Agenda Statement

Meeting Date: October 20, 2026

To: City Council

Through: Jackie C. Wilde, City Manager

From: Kristin Erchinger, Finance Director

Agenda Item: 2028 Operating Budget

BACKGROUND, JUSTIFICATION, & INTENT:
This action seeks to approve Whittier's Biennial Budget covering the period January 1, 2027 through December 31, 2028. To comply with State Statute, this action approves the budget for the calendar year 2028 with a separate Ordinance to approve the 2027 budget.

The City Council held budget work sessions on October 7 and 8, after which the Preliminary Budget was amended to increase the stipends for volunteer fire and EMS crew. This budget includes a list of the major budget highlights on pages V to VII. Of particular note, the budget includes a tariff increase of 2.7% in 2027 for Harbor and Water/Sewer, and a 2.1% cost-of-living increase for all employees. The budget focuses on strengthening financial resiliency by continuing to set aside 100% of cruise parcel/tideland lease revenues into the Permanent Fund, adding funding to a Revenue Stabilization Fund, and utilizing Ground Fee funds to address visitor impacts on capital assets and infrastructure. Another primary focus of this two-year budget is strengthening housing security by developing a funding plan for the transfer of land from the Alaska Railroad to the City, allowing for residential housing development; continued focus on Shotgun Cove Road which will also allow for expansion and housing development; and the continued set-aside of 100% of property tax from BTI/Whittier Manor to be used for major building repairs and infrastructure aimed at housing security. Property and Sales Tax rates remain unchanged. This budget will take effect January 1, 2028.

CONSISTENCY CHECKLIST:		Yes	No	N/A
1.	Comprehensive Plan: *1.1.1 kayak launch; 1.3 parks/trails; 3.1.1.2 sea walk; 3.1.2.1 parking/camping registration; 3.1.3.1 new harbor lights; 5.1.1.1/2 acquire ARRC land;*	☒	☐	☐
2.	Whittier Code: *WMC 3.16.010 Submittal; 3.16.020 Report; 3.16.030 Approval.*	☒	☐	☐
3.	Other: *see also 2027-2036 Capital Improvement Plan*	☒	☐	☐

FISCAL NOTE: This budget reduces reserves in the General Fund by <$4,588> due entirely to contributions to the Major Repair and Replacement Fund for capital asset and infrastructure investments in 2028. The Water/Sewer budget utilizes $11K in reserves which is entirely related to $30K in transfers to the MRRF for capital. The Harbor budget has a $2,910 surplus.

ATTORNEY REVIEW: ☐ Yes ☐ No ☒ Not Applicable

RECOMMENDATION: City Council approves the 2028 Operating Budget contained in the 2027/2028 Biennial Budget.