



MEMORANDUM

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

STAFF REPORT

- Revenue and Expense review for February 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 47% or above 87%. Current actuals recognize a net increase to fund balance by \$8,403,025. 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 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% (\$145,496 collected in February). Personal property has been collected at 89%.
- PILT has come in above expected at 105%. Audit review will determine if funds belong to FY22.
- Jail contract not signed, and funding not approved. Acting City Manager continues working with Department of Corrections.
- Leases are as expected. Received annually at end of fiscal year.
- Administrative Overhead is driven by Dock unplanned expenses; other transfers are as expected.

Special Revenues & Other Funds Revenue

- Dock revenue is at 108%, FY22 revenue is still included and will be reduced with audit preparations.
 - Harbor revenue is at 21%. This is \$12,321 reduced from last year but can still be recovered.
 - Asset Forfeiture revenue is at 10%. Actuals are determined by closed cases with public safety and difficult to predict.
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- Senior Center NTS grant has been awarded; staff are actively working on the first two quarter reports.
 - Debt services is exceeded due to the state providing support from unfunded prior years. Audit adjustments have not been made at this time. (With this line item corrected the total would be 63% instead of 204%)

Transfers

- Landfill transfer continues to be low. A combination of landfill fees is at 80% and large projects have not been completed and incinerator has not been running.
- Senior Center transfer has increased due to funding support change. Funding is reduced to 70%.
- Ambulance Reserve transfer is based on 10% 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

- Correction expenditures are down due to staffing shortage which contributed to jail closure at beginning of fiscal year.
- Public Work expenditures down due to staffing shortages and projects delayed.
- Transfers down pending debt services reconciliation as part of audit preparations.

Special Revenues & Other Funds Expenditures

- Sewer expenditures are at 44%. Purchase of pumps for lift stations will be recognized in April.
- Dock expenditures are at 108%. 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.
- Harbor expenditures are high due Harbor Master position not being shared with dock and filled with hourly employee.
- Senior Center budget is higher 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. Carmen Jackson, LLC continues to be retained to provide support and will be onsite 03/27/2023.

Department staffing:

Account Tech I – Cashier: Filled 03/06/2023 by Angelina Olson.

Account Tech II – Receivables: 03/06/2023 returned from extended leave.

Account Tech II on call – On-call status.

Account Tech IV part time – Working remote at 20 hours per week.

Assistant Finance Director – Position became open 12/14/2022. Position was restructured and advertised as AFD, Purchasing and Disbursements and AFD, Revenue Cycle Manager. Two applicants have expressed interest.

Account Tech II – New position for payroll and payables support.

Goal is to develop a training track for staff to assist gaining more knowledge and provide mobility to higher position. Another goal is to improve ability to meet deadlines.

Property Tax

871 Real property tax assessments notices were mailed out on 03/15/2023. Personal property tax notices are scheduled for mail out on Monday.

Collections

Foreclosure listing for 2018 Action has been finalized, properties are now owned by the City of Dillingham.

- USS 3184 B P3 L
- USS 2732 B7 L1
- USS 2732 B7 L&

Foreclosure listing for 2019 Action have passed the period of redemption (2 properties at \$8,054.75). Both properties are on the 2018 Action. No further action required.

Potential 2022 foreclosure action is pending notification to promissory notes holders who have gone into default. A new list will be available for the April council meeting.

Grants

FY23 NTS grant reporting is in progress,

Budget

FY23 Budget revision/FY24 Budget workshops April 7, 11, 25, May 5, 9, 23, 29 and 31. Will start at 5:30pm with a goal to present FY23 Budget Revision at the April 17, 2023, committee meeting.

April

2023

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|---|--|-----------|----------|---|----------|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 Finance and Budget Workshop 5:30 pm | 8 |
| 9 | 10 | 11 Finance and Budget Workshop 5:30 pm | 12 | 13 | 14 | 15 |
| 16 | 17 Finance and Budget Committee Meeting at 5:30 pm | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 Finance and Budget Workshop 5:30 pm | 26 | 27 | 28 | 29 |
| 30 | | | | | | |

May

2023

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|---|--|--|----------|---|----------|
| | 1 | 2 | 3 | 4 | 5 Finance and Budget Workshop 5:30 pm | 6 |
| 7 | 8 | 9 Finance and Budget Workshop 5:30 pm | 10 | 11 | 12 | 13 |
| 14 | 15 Finance and Budget Committee Meeting at 5:30 pm | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 Finance and Budget Workshop 5:30 pm | 24 | 25 | 26 | 27 |
| 28 | 29 Finance and Budget Workshop 5:30 pm | 30 | 31 Finance and Budget Workshop 5:30 pm | | | |
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