

CITY OF OBETZ
RECORD OF ORDINANCES



ORDINANCE: 10 – 26

PASSED: February 2, 2026

AN ORDINANCE AUTHORIZING THE DESIGNATION AND CREDITING OF UNENCUMBERED GENERAL FUND BALANCE TO THE INCOME TAX REFUND STABILIZATION RESERVE BALANCE ACCOUNT AND THE EMPLOYEE LEAVE CASH-OUT STABILIZATION RESERVE BALANCE ACCOUNT, PURSUANT TO ORDINANCE 75–25 AND OHIO REVISED CODE SECTION 5705.13; AND DECLARING AN EMERGENCY

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

WHEREAS, by Ordinance 75–25, Council established within the City’s General Fund (i) the “Income Tax Refund Stabilization Reserve Balance Account” and (ii) the “Employee Leave Cash-Out Stabilization Reserve Balance Account,” each as restricted stabilization resources, and further assigned to the City Administrator, in consultation with the Finance Director, responsibility to recommend amounts to be credited to such reserve balance accounts; and,

WHEREAS, Ordinance 75–25 authorizes the Finance Director, upon Council approval by 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 Ordinance 75–25, consistent with Ohio Revised Code Section 5705.13, and provides that such designation does not constitute an appropriation; 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, the City Administrator, in consultation with the Finance Director, has evaluated historical volatility and exposure, projected cash-flow requirements, the need to maintain essential services, the avoidance of unnecessary restriction of operating capacity, and statutory limitations, as required by Section 3 of Ordinance 75–25; and,

WHEREAS, the unencumbered General Fund balance as of December 31, 2025 is \$5,542,573.21, and the projected General Fund carryover for 2026 is approximately \$4.6 million, with a required unencumbered carryover of roughly \$4.0 million, and Council desires to lawfully restrict portions of existing General Fund balances for stabilization purposes while preserving adequate unencumbered carryover capacity; and,

WHEREAS, Council finds that crediting \$1,000,000 to the Income Tax Refund Stabilization Reserve Balance Account and \$500,000 to the Employee Leave Cash-Out Stabilization Reserve Balance Account is a sound fiscal practice, consistent with Ordinance 75–25 and Ohio Revised Code Section 5705.13, and is in the best interest of the City.

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

Section 1. Authorization to Designate and Credit Reserve Balance Accounts.

Pursuant to Ordinance 75–25 and Ohio Revised Code Section 5705.13, Council hereby authorizes and directs the designation and crediting of existing unencumbered General Fund balance to the reserve balance accounts established by Ordinance 75–25 in the following amounts:

- A. Income Tax Refund Stabilization Reserve Balance Account: **\$1,000,000**; and
- B. Employee Leave Cash-Out Stabilization Reserve Balance Account: **\$500,000**.

Section 2. Source of Funds; Accounting Treatment; No Appropriation Created.

A. The amounts authorized in Section 1 shall be credited from existing unencumbered General Fund balance. The City’s unencumbered General Fund balance as of December 31, 2025 is \$5,542,573.21.

B. The designation and crediting authorized by this Ordinance constitutes a lawful restriction of fund balance for stabilization purposes and **does not constitute an appropriation for expenditure**, consistent with Section 4 of Ordinance 75–25 and Ohio Revised Code Section 5705.13.

C. The Finance Director is authorized and directed to make the necessary accounting entries to reflect these restricted stabilization resources in the City’s financial records and reporting.

Section 3. Restricted Purpose; Prohibited Uses.

A. Monies credited to the Income Tax Refund Stabilization Reserve Balance Account shall be restricted solely for the purpose stated in Section 1 of Ordinance 75–25, and shall not be considered available for general operating expenditures, recurring program expansion, or compensation adjustments.

B. Monies credited to the Employee Leave Cash-Out Stabilization Reserve Balance Account shall be restricted solely for the purpose stated in Section 2 of Ordinance 75–25, and shall not be considered available for general operating expenditures or ongoing compensation obligations.

C. Consistent with Section 5 of Ordinance 75–25, no reserve balance account funded by this Ordinance shall be used to establish or fund recurring operating expenditures or permanent compensation obligations.

Section 4. Use and Release; Separate Council Authorization Required.

Monies held in either reserve balance account may be expended only in strict accordance with Section 5 of Ordinance 75–25, namely: (1) upon a determination by the City Administrator that the condition for which the reserve was established has occurred, and (2) upon 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.

Section 5. Administrative and Reporting Provisions.

A. The City Administrator and Finance Director shall maintain documentation supporting the designation and crediting authorized by this Ordinance, including refund history, leave cash-out history, and the General Fund unencumbered balance tie-out supporting the credits.

B. The Finance Director shall identify these reserve balance accounts as restricted stabilization resources in the City’s periodic financial reporting and shall report the reserve balances to Council as part of the City’s regular budgetary and financial updates, or upon request of Council.

Section 6. Emergency; Effective Date.

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 2 day of February, 2026.

ATTESTS:

Stacey Boumis
Stacey Boumis, Clerk of Council

Angela M. Kirk
Angela M. Kirk, Mayor

[Signature]
Derek Varney, Council President Pro-Tem

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APPROVED AS TO FORM

Eugene Hollins

Eugene 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 10-26 was duly posted at 5:00 PM (time) on the 9 day of February, 2026, at the Obetz Government Center, Obetz Athletic Club, and Obetz Community Center as well as on the Obetz website.

Stacey Boumis
Stacey Boumis, Clerk

2/9/26
Date

