

**MINUTES OF THE COUNCIL
VILLAGE OF MARIEMONT
BUDGET HEARING – JULY 27, 2020**

Mayor Brown called the meeting to order at 5:38 PM. Present virtually due to COVID-19 were Council Members Mr. Bartlett, Mrs. Graves, Dr. Lewis, Ms. Palazzolo, Mrs. Rankin, and Mr. Stelzer. Also present was Fiscal Officer Tony Borgerding.

Fiscal Officer Tony Borgerding explained that reviewing the budget is an annual process. Mr. Borgerding referred to the packets he had prepared for Council. He said the Finance Committee met last Monday to go over the assumptions and the budget for 2021. There are still a lot of things up in the air as far as what the revenue is going to be looking like – but we did the best we could do.

It does not look good for 2020 or 2021. There is a \$200,000 deficit proposed for 2020 and \$290,000 for 2021. This is largely based on the unknown income tax revenue. The estimates for upcoming tax payments have not gone out yet due to the tax extension. He believes the expenses are pretty solid based on salaries (using six months of 2020 to get the total for 2020 and using the total 2020 figure and adding 2% for 2021). For “Other Operations” he looked at the trends to see where they were heading over the average of the last three years. He did factor in the money for the Cincinnati Water Works billing for the trash fees.

Mr. Stelzer said the General Fund estimated for 2020 is showing a \$200,000 reduction with \$150,000 reduction in earnings tax. The handout is also showing another \$300,000 reduction in 2021 based on some of the assumptions. We also have the Permanent Improvement Fund which shows an increase in projection from \$62,000 in 2019 to \$168,000 estimated in 2020. What is not shown is that the Street Improvement Fund should have \$120,000 in the balance at the end of the year. He looks at where the Village is overall with cash at the end of the year. All the funds combined may end 2020 with a similar cash reserve balance as we started the year with. The General Fund is a bit deceptive about what is going on overall because the other funds are building a small reserve primarily because the Petoskey Avenue Project was pulled from the table in 2020.

Mr. Bartlett said the Petoskey Avenue Project is \$300,000 that was delayed which is the reason it may allow the Village to break even for the year. He reminded Council that the Police Department did not purchase a vehicle this year. Fiscal Officer Borgerding said he did budget for that project in 2021 which will deflate the Street Improvement Fund quite a bit.

Mr. Stelzer said it is a process that we will be watching on a month to month basis and most likely will have to make adjustments along the way. We are in a new world and no one knows what the new normal is. Fiscal Officer Borgerding suggested looking at the budget at the end of the third quarter to see where we are at. Mr. Bartlett liked that idea and reminded Council that we have just delayed spending – not reduced it. Mr. Stelzer said it gives Council time to evaluate options. No doubt 2020-2021 will be a challenge.

Fiscal Officer Borgerding said the real estate taxes will be fairly consistent. He increased them 1% based on additional improvements that will be done in the Village. We do have the FEMA and CARES ACT monies. Those will be paid and reimbursed to the General Fund. He is working with Assistant Fiscal Officer Wendler on how to set it up in the system. The trash revenue will be down due to the monthly billing which will only be six months this year but should go back up next year with full year collection. He is hopeful that the pool should bounce back next year if everything with COVID-19 calms down. There

is speculation that there will be savings with the new trash contract that will eliminate door behind house pick-up.

Fiscal Officer Borgerding said looking at the Permanent Improvement we have the Municipal Building and in 2021 we have to start paying for the new ambulance through 2024. The building bond repayment will be done in 2024. Those payments are \$150,000 each year. In the coming years we will have to tighten our belts with permanent improvements. Police and Service Departments may need to keep their cars/trucks longer than they want to. The Paramedic Fund is pretty solid and steady. We typically charge half of the payrolls to the Paramedic Fund and half to the General Fund. It may be possible to do an extra payroll from the Paramedic Fund since the funds are restricted to this use only. If Council does nothing our cash balance will be fairly depleted by 2023. Mr. Bartlett said that gives Council a window of time to get some things done.

Council discussed the impact of companies having employees working from home and how that concept may or may not impact the Village with local income tax being collected where the employee is employed or where the employee is residing. Fiscal Officer Borgerding said we would need more information from Tax Administrator Darrah but it may help the Village to get the full 1.25% earnings tax than giving credit. Much would depend if it is a temporary change or permanent change on the part of the employer to have employees work remotely.

Fiscal Officer Borgerding said he will submit the budget to Hamilton County in the next few days.

The meeting adjourned at 6:08 PM.

William A. Brown, Mayor

Anthony J. Borgerding, Fiscal Officer