Legislation Details (With Text)

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Title:	License Tax Review Committee Annual Report for FY2022		
Sponsors:	Public Works Admin & Engineering, Binger, George		
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Attachments:	1. Summary Presentation for FY22, 2. FY22 Report 2023-02-08, 3. FY21 Minutes: License Tax Review Committee		

Date	Ver.	Action By	Action	Result
2/8/2023	1	License Tax Review Committee	received and filed	

License Tax Review Committee Annual Report for FY2022

Issue/Request:
License Tax Review Committee Annual Report for FY2022

Key Issues:

- City Ordinance 4592, Sections 28-175 through 28-123 in Code of Ordinances, Requires annual License Tax Report
- FY22 year end fund balance was $3.259 million
- The License Tax Fund will support projects as programmed into the FY24 CIP

Background:
The attached presentation provides a summary, as required by ordinance, of the License Tax activity for Fiscal Year 2022, which is July 1, 2021 through June 30, 2022. More detailed background information is included in the License Tax Review Report.

As part of the December 3, 2020 FY20 License Tax Review Committee, the Committee recommended increasing the rates for Manufacturing/Industrial and Commercial activities by 10%, with no change to Residential rates, starting in FY2023. That proposed rate increase was approved by City Council on March 15, 2022 when Council adopted Bill No. 22-49 be that was numbered Ordinance No. 9365.

As shown in the attached reports, License Tax activity actually increased throughout the 2022 fiscal year.

The committee re-affirmed programming $6.0 million of the license tax fund into the Capital Improvement Plan (CIP) for the US 50 and M291 North interchange improvements projects. Based on cash flow projections, this funding would be programmed in the FY23 Capital Improvement Plan (CIP) over the next five years through FY 2027 towards local matching funds needed for this project.

Construction cost inflation has become a factor affecting the City's project expenses. The Construction Cost Index increased 4% from 2021 to 2022. The City has observed 4% to 12% cost increases in construction bids prices.

George Binger III, P.E., Deputy Director of Public Works/City Engineer