

CITY OF BLUE ASH

Interoffice Memo – City Manager's Office

TO: City Council
FROM: City Manager and Department Directors
SUBJECT: Agenda Items for the April 26th Council Meeting
DATE: April 24, 2012
COPIES: Department Directors, Press, Clerk of Council, Solicitor

This memo offers a brief description of the topics included on the April 26th Council agenda.

10.a.1. Resolution No. 2012-3 – apportionment of funds related to the Local Government Revenue Assistance Fund

Prior to 1988, funds collected by the State of Ohio and routed to Hamilton County for the benefit of local governments were distributed to the City of Cincinnati, Hamilton County, townships, and suburban municipalities based upon a statutory formula contained within the Ohio Revised Code (ORC). That formula employed input from the annually required Tax Budget that every entity had to submit to the Hamilton County Budget Commission in July. The Tax Budget was used to assess the level of “financial need” of each entity relative to every other participant in the formula. As there was substantial revenue to be gained through the “overstatement” of need there were many challenges, delays, and other difficulties experienced in the process. The City of Blue Ash fared well as certain portions of the ORC allocation factors were based upon strengths possessed by the City, such as a strong assessed valuation, a willingness of citizens to impose a tax upon themselves to meet their own needs (i.e., the City’s earnings tax), and other factors.

In 1988, a committee was formed to consider the adoption of an alternative formula to that imposed by the ORC. The adoption of an alternative formula, by Code, required approval of the largest city in the County (i.e., the City of Cincinnati), the County, and a majority of the remaining cities, townships, and villages. Blue Ash was a direct participant in that effort in the late 1980s, and the group did adopt an alternative formula in 1988, with the first expiration in 1996. Council renewed that alternative formula via passage of Resolution No. 2004-4 in January 2004 (covering years 2005 to 2012). The Hamilton County Budget Commission recently forwarded a letter to the City of Blue Ash (and all other townships, villages, and municipal entities within Hamilton County) advising that it was time to renew the majority’s acceptance of the alternative formula.

Without question, the City of Blue Ash, and a number of other municipalities, fared extremely well under the old statutory formula, and it would be best for Blue Ash if the alternative formula was not renewed. Unfortunately, the alternative formula is financially beneficial to almost all other municipal entities in Hamilton County, and thus there is no question that the alternative formula will be approved for the next eight-year time frame. The factors that are utilized in the alternative formula are Census population, the number of lane miles of roadways within the entity, and assessed valuation. The funding directed to Blue Ash under the new formula is but a fraction of the revenue that would be received under the statutory formula. Given what the State of Ohio has done as to the funding levels of the Local Government Fund, this entire process may be academic; however, we must comply or risk losing all funds.

The Administration’s recommendation for approval is based upon a “damage control” scenario, as a reopening of the discussions for an alternative formula might further erode the City’s level of collections.

Please address questions regarding this resolution to the Treasurer.

10.a.2. Ordinance No. 2012-23 – transferring funds

An ordinance transferring funds, thus modifying the original budgetary allocations for 2012, is necessary at this time.

The primary motivation for this transfer involves the provision of funding in anticipation of City Councils' favorable consideration of Ordinance No. 2012-24 relating to the purchase of Malsbary Road real estate. As indicated on the attachment, additional expenditure appropriation of \$1,050,000 is requested in the general government property acquisition or real estate account to supplement the existing real estate appropriation in the economic development area of \$500,000 to provide the necessary funding to acquire this property.

Please address any questions regarding this ordinance to the Treasurer.

10.a.3. Ordinance No. 2012-24 – authorizing acquisition of real estate on Malsbary Road

A short time ago, there were discussions during an economic development planning session as to the availability of vacant warehouse property, representing just over five acres located at 4699 Malsbary Road. Although further analysis of the property revealed that it was not a reasonable solution to the firm seeking to find new space within Blue Ash, further discussion between Economic Community Development Director, Judy Clark, Assistant Economic Community Development Director, Dan Johnson, Assistant to the City Manager, Kelly Osler, and Public Works Director, Gordon Perry, resulted in a consensus that if the property could be acquired at a very reasonable price, that there could be a long-term benefit to the City.

Following discussion with the City Manager as to those benefits, the listing broker was contacted, and a framework of an offer was presented (subject to the customary contingencies and approval by City Council) that would permit the purchase of the property for \$1.55 million as compared to the listing price of \$2.1 million. The property has been vacant for some time, is located at the very end of the existing Malsbary Road, has been in the name of the same owner since its construction in 1980, and would represent a longer term asset for the City in the economic development potential for the Malsbary corridor and the enhancement of transportation connectivity as well.

The Administration is recommending City Councils' favorable consideration of this ordinance, so that the City Solicitor's office may move forward with the preparation of a purchase agreement and so that the various contingencies, including title search and environmental review, can proceed ahead before closing.

Please address any questions regarding this ordinance to the Assistant City Manager.

10.b.1. Resolution No. 2012-4 – approving the update of the Solid Waste Management Plan of the Hamilton County Solid Waste Management District

The Hamilton County Solid Waste Management District has updated its Solid Waste Management Plan. Each political subdivision in Hamilton County is being asked to pass a resolution approving the plan within 90 days of March 15, 2012.

In order for the plan update to be considered ratified, it must be approved by the Board of County Commissioners and by municipalities and townships representing at least 60% of the population of the county.

As detailed in the plan summary included in packets, the update is similar to past versions of the plan with some notable exceptions. These include:

- **Residential Recycling Incentive Program** – The District will continue to provide grant funding to communities to offset recycling collection costs through the Residential Recycling Incentive Program. The District will evaluate increasing the number of tiers for grant funding. This will reward any incentivize recycling programs that exceed 25% recycling rates.

- **Household Hazardous Waste** – The District will continue its semi-permanent household hazardous waste drop-off program. The District will investigate the feasibility of developing a conditionally exempt small quantity generator program for businesses.
- **Advertising/Outreach** – The District will commit to continue and expand its public outreach through the development of annual marketing plans to increase recycling throughout Hamilton County. The District will also commit to additional advertising and promotion of its programs.
- **Yard Trimmings** – The District will analyze a funding mechanism for political jurisdictions that provide separate yard trimmings collection programs for residents in an effort to encourage communities to maintain these programs. There may be years when grant dollars are not available for this program, depending on prior year's revenues and expenditures.

Please direct any questions regarding this resolution to the Public Works Director.

10.b.2. Ordinance No. 2012-25 – authorizing agreement with Hamilton County regarding improvements to Kenwood Road from Cooper Road to Catalpa Creek Drive

The Municipal Road Fund (MRF) Program is administered by the Hamilton County Engineer to assist County jurisdictions with various types of road work throughout Hamilton County. The MRF Program is funded from the sale of license plates within the county. Jurisdictions submit projects for consideration and the County Engineer makes recommendations to the Hamilton County Board of Commissioners for consideration and approval of various projects.

The City of Blue Ash requested MRF funding to assist with the improvement of Kenwood Road from Cooper Road to Catalpa Creek Drive. This work will include the replacement of damaged and deteriorating concrete curb. This work will be completed during the 2012 paving program. The City of Blue Ash requested \$65,000 in MRF funds; however, not all projects could be fully funded and our request was approved for \$50,000. The Agreement with Hamilton County authorizes the County to provide the funds when the City is ready to start the project.

Please direct any questions regarding this ordinance to the Public Works Director.