

**TO: CITY COUNCIL, MAYOR AND CITY SOLICITOR**

**AUGUST 15, 2008**

**FROM: M. TRENT WILLIAMS, CITY AUDITOR**

**PLEASE BE ADVISED OF THE FOLLOWING INFORMATION RECEIVED FROM CITY'S BOND COUNSEL REGARDING PETITIONS FILED PROPOSING TO LIMIT CITY TAXING AUTHORITY**

**From:** M. Trent Williams ~ City Auditor [mailto:auditor@zoomnet.net]

**Sent:** Friday, August 08, 2008 5:23 PM

**To:** Thomas A. Luebbers

**Subject:** \$100k Petition

Hi Tom,

If you would, please look at what is being proposed and advise what thoughts, pros & cons, etc. you have on this issue and also if these are things that can even be done by petition.

Any thoughts you have are appreciated. Thanks,

Trent

**Text of Proposed Charter Change:**

**Section 47(f): Limitations of Taxing Authority**

**No taxes may be levied on the property owners of the City of Portsmouth for the retirement of any bonded indebtedness without the approval of such levy by a majority of the electors of the City of Portsmouth. Bonded indebtedness for the construction, acquisition and/or improvement of City property costing more than \$100,000 in total may be incurred only by approval of a majority of the electors of the city at the next general election or a special election called by the Council. Expenditures for the construction, acquisition, and/or improvement of City property in excess of \$100,000 in a fiscal year, not funded by bonded indebtedness, must be paid from Capital Improvement Funds, as approved in Section 47(c) and Section 47(d); an appropriate enterprise fund, or from designated grant funds. This amendment shall become effective immediately upon passage by a majority of the electors of the City of Portsmouth, Ohio.**

**From:** "Thomas A. Luebbers" <TLuebbers@peckshaffer.com... [Add to Address Book]

**To:** "M. Trent Williams ~ City Auditor" <cityauditor@mail.com>

**Subject:** RE: \$100k Petition

**Date:** Aug 12, 2008 4:41 PM

**I've looked at the things you sent. It's hard to say anything that isn't obvious about the proposed Charter amendment. It would simply handcuff the City operationally, it seems to me. If this passed, the City couldn't replace a fire truck, a water line, or more than a couple of vehicles without either voting on it or saving up to pay cash. I think it would be very hard to run any sort of prudent capital program that way. I've asked a few of my partners if they know of other cities that have similar provisions, and we don't know of many. The only example that comes to my mind involves a village that isn't bothered by it because it has lots of money and really can pay cash for most things.**

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