

## RESOLUTION NO. 2018-10

A Resolution adopting a supplemental budget for fiscal year 2017-2018 and making supplemental appropriations.

### RECITAL:

Oregon Local Budget Law allows a local government to prepare a supplemental budget when an occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning (ORS 294.471). The governing body must adopt a resolution to adopt the supplemental budget and make any necessary appropriations.

A supplemental budget is necessary in the Transient Lodging Tax Fund due to higher than anticipated transient lodging tax (TLT) collections. The increase is related to Ordinance No. 5026, adopted by City Council in June 2017, which amended McMinnville Municipal Code provisions to include RV parks and campgrounds in the definition of transient lodging providers subject to the Transient Lodging Tax and to increase the TLT rate from 8 percent to 10 percent. In addition, due to the solar eclipse in August 2017, transient lodging gross rents and TLT collections are significantly higher than the prior year.

Adoption of the supplemental budget will allow the City to turn over 70 percent of the higher than anticipated TLT collections to Visit McMinnville (VM), as designated in the City's agreement with VM, and to transfer the corresponding 30 percent of TLT to the General Fund.

ORS 294.473 requires that when a supplemental budget increases a fund's expenditures by more than 10 percent, a public hearing must be held by the governing body and public comment must be taken before adoption of the supplemental budget. This supplemental budget amendment for the Transient Lodging Tax Fund exceeds the 10 percent threshold. As required, a public hearing to take public comment was held by the governing body at the February 27, 2018 Council meeting. Appropriate notice of the public hearing was published in a local newspaper of general circulation prior to the public hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, as follows:

1. **Adopt the following Supplemental Budget:** The Council of the City of McMinnville adopts the following Supplemental Budget for 2017-2018 in the Transient Lodging Tax Fund.
2. **Make Supplemental Appropriations:** The additional appropriations for fiscal year 2017-2018 are hereby appropriated as follows:

**Transient Lodging Tax Fund** resource and requirement increases related to higher than anticipated TLT collections for fiscal year 2017-2018. It is necessary to increase appropriations in the Materials and Services category to allow disbursement of the additional TLT and in the Transfers Out category to allow for corresponding transfer to the General Fund.

<u>Transient Lodging Tax Fund:</u>	<u>Adopted Budget</u>	<u>Budget Adjustment</u>	<u>Amended Budget</u>
<b>Resources:</b>			
Beginning Fund Balance	\$ 0	-	\$ 0
Licenses and Permits	670,674	285,000	955,674
Miscellaneous	1,700	-	1,700
Total Resources	<u>\$ 672,374</u>	285,000	<u>\$ 957,374</u>

<u>Transient Lodging Tax Fund:</u>	<u>Adopted Budget</u>	<u>Budget Adjustment</u>	<u>Amended Budget</u>
<b>Requirements:</b>			
Materials & Services	\$ 468,200	175,000	\$ 643,200
Transfers Out – General Fund	204,174	110,000	314,174
Total Requirements	<u>\$ 672,374</u>	285,000	<u>\$ 957,374</u>

This Resolution will take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 27<sup>th</sup> day of February, 2018 by the following votes:

Ayes: Drabkin, Garvin, Menke, Peralta, Ruden, Stassens

Nays: \_\_\_\_\_

Approved this 27<sup>th</sup> day of February, 2018.

  
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 COUNCIL PRESIDENT

Approved as to form:

  
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 CITY ATTORNEY