

MADEIRA CITY COUNCIL
JUNE 11, 2018
7:30 PM
AGENDA

- I. CALL TO ORDER
- II. INVOCATION/PLEDGE OF ALLEGIANCE
- III. ROLL CALL
- IV. ACCEPTANCE OF AGENDA
 - * *Items so marked are considered routine items and will be enacted by one motion. There will be no separate discussion of these items unless a Council member, citizen or interested party so requests, in which case, the item will be removed from the Consent Agenda and shall be acted upon as a separate matter subject to discussion and debate. Such request must be made prior to the Council vote approving all matters on the Consent Agenda.*
 - Consent items to be approved with acceptance of agenda:
 - * City Council Regular Meeting Minutes May 29, 2018
 - * Res. No. 18-18 Authorizing City Manager to Contract with Dental Care Plus for Providing Dental Benefits for the Employees of the City of Madeira
- V. MAYOR'S MOMENT
 - * Public Comment Reminder
 - * In the Community – Mayor Theis
 - * Special Recognition – None
- VI. NOTICES OF OTHER MEETINGS OR EVENTS
 - * Board of Zoning Appeals – Special Meeting June 12, 2018, 7:00 pm
 - * Mayor's Court June 13, 2018, 6:30 pm
 - * Parks & Recreation Board June 13, 2018, 7:00 pm
 - * Parks & Recreation Board Summer Events Committee June 13, 2018, 8:00 pm
 - * Parks & Recreation Board Criterium Committee June 13, 2018, 8:00 pm
 - * Historical Preservation Commission June 14, 2018, 7:00 pm
 - * Planning Commission June 20, 2018, 7:00 pm
 - * City Council June 25, 2018, 7:30 pm
 - * Criterium Bike Race June 29, 2018, 4:00 pm-10:00 pm
- VII. COMMITTEE AND OFFICIAL REPORTS
 - * Parks & Recreation Committee May 30, 2018
 - * Budget & Finance Committee June 1, 2018
 - * Board of Zoning Appeals June 4, 2018
 - * Steering Committee for Comprehensive Plan June 5, 2018
 - * Law and Safety Committee June 11, 2018
 - * Police Chief
 - * Law Director
- VIII. COMMUNITY PARTICIPATION **
 - * Guest and Registered Visitors
 - > None
 - * Correspondence
 - > None
- IX. ORDINANCES AND RESOLUTIONS
 - * Res. No. 17-18 Authorizing the City Manager to Enter into an Agreement of Cooperation with Hamilton County, OH Pursuant to the Provisions of the Housing and Community Development Act of 1974, as Amended
 - * Ord. No. 18-05 Zoning Map Amendment Revising and Adopting Zoning Change From Manufacturing "M" to Residence "B" for Property Located at 7409 Dawson Road – FIRST READING
 - * Ord. No. 18-06 Providing for the Submission to the Electors of the City of Madeira, OH, at the November 6, 2018 General Election, the Question of Amending Chapter 97 of the Code of Ordinances – FIRST READING
 - * Ord. No. 18-07 Creating Chapter 98 of the City of Madeira Code of Ordinances to Provide for an Admissions Tax to Generate Revenue for Operating Expenses - FIRST READING
- X. NEW BUSINESS
 - * None
- XI. OLD BUSINESS
 - * None
- XII. EXECUTIVE SESSION
 - * Pending Litigation
 - * Real Estate
- XIII. ADJOURNMENT

** Per section 30 of Madeira Code, Madeira residents and guest are invited to address council; comments will be limited to 5 minutes. Persons wishing to address council are requested to complete a guest and registered visitors form and deliver to the clerk of council.

CITY MANAGER REPORT

Thomas W. Moeller

June 11, 2018

GUESTS AND REGISTERED VISITORS

- No one has pre-registered to address City Council at this time.

CORRESPONDENCE

- None

COMMITTEE AND OFFICIAL REPORTS

- Park and Recreation Committee May 30, 2018
- Budget and Finance Committee June 2, 2018
- Board of Zoning Appeals June 4, 2018
- Comp Plan Steering Committee June 5, 2018
- Law Director Report

ORDINANCES AND RESOLUTIONS

- **Ordinance No. 18-06. Providing for the Submission to the Electors of the City of Madeira, OH, at the November 6, 2018 General Election, the Question of Amending Chapter 97 of the Code of Ordinances – FIRST READING.** Vice Mayor Nancy Spencer has prepared a comprehensive report on the discussions and recommendations of the Budget and Finance Committee regarding this proposed action. Vice Mayor Spencer is unable to attend this evening's meeting; however, the other members of the committee have expressed interest in responding to questions regarding this ordinance. In order to place this measure on the ballot, the legislation must be approved and submitted to the Board of Elections no later than August 8, 2018. The three readings are taking place over June 11, June 25 and July 23.
- **Ordinance No. 18-07. Creating Chapter 98 of the City of Madeira Code of Ordinances to Provide for an Admissions Tax to Generate Revenue for Operating Expenses. FIRST READING.** The Budget and Finance Committee is also recommending the adoption of an Admissions Tax at the rate of 3%, which would be levied on golf memberships, including the initiation fee and monthly membership fees. The committee is recommending this as it is revenue that would be used for general operations, particularly in light of the anticipated request by the Madeira-Indian Hill Joint Fire District for additional funds from both municipalities to improve staffing. This would include hiring more full-time personnel to offset the scheduling issues they have with finding suitable part-time personnel to back fill each shift. This legislation requires three readings and would take effect January 1, 2019, if approved. The Kenwood Country Club, which is the entity that is impacted by this policy, is aware of this

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discussion. We would expect them to be included in the discussions as we move forward with the deliberations.

- **Ordinance No. 18-05. Zoning Map Amendment Revising and Adopting Zoning Change from Manufacturing “M” to Residence “B” for Property Located at 7409 Dawson Road. – FIRST READING.** The Planning Commission voted at their meeting on May 21st to *not recommend* the rezoning application for the two parcels on the south side of Dawson Road to the west of the entrance to McDonald Commons. One parcel is presently a single-family house and is being used under this designation. The other parcel is vacant/undeveloped. The applicant, Matt Stanley, presented that he would like to build a new home on the existing lot. Both lots are substandard as to the Residence B requirements; they do not meet the 7,000 sq. ft. minimum area standard. This is one of the reasons the Commission denied the request. It should be noted that the vote was 3-3 with one abstention, which means the motion failed. Because the Commission voted to not recommend the rezoning, City Council’s approval would require five (5) affirmative votes to overturn the recommendation by the Planning Commission. This is the first reading. A public hearing is scheduled for June 25th at which time City Council will be able to hear any comments from both the applicant and the public.
- **Resolution No 17-18. Authorizing the City Manager to Enter Into an Agreement of Cooperation with Hamilton County, Ohio Pursuant to Provisions of the Housing and Community Development Act of 1974, as Amended.** This legislation is the follow-up to the presentation by Hamilton County CDBG Director Joy Pierson at the May 29th Council meeting. The Law and Safety Committee is taking up this matter at its meeting on June 11th prior to the Council Meeting. Attached to the legislation is the “Cooperation Agreement” that is required to be approved and executed prior to the City’s involvement in the CDBG Program. As noted in Ms. Pierson’s presentation, the inclusion of Madeira in the membership would increase the funding received by the County of \$50,000/yr. Fifty percent of this is earmarked for county programs, which then makes approximately \$25,000/year available to Madeira. Should Council approve this participation, one of the eligible expenditures can go toward “historic preservation”. This could include maintenance improvement on the Hosbrook House, Muchmore House and Train Station.
- **Resolution No. 18-18. Authorizing the City Manager to Enter into an Agreement with Dental Care Plus for Dental Insurance for Eligible Employees.** The increase is 5% over the previous contractual period. The monthly premium for a family plan increased from \$100/month to \$105.01/month. **Recommend Approval.**

OLD AND NEW BUSINESS

- **2018 Street Program.** We met with the contractor this past week; they will be providing a schedule for all of the work in the next week at which time we will send letters to all of

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the residents in those neighborhoods alerting them to the timeframe and what to expect. The contractor indicated they will have "door hangers" to let people know when their driveways may be blocked for a period of time. We have been very impressed with their level of coordination and preparation so far. They indicated they intend to begin the installation of the storm pipe before the end of June and have substantial completion of the work before the start of the school year.

- **Road Salt Bids.** We open bids on June 13th and will have legislation to City Council at the June 25th meeting.
- **Street Line Striping.** The Service Department has begun line striping and pavement marking throughout the community. We have been asked by the School Administration to make special accommodations for the crosswalk areas around the Elementary School on Thomas Drive. As noted in previous reports, we will plan to do some pavement repairs on Miami Avenue and around the Bike Race course and hope to have the line striping/pavement markings done in time for the race on June 29th. The Service Department crews have agreed to work in the evening when traffic is less of a problem, and they can finish the work faster and, more importantly, safer.
- **2017 Audit.** The Finance Department reports that the audit firm was in and out of the office "in record time" to do their field work. This is a testament to the high level of organization by both the Finance and Administrative Departments to provide the information the auditors need to do their field work. We should be able to meet the state's deadline of June 30th to submit our 2017 Comprehensive Annual Financial Report (CAFR) to the State Auditor's Office. The Audit Report will be released by the State of Ohio once the Auditor of State is finished with its review.
- **Board of Zoning Appeals.** The BZA met on June 4th with the following matters on the agenda:
 - **7444 Dawson Road.** Approved a variance request for the construction of a "deck" on the front of the home.
 - **7744 Euclid Avenue.** Did not approve a request to subdivide the property into three non-conforming building lots. The lots did not meet the 3:1 Maximum Depth to Width Ratio specified in the zoning code.
- **Planning Commission.** The Commission meets on June 20th (note: this is a Wednesday) to review two (2) lot splits:
 - 7332 Osceola Drive.** Applicant requests to subdivide the property into two (2) parcels. The lots will require a variance because both do not meet the minimum area standard of 7,000 sq. ft.

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6242 Fulsher Lane. Applicant has submitted to subdivide the parcel into two lots.

- **Storm Clean-Up.** The Service Department made a pass through the City early this week to pick up limbs and debris from the windstorm that took place on Thursday, May 31st. It was an unusual weather event as there was no rain (most of the precipitation was north and south of the City), but straight line winds brought down a number of large branches.
- **TROD #3 Update.** The Law and Safety Committee will be reviewing the proposed recommended language from the Planning Commission; this Transitional Residential Overlay District will include the properties at the southeast corner of Naomi and Miami next to the Madeira Middle School. The Law Director is presently reviewing the language to offer any "clean-up" issues that can be considered by the committee. A public hearing is scheduled for June 25th at which time Council will have the second of the three readings.

EXECUTIVE SESSION

- Real Estate
- Pending Litigation

PARK AND RECREATION COMMITTEE

Meeting Summary

May 30, 2018

Attendance:

Brian Mueller, Chair
Traci Theis, Mayor
Nancy Spencer, Vice-Mayor
Tom Moeller, City Manager
Carolyn Brewer, Guest

The meeting was called to order at 5:00 PM.

- Dog Park.** Mr. Mueller reviewed the status of the proposed project at Sellman Park. One of the primary issues is whether the area proposed can be made ADA compliant. Mr. Moeller reported that staff measured the grade/slope of the entry path from Fox Hunt. The cross slopes of path are acceptable. Running slopes are a problem. Much of the path is a minimum of 7 degrees or 12.28% slope/grade. This is nearly the maximum permitted for a 10 ft. "run". The slope/grade steepens to as much as 21% in places with several places in the 14% to 17% range. Based on a maximum slope of no more than 12.5% for no more than 10 ft., the existing path would never meet code. He reported the trail can be flattened by relocating it in a switchback pattern across the slope, but this would require significant clearing and grading to achieve. No cost estimate has been generated. The committee also reviewed the potential of using an existing wooded park area, which included other potential locations such as the passive recreation/wooded areas of McDonald Commons and the Hosbrook Bird Sanctuary. Mr. Moeller stated he would review these areas with the Park Manager to further evaluate the sites. He also stated he would have to review if there were any deed restrictions on the Hosbrook Bird Sanctuary property as this land was donated to the City. Ms. Brewer indicated the Girl Scouts would still be interested in participating if the project site can be located.
- McDonald Commons Trail Expansion.** Mr. Mueller stated this project is a very high priority with the Park and Recreation Board. Mr. Moeller noted that Anne Horn had put staff in touch with a trail builder from the Cincinnati Nature Center, who assisted with laying out additional trails through the rear 10 acre park. Mr. Moeller has solicited costs from four (4) contractors for the "trailblazing" work:
 - Dirt Artisans \$13,040
 - Sherdec Tree Service \$15,400
 - Innovative Dirt Solutions \$17,825
 - Young Entrepreneur Landscaping \$13,161

After additional discussion, the committee agreed this should be pursued further. Ms. Spencer noted she can take up the costs discussion in the Budget and Finance Committee. Mr. Moeller noted the costs were only for cutting the trail; it did not include the mulch material. Ms. Theis asked about grants for the work. She noted that Envision Group may have information about grants like this. Mr. Moeller also noted that the bike group who

would like to use the trail would donate an unspecified sum to the project. Mr. Mueller stated he would like to make a positive recommendation to the City Council to move forward.

3. **Park User/Player Fees.** The committee discussed the potential increases in user fees for the park. They first discussed a rental/cleaning fee for the Park Shelters. Ms. Spencer noted that any fees based on the number of reservations will not generate a substantial amount of revenue, but over time the funds can be used for repairs, replacement and maintenance of the facilities. The committee agreed on a \$40/reservation for both the McDonald Commons and Dick Hartmann Shelter at Sellman Park. They agreed not to recommend a reservation fee for the small shelter at McDonald Commons. Mr. Moeller stated he would review whether a fee impacts the City's recreational immunity.

The committee then discussed Player User Fees. Mr. Moeller noted that the present fee by ordinance is \$10/player. We are presently not collecting for Madeira Colts or recreational lacrosse. We will plan to utilize the school's athletic office to make certain the appropriate contact person is available for billing each organization. Mr. Mueller noted that the fees should be increased to \$13/player for all sports in order to maintain revenue for the City's maintenance costs at the park as well as paying for the City's proposed rental agreement with the Madeira City Schools for the High School Stadium and Track. There was also discussion about possibly increasing the Wiffle Ball player fee. Ms. Spencer noted that she would like to see better organization and more supervision over this program. She stated it is a great service but needs better supervision. Mr. Moeller stated he would meet with the Park Manager to review.

The committee recommended a revised ordinance for increasing the fees. Shelter fees to go into effect immediately and play participation fees to go into effect for 2019.

The meeting was adjourned at 6:18 PM.

Brian Mueller, Chair

BUDGET AND FINANCE COMMITTEE

Meeting Summary

June 1, 2018

Attendance:

Nancy Spencer, Vice-Mayor/Chair
Scott Gehring, City Council
Brian Mueller, City Council
Tom Moeller, City Manager
Steve Soper, Treasurer
Lori Thompson, Assistant City Manager
Doug Oppenheimer, Guest

The meeting was called to order at 8:15 AM.

Ms. Spencer introduced the topics for the meeting. She presented a draft summary of the discussion points for the revenue options and talking points for seeking approval of the voters for an earnings tax increase from 1% to 1.25%. She also stated she wanted to have some additional discussion on the Admissions Tax and how it will fit into the overall budget.

Mr. Mueller stated we have to be proactive in addressing the potential increases in operating expenses as it relates to the operational needs of the Fire Department. He noted that the Admissions Tax, as it relates to membership dues on the Kenwood Country Club, is a property tax issue given the much lower than market value of the land. He also noted that, if the Fire District requested a property tax levy, the increased amount of the property taxes paid would be passed onto the membership in the form of higher membership dues. The Admissions Tax does the same thing. He indicated that he does not want the City to continue "living paycheck to paycheck" and not being able to keep up with the amount of capital maintenance as well as making future investments in the City's facilities.

Mr. Gehring stated he is generally in opposition to tax increases because of the high amount he pays for both state and federal taxes. However, he noted the taxes paid to local government are, in his opinion, more important. He noted the City's efforts over the years to operate with a "lean" budget and that services are well managed. He believes the street and infrastructure are critical to the community and more funds are needed for the long term future of the community. He is comfortable asking the voters to approve an increase. Mr. Gehring also stated that earmarking the additional revenue for capital improvements is appropriate and is helpful for the voters to agree with the request.

The committee also discussed the 3% Admissions Tax. Ms. Spencer noted that 3% seemed to be the appropriate rate based on what other communities levy; however, the rate should be connected to the amount of money needed for the anticipated increases in operational costs including the Fire District. The committee discussed how to obtain better information on the amount. Mr. Soper noted that the Kenwood Country Club may share membership and dues information. Mr. Moeller will contact the club for this information.

The committee also discussed timing of the ballot issue for the Earnings Tax. Ms. Spencer stated she will not be at the June 11 meeting. She noted that the legislation must be approved in time to be filed with the Board of Elections on August 8th. There will be time to have the required three readings on June 11, June 25 and July 23. Mr. Mueller stated he is comfortable presenting at the June 11 meeting for the committee.

Mr. Moeller noted that Hamilton County may be putting a 0.25% sales tax increase on the November ballot and asked whether that would influence a decision to also have an earnings tax on the ballot in November. Ms. Spencer stated we should not let this influence the decision of the City to request a local ballot tax issue. Mr. Moeller noted that he obtained legislation from Blue Ash and Springdale in their recent successful efforts to gain voter approval for an earnings tax increase.

Springdale's legislation was determined by the committee to be the most appropriate. Ms. Spencer asked Mr. Moeller to have legislation prepared by the Law Director in time for the June 11 Council Meeting. The committee also agreed to have the Admissions Tax legislation on the agenda for June 11.

The meeting was adjourned at 9:15 AM.

Nancy Spencer, Vice-Mayor/Chair

Budget and Finance Committee Recommendation

June 11, 2018 Madeira City Council Meeting

Revenue Package to support Capital Plan and Operating Expenses

Summary:

The City of Madeira has taken numerous measures in the past 10 years to mitigate the effects of the Great Recession and loss of revenue from State sources including tightening spending, focusing on annual operating expenses over long term saving, and allowing the General Fund to sometimes fall below the 27% minimum reserve in order to cover deficits in certain years. –Additionally, street repair has continued to follow a 22-25 year replacement cycle and capital planning has been project based rather than long-term focused on recurring and emerging community needs. This project based approach has allowed the city to prioritize operating expenses, but is not planning for future needs nor preparing a budget that can grow with increasing demands.

We are at a strategic planning point with the Comprehensive Plan initiated, a Capital Plan developed, a unanimous Council supporting improving our Street Repair cycle to 15-17 years, and emergent operating expenses with incumbent staffing needs in the Madeira and Indian Hill Joint Fire District. In addition, Council supports a budget that maintains a 27% reserve in the General Fund.

To generate revenue sufficient to support long-term community improvement and investment, the Budget and Finance Committee recommends a three-tiered revenue package. The goal is to equitably share the costs across those that live, work, and enjoy the amenities and services provided by the City of Madeira.

The Budget and Finance Committee unanimously supports the following revenue package to be effective Jan 1, 2019:

- Increase Earnings Tax Rate by 0.25% to 1.25% by ballot measure in the November, 2018 election;
- Adjust the Earnings Tax credit to 1.05% by legislative action contingent upon voter approval of Earnings Tax Rate ballot measure; and
- Applying a state permissible 3% Admissions Tax to any recreation and sports club owning greater than 100 acres. The Admissions Tax applies to all payments that are required as a condition precedent to membership in such club.

Of note, Council may use legislative action at any time to further adjust the Earnings Tax credit up or down if revenue needs are exceeded or not met. Similarly, the change in the Earnings Tax rate sets a maximum rate approved by voters, but also can be later adjusted to a lower level if revenue needs are less than anticipated.

Funding a Capital Plan:

Increasing the Earnings Tax rate by 0.25% to 1.25% while concurrently adjusting the credit to 1.05% (resulting in an effective rate of 0.20% paid) provides for the mutual benefit of both residents and those working within the community of Madeira. The incremental revenue generated by these measures will be assigned to a Capital Fund, cannot be used for operational expenses, and will enable the city to plan long term for the following community infrastructure enhancements and capital improvements:

- Accelerate street repair program from today's average 22-25 year cycle to a recommended 15-17 year cycle mirroring asphalt lifecycle and improving the quality of our roadways;
- Expand repair and improvements of storm water systems;
- Plan long term for capital improvements and replacement across a 20 year period; and

Safely maintain the minimum 27% General Fund Reserve.

Assessing Capital expenses:

A review of 50 lane miles of city streets inventoried road conditions and estimated the cost to replace at a 15-17 year paving cycle at \$960,000/year (vs. the current \$650,000 average annual road program supporting only a 22-25 year paving cycle). Roads on both residential and main thoroughfares are showing significant wear and crumbling curbs, blemishing the "face" of the city and requiring frequent patches. Streets with heavier car/bus volume will need more frequent replacement, while side streets may tend towards slightly longer replacement cycles supporting the range of 15-17 year average replacement.

Increased pavement frequency will naturally coincide with accelerated repairs to storm water systems, with anticipated budget expanding from \$60,000/year to \$100,000 year.

A review of annual capital improvements required for the next 20 years estimated an annual average expense of \$154,000 to maintain or replace the capital assets already in place. This amount does not include investing in future projects that would further enhance Madeira for residents, visitors, and businesses.

To support investment in future projects, as well as plan for rising costs of annual maintenance and repair, the committee recommends building a 20% investment plan into the capital budget. While these projects are yet to be identified, they could include changes to improve traffic flow such as roundabouts or stop lights, enhance streetscapes, parklets, or add sidewalks, among a quick list of potential opportunities.

To summarize:

\$960,000	Street Repair
\$100,000	Stormwater Repair
\$154,000	Capital Improvements
\$240,000	20% Investment and Cost increases over time
\$1,454,000	Capital Plan Annual Expenses (Subtotal)
(\$ 400,000)	State funding from Gasoline Tax, State Permissive Tax, and County Tag Tax
\$1,054,000	Revenue required to support Capital Plan (Total)

Tax Rate History:

The Earnings Tax rate of 1% was set in 1979 by voter approval, with legislation providing a full credit for earnings taxes paid to another municipality that imposed a minimum rate of 1%. Residents working in jurisdictions with no earnings tax paid 1% to the City of Madeira. The tax rate has remain unchanged since 1979, with Council taking periodic legislative action to adjust the credit between 0.6% and 0.9%.

Of note, Madeira has one of the lowest Earnings Tax rates among Hamilton county municipalities, ranking in the bottom quarter. Per capita spending is correspondingly low, ranking in the bottom third at \$740.36. Madeira residents are sensitive to existing property taxes, ~ 70% of which fund the school district and only ~ 10% of which go to the city. In fact, our municipal property tax millage ranks in the bottom third among Hamilton county municipalities.

Included are comparisons to benchmark communities with which we are often compared:

	Madeira	Mariemont	Montgomery	Wyoming	Glendale
Per Capita Spending	\$740	\$970	\$1,033	1,143	\$1,125
Earnings Tax Rate	1%	1.25%	1%	1%	0%
Credit	.9%	1%	-	-	-
Municipal Property tax millage	7.5	14.37	17	10	21.58

Impact Analysis:

The Earnings Tax increase from 1% to 1.25% will result in an additional \$250/year of tax paid per \$100,000 annual income. For residents who qualify for the credit, the concurrent change in Earnings Tax credit from .9% to 1.05% results in an effective rate increase of 0.2% and will result in an additional \$100/year of tax paid per \$100,000 annual income. Of note, adjusting the earnings tax rate and credit does not impact our senior population on fixed incomes as would other revenue measures discussed such as adding a Waste Collection fee.

The recommendation to adjust both the Earnings Tax rate and the credit is made so that the revenue is generated equitably by those that benefit from community capital improvements. Those doing business in Madeira and those living in Madeira all benefit from a well-maintained community that is both attractive to live in and enticing to customers.

The combination of increasing the Earnings Tax while adjusting the credit is expected to yield \$976,250 annually (\$786,250 from Earnings Tax rate increase; \$190,000 from credit adjustment). This revenue, in addition to ~\$400,000 in existing Street Repair funding from State Permissive Tax, County Tag Tax, and Gasoline Tax, provides the necessary revenue for a Capital Plan for improved street and storm water repair, capital improvement and replacement, and investing in future projects benefiting the community of Madeira.

In contrast, to generate enough revenue to support the Capital Plan solely through adjusting the Earnings Tax credit, the credit would need to be reduced to 0.3% as every 0.1% credit reduction generates \$190,000. This would result in an impact on earner residents working in other municipalities seeing an increase in their annual Madeira tax from \$100/\$100,000 income to \$700/\$100,000 income.

It is the recommendation of the Budget & Finance Committee that we pursue a balanced approach impacting all earners working or living in Madeira through a 0.25% increase in Earnings Tax rate concurrent with an adjustment in the Earnings Tax credit to 1.05%.

Earnings Tax increase caveats:

Of note, should the Capital Fund grow sufficiently to outpace our program needs and investment opportunities, Council can take legislative action to reduce the Earnings Tax rate below the maximum level approved by voters. In addition, Council can take legislative action to adjust the credit to residents paying earnings tax to other municipalities.

Admissions Tax:

The Madeira and Indian Hill Joint Fire District is preparing a request to staff incremental full-time positions replacing the current part-time program that is proving difficult to maintain. At this time, it is expected the request will require \$500,000/year from both the City of Madeira and the Village of Indian Hill.

The traditional method to fund this new expense would be to place a 1.64 mills Fire Levy (property tax) before voters, resulting in an additional \$57 tax paid per \$100,000 in property value if passed. Madeira residents are already sensitive to property taxes with our total millage among the area's highest, despite the city's portion being among the lowest in the area. The Budget and Finance Committee does not recommend meeting this new expense via a property tax increase.

The Budget & Finance Committee recommends meeting this new expense by applying a state permissible 3% Admissions Tax to any recreation and sports club owning greater than 100 acres. The Admissions Tax applies to all payments that are required as a condition precedent to membership in such club.

In 1998, the Ohio General Assembly enacted Ohio Revised Code section 715.013 which permits municipalities to levy such an Admissions Tax. Use of this mechanism has steadily expanded and varies by municipality from 1.5% to 8.0%, with approximately 74% of municipalities setting their rate at 3%.

Currently only the Kenwood Country Club (KCC) would fall within the proposed Admissions Tax. It is estimated a 3% Admissions Tax rate will generate \$150,000 annually. To justify this Admissions Tax in lieu of a property tax, consider both:

- The property value that would be associated with the 286 acres of KCC if it were developed more in line with similar properties in Madeira. The KCC property currently holds a land value of ~\$30,000/acre which is dramatically lower than most developed residential space in Madeira. Thus, the KCC property pays far less in property tax than a developed property would. Yet, this same asset receives benefits of placement in a community with strong schools, services, and infrastructure.
- Application of a 3% Admissions Tax allows the City of Madeira to increase the fair share paid by the KCC property to fund basic city services and is preferable to a property tax increase on all property within the city.

While the city doesn't have a direct mechanism to increase the land value assessment of the KCC, with the Admissions Tax we are able to propose an alternative allowing the KCC property to contribute more equitably to the operating expenses and infrastructure needed to maintain Madeira. It is estimated that the impact of a 3% Admissions Tax on KCC membership will be an increase of \$21/month (\$252/year) based on assumed \$700/month membership fees (this estimated does not include initiation fees). While the expected \$150,000 generated annually from the 3% Admissions Tax will not fully fund the ultimate expected cost increase from the Madeira and Indian Hill Joint Fire District, the Budget and Finance Committee recommends beginning at this level because the cost increase will occur over time.

Comprehensive Plan Steering Committee

June 5, 2018

Meeting Summary

Attendance: Doug Moorman, Melisa Adrien, Natalie Luxton, Paul Yankie, Bobby Hintz, Carly Chu, Jackie Koopman, Suzy Tucker, Mike Steur and Steve Shaw

Absent: Mark Scheid, Brendan Coughlin, Jared Wayne and Daniel Henderson

Staff/Consultant: Tom Moeller and Lori Thompson – City of Madeira; Emil Liszniansky and Ryan Smalley – Envision

The meeting was opened by Ms. Adrien with a welcome and members of the committee introduced themselves.

Mr. Liszniansky provided an overview of the of the Comprehensive Plan process and timeline of the project. He discussed that the Steering Committee is an advisory group and the committee will begin by providing a "bird's eye view" of current conditions and ideas for the future of Madeira. In generating ideas for the plan, the Steering Committee should keep in mind the balance of tax base/revenue and community amenities.

Mr. Moeller provided a brief overview of the City's tax base and revenue sources. He discussed the distribution of property taxes – 70% goes to the school district, 20% goes the county and 10% goes to the City. He also discussed the revenue generated by the earnings tax. The City's 2018 cost per household to provide existing services is \$2097.

Mr. Liszniansky and Mr. Smalley lead a discussion on the Strengths, Weaknesses, Opportunities and Threats (SWOT) for the City of Madeira. Listed below, in no particular order, are the items that the committee brainstormed.

Strengths:

Schools
Location
Walkable
Safety
Family atmosphere
Reputation
Community of choice
Small size
Tight-knit v. urban sprawl
Strong City Council and government
Tremendous volunteerism

Mature landscape and character
Proximity to jobs – both to downtown
Cincinnati and northern job centers
Defined downtown area
Nearby all services and retail
Diversity in age groups in neighborhoods
People move here and stay
High median household income
Partnerships with surrounding communities and school district
Residents want the spend their money here

Weaknesses:

Built out
Landlocked
Lack of restaurant/bar in downtown
Complementary mix of businesses – what keeps people in town
Lack of destination spots (regional)
Affordable housing options
Lack of diverse housing stock
No plan to manage teardowns/re-builds
Pushing out community charm

Pushing out older residents
Recreation resources – field space, court time, access to amenities
Expand walkability- plan is too long term
City budget
Access to bike trail/bicycle friendly
Downtown spread out
Downtown “sense of place” not maximized
Camargo Road look
Attracting businesses

Opportunities:

Camargo Road streetscape
Downtown streetscape
More “urban/2-story” type building in downtown
New character/“Main Door” to downtown
Regional bikeway
Branding, image, “sense of arrival” to Madeira

Optimize parking in downtown
Tap into Madeira Mom’s Facebook network
Mobile home park – underutilized property
Off-road bike trails
Wooded area behind Sellman
Attract start-up businesses and specialty retail

Threats:

Increased train traffic
Housing tear-downs/re-builds
Water issues
Sustainable development
Out of date zoning code
Changing demographics with less Madeira generations
What should be done to keep people here
Long-term residential base – longevity and housing stock tied together

Competition from surrounding communities
Longevity of business mix – how to adjust for changing shopping patterns
Lack of undeveloped property
Anti-development influences
Disaster preparedness (funding)
Greenspace – focus and budget for replacement (i.e. Emerald Ash Borer)
Reputation for not being development friendly
Property ownership in the downtown

Mr. Liszniansky next discussed the role of the Working Groups and asked for volunteers from the Steering Committee to be a liaison to each group. The Working Group focus areas will be Housing, Active Transportation (pedestrian & bicycle), Central Business District and Community Facilities.

The following committee members will be a liaison for the following groups:

Mr. Hintz – Housing

Mr. Shaw – Active Transportation

Mr. Moorman and Ms. Chu – Central Business District

Mr. Steur – Community Facilities

The meeting was adjourned at 9:15 pm.

ORDINANCE NO. 18-07

**CREATING CHAPTER 98 OF THE CITY OF MADEIRA CODE OF ORDINANCES TO
PROVIDE FOR AN ADMISSIONS TAX TO GENERATE REVENUE FOR OPERATING
EXPENSES**

WHEREAS, the City of Madeira is a chartered municipality in the State of Ohio;

WHEREAS, due to anticipated additional expenses being requested by the Madeira Indian Hill Joint Fire District and other operational needs, City Council has determined that it is necessary to raise additional revenue to be allocated to the City's operating fund; and

WHEREAS, City Council desires to create a new Chapter 98 of the Code of Ordinances to provide for an admissions tax in order to generate revenue for operating expenses.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

Section 1. The title of Chapter 98 of the Code of Ordinances shall be "Admissions Tax."

Section 2. The City of Madeira hereby enacts Chapter 98 of the Code of Ordinances as set forth in **Exhibit A** attached hereto and incorporated herein by reference.

Section 3. This Ordinance is adopted in accordance with the Charter of the City of Madeira and shall become effective from and after the earliest period allowed by law.

This Ordinance is subject to referendum per Article XII, Section 3 of the Madeira Home Rule Charter.

ORDINANCE NO. 18-07

EXHIBIT A

CHAPTER 98: ADMISSIONS TAX

Section

- 98.01 Purpose and Effective Period
- 98.02 Rate of Tax
- 98.03 Collection
- 98.04 Allocation of Revenue
- 98.05 Monthly Reports and Payment of Tax
- 98.06 Adoption of Rules and Regulations
- 98.07 Taxes Made a Lien
- 98.08 Notices Authorized by Mail

- 98.99 Penalty

§ 98.01 PURPOSE AND EFFECTIVE PERIOD.

For the purpose of providing revenue to defray a portion of current operating expenses and other expenditures of the City of Madeira, there is hereby levied a tax on any initiation fees and monthly or annual membership dues paid to any golf course or country club situated anywhere within the municipal boundaries of the City of Madeira, commencing on _____, 2018, and thereafter.

§ 98.02 RATE OF TAX.

The tax imposed by this section shall be at the rate of Three Percent (3%) on any initiation fees, monthly membership dues, and annual membership dues paid to any golf course or country club situated anywhere within the municipal boundaries of the City.

§ 98.03 COLLECTION.

The aforementioned taxes are to be paid by the purchaser or payor, collected by golf courses and country clubs as trustee for the City of Madeira, and returned and paid by golf courses and country clubs in the manner and subject to the interest provided in Section 98.05.

§ 98.04 ALLOCATION OF REVENUE.

The revenue collected under the provisions of this Chapter shall be deposited in the operating fund of the City of Madeira.

§ 98.05 MONTHLY REPORTS AND PAYMENTS OF TAX.

(A) On or before the twentieth (20th) day of each calendar month, golf courses and country clubs shall make a return to the Tax Commissioner in such form as the Tax Commissioner may prescribe, showing the amount of initiation fees paid, monthly membership dues paid, and annual membership dues paid, and the amount of taxable fees collected during the preceding calendar month, the amount of tax hereby imposed on the same, and such other facts and information as the Tax Commissioner may require in the form of returns prescribed by the Tax Commissioner. The person making the return shall certify that it is complete, true and accurate.

(B) All such returns shall be held confidential by the Tax Commissioner and Treasurer and shall not be available for inspection unless ordered by a court of competent jurisdiction, except that the Tax Commissioner may furnish copies to the internal revenue department and to the City Manager or person designated by the City Manager.

(C) Each person making such return shall, at the time of making the same, pay the amount of taxes shown thereby to the Tax Commissioner. Such payments shall be paid to the City of Madeira. The Tax Commissioner may adopt uniform rules and regulations not inconsistent with the method of making returns and payments, as provided herein.

(D) If the tax imposed by this Chapter is not paid when due, there shall be added as part of the tax interest at the rate of one percent per month from the time when the tax became due until paid.

§ 98.06 ADOPTION OF RULES AND REGULATIONS.

(A) The Tax Commissioner shall have power to adopt and promulgate such rules and regulations as the Tax Commissioner may deem necessary to carry out the provisions of this Chapter.

(B) Golf courses and country clubs shall keep records and receipts of initiation fees paid, monthly membership dues paid, and annual membership dues paid, and other pertinent documents, in such form as the Tax Commissioner may by such regulation require. Such records and other documents shall be open at any time during business hours to the inspection of the Tax Commissioner, and shall be preserved for a period of three years, unless the Tax Commissioner shall in writing require that they be kept longer.

§ 98.07 TAXES MADE A LIEN.

(A) Taxes imposed by this Chapter shall be a lien upon the property owned by the golf course and country club. If a golf course or country club shall sell out or quit business, it shall be required to make out a return provided for under this Chapter within 30 days after the date of sale of such business, and the successor in business shall be required to withhold a sufficient amount of the purchase money to recover the amount of said taxes so collected and unpaid, together with interest, if any, until such time as the former owner shall produce a receipt from the Treasurer showing that the taxes have been paid, or a certificate that no taxes are due.

(B) If the purchaser of a golf course or country club shall fail to withhold purchase money as above provided, and the taxes so collected shall be due and unpaid after the 30-day period allowed, the purchaser shall be liable for the payment of the taxes collected and unpaid on account of the operation of the golf course or country club by the former owner(s), together with interest, as provided by this Chapter.

(C) The lien for unpaid taxes herein imposed shall not become effective until such time as the Treasurer shall certify to the Auditor of Hamilton County, Ohio the amount of taxes delinquent, and such certification is placed on record by the Recorder of Hamilton County, Ohio in a book maintained for that purpose.

§ 98.08 NOTICES AUTHORIZED BY MAIL.

Any notice authorized or required under the provisions of this Chapter may be given by mailing the same to a designated representative of the golf course or country club, in a post-paid envelope addressed to such person at the address given in the last return filed by the golf course or country club pursuant to the provisions of this Chapter, or if no return has been filed then to such address as may be obtainable. The mailing of such notice shall be prima facie evidence of the receipt of the same by the person to whom addressed. Any period of time which is determined according to the provisions of this Chapter by the giving of notice shall commence to run from the date of mailing such notice.

§ 98.99 PENALTY.

(A) *Violations.* Any person who shall:

- (1) Fail, neglect, or refuse to make any report or declaration required by this Chapter;
- (2) Provide to the City an incomplete, false, or fraudulent report or declaration;
- (3) Fail, neglect, or refuse to pay the tax, penalties, or interest imposed by this Chapter;

(4) Refuse to permit the Tax Commissioner or any duly authorized agent or employee to examine his or her or his or her books, records, papers, or other tax filings in connection with the taxes imposed by this Chapter;

(5) Fail to appear before the Tax Commissioner, or to produce his or her books, records, papers, or tax filings upon order or subpoena of the Tax Commissioner;

(6) Refuse to disclose to the Tax Commissioner any information with respect to the initiation fees paid, monthly membership dues paid, or annual membership dues paid; or

(7) Fail to cause the taxes imposed by this Chapter to be paid to the City in accordance with the provisions of § 98.05.

(B) *Time limitations on prosecutions.* All criminal prosecutions under this section must be commenced within three years, and all civil actions within five years following the date on which the final return for a taxable year was due, or five years from the time of any other offense complained of.

(C) *Failure to obtain forms not a defense.* The failure of any golf course, country club, or person affiliated therewith to procure a return, declaration or other required form shall not excuse him or her from providing any report, information return, or declaration to the Tax Commissioner, or from paying the subject tax.

(D) *Responsibility of golf course's or country club's management team.* The term *PERSON*, as used in this section, shall include any owner, partner, member, officer, director, president, chief financial officer, treasurer, or any other member of the golf course's or country club's management team who can be found within the corporate limits of the municipality.

(E) *Penalty.* Whoever is found guilty of a violation of any part of this Chapter shall be guilty of a misdemeanor of the third degree and may be punished by a fine of not more than \$500 and imprisonment of not more than 60 days.

ORDINANCE NO. 18-06

PROVIDING FOR THE SUBMISSION TO THE ELECTORS OF THE CITY OF MADEIRA, OHIO, AT THE NOVEMBER 6, 2018 GENERAL ELECTION, THE QUESTION OF AMENDING CHAPTER 97 OF THE CODE OF ORDINANCES

WHEREAS, the City of Madeira is a chartered municipality in the State of Ohio;

WHEREAS, City Council intends to increase the rate of tax on earnings and allocate the additional generated tax revenues to the Capital Improvement and Replacement Fund, in order to raise monies for infrastructure development and maintenance; and

WHEREAS, City Council intends to direct the Hamilton County Board of Elections to submit to the electors of the City of Madeira, at the November 6, 2018 General Election, the question of amending Chapter 97 of the Code of Ordinances.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

Section 1. In order to raise monies for infrastructure development and maintenance, City Council proposes to amend Section 97.03(A) of the Code of Ordinances to adjust the percentage tax rate to be applied to all income and net profits earned by every person residing in or earning or receiving income in the City of Madeira on or after January 1, 2019. Council proposes to amend such Ordinance to read as follows...

“Subject to the provisions of Section 97.14, an annual tax shall be levied, commencing on January 1, 2019, and thereafter, at the rate of 1.25% upon the following:”

Consistent with Section 718.04 of the Ohio Revised Code, the 0.25% increase shall be submitted to a vote of the qualified electors of the City of Madeira, Ohio, at an election to be held on Tuesday, November 6, 2018, at the regular places of voting in said City and during the hours established by the Board of Elections of Hamilton County, Ohio.

Section 2. Should the voters approve the foregoing increase, the City of Madeira shall grant a credit to its residents for up to 1.05% of any earnings taxes paid to another municipal corporation, in this state or elsewhere, by the resident or by a pass-through entity owned, directly or indirectly, by a resident, on the resident's distributive or proportionate share of the income of the pass-through entity.

Section 3. The question to be submitted on the ballot at the November 6, 2018 General Election shall be as follows:

“In order to raise monies for infrastructure development and maintenance, shall Section 97.03(A) of the Code of Ordinances of the City of Madeira, Ohio be

increased One Quarter Percent (0.25%) to a rate of One and One Quarter Percent amended to provide that the City's tax on income, earnings, wages or salaries be (1.25%), effective January 1, 2019, with the additional generated revenues to be allocated to the Capital Improvement and Replacement Fund?"

To the left of the foregoing question, in boxes (or otherwise appropriate space) for indicating preference, the words "FOR THE INCOME TAX" and "AGAINST THE INCOME TAX" shall appear, and each voter shall cast his or her vote by indicating in one of the places so provided.

Section 4. The Clerk of Council is hereby directed to file with the Board of Elections of Hamilton County, Ohio a copy of this Ordinance, resolving that the foregoing question shall be submitted to a vote of qualified electors at the election to be held on Tuesday, November 6, 2018 in the City of Madeira at regular places of voting and during the hours established by the Board of Elections.