

# **Where do we collect taxes from?**

# How have we tried to collect community input?

A summary of all our engagement efforts will be available to the public during the work session scheduled for Tuesday, October 24th before the regularly scheduled City Council Meeting.



## Ideas Fair

(9/27) Large format open house meets creative + educational opportunity! Learn about the budget process, have open dialogue with city staff and city councilors, and hear from fellow community members!



## Focus Groups

We held two facilitated, 2 hour focus groups.  
  
(9/11) 13 participants  
(9/18) 14 participants  
  
All those who attended were compensated for their time.



## iheartmac.org

An online budget Prioritization survey was launched on July 18th and has been available on iheartmac.org  
  
iPad stations were also located at the Aquatic Center, Library, and Senior Center

## Here's how we've tried to connect.



### Community Events

Concert in the Park (7/18), Wednesday at Wortman (7/26), National Night Out (8/1), Movie in the Park (8/11), multiple Farmers Markets, McMinnville High School Grizzfest



### Your mailbox

Updates and/or opportunities to get involved have been sent out via the weekly City E-Newsletter and straight to your mailbox.



### Social Media

We've been running related content since July. Haven't seen it? **Follow us on IG or FB @city\_of\_mcminnville**

# Why hasn't this conversation happened until now?

This dilemma is rooted in property tax ballot measures from the early 1990s in which voters chose to cap property tax revenues. Without other revenue sources (like a sales tax), communities in all 36 counties in Oregon have been faced with the challenge of addressing budget shortfalls.



**“McMinnville is unique because we experienced rapid growth in the 1990s and early 2000s that generated a reserve balance that sustained us for several years.”**

McMinnville’s permanent rate is also higher than most cities of our size which means that we weren’t forced to look at alternative funding sources as early as others. Slowed growth and a fluctuating economy have brought those reserves to an end.



## Why are we asking for your input?

In May 2023, voters in McMinnville and the McMinnville Rural Fire Protection District approved the creation of a new district, the McMinnville Fire District, to provide fire and emergency services. This leaves \$4.8 million dollars previously used for fire protection services in the General Fund or \$1.50 of the \$5.02 per \$1,000 of assessed property value the City collects annually from property owners.

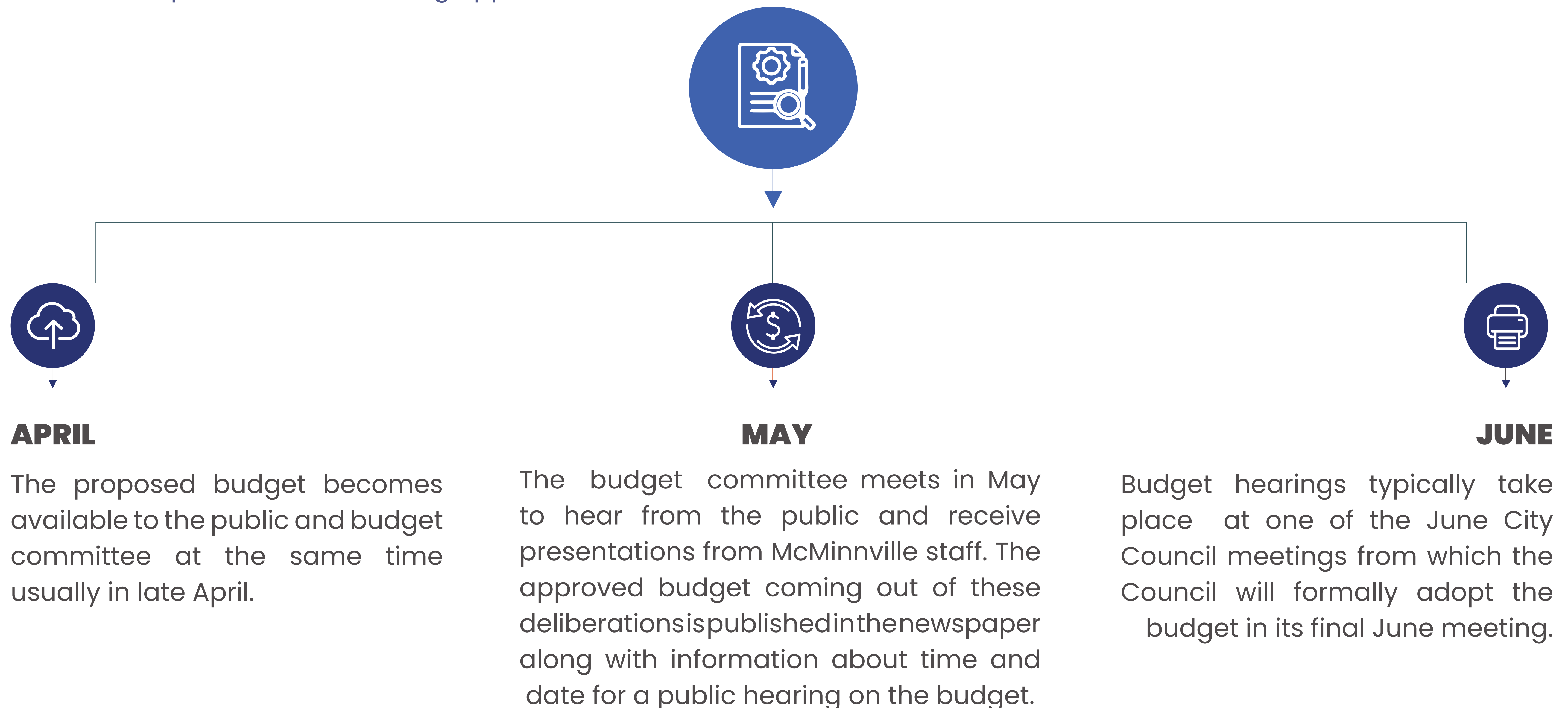
Per resident feedback, the City has paused collection of this \$1.50 until July 2024.

Conversations to address the City’s declining reserves have been taking place for nearly five years, and although a complex topic, the reality is that revenues just can’t keep up with community needs.

# When are budget decisions made? When can you get involved?

The budget development process occurs yearly with budget proposals available in May to balance the available resources with program needs. These are identified and developed by City staff in the preceding months. Discussions that affect the budget like council priorities, new funding opportunities,

facility assessments or other topics – happen year-round. Public comment on the budget may be submitted in writing, via the web and in person at any point from the time the proposed budget is made available until the final public hearing in June.



# Who contributes to McMinnville's budget and what do they do?



## Taxpayers

Pay property taxes. Anyone who owns property within City limits (who is not a Church or non-profit) pays property taxes annually. Renters indirectly contribute in that their rental payments undoubtedly include the cost of property tax



## State of Oregon

Establishes laws and rules that govern tax rates – for example the “permanent tax rate system” which was a result of voter-approved ballot Measures 5, 47, & 50



## The County

Collects property tax payments.



## Budget Committee

Made up by City Council and an equal number of McMinnville residents which reviews and approves the proposed budget and property tax levy (in accordance with Oregon Budget Law)



## City Council

Adopts the final budget which establishes the “spending authority” for the city in the upcoming year, conducts public hearings, appoints budget committee members, and considers budget amendments during the fiscal year as new circumstances arise.



## City Staff

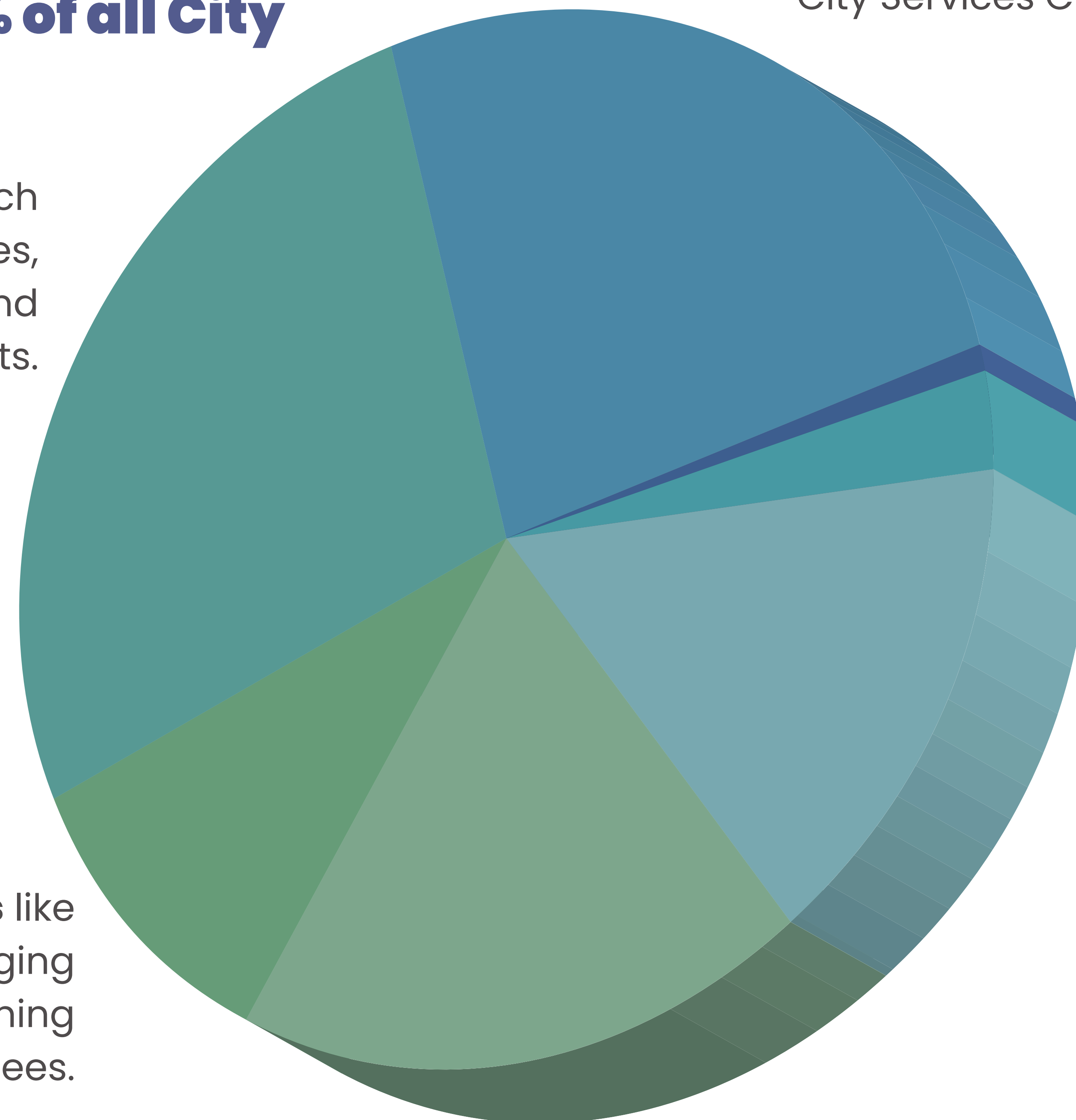
Puts together a balanced, proposed budget that is consistent with Council priorities, the City's strategic plan – MacTown2032, and the city's core services.

# What other sources of revenue are there?

**Property taxes make up 40% of the General Fund, but only 19% of all City Revenue**

**27% Intergovernmental** such as liquor and cigarette taxes, gas taxes for the street fund, and various federal and state grants.

**10% Licensing and Permits** like franchise fees or the transient lodging tax, local marijuana tax, and planning or building fees.



**25% Charges for Services** like wastewater services charges, parks and recreation program fees, and the City Services Charge.

**1% Fines & Forfeitures**

**3% Other Revenues**

**15% Transfers in Revenue** represent payments from one fund to another to reimburse support department services or direct expenses for urban renewal programming, capital investments in the transportation system, interfund borrowing, etc.

**19% Property Taxes**

# What does the general fund support?

The General Fund supports core services like those in our library, parks and recreation, police, and administration and includes the staff to support these services.

