



WORK SESSION MEMORANDUM

Work Session Date: July 16, 2018 at 6 p.m. City
Council Chambers
448 East 1st Street, Room 190
City of Salida, Colorado

To: Mayor and City Council

Re: City Council Work Session

- I. 2019 Budget Discussion – Theresa Casey and Jodi McClurkin
- II. Occupational Lodging Tax – Theresa Casey
- III. Recycling Center – Theresa Casey and David Lady



To: Mayor Wood and City Council
From: Theresa Casey, Interim City Administrator
Date: July 10, 2018
Re: 2019 Budget, Lodging Tax and Recycling

2019 Budget Discussion:

Staff have been working on the budget process and timeline.

Staff will be present sales tax report(s) and a proposed budget schedule as well as seeking direction on a planned budget increases.

City Council Action:

Consider staff recommendation of 4 to 5% budget increase (operations and staffing) based on sales tax projections.

Discuss budget timeline and make recommendations.

Lodging Tax Ordinance:

Background:

In 2008 an Occupational Lodging Tax (OLT) was passed by the citizens of Salida. The OLT was originally passed for \$4.82 per room per night however, the then City Council passed an ordinance that allowed only \$2.50 per room per night be collected for the time being and that any time in the future, the Council, could by ordinance, raise the OLT. (See Salida Municipal Code Sec 4-6-10)

The revenues from the OLT were pledged to be “used primarily for capital improvements and operations expenses for parks and recreation and arts facilities in the City, including, without limitation, the Aquatic Center and SteamPlant”.

On April 10, 2018 Mayor Wood hosted a meeting with the lodging community to discuss the possibility of raising the OLT. Several lodgers attended with varying opinions on the subject. The meeting focused on the construction of a soaking pool and splash pad at the Salida Hot Springs Aquatic Center.

Mayor Wood promised a survey to be sent to the lodging community. A survey was developed and sent via Survey Monkey to lodgers, 52 lodgers responded. The results showed support for a raise in the OLT by the majority of the respondents. It also showed support for construction of the soaking pool and splash pad, although there were opinions on what the pool should look like. There was also general support for other recreational and cultural facilities.

On June 6th staff, Mayor Wood and Councilman Bowers met with the local lodging group to discuss implementing the full voter approved lodging tax beginning in January of 2019. The group had two main issues with the tax. First was they feel that Arts & Recreation capital is all being loaded on the backs of lodgers with the OLT. Their second issue is with short-term rentals licensing and compliance.

It is important to remember that there are several other revenue streams paying for Arts & Recreation. Developers must either construct recreational amenities in the new development or pay cash-in-lieu-of fees to an account managed by the city for recreational amenities. Those wishing to annex property in to the City are asked to provide amenities, dedicate land or construct amenities. The Conservation Trust and the city sales tax supported Capital Improvement Funds are also used for Recreational amenities.

Staff met with the lodging group again on July 11 to hear their issues and to provide information on how short-term rentals/licensing is handled by the City.

City Council has several options:

- Raise the OLT by \$1.00, starting date to be determined
- Raise the OLT by \$1.50, starting date to be determined
- Raise the OLT by \$2.00, starting date to be determined
- Raise the OLT by \$1.16 in 2019 and another \$1.16 in 2020
- Raise the OLT to the full \$4.82 (\$2.32), starting date to be determined, but suggested January 2019
- Create a graduated scale raising the OLT incrementally starting in 2019 and topping out at the full \$4.82 in a year to be determined

Or

- Do nothing, leave the OLT as is for now

City Council Action:

Choose an option as listed above and request staff to return with an Ordinance implementing the chosen option.

Recycling:

Recycling center location has been debated for years in Salida. The location of the current drop-off site is located in a city park, next to a neighborhood. Trash dumping and trash blowing has been an issue for the recycler (Angel of Shavano), for the neighboring residents and for Centennial Park. The conflict between a park site with children playing, families picnicking and the traffic that the recycling site produces is a concern as well as space requirements for future Centennial Park/Aquatic Center expansion(s).

The City conducted a re-location study with Crabtree Group in September of 2014. That study identified several possible sites for re-location. The City Gallery Site was one site that was identified as a possibility. In 2016 Crabtree Group submitted a proposal to do civil engineering and project design to move recycling to the Gallery site.

There has also been discussion regarding other options including curbside recycling. Curbside recycling is currently being offered by Waste Management and Chaffee County Waste. Adding to the challenge of re-location or moving to curbside is that Salida has become a regional recycling location, many surrounding communities use the Salida drop off center regularly.

Re-location of the recycling center site has been on hold. Council asked that the topic be re-introduced.

City Council Action:

Discuss and give staff direction on possible re-location (alternate sites) of the recycling site and or direction to pursue curbside recycling in some manner.