

RESOLUTION NO. 06-03 CMS

A RESOLUTION DECLARING THAT THE AMOUNT OF TAXES THAT MAY BE RAISED WITHIN THE TEN-MILL LIMITATION BY LEVIES ON THE CURRENT TAX DUPLICATE TO BE INSUFFICIENT TO PROVIDE AN ADEQUATE AMOUNT FOR THE NECESSARY REQUIREMENTS OF THE CITY OF OBERLIN, AND DECLARING THE NECESSITY TO LEVY A TAX IN EXCESS OF SUCH RATE FOR THE PURPOSE OF PROVIDING FUNDS FOR THE COLLECTION AND DISPOSAL OF GARBAGE OR REFUSE, AND DECLARING AN EMERGENCY

BE IT RESOLVED by the Council of the City of Oberlin, County of Lorain, State of Ohio, five-sevenths (5/7ths) of all members elected thereto concurring:

SECTION 1. That it is hereby declared that the amount of taxes that may be raised within the ten-mill limitation by levies on the current tax duplicate will be insufficient to provide an adequate amount for the necessary requirements of the City of Oberlin, and it is necessary to levy a tax in excess of such limitation for the purpose of providing funds for the collection and disposal of garbage or refuse in the City of Oberlin at a rate not exceeding three (3.0) mills, for a period of five (5) years, commencing in 2006, and being first due in calendar year 2007.

SECTION 2. That said levy is a replacement of an existing levy of three (3.0) mills for the benefit of the City of Oberlin for the purpose of providing funds for the collection and disposal of garbage or refuse, pursuant to Section 5705.19 (V) of the Ohio Revised Code.

SECTION 3. That said levy shall be placed upon the ballot at an election which shall be held on the first Tuesday after the first Monday in May of 2006, being May 2, 2006, and shall be placed upon the 2006 tax list for collection in the 2007 calendar year, if a majority of the electors voting thereon vote in favor thereof.

SECTION 4. That the form of the ballot to be cast at the election on the question of the replacement levy shall be as follows:

A Majority Affirmative Vote Is Necessary For Passage

A Replacement of a tax levy for the benefit of the City of Oberlin for the purpose of providing funds for the collection and disposal of garbage or refuse in the City of Oberlin at a rate not exceeding three (3.0) mills for each one dollar of valuation, which amounts to thirty (30) cents for each one hundred dollars of valuation for five (5) years and commencing in 2006, first due in calendar year 2007.

	FOR THE TAX LEVY
	AGAINST THE TAX LEVY

SECTION 5. The Clerk of Council of the City of Oberlin is hereby directed to certify a copy of this Resolution to the Board of Elections of Lorain County, Ohio, at least seventy-five (75) days prior to May 2, 2006, and request that said Board of Elections cause Notice of Election on the question of levying said tax be given as required by law.

SECTION 6. It is hereby found and determined that all formal actions of this Council concerning or relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 7. That this Resolution is hereby declared to be an emergency measure necessary for the preservation of the public peace, health and safety of the citizens of the City of Oberlin, Ohio, or to provide for the usual daily operation of a municipal department, to wit:

"to ensure that this Resolution is adopted and certified to the Board of Elections of Lorain County, Ohio, within the time limitations provided by law", and shall take effect immediately upon passage.

PASSED: 1st Reading - February 6, 2006 (E)
 2nd Reading -
 3rd Reading -

ATTEST:

Eugene F. Simon

 CLERK OF COUNCIL

[Signature]

 PRESIDENT OF COUNCIL

POSTED: February 7, 2006

EFFECTIVE DATE: February 7, 2006

Certificate of Result of Election on Tax Levy in Excess of the Ten Mill Limitation

Revised Code, Secs. 3501.011; 3505.33; 5705.19-5705.26

The State of Ohio, Lorain County, ss.

05-30-06A09:43 RCVD

To: Oberlin City

We, the undersigned, Board of Elections of said County, do hereby certify that the Primary Election held in The City of Oberlin (Name of Subdivision) in said County, on the 2nd day of May, 2006 (Year), on the question of levying a tax in excess of the ten mill limitation, for the benefit of said subdivision for the purpose of Collection and Disposal of Garbage and Refuse

Said tax being ²
A Replacement of a tax

at a rate not exceeding 3 mills

\$0.30

(Rate expressed in dollars and cents)

for each one hundred dollars of valuation, for

Five years

(Number of years the levy is to run, life of indebtedness, or continuing period of time)

resulted as follows:

Total number of votes cast:

One thousand, two hundred and sixty five

(Write number of votes in Words)

1,265

(In Figures)

For the Tax Levy:

One thousand and five

(Write number of votes in Words)

1,005

(In Figures)

Against the Tax Levy:

Two hundred and sixty

(Write number of votes in Words)

260

(In Figures)

as the same appears by the Abstract of Votes duly certified and signed by us and deposited in our office.

IN WITNESS WHEREOF, We have hereunto subscribed our names officially, at Sheffield, Ohio, this

25th day of May, 2006 (Year)

Thos. B. Smith

Chairman.

Robert S. Rousseau

Robert S. Rousseau Board of Elections,

Attest:

W. J. Jacob

Director.

Allen W. Kersh Lorain County, Ohio.

1. Ohio Dept. of Taxation, Tax Equalization Division, The Board of County Commissioners of _____ County; the Council of the City or Village of _____; Board of Education _____ Township or to the taxing authority.

2. Here insert one of the following:
"an additional tax of _____ mills"
"a renewal of an existing tax of _____ mills"
"a renewal of a tax of _____ mills and an increase of _____ mills to constitute a tax of _____ mills"
"a renewal of a part of a _____ mill existing levy, being a reduction of _____ mills to constitute a tax of _____ mills"
"a replacement of _____ mills and an increase of _____ mills to constitute a tax of _____ mills"
"a replacement of part of an existing levy, being a reduction of _____ mills to constitute a tax of _____ mills"
"a replacement of a tax of _____ mills"

City of
Oberlin

69 South Main Street, Oberlin, Ohio 44074

To: Honorable President, Council, and Council Appointees
From: Sal Talarico, Finance Director
Subject: REVISED - Follow-up to the Charter Millage/Levy Worksession held Jan. 9, 2006 memo sent to Council on January 13, 2006
Date: January 20, 2006

At the last Council meeting I explained the property tax vs. income tax chart I included in your packets. When I prepared the chart I based the collections on approximately \$480,000 of property and income tax collections, 6.4 mills vs. 0.20% income tax. The total property tax collection was incorrect, the correct amount is approximately \$720,000. The original \$480,000 was based on the residential portion of total assessed values as opposed to the total assessed value of all property in Oberlin.

Therefore, in order to collect \$720,000 in income taxes to match the same revenue from 6.4 mills on property an additional 0.30% would need to be added to the income tax rate. As you can see from the chart the conclusion is the same, in that most of the chart is still blue, which indicates that income tax appears to be a more progressive tax over property taxes for Oberlin residents.

I have attached an updated memorandum and chart. I apologize for any confusion this may have caused, please feel free to call if you have any questions.

c. File

Council 1-20-06 REVISED from 1-13 - Follow-up to Charter millage - Levy Worksession

"Ohio's Best College Town"

—OHIO Magazine

City of *Oberlin*

69 South Main Street, Oberlin, Ohio 44074

***** REVISED *****

January 20, 2006

To: Honorable President, Council, and Council Appointees
From: Sal Talarico, Finance Director
Subject: Follow-up to the Charter Millage/Evy Worksession held Jan. 9, 2006
Date: January 13, 2006

At the Council worksession on January 9th, President Gardner brought up the issue of progressive vs. regressive taxes. I do not intend to address all facets of whether any of the City's taxes are more progressive than another. As you can see by the reference information attached, that argument can be complex and subject to individual viewpoints.

What I did provide for you is an analysis of income taxes vs. property taxes, as they relate specifically to Oberlin, based on our current property and income tax base. The chart attached has several assumptions, which are noted on the chart and listed below as well:

- Property taxes are based on 2005 tax rates collected in 2006 for an owner-occupied residential property.
- Property tax millage of 6.4 is the current City voted millage at the full rate – replacement value.
- Income tax rate of 0.30% based on 2005 collections would generate the same amount of tax revenue as 6.4 mills of property taxes, as described above, approximately **\$722,361**.
- Income tax assumes no significant change occurs in our income tax base, specifically our larger employers.

As you can see from the chart most of the area (blue shaded) indicates that the taxpayer would benefit by an income tax as opposed to a property tax (6.4 mills generate the same as 0.20% income tax).

For example: a household with \$50,000 combined taxable earnings (for the most part wages) the amount of income tax from the 0.30% income tax would be **\$150** (across the top of the chart). That same household (\$50,000 combined taxable income) would pay \$294 in property taxes on their home appraised by the County at \$150,000 (along the left side of the chart) – by following the grid down from \$50,000 and across to \$150,000.

You can use the same process in the example above to go from \$0 in property value and income to \$500,000 in property value and \$200,000 in income.

"Ohio's Best College Town"

—OHIO Magazine

Although this chart may indicate that for Oberlin the income tax is a more progressive tax than property tax it also comes with the following potential risks:

- Will prospective employers be deterred from locating to Oberlin if the tax rate is too high for key high-level employees of the company and for taxes due on net profits?
- Income taxes, as recent history has shown for Oberlin, are not as stable as property taxes.

The benefits are:

- You only pay the tax if you are earning income.
- The tax increases with your wages without a cap, i.e. 0.30 % if you make \$10,000 (tax of \$30) or if you make \$1 Million (tax of \$3,000).
- Shifts the more of the tax burden to non-residents.

You may be wondering why the chart leans so heavily towards income tax. Most of our income tax dollars come from withholdings. Withholdings come from the employers in town, which typically employ workers that do not live in Oberlin. Therefore an income tax increase would shift more of the tax burden to non-residents as opposed to residents, not to forget the risks noted above.

For your reference our municipal income tax differs from the school district tax. One of the key differences is that the school district tax is a tax on income of the residents of the school district as opposed to the City's income tax that is predominantly a withholding tax, since we offer a 100% credit for taxes paid to other cities by Oberlin residents.

I hope this information is helpful as you consider your recommendation regarding the levies that are about to expire.

If you have any questions please call.

c. File

CERTIFICATE OF ESTIMATED PROPERTY TAX REVENUE
(Use this form when a taxing authority certifies a millage rate and requests
the revenue produced by that rate.)

The County Auditor of **LORAIN** County, Ohio does hereby certify the following:

1. On January 19, 2006, the taxing authority of the City of Oberlin certified a copy of its resolution or ordinance adopted January 17, 2006 requesting the County Auditor to certify the tax valuation of the sub-division and the amount of revenue that would be produced by 3.00 mills, to levy a tax outside the ten-mill limitation for Garbage Collection purposes pursuant to Revised Code 5705.19 (V), to be placed on the ballot at May 2, 2006 election. The levy type is Renewal.
2. The estimated property tax revenue that will be produced by the stated millage, assuming the valuation of the sub-division remains constant throughout the life of the levy, is calculated to be
\$297,044.
\$ 10,393. – P.P. State Reimbursement – 2007
\$307,437 – Total
3. The total tax valuation of the sub-division used in calculating the estimated property tax revenue is
110,482,366.



Auditor's Signature

1-30-06

Date

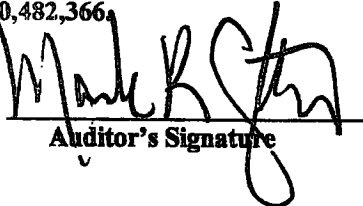
INSTRUCTIONS

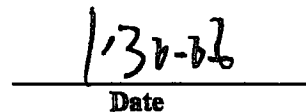
1. "Total tax valuation" includes the taxable value of all real, personal, and public utility property in the sub-division, which are on the tax lists that were most recently certified for collection. If the sub-division is located in more than one county, the home county auditor (where the greatest taxable value of the sub-division is located) shall obtain the assistance of the other county auditors to establish the total tax valuation of the subdivision.
2. For purposes of this certification, "subdivision" includes any agency, board, commission, or other authority authorized to request a taxing authority to submit a tax levy on its behalf.
3. "Levy type" includes the following: (1) additional, (2) renewal, (3) renewal with an increase, (4) renewal with a decrease, (5) replacement, (6) replacement with an increase, and (7) replacement with a decrease levies.
4. Please file this certificate with the sub-division as soon as possible, so the taxing authority can pass a resolution to proceed not later than 75 days before the election.

CERTIFICATE OF ESTIMATED PROPERTY TAX REVENUE
(Use this form when a taxing authority certifies a millage rate and requests the revenue produced by that rate.)

The County Auditor of **LORAIN** County, Ohio does hereby certify the following:

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2. The estimated property tax revenue that will be produced by the stated millage, assuming the valuation of the sub-division remains constant throughout the life of the levy, is calculated to be
\$331,447.
\$ 10,393. -- P.P. State Reimbursement -- 2007
\$341,840 -- Total
3. The total tax valuation of the sub-division used in calculating the estimated property tax revenue is
110,482,366.


Auditor's Signature


Date

INSTRUCTIONS

1. "Total tax valuation" includes the taxable value of all real, personal, and public utility property in the sub-division, which are on the tax lists that were most recently certified for collection. If the sub-division is located in more than one county, the home county auditor (where the greatest taxable value of the sub-division is located) shall obtain the assistance of the other county auditors to establish the total tax valuation of the subdivision.
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CERTIFICATE OF ESTIMATED PROPERTY TAX REVENUE
(Use this form when a taxing authority certifies a millage rate and requests the revenue produced by that rate.)

The County Auditor of **LORAIN** County, Ohio does hereby certify the following:

1. On January 19, 2006, the taxing authority of the City of Oberlin certified a copy of its resolution or ordinance adopted January 17, 2006 requesting the County Auditor to certify the tax valuation of the sub-division and the amount of revenue that would be produced by 3.20 mills, to levy a tax outside the ten-mill limitation for Garbage Collection purposes pursuant to Revised Code 5705.19 (V), to be placed on the ballot at May 2, 2006 election. The levy type is Replacement of 3.00 mills and an Increase of .20 mills.
2. The estimated property tax revenue that will be produced by the stated millage, assuming the valuation of the sub-division remains constant throughout the life of the levy, is calculated to be
\$353,544.
\$ 10,393 - P.P. State Reimbursement - 2007
\$363,937 - Total
3. The total tax valuation of the sub-division used in calculating the estimated property tax revenue is
110,482,866.



Auditor's Signature



Date

INSTRUCTIONS

1. "Total tax valuation" includes the taxable value of all real, personal, and public utility property in the sub-division, which are on the tax lists that were most recently certified for collection. If the sub-division is located in more than one county, the home county auditor (where the greatest taxable value of the sub-division is located) shall obtain the assistance of the other county auditors to establish the total tax valuation of the subdivision.
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CERTIFICATE OF ESTIMATED PROPERTY TAX REVENUE
(Use this form when a taxing authority certifies a millage rate and requests
the revenue produced by that rate.)

The County Auditor of **LORAIN** County, Ohio does hereby certify the following:

1. On January 19, 2006, the taxing authority of the City of Oberlin certified a copy of its resolution or ordinance adopted January 17, 2006 requesting the County Auditor to certify the tax valuation of the sub-division and the amount of revenue that would be produced by 3.50 mills, to levy a tax outside the ten-mill limitation for Garbage Collection purposes pursuant to Revised Code 5705.19 (V), to be placed on the ballot at May 2, 2006 election. The levy type is Replacement of 3.00 mills and an Increase of .50 mills.
2. The estimated property tax revenue that will be produced by the stated millage, assuming the valuation of the sub-division remains constant throughout the life of the levy, is calculated to be
\$386,688.
\$ 10,393. – P.P. State Reimbursement – 2007
\$397,081 – Total
3. The total tax valuation of the sub-division used in calculating the estimated property tax revenue is
110,482,366.



Auditor's Signature



Date

INSTRUCTIONS

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3. "Levy type" includes the following: (1) additional, (2) renewal, (3) renewal with an increase, (4) renewal with a decrease, (5) replacement, (6) replacement with an increase, and (7) replacement with a decrease levies.
4. Please file this certificate with the sub-division as soon as possible, so the taxing authority can pass a resolution to proceed not later than 75 days before the election.

City of Oberlin
REVISED - Comparison of Voted Millage vs. Income Tax
for a Range of Residential Property Values and Earned Incomes

Mills	6.40	Rate		Earned Income-Wages/ Income Tax																				
		0.3%	0	10,000	20,000	30,000	40,000	50,000	60,000	70,000	80,000	90,000	100,000	110,000	120,000	130,000	140,000	150,000	160,000	170,000	180,000	190,000	200,000	
House Value/Property Tax	0	0	0	30	60	90	120	150	180	210	240	270	300	330	360	390	420	450	480	510	540	570	600	
0	0																							
25,000	49																							
50,000	98																							
75,000	147																							
100,000	196																							
125,000	245																							
150,000	294																							
175,000	343																							
200,000	392																							
225,000	441																							
250,000	490																							
275,000	539																							
300,000	588																							
325,000	637																							
350,000	686																							
375,000	735																							
400,000	784																							
425,000	833																							
450,000	882																							
475,000	931																							
500,000	980																							

Blue - Taxpayer would benefit by all Income Taxes
 Green - Taxpayer would benefit by all Property Taxes

Assumptions:

- Property taxes are based on 2005 tax rates collected in 2006 for an owner-occupied residential property.
- Property tax millage of 6.4 is the current city voted millage at the full rate - replacement levy value.
- Income tax rate of 0.30% based on 2005 collections would generate same amount of tax revenue as a 6.4 mill levy as described above, approximately \$722,361.
- Income tax assumes no significant change occurs in our income tax base, specifically our larger employers.