

November 6, 2018 Ballot Language Vague, Ordinance # 18-06 Critical Read, Amends Chapter 97, Madeira Code of Ordinances.

- 1) Issue 16 text as issue will appear on November 6, 2018 ballot.
- 2) Ordinance # 18-06, 3rd reading, July 23rd 2018, Passed.
- 3) July 23, 2018, City Council Agenda, Ordinance 18-01, Passed.
- 4) July 23, 2018, City Manager Report.
- 5) City Manager Report, June 11, 2018, Page 1&2.
- 6) June 11, 2018, Budget & Finance Committee Recommendations.

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Hamilton County Candidates and Issues That Have Filed for General Election November 6, 2018

Updated: 9-17-18

13 PROPOSED CHARTER AMENDMENT ORDINANCE 229-2018 CITY OF CINCINNATI

A majority affirmative vote is necessary for passage.

Shall Article XIII, "Campaign Finance", Sections 1, 2, 4, and 7 of the Charter of the City of Cincinnati be amended to prohibit unlimited and anonymous contributions made through limited liability companies to a candidate for municipal election; to remove inconsistencies and add clarifying language; and to add definitions of key terms?

YES

NO

14 PROPOSED CHARTER AMENDMENT ORDINANCE 230-2018 CITY OF CINCINNATI

A majority affirmative vote is necessary for passage.

Shall Section 3 of Article V, "Civil Service" of the Charter of the City of Cincinnati be amended to delete the provision that only Ohio residents may receive the five-point preference given to qualified veterans who achieve a passing score on the City of Cincinnati's entry level civil service examinations and to provide that qualified veterans must produce proof of their honorable discharge no earlier than the day before an eligibility list is to be provided to the Civil Service Commission for approval so that all qualified veterans may receive the five-point preference?

YES

NO

15 PROPOSED CHARTER AMENDMENT ORDINANCE 252-2018 CITY OF CINCINNATI

A majority affirmative vote is necessary for passage.

Shall Section 3 of Article V, "Civil Service" of the Charter of the City of Cincinnati be amended to provide that graduates of a public safety academy established by Cincinnati Public Schools in collaboration with the City of Cincinnati be provided an incentive to serve the City in the fire and police departments through an award of five (5) points in examination credit, on departmental entry level examinations?

YES

NO

16 PROPOSED INCOME TAX (INCREASE) CITY OF MADEIRA

A majority affirmative vote is necessary for passage.

Shall the Ordinance providing for a one quarter per cent (0.25%) levy increase on income for the purpose of **INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE** for the City of Madeira effective January 1, 2019 be passed?

FOR THE INCOME TAX

AGAINST THE INCOME TAX

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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; and

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, BE IT ORDAINED by the Council of the City of Madeira, State of Ohio:

Section 1. That 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. That 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. That 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. That 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.

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

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MADEIRA CITY COUNCIL

JULY 23, 2018

7:30 PM

AGENDA (continued)

IX. COMMUNITY PARTICIPATION **

- **Guest and Registered Visitors**
 - None
- **Correspondence**
 - Letter dated July 16, 2018 from Hamilton County Administrator Jeff Aluotto regarding Hamilton County Commissioners Action on Sales Tax Increase
 - Letter dated July 19, 2018 from Hamilton County Administrator Jeff Aluotto regarding Hamilton County Budget/Sales Tax Update

X. ORDINANCES AND RESOLUTIONS

- Ord. No. 18-04 Amending Section 150 of the Madeira Zoning Code Creating Transitional Residential Overlay District #3 – **THIRD READING**
- 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 – **THIRD 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 – **THIRD 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 – **THIRD READING**
- Res. No. 21-18 Adopting the Proposed Tax Budget for the Fiscal Year Ending December 31, 2019
- Res. No. 23-18 Authorizing the City Manager to Execute an Amended Joint Use and Operation Agreement with the Madeira Board of Education for the Madeira High School Athletic Fields
- Res. No. 24-18 Authorizing the City Manager to Execute an Agreement with Revize LLC to Provide Website Design, Hosting and Support Services

XI. NEW BUSINESS

- None

XII. OLD BUSINESS

- None

XIII. EXECUTIVE SESSION

- Real Estate – Sale/Purchase
- Personnel

XIV. 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.

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CITY MANAGER REPORT
Thomas W. Moeller
July 23, 2018

GUESTS AND REGISTERED VISITORS

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

CORRESPONDENCE

- Letter from Hamilton County Administrator Jeff Aluotto Re: Hamilton County Commissioners Action on Sales Tax Increase. No Action Required/Information Only.

COMMITTEE AND OFFICIAL REPORTS

- | | |
|--------------------------------|---------------|
| • Board of Zoning Appeals | July 2, 2018 |
| • Technology Committee | July 5, 2018 |
| • Parks & Recreation Board | July 11, 2018 |
| • Joint Fire District Board | July 16, 2018 |
| • Planning Commission | July 16, 2018 |
| • Budget and Finance Committee | July 23, 2018 |
| • Police Chief | |
| • Law Director | |

ORDINANCES AND RESOLUTIONS

- **Ordinance No. 18-04. Amending the Madeira Zoning Code and Approving a Text Amendment to Create Transitional Residential Overlay District #3 (TROD #3) – THIRD READING.** A Public Hearing, as required by the Zoning Code and City Charter, was held at the June 25th council meeting. As noted, the Planning Commission has recommended the proposed creation of TROD #3 for the property located at the southeast corner of Miami and Naomi Avenue. The proposed legislation will retain the underlying Residence B District but would also permit, under a separate development review process, the construction of attached units up to a maximum of 10/units/acre. This is similar to TROD #1 (Bradford Place/Euclid Avenue) and TROD #2 (Maple Grove/Maple Avenue). The developer/applicant who is submitting the proposal intends to construct 9 single-family attached units to replace the existing four (4) apartment buildings. The Planning Commission is recommending additional changes in the language to City Council. The ordinance as submitted by the developer at this last Planning Commission meeting does not reflect the recommended changes, although the developer/applicant did make directed changes to the original draft to more clearly define the maximum height of structure at 32 ft. of proposed grade and increased the rear landscape buffer from 8 feet to 12 feet. The Law and Safety Committee has reviewed the proposed language and is recommending approval. This is the third reading of the legislation.

- **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 – THIRD READING.** A Public Hearing, as required by the Zoning Code and City Charter, was held at the June 25th council meeting. 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 but cannot because the “M” District does not permit residential uses. Both lots are substandard as to the Residence B requirements; they do not meet the 7,000 sq. ft. minimum area standard. This is the primary reason the Commission denied the request. It should be noted that the vote was 3-3 with one abstention, which means the motion failed. We have had subsequent conversations with the applicant about the legal uses of the property within the Manufacturing “M” District. “M” permits all commercial uses including office, retail and light manufacturing. Should there be an application to redevelop the properties under the “M” District; the development would fall under all zoning conditions including parking, landscaping and other site development approval standards. 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.
- **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 – THIRD READING** As noted at the previous council meeting, 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. The legislation will place on the November ballot a request to increase the present Earnings Tax rate of 1% to 1.25%. Further, the ballot issue proposes to require that all revenue generated by the additional .25% would be funded to capital improvements including streets, storm water improvements, park improvements, etc. Concurrent with the passage of this ballot measure, the credit for taxes paid to another jurisdiction would be reduced from .1% to .2%. This means all residents who have earnings would pay a minimum of .2%.
- **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 – THIRD READING.** The Budget and Finance Committee is recommending the adoption of an Admissions Tax at the rate of 3%, which would be levied on golf memberships including the monthly membership fees. City Council at the June 25th meeting voted to amend the legislation making it effective only if the Earnings Tax Ballot Issue is approved by the voters in November. In a subsequent meeting with officials from the Kenwood Country Club, they have requested we delete the language which would impose the tax on the “initiation fees” which are paid up front by the new member. Because these funds are used strictly for capital improvements and the retirement of debt

for those improvements, they would like those fees to be exempt. The legislation in the council packet reflects this amendment. If City Council agrees with this modification, a motion to amend the Ordinance is necessary before a final vote. As well, the KCC officials are requesting the tax to be implemented on April 1, 2019 as this coincides with their fiscal year. A motion to amend would be needed for this as well. The Budget and Finance 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 fire and paramedic personnel to offset the scheduling issues they have with finding suitable part-time personnel to backfill each shift.

- **Resolution 19-18. Authorizing the City Manager to Contract with Compass Minerals for the Purchase of Rock Salt – AMENDED.** The previous ordinance designated the funds being expended from the General Fund. The legislation needs to be amended as the funds are budgeted and would be expended from the SR-21 Street Repair Fund. **Recommend Approval.**
- **Resolution No. 20-18. Authorizing an Agreement between the City of Madeira and the Board of Hamilton County Commissioners Relative to the Improvement of Camargo Road.** *This Legislation was tabled at the June 25th meeting to confirm the amount of funding. We originally requested \$100,000; however we have confirmed we were only granted \$75,000 from the Municipal Road Fund for 2018.* As noted in previous reports, we also have received \$308,000 in State Capital Improvement Project funds for the project. Municipal Road Funds are collected by the County from license plate fees on each vehicle. Local jurisdictions apply for the funds in connection with receiving SCIP funding for large road projects. **Recommend Approval.**
- **Resolution No. 21-18. Adopting the Proposed Tax Budget for the Fiscal Year Ending December 31, 2019.** We had a flaw in the June 25th council meeting agenda that caused us to skip voting on this legislation at that meeting. The legislation was noted under the Public Hearing section of the agenda, but was not replicated under the Ordinances and Resolutions section. No one noted the missing legislation until after the meeting. We will need to approve this at this meeting as it is due in the County Auditor's Office immediately. I apologize for the confusion.
- **Resolution No. 23-18. Authorizing the City Manager to Enter into an Amended Joint Use and Operation Agreement with the Madeira Board of Education for the Madeira High School Athletic Fields.** The proposed agreement is attached as Exhibit A. The majority of the agreement is a restatement of the original document and those provisions still apply. The agreement, as drafted by the BOE's legal counsel, was revised to delete those provisions which reference the initial turf replacement and any applicable matters. Please refer to the *Payments by the City* section on Page 4. I have highlighted the section which requires the most attention. The BOE is proposing the \$10,000/year rental payment along with the provision that the City will negotiate "in good faith" over

the annual amount toward the future replacement of the turf. The cap is "one-third" the total cost of replacement. In other words, since it is likely the cost of replacement in 10-12 years will be well in excess of the present day cost of \$400,000, they are requesting we negotiate any additional costs. As an example, in 12 years the cost of the turf replacement could be \$500,000. If that is case, the City would have contributed \$144,000 over the 12 years. One-third the cost of the replacement is \$167,000 for a difference of \$23,000. I am referring this to the Budget and Finance Committee at their meeting on July 23rd for further discussion.

- **Resolution No. 24-18 Authorizing the City Manager to Execute an Agreement with Revize LLC for Updating the City's Website.** The Technology Committee has completed its review of the proposals and is recommending Revize LLC for the update. Cost is \$12,970 for the initial update and \$5,400/year for hosting, security and technical support. Committee Chair Melisa Adrien will report on the committee's process. **Recommend Approval.**

OLD AND NEW BUSINESS

- **2018 Street Program Update.** At the time of this report, the contractor had completed milling the streets and was preparing to install the first course of asphalt. Weather permitting; they expect to be finished with the majority of the work except for some restoration areas by the end of next week.
- **State of Ohio Ex. Rel. Robert McCabe Real Estate Group and State of Ohio El. Rel. The Robert McCabe Company, Inc. vs. City of Madeira.** Attached to this report is the decision of the Court of Appeals, First Appellate District of Ohio. The court ruled in the City's favor in this case, thereby upholding the decision of the Hamilton County Court of Common Pleas.
- **Eagle Scout Projects.** Eagle Scout Candidate Aaron Ney completed work on the restoration and beautification of the Hosbrook Bird Sanctuary this past week. I have enclosed some pictures of the project. The site is considerably more attractive and inviting. Special thanks to Aaron and his "crew" for this terrific job!
- **Sidewalk Inspection Update.** We should be finished with the initial inspections by the end of next week. Notification letters will be sent by certified mail to property owners who have sidewalks that have been marked. We are simultaneously preparing bid specifications to seek a contractor for the replacement work once the 60 day period for the property owner to complete the work has expired.
- **Planning Commission.** The commission met on July 16th. There was one agenda item that was withdrawn by the applicant. The only other agenda item was discussion about the upcoming working group meetings next week. The commission discussed the agenda topics for each of the four groups.

- **Board of Zoning Appeals.** The BZA met on July 2nd with the following agenda items:
 - **6532 Dawson Road.** Applicant requested two variances: they requested an increase in the maximum width (26 ft.) of the curb cuts for a circular driveway. The commission granted them a total of 33 feet. The applicant also requested to be permitted to install a “gravel” driveway instead of the required “hard surface”. The commission tabled this request so that the applicant could provide additional details and specifications about the material to be used.
 - **7361 Shawnee Run Road/Front Yard Setback Variance.** Approved a request to reduce the front setback from 50 ft. to 40 ft.
 - **6779 Rosecrest/Side Yard Setback Variance.** Applicant withdrew and asked for the matter to be placed on the August agenda.
 - **7816 Mapleleaf/Front Yard Setback Variance for Porch.** Approved the request to construct an 8 ft. by 20 ft. porch on a non-conforming home. The existing house does not meet the Residence B front setback of 40 ft. The new setback is 26.82 ft.

- **Recycling Tour.** As noted in previous reports, there is a push by Rumpke and other waste haulers who use Rumpke’s recycling separation facility in St. Bernard to better inform residents of the need to follow the recycling “rules” to help reduce costs. There has been a substantial increase in the amount of “non-recyclable” materials being placed in the recycling containers which then must be separated and disposed. There is also a significant increase in contaminated materials that are no longer marketable. I visited the facility with other public officials to take their guided tour and to learn more about the existing problems and future challenges so we can communicate the issues to our residents. Unless changes occur, the cost of waste collection and recycling will increase which will then require the city to make cuts in other areas. The facility is an amazing process using both mechanical and manual separation procedures to get the best recyclables possible for the markets. We will be featuring the information in an upcoming article in the newsletter with updated recyclables information.

EXECUTIVE SESSION

- Real Estate Sale/Purchase
- Personnel

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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

CITY MANAGER REPORT

Thomas W. Moeller

June 11, 2018

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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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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.