

2024 POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year ended June 30, 2024



SOLDOTNA

City of Soldotna, Alaska


LETTER TO OUR RESIDENTS

The City of Soldotna is pleased to present our Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2024. This report provides an overview of where the City's revenues come from and how those revenues are spent. It also provides updates on capital projects, and highlights some of the services the City provides. We produce this document annually, in keeping with our commitment to financial accountability and transparency. We hope it gives you a greater understanding of your City government and the people who work and serve on your behalf.

The financial information in this document comes from the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This report is consistent with Generally Accepted Accounting Principles (GAAP) and all governmental funds are included. The ACFR provides more detailed information on the City's finances, including an audit from an independent firm of licensed certified public accountants. Copies of the most recent ACFR and PAFR can be found on the City's website (www.Soldotna.org) or at Soldotna City Hall.

We encourage you to reach out to let us know how we can best serve the community. On behalf of the City of Soldotna, we would like to thank you for taking the time to read this report. If you have any questions or want to provide feedback, please don't hesitate to give us a call at 907-262-9107.

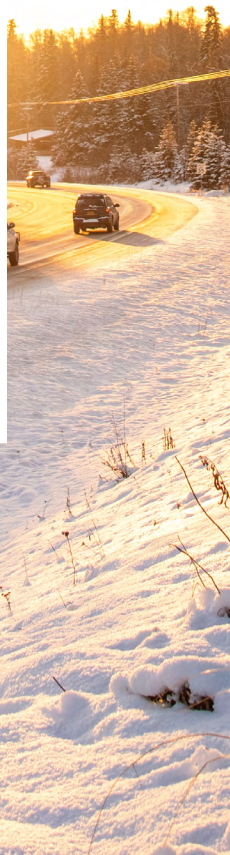
Sincerely,



Janette Bower
City Manager



Melanie Imholte
Finance Director





FINANCIAL REPORTING AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Report for the fiscal year ended June 30, 2023. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for one year only. we believe our current report continues to conform to the Popular Annual Financial Reporting requirements to determine its eligibility for another award.

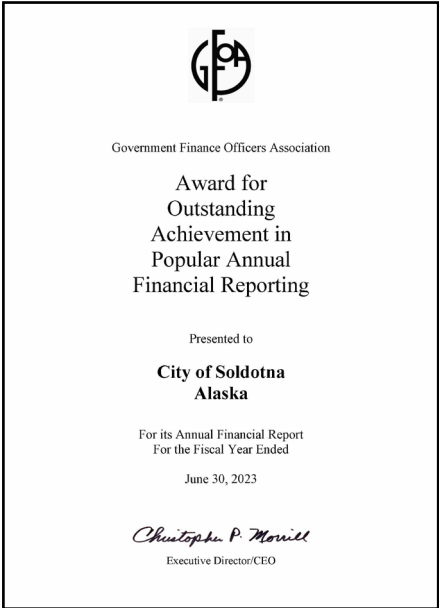


TABLE OF CONTENTS

- Letter from the Mayor 3
- Elected Officials and City Staff..... 4
- Financial Information..... 5
- Departmental Spotlights 9
- Public Outreach & Communications 10

Photos throughout this document are by Martin Media, unless otherwise noted.

LETTER FROM THE MAYOR

Dear Soldotna Citizens,

Thank you for taking the time to read this Popular Annual Financial Report. It summarizes municipal spending, and the various ways that the City of Soldotna is providing services to improve the quality of life in our community. This report is one way of showing the accountability, transparency and responsiveness to which our City employees are dedicated.



*Photo of Mayor Whitney by
Narrow Road Productions*

Everyone understands the benefits of services like police, road maintenance, and sewer and water utilities. The City provides these services and many others, including: the Soldotna Public Library, park and campground facilities, and the Soldotna Airport. We also invest in capital projects and economic development, to support our residents and the local economy. These services are provided by your city government, but often in partnership with local non-profit organizations, our business community, and our municipal neighbors. Many local residents also volunteer their time, talent, and resources in serving on one of several City boards or commissions – all with the aim of improving our community.

The Joyce K. Carver Memorial Public Library, which is used by not only our city residents but the surrounding community as well, provides space for community meetings, dedicated areas for children and teens, a variety of media, as well as numerous reading programs, and is continually expanding and improving the programs they offer to our community.

Soldotna Creek Park, the “Crown Jewel” of our parks system, continues to offer an outstanding venue for many community activities all year long. The Levitt AMP Soldotna Music Series was again a huge success this year and will continue during 2025. We will also see continuing activities such as the Frozen River Fest, Movies in the Park, Wednesday Market, Kenai River Fair, and other activities. This year the Progress Day Celebration was held at Parker Park as a block party, and it was such a huge success we are planning on having it there again in 2025.

The Soldotna Regional Sports Complex provides numerous recreational activities such as ice skating, hockey, Walleyball, pickleball, etc. This facility is used for many other activities such as Sports & Rec shows, Home Show, mixed martial arts, high school graduations, and other important community events and fundraisers. Construction of the new Soldotna Field House is moving right along, and we are hoping to hold the grand opening in the summer of 2025. This 40,000+ square foot facility will provide a venue for indoor recreation for youth and adults, athletic tournaments, large events, and a walking/running track for year-round use. The new facility will also allow for the Sports Complex to maintain ice for a longer period for ice skating-related events.

In addition to the Sports Complex, Parks and Recreation maintains 12 different parks including Centennial, Swiftwater, Rotary, ARC Lake, and the 3 Friends Dog Park. We also provide the land for Soldotna Little League and the rodeo and equestrian area. Our staff works hard to maintain the parks and create additional opportunities for outdoor recreation such as skating paths at ARC Lake, maintenance of the ice rink and free Family Skate Nights at Soldotna Elementary, and new groomed multi-use trails at Centennial and Swiftwater Parks.

The Riverfront Redevelopment Project study which looks at the future development of the area between Soldotna Creek Park and the bridge has been completed. We have now started on phase one on how we can best move forward on developing new housing and new business and recreational opportunities for local entrepreneurs. We are very excited about this project and look forward to a new and brighter future for the core area of the City.

The City Council and I encourage you to participate in the government process. We are happy to hear all points of view, especially those who have a differing view on the issues being discussed. Open discussion allows us to understand concerns and make decisions which benefit the entire community. I encourage you to read through this document and if you have any questions, please contact us or the appropriate City staff.

Sincerely,

A handwritten signature in cursive script that reads "Paul J. Whitney".

Paul Whitney
City of Soldotna Mayor



Rear: Chera Wackler, Dan Nelson, Linda Hutchings, Jordan Chilson. Front: Dave Carey, Paul Whitney, Lisa Parker. Council Photo by Alaska Berry Photography

HOME RULE CITY

The City of Soldotna is a municipal corporation operating as a home rule city under the provisions of Alaska statutes. Soldotna was originally incorporated by the voters as a fourth-class city in 1960, then reclassified as a first-class city in 1967. It remained a first-class municipality until October 2016, when voters approved a home rule charter.

MAYOR & CITY COUNCIL

The Mayor is the municipality’s ceremonial head of government, executing official documents on authorization of the City Council. The Mayor is elected at large on a non-partisan basis for a three-year term. The City Council is the governing body of Soldotna, consisting of six members who are elected at large on a non-partisan basis for three-year terms. These terms are staggered to provide for continuity of knowledge in City business and legislative matters.

Current Soldotna City Council

		Term Ends
Paul Whitney	Mayor	2026
Linda F. Hutchings	Seat A	2027
Dan Nelson	Seat B	2026
Jordan Chilson	Seat C	2027
Dave Carey	Seat D	2025
Lisa Parker	Seat E	2025
Chera Wackler	Seat F	2026

ORGANIZATIONAL CHART



CITY CLERK

The City Clerk is appointed by the City Council and is responsible for administering all City elections, maintaining the Citywide records management system, and acting as the parliamentary advisor to the governing body.

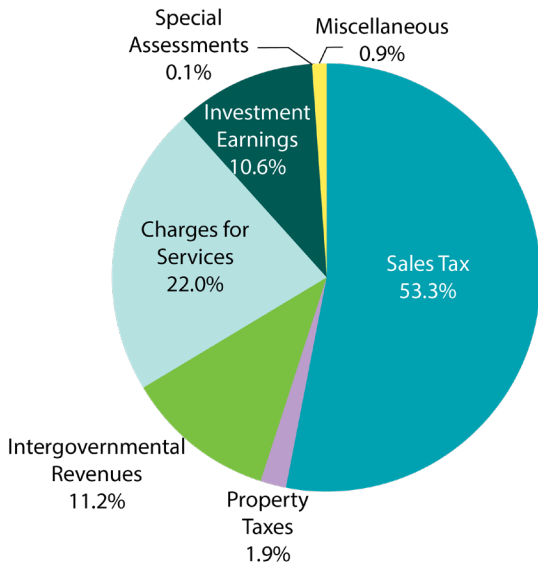
CITY MANAGER & DEPARTMENT HEADS

The City Council also appoints the City Manager who acts as the chief administrative officer. The City Manager is responsible for carrying out the policies and ordinances of the City, for overseeing day-to-day operations, and for reporting back to and advising the Council. Department heads oversee their own departments and report to the City Manager.

CITY EMPLOYEES

The City employed approximately 66 full time employees and approximately 54 seasonal, temporary, and part-time employees in Fiscal Year 2024. Employment increases in the summer to accommodate seasonal visitors. The City reported 74.51 full-time equivalents (FTEs) in FY24. The City’s two largest departments in terms of staffing, are the Police and Parks & Recreation departments.

FINANCIAL INFORMATION



GOVERNMENTAL FUND REVENUES

The City receives money from a variety of sources. Below is a comprehensive look at the City's revenue for the last three fiscal years. Fiscal Year 2024 revenues are also shown in the pie chart above. Three specific revenue sources (property taxes, sales taxes, and intergovernmental revenues) are examined more closely on the following pages.

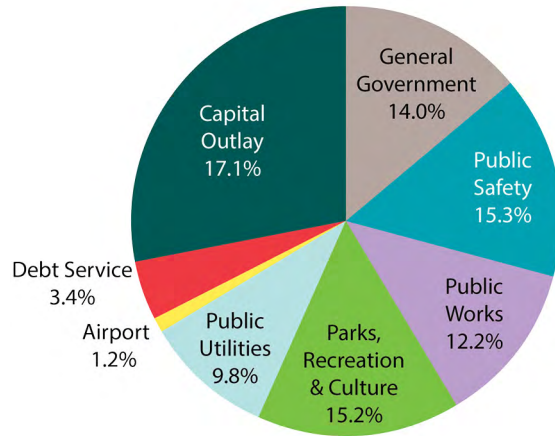
	FY2022	FY2023	FY2024
Sales Tax	\$9,623,966	\$10,007,421	\$10,104,534
Property Taxes	322,178	344,215	354,781
Intergovernmental Revenues*	6,501,040	1,515,723	2,124,429
Charges for Services**	3,676,322	3,660,647	4,176,422
Loan Proceeds Forgiven***	20,744	16,215	-
Investment Earnings (Loss)****	(1,530,931)	964,396	2,009,698
Special Assessments	7,404	8,294	6,839
Miscellaneous	150,760	195,803	174,311
Total Revenues	\$18,771,483	\$16,712,714	\$18,951,014

*Intergovernmental revenues were substantially greater in FY22 due to rehabilitation of a runway at the Soldotna Airport and Federal Aviation Funds received during the year to complete this project. These revenues decreased during FY23 as the project began winding down. Intergovernmental revenues increased slightly in FY24 due to closing out the American Rescue Plan Act (ARPA) grant awarded to the City to help recover from the COVID-19 pandemic.

**Charges for services increased in FY24 due to the implementation of Administrative Services Charges; which are fees received from other City funds for General Fund services provided to those funds.

***During FY22, the City entered into two loan agreements with the Alaska Department of Environmental Conservation (ADEC) for the purpose of conducting water and wastewater utility rate studies. Both loans are eligible for principal forgiveness of 100% of the principal received in disbursements.

****The City reported investment losses in FY22. This is primarily due to the City's requirement to adjust its investments to fair value at year-end. These fair value adjustments result in unrealized gains or losses which flow through revenue in the City's financial statements. Investment earnings began returning to a more typical level in FY23. Contributing to the increase in FY24 is the interest earned on unspent bond proceeds.



GOVERNMENTAL FUND EXPENDITURES

Below is a comprehensive look at the City's expenditures for the last three fiscal years. Fiscal Year 2024 expenditures are also shown in the pie chart above.

	FY2022	FY2023	FY2024
General Government	\$2,785,421	\$2,863,511	\$3,152,448
Public Safety	2,999,595	3,385,476	3,469,240
Public Works	2,525,821	2,814,976	2,755,511
Parks, Recreation & Culture	2,694,613	3,329,444	3,428,426
Public Utilities*	1,774,406	1,935,921	2,213,775
Airport*	198,419	204,985	269,109
Emergency Response**	728,726	-	-
Debt Service***	430,595	613,772	1,008,095
Capital Outlay****	5,942,854	3,114,946	6,286,904
Total Expenditures	\$20,080,450	\$18,263,031	\$22,583,508

*Public Utilities and Airport Expenditures increased in FY24 for Administrative Service Charges (previously mentioned) paid to the General Fund for services provided.

**CARES Act Expenditures related to COVID-19 response, excluding capital outlay and personnel related expenditures which are included in applicable categories in this chart.

***Debt Service increased in FY24 due to repayment of the first tranche of Soldotna Field House bonds.

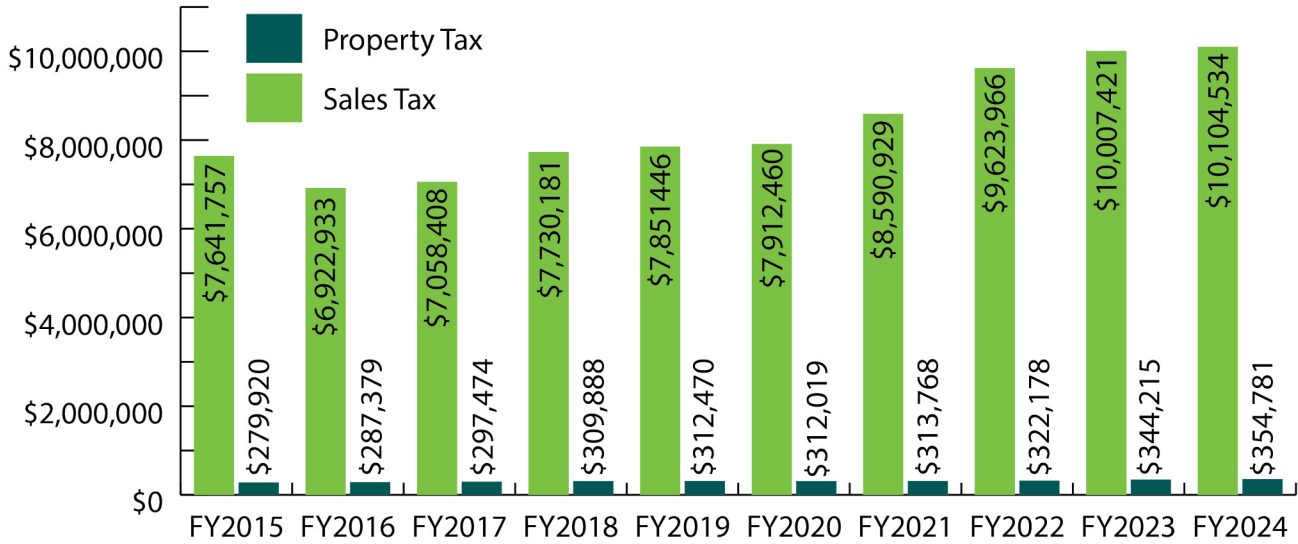
****Capital Outlay increased in FY24 due to construction of the Soldotna Field House.

LOCAL TAX REVENUES

The City levies a 3% sales tax, which is applied to the first \$500 of each separate sale. Sales tax is the largest revenue source for the City, with retail sales continuing to generate the largest share (68% in FY24). City sales tax revenues were at historic levels in FY24, amounting to just over \$10.1M, an increase of approximately 1% over the prior fiscal year.

Property tax revenues are based on a mill rate level that is set annually by the City Council. It is worth noting that the City of Soldotna has not raised its mill rate in more than 40 years (1983 was the last increase). In that same time frame, the City Council has lowered the mill rate five times, including three years in a row from 2011 to 2013 when it was set at 0.5 mills, the same rate that exists today.

TAX REVENUE (FY15-FY24)







MILL RATES

Soldotna residents receive a single property tax bill per parcel, but the taxes you pay support four separate entities: the Kenai Peninsula Borough, Central Emergency Services, Central Peninsula Hospital, and the City of Soldotna.

A 'mill' is 1/1000 of a dollar, and represents \$1 of tax for each \$1,000 of assessed value of your property. To calculate property tax, multiply the assessed value by each mill rate, then divide by 1,000.

The average value of a home in Soldotna is approximately \$335,800 as of November 2024. A sample calculation for the taxes of this house is shown at right. In this example, a homeowner in Soldotna might expect to pay approximately \$2,693 in property taxes, with the City of Soldotna receiving approximately \$168 of the total amount. For every dollar of property tax paid on a home in Soldotna, approximately 6 cents goes to the City of Soldotna. The remaining taxes are distributed to other governmental entities.

Sample property tax calculation for a Soldotna home valued at \$335,800:

Taxing Entity	Mill Rate	Tax
 Kenai Peninsula Borough	4.30 mills	\$1,443.94
 Central Emergency Services	3.21 mills	\$1,077.92
 Central Peninsula Hospital	0.01 mills	\$3.36
 City of Soldotna	0.50 mills	\$167.90
FY24 TOTAL	8.02 mills	\$2,693.12





INTERGOVERNMENTAL REVENUES (GRANTS)

The City receives intergovernmental revenues, or grants, from Borough, State, and Federal agencies. Generally, grant revenues fund capital projects or help to reduce specific operating costs. Approximately 59% of revenues received in Fiscal Year 2024 were used to fund capital projects rather than operations. For Fiscal Year 2024, the City received total grant revenues in the amount of \$2,124,429, which represents 11.2% of total revenues received. Discretionary use of grant funds is limited, as monies received generally must be used to fulfill specific objectives as outlined in each grant agreement.

FUND BALANCE OF GOVERNMENTAL FUNDS

Total Revenues (FY24)	\$18,951,014
Total Expenditures (FY24)	22,583,508
Excess of Revenues Over (Under) Expenditures	(3,632,494)
Loss on Lease Termination	(1,792)
Net Proceeds from Issuance of Long-Term Debt*	866,168
Net Change in Fund Balance (During FY24)	(2,768,118)
Beginning Fund Balance @ 7/1/23	32,089,954
Ending Fund Balance @ 6/30/24**	\$29,321,836

*In January 2024, the City entered into a loan agreement with the Alaska Department of Environmental Conservation (ADEC) with a maximum loan amount of \$1,200,000 to fund the Biosolids Dewatering Project. This loan is not yet in repayment status. As of June 30, 2024 the City had drawn down \$866,168 under this loan which is reported as Proceeds from Issuance of Long-Term Debt.

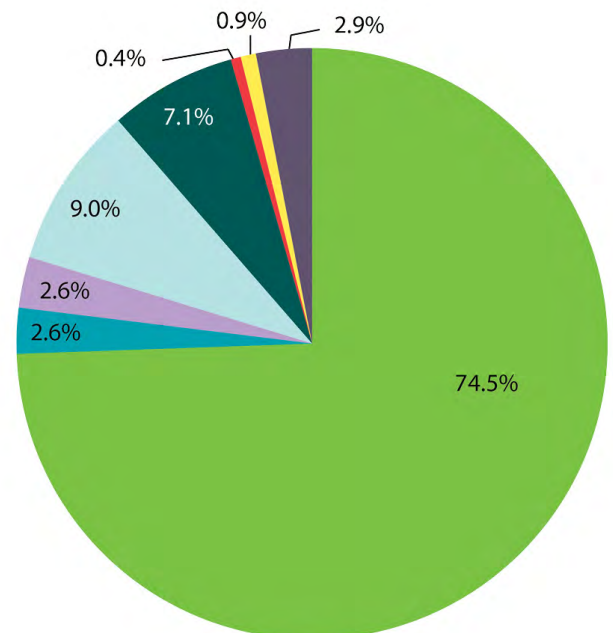
**\$23,455,364 of the ending fund balance is not readily available for spending due to varying levels of constraints imposed against it.

THE GENERAL FUND

The General Fund is the general operating fund of the City, and its activities are funded primarily by sales tax revenues. The General Fund accounts for the day-to-day operations of the City and includes the following departments: Administration, Building Maintenance, Campgrounds, Clerk, Economic Development & Planning, Finance, Information Technology, Library, Mayor and Council, Nondepartmental, Parks & Recreation, Police, Public Works Administration, Shop, Soldotna Regional Sports Complex, and Streets.

GENERAL FUND REVENUES FOR FISCAL YEAR 2024

Sales Tax (74.5%)	\$10,104,534
Property Taxes (2.6%)	354,781
Intergovernmental Revenues (2.6%)	349,557
Investment Earnings (9.0%)	1,219,085
Parks & Recreation User Fees (7.1%)	963,389
Traffic Fines (0.4%)	50,011
Licenses & Permits (0.9%)	121,818
Other (2.9%)	393,949

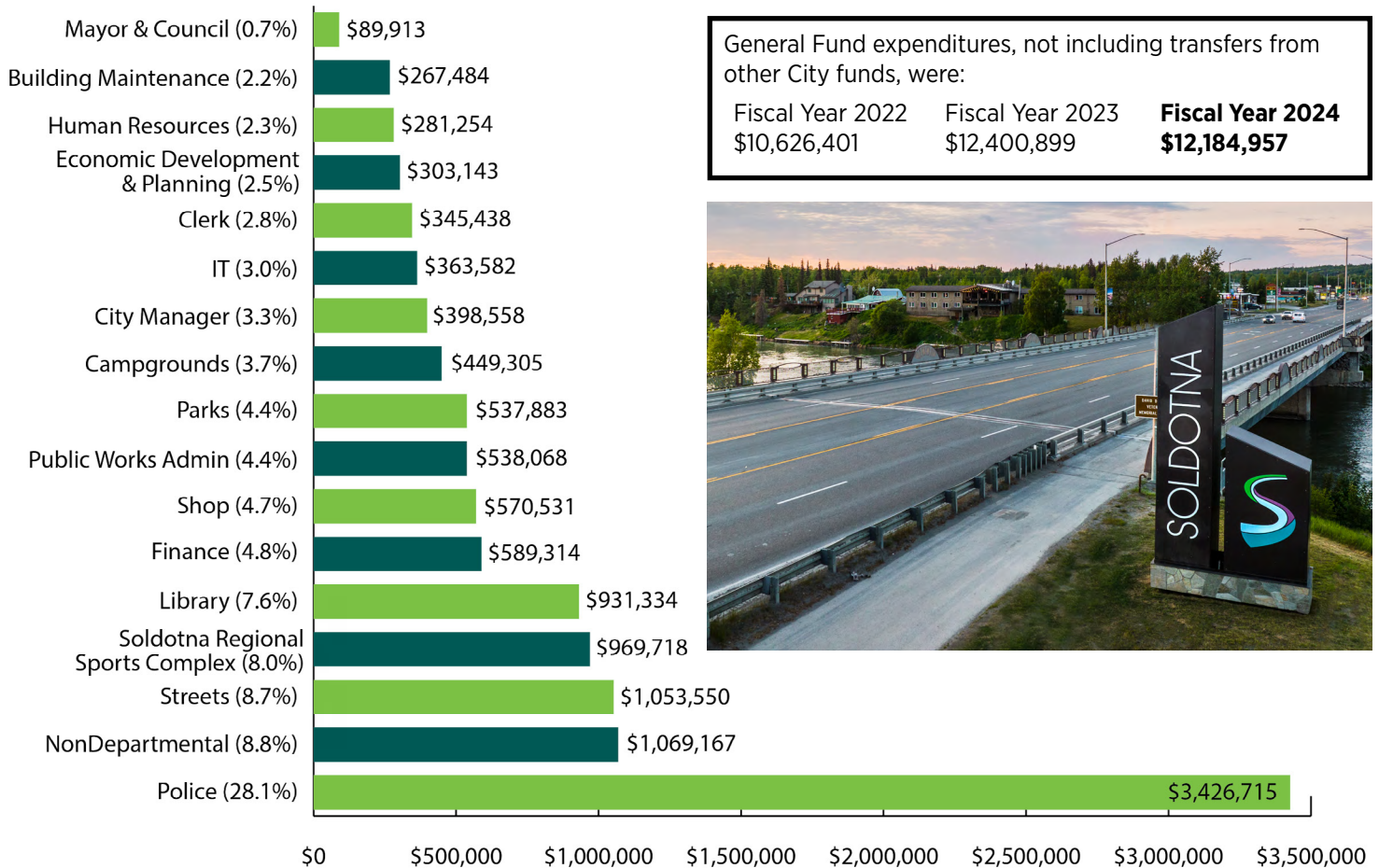


General Fund revenues, not including transfers from other City funds, were:

Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
\$10,258,599	\$12,493,046	\$13,557,124



GENERAL FUND EXPENDITURES BY DEPARTMENT FOR FISCAL YEAR 2024



General Fund expenditures, not including transfers from other City funds, were:

Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
\$10,626,401	\$12,400,899	\$12,184,957



FINANCIAL OUTLOOK

The City of Soldotna is in a good financial position with a stable tax structure and a healthy fund balance. The City's population remains steady, and we continue to see development in both residential and commercial construction. Soldotna's economy is diverse which will continue to provide stability moving forward. Overall, the City of Soldotna remains financially stable year after year.

DEPARTMENTAL HIGHLIGHTS



Photo Credits: Peninsula Clarion

'I VOTED' STICKER DESIGN CONTEST

In 2024, the City launched its inaugural 'I Voted' sticker design contest, offering a chance for local residents to see their artwork featured on stickers distributed to voters during the municipal election. The City received 34 submissions, and a jury narrowed them down to 9 finalists - three in each of three age categories. A public vote determined the final winners, with 446 members of the public casting their votes. The winning designs were announced at the annual Progress Days event in July.

'I Voted' Sticker Design Contest Winners:

Future Voter (under 13): Hadley Kornelis, Soldotna Montessori

Youth (under 18): Isla Crouse, Kenai Central High School

Adult: Addie Nelson, Kasilof



Photo Credit: City of Soldotna Staff

FIELD HOUSE CONSTRUCTION

Construction of the long-awaited Soldotna Field House officially began in 2024, and is now well underway. Clearing and excavation first began at the site in March 2024, and the prefabricated metal building was constructed during the summer and fall months. With the exterior of the building largely complete, interior work will continue through the winter months, and into 2025.

The building, a 41,500 square foot multipurpose facility, will house a removable turf field and sport court, ADA-accessible elevated walking track, and space to host statewide tournaments and other large community events. The Field House is slated to open to the public by fall 2025. More information about a grand opening event will be shared in early 2025. Visit www.Soldotna.org/FieldHouse to learn more about the facility.



Rendering by First Forty Feet

RIVERFRONT REDEVELOPMENT MASTER PLAN

On February 14, 2024, the Soldotna City Council adopted the Soldotna Downtown Riverfront Redevelopment Plan. The plan will guide the City's efforts to redevelop an 85-acre portion of downtown Soldotna, and builds on a series of previous City plans and projects aimed at improving downtown Soldotna. The plan envisions a one-of-a-kind riverfront experience with shopping, dining, entertainment, and lodging in a walkable setting along the Kenai River.


With the plan complete, the City has hired a project manager to oversee implementation of the plan. The Riverfront Redevelopment Plan will play a key role in the City's economic development strategy over the next several years. Visit www.SoldotnaRiverfront.org to learn more about the project, and follow along with implementation efforts.

PUBLIC OUTREACH & COMMUNICATIONS

WEBSITE & SOCIAL MEDIA

The City's website aims to increase communication between the City and its constituents. The homepage features up-to-date news and events. Online services include paying utility bills, viewing job postings, submitting applications, listening to live or archived meetings, reviewing meeting agendas and materials, and contact information for elected representatives and City staff. Visit the City's website at www.Soldotna.org.

The City also utilizes social media to share information about upcoming events, opportunities, and updates about City services.

 **Facebook**
City of Soldotna
Soldotna Library
Soldotna Parks & Recreation

 **Instagram**
@mysoldotna

ELECTIONS

Local City elections are an important opportunity for residents to provide input on the decision-making processes for Soldotna. The regular City election is held annually on the first Tuesday in October, and includes any Council and/or Mayoral seats that are up for election in a given year, and may also include a variety of initiatives.



The City Council may also call a special election at any time, which will be noticed in local publications and on the City's website. For more information on elections, visit the City Clerk's section of our webpage at www.Soldotna.org/clerk.

BOARDS & COMMISSIONS

City commission and advisory board members serve a critical role in the development of public policy and policy implementation. Board and commission members advise the City Council and act as the voice of our residents. Members are appointed by the Mayor, approved by the Council, and serve staggered three-year terms beginning in January.

City of Soldotna boards and commissions include:

- Parks & Rec Advisory Board
- Planning & Zoning Commission
- Airport Commission
- Library Advisory Board

For more information about serving on a board or commission, contact the City Clerk's office at 907-262-9107. Current vacancies are listed at www.Soldotna.org/vacancy.





SOLDOTNA

City of Soldotna, Alaska
177 North Birch Street
Soldotna, AK 99669

PRSR STD
US POSTAGE
PAID
PERMIT 69
ANCHORAGE,
AK



Public Library

235 North Binkley Street
907-262-4227

Regional Sports Complex

538 Arena Avenue
907-262-3151

City Hall

177 North Birch Street
907-262-9107

Street & Airport Maintenance

340 Arbor Avenue
907-262-4672

Utility Department

215 South Kobuk Street
907-262-4205

Police Dept. & Animal Control

44510 Sterling Highway
907-262-4455

Emergencies: Dial 911