



City Manager/General Manager | 334 Front Street, Ketchikan AK 99901 | (907)228-5603

9d

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Delilah A. Walsh, City Manager

Initials:

DATE: May 17, 2024

File #: MGR24-338

RE: **2024 Sales Tax Report № 4**

Attached for City Council review is a memorandum from Finance Director Michelle Johansen regarding 2024 sales tax collections. Should Councilmembers have questions and/or concerns regarding the Finance Director's report, staff will attempt to respond accordingly.

**MEMORANDUM**  
**CITY OF KETCHIKAN, ALASKA**  
**Finance Department**  
Office of the Finance Director

Michelle L. Johansen, Finance Director  
Meghan Traudt, Financial Analyst  
Phone: (907) 228-5621  
Facsimile: (907) 228-5617

TO: Delilah A. Walsh, City Manager/KPU General Manager

FROM: Michelle L. Johansen, Finance Director

DATE: May 9, 2024

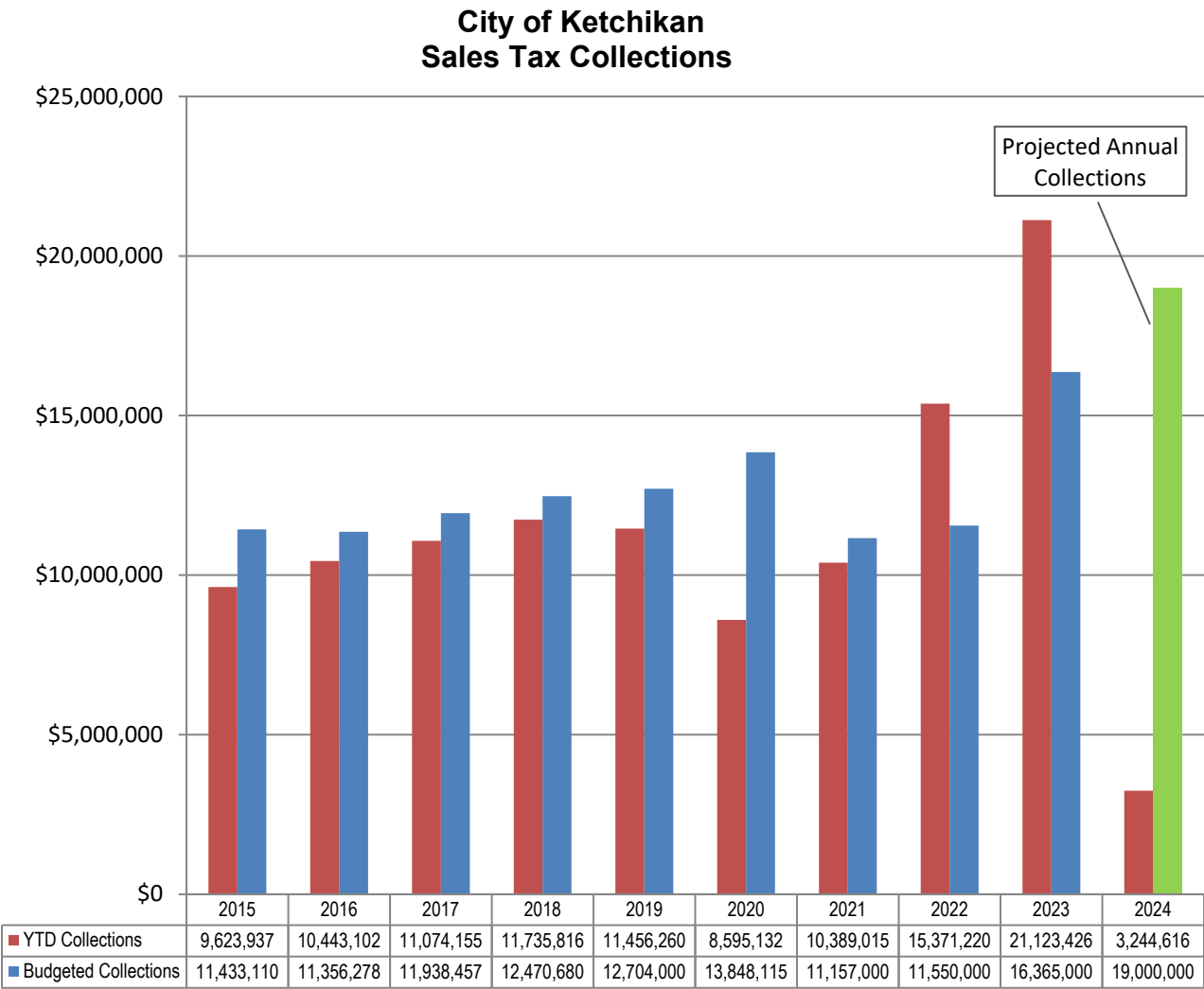
**SUBJECT: 2024 Sales Tax Report No. 4**

With the adoption of the 2024 General Government Operating and Capital Budget, the City projected that it would collect \$19,000,000 in sales tax revenue during 2024. The table below was prepared for the purpose of reporting the actual results for 2024 and comparing them with the budgetary projections for 2024 and the actual results from 2023.

	Year-To-Date			2024 Budget/ 2024 Actual Increase (Decrease)	2024 Actual/ 2023 Actual Increase (Decrease)	2024/2023 Percentage Increase (Decrease)
	Budget 2024	Actual 2024	Actual 2023			
<b>4th Quarter:</b>						
<b>Due Jan 2024</b>						
January Collections	\$1,500,000	\$1,433,363	\$2,023,489	(\$66,637)	(\$590,126)	-29.16%
February Collections	525,000	494,875	690,929	(30,125)	(196,054)	-28.38%
March Collections	150,000	155,434	211,748	5,434	(56,314)	-26.59%
<b>4th Quarter Totals</b>	<b>2,175,000</b>	<b>2,083,672</b>	<b>2,926,166</b>	<b>(91,328)</b>	<b>(842,494)</b>	<b>-28.79%</b>
<b>1st Quarter:</b>						
<b>Due April 2024</b>						
April Collections	1,050,000	1,160,944	1,442,831	110,944	(281,887)	-19.54%
May Collections						
June Collections						
<b>1st Quarter Totals</b>	<b>1,050,000</b>	<b>1,160,944</b>	<b>1,442,831</b>	<b>110,944</b>	<b>(281,887)</b>	<b>-19.54%</b>
<b>2nd Quarter:</b>						
<b>Due July 2024</b>						
July Collections						
August Collections						
September Collections						
<b>2nd Quarter Totals</b>						
<b>3rd Quarter:</b>						
<b>Due October 2024</b>						
October Collections						
November Collections						
December Collections						
<b>3rd Quarter Totals</b>						
<b>Totals</b>	<b>\$3,225,000</b>	<b>\$3,244,616</b>	<b>\$4,368,997</b>	<b>\$19,616</b>	<b>(\$1,124,381)</b>	<b>-25.74%</b>

For the month of April 2024, the City collected \$1,160,944. Collections to date are \$19,616 more than projected for 2024. The City collected \$281,887 less than the April collections in 2023. The year-to-date collections are less than the 2023 year-to-date collections by \$1,124,381 or 25.74%.

The first full year of the seasonal sales tax is 2024. The off-season sales tax rate is 3.0% October through March and the in-season sales tax rate is 5.5% April through September. It is reasonable to see lower revenues January through June when comparing 2024 to 2023 due to the off-season sales tax rate being 3.0% in 2024 compared to 4.0% in 2023. The City expects to see an increase in collections starting in July, when the second quarter sales tax is due.



The sales tax revenues are deposited into the General Fund, Hospital Sales Tax Fund and the Public Works Sales Tax Fund. Below is a schedule of the year to date revenues deposited into each fund.

<b>Sales Tax Funds</b>	<b>2024 Budget</b>	<b>Year To Date Collections</b>
General Fund	8,840,000	600,352
Hospital Sales Tax Fund	4,060,000	1,057,705
Public Works Sales Tax Fund	6,100,000	1,586,559
Total	<u>\$ 19,000,000</u>	<u>\$ 3,244,616</u>