



## SALES & USE TAX FUND

The Sales and Use Tax program is coordinated by the Finance Department Staff who handle all Sales Tax collections, audits, taxpayer education, and enforcement. Sales Tax is levied on retail sales of tangible personal property and some services. Use Tax is levied on the retail purchase price of tangible personal property and some services purchased outside the City, but stored, used or consumed within the City.

This program accounts for approximately 66% of the City's General Fund revenues in 2017/2018 and is funded by the general Sales Tax of 3% plus an additional public safety Sales Tax of 0.6%. The City's 0.25% Parks, Open Space and Trails (POST) Sales and Use Tax is accounted for in a separate fund that is outlined later in this section of the budget document.

**General Sales & Use Tax (3%)** - Sales and Use Taxes are projected at \$70,616,142 for 2017, which represents a 0.2% increase from the 2016 projected Sales and Use Tax revenue of \$70,463,596. Sales and Use Taxes are projected at \$71,773,800 for 2018, which represents a 1.6% increase over the 2017 projected Sales and Use Tax revenue.

**Public Safety Sales & Use Tax (0.6%)** - The public safety Sales and Use Tax revenues are projected at \$15,072,406 for 2017, which represents a 1.0% increase over the 2016 projected public safety Sales and Use Tax revenue of \$14,926,449. The public

safety Sales and Use Tax revenues are projected at \$15,367,652 for 2018, which represents a 2.0% increase from the 2017 projected public safety Sales and Use Tax revenue. Due to revenue considerations from urban renewal areas, general sales and use taxes and PST taxes track differently.

### Combined Sales & Use Tax (General & Public Safety (3.6%))

The general and public safety Sales Tax revenues are reported as one source in the Revenues & Expenditures Summary section and in their transfer payments for simplicity purposes.

Sales and Use Taxes are projected at a combined total of \$85,688,548 for 2017, a 0.3% increase from the 2016 year-end combined estimated Sales and Use Tax revenue (excluding carryover) of \$85,390,045. The combined Sales and Use Taxes are projected at \$87,141,452 for 2018, a 1.7% increase over the 2017 projected combined Sales and Use Tax revenue.

Combined Sales Tax Returns are projected to be \$71,643,255 for 2017, an increase of 2.8% from the estimated 2016 year-end projection of \$69,717,099. Combined Sales Tax Returns are projected to be \$73,086,027 for 2018, an increase of 2.0% over 2017.

Combined Use Tax Returns are projected to be \$14,045,293 for 2017, a decrease of 10.4% from the

### Total Budget by Category

	2015 Actual	2016 Amended	2016 Estimated	2017 Adopted	2018 Adopted
<b>Transfer Payments to:</b>					
General Fund	\$67,993,597	\$72,350,147	\$72,350,147	\$78,007,642	\$81,319,741
General Reserve	\$198,000	\$600,000	\$600,000	\$235,000	\$200,000
Capital Projects	\$8,537,908	\$13,017,000	\$13,017,000	\$6,606,371	\$4,911,395
Debt Service	\$4,000,000	\$3,900,000	\$3,900,000	\$1,350,000	\$1,350,000
GF Stab. Res.	\$52,000	\$967,426	\$967,426	\$0	\$0
GCORF	\$500,000	\$0	\$0	\$0	\$0
WEDA	\$680,000	\$300,000	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$81,961,505</b>	<b>\$91,134,573</b>	<b>\$90,834,573</b>	<b>\$86,199,013</b>	<b>\$87,781,136</b>

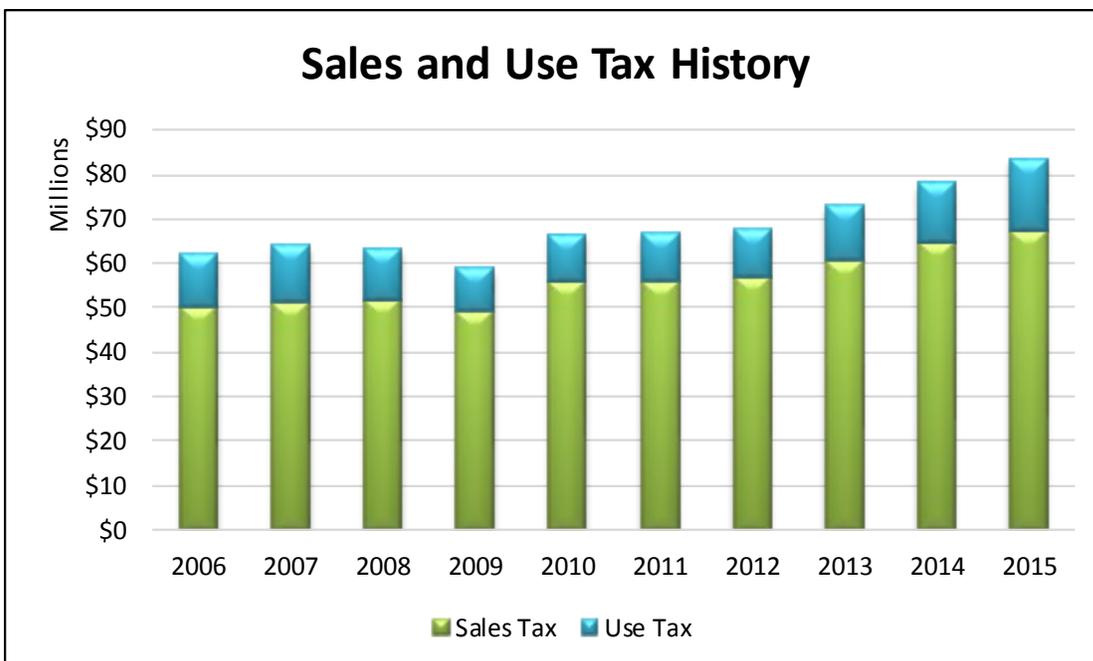
estimated 2016 year-end projection of \$15,672,946.

Combined Use Tax Returns are projected to be \$14,055,425 for 2018, an increase of 0.1% over 2017.

The remainder of combined funds are accounted for with Interest Income (\$120,000 in 2017 and \$126,000 in 2018) and with the Payment in Lieu of Use Tax (PILUT) fee for construction projects undertaken by the City’s Water, Wastewater and Stormwater Funds. This payment is calculated based on estimated construction materials used in these projects. Use taxes must be paid on materials used by contractors on projects for all institutions, including governmental, religious and charitable organizations. For 2017, the total combined PILUT fee is estimated at \$390,465 and for 2018 it is estimated at \$513,684.

The major portion of Sales and Use Tax expense is the transfer to the General Fund, budgeted at \$78,007,642 for 2017, a 8.1% increase over the 2016 year-end estimated transfer of 72,350,147; in 2018, the transfer is budgeted at \$81,319,741, a 4.2% increase over 2017. The other expenses for this fund include transfer payments to the Debt Service Fund (\$1,350,000 each year in 2017 and 2018) to pay for Sales and Use Tax bonded debt and to the General Capital Improvement Program (\$6,606,371 in 2017 and \$4,911,395 in 2018) for pay-as-you-go capital improvements throughout the City. Other transfers include setting \$235,000 in 2017 and \$200,000 in 2018 in the General Reserve Fund to ensure the City maintains a 10% reserve for operating expenses. No transfers are budgeted for the General Fund Stabilization Reserve (GFSR) in 2017 or 2018.

Sales and use taxes serve as the primary revenue for the City of Westminster’s operating budget. Growth is anticipated to be modest in the future, while costs for personnel, health insurance and other items continue to increase and place pressure on the organization and the services and programs delivered. Following the challenges of “the Great Recession,” sales and use tax revenues strongly rebounded in subsequent years. In 2015, total collections were 6.9% over 2014 collections. Although still positive, year-to-date collections through July 2016 showed less than of an increase at 4.02% compared to the same period last year and as a result, the City continues to take a conservative approach to future budget commitments.





## PARKS, OPEN SPACE, AND TRAILS (POST) FUND

The Parks, Open Space, and Trails Fund provides funding for the acquisition and maintenance of land in the City’s open space portfolio.

### OVERVIEW

- Administers a voter-approved sales tax of one-fourth of one percent, which continues through December 31, 2032.
- Preserves natural habitat, helping to protect and support native plants and wildlife.
- Provides recreation trails and natural spaces for exercise and non-motorized transportation.
- Plays a critical role in maintaining healthy ecosystems, providing clean water/air, and enabling conservation of natural resources.
- Provides exceptional open space and recreation trail management.
- Educates the public on important conservation measures.
- Administers the land acquisition component of the Open Space Program.
- Implements Open Space Stewardship Plan for open space and trail areas.

### 2017 Objectives:

- Continue to implement the Open Space Stewardship Plan.
- Increase open space volunteer hours by 10% (150 hours) through events and projects.
- Increase school partnerships through the Adopt-a-Park/Open Space and other service learning opportunities.

### 2018 Objectives:

- Continue to implement the Open Space Stewardship Plan.
- Increase trail use by 10% with recreational and fund-raising opportunities and event/outdoor programming coordination.
- Develop new outdoor recreation, trail, and stewardship opportunities to bring the outdoors to more residents, utilizing venues such as Westminster Station, Greenway Trail, and Downtown Westminster.

NOTE: Information related to staffing, performance measures, objectives, and achievements for the POST Fund is available in the Parks, Recreation, and Libraries section, within the Open Space Division narrative pages.

### Total Budget by Category

	2015 Actual	2016 Amended	2016 Estimated	2017 Adopted	2018 Adopted
Personnel	\$285,247	\$899,869	\$899,518	\$1,244,785	\$1,588,918
Contractual	\$763,829	\$474,884	\$474,942	\$381,365	\$225,000
Commodities	\$78,332	\$116,755	\$106,755	\$106,755	\$106,755
Capital Outlay	\$959,629	\$146,727	\$156,727	\$161,300	\$160,000
Transfer to GCIF	\$527,014	\$1,443,080	\$1,443,080	\$3,492,797	\$2,545,654
Transfer to Golf Courses	\$250,371	\$250,371	\$250,371	\$250,000	\$250,000
Transfer to Debt Svc	\$3,531,337	\$3,529,160	\$3,529,160	\$1,717,719	\$1,744,019
<b>TOTAL</b>	<b>\$6,395,759</b>	<b>\$6,860,846</b>	<b>\$6,860,553</b>	<b>\$7,354,721</b>	<b>\$6,620,346</b>



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