
AGENDA ITEM SUMMARY

Subject: Resolution 130-21, Consider placing on March 1, 2022 ballot to establish 1%-Local Option Sales Tax – USE = Not less than 90% for streets and roads; no more than 10% for Public Safety

Background Summary:

At the November 10th workshop we had extensive discussion on how we should dedicate the potential funding received from a renewed Local Option Sales Tax (LOST). Do we ask voters to approve a use that would be the same as the previous two LOST votes where 100% of the revenue is dedicated for streets and roads or do we seek a use that would provide 90% of the funding for roads and allow 10% to go to Public Safety operational costs.

We talked at length about all the work that has been completed in streetwork over the last 20 years and the work that is still needed to be completed. We also discussed the challenges coming down the road in the city general fund with Public Safety costs specifically associated with the recent ambulance and police department increases in funding. Also coming into play is State of Iowa changing commercial/industrial property tax rollback and subsequent ending of the state backfill associated from this reduction in tax revenue.

Ultimately the direction given on how to word this resolution was to ask for voters to approve a LOST on March 1, 2022 that would provide for a 1% sales tax on local sales and service where at least 90% of the revenues received would be used as before for street and road projects; and no more than 10% being used for public safety.

As you can see Resolution 130-21 as provided by legal counsel, Dorsey & Whitney, states this purpose. You will also see language that states that 0% will be used for property tax relief. This is required language in the resolution. While there might be property tax relief that comes from this usage it is not something that would necessarily show a direct reduction in a tax levy.

With approval of this resolution, the city clerk can then direct the county auditor to place this on the March 1, 2022 ballot for a special election.

RESOLUTION NO. 130-21

Resolution Requesting the Floyd County Board of Supervisors to Set a Date for an Election on the Imposition of a Local Option Sales and Services Tax in the City of Charles City

WHEREAS, Chapter 423B of the Code of Iowa authorizes County Boards of Supervisors to impose a local option sales and services tax within incorporated cities and the unincorporated area of counties, following an election at which the registered voters in various jurisdictions vote in favor of such tax; and

WHEREAS, a local option sales and services tax, approved on _____, 20____, is currently being imposed in the City of Charles City, Iowa (the “City”), but said tax is scheduled for expiration on December 31, 2022; and

WHEREAS, the City Council intends that the local option sales and services tax be re-imposed within the City, such tax to take effect on January 1, 2023;

NOW, THEREFORE, IT IS RESOLVED by the City Council of the City of Grandview, Iowa, as follows:

Section 1. The Floyd County Board of Supervisors is hereby requested to set March 1, 2022 as the date for a special election within the City, for the purpose of presenting to the registered voters of the City the question of the imposition of a one-cent local option sales and services tax, such tax to take effect on January 1, 2023.

Section 2. In accordance with Section 423B.1 of the Code of Iowa, the City Council hereby requests that the ballot proposition state that (i) not less than 90% of the revenues from such local option sales and services tax will be used to fund street and road construction and repair; (ii) not more than 10% will be used to fund public safety; and (iii) 0% for direct property tax relief. A form of the ballot proposition is attached hereto as “Exhibit A.”

Section 3. The City Clerk is hereby directed to file a copy of this resolution with the Floyd County Auditor, as well as with the Floyd County Board of Supervisors.

Section 4. The County Commissioner of Elections is hereby authorized and directed to cause notice of the ballot proposition, in substantially the form set forth as Exhibit B hereto, to be published in a legal newspaper of general circulation in the City, such notice to be published not less than sixty days prior to the date of the election

Section 5. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and approved November 15, 2021.

Mayor

Attest:

City Clerk

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On motion and vote, the meeting adjourned.

Mayor

Attest:

City Clerk

**EXHIBIT A
BALLOT PROPOSITION FORM**

FLOYD COUNTY

PUBLIC MEASURE

SHALL THE FOLLOWING PUBLIC MEASURE BE ADOPTED?

- YES
 NO

Summary: To authorize imposition of a **local sales and services tax** in the City of Charles City, Iowa at the rate of one percent (1%) to be effective from January 1, 2023 until December 31, 2032.

A **local sales and services tax** shall be imposed in the City of Charles City, Iowa at the rate of one percent (1%) to be effective from January 1, 2023 until December 31, 2032.

Revenues from the sales and services tax shall be allocated as follows:

0% for property tax relief

The specific purposes for which the revenues shall otherwise be expended are:

Not less than 90% for funding street and road construction and repair.

Not more than 10% for public safety.

**EXHIBIT B
FORM OF NOTICE OF BALLOT PROPOSITION**

NOTICE OF BALLOT PROPOSITION FOR IMPOSITION OF LOCAL
OPTION SALES AND SERVICES TAX IN AND FOR THE CITY OF
CHARLES CITY, IOWA

Notice is hereby given that pursuant to Chapter 423B of the Code of Iowa, the City of Charles City, Iowa has initiated action to cause the conducting of an election on the question of imposing a one percent (1.0%) local option sales and services tax in the City. This election is intended to be held in the City of Charles City, Iowa, on March 1, 2022. The ballot proposition to be voted upon at such election will read as follows:

FLOYD COUNTY

PUBLIC MEASURE

SHALL THE FOLLOWING PUBLIC MEASURE BE ADOPTED?

- YES
- NO

Summary: To authorize imposition of a **local sales and services tax** in the City of Charles City, Iowa at the rate of one percent (1%) to be effective from January 1, 2023 until December 31, 2032.

A **local sales and services tax** shall be imposed in the City of Charles City, Iowa at the rate of one percent (1%) to be effective from January 1, 2023 until December 31, 2032.

Revenues from the sales and services tax shall be allocated as follows:

0% for property tax relief.

The specific purposes for which the revenues shall otherwise be expended are:

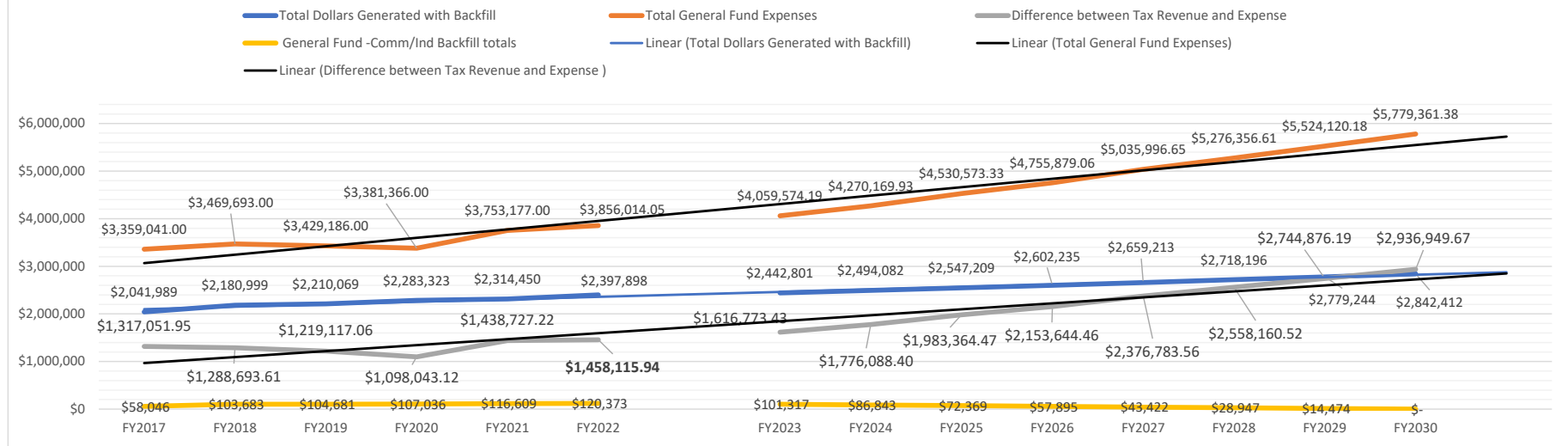
Not less than 90% for funding street and road construction and repair.

Not more than 10% for public safety.

By order of the City Council of the
City of Charles City, Iowa.

Year	Total Dollars		Difference between Tax Revenue and Expense	General Fund - Comm/Ind Backfill totals	Taxable Valuations w/ G&E		100% Valuations- Military exemptions deducted		\$8.10 Generated	\$0.27 Emergency Levy Generated	Total Dollars Generated
	Generated with Backfill	Total General Fund Expenses			% change	% Change					
FY2017	\$2,041,989	\$3,359,041.00	\$1,317,051.95	\$ 58,046	\$237,030,233		\$369,009,381		\$1,919,945	\$63,998	\$1,983,943
FY2018	\$2,180,999	\$3,469,693.00	\$1,288,693.61	\$ 103,683	\$248,185,949	0.047	\$380,154,149	0.030	\$2,010,306	\$67,010	\$2,077,316
FY2019	\$2,210,069	\$3,429,186.00	\$1,219,117.06	\$ 104,681	\$251,539,778	0.014	\$393,513,341	0.035	\$2,037,472	\$67,916	\$2,105,388
FY2020	\$2,283,323	\$3,381,366.00	\$1,098,043.12	\$ 107,036	\$260,010,380	0.034	\$395,967,447	0.006	\$2,106,084	\$70,203	\$2,176,287
FY2021	\$2,314,450	\$3,753,177.00	\$1,438,727.22	\$ 116,609	\$262,585,517	0.010	\$419,906,571	0.060	\$2,126,943	\$70,898	\$2,197,841
FY2022	\$2,397,898	\$3,856,014.05	\$1,458,115.94	\$ 120,373	\$272,105,748	0.036	\$442,259,674	0.053	\$2,204,057	\$73,469	\$2,277,525
FY2023	\$2,442,801	\$4,059,574.19	\$1,616,773.43	\$ 101,317	\$279,747,164	0.028	458,534,830	0.037	\$2,265,952	\$75,532	\$2,341,484
FY2024	\$2,494,082	\$4,270,169.93	\$1,776,088.40	\$ 86,843	\$287,603,170	0.028	475,408,912	0.037	\$2,329,586	\$77,653	\$2,407,239
FY2025	\$2,547,209	\$4,530,573.33	\$1,983,364.47	\$ 72,369	\$295,679,792	0.028	492,903,960	0.037	\$2,395,006	\$79,834	\$2,474,840
FY2026	\$2,602,235	\$4,755,879.06	\$2,153,644.46	\$ 57,895	\$303,983,227	0.028	511,042,825	0.037	\$2,462,264	\$82,075	\$2,544,340
FY2027	\$2,659,213	\$5,035,996.65	\$2,376,783.56	\$ 43,422	\$312,519,843	0.028	529,849,201	0.037	\$2,531,411	\$84,380	\$2,615,791
FY2028	\$2,718,196	\$5,276,356.61	\$2,558,160.52	\$ 28,947	\$321,296,188	0.028	549,347,652	0.037	\$2,602,499	\$86,750	\$2,689,249
FY2029	\$2,779,244	\$5,524,120.18	\$2,744,876.19	\$ 14,474	\$330,318,995	0.028	569,563,646	0.037	\$2,675,584	\$89,186	\$2,764,770
FY2030	\$2,842,412	\$5,779,361.38	\$2,936,949.67	\$ -	\$339,595,186	0.028	590,523,588	0.037	\$2,750,721	\$91,691	\$2,842,412

GF Property Tax Revenue vs. GF total expenditures projections



Street Related Project Construction Costs - 2004 to Present

Street Construction Costs per year since 2012

Project Name	Total Project Cost
2021 Hwy 18 (4th / 5th Ave.) HMA Overlay Project	\$1,100,000 (Estimated)
2021 Grove St / Illinois St Intersection Improvements	\$140,000 (Estimated)
2020 Charley Western Trail Bridge Project	\$1,390,000 (Estimated)
2020 HMA Paving Project Project	\$1,565,864.35
2019 S Main and N Jackson Streets HMA Paving	\$892,642.23
2019 Main Street Bridge Repairs Project	\$327,059.80
2018 Hildreth Street Reconstruction Project	\$1,435,159.36
2018 Illinois Street Riverside Drive Reconstruction Project	\$384,836.83
2018 HMA Paving Project	\$146,607.55
2018 First Avenue Bridge Deck Repairs Project	\$193,157.95
2015 First Avenue Extension Project	\$243,335.19
2015 HMA Paving Project	\$437,301.30
2014 Street Paving Project	\$828,466.24
2013 Salsbury Avenue Reconstruction Project	\$483,873.53
2013 Clark Street HMA Overlay Project	\$140,962.87
2012 Permeable Pavement Project	\$1,991,144.09
2012 N. Grand Avenue Bridge Replacement Project	\$511,573.33
	=====
Subtotal - Years 2012 through 2021 (Est'd)	\$12,210,000

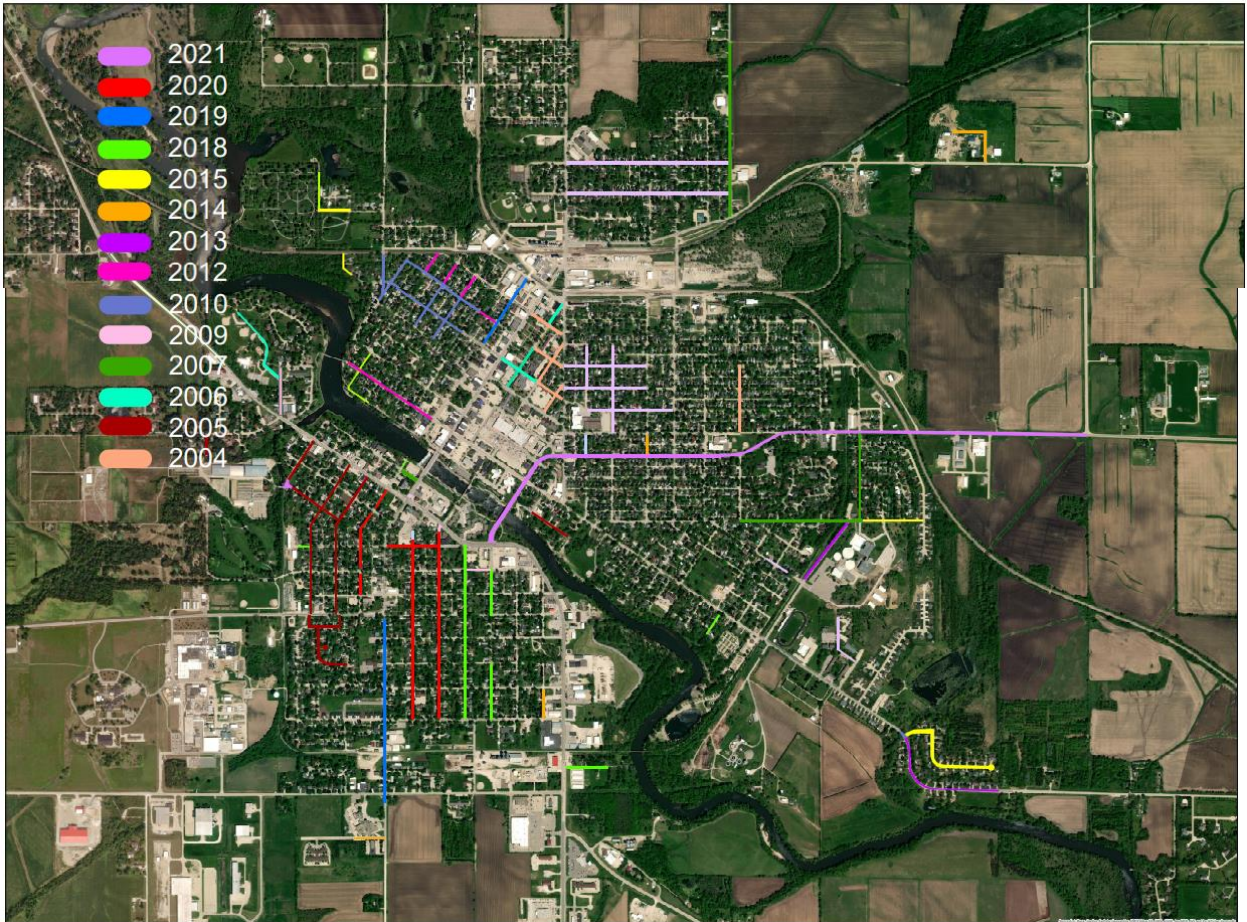
Approximate Street Construction Costs per year prior to 2012

2011	\$3,180,000
2010	\$650,000
2009	\$390,000
2008	\$850,000
2007	\$870,000
2006	\$800,000
2005	\$370,000
2004	\$1,390,000
	=====
Subtotal - Years 2004 through 2011 (Est'd)	\$8,500,000

Total Street Related Construction Costs (2004-2021) \$20,710,000

Total approximate cost of accomplished street work is \$20.75 million
or an average of approximately \$1 million per year

CHARLES CITY STREET PAVING 2004 – 2021 USING LOCAL OPTION SALES TAX MONEY



2022 – 2031 LOCAL OPTION SALES TAX MONEY STREET PAVING

