

RE: ORDINANCE CALLING FOR AN ELECTION TO SUBMIT TO THE QUALIFIED VOTERS THE QUESTION OF IMPOSING A 3/4-CENT TAX TO FUND POLICE

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.

The most 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 afford any additional police officers again in the 2023 budget year. This is the third year in a row that we have been unable to budget additional officers due to limited revenues. As discussed before, 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.

In November of 2022, a 1-cent General Sales Tax ballot issue failed that would have provided funds to address the police and park's needs. Although the tax initiative failed, the needs are still present. During discussions at the last City Council meeting, it was decided to bring back an ordinance that would place a 3/4 -cent general sales tax dedicated to law enforcement back to City Council at the next meeting. If passed this would allow us to start addressing these public safety needs immediately and alleviate the amount of funds that are being transferred from the general fund.

Analysis:

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 3.6 million dollars last year in general sales tax revenue. Personnel and operating expenses for the police department in 2022 were approximately 4.3 million.

Nixa Finance Director Jennifer Evans completed a 7-year general fund forecast utilizing anticipated revenues and expenses, including the 5-year Capital Improvement Program (CIP) program that was approved in 2022. At the current rate of expenses and revenues, the forecast shows our net ending cash in the negative by the end of 2025. This is largely due to the amount of transfer that is needed from the general fund to cover the police department expenses.

The only way to be able to completely address the need for the additional officers, the need for additional office space and to alleviate the pressure on the general fund in the foreseeable future would be to ask the public to consider a 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 despite our larger population and continued growth it is below our neighboring cities tax rates. The current 1-cent sales tax brought in around 3.6 million dollars in 2022 and the use tax brought in around \$851,331. If the public were to choose to approve an additional 3/4-cent sales tax, it would bring in an additional estimated 3.7 to 4 million dollars. These additional funds would allow us to address the immediate public safety needs.

Recommendation:

Staff recommends the approval of the ordinance calling for an election to be held on April 4, 2023, asking the public to impose a 3/4-cent sales tax to fund police.

MEMO PREPARED BY:

Jimmy Liles | City Administrator

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1 AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA CALLING AN ELECTION
2 TO BE HELD ON APRIL 4, 2023, TO SUBMIT TO THE QUALIFIED VOTERS THE
3 QUESTION OF IMPOSING AN ADDITIONAL 3/4-CENT GENERAL SALES TAX TO
4 FUND PUBLIC SAFETY; AUTHORIZING THE CITY CLERK TO DO ALL THINGS
5 NECESSARY AND CONVENIENT TO SUBMIT SAID QUESTION TO THE QUALIFIED
6 VOTERS OF THE CITY; AND PROVIDING FOR THE ENACTMENT OF SAID TAX IF
7 APPROVED.
8
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
12

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
15

16 **WHEREAS** the general one cent sales tax rate has existed at its current level since
17 1987; and
18

19 **WHEREAS** the Police Department is funded through the City's general fund
20 because they do not have a dedicated funding source; and
21

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
24

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
27

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
31

32 **WHEREAS** a staffing study of the Nixa Police Department demonstrated that the
33 department requires an additional 11 officers to adequately serve the Nixa community,
34 yet a facilities and use of space study indicated that the Police Department Headquarters
35 needs to double in size to properly accommodate current staffing numbers, let alone any
36 additional staff; and
37

38 **WHEREAS** the City of Republic collects a 3.13 cent sales tax, the City of Ozark
39 collects a 2.375 cent sales tax, the cities of Bolivar, Webb City, and Mt. Vernon each
40 collects a 2.5 cent sales tax, the City of Rogersville collects a 2.25 cent sales tax, the City
41 of Springfield collects a 2.12 cent sales tax, and the cities of Marshfield and Willard each
42 collects a 2 cent sales tax; and
43

44 **WHEREAS** Nixa's current 1.5 cent sales tax rate is lower than our neighboring
45 cities, despite our larger population and continued growth rate, and considering the city's

46 efforts to stretch its revenues as far as possible to meet the demand for police services;
47 and

48
49 **WHEREAS** imposing an additional 3/4-cent general sales tax, to fund public safety
50 would bring Nixa more in line with our neighboring cities; and

51
52 **WHEREAS** the City Council has determined that it is necessary to authorize an
53 additional 3/4 percent city general sales tax to fund public safety; and

54
55 **NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF**
56 **NIXA, AS FOLLOWS, THAT:**

57
58 **SECTION 1:** An election is hereby called and ordered to be held within the City of
59 Nixa, Missouri, pursuant to Section 94.510, et. seq. RSMo., on April 4, 2023, to submit
60 the following question to the qualified voters of the City:

61
62 **QUESTION**

63
64 Shall the City of Nixa, Missouri, impose a city general sales tax of three-
65 fourths of one percent (3/4%) to fund public safety?

66
67 Yes []

68 No []

69
70 Instructions to Voters: If you are in favor of the question, place an X in the
71 box opposite "YES." If you are opposed to the question, place an X in the
72 box opposite "NO."

73
74 **SECTION 2:** The City Clerk is authorized and directed to notify the Clerk of
75 Christian County, Missouri of the adoption of this Ordinance as soon as practicable, but
76 no later than 5:00 p.m. on the tenth Tuesday prior to April 4, 2023, and to include in said
77 notification all of the terms and provisions required by Chapter 115, RSMo., or any other
78 provision of law. The City Clerk is further authorized and directed to do all things
79 necessary and convenient to ensure that the question is properly submitted to the voters
80 on April 4, 2023, including, without limitation, submitting a different ballot from the form
81 approved Section 1 of this Ordinance, so long as the question submitted to the voters is
82 substantially the same as the question authorized in Section 1 of this Ordinance. The City
83 Clerk shall also provide a certified copy of the notice of election, which is attached hereto
84 as "Council Bill Exhibit A." Said notice of election shall be in substantially similar form as
85 the document attached hereto as "Council Bill Exhibit A."

86
87 **SECTION 3:** The Clerk of Christian County, Missouri is hereby authorized to
88 conduct an election in a manner consistent with the provisions of Chapter 115, RSMo.
89

90 SECTION 4: The City Administrator, and other officers of the City, are hereby
91 authorized and directed to take such other actions as may be necessary or convenient to
92 carry out the purpose and intent of this Ordinance.
93

94 SECTION 5: Upon approval, by the qualified voters of the City, of the question
95 herein submitted by this Ordinance the additional sales tax contemplated herein shall be
96 levied, in addition to any other sales taxes levied by the City, within the City limits of the
97 City of Nixa, Missouri. The City Administrator, or designee, shall thereafter be authorized
98 and directed to provide certified copies of this Ordinance, and any other information which
99 may be necessary or convenient, to the Director of Revenue of the State of Missouri.
100

101 SECTION 6: If the proposed city sales tax is not approved by a majority of the
102 votes cast by the qualified voters voting thereon, then this Ordinance shall be of no effect,
103 and the sales tax proposed herein shall not be effective, however, the failure of this
104 proposition to receive the requisite majority vote shall have no effect on any other sales
105 tax levied or imposed by the City. Nothing herein is intended to be nor shall be deemed
106 as an abolition of any other tax levied by the City.
107

108 SECTION 7: This Ordinance shall be in full force and effect from and after its final
109 passage by the City Council and after its approval by the Mayor, subject to the provisions
110 of section 3.11(g) of the City Charter.
111

112
113 ADOPTED BY THE COUNCIL THIS _____ DAY OF _____ 2023.
114

115 ATTEST:
116

117 _____
118 PRESIDING OFFICER
119

117 _____
118 CITY CLERK
119

120
121 APPROVED BY THE MAYOR THIS _____ DAY OF _____ 2023.
122

123 ATTEST:
124

125 _____
126 MAYOR
127

125 _____
126 CITY CLERK
127

128 APPROVED AS TO FORM:
129

130 _____
131 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, have called an election to be held in the City on April 4, 2023, 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 three-fourths of one percent (3/4%) to fund public safety?

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 2023-05, 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.