



MEMORANDUM

DATE: November 12, 2021
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: Staff Report

STAFF REPORT

- FY21 audit update
 - Department staffing
 - Asset lists
 - Open Items from past meetings
 - Cash Flow and Debt Calculator
 - Budget
 - Revenue and Expense report 09/31/2021
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FY21 Audit Update:

Auditors were on site week of 10/26/2021. Finance department is working on the final pending list to be completed by the end of November.

Department staffing:

Account Tech I – Cashier: Currently open.

Asset List

Ongoing –. Will provide as we begin FY23 Budget.

Open items

10/27/2021 meeting - Fire Department invoicing had stopped November 2020 and restarted September 22, 2021. Current status is November 2020 through July 2021 has been submitted as of date of report. Staff are resolving System Design question at this time. Projected to finish the remainder by the end of October.

Cash Flow and Debt Calculator – Handout to be provided during the meeting.

Budget

FY23 Budget Outline

- December and January – Meet with departments.
 - February – Outline Finance and Budget Committee meeting.
 - April 4, 2022 Introduce FY23 Ordinance to City Council.
 - May 5, 2022 Adopt FY23 Ordinance by City Council.
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Proposed Budget Revision #2

- December – Meet with departments.
- January – Finance and Budget committee review.
- February 3, 2022 Introduce FY22 Budget Amend #2 to City Council.
- March 3, 2022 Adopt FY22 Budget Amend #2 by City Council.

Current Known Amendments

Revenue

ARPA Amendment	+246,932.39
Increased recovery by \$493,864.78. Half paid in FY22 and half in FY23.	
SOA MOA COVID support advertising	+102,574.59
Agreement made 05/2021 not reflected in budget. Will offset expenses in EOC advertising budget.	
Increased Shared Fisheries	+336,467.03
COVID relief funding has allowed communities to receive lost revenue support.	
SOA Bond Reimbursement	+274,497.00
FY2022 Projected state program allocations based on enacted budget.	
Equipment Replacement Transfer	+35,000.00
Transfer in original budget but omitted in error with budget amendment #1 \.	
BBEDC Pass Through	+6,000.00
Arctic Tern program for pumpkin patch.	

Appropriations

Resolution 2021-19 Outfall Pipe	+72,300
Increase Wastewater Contract line item	
Action Memorandum 2020-10 Emergency Communications System	+94,587
\$750,000 - Original Contract	
\$182,629 - CARES funding spent in FY21	
\$472,784 - Remaining CARES grant funds	
\$ 94,587 – Balance to be paid by General	
BBEDC Pass Through	+6,000.00
Arctic Tern program for pumpkin patch	

Revenue and Expense for October 2021 – Information provided for percentages +(-)15%

General Fund Revenues

- Gaming sales tax is below desired at 16%.
 - Real property tax is recognized at 100%; however 62% has been collected. Final payment due 12/01/2021.
 - Personal property tax is recognized at 100%; however 76% has been collected. Final payment due 12/01/2021.
 - Ambulance fees remain below expected average at 5%.
 - Lease & Rental Income matches the rate of income at FY20.
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- PERS Forfeiture funds have not been utilized, funding is cut in half from FY21. This will require a budget amendment.

Special Revenues & Other Funds Revenue

- Investment income is in recovery and has a negative balance.
- Senior Center grant revenue is delayed.
- Debt Services – Bond investment entry needs to be adjusted to reflect correctly on report.
- Mary Carlson Estate investment income is in recovery and has a negative balance.

Transfers

- Water - Minimal general fund transfer required to balance budget.
- Ambulance Reserve - Transfer is based on 10% of ambulance fees received.
- Equipment replacement – No purchase has been made at this time.
- Capital projects – Expenditures projected for later in fiscal year.
- Debt Services SRF and School bond payments have not been made at this time.
- Port to Harbor – Transfer need is higher than expected and may require future budget amendment.

General Fund Expenditures

- Council - No lobbyist has reduced expenditures.
- Legal – Legal support has been reduced for first quarter.
- Non-Departmental – Audit fees will be submitted starting November.
- Foreclosure – Foreclosure actions have been put on hold.
- Fire Department – Open staff position in first quarter has reduced expenditures.
- Fire Department checking – No expenditures at this time.
- EOC – No employees as budgeted; anticipate budget amendment.
- Public Works Administration – No PW Admin and PW Director shared with Port has reduced expenditures.
- City School – Second quarter payment made
- Transfers – see above

Special Revenues & Other Funds Expenditures

- Sewer – Outfall Pipe replacement fully expended – budget amendment #2 needed for \$72,300.
- Port-Dock – Normal cycle for dock due to closure for winter.
- Asset Forfeiture funds – Purchased additional bedding supplies
- SRF and School bond payments have not been made at this time.

Special Revenues & Other Funds Expenditures

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