

Councilmembers

Position No.

1. Tod Gunther
2. Barbara Ford
3. William Birkes
4. Dave Harman
5. Sam Colorossi
6. Josh Penner, Deputy Mayor
7. Scott Drennen



Orting City Council

Special Meeting Agenda

Orting Public Safety Building
401 Washington Ave. SE, Orting, WA

July 31, 2015
7 p.m.

Audience members are welcome to speak on any topic on the agenda after Councilmembers have finished their discussion.

Mayor Joachim Pestinger, Presiding

1. CALL MEETING TO ORDER

- A. Pledge of Allegiance
- B. Roll Call

2. NEW BUSINESS

- A. *Discuss an increase in Utility Business & Occupation Tax to go before the voters on the ballot of the General Election – November 3, 2015 • **DM Penner**

3. ADJOURN

Motion: *Move to Adjourn.*

Note: An * indicates enclosures or attachments

Next Regular Meeting: August 12, 2015

**CITY OF ORTING
WASHINGTON
RESOLUTION NO. 2015-10**

**A RESOLUTION OF THE CITY OF ORTING,
WASHINGTON, PROVIDING FOR THE SUBMISSION TO
THE QUALIFIED ELECTORS OF THE CITY AT AN
ELECTION TO BE HELD ON NOVEMBER 3, 2015, OF A
PROPOSITION AUTHORIZING AN AMENDMENT OF
THE BUSINESS AND OCCUPATION TAX RATE TO
INCREASE THE TAX RATE FROM SIX PERCENT TO
NINE AND TWO FIFTHS PERCENT; AND
ESTABLISHING AN EFFECTIVE DATE**

WHEREAS, the City Council of the City of Orting, Washington finds that the City of Orting has the smallest general fund in western Washington as compared to similarly sized cities, and is therefore currently operating the Orting Police Department on a minimal budget, due to funding constraints and an increasing population, which affords an ordinary, minimum level of service to ensure public safety, crime investigation and traffic enforcement; and

WHEREAS, the City Council of the City of Orting, Washington finds that it is imperative to provide adequate funding for the Orting Police Department to support a fully staffed police force to provide an optimal level of service; and

WHEREAS, the City Council of the City of Orting, Washington finds it is in the public interest of the City to increase the current funding level of the Orting Police Department in order to hire three additional police officers, increase the hours of the Police Clerk from 32 hours to 40 hours a week, and purchase police equipment to provide for the general health, safety and welfare of the community; and

WHEREAS, RCW 35A.11.020 provides that code cities shall have within their territorial limits all powers of taxation for local purposes except those which are expressly preempted by the state; and

WHEREAS, the City Council of the City of Orting has the authority to impose business occupation taxes on businesses operating in the City of Orting; and

WHEREAS, RCW 35A.11.020 authorizes the City to impose taxes upon gross revenues earned by utility and service providers within its jurisdictional boundaries; and

WHEREAS, in 1968 the City Council of Orting enacted a business and occupation (“B&O”) tax equal to one and one half percent (1.5%) of the total gross income derived from revenues of utilities providing electricity and manufactured and natural gas, in accordance with chapter 35.102 RCW; and

WHEREAS, in 1982 the City Council of Orting amended the City of Orting Municipal Code (OMC) to apply the one and one half percent (1.5%) B&O tax to telephone service providers; and

WHEREAS, in 2007 the City Council of Orting passed Ordinance 857, which further amended the OMC to increase the tax rate uniformly to six percent (6%) of the gross income derived by the aforementioned businesses, and to apply the B&O tax to cable television providers, in order to bridge the financial gap between decreasing revenues and the increasing demands for public services; and

WHEREAS, in order to provide all or part of the funds necessary to provide optimal public safety services, the City Council finds it necessary, proper and advisable and that the public interest is best served by increasing the B&O tax on the gross income of utilities providing electricity, manufactured and natural gas, telephone and cable television services operating within the City, for collection beginning in 2016; and

WHEREAS, pursuant to RCW 35.21.711, the proposition of whether the City may increase the B&O tax in excess of the maximum rate established by RCW 35.21.710 must be submitted to the registered voters of the City for their ratification or rejection; and

WHEREAS, RCW 35A.11.020 permits code cities to levy a tax on the privilege of conducting utility businesses such as electrical energy, manufactured and natural gas, telephone and cable television businesses, and RCW 35.21.870 limits imposition of such taxes to a rate of six percent (6%) in the absence of approval by a majority of the voters of the City; and

WHEREAS, the conditions here and above set forth require the submission of the proposition to the qualified voters of the City of Orting at an election to be held on November 3, 2015;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ORTING, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. Findings. The City Council finds it is in the best interest of the residents and businesses of the City of Orting to increase City public safety services by providing more funds to hire three additional police officers, increase the hours of the Police Clerk from 32 hours to 40 hours a week, and purchase police equipment in order to improve public health and safety in the City of Orting.

Section 2. Increased Tax on Electricity, Manufactured and Natural Gas, Telephone and Cable Television Companies. It is hereby found and declared that the best interests of the City require the submission to the qualified electors of the City for their approval or rejection at the General Election to be held on November 3, 2015, a proposition authorizing a nine and two fifths percent (9.4%) tax on the total gross income derived from revenues of companies providing electricity, manufactured and natural gas, telephone and cable television services, to be collected in 2016 and every year thereafter. The Pierce County Auditor, as ex officio supervisor of elections

in Pierce County, Washington, is hereby requested to call and conduct such election to be held within the City on such day and to submit the aforementioned proposition. The City requests that the Pierce County Auditor call and conduct this election to be held by all mail-in ballot within the City and submit to the City's voters the proposition in substantially the form set forth below. Upon approval of the voters of the proposition hereinafter set forth, the City may use proceeds of such tax for the purpose of paying for the hire of three additional police officers, increasing the hours of the Police Clerk from 32 hours to 40 hours a week, and purchasing police equipment.

Section 3. Ballot Measure. The City shall submit the proposition to the electorate of the City of Orting in substantially the form set forth in Exhibit A, with an explanatory statement substantially in the form set forth in Exhibit B. The City Clerk is hereby authorized and directed to provide to the Pierce County Auditor, as ex officio supervisor of elections in Pierce County, Washington, a certified copy of this resolution together with a ballot proposition and explanatory statement in substantially the forms attached hereto, for inclusion in the general election to be held by all mail-in ballot within the City on November 3, 2015.

Section 4. Minor Adjustments. The Mayor and City Attorney are authorized to make such minor adjustments to the wording of such proposition as may be recommended by the Pierce County Auditor as long as the intent of the proposition remains clear and consistent with the intent of this Resolution as approved by the City Council.

Section 5. Effective Date. This Resolution will take effect from and after its adoption as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF ORTING, WASHINGTON, AT AN OPEN PUBLIC MEETING THEREOF HELD THIS 31ST DAY OF JULY, 2015.

CITY OF ORTING

Joachim Pestinger, Mayor

ATTEST/AUTHENTICATED:

Rachel Pitzel, City Clerk

Approved as to form:

John P. Long, Jr.
Kenyon Disend, PLLC
City Attorney

Filed with the City Clerk: 7/31/15
Passed by the City Council:
Resolution No.: 2015-10
Date Posted:

EXHIBIT A

CITY OF ORTING, WASHINGTON
PROPOSITION _

9% Tax on Utility Company Earnings for Police Services

The City of Orting adopted Resolution No. 2015-10 asking voters to consider approving additional revenue to be dedicated for police services in the City. If approved by voters, Proposition No. __ would authorize the City to levy a tax equal to 9.4% of the total gross revenue of electricity, manufactured and natural gas, telephone and cable television services companies operating in the City, to the extent allowed by law, for the sole purpose of maintaining and enhancing police services in Orting.

Should Proposition No. __ be:

APPROVED? _____
REJECTED? _____

EXHIBIT B

Election Date: November 3, 2015
Name of Jurisdiction Submitting Measure: City of Orting
Contact Name: Mark Bethune
Daytime Contact Phone Number: (360) 893-2219

EXPLANATORY STATEMENT – PROPOSITION NO. __

The City of Orting currently dedicates a larger portion of the City's tax revenue to public safety. However, based on current revenue trends and the City's growing need for public safety personnel, the City cannot adequately maintain and enhance police staffing levels and equipment without additional revenue. The City is seeking to create a more sustainable source of revenue for the Police Department through voter approval of an increased tax of 9.4% of the total gross revenue of companies who provide electricity, manufactured and natural gas, telephone and cable television services in Orting. If approved by voters, the new revenue will be restricted for the sole purpose of hiring three additional police officers, increasing the hours of the Police Clerk from 32 hours to 40 hours a week, and purchasing police equipment. The City estimates that this additional tax would cost a household with \$345.00 per month in utility expenses an additional \$11.75 per month.