

June 2016							July 2016							August 2016						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2		1	2	3	4	5	6
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30	31			
							31													

 Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>	<b>1</b>	<b>2</b>
<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>
<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>
						8:00 AM Civil Service Commission Mtg.
<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>
	6:30 PM FINANCE & BUDGET Committee Meeting	4:30 PM Civil Service Commission Meeting				
<b>31</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
	6:15 PM Technology & Communication Committee 7:00 PM City Council Meeting				7:00 PM Rally in the Alley	

**City of Napoleon, Ohio  
Civil Service Commission**

**Special Meeting Agenda**

**Saturday, July 23, 2016 at 8:00 am**

The Civil Service Commission will meet in a work session on Saturday, July 23, 2016 at 8:00am at the Fire Station, which is located at 265 West Riverview, Napoleon, Ohio. The agenda items are:

- I. Administer and grade the written test and agility test for the positions of Firefighter/Paramedic
- II. Certify lists for the positions of Firefighter/Paramedic
- III. Any other matters to come before the Commission
- IV. Adjournment

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Gregory J. Heath, Finance Director/Clerk of Council

**City of Napoleon, Ohio  
Finance & Budget Committee**

**Meeting Agenda  
Monday, July 25, 2016 at 6:30pm**

LOCATION: Council Chambers, 255 W. Riverview Avenue, Napoleon, Ohio 43545

- I. Approval of Minutes of June 27, 2016 (*In the absence of any objections or corrections, the Minutes shall stand approved.*)
- II. Review of the Income Tax Credits in Lieu of Assessments for Projects (Tabled)
- III. Review of second quarter budget adjustments
- IV. Any other matters currently assigned to the Committee
- V. Adjournment

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Gregory J. Heath, Finance Director/Clerk

**City of Napoleon, Ohio  
Finance and Budget Committee  
Meeting Minutes  
Monday, June 27, 2016 at 6:30pm**

**PRESENT**

**Committee  
City Staff**

Jeff Mires - Chair, Joe Bialorucki, Patrick McColley, Mayor Jason Maassel  
Gregory J. Heath, Finance Director/Clerk of Council  
Monica S. Irelan, City Manager  
Lisa L. Nagel, Law Director  
Bobby Stites, MIS Assistant  
Anne Taylor  
News Media;

**Recorder  
Others**

**ABSENT  
Finance & Budget**

**Call To Order**

Chairman Mires called the meeting to order at 6:30 pm.

**Approval Of Minutes**

Minutes from the May 23, 2016 meeting stand approved with no objections or corrections.

**Review of the Income Tax  
Credits in Lieu of  
Assessments for Projects**

**Motion to Untable the  
Review of the Income Tax  
Credits in Lieu of  
Assessments for Projects**

Motion: McColley Second: Maassel  
To Untable the Review of the Income Tax Credits in Lieu of Assessments for Projects

**Passed  
Yea- 4  
Nay- 0**

Roll call vote on above motion:  
Yea-Mires, McColley, Bialorucki, Maassel  
Nay-

**Discussion**

Irelan addressed the committee and distributed a chart of comparison with four cities of similar size in Northwest Ohio and explained the differences and similarities compared to the City of Napoleon. (See Attached)

McColley confirmed with Irelan that the other cities are giving 100% credit and that Napoleon is very comparable to Wauseon with Irelan adding that Wauseon does not have its own EMS.

Irelan advised the information for the communities in the comparison was provided by the finance director from each of the communities.

McColley stated his opinion is that an income tax increase or a property tax increase would be the best option if using the comparison shown in the handout rather than giving the tax credit.

Nagel reminded the Committee that the City of Rossford is still in litigation over this same subject regarding the income tax credit.

Irelan stated the City of Napoleon has been doing more with less compared to other communities with Maassel adding there was an increase in the Parks and Recreation fees to the community with McColley and Irelan concurring that the Parks and Recreation fees are still extremely reasonable. Irelan stated if comparing apples to apples, the City of Napoleon definitely provides more services than the City of Wauseon.

Heath distributed a handout from the Ohio Society of CPA's and discussed the Centralized municipal tax collection and administration recommendations. (See Attached) Heath stated that the longer the City waits to apply the income tax credit, the less likely it is that it will be able to be instituted in our City as the option may be taken away. McColley asked Heath if a property tax is a safer tax with Heath advising that the property tax is a more stable tax and not subject to as many variations unless the valuations of the properties make a large increase or decrease. Heath advised this is a funding issue and that Council has control over the income tax credit and special assessments, but with an additional income or property tax the control is in the voter's hands.

Irelan gave a recap on the citizen survey process stating that the data should be available by the end of July. The results from the question regarding if the citizens would support an increase for public safety or infrastructure will give a better idea of which the public will support. Irelan added that education of the voters will need to be started as soon as possible to educate them on how the money is spent and would be best to tie the increase to a specific project or purpose. Maassel added that people are more likely to give it to something they can see. McColley restated that he is in favor of a property tax and educating the public if the data provided supports a levy would be more applicable in the City of Napoleon.

Heath stated that the retired may support an income tax; however, they may not support a property tax. Heath added that thirty to forty percent (30 to 40%) of the residential properties in the City are rental properties which could impact which funding that could be passed.

Maassel stated that if the City decides to go for a property tax, his suggestion would be to go for one (1) mill with McColley concurring and adding that Napoleon would still be at a lower rate than Wauseon.

Bialorucki stated that it is his opinion that a combination of a small income tax and a small property tax would be a way of spreading the tax out amongst the community.

Maassel stated that the City will need to start making decisions on what services will not be funded 100% or be cut if the revenue continues to not match expenses. Irelan advised this conversation started last year during the budget process when it was determined that expenses would need to be cut. Irelan reminded the Committee that by cutting one service, you will not necessarily see 100% of savings as one employee may wear many hats and be doing several other tasks as well which means that employee could not be cut.

McColley feels something needs to be done and recommends one mill (1) for \$140,000.00 with Irelan stating that the one street project is \$840,000 and typically the City only budgets up to \$360,000 for resurfacing every year. Maassel asked that if the Committee wanted to go forward with property millage, what the process would be. Heath responded stating that there is not enough time to place the issue on the November ballot, this is assuming Council would want three (3) reads and thirty (30) days on any legislation, but the City could make the May, 2017 ballot. Heath advised that how the levy language is written would determine when the City would start receiving funds from the levy. Heath advised that once a levy is passed, short term debt can be issued to fund projects until levy funds start coming in.

Maassel asked Irelan if the amount on road improvements could be lowered to \$500,000.00 with Irelan stating the issue could be reviewed. Irelan recommended that if a voter referendum option is chosen, the Committee should be certain that the proceeds are high enough to cover at least a couple of years of funding for road improvements to make an impact.

Irelan offered to prepare a trend analysis showing the direction the City is headed for road improvements and bring it back to the Committee at their next meeting. Irelan stated this analysis would show what kind of revenue would be needed to meet the needs of the City, adding that an analysis of options of a combination of revenue increases could be included in the analysis.



**CITY OF NAPOLEON, OHIO - INCOME TAX & PROPERTY TAX - RATE REVENUE REVIEW**  
**THE ITEMS LISTED BELOW WOULD REQUIRE A VOTE OF THE CITIZENS OF NAPOLEON**

**INCOME TAX ESTIMATED REVENUE PERCENTAGES TABLE:**

Using 2015 Income Tax - Actual Tax Collected was **\$4,233,916**

A full 1.0 % Income Tax Rate using 2015 data will produce about  
 an additional Annual Income Tax of **\$2,822,000**

<b><u>Tax Level Rate %</u></b>	<b><u>Estimated Revenue</u></b>	<b><u>Estimated Cost to Taxpayer @ \$30,000/Yr</u></b>
0.1%	\$282,200	\$30.00
0.2%	\$564,400	\$60.00
0.3%	\$846,600	\$90.00
0.4%	\$1,128,800	\$120.00
0.5%	\$1,269,900	\$135.00
0.6%	\$1,693,200	\$180.00
0.7%	\$1,975,400	\$210.00
0.8%	\$2,257,600	\$240.00
0.9%	\$2,539,800	\$270.00
1.0%	\$2,822,000	\$300.00

**PROPERTY TAX ESTIMATED REVENUE PERCENTAGES TABLE:**

2016 Current Net Assessed Valuation for the City is **\$140,849,400**

One (1) Mill = .001 X Valuation or potential revenue **\$140,849**

<b><u>Tax Level Rate (Mills) (1 Mill = .001)</u></b>	<b><u>Estimated Revenue</u></b>	<b><u>Estimated Cost to Property Owner w/\$100,000 House Val. (\$100,000 x 35%)= \$35,000 Net Valuation</u></b>
0.1	\$14,085	\$3.50
0.2	\$28,170	\$7.00
0.3	\$42,255	\$10.50
0.4	\$56,340	\$14.00
0.5	\$70,425	\$17.50
0.6	\$84,510	\$21.00
0.7	\$98,595	\$24.50
0.8	\$112,680	\$28.00
0.9	\$126,764	\$31.50
1	\$140,849	\$35.00
2	\$281,699	\$70.00
3	\$422,548	\$105.00
4	\$563,398	\$140.00
5	\$704,247	\$175.00
6	\$845,096	\$210.00
7	\$985,946	\$245.00
8	\$1,126,795	\$280.00
9	\$1,267,645	\$315.00
10	\$1,408,494	\$350.00

<b>CITY OF NAPOLEON, OHIO - INCOME TAX CREDIT REVIEW</b>							
<b>POTENTIAL ADDITIONAL REVENUE WITH REDUCED CREDIT USING YEAR LISTED</b>							
			<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Tax Credits:</b>							
<b>Tax Rate Higher than 1.5%</b>							
<b>Qualifying Wages:</b>			\$34,348,267.35	\$39,028,774.72	\$40,401,970.18	\$34,476,510.53	\$31,632,721.29
	<b>Reduction of Credit:</b>						
	100%		515,224.01	585,431.62	606,029.55	517,147.66	474,490.82
	95%		489,462.81	556,160.04	575,728.08	491,290.28	450,766.28
	90%		463,701.61	526,888.46	545,426.60	465,432.89	427,041.74
	85%		437,940.41	497,616.88	515,125.12	439,575.51	403,317.20
	80%		412,179.21	468,345.30	484,823.64	413,718.13	379,592.66
	75%		386,418.01	439,073.72	454,522.16	387,860.74	355,868.11
	70%		360,656.81	409,802.13	424,220.69	362,003.36	332,143.57
	65%		334,895.61	380,530.55	393,919.21	336,145.98	308,419.03
	60%		309,134.41	351,258.97	363,617.73	310,288.59	284,694.49
	55%		283,373.21	321,987.39	333,316.25	284,431.21	260,969.95
	50%		257,612.01	292,715.81	303,014.78	258,573.83	237,245.41
	45%		231,850.80	263,444.23	272,713.30	232,716.45	213,520.87
	40%		206,089.60	234,172.65	242,411.82	206,859.06	189,796.33
	35%		180,328.40	204,901.07	212,110.34	181,001.68	166,071.79
	30%		154,567.20	175,629.49	181,808.87	155,144.30	142,347.25
	25%		128,806.00	146,357.91	151,507.39	129,286.91	118,622.70
	20%		103,044.80	117,086.32	121,205.91	103,429.53	94,898.16
	15%		77,283.60	87,814.74	90,904.43	77,572.15	71,173.62
	10%		51,522.40	58,543.16	60,602.96	51,714.77	47,449.08
	5%		25,761.20	29,271.58	30,301.48	25,857.38	23,724.54
	0%		0.00	0.00	0.00	0.00	0.00
<b>Tax Rate Lower than 1.5% (.5% &amp; 1%)</b>							
<b>Qualifying Wages:</b>			\$2,622,392.03	\$3,444,930.85	\$2,659,906.24	\$2,508,307.56	\$3,546,787.20
	<b>Reduction of Credit:</b>						
	100%		39,335.88	51,673.96	39,898.59	37,624.61	53,201.81
	95%		37,369.09	49,090.26	37,903.66	35,743.38	50,541.72
	90%		35,402.29	46,506.57	35,908.73	33,862.15	47,881.63
	85%		33,435.50	43,922.87	33,913.80	31,980.92	45,221.54
	80%		31,468.70	41,339.17	31,918.87	30,099.69	42,561.45
	75%		29,501.91	38,755.47	29,923.95	28,218.46	39,901.36
	70%		27,535.12	36,171.77	27,929.02	26,337.23	37,241.27
	65%		25,568.32	33,588.08	25,934.09	24,456.00	34,581.18
	60%		23,601.53	31,004.38	23,939.16	22,574.77	31,921.08
	55%		21,634.73	28,420.68	21,944.23	20,693.54	29,260.99
	50%		19,667.94	25,836.98	19,949.30	18,812.31	26,600.90
	45%		17,701.15	23,253.28	17,954.37	16,931.08	23,940.81
	40%		15,734.35	20,669.59	15,959.44	15,049.85	21,280.72
	35%		13,767.56	18,085.89	13,964.51	13,168.61	18,620.63
	30%		11,800.76	15,502.19	11,969.58	11,287.38	15,960.54
	25%		9,833.97	12,918.49	9,974.65	9,406.15	13,300.45
	20%		7,867.18	10,334.79	7,979.72	7,524.92	10,640.36
	15%		5,900.38	7,751.09	5,984.79	5,643.69	7,980.27
	10%		3,933.59	5,167.40	3,989.86	3,762.46	5,320.18
	5%		1,966.79	2,583.70	1,994.93	1,881.23	2,660.09
	0%		0.00	0.00	0.00	0.00	0.00



<b>CITY OF NAPOLEON, OHIO - INCOME TAX CREDIT REVIEW</b>								
<b>POTENTIAL ADDITIONAL REVENUE WITH REDUCED CREDIT USING YEAR LISTED</b>								
				<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>TOTAL POTENTIAL Additional Tax Generated:</b>								
	<b>Reduction of Credit:</b>							
	100%			\$554,559.89	\$637,105.58	\$645,928.15	\$554,772.27	\$527,692.63
	95%			\$526,831.90	\$605,250.30	\$613,631.74	\$527,033.66	\$501,308.00
	90%			\$499,103.90	\$573,395.03	\$581,335.33	\$499,295.04	\$474,923.36
	85%			\$471,375.91	\$541,539.75	\$549,038.92	\$471,556.43	\$448,538.73
	80%			\$443,647.91	\$509,684.47	\$516,742.52	\$443,817.82	\$422,154.10
	75%			\$415,919.92	\$477,829.19	\$484,446.11	\$416,079.20	\$395,769.47
	70%			\$388,191.92	\$445,973.91	\$452,149.70	\$388,340.59	\$369,384.84
	65%			\$360,463.93	\$414,118.63	\$419,853.30	\$360,601.98	\$343,000.21
	60%			\$332,735.93	\$382,263.35	\$387,556.89	\$332,863.36	\$316,615.58
	55%			\$305,007.94	\$350,408.07	\$355,260.48	\$305,124.75	\$290,230.95
	50%			\$277,279.95	\$318,552.79	\$322,964.07	\$277,386.14	\$263,846.31
	45%			\$249,551.95	\$286,697.51	\$290,667.67	\$249,647.52	\$237,461.68
	40%			\$221,823.96	\$254,842.23	\$258,371.26	\$221,908.91	\$211,077.05
	35%			\$194,095.96	\$222,986.95	\$226,074.85	\$194,170.29	\$184,692.42
	30%			\$166,367.97	\$191,131.68	\$193,778.44	\$166,431.68	\$158,307.79
	25%			\$138,639.97	\$159,276.40	\$161,482.04	\$138,693.07	\$131,923.16
	20%			\$110,911.98	\$127,421.12	\$129,185.63	\$110,954.45	\$105,538.53
	15%			\$83,183.98	\$95,565.84	\$96,889.22	\$83,215.84	\$79,153.89
	10%			\$55,455.99	\$63,710.56	\$64,592.81	\$55,477.23	\$52,769.26
	5%			\$27,727.99	\$31,855.28	\$32,296.41	\$27,738.61	\$26,384.63
	0%			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
*Figures based on 2011 and 2010 Napoleon Returns filed to date - 02/25/2013								
*Figures based on 2012 Napoleon Returns filed to date - 5/14/14								
*Figures based on 2013 Napoleon Returns filed to date - 8/26/15								
*Figures bases on 2014 Napoleon Returns filed to date - 5/5/16								

Ohio CPAs advance state tax reform ideas  
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June 20, 2016

MEMBER ALERT



## OHIO CPAS ADVANCE STATE TAX REFORM IDEAS

Dear Debra,

The Ohio Society of CPAs today testified before the Ohio 2020 Tax Policy Study Commission, presenting recommendations for improving Ohio's tax structure and making it a key asset for attracting, retaining and growing businesses in our state.

The recommendations are the work of [OSCPA's Ohio Tax Reform Task Force](#), formed in 2015 to help Ohio's leaders evaluate Ohio's tax structure and competitiveness.

The Ohio Tax Reform Task Force outlined several areas the state should evaluate, including:

**Personal Income Tax** - Reduce the number of tax brackets in Ohio from nine to no more than 3 - 5, eliminate or reduce many credits and deductions; if considering a move to a flat tax structure, ensure it would not unintentionally harm the state financially; and fix Ohio's marriage tax penalty.

 **Municipal Income Tax** - Centralize municipal tax collection and administration, eliminate



municipal throwback rules and provide for full reciprocity credit.

**Commercial Activity Tax (CAT)** - Keep the CAT rate low, the base broad, and limit any exemptions unless a valid public policy reason dictates one.

**Sales & Use Tax** - Limit sales tax exemptions for niche industries and do not expand sales taxes to professional services.

**Other State Taxes** - Apply a more consistent approach to taxing within certain business categories, avoiding exemptions to maintain economic fairness and stability, and ensure the future solvency of Ohio's Unemployment Compensation Trust Fund.

The commission will take all recommendations into consideration before issuing their own report later this year.

"Much like with our Ohio Budget Advisory Task Force report in 2010, we are pleased to share the collective expertise of the CPA profession through our Ohio Tax Reform Task Force report," said Matt Yuskewich, CPA, chair of the Task Force. "We had decades of experience at the table and generated a number of recommendations. We look forward to serving as a resource to the Legislature and the Kasich Administration to help craft future Ohio tax policies and drive a pro-business environment."



[Hear more from Matt now](#); you can [read the full white paper](#) and look to this week's *CPA Takeaways* for further details.









With support of the Committee tonight and the approval of Council on June 6, the plan is to post the position internally on June 7, with a 10-day posting period until June 17. Interviews can start immediately thereafter.

Recommendation:

The City Manager and Law Director recommend a transfer of funds in the amount of \$30,000 from Account 100.2100.51310 to Account 100.1400.5100 in order to cover a full-time Executive Assistant to Appointed Authority for the remainder of 2016.