

**RESOLUTION NO. 2020-64**

**RESOLUTION ADOPTING THE CAPITAL IMPROVEMENTS PROGRAM  
EXCISE TAX AND REPEALING RESOLUTION 2019-39**

**WHEREAS**, the Budget Committee has reviewed and the City Council has adopted the FY 2020-25 Capital Improvements Program (CIP); and

**WHEREAS**, the City has an ordinance to impose a CIP Excise Tax to fund the Public Safety and General Government programs within the Capital Improvements Program; and

**WHEREAS**, the City Council recognizes the relationship between quality service delivery and investments in capital equipment and facilities; and

**WHEREAS**, funding for capital equipment and facilities is necessary to ensure residents of Forest Grove continue to receive quality services in the future.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:**

**Section 1.** Resolution 2019-39 is repealed effective June 30, 2020.

**Section 2.** The City shall impose a CIP Excise Tax for the purpose of funding the Public Safety and General Government Programs within the CIP.

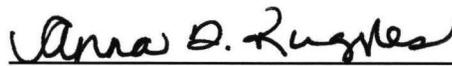
**Section 3.** The tax shall be based on the amount of required revenue distributed among residential, general service and industrial classes of utility customers. The tax will appear on each utility bill. The CIP Excise Tax shall be fixed as follows:

<u>CLASS</u>	<u>MONTHLY RATE</u>
Residential	\$3.00
Commercial – Single Phase	\$7.50
All Others	\$15.00

**Section 4.** The CIP Excise Tax will be effective July 1, 2020.

**Section 5.** This resolution is effective immediately upon its enactment by the City Council.

**PRESENTED AND PASSED** this 22<sup>nd</sup> day of June, 2020.

  
\_\_\_\_\_  
Anna D. Ruggles, City Recorder

**APPROVED** by the Mayor this 22<sup>nd</sup> day of June, 2020.

  
\_\_\_\_\_  
Peter B. Truax, Mayor



A place where families and businesses thrive.

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	<u>6.7.</u>
MEETING DATE:	<u>06/22/2020</u>
FINAL ACTION:	<u>6.7. RESO 2020-64</u>

**CITY COUNCIL STAFF REPORT**

**TO:** *City Council*

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

**MEETING DATE:** *June 22, 2020*

**PROJECT TEAM:** *Paul Downey, Administrative Services Director*

**SUBJECT TITLE:** *Capital Improvements Program Excise Tax Renewal for FY 2020-21*

**ACTION REQUESTED:**

<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:** The ordinance that created the Capital Improvements Program (CIP) Excise Tax requires the tax to be re-authorized by resolution each fiscal year.

**BACKGROUND:** The CIP excise tax was initiated in 1990. The City Code restricts the use of the revenue generated by the CIP excise tax to the General Government and Public Safety programs within the Capital Improvements Program. The Code requires the tax be reviewed on an annual basis by the Budget Committee and be approved each year by the City Council. If the tax is not reauthorized, the City cannot collect the revenue.

The City last increased the tax rate on July 1, 2014. Staff is not proposing any fee increase for the coming fiscal year. The City expects to collect about \$369,000 in revenue from the CIP excise tax in FY 2020-21.

Most of the excise tax is used to fund public safety capital needs particularly police and fire vehicle replacements. As in prior years, 90% of the revenue will be used in the Fire and Police Departments, while the other 10% will be used in General Government Programs. Other proposed expenditures in the CIP Excise Tax Fund in FY 2020-21 include the second year of police body-worn cameras, replacement of ballistic helmets and shields, citation writing software, and additional mobile data consoles and vehicle storage units for the Police Department. Other expenses include interpretive signage for Thatcher Park and new tables and chairs for the Community Auditorium.

The CIP Excise Tax is accounted for in a separate fund to ensure that the tax proceeds are spent as required by the resolution.

**FISCAL IMPACT:** If the CIP Excise Tax is not renewed, the City will need to find an alternative source of revenue for police vehicle and fire apparatus replacement. Also, some of the other

projects that would be funded with this revenue will not occur unless alternative revenue is found for those projects.

**STAFF RECOMMENDATION:** Staff recommends the City Council approve the attached resolution adopting the renewal of the CIP Excise Tax for FY 2020-21.

**ATTACHMENT(s):** Resolution Adopting the Capital Improvements Program Excise Tax and Repealing Resolution 2019-39