



**PIQUA CITY COMMISSION MEETING
TUESDAY, SEPTEMBER 19, 2023
6 PM
COMMISSION CHAMBER – 2nd FLOOR
201 WEST WATER STREET
PIQUA, OHIO 45356**

CALL TO ORDER

THE PLEDGE OF ALLEGIANCE

ROLL CALL

REGULAR PIQUA CITY COMMISSION MEETING

CONSENT AGENDA

1. APPROVAL OF MINUTES

Approval of the Minutes from the September 5, 2023, Regular City Commission meeting

NEW BUSINESS

2. ORDINANCE NO. O-12-23 (1st Reading)

An ordinance declaring the improvement to certain parcels of real property to be a public purpose and exempt from taxation; establishing a Tax Increment Equivalent Fund and providing for the collection and deposit of service payments into that fund; specifying the public infrastructure improvements directly benefiting the property; and authorizing a Development Agreement with Ascend Wellness Holdings.

3. RESOLUTION NO. R-109-23

A resolution adopting the 2024-2028 Strategic Plan

4. RESOLUTION NO. R-110-23

A resolution approving the tax rates for the City as determined by the Miami County Budget Commission

5. RESOLUTION NO. R-111-23

A resolution approving an Investment Policy for the City of Piqua

6. RESOLUTION NO. R-112-23

A resolution creating a Capital Improvement fund for the Scott Drive Redevelopment Project for the City of Piqua

7. RESOLUTION NO. R-113-23

A resolution creating a Capital Improvement fund for the Lock 9 Park Improvement Project for the City of Piqua

PUBLIC COMMENT (This is an opportunity for citizens to address the City Commission regarding agenda items, issues, or to provide information. Comments are requested to be limited to five (5) minutes and specific questions should be addressed to the City Manager's office.)

CITY MANAGER'S REPORT

COMMISSIONERS COMMENT

ADJOURNMENT

**REGULAR PIQUA CITY COMMISSION MEETING MINUTES
TUESDAY, SEPTEMBER 5, 2023**

CALL TO ORDER

Piqua City Commission met at 5:30 p.m. in the Municipal Government Complex Commission Chambers located at 201 W. Water Street, Piqua, Ohio.

ROLL CALL

Mayor Pearson and Commissioners Hinds, Lee, Grissom, and Vetter were present.

ADJOURNMENT TO EXECUTIVE SESSION at 5:32 pm

A motion was made by Commissioner Lee to adjourn to Executive Session and seconded by Commissioner Grissom. All were in favor and the motion was carried unanimously.

ROLL CALL

Mayor Pearson and Commissioners Hinds, Lee, Grissom, and Vetter were present.

EXECUTIVE SESSION

To consider confidential information related to economic development as further defined by Ohio Revised Code Section 121.22(G)(8) or as amended

ADJOURNMENT FROM EXECUTIVE SESSION at 6:12 pm

A motion was made by Commissioner Lee to adjourn from Executive Session and seconded by Commissioner Hinds. All were in favor and the motion was carried unanimously.

REGULAR PIQUA CITY COMMISSION MEETING

CONSENT AGENDA

APPROVAL OF MINUTES

Approval of the minutes from the August 15, 2023, Regular City Commission Meeting

RESOLUTION NO. R-104-23

A resolution establishing "Trick or Treat/Beggars' Night" in the City of Piqua

A motion was made by Commissioner Grissom to approve the Consent Agenda and Commissioner Lee seconded the motion. All were in favor and the motion was carried unanimously.

OLD BUSINESS

ORDINANCE NO. O-6-23 (Postponed)

An ordinance to adopt Chapter 109: Rental Housing Regulations

A motion was made by Mayor Pearson to re-open this ordinance and Commissioner Hinds seconded the motion. Commissioner Lee was not in favor or re-opening it. Commissioners Hinds, Grissom and Vetter, along with Mayor Pearson, were in favor and the motion was approved.

A motion was then made by Commissioner Vetter to amend this ordinance to include the most recent version of Exhibit A and Commissioner Hinds seconded the motion. Commissioner Lee was not in favor. Commissioners Hinds, Grissom and Vetter, along with Mayor Pearson, were in favor and the motion was approved.

Commissioners Comments: Commissioner Lee asked when the latest update was made to the Rental Registration Program. Chris Schmiesing said that it was last updated on August 14, 2023, which is available on the city's website page.

A motion was made by Mayor Pearson to approve the ordinance and Commissioner Hinds seconded the motion. Commissioners Lee and Grissom were not in favor. Commissioners Hinds, Vetter, and Mayor Pearson were in favor and the ordinance was adopted.

NEW BUSINESS

ORDINANCE NO. O-9-23 (1st Reading)

An ordinance providing for the issuance of a note in anticipation of the issuance of bonds for the purpose of financing the construction, acquisition, and equipping of park improvements facilities and appurtenances related thereto

Introduction: Mr. Schmiesing explained that this ordinance is to authorize the issuance of a note related to financing the final phase of the Lock 9 Park improvements. The City is utilizing finance experts from Baker Tilly Municipal Advisors LLC and Frost Brown Todd LLP to establish internal borrowing of reserved funds, which is a good use of the funds. The dollars will be invested in eligible government funds on a short-term basis of 12 months, and the notes will bear similar rates to the market.

Commissioners Comments: Commissioner Vetter wanted to clarify that the City would be borrowing from itself versus borrowing from a bank. Brian Cooper of Baker Tilly confirmed that would be correct, which would be an investment in the general fund.

Commissioner Hinds commented that this needs to move forward quickly, as interest rates are rising, in order to lock in a good rate.

Public Comment: Gary Koenig stated that the City should consider using funds other than the water fund, as he is concerned with flood control for the citizens. He also wants assurance that utility rates will not increase.

David Hitchings wanted clarification as to whether taxes would increase, to which Commissioner Grissom replied that there would be no taxes on citizens due to this ordinance. He also expressed concern for passing this ordinance too quickly. Commissioner Hinds said this is due to the current interest rate environment. Mr. Schmiesing added that this will allow the final phase of Lock 9 Park funding to be completed.

Deron Yingst inquired as to the total amount of money the City will borrow for the Lock 9 project. Mr. Schmiesing responded that the \$5.8 million includes both phases of the project. Mr. Yingst also wanted to know where the \$2 million in grants was coming from, to which Mr. Schmiesing cited many different sources. City Manager Paul Oberdorfer explained that the City will not know final numbers for Lock 9 until the project is completed, as grant reimbursements will come through at that time.

Tonya Blair asked how the City will take care of Lock 9 Park, as she claims that the City does not take care of the existing parks, schools and pool.

A motion was made by Commissioner Hinds to waive the 3 Reading Rule and Commissioner Lee seconded the motion. Commissioner Grissom was not in favor. Commissioners Hinds, Lee, and Vetter, along with Mayor Pearson, were in favor and the motion was approved.

A motion was made by Mayor Pearson to approve the ordinance and Commissioner Hinds seconded the motion. All were in favor and the motion was carried unanimously.

ORDINANCE NO. O-10-23 (1st Reading)

An ordinance declaring improvements to certain parcels of real property located within the City of Piqua to be a public purpose and exempt from real property taxation; requiring the owners of those parcels to make service payments in lieu of taxes; establishing a municipal public improvement tax increment equivalent fund for the deposit of those service payments; specifying the public infrastructure improvements to be made that directly benefit such real property; and approving and authorizing the execution of a development agreement

Introduction: Chris Schmiesing stated that this ordinance is a request to establish a TIF as a financing tool to redevelop the property at 902 Scot Drive, which was formerly the Red Roof Inn. The City is working with a developer to provide the highest and best use of this property, which would be a national sit-down restaurant and a modern select service hotel. Mr. Schmiesing then shared a slide of an economic impact analysis completed recently, demonstrating the financial benefits of a restaurant and hotel versus a gas station and convenience store at this location.

Commissioners Comments: Commissioner Hinds commented that the City should move quickly, as the hotel and restaurant option is much more advantageous to the community than a gas station. Mr. Schmiesing added that there is a tight timeline to prepare the documents and get the loan in place, as the current contract expires the end of September.

Commissioner Lee asked if the City has ever done any other TIF's, and Mr. Schmiesing replied that a TIF was successfully utilized for a road expansion on Scarborough Drive for manufacturer IDC Spring.

Public Comment: Diana Park expressed her discontent with the Commissioners, as she feels they are disrespectful to the citizens and do not listen.

Kevin Jenkins wanted to know who owns the condemned Red Roof Inn, to which Law Director Frank Patrizio replied that Mr. Patel owns it.

Another citizen (no name provided) said he is doubtful that citizens really want the Rental Inspection Program, and Commissioner Hinds responded that people in support of the program have not attended meetings due to poor treatment by those opposed to the program.

Brandon Virgallito asked what recourse the City has if the developer fails to carry out purchase of the lot. Mr. Schmiesing responded that the City would then talk with other developers. Mr. Virgallito also expressed concerns with the holding costs and having another hotel in Piqua. Mr. Schmiesing explained that the economic analysis conducted supports and recommends a 90-room hotel.

Greg Neves asked what the repurchase price would be for the developer. Mr. Schmiesing said that would be established in the agreement and that the developer would repay fees incurred by the City.

Jim Meyers stated that his big concern is rushing the process.

A motion was made by Mayor Pearson to waive the 3 Reading Rule and Commissioner Hinds seconded the motion. All were in favor and the motion was carried unanimously.

A motion was made by Commissioner Hinds to approve the ordinance and Commissioner Vetter seconded the motion. All were in favor and the motion was carried unanimously.

ORDINANCE NO. O-11-23 (1st Reading)

An ordinance authorizing the issuance of not to exceed \$[2,500,000] of special obligation nontax revenue bonds, in one or more series, for the purpose of acquiring land and interests in land, and all necessary appurtenances thereto; authorizing a purchase agreement; and authorizing other actions in connection with such bonds

Introduction: Mr. Schmiesing announced that this ordinance would authorize the note to borrow funds to acquire the property of 902 Scot Drive. This will allow the City to facilitate the redevelopment of this property with the highest and best uses available to the community.

Commissioners Comments: Commissioner Vetter asked if this would implement any tax on the citizens, to which Mr. Schmiesing replied no. Emmett Kelly of Frost Brown Todd LLP reiterated that the City would be using non-tax revenue bonds for these funds.

Public Comment: None

A motion was made by Commissioner Hinds to waive the 3 Reading Rule and Mayor Pearson seconded the motion. All were in favor and the motion was carried unanimously.

A motion was made by Commissioner Hinds to approve the ordinance and Commissioner Vetter seconded the motion. All were in favor and the motion was carried unanimously.

RESOLUTION NO. R-105-23

A resolution authorizing a contract with Frost Brown Todd to provide TIF and Bond Counsel Services

Introduction: Mr. Schmiesing explained that this contract will secure services for bond paperwork and legal instruments that support the TIF.

Commissioners Comments: None

Public Comment: None

A motion was made by Mayor Pearson to approve the resolution and Commissioner Vetter seconded the motion. All were in favor and the motion carried unanimously.

RESOLUTION NO. R-106-23

A resolution authorizing the lease of former Police Recreational Buildings located on State Route 66, Piqua

Introduction: Mr. Patrizio said this resolution involves a lease agreement with Energy Storage Response Group, LLC, for battery testing. ESRG will pay usage fees. Matt Bowman of ESRG plans to demolish the abandoned pool and build a training facility site there for dismantling electric cars. This will give a better appearance to the existing structure. Nick Warner of ESRG assured the Commission that his company does everything possible to minimize environmental impact.

Commissioners Comments: Commissioner Hinds expressed her excitement that this will bring more people to Piqua to eat, visit, stay and shop.

Commissioner Vetter asked if the Police Department was still using the shooting range there. Police Chief Byron replied that this spot is only used for training now. Commissioner Vetter also asked Mr. Warner if he anticipates any fumes coming into the City. Mr. Warner said all burns are monitored very closely, and the company knows how to effectively manage the smoke.

Public Comment: Jeff Grimes stated his concern with the burning of batteries, and he showed pictures to the Commission. He said that hydrogen fluoride is very toxic and that the City should not allow this so close to the river, bike path, park and dog park. Utilities Director Kevin Krejny said that all tests are registered with the Ohio EPA and highly controlled.

Another citizen (no name provided) commented that the burning of batteries will contaminate Piqua's water and that the Commission should not rely on the EPA. Mr. Warner said that ESRG disposes of all leftover battery waste per the DOT regulations.

Gary Koenig inquired as to why the City does not sell the building, as he feels this is an unusual agreement unless the City has a compelling public interest. Mr. Krejny stated that the property cannot be sold due to the spillway adjacent to it.

Tonya Blair wanted to know what a typical class size is when ESRG conducts training sessions. Mr. Warner said that it varies depending on the type of class and that they have international guests as well.

A motion was made by Commissioner Hinds to approve the resolution and Commissioner Grissom seconded the motion. All were in favor and the motion was carried unanimously.

RESOLUTION NO. R-107-23

A resolution authorizing the lease of former Water Plant Buildings

Introduction: Mr. Krejny said this lease is an extension of the previous lease with the same lessee ESRG. This company has been burning batteries at this location since 2018.

Commissioners Comments: None

Public Comment: Gary Koenig reiterated his belief that the City needs a compelling interest to enter into this lease agreement, as he thinks the income generated from the lease is nominal. He also thinks that there should be property tax paid by ESGR on the capital improvements of the property. Mr. Oberdorfer responded that the City is looking at the overall bigger picture of economic development in this situation and that this will stimulate activity here, along with positioning Piqua in the future.

Jim Meyers expressed his concern, as he lives near this location and was unaware. Mr. Krejny remarked that this agreement with ESGR to do battery testing there was originally approved in 2018 by the City Commission and that all burning dates are posted on the city website page to alert citizens.

Paul Voorhis wanted to know how often fires are happening in the nighttime, as he recently saw a flare in the evening. Mr. Warner said that ESGR has only had 3 fires in the evening since 2018 at this location, and ESGR never leaves a fire unattended if in the evening hours, as it is under strict fire watch at all times.

Tonya Blair inquired about the insurance and liability if there would be damage, as she is concerned of the long-term effects on children's health in the future. Commissioner Grissom commented that there is an Insurance Clause in the contract.

A motion was made by Mayor Pearson to approve the resolution and Commissioner Grissom seconded the motion. All were in favor and the motion was carried unanimously.

RESOLUTION NO. R-108-23

A resolution to levy assessments for the cost of Nuisance Abatements

Introduction: Mr. Schmiesing reminded Commission that this is an annual process required by the county auditor to authorize amounts assessed to properties throughout the previous year due to abatement services necessary, such as grass mowing, trash removal and demolition of delapidated structures. He noted that the total amount is \$71,529 to be assessed and not \$120,186 referenced in the Staff Report.

Commissioners Comments: None

Public Comment: None

A motion was made by Mayor Pearson to approve the resolution and Commissioner Hinds seconded the motion. All were in favor and the motion was carried unanimously.

PUBLIC COMMENT

Paul Voorhis suggested that the City publish a "shame list" for property owners who are causing nuisance and code violations rather than have a Rental Inspection Program.

David Hitchings expressed his feelings of disrespect and not being heard by the Commissioners. All 5 Commissioners said that he is welcome to call them at any time to speak with them. Commissioner Lee also offered to send Mr. Hitchings some of the many emails of support for the Rental Inspection Program.

Jennifer Kirby, a resident of Dayton and advocate for ADA, believes that there is an issue of communication with citizens and the City. She recommended that the City be proactive versus reactive in regard to ADA compliance issues.

Jeff Grimes said he does not feel as though the Commission is working for the citizens nor listening in regard to the Rental Inspection Program. He also feels that it is unacceptable for the battery testing that is occurring on SR 66 so close to the river.

Tonya Blair asked what Insurance company the city uses, to which Mr. Oberdorfer replied MVRMA.

CITY MANAGER'S REPORT

Paul Oberdorfer announced that the new burn building should be completed by the end of this week. He also shared the good news that 5 EMT's and 1 Paramedic started working for the Piqua Fire Department today.

Police Chief Byron then provided an update on recent happenings in Piqua. He is unable to comment on the recent homicide investigation but is confident that the person responsible is detained. Recently there was a very rare incident in which 5 vehicles were stolen in 1 night, but he said that there has not been an increase in calls to his department, nor an increase in crime in Piqua.

COMMISSIONERS COMMENTS

Commissioner Hinds expressed her appreciation for Mr. Schmiesing and all of the work he does to move the City forward. She also recognized the City staff as a whole for working hard.

Commissioner Grissom had no comment.

Commissioner Lee reminded citizens that school is back in session and to be alert of buses and children. He said that he voted no on the Rental Inspection Program ordinance because he wanted to start with requiring registration only. He stated his desire to build trust with the citizens. He also said the City employees do a great job, and he commended Mr. Schmiesing for bringing opportunities to Piqua.

Commissioner Vetter commended the Piqua Power Department for recently sending 5 employees to Florida to assist with hurricane relief. He also asked when a new water quality report would be generated, to which Mr. Krejny responded that it usually comes out in June each year. Commissioner Vetter thanked Aaron Morrison for an updated Property Maintenance Report that showed 80% of complaints being resolved.

Mayor Pearson reminded everyone to be extra careful with school starting again. She also thanked the fire department for their efforts and hard work on a house fire recently on Caldwell Street.

ADJOURNMENT at 8:19 p.m.

A motion was made by Mayor Pearson to adjourn, and Commissioner Hinds seconded the motion. All approved and the motion was carried unanimously.

CINDY PEARSON, MAYOR

Passed: _____

Attest: _____

MELISSA KINNEY, COMMISSION CLERK

MEETING DATE	September 19, 2023		
REPORT TITLE	An ordinance declaring the improvement to certain parcels of real property to be a public purpose and exempt from taxation; establishing a Tax Increment Equivalent Fund and providing for the collection and deposit of service payments into that fund; specifying the public infrastructure improvements directly benefiting the property; and authorizing a Development Agreement with Ascend Wellness Holdings		
SUBMITTED BY	Chris Schmiesing, Community and Economic Development Director		
	Development Department		
AGENDA CLASSIFICATION	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution <input type="checkbox"/> Regular
APPROVALS/REVIEWS	<input checked="" type="checkbox"/> City Manager		<input checked="" type="checkbox"/> Law Director
	<input checked="" type="checkbox"/> Development Director		
BACKGROUND (Description, background, justification)	This ordinance is to establish a parcel tax increment financing (TIF) tool to enable improvements to Recker Road that will allow for the redevelopment of property fronting E. Ash Street east of Looney Road. The subject property currently lacks water and sewer service. The developer will incur the cost of installing the required public infrastructure, and the increase in property tax revenues generated by the property improvements will be captured as payments in lieu of taxes. Under the terms of the TIF, those funds will then be redistributed back to the developer to cover the initial out-of-pocket expenses that will be incurred by the developer to install the public infrastructure. In addition to serving the subject site, the public infrastructure will also enable the future development of the acreage to the south of Recker Road.		
BUDGET/FINANCIAL IMPACT (Project costs and funding sources)	Budgeted \$:		
	Expenditure \$:		
	Source of Funds:	Developer	
	Narrative:	Establishing the TIF will allow for the increased tax proceeds, resulting from the redevelopment activity to cover the expenses incurred by the developer to install public infrastructure to support the redevelopment of the site.	
OPTIONS	1.	Approve of the adoption of the ordinance to allow the establishment of a parcel TIF.	

(Include deny /approval option)	2.	Disapprove of the adoption of the ordinance to disallow the establishment of a parcel TIF.
PROJECT TIMELINE	Sep 19, 2023 – 1 st Reading Oct 3, 2023 – 2 nd Reading Oct 17, 2023 – 3 rd Reading	
STAFF RECOMMENDATION	Approve the proposed ordinance.	
ATTACHMENTS	Development Agreement	

Ordinance No. O-12-23

AN ORDINANCE DECLARING THE IMPROVEMENT TO CERTAIN PARCELS OF REAL PROPERTY TO BE A PUBLIC PURPOSE AND EXEMPT FROM TAXATION; ESTABLISHING A TAX INCREMENT EQUIVALENT FUND AND PROVIDING FOR THE COLLECTION AND DEPOSIT OF SERVICE PAYMENTS INTO THAT FUND; SPECIFYING THE PUBLIC INFRASTRUCTURE IMPROVEMENTS DIRECTLY BENEFITING THE PROPERTY; AND AUTHORIZING A DEVELOPMENT AGREEMENT WITH ASCEND WELLNESS HOLDINGS.

WHEREAS, Ohio Revised Code Sections 5709.40 to 5709.43 (collectively, the "*TIF Statutes*") authorize the legislative authority of a municipal corporation, by ordinance, to declare the improvement to each parcel of real property located within the municipal corporation to be a public purpose and exempt from taxation, require the owner of each parcel to make service payments in lieu of taxes, establish a municipal public improvement tax increment equivalent fund for the deposit of those service payments, and specify public infrastructure improvements made, to be made or in the process of being made that directly benefit, or that once made will directly benefit those parcels; and

WHEREAS, this Commission has determined to declare the improvements to certain parcels of real property, which parcels are further identified and depicted in Exhibit A attached hereto (each, as currently or subsequently configured, individually, a "*Parcel*" and collectively, the "*Property*") to be a public purpose; and

WHEREAS, OPA Real Estate LLC, or a related party, (the "*Developer*") intends to construct or cause to be constructed the private improvements described in Exhibit B attached to this Ordinance (the "*Project*") on the Property; and

WHEREAS, this Commission desires to provide for the public infrastructure improvements described in Exhibit C attached hereto (collectively, the "*Public Infrastructure Improvements*") that directly benefit, or that once made will directly benefit, the Property;

WHEREAS, it is necessary and in the best interest of the City to provide for the payment of service payments in lieu of taxes with respect to the Improvement pursuant to the TIF Statutes and for the use of those service payments in lieu of taxes to pay costs of the Public Infrastructure Improvements (including payment of any obligations issued to pay such costs); and

WHEREAS, notice of this proposed Ordinance has been delivered to the Boards of Education of the Piqua City School District and Upper Valley Joint Vocational School District in accordance with and within the time period prescribed in Ohio Revised Code Sections 5709.40 and 5709.83.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PIQUA, COUNTY OF MIAMI, OHIO:

SECTION 1. Exemption. This Commission hereby finds and determines that 75% of the increase in assessed value of each Parcel subsequent to the effective date of this Ordinance (which increase in assessed value is hereinafter referred to as the "*Improvement*" as defined in Ohio Revised Code Section 5709.40(A)) is hereby declared to be a public purpose and shall be exempt from taxation in accordance with Ohio Revised Code Section 5709.40(B) for a period commencing with the first tax year that begins after the effective date of this Ordinance and in which an Improvement first appears on the tax list and duplicate of real and public utility property for that Parcel and ending on the earlier of (a) ten (10) years

after such commencement or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of the TIF Statutes. Notwithstanding any other provision of this Ordinance, the real property tax exemption granted pursuant to this Section and the payment obligation established pursuant to Section 2 are subject and subordinate to any other real property tax exemption applicable to the Improvement to the extent that the Ohio Department of Taxation determines that a separately authorized real property tax exemption supersedes the real property taxation exemption authorized herein.

SECTION 2. Service Payments. Pursuant to Ohio Revised Code Section 5709.42, the present and future owners (each an "Owner" and collectively the "Owners") of each Parcel is hereby required to and shall make service payments in lieu of taxes with respect to the Improvement allocable thereto to the Treasurer of Miami County, Ohio (the "County Treasurer") on or before the final dates for payment of real property taxes. The service payments in lieu of taxes shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and collected against that Improvement if it were not exempt from taxation pursuant to Section 1 of this Ordinance. Any late payments shall be subject to penalty and bear interest at the then current rate established under Ohio Revised Code Sections 323.121(B)(1) and 5703.47, as the same may be amended from time to time, or any successor provisions thereto, as the same may be amended from time to time (the payment of penalties and interest are collectively referred to herein with the payments in lieu of taxes as the "Service Payments"). The Service Payments, and any other payments with respect to each Improvement that are received by the County

Treasurer in connection with the reduction required by Ohio Revised Code Sections 319.302, 321.24, 323.152 and 323.156, as the same may be amended from time to time, or any successor provisions thereto as the same may be amended from time to time (the "*Property Tax Rollback Payments*"), shall be allocated and distributed in accordance with Section 3 of this Ordinance.

SECTION 3. TIF Fund. This Commission hereby establishes, pursuant to and in accordance with the provisions of Ohio Revised Code Section 5709.43, the AW Municipal Tax Increment Equivalent Fund (the "*TIF Fund*"). The TIF Fund shall be maintained in the custody of the City and shall receive all distributions to be made to the City pursuant to Section 4 of this Ordinance. Those Service Payments and Property Tax Rollback Payments received by the City with respect to the Improvement of each Parcel and so deposited pursuant to Ohio Revised Code Section 5709.42 shall be used solely for the purposes authorized in the TIF Statutes or this Ordinance.

The Service Payments and Property Tax Rollback Payments deposited in the TIF Fund shall be allocated and used to (i) pay or finance the costs associated with the Public Infrastructure constructed by or on behalf of the Developer or by or on behalf of the City (including payment of interest and payment of any obligations issued to pay such costs), as further described in the TIF Agreement and (ii) after the Developer and the City have been fully reimbursed to the extent and as provided in the TIF Agreement, to the City for any lawful purpose under the TIF Statutes and this Ordinance .

The TIF Fund shall remain in existence so long as the Service Payments and Property Tax Rollback Payments are collected and used for the above purposes, after which the TIF

Fund shall be dissolved in accordance with the TIF Statutes. Upon such dissolution, any surplus remaining in the TIF Fund shall be transferred to the general fund of the City. all in accordance with Ohio Revised Code Section 5709.43.

SECTION 4. TIF Agreement. The Tax Increment Financing Agreement (the "TIF Agreement") by and between the City and the Developer, substantially in the form submitted to the Clerk of Commission is hereby approved, and the City Manager is hereby authorized to execute and deliver the TIF Agreement with such changes as are not inconsistent with this Ordinance, are not substantially adverse to the City and are approved by the City Manager, all of which shall be evidenced conclusively by the execution of the TIF Agreement by the City Manager. The TIF Agreement shall govern the use of Service Payments paid in connection with this Ordinance. The TIF Agreement shall require that the Developer or its successors and assigns, consent in writing on the required DTE 24P form (or any other applicable or required forms) to the City's application for exemption pursuant to Section 5709.911(B)(1) of the Ohio Revised Code.

SECTION 5. Public Infrastructure Improvements. This Commission hereby designates the Public Infrastructure Improvements and any other public infrastructure improvements hereafter designated by ordinance as public infrastructure improvements made, to be made or in the process of being made by the City that directly benefit, or that once made will directly benefit, the Property.

SECTION 6. Further Authorizations. This Commission hereby authorizes and directs the City Manager, the Director of Finance, the Law Director, or other appropriate officers of the City to make such arrangements as are necessary and proper for collection

of the Service Payments. This Commission further hereby authorizes and directs the City Manager, the Director of Finance, the Law Director, or other appropriate officers of the City to prepare and sign all documents and instruments and to take any other actions as may be appropriate to implement this Ordinance.

SECTION 7. Tax Incentive Review Commission. The City hereby creates the AW Tax Incentive Review Commission with the membership of that Commission to be constituted in accordance with Section 5709.85 of the Ohio Revised Code. That Commission shall, in accordance with Section 5709.85 of the Ohio Revised Code, review annually all exemptions from taxation resulting from the declarations set forth in this Ordinance and any other such matters as may properly come before that Commission, all in accordance with Ohio Revised Code Section 5709.85.

SECTION 8. Filings with Ohio Development Services Agency. Pursuant to Ohio Revised Code Section 5709.40(I), the Clerk of Commission is hereby directed to deliver a copy of this Ordinance to the Director of Development of the State of Ohio within fifteen days after its effective date. Further, and on or before March 31 of each year that the exemption set forth in this Ordinance remains in effect, the City Manager or other authorized officer of the City is directed to prepare and submit to the Director of Development of the State of Ohio the status report required under Ohio Revised Code Section 5709.40(I).

SECTION 9. Open Meetings. This Commission finds and determines that all formal actions of this Commission and any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Commission or its

committees, and that all deliberations of this Commission and any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law including Ohio Revised Code Section 121.22.

SECTION 10. Effective Date. This Ordinance shall be in full force and effect from the earliest date permitted by law.

1st Reading 9/19/2023

2nd Reading 10/3/2023

3rd Reading 10/17/2023

CINDY PEARSON, MAYOR

Passed: _____

Attest: _____

MELISSA KINNEY
CLERK OF COMMISSION

The Motion to adopt the foregoing Ordinance was offered by _____,
seconded by _____, and on roll call the following vote ensued:

Mayor Cindy Pearson _____
Commissioner Kathryn Hinds _____
Commissioner Kris Lee _____
Commissioner Chris Grissom _____
Commissioner James Vetter _____

EXHIBIT A

PROPERTY

The Property includes the following tax parcels: N44-072866 with a street address of 1206 Recker Road, Piqua, Ohio.

EXHIBIT B

PRIVATE IMPROVEMENTS

The Private Improvements consist of a 3,580 square foot healthcare facility, consisting of a medical marijuana dispensary.

EXHIBIT C

PUBLIC INFRASTRUCTURE IMPROVEMENTS

The Public Infrastructure Improvements include the construction of the following improvements on or near the Parcel(s) that will directly benefit the Parcel(s) and all related costs of permanent improvements (including, but not limited to, those costs listed in Section 133.15(B) of the Ohio Revised Code):

- construction, reconstruction, extension, improving, or changing sanitary sewer mains on the subject parcel(s) or in the vicinity, including necessary paving and repaving,
- construction, reconstruction, extension, improving or changing waterlines and water mains, on the subject parcel(s) or in the vicinity, including necessary paving and repaving.

Together with any costs associated with appurtenant storm sewer and stormwater improvements, lighting, burial of utility lines, gas, electric and communications service facilities (including fiber optics), street lighting and signs, medians, viaducts, sidewalks, bikeways, and landscaping (including scenic fencing and irrigation), grading, drainage and other related work, survey work, soil engineering, inspection fees and construction staking, any other necessary site improvements, and in each case, all other costs and improvements necessary and appurtenant thereto, together with such other public improvements as may be identified in the TIF Agreement (as defined in the Ordinance).

The total cost of the Public Improvements is not expected to exceed \$350,000.

TAX INCREMENT FINANCING AND DEVELOPMENT AGREEMENT

This Tax Increment Financing and Development Agreement (this "*Agreement*"), made and entered into as of this _____ day of _____, 2023, by and between OPA Real Estate LLC, an Ohio limited liability corporation (the "*Developer*") and the City of Piqua, Miami County, Ohio, an Ohio municipal corporation (the "*City*")

WITNESSETH:

WHEREAS, the Developer has acquired 0.348 acres of real property located in the City, which property is described in Exhibits A attached hereto (the "*Property*"), with the ownership of each parcel comprising the Property being as described thereon; and

WHEREAS, the Developer contemplates making private improvements to the Property (the "*Private Improvements*"), which Private Improvements are more fully described in Exhibit B attached hereto; and

WHEREAS, the Developer desires that the City construct or cause to be constructed the public infrastructure improvements identified on Exhibit C hereto (the "*Infrastructure Improvements*"), and the City and the Developer agree that the Public Infrastructure Improvements will benefit the Property to be exempted from real property taxation under the Ordinance (as defined below); and

WHEREAS, the City has determined that it is necessary and appropriate and in the best interests of the City to provide for the current owners of each parcel of real property contained within the Property (each such parcel to be referred to herein as a "*Parcel*") and any future owners of each Parcel (each such owner referred to herein individually as an "*Owner*" and collectively as the "*Owners*") (i) to pay costs of the construction of the Public Infrastructure Improvements and (ii) for distribution to the School District and the JVSD (as defined herein), all pursuant to and in accordance with Sections 5709.40, and 5709.42 of the Ohio Revised Code (collectively, the "*Act*"), and the City by its Ordinance No. _____ passed September ____, 2023 (the "*Ordinance*"), has declared that 75% of the increase in true value of the Property brought about by the Developer's acquisition of the Property and the construction of the Private Improvements and other improvements is a public purpose and declared to be exempt from taxation commencing on the date of set forth in such Ordinance and ending on the earlier of (a) ten (10) years after such commencement, or (b) the date on which the City can no longer require service payments in lieu of taxes, all in accordance with the requirements of O.R.C. Sections 5709.40 to 5709.43 and the TIF Ordinance (the "*TIF Exemption*") ending thirty (30) years after such date in accordance with the Act; and

WHEREAS, in order to provide for the collection of such payments in lieu of taxes with respect to the Property that is subject to the TIF Exemption (the "*TIF District*") and to enable the Private Improvements to be carried out, the parties desire to enter into this Agreement on the terms as hereinafter provided;

NOW, THEREFORE, in consideration of the premises and covenants contained herein, and to induce the City and the Developer to proceed with the construction of the Public Infrastructure Improvements, the parties hereto agree as follows:

Section 1. **Covenant to Make Payments in Lieu of Taxes.**

(a) Service Payments. Each Owner, including the Developer, hereby agrees to make the Service Payments due during its period of ownership of one or more Parcels, all pursuant to and in accordance with the requirements of the TIF Statutes, the TIF Ordinance, the provisions of Ohio

law relating to real property tax collection, and any subsequent amendments or supplements thereto. Service Payments will be made semiannually to the County Treasurer (or to the County Treasurer's designated agent for collection of the Service Payments) on or before the final dates for payment of real property taxes for the Parcels in each of the TIF District, until the respective expirations of the TIF Exemption. Any late payments will bear penalties and interest at the then current rate established under O.R.C. Sections 323.121 and 5703.47 or any successor provisions thereto, as the same may be amended from time to time. Service Payments will be made in accordance with the requirements of the TIF Statutes and the TIF Ordinance and, for each Parcel, will be in the same amount as the real property taxes that would have been charged and payable against the Private Improvement to that Parcel (after credit for any other payments received by the City under O.R.C. Sections 319.302, 321.24, 323.152 and 323.156, or any successor provisions thereto, as the same may be amended from time to time, with respect to each Parcel, with such payments referred to herein as the "*Property Tax Rollback Payments*") if it were not exempt from taxation pursuant to the TIF Exemption, including any penalties and interest. The City, the Developer, and each Owner agrees that a City Public Improvement Tax Increment Equivalent Fund shall be created for the TIF District (the "*TIF Fund*"), which will receive all applicable Service Payments and Property Tax Rollback Payments made with respect to the Private Improvements to each Parcel that are payable to the City, together with any investment earnings on money in the TIF Fund.

(b) Priority of Lien. Developer acknowledges, for itself and any and all future Owners, that the provisions of O.R.C. Section 5709.91, which specify that the Service Payments for each Parcel will be treated in the same manner as taxes for all purposes of the lien described in O.R.C. Section 323.11, including, but not limited to, the priority of the lien and the collection of Service Payments, will apply to this Agreement and to the Parcels in the TIF District and any improvements thereon.

(c) Failure to Make Payments. Should any Owner fail to make any payment required hereunder, that Owner shall pay, in addition to the Service Payments it is required to pay hereunder, such amount as is required to reimburse City for any and all reasonably and actually incurred costs, expenses and amounts (including reasonable attorneys' fees) required by the City to enforce the provisions of this Agreement against that Owner.

(d) Recordation. Promptly following the date when the Developer has obtained legal ownership of all or any portion of the Property, the Developer shall, at its sole cost and expense, cause an instrument to be recorded in the Miami County, Ohio real property records for each Parcel in the TIF District that provides evidence of the existence of this Agreement, it being understood and agreed that the lien of this Agreement shall, in accordance with O.R.C. Section 323.11 and O.R.C. Section 5709.91, be prior to any mortgage, assignment, lease or other conveyance by the Owners of any of their part of or interest in the Parcels within the TIF District, and prior to any security instrument encumbering all or any part of or interest in the Parcels within the TIF District; provided, however, that nothing contained in this Agreement shall be construed to permit acceleration of the Service Payments beyond the current year that such Service Payments are due. During the Term of this Agreement, the Owners shall cause all instruments of conveyance of any of their interest in all or any portion of the Parcels within the TIF District, and of any improvements thereto, to subsequent mortgagees, lessees, lienholders, successors, assigns or transferees, to be made expressly subordinate and subject to this Agreement unless such interest is subordinate to this Agreement by operation of O.R.C. Section 5709.91. It is intended and agreed, and it shall be

so provided by each Owner in any future deed conveying a Parcel or any part thereof, that the covenants provided in this Agreement shall be covenants running with the land and that they shall, in any event and without regard to technical classification or designation, legal or otherwise, be binding to the fullest extent permitted by law and equity for the benefit and in favor of and enforceable by the City and Developer whether or not such provision is included by the Owner in any succeeding deed to subsequent Owners. It is further intended and agreed that these agreements and covenants shall remain in effect for the full period of the TIF Exemption enacted pursuant thereto. Each Owner shall only be responsible for making Service Payments that become due and payable during the period of that Owner's ownership of all or any portion of any Parcels comprising the Property only with respect to the portion of a Parcel within the TIF District which is owned by the Owner. Upon satisfaction of each Owner's obligations under this Agreement and termination of the obligations of the Owners to make the Service Payments, City shall, upon the request of an Owner, execute an instrument in recordable form evidencing such termination and releasing the covenants running with the land set forth in the deed.

(e) No Owner shall, under any circumstances, be required in any tax year to pay both real property taxes and Service Payments with respect to the Improvement. Each Owner shall only be responsible for making Service Payments which become due and payable during the period of that Owner's ownership of all or any portion of the Property.

(f) Notwithstanding anything in this Agreement to the contrary, the Developer, for itself and all Owners, may contest the assessed valuation of any Improvement for real property tax purposes.

Section 2. **Establishment of TIF Fund by the City.** City agrees that it shall establish the TIF Fund as a deposit fund to be held in the custody of the City for the sole purpose of receiving the Service Payments made from the Owners to the County Treasurer and payable to the City. Pursuant to the TIF Ordinance and in accordance with the TIF Statutes, the County Treasurer is required to make distribution of the Service Payments to the City, and any Service Payments received by the City shall be deposited to the TIF Fund. Any funds remaining on deposit in the TIF Fund following the foregoing required distributions shall be used as provided in Section 4 of this Agreement.

Section 3. **Exemption Applications, Withdrawal, Maintenance and Notice.** The City, with the cooperation (including, without limitation, by executing such applications and documents as may be appropriate in obtaining such exemption) of the Developer, or the Owner if the Developer no longer owns the real property for which a TIF Exemption is being applied, shall prepare such applications, documents and other information as may be required to consent to or claim the TIF Exemption. The City agrees to file such applications, documents and other information, as prepared and approved by the Developer, with the appropriate officials of the State, City or other public bodies. If the City does not timely file such applications, then the Developer and any Owner reserves the right to file the documents required to preserve the effect of the TIF Exemption. City, Developer, and the Owners agree to perform those acts as are reasonably necessary or appropriate to effect, claim, reserve and maintain the TIF Exemption, and collect the Service Payments, including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with the TIF Exemption or the Service Payments.

Section 4. **Reimbursement for Costs of Public Infrastructure Improvements.** The Developer Public Infrastructure Improvements will be constructed and installed by Developer with timing that is determined in Developer's sole discretion, provided that the Developer Public Infrastructure Improvements shall be completed not later than 24 months subsequent to the commencement of construction on the Private Improvements. For purposes of this Agreement, costs of the Developer Public Infrastructure Improvements eligible for reimbursement shall include the actual costs of the Developer Public Infrastructure Improvements and all items of "costs of permanent improvements" set forth in O.R.C. Section 133.15(B) and incurred by Developer directly or indirectly with respect to the Developer Public Infrastructure Improvements (collectively, the "Developer Costs"), the cost of which shall not exceed \$350,000.

Upon Developer constructing or causing to be constructed all or a portion of the Public Infrastructure, the Developer shall provide the City with a written requisition of Costs of Public Infrastructure in substantially the form set attached hereto as Exhibit D ("Written Requisition"). Each Written Requisition shall include all verifiable information as to the Costs of Public Infrastructure. Upon submission of a Written Requisition by the Developer satisfying the requirements of Section 5 hereof, and contingent upon the City having received Service Payments for deposit into the TIF Fund, the City shall pay to the Developer within 30 days following receipt of each Written Requisition, the moneys then available in the TIF Fund to satisfy the Written Requisition. Should insufficient funds exist in the TIF Fund to pay the Developer in full for the Costs of Public Infrastructure on the Written Requisition, the City shall maintain a record of such unpaid amounts, and the City shall pay to the Developer such unpaid amounts within 30 days after such funds exist in the TIF Fund.

The Developer understands and agrees that the Developer bears the sole responsibility for Costs of Public Infrastructure, and that the City's ability and authorization to reimburse the Developer for Costs of Public Infrastructure is limited to the City's receipt of Service Payments from the County Treasurer that are deposited into the TIF Fund. The Developer understands and agrees that the City makes no representation to the Developer that sufficient funds will exist in the TIF Fund to reimburse the Authority for the full amount of the Costs of Public Infrastructure, and Developer bears sole and exclusive responsibility for all Costs of Public Infrastructure that are not reimbursed hereunder due to insufficient funds deposited into the TIF Fund.

Notwithstanding any other provision of this Agreement, City's payment obligations hereunder are limited to the monies in the TIF Fund and do not constitute an indebtedness of the City within the provisions and limitations of the laws and the Constitution of the State of Ohio, and Developer does not have the right to have taxes or excises levied by the City for the payment of any amounts to be paid by the City hereunder.

Section 5. **Approval of Written Requisitions.** The City shall approve a Written Requisition submitted by the Developer if the following conditions have been met:

(a) Developer has provided to the City a Written Requisition substantially in the form attached hereto as Exhibit D and the City Administrator has determined that the amounts on that Written Requisition are properly payable under the TIF Ordinance and this Agreement, which approval shall not be unreasonably withheld, conditioned, or delayed; and

(b) The work associated with the Written Requisition has been done in material conformance with all relevant government-approved specifications and plans for that work.

Any request made pursuant to this provision shall not be unreasonably withheld, conditioned, or delayed by the City, and the City shall make a determination on each request within fifteen (15) business days of receiving that request. City shall not reject any portion of such Developer Costs identified on a Written Requisition on the basis that they are not properly payable under the TIF Ordinance and this Agreement if the City has made a prior written determination that those Developer Costs are properly payable pursuant to this provision. The City Administrator shall act for the City under this paragraph.

Section 6. City Covenant Not to Divert TIF Fund. The City covenants that it will not agree or consent to any amendment, modification or change to the TIF Ordinance or this Agreement without the prior written approval of the Developer until the Developer has been fully reimbursed for Costs of Public Infrastructure, subject to Section 5 hereof. Any change to the provisions of this Agreement or to the distribution of Service Payments deposited in the TIF Fund shall be approved by the Developer and the City in an amendment to this Agreement. The City agrees that so long as the real property tax exemption pursuant to the TIF Ordinance is in effect, it shall not grant or any exemption from real property taxation for the Property pursuant to R.C. Section 5709.61 et. seq., R.C. Section 3735.65 et. seq., or any other tax exemption or tax abatement program without the prior written approval of the Developer.

Section 7. Certain Representations and Warranties of the City. The City represents and warrants as of the date of delivery of this Agreement that:

(a) It is a municipal corporation and political subdivision duly organized and validly existing under its Charter and the Constitution and laws of the State of Ohio.

(b) It has duly accomplished all conditions necessary to be accomplished by it prior to the execution and delivery of this Agreement and to constitute this Agreement as a valid and binding obligation of the City enforceable in accordance with its terms.

(c) It is not in violation of or in conflict with any provision of the laws of the State of Ohio or of the United States of America applicable to the City that would impair its ability to observe and perform its covenants, agreements and obligations under this Agreement, nor will its execution, delivery and performance of this Agreement (i) result in such a violation or conflict or (ii) conflict with or result in any breach of any provisions of any other agreement or instrument to which City is a party or by which it may be bound.

(d) It has and will have full power and authority (a) to execute, deliver, observe and perform this Agreement and all other instruments and documents executed and delivered by it in connection herewith and (b) to enter into, observe and perform the transactions contemplated by this Agreement and those other instruments and documents.

(e) It has or will have duly authorized the execution, delivery, observance and performance of this Agreement.

(f) The TIF Ordinance has been duly adopted by the City, has not been amended, and is in full force and effect.

(g) It will deposit into the TIF Fund all Service Payments and Property Tax Rollback Payments received by it with respect to the Property and any investment earnings on that money or other amounts held in the TIF Fund.

(h) It will not amend, modify or repeal the TIF Ordinance in any way or pass any other legislation or take any action that would affect the amount of Service Payments and Property Tax Rollback Payments deposited into the TIF Fund except as approved by Developer or required by law.

(i) It will not transfer, encumber, spend or use any monies on deposit in the TIF Fund other than as provided in this Agreement or unless a modification to this Agreement is agreed to by both parties.

(j) There is no litigation pending or to its knowledge threatened against or by the City wherein an unfavorable ruling or decision would materially and adversely affect City's ability to carry out its obligations under this Agreement.

Section 8. Certain Representations and Warranties of the Developer. Developer hereby represents and warrants as of the date of delivery of this Agreement that:

(a) It is a limited liability company duly organized, validly existing and in full force and effect under the laws of the State of Ohio, and it has all requisite power and authority to carry on its business as now being conducted and as presently proposed to be conducted.

(b) It either owns or is a party to one or more written contracts to purchase the real property that is located within any TIF District, and such written contract(s) remains effective on the Effective Date.

(c) It has the authority and power to execute and deliver this Agreement, perform its obligations hereunder and construct or cause to be constructed the Private Improvements, and it has duly executed and delivered this Agreement.

(d) The execution and delivery by it of this Agreement and the compliance by it with all of the provisions hereof (i) will not conflict with or result in any breach of any of the provisions of, or constitute a default under, any agreement, its articles of organization or operating agreement, or other instrument to which it is a party or by which it may be bound, or any license, judgment, decree, law, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over it or any of its activities or properties, and (ii) have been duly authorized by all necessary action on its part.

(e) There are no actions, suits, proceedings, inquiries or investigations pending, or to its knowledge threatened, against or affecting it in any court or before any governmental authority or arbitration board or tribunal that challenges the validity or enforceability of, or seeks to enjoin performance of, this Agreement or the construction of the Improvements, or if successful would

materially impair its ability to perform its obligations under this Agreement or to construct or cause to be constructed the Improvements.

(f) It is in compliance with State of Ohio campaign financing laws contained in O.R.C. Chapter 3517 and is not subject to an unresolved finding for recovery issued by the Auditor of State as described in O.R.C. Section 9.24.

Section 9. **Provision of Information.** Developer agrees for itself and all Owners, to (i) cooperate in all reasonable ways with, and provide necessary and reasonable information to, the designated tax incentive review council to enable that tax incentive review council to review and determine annually during the term of this Agreement the compliance of the Owners with the terms of this Agreement; and (ii) to cooperate in all reasonable ways with, and provide necessary and reasonable information to the City to enable the City to submit the status report required by O.R.C. Section 5709.40(I) to the Director of the Ohio Department of Development on or before March 31st of each year.

Section 10. **Construction of Private Improvements.** The Developer shall, subject to Force Majeure (as defined in Section 16), its ability to obtain good and marketable title to the Property, and its ability to obtain acceptable financing for the Project, construct or cause to be constructed the Private Improvements on the Property.

Section 11. **Prevailing Wage.** Developer and City acknowledge and agree that the construction of the Public Infrastructure Improvements owned or to be owned by the City and paid for or reimbursed with Service Payments disbursed to the Developer out of the TIF Fund are subject to the prevailing wage requirements of O.R.C. Chapter 4115, and all wages paid to laborers and mechanics employed to construct such Developer Public Infrastructure Improvements must be paid at not less than the prevailing rates of wages of laborers and mechanics for the classes of work called for by such Developer Public Infrastructure Improvements, which wages must be determined in accordance with the requirements of O.R.C. Chapter 4115. City and Developer have or will comply, and Developer has or will require compliance by all contractors working on any Developer Public Infrastructure Improvements owned or to be owned by the City and paid for or reimbursed with Service Payments disbursed to the Developer out of the TIF Fund, with all applicable requirements of O.R.C. Chapter 4115, including, without limitation, (i) obtaining the determination required by O.R.C. Chapter 4115 of the prevailing rates of wages to be paid for all classes of work called for by such Developer Public Infrastructure Improvements, (ii) obtaining the designation of a prevailing wage coordinator for such Developer Public Infrastructure Improvement, and (iii) ensuring that all subcontractors receive notification of changes in prevailing wage rates as required by O.R.C. Chapter 4115. The Developer shall hold the City harmless for any failure by the Developer or any contractor working under its direction to comply with the provisions of this Section 10.

Section 12. **Estoppel Certificate.** Within thirty (30) days after a request from Developer or any Owner of a Parcel, City will execute and deliver to Developer or Owner or any proposed purchaser, mortgagee or lessee of that Parcel, a certificate stating that, with respect to that Parcel, if the same is true: (i) this Agreement is in full force and effect; (ii) the requesting Developer or Owner is not in default under any of the terms, covenants or conditions of this Agreement, or, if Developer or Owner is in default, specifying such default; and (iii) such other matters as Developer or Owner reasonably requests.

Section 13. **Notices.** Except as otherwise specifically set forth in this Agreement, all notices, demands, requests, consents or approvals given, required or permitted to be given hereunder must be in writing and will be deemed sufficiently given if actually received or if hand-delivered or sent by recognized, overnight delivery service or by certified mail, postage prepaid and return receipt requested, addressed to the other party at the address set forth in this Agreement or any addendum to or counterpart of this Agreement, or to such other address as the recipient has previously notified the sender of in writing, and will be deemed received upon actual receipt, unless sent by certified mail, in which event such notice will be deemed to have been received when the return receipt is signed or refused. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates, requests or other communications must be sent. The present addresses of the parties follow:

a) To the Developer at: OPA Real Estate LLC
7720 Campus Lane
Montgomery, Ohio 45242

With a copy to: Ice Miller LLP
250 West Street
Columbus, Ohio 43215
Attention: Kristopher Wahlers, Esq.

b) To the City at: City of Piqua, Ohio
201 W. Water Street
Piqua, Ohio 45356
Attention: City Manager

The Developer and the City may, subsequent to the provision of proper notice, designate any further, different or more specific addresses to which mailing shall be sent.

Section 14. Successors; Amendments; City Consents; Assignments. This Agreement is binding upon the parties hereto and their successors and assigns, and this Agreement inures to the benefit of the Developer and its beneficiaries, successors, and assigns. This Agreement may only be amended by written instrument executed by all parties to this Agreement. Any consent of City to be given under this Agreement may be given by its fiscal officer or administrator and must be given in writing.

The City and the Developer may only assign this Agreement with the consent of the other, which consent shall not be unreasonably withheld; provided, however, that the Developer may, without the consent of the City, (i) assign its rights under this Agreement to an entity controlled by or under common control with the Developer, (ii) assign its rights under this Agreement for the purpose of obtaining financing (including any refinancing) for the Developer Public Infrastructure Improvements or the Private Improvements, as long as such as an assignment provides that the Developer remains liable for its obligations under this Agreement, (iii) designate an authorized designee to receive all or any portion of the Service Payments payable to the Developer pursuant to this Agreement, upon which designation such designee shall receive the portion of Service Payments specified by the Developer as if it was the Developer under this Agreement, and (iv) assign its right, title, and interest in and to this Agreement as security for the payment of all or any

portion of the Service Payments payable to the Developer pursuant to this Agreement to a designee. Nothing in this Agreement prevents an Owner from transferring any or all of its interest in one or more Parcels to another person or entity.

City will cooperate with any reasonable assignment request made by the Developer in connection with any financing (or refinancing) of the Public Infrastructure Improvements or the Private Improvements.

Section 15. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the parties contained in this Agreement are effective and enforceable to the extent authorized and permitted by applicable law. The obligations of the City may be enforced to the extent permitted by law by mandamus or any suit or proceeding in law or equity. No such covenant, stipulation, obligation or agreement will be deemed a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of any of the parties hereto in their individual capacity. Neither the City, the members of the City's Council, nor any City official executing this Agreement, or any individual person executing this Agreement on behalf of the Developer, will be liable personally by reason of the covenants, stipulations, obligations or agreements of the City or the Developer contained in this Agreement.

Section 16. Events of Default and Remedies.

(a) Any one or more of the following constitutes an "Event of Default" under this Agreement:

(i) City fails to make any payment punctually and as required under this Agreement;

(ii) Developer or City fails to perform or observe any material obligation punctually and as due under this Agreement, provided that if a Force Majeure (as such term is defined below) event causes the failure, Developer or City may receive an additional period of time as is reasonably necessary to perform or observe the material obligation in light of the event if it notifies the other of the Force Majeure event or potential Force Majeure event and the extent of the delay promptly after becoming aware of the event;

(iii) Developer or City makes a representation or warranty in this Agreement that is materially false or misleading at the time it is made;

(iv) Developer files a petition for the appointment of a receiver or a trustee with respect to it or any of the Property;

(v) Developer makes a general assignment for the benefit of creditors;

(vi) A court enters an order for relief pursuant to any Chapter of Title 11 of the U.S. Code, as the same may be amended from time to time, with the Developer as debtor; or

(vii) Developer files an insolvency proceeding with respect to itself or any proceeding with respect to itself for compromise, adjustment or other relief under the laws of any country or state relating to the relief of debtors.

As used in this Agreement, "Force Majeure" means acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; and any litigation that, in the opinion of counsel acceptable to the non-defaulting party, prevents or delays the performance of an obligation.

(b) General Right to Cure. In the event of any Event of Default in or breach of this Agreement, or any of its terms or conditions, by any party hereto, the defaulting party will, upon written notice from the other, proceed, as soon as reasonably possible, to cure or remedy such Event of Default or breach, and, in any event, within thirty (30) days after receipt of such notice. In the event such Event of Default or breach is of such nature that it cannot be cured or remedied within said thirty (30) day period, then in such event the defaulting party will upon written notice from the other commence its actions to cure or remedy said breach within said thirty (30) day period and proceed diligently thereafter to cure or remedy said breach.

(c) Remedies. If a defaulting party fails to cure any Event of Default pursuant to paragraph (b) of this Section 16, a party may institute such proceedings against the defaulting party as may be necessary or desirable in its opinion to cure and remedy such default or breach. Such remedies include, but are not limited to: (i) instituting proceedings to compel specific performance by the defaulting party, (ii) suspending or terminating the obligations of the non-defaulting party under this Agreement, provided the aggrieved party must provide thirty (30) days' notice of any termination to the defaulting party and provided further that the aggrieved party must rescind the termination notice and not terminate the Agreement if the defaulting party cures all Events of Default within a reasonable time thereafter, and (iii) any other rights and remedies available at law, in equity or otherwise to collect all amounts then becoming due or to enforce the performance of any obligation under this Agreement. The obligations of the City may be enforced to the extent permitted by law by mandamus or any suit or proceeding in law or equity.

Section 17. Mutual Dependency and Severability. All material rights and duties contained in this Agreement are mutually interdependent and one cannot exist independent of another; provided, that if any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision was not contained herein. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible that is and will be legal, valid and enforceable.

Section 18. Indemnification by the Developer. The Developer shall indemnify and promptly reimburse the City for costs, expenses and reasonable attorney's fees incurred by the City on account of any action, suit or claim incurred as a result of any default caused by the Developer hereunder, except for those actions, suits or claims incurred as a result of the City's gross negligence or willful misconduct.

Section 19. Invalidity. This Agreement shall be construed as a whole and not for or against either party. Should any provision of this Agreement be declared or determined to be null, void, inoperative, illegal or invalid for any reason, the validity of the remaining parts, terms or provisions shall not be affected thereby, and they shall retain their full force and effect, and said null, void, inoperative, illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement

Section 20. Separate Counterparts; Captions. This Agreement may be executed by the parties hereto in one or more counterparts or duplicate signature pages, each of which when so executed and delivered will be an original, with the same force and effect as if all required signatures were contained in a single original instrument. Any one or more of such counterparts or duplicate signature pages may be removed from any one or more original copies of this Agreement and annexed to other counterparts or duplicate signature pages to form a completely executed original instrument. Captions have been provided herein for the convenience of the reader and shall not affect the construction of this Agreement.

Section 21. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the matters covered herein and supersedes prior agreements and understandings between the parties.

Section 22. Governing Law and Choice of Forum. This Agreement will be governed by and construed in accordance with the laws of the State of Ohio. All claims, counterclaims, disputes and other matters in question among the City, its employees, contractors, subcontractors and agents, and the Developer, its employees, contractors, subcontractors and agents arising out of or relating to this Agreement or its breach will be decided in a court of competent jurisdiction within the County of Franklin, State of Ohio.

Section 23. Additional Documents. City, Developer and their respective successors, assigns and transferees agree to execute any further agreements, documents, or instruments as may be reasonably necessary to fully effectuate the purpose and intent of this Agreement.

Section 24. Release. Upon satisfaction of the Developer's obligations under this Agreement and the expiration of the TIF Exemption applicable to the Property under the TIF Ordinance, or the termination of the obligations of the Owners to make the Service Payments by operation of law or otherwise, the City shall, upon request of the Developer or of any individual Owner, execute an instrument in recordable form evidencing such satisfaction or termination.

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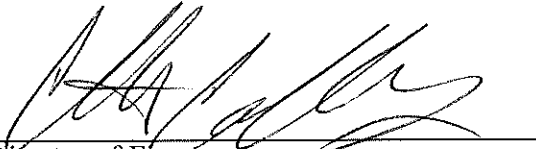
IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be executed in their respective names by their duly authorized officers, as of the date hereinabove written.

OPA REAL ESTATE LLC	CITY OF PIQUA, OHIO
By: _____	By: _____ City Manager
Date of Signing: _____	Date of Signing: _____

FISCAL OFFICER'S CERTIFICATE

The undersigned, Fiscal Officer of the City of Piqua under the foregoing Agreement, certifies hereby that the moneys required to meet the obligations of the City during the year 2023 under the foregoing Agreement have been appropriated lawfully for that purpose, and is in the Treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44 of the Ohio Revised Code.

Dated: 9 15, 2023



Director of Finance

EXHIBIT A

DESCRIPTION OF THE PROPERTY

The Property includes the following tax parcels: N44-072866 with a street address of 1206 Recker Road, Piqua, Ohio.

EXHIBIT B

PRIVATE IMPROVEMENTS

The Private Improvements consist of a 3,580 square foot healthcare facility, consisting of a medical marijuana dispensary.

EXHIBIT C

PUBLIC INFRASTRUCTURE IMPROVEMENTS

The Public Infrastructure Improvements include the construction of the following improvements on or near the Parcel(s) that will directly benefit the Parcel(s) and all related costs of permanent improvements (including, but not limited to, those costs listed in Section 133.15(B) of the Ohio Revised Code):

- construction, reconstruction, extension, improving, or changing sanitary sewer mains on the subject parcel(s) or in the vicinity, including necessary paving and repaving
- construction, reconstruction, extension, improving or changing waterlines and water mains, on the subject parcel(s) or in the vicinity, including necessary paving and repaving.

Together with any costs associated with appurtenant storm sewer and stormwater improvements, lighting, burial of utility lines, gas, electric and communications service facilities (including fiber optics), street lighting and signs, medians, viaducts, sidewalks, bikeways, and landscaping (including scenic fencing and irrigation), grading, drainage and other related work, survey work, soil engineering, inspection fees and construction staking, any other necessary site improvements, and in each case, all other costs and improvements necessary and appurtenant thereto.

Total cost of the Project is not expected to exceed \$350,000.

EXHIBIT D

FORM OF WRITTEN REQUISITION

(For Costs of Developer Public Infrastructure Improvements)

To: City of Piqua, Ohio

Attention: City Manager

Subject: Request for Reimbursement for Costs of Developer Public Infrastructure Improvements pursuant to the terms of the Tax Increment Financing Agreement dated [____], 2023 (the "Agreement"), by and between the City of Piqua, Ohio, and OPA Real Estate LLC. (the "Developer").

You are hereby requested to approve the amount of \$_____ as Developer Costs for the purposes set forth in Item 1 attached hereto. Unless otherwise defined herein, all capitalized terms set forth but not defined in this Written Requisition have the respective meanings assigned to them in the Agreement.

The undersigned authorized representative of the Developer does hereby certify on behalf of the Developer that:

- (i) I have read the Agreement and definitions relating thereto and have reviewed appropriate records and documents relating to the matters covered by this Written Requisition;
- (ii) The disbursement herein requested is for an obligation properly incurred, is a proper charge as a Developer Cost (as defined in the Agreement), and has not been the basis of any previous reimbursement request;
- (iii) The Developer is in material compliance with all provisions and requirements of the Agreement;
- (iv) The reimbursement requested hereby does not include any amount which is being retained under any holdbacks or retainages provided for in any applicable agreement;
- (v) The Developer has, or the appropriate parties on the Developer's behalf has, asserted its entitlement to all available manufacturer's warranties to date upon acquisition of possession of or title to the Developer Public Infrastructure Improvements or any part thereof which warranties have vested in the Developer;

EXECUTED this ____ day of _____, 20__.

By: _____

Printed: _____

Title: _____

ITEM 1

Requisition No. _____ for the Developer Costs

Pay to _____

Amount \$ _____

For Account of:
Account Number:
Wiring Instructions:

For the purpose of reimbursing the following payments previously paid by the Developer for the Developer Costs:

Name of Vendor	Service Rendered	Time Period	Cost of Service Rendered
1.			
2.			



Commission Agenda Item # R-109-23

Staff Report

MEETING DATE	September 19, 2023		
REPORT TITLE	A resolution adopting the 2024-2028 Strategic Plan		
SUBMITTED BY	Paul Oberdorfer		
	City Manager		
AGENDA CLASSIFICATION	<input type="checkbox"/> Consent	<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Regular
APPROVALS/REVIEWS	<input checked="" type="checkbox"/> City Manager		<input type="checkbox"/> Law Director
	<input type="checkbox"/> Development Director		
BACKGROUND (Description, background, justification)	<p>The City initiated a strategic planning process to develop an updated vision, mission, and core set of values to help guide future decisions. This process included input from both internal and external stakeholders over several months. The engagement process included: Data from the U.S. Census Bureau, unemployment information from the U.S. Bureau of Labor Statistics, data obtained from the National Incident-Based Reporting System, and multiple interviews, surveys, and focus groups. The following events were conducted: Interviews with all City Commissioners on March 7 & 8, 2023, a Listening Session for the Chairs of Boards and Committees on March 8, 2023, Community Forums on March 7 & 8, 2023, and an employee survey administered from March 16 to 31, 2023.</p>		
BUDGET/FINANCIAL IMPACT (Project costs and funding sources)	Budgeted \$:	\$57,125	
	Expenditure \$:	\$57,125	
	Source of Funds:		
	Narrative:		
OPTIONS (Include deny /approval option)	1.	Approve this resolution.	
	2.	Deny this resolution.	
PROJECT TIMELINE	January 2024—December 2028		
STAFF RECOMMENDATION	Approve the proposed resolution.		
ATTACHMENTS	City of Piqua Strategic Plan 2024-2028		

RESOLUTION NO. R-109-23

A RESOLUTION ADOPTING THE 2024-2028 STRATEGIC PLAN

WHEREAS, the City of Piqua has endorsed the development of a strategic plan and engaged all City Commission members, the public and employees in presenting issues and ideas relevant to strategic plan development; and

WHEREAS, many work sessions, interviews, community forums and focus groups were held to establish a renewed set of values, vision, and mission for the community and the workforce of the City of Piqua; and

WHEREAS, the goals and objectives were identified that reflect the collective values, vision and mission of the City; and

WHEREAS, the City has identified four strategic outcome areas, which are:

- i. **Unified Community.** Piqua unites residents, businesses, and government in community advancement;
- ii. **Responsive Services.** Piqua promotes continuous improvement in the delivery of City services that meet the evolving needs of our community;
- iii. **Thriving Economy.** Piqua cultivates a diverse business environment that supports local economic opportunities for future growth and enhances quality of life;
- iv. **Reliable Infrastructure.** Piqua maintains modern and cost-effective infrastructure while supporting future growth opportunities.

WHEREAS, the vision, mission, values, goals and strategies are memorialized in a five-year strategic plan; and

WHEREAS, the Strategic Plan will guide financial, operational and policy decisions starting now and through to 2028; and

WHEREAS, the City will review and update implementation plans and activities on at least an annual basis to recognize progress in achieving the plan and to discuss City priorities.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: This Commission hereby proclaims the 2024-2028 Strategic Plan as documented in Attachment 1 to this Resolution shall be and hereby adopted.

SEC. 2: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

CINDY PEARSON, MAYOR

PASSED: _____

ATTEST: _____

MELISSA KINNEY

CLERK OF COMMISSION

The Motion to adopt the foregoing Resolution was offered by _____,
seconded by _____, and on roll call the following vote ensued:

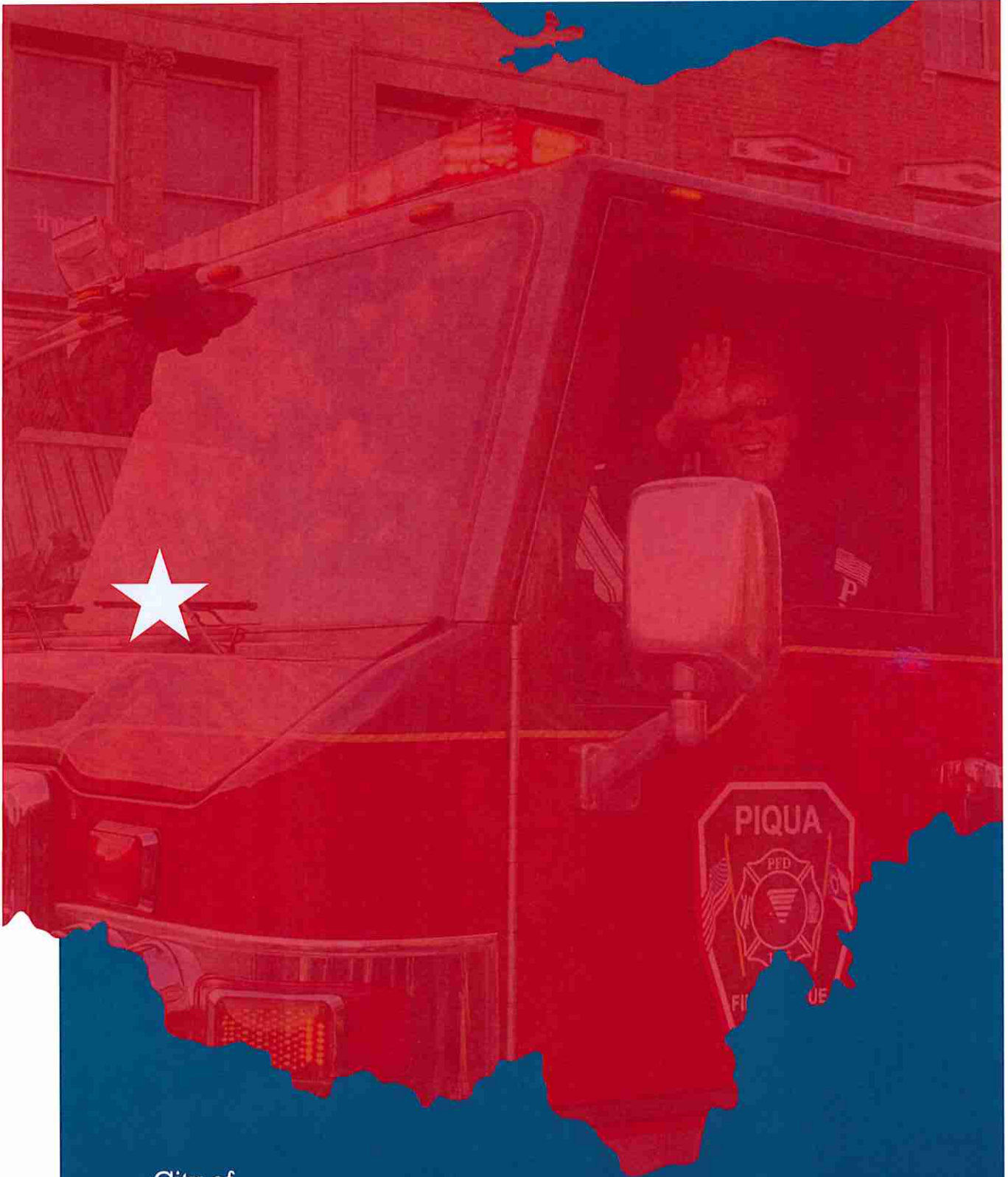
Commissioner Kris Lee _____

Commissioner Kathryn Hinds _____

Mayor Cindy Pearson _____

Commissioner Chris Grissom _____

Commissioner James Vetter _____



City of
PIQUA

Strategic Plan

2024-2028

Contents

- 03 Message from the Mayor
- 04 The Strategic Planning Process
- 05 Community Profile
- 06 National Trends at the Local Level
- 11 Strategic Framework
- 12 Strategic Outcomes
- 14 Implementation & Next Steps



Cindy Pearson
Mayor

We are proud and pleased to present the 2024 Piqua Strategic Plan.

Piqua is a great community with nearly 21,000 citizens located in the heart of the Ohio Miami Valley along the Great Miami River. Piqua offers many services to the community, including public safety, public utilities, economic and community development, and parks and recreation; all of which make Piqua OUR City. Piqua also offers a vision that builds an inclusive, innovative, collaborative community focus while maintaining a small-town feel, that our citizens appreciate.

The 2024 Piqua Strategic Plan incorporates the mission, vision, and values of OUR City. The plan will align what the citizens want with the work of local leadership and government. That is why community engagement was a focal point of the development of the plan. The plan incorporates the feedback from stakeholders, city commissioners, boards and committee members, city staff, and citizens to make the plan reflective of the desires of the whole community.

To gather the needed input from stakeholders, the project team interviewed the city commissioners to gain an understanding of what makes Piqua unique, what people love about our City, and what issues are facing the community in the future. Board and Committee members were also involved in providing their perspective on what our City does well, are there additional services desired in the community, and what are the hopes for the future of our City. Citizen input was gathered during community forums to enhance the understanding of why people choose to live in our City, what will keep people in our City, what services are desired, and what are the hopes of the citizens for our City.

All this valuable feedback is now incorporated in our Strategic Outcome Areas that are highlighted in the plan. These are the things that will help lead our City to achieve the vision and fulfill our mission in the coming years. The Outcome Areas will be broken down into actionable items that are measured over time to gage how well the plan is working. Our City budget will be driven by the need to fulfil this plan along with the Capital Improvement Plan, to meet the desires of the community and exceed the needs of the citizens which will propel Piqua forward.



I wish to thank everyone who provided input, feedback, and insights to make this plan come together; our City will prosper because of the work of so many.

The Strategic Planning Process

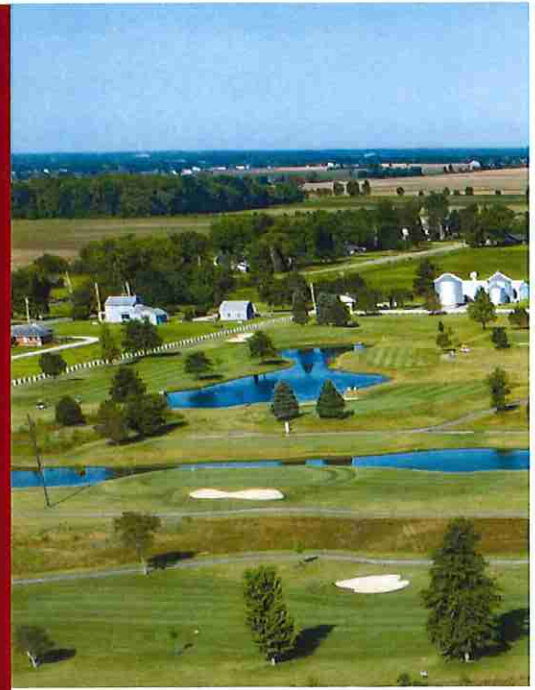
The City of Piqua (City) initiated a strategic planning process in 2023, using a process designed to ensure:

- + A shared vision of the outcomes that the City sought to create. Organizations driven by clear purposes and shared values have a greater capacity to succeed than those that are not.
- + A collective understanding of the available resources, the operating context, and the principles upon which desired outcomes and initiatives are based.
- + Acceptance of the direction and urgency of the strategic plan, which will be integrated into the way the City is operated on a day-to-day basis.

To achieve these conditions for success, the City's strategic planning process involved input from a broad group of internal and external stakeholders. Major elements of the engagement process included:

- + Interviews and work sessions with the Mayor and City Commission Interviews and work sessions with the City Manager and leadership team
- + Three community forums that were open to the public
- + A focus group with the Chairs of Piqua's Boards and Commissions
- + A survey distributed to all City employees

This input was used to develop the City's vision, mission, values, and four strategic outcome areas, as well as the associated initiatives for implementation over the next five years.





Community Profile

Located in Miami County, Ohio, the City of Piqua is a vibrant and welcoming community with a rich history and a promising future. With a population of approximately 20,000 residents, Piqua offers a small-town atmosphere with easy access to the amenities of larger cities, including Dayton, Columbus, Cincinnati, and Indianapolis.



Residents of Piqua enjoy a high quality of life, with a variety of recreational opportunities. The City boasts numerous parks, including the picturesque Fountain Park and Lock Nine Riverfront Park, which provide beautiful settings for outdoor activities such as picnicking, hiking, and boating. Piqua also has a vibrant arts scene, with local theaters, galleries, and festivals that showcase the talents of the community. Piqua's economy is supported by a range of industries, including manufacturing, healthcare, and retail. Piqua's strategic location along the Interstate 75 corridor provides convenient transportation options for both residents and businesses.

Piqua is a close-knit community where neighbors know each other and come together to support one another. The City prides itself on its strong sense of community and volunteerism. With its friendly residents, strong economy, and commitment to recreation, the City of Piqua, OH offers a wonderful place to live, work, and visit. Whether you are seeking a tight-knit community or a hub for business opportunities, Piqua has something for everyone.

As Seen in Piqua

National Trends at the Local Level

The last several years have been tumultuous, with cities across the United States needing to respond to changes in a variety of areas. The following section shares how Piqua has been impacted by five trend categories:



Social

While America's population is growing overall, the Piqua population has remained relatively steady in recent years.

In Piqua, there has been little population change over the last 30 years. Cities with minimal growth often struggle with limited revenues to maintain infrastructure and operations, as well as business attraction and retention. While the City has experienced some negative impacts related to the lack of growth, in interviews, surveys, and focus groups, community members and City staff repeatedly discussed how much they value the City's strong sense of community and small-town feel.

Following national trends, the City is aging, increasing from a median age of 35.1 in 2000 to a median of 40.2 as of 2021. The community is also becoming more educated. In 2000, only 75% of residents aged 25 and older had their high school diploma, five percentage points below the national average. By 2021, however, 93% of adult residents had their diploma, outpacing the national average. Piqua has also become more diverse, with approximately 8% non-white residents as of 2021, compared to 5% in 2000.



In Piqua, as in communities across the country, the population is becoming older, more educated, and more diverse.



Workforce

The national workforce culture is changing in response to a variety of social and economic factors, but City of Piqua employees report this being a strength for the City.

Nationally, the culture in many workplaces has changed significantly in recent years. The COVID-19 pandemic fundamentally altered the way many Americans worked, with many workplaces offering increased schedule flexibility and increased opportunities for employees to work remotely. Workplaces also increased their reliance on the use of technology, like virtual meeting platforms, to conduct everyday business. The Census reports that the number of employees working remotely full-time increased from 6% of the workforce in 2019 to 18% in 2021. In Piqua, respondents to the employee survey generally reported a positive workforce culture at the City, and when asked to list the City's strengths, respondents' most common answer was the high quality of City employees. Some also noted employees' ability to work well as a team, and others praised a positive work environment that supports employees.

Across the United States, employees have more flexibility to change jobs than in recent years. The increase in remote work opportunities has meant that many are not constrained to a particular geographic area, and the trend away from pension plans and towards 401(k) and other retirement structures means there is often less incentive to remain in a particular role. In Piqua, many employees who responded to the survey identified recruitment and retention as one of the top challenges facing the organization.



Employee turnover and recruitment difficulties are a national challenge, and many in Piqua are concerned as well.

Environmental

Piqua's natural environment is one of the keys to its attractiveness and livability.

Nationally, there has been a focus on sustainability, conservation, and climate change mitigation to help preserve environmental assets like those in Piqua. Each community faces its own unique set of circumstances and is taking its own approach towards risk mitigation, which could include strategies like developing robust disaster response and recovery plans and reinforcing existing infrastructure.

In Piqua, focus group participants and survey respondents value the natural beauty of Piqua's locations, the City's 17 parks for resident and visitor recreation, and the many outdoor amenities available. Piqua is located along the Great Miami River and prides itself on a vibrant riverfront. In focus groups, several participants urged the City to build upon this advantage in coming years and continue to develop the riverfront into an attractive destination.

Economic

Local governments around the country, including Piqua, are struggling with raising enough revenue to sustain operations and maintain and replace aging infrastructure.

One of the primary spending drivers for many local governments is the need to maintain, repair, and replace aging infrastructure. Infrastructure quality has been declining in the United States overall for decades. The American Society of Civil Engineers gave American roads a D overall on its 2021 Report Card for America's Infrastructure, which indicates poor quality infrastructure that puts people at risk. Other graded categories include Parks & Recreation (D+), Bridges (C+), Drinking Water (D), and Wastewater (D+). In Piqua, City Commissioners discussed a lack of funding in general for necessary programs and the need for higher maintenance standards for City-owned properties and infrastructure, which can improve their safety, functionality, and useful life. Many stakeholders in interviews, focus groups, and the survey also expressed a desire to cultivate more industry in the City, such as retail, restaurants, and other businesses. Economic development would not only increase the City's tax base but may create amenities to help attract and retain residents.

Nationally, the United States Census Bureau reports that approximately 38% of households paying either rent or mortgage pay 30% of their income or more towards housing, which is the threshold for what is considered "affordable" by the United States Department of Housing and Urban Development. In Piqua, housing stock increased by approximately 8% overall between 2010 and 2021, and the median value of a home declined from approximately \$96,200 to \$93,000, according to the Census. However, housing has generally become less affordable. The median mortgage remained relatively unchanged over this period, going from \$991 per month to \$983. However, median rent increased from \$655 to \$820 per month. The percentage of Piqua households paying 30% or more of their income towards housing also increased, going from 36% in 2010 to 41% in 2021.



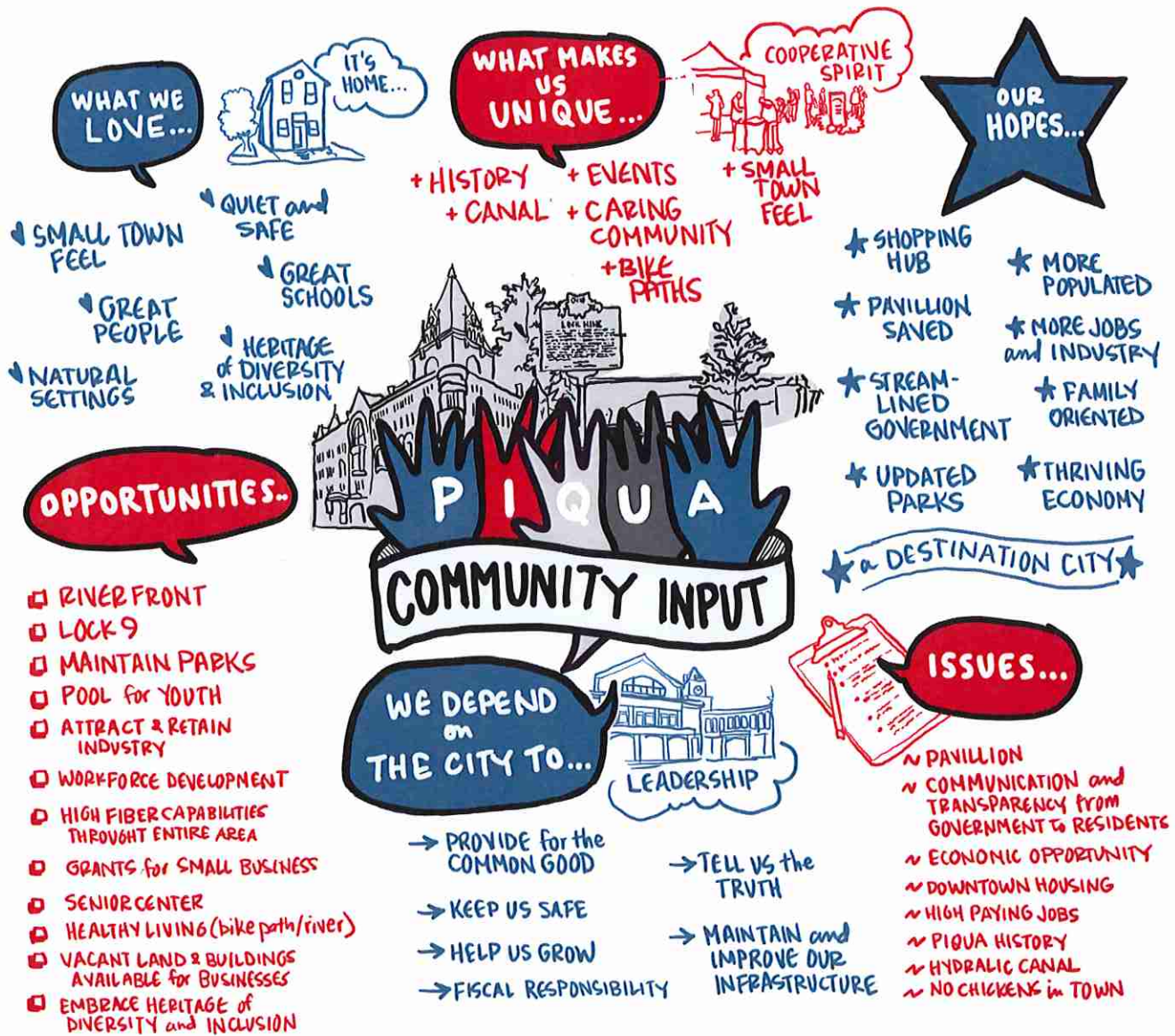
Housing is unaffordable for many across the country, including in Piqua.



Technology

Use of and access to technology has increased dramatically in recent years, creating opportunities for cities like Piqua, while also posing challenges.

Nationally, the Census reports that 95% of American households have at least one computing device as of 2021, up from 87% in 2015. Additionally, 90% have an internet subscription, up by 77% from 2015. This rapid increase creates significant opportunity for local governments to develop and implement powerful tools to engage with residents in non-traditional methods and to accept payments, applications, and other documents electronically. However, this increased use of technology also poses challenges, because engaging with the community virtually risks leaving some residents behind. In Piqua, there has been a similar trend of increased technology access, with the number of households with computers increasing from 80% in 2017 to 91% in 2021, and the number with internet access increased from 74% to 86% in the same time period.



Our Blueprint

Strategic Framework

Vision

Building an inclusive, innovative, and collaborative community that propels Piqua forward.

Mission

Dedicated public servants who take pride in providing essential services that promote the quality of life for the Piqua community.

Values

Piqua excels through our commitment to:

- + **Accountability:** Demonstrating ownership, transparency, and responsiveness to ourselves, our colleagues, and our community
 - + **Integrity:** Living our values, being authentic, and doing the right thing, no matter the situation
 - + **Professionalism:** Supporting the people and building the systems that make the City resilient, efficient, and forward-thinking
 - + **Teamwork:** Working collaboratively to achieve shared goals in a respectful, inclusive, and positive environment
-

Strategic Outcome Areas



Unified
Community



Responsive
Services



Thriving
Economy



Reliable
Infrastructure

Strategic Outcomes

Piqua staff collaborated to identify projects, programs, and activities to drive each strategic outcome area forward. These are captured in the initiative categories below.



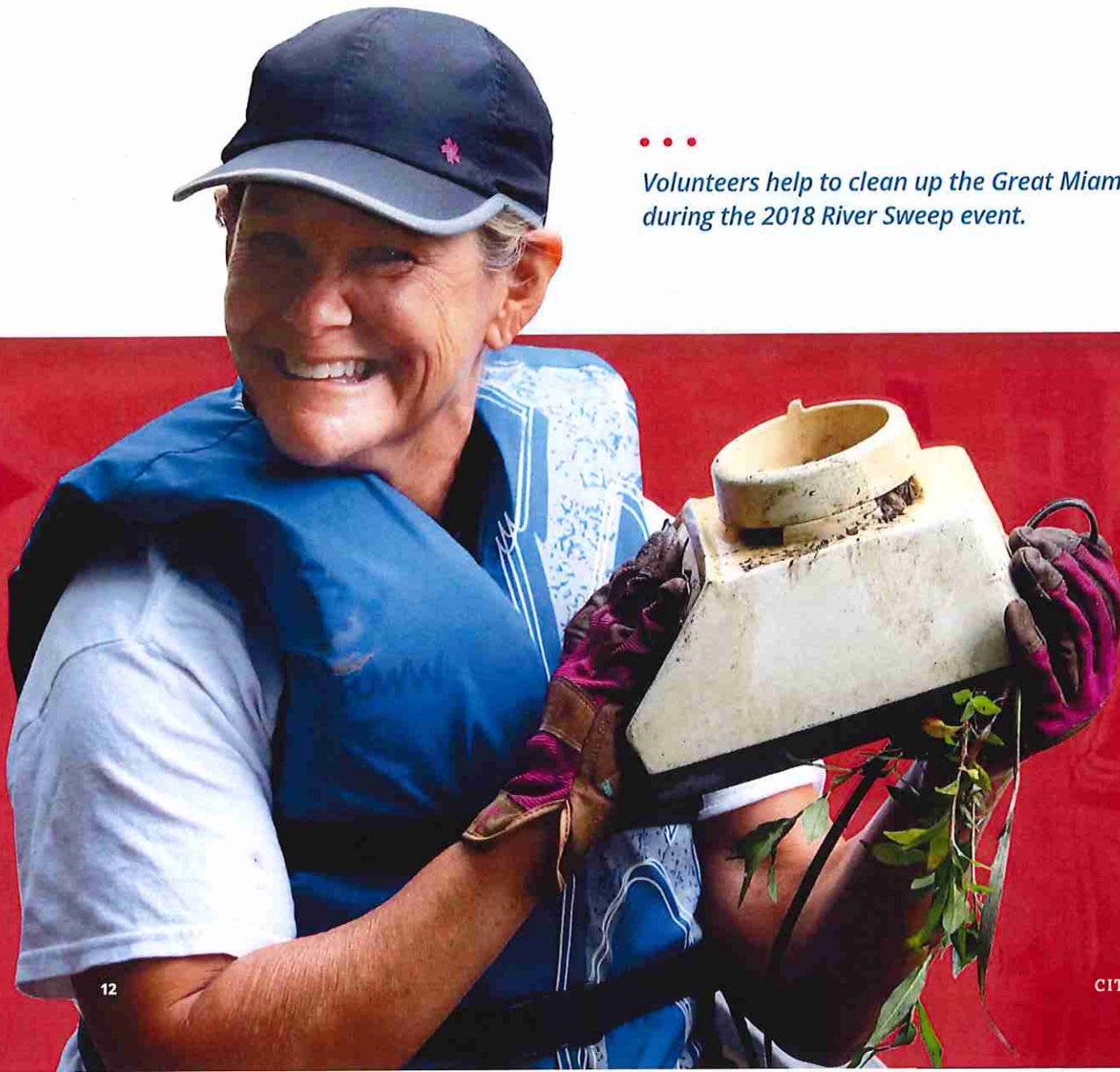
Unified Community

Piqua unites residents, businesses, and government in community advancement.

Initiatives include: **Community Outreach** | **Engaging Community Groups** | **Coordinating Volunteer Opportunities**



Volunteers help to clean up the Great Miami River during the 2018 River Sweep event.





Responsive Services

Piqua promotes continuous improvement in the delivery of City services that meet the evolving needs of our community.

Initiatives include: **Gathering Community Input | Responsive Housing Solutions | Responsive Recreation Programming**



Thriving Economy

Piqua cultivates a diverse business environment that supports local economic opportunities for future growth and enhances quality of life.

Initiatives include: **Collaborating and Planning for Future Economic Growth | Promoting Investment and Development Through Placemaking**



Reliable Infrastructure

Piqua maintains modern and cost-effective infrastructure while supporting future growth.

Initiatives include: **Citywide GIS Initiative | Complete Streets Program | IT Strategic Initiatives**

Implementation & Next Steps

Each of the strategic outcome areas included in this plan contain a series of initiatives and projects that will move the City toward achievement of its long-term priorities.

However, it is important to note that for the desired results to be achieved, the initiatives must be effectively implemented. Therefore, careful attention and focus on strategy implementation is essential for achieving success.

The City's strategic plan implementation process includes:

- 1** Leveraging internal subject matter expertise by continuing to engage knowledgeable and energized City staff to draft implementation plans for each initiative, including:
 - + Tasks and activities necessary for implementation
 - + Assigned individuals or groups
 - + Due dates and timelines for key tasks
 - + Resource requirements

- 2** Monitoring and sharing implementation progress with organizational leadership, City Commission, and the community

- 3** Reviewing and updating implementation plans and activities on at least an annual basis



PIQUA

UNIFIED
COMMUNITY



RESPONSIVE
SERVICES



Building an inclusive,
innovative, and collaborative
community that propels Piqua forward



THRIVING
ECONOMY




RELIABLE
INFRASTRUCTURE

City of Piqua - Government Page 

@CityofPiqua 

City of Piqua 

CityofPiqua45356 

City of Piqua 

City of
PIQUA

Piqua City Offices:
201 W Water Street, Piqua, OH 45356

Phone:
937-778-8300

Website:
Piquaoh.org

MEETING DATE	September 19, 2023		
REPORT TITLE	A resolution approving the tax rates for the City as determined by the Miami County Budget Commission		
SUBMITTED BY	Name & Title: Charlotte Colley, Interim Finance Director Department: Finance		
AGENDA CLASSIFICATION	<input type="checkbox"/> Consent	<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Regular
APPROVALS/REVIEWS	<input checked="" type="checkbox"/> City Manager		<input checked="" type="checkbox"/> Finance Dir.
	<input type="checkbox"/> Development Director		<input type="checkbox"/> Law Director
BACKGROUND	Every year about this time, we request an approval of the certified tax rates which will be used to levy property tax on all general duplicates for 2023 to be collected in 2024. These certified rates require the approval of our Commission and certification to Miami County before October 1, 2023.		
BUDGETING AND FINANCIAL IMPACT	Budgeted \$:		
	Expenditure \$:		
	Source of Funds:		
	Narrative:	Passage of this will allow the City to continue to receive the collection of property tax revenue from the County. These revenues are vitally important to the General Fund and our day-to-day operations.	
OPTIONS	1.	Approve the Resolution for the approval of the tax rates for the City as determined by the Miami County Budget Commission.	
	2.	Do not approve the Resolution and cause our revenues to drop substantially.	
PROJECT TIMELINE	September 2023		
STAFF RECOMMENDATION	We are requesting approval of the resolution approving the tax rates for the City as determined by the Miami County Commission.		
ATTACHMENTS	Tax Year 2023 Rates and Amounts Certification		

RESOLUTION NO. R-110-23

**A RESOLUTION APPROVING THE TAX RATES FOR
THE CITY AS DETERMINED BY THE MIAMI COUNTY
BUDGET COMMISSION**

WHEREAS, on August 22, 2023, the Miami County Budget Commission has, pursuant to general law, certified the following rates of tax to be levied in the City of Piqua for municipal purposes on the general tax duplicate of 2023, subject to any additional levies approved by the electorate; and

WHEREAS, said certified rates of tax require the approval of this Commission;

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: The rates of tax to be levied as follows in the City of Piqua for municipal purposes on the general tax duplicate of 2023 (subject to any additional levies approved by the electorate) are hereby approved and certified;

<u>FUND</u>	<u>MILLS</u>	<u>AMOUNT</u>
<u>Ten Mill Limitation</u>		
General	3.70	\$1,471,527
Police Pension	.30	119,313
Fire Pension	.30	119,313
<u>No Limitation</u>		
General Conservancy	.15	\$ 59,656

SEC. 2: The Clerk of this Commission is directed to file a certified copy of this Resolution with the Miami County Auditor forthwith;

SEC. 3: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

Cindy Pearson, Mayor

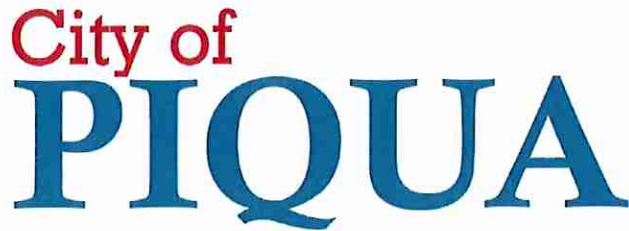
PASSED: _____

ATTEST: _____

Melissa Kinney
Clerk of Commission

The Motion to adopt the foregoing Resolution was offered by _____,
seconded by _____, and on roll call the following vote ensued:

Mayor Cindy Pearson	_____
Commissioner Kris Lee	_____
Commissioner Kathryn Hinds	_____
Commissioner Chris Grissom	_____
Commissioner Jim Vetter	_____



Commission Agenda
Staff Report Item #R-111-23

MEETING DATE	September 19, 2023		
REPORT TITLE	A resolution approving an Investment Policy for the City of Piqua		
SUBMITTED BY	Name & Title: Charlotte Colley, Interim Finance Director		
	Department: Finance		
AGENDA CLASSIFICATION	<input type="checkbox"/> Consent	<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Regular
APPROVALS/REVIEWS	<input checked="" type="checkbox"/> City Manager		<input checked="" type="checkbox"/> Finance Dir.
	<input type="checkbox"/> Development Director		<input type="checkbox"/> Law Director
BACKGROUND	The City would like to ensure that interest earnings on fund balances are maximized while still preserving liquidity and safety for the City's finances.		
BUDGETING AND FINANCIAL IMPACT	Budgeted \$:		
	Expenditure \$:		
	Source of Funds:		
	Narrative:	Passage of this will allow the City to enact a new investment policy, and it would also allow for the engagement of a professional financial investment firm to manage the City's invested funds actively and appropriately. It would also allow interest earnings to be deposited into the General Fund.	
OPTIONS	1.	Approve the resolution for the establishment of the investment policy.	
	2.	Do not approve the resolution and cause the investment policy to not be enacted, and by doing so, hinder the City's ability to work with a professional financial investment firm and to deposit interest earnings into the General Fund.	
PROJECT TIMELINE	September 2023		
STAFF RECOMMENDATION	We are requesting approval of the Resolution to establish an investment policy for the City of Piqua.		
ATTACHMENTS	City of Piqua Investment Policy and City of Piqua Statement of Financial Policy		

RESOLUTION NO. R-111-23

A RESOLUTION APPROVING AN INVESTMENT POLICY FOR THE CITY OF PIQUA

WHEREAS, the City of Piqua's Investment Policy is to set forth the requirements for the investment of public funds in a manner that maximizes safety of principal while ensuring that funds are available to meet the operating needs of the City and to meet unanticipated cash demands while earning the highest possible return within the parameters established by the Charter and Revised Ordinances of the City of Piqua and the laws of Ohio; and

WHEREAS, the Investment Policy emphasizes safety, preservation of principal, liquidity, and yield; and

WHEREAS, interest from invested City funds shall be distributed in a manner conforming with the Ohio Revised Code Chapter 135.14 and in accordance with the Investment Policy.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: The City of Piqua formally adopts the Investment Policy and amends section XI. B. of the Statement of Financial Policy to conform with the newly adopted Investment Policy.

SEC. 2: The City, in accordance with the Ohio Revised Code, shall work with an investment advisor, financial institution(s) and broker/dealer in order to effectively carry out sound investments for the City.

SEC. 3: The interest generated from funds invested by the City of Piqua shall be distributed to the General Fund.

SEC. 4: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

Cindy Pearson, MAYOR

PASSED: _____

ATTEST: _____

Melissa Kinney
CLERK OF COMMISSION

The Motion to adopt the foregoing Resolution was offered by _____,
seconded by _____, and on roll call the following vote ensued:

Mayor Cindy Pearson	_____
Commissioner Kris Lee	_____
Commissioner Kathryn Hinds	_____
Commissioner Chris Grissom	_____
Commissioner Jim Vetter	_____

City of Piqua Investment Policy

Governing Authority

This document, in conjunction with the Ohio Revised Code ("ORC"), as amended, will govern the investments and the investment activities of the City of Piqua ("City"). It will be reviewed annually for compliance and to assure the flexibility necessary to effectively manage the investment portfolio.

Purpose

The purpose of the investment policy is to ensure that the City's Investment objectives of Safety, Liquidity and Return are adhered to while conforming to all applicable statutes governing the investment of public funds by an Ohio Municipality.

Scope

This investment Policy applies to all financial assets of the City, including State and Federal funds held by It. Except for cash in certain restricted and special funds and at the discretion of the Finance Director, the City of Piqua can consolidate cash balances from multiple funds to maximize investment earnings. The funds will be consolidated by all enterprise funds and all non-enterprise funds. Investment income will be distributed to the General Fund in accordance with generally accepted accounting principles. Any practice not clearly authorized under these policies or ORC Chapter 135 is prohibited. The guidance set forth herein is to be strictly followed by all those responsible for any aspect of the management or administration of these funds.

Objectives

The primary objectives, in order of priority, of the City's investment activities shall be:

- 1) Safety: Safety of principal is the foremost objective of the investment program. City investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- 2) Liquidity: The portfolio should be managed in such a manner to assure funds are available to meet those immediate and or future obligations of the City.
- 3) Return: The portfolio shall be managed in such a fashion as to attain a market rate of return throughout budgetary and economic cycles, within the context and parameters set forth by objectives 1 and 2 above.

City of Piqua Investment Policy

Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not far speculation, but for investment, considering the probable safety of their capital as well as the probable income derived.

The standard of prudence to be used by the Finance Director and others involved in the management of the investment portfolio shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. Acting in accordance with this Investment Policy and exercising due diligence shall relieve the Director of Finance and others involved in the management of the portfolio from personal responsibility for an individual security's credit risk or market price changes, provided deviations from the expectations are reported to the Council in a timely fashion and appropriate action is taken to control adverse developments.

Service Providers, Safekeeping and Custody

The City may engage the services of an investment advisor to assist in the management of the investment portfolio in a manner consistent with this investment policy. Such investment advisor may be granted discretion to purchase and sell investment securities in accordance with this investment policy. The investment advisor must be licensed by the division of securities under ORC Section 1707.141 or registered with the Securities and Exchange Commission, and possess experience in public funds investment management specifically in the area of state and local government investment portfolios, or the investment advisor is an eligible institution as mentioned in ORC Section 135.03. The investment advisor must enter into a written investment advisory agreement with the City. In addition, the investment advisor must supply a copy of their Form ADV Part 2, or make a copy available, on an annual basis.

Should the City choose not to engage the services of an investment advisor, then a list will be maintained of financial institutions and broker/dealers who provide investment services. All financial institutions and broker/dealers with which the City conducts business must supply proof of Financial Industry Regulatory Authority ("FINRA") registration and State of Ohio registration, as appropriate. The Finance Director is responsible for evaluating and reviewing on an annual basis the regulatory status of such financial institutions and broker/dealers.

The City will also arrange to have any investment securities held in safekeeping by an independent third-party custodian. Any advisor or broker/dealer doing business with the City cannot serve as a custodian or safekeeping agent. Investment securities should be settled to the custody account on a delivery-versus-payment (DVP) basis, as previously noted. The custodian must enter into a written custodial agreement with the City.

In accordance with ORC, a copy of this policy will be forwarded to each investment advisor, financial institution and broker/dealer doing investment business with the City. Their

City of Piqua Investment Policy

signature will be required indicating that they have received, read, comprehend and will abide by its contents when managing assets or recommending or selling any investment security to the City. Any third-party custodian providing services is excluded from this requirement as long as they will not be managing assets, recommending, or selling any investment security to the City.

Authorized Investments

The City is permitted to invest in any security authorized by ORC Chapter 135.14 and any other relevant sections, as amended.

Maximum Maturities

Investments shall be made with the reasonable expectation they can be held to maturity. Securities may be redeemed or sold prior to maturity to meet additional liquidity needs, to enhance the yield of the portfolio, to re-structure the portfolio or to realize any capital gains. Maximum maturities must follow the laws of ORC 135.14.

Prohibited Investment Practices

The City is prohibited by state law from investment in stripped principal or Interest obligations, reverse repurchase agreements and derivatives. The issuance of taxable notes for the purpose of arbitrage, as well as the use of leverage and short-term selling is also prohibited.

Any investment currently held in the portfolio that does not meet the guidelines of this policy shall be exempt from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

Ethics and Conflict of Interest

Persons involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment consultants shall disclose to the City any material financial interests in financial institutions that conduct business within the City and any material personal financial or investment positions that could be related to, or affected by, the performance of the City's portfolio. All employees, officers and investment consultants to the City shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales.

Internal Controls

The Finance Director shall develop and maintain procedures for the operation of the

City of Piqua Investment Policy

City's investment program in accordance with this Investment Policy. These procedures shall be designed to prevent loss of the City's funds due to fraud, error, misrepresentation, unanticipated market changes or imprudent actions. The Finance Director shall routinely monitor the contents of the City's investment portfolio and the available markets. A detailed inventory of all investments which shall include a description of each security, cost, par value, rate of return, along with the settlement and maturity dates, shall be available upon request.

Training

The Finance Director shall participate in any beginning and/or continuing education training programs sponsored by the State Treasurer or the State Auditor. Through participation in those programs, the Director of Finance will develop and maintain an enhanced background and working knowledge in investment, cash management, and ethics.

Investment Policy Adoption

This Investment Policy adopted on _____ shall be filed in the office of the Auditor of State. The policy shall be reviewed on a periodic basis by the Council or a committee designated by it and any modifications made thereto must be approved by the Council and, upon adoption, filed in the office of the Auditor of State.

STATEMENT OF FINANCIAL POLICY

I. PURPOSE AND SCOPE

The City of Piqua has a responsibility to its citizens to carefully account for public funds, to manage municipal finances wisely, and to plan for the provision of services desired by the public. Sound financial policies are necessary to carry out that responsibility.

This Statement of Financial Policy provides a summary of significant financial and budgetary policies required by state law, the City Charter, City ordinances, accounting principles generally accepted in the United States, and administrative practices.

This policy is designed to: 1) provide conceptual standards for financial decision-making, 2) enhance consistency in financial decisions, and 3) establish parameters for administration to use in directing the day-to-day financial affairs of the City.

The scope of these policies includes budgeting, financial reporting, auditing, internal controls, asset management, risk management, capital improvement program, debt management and financial performance targets.

II. REVIEW OF POLICIES

These policies shall be reviewed periodically and may be presented to Council annually during the budget review.

III. BUDGETING AND FINANCIAL PLANNING

A. Financial Planning Elements

The major elements of the budgeting / financial planning process for the City of Piqua are:

1. Three-Year Financial Plan - updated annually, this plan projects operating funds' financial performance, estimates funding needs, identifies funding sources by estimating the costs and funding for projects and programs that accomplish the long term goals of the City.
2. Annual Operating and Capital Budgets - annual financial plan of the organization.

B. Long-Term Focus

The City recognizes the importance of long-term strategic planning. Similarly, it recognizes that prudent financial planning considers the multi-year implications of financial decisions.

The City shall maintain a long-term focus in its financial planning that is mindful of the long-term objectives of the citizens and City of Piqua.

C. Projections

Revenues will be projected conservatively, but realistically, considering:

- a. past experience;
- b. the volatility of the revenue source;
- c. inflation and other economic conditions;
- d. costs of providing the service.

STATEMENT OF FINANCIAL POLICY

One-time or special purpose revenues will be used to finance capital projects or for expenditures required by the revenue, and not to subsidize recurring personnel costs or other operating costs.

Expenditures will be projected conservatively considering:

- a. a conservative, but likely, scenario of events (versus “worst case scenario”);
- b. specific identified needs of the program or service;
- b. historical consumption and trends;
- c. inflation and other economic trends.

D. Three-Year Financial Plan

A three-year financial plan shall be updated on an annual basis. The plan shall include all major operating funds and all capital improvement plans of the City. The purpose of this plan is to:

- 1) identify major policy issues for City Council consideration prior to the preparation of the annual budget;
- 2) establish capital project priorities and make advance preparation for the funding of projects within the three-year horizon;
- 3) make conservative financial projections for all major operating funds and all capital improvements to provide assurance that adequate funding exists for proposed projects and services;
- 4) identify financial trends in advance or in the early stages so that timely corrective action can be taken, if needed;
- 5) communicate the City’s plans to the public and provide an opportunity for the public to offer input.

E. Annual Operating and Capital Budget

Scope. The operating and capital budget is the City’s annual financial operating plan. All funds, except federal and state grant funds, will be subject to appropriation by Council.

Balanced Budget. The budget will be “balanced” for each fund. The proposed cash resources of each fund (beginning of year unencumbered fund balances plus estimated receipts) will exceed appropriations. When necessary, the following budget-balancing strategies will be used, in order of priority:

- 1) reduce expenditures through improved productivity;
- 2) shift expense to other parties;
- 3) create new service fees or increase existing fees;
- 4) seek tax rate increases;
- 5) reduce or eliminate services.

Budget Process. The policy of the City is to have the annual operating and capital budgets approved prior to January 1 of each year.

The City follows procedures prescribed by State law in establishing its budgets as follows:

- (1) The County Budget Commission has suspended the requirement to prepare a tax budget. In lieu of the tax budget, about January 1 of each year, the City will submit to the Budget Commission a report of estimated revenue and actual unencumbered cash balances by fund. Thereafter, the County Budget Commission will issue an Official Certificate of Estimated Resources (OCER).
- (2) Unencumbered appropriations lapse at year-end. State law provides that no contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Finance

STATEMENT OF FINANCIAL POLICY

Officer first certifies that the money required for such contract, agreement, obligation or expenditure is in the treasury, or is anticipated to come into the treasury, before the maturity of such contract. (O.R.C. 5705.41)

- (3) All funds of the City have annual budgets legally adopted by the City Council. The exception is that when the City receives federal or state grant funds to aid in paying the cost of any program, activity, or function of the City, the amount received is deemed appropriated for such purpose. (O.R.C. 5705.42)

The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer input. The Council enacts the budget through passage of an ordinance.

Budget Format and Structure. 1) The budget will be prepared on the cash basis. 2) The budget will be on a departmental basis. 3) The budget will be sufficiently detailed to identify all significant sources and uses of funds. The format will include the following on a fund-by-fund basis: estimated beginning fund balances; estimated receipts; projected cash disbursements and encumbrances; and the estimated year-end fund balances. Actual prior year data and projected current year results may be presented for comparative purposes.

Legal Level of Control. The "legal level of control" is the level of detail as approved by Council in the appropriation ordinance. Legal level of control for the City of Piqua is based on two subtotals for each department: 1) Personal Services, and 2) Contractual, Materials and Other.

F. Modifications to the Budget

Supplemental Appropriations. Amendments to authorized appropriations at the legal level of control may be made from time to time as changing circumstances dictate. These will be recommended to City Council by the City Manager along with the rationale supporting the request(s). Such budget amendments must be approved by ordinance of Council.

IV. BUDGETARY COMPLIANCE AND EXPENDITURE CONTROL

A. Budgetary Compliance and Monitoring

The City will maintain a budgetary control system to ensure that appropriations or fund balances will not be overdrawn.

A purchasing control system will be maintained which will generally require advance authorization of purchases as required by the Ohio Revised Code (O.R.C. 5705.41) and the City of Piqua purchasing policy. Encumbrance accounting will be utilized as an extension of formal budgetary control. Under this system, purchase orders, contracts and other commitments for the expenditure of monies are recorded as an appropriation encumbrance prior to placing the order or entering into the contract in order to reserve that portion of the applicable appropriation.

The integrity of the various funds will be maintained by proper crediting of revenues and proper charging of costs.

B. Budget Reporting

Monthly expenditure reports will compare actual results with approved budget amounts. Such reports will be provided to the appropriate department head for review. Appropriation deficiencies will be addressed immediately via an authorized transfer of appropriations or request for supplemental appropriations.

STATEMENT OF FINANCIAL POLICY

C. Prompt Payment

All invoices approved for payment shall be paid within thirty days of receipt unless contractual terms provide otherwise. Procedures shall be established to enable the City to take advantage of all purchase discounts deemed to be in the best interests of the City.

V. INTERFUND CASH TRANSFERS

Cash transfers may be made from one fund of the City to another fund if authorized, by ordinance or resolution, by an affirmative vote of at least four members of Council.

VI. MINIMUM CASH FUND BALANCE RESERVES

The City will budget minimum cash fund balances for various operating funds to provide reserves for unforeseen emergencies or revenue shortfalls and to eliminate the need for short-term borrowing for cash flow needs. This process will start in 2023 and build to reach their % goals within next five years.

It is the policy of the City of Piqua to meet or exceed these minimum cash fund balances in each budget. We recognize that unforeseen events may cause short-term breaches of these fund balance reserves. However, if such a breach occurs, or is expected to occur within the budget balancing strategies in Section III.E. above will be invoked to determine corrective actions.

The following minimum cash fund balances are stated as a percentage of annual expenditures:

<u>Fund</u>	<u>Balance as % of annual expenditures</u>
General	20%
Street	15%
Safety	15%
Parks and Recreation	15%
Water	15%
Refuse	15%
Solid Waste	15%
Stormwater	15%
Self-Insurance Fund	15%
Electric	15%
Golf	10%
Fort Piqua Plaza	10%
Debt Service Fund	5%

The following minimum cash fund balances are stated as a percentage of the past five (5) year moving average of annual expenditures:

<u>Fund</u>	<u>Balance as % of 5 year moving average of expenditures</u>
Water Reserve	10%
Sewer Improvement	10%
Stormwater Improvement	10%
Electric	Included in AMP

STATEMENT OF FINANCIAL POLICY

VII. INTERNAL CONTROL POLICIES

The City will maintain a system of internal control to safeguard its assets against loss, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

A. Objectives of Internal Control

A system of internal controls should be able to provide reasonable assurance that these objectives have been met :

- a. **Authorization.** All transactions are properly authorized by management.
- b. **Recording transactions.** Transactions are recorded as necessary (1) to permit preparation of financial statements in conformance to statutory requirements and accounting principles generally accepted in the United States, and (2) to maintain accountability for assets.
- c. **Access to assets.** Access to assets and records should be permitted only with management's authorization.
- d. **Periodic independent verification.** The records should be checked against the assets by someone other than the persons responsible for the records or the assets. Examples of independent verification are monthly bank reconciliations and periodic counts of inventory.
- e. **Segregation of duties.** The organizational plan should separate functional responsibilities. In general, when the work of one employee is checked by another, and when the responsibility for custody of assets is separate from the responsibility for maintaining the records relating to those assets, then there is appropriate segregation of duties.

B. Written Procedures

Written procedures will be maintained by the Finance Officer for all functions involving the handling of cash and securities. These procedures shall embrace sound internal control principles.

C. Finance Department Responsibilities

The Finance Department shall issue internal control procedures based upon deficiencies that have been identified by City staff or the independent auditors. Finance shall ensure that a good faith effort is made to implement all independent auditor recommendations pertaining to internal control. The Finance Department will administer an "in-house audit" program to regularly and systematically review and monitor internal control procedures and compliance with federal and state regulatory requirements pertaining to internal controls or financial reporting.

D. Department Head Responsibilities

Each department head is responsible to ensure that internal control procedures, including those issued by the Finance Department, are followed throughout the department.

VIII. FINANCIAL REPORTING

The City will prepare its financial reports in conformance with applicable statutes and, where applicable, accounting principles generally accepted in the United States. A Comprehensive Annual Financial Report (CAFR) will be prepared annually.

IX. AUDIT

The City shall have an annual financial audit conducted by an independent public accounting firm. This audit shall be conducted according to standards established by the Auditor of State. All audits will include any/all department heads or staff and how it relates to their department.

STATEMENT OF FINANCIAL POLICY

X. DEBT MANAGEMENT

Debt will be used to fund only capital projects or the purchase of capital assets that will continue to provide a benefit to the community during the term of the debt. Debt will not be used to finance operating expenditures.

A. Creditworthiness Objectives

1. *Credit Ratings:* The City seeks to maintain the highest possible credit rating consistent with the City's financing objectives. The City of Piqua will strive to establish and maintain a long-term credit rating with one or more of the following agencies: Moody's Investors Service, Standard & Poor's, or Fitch. Maintaining or improving the City's bond rating is an important objective of the City. Accordingly, the City will strive for continual improvement in its financial policies, practices, and performance.
2. *Financial Disclosure:* The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, City departments and agencies, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The City is committed to continuing disclosure of financial and pertinent credit information relevant to the City's outstanding securities and will abide by the provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure.
3. *Capital Planning:* To enhance creditworthiness and prudent financial management, the City of Piqua is committed to systematic capital planning and long-term financial planning.
 - a. The budgetary impact of debt service expenditures for proposed debt must be illustrated in the Three-Year Plan as adopted, or modified, by Council.
4. *Renewal and replacement funds:* The City will set aside annual cash allocations for the renewal and replacement of capital assets. For the water and wastewater operations, the annual budgetary allocation to this reserve should, on average, be no less than the amount reported as depreciation expense for those activities in the most recent Comprehensive Annual Financial Report (CAFR).
5. *Statutory Debt Limits:* The City will keep outstanding debt within the limits prescribed by State law, including the "indirect 10-mill limitation". The City will consider using revenue debt in lieu of general obligation debt, when revenue debt is feasible, if the available margin within the 10-mill limitation is less than 3 mills.
6. *Debt Limits – City Policies:*
 - a. Net bonded debt (general obligation debt that is not self-supporting from revenues) shall not exceed 3.0% of assessed valuation.
 - b. For funds that typically issue self-supporting debt (e.g., Water Fund and Sewer Fund) the City will strive to maintain a debt coverage ratio of 1.5 or higher. Debt coverage is calculated by this formula (using data from the latest CAFR):
$$\frac{(\text{operating revenues} + \text{investment income} - \text{operating expenses} + \text{depreciation and amortization})}{\text{annual debt service payments}} = \text{Debt Coverage Ratio}$$

B. Purposes and Uses of Debt

1. The City will consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets (including land) only if they have a useful life of at least five years.
2. The City shall issue debt only as specifically approved by City Council. Expenditure of such

STATEMENT OF FINANCIAL POLICY

- monies shall be in strict accordance with the designated purpose.
3. The improvement will be financed over a period not exceeding the estimated useful life or average useful lives of the improvement or improvements to be financed. (ORC 133.20)
 4. Factors to consider when determining whether to issue debt include:
 - a. whether there are sufficient current resources to fund the improvement;
 - b. whether it is in the best financial interest of the City, considering the costs of issuance relative to investment opportunities;
 - c. whether it is an appropriate means to achieve a fair allocation of costs between current and future beneficiaries; and
 - d. whether the cost of the improvement is at least \$500,000.
 5. The City will refrain from inter-fund borrowing for the purpose of avoiding operating fund deficits, except for short-term (six months or less) borrowing from the General Fund. Inter-fund borrowing will be considered on a case-by-case basis, to the extent permitted by law, to finance high priority capital needs, but only when planned expenditures in the fund making the loan would not be adversely affected. The borrowing fund will pay interest at a market-based rate.
 6. The City shall seek to finance the capital needs of its revenue-producing enterprise activities through the issuance of revenue-secured debt obligations (including revenue-secured general obligation bonds). The City will determine that projected revenues are sufficient to re-pay the debt. These revenues shall be conservatively projected.
 7. Debt service expenditures shall take priority over all other expenditures in the annual budget.
 8. Revenue anticipatory notes shall not exceed six months in duration and shall be issued only in anticipation of revenues to be received during the same calendar year. (ORC 133.3)
 9. *Conduit debt*: Conduit debt is debt payable by third parties for which the City does not provide credit or security. The City may sponsor conduit financings in the form of Industrial Revenue Bonds and similar instruments for typically economic development activities that have a general public purpose. The City must approve the proposed borrowing based on a review that includes an assessment of the borrower's creditworthiness and credit rating. The City shall also review the request for appropriateness for the City to be associated with the purpose of the borrowing issue. The review for appropriateness shall reflect sound public policy and if there is a contingent impact on the City such as marketability of the City's direct debt and collection of the general revenues of the City.

C. Debt Standards and Structure

1. *Term*: Debt will be structured to achieve the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users.
2. *Repayment schedule*:
 - a. The City shall strive to repay at least 20 percent of the principal amount of its debt within five years and at least 40 percent within ten years.
 - b. The City will seek to structure debt with relatively level debt service (principal and interests) costs over the life of the debt.
 - c. There shall be no "balloon" bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term.
3. *Credit enhancement* (e.g., letters of credit, bond insurance) may be used, but only when its use reduces net debt service by more than the cost of the enhancement.
4. *Call provisions*: Call features shall be no later than ten years from the date of delivery of the bonds. Calls shall be made as short as possible in context of seeking the optimal true interest cost. Calls should generally be at par.
5. *Issuance costs*, such as bond counsel fees, financial advisor fees, registrar / paying agent fees, rating agency fees, printing costs, and underwriter's discount, will be charged to the bond issue to the extent allowable by law.
6. *BANs*: Short-term borrowing, such as bond anticipation notes (BANs), may be used to provide financing during construction or until revenue from Tax Increment Financing arrangements is

STATEMENT OF FINANCIAL POLICY

received. Also, BAN's may be used to avoid issuing long-term debt during unfavorable conditions in the bond market. Such borrowing will be undertaken only if the transaction costs plus interest of the debt are less than the cost of internal borrowing, or available cash is insufficient to meet capital requirements.

7. *Refunding:*
 - a. Periodic reviews of all outstanding debt will be undertaken to evaluate refunding opportunities.
 - b. Refunding will be considered if and when there is a net economic benefit of the refunding. In general, refunding will be undertaken when a net present value savings of at least two percent of the refunded debt can be achieved. Refundings that produce a net present value benefit of less than two percent will be considered on a case-by-case basis.

Debt Administration and Process

1. *Competitive versus Negotiated sales:*
 - a. In general, it is the policy of the City to issue debt through a competitive process. Bids will be awarded on a true interest cost basis (TIC), providing other bidding requirements are satisfied.
 - b. Negotiated sales of debt will be considered when the complexity of the issue requires specialized expertise, when the size of the issue may limit the number of potential bidders, when a negotiated sale would result in substantial savings in time or money, when the City has determined that all competitive bids received are unsatisfactory, or when market conditions or City credit are unusually volatile or uncertain.
2. *Monitoring of Post-Issuance Compliance:* Monitoring of post-issuance compliance for debt will be the responsibility of the Finance Officer (the "Compliance Officer"). The Compliance Officer may designate employees to carry out the Compliance Officer's duties under this Policy on the Compliance Officer's behalf in the same manner and with the same effect as any similar designation for any other purpose permitted by law.
3. *Compliance with Covenants in Debt Documents:* The Compliance Officer shall ensure compliance with all financial and operational covenants made by the City in the debt documents, including but not limited to financial reporting, insurance requirements, the recording of mortgages, restrictions on incurring additional indebtedness, restrictions on the disposition of property, and restrictions on granting liens or encumbering property.
4. *Federal Tax Law Compliance:*
 - a. Proper Use of Proceeds - The Compliance Officer shall ensure that debt proceeds are allocated to expenditures in a manner that is consistent with the purpose for which each debt issue is undertaken, as set forth in any tax compliance certificate or agreement related to each debt issue.
 - b. Investment of Debt Proceeds - The Compliance Officer shall ensure that debt proceeds are invested in investments that are permissible under the terms of the Ohio Revised Code, the debt documents, the City's Investment Policy and any applicable federal tax laws. The Compliance Officer will invest the debt proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issuance.
 - c. Arbitrage Rebate Calculations - The Compliance Officer shall ensure the timely completion of arbitrage rebate calculations and filings.
 - d. Administration of Direct Pay Bonds - The Compliance Officer shall ensure the proper administration of each issue of bonds qualifying for the payment by the Federal government of a credit equal to a percentage of interest on such bonds, including the timely completion and filing of any forms required by the Internal Revenue Service to maintain or establish the applicable status of the bonds for purposes of federal income taxation.
 - e. Use of Bond-Financed Facilities - The Compliance Officer shall consult with Bond Counsel for the City before entering into any agreement or other arrangement for the sale, lease, or

STATEMENT OF FINANCIAL POLICY

- use of bond-financed property, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use bond-financed property, or naming rights agreements to ensure compliance with federal tax laws.
- f. Post-Issuance Transactions - The Compliance Officer shall consult with Bond Counsel for the City before making any modifications or amendments to the bond documents for a bond issue, including, but not limited to, entering or modifying investment agreements; making any change in security for the bonds; engaging in post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swap, cap); terminating or appointing successor trustees; releasing any liens; or reissuing the bonds.
 - g. Remedial Action - In the event that it is determined that any use of bond proceeds or bond-financed facilities is inconsistent with the character of the status for federal income tax purposes of the bonds, the Compliance Officer shall consult with the City's Commission for the purpose of determining the nature and extent of any remedial action necessary or proper for the City to take with respect to such bonds or bond-financed facilities according to Treasury Regulations Section 1.141-12 or other remedial actions *authorized by the Commissioner of Internal Revenue under 1.141-12(h)*.
5. Federal Securities Law Compliance:
- a. The Compliance Officer shall ensure compliance with all applicable federal securities laws and regulations, including the continuing disclosure requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.
 - b. To the extent required by any continuing disclosure agreement, the Compliance Officer shall:
 - i. On an annual basis, submit an annual financial report, including audited financial statements and any other information required by the continuing disclosure agreement, to the entities required by the bond documents.
 - ii. Make a timely report of any significant material events (as defined by the continuing disclosure agreement) related to the City's outstanding bond issues to the entities required by the bond documents.
 - c. The City will provide full and complete financial disclosure to rating agencies, the national Electronic Municipal Market Access system (EMMA), other levels of government, and the general public to share clear, comprehensible, and accurate financial information using the appropriate channels/policies/procedures.
6. Recordkeeping: The Compliance Officer shall be responsible for maintaining records related to the debt of the City according to the records retention schedule approved for the City.

XI. INVESTMENTS AND DEPOSIT OF FUNDS

A. Investment Policy

The purpose of this policy is to set forth the requirements for the investment of public funds in a manner that maximizes safety of principal while ensuring that funds are available to meet the operating needs of the City and to meet unanticipated cash demands while earning the highest possible return within the parameters established by the Charter and Revised Ordinances of the City of Piqua and the laws of Ohio. This policy emphasizes safety, preservation of principal, liquidity and yield.

B. Interest Distribution

Interest shall be distributed to the General Fund ~~All other interest will be distributed to the General Fund~~ except as otherwise required by statute or as required by state or federal grants. **Please reference the City of Piqua Investment Policy for additional information.**

STATEMENT OF FINANCIAL POLICY

C. Deposit of Funds

Public money must be deposited with the Finance Department or to a designated public depository on the business day following the day of receipt.

D. Depository Bank

The City shall designate public depositories eligible to receive deposits of the City's funds at least once every five years. Depositories so designated shall appear on a list of eligible depositories authorized by the State of Ohio. (O.R.C. 135.12)

XII. ASSET MANAGEMENT

A. Capital Assets.

Capital assets include land, land improvements, buildings, building improvements, machinery, equipment, infrastructure and all other assets that are used in operations and that have initial useful lives extending beyond one year. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include roads, bridges, sidewalks, sewer and water lines and similar items. A capitalization threshold is the cost established by the City that must be met or exceeded if an asset is to be recorded and depreciated as a capital asset. The City has established the threshold of an initial, individual cost of more than \$5,000.

All capital assets are valued at historical cost, or estimated historical cost, if actual cost is not available. Estimated useful lives are determined based on City of Piqua's own experiences. Useful lives will be reviewed periodically for unusual or changing situations that alter an asset's useful life. Donated capital assets are valued at their estimated fair market value at the time received. Interest on constructed capital assets for enterprise funds is capitalized.

B. Controlled Capital-type Assets.

The custodial departments shall maintain inventory records for assets that have initial useful lives extending beyond a year but do not qualify as capital assets for financial reporting purposes, if such assets fall with the following categories:

1. Assets that require special attention to ensure legal compliance. (e.g. assets acquired through contracts)
2. Assets that require special attention to protect safety and avoid potential liability (e.g. police weapons)
3. Assets that require special attention to compensate for a heightened risk of theft ("walk away items" that are both easily transportable and readily marketable or easily diverted to personal use) (e.g. sound equipment, laptops, tablets)

STATEMENT OF FINANCIAL POLICY

C. Safeguarding of Assets.

The City's capital and controlled capital-type assets (as defined above) will be reasonably safeguarded and will be used only for an appropriate public purpose. Responsibility for the safeguarding of those assets rests with the department head to whose department the asset is assigned.

D. Annual Inventory.

Each department shall conduct a periodic inventory of these capital assets and controlled capital-type assets using guidelines established by the Finance Department. The Finance Department will periodically perform a review over these assets. Year end balances of assets are shared with department heads to verify the asset, move any to disposition, and/or add any assets.

XIII. RISK MANAGEMENT (INSURANCE)

The City shall make diligent effort to prevent loss or degradation of City assets and to reduce the City's exposure to liability.

The City shall transfer risk to other parties, where cost-effective, by purchasing insurance.

The City shall shift the legal and financial responsibility to third parties who perform work or provide services to the City for losses or potential losses caused by the actions of those third parties. This transfer of risk may occur through a variety of means in leases, purchase and service agreements, and other contracts. The transfer of risk shall be made formally and in writing and may include indemnification agreements, insurance requirements and the required provision of certificates of insurance (with the City of Piqua named as an "additional insured").

XIV. SPECIAL REVENUE FUNDS

A. Special Revenue Funds' Purpose

Special revenue funds are used commonly to account for revenues raised for a specific purpose. These funds can also be required through legislation or by grant funding. Special revenue funds allow separate reporting information on the sources and applications of restricted resources separate from the General Fund.

B. Special Revenue Financial Performance Policy

Revenues generated by these funds shall be sufficient to support 40% of:
Operating costs, determined on the budgetary basis of accounting Cash fund
balance reserves as specified elsewhere in this policy.

STATEMENT OF FINANCIAL POLICY

XV. ENTERPRISE FUNDS

A. Enterprise Funds' Purpose

Enterprise funds are commonly used to account for activities that are fully financed through user charges. Also, they are used when it has been determined that it is beneficial to determine the full cost of operations, including the determination of depreciation and other such private sector accounting conventions. Accordingly, enterprise funds are subject to generally accepted accounting principles applicable to similar businesses in the private sector.

B. Enterprise Funds Financial Performance Policies

Revenues generated by each of these funds shall be sufficient to support 100% of: Operating costs, determined on the budgetary basis of accounting; Administrative overhead charges, Debt service, if applicable; Adequate maintenance and replacement of capital plant and equipment; Special replacement reserves and other reserves required by grants or bond indentures; Cash fund balance reserves as specified elsewhere in this policy (There may be funds that are outside of this in the interim until building the cash reserves previously mentioned in this policy).

C. Enterprise Funds' Revenue and Fee Policies

Rates shall be reviewed annually and adjusted to allow charges to grow at a rate that keeps pace with the cost of providing the service. Projected cash needs for at least five years into the future will be considered when establishing rates. This policy will result in incremental increases in rates rather than large increases that may result in a financial burden to customers. Also see Cost recovery policy within this document.

D. Administrative Reimbursement to General Fund

General Fund activities provide administrative overhead services to other funds. The cost of this overhead must be considered to establish the full cost of operations of an enterprise fund. Administration will recommend, in the annual budget, an equitable allocation of inter-fund administrative charges based upon a cost accounting analysis.

XVI. INTERNAL SERVICE FUNDS

A. Internal Service Funds' Purpose

An internal service fund is used to account for the provision of goods or services provided by one department to other departments on a cost-reimbursement basis. A central garage and information technology services are common examples of in-house services provided in this manner.

Internal service funds are subject to generally accepted accounting principles applicable to similar businesses in the private sector. This accounting treatment provides a good measure of the full cost of providing the service, thereby enabling comparisons of that cost with the cost of procuring the good or service from third parties.

B. Evaluation of Internal Service Funds' Performance

The City will periodically re-evaluate whether the provision of these services in-house is preferable to contracting for the services from outside vendors. Both the cost and the quality of the service will be considered.

STATEMENT OF FINANCIAL POLICY

XVII. Cost Recovery Policy

User Fee Cost Recovery Goals

Ongoing Review

Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery with Department Directors, City Manager, as well as Commissioners.

In implementing this goal, a comprehensive analysis of City costs and fees should be made at least every five years. In the interim, fees will be adjusted by annual changes including a three % escalation. Fees may be adjusted during this interim period based on supplemental analysis whenever there have been significant changes in the method, level or cost of service delivery.

Comparability with Other Communities

In setting user fees, the City will consider fees charged by other agencies in accordance with the following criteria:

1. Surveying the comparability of the City's fees to other communities provides useful background information in setting fees for several reasons.
 - a. They reflect the "market" for these fees and can assist in assessing the reasonableness of City of Piqua fees.
 - b. If prudently analyzed, they can serve as a benchmark for how cost- effectively City of Piqua provides its services.
2. However, fee surveys should never be the sole or primary criteria in setting City fees as there are many factors that affect how and why other communities have set their fees at their levels. For example:
 - a. What level of cost recovery is their fee intended to achieve compared with our cost recovery objectives?
 - b. What costs have been considered in computing the fees?
 - c. When was the last time that their fees were comprehensively evaluated?
 - d. What level of service do they provide compared with our service or performance standards?
 - e. Is their rate structure significantly different than ours and what is it intended to achieve?
3. These can be very difficult questions to address in fairly evaluating fees among different communities. As such, the comparability of our fees to other communities should be one factor among many that is considered in setting City fees.

User Fee Cost Recovery Levels

In setting user fees and cost recovery levels, the following factors will be considered:

1. **Community-Wide Versus Special Benefit.**
The level of user fee cost recovery should consider the *community-wide* versus *special service* nature of the program or activity. The use of general- purpose revenues is appropriate for community-wide services, while user fees are appropriate for services that are of special benefit to easily identified individuals or groups.
2. **Service Recipient Versus Service Driver.**
After considering community-wide versus special benefit of the service, the concept of *service*

STATEMENT OF FINANCIAL POLICY

recipient versus *service driver* should also be considered. For example, it could be argued that the applicant is not the beneficiary of the City's development review efforts: the community is the primary beneficiary. However, the applicant is the *driver* of development review costs, and as such, cost recovery from the applicant is appropriate.

3. Effect of Pricing on the Demand for Services.

The level of cost recovery and related pricing of services can significantly affect the demand and subsequent level of services provided. At full cost recovery, this has the specific advantage of ensuring that the City is providing services for which there is genuinely a market that is not overly stimulated by artificially low prices. Conversely, high levels of cost recovery will negatively impact the delivery of services to lower income groups. This negative feature is especially pronounced, and works against public policy, if the services are specifically targeted to low income groups.

4. Feasibility of Collection and Recovery.

Although it may be determined that a high level of cost recovery may be appropriate for specific services, it may be impractical or too costly to establish a system to identify and charge the user. Accordingly, the feasibility of assessing and collecting charges should also be considered in developing user fees, especially if significant program costs are intended to be financed from that source.

Factors Favoring Low Cost Recovery Levels

Very low cost recovery levels are appropriate under the following circumstances:

1. There is *no* intended relationship between the amount paid and the benefit received. Almost all "social service" programs fall into this category as it is *expected* that one group will subsidize another.
2. Collecting fees is not cost-effective or will significantly impact the efficient delivery of the service.
3. There is *no* intent to limit the use of (or entitlement to) the service. Again, most "social service" programs fit into this category as well as many public safety (police and fire) emergency response services. Historically, access to neighborhood and community parks would also fit into this category.
4. The service is non-recurring, generally delivered on a "peak demand" or emergency basis, cannot reasonably be planned for on an individual basis, and is not readily available from a private sector source. Many public safety services also fall into this category.
5. Collecting fees would discourage compliance with regulatory requirements adherence is primarily self-identified, and as such, failure to comply would not be readily detected by the City. Many small-scale licenses and permits might fall into this category.

Factors Favoring High Cost Recovery Levels

The use of service charges as a major source of funding service levels is especially appropriate under the following circumstances:

1. The service is similar to services provided through the private sector.
2. Other private or public sector alternatives could or do exist for the delivery of the service.
3. For equity or demand management purposes, it is intended that there be direct

STATEMENT OF FINANCIAL POLICY

relationship between the amount paid and the level and cost of the service received.

4. The use of the service is specifically discouraged. Police responses to disturbances or false alarms might fall into this category.
5. The service is regulatory in nature and voluntary compliance is not expected to be the primary method of detecting failure to meet regulatory requirements. Building permit, plan checks and subdivision review fees for large project would fall into this category.

General Concepts Regarding the Use of Service Charges

The following general concepts will be used in developing and implementing service charges.

1. Revenues should not exceed the reasonable cost of providing the service.
2. Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs, and organization-wide support costs such as accounting, personnel, data processing, vehicle maintenance and insurance.
3. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
4. Rate structures should be sensitive to the "market" for similar services as well as to smaller, infrequent users of the service.
5. A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.

Low Cost-Recovery Services

Based on the criteria discussed above, the following types of service should have very low cost recovery goals. In selected circumstances, there may be specific activities within the broad scope of services provided that should have user charges associated with them. However, the primary source of funding for operation as a whole should be general-purpose revenues, not user fees.

1. Delivering public safety emergency response services such as police patrol services and fire suppression.
2. Maintaining and developing public facilities that are provided on a uniform, community-wide basis such as streets, parks and general-purpose buildings.
3. Providing social service programs and economic development activities.

Recreation Programs

The following cost recovery policies apply to the City's recreation programs:

1. Cost recovery for activities directed to adults should be relatively high.
2. Cost recovery for activities directed to youth and seniors should be relatively low. In those circumstances where services are similar to those provided in the private sector, cost recovery levels should be higher. Although ability to pay may not be a concern for all youth and senior participants, these are desired program activities, and the cost of determining need may be greater than the cost of providing a uniform service fee structure to all participants. Further, there is a community-wide benefit in encouraging high-levels of participation in youth and senior

STATEMENT OF FINANCIAL POLICY

recreation activities regardless of financial status.

3. Cost recovery goals for recreation activities are set as follows: High-Range

Cost Recovery Activities (60% to 100%)

- a. Classes (Adult and Youth)
- b. Adult athletics (volleyball, basketball softball, swimming)
- c. Facility rentals

Mid-Range Cost Recovery Activities (30% to 60%)

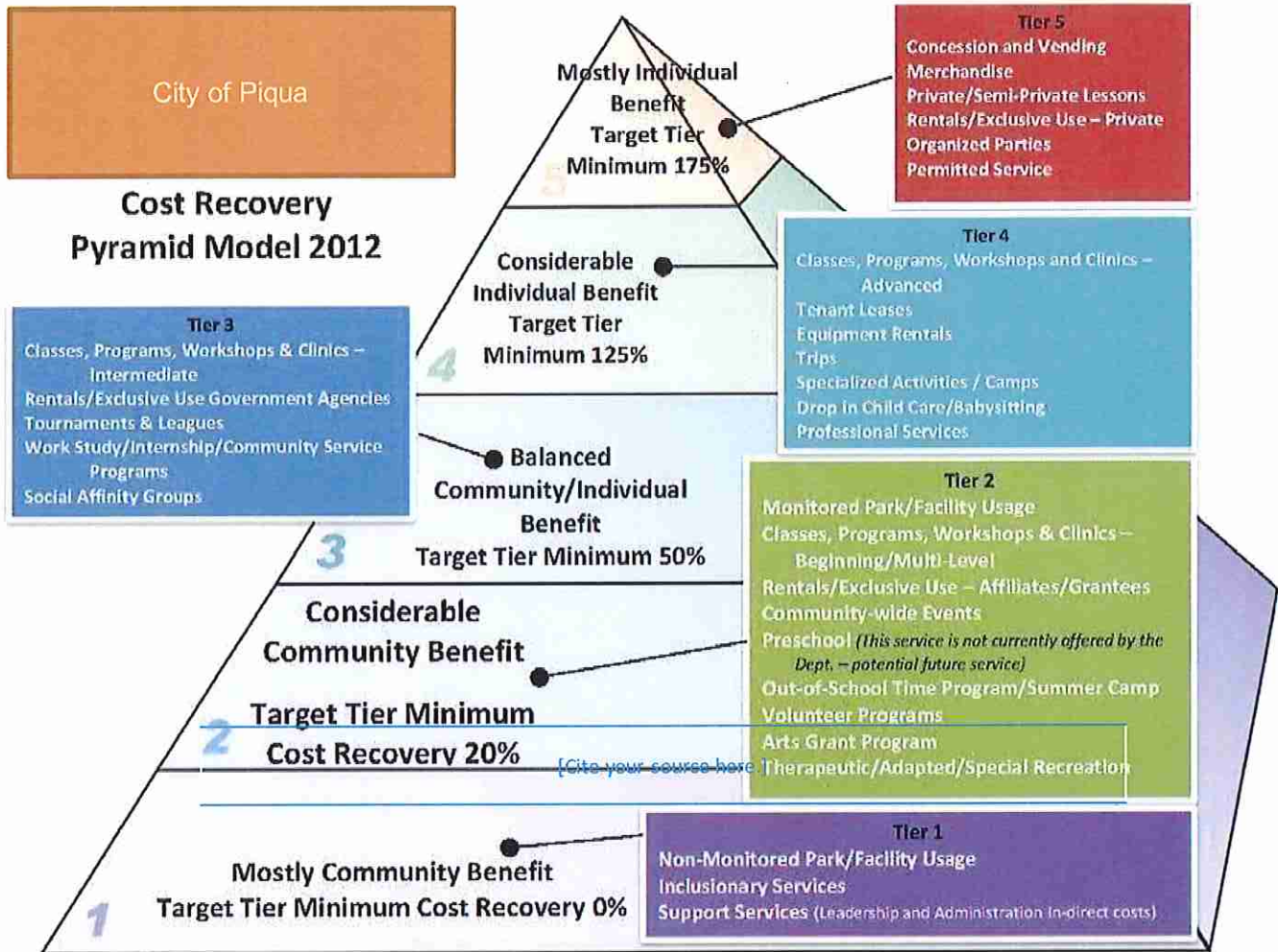
- d. Library room rentals
- e. Special events and other City sponsored events
- f. Youth baseball
- g. Youth basketball
- h. Swim lessons
- i. Outdoor facility and equipment rentals

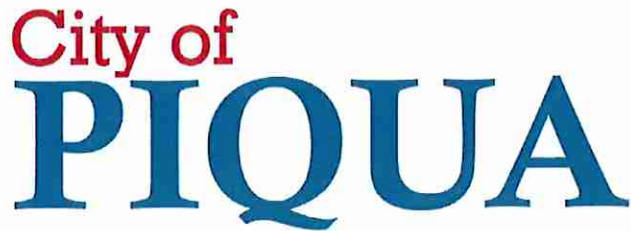
Low-Range Cost Recovery Activities (0% to 30%)

- j. Public swim
- k. Special swim classes
- l. Youth programs
- m. Teen programs
- n. Senior programs

4. For cost recovery activities of less than 100%, there should be a differential rates between residents and non-residents. However, the Director of Environmental and Recreational Services is authorized to reduce or eliminate non-resident fee differentials when it can be demonstrated that:
 - a. The fee is reducing attendance.
 - b. And there are no appreciable expenditure savings from reduced attendance.
5. Charges will be assessed for use of rooms, pools, gymnasiums, ball fields, special-use areas, and recreation equipment for activities not sponsored or co-sponsored by the City. Such charges will generally conform to the fee guidelines described above. However, the Director of Environmental and Recreational Services Services is authorized to charge fees that are closer to full cost recovery for facilities that are heavily used at peak times and include a majority of non-resident users.
6. A vendor charge of at least 10 percent of gross income will be assessed from Individuals or organizations using City facilities for moneymaking activities.
7. Director of Environmental and Recreational Services is authorized to offer Reduced fees such as introductory rates, family discounts and coupon discounts on pilot basis (not to exceed 18 months) to promote new recreation programs or resurrect existing ones.
8. The Environmental and Recreational Services Department will consider waiving fees only when the City Manager determines in writing that an undue hardship exists.

STATEMENT OF FINANCIAL POLICY





Commission Agenda
Staff Report Item #R-112-23

MEETING DATE	September 19, 2023		
REPORT TITLE	A resolution creating a Capital Improvement Fund for the Scott Drive Redevelopment Project for the City of Piqua		
SUBMITTED BY	Name & Title: Charlotte Colley, Interim Finance Director		
	Department: Finance		
AGENDA CLASSIFICATION	<input type="checkbox"/> Consent	<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Regular
APPROVALS/REVIEWS	<input checked="" type="checkbox"/> City Manager		<input checked="" type="checkbox"/> Finance Dir.
	<input checked="" type="checkbox"/> Development Director		<input type="checkbox"/> Law Director
BACKGROUND	The approval of Ordinance #O-11-23 created a debt service fund for the Special Obligation Nontax Revenue Bond, Series 2023. However, the City must also create a Capital Improvement Fund to record the revenue from the note and track the use of the funds.		
BUDGETING AND FINANCIAL IMPACT	Budgeted \$:		
	Expenditure \$:		
	Source of Funds:		
	Narrative:	Passage of this will allow the City to create the Scott Drive Redevelopment Project capital improvement fund.	
OPTIONS	1.	Approve the Resolution to create the capital improvement fund and record revenue from the Special Obligation Nontax Revenue Note, Series 2023.	
	2.	Do not approve the Resolution and have no revenue fund available to record the Special Obligation Nontax Revenue Bond Note, Series 2023 or track the use of said funds.	
PROJECT TIMELINE	October 2023		
STAFF RECOMMENDATION	Approve the proposed resolution.		
ATTACHMENTS	City of Piqua Investment Policy and City of Piqua Statement of Financial Policy		

RESOLUTION NO. R-112-23

**A RESOLUTION CREATING A CAPITAL IMPROVEMENT FUND FOR THE
SCOTT DRIVE REDEVELOPMENT PROJECT FOR THE CITY OF PIQUA**

WHEREAS, the City Commission of Piqua has determined it is necessary to create a new fund within the FY 2023 Annual Budget; and

WHEREAS, the creation of the Capital Improvement Fund is necessary to record the Special Obligations Nontax Revenue Bonds, Series 2023 and track the use of the funds as intended;

WHEREAS, the City Commission hereby authorizes the creation of the Capital Improvement Fund titled the Scott Drive Redevelopment Project Fund.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: The City of Piqua formally creates a Capital Improvement Fund titled "Scott Drive Redevelopment Project."

SEC. 2: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

Cindy Pearson, MAYOR

PASSED: _____

ATTEST: _____
Melissa Kinney
CLERK OF COMMISSION

The Motion to adopt the foregoing Resolution was offered by _____,
seconded by _____, and on roll call the following vote ensued:

Mayor Cindy Pearson _____
Commissioner Kris Lee _____
Commissioner Kathryn Hinds _____
Commissioner Chris Grissom _____
Commissioner Jim Vetter _____



Commission Agenda Staff Report Item #R-113-23

MEETING DATE	September 19, 2023		
REPORT TITLE	A resolution creating a Capital Improvement Fund for the Lock 9 Park Improvement Project for the City of Piqua		
SUBMITTED BY	Name & Title: Charlotte Colley, Interim Finance Director		
	Department: Finance		
AGENDA CLASSIFICATION	<input type="checkbox"/> Consent	<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Regular
APPROVALS/REVIEWS	<input checked="" type="checkbox"/> City Manager		<input checked="" type="checkbox"/> Finance Dir.
	<input checked="" type="checkbox"/> Development Director		<input type="checkbox"/> Law Director
BACKGROUND	The approval of Ordinance #O-9-23 created a debt service fund for the Park Improvement Note, Series 2023. However, the City must also create a Capital Improvement Fund to record the revenue from the note and track the use of the funds.		
BUDGETING AND FINANCIAL IMPACT	Budgeted \$:		
	Expenditure \$:		
	Source of Funds:		
	Narrative:	Passage of this will allow the City to create the Lock 9 Park Improvement Project capital improvement fund.	
OPTIONS	1.	Approve the Resolution to create the capital improvement fund and record revenue from the Park Improvement Note, Series 2023.	
	2.	Do not approve the Resolution and have no revenue fund available to record the Park Improvement Note, Series 2023 or track the use of said funds.	
PROJECT TIMELINE	October 2023		
STAFF RECOMMENDATION	Approve the proposed resolution.		
ATTACHMENTS	City of Piqua Investment Policy and City of Piqua Statement of Financial Policy		

RESOLUTION NO. R-113-23

A RESOLUTION CREATING A CAPITAL IMPROVEMENT FUND FOR THE LOCK 9 PARK IMPROVEMENT PROJECT FOR THE CITY OF PIQUA

WHEREAS, the City Commission of Piqua has determined it is necessary to create a new fund within the FY 2023 Annual Budget; and

WHEREAS, the creation of the Capital Improvement Fund is necessary to record the Park Improvement Notes, Series 2023 and track the use of the funds as intended;

WHEREAS, the City Commission hereby authorizes the creation of the Capital Improvement Fund titled the Lock 9 Park Improvement Fund.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: The City of Piqua formally creates a Capital Improvement Fund titled "Lock 9 Park Improvement Project."

SEC. 2: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

Cindy Pearson, MAYOR

PASSED: _____

ATTEST: _____

Melissa Kinney
CLERK OF COMMISSION

The Motion to adopt the foregoing Resolution was offered by _____,
seconded by _____, and on roll call the following vote ensued:

Mayor Cindy Pearson _____
Commissioner Kris Lee _____
Commissioner Kathryn Hinds _____
Commissioner Chris Grissom _____
Commissioner Jim Vetter _____