

**MINUTES OF THE COUNCIL
VILLAGE OF MARIEMONT, OHIO
BUDGET HEARING JULY 10, 2017**

Mayor Policastro called the meeting to order at 6:04 p.m. Present were Mr. Brown, Mr. Marsland, Ms. Palazzolo, Ms. Schwartz and Mr. Wolter.

Fiscal Officer Borgerding distributed a packet for the budget review. Budgeting is an estimate of future earnings and revenues for a set period of time. He looked at the numbers half way through the year to gather an estimate of where we will be at the end of 2017. He tries to be conservative with the numbers especially with the revenue. He bases the budget for 2018 on known factors such as pay rate increases, etc. and historical trends in the past. In 2016 the budget for revenues was \$3,247,000 and came in at \$3,302,000 which is a difference of \$55,000 due to earnings tax going up and we had a lot of reimbursements that year. In 2016 the budget for expenditures was \$3,338,000 and we spent \$3,303,000 which is a bit better than what was budgeted but there were some deferred expenses that were not paid in 2016 but early 2017 such as pensions. He estimates the revenues for 2017 at \$3,328,000 which is \$59,000 more than he budgeted for last year. The expenses are going to be a lot higher than what he originally anticipated. He thought they would be \$3,375,000 but it is going to be more like \$3,500,000 due to a rise in salaries and also from the added expense that we paid in early 2017 that was not paid in 2016. The deficit will be \$176,000 which is \$70,000 more than he anticipated. We will still end the year with a million dollars in the General Fund. He pointed out positives in the receipts for the General Fund: (1) earnings tax appears to be rising after a slow start to 2017 and is using a conservative increase estimate of 1% for 2017 and 2018. (2) Earnings tax is \$17,000 more this year than last year at the end of June. (3) Earnings tax the last two months have been \$20,000 per month higher in 2017 than 2016. (4) Real estate taxes for 2017 are based on amounts certified by the county auditor and are continuing to increase each year. (5) Real Estate taxes will continue to increase as new development continues. (6) The new safety services levy will come into effect in 2018 and will add an additional \$300,000 to real estate taxes. (7) Receipts from the State of Ohio and other receipts are expected to stay fairly constant. He pointed to positives on the expense side of the General Fund: (1) The replacement for Foreman Davis will start at a lower rate due to less experience. (2) Non-human resource costs are staying constant. (3) The new Maintenance employee should be able to reduce the cost of hiring outside labor. The negatives for the expense side include: (1) Employees were provided a 2.5% salary increase in 2016 and 2017. Police were given an additional 6% in 2017. (2) Refuge, health insurance and pension for the last month of 2016 were not paid until 2017. Only 11 months of expenses were paid in 2016 but 12 months will be paid in 2017. (3) An additional maintenance employee is expected to be hired during 2017. (4) Health insurance has increased across all departments. (5) Salary increases are expected to increase at a slightly higher rate than the increase in earnings tax.

Fiscal Officer Borgerding said he anticipates the ending balance to go up slightly each year. The 50% abatement on the condos will be ending and we will be collecting more in real estate taxes. We know that salaries and pensions will continue to rise. It is hard to predict earnings tax. It has only gone down once in the past few years. We will see an increase in law enforcement salaries and benefits due to the project increase but we will also be receiving levy monies beginning in 2018. He is budgeting a surplus of \$84,000 at the end of 2018.

It was discussed that the Village will need to go out to bid for the trash and recycling contract because we are in our last extension year with Rumpke. A new contract will begin in 2018. The Village could potentially save money by going to curbside pickup. Fiscal Officer Borgerding said the Village is bringing in approximately \$215,000 in waste fee/sticker revenues but is paying out approximately \$300,000. The Village is subsidizing the service.

Fiscal Officer Borgerding said we bring in \$100,000 for the pool yet it is costing \$118,000 to operate. That is not including the permanent improvements which can be approximately \$30,000. Mr. Marsland said he does not believe we should be making money on the pool but he would like to see it break even.

Mayor Policastro said we may need to consider a small levy for Permanent Improvement. A 1.5 mill levy will bring in a good sum of money and will put us back on track. A lot of people have commented to him that the Village waited too long to do the operational levy a few months ago. Fiscal Officer Borgerding said he is estimating the Village spending \$350,000 but it does not mean that we have to but you never know if something major is going to come up. With everything we have going on right now we are running low in the permanent improvement fund. We spent a lot on the fire truck and have not given enough time for the fund to replenish itself and we have had a lot of other projects going on. We are going to have a loan on this building which is a cost we are not used to having in addition to departments needing new trucks, cars and equipment. We also used permanent improvement fund monies to help with the street fund and street rehabilitation costs. We will definitely need to keep an eye on this fund because by 2020 it will be negative. Mayor Policastro said that is why he thinks a levy is on the horizon. Discussion ensued regarding when/if and how much of a levy the Village should go out for. Council also discussed the earnings tax credit but that would not help the permanent improvement fund. Mayor Policastro said if you add to an existing levy and it fails you risk losing it all together. If we did a new levy it would be at the current dollar rate not the rate from when it was established years ago. Mr. Wolter said we have older infrastructure and will have to posture the request properly.

The Paramedic Fund should remain fairly consistent. We have not given them raises. He manages it by paying them half a year using the Paramedic Fund and the rest of the year paying them from the General Fund. There was discussion regarding the background of the MariElder's levy and how the money is distributed.

The meeting adjourned at 6:50 p.m.

Dan Policastro, Mayor

Anthony J. Borgerding, Fiscal Officer