City Council Meeting Agenda

Monday, October 19, 2015 ~ 7:30 P.M.

Louis J. R. Goorey Worthington Municipal Building
John P. Coleman Council Chamber
   6550 North High Street
   Worthington, Ohio  43085

Bonnie D. Michael, President
Robert F. Chosy, President Pro-Tem
   Rachael Dorothy
   Scott Myers
   David M. Norstrom
   Douglas Smith
   Michael C. Troper

Matthew H. Greeson, City Manager
D. Kay Thress, Clerk of Council

If you have questions regarding this agenda please contact the Clerk of Council at 614-786-7347. This agenda and amendments that may be made to it can be found at www.worthington.org
CALL TO ORDER

Roll Call

Pledge of Allegiance

SPECIAL PRESENTATION

Chief Highley – Life Saving Certificate

VISITOR COMMENTS

CONSENT AGENDA

Notice to the Public: There will be no separate discussion of Consent Agenda items as they are considered to be routine by the City Council and will be adopted by one motion. If a member of the City Council, staff, or public requests discussion on a particular item, that item will be removed from the Consent Agenda and considered separately.

To address City Council regarding an item on Consent Agenda, please submit a fully completed speaker’s slip to the Clerk of Council prior to the beginning of the meeting.

Meeting Minutes to Approve:

1) September 8, 2015 – Regular Meeting
2) September 14, 2015 – Committee of the Whole Meeting
3) September 21, 2015 – Regular Meeting

Legislation to Approve/Adopt

4) Resolution No. 47-2015 Amending the Position Description for Director of Service and Engineering.

Policy Item

5) Liquor Permit Request – Transfer – From Rotolos Pizza Inc to JDK II

End of Consent Agenda
PUBLIC HEARINGS ON LEGISLATION

6) **Ordinance No. 31-2015**

Accepting the Amounts and Rates as Determined by the Budget Commission and Authorizing the Necessary Tax Levies and Certifying Them to the County Auditor and Declaring an Emergency.

Introduced July 20, 2015
P.H. September 8, 2015
Tabled

7) **Ordinance No. 40-2015**

Amending Chapter 922 of the Codified Ordinances of the City Regulating Residential On-Site Sewage Disposal Facilities.

Introduced October 5, 2015
P.H. October 19, 2015

8) **Ordinance No. 41-2015**

Authorizing the Issuance of Not to Exceed $4,440,000 of Bonds for the Purpose of Currently Refunding a Portion of Bonds Issued in 2005 for the Purpose of Advance Refunding a Portion of Bonds Issued in 2001, and Authorizing and Approving Related Matters.

Introduced October 5, 2015
P.H. October 19, 2015

9) **Ordinance No. 42-2015**

Enacting Part Seventeen – Title Two of the Codified Ordinances of the City Regarding Municipal Income Tax.

Introduced October 5, 2015
P.H. October 19, 2015

NEW LEGISLATION TO BE INTRODUCED
REPORTS OF CITY OFFICIALS

Discussion Item(s)

10) Proposed 2016-2020 Capital Improvement Program (CIP)

REPORTS OF COUNCIL MEMBERS

OTHER

EXECUTIVE SESSION

ADJOURNMENT
City Manager Report to City Council for the Meeting of Monday, October 19, 2015

SPECIAL PRESENTATION

On August 13, Stephanie Slaton witnessed a man collapse and stop breathing. Stephanie recognized the seriousness of the situation and immediately began CPR and continued until EMS personnel arrived. Her decision saved the life of another person and representatives of the Fire Division will be present to recognize her.

CONSENT AGENDA

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Minutes to Approve:

1) September 8, 2015 – Regular Meeting
2) September 14, 2015 – Committee of the Whole Meeting
3) September 21, 2015 – Regular Meeting

Legislation to Approve/Adopt

4) Resolution No. 47-2015 – Job Description – Director of Service & Engineering

This Resolution adopts an updated job description for Director of Service & Engineering. The current Director plans to retire in early 2016, which necessitates an employment process to fill this position. Following a review of the position and responsibilities, staff recommends amending the job description to update duties and change the requirement to be a Professional Engineer (PE) to a preferred credential. The proposed job description indicates the person may serve as the City Engineer. This provides greater flexibility in
evaluating candidates for the position. The proposed job description is attached to the Resolution.

Recommendation: Approval of Resolution as Presented

Policy Item

5) Liquor Permit Request – Transfer – From Rotolos Pizza Inc to JDK II

This is a request to transfer a liquor permit from Rotolos Pizza Inc. to JDK II. The request is for a D5 which is for spirituous liquor for on premises consumption only, beer, wine and mixed beverages for on premises, or off premises in original sealed containers, until 2:30 a.m.. City Council is requested to make a motion regarding whether to object to the permit. The liquor permit request is attached.

Recommendation: Motion to not object to the permit transfer

End of Consent Agenda

Recommendation: Approval of staff recommendations on the Consent Agenda items.

PUBLIC HEARINGS ON LEGISLATION

6) Ordinance No. 31-2015 – Accepting the Amounts and Rates and Authorizing the Necessary Tax Levies

This Ordinance accepts the tax rates and amounts as determined by the Franklin County Budget Commission. These rates and amounts are based on the tax budget that was submitted in July. The property tax rate remains unchanged for 2016, which consists of 2.5 mills of inside millage and 2.5 mills of charter millage. This is an annual action by the City as required by State law and the rates and amounts are based on the tax budget that was submitted in July.

This Ordinance was considered by the City Council at the last regular meeting, but due to a procedural error, must be considered again. This item was previously tabled and there must be a motion to remove it from the table before it can be adopted. After the motion to remove it from the table, the Ordinance needs to be amended to insert the amounts and rates.

This reconsideration of the Ordinance results in an insufficient number of calendar days for the ordinance to be effective before the statutory deadline unless it is adopted by emergency. Staff recommends the ordinance be adopted by emergency in order to meet the requirements of State law. The emergency language was already included in the introduced ordinance, so the ordinance only needs to be amended to include the rates and amounts.
Recommendation: Motion to Remove from the Table
Approval of Ordinance as Amended

7) Ordinance No. 40-2015 – On-Site Sewage Disposal Regulations

Changes need to be made to the City’s regulations regarding Home Sewerage Treatment Systems, also known as on-site sewage disposal systems. This applies to residential properties that are not connected to the sanitary sewer system. These changes are necessary due to changes in State law. The City contracts with the Columbus Public Health to conduct the program and the regulations require an operating permit issued by the Columbus Board of Health. The Ordinance adopts the Columbus City Health Code related to that permit. Additional information is provided in the attached memorandum from the Assistant to the Director of Service & Engineering.

Recommendation: Approval of Ordinance as Presented

8) Ordinance No. 41-2015 – Issuance of Refunding Bonds

This Ordinance authorizes the refunding of the general obligation bonds originally issued in 2001 for the Community Center addition and the Police Building. A portion of the bonds were refunded in 2005 and those bonds are able to be called or redeemed for the first time this year. The interest rate is favorable so staff is recommending the refunding to capture a lower interest rate on the outstanding balance on the bonds. Additional information is provided in the attached memorandum from the Finance Director. The Ordinance needs to be amended to incorporate changes regarding the amount of the issuance, language regarding the designation of purchaser in the Certificate of Fiscal Officer, and language regarding the Placement Agent. These changes are incorporated in the attached Ordinance (As Amended).

Recommendation: Approval of Ordinance as Amended

9) Ordinance No. 42-2015 – Amendments to Income Tax Code

Staff briefed the City Council on September 14, 2015 on the need for the adoption of a new municipal income tax ordinance to be effective for tax years beginning January 1, 2016 due to changes in State law. This Ordinance adopts the new code. Additional information is provided in the attached memorandum from the Finance Director.

Recommendation: Approval of Ordinance as Presented
REPORTS OF CITY OFFICIALS

Discussion Item(s)

10) Proposed 2016-2020 Capital Improvements Program (CIP)

City Council Members: Please bring the proposed CIP that was distributed on October 12th.

The City staff distributed the proposed 2016-2020 Capital Improvements Program (CIP) to the City Council in October 12, 2015. Staff will provide a presentation which will entail the following:

1. **Overview of the Proposed Projects and Equipment** – Staff will present the projects and equipment for 2016 and highlight major projects and equipment for the 2017 through 2020.

2. **Five-Year Financial Forecast for the Capital Improvements Fund** – Staff will discuss the cash flow for the Capital Improvements Fund associated with the proposed projects and equipment in the proposed CIP.

3. **Debt Associated with the CIP** – Staff will discuss the City’s current debt obligations and the planned debt associated with the proposed CIP, as well as anticipated debt beyond the five-year window of the CIP associated with legally mandated sewer projects.

A Resolution to adopt the CIP will be prepared for consideration by the City Council in December in conjunction with the public hearing and adoption of the operating budget.

EXECUTIVE SESSION
Meeting Minutes

Tuesday, September 8, 2015 ~ 7:30 P.M.

Louis J. R. Goorey Worthington Municipal Building
John P. Coleman Council Chamber
6550 North High Street
Worthington, Ohio  43085

City Council

Bonnie D. Michael, President
Robert F. Chosy, President Pro-Tempore
Rachael Dorothy
Scott Myers
David M. Norstrom
Douglas Smith
Michael C. Troper

D. Kay Thress, Clerk of Council
CALL TO ORDER – Roll Call, Pledge of Allegiance

Worthington City Council met in Regular Session on Tuesday, September 8, 2015, in the John P. Coleman Council Chambers of the Louis J.R. Goorey Worthington Municipal Building, 6550 North High Street, Worthington, Ohio. President Michael called the meeting to order at or about 7:30 P.M.

Members Present: Robert F. Chosy, Scott Myers, David Norstrom, Douglas K. Smith, Michael C. Troper, and Bonnie D. Michael

Member(s) Absent: Rachael R. Dorothy

Also present: Clerk of Council Kay Thress, City Manager Matthew Greeson, Director of Law Pamela Fox, Assistant City Manager Robyn Stewart, Director of Finance Molly Roberts, Service and Engineering Director William Watterson, Director of Building and Planning Lee Brown, Director of Parks and Recreation Darren Hurley, Chief of Police James Mosic, and Chief of Fire Scott Highley

There were approximately twenty six visitors present.

President Michael invited all those in attendance to stand and join in the recitation of the Pledge of Allegiance.

APPROVAL OF MINUTES

- July 20, 2015 – Regular Meeting
- August 3, 2015 – Special Meeting

MOTION

Mr. Troper made a motion to approve the aforementioned minutes as presented. The motion was seconded by Mr. Myers.

There being no additions or corrections, the motion to approve the minutes as presented carried unanimously by a voice vote.

VISITOR COMMENTS

Eugenia Martin, 148 E. North St.

Ms. Martin shared that she is a registered landscape architect and owns her own company. She is here to speak on the proposed referendum change to Section 1.04 to the City Charter. She opposes the change. This proposal, as written, states that all changes to the zoning code or changes to zoning for any property in the city does not go into effect for 60 days to afford the opportunity to file referendum petitions.

Ms. Martin shared that time is already in place to allow these petitions to start in the process. In order to have any type of zoning go forward, an application has to go before the Municipal Planning Commission. There is public notice for that and there is public
hearing. There is an opportunity to provide public input. At that point it is referred to City Council where there is public notification, a chance for public input and public hearings on all of these. There is plenty of time for these opportunities to be afforded for anybody who might be in opposition for any type of zoning change. It is very clairvoyant. Everything is up front. It is notified to the public. With that being said, to have a referendum to add 60 days on to make any of these things go into effect puts us above and beyond any of our adjoining peer communities within central Ohio. We have a twenty day that is in place and adjoining communities are within thirty days. She thinks that sixty days is a bit excessive. She is here tonight to ask city council to please oppose this referendum proposal so that we may keep Worthington working as we have it now.

Ms. Martin then asked if any members of the audience agreed with her to please raise their hand. Numerous individuals raised their hand.

Joe Sherman, 6603 McBurney Place
Mr. Sherman shared that he is a member of Worthington Alliance for Responsible Development (WARD) and he would like to share a thought with members this evening. He stated that WARD fully supports the Keep Worthington Beautiful (KWB) initiative, believing it will enhance good government policies in Worthington by strengthening the voice of the residents. WARD did perform some individual analysis of the KWB proposal and although sixty days may appear to be a long time for implementing zoning modifications, it is more important that the citizens of Worthington have a real opportunity to react to these legislative changes. WARD believes that the success of the KWB citizens’ initiative will help to enhance and protect what is unique about Worthington to the benefit of the residents, businesses and visitors alike. WARD encourages the voters of Worthington, our city council and staff to support this effort in self-governance that is in keeping with the best traditions of Worthington. WARD remains committed to working cooperatively with city staff and council towards an agreeable outcome regarding the UMCH property and believes that the KWB initiative enhances the prospects of mutual satisfaction.

Mr. Myers stated that he thinks it is probably time that council open up the debate on this issue. He would like to see council move towards a motion to take a stand on this issue.

Mr. Myers shared that a great deal of time and effort has been expended by Council members in an attempt to compromise. Those overtures for compromise have been rejected. This is so different than every other community in the area. Mr. Myers really doesn’t think this initiative is about additional time for voters. The Masonic Lodge development application took almost four months to get through the Municipal Planning Commission (MPC) process. During that period of time the density was cut almost in half, it was changed from a mix of owner occupied and rentals to all owners occupied, setbacks were changed to conform to the rest of the neighborhood and the materials were changed which greatly increased the cost of the project. All of that was because of citizen input. We went from an original application through public input to one which the public felt was much more responsive to the city of Worthington and their desires.
At the end it felt down on negotiations over a park. The people opposed to the Masonic development got everything they wanted through four months of public hearings except for a park. Council found that the purchase price of the land was 50% over the appraised value. Add to that the maintenance costs and the development costs, members didn’t feel, as public stewards, that that was a good way to spend money. Some people were upset and frustrated with that decision. Mr. Myers he thinks that this ballot issue is not about time because there is sufficient time.

Mr. Myers added that the UMCH project has been going on for two years and has been nothing but citizen input. This is about a way to express frustration and anger and the proponents have picked their target well. They have picked the lifeblood of Worthington and every other community in Ohio, our tax base. If someone tells us that going to sixty days is going to be the death mill of Worthington or if going to sixty days will have no effect on Worthington, they don’t know. No one knows. It hasn’t been done before. Nobody has done it but he knows that as a steward of public money, not his but the residents, he must be risk adverse. He doesn’t believe moving to sixty days is an acceptable risk with the public’s money. Twenty years ago we were not a real developer friendly town. Five years ago it was all we could do to balance our budget. He doesn’t want to return to those days. We’ve worked very hard to develop our tax base, to do it in a way that was responsible, and we have achieved a AAA bond rating in the process. He believes that it is time for council to go on record and oppose the ballot initiative. We have Charter Review Commission coming next year. At that point, a thoughtful, measured and responsible debate that is spread out over a year can be occasioned upon this issue. It can be done in a thoughtful and responsible manner. He believes council should take a stance tonight.

Dr. Chosy stated that he wanted to reiterate that the Charter Commission will convene next year because there was no evidence of compromise for the people who were for the charter change. In that Charter Review Commission we certainly can change from twenty to thirty days because that is the standard in the area. He thinks that is a reasonable thing to do. Council members suggested that and were rebuffed. He also agrees that this is a bad thing on the ballot in many, many ways. He agrees that council should take a position.

Mr. Troper commented that he opposes the ballot initiative. He agrees with the comments that have already been shared this evening. He would probably also agree to change the effective date from twenty to thirty days but he thinks moving it beyond thirty days could be very harmful to our development in Worthington.

Mr. Norstrom shared that he recently had a letter published in This Week that made it clear that he opposes this initiative. He thanked those who have come out tonight because most of the people he has been talking to about this issue have been telling him how wrong he is. Mr. Myers, Dr. Chosy and he all came to city council after working on Municipal Planning Commission and Architectural Review Board. They have spent years changing the view of Worthington in the minds of developers. Worthington use to be a difficult place to get things passed. Members worked hard without really changing
anything that we did to let developers and others know that they would listen to them. Things have changed. Although he just heard WARD say that they did some research, his experience tells him that if this passes, we will go back into one of those situations where inside and outside the community people who are looking at making investments may not. He noted that Tom Carter was in the audience and was someone who has made a major investment in this community. Those are the kind of investments we need going forward.

Mr. Norstrom added that he has begun to ask the question, “When did members of the community stop trusting city council”? This initiative also says that council cannot pass an emergency motion on anything dealing with development. First of all, council doesn’t do that very often, if at all. We have Mrs. Fox and prior to that we had Mr. Minister, who is sitting in the back row, to make sure we didn’t do things like that because our code doesn’t allow us to just declare something an emergency because members want to. It has to be a true emergency. For the people who put that ballot measure together to say to council, we don’t trust you, it makes him sick. They are not talking to us or they aren’t listening or he has been told that council isn’t listening to them on more than one occasion and that is simply because members don’t necessarily agree with what they say. So he wholeheartedly is opposed to this and he will make a motion that council adopt a resolution to oppose the initiative on the ballot.

Mr. Myers stated that he will second the motion but would like to offer an amendment. He suggested eliminating the need for a resolution and just do it by motion.

MOTION Mr. Norstrom made a motion that City Council oppose the ballot initiative to change the City Charter. The motion was seconded by Mr. Myers.

Mr. Smith shared that he wrote an open letter after doing some extensive research on the issue. It appears to him that his colleagues on Council seem to be taking this emotionally rather than objectively. He asked that they keep an objective mind about the facts of the issue. At one point or another in the last couple of months each member of Council has said that the 20 day current charter language is inappropriate and not enough time so he would just say then, what is the answer? He knows that 30 days have been brought up but that is not an issue right now. Can it be in the future? He is not sure but right now we are looking at 20 days or 60 days.

Mr. Norstrom commented that he has never said that 23 days is not appropriate. Dr. Chosy shared that same sentiment.

Mr. Norstrom went on to say that he is not doing this emotionally but factually based on his experience. He knows that Mr. Smith’s research involves calling people but he is not sure that he talked to the right people. The people at CF Bank for example are not the ones that were there to make the development happen.
Mr. Smith stated that he would be happy to provide the names and the notes of everyone that he spoke to, who were all developers at the time. Mr. Norstrom replied that he looks forward to receiving the information.

Mr. Myers commented that Mr. Smith has gone on record repeatedly to say that he is opposed to developers. He doesn’t like developers. He is against development categorically. When you talk about whether 30 days might be on the table in the future, it won’t be. Members met for hours with Keep Worthington Beautiful to try to put 30 days on the table because members all understand that this is a divisive issue in this city. Members didn’t pick this fight. We don’t want this fight. We did everything we could to avoid this fight. It has now been thrown in our lap. We tried to compromise. Keep Worthington Beautiful won’t do it. It is sixty or nothing. When you talk about speaking from emotion, members have tried very hard and he has certainly tried tonight. He acknowledged that members don’t know what the effect of this will be. He is not out there saying that he knows what the effect is. Keep Worthington Beautiful is saying they know what the effect is. Nobody knows. He wishes this debate would come down to facts and not emotion. Members are trying to drive at facts and we are not getting facts in return. We have been called many names up here. That is not factually. That is emotionally. The meeting on the Methodist Children’s Home was not factually. That is emotionally and we don’t even have an application.

Dr. Chosy pointed out that when he talked about the 30 days, that is what is in the general area so why not 30. He added that 20 is apparently enough because residents were able to get enough signatures to get it on the ballot in 20 days.

Mr. Myers shared that the only successful referendum in Worthington history, in 1984, ironically opposed to a Showe development, and it was successful with a 20 day period. It works. MPC works. If it is not broken why fix it. It has nothing to do with timing. It has nothing to do with public input. It has everything to do with an emotional overreaction to a specific question.

Ms. Michael asked Mrs. Roberts (Finance Director) what percentage of the city budget is income tax. Mrs. Roberts replied that income tax revenue in the General Fund is about 75%.

Ms. Michael commented that if we were to run a risk in which our percentage of income tax became lower, we would have to either do some budget cuts, reduce services or find some other ways to afford providing our existing services. Mrs. Roberts believes that makes sense.

Mr. Myers asked that the question be called.

The motion carried by a vote of five “yea” (Troper, Norstrom, Myers, Chosy, Michael) to one “nay” (Smith).
PUBLIC HEARINGS ON LEGISLATION
President Michael declared public hearings and voting on legislation previously introduced to be in order.

Ordinance No. 31-2015
Accepting the Amounts and Rates as Determined by the Budget Commission and Authorizing the Necessary Tax Levies and Certifying Them to the County Auditor and Declaring an Emergency.

The foregoing Ordinance Title was read.

Mr. Greeson requested that this ordinance be tabled as staff doesn’t have all of the information from the county auditor that is necessary to complete the document.

MOTION
Mr. Myers made a motion to table Ordinance No. 31-2015. The motion was seconded by Mr. Norstrom.

The motion to table Ordinance No. 31-2015 carried unanimously by a voice vote.

Ordinance No. 33-2015
An Ordinance Authorizing the City to Accept Title in the City to Certain Property and to Transfer Title to the Property Back to the Original Owner for Public Purposes.

The foregoing Ordinance Title was read.

Mr. Greeson shared that there are three items on tonight’s agenda that relate to one topic, the redevelopment of property at 350 West Wilson Bridge Road. Staff will make a presentation that will cover Ordinance No. 33-2015, Ordinance No. 34-2015, and Ordinance No. 36-2015 that members will need to introduce tonight.

Mr. Greeson introduced and welcomed Tim Spencer, who is with Trivium Development. He shared that they plan to purchase and redevelop 350 West Wilson Bridge Road, which is one of the primary areas for redevelopment in our community.

Mr. Greeson commented that Mr. Harris will be making what may be his last presentation before council. Members will hear a great example of how a local government, in this case the city, has partnered with the private sector. With Mr. Harris, Mr. Spencer and Mrs. Fox’s creativity they were able to use several tools from our economic development toolbox to facilitate the redevelopment of this 55,000 square foot building that has been vacant for a number of years. Staff is excited to present this to members this evening. He invited Mr. Harris to present the information.

Mr. Harris told members that he is thrilled to present this project. He sees this as about as involved a public/private partnership as you will see in Worthington. There are many
partners helping in this project and with good reason. This building has been vacant since early 2000.

Mr. Harris shared the following information:

History:
- **Long-standing interest by City in redevelopment**
  - Early 2000s - Mettler-Toledo moved its HQ to Polaris
  - Left behind large single-use tenant space
- **2011 – 2014: Substantial redevelopment & investment within walking distance**
  - City has publicly sought to partner financially with private development interests
  - 2012: property purchased by Canadian buyers as part of portfolio of commercial office space
- **2015 activity:**
  - Local real estate broker placed property For Sale ($1.95M asking price)
  - Trivium: purchase agreement to acquire & fully renovate 53,200 sq ft of interior space & exterior parking facilities
  - Close on the purchase within next couple weeks

Mr. Harris shared that Mr. Spencer is probably the single most expert person on that building. He has been in that building at least a dozen times if not more with numerous experts who are all trying to figure out what to do with this building.

Scope of Work:
- Selective demolition – take interior **down to studs**
- Energy efficiency improvements
  - New windows & lighting
  - New HVAC systems
- Re-grade entire exterior parking lot to allow at-grade access to building entrance
- Medical office-grade tenant improvements (at least the first two floors)
- ADA access upgrades within & without building

Project commencing fall 2015; done year-end 2016

Mr. Greeson shared that the main, first floor tenant will be the Central Ohio Urology Group, which is one of the largest medical practices in central Ohio. So we are not only seeing the improvement of this important building in an important corridor for our community but access to medical services will be increased for our residents.

Mr. Harris added that it has even reached the point that Mr. Spencer’s team has shared with the city marketing collateral to help push the remaining space on that building pad for other uses. So there is a very active and engaged marketing process at this time to get this entire building leased.
Uses of Funds:
- $1.95M – acquisition costs
  + 3.85M – construction costs
  $5.8M total investment

Mr. Harris shared that the investment numbers may be lower than what we have seen in some media reports but that is a number that staff feels is a valid number for purposes of estimating TIF revenue. He added that $1.6M of that total investment is estimated to come from city and local government funds. The first two (mentioned below) are the ones that he will overview tonight with members.

Source - Public Partnership Funds:
- $222K - Worthington Venture Grant
- 830K - Worthington TIF
- 60K - Franklin County Land Bank
- 500K* - Columbus-Franklin County Fin. Authority PACE

Mr. Harris shared that the Franklin County Land Bank has committed $60,000 to demolition work within the building. We are in early discussions with Columbus-Franklin County Finance Authority, which is why the $500,000 has an “*” behind it for PACE (Property Accessed Clean Energy) financing.

Dr. Chosy asked if those two amounts are through loans or are they money up front. Mr. Harris replied that the Franklin County Land Bank is grant money. He doesn’t know how it is reimbursed.

Mr. Spencer shared that he understands that it is paid up front at the time of construction and demolition. The Franklin County Finance Authority (PACE) program is an assessment on the property that they get back via property taxes. He further explained that when they originally assembled the team they thought that they were going to scrap the building to the ground and probably flip a building up towards West Wilson Bridge Road or build some sort of view corridor along I-270. About 20 seconds into the tour of the building he asked the architect if they were dealing with poured concrete and he replied yes. So essentially the building is a bomb shelter. It is a solid structure so they immediately regrouped and decided the costs and the time to demo that building would be astronomical. They currently plan to take it down to its studs. One of the things that he has not shared with Mr. Harris is when you look at our total investment of $5.8M that is an ultra-conservative number. He explained that there is a dichotomy in the business world today between wages and availability of subs. He wished the project could get down for $5.8M but it will probably come closer to $9 - $9.5M. So it is good for TIF and analysis numbers but he thinks the $5.8M will get the first floor upgrades. They have to renovate all of the mechanicals, the electrical, the ADA compliances, elevators, stair shafts, etc. All of those things have to be done for our tenant, which is taking the first floor and have them ready, willing and able for any other tenants that come to the market.
on the second and third floor. One of the things that Central Ohio Urology that Mr. Greeson shared is that they are a group of about thirty eight physicians around central Ohio. We will be working with fewer physicians and consolidating offices from Riverside and Chatham Lane and initially putting in eleven doctors with room for them to expand and grow their practice to twelve or thirteen. That number may fluctuate as physicians retire.

Dr. Chosy asked where Trivium is located. Mr. Spencer replied 210 N. Lazelle St. in downtown Columbus.

Mr. Harris then showed a slide of the building in its current condition and a second one of a depiction of the renovated building.

Mr. Harris stated that he would like to spend time to comment on the Venture Grant and the TIF.

Mr. Harris told members that it is staff’s recommendation that council vote to approve the ordinance that authorizes City Manager Matt Greeson to take title to the property in fee simple and then immediately turn back and grant fee simple back to Mr. Spencer’s development firm.

Dr. Chosy asked what is the point of that transaction. Mr. Harris replied that there are three types of TIF in state law for municipalities. We have used all three types in Worthington. This is a type of TIF that was used with Mr. Carter’s mall redevelopment. It is called an Urban Redevelopment TIF. With that form of tax increment financing, if the city is shown to be in the chain of title prior to approving the TIF and its ordinance, the Urban Redevelopment TIF can be used to invest the TIF moneys inside or outside of that building on really anything that needs to be done with some sort of public focus.

Dr. Chosy asked what the plausible advantage is for the city to own the property for five minutes and then turn around and give it back. He understands that it allows us to use this particular TIF but in the overall thought, what does that do? Mr. Harris shared statute information from the Ohio Revised Code Section in an effort to explain the rationale for the transaction.

Mr. Norstrom offered that it allows, especially larger cities, to buy these properties and then seek developers to develop them. Dr. Chosy thought that made sense.
Mr. Harris thanked Mr. Norstrom for the explained. He added that it was intended for those kind of large ways for cities to get involved. Well, we are doing it too. So tonight’s action on that title transfer ordinance allows us to move to the next step, which we have asked for a public hearing of the TIF that members will soon introduce for an October 5th public hearing so we can go through the approval process for the TIF with the anticipation that Mr. Spencer and Mr. Greeson will have done a title transfer in very early October if not even late September. That is item 1.

Mr. Harris in addressing the “so what” question stated that if this council were to act that way with both the title transfer and the TIF approval, you would be looking at a 75% tax increment financing structure for a ten year term. That would allow for reimbursements to Mr. Spencer’s development group of what staff estimates to be approximately $830,000 across the ten years. As TIF revenues come in, instead of taxes being paid they will be deposited in the TIF fund with Mrs. Roberts’s oversight. We will withdraw from that fund twice a year and reimburse Mr. Spencer an amount based on costs that were born and paid by Mr. Spencer for the following things:

1. ADA access, both inside and outside
2. Enlarging stairways, corridors, restrooms, elevators
3. Re-grading
4. Potentially even some of the storm sewer relocation that may have to occur out in the parking lot

Ms. Michael understands that will be a reimbursement. Mr. Harris agreed.

Ms. Michael stated that if Mr. Spencer doesn’t incur all of those costs then all of it isn’t paid to him. Mr. Harris added conversely if for whatever reason the TIF revenue doesn’t show up because the value doesn’t increase, then likewise. There will be no payments to Mr. Spencer so we will dispense the funds as TIF revenues come in.

Mr. Norstrom commented that the same effort was made on the mall and we missed the financial information substantially. He asked Mr. Harris to talk about the difference, if there is any. Mr. Harris explained that what happened with the mall TIF, and to Mr. Myers point earlier we really don’t know what is going to happen so the city staff team with really good estimates and hard work have figured out that the mall would grow by “x” amount across a certain time and certain value “bands” would be hit. Well at the end of the day the Auditor never saw any of that value and so those “bands” and the creative thinking that went into them was for naught, at least for this current valuation period. There is the argument that the mall will eventually grow in value over time. He thinks that is a fairly safe assessment. Will it grow to the “bands” of value that staff had estimated back in 2010, no, not in the foreseeable future. When members have seen him come to the Shops at Worthington Mall TIF discussion it has been, we got our numbers off. That is because all of those numbers were also based on how much do the schools get paid. This TIF is different because there is no mechanical arithmetic to go through to figure out who gets paid by whom and how much. This is just, as the property grows in value, taxes that would otherwise be paid go into the TIF fund and it will be swept twice
a year. There are no special payments to the schools. There is no special algorithm that we have to use to figure out who is paying what. It goes to Mr. Spencer. We intentionally went for a ten year term because it is a short, elegant solution to Mr. Spencer’s problem, which is let’s get in, we don’t need it any longer than ten years because we knew exactly how much money he needed and this is a way to get in and briefly get invested and then get out of the deal.

Dr. Chosy commented that why we are talking about estimated numbers, there is something in here that bothers him a great deal and that is that Trivium is saying that within three years they will be paying $6M in annual payroll to people working in that renovated building. He questioned those numbers.

Mr. Spencer reported that the payroll that he is bringing day one is $5.2M. These are physicians making an enormous amount of money that want to be in Worthington. He added that the payroll numbers have been audited and they are actual.

Dr. Chosy stated the $5M is only for the first floor. Mr. Spencer shared that when all is said and done he expects the payroll to exceed $8 to $9M a year (although he didn’t want to go on record with those numbers).

Mr. Norstrom commented that at the moment you are estimating $6M. Mr. Spencer shared that he was told to be conservative.

Mr. Harris stated that he has been walking members through the TIF, which is all property tax based. They are valuation by the County Auditor as to what that building is worth, then determines what goes into the TIF fund. Dr. Chosy was asking about the Venture Grant element, which is the second element.

Mr. Harris reported that tonight staff is asking two things, approval of Mr. Greeson going into a title transfer that will then trigger a future TIF, which is the property tax side. Now we will talk about the Venture Grant. That is something that staff recommends that council adopt tonight.

Mr. Harris stated that entering into a Venture Grant Agreement with Mr. Spencer and his development firm that will pay $78,800 a year, across three years. Mr. Spencer is the developer and property owner, he is not the employer. So he is causing that building to fill up with employers who collectively will payout at least $6M in payroll.

Dr. Chosy asked how much of that will be in the city’s income tax revenue? Mr. Harris replied that our Worthington Venture Grant payout would be 33% of the total amount of income tax we would expect to receive across five years.

Mr. Harris added that was in direct response to Mr. Spencer identifying where he needed help. He shared that he needed some cash infusion of a certain amount and we went through our Venture Grant analysis and we were able to come up with $222,000 but he has to cause that building to create $6m in payroll per year for five years.
Mr. Myers asked if the Venture Grant will come out of our current appropriated Venture Grant money or will we make an additional appropriation based upon tax revenue from this development. Mr. Harris replied that this will be the latter. Staff has change our approach in several deals that we want performance based Venture Grants that don’t pay out all at once. We offer commitment of support with the idea that the employer report to us each year whether they were able to hit their payroll targets or not. If they are successful we will cut them a check.

To answer the question, there is no appropriation in 2015 for this project. He suggested that Mrs. Roberts and Mrs. Stewart consider accounting for $78,800 in the 2016 budget because he is fairly confident that Mr. Spencer will be able to get his certificate of occupancy next year.

Mr. Myers commented that that will essentially just be a rebate of taxes we collect. Mr. Greeson pointed out that Venture Grant dollars come from non-tax revenues. When we provide economic development assistance we are using non-tax revenues. He told members to think community center fees and other charges and fees that the city collects.

Mr. Myers stated that we will be able to replace that money with income tax dollars that we collect off of this project. Mr. Greeson agreed. He added that is why we do incentives. We are trying to grow the income tax base.

Mr. Norstrom concluded that the bottom line is that the first three years are basically more or less, we are going to pay back to them about what we are collecting. After those first three years the city will have a nice payroll tax coming in from this building.

Dr. Chosy commented that he is just a little bit antsy because we had these kind of numbers with the shopping center. Mr. Greeson replied that the shopping center was different in that it was a retail operation. Mr. Carter sold off the bank and the back parcel and it was a more speculative venture. In this case, there is a single office building with an anchor tenant and well-studied renovation expenses. With the mall, they didn’t know all of the things they were going to do when we entered into the grant.

Mr. Norstrom commented that the big miss on the mall was not on employment taxes. Mr. Greeson noted that the city doesn’t typically offer venture grants around retail operations. He thinks staff structured a responsible TIF deal in that case as we have in this case which is what is known as a pay as you go TIF. The city does not us public debt financing backed by TIFed to accomplish the improvements. So fortunately, both in Mr. Carter’s case and in Mr. Spencer’s case we have developers who are willing to finance the improvements up front with the anticipation that they will be re-paid some of those by TIF. So they are baring that risk rather than the public which is a responsible approach for stewards of public funds both in the case of the Shops at Worthington Place and in this case.
Mr. Spencer reiterated that they feel their numbers are ultra-conservative on the TIF, and they were comfortable with taking a conservative approach because right after they put the property in contract, as part of their due diligence they found out the Canadian group had actually filed with the Board of Revision Appeal and the value had been further depressed. That building, on the current tax rolls, is worth $1.2M. When the building gets stabilized and the renovations are completed, it could have value upwards of $10M. Their budgets are over $200 a square foot for medical office. So $53,000 times 200, we are at $10M.

Mr. Norstrom interjected that speaking on behalf of the school district, we thank you.

Mr. Spencer shared that is one of the reasons they purposely went with the non-school TIF. They weren’t interested in opening that can of worms and they weren’t interested in trying to accelerate the repayment structure. The building is what the building is. If anyone appreciates architecture and construction they stairwells and the elevator shafts were done in drywall. The building was started in 1973 so it is kind of exciting to have these partnerships and have these relationships and look creatively to get these tools out of the toolbox to do these renovations and we are prepared to come back to Mr. Brown’s department and get in front of the Planning Commission in the next 45 days. The beauty of it is that we will meet our fall timeframe because we have a shell and don’t have to worry about winter conditions or worry about Mother Nature or a rainy day. We have a place to work right now so we are excited about the project.

Ms. Michael shared that she is excited to have this long time mothballed building come back to life and become a state of the art building. She is also excited that we will have a Urology team in this building to provide for the residents of Worthington and those in the area.

Mr. Spencer added that they hired Andrews Architects who actually did our surgical center on the east side. They are very well known in the medical community and for LEAD certification for their buildings. We couldn’t get LEAD certified with a building like this. We would have to knock it down and start over. So the PACE program from the county, the items were incorporating what our team is calling LEAD light. We are going to do our best to keep the expenses down because when this building is ready for occupancy next year, we want to respond to proposals the same groups that are looking in Dublin, Polaris, Westerville and New Albany for Class “A” office space. We have freeway frontage although it is tough to see the building at this time but we hope that we can work with ODOT to get a little of a view corridor in one spot or another. We really expect this building to be brand new, fully up to date, fully ADA compliant, and energy efficient. We actually hope that this kind of sets the bar for the building because all of these buildings are identical.

Ms. Michael commented that they are breathing new life not only to the building but for the entire Wilson Bridge Road corridor.
Mr. Myers commented that this project will go through the MPC process and during that process there would be an opportunity for public input. Mr. Harris agreed.

Mr. Brown shared that the applicant would need to go before the Board for an amendment for development plan. Council will see that later in the year.

Mr. Myers commented that as an amendment to development plan it might be subject to the 60 day ballot initiative. Mr. Brown disagreed because it is not a rezoning.

Mr. Greeson added that the property is currently zoned for the use that is being proposed.

Mr. Spencer shared that his group worked with Mr. Brown’s department earlier just to really understand what needed done to keep it in the box and still be able to renovate the building. They would welcome public input as it relates to comments but they are not doing a significant amount. They have been conscientious about that so they will work with landscaping, lighting, etc. but they are treating this like it is a brand new building so they are treating it as such.

Mr. Myers stated that staff is asking for two ordinances from members tonight. The first is for authorization to transfer the property and the second is for the venture grant. This project will come back later because the transfer has to occur before we can actually do the TIF. Mr. Harris agreed. He added that October 5, 2015 would be the proposed Public Hearing for the TIF ordinance that will be introduced later tonight. Then members will look at fall or winter for introduction of a PACE ordinance that City Council would work with the Columbus-Franklin County Finance Authority on that would allow Mr. Spencer to access PACE finance.

Mr. Troper said he wanted to make sure he understands that the second and third installments of the Venture Grant $78,800 is contingent upon $6M in payroll in the first and second years otherwise that amount will not be paid. Mr. Harris confirmed that as accurate. He explained the payroll submittal process in greater detail.

Mr. Myers shared that five years ago when he ran for election it was pretty loud and clear that the city needed to make hiring an economic development director its number one priority. Hats off to Mr. Greeson and his search team. He doesn’t know that we could have found a better one. He thanked Mr. Harris for all of his efforts for Worthington. The city is light years ahead of where it was five years ago. Members couldn’t have gotten our arms around something like this let alone put it together without his help. On behalf of Worthington, everyone here and he personally he thanked Mr. Harris for his efforts. He has been a delight to work with.

Other members echoed that sentiment.

Mr. Harris thanked council and said that it has been an honor.
There being no additional comments, the Clerk called the roll on the passage of Ordinance No. 33-2015. The motion carried by the following vote:

Yes 6  Troper, Norstrom, Smith, Myers, Chosy, Michael

No 0

Ordinance No. 33-2015 was thereupon declared duly passed and is recorded in full in the appropriate record book.

Ordinance No. 34-2015

Approving a Grant as Part of the City’s Economic Development Venture Program and Authorizing the City Manager to Enter into an Economic Development Grant Agreement for the Same.

The foregoing Ordinance Title was read.

Ms. Michael noted that Mr. Harris has already presented this information. She asked if there were additional questions or comments regarding this ordinance.

There being none, the Clerk called the roll on the passage of Ordinance No. 34-2015. The motion carried by the following vote:

Yes 6  Norstrom, Smith, Myers, Chosy, Troper, Michael

No 0

Ordinance No. 34-2015 was thereupon declared duly passed and is recorded in full in the appropriate record book.

NEW LEGISLATION TO BE INTRODUCED

Resolution No. 40-2015

A Resolution in Support of Participation in the Franklin County Police Chiefs’ Association Regional Shared Services System Local Government Innovation Fund Application with Respect to the Justice Education Pathway.

Introduced by Dr. Chosy.

MOTION

Mr. Smith made a motion to adopt Resolution No. 40-2015. The motion was seconded by Mr. Norstrom.

Chief Mosic shared that this is an opportunity for the Division of Police to partner with other police entities in Franklin County as well as with Franklin University and Columbus State University to provide some top of the line training to our officers. They
are seeking a grant through the Governor’s office to put together a collaborative effort so that we can tap into the expertise of Franklin University and Columbus State University so that our officers can collaborate and share resources. If this effort is successful, they hope to scale it throughout the entire state of Ohio.

Dr. Chosy shared that he likes that it doesn’t cost the city any money.

There being no additional comments, the motion to adopt Resolution No. 40-2015 carried unanimously by a voice vote.

Resolution No. 41-2015 Adjusting the Annual Budget by Providing for a Transfer of Previously Appropriated Funds.

Introduced by Mr. Troper.

MOTION Mr. Myers made a motion to adopt Resolution No. 41-2015. The motion was seconded by Dr. Chosy.

Mr. Greeson commented that this is one of our normal but periodic transfer resolutions where we evaluate the budget for those accounts that are projected to need some additional funding and those that have sufficient funding and make transfers. This does not increase the total annual appropriation.

There being no additional comments, the motion to adopt Resolution No. 41-2015 carried unanimously by a voice vote.

Resolution No. 42-2015 Approving an Agreement and Permit for between XO Communications Services, LLC, a Delaware Limited Liability Company, to Operate and Maintain a Telecommunications System Within the City of Worthington Pursuant to and Subject to the Provisions of Chapter 949 of the Codified Ordinances of the City of Worthington.

Introduced by Mr. Smith.

MOTION Mr. Norstrom made a motion to adopt Resolution No. 42-2015. The motion was seconded by Mr. Troper.

Mr. Greeson reported this being a standard right-of-way permit with XO Communications.

Mrs. Stewart agreed that it is a standard agreement with XO Communications. They have had a permit since 1996 and this is the renewal of the three year permit.
There being no additional comments, the motion to adopt Resolution No. 42-2015 carried unanimously by a voice vote.

Resolution No. 43-2015  
Authorizing the City Manager to Execute a Contract with Medicount Management, Inc. as the Billing Agent for the Division of Fire’s EMS Services.

Introduced by Mr. Myers.

MOTION  
Dr. Chosy made a motion to adopt Resolution No. 43-2015. The motion was seconded by Mr. Smith.

Chief Highley shared that our previous medical billing company, MBI was purchased by Medicount. Primarily this is a bit of a clean up to transfer the contractual responsibilities to them for a two year period. Staff also managed to negotiate a lower rate as well. For those of you that are familiar with the health care industry and some of the volatility right now, a two year period is pretty appropriate because the medicare service offices are changing away from the fee for service to more of a managed distribution type system that the department will be looking at by the year 2020 so this builds a bridge to that point and maintains our billing services.

There being no additional comments, the motion to adopt Resolution No. 43-2015 carried unanimously by a voice vote.

Ordinance No. 35-2015  
Amending Ordinance No. 40-2014 (As Amended) to Adjust the Annual Budget by Providing for An Appropriation from the General Fund Unappropriated Balance.

Introduced Mr. Troper.

The Clerk was instructed to give notice of a public hearing on said ordinance(s) in accordance with the provisions of the City Charter unless otherwise directed.

Ordinance No. 36-2015  
An Ordinance Declaring Improvements to a Parcel of Real Property to be a Public Purpose; Declaring Such Property to be Exempt from Real Property Taxation; Requiring the Owner of that Parcel to Make Service Payments In Lieu of Taxes; Establishing an Urban Redevelopment Tax Increment Equivalent Fund; Authorizing the Execution of a Development Agreement; Authorizing the Execution of a Compensation Agreement; Authorizing Use of Service Payments for Costs of Certain Designated Improvements; and
Providing Related Authorizations Pursuant to Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43.

**Introduced Mr. Myers.**

**MOTION**

Dr. Chosy made a motion to set the public hearing for Monday, October 5, 2015 at 7:30 p.m. The motion was seconded by Mr. Smith.

The motion carried unanimously by a voice vote.

**REPORTS OF CITY OFFICIALS**

**REPORTS OF COUNCIL MEMBERS**

Mr. Myers shared that he has passed on to Mrs. Fox some information that he received from a resident apparently concerned over fire pits here in Worthington. He just wants to make it public record the fact that we are taking her concerns seriously and we will be taking a look at it.

Mr. Norstrom shared that last week he spent an afternoon with the training officer as he was putting some of the Police officers through scenario training. It was fun, exciting and this is a relatively new project. Chief Mosic agreed. He added that the officer has been in the position for about a year.

Mr. Norstrom added that the trainer is excited about it and he is glad to see staff doing it.

Chief Mosic shared that he had a school bus delivered and some of the officers were apprised about working around and on the school bus.

Mr. Norstrom shared additional information on the scenario training as requested by Dr. Chosy.

**OTHER**

Mrs. Stewart shared that she distributed several documents for members. One is a letter from Curtis Stitt with COTA that talks about consideration around the renewal of their sales tax. There is also a copy of a presentation that Paul Feldman provided. Members may recall that Mr. Feldman represents Worthington on the COTA advisory group. He shared a presentation that was shown to that group regarding the next GEN initiative that summarizes what has been accomplished so far by COTA in that effort and the next steps. If members want additional information they can let her know.
EXECUTIVE SESSION

MOTION  Mr. Norstrom made a motion to meet in Executive Session to discuss economic development. The motion was seconded by Mr. Smith.

The motion carried by the following voice vote:

Yes  5  Myers, Chosy, Troper, Smith, Michael

No  1  Norstrom

Council recessed at 8:43 p.m. from the Regular meeting session.

MOTION  Mr. Norstrom made a motion to return to open session at 9:19 p.m. The motion was seconded by Mr. Smith.

The motion carried unanimously by a voice vote.

Ordinance No. 37-2015  Authorizing the Worthington Community Improvement Corporation to Execute a Lease Agreement Between the WCIC and Sweet Carrot Worthington, LLC for a Portion of the Kilbourne Building.

Introduced by Mr. Norstrom.

Ms. Michael requested the public hearing on Ordinance No. 37-2015 be set for the September 21, 2015 meeting.

ADJOURNMENT

MOTION  Mr. Myers made a motion to adjourn. The motion was seconded by Mr. Norstrom.

The motion carried unanimously by a voice vote.

President Michael declared the meeting adjourned at 9:21 p.m.

____________________________________
Clerk of Council

APPROVED by the City Council, this 19th day of October, 2015.

_______________________________
Council President
Meeting Minutes

Monday, September 14, 2015 ~ 7:30 P.M.

Louis J. R. Goorey Worthington Municipal Building
John P. Coleman Council Chamber
6550 North High Street
Worthington, Ohio 43085

City Council

Bonnie D. Michael, President
Robert F. Chosy, President Pro-Tempore
Rachael Dorothy
Scott Myers
David M. Norstrom
Douglas Smith
Michael C. Troper

D. Kay Thress, Clerk of Council
CALL TO ORDER – Roll Call, Pledge of Allegiance

Worthington City Council met in Regular Session on Monday, September 14, 2015, in the John P. Coleman Council Chambers of the Louis J.R. Goorey Worthington Municipal Building, 6550 North High Street, Worthington, Ohio. President Michael called the meeting to order at or about 7:30 P.M.

MOTION: Councilmember Smith made a motion to appoint Robyn Stewart Temporary Clerk of Council for this evening’s meeting. The motion was seconded by Councilmember Chosy.

Ms. Michael appointed Robyn Stewart as Temporary Clerk of Council for this evening’s meeting.

Members Present: Robert F. Chosy, Rachael R. Dorothy, Scott Myers, David Norstrom, Douglas K. Smith, Michael C. Troper, and Bonnie D. Michael

Also present: Temporary Clerk of Council Robyn Stewart, City Manager Matthew Greeson, Director of Law Pamela Fox, Assistant City Manager Robyn Stewart, Director of Finance Molly Roberts, Service and Engineering Director William Watterson, Director of Building and Planning Lee Brown, Director of Parks and Recreation Darren Hurley, Chief of Police James Mosic, and Chief of Fire Scott Highley

There were 10 visitors present.

President Michael invited all those in attendance to stand and join in the recitation of the Pledge of Allegiance.

REPORTS OF CITY OFFICIALS

Policy Item(s)

(1) Grant Request – Old Worthington Partnership

Mr. Greeson stated that the Old Worthington Partnership is one of our great not-for-profit partners that helps make this community a great place to live through its many activities and events. They were formally known as the Old Worthington Business Association and then last year they had been discussing their interest in receiving City grant funding to support their invectives and really to support the vibrancy and vitality of our downtown area. They are here this evening to present a revised request to you; we distributed back in late June, early July a grant application packet, that’s a packet you had approved the format of earlier in the year, they have some minor changes to that and will be requesting about $12,500 through the remainder of 2015. Many of their Board of Directors are here with us this evening and I’ll let Aaron Brown the primary speaker introduce them.
Aaron Brown would like to spend approximately 10 minutes to brief Council on what we’ve been up to and then close with a refocus of our ask and then open up to any questions Council might have. We were here in February when Matt was proposing a grant application and what that could look like; we would like to think that we listened and all the things that was important to you and we’ve appropriately entitled our presentation “Impact.” We’re asking what impact does the organization have, What impact would a grant request have on the City and then how would impact be measured; all of this was very important to us, so thank you for that outline you gave us, it was very helpful.

Focus – we are clearly focused on advancing the Old Worthington Experience; this is something that we have worked hard on in the past year to refine focus; in order to have impact, you have to have focus from our point of view. We think we can add impact in this area in three key ways: Collaboration, Engagement, and Sustainability. In the following slides we will walk you through the impact we believe we’ve had to date in these three key areas and the impact we hope to have moving forward.

Jamie has been our part-time Executive Director for more than a year and our full-time Farmer’s Market Manager. Jamie is one of the main reasons why we’re able to make this friendly request today; she will continue in the role as full-time Farmer’s Market Manager; however Jamie has decided not to be our full-time Executive Director; we appreciate her focus on the Farmer’s Market and continuing in that role. Our Board of Directors are:
One important thing to note about our Board of Directors is that these are individuals throughout our community people who have a shared cause in the well-being of our community and we’re quite proud of that direction. In fact we have more and more people of the community who seek to be on our board; for example John Drego is here tonight who has applied to be on our board as a CPA and John will help us with our fiscal management responsibilities moving forward. Hopefully his application looks good and he can be a member of our board.

If I were to try to quantify the investment of time that this board gives over the past three or four months we’ve been doing our best to log every quarter hour that we spend in support of the organization; and our math is subject to scrutiny as it may be on the average of 85 hours per month in support of our community. If you strap late that across the year, that’s more than $1000 annual using formula from our modern organization main street, we’re upwards of $18,000 - $20,000 when you think about the time we’re putting in. I think I should note as well that our staff Jamie and we had someone to manager the Arts Festival; Jamie is working a part-time job that is logging more than full-time hours which is one of the reasons why we’re here, so if you were to add her contributions to this, I have no doubt that the number would be higher; and frankly this number continues to rise; and so we’re just grateful to our team for the volunteer hours that they continue to put in in support of our mission.

Three of us live in Old Worthington, the rest of us throughout the surrounding community and again we think that’s important for the different perspectives which we bring into the shared interest of this community. Should our funding request be approved we would welcome involvement from City Council on our board at your discretion of what that may look like; but we think that is an important part of our continued growth and again as we
look at other model organizations, most of them have involvement from City Council on their Board of Directors. We will move on to Collaboration.

We believe some of the greatest value we have brought is in bringing organizations together as independent group to share in the common goal of a positive experience; for example no one had been gathering the merchants in the Old Worthington area to discuss happenings and events going on; we have, we’ve done that now consecutively for more than a year. We’re meeting regularly with Jeff Harris and Lee Brown. We’ve attempted to gather organizations to look at benefits of Co-Op advertising and developing materials, again we all share the common interest, let’s pull our resources and try to get the best bang for the buck, so we’ve started to make some progress on that particularly our Parks and Recreation team. Some of the priorities starting out this year as you will see on the PowerPoint screen below. The Food Truck Policy seem to run smoother this summer than last, but that was an important issue for our group that we identify and we said you know what, we can play a role here in educating and collaborating; and so we brought together through some of the resources we have on our board and other connections key stakeholders together to set a policy with the Central Ohio Food Truck Association and its resources; we’re proud of the progress we made on that. We continue to work with landlords in the Old Worthington area and trying to get them together to talk about a vision for the future of our community.
Collaboration: 2015 Priorities

- Food Truck Policy
- Landlord Council
- Community Events
  - Worthington Farmers Market, The Shops at Worthington Place
  - Green on the Green, Big Green Head
  - Wedding Walk, Old Worthington Businesses
  - Worthington Art Festival, McConnell Arts Center
  - Holiday Open House, Parks and Recreation Department

Moving on to Engagement.

Engagement: Farmers Market

Outdoor Season
May-October
8 am - 12 pm
Old Worthington

Indoor Season
November-April
9 am - 12 pm
The Shops at Worthington Place

- 43 = number of Saturdays the market will be open
- 204 = number of applications in one year
- 140 = number of vendors who participate
- 373 = number of volunteer hours at market
- 162,500 = number of visitors to the market in 2014
- 5,900+ = number of Facebook likes
- 2,500+ = number of Twitter followers
- $8,000 = number of sponsorship dollars from Chipotle
- $15,000 = number of dollars in tokens in 2014 (6 months)
- $22,430 = number of dollars in tokens through July 2015
Engagement: Farmers Market

70% of farmers market customers also shop at neighboring businesses = $113,750
(Association of Farmer’s Markets in Pennsylvania)

Average market shopper will spend $18.65 at neighboring businesses = $2,121,437.50
(Association of Farmer’s Markets in Pennsylvania)

69.78% of farmers market customers shop on a weekly or every-other-week basis
(Association of Farmer’s Markets in Pennsylvania)

$3.2MM per year economic impact for neighboring businesses
(Association of Farmer’s Markets in Pennsylvania)

Outdoor Season
May-October
8 am - 11 pm
Old Worthington

Indoor Season
November-April
9 am - 11 pm
The Shops at Worthington Place

Engagement: Art Festival Report

Managed successful event June 20 - 21

City of Worthington
Engagement: Art Festival Report

23 = number of years
150 = number of spaces available
250 = number of applications on average each year
590 = number of hours to coordinate

Engagement: Art Festival Report

12,500 = average attendance
$3,500 = average sales per artist
$3,500 = average annual sponsorship
$7,000 = dollar increase in net proceeds

- 26 = number of participating businesses
- 200 = approximate number of registered brides
- 350 = estimated number of attendees

Engagement: Wedding Walk Participants

Wren House
Luxe Reclux
Pure Cottage
Le Une Marie
Leslie McFadden of HER Realtors
Cut Color Style
Denig Jewellers
The Worthington Inn
Fizzy Jacobs
Igloo Letterpress
La Chatelaine
La Petite Fleur

Flowers on High
Magic Cruises
Worthington Jewelers
Great American Photobooth
House Wine
The Carole Lab
Little Tree Studios
Eli Nail Spa
Rivage Atlanticue
Greatier's Ice Cream
Pursuit
Engagement: Holiday Open House

- 174 = number of photos taken with Santa
- Long = lines for the carriage rides
- 2 = number of Santas used for Holiday Open House and Tree Lighting

Enhancements for 2015:

- “It’s a Wonderful Window” contest pairing 21 merchants with 21 charities
- 1 Santa for Holiday Open House and Tree Lighting

Engagement: Priorities

- New and creative ways for merchant participation
- Create community volunteer opportunities
- Engaging other organizations in community
  - Big Green Head
  - Convention and Visitors Bureau
  - McConnell Arts Center
  - Parks and Recreation Department
  - Worthington Area Chamber of Commerce
  - Worthington Resource Pantry
**Sustainability**

*Sustainability: Showe Development*

"We believe that well-designed, sensitive and contextual development projects can fit into our historic downtown and become part of a diverse economic engine that supports our wonderful downtown core as a meaningful and successful destination."

There has been a lot of important issues that has come up in the community and we see this as a place for us to get smart on those topics and then leverage the expertise of our board to develop a position; the Showe Development was one of those; to craft a position, to thoroughly understand it and make that readily available.

*Sustainability: Priorities*

This is a drawing of the importance of the beautification of our downtown area which we did in-house to collaborate with the City of what could that look like. We are certainly
grateful for the progress that has been made on those important corners of our community.

On a broader level, it’s important to note that we’re not just looking in our geographic batteries, we’re looking holistically; what can we see as best practices from the best communities in America. JoAnne’s leadership has brought us some insight in this area of programs that can help be more energy efficient and so we’re working with merchants; making those resources available to them, so that we can work toward a more sustainable community.

Let us now talk about our request for this evening.
Sustainability of Organization

- Benefitting from Main Street and Heritage Ohio guidelines
  - Operations
  - Design
  - Marketing
  - Business Enhancement

- Leveraging new Franklin County "Downtown Works" initiative
  - First program of its kind in Ohio
  - Hired Jeff Hartnell as full-time director
  - Covers half of our Heritage Ohio dues

Sustainability of Organization

- Benefitting from Main Street and Heritage Ohio guidelines

- Recommended funding structure
  - 33%: Events
  - 33%: Sponsorships and Donations
  - 33%: City Investment
Questions and Comments From City Council

Dr. Chosy asked what are the full year projections. Mr. Brown replied $50,000 for the course of the year; and just so you know how got to that number, of the 30 Main Street communities in Ohio, the average salary for full-time Executive Director is $40,000. We don’t believe that Worthington is average therefore we have increased the salary to attract the talent we believe we need. Ms. Michael asked what salary amount were looking at. Mr. Brown replied we had allocated $55,000, with them starting at $45,000
should we get the funding. Mr. Myers commented you just made a public record of what you’re willing to pay your candidates; so I would be careful when you start interviewing.

Ms. Dorothy commented the Farmer’s Market and the Art Show have been going on long before I have been living in Worthington, asked how long has this organization been a part of helping or establishing those events for Worthington. Mr. Brown replied with the Arts Festival 23 years; I’ll refer to Jamie for the Farmer’s Market. Jamie replied a rough estimate of somewhere between 1980 – 1985.

Ms. Michael commented what there was, was the Old Worthington Business Association and that’s what it was called; the Old Worthington Business Association or OWBA had some technical problems and some of the City staff and community members, we spent lots of time trying to get their not-for-profit status straightened out, getting everything lined up and then that morphed in getting a whole new Board of Directors, then that morphed into this Old Worthington Partners. Ms. Dorothy commented these productions have been mainly organized by this Old Worthington Business Association with some help from the City for quite a long time just with crowd control and what not, is that correct. Mr. Brown replied that is correct.

Ms. Dorothy went on to say that since I’ve been a member of the community, those are several events that I’ve attended even before I chose to move here; something that definitely got me interested in moving into this community and excited about living here once I moved in.

Mr. Myers stated I appreciate you all reaching out to me; I managed to meet with your board, JoAnn and with Jamie. Had you asked for this two years ago I’m not real certain I would have been receptive because I have seen this group change and really grow up in the last couple of years. I think for myself what I am looking for and I what I hope this money goes towards, I’m looking for a catalyst; I’m looking for that one organization that’s going to lead. We have some phenomenally engaged groups in this town and we need somebody out front; someone who can be the catalyst and leader for those groups; whether it’s the Convention and Visitors Bureau, whether it’s WARD or whoever it happens to be. I think you’re posed to do that, and I was very pleasantly surprised that the presentations that were given to me; again as I think I told you before, I’m the biggest tightwad up here and you have convinced me that I should give up some of my hard earned money for you guys.

Mr. Smith asked to Mr. Myers point, how would you define success with funding and any subsequent funding. Mr. Brown replied we need to see engagement continue to increase in some of the metrics that we’ve presented here and also identification of other ones, hopefully as we collaborate with other members in this community we can see their metrics increase, we can see more people outside of our community coming here, more stories being told about the good things that come into Worthington. Certainly some of it is tangible and there’s a decent portion that’s intangible; it’s that feeling that you know you’re going to see success when it happens and I think we feel good about bring that to life. Then bringing in a highly productive and engaging Executive Director that this
community knows and that is bringing energy to the vision of the community which certainly this group sets and we look to work with on.

Mr. Smith stated you mentioned in your presentation landlord outreach and things of that sort; asked would the Director have any deadlines to start programs for those type of landlord outreach and specifically historical preservation type programs and things like that. Mr. Brown replied Main Street outlines for us certain committees that they think is the appropriate structure and our design committee is one of those and has already started without an Executive Director full-time, Jamie has certainly helped in her role already trying to engage those landlords. It’s got to be a high priority.

Mr. Norstrom stated the Short North organization is actually made up of landlords not merchants. As my fellow council people and some of you in the audience know I’ve been an advocate of this organization for a number of years and when we first start talking about funding them, my mindset was let’s give them the money and let them work with it because they’ve got to get it going. Thank you for this presentation because you’ve made my job easier to convince my other fellow council members that we should be funding you even more than what you’ve got. You have come a long ways as Mr. Myers has indicated; I’m impressed. I’d also like as Mr. Smith said when you come back to us as part of the budget for next year, tell us what you’ve done; you got a short period, but tell us what you’re going to be doing, set those metrics as Mr. Smith indicated so that we can measure your performance, not necessarily expecting that you’re going to hit all of them, but if you do that would be great. You’re in a better position to tell us what success is for your organization. I have been in a number of cities that have a downtown Main Street organization, I’ve been very impressed by those cities in terms of merchants coordinating and working together. I fully support what you’re doing.

MOTION Councilmember Norstrom made a motion to appropriate $12,500 for this organization for 2015. The motion was seconded by Councilmember Myers.

The motion carried unanimously by a voice vote.

Mr. Greeson recommended that the motion authorize the City Manager to enter into an agreement to distribute $12,500 to the Old Worthington Partnership. Mr. Norstrom replied that is how my motion now reads.

Mr. David Washington thanked everyone for their work to make Old Worthington a more vibrant fantastic place; my wife and I make our home in Old Worthington and we love it and think it’s priceless. Thank you for all your devoted work. My question is a group like Old Worthington Partnership if they are to receive public funds, does that affect at all their ability to engage in political advocacy or not.

Ms. Michael replied as a not-for-profit organization there’s a certain amount they can do issues, they can’t do political candidates; they have to follow the not-for-profit laws. Mr. Norstrom asked for a legal opinion from Mrs. Fox. Mrs. Fox commented that’s a
good question, but I don’t know the answers, so I would have to check into that and get back with you. However, I am aware that they are permitted as a non-profit to engage in a certain amount, but I don’t know what those limits are, but I am happy to check into this and get back with you.

Ms. Michael stated I have been quite a bit of time with this organization; I was part of the re-organization team and spent time with city staff and residents on reorganizing this organization and I regularly attend most of their meetings and so I too agree with Mr. Norstrom this is a group that has become very vibrant from where you once were.

Ms. Dorothy commented I think the events that the Old Worthington Partnership has put on and continues to put on and the collaboration is just absolutely phenomenal and makes Worthington a terrific place to live. I thank all of the volunteers and their time for these events; it takes so much time to organize events. There are so many awesome volunteers throughout the community who help out the various events, and they need the core group of people to tell them what to do, and that’s what brings the community together; that everyone has a shared cause and they can work to having these great events for our city. I really appreciate that. I understand that it takes a lot of time, money and effort and the one question I have for Mr. Greeson and Mrs. Roberts is where are we going to get this money from to give to them.

Mr. Greeson responded the $12,500 will come out of currently appropriated dollars in the Economic Development fund. Future requests will be subject to budget appropriations by the Council as part of the 2016 budget process.

Mr. Myers commented when I talk to most people in town and out of town about things like the Art Festival and the Farmer’s Market, they think we do it. I always hesitate, but I do correct them to let them know you do it.

Mr. Troper I would like to say thank you very much for the presentation and I am very excited to see that you’re potentially adding a CPA to the board because we like to look at the numbers too.

(2) Updates to Income Tax Code

Mr. Greeson stated HB5 mandated changes to our local tax code. We’re not going to ask Council to vote on anything tonight; we basically want to familiarize you with this complicated issue.

Mrs. Roberts stated this is a required enactment of our income tax ordinances if we wish to continue to collect income taxes, which we do because it’s over 70% of our revenues. Included in your council packets was a cover Ordinance and also the draft of the Ordinance itself, the Codified Ordinance language which both of these have been prepared in corporation with the Regional Income Tax Agency who we contract with to do our municipal income tax collections.
At your places this evening I placed a summary of the Income Tax Ordinance amendments and I just want to quickly highlight some of these and as I indicated our tax ordinance now must comply with the language in Chapter 718 of the Ohio Revised Code which is the code that allows us to levy income tax and this language also mandates that we allow a net loss carry forward for five (5) years which is new to the City; this will be a phased in loss carry forward provision with 50% allowable until about 2022 and additionally with that net loss carry forward provision is a temporary 13 member committee which will study and issue a report back to the legislators indicating the potential impacts, but I’m sure where they’ll go with that.

R.I.T.A. (Reginal Income Tax Agency) has gone through some calculations for all of its entities and while we don’t know true figures we imagine that when this net loss carry forward is fully instituted it will be a $400,000 loss in income taxes to the city. Dr. Chosy asked what do you mean by net loss carry forward. Mrs. Roberts replied net loss carry forward is for businesses, if you’re a business entity and for example this year our losses exceed our profits by $100,000 and then next year we have income over losses of $200,000 then we can use this year’s loss to offset next year’s income for a period of five (5) years. Mr. Norstrom commented we don’t tax on income, we tax on net profits. Mrs. Roberts remarked so it would be a loss carry forward on net profits. Mr. Norstrom asked but it’s only 50% for the first. Mrs. Roberts replied it’s a phased in loss provision, so beginning in 2017 continuing up to 50% to 2022 and then it will be 100%. Dr. Chosy asked what was the purpose then to help businesses. Mrs. Roberts explained overlying purpose for the whole amended substitute HB5 was to establish a uniform tax base across the entire state of Ohio.

Ms. Dorothy asked is that $400,000 to begin with or after 2022. Mrs. Roberts replied it won’t be realized initially, I think that will be a phased in loss of revenue. Mr. Norstrom asked in 2022 or before. Mrs. Roberts replied I believe before. Ms. Dorothy asked so we’ll start beginning of 2017 to have lost revenue. Mrs. Roberts replied that is correct. Ms. Dorothy commented additional revenue on top of other lost revenue that we’ll have over the last five (5) years because of state law changes. Mrs. Roberts replied that is correct.

Mr. Norstrom stated Ms. Dorothy raised a good point, when we get into the budget discussions I’d like to see a summary of what has been lost from the local fund, the inheritance tax and things like that and what is upcoming just so we have an understanding what the state legislature has done to us.

Mr. Greeson stated we’ve done this for other purposes lately and there’s three that are real easy to track; what we used to get (1) estate tax – gone, (2) tangible personal property tax – gone, and (3) we can track our reductions in Local Government fund. This is a little bit different because it’s corporate profits, it’s not a distribution of a specific collected tax that is passed through by the state.

Mrs. Roberts explained other changes we may or may not actually see any true revenue impact on are continued on the next page are (a) consolidated returns which just means...
that we have many different business entities you can file one return instead of one for each company; (b) the occasional entrant exemption - previously to this house bill it was 12 days you could work in a city, if you weren’t going to be there full-time, you would be just like a sub-contractor moving in and out for 12 days that has been increased to 20 days. Ms. Michael asked does that have much of impact on us. Mrs. Roberts replied we won’t truly know that; sub-contractors are very difficult to tract period, so I feel this will be a minimal impact, but I don’t know that for certain.

Mr. Norstrom stated I know Columbus has been fairly aggressive in tracking this kind of stuff, asked we don’t do that. Mrs. Roberts replied we don’t do that because Columbus collects their own income tax and so they have some greater control than what we do through our practices. (c) automatic extensions – if you file the federal extension you will automatically receive a municipal extension; the withholding schedule has changed somewhat and that depends on your withholding amounts and that will just cause a fluctuation in collections not any revenue reductions. (d) the minimal amounts have increased from $1.00 or $5.00 to $10.00 depending on your entity; if you owe less than $10.00 you don’t have to pay it. If you’re due a refund of less than $10.00 you won’t be given a refund. (e) the estimated payment minimum has increased to $200.00 annually and the due date now coincides with state statute and probably the most impactful thing for individual residents is that there will now be a mandated $25.00 late filing penalty fee per month. If you are required to file a return and you didn’t there will now be a mandated $25.00 late filing penalty fee.

Mrs. Fox stated one of the other provisions that we’re going to have to bring this legislation back to you is the Board of Tax Review, this income tax reform mandates the composition and the rules in essence of what our local board of tax review needs to look like. Ms. Michael asked is that going to be a new board to be created. Mrs. Fox replied we have a Board of Tax Appeals now, but one of the provisions in here is that the appointees can’t be employees, elected officials, or contractors with the City at any time during their term or in the five (5) years preceding; so what we need is look at the composition of our existing Board of Tax Appeals, I think we have one member who is a contractor with the City or who was and that would have been under the preceding five years; so we’re going to need to come back with a Resolution for you to consider making an appointment. It is a three member board; two members are appointed by the legislative authority which is you and then one is appointed by the City Manager. So we just wanted to make sure you were aware of that change as well, and we’re going to be bringing a Resolution back to you in the next couple of months. Mr. Norstrom asked the revised board has to be in place by the end of the year. Mrs. Fox replied we want it to be, we anticipate that there may be some activity with this board after this change, so I think we all would very much like to have that board in place before the end of the year. I’m not quite sure how we’re going to do it at this point, but maybe dissolve the current board and institute this new board according to this new code.

Then just mechanically I think we need to make sure that as we’re making these changes, it is also very important that we maintain our existing code for all filings that will be made prior to January 1, 2016, so currently the way this is structured we have a Chapter
17 that now contains two (2) parts. Part 1 is our existing Income Tax code and Part 3 deals with hotel, motel and license tax. There is currently no part 2. So the way we set this up is to create a Part 2 to Chapter 17; Part 1 is our existing and stays in effect for all tax filings through the end of this year 2015 which may happen after this year, so we have to keep it in place; then insert this new Ordinance as Part 2 and then we’ll have to renumber the chapters in Part 3. Dr. Chosy asked if one were to look at all of this, does it make sense, is it a positive move or does it make things more jumbled. Mrs. Fox replied we were talking about it, I think they were trying to simplify it for businesses, but we now have about a 20 page Income Tax Code and we’re looking at over 50 pages here.

Mr. Myers asked is anyone looking to challenge based on home rule. Commented this board, this is so blatant. Tax and Authority is within the home rule powers. Cities have not challenged the provision for how many years now; someone has got to step up, this is a mess. Ms. Michael commented we tried fighting it before it was going through the legislature; MORPC and even this Council took stance in opposition to these changes. Mr. Myers replied I know that, but all that and a quarter will get you a cup of coffee with this general assembly.

Ms. Dorothy commented I have a conference call with First Suburbs tomorrow at 1:30, I can give you guys numbers if you to call in. Mr. Norstrom commented the Ohio Municipal League is having their conference in October; we might want to go there and have some conversation. Ms. Michael replied that is not a bad thought.

Mrs. Roberts stated the information that is before you this evening is all in draft context, we’re still working with the Regional Income Tax Authority (RITA) on finalizing our language and we hope to have this before you for introduction if not next week, definitely the first Council meeting in October for passage at the third meeting in October. Mrs. Fox recognized Scott Barter in the Finance Department who put a lot of work into this document, attending seminars through RITA and really staying on top of this who piece.

Information Items(s)

(3) Monthly Financial Reports

Mrs. Roberts stated included in your Council packets were both reports for July and August; both months finished out relatively favorable.

The year to date balances revenues did exceed expenses by $2,627,040 as of the end of August. All funds are tracking above estimates for revenue including the general fund.

The General Fund revenues also exceeded expenditures by almost $1 million dollars. General Fund expenditures tracked at 92.83% of anticipated expenditure levels, which is pretty much on target for this time of year.

Income tax collections are above year to date collections by $416,423 or 2.58% and above year to date estimates by $615,217 or 3.86%.
I also included in this report the last 2 pages in which I was trying to give you some pertinent and graphical information and I sat down here this evening I realized that the second graphs on each of these is not shown in a percentage; the left access is not shown in a percentage, so I will correct that and get that out to you at the next meeting. On page 9 I do want to indicate that income tax is a percentage of total general fund revenues; in 2001 was an all-time low of 57%; 2014 escalated into over 73%; property tax at the bottom of that page was a high in 2010 of nearly 12% and a low in 2005 of 5.9%. We’ve also had some property tax changes in mileage that I will also add as a footnote to the slide so that you have that for reference purposes.

The local government fund revenue on page 10 was at an all-time low in 2014 of 1.78% as a percentage of general fund revenues and in 2001 it was about 7.4%; and again as we talked about earlier this evening, personal property taxes essentially diminished in 1995, it was 1.68% of revenue and last year we received $58.00.

Mr. Norstrom commented I have two questions (1) on page 4 of the August 31st financials the Fines and Forfeitures are substantially down, asked do we any explanation for that. Mrs. Roberts replied I don’t know what the ticket counts right now off the top of my head. Mr. Greeson replied I think it’s reduced Mayor’s Court revenue. Mr. Norstrom asked is that because our Mayor is much nicer than our old Mayor or are tickets down. Chief Mosic replied there’s probably at least a 20% decrease in citations, OVIs are probably half of what they were during this period last year. As for the reasons I really don’t have an explanation. Mr. Norstrom asked is that the reason or we don’t have enough officers on the street. Chief Mosic replied there are a few officers who are aggressive on OVIs and then some who are trying to get a handle on thefts from our residential areas; so we’re hitting the residential areas much harder. When accidents were higher we were very aggressive in traffic enforcement, now that we’re seeing an increase in thefts mainly in the Wilson Hills area, we’re doing a lot more residential patrol after dusk and be visible in residential areas.

Mr. Norstrom commented as long as we’re talking to chiefs, EMS Transport is down 20% too. Chief Highley replied this is due to industry trend with changes in health care.

Mr. Norstrom commented to Mrs. Roberts in terms of other revenue, in July we were down $90,000, now we’re down only $60,000; asked what the components of that other revenue or what are the factors that are really influencing that. Mrs. Roberts replied I believe the largest component would be the Cable Franchise Fees and the cyclical nature of when they come in.

Mr. Norstrom stated I was looking at the July numbers earlier, but it appears that over the next five months now that our expenses are going to exceed our revenues by $1 million based on where we are projecting the general fund balance to be or where it is versus where we think the budget is going to be; asked does that sound right. Mrs. Roberts replied I don’t anticipate it will be that high; a lot of capital expenses paid in latter part of year. Mr. Norstrom asked can you indicate that the expenditures overall lower than usual. Mrs. Roberts replied it fluctuates. Mr. Norstrom asked I guess are we
underspending during the first eight (8) months of the year, which isn’t bad. Mrs. Roberts replied again I would tie a lot of that to the capital projects and I think it will flow through.

**MOTION**

Councilmember Norstrom made a motion to accept the July and August Financial Reports. The motion was seconded by Councilmember Dorothy.

The motion carried by a voice vote.

**REPORTS OF CITY STAFF**

**Greeson** – Note sent by Mrs. Stewart regarding private event after memorial service for Nancy Goorey at the home of Susie Goorey Petrak in Lewis Center; want to extend invitation to Council members. Ohio Municipal League, we had talked about getting more engaged with our municipal partners. The OML Conference is October 21st – 23rd in Downtown Columbus.

**REPORTS OF COUNCIL MEMBERS**

**SCOTT MYERS** – I have only one comment, and only because this happens to me with some frequency; when I have constituents inquire of me for legal advice and I decline under Chapter 109 Council to State Boards Commissions and Elected Officials not the public in general; nor do I know their particular situation or the laws that particularly apply to them. Tonight there was a request (I consider it a request) of our Law Director to give legal advice to an individual citizen; I don’t believe that’s within the purview of a City Attorney; and I would respectfully request that you decline the invitation.

Mrs. Fox replied I will if that’s what Council chooses.

Mr. Norstrom commented I made the request based upon a question asked by an individual, so it was not an individual member requesting that of Council, it was me. Mr. Myers commented I don’t remember you making a request as to whether a non-profit organization could engage. Ms. Michael explained I was answering the question and Mr. Norstrom asked could we have the Law Director address it. Mr. Myers commented I understand why you would ask that or phrase it that way, but I don’t know if that’s necessarily in the purview of the City Law Director to opine on non-profit election law.

Mr. Greeson indicated it is actually the Old Worthington Partnership responsibility to know what they can do with the money they hold.

Mr. Norstrom shared the reason I requested it is basically since this organization has never received any money from the City, is getting money from the City going to change their ability to take any policy directive relative to issues in the City.

Mr. Troper asked are we going to get this information and then pass it on to Mr. Robinson. Mr. Norstrom replied no; pass it on to Old Worthington Partnership. Mr.
Troper stated I agree with Mr. Myers our Law Director should not give legal advice to them, we are leaving ourselves completely exposed.

Mr. Greeson commented we’re going to construct a fairly simple agreement with them. My intent is they asked for money to help fund their Executive Director, we’re going to tie that to the use of the funds for the Executive Director because that’s the basis of the application. Ms. Michael stated they should be able do to whatever they are permitted to do under their not-for-profit status; we should not be getting into the day-to-day operations of businesses and organizations that come in front of us.

Ms. Michael stated that the general consensus of Council is that we do not have our Law Director follow-up on this.

EXECUTIVE SESSION

MOTION Councilmember Troper made a motion to meet in Executive Session to discuss Board and Commission appointments. The motion was seconded by Councilmember Dorothy.

The motion carried by the following voice vote:

Yes 7 Dorothy, Smith, Myers, Chosy, Troper, Norstrom, Michael

No 0

Council recessed at 8:40 P.M. from the Regular meeting session.

MOTION Councilmember Smith made a motion to return to open session at 8:54 P.M. The motion was seconded by Councilmember Troper.

The motion carried unanimously by a voice vote.
ADJOURNMENT

MOTION Councilmember Troper made a motion to adjourn. The motion was seconded by Councilmember Smith.

The motion carried unanimously by a voice vote.

President Michael declared the meeting adjourned at 8:55 P.M.

____________________________________
Temporary Clerk of Council

APPROVED by the City Council, this 19th day of October, 2015.

____________________________________
Council President
Meeting Minutes

Monday, September 21, 2015 ~ 7:30 P.M.

Louis J. R. Goorey Worthington Municipal Building
John P. Coleman Council Chamber
6550 North High Street
Worthington, Ohio 43085

City Council

Bonnie D. Michael, President
Robert F. Chosy, President Pro-Tempore
Rachael Dorothy
Scott Myers
David M. Norstrom
Douglas Smith
Michael C. Troper

D. Kay Thress, Clerk of Council
CALL TO ORDER – Roll Call, Pledge of Allegiance

Worthington City Council met in Regular Session on Monday, September 21, 2015, in the John P. Coleman Council Chambers of the Louis J.R. Goorey Worthington Municipal Building, 6550 North High Street, Worthington, Ohio. President Michael called the meeting to order at or about 7:30 P.M.

Members Present: Robert F. Chosy, Rachael R. Dorothy, Scott Myers, David Norstrom, Douglas K. Smith, Michael C. Troper, and Bonnie D. Michael

Member(s) Absent:

Also present: Clerk of Council Kay Thress, City Manager Matthew Greeson, Director of Law Pamela Fox, Assistant City Manager Robyn Stewart, Director of Finance Molly Roberts, Service and Engineering Director William Watterson, Director of Building and Planning Lee Brown, and Director of Parks and Recreation Darren Hurley

There were approximately sixteen visitors present.

President Michael invited all those in attendance to stand and join in the recitation of the Pledge of Allegiance.

VISITOR COMMENTS

Kate Wilson, 267 Crandall Dr.
Ms. Wilson commented that she is present tonight with her neighbor, Matt Erickson. She shared that five months ago the majority of residents that live on Crandall Dr. between High St. and Northland Dr. made a formal request to the city council for the installation of sidewalks. They would like an update on the project’s progression at this point. Mr. Greeson replied that he is not sure there is one at this point other than any future conversations on the topic may be referred to the Bike and Pedestrian Advisory Board. One of the challenges is that it has been reported to staff that there is a majority of residents that are interested in the area on Crandall, however there are some against them. That has not be verified in any way but it has not been reported to us that there is a majority in each block. He believes our ordinance, which compels us to conduct a special assessment requires a majority (51%) in each block. He thinks that is one of the challenges in this instance in that the reported majority does not necessarily match the ordinance requirements.

Ms. Wilson agreed that they are not spread out evenly defined blocks by the current ordinance but it would be great if they could talk about the details of the ordinance and possibly an amendment to the ordinance. It has been in existence since 1996 and it hasn’t been used. It is nineteen years old and she has some helpful suggestions or would like a discussion about the amendment either at this time or in the future.
Mr. Norstrom asked staff if the way the ordinance currently reads is if you have a majority of a block the block could get a sidewalk. Mr. Greeson replied yes.

Mr. Myers added that it would be by assessment. Mr. Greeson agreed that it compels the city to design it and pay 50% of the cost and assess the remaining 50%.

Mr. Norstrom commented that it could be in one block then but not in another. Mr. Greeson agreed.

Ms. Wilson stated that is why they were hoping that council would consider this project as a whole rather than block by block so we wouldn’t result in a patchwork of sidewalks that don’t connect to each other. They were hoping to keep an integrity to the project.

Ms. Michael shared that when she walked Crandall she found that some of the residents were upset and don’t want a sidewalk because they don’t want their entire front yard taken away. Someone asked why they can’t install sidewalks right along the curb like they have in Colonial Hills and in other parts of Worthington. She doesn’t know if that is a possible alternative which would make it a little more amenable to people.

Mr. Norstrom asked Mr. Watterson if he can explain why that really can’t be done.

Mr. Watterson explained that primarily because under the American with Disability guidelines, sidewalks need to be five feet in width to allow wheelchairs to pass. Then the maximum cross slope is 150. In a residential neighborhood with many driveways, typically a driveway every 70 feet or so, the driveway is no longer sloped at 150. There are no sidewalks in Colonial Hills that were constructed adjacent to the curb. They are not permitted under the ADA guidelines today.

Mr. Myers commented that the sidewalks have to then be pulled back from the apron. Mr. Watterson agreed that they have to be pulled back far enough from the curb that a reasonable driveway slope can be maintained. Then the sidewalk itself has to be a minimum of 150. The Codified Ordinances require a minimum distance of five feet from the back curb. Council has granted variances from that in the past but the primary problem is with a sidewalk adjacent to the curb you wouldn’t be able to install driveways and maintain an ADA compliant walk.

Mr. Greeson shared that there is also discussion about changing the ordinance. He reminded members that staff wrote a memo on that subject awhile back but there are a number of ways by which you can have a sidewalk constructed.

1) The city can do it.
2) By petition with this ordinance
3) Use the provisions of state law for municipalities that would allow staff to conduct a special assessment.
Mr. Greeson thinks the minimum under those provisions is 2% plus the cost of intersections but members are not prohibited from paying more if that is what they choose to do. There is a great deal of flexibility under the state law provision but the challenge they have faced, which we as a staff haven’t been able to reconcile is if not this specific ordinance then under what other situations would we assess? Under what other measures would we be compelled to do a sidewalk?

Mr. Norstrom understands that what residents are asking is for council to consider another ordinance. The current ordinance would allow residents to get sidewalks potentially in some places.

Matt Erickson, 278 Crandall Dr.
Mr. Erickson shared that absent any changes, he thinks they are willing to move forward with formally petitioning their neighbors to determine what the consensus is. They concede that there may not be a majority on certain blocks and the end result will be a patchwork of sidewalks from block to block and potentially from one side to the other. They think that with some changes to the governing ordinances, and there are three sections that govern this particular action, many of the concerns of certain neighbors will be addressed. Some of those would be in 905.10, to extend the payback period for the special assessment. It is currently five years and certainly an extended payback period would make this more amiable to some of our neighbors who find that the cost might be prohibitive. Fundamentally we would want council to consider inclusion in the upcoming 2016-2020 CIP resolution which presumably council will approve in December. In consideration of a very healthy Capital Improvement Fund balance, which he knows council will talk about tonight, income tax has been up close to 4% and property tax close to 5% so it seems like it is something that the Capital Improvement Fund might be able to support and is something that residents would like for members to consider in the upcoming resolution.

Mr. Norstrom asked Mr. Erickson for clarification. When he says supports, he means under the current ordinance. Residents are looking for funding for a sidewalk assuming they have a successful referendum. Mr. Erickson replied that under the current ordinance the city would be obligated to pay at least 50% of the cost anyway. Some of the changes that they would like to see in the ordinance includes extending the payback period and potentially modifying the ordinance. There is currently a “shall” clause in the second ordinance. It says the city “shall” pay 50% and that doesn’t give the city much leeway in alignment with the state ordinance that Mr. Greeson mentioned. Changing that to “shall pay no less than 50%” might give the city the ability to bear a higher burden of the cost of the project and the residents of Crandall less burden.

Ms. Wilson added that one other concern they had about the current ordinance is that it defines it block by block. If we could change the ordinance so that the neighbors could decide the boundaries. If we petitioned as a group of neighbors and we would be allowed to define the boundary of the sidewalk, we wouldn’t end up with a patchwork of sidewalks but something more seamless. Ms. Michael pointed out that putting a sidewalk
only on one side could cause some problems because although everyone would be able to use the side only the residents on the side with the sidewalks would be assessed.

Ms. Wilson replied that they are hoping for equal burden, equal access for the sidewalks but as it stands right now after their canvassing it wouldn’t even be on one side. In some areas it would be on both sides of the street and then there would be a blank and you would have to cross the street to continue to use the sidewalk. No one wants to invest in that. It doesn’t make sense. So that is why we are asking council to amend the ordinance so that residents could define the boundaries as a whole.

Ms. Michael asked Ms. Wilson if she could put their proposed changes in writing and e-mail them to Mr. Greeson for council’s review. Ms. Wilson agreed to do that.

Mr. Greeson commented that he will ask Mrs. Fox to assess whether there will be a need to change the ordinance. They would be asking council to do certain things that it might already have the flexibility to do under state law. The question is whether council will want to do that or not.

Mr. Norstrom asked Mr. Greeson when he could have an answer back to council. Mr. Greeson replied pretty quickly. Mr. Norstrom asked that no later than October 31st would work. Mr. Greeson agreed that staff could certainly have it in the context of the current CIP and issues like length of time to repay. He thinks it gets down to under what situation or conditions, meaning numbers of residents will council feel compelled to initiate a special assessment and then what flexibility does council have under state law.

Mr. Norstrom thinks council has already heard from both sides. They don’t know what the numbers are but let’s at least identify the frame for moving this forward.

Mr. Greeson commented that council may want to change the code as is their prerogative. Mr. Norstrom stated that he understands that too but he encouraged staff to move a little faster than it has.

Mr. Greeson reported that he would accept responsibility for that. He thinks this issue and the way they have framed it, it has been framed to him previously and he didn’t get it before council in this context. He apologized to council and added that staff will get the issue before them in the context of the CIP so that members can hear all the residents of Crandall and answer these questions and council can deal with it in the context of all of the other Capital Improvement items.

Mr. Smith commented that as staff is working through the CIP budget process specific to this, he was reading the Safe Route to Schools website best practices and there are some instances where city councils wrote a recommendation to the school district to at least have somebody from the school district help out and maybe even chip in especially since this is such a key artery for the Wilson Hill school. A ton of students and traffic go through that area daily so maybe they would be interested in chipping in a little bit to help with this project. Ms. Michael replied that would be nice.
Ms. Wilson shared that the last count they had there were twenty six children living on Crandall between kindergarten and sixth grade age.

Ms. Wilson added that residents have been using the e-mail address given by the website to try to contact council members and they have used it a number of time. She was wondering if there was a better way to directly reach members. Mr. Greeson replied that all e-mails that have been received get forwarded to council members.

Mr. Norstrom reported that he is not receiving e-mails.

Mr. Greeson commented that staff can provide residents with additional e-mails. He told Ms. Wilson to feel free to e-mail him and he would assist with her request.

PUBLIC HEARINGS ON LEGISLATION
President Michael declared public hearings and voting on legislation previously introduced to be in order.

Ordinance No. 35-2015 Amending Ordinance No. 40-2014 (As Amended) to Adjust the Annual Budget by Providing for An Appropriation from the General Fund Unappropriated Balance.

The foregoing Ordinance Title was read.

Mrs. Roberts shared that staff has done an assessment on several line items and found that they require some additional funding to get us through the end of the year.

1) An operating transfer into the sewer fund.

Mrs. Roberts commented that this is the second request for funding for this item. The sewer fund revenues have not been coming in as regularly or as plentifully as staff had anticipated. Since we have moved a large percentage of the personnel expenditures into each particular fund we are realizing that monthly revenues just are not there to adequately cover these expenditures.

2) Additional funds are needed in both Service and Parks for electricity.

Mrs. Roberts again shared that this is the first year we have allocated the utility costs to each department and we are in need of some additional funding for those charges.

3) Additional funds for Park Maintenance.

Mrs. Roberts reported this being a request from Mr. Hurley in the amount of $15,000 due to the extensive wet weather and other conditions that have occurred in this planting season. There will be some savings in the staff line in the Park Maintenance accounts.
because of transitions and retirements so there will be savings in the personnel line to offset this funding request. She added that it is not our practice to make a transfer from personnel lines into other lines which is why this is a supplemental appropriation instead of just a transfer request.

4) Overtime in the Fire Department

Mrs. Roberts reported that additional funds are needed because of some unanticipated long-term leaves. The overtime line in Fire operations has taken a significant hit this year and requires the additional funding to get us through the end of the year.

Dr. Chosy asked for clarification on the sewer revenues. Specifically, why do we receive those and why are they not coming in. Mrs. Roberts explained that we have a surcharge on both our water and sewer. The city of Worthington receives $0.75 back in surcharge fees from the city of Columbus for both water and sewer utility because it has been in the ordinances for a very long time. Mr. Greeson added that it funds the ongoing maintenance of the system by the users.

Mrs. Roberts commented that the city also receives monthly revenue back from the city of Columbus for the surcharge that is collected for those charges.

Dr. Chosy thinks collections should be pretty steady. He asked why it is so slow. Mr. Myers recalls it being a function of the amount. Mrs. Roberts confirmed that it is a function of usage and their billing cycle. We have experienced some variations this year in the way revenues have come in that we did not see in previous years.

Mr. Myers shared one thing that he has noticed that seems to be a reoccurring theme on some of these, at least part of it, is that the change in our budgeting and our cost allocation is resulting in some of this. He assumes that as we get more experience in our cost allocation some of these will smooth out. Mrs. Roberts agreed. She explained that this was the first year of our step towards true programmatic budgeting and we did the best estimating that we could without any historical references.

Mr. Norstrom commented that in terms of the overtime for the Fire Department, is there anything we can do in future years relative to the unanticipated long-term leaves that we are experiencing. He stated that might be a better question for the Chief. Mr. Greeson agreed but he shared that the city utilizes part-time employees which helps. We have repetitively analyzed whether having additional staffing would help that or whether it is better to pay overtime. Our estimation is that while we have to periodic do this because of leaves, we are better off paying overtime to fill the gaps.

Mr. Norstrom stated that with the unanticipated, we could hire more part-timers to cut down on the overtime. Mr. Greeson commented that members will recall that in the past we have occasionally done an increase in the staffing chart to help bump with this kind of situations. It just depends on how long staff thinks it is going to be.
Mr. Norstrom thinks we could get more for the $75,000 using part-timers instead of paying overtime. Mr. Greeson agreed but added that to cover twenty-four hours a day, seven days a week, we would have to have numerous part-timers.

There being no additional comments, the Clerk called the roll on the passage of Ordinance No. 35-2015. The motion carried by the following vote:

Yes 7  Troper, Norstrom, Dorothy, Smith, Myers, Chosy, Michael

No 0

Ordinance No. 35-2015 was thereupon declared duly passed and is recorded in full in the appropriate record book.

Ordinance No. 37-2015

Authorizing the Worthington Community Improvement Corporation to Execute a Lease Agreement Between the WCIC and Sweet Carrot Worthington, LLC for a Portion of the Kilbourne Building.

The foregoing Ordinance Title was read.

Mr. Greeson commented that the Kilbourne Building is a building that council owns that sits on the Village Green. It has long been a priority to fill that space. In fact a number of years ago the city rezoned it to C-5 to accommodate uses such as the one being considering this evening. Members also tasks the Community Improvement Corporation (CIC) with seeking to identify potential users of the building and they have successfully done that. He asked Mrs. Fox to overview the lease document and materials that are before council this evening. He added that the representatives of Sweet Carrot, Angela Petro and Jay Truman, had a conflict tonight and weren’t able to be here but they will be before the Architectural Review Board to talk about the patio expansion that is mentioned in the materials.

Mrs. Fox commented that members have the draft lease agreement that staff has been able to negotiate with Sweet Carrot. It is for a portion, about half of the first floor on the south side of the building and includes the exterior patio to be constructed. Sweet Carrot is going to construct all of the tenant improvements that they need. As members know we are just finishing up the city’s portion of improvements to that building. The $300,000 grant money has been expended and then reimbursed back from the state. The elevator, if it isn’t in, it is going in as we speak. There are a few other minor things that need finished to complete the City’s portion of the work. That was the precursor for the negotiations with the tenant. They are looking to take possession November 1st. The initial term of the lease is for ten years with a seven year renewal. They have a right of first refusal on the northern space. If we get presented with a lease they will be given an opportunity to lease that space. Then if they decline to lease the space it will turn over to another tenant. In consideration of these tenant improvements they are proposing to
make, they have estimated that they will be in excess of $400,000. We have agreed to fully abate that rent for the first seven years and then partially abate for the remaining three years of the first initial ten year term. Full rent will be paid in the renewal option period. It is a triple net lease which means that they will be paying all of the utilities, insurance, taxes, and what we call “common area” maintenance charges. Staff doesn’t think there will be many of those, at least initially or even at all because there isn’t that much common area left within the building. There are contingencies for this lease. As Mr. Greeson mentioned they are going before Architectural Review Board for approval of the exterior patio. A restaurant use is considered a Conditional Use in the C-5 zoning category so they will be seeking a Conditional Use permit as well. There are also a few variances that they will be requesting from the Board of Zoning Appeals. They have submitted all of that paperwork and will be before those boards in the near future.

Mrs. Fox further stated that there are contingencies for those permits as well as a contingency that if their tenant improvement costs exceed $550,000 then they will have the ability to terminate the lease. As mentioned, they anticipate those costs to be around $400,000. One of the improvements that the city made was to make that building ADA accessible so that will allow the public into the building and into both tenant spaces as well as into the basement if that space is ever to be used. So we are excited about this. Sweet Carrot has continued to express interest in this site since staff began speaking to them about a year ago. We are hoping to move forward with this lease, get them through their approvals and get them in there. That may take a few meetings as this is a big change in this building but we are excited about the prospect of bringing them in.

Ms. Dorothy asked how long the city has owned the Kilbourne Memorial Library building. Mrs. Fox replied about ten years.

Ms. Dorothy asked what type of improvements have already been provided for that building. Mrs. Fox reported that a new roof has been put on, asbestos has been removed from the inside, some HVAC work has been done and the mezzanine has been removed. Mr. Watterson added that all of the windows have been repaired, an elevator has been installed and the north side fire escape was removed as it was no longer necessary.

Mrs. Fox noted that the concrete has been repaired and the Service Department was able to locate the storm sewer lines and bring those back into operation so some repair work still needs to be done there. The front doors have been removed, refurbished and rehung.

Ms. Dorothy asked if anyone knows the costs of all of those improvements. Mrs. Fox replied that the most recent ones were close to $500,000.

Mr. Myers recalls work close to $1M with the roof, the asbestos removal and the current round of ADA compliant approval improvements. Mr. Greeson acknowledged that he doesn’t have a total number but will provide council with a ten year summary. He believes it to be around the number that Mr. Myers recalls.
Mr. Norstrom commented that that doesn’t include the cost of the building. Mr. Greeson agreed. He added that cost was around $500,000.

Dr. Chosy concluded that members were sort of suggesting that the purchase of the building wasn’t a very good idea. He pointed out that the city owns it, we control it, it is a key property on the Green and in spite of all of the complaining that he is hearing it was the right thing to do.

Ms. Dorothy shared that she was not complaining at all. She was trying to point out that the city has invested significant resources in this building. It is right on the Village Green. There are quite a number of events that take place there and she is very happy that we will have a tenant in there that the public will be able to patronize and that will hopefully help revitalize the downtown and definitely have more activity going on in that quadrant of the Village Green.

Ms. Michael shared that she is excited because we are breathing life into this lovely historic building that has been mothballed for way too long. She thinks the community will be very excited to have this lovely historic building finally used. We are excited to have Sweet Carrot. She believes it will be a wonderful addition to our community.

Mr. Norstrom asked if there is any reason to believe that $500,000 contingency could even be in the realm of possibility based upon the estimates that Sweet Carrots have already received that center on the work that they want to do. Mrs. Fox replied that she hopes not. Staff thinks those estimates were pretty accurate. Much of that will depend on the cost of the outdoor patio. There were a few things that the city was originally going to construct in that building that we decided to pull back on such as the restrooms, just because of our budget limitations. That will be an added cost to them but we don’t have a reason to think that it will exceed that amount and neither do they. She thinks it was important that they look at that number and say “yes” or “no” to that.

Mr. Norstrom stated that council is not approving the lease. He asked if that was correct. Mrs. Fox thanked Mr. Norstrom for bringing that up. She stated that this is actually a lease between the CIC and Sweet Carrot. This ordinance also authorizes the City Manager to execute a master lease between the City and the CIC because of legal reasons. That will just essentially be an authorization for the City to give the CIC this lease and they will administer it as a sub-lease, essentially. This authorizes the CIC to execute that lease.

Mr. Norstrom commented that there is nothing to think that what is before council this evening will be changed. The CIC has the authority but not necessarily permission to change things. Mrs. Fox agreed. If there are substantial terms in the lease that they want changed then staff would bring it back to council.

Mr. Norstrom commented that it is a ten year lease however the tenant can exercise a seven year extension of this lease and that does not need to come back to council. Mrs. Fox agreed because it is already part of the lease.
Ms. Michael reported that the Community Improvement Corporation had their meeting earlier today and stated that they would be willing to approve the lease and move forward if they received the permission from Council.

Dr. Chosy understands that the City is essentially not charging rent for seven years. He asked how much is the city getting for the rent concession. Mr. Norstrom thinks there are two ways for a landlord to provide a building. The landlord can make the improvements and include the cost of those improvements in a lease to the tenant or as what we are doing in by a leasehold improvement where the tenant can pay for those improvements and in effect get credit against their lease payment. Things that they are putting in, as he understands it, would be things like a complete kitchen, which is not something that the city would have put in for any tenant. We could have paid to put it in but it is a much better opportunity for the city cash flow and other things to have the tenant pay for it up front and then we give them credit back in terms of the rent.

Mrs. Fox thinks the later point, staff felt there was a benefit to the tenant offering to make those tenant improvements so that the city wouldn’t have to. Members may recall that these negotiations have been going on for several months. Before even the $300,000 grant was awarded she thinks that the prospect of the city trying to get the entire building ready at least as a shell for tenants was going to cost much more than what we had already expended. So the prospect of them coming forward to make those tenant improvements, we calculated those tenant improvement costs and spread them out over that initial ten year period. Based on some information that we sought from a real estate professional, the base rent for this type of building was $15.00 a sq. ft. so we used that number to calculate. Staff wanted to have a fair market rental rate to use in our calculation so that is how we arrived at the numbers.

Dr. Chosy commented that staff calculated some things to make it possibly come out about even, perhaps. Mrs. Fox agreed.

Dr. Chosy asked if they have to pay the real estate tax. Mrs. Fox replied yes. The building now is tax exempt but we are only tax exempt as long as it is being used for public purposes. As soon as the building becomes used for commercial purposes the Auditor will begin to assess evaluation for that tax. That will be apportioned because they will only be in a portion of the building so that will be another calculation that we will have to do. Dr. Chosy said he is glad that it is balanced out.

Mr. Norstrom asked Mrs. Fox if the city has not come up with a purpose for the other part of the building, he asked if she was implying that the Auditor would appraise that property as total retail commercial. Mrs. Fox replied no. If the northern space stays vacant then there will be no taxes due on the northern space. There will only be taxes due on any portion of the property that is being used for commercial purposes because we can’t take advantage of tax exempt.
Mr. Troper asked if the city owns the tenant improvements once the tenant vacates the lease. Mrs. Fox replied yes except for items that would be preapproved ahead of time. She doesn’t know if we will want certain things that they put up that are unique to their business.

There being no additional comments, the Clerk called the roll on the passage of Ordinance No. 37-2015. The motion carried by the following vote:

Yes 7  Norstrom, Dorothy, Smith, Myers, Chosy, Troper, Michael

No 0

Ordinance No. 37-2015 was thereupon declared duly passed and is recorded in full in the appropriate record book.

NEW LEGISLATION TO BE INTRODUCED

Resolution No. 44-2015  Authorizing an Amendment to the Final Development Plan for 100 & 200 Old Wilson Bridge Road and Authorizing Variances (Worthington Industries).

Introduced by Mr. Troper.

MOTION  Ms. Dorothy made a motion to adopt Resolution No. 44-2015. The motion was seconded by Mr. Myers.

Mr. Greeson reported that this resolution relates to the signage on the building that Worthington Industries leases a significant amount of space in that is located at 100 West Wilson Bridge Road. He asked Mr. Brown to overview the item which would allow for new and additional signage for Worthington Industries as part of their ongoing improvement to their corporate headquarters campus.

Mr. Brown shared that the request is for an Amendment to Development Plan with variances for 100 and 200 Wilson Bridge Road. The 200 building has been the headquarters for Worthington Industries since 2003. They have expanded into the 100 building in recent years. The two parcels in question are actually in the C-2 and C-3 Zoning Districts. The request is to replace the existing signs on the 200 building and install new signs on the 100 building.

Before members is a request for signage of 162 square feet in size but the actual lettering is only 86 square feet in size.

Mr. Brown showed slides that depicted the style and location of the signs.
Mr. Brown commented that while the Worthington Industries emblem is 44 square feet in size, the “W” is 17 square feet.

Mr. Brown stated that the proposed signage for the two buildings are the same although they are located in different places on the buildings.

Mr. Brown shared that the Wilson Bridge Road overlay that staff has been working on will be coming before council in the coming months. Members will notice that the signage proposal of Worthington Industries is actually in compliance with what staff will bring to council for the Overlay work.

This application went before the Municipal Planning Commission on September 10th and they unanimously recommended its approval to come before council. Staff also recommends approval.

At Dr. Chosy’s request Mr. Brown showed the locations of the signs. He asked if he could see those again. Mr. Myers asked if he had the I-270 slide.

Mr. Brown obliged by showing a picture of the building looking south from I-270. The slide showed the locations of two signs, one on the outside corner of each building.

Mr. Brown added that part of the proposal for the corridor study will allow additional signage on the Old Wilson Bridge Road side and the I-270 side. Currently our code only allows one wall mounted sign up to 100 square feet in size. So the variances requested are for the number of wall signs and for exceeding the 100 square foot allowance.

Dr. Chosy asked if the current sign that is located in the middle on the front of the 200 building will remain. Mr. Brown replied yes.

Dr. Chosy noted that it will have three signs. Mr. Brown agreed. He added that they did receive variances in 2003 for three signs and to exceed the square footage, although not to this level.

Mr. Norstrom commented that the city doesn’t have a separate code for buildings that front on I-270. The sign code addresses all signs no matter the location. Mr. Brown agreed.

Mr. Myers shared that the Wilson Bridge Road proposal addresses that. Mr. Brown agreed. It allows for signage on the I-270 side and on both Wilson Bridge Road and Old Wilson Bridge Road.

Mr. Myers pointed out that it does expand size to provide for greater exposure for these business from I-270. He thinks the Wilson Bridge Road study and what is going to be proposed to council recognizes that.
Mr. Norstrom acknowledged that the current code doesn’t do that so getting a variance for something like this, which is advantageous to the community as well as our new businesses is good.

Mr. Myers asked members to look at the sign and identify the most prominent word. He shared that it is not “Industries” but rather “Worthington”. He thought it was a very appropriate sign.

Mr. Myers commented that this item comes to council as an Amendment to Development Plan and does include a variance. As he reads it, this proposal would be subject to the new referendum. He asked if that was correct. Mrs. Fox replied that staff doesn’t believe that variances are subject to the sixty days but the argument could be that this is a change in zoning.

Mr. Myers pointed out that because this is an amendment to a development plan and a zoning land use decision by council, this could conceivably capture a variance on a specific property in the sixty day referendum period. Mrs. Fox agreed that that could be an argument that could be used.

Dr. Chosy commented that in general when we measure the square feet of signs, a distinction is made between the size of the sign and the lettering. We go by the size of the sign, do we not? Mr. Brown agreed. He shared that the current code looks at what is included on the screen in the blue background and would consider that as part of the actual sign. That would jump the size up to 162 square feet. As part of the proposal that council will consider in the coming months for the Wilson Bridge Road corridor, staff has kind of modified what has been approved in the past (such as Worthington Industries) and used that for the template because we thought if another applicant came in along the corridor, that would be the template that they would use. At least with this one, what staff used was the backer at 162 square feet in size but the actual text itself would be limited to the 86 square feet.

Dr. Chosy shared that he was a little taken aback by the point that Mr. Brown made about the corridor study since he was not aware of the proposed changes. Mr. Brown stated that he was just laying some ground work.

President Michael invited Mr. Noble to comment.

Kevin Noble, 100 & 200 Old Wilson Bridge Road
Mr. Noble stated that he had nothing to share. He is just here to answer any questions.

Ms. Dorothy asked if he represents Worthington Industries. Mr. Noble replied yes. He is with BHDP Architecture.

Ms. Dorothy asked if the logo is new. Mr. Noble shared that it takes into consideration their new branding so it has taken some time.
There being no additional comments, the motion to adopt Resolution No. 44-2015 carried unanimously by a voice vote.

Resolution No. 45-2015

Expressing Support for the Worthington Lodge, LLC Development Project Located on the Site of the Worthington, Ohio Historic Masonic Lodge on High Street in Old Worthington.

Introduced by Dr. Chosy.

MOTION

Mr. Smith made a motion to adopt Resolution No. 45-2015. The motion was seconded by Mr. Norstrom.

Mr. Greeson welcomed a number of representatives present from the Historical Society, the Worthington Lodge LLC and from the New England Lodge. He noted that they have been patiently waiting to hear this discussion.

Mr. Greeson stated that Council has received a resolution and a document with a great deal of information which depicts an amended proposal for the use of the Lodge buildings, both the 1820 building and the 1950s building. Mr. Peterson with Worthington Lodge LLC is going to overview some of that information with members this evening and seek their support for the resolution before members. What members are doing tonight if they pass this resolution is giving council support of their proposal in concept and in particular of their application of historic preservation tax credits, which would be used to encourage the historic presentation that they are proposing, particularly to the Old Lodge building.

Mr. Greeson stated that he wants to make a couple of points about what members are not doing tonight. We are not discussing any amendments to the Planned Unit Development (PUD) zoning because no such amendments are required in order to accomplish what they are proposing or the proposed use contemplated the potential of, in particular things like the museum that we will be discussed this evening in your original PUD zoning designation. It will require, although not as part of our conversation tonight, it will require Architectural Review Board approval and federal and state historic preservation approvals of the architectures so many other people will be, both in public forum as well as in other governmental offices scrutinizing the architecture both compliance of our design guidelines and for the tax credit profit process, the historic accuracy and preservation aspects of it. We figure we didn’t need to do that this evening. Members are really looking at whether council supports this concept and do members want it to receive historic tax credits from the state. He turned the meeting over to Mr. Peterson.

Mr. Peterson provided some background on the project. He told Dr. Chosy that after their approvals in January they took his comments to heart and started thinking about what they could do to look at the 1820s structure and really preserve it to its best ability. Since then they have been in discussions with the Masons and have reached a handshake agreement to use the second story of the 1820 structure, essentially as it currently stands,
as a museum. Additionally, they also plan to move some of their operations and he has one of his colleagues, Kevin Royins in attendance to create some new jobs and opportunities on the bottom floor. If you are familiar with the structure at all, the bottom floor is essentially just open office space and they intend to use it that way. If they do anything to the 1820s structure it will be to hide some of the exposed duct work to help bring it back to a more historic state. Given the loss of revenue that they essentially will incur, they decided to also seek these historic presentation tax credits to help defray some of the cost. The process is a bit complicated in that it has its own timeline and guidelines to go through.

Mr. Peterson shared information about the application process and added that one of the items is local support, which is the reason for the resolution of support and letter of support.

Mr. Peterson added that there has been no tax credits ever funded to the city of Worthington from the state project since its inception so this will be certainly a very large swan song for Dr. Chosy.

Ms. Michael asked how long the process was and when will construction begin. Mr. Peterson shared that they have begun demolition on the interior of the building. They can’t really do much work until they are actually funded with the tax credits from the state. That is just one of the regulations that they have so major construction won’t start until that award happens, which is expected by the end of this December. Given the timeframe between now and then they will be doing construction drawings, getting all of their permits in order and all of the various things that need to come into place before the work can actually begin. They intend to start in January/February 2016.

Mr. Norstrom commented that since the tax credits are competitive would they go back to the original plan if they don’t receive the credits. Mr. Peterson replied no. They are looking to proceed with the plan as they proposed tonight.

Mr. Myers reported that if they don’t get the tax credits then they will take a bigger bath than they already have. Mr. Peterson supposes it doesn’t become as economically viable but the tax credits that they are seeking also involve federal tax credits. The federal tax credit program is not a competitive program so even if they aren’t successful with the state credit, they will have the federal credit to help them out through the hard times.

When asked by Mr. Norstrom if they are straight forward in that they will make changes to comply with whatever they request. Mr. Peterson agreed. They are doing this plan and as long as the fed’s like it, they will proceed.

Mr. Troper asked how long the state program has been in existence. Mr. Peterson replied fifteen rounds so seven and one half years. They actually do two rounds a year, $30M each round.
Mr. Norstrom asked if there is anything council can do to help them get the state credits other than just pass this resolution. Mr. Peterson replied he wish there were. But council’s prayers and support would be great.

Ms. Michael commented that one of the areas that didn’t make it was that we are not in a blighted area. Mr. Peterson acknowledged that it is a scoring item in the state program. It is an economic development program so because the city is doing quite well, funding hasn’t found its way here yet. On the other hand, nothing has been done here yet so we score higher on that item.

Mr. Myers thanked Mr. Peterson. He added that council’s support is the least they could do and not just for this final step that they are doing but for all of the listening and concessions and changes that they have made throughout this entire process. He took someone for a drink at the Worthington Inn to convince them that the Showes do go work and he thinks most of the people that he has taken there don’t even understand that there are condominiums behind the Inn. He thinks that the way they have designed this will be seamless, it will add great vitality to downtown and most people driving by will not notice a difference. He appreciates their commitment to Worthington and at the end of the day we’ve got a phenomenal project that will benefit everybody. He thanked Mr. Peterson for that.

Dr. Chosy agreed. He added that at the time the pocket park was being discussed and they would lose one condominium he still had hopes for something being done to the 1820s building. He actually had our city attorney ask that if they lost that condominium would that make them less likely to preserve the 1820s building other than having it be a condominium and the answer was no. It made no difference. They could have said yes just to put a little pressure on and he really appreciates that very much.

Ms. Dorothy agreed with Mr. Myers and Dr. Chosy. She also appreciates all of the hard work of the Worthington Historical Society. She is very happy that we are preserving this important building in Worthington. She said she wanted to point out earlier how long it takes the city to plan and get money and funding to be able to preserve different buildings within Worthington. Since this opportunity happened so quickly it was very hard for us to move forward. She is very glad that we had very dedicated people who were willing to talk and compromise. She would like to do anything we can to support this effort.

Ms. Michael thanked the Showe Corporation, the citizens of Worthington, and the Historical Society because this has been a long process. It started with a much bigger development and there were changes to bring it from 18 to 9 units. Then to have the 1820 building preserved is just a bonus for the entire community. It is just wonderful and then to add the economic development bringing the business to the city of Worthington is just fabulous. She knows the entire city is thankful and many people will be pleasantly surprised when they read the newspaper and find out that this charm, this beautiful historic site is really going to be beautifully preserved for the future.
Mr. Norstrom asked if it is appropriate to assume that, he thinks he mentioned that the arrangement they have with the Masons, they may be getting a little less money than they thought originally so we owe a thanks to them as well for taking some actions and staying in Worthington. Mr. Peterson said he would let the Masons speak to that if they care to. As far as monetary, there is no difference whatsoever. He thinks they deserve a great deal of gratitude just for hanging in there with them through this process. They have been incredibly patient. If he can say anything about these guys, the truth is working with these folks for the past year and a half or more has been, as far as purchase and sale contracts are concerned, an incredible and wonderful experience.

Jutta Pegues, Worthington Historical Society
Ms. Pegues shared that she is speaking on behalf of the Board of Trustees of the Worthington Historical Society. They are in favor of the resolution and are very pleased. She can’t express enough the gratitude they have to the Showes who have agreed to save this building. They were very much interested in that from the beginning. They would have loved to have purchased it but as usual Historical Societies are quite poor. They do realize that a conversion into a condominium would have been repurposing as well and this is what they are doing but the interior of the upstairs is such a treasure that would have been lost forever. She hopes that the citizens of Worthington will go to see it as it is open during Market Day and will be staffed by the Masons.

Ms. Pegues added that she would like to express a gratitude to the city council and especially Bob Chosy, with whom they met with a number of times while working to save this lovely structure that portrays the heritage of this community. The names that we are all familiar with: James Kilbourne, Orange Johnson, and John Snow just to name a few have met in that building for many, many years. They wholeheartedly support this resolution tonight and want to extend a warm welcome to the Showes who have committed to preserve the history of this town once again.

Mike Clevenger, on behalf of the New England Lodge
Mr. Clevenger commented that members have heard them say before as they have appeared through this process that they as an organization are very lucky to attract a developer like the Showe organization. He thinks they will find that there are many, many people who will try to grab onto the credit for making this happen. Certainly the Lodge, when they made that terrible decision to let go of the 1820 property. They finally came to grips with that decision and there was really only one person who brought back this idea along with Chris and the other people. It was Kevin Showe. It was his idea. The Masons didn’t force him into it but it was his sense of community that has been demonstrated before and his sense of history as we talked about what we had to do to the interior of that building. He didn’t like it and so he changed his mind. We publically want to thank him again for changing his mind. This will maintain our original lodge room that has been in continuous use, the longest continuous use of a Masonic Lodge west of the Alleghany Mountains. It will be a living museum as we, the Masons will be in there meeting on occasion. There are artifacts that are coming to us from other sources that will be highlighted there and we have our own history guy, Dick Snow who will...
curate that for us. The Lodge is very lucky that the Showe organization come to them and they thank them.

Ms. Michael shared that there have been numerous people talking in our community about the need of public/private partnerships. She can’t think of a better example of such a partnership. It completely benefits the entire community and is really helping everybody by preserving one of the most historic buildings in our community. It is wonderful.

Mr. Peterson added that they will be open during Market Day from 10:00 a.m. – 4:00 p.m. That is also through help with the Historical Society. He thanked members for their kind regards.

There being no additional comments, the motion to adopt Resolution No. 45-2015 carried unanimously by a voice vote.

Resolution No. 46-2015 Accepting from the Worthington Community Improvement Corporation a Reimbursement Amount Received from the State of Ohio Development Services Agency for Renovations to the James Kilbourne Memorial Library Building at 752 High Street.

Introduced by Mr. Troper.

MOTION Ms. Dorothy made a motion to adopt Resolution No. 46-2015. The motion was seconded by Mr. Myers.

Mrs. Stewart apologized for just distributing this resolution but staff was actually waiting for action at the Community Improvement Corporation meeting prior to this Council meeting, which is why staff just walked this in tonight rather than having advance information out on it.

Mrs. Stewart commented that council spent part of tonight talking about the Kilbourne building and staff highlighted a number of the renovations that have already occurred. This resolution relates to the current renovations that have been made to the Kilbourne building that the CIC has been overseeing. Members may recall that the City Council provided $500,000 to the CIC for funding those improvements with the anticipation that the $300,000 grant from the state proceeds would come back to the City. This resolution relates to the transfer of those funds back from the CIC to the City of Worthington.

Mrs. Stewart shared that those funds have been utilized for several purposes.

1) DesignGroup who provided architectural and engineering services related to the project and those were approximately $41,000.
2) MAC Construction has been performing construction services related to the renovations and those have related to utility work, demolition of the mezzanine, the installation of an elevator to make the building compliant with the Americans for Disabilities Act, removal of the fire escape door and conversion into a window, and also repair to the roof above that location. Some interior finishes, which was primarily putting up some interior walls and dividing the space into two tenant spaces or up to three spaces if you count the basement. Then some other fees and miscellaneous work related to the project.

Mrs. Stewart identified those items as the original core work that needed done. When we originally went out with MAC Construction there was some additional work that took us over our budgeted amount that we ended up removing in anticipation that the work would be done in connection with tenant improvements. That related to building out restrooms, doing some power and light work in the north and south spaces. There was some exterior concrete which we were actually incorporating through the Service Department and some work that they are doing. So that was eliminated to try to get us closer to the budget but as not surprising when you get in and work on existing buildings there were some other change orders to the project that have resulted in a higher cost associated with the construction. Those primarily related to some additional steel columns for bracing the building, some additional but unanticipated electrical work, the change out of some type of lights that needed to be installed, some work associated with the elevator, some repair to the roof, and then some various miscellaneous things like exhaust fans that needed to occur. So as a result of that, we actually ended up with a total cost above the original projected $500,000. What is proposed in front of Council tonight is a request from the CIC to not transfer the entire $300,000 in grant funds back to the city but instead transfer a lower amount and the resolution notes the amount at $282,274.99.

The CIC actually has proposed and pledged part of their fund balance to cover some of these additional costs but their fund balance is not sufficient to cover all of them thus the request to retain some of the $300,000. That is what this resolution would provide for. Mrs. Stewart invited members’ questions/comments.

Dr. Chosy recapped that Council approved $500,000 and then received $300,000. Now $282,000+ is coming back to the City. He asked how much was spent. Mrs. Stewart shared that the $500,000 was transferred to the CIC and they started on the renovations because we had to front the funds for the state grant. In the meantime we have been submitting invoices to the state in order to receive the $300,000 in grant funds. But the original expectation was that the city would provide $500,000 but be reimbursed $300,000 of that from the state grant. Dr. Chosy said he understands that the city will be getting back a little less.

Mr. Norstrom asked if it means that the project totaled $518,000+/- . Mrs. Stewart replied no. It actually means that the total project is at $535,256 but the CIC is dedicated most of their fund balance towards the project but their fund balance is not sufficient to make up the entire difference.
Mr. Norstrom asked Mr. Watterson if the $35,000+ in overrun was appropriate. Mr. Watterson agreed that it was. He shared that they were for things that were necessary to get the project completed. Things like the change in the window size, a sump pump in the elevator shaft, and the lighting was a requirement of Architectural Review. So those were the types of things.

Dr. Chosy asked for clarification. He asked if the city was going to only end up spending $200,000 because that is what it sounds like. Mrs. Fox replied no. She shared that $500,000 has been spent, $300,000 is the grant that was always intended to come back to the City.

After some further discussion with members, Mr. Myers summed up the conversation by agreeing with Dr. Chosy. The total cost of the work was $535,256 and $300,000 are coming back from the state, which means we spent $235,000 this round.

There being no additional comments, the motion to adopt Resolution No. 46-2015 carried unanimously by a voice vote.

**Ordinance No. 38-2015**

To Amend Section 1123.105 and Section 1147.01 of the Codified Ordinances of the City of Worthington to Add a Definition for Breweries, Distilleries and Wineries and to Add the Use as a Conditional Use in the Restricted Light Industrial (I-1) Zoning District and General Industrial (I-2) Zoning District while deleting Distilleries and Breweries as a Conditional Use in the Restricted Light Industrial (I-1) Zoning District.

*Introduced Mr. Myers.*

**Ordinance No. 39-2015**

To Amend Section 1173.10(a) and 1173.10(b) of the Codified Ordinances of the City of Worthington to Permit Building Service Equipment to be Located in the Side Yard with Screening, Regardless of Distance from the Side Property Line.

*Introduced Dr. Chosy.*

The Clerk was instructed to give notice of a public hearing on said ordinance(s) in accordance with the provisions of the City Charter unless otherwise directed.

**REPORTS OF CITY OFFICIALS**

Mr. Greeson shared that beginning on Friday through the following Wednesday he will be out of the office attending the International City County Manager’s Association conference in Seattle. During that time Mrs. Stewart will be the Acting City Manager.
Mr. Greeson also shared that the city will be hosting visitors from Sayama, Japan beginning this Friday.

Mr. Norstrom requested that the schedule of events be resent to members. Ms. Michael recalls there just being two events for members. One on Friday here at City Hall and one Monday at the MAC.

REPORTS OF COUNCIL MEMBERS

Mr. Troper suggested that during the budget discussions City Council meet for part of a Saturday instead of meeting late on regular Council meetings.

Several members said they wouldn’t be opposed to such an idea.

Ms. Michael asked Mr. Greeson to put together some recommended dates and get them out to Council for consideration.

Mr. Norstrom asked if Council has done anything to recognize citizens for outstanding good works in the city of Worthington. Mr. Greeson shared that we have our Neighborhood Award and through Leadership Worthington there is the Leadership for a Lifetime and Distinguish Leader Award that they give but nothing in addition to that. He thinks on occasion the city has done special proclamations or resolutions.

Mr. Norstrom commented that he would like for staff to look into something identifying outstanding contributions to the city of Worthington and our first nominee would be Kevin Showe. Dr. Chosy liked the idea. Mr. Greeson agreed to look into it.

Mr. Myers shared that at a minimum it would be nice to do a resolution. Mr. Norstrom agreed. He added that what he has shown and what he has done is something very much out of the ordinary and something that we would reserve in the future for just very special cases.

Ms. Michael commented that one thing she asked staff about was for some way of recognizing the members of our Boards and Commissions to thank them for what they do on a regular basis. She knows the city of Dublin has an event like that. Mr. Norstrom pointed out that the Chamber already does that.

OTHER

EXECUTIVE SESSION
ADJOURNMENT

MOTION Mr. Smith made a motion to adjourn. The motion was seconded by Mr. Troper.

The motion carried unanimously by a voice vote.

President Michael declared the meeting adjourned at 8:57 p.m.

____________________________________
Clerk of Council

APPROVED by the City Council, this 19th day of October, 2015.

____________________________________
Council President
RESOLUTION NO. 47-2015

Amending the Position Description for Director of Service and Engineering.

WHEREAS, City Council wishes to amend the position description for the position of Director of Service and Engineering; and,

WHEREAS, it is necessary to amend the position description for the position of Director of Service and Engineering to properly reflect the duties of this position;

NOW, THEREFORE, BE IT RESOLVED by the Council of the Municipality of Worthington, County of Franklin, State of Ohio:

SECTION 1. That the position description for the position of Director of Service and Engineering (Class Specification No. 31) as per the description attached hereto be and the same is hereby amended.

SECTION 2. That the Clerk of Council be and hereby is instructed to record this Resolution in the appropriate record book.

Adopted ________________

President of Council

Attest:

_____________________

Clerk of Council
CITY OF WORTHINGTON
POSITION DESCRIPTION

<table>
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<th>POSITION TITLE:</th>
<th>Director of Service and Engineering</th>
<th>CLASS: 31</th>
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General Statement of Duties

This highly responsible administrative and professional position oversees all activities of the Department of Service and Engineering, including the administration of the Capital Improvement Program, consulting and construction contracts, GIS services and the maintenance of City streets, sewers, public buildings, rights-of-way, the City fleet, community events, and special projects as directed by the City Manager. The Director of the Department of Service and Engineering may also serve as the City Engineer.

The Director of Service and Engineering administers contractual services including but not limited to Solid Waste Collection, HVAC Maintenance, and Custodial Services.

Essential Functions of the Position:

Formulate, prepare and administer the City’s Capital Improvement Program including but not limited to the approval of drawings, development of specifications and development of the budget.

Formulate, administer and supervise Requests for Qualifications and Requests for Proposals for contractual services to be bid by the City.

Conduct engineering studies of infrastructure and/or developmental City issues and facilities, particularly those related to the health, safety and welfare of the citizenry.

Perform liaison services between consulting engineers, City Council and City Staff through meetings with engineering firms prior to and during contract periods and at the conclusion of projects.

Furnishes advice to department heads, the City Manager and City Council concerning public works issues.
Reviews the design of public works projects.

Prepares and monitors the budget and expenditures for Public Service and Engineering functions.
Supervises the maintenance of streets and highways, storm and sanitary sewers and public buildings.

Oversees departmental activities through periodic reports of subordinates and by inspections of projects.

Manages contracts in areas such as refuse collection, street sweeping and other services provided to the City.

**Knowledge, Skills and Abilities:**

Thorough knowledge of current municipal engineering practices and a working knowledge of sources of engineering information and the ability to maintain that knowledge level.

Knowledge of modern principles and practices of public works administration.

Tact and courtesy in dealing with the public.

Thorough knowledge of all applicable City rules and regulations pertinent to the City's Engineering and Public Service functions.

Ability to establish and maintain effective working relationships with employees, department heads, consultants, other governmental officials and the public.

Ability to plan, organize, direct, and evaluate major capital improvement programs and public works projects.

Knowledge of operating and capital improvement budgets.

Excellent written and verbal communication skills.

Ability to maintain and adjust City engineering operations to incorporate and take advantage of improved technological engineering capabilities.
Current valid Ohio Driver’s License.

**Minimum Requirements of the Position:**

Possession of a Bachelor’s or Master’s Degree, in civil engineering, business administration, public administration or a closely related field and 5-10 years of progressively responsible managerial and administrative experience in public works.

Possession of a current, valid Certificate of Registration in the State of Ohio as a Registered Professional Engineer, preferred.

The characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. This job description does not list all of the duties or functions of the job. The individual in this position may be asked by supervisors to perform other duties. The City has the right to revise this job description at any time.

Adopted by Resolution No. __ -2015; Effective _
### NOTICE TO LEGISLATIVE AUTHORITY

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FROM 09/30/2015

MAILED 09/30/2015

RESPONSES MUST BE POSTMARKED NO LATER THAN 11/02/2015

IMPORTANT NOTICE

PLEASE COMPLETE AND RETURN THIS FORM TO THE DIVISION OF LIQUOR CONTROL WHETHER OR NOT THERE IS A REQUEST FOR A HEARING REFER TO THIS NUMBER IN ALL INQUIRIES

TRANSACTION & NUMBER

B TRFO 4169548

(MUST MARK ONE OF THE FOLLOWING)

WE REQUEST A HEARING ON THE ADVISABILITY OF ISSUING THE PERMIT AND REQUEST THAT THE HEARING BE HELD □ IN OUR COUNTY SEAT. □ IN COLUMBUS.

WE DO NOT REQUEST A HEARING. □

DID YOU MARK A BOX? IF NOT, THIS WILL BE CONSIDERED A LATE RESPONSE.

PLEASE SIGN BELOW AND MARK THE APPROPRIATE BOX INDICATING YOUR TITLE:

(Signature)  
(Title) □ Clerk of County Commissioner  
□ Clerk of City Council  
□ Township Fiscal Officer

CLERK OF WORTHINGTON CITY COUNCIL

KAY THRESS

6550 NORTH HIGH STREET

WORTHINGTON OHIO 43085
ORDINANCE NO. 31-2015
(As Amended)

Accepting the Amounts and Rates as Determined by the Budget Commission and Authorizing the Necessary Tax Levies and Certifying Them to the County Auditor and Declaring an Emergency.

WHEREAS, this Council in accordance with the provisions of law has previously adopted a Tax Budget for the next succeeding fiscal year beginning January 1, 2016; and,

WHEREAS, the Budget Commission of Franklin County, Ohio has certified its action to this Council together with an estimate by the County Auditor of the rate of each tax necessary to be levied by this Council, and what part thereof is without, and what part within the ten mill tax limitation;

NOW, THEREFORE, BE IT ORDAINED by the Council of the Municipality of Worthington, Franklin County, State of Ohio, six-sevenths of the members elected thereto herein concurring that the amounts and rates as determined by the Budget Commission in its certification, be and the same are hereby accepted; and be it further ordained that there be and is hereby levied on the tax duplicate of said City the rate of each tax necessary to be levied within and without the ten mill tax limitation for tax year 2015 (collection year 2016) as follows:

SCHEDULE A

SECTION 1. Summary of amounts required from General Property Tax approved by the Budget Commission and County Auditor’s estimated tax rates.

<table>
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<tr>
<th>Amount to be Derived from Levies Outside 10 Mill Limitation</th>
<th>Amount Approved by Budget Commission Inside 10 Mill Limitation</th>
<th>County Auditor’s Estimate of Full Tax Rate to be Levied Inside Limitation</th>
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</table>
AND BE IT FURTHER ORDAINED:

SECTION 2. That the Clerk of Council be and hereby is directed to certify a copy of this ordinance to the County Auditor of Franklin County.

SECTION 3. That this Ordinance is hereby declared to be an emergency measure necessary for the preservation of the public health, safety and welfare, and notice of passage of this Ordinance shall be posted in the Municipal Administration Building, the Worthington Library, the Griswold Center and the Worthington Community Center and shall set forth the title and effective date of the Ordinance and a statement that the Ordinance is on file in the office of the Clerk of Council. This Ordinance shall take effect and be in force from and after the earliest period allowed by law and by the Charter of the City of Worthington, Ohio.

Passed __________

_____________________________
President of Council

Attest:  
Introduced July 20, 2015
P.H. September 8, 2015
Tabled

_____________________________
Clerk of Council
ORDINANCE NO. 31-2015

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</table>
ORDINANCE NO. 31-2015

AND BE IT FURTHER ORDAINED:

SECTION 2. That the Clerk of Council be and hereby is directed to certify a copy of this ordinance to the County Auditor of Franklin County.

SECTION 3. That this Ordinance is hereby declared to be an emergency measure necessary for the preservation of the public health, safety and welfare, and notice of passage of this Ordinance shall be posted in the Municipal Administration Building, the Worthington Library, the Griswold Center and the Worthington Community Center and shall set forth the title and effective date of the Ordinance and a statement that the Ordinance is on file in the office of the Clerk of Council. This Ordinance shall take effect and be in force from and after the earliest period allowed by law and by the Charter of the City of Worthington, Ohio.

Passed __________

____________________________________
President of Council

Attest:

_____________________________   Tabled
Clerk of Council

Introduced July 20, 2015
P.H. September 8, 2015
Tabled
ORDINANCE NO. 40-2015

Amending Chapter 922 of the Codified Ordinances of the City Regulating Residential On-Site Sewage Disposal Facilities.

WHEREAS, in 2014 the Ohio legislature finalized rules for the ownership, maintenance, operation and installation of home sewerage treatment systems, effective as of January 1, 2015; and,

WHEREAS, as the City’s health services contract provider, the Columbus Board of Health has been responsible to conduct inspections and collect fees from City of Worthington homeowners who have home sewerage treatment facilities; and,

WHEREAS, the Columbus Board of Health adopted Resolution 14-29 to update and revise its rules pertaining to home sewage treatment facilities consistent with the changes required by Ohio Revised Code Chapter 3718 and the Ohio Administrative Code Chapter 3701-29; and,

WHEREAS, it is necessary for the City to amend Chapter 922 to comply with the revised state regulations and Columbus Board of Health rules.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Municipality of Worthington, County of Franklin, State of Ohio:

SECTION 1. That Sections 922.01 and 922.02 of the Codified Ordinances of the City of Worthington be and the same hereby are amended to read as follows:

922.01 OPERATING PERMIT REQUIRED.
No property owner shall operate an on-site residential sewage disposal system without an operating permit issued by the Columbus Board of Health, acting as the City’s designated health services contract provider.

922.02 ISSUANCE OF PERMITS.
An operating permit shall be issued by the Columbus Board of Health pursuant to Chapter 225 of the Columbus City Health Code, amended and adopted by the Columbus Board of Health on December 16, 2014, as the same may be amended, which Chapter is hereby adopted and incorporated herein by reference. Section 225.01 of the Columbus City Health Code approves Chapter 3701-29 of the Ohio Administrative Code as the minimum compliance standard for enforcement by Columbus Board of Health.

SECTION 2. Sections 922.03 and 922.04 of the Codified Ordinances of the City, pertaining to Inspections and a Grace Period, respectively, are hereby repealed.
ORDINANCE NO. 40-2015

SECTION 3. Section 922.99 of the Codified Ordinances of the City pertaining to the Penalty for a violation of Chapter 922 remains unchanged and in full force and effect.

SECTION 4. That notice of passage of this Ordinance shall be posted in the Municipal Administration Building, the Worthington Library, the Griswold Center and Worthington Community Center and shall set forth the title and effective date of the Ordinance and a statement that the Ordinance is on file in the office of the Clerk of Council. This Ordinance shall take effect and be in force from and after the earliest period allowed by law and by the Charter of the City of Worthington, Ohio.

Passed: ________________

____________________________________
President of Council

Attest:

____________________________________
Clerk of Council

Introduced October 5, 2015
P.H. October 19, 2015
In 2014 the Ohio legislature finalized rules for the ownership, maintenance, operation and installation of Home Sewerage Treatment Systems, otherwise known as HSTS. These systems treat sewerage and waste water on site rather than the conventional method of tying a lateral service into the City’s Sanitary Sewer system. These HSTS tend to be located at home sites where no sanitary sewer is available to tap, or doing so would be infeasible due to location and cost. There are currently 93 such systems scattered throughout the City.

The State of Ohio requires local Boards of Health to institute a program for the inspection, operations and maintenance of such systems to ensure no waste is being discharged to local waterways, thus preventing a public health nuisance. Since the City of Worthington does not have its own Board of Health, we currently contract with Columbus Public Health to conduct the program. Until recently, property owners were contacted via letter by Columbus Public Health (CPH) annually. An annual fee of $50.00 was paid by the property owner directly to CPH, a CPH registered sanitarian inspected the system, and if found to be in compliance, the system was permitted for the year.

The new laws have required Columbus Public Health to make significant changes to the inspection and permitting program, and as such, these changes will affect Worthington property owners currently served by an HSTS. Property owners will now have one of two options.

OPTION 1-Property owners on a discharging system (those with mechanical components such as aerators) may secure a maintenance contract with a licensed Septic Service provider for annual inspection, operation and maintenance. When the property owner is contacted via letter from Columbus Public Health, they may send in a copy of the contractor’s annual inspection report and Operations and Maintenance Agreement. An annual permit will be issued by CPH, and no fee will be charged.
OPTION 2-Property owners choosing not to enter into a service agreement with a private contractor may use Columbus Public Health to conduct the annual inspection and reporting. If this option is exercised, Columbus Public Health will invoice the property owner a $200.00 inspection and permitting fee. If the system is found to be in compliance, the annual operating permit will be issued. If the system is found to be failing or otherwise deficient, the property owner will need to secure the services of a private, licensed Septic Service provider to repair the system to the Board of Health’s satisfaction. This marks a significant increase in the former permit fee of $50.00 per year. However, property owners employing OPTION 1 would pay no fee.

In addition, property owners with an HSTS that does not discharge or have mechanical components (traditional leach field systems) will only be inspected once every five years. The fee from Columbus Public Health for inspection and permitting of these systems is $150.00 once, every five years. This results in a savings of $100.00 every five years, as opposed to the former fee schedule of $50.00 annually.

Columbus Public Health will handle all notification, permitting and compliance under agreement through our annual Health Services Contract. Any enforcement actions needed against failing HSTS will be handled by our department.
Authorizing the Issuance of Not to Exceed $4,600,000 of Bonds for the Purpose of Currently Refunding a Portion of Bonds Issued in 2005 for the Purpose of Advance Refunding a Portion of Bonds Issued in 2001, and Authorizing and Approving Related Matters.

WHEREAS, the City Council (the "Council") of the City of Worthington (the "City") has issued bonds dated November 23, 2005 in the amount of $7,185,000 (the "Outstanding Bonds"); and,

WHEREAS, in view of currently prevailing lower interest rates the Council has determined that it is advisable and in the best interest of the City to issue refunding bonds of the City to currently refund a portion of the Outstanding Bonds (the "Refunded Bonds"); and,

WHEREAS, the Finance Director of the City (the "Finance Director") has certified to this Council that the maximum maturity and authorized principal amount of the bonds herein authorized cannot exceed the maximum maturity and principal amount of the Refunded Bonds; and,

WHEREAS, it is now deemed necessary to issue and sell not to exceed $4,600,000 of such bonds under authority of the general laws of the State of Ohio, including Chapter 133, Ohio Revised Code, and in particular Section 133.34 thereof, for the purpose stated in the title of this Ordinance;

NOW, THEREFORE, BE IT ORDAINED by the Council of the Municipality of Worthington, County of Franklin, State of Ohio:

Section 1. Issuance of Bonds. It is hereby declared necessary to issue bonds of the City in the principal sum of not to exceed $4,600,000, or such lesser amount as shall be determined by the Finance Director and certified to this Council, which bonds shall be designated as determined by the Finance Director (the "Bonds") for the purpose described in the title of this Ordinance. The Bonds may be issued in one or more series.

Section 2. Terms of Bonds. The Bonds shall be issued as fully registered bonds in such denominations as shall be determined by the Finance Director, but not exceeding the principal amount of Bonds maturing on any one date; shall be numbered consecutively from R-1 upward, as determined by the Finance Director; shall be dated the date determined by the Finance Director and set forth in the Certificate of Fiscal Officer provided for hereinbelow; and shall bear interest, payable semiannually on such dates as shall be determined by the Finance Director and set forth in the Certificate of Fiscal Officer, until the principal sum is paid or provision has been duly made therefor. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.
Section 3. Certificate of Fiscal Officer. The Finance Director is hereby authorized and directed to execute on behalf of the City a Certificate of Fiscal Officer Relating to Terms of Bonds (the "Certificate of Fiscal Officer") setting forth the aggregate principal amount and the final terms of the Bonds, which aggregate principal amount and terms, subject to the limitations set forth in this Ordinance, shall be as determined by the Finance Director. The Certificate of Fiscal Officer shall indicate the dated date for the Bonds, the dates on which interest on the Bonds is to be paid (the "Interest Payment Date"), the purchase price for the Bonds (which shall be not less than 97% of the face value thereof), the maturity schedule for the Bonds (provided that the maximum maturity date of the Bonds shall not exceed the dates set forth hereinabove), the interest rates for the Bonds (provided that the true interest cost for all Bonds in the aggregate shall not exceed 4.00% per annum), the optional and mandatory redemption provisions, if any, and such other terms not inconsistent with this Ordinance as the Finance Director shall deem appropriate.

Section 4. Payment of Interest; Denominations. The Bonds shall be issued with interest payable semiannually on each Interest Payment Date until the principal sum is paid or provision has been duly made therefor as shall be set forth in the Certificate of Fiscal Officer.

Section 5. Redemption Provisions. The Bonds shall be subject to optional and mandatory redemption prior to stated maturity, as provided in the Certificate of Fiscal Officer. If optional redemption of the Bonds at a redemption price exceeding 100% is to take place on any date on which a mandatory redemption of the Bonds of the same maturity will take place, the Bonds to be redeemed by optional redemption shall be selected by the Bond Registrar (as defined hereinbelow) prior to the selection of the Bonds to be redeemed at par on the same date.

When partial redemption is authorized, the Bond Registrar shall select Bonds or portions thereof by lot within a maturity in such manner as the Bond Registrar may determine, provided, however, that the portion of any Bond so selected will be in the amount of $5,000 or any integral multiple thereof.

The notice of the call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. From and after the specified redemption date interest on the Bonds (or portions thereof) called for redemption shall cease to accrue. Such notice shall be sent by first class mail at least 30 days prior to the redemption date to each registered holder of Bonds to be redeemed at the address shown in the Bond Register (as defined hereinbelow) on the 15th day preceding the date of mailing. Failure to receive such notice of any defect therein shall not affect the validity of the proceedings for the redemption of any Bond.
Section 6. **Form and Execution of the Bonds.** The Bonds shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this Ordinance; and shall be executed by the Finance Director and the City Manager of the City, in their official capacities, provided that either or both of their signatures may be a facsimile. No Bond shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication, as printed on the Bond, is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued and delivered under this Ordinance and is entitled to the security and benefit of this Ordinance. The certificate of authentication may be signed by any officer or officers of the Bond Registrar or by such other person acting as an agent of the Bond Registrar as shall be approved by the Finance Director on behalf of the City. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Bonds.

Section 7. **Payment of Bonds.** The principal of and interest on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. The principal of the Bonds shall be payable upon presentation and surrender of the Bonds at the principal office of the Bond Registrar. Each Bond shall bear interest from the later of the date thereof, or the most recent Interest Payment Date to which interest has been paid or duly provided for, unless the date of authentication of any Bond is less than 15 days prior to an Interest Payment Date, in which case interest shall accrue from such Interest Payment Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered, at the close of business on the 15th day next preceding that Interest Payment Date (the "Record Date") (unless such date falls on a non-business day, in which case the Record Date shall be the preceding business day), on the Bond Register at the address appearing therein.

Any interest on any Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Record Date by virtue of having been such owner and such Defaulted Interest shall be paid to the registered owner in whose name the Bond is registered at the close of business on a date (the "Special Record Date") to be fixed by the Bond Registrar, such Special Record Date to be not more than 15 nor less than 10 days prior to the date of proposed payment. The Bond Registrar shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondholder, at such Bondholder's address as it appears in the Bond Register, not less than 10 days prior to such Special Record Date, and may, in its discretion, cause a similar notice to be published once in a newspaper in each place where Bonds are payable, but such publication shall not be a condition precedent to the establishment of such Special Record Date.
ORDINANCE NO. 41-2015
(As Amended)

Subject to the foregoing provisions of this Section, each Bond delivered by the
Bond Registrar upon transfer of or in exchange for or in lieu of any other Bond shall carry
the rights to interest accrued and unpaid, and to accrue, which were carried by such other
Bond.

Section 8. Appointment of Bond Registrar. The Finance Director is hereby
authorized and directed to serve as authenticating agent, bond registrar, transfer agent, and
paying agent for the Bonds (the "Bond Registrar"). So long as any of the Bonds remain
outstanding, the City shall cause to be maintained and kept by the Bond Registrar, at the
office of the Bond Registrar, all books and records necessary for the registration, exchange
and transfer of Bonds as provided in this Section (the "Bond Register"). Subject to the
provisions of hereinabove, the person in whose name any Bond shall be registered on the
Bond Register shall be regarded as the absolute owner thereof for all purposes. Payment of
or on account of the principal of and interest on any Bond shall be made only to or upon the
order of that person. Neither the City nor the Bond Registrar shall be affected by any notice
to the contrary, but the registration may be changed as herein provided. All payments shall
be valid and effectual to satisfy and discharge the liability upon the Bonds, including the
interest thereon, to the extent of the amount or amounts so paid.

Any Bond, upon presentation and surrender at the office of the Bond Registrar,
together with a request for exchange signed by the registered owner or by a person
authorized by the owner to do so by a power of attorney in a form satisfactory to the Bond
Registrar, may be exchanged for Bonds of the same form and of any authorized
denomination or denominations equal in the aggregate to the unmatured principal amount of
the Bonds surrendered, and bearing interest at the same rate and maturing on the same date.

A Bond may be transferred only on the Bond Register upon presentation and
surrender thereof at the office of the Bond Registrar, together with an assignment executed
by the registered owner or by a person authorized by the owner to do so by a power of
attorney in a form satisfactory to the Bond Registrar. Upon that transfer, the Bond Registrar
shall complete, authenticate and deliver a new Bond or Bonds of any authorized
denomination or denominations equal in the aggregate to the unmatured principal amount of
the Bonds surrendered, and bearing interest at the same rate and maturing on the same date.

The City and the Bond Registrar shall not be required to transfer or exchange (i)
any Bond during a period beginning at the opening of business 15 days before the day of
mailing of a notice of redemption of Bonds, and ending at the close of business on the day
of such mailing, or (ii) any Bonds selected for redemption, in whole or in part, following the
date of such mailing.

In all cases in which Bonds are exchanged or transferred hereunder, the City shall
cause to be executed and the Bond Registrar shall authenticate and deliver Bonds in
accordance with the provisions of this Ordinance. The exchange or transfer shall be without
charge to the owner; except that the City and Bond Registrar may make a charge sufficient
to reimburse them for any tax or other governmental charge required to be paid with respect
to the exchange or transfer. The City or the Bond Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Bonds. All Bonds issued upon any transfer or exchange shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Ordinance, as the Bonds surrendered upon that transfer or exchange.

Section 9. Debt Service Levy. There shall be and is hereby levied annually on all the taxable property in the City, in addition to all other taxes and within the ten mill limitation, a direct tax (the "Debt Service Levy") for each year during which any of the Bonds are outstanding, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Bonds as and when the same falls due and to provide a fund for the repayment of the principal of the Bonds at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution; provided, however, that in each year to the extent that funds are available from other sources and are lawfully appropriated for the payment of the Bonds, the amount of the Debt Service Levy shall be reduced by the amount of such funds so available and appropriated.

The Debt Service Levy shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payment of the interest and principal of the Bonds when and as the same falls due.

Section 10. Income Tax Pledge. The City hereby covenants, pursuant to Section 133.05(B)(7), Ohio Revised Code, to appropriate annually from lawfully available municipal income taxes, and to continue to levy and collect municipal income taxes adequate to produce, amounts necessary to meet the debt charges on the Bonds in each year until full payment is made.

Section 11. Purchaser of the Bonds. The Bonds shall be sold at private sale to such purchaser or purchasers as the Finance Director may designate in the Certificate of Fiscal Officer (the “Original Purchaser”), at the purchase price set forth in the Certificate of Fiscal Officer, plus interest accrued to the date of delivery of the Bonds to the Original Purchaser. The Finance Director and the City Manager of the City, or either of them individually, are authorized and directed to execute on behalf of the City a purchase agreement, or such a similar document with the Original Purchaser (collectively, the "Purchase Agreement"), setting forth the conditions under which the Bonds are to be sold and delivered, which Purchase Agreement shall be in such form, not inconsistent with this Ordinance, as the Finance Director shall determine.

Section 12. Escrow Fund; Use of Bond Proceeds; Escrow Agreement. There is hereby created and established, as an account within the Bond Retirement Fund of the City,
a trust fund to be designated "City of Worthington, Ohio – 2005 Refunding Bonds Escrow Fund" (the "Escrow Fund") which shall be in the custody of the Escrow Trustee, as hereinafter defined. The proceeds from the sale of the Bonds, except the accrued interest and premium thereon (if any), shall be deposited in the Escrow Fund along with such funds, if any, as the Finance Director may transfer from the bond retirement fund. Such moneys deposited in the Escrow Fund may be (i) held as cash or (ii) used to purchase direct obligations of or obligations guaranteed as to payment by the United States of America of such maturities and interest payment dates and bearing interest at such rates as will, as certified by such independent public accounting firm as shall be acceptable to the Finance Director and the Original Purchaser without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to pay the interest on, and the redemption price (including any redemption premium) of, the Refunded Bonds on the earliest optional redemption date for the Refunded Bonds. The Finance Director is also authorized, if necessary or desirable to facilitate the refunding of the Refunded Bonds, to engage a consultant to verify the sufficiency of the cash or other obligations held in the Escrow Fund to refund the Refunded Bonds on such redemption date.

Any accrued interest received from the sale of the Bonds shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the Bonds, or other obligations of the City, as permitted by law. Any premium received from the sale of the Bonds may be used to pay the financing costs of the Bonds within the meaning of Ohio Revised Code Section 133.01(K) or be deposited into the bond retirement fund, including the Escrow Fund contained therein, in the manner provided by law.

The Finance Director is hereby authorized to execute on behalf of the City an Escrow Agreement (the "Escrow Agreement") with a bank or trust company to be selected by the Finance Director (the "Escrow Trustee"), setting forth the terms by which the Escrow Fund shall be held and disbursed, if the Finance Director determines that an Escrow Agreement is necessary or beneficial to facilitate the refunding of the Refunded Bonds. Such an Escrow Agreement shall be in such form, not inconsistent with this Ordinance, as the Finance Director shall determine.

Section 13. Federal Tax Law Compliance. The City hereby covenants that it shall comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Bonds is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Bonds so that the Bonds will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City further covenants that it shall restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Bonds are issued, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").
The Finance Director, or any other officer, including the City Manager, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the City with respect to the Bonds as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Finance Director, which action shall be in writing and signed by the Finance Director, or any other officer, including the City Manager, on behalf of the City; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds; and (c) to give an appropriate certificate on behalf of the City, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the City pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the City regarding compliance by the City with Sections 141 through 150 of the Code and the Regulations.

The Finance Director shall keep and maintain adequate records pertaining to investment of all proceeds of the Bonds sufficient to permit, to the maximum extent possible and presently foreseeable, the City to comply with any federal law or regulation now or hereafter having applicability to the Bonds which limits the amount of bond proceeds which may be invested on an unrestricted yield or requires the City to rebate arbitrage profits to the United States Department of the Treasury. The Finance Director is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Bonds requires any such reports or rebates.

Section 14. Placement Agent. The Finance Director, on behalf of this Council, is hereby authorized to appoint KeyBanc Capital Markets, Inc. to serve as placement agent for the Bonds. The fees to be paid to such firm shall be subject to review and approval of the Finance Director, shall not exceed the fees customarily charged for such services, and shall be paid upon closing of the financing from proceeds of the Bonds.

Section 15. Transcript of Proceedings. Execution of Additional Documents. The officer having charge of the minutes of the Council and any other officers of the Council, or any of them individually, are hereby authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Bonds and to furnish a copy of such transcript to the Original Purchaser. Such transcript shall include certified copies of all proceedings and records of the Council relating to the power and authority of the City to issue the Bonds and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to a general certificate of the Finance Director and a no-litigation certificate of the City.
Manager and the Finance Director, and such certified copies and certificates shall be deemed representations of the City as to the facts stated therein.

The Finance Director is hereby authorized and directed to take such action and to execute and deliver, on behalf of this Council, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this Ordinance. Such documents shall be in the form not substantially inconsistent with the terms of this Ordinance, as they in their discretion shall deem necessary or appropriate.

Section 16. Satisfaction of Conditions for Issuance. It is hereby found and determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Bonds in order to make them legal, valid and binding obligations of the City have happened, been done and been performed in regular and due form as required by law; that the faith, credit and revenue of the City are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Bonds.

Section 17. Compliance with Open Meeting Requirements. It is hereby found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 18. Filing of Note Ordinance. The Clerk of Council is hereby directed to forward a certified copy of this Ordinance to the County Auditor of Franklin County, Ohio.
Section 19. Publication and Effective Date. That notice of passage of this Ordinance shall be posted in the Municipal Administration Building, the Worthington Library, the Griswold Center and the Worthington Community Center and shall set forth the title and effective date of the Ordinance and a statement that the Ordinance is on file in the office of the Clerk of Council. This Ordinance shall take effect and be in force from and after the earliest period allowed by law and by the Charter of the City of Worthington, Ohio.

Passed ___________________

President of Council

Attest: Introduced October 5, 2015
P.H. October 19, 2015

Clerk of Council
ORDINANCE NO. 41-2015

Authorizing the Issuance of Not to Exceed $4,440,000 of Bonds for the Purpose of Currently Refunding a Portion of Bonds Issued in 2005 for the Purpose of Advance Refunding a Portion of Bonds Issued in 2001, and Authorizing and Approving Related Matters.

WHEREAS, the City Council (the "Council") of the City of Worthington (the "City") has issued bonds dated November 23, 2005 in the amount of $7,185,000 (the "Outstanding Bonds"); and,

WHEREAS, in view of currently prevailing lower interest rates the Council has determined that it is advisable and in the best interest of the City to issue refunding bonds of the City to currently refund a portion of the Outstanding Bonds (the "Refunded Bonds"); and,

WHEREAS, the Finance Director of the City (the "Finance Director") has certified to this Council that the maximum maturity and authorized principal amount of the bonds herein authorized cannot exceed the maximum maturity and principal amount of the Refunded Bonds; and,

WHEREAS, it is now deemed necessary to issue and sell not to exceed $4,440,000 of such bonds under authority of the general laws of the State of Ohio, including Chapter 133, Ohio Revised Code, and in particular Section 133.34 thereof, for the purpose stated in the title of this Ordinance;

NOW, THEREFORE, BE IT ORDAINED by the Council of the Municipality of Worthington, County of Franklin, State of Ohio:

Section 1. Issuance of Bonds. It is hereby declared necessary to issue bonds of the City in the principal sum of not to exceed $4,440,000, or such lesser amount as shall be determined by the Finance Director and certified to this Council, which bonds shall be shall be designated as determined by the Finance Director (the "Bonds") for the purpose described in the title of this Ordinance. The Bonds may be issued in one or more series.

Section 2. Terms of Bonds. The Bonds shall be issued as fully registered bonds in such denominations as shall be determined by the Finance Director, but not exceeding the principal amount of Bonds maturing on any one date; shall be numbered consecutively from R-1 upward, as determined by the Finance Director; shall be dated the date determined by the Finance Director and set forth in the Certificate of Fiscal Officer provided for hereinbelow; and shall bear interest, payable semiannually on such dates as shall be determined by the Finance Director and set forth in the Certificate of Fiscal Officer, until the principal sum is paid or provision has been duly made therefor. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.
Section 3. Certificate of Fiscal Officer. The Finance Director is hereby authorized and directed to execute on behalf of the City a Certificate of Fiscal Officer Relating to Terms of Bonds (the "Certificate of Fiscal Officer") setting forth the aggregate principal amount and the final terms of the Bonds, which aggregate principal amount and terms, subject to the limitations set forth in this Ordinance, shall be as determined by the Finance Director. The Certificate of Fiscal Officer shall indicate the dated date for the Bonds, the dates on which interest on the Bonds is to be paid (the "Interest Payment Date"), the purchase price for the Bonds (which shall be not less than 97% of the face value thereof), the maturity schedule for the Bonds (provided that the maximum maturity date of the Bonds shall not exceed the dates set forth hereinabove), the interest rates for the Bonds (provided that the true interest cost for all Bonds in the aggregate shall not exceed 4.00% per annum), the optional and mandatory redemption provisions, if any, and such other terms not inconsistent with this Ordinance as the Finance Director shall deem appropriate.

Section 4. Payment of Interest; Denominations. The Bonds shall be issued with interest payable semiannually on each Interest Payment Date until the principal sum is paid or provision has been duly made therefor as shall be set forth in the Certificate of Fiscal Officer.

Section 5. Redemption Provisions. The Bonds shall be subject to optional and mandatory redemption prior to stated maturity, as provided in the Certificate of Fiscal Officer. If optional redemption of the Bonds at a redemption price exceeding 100% is to take place on any date on which a mandatory redemption of the Bonds of the same maturity will take place, the Bonds to be redeemed by optional redemption shall be selected by the Bond Registrar (as defined hereinbelow) prior to the selection of the Bonds to be redeemed at par on the same date.

When partial redemption is authorized, the Bond Registrar shall select Bonds or portions thereof by lot within a maturity in such manner as the Bond Registrar may determine, provided, however, that the portion of any Bond so selected will be in the amount of $5,000 or any integral multiple thereof.

The notice of the call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. From and after the specified redemption date interest on the Bonds (or portions thereof) called for redemption shall cease to accrue. Such notice shall be sent by first class mail at least 30 days prior to the redemption date to each registered holder of Bonds to be redeemed at the address shown in the Bond Register (as defined hereinbelow) on the 15th day preceding the date of mailing. Failure to receive such notice of any defect therein shall not affect the validity of the proceedings for the redemption of any Bond.
Section 6. Form and Execution of the Bonds. The Bonds shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this Ordinance; and shall be executed by the Finance Director and the City Manager of the City, in their official capacities, provided that either or both of their signatures may be a facsimile. No Bond shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication, as printed on the Bond, is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued and delivered under this Ordinance and is entitled to the security and benefit of this Ordinance. The certificate of authentication may be signed by any officer or officers of the Bond Registrar or by such other person acting as an agent of the Bond Registrar as shall be approved by the Finance Director on behalf of the City. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Bonds.

Section 7. Payment of Bonds. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. The principal of the Bonds shall be payable upon presentation and surrender of the Bonds at the principal office of the Bond Registrar. Each Bond shall bear interest from the later of the date thereof, or the most recent Interest Payment Date to which interest has been paid or duly provided for, unless the date of authentication of any Bond is less than 15 days prior to an Interest Payment Date, in which case interest shall accrue from such Interest Payment Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered, at the close of business on the 15th day next preceding that Interest Payment Date (unless such date falls on a non-business day, in which case the Record Date shall be the preceding business day), on the Bond Register at the address appearing therein.

Any interest on any Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Record Date by virtue of having been such owner and such Defaulted Interest shall be paid to the registered owner in whose name the Bond is registered at the close of business on a date (the "Special Record Date") to be fixed by the Bond Registrar, such Special Record Date to be not more than 15 nor less than 10 days prior to the date of proposed payment. The Bond Registrar shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondholder, at such Bondholder's address as it appears in the Bond Register, not less than 10 days prior to such Special Record Date, and may, in its discretion, cause a similar notice to be published once in a newspaper in each place where Bonds are payable, but such publication shall not be a condition precedent to the establishment of such Special Record Date.
Subject to the foregoing provisions of this Section, each Bond delivered by the Bond Registrar upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 8. Appointment of Bond Registrar. The Finance Director is hereby authorized and directed to serve as authenticating agent, bond registrar, transfer agent, and paying agent for the Bonds (the "Bond Registrar"). So long as any of the Bonds remain outstanding, the City shall cause to be maintained and kept by the Bond Registrar, at the office of the Bond Registrar, all books and records necessary for the registration, exchange and transfer of Bonds as provided in this Section (the "Bond Register"). Subject to the provisions of hereinafore, the person in whose name any Bond shall be registered on the Bond Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any Bond shall be made only to or upon the order of that person. Neither the City nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Bonds, including the interest thereon, to the extent of the amount or amounts so paid.

Any Bond, upon presentation and surrender at the office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Bond Registrar, may be exchanged for Bonds of the same form and of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Bonds surrendered, and bearing interest at the same rate and maturing on the same date.

A Bond may be transferred only on the Bond Register upon presentation and surrender thereof at the office of the Bond Registrar, together with an assignment executed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Bond Registrar. Upon that transfer, the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Bonds surrendered, and bearing interest at the same rate and maturing on the same date.

The City and the Bond Registrar shall not be required to transfer or exchange (i) any Bond during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Bonds, and ending at the close of business on the day of such mailing, or (ii) any Bonds selected for redemption, in whole or in part, following the date of such mailing.

In all cases in which Bonds are exchanged or transferred hereunder, the City shall cause to be executed and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The exchange or transfer shall be without charge to the owner; except that the City and Bond Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect
to the exchange or transfer. The City or the Bond Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Bonds. All Bonds issued upon any transfer or exchange shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Ordinance, as the Bonds surrendered upon that transfer or exchange.

Section 9. Debt Service Levy. There shall be and is hereby levied annually on all the taxable property in the City, in addition to all other taxes and within the ten mill limitation, a direct tax (the "Debt Service Levy") for each year during which any of the Bonds are outstanding, for the purpose of providing, and in an amount which is sufficient to provide, funds to pay interest upon the Bonds as and when the same falls due and to provide a fund for the repayment of the principal of the Bonds at maturity or upon redemption. The Debt Service Levy shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Ohio Constitution; provided, however, that in each year to the extent that funds are available from other sources and are lawfully appropriated for the payment of the Bonds, the amount of the Debt Service Levy shall be reduced by the amount of such funds so available and appropriated.

The Debt Service Levy shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of such years are certified, extended and collected. The Debt Service Levy shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the Debt Service Levy shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payment of the interest and principal of the Bonds when and as the same falls due.

Section 10. Income Tax Pledge. The City hereby covenants, pursuant to Section 133.05(B)(7), Ohio Revised Code, to appropriate annually from lawfully available municipal income taxes, and to continue to levy and collect municipal income taxes adequate to produce, amounts necessary to meet the debt charges on the Bonds in each year until full payment is made.

Section 11. Purchaser of the Bonds. The Bonds shall be sold at private sale to KeyBank National Association (the "Original Purchaser"), at the purchase price set forth in the Certificate of Fiscal Officer, plus interest accrued to the date of delivery of the Bonds to the Original Purchaser. The Finance Director and the City Manager of the City, or either of them individually, are authorized and directed to execute on behalf of the City a purchase agreement, or such a similar document with the Original Purchaser (collectively, the "Purchase Agreement"), setting forth the conditions under which the Bonds are to be sold and delivered, which Purchase Agreement shall be in such form, not inconsistent with this Ordinance, as the Finance Director shall determine.

Section 12. Escrow Fund; Use of Bond Proceeds; Escrow Agreement. There is hereby created and established, as an account within the Bond Retirement Fund of the City, a trust fund to be designated "City of Worthington, Ohio – 2005 Refunding Bonds Escrow
Fund" (the "Escrow Fund") which shall be in the custody of the Escrow Trustee, as hereinafter defined. The proceeds from the sale of the Bonds, except the accrued interest and premium thereon (if any), shall be deposited in the Escrow Fund along with such funds, if any, as the Finance Director may transfer from the bond retirement fund. Such moneys deposited in the Escrow Fund may be (i) held as cash or (ii) used to purchase direct obligations of or obligations guaranteed as to payment by the United States of America of such maturities and interest payment dates and bearing interest at such rates as will, as certified by such independent public accounting firm as shall be acceptable to the Finance Director and the Original Purchaser without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to pay the interest on, and the redemption price (including any redemption premium) of, the Refunded Bonds on the earliest optional redemption date for the Refunded Bonds. The Finance Director is also authorized, if necessary or desirable to facilitate the refunding of the Refunded Bonds, to engage a consultant to verify the sufficiency of the cash or other obligations held in the Escrow Fund to refund the Refunded Bonds on such redemption date.

Any accrued interest received from the sale of the Bonds shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on the Bonds, or other obligations of the City, as permitted by law. Any premium received from the sale of the Bonds may be used to pay the financing costs of the Bonds within the meaning of Ohio Revised Code Section 133.01(K) or be deposited into the bond retirement fund, including the Escrow Fund contained therein, in the manner provided by law.

The Finance Director is hereby authorized to execute on behalf of the City an Escrow Agreement (the "Escrow Agreement") with a bank or trust company to be selected by the Finance Director (the "Escrow Trustee"), setting forth the terms by which the Escrow Fund shall be held and disbursed, if the Finance Director determines that an Escrow Agreement is necessary or beneficial to facilitate the refunding of the Refunded Bonds. Such an Escrow Agreement shall be in such form, not inconsistent with this Ordinance, as the Finance Director shall determine.

Section 13. Federal Tax Law Compliance. The City hereby covenants that it shall comply with the requirements of all existing and future laws which must be satisfied in order that interest on the Bonds is and will continue to be excluded from gross income for federal income tax purposes, including without limitation restrictions on the use of the property financed with the proceeds of the Bonds so that the Bonds will not constitute "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City further covenants that it shall restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Bonds are issued, so that they will not constitute arbitrage bonds under Section 148 of the Code and the regulations prescribed thereunder (the "Regulations").
ORDINANCE NO. 41-2015

The Finance Director, or any other officer, including the City Manager, is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the City with respect to the Bonds as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Finance Director, which action shall be in writing and signed by the Finance Director, or any other officer, including the City Manager, on behalf of the City; (b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds; and (c) to give an appropriate certificate on behalf of the City, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the City pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the City regarding compliance by the City with Sections 141 through 150 of the Code and the Regulations.

The Finance Director shall keep and maintain adequate records pertaining to investment of all proceeds of the Bonds sufficient to permit, to the maximum extent possible and presently foreseeable, the City to comply with any federal law or regulation now or hereafter having applicability to the Bonds which limits the amount of bond proceeds which may be invested on an unrestricted yield or requires the City to rebate arbitrage profits to the United States Department of the Treasury. The Finance Director is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Bonds requires any such reports or rebates.

Section 14. Transcript of Proceedings. Execution of Additional Documents. The officer having charge of the minutes of the Council and any other officers of the Council, or any of them individually, are hereby authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Bonds and to furnish a copy of such transcript to the Original Purchaser. Such transcript shall include certified copies of all proceedings and records of the Council relating to the power and authority of the City to issue the Bonds and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to a general certificate of the Finance Director and a no-litigation certificate of the City Manager and the Finance Director, and such certified copies and certificates shall be deemed representations of the City as to the facts stated therein.
The Finance Director is hereby authorized and directed to take such action and to execute and deliver, on behalf of this Council, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this Ordinance. Such documents shall be in the form not substantially inconsistent with the terms of this Ordinance, as they in their discretion shall deem necessary or appropriate.

Section 15. Satisfaction of Conditions for Issuance. It is hereby found and determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Bonds in order to make them legal, valid and binding obligations of the City have happened, been done and been performed in regular and due form as required by law; that the faith, credit and revenue of the City are hereby irrevocably pledged for the prompt payment of the principal and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Bonds.

Section 16. Compliance with Open Meeting Requirements. It is hereby found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 17. Filing of Note Ordinance. The Clerk of Council is hereby directed to forward a certified copy of this Ordinance to the County Auditor of Franklin County, Ohio.

Section 18. Publication and Effective Date. That notice of passage of this Ordinance shall be posted in the Municipal Administration Building, the Worthington Library, the Griswold Center and the Worthington Community Center and shall set forth the title and effective date of the Ordinance and a statement that the Ordinance is on file in the office of the Clerk of Council. This Ordinance shall take effect and be in force from and after the earliest period allowed by law and by the Charter of the City of Worthington, Ohio.

Passed ___________________

____________________________________
President of Council

Attest: 

Introduced October 5, 2015
P.H. October 19, 2015

Clerk of Council
MEMORANDUM

To: Matt Greeson, City Manager
From: Molly Roberts, Finance Director
Date: September 30, 2015
Subject: Refunding Bonds, Series 2015 Legislation

General obligation bonds were issued in 2001 in the amount of $10.5 million to fund the Community Center addition and for the development of the Municipal Police Complex. In 2005, a portion of these bonds ($7,185,000) were called and refunded to capture a lower interest rate and realize substantial savings in interest payments due. 2015 is the first year that the 2005 refunded bonds are able to be called or redeemed. As in 2005, the interest rate environment is favorable and we are able to capture a lower interest rate on the remaining balance of the outstanding bonds ($4,440,000).

In order to proceed with the refunding of the callable bonds and secure a lower interest rate for the balance of the bonds the following legislation is requested to be on the council agenda of October 5, 2015 for introduction and set the public hearing for October 19, 2015. The attached legislation was prepared for Council’s consideration to refund the outstanding bonds due in the amount of $4,440,000 for the same maximum maturity of December 1, 2021. The estimated interest savings is in the amount of $278,449 over the remaining life of the existing bonds. This estimate is based on the current market rates. The actual interest rate of the 2015 refunded bonds will be secured after the effective date of the proposed legislation.
ORDINANCE NO. 42-2015

Enacting Part Seventeen – Title Two of the Codified Ordinances of the City Regarding Municipal Income Tax.

WHEREAS, the Home Rule Amendment of the Ohio Constitution, Article XVIII, Section 3, provides that “Municipalities shall have authority to exercise all powers of local self-government,” and the municipal taxing power is one of such powers of local self-government delegated by the people of the State to the people of municipalities; and,

WHEREAS, Article XIII, Section 6 of the Ohio Constitution provides that the General Assembly may restrict a municipality’s power of taxation to the extent necessary to prevent abuse of such power, and Article XVIII, Section 13 of the Ohio Constitution states that “laws may be passed to limit the powers of municipalities to levy taxes and incur debts for local purposes;” and,

WHEREAS, the General Assembly has determined that it is necessary and appropriate to comprehensively review and amend Chapter 718 of the Ohio Revised Code, setting forth statutory requirements for municipal income tax codes in Ohio; and,

WHEREAS, more specifically, the General Assembly enacted House Bill 5 in December 2014, and mandated that municipal income tax codes be amended by January 1, 2016 such that any income or withholding tax is levied in accordance with the provisions and limitations specified in Chapter 718 of the Ohio Revised Code; and,

WHEREAS, upon a detailed review of House Bill 5 and the Codified Ordinances of the City, this Ordinance is found and determined by this Council to enact the amendments required prior to the January 1, 2016 deadline to be in accord with the provisions and limitations specified in Chapter 718 of the Ohio Revised Code.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Municipality of Worthington, County of Franklin, State of Ohio:

SECTION 1. That Part Seventeen – Title Two of the Codified Ordinances be and is hereby enacted to read as set forth in Exhibit “A” attached hereto and incorporated herein, to take effect and be in force from and after January 1, 2016 for tax years beginning on or after January 1, 2016.

SECTION 2. That Part Seventeen – Title One of the Codified Ordinances shall not be amended by the enactment of Title Two and shall remain effective and in force for all tax years through December 31, 2015.
ORDINANCE NO. 42-2015

SECTION 3. That the numbering of the Chapters of Part Seventeen – Title Three be amended correspondingly to the addition of the Chapters in Title Two, such that Chapter 1714 Hotel/Motel Tax and 1717 Motor Vehicle License Tax shall become Chapter 1728 and Chapter 1730, respectively, with each such numbering of the Sections within those Chapters being changed accordingly. The City Clerk is hereby directed to work with the Director of Law to make the changes authorized by this Ordinance and prepare them for codification.

SECTION 4. That notice of passage of this Ordinance shall be posted in the Municipal Administration Building, the Worthington Library, the Griswold Center and Worthington Community Center and shall set forth the title and effective date of the Ordinance and a statement that the Ordinance is on file in the office of the Clerk of Council. This Ordinance shall take effect and be in force from and after the earliest period allowed by law and by the Charter of the City of Worthington, Ohio.

Passed: ____________________

___________________________________
President of Council

Attest: ______________________

Introduced October 5, 2015
P.H. October 19, 2015

___________________________ P.H. October 19, 2015
Clerk of Council
CHAPTER 1714
AUTHORITY TO LEVY TAX; PURPOSE

1714.01 AUTHORITY TO LEVY TAX; PURPOSE OF TAX.

(A) To provide funds for the purposes of general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities and capital improvements, the City of Worthington (hereinafter referred to as the City) hereby levies an annual municipal income tax on income, qualifying wages, commissions and other compensation, and on net profits as hereinafter provided.

(B)(1) The annual tax is levied at a rate of 2.5% (two and one half percent). The tax is levied at a uniform rate on all persons residing in or earning or receiving income in the City. The tax is levied on income, qualifying wages, commissions and other compensation, and on net profits as hereinafter provided in Section 1716.01 of this Part Seventeen - Title Two and other sections as they may apply.

(2) Intentionally left blank.

(C) The tax on income and the withholding tax established by this Part Seventeen - Title Two are authorized by Article XVIII, Section 3 of the Ohio Constitution. The tax is levied in accordance with, and is intended to be consistent with, the provisions and limitations of Ohio Revised Code Chapter 718.

CHAPTER 1715
DEFINITIONS

1715.01 DEFINITIONS.

(A) Any term used in this Part Seventeen - Title Two that is not otherwise defined in this Part Seventeen - Title Two has the same meaning as when used in a comparable context in laws of the United States relating to federal income taxation or in Title LVII of the Ohio Revised Code, unless a different meaning is clearly required. If a term used in this Part Seventeen - Title Two that is not otherwise defined in Part Seventeen - Title Two is used in a comparable context in both the laws of the United States relating to federal income tax and in Title LVII of the Ohio Revised Code and
the use is not consistent, then the use of the term in the laws of the United States relating to federal 
income tax shall control over the use of the term in Title LVII of the Ohio Revised Code.

(B) The singular shall include the plural, and the masculine shall include the feminine and the 
gender-neutral.

(C) As used in this Part Seventeen - Title Two:

(1) "Adjusted federal taxable income," for a person required to file as a C corporation, or for 
a person that has elected to be taxed as a C corporation under division (C)(24)(d) of this section, 
means a C corporation's federal taxable income before net operating losses and special deductions 
as determined under the Internal Revenue Code, adjusted as follows:

   (a) Deduct intangible income to the extent included in federal taxable income. The deduction 
shall be allowed regardless of whether the intangible income relates to assets used in a trade or 
business or assets held for the production of income.

   (b) Add an amount equal to five percent (5%) of intangible income deducted under division 
(C)(1)(a) of this section, but excluding that portion of intangible income directly related to the sale, 
exchange, or other disposition of property described in Section 1221 of the Internal Revenue Code;

   (c) Add any losses allowed as a deduction in the computation of federal taxable income if 
the losses directly relate to the sale, exchange, or other disposition of an asset described in Section 
1221 or 1231 of the Internal Revenue Code;

   (d)(i) Except as provided in division (C)(1)(d)(ii) of this section, deduct income and gain 
included in federal taxable income to the extent the income and gain directly relate to the sale, 
exchange, or other disposition of an asset described in Section 1221 or 1231 of the Internal 
Revenue Code;

   (ii) Division (C)(1)(d)(i) of this section does not apply to the extent the income or gain is 
income or gain described in Section 1245 or 1250 of the Internal Revenue Code.

   (e) Add taxes on or measured by net income allowed as a deduction in the computation of 
federal taxable income;

   (f) In the case of a real estate investment trust or regulated investment company, add all 
amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the 
benefit of investors and allowed as a deduction in the computation of federal taxable income;

   (g) Deduct, to the extent not otherwise deducted or excluded in computing federal taxable 
income, any income derived from a transfer agreement or from the enterprise transferred under 
that agreement under Section 4313.02 of the Ohio Revised Code;

   (h)(i) Except as limited by divisions (C)(1)(h)(ii), (iii), and (iv) of this section, deduct any 
net operating loss incurred by the person in a taxable year beginning on or after January 1, 2017.
The amount of such net operating loss shall be deducted from net profit that is reduced by exempt income to the extent necessary to reduce municipal taxable income to zero, with any remaining unused portion of the net operating loss carried forward to not more than five consecutive taxable years following the taxable year in which the loss was incurred, but in no case for more years than necessary for the deduction to be fully utilized.

(ii) No person shall use the deduction allowed by division (C)(1)(h) of this section to offset qualifying wages.

(iii)(a) For taxable years beginning in 2018, 2019, 2020, 2021, or 2022, a person may not deduct, for purposes of an income tax levied by a municipal corporation that levies an income tax before January 1, 2016, more than fifty percent (50%) of the amount of the deduction otherwise allowed by division (C)(1)(h)(i) of this section.

(b) For taxable years beginning in 2023 or thereafter, a person may deduct, for purposes of an income tax levied by a municipal corporation that levies an income tax before January 1, 2016, the full amount allowed by division (C)(1)(h)(i) of this section.

(iv) Any pre-2017 net operating loss carryforward deduction that is available must be utilized before a taxpayer may deduct any amount pursuant to division (C)(1)(h) of this section.

(v) Nothing in division (C)(1)(h)(iii)(a) of this section precludes a person from carrying forward, use with respect to any return filed for a taxable year beginning after 2018, any amount of net operating loss that was not fully utilized by operation of division (C)(1)(h)(iii)(a) of this section. To the extent that an amount of net operating loss that was not fully utilized in one or more taxable years by operation of division (C)(1)(h)(iii)(a) of this section is carried forward for use with respect to a return filed for a taxable year beginning in 2019, 2020, 2021, or 2022, the limitation described in division (C)(1)(h)(iii)(a) of this section shall apply to the amount carried forward.

(i) Deduct any net profit of a pass-through entity owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless an affiliated group of corporations includes that net profit in the group's federal taxable income in accordance with division (V)(3)(b) of Section 1718.01.

(j) Add any loss incurred by a pass-through entity owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless an affiliated group of corporations includes that loss in the group's federal taxable income in accordance with division (V)(3)(b) of Section 1718.01.

If the taxpayer is not a C corporation, is not a disregarded entity that has made an election described in division (C)(48)(b) of this section, is not a publicly traded partnership that has made the election described in division (C)(24)(d) of this section, and is not an individual, the taxpayer shall compute adjusted federal taxable income under this section as if the taxpayer were a C corporation, except guaranteed payments and other similar amounts paid or accrued to a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deductible.
EXHIBIT “A”

expense unless such payments are in consideration for the use of capital and treated as payment of interest under Section 469 of the Internal Revenue Code or United States treasury regulations. Amounts paid or accrued to a qualified self-employed retirement plan with respect to a partner, former partner, shareholder, former shareholder, member, or former member of the taxpayer, amounts paid or accrued to or for health insurance for a partner, former partner, shareholder, former shareholder, member, or former member, and amounts paid or accrued to or for life insurance for a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deduction.

Nothing in division (C)(1) of this section shall be construed as allowing the taxpayer to add or deduct any amount more than once or shall be construed as allowing any taxpayer to deduct any amount paid to or accrued for purposes of federal self-employment tax.

(2)(a) "Assessment" means a written finding by the Tax Administrator that a person has underpaid municipal income tax, or owes penalty and interest, or any combination of tax, penalty, or interest, to the municipal corporation that commences the person's time limitation for making an appeal to the Board of Tax Review pursuant to Section 1722.01, and has "ASSESSMENT" written in all capital letters at the top of such finding.

(b) "Assessment" does not include a notice denying a request for refund issued under division (C)(3) of Section 1718.05, a billing statement notifying a taxpayer of current or past-due balances owed to the municipal corporation, a Tax Administrator's request for additional information, a notification to the taxpayer of mathematical errors, or a Tax Administrator's other written correspondence to a person or taxpayer that does not meet the criteria prescribed by division (C)(2)(a) of this section.

(3) "Audit" means the examination of a person or the inspection of the books, records, memoranda, or accounts of a person, ordered to appear before the Tax Administrator, for the purpose of determining liability for a municipal income tax.

(4) "Board of Tax Review" or “Board of Review” or “Board of Tax Appeals”, or other named local board constituted to hear appeals of municipal income tax matters, means the entity created under Section 1722.01.

(5) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December.

(6) "Casino operator" and "casino facility" have the same meanings as in Section 3772.01 of the ORC.

(7) "Certified mail," "express mail," "United States mail," "postal service," and similar terms include any delivery service authorized pursuant to Section 5703.056 of the ORC.

(8) "Disregarded entity" means a single member limited liability company, a qualifying subchapter S subsidiary, or another entity if the company, subsidiary, or entity is a disregarded entity for federal income tax purposes.
EXHIBIT “A”

(9) “Domicile” means the true, fixed, and permanent home of a taxpayer and to which, whenever absent, the taxpayer intends to return. A taxpayer may have more than one residence but not more than one domicile.

(10) "Employee" means an individual who is an employee for federal income tax purposes.

(11) "Employer" means a person that is an employer for federal income tax purposes.

(12) "Exempt income" means all of the following:

(a) The military pay or allowances of members of the armed forces of the United States or members of their reserve components, including the national guard of any state.

(b) Intangible income. However, a municipal corporation that taxed any type of intangible income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 116th general assembly, may continue to tax that type of income if a majority of the electors of the municipal corporation voting on the question of whether to permit the taxation of that type of intangible income after 1988 voted in favor thereof at an election held on November 8, 1988.

(c) Social security benefits, railroad retirement benefits, unemployment compensation, pensions, retirement benefit payments, payments from annuities, and similar payments made to an employee or to the beneficiary of an employee under a retirement program or plan, disability payments received from private industry or local, state, or federal governments or from charitable, religious or educational organizations, and the proceeds of sickness, accident, or liability insurance policies. As used in division (C)(12)(c) of this section, "unemployment compensation" does not include supplemental unemployment compensation described in Section 3402(o)(2) of the Internal Revenue Code.

(d) The income of religious, fraternal, charitable, scientific, literary, or educational institutions to the extent such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.

(e) Compensation paid under Section 3501.28 or 3501.36 of the ORC to a person serving as a precinct election official to the extent that such compensation does not exceed $1,000 for the taxable year. Such compensation in excess of $1,000 for the taxable year may be subject to taxation by a municipal corporation. A municipal corporation shall not require the payer of such compensation to withhold any tax from that compensation.

(f) Dues, contributions, and similar payments received by charitable, religious, educational, or literary organizations or labor unions, lodges, and similar organizations;

(g) Alimony and child support received.

(h) Compensation for personal injuries or for damages to property from insurance proceeds or otherwise, excluding compensation paid for lost salaries or wages or compensation from punitive damages.
EXHIBIT “A”

(i) Income of a public utility when that public utility is subject to the tax levied under Section 5727.24 or 5727.30 of the ORC. Division (C)(12)(i) of this section does not apply for purposes of Chapter 5745. of the ORC.

(j) Gains from involuntary conversions, interest on federal obligations, items of income subject to a tax levied by the state and that a municipal corporation is specifically prohibited by law from taxing, and income of a decedent's estate during the period of administration except such income from the operation of a trade or business.

(k) Compensation or allowances excluded from federal gross income under Section 107 of the Internal Revenue Code.

(l) Employee compensation that is not qualifying wages as defined in division (C)(35) of this section.

(m) Compensation paid to a person employed within the boundaries of a United States air force base under the jurisdiction of the United States air force that is used for the housing of members of the United States air force and is a center for air force operations, unless the person is subject to taxation because of residence or domicile. If the compensation is subject to taxation because of residence or domicile, tax on such income shall be payable only to the municipal corporation of residence or domicile.

(n) An S corporation shareholder's share of net profits of the S corporation, other than any part of the share of net profits that represents wages as defined in Section 3121(a) of the Internal Revenue Code or net earnings from self-employment as defined in Section 1402(a) of the Internal Revenue Code.

(o) All of the income of individuals under 18 years of age.

(p)(i) Except as provided in divisions (C)(12)(p)(ii), (iii), and (iv) of this section, qualifying wages described in division (C)(2) or (5) of Section 1717.01 to the extent the qualifying wages are not subject to withholding for the City under either of those divisions.

(ii) The exemption provided in division (C)(12)(p)(i) of this section does not apply with respect to the municipal corporation in which the employee resided at the time the employee earned the qualifying wages.

(iii) The exemption provided in division (C)(12)(p)(i) of this section does not apply to qualifying wages that an employer elects to withhold under division (C)(4)(b) of Section 1717.01.

(iv) The exemption provided in division (C)(12)(p)(i) of this section does not apply to qualifying wages if both of the following conditions apply:

(a) For qualifying wages described in division (C)(2) of Section 1717.01, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's principal place of work is situated, or, for qualifying wages described in division
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(C)(5) of Section 1717.01, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located;

(b) The employee receives a refund of the tax described in division (C)(12)(p)(iv)(a) of this section on the basis of the employee not performing services in that municipal corporation.

(q)(i) Except as provided in division (C)(12)(q)(ii) or (iii) of this section, compensation that is not qualifying wages paid to a nonresident individual for personal services performed in the City on not more than 20 days in a taxable year.

(ii) The exemption provided in division (C)(12)(q)(ii) of this section does not apply under either of the following circumstances:

(a) The individual's base of operation is located in the municipal corporation.

(b) The individual is a professional athlete, professional entertainer, or public figure, and the compensation is paid for the performance of services in the individual's capacity as a professional athlete, professional entertainer, or public figure. For purposes of division (C)(12)(q)(ii)(b) of this section, "professional athlete," "professional entertainer," and "public figure" have the same meanings as in Section 1717.01(C).

(iii) Compensation to which division (C)(12)(q) of this section applies shall be treated as earned or received at the individual's base of operation. If the individual does not have a base of operation, the compensation shall be treated as earned or received where the individual is domiciled.

(iv) For purposes of division (C)(12)(q) of this section, "base of operation" means the location where an individual owns or rents an office, storefront, or similar facility to which the individual regularly reports and at which the individual regularly performs personal services for compensation.

(r) Compensation paid to a person for personal services performed for a political subdivision on property owned by the political subdivision, regardless of whether the compensation is received by an employee of the subdivision or another person performing services for the subdivision under a contract with the subdivision, if the property on which services are performed is annexed to a municipal corporation pursuant to Section 709.023 of the ORC on or after March 27, 2013, unless the person is subject to such taxation because of residence. If the compensation is subject to taxation because of residence, municipal income tax shall be payable only to the municipal corporation of residence.

(s) Income the taxation of which is prohibited by the constitution or laws of the United States.

Any item of income that is exempt income of a pass-through entity under division (C) of this section is exempt income of each owner of the pass-through entity to the extent of that owner's distributive or proportionate share of that item of the entity's income.
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(13) "Form 2106" means internal revenue service form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.

(14) "Generic form" means an electronic or paper form that is not prescribed by a particular municipal corporation and that is designed for reporting taxes withheld by an employer, agent of an employer, or other payer, estimated municipal income taxes, or annual municipal income tax liability or for filing a refund claim.

(15) “Gross receipts” means the total revenue derived from sales, work done, or service rendered.

(16) "Income" means the following:

(a)(i) For residents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the resident, including the resident's distributive share of the net profit of pass-through entities owned directly or indirectly by the resident and any net profit of the resident, except as provided in division (C)(24)(d) of this section.

(ii) For the purposes of division (C)(16)(a)(i) of this section:

(a) Any net operating loss of the resident incurred in the taxable year and the resident's distributive share of any net operating loss generated in the same taxable year and attributable to the resident's ownership interest in a pass-through entity shall be allowed as a deduction, for that taxable year and the following five taxable years, against any other net profit of the resident or the resident's distributive share of any net profit attributable to the resident's ownership interest in a pass-through entity until fully utilized, subject to division (C)(16)(a)(iv) of this section;

(b) The resident's distributive share of the net profit of each pass-through entity owned directly or indirectly by the resident shall be calculated without regard to any net operating loss that is carried forward by that entity from a prior taxable year and applied to reduce the entity's net profit for the current taxable year.

(iii) Division (C)(16)(a)(ii) of this section does not apply with respect to any net profit or net operating loss attributable to an ownership interest in an S corporation unless shareholders' shares of net profits from S corporations are subject to tax in the municipal corporation as provided in division (C)(12)(n) or (C)(16)(e) of this section.

(iv) Any amount of a net operating loss used to reduce a taxpayer's net profit for a taxable year shall reduce the amount of net operating loss that may be carried forward to any subsequent year for use by that taxpayer. In no event shall the cumulative deductions for all taxable years with respect to a taxpayer's net operating loss exceed the original amount of that net operating loss available to that taxpayer.

(b) In the case of nonresidents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the nonresident for work done, services performed or rendered, or activities conducted in the municipal corporation, including any
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net profit of the nonresident, but excluding the nonresident's distributive share of the net profit or loss of only pass-through entities owned directly or indirectly by the nonresident.

(c) For taxpayers that are not individuals, net profit of the taxpayer;

(d) Lottery, sweepstakes, gambling and sports winnings, winnings from games of chance, and prizes and awards. If the taxpayer is a professional gambler for federal income tax purposes, the taxpayer may deduct related wagering losses and expenses to the extent authorized under the Internal Revenue Code and claimed against such winnings.

(e) Intentionally left blank.

(17) "Intangible income" means income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange, or other disposition of intangible property including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701. of the ORC, and patents, copyrights, trademarks, tradenames, investments in real estate investment trusts, investments in regulated investment companies, and appreciation on deferred compensation. "Intangible income" does not include prizes, awards, or other income associated with any lottery winnings, gambling winnings, or other similar games of chance.

(18) "Internal Revenue Code" has the same meaning as in Section 5747.01 of the ORC.

(19) "Limited liability company" means a limited liability company formed under Chapter 1705. of the ORC or under the laws of another state.

(20) "Municipal corporation" includes a joint economic development district or joint economic development zone that levies an income tax under Section 715.691, 715.70, 715.71, or 715.74 of the ORC.

(21)(a) "Municipal taxable income" means the following:

(i) For a person other than an individual, income reduced by exempt income to the extent otherwise included in income and then, as applicable, apportioned or sitused to the City under Section 1716.01, and further reduced by any pre-2017 net operating loss carryforward available to the person for the City.

(ii)(a) For an individual who is a resident of the City, income reduced by exempt income to the extent otherwise included in income, then reduced as provided in division (C)(21)(b) of this section, and further reduced by any pre-2017 net operating loss carryforward available to the individual for the City.

(b) For an individual who is a nonresident of the City, income reduced by exempt income to the extent otherwise included in income and then, as applicable, apportioned or sitused to the City under Section 1716.01, then reduced as provided in division (C)(21)(b) of this section, and
further reduced by any pre-2017 net operating loss carryforward available to the individual for the City.

(b) In computing the municipal taxable income of a taxpayer who is an individual, the taxpayer may subtract, as provided in division (C)(21)(a)(ii)(a) or (C)(21)(b) of this section, the amount of the individual's employee business expenses reported on the individual's Form 2106 that the individual deducted for federal income tax purposes for the taxable year, subject to the limitation imposed by Section 67 of the Internal Revenue Code. For the municipal corporation in which the taxpayer is a resident, the taxpayer may deduct all such expenses allowed for federal income tax purposes, but to the extent the expenses do not relate to exempt income. For a municipal corporation in which the taxpayer is not a resident, the taxpayer may deduct such expenses only to the extent the expenses are related to the taxpayer's performance of personal services in that nonresident municipal corporation and are not related to exempt income.

(22) “Municipality” means the same as the City of Worthington. If the terms are capitalized in the ordinance they are referring to Worthington. If not capitalized they refer to a municipal corporation other than Worthington.

(23) "Net operating loss" means a loss incurred by a person in the operation of a trade or business. "Net operating loss" does not include unutilized losses resulting from basis limitations, at-risk limitations, or passive activity loss limitations.

(24)(a) "Net profit" for a person other than an individual means adjusted federal taxable income.

(b) "Net profit" for a person who is an individual means the individual's net profit required to be reported on schedule C, schedule E, or schedule F reduced by any net operating loss carried forward. For the purposes of division (C)(24)(b) of this section, the net operating loss carried forward shall be calculated and deducted in the same manner as provided in division (C)(1)(h) of this section.

(c) For the purposes of this Part Seventeen - Title Two, and notwithstanding division (C)(24)(a) of this section, net profit of a disregarded entity shall not be taxable as against that disregarded entity, but shall instead be included in the net profit of the owner of the disregarded entity.

(d) A publicly traded partnership that is treated as a partnership for federal income tax purposes, and that is subject to tax on its net profits by the City, may elect to be treated as a C corporation for the City. The election shall be made on the annual return for the City. The City will treat the publicly traded partnership as a C corporation if the election is so made.

(25) "Nonresident" means an individual that is not a resident.

(26) "Ohio Business Gateway" means the online computer network system, created under Section 125.30 of the ORC, that allows persons to electronically file business reply forms with state agencies and includes any successor electronic filing and payment system.
(27) "Other payer" means any person, other than an individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual. "Other payer" includes casino operators and video lottery terminal sales agents.

(28) "Pass-through entity" means a partnership not treated as an association taxable as a C corporation for federal income tax purposes, a limited liability company not treated as an association taxable as a C corporation for federal income tax purposes, an S corporation, or any other class of entity from which the income or profits of the entity are given pass-through treatment for federal income tax purposes. "Pass-through entity" does not include a trust, estate, grantor of a grantor trust, or disregarded entity.

(29) “Pension” means any amount paid to an employee or former employee that is reported to the recipient on an IRS form 1099-R, or successor form. Pension does not include deferred compensation, or amounts attributable to nonqualified deferred compensation plans, reported as FICA/Medicare wages on an IRS form W-2, Wage and Tax Statement, or successor form.

(30) "Person" includes individuals, firms, companies, joint stock companies, business trusts, estates, trusts, partnerships, limited liability partnerships, limited liability companies, associations, C corporations, S corporations, governmental entities, and any other entity.

(31) "Postal service" means the United States postal service.

(32) "Postmark date," "date of postmark," and similar terms include the date recorded and marked in the manner described in division (B)(3) of Section 5703.056 of the ORC.

(33)(a) "Pre-2017 net operating loss carryforward" means any net operating loss incurred in a taxable year beginning before January 1, 2017, to the extent such loss was permitted, by a resolution or ordinance of the City that was adopted by the City before January 1, 2016, to be carried forward and utilized to offset income or net profit generated in the City in future taxable years.

(b) For the purpose of calculating municipal taxable income, any pre-2017 net operating loss carryforward may be carried forward to any taxable year, including taxable years beginning in 2017 or thereafter, for the number of taxable years provided in the resolution or ordinance or until fully utilized, whichever is earlier.

(34) “Publicly traded partnership” means any partnership, an interest in which is regularly traded on an established securities market. A “publicly traded partnership” may have any number of partners.

(35) "Qualifying wages" means wages, as defined in Section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:

(a) Deduct the following amounts:
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(i) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in Section 125 of the Internal Revenue Code.

(ii) Any amount included in wages if the amount constitutes payment on account of a disability related to sickness or an accident paid by a party unrelated to the employer, agent of an employer, or other payer.

(iii) Intentionally left blank.

(iv) Intentionally left blank.

(v) Any amount included in wages that is exempt income.

(b) Add the following amounts:

(i) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.

(ii) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option. Division (C)(35)(b)(ii) of this section applies only to those amounts constituting ordinary income.

(iii) Any amount not included in wages if the amount is an amount described in section 401(k), 403(b), or 457 of the Internal Revenue Code. Division (C)(35)(b)(ii) of this section applies only to employee contributions and employee deferrals.

(iv) Any amount that is supplemental unemployment compensation benefits described in Section 3402(o)(2) of the Internal Revenue Code and not included in wages.

(v) Any amount received that is treated as self-employment income for federal tax purposes in accordance with Section 1402(a)(8) of the Internal Revenue Code.

(vi) Any amount not included in wages if all of the following apply:

(a) For the taxable year the amount is employee compensation that is earned outside the United States and that either is included in the taxpayer's gross income for federal income tax purposes or would have been included in the taxpayer’s gross income for such purposes if the taxpayer did not elect to exclude the income under Section 911 of the Internal Revenue Code;

(b) For no preceding taxable year did the amount constitute wages as defined in Section 3121(a) of the Internal Revenue Code;

(c) For no succeeding taxable year will the amount constitute wages; and
(d) For any taxable year the amount has not otherwise been added to wages pursuant to either division (C)(35)(b) of this section or Section 4, as that section existed before the effective date of H.B. 5 of the 130th General Assembly, March 23, 2015.

(36) "Related entity" means any of the following:

(a) An individual stockholder, or a member of the stockholder's family enumerated in Section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder's family own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock;

(b) A stockholder, or a stockholder's partnership, estate, trust, or corporation, if the stockholder and the stockholder's partnerships, estates, trusts, or corporations own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock;

(c) A corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under division (C)(36)(d) of this section, provided the taxpayer owns directly, indirectly, beneficially, or constructively, at least fifty percent of the value of the corporation's outstanding stock;

(d) The attribution rules described in Section 318 of the Internal Revenue Code apply for the purpose of determining whether the ownership requirements in divisions (C)(36)(a) to (c) of this section have been met.

(37) "Related member" means a person that, with respect to the taxpayer during all or any portion of the taxable year, is either a related entity, a component member as defined in Section 1563(b) of the Internal Revenue Code, or a person to or from whom there is attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code except, for purposes of determining whether a person is a related member under this division, "twenty percent (20%)") shall be substituted for "five percent (5%)" wherever "five percent (5%)" appears in Section 1563(e) of the Internal Revenue Code.

(38) "Resident" means an individual who is domiciled in the City as determined under Section 1716.01(E).

(39) "S corporation" means a person that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.

(40) "Schedule C" means internal revenue service schedule C (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.

(41) "Schedule E" means internal revenue service schedule E (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.
(42) "Schedule F" means internal revenue service schedule F (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.

(43) "Single member limited liability company" means a limited liability company that has one direct member.

(44) "Small employer" means any employer that had total revenue of less than $500,000 during the preceding taxable year. For purposes of this division, "total revenue" means receipts of any type or kind, including, but not limited to, sales receipts; payments; rents; profits; gains, dividends, and other investment income; compensation; commissions; premiums; money; property; grants; contributions; donations; gifts; program service revenue; patient service revenue; premiums; fees, including premium fees and service fees; tuition payments; unrelated business revenue; reimbursements; any type of payment from a governmental unit, including grants and other allocations; and any other similar receipts reported for federal income tax purposes or under generally accepted accounting principles. "Small employer" does not include the federal government; any state government, including any state agency or instrumentality; any political subdivision; or any entity treated as a government for financial accounting and reporting purposes.

(45) "Tax Administrator" means the individual charged with direct responsibility for administration of an income tax levied by the City in accordance with this Part Seventeen - Title Two.

(46) "Tax return preparer" means any individual described in Section 7701(a)(36) of the Internal Revenue Code and 26 C.F.R. 301.7701-15.

(47) "Taxable year" means the corresponding tax reporting period as prescribed for the taxpayer under the Internal Revenue Code.

(48) (a) "Taxpayer" means a person subject to a tax levied on income by a municipal corporation in accordance with Part Seventeen - Title Two. "Taxpayer" does not include a grantor trust or, except as provided in division (C)(48)(b)(i) of this section, a disregarded entity.

(b)(i) A single member limited liability company that is a disregarded entity for federal tax purposes may be a separate taxpayer from its single member in all Ohio municipal corporations in which it either filed as a separate taxpayer or did not file for its taxable year ending in 2003, if all of the following conditions are met:

(a) The limited liability company's single member is also a limited liability company.

(b) The limited liability company and its single member were formed and doing business in one or more Ohio municipal corporations for at least five years before January 1, 2004.

(c) Not later than December 31, 2004, the limited liability company and its single member each made an election to be treated as a separate taxpayer under division (L) of ORC Section 718.01 as that section existed on December 31, 2004.
(d) The limited liability company was not formed for the purpose of evading or reducing Ohio municipal corporation income tax liability of the limited liability company or its single member.

(e) The Ohio municipal corporation that was the primary place of business of the sole member of the limited liability company consented to the election.

(ii) For purposes of division (C)(48)(b)(i)(e) of this section a municipal corporation was the primary place of business of a limited liability company if, for the limited liability company's taxable year ending in 2003, its income tax liability was greater in that municipal corporation than in any other municipal corporation in Ohio, and that tax liability to that municipal corporation for its taxable year ending in 2003 was at least $400,000.

(49) "Taxpayers' rights and responsibilities" means the rights provided to taxpayers in Sections 1718.05, 1719.01, 1720.01, 1721.01(B), 1721.02, 1722.01, and Sections 5717.011 and 5717.03 of the ORC, and the responsibilities of taxpayers to file, report, withhold, remit, and pay municipal income tax and otherwise comply with Chapter 718. of the ORC and resolutions, ordinances, and rules and regulations adopted by the City for the imposition and administration of a municipal income tax.

(50) "Video lottery terminal" has the same meaning as in Section 3770.21 of the ORC.

(51) "Video lottery terminal sales agent" means a lottery sales agent licensed under Chapter 3770. of the ORC to conduct video lottery terminals on behalf of the state pursuant to Section 3770.21 of the ORC.

CHAPTER 1716

IMPOSITION OF TAX

1716.01 IMPOSITION OF TAX.

The income tax levied by the City at a rate of two and one half percent (2.5%) is levied on the Municipal Taxable Income of every person residing in and/or earning and/or receiving income in the City.

Individuals.

(A) For residents of the City, the income tax levied herein shall be on all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the resident, including the resident's distributive share of the net profit of pass-through entities owned directly or indirectly by the resident and any net profit of the resident. This is further detailed in the definition of income (Section 1715.01(C)(16)).

(B) For nonresidents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the nonresident for work done, services
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performed or rendered, or activities conducted in the City, including any net profit of the nonresident, but excluding the nonresident's distributive share of the net profit or loss of only pass-through entities owned directly or indirectly by the nonresident.

(C) For residents and nonresidents, income can be reduced to “Municipal Taxable Income” as defined in Section 1715.01(C)(21). Exemptions which may apply are specified in Section 1715.01(C)(12).

Refundable credit for Nonqualified Deferred Compensation Plan.

(D)(1) As used in this division:

(a) "Nonqualified deferred compensation plan" means a compensation plan described in Section 3121(v)(2)(C) of the Internal Revenue Code.

(b) “Qualifying loss” means the amount of compensation attributable to a taxpayer’s nonqualified deferred compensation plan, less the receipt of money and property attributable to distributions from the nonqualified deferred compensation plan. Full loss is sustained if no distribution of money and property is made by the nonqualified deferred compensation plan. The taxpayer sustains a qualifying loss only in the taxable year in which the taxpayer receives the final distribution of money and property pursuant to that nonqualified deferred compensation plan.

(c)(i) "Qualifying tax rate" means the applicable tax rate for the taxable year for which the taxpayer paid income tax to the City with respect to any portion of the total amount of compensation the payment of which is deferred pursuant to a nonqualified deferred compensation plan.

(ii) If different tax rates applied for different taxable years, then the "qualifying tax rate" is a weighted average of those different tax rates. The weighted average shall be based upon the tax paid to the City each year with respect to the nonqualified deferred compensation plan.

(d) “Refundable credit” means the amount of the City income tax that was paid on the non-distributed portion, if any, of a nonqualified deferred compensation plan.

(2) If, in addition to the City, a taxpayer has paid tax to other municipal corporations with respect to the nonqualified deferred compensation plan, the amount of the credit that a taxpayer may claim from each municipal corporation shall be calculated on the basis of each municipal corporation's proportionate share of the total municipal corporation income tax paid by the taxpayer to all municipal corporations with respect to the nonqualified deferred compensation plan.

(3) In no case shall the amount of the credit allowed under this section exceed the cumulative income tax that a taxpayer has paid to the City for all taxable years with respect to the nonqualified deferred compensation plan.

(4) The credit allowed under this division is allowed only to the extent the taxpayer's qualifying loss is attributable to:
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(a) The insolvency or bankruptcy of the employer who had established the nonqualified deferred compensation plan; or

(b) The employee's failure or inability to satisfy all of the employer's terms and conditions necessary to receive the nonqualified deferred compensation.

**Domicile.**

(E)(1)(a) An individual is presumed to be domiciled in the City for all or part of a taxable year if the individual was domiciled in the City on the last day of the immediately preceding taxable year or if the Tax Administrator reasonably concludes that the individual is domiciled in the City for all or part of the taxable year.

(b) An individual may rebut the presumption of domicile described in division (E)(1)(a) of this section if the individual establishes by a preponderance of the evidence that the individual was not domiciled in the City for all or part of the taxable year.

(2) For the purpose of determining whether an individual is domiciled in the City for all or part of a taxable year, factors that may be considered include, but are not limited to, the following:

(a) The individual's domicile in other taxable years;

(b) The location at which the individual is registered to vote;

(c) The address on the individual's driver's license;

(d) The location of real estate for which the individual claimed a property tax exemption or reduction allowed on the basis of the individual's residence or domicile;

(e) The location and value of abodes owned or leased by the individual;

(f) Declarations, written or oral, made by the individual regarding the individual's residency;

(g) The primary location at which the individual is employed.

(h) The location of educational institutions attended by the individual's dependents as defined in Section 152 of the Internal Revenue Code, to the extent that tuition paid to such educational institution is based on the residency of the individual or the individual's spouse in the municipal corporation where the educational institution is located;

(i) The number of contact periods the individual has with the City. For the purposes of this division, an individual has one "contact period" with the City if the individual is away overnight from the individual's abode located outside of the City and while away overnight from that abode spends at least some portion, however minimal, of each of two consecutive days in the City.

(3) All additional applicable factors are provided in the Rules and Regulations.
(F) This division applies to any taxpayer engaged in a business or profession in the City, unless the taxpayer is an individual who resides in the City or the taxpayer is an electric company, combined company, or telephone company that is subject to and required to file reports under Chapter 5745. of the ORC.

(1) Except as otherwise provided in division (F)(2) of this section, net profit from a business or profession conducted both within and without the boundaries of the City shall be considered as having a taxable situs in the City for purposes of municipal income taxation in the same proportion as the average ratio of the following:

(a) The average original cost of the real property and tangible personal property owned or used by the taxpayer in the business or profession in the City during the taxable period to the average original cost of all of the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated.

As used in the preceding paragraph, tangible personal or real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight;

(b) Wages, salaries, and other compensation paid during the taxable period to individuals employed in the business or profession for services performed in the City to wages, salaries, and other compensation paid during the same period to individuals employed in the business or profession, wherever the individual's services are performed, excluding compensation from which taxes are not required to be withheld under Section 1717.01(C);

(c) Total gross receipts of the business or profession from sales and rentals made and services performed during the taxable period in the City to total gross receipts of the business or profession during the same period from sales, rentals, and services, wherever made or performed.

(2)(a) If the apportionment factors described in division (F)(1) of this section do not fairly represent the extent of a taxpayer's business activity in the City, the taxpayer may request, or the Tax Administrator of the City may require, that the taxpayer use, with respect to all or any portion of the income of the taxpayer, an alternative apportionment method involving one or more of the following:

(i) Separate accounting;

(ii) The exclusion of one or more of the factors;

(iii) The inclusion of one or more additional factors that would provide for a more fair apportionment of the income of the taxpayer to the municipal corporation;

(iv) A modification of one or more of the factors.
(b) A taxpayer request to use an alternative apportionment method shall be in writing and shall accompany a tax return, timely filed appeal of an assessment, or timely filed amended tax return. The taxpayer may use the requested alternative method unless the Tax Administrator denies the request in an assessment issued within the period prescribed by Section 1719.01(A).

(c) The Tax Administrator may require a taxpayer to use an alternative apportionment method as described in division (F)(2)(a) of this section, but only by issuing an assessment to the taxpayer within the period prescribed by Section 1719.01(A).

(d) Nothing in division (F)(2) of this section nullifies or otherwise affects any alternative apportionment arrangement approved by the Tax Administrator or otherwise agreed upon by both the Tax Administrator and taxpayer before January 1, 2016.

(3) As used in division (F)(1)(b) of this section, "wages, salaries, and other compensation" includes only wages, salaries, or other compensation paid to an employee for services performed at any of the following locations:

(a) A location that is owned, controlled, or used by, rented to, or under the possession of one of the following:

(i) The employer;

(ii) A vendor, customer, client, or patient of the employer, or a related member of such a vendor, customer, client, or patient;

(iii) A vendor, customer, client, or patient of a person described in division (F)(3)(a)(ii) of this section, or a related member of such a vendor, customer, client, or patient.

(b) Any location at which a trial, appeal, hearing, investigation, inquiry, review, court-martial, or similar administrative, judicial, or legislative matter or proceeding is being conducted, provided that the compensation is paid for services performed for, or on behalf of, the employer or that the employee's presence at the location directly or indirectly benefits the employer;

(c) Any other location, if the Tax Administrator determines that the employer directed the employee to perform the services at the other location in lieu of a location described in division (F)(3)(a) or (b) of this section solely in order to avoid or reduce the employer's municipal income tax liability. If the Tax Administrator makes such a determination, the employer may dispute the determination by establishing, by a preponderance of the evidence, that the Tax Administrator's determination was unreasonable.

(4) For the purposes of division (F)(1)(c) of this section, receipts from sales and rentals made and services performed shall be sitused to a municipal corporation as follows:

(a) Gross receipts from the sale of tangible personal property shall be sitused to the municipal corporation in which the sale originated. For the purposes of this division, a sale of property
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originates in the City if, regardless of where title passes, the property meets any of the following criteria:

(i) The property is shipped to or delivered within the City from a stock of goods located within the City.

(ii) The property is delivered within the City from a location outside the City, provided the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within the City and the sales result from such solicitation or promotion.

(iii) The property is shipped from a place within the City to purchasers outside the City, provided that the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

(b) Gross receipts from the sale of services shall be sitused to the City to the extent that such services are performed in the City.

(c) To the extent included in income, gross receipts from the sale of real property located in the City shall be sitused to the City.

(d) To the extent included in income, gross receipts from rents and royalties from real property located in the City shall be sitused to the City.

(e) Gross receipts from rents and royalties from tangible personal property shall be sitused to the City based upon the extent to which the tangible personal property is used in the City.

(5) The net profit received by an individual taxpayer from the rental of real estate owned directly by the individual, or by a disregarded entity owned by the individual, shall be subject to the City’s tax only if the property generating the net profit is located in the City or if the individual taxpayer that receives the net profit is a resident of the City. The City shall allow such taxpayers to elect to use separate accounting for the purpose of calculating net profit sitused under this division to the municipal corporation in which the property is located.

(6)(a) Commissions received by a real estate agent or broker relating to the sale, purchase, or lease of real estate shall be sitused to the municipal corporation in which the real estate is located. Net profit reported by the real estate agent or broker shall be allocated to the City, if applicable, based upon the ratio of the commissions the agent or broker received from the sale, purchase, or lease of real estate located in the City to the commissions received from the sale, purchase, or lease of real estate everywhere in the taxable year.

(b) An individual who is a resident of the City shall report the individual's net profit from all real estate activity on the individual's annual tax return for the City. The individual may claim a credit for taxes the individual paid on such net profit to another municipal corporation to the extent that such a credit is allowed under the City’s income tax ordinance.
EXHIBIT “A”

(7) When calculating the ratios described in division (F)(1) of this section for the purposes of that division or division (F)(2) of this section, the owner of a disregarded entity shall include in the owner's ratios the property, payroll, and gross receipts of such disregarded entity.

(8) Left intentionally blank.

CHAPTER 1717

COLLECTION AT SOURCE

1717.01 COLLECTION AT SOURCE.

Withholding provisions.

(A) Each employer, agent of an employer, or other payer located or doing business in the City shall withhold an income tax from the qualifying wages earned and/or received by each employee in the City. Except for qualifying wages for which withholding is not required under Section 1716.01 or division (B)(4) or (6) of this section, the tax shall be withheld at the rate, specified in Section 1716.01 of this Part Seventeen - Title Two, of two and one half percent (2.5%). An employer, agent of an employer, or other payer shall deduct and withhold the tax from qualifying wages on the date that the employer, agent, or other payer directly, indirectly, or constructively pays the qualifying wages to, or credits the qualifying wages to the benefit of, the employee.

(B)(1) Except as provided in division (B)(2) of this section, an employer, agent of an employer, or other payer shall remit to the Tax Administrator of the City the greater of the income taxes deducted and withheld or the income taxes required to be deducted and withheld by the employer, agent, or other payer according to the following schedule:

(a) Taxes required to be deducted and withheld shall be remitted monthly to the Tax Administrator if the total taxes deducted and withheld or required to be deducted and withheld by the employer, agent, or other payer on behalf of the City in the preceding calendar year exceeded $2,399, or if the total amount of taxes deducted and withheld on behalf of the City in any month of the preceding calendar quarter exceeded $200. Payment under division (B)(1)(a) of this section shall be made so that the payment is received by the Tax Administrator not later than 15 days after the last day of each month for which the tax was withheld.

(b) Any employer, agent of an employer, or other payer not required to make payments under division (B)(1)(a) of this section of taxes required to be deducted and withheld shall make quarterly payments to the Tax Administrator not later than the 15th day of the month following the end of each calendar quarter.

(c) Notwithstanding the provisions of Section (B)(1)(a) and (b) of this section, taxes required to be deducted and withheld shall be remitted semimonthly to the Tax Administrator if the total taxes deducted and withheld or required to be deducted and withheld on behalf of the City in the...
preceding calendar year exceeded $11,999, or if in any month of the preceding calendar year exceeded $1,000. Payment under division (B)(1)(c) of this section shall be made so that the payment is received by the Tax Administrator not later than one of the following: i) if the taxes were deducted and withheld or required to be deducted and withheld during the first fifteen days of a month, the third banking day after the fifteenth day of that month; (ii) if the taxes were deducted and withheld or required to be deducted and withheld after the fifteenth day of a month and before the first day of the immediately following month, the third banking day after the last day of the month.

(2) If the employer, agent of an employer, or other payer is required to make payments electronically for the purpose of paying federal taxes withheld on payments to employees under Section 6302 of the Internal Revenue Code, 26 C.F.R. 31.6302-1, or any other federal statute or regulation, the payment shall be made by electronic funds transfer to the Tax Administrator of all taxes deducted and withheld on behalf of the City. The payment of tax by electronic funds transfer under this division does not affect an employer's, agent's, or other payer's obligation to file any return as required under this section.

(3) An employer, agent of an employer, or other payer shall make and file a return showing the amount of tax withheld by the employer, agent, or other payer from the qualifying wages of each employee and remitted to the Tax Administrator. A return filed by an employer, agent, or other payer under this division shall be accepted by the Tax Administrator and the City as the return required of a non-resident employee whose sole income subject to the tax under this Part Seventeen - Title Two is the qualifying wages reported by the employee's employer, agent of an employer, or other payer.

(4) An employer, agent of an employer, or other payer is not required to withhold the City income tax with respect to an individual's disqualifying disposition of an incentive stock option if, at the time of the disqualifying disposition, the individual is not an employee of either the corporation with respect to whose stock the option has been issued or of such corporation's successor entity.

(5)(a) An employee is not relieved from liability for a tax by the failure of the employer, agent of an employer, or other payer to withhold the tax as required under this Part Seventeen - Title Two or by the employer's, agent's, or other payer's exemption from the requirement to withhold the tax.

(b) The failure of an employer, agent of an employer, or other payer to remit to the City the tax withheld relieves the employee from liability for that tax unless the employee colluded with the employer, agent, or other payer in connection with the failure to remit the tax withheld.

(6) Compensation deferred before June 26, 2003, is not subject to the City income tax or income tax withholding requirement to the extent the deferred compensation does not constitute qualifying wages at the time the deferred compensation is paid or distributed.

(7) Each employer, agent of an employer, or other payer required to withhold taxes is liable for the payment of that amount required to be withheld, whether or not such taxes have been withheld,
and such amount shall be deemed to be held in trust for the City until such time as the withheld amount is remitted to the Tax Administrator.

(8) On or before the last day of February of each year, an employer shall file a withholding reconciliation return with the Tax Administrator listing:

(a) The names, addresses, and social security numbers of all employees from whose qualifying wages tax was withheld or should have been withheld for the City during the preceding calendar year;

(b) The amount of tax withheld, if any, from each such employee, the total amount of qualifying wages paid to such employee during the preceding calendar year;

(c) The name of every other municipal corporation for which tax was withheld or should have been withheld from such employee during the preceding calendar year;

(d) Any other information required for federal income tax reporting purposes on Internal Revenue Service form W-2 or its equivalent form with respect to such employee;

(e) Other information as may be required by the Tax Administrator.

(9) The officer or the employee of the employer, agent of an employer, or other payer with control or direct supervision of or charged with the responsibility for withholding the tax or filing the reports and making payments as required by this section, shall be personally liable for a failure to file a report or pay the tax due as required by this section. The dissolution of an employer, agent of an employer, or other payer does not discharge the officer's or employee's liability for a failure of the employer, agent of an employer, or other payer to file returns or pay any tax due.

(10) An employer is required to deduct and withhold the City income tax on tips and gratuities received by the employer's employees and constituting qualifying wages, but only to the extent that the tips and gratuities are under the employer's control. For the purposes of this division, a tip or gratuity is under the employer's control if the tip or gratuity is paid by the customer to the employer for subsequent remittance to the employee, or if the customer pays the tip or gratuity by credit card, debit card, or other electronic means.

(11) The Tax Administrator shall consider any tax withheld by an employer at the request of an employee, when such tax is not otherwise required to be withheld by this Part Seventeen - Title Two to be tax required to be withheld and remitted for the purposes of this section.

**Occasional Entrant - Withholding.**

(C)(1) As used in this division:

(a) "Employer" includes a person that is a related member to or of an employer.
EXHIBIT “A”

(b) "Fixed location" means a permanent place of doing business in this state, such as an office, warehouse, storefront, or similar location owned or controlled by an employer.

(c) "Principal place of work" means the fixed location to which an employee is required to report for employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location, "principal place of work" means the worksite location in this state to which the employee is required to report for employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location or worksite location, "principal place of work" means the location in this state at which the employee spends the greatest number of days in a calendar year performing services for or on behalf of the employee's employer.

If there is not a single municipal corporation in which the employee spent the "greatest number of days in a calendar year" performing services for or on behalf of the employer, but instead there are two or more municipal corporations in which the employee spent an identical number of days that is greater than the number of days the employee spent in any other municipal corporation, the employer shall allocate any of the employee's qualifying wages subject to division (C)(2)(a)(i) of this section among those two or more municipal corporations. The allocation shall be made using any fair and reasonable method, including, but not limited to, an equal allocation among such municipal corporations or an allocation based upon the time spent or sales made by the employee in each such municipal corporation. A municipal corporation to which qualifying wages are allocated under this division shall be the employee's "principal place of work" with respect to those qualifying wages for the purposes of this section.

For the purposes of this division, the location at which an employee spends a particular day shall be determined in accordance with division (C)(2)(b) of this section, except that "location" shall be substituted for "municipal corporation" wherever "municipal corporation" appears in that division.

(d) "Professional athlete" means an athlete who performs services in a professional athletic event for wages or other remuneration.

(e) "Professional entertainer" means a person who performs services in the professional performing arts for wages or other remuneration on a per-event basis.

(f) "Public figure" means a person of prominence who performs services at discrete events, such as speeches, public appearances, or similar events, for wages or other remuneration on a per-event basis.

(g) "Worksite location" means a construction site or other temporary worksite in this state at which the employer provides services for more than 20 days during the calendar year. "Worksite location" does not include the home of an employee.

(2)(a) Subject to divisions (C)(3), (5), (6), and (7) of this section, an employer is not required to withhold the City income tax on qualifying wages paid to an employee for the performance of personal services in the City if the employee performed such services in the City on 20 or fewer days in a calendar year, unless one of the following conditions applies:
EXHIBIT “A”

(i) The employee's principal place of work is located in the City.

(ii) The employee performed services at one or more presumed worksite locations in the City. For the purposes of this division, "presumed worksite location" means a construction site or other temporary worksite in the City at which the employer provides or provided services that can reasonably be, or would have been, expected by the employer to last more than 20 days in a calendar year. Services can "reasonably be expected by the employer to last more than 20 days" if either of the following applies at the time the services commence:

(a) The nature of the services are such that it will require more than 20 days of the services to complete the services;

(b) The agreement between the employer and its customer to perform services at a location requires the employer to perform the services at the location for more than 20 days.

(iii) The employee is a resident of the City and has requested that the employer withhold tax from the employee's qualifying wages as provided in Section 1717.01.

(iv) The employee is a professional athlete, professional entertainer, or public figure, and the qualifying wages are paid for the performance of services in the employee's capacity as a professional athlete, professional entertainer, or public figure.

(b) For the purposes of division (C)(2)(a) of this section, an employee shall be considered to have spent a day performing services in the City only if the employee spent more time performing services for or on behalf of the employer in the City than in any other municipal corporation on that day. For the purposes of determining the amount of time an employee spent in a particular location, the time spent performing one or more of the following activities shall be considered to have been spent at the employee's principal place of work:

(i) Traveling to the location at which the employee will first perform services for the employer for the day;

(ii) Traveling from a location at which the employee was performing services for the employer to any other location;

(iii) Traveling from any location to another location in order to pick up or load, for the purpose of transportation or delivery, property that has been purchased, sold, assembled, fabricated, repaired, refurbished, processed, remanufactured, or improved by the employee's employer;

(iv) Transporting or delivering property described in division (C)(2)(b)(iii) of this section, provided that, upon delivery of the property, the employee does not temporarily or permanently affix the property to real estate owned, used, or controlled by a person other than the employee's employer;
(v) Traveling from the location at which the employee makes the employee's final delivery or pick-up for the day to either the employee's principal place of work or a location at which the employee will not perform services for the employer.

(3) If the principal place of work of an employee is located in another Ohio municipal corporation that imposes an income tax, the exception from withholding requirements described in division (C)(2)(a) of this section shall apply only if, with respect to the employee's qualifying wages described in that division, the employer withholds and remits tax on such qualifying wages to that municipal corporation.

(4)(a) Except as provided in division (C)(4)(b) of this section, if, during a calendar year, the number of days an employee spends performing personal services in the City exceeds the 20-day threshold, the employer shall withhold and remit tax to the City for any subsequent days in that calendar year on which the employer pays qualifying wages to the employee for personal services performed in the City.

(b) An employer required to begin withholding tax for the City under division (C)(4)(a) of this section may elect to withhold tax for the City for the first 20 days on which the employer paid qualifying wages to the employee for personal services performed in the City.

(5) If an employer’s fixed location is in the City and the employer qualifies as a small employer as defined in Section 1715.01, the employer shall withhold municipal income tax on all of the employee's qualifying wages for a taxable year and remit that tax only to the City, regardless of the number of days which the employee worked outside the corporate boundaries of the City.

To determine whether an employer qualifies as a small employer for a taxable year, the employer will be required to provide the Tax Administrator with the employer's federal income tax return for the preceding taxable year.

(6) Divisions (C)(2)(a) and (4) of this section shall not apply to the extent that a Tax Administrator and an employer enter into an agreement regarding the manner in which the employer shall comply with the requirements of Section 4.

CHAPTER 1718

ANNUAL RETURN; FILING; ESTIMATES; REFUNDS

1718.01 ANNUAL RETURN; FILING.

(A) An annual City income tax return shall be completed and filed by every individual taxpayer eighteen (18) years of age or older and any taxpayer that is not an individual for each taxable year for which the taxpayer is subject to the tax, whether or not a tax is due thereon.

(1) The Tax Administrator may accept on behalf of all nonresident individual taxpayers a return filed by an employer, agent of an employer, or other payer under Section 1718.01 of this Part Seventeen - Title Two when the nonresident individual taxpayer’s sole income subject to the tax
is the qualifying wages reported by the employer, agent of an employer, or other payer, and no additional tax is due the City.

(2) Retirees having no Municipal Taxable Income for City income tax purposes may file with the Tax Administrator a written exemption from these filing requirements on a form prescribed by the Tax Administrator. The written exemption shall indicate the date of retirement and the entity from which retired. The exemption shall be in effect until such time as the retiree receives Municipal Taxable Income taxable to the City, at which time the retiree shall be required to comply with all applicable provisions of this Part Seventeen - Title Two.

(B) If an individual is deceased, any return or notice required of that individual shall be completed and filed by that decedent's executor, administrator, or other person charged with the property of that decedent.

(C) If an individual is unable to complete and file a return or notice required by the City, the return or notice required of that individual shall be completed and filed by the individual's duly authorized agent, guardian, conservator, fiduciary, or other person charged with the care of the person or property of that individual.

(D) Returns or notices required of an estate or a trust shall be completed and filed by the fiduciary of the estate or trust.

(E) The City shall permit spouses to file a joint return.

(F)(1) Each return required to be filed under this division shall contain the signature of the taxpayer or the taxpayer's duly authorized agent and of the person who prepared the return for the taxpayer. The return shall include the taxpayer's social security number or taxpayer identification number. Each return shall be verified by a declaration under penalty of perjury.

(2) The Tax Administrator shall require a taxpayer who is an individual to include, with each annual return and amended return, copies of the following documents: all of the taxpayer's Internal Revenue Service form W-2, "Wage and Tax Statements," including all information reported on the taxpayer's federal W-2, as well as taxable wages reported or withheld for any municipal corporation; the taxpayer's Internal Revenue Service form 1040; and, with respect to an amended tax return, any other documentation necessary to support the adjustments made in the amended return. An individual taxpayer who files the annual return required by this section electronically is not required to provide paper copies of any of the foregoing to the Tax Administrator unless the Tax Administrator requests such copies after the return has been filed.

(3) The Tax Administrator may require a taxpayer that is not an individual to include, with each annual net profit return, amended net profit return, or request for refund required under this section, copies of only the following documents: the taxpayer's Internal Revenue Service form 1041, form 1065, form 1120, form 1120-REIT, form 1120F, or form 1120S, and, with respect to an amended tax return or refund request, any other documentation necessary to support the refund request or the adjustments made in the amended return.
A taxpayer that is not an individual and that files an annual net profit return electronically through the Ohio Business Gateway or in some other manner shall either mail the documents required under this division to the Tax Administrator at the time of filing or, if electronic submission is available, submit the documents electronically through the Ohio Business Gateway.

(4) After a taxpayer files a tax return, the Tax Administrator may request, and the taxpayer shall provide, any information, statements, or documents required by the City to determine and verify the taxpayer's municipal income tax liability. The requirements imposed under division (F) of this section apply regardless of whether the taxpayer files on a generic form or on a form prescribed by the Tax Administrator.

(G)(1)(a) Except as otherwise provided in this Part Seventeen - Title Two, each individual income tax return required to be filed under this section shall be completed and filed as required by the Tax Administrator on or before the date prescribed for the filing of state individual income tax returns under division (G) of Section 5747.08 of the ORC. The taxpayer shall complete and file the return or notice on forms prescribed by the Tax Administrator or on generic forms, together with remittance made payable to the City. No remittance is required if the net amount due is ten dollars or less.

(b) Except as otherwise provided in this Part Seventeen - Title Two, each annual net profit return required to be filed under this section by a taxpayer that is not an individual shall be completed and filed as required by the Tax Administrator on or before the fifteenth day of the fourth month following the end of the taxpayer’s taxable year. The taxpayer shall complete and file the return or notice on forms prescribed by the Tax Administrator or on generic forms, together with remittance made payable to the City. No remittance is required if the net amount due is ten dollars or less.

(2) Any taxpayer that has duly requested an automatic six-month extension for filing the taxpayer's federal income tax return shall automatically receive an extension for the filing of the City’s income tax return. The extended due date of the City’s income tax return shall be the 15th day of the tenth month after the last day of the taxable year to which the return relates. An extension of time to file under this division is not an extension of the time to pay any tax due unless the Tax Administrator grants an extension of that date.

(a) A copy of the federal extension request shall be included with the filing of the City’s income tax return.

(b) A taxpayer that has not requested or received a six-month extension for filing the taxpayer’s federal income tax return may request that the Tax Administrator grant the taxpayer a six-month extension of the date for filing the taxpayer’s City income tax return. If the request is received by the Tax Administrator on or before the date the City income tax return is due, the Tax Administrator shall grant the taxpayer’s requested extension.

(3) If the tax commissioner extends for all taxpayers the date for filing state income tax returns under division (G) of Section 5747.08 of the ORC, a taxpayer shall automatically receive an
extension for the filing of the City’s income tax return. The extended due date of the City’s income tax return shall be the same as the extended due date of the state income tax return.

(4) If the Tax Administrator considers it necessary in order to ensure the payment of the tax imposed by the City, the Tax Administrator may require taxpayers to file returns and make payments otherwise than as provided in this division, including taxpayers not otherwise required to file annual returns.

(5) To the extent that any provision in this division (G) of this section conflicts with any provision in divisions (N), (O), (P), or (Q) of this section, the provisions in divisions (N), (O), (P), or (Q) prevail.

(H)(1) For taxable years beginning after 2015, the City shall not require a taxpayer to remit tax with respect to net profits if the net amount due is ten dollars or less.

(2) Any taxpayer not required to remit tax to the City for a taxable year pursuant to division (H)(1) of this section shall file with the City an annual net profit return under division (F)(3) of this section.

(I) If a payment is required to be made by electronic funds transfer, the payment is considered to be made when the payment is credited to an account designated by the Tax Administrator for the receipt of tax payments, except that, when a payment made by electronic funds transfer is delayed due to circumstances not under the control of the taxpayer, the payment is considered to be made when the taxpayer submitted the payment. This division shall not apply to payments required to be made under division (B)(1)(a) of Section 1717.01 or provisions for semi-monthly withholding.

(J) Taxes withheld for the City as employer, the agent of an employer, or other payer as described in Section 1717.01 shall be allowed to the taxpayer as credits against payment of the tax imposed on the taxpayer by the City, unless the amounts withheld were not remitted to the City and the recipient colluded with the employer, agent, or other payer in connection with the failure to remit the amounts withheld.

(K) Each return required by the City to be filed in accordance with this division shall include a box that the taxpayer may check to authorize another person, including a tax return preparer who prepared the return, to communicate with the Tax Administrator about matters pertaining to the return.

(L) The Tax Administrator shall accept for filing a generic form of any income tax return, report, or document required by the City, provided that the generic form, once completed and filed, contains all of the information required by ordinance, resolution, or rules and regulations adopted by the City or the Tax Administrator, and provided that the taxpayer or tax return preparer filing the generic form otherwise complies with the provisions of this Part Seventeen - Title Two and of the City’s ordinance, resolution, or rules and regulations governing the filing of returns, reports, or documents.

**Filing via Ohio Business Gateway.**
EXHIBIT “A”

(M)(1) Any taxpayer subject to municipal income taxation with respect to the taxpayer's net profit from a business or profession may file the City’s income tax return, estimated municipal income tax return, or extension for filing a municipal income tax return, and may make payment of amounts shown to be due on such returns, by using the Ohio Business Gateway.

(2) Any employer, agent of an employer, or other payer may report the amount of municipal income tax withheld from qualifying wages, and may make remittance of such amounts, by using the Ohio Business Gateway.

(3) Nothing in this section affects the due dates for filing employer withholding tax returns.

Extension for service in or for the armed forces.

(N) Each member of the national guard of any state and each member of a reserve component of the armed forces of the United States called to active duty pursuant to an executive order issued by the president of the United States or an act of the congress of the United States, and each civilian serving as support personnel in a combat zone or contingency operation in support of the armed forces, may apply to the Tax Administrator of the City for both an extension of time for filing of the return and an extension of time for payment of taxes required by the City during the period of the member's or civilian's duty service, and for 180 days thereafter. The application shall be filed on or before the one hundred eightieth day after the member's or civilian's duty terminates. An applicant shall provide such evidence as the Tax Administrator considers necessary to demonstrate eligibility for the extension.

(O)(1) If the Tax Administrator ascertains that an applicant is qualified for an extension under this section, the Tax Administrator shall enter into a contract with the applicant for the payment of the tax in installments that begin on the 181st day after the applicant's active duty or service terminates. The Tax Administrator may prescribe such contract terms as the Tax Administrator considers appropriate. However, taxes pursuant to a contract entered into under this division are not delinquent, and the Tax Administrator shall not require any payments of penalties or interest in connection with those taxes for the extension period.

(2) If the Tax Administrator determines that an applicant is qualified for an extension under this section, the applicant shall neither be required to file any return, report, or other tax document nor be required to pay any tax otherwise due to the municipal corporation before the 181st day after the applicant's active duty or service terminates.

(3) Taxes paid pursuant to a contract entered into under division (O)(1) of this section are not delinquent. The Tax Administrator shall not require any payments of penalties or interest in connection with those taxes for the extension period.

(P)(1) Nothing in this division denies to any person described in this division the application of divisions (N) and (O) of this section.

(2)(a) A qualifying taxpayer who is eligible for an extension under the Internal Revenue Code shall receive both an extension of time in which to file any return, report, or other tax document
and an extension of time in which to make any payment of taxes required by a municipal corporation in accordance with this Part Seventeen - Title Two. The length of any extension granted under division (P)(2)(a) of this section shall be equal to the length of the corresponding extension that the taxpayer receives under the Internal Revenue Code. As used in this division, "qualifying taxpayer" means a member of the national guard or a member of a reserve component of the armed forces of the United States called to active duty pursuant to either an executive order issued by the president of the United States or an act of the congress of the United States, or a civilian serving as support personnel in a combat zone or contingency operation in support of the armed forces.

(b) Taxes whose payment is extended in accordance with division (P)(2)(a) of this section are not delinquent during the extension period. Such taxes become delinquent on the first day after the expiration of the extension period if the taxes are not paid prior to that date. The Tax Administrator shall not require any payment of penalties or interest in connection with those taxes for the extension period. The Tax Administrator shall not include any period of extension granted under division (C)(2)(a) of this section in calculating the penalty or interest due on any unpaid tax.

(Q) For each taxable year to which division (N), (O), or (P) of this section applies to a taxpayer, the provisions of divisions (O)(2) and (3) of this section, as applicable, apply to the spouse of that taxpayer if the filing status of the spouse and the taxpayer is married filing jointly for that year.

Consolidated municipal income tax return.

(R) As used in this section:

(1) "Affiliated group of corporations" means an affiliated group as defined in Section 1504 of the Internal Revenue Code, except that, if such a group includes at least one incumbent local exchange carrier that is primarily engaged in the business of providing local exchange telephone service in this state, the affiliated group shall not include any incumbent local exchange carrier that would otherwise be included in the group.

(2) "Consolidated federal income tax return" means a consolidated return filed for federal income tax purposes pursuant to Section 1501 of the Internal Revenue Code.

(3) "Consolidated federal taxable income" means the consolidated taxable income of an affiliated group of corporations, as computed for the purposes of filing a consolidated federal income tax return, before consideration of net operating losses or special deductions. "Consolidated federal taxable income" does not include income or loss of an incumbent local exchange carrier that is excluded from the affiliated group under division (R)(1) of this section.

(4) "Incumbent local exchange carrier" has the same meaning as in Section 4927.01 of the ORC.

(5) "Local exchange telephone service" has the same meaning as in Section 5727.01 of the ORC.
(S)(1) For taxable years beginning on or after January 1, 2016, a taxpayer that is a member of an affiliated group of corporations may elect to file a consolidated municipal income tax return for a taxable year if at least one member of the affiliated group of corporations is subject to the City’s income tax in that taxable year, and if the affiliated group of corporations filed a consolidated federal income tax return with respect to that taxable year. The election is binding for a five-year period beginning with the first taxable year of the initial election unless a change in the reporting method is required under federal law. The election continues to be binding for each subsequent five-year period unless the taxpayer elects to discontinue filing consolidated municipal income tax returns under division (S)(2) of this section or a taxpayer receives permission from the Tax Administrator. The Tax Administrator shall approve such a request for good cause shown.

(2) An election to discontinue filing consolidated municipal income tax returns under this section must be made in the first year following the last year of a five-year consolidated municipal income tax return election period in effect under division (S)(1) of this section. The election to discontinue filing a consolidated municipal income tax return is binding for a five-year period beginning with the first taxable year of the election.

(3) An election made under division (S)(1) or (2) of this section is binding on all members of the affiliated group of corporations subject to a municipal income tax.

(T) A taxpayer that is a member of an affiliated group of corporations that filed a consolidated federal income tax return for a taxable year shall file a consolidated City income tax return for that taxable year if the Tax Administrator determines, by a preponderance of the evidence, that intercompany transactions have not been conducted at arm's length and that there has been a distortive shifting of income or expenses with regard to allocation of net profits to the City. A taxpayer that is required to file a consolidated City income tax return for a taxable year shall file a consolidated City income tax return for all subsequent taxable years, unless the taxpayer requests and receives written permission from the Tax Administrator to file a separate return or a taxpayer has experienced a change in circumstances.

(U) A taxpayer shall prepare a consolidated City income tax return in the same manner as is required under the United States department of treasury regulations that prescribe procedures for the preparation of the consolidated federal income tax return required to be filed by the common parent of the affiliated group of which the taxpayer is a member.

(V)(1) Except as otherwise provided in divisions (V)(2), (3), and (4) of this section, corporations that file a consolidated municipal income tax return shall compute adjusted federal taxable income, as defined in Section 1715.01, by substituting "consolidated federal taxable income" for "federal taxable income" wherever "federal taxable income" appears in that division and by substituting "an affiliated group of corporation's" for "a C corporation's" wherever "a C corporation's" appears in that division.

(2) No corporation filing a consolidated City income tax return shall make any adjustment otherwise required under division (2)(C)(1) of this section to the extent that the item of income or deduction otherwise subject to the adjustment has been eliminated or consolidated in the computation of consolidated federal taxable income.
(3) If the net profit or loss of a pass-through entity having at least eighty percent (80%) of the value of its ownership interest owned or controlled, directly or indirectly, by an affiliated group of corporations is included in that affiliated group's consolidated federal taxable income for a taxable year, the corporation filing a consolidated City income tax return shall do one of the following with respect to that pass-through entity's net profit or loss for that taxable year:

(a) Exclude the pass-through entity's net profit or loss from the consolidated federal taxable income of the affiliated group and, for the purpose of making the computations required in divisions (R) through (Y) of Section 1718.01, exclude the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit sitused to the City. If the entity's net profit or loss is so excluded, the entity shall be subject to taxation as a separate taxpayer on the basis of the entity's net profits that would otherwise be included in the consolidated federal taxable income of the affiliated group.

(b) Include the pass-through entity's net profit or loss in the consolidated federal taxable income of the affiliated group and, for the purpose of making the computations required in divisions (R) through (Y) of Section 1718.01 include the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit sitused to the City. If the entity's net profit or loss is so included, the entity shall not be subject to taxation as a separate taxpayer on the basis of the entity's net profits that are included in the consolidated federal taxable income of the affiliated group.

(4) If the net profit or loss of a pass-through entity having less than eighty percent of the value of its ownership interest owned or controlled, directly or indirectly, by an affiliated group of corporations is included in that affiliated group's consolidated federal taxable income for a taxable year, all of the following shall apply:

(a) The corporation filing the consolidated municipal income tax return shall exclude the pass-through entity's net profit or loss from the consolidated federal taxable income of the affiliated group and, for the purposes of making the computations required in divisions (R) through (Y) of Section 1718.01, exclude the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit sitused to the City;

(b) The pass-through entity shall be subject to the City income taxation as a separate taxpayer in accordance with this Part Seventeen - Title Two on the basis of the entity's net profits that would otherwise be included in the consolidated federal taxable income of the affiliated group.

(W) Corporations filing a consolidated City income tax return shall make the computations required under divisions (R) through (Y) of Section 1718.01 by substituting "consolidated federal taxable income attributable to" for "net profit from" wherever "net profit from" appears in that section and by substituting "affiliated group of corporations" for "taxpayer" wherever "taxpayer" appears in that section.

(X) Each corporation filing a consolidated City income tax return is jointly and severally liable for any tax, interest, penalties, fines, charges, or other amounts imposed by the City in accordance with this Part Seventeen - Title Two on the corporation, an affiliated group of which the
corporation is a member for any portion of the taxable year, or any one or more members of such an affiliated group.

(Y) Corporations and their affiliates that made an election or entered into an agreement with the City before January 1, 2016, to file a consolidated or combined tax return with the City may continue to file consolidated or combined tax returns in accordance with such election or agreement for taxable years beginning on and after January 1, 2016.

1718.02 CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES.

(A) Every individual taxpayer domiciled in the City who is required to and does pay, or has acknowledged liability for, a municipal tax to another municipality on or measured by the same income, qualifying wages, commissions, net profits or other compensation taxable under this Part Seventeen - Title Two may claim a nonrefundable credit upon satisfactory evidence of the tax paid to the other municipality. Subject to division (C) of this section, the credit shall not exceed the tax due the City under this Part Seventeen - Title Two.

(B) The City shall grant a credit against its tax on income to a resident of the City who works in a joint economic development zone created under Section 715.691 of the ORC or a joint economic development district created under Section 715.70, 715.71, or 715.72 of the ORC to the same extent that it grants a credit against its tax on income to its residents who are employed in another municipal corporation.

(C) If the amount of tax withheld or paid to the other municipality is less than the amount of tax required to be withheld or paid to the other municipality, then for purposes of division (A) of this section, “the income, qualifying wages, commissions, net profits or other compensation” subject to tax in the other municipality shall be limited to the amount computed by dividing the tax withheld or paid to the other municipality by the tax rate for that municipality.

(D) Intentionally left blank.

1718.03 ESTIMATED TAXES.

(A) As used in this section:

(1) "Estimated taxes" means the amount that the taxpayer reasonably estimates to be the taxpayer's tax liability for the City's income tax for the current taxable year.

(2) "Tax liability" means the total taxes due to the City for the taxable year, after allowing any credit to which the taxpayer is entitled, and after applying any estimated tax payment, withholding payment, or credit from another taxable year.

(B)(1) Every taxpayer shall make a declaration of estimated taxes for the current taxable year, on the form prescribed by the Tax Administrator, if the amount payable as estimated taxes is at least $200. For the purposes of this section:
EXHIBIT “A”

(a) Taxes withheld for the City from qualifying wages shall be considered as paid to the City in equal amounts on each payment date unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case they shall be considered as paid on the dates on which the amounts were actually withheld.

(b) An overpayment of tax applied as a credit to a subsequent taxable year is deemed to be paid on the date of the postmark stamped on the cover in which the payment is mailed or, if the payment is made by electronic funds transfer, the date the payment is submitted. As used in this division, "date of the postmark" means, in the event there is more than one date on the cover, the earliest date imprinted on the cover by the postal service.

(2) Taxpayers filing joint returns shall file joint declarations of estimated taxes. A taxpayer may amend a declaration under rules prescribed by the Tax Administrator. A taxpayer having a taxable year of less than twelve months shall make a declaration under rules prescribed by the Tax Administrator.

(3) The declaration of estimated taxes shall be filed on or before the date prescribed for the filing of municipal income tax returns under division (G) of Section 1718.01 or on or before the fifteenth (15th) day of the fourth month after the taxpayer becomes subject to tax for the first time.

(4) Taxpayers reporting on a fiscal year basis shall file a declaration on or before the fifteenth (15th) day of the fourth month after the beginning of each fiscal year or period.

(5) The original declaration or any subsequent amendment may be increased or decreased on or before any subsequent quarterly payment day as provided in this section.

(C)(1) The required portion of the tax liability for the taxable year that shall be paid through estimated taxes made payable to the City, including the application of tax refunds to estimated taxes and withholding on or before the applicable payment date, shall be as follows:

(a) On or before the fifteenth (15th) day of the fourth month after the beginning of the taxable year, twenty-two and one-half percent (22.5%) of the tax liability for the taxable year;

(b) On or before the fifteenth (15th) day of the sixth month after the beginning of the taxable year, forty-five percent (45%) of the tax liability for the taxable year;

(c) On or before the fifteenth (15th) day of the ninth month after the beginning of the taxable year, sixty-seven and one-half percent (67.5%) of the tax liability for the taxable year;

(d) On or before the fifteenth (15th) day of the twelfth month of the taxable year, ninety percent (90%) of the tax liability for the taxable year.

(2) When an amended declaration has been filed, the unpaid balance shown due on the amended declaration shall be paid in equal installments on or before the remaining payment dates.
EXHIBIT “A”

(3) On or before the fifteenth (15th) day of the fourth month of the year following that for which the declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due shall be paid with the return in accordance with Section 718.05 of the ORC.

(D)(1) In the case of any underpayment of any portion of a tax liability, penalty and interest may be imposed pursuant to Section 1720.06 upon the amount of underpayment for the period of underpayment, unless the underpayment is due to reasonable cause as described in division (E) of this section. The amount of the underpayment shall be determined as follows:

(a) For the first payment of estimated taxes each year, twenty-two and one-half percent (22.5%) of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(b) For the second payment of estimated taxes each year, forty-five percent (45%) of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(c) For the third payment of estimated taxes each year, sixty-seven and one-half percent (67.5%) of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(d) For the fourth payment of estimated taxes each year, ninety percent (90%) of the tax liability, less the amount of taxes paid by the date prescribed for that payment.

(2) The period of the underpayment shall run from the day the estimated payment was required to be made to the date on which the payment is made. For purposes of this section, a payment of estimated taxes on or before any payment date shall be considered a payment of any previous underpayment only to the extent the payment of estimated taxes exceeds the amount of the payment presently required to be paid to avoid any penalty.

(E) An underpayment of any portion of tax liability determined under division (D) of this section shall be due to reasonable cause and the penalty imposed by this section shall not be added to the taxes for the taxable year if any of the following apply:

(1) The amount of estimated taxes that were paid equals at least ninety percent (90%) of the tax liability for the current taxable year, determined by annualizing the income received during the year up to the end of the month immediately preceding the month in which the payment is due.

(2) The amount of estimated taxes that were paid equals at least one hundred percent (100%) of the tax liability shown on the return of the taxpayer for the preceding taxable year, provided that the immediately preceding taxable year reflected a period of twelve months and the taxpayer filed a return with the City under Section 1718.01 for that year.

(3) The taxpayer is an individual who resides in the City but was not domiciled there on the first day of January of the calendar year that includes the first day of the taxable year.

1718.04 ROUNDDING OF AMOUNTS.
A person may round to the nearest whole dollar all amounts the person is required to enter on any return, report, voucher, or other document required under this Part Seventeen - Title Two. Any fractional part of a dollar that equals or exceeds fifty cents shall be rounded to the next whole dollar, and any fractional part of a dollar that is less than fifty cents shall be dropped. If a person chooses to round amounts entered on a document, the person shall round all amounts entered on the document.

1718.05 REQUESTS FOR REFUNDS.

(A) As used in this section, "withholding tax" has the same meaning as in Section 1720.06.

(B) Upon receipt of a request for a refund, the Tax Administrator, in accordance with this section, shall refund to employers, agents of employers, other payers, or taxpayers, with respect to any income or withholding tax levied by the municipal corporation:

(1) Overpayments of ten dollars or more;

(2) Amounts paid erroneously if the refund requested exceeds ten dollars or more.

(C)(1) Except as otherwise provided in this Part Seventeen - Title Two, requests for refund shall be filed with the Tax Administrator, on the form prescribed by the Tax Administrator within three years after the tax was due or paid, whichever is later. The Tax Administrator may require the requestor to file with the request any documentation that substantiates the requestor's claim for a refund.

(2) On filing of the refund request, the Tax Administrator shall determine the amount of refund due and certify such amount to the appropriate municipal corporation official for payment. Except as provided in division (C)(3) of this section, the administrator shall issue an assessment to any taxpayer whose request for refund is fully or partially denied. The assessment shall state the amount of the refund that was denied, the reasons for the denial, and instructions for appealing the assessment.

(3) If a Tax Administrator denies in whole or in part a refund request included within the taxpayer's originally filed annual income tax return, the Tax Administrator shall notify the taxpayer, in writing, of the amount of the refund that was denied, the reasons for the denial, and instructions for requesting an assessment that may be appealed under Section 1722.01.

(D) A request for a refund that is received after the last day for filing specified in division (C) of this section shall be considered to have been filed in a timely manner if any of the following situations exist:

(1) The request is delivered by the postal service, and the earliest postal service postmark on the cover in which the request is enclosed is not later than the last day for filing the request.
EXHIBIT “A”

(2) The request is delivered by the postal service, the only postmark on the cover in which the request is enclosed was affixed by a private postal meter, the date of that postmark is not later than the last day for filing the request, and the request is received within seven days of such last day.

(3) The request is delivered by the postal service, no postmark date was affixed to the cover in which the request is enclosed or the date of the postmark so affixed is not legible, and the request is received within seven days of the last day for making the request.

(E) Interest shall be allowed and paid on any overpayment by a taxpayer of any municipal income tax obligation from the date of the overpayment until the date of the refund of the overpayment, except that if any overpayment is refunded within 90 days after the final filing date of the annual return or 90 days after the completed return is filed, whichever is later, no interest shall be allowed on the refund. For the purpose of computing the payment of interest on amounts overpaid, no amount of tax for any taxable year shall be considered to have been paid before the date on which the return on which the tax is reported is due, without regard to any extension of time for filing that return. Interest shall be paid at the interest rate described in Section 1720.06(A)(4).

1718.06 SECOND MUNICIPALITY IMPOSING TAX AFTER TIME PERIOD ALLOWED FOR REFUND.

(A) Income tax that has been deposited with the City, but should have been deposited with another municipality, is allowable by the City as a refund but is subject to the three-year limitation on refunds.

(B) Income tax that was deposited with another municipality but should have been deposited with the City is subject to recovery by the City. If the City’s tax on that income is imposed after the time period allowed for a refund of the tax or withholding paid to the other municipality, the City shall allow a nonrefundable credit against the tax or withholding the City claims is due with respect to such income or wages, equal to the tax or withholding paid to the first municipality with respect to such income or wages.

(C) If the City’s tax rate is less than the tax rate in the other municipality, then the nonrefundable credit shall be calculated using the City’s tax rate. However, if the City’s tax rate is greater than the tax rate in the other municipality, the tax due in excess of the nonrefundable credit is to be paid to the City, along with any penalty and interest that accrued during the period of nonpayment.

(D) Nothing in this section permits any credit carryforward.

1718.07AMENDED RETURNS.

(A)(1) If a taxpayer’s tax liability shown on the annual tax return for the City changes as a result of an adjustment to the taxpayer’s federal or state income tax return, the taxpayer shall file an amended return with the City. The amended return shall be filed on a form required by the Tax Administrator.
EXHIBIT “A”

(2) If a taxpayer intends to file an amended consolidated municipal income tax return, or to amend its type of return from a separate return to a consolidated return, based on the taxpayer's consolidated federal income tax return, the taxpayer shall notify the Tax Administrator before filing the amended return.

(B)(1) In the case of an underpayment, the amended return shall be accompanied by payment of any combined additional tax due, together with any penalty and interest thereon. If the combined tax shown to be due is ten dollars or less, no payment need be made. The amended return shall reopen those facts, figures, computations, or attachments from a previously filed return that are not affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return only:

   (i) to determine the amount of tax that would be due if all facts, figures, computations, and attachments were reopened; or,

   (ii) if the applicable statute of limitations for civil actions or prosecutions under Section 1719.01 has not expired for a previously filed return.

(2) The additional tax to be paid shall not exceed the amount of tax that would be due if all facts, figures, computations, and attachments were reopened; i.e., the payment shall be the lesser of the two amounts.

(C)(1) In the case of an overpayment, a request for refund may be filed under this division within the period prescribed by division (E) of Section 1719.01 for filing the amended return, even if it is filed beyond the period prescribed in that division if it otherwise conforms to the requirements of that division. If the amount of the refund is less than ten dollars, no refund need be paid by the City. A request filed under this division shall claim refund of overpayments resulting from alterations only to those facts, figures, computations, or attachments required in the taxpayer's annual return that are affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return, unless it is also filed within the time prescribed in Section 1718.05.

(2) The amount to be refunded shall not exceed the amount of refund that would be due if all facts, figures, computations, and attachments were reopened. All facts, figures, computations, and attachments may be reopened to determine the refund amount due by inclusion of all facts, figures, computations, and attachments.

(D) Within 60 days after the final determination of any federal or state tax liability affecting the taxpayer's City tax liability, that taxpayer shall make and file an amended City return showing income subject to City income tax based upon such final determination of federal or state tax liability. The taxpayer shall pay any additional City income tax shown due thereon or make a claim for refund of any overpayment, unless the tax or overpayment is less than ten dollars.

CHAPTER 1719

LIMITATIONS
1719.01 LIMITATIONS.

(A)(1)(a) Civil actions to recover municipal income taxes and penalties and interest on municipal income taxes shall be brought within the later of:

(i) Three years after the tax was due or the return was filed, whichever is later; or
(ii) One year after the conclusion of the qualifying deferral period, if any.

(b) The time limit described in division (A)(1)(a) of this section may be extended at any time if both the Tax Administrator and the employer, agent of the employer, other payer, or taxpayer consent in writing to the extension. Any extension shall also extend for the same period of time the time limit described in division (C) of this section.

(2) As used in this section, "qualifying deferral period" means a period of time beginning and ending as follows:

(a) Beginning on the date a person who is aggrieved by an assessment files with the Board of Tax Review the request described in Section 1722.01. That date shall not be affected by any subsequent decision, finding, or holding by any administrative body or court that the Board of Tax Review did not have jurisdiction to affirm, reverse, or modify the assessment or any part of that assessment.

(b) Ending the later of the sixtieth day after the date on which the final determination of the Board of Tax Review becomes final or, if any party appeals from the determination of the Board of Tax Review, the sixtieth day after the date on which the final determination of the Board of Tax Review is either ultimately affirmed in whole or in part or ultimately reversed and no further appeal of either that affirmation, in whole or in part, or that reversal is available or taken.

(B) Prosecutions for an offense made punishable under a resolution or ordinance imposing an income tax shall be commenced within three years after the commission of the offense, provided that in the case of fraud, failure to file a return, or the omission of twenty-five percent (25%) or more of income required to be reported, prosecutions may be commenced within six years after the commission of the offense.

(C) A claim for a refund of municipal income taxes shall be brought within the time limitation provided in Section 1718.05.

(D)(1) Notwithstanding the fact that an appeal is pending, the petitioner may pay all or a portion of the assessment that is the subject of the appeal. The acceptance of a payment by the City does not prejudice any claim for refund upon final determination of the appeal.

(2) If upon final determination of the appeal an error in the assessment is corrected by the Tax Administrator, upon an appeal so filed or pursuant to a final determination of the Board of Tax Review, of the Ohio board of tax appeals, or any court to which the decision of the Ohio board of tax appeals has been appealed, so that the resultant amount due is less than the amount paid, a
EXHIBIT “A”

refund will be paid in the amount of the overpayment as provided by Section 1718.05, with interest on that amount as provided by division (E) of Section 1718.05.

(E) No civil action to recover City income tax or related penalties or interest shall be brought during either of the following time periods:

(1) The period during which a taxpayer has a right to appeal the imposition of that tax or interest or those penalties;

(2) The period during which an appeal related to the imposition of that tax or interest or those penalties is pending.

CHAPTER 1720

AUDITS; ASSESSMENTS; CONFIDENTIALITY; INTEREST AND PENALTIES

1720.01 AUDITS.

(A) At or before the commencement of an audit, the Tax Administrator shall provide to the taxpayer a written description of the roles of the Tax Administrator and of the taxpayer during the audit and a statement of the taxpayer's rights, including any right to obtain a refund of an overpayment of a tax. At or before the commencement of an audit, the Tax Administrator shall inform the taxpayer when the audit is considered to have commenced.

(B) Except in cases involving suspected criminal activity, the Tax Administrator shall conduct an audit of a taxpayer during regular business hours and after providing reasonable notice to the taxpayer. A taxpayer who is unable to comply with a proposed time for an audit on the grounds that the proposed time would cause inconvenience or hardship must offer reasonable alternative dates for the audit.

(C) At all stages of an audit by the Tax Administrator, a taxpayer is entitled to be assisted or represented by an attorney, accountant, bookkeeper, or other tax practitioner. The Tax Administrator shall prescribe a form by which a taxpayer may designate such a person to assist or represent the taxpayer in the conduct of any proceedings resulting from actions by the Tax Administrator. If a taxpayer has not submitted such a form, the Tax Administrator may accept other evidence, as the Tax Administrator considers appropriate, that a person is the authorized representative of a taxpayer.

A taxpayer may refuse to answer any questions asked by the person conducting an audit until the taxpayer has an opportunity to consult with the taxpayer's attorney, accountant, bookkeeper, or other tax practitioner.

This division does not authorize the practice of law by a person who is not an attorney.

(D) A taxpayer may record, electronically or otherwise, the audit examination.
(E) The failure of the Tax Administrator to comply with a provision of this section shall neither excuse a taxpayer from payment of any taxes owed by the taxpayer nor cure any procedural defect in a taxpayer's case.

(F) If the Tax Administrator fails to substantially comply with the provisions of this section, the Tax Administrator, upon application by the taxpayer, shall excuse the taxpayer from penalties and interest.

1720.02 SERVICE OF ASSESSMENT.

(A) As used in this section:

(1) "Last known address" means the address the Tax Administrator has at the time a document is originally sent by certified mail, or any address the Tax Administrator can ascertain using reasonable means such as the use of a change of address service offered by the postal service or an authorized delivery service under Section 5703.056 of the ORC.

(2) "Undeliverable address" means an address to which the postal service or an authorized delivery service under Section 5703.056 of the ORC is not able to deliver an assessment of the Tax Administrator, except when the reason for non-delivery is because the addressee fails to acknowledge or accept the assessment.

(B) Subject to division (C) of this section, a copy of each assessment shall be served upon the person affected thereby either by personal service, by certified mail, or by a delivery service authorized under Section 5703.056 of the ORC. With the permission of the person affected by an assessment, the Tax Administrator may deliver the assessment through alternative means as provided in this section, including, but not limited to, delivery by secure electronic mail.

(C)(1)(a) If certified mail is returned because of an undeliverable address, a Tax Administrator shall utilize reasonable means to ascertain a new last known address, including the use of a change of address service offered by the postal service or an authorized delivery service under Section 5703.056 of the ORC. If the Tax Administrator is unable to ascertain a new last known address, the assessment shall be sent by ordinary mail and considered served. If the ordinary mail is subsequently returned because of an undeliverable address, the assessment remains appealable within 60 days after the assessment's postmark.

(b) Once the Tax Administrator or other City official, or the designee of either, serves an assessment on the person to whom the assessment is directed, the person may protest the ruling of that assessment by filing an appeal with the Board of Tax Review within 60 days after the receipt of service. The delivery of an assessment of the Tax Administrator under division (C)(1)(a) of this section is prima facie evidence that delivery is complete and that the assessment is served.

(2) If mailing of an assessment by a Tax Administrator by certified mail is returned for some cause other than an undeliverable address, the Tax Administrator shall resend the assessment by
ordinary mail. The assessment shall show the date the Tax Administrator sends the assessment and include the following statement:

"This assessment is deemed to be served on the addressee under applicable law ten days from the date this assessment was mailed by the Tax Administrator as shown on the assessment, and all periods within which an appeal may be filed apply from and after that date."

Unless the mailing is returned because of an undeliverable address, the mailing of that information is prima facie evidence that delivery of the assessment was completed ten days after the Tax Administrator sent the assessment by ordinary mail and that the assessment was served.

If the ordinary mail is subsequently returned because of an undeliverable address, the Tax Administrator shall proceed under division (C)(1)(a) of this section. A person may challenge the presumption of delivery and service under this division in accordance with division (D) of this section.

(D)(1) A person disputing the presumption of delivery and service under division (C) of this section bears the burden of proving by a preponderance of the evidence that the address to which the assessment was sent by certified mail was not an address with which the person was associated at the time the Tax Administrator originally mailed the assessment. For the purposes of this section, a person is associated with an address at the time the Tax Administrator originally mailed the assessment if, at that time, the person was residing, receiving legal documents, or conducting business at the address; or if, before that time, the person had conducted business at the address and, when the assessment was mailed, the person's agent or the person's affiliate was conducting business at the address. For the purposes of this section, a person's affiliate is any other person that, at the time the assessment was mailed, owned or controlled at least 20 percent, as determined by voting rights, of the addressee's business.

(2) If a person elects to appeal an assessment on the basis described in division (D)(1) of this section, and if that assessment is subject to collection and is not otherwise appealable, the person must do so within 60 days after the initial contact by the Tax Administrator or other City official, or the designee of either, with the person. Nothing in this division prevents the Tax Administrator or other official from entering into a compromise with the person if the person does not actually file such an appeal with the Board of Tax Review.

(E) Nothing in this section prohibits the Tax Administrator or the Tax Administrator's designee from delivering an assessment by a Tax Administrator by personal service.

(F) Collection actions taken upon any assessment being appealed under division (C)(1)(b) of this section, including those on which a claim has been delivered for collection, shall be stayed upon the pendency of an appeal under this section.

(G) Additional regulations as detailed in the Rules and Regulations shall apply.

1720.03 ADMINISTRATION OF CLAIMS.
EXHIBIT “A”

(A) As used in this section, "claim" means a claim for an amount payable to the City that arises pursuant to the City’s income tax imposed in accordance with this Part Seventeen - Title Two.

(B) Nothing in this Part Seventeen - Title Two prohibits a Tax Administrator from doing either of the following if such action is in the best interests of the City:

  (1) Compromise a claim;

  (2) Extend for a reasonable period the time for payment of a claim by agreeing to accept monthly or other periodic payments.

(C) The Tax Administrator's rejection of a compromise or payment-over-time agreement proposed by a person with respect to a claim shall not be appealable.

(D) A compromise or payment-over-time agreement with respect to a claim shall be binding upon and shall be to the benefit of only the parties to the compromise or agreement, and shall not eliminate or otherwise affect the liability of any other person.

(E) A compromise or payment-over-time agreement with respect to a claim shall be void if the taxpayer defaults under the compromise or agreement or if the compromise or agreement was obtained by fraud or by misrepresentation of a material fact. Any amount that was due before the compromise or agreement and that is unpaid shall remain due, and any penalties or interest that would have accrued in the absence of the compromise or agreement shall continue to accrue and be due.

1720.04 TAX INFORMATION CONFIDENTIAL.

(A) Any information gained as a result of returns, investigations, hearings, or verifications required or authorized by this Part Seventeen - Title Two is confidential, and no person shall access or disclose such information except in accordance with a proper judicial order or in connection with the performance of that person's official duties or the official business of the City as authorized by this Part Seventeen - Title Two. The Tax Administrator or a designee thereof may furnish copies of returns filed or otherwise received under this Part Seventeen - Title Two and other related tax information to the internal revenue service, the tax commissioner, and tax administrators of other municipal corporations.

(B) This section does not prohibit the City from publishing or disclosing statistics in a form that does not disclose information with respect to particular taxpayers.

1720.05 FRAUD.

No person shall knowingly make, present, aid, or assist in the preparation or presentation of a false or fraudulent report, return, schedule, statement, claim, or document authorized or required by City ordinance or state law to be filed with the Tax Administrator, or knowingly procure, counsel, or advise the preparation or presentation of such report, return, schedule, statement, claim, or document, or knowingly change, alter, or amend, or knowingly procure, counsel or advise such
1720.06 INTEREST AND PENALTIES.

(A) As used in this section:

(1) "Applicable law" means this Part Seventeen - Title Two, the resolutions, ordinances, codes, directives, instructions, and rules adopted by the City provided they impose or directly or indirectly address the levy, payment, remittance, or filing requirements of the City.

(2) "Federal short-term rate" means the rate of the average market yield on outstanding marketable obligations of the United States with remaining periods to maturity of three years or less, as determined under Section 1274 of the Internal Revenue Code, for July of the current year.

(3) "Income tax," "estimated income tax," and "withholding tax" means any income tax, estimated income tax, and withholding tax imposed by the City pursuant to applicable law, including at any time before January 1, 2016.

(4) "Interest rate as described in division (A) of this section" means the federal short-term rate, rounded to the nearest whole number percent, plus five percent. The rate shall apply for the calendar year next following the July of the year in which the federal short-term rate is determined in accordance with division (A)(2) of this section.

(5) "Return" includes any tax return, report, reconciliation, schedule, and other document required to be filed with the Tax Administrator or the City by a taxpayer, employer, any agent of the employer, or any other payer pursuant to applicable law, including at any time before January 1, 2016.

(6) "Unpaid estimated income tax" means estimated income tax due but not paid by the date the tax is required to be paid under applicable law.

(7) "Unpaid income tax" means income tax due but not paid by the date the income tax is required to be paid under applicable law.

(8) "Unpaid withholding tax" means withholding tax due but not paid by the date the withholding tax is required to be paid under applicable law.

(9) "Withholding tax" includes amounts an employer, any agent of an employer, or any other payer did not withhold in whole or in part from an employee's qualifying wages, but that, under applicable law, the employer, agent, or other payer is required to withhold from an employee's qualifying wages.

(B)(1) This section applies to the following:
(a) Any return required to be filed under applicable law for taxable years beginning on or after January 1, 2016;

(b) Income tax, estimated income tax, and withholding tax required to be paid or remitted to the City on or after January 1, 2016.

(2) This section does not apply to returns required to be filed or payments required to be made before January 1, 2016, regardless of the filing or payment date. Returns required to be filed or payments required to be made before January 1, 2016, but filed or paid after that date shall be subject to the ordinances or rules and regulations, as adopted before January 1, 2016, of the City to which the return is to be filed or the payment is to be made.

(C) Should any taxpayer, employer, agent of the employer, or other payer for any reason fail, in whole or in part, to make timely and full payment or remittance of income tax, estimated income tax, or withholding tax or to file timely with the City any return required to be filed, the following penalties and interest shall apply:

(1) Interest shall be imposed at the rate described in division (A) of this section, per annum, on all unpaid income tax, unpaid estimated income tax, and unpaid withholding tax.

(2)(a) With respect to unpaid income tax and unpaid estimated income tax, the City may impose a penalty equal to fifteen percent (15%) of the amount not timely paid.

(b) With respect to any unpaid withholding tax, the City may impose a penalty equal to fifty percent (50%) of the amount not timely paid.

(3) With respect to returns other than estimated income tax returns, the City may impose a penalty of $25 for each failure to timely file each return, regardless of the liability shown thereon for each month, or any fraction thereof, during which the return remains unfiled regardless of the liability shown thereon. The penalty shall not exceed $150 for each failure.

(D) Nothing in this section requires the City to refund or credit any penalty, amount of interest, charges, or additional fees that the City has properly imposed or collected before January 1, 2016.

(E) Nothing in this section limits the authority of the City to abate or partially abate penalties or interest imposed under this section when the Tax Administrator determines, in the Tax Administrator's sole discretion, that such abatement is appropriate.

(F) By the 31st day of October of each year the City shall publish the rate described in division (A) of this section applicable to the next succeeding calendar year.

(G) The City may impose on the taxpayer, employer, any agent of the employer, or any other payer the City's post-judgment collection costs and fees, including attorney's fees.

CHAPTER 1721
AUTHORITY OF TAX ADMINISTRATOR; VERIFICATION OF INFORMATION; OPINION OF TAX ADMINISTRATOR

1721.01 AUTHORITY OF TAX ADMINISTRATOR; VERIFICATION OF INFORMATION.

Authority.

(A) Nothing in this Part Seventeen - Title Two shall limit the authority of the Tax Administrator to perform any of the following duties or functions, unless the performance of such duties or functions is expressly limited by a provision of the ORC:

(1)(a) Exercise all powers whatsoever of an inquiry nature as provided by law, including, the right to inspect books, accounts, records, memorandums, and federal and state income tax returns, to examine persons under oath, to issue orders or subpoenas for the production of books, accounts, papers, records, documents, and testimony, to take depositions, to apply to a court for attachment proceedings as for contempt, to approve vouchers for the fees of officers and witnesses, and to administer oaths.

(b) The powers referred to in this division of this section shall be exercised by the Tax Administrator only in connection with the performance of the duties respectively assigned to the Tax Administrator under the City’s income tax ordinance;

(2) Appoint agents and prescribe their powers and duties;

(3) Confer and meet with officers of other municipal corporations and states and officers of the United States on any matters pertaining to their respective official duties as provided by law;

(4) Exercise the authority provided by law, including orders from bankruptcy courts, relative to remitting or refunding taxes, including penalties and interest thereon, for any reason overpaid. In addition, the Tax Administrator may investigate any claim of overpayment and, if the Tax Administrator finds that there has been an overpayment, make a written statement of the Tax Administrator's findings, and approve and issue a refund payable to the taxpayer, the taxpayer's assigns, or legal representative as provided in this Part Seventeen - Title Two;

(5) Exercise the authority provided by law relative to consenting to the compromise and settlement of tax claims;

(6) Exercise the authority provided by law relative to the use of alternative apportionment methods by taxpayers in accordance with Section 1716.01;

(7)(a) Make all tax findings, determinations, computations, and orders the Tax Administrator is by law authorized and required to make and, pursuant to time limitations provided by law, on the Tax Administrator's own motion, review, re-determine, or correct any tax findings, determinations, computations, or orders the Tax Administrator has made.
(b) If an appeal has been filed with the Board of Tax Review or other appropriate tribunal, the Tax Administrator shall not review, re-determine, or correct any tax finding, determination, computation, or order which the Tax Administrator has made, unless such appeal or application is withdrawn by the appellant or applicant, is dismissed, or is otherwise final;

(8) Destroy any or all returns or other tax documents in the manner authorized by law;

(9) Enter into an agreement with a taxpayer to simplify the withholding obligations described in Section 1717.01.

**Verification of accuracy of returns and determination of liability.**

(B)(1) A Tax Administrator, or any authorized agent or employee thereof may examine the books, papers, records, and federal and state income tax returns of any employer, taxpayer, or other person that is subject to, or that the Tax Administrator believes is subject to, the provisions of this Part Seventeen - Title Two for the purpose of verifying the accuracy of any return made or, if no return was filed, to ascertain the tax due under this Part Seventeen - Title Two. Upon written request by the Tax Administrator or a duly authorized agent or employee thereof, every employer, taxpayer, or other person subject to this section is required to furnish the opportunity for the Tax Administrator, authorized agent, or employee to investigate and examine such books, papers, records, and federal and state income tax returns at a reasonable time and place designated in the request.

(2) The records and other documents of any taxpayer, employer, or other person that is subject to, or that a Tax Administrator believes is subject to, the provisions of this Part Seventeen - Title Two shall be open to the Tax Administrator's inspection during business hours and shall be preserved for a period of six years following the end of the taxable year to which the records or documents relate, unless the Tax Administrator, in writing, consents to their destruction within that period, or by order requires that they be kept longer. The Tax Administrator may require any person, by notice served on that person, to keep such records as the Tax Administrator determines necessary to show whether or not that person is liable, and the extent of such liability, for the income tax levied by the City or for the withholding of such tax.

(3) The Tax Administrator may examine under oath any person that the Tax Administrator reasonably believes has knowledge concerning any income that was or would have been returned for taxation or any transaction tending to affect such income. The Tax Administrator may, for this purpose, compel any such person to attend a hearing or examination and to produce any books, papers, records, and federal and state income tax returns in such person's possession or control. The person may be assisted or represented by an attorney, accountant, bookkeeper, or other tax practitioner at any such hearing or examination. This division does not authorize the practice of law by a person who is not an attorney.

(4) No person issued written notice by the Tax Administrator compelling attendance at a hearing or examination or the production of books, papers, records, or federal or state income tax returns under this section shall fail to comply.
**EXHIBIT “A”**

**Identification information.**

(C)(1) Nothing in this Part Seventeen - Title Two prohibits the Tax Administrator from requiring any person filing a tax document with the Tax Administrator to provide identifying information, which may include the person's social security number, federal employer identification number, or other identification number requested by the Tax Administrator. A person required by the Tax Administrator to provide identifying information that has experienced any change with respect to that information shall notify the Tax Administrator of the change before, or upon, filing the next tax document requiring the identifying information.

(2)(a) If the Tax Administrator makes a request for identifying information and the Tax Administrator does not receive valid identifying information within 30 days of making the request, nothing in this Part Seventeen - Title Two prohibits the Tax Administrator from imposing a penalty upon the person to whom the request was directed pursuant to Section 1720.06, in addition to any applicable penalty described in Section 1726.01.

(b) If a person required by the Tax Administrator to provide identifying information does not notify the Tax Administrator of a change with respect to that information as required under division (C) of Section 1721.01 within 30 days after filing the next tax document requiring such identifying information, nothing in this Part Seventeen - Title Two prohibits the Tax Administrator from imposing a penalty pursuant to Section 1720.06.

(c) The penalties provided for under divisions (C)(2)(a) and (b) of this section may be billed and imposed in the same manner as the tax or fee with respect to which the identifying information is sought and are in addition to any applicable criminal penalties described in Section 1726.01 for a violation of Section 1720.05 and any other penalties that may be imposed by the Tax Administrator by law.

**1721.02 REQUEST FOR OPINION OF THE TAX ADMINISTRATOR.**

(A) An "opinion of the Tax Administrator" means an opinion issued under this section with respect to prospective municipal income tax liability. It does not include ordinary correspondence of the Tax Administrator.

(B) A taxpayer may submit a written request for an opinion of the Tax Administrator in accordance with the Rules and Regulations.

(C) A taxpayer is not relieved of tax liability for any activity or transaction related to a request for an opinion that contained any misrepresentation or omission of one or more material facts.

(D) A Tax Administrator may refuse to offer an opinion on any request received under this section. Such refusal is not subject to appeal.

(E) An opinion of the Tax Administrator binds the Tax Administrator only with respect to the taxpayer for whom the opinion was prepared and does not bind the Tax Administrator of any other municipal corporation.
EXHIBIT “A”

(F) An opinion of the Tax Administrator issued under this section is not subject to appeal.

CHAPTER 1722
BOARD OF TAX REVIEW

1722.01 BOARD OF TAX REVIEW.

(A)(1) The Board of Tax Review shall consist of three members. Two members shall be appointed by the legislative authority of the City, but such appointees may not be employees, elected officials, or contractors with the City at any time during their term or in the five years immediately preceding the date of appointment. One member shall be appointed by the City Manager of the City. This member may be an employee of the City, but may not be the director of finance or equivalent officer, or the Tax Administrator or other similar official or an employee directly involved in municipal tax matters, or any direct subordinate thereof.

(2) The term for members of the Board of Tax Review for the City shall be two years. There is no limit on the number of terms that a member may serve if the member is reappointed by the legislative authority. The board member appointed by the City Manager of the City shall serve at the discretion of the administrative official.

(3) Members of the Board of Tax Review appointed by the legislative authority may be removed by the legislative authority by majority vote for malfeasance, misfeasance, or nonfeasance in office. To remove such a member, the legislative authority must give the member a copy of the charges against the member and afford the member an opportunity to be publicly heard in person or by counsel in the member's own defense upon not less than ten days' notice. The decision by the legislative authority on the charges is final and not appealable.

(4) A member of the Board of Tax Review who, for any reason, ceases to meet the qualifications for the position prescribed by this section shall resign immediately by operation of law.

(5) A vacancy in an unexpired term shall be filled in the same manner as the original appointment within 60 days of when the vacancy was created. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of such term. No vacancy on the Board of Tax Review shall impair the power and authority of the remaining members to exercise all the powers of the Board of Tax Review.

(6) If a member is temporarily unable to serve on the Board of Tax Review due to a conflict of interest, illness, absence, or similar reason, the legislative authority or top administrative official
EXHIBIT “A”

that appointed the member shall appoint another individual to temporarily serve on the Board of Tax Review in the member's place. The appointment of such an individual shall be subject to the same requirements and limitations as are applicable to the appointment of the member temporarily unable to serve.

(B) Whenever a Tax Administrator issues an assessment, the Tax Administrator shall notify the taxpayer in writing at the same time of the taxpayer's right to appeal the assessment, the manner in which the taxpayer may appeal the assessment, and the address to which the appeal should be directed.

(C) Any person who has been issued an assessment may appeal the assessment to the Board of Tax Review by filing a request with the Board of Tax Review. The request shall be in writing, shall specify the reason or reasons why the assessment should be deemed incorrect or unlawful, and shall be filed within 60 days after the taxpayer receives the assessment.

(D) The Board of Tax Review shall schedule a hearing to be held within 60 days after receiving an appeal of an assessment under division (C) of this section, unless the taxpayer requests additional time to prepare or waives a hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the Board of Tax Review and may be represented by an attorney at law, certified public accountant, or other representative. The Board of Tax Review may allow a hearing to be continued as jointly agreed to by the parties. In such a case, the hearing must be completed within 120 days after the first day of the hearing unless the parties agree otherwise.

(E) The Board of Tax Review may affirm, reverse, or modify the Tax Administrator's assessment or any part of that assessment. The Board of Tax Review shall issue a final determination on the appeal within 90 days after the Board of Tax Review's final hearing on the appeal, and send a copy of its final determination by ordinary mail to all of the parties to the appeal within 15 days after issuing the final determination. The taxpayer or the Tax Administrator may appeal the Board of Tax Review's final determination as provided in Section 5717.011 of the ORC.

(F) The Board of Tax Review created pursuant to this section shall adopt rules governing its procedures and shall keep a record of its transactions. Such records are not public records available for inspection under Section 149.43 of the ORC. Hearings requested by a taxpayer before a Board of Tax Review created pursuant to this section are not meetings of a public body subject to Section 121.22 of the ORC.

CHAPTER 1723

AUTHORITY TO CREATE RULES AND REGULATIONS

1723.01 AUTHORITY TO CREATE RULES AND REGULATIONS.

Nothing in Part Seventeen - Title Two prohibits the legislative authority of the City, or a Tax Administrator pursuant to authority granted to the administrator by resolution or ordinance, to adopt rules to administer an income tax imposed by the City in accordance with this Part Seventeen - Title Two. Such rules shall not conflict with or be inconsistent with any provision of this Part
Seventeen - Title Two. Taxpayers are hereby required to comply not only with the requirements of Part Seventeen - Title Two, but also to comply with the Rules and Regulations.

All rules adopted under this section shall be published and posted on the internet.

CHAPTER 1724

RENTAL AND LEASED PROPERTY; CONTRACT PROVISIONS

1724.01 RENTAL AND LEASED PROPERTY.

(A) All property owners of real property located in the City, who rent or otherwise lease the same, or any part thereof, to any person for residential dwelling purposes, including apartments, rooms and other rental accommodations, during any calendar year, or part thereof, commencing with the effective date of this section, shall file with the Tax Administrator on or before the January 31 first following such calendar year a written report disclosing the name, address and also telephone number, if available, of each tenant known to have occupied on December 31 during such calendar year such apartment, room or other residential dwelling rental property.

(B) The Tax Administrator may order the appearance before him, or his duly authorized agent, of any person whom he believes to have any knowledge of the name, address and telephone number of any tenant of residential rental real property in the City. The Tax Administrator, or his duly authorized agent, is authorized to examine any person, under oath, concerning the name, address and telephone number of any tenant of residential real property located in the City. The Tax Administrator, or his duly authorized agent, may compel the production of papers and records and the attendance of all persons before him, whether as parties or witnesses, whenever he believes such person has knowledge of the name, address and telephone number of any tenant of residential real property in the City.

(C) Any property owner or person that violates one or more of the following shall be subject to Section 1726.01 of this Part Seventeen - Title Two:

(1) Fails, refuses or neglects to timely file a written report required by division (A) of this section; or

(2) Makes an incomplete or intentionally false written report required by division (A) hereof; or

(3) Fails to appear before the Tax Administrator or any duly authorized agent and to produce and disclose any tenant information pursuant to any order or subpoena of the Tax Administrator as authorized in this section; or

(4) Fails to comply with the provisions of this section or any order or subpoena of the Tax Administrator.
EXHIBIT “A”

1724.02 CONTRACT PROVISIONS

No contract on behalf of the City for works or improvements of the City shall be binding or valid unless such contract contains the following provisions:

“Said __________ hereby further agrees to withhold all City of Worthington income taxes due or payable under the provisions of Part Seventeen – Title Two of the Codified Ordinances of the City of Worthington, for qualified wages, salaries and commissions paid to its employees and further agrees that any of its subcontractors shall be required to agree to withhold any such City of Worthington income taxes due under said Part Seventeen - Title Two of said Code for services performed under this contract.”

CHAPTER 1725

SAVINGS CLAUSE; COLLECTION OF TAX AFTER TERMINATION OF ORDINANCE; RITA RULES AND REGULATIONS

1725.01 SAVINGS CLAUSE.

This Part Seventeen - Title Two shall not apply to any person, firm or corporation, or to any property as to whom or which it is beyond the power of Council to impose the tax herein provided for. Any sentence, clause, section or part of this Part Seventeen - Title Two or any tax against or exception granted any individual or any of the several groups of persons, or forms of income specified herein if found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall affect only such clause, sentence, section or part of this Part Seventeen - Title Two and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this Part Seventeen - Title Two. It is hereby declared to be the intention of Council that this Part Seventeen - Title Two would have been adopted had such unconstitutional, illegal or invalid sentence, or part hereof, not been included therein.

1725.02 COLLECTION OF TAX AFTER TERMINATION OF ORDINANCE.

(A) This Part Seventeen - Title Two shall continue effective insofar as the levy of taxes is concerned until repealed, and insofar as the collection of taxes levied hereunder and actions or proceedings for collecting any tax so levied or enforcing any provisions of this Part Seventeen - Title Two are concerned, it shall continue effective until all of said taxes levied hereunder in the aforesaid periods are fully paid and any and all suits and prosecutions for the collection of said taxes or for the punishment of violations of this Part Seventeen - Title Two shall have been fully terminated, subject to the limitations contained in Section 1719.01 and Section 1726.01 hereof.

(B) Annual returns due for all or any part of the last effective year of this Part Seventeen - Title Two shall be due on the date provided in Section 1718.01 and Section 1717.01 of this Part Seventeen - Title Two as though the same were continuing.

1725.03 ADOPTION OF RITA RULES AND REGULATIONS.
EXHIBIT “A”

The City hereby adopts the Regional Income Tax Agency (RITA) Rules & Regulations, including amendments that may be made from time to time, for use as the City’s Income Tax Rules and Regulations. In the event of a conflict with any provision(s) of this Part Seventeen - Title Two and the RITA Rules & Regulations, this Part Seventeen - Title Two will supersede. Until and if the contractual relationship between the City and RITA ceases, this Section 1725.03 will supersede all other provisions within this Part Seventeen - Title Two regarding promulgation of rules and regulations by the Tax Administrator.

CHAPTER 1726

VIOLATIONS; PENALTIES

1726.01 VIOLATIONS; PENALTIES.

(A) Whoever violates Section 1720.05, division (A) of Section 1720.04, or Section 1717.01 by failing to remit City income taxes deducted and withheld from an employee, shall be guilty of a misdemeanor of the first degree and shall be subject to a fine of not more than $1,000 or imprisonment for a term of up to six months, or both. If the individual that commits the violation is an employee, or official, of the City, the individual is subject to discharge from employment or dismissal from office.

(B) Any person who discloses information received from the Internal Revenue Service in violation of division (A) of Section 1720.04 shall be guilty of a felony of the fifth degree and shall be subject to a fine of not more than $5,000 plus the costs of prosecution, or imprisonment for a term not exceeding five years, or both. If the individual that commits the violation is an employee, or official, of the City, the individual is subject to discharge from employment or dismissal from office.

(C) Each instance of access or disclosure in violation of division (A) of Section 1720.04 constitutes a separate offense.

(D) If not otherwise specified herein, no person shall:

   (1) Fail, neglect or refuse to make any return or declaration required by this ordinance;

   (2) File any incomplete or false return;

   (3) Fail, neglect or refuse to pay the tax, penalties or interest imposed by this Part Seventeen - Title Two;

   (4) Refuse to permit the Tax Administrator or any duly authorized agent or employee to examine his books, records, papers and federal and state income tax returns relating to the income or net profits of a taxpayer;
(5) Fail to appear before the Tax Administrator and to produce his books, records, papers or federal and state income tax returns relating to the income or net profits of a taxpayer upon order or subpoena of the Tax Administrator;

(6) Refuse to disclose to the Tax Administrator any information with respect to the income or net profits of a taxpayer;

(7) Fail to comply with the provisions of this Part Seventeen - Title Two or any order or subpoena of the Tax Administrator authorized hereby;

(8) Give to an employer false information as to his true name, correct social security number, and residence address, or fail to promptly notify an employer of any change in residence address and date thereof;

(9) Attempt to do anything whatsoever to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this Part Seventeen - Title Two.

(E) Any person who violates any of the provisions in Section 1726.01(D) shall be subject to the penalties provided for in Section 1726.01(A) of this Part Seventeen - Title Two.
MEMORANDUM

TO: Matt Greeson, City Manager

FROM: Molly Roberts, Finance Director

DATE: September 30, 2015

SUBJECT: Required income tax ordinance amendments due to passage of Substitute House Bill 5 (130th General Assembly).

We are required to adopt a new municipal income tax ordinance by December 31, 2015, effective for tax years beginning January 1, 2016. This is necessary due to the actions of the 130th General Assembly with passage of Substitute House Bill Number 5 (Sub. H.B. 5) and Governor Kasich signing the bill into law in December 2014. The passage of Sub. H.B. 5 requires extensive changes to the current municipal tax ordinance. The Regional Income Tax Agency (R.I.T.A) has provided draft language and guidance for the required municipal income tax ordinance amendments, which have been included in preparation of the legislation being presented to City Council.

It is essential that the new income tax ordinance sections be approved by City Council in order to effectively implement the required changes. In addition, it is equally imperative that we maintain the existing income tax ordinances in order to capture tax years prior to January 1, 2016. According to R.I.T.A., municipalities with income tax ordinances that are not consistent with chapter 718 of the Ohio Revised Code as of January 1, 2016 may not be able to enforce their income tax ordinance or collect income tax revenue. It is vital that we are compliant with the required state modifications, as municipal income tax collections are the primary source of revenue for the City of Worthington.

Attached please find the following:

1) Cover Ordinance for the passage and implementation of the required municipal income tax ordinance amendments.

2) New Title Two of Chapter 17 of the City of Worthington Codified Ordinances.
Presentation Goals

- Review the cash flow projections and the financial forecast for the CIP Fund
- Discuss the City’s current and projected debt
- Overview the 2016 projects and equipment
- Highlight projects and equipment for 2017-2020
Definition of Capital Item

1. New construction projects and buildings valued in excess of $5,000
2. Major equipment and vehicles valued in excess of $2,500 and with a life expectancy of 5 years or more. Where a number of non-expendable items were in excess of $2,500, they are included
3. All projects requiring borrowing
4. All land purchases regardless of value
5. All land improvements valued in excess of $5,000
6. Major equipment valued at $2,500 or more required to furnish new buildings or other projects
7. Major building improvements that are not routine expenses and that substantially enhance the value of the structure
8. All projects which, while maintenance and/or repair in nature, prolong the life of public facilities

Overview of Proposed CIP

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Projects</td>
<td>$6,615,100</td>
<td>$3,843,900</td>
<td>$9,886,500</td>
<td>$4,563,000</td>
<td>$2,233,500</td>
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<td>Equipment</td>
<td>$1,376,900</td>
<td>$1,408,500</td>
<td>$1,395,000</td>
<td>$722,500</td>
<td>$361,000</td>
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<tr>
<td>Total</td>
<td>$7,992,000</td>
<td>$5,252,400</td>
<td>$11,281,500</td>
<td>$5,285,500</td>
<td>$2,594,500</td>
<td>$32,405,900</td>
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City’s Share of Proposed CIP

<table>
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<tr>
<th>Year</th>
<th>Total Cost</th>
<th>City Sources</th>
<th>% City Share</th>
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<tbody>
<tr>
<td>2016</td>
<td>$7,992,000</td>
<td>$6,694,000</td>
<td>83.8%</td>
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<tr>
<td>2017</td>
<td>$5,252,400</td>
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<td>2018</td>
<td>$11,281,500</td>
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<td>$5,285,500</td>
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<td>2020</td>
<td>$2,594,500</td>
<td>$2,169,500</td>
<td>83.6%</td>
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Total: $32,405,900

Allocation of CIP Project Expenses

- Improvements to Basic Services: 36.5%
- Essential for Basic Services: 40.8%
- Legal Mandates: 13.8%
- Need for Further Review: 0.3%
- Previous Project Commitments: 0.4%
- Assessment Projects: 1.6%
- Enhancement: 6.7%
2016-2020 Proposed CIP

Expenditure Categories – CIP Fund

- Administration: 10%
- Debt Service: 32%
- Equipment: 21%
- Projects: 37%

CIP Fund Revenue & Expenditures

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<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Expenditures</th>
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<td>$4,841,746</td>
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<td>2017</td>
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<td>2018</td>
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<td>2019</td>
<td>$5,093,387</td>
<td>$4,825,041</td>
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<tr>
<td>2020</td>
<td>$5,195,055</td>
<td>$4,221,584</td>
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**CIP Fund Expenditures**

<table>
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<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<td>$1,630,387</td>
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**Five Year Forecast - CIP Fund**

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<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<td>Total Revenue</td>
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<td>$5,028,713</td>
<td>$5,093,387</td>
<td>$5,195,055</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$4,841,746</td>
<td>$4,936,044</td>
<td>$5,045,885</td>
<td>$4,825,041</td>
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<td>FB as % of Budget</td>
<td>86.1%</td>
<td>84.3%</td>
<td>82.2%</td>
<td>91.5%</td>
<td>127.6%</td>
</tr>
</tbody>
</table>
Debt Information

Current Debt Obligations

• 2005 Refunding Bonds (Police Division & Community Center Improvements) Maturing 12/01/2021
  • Original Issuance $7,185,000
  • Remaining Principal as of 1/1/2016: $4,440,000
  • Principal Payment Due in 2016: $680,000
  • Interest Payment Due in 2016: $174,138 (3.75%)
  • Interest rates vary each year from 3.6% to 4.0% at end of term.

Note: The City is in the process of refunding these bonds in order to take advantage of lower interest rates. The new repayment structure will be finalized once the refunding is completed.

Debt Information

Current Debt Obligations Continued

• OPWC 0% Loan Issued 2/15/2008 – ADA Ramps
  • Original Issuance $156,201
  • Remaining Principal as of 1/1/2016: $93,720.60
  • Annual Payments: $7,810.06

• Bond Anticipation Note Renewal Issued 01/22/2015
  Maturing 01/21/2016 – Ladder Truck Purchase, Davis Estates Waterline Improvement and Community Center Window Replacement Projects.
  • Current Issuance: $1,660,000 at 1.01% interest
  • Interest Payment Due in 2016: $16,766
  • Principal Payment: $100,000
Debt Information

Current Debt Obligations Continued

- OPWC 0% Loan Approved in 2013 – Kenyonbrook Sanitary Sewer Improvements
  - Original Issuance $ 565,395
  - Start Date for Principal Payments: 7/1/2015
  - Annual Payments: $20,428

2015 Projects to be Bonded

- Central District Sanitary Sewer Repairs - $250,000
- Basin 6 & 8 Sanitary Sewer Repairs - $150,000
- Huntley/Wilson Bridge/Worthington Galena Intersection Design - $600,000
Debt Information

Future Proposed Debt Issuance Projects

• Sewer Projects (2016-2020 Proposed CIP):
  • Northbrook Relief Sewer - $460,000
  • Central District Sanitary Sewer Improvements - $500,000
  • Kenyonbrook Sewer Trunk - $1,180,000
  • North Districts Sanitary Sewer Improvements - $500,000
  • North Districts Sanitary Sewer Repairs & Lining - $750,000

• Other Projects (2016-2020 Proposed CIP):
  • Community Center HVAC Improvements - $900,000
  • Huntley/Wilson Bridge/Worthington Galena Intersection - $1,891,278
  • Wilson Bridge Road Corridor Enhancements - $800,000
  • Fire Station Roof Replacement - $295,000
  • Municipal Building Roof Replacement - $225,000
  • Community Center South End Roof Replacement - $890,000

• Outside CIP, Beyond 2020:
  • West & Industrial District Sanitary Sewer Repairs - $250,000
  • West & Industrial District Sanitary Sewer Improvements - $500,000

Recurring Projects & Equipment

• Street & Sidewalk Improvement
• Arterial Street Improvement
• Building Improvement
• Traffic Signal Improvement
• Urban Forestry Restoration
• Security System Improvements
• Police Cruisers & Mobile Data Terminals
• Community Wayfinding
• Small Equipment Replacement
• Computers
• Bike & Pedestrian Improvements
### Legal Mandates

- Northbrook Relief Sewer Phase II $460,000
- Central District Sanitary Sewer Improvements $500,000
- Kenyonbrook Trunk Sewer Improvements (design) $141,600

### Essential for Basic Services

- Street & Sidewalk Improvement $900,000
- Arterial Improvements (Granville Road, East Corp. to West Corp.) $591,600
- Building Improvement Program $50,000
- Community Center HVAC Improvements $900,000
- Traffic Signal Improvement Program $50,000
- Fire Station Roof Replacement (design) $35,400
- Community Center Running Track Replacement $27,000
- Municipal Building Roof Replacement (design) $27,000

### Improvements to Basic Service

- Urban Forestry Restoration $7,500
- Security System Improvements $60,000
- Huntley/Wilson Bridge/Worthington Galena (utilities & ROW) $1,225,000
- Perry Park Field 1 Improvements $70,000
- Mccord Park & Heischman Park Playground Replacement $300,000
- Tennis Court & Basketball Court Resurfacing $137,500
- Community Center North Locker Room Shower Stall Alterations $16,500
- SR-161 Study from SR-315 to Sawmill Road $150,000

### Enhancement/Discretionary

- Community Wayfinding Signage $50,000
- Wilson Bridge Corridor Enhancements (construction) $800,000
- Bike & Pedestrian Improvements $100,000
- Community Center Game Room Conversion $16,000
### Legal Mandates
- Kenyonbrook Trunk Sewer Improvement (construction) $1,038,400
- North Districts Sewer Study $175,000

### Essential for Basic Services
- Street & Sidewalk Improvement $900,000
- Arterial Improvements (Huntley Road, Granville to Schrock) $425,000
- Building Improvement Program $50,000
- Fire Station Roof Replacement $295,000
- Municipal Building Roof Replacement $225,000
- Community Center Natatorium Sprinkler Head Replacement $66,000
- Fire Apparatus Bay Exhaust & Heating System $126,000
- Upper Rush Run Stream Restoration (study) $25,000

### Improvements to Basic Service
- Urban Forestry Restoration $7,500
- Perry Park Field 3 Improvements $80,000
- Perry Park Path Improvement $150,000
- Community Center Water Slide Refurbishing $9,500
- Community Center Pool Underwater Lighting Replacement with LEDs $7,750
- CBD Paver Renovation $50,000

### Enhancement/Discretionary
- Community Wayfinding Signage $50,000
- Bike & Pedestrian Improvements $100,000
- Alrojo/Samada Sanitary Sewers (design) $63,750
Legal Mandates
- North Districts Sewer Improvements $500,000

Essential for Basic Services
- Street & Sidewalk Improvement $900,000
- Arterial Improvements (Huntley Road, Schrock, WG Road to RR) $190,000
- Building Improvement Program $50,000
- Traffic Signal Improvement Program $50,000
- Old Worthington Street Light and Mast Arm Rehabilitation $250,000
- Community Center South End Roof Replacement (design) $80,000
- Community Center Window Repl. (community & meeting rooms) $25,000
- Community Center Fitness Floor Painting $14,000
- Community Center Parking Lot Reconstruction $325,000

Improvements to Basic Service
- Urban Forestry Restoration $7,500
- Security System Improvements $50,000
- Huntley/Wilson Bridge/Worthington Galena (construction) $7,200,000
- CBD Paver Renovation $50,000
- CBD Holiday Decoration Replacement $45,000

Enhancement/Discretionary
- Community Wayfinding Signage $50,000
- Bike & Pedestrian Improvements $100,000
Previous Project Commitments

• Hardy Way Sanitary Sewer Relocation $100,000

Legal Mandates

• North Districts Sewer Repairs & Lining $750,000

Essential for Basic Services

• Street & Sidewalk Improvement $900,000
• Arterial Improvements (High Street, South Corp. to South Street) $240,000
• Building Improvement Program $50,000
• Upper Rush Run Stream Restoration $250,000
• Community Center South End Roof Replacement $890,000
• Fuel Dispensing System and Tank Farm Replacement $350,000
• Community Center Locker Room Painting $9,500
• Community Center South End Door Replacement $70,000

Improvements to Basic Service

• Urban Forestry Restoration $7,500
• CBD Paver Renovation $50,000

Enhancement/Discretionary

• Community Wayfinding Signage $50,000
• Bike & Pedestrian Improvements $100,000
• Huntley Road Multi-Use Trail $300,000

Assessment Projects

• Alrojo/Samada Sanitary Sewers $361,000

Need for Further Review

• Morning/Crandall Storm Sewer Improvement $85,000
2020 Projects (page 24)

Legal Mandates
- West & Industrial Districts Sewer Study $175,000

Essential for Basic Services
- Street & Sidewalk Improvement $900,000
- Arterial Improvements (Wilson Bridge Road, Huntley to High) $400,000
- Building Improvement Program $50,000
- Traffic Signal Improvement Program $50,000
- Community Center Window Replacements (art, pottery & childcare) $26,000
- Oxford Court/Southwest Additional Sanitary Improvement $300,000

Improvements to Basic Service
- Urban Forestry Restoration $7,500
- Security System Improvements $50,000
- East Granville Road Park Playground Replacement $175,000

2020 Projects

Enhancement/Discretionary
- Bike & Pedestrian Improvements $100,000
### Parks & Recreation

- Small Equipment Replacement: $15,000
- Community Center Filtration Pump & Motor Replacement: $26,000
- ¾ Ton Pickup with Plow: $42,000
- Turf Mower: $19,000
- Community Center Fitness Equipment: $90,000
- Parks Minivan: $23,000
- Tractor with Loader: $30,000
- Cushman Cart: $14,000
- Portable Stage Replacement: $8,900
- Community Center Washer/Dryer Replacement: $7,500
- Griswold Town Hall Sound System Replacement: $5,000
- Griswold Tuller Lounge Furniture & Drapery Replacement: $11,000
- Irrigation System Software & Hardware: $10,000

### Police

- Police Cruisers (2): $83,500
- Mobile Data Terminals – Police: $15,000
- Tasers: $5,000
- Police Officer Ballistic Vests: $13,500
- Police Initial Issue Equipment: $19,500
- Printer/Copier: $13,000

### Service & Engineering

- Small Equipment Replacement: $15,000
- 2 ½ Ton Dump Truck with Plow & Spreader: $165,000
- Suburban Replacement: $31,000
- Medium Duty Plow & Dump Truck: $160,000
- Ford Escape: $31,000
- Vapor Root Machine: $42,000
- Low-Boy Trailer: $8,000
- GIS Database Service, GIS Web Server: $29,000
2016 Equipment

Fire
- Firefighter Protective Equipment $50,000
- Medic Vehicle Replacement $235,000
- Turnout Gear Washer $10,000
- Mobile Radios $14,000
- Auto Extrication Equipment $20,000
- Medical Decontamination System $19,000

Administration/Information Technology
- Computer Replacement $85,000
- Finance Server $12,000

2017 Equipment (page 31)

Parks & Recreation
- Small Equipment Replacement $15,000
- Community Center Fitness Equipment $90,000
- Leisure Pool Play Structure $95,000
- Griswold Copier Replacement $11,000
- Griswold Fitness Equipment $17,000
- Pool Filter Sand $8,500
- Turf Mower with Trailer $19,000

Police
- Police Cruisers (3) $125,000
- Mobile Data Terminals – Police $21,000
- Staff Car $24,000
### 2017 Equipment

#### Service & Engineering
- Small Equipment Replacement: $15,000
- Sign Shop Large Format Laser Printer: $30,000
- Service & Engineering Management & Operation System: $50,000
- ½ Ton Pickup: $31,000
- Leaf Vacuum: $60,000
- Bucket Truck: $165,000
- 2 ½ Ton Dump Truck w/ Plow & Spreader: $165,000
- Pickup Truck Replacement: $31,000
- Street Sweeper: $250,000
- Engineering Vehicle: $21,000

#### Fire
- Firefighter Protective Equipment: $50,000
- Small Equipment Replacement: $15,000

#### Administration/Information Technology
- Computer Replacement: $85,000
- Municipal Building Furniture Replacement: $15,000
2018 Equipment (page 34)

Parks & Recreation
- Small Equipment Replacement $15,000
- Community Center Fitness Equipment $90,000
- ¾ Ton Pickup $40,000
- ¾ Ton Pickup $40,000
- Community Center Copier $24,000
- Turf Mower $19,000

Police
- Police Cruisers (3) $125,000
- Mobile Data Terminals – Police $21,000
- Furniture – Communication Center $40,000

Service & Engineering
- Small Equipment Replacement $15,000
- ¾ Ton Pickup $40,000
- Leaf Vacuum $60,000
- Wide Area Mower & Trailer $60,000
- 2 ½ Ton Dump Truck with Plow & Spreader $168,000

Fire
- Firefighter Protective Equipment $50,000
- Fire Prevention Tablets $3,000
- Self Contained Breathing Apparatus $250,000

Administration/Information Technology
- Computer Replacement $85,000
- Public Safety Hardware, Servers & Upgrades $150,000
- Radios $100,000
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<tr>
<th>Division</th>
<th>Equipment Description</th>
<th>Cost</th>
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<td><strong>Parks &amp; Recreation</strong></td>
<td>Small Equipment Replacement</td>
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<tr>
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<td>Turf Mower</td>
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<td><strong>Police</strong></td>
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<td>Mobile Data Terminals – Police</td>
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<td>Leaf Vacuum</td>
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<td><strong>Fire</strong></td>
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<td>Medic Vehicle Replacement</td>
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<td>Radios</td>
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2020 Equipment (page 38)

Parks & Recreation
- Small Equipment Replacement $15,000
- Turf Mower $19,000
- Community Center Variable Speed Drives $16,000

Police
- Police Cruisers (3) $125,000
- Mobile Data Terminals – Police $21,000
- In Car Video Equipment $60,000

Service & Engineering
- Small Equipment Replacement $15,000

Fire
- Small Equipment Replacement $5,000

Administration/Information Technology
- Computer Replacement $85,000