACTUAL SERVICES	1,614,476	1,701,241	1,715,883	1,728,279	1,979,508	278,267	16.36%
PROFESSIONAL SERVICES	-	-	42,710	42,710	-	-	0.00%
RENTS AND LEASES	99	800	300	-	1,000	200	25.00%
UTILITIES	69,713	102,690	102,690	99,000	107,590	4,900	4.77%
MAJOR CAPITAL OUTLAY	418,904	515,000	515,000	644,166	777,834	262,834	51.04%
MINOR CAPITAL OUTLAY	25,697	31,980	27,817	27,610	33,425	1,445	4.52%
INTERDEPARTMENTAL CHARGES	466,847	590,395	585,305	535,030	631,195	40,800	6.91%
Total Expenditures	4,431,498	4,970,889	5,030,909	5,013,875	5,718,692	747,803	15.04%

Funding Source

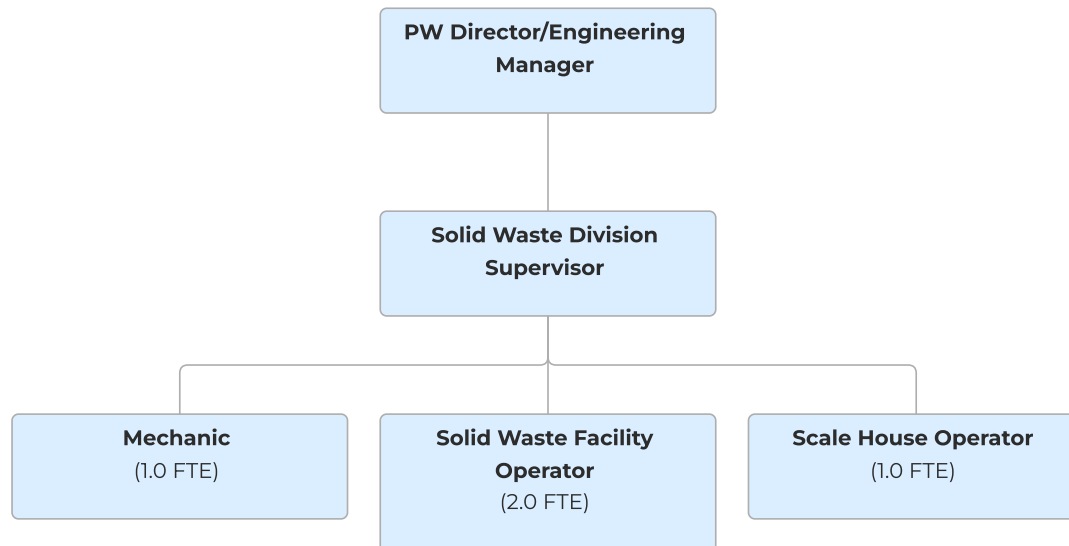
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Solid Waste Services Fund	4,431,858	4,970,889	5,030,909	5,013,875	5,718,692	747,803	50.0%
Total Funding	4,431,858	4,970,889	5,030,909	5,013,875	5,718,692	747,803	50.0%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Disposal	1.00	1.00	1.00	1.00	364,890	-	0.0%
Recycling	1.00	1.00	1.00	1.00	70,780	-	0.0%
Collections	1.00	1.00	1.00	1.00	394,620	-	0.0%
Total	3.00	3.00	3.00	3.00	830,290	-	0.0%

Disposal Division

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 2026

- Provide solid waste disposal services in compliance with Alaska Department of Environmental Conservation permit requirements in a manner that reflects positively on the City of Ketchikan.
- Continue to ship putrescible solid waste off-island. Work to reduce weights and volume where possible by improving the recycling of materials that are still acceptable, i.e. glass, and possibly cardboard.
- Continue to address facility and grounds clean-up with focus on site drainage improvements and housekeeping efforts to ensure storm water run-off continues to meet acceptable levels.
- Implement New Bio-solids composting practices under the Alaska Department of Environmental Conservation comprehensive landfill permit.
- Provide safe and sanitary disposal of waste to ensure a better and cleaner environment.

2025 Accomplishments

- Collected, consolidated and shipped 69-55-gallon drums of various Hazardous materials for our household hazardous waste program.
- Successfully handled the 2025 community spring clean up operation in a manner that was extremely efficient and provided direction and services for a wide variety of materials the total volume in a one-week period was 821,400 pounds (397 tons) with a total of 2069 vehicles for the week.
- Continued to work with Alaska Fish and Wildlife and US Forest Services on Noxious weeds such as Tansy Ragwort and outreach efforts for "Don't Feed the Bears" and proper refuse containment.
- Continued to provide support in materials, manpower, and equipment to other divisions of the city for projects as requested
- Installed 2 new 80' scales at the landfill with minimal disruption to operations.
- Removed and replaced concrete in bay 3 and bay 4 in the solid waste transfer station.

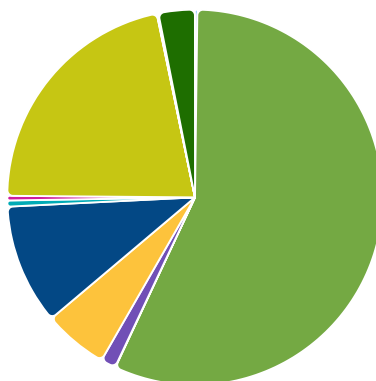
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Solid Waste Services Fund	2,911,940	3,098,906	3,101,071	3,073,932	3,442,383	343,477	11.1%
Total Funding	2,911,940	3,098,906	3,101,071	3,073,932	3,442,383	343,477	11.1%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Solid Waste Supervisor	0.50	0.50	0.50	0.50	56,370	-	0.0%
Mechanic	1.00	1.00	1.00	1.00	80,850	-	0.0%
Solid Waste Facility Operator	2.00	2.00	2.00	2.00	163,530	-	0.0%
Scale House Operator	1.00	1.00	1.00	1.00	64,140	-	0.0%
Total	4.50	4.50	4.50	4.50	364,890	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$7,000	0.20%
CONTRACTUAL SERVICES	\$1,954,508	56.78%
DUES AND MEMBERSHIPS	\$1,100	0.03%
FUELS/LUBRICANTS/ENERGY COSTS	\$44,250	1.29%
GENERAL SUPPLIES	\$191,300	5.56%
INTERDEPARTMENTAL CHARGES	\$356,515	10.36%
MINOR CAPITAL OUTLAY	\$18,025	0.52%
PERMITS, LICENSES AND FEES	\$13,800	0.40%
PERSONNEL SERVICES AND BENEFITS	\$743,515	21.60%
RENTS AND LEASES	\$1,000	0.03%
TRAVEL AND EDUCATION	\$3,780	0.11%
UTILITIES	\$107,590	3.13%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$51,700 or 7.47% due to annual step increases, a 5% cost of living adjustment for City IBEW, Local 1547 and non-represented employees effective January 1, 2026, projected increases in pension, health insurance, and other benefit costs.
- Contractual Services Disposal Services (Account 635.09) increased by \$248,767 or by 14.99% due to an increase in shipping and disposal contract.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	220-1560-270-500.01	327,152	336,122	339,000	339,000	364,890	28,768	8.56%
Personnel Services and Wages - Regular Longevity Bonus	220-1560-270-500.05	3,150	3,813	3,813	3,813	3,950	137	3.59%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	220-1560-270-501.01	23,636	31,000	26,122	26,000	31,000	-	0.00%
Personnel Services and Wages - Temporary Wages	220-1560-270-502.01	47,004	60,000	54,000	54,000	60,000	-	0.00%
Personnel Benefits - Taxes Budget Only	220-1560-270-505.00	30,664	32,970	32,970	32,970	35,360	2,390	7.25%
Personnel Benefits - Pension Budget Only	220-1560-270-506.00	67,544	71,590	71,590	71,590	77,480	5,890	8.23%
Personnel Benefits - Insurance Budget Only	220-1560-270-507.00	121,863	121,290	121,290	121,290	132,060	10,770	8.88%
Personnel Benefits - Insurance Worker's Compensation	220-1560-270-507.30	12,986	14,200	14,200	14,200	17,475	3,275	23.06%
Personnel Benefits - Other Budget Only	220-1560-270-508.00	26,457	19,330	19,330	19,330	19,900	570	2.95%
Payroll Allowances PW Clothing	220-1560-270-509.03	1,500	1,250	1,750	1,750	1,400	150	12.00%
Payroll Allowances Medical Expense	220-1560-270-509.08	-	250	250	-	-	-250	-
Total PERSONNEL SERVICES AND BENEFITS		661,956	691,815	684,315	683,943	743,515	51,700	7.47%
GENERAL SUPPLIES								
General Supplies Office Supplies	220-1560-270-510.01	2,532	2,700	2,700	2,600	2,800	100	3.70%
General Supplies Operating Supplies	220-1560-270-510.02	77,144	86,500	86,500	86,000	90,500	4,000	4.62%
General Supplies Safety Program Supplies	220-1560-270-510.03	889	1,000	1,000	1,000	1,500	500	50.00%
General Supplies Janitorial Supplies	220-1560-270-510.04	468	750	750	750	1,000	250	33.33%
General Supplies Small Tools & Equipment	220-1560-270-510.05	1,871	2,100	2,100	2,100	2,200	100	4.76%
Maintenance Materials Vehicle Maintenance Materials	220-1560-270-515.01	51,277	55,000	55,000	55,000	57,500	2,500	4.55%
Maintenance Materials Building and Grounds Maintenance	220-1560-270-515.02	8,820	9,400	9,400	9,400	9,800	400	4.26%
Maintenance Materials Machinery & Equipment Maint.	220-1560-270-515.04	24,022	25,000	25,000	25,000	26,000	1,000	4.00%
Total GENERAL SUPPLIES		167,023	182,450	182,450	181,850	191,300	8,850	4.85%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Heating Fuel	220-1560-270-525.03	30,880	37,000	31,000	31,000	37,000	-	0.00%
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	220-1560-270-525.04	7,568	7,000	7,000	7,000	7,250	250	3.57%
Total		38,448	44,000	38,000	38,000	44,250	250	0.57%
FUELS/LUBRICANTS/ENERGY COSTS								
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	220-1560-270-600.02	954	3,500	3,500	1,000	3,500	-	0.00%
Travel and Education Training and Education	220-1560-270-600.03	-	280	280	-	280	-	0.00%
Total TRAVEL AND EDUCATION		954	3,780	3,780	1,000	3,780	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	220-1560-270-605.01	5,321	6,700	6,700	6,700	7,000	300	4.48%
Total ADVERTISING AND PUBLISHING		5,321	6,700	6,700	6,700	7,000	300	4.48%
DUES AND MEMBERSHIPS								
Dues and Memberships Professional Lic. and Certs.	220-1560-270-615.01	245	700	700	500	700	-	0.00%
Dues and Memberships Assoc. Membership Dues & Fees	220-1560-270-615.02	-	400	259	200	400	-	0.00%
Total DUES AND MEMBERSHIPS		245	1,100	959	700	1,100	-	0.00%
TOWING AND SALVAGE								
Towing and Salvage Impound and Disposal of Property	220-1560-270-620.02	64,333	-	-	-	-	-	-
Total TOWING AND SALVAGE		64,333	-	-	-	-	-	-
PERMITS, LICENSES AND FEES								
Licenses and Fees Building & Operating Permits	220-1560-270-630.01	250	2,550	1,000	1,000	2,550	-	0.00%
Licenses and Fees Vehicle Licenses	220-1560-270-630.02	600	1,200	1,200	1,200	1,250	50	4.17%
Licenses and Fees Bank & Merchant Fees	220-1560-270-630.03	7,975	5,000	10,550	8,640	10,000	5,000	100.00%
Total PERMITS, LICENSES AND FEES		8,825	8,750	12,750	10,840	13,800	5,050	57.71%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	220-1560-270-635.04	-	-	1,804	-	-	-	0.00%
Contractual Services Building and Grounds Maint. Svc	220-1560-270-635.06	1,805	1,000	1,000	1,000	2,000	1,000	100.00%
Contractual Services Machinery & Equipment Maint. Svc	220-1560-270-635.07	5,789	8,000	17,500	17,000	10,500	2,500	31.25%
Contractual Services Disposal Services	220-1560-270-635.09	1,588,021	1,659,241	1,629,241	1,644,774	1,908,008	248,767	14.99%
Contractual Services Technical Services	220-1560-270-635.12	12,009	26,500	38,000	38,000	26,500	-	0.00%
Contractual Services Other Contractual Services	220-1560-270-635.14	6,852	6,500	6,500	6,500	7,500	1,000	15.38%
Total CONTRACTUAL SERVICES		1,614,476	1,701,241	1,694,045	1,707,274	1,954,508	253,267	14.89%
PROFESSIONAL SERVICES								
Professional Services Management & Consulting	220-1560-270-640.04	-	-	21,355	21,355	-	-	-

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Services								
Total PROFESSIONAL SERVICES		-	-	21,355	21,355	-	-	-
RENTS AND LEASES								
Rents and Leases Machinery & Equipment	220-1560-270-645.02	99	800	300	-	1,000	200	25.00%
Total RENTS AND LEASES		99	800	300	-	1,000	200	25.00%
UTILITIES								
Utilities Telecommunications	220-1560-270-650.01	17,571	38,690	38,690	38,000	40,590	1,900	4.91%
Utilities Electric, Water, Sewer & Garbage	220-1560-270-650.02	52,142	64,000	64,000	61,000	67,000	3,000	4.69%
Total UTILITIES		69,713	102,690	102,690	99,000	107,590	4,900	4.77%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	220-1560-270-790.15	-	900	1,400	1,310	925	25	2.78%
Minor Capital Outlay Machinery & Equipment	220-1560-270-790.25	9,632	10,500	7,500	7,500	11,000	500	4.76%
Minor Capital Outlay M&E-Computers Printers & Copier	220-1560-270-790.26	3,262	4,200	2,537	2,500	4,400	200	4.76%
Minor Capital Outlay Software	220-1560-270-790.35	1,600	1,680	1,680	1,600	1,700	20	1.19%
Total MINOR CAPITAL OUTLAY		14,494	17,280	13,117	12,910	18,025	745	4.31%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges-Admin Mayor & Council	220-1560-270-800.01	3,053	3,600	3,590	3,590	3,370	-230	-6.39%
Interdepartmental Charges-Admin City Clerk	220-1560-270-800.02	6,590	8,280	8,280	6,430	9,240	960	11.59%
Interdepartmental Charges-Admin City Attorney	220-1560-270-800.03	5,828	5,600	5,610	5,610	5,770	170	3.04%
Interdepartmental Charges-Admin City Manager	220-1560-270-800.04	6,636	8,210	8,210	7,270	8,990	780	9.50%
Interdepartmental Charges-CMO & HR Human Resources	220-1560-270-801.01	8,262	10,450	10,450	7,340	10,120	-330	-3.16%
Interdepartmental Charges-Finance General Accounting	220-1560-270-802.01	37,991	40,880	40,880	35,640	42,190	1,310	3.20%
Interdepartmental Charges-IT Information Technology	220-1560-270-803.01	35,097	37,070	37,070	32,960	41,230	4,160	11.22%
Interdepartmental Charges-Engineering Engineering	220-1560-270-804.01	118,408	172,000	172,000	157,000	180,000	8,000	4.65%
Interdepartmental Charges-KPU Billing Services	220-1560-270-805.01	19,230	19,230	19,230	19,230	19,230	-	0.00%
Interdepartmental Charges Insurance	220-1560-270-825.01	24,833	30,080	32,390	32,390	33,475	3,395	11.29%
Interdepartmental Charges Garage Charges	220-1560-270-850.01	125	2,900	2,900	2,900	2,900	-	0.00%
Total INTERDEPARTMENTAL CHARGES		266,053	338,300	340,610	310,360	356,515	18,215	5.38%
Total Expenditures		2,911,940	3,098,906	3,101,071	3,073,932	3,442,383	343,477	11.08%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$364,890 - This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Solid Waste Disposal Division.

500.05 Longevity Pay: \$3,950 – Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$31,000 - This account provides expenditures 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 expenditures for compensation paid to temporary salaried and hourly employees of the Solid Waste Disposal Division.

505.00 Payroll Taxes: \$35,360 This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$77,480- This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$132,060 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$17,475– This account provides expenditures for employer contributions to employee workers compensation insurance.

508.00 Other Benefits: \$19,900 – 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: \$1,400 – This account provides expenditures for employer provided protective clothing allowances paid directly to represented employees of the Public Works Department pursuant to collective bargaining agreements or the Personnel Rules.

510.01 Office Supplies: \$2,800 - This account provides expenditures 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: \$90,500 - This account provides expenditures 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: \$1,500 - This account provides expenditures 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: \$1000 – This account provides expenditures for the cost of janitorial supplies used to maintain the SWRHF during the course of the year.

510.05 Small Tools and Equipment: \$2,200 - This account provides expenditures 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: \$57,500 - This account provides expenditures for the repair and maintenance of landfill vehicles and equipment. Included are licensed and unlicensed rolling stock.

515.02 Building & Grounds Maintenance Materials: \$9,800 - This account provides expenditures 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.

515.04 Machinery and Equipment Maintenance Materials: \$26,000 - This account provides expenditures for repair and maintenance on landfill Machinery. includes solid waste bailer, recycle bailer, Incinerators, shredder and similar machinery.

525.03 Heating Fuel: \$37,000 - This account provides expenditures for the cost of diesel fuel for SWRHF equipment & incinerator operation.

525.04 Vehicle Motor Fuel and Lubricants: \$7,250 - This account provides expenditures for gasoline, diesel fuel and lubricants associated with SWRHF vehicles and equipment.

600.02 Travel and Education- Training: \$3,500 - This Account provides for expenditures associated with travel for training for CDL's, collection and landfill operations.

600.03 Training and Education: \$280 – This account provides expenditures 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 Ads and Public Announcements: \$7,000 - This account provides expenditures 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: \$700 – This account provides expenditures for the cost of staff professional licenses and certificates required for operating equipment.

615.02 Assn. Membership Dues and Fees: \$400 – This account provides expenditures 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.

630.01 Building and Operating Permits: \$2,550 - This account provides expenditures for state regulatory fees & charges.

630.02 Vehicle Licenses - \$1,250 - This account provides expenditures for licensing City vehicles for operations on public highways.

630.03 Bank and Merchant Charges: \$10,000 - This account provides expenditures for merchant fees for use of credit and debit cards.

635.06 Buildings and Grounds Maintenance Services: \$2,000 - This account provides expenditures for 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: \$10,500 - This account provides expenditures for 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: \$1,908,008 - This account provides expenditures for the disposal of putrescible waste, hazardous materials through the division's Household Hazardous Waste Program, freon disposal from refrigeration units, shipping and disposal of the Harbor Division's generated used oil and other environmentally sensitive material.

635.12 Technical Services: \$26,500 - This account provides expenditures 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: \$7,500 - This account provides expenditures 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 expenditures for the rent and lease of machinery and equipment.

650.01 Telecommunications: \$40,590 - This account provides expenditures 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: \$67,000 - This account provides expenditures for electric, water, sewer and solid waste utility services.

790.15 Furniture and Fixtures: \$925 - This account provides expenditures for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

790.25 Machinery and Equipment: \$11,000 - This account provides expenditures for the acquisition of interchangeable tools for landfill equipment.

790.26 Computers, Printers, and Copiers: \$4,400 - This account provides for the expenditures of computers, monitors, printers, and copiers. Per the replacement schedule developed by the Information Technology Department, two computers, two monitors, a printer, and three battery back ups will be replaced.

790.35 Software: \$1,700 - This account provides expenditures 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.

800.01 Interdepartmental Charges – Mayor & Council: \$3,370 - This account provides expenditures for administrative and management services provided by the departments of the City Council.

800.02 Interdepartmental Charges – City Clerk: \$9,240 - This account provides expenditures for administrative and management services provided by the departments of the City Clerk.

800.03 Interdepartmental Charges – City Attorney: \$5,770 - This account provides expenditures for administrative and management services provided by the departments of the City Attorney.

800.04 Interdepartmental Charges – City Manager: \$8,990 - This account provides expenditures for administrative and management services provided by the departments of the City Manager.

801.01 Interdepartmental Charges – Human Resources: \$10,120 - This account provides expenditures for human resource services provided by the Human Resources Division

802.01 Interdepartmental Charges - Finance: \$42,190 - This account provides expenditures for financial, accounting, payroll, accounts payable, billing, customer service and budgeting services provided by the Finance Department.

803.01 Interdepartmental Charges – Information Technology: \$41,230 - This account provides expenditures for information technology services provided by the Information Technology Department.

804.01 Interdepartmental Charges – Engineering: \$180,000 - This account provides expenditures for engineering services provided by the Public Works Department-Engineering Division.

805.01 Interdepartmental Charges – KPU Billing Services: \$19,230 – This account provides expenditures for billing and collection services provided by the KPU Sales, Marketing and Customer Service Division.

825.01 Interdepartmental Charges – Insurance: \$33,475 - This account provides expenditures for risk management services and claims.

850.01 Interdepartmental Charges – Garage: \$2,900 - This account provides expenditures for fleet maintenance services provided by the Public Works Department-Garage Division.

Recycling Division

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 2026

- Continue efforts within the City to maintain and capture additional recycling volumes.
- Continue efforts to capture additional metal volumes from materials received at the landfill.

2025 Accomplishments

- Provided a drop-off center for recycling products, which includes cardboard, aluminum, glass, used oil, and fluorescent bulbs.
- Continued to bale and ship white goods (appliances) as recyclable material when prices are favorable and employees are available, thereby removing them from the waste stream. Staff continue to educate the public about materials currently accepted at the Solid Waste Handling and Recycling Facility.
- Collected and ground clean wood products to be recycled at the composting operation. Some contractors and other industrial users continue to separate wood for more efficient processing.
- Continued adjusting the program as commodities collected continue to change.
- Recycled approximately 16% of our overall waste.

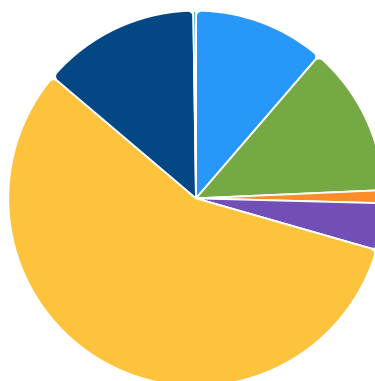
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Solid Waste Services Fund	101,168	175,245	197,055	153,925	220,990	45,745	26.1%
Total Funding	101,168	175,245	197,055	153,925	220,990	45,745	26.1%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2026	Increase/ Decrease	% Change
	Actual	Adopted	Amended	Budget	Salary		
Solid Waste Facility Operator	1.00	1.00	1.00	1.00	70,780	-	0.0%
Total	1.00	1.00	1.00	1.00	70,780	-	0.0%

2026 Expenditures by Category



CONTRACTUAL SERVICES	\$25,000	11.31%
GENERAL SUPPLIES	\$28,700	12.99%
INTERDEPARTMENTAL CHARGES	\$2,450	1.11%
MINOR CAPITAL OUTLAY	\$8,900	4.03%
PERSONNEL SERVICES AND BENEFITS	\$125,440	56.76%
POSTAGE AND FREIGHT	\$30,000	13.58%
TRAVEL AND EDUCATION	\$500	0.23%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$7,545 or 6.40% due to step increases, a 5.0% cost of living adjustment that will become effective January 1, 2026; and projected increases in pension, health insurance and other benefits.
- Postage and Freight Materials and Supplies (Account 520.04) increased \$7000, or 30.44% due to the 89% increase in recycling of used oil.
- Disposal Services (Account 635.09) was established in the Recycling Division operating budget in 2025 to better track the disposal costs of recycling. The requested budget in the Disposal Division was reduced by the \$25,000 reflected in Recycling.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	220-1560-271-500.01	33,082	69,745	69,745	45,250	70,780	1,035	1.48%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	220-1560-271-501.01	160	-	500	500	-	-	0.00%
Personnel Benefits - Taxes Budget Only	220-1560-271-505.00	2,448	5,340	5,340	3,500	5,440	100	1.87%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Personnel Benefits - Pension Budget Only	220-1560-271-506.00	6,281	13,250	13,250	8,750	13,450	200	1.51%
Personnel Benefits - Insurance Budget Only	220-1560-271-507.00	10,835	26,350	26,350	14,750	29,260	2,910	11.04%
Personnel Benefits - Insurance Worker's Compensation	220-1560-271-507.30	1,069	2,510	2,510	2,510	2,270	-240	-9.56%
Personnel Benefits - Other Budget Only	220-1560-271-508.00	26	700	700	700	3,890	3,190	455.71%
Payroll Allowances PW Clothing	220-1560-271-509.03	-	-	-	-	350	350	-
Total PERSONNEL SERVICES AND BENEFITS		53,901	117,895	118,395	75,960	125,440	7,545	6.40%
GENERAL SUPPLIES								
General Supplies Small Tools & Equipment	220-1560-271-510.05	1,438	2,100	2,100	2,100	2,200	100	4.76%
General Supplies Inventory for Resale	220-1560-271-510.08	6,122	10,000	9,995	9,800	12,000	2,000	20.00%
Maintenance Materials Vehicle Maintenance Materials	220-1560-271-515.01	9,319	9,900	9,900	9,900	12,000	2,100	21.21%
Maintenance Materials Machinery & Equipment Maint.	220-1560-271-515.04	1,056	1,200	1,200	1,200	2,500	1,300	108.33%
Total GENERAL SUPPLIES		17,935	23,200	23,195	23,000	28,700	5,500	23.71%
POSTAGE AND FREIGHT								
Postage and Freight Materials & Supplies	220-1560-271-520.04	21,861	23,000	23,000	23,000	30,000	7,000	30.43%
Total POSTAGE AND FREIGHT		21,861	23,000	23,000	23,000	30,000	7,000	30.43%
TRAVEL AND EDUCATION								
Travel and Education Training and Education	220-1560-271-600.03	-	500	500	-	500	-	0.00%
Total TRAVEL AND EDUCATION		-	500	500	-	500	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	220-1560-271-635.04	-	-	5	5	-	-	0.00%
Disposal Services	220-1560-271-635.09	-	-	21,000	21,000	25,000	25,000	-
Total CONTRACTUAL SERVICES		-	-	21,005	21,005	25,000	25,000	-
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Machinery & Equipment	220-1560-271-790.25	6,048	8,500	8,500	8,500	8,900	400	4.71%
Total MINOR CAPITAL OUTLAY		6,048	8,500	8,500	8,500	8,900	400	4.71%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges Insurance	220-1560-271-825.01	1,423	2,150	2,460	2,460	2,450	300	13.95%
Total INTERDEPARTMENTAL CHARGES		1,423	2,150	2,460	2,460	2,450	300	13.95%
Total Expenditures		101,168	175,245	197,055	153,925	220,990	45,745	26.10%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$70,780 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Recycling Division.

505.00 Payroll Taxes: \$5,440 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$13,450– This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$29,260 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$2,270 – This account provides expenditures for employer contributions to workers compensation insurance.

508.00 Other Benefits: \$3,890 – This account provides expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509.03 Clothing Allowance: \$350 - This account provides expenditures for employer provided protective clothing allowances paid directly to represented employees of the Public Works Department pursuant to collective bargaining agreements or the Personnel Rules.

510.05 Small Tools and Equipment: \$2,200 - This account provides expenditures for minor tools and equipment used by the division during the course of a year.

510.08 Inventory for Resale: \$12,000 - This account provides expenditures for the purchase of equipment such as recycling containers and drop boxes for recycling.

515.01 Vehicle Maintenance Materials: \$12,000 - This account provides expenditures 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: \$2,500 – This account provides expenditures for the cost of maintaining recycling containers.

520.04 Freight – Materials and Supplies: \$30,000 - This account provides expenditures for shipping metal and oil recycled products to market.

600.03 Training and Education: \$500 – This account provides 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 third-parties.

635.09 Disposal Services: \$25,000 - This is the Recycling Division's portion of Solid Waste's disposal contract and was established to better track costs.

790.25 Machinery and Equipment: \$8,900 - This account provides expenditures for the acquisition of new or replacement recycling equipment that will be used on the division's 1-ton truck chassis.

825.01 Interdepartmental Charges – Insurance: \$2,450 - This account provides expenditures for risk management services and claims.

Collections Division

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 2026

- Improve route efficiencies on existing routes with a strong focus on cost saving.
- Continue solid waste audit of residential and commercial accounts. Ensure all are paying for service
- Expand the bear cart rental program with additional carts.
- Continue to work with finance department to track new and seasonal business operators who are signing up for services.

2025 Accomplishments

- Implemented a bear-resistant cart rental program, working with KPU customer service and Finance for bill and tracking.
- Customer collection relations continued 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.
- Collection crews kept up with demand by working seven days a week during cruise visitor season.
- Provided containers and collection services for special events as requested. Staff also worked extra hours due to holidays and special events such as July 4th and Blueberry Arts Festival.
- Provided efficient collection services to minimize cost.
- Repaired and refurbished roll-offs and dumpster.
- Provided efficient collection services to minimize cost.

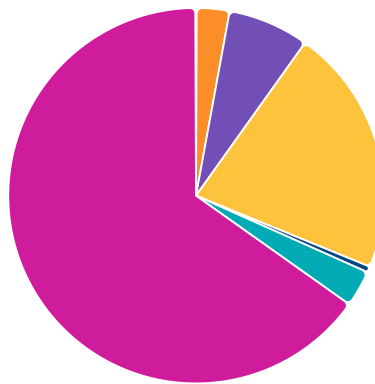
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Solid Waste Services Fund	999,846	1,181,738	1,217,783	1,141,852	1,277,485	95,747	8.1%
Total Funding	999,846	1,181,738	1,217,783	1,141,852	1,277,485	95,747	8.1%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Supervisor	0.50	0.50	0.50	0.50	56,370	-	0.0%
Solid Waste Collector	5.00	5.00	5.00	5.00	338,250	-	
Total	5.50	5.50	5.50	5.50	394,620	-	0.0%

2026 Expenditures by Category



● ADVERTISING AND PUBLISHING	\$525	0.04%
● DUES AND MEMBERSHIPS	\$300	0.02%
● FUELS/LUBRICANTS/ENERGY COSTS	\$36,000	2.82%
● GENERAL SUPPLIES	\$89,200	6.98%
● INTERDEPARTMENTAL CHARGES	\$272,230	21.31%
● MINOR CAPITAL OUTLAY	\$6,500	0.51%
● PERMITS, LICENSES AND FEES	\$40,125	3.14%
● PERSONNEL SERVICES AND BENEFITS	\$832,105	65.14%
● TRAVEL AND EDUCATION	\$500	0.04%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$49,832 or 6.37% due to annual step increases; a 5.0% cost of living adjustment that will become effective January 1, 2026, and projected increases in pension, health insurance and other benefits.
- Bank and Merchant Fees (Account 630.03) increased by \$15,000 or 60% due to costs associated with processing credit cards.
- Interdepartmental Charges - Engineering (Account 804.01) increased by \$10,065 or 15.5% due to a reevaluation of Engineering personnel and the allocation of their costs based on how their time is spent.

- Interdepartmental Charges - Insurance (Account 825.01) increased by \$5,000 or 20.41% due to increases in insurance premiums and estimates for 2025 claims that must be factored into the 2026 budget.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	220-1560-272-500.01	329,568	374,680	374,680	357,500	394,620	19,940	5.32%
Personnel Services and Wages - Regular Longevity Bonus	220-1560-272-500.05	1,250	1,313	1,313	1,313	1,100	-213	-16.22%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	220-1560-272-501.01	31,663	25,000	41,500	41,500	25,000	-	0.00%
Personnel Services and Wages - Temporary Wages	220-1560-272-502.01	37,756	80,000	66,500	50,000	80,000	-	0.00%
Personnel Benefits - Taxes Budget Only	220-1560-272-505.00	30,509	37,400	37,400	35,250	38,360	960	2.57%
Personnel Benefits - Pension Budget Only	220-1560-272-506.00	69,697	74,710	74,710	74,710	81,990	7,280	9.74%
Personnel Benefits - Insurance Budget Only	220-1560-272-507.00	130,916	145,800	145,800	145,800	161,320	15,520	10.64%
Personnel Benefits - Insurance Worker's Compensation	220-1560-272-507.30	19,658	29,580	29,580	29,580	26,255	-3,325	-11.24%
Personnel Benefits - Other Budget Only	220-1560-272-508.00	15,757	11,890	11,890	-	21,710	9,820	82.59%
Payroll Allowances PW Clothing	220-1560-272-509.03	1,500	1,500	1,750	1,750	1,750	250	16.67%
Payroll Allowances Medical Expense	220-1560-272-509.08	-	400	150	-	-	-400	-
Total PERSONNEL SERVICES AND BENEFITS		668,274	782,273	785,273	737,403	832,105	49,832	6.37%
GENERAL SUPPLIES								
General Supplies Operating Supplies	220-1560-272-510.02	2,247	2,600	2,600	2,600	2,700	100	3.85%
General Supplies Safety Program Supplies	220-1560-272-510.03	982	1,000	1,000	1,000	1,500	500	50.00%
General Supplies Small Tools & Equipment	220-1560-272-510.05	859	900	900	900	1,000	100	11.11%
General Supplies Inventory for Resale	220-1560-272-510.08	26,161	35,000	34,167	34,164	36,500	1,500	4.29%
Maintenance Materials Vehicle Maintenance Materials	220-1560-272-515.01	38,425	42,000	48,000	42,000	46,000	4,000	9.52%
Maintenance Materials Machinery & Equipment Maint.	220-1560-272-515.04	172	1,000	1,000	1,000	1,500	500	50.00%
Total GENERAL SUPPLIES		68,846	82,500	87,667	81,664	89,200	6,700	8.12%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	220-1560-272-525.04	29,977	34,400	34,400	34,000	36,000	1,600	4.65%
Total FUELS/LUBRICANTS/ENERGY COSTS		29,977	34,400	34,400	34,000	36,000	1,600	4.65%
TRAVEL AND EDUCATION								
Travel and Education Training and Education	220-1560-272-600.03	-	500	500	-	500	-	0.00%
Total TRAVEL AND EDUCATION		-	500	500	-	500	-	0.00%
ADVERTISING AND PUBLISHING								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*** Change
Advertising and Publishing Ads and Public Announcements	220-1560-272-605.01	231	500	500	500	525	25	5.00%
Total ADVERTISING AND PUBLISHING		231	500	500	500	525	25	5.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Professional Lic. and Certs.	220-1560-272-615.01	-	300	300	-	300	-	0.00%
Total DUES AND MEMBERSHIPS		-	300	300	-	300	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Vehicle Licenses	220-1560-272-630.02	50	120	120	120	125	5	4.17%
Licenses and Fees Bank & Merchant Fees	220-1560-272-630.03	27,582	25,000	38,400	38,400	40,000	15,000	60.00%
Total PERMITS, LICENSES AND FEES		27,632	25,120	38,520	38,520	40,125	15,005	59.73%
CONTRACTUAL SERVICES								
Contractual Services Software & Equip Maint Services	220-1560-272-635.04	-	-	833	-	-	-	0.00%
Total CONTRACTUAL SERVICES		-	-	833	-	-	-	0.00%
PROFESSIONAL SERVICES								
Professional Services	220-1560-272-640.04	-	-	21,355	21,355	-	-	0.00%
Total PROFESSIONAL SERVICES		-	-	21,355	21,355	-	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Machinery & Equipment	220-1560-272-790.25	5,155	6,200	6,200	6,200	6,500	300	4.84%
Total MINOR CAPITAL OUTLAY		5,155	6,200	6,200	6,200	6,500	300	4.84%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges-Admin Mayor & Council	220-1560-272-800.01	2,984	3,810	3,810	3,810	3,570	-240	-6.30%
Interdepartmental Charges-Admin City Clerk	220-1560-272-800.02	6,440	8,770	8,770	6,810	9,780	1,010	11.52%
Interdepartmental Charges-Admin City Attorney	220-1560-272-800.03	5,695	5,930	5,940	5,940	6,110	180	3.04%
Interdepartmental Charges-Admin City Manager	220-1560-272-800.04	6,485	8,690	8,680	7,700	9,520	830	9.55%
Interdepartmental Charges-CMO & HR Human Resources	220-1560-272-801.01	8,075	11,010	11,010	7,730	10,660	-350	-3.18%
Interdepartmental Charges-Finance General Accounting	220-1560-272-802.01	37,128	43,060	43,060	37,540	44,440	1,380	3.20%
Interdepartmental Charges-IT Information Technology	220-1560-272-803.01	34,299	39,250	39,250	34,900	43,660	4,410	11.24%
Interdepartmental Charges-Engineering Engineering	220-1560-272-804.01	45,075	64,935	64,935	61,000	75,000	10,065	15.50%
Interdepartmental Charges-KPU Billing Services	220-1560-272-805.01	28,840	28,840	28,840	28,840	28,840	-	0.00%
Interdepartmental Charges Insurance	220-1560-272-825.01	22,139	24,500	25,790	25,790	29,500	5,000	20.41%
Interdepartmental Charges Garage Charges	220-1560-272-850.01	2,211	11,150	2,150	2,150	11,150	-	0.00%
Total INTERDEPARTMENTAL CHARGES		199,371	249,945	242,235	222,210	272,230	22,285	8.92%
Total Expenditures		999,486	1,181,738	1,217,783	1,141,852	1,277,485	95,747	8.10%

**Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.*

Operating Account Narrative

500.01 Regular Salaries and Wages: \$394,620 This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Solid Waste Collection Division.

500.05 Longevity Pay: \$1,100: Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$25,000 - This account provides expenditures for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502.01 Temporary Wages: \$80,000 - This account provides expenditures for compensation paid to temporary salaried and hourly employees of the Solid Waste Collection Division.

505.00 Payroll Taxes: \$38,360 This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$81,990 – This account provides expenditures for employer contributions to retirement systems.

507.00 Health and Life Insurance: \$161,320 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$26,255 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$21,710 – This account provides 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: \$1,750 – This account provides expenditures for employer provided protective clothing allowances paid directly to represented employees of the Public Works Department pursuant to collective bargaining agreements or the Personnel Rules.

510.02 Operating Supplies: \$2,700 - This account provides expenditures 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: \$1,500 – This account provides expenditures 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 expenditures for the purchase and or replacement of small tools and equipment used by the division during the course of the year.

510.08 Inventory for Resale: \$36,500 This account provides expenditures 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: \$46,000 - This account provides expenditures for 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: \$1,500 – This account provides expenditures for 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: \$36,000 - This account provides expenditures for the purchase of gasoline, diesel fuel and lubricants associated with the division's use of vehicles.

600.03 Training and Education: \$500 – This account provides 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 third-parties.

605.01 Ads and Public Announcements: \$525 - This account provides expenditures 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: \$300 – This account provides expenditures for cost of commercial driver's licenses and other certificates required for operating equipment.

630.02 Vehicle Licenses: \$125 – This account provides expenditures for the cost of various licenses and fees associated with the permitting of the division's vehicles.

630.03 Bank and Merchant Charges: \$40,000 - This account provides expenditures for merchant fees for use of credit and debit cards.

790.25 Machinery and Equipment: \$6,500 - This account provides expenditures for the purchase of replacement equipment such as cart tipplers and other miscellaneous items for the collection vehicles.

800.01 Interdepartmental Charges – Mayor & Council: \$3,570 - This account provides expenditures for administrative and management services provided by the departments of the City Council.

800.02 Interdepartmental Charges – City Clerk: \$9,780 - This account provides expenditures for administrative and management services provided by the departments of the City Clerk.

800.03 Interdepartmental Charges – City Attorney: \$6,110 - This account provides expenditures for administrative and management services provided by the departments of the City Attorney.

800.04 Interdepartmental Charges – City Manager: \$9,520 - This account provides expenditures for administrative and management services provided by the departments of the City Manager.

801.01 Interdepartmental Charges – Human Resources: \$10,660 This account provides expenditures for human resource services provided by the Human Resources Division

802.01 Interdepartmental Charges - Finance: \$44,440 - This account provides expenditures for financial, accounting, payroll, accounts payable, billing, customer service and budgeting services provided by the Finance Department.

803.01 Interdepartmental Charges – Information Technology: \$43,660 - This account provides expenditures for information technology services provided by the Information Technology Department.

804.01 Interdepartmental Charges – Engineering: \$75,000 - This account provides expenditures for engineering services provided by the Public Works Department-Engineering Division.

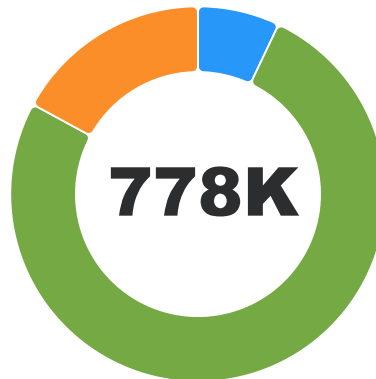
805.01 Interdepartmental Charges – KPU Billing Services: \$28,840 – This account provides expenditures for billing and collection services provided by the KPU Sales, Marketing and Customer Service Division.

825.01 Interdepartmental Charges – Insurance: \$29,500 - This account provides expenditures for risk management services and claims.

850.01 Interdepartmental Charges – Garage: \$11,150 - This account provides expenditures for fleet maintenance services provided by the Public Works Department-Garage Division.

Solid Waste Capital Program

2026 Expenditures by Type



Capital Projects	\$55,000	7.07%
Machinery & Equipment	\$590,000	75.85%
Vehicles & Moving Equipment	\$132,834	17.08%

Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Vehicles & Moving Equipment	64,454	-	-	453,496	132,834	132,834	-
Machinery & Equipment	346,450	325,000	326,330	12,000	590,000	265,000	81.54%
Capital Projects	8,000	190,000	188,670	178,670	55,000	-135,000	-71.05%
Total Expenditures	418,904	515,000	515,000	644,166	777,834	262,834	51.04%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Activity

Category	2026 Budget
Capital Projects	
Solid Waste Services	
Vehicles & Moving Equipment General	132,834
1-Ton Vehicle Replacement	125,000
Conveyor Belt Replacement	7,834
Machinery & Equipment General	590,000
Hook Truck Replacement	400,000
Forklift Replacement	110,000
Bear Resistant Cans	80,000
Capital Projects Infrastructure & Plant	55,000
Cover Generation	55,000
Total Solid Waste Services	777,834
Total Capital Projects	777,834
Total Expenditures	777,834

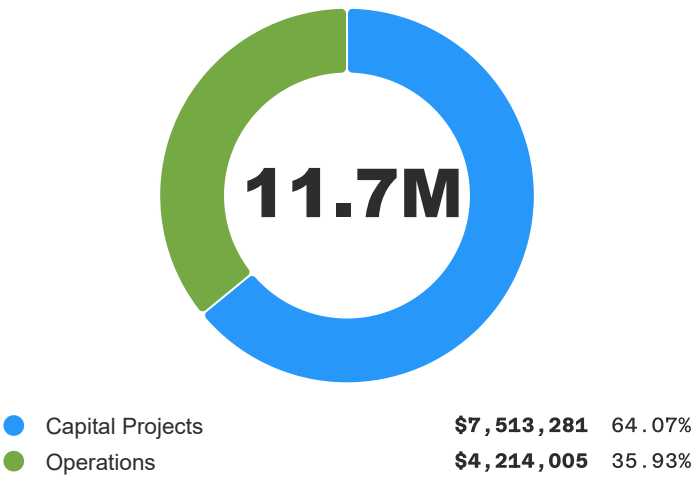
Wastewater

The Wastewater Division manages, operates and maintains the municipal sanitary wastewater system. The system consists of a primary treatment plant, a collection system and seven pump stations located throughout 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.



2026 Expenditures by Activity



Expenditures by Division

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	3,002,672	3,795,201	3,943,523	3,423,381	4,214,005	418,804	11.04%
Capital Projects	1,060,408	7,625,781	7,663,895	5,131,585	7,513,281	-112,500	-1.48%
Total Expenditures	4,063,080	11,420,982	11,607,418	8,554,966	11,727,286	306,304	2.68%

**Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.*

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	1,254,279	1,398,320	1,493,022	1,461,857	1,678,870	280,550	20.06%
GENERAL SUPPLIES	241,936	282,500	322,520	309,020	329,500	47,000	16.64%
POSTAGE AND FREIGHT	1,150	2,000	2,000	2,000	5,000	3,000	150.00%
FUELS/LUBRICANTS/ENERGY COSTS	27,905	60,000	60,000	44,000	56,500	-3,500	-5.83%
BOOKS AND PERIODICALS	182	750	750	750	750	-	0.00%
ALLOWANCES	4,693	6,000	6,000	4,500	6,000	-	0.00%
TRAVEL AND EDUCATION	1,383	22,000	15,470	15,470	24,000	2,000	9.09%
ADVERTISING AND PUBLISHING	637	6,000	6,000	6,000	6,000	-	0.00%
DUES AND MEMBERSHIPS	900	2,250	2,250	2,250	2,250	-	0.00%
PERMITS, LICENSES AND FEES	30,980	32,500	43,010	43,010	43,010	10,510	32.34%
CONTRACTUAL SERVICES	72,297	97,000	117,510	108,510	163,000	66,000	68.04%
PROFESSIONAL SERVICES	154,289	255,000	234,000	84,000	250,000	-5,000	-1.96%
RENTS AND LEASES	2,750	5,000	5,000	5,000	7,000	2,000	40.00%
UTILITIES	240,932	275,395	275,395	275,395	275,395	-	0.00%
MAJOR CAPITAL OUTLAY	1,060,408	7,625,781	7,663,895	5,131,585	7,513,281	-112,500	-1.48%
MINOR CAPITAL OUTLAY	70,966	96,500	103,500	96,500	100,500	4,000	4.15%
INTERDEPARTMENTAL CHARGES	654,895	836,157	839,267	722,290	820,150	-16,007	-1.91%
DEBT SERVICE	162,498	337,829	337,829	162,829	337,830	1	0.00%
OTHER COSTS	80,000	80,000	80,000	80,000	108,250	28,250	35.31%
Total Expenditures	4,063,080	11,420,982	11,607,418	8,554,966	11,727,286	306,304	2.68%

Funding Source

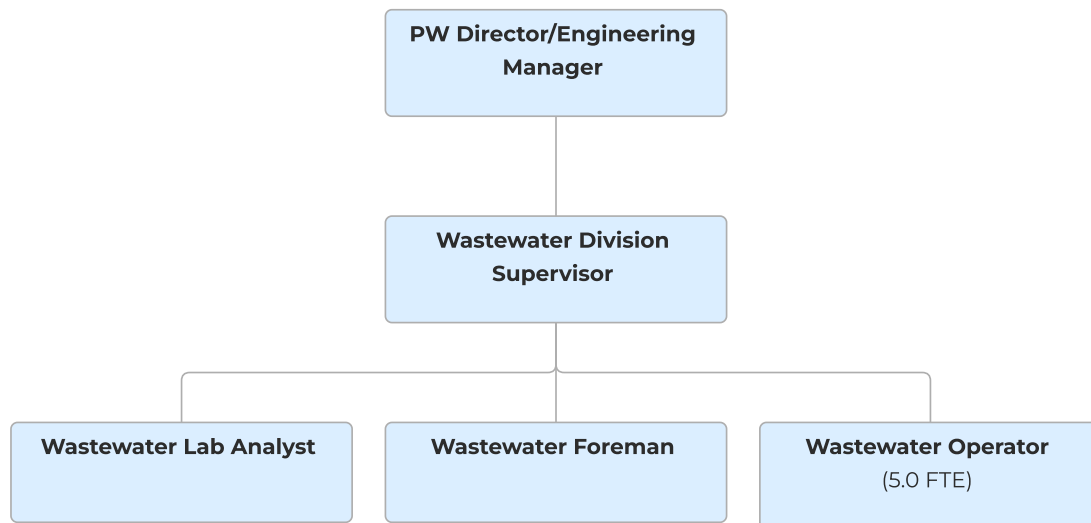
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Wastewater Fund	4,063,080	6,681,891	6,868,327	5,762,856	5,563,252	(1,118,639)	-16.7%
Hospital Sales Tax Fund-GO Debt	-	-	-	-	125,753	125,753	NA
Bonds	-	4,714,091	4,714,091	2,792,110	6,013,281	1,299,190	27.6%
Grants	-	25,000	25,000	-	25,000	-	0.0%
Total Funding	4,063,080	11,420,982	11,607,418	8,554,966	11,727,286	306,304	2.7%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	8.00	8.00	8.00	8.00	937,440	-	0.0%
Total	8.00	8.00	8.00	8.00	937,440	-	0.0%

Wastewater Operations

It is the mission of the Wastewater Division to protect the environment through the effective management, operation and maintenance of the sanitary wastewater system. The division'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 2026

- Maintain the sewer system as efficiently as possible within the constraints of the Wastewater Division's budget.
- Strive to meet EPA discharge limits for Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS), fecal coliform, chlorine residual, pH, dissolved oxygen, copper, zinc, and new contaminants in our new NPDES permit to minimize financial penalties of noncompliance. Systematically inspect, repair and/or replace portions of Ketchikan's aging wastewater collection system, focusing on corrugated metal pipe sewer infrastructure.
- Clean and camera 10% of the collection system.
- Overcome external operational challenges to continue to meet the discharge limitations.
- Work with Jacobs Engineering, and public works staff, to come up with a cost-effective treatment system to meet the new discharge limits set forth in our new 301H permit issued in 2025.
- Procure and install 3 new generators for pumps station 1, 3, & 4 to replace aging generators.
- Complete the SCADA upgrade and modernization project started in 2025.
- Support the public works staff in managing Force/Gravity mains. This includes information gathering, locates, document review, walk throughs etc.
- Assist in the completion of the Water Street Force main and Gravity sewer rehabilitation project.
- Continue to upgrade the large and small pumpstation components, such as pumps, motors, monitoring systems, electrical systems etc.
- Strive to monitor, locate, isolate, and repair all infiltration and inflow. This will greatly reduce wear and tear on components and alleviate chemical cost, both in the present and the future.

2025 Accomplishments

- Made strides in monitoring flow at all Pump stations, added flow meters at Pump station 5. Procured flow meters for pump stations 4 and 3, with plans to install soon.
- Installed the 150 KW Generators at all 3 large Pump Stations.
- Successfully selected a contractor for the SCADA modernization program. As well as started the project in the fall.
- Successfully bid and installed three new backup generators at pump stations 2, 5, and 6.
- Put out to bid and remodeled Treatment Plant A improvements, as well as installed a containment basin for splash over from the screens.
- Hired a new Lab Analyst
- Started a Disinfection Study with Jacobs engineering. We gathered large amounts of data via bench testing and pilot testing. This project is to determine the best course forward to stay in compliance with the NPDES permit. Staying in compliance is critical to maintain the 301H waiver that the City of Ketchikan currently holds.
- Replaced 11 Manhole lids and rings, as well as 2 cone sections.
- Cleaned large portions of the collection system, this includes Bear valley, Schoenbar, Valley forge, Anderson, Bruen, Carlena, Fairview, and more
- CCTV several collection lines, including parts of Forest, Buren, Denial, Anderson, Harris, and more.
- Successfully put out to bid the Water Street force main and gravity sewer main rehabilitation job.
- Installed the new Charter Machine Belt Filter Press In October of 2024.
- Worked with Jacobs engineering and the Public Works department to comment and talk with the EPA and DEC about our renewal of our 301H waiver and new NPDES permit. This new permit has more stringent sampling requirements.

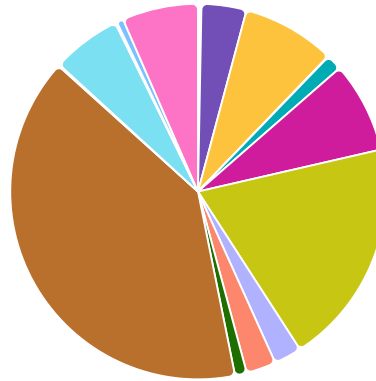
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Wastewater Fund	3,002,672	3,795,201	3,943,523	3,423,381	4,088,252	293,051	7.7%
Wastewater Fund					125,753	125,753	NA
Total Funding	3,002,672	3,795,201	3,943,523	3,423,381	4,214,005	418,804	11.0%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Wastewater Supervisor	1.00	1.00	1.00	1.00	156,210	-	0.0%
Senior Wastewater Operator	2.00	2.00	-	-	-	(2.00)	-100.0%
Wastewater Foreman	-	-	1.00	1.00	135,660	1.00	100.0%
Wastewater Operator	4.00	4.00	-	-	-	(4.00)	-100.0%
Wastewater Operator (Level I, II, III)	-	-	5.00	5.00	539,940	5.00	100.0%
Water Quality Analyst	1.00	1.00	-	-	-	(1.00)	-100.0%
Laboratory Analyst	-	-	1.00	1.00	105,630	1.00	100.0%
Total	8.00	8.00	8.00	8.00	937,440	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$6,000	0.14%
ALLOWANCES	\$6,000	0.14%
BOOKS AND PERIODICALS	\$750	0.02%
CONTRACTUAL SERVICES	\$163,000	3.87%
DEBT SERVICE	\$337,830	8.02%
DUES AND MEMBERSHIPS	\$2,250	0.05%
FUELS/LUBRICANTS/ENERGY COSTS	\$56,500	1.34%
GENERAL SUPPLIES	\$329,500	7.82%
INTERDEPARTMENTAL CHARGES	\$820,150	19.46%
MINOR CAPITAL OUTLAY	\$100,500	2.38%
OTHER COSTS	\$108,250	2.57%
PERMITS, LICENSES AND FEES	\$43,010	1.02%
PERSONNEL SERVICES AND BENEFITS	\$1,678,870	39.84%
POSTAGE AND FREIGHT	\$5,000	0.12%
PROFESSIONAL SERVICES	\$250,000	5.93%
RENTS AND LEASES	\$7,000	0.17%
TRAVEL AND EDUCATION	\$24,000	0.57%
UTILITIES	\$275,395	6.54%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel and Benefit Services increased by \$280,550 or 20.06% due to the reclassification of Wastewater personnel approved in 2025, a 5% cost of living adjustment for employees that will become effective January 1, 2026 and projected increases in pension, health insurance and other benefits.
- Operating supplies (Account 510.02) has increased by \$42,000 or 233.3% because of the extra testing that we are doing in the lab for the disinfection study project and new monitoring requirements set forth by the new NPDES permit.
- Bank & Merchant Fees (Account 630.03) increased by \$10,510 or 45.7% due to costs associated with processing credit cards.
- Technical Services (Account 635.12) has increased by \$56,000 or 622.22% due to the additional testing that is required by the EPA and DEC set forth in our new NPDES permit.
- Management & Consulting Services (Account 640.04) has increased by \$75,000 or 75.0% to account for the Wastewater division's portion of a new Water & Wastewater rate study upon completion of water metering for business customers.
- Interdepartmental Charges — Engineering (Account 804.01) decreased by \$35,427 or 8.06% due to a reevaluation of Engineering personnel and the allocation of their costs based on how their time is spent.

- Interdepartmental Charges - Insurance (Account 825.01) increased by \$7,550 or 9.24% due to increases in insurance premiums and estimates for 2025 claims that must be factored into the 2026 budget.
- Payments in Lieu of Taxes (Account 975.00) increased by \$28,250 or 35.31% due to the increase in market value.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	%% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	505-3000-110-500.01	628,599	752,868	803,200	803,200	937,440	184,572	24.52%
Personnel Services and Wages - Regular Longevity Bonus	505-3000-110-500.05	5,800	6,125	6,125	3,500	2,850	-3,275	-53.47%
Personnel Services and Wages - Overtime Wages - Straight/Double OT	505-3000-110-501.01	174,605	100,000	131,500	131,500	100,000	-	0.00%
Personnel Services and Wages - Temporary Wages	505-3000-110-502.01	-	20,000	16,550	-	20,000	-	0.00%
Personnel Benefits - Taxes Budget Only	505-3000-110-505.00	62,185	67,250	70,250	70,250	81,560	14,310	21.28%
Personnel Benefits - Pension Budget Only	505-3000-110-506.00	123,492	166,380	179,250	179,250	204,010	37,630	22.62%
Personnel Benefits - Insurance Budget Only	505-3000-110-507.00	187,738	229,950	229,950	218,560	252,910	22,960	9.98%
Personnel Benefits - Insurance Worker's Compensation	505-3000-110-507.30	20,219	25,365	25,365	25,365	27,600	2,235	8.81%
Personnel Benefits - Other Budget Only	505-3000-110-508.00	49,891	27,782	27,782	27,782	50,050	22,268	80.15%
Payroll Allowances PW Clothing	505-3000-110-509.03	1,750	2,000	2,450	2,450	2,450	450	22.50%
Payroll Allowances Medical Expense	505-3000-110-509.08	-	600	600	-	-	-600	-
Total PERSONNEL SERVICES AND BENEFITS		1,254,279	1,398,320	1,493,022	1,461,857	1,678,870	280,550	20.06%
GENERAL SUPPLIES								
General Supplies Office Supplies	505-3000-110-510.01	2,329	3,000	3,000	3,000	3,500	500	16.67%
General Supplies Operating Supplies	505-3000-110-510.02	16,610	18,000	63,000	63,000	60,000	42,000	233.33%
General Supplies Safety Program Supplies	505-3000-110-510.03	10,850	12,500	12,500	12,000	12,500	-	0.00%
General Supplies Janitorial Supplies	505-3000-110-510.04	4,022	5,000	5,000	5,000	5,000	-	0.00%
General Supplies Small Tools & Equipment	505-3000-110-510.05	8,869	9,000	9,000	9,000	9,500	500	5.56%
General Supplies Chemicals	505-3000-110-510.06	113,633	125,000	125,000	112,500	125,000	-	0.00%
Maintenance Materials Vehicle Maintenance Materials	505-3000-110-515.01	1,888	4,000	4,000	3,500	4,000	-	0.00%
Maintenance Materials Machinery & Equipment Maint.	505-3000-110-515.04	19,341	31,000	31,000	31,000	35,000	4,000	12.90%
Maintenance Materials Infrastructure & Plant Maint.	505-3000-110-515.05	64,394	75,000	70,020	70,020	75,000	-	0.00%
Total GENERAL SUPPLIES		241,936	282,500	322,520	309,020	329,500	47,000	16.64%
POSTAGE AND FREIGHT								
Postage and Freight Postage	505-3000-110-520.02	1,150	2,000	2,000	2,000	5,000	3,000	150.00%
Total POSTAGE AND FREIGHT		1,150	2,000	2,000	2,000	5,000	3,000	150.00%
FUELS/LUBRICANTS/ENERGY COSTS								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*** Change
Fuels, Lubricants and Energy Costs Heating Fuel	505-3000-110-525.03	22,222	47,500	47,500	34,000	44,000	-3,500	-7.37%
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	505-3000-110-525.04	5,683	12,500	12,500	10,000	12,500	-	0.00%
Total FUELS/LUBRICANTS/ENERGY COSTS		27,905	60,000	60,000	44,000	56,500	-3,500	-5.83%
BOOKS AND PERIODICALS								
Books and Periodicals Professional & Technical Pubs	505-3000-110-530.03	182	750	750	750	750	-	0.00%
Total BOOKS AND PERIODICALS		182	750	750	750	750	-	0.00%
ALLOWANCES								
Allowances Business and Meal Expense	505-3000-110-535.02	1,136	2,000	2,000	1,500	2,000	-	0.00%
Allowances Uniforms/Badges/Clothing	505-3000-110-535.04	3,557	4,000	4,000	3,000	4,000	-	0.00%
Total ALLOWANCES		4,693	6,000	6,000	4,500	6,000	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Training	505-3000-110-600.02	-	12,000	5,470	5,470	12,000	-	0.00%
Travel and Education Training and Education	505-3000-110-600.03	1,383	10,000	10,000	10,000	12,000	2,000	20.00%
Total TRAVEL AND EDUCATION		1,383	22,000	15,470	15,470	24,000	2,000	9.09%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	505-3000-110-605.01	637	6,000	6,000	6,000	6,000	-	0.00%
Total ADVERTISING AND PUBLISHING		637	6,000	6,000	6,000	6,000	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Professional Lic. and Certs.	505-3000-110-615.01	900	1,500	1,500	1,500	1,500	-	0.00%
Dues and Memberships Assoc. Membership Dues & Fees	505-3000-110-615.02	-	750	750	750	750	-	0.00%
Total DUES AND MEMBERSHIPS		900	2,250	2,250	2,250	2,250	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Building & Operating Permits	505-3000-110-630.01	8,020	9,000	9,000	9,000	9,000	-	0.00%
Licenses and Fees Vehicle Licenses	505-3000-110-630.02	30	500	500	500	500	-	0.00%
Licenses and Fees Bank & Merchant Fees	505-3000-110-630.03	22,930	23,000	33,510	33,510	33,510	10,510	45.70%
Total PERMITS, LICENSES AND FEES		30,980	32,500	43,010	43,010	43,010	10,510	32.34%
CONTRACTUAL SERVICES								
Contractual Services Vehicle Maintenance Services	505-3000-110-635.03	656	3,000	3,000	3,000	3,000	-	0.00%
Contractual Services Software & Equip Maint Services	505-3000-110-635.04	6,453	11,000	31,510	22,510	12,000	1,000	9.09%
Contractual Services Building and Grounds Maint. Svc	505-3000-110-635.06	9,809	12,000	12,000	12,000	16,000	4,000	33.33%
Contractual Services Machinery & Equipment Maint. Svc	505-3000-110-635.07	18,831	24,000	24,000	24,000	27,000	3,000	12.50%
Contractual Services Infrastructure & Plant Maint Svc	505-3000-110-635.08	33,277	38,000	38,000	38,000	40,000	2,000	5.26%
Contractual Services Technical Services	505-3000-110-635.12	3,271	9,000	9,000	9,000	65,000	56,000	622.22%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Total CONTRACTUAL SERVICES		72,297	97,000	117,510	108,510	163,000	66,000	68.04%
PROFESSIONAL SERVICES								
Professional Services Engineering & Architectural Svcs	505-3000-110-640.02	11,030	155,000	134,000	64,000	150,000	-5,000	-3.23%
Professional Services Management & Consulting Services	505-3000-110-640.04	143,259	100,000	100,000	20,000	100,000	-	0.00%
Total PROFESSIONAL SERVICES		154,289	255,000	234,000	84,000	250,000	-5,000	-1.96%
RENTS AND LEASES								
Rents and Leases Machinery & Equipment	505-3000-110-645.02	2,750	5,000	5,000	5,000	7,000	2,000	40.00%
Total RENTS AND LEASES		2,750	5,000	5,000	5,000	7,000	2,000	40.00%
UTILITIES								
Utilities Telecommunications	505-3000-110-650.01	16,123	44,395	44,395	44,395	44,395	-	0.00%
Utilities Electric, Water, Sewer & Garbage	505-3000-110-650.02	224,809	231,000	231,000	231,000	231,000	-	0.00%
Total UTILITIES		240,932	275,395	275,395	275,395	275,395	-	0.00%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	505-3000-110-790.15	628	1,500	1,500	1,500	1,500	-	0.00%
Minor Capital Outlay Machinery & Equipment	505-3000-110-790.25	64,449	85,000	92,000	85,000	89,000	4,000	4.71%
Minor Capital Outlay M&E-Computers Printers & Copier	505-3000-110-790.26	5,889	10,000	10,000	10,000	10,000	-	0.00%
Total MINOR CAPITAL OUTLAY		70,966	96,500	103,500	96,500	100,500	4,000	4.15%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges-Admin Mayor & Council	505-3000-110-800.01	4,649	6,280	6,280	6,270	5,880	-400	-6.37%
Interdepartmental Charges-Admin City Clerk	505-3000-110-800.02	10,035	14,450	14,430	11,220	16,120	1,670	11.56%
Interdepartmental Charges-Admin City Attorney	505-3000-110-800.03	8,874	9,770	9,790	9,790	10,070	300	3.07%
Interdepartmental Charges-Admin City Manager	505-3000-110-800.04	10,105	14,330	14,330	12,690	15,680	1,350	9.42%
Interdepartmental Charges-CMO & HR Human Resources	505-3000-110-801.01	12,581	18,180	18,180	12,770	17,600	-580	-3.19%
Interdepartmental Charges-Finance General Accounting	505-3000-110-802.01	57,850	71,130	71,130	62,020	73,400	2,270	3.19%
Interdepartmental Charges-IT Information Technology	505-3000-110-803.01	53,443	64,690	64,690	57,520	71,950	7,260	11.22%
Interdepartmental Charges-Engineering Engineering	505-3000-110-804.01	304,440	439,427	439,427	349,000	404,000	-35,427	-8.06%
Interdepartmental Charges-KPU Billing Services	505-3000-110-805.01	54,830	54,830	54,830	54,830	54,830	-	0.00%
Interdepartmental Charges Insurance	505-3000-110-825.01	70,558	81,700	84,810	84,810	89,250	7,550	9.24%
Interdepartmental Charges Garage Charges	505-3000-110-850.01	52,530	46,370	46,370	46,370	46,370	-	0.00%
Interdepartmental Charges-Equipment	505-3000-110-851.01	15,000	15,000	15,000	15,000	15,000	-	0.00%
Total INTERDEPARTMENTAL CHARGES		654,895	836,157	839,267	722,290	820,150	-16,007	-1.91%
DEBT SERVICE								
Debt Service - Principal Bond Payments	505-3000-110-931.01	138,721	265,812	265,812	140,812	263,932	-1,880	-0.71%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Debt Service - Interest Bond Payments	505-3000-110-932.01	23,777	72,017	72,017	22,017	73,898	1,881	2.61%
Total DEBT SERVICE		162,498	337,829	337,829	162,829	337,830	1	0.00%
OTHER COSTS								
Payments In Lieu of Taxes General	505-3000-110-975.00	80,000	80,000	80,000	80,000	108,250	28,250	35.31%
Total OTHER COSTS		80,000	80,000	80,000	80,000	108,250	28,250	35.31%
Total Expenditures		3,002,672	3,795,201	3,943,523	3,423,381	4,214,005	418,804	11.04%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries & Wages: \$937,440 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Wastewater Division.

500.05 Longevity Pay: \$2,850 Employees may be awarded a bonus upon their anniversary to recognize employees who have remained with the City and KPU for at least 15 years.

501.01 Overtime Wages: \$100,000 - This account provides expenditures for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502.01 Temporary Wages: \$20,000 - This account provides expenditures for compensation paid to temporary salaried and hourly employees of the Wastewater Services Division.

505.00 Payroll Taxes: \$81,560 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$204,010 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health & Life Insurance: \$252,910 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers' Compensation: \$27,600 – This account provides expenditures for employer contributions to workers' compensation insurance.

508.00 Other Benefits: \$50,050 – This account provides 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: \$2,450 – This account provides expenditures for employer provided protective clothing allowances paid directly to represented employees of the Public Works Department pursuant to collective bargaining agreements or the Personnel Rules.

509.08 Allowances- Medical Expenses: \$600 – This account provides expenditures for employer provided medical exams paid directly to employees.

510.01 Office Supplies: \$3,500 - This account provides expenditures 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: \$60,000 - This account provides expenditures for supplies that are normally not of a maintenance nature and are required to support department operations. Included are supplies such as laboratory supplies, general materials for public programs and bottled water.

510.03 Safety Program Supplies: \$12,500 - This account provides expenditures for safety training, audio and video programs, safety equipment, City required hearing tests, specialized hazardous materials handling and disposal information, specialized protective safety clothing, traffic control equipment, confined space related equipment for air sampling, calibration and man lifting.

510.04 Janitorial Supplies: \$5,000 – This account provides expenditures for cleaning and sanitation supplies used by the in-house janitor.

510.05 Small Tools & Equipment: \$9,500 - This account provides expenditures 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: \$125,000 - This account provides expenditures for chemicals used for wastewater treatment and testing.

515.01 Vehicle Maintenance Materials: \$4,000 - This account provides expenditures for the repair and maintenance of vehicles owned or leased and operated by the division. Included are licensed and unlicensed rolling stock.

515.04 Machinery & Equipment Maintenance Materials: \$35,000 – This account provides expenditures for materials required for the repair and maintenance of machinery and equipment operated by the division. Included are office equipment, operating equipment, computer networks and computers and pump station and treatment plant equipment.

515.05 Infrastructure Maintenance Materials: \$75,000 - This account provides expenditures for materials required for the repair and maintenance of infrastructure operated by the division. Included are sewer mains, sewer pump stations, generators, treatment plant and SCADA communications.

520.02 Postage: \$5,000 - This account provides expenditures for postal related services such as postage, express delivery and mailing materials.

525.03 Heating Fuel: \$44,000 - This account provides expenditures for heating fuel to heat the wastewater treatment plants.

525.04 Vehicle Motor Fuel & Lubricants: \$12,500 - This account provides expenditures for gasoline, diesel fuel, propane and lubricants for vehicles and the 14 foot sampling skiff.

530.03 Professional & Technical Publications: \$750 - This account provides expenditures for professional and technical publications. Included are professional handbooks and technical journals and wastewater operator manuals.

535.02 Business & Meal Expenses: \$2,000 - This account provides expenditures for reimbursements to employees for business and job-related meals, and other business-related expenses.

535.04 Uniforms/Badges/Clothing: \$4,000 - This account provides expenditures for direct purchases of or reimbursements to employees for work-related clothing required by department policies. Included are work clothes, rain gear, hats, steel toed boots and gloves.

600.02 Travel-Training: \$12,000 - This account provides expenditures for transportation, lodging, meals, per diem and other incidental expenses associated with travel for training.

600.03 Training & Education: \$12,000 – This account provides 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 third-parties.

605.01 Advertising & Public Announcements: \$6,000 - This account provides expenditures for advertising and announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Included are legal notices, public service announcements, public awareness brochure, community issues, recruiting, requests for proposals, contracts and sales of property and equipment.

615.01 Professional & Technical Licenses: \$1,500 – This account provides expenditures for fees paid for technical certifications required by collection system and treatment plant operators, lab technicians, operators of special equipment and commercial driver's licenses.

615.02 Assn. Membership Dues & Fees: \$750 – This account provides expenditures for memberships in professional and trade associations such as American Water Works Association, Water Environment Federation and Alaska Rural Water Association.

630.01 Building & Operating Permits: \$9,000 - This account provides expenditures for permits required for construction, right-of-ways, easements, environmental, occupancy and operations.

630.02 Vehicle Licenses: \$500 – This account provides expenditures for licensing City vehicles for operations on public highways.

630.03 Bank & Merchant Charges: \$23,000 – This account provides expenditures for monthly bank account service charges, merchant fees for use of credit and debit cards, wire transfer fees and other fees for banking services.

635.03 Vehicle Maintenance Services: \$3,000 – This account provides expenditures 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: \$12,000 - This account provides expenditures for maintenance agreements to support licensed software systems.

635.06 Buildings & Grounds Maintenance Services: \$16,000 - This account provides expenditures for 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 & Equipment Maintenance Services: \$27,000 - This account provides expenditures for contractual services for the repair and maintenance of office equipment, laboratory 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: \$40,000 - This account provides expenditures 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. Included are sewer mains, sewer pump stations, generators and SCADA systems.

635.12 Technical Services: \$65,000 - This account provides expenditures 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 & Architectural Services: \$150,000 - This account provides expenditures for engineering and architectural services outside the scope of available services with internal staff. Planned projects include a secondary treatment feasibility study, ADEC loan required fiscal sustainability plan, Inflow and infiltration (I&I) study, long range planning/asset management study, and pump station "flushable" wipes removal engineering assistance.

640.04 Management & Consulting Services: \$175,000 - This account provides expenditures for management and consulting services. Included are project management, rate studies, management studies and other management and consulting engagements requiring persons or firms with specialized skills and knowledge. Anticipated projects include a wastewater rate study and influent copper source consulting.

645.02 Rents & Leases - Machinery & Equipment: \$7,000 - This account provides expenditures for the rent and lease of machinery and equipment.

650.01 Telecommunications: \$44,395 - This account provides expenditures for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, pagers, Internet, long distance and toll-free numbers.

650.02 Electric, Water, Sewer & Solid Waste: \$231,000 - This account provides expenditures for electric, water, sewer and solid waste utility services.

790.15 Furniture & Fixtures: \$1,500 - This account provides expenditures for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

790.25 Machinery & Equipment: \$89,000 - This account provides expenditures for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment, laboratory equipment, pumps, motors, fittings valves and operating equipment required to provide services or maintain capital assets.

790.26 Computers, Printers & Copiers: \$10,000 – This account provides expenditures for desktop, laptops, and tablet computers; computer printers and scanners, photocopiers and fax machines. Per the replacement schedule developed by the Information Technology Department, two workstations, one monitor, and one UPS battery back-up will be replaced.

800.01 Interdepartmental Charges - Mayor & Council: \$5,880 - This account provides expenditures for administrative services provided by Mayor & Council.

800.02 Interdepartmental Charges - City Clerk: \$16,120 - This account provides expenditures for administrative services provided by the City Clerk.

800.03 Interdepartmental Charges - City Attorney: \$10,070 - This account provides expenditures for administrative services provided by the City Attorney.

800.04 Interdepartmental Charges - City Manager: \$15,680 - This account provides expenditures for administrative services provided by the City Manager

801.01 Interdepartmental Charges – Human Resources: \$17,600 - This account provides expenditures for human resource services provided by the Human Resources Division.

802.01 Interdepartmental Charges - Finance: \$73,400 - This account provides expenditures for financial, accounting, payroll, accounts payable, billing, customer service and budgeting services provided by the Finance Department.

803.01 Interdepartmental Charges – Information Technology: \$71,950 - This account provides expenditures for information technology services provided by the Information Technology Department.

804.01 Interdepartmental Charges – Engineering: \$404,000 - This account provides expenditures for engineering services provided by the Public Works Department-Engineering Division.

805.01 Interdepartmental Charges – KPU Billing Services: \$54,830 - This account provides expenditures for billing and collection services provided by the KPU Sales, Marketing and Customer Service Division.

825.01 Interdepartmental Charges – Insurance: \$89,250 - This account provides expenditures for risk management services and claims.

850.01 Interdepartmental Charges – Garage: \$46,370 - This account provides expenditures for fleet maintenance services provided by the Public Works Department-Garage Division.

851.01 Equipment Charges: \$15,000 - This account provides expenditures for use of equipment owned by another department of the City.

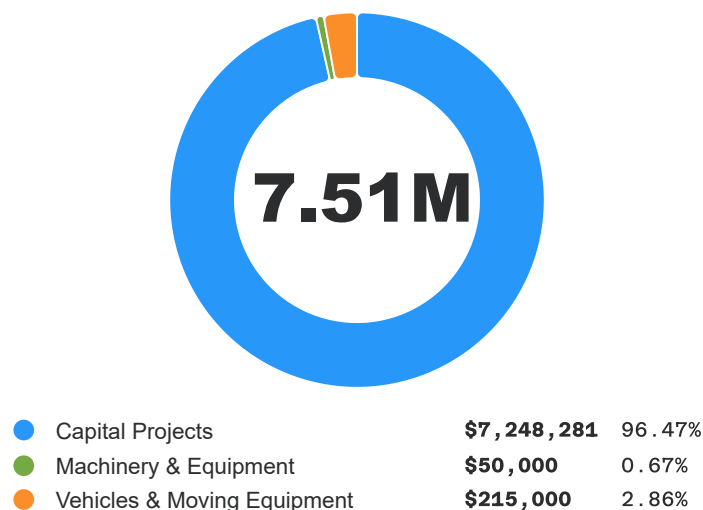
931.01 Debt Service-Principal: \$263,932 - This account provides expenditures for principal on Alaska Clean Water Loans for the Wastewater Division.

932.01 Debt Service-Interest: \$73,898 - This account provides expenditures for interest on Alaska Clean Water Loans for the Wastewater Division.

975.00 Payments in Lieu of Taxes: \$108,250 - This account provides expenditures for payments in lieu of taxes assessed against the enterprise funds of the City.

Wastewater Capital Program

2026 Expenditures by Type



Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Buildings	-	145,000	145,000	116,200	-	-145,000	-
Vehicles & Moving Equipment	-	180,000	180,000	180,000	215,000	35,000	19.44%
Machinery & Equipment	46,400	-	-	690,000	50,000	50,000	-
Capital Projects	1,014,008	7,300,781	7,338,895	4,145,385	7,248,281	-52,500	-0.72%
Total Expenditures	1,060,408	7,625,781	7,663,895	5,131,585	7,513,281	-112,500	-1.48%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Activity

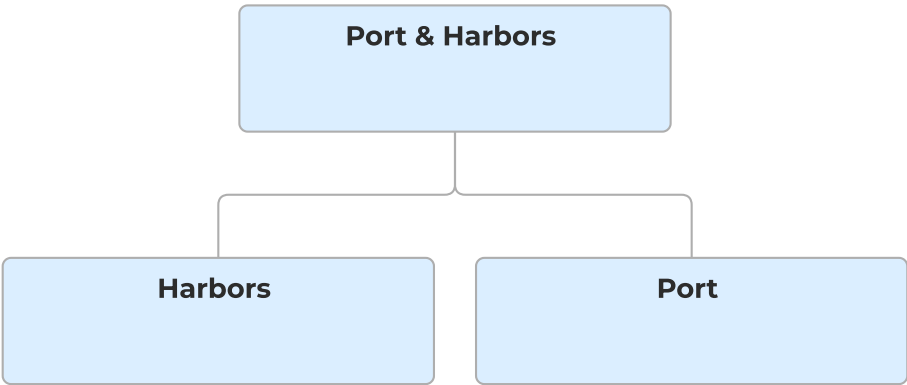
Category	2026 Budget
Capital Projects	
Wastewater Services	
Vehicles & Moving Equipment General	215,000
Replacement Wastewater Screenings Truck	215,000
Machinery & Equipment General	50,000
Scada and Controls System Upgrade Installation	50,000
Capital Projects Infrastructure & Plant	7,248,281
Water Street Sewer Replacement & Rehabilitation	4,300,000
Wastewater Generators	40,000
Sewer Main & Manhole Repair	50,000
Large Pump Station Upgrades	75,000
Small Pump Station Upgrades	50,000
WWTP Equipment Replacement	60,000
WW - Hillside Road Utilities Design	60,000
Upgrade Sewer Laterals	30,000
WW - Park Ave & Harris St. Revitalization Design	215,000
Outmoded Sewer Pipe Replacement Design	300,000

Category	2026 Budget
WW - Ketchikan Lakes Road Concrete Segment Replacement Design	105,000
Disinfection Requirements Design	1,000,000
WW - Water Meters - Business and Commercial Installation	813,281
WW - Second Avenue Reconstruction in Landslide Area Construction	150,000
Total Wastewater Services	7,513,281
Total Capital Projects	7,513,281
Total Expenditures	7,513,281

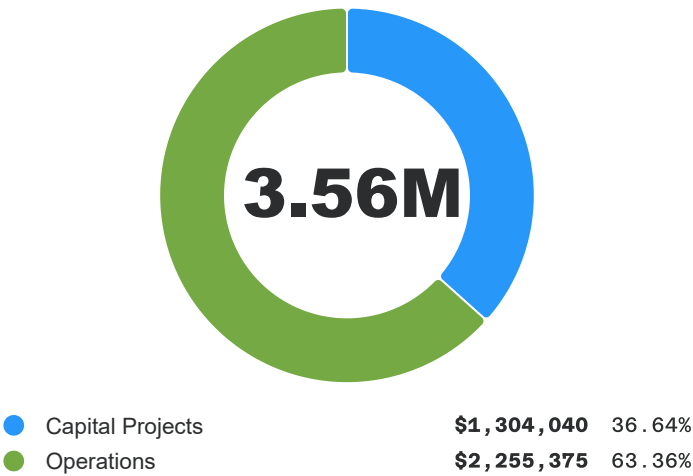
Harbors

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.



2026 Expenditures by Activity



Expenditures by Division

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	1,666,514	2,160,724	2,160,724	1,915,367	2,255,375	94,651	4.38%
Capital Projects	350,147	1,136,040	1,186,040	162,420	1,304,040	168,000	14.79%
Total Expenditures	2,016,661	3,296,764	3,346,764	2,077,787	3,559,415	262,651	7.97%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	566,104	748,997	748,997	662,390	790,700	41,703	5.57%
GENERAL SUPPLIES	68,129	82,550	83,550	82,373	82,700	150	0.18%
POSTAGE AND FREIGHT	4,187	4,000	4,000	3,000	4,000	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS	8,891	15,000	15,000	11,500	14,850	-150	-1.00%
BOOKS AND PERIODICALS	91	125	125	104	125	-	0.00%
ALLOWANCES	2,557	4,500	4,500	4,000	4,500	-	0.00%
TRAVEL AND EDUCATION	5,764	10,000	10,000	9,400	10,500	500	5.00%
ADVERTISING AND PUBLISHING	3,203	4,000	4,000	3,135	4,000	-	0.00%
DUES AND MEMBERSHIPS	213	750	750	750	750	-	0.00%
TOWING AND SALVAGE	7,000	10,500	10,500	8,800	10,500	-	0.00%
PERMITS, LICENSES AND FEES	50,603	50,200	50,200	50,140	51,200	1,000	1.99%
CONTRACTUAL SERVICES	18,163	50,000	50,000	43,925	48,500	-1,500	-3.00%
PROFESSIONAL SERVICES	2,258	2,500	2,500	2,300	2,500	-	0.00%
RENTS AND LEASES	-	500	2,800	2,600	500	-	0.00%
UTILITIES	270,105	340,500	340,500	340,500	384,500	44,000	12.92%
MAJOR CAPITAL OUTLAY	350,147	1,136,040	1,186,040	162,420	1,304,040	168,000	14.79%
MINOR CAPITAL OUTLAY	7,494	21,500	18,200	14,905	21,500	-	0.00%
INTERDEPARTMENTAL CHARGES	302,202	362,547	362,547	326,620	367,745	5,198	1.43%
DEBT SERVICE	349,550	452,555	452,555	348,925	456,305	3,750	0.83%
Total Expenditures	2,016,661	3,296,764	3,346,764	2,077,787	3,559,415	262,651	7.97%

Funding Source

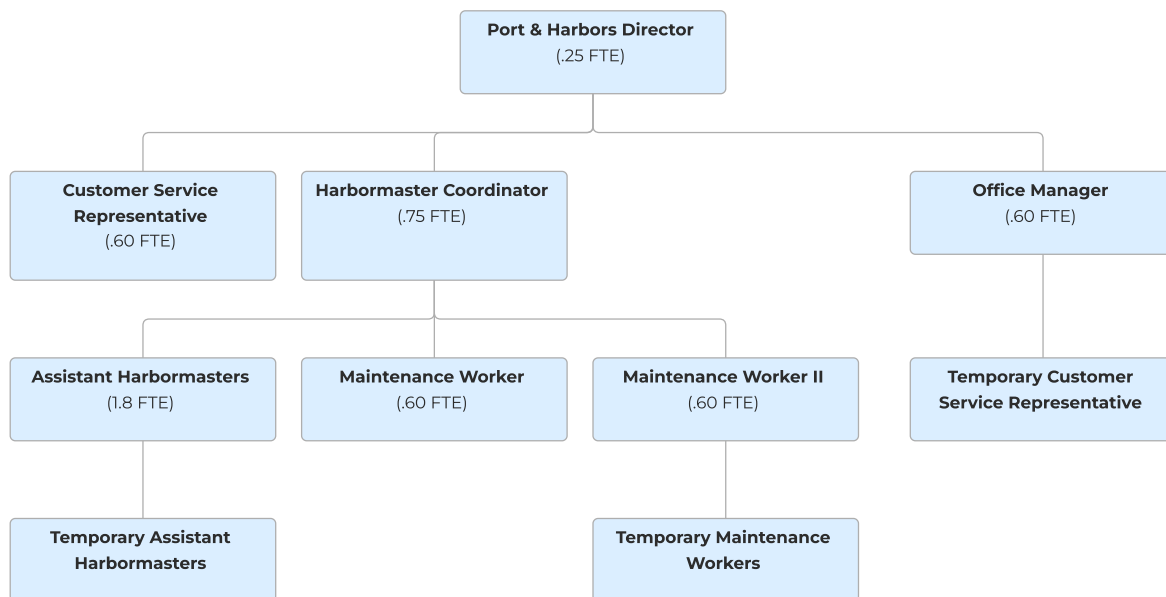
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Harbor Fund	1,666,514	2,160,724	2,160,724	1,915,367	1,902,700	(258,024)	-11.9%
Hospital Sales Tax Fund - GO Debt	-	-	-	-	352,675	352,675	NA
Harbor Construction Fund	350,147	386,040	436,040	162,420	541,360	155,320	40.2%
Interfund Loan	-	750,000	750,000	-	762,680	12,680	1.7%
Total Funding	2,016,661	3,296,764	3,346,764	2,077,787	3,559,415	262,651	8.0%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	5.20	5.20	5.20	5.20	376,890	-	0.0%
Total	5.20	5.20	5.20	5.20	376,890	-	0.0%

Harbors Operations

The mission of the Harbors 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 Harbors Division will promote the City of Ketchikan and assist the community in maintaining economic growth and prosperity.



Goals for 2026

- Installation of new Harbor Master main doors.
- Electrical upgrades in Casey Moran Float
- Continue concrete rehab in Bar Harbor North and South.
- New Electrical Pedestals on Float 12 Bar Harbor North.
- Continue to reduce past due moorage bills.
- Add cameras to Bar Harbor South.
- Design for future dredging current divertor.
- Design and plan for Mountain Point boat launch

2025 Accomplishments

- Concrete rehab in Bar Harbor N. Multiple sections refurbished.
- Installation of new pump out stations were completed. All pump out stations are now operational.
- Float 7 was refurbished/rebuilt. (Casey Moran/City Float)
- Additional Security Cameras were installed in Thomas Basin.
- Harbor Master breakroom door was replaced with a new stainless-steel model and keypad entry lock.
- Replace piles in Thomas Basin (Fall)
- Dredge Bar Harbor North.
- Past due debts have been reduced to less than 40K.

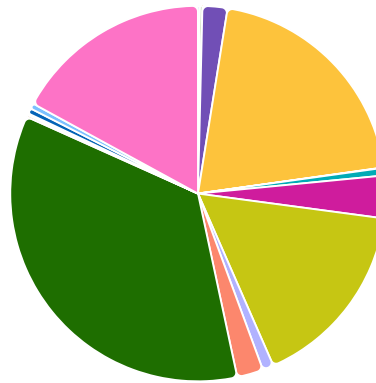
Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Harbor Fund	1,666,514	2,160,724	2,160,724	1,915,367	1,902,700	(258,024)	11.9%
Hospital Sales Tax Fund - GO Debt	-	-	-	-	352,675	352,675	NA
Total Funding	1,666,514	2,160,724	2,160,724	1,915,367	2,255,375	94,651	4.4%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Director of Port & Harbors	0.25	0.25	0.25	0.25	34,670	-	0.0%
Harbormaster Coordinator	0.75	0.75	0.75	0.75	74,290	-	0.0%
Assistant Harbormasters	1.80	1.80	1.80	1.80	112,570	-	0.0%
Maintenance Worker	1.20	0.60	0.60	0.60	34,800	-	0.0%
Maintenance Worker II	-	0.60	0.60	0.60	41,380	-	0.0%
Office Manager	0.60	0.60	0.60	0.60	49,010	-	0.0%
Customer Service Rep I	0.60	0.60	0.60	0.60	30,170	-	0.0%
Total	5.20	5.20	5.20	5.20	376,890	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$4,000	0.18%
ALLOWANCES	\$4,500	0.20%
BOOKS AND PERIODICALS	\$125	0.01%
CONTRACTUAL SERVICES	\$48,500	2.15%
DEBT SERVICE	\$456,305	20.23%
DUES AND MEMBERSHIPS	\$750	0.03%
FUELS/LUBRICANTS/ENERGY COSTS	\$14,850	0.66%
GENERAL SUPPLIES	\$82,700	3.67%
INTERDEPARTMENTAL CHARGES	\$367,745	16.31%
MINOR CAPITAL OUTLAY	\$21,500	0.95%
PERMITS, LICENSES AND FEES	\$51,200	2.27%
PERSONNEL SERVICES AND BENEFITS	\$790,700	35.06%
POSTAGE AND FREIGHT	\$4,000	0.18%
PROFESSIONAL SERVICES	\$2,500	0.11%
RENTS AND LEASES	\$500	0.02%
TOWING AND SALVAGE	\$10,500	0.47%
TRAVEL AND EDUCATION	\$10,500	0.47%
UTILITIES	\$384,500	17.05%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Services and Benefits increased by \$41,703 or 5.57% due to annual step increases; a 5.0% cost of living adjustment for employees that will become effective January 1, 2026 and projected increases in pension, health insurance and other benefits.
- Utilities - Electric, Water, Sewer & Water (Account 650.01) increased by \$44,000 or 16% due to the introduction of a Public Restroom rate.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	%% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	240-1710-110-500.01	289,712	367,997	367,997	333,100	376,890	8,893	2.42%
Personnel Services and Wages - Regular Longevity Bonus	240-1710-110-500.05	450	-	-	-	-	-	-

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Personnel Services and Wages - Overtime Wages - Straight/Double OT	240-1710-110-501.01	16,142	17,500	17,500	17,500	17,500	-	0.00%
Personnel Services and Wages - Temporary Wages	240-1710-110-502.01	59,131	75,000	75,000	62,950	75,000	-	0.00%
Personnel Benefits - Taxes Budget Only	240-1710-110-505.00	27,527	35,230	35,230	31,750	35,940	710	2.02%
Personnel Benefits - Pension Budget Only	240-1710-110-506.00	68,303	85,660	85,660	80,750	89,490	3,830	4.47%
Personnel Benefits - Insurance Budget Only	240-1710-110-507.00	98,473	141,480	141,270	110,000	166,460	24,980	17.66%
Personnel Benefits - Insurance Worker's Compensation	240-1710-110-507.30	12,069	17,280	17,280	17,280	16,120	-1,160	-6.71%
Personnel Benefits - Other Budget Only	240-1710-110-508.00	-5,703	8,850	8,850	8,850	13,090	4,240	47.91%
Payroll Allowances PW Clothing	240-1710-110-509.03	-	-	210	210	210	210	-
Total PERSONNEL SERVICES AND BENEFITS		566,104	748,997	748,997	662,390	790,700	41,703	5.57%
GENERAL SUPPLIES								
General Supplies Office Supplies	240-1710-110-510.01	5,330	4,000	5,500	4,000	4,000	-	0.00%
General Supplies Operating Supplies	240-1710-110-510.02	5,645	5,000	5,000	5,000	5,000	-	0.00%
General Supplies Safety Program Supplies	240-1710-110-510.03	495	550	1,550	1,431	700	150	27.27%
General Supplies Janitorial Supplies	240-1710-110-510.04	2,726	4,000	4,000	4,000	4,000	-	0.00%
General Supplies Small Tools & Equipment	240-1710-110-510.05	4,842	5,500	5,500	5,500	5,500	-	0.00%
Maintenance Materials Vehicle Maintenance Materials	240-1710-110-515.01	3,424	3,500	3,500	3,500	3,500	-	0.00%
Maintenance Materials Building and Grounds Maintenance	240-1710-110-515.02	-	-	1,058	-	-	-	0.00%
Maintenance Materials Infrastructure & Plant Maint.	240-1710-110-515.05	45,667	60,000	57,442	58,942	60,000	-	0.00%
Total GENERAL SUPPLIES		68,129	82,550	83,550	82,373	82,700	150	0.18%
POSTAGE AND FREIGHT								
Postage and Freight Postage	240-1710-110-520.02	4,187	4,000	4,000	3,000	4,000	-	0.00%
Total POSTAGE AND FREIGHT		4,187	4,000	4,000	3,000	4,000	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Heating Fuel	240-1710-110-525.03	3,333	8,000	8,000	5,500	8,000	-	0.00%
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	240-1710-110-525.04	5,558	7,000	7,000	6,000	6,850	-150	-2.14%
Total FUELS/LUBRICANTS/ENERGY COSTS		8,891	15,000	15,000	11,500	14,850	-150	-1.00%
BOOKS AND PERIODICALS								
Books and Periodicals Periodicals	240-1710-110-530.02	91	125	125	104	125	-	0.00%
Total BOOKS AND PERIODICALS		91	125	125	104	125	-	0.00%
ALLOWANCES								
Allowances Uniforms/Badges/Clothing	240-1710-110-535.04	2,557	4,500	4,500	4,000	4,500	-	0.00%
Total ALLOWANCES		2,557	4,500	4,500	4,000	4,500	-	0.00%
TRAVEL AND EDUCATION								

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Travel and Education Travel - Business	240-1710-110-600.01	3,364	4,000	4,000	3,900	4,000	-	0.00%
Travel and Education Travel - Training	240-1710-110-600.02	1,321	2,000	2,000	2,000	2,500	500	25.00%
Travel and Education Training and Education	240-1710-110-600.03	1,079	4,000	4,000	3,500	4,000	-	0.00%
Total TRAVEL AND EDUCATION		5,764	10,000	10,000	9,400	10,500	500	5.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	240-1710-110-605.01	3,203	3,000	3,000	2,635	3,000	-	0.00%
Advertising and Publishing Marketing	240-1710-110-605.02	-	1,000	1,000	500	1,000	-	0.00%
Total ADVERTISING AND PUBLISHING		3,203	4,000	4,000	3,135	4,000	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Assoc. Membership Dues & Fees	240-1710-110-615.02	213	750	750	750	750	-	0.00%
Total DUES AND MEMBERSHIPS		213	750	750	750	750	-	0.00%
TOWING AND SALVAGE								
Towing and Salvage Abandoned Property	240-1710-110-620.01	7,000	10,000	10,000	8,500	10,000	-	0.00%
Towing and Salvage Impound and Disposal of Property	240-1710-110-620.02	-	500	500	300	500	-	0.00%
Total TOWING AND SALVAGE		7,000	10,500	10,500	8,800	10,500	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Vehicle Licenses	240-1710-110-630.02	60	200	200	140	200	-	0.00%
Licenses and Fees Bank & Merchant Fees	240-1710-110-630.03	50,543	50,000	50,000	50,000	51,000	1,000	2.00%
Total PERMITS, LICENSES AND FEES		50,603	50,200	50,200	50,140	51,200	1,000	1.99%
CONTRACTUAL SERVICES								
Contractual Services Janitorial & Cleaning Services	240-1710-110-635.02	5,164	7,000	7,000	6,600	8,000	1,000	14.29%
Contractual Services Vehicle Maintenance Services	240-1710-110-635.03	657	3,500	3,500	3,000	3,500	-	0.00%
Contractual Services Software & Equip Maint Services	240-1710-110-635.04	378	12,000	12,000	10,000	10,000	-2,000	-16.67%
Contractual Services Building and Grounds Maint. Svc	240-1710-110-635.06	4,107	6,500	6,500	5,900	6,500	-	0.00%
Contractual Services Machinery & Equipment Maint. Svc	240-1710-110-635.07	3,576	5,000	5,000	4,505	5,000	-	0.00%
Contractual Services Infrastructure & Plant Maint Svc	240-1710-110-635.08	4,281	10,000	10,000	9,920	10,000	-	0.00%
Contractual Services Technical Services	240-1710-110-635.12	-	6,000	6,000	4,000	5,500	-500	-8.33%
Total CONTRACTUAL SERVICES		18,163	50,000	50,000	43,925	48,500	-1,500	-3.00%
PROFESSIONAL SERVICES								
Professional Services Management & Consulting Services	240-1710-110-640.04	2,258	2,500	2,500	2,300	2,500	-	0.00%
Total PROFESSIONAL SERVICES		2,258	2,500	2,500	2,300	2,500	-	0.00%
RENTS AND LEASES								
Rents and Leases Machinery & Equipment	240-1710-110-645.02	-	500	2,800	2,600	500	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	**% Change
Total RENTS AND LEASES		-	500	2,800	2,600	500	-	0.00%
UTILITIES								
Utilities Telecommunications	240-1710-110-650.01	34,484	65,500	65,500	65,500	65,500	-	0.00%
Utilities Electric, Water, Sewer & Garbage	240-1710-110-650.02	235,621	275,000	275,000	275,000	319,000	44,000	16.00%
Total UTILITIES		270,105	340,500	340,500	340,500	384,500	44,000	12.92%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	240-1710-110-790.15	511	1,500	1,500	1,500	1,500	-	0.00%
Minor Capital Outlay Vehicles & Moving Equipment	240-1710-110-790.20	2,000	4,000	4,000	4,000	5,000	1,000	25.00%
Minor Capital Outlay Machinery & Equipment	240-1710-110-790.25	-	7,500	4,200	4,200	6,500	-1,000	-13.33%
Minor Capital Outlay M&E-Computers Printers & Copier	240-1710-110-790.26	4,983	7,000	7,000	4,000	7,000	-	0.00%
Minor Capital Outlay Software	240-1710-110-790.35	-	1,500	1,500	1,205	1,500	-	0.00%
Total MINOR CAPITAL OUTLAY		7,494	21,500	18,200	14,905	21,500	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges-Admin Mayor & Council	240-1710-110-800.01	3,122	3,640	3,640	3,640	3,410	-230	-6.32%
Interdepartmental Charges-Admin City Clerk	240-1710-110-800.02	6,740	8,390	8,380	6,520	9,360	970	11.56%
Interdepartmental Charges-Admin City Attorney	240-1710-110-800.03	5,960	5,670	5,680	5,680	5,840	170	3.00%
Interdepartmental Charges-Admin City Manager	240-1710-110-800.04	6,787	8,320	8,320	7,370	9,110	790	9.50%
Interdepartmental Charges-CMO & HR Human Resources	240-1710-110-801.01	8,450	10,590	10,590	7,440	10,250	-340	-3.21%
Interdepartmental Charges-Finance General Accounting	240-1710-110-802.01	38,855	41,420	41,420	36,120	42,750	1,330	3.21%
Interdepartmental Charges-IT Information Technology	240-1710-110-803.01	35,894	37,560	37,560	33,390	41,770	4,210	11.21%
Interdepartmental Charges-Engineering Engineering	240-1710-110-804.01	74,641	108,127	108,127	91,000	103,000	-5,127	-4.74%
Interdepartmental Charges Insurance	240-1710-110-825.01	117,625	132,550	132,550	129,180	135,975	3,425	2.58%
Interdepartmental Charges Garage Charges	240-1710-110-850.01	4,128	6,280	6,280	6,280	6,280	-	0.00%
Total INTERDEPARTMENTAL CHARGES		302,202	362,547	362,547	326,620	367,745	5,198	1.43%
DEBT SERVICE								
Debt Service - Principal Bond Payments	240-1710-110-931.01	210,000	283,630	283,630	220,000	298,630	15,000	5.29%
Debt Service - Interest Bond Payments	240-1710-110-932.01	139,550	168,925	168,925	128,925	157,675	-11,250	-6.66%
Total DEBT SERVICE		349,550	452,555	452,555	348,925	456,305	3,750	0.83%
Total Expenditures		1,666,514	2,160,724	2,160,724	1,915,367	2,255,375	94,651	4.38%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$376,890 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Harbors Division.

501.01 Overtime Wages: \$17,500 - This account provides expenditures 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 expenditures for compensation paid to temporary salaried and hourly employees of the Harbors Division.

505.00 Payroll Taxes: \$35,940 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$89,490 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$166,460 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$16,120 – This account provides expenditures for employer contributions to workers compensation.

508.00 Other Benefits: \$13,090 – This account provides expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509.03 Clothing Allowance: \$210 - This account provides expenditures for employer-provided clothing pursuant to collective bargaining agreements.

510.01 Office Supplies: \$4,000 - This account provides expenditures 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: \$5,000 - This account provides expenditures 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: \$700 - This account provides expenditures 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: \$4,000 – This account provides expenditures for cleaning and sanitation supplies used by contracted janitors.

510.05 Small Tools and Equipment: \$5,500 - This account provides expenditures for minor tools, operating and 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.

515.01 Vehicle Maintenance Materials: \$3,500 - This account provides expenditures for the materials required for maintaining vehicles such as tires.

515.05 Infrastructure Maintenance Materials: \$60,000 - This account provides expenditures for the materials required for the repair and maintenance of infrastructure owned or leased and operated by the Harbors Division. Included are launch ramps, access ramps, floats, piles, lighting, water lines and other items associated with the harbor facilities.

520.02 Postage: \$4,000 - This account provides expenditures for postal related services such as postage, express delivery, mailing materials, etc.

525.03 Heating Fuel: \$8,000 - This account provides expenditures for heating fuel to heat facilities owned or leased by the City and operated by the Harbors Division.

525.04 Vehicle Motor Fuel and Lubricants: \$6,850 - This account provides expenditures for gasoline, diesel fuel, propane and lubricants used in the operations of the Harbors Division.

530.02 Periodicals: \$125 - This account provides expenditures for subscriptions to newspapers, magazines and trade journals.

535.04 Uniforms/Badges/Clothing: \$4,500 - This account provides expenditures for direct purchases of or reimbursements to employees for work related clothing required by collective bargaining agreements, personnel rules, and department policies. Included are work shirts, jackets, float suits, raingear, hats, boots and gloves.

600.01 Travel-Business: \$4,000 - This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business.

600.02 Travel-Training: \$2,500 - This account provides expenditures 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 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 third-parties.

605.01 Advertising and Public Announcements: \$3,000 - This account provides expenditures 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.

605.02 Marketing: \$1,000 - This account provides expenditures for announcements in publications, newspapers, trade journals, Internet or broadcasts over radio and television. Increased by \$650 in FY19 to account for Seattle Boat Show marketing expenses.

615.02 Dues and Membership Fees: \$750 – This account provides expenditures for memberships in professional and trade associations.

620.01 Salvage and Disposal of Impounded Property: \$10,000 - This account provides expenditures for salvaging and/or disposing of junked marine vessels.

620.02 Towing of Impounded Property: \$500 – This account provides expenditures for towing and/or storing of impounded vehicles and marine vessels.

630.02 Vehicle Licenses: \$200 – This account provides expenditures for licensing City vehicles for operations on public highways.

630.03 Bank and Merchant Charges: \$51,000 – This account provides expenditures 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: \$8,000 - This account provides expenditures for services to clean the Harbors Division's facilities and equipment owned or leased by the City. Included are janitorial, carpet cleaning and laundry services.

635.03 Vehicle Maintenance Services: \$3,500 – This account provides expenditures for services required for the repair and maintenance of Harbors Division 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: \$10,000 - This account provides expenditures for maintenance agreements to support licensed software systems.

635.06 Buildings and Grounds Maintenance Services: \$6,500 - This account provides expenditures for services required for the repair and maintenance of buildings and the upkeep of grounds owned or leased by the Harbors Division. This account includes contract labor and materials required to provide these services.

635.07 Machinery and Equipment Maintenance Services: \$5,000 - This account provides expenditures for services required for the repair and maintenance of office equipment, machinery and other operating equipment owned or leased by the Harbors Division. This account includes contract labor and materials required to provide the service. It also includes maintenance service agreements.

635.08 Infrastructure Maintenance Services: \$10,000 - This account provides expenditures for the services required for repair and maintenance of infrastructure owned or leased by the Harbors Division. This account includes contract labor and materials required to provide the service. Included are maintenance to ramps, floats, docks, walkways, pavement and utilities.

635.12 Technical Services: \$5,500 - This account provides expenditures for services that are not regarded as professional but require technical or special knowledge. Included are: database management, video monitoring, website maintenance and pest control.

640.04 Professional Services: \$2,500 - This account provides expenditures for management and consulting services. Included are labor negotiators, lobbyist, project management, rate studies, compensation plan studies, environmental studies, management studies and other management and consulting engagement requiring persons or firms with specialized skills and knowledge.

645.02 Rent & Leases-Machinery & Equipment: \$500 - This account provides expenditures for the rent and lease of machinery and equipment.

650.01 Telecommunications: \$65,500 - This account provides expenditures for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and data-streaming for security cameras, reverse 911 program charges, as well as reoccurring charges for security camera maintenance and upkeep. Increased in FY20 to cover increased charges for Harbors share of additional bandwidth serving Harbormaster Building.

650.02 Electric, Water, Sewer & Solid Waste: \$319,000 - This account provides expenditures for electric, water, sewer and solid waste utility services.

790.15 Furniture and Fixtures: \$1,500 - This account provides expenditures for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

790.20 Vehicles & Moving Equipment: \$5,000 - This account provides expenditures for acquisition of vehicles and moving equipment including boat trailers and other small rolling stock.

790.25 Machinery and Equipment: \$6,500 - This account provides expenditures for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office and operating equipment required to provide services or maintain capital assets.

790.26 Computers, Printers & Copiers: \$7,000 - This account provides expenditures for the acquisition of computers, printers and copiers. Per the replacement schedule developed by the Information Technology Department, two workstations, three monitors, one laptop, one printer and two UPS battery backups will be replaced. The cost is shared equally between the Port and Harbors Departments.

790.35 Software: \$1,500 - This account provides expenditures for acquisition of software systems and upgrades not covered by maintenance agreements.

800.01 Interdepartmental Charges – Mayor & Council: \$3,410 - This account provides expenditures for administrative and management services provided by the departments of the Mayor & City Council.

800.02 Interdepartmental Charges – City Clerk: \$26,020 - This account provides expenditures for administrative and management services provided by the departments of the City Clerk.

800.03 Interdepartmental Charges – City Attorney: \$5,840 - This account provides expenditures for administrative and management services provided by the departments of the City Attorney.

800.04 Interdepartmental Charges – City Manager: \$9,110 - This account provides expenditures for administrative and management services provided by the departments of the City Manager.

801.01 Interdepartmental Charges – Human Resources: \$10,250 - This account provides expenditures for human resource services provided by the Human Resources Division.

802.01 Interdepartmental Charges - Finance: \$42,750 - This account provides expenditures for financial, accounting, payroll, accounts payable, billing, customer service and budgeting services provided by the Finance Department.

803.01 Interdepartmental Charges – Information Technology: \$41,770 - This account provides expenditures for information technology services provided by the Information Technology Department.

804.01 Interdepartmental Charges – Engineering: \$103,000 - This account provides expenditures for engineering services provided by the Public Works Department-Engineering Division.

825.01 Interdepartmental Charges – Insurance: \$135,975 - This account provides expenditures for risk management services and claims.

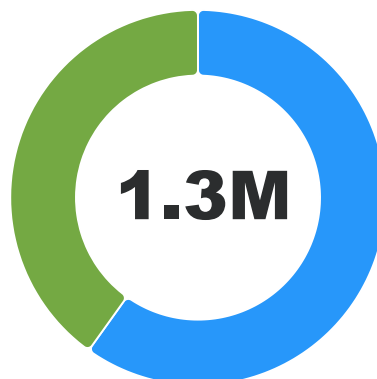
850.01 Interdepartmental Charges – Garage: \$6,280 - This account provides expenditures for fleet maintenance services provided by the Public Works Department-Garage Division.

931.01 Debt Service-Principal: \$298,630 - This account provides expenditures for principal on general obligation bonds issued to finance harbor capital improvements.

932.01 Debt Service-Interest: \$157,675 - This account provides expenditures for interest on general obligation bonds issued to finance harbor capital improvements.

Harbors Capital Program

2026 Expenditures by Type



Buildings	\$781,040	59.89%
Capital Projects	\$523,000	40.11%

Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Buildings	20,935	781,040	781,040	18,360	781,040	-	0.00%
Capital Projects	329,212	355,000	405,000	144,060	523,000	168,000	47.32%
Total Expenditures	350,147	1,136,040	1,186,040	162,420	1,304,040	168,000	14.79%

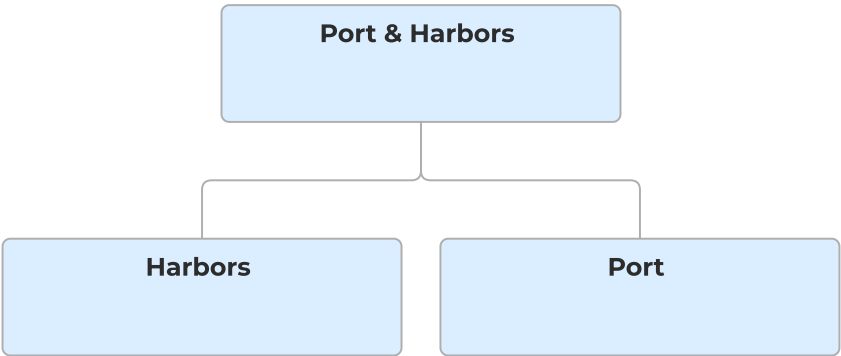
Expenditures by Activity

Category	2026 Budget
Capital Projects	
Harbor Improvements Fund	
Buildings General	781,040
Harbormaster Building Office Doors-Harbor	15,000
New Maintenance Shop-Harbor	766,040
Capital Projects Infrastructure & Plant	523,000
Bar Harbor North Maintenance Dredging	90,000
Bar Harbor North Concrete Rehab Phase 2	15,000
Piling Replacement	75,000
Security Cameras - Harbor	15,000
Cathodic Protection	50,000
Dredging Divertor RFP/Permitting	30,000
Bar Harbor South Flotation	13,000
Float 12 Electrical Pedestal Replacements	125,000
Electrical Upgrade at Casey Moran Harbor - Harbors	50,000
Bar Harbor South Ramp 2 Trestle Repair Phase 2	60,000
Total Harbor Improvements Fund	1,304,040
Total Capital Projects	1,304,040
Total Expenditures	1,304,040

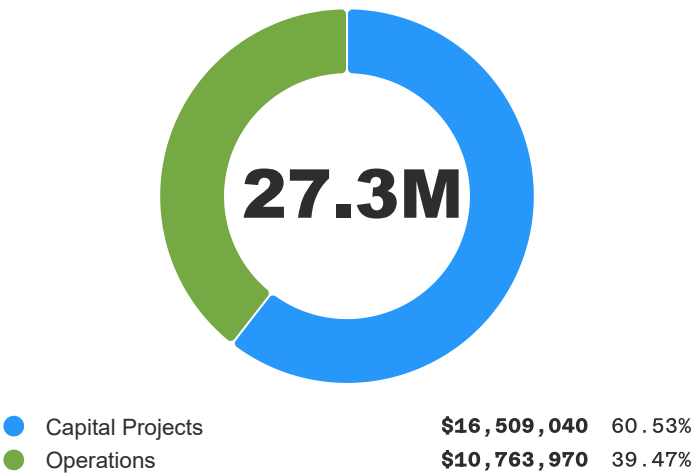
Port

The Port & Harbors Department operates and maintains the Port of Ketchikan and 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.



2026 Expenditures by Activity



Expenditures by Division

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Operations	8,805,466	10,084,761	10,084,761	9,866,013	10,763,970	679,209	6.74%
Capital Projects	827,783	14,035,540	14,060,540	330,580	16,509,040	2,473,500	17.62%
Total Expenditures	9,633,249	24,120,301	24,145,301	10,196,593	27,273,010	3,152,709	13.07%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
PERSONNEL SERVICES AND BENEFITS	1,431,834	1,873,036	1,873,036	1,766,670	1,967,065	94,029	5.02%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
GENERAL SUPPLIES	93,744	130,000	134,200	133,640	130,000	-	0.00%
POSTAGE AND FREIGHT	3,570	3,500	4,300	3,500	3,500	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS	12,026	16,500	16,500	12,000	16,500	-	0.00%
BOOKS AND PERIODICALS	91	200	200	104	200	-	0.00%
ALLOWANCES	12,436	14,000	14,000	14,000	14,000	-	0.00%
TRAVEL AND EDUCATION	8,894	12,000	12,000	11,541	12,000	-	0.00%
ADVERTISING AND PUBLISHING	5,355	5,000	5,000	5,000	5,000	-	0.00%
DUES AND MEMBERSHIPS	213	400	400	400	400	-	0.00%
TOWING AND SALVAGE	-	500	500	100	500	-	0.00%
PERMITS, LICENSES AND FEES	55	500	500	58	500	-	0.00%
CONTRACTUAL SERVICES	185,341	236,550	231,550	224,243	236,550	-	0.00%
PROFESSIONAL SERVICES	45,699	96,000	88,875	48,798	96,000	-	0.00%
RENTS AND LEASES	2,822,233	2,851,000	2,851,000	2,806,000	2,836,000	-15,000	-0.53%
UTILITIES	308,356	437,500	437,500	591,850	921,860	484,360	110.71%
MAJOR CAPITAL OUTLAY	827,783	14,035,540	14,060,540	330,580	16,509,040	2,473,500	17.62%
MINOR CAPITAL OUTLAY	8,015	14,500	21,625	13,604	14,500	-	0.00%
INTERDEPARTMENTAL CHARGES	630,263	1,097,155	1,097,155	991,100	1,148,895	51,740	4.72%
DEBT SERVICE	2,230,409	2,233,000	2,233,000	2,233,000	2,232,750	-250	-0.01%
OTHER COSTS	485,881	541,420	541,420	488,405	605,750	64,330	11.88%
TRANSFERS OUT	521,051	522,000	522,000	522,000	522,000	-	0.00%
Total Expenditures	9,633,249	24,120,301	24,145,301	10,196,593	27,273,010	3,152,709	13.07%

Funding Source

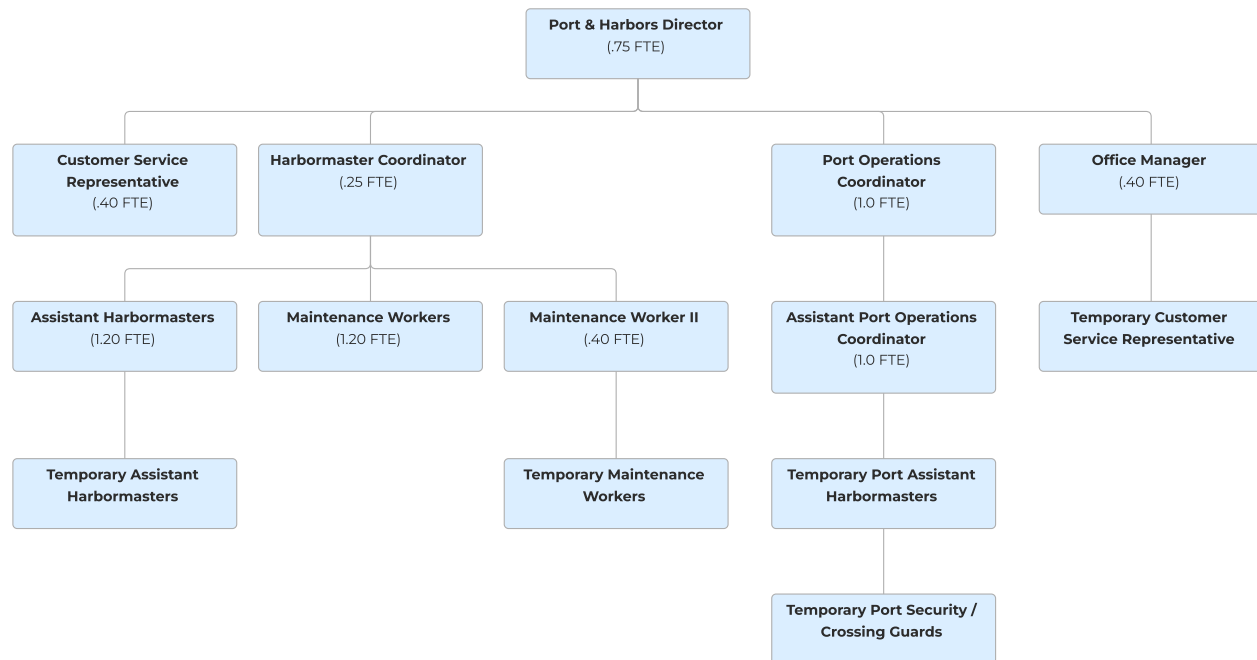
	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Port Enterprise Fund	9,418,923	24,120,301	24,120,301	10,171,593	27,273,010	3,152,709	13.1%
Port Repair and Replacement Fund	214,326	-	25,000	25,000	-	-	0.0%
Grants	-	-	-	-	-	-	0.0%
Total Funding	9,633,249	24,120,301	24,145,301	10,196,593	27,273,010	3,152,709	13.1%

Full-time Equivalent Personnel

	2024 Actual	2025 Adopted	2025 Amended	2026 Budget	2026 Salary	Increase/ Decrease	% Change
Operations	5.80	6.80	6.80	6.80	529,170	-	0.0%
Total	5.80	6.80	6.80	6.80	529,170	-	0.0%

Port Operations

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, commercial enterprise 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 2026

- Berth III Dolphin Upgrades.
- Start the Cathodic Protection, Pile Wraps and Coating systems refurbishments priority I items.
- Develop Repair Plan for Harbor View Park.
- Continue to seek grant opportunities for the Port Electrification study and construction.
- Explore expansion designs of Berth I to better serve the new class of cruise vessels.
- Berth I Security and Storage building installation.
- Port and Harbors New Maintenance Building installation.

2025 Accomplishments

- Promenade Stabilization near the was completed.
- Berth- I Ride Pile Fendering System was completed.
- Berth IV Yokohama's were installed.
- Safe and Successful summer cruise season with no major incidents or injuries.

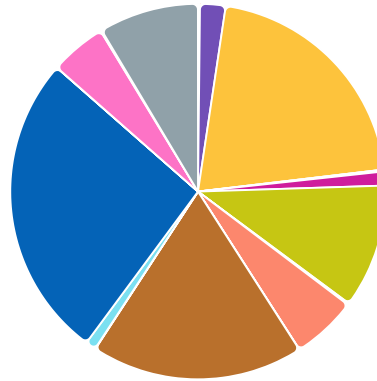
Funding Source

	2024	2025	2025	2025	2026	Increase/	%
	Actual	Adopted	Amended	Estimate	Budget	Decrease	Change
Port Enterprise Fund	8,805,466	10,084,761	10,084,761	9,866,013	10,763,970	679,209	6.7%
Total Funding	8,805,466	10,084,761	10,084,761	9,866,013	10,763,970	679,209	6.7%

Full-time Equivalent Personnel

	2024	2025	2025	2026	2,026	Increase/	%
	Actual	Adopted	Amended	Budget	Salary	Decrease	Change
Director of Port & Harbors	0.75	0.75	0.75	0.75	104,000	-	0.0%
Harbormaster Coordinator	0.25	0.25	0.25	0.25	24,760	-	0.0%
Port Operations Coordinator	1.00	1.00	1.00	1.00	96,180	-	0.0%
Assistant Port Operations Coordinator	-	1.00	1.00	1.00	67,610	-	0.0%
Assistant Harbormasters	1.20	1.20	1.20	1.20	75,050	-	0.0%
Maintenance Worker	1.80	1.40	1.40	1.40	81,200	-	0.0%
Maintenance Worker II	-	0.40	0.40	0.40	27,590	-	0.0%
Office Manager	0.40	0.40	0.40	0.40	32,670	-	0.0%
Customer Service Rep I	0.40	0.40	0.40	0.40	20,110	-	0.0%
Total	5.80	6.80	6.80	6.80	529,170	-	0.0%

2026 Expenditures by Category



ADVERTISING AND PUBLISHING	\$5,000	0.05%
ALLOWANCES	\$14,000	0.13%
BOOKS AND PERIODICALS	\$200	0.00%
CONTRACTUAL SERVICES	\$236,550	2.20%
DEBT SERVICE	\$2,232,750	20.74%
DUES AND MEMBERSHIPS	\$400	0.00%
FUELS/LUBRICANTS/ENERGY COSTS	\$16,500	0.15%
GENERAL SUPPLIES	\$130,000	1.21%
INTERDEPARTMENTAL CHARGES	\$1,148,895	10.67%
MINOR CAPITAL OUTLAY	\$14,500	0.13%
OTHER COSTS	\$605,750	5.63%
PERMITS, LICENSES AND FEES	\$500	0.00%
PERSONNEL SERVICES AND BENEFITS	\$1,967,065	18.27%
POSTAGE AND FREIGHT	\$3,500	0.03%
PROFESSIONAL SERVICES	\$96,000	0.89%
RENTS AND LEASES	\$2,836,000	26.35%
TOWING AND SALVAGE	\$500	0.00%
TRANSFERS OUT	\$522,000	4.85%
TRAVEL AND EDUCATION	\$12,000	0.11%
UTILITIES	\$921,860	8.56%

Operating Budget Changes for 2026

Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% **and** \$5,000 are discussed below.

- Personnel Benefits and Services increased by \$94,029 or 5.02% due to annual step increases; a 5.0% cost of living adjustment for non-represented employees that will become effective January 1, 2026. Ketchikan is expected to see an increase in the number of cruise visitors in 2026. Temporary wages have been increased to provide additional funds for seasonal port security.
- Electric, Water, Sewer & Garbage Utilities (Account 650.02) increased by \$484,360 or 140.39% due to expected rate increases, the introduction of a public restroom rate and an anticipated increase in the number of cruise ships taking on water during the tourist season.
- Interdepartmental Charges - Engineering (Account 804.01) increased by \$21,275 or 28.47% due to a reevaluation of Engineering personnel and the allocation of their costs based on how their time is spent.
- Payments in Lieu of Taxes (Account 975.00) increased by \$64,330 or 11.88% due to the increase in market value.

Expenditures by Expense Category

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	***% Change
PERSONNEL SERVICES AND BENEFITS								
Personnel Services and Wages - Regular Wages	510-4000-110-500.01	318,262	537,256	487,256	470,800	529,170	-8,086	-1.51%
Personnel Services and Wages - Regular Longevity Bonus	510-4000-110-500.05	1,350	-	-	-	-	-	-
Personnel Services and Wages - Overtime Wages - Straight/Double OT	510-4000-110-501.01	161,990	165,000	165,000	128,000	165,000	-	0.00%
Personnel Services and Wages - Temporary Wages	510-4000-110-502.01	594,598	595,000	695,000	695,000	730,000	135,000	22.69%
Personnel Benefits - Taxes Budget Only	510-4000-110-505.00	82,557	99,240	99,240	99,240	108,620	9,380	9.45%
Personnel Benefits - Pension Budget Only	510-4000-110-506.00	77,403	156,970	156,970	137,750	158,840	1,870	1.19%
Personnel Benefits - Insurance Budget Only	510-4000-110-507.00	114,031	249,330	199,190	165,500	200,860	-48,470	-19.44%
Personnel Benefits - Insurance Worker's Compensation	510-4000-110-507.30	41,991	55,480	55,480	55,480	56,075	595	1.07%
Personnel Benefits - Other Budget Only	510-4000-110-508.00	39,652	14,760	14,760	14,760	18,360	3,600	24.39%
Payroll Allowances PW Clothing	510-4000-110-509.03	-	-	140	140	140	140	-
Total PERSONNEL SERVICES AND BENEFITS		1,431,834	1,873,036	1,873,036	1,766,670	1,967,065	94,029	5.02%
GENERAL SUPPLIES								
General Supplies Office Supplies	510-4000-110-510.01	5,006	3,000	5,000	3,000	4,000	1,000	33.33%
General Supplies Operating Supplies	510-4000-110-510.02	13,093	10,000	10,000	10,000	9,000	-1,000	-10.00%
General Supplies Safety Program Supplies	510-4000-110-510.03	6,981	10,500	19,800	15,500	10,500	-	0.00%
General Supplies Janitorial Supplies	510-4000-110-510.04	20,480	25,000	25,000	25,000	25,000	-	0.00%
General Supplies Small Tools & Equipment	510-4000-110-510.05	9,795	10,000	10,000	10,000	10,000	-	0.00%
Maintenance Materials Vehicle Maintenance Materials	510-4000-110-515.01	3,507	3,500	3,500	2,884	3,500	-	0.00%
Maintenance Materials Building and Grounds Maintenance	510-4000-110-515.02	3,925	22,000	6,900	22,000	22,000	-	0.00%
Maintenance Materials Machinery & Equipment Maint.	510-4000-110-515.04	650	1,000	1,000	256	1,000	-	0.00%
Maintenance Materials Infrastructure & Plant Maint.	510-4000-110-515.05	30,307	45,000	53,000	45,000	45,000	-	0.00%
Total GENERAL SUPPLIES		93,744	130,000	134,200	133,640	130,000	-	0.00%
POSTAGE AND FREIGHT								
Postage and Freight Postage	510-4000-110-520.02	3,570	3,500	4,300	3,500	3,500	-	0.00%
Total POSTAGE AND FREIGHT		3,570	3,500	4,300	3,500	3,500	-	0.00%
FUELS/LUBRICANTS/ENERGY COSTS								
Fuels, Lubricants and Energy Costs Heating Fuel	510-4000-110-525.03	3,333	7,500	7,500	5,000	7,500	-	0.00%
Fuels, Lubricants and Energy Costs Vehicle Fuels & Lubricants	510-4000-110-525.04	8,693	9,000	9,000	7,000	9,000	-	0.00%
Total FUELS/LUBRICANTS/ENERGY COSTS		12,026	16,500	16,500	12,000	16,500	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
BOOKS AND PERIODICALS								
Books and Periodicals Periodicals	510-4000-110- 530.02	91	200	200	104	200	-	0.00%
Total BOOKS AND PERIODICALS		91	200	200	104	200	-	0.00%
ALLOWANCES								
Allowances Uniforms/Badges/Clothing	510-4000-110- 535.04	12,436	14,000	14,000	14,000	14,000	-	0.00%
Total ALLOWANCES		12,436	14,000	14,000	14,000	14,000	-	0.00%
TRAVEL AND EDUCATION								
Travel and Education Travel - Business	510-4000-110- 600.01	3,364	3,000	3,000	3,000	3,000	-	0.00%
Travel and Education Travel - Training	510-4000-110- 600.02	1,321	1,500	1,500	1,500	1,500	-	0.00%
Travel and Education Training and Education	510-4000-110- 600.03	4,209	7,500	7,500	7,041	7,500	-	0.00%
Total TRAVEL AND EDUCATION		8,894	12,000	12,000	11,541	12,000	-	0.00%
ADVERTISING AND PUBLISHING								
Advertising and Publishing Ads and Public Announcements	510-4000-110- 605.01	5,355	5,000	5,000	5,000	5,000	-	0.00%
Total ADVERTISING AND PUBLISHING		5,355	5,000	5,000	5,000	5,000	-	0.00%
DUES AND MEMBERSHIPS								
Dues and Memberships Assoc. Membership Dues & Fees	510-4000-110- 615.02	213	400	400	400	400	-	0.00%
Total DUES AND MEMBERSHIPS		213	400	400	400	400	-	0.00%
TOWING AND SALVAGE								
Towing and Salvage Impound and Disposal of Property	510-4000-110- 620.02	-	500	500	100	500	-	0.00%
Total TOWING AND SALVAGE		-	500	500	100	500	-	0.00%
PERMITS, LICENSES AND FEES								
Licenses and Fees Vehicle Licenses	510-4000-110- 630.02	55	100	100	58	100	-	0.00%
Licenses and Fees Bank & Merchant Fees	510-4000-110- 630.03	-	400	400	-	400	-	0.00%
Total PERMITS, LICENSES AND FEES		55	500	500	58	500	-	0.00%
CONTRACTUAL SERVICES								
Contractual Services Janitorial & Cleaning Services	510-4000-110- 635.02	27,364	30,000	35,000	35,000	30,000	-	0.00%
Contractual Services Vehicle Maintenance Services	510-4000-110- 635.03	372	3,000	3,000	2,000	3,000	-	0.00%
Contractual Services Software & Equip Maint Services	510-4000-110- 635.04	1,053	2,000	2,000	1,096	2,000	-	0.00%
Contractual Services Building and Grounds Maint. Svc	510-4000-110- 635.06	21,620	40,000	41,000	41,000	40,000	-	0.00%
Contractual Services Machinery & Equipment Maint. Svc	510-4000-110- 635.07	4,831	24,000	17,000	17,000	24,000	-	0.00%
Contractual Services Infrastructure & Plant Maint Svc	510-4000-110- 635.08	6,817	28,000	24,000	23,000	28,000	-	0.00%
Contractual Services Technical Services	510-4000-110- 635.12	593	5,000	5,000	597	5,000	-	0.00%
Contractual Services Marketing Services	510-4000-110- 635.13	122,691	-	-	104,550	-	-	-
Contractual Services Other Contractual Services	510-4000-110- 635.14	-	104,550	104,550	-	104,550	-	0.00%
Total CONTRACTUAL SERVICES		185,341	236,550	231,550	224,243	236,550	-	0.00%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	">% Change
PROFESSIONAL SERVICES								
Professional Services Legal & Accounting Services	510-4000-110-640.01	-	43,000	43,000	17,000	43,000	-	0.00%
Professional Services Engineering & Architectural Svcs	510-4000-110-640.02	33,800	40,000	32,875	30,000	40,000	-	0.00%
Professional Services Management & Consulting Services	510-4000-110-640.04	11,899	13,000	13,000	1,798	13,000	-	0.00%
Total PROFESSIONAL SERVICES		45,699	96,000	88,875	48,798	96,000	-	0.00%
RENTS AND LEASES								
Rents and Leases Machinery & Equipment	510-4000-110-645.02	-	1,000	1,000	1,000	1,000	-	0.00%
Rents and Leases Infrastructure	510-4000-110-645.04	2,822,233	2,850,000	2,850,000	2,805,000	2,835,000	-15,000	-0.53%
Total RENTS AND LEASES		2,822,233	2,851,000	2,851,000	2,806,000	2,836,000	-15,000	-0.53%
UTILITIES								
Utilities Telecommunications	510-4000-110-650.01	32,989	92,500	92,500	92,500	92,500	-	0.00%
Utilities Electric, Water, Sewer & Garbage	510-4000-110-650.02	275,367	345,000	345,000	499,350	829,360	484,360	140.39%
Total UTILITIES		308,356	437,500	437,500	591,850	921,860	484,360	110.71%
MINOR CAPITAL OUTLAY								
Minor Capital Outlay Furniture & Fixtures	510-4000-110-790.15	2,503	3,000	3,000	3,000	3,000	-	0.00%
Minor Capital Outlay Vehicles & Moving Equipment	510-4000-110-790.20	-	-	7,125	-	-	-	-
Minor Capital Outlay Machinery & Equipment	510-4000-110-790.25	-	4,000	4,000	3,900	4,000	-	0.00%
Minor Capital Outlay M&E-Computers Printers & Copier	510-4000-110-790.26	5,512	6,000	6,000	6,000	6,000	-	0.00%
Minor Capital Outlay Software	510-4000-110-790.35	-	1,500	1,500	704	1,500	-	0.00%
Total MINOR CAPITAL OUTLAY		8,015	14,500	21,625	13,604	14,500	-	0.00%
INTERDEPARTMENTAL CHARGES								
Interdepartmental Charges-Admin Mayor & Council	510-4000-110-800.01	7,580	9,380	9,380	9,370	8,790	-590	-6.29%
Interdepartmental Charges-Admin City Clerk	510-4000-110-800.02	16,363	21,600	21,600	16,770	24,080	2,480	11.48%
Interdepartmental Charges-Admin City Attorney	510-4000-110-800.03	14,470	14,610	14,610	14,630	15,050	440	3.01%
Interdepartmental Charges-Admin City Manager	510-4000-110-800.04	16,477	21,410	21,410	18,960	23,440	2,030	9.48%
Interdepartmental Charges-CMO & HR Human Resources	510-4000-110-801.01	20,515	100,810	100,810	70,820	97,600	-3,210	-3.18%
Interdepartmental Charges-Finance General Accounting	510-4000-110-802.01	94,330	394,330	387,055	343,840	406,950	12,620	3.20%
Interdepartmental Charges-IT Information Technology	510-4000-110-803.01	87,144	96,680	96,680	85,950	107,520	10,840	11.21%
Interdepartmental Charges-Engineering Engineering	510-4000-110-804.01	50,262	74,725	82,000	82,000	96,000	21,275	28.47%
Interdepartmental Charges Insurance	510-4000-110-825.01	315,018	356,070	356,070	341,220	361,925	5,855	1.64%
Interdepartmental Charges Garage Charges	510-4000-110-850.01	8,104	7,540	7,540	7,540	7,540	-	0.00%
Total INTERDEPARTMENTAL CHARGES		630,263	1,097,155	1,097,155	991,100	1,148,895	51,740	4.72%
DEBT SERVICE								
Debt Service - Principal Bond Payments	510-4000-110-931.01	1,245,000	1,305,000	1,305,000	1,305,000	1,370,000	65,000	4.98%

Category	Account ID	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Debt Service - Interest Bond Payments	510-4000-110-932.01	985,409	928,000	928,000	928,000	862,750	-65,250	-7.03%
Total DEBT SERVICE		2,230,409	2,233,000	2,233,000	2,233,000	2,232,750	-250	-0.01%
OTHER COSTS								
Payments In Lieu of Taxes General	510-4000-110-975.00	485,881	541,420	541,420	488,405	605,750	64,330	11.88%
Total OTHER COSTS		485,881	541,420	541,420	488,405	605,750	64,330	11.88%
TRANSFERS OUT								
Transfers Out To Port R&R Fund	510-4000-110-910.511	521,051	522,000	522,000	522,000	522,000	-	0.00%
Total TRANSFERS OUT		521,051	522,000	522,000	522,000	522,000	-	0.00%
Total Expenditures		8,805,466	10,084,761	10,084,761	9,866,013	10,763,970	679,209	6.74%

*Change column represents the increase/decrease (Incr/Decr) and percent from prior year Adopted to current year Budget.

Operating Account Narrative

500.01 Regular Salaries and Wages: \$529,170 – This account provides expenditures for compensation paid to all regular salaried and hourly employees of the Port Division.

501.01 Overtime Wages: \$165,000 - This account provides expenditures for compensation paid to all regular and temporary hourly employees for hours worked in excess of a regular working cycle.

502.01 Temporary Wages: \$730,000 - This account provides expenditures for compensation paid to temporary salaried and hourly employees of the Port Division.

505.00 Payroll Taxes: \$108,620 – This account provides expenditures for employer contributions for Social Security and Medicare and other similar payroll related taxes.

506.00 Pension: \$158,840 – This account provides expenditures for employer contributions to retirement plans.

507.00 Health and Life Insurance: \$200,680 – This account provides expenditures for employer contributions to employee health and life insurance plans.

507.30 Workers Compensation: \$56,075 – This account provide expenditures for employer contributions to workers compensation insurance.

508.00 Other Benefits: \$18,360 – This account provides expenditures for direct claims from former employees for unemployment benefits paid by the State of Alaska and accrued vacation and sick leave.

509.03 Clothing Allowance: \$140 - This account provides expenditures for employer-provided clothing pursuant to collective bargaining agreements.

510.01 Office Supplies: \$4,000 - This account provides expenditures 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: \$9,000 - This account provides expenditures 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: \$10,500 – This account provides expenditures 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: \$25,000 – This account provides expenditures 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: \$10,000 - This account provides expenditures 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.

515.01 Vehicle Maintenance Materials: \$3,500 - This account provides expenditures for the materials required for maintaining vehicles such as tires.

515.02 Buildings and Grounds Maintenance Materials: \$22,000 – This account provides expenditures for the materials required for the buildings and grounds owned or leased and operated by the Port. Included are the restrooms on Berths III and IV, the security planters and the exterior of the Ketchikan Visitors Bureau building on Berth II.

515.04 Machinery and Equipment Maintenance Materials: \$1,000 – This account provides expenditures for materials required for maintaining machinery and equipment such as the Port crane.

515.05 Infrastructure Maintenance Materials: \$45,000 - This account provides expenditures for 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: \$3,500 - This account provides expenditures 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: \$7,500 - This account provides expenditures for heating fuel to heat the Harbormaster Building, shop and other facilities operated by the Port.

525.04 Vehicle Motor Fuel and Lubricants: \$9,000 - This account provides expenditures for gasoline, diesel fuel, propane and lubricants for Port vehicles and vessels.

530.02 Periodicals: \$200 - This account provides expenditures for newspapers, magazines and trade journals.

535.04 Allowances-Uniforms/Badges/Clothing: \$14,000 - This account provides expenditures for direct purchases of or reimbursements to employees for work related clothing required by department policies. Included are work shirts, jackets, slacks, float suits, raingear, hats, boots and gloves.

600.01 Travel-Business: \$3,000 - This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for business.

600.02 Travel-Training: \$1,500 - This account provides expenditures for transportation, lodging, meals, per diems and other incidental expenses associated with travel for training.

600.03 Training and Education: \$7,500 – This account provides 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 third-parties.

605.01 Advertising and Public Announcements: \$5,000 - This account provides expenditures 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.

615.02 Assn. Membership Dues and Fees: \$400 – This account provides expenditures for memberships in professional and trade associations.

620.02 Towing of Impounded Property: \$500 – This account provides expenditures for towing and/or storing of impounded vehicles and marine vessels.

630.02 Vehicle Licenses: \$100 – This account provides expenditures for licensing Port vehicles for operations on public highways.

630.03 Bank and Merchant Charges: \$400 – This account provides expenditures 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: \$30,000 – This account provides expenditures 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 expenditures for 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 expenditures for maintenance agreements to support licensed software systems.

635.06 Buildings and Grounds Maintenance Services: \$40,000 – This account provides expenditures for the services required for the repair and maintenance of buildings and the upkeep of the security planters on the Port.

635.07 Machinery and Equipment Maintenance Services: \$24,000 – This account provides expenditures 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: \$28,000 - This account provides expenditures 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 maintenance to ramps, floats, docks, walkways, pavement and utilities. Repairs by qualified electricians to electrical circuits, lighting and capstans account for the majority of this category.

635.12 Technical Services: \$5,000 - This account provides expenditures 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.

635.14 Marketing Services: \$104,550 – This account provides expenditures 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 the Ketchikan Visitors Bureau. The Ketchikan Visitors Bureau funding request of the City is paid by the Port Enterprise Fund, the Civic Center and the Tourism Management budget.

640.01 Legal and Accounting Services: \$43,000 – This account provides expenditures 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: \$40,000 - This account provides expenditures for engineering and architectural services.

640.04 Management and Consulting Services: \$13,000 - This account provides expenditures for management and consulting services.

645.02 Rents and Leases - Machinery & Equipment: \$1,000 - This account provides expenditures for the rent and lease of machinery and equipment.

645.04 Rents and Leases - Infrastructure: \$2,835,000 – This account provides expenditures 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: \$92,500 - This account provides expenditures for telecommunication services. Included are charges for wired and wireless telecommunications services, cell phones, Internet, long distance and data streaming for security cameras.

650.02 Electric, Water, Sewer & Solid Waste: \$829,360 - This account provides expenditures for electric, water, sewer and solid waste utility services.

790.15 Furniture and Fixtures: \$3,000 - This account provides expenditures for acquisition of furniture and fixtures. Included are desks, chairs, tables, workstations, file cabinets, storage cabinets and building fixtures.

790.25 Machinery and Equipment: \$4,000 - This account provides expenditures for the acquisition of machinery and equipment usually composed of a complex combination of parts. Included are office equipment and operating equipment required to provide services or maintain capital assets.

790.26 Computers, Printers and Copiers: \$6,000 – This account provides expenditures for the acquisition of computers, printers and copiers. Per the replacement schedule developed by the Information Technology Department, two work stations, three monitors, one laptop, one printer and two UPS batter backups will be replaced. The cost is shared equally between the Port and Harbors Departments.

790.35 Software: \$1,500 – This account provides expenditures for acquisition of software systems and upgrades not covered by maintenance agreements.

800.01 Interdepartmental Charges – Mayor & Council: \$8,790 This account provides expenditures for administrative and management services provided by the departments of the City Council.

800.02 Interdepartmental Charges – City Clerk: \$24,080 This account provides expenditures for administrative and management services provided by the departments of the City Clerk.

800.03 Interdepartmental Charges – City Attorney: \$15,050 This account provides expenditures for administrative and management services provided by the departments of the City Attorney.

800.04 Interdepartmental Charges – City Manager: \$23,440 This account provides expenditures for administrative and management services provided by the departments of the City Manager.

801.01 Interdepartmental Charges – Human Resources: \$97,600 - This account provides expenditures for human resource services provided by the Human Resources Division.

802.01 Interdepartmental Charges - Finance: \$406,950 - This account provides expenditures for financial, accounting, payroll, accounts payable, billing, customer service and budgeting services provided by the Finance Department.

803.01 Interdepartmental Charges – Information Technology: \$107,520 - This account provides expenditures for information technology services provided by the Information Technology Department.

804.01 Interdepartmental Charges – Engineering: \$96,000 - This account provides expenditures for engineering services provided by the Public Works Department-Engineering Division.

825.01 Interdepartmental Charges – Insurance: \$361,925 - This account provides expenditures for risk management services and claims.

850.01 Interdepartmental Charges – Garage: \$7,540 - This account provides expenditures for fleet maintenance services provided by the Public Works Department-Garage Division.

931.01 Debt Service-Principal: \$1,370,000 - This account provides expenditures for principal on the 2016 Port Revenue Refunding Bonds.

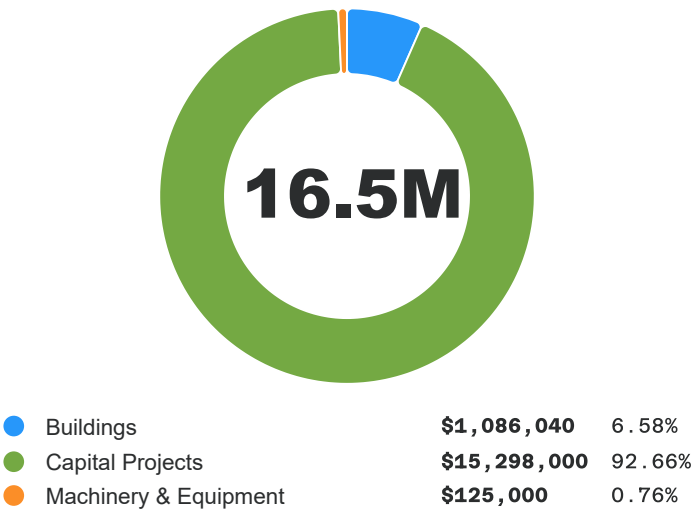
932.01 Debt Service-Interest: \$862,750 - This account provides expenditures for interest on the 2016 Port Revenue Refunding Bonds.

975.00 Payments in Lieu of Taxes: \$605,750– This account provides for payments in lieu of taxes in the amount of \$431,250 assessed against the Port by the City of Ketchikan and \$174,500 in taxes assessed against Berth IV by the City and Ketchikan Gateway Borough. Berth IV is privately owned and is subject to both City and Borough property taxes.

910.511 Transfer to Port R & R Fund: \$522,000 – This account provides expenditures for the funding of the Port Repair and Replacement Fund pursuant to the terms of the City’s bond covenants for the 2016 Port Revenue Refunding Bonds and the Berth IV lease agreement between the City and Ketchikan Dock Company.

Port Capital Program

2026 Expenditures by Type



Expenditures by Expense Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Buildings	70,935	781,040	781,040	18,360	1,086,040	305,000	39.05%
Machinery & Equipment	-	-	-	-	125,000	125,000	-
Capital Projects	756,848	13,254,500	13,279,500	312,220	15,298,000	2,043,500	15.42%
Total Expenditures	827,783	14,035,540	14,060,540	330,580	16,509,040	2,473,500	17.62%

Expenditures by Activity

Category	2026 Budget
Capital Projects	
Port Services	
Buildings General	1,086,040
Harbormaster Building Office Doors-Port	15,000
New Maintenance Shop-Port	766,040
Berth I-II Combined Security and Storage Building/ Tourism Rain Shelter	305,000
Machinery & Equipment General	125,000
Port Benches and Trash Can Replacements	125,000
Capital Projects Infrastructure & Plant	15,298,000
Berth I & II Assessment and Above Corrosion Evaluation Refurbishment	6,730,000
Daly Float Refurbishment	450,000
Port Infrastructure Repair Project	200,000
Original Berth II Dock Pile Anodes	140,000
Berth I Expansion Dolphin and Dock	290,000
Berth III Marine Facilities	1,200,000
Port Electrification	350,000
Harborview Park Dock Upgrades and Refurbishments	887,500
Port Security Cameras	24,000
Additional Berth I and II Ride Pile Replacements	320,000
Electrical Upgrade at Casey Moran Harbor-Port	50,000

Category	2026 Budget
Berth III Restoration	4,656,500
Total Port Services	16,509,040
Total Capital Projects	16,509,040
Total Expenditures	16,509,040

Risk Management Services

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's 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 for property and liability insurance are accounted for in Account No. 825.01, Interdepartmental Charges – Insurance.

The interdepartmental charge for workers compensation insurance is based on rates developed by the National Council on Compensation Insurance (NCCI), 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 \$4.51 per \$100 of compensation to insure its firefighters and \$0.26 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 for workers compensation insurance are accounted for in Account No. 507.30, Workers Compensation.

Revenues by Revenue Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
MISCELLANEOUS REVENUES	-	-	190,047	190,047	-	-	-
INVESTMENT EARNINGS	63,243	-	-	-	-	-	-
INTERDEPARTMENTAL REVENUE-INSURANCE	2,374,701	2,838,235	2,838,235	3,012,010	3,139,930	301,695	10.63%
Total Revenues	2,437,944	2,838,235	3,028,282	3,202,057	3,139,930	301,695	10.63%

Expenditures by Function

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
General Govt.							
Insurance Premiums and Claims	2,266,439	2,738,235	3,045,700	2,871,500	3,034,430	296,195	10.82%
Professional Services	100,000	100,000	102,750	102,750	105,500	5,500	5.50%
Total General Govt.	2,366,439	2,838,235	3,148,450	2,974,250	3,139,930	301,695	10.63%
Total Expenditures	2,366,439	2,838,235	3,148,450	2,974,250	3,139,930	301,695	10.63%

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
CONTRACT/PURCHASED SERVICES	2,266,439	2,738,235	3,045,700	2,871,500	3,034,430	296,195	10.82%
Insurance Premiums and Claims Premiums - Property Insurance	848,765	906,500	906,500	844,880	890,150	-16,350	-1.80%
Insurance Premiums and Claims Premiums - Commercial Auto	85,098	84,045	108,035	108,035	169,630	85,585	101.83%
Insurance Premiums and Claims Premiums - Liability	627,825	733,550	733,550	626,970	589,500	-144,050	-19.64%

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Insurance Premiums and Claims Premiums - Workers Compensation	541,738	618,555	658,750	658,750	725,000	106,445	17.21%
Insurance Premiums and Claims Premiums - Wharfage & Marine	141,379	157,585	157,865	157,865	172,150	14,565	9.24%
Insurance Premiums and Claims Self-Insured Claims- Property	-8,262	28,000	28,000	25,000	25,500	-2,500	-8.93%
Insurance Premiums and Claims Self-Insured Claims- Auto	65,712	25,000	25,000	22,000	22,500	-2,500	-10.00%
Insurance Premiums and Claims Self-Insured Claims- Liability	-35,816	185,000	428,000	428,000	440,000	255,000	137.84%
PROFESSIONAL SERVICES	100,000	100,000	102,750	102,750	105,500	5,500	5.50%
Professional Services Management & Consulting Services	100,000	100,000	102,750	102,750	105,500	5,500	5.50%
Total Expenditures	2,366,439	2,838,235	3,148,450	2,974,250	3,139,930	301,695	10.63%

General Government Debt Service

Debt service for all tax-supported general obligation bond indebtedness is paid by the General Obligation 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 or special revenue funds. Revenue bonds are paid for exclusively by enterprise funds and would not be accounted for in the General Obligation Bond Debt Service Fund.

There are three revenue sources that fund the City's General Obligation 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 a transfer of sales tax from the Public Works Sales Tax Fund.

Debt Service Summary

Expenditures by Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
DEBT SERVICE	4,048,981	4,050,264	4,050,264	4,050,264	4,046,866	-3,398	-0.08%
Total Expenditures	4,048,981	4,050,264	4,050,264	4,050,264	4,046,866	-3,398	-0.08%

Funding Source

	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	Increase/ Decrease	% Change
Property Taxes	802,135	803,541	803,541	803,541	798,143	(5,398)	-0.7%
Hospital Sales Tax	2,529,575	2,529,450	2,529,450	2,529,450	2,531,450	2,000	0.0%
Public Works Sales Tax	717,272	717,273	717,273	717,273	717,273	-	0.0%
Total Funding	4,048,982	4,050,264	4,050,264	4,050,264	4,046,866	(3,398)	-0.1%

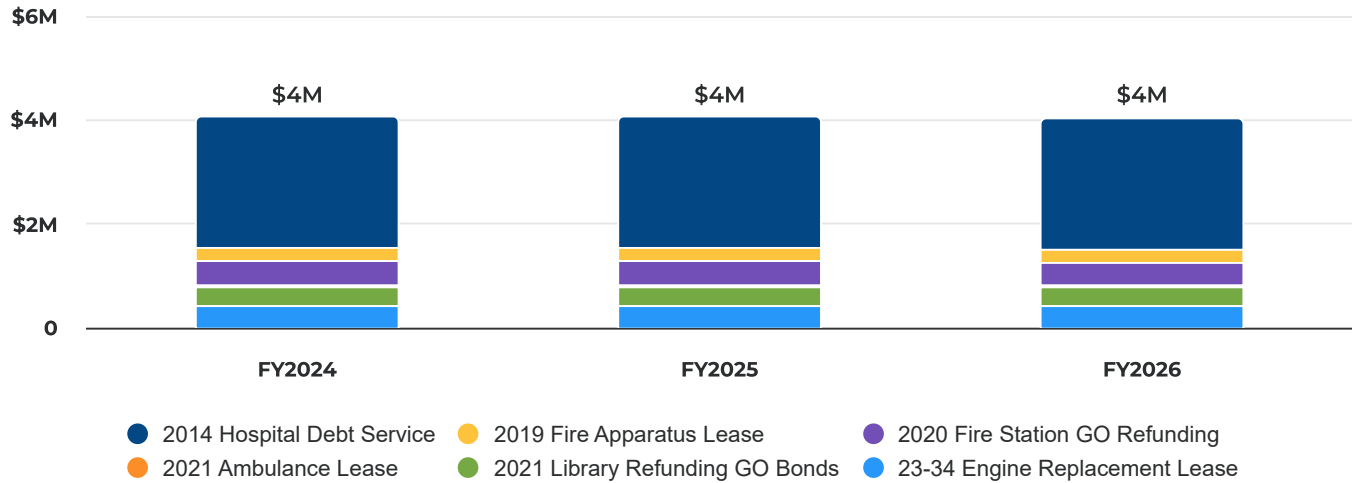
Operating Budget Detail

Operating Expenditures

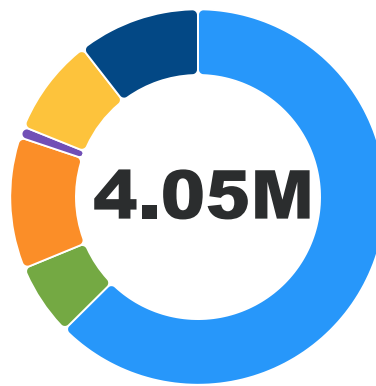
Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Debt Service - Principal	2,284,021	2,380,041	2,380,041	2,380,041	2,476,938	96,897	4.07%
Debt Service - Interest	1,764,960	1,670,223	1,670,223	1,670,223	1,569,928	-100,295	-6.00%
Total Expenditures	4,048,981	4,050,264	4,050,264	4,050,264	4,046,866	-3,398	-0.08%

2026 Expenditures by Debt Issuance

Comparative Schedule by Year



2026 Expenditures by Debt Issuance



2014 Hospital Debt Service	\$2,531,450	62.55%
2019 Fire Apparatus Lease	\$252,666	6.24%
2020 Fire Station GO Refunding	\$459,250	11.35%
2021 Ambulance Lease	\$38,699	0.96%
2021 Library Refunding GO Bonds	\$338,893	8.37%
23-34 Engine Replacement Lease	\$425,908	10.52%

Debt Instrument

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
2014 Hospital Debt Service	2,529,575	2,529,450	2,529,450	2,529,450	2,531,450	2,000	0.08%
2020 Fire Station GO Refunding	463,000	461,500	461,500	461,500	459,250	-2,250	-0.49%
2021 Library Refunding GO Bonds	339,135	342,041	342,041	342,041	338,893	-3,148	-0.92%
2019 Fire Apparatus Lease	252,665	252,666	252,666	252,666	252,666	-	0.00%
2021 Ambulance Lease	38,699	38,699	38,699	38,699	38,699	-	0.00%
23-34 Engine Replacement Lease	425,907	425,908	425,908	425,908	425,908	-	0.00%
Total Expenditures	4,048,981	4,050,264	4,050,264	4,050,264	4,046,866	-3,398	-0.08%

Operating Account Narrative

931.01 Debt Service-Principal: \$2,476,938 – This account provides expenditures for principal payments required for tax-supported general obligation bonds and lease financing.

932.01 Debt Service-Interest: \$1,569,928– This account provides expenditures for interest payments required for tax-supported general obligation bonds and lease financing.

Transfers Out and Advances To Other Funds

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 Medical 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 while 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 and the Mobile Integrated Health Program.
- Public Works Sales Tax Fund to the General Fund for the operating costs of the Public Works Department.
- Transient Tax Fund to the General Fund for the operating costs of the Civic Center.
- Supplemental Emergency Services Transport Fund to the General Fund for the operating costs of the Fire Department and Mobile Integrated Health Program.

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 the construction of a new surgical suite and clinical space for the Ketchikan Medical Center in 2014. In 2026, the City Council approved a one-time transfer for general obligation debt in the Wastewater Services Fund and the Harbor Services Fund.
- General Fund to the General Obligation Bond Debt Service Fund for debt issued to finance the construction of new fire station and library facilities.
- Public Works Sales Tax Fund to the General Obligation Bond Debt Service Fund for debt issued to finance fire apparatus and emergency medical service vehicles.

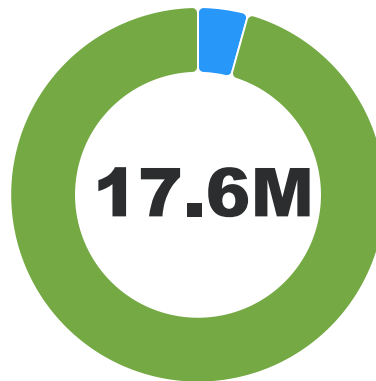
The major transfer of funds for capital improvements is as follows:

- Hospital Sales Tax Fund to the Community Facilities Development Fund to finance improvements to city-owned facilities. See the narrative section of the Major Fund Review for the Hospital Sales Tax Fund for more information.
- Harbor Services Fund to the Harbor Construction Fund to finance capital improvements to harbor infrastructure.
- Commercial Passenger Vessel Tax Funds to the Commercial Passenger Vessel Capital Projects Fund to finance capital improvements as defined by the State of Alaska per AS 43.52.200 (1) improve port and harbor infrastructure, (2) provide services to commercial passenger vessels and the passengers on board those vessels, or (3) improve the safety and efficiency of the interstate and foreign commerce activities in which the vessels and the passengers on board those vessels are engaged.
- Supplemental Emergency Services Transport Fund to Major Capital Improvements Fund to finance Fire Department emergency medical services capital projects and equipment.

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. One advance is programmed in 2026 from the Port Fund to the Harbor Construction Fund for the Maintenance Building CIP.

Transfers and Advances Summary

2026 Expenditures by Type



Advances to Other Funds	\$762,680	4.33%
Transfers Out	\$16,865,851	95.67%

Expenditures by Type

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Advances to Other Funds	-	750,000	750,000	-	762,680	12,680	1.69%
Transfers Out	9,470,497	16,259,663	16,281,375	12,525,706	16,865,851	606,188	3.73%
Total Expenditures	9,470,497	17,009,663	17,031,375	12,525,706	17,628,531	618,868	3.64%

Funding Source

Expenditures by Expense Category

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
TRANSFERS OUT	9,470,497	16,259,663	16,281,375	12,525,706	16,865,851	606,188	3.73%
General Fund	906,896	915,311	915,311	915,311	1,097,355	182,044	19.89%
Hospital Sales Tax Fund	3,032,690	3,258,630	3,258,630	3,199,134	4,972,104	1,713,474	52.58%
Public Works Sales Tax Fund	2,897,753	2,931,222	2,931,222	2,931,223	2,921,743	-9,479	-0.32%
Shoreline Fund	6,374	6,374	6,374	6,374	6,374	-	0.00%
Transient Occupancy Tax Fund	673,075	1,135,026	1,135,026	1,101,106	934,150	-200,876	-17.70%
Marijuana Sales Tax Fund	-	-	-	-	85,500	85,500	-
Harbor Services Fund	-	-	-	-	193,695	193,695	-
Bayview Cemetery O&M Fund	5,000	5,000	5,000	5,000	5,000	-	0.00%
Commercial Passenger Vessel Tax	587,810	6,592,096	6,592,096	3,104,220	4,811,777	-1,780,319	-27.01%
Fire Department SEMT	839,848	894,004	915,716	741,338	1,316,153	422,149	47.22%
Port Services	521,051	522,000	522,000	522,000	522,000	-	0.00%
ADVANCES TO OTHER FUNDS	-	750,000	750,000	-	762,680	12,680	1.69%
Port Services	-	750,000	750,000	-	762,680	12,680	1.69%
Total Expenditures	9,470,497	17,009,663	17,031,375	12,525,706	17,628,531	618,868	3.64%

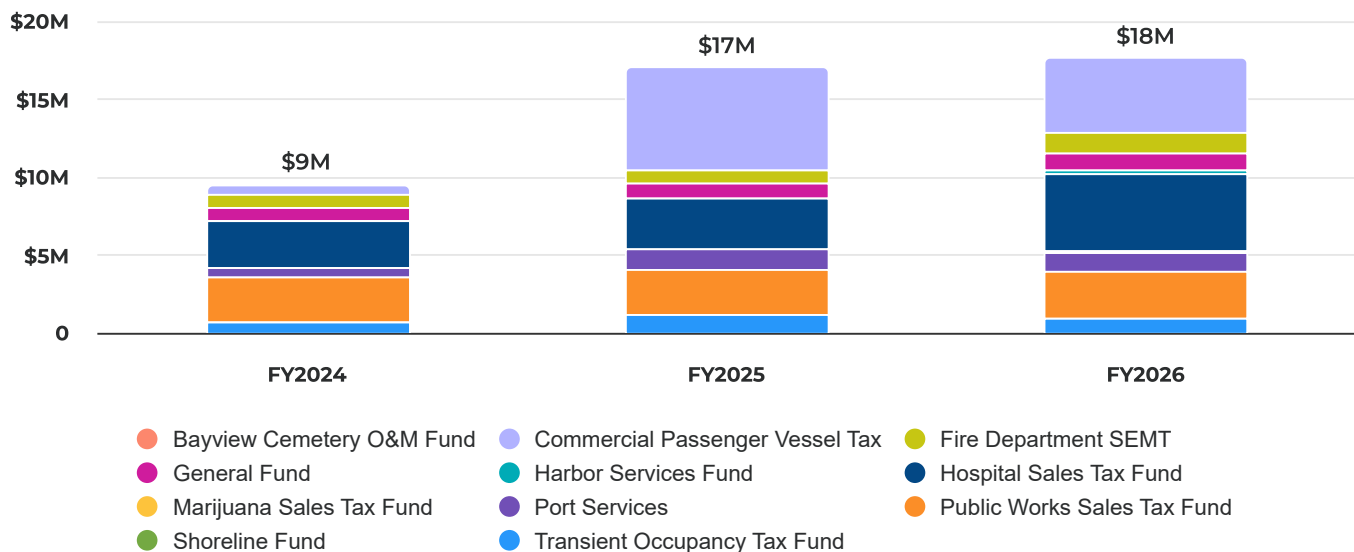
Operating Budget Changes for 2026

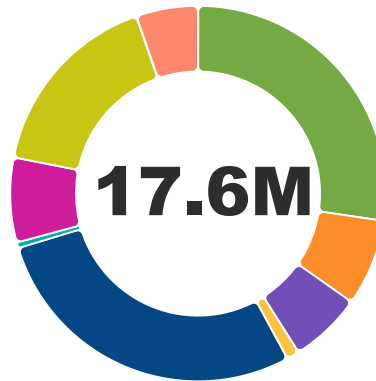
Changes between the adopted operating budget for 2025 and the proposed operating budget for 2026 that are greater than 5% and \$5,000 are discussed below.

- Transfers Out from the General Fund increased by \$192,884, or by 21.07%, due to adding a transfer to the Community Facilities Development Fund for the purpose of providing funds for facility improvements outlined in the 2026 capital improvement plan.
- Transfers Out from the Hospital Sales Tax Fund increased by \$1,212,576, or by 37.1%, due to adding a transfer to the Community Facilities Development Fund for the purpose of providing funds for facility improvements outlined in the 2026 capital improvement plan.
- Transfers Out from the Transient Tax Fund decreased by \$200,876, or by 17.7%, due to decreased revenues available for use.
- Transfers Out from the CPV Fund decreased by \$1,930,319, or by 29.3%, due to a decrease in tourism capital projects proposed in the 2026 capital improvement plan.
- Transfers Out from the Fire Department SEMT Fund increased by \$422,149, or by 47.2%, due to a change in the calculation to include funding for emergency medical services training and overtime costs from May through September.
- Transfers Out from the Marijuana Sales Tax Fund increased by \$85,500, or by 100%, due to excess revenue and the need to support police operations.
- Transfers Out from the Harbor Services Fund increased by \$193,695, or by 100%, due to adding a transfer to the Harbor Construction Fund for the purpose of providing funds for harbor capital improvements.

Operating Budget Detail

Comparative Expenditures by Year



2026 Expenditures by Fund

Bayview Cemetery O&M Fund	\$5,000	0.03%
Commercial Passenger Vessel Tax	\$4,811,777	27.30%
Fire Department SEMT	\$1,316,153	7.47%
General Fund	\$1,097,355	6.22%
Harbor Services Fund	\$193,695	1.10%
Hospital Sales Tax Fund	\$4,972,104	28.20%
Marijuana Sales Tax Fund	\$85,500	0.49%
Port Services	\$1,284,680	7.29%
Public Works Sales Tax Fund	\$2,921,743	16.57%
Shoreline Fund	\$6,374	0.04%
Transient Occupancy Tax Fund	\$934,150	5.30%

The Transfers and Advances for the 2026 Expenditures by Fund include the Commercial Passenger Vessel Tax at \$4.7 million, representing 27.42% of the total. The Hospital Sales Tax Fund follows closely with \$4.5 million, or 26.3%. The Public Works Sales Tax Fund accounts for \$2.9 million, which is 17.26%. The Fire Department SEMT and Port Services funds each contribute approximately \$1.3 million, making up 7.74% and 7.56% respectively. The General Fund is allocated \$1.1 million, or 6.52%. The Transient Occupancy Tax Fund has \$934,150, representing 5.49%. Smaller amounts include the Harbor Services Fund at \$193,695 (1.14%), the Marijuana Sales Tax Fund at \$85,500 (0.5%), and the Shoreline Fund at \$6,374 (0.04%).

Expenditures by Fund

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
General Fund	906,896	915,311	915,311	915,311	1,097,355	182,044	19.89%
Transfers Out To Community Grant Fund	82,880	111,770	111,770	111,770	97,355	-14,415	-12.90%
Transfers Out To Marijuana Sales Tax Fund	21,881	-	-	-	-	-	-
Transfers Out To Community Facilities Dev.	-	-	-	-	201,857	201,857	-
Transfers Out to Debt Service Fund	802,135	803,541	803,541	803,541	798,143	-5,398	-0.67%
Hospital Sales Tax Fund	3,032,690	3,258,630	3,258,630	3,199,134	4,972,104	1,713,474	52.58%
Transfers Out To General Fund	449,457	558,000	558,000	498,504	578,286	20,286	3.64%
Transfers Out To Community Grant Fund	42,450	171,180	171,180	171,180	214,920	43,740	25.55%
Transfers Out To Marijuana Sales Tax Fund	11,208	-	-	-	-	-	-
Transfer Out To Harbor Services Fund	-	-	-	-	352,675	352,675	-

Category	2024 Actual	2025 Adopted	2025 Amended	2025 Estimate	2026 Budget	*Incr/Decr	*% Change
Transfers Out to Community Facilities Development Fund	-	-	-	-	1,169,020	1,169,020	-
Transfers Out To Debt Service Fund	2,529,575	2,529,450	2,529,450	2,529,450	2,531,450	2,000	0.08%
Transfers Out To Wastewater Fund	-	-	-	-	125,753	125,753	-
Public Works Sales Tax Fund	2,897,753	2,931,222	2,931,222	2,931,223	2,921,743	-9,479	-0.32%
Transfers Out To General Fund	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	-	0.00%
Transfers Out To Community Grant Fund	63,670	113,950	113,950	113,950	104,470	-9,480	-8.32%
Transfers Out To Marijuana Sales Tax Fund	16,811	-	-	-	-	-	-
Transfers Out To Debt Service Fund	717,272	717,272	717,272	717,273	717,273	1	0.00%
Shoreline Fund	6,374	6,374	6,374	6,374	6,374	-	0.00%
Transfers Out To General Fund	6,374	6,374	6,374	6,374	6,374	-	0.00%
Transient Occupancy Tax Fund	673,075	1,135,026	1,135,026	1,101,106	934,150	-200,876	-17.70%
Transfers Out To General Fund	515,060	711,026	711,026	677,106	749,150	38,124	5.36%
Transfers Out To Major Capital Improvements	158,015	424,000	424,000	424,000	185,000	-239,000	-56.37%
Marijuana Sales Tax Fund	-	-	-	-	85,500	85,500	-
Transfers Out To General Fund	-	-	-	-	85,500	85,500	-
Harbor Services Fund	-	-	-	-	193,695	193,695	-
Transfers Out To Harbor Construction Fund	-	-	-	-	193,695	193,695	-
Bayview Cemetery O&M Fund	5,000	5,000	5,000	5,000	5,000	-	0.00%
Transfers Out To General Fund	5,000	5,000	5,000	5,000	5,000	-	0.00%
Commercial Passenger Vessel Tax	587,810	6,592,096	6,592,096	3,104,220	4,811,777	-1,780,319	-27.01%
Transfers Out To General Fund	544,730	558,096	558,096	558,096	998,901	440,805	78.98%
Transfers Out To CPV Capital Improvements Fund	43,080	6,034,000	6,034,000	2,546,124	3,812,876	-2,221,124	-36.81%
Fire Department SEMT	839,848	894,004	915,716	741,338	1,316,153	422,149	47.22%
Transfers Out To General Fund	16,914	444,004	484,504	310,126	774,653	330,649	74.47%
Transfers Out To Major Capital Improvements	822,934	450,000	431,212	431,212	541,500	91,500	20.33%
Port Services	521,051	1,272,000	1,272,000	522,000	1,284,680	12,680	1.00%
Transfers Out To Port R&R Fund	521,051	522,000	522,000	522,000	522,000	-	0.00%
Advances To Other Funds Harbor Improvements Fund	-	750,000	750,000	-	762,680	12,680	1.69%
Total Expenditures	9,470,497	17,009,663	17,031,375	12,525,706	17,628,531	618,868	3.64%

Note: The transfer to the Port R&R Fund is included in the Port Operations Budget. This transfer is included in the schedule for comparative reasons.

Operating Account Narrative

910.101 Transfers Out from the General Fund: \$1,108,195 – This account provides expenditures for transfers from the General Fund to various funds of the City to fund debt service, community facility capital projects and the community grant program.

910.110 Transfers Out from the Hospital Sales Tax Fund: \$4,471,206 – This account provides expenditures for transfers from the Hospital Sales Tax Fund to fund debt service, the community grant program, the mobile integrated health program and \$441,000 of financial support for the General Fund.

910.111 Transfers Out from the Public Works Sales Tax Fund: \$2,933,373 – This account provides expenditures for transfers from the Public Works Sales Tax Fund for \$2,100,000 of financial support for the General Fund, the community grant program and lease payments for the fire department lease financing agreement.

910.112 Transfers Out from the Shoreline Fund: \$6,374 – This account provides expenditures for transfers from the Shoreline Fund to the General Fund to cover a portion of the cost associated with operating and maintaining the former shoreline fire station.

910.210 Transfers Out from the Transient Tax Fund: \$934,150 – This account provides expenditures for transfers from the Transient Tax Fund to the General Fund for the financial support of the operations of the civic center. The amount of the transfer is based on total operating costs less operating revenues.

910.211 Transfers Out from the Marijuana Sales Tax Fund: \$85,500 — This account provides expenditures for transfers from the Marijuana Sales Tax Fund to the General Fund for the financial support of the police department.

910.240 Transfers Out from the Harbor Services Fund: \$193,695 — This account provides expenditures for transfers from the Harbor Services Fund to the Harbor Construction Fund for the purpose of funding capital improvements for the harbor.

910.250 Transfers Out from the Bayview Cemetery O & M Fund: \$5,000 – This account provides expenditures for transfers from the Bayview Cemetery O & M Fund to the General Fund for the financial support of the operations of Bayview Cemetery.

910.260 Transfers Out from the CPV Fund: \$4,661,777 – This account provides expenditures for transfers from the CPV Fund to various funds for the support of tourism related operations and capital improvements.

910.285 Transfers Out from the SEMT Fund: \$1,316,153 – This account provides expenditures for transfers from the Fire Department SEMT Fund to various funds for the support of fire department operations and capital improvements related to Emergency Medical Transport services.

913.510 Advances From the Port Fund: \$762,680 - This account provides for expenditures for advances from the Port Fund to the Harbor Construction Fund to construct a joint Harbor and Port Maintenance Building.