



RESTRUCTURING OUR SALES TAX

OUR BUDGET IS BALANCED, WHY DISCUSS AN INCREASE TO SALES TAX?

TO REPLENISH ACCOUNTS THAT FUND SERVICES AND CIP

The City of Gustavus has 6 investment savings accounts that are not used for the operating budget (with the exception of roads) but are designated for CIP, road maintenance, repair & replacement for existing assets, and a reserve fund.

The city needs a plan to replenish the capital improvement funds and eventually the road maintenance funds due to:

- State of Alaska Capital Budget not providing funding
- Decreased and unpredictable National Forest Receipts
- Uncertain environment for grant funding

TO FUND ANY DESIRED EXPANDED SERVICES

WHERE IS THE MONEY INVESTED?

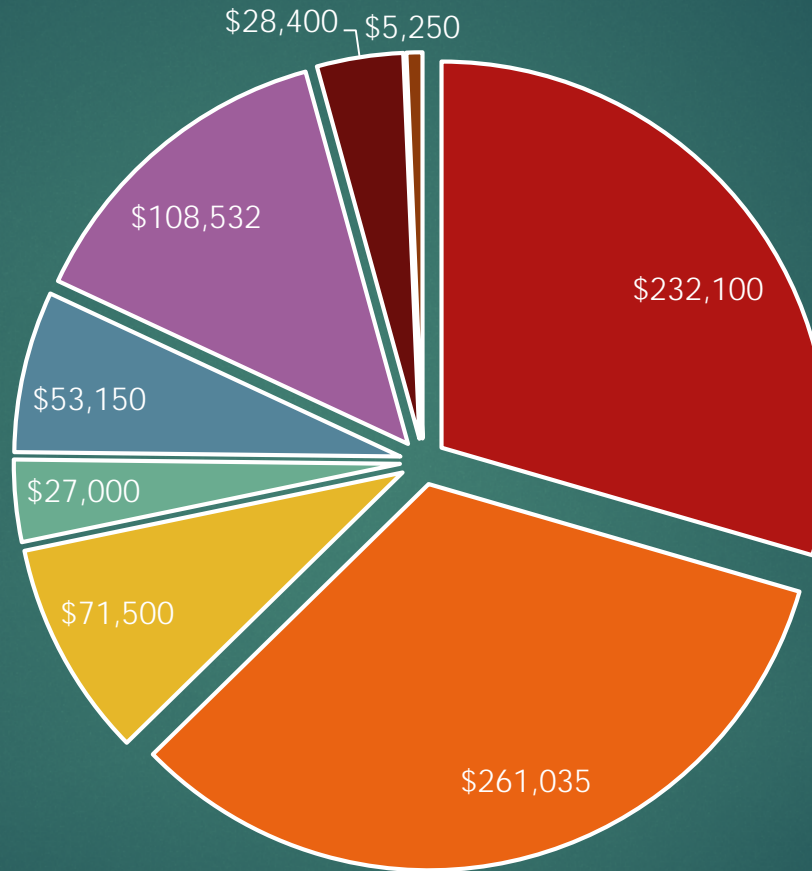
ALASKA MUNICIPAL LEAGUE INVESTMENT POOL

The Alaska Municipal League Investment Pool (AMLIP) is a non-profit corporation formed by the Alaska Municipal League to provide investment services under the Alaska Investment Pool Act of 1992. The purpose of AMLIP is to provide a safe, high-yield, short-term investment option to maximize revenue for boroughs, cities, school districts and other state government entities.

HOW IS THE MONEY SPENT?

2018-19 Funded Capital Projects:

- 2018 = \$304,882 + \$85,000 for road maint.
- 2019 = \$312,085 + \$85,000 for road maint.



ROADS DRC LIBRARY SBH BEACH GVFD LIDAR CITY HALL

FUND BALANCES

ROAD MAINT – ENCUMBERED	\$12,791
• Remainder of National Forest Receipts funds received years ago	
ROAD MAINT – UNENCUMBERED	\$255,835
CAPITAL IMPROV LONG-TERM	\$480,222
REPAIR & REPLACEMENT	\$258,346
RESERVE	\$758,694

EXAMPLES OF WHERE THE WOULD THE MONEY GO?

❖ CAPITAL PROJECTS & SERVICES

- ✓ FIREHALL
- ✓ DRC
- ✓ LIBRARY
- ✓ SMALL BOAT HARBOR
- ✓ GRAVEL PITS

❖ *ANNUAL ROAD MAINTENANCE

*ROADS

ALTHOUGH ANNUAL ROAD MAINTENANCE IS INCLUDED IN THE GENERAL BUDGET, IT IS FUNDED THROUGH AMLIP SAVINGS AND CURRENT YEAR NATIONAL FOREST RECEIPTS.

RELATED ROAD PROJECTS MAY BE FUNDED THROUGH EITHER THE GENERAL BUDGET OR THE CIP. PROJECTS LIKE DITCHING TO PREVENT OR MINIMIZE FLOODING; TREE REMOVAL AFTER A FALLING THAT BLOCKS A ROAD; CULVERT REPAIR, REPLACEMENT, OR NEW INSTALLATION; ETC.

SAMPLE PROJECTS FOR FUNDS

ROADS * DRC * LIBRARY * MARINE FACILITIES * GVFD

ROADS

- ✓ GRAVEL PIT OPERATIONS
- ✓ INSTALLING DRAINAGE FOR ROADS
- ✓ CREEK/ROAD EMBANKMENT REINFORCEMENT
- ✓ ROAD RECONSTRUCTION
- ✓ ANNUAL ROAD MAINTENANCE & SNOW REMOVAL

DRC

- ✓ NEW BUILDING
- ✓ NEW EQUIPMENT – BALER, SHREDDER, ETC.
- ✓ HAZARDOUS MATERIALS
- ✓ LANDFILL AND TRANSFER
- ✓ QUONSET HUT
- ✓ FISH COMPOSTING
- ✓ COMMUNITY CHEST REPAIRS AND IMPROVEMENT

LIBRARY

- ✓ REPAIRS – SEPTIC, ROOF, ETC.
- ✓ OUTDOOR BIKE PARKING AND COVERED CASUAL AREA
- ✓ EXPANDED SERVICES AND PROGRAMS
- ✓ NEW OR REMODELED BUILDING TO EXPAND FLOOR AREA



MARINE FACILITIES


- ✓ NEW FLOATS IN SALMON RIVER SMALL BOAT HARBOR (SRSBH)
- ✓ EMERGENCY USE LANDLINE AT SRSBH & MULTI-MODAL DOCKS
- ✓ INTERPRETIVE SIGNS
- ✓ SRSBH IMPROVEMENTS – RESTROOM, PICNIC TABLE, WEBCAM

HOW WOULD WE DO AN INCREASE?

Two possible concepts for increasing sales tax are a 0.5% (from 3% to 3.5%) or a 1% (from 3% to 4%) increase, year-round or seasonal.

1. April through September would increase revenue by approximately:
 - 0.5% increase = \$47,280 annually
 - 1% increase = \$94,560 annually
2. Apply the increase all year which would increase revenues by approximately:
 - 0.5% increase = \$65,000 annually
 - 1% increase = \$131,000 annually

A line-item could be added to the operating budget, to transfer revenue to the respective AMLIP account, as we are currently doing for the Repair & Replacement account.



AN INCREASE IN SALES
TAX REQUIRES A VOTE
BY THE PEOPLE