

City of Dillingham
 Revenues and Expenditures As of November 30, 2017
 Preliminary Figures - Unaudited

	Fund Bal. 6/30/2017 UnAudited	FY'18 Revenues	FY'18 Expenditures	Add or (-) Fund Bal	Fund Bal. 11/30/2017 Unaudited
General Fund	\$ 3,610,462	\$ 5,253,131	\$ 2,777,672	\$ 2,475,459	\$ 6,085,921
Nushagak Fish Tax	301,838	-	-	-	301,838
Fisheries Infrastructure Fund	67,480	-	-	-	67,480
Borough Study	37,442	-	-	-	37,442
Water & Sewer	(194,241)	261,115	230,382	30,733	(163,508)
Landfill	(188,733)	227,473	285,090	(57,617)	(246,350)
Dock	701,964	772,007	646,353	125,654	827,618
Boat Harbor	78,429	48,825	85,275	(36,451)	41,978
Asset Forfeitures Fund	11,026	18,900	-	18,900	29,926
E-911 Service	249,903	28,539	0	28,539	278,442
Library Grants (Books, Erate, etc.)	6,213	35,864	33,067	2,797	9,010
Senior Center	(38,710)	80,461	93,655	(13,194)	(51,904)
Mary Carlson Estate Permanent Fund	344,550	265	405	(140)	344,410
Ambulance Reserve Capital Project Fund	664,934	-	6,745	(6,745)	658,189
Equipment Replacement Capital Project Fund	88,890	-	64,546	(64,546)	24,344
School Bond Project Capital Project Fund	315	54	-	54	369
Public Safety Planning	28,885	-	-	-	28,885
Debt Service	-	-	210,575	(210,575)	(210,575)
Landfill Closure Fund	172,044	-	-	-	172,044
Other	2,693	-	-	-	2,693
Total	\$ 5,945,383	\$ 6,726,633	\$ 4,433,765	\$ 2,292,868	\$ 8,238,251

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Tracy Hightower
Chris Maines
Aksel Buholm
Curt Armstrong
Andy Anderson
Paul Liedberg

MEMORANDUM

Date: January 25, 2018
To: Tod Larson, City Manager
From: Braden Tinker, Fire Coordinator
Subject: Department Head Report

Summarization of EMS Responses – 31 Calls; 50.3 Total Man Hours

- 1 Abdominal
- 4 Breathing Problem
- 6 Fall Victim
- 6 Medical Transport
- 2 Pain
- 5 Other
- 2 Stroke
- 1 Psychiatric
- 1 Traumatic Injury
- 2 Unknown

Summarization of Fire Responses 2 –Call; 3.2 Total Man Hour

Steam Bath Fire
BBAHC Dental Annex- Stood Down

PROJECTS COMPLETED

Billing completed
Vehicle Check Offs
Ambulance Drug bags
Fire Department Registration with the State of Alaska

ON-GOING PROJECTS:

- Pump Testing.
- EMT 2 Class Preparation, 30JAN18 class starts.
- AURORA Elite update and switch over will not have to happen until June of this coming year.

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MEMORANDUM

Date: January 23, 2018
To: Tod Larson, City Manager
From: Sonja Marx, Librarian
Subject: January Monthly Report

It is time to review our mid-year budget and see how we are doing, especially regarding our grant money spending. A few line items needed to be updated. Because our budget is made and approved by the City before the State provides theirs, we are never sure where we stand with some grants that we apply for and receive each year.

Alaska OWL funding is always uncertain; we did not know until July how much they would provide, if any, toward our internet expenses. Therefore, when applying for the PLA and IMLS grants last April, we requested a large chunk of the grants to cover the 10 % that E-rate cannot for our internet services. Since the State came through for us in funding OWL again, we were able to redistribute the PLA grant money to go towards purchasing more books and audio visual materials for our library collection.

Also, the State is offering this year, two Continuing Education grants of \$1,250 each for the Librarian and the Librarian Assistant to attend the annual Alaska Library Association conference in Anchorage this March. We are grateful for this extra funding to provide services for our community; money the city does not need to provide for in our budget.

Librarian, Sonja Marx, will be on vacation February 2nd – 23rd. Assistant Librarian, Tona Hanson will be acting Librarian. This month's report represents fewer days than usual. Numbers are also down because school was out, and we were closed four days.

Library Stat report for December 25th, 2017 – January 20th, 2018:

Patron Visits: 1,740 Computer Use: 473 Wireless Use: 209
Story Hour: 21 Other Visits (including Students): 126 Museum Use: 29
Movies Shown: 3 AWE Station Use: 27 Volunteer hours logged: 11

The Library will be closed Monday, February 19th for President's Day

Next LAB meeting Tuesday, February 27th at 5:30 pm at the Library

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MEMORANDUM

Date: January 23, 2018
To: City Manager Tod Larson
From: Chief Dan Pasquariello
Subject: **Public Safety February 2018 report**

Reporting period 12-28-17 to 1-23-18

Police:

- ❖ 217 Calls for service
- ❖ 9 Persons arrested
- ❖ 5 Title 47/Protective custody
- ❖ 13 Citations issued
- ❖ 33 Incident reports

Approximately 1 out of 10 calls for police service require an incident report to be completed by officers. A partial breakdown of our incident reports is as follows:

Assault/Disorderly Conduct	6
Thefts	5
Sex offenses	3
Vehicle accidents	3
DUI	3
Violation release/probation conditions	2
Suicide threats	2
Criminal mischief	2
Drug offense	1
Weapons offenses	1
Minor Consuming	1

The patrol division is still operating at 75% strength, with two vacant police officer positions. We usually just advertise on the State job service website. We have begun to advertise nationally on police websites.

Corrections:

- ❖ 17 Total Inmates
- ❖ 5 Title 47/Protective custody

One of our corrections officer is currently attending the three week Municipal Corrections Academy in Palmer.

We have acquired new electronic fingerprint equipment. This equipment was given to us by State DOC, at zero cost. It is part of a grant that they obtained. We are waiting for the vendor to come to Dillingham in February to set up the equipment.

Dispatch:

- ❖ 264 Calls for service
- ❖ 82% Dispatched to Dillingham Police
- ❖ 6% Dispatched to Alaska State Troopers
- ❖ 6% Dispatched to EMS/Fire
- ❖ 6% Dispatched to Animal Control
- ❖ 224 911 calls received

The extremely high volume of 911 calls this month are due to fire alarm system testing at various buildings around Dillingham.

We are still working on the camera down-sizing project. We are just trying to determine where the needed funding can be obtained.

Animal Control:

- ❖ 5 Animals impounded (*dogs*)
- ❖ 4 animals returned to owners
- ❖ 1 dog bite
- ❖ 7 puppies sent to Alaska Dog/puppy rescue
- ❖ 1 dog surrendered to shelter
- ❖ 3 citations issued
- ❖ 10 Rabies/parvo shots given

DMV:

- ❖ 46 Registrations/Titles
- ❖ 65 Driver's License/IDs
- ❖ 5 CDLs
- ❖ 12 Road tests
- ❖ 13 Written tests

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MEMORANDUM

Date: 1-23-2018
To: Tod Larson / City Manager
From: Jean Barrett / Public Works / Port Director
Subject: January monthly report

January is almost over and the weather is finally feeling like winter, as the thermometer dips below freezing since maybe this time last year it makes perfect sense to start a project outside.... say maybe digging in and connecting the new "park well". Despite the warmer than average temperatures we have burned up a lot of overtime, especially in the streets department, this is due to all of the ice and rain that we have had and the need to keep things scrapped and sanded.

Port

What is happening on the Port of Dillingham front,

- Supplies have been ordered for the upcoming season such as stickers, invoices, tide tables and marker buoy's.
- I have been giving thought to how to keep our float arm floats intact for another year and have found one product that can be sprayed on like a gelcoat and hopefully we can get the job done before the middle of May. There is a vendor that works out of the PAF boatyard so it might work out in our favor.
- I found out that I will be needing a new Assistant at the harbor this summer as my longtime help Virginia Bobbitt has decided to venture off in other directions, this will be a tough replacement as she had been with me for 9 years.
- The wheels have been set in motion on pricing out a new ice machine. I am hoping that we can make this happen as the old machine is becoming a money pit. I have contacted a dealer who assembles them from North Star parts, more on this next month.

Public Works

Things are business as usual at the shop, roads are graded and sanded, snow is moved or piled up, buildings are warm, and the water and waste water are both still flowing, projects in the shop are coming along.

We have had some restructuring, some resignations and some new hires, this is all part of the day to day.

- On the 6th of January our go to guy Danny Miller finished up his season with the City and headed off to school. Danny has gained some very good experience working for the city at the landfill, harbor and buildings and grounds. This left a position open which we filled in house with Darrel Tilden who moved over from Water/Waste water.
- The opening that was made when Darrel moved was filled by Robert Blue. Robert brings with him all of the certifications that is required for the position of a Water/ Wastewater operator, he is a welcome addition.
- We are still anticipating filling the fleet mechanic position, even temporarily to help alleviate some of the work that is happening in the shop.
- Just today I was informed of a resignation at the landfill so we will begin advertising this position in house tomorrow and then on the open market next week if we fail to get any response in-house.

The park well and water upgrades have started, nothing like starting dirt work outside on the coldest week of the year.

Premier Electric is onsite and has started work on the upgrades at the water treatment plant and at the three wells, high school, court house and park.

- On the high school well they will be reinstalling the pump, new controls and a sampling station adjacent to the well head and bollards for protection.
- On the court house well they will be installing new controls and a sampling station.
- On the new park well they will be connecting the well to the water main along with controls, pump and bollards.
- At the water treatment plant they will be replacing all the incoming metal water lines with UHMW plastic along with new treatment ports. They will also install electronic controls and monitoring equipment that reads signals from each well. They will install a small antenna on the standpipe tank to make this work.
- Premier Electric's final task is to seal off the hockey rink well and disconnect it permanently from the city water lines. This well has a high amount of arsenic which is unacceptable for use as potable water. We are in talks with D.E.C. to try to isolate this well and keep it on line to use in road construct for wetting down the roads, and also for possible fire suppression use.

Streets department, Buildings and Grounds, the landfill and the shop are all business as usual except for the possible new addition of workers.

That is all from the Public works department.

Jean

Mayor
Alice Ruby

Manager
Tod Larson



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Paul Liedberg

MEMORANDUM

Date: January 17, 2018
To: City Manager
From: Ida Noonkesser
Subject: Staff Report

During the month of November, and December, the Senior Center served 897 congregate meals to 114 individuals, 835 home delivered meals to 63 individuals, gave 524 assisted rides to 45 individuals, and 501 unassisted rides to 49 individuals.

We had six new renters in the months of November and December.

Mary Kapatok, with BBNA's ADRC, gave haircuts to elders this month.

The Senior Center had their yearly Thanksgiving fundraiser. Adults \$15.00 and Kids for \$5.00. We made at approximately \$273.00. Mary Kapatok, Nadia Sifsof, Katelyn Tugatuk, Tony Johnson, Kasten Wallona, and Lawrence Wolf all helped out. Much of what we do would not be possible without wonderful volunteers like them. If it wasn't for their kind assistance it wouldn't have been possible.

In December, students from the school came and sang for the elders. A group from the Baptist church came and sang as well. All the elders were involved in singing the songs. We also had three Russian Orthodox stars come to the Senior Center to sing also. The elders seem to enjoy the activities very much.

Our next Advisory Board meeting will be February 14th, 2018

I. CALL TO ORDER

The regular meeting of the Senior Advisory Committee was held on January 10, 2018 at the Dillingham Senior Center, Dillingham, Alaska. V.I. Braswell, Acting Chair, called the meeting to order at 1:05 p.m.

II. ROLL CALL

Members present: (Quorum is four)

Frank Nicholson
V.I. Braswell
Johanna Bouker
Flossie Andersen
Billy Backford
June Ingram

Members absent: (excused)

None

Guests/Staff in attendance:

Ida Noonkesser, Director
Tod Larson, City Manager
Ingrid Ramos-Ansaknok, Marrulut Eniit Director

Question raised who was going to chair the meeting, the chair had not been elected since Maryanne Dickey resigned.

Flossie Andersen moved to appoint V.I. Braswell as Chair, June Ingram seconded, the floor was open for comments, none received, *Motion Carried unanimously.*

III. APPROVAL OF MINUTES

Flossie moved to approve the Minutes, Ida seconded, *Motion Carried unanimously.*

IV. APPROVAL OF AGENDA

Flossie Andersen moved to approve the Agenda, Johanna Bouker seconded, the floor was open for comments, the committee had wanted to talk about Ida's and Porky's duties, and appoint someone from this committee to the Marrulut Eniit committee, there were no other comments received, *Motion Carried unanimously.*

V. STAFF REPORT

a. Staff Report

Ida explained she was off for two weeks and didn't have time to catch up on her monthly reports.

VI. NEW BUSINESS

a. Marrulut Eniit (Cook)

Ida reported the cook from Marrulut doesn't come over until 9:00 a.m. when everything is done for the day. There are 21 home delivered meals and 13 that goes over to Marrulut. Question raised why doesn't Marrulut do their own cooking, Ingrid reported this is not feasible at this time. The

meals that go out do not include the meals served at the center. Ingrid offered to have someone come over from 8 – 11 a.m., try it for a month to see how it works. This will help free Ida up to do other duties.

b. Marrulut Eniit Committee Member
Johanna Bouker volunteered to sit on this committee.

c. Ida and Porky Duties
It was explained Ida holds two positions in the city and is the only Director who does this, with being the Cook/Director it does not allow her time to plan or do activities for the seniors that used to be provided. Discussion on this ended with Ida to provide a report how the lunch program has changed over the years.
Porky's hours were cut down to 6 which gives him no benefit coverage that he used to have. With the cut in hours, if an elder is at the hospital and not done by 3 p.m. they have no ride home. So, elders will not go to the hospital for their appointment, and they have been asked to try make their appointments during the morning hours. Discussion on this ended with the committee to write a letter to BBAHC asking if they could provide a ride service such as ANMC does in Anchorage that will assist elders keeping their appointments, Marrulut Eniit will write one as well as it affects those members.

VII. OLD BUSINESS

a. Thanksgiving Fundraiser
Ida explained the lunch made \$273 this year which is less than last year. She will plan a garage sale sometime in April, and will ask for donations without clothing.

VIII. PUBLIC COMMENTS

IX. COMMITTEE COMMENTS

The committee welcomed Tod to the city.

X. NEXT MEETING

The next meeting will be February 14th at 1:00 p.m.

XI. ADJOURNMENT

The meeting adjourned at 2: 05 p.m.

Vivian Braswell
Recorder

1. CALL TO ORDER

The Code Review Committee met on Thursday, December 14, 2017, in the City Council Chambers, Dillingham, AK. Council Member Chris Maines chaired the meeting and called the meeting to order at 5:31 p.m.

2. ROLL CALL

Committee Members present:

Chris Maines	Mayor Alice Ruby	Tracy Hightower
Tod Larson	Lori Goodell	

3. APPROVAL OF MINUTES

- a. Minutes of November 16, 2017

MOTION: Alice Ruby moved and Tracy Hightower seconded the motion to approve the minutes of November 16, 2017.

VOTE: The motion passed unanimously by voice vote.

4. APPROVAL OF AGENDA

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

VOTE: The motion passed unanimously by voice vote.

5. UNFINISHED BUSINESS

- a. Code Committee's To Do List

- The list has been updated to show progress made on items listed.

- b. Impose Excise Tax on Cultivation of Marijuana

- This item will stay on the committee's to do list but come off the agenda until the committee feels it is time to start the process of creating code;
- The work done by past committee member Misty Savo can be utilized at that time.

6. NEW BUSINESS

- a. Ordinance 2018-01, Amend the Timeline for Providing Notice to the Council and Amend the Requirement to Break Out Penalties and Interest in the Total

This ordinance addresses two items on the committee to do list, both found in Title 4.15 of the Dillingham Municipal Code. These are minor changes only. The ordinance will be sent to the City Attorney for review.

MOTION: Alice Ruby moved and Tracy Hightower seconded the motion to send Ordinance 2018-01 to the Council after the attorney review.

VOTE: The motion passed unanimously by voice vote.

b. Review Dillingham Liquor License Application

Liquor License reviews were recently added to the Dillingham Code and allow the committee an opportunity to discuss the renewal from the City’s perspective based on standing with the city; financial, public safety and planning departments all submit information to be assessed. This process was put in place to have an understanding of the establishment’s overall status.

MOTION: Alice Ruby moved and Tracy Hightower seconded the motion to recommend renewal of this liquor license to Council.

Discussion:

- The status of Olsen’s package store license was questioned; a renewal application from the state has not been received;
- There was a question regarding the address for the Sea Inn, and the City Planner verified the address;
- Former City Planner made some changes to the addresses as official roads are built addresses are then assigned which are not always the same as the address that has been historically used;
- Liquor license holders need to inform the City of the address they are operating from.

VOTE: The motion passed unanimously by voice vote.

7. PUBLIC COMMENT/COMMITTEE COMMENTS

- Representative Edgmon will make a presentation in the 12.18.2017 Finance & Budget Committee meeting. All are welcome to attend;
- Merry Christmas to everyone;
- The committee chair will address Council in January regarding a possible change in meeting schedule for the Code Review Committee.

8. ADJOURNMENT

The meeting adjourned at 5:51 p.m.



Chris Maines, Chair

ATTEST:



Lori Goodell, City Clerk

Approval Date: 11/11/2018

1. CALL TO ORDER

The Finance and Budget Committee met on Monday, December 18, 2017, in the City Council Chambers, Dillingham, AK. Paul Liedberg chaired the meeting and called the meeting to order at 5:29 p.m.

2. ROLL CALL

Committee Members present:

Mayor Alice Ruby	Andy Anderson	Tod Larson
Navin Bissram	Paul Liedberg	Curt Armstrong

3. APPROVAL OF MINUTES

- a. Minutes of November 20, 2017

MOTION: Andy Anderson moved and Alice Ruby seconded the motion to approve the minutes of November 20, 2017.

VOTE: The motion passed unanimously.

4. APPROVAL OF AGENDA

MOTION: Alice Ruby moved and Andy Anderson seconded the motion to approve the agenda.

VOTE: The motion passed unanimously.

5. SPECIAL GUEST: REPRESENTATIVE BRYCE EDGMON

Representative Edgmon shared a power point presentation regarding the fiscal challenges of the state covering revenue streams, spending, budget cuts and the widening gap.

6. STAFF REPORTS

- a. Finance Tax Billing Notice "90 days overdue"

There has been concern expressed by citizens regarding the late fee notice on property bills received from the City. If due dates are Nov. 1, and Dec. 1 bills should not show as late.

Discussion:

- Due dates are established in code and by Resolution;
- Box on bill showing aging could be removed;
- Due dates on billing system could be updated;
- Staff to explore solutions and report back at next committee meeting.

7. UNFINISHED BUSINESS

a. Review Excise Tax on Tobacco Products

- A meeting was held with local vendors to discuss the excise tax, one vendor attended;
- Minor wording changes were gone over, committee can look over again in January;
- Penalties are in line with sales tax code;
- Changes made since Ordinance was introduced to council will be tracked;
- A letter will go to vendors with proposed code and forms in January;
- Recommend Council adoption in February, with an effective date of April 1.

8. NEW BUSINESS

a. Review Quarterly Financial Report 9/30/17

Quarterly financials were reviewed. The city budget is in line with projections. A workshop before the January council meeting will be scheduled for Council to review.

Discussion;

- Audit report is being reviewed by the Finance Director;
- A draft of the audit should be in the January committee packet;
- A workshop on the Audit will be scheduled prior to the February council meeting and the audit will be presented to Council by the Auditors.

b. Review Dock Fee Schedule

- Billing process is duplicated between dock and finance;
- Dock personnel has had some turnover making the paperwork difficult to keep up with;
- Late invoicing with seasonal work creates unreliable revenue;
- Staff to look into invoices programs that could help alleviate the duplication, and how to best streamline the process.

9. PUBLIC/COMMITTEE COMMENT(S)


Merry Christmas was wished to everyone.

10. ADJOURNMENT

The meeting adjourned at 7:54 p.m.

Minutes were approved at the 1.22.18 meeting. Signature will be obtained when the committee chair returns to town.

Paul Leidberg, Chair

ATTEST:


Lori Goodell, City Clerk

Approved: 1/22/2018

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2017-10 (SUB 1)

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING DILLINGHAM MUNICIPAL CODE TITLE 4 – REVENUE AND FINANCE BY THE ADDITION OF A NEW CHAPTER 4.24 IMPOSING AN EXCISE TAX ON CIGARETTES AND TOBACCO PRODUCTS

WHEREAS, Alaska has some of the nation’s highest rates of smoking and tobacco use; and

WHEREAS, an excise tax on tobacco products benefits public health through decreased tobacco use; and

WHEREAS, an excise tax on tobacco products will generate additional revenues for the city;

NOW, THEREFORE, BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

Section 1. Classification. This is a code ordinance.

Section 2. Amendment to Title 4. That Dillingham Municipal Code Title 4 – Revenue and Finance is hereby amended by the addition of a new Chapter 4.24 – Excise Tax on Cigarettes and Tobacco Products to read as follows:

Chapter 4.24

EXCISE TAX ON CIGARETTES AND TOBACCO PRODUCTS

Sections:

- 4.24.010** Definitions.
- 4.24.020** Tax on cigarettes.
- 4.24.030** Tax on other tobacco products.
- 4.24.040** Intent and purpose of chapter and taxpayer.
- 4.24.050** Exemptions.
- 4.24.060** Registration required to acquire cigarettes and other tobacco products exempt of tax for resale outside the city; eligibility of applicant.
- 4.24.063** Expiration and renewal of registration.
- 4.24.065** Suspension or revocation of registration.
- 4.24.070** License required for dealers in cigarettes or tobacco products; issuance.
- 4.24.080** License fee.
- 4.24.090** Expiration and renewal of licenses.
- 4.24.100** Transfer of license.
- 4.24.110** Refund of tax or license fee.
- 4.24.120** Display of license; surrender of license; suspension or revocation of license.

4.24.125	Tax returns.
4.24.130	Involuntary returns.
4.24.135	Amended tax returns.
4.24.140	Application of payments.
4.24.145	Prohibited acts and penalties.
4.24.150	Civil fraud.
4.24.155	Tax lien.
4.24.160	Interest on unpaid tax.
4.24.165	Taxpayer, licensee, or other person remedies.
4.24.170	Reports by distributors.
4.24.175	Inspection and maintenance of documents and records.
4.24.180	Administrative regulations.
4.24.185	Confidentiality of records.

4.24.010 - Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

“Brought into or acquired” includes all manners, ways, and modes of bringing into or obtaining cigarettes or tobacco products in the city.

“Buyer” means a person who brings into or acquires in the city cigarettes or other tobacco products for his own consumption from any source other than a manufacturer, distributor, ~~direct-buying retailer~~ or retailer.

“Cigarette” means a roll for smoking of any size or shape, made wholly or partly of tobacco, whether the tobacco is flavored, adulterated, or mixed with another ingredient, if the wrapper or cover of the roll is made of paper or a material other than tobacco.

~~“Direct-buying retailer” means a person who is engaged in the sale of the cigarettes or other tobacco products at retail in the city, and who brings or causes them to be brought into the city.~~

“Distributor” means: **(1)** a person who brings cigarettes or other tobacco products or causes them to be brought into the city, and who sells or distributes them to others for resale **or (2) a person who supplies cigarettes to retailers for sale.**

“Inventory count” means the effective date and details of a count by description, including the trade name and brand, purchase price and total quantity on-hand of all cigarettes and other tobacco products. Detail must be subtotaled and distinguished between cigarettes and other tobacco products which are taxable and cigarettes and other tobacco products which were acquired exempt of the city excise tax under this chapter.

“Manufacturer” means a person who makes, fashions, or produces cigarettes, or other tobacco products for sale to distributors, ~~direct-buying-retailers~~, or other persons within the city.

“Other tobacco products” means:

- (a). A cigar;
- (b). A cheroot;
- (c). A stogie;
- (d). A perique;
- (e). Snuff and snuff flour;
- (f). Smoking tobacco, including granulated, plug-cut, crimp-cut, ready-rubbed, and any form of tobacco suitable for smoking in a pipe or cigarette;
- (g). Chewing tobacco, including cavendish, twist, plug, scrap, and tobacco suitable for chewing;
- (h). An article or product made wholly or in part of tobacco or a tobacco substitute or otherwise containing nicotine that is expected or intended for human consumption, but not including a tobacco substitute prescribed by a licensed physician or a product that has been approved by the United States Food and Drug Administration for sale as a tobacco use cessation or harm reduction product or for other medical purposes and which is being marketed and sold solely for that approved purpose;
- (i). Any noncombustible device that provides a vapor of liquid nicotine to the user or relies on vaporization of any liquid or solid nicotine, including devices manufactured as e-cigarettes, e-cigars, e-pipes or under any other product name.

“Person” includes an individual, company, partnership, joint venture, joint agreement, association (mutual or otherwise), corporation, estate, trust, business trust, receiver or trustee, syndicate, or political subdivision of this state, or combination acting as a unit including individuals who are employees or officers of any of the such entities who are under a duty to perform an act concerning which a violation of this chapter could occur. It is the intent of this chapter that such persons be personally liable for unremitted taxes.

“Place of business” means a place where cigarettes or other tobacco products are sold, or where they are brought or kept for the purpose of sale or consumption, including a vessel, vehicle, airplane, or train.

“Purchase” means the acquisition of ownership or possession of cigarettes or other tobacco products from any source.

“Retail” means a sale to a customer or to any person for any purpose other than for resale.

“Retailer” means a person **who brings cigarettes or other tobacco products or causes them to be brought into the city and** who is engaged in the business of selling cigarettes or other tobacco products at retail.

“Sale” includes a sale, barter, exchange, and every other manner of transferring the ownership of personal property.

“Tax” means the cigarette and other tobacco products excise tax assessed pursuant to this chapter.

“Tax return” means the monthly report to be submitted to the department as required by this chapter.

“Vending machine operator” means a person who brings or causes cigarettes or tobacco products to be brought into the city and who owns or operates a vending machine that dispenses cigarettes, whether the vending machine is installed on the person’s own premises or installed elsewhere.

“Wholesale price” means the price paid to direct supplier of tobacco products. ~~established price for which a manufacturer sells a tobacco product to a distributor or other person, after deduction of a discount or other reduction received by the distributor for quantity or cash.~~

4.24.020 Tax on cigarettes.

A. The municipality hereby levies an excise tax of **100** mills on each cigarette brought into the city after **March 31, 2018** ~~December 31, 2017~~. Cigarettes upon which the tax is imposed are not again subject to the tax when acquired by another person.

4.24.030 Tax on other tobacco products.

A. An excise tax of **45** percent of the wholesale price is levied on tobacco products, other than cigarettes, brought into the city. The tax is levied effective April 1, 2018. Tobacco products upon which this tax is imposed are not again subject to this tax when acquired by another person.

4.24.040 Intent and purpose of chapter and taxpayer.

A. It is the intent and purpose of this chapter to collect the tax from the person who:

1. first acquires the cigarettes or other tobacco products within the city;
2. brings or causes cigarettes or other tobacco products to be brought into the city;
3. makes, manufactures, or fabricates cigarettes or other tobacco products in the city; or
3. ships or transports cigarettes or other tobacco products into the city.

B. Notwithstanding anything to the contrary contained in this chapter, the taxpayer shall be those persons described in this section and no others.

4.24.050 Exemptions.

A. Supremacy Clause

The tax imposed under this chapter does not apply to cigarettes and other tobacco products if the United States Constitution or other federal laws prohibit the levying of this tax on such products by the city.

B. Resale Outside the City

Provided all persons otherwise subject to this chapter comply with its requirements, cigarettes and other tobacco products:

1. brought into or acquired in the city;
2. transported outside of the city; and

3. which are for resale outside the city by a merchant with an Alaska State business license carrying an Alaska State tobacco endorsement thereon.

4.24.060 Registration required to acquire cigarettes and other tobacco products exempt of tax for resale outside the city; eligibility of applicant.

A. **Except as otherwise provided herein,** no person may acquire cigarettes or other tobacco products in the city exempt of the tax unless that person has registered with the department in accordance with this chapter. No licensee shall claim any deduction under this chapter unless cigarettes or other tobacco products for which any deduction is claimed have been sold or transferred to a person registered with the department in accordance with this chapter prior to such sale or transfer.

1. Any person whose principal place of business is located outside the City and who acquires cigarettes or other tobacco products in the City for resale outside the City at his or her principal place of business may apply for registration with the department to acquire cigarettes or other tobacco products in the City exempt of the tax provided such person has a valid State of Alaska business license with a tobacco endorsement and relevant line of business code or equivalent thereon.
2. A business having more than one location outside the City shall apply with the department to register each separate location that will or does receive tax-exempt cigarettes and other tobacco products directly from a distributor in the City.

B. Application for registration to acquire cigarettes or other tobacco products in the City exempt of the tax shall be on a form provided by the department, and shall include the following information and such other information as the department may require:

1. The applicant's name and mailing address;
 2. A copy of the applicant's current State of Alaska business license, including a tobacco endorsement and the line of business (LOB) code or equivalent;
 3. The business name and location(s) where cigarettes and other tobacco products will be sold;
 4. The applicant's signature, firmly binding the applicant, to an agreement that, in the event the department revokes the applicant's registration in accordance with Section 4.24.065, the applicant will become ineligible to register under this section for a period of two years, beginning with the date of revocation;
 5. The applicant's signature confirming that the applicant fully understands the relevant compliance requirements of this chapter;
 6. Each signature shall be by a person or agent having such authority to sign and bind the applicant and shall be under penalty of prosecution for unsworn falsification.
- C. All persons registered under this section shall maintain compliance with all relevant State of Alaska laws and administrative requirements related to the registered business, including but not necessarily limited to: business license, tobacco endorsement, and any related required periodic reporting.
- D. All persons applying for registration under this section shall be current with all financial obligations due to the City.
- E. A registration under this section is valid from the date the department approves registration until December 31 that year.
- F. The department may refuse to register an applicant if there is reasonable cause to believe that
1. The applicant has structured its business organization to avoid ineligible status;
 2. The applicant has structured its business to avoid payment of amounts due under this chapter; or
 3. The applicant is responsible for any act or omission by any person which withholds, misstates or provides false or misleading information required by the department.
- G. A person whose registration is revoked becomes ineligible to register under this section for a period of two years, beginning with the date of revocation.
- H. A natural person whose acts result in revocation of registration becomes ineligible to register under this section.
- I. The department shall maintain and publish a current listing of businesses registered under this section for use by a licensee to confirm if a merchant customer is eligible to purchase cigarettes and/or other tobacco products exempt of the tax imposed by this chapter.

4.24.063 - Expiration and renewal of registration.

- A. Registration under section 4.24.060 expires on December 31. A person, upon application to the department, may, on or before December 31, renew registration for one calendar year from the expiration date.

1. If there is a change in ownership of the registered business, registration shall automatically expire.
2. If the person who signed the application ceases to have the authority to bind the registered business, then registration shall automatically expire.
3. If the name of the registered business is changed or the registered business is moved to another location, the registration shall automatically expire. Upon application to the department, registration may be renewed without fee for the new name and/or new location of the business for the balance of the 12-month term of registration.

4.24.065 - Suspension or revocation of registration.

- A. The department may suspend or revoke a person's registration under section 4.24.060 for any violation of this chapter by the officers, directors, owners, members, or employees of the applicant business.
- B. If a person who is ineligible to register under section 4.24.060 becomes an owner, partner, member, officer, director, or manager of a registered business, registration of that business shall be automatically revoked.

4.24.070 License required for dealers in cigarettes or tobacco products; issuance.

A. No person may sell, purchase, possess, or acquire cigarettes or tobacco products in the city as a manufacturer, distributor, ~~direct-buying~~ retailer, vending machine operator, or buyer without a license issued under this chapter.

B. The department, upon application and payment of the fee, shall issue a license to the applicant. A copy of the applicant's active State of Alaska business license with a tobacco endorsement is required and must accompany the application. The application must include the following information:

1. the applicant's name and address;
2. the name under which the cigarette or tobacco products business will be conducted;
3. the applicant's cigarette or tobacco products business categories as a manufacturer, distributor, ~~direct-buying~~ retailer, vending machine operator, or buyer;
4. in the case of vending machine operator, the number of vending machines which will be operated; and
5. other information required on the department's application form.

C. The department may refuse to issue a license if there is reasonable cause to believe that the applicant has willfully withheld information requested to determine the applicant's

eligibility to receive a license, or if there is reasonable cause to believe that information submitted in the application is false or misleading and is not made in good faith.

D. A license required by this chapter is in addition to any other license required by law.

E. A license issued under this chapter shall include:

1. the name and address of the licensee and name of licensed business;
2. the type of business to be conducted;
3. the address at which the business is conducted; and
4. the year for which the license is issued.

4.24.080 License fee.

A. For each license issued under this chapter, and for each renewal, the fee is \$50 per calendar year. This license shall be in addition to the regular business license required under Dillingham Municipal Code (DMC).

4.24.090 Expiration and renewal of licenses.

A. A license issued under this chapter expires on December 31 of each respective year. A licensee, on application to the department accompanied by the renewal fee, may, before the expiration of the license, renew the license for one year from the expiration date of the license. If the licensee moves the business to another location within the city, the licensee shall, upon application to the department, be reissued a license for the new location for the balance of the unexpired term. A person whose license is lost, stolen, or defaced shall immediately file an application with the department for reissuance of the license for the balance of the unexpired term.

4.24.100 Transfer of license.

A. A license issued under this chapter is not assignable or transferable. However, in the case of death, bankruptcy, receivership or incompetency of the licensee, or if the business of the licensee is transferred to another person by operation of law, the department may in its discretion extend the license for a limited time to the executor, administrator, trustee, or receiver, or the transferee of the licensee.

4.24.110 Refund of tax or license fee.

A. The department shall not refund the license fee paid pursuant to this chapter upon the surrender or revocation of a license after the beginning of the license year. Upon application, the department may refund a license fee that is paid or collected in error.

B. If a remittance by a licensee exceeds the amount due, and the department, on audit of the account in question, is satisfied that this is the case, the department shall, upon written request of the licensee, refund the excess to the licensee without interest.

C. Any claim for refund filed more than one year after the due date of the tax is forever barred.

4.24.120 Display of license; surrender of license; suspension or revocation of license.

A. A license issued under this chapter must be prominently displayed at the licensee's place of business.

B. A licensee shall surrender a license within ten days after:

1. a revocation of a license;
2. a cessation of business;
3. change of ownership of; or
4. a change of a place of business.

C. The department may suspend or revoke a license issued under this chapter:

1. for violation of this chapter or a regulation of the city adopted pursuant to this chapter; or
2. if a licensee ceases to act in the capacity for which the license was issued.
3. If the licensee fails to submit their taxes due in a timely manner as required by Code.

D. No person whose license is suspended or revoked shall sell cigarettes or tobacco products or permit cigarettes or tobacco products to be sold during the period of the suspension or revocation on the premises occupied or controlled by that person. No disciplinary proceeding or action is barred or abated by the expiration, transfer, surrender, renewal, or extension of a license issued under this chapter.

4.24.125 Tax returns.

A. On or before the last day of each calendar month a licensee shall submit to the department a tax return, upon forms provided by the department, for each license, and submit payment for the taxes due.

1. The return shall be signed under penalty of perjury by the licensee or his agent and must include:
 - (a) the name and address of the licensee;
 - (b) the name and address of the person filing the return, if different from the licensee;
 - (c) the number of the license issued under this chapter;
 - (d) the name under which the cigarette or tobacco business is being conducted;

- (e) the number of cigarettes manufactured, brought into or acquired in the city during the preceding month from any source whatsoever;
- (f) the wholesale price of all tobacco products brought into or acquired in the city during the preceding month from any source whatsoever;
- (g) the names of persons from whom cigarettes and other tobacco products were brought into or acquired in the city during the preceding month from any source whatsoever;
- (h) the number of cigarettes brought into or acquired in the city from each person named in subparagraph g of this section;
- (i) deductions claimed for the number of cigarettes and the wholesale price of other tobacco products for which exemptions are claimed under this chapter;
- (j) deductions claimed for the number of cigarettes and the wholesale price of other tobacco products, specified in the return in response to subparagraphs e and f of this section, for which the tax has been paid previously by another person;
- (k) the amount of tax due on the nonexempt cigarettes manufactured, brought into or acquired in the city during the preceding month; and the amount of tax due based on the wholesale price of nonexempt other tobacco products manufactured, brought into or acquired in the city during the preceding month; and
- (l) other information and supporting documentation which may be required by the department with the return.

B. Each licensee shall report the cigarette and other tobacco product sales for which an exemption is claimed as a deduction on its monthly tax return to the department and shall provide a copy of an invoice or other document satisfactory to the department supporting each sale of exempt product.

C. A tax return must be filed even if there were no cigarettes or tobacco products manufactured, brought into or acquired in the city during the preceding month.

D. The taxes imposed under this chapter and the return required by this section must be received by the department or postmarked on or before the last day of each calendar month following the month covered by the return.

4.24.130 Involuntary returns.

A. If a licensee fails to file a return as required by this chapter, or when the department finds that a return is not supported by the records to be maintained pursuant to this chapter, the department may prepare and file a return on behalf of the licensee. Involuntary returns filed under this section may be premised upon any information that is available to the department, including, among other things, comparative data for similar businesses. A licensee for whom an involuntary return is filed under this section shall be subject to liability for the tax stated in the return, as well as subject to the penalties and interest provided for in this chapter. A return prepared by the department is, prima facie, good and sufficient for all legal purposes. However, nothing prevents the licensee from presenting evidence on an appeal to rebut the presumed sufficiency of a return prepared by the department, nor does

the presumption of sufficiency alter the parties' respective burdens of proof once the licensee has presented evidence to rebut that presumption.

4.24.135 Amended tax returns.

A. Any tax return filed hereunder may be amended by the licensee within one year after the due date of the tax return being amended. No amendment by the licensee shall be allowed after this one-year period.

B. Any tax return prepared and filed by the department on behalf of the licensee may be amended by the licensee within one year of the date filed by the department. No amendment by the licensee shall be allowed after this one-year period.

4.24.140 Application of payments.

A. Any payment submitted to the department for any taxes, penalties, interest, or cost due under any provision of this chapter or any return or any finding or determination by the department under this chapter shall be credited to the monthly tax period for which remitted, first to the payment of costs and then to penalties, interest, and taxes in that order.

4.24.145 Prohibited acts and penalties.

No person may:

1. import cigarettes or other tobacco products into the city;
2. sell, transfer or acquire cigarettes or other tobacco products in the city; or
3. participate in the importation into the city or in the sale, transfer, or acquisition within the city of cigarettes or other tobacco products in violation of or without complying with the provisions of this chapter.

B. If a person fails to pay the full amount of the tax due and/or file a tax return or report required under this chapter by the due date, a penalty of 10% of the taxes due shall be assessed.

1. The penalty shall be computed on the unpaid balance of the tax liability as determined by the department.
2. The penalties provided for in this section shall be in addition to all other penalties and interest provided for under this chapter.

C. If a properly filed amended return reduces the total tax liability or the tax required to be paid, or the department reduces the tax liability, the related penalty will be reduced accordingly.

D. All penalties and remedies enumerated in this chapter are cumulative.

4.24.155 Tax lien.

A. If any person who is liable to pay a tax or license fee under this chapter neglects or refuses to pay the tax or licensee fee after demand, the amount, including interest, additional amounts, or assessable penalty together with costs, is a lien in favor of the city upon all property and rights to property, real or personal, belonging to that person.

B. The lien imposed by this section arises upon delinquency and continues until the amount is paid or a judgment against the person arising out of the liability is satisfied.

C. A lien arising out of a tax due under this chapter, including the penalties and interest on the tax, is, subject to A.S. [29.45.300](#), a lien prior, paramount, and superior to all other liens, mortgages, hypothecation, conveyances, and assignments, upon all real and personal property of the person liable for the tax and upon all the real and personal property used with the permission of the owner to carry on the business which is subject to the tax.

D. The lien on personal and real property may be enforced as provided in A.S. [29.45.300](#) – [29.45.480](#) for enforcement of real and person property tax liens.

4.24.160 Interest on unpaid tax.

A. In addition to any penalties imposed by this chapter, interest at the rate of 6 percent per annum shall be charged on the unpaid balance of delinquent taxes.

4.24.165 Taxpayer, licensee, or other person remedies. ~~Administrative Hearings—Taxpayer, licensee, cardholder or other person remedies.~~

A. Any person aggrieved by any action of the department in issuing, suspending, revoking, or refusing to issue any license or registration for exemption under this chapter or in fixing the amount of taxes, penalties, interest, or costs under this chapter should provide written protest notice to the department. The city will rule on each protest within 30 days of receipt of the notice by the city.

4.24.170 Reports by distributors.

A. No later than the end of each calendar month, a distributor shall submit a report to the city stating:

1. a list of the tobacco products, the quantity and their wholesale price and the number of cigarettes which were brought into the city from the distributor during the preceding month;
2. the name and addresses of those persons bringing cigarettes and tobacco products into the city from the distributor during the preceding month; and
3. a list of the quantity of tobacco products, the wholesale price, and the number of cigarettes brought from the distributor into the city by each person named in paragraph 2 of this section.

4.24.175 Inspection and maintenance of documents and records.

A. Every person subject to this chapter shall keep a complete and accurate record of all cigarettes and other tobacco products manufactured, purchased, sold, brought into, transported outside of, or acquired in the city by such person.

1. Except in the case of a manufacturer, the records shall include a statement containing the name and address of the person from whom cigarettes or other tobacco products were purchased or acquired, the date of delivery, the quantity of cigarettes and other tobacco products, the trade name and brand, and the price paid for other tobacco products purchased.

2. Each invoice or other documentation of the sale of cigarettes or other tobacco products within the city shall state whether the tax imposed under this chapter has been paid.

3. Persons subject to this chapter shall keep such other documents and records as the department prescribes.

4. All documents and records required by this section shall be preserved by persons subject to this chapter for three years. All records and documents required by this chapter to be kept or retained are subject to inspection within the city upon demand by the department.

B. A licensee transferring or selling cigarettes or other tobacco products to a Section 4.24.060 registrant must keep a record of cigarettes and other tobacco products transferred or sold to such person.

C. The finance director may, during business hours, enter the business premises of a licensee where cigarettes or other tobacco products are kept or stored, so far as it may be necessary for the purpose of examining such products and the related business records.

4.24.180 Administrative regulations.

A. The finance director, or designee, may adopt regulations providing for the application and interpretation of this chapter and providing methods and forms for reporting and collecting the tax imposed by this chapter.

4.24.185 Confidentiality of records.

A. All tax returns, documents, records, and/or reports filed with the city pursuant to the provisions of this chapter and all data obtained from such tax returns, documents, records, and/or reports are confidential and may not be released for inspection by any person except the finance department; provided, however, that such data may be released upon court order.

B. It is the duty of the finance director to safely keep tax returns, documents, records, and/or reports and all data taken thereof secure from public and private inspection except as provided by this chapter.

C. This section does not prohibit the city from compiling and publishing statistical evidence concerning the data submitted; provided, that no identification of particular tax returns, documents, records, and/or reports is made. Nothing in this section shall be deemed to prohibit the finance director from examining the tax returns, documents, records, and/or reports; provided, that no information obtained from specific or identifiable tax returns shall be made available to persons other than those authorized to review them under subsection A of this section.

Section 3. Amendment to Section 1.20.040. That Dillingham Municipal Code Section 1.20.040 - Minor offense fine schedule is amended to by the addition of new language to read as follows:

Code Section	Offense	Penalty/Fine
4.24.	Failure to register as a dealer in tobacco products.	\$300 first offense \$500 second offense
4.24.	Failure to file tobacco excise tax return.	\$300 first offense \$500 second offense
4.24.	Falsifying tobacco excise tax records.	\$300 first offense \$500 second offense
4.24.	Failure to allow inspection of records.	\$300 first offense \$500 second offense

Section 4. Effective Date. This ordinance is effective upon passage.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on _____.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Lori Goodell, City Clerk