

**City of Westminster City Council Study Session
May 1, 2006**

Mayor McNally called the Study Session to order at 6:35 PM. All Council was in attendance except for Mary Lindsey who is out of town and Mark Kaiser who had a family emergency.

City Staff in attendance included: City Manager Brent McFall; Assistant City Manager Steve Smithers; City Attorney Marty McCullough; Finance Director Tammy Hitchens; Sales Tax Manager Barb Dolan; Director of Park, Recreation & Libraries Bill Walenczak; Public Information Officer Katie Harberg; Senior Management Analyst Emily Moon; Director of Community Development John Carpenter; and Administrative Secretary Melissa Salazar.

The guests in attendance were Evie Hemphill with the Westminster Window; Nancy Thompson; Jane Fancher; and Larry Dean Valente.

Internet Sales Tax Overview

Tammy Hitchens and Barb Dolan provided a presentation on the Internet Sales Tax Overview to update City Council and to answer any questions. Though eight full years have passed since Congress first approved the Internet Tax Freedom Act, little progress has been made towards obtaining meaningful Federal action with respect to this issue. Internet sales continue to grow, as do sales tax revenue losses to state and local governments. The U.S. Department of Commerce reported that Internet sales in the third quarter of 2005 reached more than \$40 billion, representing a 22% year-over-year increase. E-commerce researchers believe the numbers are significantly higher and expect Internet retail sales to top \$95 billion in 2006 and balloon to \$144 billion in 2010. Losses to the City are expected to exceed \$4.0 million by 2011.

This report is for City Council information only and requires no action by City Council.

Potential City Ballot Questions for November 2006 Election

Brent McFall led this discussion with Council regarding potential City Ballot Questions for the November 2006 Election. The Westminster City Council has the authority to place certain ballot questions on the November 2006 election for consideration by Westminster voters. Staff has analyzed a number of potential ballot questions with respect to timing issues, need, potential for voter approval, impact on the City, and other related matters. Staff is recommending that City Council consider placing two ballot questions on the November 2006 election. These ballot questions are:

1. Extension of the sunset provision of the current Parks and Open Space 0.25% sales tax from its expiration in 2016 to 2032 and authorization to sell bonds, the future principal and interest to be paid from the extended Parks and Open Space sales tax collections, in order to acquire and improve parks and open Spaces in accordance with the Parks Master Plan and the Open Space Plan. Voter approval of this sales tax extension is required under TABOR. This recommendation is contingent upon perceived level of support reported in 2006 Citizen Survey. Staff is preparing estimates on the amount of bond funds that could be generated by the extension of the tax and will bring this back to Council at a later date.
2. A Charter Amendment to conform the Charter provision in Section 3.18 Recall, and Sections 8.10-8.13 Initiative and Referendum, with provisions of the Colorado State Constitution and applicable state statutes.

Staff will begin work on language for the proposed Charter amendment and will do further research on Parks and Open Space sales tax extension and bonding authority. Timing for adoption of the ballot

language by City Council will coincide with requirements for placement on the consolidated ballots in both Adams and Jefferson Counties.

Council concurred with Staff's recommendation.

Mayor McNally adjourned the Study Session at 7:26 PM to enter into an Executive Session to discuss progress on the condemnation of the Holly Park Townhome property and related litigation, in accordance with the provisions of WMC section 1-11-3(C)(2), 1-11-3(C)(3) and 1-11-3(C)(8).