

CITY OF TWINSBURG, OHIO

ORDINANCE 74-2015

AN ORDINANCE ADOPTING THE TAX BUDGET OF THE CITY OF TWINSBURG, OHIO, FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2016, AND SUBMITTING THE SAME TO THE COUNTY AUDITOR

WHEREAS, the City of Twinsburg is required under Ohio Revised Code (ORC) 5705.28 to prepare and submit a Tax Budget for fiscal year 2016 to the Summit County Auditor on or before July 15, 2015; and

WHEREAS, a tentative tax budget for the City of Twinsburg for the fiscal year 2015 has been presented to Council as required by law.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Twinsburg, County of Summit and State of Ohio:

SECTION I: The Tax Budget of the City of Twinsburg, Ohio for the fiscal year beginning January 1, 2016, is hereby adopted, a copy of which attached as Exhibit A and is incorporated into this Ordinance as if fully rewritten herein.

SECTION II: The Clerk of Council is hereby authorized and directed to submit a certified copy of this Ordinance to the Auditor of Summit County, Ohio in accordance with State law.

SECTION III: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this ordinance were taken in an open meeting or meetings of this Council and any of its committees that resulted in such formal action, were in meetings open to the public and in full compliance with al legal requirements, including without limitation, those set forth in Section 121.22 of the Ohio Revised Code.

SECTION IV: That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

PASSED: _____

APPROVED: _____

EFFECTIVE: _____

Bill Furey, President of Council

Submitted to the Mayor for approval this
_____ day of _____, 2015

Approved by the Mayor _____, 2015

Katherine A. Procop, Mayor

ATTEST:

Shannon Collins
Clerk of Council

1st Rdg. _____
2nd Rdg. _____
3rd Rdg. _____

Passed: _____

Yes _____ No _____

CERTIFICATE OF POSTING

I, Shannon Collins, Clerk of Council, of the City of Twinsburg, State of Ohio, do hereby certify that publication of the foregoing ordinances, resolutions was duly made by posting true copies thereof at five of the most public places in said City as determined by Section 113.02 of the Codified Ordinances of the City of Twinsburg; each for a period of fifteen days commencing on the _____ day of _____, 2015

Shannon Collins
Clerk of Council
City of Twinsburg

CITY OF TWINSBURG

Memo

DATE: June 4, 2015
TO: Mayor Procop
CC: David Maistros, Law Director
Shannon Collins
FROM: Karen Howse
Finance Director
RE: Requested Legislation

1. Nature of legislation:

2016 Tax Budget

2. Why is it being proposed? :

As required by the Ohio Revised Code Section 5705.281-- a Political Subdivision must adopt a Tax Budget or an **Alternative Tax Budget** annually in order for Summit County to set tax rates only for those funds that have a property tax as a source of revenue. In the case of Twinsburg, the following three Fund Accounts rely on property tax revenue: Police Pension, Fire Pension and Park Land Acquisitions. The tax budget also sets the rate for debt obligation. Finally, it allows municipalities to participate in the distribution of the Local Government Funds, which is a form of State Revenue Sharing.

3. Reason for emergency clause:

✓ 11

WX

DATE: June 4, 2015

Department Head Signature

Frequently Asked Questions
From the Desk of Karen A. Howse, Finance Director

THE PURPOSE OF A TAX BUDGET IN THE STATE OF OHIO

QUESTION:

What purpose does an Annual Tax Budget serve for a municipality?

ANSWER:

The Annual Tax Budget serves the municipality in three ways:

- 1.) The annual tax budget prepared by a municipality allows the Auditor of the County to set property tax rates. This action affects only those funds that have property tax as a source of revenue (*i.e. General Fund, Police Pension etc.*). Those funds that do not rely on property taxes as a source of revenue are still reported on the tax budget as a means to simply apprise Council that the fund(s) exist. The tax budget also sets the rate that will be used for payment of any debt obligation.
- 2.) It allows the municipality to participate in the distribution of the Local Government Funds, which is a form of State Revenue sharing.
- 3.) It produces a “Certificate of Estimated Resources (C.O.E.R)” which documents controls the appropriations of the Council. The C.O.E.R can be amended throughout the year.

The Annual Tax Budget does not do the following:

- 1.) It does not appropriate anything for the current or coming year.
- 2.) It does not commit the municipality to any of the figures in the budget with the exception of revenues generated from property taxes and the amounts of money used to pay down debt obligation.
- 3.) It makes no assumptions to next years capital improvement budget.

QUESTION:

Why are the Auditors interested in the tax budget?

ANSWER:

- 1.) The annual tax budget provides the Auditors with information applicable to property taxes and debt obligation of a community.
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ALTERNATIVE TAX BUDGET INFORMATION

2016

Political Subdivision/Taxing Unit



For the Fiscal Year Commencing

;

Fiscal Officer Signature

Karen Howse, Finance Director

Date June 4th, 2015

COUNTY OF SUMMIT

Background

Substitute House Bill No. 129 (HB129) effective June 3, 2002, was enacted by the 124th General Assembly in part to allow a county budget commission to waive the requirement that a taxing authority adopt a tax budget for a political subdivision or other taxing unit, pursuant to Ohio Revised Code (ORC) Section 5705.281.

Under the law in effect prior to June 3, 2002, the budget commission could only waive the tax budget for a subdivision or other taxing unit that was receiving a share of the county undivided local government fund or the county undivided local government revenue assistance fund under an alternative method or formula pursuant to ORC Sections 5747.53 and 5747.63. Thus, tax budgets could be waived only for counties, municipalities, townships, and park districts. This restriction is now removed.

Ohio Revised Code Section 5705.281

Under the amended version of this section pursuant to HB 129, a county budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote by the county auditor, may waive the tax budget for any subdivision or other taxing unit. However, the commission may require the taxing authority to provide any information needed by the commission to perform its duties, including the division of the tax rates as provided under ORC Section

County Budget Commission Duties

The county budget commission must still certify tax rates to each subdivision or other taxing unit, by March 1 for school districts and by September 1 for all other taxing authorities under ORC Section 5705.35, even when a tax budget is waived. Also, the commission is still required to issue an official certificate of estimated resources under ORC Section 5705.35 and amended official certificates of estimated resources under ORC Section 5705.36.

Therefore, when a budget commission is setting tax rates based on a taxing unit's need, for purposes of ORC Sections 5705.32, 5705.34, and 5705.341, its determination must be based on that other information the commission asked the taxing authority to provide under ORC Section 5705.281, when the tax budget was waived. Also, an official certificate must be based on that other information the commission asked the taxing authority to provide.

County Budget Commission Action

At a May 7, 2002 Summit County Budget Commission meeting, the commission with an affirmative vote of all members waived the requirement for taxing authorities of subdivisions or other taxing units (Including Schools) to adopt a tax budget as provided under ORC Section 5705.281, but shall require the filing of this Alternative Tax Budget Information document on an annual basis.

Alternative Tax Budget Information Filing Deadline

For all political subdivisions excluding school districts, the fiscal officer must file one copy of this document with the County Fiscal Officer on or before July 20th. For school districts the fiscal officer must file one copy of this document with the County Fiscal Officer on or before January 20th.

GUIDELINES FOR COMPLETING THE ALTERNATIVE TAX BUDGET INFORMATION

SCHEDULE 1

The general purpose of schedule 1 is to meet the requirement of Ohio Revised Code (ORC) Section 5705.04 which requires the taxing authority of each subdivision to divide the taxes levied into separate levies. For help use the schedule B issued by the budget commission for the current year and add any new levies. This will help to ensure that no levies are missed.

In column 1 list only those individual funds which are requesting general property tax revenue. In column 2 purpose refers to the following terms, inside, current expenses, and special levy for example. In column 4 levy type refers to renewal, additional, and replacement for example. In column 9 identify the amount of general property tax you wish to request.

SCHEDULE 2

The general purpose of schedule 2 is to demonstrate the need to produce property tax revenues to cover the estimated expenditures for the budget year. ORC Section 5705.341 states in part;

"Nothing in this section or any section of the ORC shall permit or require the levying of any rate of taxation, whether within the 10 mill limitation or whether the levy has been approved by the electors, the political subdivision or the charter of a municipal corporation in excess of such 10 mill limitation, unless such rate of taxation for the ensuing fiscal year is clearly required by a budget properly and lawfully, adopted under this chapter or by other information required per ORC 5705.281."

Property tax revenue includes real estate taxes, personal property taxes, homestead and rollback.

SCHEDULE 3

The general purpose of schedule 3 is to produce an Official Certificate of Estimated Resources for all funds. In column 3, total estimated receipts should include all revenues plus transfers in excluding property taxes and local government revenue. All taxing authorities, except school districts, must submit a list of all tax transfers.

SCHEDULE 4

The general purpose of schedule 4 is to provide inside/charter millage for debt service. The basic security for payment of general obligation debt is the requirement of the levy of ad valorem property taxes within the 10 mill limitation imposed by Ohio law. Ohio law requires a levy and collection of ad valorem property tax to pay debt service on general obligation debt as it becomes due, unless that debt service is paid from other sources.

SCHEDULE 5

The general purpose of schedule 5 is to provide for the proper amount of millage to cover debt service requirements on voted bond issues. Major capital improvement projects are sometimes financed through the use of voted bonds. The taxing authority seeks voter approval of general obligation bonds and of the levy of property taxes outside the indirect debt limitation in whatever amount is necessary to pay debt service on those bonds.

In column 6 you must take into consideration any carry over plus or minus cash balance estimated for the current year. This can happen because there are no sure things concerning tax payments and the valuation of personal property taxpayers.

SCHEDULE 6

The general purpose of schedule 6 is to properly account for tax anticipation notes. See schedule 6 for more details.

*** Please reproduce all pages as necessary.**

City of

Fund T	Police Pension	Police pension exp	C		permanent		.30 mils	\$170,100.00
	Fireman's Fund	Fire pension exp	C		permanent		.30 mils	\$170,100.00
	*Park Fund	Debt Service	O	11/2/1999	8	99/21	1.68 mils	\$870,000.00
	Totals							\$1,210,200.00

* Figure in ludes debt plus estimated county administration fees.

STATEMENT OF FUND ACTIVITY

Always complete for General Fund. Also complete for any fund that will receive property tax.

Fund: General Fund

SCHEDULE 2

	I	II	III	IV	V
Revenues over/(under) Expenditures		4,975,214	(1,598,158)	(4,918,480)	(1,370,000)
Beginning Cash Fund Balance		21,851,874	26,827,088	25,228,930	20,310,450
Ending Cash Fund Balance		26,827,088	25,228,930	20,310,450	18,940,450
Encumbrances (at year end)		430,505	480,550	500,000	500,000
Ending Unencumbered Fund Balance		26,396,583	24,748,380	19,810,450	18,440,450

Fund: Goudreau Park

	I	II	III	IV	V
					2016
					10
					10
					13
					17
					10
					17
					17

STATEMENT OF FUND ACTIVITY

Always complete for General Fund. Also complete for any fund that will receive property tax.

Fund: Fire Pension

SCHEDULE 2

I	II	III	IV	V
Description	FOR 2013 ACTUAL	FOR 2014 ACTUAL	2015 CURRENT YEAR ESTIMATE	2016 BUDGET YEAR ESTIMATE
Revenues				
Property Taxes	177,466	179,757	170,029	170,100
Personal Property Tax Reimbursements				
Local Government, LGRA from County				
LLGSF (Library Local Government)				
Income Tax				
Transfers-in	521,859	579,890	590,440	650,000
Other Revenue	2,677	4,133	3,046	0
Total Revenues	702,002	763,780	763,515	820,100
Total Expenditures	708,786	601,381	733,400	800,000
Revenues over/(under) Expenditures	(6,783)	162,399	30,115	20,100
Beginning Cash Fund Balance	21,645	14,861	177,260	207,375
Ending Cash Fund Balance	14,861	177,260	207,375	227,475
Encumbrances (at year end)				
Ending Unencumbered Fund Balance	14,861	177,260	207,375	227,475

Fund: Police Pension

I	II	III	IV	V
Description	FOR 2013 ACTUAL	FOR 2014 ACTUAL	2015 CURRENT YEAR ESTIMATE	2016 BUDGET YEAR ESTIMATE
Revenues				
Property Taxes	177,466	179,757	170,029	170,100
Personal Property Tax Reimbursements				
Local Government, LGRA from County				
LLGSF (Library Local Government)				
Income Tax				
Transfers-in	443,288	580,000	590,440	650,000
Other Revenue	2,677	1,685	3,046	0
Total Revenues	623,431	761,442	763,515	820,100
Total Expenditures	637,553	512,812	705,400	800,000
Revenues over/(under) Expenditures	(14,122)	248,630	58,115	20,100
Beginning Cash Fund Balance	39,934	25,812	274,442	332,557
Ending Cash Fund Balance	25,812	274,442	332,557	352,657
Encumbrances (at year end)				
Ending Unencumbered Fund Balance	25,812	274,442	332,557	352,657

STATEMENT OF FUND ACTIVITY

List All Funds Individually Unless Reported On Schedule 2.

SCHEDULE 3

Fund Name (Show funds of same type grouped together)	Beginning Estimated Unencumbered 2016 Fund Balance	Estimated Transfers-In	Estimated Other Revenues	Total Resources Available for Expenditures	Total Budget Year Expenditures & Encumbrances	Estimated Ending Unencumbered Balance
Parks & Recreation	167,090		31,000	198,090	30,000	168,090
Liberty Park	172,400		10,000	182,400	30,000	152,400
SCMR	0	5,500,000	852,000	6,352,000	3,000,000	3,352,000
State Highway Improvement	633,223		50,000	683,223	25,000	658,223
Permissive Tax	0		300,000	300,000	200,000	100,000
Municipal Motor Vehicle	159,563		142,000	301,563	150,000	151,563
Drug Law Enforcement	8,250		500	8,750	4,000	4,750
Law Enforcement	40,580		26,000	66,580	26,000	40,580
Enhanced 911	4,661		0	4,661	4,000	661
OPOTA Grant	54		0	54	0	54
Federal Grants	0		1,000,000	1,000,000	1,000,000	0
State Grants	0		700,000	700,000	700,000	0
Employee Payout Reserve	0	100,000	0	100,000	50,000	50,000
*General Bond Retirement	0	4,726,927	0	4,726,927	1,126,927	3,600,000
Capital Improvement	0	6,000,000	5,000	6,005,000	4,000,000	2,005,000
Glenwood Ohio Rotary(Account Closed)	0		0	0	0	0
WWTP Expansion(Account Closed)	0		0	0	0	0
Sewer Improvement	0		300,000	300,000	200,000	100,000

STATEMENT OF FUND ACTIVITY

List All Funds Individually Unless Reported On Schedule 2.

SCHEDULE 3

Fund Name (Show funds of same type grouped together)	ii Beginning Estimated Unencumbered 2016 Fund Balance	iii Estimated Transfers-In	iv Estimated Other Revenues	v Total Resources Available for Expenditures	vi Total Budget Year Expenditures & Encumbrances	vii Estimated Ending Unencumbered Balance
Special Assessment Bond	106,760	0	25,720	132,480	25,720	106,760
Water Utility	89,204	0	200,000	289,204	100,000	189,204
Sewer Revenue	6,000	0	3,000,000	3,006,000	2,950,000	56,000
Tap and Use Fees(Closed In 2014)	0	0	0	0	0	0
Gleneagles Golf Course	78,985	400,000	860,000	1,338,985	1,060,000	278,985
Fitness Center	163,358	400,000	1,300,000	1,863,358	1,500,000	363,358
Reserve	576,854	0	40,000	616,854	30,000	586,854
Development Escrow (Closed In 2014)	0	0	0	0	0	0
Unclaimed Funds	800	0	0	800	50	750
Community Theater	98,480	0	0	98,480	28,000	70,480

UNVOTED GENERAL OBLIGATION DEBT

(Include General Obligation Debt To Be Paid From Inside/Charter Millage Only)
 (Do Not Include General Obligation Debt Being Paid By Other Sources)
 (Do Not Include Special Obligation Bonds & Revenue Bonds)

SCHEDULE 4

	I	II	III	IV	V
Sf					
Gr					

General Bond Obligation					
Darrow Road - 95 Acres(Refinanced in 2013)	4/16/2013	2022	1,375,000.00	215,250.00	
Energy Conservation Loan	7/2009	2016	65,550.00	65,550.00	
Various Purpose Refunding Bonds, Series 2011B	12/2011	2021	1,955,000.00	369,375.00	
New Golf Club House(Est.)	2015		3,000,000.00	350,000.00	
Total Other Debt			6,395,550.00	1,000,175.00	
Edgewood	6/2011	2041	298,935.37	11,498.00	
Haverhill and Croyden	7/2011	2041	30,881.04	11,573.00	
Post Road Sanitary	1/2013	2043	821,015.42	29,856.00	
Sunview Drive Improvements	7/2013	2043	589,784.18	21,064.00	
Seren Court & Belmeadow Drive	7/2014	2044	209,000.00	7,333.34	
Cobblestone and Old Pond Land Reconstruction	8/2014	2035	482,366.66	16,632.32	
Darrow Rd Sanitary-Tinkers Lane to Tinkers Creek Imprv	8/2014	2043	79,178.69	2,827.82	
Westwood Dr. Water/Sanitary/Storm Improvement	1/2015	2045	766,015.68	25,966.64	
Total of ODOT Loans			3,277,177.04	126,751.12	
Grand Total of General Obligation Debt			\$9,672,727.04	\$1,126,926.12	

VOTED DEBT OUTSIDE 10 MILL LIMIT

(Bonds Or Notes Must Actually Be Issued In Order To Commence Collection Of Property Taxes For Debt Service)

SCHEDULE 5

	I	II	III	IV	V	VI
Bonds						†
Park Land and Conservation Refunding Bonds, Series 2011A Acquisition(Refinanced)	11/02/99	02/01/11	2021	3,865,000.00	833,012.50	