

**MINUTES OF THE COUNCIL ACTION PLANNING SESSION
OF THE ANKENY CITY COUNCIL**

Tuesday, April 1, 2024

Ankeny Kirkendall Library - City Council Chambers

Mark Holm, Mayor

Bobbi Bentz, Mayor Pro tem

Council Members: Jeff Perry, Joe Ruddy, Todd Shafer, Kelly Stearns

Mayor Mark Holm called the meeting to order at 6:20 p.m. Council Members Bobbi Bentz, Jeff Perry, Joe Ruddy, and Kelly Stearns were in attendance. Council Member Todd Shafer joined the meeting electronically. Shafer departed the meeting at 6:46 p.m. City Manager David Jones was also present.

A. Local Option Sales Tax (LOST)

David Jones, City Manager, discussed why LOST is needed now for property tax relief, retail investment, future growth, and the cost of doing business. Jones presented the following information regarding Local Option Sales Tax.

- Construction costs have increased by 71% in 7 years.
- FY 2023 LOST payments to 8 cities in Polk County totaled \$90,416,741. It is estimated that Ankeny would have received more than \$10.5 million in LOST revenue for FY 2023 if local option sales tax had been in effect in Ankeny
- Ankeny is 23% above the statewide average in per capita taxable sales. 40% of people paying sales tax in Ankeny are nonresidents. Whereas, Ankeny residents pay 100% of the cost for street improvements, parks, trails, recreational facilities, public safety equipment, debt retirement and other CIP projects. Nonresidents would share these costs through the 1-cent sales tax if it is adopted in Ankeny.
- An example of a proposed local option sales tax revenue distribution would be: 50% for property tax relief (Ankeny's tax rate could go from \$9.90 to \$9.00 in FY 2026); and 50% for capital improvement projects, including street improvements, park and trail improvements and recreational facilities, public infrastructure, public safety equipment, public facilities; or debt retirement. This example would result in a 9.1% reduction in the Ankeny property tax rate.
- Results of the 2021 Citizen Survey, asking "How much would you support or oppose a new 1-cent sales tax (total sales tax rate of 7%) that would go to the City for the following purposes: property tax reduction, recreational/cultural amenities, and capital project/infrastructure funding?": 70% were Strongly/somewhat in support and 30 % were Strongly/somewhat opposed.
- A sample timeline for a September 2024 election.

B. Adjournment

Meeting was adjourned at 6:57 p.m.

No official action took place during this planning session.

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