

EXHIBIT C.

Projected Revenues, Operating Expenditures, and Capital Expenditures

(include any years leading up to that full fiscal year)

The following tables consist of three year budget summaries for the CBJ's operations before and after annexation. The projections are for FY20 (the current fiscal year), FY21 (the year of annexation), and FY22 (the year following annexation). Information is presented for both the existing CBJ area and the proposed CBJ post-annexation.¹

¹ The tables contain the following abbreviations: "A/R" for "Accounts Receivable;" "PS" for "Personnel Services," "C&S" for "Commodities and Services," "ASHA 'in Lieu' Tax" for "State of Alaska Payment in Lieu of Taxes," and "E911" for "Enhanced 911 surcharge to support the provision of enhanced system for emergency services communications."

**SECTION 12. PROJECTED REVENUE, OPERATING EXPENDITURES, AND
CAPITAL EXPENDITURES FOR FOUR YEAR PERIOD**

The following tables consist of three year budget summaries for the CBJ's operations after annexation. The projections are for FY20 (the current fiscal year), FY21 (the first year of annexation), and FY22 (the year following annexation). Information is presented for both the existing borough area without annexation and the modified area with annexation.

REVENUE PROJECTIONS – EXISTING (NO ANNEXATION)

	FY20	FY21	FY22
Funding Sources:			
State Support:			
Foundation Funding	\$ 37,618,700	37,618,700	37,618,700
School Construction Debt Reimb.	7,096,000	7,096,000	7,096,000
Contribution for School PERS/TRS	5,400,000	5,400,000	5,400,000
School Grants	3,534,200	3,534,200	3,534,200
State Marine Passenger Fee	5,400,000	5,400,000	5,400,000
State Shared Revenue	1,583,900	1,583,900	1,583,900
ASHA in Lieu of Taxes	90,000	90,000	90,000
Miscellaneous Grants	4,086,900	4,086,900	4,086,900
Total State Support	64,809,700	64,809,700	64,809,700
Federal Support:			
Federal in Lieu of Taxes	2,800,000	2,400,000	2,400,000
Secure Rural Schools/Roads	550,000	550,000	550,000
Federal Bond Subsidy	183,400	183,400	183,400
Miscellaneous Grants	6,818,200	6,818,200	6,818,200
Total Federal Support	10,351,600	9,951,600	9,951,600
Local Support:			
Taxes:			
Sales	49,900,000	50,898,000	51,916,000
Property	51,519,000	52,549,400	53,600,400
Tobacco Excise	2,825,000	2,853,300	2,881,800
Hotel	1,550,000	1,565,500	1,581,200
Alcohol	1,000,000	1,010,000	1,020,100
Total Taxes	106,794,000	108,876,200	110,999,500
Charges for Services:			
General Governmental Funds	5,783,800	5,783,800	5,783,800
Special Revenue Funds	1,414,900	1,414,900	1,414,900
Enterprise Funds	132,385,500	133,709,400	135,046,500
Total Charges for Services	139,584,200	140,908,100	142,245,200
Licenses, Permits, Fees			
General Governmental Funds	819,400	819,400	819,400
Special Revenue Funds	14,483,100	14,772,800	14,772,800
Special Assessment Funds	253,500	253,500	253,500
Enterprise Funds	861,000	861,000	861,000
Total Licenses, Permits, Fees	16,417,000	16,706,700	16,706,700

REVENUE PROJECTIONS – EXISTING (NO ANNEXATION), CONTINUED

Fines and Forfeitures:			
General Governmental Funds	248,000	248,000	248,000
Special Revenue Funds	14,000	14,000	14,000
Special Assessment Funds	31,700	31,700	31,700
Enterprise Funds	25,000	25,000	25,000
Total Fines and Forfeitures	318,700	318,700	318,700
Rentals and Leases:			
General Governmental Funds	428,400	428,400	428,400
Special Revenue Funds	959,500	959,500	959,500
Permanent Fund	11,200	11,200	11,200
Enterprise Funds	3,265,700	3,265,700	3,265,700
Total Rentals and Leases	4,664,800	4,664,800	4,664,800
Investment & Interest Income:			
General Governmental Funds	2,311,500	2,311,500	2,311,500
Special Revenue Funds	196,300	196,300	196,300
Permanent Fund	134,200	134,200	134,200
Enterprise Funds	1,819,400	1,819,400	1,819,400
Internal Service Funds	45,100	45,100	45,100
Total Investment & Int. Income	4,506,500	4,506,500	4,506,500
Sales:			
General Governmental Funds	51,400	51,400	51,400
Special Revenue Funds	663,100	663,100	663,100
Enterprise Funds	20,000	20,000	20,000
Total Sales	734,500	734,500	734,500
Donations:			
General Governmental Funds	88,600	88,600	88,600
Special Revenue Funds	75,000	75,000	75,000
Total Donations	163,600	163,600	163,600
Other Income:			
Special Assessments	53,900	53,900	53,900
Student Activities Fundraising	2,100,000	2,100,000	2,100,000
Miscellaneous Revenues	126,800	126,800	126,800
Total Other Income	2,280,700	2,280,700	2,280,700
Total Local Support	275,464,000	279,159,800	282,620,200
Total Revenues	\$ 350,625,300	353,921,100	357,381,500

REVENUE PROJECTIONS – PROPOSED ANNEXATION AREA ONLY

	FY20	FY21	FY22
Funding Sources:			
State Support:			
Foundation Funding	\$ -	-	-
School Construction Debt Reimb.	-	-	-
Contribution for School PERS/TRS	-	-	-
School Grants	-	-	-
State Aid to Schools	-	-	-
State Marine Passenger Fee	-	-	-
State Shared Revenue	-	-	-
ASHA in Lieu of Taxes	-	-	-
Miscellaneous Grants	-	-	-
Total State Support	-	-	-
Federal Support:			
Federal in Lieu of Taxes	-	-	-
Secure Rural Schools/Roads	-	-	-
Federal Bond Subsidy	-	-	-
Miscellaneous Grants	-	-	-
Total Federal Support	-	-	-
Local Support:			
Taxes:			
Sales	-	244,900	249,800
Property	-	226,700	231,200
Tobacco Excise	-	-	-
Hotel	-	-	-
Alcohol	-	-	-
Total Taxes	-	471,600	481,000
Charges for Services:			
General Governmental Funds	-	-	-
Special Revenue Funds	-	-	-
Enterprise Funds	-	-	-
Total Charges for Services	-	-	-
Licenses, Permits, Fees			
General Governmental Funds	-	-	-
Special Revenue Funds	-	-	-
Special Assessment Funds	-	-	-
Enterprise Funds	-	-	-
Total Licenses, Permits, Fees	-	-	-

REVENUE PROJECTIONS – PROPOSED ANNEXATION AREA ONLY, CONTINUED

Fines and Forfeitures:			
General Governmental Funds	-	-	-
Special Revenue Funds	-	-	-
Special Assessment Funds	-	-	-
Enterprise Funds	-	-	-
Total Fines and Forfeitures	-	-	-
Rentals and Leases:			
General Governmental Funds	-	-	-
Special Revenue Funds	-	-	-
Permanent Fund	-	-	-
Enterprise Funds	-	-	-
Total Rentals and Leases	-	-	-
Investment & Interest Income:			
General Governmental Funds	-	-	-
Special Revenue Funds	-	-	-
Debt Service Funds	-	-	-
Permanent Fund	-	-	-
Enterprise Funds	-	-	-
Internal Service Funds	-	-	-
Total Investment & Int. Income	-	-	-
Sales:			
General Governmental Funds	-	-	-
Special Revenue Funds	-	-	-
Enterprise Funds	-	-	-
Internal Service Funds	-	-	-
Total Sales	-	-	-
Donations:			
General Governmental Funds	-	-	-
Special Revenue Funds	-	-	-
Total Donations	-	-	-
Other Income:			
Special Assessments	-	-	-
Student Activities Fundraising	-	-	-
Miscellaneous Revenues	-	-	-
Total Other Income	-	-	-
Total Local Support	-	471,600	481,000
Total Revenues	\$ -	471,600	481,000

REVENUE PROJECTIONS – COMBINED (EXISTING PLUS ANNEXATION AREA)

	FY20	FY21	FY22
Funding Sources:			
State Support:			
Foundation Funding	\$ 37,618,700	37,618,700	37,618,700
School Construction Debt Reimb.	7,096,000	7,096,000	7,096,000
Contribution for School PERS/TRS	5,400,000	5,400,000	5,400,000
School Grants	3,534,200	3,534,200	3,534,200
State Marine Passenger Fee	5,400,000	5,400,000	5,400,000
State Shared Revenue	1,583,900	1,583,900	1,583,900
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Miscellaneous Grants	4,086,900	4,086,900	4,086,900
Total State Support	64,809,700	64,809,700	64,809,700
Federal Support:			
Federal in Lieu of Taxes	2,800,000	2,400,000	2,400,000
Secure Rural Schools/Roads	550,000	550,000	550,000
Federal Bond Subsidy	183,400	183,400	183,400
Miscellaneous Grants	6,818,200	6,818,200	6,818,200
Total Federal Support	10,351,600	9,951,600	9,951,600
Local Support:			
Taxes:			
Sales	49,900,000	51,142,900	52,165,800
Property	51,519,000	52,776,100	53,831,600
Tobacco Excise	2,825,000	2,853,300	2,881,800
Hotel	1,550,000	1,565,500	1,581,200
Alcohol	1,000,000	1,010,000	1,020,100
Total Taxes	106,794,000	109,347,800	111,480,500
Charges for Services:			
General Governmental Funds	5,783,800	5,783,800	5,783,800
Special Revenue Funds	1,414,900	1,414,900	1,414,900
Enterprise Funds	132,385,500	133,709,400	135,046,500
Total Charges for Services	139,584,200	140,908,100	142,245,200
Licenses, Permits, Fees			
General Governmental Funds	819,400	819,400	819,400
Special Revenue Funds	14,483,100	14,772,800	14,772,800
Special Assessment Funds	253,500	253,500	253,500
Enterprise Funds	861,000	861,000	861,000
Total Licenses, Permits, Fees	16,417,000	16,706,700	16,706,700

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**REVENUE PROJECTIONS – COMBINED (EXISTING PLUS ANNEXATION AREA),
CONTINUED**

Fines and Forfeitures:			
General Governmental Funds	248,000	248,000	248,000
Special Revenue Funds	14,000	14,000	14,000
Special Assessment Funds	31,700	31,700	31,700
Enterprise Funds	25,000	25,000	25,000
Total Fines and Forfeitures	318,700	318,700	318,700
Rentals and Leases:			
General Governmental Funds	428,400	428,400	428,400
Special Revenue Funds	959,500	959,500	959,500
Permanent Fund	11,200	11,200	11,200
Enterprise Funds	3,265,700	3,265,700	3,265,700
Total Rentals and Leases	4,664,800	4,664,800	4,664,800
Investment & Interest Income:			
General Governmental Funds	2,311,500	2,311,500	2,311,500
Special Revenue Funds	196,300	196,300	196,300
Permanent Fund	134,200	134,200	134,200
Enterprise Funds	1,819,400	1,819,400	1,819,400
Internal Service Funds	45,100	45,100	45,100
Total Investment & Int. Income	4,506,500	4,506,500	4,506,500
Sales:			
General Governmental Funds	51,400	51,400	51,400
Special Revenue Funds	663,100	663,100	663,100
Enterprise Funds	20,000	20,000	20,000
Internal Service Funds	-	-	-
Total Sales	734,500	734,500	734,500
Donations:			
General Governmental Funds	88,600	88,600	88,600
Special Revenue Funds	75,000	75,000	75,000
Total Donations	163,600	163,600	163,600
Other Income:			
Special Assessments	53,900	53,900	53,900
Student Activities Fundraising	2,100,000	2,100,000	2,100,000
Miscellaneous Revenues	126,800	126,800	126,800
Total Other Income	2,280,700	2,280,700	2,280,700
Total Local Support	275,464,000	279,631,400	283,101,200
Total Revenues	\$ 350,625,300	354,392,700	357,862,500

Note 1: The CBJ is not projecting increases in state support related to the annexed area.

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Note 2: The CBJ is not projecting increases in federal support related to the annexed area. The federal government does provide local support based upon federal lands within the local government's boundaries under two programs – the Federal Payment in Lieu (PILT) program and the Secure Rural Schools and Self Determination Act. Under the PILT program the maximum amount of the payment is capped by population. The CBJ is already receiving the maximum amount allowed under this cap. Adding the additional federal lands in the annexation area will not have a material impact on the CBJ's PILT revenues.

Note 3: The CBJ Assessor estimated the total assessed value of the properties within the new proposed annexation area to be \$28,136,200. The remaining property consists of state, federal and/or tribal lands. There is also a parcel on Mansfield Peninsula which is owned by a non-profit and was preliminary determined to be tax exempt. This could change after annexation depending on how the property is used.

Note 4: The CBJ currently levies a 5% sales tax, 7% hotel/motel tax, and a 3% liquor tax. The CBJ Sales Tax Division Director has made an estimate of the activity in the area. It is believed that currently, all taxable retail transactions are related to tourism activity consisting mainly of two tour companies that are the primary operators in the area and an additional estimate for other incidental activities that occur in the area but are currently unreported to CBJ. No other retail sales of goods or services were identified in the annexed area. The CBJ uses its sales tax revenues for both operations and capital improvements. Approximately 60% would be used of general operations and 40% for capital projects. The revenue projection assumes tax collection for the entire fiscal year starting July 1, 2020.

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EXPENDITURE SUMMARIES – EXISTING - NO ANNEXATION

	Before Annexation FY20 Budget	Without Annexation FY21 Budget	Without Annexation FY22 Budget
General Governmental Funds:			
Mayor and Assembly	\$ 6,507,200	6,604,800	6,703,900
Administration:			
City Manager	3,166,000	3,213,500	3,261,700
City Clerk	384,900	390,700	396,600
Human Resources	670,600	680,700	690,900
Management Information Systems	2,980,600	3,025,300	3,070,700
Capital City Fire	4,753,900	4,825,200	4,897,600
Capital City Rescue	6,010,500	6,100,700	6,192,200
Capital Transit	6,854,300	6,957,100	7,061,500
Community Development	3,134,400	3,181,400	3,229,100
General Engineering	539,000	547,100	555,300
Finance	5,756,400	5,842,700	5,930,300
Law	2,276,700	2,310,900	2,345,600
Libraries	3,520,400	3,573,200	3,626,800
Parks and Recreation:			
Parks and Landscape	2,341,900	2,377,000	2,412,700
Recreation	5,916,000	6,004,700	6,094,800
Visitor Services	664,000	674,000	684,100
Police	16,340,100	16,585,200	16,834,000
Streets	5,704,500	5,790,100	5,877,000
Support To Other Funds	28,999,300	28,999,300	28,999,300
Interdepartmental Charges	(4,519,000)	(4,519,000)	(4,519,000)
Capital Projects Indirect Cost Allocation	(524,300)	(524,300)	(524,300)
Total	101,477,400	102,640,300	103,820,800
Special Revenue Funds:			
Education - Operating	71,122,800	72,189,600	73,272,400
Education - Special Revenue	16,048,700	16,289,400	16,533,700
Sales Tax	1,094,400	1,094,400	1,094,400
Hotel Tax	24,900	24,900	24,900
Tobacco Excise Tax	41,900	41,900	41,900
Affordable Housing	126,000	126,000	126,000
Downtown Parking	478,200	478,200	478,200
Eaglecrest	2,795,500	2,837,400	2,880,000
Lands	1,137,700	1,154,800	1,172,100
Library Minor Contributions	46,700	46,700	46,700
Marine Passenger Fee	5,500	5,500	5,500
Port Development	5,500	5,500	5,500
Support To Other Funds	66,181,700	66,181,700	66,181,700
Total	159,109,500	160,476,000	161,863,000

EXPENDITURE SUMMARIES – EXISTING - NO ANNEXATION, CONTINUED

Debt Service Funds			
Debt Service	16,727,800	16,727,800	16,727,800
Total	16,727,800	16,727,800	16,727,800
Special Assessment Funds:			
Special Assessment	174,300	174,300	174,300
Support To Other Funds	254,900	254,900	254,900
Total	429,200	429,200	429,200
Permanent Fund:			
Support To Other Funds	90,000	90,000	90,000
Total	90,000	90,000	90,000
Enterprise:			
Juneau International Airport	8,689,200	8,819,500	8,951,800
Bartlett Regional Hospital	102,274,100	103,808,200	105,365,300
Harbors	4,074,200	4,135,300	4,197,300
Docks	1,933,700	1,962,700	1,992,100
Water	3,610,800	3,665,000	3,720,000
Wastewater	11,862,700	12,040,600	12,221,200
Waste Management	1,685,300	1,710,600	1,736,300
Support To Other Funds	11,415,000	11,415,000	11,415,000
Interdepartmental Charges	(11,000)	(11,000)	(11,000)
Total	145,534,000	147,545,900	149,588,000
Internal Service Funds:			
Equipment Acquisition	3,765,600	3,822,100	3,879,400
Fleet Maintenance	2,249,200	2,282,900	2,317,100
Risk Management	24,830,100	25,202,600	25,580,600
Building Maintenance	2,500,100	2,537,600	2,575,700
Interdepartmental Charges	(29,808,000)	(29,808,000)	(29,808,000)
Total	3,537,000	4,037,200	4,544,800
Capital Projects:			
Capital Projects	35,060,700	35,060,700	35,060,700
CIP Engineering	2,297,400	2,297,400	2,297,400
Support To Other Funds	-	-	-
Total	37,358,100	37,358,100	37,358,100
Total of Departmental Expenditures	464,263,000	469,304,500	474,421,700
Less: Support to Other Funds	106,940,900	106,940,900	106,940,900
Total Expenditures	\$ 357,322,100	362,363,600	367,480,800

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EXPENDITURE SUMMARIES – ANNEXATION AREA ONLY

	Before Annexation	Year 1 of Annexation	Year 2 of Annexation
	FY20	FY21	FY22
Finance	\$ -	10,000	10,000
Required Local contribution to Education	-	74,000	74,000
Total	<u>\$ -</u>	<u>84,000</u>	<u>84,000</u>

Note 5: The CBJ does not anticipate any material increase in general operating costs associated with the annexation. The Assessor’s Office would be responsible for valuing the property within the annexed area. An estimated cost of \$7,500 has been added to secure private sector transportation to allow the Assessor’s Office staff transportation to inspect the area. The Sales Tax Office would be responsible for compliance in the area and there is expected to be an additional cost of \$2,500 to monitor merchant activity. No other direct operating costs have been identified.

Note 6: Under the State of Alaska’s Education Funding Formula, the CBJ would be required to contribute additional funds for education based upon total property value increases. The estimated additional education funding based upon the projected \$28,136,200 dollars assessed/taxable value is \$74,000 annually.