



FINANCE AND BUDGET COMMITTEE

Monday, February 22, 2021 at 6:30 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.

VIRTUAL MEETING INFORMATION

Attend by joining Zoom www.zoom.us :
Meeting ID 830 7663 2277, participant #, passcode 159815;
Or dial one of the numbers listed below:
(346) 248-7799 or (669) 900-6833

CALL TO ORDER

ROLL CALL

APPROVAL OF MINUTES

- [1.](#) Approve minutes of October 21, November 10, and December 22, 2020.

APPROVAL OF AGENDA

STAFF REPORTS

2. Financial Report 1.31.2021
- [3.](#) Audit progress
4. Property Tax Status

NEW BUSINESS

5. FY21 Budget Revision
- [6.](#) FY21 Budget Revision and FY22 Budget Schedule
- [7.](#) CARES Funding as of 02/17/2021
- [8.](#) Impact of Federal prohibition on Foreclosure
- [9.](#) Action Memorandum 2021-20 Progress

PUBLIC/COMMITTEE COMMENT(S)

ADJOURNMENT

1. CALL TO ORDER

The Finance and Budget Committee met on Wednesday, October 21, 2020, via video and conference call, in Dillingham, Alaska. Mayor Ruby called the meeting to order at 5:30 p.m.

2. ROLL CALL

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

Curt Armstrong	Tod Larson
Alice Ruby	Anita Fuller

Andy Anderson – excused

3. APPROVAL OF MINUTES

- a. Minutes of July 28, 2020

MOTION: Tod Larson moved and Curt Armstrong seconded the motion to approve the minutes of July 28, 2020.

VOTE: The motion passed by unanimous consent.

4. APPROVAL OF AGENDA

MOTION: Curt Armstrong moved and Tod Larson seconded the motion to approve the agenda.

VOTE: The motion passed by unanimous consent.

5. STAFF REPORTS

- a. Financial Report

- The September 30, 2020 unaudited financial report was reviewed.
- Expenses and revenues are within normal parameters.
- Quarterly journal entries will be processed before the November council meeting.
- First installment tax payments are due Nov. 1st.
- Of the existing 12 promissory notes, three are close to default.

6. NEW BUSINESS

- a. CARES Act Grant Program, Round 2

- Round one stats were relayed. Many citizens have expressed thanks for this grant program.
- There remains \$394,896 in the fund council dedicated for this purpose.
- The grant program narrative for round two will include verbiage for application and funding timeframes.

MOTION: Anita Fuller moved and Curt Armstrong seconded the motion move forward with Round 2 using funds amounts as previously approved by council and ratified at the 11/5/2020 Regular Council Meeting.

VOTE: The motion passed by unanimous consent.

- b. Financial Impact, Grant Administrator

- Reduction in state funding creates increased obligation for municipalities.
- This position focus is not finance related.

- There is an anticipated need for an additional position to manage grants if the grant numbers increase.
- Review grant duties assigned to other departments for consolidation.
- More research requested with anticipated mid-year budget cycle timeframe.

7. PUBLIC/COMMITTEE COMMENT(S)

Susan Isaacs:

- Noted the good grant writing presentation.
- Stated this is a much needed position noting payback can be long-term.
- Expressed appreciation for committee efforts.

Anita Fuller:

- Informed the committee auditor work begins next week.
- The department is moving forward with business license renewals and the property tax season.

Alice Ruby:

- Commented there is positive feedback from those that have applied for the grant.
- Thanked staff. Noting appreciation for the Finance staff.
- Stated many have been affected financially by COVID. Getting funds out is a priority.

8. ADJOURNMENT

The meeting adjourned at 6:39 p.m.

Andy Anderson, Chair

ATTEST:

Lori Goodell, City Clerk

Approved: _____

1. CALL TO ORDER

The Finance and Budget Committee met on Tuesday, November 10, 2020, via Zoom video conference call. Andy Anderson called the meeting to order at 5:33 p.m.

2. ROLL CALL

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

Andy Anderson	Tod Larson	Anita Fuller
Alice Ruby	Curt Armstrong	

Bill Rodawalt – absent

3. UNFINISHED BUSINESS

a. CARES Act Grant Program, Round 2

- Pending applications and grant parameters were reviewed.
- Public stated concern and requested reconsideration for denial of application based on business and individual submittals from same household.
- Denials and appeals from round 1 and round 2 examined.
- The grant program timing and funds remaining for distribution assessed.
- Scope of program was to distribute funds to as many qualified entities as possible.
- There will not be time for a round 3; funds are expected to be expended by end of round 2.

Committee determined due to remaining fund level, time constraints, and consistency of applicant review it is best to stay with original intent. Program will continue to limit dispersal to one type of application per household.

4. PUBLIC/COMMITTEE COMMENT(S)

Tod: Funds are going to good use. Program will have 100% expenditure. Noted appreciation for hard work on program by the Finance Department.

Andy: Commented on the great job done putting together the program and getting the funds distributed.

Anita: Informed committee/council regarding the hardship many are experiencing with the economic changes due to the pandemic. Stated many have expressed thanks for the program.

5. ADJOURNMENT

The meeting adjourned at 6:23 p.m.

Andy Anderson, Chair

ATTEST:

Lori Goodell, City Clerk

Approved: _____

CALL TO ORDER

The Finance and Budget Committee met on Tuesday, December 22, 2020, via Zoom video conference call. Andy Anderson called the meeting to order at 5:32 p.m.

ROLL CALL

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

Andy Anderson
Alice Ruby

Tod Larson
Curt Armstrong

Anita Fuller
Bill Rodawalt

PUBLIC COMMENT(S)

There were no comments.

NEW BUSINESS

1. Discussion of Council Property Tax Motion
 - From the December 3, 2020 regular council meeting; MOTION to direct staff to prepare necessary documents to waive penalty and interest on 2020 real / personal property taxes for those affected by COVID.
 - Current timeline for property tax billing as specified in code was reviewed.
 - Intent of motion was to assist commercial business owners that have had a negative impact due to COVID-19 closures, reduction of hours, and other measures imposed to mitigate virus spread.
 - CARES Grant funds are expended, state continues to reduce and/or stop many revenue streams.
 - Business practice for promissory note is to limit timeframe to two years. This could be extended, with P&I waived for declared time period of pandemic. Graduated payment plan to be explored. Roll all debt into note, including pre COVID to facilitate repayment plan. Payments must be kept current to continue benefit of P&I waiver.
 - Potential financial impact report to be included as back up to action memorandum.

MOTION: for staff to prepare action memorandum to present to council in January that outlines how assisting businesses that have been impacted by COVID pandemic will be handled, made by Alice Ruby, seconded by Bill Rodawalt.

VOTE: Unanimous roll call vote.

2. City Manager Report Out
 - Three areas of concern: school bond debt reimbursement, reduction in CAP, and PCE.
 - Sales tax continues to hold steady, raw fish tax should remain healthy, other revenue streams seem fine.

COMMITTEE COMMENTSAndy Anderson:

- Commented Tod made his job much easier and thanked Tod for his report.
- Noted Tod will be missed.

Tod Larson:

- Thanked everyone, noting it has been a great experience, and a pleasure to work with those that care so much about their community.

Anita Fuller:

- Thanked the committee for the opportunity to discuss the tax motion. Noting the finance departments desire to be open to help the community.
- Thanked Tod for his work.

Curt Armstrong:

- Dittoed the thanks to Tod.
- Kudos to Anita and finance department for being easy to work with.

Bill Rodawalt:

- Thanked Tod and all city employees.
- Wished all Happy Holidays.

Alice Ruby:

- Thanked Tod, Anita, and Lori, and city staff.
- Wished all Happy Holidays, Merry Christmas, and Happy New Years.

ADJOURNMENT

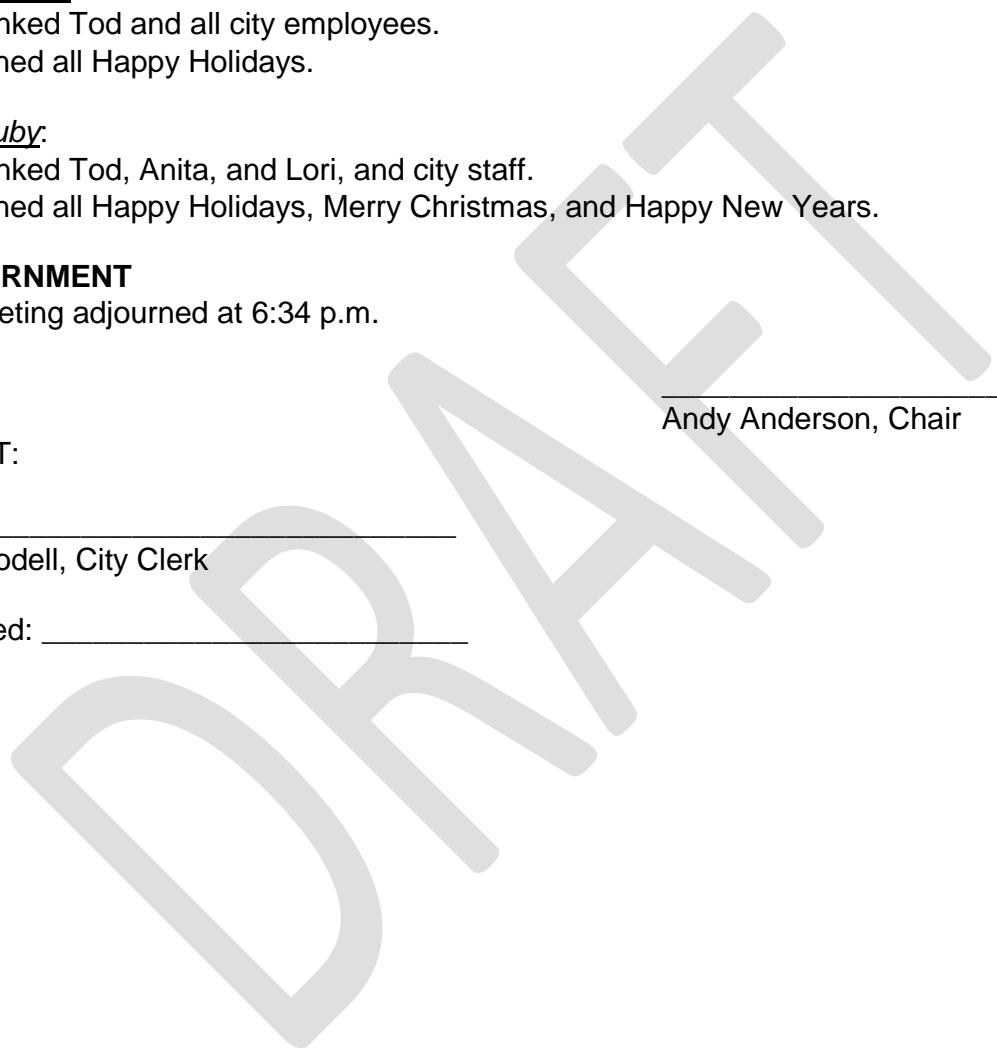
The meeting adjourned at 6:34 p.m.

Andy Anderson, Chair

ATTEST:

Lori Goodell, City Clerk

Approved: _____





MEMORANDUM

DATE: February 18, 2021
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: Audit progress

STAFF REPORT

FY2020 audit was scheduled for the week of October 26, 2020. Audit was scheduled for one week. Due to COVID auditors worked remotely. Audit work continued in November. With a shortage of staff due to open positions and quarantine requirements and other finance department demands such as IRS tax reporting audit work was put on hold starting November and through January. Audit is considered delayed and has raised a concern to the auditors. Considerable work was accomplished in February. Remaining audit items are:

- CARES grant payroll testwork
- Revenue questions for Harbor, E-911
- Expense questions for General Fund electricity, heating and computer hardware
- Capital project planning fund 7140
- Public Safety CARES funding question
- Southern Region EMS grant question
- Test work questions remaining = 3
- Balance sheet questions remaining = 5
- General Fund remaining questions = 1
- JE required for apartment rented for contractor
- Budget revision support



MEMORANDUM

DATE: February 18, 2021
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: FY21 Budget Revision and FY22 Budget Schedule

STAFF REPORT

FY21 budget revision needed
 FY22 Budget needed

Budgets require two council meetings to adopt the ordinance.

Proposed timeline:

- By March 24, 2021 complete FY21 Budget Revision review
- April 1, 2021 Introduce FY21 Budget Revision
- By April 28, 2021 complete FY22 Budget review
- May 6, 2021 Adopt FY21 Budget Revision
- May 6, 2021 Introduce FY22 Budget
- June 3, 2021 Adopt FY22 Budget
- June 3, 2021 present resolution to set the mill rate

Important dates to remember:

- AS 14.14.060© DCSD must submit budget by May 1. **Council must act on budget within 30 days after budget is presented**
- Typically by April 1, 2021 the school presents the budget to the City Manager
- May 6, 2021 the council adopts a resolution determining the amount to be allocated.
- June 14, 2021 deadline for the council to set the mill rate by council resolution

Budget Items to be addressed:

- Review revenues
- Review general government expenses
- Review special revenue fund expenses
- Review long-term financial components (Vehicle plan, Facility plan, staffing study, Long Term Debt)
- Recommend a mill rate for June 3, 2021 council meeting



MEMORANDUM

DATE: February 18, 2021
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: CARES Funding as of 02/17/2021

STAFF REPORT

CARES Funding Received: \$3,404,480.51
 CARES Funding Spent: \$2,949,617.01
 CARES Funding Encumbered: \$454,863.50

Community Grant funds (\$681,196.10) distributed to businesses and individual in two rounds of grant support.

Municipality funds spent (\$1,470,096.33)

- New employees hired for jobs related to COVID demands
- Personal Protective Equipment and Cleaning supplies
- Modification to work areas to promote public safety
- Telecommunication for meetings and employees to work from home
- Equipment upgrades to council chambers
- Publications for public information
- Attorney Fees
- Lodging for EMS support
- Upgraded EMS equipment for local ambulances
- Denali Universal Services for additional security support
- Wages budgeted but allowed by CARES grant to be reported (\$803,691.15 – overspent by \$93,023.50 and will reverse in next report)

Education spent (\$510,672.08) funds provided to the Dillingham Public School

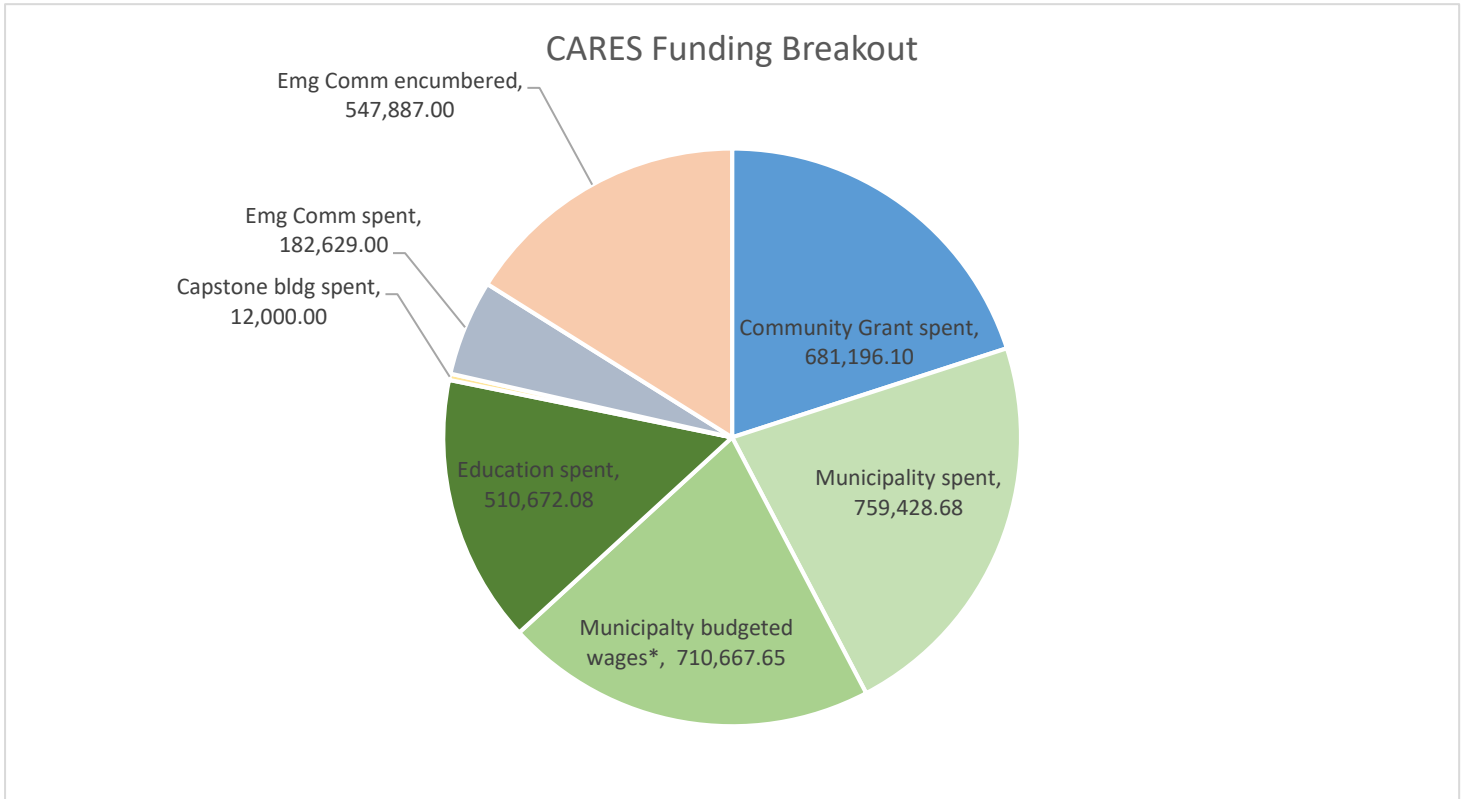
Capstone Building (\$12,000) funds spent to provide shelter for Cornerstone Testing

Emergency Communication (\$730,516.00 budgeted) replacement emergency communication system to support first responder infrastructure.

CARES Funding as of 02/17/2021

Community Grant spent	681,196.10	681,196.10
Municipality spent	759,428.68	
Municipalty budgeted wages*	710,667.65	1,470,096.33
Education spent	510,672.08	
Capstone bldg spent	12,000.00	
Emg Comm spent	182,629.00	
Emg Comm encumbered	547,887.00	730,516.00
	<u>3,404,480.51</u>	

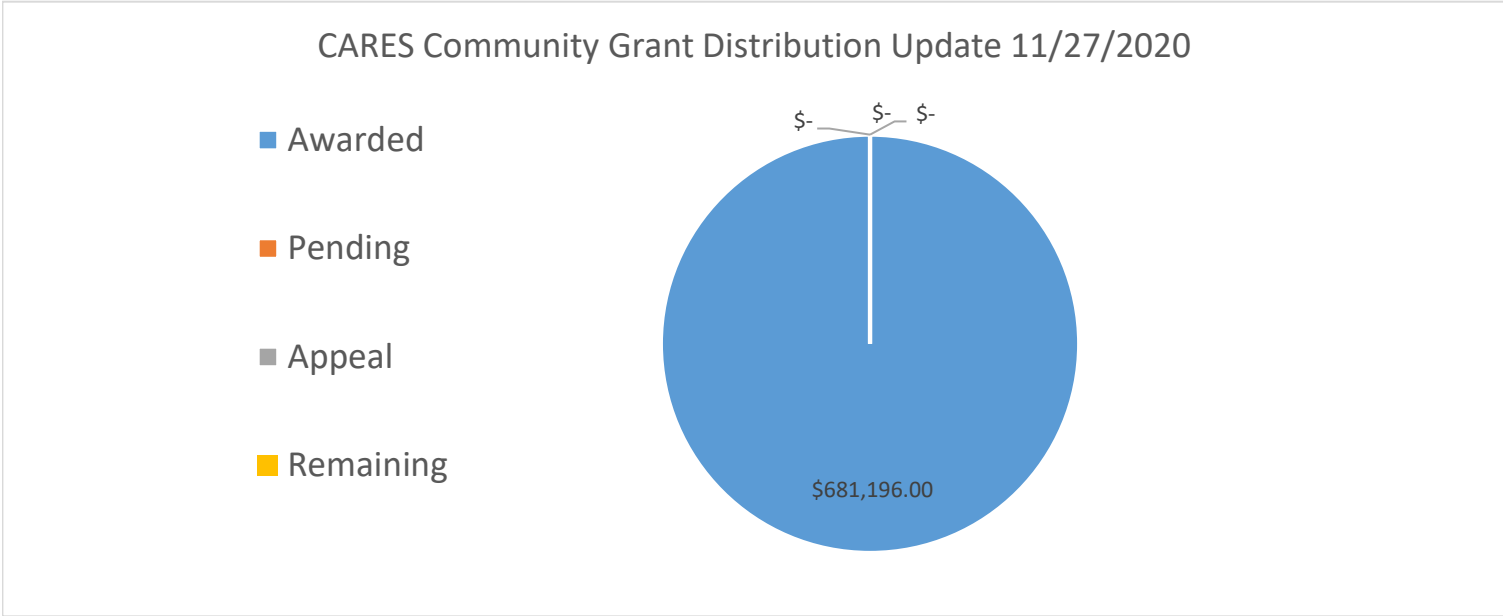
Spent	2,856,593.51
Encumbered	547,887.00



Applications meeting criteria
Funds depleted

Community Grant Program	Applicants	Awarded	Awarded	Award Pending	Number	Amount
Individual	580	\$ 329,420.00	467	\$ -	67	\$ 38,080.25
Business	81	\$ 331,776.00	71	\$ -	6	\$ 24,500.00
Nonprofit	4	\$ 20,000.00	4	\$ -	1	\$ 5,000.00
Total	665	\$ 681,196.00	542	\$ -	74	\$ 67,580.25

\$ 748,776.25





MEMORANDUM

DATE: February 18, 2021
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: Impact of Federal prohibition on Foreclosure

STAFF REPORT

HUD has extended a prohibition of eviction and foreclosure on all homes with federal funding. Details are in article 21-009 and 21-008. This is in effect until March 31, 2021.

HUD No. 21-009
HUD Public Affairs
(202) 708-0685

FOR RELEASE
Thursday
January 21, 2021

ACTING HUD SECRETARY ANNOUNCES EXTENSION OF EVICTION AND FORECLOSURE MORATORIUMS

Agency actions extend eviction and foreclosure moratoriums on federally-backed single family mortgages through March 31, 2021 to provide urgent economic relief to homeowners impacted by COVID-19

Acting U.S. Housing and Urban Development (HUD) Secretary Matthew E. Ammon today announced that the Department has implemented President Biden's requests to immediately extend eviction and foreclosure moratoriums on federally-backed single family mortgages through March 31, 2021, to provide meaningful support to homeowners struggling financially as a result of the COVID-19 pandemic:

“President Biden asked the Department of Housing and Urban Development (HUD) to consider an immediate extension of eviction and foreclosure moratoriums on federally-backed single family mortgages. In order to provide much-needed economic relief and support to working families, HUD has implemented the President’s requests.

“Millions of Americans are at risk of eviction or foreclosure because of the COVID-19 pandemic and corresponding economic crisis, and the Biden Administration is pursuing a comprehensive strategy to prevent widespread housing loss. As we have seen throughout the pandemic, this looming wave of evictions and foreclosures disproportionately impacts communities of color. These executive actions are a critical first step to ensure that families hit hard by the economic crisis will not be forced from their homes during their time of need.

“Specifically, HUD has extended the Federal Housing Administration (FHA) eviction and foreclosure moratorium until March 31, 2021 and extended the Public and Indian Housing (PIH) eviction and foreclosure moratorium until March 31, 2021.

“Failing to prevent widespread evictions and foreclosures would lead to untold hardship for families and to overwhelmed emergency shelter capacity, increasing the likelihood of COVID-19 spread in our communities. The Biden Administration is committed to using the tools at its disposal and to working with Congress to help struggling households keep a roof over their heads. These agency actions support the Administration’s broader strategy by immediately extending nationwide restrictions on evictions and foreclosures.”

HUD No. 21-008
 HUD Public Affairs
 (202) 708-0685

FOR RELEASE
 Thursday
 January 21, 2021

BIDEN ADMINISTRATION AUTHORIZES EXTENSION OF FEDERAL HOUSING ADMINISTRATION SINGLE FAMILY FORECLOSURE AND EVICTION MORATORIUM

One of the first Administration actions provides meaningful support to homeowners struggling financially as a result of the COVID-19 pandemic

WASHINGTON - Yesterday, the Biden Administration requested the U.S. Department of Housing and Urban Development and other Federal Agencies to extend its [foreclosure and eviction moratorium](#) for single family mortgages insured by the Federal Housing Administration (FHA) or guaranteed by the Office of Native American Programs’ [Section 184 and 184A loan guarantee programs](#) through March 31, 2021. Today, HUD executed one of the first Administration actions to provide meaningful support to the nation’s individuals and families who are struggling to make their mortgage payments due to the financial devastation caused by the COVID-19 pandemic.

“As President Biden promised, his new Administration is quickly addressing the widespread needs of a nation that is in urgent need of meaningful assistance to begin combatting the effects of COVID-19,” said Acting Federal Housing Commissioner Janet Golrick. “Immediately safeguarding borrowers with HUD-insured or guaranteed mortgages is an important first step in tackling larger, systemic housing challenges that must be overcome.”

The moratorium prohibits servicers from initiating or proceeding with foreclosure and foreclosure-related eviction actions for HUD insured or guaranteed single family forward and reverse mortgages, except for those secured by legally vacant and abandoned properties. Further, HUD requires mortgage servicers to provide up to six months of COVID-19 forbearance when a borrower experiencing a financial hardship due to COVID-19 requests this assistance, and up to an additional six months of COVID-19 forbearance for a borrower who requests an extension of the initial forbearance.

HUD encourages borrowers with HUD-insured or guaranteed mortgages who can make their mortgage payments to continue to do so. Those who are struggling financially because of COVID-19 should engage with their mortgage servicer – the entity to which they make their monthly mortgage payments. HUD provides post-COVID-19 forbearance loss mitigation options to assist borrowers with bringing their mortgage current.

Borrowers with FHA-insured mortgages seeking additional information on available options should visit

FHA's [COVID-19 Resources for Homeowners](#) web page on FHA.gov. Borrowers with mortgages guaranteed under the Section 184 or Section 184A programs seeking additional information on available options should visit HUD's [COVID-19 Resources for Native Americans](#) web page. Other borrowers are encouraged to visit the Consumer Financial Protection Bureau's [Coronavirus Mortgage and Housing Assistance](#) web pages.

City of Dillingham Action Memorandum

Agenda of: January 21, 2021

Action Memorandum No. 2021-02

Subject:

Authorize City Manager to extend FFCRA benefits to March 31, 2021.

City Manager: Recommend Approval

Signature: 

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

City Manager FFCRA Extension Recommendation Memo

Summary Statement:

Under the Consolidation Appropriations Act authorized paid leave is no longer mandatory as of 12.31.2020.

However the pandemic is far from over and qualifying reasons will remain with us for some time.

Recommendations:

*Extend EPSL and EFMLA for all employee through March 31. 2021.

*Audit 2020 EPSL and EFMLA and allow employees who have not exhausted 2020 limits to carryover unused EPSL and EFMLA into the first quarter of 2021.

Action Memorandum No. 2021-02


Summary Statement continued:

PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council
on January 21, 2021.


Mayor

[SEAL]

ATTEST:


City Clerk

Route to	Department Head	Date
	Finance Director	
X	City Clerk	

Mayor
Alice Ruby

Acting Manager
Cynthia Rogers



Dillingham City Co

Section . Item 9.

Chris Napoli
Bill Rodawalt
Aksel Buholm
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: January 6, 2021
To: Mayor and City Council
From: Cynthia Rogers, Acting City Manager
Subject: FFCRA Extension Recommendation

The Consolidated Appropriations Act of 2021. Emergency Paid Sick Leave (EPSL) and Emergency Family Medical Leave (EFMLA) under the FFCRA (Families First Coronavirus Response Act) are no longer mandatory as of 12/31/20. The city could still offer such leave, but it is not required. The Act did extend tax credits through March of 2021, however, the City is not eligible for those tax credits.

FFCRA Summary

FFCRA required certain employers offer employees EPSL and EFMLA from April 1-December 30, 2020 when unable to work or telework for these qualifying reasons:

- **100% coverage (up to \$511 daily and \$5,110 total)** Provided for quarantine orders, advisement for self-quarantine, when experiencing COVID-19 symptoms and seeking medical diagnosis.
- **2/3 coverage (up to \$200 daily and \$200 total)** Provided for those caring for individuals subject to quarantine, self-quarantine or isolation or experiencing substantially-similar condition.
- **2/3 coverage (up to 10 weeks, \$200 daily and \$12,000)** Provided for employees caring for children whose school or child care closed or was unavailable.

FFCRA Usage for 2020

- Pay and benefits totaled \$40,656.54.
- Hours used across the City were 1,828.28.
- Utilized by 16 employees (just over 25% of the work force):
 - 0-50 hours – 4 employees
 - 51-100 hours – 5 employees
 - 101-200 hours – 4 employees
 - 201-300 hours – 1 employee
 - 301-400 hours – 2 employees
- Departments with highest utilization (both pay and hours):
 - Finance, Senior Center, Library

Extension Considerations

Legal

- 1) City can choose to extend EPSL OR extend EFMLA OR extend both, but it must extend to all employees, not just some subset of employees.

Financial

- 1) CARES funding was available in 2020 and used to pay the FFCRA administrative leave.
- 2) Extending EPSL and EFMLA into 2021, administrative leave would be paid from the departmental budget.

Retention

- 1) The pandemic is far from over, and qualifying reasons for leave will remain with us for some time.
- 2) Generous unemployment benefits are attractive for those who decide not to work.
- 3) The EPSL is in addition to existing sick leave balances, which contributes to the goal of making employees whole.
- 4) The EFMLA on the other hand, did not provide an additional 12 weeks, rather it limited FMLA and EFMLA combined to 12 weeks. However, under EFMLA, employees get paid leave (versus unpaid leave with FMLA) according to qualifying reasons and up to the limits specified. Because the City utilizes the 12-month method, there is no issue with “stacking,” where an employee would get another 12 week increment at the start of 2021.

Benefits

- 1) Encourages sick employees without sick leave balances to stay home, protecting the health and well-being of others.
- 2) Doesn't penalize employees for situations outside of their control.
- 3) Does not deplete existing sick leave banks needed for other reasons.

Drawbacks

- 1) Leave time has negative impact on workload, and not much budget or opportunity for back-filling positions.
- 2) Number 1 above leads to other employees picking up the slack. Over the long-term this has led to heavy workload burdens and negatively impacted morale.

Recommendations

- Extend EPSL and EFMLA for all employees through March 31, 2021.
- Incentivize employees to get work done, while acknowledging the qualifying reasons:
 - Assign employees to shift work, allow flexible schedules, encourage telework by covering internet access costs.
- Audit 2020 EPSL and EFMLA usage and allow employees who have not exhausted 2020 limits to carryover unused EPSL and EFMLA into the first quarter of 2021.
- All of the above will contribute to making employees whole, encouraging work completion through flexibility, equity between individuals and departments through carryover, and retaining employees through a challenging time where they may be struggling with health, family, and parenting demands.
- Finally, recommend seeking further advice and guidance from the municipal attorney to assist the City with crafting an extension to EPSL and EFMLA and analyzing any impacts to doing so not already covered above.



MEMORANDUM

DATE: February 18, 2021
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: Action Memorandum 2021-20 Progress

STAFF REPORT

January 15, 2021 Letters were sent to the five businesses that owed 2020 property taxes. As of 02/18/2021 the following actions have been taken.

	Tax Owed	Amount	Action Taken
#1	2020 Real Property	69.03	Paid in full
#2	2020 Real & Personal Property	\$1,272.67	Negotiating Prom Note
#3	2019 & 2020 Real & Personal Property	\$7,997.52	Negotiating Prom Note
#4	2019 & 2020 Real Property	\$20,878.41	None
#5	2020 Real Property	\$13,437.76	Paid in Full