

**Mayor**  
Alice Ruby

**Acting Manager**  
Jack Savo Jr



**Dillingham City Council**  
Triston Chaney  
Jean Barrett  
Steven Carriere  
Curt Armstrong  
Kaleb Westfall  
Kevin McCambly

## MEMORANDUM

**Date:** 02/18/2026

**To:** Jack Savo, City Manager

**From:** Anita Foran, Finance Director

**Subject:** Finance & Budget Report 02/20/2026

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### **Council Considerations/Recommendations:**

Add language to DMC 4.16 that recognizes a business license is required for any business that has a physical presence within the city limits of Dillingham. All businesses within the city limits are required to submit sales tax reports to the City of Dillingham Finance office. All businesses without a physical presence within the city, but ship products to Dillingham, are required to submit sales tax to Alaska Municipal League Remote Sellers program as agreed in DMC 4.23.

The Senior Center food budget has been spent in full. Other areas that have been exceeded include unemployment compensation and equipment repair. The new Community Service Director needs a month to evaluate the status of the Senior Center and the amount of funds needed for the rest of the fiscal year to provide the planned services of meals and rides. The current expected need is an additional \$10,000. Council is being asked to either allow a line-item transfer from the Council budget to the Senior Center budget to meet the overage until a budget revision can be completed.

### **Department Accomplishment and Opportunities:**

Close of calendar year 2025. W-2 and 1099 reporting has been completed. ACA reporting to be completed by end of February.

### **Audit Update:**

FY25 Audit – Resolution to the three concerns have been found and suggested solutions are under review. Auditors have scheduled the final report to be drafted by the end of April. No determinations have been made at this time.

**Department staffing:**

No changes at this time.

**Property Tax:**

2026 personal property tax assessment returns continue to arrive. Assessment notices are scheduled to be delivered March 15, 2026.

**Collections:**

2018-2022 Foreclosure (3DI-24-00061CI) one-year redemption period close of March 2026. There are 4 remaining properties on this list.

2020-2024 Foreclosure (3DI-25-00062CI) properties have until July 24, 2026, before the redemption period is closed. There are 18 remaining properties on this list.

2025 Foreclosure list is being compiled.

**Grants:**

Completed quarterly reviews for the following grants:

- NTS grant for Sr Center (assisted with reporting grant deliverables).
- LINKED grant for the Library.
- Harbor state grant 24-DC-015 for Harbor Floats.
- Downtown Fire Hall state grant 24-DC-078.
- PFAS federal grant for new water line.
- Snagpoint federal grant.
- Jail contract from State of Alaska.

**Budget:**

FY26 Budget amendment 2 is ongoing.

FY27-FY28 creation ready to begin with staff and management.

**Internal Controls:**

- Review of the document is on hold during budget review.

**Other News:**

- None at this time.

**Upcoming Calendar Items:**

- 15<sup>th</sup> of each month utility payments due; on the last day of month utility bills are sent.
- Business licenses renewals can still be paid with an additional \$75.00 late fee.

- Property tax assessment returns are to be mailed out by 03/15/2026. Taxpayers have 30 days to appeal the assessed values.

### **Revenue and Expense Report – December 2025 & January 2026:**

- Target percentage for January activity is 58%. Explanations provided in this report are for those items below 38% and above 78%. These are unaudited items and will have adjustments as the audit work is completed.
- Fund balance is a decrease of \$1,079,056.
- Sales tax reporting is expected to be 50%. This decrease does have an impact on the overall percentage of revenue for the general fund.
- Gaming Sales tax returns are higher than expected and will require a budget revision.
- Tobacco Excise tax is at 38% and will need a budget revision.
- Business license renewals are at 79%, a higher return than last year at this time. A review of all businesses will continue as part of the review process.
- Payments of property tax are recorded at 103% & 105%. Actual amount received is 95% for real property and 82% for personal property.
- Property tax penalty and interest is lower than last year to reflect more on time property tax payments.
- Community Sharing and PILT have been received in full for the year.
- Lease and Rental income will be low until the end of the fiscal year when an annual lease payment is received.
- All other payments at this time are as expected based on the revenue receiving history.

### *Special Revenues & Other Funds Revenue*

- Dock Revenue is at 31% and will not rise until April when Harbor fees are received.
- Senior Center grant is delayed until the remaining deliverables are received.
- Library grants are at 29% due to delay in receiving the Curyung funds for the IMLS grant.
- Bond Reimbursement from the State is delayed; correspondence has been made with the State.
- Investments for the Mary Carlson Estate have returned less than expected.
- These delays impact the 39% revenue for this section.

### *Transfers*

- Equipment replacement of \$2,805 reflects expenses for the K-9 unit requested in FY25 but received in FY26. The \$111,000 budget is for the annual payment for the grader loan. The grader is expected to arrive in the summer of 2026.
- Debt Service payments have been paid out as expected.
- Transfer for the school bond does not reflect the State reimbursement currently.
- Transfers from Dock to Harbor have not happened due to Dock revenue being less than expenditures.
- Transfers from Wastewater to Water have been made to balance the account.
- Overall revenue at 62%.

### *General Fund Expenditures*

- Foreclosure expenditures will increase as the foreclosure process continues.
- K-9 Unit and the Fire Department donation have not had any expenditure.
- Shop expenditure is low due to an open staff position.
- Streets Expenditures are low due to open staff positions.
- Repairs to Grandma's house are reflected in January. The purpose of the building is still in debate.
- Transfers to other funds are increased due to the bond reimbursement from the state is a month later than the expenditure; a transfer will remain in place until funds are received.
- General fund expenditures are at 55% as expected.

### *Special Revenues & Other Funds Expenditures*

- Water, Wastewater, and Ddck expenditures are slightly below the expected amount.
- Asset forfeiture funds have not been spent. No expenditure has been planned at this time.
- Senior Center grants will be expensed first.
- Ambulance reserve fund expenditures are low due to a refund in an expense from FY25.
- Debt services expenses are on time as expected.
- Average expenditures are at 42%.
- Equipment replacement expenditures reflect K-9 expenditures that arrived late.

### *Grant and Bond Revenues/Expenditures*

- EPA Landfill grant and the Snagpoint erosion grant. No expenses at this time.
- Remaining grants are in the beginning stages of the projects.

### *Capital Project Revenues/Expenditures*

- None at this time.

### **Fund Balance Evaluation:**

- General Fund currently has a decrease of \$905,309 for a fund balance of 6,074,888.
- Unaudited fund balance as of 06/30/2025 is \$11,399,348. A reduction of \$448,207 reduces the fund balance to \$10,951,140 for FY26 by the end of January.
- After the FY25 audit review is completed, a review of all negative fund balances will be completed, and adjustments can be made.

**Fund Balance Evaluation**

	<u>Fund Bal.</u> <u>6/30/2025</u> <u>Unaudited</u>	<u>FY'26</u> <u>Revenue</u>	<u>FY'26</u> <u>Expenditures</u>	<u>Add or (-)</u> <u>FY26 Fund Bal</u>	<u>Fund Bal.</u> <u>11/30/2025</u> <u>Unaudited</u>
General Fund	6,980,196	7,127,289	8,032,598	(905,309)	6,074,888
Planning Capital Project	1,030,472	-	-	-	1,030,472
Debt Service	67,107	1,120,775	1,120,775	-	67,107
Special Revenue Fund					
Water & Sewer	1,416,076	426,965	341,488	85,477	1,501,553
Landfill	(5,127)	443,002	443,002	-	(5,127)
Port - Dock	649,924	237,599	335,628	(98,030)	551,894
Port - Harbor	(89,592)	98,465	230,087	(131,623)	(221,214)
E-911 Service	267,909	38,115	38,115	-	267,909
Asset Forfeitures Fund	27,824	257	-	257	28,080
Reward Fund	400	-	-	-	400
Senior Center	2,820	166,027	196,592	(30,565)	(27,745)
Library (Grants)	(79)	19,264	26,182	(6,918)	(6,997)
Public Safety	-	-	-	-	-
Local Support	(11,868)	29,119	29,119	-	(11,868)
Covid, ARPA & LGLR Support	-	-	-	-	-
Capital Project Fund					
Ambulance Reserve Capital Project	437,515	27,608	(1,000)	28,608	466,122
Equipment Replacement Capital Project	73,749	2,805	2,805	-	73,749
School Project	(1,626)	-	-	-	(1,626)
Streets Project	52,714	-	-	-	52,714
Firehall Project	-	-	-	-	-
Dock and Harbor Capital Project	-	128,220	136,255	(8,034)	(8,034)
Public Safety Capital Project	-	-	-	-	-
Wastewater System Improvements	(101,006)	-	-	-	(101,006)
Water Improvement	-	-	-	-	-
SOA Loans Capital Projects	-	-	39,151	(39,151)	(39,151)
Jail Health care reimbursement	(9,079)	10,469	1,390	9,079	-
SOA DOH Grants	25,334	-	-	-	25,334
Denali Commission Project	-	-	-	-	-
Landfill Committed Funds	197,044	14,581	-	14,581	211,625
Permanent Fund					
Mary Carlson Estate	388,640	6,155	3,583	2,572	391,212
Snagpoint	-	-	-	-	-
<b>Total</b>	<b>11,399,348</b>	<b>9,896,716</b>	<b>10,975,772</b>	<b>(1,079,056)</b>	<b>10,320,291</b>

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