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CITY RECORDER USE ONLY:

AGENDA ITEM #: _____

MEETING DATE: _____

FINAL ACTION: _____

CITY COUNCIL MEMORANDUM

JOINT WORK SESSION BUDGET COMMITTEE

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Paul Downey, Administrative Services Director
Bryce Baker, Senior Management Analyst*

DATE: *January 9, 2017*

SUBJECT: *Local Option Levy Renewal Joint Work Session*

BACKGROUND: The Local Option Levy of \$1.60 per \$1,000 of assessed value expires on June 30, 2018. In FY 2016-17, this levy will provide the General Fund with approximately \$2.3 million in revenue or 13.7% of General Fund operating expenditures. This levy needs to be renewed and likely increased to maintain General Fund services at their current level.

The work session tonight is intended to begin the discussion for placing the levy renewal on the November 2017 election. Staff will have a Powerpoint presentation at the work session to: 1) present the five-year General Fund financial forecast; 2) discuss information on financial policies used for the forecast; 3) present alternatives to increasing the local option levy while maintaining services; and 4) to discuss the timeline for submitting a potential levy renewal to the voters.

RECOMMENDATION: Provide feedback to staff on how to proceed based on the information requested.