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News Release

Special Health Care Sales Tax town hall planned at Senior Center

Public meeting begins at noon Thursday in facility located at 320 South A St.

ARKANSAS CITY, Kan. (August 8, 2018) — The City Commission of Arkansas City, which also serves as the South Central Kansas Medical Center Board of Trustees, will be host to a special town hall meeting on the Health Care Sales Tax proposal at noon Thursday at the Ark City Senior Citizens Center.

The meeting will be in the north cafeteria area of the building, located at 320 South A St., and should last about an hour. The public is invited to attend and ask questions about the upcoming tax vote.

“We really want everyone to have the opportunity to be informed and a part of the process,” said Commissioner Canyon Gingher, who serves as vice chair of the SCKMC Board of Trustees.

Mail-in ballots will be mailed to registered voters living within the city limits of Ark City starting on or around Aug. 17. They are due back by noon Sept. 6. If the proposed one-cent general sales tax is approved by voters, it would replace the current one-cent and half-cent sales taxes that benefit SCKMC.

This would have the effect of reducing the current sales tax rate in Arkansas City from 9 percent to 8.5 percent, bringing Ark City more into line with the sales tax rates of many neighboring communities.

Additional town hall meetings will be held on subsequent Thursday nights at the following locations:

- **7 p.m. Aug. 16** — Veterans of Foreign Wars Post 1254, located at 3212 N. Summit St.
- **7 p.m. Aug. 23** — Frances Willard Elementary School, located at 201 N. Fourth St.
- **7 p.m. Aug. 30** — Arkansas City High School, located at 1200 W. Radio Lane.

Tax not intended to be permanent

State law does not allow the proposed sales tax to have a sunset date, but as part of a resolution it approved in June, the City Commission stated for the record that its intent is for the tax to be retired once hospital bonds are paid off.

For immediate release

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“The Governing Body of the City of Arkansas City may take action to eliminate this sales tax when the original or refinanced Hospital Bonds are paid,” the resolution states. “It is the intent of the Governing Body to eliminate this ... sales tax when the hospital's bonds are paid.

“While this stated intent cannot bind a future Governing Body of the City of Arkansas City to require it to terminate the sales tax on a specific date, this provides guidance to those future elected officials as to the intent of the Governing Body and the citizens of the City of Arkansas City when they approved and supported this 1-percent sales tax election.”

City and hospital officials hope that approval of the Health Care Sales Tax, which would generate about \$1.6 million annually to secure the remaining 20 years of debt payments, will provide the City with the opportunity to refinance the bonds to a lower average interest rate in 2019.

This potentially could save taxpayers \$4 to \$8 million in interest over the course of the remaining payments. But refinancing is not possible without approval of a tax that lasts for the life of the bonds.

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