

## **CITY COUNCIL STAFF REPORT**

**TO:** *City Council*

**FROM:** *Jesse VanderZanden, City Manager*

**MEETING DATE:** *June 26, 2023*

**PROJECT TEAM:** *Paul Downey, Assistant City Manager/Finance Director*

**SUBJECT TITLE:** *State Revenue Sharing Resolutions*

**ACTION REQUESTED:**

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Ordinance	Order	X	Resolution		Motion	Informational

*X all that apply*

**ISSUE STATEMENT:** In order to receive State Revenue Sharing, the City is required by the State to elect to participate in the State Revenue Sharing Program and to certify services. The attached resolutions fulfill the requirement of certifying the services provided by the City and electing to receive state revenues for FY 2023-24.

**BACKGROUND:** Before the City can elect to participate in the State Revenue Sharing Program, the City is required to hold two hearings on the use of the funds. The Budget Committee meeting of May 9, 2023, was one of those hearings and the second will occur June 26, 2023, when the Council holds its public hearing on the budget. For fiscal year 2023-24, the City is projected to receive \$523,609 in Alcohol Tax revenue, \$19,572 in Cigarette Tax revenue, \$45,500 in State Marijuana Tax revenue, \$345,850 in State Revenue Sharing, and \$2,080,065 in State Gasoline Tax revenue. For budgetary purposes, the Alcohol Tax is allocated to the Police Department, the Cigarette Tax is allocated to the Fire Department, and the State Marijuana Tax and the State Shared Revenue are put in General Fund Discretionary Revenue. State Gasoline Tax is distributed 99% to the Street Fund and 1% to the Bikeways and Pedestrian Fund.

**FISCAL IMPACT:** If the City decided not to accept the State Shared Revenue, the City will have to reduce General Fund expenditures by \$934,531 or use General Fund reserves to make up for the loss of that revenue. In the Street Fund, road maintenance activities would be heavily curtailed.

**STAFF RECOMMENDATION:** Staff recommends the City Council approve the attached resolutions so the City can receive State Shared Revenue in FY 2023-24.

**ATTACHMENT(s):** Resolution Certifying Services Provided by the City of Forest Grove and Resolution Declaring the City's Election to Receive State Revenues