



City of Pataskala *Legislative Report to Council*

Legislative Report

October 21, 2019 Council Meeting

Unfinished Business

A. Ordinances

➤ ORDINANCE 2019-4347 - SUPPLEMENTAL APPROPRIATION- 3RD READING

The Administration has identified three budget adjustments that require Council approval. **We are respectfully requesting that Council hold the 3rd and final reading at the October 21st Council meeting and approve the legislation. There have been no changes to the legislation since the 2nd reading was held on October 7th.**

- *Section 1: Police Station Landscaping* – City Council recently approved the expenditure of up to \$8,000 on landscaping around the new Police station. Although there have been donations that will cover much of the work, we require an appropriation for the total amount of the project. We are requesting an increase of \$20,8000 to the in the Police Fund (208) budget to cover the landscape work.
- *Section 2: Main Street/SR 310 Improvements* – Now that the final items remaining on this project are going to be performed, the cost estimates appear to be approximately \$175,000 greater than the amount on the 2018 purchase order that was carried over into 2019 for this work. We are requesting an increase of \$175,000 in the budget to cover these additional costs.
- *Section 3: Property Taxes* – After paying all of the city’s property tax bills for 2018, it appears that the total is approximately \$8,000 more than was previously budgeted. These taxes are owed on parcels of land that the city owns and for which no exemption exists. We are requesting an increase of \$8,000 in the budget to cover the cost of these taxes.

➤ ORDINANCE 2019-4348 - AN ORDINANCE APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE LICKING HEIGHTS LOCAL SCHOOL DISTRICT IN CONNECTION WITH THE POSSIBLE PROPERTY TAX EXEMPTIONS IN THE PATASKALA CORPORATE PARK, AS EXPRESSED IN THE ATTACHED EXHIBIT A. – 2ND READING

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ORDINANCE 2019-4349 - AN ORDINANCE APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE SOUTHWEST LICKING LOCAL SCHOOL DISTRICT IN

CONNECTION WITH THE POSSIBLE PROPERTY TAX EXEMPTIONS IN THE PATASKALA CORPORATE PARK, AS EXPRESSED IN THE ATTACHED EXHIBIT A.- 2ND READING

Approval of these ordinances would authorize the City Administrator to enter into compensation sharing agreements with the Licking Heights School District and the Southwest Licking School District related to tax abatements for future development in the Pataskala Corporate Park. The city and the school districts have discussed options for a compensation agreement for the past 10-12 years.

The tax incentive available in the Corp Park is a Community Reinvestment Area (CRA) incentive. The CRA provides for an up to 100% abatement on the improved valuation of developed property for a maximum of 15-years. The State of Ohio statute related to CRA's requires approval of the local municipality and the local school district for any abatement of or greater than 50%. Additionally, the state statute requires that, in the absence of a compensation agreement with the local school district, the local school district will be paid 50% of the local municipality's income tax for any abatement of greater than 50%.

Historically, municipalities and school districts enter into a compensation sharing agreement for tax incentive programs. This provides the ability for the local municipality to confirm to potential developers that they will receive a tax abatement. This eliminates the need for a company to enter into negotiations with school districts. It provides a level of assurance to the potential developer and makes the property in the local municipality competitive with other entities.

Highlights of the proposed compensation agreements are:

- Compensation sharing would be a 50%/50% split of the city's income tax for a period of 15-years for each awarded abatement.
- School district(s) would receive from the developer/company 12% of the property tax they would otherwise be due if there was no abatement.
 - A company has the option, per the agreement, to meet with the school district(s) to negotiate a different amount.
- The school districts would be reimbursed, up to \$10,000, by the company/developer for any legal fees associated with the execution of a CRA abatement.

If approved by City Council, Licking Heights plans to consider the agreement during their November 19, 2019 board meeting. Southwest Licking will consider the agreements, if approved by Council, during their November 21, 2019 board meetings.

I recommend approval of Ordinances 2019-4348 and Ordinances 2019-4349.

New Business

A. Ordinances

➤ **ORDINANCE 2019-4351**

The Parks and Recreation department are seeking ordinance approval to establish tobacco free zones. No person shall use any form of tobacco at or within 100 feet of the created zones in city-owned parks or operated outdoor facilities including the restrooms, spectator and concession areas, playgrounds, aquatic areas, athletic fields/courts, and special event.

➤ **ORDINANCE 2019-4352 - INCOME TAX ALLOCATION RATES**

Once the debt service and operational funding requirements were identified, the allocation of income tax revenues between the Debt Service, Street, Police and Capital Improvements funds were calculated. The initial portion is taken off the top to cover any outstanding debt service requirements. After that amount has been calculated, the next level is then allocated to the Street and Police funds to cover their current year operational needs. Any remaining funds at that point are allocated to the Capital Improvements funds. The 2019 allocations were as follows: 33.0% - Street; 51.5% - Police; 6.0% - Debt Service; and 9.5% - Capital Improvements. For 2020, the allocations are proposed as follows: 30.85% - Street; 55.00% - Police; 12.40% - Debt Service; and 1.75% - Capital Improvements. **We are respectfully requesting that Council hold the 1st reading at the October 21st Council meeting. We would anticipate that this legislation will go through all three of the required readings.**

➤ **ORDINANCE 2019-4353 - 2020 BUDGET**

The proposed 2020-2024 capital improvements program (CIP) and any significant projects/initiatives and/or proposed staffing changes were previously presented to Council seeking feedback at the September 30th special Council meeting. The budget book was prepared and provided to Council on October 11th. The formal 2020 appropriation ordinance is being presented for Council consideration at the October 21st meeting. We will be tracking any identified changes to the budget and incorporating them all at once into the proposed budget. This is to ensure that we all are working from the same version of the proposed budget instead of different amended interim versions. As a result, the proposed budget numbers contained in the attached exhibit remain unchanged from those provided at the September 30th meeting. **We are respectfully requesting that Council hold the 1st reading at the October 21st Council meeting. We would anticipate that this legislation will go through all three of the required readings.**

B. Resolutions

➤ **RESOLUTION 2019-071 - DELTA DENTAL INSURANCE RENEWAL**

The city offers its' employees with a dental insurance program for which we are currently under contract with Delta through the COHCC. The renewal for 2020 is equal to the rate paid in 2019 (0% increase). City employees currently contribute 10% of the cost for this program, and we are not advocating any changes to the program at this time. **We are requesting that, at the October 21st Council meeting, Council approve the resolution and authorize the City Administrator to execute the necessary documents for participation in the 2020 Delta Dental insurance program.**

➤ **RESOLUTION 2019-072 - VSP VISION INSURANCE RENEWAL**

The city offers its' employees with a vision insurance program for which we are currently under contract with Vision Service Plan (VSP) through the COHCC. The renewal for 2020 is equal to the rate paid in 2019 (0% increase). City employees currently

contribute 10% of the cost for this program and we are not advocating any changes to the program at this time. **We are requesting that, at the October 21st Council meeting, Council approve the resolution and authorize the City Administrator to execute the necessary documents for participation in the 2020 VSP vision insurance program.**

➤ **RESOLUTION 2019-073 - THE STANDARD LIFE INSURANCE RENEWAL**

The city currently provides \$100,00 in life insurance coverage to our employees, and they are eligible to also have \$20,000 spousal and \$10,000 dependent child coverage. The program also provides for \$200,00 AD&D employee coverage and \$300,000 Police line of duty death benefit. As is the case in the other insurance programs, employees are assessed 10% of the cost, and we intend for this to be the same in 2020. The city's 2020 premiums are unchanged from 2019 (0% increase), and we are not advocating any changes to the program at this time. **We are requesting that, at the October 21st Council meeting, Council authorize the City Administrator to execute the necessary documents for participation in the 2020 The Standard life insurance program.**