



Issue: Ordinance Calling for an Election to Submit to the Qualified Voters the Question of Imposing a 1-cent Sales Tax to Fund Public Safety and Recreation

Date: 08/12/2022

Submitted By: Jimmy Liles, City Administrator

Background

The City of Nixa has grown significantly over the last several years. In 1987 the City's population was fewer than 4,700 people. Today we stand at over 24,000 residents. Along with this growth comes challenges. Among some of those challenges are the need for additional Parks facilities, additional office space in the police department and the need to hire additional police officers.

As of March 2022, the police department was averaging 112 calls for service a day. A recent staffing study showed the need for 11 additional officers to keep up with the growing number of calls for service. Unfortunately, due to limited revenues we were not able to add any additional police officers in the 2022 budget year. As mentioned above, there is a great need for additional office space as well. The police department is currently maxed out on available space. There is currently no office space open, and they have had to find alternative space to secure evidence and found property. Insight Design Architects worked with staff to provide a design for a new police department that would meet not only their current need for space but is designed to handle the anticipated growth for the next 20 years. Nixa's Police Chief Joe Campbell will present the proposed design at the City Council meeting.

The parks department is facing space issues as well. The City of Nixa has one community center (X Center) to serve our residents. The X center only has one basketball court to serve the many recreational activities that utilize the space. Some of these activities include basketball, volleyball and pickleball just to name a few. When you factor in the practices that each team needs to have and games that need to be scheduled, it does not leave much time for any "open" gym time for the general public. The X center is currently operating at 85-90% capacity, which leaves no space or time available to add additional programs, let alone keep up with the growth of the current programs we have in place. Sapp Design Architects worked with staff to provide a design for a new sports facility that would add the additional space needed to accommodate the community needs. Nixa's Director of Parks and Recreation Matt Crouse will present the proposed design at the City Council meeting.

Analysis

Staff has worked diligently to find solutions to the challenges mentioned above. Of course, these solutions would take additional revenues. The City of Nixa's current available revenues are not sufficient to completely address any of the above needs. For example, the City of Nixa collected about 3.4 million dollars last year in general sales tax revenue. The police department



alone had expenses of 3.7 million. The only way to be able to completely address the need for the additional officers, the need for additional office space and the need for additional parks facilities in the foreseeable future would be to ask the public to consider a 1-cent general sales tax increase. Currently, the total sales tax rate within the City of Nixa is 7.475%. When you look at the City of Nixa's portion of the sales tax, we are collecting 1.5%, with only 1% going to the general fund. The 1% general sales tax has not changed since its inception in 1987 and is below our neighboring cities, despite our larger population and continued growth rate. The current 1-cent sales tax brought in around 3.4 million dollars in 2021 and the use tax brought in around \$660,000. If the public were to choose to approve an additional 1-cent sales tax, it would bring in an additional estimated 3.8 to 4 million dollars. These additional funds would allow us to start to address the need for additional officers as well as allow us to build both the sports complex and the new police department. Bringing the total City of Nixa sales tax to 2.5% would also bring us in line with other surrounding communities.

Recommendation

Staff recommends the approval of the ordinance calling for an election to be held on November 8, 2022, asking the public to impose a 1-cent sales tax to fund public safety and recreation.

1 AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA CALLING AN ELECTION
2 TO BE HELD ON NOVEMBER 8, 2022, TO SUBMIT TO THE QUALIFIED VOTERS
3 THE QUESTION OF IMPOSING AN ADDITIONAL 1-CENT GENERAL SALES TAX TO
4 FUND PUBLIC SAFETY AND RECREATION; AUTHORIZING THE CITY CLERK TO
5 DO ALL THINGS NECESSARY AND CONVENIENT TO SUBMIT SAID QUESTION TO
6 THE QUALIFIED VOTERS OF THE CITY; AND PROVIDING FOR THE ENACTMENT
7 OF SAID TAX IF APPROVED.
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9

10 **WHEREAS** the City is authorized pursuant to the Missouri Constitution and
11 Sections 94.500 through 94.550 RSMo., to impose a general city sales tax; and
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13 **WHEREAS** the City currently collects a one cent sales tax for general municipal
14 purposes and a half cent sales tax for street purposes; and
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16 **WHEREAS** the general one cent sales tax rate has existed at its current level since
17 1987; and
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19 **WHEREAS** the Police and Parks Departments are funded through the City's
20 general fund because they do not have a dedicated funding source; and
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22 **WHEREAS** in 2021 Police Department expenditures were over \$3.7 million while
23 total general sales tax revenue was only \$3.4 million; and
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25 **WHEREAS** in 1987, the City of Nixa was home to fewer than 4,700 people, and in
26 2000, the City grew to 12,000; and
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28 **WHEREAS** the City has since more than doubled again, cresting 24,000 residents
29 in 2021 according to the U.S. Census Bureau, making Nixa the second-largest
30 municipality in the Springfield-Branson metro area; and
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32 **WHEREAS** calls for service to the Nixa Police Department continue to increase
33 each year as our population grows, with more than 21,000 calls for service over the
34 course of 2021; and
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36 **WHEREAS** a staffing study of the Nixa Police Department demonstrated that the
37 department requires an additional 11 officers to adequately serve the Nixa community,
38 yet a facilities and use of space study indicated that the Police Department Headquarters
39 needs to double in size to properly accommodate current staffing numbers, let alone any
40 additional staff; and
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42 **WHEREAS** the National Recreation and Park Association says a city of Nixa's size
43 should have 243 acres of developed park land, yet Nixa currently has 58 acres of
44 developed park land and another 106 acres of undeveloped park land; and
45

46 WHEREAS the X Center facility was completed in 2002 and is insufficient to meet
47 growing demand for indoor recreational facilities; and
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49 WHEREAS citizens desire more walking and biking trails and other park
50 improvements; and
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52 WHEREAS the City of Republic collects a 3.13 cent sales tax, the City of Ozark
53 collects a 2.375 cent sales tax, the cities of Bolivar, Webb City, and Mt. Vernon each
54 collects a 2.5 cent sales tax, the City of Rogersville collects a 2.25 cent sales tax, the City
55 of Springfield collects a 2.12 cent sales tax, and the cities of Marshfield and Willard each
56 collects a 2 cent sales tax; and
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58 WHEREAS Nixa’s current 1.5 cent sales tax rate is lower than our neighboring
59 cities, despite our larger population and continued growth rate, and considering the city’s
60 efforts to stretch its revenues as far as possible to meet the demand for police and
61 recreational services; and
62

63 WHEREAS imposing an additional 1 cent general sales tax, to fund public safety
64 and recreation would bring Nixa’s total sales tax rate to 2.5 cents, bringing Nixa more in
65 line with our neighboring cities; and
66

67 WHEREAS an additional one cent sales tax will add a cost of \$0.01 to a qualifying
68 \$1.00 retail purchase made within the city limits of the City of Nixa; and
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70 WHEREAS the City Council has determined that it is necessary to authorize an
71 additional one percent city general sales tax to fund public safety and recreation; and
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73 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
74 NIXA, AS FOLLOWS, THAT:
75

76 SECTION 1: An election is hereby called and ordered to be held within the City of
77 Nixa, Missouri, pursuant to Section 94.510, et. seq. RSMo., on November 8, 2022, to
78 submit the following question to the qualified voters of the City:
79

80 QUESTION

81 Shall the City of Nixa, Missouri, impose a city general sales tax of one
82 percent (1%) to fund public safety and recreation?
83

84 Yes []

85 No []
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87

88 Instructions to Voters: If you are in favor of the question, place an X in the
89 box opposite “YES.” If you are opposed to the question, place an X in the
90 box opposite “NO.”
91

92 **SECTION 2:** The City Clerk is authorized and directed to notify the Clerk of
93 Christian County, Missouri of the adoption of this Ordinance as soon as practicable, but
94 no later than 5:00 p.m. on the tenth Tuesday prior to November 8, 2022, and to include
95 in said notification all of the terms and provisions required by Chapter 115, RSMo., or any
96 other provision of law. The City Clerk is further authorized and directed to do all things
97 necessary and convenient to ensure that the question is properly submitted to the voters
98 on November 8, 2022, including, without limitation, submitting a different ballot from the
99 form approved Section 1 of this Ordinance, so long as the question submitted to the voters
100 is substantially the same as the question authorized in Section 1 of this Ordinance. The
101 City Clerk shall also provide a certified copy of the notice of election, which is attached
102 hereto as "Council Bill Exhibit A." Said notice of election shall be in substantially similar
103 form as the document attached hereto as "Council Bill Exhibit A."
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105 **SECTION 3:** The Clerk of Christian County, Missouri is hereby authorized to
106 conduct an election in a manner consistent with the provisions of Chapter 115, RSMo.
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108 **SECTION 4:** The City Administrator, and other officers of the City, are hereby
109 authorized and directed to take such other actions as may be necessary or convenient to
110 carry out the purpose and intent of this Ordinance.
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112 **SECTION 5:** Upon approval, by the qualified voters of the City, of the question
113 herein submitted by this Ordinance the additional sales tax contemplated herein shall be
114 levied, in addition to any other sales taxes levied by the City, within the City limits of the
115 City of Nixa, Missouri. The City Administrator, or designee, shall thereafter be authorized
116 and directed to provide certified copies of this Ordinance, and any other information which
117 may be necessary or convenient, to the Director of Revenue of the State of Missouri.
118

119 **SECTION 6:** If the proposed city sales tax is not approved by a majority of the
120 votes cast by the qualified voters voting thereon, then this Ordinance shall be of no effect,
121 and the sales tax proposed herein shall not be effective, however, the failure of this
122 proposition to receive the requisite majority vote shall have no effect on any other sales
123 tax levied or imposed by the City. Nothing herein is intended to be nor shall be deemed
124 as an abolition of any other tax levied by the City.
125

126 **SECTION 7:** This Ordinance shall be in full force and effect from and after its final
127 passage by the City Council and after its approval by the Mayor, subject to the provisions
128 of section 3.11(g) of the City Charter.
129

130
131 **ADOPTED BY THE COUNCIL THIS _____ DAY OF _____ 2022.**
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135 _____
136 PRESIDING OFFICER
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ATTEST:

CITY CLERK

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APPROVED BY THE MAYOR THIS _____ DAY OF _____ 2022.

ATTEST:

MAYOR

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

COUNCIL BILL EXHIBIT A

NOTICE OF ELECTION

NIXA, MISSOURI

Notice is hereby given to the qualified voters of the City of Nixa, Missouri, that pursuant to an Ordinance duly adopted, the Mayor and City Council of the City of Nixa, Missouri, has called an election to be held in the City on November 8, 2022, commencing at 6:00 am and closing at 7:00 pm, for the purpose of submitting to the qualified voters of the City the question contained in the following sample ballot:

QUESTION

Shall the City of Nixa, Missouri, impose a city general sales tax of one percent (1%) to fund public safety and recreation?

Yes []

No []

Instructions to Voters: If you are in favor of the question, place an X in the box opposite "YES." If you are opposed to the question, place an X in the box opposite "NO."

A full and complete copy of Council Bill 2022-086, submitting the above question to the electorate is on file in the office of the City Clerk of the City of Nixa, Missouri where the same is open for inspection and copying during normal business hours.

The election will be held at the following polling places in the City:

To be determined by the County Clerk of Christian County, Missouri.