



MEMORANDUM

DATE: February 25, 2022
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: Finance Department Staff Report

STAFF REPORT

Statistics: February as of 2/25/2022

Payroll run: 2

Cash Receipts: \$552,129.28

All Payments: \$428,344.85 (includes \$164,619.39 for payroll)

2022 Business License Renewals received: 292

Important deadlines:

15th of each month utility payments due; last day of month utility bills created and sent

January 1: last day to file business license renewals without \$75 fine

February 1: Last day to file personal property tax assessment returns without \$50 late fee

February 15: Failure to pay real property tax letters sent

March 1: Last day for file personal property tax assessment returns. Notices not received will be fined a force file fee of up to \$400.

March 15: Property tax assessment to be mailed

Audit

- FY21 Audit final work began 10/26/2021 and is ongoing

Staffing changes

- Account Tech III – Taxes/Collections position became open 01/07/2022
- Account Tech IV – Cameron Malstrom hired for remote support at 14 hours per week

Grant Reporting

- NTS & NSIP reporting is completed for Q1 & Q2
- Notice of Award for LGLR grant has been received in the amount of \$2,786,321.10. Funds must be obligated by 12/31/2024 and expended 06/30/2026. Grant agreement is in process.
- ARPA Grant application filed requesting \$650,000 in revenue loss. Funds will be used to apply towards Public Safety wages and/or Alternate emergency operations center phase II.

Collections

- Foreclosure listing for 2018 Action have passed the period of redemption (5 properties at \$23,540). Litigation report to be requested in March.
- Foreclosure listing for 2019 Action have passed the period of redemption (12 properties at \$18,081). Litigation report to be requested in March.
- Foreclosure notice date 02/15/2022 for potential 2022 Action have been mailed. (81 properties at \$235,459). Foreclosure list will be provided at March F&B meeting for review then provided to April Council meeting before public notice is made.

Budget

- FY22 Budget Amendment #2 schedule TBA
- FY23 Budget schedule TBA

Revenue and Expense for January 2022 –

Information provided for percentages below 43% or above 73%

General Fund Revenues

- All taxes are reported 1 month behind. 50% is an expected range.
- Transient Lodging is above expected a77% and continues to stay high.
- Real property tax is recognized at 100%; however 89% has been collected. On average as last year.
- Personal property tax is recognized at 100%; 91% has been collected. Collection letters have been sent out on all delinquent 2019-2021 real property taxes.
- Property tax penalty and interest is at 112%; which exceeds entire year budget expectation.
- Telephone tax and Raw Fish tax is collected at the end of the year.
- 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%
- Jail contract revenue is delayed pending quarterly report review.
- Ambulance fees remain below expected average at 13%. All reports have been filed and waiting on insurance payments to be processed.
- Lease & Rental Income matches the rate of income at FY21. Will receive \$22K in June for an annual lease payment
- PERS Forfeiture funds have been mostly expended, 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 as expected budgeted.
- Harbor revenue is normal as most revenue is collected at the end of the fiscal year.
- Asset Forfeiture Fund revenue is in recovery from negative investment balances.
- Senior Center grant reporting is completed. Revenue is in process.
- Senior Center non-grant revenue is below expected. Continued COVID precautions is reducing potential revenue.
- 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.
- Debt service revenue for the school bond was not budgeted and will require a budget revision.

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- Equipment Replacement Insurance – budget revision required, insurance replacement of equipment
 - Mary Carlson Estate investment income is still in recovery and has a negative balance.

Transfers

- Landfill – Transfers reduced building and landfill fire expenses moved to capital project funding.
- Ambulance Reserve – Transfer is based on 10% of ambulance fees received – reduced revenue results in a reduced transfer.
- 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 due to revenue being low at 28%.

General Fund Expenditures

- Council – Lobbyist has been hired and current budget will meet the council's contract.
- Clerk – Contract funds are scheduled to be spent in spring.
- Administration – funds not spent on new city manager contract yet, grant writer contract of \$50,000 has not been spent.
- Legal – Legal needs will increase and expect to catch up in spring.
- Non-Departmental – Audit is delayed resulting in expenditures are delayed.
- Foreclosure – Foreclosure actions are ready to move forward.
- IT – Expenditures will continue to increase as projects continue.
- 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 most of the year and PW Director shared with Port has reduced expenditures.
- City School – payment already made for 3rd quarter.

Special Revenues & Other Funds Expenditures

- Asset Forfeiture funds – budget exceeded for copier purchase.
- Debt Services SRF Loans – payments have not started. Contact is being made to the state to verify status.
- Debt Services for bonds are as scheduled.
- Equipment replacement – Admin vehicle and landfill fire equipment replacement.

Grant and Bond Revenues/Expenditures

- COVID CARES – Emergency Communication equipment replacement completed
- COVID ARPA – Funds increased from original budget by \$246,933. Expenditures to be paid by 06/30/2022 and will be matched to public safety wages.
- BBEDC Intern program is mainly funded for spring and summer months.
- FireHall – Need to add revenue from insurance proceeds and increase expenditures to meet repair from firehall water damage.

Capital Project Revenues/Expenditures

- Insurance Proceeds– Reduced to share with equipment replacement from landfill fire. Funds will be kept in reserve until project begins.
- Capital projects not started.