

PUBLIC WORKSHOP
TUESDAY, AUGUST 6TH (8/6)
CITY HALL COUNCIL CHAMBERS
STARTING AT 5:30PM

BALLOT MEASURE TO
INCREASE IN CITY SALES TAX

Local Sales Tax Increase
Ballot Measure No. 1

October 1, 2019, Municipal Election

The City Council will place a Ballot Measure to increase the City Sales Tax rate from 6% to 6.5% (1/2 of a percent), on the October 1st General Municipal Election.

This measure if approved will increase sales tax by 1/2 of a percent with the funds to be dedicated to funding the Emergency Services Department

**WE INVITE YOU TO ATTEND THE AUGUST 6TH WORKSHOP AND BRING YOUR
QUESTIONS, IDEAS OR CONCERNS SO WE CAN WORK TOGETHER TO ENHANCE
OUR EMERGENCY SERVICES DEPARTMENT IN THORNE BAY**

Posted: July 31, 2019

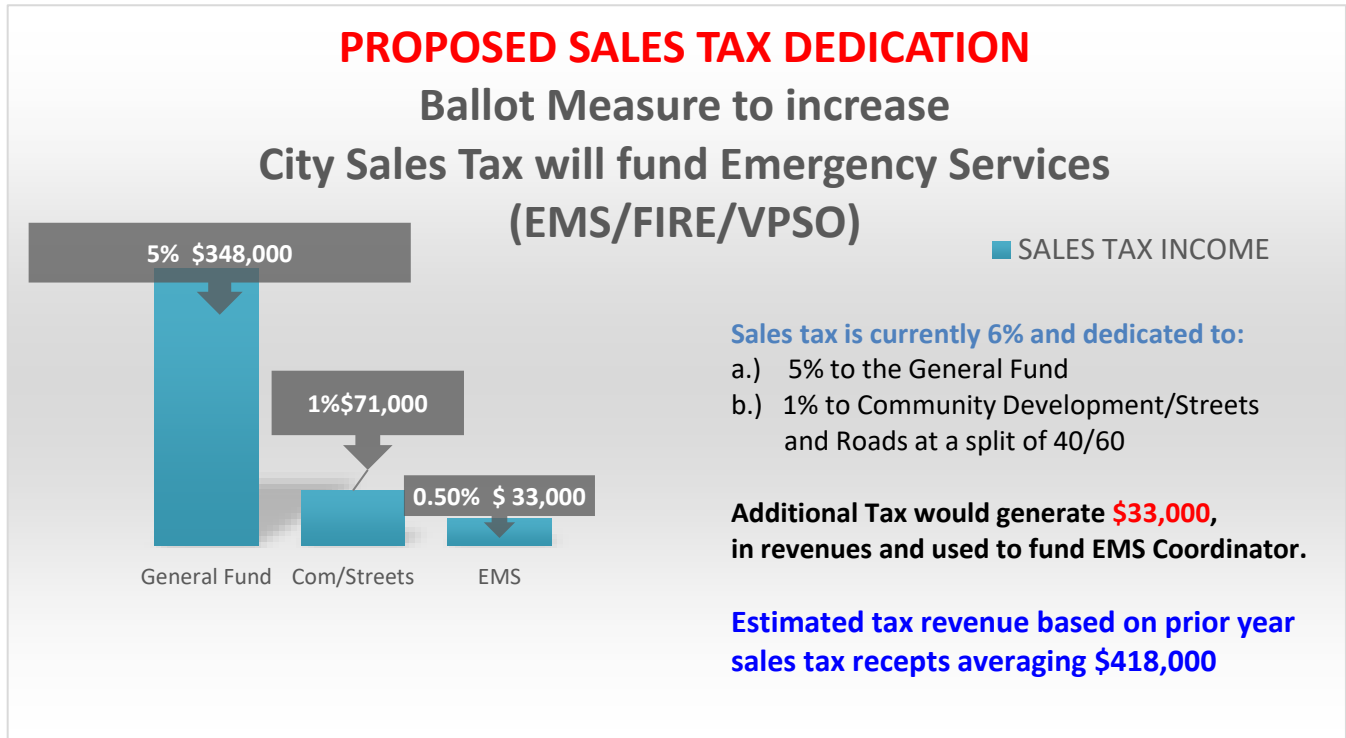
City Hall, The Port, A&P Market, USFS, SISD, Thorne Bay School, Davidson Landing, Main Harbor
City Website: www.thornebay-ak.gov

Contact the City Clerk, Teri Feibel, to submit comments, questions or express concerns prior to the August 6th workshop. This is not required but is an option. Email cityclerk@thornebay-ak.gov, or call (907) 828-3380.

Proposed Sales Tax Increase

BALLOT MEASURE FOR THE OCTOBER 1ST MUNICIPAL ELECTION WILL INCREASE SALES TAX

from 6% to 6.5% Additional one-half of a percent will be used to enhance the Emergency Services Department by employing an Emergency Services Coordinator



If approved, the Thorne Bay Municipal Code Section 3.17.010 shall read as follows:

- As of January 1, 2020, sales tax will increase from 6% to 6.5% with revenues to be dedicated as follows:
- a. The proceeds (including penalty and interest) collected under this chapter which are derived from five percent (5%) of the sales tax levy or seventy-seven percent (77%) of the total sales tax collected shall be deposited into the general fund and expended for general municipal purposes.
 - b. The proceeds (including penalty and interest) collected under this chapter which are derived from one percent (1%) of the sales tax levy or fifteen percent (15%) of the total sales tax collected shall be expended for special purposes and in accordance with the priority listed in (b)(1) and (2) below, and those proceeds shall be deposited in an account entitled "sales tax savings"
 1. 40% shall be expended on community development projects
 2. 60% shall be expended on the maintenance of streets and roads.
 - c. One-half percent of the sales tax levy or eight percent (0.08%) of total sales tax collected shall be expended for special purposes and in accordance with the priority listed in (c)(1) and (2) below, and those proceeds shall be deposited in an account entitled "emergency services operational funds"
 1. The employment of an emergency services coordinator;
 2. Any and all funds not spent on the salary of emergency services coordinator will be deferred to the operational expenses of the emergency services & public safety.
- (ORDINANCE 19-08-06-01; PRIOR ORD. 10-01-05-01, AND 85-08-22-01 §2, 1985)

BALLOT MEASURE #1

SALES TAX INCREASE

CITY OF THORNE BAY SALES TAX RATE INCREASE WITH FUNDS TO BE DEDICATED TO EMERGENCY SERVICES DEPARTMENT, WITH PRIORITY IN EMPLOYMENT OF EMERGENCY SERVICES COORDINATOR

A. SHALL THE CITY OF THORNE BAY SALES TAX BE INCREASED ONE HALF PERCENT (FROM 6% TO 6.5%)? THE REVENUES FROM SUCH SALES TAX RATE WILL BE USED TO FUND TO BE USED TO FUND THE EMERGENCY SERVICES DEPARTMENT (EMS/FIRE/VPSO) WITH PRIORITY IN THE EMPLOYMENT OF AN EMERGENCY SERVICES COORDINATOR.

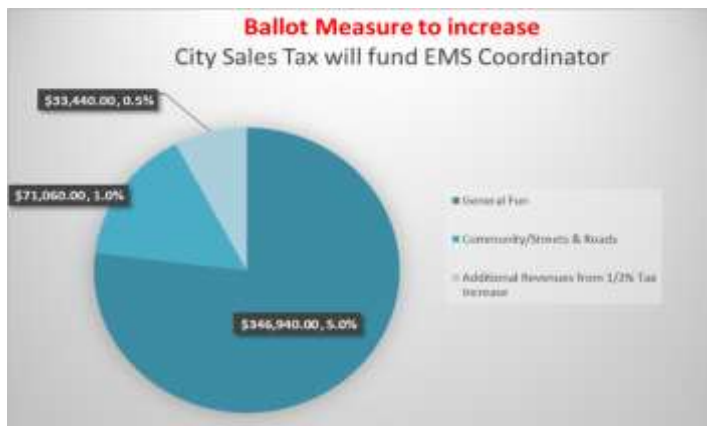
Explanation:

This measure asks the voters if they want to raise the City of Thorne Bay’s sales and use tax rate by 1/2 % (Fifty cents per \$100 purchase) with the money generated dedicated to employing an Emergency Service Coordinator/Public Safety Department

The City of Thorne Bay operates their emergency services through Volunteers of the Fire Department and a contract for medical services with the City of Klawock. It is our goal to fund the Emergency Services department to begin building the number of responders here in Thorne Bay.

This is a structured approach to funding the current and future needs to maintain adequate Emergency Services and which helps improve the overall quality of life in Thorne Bay.

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.



These figures represent the estimated total sales tax revenues received within the last year. Annual averaged sales tax is \$418,000 per year.

Sales tax is currently 6% and dedicated to:
 a.) 5% to the General Fund
 b.) 1% to Community Development/Streets and Roads at a split of 40/60
Additional Revenues from 1/2 % Sales Tax estimated at \$33,440

General Fund	5.00	divided by	6.50	equals	0.769230769
Comm Development/Streets Maint	1.00	divided by	6.50	equals	0.153846154
Emergency Services	0.50	divided by	6.50	equals	0.076923077
Total:	6.50	6.5 percent makes 100% of total sales tax received			1.0000

Other Measures of Note

- **Election of Mayor**. Voters in Thorne Bay will vote on a measure to make the currently appointed position of Mayor, to instead be elected by the voters from the council as in many other cities.