



**ARSSTC Board Meeting  
May 12, 2021 1:00 pm – 2:00 pm, Virtual**

Board Present:

- Scott Bloom, City of Kenai
- Melissa Haley, City of Sitka
- Jeff Rogers, City and Borough of Juneau
- Troy Tankersley, City of Wasilla
- Mike Tvenge, City of Kodiak
- Stephanie Queen, City of Soldotna
- Brandi Harbaugh, KPB

Others in Attendance:

- Nils Andreasson, AML Executive Director
- Kara Johnson, AMSTP Sales Tax Administrator
- Clinton Singletary, AMSTP Sales Tax Director

1. Call to order
  - a. Meeting started at 1:02pm.
2. Approval of the Agenda
  - a. no objection to agenda.
3. Approval of the Minutes
  - a. 2/24/21 Board meeting minutes approved, no objection.
4. New Business
  - a. FY22 ARSSTC proposal/discussion

Finance Committee recommended a conservative approach with reduced expenses and a focus on building the fund balance. This includes delaying staffing increases and software implementations. There is concern that with aggressive projections, the fund balance could become negative. The Board can pass a conservative budget now and make an amendment later in the year if needed.

Discussion around excluding from budget discussion the MUNIREvs software proposal. Agreement to discuss/ approve budget separate from software proposal.

Concern about ARSSTC staff supporting other AML Shared Services programs. If ARSSTC staff are at capacity, how can they also contribute to new programs.



Jeff had concern about alcohol tax revenues, is it worth it for the staff effort? Overall, program is growing and projecting revenue increases over year.

Mike comments: prefers Alt2.

Stephanie comments: appreciate budget alternatives, should budget conservatively, issue of staff expanding to support other programs is important. Preference that AML think hard about that, protect resources for ARSSTC. Commission was set up to do things that communities couldn't do themselves.

Troy comments: similar thoughts as Stephanie. Not excited about increasing fees to members. Think Fund Balance Policy is important, should adhere to it. Prefer Alt2. Little apprehensive about staffing. How much time in outreach efforts for shared services?

Scott comments: believe will reach \$10 mil threshold. Would prefer to amend budget at a later date if need arises. Support Alt2.

Brandi comments: echo Stephanie's comments. Annual performance review later in year. Don't want to increase rate. Prefer Alt2 and hold off on expenditures. Audit should provide insight that Commission resources are used for remote sales instead of brick and mortar program.

Jeff comments: CBJ forecasted 20% growth over FY21 for remote sales. Possible to see impact of people returning to shop at brick and mortar, but might not be that significant. Believes remote sales will continue to go up considerably year to year. Would be shocked if we don't easily exceed \$10 million in FY22. Staff focusing on some very large service sellers. Don't want to increase Commission fee. Think the Fund Balance Policy is important and want to stick to it. Need to have clear understanding of when staff start working on non-Commission projects. Prefer Alt2.

Nils comments: hearing that Board wants greater clarity over staffing duties for Commission and Shared Services. AML can provide that. Outreach has been beneficial to Commission.

Stefanie Queen motion to adopt FY22 Budget Alternative #2. Seconded by Scott Bloom. No objections.

b. MUNIRevs software proposal for members

Clinton: Primarily targeting MLM companies. Looking for green light to roll proposal out to members. Keep it limited to MLM companies. We have about 20 MLM registered, as get more, could let them know about this option.

Board questions: If the local agent is reporting sales tax, what is the benefit of this approach? Companies sell to others outside of agent-facilitated sales. \$13,500 is a lot of money, is it worth it? Will the Commission ever be able to recoup those funds? Is it possible to restructure proposal with no upfront costs? Benefit to the businesses, not necessary to put in front of members. Let Policy Committee or Board make the decision.



Jurisdictions only delegated authority for remote sales tax. Commission resources should only be used for remote sales. Question legal authority. Don't want to create a situation which could create confusion for sellers. Think the proposal will create confusion if not all jurisdictions agree. Maybe worth to pursue in the future after more information. Refer issue to Policy Committee for further review and more detailed proposal.

- c. Update on member progress re: adopting Uniform Code updates  
All jurisdictions are working towards adoption with resolutions and ordinances drafted. 21 adopted by reference, 15 adopted Uniform Code in full. Seven members have not responded to survey. Three will miss the 6/24/21 cutoff by a couple of weeks, but they are working on it and don't expect any issues. Several cities are tackling the services sourcing issue in their local codes.

5. Comments

Stephanie – exciting to see the trends, appreciate the reports and progress in registering sellers.

Jeff – appreciate the reporting. Remittances are clear. Frustrating that the revenues are reported as the month collected by the Commission rather than the month collected by the seller.

Brandi – thank you to Clinton, staff communicates well with her staff.

6. Adjournment 2:16pm

Respectfully submitted, Clinton Singletary, AMSTP Sales Tax Director

<b>Approved:</b>	
<b>Melissa Haley, ARSSTC Board Secretary</b>	<b>Date</b>