



**BUSINESS OF THE CITY COUNCIL  
AGENDA STATEMENT**

Item No. 8  
For Meeting of 6.16.2016

**ITEM TITLE:** Local Option Sales & Service Tax (LOSST)

**CONTACT PERSON(S):** Jean Furler, Finance Director

**SUMMARY EXPLANATION:** As you are aware, effective July 1 the city will start collecting a one-percent (1%) local option sales and service tax (LOSST). The revenues will be distributed on a monthly basis and are estimated at \$62,500/month (\$750,000 annual). At the last staff meeting a list of projects/equipment was compiled mainly for FY2016-17. The list is comprised of smaller projects that were planned to be added on to a bond issue at some point. The LOSST allows the city the opportunity to prioritize these projects and pay for them with the monthly revenues. On the list you will notice a few projects have been moved up (library carpet, ambulance, Orchard Hills park equipment). The assumptions with this list include:

- 1) Unincorporated areas consider placing LOSST on the ballot and it passes effective July 1, 2017
- 2) 1% conservative revenue increases each year
- 3) Based on the current capital improvement plan (specifically items originally approved in the FY17 budget) and subject to change by the mayor and city council

POTENTIAL LOSST PROJECTS	LOSST 16-17	LOSST 17-18	LOSST 18-19	LOSST 19-20
Storm Sirens	72,500			
HVAC/Fire Panel Upgrade	150,000			
Police Vehicles	55,000	118,000	55,000	118,000
FD Rescue Boat		20,000		
Ambulance (FY20)			182,000	
CH Generator	30,000			
CH Security Upgrades	50,000			
Library Carpet (FY22)	50,000			
Orchard Hills Park/Pick-up (FY19)	40,000		70,000	
Downtown Betterment (new)	5,000			
IT Equipment (FY18)	15,000			
Changeable Art Program (new)	12,000			
HWY 28 Streetscaping	50,000			
Portable Electronic Sign	11,000			
City Hall Bench/Plaque	1,200			
Public Safety Training Room Carpet		12,000		
<b>GRAND TOTAL</b>	<b>541,700</b>	<b>150,000</b>	<b>307,000</b>	<b>118,000</b>

	FY2017	FY2018	FY2019	FY2020
Projected	750,000	454,600	459,146	463,737
Property Tax Relief-Debt Service	187,500	113,600	114,736	115,883
Remaining	\$ 562,500	\$ 341,000	\$ 344,410	\$ 347,854

**Assumptions**

- 1) Unincorporated Areas pass LOSST 7-1-17
- 2) 1% increase in revenues per year
- 3) Based on current CIP subject to change per CC

____ Resolution _____ Ordinance ____ Contract _____ Other (Specify) _____
Funding Source _____ LOSST Revenues _____
APPROVED FOR SUBMITTAL _____ City Manager

**STAFF RECOMMENDATION:** Approve support of utilizing the LOSST revenues for projects and equipment as provided by staff each budget year. Any projects approved to be moved to fiscal year 2017 and not in original budget will be brought back to council for formal approval.

