



FINANCE AND BUDGET COMMITTEE

Monday, January 16, 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: 822 0458 0292; passcode: 602042

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

CALL TO ORDER

ROLL CALL

APPROVAL OF MINUTES

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

APPROVAL OF AGENDA

STAFF REPORTS

- [2.](#) Revenue & Expense Report
3. Staffing Report
4. FY22 Audit Update

COMMITTEE BUSINESS

5. FY23 Budget Revision
6. FY24 Budget
7. Update on Foreclosures

PUBLIC/COMMITTEE COMMENT(S)

ADJOURNMENT



FINANCE AND BUDGET COMMITTEE

Monday, October 17, 2022 at 5:30 PM

MINUTES

CALL TO ORDER

The Finance and Budget Committee met on Monday, October 17, 2022, in the City Council Chambers, Dillingham, AK, and via Zoom video conference call. Curt Armstrong called the meeting to order at 5:33 p.m.

ROLL CALL

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

Alice Ruby

Robert Mawson

Perry Abrams

Anita Fuller

Curt Armstrong

Aksel Buholm

APPROVAL OF MINUTES

- Minutes of September 19, 2022, Finance & Budget Committee Meeting

MOTION: Aksel Buholm moved, and Perry Abrams seconded the motion to approve the minutes of September 19, 2022.

VOTING: the motion passed by unanimous roll call vote.

APPROVAL OF AGENDA

MOTION: Anita Fuller, moved and Alice Ruby seconded the motion to approve the agenda.

VOTING: the motion passed by unanimous roll call vote.

STAFF REPORTS

- September Financial Report

- FY21 Audit is waiting for final review.
- FY22 Audit, auditors will be in town the week of 10.25.2022 to begin work on the audit.
- Staffing: cashier position is vacant.
- Foreclosure: 2018 foreclosure action is in the final stages. Title search has been completed, final notice of foreclosure action sent to owner of record. 2019 foreclosure action has four properties remaining. Title searches pending. 2022 foreclosure list contains 31 properties.
- Notice for past due utilities have been sent, 13 accounts have been scheduled for shut off. Curb stop repairs are in progress.
- September revenue and expense report reviewed. Budget is at expected levels.
- Corrections, jail is still closed due to staffing issues. No state contract due to closure of jail. State has not been able to assist with rotational staff to date. Contract issues are being discussed with the State.
- Road condition, maintenance, and potential repair reviewed. Local contractors have been contacted regarding assistance with road maintenance.

COMMITTEE BUSINESS

3. Fish Tax

- Excise tax vs. sales tax explored.
- Bristol Bay Borough fish tax and forms, and public interaction provided for review. Reach out to Sand Point for information regarding what they have in place.
- Proposed per pound amount on excise tax needs to be investigated further to determine the best way to apply consistent and fair amount taking into account fish vary in type and amount per pound year to year.
- Sales tax applied to value of a sale could be considered, this would be subject to voter approval and cannot be adjusted by council.
- Conversation with processors could be considered to discuss possible taxation and/or explore other options.
- Attorney states existing language in code for voter approved fish tax could be updated to make it viable.
- Committee options: contact processors to determine suitable level of taxation, investigate Sand Point method to see if might be viable for Dillingham to consider.

PUBLIC/COMMITTEE COMMENT(S)

- AML is recommending communities with a sales tax cap consider ending this practice. The Supreme Court Wayfair decision provides more uniform taxation which was the intent of a cap. Administering a program with a tax cap for remote sales is complex and problematic.

ADJOURNMENT

The meeting adjourned at 7:15 p.m.

Neil C. Armstrong, Chair

ATTEST:

Lori Goodell, City Clerk

Approved: _____



MEMORANDUM

DATE: January 14, 2023
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: Finance & Budget Staff Report

STAFF REPORT

- Revenue and Expense review for December 2022
- Department staffing
- Collections
- FY22 Audit update
- Budget

Revenue and Expense review December 2022 –

Information provided for percentages below 30% or above 70%. Revenues are high and expenditures are low. Contributing factors include open staffing positions and a delay in projects that were budgeted.

General Fund Revenues

- All taxes are reported 1 month behind. FY22 taxes are still included and will be adjusted with audit preparations. 62% continues to be above expected.
- Real and personal property tax are recognized at 100%. Real property has been collected at 85%. Personal property has been collected at 86%. Property tax 2nd half payments were entered in January due to delay of mail.
- Shared Fisheries is above expected.
- Community Sharing funds delayed.
- PILT has come in above expected at 105%. Audit review will determine if funds belong to FY22.
- Jail contract not signed, and funding not approved.
- Leases are as expected. Received annually at end of fiscal year.
- PERS forfeiture funds have been used, will be less than budgeted.

Special Revenues & Other Funds Revenue

- Dock revenue is at 107%, FY22 revenue is still included and will be reduced with audit preparations.
- Harbor revenue is at 20%. This is \$6,617 reduced from last year. Asset Forfeiture revenue is determined by closed cases with public safety.
- Senior Center NTS grant application was submitted and pending state review.
- Debt services is exceeded due to the state providing support from unfunded prior years. Audit adjustments have not been made at this time.

- Mary Carlson Estate investments have increased and back in the positive.

Transfers

- Landfill transfer is lower, reduced expenditures and low staffing.
- Senior Center transfer has increased due to funding support change.
- Ambulance Reserve transfer is low due to expenditures down.
- Debt Service transfers as expected based on when payments are due.
- Dock to Harbor transfer is higher than expected but will reduce at end of year when revenue is fully realized.
- Mary Carlson transfer not completed at this time.

General Fund Expenditures

- Correction expenditures are down due to staffing shortage which contributed to jail closure.
- Public Work expenditures down due to staffing shortages and projects delayed.
- Transfers down pending debt services reconciliation as part of audit preparations.

Special Revenues & Other Funds Expenditures

- Dock expenditures are at 80%. Equipment maintenance and damages due to accident have been paid. Insurance proceeds are still in review. Annual leased equipment payment made
- Harbor expenditures are high due Harbor Master position not being shared with dock and filled with hourly employee.
- Senior Center budget is higher due to grant funding pending.
- Mary Carlson Estate transfer not completed.
- Debt services are based on biannual payments and will report high and low depending on schedule.
- Equipment replacement expenses are skid steer, Admin truck, sander and plow assembly. Dock top loader has been approved by council 01/12/2023.

Grant and Bond Revenues/Expenditures

- ANTHC – Grant is fully expended and is in the process of being closed out.
- COVID - Funds received, lake road E911 duplicate system nearing completion, additional projects pending.

Capital Project Revenues/Expenditures

- Insurance Proceeds– Funds received for landfill shop building and downtown fire hall will be kept in reserve until projects begin.

Audit Update:

FY22 Audit – Auditors arrive 5/15/2023 for final work. Lack of staffing is hindering ability to have work done beforehand.

Department staffing:

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

Account Tech II – Receivables: Out on extended leave.

Account Tech III – Taxes/Collection: Has returned 01/09/2023 from extended leave.

Account Tech II on call – On-call status and working 4 hours per week.

Account Tech IV part time – In Dillingham working full time from 01/09/23-02/24/23 to assist with low staffing

Assistant Finance Director – Position became open 12/14/2022. Position was restructured and advertised as AFD, Purchasing and Disbursements and AFD, Revenue Cycle Manager.

Account Tech II – New position for payroll and payables support.

Goal is to develop a training track for staff to assist gaining more knowledge and provide mobility to higher position. Another goal is to improve ability to meet deadlines.

Collections

Foreclosure listing for 2018 Action has been finalized, properties are now owned by the City of Dillingham.

- USS 3184 B P3 L
- Buckshot Estates B L8
- USS 2732 B7 L1
- USS 2732 B7 L&

Foreclosure listing for 2019 Action have passed the period of redemption (2 properties at \$8,054.75). Both properties are on the 208 Action. No further action required.

Potential 2022 foreclosure action is being updated for publication and legal filing.

Several 2022 business licenses were applied for as a result of the September reminder letter.

Grants

FY23 NTS grant application has been submitted for approval.

Budget

FY23 Budget revision dates to be set

FY24 Budget dates to be set.

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

Data Collected on:
 1/13/2023

Section . Item 2.

	<u>Budget - FY23</u>	<u>12/31/22</u>	<u>Percent</u>	<u>12/31/21</u>	<u>INC/(DEC)</u>	Uncollected	% Adj
		<u>YTD</u>		<u>YTD</u>			
General Fund Revenues							
General Sales Tax	\$ 3,000,000	\$ 1,943,871	65%	\$ 1,454,416	\$ 489,455	(4,465.78)	65%
General Sales Tax - Remote	400,000	192,555	48%	89,334			
Alcohol Sales Tax	260,000	162,693	63%	109,270	53,423		63%
Alcohol Sales Tax - Remote	-	80		89	(9)		
Transient Lodging Sales Tax	120,000	76,012	63%	63,801	12,212	-	63%
Gaming Sales Tax	65,000	27,435	42%	23,842	3,593		42%
Tobacco Excise Tax	350,000	168,529	48%	159,419	9,111		48%
Marijuana Excise Tax	75,000	63,775	85%	-	-		
Penalty & Interest - Sales Tax	20,000	6,186	31%	9,973	(3,787)	(734.50)	27%
Total Sales Tax	4,290,000	2,641,136	62%	1,910,142	563,997		61%
Real Property Tax	2,410,000	2,376,551	99%	2,079,795	296,755	(334,396.75)	85%
Personal Property Tax	450,000	452,655	101%	477,738	(25,082)	(67,154.72)	86%
Penalty & Interest - Property Tax	70,000	75,852	108%	70,269	5,583		108%
Total Property Taxes	2,930,000	2,905,058	99%	2,627,802	277,256		85%
Telephone Gross Receipts State Tax	65,000	-	0%	-	-		0%
Shared Fisheries	600,000	696,572	116%	772,264	(75,692)		116%
Raw Fish Tax	20,000	-	0%	-	-		0%
Community Sharing	73,072	-	0%	84,575	(84,575)		0%
Payment in Lieu of Taxes (PILT)	460,000	480,895	105%	473,299	7,596		105%
State Jail Contract	645,000	-	0%	143,842	(143,842)		0%
Ambulance Fees	50,000	30,571	61%	3,168	27,403		61%
Lease & Rental Income	35,000	5,410	15%	-	5,410		15%
Admin Overhead	130,300	77,365	59%	110,158	(32,794)		59%
PERS on Behalf	67,126	43,367	65%	98,564	(55,197)		65%
PERS Forfeiture Fund	20,000	704	4%	12,316	(11,612)		4%
Other Revenues	145,400	94,911	65%	74,611	20,301	(2,685.52)	63%
Total	2,310,898	1,429,795	62%	1,772,797	(343,002)		62%
Total	\$ 9,530,898	\$ 6,975,989	73%	\$ 6,310,741	\$ 498,252		69%
Special Revenue & Other Funds Revenue							
Water	232,087	121,972	53%	100,959	21,013	(29,553.90)	40%
Sewer	457,000	225,819	49%	219,885	5,934	(39,897.76)	41%
Landfill	256,459	175,533	68%	159,128	16,405	(3,959.00)	67%
Port - Dock	721,915	771,059	107%	484,333	286,726	(37,422.39)	102%
Port - Harbor	184,295	36,496	20%	43,113	(6,617)	(7,672.00)	16%
Asset Forfeiture Fund	2,000	75	4%	2	74		0%
E-911 Service	65,000	33,486	52%	33,617	(130)		52%
Senior Center (Non-Grant)	40,597	17,523	43%	26,846	(9,322)		43%

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

Data Collected on:
 1/13/2023

Section . Item 2.

	<u>Budget - FY23</u>	<u>12/31/22</u> YTD	<u>Percent</u>	<u>12/31/21</u> YTD	<u>INC/(DEC)</u>	
Senior Center (Grant)	131,000	-	0%	32,846	(32,846)	0%
Library (Grants)	123,302	62,449	51%	52,525	9,924	51%
Debt Service	305,000	3,546,676	1163%	-	3,546,676	
Mary Carlson Estate	1,000	128	13%	1,601	(1,473)	13%
Total	\$ 2,519,655	\$ 4,991,217	198%	\$ 1,154,855	\$ 3,836,363	193%
Transfers				18,081		
<i>From General Fund to Other Funds</i>						
Landfill	340,323	45,952	14%	134,675	(88,723)	
Senior Center	184,242	163,159	89%	48,405	114,754	
Ambulance Reserve	45,000	3,057	7%	260	2,797	
Equipment Replacement	600,000	159,076		-	159,076	
Capital Projects	-	-		1,304	(1,304)	
Debt Service SRF Loans	47,400	42,107	89%	-	42,107	
Debt Service School Bond	765,500	-	0%	928,375	(928,375)	
Debt Service Firehall Bond	45,000	12,500	28%	13,000	(500)	
Debt Service Streets Bond	226,750	65,875	29%	68,375	(2,500)	
<i>From Dock Fund to Harbor Funds</i>						
Port - Harbor	54,858	135,983	248%	78,476	57,507	
Port - Harbor - Ice Machine	-	273	0%	-	273	
Port - Harbor - Bathhouse	13,308	10,021	75%	8,932	1,089	
<i>From Department to Department</i>						
Transfer from E911	52,084	23,639	45%	21,753	-	
Transfer from Mary Carlson Estate	4,000	-	0%	-	-	
Total	\$ 2,378,465	\$ 661,642	28%	\$ 1,303,555	\$ (643,799)	
Total Revenues & Transfers	\$ 14,429,018	\$ 12,628,849	88%	\$ 8,769,151	\$ 3,690,815	

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

Data Collected on:
 1/13/2023

Section . Item 2.

	<u>Budget - FY23</u>	<u>12/31/22</u>	<u>Percent</u>	<u>12/31/21</u>	<u>INC/(DEC)</u>
		<u>YTD</u>		<u>YTD</u>	
EXPENDITURES:					
General Fund Expenditures					
City Council	\$ 85,350	\$ 45,563	53%	\$ 6,588	\$ 38,975
City Clerk	158,775	69,804	44%	60,913	8,891
Administration	505,373	228,055	45%	175,999	52,056
Finance	884,069	420,949	48%	355,244	65,705
Legal	60,000	33,098	55%	16,805	16,292
Insurance	313,400	134,580	43%	127,575	7,005
Non-Departmental	0	0		41,859	(41,859)
Planning	213,884	80,592	38%	88,885	(8,293)
Foreclosures	6,000	3,740	62%	0	3,740
IT	282,688	140,899	50%	78,991	61,908
Meeting Hall above Fire Station	0	0		319	(319)
Public Safety Administration	194,510	102,356	53%	95,032	7,324
Dispatch	520,844	236,396	45%	249,884	(13,488)
Patrol	1,010,368	404,318	40%	441,349	(37,031)
Corrections	750,223	193,468	26%	284,635	(91,167)
DMV	60,373	29,103	48%	25,277	3,826
Animal Control Officer	119,767	58,667	49%	51,056	7,611
Fire	344,013	201,597	59%	80,112	121,485
Fire Department Donation	0	193		0	193
EOC	0	0		14,956	(14,956)
Public Works Administration	348,747	59,052	17%	57,511	1,541
Building and Grounds	401,788	102,336	25%	118,593	(16,257)
Shop	505,287	218,050	43%	271,022	(52,972)
Street	484,679	91,467	19%	243,614	(152,147)
Library	169,187	83,212	49%	68,601	14,612
City School	1,300,000	650,000	50%	975,000	(325,000)
Transfers to Other Funds	2,254,215	491,726	22%	1,193,090	(701,364)
Total	\$ 10,973,540	\$ 4,079,220	37%	\$ 5,122,909	\$ (1,043,689)

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

Data Collected on:
 1/13/2023

Section . Item 2.

	<u>Budget - FY23</u>	<u>12/31/22</u> YTD	<u>Percent</u>	<u>12/31/21</u> YTD	<u>INC/(DEC)</u>
<u>Special Revenue Funds Expenditures</u>					
Water	243,834	92,842	38%	116,198	(23,356)
Sewer	310,834	99,662	32%	192,911	(93,249)
Landfill	596,782	221,485	37%	328,306	(106,820)
Port - Dock	721,915	579,849	80%	437,045	142,803
Port - Harbor	256,953	182,773	71%	135,513	47,260
Asset Forfeiture Fund	2,000	-	0%	5,880	(5,880)
E-911 Service	52,084	23,639	45%	21,753	1,886
Senior Center (Non-Grant)	219,839	179,447	82%	85,674	93,774
Senior Center (Grant)	136,000	212	0%	66,363	(66,150)
Library (Grants)	123,302	58,471	47%	41,559	16,912
Mary Carlson Estate	6,201	1,009	16%	1,049	(40)
Ambulance Reserve Fund	50,478	1,600	3%	7,400	(5,800)
Debt Service SRF Loans	47,400	42,107	89%	-	42,107
Debt Service School Bond	1,065,500	947,875	89%	928,375	19,500
Debt Service Firehall Bond	45,000	12,500	28%	13,000	(500)
Debt Service Streets Bond	231,750	65,875	28%	68,375	(2,500)
Equipment Replacement	600,000	159,076	27%	13,943	145,133
Total	\$ 4,709,872	\$ 2,668,422	57%	\$ 2,463,342	\$ 205,080
	\$ 15,683,412	\$ 6,747,642	43%	\$ 7,586,251	\$ (838,609)
Net Increase (Decrease) to Fund Balances	\$ (1,254,394)	\$ 5,881,207		\$ 1,182,900	\$ 4,529,425

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

Data Collected on:
 1/13/2023

Section . Item 2.

	<u>Budget - FY23</u>	<u>12/31/22</u> YTD	<u>Percent</u>	<u>12/31/21</u> YTD	<u>INC/(DEC)</u>
Grant & Bond Revenues					
ANTHC-Lagoon	146,778	143,708	98%	227	143,481
State Public Safety	-	-		1,646	(1,646)
COVID - CARES & ARPA & LGLR	2,786,321	3,086,298	111%	1,004,559	2,081,739
SRF Loan - Lagoon Aeration	670,000	-	0%	-	-
SRF Loan - Waterfront	114,125	-	0%	-	-
SRF Loan - Water	44,000	-		-	-
SRF Loan - Wastewater	60,000	-	0%	-	-
SRF Loan - Landfill	-	-		5,320	(5,320)
Southern Region EMS	-	360		360	-
Curyung-Ice Machine	2,000	597	30%	1,435	(838)
BBEDC Intern Program	56,682	26,120	46%	22,747	3,373
BBEDC Training Reimb	-	-		-	-
BBEDC Pass Thru	-	-		6,000	-
Bond Investment Income	-	16,700		256	16,444
Total	\$ 3,879,906	\$ 3,273,782	84%	\$ 1,515,333	\$ 1,764,449
Grant & Bond Expenditures					
ANTHC-Lagoon	146,778	146,538	100%	-	146,538
State Public Safety	-	-		1,856	(1,856)
COVID - CARES & ARPA	2,786,321	-	0%	472,780	(472,780)
SRF Loan - Lagoon Aeration	670,000	-	0%	-	-
SRF Loan - Waterfront	114,125	-	0%	-	-
SRF Loan - Water	44,000	-		-	-
SRF Loan - Wastewater	60,000	-	0%	-	-
SRF Loan - Landfill	-	-		15,323	(15,323)
Southern Region EMS	-	360		-	360
Curyung-Ice Machine	2,000	1,011	51%	1,965	(954)
BBEDC Intern Program	56,682	26,134	46%	22,747	3,387
BBEDC Training Reimb	-	8,739		-	8,739
BBEDC Pass Thru	-	-		6,000	(6,000)
Total	\$ 3,879,906	\$ 265,624	7%	\$ 605,286	\$ (339,661)
	\$ -	\$ 3,008,158		\$ 910,047	\$ 1,424,788

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

Data Collected on:
 1/13/2023

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	<u>Budget - FY23</u>	<u>12/31/22</u> YTD	<u>Percent</u>	<u>12/31/21</u> YTD	<u>INC/(DEC)</u>
Capital Project Funds Revenues					
Investment Income	-	-		-	-
Insurance Proceeds - Firehall	-	57,015		-	-
Insurance Proceeds - Landfill Shop Fire	-	214,490		-	214,490
Total	\$ -	\$ 271,505		\$ -	\$ 214,490

	<u>Budget - FY23</u>	<u>12/31/22</u> YTD	<u>Percent</u>	<u>12/31/21</u> YTD	<u>INC/(DEC)</u>
Capital Project Funds Expenditures					
Major Building Maintenance	400,000	-	0%	-	-
Water Improvements	-	-		-	-
WasteWater Improvements	-	-		-	-
Sewer Lagoon Relocation	-	-		-	-
Other Lift Station	-	-		-	-
Fire Dept Water Damage Repair	-	-		-	-
Landfill New Cell	-	-		-	-
Landfill Shop Fire	-	-		5,201	-
Landfill Groundwater Well	-	-		9,663	(9,663)
Bingman-Harbor cleanup	-	-		-	-
Total	\$ 400,000	\$ -	0%	\$ 14,864	\$ (9,663)
	\$ (400,000)	\$ 271,505		\$ (14,864)	\$ 224,153

	<u>Budget</u>	<u>Actual</u>
General Fund Revenue	\$ 9,530,898	\$ 6,975,989
Special Fund Revenue	\$ 2,519,655	\$ 4,991,217
Transfers In	\$ 2,378,465	\$ 661,642
Grant and Bond Revenue	\$ 3,879,906	\$ 3,273,782
CIP Revenue	\$ -	\$ 271,505
	\$ 18,308,924	\$ 16,174,136
General Fund Expenditures	\$ 10,973,540	\$ 4,079,220
Special Fund Expenditures	\$ 4,709,872	\$ 2,668,422
Grant and Bond Expenditures	\$ 3,879,906	\$ 265,624
CIP Expenditures	\$ 400,000	\$ -
	\$ 19,963,318	\$ 7,013,266
Net Increase (Decrease) to Fund Bal	\$ (1,654,394)	\$ 9,160,870