



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: January 26, 2021

RE: **2020 Sales Tax Report No. 9 - Final**

Attached for City Council review is a memorandum from Finance Director Michelle Johansen regarding 2020 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

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TO: Karl R. Amylon, City Manager/KPU General Manager

FROM: Michelle Johansen, Finance Director

DATE: January 25, 2021

SUBJECT: 2020 Sales Tax Report No. 9 - Final

With the adoption of the 2020 General Government Operating and Capital Budget, the City projected that it would collect \$13,848,115 in sales tax revenue during 2020. The table below was prepared for the purpose of reporting the actual results for 2020 and comparing them with the budgetary projections for 2020 and the actual results from 2019.

	Year-To-Date			2020 Budget/ 2020 Actual Increase (Decrease)	2020 Actual/ 2019 Actual Increase (Decrease)
	Budget 2020	Actual 2020	Actual 2019		
4th Quarter:					
Due Jan 2020					
January Collections	\$ 1,635,645	\$ 1,515,979	\$ 1,677,522	\$ (119,666)	\$ (161,543)
February Collections	306,940	402,892	215,418	95,952	187,474
March Collections	99,910	88,805	115,688	(11,105)	(26,883)
4th Quarter Totals	<u>2,042,495</u>	<u>2,007,676</u>	<u>2,008,628</u>	<u>(34,819)</u>	<u>(952)</u>
1st Quarter:					
Due April 2020					
April Collections	1,501,740	964,732	1,510,019	(537,008)	(545,287)
May Collections	297,670	800,538	207,274	502,868	593,264
June Collections	152,440	120,538	200,599	(31,902)	(80,061)
1st Quarter Totals	<u>1,951,850</u>	<u>1,885,808</u>	<u>1,917,892</u>	<u>(66,042)</u>	<u>(32,084)</u>
2nd Quarter:					
Due July 2020					
July Collections	3,309,150	1,154,820	3,030,502	(2,154,330)	(1,875,682)
August Collections	850,730	839,291	826,412	(11,439)	12,879
September Collections	294,740	157,462	294,450	(137,278)	(136,988)
2nd Quarter Totals	<u>4,454,620</u>	<u>2,151,573</u>	<u>4,151,364</u>	<u>(2,303,047)</u>	<u>(1,999,791)</u>
3rd Quarter:					
Due October 2020					
October Collections	4,562,930	1,716,011	3,378,376	(2,846,919)	(1,662,365)
November Collections	705,600	595,174	1,228,128	(110,426)	(632,954)
December Collections	130,620	238,890	134,752	108,270	104,138
3rd Quarter Totals	<u>5,399,150</u>	<u>2,550,075</u>	<u>4,741,256</u>	<u>(2,849,075)</u>	<u>(2,191,181)</u>
Totals	<u>\$ 13,848,115</u>	<u>\$ 8,595,132</u>	<u>\$12,819,140</u>	<u>\$ (5,252,983)</u>	<u>\$ (4,224,008)</u>

For the month of December 2020, the City collected \$238,890. Collections to date are \$5,252,983 less than projected for 2020. The City has collected \$4,224,008 less than amount collected for the same period in 2019.

As expected, the COVID-19 pandemic significantly impacted the City sales tax collections due to the cancellation of the 2020 cruise ship season and the shutting down of the local economy in April and May. The City's projections to date have been based on 30% - 34% reduction but we are currently showing a reduction of 38% for the year. The City's 2020 projection for sales tax revenues was revised in September of 2020 from \$8.78 million to \$8.55 million. Based on actual collections through December, the City is currently slightly above its revised projection by \$40,000.

City of Ketchikan Sales Tax Collections

