



MEMORANDUM

DATE: January 27, 2025
TO: Daniel Decker, Acting City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: Finance & Budget Staff Report

STAFF REPORT

- Revenue and Expense review for November 2024
- Balance Sheet
- Questica
- FY24 Audit update
- Department staffing
- Property Taxes
- Collections
- Budget
- Internal Controls

Revenue and Expense Report – November 2024:

- Target percentage is 41%. Explanations are for those items above 61% or below 21%.
- Fund balance is an increase of \$611,507.
- Gaming sales tax reports remain at 7%.
- Business license revenue increases in December due as expected.
- Real and personal property taxes are higher than expected at 104%. Penalty & Interest is high at 89% and is being reviewed. The actual amount collected in November is 84% for real property and 75% for personal property.
- The PILT is \$17,418 higher than expected and will require a budget revision.
- Shared Fisheries revenue was received at \$147,328 and will require a budget revision for a reduction of \$452,672.
- Other state revenues arrive later in the year.
- DMV fees are generally several months behind but are currently lower than expected at 17%.
- Lease and rental income is as expected at 13%.
- PERS Forfeiture fund has already exceeded expectations and will require a budget revision.

Special Revenues & Other Funds Revenue

- Dock revenue is 77% through the November report and Harbor revenues are at 53%, which is higher than expected and will be reviewed during the budget revision.
- Senior Center non-grant is reduced due to two office spaces not being rented. Starting in February the office space will be utilized by City of Dillingham for Records Retention Manager. Will require budget revision.
- SOA School Bond Reimbursement is expected to be received by end of January 2025.

Transfers

- Ambulance reserve is reduced due to reduced amount of ambulance fees received to date.
- Equipment replacement is at 103% due to increase cost of shipping for new vehicles.
- Landfill Closure transfer will be reviewed for December Rev & Exp report.
- SRF Loan Annual payment for Water has been paid.
- Street Bond transfer is reduced at 8% due to amount of interest earned from the bond investments.
- School Bond bi-annual payment is for both interest and principal and is the higher payment for the year.
- Water revenue exceeds expenses and does not require a transfer.

General Fund Expenditures

- City Council expenses are at 5% due to lobbying contracts going into effect January 2025.
- Administration expenses are reduced due to open Deputy CM position.
- Planning expenses are at 16% largely due to only using 1% of the contract/professional budget.
- No Fire Department Donation funds have been spent.
- Shop budget is reduced due to open positions and subsequent reduced cost to equipment repairs.
- Streets budget is reduced due to open positions and delay in acquiring street supplies, gravel, road maintenance products.

Special Revenues & Other Funds Expenditures

- Water and Sewer expenditures are reduced by the October report due to open positions. The first position is filled in November but paid in December.
- 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.
- Volunteer stipends are expected at 6 months
- Bi-annual water loan is paid and the school bond payment included the principal payment.
- Equipment replacement was higher due to shipping costs.

Grant and Bond Revenues/Expenditures

- The Lagoon Aeration project is completed and payment of invoices are being finalized which includes LGLR and SRF Loan.
- SOA Department of Health grants are in process. Expenses are for sanitation improvements.
- BBEDC Internships have finished programs for the summer and training has been completed for the fire department.

Capital Project Revenues/Expenditures

- Snagpoint erosion project has not started.
- Plans are being drafted for the new fire department building.
- Lagoon Aeration change order is paid with City of Dillingham funds.

Balance Sheet:

Next Report.

Questica:

Implementation is in review. The final stage of cleanup is scheduled for completion in time for FY26 budget setup.

Audit Update:

FY24 Audit – Audit site work is finished. Financial statements are being drafted.

Department staffing:

IT Specialist – Kyle Johnson has been hired and is already proving to be an important part of the Finance Team.

Receivables Tech II – Position became open and has been filled. Cindy Valenty, started 01/27/2025. Our department is excited to bring her on board.

Cashier Tech I – Position has become open and a candidate has been offered the position.

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 have been mailed out 11/15/2024 with a deadline of February 1, 2025.

Assessors are assisting with the preparation of the 2025 taxes.

Collections:

A foreclosure 2018-2022 has been finalized.

A foreclosure 2021-2024 is prepared and pending 02/05/2025 before public notice can be made.

Past due utility collections have started.

Grants:

Grant reports will be completed in January:

Budget:

FY25 Budget revision review dates will be discussed in this meeting.

FY26 Budget is beginning in February and will go to F&B after FY25 Budget revisions are done.

Internal Controls:

- On hold for after budget revisions.

Other News:

Completed PERS audit information. Waiting for the final report.

Business license renewals were mailed out for 2025 business licenses.