



Kalama City Council - Council Agenda Item Information Form

Agenda Item Number: - 8A – Old Business

Meeting Date July 20, 2016

Prepared by: Coni McMaster, Clerk/Treasurer

Subject: 0.1% Public Safety Sales Tax Option – New Police Facility

Summary: The Council has authorized the planning for and design to build a new Police Facility and recognizes that it will need to find funding sources to cover these costs. The City has a rough cost estimate of at least \$1 million up to \$1.5 million. Finding lending sources will still require a revenue source from which to make the payments. The City has few ways to increase revenues and few sources to draw from. Sales taxes and property taxes are the major revenues of the City. In looking at the options, the City has the ability under state law (RCW 82.14.450) to implement a one-tenth of one percent sales tax for public safety purposes. This is required to be placed on the ballot to get voter approval. As the Police are currently operating out of a cramped space, it is important that the City begin to look at these options and taking the necessary actions. In order to place this sales tax option on the November ballot, the City needs to file the necessary paperwork with Department of Elections by August 2nd. The sales tax increase would be applied to all sales made in the City limits subject to sales taxes except for motor vehicles (3-year exemption). The tax can be retained or it can be made to end at a date in the future such as when all costs for the new facility are paid off. This is the tax that Woodland implemented to fund their new facility.

Option A: Include a sunset clause – Have the tax end upon payment in full of the new facility or other future date.

Option B: Do not include a sunset clause – the revenues would be retained to continue to support the police and public safety needs of the growing community.

Recommendation: The City Council place the issue on the ballot in November 2016 by adopting Resolution No. 641. Staff is recommending that this be without the sunset clause as there are always going to be public safety needs for the community and those costs will always continue to increase.

Alternatives:

► **Council Action:** - Chose Option A or Option B for the adoption of Resolution No. 641