

**CITY OF GUSTAVUS, ALASKA
RESOLUTION CY18-16**

**A RESOLUTION REVISING POLICY AND PROCEDURE FOR DISBURSEMENT OF
ROOM TAX MONIES TO THE GUSTAVUS VISITORS ASSOCIATION**

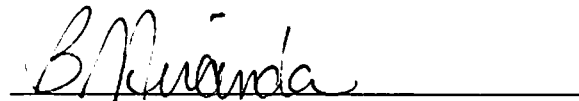
WHEREAS, in 2018, with Resolution 2018-09, the Gustavus City Council updated Policy and Procedure for the Disbursement of Room Tax Monies to GVA under Title 4.14, and

WHEREAS, in the process of implementing the Policy and Procedure, it became apparent that some clarifications were necessary, and

WHEREAS, formal action is needed to address the revisions necessary to the policy and procedure,

NOW THEREFORE BE IT RESOLVED, that the Gustavus City Council accepts the revisions to the document entitled "Policy and Procedure for Disbursement of Room Tax Monies to the Gustavus Visitors Association", as presented by this Resolution.

PASSED and **APPROVED** by the Gustavus City Council Gustavus City Council this 14th day of May, 2018, and effective upon adoption.



Barbara Miranda, Mayor



Attest: Phoebe Vanselow
City Treasurer

CITY OF GUSTAVUS, ALASKA

POLICIES AND PROCEDURES

TITLE: POLICY AND PROCEDURE FOR DISBURSEMENT OF ROOM TAX MONIES TO THE GUSTAVUS VISTORS ASSOCIATION

BACKGROUND:

As stated in the Petition for Incorporation as a Second Class City (Petition) compiled and submitted to the State of Alaska in 2003 by a group of Gustavus residents (Petitioner), in Exhibit F: Transition Plan, the Petitioner proposed a tax levy and collection plan to be enacted by ordinance by the future City Council, while acknowledging that "The Petitioner recognizes that it cannot bind a future City Council" (Exhibit F, page 18). Within that paragraph, the Petitioner went on to state that "while the council cannot be bound by the Petitioner, it is proposed that one-half of the proceeds of the commercial overnight accommodations (bed tax) collected by vendors will be granted to the Gustavus Visitors Association (GVA) to be used for promotion of the Gustavus visitor industry" (Exhibit F, Petition for Incorporation, page 18). In establishing the possible viability of this proposal to transfer tax funds to a non-City entity, in Exhibit E of the Petition, the Petitioner projected that including only half of the 4% bed tax could result in a viable City operating budget, and in Footnote 11 to the projected budget the petitioners stated: "Actual bed tax will be 4% but one half of this amount goes to Gustavus Visitors Association [...] for advertising by GVA" (Exhibit E, Petition to Incorporate, page 16). The Petition was approved by Gustavus voters in April of 2004.

POLICY:

In compliance with its fiduciary responsibility as established in State statute and City code, and in accordance with established budgetary requirements, the City of Gustavus adopts a policy to allocate funds for the Gustavus Visitors Association's economic development and tourism enhancement activities, under the following procedure.

PROCEDURE:

The Gustavus Visitors Association will submit, for approval, a yearly marketing plan and budget request for tourism enhancement to the City Council as per Gustavus Municipal Code 04.14.220(b) by February 1 of each year.

The City Treasurer shall tally the Room Tax from the prior fiscal year and present that figure to the Mayor and/or City Administrator for budgeting purposes. The Mayor and/or City Administrator shall present that figure to the Gustavus City Council during the October General Meeting. Fifty percent of the room tax total from the prior fiscal year represents the maximum amount that can be disbursed to GVA without specific Council approval. Otherwise the City Council shall consider the GVA budget request and determine the amount of money to disburse to GVA and that amount can

be included in the next fiscal year budget and approved by the Council as a part of the regular budget cycle.

The City Council must review the marketing plan and budget request at the March general meeting. The Mayor and/or City Administrator, in conjunction with the City Treasurer shall consider the budget request and determine the amount to include in the City’s annual operating budget no later than May 1 of each year (City Ordinance 4.04.04). The City Council may or may not approve the total amount requested as part of the regular budgeting process. If the amount of funding requested is more than fifty percent of the room tax total from the prior fiscal year, the Council may consider providing additional funding. This additional funding would need to be approved via City Council resolution.

Payment of the requested budget amount, if approved, shall occur by July 31. This payment does not require further Council action.

The Marketing Plan and Budget Request must include the following:

- Goals
- Objectives (specific and measurable)
- Membership and Board makeup
- Tourism Statistics – (including estimates # of residents, average stay, average spending, economic impact of the visitor industry)
- Budget
- Budget request of City

ADDITIONAL REPORTING REQUIREMENTS:

- Profit and Loss Budgeted vs. Actual
- Balance Sheet
- Quarterly Reports as scheduled by the City Clerk

CALENDAR:

October General Meeting	City Treasurer Reports Bed Tax totals.
February 1	Mid-Year Expense/Progress Report Due
February 1	GVA Marketing Plan and Budget Request submitted to City
March General Meeting	Council reviews marketing plan and budget request
May 1	Mayor/City Administrator’s budget submitted for approval
May General Meeting	City budget approved for posting
July 31	End of Year Expense/Progress Report Due
July 31	Approved funds are disbursed