
AGENDA ITEM SUMMARY

Subject: Local Option Sales Tax – Renewal Follow Up Discussion

Background Summary:

Approximately 10 years ago the City approved the Local Option Sales Tax (LOST). This is a 1% sales tax that was approved for use funding paving projects within the City.

The sales tax was approved by voters with a ten-year sunset. On December 31, 2022 the sale tax will expire, so if we plan to re-approve or “renew” the sales tax we need to start work now to continue the funding source.

We are in the 2nd ten-year LOST and both have been set up to provide funding for streets and roadways. This has been an extremely valuable funding source which has allowed the city to many pavement installation and replacement projects. Without this funding source the city would be relegated to using General Obligation tax dollars and street assessments to conduct what would be much fewer and smaller projects.

What I would like to do is follow up on discussion we initially had in March 2021 on how determining how we want to move forward. LOST can be approved by the voters for any legal public purpose.

So, do we want to keep it 100% streets & roads? We have growing expenses in public safety in both ambulance service and the police department. We’ve talked about needs to update/remodel city hall/police department, there has been discussion on a new pool or aquatic center. There are any number of things we can look at utilizing a portion of these funds for. But to get to the point of getting it on the ballot we need to make some choices.

There are several steps over the coming months to get this on an upcoming ballot for voter consideration, this is step one.

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