



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: March 22, 2021

RE: **2021 Sales Tax Reports No. 1 and No. 2**

Attached for City Council review are memoranda from Finance Director Michelle Johansen regarding 2021 sales tax collections. Should Councilmembers have questions and/or concerns regarding the Finance Director's reports, staff will attempt to respond accordingly.

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

Michelle Johansen, Finance Director
Camille Nelson, Financial Analyst
Phone: (907) 228-5621
Facsimile: (907) 228-5617

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

FROM: Michelle Johansen, Finance Director

DATE: March 20, 2021

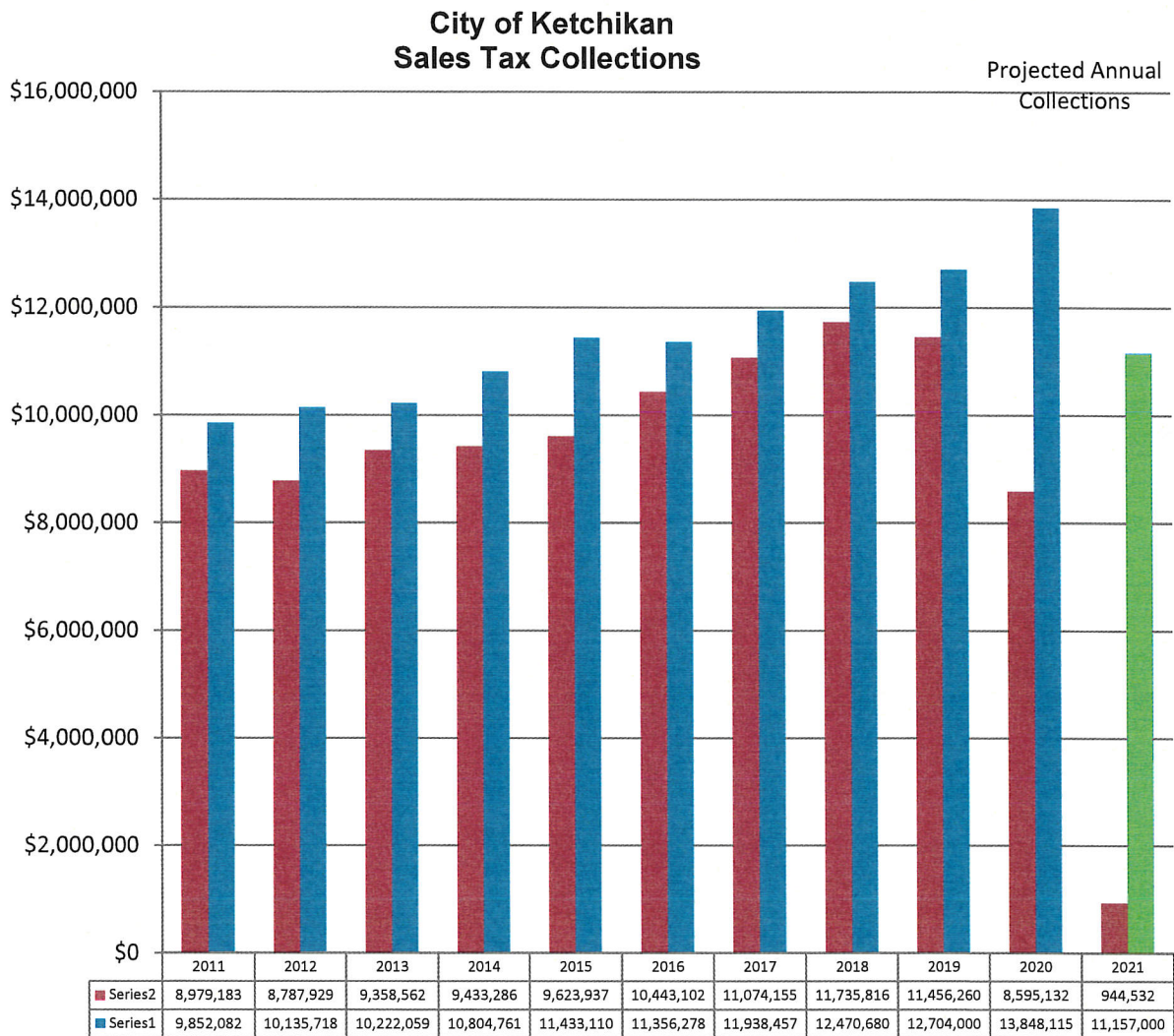
SUBJECT: 2021 Sales Tax Report No. 1

With the adoption of the 2021 General Government Operating and Capital Budget, the City projected that it would collect \$11,157,000 in sales tax revenue during 2021. The table below was prepared for the purpose of reporting the actual results for 2021 and comparing them with the budgetary projections for 2021 and the actual results from 2020.

	Year-To-Date			2021 Budget/ 2021 Actual Increase (Decrease)	2021 Actual/ 2020 Actual Increase (Decrease)	2021/2020 Percentage Increase (Decrease)
	Budget 2021	Actual 2021	Actual 2020			
4th Quarter:						
Due Jan 2021						
January Collections	\$1,500,000	\$944,532	\$1,515,979	(\$555,468)	(\$571,447)	-37.69%
February Collections	0	0	0	0	0	0.00%
March Collections	0	0	0	0	0	0.00%
4th Quarter Totals	1,500,000	944,532	1,515,979	(\$555,468)	(\$571,447)	(37.69%)
1st Quarter:						
Due April 2021						
April Collections	0	0	0	0	0	0.00%
May Collections	0	0	0	0	0	0.00%
June Collections	0	0	0	0	0	0.00%
1st Quarter Totals	0	0	0	0	0	0.00%
2nd Quarter:						
Due July 2021						
July Collections	0	0	0	0	0	0.00%
August Collections	0	0	0	0	0	0.00%
September Collections	0	0	0	0	0	0.00%
2nd Quarter Totals	0	0	0	0	0	0.00%
3rd Quarter:						
Due October 2021						
October Collections	0	0	0	0	0	0.00%
November Collections	0	0	0	0	0	0.00%
December Collections	0	0	0	0	0	0.00%
3rd Quarter Totals	0	0	0	0	0	0.00%
Totals	\$1,500,000	\$944,532	\$1,515,979	(\$555,468)	(\$571,447)	(37.69%)

For the month of January 2021, the City collected \$944,532. Collections to date are \$555,468 less than projected for 2021. The City also collected \$571,447 less than collections in January 2020. See note 1 for an additional explanation related to the variance.

The table below summarizes a ten-year history of City sales tax collections. Please note that the increase in 2014 was due to the City raising its sales tax rate from 3.5% to 4%. Had the City not raised its sale tax rate, sales tax collections for 2014 would have been about \$340,000 less than 2013.



¹ The Ketchikan Gateway Borough remits payments to the City based on the month received. The deadline for remitting payments to the Borough for October-December 2020 is usually January 31. This deadline was extended to February 1 since January 31, 2021 fell on a weekend. The extension of the due date caused a significant variance that is seen in the February report.

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

Michelle Johansen, Finance Director
Camille Nelson, Financial Analyst
Phone: (907) 228-5621
Facsimile: (907) 228-5617

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

FROM: Michelle Johansen, Finance Director

DATE: March 20, 2021

SUBJECT: 2021 Sales Tax Report No. 2

With the adoption of the 2021 General Government Operating and Capital Budget, the City projected that it would collect \$11,157,000 in sales tax revenue during 2021. The table below was prepared for the purpose of reporting the actual results for 2021 and comparing them with the budgetary projections for 2021 and the actual results from 2020.

	Year-To-Date			2021 Budget/ 2021 Actual	2021 Actual/ 2020 Actual	2021/2020 Percentage
	Budget 2021	Actual 2021	Actual 2020	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
4th Quarter:						
Due Jan 2021						
January Collections	\$1,500,000	\$944,532	\$1,515,979	(\$555,468)	(\$571,447)	-37.69%
February Collections	300,000	947,767	402,892	647,767	544,875	(135%)
March Collections	0	0	0	0	0	0.00%
4th Quarter Totals	1,800,000	1,892,299	1,918,871	92,299	(26,572)	(1.38%)
1st Quarter:						
Due April 2021						
April Collections	0	0	0	0	0	0.00%
May Collections	0	0	0	0	0	0.00%
June Collections	0	0	0	0	0	0.00%
1st Quarter Totals	0	0	0	0	0	0.00%
2nd Quarter:						
Due July 2021						
July Collections	0	0	0	0	0	0.00%
August Collections	0	0	0	0	0	0.00%
September Collections	0	0	0	0	0	0.00%
2nd Quarter Totals	0	0	0	0	0	0.00%
3rd Quarter:						
Due October 2021						
October Collections	0	0	0	0	0	0.00%
November Collections	0	0	0	0	0	0.00%
December Collections	0	0	0	0	0	0.00%
3rd Quarter Totals	0	0	0	0	0	0.00%
Totals	\$1,800,000	\$1,892,299	\$1,918,871	\$92,299	(\$26,572)	(1.38%)

For the month of February 2021, the City collected \$947,767. Collections to date are \$92,299 more than projected for 2021. The City also collected \$544,875 more than collections in February 2020. The year-to-date collections are slightly lower than year-to-date 2020 collections by \$26,572 or 1.38%.

The table below summarizes a ten-year history of City sales tax collections. Please note that the increase in 2014 was due to the City raising its sales tax rate from 3.5% to 4%. Had the City not raised its sale tax rate, sales tax collections for 2014 would have been about \$340,000 less than 2013.

