

AN ORDINANCE TO APPROVE AN ALTERNATE METHOD TO APPORTION THE LOCAL GOVERNMENT FUND TO REPEAL RESOLUTION 35-1983 AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to a Resolution duly adopted by the Summit County Council, the Summit County Executive appointed a Committee consisting of representatives of the County, the City of Akron, the other municipalities located in the County, and the townships to consider and recommend an alternative method of apportionment of the undivided Local Government Fund of Summit County; and

WHEREAS, such Committee, after lengthy deliberation, has unanimously recommended an alternative method of apportionment; and

WHEREAS, that recommended alternative method of apportionment has been reviewed by the County Budget Commission and that Commission has submitted that alternative method of apportionment to this Village and has requested that this Village consider that alternative method and determine whether it wishes to approve that method, pursuant to the provisions of Section 5747.53 of the Revised Code which provide for an alternative method of apportioning the undivided Local Government Fund of the County if that alternative method shall have first been approved by the County Council, the Council of the City of Akron, and a majority of the boards of township trustees and legislative authorities of the other municipal corporations located wholly or partially in the County; and

WHEREAS, this Village having considered the alternative method presented by the Committee and by the County Budget Commission hereby finds, determines and declares that it is appropriate to approve that method pursuant to Section 5747.53 and to evidence its approval by the adoption of this legislation;

NOW, THEREFORE BE IT ORDAINED by the Council of the Village of Richfield, County of Summit, State of Ohio, that:

Section 1: The alternative method of apportionment of the undivided Local Government Fund of the County of Summit set forth in the form attached hereto and hereby incorporated by reference herein is hereby approved upon the terms, conditions and for the years indicated in such attached alternative method of apportionment.

Section 2: The Clerk of Council is hereby authorized and directed to immediately forward a copy of this legislation to the County Auditor as Secretary of the County Budget Commission.

Section 3: Resolution 35-1983 is hereby repealed.

Section 4: This Ordinance is determined to be an emergency measure necessary for the immediate preservation of the public peace, health or safety for the reason to provide the fiscal stability and provided this Ordinance receives the affirmative vote of two-thirds of the members elected or appointed, it shall take effect and be in force from and after its approval by the Mayor; otherwise, it shall take effect and be in force from and after the earliest date provided by law.

Passed:

Bob R. Wiley
President of Council

E. Gene Foster
Mayor

Dated: 11-1-83

Attest:

Mary L. Hegley
Clerk of Council

COUNTY OF SUMMIT
UNDIVIDED LOCAL GOVERNMENT FUND
ALTERNATIVE METHOD OF APPORTIONMENT

SECTION I - INTRODUCTION

Pursuant to the provisions of Section 5747.53 of the Ohio Revised Code and beginning in calendar year 1984, the undivided Local Government Fund in Summit County shall be apportioned and distributed to each participating subdivision in accordance with the alternative method of apportionment set forth herein.

SECTION II - GENERAL PROVISIONS

A. Initial Certification of Available Funds. For the purposes of this alternative method of apportionment, prior to January 1 of each year, the total estimated amount of moneys to be in the undivided Local Government Fund and available for distribution in the following calendar year shall be determined and certified by the County Budget Commission of Summit County (herein referred to as the "COMMISSION") and shall be the amount contained in the official certification required to be made to the County Auditor by the State Tax Commissioner or other State official authorized by law to make such certification. This total amount is herein referred to as the "AVAILABLE FUNDS".

B. Minimum Annual Level of Guaranteed Funds for Each Participating Subdivision. In any calendar year prior to the year in which the certified population data referred to in Section III(B) hereof is first utilized, each participating subdivision shall be guaranteed that, as a minimum, it shall receive no less than the total amount of moneys it actually received in the immediately preceding calendar year from the undivided Local Government Fund.

In any calendar year in which the certified population data referred to in Section III(B) hereof is available, it shall be utilized and each participating subdivision shall be guaranteed that, as a minimum, it shall receive no less than the total amount of moneys it actually received in the year immediately preceding the year in which that certified population data was first utilized. The amount guaranteed by this Section to each participating subdivision is herein referred to as that subdivision's "MINIMUM ANNUAL LEVEL".

SECTION III - IMPLEMENTATION OF THE ALTERNATIVE METHOD OF APPORTIONMENT

A. Implementation of the Alternative Method for Calendar Years 1984 through 1991. Subject to the provisions of this alternative method of apportionment, commencing January 1, 1984 and ending December 31, 1991, the amount of moneys apportioned and distributed to each participating subdivision from the undivided Local Government Fund shall be calculated using the percentages for the appropriate year as set forth in Table I attached.

In the event that the percentages set forth in Table I do not provide the MINIMUM ANNUAL LEVEL to any subdivision or subdivisions, the COMMISSION shall increase the share of that subdivision or those subdivisions to the MINIMUM ANNUAL LEVEL. The total additional amount necessary to achieve the MINIMUM ANNUAL LEVEL for that subdivision or those subdivisions shall be deducted from the allocations to those subdivisions exceeding their MINIMUM ANNUAL LEVEL. Exhibit I attached provides an example of how this result would be achieved. The procedure is described as follows: The individual amounts to be deducted shall be calculated by adding the percentages in Table I for that calendar year for each subdivision or subdivisions exceeding its MINIMUM ANNUAL LEVEL and then allocating the total additional amount necessary by each exceeding subdivision's share of that total. If this calculation would then result in any subdivision receiving less than its MINIMUM ANNUAL LEVEL, the amount to be deducted for that subdivision would be reduced by the amount necessary to bring it to its MINIMUM ANNUAL LEVEL and the amount of that deduction would be allocated to the then remaining subdivisions still exceeding their MINIMUM ANNUAL LEVEL calculated in the same manner as above.

B. Implementation of the Alternative Method for Calendar Year 1992 and Beyond. Commencing January 1, 1992, and thereafter, the amount of moneys apportioned and distributed to Summit County and the City of Akron from the undivided Local Government Fund shall be calculated using the fixed percentages set forth in Table I. Once the County's share of the undivided Local Government Fund has reached 36.0 percent and Akron's share has reached 29.5 percent, their shares shall remain fixed at those percentages, subject only to State law.

In any year in which population statistics for all participating subdivisions are certified by the United States Bureau of the Census and available by December 31 of the immediately preceding year, the amount of money remaining in the undivided Local Government Fund after subtracting the fixed percentage shares of Summit County and the City of Akron (which remaining amount is herein referred to as the "REMAINDER"), shall be apportioned and distributed to all other participating subdivisions. Exhibit II attached provides examples of how this apportionment is to be achieved. The procedure is described as follows:

- (1) The Commission shall first determine the amount of moneys each subdivision received in the year immediately preceding the year in which the certified census data was first utilized;
- (2) Utilizing the certified census data available on December 31 of the immediately preceding year, the Commission shall determine each participating subdivision's percentage of the total population of all the subdivisions affected and apportion the amount of REMAINDER in excess of the total of all participating subdivision's shares (calculated in accordance with (1) above) by those percentages; and

(3) Each participating subdivision's share shall then be the sum of the amounts calculated for that subdivision in steps (1) and (2) above.

In the event that the total of all other participating subdivision's shares (calculated in accordance with (1) above) exceeds the REMAINDER, each of those participating subdivision's share shall be its MINIMUM ANNUAL LEVEL and the additional amount necessary to provide this level of apportionment shall be deducted from the Summit County's share and the City of Akron's share. The amounts to be deducted shall be calculated by adding the County's and Akron's percentage shares for that calendar year, dividing each of those percentages by that total, and multiplying the resultant percentage by the additional amount necessary.

For purposes of this Section, the most recent certified census data shall be utilized in each calendar year after 1991 if the census data is available on December 31 of the immediately preceding year. However, if the 1990 certified census data is not available by December 31, 1992, then the method of apportionment set forth in Section III(A) shall be applied until the 1990 certified census data is available.

C. If the Total Amount to be Distributed is not Sufficient to Provide MINIMUM ANNUAL LEVEL for all Participating Subdivisions. If the total moneys in the undivided Local Government Fund in any year is less than the amount necessary to provide all participating subdivisions, including the County of Summit and the City of Akron, their MINIMUM ANNUAL LEVELS, then each participating subdivision's share shall be its MINIMUM ANNUAL LEVEL minus an amount determined by adding the MINIMUM ANNUAL LEVELS of all participating subdivisions and dividing each subdivision's MINIMUM ANNUAL LEVEL by that total and then multiplying that percentage by the difference between that total and the amount in the undivided Local Government Fund for that year.

D. Provisional and Final Apportionments. At least three apportionments of the undivided Local Government Fund shall be made by the Commission in each year. The first provisional apportionment shall be calculated by the COMMISSION as soon as AVAILABLE FUNDS is determined. The second provisional apportionment shall be calculated by the COMMISSION as soon as the actual amount of moneys distributed from the undivided Local Government Fund is determined for the prior calendar year. The final apportionment for a calendar year shall be based upon the actual amount of moneys received and shall be calculated as soon as possible after the total amount of moneys to be distributed from the undivided Local Government Fund in that year has been determined. The COMMISSION may make additional provisional apportionments as necessary. The COMMISSION may use reasonable discretion in the monthly distribution of moneys from the undivided Local Government Fund when necessary.

SECTION V - MISCELLANEOUS PROVISIONS

- A. All money received into the undivided Local Government Fund in each calendar year shall be distributed to the participating subdivisions in accordance with this method of apportionment in that calendar year.
- B. If Summit County's share is reduced to 30 percent by law or operation of law, the City of Akron's share shall be increased to 31.5 percent, provided however that if the maximum allowable share for Summit County is reduced to 30 percent prior to 1994, Akron's share for each year shall be increased by 33.33 percent of the difference between 30.0 percent and the percentage that Summit County would have been entitled to if the County's share had not been so reduced until the City's share reaches a maximum of 31.5 percent. The remaining moneys available as a result of the County's share being reduced to 30 percent shall then be distributed to the other participating subdivisions in proportion to their then current shares in each year.
- C. Should there be a merger of any participating subdivisions entitled to distribution of moneys in the undivided Local Government Fund, the share for the merged entity shall be the sum of the shares of the merging subdivisions.
- D. If any law or operation of law requires a change in the minimum or maximum share of any participating subdivision, other than that described in Section IV(B), all other subdivisions shall share in the gain or loss in a manner proportional to their respective population as provided by the most recent certified census data.
- E. Any distribution or allocation of moneys in the undivided Local Government Fund made by the COMMISSION on a basis other than the actual total moneys received in that Fund in any calendar year shall be provisional only. All final allocations and distributions shall be made only on the basis of actual moneys received from the undivided Local Government Fund by each participating subdivision.
- F. It is the intention of all of the participating subdivisions that this alternative method of apportionment shall be permanent and binding, unless a new method of apportionment for such Fund is provided and adopted by the appropriate political subdivisions as prescribed by law.

EXHIBIT I
(Section III(A))

Example of Calculation
(figures have been rounded for illustrative purposes)

Subdivisions	PREVIOUS YEAR		CURRENT YEAR		Shortage
	%	Amount	%	Amount	
A	30	\$ 3,450,000	31	\$ 3,720,000	\$ -0-
B	25	2,875,000	24	2,880,000	-0-
C	9	1,035,000	10	1,200,000	-0-
D	27	3,105,000	24	2,880,000	225,000
E	9	1,035,000	11	1,320,000	-0-
TOTALS	100	\$11,500,000	100	\$12,000,000	\$225,000

1. Since comparing the amounts for the "current year" with the amounts for the "previous year" does not provide subdivision "D" with its MINIMUM ANNUAL LEVEL, another calculation is required.

Allocation of Shortage

Gaining Subdivisions	%	% Total	Allocated Amount of Shortage
A	31	40.8	\$ 91,800
B	24	31.6	71,100
C	10	13.2	29,700
E	11	14.4	32,400
TOTALS	76	100.0	\$ 225,000

Subdivision	Previous Year Allocation	Current Year Allocation	Allocated Amount of Shortage	Resulting Current Allocation	Shortage
A	\$ 3,450,000	\$ 3,720,000	(\$ 91,800)	\$ 3,628,200	\$ -0-
B	2,875,000	2,880,000	(71,100)	2,808,900	66,100
C	1,035,000	1,200,000	(29,700)	1,170,300	-0-
D	3,105,000	2,880,000	225,000	3,105,000	-0-
E	1,035,000	1,320,000	(32,400)	1,287,600	-0-
TOTALS	\$11,500,000	\$12,000,000	\$ -0-	\$12,000,000	\$ 66,100

2. Since the allocation of the Shortage brings Subdivision "B" below its MINIMUM ANNUAL LEVEL, a further calculation is required.

Further Allocation of Shortage

	<u>Gaining Subdivisions</u>	<u>%</u>	<u>% Total</u>	<u>Allocated Amount of Shortage</u>
A	31	59.6	\$ 39,395	
C	10	19.2	12,690	
E	<u>11</u>	<u>21.2</u>	<u>14,015</u>	
TOTALS	52	100.0	\$ 66,100	

<u>Subdi- vision</u>	<u>Previous Year Allocation</u>	<u>Resulting Current Allocation</u>	<u>Allocated Amount of Shortage</u>	<u>New Resulting Allocation</u>	<u>Shortage</u>
A	\$ 3,450,000	\$ 3,628,000	(\$39,395)	\$ 3,588,805	\$ -0-
B	2,875,000	2,808,900	66,100	2,875,000	-0-
C	1,035,000	1,170,300	(12,690)	1,157,610	-0-
D	3,105,000	3,105,000	-0-	3,105,000	-0-
E	<u>1,035,000</u>	<u>1,287,600</u>	<u>(14,015)</u>	<u>1,273,585</u>	<u>-0-</u>
TOTALS	\$11,500,000	\$12,000,000	\$ -0-	\$12,000,000	\$ -0-

3. Since no shortages exist and each subdivision is at or exceeds its MINIMUM ANNUAL LEVEL, each subdivision's allocation is the amount shown as the "New Resulting Allocation".

EXHIBIT II
(Section III(B))

Examples of Calculation
(figures have been rounded for illustrative purposes)

EXAMPLE I (No Shortfall)

<u>Subdivision</u>	<u>Population</u>	<u>Previous Year's Distribution</u>
County Akron	(not relevant)	\$ 3,450,000
A	(not relevant)	2,875,000
B	75,000	1,035,000
C	185,000	3,105,000
	80,000	<u>1,035,000</u>
TOTALS	340,000	\$11,500,000

The Amount to be Distributed in the Current Year is \$12,000,000.

<u>Subdivision</u>	<u>Percentage Distribution</u>	<u>Total to be Distributed</u>	<u>Current Year's Distribution</u>
County Akron	31%	\$12,000,000	\$3,720,000
	25%	12,000,000	3,000,000
			<u>\$6,720,000</u>

The REMAINDER to be Distributed is therefore: $\$12,000,000 - \underline{\$6,720,000} = \underline{\$5,280,000}$

Remainder Minimum $\$5,280,000$
 $\underline{\$5,175,000}$
 \$ 105,000 Excess

Additional Amount
To be Distributed

Subdivision

A	$75,000 \div 340,000 \times 105,000$	\$ 23,162
B	$185,000 \div 340,000 \times 105,000$	57,132
C	$80,000 \div 340,000 \times 105,000$	<u>24,706</u>
		\$105,000

<u>Subdivision</u>	<u>Minimum Amount Level</u>	<u>Additional Amount To be Distributed</u>	<u>Current Year's Distribution</u>
A	\$1,035,000	\$ 23,162	\$1,058,162
B	3,105,000	57,132	3,162,132
C	1,035,000	24,706	1,059,706
	<u>\$5,175,000</u>	<u>\$105,000</u>	<u>\$5,280,000</u>

EXAMPLE II (Shortfall)

<u>Subdivision</u>	<u>Population</u>	<u>Previous Year's Distribution</u>
County	(not relevant)	\$ 3,450,000
Akron	(not relevant)	2,875,000
A	75,000	1,035,000
B	185,000	3,105,000
C	80,000	1,035,000
TOTALS	340,000	\$11,500,000

The Amount to be Distributed in the Current Year is \$12,000,000.

<u>Subdivision</u>	<u>Percentage Distribution</u>	<u>Total to be Distributed</u>	<u>Current Year's Distribution</u>
County	31.5%	\$12,000,000	\$3,780,000
Akron	25.5%	12,000,000	3,060,000
			<u>\$6,840,000</u>

The REMAINDER to be Distributed is therefore: \$12,000,000
(6,840,000)
\$ 5,160,000

<u>Other Subdivisions</u>	<u>Minimum</u>
A	\$1,035,000
B	3,105,000
C	1,035,000
TOTAL	<u>\$5,175,000</u>

A \$15,000 Shortfall exists:

Remainder	\$5,160,000
Minimum	<u>(5,175,000)</u>
	(15,000) Shortfall

Since the REMAINDER is less than the Minimum, the other subdivisions each receive the MINIMUM ANNUAL LEVEL and the County and Akron share the Shortfall as follows:

County	31.5% ÷ 57% x 15,000	<u>Deduct</u>
Akron	25.5% ÷ 57% x 15,000	\$8,290
		<u>6,710</u>
		15,000

Therefore, the Current Year's Distributions will be as follows:

<u>Subdivision</u>	<u>Amount</u>
County	\$ 3,771,710
Akron	3,053,290
A	1,035,000
B	3,105,000
C	<u>1,035,000</u>
	\$12,000,000

