

TO: City Council for June 6, 2016 Meeting  
FROM: Nancy Brewer, Finance Director NB  
DATE: May 4, 2016  
THROUGH: Mark W. Shepard, P.E., City Manager MWS  
SUBJECT: Public Hearing on State Revenue Sharing



Action Requested:

Staff recommends City Council open a public hearing on the use of State Revenue Sharing, receive any comments, close the public hearing, deliberate, and pass a resolution about the use of State Revenue Sharing monies.

Discussion:

The State of Oregon allocates a portion of alcohol taxes collected by the Oregon Liquor Control Commission to local governments as state revenue sharing monies. Monies are allocated based on a formula which takes into account each city's proportion of the state's population, property taxes per capita, and state income per capita divided by the city income per capita. The specific requirements to obtain state revenue sharing monies are in ORS 221.770:

- the City must have levied a property tax for the year preceding the year in which revenue sharing is due, and
- the Budget Commission must hold a public hearing and allow comment on the use of state revenue sharing monies, and make a recommendation on the use of revenue sharing monies to the City Council, and
- the City Council must hold a public hearing and allow comment on the use of state revenue sharing monies, and adopt a resolution to accept revenue sharing monies.

The City may choose one of three alternatives for the use of state revenue sharing:

1. Use the state revenue sharing monies as an undesignated revenue source, or
2. Return the state revenue sharing monies to the State, or
3. Use the state revenue sharing monies as an offset to property tax levies.

Recommendation:

The Budget Commission held a public hearing on April 28, 2016 and passed a motion recommending the City Council use State Revenue Sharing monies as an undesignated General Fund revenue in FY 16-17. The attached resolution follows the Budget Commission recommendation to use State Revenue Sharing monies as an undesignated General Fund revenue.

Budget Impact:

Revenue estimates are developed by the State and shared with the League of Oregon Cities which shares estimates with local governments. Information from the League is that total revenue sharing monies from the state are aligned with what was expected this fiscal year, and are projected to be higher next year. For FY 15-16, the City anticipates receiving \$565,140 in state revenue sharing monies. Actual revenue in FY 14-15 was \$563,487. For FY 16-17 the projection is for \$571,990.

**RESOLUTION 2016-\_\_\_\_\_**

**A RESOLUTION ACCEPTING STATE REVENUE SHARING MONIES AS AN UNDESIGNATED GENERAL FUND REVENUE FOR FISCAL YEAR 2016-2017.**

Minutes of the June 6, 2016, Corvallis City Council meeting, continued.

A resolution submitted by Councilor \_\_\_\_\_.

WHEREAS, the Budget Commission held a public hearing on April 28, 2016 to receive comments on the City's use of State Shared Revenues for the fiscal year beginning July 1, 2016 and recommended that the City receive State Shared Revenues as an undesignated general revenue in the General Fund; and

WHEREAS, the June 6, 2016 City Council meeting has been publicly noticed as the time and place for a public hearing on the use of State Shared Revenues for the fiscal year beginning July 1, 2016; and

WHEREAS, the City Council held a public hearing on June 6, 2016 to receive public comments on the City's use of State Shared Revenues for the fiscal year beginning July 1, 2016; and

WHEREAS, pursuant to ORS 221.770, the City of Corvallis hereby elects to receive State Shared Revenues for Fiscal Year 2016-2017.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS RESOLVES that the Adopted Budget include State Shared Revenues as general revenue in the General Fund; and

BE IT FURTHER RESOLVED that this resolution shall become effective July 1, 2016.

\_\_\_\_\_  
Councilor

Upon motion duly made and seconded, the foregoing resolution was adopted, and the Mayor thereupon declared said resolution to be adopted.