



One Sealaska Plaza, Ste. 302, Juneau, AK 99801

P: (907)790-5300, F: (907)463-5480 www.arsstc.org

Alaska Remote Seller Sales Tax Commission
Board of Directors Meeting
August 18, 2023 10:00 am – 10:30 am
Virtual via Zoom

Board of Director Attendees:

- Libby Bakalar
- Scott Bloom
- Janette Bower
- Melissa Haley
- Brandi Harbaugh
- Ruth Kostik
- Joan Miller

1. Call to order
2. Approval of the Agenda
3. Public participation on Non-Agenda Items
4. Official Business
 - a. Board of Directors seat update – Bethel
 - b. FY23 Refund to member jurisdictions
5. Comments
6. Adjournment



To: ARSSTC Board

From: Clinton Singletary, Statewide Municipal Sales Tax Director

Date: August 18, 2023

Re: Board of Directors seat update

City of Bethel Seat

At the July 19th Board meeting, I provided an update on the status of the City of Bethel's seat on the ARSSTC Board of Directors.

Shortly after that meeting, I was notified by the City of Bethel that their seat would be temporarily filled by their City Attorney, Libby Bakalar.

This seat will be up for nominations during the 2023 ARSSTC Annual Meeting in December.



To: ARSSTC Board of Directors

From: Joan Miller, ARSSTC Treasurer / Finance Chair

Date: August 18, 2023

Re: FY23 Excess Fund Balance Remediation

The ARSSTC Finance Committee met on August 3, 2023 to review the Commission's FY23 Financials, specifically the anticipated excess fund balance.

As you'll recall, when the FY24 budget was approved by the Board of Directors, it was expected that the FY23 Fund Balance was going to end up significantly higher than allowed under the ARSSTC Fund Balance Policy. To head off this excess fund balance, a Litigation Fund was established assigning \$100,000 of the fund balance. As FY23 has progressed, the excess fund balance is looking to be more substantial and will require additional action to bring the fund balance within the required levels.

Here's the primary causes of the excess fund balance for FY23:

1. Total revenues are \$360,000 over budget.
2. Personnel and operating expenses total \$90,000 under budget.

To alleviate the excess FY23 Fund Balance, the Finance Committee recommends the Board approve a refund to ARSSTC member jurisdictions totaling \$340,000. This refund would be calculated based on each member jurisdiction's percentage share of the total revenues collected by the Commission during FY23. See the included spreadsheet for the jurisdiction level detail of the refund.

A refund of \$340,000 would bring the unassigned fund balance down to approximately \$117,000, which is essentially in line with the fund balance policy (within a few hundred dollars).

The refunds can be issued to member jurisdictions via ACH by August 25th if the Board approves of the Finance Committee's recommendation.

Alaska Remote Sellers Sales Commission Budget vs. Actuals: ARSSTC FY '23 - FY23 P&L

July 2022 - June 2023

	Actual / Preliminary	Total Budget	over Budget
Income			
4000 Commission Fee Income	528,017.52	404,043.75	123,973.77
4005 Net Sales Tax collected from MUNIREvs	23,004,960.93	17,553,456.25	5,451,504.68
4005A GASB Contra Net Sales Tax Collected	-22,986,862.13	-17,553,456.25	-5,433,405.88
Total 4005 Net Sales Tax collected from MUNIREvs	\$ 18,098.80	\$ 0.00	\$ 18,098.80
4100 Late Fees	92,300.00	35,000.00	57,300.00
4200 Reprocessing Fees	1,950.00	1,500.00	450.00
4300 Credit Card Fees	1,660.25	1,000.00	660.25
4400 Other Income	166,138.14	5,000.00	161,138.14
Total Income	\$ 808,164.71	\$ 446,543.75	\$ 361,620.96
Gross Profit	\$ 808,164.71	\$ 446,543.75	\$ 361,620.96
Expenses			
5000 AML Operating Exp			0.00
5001 Munirevs Enhancement Invoices	0.00	25,000.00	-25,000.00
5002 Governance/Travel	4,981.29	5,000.00	-18.71
5003 Legal	27,072.50	20,000.00	7,072.50
5004 Personnel Exp	0.00		0.00
5004A Salaries	278,023.49	400,000.00	-121,976.51
5004B Payroll Taxes	24,267.13		24,267.13
5004C Health Insurance	55,022.22		55,022.22
5004D Nationwide Retirement	11,621.50		11,621.50
Total 5004 Personnel Exp	\$ 368,934.34	\$ 400,000.00	-\$ 31,065.66
5005 Insurance			0.00
5005B Cyber	4,990.20	3,500.00	1,490.20
5005C SLIP	6,838.08	7,000.00	-161.92
Total 5005 Insurance	\$ 11,828.28	\$ 10,500.00	\$ 1,328.28
5006 Audit Services	575.92	10,000.00	-9,424.08
5007 8% Overhead Expense	34,000.20	37,640.00	-3,639.80
Total 5000 AML Operating Exp	\$ 447,392.53	\$ 508,140.00	-\$ 60,747.47
5008 Bank Fees	304.61	300.00	4.61
5009 Merchant Services Fees	12,590.15	7,000.00	5,590.15
5010 Member Tax Revenue Expense	20,406,341.50	15,955,000.00	4,451,341.50
5011 GASB Contra Member Tax Expense	-20,406,341.50	-15,955,000.00	-4,451,341.50
Total 5010 Member Tax Revenue Expense	\$ 0.00	\$ 0.00	\$ 0.00
5020 GovOS Expense	2,299,233.19	1,840,000.00	459,233.19
5020A GASB Contra GovOS Expense	-2,299,233.19	-1,840,000.00	-459,233.19
Total 5020 GovOS Expense	\$ 0.00	\$ 0.00	\$ 0.00
5030 TTR Fee Expense	262,349.53	205,000.00	57,349.53
5030A GASB Contra TTR Fee Expense	-262,349.53	-205,000.00	-57,349.53
Total 5030 TTR Fee Expense	\$ 0.00	\$ 0.00	\$ 0.00
5060 Other Business Expenses	621.00		621.00
Job Supplies	0.00		0.00
Office Supplies & Software	5,747.00		5,747.00
Total Expenses	\$ 466,655.29	\$ 515,440.00	-\$ 48,784.71
Net Operating Income	\$ 341,509.42	-\$ 68,896.25	\$ 410,405.67
Other Income			
6000 Interest Earned	32,847.00	750.00	32,097.00
Total Other Income	\$ 32,847.00	\$ 750.00	\$ 32,097.00
Net Other Income	\$ 32,847.00	\$ 750.00	\$ 32,097.00
Net Income	\$ 374,356.42	-\$ 68,146.25	\$ 442,502.67
Beginning Fund Balance	\$ 182,763.00	\$ 182,763.00	-
Change to Fund Balance	\$ 374,356.42	-\$ 68,146.25	\$ 442,502.67
Ending Fund Balance	\$ 557,119.42	\$ 114,616.75	\$ 442,502.67
Lititgation Fund	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Unassigned Fund Balance	\$ 457,119.42	\$ 14,616.75	\$ 342,502.67
Refund to members	\$ (340,000.00)	\$ (340,000.00)	\$ (340,000.00)
Fixed Fund Balance	\$ 117,119.42	(325,383.25)	
Minimum Fund Balance - 20% of annual expenditures	\$ 93,331.06	\$ 103,088.00	
Maximum Fund Balance - 25% of annual expenditures	\$ 116,663.82	\$ 128,860.00	

Jurisdiction	FY23 Revenue	% of Total Revenue	FY23 Refund Amount
Adak	30,860.67	0.1315%	447.23
Aleknagik	23,139.20	0.0986%	335.32
Anchorage Alcoholic Beverage Tax	20,664.81	0.0881%	299.46
Aniak	18,068.46	0.0770%	261.84
Bethel	873,335.61	3.7223%	12,655.79
Cordova	411,451.37	1.7537%	5,962.48
Craig	267,567.65	1.1404%	3,877.41
Dillingham	501,801.98	2.1388%	7,271.78
Excursion Inlet	18,062.82	0.0770%	261.75
Galena	16,757.06	0.0714%	242.83
Gustavus	79,118.99	0.3372%	1,146.54
Haines Borough	6.75	0.0000%	0.10
Haines Borough - 5.5%	338,638.54	1.4433%	4,907.32
Haines City	2.14	0.0000%	0.03
Haines Rural - 4%	72,865.98	0.3106%	1,055.92
Homer	909,773.55	3.8776%	13,183.83
Houston	35,017.11	0.1492%	507.44
Juneau	4,124,621.47	17.5798%	59,771.24
Kenai	610,112.15	2.6004%	8,841.34
Kenai Peninsula Borough	3,483,253.88	14.8462%	50,476.97
Ketchikan	1,156,068.84	4.9273%	16,752.97
Ketchikan Gateway Borough	905,322.69	3.8586%	13,119.33
Kodiak	1,372,477.70	5.8497%	19,889.02
Kotzebue	318,789.26	1.3587%	4,619.68
Mountain Village	27,005.53	0.1151%	391.35
Nenana	33,615.55	0.1433%	487.13
Nome	622,810.22	2.6545%	9,025.35
North Pole	714,170.68	3.0439%	10,349.28
Ouzinkie	18,663.86	0.0795%	270.46
Palmer	1,019,088.07	4.3435%	14,767.94
Pelican	12,294.43	0.0524%	178.16
Petersburg Borough	480,244.33	2.0469%	6,959.38
Quinhagak	31,140.02	0.1327%	451.26
Saint Paul	33,500.37	0.1428%	485.46
Saxman	21,114.26	0.0900%	305.97
Selawik	57,108.77	0.2434%	827.58
Seldovia	71,257.42	0.3037%	1,032.61
Seward	343,907.42	1.4658%	4,983.68
Sitka	1,418,283.18	6.0449%	20,552.81
Soldotna	677,445.98	2.8874%	9,817.09
Tenakee Springs	10,710.58	0.0457%	155.21
Thorne Bay	93,732.02	0.3995%	1,358.30
Togiak	14,820.13	0.0632%	214.76
Toksook Bay	18,852.41	0.0804%	273.20
Unalakleet	38,741.53	0.1651%	561.42
Unalaska	391,079.51	1.6668%	5,667.26
Wasilla	1,200,248.54	5.1156%	17,393.19
Wrangell	402,993.35	1.7176%	5,839.91
Yakutat	121,701.48	0.5187%	1,763.62
Total FY23 Revenue:	23,462,308.32	100.0000%	340,000.00