

**MINUTES OF THE COUNCIL
VILLAGE OF MARIEMONT, OHIO
BUDGET HEARING JULY 20, 2015**

Mayor Policastro called the meeting to order at 6:30 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. He bases the budget for 2016 based on known factors such as pay rate increases, etc. Earnings tax has a 1.7% increase over last year which he extended over the rest of the year which he estimates will be approximately \$35,000 more than last year. Over the following years he remained conservative with 1.5% increase.

Mayor Policastro said last year Fiscal Officer Borgerding estimated in 2015 we should end the year with \$1,164,000.00 and conservatively it now shows that we should end 2015 with a balance of approximately \$1,268,000.00. That is quite a jump. Fiscal Officer Borgerding said we did better than we estimated in 2014 which would increase our cash balance to start the year with.

Fiscal Officer Borgerding said real estate tax he bumped it up a little bit like he has done in the past and trending it outward. We have had more development in the Village which will increase real estate taxes. The personal property tax and inheritance tax has been totally phased out. Thankfully the earnings tax has replaced that for us. Local Government Funds started the three year leveling off in 2012 so what we received this year is about average for what we will receive going forward. Trash fees are pretty consistent while Mayor's Court has had a decline from 2012 and 2013. The swim pool is fairly consistent while all the other receipts come from licenses, reimbursements, tennis etc. he has kept conservative going forward as well. He estimates revenues to be \$3,227,000.00 which is a little bit more than last year.

Fiscal Officer said as far as expenditures overall we expect salaries to increase while he has the benefits remaining fairly steady. Pensions will increase due to percentage of income increase which he has budgeted for. We did not have an increase in health care for 2015-2016 but he did increase it going forward two percent. Other operations include expenses such as gas, vehicle maintenance, uniforms, office supplies etc. He has estimated it going up slightly over the next few years. He increase the trash expenses going into the future as well knowing that we will probably have a rate increase. Overall, he estimates a deficit in 2015 of \$64,000 and a deficit in 2016 of \$91,000 based on where we are half way through this year. Even though the General Fund appears to be up this year keep in mind with doing payroll that half of the year the paramedics are paid out of the paramedic fund. The paramedics so far this year have been paid from the paramedic fund but going forward they will be paid out of the General Fund which will bring that balance down. Mayor Policastro said probably in three or four years if we do need to go out for a levy it will be an increase for the Paramedic/Ambulance levy. Fiscal Officer Borgerding said in annually brings in \$250,000 but it is not enough to fully fund the payroll.

Fiscal Officer Borgerding said we do have our work cut out for us. Last year we ended the year with a deficit of \$28,000 and he estimates \$64,000 for 2015 and each year forward the deficit will increase as expenses outpace earnings tax etc. Mr. Hlad asked if there was a rule of thumb as to what we like to have in the General Fund. Mayor Policastro said we like to have at least one million in the account for the ending balance. Once we go below one million then that is when we need to figure out what to do for more income. Right now it is not estimated that we will end with a balance below one million until 2018.

Mr. Miller said in the future years we will receive abatement money from the new condominiums. Fiscal Officer Borgerding said this is not bad news or great news. We are in a lot better shape than other municipalities. Mayor Policastro said you have to expect deficit spending because expenses and salaries usually go up. We have not had an operational levy in 25 years. The Permanent Improvement levy was in 1997. Fiscal Officer Borgerding said another option besides a levy maybe lowering the earnings tax credit. Mayor Policastro said that would be the favorable way to go. It would not require a vote of the residents. Mayor Policastro said another thing that is keeping us in good shape is all the grants our employees are able to secure.

Fiscal Officer Borgerding said for the Permanent Improvement Fund and the Paramedic Fund he has history since 2012. Due to the payments for the fire truck, we will be down to an ending balance of \$256,000 in the Permanent Improvement Fund the end of 2015. However, this will be the last payment on the fire truck so the balance should rejuvenate next year. The only big expenditure will be the expansion of the Municipal Building but Mayor Policastro is hopeful that we will be able to secure grant funding. Going forward the balance should increase \$50,000-\$60,000 each year. As far as the Paramedic Fund he said the ending balances are going to continue to go down. He would like to manage to keep \$250,000-\$260,000 of payroll in there and continue to split it with the General Fund. Eventually it will run out of money. Mayor Policastro said if we do go out for a paramedic levy we would bring it up to today's rates. The levy was put on in 2003 and we would probably only need one mill.

Fiscal Officer Borgerding said he has an extension to file the budget with Hamilton County until Friday.

The meeting adjourned at 6:55 p.m.

Dan Policastro, Mayor

Anthony J. Borgerding, Fiscal Officer