

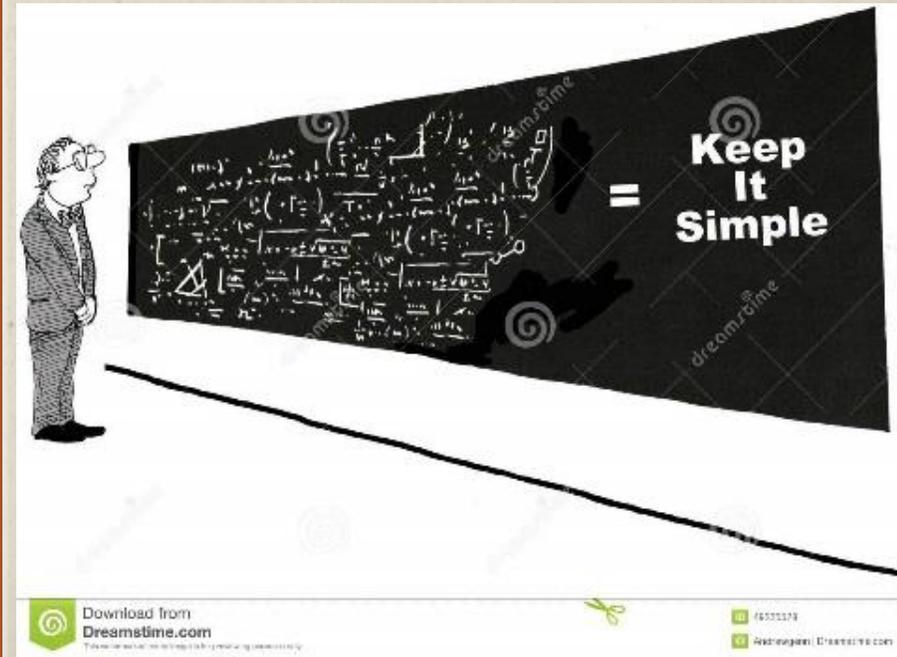
FRAMEWORK FOR A BUDGET GRAND BARGAIN

PRESENTED TO THE CITIZENS' TASKFORCE 1/18/16

KEY ASSUMPTIONS

- Citizens want to see some level of reduction in City Hall, hospital and school district
 - We need to make our tax/ revenue system more progressive and equitable
 - The CTF does not want to see our critical infrastructure deteriorate while at the same time members want City Hall to be prudent in how it is maintained which means it may look a little shabbier but will still work
 - Very few services, if any, currently being provided by the City are not considered Core regulatory or Core Public Safety/Infrastructure.
 - There is concerns about the sustainability of the enterprise funds with more focus on Electrical and Harbors
 - The CTF is feeling overwhelmed with spreadsheets and data and recognizes the complexities of the CBS budgets
 - The CTF process going forward needs to be simplified or we risk losing CTF membership and the ability to meaningfully engage the public
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"A foolish consistency is the hobgoblin of little minds, adored by little statesmen and philosophers and divines" Ralph Waldo Emerson



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Draft Grand Bargain Budget Framework Worksheet

New Expenses and Adjustments		Notes
No Sales Tax On Groceries	\$ 1,200,000	
GF Subsidy To Electric Fund	\$ 1,000,000	
Adjusted GF Deficit Funding PW Capital Projects at \$3 million not at \$4 million	\$ 1,500,000	Funding PW capital projects at \$3 million allows current infrastructure to be maintained. Adjustment made from Generl Fund Forcaste Spreadsheet Presented at the Nov 23 CTF meeting.
Property Tax Rebate for Low Income Prop Owners		Excludes those eligible for other property exemptions. Example example: \$50K exemption for home owners earning \$75K or less
Total New Expenses	\$ 3,700,000	
Possible New Revenues Streams		Notes
Elimination Senior Sales Tax	\$ 500,000	With sales tax off of groceireis and a subsidy for electrical service, removing this exemption may be more achievable
Car Registration Tax	\$ 500,000	
Raise Sales Tax Cap	\$ -	
Sales Tax on Long Term Rentals	\$ -	
Other	\$ -	
Other	\$ -	
Two Mill Property Tax Increase	\$ 2,000,000	
Total	\$ 3,000,000	
Difference Between Revenues and Expenses	\$ (700,000)	
Reductions To Balance Budget		
CBS General Fund	\$ 600,000	
Sitka School District	\$ 200,000	
Sitka Community Hospital	\$ 150,000	
Total	\$ 950,000	
Grand Total	\$ 250,000	

Engineering Flowchart

