

VILLAGE OF CHAGRIN FALLS
April 10, 2017 Regular Council Meeting 7:00 P.M.

- 1) Pledge of Allegiance
- 2) Roll call and action concerning absentees
- 3) Approval of the minutes of the Regular Council Meeting held March 27, 2017.
- 4) Report of the Mayor William A. Tomko
- 5) Report of the Finance Director David B. Bloom
- 6) Members of the public to speak to agenda items
(Not to exceed two (2) minutes per person.)
- 7) Report of the Law Director Dale H. Markowitz
 - A. Legislative Docket: Disposition of legislation, including any public hearings on legislation.
 1. **Resolution No. 2017-16** - A resolution opposing the State of Ohio Governor's Proposed 2017-2018 Budget, currently being considered in conjunction with House Bill 49, which proposes centralized collection of net profit tax returns and other provisions related to the Municipal Income Tax which will cause a substantial loss of revenue needed to support the health, safety, welfare and economic development efforts of Ohio Municipalities, and declaring an emergency. New legislation.
 2. **Resolution No. 2017-17** - A resolution authorizing the Mayor to submit an application with the Ohio Department of Natural Resources for funding assistance pursuant to the Natureworks Grant Program and declaring an emergency. New legislation.
- 8) Council Committee Reports:
 - a) Streets & Sidewalks Committee Brett Berkobein
 - b) Facilities & Services Committee John Mitchell
 - c) Planning & Zoning Commission Nancy Rogoff
 - d) Safety Committee Janna Lutz
 - e) Utilities Committee James Newell
 - f) Board of Zoning Appeals Karl Maersch
 - g) Administration & Compensation Committee Angie DeBernardo

- | | | |
|-----|---|-------------------|
| h) | Finance Committee | Karl Maersch |
| i) | Parks Commission | Janna Lutz |
| j) | Shade Tree Commission | Janna Lutz |
| k) | Arts Commission | Nancy Rogoff |
| l) | Parking Commission | James Newell |
| 9) | Report of the Chief Administrative Officer | Benjamin T. Himes |
| 10) | Report of the Engineer | Tim Lannon |
| 11) | Report of the Police Chief | Amber Dacek |
| 12) | Report of the Fire Chief | Frank M. Zugan |
| 13) | Members of the public to speak to any matter
(not to exceed 5 minutes) | |
| 14) | Miscellaneous | |
| 15) | Adjournment | <hr/> |

INTRODUCED BY: MAYOR & COUNCIL

A RESOLUTION OPPOSING THE STATE OF OHIO GOVERNOR'S PROPOSED 2017-2018 BUDGET, CURRENTLY BEING CONSIDERED IN CONJUNCTION WITH HOUSE BILL 49, WHICH PROPOSES CENTRALIZED COLLECTION OF NET PROFIT TAX RETURNS AND OTHER PROVISIONS RELATED TO THE MUNICIPAL INCOME TAX WHICH WILL CAUSE A SUBSTANTIAL LOSS OF REVENUE NEEDED TO SUPPORT THE HEALTH, SAFETY, WELFARE AND ECONOMIC DEVELOPMENT EFFORTS OF OHIO MUNICIPALITIES, AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council have been advised of a proposal by Ohio Governor Kasich and his administration to institute a state-operated program for the centralized collection of the municipal income tax; and

WHEREAS, the proposal for a state takeover of collection of the municipal income taxes of municipal corporations such as the Village of Chagrin Falls is a clear attack on the home rule powers granted to municipal corporations by the Ohio Constitution; and

WHEREAS, the proposed budget also includes a provision that would eliminate a portion of the three factor sales formula for determining sales of businesses within the Village, known as the "throwback" and if adopted it would eliminate income generated off-site and also from businesses providing on-line sales, such as catalog distribution facilities that process on-line purchase in warehouse performance centers and it also includes intellectual property generated through the work of professional organizations resulting in a total loss of taxation of these sales by municipalities in Ohio and would eliminate revenue that pays for the increased cost for services for warehouse and distribution centers, resulting in a significant loss of municipal tax revenue, whereas municipalities throughout Ohio currently provide uniform treatment of throwback rules; and

WHEREAS, the Ohio Governor's proposal would centralize collection at a higher cost than the Village of Chagrin Falls currently pays to the Regional Income Tax Agency, and business filers and tax preparers would lose the benefit of easily accessible local assistance from municipal tax administrators and municipalities would lose the ability to collect revenue and deposit it immediately when received in order to meet expenditures on a day-to-day basis; and

WHEREAS, the Ohio Business Gateway currently serves as a central portal for businesses where they can file their net profit tax obligations to Ohio cities and villages, which system allows municipalities to verify the accuracy of business filings while allowing local businesses the central, State supported system to manage local tax obligations; and

RESOLUTION NO.: 2017- 16
INTRODUCED BY: MAYOR & COUNCIL

WHEREAS, the State, if the central collection is adopted, would have control of over \$600,000,000.00 of municipal revenue, generating interest off of local government revenue generation while denying municipalities the ability to leverage the benefits of their community's assets; and

WHEREAS, the Village of Chagrin Falls strenuously objects to this latest attack on municipal home rule under consideration by the State of Ohio and urges all municipal corporations to make it clear to the Governor and General Assembly that this proposed usurpation of constitutionally-granted local municipal power shall not take place without a vigorous legal challenge by affected municipal corporations; and

WHEREAS, the recent reduction in the Local Government Fund, elimination of Estate Tax, and accelerated phase-out of promised reimbursement for loss of revenues due to the repeal of the tangible Personal Property Tax have all resulted in a significant loss of revenue to the Village; and

WHEREAS, municipalities can and will provide the personal service and assistance to its taxpayers in the preparation and filing of their tax reports and returns; and

WHEREAS, only municipalities can ensure the prompt and proper auditing of local tax returns to ensure all applicable deductions and declarations are reported, thus also ensuring that all taxpayers pay their fair share without causing higher costs of compliance for all, and must be able to do so without burdensome and costly restrictions included in the Governor's budget proposal created with the only purpose of restricting municipalities from correcting/auditing business return filings or making assessments; and

WHEREAS, provisions in this proposal will hamper municipalities' ability to audit and correct municipal income tax business returns, to equitably enforce the municipal income tax laws and has been crafted as a vehicle to control the administrative process of municipal income tax to the benefit of specific taxpayer interests; and

WHEREAS, the municipal income tax is the single largest revenue source, which provides essential municipal services, promoting a positive quality of life that residents and businesses alike rely upon, and any forced reduction in this revenue will have a negative impact on residents and businesses, creating an environment detrimental to retaining and attracting business in Ohio.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE VILLAGE OF CHAGRIN FALLS, CUYAHOGA COUNTY, STATE OF OHIO:

SECTION 1. The Ohio General Assembly should immediately remove all language pertaining to municipal income tax collection and administration from the Governor's proposed budget, and as currently proposed in House Bill 49, and should promote upcoming changes to the Ohio Business Gateway as a solution for businesses to file municipal income tax returns in a more

RESOLUTION NO.: 2017- 16
INTRODUCED BY: MAYOR & COUNCIL

simple and efficient manner, with the Ohio Business Gateway continuing to act only as a portal to remit payments and filing information directly to municipalities and not to the Ohio Department of Taxation.

SECTION 2. The Clerk of Council is hereby directed to forward a certified copy of this Resolution to the President of the Ohio Senate, the Speaker of the Ohio House of Representatives, to Ohio Governor Kasich, and to the Ohio Municipal League Executive Director Kent Scarrett.

SECTION 3. That actions of this Council concerning and relating to the passage of this legislation were adopted in lawful meetings of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action were in compliance with all legal requirements, including Chapter 114 of the Codified Ordinances of the Village of Chagrin Falls.

SECTION 4. That in accordance with Section 113.01 of the Codified Ordinances of the Village of Chagrin Falls, public notice of this Resolution shall be given by posting a copy thereof for not less than fifteen (15) days in the Village Hall.

SECTION 5. This Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health and safety of the inhabitants of the Village and for the further reason that the Village must maintain revenue levels without threat of assault via legislation proposed by the Ohio Governor and being considered by the Ohio General Assembly; wherefore provided it receives the affirmative vote of at least two-thirds (2/3) of all members elected to Council, this Resolution shall be in full force and effect from and immediately upon its passage by this Council and approval by the Mayor; otherwise, it shall take effect and be in force after the earliest period allowed by law.

Passed this _____ day of _____, 2017.

Karl Maersch, President of Council

Attest:

William Tomko, Mayor

I certify that Resolution No. 2017-16 was duly enacted on the ____ day of _____, 2017 by the Council of the Village of Chagrin Falls and posted in accordance with the Resolutions of the Village

David Bloom, Fiscal Officer

**RESOLUTION NO. 2017- 17
INTRODUCED BY: MS. LUTZ**

4005

**A RESOLUTION AUTHORIZING THE MAYOR TO
SUBMIT AN APPLICATION WITH THE OHIO
DEPARTMENT OF NATURAL RESOURCES FOR
FUNDING ASSISTANCE PURSUANT TO THE
NATUREWORKS GRANT PROGRAM AND
DECLARING AN EMERGENCY.**

WHEREAS, the State of Ohio through the Ohio Department of Natural Resources, administers financial assistance for public recreation purposes, through the State of Ohio NatureWorks grant program; and

WHEREAS, the Village desires financial assistance under the NatureWorks Grant Program.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE VILLAGE OF CHAGRIN FALLS, CUYAHOGA COUNTY, AND STATE OF OHIO:

SECTION 1. That the Village Council hereby approves the filing of an application for financial assistance from ODNR.

SECTION 2. That the Mayor is further authorized and directed to execute and file an application with the ODNR and to provide all information and documentation required to become eligible for possible funding assistance.

SECTION 3. That the Village does agree to obligate the funds required to satisfactorily complete the proposed project and become eligible for reimbursement under the terms of the NatureWorks Grant Program.

SECTION 4. That actions of this Council concerning and relating to the passage of this legislation were adopted in lawful meetings of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action were in compliance with all legal requirements, including Chapter 114 of the Codified Ordinances of the Village of Chagrin Falls.

RESOLUTION NO. 2017- 17
INTRODUCED BY: MS. LUTZ

SECTION 5. That in accordance with Section 113.01 of the Codified Ordinances of the Village of Chagrin Falls, public notice of this Resolution shall be given by posting a copy thereof for not less than fifteen (15) days in the Village Hall.

SECTION 6. That this Resolution is declared to be an emergency measure for the immediate preservation of the public peace, property, health and safety of the inhabitants of the Village and for the further reason that the application submittal deadline to submit a grant is May 1, 2017, and the Village is in need of funding now for an eligible NatureWorks Grant, and therefore this Resolution is needed to insure a timely application in order to be eligible for the ODNR NatureWorks Grant Program, and providing this Resolution shall be in full force and effect from and after its adoption by two-thirds (2/3) of the Council and approval by the Mayor.

PASSED: _____, 2017

Karl Maersch, Council President

Submitted to the Mayor for
his approval on this
_____ day of _____, 2017

Approved by the Mayor

_____, 2017

Mayor William Tomko

I hereby certify that Resolution No. 2017-_____ was duly enacted on the _____ day of _____, 2017, by the Council of the Village of Chagrin Falls and posted in accordance with Section 113.01 of the Codified Ordinances of the Village of Chagrin Falls.

David B. Bloom, Clerk of Council

I, the undersigned, hereby certify that the foregoing is a true and correct copy of Resolution 2017-_____ adopted by the Village Council for the Village of Chagrin Falls held on the 10th day, in the month of April, 2017, and that I am duly authorized, as the Clerk of Council, to execute this certificate.

David B. Bloom

Clerk of Council

(title)