

City Passes First Reading of \$37 Million Budget

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Brianna Gibbs/KMXT

On Thursday the Kodiak City Council passed the first reading of the city's budget. The city took a six percent cut this year and is looking at \$37 million budget for 2014. City Manager Aimee Kniazowski said the cut comes after a series of expensive projects and implementation of a compensation and classification study for city employees.

"The FY 2014 budget predicts combined revenues from all funds, excluding capital projects to be \$37,039,403, which is a decrease of six percent from the current year's combined revenues of \$39,270,654," Kniazowski said.

She said one of the biggest expenditures for the 2014 budget year will be employee salaries and benefits. Last fall the city conducted a job compensation and classification study to determine how competitive city jobs were with other similar sized communities throughout the United States. The study found that overall Kodiak jobs were competitive, but salaries were lower than other parts of the country. The 2014 budget reflects the city's decision to bring salaries in line with the rest of the nation and make Kodiak more competitive to potential hires.

"Salaries, wages and benefits are the single largest expense in the city's annual budget, totaling 41 percent," Kniazowski said. "Salaries and wages for 2014 are estimated to total \$8.9 million, or 24 percent of the city's overall expenses. This is a 6 percent increase from 2013. And it reflects the implementation of the compensation and classification study."

Kniazowski said the city will also be making some big purchases this year, including a new fire pump truck and ambulance.

"And as I mentioned earlier we have some large items, we have a fire pumper truck, they're very expensive, about \$450,000, and the new ambulance. So those are quite large purchases."

The budget also includes water and sewer line replacements in the Aleutian homes area, and the demolition of the old police station. The budget will now move to a public hearing and a second vote during the council's next meeting on June 10.

