



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

December 5, 2023 4:30-5:00pm

Virtual via Zoom / In-person At Dena'ina Center, Anchorage

Board of Director Attendees:

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

1. Call to order / Roll Call
2. Approval of the Agenda
3. Approval of Minutes
 - a. 11.15.23 Board minutes
4. Public participation on Non-Agenda Items
5. Official Business
 - a. Board of Directors Election
 - b. Annual update to ARSSTC members
6. Comments
7. Adjournment



Alaska Remote Seller Sales Tax Commission
Board of Directors Meeting Minutes
November 15, 2023 10:00 am – 12:00 pm
Virtual via Zoom

Board of Director Attendees:

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

Absent - Joan Miller

1. Call to order
 - a. Call to order at 10:05 am
2. Approval of the Agenda
 - a. Motion to approve by Scott Bloom; Seconded by Ruth Kostik
3. Approval of Minutes
 - a. 9.20.23 Board minutes
 - b. Motion to approve by Scott Bloom; Seconded by Libby Bakalar
4. Public participation on Non-Agenda Items
 - a. No Public participation
5. Official Business
 - a. **Review and discussion of AML/ARSSTC Service agreement renewal**
 - Nils Andreassen, Executive Director of the Alaska Municipal League (AML), presented an overview of overhead expense categories, the breakdown for each category, and gave insight on overhead standards for non-profits. The current rate of 8% that AML charges ARSSTC is significantly less than other program or organization overhead standards. AML is in the process of working with the federal government to establish a standard overhead rate for AML for managing federal grant purposes.
 - Scott Bloom asked if the 8% rate represents a revenue-neutral proposition. Nils Andreassen replied AML is a non-profit and needs to cover its costs. Nothing in the proposal is driven by profit, just a fair allocation of resources. Scott Bloom asked for clarification regarding the Legal Services line and if AML is proposing 8% or 10% rate at this time. Nils Andreassen stated AML is not proposing a change in the rate at this time, the presentation is an attempt to analyze and document overhead expenses in preparation for a future budget meeting.



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- Brandi Harbaugh asked for clarification of ARSSTC pro-rata compared to other AML programs and questioned if ARSSTC is paying for personnel for other AML programs. It is ARSSTC's board responsibility to ensure they are not subsidizing other programs because of the wide mission of AML versus the narrow mission of ARSSTC. Since board members represent municipal governments and tax payer funds, they need to ensure the monies are spent in a fair allocation of resources. Scott Bloom questioned why ARSSTC should be in the same category as a grant funder and the ARSSTC program should be revenue-neutral. Nils Andreassen stated AML wants to ensure they are providing value to every ARSSTC member community and can do more to document the value that AML provides for member jurisdictions. The 8% overhead rate is subsidized by AML and is an indication of AML's commitment to the ARSSTC program and making the program successful. He said he can present at a future meeting regarding overhead and indirect rates and how non-profits use those funds to sustain their organization's operations that allow them to support individual projects. The indirect rate is more efficient than doing direct accounting of every expense.
- Clinton Singletary noted the AML contract is intended to be renewed in December 2023. ARSSTC did a 1-year renewal in December 2022. He confirmed the current contract renewal states the indirect rate at 8% for an additional 2 years. The contract renewal is on a different cycle (calendar year) than the program (fiscal year) which is due to the establishment date of the ARSSTC (November 2019). The contract can be amended to assess the overhead on a fiscal year basis, with language that the rate not exceed of be lower than XX%. He recommends bringing the proposal to the annual meeting.
- Brandi Harbaugh noted that knowing the fee rates is important for a jurisdiction's initial budgetary process which begins in January. She recommends extending the 8% rate until June 30 and draft a new contract tied to the Fiscal Year.

b. Review and approval of draft Collections Policy

- Clinton Singletary discussed draft Collection Policy noting that the ARSSTC has an increased need for a collection policy due to the growth in compliance efforts and increased audits and assessments for businesses that conduct remote sales into Alaska. ARSSTC needs to establish guidelines and processes for collecting unpaid taxes and delinquent balances that directs staff regarding collection efforts. The proposed document is for internal policy only.
- Ruth Kostik noted it might be worth setting a higher benchmark than \$5,000 to pursue via legal judgements. Her jurisdiction is refining their collection policy and looking at setting \$20,000 as the minimum for pursuing collections. Melissa Haley requested the RFP state that the collections agency should have a built-in law offices that can pursue higher balances. Collections can cost lots of staff time.
- Brandi Harbaugh asked about also charging a judgment fee as a direct cost that is past along to seller. She also questioned if all communities should pay for one community's expenses. Karl Kaufman noted that a savvy seller would most likely pick a small jurisdiction that cannot support a complex challenge. Then the judgment would be applied to the larger jurisdictions. Each situation will be different for who bears economic burden and legal challenge. ARSSTC is stronger together.
- Clinton Singletary noted that ARSSTC pays out to communities in full for any amendments or underpayments finalized in the MuniRevs filing platform, so it is up to the ARSSTC to pursue collection for nonpayment. Tracking account balances at the community level is not possible in the current system.



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- Motion by Libby Bakalar to approve draft collections policy; Seconded by Ruth Kostik. Motion passes with Unanimous Consent.
- c. **FY24 Financials Update**
 - Clinton Singletary presented brief update on FY24 financials. As of November, there are two full months of activity in the financials. September filings remitted in October will be added soon. Account balances, i.e. receivables and payables are not accurately represented in the financial statements as currently structured. AML financial staff are working on restructuring the financial statements to better reflect these items.

6. Comments

- a. Brandi Harbaugh noted that the ARSSTC Annual Meeting would be held on December 5, 2023 at 4:30pm. Clinton Singletary will send Zoom invitation and targeted outreach to members for Board of Directors participation. The agenda will consist of a year-in-review and election of Board of Directors. The election of board officers can be done at a following Board meeting. Melissa Haley recommended keeping the agenda as simple as possible.

7. Adjournment

- a. Adjourned at 11:15 am



To: ARSSTC Board & ARSSTC Membership

From: Clinton Singletary, Statewide Municipal Sales Tax Director

Date: December 5, 2023

Re: ARSSTC Board of Directors Election

This year, four seats on the ARSSTC Board of Directors are up for election. The remaining Board of Directors that will serve through 2024 are:

- Brandi Harbaugh – Finance Director, Kenai Peninsula Borough
- Melissa Haley – Finance Director, City & Borough of Sitka
- Joan Miller – Finance Director, City of Wasilla

For the available four Board seats, six Declarations of Candidacy have been received. The candidates are listed below:

- Libby Bakalar – City Attorney, City of Bethel
- Scott Bloom – City Attorney, City of Kenai
- Ruth Kostik – Treasurer, City & Borough of Juneau
- Layton Lockett – City Manager, City of Adak
- Lana Metcalfe – Accountant, City of Soldotna
- Glenn Steckman – City Manager, City of Nome

Each of these candidates meet the necessary qualifications for serving on the ARSSTC Board of Directors. The four candidates receiving the most votes will be elected to a two-year term ending in 2025.



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ALASKA REMOTE SELLER SALES TAX COMMISSION BOARD OF DIRECTORS

DECLARATION OF CANDIDACY December 2023 - December 2025

Commission Member Nomination

Representing the following municipality: City of Bethel as a member of
the Alaska Remote Seller Sales Tax Commission, I hereby nominate Libby Bakalar
for appointment to the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

[Signature] 11/20/2023
Signature of Nominator Date

Municipal Authorization

I am authorized to nominate the above individual's active participation on the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

William Arnold Acting City Manager
NAME TITLE

City of Bethel
MUNICIPALITY

[Signature] 11/20/2023
AUTHORIZED SIGNATURE TITLE

CANDIDATE QUALIFICATIONS

The Commission Bylaws require that

- The number of directors shall be set at seven (7)
- Each director shall be at least 21 years of age
- Board members must be an employee, agent of, or elected official of a member entity with an active membership



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CANDIDATE COMMITMENT and INFORMATION

I hereby declare myself a candidate to the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

I declare that I will serve and participate actively in the designated office and that I will accept the time and financial commitment for the whole term if appointed.

Full Name Elizabeth M. Bakalar

Municipality/Organization City of Bethel

Mailing Address PO Box 1388 Bethel, AK 99559

City _____ Zip Code _____

Telephone 907 545-0115 FAX Number _____

E-Mail lbakalar@cityofbethel.net

My qualifications for membership on the ARSSTC Board of Directors include experience in the following areas:

City attorney for the City of Bethel; work on/advise on sales tax issues as part of job.



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ALASKA REMOTE SELLER SALES TAX COMMISSION BOARD OF DIRECTORS

DECLARATION OF CANDIDACY December 2023 - December 2025

Commission Member Nomination

Representing the following municipality: City of Kenai as a member of
the Alaska Remote Seller Sales Tax Commission, I hereby nominate Scott Bloom
for appointment to the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

 Signature of Nominator

 Date

Municipal Authorization

I am authorized to nominate the above individual's active participation on the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

 Scott Bloom

 City Attorney

NAME

TITLE

 Kenai

MUNICIPALITY

 City Attorney

 AUTHORIZED SIGNATURE

 TITLE

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CANDIDATE COMMITMENT and INFORMATION

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I declare that I will serve and participate actively in the designated office and that I will accept the time and financial commitment for the whole term if appointed.

Full Name Scott Bloom

Municipality/Organization City of Kenai

Mailing Address 210 Fidalgo Avenue

City Kenai Zip Code 99611

Telephone 907 283-8224 FAX Number _____

E-Mail sbloom@kenai.city

My qualifications for membership on the ARSSTC Board of Directors include experience in the following areas:

I am a life long Alaska resident and have been the City Attorney for Kenai since 2012

I have also worked at the Kenai Peninsula Borough and am familiar with the practices

and legal framework surrounding municipal sales tax collection. I have served on

the Board since its inception.



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ALASKA REMOTE SELLER SALES TAX COMMISSION BOARD OF DIRECTORS

DECLARATION OF CANDIDACY December 2023 - December 2025

Commission Member Nomination

Representing the following municipality: City & Borough of Juneau as a member of
the Alaska Remote Seller Sales Tax Commission, I hereby nominate Ruth Kostik
for appointment to the Board of Directors of the Alaska Remote Seller Sales Tax Commission.


Signature of Nominator

11/17/2023

Date

Municipal Authorization

I am authorized to nominate the above individual's active participation on the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

Angie Flick

Finance Director

NAME

TITLE

City & Borough of Juneau

MUNICIPALITY


AUTHORIZED SIGNATURE

TITLE

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I declare that I will serve and participate actively in the designated office and that I will accept the time and financial commitment for the whole term if appointed.

Full Name Ruth Kostik

Municipality/Organization City & Borough of Juneau

Mailing Address 155 Heritage Way

City Juneau Zip Code 99801

Telephone 907-586-5215 FAX Number _____

E-Mail ruth.kostik@juneau.gov

My qualifications for membership on the ARSSTC Board of Directors include experience in the following areas:

Current ARSSTC board member

Current CBJ Treasurer

Previous work experience includes serving as the Revenue Officer for CBJ, prior to

that worked for 8 1/2 years at the Alaska Department of Environmental Conservation,

Division of Administrative Services as Director, Deputy Director, and Budget Manager,

representing the Department in legislative finance hearings



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ALASKA REMOTE SELLER SALES TAX COMMISSION BOARD OF DIRECTORS

DECLARATION OF CANDIDACY December 2023 - December 2025

Commission Member Nomination

Representing the following municipality: Adak as a member of
the Alaska Remote Seller Sales Tax Commission, I hereby nominate Layton J. Lockett
for appointment to the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

November 17, 2023

Signature of Nominator

Date

Municipal Authorization

I am authorized to nominate the above individual's active participation on the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

Layton J. Lockett

City Manager

NAME

TITLE

Adak

MUNICIPALITY

City Manager

AUTHORIZED SIGNATURE

TITLE

CANDIDATE QUALIFICATIONS

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CANDIDATE COMMITMENT and INFORMATION

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Full Name Layton J. Lockett

Municipality/Organization Adak

Mailing Address PO Box 2011

City Adak Zip Code 99546

Telephone 907-592-4500 FAX Number _____

E-Mail llockett@adak-ak.gov

My qualifications for membership on the ARSSTC Board of Directors include experience in the following areas:

I have served as the City Manager for Adak for 12 years and have served on a

 number of Boards representing our community including previously serving on the

 ARSSTC Finance Committee. As City Manager for a small city I am heavily involved

 in sales tax administration, policy drafting and implementation. I understand the

 issues the Commission may and have faced and feel my experiences in City

 management be an asset to the Board and Commission.



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ALASKA REMOTE SELLER SALES TAX COMMISSION BOARD OF DIRECTORS

DECLARATION OF CANDIDACY December 2023 - December 2025

Commission Member Nomination

Representing the following municipality: City of Soldotna as a member of
 the Alaska Remote Seller Sales Tax Commission, I hereby nominate Lana Metcalf
 for appointment to the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

[Signature]
 Signature of Nominator

11/21/23
 Date

Municipal Authorization

I am authorized to nominate the above individual's active participation on the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

Janette Bower

City Manager

NAME

TITLE

City of Soldotna

MUNICIPALITY

[Signature]
 AUTHORIZED SIGNATURE

City Manager
 TITLE

CANDIDATE QUALIFICATIONS

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CANDIDATE COMMITMENT and INFORMATION

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I declare that I will serve and participate actively in the designated office and that I will accept the time and financial commitment for the whole term if appointed.

Full Name Lana Metcalf

Municipality/Organization City of Soldotna

Mailing Address 177 N. Birch St

City Soldotna Zip Code AK

Telephone 907-714-1229 FAX Number _____

E-Mail lmetcalf@soldotna.org

My qualifications for membership on the ARSSTC Board of Directors include experience in the following areas:

I have a Bachelor degree in Business Administration, with an emphasis in accounting.

I have worked in accounting for over ten years; with six years in governmental accounting.



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ALASKA REMOTE SELLER SALES TAX COMMISSION BOARD OF DIRECTORS

DECLARATION OF CANDIDACY December 2023 - December 2025

Commission Member Nomination

Representing the following municipality: _____ as a member of
the Alaska Remote Seller Sales Tax Commission, I hereby nominate _____
for appointment to the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

Signature of Nominator_____
Date

Municipal Authorization

I am authorized to nominate the above individual's active participation on the Board of Directors of the Alaska Remote Seller Sales Tax Commission.

NAME_____
TITLE_____
MUNICIPALITY_____
AUTHORIZED SIGNATURE_____
TITLE

CANDIDATE QUALIFICATIONS

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Full Name_____

Municipality/Organization_____

Mailing Address_____

City_____ Zip Code_____

Telephone_____ FAX Number_____

E-Mail_____

My qualifications for membership on the ARSSTC Board of Directors include experience in the following areas:
