

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

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
  - a. Minutes of December 17, 2018
- 4. APPROVAL OF AGENDA**
- 5. STAFF REPORTS**
  - a. Financial Report
- 6. UNFINISHED BUSINESS**
  - a. FY20 Budget Schedule
- 7. NEW BUSINESS**
  - a. GO Bond Update / Financial Obligation Schedule
- 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, December 17, 2018, in the City Council Chambers, Dillingham, AK. Andy Anderson called the meeting to order at 5:35 p.m.

**2. ROLL CALL**

Committee Members present:

Andy Anderson	Tod Larson	Aksel Buholm via phone
Curt Armstrong	Mayor Ruby	Anita Fuller via phone

**3. APPROVAL OF MINUTES**

- a. Minutes of August 13, 2018

MOTION: Alice Ruby moved and Curt Armstrong seconded the motion to approve the minutes of August 13, 2018.

VOTE: The motion passed unanimously by roll call vote.

- b. Minutes of September 17, 2018

MOTION: Alice Ruby moved and Aksel Buholm seconded the motion to approve the minutes of September 17, 2018.

VOTE: The motion passed unanimously.

**4. APPROVAL OF AGENDA**

MOTION: Alice Ruby moved and Curt Armstrong seconded the motion to approve the agenda.

VOTE: The motion passed unanimously.

**5. STAFF REPORTS**

- a. Financial Report

The Finance Director commented on the November 2018 financial report.

The fees, fines and taxes scheduled is under review. A vehicle replacement plan will be explored, identify out of commission vehicles, and review maintenance log, assess repair records. Union contract negotiations are underway. A wage and staffing study will be conducted. An IT plan will be implemented.

**6. UNFINISHED BUSINESS**

There was no unfinished business.

**7. NEW BUSINESS**

- a. City Manager Budget Flowchart

The City Manager reviewed the budget flowchart, used for planning purposes leading into the budget season. The auditors will be consulted regarding the capital budget category. Approve mill rate and accept the Dillingham City School District Budget will be added to the document.

- b. Review Citizen Request; DMC 4.15.365 and DMC 4.20.265 Repayment Plan

The Committee reviewed the citizen request to waive the DMC code regarding the requirements to qualify for a promissory note. Prior year discussion involving the City Attorney recommends that what is in code should stand for consistency. The recommendation to Council is to adhere to code and not grant a waiver.

MOTION: Aksel Buholm moved to table this item until the February 2019 Finance and Budget Committee meeting.

There was no second; motion is lost.

It was requested that current code be reviewed by the Code Review Committee.

MOTION: Alice Ruby moved and Aksel Buholm seconded the motion that Finance Committee not make any recommendation to Council other than follow the current code.

The Committee would be willing to readdress the issue if new information becomes available. Most tax payers are timely, only a few have trouble – it is not necessarily code that is wrong. The City has made effort to work with the citizen to get past accounts paid.

VOTE: The motion passed unanimously by roll call vote.

c. FY20 Budget Schedule

The FY20 budget schedule was introduced for committee review. This item will be evaluated for adopting at the next meeting.

**8. PUBLIC/COMMITTEE COMMENT(S)**

Alice Ruby: met with Tribal Administrator, Courtenay Carty. A tentative MOU Committee meeting has been scheduled for Jan. 8. A focus on a CIP investment request will be discussed. The landfill and environmental funds may also be reviewed.

Aksel Buholm: requested to attend the MOU Committee meeting. Wished all a Merry Christmas.

**9. ADJOURNMENT**

The meeting adjourned at 7:42 p.m.

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

ATTEST:

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

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

City of Dillingham  
Revenues and Expenditures As of December 31, 2018  
Unaudited Figures

	UnAudited			
	December 31, 2018	December 31, 2017		INC/(DEC)
	Budget - FY19	MTD	YTD	Percent
<b>REVENUES:</b>				
<b>General Fund Revenues</b>				
General Sales Tax	\$ 2,550,000	\$ 110,619	\$ 1,348,126	53%
Alcohol Sales Tax	290,000	27,205	132,827	46%
Transient Lodging Sales Tax	85,000	11,062	58,229	69% a
Gaming Sales Tax	65,000	8,779	40,702	63% b
Tobacco Tax	120,000	17,287	107,602	90% c
Total Sales Tax	3,110,000	174,951	1,687,486	54%
Real Property Tax	2,100,000	(8,670)	2,055,096	98% d
Personal Property Tax	530,000	(12,107)	496,250	94% e
Total Property Taxes	2,630,000	(20,777)	2,551,346	97%
Telephone Gross Receipts State Tax	65,000	-	-	0% f
Raw Fish Tax	300,000	443,905	443,905	148% g
Shared Fisheries	20,000	-	-	0% f
Revenue Sharing	130,000	-	119,903	92% h
Payment in Lieu of Taxes (PILT)	450,000	-	459,841	102% i
State Jail Contract	567,000	138,810	138,810	24% j
Admin Overhead	223,249	54,987	120,129	54%
PERS on Behalf	100,486	12,839	83,938	84% k
Other Revenues	403,239	27,876	209,487	52%
Total	\$ 7,998,974	\$ 678,416	\$ 5,814,844	73%
<b>Special Revenue Funds Revenues &amp; Transfers</b>				
Water	197,495	18,321	123,652	63% l
Sewer	358,795	32,699	271,947	76% m
Landfill	943,357	132,240	513,440	54%
Dock	768,075	255,941	973,170	127% n
Harbor	188,753	1,747	66,540	35% o
Asset Forfeiture Fund	-	-	-	0%
E-911 Service	82,750	1,267	38,313	46%
Library Grants	80,492	(5,437)	24,436	30% p
Senior Center (Grant)	126,459	2,438	33,438	26% q
Senior Center (Non-Grant)	191,329	39,476	74,696	39% r
Total	\$ 2,937,505	\$ 478,692	\$ 2,119,634	72%
Mary Carlson Estate Permanent Fund Revenue	1,000	574	3,730	373% s
Ambulance Reserve Capital Project Fund Revenue	60,000	-	-	-
Equipment Replacement Capital Project Fund	-	-	-	-
School Bond Project	-	-	-	-
Public Safety Planning	-	-	-	-
Debt Service Fund Revenue	1,063,450	-	8,021	1% t
Landfill Closure Fund	-	-	-	-
Total Revenues & Transfers	\$ 1,124,450	\$ 574	\$ 11,751	1%
<b>Total Revenues &amp; Transfers</b>	\$ 12,060,929	\$ 1,311,856	\$ 7,946,229	66%
			\$ 1,731,191	\$ 388,443

City of Dillingham  
Revenues and Expenditures As of December 31, 2018  
Unaudited Figures

	December 31, 2018			December 31, 2017		
	Budget - FY19	MTD	YTD	Percent	YTD	INC/(DEC)
<b>EXPENDITURES:</b>						
<b>General Fund Expenditures</b>						
City Council	\$ 45,324	\$ 2,562	\$ 19,658	43%	\$ 28,936	\$ (9,278)
City Clerk	117,128	13,172	58,780	50%	60,823	(2,043)
Administration	262,395	30,945	128,868	49%	148,946	(20,078)
Finance	626,783	75,567	342,194	55%	283,970	58,224
Legal	100,000	-	7,999	8% u	35,739	(27,740)
Insurance	165,000	45,378	90,850	55%	79,792	11,058
Non-Departmental	99,420	7,601	47,519	48%	88,320	(40,801)
Planning	143,022	10,357	60,682	42%	45,145	15,536
Foreclosures	4,000	1,616	8,006	200% v	2,707	5,299
IT	131,468	18,533	47,663	36% w	-	47,663
Meeting Hall above Fire Station	2,500	235	1,215	49%	1,112	103
Public Safety Administration	150,521	17,441	73,182	49%	74,566	(1,384)
Dispatch	511,399	59,879	259,266	51%	261,022	(1,756)
Patrol	872,361	98,256	397,992	46%	315,534	82,458
Corrections	646,925	72,408	307,123	47%	299,514	7,609
DMV	44,621	5,195	21,679	49%	21,412	267
Animal Control Officer	104,576	11,800	50,299	48%	51,326	(1,027)
Fire	267,013	30,932	128,184	48%	95,511	32,673
Public Works Administration	215,879	18,765	71,042	33% x	90,086	(19,044)
Building and Grounds	322,380	31,947	120,423	37% y	132,944	(12,521)
Shop	302,084	42,336	193,843	64% z	148,436	45,407
Street	422,071	52,178	438,844	104% aa	280,254	158,589
Library	109,012	10,648	53,866	49%	50,767	3,098
City School	1,300,000	325,000	975,000	75% bb	975,000	-
Transfers to Other Funds	1,153,631	159,492	433,628	38% cc	450,274	(16,646)
<b>Total</b>	<b>\$ 8,119,513</b>	<b>\$ 1,142,242</b>	<b>\$ 4,337,803</b>	<b>55%</b>	<b>\$ 4,022,137</b>	<b>\$ 315,666</b>
<b>Special Revenue Funds Expenditures</b>						
Water	288,646	18,508	125,287	43%	129,767	(4,480)
Sewer	268,868	26,419	781,767	291% dd	199,738	582,029
Landfill	868,824	54,271	518,423	60%	341,394	177,029
Dock	585,462	21,529	380,704	65% ee	768,712	(388,008)
Boat Harbor	184,753	-	105,643	57%	128,999	(23,356)
Asset Forfeiture Fund	-	10,903	10,903	0% ff	-	10,903
E-911 Service	57,739	-	-	-	-	-
Library Grants	80,492	5,945	38,892	48%	45,021	(6,128)
Senior Center (Grant)	126,459	14,679	69,999	55%	70,504	(505)
Senior Center (Non-Grant)	191,329	25,732	75,774	40%	55,796	19,977
<b>Total</b>	<b>\$ 2,652,572</b>	<b>\$ 177,987</b>	<b>\$ 2,107,392</b>	<b>79%</b>	<b>\$ 1,739,931</b>	<b>\$ 367,461</b>
	<b>10,772,085</b>	<b>1,320,228</b>	<b>6,445,195</b>	<b>60%</b>	<b>5,762,068</b>	

	December 31, 2018			December 31, 2017		
	Budget - FY19	MTD	YTD	Percent	YTD	INC/(DEC)
<b>Capital Project Funds Expenditures</b>						
Mary Carlson Estate Permanent Fund	5,660	353	799	14% gg \$	662	137
Ambulance Reserve Capital Project Fund	58,678	-	-	0% gg \$	6,745	(6,745)
Equipment Replacement Capital Project Fund	-	-	-	0%	5,659	(5,659)
School Bond Project	-	-	-	\$	-	-
Public Safety Planning	-	-	-	\$	-	-
Debt Service Fund	1,063,450	-	-	0% gg \$	210,575	(210,575)
Landfill Closure Fund	-	-	-		-	-
<b>Total</b>	<b>\$ 1,127,778</b>	<b>\$ 353</b>	<b>\$ 799</b>	<b>0%</b>	<b>\$ 223,640</b>	<b>\$ (222,841)</b>
<b>Total All Expenditures</b>	<b>\$ 11,899,863</b>	<b>\$ 1,320,582</b>	<b>\$ 6,445,994</b>	<b>54%</b>	<b>\$ 5,985,709</b>	<b>\$ 460,285</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ 161,066</b>	<b>\$ (8,726)</b>	<b>\$ 1,500,236</b>		<b>\$ 1,341,429</b>	<b>\$ 158,807</b>

City of Dillingham  
 Revenues and Expenditures As of December 31, 2018  
 Preliminary Figures - Unaudited

	<u>Fund Bal.</u> <u>6/30/2018</u> <u>UnAudited</u>	<u>FY'19</u> <u>Revenues</u>	<u>FY'19</u> <u>Expenditures</u>	<u>Add or (-)</u> <u>Fund Bal</u>	<u>Fund Bal.</u> <u>12/31/2018</u> <u>Unaudited</u>
General Fund	\$ 969,180	\$ 5,814,844	\$ 4,337,803	\$ 1,477,042	\$ 2,446,222
Nushagak Fish Tax	(227)	-	-	-	(227)
Fisheries Infrastructure Fund	(51)	-	-	-	(51)
Borough Study	(28)	-	-	-	(28)
Water & Sewer	(32,434)	395,600	907,055	(511,455)	(543,889)
Landfill	(74,535)	513,440	518,423	(4,983)	(79,518)
Dock	(60,292)	973,170	380,704	592,466	532,175
Boat Harbor	9,520	66,540	105,643	(39,103)	(29,583)
Asset Forfeitures Fund	(8,040)	-	10,903	(10,903)	(18,943)
E-911 Service	(26,005)	38,313	0	38,313	12,309
Library Grants (Books, Erate, etc.)	(100,402)	24,436	38,892	(14,456)	(114,858)
Senior Center	(37,310)	108,134	145,773	(37,638)	(74,948)
Mary Carlson Estate Permanent Fund	48,730	3,730	799	2,931	51,661
Ambulance Reserve Capital Project Fund	225,683	-	-	-	225,683
Equipment Replacement Capital Project Fund	22,299	-	-	-	22,299
School Bond Project Capital Project Fund	(315)	-	-	-	(315)
Public Safety Planning	(28,885)	-	-	-	(28,885)
Debt Service	-	8,021	-	8,021	8,021
Landfill Closure Fund	-	-	-	-	-
Other	-	0	-	-	-
<b>Total</b>	<b>\$ 906,891</b>	<b>\$ 7,946,229</b>	<b>\$ 6,445,994</b>	<b>\$ 1,500,236</b>	<b>\$ 2,407,127</b>

**Mayor**  
Alice Ruby

**Manager**  
Tod Larson



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

## MEMORANDUM

**Date:** 01/14/2019  
**To:** Tod Larson, City Manager  
**From:** Anita Fuller, Finance Director  
**Subject:** Review of 12/2018 Financial Report

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As the sixth monthly report the percentages that are within normal range are about 50%. This report will identify any percentage that is below 40% or above 60%.

**Total Revenue & Transfers** is showing as being 92% when in actuality we have collected 71%. Our accounting practice is to recognize the revenue when it is invoiced. Our Revenue & Expense reports used for this report will always show the revenue higher than what is actually received.

(a) Transient Lodging Tax continues to be higher than budgeted. There have been increases in the number of business that are reporting this tax.

(b) Gaming Sales Tax is coming in slightly higher. This is partly due to the on time reporting of the businesses with Gaming Tax reports.

(c) Tobacco tax at 90% which is higher than projected.

(d) & (e) 2018 Real Property tax and Personal Property tax are invoiced on July 1, 2018. This causes the revenue to be recognized in July of 2018. At this time there is still a balance of \$ 168,542.24 in uncollected 2018 Real Property (8%) and \$52,856.76 (11%) in uncollected 2018 Personal Property.

(f) Telephone sale and Shared Fisheries are received later in the fiscal year.

(g) Raw Fish tax came in 48% higher than budgeted.

(h) Revenue sharing is received at the beginning of the year. There is expected a smaller final payment at the end of the fiscal year.

- (i) PILT is received all at once and did come in \$9,481 more than budgeted.
- (j) Jail contract reports have been sent. The first quarter payment is received.
- (k) PERS on behalf is going to be reduced.

**Total Special Funds Revenue and Transfer** are showing as being 92%. There are unpaid invoices that will reduce the overall revenue to about 79% received. Invoice for Water \$27,221.02, Sewer \$36,748.38, Landfill \$16,485.85, Dock \$296,100.08 and Harbor of \$320. (This does not reflect all open invoices only those invoiced starting July 1, 2018.

(l) Water Revenue is above the range by 3%; however, once uncollected revenue is removed there is 49% revenue received .

(m) Sewer revenue is higher than budgeted. 2019 budget was set for an increase of 3.4% over last year. This year has actually been more than 9% over last year. Wastewater dumping revenue has been corrected as well. This has increased the revenue. With uncollected revenue removed there is about 66% revenue received.

(n) Dock Revenue is higher than budgeted for the year. Once uncollected revenue is removed we have collected 88% of the budget.

(n) Normal Harbor activity is to receive the majority of the revenue in April and May of 2019.

(p) Revenue for the Library is low in grant revenue which will be received later in the year.

(q) Revenue for the Senior Center grant is low due to a delay in the NTS grant report which is now current. Revenue will be received in January.

(r) Revenue for the Senior Center is lower than expected in rental income.

(s) Interest earned on the Mary Carlson Estate fund has been higher than budgeted.

(t) Finance is in the process of getting the Debt Service Fund Revenue from the bond payment will be received in January.

**Total General Fund Expenditures** are close to the 53% projection mark which reflects spending that is on target.

(u) Legal is low at 8% due to union negotiations having just started.

(v) Foreclosure costs have been higher due to an unexpected number of foreclosed properties. There will be an offsetting increase in revenue since most costs are charged to the property owner.

(w) IT budgets is coming close to being on target. Several computer expenses are in play that will increase this percentage.

(x) Public Works Administration expenditures will change once a journal entry is completed to correct wages that were charged to the planning department that should have been shared with the Public Works department.

(y) Buildings and Grounds has experienced two open positions for a period of time that has reduced the wages expended and the work being done. This will reflect a slightly lower than normal spending of the budget.

(z) Shop expenses are at 105% for Gas, Oil and Grease, 96% for Vehicle Maintenance and 80% for Equipment Maintenance. Other areas are within normal ranges.

(aa) The street budget is at 99% mainly due to the recent streets project which is at 266% of the original budget. There has been 100% of the budgeted amount of sand and gravel spent in preparation for the winter road work. A budget revision will be done by end of quarter to reflect the City Councils approval of the project.

(bb) City School 3<sup>rd</sup> quarter payment was made in January. Since the invoice was in December the expense is reflected in the December expenses.

(cc) Tansfers are lower than budgeted as a result of expenses being lower than expected at this time.

**Total Special Revenue Fund Expenditures** are within high at 79% due to the wastewater projects.

(dd) Wastewater expenses are high at 291% due to lagoon expenses that have been coded to the wastewater fund at \$665,793.11

(ee) Dock expenses are slightly high due to the \$133,195.84 annual equipment lease being paid at this time.

(ff) E-911 services has not had any expenses. Work in Dispatch was to start in December which will use these funds.

(gg) All listed Capital Project Funds have not had much activity for the year to date. This section is going to be redone to reflect the current CIP.



## FY20 FINANCE BUDGET MEETING SCHEDULE

F & B Meetings	Council Meetings	Comments
Tuesday, Feb. 18, 2019		regular scheduled F & B Meeting - review schedule
Monday, March 18	Thursday, March 7, 2019	regular council meeting
Monday, March 25	5:30 PM	regular F&B meeting, review FY19 Proposed Budget; Review school allocation
	10:00 AM	finish revenues & start reviewing expenses
Monday, April 1	10:00 AM	continue reviewing expenses
	Thursday, April 4	regular council meeting
Monday, April 8	10:00 AM	continue reviewing expenses
Monday, April 15	10:00 AM	continue reviewing expenses
Monday, April 22	10:00 AM	continue reviewing expenses
Monday, April 29	10:00 AM	continue reviewing expenses
Monday, May 6	Thursday, May 2	regular council meeting
Monday, May 13	10:00 AM	continue reviewing expenses
Monday, May 20	10:00 AM	prepare to finalize budget and prepare a resolution for June 21 Council meeting
Tuesday, May 28	5:30 PM	regular F&B meeting; recommend mill rate for June 7 Council; continue w/ budget if needed
	10:00 AM	
	Thursday, June 6	regular council meeting; adopt mill rate

### IMPORTANT DATES TO REMEMBER - ESTABLISHING LEVEL OF SCHOOL FUNDING

AS 14.14.060(c) DCSD must submit budget by May 1. Council must act on budget within 30 days after budget is presented.

April 1, 2019

Typically by April 1, school presents its budget to City Manager

May 2, 2019

\*Suggest DCSD present the budget April 3 (or after) otherwise will need a special meeting

Council adopts a resolution determining the amount to be allocated

June 13, 2019

\*Assumes DCSD budget is presented April 3 or after

Deadline for setting mill rate by Council resolution