



## **FINANCE AND BUDGET COMMITTEE**

Monday, April 18, 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*

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/89055934518?pwd=b0VSRW43c3A2MGRTejJ0VGdjekdZQT09>

Meeting ID: 890 5593 4518; participant #; passcode: 377587  
or dial (346) 248-7799; or (669) 900-6833

#### **CALL TO ORDER**

#### **ROLL CALL**

#### **APPROVAL OF MINUTES**

- [1.](#) Minutes of February 24, 2022, Finance & Budget Committee

#### **APPROVAL OF AGENDA**

#### **STAFF REPORTS**

- [2.](#) March 2022 Revenue & Expense Report

#### **COMMITTEE BUSINESS**

- [3.](#) DCSD Budget Appropriation
- [4.](#) Foreclosure List
- [5.](#) Review Ordinance 2022-04, Seafood Processing Excise Tax

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

#### **ADJOURNMENT**



## FINANCE AND BUDGET COMMITTEE

Thursday, February 24, 2022 at 5:30 PM

### MINUTES

#### CALL TO ORDER

The Finance and Budget Committee met on Monday, February 24, 2022, in the City Council Chambers, Dillingham, AK, and via Zoom video conference call. Curt Armstrong called the meeting to order at 5:32 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	

Committee members absent:

Aksel Buholm

#### APPROVAL OF MINUTES

- Minutes of January 17, 2022; Finance & Budget Committee Meeting

MOTION: Alice Ruby moved and Perry Abrams seconded the motion to approve the minutes of January 17, 2022.

VOTING: the motion passed by unanimous consent.

#### APPROVAL OF AGENDA

MOTION: Mark Lynch moved and Perry Abrams seconded the motion to approve the agenda.

VOTING: the motion passed by unanimous consent.

#### STAFF REPORTS

- Staff Report

- Working with Accounting Firm to complete audit.
- The department is still short staffed causing some processes to be delayed.
- Collection efforts have resumed.
- \$2.7m LGLR Grant has been awarded. ARPA grant applied for. Additional CARES funds have been received.

Committee Member Buholm arrived 5:39 p.m.

- January Revenue & Expense report reviewed.
- Budget schedule to be formalized with arrival of Robert Mawson, City Manager.

#### COMMITTEE BUSINESS

- Marijuana Excise Tax Ordinance Draft

- Modeled after the tobacco excise tax. Based on wholesale price not weight.
- Reporting forms are simple to use.

MOTION: Alice Ruby moved that the Finance Committee recommend Council adopts this Ordinance, seconded by Anita Fuller.

VOTING: the motion passed unanimous by roll call vote.

4. Seafood Processing Excise Tax Ordinance Draft

- Average price per pound over time used to derive a per pound, per species, rate.
- Keep the rate based on a four or five year rolling average to keep it viable. Update the calculation on a regular basis.
- Can monitor through cash reporting, as forms are submitted.
- Sales tax is voter approved and based on a percentage of retail price. Percentage method for seafood tax per dollar presents a risk as it could be considered by some as a sales tax, not an excise tax.
- Fish tickets tracks species and poundage.
- Changes: 4.27.010 add packaging to "Seafood Processing", 4.27.050 A. and B. increase from five to ten thousand, 4.27.060 B date to be November 1<sup>st</sup>.

MOTION: Mark Lynch moved that the Finance Committee moves this ordinance forward to council with the changes the committee made, seconded by Anita Fuller.

VOTING: the motion passed unanimous by roll call vote.

5. FY22 Budget Revision No. 2

- Recommended this item waits for new City Manager, Robert Mawson to arrive.
- Pay rate for EMT's noted as inadequate. Currently the City is unable to attract EMT's. City Manager Lynch requested consideration to move Fire Department Coordinator and EMT1 and EMT 2 up on the pay scale. A report was requested with comparisons for EMT pay rates. Adjusting one position causes a "ripple effect". The pay scale as a whole needs to be addressed.
- Additional items for budget; ClearGov management suite provides a way to manage the budget cycle more effectively, and with increased transparency; extending contract with Carmen Jackson accounting firm.

**PUBLIC/COMMITTEE COMMENT(S)**

- Mark Lynch noted this will be his last Finance & Budget meeting, he thanked the committee.
- Brooks Chandler and March Lynch were thanked.

**ADJOURNMENT**

The meeting adjourned at 8:05 p.m.

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

ATTEST:

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

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



## MEMORANDUM

**DATE:** April 15, 2022  
**TO:** City Manager  
**FROM:** Anita Fuller, Finance Director  
**SUBJECT:** Staff Report

### STAFF REPORT

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

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

Pending items have been submitted to auditors for their review.

#### **Department staffing:**

Account Tech III – Taxes/Collection: Position has been reduced to taxes. Promoted Ryan Johnson 03/24/2022 to fill this role. Patty Rice has agreed to work with Ryan in April to assist with training.

Account Tech II – Hired Abigail Flynn on 03/02/2022 to manage records management part-time less than 10 hours per week.

Account Tech I – Cashier: Position is open until filled.

#### **Asset List**

Ongoing for April – in coordination with FY23 Budget.

#### **Collections**

Foreclosure listing for 2018 Action have passed the period of redemption (5 properties at \$22,185.30).

Foreclosure listing for 2019 Action have passed the period of redemption (12 properties at \$15,149.57).

Potential 2022 foreclosure action provided (57 properties at \$170,187.78). Letters requesting payment were sent in February. An updated list will go to the next council meeting and foreclosure process will begin.

## Grants

State MOA for COVID advertising grant closed.

IMLS grant report submitted for 09/2021-12/2021 work.

Notice of Award for LGLR grant has been received in the amount of \$2,786,321.10 agreement is in process.

## Budget

FY23 Budget see scheduled workshops

## Revenue and Expense review March 2022 –

Information provided for percentages below 60% or above 90%

### General Fund Revenues

- All taxes are reported 1 month behind. 96% is above expected.
- Remote sales tax is 2 months delayed, 75% is above expected.
- Transient Lodging 1 month behind. 97% is above expected.
- Tobacco excise tax is 1 month behind and is within normal range.
- Real and personal property tax are recognized at 100%; however 94% has been collected, below last year's numbers.
- Property tax penalty and interest is at 119%; which exceeds entire year budget expectation.
- Telephone tax is collected at the end of the year.
- Shared Fisheries tax and Raw Fish tax are above expected.
- Community Sharing has been received and above expected budget.
- PILT has come in above expected by 3%.
- Ambulance fees remain below expected average at 22%.
- 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 and will not meet budgeted expectations.
- Other Revenues is impacted by PILOT not received from BBHA, Investment income is in the negative, court deposits and title 47 fees are reduced by 30%, and foreclosure fees voided from previous years to settle a debt.

### Special Revenues & Other Funds Revenue

- 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 non-grant revenue is below expected. Continued COVID precautions is reducing potential revenue.
- Debt Services – State bond reimbursement was unexpected.
- Equipment Replacement Insurance – insurance replacement of equipment
- Mary Carlson Estate investment income is still declining 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 – Budget agreed on during resolution, no budget revision made.
- 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 32%.

#### General Fund Expenditures

- Council – Lobbyist was paid in April for multiple month's services.
- Clerk – Contract funds are scheduled to be spent in spring.
- Administration – expenditures for new city manager will show in April 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 costs delayed, supplies cost delayed.
- Planning – No contract will be made with Agnew:Beck for a comprehensive plan FY22.
- Foreclosure – Foreclosure actions are ready to move forward.
- IT – Expenditures will continue to increase as projects continue.
- Meeting Hall – Expenditures reduced with no one meeting in room.
- Corrections – Open positions have reduced costs.
- Fire Department – Open staff position throughout the year has reduced expenditures.
- Fire Department checking – Expenses projected in spring.
- EOC – No employees as budgeted
- Public Works Administration – No PW Admin for a most of the year and PW Director shared with Port has reduced expenditures.
- Building & Grounds – Open positions has reduced staff expenditures. .
- City School – payment already made for 4th quarter.
- Transfers to other funds are reduced since overall expenditures are lower.

#### Special Revenues & Other Funds Expenditures

- Landfill – Employee benefit selection lower than budget, major equipment purchases yet to be made, landfill closure costs not recognized.
- Asset Forfeiture funds – budget exceeded for copier purchase and supplies for rotational officer housing.
- Ambulance Reserve Fund – Volunteer stipends are less than budgeted.
- Debt Services SRF Loans – payments have not started. Contact is being made to the state to verify status.
- Debt Services for bonds are scheduled for April.
- Equipment replacement – Admin vehicle and landfill fire equipment replacements have been made.

#### Grant and Bond Revenues/Expenditures

- ANTHC – RFP has gone out for bid to work on the lagoon project, bid opening in April. Will match project funds with the LGLR grant received.
- State Public Safety – Contract for an officer to train in Anchorage is completed.
- 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.
- SRF Loans – Lagoon Aeration, Waterfront and Wastewater projects not started; funding not used at this point. Landfill project started, funds not expended.
- Curyung Ice Machine – funds for electrical and maintenance support.
- BBEDC Intern program is mainly funded for spring and summer months.

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- BBEDC Pass Thru – Funds used for Pumpkin Patch project
  - FireHall – Bond funds received in prior fiscal year.

Capital Project Revenues/Expenditures

- Insurance Proceeds– Funds received for landfill shop building that will be kept in reserve until project begins.
  - Lagoon project is out for bid. .
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	03/31/22			03/31/21		Uncollected	% Adj
	Budget - FY21	YTD	Percent	YTD	INC/(DEC)		
<b>General Fund Revenues</b>							
General Sales Tax	\$ 2,500,000	\$ 2,190,026	96%	\$ 1,949,783	\$ 240,244	(4,192.86)	87%
General Sales Tax - Remote	500,000	200,514	75%	127,042			
Alcohol Sales Tax	260,000	172,122	66%	166,396	5,726		66%
Alcohol Sales Tax - Remote	-	89		-	89		
Transient Lodging Sales Tax	85,000	82,265	97%	49,799	32,467	-	97%
Gaming Sales Tax	65,000	41,883	64%	42,352	(468)		64%
Tobacco Excise Tax	370,000	207,373	56%	223,330	(15,957)		56%
Penalty & Interest - Sales Tax	20,000	12,196	61%	13,887	(1,691)		61%
<b>Total Sales Tax</b>	<b>3,800,000</b>	<b>2,906,470</b>	<b>76%</b>	<b>2,572,587</b>	<b>260,410</b>		<b>76%</b>
Real Property Tax	2,084,565	2,078,512	100%	2,122,148	(43,635)	(114,341.50)	94%
Personal Property Tax	479,356	477,738	100%	508,046	(30,309)	(25,820.58)	94%
Penalty & Interest - Property Tax	65,000	77,114	119%	65,499	11,615		119%
<b>Total Property Taxes</b>	<b>2,628,921</b>	<b>2,633,363</b>	<b>100%</b>	<b>2,695,693</b>	<b>(62,330)</b>		<b>95%</b>
Telephone Gross Receipts State Tax	65,000	-	0%	65,065	(65,065)		0%
Shared Fisheries	475,000	772,264	163%	474,820	297,445		163%
Raw Fish Tax	9,000	23,430	260%	9,056	14,374		260%
Community Sharing	75,700	84,575	112%	75,783	8,793		0%
Payment in Lieu of Taxes (PILT)	460,000	473,299	103%	484,326	(11,027)		103%
State Jail Contract	535,367	401,525	75%	401,525	-		75%
Ambulance Fees	55,000	11,969	22%	17,341	(5,372)		22%
Lease & Rental Income	35,000	10,270	29%	10,180	90		29%
Admin Overhead	220,625	154,901	70%	128,000	26,901		70%
PERS on Behalf	231,326	151,046	65%	174,070	(23,024)		65%
PERS Forfeiture Fund	67,033	12,316	18%	74,290	(61,974)		18%
Other Revenues	202,200	103,212	51%	126,803	(23,591)	-	51%
<b>Total</b>	<b>2,431,251</b>	<b>2,198,808</b>	<b>90%</b>	<b>2,041,257</b>	<b>157,550</b>		<b>90%</b>
<b>Total</b>	<b>\$ 8,860,172</b>	<b>\$ 7,738,641</b>	<b>87%</b>	<b>\$ 7,309,538</b>	<b>\$ 355,630</b>		<b>86%</b>
<b>Special Revenue &amp; Other Funds Revenue</b>							
Water	233,224	175,755	75%	167,469	8,286	(27,952.40)	63%
Sewer	464,124	350,613	76%	340,145	10,469	(37,735.74)	67%
Landfill	295,429	207,990	70%	226,529	(18,539)	(1,782.00)	70%
Port - Dock	735,042	499,397	68%	550,996	(51,598)	(39,536.74)	63%
Port - Harbor	170,580	53,881	32%	53,885	(5)	-	32%
Asset Forfeiture Fund	2,000	(38)	-2%	18	(55)		0%
E-911 Service	65,000	45,988	71%	43,891	2,097		71%
Senior Center (Non-Grant)	54,746	25,787	47%	23,926	1,860		47%
Senior Center (Grant)	131,000	100,455	77%	110,748	(10,293)		77%



	<u>Budget - FY21</u>	<u>03/31/22</u> YTD	Percent	<u>03/31/21</u> YTD	INC/(DEC)	
Library (Grants)	100,379	67,486	67%	59,405	8,081	67%
Debt Service	30,000	237,125	790%	53,742	183,383	
Equipment Replacement Insurance	-	13,943		-	13,943	
Mary Carlson Estate	4,000	(6,862)	-172%	2,817	(9,679)	-172%
<b>Total</b>	<b>\$ 2,285,524</b>	<b>\$ 1,771,521</b>	<b>78%</b>	<b>\$ 1,633,572</b>	<b>\$ 137,949</b>	<b>73%</b>
<b>Transfers</b>				18,081		
<i>From General Fund to Other Funds</i>						
Water	19,731	-	0%	-	-	
Landfill	481,367	221,807	46%	86,271	135,536	
Senior Center	167,689	108,695	65%	100,750	7,946	
Ambulance Reserve	49,500	1,197	2%	60,000	(58,803)	
Equipment Replacement	-	42,720		-	42,720	
Capital Projects	140,981	5,201	4%	373,987	(368,785)	
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	97,504	137%	75,632	21,872	
Port - Harbor - Ice Machine	-	-	0%	-	-	
Port - Harbor - Bathhouse	14,000	11,552	83%	7,343	4,209	
<i>From Department to Department</i>						
Transfer from E911	55,468	37,472	68%	25,500	11,972	
<b>Total</b>	<b>\$ 2,366,078</b>	<b>\$ 1,298,773</b>	<b>55%</b>	<b>\$ 1,668,165</b>	<b>\$ (369,392)</b>	
<b>Total Revenues &amp; Transfers</b>	<b>\$ 13,511,774</b>	<b>\$ 10,808,934</b>	<b>80%</b>	<b>\$ 10,611,274</b>	<b>\$ 124,187</b>	

	<u>Budget - FY21</u>	<u>03/31/22</u>	<u>Percent</u>	<u>03/31/21</u>	<u>INC/(DEC)</u>
		<u>YTD</u>		<u>YTD</u>	
<b>EXPENDITURES:</b>					
<b>General Fund Expenditures</b>					
City Council	\$ 45,330	\$ 20,968	46%	\$ 24,516	\$ (3,549)
City Clerk	175,228	89,542	51%	81,854	7,687
Administration	497,280	283,452	57%	244,516	38,936
Finance	758,498	515,651	68%	460,552	55,098
Legal	60,000	33,190	55%	26,290	6,900
Insurance	262,000	191,363	73%	198,566	(7,203)
Non-Departmental	118,800	56,956	48%	96,733	(39,777)
Planning	274,666	129,310	47%	133,845	(4,534)
Foreclosures	6,000	566	9%	873	(308)
IT	260,969	126,631	49%	68,630	58,002
Meeting Hall above Fire Station	800	480	60%	530	(51)
Public Safety Administration	202,644	137,208	68%	98,861	38,348
Dispatch	554,688	374,727	68%	288,682	86,045
Patrol	1,044,686	647,297	62%	463,841	183,456
Corrections	715,440	419,639	59%	426,520	(6,881)
DMV	55,797	39,841	71%	37,764	2,077
Animal Control Officer	113,140	77,677	69%	77,610	67
Fire	370,877	143,133	39%	126,374	16,759
Fire Department Donation	15,000	440	3%	105	335
EOC	52,107	19,098	37%	27,783	(8,685)
Public Works Administration	399,294	81,960	21%	139,308	(57,347)
Building and Grounds	312,217	185,427	59%	176,471	8,956
Shop	579,165	360,505	62%	390,821	(30,315)
Street	476,673	332,815	70%	309,455	23,360
Library	155,802	101,754	65%	87,077	14,677
City School	1,300,000	1,300,000	100%	1,300,000	-
Transfers to Other Funds	2,225,668	1,152,246	52%	1,559,690	(407,445)
<b>Total</b>	<b>\$ 11,032,769</b>	<b>\$ 6,821,878</b>	<b>62%</b>	<b>\$ 6,847,267</b>	<b>\$ (25,389)</b>

	<u>Budget - FY21</u>	<u>03/31/22</u> <u>YTD</u>	<u>Percent</u>	<u>03/31/21</u> <u>YTD</u>	<u>INC/(DEC)</u>
<b>Special Revenue Funds Expenditures</b>					
Water	252,955	166,812	66%	157,409	9,403
Sewer	291,200	248,035	85%	158,484	89,552
Landfill	776,796	429,797	55%	344,840	84,957
Port - Dock	735,042	486,171	66%	505,311	(19,139)
Port - Harbor	255,522	162,738	64%	146,223	16,514
Asset Forfeiture Fund	5,000	5,880	118%	-	5,880
E-911 Service	55,468	37,472	68%	25,500	11,972
Senior Center (Non-Grant)	213,981	132,458	62%	128,537	3,921
Senior Center (Grant)	139,454	94,803	68%	115,428	(20,626)
Library (Grants)	100,379	60,314	60%	63,062	(2,748)
Mary Carlson Estate	2,146	1,621	76%	1,850	(229)
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%	47,000	(34,000)
Debt Service Streets Bond	236,750	68,375	29%	236,500	(168,125)
Equipment Replacement	35,000	56,663	162%	8,247	48,415
<b>Total</b>	<b>\$ 4,279,343</b>	<b>\$ 2,902,113</b>	<b>68%</b>	<b>\$ 3,108,281</b>	<b>\$ (206,168)</b>
	<b>\$ 15,312,112</b>	<b>\$ 9,723,991</b>	<b>64%</b>	<b>\$ 9,955,548</b>	<b>\$ (231,557)</b>
<b>Net Increase (Decrease) to Fund Balances</b>	<b>\$ (1,800,338)</b>	<b>\$ 1,084,943</b>		<b>\$ 655,726</b>	<b>\$ 355,744</b>

	<u>Budget - FY21</u>	<u>03/31/22</u> <u>YTD</u>	<u>Percent</u>	<u>03/31/21</u> <u>YTD</u>	<u>INC/(DEC)</u>
<b>Grant &amp; Bond Revenues</b>					
ANTHC-Lagoon	155,777	-	0%	6,679	(6,679)
State Public Safety	-	1,646		-	1,646
COVID - CARES	472,784	472,784	100%	2,844,435	(2,371,651)
COVID - ARPA	284,842	532,541	187%	-	532,541
State MMG 28308-Water Imp	-	-		479,188	(479,188)
SRF Loan - Lagoon Aeration	670,000	-	0%	-	-
SRF Loan - Waterfront	88,125	-	0%	-	-
SRF Loan - Water	-	-		431,399	(431,399)
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%	3,204	(1,769)
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		-	-
Bond Investment Income	-	391		1,425	(1,034)
Streets	-	-		-	-
FireHall	-	-		-	-
<b>Total</b>	<b>\$ 1,996,342</b>	<b>\$ 1,042,864</b>	<b>52%</b>	<b>\$ 3,853,741</b>	<b>\$ (2,816,877)</b>
<b>Grant &amp; Bond Expenditures</b>					
ANTHC-Lagoon	155,777	-	0%	11,457	(11,457)
State Public Safety	-	1,856		3,203	(1,347)
CARES	472,784	472,780	100%	1,860,979	(1,388,198)
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%	50,492	(42,127)
State CARES Public Safety	-	-		12,986	(12,986)
State SART	-	-		2,400	(2,400)
Southern Region EMS	-	-		-	-
Curyung-Ice Machine	2,000	2,126	106%	3,797	(1,672)
Alaskan Leaders Fisheries PS Camera Repair	-	-		2,000	(2,000)

City of Dillingham

Unaudited Revenues and Expenditures As of March 31, 2022

Data Collected on:

4/15/2022

Section . Item 2.

	<u>Budget - FY21</u>	<u>03/31/22</u>		<u>03/31/21</u>	
			<u>YTD</u>	<u>Percent</u>	<u>YTD</u>
BBEDC Intern Program	133,193	22,747	17%	8,222	14,525
BBEDC Training Reimb	-	-		8,526	(8,526)
BBEDC Pass Thru	-	6,000		-	6,000
Streets	-	-		2,977,726	(2,977,726)
FireHall	-	85,755		612,566	(526,811)
<b>Total</b>	<b>\$ 1,711,500</b>	<b>\$ 599,628</b>	<b>35%</b>	<b>\$ 6,297,554</b>	<b>\$ (5,697,925)</b>
	<b>\$ 284,842</b>	<b>\$ 443,235</b>	<b>156%</b>	<b>\$ (2,443,813)</b>	<b>\$ (8,514,802)</b>

	<u>Budget - FY21</u>	<u>03/31/22</u> <u>YTD</u>	<u>Percent</u>	<u>03/31/21</u> <u>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%	82	(82)
<b>Total</b>	<b>\$ 658,461</b>	<b>\$ 14,864</b>	<b>2%</b>	<b>\$ 374,069</b>	<b>\$ (368,868)</b>
	<b>\$ (308,461)</b>	<b>\$ 310,151</b>	<b>-101%</b>	<b>\$ (374,069)</b>	<b>\$ 693,883</b>

	<b>Budget</b>	<b>Actual</b>
General Fund Revenue	\$ 8,860,172	\$ 7,738,641
Special Fund Revenue	\$ 2,285,524	\$ 1,771,521
Transfers In	\$ 2,366,078	\$ 1,298,773
Grant and Bond Revenue	\$ 1,996,342	\$ 1,042,864
CIP Revenue	\$ 350,000	\$ 325,016
	<b>\$ 15,858,116</b>	<b>\$ 12,176,814</b>
General Fund Expenditures	\$ 11,032,769	\$ 6,821,878
Special Fund Expenditures	\$ 4,279,343	\$ 2,902,113
Grant and Bond Expenditures	\$ 1,711,500	\$ 599,628
CIP Expenditures	\$ 658,461	\$ 14,864
	<b>\$ 17,682,073</b>	<b>\$ 10,338,484</b>
<b>Net Increase (Decrease) to Fund Bal</b>	<b>\$ (1,823,957)</b>	<b>\$ 1,838,330</b>

Fund Balance Evaluation

	<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>6/30/2022</u> <u>Unaudited</u>
General Fund	5,555,980	158,057	7,776,113	6,821,878	954,235	6,668,273
Streets Project	3,078,649	(2,977,878)	391	-	391	101,162
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	526,369	414,848	111,521	863,059
Landfill	(14,281)	13,706	429,797	429,797	-	(575)
Port - Dock	1,218,057	58,529	499,397	486,171	13,226	1,289,812
Port - Harbor	13,256	1,496	162,936	162,738	198	14,950
E-911 Service	268,809	25,783	45,988	37,472	8,516	303,109
Asset Forfeitures Fund	27,733	29	(38)	5,880	(5,917)	21,845
Reward Fund	400	-	-	-	-	400
Senior Center	11,099	(3,538)	234,937	227,261	7,676	15,237
Library (Grants)	(804)	5,861	67,486	60,314	7,172	12,229
Public Safety	-	-	1,646	1,856	(210)	(210)
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)	1,197	9,600	(8,403)	291,970
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	2,126	(691)	(691)
Public Safety Capital Project	-	-	-	-	-	-
Wastewater System Improvements	-	-	-	-	-	-
Water Improvement	-	-	-	-	-	-
SOA Loans Capital Projects	-	(5,025)	5,320	8,364	(3,044)	(8,069)
Denali Commission Project	-	-	-	-	-	-
Landfill Committed Funds	172,044	-	-	-	-	172,044
Permanent Fund						
Mary Carlson Estate	367,955	615	(6,862)	1,621	(8,483)	360,087
Undesignated - VEEP						
Total	<b>12,916,263</b>	<b>(3,493,711)</b>	<b>11,624,330</b>	<b>10,332,484</b>	<b>1,291,846</b>	<b>10,714,398</b>

## CITY OF DILLINGHAM, ALASKA

## RESOLUTION NO. 2022-16

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL ESTABLISHING THE LEVEL OF FUNDING FOR THE DILLINGHAM CITY SCHOOL DISTRICT FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

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WHEREAS, Alaska Statute 14.14.060(c) provides that the Dillingham School Board ("School Board") shall submit the school budget for the following year by May 1 for approval of the total amount; and

WHEREAS, the Dillingham City Council ("City Council") shall determine the total amount of money to be made available from local sources for school purposes within 30 days after the School District presents the budget request to the City; and

WHEREAS, the School Board submitted a proposed FY 2023 Budget of \$9,952,078 which includes a request of \$1,300,000, filed at City Hall on March 29, 2022; and

WHEREAS, the City Council shall determine the total amount of money to be made available from local sources for School purposes and shall furnish the School Board with a statement of this sum on or before April 28, 2022; and

WHEREAS, AS 14.17.410(b)(2) requires a contribution from the City in the amount of the equivalent of a 2.65 mill tax levy on the full and true value of the taxable real and personal property as of January 1, 2021, (property values as of January 1 of the second preceding fiscal year from Alaska Taxable Report) which is calculated to be a local contribution in the amount of \$525,981; and

WHEREAS, the City Council wishes to allocate:

- 1) The minimum required amount to meet the City's legal obligation which is 2.65 mill equivalent to property tax or \$525,981 and
- 2) An additional \$552,707, or one-sixth of the six percent sales tax approved by the voters June 19, 2001, of which the intent was to allocate a portion of the six percent to education above that required by state law, subject to an annual appropriation by the City Council; and
- 3) An additional \$221,312 for a **total allocation** to the education operating budget for Fiscal Year ending June 30, 2023, of \$1.3 Million; and

WHEREAS, the actual amount to be appropriated for School District purposes will be made a part of the City's FY 2023 Budget;

NOW, THEREFORE, BE IT RESOLVED that the Dillingham City Council has determined regarding additional funds which may be available to the School District based upon State



funding of local governments and other information made available by this date, that the school appropriation be set at \$1.3 Million with \$1.2 Million for instruction and operating costs and \$100,000 for major maintenance for FY 2023.

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

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

ATTEST:

[SEAL]

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

DRAFT

Acct #	Account Name	Legal Description	2017	2018	2019	2020	2021	Penalty	Interest	Grand Total
100844	BBHA - Muklung Manor	Muklung L1					1,477.23	112.69	63.64	1,653.56
100850	Berglof, Andrew	Snag Point B2 L10					1,402.70	140.27	28.26	1,571.23
100374	Bocatch, Claude R.	USS 2732 B2 L14					1,788.80	178.88	36.04	2,003.72
101163	Braswell, Leon & Vivian	Braswell Hill B L2					234.26	-	28.14	262.40
101163	Braswell, Leon & Vivian	Braswell TR B					309.28	-	37.16	346.44
101473	Brothers, Alfred	Ekuk Dillingham L2				163.63	3,424.20	342.42	75.90	4,006.15
101788	Choggiung Investment Corp	USS 2732 B17 L4					1,116.70	111.67	22.50	1,250.87
101486	Church Of Christ	Braswell B LTR L				113.10	113.10	22.62	11.68	260.50
101488	Covenant Concepts Ministry	Ahklun View Estates B1 L1					23.29	-	2.44	25.73
100167	Delta Western LLC	Delta Western Lease L2					3,621.93	847.60	72.98	4,542.51
101467	Estate of Anecia Lincoln	Ne/4Se/4 (14C) B L9			232.70		232.70	46.54	31.68	543.62
101431	Estate of Bessie Wahl	USS 4980 L3					4,052.10	405.21	81.65	4,538.96
101431	Estate of Bessie Wahl	Snag Point B1 L7					507.73	-	59.75	567.48
100964	Estate of Charles Nunn	Nunn B L22B					1,138.80	113.88	22.94	1,275.62
101226	Estate of Charlie Franklin	Mission B1 L1			1,376.17	1,376.70	1,376.70	402.01	312.65	4,844.23
102133	Estate of Julia Reed	USS 2732 -Portion 1 B29 L2			273.00	273.00	273.00	81.89	59.72	960.61
100965	Estate of Larry E Nunn Sr.	Nunn B L22E					218.40	21.84	4.40	244.64
100965	Estate of Larry E Nunn Sr.	Nunn B L22A					733.20	73.32	14.77	821.29
101496	Estate of Lucy Roehl	Snag Point B1 L9			1,296.10	1,296.10	1,296.10	388.83	284.08	4,561.21
101321	Estate of Oleanna McKinnon	Float Plane B3 L3			1,201.88	1,398.80	1,521.00	392.60	305.51	4,819.79
101500	Estate of Sassa Backford	Snag Point B2 L3			1,426.10	1,426.10	1,426.10	427.83	312.60	5,018.73
100899	Giordano, Agnes	Snag Point B2 L9				1,318.20	1,318.20	263.64	136.06	3,036.10
101240	Harder, Honora	Nerka B L10					23.64	2.36	-	26.00
103561	Harder, Mike & Honora	Nerka B L9					87.34	8.73	0.00	96.07
103131	Johnson, Bryan & Flensburg, Tara	Cedar B L6					2,401.10	240.11	48.40	2,689.61
101180	Kroener, Debra	USS 3184 B P3 L*			4,433.00	4,433.00	4,433.00	1,329.90	971.74	15,600.64
101294	Libby, John & Cynthia	USS 2732 B7 L1		65.00	65.00	65.00	65.00	26.00	25.92	311.92
101294	Libby, John & Cynthia	USS 2732 B7 L7			1,609.40	1,609.40	1,609.40	482.82	352.80	5,663.82
101298	Lindenau, David	Fireweed B L5		384.59	453.70	453.70	453.70	165.43	130.75	2,041.87
103138	Maki Isok Estate	USS 2732 B15 L2	325.00		325.00	325.00	325.00	130.00	153.02	1,583.02
101324	Meng, Christopher	Sunny Acres B L5					6,793.80	679.38	136.90	7,610.08
101328	Moran, Trustee Helen E	USS 2732 B2 L1					227.50	22.75	4.58	254.83
101029	Moreno, Margarita	USS 2732 B7 L8					2,496.00	249.60	50.30	2,795.90
101029	Moreno, Margarita	USS 2732 B7 L9					97.50	9.75	1.96	109.21
101809	Mulchatna Air Taxi LLC	USS 5688 B700 L8A					236.07	-	28.36	264.43
102414	Myers, Angelina	USS 2732 B22 L7A					2,454.40	245.44	49.46	2,749.30
101479	Nicholson, Thomas & Tennyson, Rose	Ekuk Dillingham L1				513.63	3,424.20	342.64	92.58	4,373.05
101344	Nielsen, Robert	Snag Point B1 L4			1,266.29	1,324.70	1,324.70	389.57	285.23	4,590.49
100618	Omni Enterprises	USS 2732 B20 L6B			292.50	285.87	292.50	87.09	63.56	1,021.52
103837	Peak LLC	USS 2732 B31 L3					2,043.60	204.36	41.18	2,289.14
100980	Pearson (1), Dan & Connie						611.00		6.13	617.13

Acct #	Account Name	Legal Description	2017	2018	2019	2020	2021	Penalty	Interest	Grand Total
101367	Perez, Anthony & Madelyn	Sockeye B L1					3,744.00	374.40	75.44	4,193.84
101216	Peter Andrew & Rose Fisher	Kallenberg's Knob B L4					500.12	40.98	18.22	559.32
103516	Ravn Air Group	USS 5688 B500A L4B				7,898.80	6,857.50	1,475.63	794.33	17,026.26
101381	Ruby, Sassa	Coho B2 L2				1,992.90	1,992.90	398.58	205.69	4,590.07
103069	Sanchez, Jerilyn	Sampson B14C L2			116.43	1,943.50	1,943.50	388.70	214.10	4,606.23
101482	Savo, Kikono Estate of	Ekuk Dillingham L4					319.14	31.91	0.04	351.09
101513	Security National Alaska	USS 173 B L			130.00	130.00	130.00	39.00	28.49	457.49
101513	Security National Alaska	USS 170			600.60	600.60	600.60	180.18	131.64	2,113.62
103327	SN Commercial, LLC	USS 150			708.50	708.50	708.50	212.55	155.31	2,493.36
103644	Spencer, Lance	Sundance B2 L7B			142.75	1,383.20	1,383.20	276.64	161.30	3,347.09
100673	Starflite Inc.	USS 5688 B500A L 6C			1,086.19	6,722.30	6,736.60	1,345.89	917.90	16,808.88
101008	Tilden, Anuska	Cedar B L5					251.61	15.71	12.86	280.18
101010	Timmerman, Valerie	Snag Point B2 L15			1,041.30	1,041.30	1,041.30	312.39	228.27	3,664.56
101451	Woods, Thomas	USS 2995 B L1					1,235.00	123.50	24.90	1,383.40
101462	Yukluk, Fannie A	Osterhaus B L2			260.00	260.00	260.00	78.00	57.00	915.00
101461	Yukluk, Josephine	USS 2732 B22 L5			1,578.20	1,578.20	1,578.20	473.46	345.91	5,553.97
		<b>Total</b>	<b>325.00</b>	<b>449.59</b>	<b>19,914.81</b>	<b>40,635.23</b>	<b>86,287.14</b>	<b>14,757.19</b>	<b>7,818.82</b>	<b>170,187.78</b>

CODE ORDINANCE

Requested by: Finance Committee

Introduced: March 5, 2022

Referred to Finance &amp; Budget Committee: March 5, 2022

Public Hearing:

Adopted:

CITY OF DILLINGHAM, ALASKA

**ORDINANCE NO. 2022-04****AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING TITLE 4 OF THE DILLINGHAM MUNICIPAL CODE LEVYING AN EXCISE TAX 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; and

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:

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

**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, packaging, 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, 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	\$0.0075
All other species	\$0.02

**4.27.050 Exemptions.**

- A. Seafood Processors who process less than ten thousand pounds of Seafood Products are exempt from taxation under this chapter.
- B. The first ten 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 this chapter.

**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 November 1<sup>st</sup> 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 Processer 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:

Code Section	Offense	Penalty/Fine
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





## CITY COUNCIL SPECIAL MEETING

Saturday, March 05, 2022 at 9:00 AM

### MINUTES

#### CALL TO ORDER

A special meeting of the Dillingham City Council was held on Saturday, March 5, 2022, at the Dillingham City Council Chambers and via video conferencing, in Dillingham, Alaska. Mayor Ruby called the meeting to order at 9:00 a.m.

#### ROLL CALL

Mayor Ruby was present.

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

Aksel Buholm	Curt Armstrong	Chris Napoli
Perry Abrams	Kaleb Westfall	Michael Bennett

#### APPROVAL OF AGENDA

MOTION to approve the agenda made by Perry Abrams, seconded by Chris Napoli.

VOTING Yea: Council Member Napoli, Council Member Armstrong, Council Member Abrams, Council Member Buholm, Council Member Westfall, Council Member Bennett

#### CITIZEN'S DISCUSSION (Prior Notice or Agenda Items)

Richard O'Connor: Spoke in opposition of the fish tax ordinance. Stating more work/research should be done.

#### SPECIAL BUSINESS

1. Adopt **Resolution 2022-07**; A Resolution of the Dillingham City Council Amending the Bank Signature Card and Investment Signature Authority Forms Due to a Change in City Staff

MOTION to adopt Resolution 2022-07 made by Kaleb Westfall, seconded by Perry Abrams.

VOTING Yea: Council Member Napoli, Council Member Armstrong, Council Member Abrams, Council Member Buholm, Council Member Westfall, Council Member Bennett

2. Adopt **Resolution 2022-08**; A Resolution of the Dillingham City Council Approving a FY2023 Capital Improvement Plan and the FY2023 Legislative Priorities List

MOTION to adopt Resolution 2022-08 made by Kaleb Westfall, seconded by Michael Bennett.

VOTING Yea: Council Member Napoli, Council Member Armstrong, Council Member Abrams, Council Member Buholm, Council Member Westfall, Council Member Bennett

3. Introduce **Ordinance 2022-03**; An Ordinance of the Dillingham City Council Amending Title 4 of the Dillingham Municipal Code to Adopt an Excise Tax on Importation of Marijuana

MOTION to introduce Ordinance 2022-03 made by Chris Napoli, seconded by Kaleb Westfall.

- City currently receives taxation at 6%
- Local business owners recommended city increase the tax rate.

- Both local establishments were contacted.

VOTING Yea: Council Member Napoli, Council Member Armstrong, Council Member Abrams, Council Member Buholm, Council Member Westfall, Council Member Bennett

4. Introduce **Ordinance 2022-04**; An Ordinance of the Dillingham City Council Amending Title 4 of the Dillingham Municipal Code Levying an Excise Tax on Seafood Products Imported for Processing in Dillingham

MOTION to Introduce Ordinance 2022-04 made by Aksel Buholm, seconded by Kaleb Westfall.

- Finance & Budget Committee forwarded to council.
- Desire is to adopt something similar to the Bristol Bay Borough processing tax.
- Proposes an excise tax per pound of product processed rather than a percentage of the price paid by the processor.

MOTION to refer Ordinance 2022-04 back to the Finance & Budget committee made by Perry Abrams, seconded by Aksel Buholm.

- Need to get processors and community more involved.
- Need to educate processors and community about need for revenue
- City of Dillingham financial situation warrants the need to do something.
- Difficult to obtain data on actual poundage processed within city limits, anecdotal reports are that Peter Pan processed 22 million pounds of fish in 2021.
- Don't want to drive business away.

VOTING Yea: Council Member Armstrong, Council Member Abrams, Council Member Buholm, Council Member Westfall, Council Member Bennett

VOTING No: Council Member Napoli

## COUNCIL COMMENTS

### Curt Armstrong:

- Expressed disappointment in those who have shown blatant disregard for the E.O. in place and those who worked hard to put it in place.
- Noted that council members who chose to stay for the March 3<sup>rd</sup> meeting, listened in a workshop format to hear from the citizens who came in person and who attended by zoom.
- Commented the notion of we the people and transparency were not adhered to at the March 3<sup>rd</sup> meeting.

### Aksel Buholm:

- Noted the need to update status of Public Safety job description wording to allow for flexibility in filling positions.
- Requested legal description of all city real property.

MOTION to request staff prepare a list of all city raw and vacant property owned by the City of Dillingham including 14c designated land made by Aksel Buholm, seconded by Chris Napoli.

VOTING Yea: Council Member Napoli, Council Member Armstrong, Council Member Abrams, Council Member Buholm, Council Member Westfall, Council Member Bennett

- The request for a special meeting was made while the City Clerk was on leave. The Mayor and Finance Director were both serving as jurors. PTO was sacrificed to get the meeting together.

MOTION that Lori Goodell get three days added back to her PTO time and it comes out of the council budget made by Aksel Buholm, seconded by Kaleb Westfall.

VOTING Yea: Council Member Napoli, Council Member Armstrong, Council Member Abrams, Council Member Buholm, Council Member Westfall, Council Member Bennett

- Stated there were times as a council member he did not want to hear or do something, but he did listen and did his job. Noted many citizens have approached him regarding what happened at the March 3<sup>rd</sup> meeting. Commented the meeting was shut down, the voice was taken away from the people (one of the first things a communist does) rather than standing up for freedom. Conveyed disappointment in what happened, stated all have egg on our faces. Affirmed he takes being a council member serious, noting the processes available for council to give direction. Noting what happened was not right and nothing was accomplished.

Chris Napoli:

- Thanked Bill Dann, Chris Hladick, and staff for making the strategic planning session happen.
- Noted the diverse group and recognized that first and foremost this job is done for citizen of Dillingham and being committed to the community. Stated it is a thankless job done without any financial reward.
- Noted appreciated for all who came in on the weekend and gave time and effort.
- Echoed Aksel Buholm's comments. Adding the importance to realize the legal obligation to attend meetings and not walk out.

Perry Abrams:

- Stated he is dedicated to the job 110%.
- Conveyed frustration regarding COVID and the restrictions imposed over the last two years.
- Acknowledged the need to get past COVID restrictions and onto issues the city really needs to address.
- Apologized, stating there was not an intent to embarrass anyone.
- Noted the responsibilities of being a Council Member started to change him, and he felt like he needed to get back in control.
- Stated he was passionate for the COVID items to not pass. Commented that he recognizes differing positions of other members.
- Commented it wounded him to not attend the last meeting. Noting it was one of the hardest things he has done in many years. Stated he is reenergized / rededicated to the Council and the City of Dillingham, and wants what is best for the people.

Michael Bennett:

- Agreed with Perry's comments.
- Thanked staff, Bill, Chris, Robert and Alice. Noting all donate time to try and better the future of Dillingham.
- Noted the need for Council to come together, find solutions, and common ground.

Kaleb Westfall:

- Noted the amazing work being done during strategic planning sessions.
- Stated he wants what is best for the people of Dillingham. Council needs to find goals that all people can benefit from, not an agenda from either side of the isle or specific ideologies.
- Looking back at the last few years: several petitions were submitted with approximately 200 signatures concerning not passing Communist legislation, or legislation that takes Americans right to choose away.
- The Oath taken by Council Members is to uphold the United States Constitution, and State of Alaska Constitution, and that is how decisions should be made, not on emotions, but rather doing the peoples will.
- Expressed a desire to reach across to each other and discuss what worked, and what did not work.

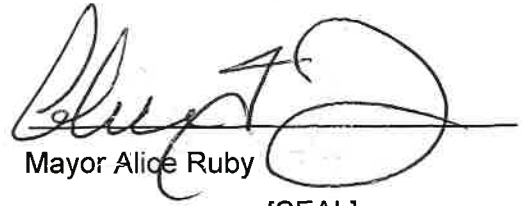
- Stated it was disingenuous to the people; the Feb 10<sup>th</sup> meeting talked about repealing E.O.'s and COVID legislation. The next agenda had the exact opposite. Noted receiving many comments from the public wanting clarification regarding what was going on.
- Commented that our future is our children, and COVID restrictions have set them back.
- Noted the importance of open discussion, having a difference of opinion, and still work in good faith to find what is best for the community. He did not believe that happened last week.
- Reported that to date, no one on Council has contacted him to see why he left the March 3<sup>rd</sup> meeting. Stated no one has reached out to him to ascertain if we should continue COVID rules, or have it on the agenda.
- Stated he is on the record of being in favor of transparency, and moving forward together to do peoples work.
- Maintains we can have a difference of opinion, and still respect all council members. Stated a quorum didn't happen because he did not believe he could have that conversation. It wouldn't have been genuine, and the peoples will would not have been done. Stated he did not believe the March 3<sup>rd</sup> agenda was the Council or the peoples will.
- Apologized to everybody who felt disrespected. Noting that was not the intent, and is sorry some felt that way. The intention was to do the peoples will and give everyone their own choice to protect themselves how they see fit.
- Expressed government should not be involved in personal health issues.
- Commented we should remember we are doing the peoples work.

#### MAYOR'S COMMENTS

- Thanked Interim City Manager Mark Lynch for doing his best; noting a good job was done.
- Welcomed Robert Mawson as the new City Manager.
- Commented the March 3<sup>rd</sup> meeting was shameful, noting twenty-two people attended electronically, and six to seven attended in person and all expected the council to make decisions or intended to speak to the council.
- Noted it was interesting to hear Mr. Westfall talk about testimony from the March 3<sup>rd</sup> meeting/workshop though he was not present to hear. Stated many citizens have commented that the council has a responsibility to attend meetings whether pro or con on the agenda issues.
- The expectation was the council would take action as a group, legal advice and advice from medical partners had been obtained regarding COVID.
- Some in attendance at the March 3<sup>rd</sup> meeting wanted to talk to council about other agenda items; i.e. OBI. A council goal is to create partnerships; how can we expect partnerships be created with a council that is not stable?
- Prior to the March 3<sup>rd</sup> meeting every council member was called. Communication about the agenda was relayed and Council Members were informed about the items and why they were going to be on it. Every member had an opportunity to request a different approach. The agenda was structured to give council the full spectrum of options; take no action, extend current method in place, or change to a position of recommendations. It was designed for council to take a leadership role in determining the City's COVID response.
- Stated looks forward to looking forward, and working together as a team.
- Commented that it is recognized all council members have responsibilities outside of their role as council members. Meetings are set for specific dates so all members will be able to structure their personal calendar to participate. Meetings happening with short notice can be difficult or make it impossible for all to be in attendance.
- Noted she has been the Mayor for a long time and the City of Dillingham has made a lot of progress.
- Reminder a Joint School Board / City Council meeting is scheduled for March 24<sup>th</sup>.
- A moment of silence was observed for all those lost since the last meeting.

**ADJOURNMENT**

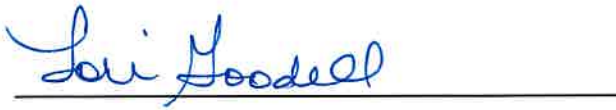
Mayor Ruby adjourned the meeting at 10:28 a.m.



Mayor Alice Ruby

[SEAL]

ATTEST:



Lori Goodell, City Clerk

Approval Date: April 7, 2022

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**MEMORANDUM**

**TO:** Mark Lynch, Interim City Manager



**FROM:** Brooks Chandler  
City Attorney

**DATE:** December 8, 2021

**RE:** Changing Fish Tax to Excise Tax

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The current raw fish tax is a variation of a traditional sales tax in that the tax is levied on the seller and collected by the buyer. The current ordinance levies tax based on where the fish ticket is issued by the buyer to the seller.

Dillingham also has a severance tax in Chapter 4.22 of the city code. The tax applies to seafood harvested within city boundaries not otherwise subject to the fish tax. This was intended to complement the sales tax and ensure that tax was collected even if the fish harvested within city boundaries was transported beyond city boundaries before being sold. The tax rate is the same.

Either or both of these ordinances could be converted to an excise tax simply by changing the tax rate from a percentage of market value/sales price (currently 2.5%) to a fixed amount per pound. An example of an excise tax is state and federal taxes on gasoline. These are a fixed price per gallon not a percentage of the sales price.

Other wording changes would be required. The tax would no longer be levied based on where the fish was harvested or where the fish ticket was issued. Instead, the tax would be

levied based on where the fish was processed. The result would be a legal obligation on local processors to collect tax based on the pounds of seafood delivered to Dillingham for processing.

It is theoretically possible permit holders might decide to deliver fish to floating processors to avoid the tax. Floating processors have a limited capacity so it seems very likely a significant volume of seafood would continue to be delivered to shore based plants within city boundaries. Whether an excise tax would bring in more revenue than a revised version of the current 2.5% fish tax depends on the per pound tax rate selected.



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**MEMORANDUM**

**TO:** Tod Larson, City Manager  
 Dillingham City Council



**FROM:** Brooks Chandler  
 City Attorney

**DATE:** March 16, 2019

**RE:** Impact of *South Dakota v. Wayfair* on Taxing Sales of Raw Fish

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As previously advised, the Supreme Court of the United States disavowed the physical presence rule that has governed collection of sales tax on interstate transactions. The Supreme Court essentially replaced the physical presence rule with the substantial nexus rule. A business with a “substantial nexus” to Alaska measured by the gross value or number of sales made for delivery to Alaska can now be required to collect Dillingham sales tax on items the seller delivers to Dillingham. We have examined how this new rule could apply to Dillingham’s tax on sales of raw fish. The raw fish tax is a variation of a traditional sales tax in that the tax is levied on the seller and collected by the buyer.

The current version of the City of Dillingham raw fish tax levies tax based on where the fish ticket is issued by the buyer to the seller. This is the equivalent of the “physical presence” rule. If the Wayfair test was applied to the raw fish tax any buyer (the tax collector) with a “substantial nexus” to Alaska could be required to collect the tax regardless of where the fish ticket was issued on fish purchased for delivery to a point inside Dillingham. This means the fish tax ordinance could be amended to levy fish tax based on the gross value of fish purchased



by the buyer within the State of Alaska rather than where the fish ticket was issued. If these changes were made sales of fish for delivery to a processing plant in Dillingham would be subject to tax. Sales of fish for initial delivery to the dock in Dillingham for processing elsewhere would also be subject to fish tax. Sales of fish for delivery to a floating processor or for delivery to a processing plant in Naknek would not be subject to tax.

This presents a potentially difficult policy question for the city council. Permit holders might decide to whom they sold fish based on whether the sale was subject to tax. This would need to be balanced against the city's significant need to expand the existing tax base. We have not prepared a draft ordinance making this change. If you would like us to prepare a draft amendment to the fish tax ordinance let me know.