



## MEMORANDUM

**DATE:** February 26, 2021  
**TO:** City Manager  
**FROM:** Anita Fuller, Finance Director  
**SUBJECT:** Finance Department Staff Report

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### STAFF REPORT

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#### Statistics February:

Payroll run: 2

Cash Receipts: \$81,949.24

All Payments: \$ 540,267.47 (includes \$ 189,788.59 for 2 payrolls)

CARES Funding Received: \$3,404,480.51

CARES Funding Spent: \$2,949,617.01

CARES Funding Encumbered: \$454,863.50

#### Important deadlines:

January 1: Business license renewal (additional \$75 fee after deadline)

February 1 Personal/Business Property Assessments

March 15: Property Tax Assessment Notice mailer due

15<sup>th</sup> of each month utility payments due; last day of month utility bills created and sent

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Due to the global Pandemic the Finance office is closed to foot traffic. Staff were available to take payments by phone, mail and the drop box at the front door to support social distancing.

As a result of the CARES grant program, 1099-G reporting was required. Reporting was completed on 01/30/2021. Support from AML, Computer Works NFP Solutions, Carmen Jackson, LLC, ACS, and Altman Rogers & Co as well as city staff Kaylani Farler and Cameron Malstrom made a monumental task possible.

1096 reporting for 1099-G completed 02/15/2021. ACA reporting has been ongoing to meet the 03/01/2021 deadline.

Staff is actively working with the property tax assessors to prepare the assessments for the 2021 real and personal property taxes.

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## CARES FUNDING DETAIL

Community Grant funds (\$681,196.10) distributed to businesses and individual in two rounds of grant support.

Municipality funds spent (\$1,470,096.33)

- New employees hired for jobs related to COVID demands
- Personal Protective Equipment and Cleaning supplies
- Modification to work areas to promote public safety
- Telecommunication for meetings and employees to work from home
- Equipment upgrades to council chambers
- Publications for public information
- Attorney Fees
- Lodging for EMS support
- Upgraded EMS equipment for local ambulances
- Denali Universal Services for additional security support
- Wages budgeted but allowed by CARES grant to be reported (\$710,667.65)

Education spent (\$510,672.08) funds provided to the Dillingham Public School

Capstone Building (\$12,000) funds spent to provide shelter for Cornerstone Testing

Emergency Communication (\$730,516.00 budgeted) replacement emergency communication system to support first responder infrastructure.

## Action Memorandum 2021-01 Progress

January 15, 2021 Letters were sent to the five businesses that owed 2020 property taxes. As of 02/18/2021 the following actions have been taken.

	Tax Owed	Amount	Action Taken
#1	2020 Real Property	69.03	Paid in full
#2	2020 Real & Personal Property	\$1,272.67	Negotiating Prom Note
#3	2019 & 2020 Real & Personal Property	\$10,110.33	Negotiating Prom Note
#4	2019 & 2020 Real Property	\$20,878.41	None
#5	2020 Real Property	\$13,437.76	Paid in Full

## Audit work progress

FY2020 audit began the week of October 26, 2020. Due to COVID auditors worked remotely. Audit work continued in November. Staff shortages, open positions, quarantine requirements, and other finance department demands such as IRS tax reporting resulted in audit work being put on hold. The FY20 audit is considered delayed and is a concern to the auditors. If all work is submitted by March 1, 2021 the audit will be ready for council approval on May 6, 2021. Considerable work was accomplished in February. Remaining audit items are:

- CARES grant payroll test work
- Capital project planning fund 7140

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- Public Safety CARES funding question
  - Southern Region EMS grant question
  - Balance sheet questions remaining = 5
  - JE required for apartment rented for contractors
  - Budget Revision Support

### **Proposed Budget timeline**

- By March 24, 2021 complete FY21 Budget Revision review
- April 1, 2021 Introduce FY21 Budget Revision
- By April 28, 2021 complete FY22 Budget review
- May 6, 2021 Adopt FY21 Budget Revision
- May 6, 2021 Introduce FY22 Budget
- June 3, 2021 Adopt FY22 Budget
- June 3, 2021 present resolution to set the mill rate

### **December 2020 Revenue and Expense Narrative (50% target)**

- Sales taxes in most areas are down especially in Alcohol and Gaming Tax. Tobacco tax is much higher than expected.
- Real property tax will be adjusted in the budget revision to reflect the property tax that was finalized after the budget was adopted.
- Ambulance fees are low due to a delay in invoicing.
- Admin overhead is lower due to decreased expenses in most areas.
- Landfill revenues are much higher and can be attributed to improved collection policies put in place over the past year.
- Harbor revenue is down and can be attributed to reduced harbor usage due to COVID-19.
- Senior Center revenue is down due to COVID closure, grant revenue is delayed.
- Capital Projects transfers are high due to expenditures to the Water Improvement projects. As of this report investigation to ensure proper coding is ongoing.
- Harbor Transfers are up due to the reduction in revenue.
- General Fund expenditures are at all-time low. CARES funding allowed the City to report budgeted wages to the grant in areas of Public Safety and Administration in response to demands of COVID-19.
- Non-Department expenses are up due to computer software and support and will need budget revision attention.