

OPINION

OUR VIEW

More time needed on tax

It makes sense to put on hold consideration of a local sales tax in International Falls to help pay for infrastructure and an airport project.

The proposal would need council approval to be placed on a ballot for a vote by International Falls voters. It is expected to be considered for the 2016 election.

The item was withdrawn from Monday’s agenda by Councilor Cynthia Jaksa, who chairs the city Budget and Finance Committee. The proposal for a sales tax had apparently been recommended for consideration by the council by a majority of the committee, made up of the council. Mayor Bob Anderson Monday pointed out he had not supported taking the proposal to the council.

The proposal would have sought voter approval for a 0.5 percent sales tax in the city, considered a subregional center for shopping.

We don’t entirely disagree with such a tax, especially with the tourism draw to and through the city. A sales tax would spread the burden among all users of city streets and other infrastructure and not solely on the property tax payers of International Falls.

However, meeting a state deadline to put

the question on the November ballot would not allow a discussion by and education of the city voters. Kudos to Jaksa for recognizing that and putting the idea on hold for now.

Jaksa points to cities like Bemidji, Brainerd and Duluth as communities taking advantage of their subregional center status to collect a local sales tax to help pay for city needs. However, those cities are more populated and serve as much more of a tourism draw.

We must point out sales tax is considered a regressive tax. A regressive tax hits the poor more heavily than the wealthy as they purchase the taxed goods. According to the Internal Revenue Service website, a regressive tax may at first appear to be a fair way of taxing citizens because everyone, regardless of income level, pays the same dollar amount. However, it notes, “taking a closer look, it is easy to see that such a tax causes lower-income people to pay a larger share of their income than wealthier people pay. Though true regressive taxes are not used as income taxes, they are used as taxes on tobacco, alcohol, gasoline, jewelry, perfume, and travel.

We welcome further discussion and education the proposal as we move toward the 2016 election.

Candidate letter policy

The beginning of 2014 brought a new policy to The Journal. A charge of \$30 will be required to publish letters to the editor from candidates or about candidates. The letters must be 500 words or less and the fee must be paid prior to the letter being published. The name and city of the author will be published with the letter. Letters may be emailed to laurel@ifallsjournal.com. The Journal will publish a deadline for publication of paid election letters prior to the Aug. 12 primary and Nov. 4 general elections.

How to contact your lawmakers

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LETTERS TO THE EDITOR

Why a sales tax could make sense for city

To the editor,

The city council was planning to offer a referendum for a .5 percent sales tax on the fall ballot. However, we decided to wait until 2016 so that everyone can ask us “why, how much and what for “ in voting for their own best interests.

Why would city councilors suggest a local sales tax on local purchases? Because, when residents pay \$90 per year in sales tax, a non resident chips in another \$63 into city coffers; because the sales tax applies to all shoppers and in International Falls, about 41 percent of all taxable sales are to non-residents.

Let’s say we use property taxes for the planned airport remodel by using reserves or a levy; either way, International Falls residents and businesses pay 100 percent of the

\$500,000 city share. On the other hand, using a sales tax means that we collectively pay \$300,000 and non residents would pay \$200,000.

Why is that fair? Because at least half of the airport passengers are non residents and each year we pay 11 percent of your property tax to help operate the airport. With the airport reconstruction, we need \$500,000 more.

Everyone agrees that we need to fix our infrastructure, including the immediate need to repair two water towers. We also have crumbling sewer lines and street repairs. Our city administrator is preparing a capital improvement plan so that we can assess our needs. Including airport capital outlays over the next five years, water tower repairs, and street and sewer projects, the

preliminary cost is nearly \$8,000,000. This figure only includes 22 street, water and sewer line repair projects, which are the most urgent.

We are still completing an assessment of infrastructure needs, but total need could well be \$10,000,000. We have \$1.152 million in water and sewer reserves, about \$500,000 in equipment reserves and another \$1.584 million in reserves to fix streets, sidewalks,etc. If we drained our reserves, we would not have even half of \$8,000,000.

How do cities get ever their infrastructure repaired? One way is fix everything at once by issuing bonds and then pay them back with a local sales tax. Right now interest rates are still low and issuing bonds might be a smart move. Doing projects all at once costs less because the

mobilization costs to get equipment and labor in place is incurred once rather than separately over years and years.

Using a local sales tax lets non residents help with the cost, whether bonds are issued or not.

Why is this fair? Because the city is a subregional center and our streets and infrastructure are used routinely by non residents as they shop, play and work in the city and contribute to wear and tear.

Of course, we are happy to be a subregional center. However cities like Bemidji, Brainerd and Duluth take advantage of that position and use it to leverage nonresident sales tax to help defray infrastructure costs. A local sales tax could be a smart move for us, too.

Cynthia Jaksa
West Ward Councilor
International Falls, MN

Legion team represents community well

To the editor,

To the citizens of International Falls and surrounding area:

It is said that the wisest communities usually invest considerable energies and resources into their youth and if the young members of your 2014 American Legion Baseball team are just a small example of the character your community is developing, International Falls — you’ve done yourselves proud.

It was my privilege as a personal representative of the Luverne Baseball

Association to play the role as your teams host during this past week’s American Legion State Baseball Tournament played in Luverne, Minnesota and I must compliment your community, coaching staff and each team members parents for their part in developing such quality young men.

To coaches Eric Walls, Dieter Humbert, Jay Bartkowski and Jordan Walls, congratulations for the time and efforts you have invested in these young men. Your demeanor in and around

the dugout was nothing but a positive reflection of your team.

To each team member, it has been a joy to witness your sportsmanship, integrity, talent and the way you interacted with your teammates, coaches, opponents and the citizens of our city. I hope you realize that not all victories show up in your win-loss record and I know I saw that happen with your team this past Friday and Saturday. Continue with that fire and spirit and I know you’ll continue your success in the future both

on and off the field.

On Friday, Coach (Dieter) Humbert presented me with a lapel pin from the city of International Falls which I will proudly wear. I now consider myself the closest International Falls Ambassador to the Southwest Minnesota border.

Great memories have been gained from this experience and come back anytime.

Just one of the many new fans you have in Luverne.

Dave Shelton
Luverne, MN

City needs financial restraints to work within our means

To the editor,

Here we go again – upon reading The Journal I was surprised to read the story on sales tax proposal by our spend-and-tax old council members. The citizens do not need increase in taxes; what is needed is some good

commonsense monetary reductions in our city budget and the way money is spent.

Our tax money has been spent on Rocky and Bullwinkle trips, five failed court actions costing the city tax payers amounts in the six figures, a multimodal

swamp with cattails and a railroad track leading to “nowhere,” the associations that have been joined with the promise of development and jobs by people who want to give themselves a job at taxpayers expense, the Donahue property that was shoved down the

taxpayers throats. What is needed is financial restraints to work within our means.

There is an election coming in November and a changing of the old council is needed.

Dick Koeneman
International Falls, MN

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