

**MINUTES OF THE COUNCIL
VILLAGE OF MARIEMONT, OHIO
BUDGET HEARING
JULY 14, 2014**

Mayor Policastro called the meeting to order at 6:34 p.m.

Fiscal Officer Borgerding distributed a packet for the budget review. Budgeting is not an exact science but a roadmap of what lies ahead giving us things to think about for the future. He looked at the numbers half way through the year. He tries to be conservative with the numbers especially with the revenue. Right now the earnings tax is up 4.3% for the year. He is only estimating a 2% increase for the 2015 budget and for the long range forecast. Past actual activity is a good predictor of what is going to happen in the future. He also looks for unusual items that may have occurred in previous years that may or may not occur in coming years. In 2015 the General Fund will lose some money which was expected with the loss of the Inheritance Tax and reduction in local funds. There is a lot of growth in earnings tax revenues. He believes there is an influx of younger couples moving into the Village and also the addition of the condominium buildings. 73% of the cost to run the Village is human cost such as payroll, healthcare, pensions etc. It is a large portion of what is paid out of the General Fund. He budgeted a 2% increase for 2015 and future years. Other Operations include supplies, grass contract, insurance, maintenance costs etc. For 2014 he estimates that we will end the year with a loss of \$95,000 but an ending balance of \$1,265,000. The expenditures for 2014 are pretty close to what was appropriated. 2014-2016 he anticipates ending the year with a million plus ending balance each year. After that it does dip below the million dollar threshold due to rising human costs and conservative estimates on the earnings tax. It gives Council some time to discuss whether or not to go out for a levy or increase fees etc. Real Estate taxes are slowly rising and should continue to do so with the new condo developments. We did hire a new police officer last year which bumped up the police salaries.

Fiscal Officer Borgerding said in 2013 and 2014 we had payments for the new fire truck out of the Permanent Improvement Fund. We have one more in 2015 and after that the fund should start to replenish itself and build back up to where it was in 2012 with approximately \$800,000. We have made several purchases of new equipment and vehicles. He is not worried with the balance at this time as it will come back up in time. Mayor Policastro said his estimation is we should end the year with \$400,000. Fiscal Officer Borgerding said he thinks it might be more like \$500,000.

Fiscal Officer Borgerding said the Paramedic Fund is not nor has it ever been self-sufficient. It will lose some money over the next several years but not enough to go into a negative balance yet. We might want to start thinking about increasing the levy to make it self-sufficient. Presently we pay the paramedics for half the year out of the Paramedic Fund and the other half out of the General Fund. Mayor Policastro said if we do anything in the coming years the Paramedic Levy is the one we should re-do. If we kept the same amount of millage he believes we would get more money. Fiscal Officer Borgerding agreed.

Mayor Policastro stressed that while on paper it shows we may have an annual deficit but the overall budget shows we anticipate having a surplus of \$1,265,000 at the end of 2014. Fiscal Officer Borgerding said we have had a balanced budget over the past three years. Mayor Policastro said we may end up balancing the 2014 annual budget. The reserve is there to fix the infrastructure and hire police officers or buy things that we need.

The meeting adjourned at 6:53 p.m.

Dan Policastro, Mayor

Anthony J. Borgerding, Fiscal Officer