

CITY OF OBETZ
RECORD OF ORDINANCES



ORDINANCE: 75 – 25

PASSED: December 15, 2025

AN ORDINANCE ESTABLISHING RESERVE BALANCE ACCOUNTS PURSUANT TO OHIO REVISED CODE SECTION 5705.13 FOR INCOME TAX REFUND STABILIZATION AND EMPLOYEE LEAVE CASH-OUT STABILIZATION; ASSIGNING ADMINISTRATIVE RESPONSIBILITY FOR RESERVE RECOMMENDATIONS; AND DECLARING AN EMERGENCY

WHEREAS, Ohio Revised Code Section 5705.13 authorizes the legislative authority of a municipal corporation to establish reserve balance accounts for the purpose of stabilizing budgets against cyclical changes in revenues and expenditures; and,

WHEREAS, the City's municipal income tax revenues are subject to material volatility, including unpredictable corporate income tax refunds, settlements, and timing differences, which may significantly affect General Fund cash flow; and,

WHEREAS, the City permits employees, pursuant to collective bargaining agreements and personnel policies, to voluntarily cash out accumulated sick leave and vacation leave on an annual basis, the timing and aggregate amount of which are controlled by employees and cannot be reliably predicted in advance; and,

WHEREAS, such refund volatility and employee-controlled leave cash-outs constitute non-recurring, non-discretionary cash-flow risks that are not reflective of the City's ongoing operating capacity; and,

WHEREAS, it is necessary and appropriate to formally designate and restrict portions of existing General Fund cash balances to address these risks to preserve essential services, maintain fiscal stability, and avoid distortion of operating budgets and labor negotiations; and,

WHEREAS, City Council finds that the establishment and maintenance of reserve balance accounts pursuant to Ohio Revised Code Section 5705.13 is a sound fiscal practice and is in the best interest of the City;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OBETZ, OHIO:

Section 1. Establishment of Income Tax Refund Stabilization Reserve Balance Account
Pursuant to Ohio Revised Code Section 5705.13(A)(1), there is hereby established within the City's General Fund a reserve balance account to be known as the "**Income Tax Refund Stabilization Reserve Balance Account**." The sole purpose of this reserve balance account is to provide budgetary and cash-flow stability in response to unanticipated or unusually large municipal income tax refunds, settlements, or other income tax volatility.

Monies credited to this reserve balance account shall be restricted to the stated purpose and shall not be considered available for general operating expenditures, recurring program expansion, or compensation adjustments.

Section 2. Establishment of Employee Leave Cash-Out Stabilization Reserve Balance Account
Pursuant to Ohio Revised Code Section 5705.13(A)(1), there is hereby established within the City's General Fund a reserve balance account to be known as the "***Employee Leave Cash-Out Stabilization Reserve Balance Account***." The sole purpose of this reserve balance account is to provide budgetary and cash-flow stability for voluntary employee cash-outs of accumulated sick leave and vacation leave, which represent the settlement of previously earned benefits and are not discretionary operating expenses. Monies credited to this reserve balance account shall be restricted to the stated purpose and shall not be considered available for general operating expenditures or ongoing compensation obligations.

Section 3. Administrative Responsibility for Reserve Amount Recommendations

The City Administrator, in consultation with the Finance Director, shall be responsible for evaluating revenue volatility, contingent liabilities, operational risk, and service sustainability and shall recommend to Council the amount to be credited to each reserve balance account.

In making such recommendations, the City Administrator shall consider:

- historical volatility and exposure,
- projected cash-flow requirements,
- the need to maintain essential services,
- the avoidance of unnecessary restriction of operating capacity, and,
- any statutory limitations on the amount(s) to be reserved.

The Finance Director shall provide financial analysis and documentation in support of such recommendations but shall not unilaterally determine reserve amounts.

Section 4. Funding of Reserve Balance Accounts

The Finance Director is hereby authorized, upon Council approval of the annual budget or by separate legislative action, to designate and credit portions of existing unencumbered General Fund balances to the reserve balance accounts established by this ordinance, consistent with Ohio Revised Code Section 5705.13. The designation of funds to a reserve balance account does not constitute an appropriation for expenditure, but rather a lawful restriction of fund balance for stabilization purposes.

Section 5. Use and Release of Reserve Balance Accounts

Monies held in either reserve balance account may be expended only upon:

1. A determination by the City Administrator that the condition for which the reserve was established has occurred; and
2. Authorization by separate ordinance or resolution of Council approving the release of all or a portion of the reserve balance account for its stated purpose.

No reserve balance account shall be used to establish or fund recurring operating expenditures or permanent compensation obligations. Monies held in reserve balance accounts established by this Ordinance are restricted stabilization resources and are non-recurring in nature.

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Section 6. This Ordinance is hereby declared an emergency measure necessary for the immediate preservation of the public peace, health, safety, and fiscal stability of the City, for the reason that unanticipated municipal income tax refund obligations and employee leave cash-out payments may occur at any time and require immediate budgetary stabilization measures to ensure the City can meet its lawful financial obligations without disrupting essential public services. Therefore, this Ordinance shall take effect immediately upon its passage.

Passed this 15 day of December, 2025.

ATTESTS:

Stacey Boumis
Stacey Boumis, Clerk

Angela M. Kirk
Angela M. Kirk, Mayor

Michael Flaherty, Council President Pro Tem

APPROVED AS TO FORM

Eugene L. Hollins
Eugene L. Hollins, Esq., Law Director

CERTIFICATION OF PUBLICATION

Pursuant to the City Charter, I, Stacey E. Boumis, Clerk of Council of the City of Obetz, Ohio, do hereby certify that Ordinance 75-25 was duly posted at 12:00 PM (time) on the 22 day of December, 2025, at the Obetz Government Center, Obetz Athletic Club, and Obetz Community Center, as well as on the Obetz website.



Stacey Boumis
Stacey Boumis, Clerk
12/22/25
Date