



FINANCE AND BUDGET COMMITTEE

Monday, December 20, 2021 at 5:30 PM

MINUTES

CALL TO ORDER

The Finance and Budget Committee met on Monday, December 20, 2021, in the City Council Chambers, Dillingham, AK, and via Zoom video conference call. Curt Armstrong called the meeting to order at 5:35 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	

APPROVAL OF MINUTES

1. Minutes of November 15, 2021, Finance & Budget Committee Meeting

MOTION: Anita Fuller moved and Alice Ruby seconded the motion to approve the minutes of November 15, 2021.

VOTING: the motion to approve the minutes passed by unanimous consent.

APPROVAL OF AGENDA

MOTION: Alice Ruby moved and Perry Abrams seconded the motion to approve the agenda.

VOTING: the motion to approve the agenda passed by unanimous consent.

STAFF REPORTS

2. Staff Report

- FY21 audit in progress. Expected to be completed mid-January.
- Finance is fully staffed as of December 15th.
- Cash flow to be a tool for budget process.
- Attorney recommends resuming foreclosure actions filed with the AK Courts.
- BBEDC program grant opportunity for additional lost revenue will be explored.
- 2 proposals received on the Grant Writer RFP.

Revenue & Expense Report

- Items +/- 15% reviewed,
- Shared fisheries tax and Community Sharing funds have been received and are higher than originally budgeted.
- Request has been submitted to the SOA for bond debt reimbursement.
- A report will be developed to show the landfill shop replacement items.
- Fund balance shows City finances are stable. Need to determine amount for reserve fund.
- Budget reflects positions filled at 100% and was balanced using the fund balance.
- Strategic Planning with Bill Dann can help focus long term budgeting.

COMMITTEE BUSINESS

3. ARPA Funding Update

- Grant reporting is being submitted, deadline is the end of the year.
- Lost Revenue grant has not been awarded yet.

4. Port Tariff

- Last incremental increase to fees done in 2017.
- Verbiage updates, clarifications, and fee increases reviewed.
- Recommend bringing this to council, and structure increases over three years.

MOTION: Mark Lynch moved and Alice Ruby seconded the motion to move this forward to council as presented and allow for future recommendations.

- The tariff can be revisited after the season to restructure items needed for the next season.
- Report shows a 2% increase each year.
- An updated report will accompany the resolution in the council packet.

VOTING: the motion to approve the minutes passed by unanimous consent.

5. Explore Revenue Options

Marijuana

DMC Exemptions

Fish Tax

- Fish tax examples from Bristol Bay Borough Code provided.
- Tax rate from around the state looked over.
- Attorney memo regarding different types of tax rates given. Excise tax is often easier to implement and manageable by council.
- Items subject to an excise tax can continue to have sales tax collected.
- Cautioned to limit the number of marijuana facilities in Dillingham.
- Noted the black market for marijuana is still active. Concern expressed that higher taxes will increase black market activity. Enforcement was encouraged.
- 1% increase on some tax revenues was recommended.
- Requested information (code) from other communities and include business owners in the conversation.
- Recommend raising the tax cap. Currently there is no reporting on exemptions, this is a problem, move towards all report and then list what exemptions apply.

PUBLIC/COMMITTEE COMMENT(S)

- Concern for the financial state of the city expressed. Infrastructure, short term, and long term focus needs to be addressed.
- Assessments will increase taxes, some not in favor of increasing the mil rate. Place undue burden on working class.
- Easy of excise tax appreciated. However, it will increase burden of reporting.

ADJOURNMENT

The meeting adjourned at 8:11 p.m.

Curt Armstrong, Chair

ATTEST:

Lori Goodell, City Clerk

Approved: _____