

QUARTERLY REVENUE REVIEW

Treasury Division

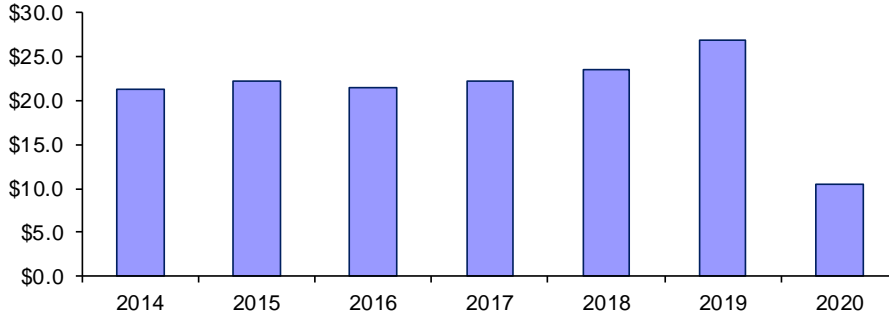
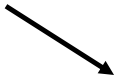
November 19, 2020

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Hotel and Motel Tax Revenues (Accounts 401110 and 406625 in Funds 101, 141, 161, and 202)

**Hotel and Motel Tax Revenues posted to all Accounts and all Funds
During the First Three Quarters of Each Year (millions of dollars)**

Much lower

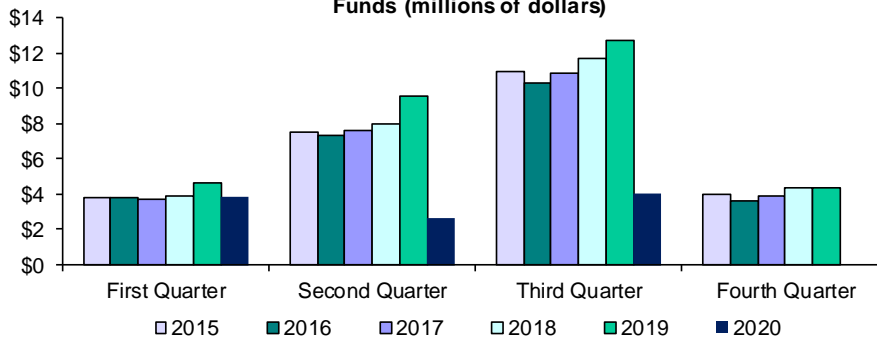


First quarter room tax revenues in FY 2020 were about 18% lower than the same quarter last year.

Second quarter tax revenues were about 73% lower than the same quarter last year.

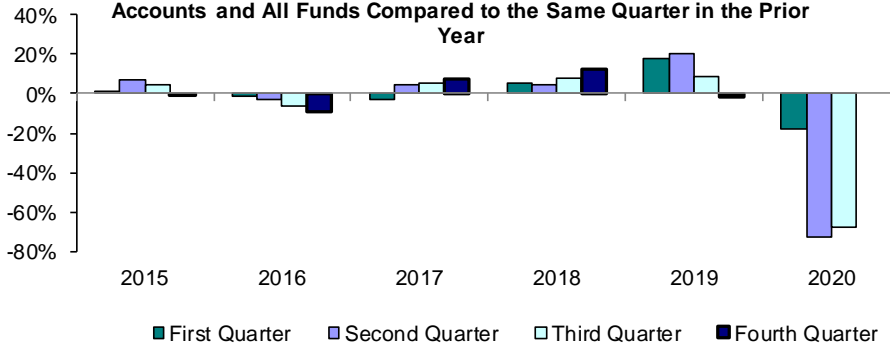
Third quarter tax revenues were about 68% lower than the same quarter last year.

Quarterly Hotel and Motel Tax Revenues posted to all Accounts and Funds (millions of dollars)



Revenues for the first three quarters as a whole for FY 2020 were about 61% lower than the same period last year

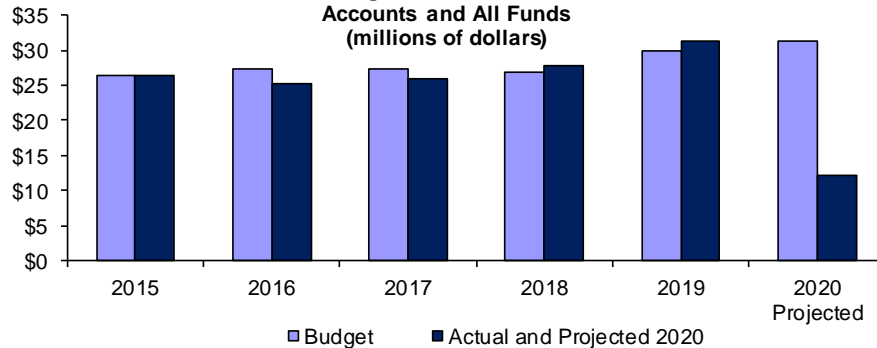
Percent Change in Quarterly Hotel Motel Tax Revenues posted to All Accounts and All Funds Compared to the Same Quarter in the Prior Year



There is a large projected negative year-end variance for room tax revenues because COVID-19 has reduced the number of visitors coming to Alaska.

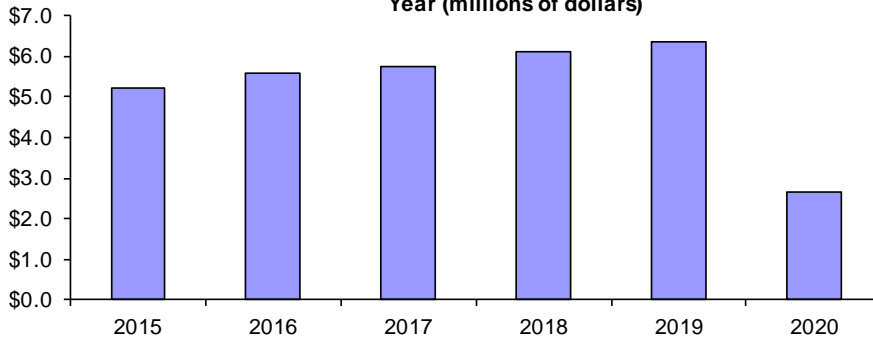
Annual Actual and Budgeted Hotel Motel Tax Revenues to All Accounts and All Funds (millions of dollars)

Far below budget



Rental Vehicle Tax Revenues (Account 401130)

Rental Vehicle Tax Revenues For the First Three Quarters of Each Year (millions of dollars)



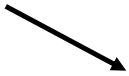
Rental vehicle tax revenues for the first quarter of FY 2020 were about 5% lower than the same quarter last year.

Second quarter tax revenues were about 74% lower than the same period last year.

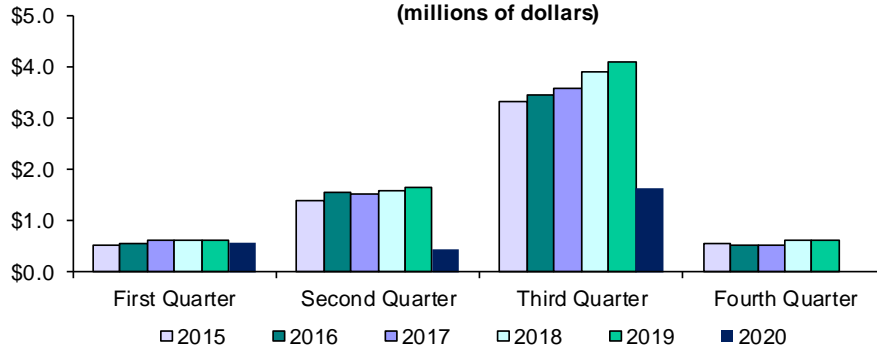
Third quarter tax revenues were about 60% lower than the same period last year.

Revenues for the first three quarters as a whole in FY 2020 were about 57% lower than the same period last year.

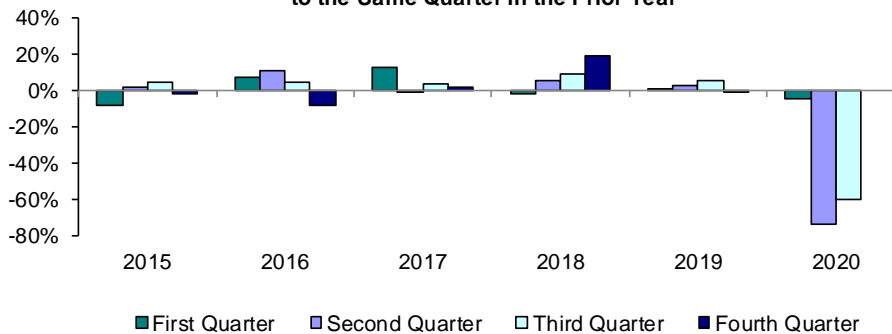
Much lower



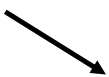
Quarterly Rental Vehicle Tax Revenues (millions of dollars)



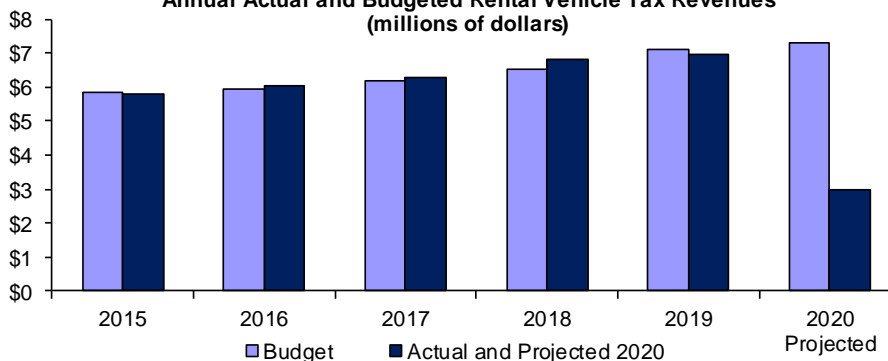
Percent Change in Quarterly Rental Vehicle Tax Revenues Compared to the Same Quarter in the Prior Year



Far below Budget



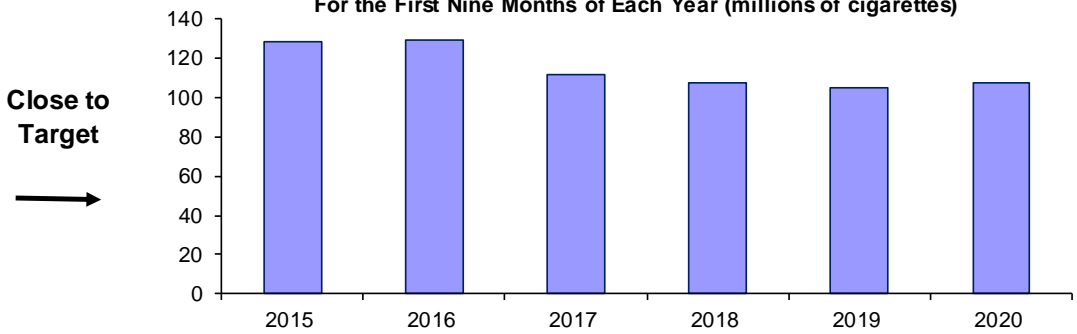
Annual Actual and Budgeted Rental Vehicle Tax Revenues (millions of dollars)



There is a large projected negative variance for rental vehicle tax revenues because COVID-19 reduced the number of visitors coming to Alaska and renting cars.

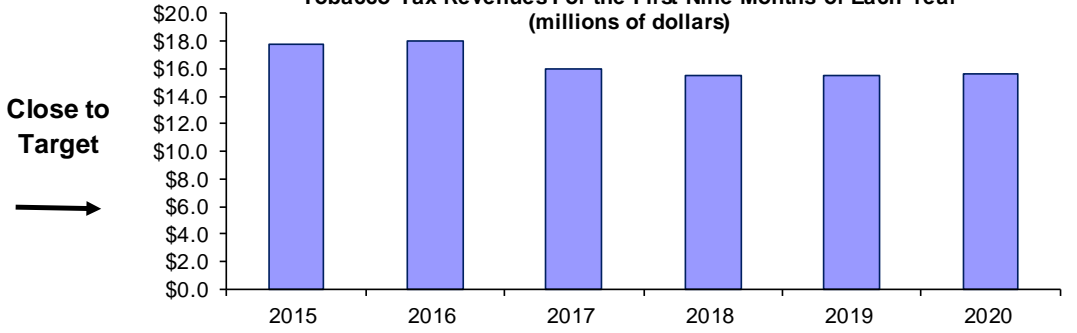
Tobacco Tax (Account 401080)

**Number of Taxable Cigarettes Brought into the Municipality
For the First Nine Months of Each Year (millions of cigarettes)**



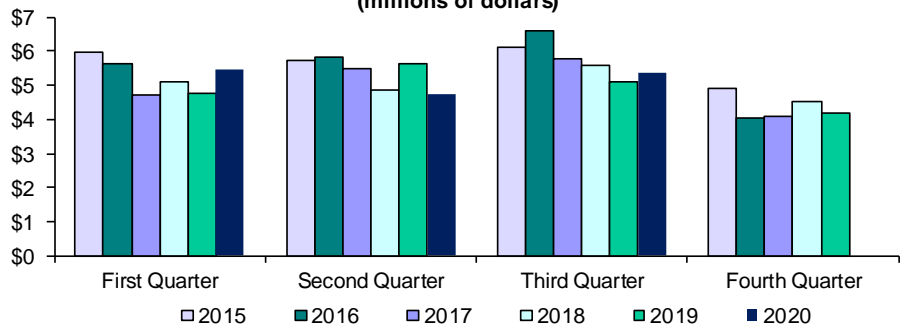
The number of taxable cigarettes brought into the Municipality during the first nine months of FY 2020 was close to the same amount in the same period over the last two years.

**Tobacco Tax Revenues For the First Nine Months of Each Year
(millions of dollars)**

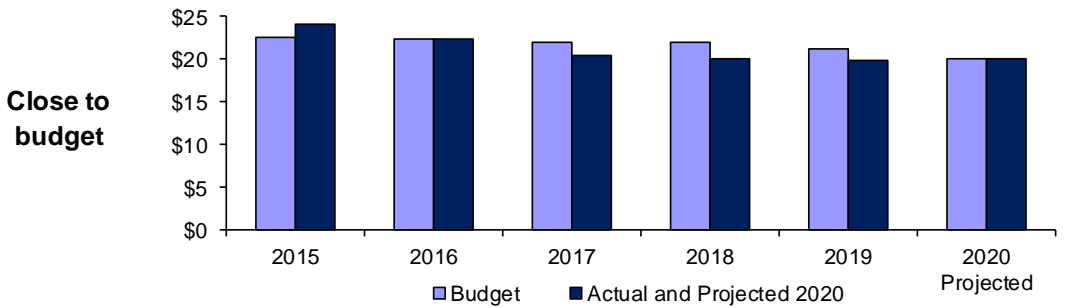


Total tobacco tax revenue (from both cigarettes and other tobacco products) for the first nine months of FY 2020 was close to the same amount in the same period the last two years.

**Quarterly Tobacco Tax Revenues
(millions of dollars)**



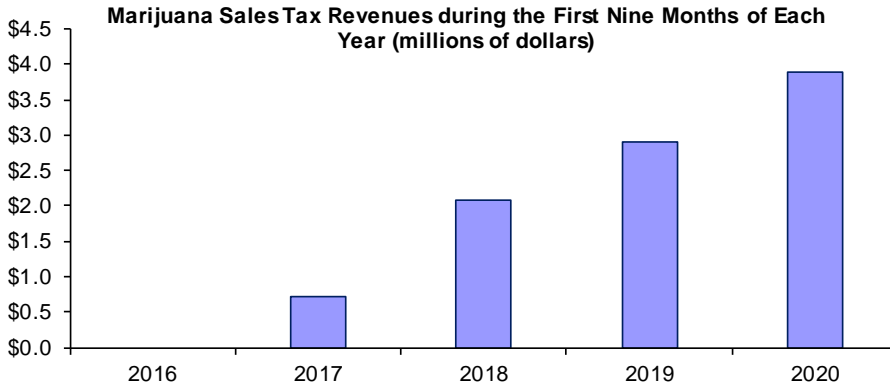
Actual and Budgeted Tobacco Tax Revenues (millions of dollars)



Tobacco tax revenues are on track to reach budget.

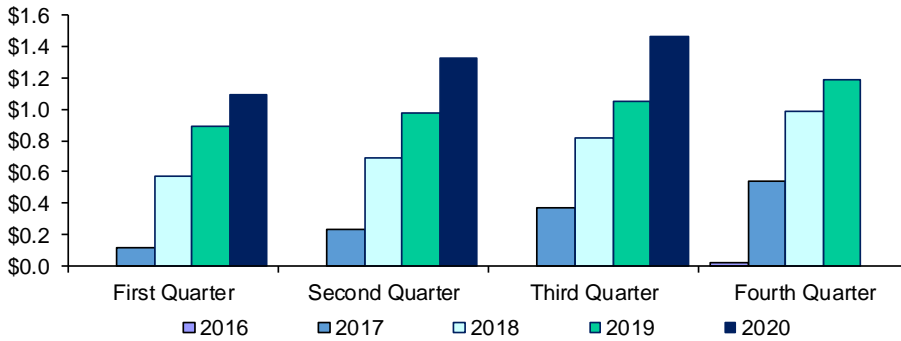
Marijuana Sales Tax Revenues (Accounts 401105)

Higher than last year

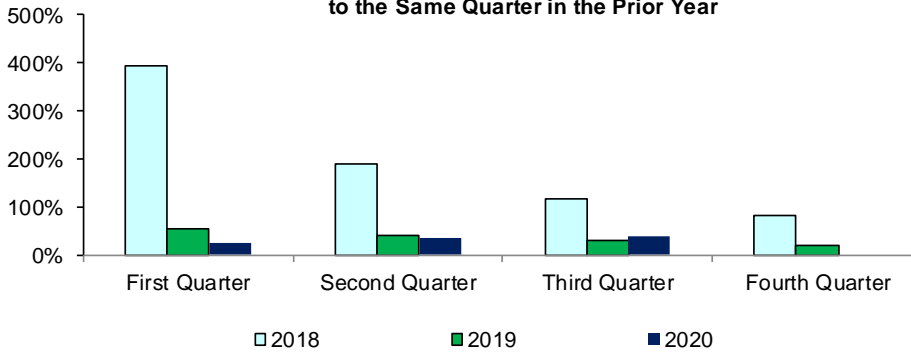


Marijuana sales tax revenues during the first nine months of the year were higher than the same period last year due to continued growth in the local cannabis market.

Quarterly Marijuana Sales Tax Revenues (millions of dollars)

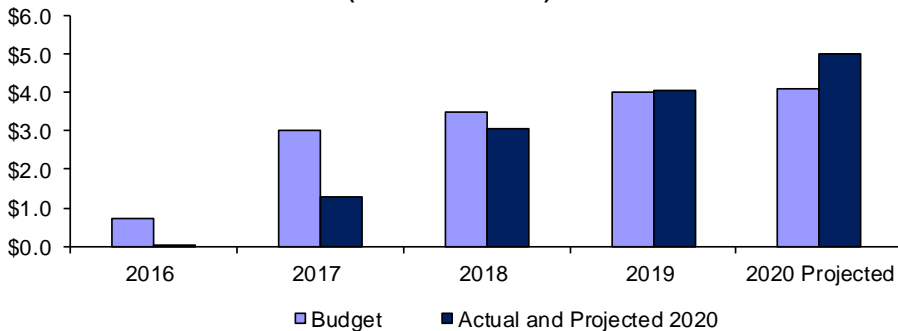


Percent Change in Quarterly Marijuana Sales Tax Revenue Compared to the Same Quarter in the Prior Year



Annual Actual and Budgeted Marijuana Sales Tax Revenues (millions of dollars)

Above budget

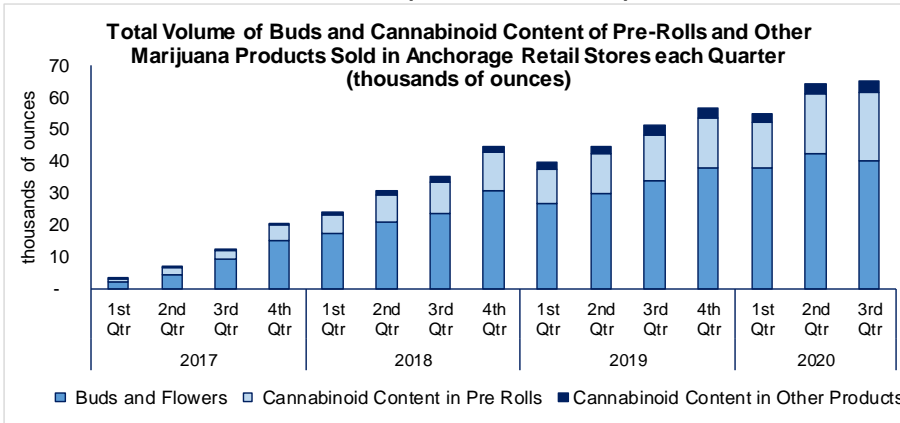


Marijuana tax revenues tracked higher than expected from April through August.

Marijuana sales tax revenues are currently projected to be about \$900k above budget.

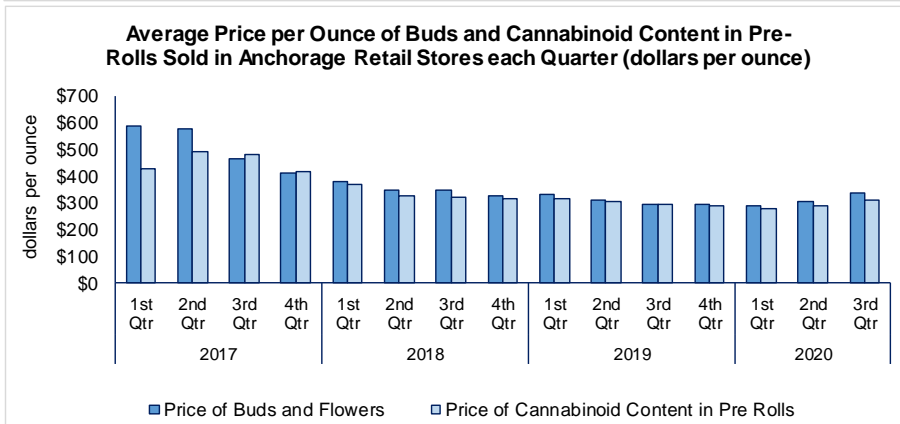
Marijuana Sales Tax Revenues Supplementary Data (Account 401105)

Much higher volume in second and third quarters 2020



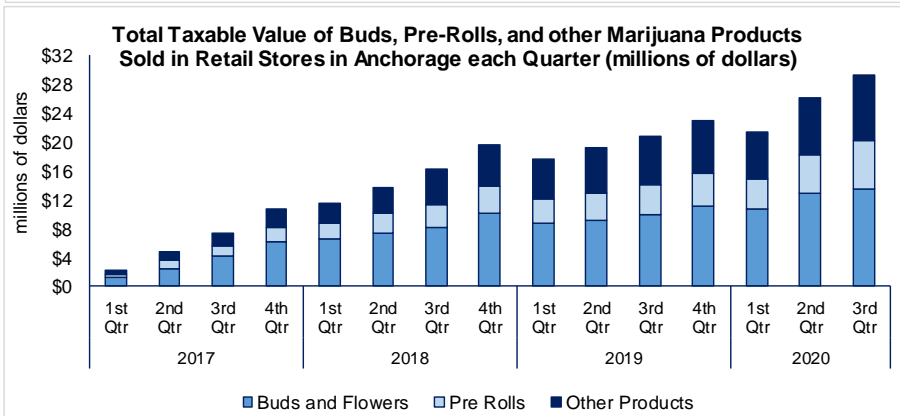
The total volume of marijuana products sold in Anchorage retail stores has increased in most quarters. There was a surge in the fourth quarters of 2018 and 2019 due to PFD sales in October and holiday sales in December. The volume of all types of cannabis products increased more than expected in the second and quarter of 2020.

Higher prices in second and third quarters



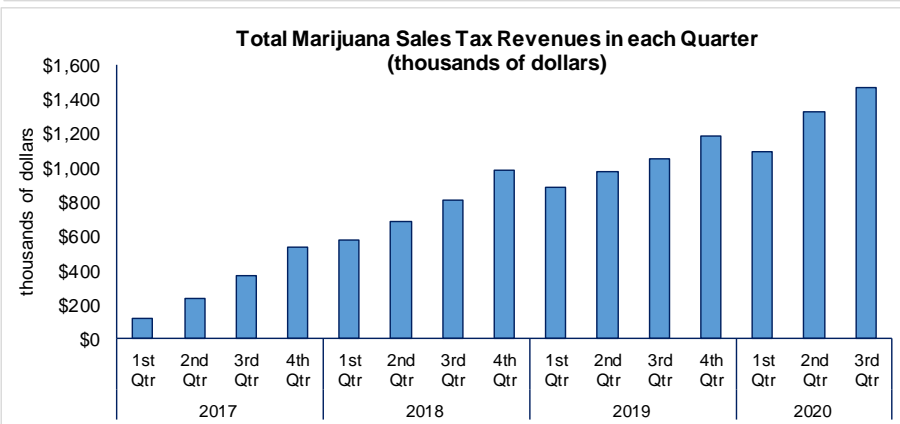
After declining for the last three years, the prices for buds, flowers, and pre-rolls increased slightly in the second and third quarters of 2020

Higher taxable value



The total taxable value of all marijuana products sold in Anchorage has increased in most quarters. There were surges in taxable sales in the fourth quarters of 2018 and 2019.

Higher tax revenues



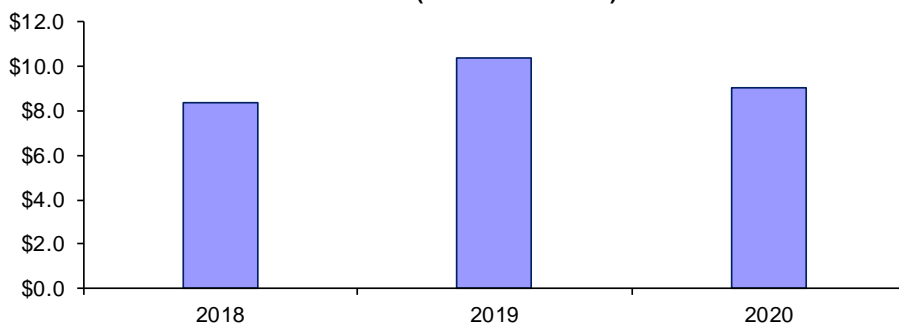
Total marijuana sales tax revenues have increased in most quarters.

Year-end FY 2020 revenues are currently projected to be about \$5M and about \$900k above budget.

Motor Fuel Excise Tax Revenues (Accounts 401150)

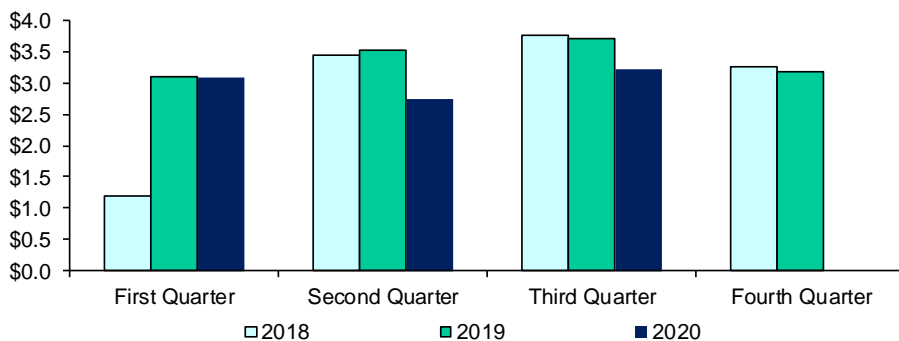
Motor Fuel Excise Tax Revenues During the First Nine Months of Each Year (millions of dollars)

Below target
↘



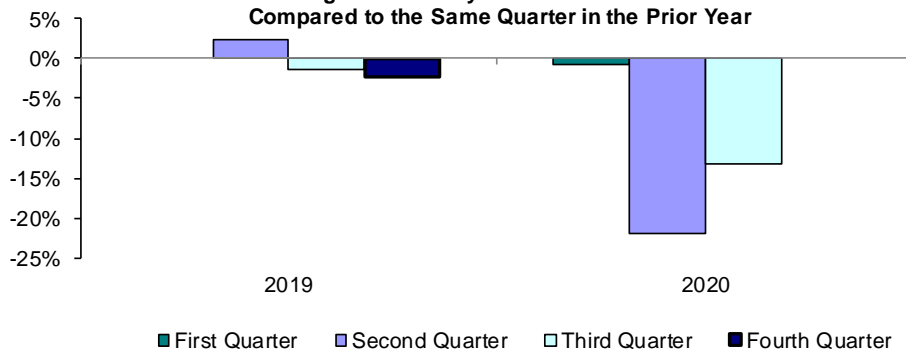
Motor fuel excise tax revenues received during the first nine months of 2020 are tracking lower than the same period last year and are below target.

Quarterly Motor Fuel Excise Tax Revenues (millions of dollars)



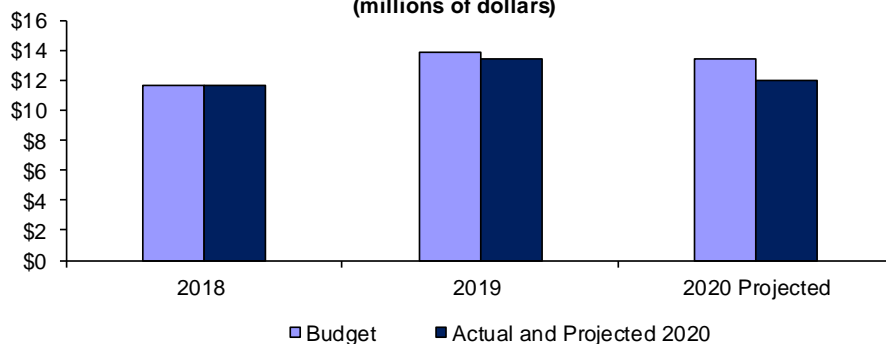
There was a drop in motor fuel tax revenues in the second and third quarters as residents drove less because of business closures, working from home, and reduced economic activity during COVID-19.

Percent Change in Quarterly Motor Fuel Excise Tax Revenue Compared to the Same Quarter in the Prior Year



Annual Actual and Budgeted Motor Fuel Excise Tax Revenues (millions of dollars)

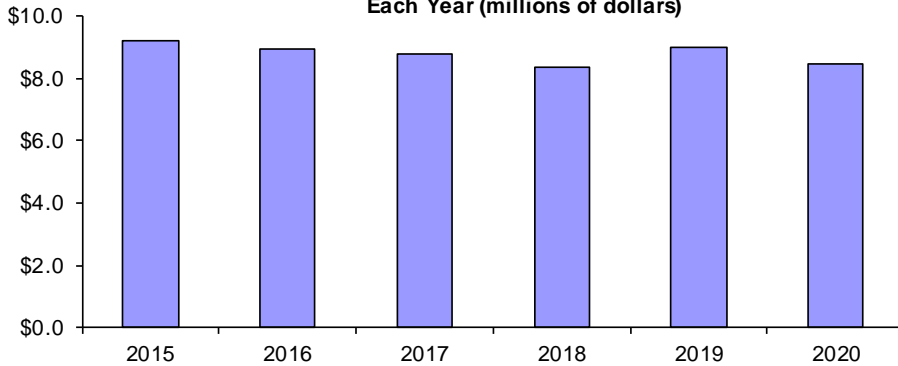
Below budget
↘



Year-end revenues are projected to be about (\$1.4M) below budget because residents drove less and consumed less gasoline during COVID-related business closures. In addition, there were fewer tourists driving rental cars during the summer.

Motor Vehicle Registration Tax (Account 401060)

Motor Vehicle Registration Tax Revenues for the First Nine Months of Each Year (millions of dollars)

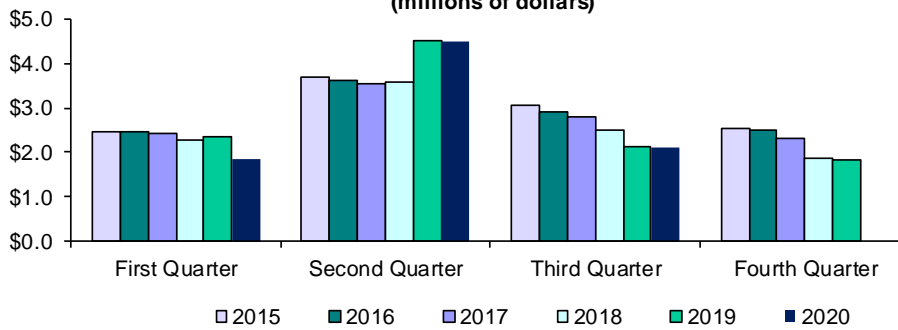


Motor vehicle registration tax revenues received during in the first nine months of FY 2020 were about (6%) lower than the same period in FY 2019.

Lower than last year

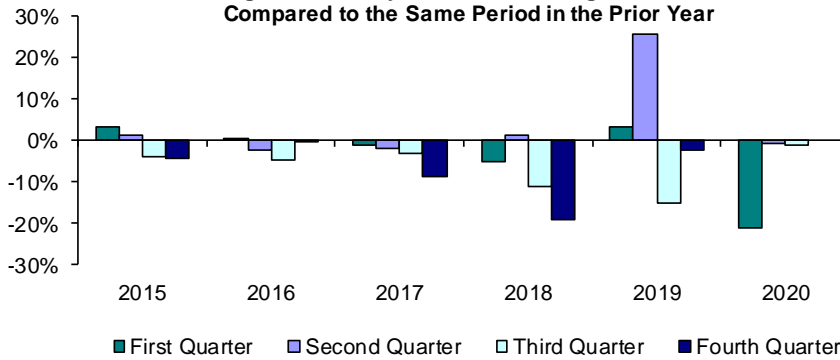


Quarterly Motor Vehicle Registration Tax Revenues (millions of dollars)



The unusual increases in the second quarter of 2019 and 2020 were due to the State Division of Motor Vehicles processing backlogs of registrations before the close of the State's fiscal year in June.

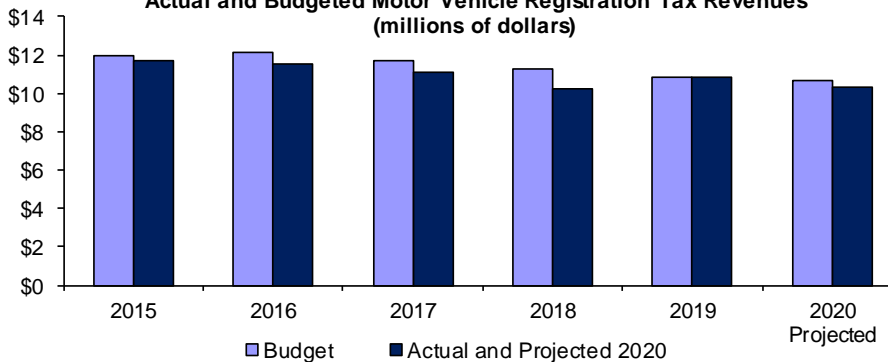
Percent Change in Quarterly Motor Vehicle Registration Tax Revenues Compared to the Same Period in the Prior Year



Below Budget



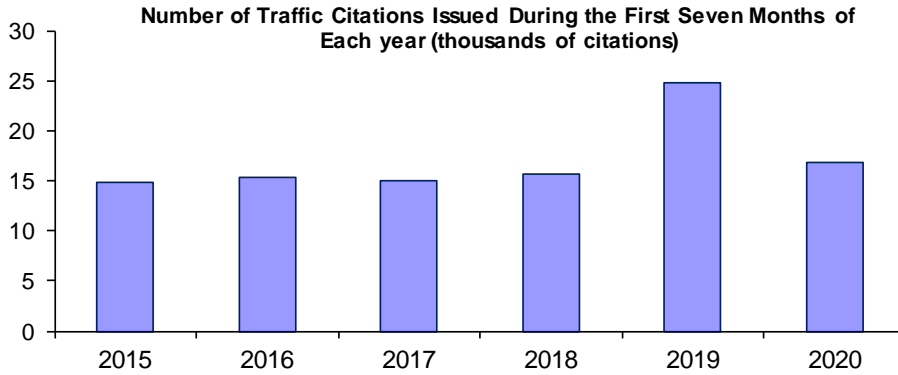
Actual and Budgeted Motor Vehicle Registration Tax Revenues (millions of dollars)



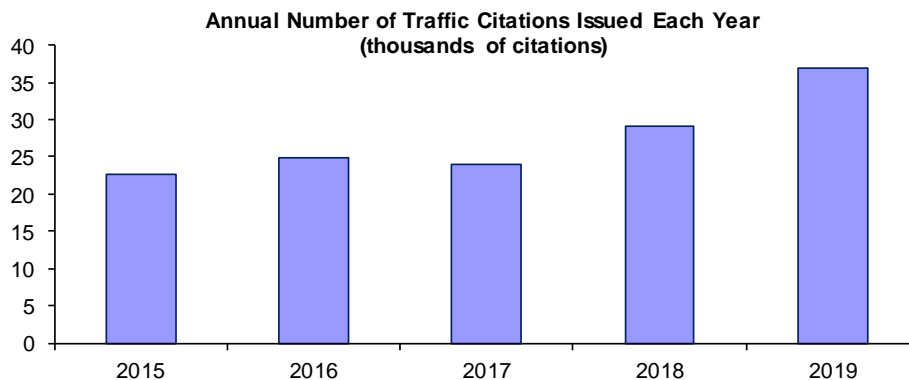
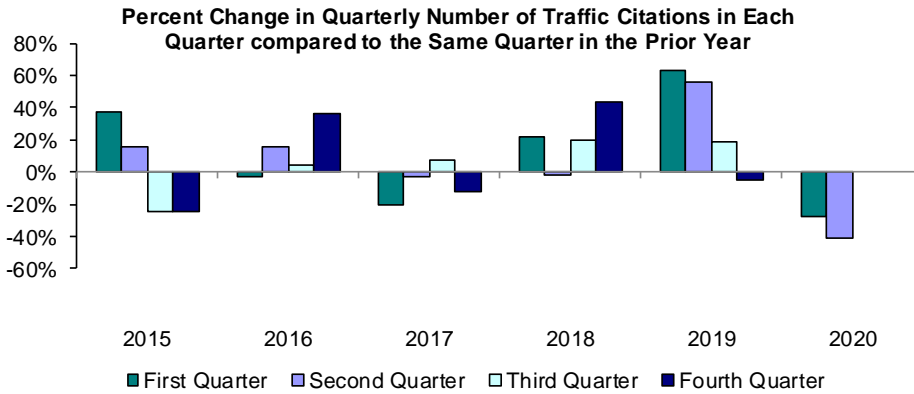
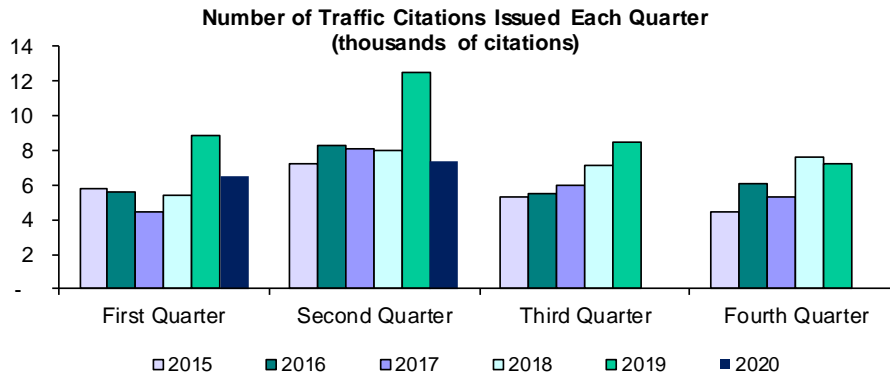
Motor vehicle registration tax revenues are currently projected to be about (\$400k) below budget because of a decrease in the number of new vehicles purchased by businesses and households during the recession.

Number of Traffic Citations

Lower than last year



The number of traffic citations issued during the first seven months of FY 2020 was 32% lower than the same period last year. Data for August through October are not yet available.

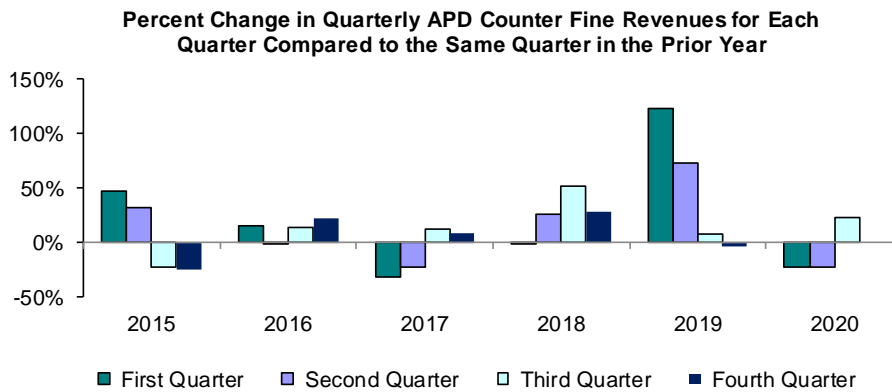
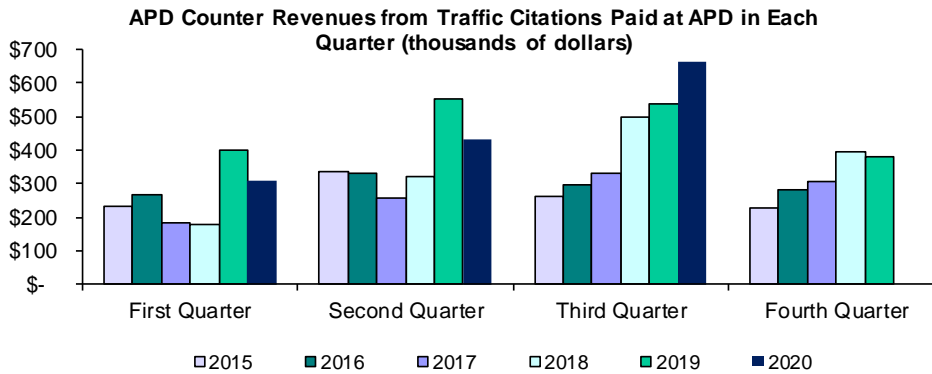
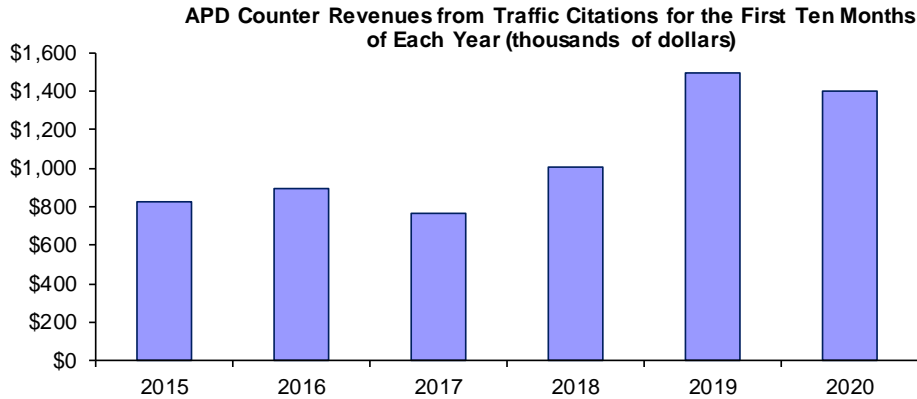


The annual total number of citations remained relatively stable between 2013 and 2017 but increased in 2018 and 2019.

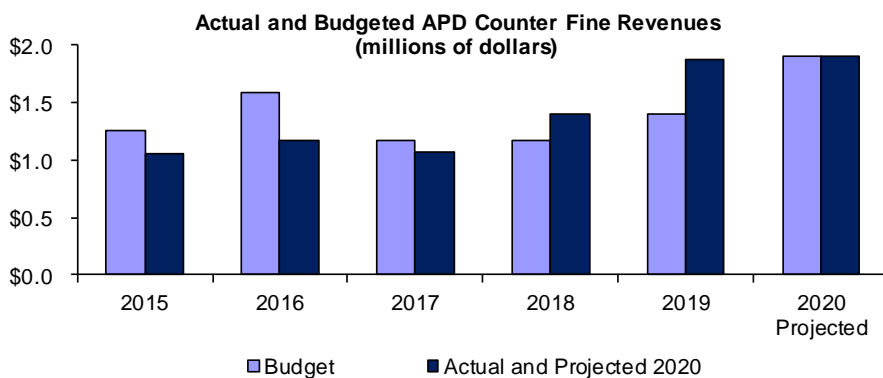
APD Counter Fines (Account 407040)

APD Counter Fine revenues received during the first ten months of 2020 were lower than the same period in 2019.

Lower than last year



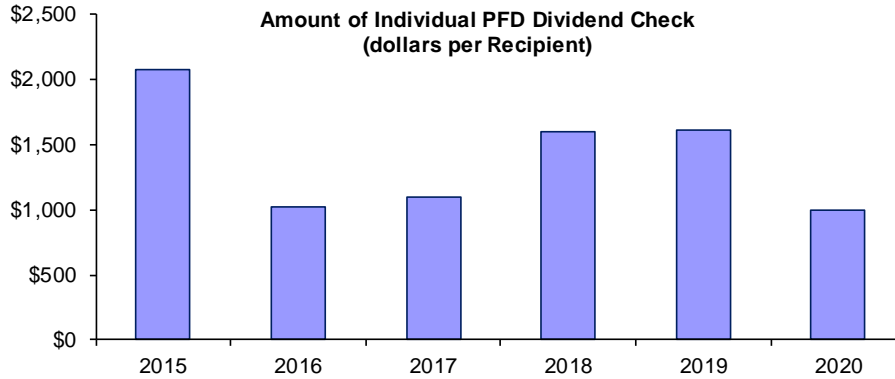
Close to budget



APD Counter Fine revenues are currently projected to be close to budget.

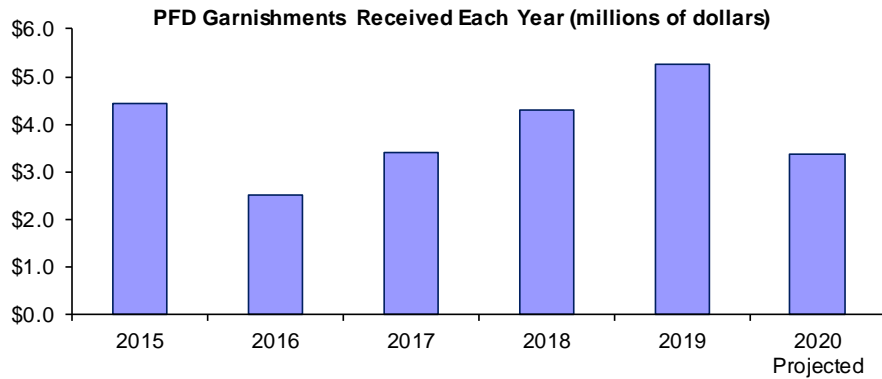
SOA Traffic Court Fines and SOA Trial Court Fines (Accounts 407010 and 407020)

**\$992 actual
PFD check
amount**

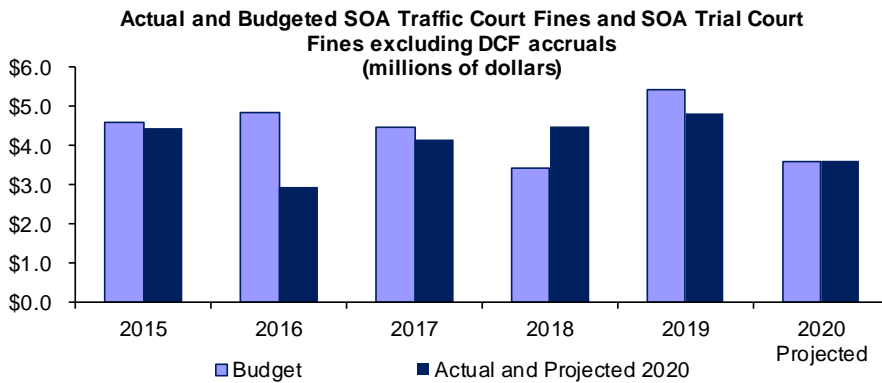


The FY 2020 budget assumed that the amount of the individual PFD check would be \$1000. The actual amount of the check will be \$992, and is lower than budgeted.

**PFD
garnishments
projected to
be about
\$3.4M.**



Total PFD garnishments received by the Municipality are projected to be about \$3.4M.

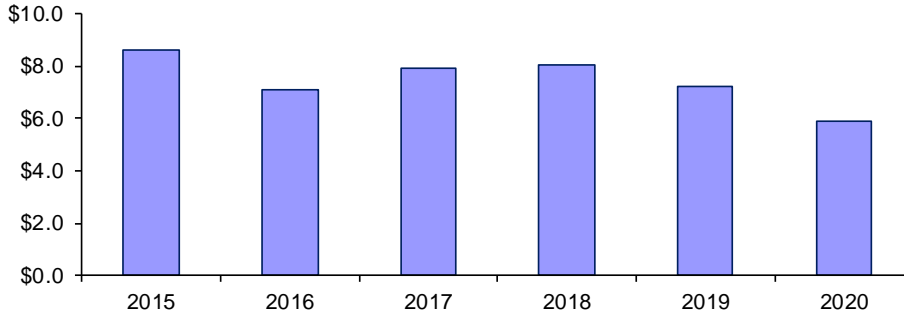


About three-quarters of the total PFD garnishments received by the Municipality are for delinquent traffic court fines (407010) and delinquent criminal fines (407020). The remaining PFD garnishments are distributed across about twenty other accounts.

Ambulance Service Fees (Account 406380)

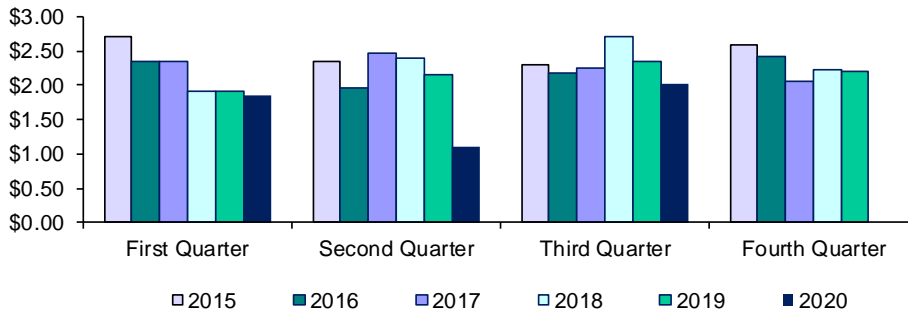
**Ambulance Service Fees for the Ten Months of Each Year
(millions of dollars)**

**Lower than
last year**



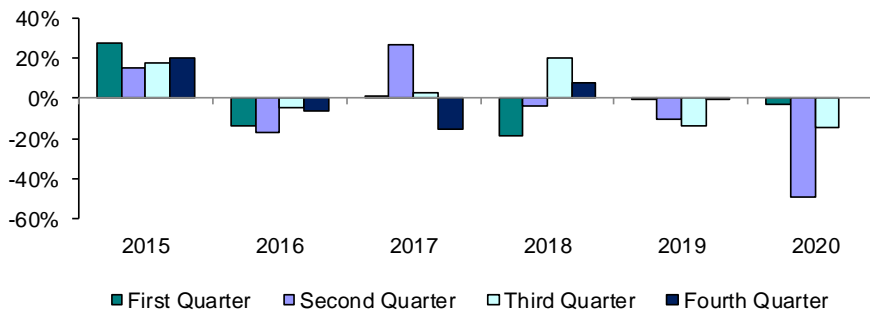
Ambulance Service Fees for the first ten months of FY 2020 were about (19%) lower than the same period last year.

**Quarterly Ambulance Service Fee Revenues
(millions of dollars)**



Revenues in the second quarter were unusually low because of a large adjustment for doubtful accounts.

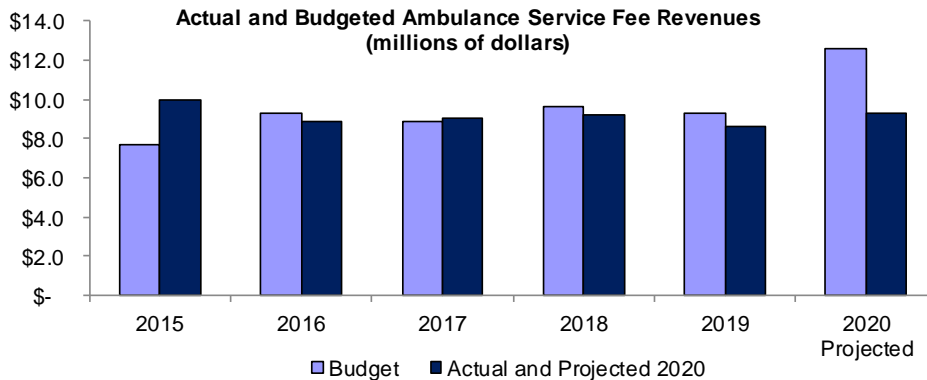
**Percent Change in Quarterly Ambulance Service Fee Revenues
Compared to Same Quarter in Prior Year**



The FY 2020 budget was set \$3.3M above last year in anticipation of higher reimbursements for Medicare and Medicaid EMS transports from the new Supplemental Emergency Medical Transport (SEMT) Program.

**Actual and Budgeted Ambulance Service Fee Revenues
(millions of dollars)**

**Below
Budget**



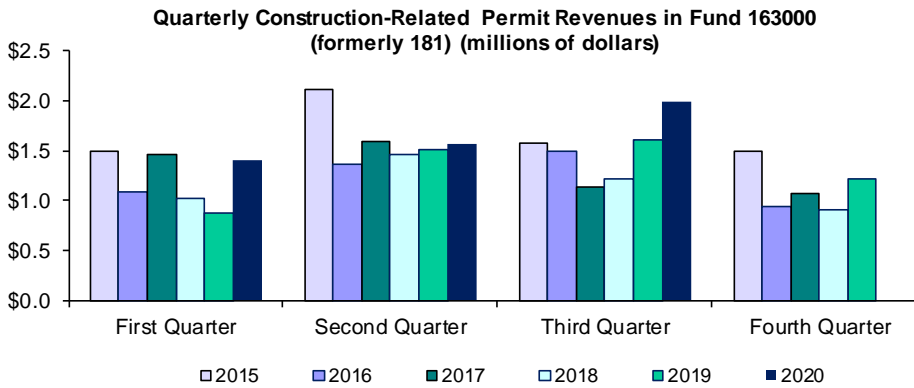
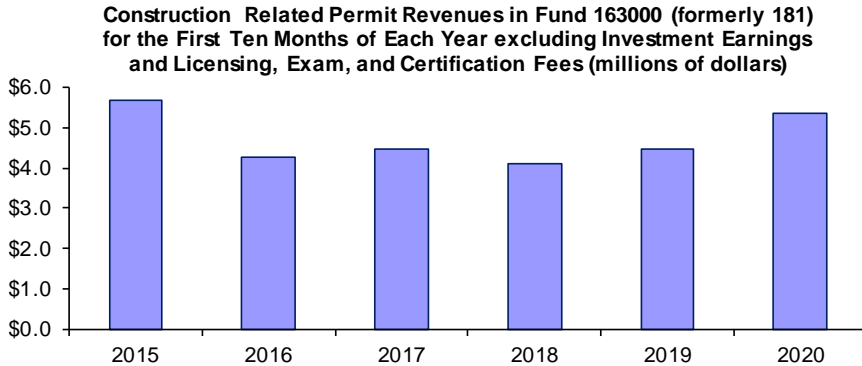
The Municipality has not yet started receiving these higher reimbursements. The SEMT reimbursements budgeted for FY 2020 will probably be deferred to FY 2021.

Because of this deferral, there is a projected negative variance for ambulance service fees in FY 2020.

Construction-Related Building Permit Revenues in Fund 163000 (formerly 181) (excluding investment earnings and fees from licenses, exams, and certifications)

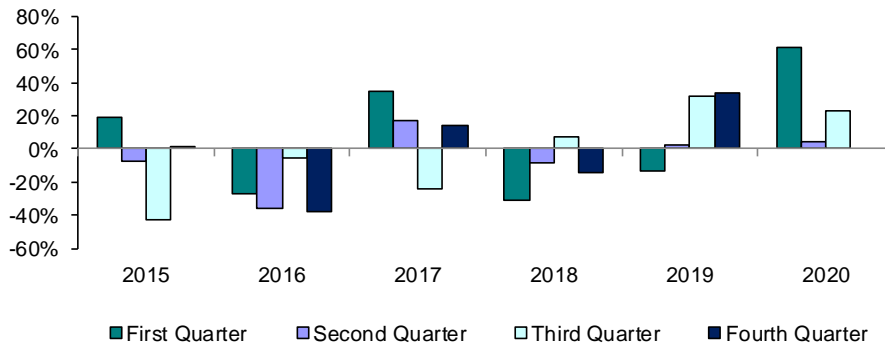
Construction-related permit revenues posted in Fund 163000 for the first ten months of FY 2020 were higher than the same period in FY 2019.

Higher than last year

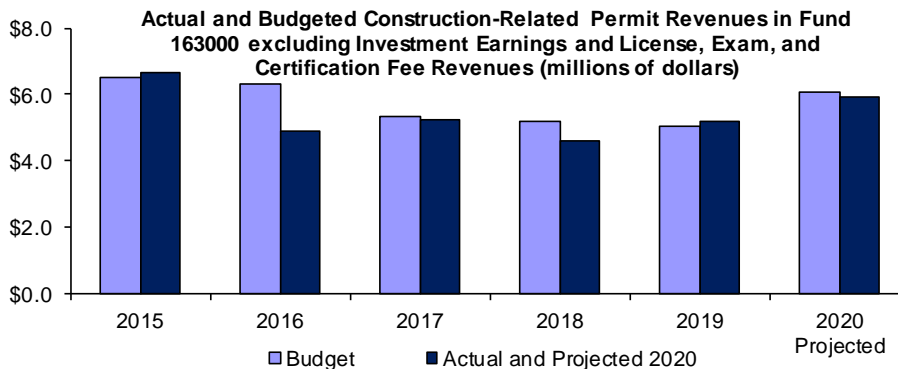


These charts include only construction-related permit fees and do not include revenues from investment earnings, licenses, exams, certifications, mobile home park permits, copier fees, and prior year expense recoveries posted in Fund 163000.

Percent Change in Quarterly Construction Related Revenues in Fund 163000 (formerly 181) compared to the Same Quarter in Prior Year



Below budget



Construction-related permit fee revenues are currently projected to be (\$150k) below budget primarily because AO 2020-46 authorized a 25% discount on construction-related permits and fees.