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July 27, 2021

**NEWPORT CITY COUNCIL REFERS PROPOSED MEASURES
TO THE NOVEMBER BALLOT**

NEWPORT - The Newport City Council has referred two proposed tax measures to the November ballot which, if passed, would fund city services.

The council voted to refer to the ballot a proposed measure which would increase the gas tax within city limits by 5 cents in addition to another proposed measure that would place a 5-percent tax on prepared foods. If passed, the proposed taxes would be collected by local businesses and the proposed prepared food tax would be used in part to help local restaurants and other establishments to collect the tax.

The proposed measures are part of a series of recommendations by Finance Work Groups over the past three years. The team of community members was tasked with developing a system for projecting the city's long-range financial condition; identifying options to address the deficit through budget cuts and raising revenue; and developing a five-year financial plan that aims to achieve financial sustainability.

The City of Newport has cut 22 full-time equivalent employees from its budget. The Finance Committee - acknowledging that much of the pressure placed on city services and facilities comes from visitors in the community - looked for ways to close the budget gap. During peak seasons, the city of 10,000 residents supports nearly 30,000 people at any given time.

If passed, the proposed gas tax would raise an estimated \$392,000 per year that would be dedicated to street resurfacing and reconstruction projects. The proposed prepared food tax revenue - estimated to be around \$2.5 million in the first year - would fund the additions of three police officers, one parking enforcement officer, three firefighters/EMTs, one bi-lingual librarian, a part-time library staff position and maintenance, upgrades to 48 facilities and parks owned and operated by the city and one-time business grants to assist prepared food operators in collecting the proposed new tax.

The largest portion of the proposed tax revenue - a little more than \$1 million - would be used to fund the facilities that residents and visitors alike utilize in the city. Those include upgrades, maintenance, roof and window replacement and other work at the Performing Arts Center, Visual Art Center, Recreation Center, 60+ Center and numerous parks and trails, public restrooms, the fire station, City Hall, the airport and other key infrastructure.

The City of Ashland, with about 21,000 residents, and the City of Yachats, with about 765 residents, both have similar prepared food taxes. Ashland has been utilizing this revenue source for nearly 25 years.

Both of the City of Newport's tax measures will go on the November 2021 ballot. If the proposed measures do not pass, the proposed services would not be provided and taxes would not be increased.

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