

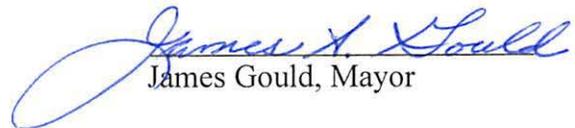
CITY OF THORNE BAY
ORDINANCE 09-09-15-03

AN ORDINANCE OF THE CITY COUCNIL FOR THE CITY OF THORNE BAY,
ALASKA, AUTHORIZING THE QUESTION OF AN INCREASE IN SALES TAX
FROM 5% TO 6% BE ON THE OCTOBER 6, 2009 GENERAL ELECTION BALLOT
TO BE VOTED ON BY THE VOTERS OF THORNE BAY, ALASKA

BE IT ENACTED BY THE CITY COUNCIL FOR THE CITY OF THORNE BAY,
ALASKA;

- Section 1. Classification. This is a non-code ordinance
- Section 2. Purpose of Ordinance. The purpose of this ordinance is to put the question of a sales tax increase of one percent from 5% to 6% on the October 6, 2009, General Election Ballot.
- Section 3. Effective Date. This ordinance shall not go into effect until first approved by a majority of the qualified voters voting on the question at a municipal election to be held on October 6, 2009.

PASSED AND APPROVED September 15, 2009


James Gould, Mayor

ATTEST:


Teri Hammons, City Clerk

SALES TAX OPTIONS
**CITY OF THORNE BAY SALES TAX RATE INCREASE FOR ROAD
MAINTENANCE / COMMUNITY DEVELOPMENT PROJECTS**

A. SHALL THE CITY OF THORNE BAY SALES TAX BE INCREASED ONE PERCENT (FROM 5% TO 6%)? THE REVENUES FROM SUCH SALES TAX RATE WILL BE USED TO FUND ROAD MAINTENANCE / ROAD CONSTRUCTION PROJECTS AND COMMUNITY DEVELOPMENT PROJECTS.

Explanation:

This measure asks the voters if they want to raise the City of Thorne Bay's sales and use tax rate by 1% (One dollar per \$100 purchase) with the money generated dedicated to road maintenance and community development projects.

Those in favor say:

Thorne Bay's roads are in serious need of improved maintenance. A significant percentage of our roads are now rated of poor quality. The 2010 budget is operating at a seventy-two thousand dollar deficit and is not sufficient to maintain roads or initiate community development projects at the present level. National Forest Receipts will no longer be available to communities for road maintenance after 2012. Failure to upgrade or adequately maintain roads will result in further deterioration and require ever increasing costs to rehabilitate. Community development projects benefit Thorne Bay holistically by providing space to foster education, provide recreational opportunities, and improve the quality of life of the community. The seasonal Sales Tax increase would spread out the costs of these projects to the broadest range of users, including non-Thorne Bay residents.

Those opposed say:

- Sales tax is a regressive tax impacting the poorest more severely.
- We don't want a tax increase.
- We don't think the road needs maintenance
- We don't think capitol improvement projects such as improvements to Water/Sewer, Docks, Bay Chalet, Parks, Library and Fairgrounds, are needed.

Documentation in Support of 1% Sales Tax Increase

ROADS

- The City's road construction and maintenance program (\$65,000-\$75,000 annual cost) is **entirely** funded by National Forest Receipts from the federal government. The program is scheduled to end after 2012, leaving a large budget gap to fill.
- Without additional funds dedicated towards road maintenance, the level of road maintenance within Thorne Bay will have to be reduced (grading operations; snow removal; additional paving projects; improvements within the Southside Subdivision, Goose Creek Industrial Subdivision, and Steep Road Subdivision).
- Annual maintenance and improvements are critical safety issues that have an impact on the effectiveness of EMS and Fire Response and the quality of life of Thorne Bay residents.

COMMUNITY DEVELOPMENT

Numerous community development projects have not been addressed in the previous years due to a lack of adequate funding (*examples*):

- Repair / Replacement of the Bay Chalet
- Improvements to Pearl Nelson Community Park
- Improvements to the fairgrounds / ball field
- Repair / Replacement of the library
- Constructing a Multi-Use Facility (City Hall, Clinic, Community Building)
- Sidewalks Construction on Freeman Dr and Shoreline Dr. (Thorne Bay School children) conceptually, the additional 1% sales tax equates to \$50,000-\$60,000 annually. These funds would be equally distributed (50% each) between road maintenance / construction and community development projects. The "roads" portion will be used annually to continue upgrading and maintaining Thorne Bay's roads, while the "community development" portion will be set aside on an annual basis to fund prioritized projects on the City's Strategic Plan. Lastly, ~ 30-40% of sales tax revenue is received annually from residents living outside of Thorne Bay. Thus, increasing sales tax allows the City to spread necessary funding of our roads maintenance and community development projects to non-Thorne Bay residents.

60/40

Most importantly, these funds will not be used to offset losses from other departments (water, sewer, solid waste, etc.) or go into the General Fund to be used as needed.

This is a structured approach to funding the current and future needs to maintain roads and develop adequate community facilities to improve the overall quality of life in Thorne Bay.