



FINANCE AND BUDGET COMMITTEE

Monday, September 25, 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/86018469915?pwd=WWZqcIBQd1Z2RVFXRmdmdG9aRFZBZz09>

Meeting ID: 860 1846 9915; passcode: 740157

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 2023 Staff Report
3. July 2023 Revenue and Expense Report

COMMITTEE BUSINESS

4. Fish Tax

PUBLIC/COMMITTEE COMMENT(S)

ADJOURNMENT



MEMORANDUM

DATE: September 22, 2023
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: Finance & Budget Staff Report

STAFF REPORT

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

Revenue and Expense review June 2023 –

Information provided for percentages above 28%. Current actuals recognize a net increase to fund balance by \$3,455,867. End of FY23 year adjustments are pending.

- Real and personal property taxes are recorded as revenue at 100% on 07/01/2023. Actual collections in July is at 3% of real property and 1% of personal property which is historically normal.
- PILT has come in well above expected at 114%. This can be adjusted with the mid-year budget revision.

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 August.

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 –Sherina Tilden has moved to the Executive Assistant position which created an opening for the Account Tech II Receivables on 09/08/2023. Advertising has started.

Account Tech III, Taxes – Basil Tilden will be attending 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 will be in Anchorage October 2-October 13 for medical and attend the Ruba Training - Personnel Management for Rural Utilities. This training will potentially increase our scoring and improve funding opportunities for water/wastewater projects.

Property Tax

Real and personal property taxes for 2023 are due on 11/01/2023 (at least first half).

The September property tax statement was sent out with an incorrect date and incorrect reminder. All tax details were correct as of 09/07/2023. The public was notified of the error on Facebook. Internal controls already in place have been reviewed to prevent future instances of this error. New statements will go out the first week of October.

Assessed values verses market value for real property – Objective of the assessed value is to keep the values similar throughout the community. Market value can be based on supply and demand of what is available and what prices that can be asked for in comparison to what people are willing to pay. Assessed values will always chase what the market is doing and can have a large discrepancy based on how quickly rates increase. Assessed values are generally one to two years behind market values.

Personal property tax return process. The Finance Department have made a goal to improve the reporting and collection of personal property tax. The 2023 tax year reflected the force file of F/V in Dillingham that have not been filed. Collections of those taxes will be done with letters and eventually denial of harbor services if taxes are not paid by next summer. Reporting of personal property according to code is to be done by the property owner. City staff have advertised through Facebook, the city website and notices in public locations to remind citizens to file. Once personal property has been file, annual reminders will be sent in November.

DMC 4.15.080 Personal property returns.

A. Every person with personal property whose total combined value is greater than ten thousand dollars shall submit to the city a personal property return, postmarked on or before the first business day in February, of any property owned by him/her or in which he/she has an interest, and of the property held or controlled by him/her in a representative capacity, in the manner prescribed in this chapter, which return shall be based on property values existing as of January 1st of the year in which the return is made, or, in the case of business inventories, values shall be computed on the year end method. Commercial boats and vessels are not included in figuring whether the property owner has more than ten thousand dollars in personal property, but must be reported annually on the personal property assessment return. The

person making the return in every case shall state the address to which all notices required to be given to him/her under this chapter may be mailed or delivered. The return shall show the nature, quantity, description, amount and value of all personal property, and the place where the property is situated. The return shall be in such form and include such additional information as the assessor may prescribe, and shall be signed and verified under oath by the person liable or his/her or its authorized agent or representative.

B. The assessor may, by notice in writing to any person by whom a return has been made, require from him/her further return containing additional details and more explicit particulars, and upon receipt of the notice, that person shall comply fully with its requirements within thirty days.

C. Total combined value for the purpose of this section shall include all personal property except:

1. Commercial boats and vessels assessed on a valuation under Section 4.15.040 and
2. Personal property exempted from tax under Section 4.15.030

Collections

Progress on water collections has been delayed due to turnover in the accounts receivable position. Notices will go out as support staff are able. Priority focus is given to audit preparations.

Grants

Grant reporting is in process by both the Assistant Finance Director and Accounting Tech IV. Library and Senior Center grants have been worked on in September. All grants will have quarterly reports in October.

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.

Dock: Hyster 800 trade-in has been evaluated. Pape has suggested that with the current conditions of the Hyster a suggested trade in value would be \$55,000, the City of Dillingham would be responsible for delivering the Hyster to Seattle at a potential cost of \$25,000. For an equivalent replacement of an H800XD48 (New Model) would most likely be in the \$700K+ Range with a New H1050XDS48 being closer to \$800K. Current lead time on these machines is roughly 66 Weeks from the date of order.

Nerka road project: In the process of excavating parts of Nerka Loop the Tribe came across soils that required more excavating than what was originally planned. To pave the Nerka Loop and Widgeon Lane the Tribe would need an additional \$654,864.25. In the September 19, 2023 meeting, the Tribe decided to not add more funds to complete the paving of the Nerka Road project. The City Manager would like to see if the City Council would consider contributing funds to the project.

	07/31/23			07/31/22			Uncollected	% Adj
	Budget - FY24	YTD	Percent	YTD	INC/(DEC)			
General Fund Revenues								
General Sales Tax	\$ 3,300,000	\$ 386,497	12%	\$ 383,173	\$ 3,323	(2,270.74)	12%	
General Sales Tax - Remote	425,000	51,849	12%	37,731				
Alcohol Sales Tax	280,000	27,383	10%	11,060	16,323		10%	
Transient Lodging Sales Tax	120,000	22,385	19%	12,132	10,253	-	19%	
Gaming Sales Tax	65,000	-	0%	-	-		0%	
Tobacco Excise Tax	350,000	34,709	10%	36,970	(2,261)		10%	
Marijuana Excise Tax	90,000	10,444	12%	10,757	-		12%	
Business License	17,000	300	2%	200	-			
Penalty & Interest - Sales Tax	15,000	1,304	9%	435	869	(436.20)	6%	
Total Sales Tax	4,662,000	534,871	11%	492,459	28,506		11%	
Real Property Tax	2,460,000	2,476,512	101%	2,398,709	77,804	(97,825.26)	97%	
Personal Property Tax	555,000	573,653	103%	456,068	117,585	(23,791.44)	99%	
Penalty & Interest - Property Tax	70,000	25,476	36%	22,472	3,004		36%	
Total Property Taxes	3,085,000	3,075,641	100%	2,877,248	198,393		96%	
Telephone Gross Receipts State Tax	70,000	-	0%	(81,672)	81,672		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	6,150	25%	(3,661)	9,811			
Ambulance Fees	65,000	1,299	2%	8,895	(7,596)		2%	
Lease & Rental Income	35,000	910	3%	900	10		3%	
Admin Overhead	162,905	13,698	8%	-	13,698		8%	
PERS on Behalf	94,318	6,328	7%	16,287	(9,959)		7%	
PERS Forfeiture Fund	5,000	-	0%	-	-		0%	
Other Revenues	147,750	25,237	17%	10,718	14,519	-	17%	
Total	2,560,325	576,599	23%	432,362	144,236		23%	
Total	\$ 10,307,325	\$ 4,187,110	41%	\$ 3,802,069	\$ 371,136		39%	
Special Revenue & Other Funds Revenue								
Water	231,712	20,403	9%	22,833	(2,430)	(14,242.61)	3%	
Sewer	464,012	35,654	8%	38,026	(2,372)	(19,227.53)	4%	
Landfill	298,259	45,996	15%	42,647	3,349	(3,896.00)	14%	
Port - Dock	808,576	6,661	1%	84,844	(78,184)	(22,814.28)	-2%	
Port - Harbor	142,999	18,885	13%	8,784	10,101	(4,576.00)	10%	
Asset Forfeiture Fund	2,000	43	2%	-	43		0%	
E-911 Service	65,000	4,069	6%	5,561	(1,492)		6%	

	<u>Budget - FY24</u>	<u>07/31/23</u> YTD	<u>Percent</u>	<u>07/31/22</u> YTD	<u>INC/(DEC)</u>	
Senior Center (Non-Grant)	45,615	1,672	4%	1,200	472	4%
Senior Center (Grant)	76,000	3,361	4%	(642)	4,003	4%
Library (Grants)	54,170	-	0%	4,745	(4,745)	0%
Debt Service	754,693	-	0%	(1,216,750)	1,216,750	0%
Equipment Replacement	-	84,620		-	84,620	
Mary Carlson Estate	4,000	1,810	45%	463	1,347	45%
Ambulance Rental	-	-		-	-	
Total	\$ 2,947,036	\$ 223,174	8%	\$ (1,008,289)	\$ 1,231,463	5%

Transfers

<i>From General Fund to Other Funds</i>						
Landfill	1,014,850	54,658	5%	-	54,658	
Senior Center	286,949	4,281	1%	-	4,281	
Ambulance Reserve	56,000	1,169	2%	-	1,169	
Equipment Replacement	600,000	84,620	14%	-	84,620	
Capital Projects	557,334	-		-	-	
Debt Service SRF Loans	53,050	-	0%	-	-	
Debt Service Streets Bond	221,750	-	0%	236,750	(236,750)	
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	-		-	-	
Port - Harbor - Ice Machine	18,200	-		-	-	
Port - Harbor - Bathhouse	18,300	-		-	-	
<i>From Department to Department</i>						
Transfer from E911 to Dispatch	63,916	4,209	7%	-	-	
Transfer from Carlson Estate to Library	4,000	333	8%	-	-	
Transfer from Wastewater to Water	28,471	-	0%	-	-	
Total	\$ 3,475,980	\$ 149,270	4%	\$ 236,750	\$ (92,022)	
Total Revenues & Transfers	\$ 16,730,341	\$ 4,559,555	27%	\$ 3,030,531	\$ 1,510,576	

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

Data Collected on:
9/21/2023

Section . Item 3.

	<u>07/31/23</u>		<u>Percent</u>	<u>07/31/22</u>	
	<u>Budget - FY24</u>	<u>YTD</u>		<u>YTD</u>	<u>INC/(DEC)</u>
EXPENDITURES:					
General Fund Expenditures					
City Council	\$ 100,600	\$ 7,000	7%	\$ 10,233	\$ (3,233)
City Clerk	151,607	0	0%	8,083	(8,083)
Administration	837,368	19,914	2%	19,247	667
Finance	1,098,392	62,310	6%	43,236	19,074
Legal	65,000	0	0%	0	-
Insurance	328,100	0	0%	22,261	(22,261)
Planning	332,485	10,126	3%	7,284	2,841
Foreclosures	9,000	0	0%	40	(40)
IT	301,300	13,137	4%	36,072	(22,935)
Public Safety Administration	299,928	9,629	3%	10,576	(947)
Dispatch	632,935	35,725	6%	32,217	3,508
Patrol	1,593,836	60,748	4%	30,640	30,109
Corrections	826,289	42,219	5%	24,193	18,026
DMV	72,661	3,710	5%	2,840	870
Animal Control Officer	131,541	7,138	5%	6,619	518
Fire	518,639	37,659	7%	32,384	5,275
Fire Department Donation	15,000	0	0%	0	-
EOC	-	-		0	-
Public Works Administration	439,456	7,475	2%	265	7,210
Building and Grounds	408,592	22,603	6%	15,033	7,569
Shop	636,118	13,093	2%	42,139	(29,045)
Street	551,739	23,424	4%	21,611	1,813
Library	192,485	11,067	6%	11,410	(342)
Gma House	0	2,901		0	
City School	1,700,000	425,000	25%	325,000	100,000
Transfers to Other Funds	3,153,240	144,728	5%	0	144,728
Total	\$ 14,396,311	\$ 959,606	7%	\$ 702,078	\$ 254,628

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

Data Collected on:
 9/21/2023

Section . Item 3.

	<u>Budget - FY24</u>	<u>07/31/23</u> YTD	<u>Percent</u>	<u>07/31/22</u> YTD	<u>INC/(DEC)</u>
<u>Special Revenue Funds Expenditures</u>					
Water	260,183	10,174	4%	5,969	4,206
Sewer	332,054	69,185	21%	7,712	61,473
Landfill	1,313,109	100,654	8%	26,981	73,672
Port - Dock	1,150,212	34,505	3%	54,131	(19,626)
Port - Harbor	369,352	38,095	10%	54,133	(16,037)
Asset Forfeiture Fund	2,000	-		-	-
E-911 Service	63,916	4,209	7%	-	4,209
Senior Center (Non-Grant)	332,564	5,953	2%	20,372	(14,419)
Senior Center (Grant)	76,000	1,790	2%	4,446	(2,655)
Library (Grants)	54,170	313	1%	9,634	(9,321)
Mary Carlson Estate	6,255	333	5%	107	226
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%	236,750	(236,750)
Equipment Replacement	600,000	-	0%	-	-
Total	\$ 5,972,615	\$ 265,212	4%	\$ 420,235	\$ (155,024)
	\$ 20,368,926	\$ 1,224,818	6%	\$ 1,122,313	\$ 99,604
Net Increase (Decrease) to Fund Balances	\$ (3,638,585)	\$ 3,334,737		\$ 1,908,218	\$ 1,410,972

	<u>Budget - FY24</u>	<u>07/31/23</u> <u>YTD</u>	<u>Percent</u>	<u>07/31/22</u> <u>YTD</u>	<u>INC/(DEC)</u>
Grant & Bond Revenues					
ANTHC-Lagoon	-	-		(9,012)	9,012
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	-	-		(160)	160
BBEDC Intern Program	112,201	-	0%	(6,779)	6,779
BBEDC Training Reimb	-	-		-	-
BBEDC Pass Thru	-	-		6,000	(6,000)
BBNC Training Reimb	-	-		-	-
Bond Investment Income	-	8,677		1,628	7,049
Total	\$ 4,110,576	\$ 8,677	0%	\$ 2,545,793	\$ (2,537,115)
Grant & Bond Expenditures					
ANTHC-Lagoon	-	-		-	-
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	-	-		-	-
BBEDC Intern Program	112,201	14,145	13%	7,887	6,258
BBEDC Training Reimb	-	10,350		2,000	8,350
BBEDC Pass Thru	-	-		6,000	(6,000)
BBNC Training Reimb	-	10,350		-	10,350
Total	\$ 4,110,576	\$ 34,845	1%	\$ 101,643	\$ (66,797)
	\$ -	\$ (26,168)		\$ 2,444,150	\$ (2,603,913)

	<u>Budget - FY24</u>	<u>07/31/23</u> YTD	<u>Percent</u>	<u>07/31/22</u> YTD	<u>INC/(DEC)</u>
Capital Project Funds Revenues					
Investment Income	-	-		-	-
Insurance Proceeds - Firehall	-	-		-	-
Insurance Proceeds - Landfill Shop Fire	-	-		-	-
Total	\$ -	\$ -		\$ -	\$ -
Capital Project Funds Expenditures					
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	-	-		-	-
Total	\$ 957,334	\$ -	0%	\$ -	\$ -
	\$ (957,334)	\$ -		\$ -	\$ -

	Budget	Actual
General Fund Revenue	\$ 10,307,325	\$ 4,187,110
Special Fund Revenue	\$ 2,947,036	\$ 223,174
Transfers In	\$ 3,475,980	\$ 149,270
Grant and Bond Revenue	\$ 4,110,576	\$ 8,677
CIP Revenue	\$ -	\$ -
	\$ 20,840,917	\$ 4,568,232
General Fund Expenditures	\$ 14,396,311	\$ 959,606
Special Fund Expenditures	\$ 5,972,615	\$ 265,212
Grant and Bond Expenditures	\$ 4,110,576	\$ 34,845
CIP Expenditures	\$ 957,334	\$ -
	\$ 25,436,836	\$ 1,259,663
Net Increase (Decrease) to Fund Bal	\$ (4,595,919)	\$ 3,308,569