

**MEETING AGENDA  
5:30 PM / CITY COUNCIL CHAMBERS**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
  - a. Minutes of September 16, 2019
- 4. APPROVAL OF AGENDA**
- 5. STAFF REPORTS**
  - a. September Financial Report
- 6. UNFINISHED BUSINESS**
  - a. CIP Update
  - b. To Do List
  - c. Financial Strategic Plan
- 7. NEW BUSINESS**
  - a. FY2020 Budget Revision
- 8. PUBLIC/COMMITTEE COMMENT(S)**
- 9. ADJOURNMENT**

**QUARTERLY REVIEW**

**FINANCIAL STATEMENTS**

	<u>Finance &amp; Budget Committee</u>	<u>Council Workshop</u>
Jan-Feb-Mar	April	May
April-May-Jun	August	September
Jul-Aug-Sept	October	November
Oct-Nov-Dec	January	February

**ANNUAL REVIEW**

	<u>Finance &amp; Budget Committee</u>	<u>Staff Report</u>
Report on Full and True Value	October	November
Review Senior Exemption List	After February 15 PFD Deadline	March
Accounts Receivable Write-offs	January	February

**1. CALL TO ORDER**

The Finance and Budget Committee met on Monday, September 16, 2019, in the City Council Chambers, Dillingham, AK. Andy Anderson called the meeting to order at 5:33 p.m.

**2. ROLL CALL**

Committee members present and establishing a quorum (a quorum being four):

Andy Anderson	Tod Larson	Alice Ruby
Aksel Buholm	Anita Fuller	

Curt Armstrong – Excused

**3. APPROVAL OF MINUTES**

- a. Minutes of August 19, 2019

MOTION: Alice Ruby moved and Aksel Buholm seconded the motion to approve the minutes of August 19, 2019.

VOTE: The motion passed unanimously by voice vote.

**4. APPROVAL OF AGENDA**

MOTION: Aksel Buholm moved and Alice Ruby seconded the motion to approve the agenda.

VOTE: The motion passed unanimously by voice vote.

**5. STAFF REPORTS**

- a. August Financial Report
- Sales tax revenue is on target.
  - Real and Personal Property tax collection were reported on.
  - Jail contract reporting is completed.
  - Dock / harbor reporting is not complete due to lag in receiving invoicing.
  - Expenses are at 16% of target goal for this time of year.
  - Updating the report to reflect items requested by the committee was discussed.
  - Preliminary draft of the 2018 audit is expected this week.

**6. UNFINISHED BUSINESS**

- a. Harbor Cleanup, Work and Budget Status, Sale Results
- Bingman property harbor sale was productive.
  - The harbor clean up budget was reviewed.
  - Items that can be removed will be taken to the landfill.
  - Hazardous materials have been isolated to one area.
- b. CIP Update / Budget Expenses
- There were no questions and no update given.
  - An updated sheet of projects was requested for the next meeting.
- c. Online Sales Tax
- Online sales tax revenue generates \$8,000 - \$10,000 a month.
  - Amazon submits a monthly remittance tax report.

- AML is working on a superstructure, with a target date of February 2020 to have the project completed.

## 7. NEW BUSINESS

- a. FY2020 Budget
  - Mid-year budget revision to be addressed subsequent to the state budget being finalized. A draft will be brought to the October Finance & Budget committee meeting.
  - A joint work session with the School Board could be scheduled to discuss budgeting issues.
- b. Financial Strategic Plan (this to be a standing item on the agenda)
  - Develop a plan and then roll out for FY2021.
  - A draft table of contents to be presented for approval / discussion purposes in October.
  - Limits to spending i.e.; percentages, could be considered.
- c. To Do List
  - Projects listed the Finance & Budget Committee are working on. Tracking and management of assignments and projects.
  - City Manager to create working list for October meeting discussion.
- d. Review of Extraordinary City Revenues, Expenditures (this item previously covered)
- e. Equipment and Facilities Inventory / Current Use and Condition Status
  - City Manager is working on compiling this inventory. List requested to be available for the 2021 budget cycle.
  - Public Works Director, Luke Moody, is still scheduled to come to Dillingham.
  - Plan needs to be part of SOP or Code so it does not become lost during times of transition.

## 8. PUBLIC/COMMITTEE COMMENT(S)

Anita Fuller: looks forward to having positive, trackable plans.

Alice Ruby: noted Representative Edgmon is willing to be part of a forum to apprise the public on the status of the State.

## 9. ADJOURNMENT

The meeting adjourned at 7:18 p.m.

\_\_\_\_\_  
Andy Anderson, Chair

ATTEST:

\_\_\_\_\_  
Lori Goodell, City Clerk

Approved: \_\_\_\_\_

**City of Dillingham**  
**Revenues and Expenditures As of September 30, 2019**  
**Unaudited Figures**

	UnAudited				UnCollected Revenue
	2019		2018		
	Budget - FY20	YTD	Percent	YTD	
<b>REVENUES:</b>					
<b>General Fund Revenues</b>					
General Sales Tax	\$ 2,700,000	\$ 608,092	23%	\$ 711,502	\$ (103,410)
Alcohol Sales Tax	290,000	78,330	27%	72,685	5,644
Transient Lodging Sales Tax	95,000	16,049	17%	24,378	(8,329)
Gaming Sales Tax	75,000	10,199	14%	13,515	(3,316)
Tobacco Tax	220,000	80,241	36%	36,201	44,040
Total Sales Tax	3,380,000	792,911	23%	858,281	(65,370)
Real Property Tax	2,100,000	2,116,639	101%	2,067,980	48,660
Personal Property Tax	530,000	516,484	97%	512,242	4,242
Total Property Taxes	2,630,000	2,633,123	100%	2,580,222	52,902
Telephone Gross Receipts State Tax	65,000	-	0%	-	-
Raw Fish Tax	350,000	-	0%	-	-
Shared Fisheries	20,000	-	0%	-	-
Community Sharing	107,000	-	0%	119,903	(119,903)
Payment in Lieu of Taxes (PILT)	450,000	466,164	104%	459,841	6,323
State Jail Contract	567,000	138,810	24%	-	138,810
Admin Overhead	195,911	58,710	30%	65,143	(6,432)
PERS on Behalf	125,267	42,087	34%	45,007	(2,921)
Other Revenues	466,100	122,803	26%	104,192	18,611
Total	2,346,278	828,574	35%	794,086	34,488
<b>Total</b>	<b>\$ 8,356,278</b>	<b>\$ 4,254,608</b>	<b>51%</b>	<b>\$ 4,232,589</b>	<b>\$ 22,019</b>
<b>Special Revenue Funds Revenues &amp; Transfers</b>					
Water	216,822	59,343	27%	69,179	(9,836)
Sewer	482,019	107,998	22%	157,945	(49,947)
Landfill	662,147	135,811	21%	345,119	(209,308)
Dock	771,620	316,065	41%	412,491	(96,426)
Harbor	221,558	76,495	35%	62,933	13,562
Asset Forfeiture Fund	-	11,659	0%	-	11,659
E-911 Service	78,000	17,864	23%	19,210	(1,345)
Library Grants	84,599	18,225	22%	25,227	(7,002)
Senior Center (Grant)	126,459	31,276	25%	31,000	276
Senior Center (Non-Grant)	198,107	40,754	21%	31,109	9,645
<b>Total</b>	<b>\$ 2,841,331</b>	<b>\$ 815,490</b>	<b>29%</b>	<b>\$ 1,154,212</b>	<b>\$ (338,722)</b>
<b>Capital Project Funds Revenue</b>					
Mary Carlson Estate Permanent Fund	3,000	977	33%	952	24
Ambulance Reserve Fund	60,000	11,377	19%	-	11,377
<b>Total</b>					

**City of Dillingham**  
**Revenues and Expenditures As of September 30, 2019**  
**Unaudited Figures**

	Unaudited		Unaudited Revenue
	2019	2018	
Debt Service Fund	1,060,550	7,442	1%
7140 Capital Improvement Projects	291,000	-	-
Public Safety Building (3016)	-	-	(579)
Streets (3021)	-	4,183	-
Planning (3200)	-	-	-
Water Improvements (3022)	-	3,811	-
Sewer Lagoon Outfall (4510)	-	-	-
Lagoon Aeration (4511)	-	567	-
Other Lift Station (4415)	-	-	-
Landfill New Cell (3110)	-	-	-
Landfill Groundwater Well (3120)	-	-	-
Bingman-Harbor cleanup (2114)	-	-	-
Public Safety Building (3013)	-	-	-
Landfill Closure Fund	-	-	-
<b>Total</b>	<b>\$ 1,414,550</b>	<b>\$ 28,356</b>	<b>2%</b>
<b>Total Revenues &amp; Transfers &amp; Projects</b>	<b>\$ 12,612,159</b>	<b>\$ 5,098,454</b>	<b>40%</b>
		<b>\$ 8,973</b>	<b>\$ 10,822</b>
		<b>\$ 5,395,775</b>	<b>\$ (305,881)</b>
			<b>2%</b>
			<b>23%</b>

**City of Dillingham**  
**Revenues and Expenditures As of September 30, 2019**  
**Unaudited Figures**

EXPENDITURES:	UnAudited				Uncollected Revenue
	Budget - FY20	2019		INC/(DEC)	
		YTD	Percent		
<b>General Fund Expenditures</b>					
City Council	\$ 45,324	\$ 10,905	24%	\$ 12,054	\$ (1,149)
City Clerk	122,834	29,497	24%	27,442	2,056
Administration	269,192	59,568	22%	58,234	1,334
Finance	660,988	153,928	23%	160,465	(6,536)
Legal	70,000	5,322	8%	6,375	(1,053)
Insurance	165,000	52,222	32%	45,472	6,751
Non-Departmental	95,600	20,955	22%	28,153	(7,198)
Planning	148,149	18,565	13%	31,045	(12,480)
Foreclosures	10,000	460	5%	-	460
IT	120,812	27,478	23%	17,432	10,046
Meeting Hall above Fire Station	2,900	510	18%	475	34
Public Safety Administration	155,019	34,791	22%	33,514	1,277
Dispatch	535,149	101,901	19%	123,045	(21,144)
Patrol	880,301	157,630	18%	186,196	(28,566)
Corrections	656,955	131,039	20%	139,493	(8,454)
DMV	46,104	9,978	22%	9,890	87
Animal Control Officer	106,664	21,294	20%	23,291	(1,997)
Fire	279,090	52,027	19%	58,874	(6,847)
Public Works Administration	220,134	35,956	16%	34,761	1,195
Building and Grounds	329,354	54,693	17%	56,136	(1,442)
Shop	350,936	61,015	17%	73,136	(12,121)
Street	368,529	45,865	12%	105,209	(59,344)
Library	117,685	27,976	24%	24,219	3,757
City School	1,300,000	650,000	50%	650,000	-
Transfers to Other Funds	1,518,299	\$ 107,810	7%	274,136	(166,326)
<b>Total</b>	<b>\$ 8,575,018</b>	<b>\$ 1,871,385</b>	<b>22%</b>	<b>\$ 2,179,046</b>	<b>\$ (307,661)</b>
<b>Special Revenue Funds Expenditures</b>					
Water	216,822	49,428	23%	63,773	(14,345)
Sewer	370,185	54,097	15%	265,687	(211,590)
Landfill	662,147	35,811	5%	360,145	(324,334)
Dock	666,254	284,969	43%	300,240	(15,271)
Harbor	220,558	76,532	35%	74,078	2,454
Asset Forfeiture Fund	-	-	-	-	-
E-911 Service	57,600	-	0%	-	-
Library Grants	84,599	16,184	19%	23,448	(7,265)
Senior Center (Grant)	126,459	25,211	20%	29,722	(4,511)
Senior Center (Non-Grant)	191,329	40,284	21%	33,619	6,665
CIP	291,200	-	0%	-	-
<b>Total</b>	<b>\$ 2,887,153</b>	<b>\$ 582,515</b>	<b>20%</b>	<b>\$ 1,150,713</b>	<b>\$ (568,198)</b>

**City of Dillingham**  
**Revenues and Expenditures As of September 30, 2019**  
**Unaudited Figures**

	UnAudited			Uncollected Revenue
	2019	2018		
	11,462,171	2,453,899	21%	3,329,758
	<u>Budget - FY20</u>	<u>YTD</u>	<u>Percent</u>	<u>YTD</u>
<b>Capital Project Funds Expenditures</b>				
Mary Carlson Estate Permanent Fund	5,540	457	8%	349
Ambulance Reserve Fund	60,000	11,377	19%	11,377
Debt Service Fund	1,060,550	-	0%	-
7140 Capital Improvement Projects				
Public Safety Building (3016)	5,000	-	0%	-
Streets (3021)	-	4,183	-	-
Planning (3200)	-	-	-	-
Water Improvements (3022)	34,000	3,811	11%	-
Sewer Lagoon Outfall (4510)	-	-	-	-
Lagoon Aeration (4511)	75,000	567	1%	-
Other Lift Station (4415)	-	-	-	-
Landfill New Cell (3110)	-	-	-	172,145
Landfill Groundwater Well (3120)	20,000	-	0%	-
Bingman-Harbor cleanup (2114)	-	49,179	-	-
Landfill Closure Fund	-	-	-	-
<b>Total</b>	<b>\$ 1,260,090</b>	<b>\$ 69,573</b>	<b>6%</b>	<b>\$ 172,493</b>
<b>Total All Expenditures</b>	<b>\$ 12,722,261</b>	<b>\$ 2,523,473</b>	<b>20%</b>	<b>\$ 3,502,252</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (110,102)</b>	<b>\$ 2,574,982</b>		<b>\$ 558,493</b>
<b>Bond Funds Revenues</b>	<b>Budget - FY20</b>	<b>YTD</b>	<b>Percent</b>	<b>YTD</b>
Bond				
Streets (7131)	238,594	-	-	-
FireHall (7132)	42,673	-	-	-
<b>Total</b>	<b>\$ 281,267</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Bond Funds Expenditures</b>	<b>Budget - FY20</b>	<b>YTD</b>	<b>Percent</b>	<b>YTD</b>
Bond				
Streets (7131)	393,594	-	-	-
FireHall (7132)	44,873	41	-	-
<b>Total</b>	<b>\$ 438,467</b>	<b>\$ 41</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grant Funds Revenues</b>	<b>Budget - FY20</b>	<b>YTD</b>	<b>Percent</b>	<b>YTD</b>
Grants				
ANTHC-Lagoon (3009)	-	6,679	-	(22,527)
State MMG 28308-Water Imp (4424)	-	-	-	0
Southern Region EMS (4721)	-	360	-	-
BBEDC Intern Program (5914)	-	22,765	-	44,600

**City of Dillingham**  
**Revenues and Expenditures As of September 30, 2019**  
**Unaudited Figures**

	<u>UnAudited</u>		<u>UnCollected Revenue</u>
	<u>2019</u>	<u>2018</u>	
BBEDC Training Reimb (5915)	-	2,448	
Denali Commission-Sewer Relocate (5945)	-		
FireHall (7132)	42,673		
<b>Total</b>	<b>\$ 42,673</b>	<b>\$ 29,804</b>	<b>\$ 24,521</b>
			70%
<b>Grant Funds Expenditures</b>	<b><u>YTD</u></b>	<b><u>Percent</u></b>	<b><u>YTD</u></b>
<b>Grants</b>			<b><u>INC/(DEC)</u></b>
ANTHC-Lagoon (3009)	-		3179
State MMG 28308-Water Imp (4424)	10,215		42,102
Southern Region EMS (4721)	-		
BBEDC Intern Program (5914)	22,765		24,356
BBEDC Training Reimb (5915)	-		-
Denali Commission-Sewer Relocate (5945)	16,894		
FireHall (7132)	44,873		
<b>Total</b>	<b>\$ 44,873</b>	<b>\$ 49,874</b>	<b>\$ 69,637</b>
			<b>\$ -</b>
			<b>111%</b>

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**Mayor**  
Alice Ruby

**Manager**  
Tod Larson



**Dillingham City Council**  
Chris Napoli  
Vacant  
Aksel Buholm  
Curt Armstrong  
Andy Anderson  
Gregg Marxmiller

## MEMORANDUM

**Date:** September 24, 2019  
**To:** Tod Larson, City Manager  
**From:** Cynthia Rogers, Planning Director  
**Subject:** Monthly Staff Report

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### Planning Commission

The next meeting is scheduled for September 25 at 5:30 pm. The Commission is expected to hold a Public Hearing for a Replat and Preliminary Plat.

### Permitting

- Land Use Permits – One application has been processed.
- Burial Permits – One permit has been processed.

### Capital Projects

Please see the attached FY19 Capital Improvement Project Priorities Progress Update.

### Dillingham Downtown Streets Rehabilitation

#### **STP-0001 (335)/57180**

The Planning Department has been in regular contact with Aaron Hughes, P.E., Project Manager for the Dillingham Downtown Streets project. I have the following update:

#### Expected Timeline

- September 11, 2:00 PM – Extended Bid deadline
- October/November – Contract signed; NTP issued
- TBD – Contractor will begin mobilization; Potential demolition of Dillingham Hotel and use of site for constructions staging

The apparent low bidder was JJC at \$8,339,331.50. QAP came in at \$9.9M and Knik was at \$12.45M. We look forward to working with DOT&PF and JJC on this project.

### Requests for Proposal

- RFP 2019-08 Furnish Petroleum & Propane Fuels FY20, Bids due October 17 @ 4:00 PM.

### Grants

A grant application for the Wells Fargo Outdoor Lighting Retrofit/Village Energy Efficiency Program was submitted on September 20. The grant provides funding for the replacement/retrofit of exterior lighting to LED technology. If the City is awarded the \$50,000 grant, it will enable us to replace 8 street lights and 49 other exterior lights. With a month of electrical expenses for the City averaging over \$20,000, we believe this award will provide significant cost savings with conversion to LED technology. One of the last energy efficiency projects completed at the City was in 2012, when high efficiency heating systems were installed in a number of City buildings.

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City of Dillingham

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*Our Vision. To have an infrastructure and city workforce that supports a sustainable, diversified and growing economy. We will partner with others to achieve economic development and other common goals that assure a high quality of living, and excellence in education.*



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**FY19 Capital Improvement Project Priorities  
Progress Update September 2019**

**\*Special Project – Bingman Clean-Up **\$300,000 (estimate)****

We have made significant progress at the Bingman site since the last report. A surplus sale was organized and took place on September 13-14. Sealed bids were accepted and a total of 86 bidders participated. The City realized \$20,794.57 in revenue from the surplus sale. A number of items did not sell, however, parcels of these items may be sold at a later date TBD, using the Bingman Surplus Sale page on the City website. We received many positive comments about the sale and availability of information online.

In total, 28 flatbed loads of garbage were hauled to the landfill by the Bingman crew over the summer. Public Works hauled another 16 dump truck loads of garbage to the landfill. Another 8-10 dump truck loads of garbage remain around the Thor. This does not include the debris piles! The Bingman crew will conclude their work at the end of September. A special thank you goes out to them: Dagen Nelson, Chris Tucker, Braden Timurphy, Dillon Chaney, and Chris Taylor. These gentlemen accomplished a great deal with very few resources. If you see them in the community, please thank them for their work!

After evaluation of the ESA Phase I, the City has determined a hazardous materials consultant may be needed to provide on-going advice. We intend to apply for EPA Brownfields funding this fall to assist with the remediation needed to the contaminated site. In addition, the RFP has been put on hold in favor of requesting proposals for an excavator and side dump to facilitate further debris removal. Quotes are currently being sought. Contracting may begin on some portions of the property beginning in October. The Port Director will be working on impounding the boats on site to allow their sale after a specified period of time.

**Construction:** \$300,000 (estimate)

- Funding established by Council as the insurance settlement from fire.

**Project Timeline:**

- September 21, All Surplus Items Picked Up
- TBD, RFP Released; NOI Issued; Contract Signed, NTP Issued; Project close out

**\*Special Project – Wastewater Treatment Relocation Study \$211,071 (estimate)**

In March, CRW Engineering was awarded a one year contract for Engineering Services, AM 2019-01. In April, the Denali Commission awarded the City of Dillingham \$171,900 for Wastewater Treatment Lagoon Erosion Mitigation Study. A fee proposal to prepare the Wastewater Treatment Relocation Study was submitted by CRW Engineering in May for \$211,071. The difference of \$39,171 has been appropriated in the FY20 budget. Approximately 20% of the budget has been expended to date.

**Project Timeline:**

- Early July – Site Visit
- Mid-July – Trip Report
- Mid-September – Draft Report
- Late-September – Public Meeting
- Two Weeks Post – Draft Final Report
- Two Weeks Post – Final Report

**#1 – Wastewater System Upgrades, Aeration \$739,891 (estimate)**

**Design:** \$89,891 (estimate)

- Bristol Engineering has been contracted to complete the design for this project.
- ANTHC funding has been used for the design expenses.

**Construction:** \$650,000 (estimate)

- City to develop RFP.
- ADEC SRF Loan Questionnaire submitted August 31, 2018; AK Clean Water Fund, Point Source Project Priority, Q3 prioritized #3.
- ADEC SRF Loan Application in progress for \$650,000.
- SFY20 Q2 Project Priority List indicates a potential subsidy of \$335,000.
- Funding alternative is USDA Water and Waste Disposal Loan and Grant Program.

**Project Timeline:**

- January 22, 65% Design
- March 22, 95% Design & ADEC review & permission to construct
- April 10, DEC approval to construct received
- May 3, 100% Design
- TBD RFP Release, RFP scoring, evaluation, and recommendation for contract
- TBD, Construction begins; Project close out

**#2 – Public Safety Server Room Fire Protection \$67,000 (estimate)**

Proceeding with blower door test. Results will determine scheduling for system certification.

**Construction:** \$67,000 (estimate)

- RFP awarded to Wolverine Supply, Inc.
- E-911 Grant funding will be used for this project.

**Project Timeline:**

- December, 2018 Installation of Clean Agent System
- August, 2019 Air Sealing of Server Room
- September, GNW Fire Services air sealing and system certification; project close out

### **#3 – Landfill Groundwater Monitoring Wells**

**\$349,373 (estimate)**

Design: \$23,202 (estimate)

- Bristol Engineering has been contracted to complete the design for this project.
- City funding will be used for the design costs.
- Cost overrun of \$5,404.00 due to project delay (originally \$17,798)

Construction: \$161,928 (estimate)

- ADEC SRF Loan Questionnaire submitted August 31, 2018; AK Clean Water Fund, Non-Point Source Project Priority, Q3 prioritized #2.
- ADEC SRF Loan Re-Application in progress for \$366,897.03 (to reflect cost overrun).
- Funding alternative is USDA Water and Waste Disposal Loan and Grant Program.
- RFP was developed by Bristol Engineering.
- Denali Drilling was only bidder for the project.
- Cost overrun of \$29,918.03 due to project delay (originally \$132,010).

Additional Project Costs: \$218,542 (estimate)

- Bristol Engineering has been contracted for these services at \$199,565.
  - o Administration, \$298.00
  - o Construction Oversight, Sampling and Reporting, \$199,267.00
- Cost Overruns due to project delay:
  - o Bristol Engineering (additional sampling for spring), \$18,977.00

Project Timeline:

- October, 2018, Project Manual/Permit Set
- November, 2018, ADEC review and approval to construct
- January, RFP Release
- February, RFP scoring, evaluation, and recommendation for contract
- March, Contract awarded
- April, On-site evaluation determined construction should be delayed until fall
- November 2019-February 2020, Construction NTP TBD
- April 1, 2020, Project close out

### **#4 – Water System Improvements, Downtown Streets Support**

**\$3.68M (estimate)**

Determining status of Kanakanak Road project section due to DOT&PF requirements and limitations.

Design: \$224,715 (estimate)

- CRW Engineering Group LLC has been contracted to complete the design for this project. Additionally, CRW is expected to handle ROW, easement, ADEC permitting, temporary construction permits, and construction administration for the City.
- City funding will be used for 30% of the design costs; MMG 28308 will be used for 70% of the design costs.

Construction, Phase I (DOT Project Footprint & Downtown Core): \$1,661,293 (estimate)

- CRW to develop RFP.
- ADEC SRF Loan Questionnaire submitted November 30, 2018; AK Clean Water Fund, Point Source Project Priority, Q3 prioritized #17.
- MMG 28308 will provide 70% up to approximately \$1.4M total cost, with 30% matching.
- ADEC SRF Loan Application for \$600,000 submitted 4/10/19, was approved on 8/27/19.
- Funding alternative is USDA Water and Waste Disposal Loan and Grant Program.

- Expected URSA billing (DOT Project Footprint) is estimated at \$411,808.32. This number may change based on the DOT&PF winning bid.
- Apparent Low Bidder (Downtown Core): JJC Enterprises, \$1,622,734.

Construction, Phase II: TBD

Construction, Phase III: TBD

Project Timeline:

- January 9, 75% Design (All Phases)
- February 11, 100% Design for Phase I (DOT Footprint)
- February 27, 100% Design (All Phases)
- TBD, ADEC review and approval to construct
- August, RFP Release; RFP scoring, evaluation, and recommendation for contract
- September, Contract awarded; Construction begins TBD
- May 2020, Phase I Project close out

**#5 – Lake Road Fire Hall Renovation**

**\$589,200 (estimate)**

LCG Lantech's has provided a proposal in the amount of \$18,295.42 for additional project scoping (heating system and flooring changes), including updated design drawings, specifications, and engineers cost estimate. This additional cost is being considered before determining next steps.

Design:

- LCG Lantech Inc. and RSA Engineering, Inc. have provided 100% design and specifications for this project.

Construction: \$560,000.00 (estimate)

- City of Dillingham, GO Bond
- Funding alternative is USDA Community Facilities Loan and Grant Program.
- RFP to be developed by Bristol Engineering.

Additional Project Costs: \$29,200 (estimate)

- LCG Lantech, Inc. will be contracted for these services.
- City personnel may handle some tasks, others will be assigned to LCG Lantech via Task Orders, on an as needed basis.
- Permitting, Bid Assistance, and Construction Administration, \$12,000, T&M, NTE fee.
- Project Inspection, Contract Administration, \$17,200, T&M, NTE fee.

Project Timeline:

- March-June, Fire Marshall Plan Review Bureau Review
- TBD, RFP Release
- TBD, RFP scoring, evaluation, and recommendation for contract
- TBD, Permitting finalized; Contract awarded
- TBD, Construction begins
- TBD, Project close out

## **#6 – Harbor Float Replacement**

**\$5.2M (estimate)**

### Design:

- PND Engineers, Inc. has provided 75% design for this project.

### Construction: \$5.2M (estimate)

- The City is currently exploring funding options through federal appropriations.
- Funding alternatives are AKDOT&PF Harbor Facility Grant Program and USDA Public Works and Economic Development Facilities Program (Grants).
- City to develop RFP.

### Project Timeline:

- TBD pending funding

## **#7 – D Street & Seward Street Rehabilitation Project**

**\$3.11M (estimate)**

### Design: \$154,329 (estimate)

- PND Engineering, Inc. has been contracted to complete the design for this project.

### Construction: \$2.96M (estimate)

- City of Dillingham, GO Bond
- Funding alternative is USDA Community Facilities Loan and Grant Program.
- RFP to be developed by PND.
- Apparent Low Bidder: JJC Enterprises, \$2,494,737

### Project Timeline:

- February 22, 65% design
- April 30, 95% design, specifications and cost estimate
- June, RFP Release, bid deadline August 15
- August, RFP scoring, evaluation, and recommendation for contract
- September, Permitting finalized; Contract awarded
- April 2020, Construction NTP issued
- August 2020, Project close out

**FINANCE BUDGET COMMITTEE'S TO DO LIST**

Updated 2.1.2019

DATE ASSIGNED	TASK	CURRENT STATUS	COMPLETION DATE
9/21/2019	Fee Schedule Update		
9/21/2019	Tariff Schedule		
9/21/2019	Vehicle Replacement Plan		
9/21/2019	IT Plan		
9/21/2019	FY20 Budget Revision #1		
9/21/2019	Long-Term Financial Plan		
9/21/2019	Facility Inventory		

DRAFT

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**Mayor**  
Alice Ruby

**Manager**  
Tod Larson



**Dillingham City Council**  
Chris Napolitano  
Bill Rodawalt  
Aksel Buholm  
Curt Armstrong  
Andy Anderson  
Gregg Marxmiller

## MEMORANDUM

**Date:** October 15, 2019  
**To:** City of Dillingham Finance and Budget Committee  
**From:** Tod Larson, City Manager  
**Subject:** Draft Table of Contents for the Dillingham Long-Term Financial Plan

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I was tasked with developing a Long-Term Financial Plan for the City of Dillingham. The first thing I did was to contact Joan Miller, the President of the Alaska Government Finance Officers Association in order to see if I could obtain information on any Alaska municipalities that have a plan. Ms. Miller's response was that she wasn't aware of any Alaska municipalities that have a Long-Term Financial Plan and I found this to be common across the nation. That doesn't mean it isn't a worthy endeavor – there just aren't many municipalities that have a plan.

My next step was to conduct extensive internet research to determine what are the components of a long-term financial plan for a municipality. During that research, I found a book on the national Government Finance Officers Association website titled Financing the Future, Long-Term Financial Planning for Local Government and purchased a copy. I was also able to find a number of articles online and have included a few with this memo that discuss the topic.

In my research, I found that the 'gold standard' for a Long-Term Financial Plan for a municipality is San Clemente, California. Many of the plans I was able to find came from the State of California. I understand that we are not San Clemente, California and in fact are far from the size and we have completely different visions, goals, and objectives. That said, we cannot build an effective and successful plan for Dillingham without understanding the bigger picture of what others have successfully accomplished. After studying this information including a number of municipal plans, I was able to select what I felt fit Dillingham from these 'best practice' plans along with our own input to build a draft table of contents for the committee to review.

This is my first draft and I'm sure it will go through multiple iterations as I write our financial plan. This is a start point for our discussion. I plan on holding meetings during the day with committee and councilmembers, key staff, interested community members, and business leaders as we move this project forward. This is not a project that we can write something in a couple of days and call it a Long-Term Financial Plan.

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*Our Vision. To have an infrastructure and city workforce that supports a sustainable, diversified and growing economy. We will partner with others to achieve economic development and other common goals that assure a high quality of living, and excellence in education.*  
City of Dillingham

To do it justice will require a significant amount of effort and time. My recommendation is to write it with an implementation date of July 1, 2020 with a five- or ten-year planning horizon. We have some of the raw data in place already as I track financial data back to FY 14 in a running audit analysis. Once this plan is complete, it can be presented to the City Council for them to use in their decision process.

Below is a compilation of my research and initial recommendation for a draft Table of Contents for the City of Dillingham’s Long-Term Financial Plan:

**Table of Contents**

Mayor Introductory Letter.....

City Manager Introductory Letter.....

Executive Summary.....

    Introduction.....

    Financial SWOT Analysis.....

    Summary and the Road Ahead.....

Introduction.....

    Background.....

    Purpose.....

    Scope.....

    Process.....

    Frequency.....

    Time Horizon.....

Demographic Analysis.....

Economic Analysis.....

Organizational Chart.....

History.....

    Capital Assets.....

    Long-Term Debt.....

    Net Pension Liability (PERS).....

    Investment Policy and Analysis.....

    Reserve Analysis.....

    Insurance.....

    General Fund.....

Revenues.....

Expenditures.....

General Fund Entities.....

Special Revenue Funds.....

    Dock.....

    Water and Sewer.....

    Landfill.....

    Harbor.....

    Enhanced 911 Services.....

    Asset Forfeiture.....

    Senior Center.....

    Library.....

    Mary Carlson Estate Permanent Fund.....

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- Fund Balances.....
- Grants Policy.....
- Human Capital.....
  - Wages.....
  - Retirement Benefits.....
  - Medical and Other Miscellaneous Benefits.....
- Long-Term Revenue Forecast.....
- Long-Range Expenditure Forecast.....
- Financial Risk Management.....
- Internal Controls.....
- Procurement Policies.....
- Capital Planning Policies.....
- Finance and Budget Committee.....
- Public Participation.....
- Infrastructure Analysis.....
- Metrics.....
- Annexes.....
  - A. Tariff Schedule.....
  - B. Vehicle Plan.....
  - C. Revenue Projections.....
  - D. Dillingham City School District Support.....
  - E. Collective Bargaining Agreements.....
    - 1. Public Employees Local 71.....
    - 2. Public Safety Employees Association.....
  - F. Gravel Road Management Plan.....
  - G. Staffing Study.....
  - H. Wage Study.....
  - I. Capital Improvement Project List.....
  - J. Information Technology Plan.....
  - H. Fee Schedule.....

This Table of Contents and associated information serves as a start point for the Finance and Budget Committee’s discussion of the City of Dillingham’s Long-Term Financial Plan. I look forward to our discussion of this topic. Questions, comments, and concerns can be directed to me at (907) 842-5148 or at [manager@dillinghamak.us](mailto:manager@dillinghamak.us) .

Respectfully submitted,



Tod Larson  
City Manager

Encl  
GFOA Long-Term Financial Planning  
GFOA Adopting Financial Policies  
Why Municipalities Need Long-Term Financial Plans

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City of Dillingham

## References

- Kavanagh, S. (2017, December) *Financing the Future, Long-Term Financial Planning for Local Government*. Government Finance Officers Association. Printed in the USA.
- Grass, Michael. (2017, October 26). *5 Good Reasons Why Local Governments Should Embrace Long-Term Budget Forecasting*. Retrieved from: <https://www.routefifty.com/finance/2017/10/local-government-long-term-budget-forecasting/142094/> .
- Government Finance Officers Association. (2019) *Long-Term Financial Planning*. Government Finance Officers Association. Retrieved from: <https://www.gfoa.org/> .
- Farmer, Liz. (2014, June). *The 7 Deadly Sins of Public Finance*. Governing The States and Localities. Retrieved from: <https://www.governing.com/finance101/gov-deadly-public-finance-sins.html> .
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- City of San Clemente, California. (2019). *San Clemente Long-Term Financial Plan Fiscal Year 2019-20*. Retrieved from: <https://www.san-clemente.org/about-us/city-finances/long-term-financial-plan> .
- City of Palo Alto, California. (2019). *FY 2020 – FY 2029 Long Range Financial Forecast*. Retrieved from: <https://www.cityofpaloalto.org/civicax/filebank/documents/67825> .
- City of Pleasant Hill, California. (2015, August). *Long-Term Financial Plan Fiscal Year 2015/16 Through Fiscal Year 2019/20*. Retrieved from: <http://www.ci.pleasant-hill.ca.us/DocumentCenter/View/14588/Final-LTFP?bidId=> .
- City of Greater Sudbury, Ontario. (2017, April 13). *Municipal Long-Term Financial Plan 2018-2027*. Retrieved from: <https://www.greatersudbury.ca/city-hall/budget-and-finance/financial-reports-and-plans/long-term-financial-plan-2018-27/> .
- Gwinnett County, Georgia. Government Department of Financial Services. (2012, December 11). *Gwinnett County Government Department of Financial Services Long-Term Financial Planning Policy*. Retrieved from: <https://www.gfoa.org/sites/default/files/u63/GFOALongTermFinancialPlanningPolicyexecuted.pdf> .

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# Long-Term Financial Planning

## BEST PRACTICE

### BACKGROUND:

Long-term financial planning combines financial forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long-term financial planning works best as part of an overall strategic plan.

Financial forecasting is the process of projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables.

Long-term financial planning is the process of aligning financial capacity with long-term service objectives.

Financial planning uses forecasts to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability in light of the government's service objectives and financial challenges.

Many governments have a comprehensive long-term financial planning process because it stimulates discussion and engenders a long-range perspective for decision makers. It can be used as a tool to prevent financial challenges; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders.

### RECOMMENDATION:

GFOA recommends that all governments regularly engage in long-term financial planning that encompasses the following elements and essential steps.

A long-term financial plan should include these elements.

1. **Time Horizon.** A plan should look at least five to ten years into the future. Governments may elect to extend their planning horizon further if conditions warrant.
2. **Scope.** A plan should consider all appropriated funds, but especially those funds that are used to account for the issues of top concern to elected officials and the community.
3. **Frequency.** Governments should update long-term planning activities as needed in order to provide direction to the budget process, though not every element of the long-range plan must be repeated.
4. **Content.** A plan should include an analysis of the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance, and plan monitoring mechanisms, such as scorecard of key indicators of financial health.

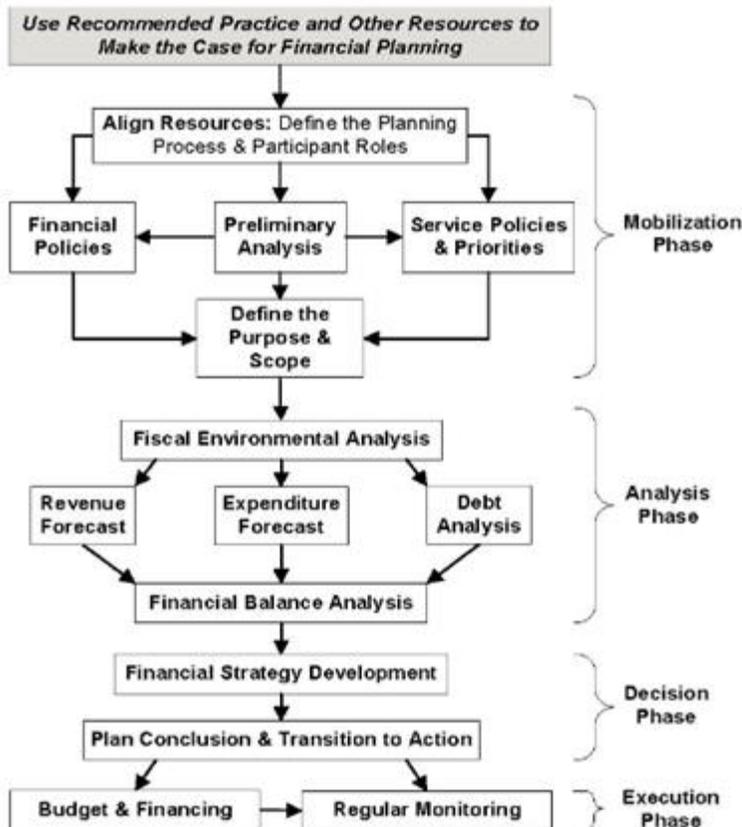
5. **Visibility.** The public and elected officials should be able to easily learn about the long-term financial prospects of the government and strategies for financial balance. Hence, governments should devise an effective means for communicating this information, through either separate plan documents or by integrating it with existing communication devices.

A long-term financial plan should include these steps.

1. **Mobilization Phase.** The mobilization phase prepares the organization for long-term planning by creating consensus on what the purpose and results of the planning process should be. The mobilization phase includes the following items:
  - **Alignment of Resources.** This step includes determining the composition of the project team, identifying the project sponsor, and formulating a strategy for involving other important stakeholders. This step also involves the creation of a high-level project plan to serve as a roadmap for the process.
  - **Preliminary Analysis.** This step helps raise awareness of special issues among planning participants, such as the board or non-financial executive staff. A scan of the financial environment is common at this point.
  - **Identification of Service Policies and Priorities.** Service policies and priorities have important implications on how resources will be spent and how revenues will be raised. A strategic plan or a priority setting session with elected officials could be useful in identifying service policies and priorities.
  - **Validation and Promulgation of Financial Policies.** Financial policies set baseline standards for financial stewardship and perpetuate structural balance, so a planning process must corroborate policies in place (as well as the organization's compliance with those policies) and also identify new policies that may be needed.
  - **Definition of Purpose and Scope of Planning.** The purpose and scope of the planning effort will become clear as a result of the foregoing activities, but the process should include a forum for developing and recognizing their explicit purpose and scope.
  
- **Analysis Phase.** The analysis phase is designed to produce information that supports planning and strategizing. The analysis phase includes the projections and financial analysis commonly associated with long-term financial planning. The analysis phase involves information gathering, trend projection, and analysis as follows:
  - **Information Gathering.** This is where the government analyzes the environment in order to gain a better understanding of the forces that affect financial stability. Improved understanding of environmental factors should lead to better forecasting and strategizing.
  - **Trend Projection.** After the environment has been analyzed, the planners can project various elements of long-term revenue, expenditure, and debt trends.
  - **Analysis.** The forecasts can then be used to identify potential challenges to fiscal stability (e.g., " imbalances" ). These could be fiscal deficits (e.g., expenditures outpacing revenues), environmental challenges (e.g., unfavorable trends in the environment), or policy weaknesses (e.g., weaknesses in the financial policy structure). Scenario analysis can be used to present both optimistic, base, and pessimistic cases.
  
- **Decision Phase.** After the analysis phase is completed, the government must decide how to use the information provided. Key to the decision phase is a highly participative process that involves elected officials, staff, and the public. The decision phase also includes a culminating event where the stakeholders can assess the planning process to evaluate whether the purposes for the plan described in the mobilization phase were fulfilled and where a sense of closure and accomplishment can be

generated. Finally, the decision phase should address the processes for executing the plan to ensure tangible results are realized.

- Execution Phase. After the plan is officially adopted, strategies must be put into action (e.g. funding required in achieving goals). The execution phase is where the strategies become operational through the budget, financial performance measures, and action plans. Regular monitoring should be part of this phase. The following diagram highlights the various long-term financial planning phases discussed in this recommended practice.



## References:

- GFOA Best Practice, “ Financial Forecasting in the Budget Preparation Process,” 1999.
- GFOA Best Practice, “ Adopting Financial Policies,” 2001.
- GFOA Best Practice, “ Establishing Strategic Plans,” 2005.
- GFOA Best Practice, “ Budgeting for Results and Outcomes,” 2007.
- GFOA Best Practice, “ Performance Management: Using Performance Measurement for Decision Making,” 2002 and 2007.
- *Financing the Future Long-Term Financial Planning for Local Government*; GFOA, 2007.
- <http://www.gfoa.org/lftp>. GFOA Web site containing a wealth of supporting materials for financial planning.
- <http://www.gfoa.org/services/nacslb/>. Best Practices in Budgeting Web site. See Element 9: Develop and Evaluate Financial Options.



# Adopting Financial Policies

## BEST PRACTICE

### BACKGROUND:

Financial policies are central to a strategic, long-term approach to financial management. Some of the most powerful arguments in favor of adopting formal, written financial policies include their ability to help governments:

1. Institutionalize good financial management practices. Formal policies usually outlive their creators, and, thus, promote stability and continuity. They also prevent the need to re-invent responses to recurring issues.
2. Clarify and crystallize strategic intent for financial management. Financial policies define a shared understanding of how the organization will develop its financial practices and manage its resources to provide the best value to the community.
3. Define boundaries. Financial policies define limits on the actions staff may take. The policy framework provides the boundaries within which staff can innovate in order to realize the organization's strategic intent.
4. Support good bond ratings and thereby reduce the cost of borrowing.
5. Promote long-term and strategic thinking. The strategic intent articulated by many financial policies necessarily demands a long-term perspective from the organization.
6. Manage risks to financial condition. A key component of governance accountability is not to incur excessive risk in the pursuit of public goals. Financial policies identify important risks to financial condition.
7. Comply with established public management best practices. The Government Finance Officers Association (GFOA), through its officially adopted Best Practices endorsement of National Advisory Council on State and Local Budgeting (NACSLB) budget practices and the GFOA Distinguished Budget Presentation Award Program, has recognized financial policies as an essential part of public financial management.

### RECOMMENDATION:

GFOA recommends that governments formally adopt financial policies. Steps to consider when making effective financial policies include (1) scope, (2) development, (3) design, (4) presentation, and (5) review.

Scope. There are some basic financial policy categories (but not limited to) that all governments should consider adopting.

1. *General fund reserves.* Policies governing the amount of resources to be held in reserve and conditions under which reserves can be used.

2. *Reserves in other funds.* Policies for other funds (especially enterprise funds) that serve a similar purpose to general fund reserve policies.
3. *Grants.* Policies that deal with the administration and grants process.
4. *Debt.* Policies that govern the use of government debt, including permissible debt instruments, conditions under which debt may be used, allowable levels of debt, and compliance with continuing disclosure requirements.
5. *Investment.* Policies that provide guidance on the investment of public funds, including permissible investment instruments, standards of care for invested funds, and the role of staff and professional advisors in the investment program.
6. *Economic development.* Policies that address a local government's use of subsidies or other incentives to encourage private development.
7. *Accounting and financial reporting.* Policies that establish and guide the use of an audit committee, endorse key accounting principles, and that ensure external audits are properly performed.
8. *Risk management and internal controls.* Policies that address traditional views of risk management and internal control, as well as more modern concepts of "enterprise risk management."
9. *Procurement.* Policies that are most essential for adoption by the governing board in order to encourage efficient, effective and fair public procurement.
10. *Long-term financial planning.* A policy that commits the organization to taking a long-term approach to financial health.
11. *Structurally balanced budget.* Policies that offer a distinction between satisfying the statutory definition and achieving a true structurally balanced budget.
12. *Capital.* Policies that cover the lifecycle of capital assets, including capital improvement planning, capital budgeting, project management, and asset maintenance.
13. *Revenues.* Policy guidance through the designing of efficient and effective revenue systems that guarantee the generation of adequate public resources to meet expenditure obligations.
14. *Expenditures.* Policies addressing a range of issues around how the money is expended, including personnel, outsourcing, and funding long-term liabilities.
15. *Operating budget.* Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.

Development. The following steps should be considered in the development of effective policies.

1. Define the problem the policy will address.
2. Draft the policy. Be aware of legal requirements and consider public comments. Look at the experience of peer governments.
3. Review and present the policy to government officials.
4. Formally consider and adopt policy.
5. Implement policy making sure that staff and government officials are aware of policies.

Design. Effective policies have a number of design features in common.

1. Policies must exist in written form.
2. Policies should be expressed in a manner that is understandable to the intended audiences.
3. Policies should be made available to all stakeholders, and be published in more than one medium with multiple means of access.

4. Policies should address all relevant issues and risks for that specific policy in a concise fashion.

Presentation. Effective financial policies share some of the following traits.

1. All of the financial policies are placed in the same section of the budget document.
2. The original and revision dates are shown on the individual policies.

Review. Financial policies are most successful when they are reviewed after being enacted.

1. Policies should be monitored, reviewed, and updated as needed in a systematic way.
2. Analyze the reasons if specific policies are not being followed.

*Note:* References listed below will be arranged separately on the GFOA website.

### Reference to Some of GFOA Best Practices on Financial Policies

<b>Financial Policy</b>	<b>GFOA Best Practice Link</b>
General Fund /Other Fund Reserves	<ul style="list-style-type: none"> <li>• <a href="#"><u>Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund</u></a></li> <li>• <a href="#"><u>Determining the Appropriate Level of Working Capital in Enterprise Funds</u></a></li> </ul>
Grants	<ul style="list-style-type: none"> <li>• <a href="#"><u>Establishing an Effective Grants Policy</u></a></li> <li>• <a href="#"><u>Establishing a Grants Administration Oversight Committee</u></a></li> <li>• <a href="#"><u>Administering Grants Effectively</u></a></li> </ul>
Debt	<ul style="list-style-type: none"> <li>• <a href="#"><u>Debt Management Policy</u></a></li> <li>• <a href="#"><u>Analyzing and Issuing Refunding Bonds</u></a></li> </ul>
Investment	<ul style="list-style-type: none"> <li>• <a href="#"><u>Local Government Investment Pools</u></a></li> <li>• <a href="#"><u>Investment of Bond Proceeds</u></a></li> </ul>
Economic Development	<ul style="list-style-type: none"> <li>• <a href="#"><u>Evaluating and Managing Economic Development Incentives</u></a></li> <li>• <a href="#"><u>Coordinating Economic Development and Capital Planning</u></a></li> <li>• <a href="#"><u>Monitoring Economic Development Performance</u></a></li> <li>• <a href="#"><u>Developing an Economic Development Incentive Policy</u></a></li> </ul>
Accounting & Financial Reporting	<ul style="list-style-type: none"> <li>• <a href="#"><u>Documenting Accounting Policies and Procedures</u></a></li> <li>• <a href="#"><u>Encouraging and Facilitating the Reporting of Fraud and Questionable Accounting and Auditing Practices</u></a></li> <li>• <a href="#"><u>Audit Committees</u></a></li> <li>• <a href="#"><u>Basis of Accounting versus the Budgetary Basis</u></a></li> </ul>
Risk Management & Internal Controls	<ul style="list-style-type: none"> <li>• <a href="#"><u>Practical Steps to Avoid, Limit, or Eliminate Internal Control Deficiencies Identified in an Audit</u></a></li> <li>• <a href="#"><u>Business Preparedness and Continuity Guidelines</u></a></li> </ul>

- Creating a Comprehensive Risk Management Program
- Procurement
  - Purchasing Card Programs
  - Electronic Payment and Collection Systems
- Long-term Financial Planning
  - Long-Term Financial Planning
- Balanced Budget
  - Achieving a Structurally Balanced Budget
- Capital
  - Capital Planning Policies
  - Incorporating a Capital Project Budget in the Budget Process
  - Multi-Year Capital Planning
  - Establishing Capitalization Thresholds for Capital Assets
  - Determining the Estimated Useful Life of Capital Assets
- Expenditures
  - Inflationary Indices in Budgeting
  - Effective Budgeting of Salary and Wages
  - Strategies for Managing Health-Care Costs
  - Measuring the Full Cost of Government Service
- Revenues
  - Establishing Government Charges and Fees
  - Financial Forecasting in the Budget Preparation Process
  - The Use of Trend Data and Comparative Data for Financial Analysis
  - Revenue Diversification, Use of One-Time Revenues, and Use of Unpredictable Revenues
- Operating Budget
  - A Systematic Approach to Managing Performance
  - Making the Budget Document Easier to Understand
  - Public Participation in Planning, Budgeting, and Performance Management
  - Presenting Official Financial Documents on Your Government's Website

**Notes:** The County of San Diego, CA was awarded the GFOA Award for Excellence for outstanding use of GFOA's Best Practice on Adopting Financial Policies. To learn more about the County's implementation process, please visit their [award page](#).

**References:**

- GFOA Best Practice, "[Recommended Budget Practices from the National Advisory Council on State and Local Budgeting](#)," 1998.
- GFOA Publication, "Financial Policies," 2012 (Shayne Kavanagh).

## **Why Municipalities Need Long-Term Financial Plans**

Andy Berg, CPA

When it comes to an organization's finances, planning is never a bad thing. And that goes for municipalities, too.

Most municipalities are very adept at accounting, which is largely historical in nature. The challenge, then, for many municipalities is to leverage the accuracy of past reports to create a clear picture of the future. The advantages of financial planning are plentiful, and extend far beyond promoting responsible fiscal practices. Here are four reasons why all municipalities—regardless of their size—should have a long-term financial plan in place.

### **1. Provides a roadmap for future projects**

Many municipalities have capital improvement plans in place for the next five to ten years, but find it challenging to tie it into their organization as a whole. Integrating the capital improvement plan into a long-range plan will help identify funding and gauge its overall impact, including the affect it may have on tax and utility rates.

Making these projections via a long-term financial plan is key to helping council members see how projects will affect their constituents. Plus, it provides information on the affordability and sustainability of the municipality's needs, and is a great way to manage total tax levy, including general and debt levies.

### **2. Identifies areas of opportunity and risk**

Strategic planning is a powerful tool that can help municipalities forecast the future. A long-term financial plan gives municipalities the chance to conduct a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. This critical planning exercise can help municipalities evaluate potential opportunities and risks—and operate more proactively.

### **3. Gives direction to city council members**

A long-term financial plan should include input from council members and department heads. Getting their buy-in serves to establish a solid foundation of goals, which can help the council efficiently evaluate annual budget needs. When presented properly, an established plan allows for continuity—and prevents a lapse in focus on key goals—as municipal councils change.

### **4. Positively affects bond ratings**

Financial management is an important variable used by bonding agencies in determining a municipality's bond rating. Having a long-term financial plan in place speaks to the municipality's knowledge of reserves, its commitment to future debt management, and its forward-thinking approach—all of which score points during the bond-rating process.

Taking time to prepare a long-term financial plan is key to any municipality's success. And it's important to note: Rate and debt management studies can also be useful when planning and determining a municipality's future needs.

Each and every municipality should consider developing a long-term financial plan that best fits their needs.

*Andy Berg, CPA, is AEM's Government Segment Leader. When he's not fishing for ways to help governments boost efficiency, he's casting lines for whopper muskies. You can reach Andy at 952.715.3003 or at [andrew.berg@aemcpas.com](mailto:andrew.berg@aemcpas.com).*

## Reference

Berg, Andy, CPA. (2019). Why Municipalities Need Long-Term Financial Plans.  
Retrieved from: <https://aemcpas.com/why-municipalities-need-long-term-financial-plans/> .

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CITY OF DILLINGHAM, ALASKA

**ORDINANCE NO. 2019-06**

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING THE BUDGET BY ADOPTING BUDGET AMENDMENT NO.1 AND APPROPRIATING FUNDS FOR THE FY 2020 CITY OF DILLINGHAM BUDGET**

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WHEREAS, the City Council has approved the Operating Budget and Capital Improvement Budget for FY20 to the City Council in accordance with Title 4 of the Dillingham Municipal Code pursuant to A.S. 20.20.500(3); and

WHEREAS, duly advertised public workshops were held and the City Council reviewed the budget amendment recommendations presented; and

WHEREAS, the City Council has set the rate of levy of property tax for the City of Dillingham for FY 2020 budget at 13 mills; and

WHEREAS, the budget presented, reviewed and changed is in accordance with sound and efficient municipal management principles. The City Council should have the power to transfer appropriated monies from one General Government Fund or Special Revenue Fund to another and from one Capital Project to another by resolution and the City Manager should have the power to transfer funds from one line item object to another object code within a fund and within a Capital Improvement Project; and

WHEREAS, additional FY 2020 funds are available for appropriation by ordinance;

NOW, THEREFORE, BE IT RESOLVED by the Dillingham City Council that:

1. The FY 2020 Operating Budget and Capital Improvement Budget as recommended by the City Manager is hereby adopted for the City of Dillingham.
2. The amounts set forth in the budget by the City Council for the respective departments and/or funds shall be, and hereby are, appropriated for the fiscal year ending June 30, 2020.
3. The City Council shall have the power to transfer approved and appropriated General Fund or Special Revenue Fund monies from one to another and from one Capital Project to another by resolution.
4. The City Manager shall have the power to transfer funds from one line item object code to another within a fund and within a Capital Improvement Project.

BE IT ENACTED BY THE COUNCIL OF THE CITY OF DILLINGHAM that:

**Section 1. Classification.** This ordinance is a non-code ordinance.

**Section 2. Severability.** If any portion of this ordinance or any application thereof to any person or circumstances is held invalid, the remainder of the ordinance and the application to other persons or circumstances shall not be affected thereby.

**Section 3. Appropriation summary.** The total appropriation from the Treasury in Section 6 was a total of \$13,009,812.

**Section 4. Revenues**

General Fund

Net budget revision
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Taxes

Sales Taxes	2,800,000	+100,000
Alcohol Sales Taxes	300,000	+10,000
Transient Lodging Sales Taxes	95,000	
Gaming Sales Tax	75,000	
Tobacco Tax	280,000	+60,000
Real Property Taxes	2,100,000	
Personal Property Taxes	520,000	-10,000
Penalty & Interest – Property Tax	50,000	
Penalty & Interest – Sales Tax	10,000	

Other Revenues

Telephone Gross State Tax	65,000	
Raw Fish Tax	350,000	
Shared Fisheries	28,000	+8,000
Community Assistance	108,732	+1,732
Payment in Lieu Taxes (PILT)	466,164	+16,164
Jail Contract Revenue	567,000	
Ambulance Fees	60,000	
Lease and Rental Income	32,800	-10,200
Administrative Overhead	195,911	
PERS on Behalf	125,267	
PERS Forfeiture Fund	88,000	
Other Revenues	160,100	

<b>Total General Fund Revenues</b>	<b>8,476,974</b>
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Special Revenue & Other Funds Revenues		
Water	230,848	+14,026
Waste Water	426,552	-55,467
Landfill	296,796	+56,419
Port – Dock	771,620	
Port – Harbor	151,960	
E-911	78,000	
Senior Center	178,854	
Library Grants	84,599	
Debt Service	371,100	-371,100
Mary Carlson Estate Permanent Fund	3,000	
<b>Total Special Revenue and Other</b>	<b>2,593,329</b>	
<b>TOTAL REVENUES</b>		<b>11,070,303</b>
<b>Section 5. Transfers</b>		
Transfers from General Fund to Other Funds		
Water	-0-	
Waste Water	-0-	
Landfill	365,351	-56,419
Senior Center	145,712	
Ambulance Reserve	60,000	
Equipment Replacement	-0-	
Capital Project (Planning)	291,200	
Debt Service School Bond	689,450	+371,100
Debt Service Firehall Bond	42,673	
Debt Service Streets Bond	238,594	
<b>Total Transfers from Gen. Fund</b>	<b>1,832,980</b>	
Transfers from Dock Fund to Harbor Funds		
Harbor Operations	53,498	
Ice Machine	2,800	
Bathhouse	13,300	
<b>Total Transfers from Dock Fund</b>	<b>69,598</b>	
Transfers from Department to Department		
From E-911 to Dispatch	51,000	
From Carlson Estate to Library	4,000	
<b>Total Transfers from Dock Fund</b>	<b>55,000</b>	
<b>TOTAL TRANSFERS</b>		<b>1,957,578</b>
<b>TOTAL REVENUE AND TRANSFERS</b>		<b>13,027,881</b>

**Section 6. Appropriations.**

General Fund Government Operations

City Council	\$ 45,324	
City Clerk	122,834	
Administration	269,192	
Finance	660,988	
Legal	70,000	
Insurance	165,000	
Non-Departmental	95,600	
Planning	148,149	
Foreclosures	10,000	
Meeting Hall	2,900	
IT	186,890	+66,078
PS Administration	155,019	
PS Dispatch	535,149	
PS Patrol	880,301	
PS Corrections	656,955	
PS DMV	46,104	
PS Animal Control Officer	106,664	
PS PSEA (will adjust over all PS)	67,428	
PW Administration	220,134	
PW Buildings & Grounds	329,354	
PW Shop	350,936	
PW Streets	368,529	
PS Fire Department	279,090	
Library	117,685	
City School District	1,300,000	
Transfer Subsidy for Operations	1,518,299	
Transfer to Equipment/Capital		
Reserves Fund	-0-	

**Total General Fund Appropriations: 8,708,524**

Special Revenue & Other Funds Appropriations

Water	216,822	
Waste Water	370,185	
Landfill	662,147	
Port-Dock	666,254	
Port-Harbor	203,258	
Port Harbor – Ice Machine	4,000	
Port Harbor – Bathhouse	13,300	
E-911	57,600	
Senior Center	324,566	
Debt Service	1,341,817	
Library Grants	84,599	
Equipment Replacement/Reserve	-0-	
Ambulance Replacement Fund	60,000	
Mary Carlson Estate	5,540	
Capital Project (Planning) Fund	291,200	

**Total Special Revenue & Other Appropriations 4,301,288**

**TOTAL APPROPRIATIONS 13,009,812**

<b>Total Revenues and Transfers</b>	<b>\$ 13,027,881</b>
<b>Total Appropriations</b>	<b><u>\$ 13,009,812</u></b>
<b>Net Increase (Decrease) to Fund Balances</b>	<b>\$ 18,069</b>

**Section 7. Effective Date.** This ordinance is effective upon passage.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on December 5, 2019.

SEAL

\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

\_\_\_\_\_  
Lori Goodell, City Clerk

DRAFT