

STAFF REPORTS



MEMORANDUM

DATE: December 27, 2023
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: Finance & Budget Staff Report

STAFF REPORT

- Revenue and Expense review for September 2023
- Balance Sheet for September 2023
- Three+One
- FY22 & FY23 Audit update
- Department staffing
- Property Tax
- Business License
- Collections
- Budget

Revenue and Expense review September 2023 –

Information provided for percentages below 5% and above 45%. Current actuals recognize a net increase to fund balance by \$3,119,853. End of FY23 year adjustments are still pending.

- Business License renewal notices are sent out in November. Renewal applications are arriving in December.
- Real and personal property taxes are recorded as revenue at 101% for real and 102% for personal. Actual collections in August is at 2% of real property and 2% of personal property which is historically normal. Bulk of payments arrive in 2nd quarter of the fiscal year.
- PILT has come in well above expected at 114%. This can be adjusted with the mid-year budget revision.
- Motor Vehicle Tax is under review of FY23 audit entry.
- Other Revenues is mainly impacted by investments are already at \$40,472.25 which is double the budgeted amount and donations to the fire department at \$3,117 are also double the budgeted amount.

Special Revenues & Other Funds Revenue

- Senior Center grant reporting is completed, and payment received in 2nd quarter.
- Debt Services revenue is as expected based on when payments are made.
- Carlson Estate investments have returned higher than expected.

Transfers

- Expenditures are still low at this point and transfers reflect the expenses.

General Fund Expenditures

- Foreclosure is pending code committee review.
- Fire Department Donation subclass has not been expensed at this point.
- Public Works Administration expenses are low due to staffing vacancies.
- Grandma's House has no budget to calculate the percentage.

Special Revenues & Other Funds Expenditures

- Asset Forfeiture has no expenditures which is expected.
- Debt services expenditures are in 2nd quarter.
- Equipment replacement is in process and will be expensed after items are barged.

Grant and Bond Revenues/Expenditures

- All pending projects.

Capital Project Revenues/Expenditures

- Projects have begun and will be expensed in 2nd quarter; payments are pending.

Balance Sheet:

September 2023; balances could change based on completion of FY22 audit.

Unassigned fund balance is \$1,171,249 that are available for any purpose.

Assigned fund balance is \$7,833,734. These funds are under further review to ensure that they are assigned to a specific project and could come available. Completion of audits will better assist with this review.

Three+One:

At AGFOA, one of the presentations was from Three+One. This company has an agreement with AML to assist municipalities within the group with a review of investments and liquidity. Their function is to aid Finance staff with analyzing data and providing information that will assist with our decision making on how to invest and how to maximize cash flow. See professional service agreement following report.

Audit Update:

FY22 Audit – Auditors arrived 11/27/2023 for final work. Progress was very successful. They left with a few pending items. As of the date of this report there are two items outstanding that are waiting for others to respond - engineers report for the landfill and auditor response for fund 4450.

FY23 Audit – Auditors are scheduled for 01/08/2024 to be onsite for two weeks. Staff have been preparing testwork and accounts are being balanced. FY23 audit is pending FY22 completion.

Department staffing:

Account Tech II – Position has been opened since 11/09/2023. Advertising ongoing. One applicant has been interviewed.

Finance Director attended AGFOA December 6-8.

Property Tax

Real and personal property taxes for 2023 are now in past due status. Penalties have been assessed for non-payment on 12/02/2023. Interest will be added 01/03/2024 and collection letters will be sent.

Business License

Renewal notices were mailed November 15, 2023. Renewal applications are due by 01/01/2024 to prevent late fees. 131 licenses have been process as of this report.

Collections

Ongoing.

Grants

BBEDC grant reporting for interns are completed December 2023.

Budget

FY24 Budget revision review has been suspended to focus on FY22 and FY23 audits.

Wages: City of Dillingham continues to struggle with filling positions. Wages, although not the only factor, is top of the list. The City Manager proposal in the September council meeting was to increase each level by 12%. Using the most recent payroll, a 12% increase would increase one payroll's wage by \$15,014 and benefits by \$3,923 for a total of \$18,937. If this impacts 75% of the FY24 budget an increase of \$369,269 would be recognized.

Other News:

The City has been working with APEI (Alaska Public Entity Insurance) as our provide for general liability insurance. For almost a year they have been working with AMLJIA to discuss the potential consolidation of the two pools. See attached AMLJIA- APEI Discussions update.

City of Dillingham
 Unaudited Revenues and Expenditures As of September 30, 2023

Data Collected on:
 12/17/2023

	<u>Budget - FY24</u>	<u>09/30/23</u> YTD	<u>Percent</u>	<u>09/30/22</u> YTD	<u>INC/(DEC)</u>	Uncollected	% Adj
General Fund Revenues							
General Sales Tax	\$ 3,300,000	\$ 1,097,520	33%	\$ 1,141,856	\$ (44,336)	(3,133.11)	33%
General Sales Tax - Remote	425,000	107,194	25%	116,621			
Alcohol Sales Tax	280,000	86,227	31%	86,361	(133)		31%
Transient Lodging Sales Tax	120,000	51,495	43%	47,199	4,296	-	43%
Gaming Sales Tax	65,000	4,867	7%	13,139	(8,272)		7%
Tobacco Excise Tax	350,000	84,950	24%	87,338	(2,388)		24%
Marijuana Excise Tax	90,000	24,250	27%	28,266	-		27%
Business License	17,000	650	4%	675	-		
Penalty & Interest - Sales Tax	15,000	3,024	20%	3,744	(719)	-	20%
Total Sales Tax	4,662,000	1,460,176	31%	1,525,199	(51,554)		31%
Real Property Tax	2,460,000	2,476,512	101%	2,379,730	96,782	(69,419.16)	98%
Personal Property Tax	555,000	567,181	102%	452,818	114,363	(23,820.84)	98%
Penalty & Interest - Property Tax	70,000	28,284	40%	26,171	2,113		40%
Total Property Taxes	3,085,000	3,071,977	100%	2,858,719	213,259		97%
Telephone Gross Receipts State Tax	70,000	-	0%	-	-		0%
Shared Fisheries	670,000	-	0%	-	-		0%
Raw Fish Tax	30,000	-	0%	-	-		0%
Community Sharing	75,352	-	0%	-	-		0%
Payment in Lieu of Taxes (PILT)	460,000	522,976	114%	480,895	42,081		114%
State Jail Contract	720,000	-	0%	-	-		0%
Motor Vehicle Tax	25,000	12,069	48%	2,296	9,772		
Ambulance Fees	65,000	4,543	7%	22,064	(17,520)		7%
Lease & Rental Income	35,000	2,730	8%	2,700	30		8%
Admin Overhead	162,905	22,885	14%	64,760	(41,875)		14%
PERS on Behalf	94,318	19,687	21%	24,653	(4,966)		21%
PERS Forfeiture Fund	5,000	-	0%	-	-		0%
Other Revenues	147,750	71,433	48%	42,144	29,290	-	48%
Total	2,560,325	656,324	26%	639,512	16,812		26%
Total	\$ 10,307,325	\$ 5,188,477	50%	\$ 5,023,430	\$ 178,517		49%
Special Revenue & Other Funds Revenue							
Water	231,712	57,735	25%	64,442	(6,707)	(20,106.20)	16%
Sewer	464,012	105,059	23%	121,583	(16,524)	(27,143.36)	17%
Landfill	298,259	120,221	40%	110,778	9,443	(11,377.00)	36%
Port - Dock	808,576	95,455	12%	344,640	(249,185)	(1,118.45)	12%
Port - Harbor	142,999	38,282	27%	33,036	5,246	(9,318.00)	20%
Asset Forfeiture Fund	2,000	126	6%	29	97		0%
E-911 Service	65,000	17,286	27%	16,814	471		27%

City of Dillingham

Unaudited Revenues and Expenditures As of September 30, 2023

Data Collected on:

12/17/2023

	<u>Budget - FY24</u>	<u>09/30/23</u> YTD	<u>Percent</u>	<u>09/30/22</u> YTD	<u>INC/(DEC)</u>	
Senior Center (Non-Grant)	45,615	5,427	12%	5,393	34	12%
Senior Center (Grant)	76,000	(332)	0%	26,999	(27,330)	0%
Library (Grants)	54,170	11,579	21%	37,952	(26,373)	21%
Debt Service	754,693	7,457	1%	-	7,457	1%
Equipment Replacement	-	110,959		-	110,959	
Mary Carlson Estate	4,000	5,132	128%	(695)	5,827	128%
Ambulance Rental	-	14,209		-	14,209	
Total	\$ 2,947,036	\$ 588,594	20%	\$ 760,970	\$ (172,376)	18%

Transfers

From General Fund to Other Funds

Landfill	1,014,850	103,155	10%	-	103,155	
Senior Center	286,949	22,436	8%	85,559	(63,123)	
Ambulance Reserve	56,000	7,009	13%	2,206	4,803	
Equipment Replacement	600,000	218,319	36%	-	218,319	
Capital Projects	557,334	-		-	-	
Debt Service SRF Loans	53,050	-	0%	-	-	
Debt Service Streets Bond	221,750	-	0%	-	-	
Debt Service Firehall Bond	44,000	-	0%	-	-	
Debt Service School Bond	319,307	-	0%	-	-	

From Dock Fund to Harbor Funds

Port - Harbor	189,853	-		17,388	(17,388)	
Port - Harbor - Ice Machine	18,200	-		-	-	
Port - Harbor - Bathhouse	18,300	-		-	-	

From Department to Department

Transfer from E911 to Dispatch	63,916	7,837	12%	10,275	-	
Transfer from Carlson Estate to Library	4,000	666	17%	-	-	
Transfer from Wastewater to Water	28,471	-	0%	-	-	

Total

\$ 3,475,980	\$ 359,422	10%	\$ 115,428	\$ 245,766
\$ 16,730,341	\$ 6,136,494	37%	\$ 5,899,828	\$ 251,907

Total Revenues & Transfers

City of Dillingham
Unaudited Revenues and Expenditures As of September 30, 2023

Data Collected on:
12/17/2023

	<u>Budget - FY24</u>	<u>09/30/23</u> YTD	<u>Percent</u>	<u>09/30/22</u> YTD	<u>INC/(DEC)</u>
EXPENDITURES:					
General Fund Expenditures					
City Council	\$ 100,600	\$ 15,979	16%	\$ 24,512	\$ (8,533)
City Clerk	151,607	11,879	8%	35,496	(23,617)
Administration	837,368	70,762	8%	103,751	(32,989)
Finance	1,098,392	228,594	21%	196,013	32,581
Legal	65,000	26,295	40%	20,372	5,922
Insurance	328,100	84,209	26%	68,669	15,539
Planning	332,485	40,224	12%	36,021	4,203
Foreclosures	9,000	53	1%	1,971	(1,918)
IT	301,300	44,827	15%	82,317	(37,490)
Public Safety Administration	299,928	40,812	14%	51,086	(10,273)
Dispatch	632,935	131,915	21%	102,758	29,157
Patrol	1,593,836	182,045	11%	213,330	(31,285)
Corrections	826,289	139,602	17%	78,954	60,648
DMV	72,661	16,650	23%	12,889	3,761
Animal Control Officer	131,541	30,739	23%	26,061	4,677
Fire	518,639	124,892	24%	107,595	17,297
Fire Department Donation	15,000	69	0%	193	(124)
EOC	-	-		0	-
Public Works Administration	439,456	21,905	5%	23,496	(1,591)
Building and Grounds	408,592	77,302	19%	40,459	36,843
Shop	636,118	70,149	11%	100,028	(29,879)
Street	551,739	134,136	24%	41,176	92,959
Library	192,485	35,932	19%	40,667	(4,735)
Grandma's House	0	7,628		0	
City School	1,700,000	425,446	25%	650,000	(224,554)
Transfers to Other Funds	3,153,240	355,203	11%	87,766	267,437
Total	\$ 14,396,311	\$ 2,317,245	16%	\$ 2,145,582	\$ 164,036

City of Dillingham
 Unaudited Revenues and Expenditures As of September 30, 2023

Data Collected on:
 12/17/2023

	<u>Budget - FY24</u>	<u>09/30/23</u> YTD	<u>Percent</u>	<u>09/30/22</u> YTD	<u>INC/(DEC)</u>
<u>Special Revenue Funds Expenditures</u>					
Water	260,183	47,706	18%	39,035	8,671
Sewer	332,054	111,935	34%	54,199	57,735
Landfill	1,313,109	223,377	17%	85,459	137,917
Port - Dock	1,150,212	199,119	17%	379,452	(180,334)
Port - Harbor	369,352	91,440	25%	139,149	(47,709)
Asset Forfeiture Fund	2,000	-	0%	-	-
E-911 Service	63,916	13,191	21%	10,275	2,916
Senior Center (Non-Grant)	332,564	27,863	8%	93,333	(65,470)
Senior Center (Grant)	76,000	27,307	36%	1,044	26,262
Library (Grants)	54,170	6,777	13%	33,634	(26,858)
Mary Carlson Estate	6,255	1,544	25%	440	1,104
Ambulance Reserve Fund	20,000	1,480	7%	800	680
Debt Service SRF Loans	53,050	-	0%	-	-
Debt Service School Bond	1,064,000	-	0%	-	-
Debt Service Firehall Bond	44,000	-	0%	12,500	(12,500)
Debt Service Streets Bond	231,750	-	0%	65,875	(65,875)
Equipment Replacement	600,000	7,678	1%	114,108	(106,430)
Total	\$ 5,972,615	\$ 759,415	13%	\$ 1,029,305	\$ (269,890)
	\$ 20,368,926	\$ 3,076,660	15%	\$ 3,174,886	\$ (105,854)
Net Increase (Decrease) to Fund Balances	\$ (3,638,585)	\$ 3,059,833		\$ 2,724,942	\$ 357,761

	<u>Budget - FY24</u>	<u>09/30/23</u> YTD	<u>Percent</u>	<u>09/30/22</u> YTD	<u>INC/(DEC)</u>
Grant & Bond Revenues					
ANTHC-Lagoon	-	-		152,721	(152,721)
EPA Snagpoint Erosion Grant	1,000,000	-	0%	-	-
COVID - CARES & ARPA & LGLR	1,900,000	-	0%	2,553,756	(2,553,756)
SRF Loan - Lagoon Aeration	670,000	-	0%	-	-
SRF Loan - Waterfront	88,125	-	0%	-	-
SRF Loan - Water	30,000	-	0%	-	-
SRF Loan - Wastewater	100,000	-	0%	-	-
Southern Region EMS	-	-		360	(360)
SOA-DOH Grants	210,250	-	0%	-	-
Curyung-Ice Machine	-	(1,324)		(190)	(1,134)
BBEDC Intern Program	112,201	-	0%	(6,779)	6,779
BBEDC Training Reimb	-	-		-	-
BBEDC Pass Thru	-	-		-	-
BBNC Training Reimb	-	-		-	-
Bond Investment Income	-	27,286		7,760	19,526
Total	\$ 4,110,576	\$ 25,962	1%	\$ 2,707,627	\$ (2,681,665)
Grant & Bond Expenditures					
ANTHC-Lagoon	-	-		146,538	(146,538)
EPA Snagpoint Erosion Grant	1,000,000	-	0%	-	-
State Public Safety	-	-		-	-
COVID - CARES & ARPA & LGLR	1,900,000	-	0%	232,565	(232,565)
SRF Loan - Lagoon Aeration	670,000	-	0%	-	-
SRF Loan - Waterfront	88,125	-	0%	-	-
SRF Loan - Water	30,000	-	0%	-	-
SRF Loan - Wastewater	100,000	-	0%	-	-
Southern Region EMS	-	-		360	(360)
SOA-DOH Grants	210,250	-	0%	-	-
Curyung-Ice Machine	-	107		407	(300)
BBEDC Intern Program	112,201	28,426	25%	23,827	4,599
BBEDC Training Reimb	-	10,350		7,250	3,100
BBEDC Pass Thru	-	-		-	-
BBNC Training Reimb	-	10,350		-	10,350
Total	\$ 4,110,576	\$ 49,233	1%	\$ 496,701	\$ (447,468)
	\$ -	\$ (23,270)		\$ 2,210,926	\$ (3,129,133)

City of Dillingham
 Unaudited Revenues and Expenditures As of September 30, 2023

Data Collected on:
 12/17/2023

	<u>Budget - FY24</u>	<u>09/30/23</u> YTD	<u>Percent</u>	<u>09/30/22</u> YTD	<u>INC/(DEC)</u>
Capital Project Funds Revenues					
Investment Income	-	-		-	-
Insurance Proceeds - Firehall	-	-		-	-
Insurance Proceeds - Landfill Shop Fire	-	-		214,490	(214,490)
Total	\$ -	\$ -		\$ 214,490	\$ (214,490)

Capital Project Funds Expenditures					
Major Building Maintenance	400,000	4,283		-	-
Water Improvements	-	-		-	-
WasteWater Improvements	-	-		-	-
Sewer Lagoon Aeration	557,334	-		-	-
Other Lift Station	-	-		-	-
Fire Dept Water Damage Repair	-	-		-	-
Landfill New Cell	-	-		-	-
Landfill Shop Fire	-	-		-	-
Landfill Groundwater Well	-	-		-	-
Bingman-Harbor cleanup	-	-		-	-
Total	\$ 957,334	\$ 4,283	0%	\$ -	\$ -
	\$ (957,334)	\$ (4,283)		\$ 214,490	\$ (214,490)

	Budget	Actual
General Fund Revenue	\$ 10,307,325	\$ 5,188,477
Special Fund Revenue	\$ 2,947,036	\$ 588,594
Transfers In	\$ 3,475,980	\$ 359,422
Grant and Bond Revenue	\$ 4,110,576	\$ 25,962
CIP Revenue	\$ -	\$ -
	\$ 20,840,917	\$ 6,162,456
General Fund Expenditures	\$ 14,396,311	\$ 2,317,245
Special Fund Expenditures	\$ 5,972,615	\$ 759,415
Grant and Bond Expenditures	\$ 4,110,576	\$ 49,233
CIP Expenditures	\$ 957,334	\$ 4,283
	\$ 25,436,836	\$ 3,130,176
Net Increase (Decrease) to Fund Bal	\$ (4,595,919)	\$ 3,032,280