



## **FINANCE AND BUDGET COMMITTEE**

Thursday, February 24, 2022 at 5:30 PM

### **AGENDA**

*In compliance with the Americans with Disabilities Act, individuals needing special accommodations / during this meeting should notify the City of Dillingham at 907-842-5212 at least three working days before the meeting.*

#### **MEETING INFORMATION**

##### **FINANCE & BUDGET COMMITTEE MEETING CITY HALL COUNCIL CHAMBERS**

*Limited Seating Available - Masks Required*  
141 Main Street, Dillingham, AK 99576 (907) 842-5212

This meeting will also be available at the following online location:  
<https://us02web.zoom.us/j/85489094466?pwd=UnJZdzhWalRoTlo1TS83cjlxR3hMdz09>  
Meeting ID: 854 8909 4466; participant #; passcode: 100112  
or dial (346) 248-7799; or (669) 900-6833

#### **CALL TO ORDER**

#### **ROLL CALL**

#### **APPROVAL OF MINUTES**

- [1.](#) Minutes of January 17, 2022; Finance & Budget Committee Meeting

#### **APPROVAL OF AGENDA**

#### **STAFF REPORTS**

- [2.](#) Staff Report

#### **COMMITTEE BUSINESS**

- [3.](#) Marijuana Excise Tax Ordinance Draft
- [4.](#) Seafood Processing Excise Tax Ordinance Draft
- [5.](#) FY22 Budget Revision No. 2

#### **PUBLIC/COMMITTEE COMMENT(S)**

#### **ADJOURNMENT**



## FINANCE AND BUDGET COMMITTEE

Monday, January 17, 2022 at 5:30 PM

### MINUTES

#### CALL TO ORDER

The Finance and Budget Committee met on Monday, January 17, 2022, in the City Council Chambers, Dillingham, AK, and via Zoom video conference call. Curt Armstrong called the meeting to order at 5:35 p.m.

#### ROLL CALL

Committee members present and establishing a quorum (a quorum being four):

Alice Ruby	Mark Lynch	Curt Armstrong
Perry Abrams	Anita Fuller	

#### APPROVAL OF MINUTES

- Minutes of December 20, 2021, Finance & Budget Committee Meeting

MOTION: Alice Ruby moved and Perry Abrams seconded the motion to approve the minutes of December 20, 2021.

VOTING: the motion to approve the minutes passed by unanimous consent.

#### APPROVAL OF AGENDA

MOTION: Alice Ruby moved and Perry Abrams seconded the motion to approve the agenda.

VOTING: the motion to approve the agenda passed by unanimous consent.

#### STAFF REPORTS

- Staff Report

- Account Tech III position vacated.
- Staff from Carmen Jackson’s firm on site next week. They will be working on completion of audit items.
- FY22 Budget Amendment No. 2 is in process.
- Funds to offset balance for emergency communication system to be explored.

#### NEW BUSINESS

- Revenue Options

Marijuana  
DMC Exemptions  
Fish Tax

- Marijuana: It has been determined the most efficient way to increase taxation on marijuana is a wholesale excise tax (THC containing products), similar to tobacco. Taxation on importing a product not a sale of product. Vendor education will be necessary. 8 – 12% excise tax was discussed. Requested forms be easy to use. Waste and shrinkage, rather

than returns are dealt within the industry. Concerns about increased prices and the black market were expressed. Both local marijuana vendors will be contacted.

MOTION: Alice Ruby moved and Perry Abrams seconded the motion that staff draft an ordinance for the next meeting based on estimated 10%, brought back to the committee for review.

VOTING: the motion passed by unanimous consent.

- Fish Tax: 4.2% average from communities researched. 4% processor tax, implemented as an excise tax, recommended by the City Manager. Dillingham does have a tax for raw fish in code approved by voters. Language can be updated to incorporate SCOTUS Wayfair decision. A flat excise tax could also be considered.

MOTION: Perry Abrams moved and Alice Ruby seconded the motion that staff draft an ordinance for the next meeting to implement an excise fish tax at 4% brought back to the committee for review.

VOTING: the motion passed by unanimous consent.

- DMC Exemptions: there is nothing new to report.

**PUBLIC/COMMITTEE COMMENT(S)**

- Committee was thanked for their time and effort.
- Excise tax was noted as a good direction to move forward.
- Public was thanked for their attendance and participation.

**ADJOURNMENT**

The meeting adjourned at 6:57 p.m.

\_\_\_\_\_  
Neil C. Armstrong, Chair

ATTEST:

\_\_\_\_\_  
Lori Goodell, City Clerk

Approved: \_\_\_\_\_



## MEMORANDUM

**DATE:** January 21, 2021  
**TO:** City Manager  
**FROM:** Anita Fuller, Finance Director  
**SUBJECT:** Staff Report

### STAFF REPORT

- FY21 audit update
- Department staffing
- Asset lists
- Collections
- Grants
- Budget
- Revenue and Expense review for January 2022

#### **FY21 Audit Update:**

Auditors were on site week of 10/26/2021. Finance department with support of Carmen Jackson firm is working on the final pending list contact with auditors.

#### **Department staffing:**

Account Tech III – Taxes/Collection: Position became Vacant 01/07/2022

Account Tech IV – Cameron Malstrom hired for remote support at 14 hours per week.

#### **Asset List**

On hold until audit is completed –. Will provide with FY23 Budget.

#### **Collections**

Foreclosure listing for 2018 Action have passed the period of redemption (5 properties at \$23,540).

Foreclosure listing for 2019 Action have passed the period of redemption (12 properties at \$18,081).

Foreclosure notice date 02/15/2022 for potential 2022 Action have been mailed. (81 properties at \$235,459). Foreclosure list will be provided at March F&B meeting for review then provided to April Council meeting before public notice is made.

#### **Grants**

NTS & NSIP reporting is completed for Q1 & Q2

Notice of Award for LGLR grant has been received in the amount of \$2,786,321.10. Funds must be obligated by 12/31/2024 and expended 06/30/2026. Grant agreement is in process.

### Revenue and Expense for January 2022 –

Information provided for percentages below 43% or above 73%

#### General Fund Revenues

- All taxes are reported 1 month behind. 50% is an expected range.
- Transient Lodging is above expected a77% and continues to stay high.
- Real property tax is recognized at 100%; however 89% has been collected. On average as last year.
- Personal property tax is recognized at 100%; 91% has been collected. Collection letters have been sent out on all delinquent 2019-2021 real property taxes.
- Property tax penalty and interest is at 112%; which exceeds entire year budget expectation.
- Telephone tax and Raw Fish tax is collected at the end of the year.
- Shared Fisheries tax received COVID Funds increase will be reflected in budget revision.
- Community Sharing has been received and is above expected amount by 12%
- PILT has come in above expected by 3%
- Jail contract revenue is delayed pending quarterly report review.
- Ambulance fees remain below expected average at 13%. All reports have been filed and waiting on insurance payments to be processed.
- Lease & Rental Income matches the rate of income at FY21. Will receive \$22K in June for an annual lease payment
- PERS Forfeiture funds have been mostly expended, funding is reduced from FY21. This will require a budget amendment.

#### Special Revenues & Other Funds Revenue

- Dock revenue for the season has been entered. Rate is as expected budgeted.
- Harbor revenue is normal as most revenue is collected at the end of the fiscal year.
- Asset Forfeiture Fund revenue is in recovery from negative investment balances.
- Senior Center grant reporting is completed. Revenue is in process.
- Senior Center non-grant revenue is below expected. Continued COVID precautions is reducing potential revenue.
- Debt Services – Bond investment entry seen on last report was determined to be for FY21. Budget revision may be needed pending a possible reimbursement from the state that was unexpected.
- Debt service revenue for the school bond was not budgeted and will require a budget revision.
- Equipment Replacement Insurance – budget revision required, insurance replacement of equipment
- Mary Carlson Estate investment income is still in recovery and has a negative balance.

#### Transfers

- Landfill – Transfers reduced building and landfill fire expenses moved to capital project funding.
- Ambulance Reserve – Transfer is based on 10% of ambulance fees received – reduced revenue results in a reduced transfer.
- Equipment replacement – No purchase has been made at this time.
- Capital projects – Expenditures projected for later in fiscal year.
- Debt Services – Transfers are as expected.

- Port to Harbor – Transfer need is higher than expected due to revenue being low at 28%.

#### General Fund Expenditures

- Council – Lobbyist has been hired and current budget will meet the council's contract.
- Clerk – Contract funds are scheduled to be spent in spring.
- Administration – funds not spent on new city manager contract yet, grant writer contract of \$50,000 has not been spent.
- Legal – Legal needs will increase and expect to catch up in spring.
- Non-Departmental – Audit is delayed resulting in expenditures are delayed.
- Foreclosure – Foreclosure actions are ready to move forward.
- IT – Expenditures will continue to increase as projects continue.
- Fire Department – Open staff position in first quarter has reduced expenditures.
- Fire Department checking – No expenditures at this time.
- EOC – No employees as budgeted; anticipate budget amendment.
- Public Works Administration – No PW Admin for a most of the year and PW Director shared with Port has reduced expenditures.
- City School – payment already made for 3<sup>rd</sup> quarter.

#### Special Revenues & Other Funds Expenditures

- Asset Forfeiture funds – budget exceeded for copier purchase.
- Debt Services SRF Loans – payments have not started. Contact is being made to the state to verify status.
- Debt Services for bonds are as scheduled.
- Equipment replacement – Admin vehicle and landfill fire equipment replacement.

#### Grant and Bond Revenues/Expenditures

- COVID CARES – Emergency Communication equipment replacement completed
- COVID ARPA – Funds increased from original budget by \$246,933. Expenditures to be paid by 06/30/2022 and will be matched to public safety wages. This will assist it reducing the budget deficit.
- BBEDC Inter program is mainly funded for spring and summer months.
- FireHall – Need to add revenue from insurance proceeds and increase expenditures to meet repair from firehall water damage.

#### Capital Project Revenues/Expenditures

- Insurance Proceeds– Reduced to share with equipment replacement from landfill fire. Funds will be kept in reserve until project begins.
- Capital projects not started.

### Budget

#### FY23 Budget Outline

- December and January – Meet with departments.
- February – Outline Finance and Budget Committee meeting.
- April 4, 2022 Introduce FY23 Ordinance to City Council.
- May 5, 2022 Adopt FY23 Ordinance by City Council.

#### Proposed Budget Revision #2 (moved another month)

- December – Meet with departments.

- February – Finance and Budget committee review.
- March 3, 2022 Introduce FY22 Budget Amend #2 to City Council.
- April 7, 2022 Adopt FY22 Budget Amend #2 by City Council.

Revenue

Sales Tax .....	+500,000
Revenue is increasing over last year’s activity and business activity is improving	
Remote Sales Tax .....	-250,000
Revenue is not gaining the expected amounts	
Transient Lodging Tax .....	+40,000
Revenue is improving	
Tobacco Tax .....	-30,000
Revenue is trending low	
Property Tax P&I .....	+12,000
Current revenue over budget plus additional interest for rest of year	
Increased Shared Fisheries .....	+297,264
COVID relief funding has allowed communities to receive lost revenue support.	
Community Sharing .....	+8,000
Revenue already received higher than expected	
Payment in Lieu of Taxes .....	+13,000
Revenue already received higher than expected	
SOA MOA COVID support advertising .....	+102,574
Agreement made 05/2021 not reflected in budget. Will offset expenses in EOC advertising budget.	
Ambulance Fees .....	-20,000
Revenue is reduced. Result of incomplete reports.	
Administrative Overhead .....	+7,200
Motor Vehicle Tax .....	-5,000
Revenue is trending low	
Investment Income .....	-6,000
Revenue continues to trend low	
ARPA Amendment .....	+246,933
Increased recovery by \$493,864.78. Half paid in FY22 and half in FY23.	
SOA Bond Reimbursement .....	+237,125
FY2022 Projected state program allocations based on enacted budget.	
Equipment Replacement Transfer .....	+45,000
Transfer in original budget but omitted in error with budget amendment #1 of \$35,000 Action Memorandum 2022-01 increased amount by \$10,000.	
BBEDC Pass Through .....	+6,000
Arctic Tern program for pumpkin patch.	

Transfer

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Remove transfer of WasteWater Fund to Water Fund ..... -19,731  
Use fund balance to offset expense.

Appropriations

Finance Overtime ..... +4,000  
Extra overtime to support staffing demands

Dispatch Contra Wages ..... -150,000  
Will be covered by ARPA Funding

Patrol Contra Wages ..... -231,775  
Will be covered by ARPA Funding

Corrections Contra Wages ..... -150,000  
Will be covered by ARPA Funding

COVID Advertising ..... +96,574  
Revenue is not gaining the expected amounts

Equipment Replacement of Admin Vehicle.....+10,000  
Action Memorandum 2022-01 increased amount by \$10,000.

Resolution 2021-19 Outfall Pipe.....+72,300  
Increase Wastewater Contract line item

Action Memorandum 2020-10 Emergency Communications System .....+94,587  
\$750,000 - Original Contract  
\$182,629 - CARES funding spent in FY21  
\$472,784 - Remaining CARES grant funds  
\$ 94,587 – Balance to be paid by General

BBEDC Pass Through .....+6,000  
Arctic Tern program for pumpkin patch

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**Appendix 1: Expenditure Categories**

The Expenditure Categories (EC) listed below must be used to categorize each project as noted in Part 2 above. The term "Expenditure Category" refers to the detailed level (e.g., 1.1 COVID-10 Vaccination). When referred to at the summary level (e.g., EC 1) it includes all Expenditure Categories within that summary level.

<b>1: Public Health</b>	
1.1	COVID-19 Vaccination ^
1.2	COVID-19 Testing ^
1.3	COVID-19 Contact Tracing
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*
1.5	Personal Protective Equipment
1.6	Medical Expenses (including Alternative Care Facilities)
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19
1.10	Mental Health Services*
1.11	Substance Use Services*
1.12	Other Public Health Services
<b>2: Negative Economic Impacts</b>	
2.1	Household Assistance: Food Programs* ^
2.2	Household Assistance: Rent, Mortgage, and Utility Aid* ^
2.3	Household Assistance: Cash Transfers* ^
2.4	Household Assistance: Internet Access Programs* ^
2.5	Household Assistance: Eviction Prevention* ^
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers*
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)* ^
2.8	Contributions to UI Trust Funds
2.9	Small Business Economic Assistance (General)* ^
2.10	Aid to Nonprofit Organizations*
2.11	Aid to Tourism, Travel, or Hospitality
2.12	Aid to Other Impacted Industries
2.13	Other Economic Support* ^
2.14	Rehiring Public Sector Staff
<b>3: Services to Disproportionately Impacted Communities</b>	
3.1	Education Assistance: Early Learning* ^
3.2	Education Assistance: Aid to High-Poverty Districts ^
3.3	Education Assistance: Academic Services* ^
3.4	Education Assistance: Social, Emotional, and Mental Health Services* ^
3.5	Education Assistance: Other* ^
3.6	Healthy Childhood Environments: Child Care* ^
3.7	Healthy Childhood Environments: Home Visiting* ^
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System* ^



3.9	Healthy Childhood Environments: Other* ^
3.10	Housing Support: Affordable Housing* ^
3.11	Housing Support: Services for Unhoused Persons* ^
3.12	Housing Support: Other Housing Assistance* ^
3.13	Social Determinants of Health: Other* ^
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators* ^
3.15	Social Determinants of Health: Lead Remediation ^
3.16	Social Determinants of Health: Community Violence Interventions* ^
<b>4: Premium Pay</b>	
4.1	Public Sector Employees
4.2	Private Sector: Grants to Other Employers
<b>5: Infrastructure<sup>27</sup></b>	
5.1	Clean Water: Centralized Wastewater Treatment
5.2	Clean Water: Centralized Wastewater Collection and Conveyance
5.3	Clean Water: Decentralized Wastewater
5.4	Clean Water: Combined Sewer Overflows
5.5	Clean Water: Other Sewer Infrastructure
5.6	Clean Water: Stormwater
5.7	Clean Water: Energy Conservation
5.8	Clean Water: Water Conservation
5.9	Clean Water: Nonpoint Source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & Distribution
5.12	Drinking water: Transmission & Distribution: Lead Remediation
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure
5.16	Broadband: "Last Mile" projects
5.17	Broadband: Other projects
<b>6: Revenue Replacement</b>	
6.1	Provision of Government Services
<b>7: Administrative</b>	
7.1	Administrative Expenses
7.2	Evaluation and Data Analysis
7.3	Transfers to Other Units of Government
7.4	Transfers to Non-entitlement Units (States and territories only)

\*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions (see Use of Evidence section above for details)

^Denotes areas where recipients must report on whether projects are primarily serving disadvantaged communities (see Project Demographic Distribution section above for details)

<sup>27</sup> Definitions for water and sewer Expenditure Categories can be found in the EPA's handbooks. For "clean water" expenditure category definitions, please see: <https://www.epa.gov/sites/production/files/2018-03/documents/cwdefinitions.pdf>. For "drinking water" expenditure category definitions, please see: <https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-national-information-management-system-reports>.

	<u>Budget - FY21</u>	<u>01/31/22</u> YTD	<u>Percent</u>	<u>01/31/21</u> YTD	<u>INC/(DEC)</u>
<b>General Fund Revenues</b>					
General Sales Tax	\$ 2,500,000	\$ 1,701,816	72%	\$ 1,569,432	\$ 132,384
General Sales Tax - Remote	500,000	89,334	44%	83,643	
Alcohol Sales Tax	260,000	132,036	51%	134,119	(2,082)
Alcohol Sales Tax - Remote	-	89		-	89
Transient Lodging Sales Tax	85,000	65,344	77%	44,562	20,783
Gaming Sales Tax	65,000	37,429	58%	30,645	6,784
Tobacco Excise Tax	370,000	173,230	47%	189,237	(16,007)
Penalty & Interest - Sales Tax	20,000	11,217	56%	13,160	(1,943)
<b>Total Sales Tax</b>	<b>3,800,000</b>	<b>2,210,495</b>	<b>58%</b>	<b>2,064,798</b>	<b>140,007</b>
Real Property Tax	2,084,565	2,078,512	100%	2,129,671	(51,159)
Personal Property Tax	479,356	477,738	100%	508,047	(30,309)
Penalty & Interest - Property Tax	65,000	72,617	112%	62,426	10,191
<b>Total Property Taxes</b>	<b>2,628,921</b>	<b>2,628,867</b>	<b>100%</b>	<b>2,700,144</b>	<b>(71,277)</b>
Telephone Gross Receipts State Tax	65,000	-	0%	65,065	(65,065)
Shared Fisheries	475,000	772,264	163%	474,820	297,445
Raw Fish Tax	9,000	-	0%	-	-
Community Sharing	75,700	84,575	112%	75,783	8,793
Payment in Lieu of Taxes (PILT)	460,000	473,299	103%	484,326	(11,027)
State Jail Contract	535,367	267,684	50%	272,684	(5,000)
Ambulance Fees	55,000	7,173	13%	17,341	(10,168)
Lease & Rental Income	35,000	8,470	24%	8,400	70
Admin Overhead	220,625	132,909	60%	102,798	30,112
PERS on Behalf	231,326	120,821	52%	138,686	(17,865)
PERS Forfeiture Fund	67,033	12,316	18%	58,380	(46,064)
Other Revenues	202,200	90,351	45%	100,475	(10,124)
<b>Total</b>	<b>2,431,251</b>	<b>1,969,861</b>	<b>81%</b>	<b>1,798,756</b>	<b>171,106</b>
<b>Total</b>	<b>\$ 8,860,172</b>	<b>\$ 6,809,224</b>	<b>77%</b>	<b>\$ 6,563,698</b>	<b>\$ 239,835</b>
<b>Special Revenue &amp; Other Funds Revenue</b>					
Water	233,224	137,041	59%	131,425	5,616
Sewer	464,124	283,762	61%	277,726	6,036
Landfill	295,429	178,059	60%	201,681	(23,622)
Port - Dock	735,042	492,909	67%	544,858	(51,950)
Port - Harbor	170,580	46,989	28%	46,909	80
Asset Forfeiture Fund	2,000	0	0%	17	(17)
E-911 Service	65,000	39,043	60%	28,989	10,055
Senior Center (Non-Grant)	54,746	20,993	38%	18,504	2,488
Senior Center (Grant)	131,000	33,482	26%	73,479	(39,997)
Library (Grants)	100,379	57,512	57%	47,058	10,455
Debt Service	30,000	237,125	790%	53,742	183,383
Equipment Replacement Insurance	-	13,943		-	13,943

City of Dillingham  
 Unaudited Revenues and Expenditures As of January 31, 2022

Data Collected on 2/3/20  
 Section . Item 2.

	<u>Budget - FY21</u>	<u>01/31/22</u> <u>YTD</u>	<u>Percent</u>	<u>01/31/21</u> <u>YTD</u>	<u>INC/(DEC)</u>
Mary Carlson Estate	4,000	(1,601)	-40%	3,405	(5,006)
<b>Total</b>	<b>\$ 2,285,524</b>	<b>\$ 1,539,257</b>	<b>67%</b>	<b>\$ 1,427,792</b>	<b>\$ 111,465</b>
<b>Transfers</b>			18,081		
<i>From General Fund to Other Funds</i>					
Water	19,731	-	0%	-	-
Landfill	481,367	174,510	36%	38,652	135,859
Senior Center	167,689	82,544	49%	79,231	3,313
Ambulance Reserve	49,500	717	1%	-	717
Equipment Replacement	-	42,720		-	42,720
Capital Projects	140,981	5,201	4%	372,703	(367,502)
Debt Service SRF Loans	47,400	-	0%	-	-
Debt Service School Bond	1,066,250	691,250	65%	854,433	(163,183)
Debt Service Firehall Bond	46,000	13,000	28%	13,500	(500)
Debt Service Streets Bond	206,750	68,375	33%	70,750	(2,375)
<i>From Dock Fund to Harbor Funds</i>					
Port - Harbor	70,942	86,117	121%	64,040	22,077
Port - Harbor - Ice Machine	-	-	0%	-	-
Port - Harbor - Bathhouse	14,000	9,992	71%	6,927	3,065
<i>From Department to Department</i>					
Transfer from E911	55,468	29,427	53%	-	29,427
<b>Total</b>	<b>\$ 2,366,078</b>	<b>\$ 1,203,854</b>	<b>51%</b>	<b>\$ 1,500,236</b>	<b>\$ (296,382)</b>
<b>Total Revenues &amp; Transfers</b>	<b>\$ 13,511,774</b>	<b>\$ 9,552,334</b>	<b>71%</b>	<b>\$ 9,491,726</b>	<b>\$ 54,918</b>

**City of Dillingham**  
**Unaudited Revenues and Expenditures As of January 31, 2022**

Data Collected on: 2/3/20 Section . Item 2.

	<u>Budget - FY21</u>	<u>01/31/22</u> YTD	<u>Percent</u>	<u>01/31/21</u> YTD	<u>INC/(DEC)</u>
<b>EXPENDITURES:</b>					
<b>General Fund Expenditures</b>					
City Council	\$ 45,330	\$ 5,995	13%	\$ 19,956	\$ (13,961)
City Clerk	175,228	67,904	39%	62,821	5,084
Administration	497,280	199,647	40%	169,088	30,559
Finance	758,498	407,143	54%	341,888	65,255
Legal	60,000	18,265	30%	9,622	8,644
Insurance	262,000	148,838	57%	155,432	(6,594)
Non-Departmental	118,800	42,174	35%	63,387	(21,214)
Planning	274,666	114,586	42%	114,610	(24)
Foreclosures	6,000	380	6%	1,873	(1,493)
IT	260,969	94,475	36%	48,068	46,407
Meeting Hall above Fire Station	800	373	47%	420	(48)
Public Safety Administration	202,644	109,879	54%	70,084	39,795
Dispatch	554,688	294,276	53%	210,284	83,992
Patrol	1,044,686	508,848	49%	332,019	176,829
Corrections	715,440	330,262	46%	322,466	7,796
DMV	55,797	29,505	53%	29,471	35
Animal Control Officer	113,140	59,730	53%	60,141	(411)
Fire	370,877	99,414	27%	102,175	(2,761)
Fire Department Donation	15,000	0	0%	105	(105)
EOC	52,107	16,674	32%	6,327	10,348
Public Works Administration	399,294	63,198	16%	102,600	(39,402)
Building and Grounds	312,217	145,258	47%	129,761	15,497
Shop	579,165	297,583	51%	279,577	18,007
Street	476,673	273,371	57%	271,587	1,785
Library	155,802	80,207	51%	69,014	11,193
City School	1,300,000	975,000	75%	975,000	-
Transfers to Other Funds	2,225,668	1,078,318	48%	1,429,269	(350,951)
<b>Total</b>	<b>\$ 11,032,769</b>	<b>\$ 5,461,303</b>	<b>50%</b>	<b>\$ 5,377,044</b>	<b>\$ 84,259</b>

	<u>Budget - FY21</u>	<u>01/31/22</u> YTD	<u>Percent</u>	<u>01/31/21</u> YTD	<u>INC/(DEC)</u>
<b><u>Special Revenue Funds Expenditures</u></b>					
Water	252,955	130,900	52%	121,383	9,517
Sewer	291,200	210,169	72%	117,263	92,906
Landfill	776,796	354,910	46%	278,587	76,323
Port - Dock	735,042	455,919	62%	469,539	(13,619)
Port - Harbor	255,522	144,803	57%	124,378	20,425
Asset Forfeiture Fund	5,000	5,880	118%	-	5,880
E-911 Service	55,468	29,427	53%	-	29,427
Senior Center (Non-Grant)	213,981	102,650	48%	107,936	(5,286)
Senior Center (Grant)	139,454	75,403	54%	95,516	(20,112)
Library (Grants)	100,379	47,803	48%	51,962	(4,158)
Mary Carlson Estate	2,146	1,248	58%	1,336	(89)
Ambulance Reserve Fund	20,000	9,600	48%	261,715	(252,115)
Debt Service SRF Loans	47,400	-	0%	-	-
Debt Service School Bond	1,066,250	928,375	87%	908,175	20,200
Debt Service Firehall Bond	46,000	13,000	28%	13,500	(500)
Debt Service Streets Bond	236,750	68,375	29%	70,750	(2,375)
Equipment Replacement	35,000	56,663	162%	344	56,319
<b>Total</b>	<b>\$ 4,279,343</b>	<b>\$ 2,635,126</b>	<b>62%</b>	<b>\$ 2,622,383</b>	<b>\$ 12,743</b>
	<b>\$ 15,312,112</b>	<b>\$ 8,096,429</b>	<b>53%</b>	<b>\$ 7,999,427</b>	<b>\$ 97,002</b>
<b>Net Increase (Decrease) to Fund Balances</b>	<b>\$ (1,800,338)</b>	<b>\$ 1,455,906</b>		<b>\$ 1,492,299</b>	<b>\$ (42,084)</b>

City of Dillingham  
 Unaudited Revenues and Expenditures As of January 31, 2022

Data Collected on 2/3/20  
 Section . Item 2.

	<u>Budget - FY21</u>	<u>01/31/22</u> YTD	<u>Percent</u>	<u>01/31/21</u> YTD	<u>INC/(DEC)</u>
<b>Grant &amp; Bond Revenues</b>					
ANTHC-Lagoon	155,777	227	0%	6,679	(6,452)
State Public Safety	-	1,646		23,700	(22,054)
COVID - CARES	472,784	472,784	100%	2,844,435	(2,371,651)
COVID - ARPA	284,842	531,775	187%	-	531,775
State MMG 28308-Water Imp	-	-		-	-
SRF Loan - Lagoon Aeration	670,000	-	0%	-	-
SRF Loan - Waterfront	88,125	-	0%	-	-
SRF Loan - Water	-	645		431,399	(430,754)
SRF Loan - Wastewater	130,000	-	0%	-	-
SRF Loan - Landfill	59,621	5,320	9%	2,922	2,399
State CARES Public Safety	-	-		12,986	(12,986)
State SART	-	-		800	(800)
Southern Region EMS	-	360		360	-
Curyung-Ice Machine	2,000	1,435	72%	1,675	(240)
Alaskan Leaders Fisheries PS Camera Repair	-	-		2,000	(2,000)
BBEDC Intern Program	133,193	22,747	17%	9,818	12,930
BBEDC Training Reimb	-	-		8,526	(8,526)
BBEDC Pass Thru	-	6,000		-	-
Denali Commission-Sewer Relocate	-	-		-	-
Bond Investment Income	-	256		1,327	(1,071)
Streets	-	-		-	-
FireHall	-	-		-	-
<b>Total</b>	<b>\$ 1,996,342</b>	<b>\$ 1,043,194</b>	<b>52%</b>	<b>\$ 3,378,727</b>	<b>\$ (2,341,533)</b>

<b>Grant &amp; Bond Expenditures</b>					
ANTHC-Lagoon	155,777	-	0%	11,457	(11,457)
State Public Safety	-	1,856		1,049	807
CARES	472,784	472,780	100%	1,860,321	(1,387,541)
State MMG 28308-Water Imp	-	-		693,200	(693,200)
SRF Loan - Lagoon Aeration	670,000	-	0%	-	-
SRF Loan - Waterfront	88,125	-	0%	-	-
SRF Loan - Water	-	-		-	-
SRF Loan - Wastewater	130,000	-	0%	-	-
SRF Loan - Landfill	59,621	8,364	14%	35,536	(27,172)
State CARES Public Safety	-	-		12,986	(12,986)
State SART	-	-		1,600	(1,600)
Southern Region EMS	-	-		-	-
Curyung-Ice Machine	2,000	2,019	101%	3,438	(1,420)
Alaskan Leaders Fisheries PS Camera Repair	-	-		2,000	(2,000)
BBEDC Intern Program	133,193	22,747	17%	8,222	14,525
Streets	-	-		2,678,316	(2,678,316)

	<u>Budget - FY21</u>	<u>01/31/22</u> <u>YTD</u>	<u>Percent</u>	<u>01/31/21</u> <u>YTD</u>	<u>INC/(DEC)</u>
FireHall	-	85,755		487,108	(401,353)
<b>Total</b>	<b>\$ 1,711,500</b>	<b>\$ 593,521</b>	<b>35%</b>	<b>\$ 5,853,759</b>	<b>\$ (5,260,238)</b>
	<b>\$ 284,842</b>	<b>\$ 449,673</b>	<b>158%</b>	<b>\$ (2,475,032)</b>	<b>\$ (7,601,771)</b>



City of Dillingham  
 Unaudited Revenues and Expenditures As of January 31, 2022

Data Collected on 2/3/20  
 Section . Item 2.

	<u>Budget - FY21</u>	<u>01/31/22 YTD</u>	<u>Percent</u>	<u>01/31/21 YTD</u>	<u>INC/(DEC)</u>
<b>Capital Project Funds Revenues</b>					
Investment Income	-	-		-	-
Insurance Proceeds	350,000	325,016	93%	-	325,016
<b>Total</b>	<b>\$ 350,000</b>	<b>\$ 325,016</b>	<b>93%</b>	<b>\$ -</b>	<b>\$ 325,016</b>
<b>Capital Project Funds Expenditures</b>					
Public Safety Building	7,000	-	0%	-	-
Streets	-	-		-	-
Water Improvements	-	-	0%	373,987	(373,987)
WasteWater Improvements	-	-		-	-
Sewer Lagoon Relocation	109,664	-	0%	-	-
Other Lift Station	-	-		-	-
Landfill New Cell	-	-		-	-
Landfill Shop Fire	350,000	9,663	3%	-	-
Landfill Groundwater Well	24,317	5,201	21%	-	5,201
Bingman-Harbor cleanup	167,480	-	0%	-	-
<b>Total</b>	<b>\$ 658,461</b>	<b>\$ 14,864</b>	<b>2%</b>	<b>\$ 373,987</b>	<b>\$ (368,785)</b>
	<b>\$ (308,461)</b>	<b>\$ 310,151</b>	<b>-101%</b>	<b>\$ (373,987)</b>	<b>\$ 693,801</b>

	<b>Budget</b>	<b>Actual</b>
General Fund Revenue	\$ 8,860,172	\$ 6,809,224
Special Fund Revenue	\$ 2,285,524	\$ 1,539,257
Transfers In	\$ 2,366,078	\$ 1,203,854
Grant and Bond Revenue	\$ 1,996,342	\$ 1,043,194
CIP Revenue	\$ 350,000	\$ 325,016
	<b>\$ 15,858,116</b>	<b>\$ 10,920,544</b>
General Fund Expenditures	\$ 11,032,769	\$ 5,461,303
Special Fund Expenditures	\$ 4,279,343	\$ 2,635,126
Grant and Bond Expenditures	\$ 1,711,500	\$ 593,521
CIP Expenditures	\$ 658,461	\$ 14,864
	<b>\$ 17,682,073</b>	<b>\$ 8,704,814</b>
<b>Net Increase (Decrease) to Fund Bal</b>	<b>\$ (1,823,957)</b>	<b>\$ 2,215,730</b>

	<u>Fund Bal.</u> <u>6/30/2020</u> <u>Audited</u>	<u>Fund Change</u> <u>6/30/2021</u> <u>Unaudited</u>	<u>FY'22</u> <u>Revenue</u>	<u>FY'22</u> <u>Expenditures</u>	<u>Add or (-)</u> <u>FY22 Fund Bal</u>	<u>Fund Bal</u> <u>6/30/2021</u> <u>Unaudited</u> Section . Item 2.
General Fund	5,555,980	158,057	6,838,651	5,461,303	1,377,347	7,091,385
Streets Project	3,078,649	(2,977,878)	256	-	256	101,027
Planning Capital Project	264,537	1,579	330,217	14,864	315,353	581,469
Debt Service	-	(53,742)	1,009,750	1,009,750	-	(53,742)
Special Revenue Fund						
Water & Sewer	552,780	198,757	420,803	341,069	79,734	831,272
Landfill	(14,281)	13,706	352,570	354,910	(2,341)	(2,916)
Port - Dock	1,218,057	58,529	492,909	455,919	36,989	1,313,575
Port - Harbor	13,256	1,496	143,098	144,803	(1,705)	13,047
E-911 Service	268,809	25,783	39,043	29,427	9,616	304,209
Asset Forfeitures Fund	27,733	29	0	5,880	(5,879)	21,883
Reward Fund	400	-	-	-	-	400
Senior Center	11,099	(3,538)	137,018	178,053	(41,035)	(33,474)
Library (Grants)	(804)	5,861	57,512	47,803	9,709	14,765
Public Safety	-	-	2,006	1,856	150	150
Local Support	1,170	-	22,747	22,747	-	1,170
Covid Support	-	-	472,784	472,780	3	3
Capital Project Fund						
Ambulance Reserve Capital Project	544,853	(244,480)	717	9,600	(8,883)	291,490
Equipment Replacement Capital Project	68,327	(6,675)	42,720	56,663	(13,943)	47,709
School Project	(1,626)	-	-	-	-	(1,626)
Firehall Project	787,325	(666,785)	-	85,755	(85,755)	34,785
Dock and Harbor Capital Project	-	-	1,435	2,019	(584)	(584)
Public Safety Capital Project	-	-	-	-	-	-
Wastewater System Improvements	-	-	227	-	227	227
Water Improvement	-	-	-	-	-	-
SOA Loans Capital Projects	-	(5,025)	5,965	8,364	(2,399)	(7,424)
Denali Commission Project	-	-	-	-	-	-
Landfill Committed Funds	172,044	-	-	-	-	172,044
Permanent Fund						
Mary Carlson Estate	367,955	615	(1,601)	1,248	(2,849)	365,721
Undesignated - VEEP						
Total	<b>12,916,263</b>	<b>(3,493,711)</b>	<b>10,368,826</b>	<b>8,704,814</b>	<b>1,664,012</b>	<b>11,086,564</b>

CODE ORDINANCE

Requested by: Finance Committee  
Introduced: March 3, 2022  
Public Hearing: April 7, 2022  
Adopted: April 7, 2022

CITY OF DILLINGHAM, ALASKA

**ORDINANCE NO. 2022-xx**

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING TITLE 4 OF THE DILLINGHAM MUNICIPAL CODE TO ADOPT AN EXCISE TAX ON IMPORTATION OF MARIJUANA AND TO ESTABLISH PENALTIES FOR FAILURE TO FILE EXCISE TAX RETURNS OR REMIT EXCISE TAX**

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BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

**Section 1. Classification.** This is a code ordinance.

**Section 2. Amendment of Title 4.** Title 4 of the Dillingham Municipal Code is hereby amended by adding a new Chapter 4.26 to read as follows:

**Chapter 4.26**

**EXCISE TAX ON MARIJUANA**

**Sections:**

- 4.26.010 Definitions.**
- 4.26.020 Tax on all Marijuana.**
- 4.26.030 Intent and purpose of chapter and taxpayer.**
- 4.26.040 Exemptions.**
- 4.26.050 Registration required to acquire Marijuana exempt of tax for resale outside the city—Eligibility of applicant.**
- 4.26.060 Expiration and renewal of registration.**
- 4.26.070 Suspension or revocation of registration.**
- 4.26.080 License required for dealers in Marijuana —Issuance.**
- 4.26.090 License fee.**
- 4.26.100 Expiration and renewal of licenses.**
- 4.26.110 Transfer of license.**
- 4.26.120 Refund of tax or license fee.**

- 4.26.130 Display of license—Surrender of license—Suspension or revocation of license.**
- 4.26.140 Tax returns.**
- 4.26.150 Involuntary returns.**
- 4.26.160 Amended tax returns.**
- 4.26.170 Application of payments.**
- 4.26.180 Prohibited acts and penalties.**
- 4.26.190 Tax lien.**
- 4.26.200 Interest on unpaid tax.**
- 4.26.210 Taxpayer, licensee, or other person remedies.**
- 4.26.220 Inspection and maintenance of documents and records.**
- 4.26.230 Administrative regulations.**
- 4.26.240 Confidentiality of records.**

#### **4.26.010 Definitions.**

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

“Brought into or acquired” includes all manners, ways, and modes of bringing into or obtaining Marijuana in the city.

“Buyer” means a person who brings into or acquires in the city any Marijuana for his own consumption.

“Department” means the city finance department.

“Distributor” means a person who brings Marijuana or causes Marijuana to be brought into the city, and who sells or distributes them to others for resale.

“Inventory count” means the effective date and details of a count by description, including the trade name and brand, purchase price and total quantity on-hand, of all Marijuana.

“Marijuana” means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marijuana concentrate; "marijuana" does not include fiber produced from the stalks, oil or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products, or industrial hemp as defined in AS 03.05.100 ;

“Person” includes an individual, company, partnership, joint venture, joint agreement, association (mutual or otherwise), corporation, estate, trust, business trust, receiver or trustee, syndicate, or political subdivision of this state, or combination acting as a unit including individuals who are employees or officers of any such entities who are under a duty to perform an act concerning which a violation of this chapter could occur. It is the intent of this chapter that such persons be personally liable for unremitted taxes.

“Place of business” means a place where Marijuana is sold, or where they are brought or kept for the purpose of sale or consumption, including a vessel, vehicle, airplane, or train.

“Purchase” means the acquisition of ownership or possession of Marijuana from any source.

“Retail” means a sale to a consumer or to any person for any purpose other than for resale.

“Retailer” means a person who is engaged in the business of selling Marijuana at retail to consumers.

“Sale” includes a sale, barter, exchange, and every other manner of transferring the ownership of personal property.

“Tax” means the Marijuana excise tax assessed pursuant to this chapter.

“Tax return” means the monthly report to be submitted to the department as required by this chapter.

“Wholesale price” means the price paid by a distributor or retailer for Marijuana.

**4.26.020 Tax on all Marijuana.**

An excise tax of ten (10) percent of the wholesale price is levied on all Marijuana brought into the city. The tax is levied effective May 1, 2022.

**4.26.030 Intent and purpose of chapter and taxpayer.**

- A. It is the intent and purpose of this chapter to collect the tax from the person who:
  - 1. Brings or causes any Marijuana to be brought into the city;
  - 2. Makes, manufactures, or fabricates any Marijuana in the city;
  - 3. Ships or transports Marijuana into the city; or
  - 4. Commits, or is complicit in, an act of tax evasion resulting in the city being deprived of the tax due under this chapter.
- B. Notwithstanding anything to the contrary contained in this chapter, the taxpayer shall be those persons described in this section and no others.

**4.26.040 Exemptions.**

- A. Resale Outside the City. Provided all persons otherwise subject to this chapter comply with its requirements, any retailer or distributor who brings Marijuana into the city for resale outside of the city shall be allowed a tax credit based on the wholesale price of the Marijuana.

**4.26.050 Registration required to acquire Marijuana exempt of tax for resale outside the city—Eligibility of applicant.**

- A. Except as otherwise provided herein, no person may acquire Marijuana in the city exempt of the tax unless that person has registered with the department in accordance with this chapter. No person shall claim any deduction under this chapter unless the Marijuana for which any deduction is claimed has been sold or transferred to a person registered with the department in accordance with this chapter prior to such sale or transfer.
1. Any person whose principal place of business is located outside the city and who acquires Marijuana in the city for resale outside the city at his or her principal place of business must apply for registration with the department to acquire Marijuana in the city exempt of the tax provided such person has a valid state of Alaska business license with a marijuana license and relevant line of business code or equivalent thereon.
  2. A business having more than one location outside the city shall apply with the department to register each separate location that will or does receive a tax-exemption for Marijuana acquired directly from a retailer or distributor in the city.
- B. Application for registration to bring , make, ship or transport Marijuana in the city exempt of the tax shall be on a form provided by the department, and shall include the following information and such other information as the department may require:
1. The applicant's name and mailing address;
  2. A copy of the applicant's current state of Alaska business license, including a marijuana license and the line of business (LOB) code or equivalent;
  3. The business name and location(s) where Marijuana will be sold;
  4. The applicant's signature, firmly binding the applicant to an agreement that, in the event the department revokes the applicant's registration in accordance with Section 4.26.070, the applicant will become ineligible to register under this section for a period of two years, beginning with the date of revocation;
  5. The applicant's signature confirming that the applicant fully understands the relevant compliance requirements of this chapter;
  6. Each signature shall be by a person or agent having such authority to sign and bind the applicant and shall be under penalty of prosecution for unsworn falsification.
- C. All persons registered under this section shall maintain compliance with all relevant state of Alaska laws and administrative requirements related to the registered business, including but not necessarily limited to: business license, marijuana license, and any related required periodic reporting.
- D. All persons applying for registration under this section shall be current with all financial obligations due to the city.
- E. A registration under this section is valid from the date the department approves registration until December 31st that year.

F. The department may refuse to register an applicant if there is reasonable cause to believe that:

1. The applicant has structured its business organization to avoid ineligible status;
2. The applicant has structured its business to avoid payment of amounts due under this chapter; or
3. The applicant is responsible for any act or omission by any person which withholds, misstates or provides false or misleading information required by the department.

G. A person whose registration is revoked becomes ineligible to register under this section for a period of two years, beginning with the date of revocation.

H. A natural person whose acts result in revocation of registration becomes ineligible to register under this section.

I. The department shall maintain and publish a current listing of businesses registered under this section for use by a distributor or retailer to confirm if a person is eligible to purchase Marijuana exempt of the tax imposed by this chapter.

#### **4.26.060 Expiration and renewal of registration.**

A. Registration under Section 4.26.050 expires on December 31st. A person, upon application to the department, may, on or before December 31st, renew registration for one calendar year from the expiration date.

1. If there is a change in ownership of the registered business, registration shall automatically expire.
2. If the person who signed the application ceases to have the authority to bind the registered business, then registration shall automatically expire.
3. If the name of the registered business is changed or the registered business is moved to another location, the registration shall automatically expire. Upon application to the department, registration may be renewed without fee for the new name and/or new location of the business for the balance of the twelve-month term of registration.
4. If a person who is ineligible to register under Section 4.26.050 becomes an owner, partner, member, officer, director, or manager of a registered business, registration of that business shall automatically expire.

#### **4.26.070 Suspension or revocation of registration.**

The department may suspend or revoke a person's registration under Section 4.26.050 for any violation of this chapter by the officers, directors, owners, members, or employees of the applicant business.

#### **4.26.080 License required for dealers in Marijuana —Issuance.**

- A. No person may sell, purchase, possess, or acquire Marijuana in the city as a manufacturer, distributor, retailer, or vending machine operator, without a license issued under this chapter.
- B. The department, upon application and payment of the fee, shall issue a license to the applicant. A copy of the applicant's active state of Alaska business license with a marijuana license is required and must accompany the application. The application must include the following information:
1. The applicant's name and address;
  2. The name under which the Marijuana business will be conducted;
  3. The applicant's Marijuana business categories as a manufacturer, distributor, or retailer;
  4. Other information required on the department's application form.
- C. The department may refuse to issue a license if there is reasonable cause to believe that the applicant has willfully withheld information requested to determine the applicant's eligibility to receive a license, or if there is reasonable cause to believe that information submitted in the application is false or misleading and is not made in good faith.
- D. A license required by this chapter is in addition to any other license required by law.
- E. A license issued under this chapter shall include:
1. The name and address of the licensee and name of licensed business;
  2. The type of business to be conducted;
  3. The address at which the business is conducted; and
  4. The year for which the license is issued.

#### **4.26.090 License fee.**

For each license issued under this chapter, and for each renewal, the fee is fifty (\$50.00) dollars per calendar year. This license shall be in addition to the regular business license required under Dillingham Municipal Code (DMC).

#### **4.26.100 Expiration and renewal of licenses.**

A license issued under this chapter expires on December 31st of each respective year. A licensee, on application to the department accompanied by the renewal fee, may, before the expiration of the license, renew the license for one year from the expiration date of the license. If the licensee moves the business to another location within the city, the licensee shall, upon application to the department, be reissued a license for the new location for the balance of the unexpired term. A person whose license is lost, stolen, or defaced shall immediately file an application with the department for reissuance of the license for the balance of the unexpired term.

#### **4.26.110 Transfer of license.**



A license issued under this chapter is not assignable or transferable. However, in the case of death, bankruptcy, receivership or incompetency of the licensee, or if the business of the licensee is transferred to another person by operation of law, the department may in its discretion extend the license for a limited time to the executor, administrator, trustee, or receiver, or the transferee of the licensee.

**4.26.120 Refund of tax or license fee.**

- A. The department shall not refund the license fee paid pursuant to this chapter upon the surrender or revocation of a license after the beginning of the license year. Upon application, the department may refund a license fee that is paid or collected in error.
- B. If a remittance by a licensee exceeds the amount due, and the department, on audit of the account in question, is satisfied that this is the case, the department shall, upon written request of the licensee, refund the excess to the licensee without interest.
- C. Any claim for refund filed more than one year after the due date of the tax is forever barred.

**4.26.130 Display of license—Surrender of license—Suspension or revocation of license.**

- A. A license issued under this chapter must be prominently displayed at the licensee's place of business.
- B. A licensee shall surrender a license within ten days after:
  - 1. A revocation of a license;
  - 2. A cessation of business;
  - 3. Change of ownership of; or
  - 4. A change of a place of business.
- C. The department may suspend or revoke a license issued under this chapter:
  - 1. For violation of this chapter or a regulation of the city adopted pursuant to this chapter;
  - 2. If a licensee ceases to act in the capacity for which the license was issued; or
  - 3. If the licensee fails to submit their taxes due in a timely manner as required by code.
- D. No person whose license is suspended or revoked shall bring Marijuana into the city or permit Marijuana to be sold during the period of the suspension or revocation on the premises occupied or controlled by that person. No disciplinary proceeding or action is barred or abated by the expiration, transfer, surrender, renewal, or extension of a license issued under this chapter.

**4.26.140 Tax returns.**

- A. On or before the last day of each calendar month a licensee shall submit to the department a tax return, upon forms provided by the department, for each license, and submit payment of taxes due for the preceding month.

1. The return shall be signed under penalty of perjury by the licensee or his agent and must include:
  - a. The name and address of the licensee;
  - b. The name and address of the person filing the return, if different from the licensee;
  - c. The number of the license issued under this chapter;
  - d. The name under which the business is being conducted;
  - e. The wholesale price of all Marijuana brought into or acquired in the city during the preceding month from any source whatsoever;
  - f. The names of persons from whom Marijuana was brought into or acquired in the city during the preceding month from any source whatsoever;
  - g. Deductions claimed for any Marijuana, specified in the return in response to subsections (A)(1)(e) and (f) of this section, for which the tax has been paid previously by another person;
  - h. The amount of tax due on the wholesale price of nonexempt Marijuana manufactured, brought into or acquired in the city during the preceding month; and
  - i. Other information and supporting documentation which may be required by the department with the return.
- B. Each licensee shall report all Marijuana sales for which an exemption is claimed as a deduction on its monthly tax return to the department and shall provide a copy of an invoice or other document satisfactory to the department supporting each sale of exempt product.
- C. A tax return must be filed even if there were no Marijuana manufactured, brought into or acquired in the city during the preceding month.
- D. The taxes imposed under this chapter and the return required by this section must be received by the department or postmarked on or before the last day of each calendar month following the month covered by the return.

#### **4.26.150 Involuntary returns.**

If a licensee fails to file a return as required by this chapter, or when the department finds that a return is not supported by the records to be maintained pursuant to this chapter, the department may prepare and file a return on behalf of the licensee. Involuntary returns filed under this section may be premised upon any information that is available to the department, including, among other things, comparative data for similar businesses. A licensee for whom an involuntary return is filed under this section shall be subject to liability for the tax stated in the return, as well as subject to the penalties and interest provided for in this chapter. A return prepared by the department is, prima facie, good and sufficient for all legal purposes. However, nothing prevents the licensee from presenting evidence on an appeal to rebut the presumed sufficiency of a return prepared by the department, nor does the presumption of sufficiency alter the parties' respective burdens of proof once the licensee has presented evidence to rebut that presumption.

**4.26.160 Amended tax returns.**

- A. Any tax return filed hereunder may be amended by the licensee within one year after the due date of the tax return being amended. No amendment by the licensee shall be allowed after this one-year period.
- B. Any tax return prepared and filed by the department on behalf of the licensee may be amended by the licensee within one year of the date filed by the department. No amendment by the licensee shall be allowed after this one-year period.

**4.26.170 Application of payments.**

Any payment submitted to the department for any taxes, penalties, interest, or cost due under any provision of this chapter or any return or any finding or determination by the department under this chapter shall be credited to the monthly tax period for which remitted, first to the payment of costs and then to penalties, interest, and taxes in that order.

**4.26.180 Prohibited acts and penalties.**

- A. No person may, in violation of or without complying with the provisions of this chapter:
1. Import Marijuana into the city;
  2. Sell, transfer or acquire Marijuana in the city; or
  3. Participate in the importation of Marijuana into the city or in the sale, transfer, or acquisition of Marijuana within the city.
- B. If a person fails to pay the full amount of the tax due and/or file a tax return or report required under this chapter by the due date, a penalty of ten percent of the taxes due shall be assessed.
1. The penalty shall be computed on the unpaid balance of the tax liability as determined by the department.
  2. The penalties provided for in this section shall be in addition to all other penalties and interest provided for under this chapter.
- C. If a properly filed amended return reduces the total tax liability or the tax required to be paid, or the department reduces the tax liability, the related penalty will be reduced accordingly.
- D. All penalties and remedies enumerated in this chapter are cumulative.

**4.26.190 Tax lien.**

- A. If any person who is liable to pay a tax or license fee under this chapter neglects or refuses to pay the tax or license fee after demand, the amount, including interest, additional amounts, or assessable penalty together with costs, is a lien in favor of the city upon all property and rights to property, real or personal, belonging to that person.
- B. A notice of lien for amounts described in this section may be recorded in the office of the district recorder, Bristol Bay Recording District, Third Judicial District and in the State Recorder's Office UCC Central File System; however, failure to so record said interests shall not be construed as a waiver or abrogation of any and all priorities, rights and interests of

the city at law and in equity. Upon full satisfaction of payment of all charges, interest, penalties and costs due and owing to the city, the city shall file a certificate discharging the lien.

C. In an action to enforce a lien, the court shall allow as part of the costs all money paid for drawing the lien and for filing and recording the lien claim, and a reasonable attorney fee for the foreclosure of the lien.

**4.26.200 Interest on unpaid tax.**

In addition to any penalties imposed by this chapter, interest at the rate of six percent per annum shall be charged on the unpaid balance of delinquent taxes.

**4.26.210 Taxpayer, licensee, or other person remedies.**

Any person aggrieved by any action of the department in issuing, suspending, revoking, or refusing to issue any license or registration for exemption under this chapter or in fixing the amount of taxes, penalties, interest, or costs under this chapter should provide written protest notice to the department. The city will rule on each protest within thirty days of receipt of the notice by the city.

**4.26.220 Inspection and maintenance of documents and records.**

A. Every person subject to this chapter shall keep a complete and accurate record of all Marijuana manufactured, purchased, sold, brought into, transported outside of for the purpose of sale, or acquired in the city by such person.

1. Except in the case of a manufacturer, the records shall include a statement containing the name and address of the person from whom Marijuana was purchased or acquired, the date of delivery, the quantity of Marijuana, the trade name and brand, and the price paid for the Marijuana purchased.

2. Each invoice or other documentation of the sale of Marijuana within the city shall state whether the tax imposed under this chapter has been paid.

3. Persons subject to this chapter shall keep such other documents and records as the department prescribes.

4. All documents and records required by this section shall be preserved by persons subject to this chapter for three years. All records and documents required by this chapter to be kept or retained are subject to inspection within the city upon demand by the department.

B. A licensee transferring or selling Marijuana to a Section 4.26.050 registrant must keep a record of all Marijuana transferred or sold to such person.

C. The finance director may, during business hours, enter the business premises of a licensee where Marijuana are kept or stored, so far as it may be necessary for the purpose of examining such products and the related business records.

**4.26.230 Administrative regulations.**

The finance director, or designee, may adopt regulations providing for the application and interpretation of this chapter and providing methods and forms for reporting and collecting the tax imposed by this chapter.

**4.26.240 Confidentiality of records.**

- A. All tax returns, documents, records, and/or reports filed with the department pursuant to the provisions of this chapter and all data obtained from such tax returns, documents, records, and/or reports are confidential and may not be released for inspection by any person except the finance department; provided, however, that such data may be released upon court order.
- B. It is the duty of the finance director to safely keep tax returns, documents, records, and/or reports and all data taken therefrom secure from public and private inspection except as provided by this chapter.
- C. This section does not prohibit the department from compiling and publishing statistical evidence concerning the data submitted; provided, that no identification of particular tax returns, documents, records, and/or reports is made. Nothing in this section shall be deemed to prohibit the finance director from examining the tax returns, documents, records, and/or reports; provided, that no information obtained from specific or identifiable tax returns shall be made available to persons other than those authorized to review them under subsection A of this section.

**Section 3. Amendment to Section 1.20.040.** That Dillingham Municipal Code Section 1.20.040 - Minor offense fine schedule is amended to by the addition of new language to read as follows:

<b>Code Section</b>	<b>Offense</b>	<b>Penalty/Fine</b>
4.26.050	Failure to register as a dealer in marijuana products.	\$500
4.26.140	Failure to file marijuana excise tax return.	\$500
4.26.220	Falsifying marijuana excise tax records.	\$500
4.26.220	Failure to allow inspection of records.	\$500

**Section 4. Effective Date.** This ordinance is effective May 1, 2022.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on April 7, 2022.

\_\_\_\_\_  
Alice Ruby, Mayor

[SEAL]

ATTEST:

\_\_\_\_\_  
Lori Goodell, City Clerk

DRAFT

CODE ORDINANCE

Requested by: Finance Committee  
Introduced: March 3, 2022  
Public Hearing: April 7, 2022  
Adopted: April 7, 2022

CITY OF DILLINGHAM, ALASKA

**ORDINANCE NO. 2022-\_\_**

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL LEVYING AN EXCISE TAX OF FOUR CENTS PER POUND ON SEAFOOD PRODUCTS IMPORTED FOR PROCESSING IN DILLINGHAM**

---

WHEREAS, the City of Dillingham has historically devoted substantial public resources for construction, operation and maintenance of public infrastructure intended to support commercial fisheries catching and processing salmon landed in waters of Bristol Bay adjacent to Dillingham; and

WHEREAS, much of the infrastructure supporting Bristol Bay commercial fishing was constructed with federal and state grants which do not provide for ongoing maintenance or replacement funds; and

WHEREAS, it is anticipated that there will be a need to improve infrastructure related to commercial fishing and that state and federal grant funds will not be as available as they were in the past; and

WHEREAS, all other municipalities of similar size and with similar fishing related infrastructure needs in the general Bristol Bay area levy a tax on raw fish including, the Bristol Bay Borough, the Lake and Peninsula Borough and the cities of Togiak, Egegik and Pilot Point; and

WHEREAS, the estimated taxable value of commercial salmon harvested in or adjacent to Dillingham and imported into the City of Dillingham for processing is estimated to range between \$15,000,000 and \$25,000,000 annually;

WHEREAS, the Dillingham City Council believes it to be in the best interests of the residents of Dillingham to adopt a seafood processing excise tax to raise revenue so the City may continue to adequately support the fishing industry and for other public purposes.

BE IT ENACTED BY THE COUNCIL OF THE CITY OF DILLINGHAM:

**Section 1. Classification.** This is a code ordinance.

**Section 2. Amendment of Title 4.** Title 4 of the Dillingham Municipal Code is hereby amended by adoption of a new Chapter 4.27, Seafood Processing Excise Tax, to read as follows:

Chapter 4.27

SEAFOOD PROCESSING EXCISE TAX

Sections:

- 4.27.010 Definitions
- 4.27.020 Levy of Tax
- 4.27.030 Registration Required
- 4.27.040 Tax Rate
- 4.27.050 Exemptions
- 4.27.060 Collection and Administration
- 4.27.070 Enforcement and Penalties
- 4.27.080 Excise Tax Return Verification
- 4.27.090 Confidentiality
- 4.27.100 Liability for and Collection of Severance Tax
- 4.27.110 Penalties and Interest

4.27.010 Definitions.

When not clearly otherwise indicated by the context, the following words and phrases, as used in this chapter, have the following meanings:

“City” means City of Dillingham.

“Harvester” means a person, company, corporation, or other entity engaged in the business of severing or harvesting natural resources. It includes persons who harvest seafood products outside the boundaries of the City and transfer those seafood products for delivery and processing at locations within the City provided that the sales made by such harvesters are not already subject to the City Raw Fish Tax. It does not include persons who harvest seafood products for subsistence or sport uses.

“Seafood Processing” or “Processed” means heading, gutting, cleaning, filleting, canning, freezing, glazing, or otherwise preserving a seafood product.

“Seafood Processor” means any person engaged in seafood processing within the City boundaries, except for personal or subsistence purposes.

“Seafood Products” means any raw finfish, groundfish, shellfish, mollusks and other commercial products of the sea.

4.27.020 Levy of tax.

There is levied, on any Seafood Processor engaged in Seafood Processing in the City, an excise tax on all Seafood Products for which no tax has been collected under the provisions of the City Raw Fish Tax. The tax rate shall be the applicable rate as set forth in subsection 4.27.040.



**4.27.030 Registration Required.**

All Seafood Processors, except those exempted under section 4.27.050(C), must register with the City and hold a valid City Business License as set forth in Section 4.16 of DMC.

**4.27.040 Tax rate.**

The tax levied by this Chapter shall be at the rate set forth in the following table for all Seafood Products processed within the corporate limits of the city.

Species	Tax per pound in dollars
Pink Salmon	\$0.004
Chum Salmon	\$0.012
Coho Salmon	\$0.032
Chinook Salmon	\$0.037
Sockeye Salmon	\$0.044
Halibut	\$0.24
Herring	.0075
All other species	\$0.02

**4.27.050 Exemptions.**

- A. Seafood Processors who process less than five thousand pounds of Seafood Products are exempt from taxation under this chapter.
- B. The first five thousand pounds of Seafood Products subject to this tax purchased from a Harvester by a Seafood Processor not exempt under subsection A are exempt from taxation under this chapter.
- C. Any person who harvests Seafood Products strictly for personal or subsistence use, and does not sell any Seafood Products harvested are exempt from any provision of

**4.27.060 Collection and Administration.**

- A. Every Seafood Processor who makes payments for a seafood product subject to excise tax shall submit to the City a City of Dillingham annual seafood processing excise tax return, under oath, containing the following information:
  - 1. The number of pounds of Seafood Product purchased from Harvesters during the preceding twelve (12) months;
  - 2. The number of pounds of Seafood Product exempt from tax; and
  - 3. The name and location of the Seafood Processor
- B. The return along with all taxes due the City for the year must be received by the City on or before the last business day of April for the preceding twelve (12) month period.

- C. This tax constitutes a lien chargeable against all property whether tangible or intangible owned by the Seafood Processor. The lien may be foreclosed by the City in the same manner as any other lien against real or personal property.

**4.27.070 Enforcement and Penalties.**

- A. The superior court, upon request of the City, shall issue an injunction requiring compliance with the provisions of this chapter.
- B. The City may determine the excise tax on parties who have not filed a return in an amount based on historical data or the best information reasonably available to the City.
- C. A person who fails, refuses, or neglects to file an excise tax return in compliance with this chapter shall, in addition to any other penalties provided by law, be liable for a penalty of ten (10) percent of the tax.

**4.27.080 Excise Tax Return Verification.**

The City Manager or his/her designee may:

- A. Require a Seafood Processor or harvester, or any agent or employee of this person, to furnish any additional information reasonably necessary to compute the amount of the tax or to determine if a tax is due;
- B. Examine the books, records, and files of any such person;
- C. Conduct hearings and compel the attendance of witnesses and the production of books, records, and papers of any person; and
- D. Make an investigation or hold any inquiry reasonably necessary to a disclosure of facts as to:
  - 1. The amount of pounds of Seafood Product delivered or imported into the City for processing; and
  - 2. The purchaser of the Seafood Product

**4.27.090 Confidentiality.**

Information and materials in the possession of the City which disclose the particulars of the business or affairs of then payer of taxes under this chapter will be kept confidential by the City except in connection with an official investigation by the City or other agency enforcing the laws of the City or the State. The City may publish statistics in a manner which prevents identification of particular returns and may publish tax lists showing the names, taxes, penalties, and interest with respect to taxpayers who are delinquent to assist in the collection of taxes.

**4.27.100 Liability for and Collection of Excise tax.**

The Seafood Processor purchasing Seafood Product taxed under this chapter is liable for the amount of taxes, interest, and penalties due. The tax, together with penalties and interest, may be collected in a personal action brought in the name of the City.

**4.27.110 Penalties and Interest.**

All taxes due under this chapter but not timely paid as required are subject to a penalty of 10% of the tax due. Interest shall accrue on the tax due including penalties and interest at the rate of 6% per year from the date such taxes are due. Partial payments shall be applied first to accrued penalties, then to interest, and then to principal. A payment is timely paid when mailed to the City postage prepaid bearing a postmark date no later than the due date.

**Section 3. Amendment to Section 1.20.040**

That Dillingham Municipal Code Section 1.20.040 - Minor offense fine schedule is amended to by the addition of new language to read as follows:

<b>Code Section</b>	<b>Offense</b>	<b>Penalty/Fine</b>
4.27.030	Failure to register as a processor of seafood products.	\$500
4.27.060	Failure to file seafood processor excise tax return.	\$1000
4.27.060	Falsifying seafood processor excise tax records.	\$1000
4.27.080	Failure to allow inspection of records.	\$500

**Section 4. Effective Date.** This ordinance shall be effective as of XXX 1, 2022.

**Section 5. Repeal of Chapter 4.22.** Chapter 4.22 of the Dillingham Municipal Code is hereby repealed in its entirety.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on April 7, 2022.

\_\_\_\_\_  
Alice Ruby, Mayor

[SEAL]

ATTEST:

\_\_\_\_\_  
Lori Goodell, City Clerk



## MEMORANDUM

**DATE:** February 4, 2022  
**TO:** Finance & Budget Committee  
**FROM:** Mark Lynch, Interim City Manager  
**SUBJECT:** Fish Tax

---

I worked with the City Attorney over the past few weeks in drafting an ordinance (included for review) for a fish tax. Based on his recommendation (see attached memo) the Ordinance was drafted using an excise tax based on weight. Originally we had discussed a simple 4 cent per pound rate, but after consideration I realized that would not work for all species of fish. Therefore I modified the tax by species and created the table that is now in the ordinance. The prices I have calculated are all about 4% of the price paid by the processors in 2020.

My reasoning for this, based on conversations with the City Attorney, are as follows.

- A % tax on the processors is likely to be challenged as a sales tax, even if it is done as an excise tax. Even if it were upheld, it would take time and money to work through.
- Based on legal precedent there is a basis for a percentage based excise tax on tobacco and marijuana, but this precedent has never been established for fish processing.
- The City is entering strategic planning which will certainly find that the City is in need of improvements to equipment, buildings and salaries. Enacting this tax before the upcoming fishing season is extremely important to the City's economic well-being.
- An excise tax based on weight is the safest and quickest way to get this critical revenue stream coming to the city.



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### Commercial Salmon Fishery Exvessel Prices by Area and Species

If a login screen appears below, please try refreshing the webpage using your browser's refresh button.

Area Name **Bristol Bay**

Average Exvessel Price per Pound

Year ▲▼	Pink	Chum	Coho	Chinook	Sockeye
2020	\$0.09	\$0.30	\$0.80	\$0.92	\$1.09
2019	\$0.10	\$0.33	\$0.70	\$0.83	\$1.54
2018	\$0.27	\$0.37	\$0.68	\$1.02	\$1.60
2017	\$0.15	\$0.29	\$0.70	\$0.94	\$1.31
2016	\$0.18	\$0.30	\$0.58	\$0.84	\$0.96
2015	\$0.06	\$0.30	\$0.39	\$0.56	\$0.64
2014	\$0.24	\$0.41	\$0.84	\$1.32	\$1.35
2013	\$0.14	\$0.30	\$0.79	\$1.48	\$1.61
2012	\$0.39	\$0.34	\$0.55	\$1.31	\$1.18
2011	\$0.29	\$0.37	\$0.74	\$1.04	\$1.17
2010	\$0.36	\$0.28	\$0.66	\$1.18	\$1.07
2009	\$0.07	\$0.17	\$0.56	\$0.89	\$0.80
2008	\$0.17	\$0.17	\$0.55	\$0.83	\$0.75
2007		\$0.13	\$0.41	\$0.64	\$0.67

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[Salmon Exvessel Prices by Area](#) | [Salmon Wholesale Prices](#) | [Statewide Salmon Exvessel Prices](#)

Data Source: OCEANAK ADF&G COAR Buying Subject Area. Confidential prices are omitted. These data may include harvest attributed to hatchery cost recovery, educational, derby, experimental or test fishing.

Prices from Commercial Operator's Annual Reports. The first buyer of raw fish, persons who catch and process fish, persons who catch and have fish processed by another business, and the first exporter of a fishery resource are required to file an annual report of their purchasing and processing activities. This report is called the Commercial Operator's Annual Report (COAR) and is due by April 1 of the following year. The National Marine Fisheries Service also requires COAR reports from processing vessels operating in federal waters of the Exclusive Economic Zone. The COAR reports contain data on seafood purchasing, production, and both exvessel and wholesale values of seafood products. The buying information from COAR is reported by species, area of purchase, condition of fisheries resources at the time of purchase, type of gear used in the harvest, pounds purchased, and exvessel value.

Exvessel average prices are reported in nominal dollars and have not been adjusted for inflation.

The exvessel value in COAR includes any post-season adjustments or bonuses paid after the fish was purchased. Prices represent a weighted average price per pound by species and area. Prices may reflect a mixture of gear types and delivery conditions.

Any dissemination of the data must credit ADF&G as the source, with a disclaimer that exonerates the department for errors or deficiencies in reproduction, subsequent analysis, or interpretation.

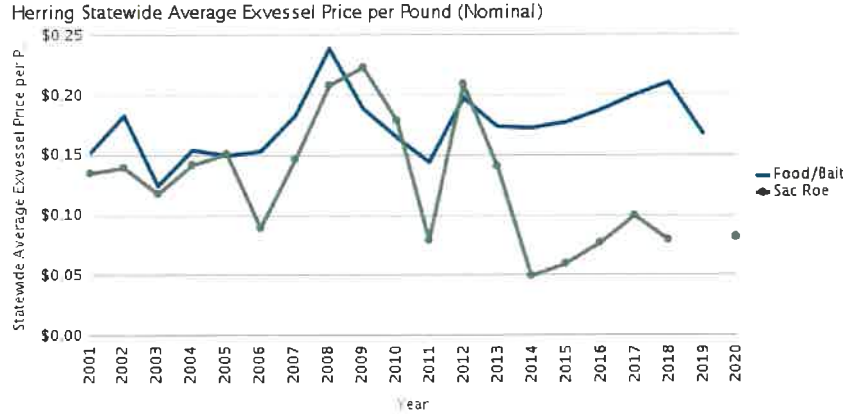
For questions concerning this data please email [dfg.dcf.info@alaska.gov](mailto:dfg.dcf.info@alaska.gov).



ADF&G Home » Fishing » Commercial » Information By Fishery » Herring

### Commercial Herring Fishery Exvessel Prices Statewide

If a login screen appears below, please try refreshing the webpage using your browser's refresh button.



*Average*  
 $= .1925$   
 $\times 4\%$   
 $= .0077$

Year	Food/Bait	Sac Roe
2020		\$0.08
2019	\$0.17	
2018	\$0.21	\$0.08
2017	\$0.20	\$0.10
2016	\$0.19	\$0.08
2015	\$0.18	\$0.06
2014	\$0.17	\$0.05
2013	\$0.17	\$0.14
2012	\$0.20	\$0.21
2011	\$0.14	\$0.08
2010	\$0.17	\$0.18
2009	\$0.19	\$0.22
2008	\$0.24	\$0.21
2007	\$0.18	\$0.15

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[Wholesale Prices](#) | [Exvessel Prices](#) | [Harvest and Gross Earnings](#) | [Back to Herring Harvest Page](#)

Data Source: OCEANAK ADF&G COAR Buying Subject Area. Confidential prices are omitted.

Prices from Commercial Operator's Annual Reports. The first buyer of raw fish, persons who catch and process fish, persons who catch and have fish processed by another business, and the first exporter of a fishery resource are required to file an annual report of their purchasing and processing activities. This report is called the Commercial Operator's Annual Report (COAR) and is due by April 1 of the following year. The National Marine Fisheries Service also requires COAR reports from processing vessels operating in federal waters of the Exclusive Economic Zone. The COAR reports contain data on seafood purchasing, production, and both exvessel and wholesale values of seafood products. The buying information from COAR is reported by species, area of purchase, condition of fisheries resources at the time of purchase, type of gear used in the harvest, pounds purchased, and exvessel value. Exvessel average prices are reported in nominal dollars and have not been adjusted for inflation. The exvessel value in COAR includes any post-season adjustments or bonuses paid after the fish was purchased. Prices represent a weighted statewide average price per pound by species. Prices may reflect a mixture of gear types and delivery conditions. Any dissemination of the data must credit ADF&G as the source, with a disclaimer that exonerates the department for errors or deficiencies in reproduction, subsequent analysis, or interpretation.

For questions concerning this data please email [dfg.dcf.info@alaska.gov](mailto:dfg.dcf.info@alaska.gov).

**Halibut and Sablefish IFQ and CDQ Standard Ex-Vessel Prices**

Table 3 shows the observer fee standard ex-vessel prices for halibut and sablefish. These standard prices are calculated as a single annual average price, by species and port or port group. Volume and ex-vessel value data collected on the 2021 IFQ Buyer Report for landings made from October 15, 2020, through September 30, 2021, were used to calculate the standard ex-vessel prices for the 2022 observer fee for halibut IFQ,

Species (species code)	Port/area	Non-trawl	NPT	PTR	PTR/NPT
halibut CDQ, sablefish IFQ, and sablefish landings that accrue against the fixed gear sablefish CDQ					

Start Printed Page 71248

Table 3—Standard Ex-Vessel Prices for Halibut IFQ, Halibut CDQ, Sablefish IFQ, and Sablefish Accruing Against the Fixed Gear Sablefish CDQ Reserve for the 2022 Observer Fee  
[Based on 2021 IFQ Buyer Reports]

Species	Port/area <sup>1</sup>	Price <sup>2</sup>
Halibut (200)	Craig	\$6.03
	Ketchikan	5.94
	Petersburg	6.15
	Sitka	5.81
	SEAK	5.97
	EGOAxSE	6.15
	Homer	6.65
	Kodiak	5.44
	Seward	6.76
	CGOA	6.36
	GOA	6.17
	BS	5.39
	BSAI	5.39
	AK	6.04
	ALL	6.05
	Sablefish (710)	Craig
Sitka		2.12
SEAK		2.07
EGOAxSE		1.79
Homer		2.23
Kodiak		1.66
Seward		1.79
CGOA		1.74
GOA		1.85
BS		1.60
BSAI		1.60
AK		1.82
ALL		1.82

\$6.00 x 4%  
= .24

<sup>1</sup> Regulatory areas are defined at § 679.2. (AK = Alaska; ALL = all ports including those outside Alaska; BS = Bering Sea subarea; CGOA = Central Gulf of Alaska; EGOAxSE = Eastern Gulf of Alaska except Southeast Alaska; SEAK = Southeast Alaska; WGOA = Western Gulf of Alaska).

<sup>2</sup> If a price is listed for the species and port combination, that price will be applied to the round weight equivalent for sablefish landings and the headed and gutted weight equivalent for halibut landings. If no price is listed for the port, use port group.

**CHANDLER, FALCONER, MUNSON & CACCIOLA, LLP**

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**MEMORANDUM**

**TO:** Mark Lynch, Acting City Manager  
Dillingham City Council



**FROM:** Brooks Chandler  
City Attorney

**DATE:** February 3, 2022

**RE:** Draft Seafood Processing Tax

---

You asked why the draft processing tax ordinance does not use the same approach of establishing a rate of taxation based on wholesale price of seafood similar to the Bristol Bay Borough ordinance. This was done as a precautionary measure to reduce the chances a legal challenge to the ordinance would be mounted claiming a tax based on the wholesale price was a sales tax subject to voter approval. I was concerned about this because the Bristol Bay Borough ordinance used as a model was placed before the voters of Bristol Bay for approval. I thought adopting a similar tax and not placing it before the voters for approval would stick out like a sore thumb and invite legal challenges.

This was not done with either the tobacco tax or the marijuana tax because there is an Alaska Supreme Court case specific to a tobacco tax based on the wholesale price which held that was an excise tax not subject to voter approval. Bragg v. Matanuska Susitna Borough, 192 P.3d 982 (Alaska 2008). It would be possible to structure a fish processor tax based on a tobacco tax like set up but my understanding was that the Committee wanted to use the Bristol Bay Borough ordinance as the model.



Another reason for the difference was simplicity in calculation. But this was based on the faulty assumption that all of the processing occurring in Dillingham was of sockeye and incidental catches of chinook salmon. Apparently, that is not the case making a flat per pound rate less simple to administer than I had assumed.

Let me know if the finance committee or council would prefer to pivot to a tobacco like tax ordinance structure and that could be prepared fairly quickly. While there is no guarantee such an ordinance would not be challenged as a sales tax it seems much less likely either that such a challenge would be made or that it would be successful.

NON-CODE ORDINANCE

Introduced:

March 3, 2022

Public Hearing Scheduled for:

April 7, 2022

Enacted:

April 7, 2022

CITY OF DILLINGHAM, ALASKA

**ORDINANCE NO. 2022-xx**

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING THE BUDGET BY ADOPTING BUDGET AMENDMENT NO. 2 AND APPROPRIATING FUNDS FOR THE FY 2022 CITY OF DILLINGHAM BUDGET**

---

WHEREAS, the City Council has approved the Operating Budget and Capital Improvement Budget for FY22 to the City Council in accordance with Title 4 of the Dillingham Municipal Code pursuant to A.S. 20.20.500(3); and

WHEREAS, duly advertised public workshops were held and the City Council reviewed the budget amendment recommendations presented; and

WHEREAS, the City Council has set the rate of levy of property tax for the City of Dillingham for FY 2022 budget at 13 mills; and

WHEREAS, the budget presented, reviewed and changed is in accordance with sound and efficient municipal management principles. The City Council should have the power to transfer appropriated monies from one General Government Fund or Special Revenue Fund to another and from one Capital Project to another by resolution and the City Manager should have the power to transfer funds from one line item object to another object code within a fund and within a Capital Improvement Project; and

WHEREAS, additional FY 2022 funds are available for appropriation by ordinance;

NOW, THEREFORE, BE IT RESOLVED by the Dillingham City Council that:

1. The FY 2022 Operating Budget and Capital Improvement Budget Amendment No. 1 as recommended by the City Manager is hereby adopted for the City of Dillingham.
2. The amounts set forth in the budget by the City Council for the respective departments and/or funds shall be, and hereby are, appropriated for the fiscal year ending June 30, 2022.
3. The City Council shall have the power to transfer approved and appropriated General Fund or Special Revenue Fund monies from one to another and from one Capital Project to another by resolution.
4. The City Manager shall have the power to transfer funds from one line item object code to another within a fund and within a Capital Improvement Project.

BE IT ENACTED BY THE COUNCIL OF THE CITY OF DILLINGHAM that:

**Section 1. Classification.** This ordinance is a non-code ordinance.

**Section 2. Severability.** If any portion of this ordinance or any application thereof to any person or circumstances is held invalid, the remainder of the ordinance and the application to other persons or circumstances shall not be affected thereby.

**Section 3. Appropriation summary.** The total appropriation from the Treasury in Section 6 was a total of \$ 17,795,802 .

**Section 4. Revenues**

General Fund

Taxes

General Sales Taxes	3,000,000
Remote Sales Taxes	250,000
Alcohol Sales Taxes	260,000
Transient Lodging Sales Taxes	125,000
Gaming Sales Tax	65,000
Tobacco Tax	340,000
Penalty & Interest – Sales Tax	20,000
Real Property Taxes	2,084,565
Personal Property Taxes	479,356
Penalty & Interest – Property Tax	80,000

Other Revenue

Telephone Gross State Tax	65,000
Raw Fish Tax	772,264
Shared Fisheries	9,000
Revenue Sharing (community support)	83,700
Payment in Lieu Taxes (PILT)	473,000
Jail Contract Revenue	535,367
Ambulance Fees	35,000
Lease and Rental Income	35,000
Administrative Overhead	227,825
PERS on Behalf	231,325
PERS Forfeiture Fund	67,033
All Other Revenues	191,200

**Total General Fund Revenues**

**9,532,210**

Special Revenue & Other Funds Revenues

Water	233,224
Waste Water	464,124
Landfill	295,429
Port – Dock	735,042
Port – Harbor	170,580
Asset Forfeiture	2,000
E-911	65,000

Senior Center (Includes grants)	185,746	
Library Grants	100,379	
Debt Service	267,125	
Mary Carlson Estate	4,000	
Bond Revenue	<u>0</u>	
<b>Total General Fund &amp; Special Revenues</b>		<b><u>2,522,649</u></b>

Project Revenue		
ANTHC	155,777	
COVID Relief Funding	1,004,559	
Curyung - Ice Machine	2,000	
BBEDC Intern	133,193	
SOA SRF Loan - Lagoon Aeration	670,000	
SOA SRF Loan - Waterfront	88,125	
SOA SRF Loan - W/S Rate Study	60,000	
SOA SRF Loan - Wastewater Plan	70,000	
SOA SRF Loan - Landfill	59,621	
Insruance Proceeds - Landfill Shop	360,250	
<b>Total General Fund &amp; Special Revenues</b>		<b><u>2,603,525</u></b>
<b>TOTAL REVENUES</b>		<b><u>14,658,384</u></b>

**Section 5. Transfers**

Transfers from General Fund to Other Funds		
Water	0	
Wastewater	0	
Landfill	481,367	
Harbor	0	
Senior Center	167,689	
Ambulance Replacement	49,500	
Equipment Replacement	45,000	
Capital Projects	140,981	
SRF Loans Payments	47,400	
Streets Bond Payment	206,750	
Firehall Bond Payment	46,000	
School Bond payment	<u>1,066,250</u>	
<b>Total Transfers from Gen. Fund</b>		<b>2,250,937</b>

Transfers from Dock Fund to Harbor Funds		
Harbor Operations	70,942	
Ice Machine	0	
Bathhouse	<u>14,000</u>	
<b>Total Transfers from Dock Fund</b>		<b>84,942</b>

Transfers from Department to Department		
From E-911 to Dispatch	55,468	
<b>Total Transfers between Departments</b>	<u>55,468</u>	<u>55,468</u>
<b>TOTAL TRANSFERS</b>		<u>2,391,347</u>
<b>TOTAL REVENUES AND TRANSFERS</b>		<u><u>17,049,731</u></u>

**Section 6. Appropriations.**

General Fund Government Operations

City Council	45,330
City Clerk	175,228
Administration	497,280
Finance	762,498
Legal	60,000
Insurance	262,000
Non-Departmental	118,800
Planning	274,666
Foreclosures	6,000
IT	255,929
Meeting Hall	800
PS Administration	202,644
PS Dispatch	404,688
PS Patrol	812,911
PS Corrections	565,440
PS DMV	55,797
PS Animal Control Officer	113,140
PS Fire Department	370,877
PS Volunteer Fire Donation	15,000
PS EOC	52,107
PW Administration	399,294
PW Buildings & Grounds	312,217
PW Shop	579,165
PW Streets	476,673
Library	155,802
City School District	1,300,000
Transfer Subsidy for Special Revenue	<u>2,250,937</u>

**Total General Fund Appropriations**

**10,525,223**

Special Revenue & Other Funds Appropriations

Water	252,955
Waste Water	370,700
Landfill	776,796
Port-Dock	735,042
Port-Harbor	237,822
Port Harbor – Ice Machine	5,200
Port Harbor – Bathhouse	14,500
Asset Forfeiture	5,000
E-911	55,468

Senior Center	353,435		
Library Grants	100,379		
BBEDC Intern Grants	1,004,559		
BBEDC Intern Grants	133,193		
Mary Carlson Estate	2,146		
Ambulance Replacement Fund	20,000		
Bond Projects	0		
Debt Service	1,396,400		
Equipment Replacement/Reserve	45,000		
Capital Project (Planning) Fund	1,761,984		
<b>Total Special Rev &amp; Other Appropriations</b>		<u>7,270,579</u>	
<b>TOTAL APPROPRIATIONS</b>			<u><u>17,795,802</u></u>

<b>Total Revenues and Transfers</b>	<b>17,049,731</b>
<b>Total Appropriations</b>	<b>17,795,802</b>
<b>Net Increases (Decreases) to Fund Balance</b>	<b><u>(746,071)</u></b>

**Section 7. Fund Balance Explanation**

**Section 8. Effective Date.** This Ordinance is effective upon passage

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on April 7, 2022.

SEAL

\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

\_\_\_\_\_  
Lori Goodell, City Clerk

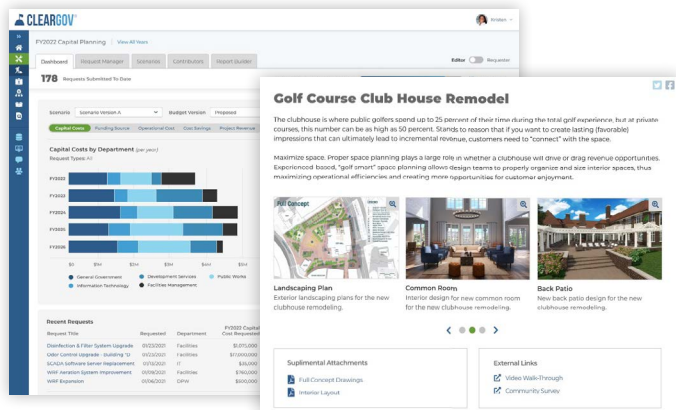
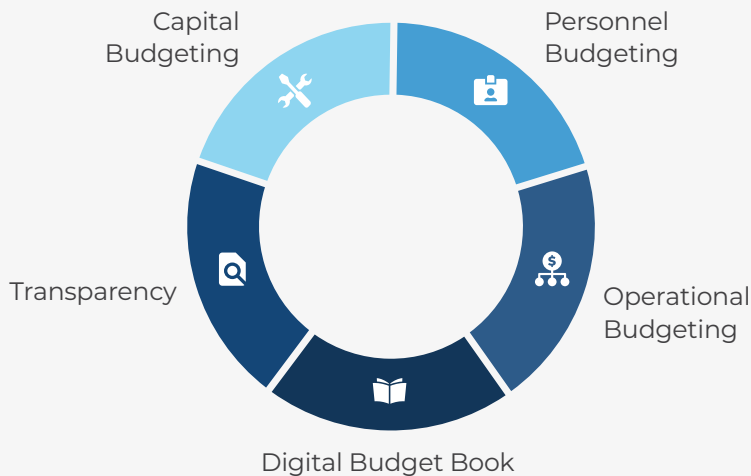
# Budget Cycle Management Suite

## PRODUCT BRIEF



Local governments have faced the same challenges and limitations for years as they navigate their budget cycles using spreadsheets. The reality is that spreadsheets do not adequately address the unique needs of building different types of budgets, communicating those budgets, and maintaining transparency year-round.

ClearGov's cloud-native Budget Cycle Management suite provides efficiency at every step of the process so you can budget better. Our financial solutions are easy-to-use, complement existing ERP and accounting systems, and automatically deliver website-based results that your community and stakeholders will appreciate.



## Capital Budgeting

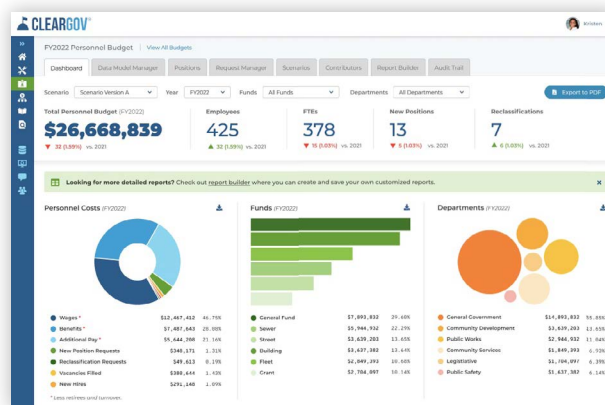
Automate the way you collect capital requests and prioritize projects to streamline your CIP process.

- Eliminate manual spreadsheet work with web-based request forms and scenario planning tools.
- Collaborate with contributors directly in the budget - the audit trail is automatic.
- Effortlessly produce professional, website-based project pages to share with the public.

## Personnel Budgeting

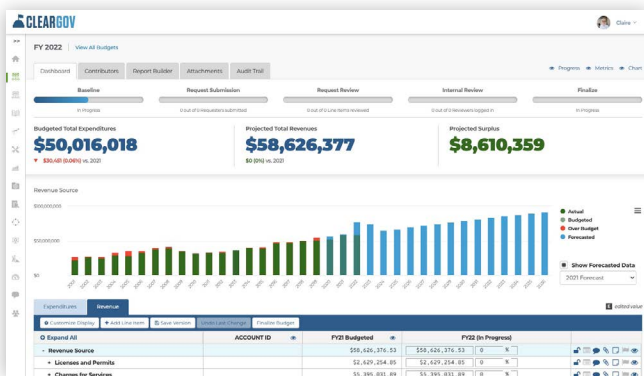
Build your personnel budget with powerful cloud-native tools that ensure you've calculated every layer of cost.

- Easily manage salaries, benefits, vacancies, and inform union negotiations from one dashboard.
- Plan future scenarios and analyze how each impacts your budget at multiple levels.
- Streamline position requests from department heads and easily include them in your plan.



# Budget Cycle Management Suite

## PRODUCT BRIEF



## Operational Budgeting

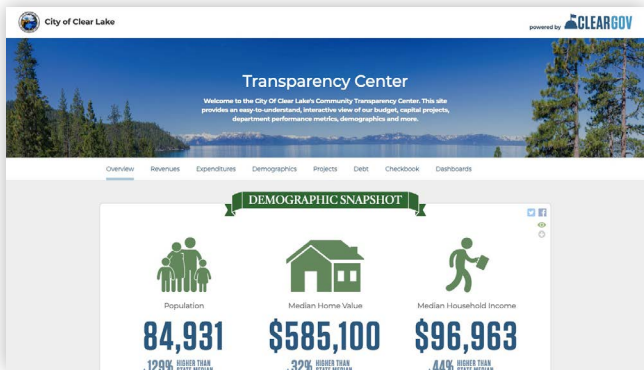
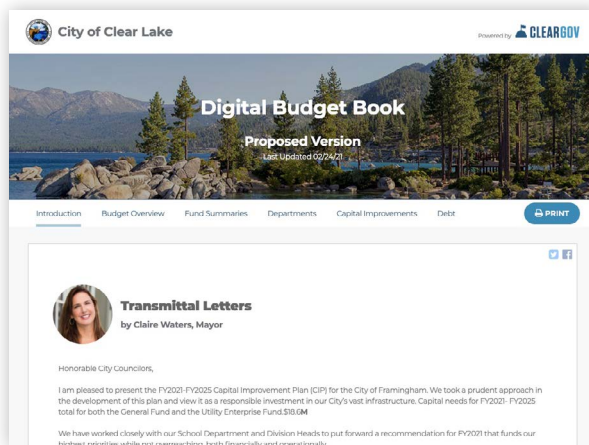
Eliminate spreadsheet errors and version control issues with cloud-native budgeting.

- Build your budget with ease as requests flow in from departments automatically for approval.
- Create AI-driven forecasts for long-term planning or use as a baseline for your budget.
- Collaborate with contributors as you edit line items - the audit trail is automatic.

## Digital Budget Book

The industry's first website-based solution that builds a budget book in a fraction of the time.

- Automate the creation of fund summary pages, charts, tables and more.
- Invite contributors to create new pages quickly with easy-to-use templates.
- Meet GFOA award criteria with built-in guidelines.
- Share online or print with just one click.



## Transparency

Tell your financial story in a way everyone can understand, and that's ADA-optimized by design.

- This turnkey, website-based solution is pre-populated with state-available data using dynamic infographics.
- Customize your profile with charts, department pages, and commentary to build community trust.
- Add narrative to the numbers that help stakeholders understand your finances and performance.



*"From start to finish, ClearGov Budget Cycle Management is a suite that's well thought out. They clearly did their homework and did a great job integrating all of the products. ClearGov software is worth more than what we're paying for it!"*

-Brandon Neish, Finance Director, Sweet Home, OR