

Mayor
Alice Ruby

Manager
Robert Mawson



Dillingham City Council
Kimberly Johnson
Michael Bennett
Aksel Buholm
Curt Armstrong
Kaleb Westfall
Perry Abrams

MEMORANDUM

Date: February 25, 2023
To: Lori Goodell, Acting City Manager
From: Anita Fuller, Finance Director
Subject: Monthly Report – February 2023

Acknowledgements and Recognitions:

Statistics: As of date of report.

Cash Receipts: \$190,969.57

All Payments: \$693,190.63 (includes \$198,919.79 for 2 payrolls)

Department Accomplishment and Opportunities:

Accomplishments

- FY23 Shared Fisheries Business Tax application submitted.
- 78 - 2023 Business License applications completed.
- LGLR quarterly grant reporting completed.
- ACA reporting completed weekend of this report.

Staffing changes

- Account Tech I – Cashier: Position is open until filled.
- Account Tech II – Receivables: Out on extended leave.
- Account Tech II on call – On-call status and working 4 hours per week.
- Account Tech IV part time – In Dillingham working full time from 01/09/23-02/24/23 to assist with low staffing.
- 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.

Grant Reporting

- LGLR quarterly grant reporting completed

Safety Committee

- January meeting cancelled due weather conditions.

Projects – Progress and Public Impacts:

Audit

- FY22 Audit next visit moved to May 15, 2023, for final work. Carmen Jackson, LLC continues to be retained to provide support.

Projects

- Development of software to manage personal property tax assessments. On hold due to timing, will use for 2024 tax year.
- Purchase of Budgeting software to be implemented for FY24 and to be fully utilized with FY24 budget revision and FY25 budget.

Upcoming Calendar Items:

- 15th of each month utility payments due; last day of month utility bills sent
- 02/28/2023 failure to renew business license notices.
- 02/28/2023 notice of default to promissory note holders that have not complied.
- 03/15/2023 Property Tax Assessment Notices to be mailed out.
- 03/10/2023 Denied services notices to be mailed out.
- 04/15/2023 Last day to appeal property tax assessment.

Public Feedback:

- For the purposes of assessing, levying, and collecting taxes, boats and vessels used for commercial purposes shall be considered personal property and valuation shall be determined on an assessed valuation prepared by the city assessor, Dillingham Municipal Code 4.15.040.
- All aircraft owners must file a personal/business property tax return indicating the value of the aircraft as of January 1st of each tax year. Aircraft are assumed to be present within the city year round unless demonstrated otherwise. If the owner of an aircraft can demonstrate the aircraft was absent one or more days during the tax year, the owner shall file a return indicating (1) the value of the aircraft, and (2) the number of days the aircraft was not in Dillingham, Municipal Code 4.15.052.B.
- FAQ, If a fishing vessel is stored on native allotment is the vessel subject to personal property tax? Yes, if a fishing vessel is stored in Dillingham it is subject to personal property tax. Native allotment exemptions apply only to real property.
- FAQ, How does a property owner appeal real and personal property tax values? After receiving the Property Tax Assessment Notice mailed out on 03/15/2023, property tax owners can appeal the assessed values within 30 days of the notice. Appeal forms are available on the City of Dillingham website.

List of Attachments: Revenue and Expense Report January 2023.

Revenue and Expense review January 2023 –

Information provided for percentages below 38% or above 78%. Revenues are high and expenditures are low. Contributing factors include open staffing positions and

a delay in projects that were budgeted. Current actuals recognize a net increase to fund balance by \$8,501,615.

General Fund Revenues

- Marijuana excise tax is at 88%, which is above the expected return. An evaluation of the marijuana tax shows that the excise tax would be equivalent to a 10% sales tax.
- Sales tax penalty and interest is below the expected amount. There has been an improvement on timely self-reporting.
- Real and personal property tax are recognized at 100%. Real property has been collected at 86%. Personal property has been collected at 87%. Advertisement of the foreclosure list will help with collection efforts.
- Shared Fisheries is above expected.
- Community Sharing funds delayed.
- 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 is contacting the Department of Corrections.
- Leases are as expected. Received annually at end of fiscal year.
- Administrative Overhead is above expected due to Dock expenses being so high.
- PERS forfeiture funds have been used, will be less than budgeted.

Special Revenues & Other Funds Revenue

- Dock revenue is at 107%, FY22 revenue is still included and will be reduced with audit preparations.
- Harbor revenue is at 20%. This is \$9,766 reduced from last year, but can still be recovered.
- Asset Forfeiture revenue is at 7%. Actuals are determined by closed cases with public safety and difficult to predict.
- 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 74% and large projects have not been completed and incinerator has not been running.
- Senior Center transfer has increased due to funding support change. This will reduce when funding arrives but will still require a budget revision.
- 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 but will reduce at end of year when revenue is fully realized.
- 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 36%. Purchase of pumps for lift stations will be recognized soon.
- Dock expenditures are at 107%. 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 funding 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 - 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.