



EL DORADO

THE FINE ART OF LIVING WELL

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TO: City Commission
FROM: Tabitha Sharp, City Clerk
SUBJ: Work Session Meeting Agenda
DATE: March 14, 2018

A Work Session is scheduled for March 14, 2018 at 4:00 pm in the Commission Chambers at City Hall, 220 E. First Avenue. The following items will be presented:

I. ITEMS FOR PRESENTATION AND DISCUSSION

- a. Sales Tax Question
- b. EFABC Membership

II. REGULAR AGENDA REVIEW

- a. Consent Agenda
 - i. City Commission Minutes
 - ii. Appropriation Ordinance
- b. New Business
 - i. CDH Expansion
 - ii. Water Tower Bid
 - iii. Backhoe Bid
- c. Executive Session
 - i. Legal Issues

III. REPORTS

- a. City Commission Reports
- b. City Manager's Report

2018 Commission Priorities

Water Sales • Community Image • Industrial and Business Parks • Parks and Recreation • Public Safety

1.0% Sales Tax Options



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Existing Local Sales Tax

- Originally authorized in 1990 for five years, and reauthorized every five years since.
- The 2013 election approved continuation of the sales tax with a vote of 1638 to 307.
- By ordinance, sales tax proceeds are allocated as follows:
 - \$1.35 m for property tax reduction (*equal to approximately 16 mills*)
 - \$0.60 m for street rehabilitation
 - \$0.05 m for economic development

Sales Tax Ballot Timeline

Action Item	Tentative Dates
City Commission discusses options for sales tax ballot question.	February to April 2018
Sales tax ballot ordinance drafted by staff.	April to May 2018
City Commission reviews and approves ordinance.	May 2018
Public information campaign for proposed sales tax ballot question.	June to November 2018
Ordinance submitted to County Clerk for inclusion on general election ballot.	Prior to August 31, 2018
General Election	November 6, 2018
Effective date of sales tax, if approved.	October 1, 2019
First distribution of sales tax funds.	2021

Sales Tax Comparison

General Sales Tax

- Indefinite, unless a sunset provision is included in authorizing ordinance.
- May be allocated to any governmental purpose; can be “earmarked” for specific purposes at discretion of City Commission.
- Sales tax rate may increase up to 2% in increments of 0.05%.
- Increase of sales tax rate must be approved by voters.

Special Sales Tax

- May be in addition to any general sales tax rate.
- Shall expire after ten years.
- May only be allocated to specific purpose of authorizing ordinance.
- Sales tax rate may increase up to 1% in increments of 0.05%.
- Continuation or increase of sales tax rate must be approved by voters.

Total sales tax rate, including general and special sales tax rates, may not exceed 3%. An increase of 0.05% would generate approximately \$120,000 in new revenue.

Local Sales Tax Options

Priority Area	Option 1	Option 2	Option 3	Option 4
Property Tax Reduction	\$1.35 m	\$1.65 m	\$1.65 m	\$1.65 m
Street Rehabilitation	\$0.60 m	\$0.60 m	\$0.50 m	
Economic Development	\$0.05 m	\$0.05 m	\$0.05 m	
Excess Sales Tax Program	\$0.10 m			
Add'l Property Tax Reduction	\$0.30 m			
Fleet Replacement		\$0.10 m	\$0.15 m	
Parks and Recreation			\$0.05 m	
Commission Discretion				\$0.75 m

Figures based on annual sales tax collection of \$2.4 m; proposed framework would maintain existing ratios for property tax relief.

Sales Tax Rate Comparison

Jurisdiction	Sales Tax Rate
Wellington	9.50%
Augusta	8.75%
Andover	8.50%
Mulvane	8.50%
Newton	8.50%
Derby	8.00%
Winfield	7.90%
El Dorado	7.75%
Bel Aire	7.50%
Park City	7.50%
Valley Center	7.50%
Wichita	7.50%

Average Sales Tax Rate: 8.1%

Does not include CID rates.