

KODIAK CITY COUNCIL
COMMUNITY FORUM AGENDA

Monday, October 16, 2017
Borough Assembly Chambers
6 p.m.

1. Meeting Goals and Objectives
2. Manner of Participation
3. Overview of Current City Financials
4. Review Current and Long-term Options.....1
5. Public Comments (limited to 3 minutes per person)

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City of Kodiak

Sales Tax Discussions – Continuation
Planning for the Future – October 2017
City Council Forum

GENERAL FUND ONLY Potential Impact to Fund Balance

| | Potential Increase / (Decrease) | Increase / (Decrease) to Fund Balance ** |
|---|---------------------------------|--|
| # 1 – Senior Rebate Program at \$200 | 794,013 | (5,452,514) |
| # 2 – Sales Tax Rate 7% Increase Cap to \$3,000 | 5,903,330 | (343,197) |
| # 3 – Sales Tax Rate 7% Eliminate Cap | 6,586,975 | 340,448 |
| # 4 – Sales Tax Rate 7% Increase Cap to \$3,000 – Rentals Remain \$750 *** | 5,653,094 | (593,433) |
| #5 – Sales Tax Rate 7% Eliminate Cap – Rentals Remain \$750 | 6,228,048 | (18,479) |
| # 6 Alcohol Tax at 5% | 446,792 | (5,799,735) |
| # 7 Tobacco Tax at 8% | 176,995 | (6,069,532) |
| # 8 Est Marijuana Tax Based on Population | 18,431 | (6,228,096) |
| # 9 Eliminate 2% Discount for Timely Filers*** | 229,197 | (6,017,330) |

** Includes FY 2018 deficit of approximately \$2.8 million and limited capital project needs.

*** Current Ordinances include increasing the Cap to \$3,000, adding exemptions for real property rentals to leave the Cap at \$750, and eliminate the 2% discount for timely filers. These three would result in an estimated annual increase of approximately \$5.8 million with an estimated potential decrease to fund balance at an estimate of \$365,000.

GENERAL FUND ONLY Potential Impact to Fund Balance

| | Potential Increase / (Decrease) | **Increase / (Decrease) to Fund Balance |
|---|---------------------------------|---|
| # 1 – Eliminate Senior Exemption | 1,034,013 | (4,493,588) |
| # 2 – \$200 Rebate to Seniors & Eliminate Senior Exemption | 794,013 | (4,733,588) |
| # 3 – Eliminate Senior Exemption Except for Groceries | 781,590 | (4,746,011) |
| # 4 – Eliminate Senior Exemption Except for Groceries & \$200 Rebate to Seniors | 541,590 | (4,986,011) |
| # 5 – Decrease Sales Tax Rate to 5% for Groceries Only | (607,118) | (6,134,719) |
| # 6 – Decrease Sales Tax Rate to 5% & Eliminate Cap | 1,345,021 | (4,182,580) |
| # 7 – Decrease Sales Tax Rate to 6% & Eliminate Cap | 3,965,998 | (1,561,603) |
| # 8 – Decrease Sales Tax Rate to 5% & Increase Cap to \$1,500 | 265,428 | (5,262,173) |
| # 9 – Decrease Sales Tax Rate to 6% & Increase Cap to \$1,500 | 2,670,486 | (2,857,115) |

** Includes FY 2018 deficit of approximately \$2.8 million and limited capital project needs.

GENERAL FUND ONLY Potential Impact to Fund Balance

| | Potential Increase / (Decrease) | ** Increase / (Decrease) to Fund Balance |
|--|---------------------------------|--|
| # 10 – Decrease Sales Tax Rate to 5% & Increase Cap to \$3,000 | 856,703 | (4,670,898) |
| # 11 – Decrease Sales Tax Rate to 6% & Increase Cap to \$3,000 | 3,380,017 | (2,147,584) |
| # 12 – Sales Tax Rate Remains at 7% & Increase Cap to \$1,500 | 5,075,544 | (452,057) |
| # 13 – Sales Tax Rate Remains at 7% & Increase Cap to \$3,000 | 5,903,330 | 375,729 |
| # 14 – Sales Tax Rate Remains at 7% & Eliminate Cap | 6,586,974 | 1,059,373 |
| # 15 – 5% Additional Sales Tax on Alcohol Sales | 446,792 | (5,080,809) |
| # 16 – 8% Additional Sales Tax on Tobacco Sales | 176,995 | (5,350,606) |
| #17 – Estimated Marijuana ST | 18,431 | (5,509,170) |
| # 18 – Internet Sales / Use | Unknown | Unknown |

** Includes FY 2018 deficit of approximately \$2.8 million and limited capital project needs.