



## **FINANCE AND BUDGET COMMITTEE**

Monday, October 23, 2023 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**

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/83223633340?pwd=czBpd2czN2JjOU45NUhiazNzQW9EQT09>

Meeting ID:827 8420 7489 passcode:076982

or dial (346) 248-7799; or (669) 900-6833

#### **CALL TO ORDER**

#### **ROLL CALL**

#### **APPROVAL OF MINUTES**

1. Previous Meeting Minutes Not Available

#### **APPROVAL OF AGENDA**

#### **STAFF REPORTS**

2. Finance and Budget Memo
3. August 2023 Revenue and Expense Report

#### **UNFINISHED BUSINESS**

4. Fish Tax

#### **NEW BUSINESS**

5. No New Business

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

#### **ADJOURNMENT**

# ROLL CALL

# APPROVAL OF AGENDA



## MEMORANDUM

**DATE:** October 20, 2023  
**TO:** City Manager  
**FROM:** Anita Fuller, Finance Director  
**SUBJECT:** Finance & Budget Staff Report

### STAFF REPORT

- Revenue and Expense review for August 2023
- FY22 & FY23 Audit update
- Department staffing
- Property Tax
- Sales Tax
- Collections
- Budget

#### Revenue and Expense review August 2023 –

Information provided for percentages above 16%. Current actuals recognize a net increase to fund balance by \$3,453,456. End of FY23 year adjustments are still pending.

- Real and personal property taxes are recorded as revenue at 100% on 07/01/2023. Actual collections in August is at 3% of real property and 1% of personal property which is historically normal. Property tax penalty and interest continues to be higher than expected due to non-payment of prior year taxes.
- PILT has come in well above expected at 114%. This can be adjusted with the mid-year budget revision.
- Motor Vehicle Tax is under review of FY23 audit entry.

#### *Special Revenues & Other Funds Revenue*

- Carlson Estate investments have returned higher than expected.

#### *Transfers*

- As expected

#### *General Fund Expenditures*

- As expected.

#### *Special Revenues & Other Funds Expenditures*

- As expected.

**Grant and Bond Revenues/Expenditures**

- As expected.

**Capital Project Revenues/Expenditures**

- Projects have begun and will see expenses in September, payments are pending.

**Audit Update:**

FY22 Audit – Auditors arrive 11/27/2023 for final work.

FY23 Audit – Auditors arrive 01/08/2024 to be onsite two weeks.

**Department staffing:**

Account Tech II – Position has been opened since 09/08/2023. Advertising ongoing.

Account Tech III, Taxes – Basil Tilden will be attended the AML Tax Conference in Anchorage 09/28/23-09/29/23. Presentations will cover how to strengthen the ability for local governments to manage current and potential tax systems.

Finance Director attend the Ruba Training - Personnel Management for Rural Utilities. This training focused on what a utility should be doing for personnel.

**Property Tax**

Real and personal property taxes for 2023 are due on 11/01/2023. Penalties will be incurred if at least the first half is not paid on 11/02/2023. The remaining taxes are due 12/01/2023.

Personal property tax return process. The Finance Department have made a goal to improve

**Sales Tax**

AML, in a response to a number of questions received from remote sellers, is making an update to the taxability guidance that is published regarding federally recognized tribes. The current language published on the tax lookup map only generally references federally recognized tribes. There is a need to update the guidance to specifically call out sales to tribes vs sales by tribes.

Below is the proposed updated language around federally recognized tribes based on our current sales tax code. AML would like a response by 11/3/2023 if there is an issue with their wording.

place_name	section	item	item_name	answer	explanation
Dillingham	Alaska Tax Lookup	37	Sales to Federally Recognized Tribes	Exempt	This is exempt. Dillingham exem federaly recognized tribes.
Dillingham	Alaska Tax Lookup	NEW	Sales by Federally Recognized Tribes	Taxable	This is taxable. Dillingham has no exemption for sales by federally recognized tribes.

**Collections**

Notices were mailed for utility collections 09/29/2023. Utility shut offs scheduled as early as 10/30/2023. Denied services list is updated and ready for review and for letters to go out.

**Grants**

NTS & NSIP grant reporting completed for FY23. FY24 application approved.

Remaining grant reporting in progress.

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## Budget

FY24 Budget revision review has begun. Planning on presenting budget revision in the November meeting so council can have December and January to adopt the revision.

**Wages:** City of Dillingham continues to struggle with filling positions. Wages, although not the only factor, is top of the list. The City Manager proposal in the September council meeting was to increase each level by 12%. Using the most recent payroll, a 12% increase would increase one payroll's wage by \$15,014 and benefits by \$3,923 for a total of \$18,937. If this impacts 75% of the FY24 budget an increase of \$369,269 would be recognized. .

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City of Dillingham  
 Unaudited Revenues and Expenditures As of August 31, 2023

Data Collected on:  
 10/19/2023

Section . Item 3.

	08/31/23			08/31/22			Uncollected	% Adj
	Budget - FY24	YTD	Percent	YTD	INC/(DEC)			
<b>General Fund Revenues</b>								
General Sales Tax	\$ 3,300,000	\$ 838,097	25%	\$ 791,656	\$ 46,441	(2,102.86)	25%	
General Sales Tax - Remote	425,000	107,194	25%	77,635				
Alcohol Sales Tax	280,000	63,595	23%	81,784	(18,188)		23%	
Transient Lodging Sales Tax	120,000	34,993	29%	39,449	(4,456)	-	29%	
Gaming Sales Tax	65,000	3,626	6%	7,698	(4,072)		6%	
Tobacco Excise Tax	350,000	59,303	17%	64,543	(5,240)		17%	
Marijuana Excise Tax	90,000	15,433	17%	24,965	-		17%	
Business License	17,000	450	3%	400	-			
Penalty & Interest - Sales Tax	15,000	2,231	15%	2,189	41	(235.46)	13%	
Total Sales Tax	4,662,000	1,124,922	24%	1,090,319	14,526		24%	
Real Property Tax	2,460,000	2,476,512	101%	2,393,797	82,715	(81,345.34)	97%	
Personal Property Tax	555,000	573,653	103%	456,068	117,585	(23,880.71)	99%	
Penalty & Interest - Property Tax	70,000	26,981	39%	24,324	2,657		39%	
Total Property Taxes	3,085,000	3,077,146	100%	2,874,189	202,957		96%	
Telephone Gross Receipts State Tax	70,000	-	0%	-	-		0%	
Shared Fisheries	670,000	-	0%	-	-		0%	
Raw Fish Tax	30,000	-	0%	-	-		0%	
Community Sharing	75,352	-	0%	-	-		0%	
Payment in Lieu of Taxes (PILT)	460,000	522,976	114%	480,895	42,081		114%	
State Jail Contract	720,000	-	0%	-	-		0%	
Motor Vehicle Tax	25,000	9,722	39%	-	9,722			
Ambulance Fees	65,000	4,543	7%	15,006	(10,462)		7%	
Lease & Rental Income	35,000	1,820	5%	1,800	20		5%	
Admin Overhead	162,905	22,885	14%	30,845	(7,960)		14%	
PERS on Behalf	94,318	12,272	13%	19,364	(7,092)		13%	
PERS Forfeiture Fund	5,000	-	0%	-	-		0%	
Other Revenues	147,750	48,997	33%	27,785	21,212	-	33%	
Total	2,560,325	623,215	24%	575,694	47,521		24%	
<b>Total</b>	<b>\$ 10,307,325</b>	<b>\$ 4,825,284</b>	<b>47%</b>	<b>\$ 4,540,203</b>	<b>\$ 265,004</b>		46%	
<b>Special Revenue &amp; Other Funds Revenue</b>								
Water	231,712	41,043	18%	44,248	(3,204)	(13,237.86)	12%	
Sewer	464,012	71,868	15%	87,631	(15,764)	(17,871.11)	12%	
Landfill	298,259	93,543	31%	83,297	10,246	(12,661.00)	27%	
Port - Dock	808,576	17,536	2%	203,469	(185,933)	(23,780.09)	-1%	
Port - Harbor	142,999	22,405	16%	32,938	(10,533)	(4,576.00)	12%	
Asset Forfeiture Fund	2,000	85	4%	12	73		0%	
E-911 Service	65,000	11,581	18%	11,242	339		18%	

City of Dillingham  
 Unaudited Revenues and Expenditures As of August 31, 2023

Data Collected on:  
 10/19/2023

Section . Item 3.

	<u>Budget - FY24</u>	<u>08/31/23</u> YTD	<u>Percent</u>	<u>08/31/22</u> YTD	<u>INC/(DEC)</u>	
Senior Center (Non-Grant)	45,615	3,142	7%	3,616	(474)	7%
Senior Center (Grant)	76,000	3,361	4%	-	3,361	4%
Library (Grants)	54,170	-	0%	6,935	(6,935)	0%
Debt Service	754,693	-	0%	-	-	0%
Equipment Replacement	-	107,360		-	107,360	
Mary Carlson Estate	4,000	3,422	86%	1,264	2,157	86%
Ambulance Rental	-	6,000		-	6,000	
<b>Total</b>	<b>\$ 2,947,036</b>	<b>\$ 381,346</b>	<b>13%</b>	<b>\$ 474,653</b>	<b>\$ (93,307)</b>	<b>10%</b>

**Transfers**

<i>From General Fund to Other Funds</i>						
Landfill	1,014,850	65,432	6%	-	65,432	
Senior Center	286,949	13,567	5%	39,872	(26,305)	
Ambulance Reserve	56,000	4,089	7%	(1,501)	5,590	
Equipment Replacement	600,000	107,360	18%	-	107,360	
Capital Projects	557,334	-		-	-	
Debt Service SRF Loans	53,050	-	0%	-	-	
Debt Service Streets Bond	221,750	-	0%	-	-	
Debt Service Firehall Bond	44,000	-	0%	-	-	
Debt Service School Bond	319,307	-	0%	-	-	
<i>From Dock Fund to Harbor Funds</i>						
Port - Harbor	189,853	-		74,159	(74,159)	
Port - Harbor - Ice Machine	18,200	-		-	-	
Port - Harbor - Bathhouse	18,300	-		5,362	(5,362)	
<i>From Department to Department</i>						
Transfer from E911 to Dispatch	63,916	7,837	12%	1,124	-	
Transfer from Carlson Estate to Library	4,000	666	17%	-	-	
Transfer from Wastewater to Water	28,471	-	0%	-	-	
<b>Total</b>	<b>\$ 3,475,980</b>	<b>\$ 198,952</b>	<b>6%</b>	<b>\$ 119,016</b>	<b>\$ 72,557</b>	
<b>Total Revenues &amp; Transfers</b>	<b>\$ 16,730,341</b>	<b>\$ 5,405,581</b>	<b>32%</b>	<b>\$ 5,133,871</b>	<b>\$ 244,254</b>	



**City of Dillingham**  
**Unaudited Revenues and Expenditures As of August 31, 2023**

**Data Collected on:**  
**10/19/2023**

Section . Item 3.

	<u>Budget - FY24</u>	<u>08/31/23</u> YTD	<u>Percent</u>	<u>08/31/22</u> YTD	<u>INC/(DEC)</u>
<b>EXPENDITURES:</b>					
<b>General Fund Expenditures</b>					
City Council	\$ 100,600	\$ 7,000	7%	\$ 17,512	\$ (10,512)
City Clerk	151,607	2,721	2%	22,955	(20,233)
Administration	837,368	48,179	6%	72,120	(23,941)
Finance	1,098,392	148,275	13%	105,037	43,238
Legal	65,000	13,544	21%	5,886	7,658
Insurance	328,100	0	0%	45,537	(45,537)
Planning	332,485	24,435	7%	21,691	2,744
Foreclosures	9,000	53	1%	120	(67)
IT	301,300	26,804	9%	56,054	(29,250)
Public Safety Administration	299,928	24,043	8%	28,626	(4,583)
Dispatch	632,935	78,375	12%	64,392	13,983
Patrol	1,593,836	110,878	7%	124,515	(13,636)
Corrections	826,289	102,334	12%	54,276	48,058
DMV	72,661	11,183	15%	7,867	3,316
Animal Control Officer	131,541	19,602	15%	15,590	4,012
Fire	518,639	85,989	17%	74,939	11,050
Fire Department Donation	15,000	0	0%	0	-
EOC	-	-		0	-
Public Works Administration	439,456	17,116	4%	265	16,851
Building and Grounds	408,592	47,006	12%	32,519	14,487
Shop	636,118	44,188	7%	77,105	(32,916)
Street	551,739	98,905	18%	33,044	65,861
Library	192,485	24,069	13%	33,279	(9,210)
Gma House	0	3,709		0	
City School	1,700,000	425,259	25%	325,000	100,259
Transfers to Other Funds	3,153,240	190,449	6%	38,371	152,077
<b>Total</b>	<b>\$ 14,396,311</b>	<b>\$ 1,554,117</b>	<b>11%</b>	<b>\$ 1,256,699</b>	<b>\$ 293,709</b>

City of Dillingham  
 Unaudited Revenues and Expenditures As of August 31, 2023

Data Collected on:  
 10/19/2023

Section . Item 3.

	<u>Budget - FY24</u>	<u>08/31/23</u> <u>YTD</u>	<u>Percent</u>	<u>08/31/22</u> <u>YTD</u>	<u>INC/(DEC)</u>
<b><u>Special Revenue Funds Expenditures</u></b>					
Water	260,183	30,728	12%	23,419	7,309
Sewer	332,054	93,819	28%	41,494	52,325
Landfill	1,313,109	158,975	12%	57,544	101,431
Port - Dock	1,150,212	65,264	6%	233,980	(168,715)
Port - Harbor	369,352	63,775	17%	112,944	(49,169)
Asset Forfeiture Fund	2,000	-		-	-
E-911 Service	63,916	7,837	12%	1,124	6,713
Senior Center (Non-Grant)	332,564	16,709	5%	57,014	(40,305)
Senior Center (Grant)	76,000	11,779	15%	13,117	(1,338)
Library (Grants)	54,170	2,957	5%	17,237	(14,281)
Mary Carlson Estate	6,255	758	12%	274	484
Ambulance Reserve Fund	20,000	-	0%	-	-
Debt Service SRF Loans	53,050	-	0%	-	-
Debt Service School Bond	1,064,000	-	0%	-	-
Debt Service Firehall Bond	44,000	-	0%	-	-
Debt Service Streets Bond	231,750	-	0%	-	-
Equipment Replacement	600,000	-	0%	103,692	(103,692)
<b>Total</b>	<b>\$ 5,972,615</b>	<b>\$ 452,602</b>	<b>8%</b>	<b>\$ 661,840</b>	<b>\$ (209,238)</b>
	<b>\$ 20,368,926</b>	<b>\$ 2,006,719</b>	<b>10%</b>	<b>\$ 1,918,538</b>	<b>\$ 84,471</b>
<b>Net Increase (Decrease) to Fund Balances</b>	<b>\$ (3,638,585)</b>	<b>\$ 3,398,862</b>		<b>\$ 3,215,333</b>	<b>\$ 159,782</b>

	<u>Budget - FY24</u>	<u>08/31/23</u> <u>YTD</u>	<u>Percent</u>	<u>08/31/22</u> <u>YTD</u>	<u>INC/(DEC)</u>
<b>Grant &amp; Bond Revenues</b>					
ANTHC-Lagoon	-	-		(2,830)	2,830
EPA Snagpoint Erosion Grant	1,000,000	-	0%	-	-
COVID - CARES & ARPA & LGLR	1,900,000	-	0%	2,553,756	(2,553,756)
SRF Loan - Lagoon Aeration	670,000	-	0%	-	-
SRF Loan - Waterfront	88,125	-	0%	-	-
SRF Loan - Water	30,000	-	0%	-	-
SRF Loan - Wastewater	100,000	-	0%	-	-
Southern Region EMS	-	-		360	(360)
SOA-DOH Grants	210,250	-	0%	-	-
Curyung-Ice Machine	-	-		-	-
BBEDC Intern Program	112,201	-	0%	(6,779)	6,779
BBEDC Training Reimb	-	-		-	-
BBEDC Pass Thru	-	-		-	-
BBNC Training Reimb	-	-		-	-
Bond Investment Income	-	17,799		4,190	13,609
<b>Total</b>	<b>\$ 4,110,576</b>	<b>\$ 17,799</b>	<b>0%</b>	<b>\$ 2,548,697</b>	<b>\$ (2,530,898)</b>
<b>Grant &amp; Bond Expenditures</b>					
ANTHC-Lagoon	-	-		146,538	(146,538)
EPA Snagpoint Erosion Grant	1,000,000	-	0%	-	-
State Public Safety	-	-		-	-
COVID - CARES & ARPA & LGLR	1,900,000	-	0%	-	-
SRF Loan - Lagoon Aeration	670,000	-	0%	-	-
SRF Loan - Waterfront	88,125	-	0%	-	-
SRF Loan - Water	30,000	-	0%	-	-
SRF Loan - Wastewater	100,000	-	0%	-	-
Southern Region EMS	-	-		-	-
SOA-DOH Grants	210,250	-	0%	-	-
Curyung-Ice Machine	-	53		200	(146)
BBEDC Intern Program	112,201	26,435	24%	17,742	8,693
BBEDC Training Reimb	-	10,350		7,250	3,100
BBEDC Pass Thru	-	-		-	-
BBNC Training Reimb	-	10,350		-	10,350
<b>Total</b>	<b>\$ 4,110,576</b>	<b>\$ 47,189</b>	<b>1%</b>	<b>\$ 257,485</b>	<b>\$ (210,296)</b>
	<b>\$ -</b>	<b>\$ (29,390)</b>		<b>\$ 2,291,212</b>	<b>\$ (2,741,194)</b>

City of Dillingham  
 Unaudited Revenues and Expenditures As of August 31, 2023

Data Collected on:  
 10/19/2023

Section . Item 3.

	<u>Budget - FY24</u>	<u>08/31/23</u> YTD	<u>Percent</u>	<u>08/31/22</u> YTD	<u>INC/(DEC)</u>
<b>Capital Project Funds Revenues</b>					
Investment Income	-	-		-	-
Insurance Proceeds - Firehall	-	-		-	-
Insurance Proceeds - Landfill Shop Fire	-	-		214,490	(214,490)
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 214,490</b>	<b>\$ (214,490)</b>

	<u>Budget - FY24</u>	<u>08/31/23</u> YTD	<u>Percent</u>	<u>08/31/22</u> YTD	<u>INC/(DEC)</u>
<b>Capital Project Funds Expenditures</b>					
Major Building Maintenance	400,000	-		-	-
Water Improvements	-	-		-	-
WasteWater Improvements	-	-		-	-
Sewer Lagoon Aeration	557,334	-		-	-
Other Lift Station	-	-		-	-
Fire Dept Water Damage Repair	-	-		-	-
Landfill New Cell	-	-		-	-
Landfill Shop Fire	-	-		-	-
Landfill Groundwater Well	-	-		-	-
Bingman-Harbor cleanup	-	-		-	-
<b>Total</b>	<b>\$ 957,334</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>\$ (957,334)</b>	<b>\$ -</b>		<b>\$ 214,490</b>	<b>\$ (214,490)</b>

	<u>Budget</u>	<u>Actual</u>
General Fund Revenue	\$ 10,307,325	\$ 4,825,284
Special Fund Revenue	\$ 2,947,036	\$ 381,346
Transfers In	\$ 3,475,980	\$ 198,952
Grant and Bond Revenue	\$ 4,110,576	\$ 17,799
CIP Revenue	\$ -	\$ -
	<b>\$ 20,840,917</b>	<b>\$ 5,423,380</b>
General Fund Expenditures	\$ 14,396,311	\$ 1,554,117
Special Fund Expenditures	\$ 5,972,615	\$ 452,602
Grant and Bond Expenditures	\$ 4,110,576	\$ 47,189
CIP Expenditures	\$ 957,334	\$ -
	<b>\$ 25,436,836</b>	<b>\$ 2,053,908</b>
<b>Net Increase (Decrease) to Fund Bal</b>	<b>\$ (4,595,919)</b>	<b>\$ 3,369,472</b>