

Budget Work Session

May 20, 2025

Manager Notes & Documents

- A. I have included worksheets demonstrating Summer sales tax amounts for **FY26 & FY27**
- B. I have included worksheets demonstrating Bed & Sales tax amounts for **FY20 – FY25**
- C. I have included worksheets demonstrating the **10% cost reduction exercise** expense details
- D. I have included worksheets demonstrating **General Fund Cash Flows & General Fund Cash Flows with \$1,150,000 Receivable**
- E. I have included a memo from myself reference **Personal/Business Property Audit**
- F. **Letters from constituents** concerning budget

Alaska Municipal Association

- **Tax Workshop** – Anchorage in Sept. or Oct.
Council Training – Procedures, Law, Roberts Rules
They will pay for our travel expenses and hotel
- **Just an example:**
Increase of Sales Tax to 6%
\$100 of groceries will cost \$1 additional for everyone
- **Attorneys are working on an opinion as to “Sin” Tax – Alcohol, Cigs, & Marijuana**

A

F22-F24 Actual Sales Tax Collected vs 2% Summer Sales Tax Rate Change
Calculations Based on GL Activity by Period for Sales Tax & Remote Sales Tax

	FY 2022 Actual	FY 2022 @ 7% Sales Tax Rate June to Sept	FY 2023 Actual	FY 2023 @ 7% Sales Tax Rate June to Sept	FY 2024 Actual	FY 2024 @ 7% Sales Tax Rate June to Sept	FY 2025 Actual	FY 2025 @ 7% Sales Tax Rate June to Sept	F22-24 Actual Average	F22-24 @ 7% Average June to Sept
Jul	563,445.22	788,823.31	749,307.37	1,049,030.32	633,730.87	887,223.22	777,828.79	1,088,960.31	648,827.82	908,358.95
Aug	515,400.64	721,560.90	757,174.76	1,060,044.66	964,831.82	1,350,764.55	712,786.11	997,900.55	745,802.41	1,044,123.37
Sept	764,052.73	1,069,673.82	665,013.78	931,019.29	725,023.16	1,015,032.42	652,538.65	913,554.11	718,029.89	1,005,241.85
Oct	452,415.15	452,415.15	628,671.40	628,671.40	632,671.23	632,671.23	703,679.12	703,679.12	571,252.59	571,252.59
Nov	584,912.78	584,912.78	515,535.54	515,535.54	531,038.59	531,038.59	546,344.06	546,344.06	543,828.97	543,828.97
Dec	543,149.53	543,149.53	528,992.60	528,992.60	513,039.48	513,039.48	524,628.93	524,628.93	528,393.87	528,393.87
Jan	465,097.02	465,097.02	494,512.92	494,512.92	453,040.21	453,040.21	462,713.59	462,713.59	470,883.38	470,883.38
Feb	454,305.23	454,305.23	451,007.11	451,007.11	478,153.90	478,153.90	455,176.57	455,176.57	461,155.41	461,155.41
Mar	511,469.90	511,469.90	567,997.95	567,997.95	512,297.04	512,297.04	458,521.54	458,521.54	530,588.30	530,588.30
Apr	400,628.42	400,628.42	409,187.14	409,187.14	495,128.82	495,128.82			434,981.46	434,981.46
May	568,860.85	568,860.85	698,989.96	698,989.96	532,996.42	532,996.42			600,282.41	600,282.41
Jun	695,419.14	973,586.80	726,830.96	1,017,563.34	631,170.19	883,638.27			684,473.43	958,262.80
Total:	\$ 6,519,156.61	\$ 7,534,483.70	\$ 7,193,221.49	\$ 8,352,552.24	\$ 7,103,121.73	\$ 8,285,024.15	\$ 5,294,217.36	\$ 6,151,478.78	\$ 6,938,499.94	\$ 8,057,353.36
Difference by Fiscal Year:		\$ 1,015,327.09		\$ 1,159,330.75		\$ 1,181,902.42		\$ 857,261.42	26-Jun	\$ 1,118,853.42 \$ 273,789.37

F22-F24 Actual Sales Tax Collected vs 2% Summer Sales Tax Rate Change
Calculations Based on GL Activity by Period for Sales Tax & Remote Sales Tax

	FY 2022 @ 7%		FY 2023 @ 7%		FY 2024 @ 7%		FY 2025 @ 7%		F22-24 @ 7%	
	FY 2022 Actual	Sales Tax Rate June to Sept	FY 2023 Actual	Sales Tax Rate June to Sept	FY 2024 Actual	Sales Tax Rate June to Sept	FY 2025 Actual	Sales Tax Rate June to Sept	F22-24 Actual Average	F22-24 @ 7% Average June to Sept
Jul	563,445.22	788,823.31	749,307.37	1,049,030.32	633,730.87	887,223.22	777,828.79	1,088,960.31	648,827.82	908,358.95
Aug	515,400.64	721,560.90	757,174.76	1,060,044.66	964,831.82	1,350,764.55	712,786.11	997,900.55	745,802.41	1,044,123.37
Sept	764,052.73	1,069,673.82	665,013.78	931,019.29	725,023.16	1,015,032.42	652,538.65	913,554.11	718,029.89	1,005,241.85
Oct	452,415.15	452,415.15	628,671.40	628,671.40	632,671.23	632,671.23	703,679.12	703,679.12	571,252.59	571,252.59
Nov	584,912.78	584,912.78	515,535.54	515,535.54	531,038.59	531,038.59	546,344.06	546,344.06	543,828.97	543,828.97
Dec	543,149.53	543,149.53	528,992.60	528,992.60	513,039.48	513,039.48	524,628.93	524,628.93	528,393.87	528,393.87
Jan	465,097.02	465,097.02	494,512.92	494,512.92	453,040.21	453,040.21	462,713.59	462,713.59	470,883.38	470,883.38
Feb	454,305.23	454,305.23	451,007.11	451,007.11	478,153.90	478,153.90	455,176.57	455,176.57	461,155.41	461,155.41
Mar	511,469.90	511,469.90	567,997.95	567,997.95	512,297.04	512,297.04	458,521.54	458,521.54	530,588.30	530,588.30
Apr	400,628.42	400,628.42	409,187.14	409,187.14	495,128.82	495,128.82			434,981.46	434,981.46
May	568,860.85	568,860.85	698,989.96	698,989.96	532,996.42	532,996.42			600,282.41	600,282.41
Jun	695,419.14	973,586.80	726,830.96	1,017,563.34	631,170.19	883,638.27			684,473.43	958,262.80
Total:	\$ 6,519,156.61	\$ 7,534,483.70	\$ 7,193,221.49	\$ 8,352,552.24	\$ 7,103,121.73	\$ 8,285,024.15	\$ 5,294,217.36	\$ 6,151,478.78	\$ 6,938,499.94	\$ 8,057,353.36
Difference by Fiscal Year:	\$ 1,015,327.09			\$ 1,159,330.75		\$ 1,181,902.42		\$ 857,261.42	80%	\$ 1,113,853.42 \$ 571,312.05

[illegible]

C

10% Reduction Exercise per Council Request - Information Only

FY2026 Proposed Budget General Fund Overview	F23 Actuals	F24 Actuals	F25 YTD Actuals @ 03.31.25	0-24-06-01 F25 Approved Budget	0-25-03-01 F25 Proposed Amended Budget	F26 Proposed Budget @ 11.5 Mills	10% Cost Reduction	F26 Proposed Budget @ 11.5 Mills
General Fund Revenue								
Property Tax	4,629,258.52	4,420,266.56	4,543,403.16	4,863,222.62	4,863,907.82	5,610,248.47		5,610,248.47
Salts Tax	7,153,221.49	7,103,121.73	4,835,695.82	7,580,000.00	7,558,500.00	7,308,200.00		7,308,200.00
Hotel/Motel Tax	208,717.96	256,393.23	154,096.80	220,000.00	250,000.00	244,000.00		244,000.00
Tax Penalties & Interest	91,058.11	127,614.93	71,214.10	109,000.00	106,500.00	113,900.00		113,900.00
Permits, Licenses & Fees	429,219.95	559,893.91	329,538.86	401,795.00	\$10,355.00	449,050.00		449,050.00
Shared Revenue/Alum Assistance	340,404.85	267,056.10	120,648.14	87,695.62	130,648.14	99,762.96		99,762.96
Payment in Lieu of Taxes	883,539.67	866,172.59	745,850.44	918,020.73	987,279.71	948,986.23		948,986.23
Charge for Services				500.00	500.00			
Copies, Print, Court Fees	1,403.06	4,483.30	955.03	4,750.00	3,750.00	3,350.00		3,350.00
Public Safety Special Services	240,980.71	195,954.93	111,798.99	128,100.00	125,350.00	102,650.00		102,650.00
Recreation	275,036.11	290,659.33	199,402.99	269,850.00	272,050.00	279,100.00		279,100.00
More Swimming Pool	22,895.63	5,262.69	24,993.07	28,400.00	33,500.00			
Museum & Library	6,617.60	6,152.67	4,881.97	6,000.00	6,000.00	6,000.00		6,000.00
Fines & Forfeitures	806.90	2,143.42	2,179.00	2,250.00	3,250.00	2,600.00		2,600.00
Investment & Interest Earnings	328,864.62	563,409.01	327,189.56	560,150.00	444,650.00	369,097.00		369,097.00
Building, Equipment, Land Lease Rentals	183,092.35	253,985.43	164,358.77	214,432.39	226,032.39	211,344.84		211,344.84
Donations & Contributions	36,062.65	19,518.00	8,745.18	15,000.00	16,000.00	9,500.00		9,500.00
Sale of General Fixed Assets	155,800.00	43,650.00	\$2,515.00		52,515.00			
Transfers								
Proceeds, Issuance of a Lease/Financing		114,120.12	400,000.00	148,500.00	25,000.00			
Total Revenue Before Transfers:	15,027,040.18	15,099,798.15	12,097,466.88	15,537,966.36	16,015,738.06	15,758,279.50		15,758,279.50
Fund Bal Appropriation Landfill				188,900.00	309,538.22	105,000.00		105,000.00
Fund Bal Appropriation Equip/Vehicle				2,066,700.97	2,465,892.05			
Fund Bal Appropriation				17,813,567.33	18,791,158.33	15,863,279.50		15,863,279.50
Total Revenue and Transfers:	15,027,040.18	15,099,798.15	12,097,466.88	17,813,567.33	18,791,158.33	15,863,279.50		15,863,279.50

10% Reduction Exercise per Council Request - Information Only

FY2026 Proposed Budget General Fund Overview	F23 Actuals	F24 Actuals	F25 YTD Actuals @ 03.31.25	0-24-06-01 F25 Approved Budget	F25 Proposed Amended Budget	F26 Proposed Budget @ 11.5 Mills	10% Cost Reduction	F26 Proposed Budget @ 11.5 Mills
General Fund Expenditure								
Legislative	185,703.72	203,316.59	169,899.95	223,780.80	212,835.66	221,509.34	(42,130.93)	208,358.41
								Reduce KNOM 50% \$5,750, Reduce Council 50% \$10,700 review Resolution R-14-03-01, Cut travel
Administration	1,167,183.82	1,216,733.06	1,124,723.89	1,571,387.93	1,541,269.81	1,591,676.25	(139,167.63)	1,432,508.63
								Reduce travel Fall & Spring Clean up, Operating by 50 % - this means no holiday gift card for employees \$24,500, Remove vacant Payroll Acct. Tech \$65,581, Remove Caselle Training \$4,000, Change 1 F/I Admin Position to P/I Reduce IT Specialist position by 50% \$20,328, Remove contingency \$10,000, Remove \$2,850 from IT Supplies Reduce legal \$10,000, remove shared position with Finance/Admin \$56,348, reduce OT \$2,000
Information Technology	234,141.26	300,883.78	248,423.68	318,982.57	299,426.22	431,748.54	(44,174.85)	388,573.69
								Reduce Engineering by \$5500, Reduce Prof Svcs \$7500, Remove Travel \$2500, Reduce building inspection wages by \$7,240 - means reducing hours worked
City Clerk	582,223.78	515,540.14	449,251.09	623,602.18	592,436.98	685,205.76	(68,520.58)	616,685.18
								Remove 1 PO III 11.26 start, Remove 1 PO I, Remove 1 CO III 11.26 start, Remove 1 CO 10.1.25 start \$338,812, Reduce OT \$40,700, reduce professional was \$2,000, Reduce travel \$15,000, Reduce Treasury/Arms \$4,000, Reduce Operating \$5,000
Planning & Engineering	106,692.24	158,604.96	171,293.72	194,039.64	192,930.19	226,407.53	(22,610.75)	203,786.78
								Reduce Pet Supplies \$1,500, Reduce Machinery Equip \$3,400, Reduce prenatal by \$500, Reduce ESI to 3/4 time \$21,562 reduction, cut OT \$4,000, Reduce volunteer incentives \$11,400
Police	3,759,087.78	4,008,252.43	3,110,050.38	4,453,134.84	4,452,571.61	4,255,743.49	(42,574.33)	3,830,168.96
								Remove 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Animal Control	33,637.67	34,491.65	43,215.10	38,340.01	48,937.81	54,200.00	(5,420.00)	48,780.00
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Fire Department	296,013.78	356,984.10	353,781.93	382,966.47	480,408.47	460,608.91	(46,900.86)	422,647.75
Public Works - Building Maintenance	687,528.89	767,341.68	603,769.86	851,377.93	846,976.81	1,005,240.83	(100,574.08)	904,726.75
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Public Works - Road Maintenance	24,797.98	39,740.93	25,190.25	39,460.00	40,242.00	28,924.60	(2,893.46)	26,041.14
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Public Works - Building	86,010.08	148,368.40	113,393.46	89,907.00	125,390.00	76,134.76	(1,613.48)	68,520.38
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Senior Citizen's Building	68,043.67	61,497.59	62,400.57	71,627.35	83,115.61	65,266.92	(9,526.69)	58,740.23
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Landfill	378,967.08	335,069.97	351,432.48	406,778.02	435,670.79	383,454.50	(58,315.45)	345,109.05
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Cemetery	29,771.71	70,838.53	53,922.93	89,598.26	87,450.42	143,276.19	(14,327.62)	128,948.57
Parks / Playgrounds / Lights	53,225.38	50,783.75	87,236.32	71,387.50	96,107.50	48,312.32	(4,831.23)	43,481.09
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Public Works - Road Maintenance	1,986,045.23	2,057,209.04	1,539,361.46	2,089,047.65	1,993,349.83	2,076,383.83	(20,618.38)	1,868,745.45
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Recreation Center	807,555.89	818,389.87	663,834.46	1,026,727.36	922,646.07	1,071,850.29	(10,134.03)	964,647.26
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Senior School Pool	43,976.40	35,986.18	89,923.48	67,452.49	123,908.72	391,000.21	(39,170.04)	352,530.19
Museum	267,615.11	314,054.46	264,885.02	400,623.38	364,470.02	391,000.21	(39,170.04)	352,530.19
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Library	382,132.48	403,135.91	313,851.79	440,535.85	442,754.94	498,700.13	(49,871.01)	448,839.12
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Kanabik	28,440.88	28,817.18	26,285.06	36,011.75	35,718.81	31,948.67	(3,194.87)	28,753.80
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Village's Center	238,601.24	214,183.21	212,073.03	222,449.00	221,199.00	115,104.88	(11,510.49)	103,594.39
Non-Departmental	3,524,766.18	3,457,527.55	2,332,559.12	2,997,868.68	3,832,295.52	3,626,436.32	(36,264.66)	3,263,792.69
								Reduce 1 IT Janitor in 1 Building Maintenance Position Close the building? Close the building? Reduce small tools by \$4,000, Reduce building materials \$2,000, reduce storage by \$1600 Cut propane to kitchen? \$6000
Total Expenditure before Transfers:	15,572,599.94	15,955,601.73	12,448,334.64	16,772,045.54	17,539,487.67	17,561,582.35	(1,756,158.23)	15,805,424.11
Transfers Out - Interfunds	858,995.88	755,235.56	12,448,334.64	1,041,521.79	1,251,670.66	293,874.81	(1,756,158.23)	293,874.81
Total Expenditure & Transfers:	16,231,555.82	16,710,837.29	12,448,334.64	17,813,567.33	18,791,158.33	17,855,457.16	(1,756,158.23)	16,099,298.92
Revenue over Expense	(1,204,535.64)	(1,611,039.10)	(350,867.76)	-	-	(1,992,177.66)	1,756,158.23	(126,019.42)

D

General Fund Checking Cash Flow - Matches Quarterly Budget				
FY26 Cash Flow Option A	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating Cash Beginning Balance	-	1,122,499.85	1,097,346.87	(1,057,745.16)
Cash In	5,999,417.16	4,142,443.16	2,367,670.23	3,415,699.72
Cash Out	(4,876,917.31)	(4,167,596.14)	(4,522,762.26)	(4,407,824.07)
Ending Balance	1,122,499.85	1,097,346.87	(1,057,745.16)	(2,049,869.51)
FY26 Cash Flow Option B	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating Cash Beginning Balance		1,561,586.25	1,755,976.47	(362,525.03)
Cash In	6,438,503.56	4,361,986.36	2,404,260.76	3,460,706.00
Cash Out	(4,876,917.31)	(4,167,596.14)	(4,522,762.26)	(4,407,824.07)
Ending Balance	1,561,586.25	1,755,976.47	(362,525.03)	(1,309,643.10)
FY26 Cash Flow Option C	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating Cash Beginning Balance		1,122,499.85	1,219,025.64	(627,540.97)
Cash In	5,999,417.16	4,264,121.93	2,676,195.65	3,785,495.53
Cash Out	(4,876,917.31)	(4,167,596.14)	(4,522,762.26)	(4,407,824.07)
Ending Balance	1,122,499.85	1,219,025.64	(627,540.97)	(1,249,869.51)
FY26 Cash Flow Option D	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating Cash Beginning Balance		1,561,586.25	1,877,655.24	67,679.16
Cash In	6,438,503.56	4,483,665.13	2,712,786.18	3,830,501.81
Cash Out	(4,876,917.31)	(4,167,596.14)	(4,522,762.26)	(4,407,824.07)
Ending Balance	1,561,586.25	1,877,655.24	67,679.16	(509,643.10)

General Fund Checking Cash Flow with \$1,150,000 receivable at year end				
FY26 Cash Flow Option A	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating Cash Beginning Balance	-	1,122,499.85	1,097,346.87	(1,057,745.16)
Cash In	5,999,417.16	4,142,443.16	2,367,670.23	2,265,699.72
Cash Out	(4,876,917.31)	(4,167,596.14)	(4,522,762.26)	(4,407,824.07)
Ending Balance	1,122,499.85	1,097,346.87	(1,057,745.16)	(3,199,869.51)
FY26 Cash Flow Option B	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating Cash Beginning Balance		1,561,586.25	1,755,976.47	(362,525.03)
Cash In	6,438,503.56	4,361,986.36	2,404,260.76	2,310,706.00
Cash Out	(4,876,917.31)	(4,167,596.14)	(4,522,762.26)	(4,407,824.07)
Ending Balance	1,561,586.25	1,755,976.47	(362,525.03)	(2,459,643.10)
FY26 Cash Flow Option C	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating Cash Beginning Balance		1,122,499.85	1,219,025.64	(627,540.97)
Cash In	5,999,417.16	4,264,121.93	2,676,195.65	2,635,495.53
Cash Out	(4,876,917.31)	(4,167,596.14)	(4,522,762.26)	(4,407,824.07)
Ending Balance	1,122,499.85	1,219,025.64	(627,540.97)	(2,399,869.51)
FY26 Cash Flow Option D	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating Cash Beginning Balance		1,561,586.25	1,877,655.24	67,679.16
Cash In	6,438,503.56	4,483,665.13	2,712,786.18	1,530,501.81
Cash Out	(4,876,917.31)	(4,167,596.14)	(4,522,762.26)	(4,407,824.07)
Ending Balance	1,561,586.25	1,877,655.24	67,679.16	(2,809,643.10)



E

P.O. Box 281 • Nome, Alaska 99762

Phone 907.443.6663 fax 907.443.5349

MEMO

Date: May 20, 2025
To: Mayor and Common Council
From: Lee Smith, City Manager *LS*
Subject: Personal/Business Property Audit

Turning over rocks! For years and presently, the City has accepted Personal/Business Property Values on a self-reporting basis. Meaning that whatever the owner declares their value of their owned Personal/Business property. For the most part this has been accepted as what is declared. This has been problematic as values have been under reported, not reported at all and often the property owners do not let us know when they add or remove property. It is the position of the City Assessors that this is an ineffective method that has caused the City to miss out on new revenues.

To modify the way we assess this property type, we would start by asking for a quote for an addendum to our contract with the Appraisal Company of Alaska. The Appraisal Company of Alaska employs the Assessors that do the City of Nome Valuations/Assessments. It is the position of the City Clerks' office and myself that the increased revenue will easily offset the minimal cost of an addendum to our Assessor contract. Going forward this process will deliver missed revenues for many years. I have personally, toured areas of our city with present self-reporting businesses and it is definitely apparent all personal/business property are not being reported. This is a process that local governments conduct regularly (every 2-3 years) throughout the United States. A number of local governments have adopted as a policy/ordinance.

I wanted to update you the Council, as we will begin pricing and setting up the schedule for this process in the fall of 2025. I will keep you updated.

"There's no place like Nome"

www.nomealaska.org

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May 20, 2025

To: The Honorable Members of the Nome Common Council

Subject: Proposal for Consideration of a New Tax Structure

Dear Members of the Council,

I write to respectfully request your consideration of a revised tax structure for the City of Nome—one that addresses our current revenue deficit while easing the burden on local residents.

Currently, approximately \$200 of monthly household rent in Nome is attributed to property taxes. By transitioning to a sales-tax-only structure, this financial burden could be lifted, returning that \$200 per month to those who need it most—Nome residents. These savings would likely be reinvested into the local economy, increasing consumer spending and thereby boosting the city's sales tax revenue.

Analysis suggests that if the City of Nome were to reduce the property tax rate to 0% and raise the sales tax to 8.5%, overall city revenue would remain slightly ahead of the current structure. Increasing the sales tax to 9.5% could generate an additional \$2 million annually. In the first year of implementation, the city could collect nearly \$4 million in additional revenue due to the one-time overlap with existing property tax collections—a temporary but helpful "double dip."

A sales-tax-only model offers multiple advantages:

- **Equity:** It does not disproportionately affect those using SNAP or other welfare programs, as qualifying grocery purchases remain tax-exempt.
- **Progressivity:** Higher-income earners typically spend more, and thus contribute more through a sales tax.
- **Economic Responsiveness:** This model automatically adjusts for inflation and encourages fiscal discipline by linking city revenue more closely to economic performance.
- **Growth Incentive:** Eliminating property tax incentivizes new construction, helping to alleviate Nome's current housing crisis.

As a resident and engaged member of the community, I conducted a poll in March within the Facebook group *Nome P.S.A.*, which includes 1,800 members. Of the respondents,

Drew McCann
116 Kings Place
Nome, AK 99762
dmackinak@outlook.com
907-304-0284

Date: May 20th 2025

To:

Nome Common Council
City of Nome
P.O. Box 281
Nome, AK 99762

Subject: Letter of Support for Continued Funding of Nome Community Center and NEST

Dear Members of the Nome Common Council,

I am writing to express my strong support for the continued funding of the Nome Community Center (NCC), including the Nome Emergency Shelter Team (NEST) program. These services are essential pillars of support for many vulnerable individuals in our community and fulfill critical needs not otherwise addressed by city services.

For decades, the Nome Community Center has provided life-saving programs and social services that reach some of our most at-risk populations — individuals and families experiencing homelessness, those suffering from mental illness or addiction, survivors of domestic violence, and low-income households struggling to meet basic needs. These are not optional services; they are essential for maintaining the health, safety, and dignity of our neighbors.



Nome Community Center, Inc.

PO Box 98
Nome, AK 99762
Website: nomecc.org

Phone: (907) 443-5259
Fax: (907) 443-2990
Email: staff@nomecc.org

May 20, 2025

William Smith
City Manager
Youth Program Funding

Dear Lee,

I am writing to request the release of the funds approved by the city in their line-item budget for 2025 to support youth programming in the amount of \$20,000.00.

Half of the funds will support the Nome Children's Home and half will make it possible to take youth from our community to Camp CRAVE.

We are so grateful for the city's support and look forward to fulfilling our mission to make Nome a better place for youth to learn and grow.

Gratefully,

Kimberly Bishop
Executive Director



Nome Community Center, Inc.

PO Box 98
Nome, AK 99762
Website: nomecc.org

Phone: (907) 443-5259
Fax: (907) 443-2990
Email: staff@nomecc.org

May 20, 2025
Nome Common Council

P.O. Box 281
Nome AK 99762

Re: Letter of Support for Nome Community Center Funding

Dear Honorable Members of the Nome City Council:

On behalf of Nome Community Center, we are writing to express our deep concern regarding the proposed FY 2026 City budget. The budget would eliminate all direct funding by the City for NEST (\$35,000) and youth programming (\$20,000). We ask that you reconsider the cuts to both of these line items. NCC provides essential services to the most vulnerable members of our community. This funding is critical to enabling us to meet the needs of Nome's children, youth, elders, and the unhoused.

Over the years, our organization has become a trusted and effective resource for countless individuals and families. From providing safe and enriching programs for children and youth, to offering support networks for seniors and vulnerable adults, we fill a unique and essential role that bridges generations and strengthens our community.

The proposed funding cut would not only jeopardize the programs we currently operate, but would also disqualify us from matching grant opportunities that require municipal or public support as a condition for eligibility. Many regional, state, and federal grantors view city support as a vote of confidence in an organization's mission and impact. Without this foundational funding, we stand to lose access to substantial additional dollars that could amplify the reach and efficiency of the City's contribution and our services.

Investing in prevention, support, and engagement today results in significant long-term savings for our City. Programs that support youth development, help prevent crime and increase graduation rates. Services for elders reduce emergency health interventions and foster independence. Support for at-risk populations decreases reliance on costly emergency systems and law enforcement. Simply put, when we invest in our people, we invest in a stronger, safer, and more resilient community.



NPA FY26 Funding Impact Summary

Program Overview

- Only licensed preschool in Nome, serving 3–5-year-olds since 1987.
- Operates 5 days/week with 3 staff members.
- Hosts three major community fundraisers each year.

FY25 Snapshot

- 35 children enrolled across 33 Nome households.
- 100% parent satisfaction in 2025 family survey.
- Staff-to-student ratio: morning 1:9 and in the afternoon 1:7

Survey Highlights

- 100% say their child feels safe and happy.
- 94% say their child is learning and developing well.
- In written responses, many families noted they would not have access to early education without Nome Preschool, citing the lack of alternatives and the program's affordability as essential.

NPA Budget & City Support

- NPA FY25 Operating Budget: \$242,000
- 505.5 volunteer hours logged for fundraising efforts bringing in \$49,963.
- City funds (\$65,000) support one of three staff positions.

FY26 Request

- Maintain existing \$65,000 support.
- Consider increase to \$80,000 to help with staff retention and cost increases.

Parent Feedback

- How would you describe your child's overall experience at Nome Preschool?
 - "Excellent. They needed socialization and correction of behavior from people outside of their family who have the skill set of working with preschool-aged children."
- What do you value most about Nome Preschool's program?
 - "Preparing 3–4 year olds in a more structured environment to go into kindergarten."



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