

**RESOLUTION NO. 2023-27**

**RESOLUTION ADOPTING THE CAPITAL IMPROVEMENTS PROGRAM  
EXCISE TAX AND REPEALING RESOLUTION 2022-38**

**WHEREAS**, the Budget Committee has reviewed and the City Council has adopted the FY 2023-28 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**Section 1:** Resolution 2022-38 is repealed effective June 30, 2023.

**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.

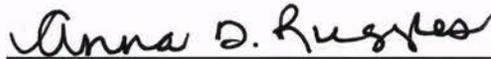
**Section 3:** The tax shall be based on the amount of required revenue distributed among residential, general service and industrial classes of utility customers. The tax will appear on each utility bill. The CIP Excise Tax shall be fixed as follows:

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

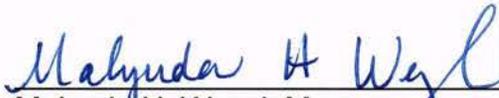
**Section 4:** The CIP Excise Tax will be effective July 1, 2023.

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

**PRESENTED AND PASSED** this 26<sup>th</sup> day of June, 2023.

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

**APPROVED** by the Mayor this 26<sup>th</sup> day of June, 2023.

  
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Malynda H. Wenzl, Mayor



*A place where families and businesses thrive.*

CITY RECORDER USE ONLY:

AGENDA ITEM #: F. 8.

MEETING DATE: 06.26.2023

FINAL ACTION: RESO 2023-27

**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:** *Capital Improvements Program Excise Tax Renewal for FY 2023-24*

**ACTION REQUESTED:**  Ordinance  Order  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. Any increase in the CIP Excise Tax cannot exceed five percent in one year and increases added together cannot exceed twenty percent over a five-year period. The tax is not covered by the annual fee adjustment for general fees.

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 \$386,000 in revenue from the CIP excise tax in FY 2023-24.

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 for the Fire and Police Departments, while the other 10% will be used in General Government Programs. \$353,660 will be transferred to other funds for the purchase of police vehicles and fire apparatus. Other proposed expenditures in the CIP Excise Tax Fund in FY 2023-24 include: 1) purchase of two body-worn cameras; 2) infrared drone for the Police Department; and 3 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 2023-24.

**ATTACHMENT(s):** Resolution Adopting the Capital Improvements Program Excise Tax and Repealing Resolution 2022-38

# Public Hearing June 26, 2023

## Requesting to Testify on Agenda Item No. F. 8.

### RESOLUTION NO. 2023-27 ADOPTING CAPITAL IMPROVEMENTS PROGRAM EXCISE TAX AND REPEALING RESOLUTION NO. 2022-38

**Public Hearing:** Hearings are held on each matter required by state law or City policy. The presiding officer will review the hearing instructions prior to public comment. When addressing the Council, please use the witness table (center front of the room), provide your full name. Please limit your comments to three (3) minutes unless the presiding officer grants an extension. All testimony is electronically recorded. Written testimony may be submitted by 3:00 p.m. the day of the meeting to: [CityCouncilors@forestgrove-or.gov](mailto:CityCouncilors@forestgrove-or.gov). *The City Council hearing are videotaped live and published.*

*Please sign-in below to testify:*

**PROPONENTS:** \*(please print legibly)

<i>First &amp; Last Name:</i>	<i>Address:</i>	<i>City/Zip:</i>
<i>First &amp; Last Name:</i>	<i>Address:</i>	<i>City/Zip:</i>
<i>First &amp; Last Name:</i>	<i>Address:</i>	<i>City/Zip:</i>
<i>First &amp; Last Name:</i>	<i>Address:</i>	<i>City/Zip:</i>

**OPPONENTS:** \*(please print legibly)

<i>First &amp; Last Name:</i>	<i>Address:</i>	<i>City/Zip:</i>
<i>First &amp; Last Name:</i>	<i>Address:</i>	<i>City/Zip:</i>
<i>First &amp; Last Name:</i>	<i>Address:</i>	<i>City/Zip:</i>
<i>First &amp; Last Name:</i>	<i>Address:</i>	<i>City/Zip:</i>

**OTHERS:** \*(please print legibly)

<i>First &amp; Last Name:</i>	<i>Address:</i>	<i>City/Zip:</i>
<i>First &amp; Last Name:</i>	<i>Address:</i>	<i>City/Zip:</i>