

**Minutes of Budget Public Hearing
Held May 22, 2012**

Vice-Mayor Pamela McCloskey called the budget public hearing to order at 6:30 p.m., May 22, 2012, in the Council Chambers. Assembly Members McConachie, Stokes, Jack, and Privett were absent. Assembly Member Symons arrived at 6:33 p.m., with Mayor Maxand being absent. Borough Manager Timothy Rooney and Borough Clerk Christie Jamieson were also in attendance.

BUDGET PUBLIC HEARING:

The purpose of the hearing is to give citizens an opportunity to make comments on the City & Borough of Wrangell's Budget for FY 2012-2013 prior to final decision making by the Borough Assembly

Written Testimony – none.

Oral Testimony –

Ernie Christian, had questions regarding the old mill property and expressed that he was against the City purchasing the industrial property. Christian said we need to keep this in the private industry; there can be some cleanup issues there; I do not support the purchase. The other topic he spoke to was the sales tax rate of 7% and supported reducing the rate to 5%, which he said would help citizens within our community.

Finance Director Jabusch said if you propose reducing the sales tax from 7% to 5%, it would be a 28% reduction and be close to costing the City to about .5 million dollars. Jabusch further explained the General Fund, and how the monies are divided into three parts.

Christian said he believed that we would still have a positive effect here; that would leave the City with \$150,000; plus the City spent money on the downtown project. We are the highest in the State of Alaska. I think it is something that we should look into.

Christian said we could also look into the reduction of sales tax to 6%.

Jabusch said that would amount to probably \$250,000.

Assembly Member McConachie said this would take a vote of the people on changing the rate of the sales tax.

Recessed at 6:35 p.m.

Reconvened at 6:55 p.m.

There was no further testimony.

Adjourned at: 6:56 p.m.

Pamella McCloskey
Pamella McCloskey, Vice-Mayor

ATTEST: Christie L. Jamieson
Christie L. Jamieson, Borough Clerk

