

Mayor
Alice Ruby

Acting Manager
Daniel Decker



Dillingham City Council
Bertram Luckhurst
Michael Bennett
Steven Carriere
Curt Armstrong
Kaleb Westfall
Kevin McCambly

MEMORANDUM

Date: March 03/07/2025

To: Daniel Decker, City Manager

From: Anita Fuller, Finance Director

Subject: Finance & Budget Report 03/12/2025

Council Considerations/Recommendations:

- Nothing new at this time.

Department Accomplishment and Opportunities:

Questica:

Have started the setup of Capital Budget.

Audit Update:

FY24 Audit – Financial Statement final draft has been received, reviewed and approved pending any changes from the attorney letter. (Due to timing the attorneys are given one more chance to make revisions to their initial letter.) Approval of the audit is scheduled for 03/27/2025. A workshop will need to be scheduled for an hour before the meeting to allow for time to discuss results and the findings discovered and the responses to address those findings.

Department staffing:

Receivables Tech II – Position became open and has been filled starting 01/27/2025. Training is ongoing.

Cashier Tech I – Position has been filled 02/10/2025. Training is ongoing.

Property Tax:

Real property tax past due letters were mailed 01/05/2025 to provide a past due notice and foreclosure notice.

Personal property tax assessment returns were due February 1, 2025. Late fees will be assessed on returns received after this date. Force files are being created. Assessment Notices will be mailed by March 15, 2025.

Assessors are assisting with the preparation of the 2025 taxes. A letter addressing the 8% rate of property tax increases has been received and is attached.

Collections:

A foreclosure 2018-2022 has been finalized.

A foreclosure 2020-2024 is drafted and ready for council review.

Past due utility collections have started.

Grants:

NTS Grant report is finalized in February.

Budget:

FY25 Budget revisions have begun. Delays are being experienced due to coding errors created by staff turnover in multiple departments.

FY26 Budget is to begin when FY25 Budget revisions are done.

Internal Controls:

- On hold for after budget revisions and staff training.

Other News:

- W-2's and 1099's were completed at the end of January.
- ACA reporting was completed at the end of February.

Upcoming Calendar Items:

- 15th of each month utility payments due; last day of month utility bills sent.
- March 15, 2025 Real Property and Personal Property tax assessments are to be mailed out.

Revenue and Expense Report – December 2024:

- Target percentage is 50%. Explanations are for those items above 70% or below 30%.
- Fund balance is a decrease of \$41,116.
- Gaming sales tax reports remain at 7%.
- Sales Tax penalty & interest is at 29%, Next review of returns will be after the business licenses are mailed out.
- Real and personal property taxes are higher than expected at 103%. Penalty & Interest is high at 111% an investigation of a recent AccuFund software issue is being reviewed. The actual amount collected in December is 91% for real property and 85% for personal property.
- Shared Fisheries revenue was received at \$147,328 and will require a budget revision for a reduction of \$452,672.
- The PILT is \$17,418 higher than expected and will require a budget revision.

- Other state revenues arrive later in the year.
- Ambulance fees are low. The Fire Department is reviewing fees and anticipates an increase over the summer. DMV fees are generally several months behind but are currently lower than expected at 17%.
- Lease and rental incomes are as expected at 16%.
- PERS Forfeiture fund has already exceeded expectations and will require a budget revision.

Special Revenues & Other Funds Revenue

- Harbor revenue is expected to continue to be low until April with the sale of Harbor stickers.
- Senior Center non-grant is reduced due to two office spaces not being rented. Will require budget revision. Senior Center Grant is reduced due to the timing of reports.
- SOA Bond Investments have had a higher return than expected at 71% and will require a budget revision.
- SOA School Bond Reimbursement is expected to be received by the end of January 2025.

Transfers

- Ambulance reserve is reduced due to reduction in ambulance fees received to date.
- Equipment replacement is at 103% due to an increase in the cost of shipping for new vehicles. Full expenditure is based on budget expectations and timing of the barge.
- SRF Loan Annual payment for Water has been paid.
- The School Bond bi-annual payment is for both interest and principal and is the higher payment for the year.
- Dock revenue is not high enough to allow for a fund transfer to the Harbor. This will reduce the Harbor transfers received.
- Water revenue exceeds expenses and does not require a transfer.

General Fund Expenditures

- City Council expenses are at 17% due to lobbying contracts going into effect January 2025.
- Administration expenses are reduced due to the open Deputy CM position.
- Planning expenses are at 21% largely due to only using 6% of the contract/professional budget.
- K-9 Unit was started and will require a budget revision.
- Fire Department Donation funds have only been spent at 11%.
- The shop budget is reduced due to open positions in the beginning of the fiscal year and the subsequent reduced cost of equipment repairs.

Special Revenues & Other Funds Expenditures

- Water and Sewer expenditures are reduced by the October report due to open positions. The first position is filled in November but paid in December.
- No asset forfeiture funds have been spent.
- Had a final payout for the E911 duplication system of \$73,0551.60 in July that was not expected. This will require a budget revision.
- Ambulance Reserve Funds are reduced due to volunteer stipends paid out every 6 months.
- Bi-annual water loan is paid, and the school bond payment included the principal payment.
- Firehall and street bond payments are only interest payments at this time.
- Equipment replacement was higher due to shipping costs.

Grant and Bond Revenues/Expenditures

- The Lagoon Aeration project is completed, and payment of invoices are finalized which includes LGLR and SRF Loan.
- SOA Department of Health grants are in process. Expenses are for sanitation improvements.
- BBEDC Internships have finished programs for the summer and training has been completed for the fire department.
- Remaining grants are pending projects being started.

Capital Project Revenues/Expenditures

- Snagpoint erosion project has not started.
- Plans are being drafted for the new fire department building.
- Sewer Lagoon, city expenses were higher based on the council adopted change order and will require a budget revision.