9/9/2024 | 7:00 PM

Municipal Services Center, Council Chamber
3600 Tremont Road

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1. **Call to Order/Roll Call**

2. **Pledge of Allegiance Led by Council Member Kathy Adams**

3. **Consent Agenda**

   a. Approve City Council Meeting Minutes for August 26, 2024

4. **Reports/Presentations**

   a. Presentation on the City's website redesign and content management by Communications Manager Andrés Antequera

5. **Legislative Items for Second Reading/Public Hearing**

   a. Ordinance No. 52-2024 - An ordinance amending Chapter 783 - Alarm Systems of the Upper Arlington Code of Ordinances

6. **Legislative Items for Second Reading/Public Hearing/Council Action**

   a. Ordinance No. 53-2024 - An ordinance amending 2024 appropriations and authorizing the advance of funds *(Lynch)*

   b. Ordinance No. 54-2024 - An ordinance amending the 2023-2024 Municipal Program of Services (2023-2024 Biennial Budget Supplement) as adopted via Ordinance No. 80-2023 *(Munc)*

7. **Motions**

   a. To adopt the 2024 Financial Policies Committee recommendations, respective to the Credit Card Policy, Debt Policy, and Financial Policies *(Walter)*

8. **City Manager Update**

9. **Adjournment**

August 26, 2024

City Council met in regular session in the Council Chamber of the Municipal Services Center, 3600 Tremont Road, and was called to order by President Awakessien Jeter at 7:00 p.m.

Members Present:	President Ukeme Awakessien Jeter**,** Vice President Brian Close, Kathy Adams, John J. Kulewicz, Jim Lynch, Heidi Munc, and Todd Walter
Staff Present:	City Attorney Darren Shulman, City Manager Steven Schoeny, Assistant City Manager Jackie Thiel, City Clerk Krystal Gonchar, IT Director Jeff Kasson, Finance Director Brent Lewis, Fire Chief Chris Zimmer, HR Director Abby Cochran, Police Chief Keith Hall, Public Service Director Gary Wilfong, Parks & Recreation Director Debbie McLaughlin, Community Affairs Director Emma Speight, Community Development Director Chad Gibson, and Administrative Assistant Laura Conaway

Pledge of Allegiance

The Pledge of Allegiance was led by Vice President Close.

Consent Agenda

a. **Approve City Council Meeting Minutes for August 19, 2024**

b. **Ordinance No. 50-2024 – An ordinance authorizing the City Manager to enter into contract with Atlantic Emergency Solutions to refurbish Fire Engine 72**

c. **Ordinance No. 51-2024 – An ordinance authorizing the City Manager to enter into a contract with HK Solutions for sanitary sewer inspection and cleaning services**

Vice President Close moved, seconded by Mr. Kulewicz, to approve the Consent Agenda. The motion carried with the following vote:

Voting Aye: Adams, Close, Kulewicz, Lynch, Munc, Walter, and President Awakessien Jeter

Reports/Presentations

a. Finance Director Report: June and July 2024

The Finance Director stated that financials for June and July are good. Income tax is six percent over last year. The due date for utility bills has passed and they are collecting delinquent payments. Budget meetings are scheduled for November and December for the passage of the 2025-2026 budgets.

Mr. Kulewicz asked if there was a delinquency rate for utility bills available. Mr. Lewis said he would report back with that information.

Legislative Items for First Reading/Public Hearing

a. Ordinance No. 52-2024 - An ordinance amending Chapter 783 – Alarm Systems of the Upper Arlington Code of Ordinances

The Assistant City Manager provided a presentation on proposed code changes related to alarm systems. The goal is to decrease false alarm runs in the City (attached hereto and incorporated herein as Exhibit A). Police and Fire have tried to find efficient solutions for managing false alarms. There is a need for additional software for process improvement. They are recommending an update to the City Code alarm systems section to implement these changes.

Ms. Munc stated that she was shocked by the cost for a false alarm run and asked how those costs are calculated. The Fire Chief stated that they calculate based on hourly wages for three firefighters, a supervisor, and the use of the engine. In response to Ms. Munc's question, Ms. Thiel stated that a public education campaign is in the plan and explained that fatigue is a real and important issue for fire personnel. The City Manager said as the city population increases they are also trying to reduce false alarm runs so as to not add another unit due to increased use. Mr. Kulewicz stated that it would be important to contact residents who have previously registered due to the massive change in telephone communications.

Ms. Adams asked if peer communities are using this system. Ms. Thiel said the City of Columbus uses the software and they have administrative staff to manage the operations. Ms. Adams asked how the software would help with resident awareness. Ms. Thiel said users are able to log in and update information as needed, along with other features. Ms. Adams asked if this tool would be used long-term. Ms. Thiel said they would review data within a year to see if it is effective for tracking and analyze cost reductions. Ms. Adams asked where the fees go for false alarm. Mr. Lewis said the fees go to the general fund.

President Awakessien Jeter asked about the cost of the software. Ms. Thiel said it is a flat fee of $18k annually. President Awakessien Jeter said the code references commercial fire alarms, and asked if all businesses have them. Chief Zimmer said it depends on the size of the use group and size and type of the building, based on building codes. President Awakessien Jeter asked if there is a way to designate business versus residential false alarm expenses. Chief Zimmer said the issue is a risk avoidance not the material dollar amounts for each run. They also look at call overlap, because there are different types of runs occurring at the same time. They need to ensure they have personnel and resources available for runs when they are needed. President Awakessien Jeter asked if when running to a business, they have to arrive with different equipment than a residence. Chief Zimmer confirmed they do, based on the risk, for example the size of the building. President Awakessien Jeter said she would like to think about changing behavior, and how commercial false alarm fees may not be high enough to thwart behavior. Ms. Thiel said staff would like time to track some initial data first and come back with results.

President Awakessien Jeter advised the Second Reading/Public Hearing will be September 9, 2024, followed by a Third Reading/Public Hearing/Council Action on September 16, 2024.

b. Ordinance No. 53-2024 - An ordinance amending 2024 appropriations and authorizing the advance of funds

Mr. Lewis reviewed the proposed appropriations and advance of funds for $2.5M that is collected and pushed back out, such as PACE agreement funds (in special assessments). There is a portion going towards cleanup of the Teamsters contract. Another portion of the request is for $100k for a housing study as an outcome of the Council priorities. There is $135k being added to the Kingsdale TIF, which were filed late and held up at the state. There are also requests for additional equipment for various departments and an increase for employee healthcare as claims increase. He reiterated this is a lot of accounting transaction clean up.

In response to Ms. Adams' question about the Teamsters funds, Mr. Lewis said those funds are spread across multiple funds, such as the street fund, water fund, stormwater fund, etc.

President Awakessien Jeter advised the Second Reading/Public Hearing/Council Action will be September 9, 2024.

c. Ordinance No 54-2024 – An ordinance amending the 2023-2024 Municipal Program of Services (2023-2024 Biennial Budget Supplement) as adopted via Ordinance No. 80-2023

The Finance Director explained this is different from previous mid-year budgets because it amends the employee strength table without associated appropriations. Some of the changes are under the authority of the City Manager. There is a change to a fulltime employee in Economic Development, which will supplement the consultant. They are requesting help in the Human Resources Department for the Community Center. There is also a pay grade increase for the Chief Building Official.

President Awakessien Jeter advised the Second Reading/Public Hearing/Council Action will be September 9, 2024.

City Manager Update

The City Manager shared that a tv station will be out to do an interview about the robot mowers we have at Station 72. Envision Henderson Road meetings just happened, there was an online meeting and it is on the website to be viewed. They gained a lot of insight from the community for this area.

Council Liaison Report

Ms. Adams shared the Upper Arlington Commission on Aging has a new event coming up, Seniorpalooza, at St. Mark's Episcopal Church with free health screenings, free emergency preparedness kits, etc. The Community Relations Committee had a facilitated retreat and worked on selection, on-boarding new members, expectations for roles, etc.

* * *

There being no further business to come before City Council, President Awakessien Jeter called for adjournment. Mr. Kulewicz moved, seconded by Ms. Munc, to adjourn. The motion carried unanimously and the meeting was adjourned at 7:56 p.m.

Exhibit A

Alarm Systems Code Updates

August 26, 2024

Jackie Thiel, Asst. City Manager

City of Upper Arlington

Introduction

- Over the past several years, Police and Fire have explored solutions to efficiently manage the response to false alarms
- Current process has proven to be less than efficient
- Need for the ability to conduct detailed statistical analysis to quickly identify alarm ordinance violators and abusers
- Need for additional software for process improvement (Community Outreach, permitting, false alarm tracking & invoicing, collections, monthly reconciliation)

Costs

False Alarm expense to the City (2021-2022)

- Fire: 410 false alarms * $427/run = $175,070
- Police: 806 false alarms * $120/run = $96,720

2025 Budget included $30,000 for Alarm Management Services

- RFP issued in spring 2024
- PM AM selected - $18,000 annually

Process

1. Updates to Alarm Systems Code Sections (effective 1/1/2025)
    - Change to Alarm Permit Process
    - Removal of Automatic Dialing Devices
    - Change to False Alarm Validity Determination
    - Updates to Commercial Fire Alarm Requirements to meet Ohio Fire Code
    - Change to False Alarm Service Charges
2. Enter into Contract with PM AM
3. Implementation into cloud based software and website portal content
4. Public education with comprehensive marketing and public relations plan
    - Citizens
    - Security Companies

Questions?

Authors:	Jacolyn Thiel, Assistant City Manager
Council Meeting Date:	September 9, 2024
Subject/Legislative Item:	Ordinance No. 52-2024 - An ordinance amending Chapter 783 - Alarm Systems of the Upper Arlington Code of Ordinances
Purpose:	Update the Alarm Systems City Code Chapter 783
Executive Summary:	To provide updates to the city alarm systems code to allow for an alarm management service to strengthen the accountability of the responsible party using an alarm system and help prevent unnecessary use of police and fire resources.

Purpose and Impact

The Center for Public Safety Management's (CPSM) 2023 Police and Fire Operations Study identified recommended improvements to help increase efficiency and prevent unnecessary use of police and fire resources. In both divisions, false alarm calls were identified as a source of inefficiency, and a change to the City's current false alarm ordinance was needed to increase accountability and reduce the number of false alarm responses.

Staff concurs with CPSM's conclusion that the community can benefit from updates to the city alarm ordinance and alarm management services to strengthen the accountability of the responsible party for use of an alarm system. Alarm management services funding was included in the 2024 Police budget ($30,000) and the City issued a bid to have a third-party vendor administer alarm system registration and manage false alarm calls. PM AM was selected for this service at a cost of $18,000 annually, but before entering into contract, updates are proposed to the false alarm management city code, which has not been updated since 2015.

Listed below is a summary of the recommended code updates with an effective date of January 1, 2025 (the full code update is attached for review). This timeline will allow the city to enter into contract for the third-party alarm management system after code passage, with time for software implementation and community engagement before the effective date.

- **Change to Alarm Permit Process (783.02):** Registration and a permit with the City is currently required for any alarm system within the City of UA. This update moves the permitting process to the City's website rather than through the Community Development Department or the Chief of Police. Through the public education campaign, we will have all parties responsible for an alarm system(s) register through the new portal that will be on the city website to provide an update to registration and contact information. If the alarm system was previously registered with the city by the current party, the $50 registration fee will be waived. All new parties will pay the $50 alarm system registration fee.

- **Removal of Automatic Dialing Devices (783.03):** Automatic dialing device permits have been removed from the city code, as the alarm systems run on internet systems instead of through telephone lines.
- **Change to False Alarm Validity Determination (783.08):** A city assigned designee (alarm management services) will now be notified if an inspecting police officer or firefighter determines a signal to be a false alarm. The city designee shall then provide the permit holder with notification of the false alarm determination. The determination may then be appealed to the city manager for final determination. Previously, this could be appealed to a UA Safety Committee that has since been dissolved.
- **Updates to Commercial Fire Alarm requirements to meet Ohio Fire Code**
- **Change to False Alarm Service Charges (783.09):** Service fees for false alarms will now be charged after the 2nd false alarm, rather than the 3rd, with each false alarm service fee rising after every occurrence. A fee schedule has been created and will be included in the annual city Master Fee Schedule that is updated annually during the budget process this fall. The service fees are as follows:

(1) Third false alarm within a 365-day period: $50 or completion of city's alarm system education program
(2) Fourth false alarm within a 365-day period: $75
(3) Fifth false alarm within a 365-day period: $100
(4) Any additional false alarm within a 365-day period: $150

History
False alarm calls are alarm signals that elicit an urgent response by the Police or Fire Division, when a situation requiring such response does not exist. Between 2021 to 2022, the Upper Arlington Police and Fire Division responded to a combined 1,216 false alarm calls. These responses incur an expense to the City:

- Fire: 410 false alarms * $427/run= $175,070
- Police: 806 false alarms * $120/run = $96,720

False alarm calls waste valuable safety service resources, cause unnecessary panic, and can lead to the development of alarm fatigue. 98 percent of false alarm calls are caused by user error, and this can be addressed by alarm management programs and education.

PM AM Alarm Management Software Solution
PM AM is a software solution providing services for alarm billing and tracking with excellent customer service administering alarm ordinances resulting in false alarm reduction. The solution includes billing for fees and all mailings generated from alarm management

processing, coordination with alarm companies, appeals support, and reporting. With PM AM, citizens, businesses, and City officials can access services from any device, whether it is a smartphone, laptop, or tablet. Citizens can apply for a permit, make payments, update contact information etc. through the City's website maintained by PM AM.

Alternatives

City Council can take no action at this time and direct staff to continue to process alarm permits and false alarms without a software solution. The current administrative burden does not allow for full reporting, but a public education campaign could allow for improvements to compliance.

Attachments

1.	Ordinance No. 52-2024
2.	Exhibit A - CHAPTER_783.___ALARM_SYSTEMS - CODE UPDATE

RECORD OF ORDINANCES
CITY OF UPPER ARLINGTON
STATE OF OHIO

ORDINANCE NO. 52-2024

TO AMEND CHAPTER 783 – ALARM SYSTEMS OF THE UPPER ARLINGTON CODE OF ORDINANCES

WHEREAS, between 2021 and 2022, the Upper Arlington Police and Fire Divisions responded to a combined total of 1,216 false alarm calls, which incurred expenses to the City; and

WHEREAS, false alarm calls waste valuable safety service resources, cause unnecessary panic, and can lead to the development of alarm fatigue; and

WHEREAS, 98 percent of false alarm calls are caused by user error, which can be addressed through alarm management programs and education; and

WHEREAS, the Center for Public Safety Management's (CPSM) 2023 Police and Fire Operations Study identified recommended improvements in this area to help increase efficiency and prevent unnecessary use of police and fire resources; and

WHEREAS, staff recommend changes to the City's current false alarm ordinance to increase accountability and reduce the number of false alarm responses.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Upper Arlington, Ohio:

SECTION 1. Chapter 783 – Alarm Systems of the Upper Arlington Code of Ordinances is hereby amended as described in EXHIBIT A, attached hereto and made a part herein.

SECTION 2. This ordinance shall take effect 30 days after passage.

CHAPTER 783. ALARM SYSTEMS

§ 783.01 DEFINITIONS.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Alarm permit: means a permit issued by the chief of police or fire chief to any owner or other person in control of a building, property or part thereof, located in the city, to install and maintain an alarm system.

Alarm permit holder: means a person, organization, company or any other entity in control of a building, structure or facility, or any portion thereof, which is intended to be protected by an alarm system and has a permit issued to him by the chief of police or fire chief.

Alarm system: means any assembly of equipment, mechanical or electrical, arranged to signal audibly, visibly or electronically, to a location outside the structures protected by the system or to a monitoring station which in turn notifies the appropriate agency, the presence of fire, smoke, robbery, burglary, vandalism, intrusion or other activity requiring urgent attention to which the police division or the fire division is expected to respond, including interconnected alarm systems, as defined below, but shall not include alarms installed in motor vehicles.

Alarm system (interconnected): means an alarm system which directly or indirectly, automatically or manually, uses a telephone line, cable line, cellular, internet and/or radio and microwave transmission, to transmit an alarm or message upon activation of the alarm system.

Alarm system (local): means an alarm system that when activated only sounds a horn, bell, buzzer, or other type of audible or visible alarm that is designed to be audible or visible beyond the premises being served, but which does not result in the transmission of a signal to any other location.

Appropriate chief: means the Upper Arlington Chief of Police or the Upper Arlington Fire Chief.

Automatic dialing device: means a device which is interconnected to a telephone line, cellular or internet connection and is programmed to ~~select a predetermined telephone number and~~ transmit by voice, message, or code signal an emergency message indicating a need for emergency response.

False alarm: means an alarm signal or message eliciting an urgent response by the police division or fire division when a situation requiring such response by the police or fire does not, in fact, exist.

The following conditions shall not be considered a false alarm:

(A) An alarm which has been activated as a result of testing or repair shall not be considered a false alarm, if prior notification has been given the day of such repairs or test to the agency which the alarm would signal.

(B) Adverse weather, internet, cellular ~~or telephone~~ or power outages or other catastrophic acts of God not reasonably subject to control by the alarm manufacturer, installer or alarm permit holder which cause an alarm signal are not considered false alarms.

(C) An alarm which has been activated shall not be considered as a false alarm, if the responding public safety division receives a request to cancel. Such request must be made to the same location as the request for service and must be received prior to the arrival of any units or equipment.

§ 783.02 ALARM PERMITS.

(A) Any residence or building or part thereof located within the City of Upper Arlington ~~may be~~ equipped with an alarm system for the purpose of detecting and signaling the presence of a fire or unauthorized intrusion shall be registered with and permitted by the City. ~~A permit for the installation of an alarm system may be required by the local Building and Fire Codes, for buildings other than single family residences.~~ It shall be the responsibility of the owner and installer to register and secure said permits from the city. ~~'s community development department.~~ New alarm systems shall obtain permits prior to installation.

(B) Owners of alarm systems are responsible for maintaining accurate information on the alarm system registration.

(~~B~~C) Applications for alarm user permits shall be made through the city's website. ~~on forms provided by the chief of police. The application shall include the name, address and telephone number of the applicant and the name, address and telephone number of the property (including business phone number) and central station phone number of the applicant's alarm company, if any.~~

The application shall also include notice that a permit holder who has been charged with a false alarm may appeal that finding pursuant to the appeals procedure set forth in C.O. § 783.08.

Each ~~application~~ registration for an alarm user permit for an alarm system which pertains to a residence shall provide at least two (2) other names and telephone numbers of persons to contact in case of an emergency when the user is unavailable. Each application for an alarm user permit for an alarm system which pertains to a building, structure or facility other than a residence shall provide at least three (3) such names along with emergency contact information for each, unless such facility employs less than three (3) persons. An alarm monitoring company name may be substituted for one (1) of the required names, if a contractual arrangement exists between the user and the monitoring company. Contact information shall be provided for each tenant space within a building.

If an alarm user has more than one (1) alarm system protecting two (2) or more separate structures having different addresses, a separate permit shall be required for each system at each address.

(C) A one-time alarm ~~permit~~administration fee of fifty dollars ($50.00) will be charged for a permit issued under the provisions of this ordinance.

Permits are issued to a Resident or business for a specific location. Should the Resident or business move from the address indicated on the original permit, the alarm permit shall be void.

(D) No person shall install, operate or allow on the premises under his control the operation of an alarm system unless such person first obtains a valid alarm permit. This requirement shall be the responsibility of the owner unless the occupant of the property is different from the owner, in which case it shall be the responsibility of both.

(E) Each holder of an alarm user permit shall, within ten (10) days of any change of the information on the alarm user permit application, notify the city ~~chief of police in writing~~ via the City's designated process of any and all changes in the information on the application.

(F) Each application for an alarm permit shall contain an agreement to submit to the assessment of a service charge for false alarms. Failure to agree to this provision shall be cause to deny issuance of an alarm user permit, or if one (1) has been issued, shall be cause to revoke any such alarm user permit.

(G) The information contained in an alarm user permit application shall be securely maintained and restricted to inspection only by the chief of police, fire chief and their designated representatives.

(H) Any system installed shall be installed in accordance with local building and fire codes, as well as applicable standards.

(Ord. No. 87-2015, § 5, 12-14-2015)

~~§ 783.03 AUTOMATIC DIALING DEVICES.~~

~~(A) The city may subscribe to one (1) or more telephone lines for burglar alarms, or for fire alarm purposes, or for similar purposes; and when any line is designated as provided for above, persons may, upon proper application and compliance with applicable laws, be granted a permit to install a device or devices which automatically select the designated telephone line for the purpose of playing a recorded message or to otherwise report an intrusion or other emergency. The permit fee shall be established by the city manager, in such amount as to reimburse the city for the cost of any telephone lines dedicated to automatic dialing devices. Such fee shall be revised at the beginning of every fiscal year to reflect the most recent cost experience.~~

~~(B) No person shall use or cause to be used, any telephone device or telephone attachment that automatically selects any telephone line allocated by the telephone company to the city or any of its departments or divisions, except a telephone line which shall be specifically designated by the city manager for such purpose. Such designated telephone line or lines shall terminate at the Municipal Services Center Communications Center located at 3600 Tremont Road.~~

~~(C) All automatic dialing devices shall be reprogrammed to use the designated telephone line within ten (10) days of notification of designation by the city manager; additionally, the message format must be approved by the appropriate chief prior to interconnection.~~

§ 783.04 EQUIPMENT MAINTENANCE AND INSPECTION OF ALARM SYSTEMS.

(A) All equipment used in installations for which a permit is required shall meet the applicable standards of the Underwriters Laboratories of the United States and of Canada, Factory Mutual, or the National Fire Protection Association, or other recognized industry standard. Applicant may be required to submit evidence of the reliability and suitability of the equipment to be installed.

(B) All commercial fire alarms must be maintained in accordance with the Ohio Fire Code Section 107.1 "Maintenance of safeguards. Where any device, equipment, system, condition, arrangement, level of protection, or any other feature is required for compliance with the provisions of this code, or otherwise installed, such device, equipment, system, condition, arrangement, level of protection, or other feature shall thereafter be continuously maintained in accordance with this code and applicable referenced standards."

In the event of a Commercial Fire Alarm failure a fire watch shall be posted in accordance with the Ohio Fire Code 901.7 "Systems out of service. Where a required fire protection system is out of service, the fire department and the fire code official shall be notified immediately and, where required by the fire code official, the building shall be either evacuated or an approved fire watch shall be provided for all occupants left unprotected by the shutdown until the fire protection system has been returned to service. Where utilized, fire watches shall be provided with not less than one approved means for notification of the fire department and their only duty shall be to perform constant patrols of the protected premises and keep watch for fires."

(C~~B~~) After three (3) false alarms, an alarm permit may be revoked unless an alarm system inspection is scheduled by the owner within thirty (30) days. ~~The chief of police and the fire chief or their designated representative shall have the authority, at reasonable times, and upon oral notice, to enter upon any premises within the city, to inspect only the installation and operation of an alarm system, the purpose of which is to report an emergency to the police or fire division. In the event the premises to be inspected is a private dwelling, such inspection shall only be done between the hours of 8:00 a.m. and 8:00 p.m., and only if the notice is in written form addressed to the permit holder and presented to a responsible adult. Under this ordinance, such residences are only subject to the above inspection after three (3) false alarms have originated from~~

~~them. The written notice shall cite the specific false alarm history of that permit. Failure to allow reasonable inspection of such alarm system may be grounds for revocation of the alarm permit.~~

(C) The chief of police or fire chief may require that repairs or adjustments be made whenever he has determined that such are necessary to assure proper operation. Failure to make such repairs or adjustments may be grounds for revocation of the alarm permit.

§ 783.05 SUSPENSION, REVOCATION AND APPEALS PROCEDURE FOR PERMITS.

(A) Before a permit issued pursuant to this chapter may be suspended or revoked for any reason except as prescribed in C.O. § 783.99(D), a hearing must be held before the appropriate chief. A notice setting forth the time, place and nature of the hearing shall be sent to the alarm permit holder no less than seven (7) days prior to said hearing.

(B) After said hearing, the appropriate chief shall either dismiss the case or shall forward a recommendation of revocation and/or suspension to the city manager. Within ten (10) days after receiving the recommendation, the city manager shall approve or disapprove the recommendation and notify the permit holder accordingly.

(C) Any decision made by the city manager pursuant to this section may be appealed by filing a written notice of appeal with the city clerk within five (5) days of receipt of the city manager's decision. Such appeal shall be heard by the city council within thirty (30) days after the filing of the appeal and that body may affirm, amend, or reverse the decision or take other action deemed appropriate.

(D) At the end of the revocation and/or suspension period, the alarm permit holder will be required, if the holder intends to continue using his or her alarm system, to first re-file an application and have it approved by the appropriate chief.

§ 783.06 LIABILITY OF CITY.

(A) The issuance of any permits in conjunction with this chapter shall not constitute acceptance by the city of any liability to maintain any equipment, to answer alarms, or for anything in connection therewith.

§ 783.07 EXEMPTIONS.

(A) The provisions of this chapter are not applicable to home smoke detectors not intended to be heard outside the dwelling unit, or to local alarm systems or audible alarms affixed to automobiles, boats, boat trailers, house trailers and recreation vehicles or other motor vehicles.

§ 783.08 ALARM VALIDITY DETERMINATION.

(A) Whenever an alarm is activated requiring an urgent response to the location by the police division or the fire division, a police officer or firefighter who responded to the alarm address shall inspect the areas protected by the system and shall determine whether the emergency response was in fact required as indicated by the alarm system.

(B) If the inspecting police officer or firefighter determines the signal to be a false alarm, the police officer or firefighter shall make a report of the false alarm to the respective chief and city assigned designee. The city designee ~~respective division~~ shall then provide the permit holder ~~written~~ notification of the false alarm determination.

(C) Any permit holder who has been charged with a false alarm may appeal the finding of the police division or the fire division to the city manager and/or assigned designee for each such determination of a false alarm. Such appeal shall be made in writing within ten (10) days of the date of issuance of the false alarm notification. The city manager and/or assigned designee shall then provide the permit holder written notification of the false alarm determination.

~~The permit holder may further appeal the decision of the city manager to the Upper Arlington Safety Committee. Such appeal shall be made in writing within ten (10) days of the date of issuance of the decision of the city manager. The safety committee's decision shall be final.~~

§ 783.09 FALSE ALARM SERVICE CHARGES.

(A) Each false alarm response shall constitute a separate violation, whether police or fire response is elicited. ~~a~~Any response to a false alarm to a city address by another agency, in lieu of response by Upper Arlington agencies, as a result of mutual aid or automatic response agreements, shall constitute a false alarm.

(B) No service fee shall be assessed for the first two (2) ~~three (3)~~ false alarm~~s~~ per 365-day period ~~calendar year~~ for each alarm permit.

(C) Any permit holder whose alarm system allows or causes to be transmitted more than two ~~three (3)~~ false alarm~~s~~ within a 365-day period ~~calendar year~~ for a given system shall be assessed a service charge for each such additional false alarm response according to the Master List of Fees. ~~Such fee shall be uniform and based as much as is practical on average cost to the city per false alarm response and shall be set by the chief of police or fire chief subject to the approval of the city manager.~~

(D) Should the alarm permit holder find the false alarm was caused by faulty equipment, the service charge can be waived, if the permit holder has the equipment repaired. The permit holder must submit a request along with documentation of service to the city ~~chief of police~~ for ~~approval~~ review.

(E) False alarm charges are assessed against the property the alarm system monitors and shall become a lien against the property, collectible the same as other liens and taxes following the standards and procedures set forth in C.O. § 227.04.

§ 783.99 PENALTIES.

(A) No person shall operate an alarm system without first obtaining a permit as required by this chapter, or after having a permit revoked or suspended, and after exhausting the right of appeal, fail to disconnect the alarm system. Violation of this section shall be a minor misdemeanor. Each day of such unpermitted use shall constitute a separate violation.

(B) After six (6) ~~three (3)~~ false alarms in a 365-day period ~~calendar year~~, the chief of police or fire chief will review the alarm holder's permit and recommend to the city manager, continuance of the permit or revoking of the permit for up to a maximum of six (6) months. The alarm permit holder may appeal the city manager's decision to city council as provided for in C.O. § 783.05(C). City council's decision shall be final. The chief of police or fire chief may order the disconnection of any alarm system upon forwarding a recommendation of suspension or revocation of an alarm permit to the city manager pending his review and any appeals.

(C) No alarm permit holder shall knowingly allow his alarm system to be used by any person to create a false alarm as defined in C.O. § 517.13. Violation of this section shall be a misdemeanor of the fourth degree. In addition to any other penalty prescribed by C.O. § 501.09, the alarm permit held by such permit holder may be suspended or revoked for up to one (1) year.

(D) No person, organization or business that installs an alarm system shall fail to remit the permit fee as required by C.O. § 783.02(C). No person, organization or business shall fail to attempt in good faith to collect the permit fee as required by C.O. § 783.02(C). No person, organization or business shall fail to notify the chief of police or fire chief of the installation or removal or termination of an alarm system as required by C.O. § 783.02(D). Whoever violates C.O § 783.99(D) shall be guilty of an unclassified misdemeanor and may be fined up to five hundred dollars ($500.00).

Authors:	Brent Lewis, Finance Department Director
Council Meeting Date:	September 9, 2024
Subject/Legislative Item:	Ordinance No. 53-2024 - An ordinance amending 2024 appropriations and authorizing the advance of funds *(Lynch)*
Purpose:	To have the City Council authorize certain amendments to the 2024 adopted budget as required by the City Code.
Executive Summary:	City staff has conducted a mid-year review of the City's 2024 budget and is proposing the noted amendments for City Council's approval.

Purpose and Impact

Each year, during the City Council's summer recess, staff conducts a comprehensive review of the current budget year revenue estimates and appropriations for anticipated amendments. Upon City Council's return, any proposed amendments are brought before Council for approval.

Amendments typically consist of:

- Requesting new appropriations related to unbudgeted goods or services that have come up during the first half of the year;
- Requesting additional (reducing) appropriations for goods or services that were determined to be initially under/over budgeted; or,
- Requesting a re-allocation of existing appropriations.

Exhibits 1 and 2 have been included to supplement this report to show the impact of the proposed adjustments on each affected fund and provide further details for each proposed adjustment. It should be noted that *revenue adjustments are not required to be approved by the City Council*. However, adjustments that staff will be making have been included in Exhibit 1 to help show the impact on fund balance.

The following are highlights of amendments that have been included in the proposed Ordinance (see Exhibit 2):

- The General Fund (101) includes six requests for supplemental appropriations totaling $198,200.
  - $43,000 - Additional appropriations are being requested to cover prior year outstanding credit card processing fees that were not included in the current year's budget.
  - $16,000 - Additional appropriations are being requested to cover a large, unexpected permit refund from 2023.
  - $23,900 - Additional appropriations are being requested to properly budget for new Council members elected health/dental benefits.
  - $100,000 - Additional appropriations are being requested to hire consultants to perform a housing study as directed by the City Council priorities.
  - $15,000 - Additional appropriations are being requested to incorporate the changes associated with Teamsters labor agreement that was adopted in 2024.
  - $134,100 - Additional appropriations (and authorization of advance) is being requested to cover obligation associated with the Kingsdale Center TIF Fund (see description below).
- The Capital Equipment Fund includes three requests for supplemental appropriations totaling $43,500.
  - $7,500 - Additional appropriation are being requested for the replacement of a leaf box that was previously mounted on truck #4057, which was removed from service due to camshaft issues.
  - $33,200 - Additional appropriations are being requested to (1) replace the current engineering plotter which is over eight years old and (2) to add additional cameras at the PSC.
  - $33,000 - Additional appropriations are being requested to (1) add a reasonable contingency to the contract to refurbish Engine 72 (contract in separate ordinance) and (2) properly account for fitness equipment that was purchased for Fire Station 72. The fitness equipment was originally budgeted in the General Fund - Facilities Maintenance Department, but exceeded the capital threshold ($5,000). Therefore, it needs to be accounted for in the Capital Equipment Fund.
- The Street Maintenance and Repair Fund includes one supplemental appropriation request totaling $89,900. The additional appropriations are being requested to incorporate the changes associated with Teamsters labor agreement that was adopted in 2024.
- The Kingsdale Center TIF Fund includes one appropriation *reduction* request totaling $112,400. The reduction in appropriations is being requested due to the anticipated school compensation payment not being required due to the TIF exemption not being in place during the year.
- The Gateway TIF Fund includes one appropriation *reduction* request totaling $411,100. The reduction in appropriations is being requested due to the anticipated school compensation payment not being required due to the TIF exemption not being in place during the year.
- The Bonded Improvement Fund includes one supplemental appropriation request totaling $500,000. The additional appropriations are being requested to account for journal entries to properly align community center expenditures against the correct funding source. This does not represent an increase in the BCCC budget.

- The Infrastructure Improvement Fund includes one supplemental appropriation request totaling $1,000. The additional appropriations are being requested for administrative fees associated with collecting special assessments.
- The Employee Benefit Fund includes one supplemental appropriation request totaling $500,000. The additional appropriations are being requested for high than expected healthcare claims.
- The Water Surcharge Fund includes one supplemental appropriation request totaling $27,100. The additional appropriations are being requested to incorporate the changes associated with Teamsters labor agreement that was adopted in 2024.
- The Sanitary Sewer Surcharge Fund includes one supplemental appropriation request totaling $32,200. The additional appropriations are being requested to incorporate the changes associated with Teamsters labor agreement that was adopted in 2024.
- The Stormwater Management Fund includes one supplemental appropriation request totaling $13,400. The additional appropriations are being requested to incorporate the changes associated with Teamsters labor agreement that was adopted in 2024.
- The Swimming Pools Fund includes one supplemental appropriation request totaling $23,000. The additional appropriations are being requested to cover prior year outstanding credit card processing fees that were not included in the current year's budget.
- The Rotary Fund includes one supplemental appropriation request totaling $1,024,400. The additional appropriations are being requested to account for the PACE agreement activity (Gateway/Gosh).
- The Construction Withholding Fund includes one supplemental appropriation request totaling $1,500,000. The additional appropriations are being requested to account for the retainage activity associated with various capital projects.

Please see Exhibit 1 & Exhibit 2 for further information and detail on requested budget requests.

As noted previously, revenue estimates are not required to be approved by the City Council, but are only provided to show the true impact on a particular fund's balance. Various revenue estimates are being made and are noted in **Exhibit 1**. The following are a few highlights of the revenue estimate amendments:

- The payments in lieu of taxes line items are being *reduced* in the Kingsdale Center TIF Fund (-$1,158,500) and the Gateway TIF Fund (-$672,500) due to the TIF exemptions not being approved during the year as anticipated.
- The investment earnings line items are being increased in the General Fund (+$2 million) and the Bonded Improvement Fund (+$2 million) due to better than expected investment returns.
- The miscellaneous revenue line items are being increased in the Rotary Fund (+$1,024,400) and the Construction Wiithholding Fund (+$1 million) to account for PACE special assessment revenues and construction retainage activity, respectively.

Other Noteworthy Items

- This Park Department was awarded a $10,000 grant from the Ohio EPA for a bottle-filler water fountain for Thompson Park. The total expense for the project is estimated to be between $12,000-$15,000. This expense can be incorporated into the current CIP budget.
- The adopted 2024 facilities maintenance budget included $50,000 for various maintenance and repairs. After conducting further investigation and the bidding process, it was determined the project is going to come in around $108,000. It is believed that this increase can be encompassed within current facility's maintenance appropriations, but due to the large change, staff wanted to notify the City Council.

History
N/A

Alternatives
The City Council could reject or amend any of the proposed budget amendments.

Attachments

1.	2024.MIDYEARbudget.summary Exhibit 1
2.	2024.MIDYEARbudget.summary Exhibit 2
3.	Ordinance No. 53-2024 - 2024 Mid Year Appropriate and Transfer

Exhibit 1

2024 MID-YEAR Budget Adjustments

ALL #S PRESENTED ROUNDED TO WHOLE DOLLAR ON THIS SUMMARY SHEET	101 General Fund	106 Capital Equipment Fund	207 Street Maintenance & Repair Fund	259 Kingsdale Core TIF Fund	265 Kingsdale Center TIF	266 Gateway TIF	402 Bonded Improvement Fund	404 Infrastructure Improvement Fund	610 Employee Benefits Fund	720 Water Surcharge Fund	730 Sanitary Sewer Surcharge Fund	740 Stormwater Management Fund	750 Swimming Pools Fund	948 Rotary Fund	949 Construction Withholding Fund	Grand Totals of All Adjusted Funds
Revenue Adjustments from Adopted:																
Payments in lieu of taxes	$ -	$ -	$ -	$ -	$ (1,158,500)	$ (672,500)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ (1,831,000)**
Investment Revenue	2,000,000	-	-	-	-	-	2,000,000	-	-	-	-	-	-	-	-	**4,000,000**
Miscellaneous revenue	-	10,000	-	-	-	27,600	-	-	-	-	-	-	-	1,024,400	1,000,000	**2,062,000**
OFU - Advances In	-	-	-	-	134,100	-	-	-	-	-	-	-	-	-	-	**134,100**
Total Revenue	2,000,000	10,000	-	-	(1,024,400)	(644,900)	2,000,000	-	-	-	-	-	-	1,024,400	1,000,000	**4,365,100**
Appropriation Changes:																
Supplemental Appropriations	332,300	73,700	89,900	-	(112,400)	(411,100)	500,000	1,000	500,000	27,100	32,200	13,400	23,000	1,024,400	1,500,000	**3,593,500**
Total Appropriations	332,300	73,700	89,900	-	(112,400)	(411,100)	500,000	1,000	500,000	27,100	32,200	13,400	23,000	1,024,400	1,500,000	**3,593,500**
Effect on Fund Balance	1,667,700	(63,700)	(89,900)	-	(912,000)	(233,800)	1,500,000	(1,000)	(500,000)	(27,100)	(32,200)	(13,400)	(23,000)	-	(500,000)	**771,600**
Current Amended Budget Fund Balance (ENDING)	33,753,206	1,205,961	1,580,372		935,432	463,861	5,236,145	2,680,375	2,150,167	1,522,814	2,244,393	2,274,037	303,187	39,331	2,091,712	**56,480,993**
NEW Amended Budget Fund Balance (ENDING)	$ 35,420,906	$ 1,142,261	$ 1,490,472	$ -	$ 23,432	$ 230,061	$ 6,736,145	$ 2,679,375	$ 1,650,167	$ 1,495,714	$ 2,212,193	$ 2,260,637	$ 280,187	$ 39,331	$ 1,591,712	**$ 57,252,593**
Consolidated effect on all fund balances	**771,600**															

Exhibit 2

2024 MID-YEAR Review
Supplemental Appropriations

	Fund	Department	Supplemental/Transfer: Supplemental Appropriations	Supplemental/Transfer: Transfer of Appropriations	Supplemental/Transfer: Total	Breakdown By Budget Category: Personal Services	Breakdown By Budget Category: Other than Personal Services	Breakdown By Budget Category: Capital	Breakdown By Budget Category: Transfers/ Advances	Breakdown By Budget Category: Total	Description
101	General Fund	Parks	$ 43,300	$ -	$ 43,300	$ -	$ 43,300	$ -		$ 43,300	Additional appropriations are being requested to cover prior year outstanding credit card processing fees that were not included in the current year's budget.
101	General Fund	Community Development	16,000	-	16,000	-	16,000	-	-	16,000	Additional appropriations are being requested to cover a large, unexpected permit refund from 2023.
101	General Fund	City Council	23,900	-	23,900	23,900	-	-	-	23,900	Additional appropriations are being requested to properly budget for new Council members elected health/dental benefits.
101	General Fund	City Manager	100,000	-	100,000	-	100,000	-		100,000	Additional appropriations are being requested to hire consultants to perform a housing study as directed by City Council priorities.
101	General Fund	Public Works	15,000	-	15,000	15,000	-	-	-	15,000	Additional appropriations are being requested to incorporate the changes associated with Teamsters labor agreement that was adopted in 2024.
101	General Fund	Transfers	134,100	-	134,100	-	-	-	134,100	134,100	Additional appropriations (and authorization of advance) is being requested to cover obligation associated with the Kingsdale Center TIF Fund (see description below).
	Total General Fund		**332,300**	**-**	**332,300**	**38,900**	**159,300**	**-**	**134,100**	**332,300**	
106	Capital Equipment Fund	Public Works	7,500	-	7,500	-	-	7,500	-	7,500	Additional appropriation are being requested for the replacement of a leaf box that was previously mounted on truck #4057, which was removed from service due to camshaft issues. A leaf box typically costs over $9,000, but one has become available for a discounted price of $7,500.
106	Capital Equipment Fund	IT	33,200	-	33,200	-	-	33,200	-	33,200	Additional appropriations are being requested to (1) replace the current engineering plotter which is over eight years old and (2) to add additional cameras at the PSC.
106	Capital Equipment Fund	Fire	33,000	-	33,000	-	-	33,000	-	33,000	Additional appropriations are being requested to (1) add a reasonable contingency to the contract to refurbish Engine 72 (contract in separate ordinance) and (2) properly account for fitness equipment that was purchased for Fire Station 72. The fitness equipment was originally budgeted in the General Fund - Facilities Maintenance Department, but exceeded the capital threshold ($5,000). Therefore, it needs to be accounted for in the Capital Equipment Fund.
	Total Capital Equipment Fund		**73,700**	**-**	**73,700**	**-**	**-**	**73,700**	**-**	**73,700**	
108	Technology Fund		**-**	**-**	**-**	**-**	**2,000**	**(2,000)**	**-**	**-**	A transfer of appropriations is being requested to use unspent capital funds (PSC asset software came in under budget) for the purchase of an additional laptop and accessories for the new Aquatics Coordinator position that is scheduled to start this year.
	Total Technology Fund		**-**	**-**	**-**	**-**	**2,000**	**(2,000)**	**-**	**-**	
207	Streets Fund	Public Works	89,900	-	89,900	89,900	-	-	-	89,900	Additional appropriations are being requested to incorporate the changes associated with Teamsters labor agreement that was adopted in 2024.
	Total Streets Fund		**89,900**	**-**	**89,900**	**89,900**	**-**	**-**	**-**	**89,900**	
265	Kingsdale Center TIF Fund	Finance	(112,400)	(3,000)	(115,400)	-	(115,400)	-	-	(115,400)	A reduction in appropriations is being requested for (1) the transfers noted below and (2) due to the anticipated school compensation payment not being required due to the TIF exemption not being in place during the year.
265	Kingsdale Center TIF Fund	Public Service	-	3,000	3,000	3,000	-	-	-	3,000	A transfer of appropriations is being requested for unbudgeted inspection costs (payroll) that will be reimbursed by the developer.
	Total Kingsdale Center TIF Fund		**(112,400)**	**-**	**(112,400)**	**-**	**(115,400)**	**-**	**-**	**(112,400)**	
266	Gateway TIF Fund	Public Service	-	200	200	200	-	-	-	200	A transfer of appropriations is being requested for unbudgeted inspection costs (payroll) that will be reimbursed by the developer.
266	Gateway TIF Fund	Public Works	-	38,700	38,700	-	-	38,700	-	38,700	A transfer of appropriations is being requested for the final payment related to the City's portion of the TIF project. This amount was being held until inspection services were complete and billed as noted in the development agreement.

2024 MID-YEAR Review
Supplemental Appropriations

	Fund	Department	Supplemental/Transfer: Supplemental Appropriations	Supplemental/Transfer: Transfer of Appropriations	Supplemental/Transfer: Total	Breakdown By Budget Category: Personal Services	Breakdown By Budget Category: Other than Personal Services	Breakdown By Budget Category: Capital	Breakdown By Budget Category: Transfers/ Advances	Breakdown By Budget Category: Total	Description
266	Gateway TIF Fund	Finance	(411,100)	(38,900)	(450,000)	-	(450,000)	-	-	(450,000)	A reduction in appropriations is being requested for (1) the transfers noted above and (2) due to the anticipated school compensation payment not being required due to the TIF exemption not being in place during the year.
	Total Gateway TIF Fund		**(411,100)**	**-**	**(411,100)**	**200**	**(450,000)**	**38,700**	**-**	**(411,100)**	
402	Bonded Improvement Fund	Parks & Recreation	500,000	-	500,000	-	-	500,000	-	500,000	Additional appropriations are being requested to account for journal entries to properly align community center expenditures against the correct funding source. This does not represent an increase in the BCCC budget.
	Total Bonded Improvement Fund		**500,000**	**-**	**500,000**	**-**	**-**	**500,000**	**-**	**500,000**	
404	Infrastructure Improvement Fund	Parks & Recreation	-	35,000	35,000	35,000	-	-	-	35,000	A transfer of appropriations is being requested to properly align the budget with how capital-related payroll costs are being charged.
404	Infrastructure Improvement Fund	Public Service	-	(35,000)	(35,000)	(35,000)	-	-	-	(35,000)	A transfer of appropriations is being requested to properly align the budget with how capital-related payroll costs are being charged.
404	Infrastructure Improvement Fund	Finance	1,000	-	1,000	-	1,000	-	-	1,000	Additional appropriations are being requested for administrative fees associated with collecting special assessments.
	Total Infrastructure Improvement Fund		**1,000**	**-**	**1,000**	**-**	**1,000**	**-**	**-**	**1,000**	
610	Employee Benefit Fund	Finance	500,000	-	500,000	480,000	20,000	-	-	500,000	Additional appropriations are being requested for high than expected healthcare claims.
	Total Employee Benefit Fund		**500,000**	**-**	**500,000**	**480,000**	**20,000**	**-**	**-**	**500,000**	
720	Water Surcharge Fund	Public Works	27,100		27,100	27,100	-	-	-	27,100	Additional appropriations are being requested to incorporate the changes associated with Teamsters labor agreement that was adopted in 2024.
	Total Water Surcharge Fund		**27,100**	**-**	**27,100**	**27,100**	**-**	**-**	**-**	**27,100**	
730	Sewer Surcharge Fund	Public Works	32,200		32,200	32,200			-	32,200	Additional appropriations are being requested to incorporate the changes associated with Teamsters labor agreement that was adopted in 2024.
	Total Sewer Surcharge Fund		**32,200**	**-**	**32,200**	**32,200**	**-**	**-**		**32,200**	
740	Stormwater Management Fund	Public Works	13,400	-	13,400	13,400	-	-	-	13,400	Additional appropriations are being requested to incorporate the changes associated with Teamsters labor agreement that was adopted in 2024.
	Total Stormwater Management Fund		**13,400**	**-**	**13,400**	**13,400**	**-**	**-**		**13,400**	
750	Swimming Pools Fund	Parks & Recreation	-	-	-	30,000	(30,000)	-	-	-	A transfer of appropriations is being requested from other then personal services to personal services. Swim lessons were originally budgeted as a contracted service, however in 2024 City staff was used to teach lessons.
	Swimming Pools Fund	Parks & Recreation	23,000	-	23,000	-	23,000	-	-	23,000	Additional appropriations are being requested to cover prior year outstanding credit card processing fees that were not included in the current year's budget.
	Total Swimming Pools Fund		**23,000**	**-**	**23,000**	**30,000**	**(7,000)**	**-**	**-**	**23,000**	
948	Rotary Fund	Finance	1,024,400	-	1,024,400	-	1,024,400	-	-	1,024,400	Additional appropriations are being requested to account for the PACE agreement activity (Gateway/Gosh).
	Total Rotary Fund		**1,024,400**	**-**	**1,024,400**	**-**	**1,024,400**	**-**	**-**	**1,024,400**	
949	Construction Withholding Fund	Finance	1,500,000	-	1,500,000	-	1,500,000	-	-	1,500,000	Additional appropriations are being requested to account for the retainage activity associated with various capital projects.
	Total Construction Withholding Fund		**1,500,000**	**-**	**1,500,000**	**-**	**1,500,000**	**-**	**-**	**1,500,000**	
	Total Non-General Funds		**3,261,200**	**-**	**3,261,200**	**672,800**	**1,973,000**	**612,400**	**-**	**3,261,200**	
		TOTAL ALL FUNDS	**$ 3,593,500**	**$ -**	**$ 3,593,500**	**$ 711,700**	**$ 2,132,300**	**$ 612,400**	**$ 134,100**	**$ 3,593,500**	

ORDINANCE NO. 53-2024

TO AMEND 2024 APPROPRIATIONS AND AUTHORIZE THE ADVANCE OF FUNDS

WHEREAS, it is necessary to make adjustments to appropriations and effect certain transfers.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Upper Arlington, Ohio:

SECTION 1. That the Finance Director is hereby authorized and directed to appropriate $332,300 from the unappropriated balance of the General Fund and allocate to the following departments and categories:

Department	Category	Amount
Parks & Recreation	Other Than Personal Services	$ 43,300
Community Development	Other Than Personal Services	16,000
City Council	Personal Services	23,900
City Manager	Other Than Personal Services	100,000
Public Works	Personal Services	15,000
Transfers	Transfers	134,100
Total General Fund		$ 332,300

SECTION 2. That the Finance Director is hereby authorized and directed to appropriate $68,500 from the unappropriated balance of the Capital Equipment Fund – Capital category and allocate to various departments.

SECTION 3. That the Finance Director is hereby authorized and directed to transfer $2,000 in appropriations within the Technology Fund from the Information Technology – Capital category to the Information Technology – Other Than Personal Services category.

SECTION 4. That the Finance Director is hereby authorized and directed to appropriate $89,900 from the unappropriated balance of the Street Maintenance and Repairs Fund and allocate to the Public Works – Personal Services category.

SECTION 5. That the Finance Director is hereby authorized and directed to transfer $3,000 in appropriations within the Kingsdale Center TIF Fund from the Finance – Other Than Personal Services category to the Public Services – Personal Services category.

SECTION 6. That the Finance Director is hereby authorized and directed to *reduce* $112,400 in appropriations in the Kingsdale Center TIF Fund - Finance – Other Than Personal Services category.

SECTION 7. That the Finance Director is hereby authorized and directed to transfer $38,900 in appropriations within the Gateway TIF Fund from the Finance – Other Than Personal Service category to the Public Service – Personal Services category ($200) and to the Public Works – Capital category ($38,700).

SECTION 8. That the Finance Director is hereby authorized and directed to *reduce* $411,100 in appropriations in the Gateway TIF Fund - Finance – Other Than Personal Services category.

SECTION 9. That the Finance Director is hereby authorized and directed to appropriate $500,000 from the unappropriated balance of the Bonded Improvement Fund and allocate to the Public Works – Capital category.

SECTION 10. That the Finance Director is hereby authorized and directed to appropriate $1,000 from the unappropriated balance of the Infrastructure Improvement Fund and allocate to the Finance – Other Than Personal Services category.

SECTION 11. That the Finance Director is hereby authorized and directed to transfer $35,000 in appropriations within the Infrastructure Improvement Fund from the Public Service – Personal Services category to the Parks and Recreation – Personal Services category.

SECTION 12. That the Finance Director is hereby authorized and directed to appropriate $500,000 from the unappropriated balance of the Employee Benefit Fund and allocate $480,000 to the Finance – Personal Services category and $20,000 to the Finance – Other Than Personal Services category

SECTION 13. That the Finance Director is hereby authorized and directed to appropriate $27,100 from the unappropriated balance of the Water Surcharge Fund and allocate to the Public Works – Personal Services category.

SECTION 14. That the Finance Director is hereby authorized and directed to appropriate $32,200 from the unappropriated balance of the Sanitary Sewer Surcharge Fund and allocate to the Public Works – Personal Services category.

SECTION 15. That the Finance Director is hereby authorized and directed to appropriate $13,400 from the unappropriated balance of the Stormwater Management Fund and allocate to the Public Works – Personal Services category.

SECTION 16. That the Finance Director is hereby authorized and directed to appropriate $23,000 from the unappropriated balance of the Swimming Pools Fund and allocate to the Parks & Recreation - Other Than Personal Services category.

SECTION 17. That the Finance Director is hereby authorized and directed to transfer $30,000 in appropriations within the Swimming Pools Fund from the Parks and Recreation – Other Than Personal Services category to the Parks and Recreation – Personal Services category.

SECTION 18. That the Finance Director is hereby authorized and directed to appropriate $1,024,400 from the unappropriated balance of the Rotary Fund and allocate to the Finance - Other Than Personal Services category.

SECTION 19. That the Finance Director is hereby authorized and directed to appropriate $1,500,000 from the unappropriated balance of the Construction Withholding Fund and allocate to the Finance - Other Than Personal Services category.

SECTION 20. That the Finance Director is hereby authorized to advance $134,100 of funds from the General Fund to the Kingsdale Center TIF Fund.

SECTION 21. That this ordinance shall take effect immediately upon passage.

Authors:	Brent Lewis, Finance Department Director Steven Schoeny, City Manager
Council Meeting Date:	September 9, 2024
Subject/Legislative Item:	Ordinance No. 54-2024 - An ordinance amending the 2023-2024 Municipal Program of Services (2023-2024 Biennial Budget Supplement) as adopted via Ordinance No. 80-2023 *(Munc)*
Purpose:	To proposed amendments to the employee strength table as asopted in the 2023-2024 Biennial Budget Supplement
Executive Summary:	During the mid-year budget review, staff conducted a review of the authorized employee strength table and compared to current City needs. Several changes are being proposed that require City Council approval.

Purpose and Impact

- An exhibit to this staff report has been included that lists all the proposed changes to the employee strength table. Several of the changes have been authorized by the Appointing Authority, as allowed per the authority given via Ordinance 88-2019 and with the adoption of the annual budget document. These items include:
- Amending the pay grade of any position contained in the budget, provided there has been third party review, and there has been sufficient appropriation in the budget for that department.
- To update the title of any position that neither changes the grade nor duties/ description of the position.
- To temporarily exceed the strength table for a position for a period not to exceed 120 days. This authority is limited to a date certain due to retirement of the position or departure from employment in the position with the City. (Note: exceptions exist for safety services)

The following are the proposed amendments that require City Council approval.

(City Manger) A proposed change is being requested to move one FTE from the Economic Development Director position (pay grade 29) to an Economic Analyst position (pay grade 21).

This proposed change is related to the City moving to a model of using a consultant to perform economic development activities on an as needed bases. The Economic Analyst position would be an in-house position for economic development data collection and review and report to the City Manager. The Economic Development position, though being an authorized position in the adopted strength table, was not budgeted in 2024. No appropriations are requested for the Economic Analyst position in 2024. The proposed change, at this point, would allow recruiting to take place in 2024, with and expected start date in 2025. *See the exhibit for current pay grades.*

(City Manager) A proposed addition of .5 FTE's is being requested for the HR Specialist position. This proposed addition would allow the CIty to hire additional part-time HR staff to assist in the hiring of staff for the Bob Crane Community Center. No additional appropriations are required at this time.

(Community Development) A proposed pay grade change from 26 to 27 for the Chief Building Official position is being requested. The position was recently submitted for third party review and results validated pay grade 26. However, current market conditions and the anticipated job market when it is vacated will necessitate a higher pay grade to be able to recruit someone. *See the exhibit for current pay grades.*

History
N/A

Alternatives
The City Council could deny or delay approval of any or all of these proposed changes.

Attachments

1.	Ordinance No. 54-2024
2.	Exhibit A - Employee Strength Table Proposed Changes 2024

RECORD OF ORDINANCES

CITY OF UPPER ARLINGTON
STATE OF OHIO

ORDINANCE NO. 54-2024

TO AMEND THE 2023-2024 MUNICIPAL PROGRAM OF SERVICES (2023-2024 BIENNIAL BUDGE SUPPLEMENT) AS ADOPTED VIA ORDINANCE NO.80-2023

WHEREAS, City Council adopted the 2023-2024 Municipal Program of Services (2023-2024 Biennial Budget Supplement) via Ordinance 80-2023; and

WHEREAS, the adoption of the 2023-2024 Municipal Program of Services (2023-2024 Biennial Budget Supplement) includes the adoption of the City's employment strength table; and

WHEREAS, on occasion, there are changes to the employee strength table that require amendments of the adopted budget and Council action; and

WHEREAS, the following changes require Council action: (1) moving one FTE from the Economic Development Director position to an Economic Analyst position; (2) adding .5 FTE to the HR Specialist position; and, (3) increasing the pay grade of the Chief Building Official from a 26 to a 27.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Upper Arlington, Ohio:

SECTION 1. The amendments to the 2023-2024 Municipal Program of Services (2023-2024 Biennial Budget Supplement), attached hereto and incorporated herein as Exhibit A, are hereby incorporated and adopted.

SECTION 2. This ordinance shall take effect immediately after passage.

EMPLOYMENT SUMMARY

Pay Grade	New Pay Grade	Department/Position	Final 2019 Full Time	Final 2019 FTE	Final 2020 Full Time	Final 2020 FTE	Final 2021 Full Time	Final 2021 FTE	Final 2022 Full Time	Final 2022 FTE	Final 2023 Full Time	Final 2023 FTE	Adopted 2024 Full Time	Adopted 2024 FTE	
		City Attorney's Office													
		City Attorney	1.00		1.00		1.00		1.00		1.00		1.00		
27		Assistant City Attorney	2.00		2.00		2.00		2.00		2.00		2.00		
24		Criminal Justice Program Administrator	1.00		1.00		1.00		1.00		1.00		1.00		
19		Legal Management Assistant	1.00		1.00		1.00		1.00		1.00		1.00		
		Part-time Law Clerk / Intern		0.58		0.58		0.58		0.58		0.58		0.58	
		Total	5.00	0.58	5.00	0.58	5.00	0.58	5.00	0.58	5.00	0.58	5.00	0.58	
		City Clerk's Office													
		City Clerk	1.00		1.00		1.00		1.00		1.00		1.00		
21		Deputy City Clerk	1.00		1.00		1.00			0.73		0.73		0.73	
17		Assistant Deputy City Clerk		0.63		0.63		0.63		0.63		0.63		0.63	
		Total	2.00	0.63	2.00	0.63	2.00	0.63	1.00	1.36	1.00	1.36	1.00	1.36	
		City Manager's Office													
		City Manager	1.00		1.00		1.00		1.00		1.00		1.00		
31		Assistant City Manager	1.00		1.00		1.00		1.00		1.00		1.00		
29		Economic Development Director	1.00		1.00		1.00		1.00		1.00		0.00		* Position proposed to be moved to Economic Analyst
29		Human Resources Director	1.00		1.00		1.00		1.00		1.00		1.00		
29		Community Affairs Director	1.00		1.00		1.00		1.00		1.00		1.00		
	21	Economic Analyst											1.00		* Proposed transfer of 1 FTE as noted above.
23		Communications Manager	1.00		1.00		1.00		1.00		1.00		1.00		
21		Human Resources Administrator							1.00		1.00		1.00		
21		Communications Specialist									1.00		1.00		
19		Executive Office Administrator	1.00		1.00		1.00		1.00		1.00		1.00		
19		Human Resources Specialist	1.00		1.00		1.00		1.00		1.00		1.00	0.50	* Proposed addition of .5 FTE
		Intern		0.29		0.29		0.29		0.29		0.29		0.29	
		Total	8.00	0.29	8.00	0.29	8.00	0.29	9.00	0.29	10.00	0.29	10.00	0.79	
		Community Development													
31		Community Development Director			1.00		1.00		1.00		1.00		1.00		
26		Senior Planner	1.00		1.00		1.00		1.00		1.00		1.00		
26	27	Chief Building Official	1.00		1.00		1.00		1.00		1.00		1.00		* Pay grade adjusted
22		Planning Officer	1.00		1.00		1.00		1.00		1.00		1.00		
22		Code Compliance Officer	2.00		1.00		1.00		1.00		1.00		1.00		
21	22	Building Inspector/Plans Examiner	2.00		2.00		2.00		2.00		2.00		2.00		* Pay grade adjusted based on 3rd party review
20		Community Development Compliance Assistant			1.00		1.00		1.00		1.00		1.00		
17		Administrative Assistant	1.00		1.00		1.00		1.00		1.00		1.00		
		Intern		0.75		0.75		0.75		0.75		0.75		0.75	
			8.00	0.75	9.00	0.75	9.00	0.75	9.00	0.75	9.00	0.75	9.00	0.75	

EMPLOYMENT SUMMARY

Pay Grade	New Pay Grade	Department/Position	Final 2019 Full Time	Final 2019 FTE	Final 2020 Full Time	Final 2020 FTE	Final 2021 Full Time	Final 2021 FTE	Final 2022 Full Time	Final 2022 FTE	Final 2023 Full Time	Final 2023 FTE	Adopted 2024 Full Time	Adopted 2024 FTE	
		Facilities Maintenance													
22		Facilities Manager											1.00		
20		Maintenance Manager	1.00		1.00		1.00		1.00		1.00		1.00		
		Total	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	2.00	0.00	
		Finance Department *(includes Clerk of Court)*													
31		Director of Finance	1.00		1.00		1.00		1.00		1.00		1.00		
29		Assistant Finance Director	1.00		1.00		1.00		1.00		1.00		1.00		
26		Finance Manager	1.00		1.00		1.00		1.00		1.00		1.00		
21		Purchasing Administrator	1.00		1.00		1.00		1.00		1.00		1.00		
21	22	Clerk of Court	1.00		1.00		1.00		1.00		1.00		1.00		* Pay grade adjusted based on 3rd party review
20		Examiner	1.00		1.00		1.00		1.00		1.00		1.00		
20		Payroll Administrator	1.00		1.00		1.00		1.00		1.00		1.00		
19		Management Assistant	1.00		1.00		1.00		1.00						
19		Management Analyst									1.00		1.00		
18		Accounting Assistant	1.00		1.00		1.00		1.00		1.00		1.00		
18		Deputy Clerk of Court	1.00		1.00			0.73		0.73		0.75		0.75	
17		Fiscal Technician	1.00		1.00		1.00		1.00		1.00		1.00		
			11.00	0.00	11.00	0.00	10.00	0.73	10.00	0.73	10.00	0.75	10.00	0.75	
		Fire Division**													
31		Fire Chief	1.00		1.00		1.00		1.00		1.00		1.00		
29		Assistant Fire Chief / Deputy Fire Chief	1.00		1.00		1.00		1.00		1.00		1.00		
22		C.A.R.E.S Manager	1.00		1.00		1.00		1.00		1.00		1.00		
19		Fire Office Manager	1.00		1.00		1.00		1.00		1.00		1.00		
17		Administrative Assistant	1.00		1.00		1.00		1.00		1.00		1.00		
		Battalion Chief	5.00		5.00		5.00		5.00		5.00		5.00		
		Lieutenant	7.00		7.00		7.00		7.00		7.00		8.00		
		Firefighter	41.00		41.00		41.00		42.00		42.00		44.00		
**		*The City Manager is authorized to exceed the Fire Division strength table for a period of 12 months, but not exceed the current budget.*													
		Total	58.00	0.00	58.00	0.00	58.00	0.00	59.00	0.00	59.00	0.00	62.00	0.00	
		Information Technology Department													
31		Director of Information Technology	1.00		1.00		1.00		1.00		1.00		1.00		
24		Systems Engineer	2.00		2.00		2.00								
24		Applications Engineer							1.00		1.00		1.00		
24		Infrastructure Engineer							1.00		1.00		1.00		
22		Project Manager/Web Developer	1.00		1.00		1.00		1.00		1.00		1.00		
20		Systems Administrator	1.00		1.00		1.00		1.00		2.00		2.00		
		Total	5.00	0.00	5.00	0.00	5.00	0.00	5.00	0.00	6.00	0.00	6.00	0.00	

EMPLOYMENT SUMMARY

Pay Grade	New Pay Grade	Department/Position	Final 2019 Full Time	Final 2019 FTE	Final 2020 Full Time	Final 2020 FTE	Final 2021 Full Time	Final 2021 FTE	Final 2022 Full Time	Final 2022 FTE	Final 2023 Full Time	Final 2023 FTE	Adopted 2024 Full Time	Adopted 2024 FTE	
		Parks and Recreation Department													
31		Parks & Recreation Director	1.00		1.00		1.00		1.00		1.00		1.00		
25		Parks Development & Arts Superintendent	1.00		1.00		1.00		1.00		1.00		1.00		
24		Parks & Forestry Superintendent	1.00		1.00		1.00		1.00		1.00		1.00		
24		Recreation Superintendent	1.00		1.00		1.00		1.00		1.00		1.00		
22		Arts Manager	1.00		1.00		1.00		1.00		1.00		1.00		
22		Recreation Manager	1.00		1.00		1.00		1.00		1.00		1.00		
22		Aquatics Manager		0.84		0.84		0.84		0.84	1.00		1.00		
22		Parks & Forestry Supervisor	2.00		2.00		2.00		2.00		2.00		2.00		
22		Community Center Manager							1.00		1.00		1.00		
21		Recreation Supervisor	6.00		6.00		6.00		6.00		6.00		7.00		
21		~~Horticulture~~ Landscape Supervisor	1.00		1.00		1.00		1.00		1.00		1.00		* Title change only
20		Community Events Coordinator		0.66		0.66		0.66		0.66		0.66		0.75	
20		Recreation Program Assistant		0.87		0.87		0.87							
20		Rental Coordinator											1.00		
20		Aquatics Coordinator											1.00		
18		Recreation Program Leader		0.73		0.73		0.73							
17		Administrative Assistant	3.00		3.00		3.00		3.00		3.00		3.00		
20		Parks and Forestry Specialist	3.00		5.00		4.00		4.00		4.00		4.00		
18		Parks and Forestry Technician	4.00	3.73	4.00	3.73	5.00	3.73	5.00	3.73	5.00	3.73	6.00	2.29	
		Seasonal/PT Workers		27.41		27.41		27.41		29.01		29.01		29.39	
		Safety Town *(moved from Police in 2022)*								1.06		1.06		1.16	
			25.00	34.24	27.00	34.24	27.00	34.24	28.00	35.30	29.00	34.46	33.00	33.59	
		Police Division**													
31		Police Chief	1.00		1.00		1.00		1.00		1.00		1.00		
24		Professional Standards Coordinator									1.00		1.00		
22		Crime Analyst									1.00		1.00		
20		Property Custodian/Court Liaison							1.00		1.00		1.00		
18		Police Records Specialist		0.60		0.60	1.00		1.00		1.00		1.00		
17		~~Administrative Assistant~~ Support Specialist	3.00		3.00		3.00		3.00		3.00		3.00		* Title change only
		Lieutenant	3.00		3.00		3.00		3.00		3.00		3.00		
		Sergeant	8.00		8.00		8.00		8.00		8.00		8.00		
		Police Officer	41.00		41.00		41.00		41.00		41.00		41.00		
		Special Project Intern		0.50		0.50		0.50		0.50		0.50		0.50	
		Safety Town *(moved to Parks and Recreation in 2022)*		1.06		1.06		1.06							
**		*The City Manager is authorized to exceed the Police Division strength table for a period of 12 months, but not exceed the current budget.*													
		Total	56.00	2.16	56.00	2.16	57.00	1.56	58.00	0.50	60.00	0.50	60.00	0.50	

EMPLOYMENT SUMMARY

Pay Grade	New Pay Grade	Department/Position	Final 2019 Full Time	Final 2019 FTE	Final 2020 Full Time	Final 2020 FTE	Final 2021 Full Time	Final 2021 FTE	Final 2022 Full Time	Final 2022 FTE	Final 2023 Full Time	Final 2023 FTE	Adopted 2024 Full Time	Adopted 2024 FTE
		Public Service Department												
31		Public Service Director					1.00		1.00		1.00		1.00	
31		Public Service Director / City Engineer	1.00		1.00									
28		Deputy Public Service Director / City Engineer	1.00											
29		City Engineer					1.00		1.00		1.00		1.00	
26		Assistant City Engineer	1.00		2.00		1.00		1.00		1.00		1.00	
23		Engineering Coordinator	2.00		2.00		2.00		2.00		2.00		2.00	
23		GIS Administrator	1.00		1.00		1.00		1.00		1.00		1.00	
23		Electrical Supervisor	1.00		1.00		1.00		1.00		1.00		1.00	
20		Engineering Technician	3.00	1.44	4.00	1.44	4.00	1.44	4.00	1.44	4.00	1.44	4.00	0.96
20		GIS Analyst	1.00		1.00		1.00		1.00		1.00		1.00	
20		Utility/Engineering Technician	1.00		1.00		1.00		1.00		1.00		1.00	
19		Utility Locator											1.00	
19		Management Assistant	1.00		1.00		1.00		1.00		1.00		1.00	
19		Electrician/Traffic Technician	4.00		4.00		4.00		4.00		4.00		4.00	
		Intern		0.29										
		Total	17.00	1.73	18.00	1.44	18.00	1.44	18.00	1.44	18.00	1.44	19.00	0.96
		Public Works Division												
24		Public Works Service Manager	1.00		1.00		1.00		1.00		1.00		1.00	
23		Public Works Supervisor	3.00		3.00		3.00		3.00		3.00		3.00	
21		Fleet Maintenance Supervisor					1.00		1.00		1.00		1.00	
20		Fleet Maintenance Lead Technician					1.00		1.00		1.00		1.00	
20		Fleet Maintenance Foreman	1.00		1.00									
19		Fleet Maintenance Technician	4.00		4.00		4.00		4.00		4.00		4.00	
21		Performance Analyst	1.00		1.00		1.00		1.00		1.00		1.00	
18		Parts Coordinator	1.00		1.00									
		Public Works Workers	20.00	1.73	20.00	1.73	20.00	1.73	20.00	1.73	20.00	1.73	20.00	1.73
		Total	31.00	1.73	31.00	1.73	31.00	1.73	31.00	1.73	31.00	1.73	31.00	1.73
		Grand Total	**227.00**	**42.11**	**231.00**	**41.82**	**231.00**	**41.95**	**234.00**	**42.68**	**239.00**	**41.86**	**248.00**	**41.01**

Note: As first authorized by Ordinance 88-2019, the Appointing Authorities are hereby given the authority:

- To amend the pay grade of any position contained in the budget, provided there has been third party review, and there has been sufficient appropriation in the budget for that department.
- To update the title of any position that neither changes the grade nor duties/description of the position.
- To temporarily exceed the strength table for a position for a period not to exceed 120 days. This authority is limited to a date certain due to retirement of the position or departure from employment in the position with the City. *(see exceptions above for police and fire)*

EMPLOYMENT SUMMARY

2024 Pay Grades (+3.2%)

Pay Grade	*Hourly* Minimum	Mid point	Maximum	*Annualized*** Minimum	Mid point	Maximum
14	$ 20.2357	$ 24.2828	$ 28.3299	$ 42,090.18	$ 50,508.21	$ 58,926.25
15	21.2925	25.5510	29.8095	44,288.36	53,146.04	62,003.71
16	22.5706	27.0847	31.5988	46,946.75	56,336.24	65,725.50
17	23.9243	28.7091	33.4940	49,762.47	59,714.96	69,667.45
18	25.3597	30.4317	35.5037	52,748.21	63,297.90	73,847.59
19	26.8816	32.2579	37.6343	55,913.70	67,096.39	78,279.32
20	28.4952	34.1943	39.8933	59,270.01	71,124.06	82,978.10
21	30.2041	36.2449	42.2857	62,824.54	75,389.44	87,954.35
22	32.0165	38.4198	44.8231	66,594.38	79,913.11	93,232.08
23	33.9377	40.7252	47.5128	70,590.39	84,708.47	98,826.55
24	35.9740	43.1689	50.3637	74,825.98	89,791.22	104,756.46
25	38.1328	45.7592	53.3858	79,316.15	95,179.15	111,042.38
26	40.8013	48.9617	57.1219	84,866.72	101,840.25	118,813.55
27	43.6580	52.3896	61.1212	90,808.65	108,970.33	127,132.01
28	46.7143	56.0572	65.4000	97,165.72	116,598.96	136,031.96
29	50.9186	61.2358	71.2860	105,910.64	127,370.43	148,274.89
30	55.5012	62.4604	72.8706	115,442.59	129,917.69	151,570.84
31	60.4964	74.6966	88.9887	125,832.43	155,368.86	185,096.51

** - The pay of each employee (including contract employees) is based on an annualized method. The regular hourly wage is determined by dividing the annual salary by 2,080 hours unless otherwise provided by ordinance or collective bargaining agreements. Thus, in years where regular work hours exceed the 2,080 hours, annualized amounts could exceed the amounts included in this schedule.

Authors:	Brent Lewis, Finance Department Director Steven Schoeny, City Manager
Council Meeting Date:	September 9, 2024
Subject/Legislative Item:	To adopt the 2024 Financial Policies Committee recommendations, respective to the Credit Card Policy, Debt Policy, and Financial Policies *(Walter)*
Purpose:	Motion to approve the recommendations set forth by the 2024 Financial Policies Review Committee
Executive Summary:	Members of the Financial Policies Review Committee (Jim Lynch, John Kulewicz, Todd Walter) met to review the City's various financial policies, and they recommend the various changes be adopted by the City Council via motion.

Purpose and Impact

The Financial Policies Committee met with City staff to discuss the City's financial policies on May 20, 2024, and August 6, 2024. The first meeting consisted of reviewing the City's policies governing the investment of funds and the issuance of debt. At this meeting, the City's investment (Meeder Investment Advisors*) and debt (Bradley Payne Advisors) consultants attended the meeting to discuss any proposed changes to the policies and answer any questions of the committee members. The City's credit card policy was also discussed at this meeting.

** City Council awarded a contract to a new investment advisor (Red Tree) between the two Financial Policies Committee meetings. The Investment Policy was provided to Red Tree for review prior to the second meeting.*

The second meeting was primarily focused on reviewing the City's financial policies that cover items such as budgeting, reserves, reporting, etc. The meeting also consisted of a review of the investment, debt issuance, and credit card policies. At the conclusion of the second meeting, the Committee agreed to bring the following changes forward for City Council approval (proposed changes briefly described below and included in the attached documents).

- **Credit Card Policy -** This policy is required by the Ohio Auditor of State and outlines the City policies over the use of credit cards. There are not any substantive changes recommended to this policy. The only recommended change is changing the Compliance Officer title from Management Assistant to Management Analyst. This is due to a change in title within the Finance Department.

- **Debt Management Policy -** This policy primarily provides guidance on what types of debt can be issued and when it should be issued. There are not any substantive changes recommended to this policy. All the recommended changes are re-wording and simplification.
- **Investment Policy -** In order to invest in certain types of instruments, the Ohio Revised Code requires the City to have an adopted investment policy. Therefore, the City investment policy is codified under section 221 of the Upper Arlington Code of Ordinances (changes will require separate ordinance with code change). The investment policy provides guidance on the investment of funds and the City's allowable investments. The recommended changes to the policy include:
    - Adding revenue bonds as an allowable investment (with restrictions).
    - Adding the ability to invest in general obligations and revenue bonds in any state within the USA, as opposed to just Ohio (with restrictions)
    - Increasing allowable maturities from five years to ten years for the above-noted investments.
- **Financial Policies -**These are council general financial policies covering items such as budgeting, reserves, reporting, etc. The recommended changes to these policies include:
    - Changing the contingency reserve language to: The (contingency) reserve shall be <u>maintained within a range of thirty percent to fifty percent</u> of the current year's General Fund operating budget. If the reserve moves outside that range, staff will recommend to the City Council a budget plan to return the reserve fund to the recommended range within five years.

History

The Financial Policies Committee is appointed by the City Council and meets every two years.

Alternatives

City Council can elect to adopt, amend, or reject any of the recommended changes.

Attachments

1.	Credit Card Policy_redline
2.	Credit Card Policy_clean
3.	Debt Policy_redline
4.	Debt Policy_clean
5.	Investment Policy_ redline
6.	Investment Policy_ clean
7.	Financial Policies_redline
8.	Financial Policies_clean

CREDIT CARD POLICY

City Council hereby adopts the following policy concerning City-issued credit cards.

- Positions authorized to use credit cards. Credit cards will be issued upon request of the Finance Director, or designee, for City Council members, cabinet level employees, department heads, and any supervisor or employee authorized by the department head.

- Issuance of cards. Requests for the issuance of a credit card are to be made, in writing, to Finance Director, or designee. Credit cards are "corporate" cards that are issued in the name of the City with the employee as an authorized user. Prior to issuing a card to an employee, the Finance Director will determine how the purchasing cards will be used by the employee in accordance with this Policy and the specific credit card limit for that cardholder.

- Restrictions on use. Credit cards are authorized for the following uses:

    1. Authorized travel, including airfare, conference registration, hotel, meals, and any miscellaneous travel expenses, in accordance with the City's Personnel Rules.
    2. Purchase of materials and supplies from vendors when purchase orders, vendor accounts, or petty cash are not available or practical. (Note: all procurement rules and reimbursement of expense rules will be applicable to purchases made with credit cards).
    3. Business meals, in accordance with the City's Personnel Rules.
    4. Other expenditures as deemed necessary as authorized and preapproved by the City Manager or Finance Director.

  In all instances, the City's tax exempt status should be provided to a vendor so that sales tax is not charged. If a vendor fails to waive the tax, the employee should document their effort to have the tax waived. The Finance Director is authorized to determine whether the City or the employee is responsible for the tax liability.

  City credit cards are to be used solely for City business as outlined above. Use of the credit card for personal items, personal use, or alcohol is prohibited.

- Management of credit cards. The Finance Director is responsible for administration of City credit cards to include, but not limited to, selection of the card provider, payment of credit card bills, managing issuance and cancellation of cards, and ensuring proper use.

- Compliance Officer. Council hereby appoints the Finance Director's Management ~~Assistant~~ Analyst as the Compliance Officer, unless otherwise determined by the City Manager. The Compliance Officer will quarterly review the number of cards and accounts issued, the number of active cards and accounts issued, the cards' and accounts' expiration dates, and the cards' and accounts' credit limits.

- Rewards. At least annually, the Finance Director, or designee, must report to City Council all rewards received based on the use of the City's credit card account.

- Itemized receipts required. Every purchase, including those made via the Internet, must have a **detailed itemized receipt**. A credit card signature slip with only the amount charged is not considered sufficient documentation.

  Business meal receipts must also include the name(s) of the person(s) attending and the business objective.

  In addition to a detailed itemized receipt, a copy of the authorized travel request form, if applicable, must accompany all travel related purchases (i.e., airfare, hotel, meals, etc.).

  All receipts and documentation, with appropriate vendor information, account codes, and authorization, must be submitted to the Finance Department on a monthly basis to assure timely processing and payment.

- Protection of credit cards. It is the authorized cardholder's responsibility to safeguard the card and credit card account number at all times. If a City cardholder suspects the loss, theft, or possibility of unauthorized use of the card, the employee shall immediately notify the Finance Director, or designee, and the cardholder's supervisor, in writing. If a card is reported as lost or stolen, the Finance Director, or designee, will contact the card provider and may cancel or replace the card.

- Cancelation of cards. Requests for cancelation of a card should be directed to the Finance Director, or designee. Upon separation from employment with the City, or if the Finance Director determines that the cardholder's position no longer qualifies for a City-issued card, the cardholder must immediately return the card to the Finance Director or designee.

- Maximum credit limit. Unless specifically authorized by the Finance Director or City Manager (for a limited time or for a specific expenditure), individual credit card accounts shall not exceed $10,000.

- Misuse of card. The use of a credit card account for expenses beyond those authorized by this Policy and/or any failure to comply with this Credit Card Policy or any additional directives issued pursuant to this Policy constitutes misuse of a credit card account. An officer or employee who misuses a credit card account is subject to discipline, including, but not limited to, loss of eligibility to use a City credit card, demotion, and/or termination. Further, the employee may be subject to civil liability and/or criminal proceedings as a result of this misuse.

- The City Manager, the Finance Director, and the City Attorney are hereby authorized to take all actions necessary to implement and administer this Policy.

______________________________________ ____________________

Cardholder Signature Date

CREDIT CARD POLICY

City Council hereby adopts the following policy concerning City-issued credit cards.

- Positions authorized to use credit cards. Credit cards will be issued upon request of the Finance Director, or designee, for City Council members, cabinet level employees, department heads, and any supervisor or employee authorized by the department head.

- Issuance of cards. Requests for the issuance of a credit card are to be made, in writing, to Finance Director, or designee. Credit cards are "corporate" cards that are issued in the name of the City with the employee as an authorized user. Prior to issuing a card to an employee, the Finance Director will determine how the purchasing cards will be used by the employee in accordance with this Policy and the specific credit card limit for that cardholder.

- Restrictions on use. Credit cards are authorized for the following uses:

  1. Authorized travel, including airfare, conference registration, hotel, meals, and any miscellaneous travel expenses, in accordance with the City's Personnel Rules.
  2. Purchase of materials and supplies from vendors when purchase orders, vendor accounts, or petty cash are not available or practical. (Note: all procurement rules and reimbursement of expense rules will be applicable to purchases made with credit cards).
  3. Business meals, in accordance with the City's Personnel Rules.
  4. Other expenditures as deemed necessary as authorized and preapproved by the City Manager or Finance Director.

  In all instances, the City's tax exempt status should be provided to a vendor so that sales tax is not charged. If a vendor fails to waive the tax, the employee should document their effort to have the tax waived. The Finance Director is authorized to determine whether the City or the employee is responsible for the tax liability.

  City credit cards are to be used solely for City business as outlined above. Use of the credit card for personal items, personal use, or alcohol is prohibited.

- Management of credit cards. The Finance Director is responsible for administration of City credit cards to include, but not limited to, selection of the card provider, payment of credit card bills, managing issuance and cancellation of cards, and ensuring proper use.

- Compliance Officer. Council hereby appoints the Finance Director's Management Analyst as the Compliance Officer, unless otherwise determined by the City Manager. The Compliance Officer will quarterly review the number of cards and accounts issued, the number of active cards and accounts issued, the cards' and accounts' expiration dates, and the cards' and accounts' credit limits.

- Rewards. At least annually, the Finance Director, or designee, must report to City Council all rewards received based on the use of the City's credit card account.

- Itemized receipts required. Every purchase, including those made via the Internet, must have a **detailed itemized receipt**. A credit card signature slip with only the amount charged is not considered sufficient documentation.

  Business meal receipts must also include the name(s) of the person(s) attending and the business objective.

  In addition to a detailed itemized receipt, a copy of the authorized travel request form, if applicable, must accompany all travel related purchases (i.e., airfare, hotel, meals, etc.).

  All receipts and documentation, with appropriate vendor information, account codes, and authorization, must be submitted to the Finance Department on a monthly basis to assure timely processing and payment.

- Protection of credit cards. It is the authorized cardholder's responsibility to safeguard the card and credit card account number at all times. If a City cardholder suspects the loss, theft, or possibility of unauthorized use of the card, the employee shall immediately notify the Finance Director, or designee, and the cardholder's supervisor, in writing. If a card is reported as lost or stolen, the Finance Director, or designee, will contact the card provider and may cancel or replace the card.

- Cancelation of cards. Requests for cancelation of a card should be directed to the Finance Director, or designee. Upon separation from employment with the City, or if the Finance Director determines that the cardholder's position no longer qualifies for a City-issued card, the cardholder must immediately return the card to the Finance Director or designee.

- Maximum credit limit. Unless specifically authorized by the Finance Director or City Manager (for a limited time or for a specific expenditure), individual credit card accounts shall not exceed $10,000.

- Misuse of card. The use of a credit card account for expenses beyond those authorized by this Policy and/or any failure to comply with this Credit Card Policy or any additional directives issued pursuant to this Policy constitutes misuse of a credit card account. An officer or employee who misuses a credit card account is subject to discipline, including, but not limited to, loss of eligibility to use a City credit card, demotion, and/or termination. Further, the employee may be subject to civil liability and/or criminal proceedings as a result of this misuse.

- The City Manager, the Finance Director, and the City Attorney are hereby authorized to take all actions necessary to implement and administer this Policy.

______________________________________ ____________________
Cardholder Signature Date

City of Upper Arlington
Debt Policy

PROPOSED AMENDED POLICY

Introduction

~~This Debt Policy is a companion document to the City's Capital Improvement Plan (CIP). The intent of this policy is to guide City officials as they consider the proper allocation of cash and debt funding to pay for ongoing capital improvements. The intent of the language in this policy is to summarize conditions that support using debt for capital improvements and to define best practices for minimizing debt payments and issuance costs, retaining the highest credit rating possible, and maintaining full and complete financial disclosure and reporting. The debt policy is considered necessary to help guide City officials as deemed appropriate to maintain sound financial management practices. This policy is also designed to be flexible in its application to allow for exceptions to the guidelines under changing and extraordinary circumstances.~~

This Debt Policy Statement is a companion document to the City's Capital Improvement Plan (CIP). The primary objective of this policy is to summarize certain conditions that support the use of debt, or cash, for capital improvements. The plan also provides guidance on best practices for debt issuance. The debt policy is a guide for City officials to reference as deemed appropriate to maintain sound financial management practices. This policy is designed to be flexible in its application, allowing exceptions to the guidelines under changing and extraordinary circumstances.

Overview

~~One of the primary decisions made regarding financing the City's CIP is to identify the preferred funding allocation for capital, whether to use cash on hand, or debt, including short-term notes and long-term bonds, as funding sources. This policy sets forth helpful guidelines for making these decisions. The guidelines are designed to be flexible to reflect the rapidly changing nature of the credit markets. These guidelines are described in Section 1 below. Section 2 of this policy establishes debt management administrative procedures.~~
One of the key decisions facing the City regarding financing the City's various capital funding projects is whether to use cash on hand, debt, or a combination of each as the funding source. Section A – Debt Guidelines, addresses that question. Section B covers routine Debt Administration.

SECTION 1

Capital Funding Sources – Guidelines for Allocating Payment Sources

Cash Funding

~~City policy encourages funding capital projects with cash, on a "pay as you go" basis, to the extent possible and prudent. The City allocates 28% of its income tax collections to the Capital Asset Management Fund for capital projects each year. The revenue is used first for annual debt payments, with the remaining amount available for cash funded projects. Cash funding is recommended~~ ~~The policy call for cash funding~~ ~~under the following circumstances:~~ This policy encourages City officials to fund capital projects with cash, on a "pay as you go" basis, to the extent possible and prudent. ~~The policy calls for cash under the~~Cash funding is recommended under the following circumstances:

a) To finance purchases of assets whose lives are five (5) years or less;

b) To finance recurring maintenance expenditures (e.g., street repair vs. street reconstruction);

c) ~~When market conditions are unstable or offer~~To manage unstable market conditions or historically high interest rates.

Debt Financing

Short-term debt financing:

~~This policy defines short-term debt as securities with final principal and interest payments due in one year or less from the date of issuance. Typically, this type of borrowing takes the form of "short-term" bond or revenue anticipation notes. Short-term bond anticipation notes may be issued as described below to facilitate a "pay as you go" financing program, or to provide interim funding for a "long-term bond" financing (similar to a construction loan).~~

This policy defines short-term debt as securities with final principal and interest payments coming due within one-year from the date of issuance. Typically, this type of borrowing takes the form of *"short-term"* bond or revenue anticipation notes (BANs). It is suitable to issue BANs as described below.

a) ~~Pay-As-You-Go: Certain projects in the capital plan are best suited for cash funding on a pay-as-you-go basis. Projects~~ ~~For example, projects~~ ~~with useful lives of less than five years~~~~, or projects of $5 million or less~~ ~~are an example.~~ Pay-As-You-Go: Certain projects in the capital plan are best suited to cash funding on a pay-as-you-go basis, for example, projects with useful lives of less than five years, or projects of $5 million, or less. For purposes of this policy, "pay-as-you-go" financing includes selling short-term notes with the expectation of paying the notes off in full within one year to five years of initial issuance.

b) Interim Funding for long-term bond financing: Short-term notes are also appropriately used in anticipation of refunding them at a future date with long-term bonds. Typically, such notes are referred to as "bond anticipation notes". Bond anticipation notes are most suitable as a temporary funding source before and in anticipation of the completion of a bond sale.

~~b) Bond anticipation notes are most suitable under the following conditions:~~

~~a) Notes are used as a temporary funding source prior to and in anticipation of the completion of a bond sale;~~

~~b) The immediate need for financing is less than $5 million.~~

Long-term debt financing:

~~The policy suggests using notes and bonds for long-term capital asset funding under the guidelines set forth below. No single guideline stands alone; they must all be considered under the then-current circumstances and in relation to the others. Also, the guidelines are instructive and not directive in nature, and are therefore intended to be flexible to react to the changing conditions of the capital markets.~~

It is policy to use BANs and bonds for long-term capital asset funding under the parameters set forth below - parameters should be considered under the current circumstances and in relation to the others.

The guidelines are as follows:

~~Variable rate bonds or short-term notes are standard funding sources for long-term financing under the following certain conditions: i) When either type of security is used for long-term financing, the City will schedule annual principal redemptions similar to the payments typically structured for a fixed-rate bond issue that conforms to the City's fixed-rate debt policy bond guidelines herein, and ii) To minimize overall interest rate risk, the principal amount of variable rate bonds and short-term notes outstanding at any one time will be generally restricted to not to exceed twenty percent (20%) of the City's overall outstanding debt.~~

a) Variable rate demand bonds (VRDBs) and short-term BANs are suitable to use for financing projects over $5 million and with useful lives beyond ten years under the following conditions:

i) When either is used for long-term financing, the City will schedule annual principal payments similar to a hypothetical fixed rate bond issue that satisfies the City's debt policy bond parameters herein, and

~~a)~~ ii) To minimize overall interest rate risk, the City's outstanding variable rate borrowings will not exceed twenty percent (20%) of the City's overall outstanding debt. (Short-term bond anticipation notes may be issued for an aggregate amount greater than 20% of the City's outstanding debt, but such notes will be refinanced as necessary within two years of issuance to meet the 20% target.)

~~Long-term bonds are recommended for projects with useful lives of ten years or longer and for amounts of $5 million or greater.~~

b) Capital Project Fund supported debt is acceptable when the ratio of available capital fund dollars to debt payments, projected forward seven years, does not fall below 2 to 1. (For purposes of this guideline, debt payments are defined as general obligation and income tax special revenue bond debt payments, including projected payments for the refunding of outstanding general obligation or income tax special revenue BANs.)

~~a)~~

~~b) Tax supported debt funding will be considered as long as the ratio of available capital fund dollars to all similarly funded debt payments, projected forward seven years, does not fall below two to one. (For purposes of this guideline, debt payments are defined as general obligation and income tax special revenue bond debt payments, including projected payments for the refunding of outstanding general obligation or income tax special revenue bond anticipation notes.)~~

c) Non-tax supported debt funding will be considered providing the ratio of available non-tax revenue to all similarly funded debt payments, projected five years forward, does not fall below 1.5 times projected bond payments.

d) Long-term fixed-rate bonds are ~~considered~~ especially appropriate~~recommended~~ when average long-term interest rates, as indicated by the Bond Buyer *General Obligation 20 Bond Index*, are at or below eighty-five percent of the twenty-year average index rate. Long-term bonds are ~~considered~~ less attractive when average rates for the index are at or above one hundred and fifteen percent of the twenty-year average.

e) Long-term general obligation, non-tax revenue, and special revenue bonds (such as income tax revenue bonds) are considered less appropriate when the City has reserves set aside for essential near-term capital funding needs and it is believed the issuance of any particular debt offering may significantly weaken the City's credit profile.

f) Long-term debt securitized by non-tax or assessment revenues, but not by the City's general obligation pledge, is appropriate for project funding where the tax or revenue burden rests primarily on a select group of taxpayers or beneficiaries, such as for project revenue bonds, special assessment projects, tax increment financings, or economic development projects. Prior to seeking legislative approval for these types of financings, the City's Financing Team will have formed an opinion that a particular financing would ultimately receive a rating of "A2" Moody's or "A" Standard & Poor or higher.

g) City officials will strive to structure the repayment of general obligation and special revenue income tax supported notes and bonds to achieve an aggregate pay-out ratio of all outstanding debt of this nature of ~~of~~ fifty percent (50%) or more of the stated maturity within the upcoming ten year period. Non-tax revenue, special assessment and other debt specifically issued to support economic development project agreements will mature in line with the life of the supported agreement, or sooner.

SECTION 2

Recommended Administrative Procedures

Federal tax law - All tax-exempt financings must comply with the use of funds and expenditure timing restrictions set forth in federal tax law. In addition, the size and timing of notes or bonds may be affected by opportunities provided in the tax code, such as rebate exemptions ~~and so on~~. City officials will retain professional assistance to comply with federal law and assist in the preparation of rebate computations.

Note and Bond Maturities – Final bond maturities shall not exceed the average maximum useful life of the projects included in the financing as prescribed by Ohio bond law.

Debt instruments – The City will use the most efficient and economical debt instrument for its debt financings, including: voted general obligation notes and bonds; unvoted general obligation notes and bonds; non-tax revenue bonds; special assessment and tax increment notes and bonds; capital leases; special obligations; revenue bonds; or any other appropriate funding source provided for in the Ohio Revised Code. All of these instruments are considered "debt" for purposes of this policy.

Bond retirement fund – The City will attempt to maintain a bond retirement fund year-end balance equal to its maximum scheduled semi-annual debt payment.

Continuing Disclosure – The City will comply with its continuing disclosure obligations and its disclosure requirements as provided in its Continuing Disclosure Certificates associated with its various ~~outstanding~~ securities issuances. The City may retain a "disclosure agent" to assist with its compliance duties.

Refinancing Opportunities – City officials will work with the Municipal Advisor to monitor opportunities to refinance its outstanding bonds.

Bond Insurance – City officials will explore the value of purchasing bond insurance should the Finance Director, in consultation with the City's Municipal Advisor, determine that it is likely to benefit the city.~~for its bond sales but only when, and if, market conditions suggest that insurance would be beneficial.~~

Economic Development – City officials will consider opportunities to foster economic development by issuing debt. Economic development debt offerings typically include tax increment financings, special revenue bonds, non-tax revenue and special assessment notes and bonds. The City may also serve as the conduit issuer for industrial revenue bonds. The City may also participate in economic development focused transactions supported by City revenues but where the debt is issued by a conduit borrower, such as the Columbus Port Authority, for example.

Interest Rate Hedges – The City may consider using the interest rate hedges provided for under Ohio law to the extent they are appropriate for limiting future interest rate risk or lowering the overall debt payments for the City's outstanding debt. City Council will not be asked to authorize any hedges without first receiving a full disclosure of the possible risks and rewards. Under no circumstances will the City enter into derivative contracts exposing the City to "basis risk" as defined by general industry guidelines.

Professional Services – Underwriters and Municipal Advisors retained by the City in connection with the City's debt program shall provide full disclosure to the City of any formal or informal relationships or agreements that may ~~be in conflict with the best interest of the City~~conflict with the City's best interest. The City shall retain professionals in connection with its debt issuances based upon demonstrated qualifications, including past successful performance. Officials will review its relationships, or request statements of qualification, from qualified providers not less than every fifth year.

Review of Debt Policy - Upon Council organization, review of the Debt Policy shall occur in conjunction with the review of the Financial Policies.

Resolution of Reimbursement ~~–~~ – The Finance Director will present City Council with ~~A~~ a reimbursement resolution ~~of reimbursement shall be passed~~ at the beginning of any year in which the issuance of debt is anticipated (if needed).

SECTION 3

<u>Conformance to City Code</u>

The intent of these policies is to conform to the Upper Arlington City Code, which shall control in the event of consistency.

City of Upper Arlington
Debt Policy

PROPOSED AMENDED POLICY

Introduction

This Debt Policy Statement is a companion document to the City's Capital Improvement Plan (CIP). The primary objective of this policy is to summarize certain conditions that support the use of debt, or cash, for capital improvements. The plan also provides guidance on best practices for debt issuance. The debt policy is a guide for City officials to reference as deemed appropriate to maintain sound financial management practices. This policy is designed to be flexible in its application, allowing exceptions to the guidelines under changing and extraordinary circumstances.

Overview

One of the key decisions facing the City regarding financing the City's various capital funding projects is whether to use cash on hand**,** debt, or a combination of each as the funding source. Section A – Debt Guidelines, addresses that question. Section B covers routine Debt Administration.

SECTION 1

<u>**Capital Funding Sources – Guidelines for Allocating Payment Sources**</u>

Cash Funding

This policy encourages City officials to fund capital projects with cash, on a "pay as you go" basis, to the extent possible and prudent. Cash funding is recommended under the following circumstances:

a) To finance purchases of assets whose lives are five (5) years or less;

b) To finance recurring maintenance expenditures (e.g., street repair vs. street reconstruction);

c) To manage unstable market conditions or historically high interest rates.

Debt Financing

Short-term debt financing:

This policy defines short-term debt as securities with final principal and interest payments coming due within one-year from the date of issuance. Typically, this type of borrowing takes the form of *"short-term"* bond or revenue anticipation notes (BANs). It is suitable to issue BANs as described below.

a) Pay-As-You-Go: Certain projects in the capital plan are best suited to cash funding on a pay-as-you-go basis, for example, projects with useful lives of less than five years, or projects of $5 million, or less. For purposes of this policy, "pay-as-you-go" financing includes selling short-term notes with the expectation of paying the notes off in full within one year to five years of initial issuance.

b) Interim Funding for long-term bond financing: Short-term notes are also appropriately used in anticipation of refunding them at a future date with long-term bonds. Typically, such notes are referred to as "bond anticipation notes". Bond anticipation notes are most suitable as a temporary funding source before and in anticipation of the completion of a bond sale.

Long-term debt financing:

It is policy to use BANs and bonds for long-term capital asset funding under the parameters set forth below - parameters should be considered under the current circumstances and in relation to the others.

The guidelines are as follows:

a) Variable rate demand bonds (VRDBs) and short-term BANs are suitable to use for financing projects over $5 million and with useful lives beyond ten years under the following conditions:

    i) When either is used for long-term financing, the City will schedule annual principal payments similar to a hypothetical fixed rate bond issue that satisfies the City's debt policy bond parameters herein, and

    ii) To minimize overall interest rate risk, the City's outstanding variable rate borrowings will not exceed twenty percent (20%) of the City's overall outstanding debt. (Short-term bond anticipation notes may be issued for an aggregate amount greater than 20% of the City's outstanding debt, but such notes will be refinanced as necessary within two years of issuance to meet the 20% target.)

b) Capital Project Fund supported debt is acceptable when the ratio of available capital fund dollars to debt payments, projected forward seven years, does not fall below 2 to 1. (For purposes of this guideline, debt payments are defined as general obligation and income tax special revenue bond debt payments, including projected payments for the refunding of outstanding general obligation or income tax special revenue BANs.)

c) Non-tax supported debt funding will be considered providing the ratio of available non-tax revenue to all similarly funded debt payments, projected five years forward, does not fall below 1.5 times projected bond payments.

d) Long-term fixed-rate bonds are especially appropriate when average long-term interest rates, as indicated by the Bond Buyer *General Obligation 20 Bond Index*, are at or below eighty-five percent of the twenty-year average index rate. Long-term bonds are less attractive when average rates for the index are at or above one hundred and fifteen percent of the twenty-year average.

e) Long-term general obligation, non-tax revenue, and special revenue bonds (such as income tax revenue bonds) are considered less appropriate when the City has reserves set aside for essential near-term capital funding needs and it is believed the issuance of any particular debt offering may significantly weaken the City's credit profile.

f) Long-term debt securitized by non-tax or assessment revenues, but not by the City's general obligation pledge, is appropriate for project funding where the tax or revenue burden rests primarily on a select group of taxpayers or beneficiaries, such as for project revenue bonds, special assessment projects, tax increment financings, or economic development projects. Prior to seeking legislative approval for these types of financings, the City's Financing Team will have formed an opinion that a particular financing would ultimately receive a rating of "A2" Moody's or "A" Standard & Poor or higher.

g) City officials will strive to structure the repayment of general obligation and special revenue income tax supported notes and bonds to achieve an aggregate pay-out ratio of all outstanding debt of this nature of fifty percent (50%) or more of the stated maturity within the upcoming ten year period. Non-tax revenue, special assessment and other debt specifically issued to support economic development project agreements will mature in line with the life of the supported agreement, or sooner.

SECTION 2

Recommended Administrative Procedures

Federal tax law - All tax-exempt financings must comply with the use of funds and expenditure timing restrictions set forth in federal tax law. In addition, the size and timing of notes or bonds may be affected by opportunities provided in the tax code, such as rebate exemptions. City officials will retain professional assistance to comply with federal law and assist in the preparation of rebate computations.

Note and Bond Maturities – Final bond maturities shall not exceed the average maximum useful life of the projects included in the financing as prescribed by Ohio bond law.

Debt instruments – The City will use the most efficient and economical debt instrument for its debt financings, including: voted general obligation notes and bonds; unvoted general obligation notes and bonds; non-tax revenue bonds; special assessment and tax increment notes and bonds; capital leases; special obligations; revenue bonds; or any other appropriate funding source provided for in the Ohio Revised Code. All of these instruments are considered "debt" for purposes of this policy.

Bond retirement fund – The City will attempt to maintain a bond retirement fund year-end balance equal to its maximum scheduled semi-annual debt payment.

Continuing Disclosure – The City will comply with its continuing disclosure obligations and its disclosure requirements as provided in its Continuing Disclosure Certificates associated with its various securities issuances. The City may retain a "disclosure agent" to assist with its compliance duties.

Refinancing Opportunities – City officials will work with the Municipal Advisor to monitor opportunities to refinance its outstanding bonds.

Bond Insurance – City officials will explore the value of purchasing bond insurance should the Finance Director, in consultation with the City's Municipal Advisor, determine that it is likely to benefit the city.

Economic Development – City officials will consider opportunities to foster economic development by issuing debt. Economic development debt offerings typically include tax increment financings, special revenue bonds, non-tax revenue and special assessment notes and bonds. The City may also serve as the conduit issuer for industrial revenue bonds. The City may also participate in economic development focused transactions supported by City revenues but where the debt is issued by a conduit borrower, such as the Columbus Port Authority, for example.

Interest Rate Hedges – The City may consider using the interest rate hedges provided for under Ohio law to the extent they are appropriate for limiting future interest rate risk or lowering the overall debt payments for the City's outstanding debt. City Council will not be asked to authorize any hedges without first receiving a full disclosure of the possible risks and rewards. Under no circumstances will the City enter into derivative contracts exposing the City to "basis risk" as defined by general industry guidelines.

Professional Services – Underwriters and Municipal Advisors retained by the City in connection with the City's debt program shall provide full disclosure to the City of any formal or informal relationships or agreements that may conflict with the City's best interest. The City shall retain professionals in connection with its debt issuances based upon demonstrated qualifications, including past successful performance. Officials will review its relationships, or request statements of qualification, from qualified providers not less than every fifth year.

Review of Debt Policy - Upon Council organization, review of the Debt Policy shall occur in conjunction with the review of the Financial Policies.

Resolution of Reimbursement – The Finance Director will present City Council with a reimbursement resolution at the beginning of any year in which the issuance of debt is anticipated (if needed).

SECTION 3

Conformance to City Code

The intent of these policies is to conform to the Upper Arlington City Code, which shall control in the event of consistency.

CHAPTER 221. - DEPOSITORIES AND INVESTMENTS

§ 221.01 - DEFINITIONS.

Active deposit: means a public deposit necessary to meet current demands on the treasury that is deposited in any of the following:

(A) A commercial account that is payable, in whole or in part, on demand.

(B) A negotiable order of withdrawal account.

(C) A money market deposit account.

Capital funds: means the sum of the following: the par value of the outstanding common capital stock, the par value of the outstanding preferred capital stock, the aggregate par value of all outstanding capital notes and debentures and the surplus.

Financial institution: means any eligible financial institution as defined in ORC § 135.03.

Interim moneys: means public moneys in the treasury of the city, which are not needed for immediate use and are available for investment.

Oversight agency: In the case of a bank means the superintendent of banks or the comptroller of the currency, and in the case of a savings and loan association, the superintendent of building and loan associations or the Federal Home Loan Bank Board.

Public deposit: means public moneys deposited in a public depository.

Public depository: means an institution which receives or holds any public deposits.

Public moneys: means all moneys in the city treasury or moneys coming lawfully into the possession or custody of the finance director.

§ 221.02 - INSTITUTIONS ELIGIBLE FOR ACTIVE DEPOSITS.

Any financial institution located in the City of Upper Arlington is an institution, which is eligible to become a public depository for active deposits.

§ 221.03 - INSTITUTIONS INELIGIBLE AS PUBLIC DEPOSITORIES.

No financial institution is eligible to become a public depository or to receive any new public deposits if:

(A) In the case of a bank, the bank or any of its directors, officers, employees or controlling shareholders is currently a party to an active final or temporary cease-and-desist order issued under ORC § 1125.08.

(B) In the case of an association, the association or any of its directors, officers, employees, or controlling shareholders is currently a party to an active final or temporary cease-and-desist order issued under ORC § 1155.02.

§ 221.04 - CONTRACT WITH THE DEPOSITORY FOR ACTIVE DEPOSITS.
Within sixty (60) days prior to the expiration of the depository contract, the finance director shall prepare and distribute a request for proposals (RFP) for obtaining bids for active deposits from eligible institutions. The RFP shall include qualifications required by the institution, descriptions of the accounts required, recent activity of the current accounts, provisions for investment of excess funds and such other information as is deemed necessary by the finance director.

Institutions desiring to submit proposals shall provide appropriate financial data as specified in the RFP, and shall provide a financial statement in sufficient detail as to show the capital funds of the applicant.

The RFP shall be mailed to each eligible institution, provided that if an institution has more than one (1) branch office in the City of Upper Arlington, the RFP need only be sent to one (1) of the branches.

The finance director shall evaluate all proposals and make a recommendation for the award of the depository for active deposits. After approval by city council, a contractual agreement shall be executed. The contract can be for a period of up to five (5) years.

§ 221.05 - INVESTMENT OF INTERIM MONEYS.
The finance director shall determine the amount of interim moneys available for deposit, based on the anticipated cash flow requirements. Interim moneys may be invested in securities maturing more than two (2) years from the date of purchase provided that the securities can be converted to cash through trade in a secondary market prior to maturity.

§ 221.06 - AUTHORIZED INVESTMENT INSTRUMENTS.
The following instruments are authorized for investment purposes:

(A) U.S. Treasury Bills, Notes, and Bonds; various federal agency securities including issues of Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Government National Mortgage Association (GNMA), Tennessee Valley Authority (TVA) and other agencies or instrumentalities of the United States. GNMA mortgage-backed, pass-through securities are considered as eligible investments of the city and are not derivative securities, as defined under ORC § 135.14(C). Eligible investments include securities that may be "called", by the issuer, prior to the final maturity date. Any eligible investment may be purchased at a premium or a discount. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

(B) General obligations or revenue bonds of any state of the United ~~of the~~ States~~ of Ohio~~.

(C) Bonds issued by local agencies of any state of the United States, including General obligations and bonds payable solely out of the revenues of any county, township, school district, municipal corporation, or other legally constituted taxing subdivision~~ of Ohio~~ , which is not at the time of such investment, in default in the payment of principal on any of its obligations, provided that all of the following apply:

~~(1) The debt is payable from the general revenues and backed by the full faith and credit of the political subdivision~~

~~(2)~~(1) The debt is rated at the time of purchase in the three highest classifications of at least one nationally recognized rating agency and purchased through a registered securities broker or dealer.

~~(3)~~(2) The aggregate value of the bonds/obligations does not exceed twenty percent (20%) of the portfolio.

~~(4) The City is not the sole buyer of the issue.~~

(3)~~4)~~~~5)~~ The bonds or other obligations mature within ~~five~~ten years from the date of settlement.

(D) Certificates of deposit issued by institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Certificates of deposit shall be collateralized using eligible securities or instruments as defined under ORC § 135.18 or 135.181. The selection of ORC § 135.18 or 135.181 for purposes of collateralization, shall be determined by the finance director. Under either method, the finance director may require an additional percentage of eligible collateral to compensate for any depreciation of market value of such pledged collateral, less any portion insured by the FDIC.

(E) Repurchase agreements with any eligible institution mentioned in ORC § 135.03, or any eligible securities dealer pursuant to ORC § 135.14(M). Repurchase agreements transacted with eligible securities dealers shall be executed on a delivery versus payment basis. Eligible repurchase agreement collateral is restricted to securities listed in C.O. § 221.06(A), limited to final maturity dates of ten (10) years. The market value of securities subject to a repurchase agreement must exceed the principal value of the repurchase agreement amount by at least two (2) percent and marked to market daily. Term repurchase agreements shall be limited to a maximum of thirty (30) days.

(F) Banker's acceptances issued by any domestic bank rated in the highest category by one of two nationally recognized rating agencies.

(G) No load money market mutual funds consisting exclusively of obligations described in ORC § 135.14(B)(1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions mentioned in ORC § 135.03.

(H) Commercial paper notes issued by an entity that is defined in ORC § 1705.01(D) and that has assets exceeding five hundred million dollars ($500,000,000.00), to which notes all of the following apply:

(1) The notes are rated at the time of purchase in the highest classification established by at least two (2) nationally recognized standard rating services.

(2) The aggregate value of the notes does not exceed ten (10) percent of the aggregate value of the outstanding commercial paper of the issuing corporation.

(3) The notes mature not later than two hundred seventy (270) days after purchase.

(4) The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five (5) percent of interim moneys available for investment at the time of purchase.

(I) Medium term notes issued by a corporation, domiciled within the United States and having assets in excess of $500 million, provided that such medium term notes have a maximum maturity of five (5) years and are rated, at the time of purchase, by Standard & Poor's, Moody's or Fitch under the following limitations:

Standard & Poor's	Moody's	Fitch
A+(2-yr max maturity)	A1(2-yr max maturity)	A+(2-yr max maturity)
A(2-yr max maturity)	A2(2-yr max maturity)	A(2-yr max maturity)
A-(2-yr max maturity)	A3(2-yr max maturity)	A-(2-yr max maturity)
AA+(3-yr max maturity)	Aa1(3-yr max maturity)	AA+(3-yr max maturity)
AA(3-yr max maturity)	Aa2(3-yr max maturity)	AA(3-yr max maturity)
AA-(3-yr max maturity)	Aa3(3-yr max maturity)	AA-(3-yr max maturity)
AAA(maturities > 3 years)	Aaa(maturities>3-years)	AAA(maturities > 3 years)

If a security has a split rating, the higher of the two (2) ratings shall be used to determine the eligibility for investment purposes. In no event shall a corporate security, at the time of purchase, be rated less than A- by Standard & Poor's or less than an A3 by Moody's.

(J) The state treasurer's investment pool (STAR OHIO), pursuant to ORC § 135.45.

(Ord. No. 38-2016, § 1, 7-11-2016 ; Ord. No. 75-2018 , § 1, 10-22-2018)

§ 221.07 - LIMITATIONS ON INVESTMENTS.

(A) Limitations on investments of any single institution or issuer:

(1) The city's investment with any individual issuer shall not constitute more than five percent (5%) of such issuer's total outstanding issue in banker's acceptances, commercial paper or corporate medium term notes.

(2) The total value of certificates of deposit, purchased from any individual financial institution, shall not exceed three percent (3%) of that institutions total time deposits, provided that such total deposits do not exceed five percent (5%) of the city's average portfolio at the time of purchase.

(B) Limitations on the investment of interim funds: The aggregate investments in bankers acceptances and commercial paper shall not exceed forty percent (40%) of the city's average portfolio, at the time of purchase.

(1) The aggregate total of all corporate medium term notes shall not exceed fifteen percent (15%) of the average portfolio, based upon purchase cost or book value, at the time of purchase. Commercial paper and bankers acceptances shall not be considered when calculating the maximum holdings in any single issuer.

(2) The use of derivative securities, as defined in ORC § 135.14 (C), is expressly prohibited.

(3) Collateralized mortgage obligations (CMOs) of any kind are expressly prohibited.

(C) All eligible investments will mature within five (5) years from the date of settlement, unless the investment is matched to a specific obligation or debt of the city, and the investment is specifically approved by the finance director.

§ 221.08 - COLLATERALIZATION OF CERTIFICATES OF DEPOSIT.

(A) Securities pledged as collateral by any institution shall be delivered to a qualified trustee approved by the finance director. The finance director shall accept the written receipt of the trustee describing the securities which have been deposited with the trustee by the institution, a copy of which shall also be delivered to the institution.

If the institution fails to pay over any part of a deposit due the city, the finance director shall have the option to sell the securities delivered to the finance director, in a manner determined by the finance director. If the securities are on deposit with a trustee, the finance director may request the trustee to deliver the securities to the finance director, and the finance director shall have the option to sell the collateral. When a sale of securities has been made, the finance director shall deliver the securities versus payment, whereupon the absolute ownership of the securities shall pass to the purchasers. Any surplus remaining after deducting the principal amount and accrued interest due the city and any expenses of the sale shall be paid to the institution.

(B) When the institution has deposited eligible securities with a trustee for safekeeping, the institution may at any time substitute or exchange eligible securities having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged without specific authorization only if:

(1) The finance director has authorized the institution to make such substitution or exchange on a continuing basis during a specified period without prior approval of each substitution or exchange. Such authorization may be effected by the finance director sending to the trustee a written notice stating that substitution may be effected on a continuing basis during a specified period which shall not extend beyond the end of the period of designation during which the notice is given. The trustee may rely upon such notice, and upon the period of authorization stated therein.

(2) No continuing authorization for substitution or exchange has been given by the finance director, the institution notifies the trustee and the finance director of the intended substitution or exchange, and the finance director fails to object to the trustee within ten (10) business days after the date appearing on the notice of proposed substitution. The notice to the finance director and to the trustee shall be in writing and delivered personally or by certified or registered letter with a return receipt requested. The trustee may assume in such case that the notice has been delivered to the finance director.

(3) The finance director gives written authorization for a substitution or exchange of specific securities. The institution shall notify the finance director of any substitution or exchange under C.O. § 221.08(B)(1) or (B)(2). Upon request from the finance director, the trustee shall furnish a statement of the securities pledged against such deposits.

(C) In lieu of the pledging requirements prescribed in C.O. § 221.08(B) above, the finance director may accept collateral in the form of a pool of securities pledged by the financial institution, provided that:

(1) Securities committed to the pool must have a market value at least equal to one hundred ten percent (110%) of the total amount of all public moneys on deposit with the institution secured by the pooled securities, including the portion covered by federal deposit insurance.

(2) The securities eligible for deposit in the pool shall be those described in C.O. §§ 221.06(A) through (C).

(3) The securities are deposited with a qualified trustee as described in C.O. § 221.08(A), and the fees and expenses of the trustees shall be paid by the depository.

(4) Each subdivision shall have an undivided security interest in the pool of securities in the proportion that the total amount of the subdivision's public moneys secured by the pool bears to the total amount of the deposits so secured.

If the depository fails to pay over any part of the deposits due the city, the finance director shall give written notice to the trustee, and at the same time, shall send a copy of the notice to the institution. Upon receipt of the notice, the trustee shall transfer to the finance director for public sale such of the pooled securities as may be necessary to produce an amount equal to the deposits due the city and not paid over, less the portion of deposits covered by the Federal Deposit Insurance Corporation, plus any accrued interest due on the deposits. When a sale of securities has been made, the finance director shall deliver the securities versus payment, whereupon the absolute ownership of such securities shall pass to the purchasers. Any surplus after deducting the amount due the city and expenses of the sale shall be paid to the institution.

The institution may at any time substitute, exchange or release eligible securities deposited with the trustee, provided such substitution, exchange or release does not reduce the total value of securities to an amount less than one hundred ten percent (110%) of the total amount of public deposits in the pool.

The institution will provide a detailed quarterly statement of the face value and market value of all securities pledged to the pool, and the dollar amount of deposits thereby secured.

§ 221.09 - APPORTIONMENT OF INVESTMENT EARNINGS.
All investment earnings shall be credited to the general fund, with the following exceptions:

(A) Balances in the solid waste management fund.

(B) Balances in the self-insurance fund.

(C) Any fund for which applicable laws require the crediting of interest.

Funds that are to be credited with investment earnings shall receive a proportionate share based on a method determined by the finance director.

(Ord. No. 38-2016, § 2, 7-11-2016)

§ 221.10 - REQUIREMENTS OF INVESTMENT ADVISORS.

All investment advisors contracted by the city to make investment recommendations must be given a copy of C.O. ch. 221 entitled, depositories and investments. Such advisors, having read the contents of C.O. ch. 221, must acknowledge, by letter, their comprehension and receipt of the policies contained within this chapter.

CHAPTER 221. - DEPOSITORIES AND INVESTMENTS

§ 221.01 - DEFINITIONS.

Active deposit: means a public deposit necessary to meet current demands on the treasury that is deposited in any of the following:

(A) A commercial account that is payable, in whole or in part, on demand.

(B) A negotiable order of withdrawal account.

(C) A money market deposit account.

Capital funds: means the sum of the following: the par value of the outstanding common capital stock, the par value of the outstanding preferred capital stock, the aggregate par value of all outstanding capital notes and debentures and the surplus.

Financial institution: means any eligible financial institution as defined in ORC § 135.03.

Interim moneys: means public moneys in the treasury of the city, which are not needed for immediate use and are available for investment.

Oversight agency: In the case of a bank means the superintendent of banks or the comptroller of the currency, and in the case of a savings and loan association, the superintendent of building and loan associations or the Federal Home Loan Bank Board.

Public deposit: means public moneys deposited in a public depository.

Public depository: means an institution which receives or holds any public deposits.

Public moneys: means all moneys in the city treasury or moneys coming lawfully into the possession or custody of the finance director.

§ 221.02 - INSTITUTIONS ELIGIBLE FOR ACTIVE DEPOSITS.

Any financial institution located in the City of Upper Arlington is an institution, which is eligible to become a public depository for active deposits.

§ 221.03 - INSTITUTIONS INELIGIBLE AS PUBLIC DEPOSITORIES.

No financial institution is eligible to become a public depository or to receive any new public deposits if:

(A) In the case of a bank, the bank or any of its directors, officers, employees or controlling shareholders is currently a party to an active final or temporary cease-and-desist order issued under ORC § 1125.08.

(B) In the case of an association, the association or any of its directors, officers, employees, or controlling shareholders is currently a party to an active final or temporary cease-and-desist order issued under ORC § 1155.02.

§ 221.04 - CONTRACT WITH THE DEPOSITORY FOR ACTIVE DEPOSITS.

Within sixty (60) days prior to the expiration of the depository contract, the finance director shall prepare and distribute a request for proposals (RFP) for obtaining bids for active deposits from eligible institutions. The RFP shall include qualifications required by the institution, descriptions of the accounts required, recent activity of the current accounts, provisions for investment of excess funds and such other information as is deemed necessary by the finance director.

Institutions desiring to submit proposals shall provide appropriate financial data as specified in the RFP, and shall provide a financial statement in sufficient detail as to show the capital funds of the applicant.

The RFP shall be mailed to each eligible institution, provided that if an institution has more than one (1) branch office in the City of Upper Arlington, the RFP need only be sent to one (1) of the branches.

The finance director shall evaluate all proposals and make a recommendation for the award of the depository for active deposits. After approval by city council, a contractual agreement shall be executed. The contract can be for a period of up to five (5) years.

§ 221.05 - INVESTMENT OF INTERIM MONEYS.

The finance director shall determine the amount of interim moneys available for deposit, based on the anticipated cash flow requirements. Interim moneys may be invested in securities maturing more than two (2) years from the date of purchase provided that the securities can be converted to cash through trade in a secondary market prior to maturity.

§ 221.06 - AUTHORIZED INVESTMENT INSTRUMENTS.

The following instruments are authorized for investment purposes:

(A) U.S. Treasury Bills, Notes, and Bonds; various federal agency securities including issues of Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Government National Mortgage Association (GNMA), Tennessee Valley Authority (TVA) and other agencies or instrumentalities of the United States. GNMA mortgage-backed, pass-through securities are considered as eligible investments of the city and are not derivative securities, as defined under ORC § 135.14(C). Eligible investments include securities that may be "called", by the issuer, prior to the final maturity date. Any eligible investment may be purchased at a premium or a discount. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

(B) General obligations or revenue bonds of any state of the United States.

(C) Bonds issued by local agencies of any state of the United States, including General obligations and bonds payable solely out of the revenues of any county, township, school district, municipal corporation, or other legally constituted taxing subdivision, which is not at the time of such investment, in default in the payment of principal on any of its obligations, provided that all of the following apply:

    (1) The debt is rated at the time of purchase in the three highest classifications of at least one nationally recognized rating agency and purchased through a registered securities broker or dealer.

(2) The aggregate value of the bonds/obligations does not exceed twenty percent (20%) of the portfolio.

(3) The bonds or other obligations mature within ten years from the date of settlement.

(D) Certificates of deposit issued by institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Certificates of deposit shall be collateralized using eligible securities or instruments as defined under ORC § 135.18 or 135.181. The selection of ORC § 135.18 or 135.181 for purposes of collateralization, shall be determined by the finance director. Under either method, the finance director may require an additional percentage of eligible collateral to compensate for any depreciation of market value of such pledged collateral, less any portion insured by the FDIC.

(E) Repurchase agreements with any eligible institution mentioned in ORC § 135.03, or any eligible securities dealer pursuant to ORC § 135.14(M). Repurchase agreements transacted with eligible securities dealers shall be executed on a delivery versus payment basis. Eligible repurchase agreement collateral is restricted to securities listed in C.O. § 221.06(A), limited to final maturity dates of ten (10) years. The market value of securities subject to a repurchase agreement must exceed the principal value of the repurchase agreement amount by at least two (2) percent and marked to market daily. Term repurchase agreements shall be limited to a maximum of thirty (30) days.

(F) Banker's acceptances issued by any domestic bank rated in the highest category by one of two nationally recognized rating agencies.

(G) No load money market mutual funds consisting exclusively of obligations described in ORC § 135.14(B)(1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions mentioned in ORC § 135.03.

(H) Commercial paper notes issued by an entity that is defined in ORC § 1705.01(D) and that has assets exceeding five hundred million dollars ($500,000,000.00), to which notes all of the following apply:

(1) The notes are rated at the time of purchase in the highest classification established by at least two (2) nationally recognized standard rating services.

(2) The aggregate value of the notes does not exceed ten (10) percent of the aggregate value of the outstanding commercial paper of the issuing corporation.

(3) The notes mature not later than two hundred seventy (270) days after purchase.

(4) The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five (5) percent of interim moneys available for investment at the time of purchase.

(I) Medium term notes issued by a corporation, domiciled within the United States and having assets in excess of $500 million, provided that such medium term notes have a maximum maturity of five (5) years and are rated, at the time of purchase, by Standard & Poor's, Moody's or Fitch under the following limitations:

Standard & Poor's	Moody's	Fitch
A+(2-yr max maturity)	A1(2-yr max maturity)	A+(2-yr max maturity)

A(2-yr max maturity)	A2(2-yr max maturity)	A(2-yr max maturity)
A-(2-yr max maturity)	A3(2-yr max maturity)	A-(2-yr max maturity)
AA+(3-yr max maturity)	Aa1(3-yr max maturity)	AA+(3-yr max maturity)
AA(3-yr max maturity)	Aa2(3-yr max maturity)	AA(3-yr max maturity)
AA-(3-yr max maturity)	Aa3(3-yr max maturity)	AA-(3-yr max maturity)
AAA(maturities > 3 years)	Aaa(maturities>3-years)	AAA(maturities > 3 years)

If a security has a split rating, the higher of the two (2) ratings shall be used to determine the eligibility for investment purposes. In no event shall a corporate security, at the time of purchase, be rated less than A- by Standard & Poor's or less than an A3 by Moody's.

(J) The state treasurer's investment pool (STAR OHIO), pursuant to ORC § 135.45.

(Ord. No. 38-2016, § 1, 7-11-2016 ; Ord. No. 75-2018 , § 1, 10-22-2018)

§ 221.07 - LIMITATIONS ON INVESTMENTS.

(A) Limitations on investments of any single institution or issuer:

(1) The city's investment with any individual issuer shall not constitute more than five percent (5%) of such issuer's total outstanding issue in banker's acceptances, commercial paper or corporate medium term notes.

(2) The total value of certificates of deposit, purchased from any individual financial institution, shall not exceed three percent (3%) of that institutions total time deposits, provided that such total deposits do not exceed five percent (5%) of the city's average portfolio at the time of purchase.

(B) Limitations on the investment of interim funds: The aggregate investments in bankers acceptances and commercial paper shall not exceed forty percent (40%) of the city's average portfolio, at the time of purchase.

(1) The aggregate total of all corporate medium term notes shall not exceed fifteen percent (15%) of the average portfolio, based upon purchase cost or book value, at the time of purchase. Commercial paper and bankers acceptances shall not be considered when calculating the maximum holdings in any single issuer.

(2) The use of derivative securities, as defined in ORC § 135.14 (C), is expressly prohibited.

(3) Collateralized mortgage obligations (CMOs) of any kind are expressly prohibited.

(C) All eligible investments will mature within five (5) years from the date of settlement, unless the investment is matched to a specific obligation or debt of the city, and the investment is specifically approved by the finance director.

§ 221.08 - COLLATERALIZATION OF CERTIFICATES OF DEPOSIT.

(A) Securities pledged as collateral by any institution shall be delivered to a qualified trustee approved by the finance director. The finance director shall accept the written receipt of the trustee describing the securities which have been deposited with the trustee by the institution, a copy of which shall also be delivered to the institution.

If the institution fails to pay over any part of a deposit due the city, the finance director shall have the option to sell the securities delivered to the finance director, in a manner determined by the finance director. If the securities are on deposit with a trustee, the finance director may request the trustee to deliver the securities to the finance director, and the finance director shall have the option to sell the collateral. When a sale of securities has been made, the finance director shall deliver the securities versus payment, whereupon the absolute ownership of the securities shall pass to the purchasers. Any surplus remaining after deducting the principal amount and accrued interest due the city and any expenses of the sale shall be paid to the institution.

(B) When the institution has deposited eligible securities with a trustee for safekeeping, the institution may at any time substitute or exchange eligible securities having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged without specific authorization only if:

(1) The finance director has authorized the institution to make such substitution or exchange on a continuing basis during a specified period without prior approval of each substitution or exchange. Such authorization may be effected by the finance director sending to the trustee a written notice stating that substitution may be effected on a continuing basis during a specified period which shall not extend beyond the end of the period of designation during which the notice is given. The trustee may rely upon such notice, and upon the period of authorization stated therein.

(2) No continuing authorization for substitution or exchange has been given by the finance director, the institution notifies the trustee and the finance director of the intended substitution or exchange, and the finance director fails to object to the trustee within ten (10) business days after the date appearing on the notice of proposed substitution. The notice to the finance director and to the trustee shall be in writing and delivered personally or by certified or registered letter with a return receipt requested. The trustee may assume in such case that the notice has been delivered to the finance director.

(3) The finance director gives written authorization for a substitution or exchange of specific securities. The institution shall notify the finance director of any substitution or exchange under C.O. § 221.08(B)(1) or (B)(2). Upon request from the finance director, the trustee shall furnish a statement of the securities pledged against such deposits.

(C) In lieu of the pledging requirements prescribed in C.O. § 221.08(B) above, the finance director may accept collateral in the form of a pool of securities pledged by the financial institution, provided that:

(1) Securities committed to the pool must have a market value at least equal to one hundred ten percent (110%) of the total amount of all public moneys on deposit with the institution secured by the pooled securities, including the portion covered by federal deposit insurance.

(2) The securities eligible for deposit in the pool shall be those described in C.O. §§ 221.06(A) through (C).

(3) The securities are deposited with a qualified trustee as described in C.O. § 221.08(A), and the fees and expenses of the trustees shall be paid by the depository.

(4) Each subdivision shall have an undivided security interest in the pool of securities in the proportion that the total amount of the subdivision's public moneys secured by the pool bears to the total amount of the deposits so secured.

If the depository fails to pay over any part of the deposits due the city, the finance director shall give written notice to the trustee, and at the same time, shall send a copy of the notice to the institution. Upon receipt of the notice, the trustee shall transfer to the finance director for public sale such of the pooled securities as may be necessary to produce an amount equal to the deposits due the city and not paid over, less the portion of deposits covered by the Federal Deposit Insurance Corporation, plus any accrued interest due on the deposits. When a sale of securities has been made, the finance director shall deliver the securities versus payment, whereupon the absolute ownership of such securities shall pass to the purchasers. Any surplus after deducting the amount due the city and expenses of the sale shall be paid to the institution.

The institution may at any time substitute, exchange or release eligible securities deposited with the trustee, provided such substitution, exchange or release does not reduce the total value of securities to an amount less than one hundred ten percent (110%) of the total amount of public deposits in the pool.

The institution will provide a detailed quarterly statement of the face value and market value of all securities pledged to the pool, and the dollar amount of deposits thereby secured.

§ 221.09 - APPORTIONMENT OF INVESTMENT EARNINGS.
All investment earnings shall be credited to the general fund, with the following exceptions:

(A) Balances in the solid waste management fund.

(B) Balances in the self-insurance fund.

(C) Any fund for which applicable laws require the crediting of interest.

Funds that are to be credited with investment earnings shall receive a proportionate share based on a method determined by the finance director.

(Ord. No. 38-2016, § 2, 7-11-2016)

§ 221.10 - REQUIREMENTS OF INVESTMENT ADVISORS.

All investment advisors contracted by the city to make investment recommendations must be given a copy of C.O. ch. 221 entitled, depositories and investments. Such advisors, having read the contents of C.O. ch. 221, must acknowledge, by letter, their comprehension and receipt of the policies contained within this chapter.

Financial Policies

These Financial Policies of the City of Upper Arlington, Ohio, are adopted by City Council to provide a framework within which the City is to conduct its fiscal operations. It is the anticipation of Council that the effect of fluctuations in the national, state and local economy on City services is to be managed through the creation and use of appropriate reserve funds.

Operating Management Policies

1. The City will develop budgets in which current expenditures, including transfers, cannot exceed current revenue and available resources. Additionally, unless directed by Council, current revenues must equal or exceed current expenditures. The City will avoid budgetary procedures that balance the budget at the expense of meeting future years' expenses, such as: postponing expenditures, accruing future years' revenues or funding current services with debt and/or drawing down the fund balance.

2. All appropriations that have not been expended or encumbered shall lapse at the end of the fiscal year. The City shall not increase appropriations for prior year encumbrances. Appropriations shall be for the current year only. An estimate of "lapsed" encumbrances should be included in the 5 year operating forecast.

3. The operating budget will be compiled in a manner to maintain as close as possible the existing level of services to the City.

4. The General Fund undesignated fund balance cannot be used to fund newly created operating expenditures or projects that are ongoing in nature.

5. The City shall set fees and user charges for each enterprise fund at a level to support the direct and appropriate indirect cost of the activity unless by affirmative action, Council directs a transfer from the General Fund sufficient to support the costs of the activity. Indirect costs shall include the cost of annual depreciation of capital assets and the cost of debt service to procure capital assets, unless directed by Council.

6. Charges for services shall reflect the full cost of providing a specific service, including the cost of annual deprecation of capital assets and the cost of debt service to procure capital assets, unless directed by Council. The cost of providing specific services shall be recalculated periodically and the fees shall be adjusted accordingly.

7. Although the City's budget may be prepared on an annual or biennial basis, revenue and expenditure forecasts will be prepared for five years and will be updated annually to spot developing trends and provide early warning of future financial difficulties.

8. Alternative service delivery methods will be reviewed periodically to ensure that quality services are being provided at the most reasonable costs.

9. The City shall develop a program to integrate performance measurement and productivity indicators with the budget. Where appropriate, comparisons with comparable cities may be made to ensure that quality services are provided at competitive and economical costs.

10. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal and financial return on principal ensuring adequate liquidity to meet all necessary obligations.

11. Prior to applying for and accepting intergovernmental aid, the City shall examine the program to determine if it is consistent with the City's mission and financial policies.

12. Grants that require a matching commitment of City funds shall be evaluated on the availability of funding sources and on the merit of the grant program.

13. License and permit fees shall be reviewed at least annually to ensure that they match related processing and inspection services.

14. Vehicle and technology equipment, and other operating equipment replacement schedules shall be developed and updated annually, including proposed funding sources.

15. Fiscal impact analysis will be conducted when considering economic development incentives before a recommendation is brought to City Council.

Capital Improvement Program Management Policies

1. A ten-year capital improvement plan shall be developed and updated annually, with the goal of achieving the annual replacement cost of the infrastructure.

2. Capital improvement life cycle costs will be coordinated with the development of the operating budget. Future operating, maintenance and replacement costs associated with new capital improvements shall be estimated for inclusion in the operating budget.

3. An infrastructure replacement program shall be developed based on the useful life of each infrastructure category (i.e., street repaving, street replacement, water lines, etc.).

4. The long-term financing of capital improvements or equipment shall not exceed the useful life.

Reserve Policies

1. A Facilities Maintenance Reserve shall be established to ensure adequate funding for operating equipment replacement of City facilities (HVAC, roofing, etc.).

2. Self-insurance reserves will be maintained at a level, which, together with purchased insurance policies, will adequately indemnify the City's property and liability risk. A qualified risk management advisor will be retained on an annual basis in order to recommend appropriate funding levels.

3. Contingency reserves to be determined annually will be maintained to offset unanticipated revenue shortfalls and/or unexpected expenditure increases. Contingency reserves may also be used for unanticipated and/or inadequately budgeted events threatening the public health or safety. A reserve will be maintained in the General Fund. The reserve shall be ~~equal to~~maintained within a range of thirty percent to fifty percent of the current year General Fund operating budget. If the reserve moves outside that range, staff will recommend to the City Council a budget plan to return the reserve fund to the recommended range within five years.

Financial Accounting and Reporting Policies

1. The City's financial reporting systems shall be maintained in conformity with generally accepted accounting principles (GAAP), and the standards of the Governmental Accounting Standards Board (GASB).

2. An annual audit will be performed by the Auditor of State or an independent public accounting firm, with an audit opinion to be included in the City's published Annual Comprehensive Financial Report (ACFR).

3. The City's ACFR shall be submitted to the Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting Program. The ACFR should satisfy the criteria established by the GFOA.

4. The City's budget shall be submitted to the GFOA Distinguished Budget Presentation Program. The budget should satisfy the criteria established by the GFOA.

5. Financial systems shall be maintained to monitor revenues, expenditures, and program performance on an ongoing basis.

6. Financial reporting to Council shall include monthly budget reports as well as special reports as deemed appropriate by Council, the Finance Director or the City Manager.

City Council Review

Upon Council organization, a Financial Policy Review subcommittee of Council will be named by the President. The subcommittee will conduct a review of all financial policies and the debt policy. Modifications adopted by majority vote of the subcommittee will be recommended to the full Council for consideration and adoption.

At all other times, the financial policies and the debt policy of the City may be modified by a majority vote of Council.

Conformance to City Code

The intent of these policies is to conform to the Upper Arlington City Code, which shall control in the event of consistency.

Financial Policies

These Financial Policies of the City of Upper Arlington, Ohio, are adopted by City Council to provide a framework within which the City is to conduct its fiscal operations. It is the anticipation of Council that the effect of fluctuations in the national, state and local economy on City services is to be managed through the creation and use of appropriate reserve funds.

Operating Management Policies

1. The City will develop budgets in which current expenditures, including transfers, cannot exceed current revenue and available resources. Additionally, unless directed by Council, current revenues must equal or exceed current expenditures. The City will avoid budgetary procedures that balance the budget at the expense of meeting future years' expenses, such as: postponing expenditures, accruing future years' revenues or funding current services with debt and/or drawing down the fund balance.

2. All appropriations that have not been expended or encumbered shall lapse at the end of the fiscal year. The City shall not increase appropriations for prior year encumbrances. Appropriations shall be for the current year only. An estimate of "lapsed" encumbrances should be included in the 5 year operating forecast.

3. The operating budget will be compiled in a manner to maintain as close as possible the existing level of services to the City.

4. The General Fund undesignated fund balance cannot be used to fund newly created operating expenditures or projects that are ongoing in nature.

5. The City shall set fees and user charges for each enterprise fund at a level to support the direct and appropriate indirect cost of the activity unless by affirmative action, Council directs a transfer from the General Fund sufficient to support the costs of the activity. Indirect costs shall include the cost of annual depreciation of capital assets and the cost of debt service to procure capital assets, unless directed by Council.

6. Charges for services shall reflect the full cost of providing a specific service, including the cost of annual deprecation of capital assets and the cost of debt service to procure capital assets, unless directed by Council. The cost of providing specific services shall be recalculated periodically and the fees shall be adjusted accordingly.

7. Although the City's budget may be prepared on an annual or biennial basis, revenue and expenditure forecasts will be prepared for five years and will be updated annually to spot developing trends and provide early warning of future financial difficulties.

8. Alternative service delivery methods will be reviewed periodically to ensure that quality services are being provided at the most reasonable costs.

9. The City shall develop a program to integrate performance measurement and productivity indicators with the budget. Where appropriate, comparisons with comparable cities may be made to ensure that quality services are provided at competitive and economical costs.

10. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal and financial return on principal ensuring adequate liquidity to meet all necessary obligations.

11. Prior to applying for and accepting intergovernmental aid, the City shall examine the program to determine if it is consistent with the City's mission and financial policies.

12. Grants that require a matching commitment of City funds shall be evaluated on the availability of funding sources and on the merit of the grant program.

13. License and permit fees shall be reviewed at least annually to ensure that they match related processing and inspection services.

14. Vehicle and technology equipment, and other operating equipment replacement schedules shall be developed and updated annually, including proposed funding sources.

15. Fiscal impact analysis will be conducted when considering economic development incentives before a recommendation is brought to City Council.

Capital Improvement Program Management Policies

1. A ten-year capital improvement plan shall be developed and updated annually, with the goal of achieving the annual replacement cost of the infrastructure.

2. Capital improvement life cycle costs will be coordinated with the development of the operating budget. Future operating, maintenance and replacement costs associated with new capital improvements shall be estimated for inclusion in the operating budget.

3. An infrastructure replacement program shall be developed based on the useful life of each infrastructure category (i.e., street repaving, street replacement, water lines, etc.).

4. The long-term financing of capital improvements or equipment shall not exceed the useful life.

Reserve Policies

1. A Facilities Maintenance Reserve shall be established to ensure adequate funding for operating equipment replacement of City facilities (HVAC, roofing, etc.).

2. Self-insurance reserves will be maintained at a level, which, together with purchased insurance policies, will adequately indemnify the City's property and liability risk. A qualified risk management advisor will be retained on an annual basis in order to recommend appropriate funding levels.

3. Contingency reserves to be determined annually will be maintained to offset unanticipated revenue shortfalls and/or unexpected expenditure increases. Contingency reserves may also be used for unanticipated and/or inadequately budgeted events threatening the public health or safety. A reserve will be maintained in the General Fund. The reserve shall be maintained within a range of thirty percent to fifty percent of the current year General Fund operating budget. If the reserve moves outside that range, staff will recommend to the City Council a budget plan to return the reserve fund to the recommended range within five years.

Financial Accounting and Reporting Policies

1. The City's financial reporting systems shall be maintained in conformity with generally accepted accounting principles (GAAP), and the standards of the Governmental Accounting Standards Board (GASB).

2. An annual audit will be performed by the Auditor of State or an independent public accounting firm, with an audit opinion to be included in the City's published Annual Comprehensive Financial Report (ACFR).

3. The City's ACFR shall be submitted to the Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting Program. The ACFR should satisfy the criteria established by the GFOA.

4. The City's budget shall be submitted to the GFOA Distinguished Budget Presentation Program. The budget should satisfy the criteria established by the GFOA.

5. Financial systems shall be maintained to monitor revenues, expenditures, and program performance on an ongoing basis.

6. Financial reporting to Council shall include monthly budget reports as well as special reports as deemed appropriate by Council, the Finance Director or the City Manager.

City Council Review

Upon Council organization, a Financial Policy Review subcommittee of Council will be named by the President. The subcommittee will conduct a review of all financial policies and the debt policy. Modifications adopted by majority vote of the subcommittee will be recommended to the full Council for consideration and adoption.

At all other times, the financial policies and the debt policy of the City may be modified by a majority vote of Council.

Conformance to City Code

The intent of these policies is to conform to the Upper Arlington City Code, which shall control in the event of consistency.