



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 January 2023
 - Department staffing
 - Collections
 - FY22 Audit update
 - Budget
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Revenue and Expense review January 2023 –

Information provided for percentages below 38% or above 78%. Revenues are high and expenditures are low. Contributing factors include open staffing positions and a delay in projects that were budgeted. Current actuals recognize a net increase to fund balance by \$8,501,615.

General Fund Revenues

- Marijuana excise tax is at 88%, which is above the expected return. An evaluation of the marijuana tax shows that the excise tax would be equivalent to a 10% sales tax.
- Sales tax penalty and interest is below the expected amount. There has been an improvement on timely self-reporting.
- Real and personal property tax are recognized at 100%. Real property has been collected at 86%. Personal property has been collected at 87%. Advertisement of the foreclosure list will help with collection efforts.
- 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. Acting City Manager is contacting the Department of Corrections.
- Leases are as expected. Received annually at end of fiscal year.
- Administrative Overhead is above expected due to Dock expenses being so high.
- 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 \$9,766 reduced from last year, but can still be recovered.
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- Asset Forfeiture revenue is at 7%. Actuals are determined by closed cases with public safety and difficult to predict.
 - Senior Center NTS grant has been awarded; staff are actively working on the first two quarter reports.
 - Debt services is exceeded due to the state providing support from unfunded prior years. Audit adjustments have not been made at this time. (With this line item corrected the total would be 63% instead of 204%)

Transfers

- Landfill transfer continues to be low. A combination of landfill fees is at 74% and large projects have not been completed and incinerator has not been running.
- Senior Center transfer has increased due to funding support change. This will reduce when funding arrives but will still require a budget revision.
- Ambulance Reserve transfer is based on 10% of ambulance fee revenue.
- 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 at beginning of fiscal year.
- 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

- Sewer expenditures are at 36%. Purchase of pumps for lift stations will be recognized soon.
- Dock expenditures are at 107%. Equipment maintenance and damages due to accident have been paid. Insurance proceeds are still in review. Annual leased equipment payment made. Budget revision will be required.
- 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.
- Ambulance Reserve spending not required at this time.
- Debt services are as expected.
- Equipment replacement expenses are skid steer, Admin truck, sander and plow assembly. Dock top loader has been approved by council 01/12/2023; expense will be recognized when received.

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.
- BBEDC training support was recognized for the Fire Department.
- Bond investment income will be used to cover bond repayment.

Capital Project Revenues/Expenditures

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- 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. Carmen Jackson, LLC continues to be retained to provide support.

Department staffing:

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

Account Tech II – Receivables: Out on 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 through 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. Two applicants have expressed interest.

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
- USS 2732 B7 L1
- USS 2732 B7 L&

Buckshot Estates B L8 has been redeemed. This is allowable as long as taxes are paid in full.

Foreclosure listing for 2019 Action have passed the period of redemption (2 properties at \$8,054.75). Both properties are on the 2018 Action. No further action required.

Potential 2022 foreclosure action is pending notification to promissory notes holders who have gone into default. A new list will be available in March to be ready for the April council meeting.

Grants

FY23 NTS grant application has been approved for \$91,743.76

Budget

FY23 Budget revision to be presented at next F&B meeting. Suggest a workshop 03/13/2023.

FY24 Budget dates to be set in April and May. Suggest workshops 04/03/2023, 04/10/2023 05/08/2023 and 05/15/2023.