REQUEST FOR COUNCIL ACTION

Title:	Certification of Eligibility to receive State Revenue Sharing funds
Preferred Agenda:	June 22, 2021
Submitted By:	Brandon Neish, Finance Director
Reviewed By:	Ray Towry, City Manager Robert Snyder, City Attorney
Type of Action:	Resolution _X_ Motion ____ Roll Call ____ Other ____
Relevant Code/Policy:	ORS 221.760 ORS 221.770
Towards Council Goal:	Goal 2: Be an effective and efficient government Goal 3.2: Improve community safety, Police, community design, etc.
Attachments:	Resolution No. 17 for 2021

Purpose of this RCA:

To certify the City provides four or more services as required by Oregon Revised Statutes (ORS) 221.760.

Background/Context:

To receive State Revenue Sharing funds in the 2021-2022 fiscal year, Sweet Home must have levied property taxes in the preceding year and pass an ordinance or adopt a resolution approving participation in the program by July 1. Public hearings must be held with the Budget Committee to discuss possible uses of the funds and before City Council on the proposed uses of the funds in relation to the entire budget.

Certification of eligibility to receive State Revenue Sharing funds must be filed with the Department of Administrative Services (DAS) Operations Division by July 31.

The Challenge/Problem:

Will the City Council adopt Resolution No. 17 for 2021 certifying the city provides four or more services as required by ORS 221.760?

Stakeholders:

- State of Oregon – State law requires cities who wish to receive State Revenue Sharing funds must certify they meet the requirements to receive such funds under ORS 221 to DAS by July 31.

- <u>City of Sweet Home residents</u> – Adopting this resolution ensures residents receive the taxes they pay when purchasing liquor, cigarettes, gasoline and marijuana back as revenue for Sweet Home services.
- <u>City of Sweet Home City Council</u> – Adopting this resolution allows for diversification of revenue for the City and ensures state support for the City of Sweet Home.
- <u>City of Sweet Home City staff</u> – Adoption of this resolution allows staff to continue operations in their departments.

<u>Issues and Financial Impacts:</u>

If Resolution No. 17 for 2021 is not heard by the public in the form of a public hearing nor adopted, the City will lose $296,300 in resources resulting in budgetary reductions likely impacting service offerings.

<u>Elements of a Stable Solution:</u>

ORS 221.760 establishes processes for cities to request State Revenue Sharing funds. Adoption of the included resolution complies with Oregon law and need to be adopted by the City Council to ensure funding for the 2021-2022 fiscal year.

<u>Options:</u>

1. *<u>Do Nothin</u>*<u>g</u>. Council could choose to move forward without adopting the resolution and forgoing State Revenue Sharing funds.
2. *<u>Adopt Resolution No. 17 for 2021</u>*.

<u>Recommendation:</u>

Staff recommends option 2, *<u>Adopt Resolution No. 17 for 2021</u>*. Inaction on this resolution results in the loss of $296k in budgeted resources which would require matching reductions in expenses, transfers and/or contingencies. This puts the City at an increased financial risk (reducing contingencies) should unanticipated expenditures arise during the year or requires tough choices to be made regarding which programs will see cuts to their budgets.