

**2027**  
Fiscal Year



Denali Borough  
**FY2027 Budget Presentation**  
April 8, 2026





# FY26 YEAR IN REVIEW

## CLERK, ASSEMBLY, COMMISSIONS, AND COMMITTEES

- 27 public meetings held and scheduled in FY26 to date
- 25 number of Ordinances and 38 Resolutions introduced or passed in FY26 to date
- 106 number of informational newsletters published in FY26 to date
- Received and processed 27 public records requests
- Received 251 ballots in the 2025 local election (13.66 % voter participation), with 23 community volunteers assisting with local elections and canvassing
- Hosted 1 DBSD student intern to assist with clerical projects and public meeting notices



## FINANCE

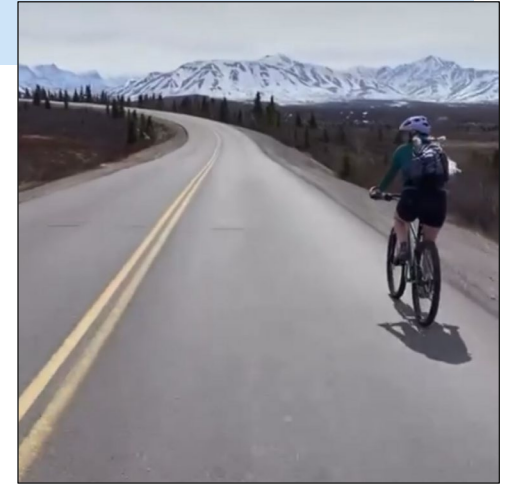
- Received an unmodified (clean) opinion for FY25 with no findings or material weaknesses
- Processed 146 tax registrations, received 467 tax returns totaling nearly \$6.2 million
- Recorded over 3,891 financial transactions in FY26 to date
- Administered 30 grant awards and funding to nonprofit entities, totaling over \$882,000 in funding reimbursed to nonprofits in FY26
- Managing financial reporting and compliance for 14 grants, totaling over \$4.5 million in grant funding



# FY26 YEAR IN REVIEW

## COMMUNITY DEVELOPMENT, PARKS AND RECREATION

- Hosted 4 community development and partnership outreach meetings
- Permanently established the Community and Outdoor Recreation committee with 7 members, with 2 public meetings hosted to date
- Continuing coordination on economic development and housing studies, facilitating over 2 survey engagements and 5 community events for public engagement
- Hosted the Fall Vaccination Clinic with over 70 attendees and the Spring Health and Safety Fair with 253 attendees, 50 blood draws, and 24 exhibitors
- Managing 7 active MOA's and contracts for transportation, planning, recreation, and infrastructure projects



## EMERGENCY MANAGEMENT

- Established evacuation polygons with 51 evacuation zones in the borough
- Coordinated evacuation and sheltering for the Bear Creek; coordinated over 20 days of daily public information updates and evacuation statuses, managed the evacuation shelter for nearly 2 months, and coordinated a community-wide public meeting
- Coordinated 3 Local Emergency Planning Committee meetings, with over 16 community volunteers serving on the committee
- Managed brush collection sites at Cantwell, McKinley Village, and Healy and safely burned over 131 10' x 4' brush piles
- Completed Clear fire road repairs with over 2050 ft of road repair work and 2.2 miles of ditch work to repair to pre-fire conditions for emergency access



# FY26 YEAR IN REVIEW

## LAND MANAGEMENT

- Assigned 594 borough addresses to date
- Created 6 GIS maps and public map platforms (including maps for LNG pipeline, fire and evacuation zones, addressing, and commercial use areas)
- Implemented the Commercial Land Use Permit program in April, with 3 permit applications received to date
- Continued progress on subdivision planning and design work and road construction standards, including supporting 6 borough work sessions and meetings
- Continued collaboration with FNSB on the emergency 911 dispatch addressing system



## SOLID WASTE

- Received a score of 100% for the annual Landfill DEC inspection
- Accepted over 9,880 lbs and 3,500 lbs of recyclable waste at Healy Transfer Station and Cantwell Transfer Station during the 2025 summer season
- Diverted 8 pallets of recyclable electronic waste from the landfill in 2025
- Accepted 249 tons of residential waste at transfer stations, 3,223 tons of waste accepted at the landfill, totaling 3,472 tons in FY25
- Implemented a comprehensive asset preventative maintenance program for equipment maintenance and long-term replacement planning



# FY27 BUDGET TIMELINE

FY27 Denali Borough grant applications due.  
Preliminary grant funding is determined during the Grant Review Special Assembly Meeting.

FY27 Budget and Capital Improvement Program public hearing held for public input on the proposed budget and capital plan.



Budget development work begins including budget priorities, salary and benefits cost estimates, contract and subscription review, budget special requests review, and capital projects review and planning.

FY27 Draft Budget and Capital Improvement Program (CIP) presented to Finance Committee for review.

FY27 Budget and Capital Improvements Plan (CIP) introduced to the Assembly.

FY27 Budget required to be passed by June 15th, if no budget is passed, the proposed budget as submitted or amended shall be appropriated.



# FY27 BUDGET PRIORITIES



## Education

Fulfill education funding required contribution and fund the full School District additional allowable ask.

Provide funding to nonprofit to support early childhood education services in the Borough.



## Emergency Services

Provide funding to support emergency service providers and operations.

Coordinate disaster planning, response, and recovery and hazard mitigation efforts in the Denali Borough.



## Community Non-Profit Services

Provide supplemental operation funding, infrastructure funding, and coordinated support to Denali Borough nonprofit entities that provide essential services to Denali Borough residents.



## Capital Projects

Prioritize capital project development and infrastructure investment to maintain borough assets, ensure public safety, and support community growth.



## Government Operations and Services

Sustain current government operations and services and continue to operate effectively and efficiently to serve Denali Borough citizens.



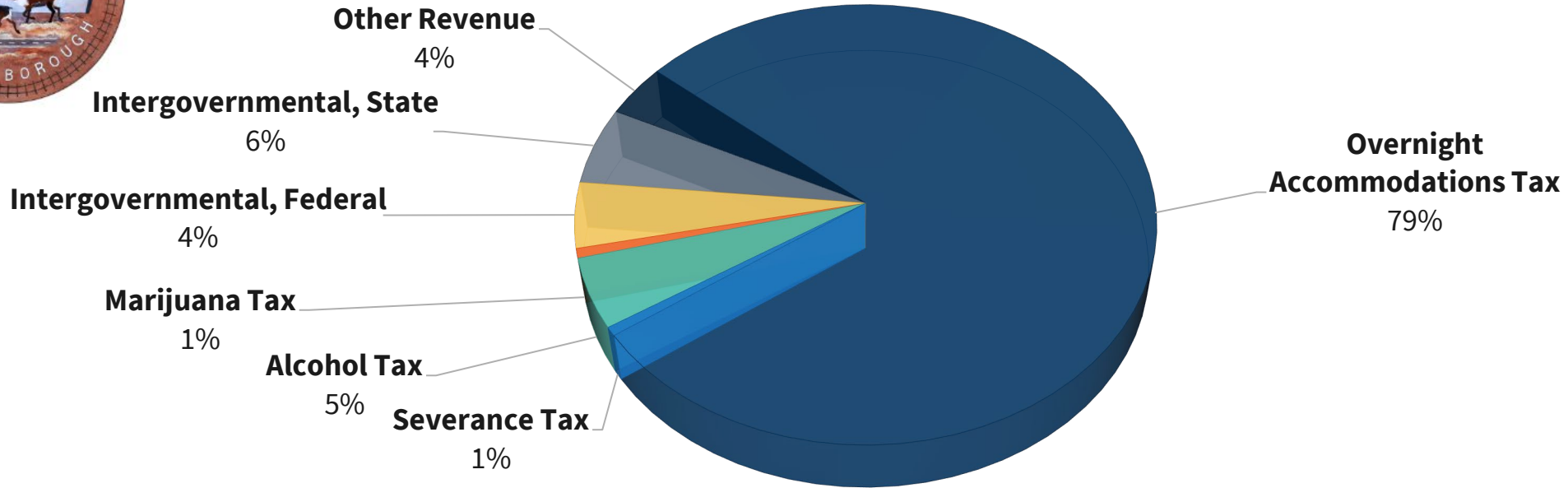
# GENERAL FUND BUDGET HIGHLIGHTS

## REVENUES

- Fiscal Year (FY) 27 total revenues are projected to remain relative to FY26.
- Tax revenues are estimated to increase 3% over prior year. Due to broader economic uncertainty, overnight accommodations tax is projected to trend slightly upward from prior year levels. Other tax revenues are anticipated to remain steady.
- PILT revenue is formula-based federal funding using total federal land acreage capped at a population tier. PILT revenues are estimated at less than 2% increase.
- Community Assistance Program (CAP) revenue is anticipated to remain the same as FY26. CAP is based on population and available state funding.
- Interest earning revenues are market-driven and difficult to estimate. Strategic placement of excess capital funds into higher interest-bearing accounts increases interest revenues.
- Transfers in from Permanent Investment Fund spendable earnings are not known until the current fiscal year end.



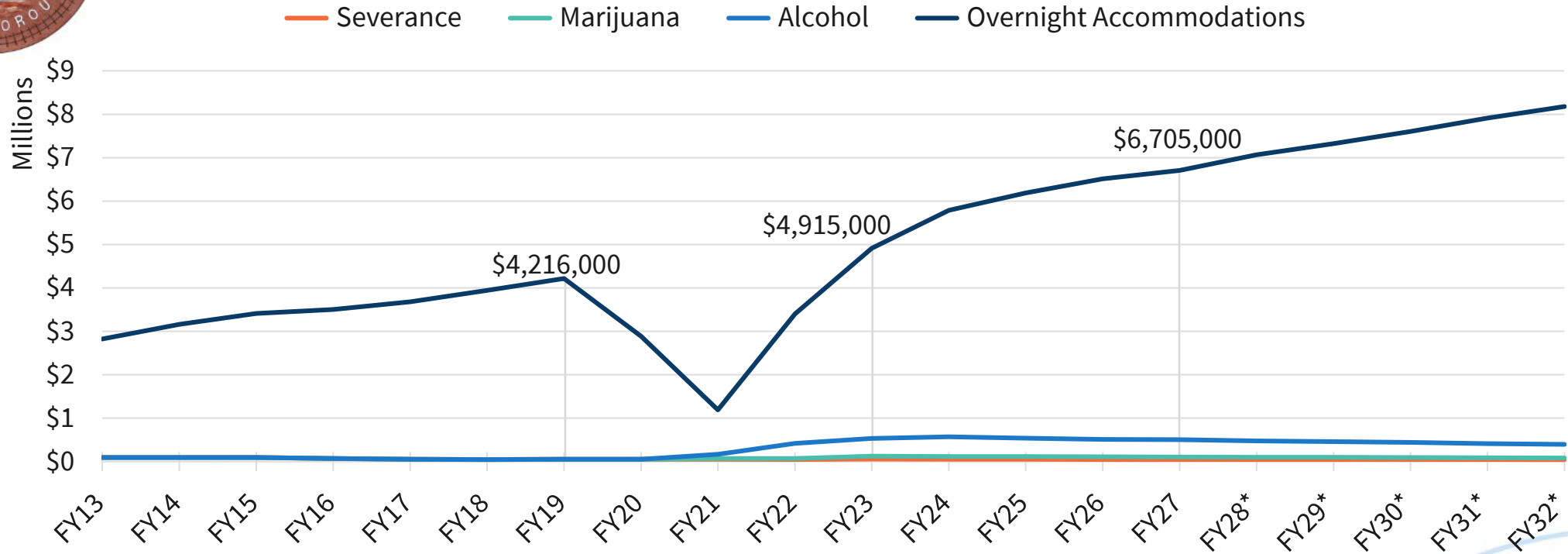
# GENERAL FUND FY27 REVENUES



General Fund Revenues	FY2026 Estimate	FY2027 Budget	% Change (FY26 to FY27)
Taxes	6,510,000	6,705,000	+3.0%
Intergovernmental, Federal	374,494	375,000	+0.1%
Intergovernmental, State	438,773	445,473	+1.5%
Other	306,000	304,500	-0.5%
Transfers In	200,136	-	-
<b>Total Revenues</b>	<b>7,829,403</b>	<b>7,829,973</b>	<b>+0.01%</b>



# GENERAL FUND TAX REVENUE TRENDS



Tax revenues averaged 7% annual growth through FY19. The pandemic resulted in a revenue decrease from FY20-FY22, but tax revenues rebounded quickly in FY23 with an average annual growth of 23% from FY23-FY25.

\*Tax revenue forecasts for FY28-FY32 assume a conservative average annual growth rate of 4%.



# GENERAL FUND FORWARD FUNDING

## Forward Funding

The Denali Borough builds a budget based on a forward funding amount in which expenditures do not exceed available reserves and revenues. (DBC 3.05.020 C).

## Balanced Budget

A balanced budget is a budget in which expenditures do not exceed revenues. The Denali Borough uses the balanced budget method for its enterprise funds, Land Management and Solid Waste.

General Fund	Forward Funded Budget FY27	Balanced Budget FY27
Revenues & Transfers In	-	7,829,973
Forward Funding Maximum*	13,758,309	-
Expenditures & Transfers Out**	8,900,422	8,900,422
<b>Surplus/(Deficit)</b>	<b>4,857,887</b>	<b>(1,070,449)</b>
Expenditures		
Excluding Budget Reserve	7,580,880	7,580,880
<b>Surplus/(Deficit)</b>		
<b>Excluding Budgetary Reserve</b>	<b>6,177,429</b>	<b>249,093</b>

\*The Forward Funding maximum is calculated as of March 24, 2026.

\*\*Expenditures includes the Budgetary Reserve, budgetary funds withheld that can be allocated only by separate ordinance.



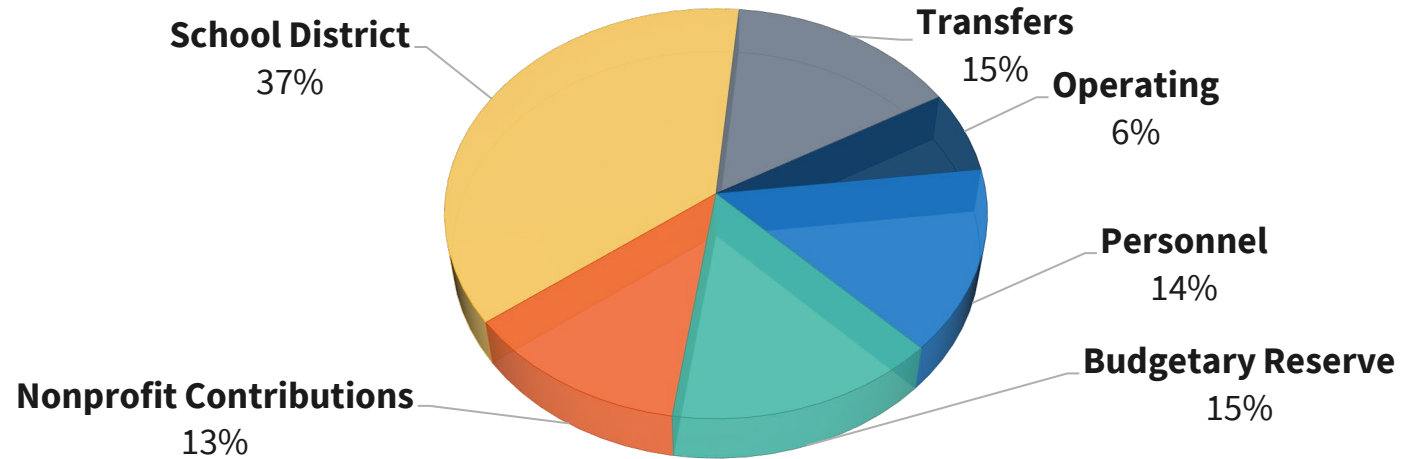
# GENERAL FUND BUDGET HIGHLIGHTS

## EXPENDITURES

- The Budgetary Reserve withholds \$1.3 million, or 15%, of the total budget and can only be appropriated by separate allocation ordinance.
- Personnel costs are estimated to increase 8% from prior year, totaling nearly \$1.3 million, or 14% of the total budget. Base wages increase 3% and step level increases add 1%. Employer-paid healthcare premiums are estimated to increase 10%, and worker's compensation insurance costs are estimated to increase 5%.
- Operating costs decrease slightly from prior year, totaling \$0.5 million, or 6% of the total budget. The largest expenditures continue to be IT services, office space rent, and consultant and auditing fees.
- Education funding totals nearly \$3.2 million, or 37% of the budget, a 11% increase from prior year.
- Nonprofit funding for all programs, including early learning education services, municipal assistance, and matching grants, totals over \$1.1 million, or 13% of the total budget, a 13% increase from prior year.
- Transfers to other funds total \$1.3 million, or 15% of the total budget.



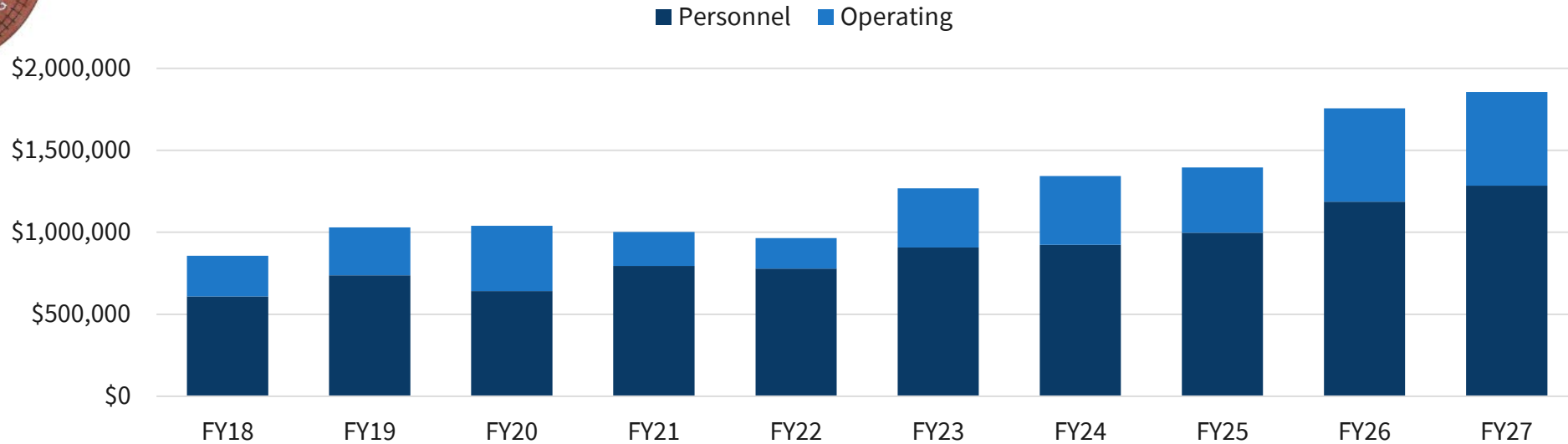
# GENERAL FUND FY27 EXPENDITURES



General Fund Expenditures	FY2026 Estimate	FY2027 Budget	% Change (FY26 to FY27)
Operating	570,460	570,300	-0.03%
Personnel	1,186,214	1,285,255	+8.3%
Budgetary Reserve	-	1,319,542	-
Nonprofit Contributions	979,158	1,109,479	+13.3%
School District	2,930,714	3,265,846	+11.4%
Transfers	2,133,136	1,350,000	-36.7%
<b>Total Expenditures</b>	<b>7,799,682</b>	<b>8,900,422</b>	<b>+14.1%</b>
<b>Total Expenditures Less Budgetary Reserve</b>	<b>7,799,682</b>	<b>7,580,880</b>	<b>-2.8%</b>



# GENERAL FUND – PERSONNEL AND OPERATING



- Personnel expenditures include wages, benefits, and worker’s compensation insurance. Benefit and insurance budgets are estimated to continue increasing at a slower rate.
- Contracted services for a Position and Compensation study conducted in FY26 will compare the borough wages with market rates and establish a wage schedule to be competitive and equitable. Market adjustments to salaries, if any, will be planned incrementally over a period of years.
- Operating expenses steadily increase as costs of services increase, such as IT services and subscriptions, professional services and consulting. The addition of new programs, such as parks and recreation facility maintenance and Firewise mitigation, increase operating costs.



# GENERAL FUND – NONPROFIT FUNDING

General Fund Nonprofit Funding	FY2026 Estimate	FY2027 Budget	% Change (FY26 to FY27)
Per Capita Emergency Service	48,756	51,623	+5.6%
Community Nonprofit	237,820	229,704	-3.4%
Emergency Service Nonprofit	428,515	449,600	+4.9%
Road Improvement Nonprofit	44,600	72,480	+62.5%
Road Maintenance Nonprofit	32,100	34,125	+6.3%
Revenue Sharing	47,367	47,367	-
Municipal Assistance	80,000	85,000	+6.3%
Economic Development	49,000	-	-
Education Services	0	66,000	-
Matching Grant	11,000	73,580	+568.9%
<b>Total Nonprofit Funding</b>	<b>979,158</b>	<b>1,109,479</b>	<b>+13.3%</b>

- Revenue sharing is pass-thru funding from the State of Alaska through the Community Assistance Program to eligible emergency service organizations.
- Economic development directly funded a nonprofit entity for destination marketing activities in FY26. This funding is provided to the nonprofit entity under the Community Nonprofit program in FY27.
- Education services directly funds a nonprofit entity to provide workforce development and affordable early childcare learning services in FY27. This service was funded through the Community Nonprofit program in FY26.



# GENERAL FUND – SCHOOL DISTRICT FUNDING

School District Funding	Formula for Calculating	FY2027 Budget
Required Local Contribution	Required Local Contribution (RLC) 0.00265 x Full Value Determination (FVD)	1,153,886
Additional Local Contribution	Maximum of 23% x Basic Need (AADM x BSA)	2,111,960
<b>Total School District Funding</b>		<b>3,265,846</b>

- The Full Value Determination was updated in FY26, increasing the required local contribution amount.
- The Additional Local Contribution is capped at a maximum of 23% of the calculated Basic Need (Adjusted Average Daily Membership (AADM) x Base Student Allocation (BSA)).
  - DBSD calculates AADM at 1,378.74 for FY27
  - The BSA is currently set at \$6,660



# GENERAL FUND – INTERFUND TRANSFER

<b>General Fund Interfund Transfers</b>	<b>Transfer Purpose</b>	<b>FY2027 Budget</b>
To Capital Improvements	To fund planned capital project through FY29	100,000
To Major School Maintenance	To fund planned DEED local match funding and maintain a reserve balance of \$1 million	250,000
To Land Management Operating	To cover operating deficit	200,000
To Solid Waste Operating	To cover operating deficit	400,000
To Solid Waste Landfill Closure	To cover recalculated closure and post closure cost estimate with a goal of 75% recorded liability covered by reserve funds	100,000
To Solid Waste Equipment Reserve	To incrementally save for planned future equipment replacement in FY28 and FY30	300,000
<b>Total Interfund Transfers</b>		<b>1,350,000</b>
<b>General Fund Deposits To Reserves</b>		
To Parks and Recreation	To fund planned capital projects in FY27	250,000
To Emergency Response Apparatus	To backfill anticipated FY27 award and maintain reserve balance of \$200,000	50,000
To Healthcare Provider Service Fund	To establish initial reserves for the Borough Healthcare loan program in development	200,000
<b>Total Deposits To Reserves</b>		<b>500,000</b>



# LAND MANAGEMENT BUDGET HIGHLIGHTS

## REVENUES

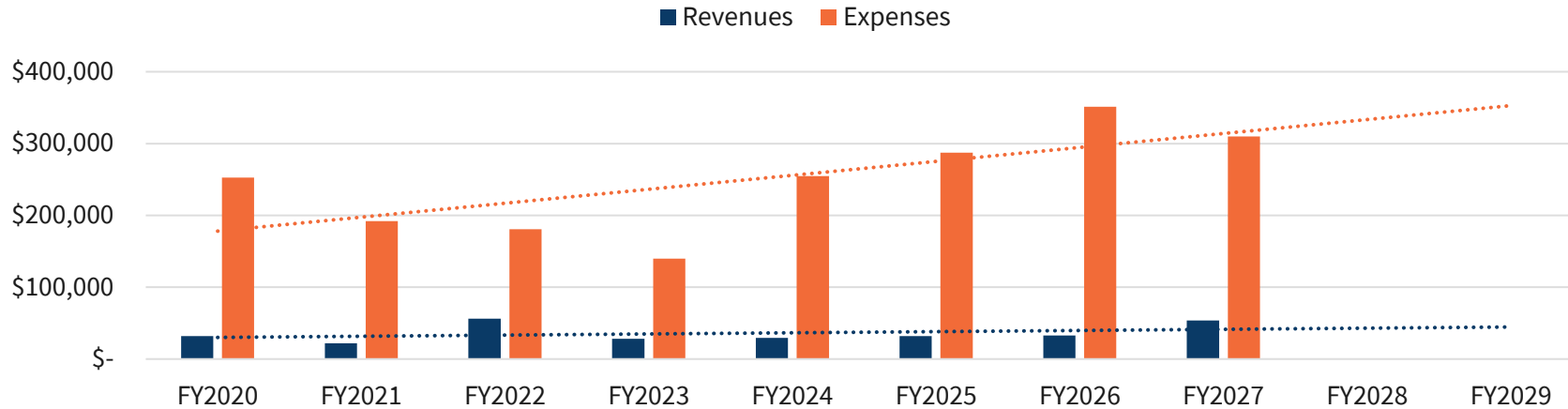
- Commercial Land Use Application fees begin collection in late FY26. User fees are waived for calendar year 2026 and will resume in 2027. FY27 budget includes an estimate of \$20,250 for one quarter of user fees collected.
- No land sales revenues are anticipated for FY27.

## EXPENSES

- Consultant fees include subdivision design and planning expenses, GIS mapping, making up 32% of the total budget.
- Addressing expenses include planned maintenance and replacement expenses for street addresses and continuing residential and commercial addressing, totaling 6% of the budget.
- Personnel costs are estimated to increase 7% from prior year, totaling nearly \$116,000, or 37% of the total budget. Base wages increase 3% and step level increases add 1%. Employer-paid healthcare premiums are estimated to increase 10%, and worker's compensation insurance costs are estimated to increase 5%.



# LAND MANAGEMENT FY27 REVENUES & EXPENSES



	FY2026 Estimate	FY2027 Budget	% Change (FY26 to FY27)
<b>Land Management Revenues</b>			
Operating	32,680	53,725	+64.4%
Transfers In	350,000	200,000	-42.9%
<b>Total Land Management Revenues</b>	<b>382,680</b>	<b>253,725</b>	<b>-33.7%</b>
<b>Land Management Expenses</b>			
Operating	242,950	194,300	-20.0%
Personnel	108,175	115,750	+7.0%
<b>Total Land Management Expenses</b>	<b>351,125</b>	<b>310,050</b>	<b>-11.7%</b>
<b>Surplus/(Deficit)</b>	<b>31,555</b>	<b>(56,325)</b>	



# SOLID WASTE BUDGET HIGHLIGHTS

## REVENUES

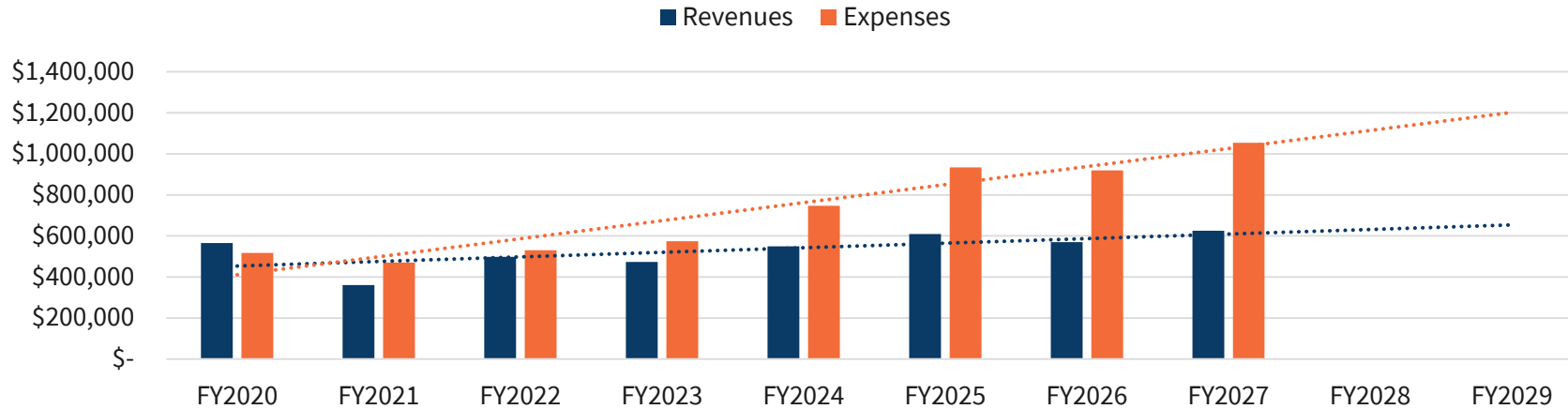
- Tipping fee revenues are projected to increase 9% from prior year due to projected construction projects and an increase in transfer station fees effective May 20, 2026.

## EXPENSES

- Repairs and maintenance expenses include preventative equipment maintenance, facility maintenance, and minor equipment repair and replacement are budgeted at \$127,000, or 12% of the total budget.
- Contracted hauling fees for transport of waste from the Transfer Stations to the Landfill are budgeted at \$50,000, or 5% of the total budget.
- Required regulatory well and gas monitoring and landfill surveying make up 6% of the total budget.
- Personnel costs are estimated to increase 9.5% from prior year, totaling \$588,000, or 56% of the total budget. Base wages increase 3% and step level increases add 1%. Employer-paid healthcare premiums are estimated to increase 10%, and worker's compensation insurance costs are estimated to increase 5%.



# SOLID WASTE FY27 REVENUES & EXPENSES



	FY2026 Estimate	FY2027 Budget	% Change (FY26 to FY27)
<b>Solid Waste Revenues</b>			
Operating	569,200	624,550	+9.7%
Transfers In	400,000	400,000	0.0%
<b>Total Solid Waste Revenues</b>	<b>969,200</b>	<b>1,024,550</b>	<b>+5.7%</b>
<b>Solid Waste Expenses</b>			
Operating	382,550	465,700	+21.7%
Personnel	537,000	588,000	+9.5%
<b>Total Solid Waste Expenses</b>	<b>919,550</b>	<b>1,053,700</b>	<b>+14.6%</b>
<b>Surplus/(Deficit)</b>	<b>49,650</b>	<b>(29,150)</b>	



# FY27 CAPITAL PROJECT OVERVIEW

FY Project Start	Project	Estimated Total Project Cost	Primary Funding Source	FY27 Expenditures
FY27	Otto Lake Park Improvements	380,000	Grant / Parks and Recreation	380,000
FY27	CTS Dumpster Replacement	45,000	CIP	45,000
FY27	June Creek/Bear Creek Road Restoration	210,000	Public Assistance	210,000
FY27	Rural Professional Housing Design	300,000	CIP	300,000
FY27	Landfill Recycling and HHW Building	590,000	CIP	30,000
FY27	Website Redesign and ADA Compliance	65,000	CIP	65,000
FY27	MLE Survey for Yanert	200,000	LM Capital	200,000
FY27	Lignite Subdivision Development Phase 1	3,683,000	LM Capital	110,000
	<b>Total FY27 Capital Projects Expenditures</b>			<b>1,340,000</b>

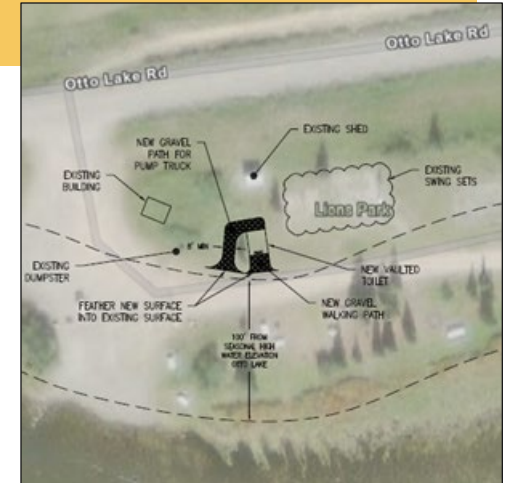
- Capital project funding is sourced from general fund revenues, reserve fund balances, and state and federal grant funding.
- Capital projects are selected and evaluated based on risks to health and safety, community impacts, asset conditions, regulatory compliance, and funding availability.



# FY27 CIP PROJECTS

## OTTO LAKE PARK IMPROVEMENTS

- Total project estimated cost: \$380,000
- Funding source: State grant \$180,000 / Parks and Recreation Fund \$200,000
- Project Description: Construction of a vaulted toilet and installation of adult outdoor fitness playground equipment.



## CTS DUMPSTER REPLACEMENT

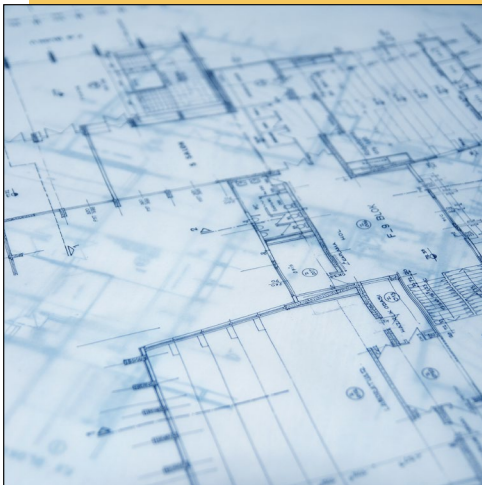
- Total project estimated cost: \$45,000
- Funding source: Capital Improvements Fund
- Project Description: Replacement of two 30-yard roll-off waste containers at the Cantwell Transfer Station.



# FY27 CIP PROJECTS

## JUNE CREEK & BEAR CREEK ROAD RESTORATION

- Total project estimated cost: \$210,000
- Funding source: State grant \$150,000 / Capital Improvements Fund \$60,000
- Project Description: Restoration of roads in the June Creek and Bear Creek subdivisions to pre-fire conditions from the Bear Creek fire (2025). Project funding is dependent on funding from the State.



## RURAL PROFESSIONAL HOUSING DESIGN

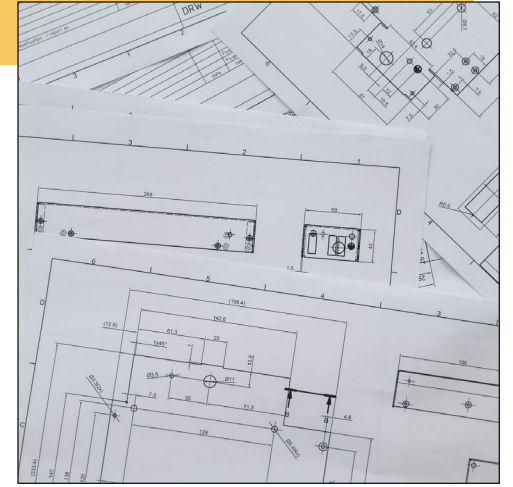
- Total project estimated cost: \$300,000
- Funding source: Capital Improvements Fund
- Project Description: Architectural and engineering design for plans for professional housing residential complex building.



# FY27 CIP PROJECTS

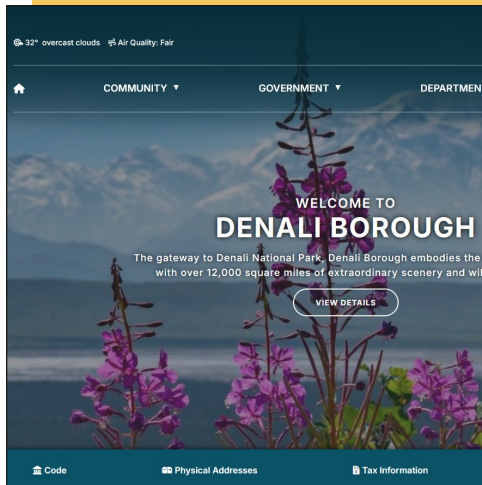
## LANDFILL RECYCLING AND HHW PROCESSING BUILDING

- Total project estimated cost: \$590,000
- Funding source: Capital Improvements Fund
- Project Description: Design, engineering, and construction of a storage facility for hazardous household and recyclable waste at the Landfill.



## WEBSITE REDESIGN AND ADA COMPLIANCE

- Total project estimated cost: \$65,000
- Funding source: Capital Improvements Fund
- Project Description: Website redesign to meet ADA accessibility requirements and consolidate digital services into an integrated system for online meeting agendas, live meeting streaming, and public communications.

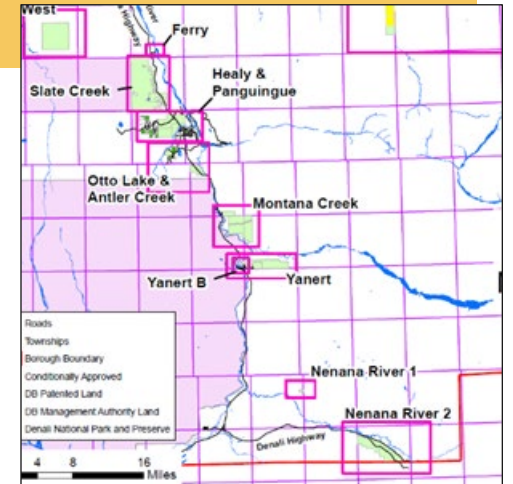




# FY27 CIP PROJECTS

## MUNICIPAL ENTITLEMENT LAND SURVEY - YANERT

- Total project estimated cost: \$200,000
- Funding source: Land Management Capital Fund
- Project Description: Completion of boundary survey for municipal land entitlement for the Yanert area. Project timing is dependent on receipt of survey instructions from the State of Alaska.



## LIGNITE SUBDIVISION DEVELOPMENT PHASE 1



- Total project estimated cost: \$3,683,000
- Funding source: Land Management Capital Fund
- Project Description: Surveying, engineering, platting, and road construction of Phase 1 of the Lignite Subdivision Borough land into residential lots in preparation for public sale.



# CAPITAL PROJECT OUTLOOK

<b>FY Project Start</b>	<b>Future Project</b>	<b>Estimated Total Project Cost</b>	<b>Primary Funding Source</b>
FY28	Cantwell Transfer Station Recycling Shed	150,000	CIP
FY28	Landfill Wheel Loader Replacement	776,000	SW Equipment Reserve
FY30	Landfill Rock Truck Replacement	1,000,000	SW Equipment Reserve
FY32	Separated Pathway-McKinley to Carlo Creek	9,000,000	Grant / Parks and Recreation
BY	Separated Pathway-Suntrana to Stampede	12,900,000	Grant / Parks and Recreation
BY	Separated Pathway-Cantwell Area	7,520,000	Grant / Parks and Recreation
BY	Municipal Building	4,350,000	CIP
BY	Municipal Entitlement Survey	1,800,000	LM Capital
BY	Tri-Valley School Parking and Redesign	475,000	MSMRF

*Projects listed as BY (Beyond Year) are included with estimated project costs for financial awareness. These projects are not anticipated to begin within the six-year CIP period but are identified to inform long-term capital planning and budgeting.*



# ACKNOWLEDGEMENTS & QUESTIONS

Thank you to Denali Borough staff and Assembly for their guidance and assistance with the budget and capital improvement process.

Thank you to the Finance Committee for their review of the FY27 Budget and CIP in depth, questions and discussion on budget and capital proposals, and input and recommendation on the proposed budget and CIP.

Thank you to the Denali Borough School District for their continued partnership, commitment to student success, and collaboration through the budget and CIP process.

Thank you to nonprofit grant applicants and community organizations for the vital services provided to Denali Borough residents and communities.

## **Have a Budget or Capital Project Question?**

Questions on the budget, Capital Improvement Program, or other general questions can be submitted by:

Email: [dbgov@denaliborough.com](mailto:dbgov@denaliborough.com)

Phone: (907) 683-1330

In person at the Denali Borough Office: Suite 202, 612 Healy Spur Road, Healy, AK 99743