



City of Pataskala *Legislative Report to Council*

Legislative Report

April 16, 2018 Council Meeting

New Business

A. Ordinances

➤ **ORDINANCE 2018-4319: INCOME TAX CODE UPDATE – 1ST READING**

On November 7, 2017, the Regional Income Tax Agency (RITA) provided the city with sample ordinance language to be adopted as a result of Ohio House Bill 49 (Centralization of Municipal Net Profits Tax by the State of Ohio). At that time, however, RITA did not recommend the adoption of language related to the administration of net profit tax by the State of Ohio, or language related to the elimination of the sales throwback rule, as those provisions have been the subject of litigation by a number of Ohio municipalities. In light of the recent ruling by the Franklin County Common Pleas Court denying the municipalities' request for an injunction, and dismissing the municipalities' challenges to these provisions, RITA and the City's Law Director have recommended that the City amend our municipal income tax code ordinance related to these provisions.

After reviewing the proposed language changes, you will note that we have recommended, with respect to the net profit tax collection by the State of Ohio, that the city adopt those provisions of the Revised Code by reference only instead of rewriting them in our ordinance in their entirety. It was recommended that we add a new section to the codified ordinances (Section 171 – Income Tax) in order to accomplish this. In the event that the provisions are ultimately found by the court to be unconstitutional, this newly added section can simply be deleted from the ordinance in the future. The other revisions contained in the redlined version are required to comply with the mandatory tax code changes related to the 'sales throwback' rule. This new rule causes municipal income taxes on sales to be collected at the point of the sale's destination, rather than the point of sale's origin.

B. Resolutions

➤ **RESOLUTION 2018-018 – OFFICE COPIER EQUIPMENT LEASE**

The city currently leases its' four (4) office copiers from Konica Minolta using 4-year operating leases. Operating leases are different from capital leases (which we use

for dump trucks, heavy equipment, etc.) in that at the end of a capital lease we own the equipment outright. When an operating lease expires, the lessee (the city) is required to either: (1) purchase the existing equipment; or (2) lease or purchase new replacement copiers. The first three leases (Administration, Planning/Zoning and Council Clerk) expired in 2017 and have been replaced. The fourth and final copier lease (Police) will be expiring this month, and must be addressed. Once a copier reaches the 7-year mark, it becomes marked as out of date, and service cannot be guaranteed. Copier vendors guarantee that they will maintain replacement parts for 7 years. After that point in time, service would be on a 'best efforts' basis. As a result, the maintenance costs on copiers greater than 4 years old is more expensive, and it is usually not cost effective to simply buy this equipment. The Administration is seeking Council authorization to enter into a new 4-year lease with Konica Minolta for an updated copier for the Police department, and the associated equipment maintenance agreement. The equipment will be provided at the specifications and cost provided for in the State of Ohio term schedule (e.g., state contract).

- **RESOLUTION 2018 – 019 - A RESOLUTION AUTHORIZING A PARTNERSHIP AGREEMENT BETWEEN LICKING COUNTY AND THE CITY OF PATASKALA IN REGARD TO THE PROGRAM YEAR 2018 COMMUNITY HOUSING AND IMPACT AND PRESERVATION (CHIP) FUNDS FROM THE OHIO DEVELOPMENT SERVICES AGENCY/OFFICE OF COMMUNITY DEVELOPMENT (ODSA/OCD) AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE SAID PARTNERSHIP AGREEMENT.**

And

- **RESOLUTION 2018- 020 - A RESOLUTION ADOPTING LICKING COUNTY'S PROGRAMMATIC AGREEMENT WITH THE STATE OF OHIO HISTORIC PRESERVATION OFFICE AND THE LICKING COUNTY COMMUNITY DEVELOPMENT ADVISORY COMMISSION (CDAC) CHIP MANUAL FOR ELIGIBLE HOUSING ACTIVITIES FOR THE PARTNERSHIP BETWEEN LICKING COUNTY (APPLICANT/GRANTEE) AND THE CITY OF PATASKALA(PARTNER) FUNDED IN WHOLE OR IN PART WITH THE PROGRAM YEAR 2018 COMMUNITY HOUSING IMPACT AND PRESERVATION (CHIP) FUNDS FROM THE OHIO DEVELOPMENT SERVICES AGENCY/OFFICE OF COMMUNITY DEVELOPMENT.**

Approval of these two partner resolutions would authorize the City Administrator to execute agreements for the City to partner with Licking County for administration of the 2018 CHIP program. This program would, if funded, provide funding for eligible, grant funded, home repairs for residents who qualify. Partnering with the County for this program will cost the City no money and very minimal staff resources. The County will administer the program on the City's behalf.

The grant application, to be prepared and submitted by the County, is due May 4, 2018 with an award date of September 1, 2018. If funded, projects could begin December 1, 2018 and must be completed by December 31, 2020.

The City will work in conjunction with the County to advertise this opportunity to our residents.

I recommend approval of Resolution 2018-019 and Resolution 2018-020.

- **RESOLUTION 2018-021 -A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH STRAND ASSOCIATES, INC. FOR THE ENGINEERING DESIGN SERVICES OF THE 2018 ROADWAY IMPROVEMENTS (RAMP)**

PROGRAM AND TO ADVERTISE, RECEIVE, AND REVIEW BIDS FOR CONSTRUCTION OF THE SAME

Approval of this resolution would provide for Strand Associates, Inc. to design the 2018 Roadway Improvements Project. The annual Roadway Improvements Design Engineering Services is identified in the approved 2018 budget as Public Service Department project number SVC-16-022.

The purpose of this project is to design improvements as needed on the following roads as identified in the RAMP assessment and coordinated with the Streets Committee: Headley's Mill Road, Mill Street, Creek Road, Summit Road, Cable Road, and Dixon Road

The proposed value for design and bidding services for this project is \$31,200. Note that the total value for construction of this project is anticipated to be approximately \$650,000 in accordance with the approved 2018 budget for project number SVC-17-019; approval for construction will be sought after the design and bidding process is complete. Approval of Resolution 2018-021 is recommended.

➤ **RESOLUTION 2018-022 - A RESOLUTION AUTHORIZING THE FINAL AGREEMENT FOR THE FOR THE TAYLOR ROAD TRAIL PROJECT (ODOT PROJECT ID 96684) AND DIRECTING THE PAYMENT OF THE CITY'S COST SHARE OF \$150,040 TO THE OHIO DEPARTMENT OF TRANSPORTATION.**

Approval of this resolution would authorize and approve the ODOT required final legislation and agreement for the Taylor Road trail project. ODOT requires this final legislation for any project that uses federal or state funds and is managed by ODOT. Additionally, this final legislation is our agreement to pay the City's cost matching share for the project of \$150,040. Approval of this legislation is necessary for the project to move forward.

I recommend approval of Resolution 2018-022.

➤ **RESOLUTION 2018-023 - A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO ADVERTISE, RECEIVE, AND REVIEW BIDS FOR CONSTRUCTION OF THE 2018 ROADWAY IMPROVEMENTS PROGRAM (RAMP)**

Approval of this resolution would provide for Strand Associates, Inc. to complete bidding services for the 2018 Roadway Improvements Project. Bidding services is part of the Annual Roadway Improvements Design Engineering Services, which is identified in the approved 2018 budget as Public Service Department project number SVC-16-022.

The proposed cost for bidding services is included in the total value of \$31,200 for Engineering Services on the 2018 Roadway Improvements project. Approval of Resolution 2018-023 is recommended.