



CITY OF STANLEY

13 October 2020

Dear Citizens of Stanley,

The City Council and I would like to provide you with information about a City issue that will appear on the November 3rd ballot. We want you to be informed because we know that informed citizens create better communities. Most importantly, we urge you to vote on November 3! As always, additional information relative to City issues can be found at: <http://www.stanley.id.gov/>. And, of course, the City Council and I always are available to discuss with you any concerns you may have.

Steve Botti
Mayor, City of Stanley

LOCAL OPTION TAX ON BALLOT FOR REAUTHORIZATION ON NOVEMBER 3

Idaho Code allows small, tourist-based towns to impose a local option tax to help fund basic services without having to increase property taxes. Like many resort areas, Stanley has a small tax base with which to fund basic infrastructure and services for residents and visitors. The option tax allows visitors to shoulder a larger share of this burden. The City of Stanley has used the option tax as an important source of revenue for 35 years. Currently, a 2.5% option tax is charged on the sale of items normally subject to state sales tax, except for guided river trips.

CURRENT USES OF OPTION TAX

Idaho Code allows option tax revenue to be used for any purpose relating to City government approved by City voters. The purposes must be identified in the option tax ordinance. Currently, option tax monies are authorized to be used for these purposes:

- improvements, additions, and maintenance of the community building;
- emergency services and law enforcement;
- capital improvements and maintenance of roads and water systems;
- direct costs to collect and enforce the tax;
- promotion of the City, including community-based organizations (except those receiving money from taxing districts);
- planning, creation, and maintenance of recreation facilities;
- support for special events that enhance local businesses; and
- matching funds for grants to further goals of the Stanley Comprehensive Plan.

PROPOSED USES OF OPTION TAX IF REAUTHORIZED

The proposed 2020 option tax ordinance provides a similar list of authorized uses, but includes two additional uses that the local community has requested--workforce housing and centralized recycling for residents and visitors. These are the proposed uses:

- planning, improvements, operation, and maintenance of the community building and recreation facilities, including the Valley Creek Preserve and the Central Idaho Dark Sky Reserve;
- emergency services and law enforcement;
- capital improvements and maintenance of roads, storm drainage systems, and water systems;
- direct costs to collect and enforce the tax;
- promotion of the City, including community-based organizations (except those receiving money from taxing districts);
- support for special events that enhance local businesses;
- matching funds for grants to further goals of the Stanley Comprehensive Plan;
- costs for planning, design, construction, and maintenance of water and sewer systems and other infrastructure to support workforce housing;
- planning, design, construction, maintenance, and management of workforce housing built on City-owned property that is owned and managed by the City; and
- support for a centralized recycling program.

The amount of funding budgeted for each of these purposes can vary from year to year, and is determined when the City Council formulates the annual budget. The public is always invited to participate in this through publically advertised work sessions and hearings. In addition, the City has a standard form that community-based organizations may use to request option tax money support as part of the annual budget cycle.

STEPS TO REAUTHORIZE THE OPTION TAX

The existing option tax ordinance expires at the end of 2021. Reauthorizing the tax requires that voters approve a new ordinance on November 3, 2020. The City Council held four public meetings throughout the summer to develop the new ordinance. A public hearing on the draft ordinance was held on August 31. The proposed ordinance was approved by the City Council on August 31, but still requires approval by voters before it becomes law. If approved, the new ordinance will be in effect for 10 years, providing stability for budget planning, especially for grants and city improvement projects that will require these additional funds.

CONSEQUENCES OF NOT REAUTHORIZING THE OPTION TAX

Option tax revenues currently make up about 60% of the City's annual operating budget; property tax and other revenues currently make up about 40%. The City relies almost entirely on option tax revenues to support many routine services and amenities enjoyed by the community and visitors, such as these:

- grading roads in the spring and fall;
- applying dust abatement in the spring and later, as needed;
- maintaining existing culverts and storm drainage mitigation on City streets;
- managing parking and maintaining landscaping along City streets;
- snowplowing;
- providing funding to the Chamber of Commerce;
- purchasing 4th of July fireworks;
- repairing and maintaining Pioneer Park, including the ball field, picnic area, and ice rink;
- maintaining and repairing the community building; and
- funding law enforcement.

In addition, option tax funds support capital improvements such as re-engineering city streets (Airport Road), and improving storm drainage and park irrigation systems.

If the option tax is not reauthorized, the resulting reduction in the City budget will necessitate these changes:

- Workforce housing planning, design, and construction will be delayed indefinitely.
- Chamber of Commerce funding will be eliminated.
- Fireworks will be eliminated.

- Dust abatement program will be eliminated.
- Repair and replacement of signs will be eliminated.
- City engineering services will be cut back 75%, impacting plans for the ice arena, Pioneer Park, Stanley to Redfish Lake connector trail, storm drainage upgrades, and mapping.
- Snowmobile grooming will be reduced by 75%.
- Pioneer Park maintenance will be reduced by 70%.
- Community building maintenance will be reduced by 70%.
- Ski trail grooming will be reduced by 60%.
- Snowplowing will be reduced by 50%.
- City Clerk services will be reduced by 25%.

Even deeper budget cuts may be necessary to balance the City budget. In the past, the City has been able to rely on funding reserves to cover unanticipated expenses [e.g., frivolous and baseless lawsuits (none initiated by the City), higher-than-anticipated snow plowing needs]. Because of these recent unanticipated expenses, the City's funding reserves currently are down to about half of their usual level. Continued transfers from reserve balances are not an ongoing option. Without option tax, the City would have to consider increasing the property tax levy on all citizens in order to stabilize the financial situation and to continue to provide the current level of City services.

The City cannot continue to provide the services and administrative functions that the community has come to expect if there is a 60% reduction in revenue resulting from elimination of the option tax.

It's your choice. Please vote on November 3!

Steve Botti
 Mayor
sbotti.stanley@gmail.com
 208.774.2286

Laurii Gadwa
 President, City Council
lgadwa.stanley@gmail.com

Austin Clegg
 City Council
austin.h.clegg@gmail.com

Tim Cron
 City Council
tim@sawtoothhotel.com

Lem Sentz
 City Council

City of Stanley
P.O. Box 53 Stanley, ID 83278
Tel: 208.774.2286 / Fax: 208.774.2278
www.stanleysid.nov
cityclerkaruralnetwork.net