Phased Reduction of Emergency Sales Tax on Food

City Council Direction- May 1, 2013

1. Reduce Emergency Sales Tax on Food to 1% effective Jan. 1, 2014
2. No reductions to city services
3. No negative impact to public safety
4. No negative bond rating impact
5. Public hearings to discuss options
6. Return to City Council by Oct. 1, 2013
7. Analyze impact of state sales tax legislation

Summary of Available Solutions to Offset Reduced Revenue

Item	Available	Recommended 2013-14	Recommended 2014-15
Refinancing Savings	>$19.3	$10.9	$ 8.4
Torts in Primary Property Tax	$10.0	0.0	$10.0
Organizational Review	$ 1.6	$1.2	$ 0.4
Innovation & Efficiency Measures • **Implement banking services efficiencies**	>$ 1.0	0.0	$ 1.0
Alternative Revenue • **Sale of surplus property**	>$ 1.5	0.0	$ 1.5
Total:	**>$33.4**	**$12.1**	**$21.3**

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Next Steps

- Present public input from hearings to City Council
- Prepare ordinances for Council action
- Take necessary actions to comply with the Model City Tax Code
- Conduct outreach and notification to impacted businesses for Jan. 1, 2014, effective date

Calendar

Date	Event
Sep. 9 – 16, 2013	Community hearings to gather public input
Sep. 24, 2013	Council Policy Meeting- discuss solutions to reduce emergency sales tax on food to 1% effective Jan 1, 2014 without impacting public safety, community services or the city's AAA bond rating
Sep. 26 – Oct. 3, 2013	Additional community hearings to gather public input
Oct. 16, 2013	Council Formal Meeting- Council vote on ordinance to reduce emergency sales tax on food to 1% effective Jan. 1, 2014
Oct. – Dec. 2013	Outreach and notification to food retailers to reduce sales tax on food rate to 1% effective Jan. 1, 2014
Jan. 1, 2014	Rate reduction to 1% takes effect
Mar. 31, 2015	Full expiration of emergency sales tax on food