

**CITY OF LOVELAND
MEMORANDUM**

TO: Mayor and Council

FROM: Tim Sabransky, Acting City Manager

RE: Certification of Property Values and Revenue Expectations from the Hamilton County Auditor for a Proposed Fire and Emergency Services Levy, Memorandum 56

DATE: November 11, 2013

On the agenda for Council's consideration are three resolutions directing the Director of Finance to certify a copy of approved resolutions for 1.5, 1.75 and 2.0 mills to the Hamilton County Auditor for determination of the expected revenue for the aforementioned millages to be used for providing fire and EMS services to residents.

Background

Due to the expected structural insolvency in the funds that support fire and EMS services, which will be drawn into a deficit in 2016 according to *Table 10 - Fund Forecast* on page 73 of the *2014 Operating Budget and Capital Improvement Program*, it has become necessary to ask voters to approve an additional levy in order to continue to meet the expected cost of service delivery of fire and EMS service currently provided to Loveland residents via a contract with the Loveland Symmes Fire Department.

The resolutions currently placed in front of Council only direct the Director of Finance to request an official revenue estimate from the Hamilton County Auditor at various millage levels. Once those determinations are made by the Auditor, Council will be asked to approve a final millage rate based on the desired fire and EMS service levels requested and another resolution must also be passed at least 90 days before the May 6th election date defining the final language to appear on the ballot.

Policy Options

City Council may adopt this legislation, request additional information, adopt none of the legislation or adopt some but not all of the legislation.

Analysis

As discussed in Memorandum 80, dated November 28, 2012, the Loveland Symmes Fire Association has agreed to pay the City \$30,000 annually for the retirement of the 2013 bonds issued for the purchase of a new ambulance which is currently under construction. In exchange for this commitment, the City agreed to either put a new fire and EMS levy on the May 2014 ballot or assume the ambulance's debt retirement costs thereby losing LSFAs pledge. In addition to losing the additional LSFAs revenue, data analysis indicates the funds are no longer able to meet the cost of current service levels despite the elimination of the \$95,000 administrative cost recovery to the General Fund for 2012 and 2013. Given these factors and the dwindling ability of the General Funds to backstop the funds that support fire and EMS, the City is faced with either raising revenues, cutting services or increase transfers from the General Fund in order to maintain current service levels.

Fiscal Impact

According to the Hamilton County Auditor's 2014 property tax digest, a 1.0 mill levy will generate approximately \$278,194 in additional revenues, therefore, we are asking for official certification of expected revenues for 1.5, 1.75 and 2.0 mills so Council has the flexibility to choose the resources

needed to fund fire and EMS services moving forward. This approach allows the Auditor ample opportunity to certify the revenue expectations, provide feedback to Council and choose the path forward in order to define the ballot language of a prospective levy.

Legislative Process

Three separate resolutions containing millage rates ranging from 1.5 to 2.0 mills are before Council. These levels were chosen because preliminary analysis indicates they will generate between \$417,292 and \$556,388 annually which should balance the Fire & EMS Funds through the foreseeable future while resotring the administrative cost recovery to the General Fund. If approved, the Director of Finance will certify a copy of the passed resolution to the Hamilton County Auditor in order to obtain a final certification of property values and expected revenues to be used to determine the final ballot language to place this levy before the electorate at the May 6, 2014 election. A subsequent resolution must also be passed at least 90 days before the May 6th election date defining the final levy amount and language to appear on the ballot.

Recommendation

Staff recommends Council approve all three resolutions in order to receive a certification of revenues for all three millages.

RESOLUTION 2013 - _____

Resolution declaring the necessity for levying tax exceeding ten-mill limitation, certifying 1.5 mills for fire protection and emergency services levy question (specified herein) to the Hamilton County Auditor

WHEREAS, the amount of taxes which may be raised within the ten-mill limitation will be insufficient to provide an adequate amount for the necessary requirements of the City of Loveland, Hamilton, Clermont and Warren County, Ohio for fire and emergency medical services purposes; and

WHEREAS, a resolution declaring the necessity of levying a tax for fire protection and emergency medical services purposes under Ohio Revised Code (ORC) §5705.19(I) outside the ten-mill limitation must be passed and certified to the County Auditor of Hamilton County in order to permit the City Council to consider the levy of such a tax and must request the County Auditor certify to the City Council the total current tax valuation of City of Loveland and the dollar amount of revenue that would be generated by the tax.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Loveland, Hamilton, Clermont and Warren County, Ohio:

Section 1. That it is necessary to levy an additional tax in excess of the ten-mill limitation for the benefit of City of Loveland residents for the purpose of providing and maintaining fire apparatus, appliances, buildings, or sites therefor, or sources of water supply and materials therefor, or the establishment and maintenance of lines of fire alarm telegraph, or the payment of firefighting companies or permanent, part-time, or volunteer firefighting, emergency medical service, administrative, or communications personnel to operate the same, including the payment of any employer contributions required for such personnel under section 145.48 or 742.34 of the Revised Code, or the purchase of ambulance equipment, or the provision of ambulance, paramedic, or other emergency medical services operated by a fire department or firefighting company under ORC §5705.19(I) at a rate not to exceed 1.5 mills for each one dollar of valuation, which amounts to \$.150 cents for each one hundred dollars of valuation for a continuing period of time.

Section 2. That the question of such tax levy shall be submitted to City of Loveland electors at the election to be held on May 6, 2014.

Section 3. That the levy be placed upon the tax lists of the current year commencing in 2014, first due in calendar year 2015, if a majority of the electors voting thereon vote in favor thereof.

Section 4. That pursuant to ORC §5705.03, City Council hereby requests that the County Auditor certify to this Council the total current tax valuation of the City of Loveland and the dollar amount that will be generated by the proposed levy in Section 1 if approved by the electors.

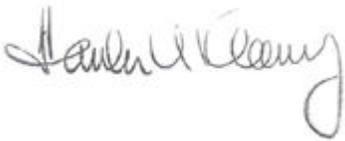
Section 5. That the Director of Finance of this Council be and hereby is directed to certify a copy of this Resolution to the County Auditor of Hamilton County, Ohio so that the County Auditor may certify such matters in accordance with ORC §5705.03 so that City Council members will be able to consider, pass and timely file the necessary resolution for consideration by electors at the May 6, 2014 election.

Section 6. That this resolution shall take effect from and after the earliest time allowed by law.

Mayor

Clerk of Council

Approved as to Form:



City Solicitor

First Reading: _____

Second Reading: _____

Passed: _____

RESOLUTION 2013 - _____

Resolution declaring the necessity for levying tax exceeding ten-mill limitation, certifying 1.75 mills for fire protection and emergency services levy questions (specified herein) to the Hamilton County Auditor

WHEREAS, the amount of taxes which may be raised within the ten-mill limitation will be insufficient to provide an adequate amount for the necessary requirements of the City of Loveland, Hamilton, Clermont and Warren County, Ohio for fire and emergency medical services purposes; and

WHEREAS, a resolution declaring the necessity of levying a tax for fire protection and emergency medical services purposes under Ohio Revised Code (ORC) §5705.19(I) outside the ten-mill limitation must be passed and certified to the County Auditor of Hamilton County in order to permit the City Council to consider the levy of such a tax and must request the County Auditor certify to the City Council the total current tax valuation of City of Loveland and the dollar amount of revenue that would be generated by the tax.

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Section 2. That the question of such tax levy shall be submitted to City of Loveland electors at the election to be held on May 6, 2014.

Section 3. That the levy be placed upon the tax lists of the current year commencing in 2014, first due in calendar year 2015, if a majority of the electors voting thereon vote in favor thereof.

Section 4. That pursuant to ORC §5705.03, City Council hereby requests that the County Auditor certify to this Council the total current tax valuation of the City of Loveland and the dollar amount that will be generated by the proposed levy in Section 1 if approved by the electors.

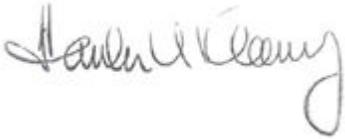
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Clerk of Council

Approved as to Form:



City Solicitor

First Reading: _____

Second Reading: _____

Passed: _____

RESOLUTION 2013 - _____

Resolution declaring the necessity for levying tax exceeding ten-mill limitation, certifying 2.0 mills for fire protection and emergency medical services levy questions (specified herein) to the Hamilton County Auditor

WHEREAS, the amount of taxes which may be raised within the ten-mill limitation will be insufficient to provide an adequate amount for the necessary requirements of the City of Loveland, Hamilton, Clermont and Warren County, Ohio for fire and emergency medical services purposes; and

WHEREAS, a resolution declaring the necessity of levying a tax for fire protection and emergency medical services purposes under Ohio Revised Code (ORC) §5705.19(I) outside the ten-mill limitation must be passed and certified to the County Auditor of Hamilton County in order to permit the City Council to consider the levy of such a tax and must request the County Auditor certify to the City Council the total current tax valuation of City of Loveland and the dollar amount of revenue that would be generated by the tax.

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Section 2. That the question of such tax levy shall be submitted to City of Loveland electors at the election to be held on May 6, 2014.

Section 3. That the levy be placed upon the tax lists of the current year commencing in 2014, first due in calendar year 2015, if a majority of the electors voting thereon vote in favor thereof.

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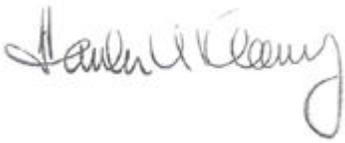
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