



## Memorandum

**To:** City Council  
**From:** Ben Cowan  
**Date:** 11/13/2015  
**Re:** Vendor Fee Reduction

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According to your decision made at the November 10 regular session, please find attached Ordinance 21 to change the 5% vendor fee in the City Code to 4%. Vendor fees deducted from 2014 sales tax returns at 5% totaled \$272,584.18. Therefore, the 1% reduction of the vendor fee would generate approximately \$54,516, based on 2014 taxable sales.

First reading of the ordinance needs to occur on November 17 with adoption on second reading on December 8. This will allow enough time to get new sales tax returns out to retailers and notify the State of Colorado to modify form DR 1002. If we push beyond that, I don't believe it is feasible to have a January 1 start date for the vendor fee reduction and we will be looking at July 1, 2016 or January 1, 2017.

I have loaded the appropriate changes in the budget to account for the increased revenue and subsequent pass-through of funds to the Visitor Center.