



Staff Report

File #: 18-259

Version: 1

Date: 6/11/2018

Item #: 4.c.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kacey Duncan, Deputy City Manager

SUBJECT:

Public hearing on state revenue sharing funds.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Shall the City Council hold a public hearing on the proposed uses of state revenue sharing funds and adopt Resolution No. 2018-28 electing to receive a share of certain revenues from the State of Oregon general fund?

RECOMMENDATION:

Hold a public hearing on the proposed uses of state revenue sharing funds and adopt Resolution No. 2018-28 electing to receive a share of certain revenues from the State of Oregon general fund

SUMMARY AND BACKGROUND:

The state revenue sharing program allocates 14 percent of state liquor revenues to cities. These funds are general purpose. This means local governments have discretion on how they spend state revenue sharing funds.

The purpose of the public hearing this evening is to allow citizens an opportunity to comment on the Budget Committee's proposed uses of state revenue sharing funds in relation to the FY 2019 City of Salem Budget. Notice of this public hearing was published on May 31, 2018 in the *Statesman Journal*. Citizens have had an opportunity to review the Budget Committee's proposed uses of state revenue

sharing funds since notification in the *Statesman Journal*.

To receive state revenue sharing funds in FY 2019, State of Oregon law (ORS 221.770) requires the City to certify by resolution or ordinance to the State of Oregon that two public hearings have been held on the uses of the funds. The first hearing must cover the *possible uses* of state revenue sharing funds. The Budget Committee held such a public hearing on May 2, 2018. At that public hearing no one testified on the possible uses of revenue sharing funds in the FY 2019 budget.

The second hearing must cover the *proposed uses* of state revenue sharing funds (the hearing before the City Council tonight). This second hearing precedes City Council approval of the proposed uses of the funds through adoption of the FY 2019 City of Salem Budget on June 25, 2018.

FACTS AND FINDINGS:

Through the May 2, 2018 public hearing and a subsequent errata increasing the estimate for state revenue sharing funds, the Budget Committee recommends that the FY 2019 budget fully allocate the estimated \$1,776,830 of state revenue sharing funds to offset the costs of police patrol. This is consistent with how these funds have been budgeted in past years.

To receive state revenue sharing funds in FY 2019, the City must certify to the State of Oregon before July 31, 2018 the following:

1. The two required public hearings on the *possible* and *proposed* uses of state revenue sharing funds have been held; and
2. The City elects by ordinance or resolution to receive state revenue sharing funds in FY 2019.

Attachments:

1. Resolution 2018-28, State Revenue Sharing