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REMINDER

CITY COUNCIL

NOTICE OF MEETING

Dennis Fiorelli
President
Sara Continenza
Joe Frank
Marty Gelfand
Jane Goodman
Ruth Gray
Jason Russell

MEETING OF: **COMMITTEE OF THE WHOLE**
CALLED BY: DENNIS FIORELLI, PRESIDENT
DATE: **FEBRUARY 25, 2019**
LOCATION: COMMITTEE/JURY ROOM
TIME: 7:00 P.M.
RE: MONTHLY FINANCE MEETING,
REVENUE GENERATION & BUDGET
DISCUSSION, ORD. 31-18 & RES.
05-19.

COMMITTEE/COUNCIL MEMBERS:

SARA CONTINENZA
JOE FRANK
MARTY GELFAND
JANE GOODMAN
RUTH GRAY
JASON RUSSELL

ADMINISTRATION:

BRENDA WENDT, FINANCE DIRECTOR

CITY OF SOUTH EUCLID
RITA tax collections 2019

Date of Report	+/- \$ vs 2017	+/- % vs 2017	YTD % COLLECTED		PRIOR		PRIOR		PRIOR		PRIOR	
			YTD Collected	VS BUDGET	YTD COLLECTED	Withholder YTD	YTD	Individual YTD	YTD	Net Profit YTD	YTD	
1/14/2019	(161,277)	-16.77%	800,643	7.61%	961,920	410,952	374,497	288,069	466,615	37,312	69,731	
1/31/2019	(209,531)	-12.09%	1,523,242	14.48%	1,732,773	635,300	686,892	686,892	64,744	64,744	147,013	
2/13/2019	(161,973)	-8.62%	1,716,448	16.31%	1,878,421	817,827	839,957	701,109	760,936	58,002	147,013	
			\$0			\$0		\$0		\$0		\$0
			\$10,522,312									

* Note: YTD Collected does not equal (Withholder YTD+Individual YTD+Net Profit YTD) due to penalties and interest charged to delinquent accounts.

CITY OF SOUTH EUCLID
2018/2019 RECEIPT AND DISBURSEMENT COMPARISON

RECEIPTS		YTD	
2018			
january	1,825,150	8.56%	1,346,605 8.56%
february	2,235,093	14.13%	3,569,995 22.69%
march	1,244,905	8.81%	4,956,560 31.51%
april	1,337,106	8.25%	6,254,387 39.76%
may	1,560,171	9.47%	7,743,765 49.23%
june	1,217,397	7.87%	8,981,425 57.09%
july	2,154,625	14.11%	11,201,325 71.20%
august	1,707,946	9.26%	12,657,639 80.46%
september	1,541,220	7.89%	13,899,585 88.36%
october	1,239,006	7.20%	15,031,615 95.55%
november	971,753	6.41%	16,039,407 101.96%
december	943,250	5.77%	16,947,349 107.73%
projected	17,977,622		
	16,820,775		106.88% of projected total

RECEIPTS		YTD	
2019			
january	1,558,215	9.03%	1,558,215 9.03% 8.33%
february		0.00%	1,558,215 9.03% 16.67%
march		0.00%	1,558,215 9.03% 25.00%
april		0.00%	1,558,215 9.03% 33.33%
may		0.00%	1,558,215 9.03% 41.67%
june		0.00%	1,558,215 9.03% 50.00%
july		0.00%	1,558,215 9.03% 58.33%
august		0.00%	1,558,215 9.03% 66.67%
september		0.00%	1,558,215 9.03% 75.00%
october		0.00%	1,558,215 9.03% 83.33%
november		0.00%	1,558,215 9.03% 91.67%
december		0.00%	1,558,215 9.03% 100.00%
projected	1,558,215		
	17,262,839		9.03% of projected total

DISBURSEMENTS		YTD	
2018			
january	1,538,844	7.97%	1,367,966 7.97%
february	1,564,348	7.33%	2,626,063 15.29%
march	3,458,208	7.63%	3,936,375 22.92%
april	1,497,965	17.05%	6,864,061 39.97%
may	1,403,464	8.41%	8,307,685 48.38%
june	2,031,627	8.04%	9,688,858 56.42%
july	302,198	2.96%	10,196,622 59.38%
august	1,845,294	7.66%	11,511,245 67.03%
september	359,616	9.24%	13,098,558 76.28%
october	1,597,198	8.06%	14,482,228 84.33%
november	1,256,260	6.05%	15,521,891 90.39%
december	1,313,816	6.59%	16,652,917 96.97%
projected	18,168,839		
	19,507,612		93.14% of projected total

DISBURSEMENTS		YTD	
2019			
january	1,709,791	8.36%	1,709,791 8.36% 8.33%
february		0.00%	1,709,791 8.36% 16.67%
march		0.00%	1,709,791 8.36% 25.00%
april		0.00%	1,709,791 8.36% 33.33%
may		0.00%	1,709,791 8.36% 41.67%
june		0.00%	1,709,791 8.36% 50.00%
july		0.00%	1,709,791 8.36% 58.33%
august		0.00%	1,709,791 8.36% 66.67%
september		0.00%	1,709,791 8.36% 75.00%
october		0.00%	1,709,791 8.36% 83.33%
november		0.00%	1,709,791 8.36% 91.67%
december		0.00%	1,709,791 8.36% 100.00%
projected	1,709,791		
	20,459,084		8.36% of projected total

General Fund			
Balance	2018	2019	Difference
january	3,564,305	3,107,536	-456,769
february	4,452,768		-4,452,768
march	2,042,883		-2,042,883
april	2,383,826		-2,383,826
may	2,853,875		-2,853,875
june	2,453,914		-2,453,914
july	4,036,487		-4,036,487
august	4,164,535		-4,164,535
september	5,477,072		-5,477,072
october	5,403,237		-5,403,237
november	4,683,733		-4,683,733
december	4,498,400		-4,498,400

CITY OF SOUTH EUCLID, OHIO

ORDINANCE NO.: 31-18
INTRODUCED BY: Fiorelli
REQUESTED BY: Frank

November 12, 2018
Second Reading: November 26, 2018
As amended in committee 1/28/19 & 02/18/19

AN ORDINANCE

AMENDING SECTION 172.06 "SOUTH EUCLID RESIDENT SUBJECT TO INCOME TAX IN OTHER MUNICIPALITY" OF SECTION 172, "MUNICIPAL INCOME TAX EFFECTIVE JANUARY 1, 2016" OF PART ONE "ADMINISTRATIVE CODE" OF THE CODIFIED ORDINANCES OF THE CITY OF SOUTH EUCLID, OHIO; AND DECLARING AN EMERGENCY.

WHEREAS, the Council of the City of South Euclid, Ohio recognizes that the income tax credit is an incentive the city is able to offer residents during times of economic stability, however, during periods of severe economic instability, such incentives may not be feasible; and

WHEREAS, the Council of the City of South Euclid recognizes that the City continues to experience budgetary shortfalls effecting the financial stability of the City as a result of cuts in funding by the State of Ohio; as well as declines in property tax and income tax as a result of the housing and foreclosure crisis and national recession; and

WHEREAS, the Council of the City of South Euclid has met monthly for over two years to discuss and consider revenue enhancement and cost-cutting options and held three Community Meetings on June 19, 2017; June 27, 2017 and June 28, 2017 to discuss options and seek input from city residents, Tele-Town Hall Meetings on October 9, 2018 and October 30, 2018; and four Ward Meetings regarding finances and income tax levy in October 2018 **and three finance-related Town Hall meetings in January 2019**; and

WHEREAS, City Council has held regular Committee Meetings, nearly every month for over two years to discuss cost reductions, explore and implement regional initiatives, discuss the costs of long-term capital needs of the community, and the continuing impact of the recession and cuts in funding of local governments from the State of Ohio; and

WHEREAS, the City has made every reasonable effort to reduce costs and raise additional revenue to replace State actions that have removed the City's inheritance tax revenue, commercial activity tax and 50% of the City's yearly allocation of Local Government Funds; and

WHEREAS, the City of South Euclid has an obligation to take temporary measures to protect the health, safety, welfare and future economic stability of the City; and

WHEREAS, the Council of the City of South Euclid can address any such shortfalls by reducing the income tax credit on taxable income earned in another municipality.

NOW THEREFORE BE IT ORDAINED, by the Council of the City of South Euclid, Ohio:

Section 1: That Ordinance 172.06, "South Euclid Resident Subject to Income Tax in Other Municipality" is hereby amended effective **March 11, 2019** at which time the provisions hereunder shall ~~once again~~ become effective.

Section 2: That Ordinance 172.06 "Credit for Tax Paid To Other Municipalities" shall read as follows:

"CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES.

(a) Every individual taxpayer domiciled in City of South Euclid 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 chapter, may claim a non-refundable credit against the tax imposed by this chapter upon satisfactory evidence that tax has been paid to another municipality. Subject to division (c) of this section, **and until such time as it is amended as described in division (e) of this section** the credit shall **be reduced to 0%** ~~exceed 75%~~ of the amount obtained by multiplying the income, qualifying wages, commissions, net profits or other compensation subject to tax in the other municipality by the lower of the tax rate in such other municipality or the rate of 1%.

(b) City of South Euclid shall grant a credit against its tax on income to a resident of City of South Euclid who works in a joint economic development zone created under Ohio R.C. 715.691 or a joint economic development district created under Ohio R.C. 715.70, 715.71, or 715.72 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) Any provision amending Section 172.06 that reduces the income tax credit described herein shall not be passed unless it receives at least five affirmative votes. Any proposed amendment to Section 172.06 shall be posted on the City Website and e-mailed to all people on the City's E-Mail Newsletter Distribution List. Furthermore, City Council shall not change any provision of Section 172.06 without first hosting a series of five three public meetings, ~~one shall be held for each Ward of the City and one shall be held in the City at large as determined by City Council.~~

(e) The tax credit set forth in Section 2(a) above shall be increased upon passage by the electors of any new income tax levy generating the same or more revenue as would be provided by an income tax credit of .75 of 1%. Should the electors not pass such a levy, the tax credit reduction in Section 2(a) shall continue. Additionally, the amount of such income tax credit shall be reviewed by Council each November, and may be adjusted should revenues allow. ~~The amendment to the tax credit set forth in Section (A) above shall cease upon passage by the electors of any new tax levy generating the same or more revenue as the tax credit reduction. Should the electors not vote in the affirmative for such levy, the tax reduction in Section (A) shall continue.~~

Section 3: That it is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees on or after November 25, 1975, 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 4: That this Ordinance is deemed to be an emergency measure necessary for the immediate preservation of the public peace, health and safety. Wherefore, this Ordinance shall take effect and be in force upon passage by City Council and signature of the Mayor.

Passed this _____ day of _____, 2019.

Dennis Fiorelli, Council President

Attest:

Approved:

Keith A. Benjamin, Clerk of Council

Georgine Welo, Mayor

Approved as to form:

Michael P. Lograsso, Director of Law

CITY OF SOUTH EUCLID, OHIO

RESOLUTION NO.: 05-19
INTRODUCED BY: Fiorelli
REQUESTED BY: Russell

February 25, 2019

A RESOLUTION

AUTHORIZING AND DIRECTING THE FINANCE DIRECTOR TO TRANSFER AT THE LAST COUNCIL MEETING IN NOVEMBER 7.5% OF ALL PERSONAL INCOME TAX COLLECTED TO DATE (AFTER FEES HAVE BEEN DEDUCTED) WHICH SHALL INCLUDE ALL PRIOR TRANSFERS BUT NOT TO INCLUDE NET PROFIT TAX ON BUSINESSES TO THE "GENERAL IMPROVEMENT AND REPAIR FUND #408."

WHEREAS, the Council of the City of South Euclid, Ohio recognizes the need to maintain, improve and/or replace the fixed assets of the Municipality; and

WHEREAS, it is the desire of the Council of the City of South Euclid, Ohio to plan for sufficient funding to pay for the maintenance, improvements and/or replacement of the fixed assets of the Municipality.

NOW THEREFORE BE IT RESOLVED by the Council of the City of South Euclid, Ohio:

Section 1: That the Council of the City of South Euclid hereby authorizes and directs the Finance Director to transfer at the last meeting in November 7.5% of all personal income tax collected to date (after fees have been deducted) which shall include all prior transfers but not to include net profit tax on businesses to the "General Improvement and Repair Fund #408."

Section 2: That it is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees on or after November 25, 1975, 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 3: That this Resolution is deemed to be an emergency measure necessary for the immediate preservation of the public peace, health, safety, and welfare of the residents and for the further reason that a vital function of government is affected thereby. Wherefore, this Resolution shall take effect and be in force from and after the earliest period allowed by law and upon signature of the Mayor.

Passed this _____ day of _____, 2019.

Dennis Fiorelli, President of Council

Attest:

Approved:

Keith A. Benjamin, Clerk of Council

Georgine Welo, Mayor

Approved as to form:

Michael P. Lograsso, Director of Law