

**Mayor**  
Alice Ruby

**Acting Manager**  
Daniel Decker



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

## MEMORANDUM

**Date:** 05/14/2025

**To:** Daniel Decker, City Manager

**From:** Anita Fuller, Finance Director

**Subject:** Finance & Budget Report 05/17/2025

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

- Consideration is needed on how to fund the Harbor fund deficit. Dock fund balance is not large enough to consider further support. Will either go in a fund balance deficit or need general fund transfer to balance the fund.

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

#### **Questica:**

Have started the setup of Capital Budget. Was not ready for FY26 budget so is on hold until budget is finalized.

#### **Audit Update:**

FY24 Audit – Financial Statement adopted by council 03/27/2025.

FY25 Audit – Testwork scheduled for the week of October 13, 2025. Final week scheduled for the week of December 1, 2025.

### **Department staffing:**

Receivables Tech III, Taxes – Position became open and has been filled starting 04/07/2025. 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 has been approved by the council and is now in the hands of the City Clerk for publication and filing with the court.

Past due utility collections have started.

**Grants:**

NTS Grant report is finalized in February.

All 3<sup>rd</sup> quarter reports were finalized in April and May.

**Budget:**

FY25 Budget revisions have begun. Will finalize after FY26 budget is ready.

FY26 Budget is ready for review by Finance & Budget.

**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:**

- 15<sup>th</sup> 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 – January through March 2025:**

- Target percentage for March is 75%. Explanations are for those items above 75% or below 55%.
- Fund balance is a decrease of \$2,319,487.
- Gaming sales tax reports remain at 12%.
- Sales Tax penalty & interest is at 38%. A review of Sales Tax is ongoing with as our new employee is being trained.
- Real and personal property taxes are higher than expected at 103%. Penalty & Interest is high at 120%. Staff are working with AccuFund to fix a known issue. The actual amount collected in December is 97% for real property and 88% 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.
- Jail Contract for FY2025 has been finalized at about \$100K less than budgeted. Payment has been received for FY2024 after audit work was finalized. Three quarterly payments for FY25 were received in May.
- DMV (Motor Vehicle Tax) fees are generally several months behind but are currently lower than expected at 53%.
- Ambulance fees are low. The Fire Department is reviewing.
- Lease and rental incomes are as expected at 24%. The
- 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.
- Asset Forfeiture is received in full for the year.
- Public Safety reward is newly added to reflect that this will maintain a fund balance. No expected revenue is planned.
- Senior Center non-grant is reduced due to two office spaces not being rented. Will require budget revision.
- SOA Bond Investments have had a higher return than expected at 102% and will require a budget revision.
- SOA had a payment that impacted the refund received in FY24 for the amount of \$22,882 and will require a budget revision.
- Ambulance rental discontinued and will require a budget revision.

#### *Transfers*

- Ambulance reserve is reduced due to reduction in ambulance fees received to date.
- Equipment replacement is at 109% due to an increase in the cost of shipping for new vehicles. Full expenditure is based on budget expectations and timing of the barge and will require budget revision.
- Capital projects: See Capital Fund Expenditures.
- SRF Loans have been paid for the year.
- The School Bond bi-annual payment is for both interest and principal and is the higher payment for the year. Also the street bond payment is reduced to reflect the revenue received for interest received on the bond investment.
- Harbor transfers are reduced due to the Dock revenue being too low. There is a current deficit of Harbor \$103,9410.31, Ice Machine \$2,112.16 and Bathhouse of \$11,794.35 that needs to be funded. Council Decision is needed to see if a transfer from the general fund will be needed.
- Water revenue exceeds expenses and does not require a transfer.

#### *General Fund Expenditures*

- City Council expenses are at 40% due to lobbying contracts going into effect January 2025.
- Administration expenses are reduced due to the open Deputy CM and Grant writing position.
- Planning expenses are at 34% largely due to only using 11% of the contract/professional budget.
- Patrol expenses are at 54% and is mainly affected by open positions of rotational officers.
- Animal Control is at 52%. This is being reviewed for coding.
- K-9 Unit was started and will require a budget revision.
- Fire Department Donation funds have only been spent at 11%. This is a balance created when the fire department checking account was absorbed by the city.
- Buildings & Grounds maintenance expense is at 50% which is impacting the budget to be at 52%. This is expected to be expensed in full.
- The shop budget is reduced due to open positions in the beginning of the fiscal year and the subsequent reduced cost of equipment repairs.
- The streets budget is impacted by a delay in the gravel delivery.
- Grandma's House will resume some repairs when the city makes improvements to the watchman's apartment.
- Dillingham City School District payments have been made in full for the entire year.

#### *Special Revenues & Other Funds Expenditures*

- Water and Sewer expenditures are reduced due to open positions for part of the year. A reduction in Water expenses is reducing the need for a transfer from the Sewer subdepartment to help fund the Water subdepartment.
- Harbor expenses are as expected due to seasonally funded.
- 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 to reflect council action already taken.
- Ambulance Reserve Funds are reduced due to volunteer stipends paid out every 6 months.
- SRF Loans are paid in full, school bond has one more interest payment and the street and firehall final payment for the year is scheduled.
- 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. SRF Loan payments are pending closeout of loan.
- SOA Department of Health grants closed out. Full grant is not expended.
- 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 due to no response to the RFP. A new RFP is being drafted. This has delayed the \$356,694 budgeted line item.
- Architect work approved for the fire hall will be added to the budget for \$27,000.
- The Lagoon Aeration expenses increased from \$12,000 budget to \$101,006 per change order approved by council.