

City Councilors,

I am writing you this email as I can not attend the city council meeting on 19 May 2015 at 6:30 PM. I am requesting that this letter be read into the record at the start of the public hearing as the Chairperson of the City of Loveland Planning Commission.

The subject of this email relates directly to the budget review activity related to the potential grocery sales tax reduction and how that was set-up for the Planning Commission at its meeting of Monday 11 May 2015.

We were advised that our activities for that evening were to review the potential cost reductions to the Planning Department's budget over the next 3 year period. We were advised that ALL departments in the city were being assigned a 4% "across the board reduction". We were not to debate or discuss the merits of the grocery sales tax reduction but to focus on the cost reductions only.

In reviewing the materials submitted by other boards and commissions and in speaking to others it seems there was a different direction provided to them and certainly a wide variance in regard to the percentage being potentially reduced across the departments. For example Historic Preservation 85% to 89% and the fire authority in the neighborhood of 1.4% and these are significantly different than 4%.

The concern I am expressing is why the Planning Commission was provided a different set of instructions and specifically focused as to topic than other were provided? In addition Development Services advised us that they would not be remaining for our discussion as they could not advise or coach on the topic. This did hamper our ability to ask questions that developed during our review of why other expense areas were not addressed in the proposed reductions.

The Planning Commission is a critical commission in the development of code standards, trusted advisor to the city council on code and development matters and as part of setting the future course of our city. For it to have been limited as to the mission at hand on Monday 11 May 2015 raises concerns as to the respect and responsibility the Planning Commission has to the Council and the citizens by the staff in regard to this matter. The Planning Commission should have provided a broader and factual view of the budget given our mission and responsibility to the citizens and Council. This should not have been handled in this manner.

Terry Andrews

From: R A WEIDELMAN <rweidelman1@msn.com>
Sent: Sunday, May 17, 2015 1:41 PM
To: Mayor - Cecil Gutierrez; Ward I - Chauncey Taylor; Ward IV - Dave Clark; Ward III - Hugh McKean; Ward II - Joan Shaffer; Ward III - John Fogle; Ward II - Phil Farley; Ward IV - Ralph Trenary; Ward I - Troy Krenning
Cc: Bill Cahill; Terry Andrews; Jeff Stahla
Subject: Abolishment of Food Sales Tax
Attachments: Editor#53 5-13-2015.docx; Addendum #1 - Non-residents - 5-18-15.docx

Mayor and City Councilors:

My opposition to the abolishment of the sales tax on food for home consumption should not be construed to be an endorsement of unconstrained spending. There have been expenditures approved, i.e., Sprouts economic incentive agreement (Location, location, location?), Loveland Downtown Project appropriation (10-year commitment for administration, studies, dreams, bricks & mortar?), that should be pursued with caution. What are we, the tax payers, getting?

I expect the city staff to be frugal in its funding requests and the City Council to be fiscally responsible when approving budgets and authorizing expenditures.

A continuation of the food sales tax is not a "windfall" to be squandered.

At a minimum, a conceptual outline (5 to 10 years) of how the resulting revenue might be used should be developed. Examples could include Taft Avenue expansion, Boise Avenue extension, Viestenz-Smith Mountain Park Restoration and Recovery, findings of the Recreation Facility Feasibility Study, completion of the bike trail around the City, connecting East 37th Street with Highway 287, findings of the Highway 287 Strategic Plan and Create Loveland Comprehensive Plan, future economic incentive agreements, etc. I am not familiar with the General Fund use limitations. Six plus million dollars per year might go a long way towards the physical implementation of some of the items the study activities identify.

After quickly perusing the May 19, 2015 meeting "Agenda & Packet," I found the responses from the various boards and commissions to be very enlightening. Especially interesting was the information provided by the Transportation Advisory Board.

Having the "abolishment" petitioned onto the ballot in November poses some intriguing possibilities for debate in the "court of public opinion." How transparent will the proponents be?

Attached is a Letter-to-the Editor that was printed in the Reporter- Herald on May 13, 2015. Also attached are my comments addressing the alleged savings to be achieved by the "average household" with the abolishment of the sales tax on food for home consumption and the lack of recognition of the non-resident contribution.

Please place this E-mail and the two attachments in the minutes of the May 19, 2015 Regular Meeting of the City Council. I have a family event occurring that is much more important than my attendance at the meeting. Thank you,

/s/ Roger Weideman
4814 N Franklin Ave

Loveland, CO 80538

Printed in the Reporter-Herald on May 13, 2015

Residents should be aware of sales tax effects

Dear Editor:

The Loveland City Council will revisit the abolishment of the sales tax on food for home consumption at its regular meeting on May 19. It's time to raise citizen awareness of the implications associated with abolishment.

What are the proponent's motives? Description of the tax as "wrong, immoral and regressive" is debatable. Are they just anti-tax? Is that constructive?

The abolishment proponents remind me of the time when the "no growth" advocates had their moment in the sun. Claiming "the city doesn't even need the money" is ridiculous. When in time does their crystal ball support the claim? Six plus million dollars per year isn't "chump change."

After attending several Council study sessions during the past month, it's apparent that the estimated costs of the many items on the community's "wish list" exceed current and future revenues projected to be available including that from the food sales tax.

The sales tax revenue results from the expenditure of local dollars. It's not like the "funny money with strings attached" that comes from the east.

Residents and non-residents, alike, benefit to varying degrees from the variety of non-fee amenities offered by the city. I counter the allegation that the tax is a "head tax" by suggesting it's a "use tax." There's "no such thing as a free lunch."

The city's food and utility sales tax rebate program is available for those who qualify. The number of applicants for this program has been declining.

Users of food stamps are exempt from paying sales tax on food for home consumption. Do the rest of us need a "gift?"

If there are "wish list" items that aren't needed, let's identify them and stop spending any more time and money on them. That's an assignment for the proponents of abolishment. "Step up to the plate." Identify what you don't like?

Several councilors made campaign promises to abolish the food sales tax. However, given experience, there are moments when promises are best set aside.

Information from city staff and various citizen commissions and boards addressing the impacts of abolishment will be forthcoming during the coming days.

/s/ Roger Weidelman

May 19, 2015

Re: Abolishment of the Sales Tax for Home Consumption

Mayor and City Councilors:

On March 24, 2015 the City Finance Director presented the following information to the City Council.

1. Loveland has approximately 29,500 households (based on the number of in-city residential utility bills).
2. In 2014, the City collected approximately \$5,900,000 from sales tax on food for home consumption.
3. This amounted to \$200 per household for the year or \$16.67 per month.

At the tax rate of 3% the average household would have "spent on food for home consumption" approximately \$6667 during the year or \$556 per month. This appears quite high (my calculation and opinion).

One very important point is not highlighted in the analysis. How much of 2014 food tax revenue was the result of non-resident purchases of food for home consumption?

City staff readily admits that it is unable to estimate the food sale tax revenue derived from non-resident purchases. We shouldn't expect them to. Whatever it might be is an overall benefit to the revenue stream of the City.

Inclusion of non-resident households would also make the average household expenditures for food for home consumption appear more reasonable.

Given that non-resident households are omitted from the calculation suggests that the average annual savings per City of Loveland household are overstated.

Further use of these numbers by the proponents and others will misrepresent the alleged benefit to the citizens of the City. Obviously, the proponents have other, more obscure, objectives motivating them.

/s/ Roger Weidelman