

4/18/2019 | 8:15 AM

The meeting of the Citizen Financial Review Task Force was called to order at 8:15 a.m. in the Lower Level Meeting Room, located at 3600 Tremont Road by Chairperson Ann Gabriel.

MEMBERS PRESENT: Chairperson Ann Gabriel, Colin Gawel, Greg Guy, Ukeme Awakessien Jeter, Tim Keen, Matthew J. Kirby, Matthew Rule, Kaz Unalan

MEMBERS ABSENT: Jamie Crane

STAFF PRESENT: Acting City Manager Dan Ralley, Communications Director Emma Speight, Finance Director Brent Lewis, Assistant Finance Director Jon Lindow, and City Clerk Ashley Ellrod

1. Approve the minutes of the April 4, 2019 Citizen Financial Task Force Meeting

Mr. Keen moved, seconded by Mr. Rule, to approve the minutes of the April 4, 2019 Citizen Financial Review Task Force Meeting.

Motion carried.

2. City Finance 101

The Finance Director reviewed the Citizen Financial Review Task Force City Finance 101 (attached hereto and incorporated herein by reference as Exhibit A).

The Finance Director advised a portion of hotel tax is set aside per State Code for the Visitors Bureau Fund.

Mr. Guy questioned how many different line items are under Special Revenue Funds. The Finance Director advised the City has approximately 10-15 Special Revenue Funds.

The Finance Director conveyed when benchmarking themselves to other cities there are many disclosures because cities are so different and no two cities books look exactly the same.



Ms. Jeter inquired who is coding the funds as they come in, and how is it determined? The Finance Director conveyed they review every expenditure to know what it is related to. He explained as an example, the neighborhood lighting bill goes into the Neighborhood Lighting Fund.

Mr. Guy questioned what accounting software the City uses. The Finance Director advised the software is New World Systems, through Tyler Technologies.

Mr. Guy asked what outside accounting firm reviews the financials. The Finance Director responded the City has independent auditors that are contracted through the State. The City has had its current auditors Wilson, Shannon & Snow, Inc. for four years.

Chair Gabriel questioned if the .5% increase to the income tax levy is strictly for capital and not equipment. The Finance Director advised the .5% increase to the income tax levy in 2014 was totally dedicated to capital infrastructure, not capital equipment. Mr. Keen questioned if those revenues are deposited into the Capital Fund, the Finance Director advised those funds are deposited into the Capital Asset Management Fund, which is a sub-fund of the General Fund.

In response to Mr. Keen's question if all the income tax is deposited into the General Fund, the Finance Director advised that is correct, the funds are then transferred out to pay the debt payment.

The Finance Director handed out the March Monthly Finance Report (attached hereto and incorporated herein by reference as Exhibit B).

The Finance Director advised the income tax and property tax are the City's two main sources of revenue. The City Charter requires any increase to the income tax rate go to the ballot for a vote.

Mr. Keen asked if Council could reduce the credit if they wanted. The Finance Director advised they could not, it would have to go to the ballot for a vote.

The Finance Director advised of the \$22 million in income tax, \$7 million comes from residents. \$15 million is coming from people who work in UA, but live somewhere else.

Mr. Keen would like this group to discuss the operation of the municipal income tax. He stated the state law on municipal income tax is insidious in its operation, and really needs to be looked at. Entities like UA, and the residents, are ill-served by the current statute.

In response to Mr. Gawel, the Assistant Finance Director said if the credit was lowered, the residents are making up the difference. Mr. Guy commented it could be less incentivizing to live here.

The Finance Director handed out the Local Government Tax Levy Collection Overview (attached hereto and incorporated herein by reference as Exhibit C).



The Finance Director advised the new income tax brings in approximately \$6 million a year, covering a majority of the capital improvement projects.

Mr. Keen said currently the City is tracking withholdings in three categories. He asked if they could see in context how many payers there are in each of these categories, over some historical period would be valuable for them to know.

The Finance Director remarked the bulk of property taxes goes to the school district. One of the charges of the Task Force is to look at the current expiring Bond Levy the City has. He related because this levy ties to bond issuance for a specific purpose, it cannot be renewed, it will have to be a new levy, and the roll back provision will not apply. The Finance Director said there are two options, and both have to go to a vote of the people. He presented, Option 1 - have a new "bond levy" tied to a bond issuance to build infrastructure; or Option 2 – a new special levy that would have to go back to the voters every five years.

Mr. Rule questioned the ramifications of a five year levy. The Finance Director explained if the City starts a new parks program, funds the program via a property tax levy, the levy passes and the first five years of the program are funded, then on year six if it does not get approved, the program can fail. Mr. Keen remarked renewals versus new levies have a much higher passage rate.

Mr. Guy questioned if the Bond Levy is going to be on the ballot to renew, the Finance Director advised it cannot be renewed it would have to be a new levy and this is part of the Committee's review.

In response to Mr. Gawel, the Finance Director said the current Bond Levy is being used to pay debt.

The Finance Director advised Tax Increment Financing (TIF) is an economic development mechanism available to local governments in Ohio to finance public infrastructure improvements and, in certain circumstances, residential rehabilitation. Payments derived from the increased assessed value of any improvement to real property beyond the original value are directed towards a separate fund to finance the construction of public infrastructure defined within the TIF legislation. The Finance Director explained they can help bring projects in and the revenue from the payments in lieu of taxes is used by municipalities to provide the public infrastructure improvements needed by these new development projects, thus benefiting the TIF area.

Mr. Keen questioned how many TIFs are currently in place, the Finance Director responded eleven.

3. Review/Discuss 2014 Task Force Statement of Shared Values

Chair Gabriel recommended the 2014 Citizen Financial Review Task Force Statement of Shared Values be discussed at the next meeting.



4. Discussion of Department Directors to interview

Chair Gabriel advised the Committee received the City's Organizational Chart. She related the former Chair of the 2014 Task Force felt they gained a lot of valuable information by talking to the Directors.

She asked the Committee to think about what Department Directors they would like to meet with.

5. Discussion of Timeline to Report Delivery

The next meeting will be April 25 at 8:15 a.m. in the Lower Level Meeting Room.

6. Public Comment

In response to Chair Gabriel, the following speakers came forward:


Mr. Becker asked that the same documents the Committee receives at the meetings be made available to those in attendance.

* * *

There being no further business before the Citizen Financial Review Task Force, the meeting was adjourned at 9:46 a.m.


Chairperson

ATTEST:


City Clerk



Citizen Financial Review Task Force (CFRTF) Finance 101

Brent Lewis (Finance Director)
April 18, 2019



Agenda

- *Basics of Fund Accounting*
- *Different Bases of Accounting*
- *Revenue Sources and Uses*



Fund Accounting

What is Fund Accounting?

Fund accounting is the activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.

What is a Fund?

A fund segregates the monies of the entity according to legal or purpose restrictions.

Why Fund Accounting?

- Fund accounting is the way governments track revenues with purpose restrictions against the expenditures made for those purposes.
- Fund accounting makes it easier to identify which monies are available for specific purposes.



Fund Accounting (cont.)

Types of Funds

Governmental Funds

- Definition: Funds that account for the accumulation and spending of resources that provide the public with day-to-day operating services such as safety services, leisure time activities and highway maintenance.
- Types of Governmental Funds:

Fund Type	Description
General Fund	The operating fund of the government, used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the government for any purpose provided it is disbursed or transferred in accordance with Ohio law.
Special Revenue Funds	Used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
Debt Service Funds	Used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.
Capital Project Funds	Used to account for financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of capital facilities and/or other capital assets.



Fund Accounting (cont.)

Types of Funds (cont.)

Proprietary Funds

- Definition: Funds that focus on the determination of operating income, financial position and cash flows.
- Types of Proprietary Funds:

Fund Type	Description
Enterprise Funds	Used to account for any activity for which a fee is charged to external users for goods or services.
Internal Service Funds	Used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis.

Fiduciary Funds

- Definition: Funds used to report assets held in a trustee capacity for others and cannot be used to support the government's own programs.
- City on has Agency Funds, which are purely custodial in nature.



Basis of Accounting

ACCOUNTING BASIS	DESCRIPTION	REPORTING EXAMPLE
Cash Basis (<i>check book accounting</i>)	<ul style="list-style-type: none"> Revenues are recognized when received. Expenditures are recognized when they are paid out. Fund Balance = Cash and Investments 	Daily accounting and reporting.
Budgetary Basis	<ul style="list-style-type: none"> Revenues are recognized when received. "Budgetary" expenditures include <i>only</i> expenditures against the current year budget <i>plus</i> outstanding encumbrances (purchase orders). Fund Balance = Unencumbered Cash and Investments 	<ul style="list-style-type: none"> Municipal Program of Services (Budget Book) Budgetary Statements in CAFR
GAAP Basis - Accrual Basis	<ul style="list-style-type: none"> Financial reporting similar to businesses. Balance Sheet reports Capital Assets and Debt and Other Long-Term Liabilities. 	CAFR – Audited Financial Statements
- Modified Accrual Basis	<ul style="list-style-type: none"> Governmental financial reporting that essentially adds a full balance sheet with receivables, payables, etc. Does not report Capital Assets and Debt and Other Long-Term Liabilities. Fund Balance = Assets – Liabilities 	



Revenue Sources and Uses

Revenue Types

- General Operating Revenues
 - Income tax (unless mandated elsewhere)
 - Property tax (property tax is also used for capital & debt)
 - Other General Revenues
 - Local Government Fund
 - Investment earnings (unless mandated elsewhere)
 - Charges for Services (unless mandated elsewhere)
 - Cable TV franchise fees
 - Fines and forfeitures
- Restricted Revenues
 - Gas Tax and Motor Vehicle License Fees
- Business Operating Revenues
 - Water, Sewer, Stormwater Fees
 - Solid Waste Fees
 - Swimming Pool Fees



Revenue Sources and Uses (cont.)

Income Tax Revenues

History

- The income tax rate was raised to 2% in 1983.
- In 1990 a ballot issue failed 60%/40% to raise the income tax to 2.25%.
- In 1996, a ballot issue failed 50.5%/49.5% to raise the income tax to 2.2% for 5 years for CIP.
- In 2014, a ballot issue passed to raise the income tax to 2.5%, with the additional .5% dedicated to City Infrastructure (effective January 1, 2015)

Basics

- Income Tax Rate: 2.5%.
- Applies to earned income and business net profits (tracked internally by three components: withholdings remitted by employers, filing by individuals, business net profits). Investment and retirement income is not taxable per ORC 718 and City Ordinance.
- Income tax is paid and remains where earned (i.e. UA Resident works in Columbus, income tax paid and remains with Columbus).
- Full credit (100%) given for taxes paid in other communities up to the 2.5% rate.
- Any Increase in Income tax rate or decrease in credit percentage requires a vote of the people.

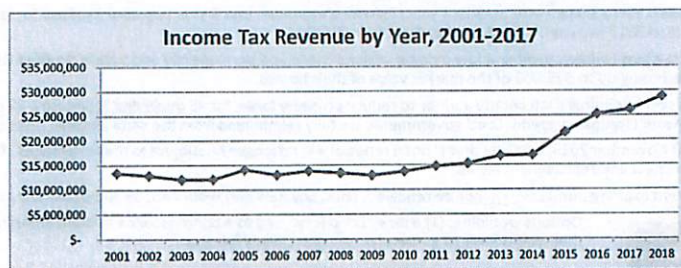


Revenue Sources and Uses (cont.)

Income Tax Revenues (cont.)

Accounting

- Largest revenue source: approximately 48% of total revenue and 55% of General Fund revenue.
- Fund Distribution:
 - 2015 and beyond: 72% to General Fund, 28% to Capital Asset Management Fund for capital-related debt and infrastructure payments.
 - Prior to 2015: 86.7% to General Fund, 13.3% to Capital Asset Management Fund for capital-related debt and infrastructure payments.



Revenue Sources and Uses (cont.)

Property Tax Revenues

Basics

- Mill = Property tax is measured in mills. A mill means 1/1,000. Therefore, each mill generates \$1 of taxes for every \$1,000 of a property's assessed value.
- Two different ways property tax levies can be implemented:
 - Unvoted millage (inside millage) is approved by the county budget commission, but cannot exceed 10 mills for any taxpayer.
 - Voted millage (outside millage) is approved by popular vote.
- County appraisals every 6 years with update 3 years following appraisal. Last 6 year appraisal finalized for tax year 2017 (Note: taxes are one-year behind, thus 2017 tax year is distributed to the City in 2018)
- Homestead Provision - Allows qualifying low-income senior citizens and permanently and totally disabled Ohioans, to reduce their property tax bills by exempting up to \$25,000 of the market value of their homes.
- Rollback Provision - Requires each county auditor to reduce property taxes, for all qualifying levies, by a 10 percent Non-Business Credit and a 2.5 percent Owner Occupancy credit. Local governments are fully reimbursed from the state general revenue fund for these tax reductions.
 - As of November 2013, any levy that is not a renewal will no longer be subject to these rollbacks. The state has lifted these rollbacks for all new and replacement levies.
 - Current expiring Bond Levy cannot be renewed. Thus, any new levy would not be subject to the rollback provision.
 - Options would be: (1) a new "bond levy" tied to a bond issuance to build infrastructure; or (2) a new special levy that would have to go back to the voters every five year.



Revenue Sources and Uses (cont.)

Property Tax Revenues (cont.)

Current Taxes and Accounting

- General Operating levies can be used for any purpose.
- Pension, Capital, and Bond levies are restricted for those intended uses.
- .50 mills currently generates approximately \$959k (would service approximately \$13M of debt service over 20 years).

City of Upper Arlington Property Tax Levies		
Tax Levy	Current Millage	Millage Type
General Operating Levy	3.90	1.40 Inside / 2.50 Outside (Charter)
Police Pension Levy	0.30	Inside
Fire Pension Levy	0.30	Inside
Capital Improvement	0.50	Outside (Charter)
Police and Fire Pension (Voted)	0.97	Outside (Voted) – expires 2022
Bond Levy (Voted)	0.20	Outside (Voted) – expires 2019
Total	6.17	

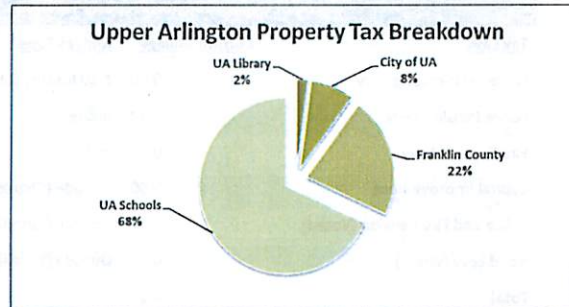


Revenue Sources and Uses (cont.)

Property Tax Revenues (cont.)

City-wide Property Tax

- Property Tax is largest income source for the UA School District.
- Total current millage for City of Upper Arlington – Upper Arlington Schools: 77.05 (Res); 90.45 (Bus)
- Inside millage (10 mills) has been exhausted; all new property tax increases requires a vote of the people.



Revenue Sources and Uses (cont.)

Property Tax Revenues (cont.)

Tax Increment Financing (TIF) – Payments in Lieu of Taxes

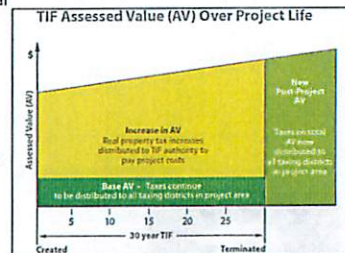
An economic development mechanism available to local governments in Ohio to finance public infrastructure improvements and, in certain circumstances, residential rehabilitation. Payments derived from the increased assessed value of any improvement to real property beyond the original value are directed towards a separate fund to finance the construction of public infrastructure defined within the TIF legislation.

What are the advantages of TIFs?

One key benefit of TIFs is the projects being assisted continue to be responsible for making payment equivalent to all of the required property taxes. Instead of property taxes, however, the property owner makes "payments in lieu of taxes", which equal the property taxes that would have been collected had a TIF not been in place. The revenue from the payments in lieu of taxes is used by municipalities to provide the public infrastructure improvements needed by these new development projects, thus benefiting the TIF area.

How do TIFs differ from tax abatements?

As compared to another economic development tool utilized by many municipalities, tax abatements, TIFs are not a forgiveness of the normal real estate tax payment obligation. When an abatement is granted some or all of the property taxes are abated, meaning the property owners pay a lessor, or no property taxes for a specified time period.



Revenue Sources and Uses (cont.)

Other General Operating Revenues

Basics and Accounting

- General revenue sources are used to support operations
- Local Government Fund – Once \$2.5M; now approximately \$1M
- Investment Earnings – All allocated to the General Fund unless mandated by outside parties of City Ordinance (i.e. Street Maintenance and Repair Fund, Law Enforcement Fund, Bonded Improvement Fund)
- Charges for Services – Include charges for parks programs, EMS billing, development related items (permits, contractor registrations, etc.)



Revenue Sources and Uses (cont.)

Restricted Revenues

Basics and Accounting

- Restricted revenue is revenue legislatively restricted by government outside City. (County, State or Federal).

- Types of Restricted Revenue:

- Gas Tax and Motor Vehicle License Fees
- Law Enforcement Seizure Receipts
- Various Mayor's Court Fees
- Hotel Tax – UA Visitor's Bureau portion



Gas Tax and Motor Vehicle License Tax

- Shared revenues by the State.
- Restricted for street maintenance and repair.
- Gas Tax – based on number of vehicles registered in the City (currently produces approximately \$1.8M in revenue).
 - Recently passed HB62 authorized additional 10.5cpg gas and 19cpg diesel tax – estimated \$735k increase beginning in 2020.
- Motor Vehicle License Tax – \$21.80 per vehicle (currently produces approximately \$450k in revenue).
 - Additional \$5 retained by the County for repair of certain streets that cross jurisdictions (currently produces approximately \$145k in revenue).
 - Recently passed HB62 allows municipalities to enact an additional \$5 tax. *CFRTF recommendation?*



Revenue Sources and Uses (cont.)

Business Operations Revenues

Basics and Accounting

- Revenue is restricted for related purpose (i.e. water surcharge has to be used for water-related expense)

Water/Sewer Surcharge(s) and Stormwater Fee

- Dedicated for operations maintenance of the water, sewer, and storm water systems.
- Due to revenue structure and lack of large users, funds can only pay for a portion of the debt issued for related capital projects.
- Water Surcharge – 15% surcharge on usage effective January 1, 2019.
 - Revenue to UA increases with increases to Columbus usage fees.
 - City of Columbus maintains waterline breaks for additional fee.
- Sewer Surcharge – 23% surcharge on usage effective January 1, 2019.
 - Revenue to UA increase with increase to Columbus usage fees.
 - UA maintains waterline breaks for additional fee.
- Stormwater Fee – residential rate \$45/year; multi-family properties fee based on “Equivalent Runoff Units”.



Revenue Sources and Uses (cont.)

Business Operations Revenues (cont.)

Solid Waste Fee

- Dedicated for operation of the contracted solid waste program.
- New revenue structure implemented on January 1, 2018 with change to cart service. (base fee of \$227/year)
- Offer senior discount (\$21/year) and premium service for an additional fee (\$387/year)
- Fee set to cover cost of operations.

Swimming Pool Fees

- Dedicated for operation and maintenance of the City's three (3) swimming pools.
- Fees set to cover operations, regular maintenance, and occasional capital equipment/improvements.



DISCUSSION AND QUESTIONS



Monthly Financial Report As of March 2019

General Fund (101)

	Original Budget	Amended Budget	Projected To Date	Actual	Dollar Variance	Percentage Variance
Revenues and Other Sources						
Income Tax	\$ 20,191,000	\$ 20,191,000	4,574,421	\$ 4,811,004	\$ 236,583	5.17%
Real & Personal Property Tax	6,626,500	6,626,500	3,530,411	3,530,411	-	0.00%
All Other Operating Revenues	6,968,500	6,968,500	1,816,658	2,347,321	530,663	29.21%
Transfers/Advances In	3,250,000	3,250,000	-	548,303	548,303	0.00%
Total Revenues and Other Sources	37,036,000	37,036,000	9,921,490	11,237,039	1,315,549	13.26%
Obligations:						
Police Division	9,242,600	9,242,600	2,704,000	2,600,242	103,758	3.84%
Fire Division	9,295,200	9,295,200	2,376,027	2,175,680	200,347	8.43%
Board of Health	303,000	303,000	-	-	-	0.00%
Parks and Recreation	3,813,200	3,813,200	926,038	868,661	57,377	6.20%
Community Development	1,058,500	1,058,500	254,229	230,421	23,808	9.36%
Public Service Administration	968,500	968,500	252,168	228,921	23,247	9.22%
Public Works	1,204,700	1,204,700	239,363	217,715	21,648	9.04%
City Manager	1,309,600	1,309,600	274,770	258,189	16,581	6.03%
City Attorney	756,000	756,000	166,500	150,903	15,597	9.37%
City Clerk	249,700	249,700	61,385	56,002	5,383	8.77%
City Council	146,700	184,650	38,469	37,034	1,435	3.73%
Clerk of Court	478,100	478,100	98,083	94,619	3,464	3.53%
Finance	1,020,600	1,020,600	233,792	219,018	14,774	6.32%
Facilities Maintenance	2,787,700	2,787,700	600,330	529,073	71,257	11.87%
Information Technology	1,313,300	1,313,300	279,248	270,569	8,679	3.11%
General Administration	2,309,300	2,309,300	987,038	978,366	8,672	0.88%
Transfers/Advances Out	2,403,400	2,403,400	-	-	-	0.00%
Total Obligations	38,660,100	38,698,050	9,491,440	8,915,413	576,027	6.07%
Excess of Revenue and Other Sources over Obligations:	(1,624,100)	(1,662,050)	430,050	2,321,626		
Total Beginning Fund Balance	16,724,553	16,724,553	16,724,553	16,724,553		
Anticipated Appropriation Lapses	1,088,000	1,088,000	-	-		
Total Ending Fund Balance	16,188,453	16,150,503	17,154,603	19,046,179	1,891,576	11.03%

Capital Asset Management Fund (102)

	Original Budget	Amended Budget	Projected To Date	Actual	Dollar Variance	Percentage Variance
Revenues and Other Sources						
Income Tax	\$ 7,852,100	\$ 7,852,100	\$ 1,778,951	\$ 1,863,263	\$ 84,312	4.74%
Total Revenues and Other Sources	7,852,100	7,852,100	1,778,951	1,863,263	84,312	4.74%
Obligations						
Transfers/Advances Out	7,410,200	7,410,200	-	-	-	0.00%
Total Obligations	7,410,200	7,410,200	-	-	-	0.00%
Excess of Revenue and Other Sources over Obligations:	441,900	441,900	1,778,951	1,863,263		
Lapsed encumbrances						
Beginning Fund Balance	10,975,172	10,975,172	10,975,172	10,975,172		
Ending Fund Balance	\$ 11,417,072	\$ 11,417,072	\$ 12,754,123	\$ 12,838,435	\$ 84,312	0.66%

Monthly Financial Report As of March 2019

Capital Equipment Fund (106)

	Original Budget	Amended Budget	Projected To Date	Actual	Dollar Variance	Percentage Variance
Revenues and Other Sources						
Real & Personal Property Tax	\$ 843,600	\$ 843,600	\$ 449,356	\$ 449,356	\$ -	0.00%
Homestead & Rollbacks	117,000	117,000	57,818	57,818	-	0.00%
All Other Operating Revenues	109,000	109,000	-	-	-	0.00%
Transfers In	240,000	240,000	-	-	-	0.00%
Total Revenues and Other Sources	1,309,600	1,309,600	507,174	507,174	-	0.00%
Obligations						
Capital Equipment	1,259,400	1,259,400	326,284	326,284	-	0.00%
Total Obligations	1,259,400	1,259,400	326,284	326,284	-	0.00%
Excess of Revenue and Other Sources over Obligations:	50,200	50,200	180,890	180,890		
Beginning Fund Balance	656,994	656,994	656,994	656,994		
Ending Fund Balance	\$ 707,194	\$ 707,194	\$ 837,884	\$ 837,884	\$ -	0.00%

Street Maintenance and Repair Fund (207)

	Original Budget	Amended Budget	Projected To Date	Actual	Dollar Variance	Percentage Variance
Revenues and Other Sources						
Gasoline Taxes	\$ 1,175,000	\$ 1,175,000	286,653	\$ 281,813	\$ (4,840)	-1.69%
Motor Vehicle License Taxes	450,000	450,000	110,454	106,980	(3,474)	-3.15%
All Other Operating Revenues	15,000	15,000	4,934	4,934	-	0.00%
Transfers In	250,000	250,000	-	-	-	0.00%
Total Revenues and Other Sources	1,640,000	1,640,000	402,041	393,727	(8,314)	-2.07%
Obligations						
Public Service Administration	765,750	765,750	192,033	189,831	2,202	1.15%
Public Works	1,307,000	1,307,000	519,681	514,813	4,868	0.94%
Total Obligations	2,072,750	2,072,750	711,714	704,644	7,070	0.99%
Excess of Revenue and Other Sources over Obligations:	(432,750)	(432,750)	(309,673)	(310,917)		
Beginning Fund Balance	886,446	886,446	886,446	886,446		
Ending Fund Balance	\$ 453,696	\$ 453,696	\$ 576,773	\$ 575,529	(1,244)	-0.22%

Bonded Improvement Fund (402)

	Original Budget	Amended Budget	Projected To Date	Actual	Dollar Variance	Percentage Variance
Revenues and Other Sources						
Sale of Bonds and Notes	5,948,000	5,948,000	5,370,000	5,370,000	-	0.00%
All Other Operating Revenues	85,000	85,000	63,928	63,928	-	0.00%
Total Revenues and Other Sources	6,033,000	6,033,000	5,433,928	5,433,928	-	0.00%
Obligations						
Capital Improvements	7,546,400	7,546,400	39,042	39,042	-	0.00%
Total Obligations	7,546,400	7,546,400	39,042	39,042	-	0.00%
Excess of Revenue and Other Sources over Obligations:	(1,513,400)	(1,513,400)	5,394,886	5,394,886		
Beginning Fund Balance	10,821,394	10,821,394	10,821,394	10,821,394		
Ending Fund Balance	\$ 9,307,994	\$ 9,307,994	\$ 16,216,280	\$ 16,216,280	-	0.00%

Monthly Financial Report As of March 2019

Infrastructure Improvement Fund (404)

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Projected To Date</u>	<u>Actual</u>	<u>Dollar Variance</u>	<u>Percentage Variance</u>
<u>Revenues and Other Sources</u>						
All Other Operating Revenues	\$ 150,000	\$ 150,000	73,264	\$ 73,264	\$ -	0.00%
Transfers In	3,250,000	3,250,000	-	-	-	0.00%
Total Revenues and Other Sources	3,400,000	3,400,000	73,264	73,264	-	0.00%
<u>Obligations</u>						
Capital Improvements	3,324,100	3,324,100	106,594	106,594	-	0.00%
Total Obligations	3,324,100	3,324,100	106,594	106,594	-	0.00%
Excess of Revenue and Other Sources over Obligations:	75,900	75,900	(33,330)	(33,330)		
Beginning Fund Balance	4,544,281	4,544,281	4,544,281	4,544,281		
Ending Fund Balance	\$ 4,620,181	\$ 4,620,181	\$ 4,510,951	\$ 4,510,951	-	0.00%

Estate Tax Improvement Fund (405)

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Projected To Date</u>	<u>Actual</u>	<u>Dollar Variance</u>	<u>Percentage Variance</u>
<u>Revenues and Other Sources</u>						
All Other Operating Revenues	-	-	4,468	4,468	-	0.00%
Total Revenues and Other Sources	-	-	4,468	4,468	-	0.00%
<u>Obligations</u>						
Capital Improvements	143,500	143,500	2,450	2,450	-	0.00%
Total Obligations	143,500	143,500	2,450	2,450	-	0.00%
Excess of Revenue and Other Sources over Obligations:	(143,500)	(143,500)	2,018	2,018		
Beginning Fund Balance	725,298	725,298	725,298	725,298		
Ending Fund Balance	\$ 581,798	\$ 581,798	\$ 727,316	\$ 727,316	-	0.00%

Solid Waste Management Fund (710)

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Projected To Date</u>	<u>Actual</u>	<u>Dollar Variance</u>	<u>Percentage Variance</u>
<u>Revenues and Other Sources</u>						
Charges for Services	3,000,000	3,000,000	1,418,738	1,441,063	22,325	1.57%
All Other Operating Revenues	8,000	8,000	6,228	6,228	-	0.00%
Total Revenues and other sources	3,008,000	3,008,000	1,424,966	1,447,291	22,325	1.57%
<u>Obligations</u>						
Public Works	2,987,000	2,987,000	744,286	715,842	28,444	3.82%
<u>Transfers/Advances Out:</u>						
General Fund	125,000	125,000	-	-	-	0.00%
Total Obligations	6,099,000	6,099,000	744,286	715,842	56,888	7.64%
Excess of Revenue and Other Sources over Obligations:	(3,091,000)	(3,091,000)	680,680	731,449		
Beginning Fund Balance	718,901	718,901	718,901	718,901		
Ending Fund Balance	\$ (2,372,099)	\$ (2,372,099)	\$ 1,399,581	\$ 1,450,350	\$ 50,769	3.63%

Monthly Financial Report As of March 2019

Water Surcharge Fund (720)

	Original Budget	Amended Budget	Projected To Date	Actual	Dollar Variance	Percentage Variance
Revenues and Other Sources						
Charges for Services	\$ 735,000	\$ 735,000	125,951	\$ 118,610	\$ (7,341)	-5.83%
Total Revenues and other sources	735,000	735,000	125,951	118,610	(7,341)	-5.83%
Obligations						
Public Works	418,500	418,500	52,313	34,867	17,446	33.35%
Finance (Debt Service on Issue 2 Loans)	18,900	18,900	9,435	9,435	-	0.00%
Transfers Out (including intra-city services)	447,500	447,500	1,053	1,053	-	0.00%
Total Obligations	884,900	884,900	62,801	45,355	17,446	27.78%
Excess of Revenue and Other Sources over Obligations:	(149,900)	(149,900)	63,150	73,255		
Beginning Fund Balance	950,527	950,527	950,527	950,527	-	
Ending Fund Balance	\$ 800,627	\$ 800,627	\$ 1,013,677	\$ 1,023,782	10,105	1.00%

Sanitary Sewer Surcharge Fund (730)

	Original Budget	Amended Budget	Projected To Date	Actual	Dollar Variance	Percentage Variance
Revenues and Other Sources						
Charges for Services	\$ 1,118,000	\$ 1,118,000	231,167	\$ 224,292	\$ (6,875)	-2.97%
All Other Operating Revenues	1,500	1,500	251	251	-	0.00%
Total Revenue	1,119,500	1,119,500	231,418	224,543	(6,875)	-2.97%
Obligations						
Public Works	844,500	844,500	168,900	137,101	31,799	18.83%
Transfers Out (including intra-city services)	390,700	390,700	4,536	4,536	-	0.00%
Total Obligations	1,235,200	1,235,200	173,436	141,637	31,799	18.33%
Excess of Revenue and Other Sources over Obligations:	(115,700)	(115,700)	57,982	82,906		
Beginning Fund Balance	1,079,346	1,079,346	1,079,346	1,079,346		
Ending Fund Balance	\$ 963,646	\$ 963,646	\$ 1,137,328	\$ 1,162,252	24,924	2.19%

Stormwater Management Fund (740)

	Original Budget	Amended Budget	Projected To Date	Actual	Dollar Variance	Percentage Variance
Revenues and Other Sources						
Charges for Services	\$ 753,000	\$ 753,000	356,014	\$ 374,516	\$ 18,502	5.20%
Investment Earnings	25,000	25,000	14,349	14,349	-	0.00%
Total Revenues and other sources	778,000	778,000	370,363	388,865	18,502	5.00%
Obligations						
Public Works	546,500	546,500	68,313	62,468	5,845	8.56%
Transfers Out (including intra-city services)	250,000	250,000	2,217	2,217	-	0.00%
Total Obligations	796,500	796,500	70,530	64,685	5,845	8.29%
Excess of Revenue and Other Sources over Obligations:	(18,500)	(18,500)	299,833	324,180		
Beginning Fund Balance	2,505,767	2,505,767	2,505,767	2,505,767		
Ending Fund Balance	\$ 2,487,267	\$ 2,487,267	\$ 2,805,600	\$ 2,829,947	\$ 24,347	0.87%

Monthly Financial Report As of March 2019

Swimming Pool Fund (750)

	Original Budget	Amended Budget	Projected To Date	Actual	Dollar Variance	Percentage Variance
<u>Revenues and Other Sources</u>						
Charges for Services	\$ 722,000	\$ 722,000	65,820	\$ 63,389	\$ (2,431)	-3.69%
Total Revenues and other sources	722,000	722,000	65,820	63,389	(2,431)	-3.69%
<u>Obligations</u>						
Parks and Recreation	672,900	672,900	56,075	45,304	10,771	19.21%
Total Obligations	672,900	672,900	56,075	45,304	10,771	19.21%
Excess of Revenue and Other Sources over Obligations:	49,100	49,100	9,745	18,085		
Beginning Fund Balance	607,046	607,046	607,046	607,046		
Ending Fund Balance	\$ 656,146	\$ 656,146	\$ 616,791	\$ 625,131	\$ 8,340	1.35%

Monthly Financial Report As of March 2019

Statement of Receipts and Disbursements (cash basis rounding)

<u>Fund</u>	<u>Beginning Balance</u>	<u>Year to Date Transfer In</u>	<u>Year to Date & Transfer Out</u>	<u>Ending Balance</u>	<u>Percentage Change</u>
General	\$ 17,495,980	\$ 11,237,039	\$ 8,463,546	\$ 20,269,473	15.9%
Capital Asset Management	10,975,172	1,863,263	(1.00)	12,838,436	17.0%
Police Pension	457,842	304,278	102,917	659,203	44.0%
Fire Pension	457,842	304,278	102,917	659,203	44.0%
Self Insurance	845,184	6,227	2,474	848,937	0.4%
Capital Equipment	1,108,864	507,174	279,384	1,336,654	20.5%
Police & Fire Pension	1,293,945	820,025	342,471	1,771,499	36.9%
Technology Fund	139,261	55,870	24,275	170,856	22.7%
Tax Incentive Review Fund	23,770	1,000	-	24,770	4.2%
Street Maintenance and Repair Fund	962,413	393,727	646,876	709,264	-26.3%
EMS Billing Fund	246,112	170,846	23,667	393,291	59.8%
Law Enforcement	786,278	53,785	51,843	788,220	0.2%
Tree Planting Fund	95,948	2,800	759	97,989	2.1%
Enforcement Education	17,578	405	497	17,486	-0.5%
Mayor's Court Computer	66,167	2,181	6,368	61,980	-6.3%
Mayor's Court Special Project	129,304	7,269	3,407	133,166	3.0%
Lifelong Learning and Leisure	111,692	34,371	28,366	117,697	5.4%
FEMA Fund	-	17,661	17,661	-	0.0%
Economic Development	392,028	-	15,993	376,035	-4.1%
Arlington Centre TIF Fund	19,071	12,023	136	30,958	100.0%
Tremont Road TIF Fund	5,088	39,631	448.00	44,271	100.0%
Lane Avenue Mixed Use TIF Fund	1,285,806	474,200	212,714	1,547,292	20.3%
Lane Avenue TIF Fund	376,524	86,865	981	462,408	22.8%
Arlington Crossing TIF Fund	615,199	90,202	1,438	703,963	14.4%
Horizon TIF Fund	2,114,084	175,926	4,717	2,285,293	8.1%
Kingsdale West TIF Fund	199,555	21,927	248	221,234	10.9%
Kingsdale CORE TIF Fund	190,922	923,369	501,165	613,126	221.1%
Civil Service	45,566	-	718	44,848	-1.6%
Riverside North TIF Fund	10,439	725	8	11,156	6.9%
Riverside South TIF Fund	55,307	11,003	124	66,186	19.7%
W. Lane Northwest TIF Fund	218,200	-	-	218,200	0%
Neighborhood Lighting Utility	508,409	34,589	5,780	537,218	5.7%
Clerk of Courts Fund	48,361	2,181	9,638	40,904	-15.4%
UA Visitor's Bureau Fund	196,538	12,504	5,472	203,570	3.6%
General Bond Retirement	875,997	576,381	199,410	1,252,968	43.0%
Bonded Improvements	12,737,247	5,433,928	320,972	17,850,203	40.1%
Infrastructure Improvement Fund	7,505,961	73,264	1,233,954	6,345,271	-15.5%
Estate Tax Fund	845,550	4,468	26,569	823,449	-2.6%
Community Fiber Optic Fund	560,121	-	69,682	490,439	-12.4%
Employee Benefit	2,526,515	806,942	1,209,707	2,123,750	-15.9%
BWC Administration Fund	685,322	63,661	96,691	652,292	-4.8%
Solid Waste Management	953,191	1,447,291	949,376	1,451,106	52.2%
Water Surcharge	950,527	118,610	45,356	1,023,781	7.7%
Sanitary Sewer Surcharge	1,099,152	224,543	150,790	1,172,905	6.7%
Stormwater Management	2,535,490	388,865	86,485	2,837,870	11.9%
UA Swimming Pools	519,396	63,389	18,079	564,706	8.7%
Unclaimed Funds	6,094	157	-	6,251	2.6%
Revolving Fund	87,557	64,866	27,333	125,090	42.9%
Construction Withholding	640,048	88,294	105,573	622,769	-2.7%
Payroll Clearing Fund	514,937	5,815,684	5,899,292	431,329	-16.2%
Totals	\$ 74,537,553	\$ 32,837,687	\$ 21,296,276	\$ 86,078,965	ROUNDED

Monthly Financial Report As of March 2019

Income Tax Comparisons

	<u>Projections</u>	<u>Year to date</u>	<u>Difference</u>	<u>% Difference</u>
Withholdings	\$4,409,784	4,547,856	138,072	3.13%
Individuals	1,334,470	1,341,132	6,662	0.50%
Net Profits	609,118	785,280	176,162	28.92%
Total	\$6,353,372	6,674,268	320,896	5.05%

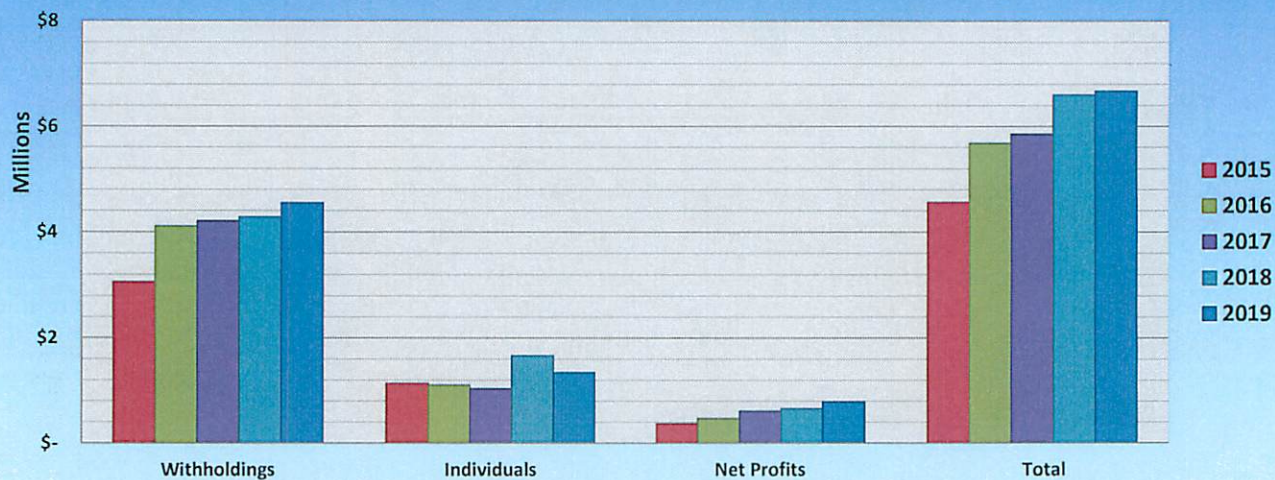
Income Tax Five Year Comparison

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Withholdings	3,057,348	4,110,090	4,203,746	4,282,965	4,547,856
Individuals	1,140,967	1,104,267	1,040,322	1,667,400	1,341,132
Net Profits	368,369	469,833	612,779	657,368	785,280
Total	4,566,684	5,684,190	5,856,847	6,607,733	6,674,268

Percentage Increase (Decrease) From Prior Year

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Withholdings	16.09%	34.43%	2.28%	1.88%	6.18%
Individuals	22.56%	-3.22%	-5.79%	60.28%	-19.57%
Net Profits	7.58%	27.54%	30.42%	7.28%	19.46%
Total	16.89%	24.47%	3.04%	12.82%	1.01%

Income Tax Five Year Trend vs Prior YTD Monthly



INTEREST AND INVESTMENT INCOME

Month of: March 2019

General Investments	Beginning Balance	Adjustments	Adjusted	Principal			Interest			Ending Balance
			Beginning Balance	Purchased	Matured/Sold	Deposited/Withdrawn	Bank Account	Investment Acct.	Coupon	
Federal Agency - Coupon (NC)	\$ -		-							\$ -
Municipal Securities	\$ 651,752.00		651,752.00							\$ 651,752.00
Corporate Bonds	\$ -		-							\$ -
General Investments- No coupon (NC)	\$ 2,195,617.30		2,195,617.30							\$ 2,195,617.30
Federal Agency - No Coupon (Callable)	\$ 41,264,746.20		41,264,746.20	5,749,062.50	(3,547,887.50)					\$ 43,465,921.20
Federal Agency - Coupon (Callable)	\$ 8,790,925.00		8,790,925.00							\$ 8,790,925.00
Federal Agency - No Coupon (NC)	\$ 1,688,209.80		1,688,209.80		(298,057.80)					\$ 1,390,152.00
United States Treas NTS	\$ 1,979,165.00		1,979,165.00	1,481,975.42	(1,979,165.00)					\$ 1,481,975.42
Federal Agency - Discount Note - Zero Coupon	\$ -		-							\$ -
United States Treas NTS	\$ -		-							\$ -
Federal Agency - Discount Note	\$ -		-							\$ -
			-							
Bond \$ Investments:			-							
313384HP7 FHLB 7/1/19 2018 bond	\$ 2,478,993.05		2,478,993.05							\$ 2,478,993.05
912796RZ4 treasury bill due 8/1/30 2018 bond	\$ 3,467,374.16		3,467,374.16							\$ 3,467,374.16
912796UW7 Us treasury bill 2018 2018 bond	\$ 996,290.00		996,290.00							\$ 996,290.00
912796SK6 US TREASURY BILL DUE 08/01/36				1,234,979.51						\$ 1,234,979.51
912796UW7 Us treasury bill 2019 bond	\$ 2,988,870.00		2,988,870.00							\$ 2,988,870.00
3134GAFY5 callable 2019 bond	\$ 2,186,118.00		2,186,118.00							\$ 2,186,118.00
			-							
	\$ -		-							\$ -
TOTAL INVESTMENTS	\$ 68,688,060.51	\$ -	\$ 68,688,060.51	\$ 8,466,017.43	\$ (5,825,110.30)	\$ -				\$ 71,328,967.64
First Merchant CD interest	\$ 200,000.00		200,000.00							\$ 200,000.00
Money Market Fund (Trust Dept) - General	\$ 1,863,340.82	-	1,863,340.82	(7,231,037.92)	5,829,165.00			121,744.08		\$ 583,211.98
Money Market Fund (Trust Dept) - Bond 2017	\$ 1,516,039.73		1,516,039.73					2,628.07		\$ 1,518,667.80
Money Market Fund (Trust Dept) - Bond 2018	\$ 2,574,041.25		2,574,041.25	(1,234,979.51)				13,017.91		\$ 1,352,079.65
Money Market Fund (Trust Dept) - Bond 2019	\$ 196,606.12		196,606.12					4,904.90		\$ 201,511.02
NACC Total	\$ 75,038,088.43		\$ 75,038,088.43	\$ -	\$ 4,054.70	\$ -	\$ -	\$ 142,294.96		\$ 75,184,438.09
Mayor's Court Acct - US BANK										
STAR Ohio	\$ 4,352,915.28	-	4,352,915.28				7,241.72			\$ 4,360,157.00
STAR Ohio (Bond Account - 2015 Series)	\$ 0.00		0.00							\$ 0.00
STAR Ohio (Bond Account - 2017 Series)	\$ 1,447,224.43	-	1,447,224.43				3,394.88			\$ 1,450,619.31
STAR Ohio (Bond Account - 2018 Series)	\$ -		-							\$ -
STAR Ohio (Bond Account - 2019 Series)	\$ -	-	-							\$ -
TOTALS	\$ 80,838,228.14		\$ 80,838,228.14	\$ -	\$ 4,054.70	\$ -	\$ 10,636.60	\$ 142,294.96	\$ -	\$ 80,995,214.40

Huntington Bank 5,083,750.54
Total Cash & Investments \$ 86,078,964.94

CAPITAL EQUIPMENT

	Quantity	N/R	Amount	Funding Source	Actual
Fire Division					

Item Number	Description	Quantity	New (N) or Replacement (R)	Amount	Funding Source	
1	Mechanical CPR device	1	N	\$ 15,000	Capital Equipment Fund	14,220
2	Cardiac heart monitor	1	N	32,800	Capital Equipment Fund	
Fire Total				\$ 47,800		\$ 14,220

Information Technology					
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Item Number	Description	Quantity	New (N) or Replacement (R)	Amount	Funding Source	
1	Police mobile data computers	15	R	75,000	Capital Equipment Fund	
2	Police software upgrade	1	R	94,000	Capital Equipment Fund	
3	Expanded storage for video	2	N	20,000	Capital Equipment Fund	
4	Document management software upgrade	1	N	34,700	Capital Equipment Fund	34,650
5	Digital storage for utility pipe video	1	N	55,000	Capital Equipment Fund	
6	Kiosk	1	N	15,000	Capital Equipment Fund	
7	Software - Microsoft, Adobe, etc.	1	N	80,000	Capital Equipment Fund	
8	Audio microphone system.	1	N	17,000	Capital Equipment Fund	18,391
9	Security software upgrade	5	R	56,000	Technology Fund	46,000
10	Security cameras	2	N	10,000	Technology Fund	
11	Help desk/chargeback software	1	N	15,000	Technology Fund	
Information Technology Total				\$ 471,700		\$ 99,041

Parks and Recreation					
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Item Number	Description	Quantity	New (N) or Replacement (R)	Purchase Amount	Funding Source	
1	Large area mower	1	N	\$ 99,000	Capital Equipment Fund	86,427
2	Wood & brush chipper	1	R	35,000	Capital Equipment Fund	
3	Trailer for large area mower	1	R	8,000	Capital Equipment Fund	
Parks and Recreation Total				\$ 142,000		\$ 86,427

Police Division					
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Item Number	Description	Quantity	New (N) or Replacement (R)	Amount	Funding Source	
1	Marked police cruisers with equipment	3	R	\$ 132,900	Capital Equipment Fund	
2	Forensic computer	1	R	7,000	Technology Fund	6,881
3	Marked police cruiser with equipment	1	R	44,300	Law Enforcement Fund	
Police Total				\$ 184,200		\$ 6,881

Public Service Administration					
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Item Number	Description	Quantity	New (N) or Replacement (R)	Amount	Funding Source	
1	Radar feedback sign(s)	3	N	\$ 15,000	Capital Equipment Fund	
2	Rectangular rapid flashing beacon (RRFB) crossing (Not complete)	1	N	17,000	Capital Equipment Fund	9,170
3	Replacement of one-ton dump truck #2405	1	R	48,000	Capital Equipment Fund	
4	Electric Vehicle Charging Ports	6	N	100,000	Capital Equipment Fund	
Public Service Administration Total				\$ 180,000		\$ 9,170

Public Works					
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Item Number	Description	Quantity	New (N) or Replacement (R)	Amount	Funding Source	
1	Single-axle dump truck with snow plow & spreader (Not complete)	1	R	\$ 160,000	Capital Equipment Fund	80,107
2	Equipment trailer	1	R	27,000	Capital Equipment Fund	
3	Leaf collection machine(s)	2	R	110,000	Capital Equipment Fund	
4	Cleaning system for sewer cleaning trucks	2	N	17,000	Capital Equipment Fund	16,190
5	Tire changer in Fleet Department	1	R	17,000	Capital Equipment Fund	
6	Pick up truck with snow plow (Not complete)	1	R	35,000	Capital Equipment Fund	9,523
Public Works Total				\$ 366,000		\$ 105,820

**NOTIFICATION OF CHANGE ORDERS
NON-CONSTRUCTION, CITY MANAGER APPROVAL
1ST QUARTER, 2019**

<u>DATE</u>	<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
2/19/2019	Chloride Solutions	Additional Geomelt 55	16.50
3/1/2019	POD Designs	Mallway Park/Veteran's Plaza (misc. items)	5,000.00

**ITEMS PURCHASED BETWEEN \$15,000 & \$40,000
1 QUARTER 2019**

<u>DATE</u>	<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
1/31/2019	St Agatha's Church	Parking Lot Agreement	25,000.00
1/31/2019	Mid-Ohio Regional Planning	2019 Dues	20,088.58
2/6/2019	Jcorr Mechanical	Ice machine & toilet repairs	16,879.63
2/6/2019	Healthcall LLC	EMS for Community Paramedicine	18,760.00
2/13/2019	Mid-Ohio Dev Exchange	2019 Dues	15,289.00
2/13/2019	Syntero, Inc.	2019 Support for older adult programming	30,000.00
2/25/2019	Baldwin & Sours	Monitors & controllers (carry-over from 2018)	16,606.00
3/1/2019	Columbus City Treasurer	Water & sewer fees	15,292.07
3/8/2019	X-Tek Partners	Veeam Suite Enterprise Plus and Umbrella Cloud Security	16,090.00
3/15/2019	Zoll Medical	Support 4-1-19 to 3-31-20	18,577.00

**QUALITY BASED SELECTION CONSULTANTS - 1ST QUARTER 2019
(OVER \$40,000 & Followed the QBS Process)**

<u>DATE</u>	<u>PROJECT NAME</u>	<u>CONSULTANT</u>	<u>AMOUNT</u>
2/28/2019	2020 Sustainable Sewer Solution - Design	Burgess & Niple	74,900.00

LOCAL GOVERNMENT PROPERTY TAX LEVY AND COLLECTION OVERVIEW

Presented by:
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I. INTRODUCTION

This outline is intended for educational purposes, and should not be construed as legal advice. Because the nuances of statutes and the particulars of certain local government types dictate the exact language required for a levy alternative, each should consult with counsel to select the alternative appropriate for its particular needs.

A. Constitutional Principles. Two principles from the Ohio Constitution are key in the property tax area:

1. Uniformity of Taxation. This principle is found in Ohio Constitution Article XII, Section 2. This principle is particularly important for townships which may have township-wide property tax levies, e.g. fire, as well as levies confined to a particular, typically unincorporated subset, e.g. police districts. Regardless of the taxing district in question, the tax rate is to be uniform across such taxing district.
2. Levies in Excess of the Ten Mill Limitation. Ohio Constitution Article XII, Section 2 also provides that up to ten mills of property tax may be levied on Ohio property on an unvoted basis. This millage, commonly referred to as "inside millage," is divided among the overlapping political subdivisions pursuant to a statutory formula in R.C. 5705.31(D). In most areas of Ohio, the full ten mills is levied annually.

Millage in excess of a local government's share of the ten mills must be voted, unless the local government is a municipality exercising its home rule authority.

B. Municipal Home Rule. Ohio municipalities have constitutional "home rule" power under Ohio Constitution XIII, Section 3. This may be exercised via specific legislation (police powers or substantive powers of local self-government) or comprehensively via a charter. Home rule powers include the power of local self-government, the exercise of certain police powers and the ownership and operation of public utilities under Ohio Constitution Article XVIII, Section 7.

1. Charter Millage. Property tax millage may be authorized in a municipal charter or amendment thereto as millage in excess of the ten-mill limitation under R.C. 5705.18. Such millage is approved as part of the charter or charter amendment approval.
2. Advisory Elections. Advisory elections are only available to municipalities, as a substantive power of local self-government, e.g. "Would you support a property tax or an income tax?" State, ex rel. City of Bedford v. Cuyahoga Cty. Bd. of Elections, 62 Ohio State 3d 17 (1991).

C. Township Home Rule. Townships have statutory "limited home rule" under R.C. Chapter 504.

II. R.C. 5705.19 – TRADITIONAL PROPERTY TAX LEVY

R.C. 5705.19 permits local governments to submit to the voters a property tax levy that specifies a rate of millage. That rate and renewals or replacements thereof are subject to the reduction factor of R.C. 319.301 (H.B. 920); after approval, local governments will only benefit from new construction, not from the inflationary growth of their tax base over the life of the levy.

A. Purpose. The levy may serve any of the following purposes:

1. current expenses;
2. a public library of or supported by the local government;
3. for a municipal university, not to exceed two mills over the limitation of one mill prescribed in R.C. 3349.13;
4. a specific permanent improvement¹ or class of permanent improvements that the local government may include in a single bond issue;
5. for the general construction, reconstruction, resurfacing, and repair of streets, roads, and bridges in municipal corporations, counties, or townships²;
6. parks and recreational purposes³;
7. for the purpose of providing and maintaining fire apparatus, appliances, buildings, or sites therefor, or sources of water supply and materials therefor, or the establishment and maintenance of lines of fire alarm telegraph, or the payment of firefighting companies or permanent, part-time, or volunteer firefighting, emergency medical service, administrative, or communications personnel to operate the same, including the payment of any employer contributions required for such personnel under R.C. 145.48 or R.C. 742.34 or the purchase of ambulance equipment, or the provision of ambulance, paramedic, or other emergency medical services operated by a fire department or firefighting company⁴;
8. for the purpose of providing and maintaining motor vehicles, communications, other equipment, buildings, and sites for such buildings used directly in the operation of a police department, or the payment of salaries of permanent or part-time police, communications, or administrative personnel to operate the same, including the payment of any employer contributions required for such personnel under R.C. 145.48 or R.C. 742.33, or the payment of the costs incurred by townships as a result of contracts made with other political subdivisions in order to obtain police protection, or the provision of ambulance or emergency medical services operated by a police department⁴;

¹ R.C. 5705.01 defines "permanent improvement" as any capital asset with a useful life, as determined by the fiscal officer, of five years or more.

² Streets, roads and bridges may be combined with sidewalks, trails and bicycle paths.

³ Parks and recreational purposes may be combined with greenspace.

⁴ A township may place any or all of the purposes in this division on the ballot.

⁴ A township may place any or all of the purposes in this division on the ballot.



9. for maintaining and operating a county home or detention facility;
10. for a subdivision's share of maintaining and operating detention facilities;
11. for providing for flood defense, providing and maintaining a flood wall or pumps, and other purposes to prevent floods;
12. for maintaining and operating sewage disposal plants and facilities;
13. for a county transit system;
14. for the prevention, control, and abatement of air pollution;
15. for maintaining and operating cemeteries;
16. for providing ambulance service, emergency medical service, or both;
17. for providing for the collection and disposal of garbage or refuse, including yard waste;
18. for providing or maintaining senior citizens services or facilities as authorized by R.C. 307.694, 307.85, 505.70, or R.C. 505.706 or division (EE) of R.C. 717.01;
19. for the maintenance and operation of a free public museum of art, science, or history;
20. for the establishment and operation of a 9-1-1 system, as defined in R.C. 128.01;
21. for the purpose of acquiring, rehabilitating, or developing rail property or rail service. As used in this division, "rail property" and "rail service" have the same meanings as in R.C. 4981.01. This division applies only to a county, township, or municipal corporation;
22. for the purpose of acquiring property for, constructing, operating, and maintaining community centers as provided for in R.C. 755.16;
23. for creation and operation of an economic development office, single or joint;
24. for the purpose of acquiring, establishing, constructing, improving, equipping, maintaining, or operating, or any combination of the foregoing, a township airport, landing field, or other air navigation facility pursuant to R.C. 505.15;
25. for the purpose of costs incurred by a township as a result of a contract made with a county pursuant to R.C. 505.263 in order to pay all or any part of the cost of constructing, maintaining, repairing, or operating a water supply improvement;
26. for a board of township trustees to acquire, other than by appropriation, an ownership interest in land, water, or wetlands, or to restore or maintain land, water, or wetlands in which the board has an ownership interest, not for purposes of recreation, but for the purposes of protecting and preserving the natural, scenic, open, or wooded condition of the land, water, or wetlands against modification or

encroachment resulting from occupation, development, or other use, which may be styled as protecting or preserving “greenspace” in the resolution, notice of election, or ballot form. Except as otherwise provided in this division, land is not acquired for purposes of recreation, even if the land is used for recreational purposes, so long as no building, structure, or fixture used for recreational purposes is permanently attached or affixed to the land. Except as otherwise provided in this division, land that previously has been acquired in a township for these greenspace purposes may subsequently be used for recreational purposes if the board of township trustees adopts a resolution approving that use and no building, structure, or fixture used for recreational purposes is permanently attached or affixed to the land. The authorization to use greenspace land for recreational use does not apply to land located in a township that had a population, at the time it passed its first greenspace levy, of more than thirty-eight thousand within a county that had a population, at that time, of at least eight hundred sixty thousand⁵.

27. for a county’s countywide public safety communications system;⁶
28. county support of criminal justice services;
29. maintaining and operating a jail or other detention facility;
30. county agricultural fair facilities and expenses
31. for constructing, rehabilitating, repairing, or maintaining sidewalks, walkways, trails, bicycle pathways, or similar improvements, or acquiring ownership interests in land necessary for the foregoing improvements⁷;
32. for a municipal corporation, county or township to acquire agricultural easements, as defined in R.C. 5301.67, and to supervise and enforce the easements;
33. county land reutilization corporations;
34. county support of Ohio State University extension;
35. municipal transit systems;
36. any combination by a county of support for agricultural fairs, soil and water conservation district improvements and expenses and Ohio State University extension.

B. Term. Levies for the following purposes may be for a continuing period of time:

⁵ Greenspace may be combined with parks and recreational purposes.

⁶ A county may combine 9-1-1 with a countywide public safety communication system. Additionally, HB 277 passed in May, 2016 would allow properties already served to be excluded, that otherwise would pay twice for the same service.

⁷ Sidewalks, trails and bicycle paths may be combined with streets, roads and bridges.

1. detention facilities;
2. fire and/or emergency medical;
3. police and/or emergency medical;
4. ambulance and/or emergency medical;
5. countywide public safety communications systems.

Levies for the following purposes may be for any specified number of years or a continuing period of time:

1. public library;
2. streets, roads and bridges;
3. parks and recreational purposes;
4. cemeteries;
5. rail property or rail service;
6. streets, roads, bridges, sidewalks, trails and bicycle pathways.

All other levies may be any number of years not exceeding five, except a county sewer levy may be in effect for a maximum of twenty years.

C. Election proceedings. The procedural steps to place a levy under R.C. 5705.19 on the ballot are as follows:

1. Resolution of necessity - The legislative authority declares the necessity of the levy for the specific purpose; specifies whether additional, renewal or replacement; specifies Revised Code section authorizing submission; specifies mills and amount per hundred dollars of valuation; and specifies election date. Two-thirds vote of all members of the legislative authority required.
2. County Auditor's certification - Under R.C. 5705.03, the County Auditor determines the total current tax valuation and the dollar amount of revenue the levy will generate in the first year of collection.

Resolution to proceed - The legislative authority determines to proceed with the levy; reiterates foregoing information; provides ballot form, including specific language if imposed in the current tax year, e.g. "commencing in _____, first due in calendar year _____." Two-thirds vote of all members of the legislative authority required.



All of the foregoing documents must be certified to the Board of Elections not less than ninety (90) days prior to the date of the election.⁸

- D. Anticipatory Notes. R.C. 5705.191 provides for the issue and sale of tax anticipation notes following voter approval of the new levy. For current expense purposes, the maximum amount available to be borrowed is fifty percent of the estimated proceeds of the levy throughout the term of the levy⁹. For a continuing levy, the maximum amount available to be borrowed is fifty percent of the levy's proceeds over a maximum of ten years, less any amount previously anticipated. For a levy for a fixed period not for current expenses, the maximum amount available to be borrowed is fifty percent of the levy's proceeds throughout the remaining life of the levy, less any amount previously anticipated.
- E. Renewals. An existing levy under R.C. 5705.19 may be renewed in whole or in part, or coupled with an increase, at the general election prior to the last year of collection or at any election in the last year of collection.¹⁰ A time-limited levy may be renewed for a different term if the original purpose qualified for such term. A renewal levy reimposes the effective rate of the existing levy.
- F. Replacements. Under R.C. 5705.192, an existing levy may be replaced in whole or in part, or coupled with an increase, at the general election prior to the last year of collection or at any election in the last year of collection.¹¹ A time-limited levy may be replaced for a different term if the original purpose qualified for such term. Replacement of a continuing levy may be at any election in any year after the year the levy is first approved, but only one such election can be held during any calendar year. Failure of replacement of a continuing levy does not terminate the existing continuing levy. A replacement levy reimposes the voted rate of the existing levy, subject to the reduction factor of R.C. 319.301 in the first year just as a new levy would be.
- G. Rollback. Under R.C. 319.302, the state reimburses School Districts and other political subdivisions for real property taxes for "qualifying levies" as follows: (1) Non-Business Credit – 10% reduction in tax for residential and agricultural property; and (2) Owner Occupancy Credit – an additional 2½% reduction in tax for owner occupied residential property. After September 29, 2013, the following levies are not "qualifying levies" within the meaning of R.C. 319.302: (1) new levies; (2) replacement levies; and (3) the increase portion of a renewal levy combined with an increase.

III. R.C. 5705.191 – SUPPLEMENTAL PROPERTY TAX LEVY

R.C. 5705.191 also permits local governments to submit to the voters a property tax levy that specifies a rate of millage. Such levies are also subject to the reduction factor (H.B. 920).

⁸ R.C. 3501.01 provides that election dates generally are the first Tuesday after the first Monday in May (Primary), August (Special) and November (General). In presidential election years, the May election is moved to the second Tuesday in March. Prepayment for 65% of the cost of a special election is required. Note that the May election could be a special election if there are no contested candidate races.

⁹ Such borrowing must be done prior to the time when the first tax collection from the levy can be made.

¹⁰ This limitation does not apply to a levy under R.C. 5705.191.

¹¹ This limitation does not apply to a levy under R.C. 5705.191.



- A. Purpose. The levy may serve any of the following purposes:
 - 1. any of the purposes permitted under R.C. 5705.19;
 - 2. supplementing the general fund for appropriations for one or more of the following: public assistance; human or social services; relief; welfare; hospitalization; health; and support of general hospitals.
- B. Term: A levy to supplement the general fund may not be for a period longer than ten years. All other levies may not be for longer than five years, unless a longer period is permitted under R.C. 5705.19.
- C. Election proceedings. The procedural steps are similar to those for a levy under R.C. 5705.19, except only one special election for the submission of such question may be held in a calendar year and a special election may be held on the same day a primary is held.
- D. Anticipatory Notes. Similar to R.C. 5705.19.
- E. Renewals. Similar to R.C. 5705.19.
- F. Replacements. Similar to R.C. 5705.19.

IV. R.C. 319.302 - "QUALIFYING LEVIES" FOR ROLLBACK REIMBURSEMENT

- A. Rollback Defined. The state reimburses political subdivisions for real property taxes as follows:
 - 1. Non-Business Credit – 10% reduction in tax for residential and agricultural property.
 - 2. Owner Occupancy Credit – an additional 2 ½% reduction in tax for owner occupied residential property.
- B. "Qualifying Levies." The following levies will *not* qualify for rollback reimbursement after *September 29, 2013*:
 - 1. New levies approved by the voters.
 - 2. Replacement levies.
 - 3. The increase portion of a renewal levy combined with an increase.

V. R.C. 321.34 – ADVANCES

A local government may request advance payment of taxes collected and held by the county treasurer pending final settlement. Such requests must be made by resolution certified to the county auditor.

VI. R.C. CHAPTER 323 – COLLECTIONS AND DELIQUENCIES

- A. Payment of Taxes. R.C. 323.12 provides that property taxes are to be paid either in full on or before December 31 or one-half of the current taxes (together with all delinquent taxes)



by December 31 and the remaining half on or before June 20. The state tax commissioner may delay these dates.

- B. Delinquency Procedures. Property tax delinquency procedures under Ohio law vary in implementation amount Ohio counties. Generally, if real estate taxes and special assessments are not paid in the year in which they are due, they are to be certified by the county auditor's office as delinquent to the county treasurer and county prosecutor. If the property owner so requests, a payment plan is arranged with the county treasurer. If such a payment plan is not adhered to or none is arranged, foreclosure proceedings may be initiated by the county. Proceeds from foreclosure sales of delinquent property become part of the current collection and are distributed as current collections.

VII. R.C. 5705.261 - REPEALS

The ability of local government electors to propose change by petition is extremely limited, particularly when viewed in comparison to the myriad of taxpayer-driven municipal proposals permitted by statute or charter. The Ohio Revised Code uses varying terminology in its discussion of taxpayer action by petition, including "initiative," "referendum" and the descriptive word "repeal." See, e.g., R.C. 5748.04. However, for clarity and ease of discussion, voter actions to reduce tax levies by petition are classified here as reductions.

- A. Reduction in Property Tax Levy. R.C. 5705.19 and 5705.261 set forth the procedure for initiating a decrease of a property tax levy that was approved for *a continuing period* the following purposes: streets, roads and bridges; fire and/or emergency medical; police and/or emergency medical; and ambulance and/or emergency medical.
1. The petition must propose the question of decreasing (not eliminating) the increased rate of a property tax levy.
 - a) The Ohio Supreme Court held in State ex rel. Choices for South-Western City Schools v. Anthony, 108 Ohio St. 3d 1 (2005), that *a referendum under R.C. 5705.261 cannot completely eliminate a continuing property tax levy*. As the dissent noted, the Court's logic presumably means that voters could petition for a reduction to .000001 mills as long as the levy was not completely eliminated.
 - b) The Ohio Supreme Court held in State ex rel. Taxpayers for Westerville Schools v. Franklin Cty. Bd. Of Elections, 133 Ohio St. 3d 153 (2012), that a replacement levy at the same original rate was not an "increased rate of levy" for purposes of R.C. 5705.261. Rate of levy refers to the *rate of millage approved* by taxpayers, not the *effective rate*.
 2. The petition must state the amount of the proposed decrease in the property tax levy.

3. The petition must be signed by "qualified electors"¹² equal in number to at least ten percent of the votes cast in the local government for the governor at the most recent election for the governor's office.¹³
 - a) If a county board of elections miscalculates the number of signatures required to meet the ten percent requirement and thus refuses to place the petition on the ballot, the petition may still be placed on the ballot of a later election, even if the election at which the petition was originally to be voted on has already occurred. State ex rel. Citizens for Responsible Taxation v. Scioto County Board of Elections, 67 Ohio St. 3d 134 (1993). To preserve this option, however, supporters of the petition must file a writ of mandamus prior to the earlier election, and the board of elections must stipulate to its error. State ex rel. Residents' Initiative Voting Alliance v. Cuyahoga County Board of Elections, 108 Ohio St. 3d 125 (2005).
4. The petition must then be filed with the county board of elections at least ninety (90) days¹⁴ before the *general election*.¹⁵ If it determines that the petition is valid and proper in all respects, the board of elections must place the issue on the ballot at the next general election.
5. R.C. 5705.261 requires the Ohio Secretary of State to prescribe the form of the ballot for a reduction of a property tax levy. In practice, this means that the county board of elections submits a proposed form of the ballot to the Secretary of State, and the form of the ballot is then approved or denied.¹⁶
6. If the reduction in a property tax levy is approved, the county auditor must begin collecting the levy at the reduced rate *after the current tax year*.
 - a) This means that a reduction in a property tax levy will not go into effect until a year after the election where it was reduced. For example, if a property tax levy is passed in November 2006, it may go on the property tax bills for the current tax year (sent out in December 2006) if provided for in the ballot language. However, if the same levy is reduced at the following general election in November 2007, the reduction will not be reflected on tax bills until December 2008. See 1986 Ohio Op. Atty Gen. No. 21 (1986).
 - b) Exception If notes have been issued in anticipation of the collection of a property tax levy that is subsequently reduced by referendum, the county auditor must continue to levy and collect (under authority of the election authorizing the original levy) such amounts as will be sufficient to pay the

¹² Defined in R.C. 3501.01(N) as those persons entitled to vote under Ohio law.

¹³ R.C. 3501.38 and 3501.39 contain the procedural requirements for a proper petition as well as the method for challenging a petition before a county board of elections.

¹⁴ The petition must be filed by 4:00 p.m. ninety (90) days before the day of the general election. R.C. 3501.02(F).

¹⁵ A "general election" is the election held on the first Tuesday after the first Monday of each November. R.C. 3501.01(A).

¹⁶ The Secretary of State's practice of approving ballot language, as opposed to prescribing ballot language, was permitted in Youngstown Board of Township Trustees v. Mahoning County Board of Elections, 1989 Ohio App. LEXIS 4950, 22 (7th Dist. 1989). While not explicitly condoning the practice, the court refused to reject a petition on these grounds.



principal of and interest on such anticipation notes as they come due. The remainder of the property tax levy is reduced.

7. *Only one such petition to reduce a property tax levy may be filed during each five-year period following the election at which the levy was approved.*

a) Because of this restriction, some political subdivisions have initiated levy reductions as a defensive measure. For example, a township might circulate a petition to reduce a property tax levy by .000001 mills. If the township can successfully place the issue on the ballot, it will prevent voters from asking for a larger reduction during that same five-year period, even if the reduction fails to win voter approval.

8. The Revised Code provides no exception for the reduction of a levy with proceeds intended for non-operating purposes.

B. Five-year limitation. Under R.C. 5705.261, only one such petition under each section may be filed with the county board of elections during a five-year period. There is currently no clear guidance in Ohio law on whether this five-year limitation is triggered simply by filing a petition (even if the board of elections rules it to be invalid and refuses to place the petition on the ballot) or if it means that a petition must be valid to be considered "filed." Each individual county board of elections must decide what to do when faced with this dilemma, and the Ohio Secretary of State's advice to boards of elections is that they should consult with their county prosecutor and follow his or her advice. It is therefore possible that a county board of elections would refuse to place a valid petition on the ballot because a defective petition had already been filed in the five-year period.¹⁷

¹⁷ Note that the county board of elections can only accept petitions that are facially valid. Therefore, a petition that was clearly short of the required number of signatures or that possessed another facially obvious defect could not even be filed with a board of elections. Such a facially invalid petition would not serve to trigger the five-year limitation.