



CITY COMMISSIONERS

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MATTHEW D. KLINE, City Manager
DONALD C. ICSMAN, Law Director
EDWARD A. WIDMAN, Finance Director
B. JOYCE BROWN, Commission Clerk

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TO: City Commissioners

FROM: Matthew D. Kline, City Manager

DATE: August 14, 2009

SUBJECT: Commission Agenda Item

Item For Consideration: A Resolution authorizing the increase of the income tax rate from 1% to 1.5% and submitting to the voters of the City of Sandusky the question if this rate increase should be enacted.

Budgetary Considerations: It is well known that the economy - national, state, and local, is beyond recessionary as it reflects upon the revenues for the City of Sandusky. Although expenses are down 8%, the City's 2009 revenues are down over 12% based on the June 30, 2009 mid-year update provided by the Finance Committee. Actions to control General Fund expenses this year have included lay-offs and operational adjustments which reflect cuts totaling over \$284,000 and will reflect over \$768,000 for the 2010 budget.

However, as revenues continue to spiral downward, it will be necessary for the City to reduce an additional \$1.0 - \$1.2 million from the 2010 year budget. These additional cuts will have a devastating effect on the City's ability to continue to provide services necessary for the quality of life for our citizens.

Action Requested: It is recommended that Resolution #019-09R authorizing the submission of a ballot issue for an increase in the income tax rate be approved. Ordinance #09-067 would be submitted to the Board of Elections for a vote of the people on November 3, 2009, to determine if the income tax rate should be increased from 1.0% to 1.5%

RESOLUTION NO. _____

A RESOLUTION DECLARING THE NECESSITY OF AN ELECTION ON THE QUESTION OF APPROVING THE PASSAGE OF AN ORDINANCE TO AMEND SECTION 191.01 OF THE CODIFIED ORDINANCES OF THE CITY OF SANDUSKY, OHIO, IN ORDER TO PROVIDE FOR AN ADDITIONAL ONE-HALF PERCENT INCOME TAX, BY INCREASING THE INCOME TAX RATE FROM ONE PERCENT TO ONE AND ONE-HALF PERCENT BEGINNING JANUARY 1, 2010, TO PROVIDE FUNDS FOR THE PURPOSE OF GENERAL MUNICIPAL OPERATIONS, MAINTENANCE OF EQUIPMENT, PURCHASE OF NEW EQUIPMENT, EXTENSION, ENLARGEMENT AND IMPROVEMENT OF MUNICIPAL SERVICES AND FACILITIES, AND THE CAPITAL IMPROVEMENTS OF THE CITY, AND DECLARING AN EMERGENCY.

WHEREAS, the City Manager has advised this City Commission that additional revenues are needed by the City and has recommended that the income tax rate of the City be increased and that the issue of such increase be submitted to the electors of the City at an election to be held on November 3, 2009; and

WHEREAS, an emergency exists in that, for the immediate preservation of the public peace, property, health and safety, it is necessary that this resolution be immediately effective in order to to permit necessary arrangements to be made in sufficient time for the aforesaid election, and by reason thereof, this resolution shall take effect forthwith upon its adoption, NOW THEREFORE

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, that:

Section 1. This City Commission hereby authorizes and directs the submission to the electors of the City of Sandusky, Ohio, at an election to be held at the usual places of voting in said City on Tuesday, November 3, 2009, between the hours of 6:30 a.m. and 7:30 p.m. of said day, of the question of approving the passage of an ordinance to provide for an additional one-half percent income tax, by increasing the income tax rate from one percent to one and one-half percent beginning January 1, 2010, to provide funds for the purpose of general municipal operations, maintenance of equipment, purchase of new equipment, extension, enlargement and improvement of municipal services and facilities, and the capital improvements of the City, which ordinance is set forth in full in Section 2 hereof.

Section 2. That the proposed ordinance to be submitted to the electors of the City for their approval hereunder shall be as follows:

“ORDINANCE NO. _____

AN ORDINANCE TO AMEND SECTION 191.01 OF THE CODIFIED ORDINANCES OF THE CITY OF SANDUSKY, OHIO, IN ORDER TO PROVIDE FOR AN ADDITIONAL ONE-HALF PERCENT INCOME TAX, BY INCREASING THE INCOME TAX RATE FROM ONE PERCENT TO ONE AND ONE-HALF PERCENT BEGINNING JANUARY 1, 2010, TO PROVIDE FUNDS FOR THE PURPOSE OF GENERAL MUNICIPAL OPERATIONS, MAINTENANCE OF EQUIPMENT, PURCHASE OF NEW EQUIPMENT, EXTENSION, ENLARGEMENT AND IMPROVEMENT OF MUNICIPAL SERVICES AND FACILITIES, AND THE CAPITAL IMPROVEMENTS OF THE CITY, AND DECLARING AN EMERGENCY.

WHEREAS, the City Manager has advised this City Commission that additional revenues are needed by the City and has recommended that the income tax rate of the City be increased; and

WHEREAS, an emergency exists in that, for the immediate preservation of the public peace, property, health and safety, it is necessary that this ordinance be effective immediately so that the City may begin to receive those additional revenues without delay and thereby preserve and maintain City services and functions and protect the credit of the City, and, by reason thereof, this ordinance shall take effect forthwith upon its passage, NOW THEREFORE

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, that:

Section 1. Effective January 1, 2010, Section 191.01 of the Codified Ordinances of the City of Sandusky, Ohio, is hereby amended to read as follows:

“191.01 PURPOSE.

There is hereby levied a tax at the rate of one and one-half percent (1-1/2%) on Taxable Income (as hereinafter defined), subject to the restrictions provided in Section 191.10 and elsewhere in this Chapter. The levy of such tax shall be used to provide funds for the purpose of general municipal operations, maintenance of equipment, purchase of new equipment, extension, enlargement and improvement of municipal services and facilities, and the capital improvements of the City.”

Section 2. Effective January 1, 2010, Section 191.01 of the Codified Ordinances of the City of Sandusky, Ohio, as it has heretofore existed is hereby repealed. Provided, however, that no provision of this ordinance, including the repeal of Section 191.01 of the Codified Ordinances of the City of Sandusky, Ohio, as it has heretofore existed, shall in any way affect any rights or obligations of the City, any taxpayer, or any other person, official or entity with respect to the one percent municipal income tax heretofore authorized by Section 191.01 of the Codified Ordinances of the City of Sandusky, Ohio.

Section 3. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this ordinance were taken in an opening meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with law.

Section 4. For the reasons set forth in the last preamble hereto, this ordinance is hereby declared to be an emergency measure and shall take effect immediately upon its passage and due authentication by the President and the Clerk of the City Commission.

CRAIG H. STAHL
PRESIDENT OF THE CITY COMMISSION

ATTEST: _____
B. JOYCE BROWN
CLERK OF THE CITY COMMISSION

Passed: _____, 2009”

Section 3. It is the desire of the City Commission that the ballots presented to the electors of the City shall be in substantially the following form:

A majority affirmative vote is necessary for passage.

Shall the Ordinance (Ordinance No. _____) providing for an additional one-half percent (1/2%) levy on income to provide funds for the purpose of general municipal operations, maintenance of equipment, purchase of new equipment, extension, enlargement and improvement of municipal services and facilities, and the capital improvements of the City, resulting in a total municipal income tax rate of one and one-half percent (1-1/2%) beginning January 1, 2010, be passed?

	FOR THE INCOME TAX
	AGAINST THE INCOME TAX

Section 4. The Clerk of the City Commission is hereby authorized and directed to deliver a certified copy of this resolution to the Board of Elections of Erie County on or before August 20, 2009.

Section 5. The Board of Elections of Erie County is hereby requested to cause notice of said election to be given as provided by law and otherwise to provide for such election in the manner provided by law.

Section 6. There is hereby appropriated from the General Fund a sufficient sum of money to pay expenses related to the aforesaid election.

Section 7. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the adoption of this resolution were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 8. For the reasons set forth in the last preamble hereto, this resolution is hereby declared to be an emergency measure and shall take effect immediately upon its adoption and due authentication by the President and the Clerk of the City Commission.

CRAIG H. STAHL
PRESIDENT OF THE CITY COMMISSION

ATTEST:

B. JOYCE BROWN
CLERK OF THE CITY COMMISSION

Adopted: August 17, 2009

ORDINANCE NO. _____

AN ORDINANCE TO AMEND SECTION 191.01 OF THE CODIFIED ORDINANCES OF THE CITY OF SANDUSKY, OHIO, IN ORDER TO PROVIDE FOR AN ADDITIONAL ONE-HALF PERCENT INCOME TAX, BY INCREASING THE INCOME TAX RATE FROM ONE PERCENT TO ONE AND ONE-HALF PERCENT BEGINNING JANUARY 1, 2010, TO PROVIDE FUNDS FOR THE PURPOSE OF GENERAL MUNICIPAL OPERATIONS, MAINTENANCE OF EQUIPMENT, PURCHASE OF NEW EQUIPMENT, EXTENSION, ENLARGEMENT AND IMPROVEMENT OF MUNICIPAL SERVICES AND FACILITIES, AND THE CAPITAL IMPROVEMENTS OF THE CITY, AND DECLARING AN EMERGENCY.

WHEREAS, the City Manager has advised this City Commission that additional revenues are needed by the City and has recommended that the income tax rate of the City be increased; and

WHEREAS, an emergency exists in that, for the immediate preservation of the public peace, property, health and safety, it is necessary that this ordinance be effective immediately so that the City may begin to receive those additional revenues without delay and thereby preserve and maintain City services and functions and protect the credit of the City, and, by reason thereof, this ordinance shall take effect forthwith upon its passage, NOW THEREFORE

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, that:

Section 1. Effective January 1, 2010, Section 191.01 of the Codified Ordinances of the City of Sandusky, Ohio, is hereby amended to read as follows:

“191.01 PURPOSE.

There is hereby levied a tax at the rate of one and one-half percent (1-1/2%) on Taxable Income (as hereinafter defined), subject to the restrictions provided in Section 191.10 and elsewhere in this Chapter. The levy of such tax shall be used to provide funds for the purpose of general municipal operations, maintenance of equipment, purchase of new equipment, extension, enlargement and improvement of municipal services and facilities, and the capital improvements of the City.”

Section 2. Effective January 1, 2010, Section 191.01 of the Codified Ordinances of the City of Sandusky, Ohio, as it has heretofore existed is hereby repealed. Provided, however, that no provision of this ordinance, including the repeal of Section 191.01 of the Codified Ordinances of the City of Sandusky, Ohio, as it has heretofore existed, shall in any way affect any rights or obligations of the City, any taxpayer, or any other person, official or entity with respect to the one percent municipal income tax heretofore authorized by Section 191.01 of the Codified Ordinances of the City of Sandusky, Ohio.

Section 3. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this ordinance were taken in an opening meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with law.

Section 4. For the reasons set forth in the last preamble hereto, this ordinance is hereby declared to be an emergency measure and shall take effect immediately upon its passage and due authentication by the President and the Clerk of the City Commission.

CRAIG H. STAHL
PRESIDENT OF THE CITY COMMISSION

ATTEST: _____
B. JOYCE BROWN
CLERK OF THE CITY COMMISSION

Passed: _____, 2009

CITY OF SANDUSKY

NOTICE OF ELECTION ON ORDINANCE PROVIDING FOR
AN ADDITIONAL ONE-HALF PERCENT MUNICIPAL INCOME TAX

Notice is hereby given that in pursuance of Resolution No. _____ of the City Commission of the City of Sandusky, Ohio, adopted on the 17th day of August, 2009, there will be submitted to a vote of the people of said City of Sandusky at an election to be held in the City of Sandusky, Ohio, at the regular places of voting therein on Tuesday, the 3rd day of November, 2009, the question of approving the passage of an ordinance to amend Section 191.01 of the Codified Ordinances of the City of Sandusky, Ohio, in order to provide for an additional one-half percent income tax, by increasing the income tax rate from one percent to one and one-half percent beginning January 1, 2010, to provide funds for the purpose of general municipal operations, maintenance of equipment, purchase of new equipment, extension, enlargement and improvement of municipal services and facilities, and the capital improvements of the City.

The polls for said election will be open at 6:30 o'clock a.m. and remain open until 7:30 o'clock p.m. of said day.

By order of the Board of Elections
of Erie County, Ohio

Dated: _____, 2009

INSTRUCTIONS TO PRINTER:

Publish on one occasion in a newspaper published and of general circulation in Erie County and of general circulation in the City of Sandusky at least ten days prior to the date of the election, such insertion being on or before October 24, 2009.

ORDINANCE NO. _____

AN ORDINANCE AMENDING PART ONE (ADMINISTRATIVE CODE), TITLE FIVE (OFFICERS AND DEPARTMENTS), CHAPTER 145 (EMPLOYMENT PROVISIONS) OF THE CODIFIED ORDINANCES, IN THE MANNER AND WAY SPECIFICALLY SET FORTH HEREINBELOW; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, this Ordinance should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter to amend Chapter 145 of the Codified Ordinances and put in place the proposed modification regarding health insurance so as to immediately realize a savings to the City's General Fund; and

WHEREAS, it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of the Municipal Departments of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio, finds that an emergency exists and that it is advisable that the amendment to Section 145.38 of Chapter 145 of the Codified Ordinances be enacted as soon as possible and that this **Ordinance** be declared an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter upon its adoption and, NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. Part One (Administrative Code), Title Five (Officers and Departments), Chapter 145 (Employment Provisions), Section 145.38 of the Codified Ordinances of the City is hereby amended as follows:

**NEW LANGUAGE APPEARS IN BOLD PRINT
LANGUAGE TO BE STRICKEN APPEARS WITH A STRIKE THROUGH IT
LANGUAGE TO REMAIN UNCHANGED APPEARS IN REGULAR PRINT**

145.38 HEALTH INSURANCE.

(a) Any officer or employee who is regularly scheduled to work a minimum of thirty (30) hours per work week and whose pay is fixed on a monthly basis and who is not covered by a collective bargaining agreement with AFSCME, IAFF, or F.O.P., upon request of such employee, shall be furnished and afforded the protection of the City health benefit plan for such employee and the members of the immediate family thereof no sooner than the first day of the month following their initial date of employment with the City of Sandusky. Assistant Law Directors are also eligible for coverage. The coverage for the employees not covered by a collective bargaining agreement shall equal the coverage provided to the City's existing bargaining units. **For an employee eligible for City health benefits and not covered by a collective bargaining agreement, a bi-weekly contribution of \$37 for family coverage or a bi-weekly contribution of \$13 for single coverage shall be withheld from the employee effective the August 14, 2009, pay day and every pay day thereafter. These deductions are withheld before taxes are calculated.**

(b) The City Manager and the Finance Director are authorized to contract for health insurance coverage with firms or organizations licensed to provide insurance coverages within the State.

(c) The City Manager and the Finance Director are authorized to contract with firms or organizations licensed to provide pre-tax options for employee out-of-pocket expenses associated with health insurance programs. Employees are afforded the option of participating in such programs.

(d) The City Manager and the Finance Director are authorized to provide life

insurance coverage in an amount equal to an employee's base salary as part of the health benefit package. Additional insurance may be obtained by individual employees with the total cost paid by the employee.

(e) To be qualified for health insurance coverage pursuant to this section, an employee shall be on active pay status as part of the first working day of each calendar month during which coverage is to be provided. In the event an otherwise qualified employee is not on active status of the same, the City shall reimburse the employee for the health insurance premium which he or she has paid to maintain health insurance coverage during such calendar month.

~~(Ord. 04-138. Passed 8-9-04.)~~

Section 2. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

CRAIG H. STAHL

PRESIDENT OF THE CITY COMMISSION

ATTEST: _____

B. JOYCE BROWN

CLERK OF THE CITY COMMISSION

Passed: