

**MINUTES OF THE COUNCIL  
VILLAGE OF MARIEMONT, OHIO  
BUDGET HEARING  
JUNE 28, 2010**

Mayor Policastro called the meeting to order at 7:00 p.m.

Clerk Tontillo distributed a packet for the budget review. He said strong progress has been made on the annual deficit but we must close the remaining gap. Both the previous Council and the present Council have worked hard to make some aggressive decisions over the last nine months. It has had a very meaningful impact but there is still work to be done on the deficit. He encouraged Council to go forward with their momentum. He is anticipating the deficit in the General Fund will be \$165,000 which is better than the anticipated \$200,000-\$400,000 deficit once projected. Trash fees are the major opportunity for consideration to close the gap to get to where we need to be. The message with the Paramedic Fund is one of continuing deterioration of the balance. The expenses have gone up while the revenue stream has remained flat. The annual deficit is exceeding \$20,000 per year. We could reach a zero balance as early as 2011. He recognized the strong position of the Permanent Improvement Fund. Decisions of the previous and present Council have made to build the balance in this fund with an eye toward planning for major expenditures such as the ambulance, new fire truck and the Municipal Building. This fund has a defined purpose and encouraged Council to continue to save for these planned expenditures. He reminded Council that levies will be coming up in 2011 (Permanent Improvement), 2012 (Permanent Improvement), and 2013 (General Fund).

Mayor Policastro asked if we are having trouble collecting the ambulance fees that are billed. Clerk Tontillo said the revenue has been pretty steady averaging at \$60,000 per year. It was a recommendation of the Finance Committee to increase the rate. Mr. Wolter asked where we are in relation to other municipalities. Mr. Black said he does not know.

The second page outlines the major line items of the General Fund in regards to revenues and expenditures. The increase/decrease during the year line item reflects the deficit. The ending balance is where the Village will come out at the end of the year after the deficit. The deficit is the planning variable. Last year the number was significantly higher and the tone was stronger because the General Fund was going south quickly. We cannot operate with zero money in the bank. Mr. Andrews asked if it is assumed that the earnings tax rate will stay the same and the economic situation will start to turn sometime this year and then also improve. Clerk Tontillo said the assumed earnings tax collected in 2011 is 101% of what will be collected in 2010. Salaries are projected to be 101% of what the salaries were in 2010. He has tried to not be too aggressive nor be too conservative but rather used a moderate rate of inflation. We will get a better look in January 2011 of where Mrs. Judd's outlook is and still gives us time to look at the recommendations for salary compensation. The budget for 2011 is based on current 2010 dollars plus known decisions that Council has taken since then and he incorporated the increase in salary and earning tax as already noted. He also gave a nominal increase to health care benefits. Other expenses have remained fairly flat.

The third page represents the Street Construction Fund, the Paramedic Fund and the Permanent Improvement Fund. The Street Construction Fund is pretty basic with funding coming from the State. Each year there is a Committee meeting to determine what should be spent against the Village Engineer's plan. We have been conservative in that approach and he continued that conservatism into the future. The Paramedic Fund is steadily decreasing and will quickly approach a zero balance. He built in a slight increase in the ambulance fees. The Permanent Improvement Fund has a high balance but is also planned for the major expenditures. He finds this a comfortable place to be knowing that we have been and will continue to set money aside for these expected expenditures.

Mr. Black asked if the projected \$165,000 deficit takes into account the money we are saving by switching the medical insurance to the Center for Local Government, eliminating the Fire Chief role, the lay offs in the Maintenance and Fire Departments, the lawn contract savings and the elimination of the employee year end bonus. Clerk Tontillo said that was correct. Mr. Black asked if we have the opportunity to save another \$110,000 by switching the trash fee setup to a fully funded program. Clerk Tontillo said that was correct. Mr. Andrews said he is working with Ms. Sullivan to set up a combined Health and Recreation Committee meeting with Public Works and Service to look at the trash fee set up concurrently. Mr. Andrews said we need to think long range about economic development ideas and before we get too far off we need to figure out how we want to solve that. Do we want to combine two committees or add it to an existing committee? Ms. Sullivan said MPF is doing a long range Mariemont plan and she believes we should try to incorporate those findings into our economic development plan. She would like to see Council take ownership of the economic development and not let it go into the long range goal of MPF. Mayor Policastro said MPF is leading a long range vision plan but it does not mean it is going to happen. Ms. Sullivan said she would like Council to have a 5 year and 10 year plan. Mr. Wolter said it is the only way to solve the problems. He suggested a Committee comprising of people in the community along with Council. Mayor Policastro said it should also encompass the industrial companies in the committee such as Keebler and Mercy St. Theresa. Mr. Andrews said we should make this a permanent committee and include representatives from the stakeholders in the community.

Mr. Scheeser said the load that trash fees will have to shoulder is tremendous which means it will be a tremendous load for the citizens. He is not sure that \$110,000 is a fair ask to go to the citizens.

Clerk Tontillo said he will begin work to submit the budget to the Auditor which is due in July.

The meeting adjourned at 7:24 p.m.

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Dan Policastro, Mayor

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Paul Tontillo, Clerk

