

**Assembly Budget/Finance Committee**

**September 21, 2021**

**Revenue Summary Highlights\* from MOA Treasury**

\*as of September 2021 month end, plus initial October 2021 posted activity; SAP extract report generated as of 10/19/21; revenue highlights include all 100 Fund Gen'l Gov't Operating Budget Revenues, plus information re: separate fund revenues for Building Safety Fund and Alcohol Tax Fund

**Overall 2021 YTD Revenue Realization**

- 2021 Total Budgeted Revenues: \$802.8M (incl. ASD)
- 2021 YTD Actual Revenues posted in SAP: \$740.5M
- 2021 YTD Revenue Realization: 92% (vs. 88.5% for prior period 2020)

**Highlights of Select Major Revenues: Preliminary Outlook or Trend**

	<b>2020 Actual</b>	<b>2021 Budget</b>	<b>2021 YTD posted rev in SAP</b>	<b>2021 YTD Realization</b>	<b>Baseline info for projection</b>	<b>Current Outlook or Trend vs. Budget</b>	<b>Add'l Comments</b>
<b>2021 PFD Garnishment Revenues (mostly APD)</b>	\$3.9M	\$4.2M	N/A	N/A	Annual PFD garnishment revenues are not posted in SAP until Q4 each year.	Expected to realize as much as \$3.9M of the \$4.2M budgeted, based on extrapolating what MOA received mid-October 2021 from 1 <sup>st</sup> major electronic deposit by PFD office.	Current estimated range of revenue realization is \$3.6M-\$3.9M.
<b>MUSA/MESA</b>	\$27.0M	\$20.2M	\$20.0M	99%	Based on SAP postings thru 10/19.	Expected to be within \$160K of budget.	First year without ML&P. All other municipal utilities and enterprises have paid their annual MUSA/MESA payments.
<b>Private PILT</b>	\$1.9M	\$11.8M	\$12.4M	105%	Based on contractual payments	Expected to exceed budget by at least \$600K.	Payment posted in SAP in amount of \$10.4M represents

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					payable to MOA.		Private PILT from Chugach Electric post-ML&P sale contract terms (i.e., replacing former ML&P MUSA payment).
<b>Real Property Tax (incl. ASD)</b>	\$529.0M	\$562.5M*  <b>GG:</b> \$293.1M (52%)  <b>ASD:</b> \$269.4M (48%)	\$560.6M  <b>GG:</b> \$291.2M  <b>ASD:</b> \$269.4M	99.7%	Based on Roll 1 real property tax billing in May and August 2021, plus payments received each month for delinquent real property.	Expected to meet budget.	Current Year Real (and Personal) Property Tax Revenue is posted when billed and delinquent property tax payments are posted when received and adjusted at Year End by Controller Division per accounting standards.
<b>Personal Property Tax (incl. ASD)</b>	\$51.2M	\$50.8M  <b>GG:</b> \$26.7M (53%)  <b>ASD:</b> \$24.1M (47%)	\$44.5M  <b>GG:</b> \$20.4M  <b>ASD:</b> \$24.1M	88%	Actual billing of timely personal property Rolls 2-3, which were billed Aug. 1.	Expected <u>negative</u> revenue variance of <\$2.0M> or more.	See preceding comment re: property tax revenue accounting standards. Late/Involuntary personal property tax Rolls 4-7 to be billed in Q4 2021.
<b>Cash Pool Earnings Revenue Accounts (incl. TANS)</b>	\$2.9M	\$1.4M	<\$1.01M>	N/A	Postings in SAP are now current.	Current point-in-time, projected <u>negative</u> revenue variance of <\$581K>.	Earnings and market value of Cash Pool investments can significantly vary month-to-month.
<b>Room Tax (GG portion)</b> – <b>QUARTERLY</b>	\$4.8M	\$9.4M	\$5.6M	60% (vs. 22% same time period in	Based on actual filings for Q1 & Q2 2021, plus	Expected to exceed budget by at least \$2.0M,	2021 budget assumed 50% recovery from the 2020 COVID

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<b>REPORTED REVENUE</b>				2020; 5-year Pre-COVID historical avg. is 44% thru first 2 filing quarters)	July and August 2021 updates received from the top tier of largest hotels.	with respect to percentage of revenues allocated to Gen'l Gov't. Q3 filings are the most key data point (i.e., 41% of annual revenue historically observed in Q3).	year. Room tax is shared 3-ways betw. GG, Dena'ina Ctr, and Visit Anchorage. Q3 2021 filing data will not be known until Nov. 10. August 2021 info returns received from 17 of the largest hotels indicate that August was stronger than July or Q2 2021, compared to prior year periods.
<b>Rental Vehicle Tax – QUARTERLY REPORTED REVENUE</b>	\$3.1M	\$5.1M	\$2.5M	49% (vs. 18% same time period in 2020; 5-year Pre-COVID historical avg. is 33% thru first 2 filing quarters)	Based on actual filings for Q1 & Q2 2021	Expected to exceed budget in the range of \$2M. Q3 filings are the most key data point (i.e., 58% of annual revenue historically observed in Q3).	Similar assumptions and trend used for room tax (see above).
<b>Tobacco Tax</b>	\$19.1M	\$20.7M	\$13.9M	67%	Based on 8 months of filings.	Expected to meet budget.	
<b>Motor Fuel Excise Tax</b>	\$11.7M	\$12.6M	\$8.2M	65%	Based on 8 months of filings.	Expected to meet budget.	Seasonality impact exists and is TBD. Fuel Excise Tax is based on gallons of fuel purchased, not on price per gallon.

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<b>Auto Registration Tax</b>	\$10.9M	\$10.7M	\$6.9M	65%	Based on 7 months of DMV payments posted in SAP.	Given info re: 8 <sup>th</sup> month payment not yet posted in SAP, expected to exceed budget by approx. \$500K.	
<b>Marijuana Tax</b>	\$5.3M	\$5.4M	\$3.8M	70%	Based on 8 months of filings.	Expected to exceed budget by at least \$300K.	
<b>Aircraft Registration Tax</b>	\$168K	\$126K	\$138K	110%	Most of annual billing occurred during 1 <sup>st</sup> half 2021.	Expected to slightly exceed budget by \$30K.	Phase out of personal-use component of revenue in Q4 2021, due to passage of Tax Omnibus bill (AO 2020-96, As Amended).
<b>Municipal Assistance</b>	\$375K	\$1.7M	\$98K	6%	Based on information from AML.	Expected to realize \$1.6M (i.e., 94% of budgeted revenue).	SOA to make payment to MOA following receipt of annual financial report from MOA for year-end 2020.
<b>APD Counter Fines</b>	\$1.7M	\$1.8M	\$2.0M	111%	Based on 9 months of timely paid traffic citations (i.e., SAP postings as of 10/19).	Expected to exceed budget by at least \$500K.	Increase in grant funds available for traffic enforcement.
<b>Ambulance Service Fees</b>	\$7.8M	\$10.3M	\$5.2M	50%	Based on SAP postings as of 9/13.	Potential <u>negative</u> revenue variance of <\$1.0M> to <\$1.5M> based on 4-year historical	Revenues are adjusted quarterly by Controller Division based on collectability. Awaiting AFD response re:

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						average annual revenue of \$8.9M.	specific \$\$\$ estimate or range of potential revenue variance.
<b>MOA Trust Fund</b>	\$14.0M	\$18.7M	\$18.8M	101%	Based on actual AMC defined dividend calc and market value information.	Positive revenue variance of \$100K.	Annual dividend calc is determined as of March 31 of each year. Final portion of 2021 dividend was paid on 9/1.
<b>"NET" Variance of above cited major GG Revenue Sources</b>	--	\$747.4M Budgeted, with respect to above cited 2021 Major GG Revenue Sources	\$748.8M Projected, with respect to above cited 2021 Major GG Revenue Sources	--	--	Projected "net" positive revenue variance of approximately \$1.4M with a plus/minus variability of \$500K. Note: all above tax revenue projections fall within Tax Cap except Room Tax.	Based on currently available information and before Year End Deferred Revenue adjustment by Controller Division.
<b>Bldg Safety Fund (163000)</b>	\$6.5M	\$5.0M	\$4.8M	96%	Based on SAP postings thru 10/19.	Appears in position to exceed budget, however excess stays within the Bldg. Safety fund.	Separate fund associated with Bldg. Permit Center.
<b>Alcohol Retail Sales Tax (Fund 206000)</b>	N/A	\$11.8M	\$8.3M	70%	Based on 7 months of filings (Feb – Aug 2021)	Expected to exceed budget by approximately \$1M.	Separate, dedicated fund. Tax began Feb 1 2021. Currently tracking at 110% of midpoint target thru first 7 months of filings.

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							Seasonality is built into projection.