

## APPENDIX C

### *2018 Popular Annual Financial Report*



# 2018 POPULAR ANNUAL **FINANCIAL REPORT**

Fiscal Year July 1, 2017 - June 30, 2018



## SOLDOTNA

City of Soldotna, Alaska



# A LETTER TO OUR RESIDENTS

To the Citizens of the City of Soldotna:

The City of Soldotna is pleased to present our Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2018. This report is intended to provide a brief summary of where the City's revenues come from and how these revenues are spent, as well as to provide information about the operations of the City of Soldotna. We hope this report will give you a greater understanding of the City from a financial perspective.

The financial information contained here comes from the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This report is consistent with Generally Accepted Accounting Principles (GAAP) and all governmental funds are included. The CAFR 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 CAFR and PAFR can be found on the City's website ([www.soldotna.org](http://www.soldotna.org)) or at Soldotna City Hall.

We encourage you to continue taking an interest in your local government and community. While the elected officials and administration of the City of Soldotna are committed to financial accountability, our greatest resource is the people who live, work and play in our City.

On behalf of the City of Soldotna, we would like to thank you for taking the time to read this report. The PAFR is a great opportunity for us to let you know how the City is doing financially and to showcase various City projects and programs. If you have any questions or comments about this report, please contact the Finance Director at 907-262-9107.

Sincerely,

City Manager  
**Stephanie Queen**

Finance Director  
**Melanie Imholte**



## CITY COUNCIL

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. The Mayor is the municipality's ceremonial head of government, executing official documents on authorization of the Council. The Mayor is elected at large on a non-partisan basis for a three-year term.

<b>City Council for Fiscal Year 2018</b>	<b>Term Ends</b>
Nels Anderson (Mayor)	2020
Paul Whitney (Seat A)	2018
Tyson Cox (Seat B)	2020
Linda Murphy (Vice Mayor; Seat C)*	2018
Tim Cashman (Seat D)	2019
Lisa Parker (Seat E)	2019
Justin Ruffridge (Seat F)	2018

\*Jordan Chilson (Elected to Seat C, 10/18) 2021

## 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.

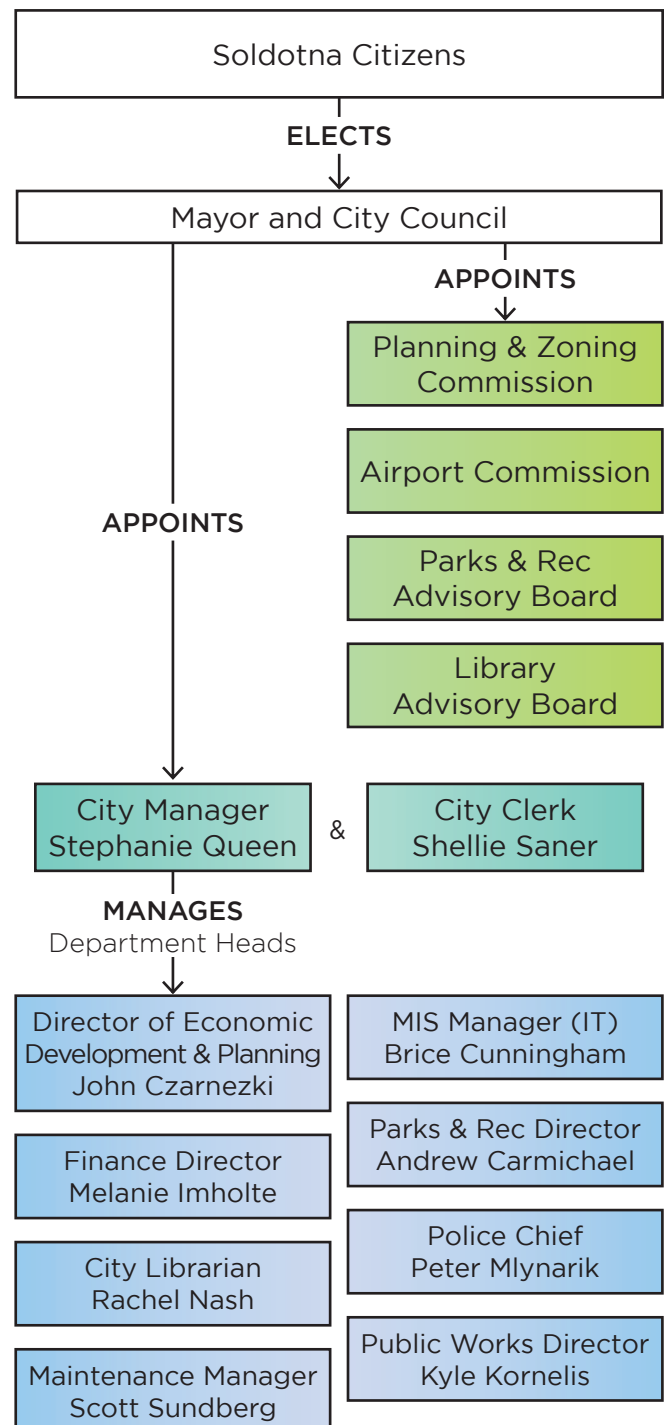
## CITY MANAGER AND DEPARTMENT HEADS

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 (shown at right) oversee their own department and report to the City Manager.

## CITY EMPLOYEES

The City employed 60 full-time employees and approximately 58 seasonal, temporary, and part-time employees. Employment increases in the summer to accommodate seasonal visitors. The City reported 70.64 full-time equivalents (FTE's) in FY18. The City's two largest departments, in terms of staffing, are the Police and Parks and Recreation Departments.

## ORGANIZATIONAL CHART





# AN OVERVIEW

The City of Soldotna is a Home Rule City. Originally incorporated by the voters as a fourth-class city in 1960, the City was reclassified as a first-class city in 1967 and remained a first-class municipality until voters approved a home rule charter in October 2016. Soldotna occupies a geographic area of approximately 7.5 square miles, with an estimated population of 4,333 residents. The City's population continues to grow, as does the population of census areas adjacent to the City. This broader regional population continues to drive growth and economic activity in the City, which provides many of the goods and services to residents of the central Kenai Peninsula.

Soldotna serves as an economic hub for the Kenai Peninsula Borough (KPB) with a significant employment base, retail and professional services, educational and health care facilities, and various outdoor recreational amenities. Several large employers, including the Kenai Peninsula Borough and Kenai Peninsula Borough School District administrative offices, Central Peninsula Hospital, Kenai Peninsula College, Fred Meyer, and many regional offices of State and local government are located in the City of Soldotna. The Kenai National Wildlife Refuge, which borders the City, houses its headquarters in the area and has recently opened a new visitor center. The district office of the State Department of Transportation is approximately three miles south of Soldotna on the Sterling Highway.

The tourism industry in the State and on the Kenai Peninsula is growing. Gross sales in visitor related businesses are approximately \$36 million annually in Soldotna. The world famous Kenai River is one of Soldotna's greatest assets. The Kenai River, as well as Soldotna's many other recreational and entertainment options, bring a large influx of tourists throughout the year. Retail sales are greatly enhanced by tourism, especially during the summer months. The 2018 Situations and Prospects Report, recently released by the Kenai Peninsula Economic

Development District for the fiscal year 2017, shows that the City of Soldotna had the largest increase in gross sales on the Peninsula (21%) for that year of any of the municipalities.

The health care industry in Alaska has been one of the fastest growing economic sectors for 20 years, and Soldotna continues to see expansion in this area. Central Peninsula Hospital (CPH) operates a number of facilities in Soldotna, including the hospital, 60-bed Heritage Place, as well as family and specialty physician clinics. In early 2016, CPH opened a new Specialty Clinics Building which provides orthopedic, orthopedic spine, urology, podiatry, oncology infusion, imaging, and cardiology services. In 2018, construction began on a 28,000 square foot expansion to house a new obstetrics unit and new Cath lab.

As of the 2017-2018 school year, a total of 2,794 students attended K-12 schools located in Soldotna. The Kenai Peninsula College (KPC), with its Kenai River Campus located on 300 wooded acres in Soldotna, enrolls about 2,000 academic and non-credit students each semester. Across all KPC Campuses (which include the Kachemak Bay Campus in Homer and the Resurrection Bay Extension Site in Seward), the college provides 328 jobs, including 37 full time faculty and more than 111 adjunct faculty.

The City continues to see steady development in both residential and commercial construction. Despite the State of Alaska's budget deficit and its uncertain impact on municipalities within the State, the projection for the economy of Soldotna remains positive. The Kenai Peninsula Borough economy as a whole is diverse, as is Soldotna's, which will continue to provide stability moving forward.



## DEPARTMENTAL SPOTLIGHT: JOYCE K. CARVER MEMORIAL PUBLIC LIBRARY

In 2018, over 112,600 people visited the Soldotna Public Library, borrowing more than 154,000 books and other media. Over 16,000 patrons used our free computers, and approximately 23,000 used our complementary wifi.

Also during 2018, the Library provided space for over 1,000 community meetings and events, and presented more than 400 library programs for over 10,000 participants!

The Library is supported by the Soldotna Library Friends organization. The City would like to thank all the volunteers that help to make our Library an excellent facility for the entire community.

Learn more about the Library, its services, and how to get involved at [soldotna.org/library](http://soldotna.org/library) or by calling 907-262-4227.



## DEPARTMENTAL SPOTLIGHT: SOLDOTNA POLICE

The Soldotna Police Department was recently awarded accredited status from the Oregon Accreditation Alliance (OAA), and is the first Alaska law enforcement agency to achieve law enforcement accreditation through the OAA.

The accreditation process is rigorous, and demonstrates that an agency, their operations, management, policies, and procedures meet the best practices the industry has to offer. Congratulations to the Soldotna Police Department on this achievement.



Chief Peter Mlynarik holding the Oregon Accreditation Alliance award.

## 3 FRIENDS DOG PARK

The '3 Friends Dog Park', located at 320 N. Aspen Drive, officially opened in September 2017. The park was a long-time grassroots effort, championed by local resident Connie Hocker. A significant portion of the funding for the park came from a generous bequest from Martha Brewer's estate, which was to be used to benefit the animal community. Brewer, along with friends Dean Birmley and Alice Puster, are the inspiration for the Park's '3 Friends' name, and the sign at the park dedicates it in their memory.

Countless volunteers have donated their time, and organizations including the Rotary Club of Soldotna, Friends of the Aspen Dog Park, Kenai Peninsula Association of Realtors, Kelly Griebel of Century 21, and Alaska 1st Real Estate have donated funding for various improvements. Thank you to all the community members who have partnered with the City, on behalf of our canine companions.



Ribbon Cutting at the 3 Friends Dog Park Grand Opening.



## FROM THE MAYOR

Dear Soldotna Citizens,

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

Everyone understands the benefits of services like police service, fire protection, ambulance service, road maintenance, and sewer and water. However, in my view, it is the other services we provide that really makes our community outstanding.

These services are provided by many different partners working with the City such as the Soldotna Chamber of Commerce, Kenai Peninsula Borough School District, Central Peninsula Hospital, and includes many local citizens who volunteer time, talent, and resources to improving the community. Let us consider some of these services:

**Joyce K Carver Memorial Public Library** - This resource is used by the entire area and the recent expansion doubled the available space as well as adding community meeting spaces, dedicated areas for children and teens, a variety of media, as well as numerous reading programs.

**Soldotna Creek Park** - The playground area was completed in cooperation with people throughout the local area and is a testament to community cooperation and service. The rest of the Park provides opportunities for numerous different programs. In addition to things like skating in the winter and public access for fishing and hiking in the summer, numerous events have been added. These include the Frozen River Fest, Movies in the Park, the summertime music series Alive after Five, Soldotna Farmer's Market, Kenai River Festival, and Soldotna Progress Days activities.

**Soldotna Regional Sports Complex** - This provides numerous recreational activities such as skating, hockey, Zumba, ball room dancing, handball, pickle ball, etc. This facility is used for many activities such as sports shows, building shows, mixed martial arts, high school graduations, and other important community events and fundraisers. We host the veterinary checks for the Tustumena 200, Kenai Jobs Fair, Construction Career Day, Peninsula Winter Games, Taste of the Kenai, Kenai River Classic, and many other events.

**Parks and Recreation** - In addition to the sports complex activities, Parks and Recreation maintains 12 different Parks including Centennial, Swiftwater, Rotary, Arc Lake, and the new "3 Friends Dog Park". We also provide the land for Soldotna Little League and the rodeo and equestrian area and provide some services for them.





Extended City Services - City employees get many questions from people outside the City. Our engineering department happily assists with questions on road construction, water systems, building construction etc. for people who live well outside our boundaries. We jointly take responsibility for keeping the bike and walking trails open outside of the City clearing the trail as far as Poppy Lane on K Beach and Pickle Hill on the Spur Highway.

Central Hub - We are the main source of shopping and medical care for approximately 30,000 people. The majority of medical offices and the hospital are located in our boundaries. We provide water, sewer and road access among other things to these facilities.

There are always new ideas and issues to be dealt with and planning for the future. The Envision Soldotna 2030 plan gives us some broad and specific goals to work towards. Some specific issues that will be dealt with this year include the expansion of the Soldotna Regional Sports Complex and how it will be funded. Annexation has become a contentious, rather than a cooperative issue and City Council will need to decide how to deal with this issue. The need to control development patterns adjacent to the City, as well as prevent erosion of our tax base, is important to continue to provide services.

We have a well-run sewage plant which discharges treated effluent into the Kenai River. We are meeting water quality standards at present, but from my perspective, the best long-term plan would be to stop water discharge into the Kenai. Achieving that goal may take many years, but it is time to look seriously at it now.

Ideas for development, including new trails, environmental protection, as well as new public facilities and businesses are always welcome. Personally, I would like to see the public access river trail extended from Soldotna Creek Park to the Kenai River Bridge and perhaps in the other direction towards the golf course. This will require cooperation of those who own the property along the route.

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 like this allows us to understand concerns and many times causes us to modify or change our position. Even if Council does not change their position on an issue, this process allows an exchange of ideas which allow us to respect each other's positions. As a young boy, my uncle taught me that America stands for "the right to disagree without being disagreeable." I believe that is still true.

Sincerely,

Nels Anderson, Mayor



# FINANCIAL INFORMATION

## GOVERNMENTAL FUND REVENUES

The City receives money from a variety of sources. Below is a comprehensive look at the City's revenues for the last three fiscal years. Fiscal Year 2018 revenues are also shown in the pie chart below. Three specific revenue sources (property taxes, sales taxes, and intergovernmental revenues) are examined more closely on the following pages.

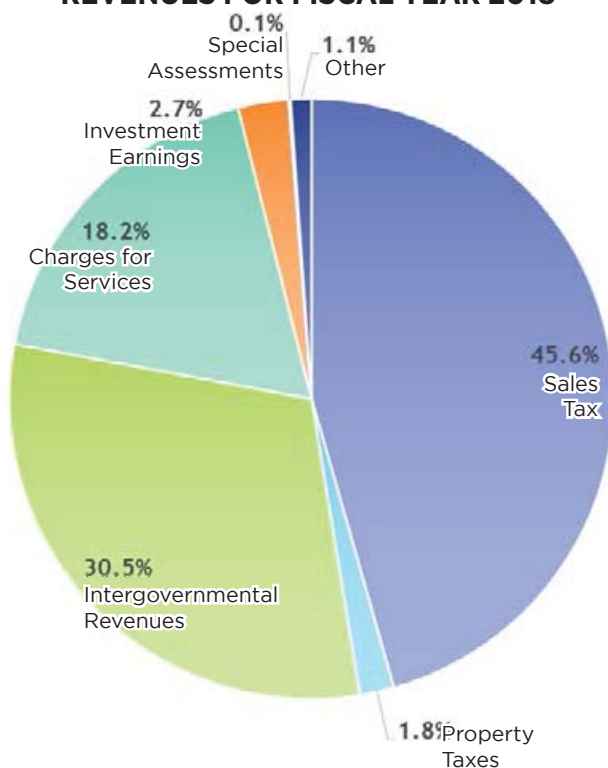
	FY 2016	FY 2017	FY 2018
<b>Sales Taxes</b>	<b>\$6,922,933</b>	<b>\$7,058,408</b>	<b>\$7,730,181</b>
Property Taxes	287,379	297,474	309,888
<b>Intergovernmental Revenues</b>	<b>4,379,343</b>	<b>2,252,179</b>	<b>5,166,611</b>
Charges for Services	2,754,867	2,955,273	3,079,716
<b>Investment Earnings</b>	<b>363,288</b>	<b>578,670</b>	<b>457,493</b>
Special Assessments	26,465	33,394	18,545
<b>Other</b>	<b>161,736</b>	<b>243,903</b>	<b>187,751</b>
<b>Total Revenues</b>	<b>\$14,896,011</b>	<b>\$13,419,301</b>	<b>\$16,950,185</b>

## GOVERNMENTAL FUND EXPENDITURES

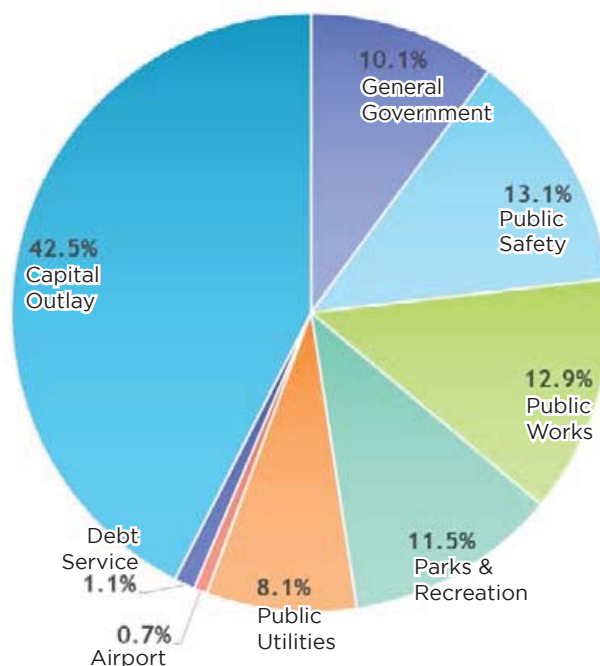
Below is a comprehensive look at the City's expenditures for the last three fiscal years. Fiscal Year 2018 expenditures are also shown in the pie chart below.

	FY 2016	FY 2017	FY 2018
General Government	\$1,962,186	\$1,943,165	\$1,937,972
<b>Public Safety</b>	<b>2,339,034</b>	<b>2,374,287</b>	<b>2,515,664</b>
Public Works	2,383,142	2,583,922	2,467,424
<b>Parks, Recreation, &amp; Culture</b>	<b>2,114,470</b>	<b>2,145,005</b>	<b>2,202,341</b>
Public Utilities	1,319,774	1,427,045	1,559,566
<b>Airport</b>	<b>122,583</b>	<b>108,730</b>	<b>137,325</b>
Debt Service	219,070	215,646	216,594
<b>Capital Outlay</b>	<b>6,267,959</b>	<b>2,972,296</b>	<b>8,150,652</b>
<b>Total Expenditures</b>	<b>\$16,728,218</b>	<b>\$13,770,096</b>	<b>\$19,187,538</b>

### REVENUES FOR FISCAL YEAR 2018



### EXPENDITURES FOR FISCAL YEAR 2018





## PROPERTY TAX REVENUES

Soldotna residents receive a single property tax bill per parcel, but the taxes you pay support 4 separate entities; including the Kenai Peninsula Borough, Central Emergency Services, Central Peninsula Hospital, and the City of Soldotna.



Kenai Peninsula Borough  
**4.50 mills**



Central Emergency Services  
**2.60 mills**



Central Peninsula Hospital  
**0.01 mills**



City of Soldotna  
**0.50 mills**

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**Total = 7.61 mills in FY18**

## FOR EXAMPLE:

A “mill” is 1/1,000 of a dollar, and represents one dollar of tax for each \$1,000 of assessed value. To calculate your property tax, simply multiply the assessed value by each mill rate, then divide by 1,000. The median value of a home in Soldotna is approximately \$230,000. An example calculation for the taxes on this house is shown below.

<u>Taxing Entity</u>	<u>Tax</u>
Kenai Peninsula Borough:	\$1,035
Central Emergency Services:	\$598
Central Peninsula Hospital:	\$2
<b>City of Soldotna:</b>	<b>\$115</b>
Total:	<u>\$1,750</u>

As you can see from the example above, a typical homeowner in Soldotna would pay approximately \$1,750 in property taxes, with the City of Soldotna receiving \$115 of the total bill paid. The remaining taxes are distributed to other governmental entities, as shown above.



## SALES TAX REVENUES

The City has a 3% sales tax which is applied to the first \$500 of each separate sale. Sales taxes are the largest revenue source for the City. Retail sales continue to generate the largest share of sales tax revenues (68% of the FY18 taxable sales within Soldotna City limits).

In FY16, the City reported a substantial decrease in sales tax revenue primarily due to the passage of a Borough-wide ballot proposition which suspended the sales tax on non-prepared foods for nine months of the year. Sales tax revenues began to increase in FY17 due to City voters ratifying Proposition No. 16-02 which adopted a municipal charter and changed the City to a "home rule" city. Ordinance 2016-029, which became effective December 1, 2016, reinstated the provisions to allow the City to collect sales tax on non-prepared food items year round. While the City did see some increase in sales tax revenues during FY17, FY18 saw a more significant change: as this was the first full year of sales tax collection on non-prepared foods since FY15.

Sales Tax Revenue  
FY09-FY18



## 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 91% of grant revenues received in Fiscal Year 2018 were used to fund capital projects rather than operations. For Fiscal Year 2018, the City received total grant revenues in the amount of \$5,166,611, which represents 30% 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

\$16,950,185	Total Revenues (FY18)
<u>19,187,538</u>	Total Expenditures (FY18)
(2,237,353)	Excess of Revenues Over (Under) Expenditures
<u>861,594*</u>	Proceeds from Issuance of Long-term Debt*
(1,375,759)	Net Change in Fund Balance (during FY18)
<u>22,950,683</u>	Beginning Fund Balance @ 7/1/17
\$21,574,924	Ending Fund Balance @ 6/30/18

\*The City entered into a loan agreement with the Alaska Department of Environmental Conservation (ADEC) during FY18, with a maximum loan amount of \$3,000,000 to fund Wastewater Treatment Plant Improvements. This loan is not yet in repayment status. As of June 30, 2018, the City had drawn down \$861,594 under this loan which is reported as Proceeds from Issuance of Long-term Debt.

Of the approximately \$22M ending fund balance at June 30, 2018, just over \$6M is unassigned and available for spending at the Council's discretion. Subsequent to June 30, 2018, the amount of fund balance commitments and assignments were reduced; increasing the FY19 unassigned fund balance by an additional \$2.25M.

## THE GENERAL FUND

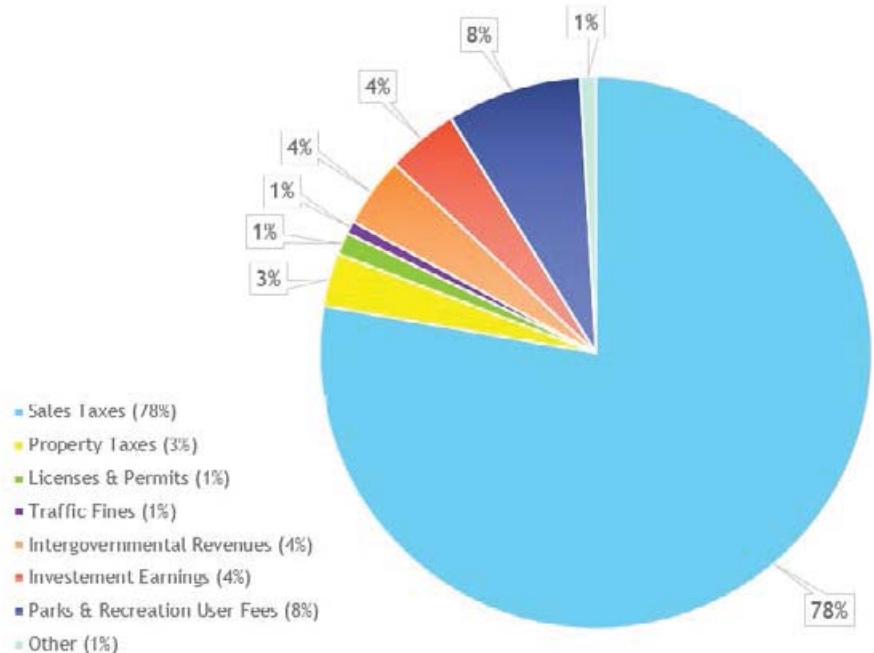
The General Fund is the general operating fund of the City, and its activities are funded primarily by sales tax revenues. The General Fund accounts for the day-to-day operations of the City and includes the following departments: Administration, Animal Control, Building Maintenance, Campgrounds, Community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

### General Fund Revenues for Fiscal Year 2018

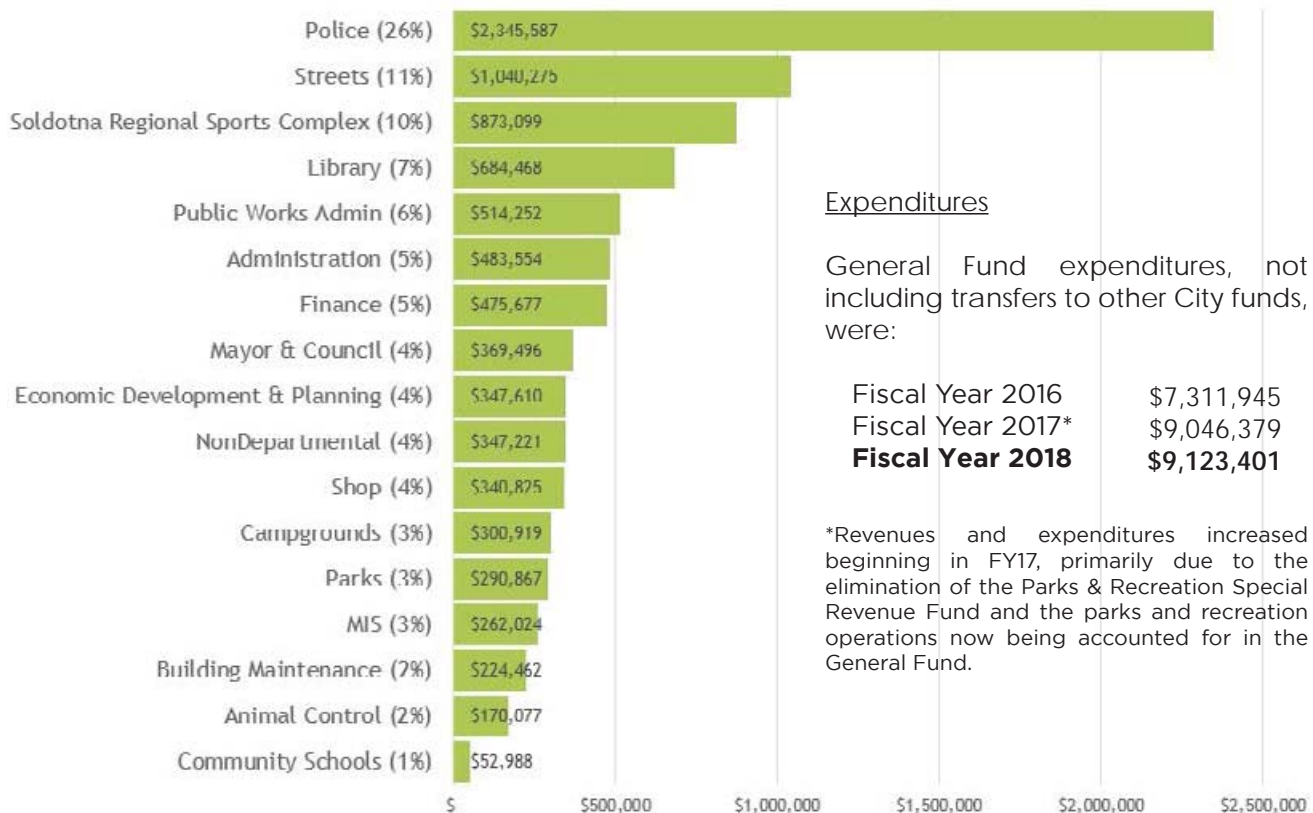
#### Revenues

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

Fiscal Year 2016	\$8,354,267
Fiscal Year 2017	\$9,438,416
<b>Fiscal Year 2018</b>	<b>\$9,945,730</b>



### General Fund Expenditures by Department for Fiscal Year 2018



#### Expenditures

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

Fiscal Year 2016	\$7,311,945
Fiscal Year 2017*	\$9,046,379
<b>Fiscal Year 2018</b>	<b>\$9,123,401</b>

\*Revenues and expenditures increased beginning in FY17, primarily due to the elimination of the Parks & Recreation Special Revenue Fund and the parks and recreation operations now being accounted for in the General Fund.



## THE UTILITY FUND - WATER & SEWER UTILITIES

The City accounts for utility operations in the Utility Fund. Revenues are generated primarily through fees for water and sewer utility services and are used to support operations and capital needs of the Utility Fund.

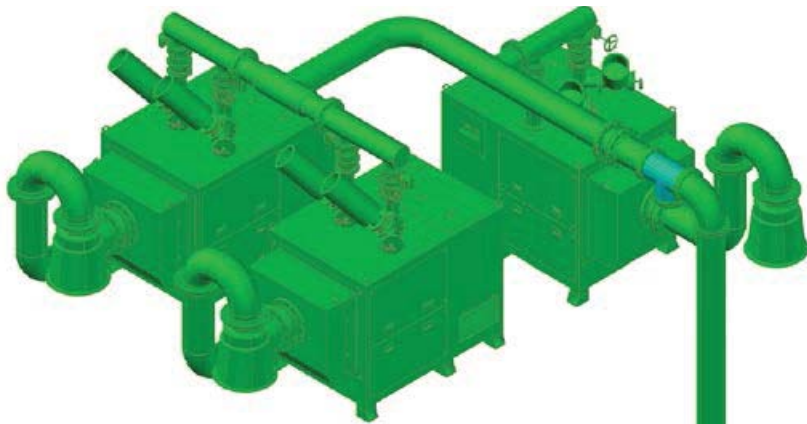
In 2015, the City worked with an independent consultant to perform a utility rate study, which recommended increased rates over a five-year period. The rate increases were enacted by the City Council in Ordinance 2015-019. The third of these increases went into effect in Fiscal Year 2018. Rate increases are necessary to support the Fund's maintenance, operations, and capital improvement needs. The history of these increases is shown below. The City's residential water and sewer flat rates continue to be the lowest on the Kenai Peninsula. A schedule of water and sewer rates can be found in the Soldotna Municipal Code Section 13.16.110, located on the City's website at [soldotna.org/code](http://soldotna.org/code) or available at City Hall.

### Utility Rate Increases:

FY16 - FY20:	8% Water & 11% Sewer Increase
FY12 - FY15:	2.5% Overall Water & 6.5% Overall Sewer Increase (individual customer classes vary slightly)
FY08 - FY11:	No Increase
FY05 - FY07:	7% Water & Sewer Increase
FY91 - FY04:	No Increase

### Wastewater Treatment Plant Improvements Project

During FY18, the City began construction on the Wastewater Treatment Plant (WWTP) Improvements Project. This project includes several improvements at the WWTP for energy efficiency, reliability, code upgrades, and replacement of aging infrastructure. One significant improvement is the installation of high-speed turbo blowers. These energy efficient blowers supply air to complete the treatment processes at the plant and replace the 25 year old blowers that are nearing the end of their useful life. This project is expected to be complete during FY19.



Isometric View of New Blower Piping and Equipment.



James Trissel, Utility Plant Manager, demonstrates the City's WWTP processes to students from Kenai Peninsula College's Process Technology program.



The City's 2017 Drinking Water Quality Report can be viewed online at [soldotna.org/water](http://soldotna.org/water)

The Utility Department maintains approximately 38 miles of water mains, 30 miles of sewer mains, and 319 fire hydrants.

In fiscal year 2018, the city processed a daily average of 625,581 gallons of potable water and treated a daily average of 515,266 gallons of sewer discharge.



New Blower in Operation at WWTP.



# PUBLIC OUTREACH and Communications

## CITY WEBSITE

The City's website, [www.soldotna.org](http://www.soldotna.org), has several features that aim to increase communication between the City and its constituents. The homepage features up-to-date news and events. The meeting calendar ([soldotna.org/meeting](http://soldotna.org/meeting) calendar) contains the meetings for all council, board, and commission meetings and includes agendas and other related documents. Additionally, audio streaming for any City meeting can be accessed at [soldotna.org/meetings](http://soldotna.org/meetings) - including live streaming for ongoing meetings.

### On the Web: [www.soldotna.org](http://www.soldotna.org)

Services include paying utility bills, viewing job postings, listening to live or archived meetings, reviewing upcoming meeting materials, contacting elected representatives or administration, etc.

## ELECTIONS

Local City elections are an important opportunity for citizens to provide input on the decision-making process for Soldotna. The regular City election is held annually on the first Tuesday in October. This election may include a variety of initiatives and includes any council/mayoral seats that are up for election in any given year. In addition, the City Council may 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, check out the City Clerk's webpage at [soldotna.org/clerk](http://soldotna.org/clerk).

## CONTACT INFORMATION

### Public Library

235 North Binkley St  
907-262-4227

### Regional Sports Complex

538 Arena Avenue  
907-262-3151

### City Hall

177 North Birch St  
907-262-9107

### Animal Control

205 South Kobuk St  
907-262-3969

### Street & Airport Maintenance

340 Arbor Avenue  
907-262-4672

### Utility Department

215 South Kobuk St  
907-262-4205

### Police Department

44510 Sterling Highway  
907-262-4455

**Emergencies: Dial 911**

## SOCIAL MEDIA

-  **City of Soldotna**
-  **My Soldotna**
-  **My Soldotna**
-  **Soldotna Library**
-  **Soldotna Parks Recreation**
-  **Soldotna Police Explorer Post 426**
-  **Soldotna Animal Shelter**
-  **Soldotna Community Schools**

## COMMISSIONS & ADVISORY BOARDS

City commission and board members serve a critical role in the development of public policy and policy implementation by advising the City Council. Their decisions are critical in modeling our community by acting as the voice of our citizens.

- » Airport Commission
- » Library Advisory Board
- » Parks and Recreation Advisory Board
- » Planning and Zoning Commission

For more information about serving on a board or commission, contact the City Clerk at 907-262-9107.

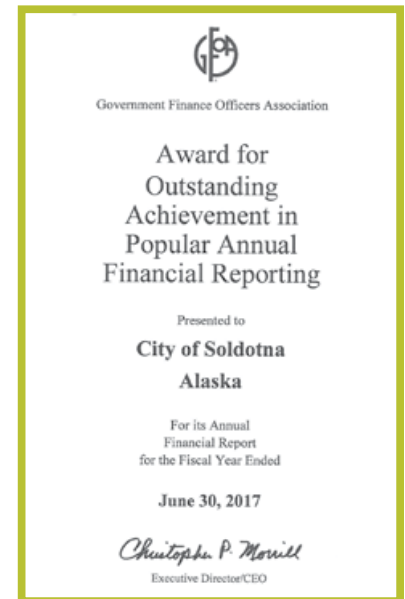




## FINANCIAL REPORTING AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Soldotna for its Popular Annual Financial Report for the fiscal year ended June 30, 2017. 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 a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.



## KEY TERMINOLOGY

**Assets:** What the city owns, such as land, buildings, or utilities.

**CAFR:** The City's Comprehensive Annual Financial Report, a set of financial statements comprising the financial report of the City that complies with the accounting requirements set by the Governmental Accounting Standards Board.

**Capital Outlay:** Monies paid out in capital project funds for the purchase or construction of City capital assets (land and land improvements, buildings and building improvements, roads, sidewalks, utilities, etc.).

**Charges for Services:** Charges to customers for specific City services, including: water & sewer services, building or zoning permits, plan reviews, animal adoptions, Airport leases, campground services, Community Schools classes, ice arena activities, conference room rentals, etc.

**Debt Service:** Expenditures for the payment of outstanding debt associated with the expansion of the City's Public Library.

**Fiscal Year (FY):** A 12 month period used for accounting purposes. The City's fiscal year is July 1 through June 30 of each year.

**Full-time Equivalent (FTE):** The total number of paid hours during a year (part-time and full-time) divided by the number of working hours in that year.

**Fund:** A group of related accounts used to maintain control over City resources that have been segregated for specific purposes (the General Fund, the Utility Fund, etc.)

**Fund Balance:** The difference between the City's assets and its liabilities.

**General Fund:** The general operating fund of the City which is used to account for day-to-day operations, including the following departments: Mayor and Council, Administration, Finance, Management Information Systems (MIS/IT), Police, Animal Control, Public Works Administration, Streets, Economic Development and Planning, Building Maintenance, Shop, Library, and Nondepartmental.

**Governmental Funds:** Funds generally used to account for tax supported activities.

**Intergovernmental Revenue:** Revenues/grants the City receives from other governmental agencies (Borough, State and Federal).

**Liabilities:** What the City owes.

**Mill Rate:** A tax rate expressed in tenths of a cent. For example, a tax rate of one mill per thousand means \$1 of taxes per \$1,000 of assessed value.

**Special Assessments:** Charges for constructing public capital improvements that primarily benefit property owners in a limited geographic area (roads, utilities, sidewalks, etc.).

**Unassigned Fund Balance:** The amount of fund balance that does not have any constraints imposed upon it. The amount that is available for spending at the City's discretion.

# THIS PAFR REPORTS INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2018. A LOT HAS HAPPENED SINCE THEN - HERE ARE A FEW HIGHLIGHTS FROM THE FIRST HALF OF FY19!



## FIELD HOUSE PROJECT GOES TO A VOTE

The Soldotna City Council has set a special election for March 5, 2019, to ask Soldotna voters whether the City should borrow up to \$10 Million dollars through the issuance of general obligation bonds, for the construction of a Field House at the Soldotna Regional Sports Complex. If approved, the City would fund the debt service with a 0.5% increase in the City's sales tax rate (from 3% to 3.5%), for the life of the 10-year bond. The Field House would be a 42,000 square foot building adjacent and connected to the Sports Center, with a removable turf field and elevated walking/jogging path. The play surface could accommodate a wide variety of sports and recreational users, such as soccer, football, wrestling, baseball and softball, basketball, volleyball, pickleball, etc. Information about the project is available at <http://www.SoldotnaFieldHouse.org> or by calling the City at 262-9107.



## JOYCE K. CARVER MEMORIAL NAMED A 'STAR LIBRARY' BY LIBRARY JOURNAL

Library Journal, a national publication, has named the City of Soldotna's public library to it's list of 'Star Libraries.' Of the 7,361 public libraries in the United States that qualify to be rated, only 257 of them (fewer than 3.5%) were granted this distinction. Libraries are rated based on selected per capita output measures, including: circulation, e-circulation, visits, program attendance, and public internet computer use. Congratulations to our wonderful library staff, board members, and volunteers for this well-deserved recognition.



## ALASKA STARTUP WEEK SUPPORTS LOCAL ENTREPRENEURS

In November, the City partnered with local business owners and several area organizations to sponsor a series of events for Alaska Startup Week, which brought community members together to promote entrepreneurial opportunities in the Kenai/Soldotna area. The City coordinated a panel discussion on options for financing a business, with speakers on topics such as angel investing and crowdfunding, as well as more traditional capital financing methods. Startup Week is just one example of the City's commitment to supporting our small business community, and ensuring Soldotna is a community where entrepreneurs can thrive.



## SOLDOTNA CHAMBER WINS GRANT FOR 2019 MUSIC IN THE PARK

The Soldotna Chamber, in partnership with the Vision Soldotna (a 501(c)3), was one of only 18 recipients nationwide of a Levitt Amp grant for their summertime Music in the Park series. The grant will provide \$25,000 in matching funds to support the Chamber's Music in the Park program at the City's Soldotna Creek Park. Levitt Amp was created to promote cultural opportunities in communities by supporting live music events that are free to the public. The Soldotna Chamber is working on the 2019 concert lineup, with the goal of bringing a diverse offering of musical styles to the park this summer.



## SOLDOTNA AND KENAI ARE BICYCLE FRIENDLY COMMUNITIES

In December, the cities of Soldotna and Kenai were both awarded bronze-level status by the League of American Bicyclists. They join just three other Alaskan Cities, which have demonstrated that they meet standards set by the Bicycle Friendly Community Program. The application was filed by volunteers from a grassroots effort called 'Bike in Kenai and Soldotna' - or BIK&S for short. The goal is to promote safety and educational efforts around biking in our community, and to promote health and recreational opportunities for residents and visitors.





City of Soldotna  
177 North Birch Street  
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