

RESOLUTION NO. 2537

A RESOLUTION APPROVING AN AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT WITH MULTNOMAH COUNTY FOR BUSINESS INCOME TAX.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. That the City along with the Cities of Gresham, Fairview and Wood Village (4 Cities) have entered into an Intergovernmental Agreement (IGA) with Multnomah County for the allocation of a portion of the Multnomah County Business Income Tax (BIT).
2. That the 4 Cities agreed in 1977 to repeal and/or forgo any local city business income tax in exchange for an allocation of the BIT revenue collected by Multnomah County (County).
3. That through the original 1977 IGA and subsequent successor IGA's the parties agree that the IGA benefits business taxpayers with a uniform tax code and streamlined reporting, while reducing collection and administration costs, and promotes efficiency and effectiveness in local government.
4. That the BIT revenue allocation is an important General Fund revenue source for the 4 Cities in funding the costs essential public safety services.
5. That on March 19, 2020, the County approved an increase to the BIT rate from 1.45% to 2.00%, effective for the tax year beginning January 1, 2020, and increased exemptions and deductions.
6. That on May 28, 2020, the County approved an amendment to the IGA that provided a temporary change, expiring June 20, 2021, to the collective share calculation necessary to prevent the BIT changes in exemptions, deductions and rate from reducing the revenue distribution to the 4 Cities.
7. That on April 29, 2021, following a year of County collaboration with the East County Cities of continued discussions on broader level changes to IGA, the County approved an amendment to the IGA that continues the current collective revenue sharing for five years and provides for the parties to collect and analyze improved apportionment data to evaluate a future collective revenue sharing formula.

8. BIT receipts that are shared with the East County Cities support essential public services.

9. That by the authority granted in Oregon Revised Statute (ORS) 190.110, units of local governments may enter into an IGA for the performance of any or all functions and activities that a party to the agreement, its officers, or agents may have the authority to perform.

10. That the 4 Cities and the County desire to Amend the current IGA from 1998 which governs the BIT revenue allocation, and it is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:

Section 1. Agrees to the Amendment No. 2 to the existing "*Multnomah County, Oregon, City Of Gresham, City Of Troutdale, City Of Fairview And City Of Wood Village Multnomah County Business Income Tax Intergovernmental Agreement*" for the allocation of business income tax revenue, and hereby approves the IGA Amendment No. 2 in substantial conformity with Exhibit A of the Staff Report.

Section 2. Designates Ray Young, City Manager or Erich Mueller, Finance Director (each a "City Official") or a designee of the City Official, to act on behalf of the City, and without further action by the City Council, the City Official is hereby authorized and directed, to execute, acknowledge and deliver the IGA Amendment, including subsequent addendums, extensions, revisions, modification, or successor documents and any other supporting and implementing documents, and to take any other action as may be advisable, convenient, necessary, or appropriate to give full force and effect to the terms and intent of the IGA, and the execution thereof by any such City Official shall be conclusive as to such determination.

Section 3. The City Official is hereby authorized and directed to, in collaboration with our other East County Cities, to engage with Multnomah County to continue to reevaluate the existing IGA revenue allocation methodology and propose changes as may be advisable, convenient, necessary, or appropriate.

Section 4. The Finance Director is authorized to disburse funds, subject to annual appropriations, as necessary to fulfill the IGA obligations, and is further directed to implement all such actions necessary to ensure budgetary compliance.

Section 5. Upon adoption this Resolution shall be effective upon adoption.

YEAS: 6
NAYS: 0
ABSTAINED: 0



Randy Lauer, Mayor
Date: June 9, 2021



Sarah Skroch, City Recorder
Adopted: June 8, 2021