# BRUNSWICK CITY
# FINANCE COMMITTEE

## Agenda

**NOVEMBER 28, 2022**
**6:10 PM**

1. Discussion Items

   **ORD. NO. 103-2022** - An emergency ordinance adopting the Annual Appropriation Budget for Expenditures of the City of Brunswick for the year beginning January 1, 2023 and ending December 31, 2023 - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

   **ORD. NO. 104-2022** - An emergency ordinance amending Section 1 of Ordinance No. 17-2022 to provide for a Revised Allocation of Municipal Income Tax receipts during the period from January 1, 2023 through December 31, 2023 - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

   **ORD. NO. 105-2022** - An emergency ordinance creating an OPWC Magnolia Drive Improvement Fund (#374) - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

   **ORD. NO. 106-2022** - An emergency ordinance amending Ordinance No.115-2021 and the City's Fund Balance Reserve Policy - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

2. General Discussion

3. Adjournment

THE CITY OF BRUNSWICK

# PROPOSED LEGISLATION

| | |
|---|---|
| **DATE:** | 11/28/2022 |
| **TO:** | Vice Mayor Nicholas Hanek and Members of City Council |
| **FROM:** | Carl S. DeForest, City Manager<br>Todd Fischer |
| **COPY:** | Mayor Ron Falconi |
| **LEGISLATION:** | **ORD. NO. 103-2022** - An emergency ordinance adopting the Annual Appropriation Budget for Expenditures of the City of Brunswick for the year beginning January 1, 2023 and ending December 31, 2023 - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*) |
| **BACKGROUND:** | Each year and in accordance with Ohio Revised Code Section 5705.38 (A) Council is required to adopt an annual appropriation budget. |
| **PURPOSE AND EXPLANATION:** | In order to comply with the Ohio Revised Code Section 5705 any and all activity of the City must be included in the budget.<br><br>As actual information is obtained and compared to estimates or new items are requested to be added or deleted by the respective departments, it is required to present proposed budget amendments to Council for approval. This process is required by law and audited under the direction of the Auditor of State for compliance every year. |
| **IMPLEMENTATION SCHEDULE:** | The 2023 Budget proposal will be presented and discussed with the Finance Committee and other members of Council on November 15, 2022. If approved by the Finance Committee, the Administration's request is to move this legislation to the November 28, 2022 Council agenda as an emergency with suspension of the rules for one reading.<br><br>The emergency clause is considered necessary in order to remain in compliance with the Ohio Revised Code, allowing for the daily operations of the City of Brunswick to continue without interruptions, allowing for the process involving capital purchases with significant supply chain issues to begin as soon as possible and allowing for a more timely and seamless transition into 2023. |
| **FINANCIAL INFORMATION:** | Schedule of Fund Appropriations - See Exhibit A - 01/01/2023 - See Exhibit A - Various - - $83,886,832.58 |

**FINANCIAL SUMMARY:** The total 2023 appropriation budget for all funds (including all book internal transfers, self-insurance, agency funds, etc.) equals $83,886,832.58

**RECOMMENDED ACTION:**

| | |
|---|---|
| One Reading | Yes |
| Two Readings | No |
| Three Readings | No |
| Emergency | Yes |
| Suspension of Rules | Yes |

If emergency or suspension of the rules, why the request?

The 2023 Budget proposal will be presented and discussed with the Finance Committee and other members of Council on November 15, 2022. If approved by the Finance Committee, the Administration's request is to move this legislation to the November 28, 2022 Council agenda as an emergency with suspension of the rules for one reading.

The emergency clause is considered necessary in order to remain in compliance with the Ohio Revised Code, allowing for the daily operations of the City of Brunswick to continue without interruptions, allowing for the process involving capital purchases with significant supply chain issues to begin as soon as possible and allow for a more timely and seamless transition into 2023.

**ADDITIONAL INFORMATION:** See Exhibit A.

# CITY OF BRUNSWICK, OHIO

## ORDINANCE NUMBER 103-2022

By: Mr. Hanek, Mr. Abella, Mr. Delsanter

AN EMERGENCY ORDINANCE ADOPTING THE ANNUAL APPROPRIATION BUDGET FOR EXPENDITURES OF THE CITY OF BRUNSWICK FOR THE YEAR BEGINNING JANUARY 1, 2023 AND ENDING DECEMBER 31, 2023.

WHEREAS: The City of Brunswick Charter requires that an annual budget be prepared and submitted as provided by the laws of the State of Ohio;

WHEREAS: Ohio Revised Code Section 5705.38(A) requires this Council to adopt an annual appropriation budget; and

WHEREAS: City Council has publicly reviewed the 2023 Operating and Capital Program Budget and is desirous to comply with local and State Laws.

WHEREAS: THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY ORDAINS:

SECTION 1: That to provide for expenditures of the City of Brunswick, Ohio during the fiscal year beginning January 1, 2023 and ending December 31, 2023, the 2023 Operating and Capital Program Appropriation Budget, as attached hereto and incorporated herein as Exhibit "A", is hereby adopted.

SECTION 2: That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare, and for the further reason that Ohio law prescribes time limitations on the adoption and certification of the 2023 Operating and Capital Appropriation Budget. Therefore, the same shall be in full force and effect from and after its passage by the required number of votes.

PASSED: 1st Reading ________________

Rules Suspended: AYES _____________ NAYS _______

ADOPTED: ____________________________ AYES _____________ NAYS _______

ATTEST: ____________________________
Clerk of Council
Laura E. Timura

**City of Brunswick, Ohio**
Departmental Budget Worksheet
For the Budget Year Ending, December 31, 2023

**EXHIBIT A**

| Fund Number | Fund Name / Department | Personal Service | Other | Total |
|---|---|---|---|---|
| **General Fund** | | | | |
| 001 | General Fund | | | |
| | City Council | 190,882.00 | 85,677.00 | $ 276,559.00 |
| | Mayor | 106,643.00 | 94,766.00 | $ 201,409.00 |
| | City Manager | 196,467.00 | 138,877.00 | $ 335,344.00 |
| | Information Technologies | 181,122.00 | 507,124.00 | $ 688,246.00 |
| | Engineering | 24,972.00 | 666,110.00 | $ 691,082.00 |
| | Building Department | 367,400.00 | 275,223.00 | $ 642,623.00 |
| | Cemetery Maintenance | - | 22,765.00 | $ 22,765.00 |
| | Janitorial Contract | - | 21,627.00 | $ 21,627.00 |
| | City Hall Building & Grounds | 5,673.00 | 64,649.00 | $ 70,322.00 |
| | Administrative Services | 93,566.00 | 59,196.00 | $ 152,762.00 |
| | Economic Development | 116,999.00 | 273,776.00 | $ 390,775.00 |
| | Animal Control | 78,667.00 | 70,290.00 | $ 148,957.00 |
| | Law Department | 196,271.00 | 263,792.00 | $ 460,063.00 |
| | Finance Department | 266,697.00 | 230,084.00 | $ 496,781.00 |
| | Income Tax Department | 209,648.00 | 258,152.00 | $ 467,800.00 |
| | Parks & Recreation Director | 78,925.00 | 63,674.00 | $ 142,599.00 |
| | General Fund Administration | - | 1,156,300.00 | $ 1,156,300.00 |
| | Planning Division/Community Development | 73,269.00 | 67,746.00 | $ 141,015.00 |
| | Board of Building Appeals | 501.00 | 1,220.00 | $ 1,721.00 |
| | Board of Zoning Appeals | 1,196.00 | 4,597.00 | $ 5,793.00 |
| | Board of Civil Service | 11,468.00 | 66,335.00 | $ 77,803.00 |
| | Board of Ethics | 5,600.00 | 4,645.00 | $ 10,245.00 |
| | Board of Charter Review | - | - | $ - |
| | Board of Commemorative Affairs | - | 18,270.00 | $ 18,270.00 |
| | General Fund Transfers / Advances | - | 27,628,672.00 | $ 27,628,672.00 |
| 001 | Total General Fund | $ 2,205,966.00 | $ 32,043,567.00 | $ 34,249,533.00 |
| **Special Revenue Funds:** | | | | |
| 110 | Court Computerization Fund | 5,539.00 | 16,170.00 | $ 21,709.00 |
| 114 | Police Wages Fund | 4,705,758.00 | 4,819,513.00 | $ 9,525,271.00 |
| 115 | Fire Fund | 2,668,467.00 | 6,191,625.70 | $ 8,860,092.70 |
| 117 | Street Repair & Maintenance Fund | 1,313,404.00 | 2,734,415.80 | $ 4,047,819.80 |
| 118 | State Highway Fund | - | 131,000.00 | $ 131,000.00 |
| 119 | Law Enforcement Fund | - | 20,015.00 | $ 20,015.00 |
| 120 | Brunswick Transit Alternative (BTA) Fund | - | 45,000.00 | $ 45,000.00 |
| 123 | Brunswick Area Television (BAT) Fund | 171,916.00 | 266,295.00 | $ 438,211.00 |
| 127 | Parks Fund | 206,930.00 | 428,666.00 | $ 635,596.00 |
| 129 | Department of Justice Federal Grant Fund | - | 213,040.25 | $ 213,040.25 |
| 130 | DUI Enforcement & Education Fund | - | 10,800.00 | $ 10,800.00 |
| 131 | Recreation Center Fund | 401,731.00 | 608,425.00 | $ 1,010,156.00 |
| 140 | Local Fiscal Recovery Fund | - | - | $ - |
| **Enterprise Funds:** | | | | |
| 223 | Refuse Fund | 73,185.00 | 2,995,329.00 | $ 3,068,514.00 |
| 224 | Storm Water Management Fund | 34,196.00 | 1,252,182.24 | $ 1,286,378.24 |
| **Capital Improvement Funds:** | | | | |
| 300 | General Permanent Improvement Fund | - | 3,639,668.60 | $ 3,639,668.60 |
| 332 | Road Levy Fund | - | 2,591,880.00 | $ 2,591,880.00 |
| 333 | Road Improvement Fund | - | 2,608,722.83 | $ 2,608,722.83 |
| 334 | Traffic Control Fund | - | - | $ - |
| 335 | Public Square Fund | - | - | $ - |
| 336 | City Building Improvement Fund | - | 85,836.00 | $ 85,836.00 |
| 341 | Park Improvement Fund | - | 1,061,040.00 | $ 1,061,040.00 |
| 347 | North Carpenter Road Improvement Fund | - | 1,937,645.20 | $ 1,937,645.20 |
| 348 | Boston Road Improvement Fund | - | 93,519.24 | $ 93,519.24 |
| 353 | I-71 / Rt. 303 Enhancement Fund | - | - | $ - |
| 360 | Brunswick Lake Improvement Fund | - | 600,762.05 | $ 600,762.05 |
| 372 | OPWC Old Eagle Drive Improvement Fund | | 508,785.17 | $ 508,785.17 |
| 373 | OPWC Skyview Drive Improvement Fund | - | 904,396.98 | $ 904,396.98 |
| 374 | OPWC Magnolia Drive Improvement Fund | - | 1,650,000.00 | $ 1,650,000.00 |

**City of Brunswick, Ohio**
Departmental Budget Worksheet
For the Budget Year Ending, December 31, 2023

**EXHIBIT A**

| Fund Number | Fund Name / Department | Personal Service | Other | Total |
|---|---|---|---|---|
| **Self Insurance Fund:** | | | | |
| 600 | Self Insurance Fund | - | 3,618,628.00 | $ 3,618,628.00 |
| **Debt Service Funds:** | | | | |
| 771 | General Obligation Bond Retirement Fund | - | - | $ - |
| 782 | Special Assessment BRF: Laurel Road (2006) | - | 37,037.50 | $ 37,037.50 |
| 783 | Special Assessment BRF: Brunswick Lake - Dam | - | 18,948.83 | $ 18,948.83 |
| 784 | Special Assessment BRF: Brunswick Lake - Dredging | - | 11,826.19 | $ 11,826.19 |
| **Agency Funds:** | | | | |
| 880 | Recreation Programs Agency Fund | - | - | $ - |
| 881 | General Trust Agency Fund | - | 750,000.00 | $ 750,000.00 |
| 882 | Unclaimed Money Agency Fund | - | 20,000.00 | $ 20,000.00 |
| 883 | Twelve Step Agency Fund | - | - | $ - |
| 884 | Family Violence Agency Fund | - | - | $ - |
| 885 | Flexible Spending Agency Fund | - | 140,000.00 | $ 140,000.00 |
| 886 | Non-Residential 3% Building Permit Agency Fund | - | 35,000.00 | $ 35,000.00 |
| 887 | Residential 1% Building Permit Agency Fund | - | 10,000.00 | $ 10,000.00 |
| | | | **Grand Total** | $ 83,886,832.58 |

THE CITY OF BRUNSWICK

# PROPOSED LEGISLATION

**DATE:** 11/28/2022

**TO:** Vice Mayor Nicholas Hanek and Members of City Council

**FROM:** Carl S. DeForest, City Manager
Todd Fischer

**COPY:** Mayor Ron Falconi

**LEGISLATION:** **ORD. NO. 104-2022** - An emergency ordinance amending Section 1 of Ordinance No. 17-2022 to provide for a Revised Allocation of Municipal Income Tax receipts during the period from January 1, 2023 through December 31, 2023 - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

**BACKGROUND:** Per Codified Ordinance Section 880.01 (e), the Council is required to pass an Ordinance when amending the distribution of municipal income taxes to various funds. Generally, this process occurs at the beginning of the year when the new annual appropriation measure is being considered or "as needed" . The estimated income tax collections and distribution of net income taxes as written have also been set to comply with the levy language of the City's two income tax specific safety levies in place for 2023.

**PURPOSE AND EXPLANATION:** In accordance with Section 880.01 (e) of the Brunswick Codified Ordinances, this Council will be required to pass ordinances from time to time to provide for the allocation of income tax receipts as required and permitted by Section 880.01; and

The City Council has determined that the allocation formula during the period from January 1, 2023 through December 31, 2023, should maximize the amounts provided for municipal services and improvements; and

In order to carry out that purpose subject to and consistent with the requirements of Section 880.01 of the Codified Ordinances, this Council has determined that it is necessary to amend Section 1 of Ordinance No. 17-2022;

**IMPLEMENTATION SCHEDULE:** The proposed 2023 income tax allocation draft legislation and 2023 appropriation budget will be presented and discussed with the Finance Committee and other members of Council on November 15, 2022. This 2023 income tax allocation legislation is anticipated to be moved to the November 28, 2022 Council agenda for one reading as an emergency with suspension of the rules. The emergency clause is considered necessary in order to remain in compliance with the Ohio Revised Code, synch up similar 2023 budget legislation together at the same time, allow for the daily operations of the City of Brunswick to continue without interruptions, and allowing for a more seamless transition into 2023.

**FINANCIAL INFORMATION:**

**FINANCIAL SUMMARY:** This piece of legislation adopts the distribution requirements for municipal income taxes and imposes a ceiling or maximum of income tax dollars that can be received in specifically listed funds. The estimated income tax collections and distribution of net income taxes as written have also been set to comply with the levy language of the City's two income tax specific safety levies. Note: The actual income taxes received ultimately relate to the fiscal impact. Actual income tax receipt amounts will become known at the completion and closure of the fiscal year.

**RECOMMENDED ACTION:**

| | |
|---|---|
| One Reading | Yes |
| Two Readings | No |
| Three Readings | No |
| Emergency | Yes |
| Suspension of Rules | Yes |

If emergency or suspension of the rules, why the request?

The proposed 2023 income tax allocation draft legislation and 2023 appropriation budget will be presented and discussed with the Finance Committee and other members of Council on November 15, 2022. This 2023 income tax allocation legislation is anticipated to be moved to the November 28, 2022 Council agenda for one reading as an emergency with suspension of the rules. The emergency clause is considered necessary in order to remain in compliance with the Ohio Revised Code, synch up similar 2023 budget legislation together at the same time, allow for the daily operations of the City of Brunswick to continue without interruptions, and allowing for a more seamless transition into 2023.

**ADDITIONAL INFORMATION:** None.

# CITY OF BRUNSWICK, OHIO
## ORDINANCE NUMBER 104-2022

By: Mr. Hanek, Mr. Abella, Mr. Delsanter

AN EMERGENCY ORDINANCE AMENDING SECTION 1 OF ORDINANCE NO. 17-2022 TO PROVIDE FOR A REVISED ALLOCATION OF MUNICIPAL INCOME TAX RECEIPTS DURING THE PERIOD FROM JANUARY 1, 2023 THROUGH DECEMBER 31, 2023.

WHEREAS: In accordance with Section 880.01.1 (e) of the City of Brunswick Codified Ordinances, this Council is required to pass Ordinances from time to time to provide for the allocation of income tax receipts as required and permitted by Codified Ordinance Section 880.01.1; and

WHEREAS: This Council has determined that the allocation formula during the period from January 1, 2023 through December 31, 2023 should maximize the amounts provided for municipal services and improvements; and

WHEREAS: In order to carry out such purpose, subject to and consistent with the requirements of Section 880.01.1 of the Codified Ordinances, this Council has determined that it is necessary to amend Section 1 of Ordinance No. 17-2022;

WHEREAS: THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY ORDAINS:

SECTION 1: That Section 1 of Ordinance No. 17-2022, adopted on February 14, 2022, be and is hereby amended to read as follows:

"SECTION 1. Subject to and consistent with the provisions of Section 880.01.1 of the Codified Ordinances, during the period from January 1, 2023 through December 31, 2023, the income tax receipts collected under the provisions of Chapter 880 of the Codified Ordinances each month, after provision for costs of administering and enforcing the provisions of that Chapter (the "Net Income Tax Receipts"), shall be allocated to and deposited in or transferred to the following funds at the close of each month in the following percentage allocations notwithstanding the tax year to which they are attributable:

| **Fund** | **Allocation** |
|---|---|
| Police Fund | 37.50% |
| Fire Fund | 24.50% |
| Street Repair & Maintenance Fund | 7.00% |
| BTA Fund | 0.25% |
| Parks Fund | 2.25% |
| Capital Improvement Fund | 3.50% |
| General Fund | 25.00% |

; provided that when amounts allocated to a fund reach the designated annual maximum for that fund for 2023 set forth below, no additional net income tax receipts will be deposited into that fund in 2023.

The annual maximum allocations for the various funds for 2023 shall be as follows:

(A) As to the Police Fund and the Fire Fund, the greater of:

(i) The aggregate amount set forth in the following table:

| **Fund** | **Allocation** |
|---|---|
| Police Fund | $9,400,000 |
| Fire Fund | $6,500,000 |
| Aggregate Police & Fire Funds Total | $15,900,000 |

**or**

(ii) As to the Police Fund, 59.12% of the aggregate amount of Net Income Tax Receipts from the taxes levied pursuant to Section 880.005.1(b) and (c) of the Codified Ordinances in that year, and as to the Fire Fund, 40.88% of the aggregate amount of Net Income Tax Receipts from the taxes levied pursuant to Section 880.005.1(b) and (c) of the Codified Ordinances in that year.

Any amounts in excess of such annual maximum allocations shall be allocated to the General Fund.

(B) As to the Street Repair & Maintenance Fund, the BTA Fund and the Parks Fund, the amounts set forth in the following table:

| **Fund** | **Maximum Allocation** |
|---|---|
| Street Repair & Maintenance Fund | $1,550,000 |
| BTA Fund | $15,000 |
| Parks Fund | $575,000 |

Any amounts in excess of such annual maximum allocations shall be allocated to the General Fund.

(C) There shall be no annual maximum applicable to the allocation of Net Income Tax Receipts to the General Fund or to the Capital Improvement Fund in 2023.

This Council finds and determines that, based on the City's estimated income tax receipts for 2023, the allocation percentages and maximum allocations set forth in this Section are consistent with the requirements of paragraphs (b), (c) and (d) of Section 880.01.1 of the Codified Ordinances. This Council shall act promptly to revise the foregoing allocation percentages and or maximum allocations if, as and when such revisions are necessary to ensure continuing compliance with the requirements of Section 880.01.1 of the Codified Ordinances.

The Finance Director/Income Tax Administrator shall prepare monthly financial reports reflecting amounts of the prior month's allocations to the various funds and year to date allocations to the various funds and confirming the City's continuing compliance with the requirements of Section 880.01.1 of the Codified Ordinances.

SECTION 2: That Section 1 of Ordinance No. 17-2022, as adopted on February 14, 2022, be and is hereby repealed.

SECTION 3: The Council finds and determines that all formal actions of this Council and of any of its committees concerning and relating to the passage of this Ordinance were taken, and all deliberations of this Council and of any of its committees that resulted in such formal action were held, in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 4: That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety and welfare of the City, and for the additional reason that this Ordinance is necessary for the usual daily operation of a municipal government. Therefore, the same shall be in full force and effect immediately after its passage by the required number of votes; otherwise, the earliest time permitted by law.

PASSED: 1st Reading ____________

Rules Suspended: AYES ______ NAYS ______

ADOPTED: ____________________________ AYES ______ NAYS ______

ATTEST: ____________________________

Clerk of Council
Laura E. Timura

**THE CITY OF BRUNSWICK**

# PROPOSED LEGISLATION

| | |
|---|---|
| **DATE:** | 11/28/2022 |
| **TO:** | Vice Mayor Nicholas Hanek and Members of City Council |
| **FROM:** | Carl S. DeForest, City Manager<br>Todd Fischer |
| **COPY:** | Mayor Ron Falconi |
| **LEGISLATION:** | **ORD. NO. 105-2022** - An emergency ordinance creating an OPWC Magnolia Drive Improvement Fund (#374) - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*) |
| **BACKGROUND:** | Ohio Revised Code Section 5705.09(F) requires the City to establish a special fund for each class of revenue derived from a source other than the general property tax, which the law requires to be used for a particular purpose; and<br><br>The OPWC Magnolia Drive Improvement Fund (#374) will be created and used to account for the OPWC monies awarded to the City of Brunswick for Magnolia Drive improvement projects as outlined in the OPWC application(s). |
| **PURPOSE AND EXPLANATION:** | Ohio Revised Code Section 5705.09(F) requires the City to establish a special fund for each class of revenue derived from a source other than the general property tax, which the law requires to be used for a particular purpose; and<br><br>The OPWC Magnolia Drive Improvement Fund (#374) will be created and used to account for the OPWC monies awarded to the City of Brunswick for Magnolia Drive improvement projects as outlined in the OPWC application(s). |
| **IMPLEMENTATION SCHEDULE:** | The requested timeline is for this legislation to be moved to the November 28, 2022 Council agenda as an emergency with suspension of the rules for one reading.<br><br>This will sync up with other 2023 budget legislation and related timetables for a seamless transition into 2023. |
| **FINANCIAL INFORMATION:** | |
| **FINANCIAL SUMMARY:** | The establishment of a fund allows for the accounting structure to be in place if and |

when a grant is awarded. There are no costs associated with the act of establishing a fund.

A separate piece of legislation establishing the appropriations and/or authorization comes separately.

**RECOMMENDED ACTION:**

| | |
|---|---|
| One Reading | Yes |
| Two Readings | No |
| Three Readings | No |
| Emergency | Yes |
| Suspension of Rules | Yes |

If emergency or suspension of the rules, why the request?

The emergency and suspension clause is considered necessary in order to remain in compliance with the Ohio Revised Code, allow for the daily operations of the City of Brunswick to continue without interruptions, synch up 2023 budget related legislation together and allow for a timely and seamless transition into 2023 by having the accounting structure in place.

**ADDITIONAL INFORMATION:** None.

# CITY OF BRUNSWICK, OHIO

## ORDINANCE NUMBER 105-2022

By: Mr. Hanek, Mr. Abella, Mr. Delsanter

AN EMERGENCY ORDINANCE CREATING AN OPWC MAGNOLIA DRIVE IMPROVEMENT FUND (#374)

WHEREAS: Ohio Revised Code Section 5705.09(F) requires the City to establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose; and

WHEREAS: The OPWC Magnolia Drive Improvement Fund #374 will be created and used to account for the OPWC monies awarded to the City of Brunswick for Magnolia Drive improvement projects as outlined in the OPWC application(s).

THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY ORDAINS:

SECTION 1: That an OPWC Magnolia Drive Improvement Fund #374 is hereby created.

SECTION 2: That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety, welfare, and providing for the usual daily operation of a municipal department, and for the further reason that proper fund accounting measures be created. Therefore, the same shall be in full force and effect from and after its passage by the required number of votes.

PASSED: 1st Reading ________________

Rules Suspended: AYES ______ NAYS _______

ADOPTED: ____________________________ AYES ______ NAYS _______

ATTEST: ____________________________

Clerk of Council
Laura E. Timura

THE CITY OF BRUNSWICK

# PROPOSED LEGISLATION

| | |
|---|---|
| **DATE:** | 11/28/2022 |
| **TO:** | Vice Mayor Nicholas Hanek and Members of City Council |
| **FROM:** | Carl S. DeForest, City Manager<br>Todd Fischer |
| **COPY:** | Mayor Ron Falconi |
| **LEGISLATION:** | **ORD. NO. 106-2022** - An emergency ordinance amending Ordinance No.115-2021 and the City's Fund Balance Reserve Policy - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*) |

**BACKGROUND:**

Over the past two decades, the compounded impacts of the economy, political environment, global pandemic, and increasing demand for services and capital needs have presented challenges in maintaining adequate cash reserves for the City of Brunswick.

From 2002 through 2009, the City expended significantly more money than it was taking in, thus draining the cash reserves to levels that were unacceptable to the City and the Brunswick Citizens' Financial Audit Review and Advisory Committee. The most significant factor or identified cause of these practices was the implementation of long-term financial commitments without a corresponding long-term funding stream in place.

From mid 2010 through the date of this proposal, City Council, City Administration and the Committee have taken measures to restore the City's fiscal infrastructure, rebuild its cash reserves and revamp various fiscal and budgeting practices. As a part of these revamped practices, City Council, City Administration and the Brunswick Citizens' Financial Audit Review and Advisory Committee established a fund balance reserve policy. The City Council, City Administration and the Brunswick Citizens' Financial Audit Review and Advisory Committee decided to systematically increase the reserve levels and thus amend the fund balance reserve policy during 2017.

From mid 2010 through the date of this proposal, City Council, City Administration and the Committee have taken measures to restore the City's fiscal infrastructure, rebuild its cash reserves and revamp various fiscal and budgeting practices. As a part of these revamped practices, City Council, City Administration and the Brunswick Citizens' Financial Audit Review and Advisory Committee established a fund balance reserve policy. The City Council, City Administration and the Brunswick Citizens' Financial Audit Review and Advisory Committee decided to systematically increase the reserve levels and thus amend the fund balance reserve policy during 2017, 2020, 2021 and 2022 to better prepare and react to the health pandemic, future economic downturns, or any other emergency situation.

As part of the City Manager's 2023 budget proposal and five-year capital program, additional increases to this policy are recommended. All of the amendments made to this policy include increases to the fund balance reserve levels. Approved increases provide more financial flexibility for the City in the future to react to economic downturns, , allow for the availability of more local funds to secure grants or address emergency situations.

**PURPOSE AND EXPLANATION:**

See background and the attached Fund Balance Reserve Policy - Exhibit A for proposed amendments.

**IMPLEMENTATION SCHEDULE:**

This legislation to amend the City's Fund Balance Reserve Policy and 2023 appropriation budget will be presented and discussed with the Finance Committee and other members of Council on November 15, 2022. This legislation is anticipated to be moved to the November 28, 2022 Council agenda for one reading as an emergency with suspension of the rules. The emergency clause is considered necessary in order to remain in compliance with the Ohio Revised Code, allowing for the daily operations of the City of Brunswick to continue without interruptions, sync up various pieces of legislation with the 2023 appropriation budget and allowing for a more seamless transition into 2022.

**FINANCIAL INFORMATION:**

**FINANCIAL SUMMARY:**

If this legislation is passed, it would increase the City's ability to receive larger grant awards and deal with future economic impacts, pandemics or any other emergency situations. If certain events were to arise that would allow the cash reserves to either fall below the minimum reserve or go above the maximum reserves, then certain conditions and actions as outlined in the amended policy would be required.

**RECOMMENDED ACTION:**

| | |
|---|---|
| One Reading | Yes |
| Two Readings | No |
| Three Readings | No |
| Emergency | Yes |
| Suspension of Rules | Yes |

If emergency or suspension of the rules, why the request?

This legislation to amend the City's Fund Balance Reserve Policy and 2023 appropriation budget will be presented and discussed with the Finance Committee and other members of Council on November 15, 2022. This legislation is anticipated to be moved to the November 28, 2022 Council agenda for one reading as an emergency with suspension of the rules. The emergency clause is considered necessary in order to remain in compliance with the Ohio Revised Code, allowing for the daily operations of the City of Brunswick to continue without interruptions, sync up various pieces of legislation with the 2023 appropriation budget and allowing for a more seamless transition into 2022.

**ADDITIONAL INFORMATION:**

CITY OF BRUNSWICK, OHIO
ORDINANCE NO. 106-2022

By: Mr. Hanek, Mr. Abella, Mr. Delsanter

AN EMERGENCY ORDINANCE AMENDING ORDINANCE NO. 115-2021 AND THE CITY'S FUND BALANCE RESERVE POLICY.

WHEREAS: Per determination by this Council, the City Administration and the Brunswick Citizens' Financial Audit Review and Advisory Committee, the City adopted a Fund Balance Reserve Policy per Ordinance No. 96-12, as amended by Ordinance Nos. 90-17, 20-2020, 101-20 and 115-2021, to detail the City's objective to achieve a sound financial condition and to maintain appropriate levels of unencumbered cash reserves in the General Fund; and

WHEREAS: It has been determined to further amend the Fund Balance Reserve Policy to provide additional financial flexibility as may be required to respond to unknown effects of the global health pandemic, future economic downturns or any other unknown emergency.

WHEREAS: THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY ORDAINS:

SECTION 1: That the Fund Balance Reserve Policy, as attached hereto as Exhibit "A", is hereby adopted.

SECTION 2: That this Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public health, safety and welfare, and for the usual daily operation of a municipal government and for the additional reason that Council wishes to improve our ability to respond to future unknown impacts. Therefore, the same shall be in full force and effect from and after its passage by the required number of votes.

---

PASSED: 1st Reading _______________

RULES SUSPENDED: AYES ____ NAYS ___

ADOPTED: _________________________ AYES ____ NAYS ____

ATTEST: ________________________
Clerk of Council
Laura E. Timura

EXHIBIT A

# CITY OF BRUNSWICK

# FUND BALANCE

# RESERVE POLICY

**Established October 2012 (Ordinance #96-12)**

**Amended by City Council - (Ordinance #90-17), (Ordinance #20-2020), (Ordinance #101-2020), (Ordinance #115-2021), and (Ordinance #    - 2022)**

## BACKGROUND:

Over the past two decades, the compounded impacts of the economy, political environment, global pandemic, and increasing demand for services and capital needs have presented challenges in maintaining adequate cash reserves for the City of Brunswick.

From 2002 through 2009, the City expended significantly more money than it was taking in, thus draining the cash reserves to levels that were unacceptable to the City and the Brunswick Citizens' Financial Audit Review and Advisory Committee. The most significant factor or identified cause of these practices was the implementation of long-term financial commitments without a corresponding long-term funding stream in place.

During mid 2010 through the date of this proposal, City Council, City Administration and the Committee have taken measures to restore the City's fiscal infrastructure, rebuild its cash reserves and revamp various fiscal and budgeting practices. As a part of these revamped practices, City Council, City Administration and the Brunswick Citizens' Financial Audit Review and Advisory Committee established a fund balance reserve policy. The City Council, City Administration and the Brunswick Citizens' Financial Audit Review and Advisory Committee decided to systematically increase the reserve levels and thus amend the fund balance reserve policy during 2017. Additional increases to the fund balance reserves were recommended in 2020, 2021 and 2022 to better prepare and react to the health pandemic, future economic downturns, or any other emergency situation. ~~Furthermore, in March and December of 2020, the City Council and City Administration recommended additional changes to this policy as a result of the expected large BWC dividend and the recent health pandemic and emergency situation~~.

~~As part of the City Manager's 2022 budget proposal and 5-year capital program, additional increases to this policy are recommended. All of the amendments made to this policy include increases to the City's fund balance reserve levels. Approved increases provide more financial flexibility for the City in the future to react to the health pandemic, economic downturns, or any other emergency situation.~~

## OBJECTIVE:

It shall be the objective of the City to achieve a sound financial condition and to maintain appropriate levels of unencumbered cash reserves in the General Fund to:

1) Ensure the timely payment of all financial obligations.
2) Reduce susceptibility to downturns in the economy or revenue shortfalls.
3) Provide financial resources to pay for unanticipated emergencies.
4) Comply with and meet debt covenants and obligations.
5) Secure and maintain investment grade credit ratings.

## RESERVE POLICY:

The City's General Fund accounts for all financial resources except those required to be accounted for in another fund. These financial resources are available for any purpose, provided they are expended or transferred according to the general laws of Ohio and the Charter of the City of Brunswick. The City shall attempt to maintain a minimum General Fund ~~unreserved undesignated~~ unencumbered cash fund balance reserve of no less than $~~6,000,000~~ $6,500,000 as of December 31, 2022. As of December 31, 2023, and each fiscal year thereafter, the City shall attempt to maintain a minimum General Fund unencumbered cash fund balance of no less than $7,000,000.

Council may legislatively designate the use of the General Fund ~~unreserved undesignated~~ unencumbered cash reserves below the established minimum. If at the end of a fiscal year, the General Fund unencumbered ~~unreserved undesignated~~ cash fund balance reserve falls below $ the minimum, the City Manager shall prepare and submit his/her plan for expenditure reductions and/or revenue adjustments to City Council. City Council shall ~~take action~~act as necessary to restore the ~~unreserved, undesignated~~ unencumbered General Fund cash reserve fund balance reserve back to the minimum level, preferably within one year, but no more than three years after the last day of the fiscal year in which the minimum reserve level was breached.

In the event the General Fund ~~unreserved, undesignated~~ unencumbered cash fund balance reserve exceeds ~~$9,500,000~~ $10,250,000 as of December 31, 2022; ~~and $9,500,000~~ $11,250,000 as of December 31, 2023; and $12,000,000 as of December 31, 2024 and each fiscal year thereafter on the last day of the fiscal year, the excess may be used in one of or a combination of the following ways:

- One-time expenditures or set aside for future one time expenditures, including but not limited to debt principal reductions or capital improvements, which do not increase recurring operating costs;
- Other one-time costs, or the establishment of or increase in legitimate reservations or designations of any fund balance under the authority of Council;
- Start-up expenditures for new programs provided such action is accompanied by an approved multi-year projection of revenues and expenditures. The program shall not be authorized unless the projections are both reasonable and include revenue streams sufficient to cover the expenditures.

This policy and reserve requirements should be reviewed on an annual basis and, if appropriate, amended accordingly.