



SPECIAL FINANCE AND BUDGET COMMITTEE MEETING AT 5:30 PM- AMENDMENT 2

Friday, February 20, 2026 at 5:30 PM

AGENDA

Our Vision. To have an infrastructure and city workforce that supports a sustainable, diversified and growing economy. We will partner with others to achieve economic development and other common goals that assure a high quality of living, and excellence in education.

MEETING INFORMATION

SPECIAL FINANCE & BUDGET COMMITTEE MEETING CITY HALL COUNCIL CHAMBERS

(Amendment 1 (change of date and time), Amendment 2 (content change)

141 Main Street, Dillingham, AK 99576 (907) 842-5212

This meeting will also be available at the following online location:

This meeting will also be available at the following online location: Zoom

Meeting ID: 920 483 0473; passcode: 99576

Or dial: 1(719)359-4580 or 1(253)205-0468

CALL TO ORDER

ROLL CALL

APPROVAL OF MINUTES

1. Minutes from 1/21/2026

APPROVAL OF AGENDA

STAFF REPORTS

2. Finance and Budget Staff Report

3. Financial Report

a.) December Revenue and Expense Report

b.) January Revenue and Expense Report

UNFINISHED BUSINESS

4. Fish Tax

NEW BUSINESS

5. Senior Center Budget and Funding Needs - Committee to approve and give direction on action to be taken

6. Recommendations to code committee

Draft Ordinance to update DMC 4.16.010 Business Licenses

Dillingham AK **Special Finance and Budget Committee Meeting at 5:30 PM- Amendment 2** February 20, 2026

Draft Ordinance to update DMC 4.20.050(T) Exemptions (attachment amended 02/19/2026)

7. Follow up on Workshop on Discussion of Taxation, Annexation, and Borough Formation

PUBLIC/COMMITTEE COMMENT(S)

ADJOURNMENT



SPECIAL FINANCE AND BUDGET COMMITTEE MEETING

Wednesday, January 21, 2026 at 5:30 PM

MINUTES

Our Vision. To have an infrastructure and city workforce that supports a sustainable, diversified and growing economy. We will partner with others to achieve economic development and other common goals that assure a high quality of living, and excellence in education.

MEETING INFORMATION SPECIAL FINANCE & BUDGET COMMITTEE MEETING

CITY HALL COUNCIL CHAMBERS

141 Main Street, Dillingham, AK 99576 (907) 842-5212

Zoom call-in instructions used for all public meetings:

Zoom call-in: 1-719-359-4580, Meeting ID: 920 - 483 - 0473, Passcode: 99576

Phone access is more stable than video access. If the Zoom meeting freezes or drops, video access will be limited.

CALL TO ORDER

- Chair Curt Armstrong called the Special Finance & Budget Committee meeting to order at 5:34 p.m.

ROLL CALL

Present:

- Curt Armstrong, Council Member, Chair
- Alice Ruby, Mayor
- Kaleb Westfall, Council Member
- Anita Foran, Finance Director (via Zoom)
- Jack Savo Jr., Acting City Manager

Absent:

- Steve Carriere, Council Member (excused)
- Jean Barrett, Council Member (absent at roll call and had intended to attend by Zoom)

Quorum established

APPROVAL OF MINUTES

- Finance and Budget Minutes from:

11/17/2026

- Correction acknowledged regarding an error noted in the minutes approved at the prior meeting.
- Motion to approve the November 17, 2025 minutes as corrected. – Moved: Jack Savo Jr. – Seconded: Anita Foran • Motion passed with no objections.

02/29/2024

- No corrections noted. • Motion to approve the February 29, 2024 minutes. – Moved: Alice Ruby – Seconded: Jack Savo Jr.
- Motion passed with no objections.
- Minutes approved

APPROVAL OF AGENDA

Motion to approve the agenda as presented. – Moved: Alice Ruby – Seconded: Kaleb Westfall
• Motion passed with no objections.

STAFF REPORTS

1. Finance and Budget Staff Report - Finance Director Anita Foran
 - Provided an overview of departmental activities, including year-end closeout for calendar year 2025.
 - Reported potential audit delays of approximately one week due to account balancing issues currently under review, including coordination with accounting software vendor. No determinations have been made and additional details will be provided following auditor review.
 - Announced that the Accounting Technician position has been filled and training is underway.
 - Reported progress on property tax assessments, with notices scheduled for March 15, 2026.
 - Provided updates on foreclosure activities, including remaining properties and redemption status.
 - Reviewed internal controls, payroll, payables cleanup, and contract review efforts.
 - Provided updates on GCI lease negotiations, including completion of a property assessment to support fair market value.
 - Noted business license renewals and applicable late fees, and personal property tax return deadlines.
2. Financial Report
 - Reviewed unaudited revenue and expenditure reports for October and November 2025.
 - Explained differences between original budget figures and Budget Amendment 1.
 - Reported a temporary negative fund balance of approximately \$123,000 due to annual bond payment timing. And the reimbursement from the State is expected and will adjust fund balance once received.
 - Discussed higher-than-anticipated gaming sales tax revenues and potential future budget revisions.
 - Reviewed expenditure trends, including timing-related variances in debt service and capital-related accounts.
3. Balance Sheet
 - Reviewed current cash and investment balances, receivables, and interfund balances.
 - Discussed outstanding real and personal property tax receivables and plans for potential write-offs of uncollectible amounts.
 - Clarified interfund receivables related to bond financing and investment accounting.
 - Discussed use of investments to support three-month reserve requirements.
4. Fund Balance Evaluation
 - Reviewed projected fund balance impacts for FY2026.
 - Noted a minor correction needed related to a formula update and jail healthcare reimbursement.
5. June 2025 Revenue and Expense Report (FY2025 Review)
 - Reviewed line items that exceeded budgeted amounts, including legal services and foreclosure costs.
 - Discussed the absence of a mid-year budget amendment in FY2025 and impacts on reported variances.

- Committee discussed budget amendment practices, internal flexibility within departments, and public transparency.
- Consensus to focus on completing the annual audit rather than initiating a separate audit of payables.

NEW BUSINESS

- None

OLD BUSINESS

1. Fish Tax

- Discussed potential next steps related to fish tax considerations.
- Alice reported outreach to Mary Swain (Bristol Bay Borough) regarding the Borough's processing tax experience; Ms. Swain expressed willingness to participate in a future meeting.
- Committee discussed possible future presentations from subject-matter experts, including annexation consultants and DCRA representatives, to review tax and annexation options.

PUBLIC/COMMITTEE COMMENT(S)

- None

ADJOURNMENT

- Chair Armstrong adjourned the meeting at 7:10 p.m.

ATTEST

Abigail Flynn, City Clerk

Approval Date

Mayor
Alice Ruby

Acting Manager
Jack Savo Jr



Dillingham City Council
Triston Chaney
Jean Barrett
Steven Carriere
Curt Armstrong
Kaleb Westfall
Kevin McCamby

MEMORANDUM

Date: 02/18/2026

To: Jack Savo, City Manager

From: Anita Foran, Finance Director

Subject: Finance & Budget Report 02/20/2026

Council Considerations/Recommendations:

Add language to DMC 4.16 that recognizes a business license is required for any business that has a physical presence within the city limits of Dillingham. All businesses within the city limits are required to submit sales tax reports to the City of Dillingham Finance office. All businesses without a physical presence within the city, but ship products to Dillingham, are required to submit sales tax to Alaska Municipal League Remote Sellers program as agreed in DMC 4.23.

The Senior Center food budget has been spent in full. Other areas that have been exceeded include unemployment compensation and equipment repair. The new Community Service Director needs a month to evaluate the status of the Senior Center and the amount of funds needed for the rest of the fiscal year to provide the planned services of meals and rides. The current expected need is an additional \$10,000. Council is being asked to either allow a line-item transfer from the Council budget to the Senior Center budget to meet the overage until a budget revision can be completed.

Department Accomplishment and Opportunities:

Close of calendar year 2025. W-2 and 1099 reporting has been completed. ACA reporting to be completed by end of February.

Audit Update:

FY25 Audit – Resolution to the three concerns have been found and suggested solutions are under review. Auditors have scheduled the final report to be drafted by the end of April. No determinations have been made at this time.

Department staffing:

No changes at this time.

Property Tax:

2026 personal property tax assessment returns continue to arrive. Assessment notices are scheduled to be delivered March 15, 2026.

Collections:

2018-2022 Foreclosure (3DI-24-00061CI) one-year redemption period close of March 2026. There are 4 remaining properties on this list.

2020-2024 Foreclosure (3DI-25-00062CI) properties have until July 24, 2026, before the redemption period is closed. There are 18 remaining properties on this list.

2025 Foreclosure list is being compiled.

Grants:

Completed quarterly reviews for the following grants:

- NTS grant for Sr Center (assisted with reporting grant deliverables).
- LINKED grant for the Library.
- Harbor state grant 24-DC-015 for Harbor Floats.
- Downtown Fire Hall state grant 24-DC-078.
- PFAS federal grant for new water line.
- Snagpoint federal grant.
- Jail contract from State of Alaska.

Budget:

FY26 Budget amendment 2 is ongoing.

FY27-FY28 creation ready to begin with staff and management.

Internal Controls:

- Review of the document is on hold during budget review.

Other News:

- None at this time.

Upcoming Calendar Items:

- 15th of each month utility payments due; on the last day of month utility bills are sent.
- Business licenses renewals can still be paid with an additional \$75.00 late fee.

- Property tax assessment returns are to be mailed out by 03/15/2026. Taxpayers have 30 days to appeal the assessed values.

Revenue and Expense Report – December 2025 & January 2026:

- Target percentage for January activity is 58%. Explanations provided in this report are for those items below 38% and above 78%. These are unaudited items and will have adjustments as the audit work is completed.
- Fund balance is a decrease of \$1,079,056.
- Sales tax reporting is expected to be 50%. This decrease does have an impact on the overall percentage of revenue for the general fund.
- Gaming Sales tax returns are higher than expected and will require a budget revision.
- Tobacco Excise tax is at 38% and will need a budget revision.
- Business license renewals are at 79%, a higher return than last year at this time. A review of all businesses will continue as part of the review process.
- Payments of property tax are recorded at 103% & 105%. Actual amount received is 95% for real property and 82% for personal property.
- Property tax penalty and interest is lower than last year to reflect more on time property tax payments.
- Community Sharing and PILT have been received in full for the year.
- Lease and Rental income will be low until the end of the fiscal year when an annual lease payment is received.
- All other payments at this time are as expected based on the revenue receiving history.

Special Revenues & Other Funds Revenue

- Dock Revenue is at 31% and will not rise until April when Harber fees are received.
- Senior Center grant is delayed until the remaining deliverables are received.
- Library grants are at 29% due to delay in receiving the Curyung funds for the IMLS grant.
- Bond Reimbursement from the State is delayed; correspondence has been made with the State.
- Investments for the Mary Carlson Estate have returned less than expected.
- These delays impact the 39% revenue for this section.

City of Dillingham

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Transfers

- Equipment replacement of \$2,805 reflects expenses for the K-9 unit requested in FY25 but received in FY26. The \$111,000 budget is for the annual payment for the grader loan. The grader is expected to arrive in the summer of 2026.
- Debt Service payments have been paid out as expected.
- Transfer for the school bond does not reflect the State reimbursement currently.
- Transfers from Dock to Harbor have not happened due to Dock revenue being less than expenditures.
- Transfers from Wastewater to Water have been made to balance the account.
- Overall revenue at 62%.

General Fund Expenditures

- Foreclosure expenditures will increase as the foreclosure process continues.
- K-9 Unit and the Fire Department donation have not had any expenditure.
- Shop expenditure is low due to an open staff position.
- Streets Expenditures are low due to open staff positions.
- Repairs to Grandma's house are reflected in January. The purpose of the building is still in debate.
- Transfers to other funds are increased due to the bond reimbursement from the state is a month later than the expenditure; a transfer will remain in place until funds are received.
- General fund expenditures are at 55% as expected.

Special Revenues & Other Funds Expenditures

- Water, Wastewater, and Ddck expenditures are slightly below the expected amount.
- Asset forfeiture funds have not been spent. No expenditure has been planned at this time.
- Senior Center grants will be expensed first.
- Ambulance reserve fund expenditures are low due to a refund in an expense from FY25.
- Debt services expenses are on time as expected.
- Average expenditures are at 42%.
- Equipment replacement expenditures reflect K-9 expenditures that arrived late.

Grant and Bond Revenues/Expenditures

- EPA Landfill grant and the Snagpoint erosion grant. No expenses at this time.
- Remaining grants are in the beginning stages of the projects.

Capital Project Revenues/Expenditures

- None at this time.

Fund Balance Evaluation:

- General Fund currently has a decrease of \$905,309 for a fund balance of 6,074,888.
- Unaudited fund balance as of 06/30/2025 is \$11,399,348. A reduction of \$448,207 reduces the fund balance to \$10,9541,140 for FY26 by the end of January.
- After the FY25 audit review is completed, a review of all negative fund balances will be completed, and adjustments can be made.

Fund Balance Evaluation

Section . Item 2.

	<u>Fund Bal. 6/30/2025</u> <u>Unaudited</u>	<u>FY'26 Revenue</u>	<u>FY'26 Expenditures</u>	<u>Add or (-)</u> <u>FY26 Fund Bal</u>	<u>Fund Ba 11/30/2025</u> <u>Unaudited</u>
General Fund	6,980,196	7,127,289	8,032,598	(905,309)	6,074,888
Planning Capital Project	1,030,472	-	-	-	1,030,472
Debt Service	67,107	1,120,775	1,120,775	-	67,107
Special Revenue Fund					
Water & Sewer	1,416,076	426,965	341,488	85,477	1,501,553
Landfill	(5,127)	443,002	443,002	-	(5,127)
Port - Dock	649,924	237,599	335,628	(98,030)	551,894
Port - Harbor	(89,592)	98,465	230,087	(131,623)	(221,214)
E-911 Service	267,909	38,115	38,115	-	267,909
Asset Forfeitures Fund	27,824	257	-	257	28,080
Reward Fund	400	-	-	-	400
Senior Center	2,820	166,027	196,592	(30,565)	(27,745)
Library (Grants)	(79)	19,264	26,182	(6,918)	(6,997)
Public Safety	-	-	-	-	-
Local Support	(11,868)	29,119	29,119	-	(11,868)
Covid, ARPA & LGLR Support	-	-	-	-	-
Capital Project Fund					
Ambulance Reserve Capital Project	437,515	27,608	(1,000)	28,608	466,122
Equipment Replacement Capital Project	73,749	2,805	2,805	-	73,749
School Project	(1,626)	-	-	-	(1,626)
Streets Project	52,714	-	-	-	52,714
Firehall Project	-	-	-	-	-
Dock and Harbor Capital Project	-	128,220	136,255	(8,034)	(8,034)
Public Safety Capital Project	-	-	-	-	-
Wastewater System Improvements	(101,006)	-	-	-	(101,006)
Water Improvement	-	-	-	-	-
SOA Loans Capital Projects	-	-	39,151	(39,151)	(39,151)
Jail Health care reimbursement	(9,079)	10,469	1,390	9,079	-
SOA DOH Grants	25,334	-	-	-	25,334
Denali Commission Project	-	-	-	-	-
Landfill Committed Funds	197,044	14,581	-	14,581	211,625
Permanent Fund					
Mary Carlson Estate	388,640	6,155	3,583	2,572	391,212
Snagpoint	-	-	-	-	-
Total	11,399,348	9,896,716	10,975,772	(1,079,056)	10,320,291

City of Dillingham

Unaudited Revenues and Expenditures As of

December 31, 2025

Data Collected on:

2/13/2026

Section . Item 3.

	12/31/25		12/31/24		INC/(DEC)	Uncollected	% Adj
	Budget - FY26	YTD	Percent	YTD			
General Fund Revenues							
General Sales Tax	\$ 3,500,000	\$ 1,283,026	37%	\$ 1,782,655	\$ (499,628)	(1,892.91)	37%
General Sales Tax - Remote	650,000	250,342	39%	238,029			39%
Alcohol Sales Tax	280,000	149,212	53%	127,274	21,938		53%
Transient Lodging Sales Tax	125,000	82,049	66%	78,965	3,084	-	66%
Gaming Sales Tax	15,000	12,527	84%	3,199	9,328		84%
Tobacco Excise Tax	280,000	86,910	31%	132,534	(45,623)		31%
Marijuana Excise Tax	90,000	36,996	41%	46,888	-		41%
Business License	17,000	9,400	55%	8,800	-		55%
Penalty & Interest - Sales Tax	17,000	6,438	38%	4,924	1,515	(28.57)	38%
Total Sales Tax	4,974,000	1,916,901	39%	2,423,267	(509,386)		38%
Real Property Tax	2,600,000	2,703,896	104%	2,537,998	165,898	(581,578.18)	82%
Personal Property Tax	700,000	733,429	105%	1,127,619	(394,191)	(257,748.23)	68%
Penalty & Interest - Property Tax	130,000	107,349	83%	144,750	(37,401)		83%
Total Property Taxes	3,430,000	3,544,674	103%	3,810,368	(265,694)		79%
Telephone Gross Receipts State Tax	70,000	-	0%	-	-		0%
Shared Fisheries	150,000	-	0%	147,328	(147,328)		0%
Raw Fish Tax	20,000	-	0%	-	-		0%
Community Sharing	83,543	83,543	100%	-	83,543		0%
Payment in Lieu of Taxes (PILT)	540,000	540,299	100%	537,418	2,881		100%
State Jail Contract	584,764	-	0%	271,828	(271,828)		0%
Motor Vehicle Tax	25,000	12,768	51%	10,026	2,742		51%
Ambulance Fees	60,000	27,617	46%	11,205	16,412		46%
Lease & Rental Income	35,000	7,340	21%	5,520	1,820		21%
Admin Overhead	200,105	74,207	37%	73,265	943		37%
PERS on Behalf	275,799	130,014	47%	92,672	37,342		47%
PERS Forfeiture Fund	25,000	24,403	98%	33,400	(8,997)		98%
Other Revenues	299,200	97,389	33%	192,217	(94,828)	(7,579.39)	30%
Total	2,368,411	997,580	42%	1,374,879	(377,299)		42%
Total	\$ 10,772,411	\$ 6,459,155	60%	\$ 7,608,514	\$ (1,152,380)		52%
Special Revenue & Other Funds Revenue							
Water	232,800	122,806	53%	117,798	5,008	(12,563.10)	47%
Sewer	463,300	237,844	51%	200,214	37,630	(16,960.19)	48%
Landfill	331,100	181,070	55%	209,091	(28,021)	(3,890.00)	54%
Port - Dock	755,740	236,860	31%	465,632	(228,772)	(279.26)	31%
Port - Harbor	187,130	96,839	52%	34,929	61,910	(13,646.00)	44%
Asset Forfeiture Fund	500	234	47%	241	(7)		0%
E-911 Service	67,000	32,717	49%	32,513	204		49%

City of Dillingham

Unaudited Revenues and Expenditures As of

December 31, 2025

Data Collected on:

2/13/2026

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	<u>Budget - FY26</u>	<u>12/31/25</u>	<u>Percent</u>	<u>12/31/24</u>	<u>YTD</u>	<u>INC/(DEC)</u>	
Public Safety Reward	-	-	0%	-	-	-	
Senior Center (Non-Grant)	52,100	18,752	36%	13,957	4,795	36%	
Senior Center (Grant)	50,486	10,708	21%	19,799	(9,091)	21%	
Library (Grants)	66,727	12,131	18%	18,749	(6,618)	18%	
Debt Service - Bond Investments	80,000	48,681	61%	56,663	(7,982)	61%	
Debt Service - SOA Revenue	514,000	-	0%	-	-	0%	
Debt Services - Streets Refund	-	-	-	-	-	-	
Mary Carlson Estate	21,000	5,972	28%	10,353	(4,381)	28%	
Ambulance Rental	-	-	0%	13,807	(13,807)		
Total	\$ 2,821,883	\$ 1,004,614	36%	\$ 1,193,746	\$ (189,132)		34%

Transfers

From General Fund to Other Funds

Water	-	-	-	-	-	-
Landfill	594,000	228,713	39%	335,870	(107,157)	
Senior Center	227,855	119,977	53%	161,370	(41,394)	
Ambulance Reserve	50,000	22,094	44%	9,007	13,087	
Equipment Replacement	111,000	2,805	0%	142,057	(139,252)	
Capital Projects (Fund 7140)	-	-	0%	127,214	(127,214)	
Landfill Closure (Fund 7150)	25,000	12,498	50%	12,502	(4)	
Debt Service SRF Loans	51,011	37,650	74%	38,100	(450)	
Debt Service Streets Bond	156,000	9,319	6%	4,087	5,232	
Debt Service Firehall Bond	47,000	11,000	23%	11,500	(500)	
Debt Service School Bond	550,750	1,014,125	184%	296,375	717,750	

From Dock Fund to Harbor Funds

Port - Harbor	301,580	-	0%	56,047	(56,047)	
Port - Harbor - Ice Machine	-	255	0%	-	255	
Port - Harbor - Bathhouse	8,920	-	0%	-	-	

From Department to Department

Transfer from E911 to Dispatch	67,000	32,717	49%	39,779	-	
Transfer from Carlson Estate to Library	4,000	2,002	50%	2,002	-	
Transfer from Wastewater to Water	-	5,809	0%	-	-	

Total	\$ 2,194,116	\$ 1,498,964	68%	\$ 1,235,909	\$ 264,307	
Total Revenues & Transfers	\$ 15,788,410	\$ 8,962,732	57%	\$ 10,038,169	\$ (1,077,205)	

City of Dillingham

Unaudited Revenues and Expenditures As of

December 31, 2025

Data Collected on:

2/13/2026

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EXPENDITURES:**General Fund Expenditures**

	<u>Budget - FY26</u>	<u>12/31/25</u>	<u>Percent</u>	<u>12/31/24</u>	<u>YTD</u>	<u>INC/(DEC)</u>
		<u>YTD</u>		<u>YTD</u>		
City Council	\$ 121,550	\$ 52,972	44%	\$ 25,604	\$ 27,367	
City Clerk	318,600	138,459	43%	145,608	(7,149)	
Administration	472,550	245,737	52%	192,655	53,082	
Finance	1,547,940	667,204	43%	645,141	22,063	
Legal	100,000	64,995	65%	52,864	12,131	
Insurance	375,000	153,053	41%	205,540	(52,487)	
Planning	297,000	112,924	38%	110,453	2,471	
Foreclosures	20,000	4,478	22%	6,070	(1,592)	
IT	372,500	126,610	34%	181,583	(54,974)	
Public Safety Administration	448,850	192,266	43%	162,810	29,456	
Dispatch	842,850	383,481	45%	397,796	(14,315)	
Patrol	1,571,700	620,035	39%	589,186	30,849	
Corrections	820,045	402,199	49%	356,343	45,856	
DMV	92,150	40,631	44%	40,771	(140)	
Animal Control Officer	88,350	45,957	52%	61,082	(15,125)	
K-9 Unit	2,000	0	0%	4,500	(4,500)	
Fire	604,500	290,871	48%	348,578	(57,707)	
Fire Department Donation	10,000	0	0%	1,141	(1,141)	
Public Works Administration	473,700	166,128	35%	205,215	(39,087)	
Building and Grounds	976,800	427,073	44%	449,745	(22,672)	
Shop	610,600	138,291	23%	186,569	(48,278)	
Street	626,100	162,291	26%	231,082	(68,791)	
Library	186,875	76,976	41%	113,153	(36,177)	
Grandma's House	90,900	16,956	19%	23,926		
City School	1,702,000	850,431	50%	850,434	(3)	
Transfers to Other Funds	1,787,616	1,445,682	81%	1,209,221	236,461	
Total	\$ 14,560,176	\$ 6,825,700	47%	\$ 6,797,072	\$ 35,598	

City of Dillingham

Unaudited Revenues and Expenditures As of

December 31, 2025

Data Collected on:

2/13/2026

Section . Item 3.

Special Revenue Funds Expenditures

	<u>Budget - FY26</u>	<u>12/31/25</u>	<u>Percent</u>	<u>12/31/24</u>	<u>YTD</u>	<u>INC/(DEC)</u>
Water	483,400	130,178	27%	88,824	41,354	
Sewer	484,400	157,384	32%	150,440	6,944	
Landfill	936,400	403,603	43%	550,162	(146,558)	
Port - Dock	1,085,546	323,303	30%	455,791	(132,488)	
Port - Harbor	498,330	217,606	44%	165,641	51,965	
Asset Forfeiture Fund	25,000	-	0%	-	-	
E-911 Service	67,000	32,717	49%	112,831	(80,113)	
Public Safety Reward	-	-	0%	-	-	
Senior Center (Non-Grant)	279,955	138,729	50%	175,733	(37,004)	
Senior Center (Grant)	50,486	42,978	85%	34,923	8,055	
Library (Grants)	66,727	26,190	39%	20,437	5,754	
Mary Carlson Estate	6,255	2,994	48%	3,598	(604)	
Ambulance Reserve Fund	15,000	(1,000)	-7%	600	(1,600)	
Debt Service SRF Loans	51,011	37,650	74%	38,100	(450)	
Debt Service School Bond	1,064,750	1,014,125	95%	986,375	27,750	
Debt Service Firehall Bond	47,000	11,000	23%	11,500	(500)	
Debt Service Streets Bond	236,000	58,000	25%	60,750	(2,750)	
Equipment Replacement	111,000	2,805	0%	309,847	(307,042)	
Total	\$ 5,508,260	\$ 2,598,263	47%	\$ 3,165,551	\$ (567,288)	
	\$ 20,068,436	\$ 9,423,962	47%	\$ 9,962,622	\$ (531,690)	
Net Increase (Decrease) to Fund Balances	\$ (4,280,026)	\$ (461,230)		\$ 75,546	\$ (545,515)	

City of Dillingham

Unaudited Revenues and Expenditures As of

December 31, 2025

Data Collected on:

2/13/2026

Section . Item 3.

	<u>Budget - FY26</u>	<u>12/31/25</u>		<u>Percent</u>	<u>12/31/24</u>	
		<u>YTD</u>	<u>YTD</u>		<u>YTD</u>	<u>INC/(DEC)</u>
Grant & Bond Revenues						
SOA-Landfill Firebreak	-	-	-	0%	-	-
EPA Landfill Grant	3,882,500	-	-		1,752,195	(1,752,195)
COVID - CARES & ARPA & LGLR	-	-	-			
SRF Loan - Lagoon Aeration	-	-	-		-	-
SRF Loan - Landfill	200,000	-	-	0%	-	-
State Jail Medical	-	10,469	-		-	10,469
Legislative Grant Harbor	757,500	54,320	-	7%	-	54,320
Southern Region EMS	-	-	-		-	-
SOA-DOH Grants	-	-	-		26,299	(26,299)
Curyung-Ice Machine	6,000	(767)	-	-13%	-	(767)
Snagpoint Funding	3,209,387	-	-	0%	-	-
BBEDC Intern Program	73,400	8,225	-	11%	15,412	(7,187)
BBEDC Training Reimb	-	20,894	-		4,375	16,519
BBNC Training Reimb	-	-	-		-	-
Total	\$ 8,128,787	\$ 93,142	1%		\$ 1,798,281	\$ (1,705,139)

	<u>Budget - FY26</u>	<u>12/31/25</u>		<u>Percent</u>	<u>12/31/24</u>	
		<u>YTD</u>	<u>YTD</u>		<u>YTD</u>	<u>INC/(DEC)</u>
Grant & Bond Expenditures						
SOA-Landfill Firebreak	-	-	-	0%	-	-
EPA Landfill Grant	3,882,500	-	-	0%	-	-
COVID - CARES & ARPA & LGLR	-	-	-		1,752,195	(1,752,195)
SRF Loan - Lagoon Aeration	-	-	-		576,281	(576,281)
SRF Loan - Landfill	200,000	-	-	0%	-	-
State Jail Medical	-	1,390	-		-	1,390
Legislative Grant Harbor	757,500	134,566	-	18%	-	134,566
Southern Region EMS	-	-	-		-	-
SOA-DOH Grants	-	-	-		965	(965)
Curyung-Ice Machine	6,000	1,594	-	0%	2,585	(990)
Snagpoint Erosion	3,209,387	-	-	0%	-	-
BBEDC Intern Program	73,400	8,225	-	11%	15,412	(7,187)
BBEDC Training Reimb	-	20,894	-		4,375	16,519
BBNC Training Reimb	-	-	-		-	-
Total	\$ 8,128,787	\$ 166,670	2%		\$ 2,351,812	\$ (2,185,142)
	\$ -	\$ (73,528)			\$ (553,531)	\$ (3,890,282)

<u>Capital Project Funds Expenditures</u>						
Public Safety Building	-	-	-	-	-	-
Water Improvements	-	-	-	-	-	-
WasteWatter Improvements	-	-	-	-	-	-
Snagpoint Erosion	-	-	-	-	-	-
Sewer Lagoon Aeration	-	-	-	-	101,006	(101,006)
Other Lift Station	-	-	-	-	-	-
Fire Dept Water Damage Repair	-	-	-	-	26,207	-
Landfill Closure (7150)	-	-	-	-	-	-
Landfill Shop Fire	-	-	-	-	-	-
Landfill Groundwater Well	-	-	-	-	-	-
Harbor cleanup	-	-	-	-	-	-
Total	\$ -	\$ -	0%	\$ 127,214	\$ (101,006)	
	\$ -	\$ -		\$ (127,214)	\$ 101,006	

Budget	Actual
\$ 10,772,411	\$ 6,459,155
\$ 2,821,883	\$ 1,004,614
\$ 2,194,116	\$ 1,498,964
\$ 8,128,787	\$ 93,142
\$ -	\$ -
\$ 23,917,197	\$ 9,055,874
\$ 14,560,176	\$ 6,825,700
\$ 5,508,260	\$ 2,598,263
\$ 8,128,787	\$ 166,670
\$ -	\$ -
\$ 28,197,223	\$ 9,590,632
\$ (4,280,026)	\$ (534,758)

City of Dillingham

Unaudited Revenues and Expenditures As of

January 31, 2026

Data Collected on:

2/13/2026

Section . Item 3.

	01/31/26					01/31/25				
	Budget - FY26		YTD		Percent	YTD		INC/(DEC)		Uncollected
General Fund Revenues										
General Sales Tax	\$ 3,500,000	\$ 1,513,530		43%	\$ 2,124,033	\$ (610,502)		(3,336.01)	43%	
General Sales Tax - Remote	650,000	290,485		45%	343,182				45%	
Alcohol Sales Tax	280,000	149,537		53%	164,716	(15,180)			53%	
Transient Lodging Sales Tax	125,000	85,954		69%	84,814	1,140		-	69%	
Gaming Sales Tax	15,000	13,901		93%	3,199	10,702			93%	
Tobacco Excise Tax	280,000	105,981		38%	143,789	(37,808)			38%	
Marijuana Excise Tax	90,000	46,976		52%	53,732	-			52%	
Business License	17,000	13,400		79%	12,700	-			79%	
Penalty & Interest - Sales Tax	17,000	6,952		41%	5,347	1,605		(28.57)	41%	
Total Sales Tax	4,974,000	2,226,715		45%	2,935,512	(650,044)			45%	
Real Property Tax	2,600,000	2,674,155		103%	2,537,996	136,159		(214,410.29)	95%	
Personal Property Tax	700,000	733,429		105%	1,127,619	(394,191)		(162,311.90)	82%	
Penalty & Interest - Property Tax	130,000	110,100		85%	144,750	(34,650)			85%	
Total Property Taxes	3,430,000	3,517,683		103%	3,810,365	(292,682)			92%	
Telephone Gross Receipts State Tax	70,000	-		0%	-	-			0%	
Shared Fisheries	150,000	-		0%	147,328	(147,328)			0%	
Raw Fish Tax	20,000	-		0%	-	-			0%	
Community Sharing	83,543	84,143		101%	-	84,143			0%	
Payment in Lieu of Taxes (PILT)	540,000	540,299		100%	537,418	2,881			100%	
State Jail Contract	584,764	292,382		50%	271,828	20,554			50%	
Motor Vehicle Tax	25,000	13,643		55%	10,026	3,617			55%	
Ambulance Fees	60,000	34,510		58%	11,205	23,305			58%	
Lease & Rental Income	35,000	8,280		24%	6,450	1,830			24%	
Admin Overhead	200,105	80,441		40%	77,402	3,039			40%	
PERS on Behalf	275,799	152,089		55%	105,447	46,641			55%	
PERS Forfeiture Fund	25,000	24,403		98%	33,400	(8,997)			98%	
Other Revenues	299,200	112,252		38%	216,456	(104,203)		(9,031.63)	34%	
Total	2,368,411	1,342,441		57%	1,416,961	(74,520)			56%	
Total	\$ 10,772,411	\$ 7,086,839		66%	\$ 8,162,837	\$ (1,017,245)			62%	
Special Revenue & Other Funds Revenue										
Water	232,800	140,983		61%	135,603	5,380		(22,183.81)	51%	
Sewer	463,300	271,068		59%	240,637	30,431		(29,948.14)	52%	
Landfill	331,100	199,774		60%	227,290	(27,516)		(4,502.00)	59%	
Port - Dock	755,740	237,599		31%	472,170	(234,571)		(279.26)	31%	
Port - Harbor	187,130	98,210		52%	36,749	61,461		(13,998.00)	45%	
Asset Forfeiture Fund	500	257		51%	422	(165)			0%	
E-911 Service	67,000	38,115		57%	39,419	(1,304)			57%	

City of Dillingham

Unaudited Revenues and Expenditures As of

January 31, 2026

Data Collected on:

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Section . Item 3.

	<u>Budget - FY26</u>	<u>01/31/26</u>	<u>Percent</u>	<u>01/31/25</u>	<u>YTD</u>	<u>INC/(DEC)</u>	
Public Safety Reward	-	-	0%				
Senior Center (Non-Grant)	52,100	21,303	41%	14,434	6,868		41%
Senior Center (Grant)	50,486	10,708	21%	38,785	(28,077)		21%
Library (Grants)	66,727	19,264	29%	23,241	(3,977)		29%
Debt Service - Bond Investments	80,000	56,236	70%	65,342	(9,106)		70%
Debt Service - SOA Revenue	514,000	-	0%	683,388	(683,388)		0%
Debt Services - Streets Refund	-	-		(22,882)	22,882		
Mary Carlson Estate	21,000	6,155	29%	11,908	(5,753)		29%
Ambulance Rental	-	-	0%	13,764	(13,764)		
Total	\$ 2,821,883	\$ 1,099,672	39%	\$ 1,980,269	\$ (880,597)		36%

Transfers

From General Fund to Other Funds

Water	-	-	-	-	-	-
Landfill	594,000	243,228	41%	407,315	(164,087)	
Senior Center	227,855	134,017	59%	190,721	(56,704)	
Ambulance Reserve	50,000	27,608	55%	8,964	18,644	
Equipment Replacement	111,000	2,805	0%	292,160	(289,355)	
Capital Projects (Fund 7140)	-	-	0%	128,006	(128,006)	
Landfill Closure (Fund 7150)	25,000	14,581	58%	14,585	(4)	
Debt Service SRF Loans	51,011	37,650	74%	38,100	(450)	
Debt Service Streets Bond	156,000	1,764	1%	4,087	(2,323)	
Debt Service Firehall Bond	47,000	11,000	23%	11,500	(500)	
Debt Service School Bond	550,750	1,014,125	184%	302,987	711,138	

From Dock Fund to Harbor Funds

Port - Harbor	301,580	-	0%	56,047	(56,047)	
Port - Harbor - Ice Machine	-	255	0%	-	255	
Port - Harbor - Bathhouse	8,920	-	0%	-	-	

From Department to Department

Transfer from E911 to Dispatch	67,000	38,115	57%	34,101	-	
Transfer from Carlson Estate to Library	4,000	2,335	58%	2,335	-	
Transfer from Wastewater to Water	-	14,914	0%	-	-	

Total	\$ 2,194,116	\$ 1,542,397	70%	\$ 1,490,907	\$ 32,561	
Total Revenues & Transfers	\$ 15,788,410	\$ 9,728,907	62%	\$ 11,634,013	\$ (1,865,282)	

City of Dillingham

Unaudited Revenues and Expenditures As of

January 31, 2026

Data Collected on:

2/13/2026

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EXPENDITURES:

General Fund Expenditures

	<u>Budget - FY26</u>	<u>01/31/26</u>	<u>Percent</u>	<u>01/31/25</u>	<u>YTD</u>	<u>INC/(DEC)</u>
		<u>YTD</u>		<u>YTD</u>		
City Council	\$ 121,550	\$ 51,991	43%	\$ 36,548	\$ 15,443	
City Clerk	318,600	159,992	50%	171,627	(11,635)	
Administration	472,550	276,340	58%	224,257	52,084	
Finance	1,547,940	769,625	50%	753,999	15,626	
Legal	100,000	64,995	65%	70,725	(5,730)	
Insurance	375,000	181,090	48%	238,397	(57,307)	
Planning	297,000	141,971	48%	131,819	10,152	
Foreclosures	20,000	6,345	32%	6,175	170	
IT	372,500	166,762	45%	212,319	(45,556)	
Public Safety Administration	448,850	218,046	49%	189,118	28,928	
Dispatch	842,850	474,783	56%	454,577	20,206	
Patrol	1,571,700	738,445	47%	668,780	69,665	
Corrections	820,045	475,331	58%	401,206	74,125	
DMV	92,150	47,481	52%	47,467	15	
Animal Control Officer	88,350	50,957	58%	71,841	(20,884)	
K-9 Unit	2,000	0	0%	5,087	(5,087)	
Fire	604,500	319,071	53%	381,823	(62,752)	
Fire Department Donation	10,000	0	0%	1,141	(1,141)	
Public Works Administration	473,700	188,224	40%	234,540	(46,316)	
Building and Grounds	976,800	492,717	50%	510,045	(17,328)	
Shop	610,600	153,596	25%	206,292	(52,696)	
Street	626,100	191,124	31%	276,334	(85,210)	
Library	186,875	95,190	51%	135,889	(40,698)	
Grandma's House	90,900	20,893	23%	29,047		
City School	1,702,000	1,275,431	75%	1,275,434	(3)	
Transfers to Other Funds	1,787,616	1,472,197	82%	1,325,388	146,808	
Total	\$ 14,560,176	\$ 8,032,598	55%	\$ 8,059,871	\$ (19,119)	

City of Dillingham

Unaudited Revenues and Expenditures As of

January 31, 2026

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Section . Item 3.

Special Revenue Funds Expenditures

	<u>Budget - FY26</u>	<u>01/31/26</u>	<u>Percent</u>	<u>01/31/25</u>	<u>YTD</u>	<u>INC/(DEC)</u>
Water	483,400	155,897	32%	107,164	48,733	
Sewer	484,400	185,591	38%	170,534	15,058	
Landfill	936,400	443,002	47%	601,346	(158,344)	
Port - Dock	1,085,546	335,628	31%	467,524	(131,896)	
Port - Harbor	498,330	230,087	46%	180,682	49,405	
Asset Forfeiture Fund	25,000	-	0%	-	-	
E-911 Service	67,000	38,115	57%	107,153	(69,037)	
Public Safety Reward	-	-	0%	-	-	
Senior Center (Non-Grant)	279,955	153,615	55%	203,680	(50,065)	
Senior Center (Grant)	50,486	42,978	85%	40,018	2,959	
Library (Grants)	66,727	26,182	39%	21,086	5,096	
Mary Carlson Estate	6,255	3,583	57%	4,002	(419)	
Ambulance Reserve Fund	15,000	(1,000)	-7%	3,800	(4,800)	
Debt Service SRF Loans	51,011	37,650	74%	38,100	(450)	
Debt Service School Bond	1,064,750	1,014,125	95%	986,375	27,750	
Debt Service Firehall Bond	47,000	11,000	23%	11,500	(500)	
Debt Service Streets Bond	236,000	58,000	25%	60,750	(2,750)	
Equipment Replacement	111,000	2,805	0%	280,063	(277,258)	
Total	\$ 5,508,260	\$ 2,737,259	50%	\$ 3,283,777	\$ (546,518)	
	\$ 20,068,436	\$ 10,769,857	54%	\$ 11,343,648	\$ (565,637)	
Net Increase (Decrease) to Fund Balances	\$ (4,280,026)	\$ (1,040,950)		\$ 290,365	\$ (1,299,644)	

City of Dillingham

Unaudited Revenues and Expenditures As of

January 31, 2026

Data Collected on:

2/13/2026

Section . Item 3.

	<u>Budget - FY26</u>	<u>01/31/26</u>		<u>Percent</u>	<u>01/31/25</u>	
		<u>YTD</u>	<u>YTD</u>		<u>YTD</u>	<u>INC/(DEC)</u>
Grant & Bond Revenues						
SOA-Landfill Firebreak	-	-	-	0%	-	-
EPA Landfill Grant	3,882,500	-	-	0%	1,752,195	(1,752,195)
COVID - CARES & ARPA & LGLR	-	-	-		(93,719)	93,719
SRF Loan - Lagoon Aeration	-	-	-		-	
SRF Loan - Landfill	200,000	-	-	0%	-	-
State Jail Medical	-	10,469	-		-	10,469
Legislative Grant Harbor	757,500	128,987	-	17%	-	128,987
Southern Region EMS	-	-	-		-	-
SOA-DOH Grants	-	-	-		36,217	(36,217)
Curyung-Ice Machine	6,000	(767)	-	-13%	-	(767)
Snagpoint Funding	3,209,387	-	-	0%	-	-
BBEDC Intern Program	73,400	8,225	-	11%	15,412	(7,187)
BBEDC Training Reimb	-	20,894	-		4,375	16,519
BBNC Training Reimb	-	-	-		-	-
Total	\$ 8,128,787	\$ 167,809	2%		\$ 1,714,480	\$ (1,546,671)

	<u>Budget - FY26</u>	<u>01/31/26</u>		<u>Percent</u>	<u>01/31/25</u>	
		<u>YTD</u>	<u>YTD</u>		<u>YTD</u>	<u>INC/(DEC)</u>
Grant & Bond Expenditures						
SOA-Landfill Firebreak	-	-	-	0%	-	-
EPA Landfill Grant	3,882,500	-	-	0%	1,752,195	(1,752,195)
COVID - CARES & ARPA & LGLR	-	-	-		576,281	(576,281)
SRF Loan - Lagoon Aeration	-	-	-		-	
SRF Loan - Landfill	200,000	39,151	-	20%	-	39,151
State Jail Medical	-	1,390	-		-	1,390
Legislative Grant Harbor	757,500	134,566	-	18%	-	134,566
Southern Region EMS	-	-	-		-	-
SOA-DOH Grants	-	-	-		10,882	(10,882)
Curyung-Ice Machine	6,000	1,689	-	0%	2,585	(896)
Snagpoint Erosion	3,209,387	-	-	0%	-	-
BBEDC Intern Program	73,400	8,225	-	11%	15,412	(7,187)
BBEDC Training Reimb	-	20,894	-		4,375	16,519
BBNC Training Reimb	-	-	-		-	-
Total	\$ 8,128,787	\$ 205,915	3%		\$ 2,361,730	\$ (2,155,814)
	\$ -	\$ (38,106)			\$ (647,250)	\$ (3,702,485)

<u>Capital Project Funds Revenues</u>	-	-	-	-	-
Harbor Mayor Sale Revenue	-	-	-	-	-

<u>Capital Project Funds Expenditures</u>			
Public Safety Building	-	-	-
Water Improvements	-	-	-
WasteWatter Improvements	-	-	-
Snagpoint Erosion	-	-	-
Sewer Lagoon Aeration	-	-	101,006
Other Lift Station	-	-	(101,006)
Fire Dept Water Damage Repair	-	-	27,000
Landfill Closure (7150)	-	-	-
Landfill Shop Fire	-	-	-
Landfill Groundwater Well	-	-	-
Harbor cleanup	-	-	-
Total	\$ -	\$ -	0%
	\$ -	\$ -	\$ 128,006
	\$ -	\$ -	\$ (128,006)
			\$ 101,006

	Budget	Actual
General Fund Revenue	\$ 10,772,411	\$ 7,086,839
Special Fund Revenue	\$ 2,821,883	\$ 1,099,672
Transfers In	\$ 2,194,116	\$ 1,542,397
Grant and Bond Revenue	\$ 8,128,787	\$ 167,809
CIP Revenue	\$ -	\$ -
	\$ 23,917,197	\$ 9,896,716
General Fund Expenditures	\$ 14,560,176	\$ 8,032,598
Special Fund Expenditures	\$ 5,508,260	\$ 2,737,259
Grant and Bond Expenditures	\$ 8,128,787	\$ 205,915
CIP Expenditures	\$ -	\$ -
	\$ 28,197,223	\$ 10,975,772
Net Increase (Decrease) to Fund Bal	\$ (4,280,026)	\$ (1,079,056)

Mayor
Alice Ruby

Manager
Jack Savo Jr.



Dillingham City Cc

Section . Item 6.

Triston Chaney
Jean Barrett
Steven Carriere
Curt Armstrong
Kaleb Westfall
Kevin McCamby

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Anita Foran, Finance Director
Through: Jack Savo Jr, City Manager
Date: February 18, 2026
Re: Resolution 2026-07

SUMMARY: The City of Dillingham has an allowance in DMC 4.20.050 Exemptions T. Tax Cap. The selling price amount of any sale (other than the rental or lease of real or personal property or any provision of services) in excess of three thousand five hundred dollars. For purposes of this exemption the following rules apply:

1. The sales price of multiple items purchased by the same buyer from the same seller at the same time, and which are delivered on one date, shall be combined and treated as a single sale or transaction. If the buyer is purchasing a number of items for a construction, improvement, or renovation package, the sales price of the multiple items purchased at the same time as a package shall be combined even though delivery or payment for some of the items may be made at different times. A "package" is defined as an arrangement where the buyer or seller has obtained all required permits (i.e., city land use permit or other building permit), and there is a written agreement with seller identifying the total price being paid.
2. Each payment for a single item paid for on an installment basis shall be considered a separate sale with the exception that installment payments for snow machines, ATVs, boats, boat motors, and vehicles that are seller financed by a business operating within the city or by a financial institution are subject to the sales tax cap on the total amount of the sale.
3. For purposes of computing the amount of any sale or transaction, items purchased on account or on credit on different days shall not be combined and treated as a single sale or transaction.

PREVIOUS ACTION: City of Dillingham adopted this action with Ord. 18-03 § 2, 2018; Ord. 17-08 § 2, 2017.

BACKGROUND: City of Dillingham implemented this exemption to assist local businesses who are competing with Anchorage and other locations that do not have a sales tax and keep large purchases at a lower cost. The 2018 U.S. Supreme Court ruling in *South Dakota v. Wayfair*, Inc fundamentally changed online sales tax by allowing states to require remote sellers to collect sales tax without a physical presence. This ruling eliminates the initial argued benefit that initially supported the decision made in 2017.

The City of Dillingham has also entered into an agreement with AML to assist with the acquisition of sales tax from remote sellers for all Alaska communities. It has been asked of the City of Dillingham to remove the unique tax cap that is not found within other

communities of other states. In addition, this exemption creates software reporting issues for numerous vendors when reporting their monthly sales tax.

DISCUSSION: This will simplify the tax process and will make our tax process more efficient. This will also increase sales tax revenue.

ALTERNATIVES: no suggested alternative.

FINANCIAL IMPLICATIONS: This action will increase sales tax revenue.



RE: Question to share with other February 18th guests

From Becker, Chris J (DOR) <chris.becker@alaska.gov>

Date Tue 2/17/2026 8:57 AM

To Pevan, Sonya Om (CED) <sonya.pevan@alaska.gov>; director@camaichc.org <director@camaichc.org>; DLG City Clerk <cityclerk@dillinghamak.us>

Cc Smith, Jedediah R (CED) <jedediah.smith@alaska.gov>; Nelson, Dan C (CED) <dan.nelson@alaska.gov>

Good Morning,

Thank you for the questions. Concerning the Tax Division and the Fisheries Business Tax:

- The tax is levied on the first processing or unprocessed export of a fisheries resource.
- The tax depends on the type of processor and status of the fisheries resource, either established or developing, and the rates are summarized in the table below.
- For processing inside a municipality, 50% of the tax collected is shared with the incorporated city or organized borough in which the processing took place. If an incorporated city is within an organized borough, the 50% amount is shared equally between the city and the borough.
- For processing outside a municipality, 50% of the tax collected is shared through an allocation program administered by the Department of Commerce, Community and Economic Development.

Established Species	Rate	Developing Species	Rate
Floating	5%	Floating	3%
Salmon Cannery	4.5%	Shore-Based	1%
Shore-Based	3%	Direct Marketers	1%
Direct Marketers	3%		

Please let me know if I may clarify.

Warmly,

Chris Becker
Fish Tax Auditor
Tax Division
Alaska Department of Revenue
(907) 375-7722

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From: Pevan, Sonya Om (CED) <sonya.pevan@alaska.gov>

Sent: Thursday, February 12, 2026 1:42 PM

CHAPTER 3.18

FISHERIES BUSINESS TAX

§ 3.18.010. Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Borough" means the Bristol Bay Borough.

"Department" means the borough finance department.

"Filed" means the date of personal delivery to the borough or, if mailed, the date of the United States postmark.

"Fisheries business" means a person who engages in processing fisheries resources for sale by freezing, cooking, salting, or other method and includes but is not limited to canneries, cold storages, freezer ships, and processing plants.

"Fishery resource" means finfish, shellfish, and fish by-products, including but not limited to salmon, halibut, herring, flounder, crab, clam, cod, shrimp, and pollock.

"Floating fisheries business" means a fisheries business which is not a shore-based fisheries business; the term includes, but is not limited to, a shore-based fisheries business as defined in this section when it is removed from the borough.

"Person" means an individual, partnership, association, limited liability company, cooperative, corporation, or any group or combination acting as a unit.

"Processed" means heading, gutting, cleaning, filleting, canning, freezing, glazing, or otherwise preserving a fishery resource.

"Shore-based fisheries business" means a fisheries business operated from a facility which is permanently attached to the land, or operated from a facility which remains in the same location in the borough for the entire tax year.

"Taking" means pursuing, fishing, capturing, or harvesting a fisheries resource in any manner.

"Taxpayer" means a person subject to tax under Section 3.18.020 or 3.18.050 of this chapter.

"Value" means:

A. The market value of the fishery resource as determined by the prevailing price paid to fishermen for the unprocessed fishery resource of the same kind and quality by fisheries businesses in the same region or market area where the fishery resource was taken if:

1. The taking of the fishery resource is done in a boat owned or leased by a person who holds a direct marketing fisheries business license under AS 43.75.020(c); and
2. The fishery resource was sold to a buyer other than a fishery business licensed

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under AS 43.75.020(a);

- B. For fisheries resources other than those described in subsection A of this definition, the market value of the fishery resource if the taking of the fishery resource is done in company-owned or company-subsidized boats operated by employees of the company or in boats that are operated under lease to or from the company or other arrangement with the company and if the fishery resource is delivered to the company; in this subsection, "company" means a fisheries business, a subsidiary of a fisheries business, or a subsidiary of a parent company of a fisheries business; "company" does not include a direct marketing fisheries business licensed under AS 43.75.020(c); or
- C. For fishery resources other than those described in subsection A or B of this definition, the actual price paid for the fishery resource by the fisheries business to the fisherman, including, but not limited to, indirect consideration and bonus amounts paid for fuel, supplies, gear, ice, handling, tender fees, or delivery, whether paid at the time of purchase of the fishery resource or tendered as a deferred or delayed payment; in this subsection, "delivery" means:
 - 1. Transportation of the fishery resource from the boat or vessel on which the product was taken to a tender; or
 - 2. If delivery was not to a tender, transportation of the fishery resource from the boat or vessel on which the product was taken to a shore-based facility in which delivery of the fishery resource is normally accepted.

"Vessel" means all watercraft powered, rowed, towed, or otherwise propelled, which are used for taking, delivering, processing, or selling a fishery resource within the jurisdiction of the borough.

"Weight" means the poundage of a processed fishery resource.

(Ord. 2019-06 § 3(part), 2019; Ord. 2020-03 § 3, 2020)

§ 3.18.020. Tax levied on fisheries business.

- A. A person engaged in a fisheries business is liable for and shall pay the tax levied by this section on the value of each of the following fisheries resources processed during the year at the rate of one and one-half percent: fisheries resources processed by a shore-based fisheries business, fisheries resources processed by a floating fisheries business, and fisheries resources processed under a direct marketing fisheries business license.
- B. For purposes of determining the value of a fishery resource on which a tax is levied under this section, the department may establish a presumption of market value for a fishery resource in a region or market area based on a volume weighted average of market values for the fishery resource reported on returns filed under this chapter or AS 43.75.030 by fisheries businesses operating in the region or market area. A taxpayer who appeals an assessment of taxes based on a presumption of market value determined by the department under this subsection may rebut the presumption with substantial evidence of:

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1. The prevailing price paid to fishermen for the fishery resource of the same kind and quality by fisheries businesses in the same region or market area where the fishery resource was taken, if the taxpayer holds a direct marketing fisheries business license under AS 43.75.020(c) and the fishery resource on which the tax is levied is processed under that license; or
2. The true market value of the fishery resources if the taking of the fishery resource is done in a company-owned or company-subsidized boat operated by employees of a fisheries business, a subsidiary of the fisheries business, or a parent company of the fisheries business.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.030. Exemption for first fifty thousand pounds.

The first fifty thousand pounds of fishery resource processed by a taxpayer in a calendar year that would otherwise be subject to taxation under Section 3.18.020 or 3.18.050 of this chapter is exempt from such taxation.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.040. Filing return and payment of tax.

- A. A person subject to the tax shall file a return stating the value of fisheries resources processed during the license year, computed as required by this chapter, and such other information as the department prescribes by regulation. The return must show the state license number and must be signed by the taxpayer or an authorized agent. If a receiver, trustee, or assign is operating the property or business, that person shall file the return for the person. A tax due on the basis of such a return shall be collected in the same manner as if collected from the person of whose business the receiver, trustee, or assign has custody and control.
- B. The return shall be made on a calendar year basis and submitted to the department before April 1st after the close of the calendar year.
- C. The department may adopt regulations for the granting of a reasonable extension of time for filing and may grant an extension of time for filing.
- D. The tax shall be paid by April 30th after the close of the calendar year or shall be subject to the penalties under Section 3.18.120 of this chapter.
- E. Every person engaging or attempting to engage in a business for which a tax is imposed under this chapter shall keep records, make statements under oath, file returns, and comply with all regulations that the department may adopt.
- F. When the department considers it is necessary, it may require a person, by notice served upon the person, to file a return, make such statements under oath, or keep and display to it such records as it considers sufficient to show the tax for which the person is liable. If a person fails to file a return as prescribed by law or by regulation, or makes, willfully or otherwise, a false or fraudulent return, the department shall make the return from the information that it can obtain. A return

made by the department is *prima facie* good and sufficient for all legal purposes, and the taxpayer may be subject to penalties under Sections 3.18.130 and 3.18.170 of this chapter.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.050. Tax imposed on taking of fishery resource.

- A. A person taking, purchasing, or otherwise acquiring a fishery resource that has not been subject to the tax imposed in Section 3.18.020 of this chapter is subject to the tax levied in Section 3.18.020 of this chapter on the value of the fishery resource if the person:
 - 1. Transports the fishery resource to a point outside the taxing jurisdiction of the borough for subsequent processing or sale outside the taxing jurisdiction of the borough;
 - 2. Sells the fishery resource outside the taxing jurisdiction of the borough; or
 - 3. Has the fishery resource processed by a fisheries business in the borough.
- B. The rate of tax that shall be paid by a person whose liability for the tax is established by this section is the rate of tax that would have been due under Section 3.18.020 of this chapter if the fisheries business that first actually and physically processed the fish had been liable to pay the tax.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.060. Duty of taxpayer and payment of tax.

A person subject to taxes under Section 3.18.050 of this chapter shall make a return stating the value of fisheries resources taken, purchased, or otherwise acquired during the license year for sale to fisheries businesses outside of the taxing jurisdiction of the borough computed as required by Section 3.18.040 of this chapter, and other information to carry out the provisions of Section 3.18.040 of this chapter as may be prescribed by the department. The return must contain the state license number and must be signed by the taxpayer or an authorized agent, under penalty of unsworn falsification in the second degree. If a receiver, trustee, or assign is operating the property or business, that person shall make the return for the person. A tax due on the basis of such return shall be collected in the same manner as if collected from the person of whose business the receiver, trustee, or assign has custody and control. The requirements for time and place of payment of tax, and the obligation to keep records and make the records available to the department are the same as those prescribed in Section 3.18.040 of this chapter.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.070. Regulations.

The borough manager may promulgate regulations to implement and administer this chapter.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.080. Assembly to rule on application of chapter.

Should a taxpayer under this chapter be in doubt as to the application of the chapter to an actual situation facing him or about to face him, the taxpayer may apply to the assembly for a ruling on the issue.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.090. Protest of tax—Procedure.

- A. In the event a taxpayer believes all or some portion of his or her fisheries business to be exempt, the taxpayer may secure from the department a certificate of protest, which shall be filled out by the taxpayer and delivered to the department with the amount of the disputed tax.
- B. The certificate shall show the respective names and addresses of the taxpayer, the nature of the claim of exemption, and such other information as may be prescribed by the department.
- C. The certificate of protest shall be delivered to the department within ten days prior to the date of the regularly called meeting of the assembly.
- D. The taxpayer shall be advised in writing of the date the protest will be heard.
- E. At the date of the next regularly called meeting of the assembly a public hearing will be held with an opportunity for the taxpayer and the department to be heard. If the taxpayer filing the certificate of protest fails to appear at the public hearing scheduled to hear that protest, the protest is deemed denied, and no further action on the protest will be taken by the assembly.
- F. No later than sixty days after receipt by the borough of the certificate of protest, the assembly will rule on the protest and send to the taxpayer a notice that his or her claim has been allowed or disallowed. If the claim has been allowed, a refund, with six percent annual interest from the date of receipt of tax moneys, shall be remitted with the notification. The decision of the assembly shall be rendered in writing and shall be final, subject to judicial review.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.100. Returns and information declared confidential—Exceptions.

Returns filed with the borough for the purpose of complying with the terms of this chapter and all data obtained from such returns are confidential, and such returns, and data obtained therefrom, shall be kept from inspection by all private persons, except as necessary to investigate and prosecute violations of this chapter.

Nothing contained in this section shall be construed to prohibit the delivery to a person, or his duly authorized representative, of a copy of any return or report filed by him, nor to prohibit the publication of statistics so classified as to prevent the identification of particular taxpayers, nor to prohibit the furnishing of information on a reciprocal basis to other agencies of the state or the United States concerned with the enforcement of tax laws.

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(Ord. 2019-06 § 3(part), 2019)

§ 3.18.110. Investigations and hearings authorized.

For the purpose of ascertaining the correctness of return, the assembly may hold investigations and hearings concerning any matters covered by this chapter, and may examine any relevant books, papers, records, or memoranda of any taxpayer and may require the attendance of any taxpayer, or any officer or employee of the taxpayer, at the hearing. The assembly may engage the professional services of an accountant or auditor to assist in the determination of the correctness of the returns.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.120. Failure to timely file a return.

A taxpayer who fails to file a return by the due date as required by this chapter, or who fails to remit taxes due by the due date, is subject to an initial penalty of ten percent of the tax due and an additional penalty of five percent per month.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.130. Falsification or misrepresentation of records—Penalties.

Falsification, unless demonstrated to be unwillful, or misrepresentation of any record required hereunder, subjects the person making such falsification or misrepresentation to a penalty two times the amount of any tax due or lost because of such falsification or misrepresentation.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.140. Refusal to allow inspection—Penalty.

The failure of a taxpayer to allow the inspection, at reasonable times, of records required to be kept by this chapter subjects the taxpayer to a penalty of three times the amount of any deficiency found or estimated to have occurred by the borough in the tax accounting of the taxpayer, if confirmed by an independent audit provided by the taxpayer.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.150. Maintenance of suits.

Nothing in Sections 3.18.120 through 3.18.140 of this chapter shall prevent the borough from filing and maintaining an action to collect any taxes due or which should have been collected in addition to any penalty assessed.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.160. Lien created.

The tax as imposed by this chapter together with all penalties and interest, and administrative and legal costs incurred, shall constitute a lien in favor of the borough upon all the taxpayer's real and personal property. The lien arises upon delinquency, and continues until the liability for the amount is satisfied or the property is sold at a foreclosure sale. The lien has a priority as allowed by AS 29.45.650(e). The lien is not

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valid until notice of the lien is filed in the office of the recorder for the district in which the property is located.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.170. Criminal acts designated—Penalties.

A. Each of the following acts, unless determined to be unintentional, constitutes a misdemeanor, and is punishable by imprisonment for up to thirty days, and by a fine of up to three hundred dollars, in addition to any civil penalty assessed:

1. Failure to file a return or failure to remit taxes due;
2. Falsification or misrepresentation of any record filed with the borough or required to be kept according to this chapter, if used to mislead borough tax authorities.

B. Each act listed in this section constitutes a separate offense and each day constitutes a separate offense for continuing crimes of omission or concealment.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.180. Sunset provision.

Unless renewed by the assembly, the provisions of Sections 3.18.010 through 3.18.180 of this chapter shall expire on April 30, 2026.

(Ord. 2019-06 § 3(part), 2019)

§ 3.18.300. Liability for tax.

A. A fisheries business in the borough shall file the return and pay the tax imposed by Section 3.18.020 of this chapter.

B. As described in Section 3.18.050 of this chapter, a person taking, purchasing, or otherwise acquiring a fishery resource that has not been taxed under Section 3.18.020 of this chapter shall file the return and pay the tax imposed by Section 3.18.050 of this chapter.

C. The tax imposed under Section 3.18.020 of this chapter does not apply to a fishery resource that becomes subject to tax under Section 3.18.050 of this chapter. The provisions of Section 3.18.020 of this chapter control and take precedence if a fishery resource, or the value of the fishery resource, is subject to both Sections 3.18.020 and 3.18.050 of this chapter.

D. The tax imposed under Section 3.18.020 of this chapter applies to a fishery resource that is first processed in the borough without regard to the final destination of the fishery resource.

(Ord. 2020-03 § 3, 2020)

§ 3.18.310. Return, payment and required information for tax under Section 3.18.020 of this chapter.

- A. Using the form provided by the department, a person subject to the fisheries business tax shall file a single return for all fisheries resources processed in the borough by a shore-based fisheries business, a floating fisheries business, or a direct marketing fisheries business licensed during the calendar tax year under Section 3.18.040 of this chapter. The return must specify each type of fisheries business processing in which the taxpayer engaged, the type of fishery resource processed, and all locations, including physical address if applicable, at which fishery resources were processed in the borough.
- B. On the form, a person shall state the following information:
 1. The name of the person subject to the tax that is filing the return;
 2. The person's mailing address and physical address, if different;
 3. The person's federal employer identification number (EIN) or social security number (SSN);
 4. The calendar year covered by the return;
 5. The precise locations in the borough, such as cannery, cold storage, vessel, or processing plant, where fishery resources were processed, including a specification by weight and species of the fisheries resource processed at each location;
 6. For a fisheries business that operates from a freezer ship or other floating vessel, the name of the vessel, the date of arrival of the vessel in Alaska and in the borough, subsequent movement of the vessel from one location to another, the reason for the movement, and the date of departure of the vessel from the borough and Alaska for any reason;
 7. The person's Alaska fisheries business license number or Alaska business license number;
 8. The value of the processed fishery resources as calculated under Section 3.18.010 of this chapter;
 9. The amount of tax liabilities, payments, and exemption;
 10. A sworn statement, subject to penalties for perjury, that the information provided is true and accurate; and
 11. Other material required on the form.

(Ord. 2020-03 § 3, 2020)

§ 3.18.320. Return, payment and required information for tax under Section 3.18.050 of this chapter.

- A. Using the form provided by the department, a person subject to the fisheries business tax under the provisions of Section 3.18.050 of this chapter shall file a single return for the payment of taxes levied under that section during the calendar

tax year under Section 3.18.040 of this chapter. The return must specify the means of transporting the fishery resource outside the taxing jurisdiction of the borough, including the name of the vessel if applicable; to whom the fishery resource was sold, including name, address, and EIN or SSN of buyer; or the name of the fisheries business in the borough that processed the fishery resource, including address and EIN or SSN of the fisheries business. A copy of an invoice or receipt for each transaction must be submitted with a return required by this section.

B. On the form, a person shall state the following information:

1. The name of the person subject to the tax that is filing the return;
2. The person's mailing address and physical address, if different;
3. The person's federal EIN or SSN;
4. The calendar year covered by the return;
5. The precise locations in the borough, such as cannery, cold storage, vessel, or processing plant, where fishery resources were sent to be processed, including a specification by weight and species of the fisheries resource processed at each location and an invoice or receipt of each transaction;
6. For fisheries resources that are transported for processing or sale outside the borough's taxing jurisdiction, the identity of the means of transporting the fisheries resources, including the name of the vessel, if applicable; the species and weight of each fisheries resources being transported; and an invoice or receipt for each such transaction;
7. For sales of a fishery resource outside the borough's taxing jurisdiction, the name, address, and EIN or SSN of the person or business to whom the sale is made; the species and weight of each fisheries resources sold; and an invoice or receipt for each such transaction;
8. The taxpayer's Alaska fisheries business license number or Alaska business license number;
9. The value of the processed fishery resources as calculated under Section 3.18.010 of this chapter;
10. The amount of tax liabilities, payments, and exemption;
11. A sworn statement, subject to penalties for perjury, that the information provided is true and accurate; and
12. Other material required on the form.

(Ord. 2020-03 § 3, 2020)

§ 3.18.330. Request for extension of time to file return.

A. Upon a showing of good cause beyond the control of the requester, the department

may grant reasonable extensions of time for the filing of the return from the due date. The extensions may not exceed ninety days in total.

- B. A request for an extension of time to file the return must be in writing, contain a full statement of the reasons supporting the request, and be received by the department no earlier than April 1st after the close of the tax year and no later than ten calendar days before the date the return is due, including extensions.
- C. If an extension of time for filing the return is granted, the return must be filed before the expiration of the period of the extension. A return filed after the period of the extension voids all extensions under this section.
- D. If an extension of time for filing the return is denied, the return must be filed by the later of:
 - 1. Ten calendar days after the date the notice of denial is mailed by the department; or
 - 2. The April 30th due date.

(Ord. 2020-03 § 3, 2020)

§ 3.18.340. Statement of value and records.

- A. The department may require a person, other than a fisheries business, who contracts with the fisheries business for fisheries resource processing, to furnish the department with a statement of value for the resource processed by that person. The statement of value must report the species of fisheries resources processed, the total pounds of each species, and the actual value by species, as determined in accordance with AS 43.75.290.
- B. The records of the fisheries business shall be open to audit by the department for purposes of verifying the values reported under subsection A of this section. The records of a person other than a fisheries business who furnishes a statement of value under subsection A of this section shall be subject to the same statute of limitations as the records of a fisheries business.

(Ord. 2020-03 § 3, 2020)

§ 3.18.350. Penalties.

A penalty assessed against a taxpayer under Sections 3.18.120 through 3.18.140 of this chapter must be paid by the taxpayer to the borough within sixty days of the date assessed unless the department determines that good cause exists to extend that deadline for a thirty-day period of time.

(Ord. 2020-03 § 3, 2020)