



MEMORANDUM

DATE: December 17, 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 mid-January.

Department staffing:

Account Tech I – Cashier: Hired Ryan Johnson 12/15/2021

Asset List

Ongoing – Will provide as we begin FY23 Budget.

Open items

10/27/2021 meeting - Fire Department have submitted all outstanding reports. Staff are resolving System Design question at this time. Expect revenue recover to begin in 2 months.

Cash Flow and Debt Calculator – Follow-up will be made in January 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.

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 sate 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

- Transient Lodging is above expected at 60%
- Tobacco Excise tax is slightly below desired amount at 26%.
- Real property tax is recognized at 100%; however 89% has been collected. On average as last year.
- Personal property tax is recognized at 100%; however 87% has been collected.
- Property tax penalty and interest is at 105%; which exceeds entire year budget expectation.
- Shared Fisheries tax received COVID Funds increase will be reflected in budget revision.
- Community Sharing has been received and is above expected amount by 12%
- PILT has come in above expected by 3%

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- Jail contract revenue is delayed pending quarterly report review.
 - Ambulance fees remain below expected average at 5%.
 - Lease & Rental Income matches the rate of income at FY20.
 - PERS Forfeiture funds have not been utilized, funding is reduced from FY21. This will require a budget amendment.

Special Revenues & Other Funds Revenue

- Dock revenue for the season has been entered. Rate is expected; however, will investigate for meeting why less than last year for meeting.
- Harbor revenue is normal as most revenue is at the end of the fiscal year.
- Senior Center grant revenue is delayed.
- Debt Services – Bond investment entry seen on last report was determined to be for FY21. Budget revision may be needed pending a possible reimbursement from the state that was unexpected.
- Mary Carlson Estate investment income is in recovery and has a negative balance.

Transfers

- 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 – Transfers are as expected.
- 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 invoice was submitted in December.
- Foreclosure – Foreclosure actions have been put on hold.
- IT – Expenditures will increase in December with transition of contract to LMJ Consulting
- 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 for a part of the year and PW Director shared with Port has reduced expenditures.
- B&G – Staff openings has delayed projects and decreased wages and benefits.

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 payments have not been made at this time.

Special Revenues & Other Funds Expenditures

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