



MEMORANDUM

DATE: April 17, 2023
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: Finance & Budget Staff Report

STAFF REPORT

- Revenue and Expense review for March 2023
 - FY22 Audit update
 - Department staffing
 - Property Tax
 - Collections
 - Budget
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Revenue and Expense review February 2023 –

Information provided for percentages below 55% or above 95%. Current actuals recognize a net increase to fund balance by \$5,265,238. Further support on current financial position is still being compiled and will be presented at the meeting.

General Fund Revenues

- Marijuana continues to be above the expected return.
- Sales tax penalty and interest continues to reflect timely reporting. Will soon begin force files for business that have not filed reports in 2022.
- Real and personal property tax are recognized at 100%. Real property has been collected at 91%. Personal property has been collected at 90%.
- Shared Fisheries and Raw Fish tax are above expected. Community Sharing has been received in April.
- PILT has come in above expected at 105%.
- Jail contract signed and waiting on Department of Corrections for the response.
- Leases are as expected. Received annually at end of fiscal year.

Special Revenues & Other Funds Revenue

- Dock revenue is at 109%, FY22 revenue is still included and will be reduced with audit preparations.
 - Harbor revenue is at 21%. This is \$16,920 reduced from last year but can still be recovered.
 - Asset Forfeiture revenue is at 13%. Actuals are determined by closed cases with public safety and difficult to predict.
 - Senior Center NTS grant has been awarded; grant is only eligible for quarters 3 and 4 of FY23.
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- Debt services is exceeded due to the state meeting the original obligation of 69.99% of school bond payment. Adjustments have been made to reflect correct amounts.

Transfers

- Landfill transfer continues to be low. A combination of landfill fees is at 87% and large projects have not been completed and incinerator has not been running.
- Senior Center transfer has increased due to funding support change and will be corrected with budget revision.
- Ambulance Reserve transfer is based on 90% of ambulance fee revenue.
- Debt Service transfers as expected based on when payments are due.
- Dock to Harbor transfer is higher than expected due to wages.
- Mary Carlson transfer not completed at this time.

General Fund Expenditures

- City Clerk budget is lower due to staff in admin acting capacity.
- Planning expenditures will increase as contract invoices are paid.
- Correction expenditures are down due to staffing shortage which contributed to jail closure at beginning of fiscal year.
- Public Work admin expenditures are low due to open positions.
- Transfers down with SOA bond reimbursement increase.

Special Revenues & Other Funds Expenditures

- Sewer expenditures are at 48%. Purchase of pumps for lift stations will be recognized in April.
- Landfill expenditures are down as stated above in transfer section.
- Dock expenditures are at 109%. 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.
- Senior Center non-grant expenditures are higher and grant expenditures low due to grant reporting 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/ARPA/LGLR - 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

- 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. Crystal Minor with Carmen Jackson, LLC was onsite the week of 03/27/2023. Audit work progressed forward.

Department staffing:

Account Tech II – Payroll/Payables pending hire.

Assistant Finance Director – Position became open 12/14/2022. AFD, Revenue Cycle Manager position is still open. AFD, Purchasing and Disbursements has been filled by Jon Sorenson, part time and scheduled to begin on 05/18/2023.

Anthony Reynolds has begun payables training track.

Property Tax

Real Property appeals are due by 04/14/2023. Personal Property tax appeals are due by 04/28/2023.

Collections

Potential 2022 foreclosure action is ready for council. Promissory notes holders who have gone into default have received notification 03/10/2023. A new list will be available for the May council meeting.

Grants

FY23 NTS grant reporting is in progress. FY24 NTS Grant application in progress.

Budget

FY23 Budget revision: 4/7/2023 – Revenue review completed. Appropriations to be discussed 05/05/2023

FY24 Budget workshops: 4/11/2023 – Initial overview completed. Remaining workshops are 05/09/2023, 05/23/2023, 05/29/2023 and 05/31/2023
