

**MINUTES OF THE COUNCIL
VILLAGE OF MARIEMONT, OHIO
BUDGET HEARING JULY 18, 2016**

Written/Not Yet Adopted

Mayor Policastro called the meeting to order at 6:30 p.m. Present were Mr. Brown, Mr. Hlad, 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. He looked at the numbers half way through the year to gather an estimate of where we will be at the end of 2016. He tries to be conservative with the numbers especially with the revenue. He bases the budget for 2017 based on known factors such as pay rate increases, etc. and historical trends in the past. 2016 has been typical with no big or unusual events to date. Half way through 2016 the Village has a \$280,000 surplus. At this point last year it was \$216,000. One of the reasons for the surplus is because the salaries are allocated from the Paramedic Fund. The second half of the year the salaries are drawn from the General Fund because the Paramedic Fund does not generate enough monies to cover the full year. Another reason for the surplus is due to a \$95,000 increase this year over last year at this time.

Mayor Policastro said about ten years ago when we started the Paramedic Fund it was not projected far enough out. We are approaching the point where we may need to add to the millage, possibly next year. Fiscal Officer Borgerding said if we increased the millage then we would not have to take the money out of the General Fund. Mayor Policastro said looking to the future he is hopeful when Governor Kasich is gone we might get some of our local government funds back. In addition, we will have some money coming in from the new condos and approximately 12 houses down by the steam plant. Ms. Palazzolo questioned how much money the Village gets from the condominium units. Mayor Policastro said he was told the Village would get approximately \$36,000 per project with the school district getting \$200,000 per project. It includes diminishing return.

Fiscal Officer Borgerding said he is taking a conservative approach the second half of the year and going forward. Salaries and benefits are the Village's biggest expense making up 73% of the budget for 2014 and 2015. He is estimating 74% for 2016 and 2017. For 2016 he is projecting a \$96,000 deficit. Last year it was budgeted at \$91,000 so we are right on track to where we thought we would be. For 2017 he is projecting a \$106,000 deficit which is not too radical from where we have been the last couple of years. Going forward our funds will be going down each year. He estimates real estate taxes to increase per year by \$5,000 as the condo projects are not going to be going on forever. He is estimating salaries going up two percent per year. The trend is saying we are going to have to do something down the road to maintain the one million surplus that we currently have. We should have a one million dollar ending balance through the end of 2017. At year end of 2015 we had a balance of \$228,000 in the Permanent Improvement Fund which is the lowest it has been due to the purchase of the fire truck. Now that the truck is paid off it should start to build back up by the end of 2016. In the coming years we will have the expense of the renovation of the Administration Building but we will get \$400,000 in grant money. He is estimating at least \$100,000 for the cost of the project. The balance will go down in 2018 and then start to go back up in 2019. Mayor Policastro said we need to pass our levy renewal which will be on the November ballot.

Fiscal Officer Borgerding said the Paramedic Fund ending balance continues to decline. Even after splitting the salaries with the General Fund it is not generating enough revenue. Going out for additional millage on the Paramedic Levy would help a lot.

Mayor Policastro said he is on the Integrating Board for Grants. They have a new program where you can borrow money interest free. He has Engineer Ertel looking into that for the building renovation. He believes the project will be half a million dollars.

Mayor Policastro said another revenue avenue would be if we supply the police work for Columbia Township. Chief Hines said he talked with Mr. Kubicki and he indicated that they are moving forward. If it happens it will take effect either late 2016 or mid-2017.

Mayor Policastro said judging from the Fiscal Officer's report we are in excellent shape till 2019. Fiscal Officer Borgerding said we do a good job keeping our eye on expenses. It is hard to foretell the revenues but if we do not do anything what he has outlined is probably what is going to happen.

Ms. Palazzolo asked when the Village would get the grant money and when the ground breaking would be. Mayor Policastro said they will not put the money in our hands until we turn in reports, receipts etc. August 14, 2016 is when we officially can begin the process. Architect Bob Rich is going to do this work for us pro-bono. We are going to have to pay the engineers. Mr. Rich hopes to put all his finished drawings together with Dennis Malone prior to winter and then go out bid. The project would be awarded in the spring of 2017. Ms. Palazzolo asked if Council would see the final plans. Mayor Policastro said once the drawings are put together he will have the architects present it to Council. Ms. Palazzolo asked if they would be able to add something at that point or would it be too late. Mayor Policastro said let's wait and see what is given first. He has a rough drawing if anyone wants to look at it but he believes there will be changes. One of the neat ideas he came up with was to put the Native American Display Center in the room off of the Council Chamber. Ms. Palazzolo asked if we will be getting artifacts back from Harvard. Mayor Policastro said Dr. Tankersley wants to write to our Federal Senator to get in touch with the Senator from Massachusetts to get some of our stuff back. He believes the statute of limitations may have run out to get our property back. This is not going to be a museum which requires guards but more of a display. It is going to be expensive to have them send it to us. Ms. Palazzolo offered to go pick it up. Mr. Hlad said this may be the time to make other changes to the building if it is not too cost prohibitive.

The meeting adjourned at 6:55 p.m.

Dan Policastro, Mayor

Anthony J. Borgerding, Fiscal Officer

