



## CITY COUNCIL AGENDA ITEMS

**To:** Mayor and City Council

**From:** Dean Rich, Director of Finance  
Walter Denton, City Administrator

**Date:** May 1, 2006

**Subject:** Tax on Sale of Food and Beverages

**List of committees that have reviewed:** Finance and Administration

**Background:** This will establish a 1% Food and Beverage Tax. This tax is near identical to the tax Fairview Heights and Belleville have collected for a number of years and will not place our businesses in a noncompetitive atmosphere. The money is necessary to complete the revenue stream for a General Revenue Capitol Improvement Bond. While the council will have final say over any use of the funds it is envisioned the Family Sports Park will be the prime benefactor.

**Legal Considerations, if any:** This ordinance has been reviewed by our City Attorney and Bond Counsel

**Budget Impact:** Based on recent sales tax data provided by the IL Department of Revenue the city projects this tax will generate approximately \$400,000 annually and will be used for Capitol Improvements.

**Staff recommendation:** Staff recommends Council approval for these ordinances.