

Call to Order

The Regular Session of Council was called to order by Mayor Mike Erwin. The meeting was opened with the Pledge of Allegiance.

Roll Call

Roll Call was completed by Clerk of Council. The following members were present.

Mike McKeehan – P

Judy Neal – P

Terry Erwin– P

William Thompson – P

Rebecca Isaacs-Niemesh – P

Paul Zorn – P

Approval of Minutes of Previous Meeting

Council reviewed the minutes of the previous meeting. Motion by Councilwoman Neal to approve the minutes of the June Meeting; second by Councilman McKeehan. All ye.

Lori Viox Hensley / Salem Township Trustee Candidate

Hensley announced an event scheduled for August 8, 2013 at Miranda's at 6pm with ice cream on the house. She stated she recognized the potential for the township and wished to share her exciting ideas with the community. Hensley advised she would sponsor a project in October, Love Morrow, from Rochester to the Main drag and she wishes to include churches and civic groups. It will start at Morrow Plaza with tailgating later in the day. Lori Hensley stated she would have a booth at the County Fair and invited those present to visit her Facebook page. She stated Morrow was her hometown and asked voters to elect her in November.

Steve Wagner / Financial Advisor

Wagner advised the public hearing of the Tax Budget was in accordance with the requirement it must be adopted by July 15th and delivered to Warren County's by July 20, 2013. Wagner provided three documents, Tax Budget, history and estimate for 2014 and a printed narrative. He stated it was the first step for next year's budget and provided the reason for the budget and highlights of economic conditions. Local government funding cuts were discussed, future possibilities and concerns. The Fiscal Officer provided an overview of Receipts in the General Fund and the impact of property valuations, property taxes are higher. He advised income tax represented 50% of the General Fund receipts and clarified receipts versus liabilities and the impact, stating income taxes were up and pointed out the abnormality during the current year in the Local Government Fund.

Steve Wagner reviewed garbage collection receipts and Mayor's Court Collections. With the waste collection contract, rates are stable for 3 years. He discouraged dependency on Mayor's Court, the third highest receipts in the General Fund. Wagner discussed the benefits of having a local Mayor's Court and the inconvenience of having a County court a distance away. The annual income used was \$103,000. He discussed a prior report that negatively focused on Morrow but was not a true reflection.

Estate Tax was eliminated last year; but this year receipt of \$33,000 this fall will have a big impact on the budget Wagner stated. He highlighted Other and the Street Fund discussing the purchase of a truck. He stated timing of receipts impacted the budget and advised he removed unusual things. He summed up overall General Fund Receipts and expenses covering certain items such as Street Fund where there wasn't sufficient money. Wagner read the General Fund Receipts for 2011, 2012, 2013 and estimate for 2014 of \$548,072.

Under General Fund Expenditures, Wagner stated he used 2% for employee wage increases as an estimate only and discussed the health care insurance change and its impact and personnel areas. He stated with the low dollar amount for the new insurance, some costs may be passed along to the Village, up to \$120, a 20% increase.

With expenditures, jail fees went up last year. He advised the Park Fund/Leisure Activities didn't have any money; balance was very low and expenses may need to come from the General Fund next year. Wagner also compared expenditure for the Village Administrator with only four months in 2012 that the position was filled and the big change for 2013 with an Administrator for 12 months. Under Building and Grounds, he stated the Fiscal Officer made changes regarding transportation issues and charges. The Fiscal Officer stated it still comes from General Fund.

In 2014, the audit will expend \$8,000 out of the General and Water Fund, Wagner advised. He reported the Income Tax system was upgraded, \$8,500 in 2013. There were other debt payments from General Fund for items such as cruisers, a study for \$10,000 offset by a grant and donation which inflate expenditures and the revenue side of the budget. The Financial Advisor stated interest rates were low from local banks at this time. Fund balances are coming down, but there may be a surplus because of the Estate Tax. He cautioned Council to watch the budget and talk with and ask questions of the Fiscal Officer and make sure revenue is matching up with estimates. Fiscal Kathie Koehler stated reviewing the monthly appropriation status reports and keeping up with the appropriations budget would be helpful.

Wagner combined several areas of the budget. He advised Street overspent for several years; Permissive Tax had a little boost yearly from County Permissive Fund for project and noted there wasn't much in the fund balance. He stated the funds for Police Officer training is a result of the Drug Enforcement Law. Police training is about \$1300 a year; fund 2121 will provide small items, like a radio, 2141 will provide supplies and 2401 is interest from state tax fund (only income) and will disappear slowly. Fund 2901 will provide \$500 to \$700 when new homes are built in the Woodlands and covers capital improvement. This fund has been used very little and has \$40,000 now; the funds will be used in 2014 toward one project Wagner stated. The Mayor advised we are unsure of the project plans.

The Financial Advisor discussed Welch Road Reconstruction/OPWC Grant of \$225,000 and reported the Water Plant figures used were input are estimates only. Wagner continued with the Demolition Grant, fund 4901, stating we are in good shape with the \$45,000 grant. With regard to fund 5101, Water Operating, he commented on weather and rain suggesting this item be watched and expressed the difficulty of estimating it. He advised he kept the budget projection at \$265,000. With project possibilities such as the Water Plant, a major project, Wagner stated low interest loans could be the answer and increased rates, small incremental increases for Capital Improvement. The Mayor advised the Village must synchronize increases with the County because of its sewer rates as to not raise water rates at similar times. Wagner advised increasing only the amount needed when you know. He stated smaller communities pay a higher interest and the underwriter will ask rates to be raised sufficiently, maybe double to pay interest on the loan; a State agency would be a better route. Discussion followed. The Mayor stated it was a fine example of not having raised rates incrementally. Councilwoman Isaacs-Niemesh stated water rates were raised fifty cents over the past 13 years, twenty-five cents twice. Wagner advised a Municipal Plant is required to record depreciation; accrual accounting was needed to tract assets. Isaacs-Niemesh asked Wagner if he was recommending a 9 or 10% increase was needed. Wagner advised it depended on borrowing and when improvements might be made; gear debt to length of life of loan.

Mayor Erwin commented on Morrow's water. Isaacs-Niemesh asked if Morrow's past increases were the norm. Wagner stated the lowest rate community in comparison, the timing of building plants plays into this; rates raised for improvements are factored. The Wagner referenced the comparison only of Southwest Ohio Waste Water and Water Rate Study. Mayor discussed Administrator Rod Smith's study on water rates and future trends. Wagner advised timing was a real factor.

Wagner discussed the Poor Relief Fund from the Schuerer Trust, needs versus interest income. He stated twice as many people were applying for help. Wagner advised \$80,000 was in the trust fund, but only a few hundred dollars was being received for interest which provides the assistance. He concluded his presentation asking if there were any additional questions. The Mayor and Council thanked the Financial Advisor and Fiscal Officer for their work on the budget and the Clerk of Council for her assistance. Solicitor Kaspar provided the reading for the pending Resolution.

Motion by Neal to suspend the rules and waive three readings of Resolution #21-13; second by Councilman Erwin. All yea. Motion by Neal to adopt Resolution #21-13, approving the 2014 Tax Budget; second by Erwin. All yea. Motion carried.

Committee Reports/Legislation from Village Officials

Public Works – No legislation to present.

Police Committee – Councilman Zorn advised the next meeting was scheduled for August 1, 2013.

Parks Committee – Erwin reported a family movie was planned on July 27, 2013 at 8:30pm with free popcorn and lemonade.

Administrator Smith provided a report to Council; he also thanked those who worked on the Tax Budget. Smith advised he along with Neal, Zorn and the VFW were working on the Veterans Memorial, forming a committee and setting goals. He discussed the Todd's Fork Trail Project which is to intersect the Little Miami Bike Trail at the Depot area on Main Street and extend to Wilmington and Washington Court House, advising Chief Kilburn and he attended the meetings. Smith reported the Historical Society was growing. The Mayor asked Smith how many members the Historical Society had now. Smith advised Maureen Ford, board member, was vital in getting memberships and they were working to get the web site up and running. He reported the Historical Society was trying to get a local match to acquire a significant property and museum space. He advised Neal also brought items for the museum which now has many historical artifacts; which includes an original copy of a letter written on the battlefield by a soldier to his wife in Morrow during the Civil War. Research is being done with regard to the preservation of the items. Rod Smith stated he wants students involved in local history. He stated the Historical Society would like to lease a bay in the garage from Morrow and drywall it. Mayor Erwin commented on the progress and complimented Smith and the board for their work. Smith applauded the volunteers.

The Administrator discussed July 27th and August 3rd events scheduled. He stated the Parks and Recreation Board was making preparations for the *Movie in the Park* in July and advised thousands of communities were holding the NFL Punt, Pass and Kick Competition. He discussed the national competition during half time and advised NFL provides the materials.

Smith reported the Storm Warning Siren was repaired and fully operational; the batteries were also destroyed and had to be replaced. He advised service delivery in Mayor's Court was being increased with the use of a collection agency. He advised there would be a fee paid directly by the defendants. He also reported the Welch Road bid opening resulted in bids higher than the engineer's estimate and effort was being made to scale the project back. Smith stated the Highlawn Avenue, 2012 CDBG project, bid opening would be held on July 16, 2013 at 9:30am.

Smith announced special dates, upcoming birthdays for Mayor's Court Prosecutor Amy Tranter, Councilwoman Neal, Police Sergeant Landrum and Police Chief Kilburn.

Fiscal Officer Koehler submitted two Schuerer Relief applications for review and disposition by Council. Thompson questioned income on the Schuerer Trust Fund application. Discussion followed.

Motion by T. Erwin to approve the Schuerer Trust Fund applications. Five yea and one nay by Thompson. Motion carried.

Ordinances/Resolutions

Koehler discussed Resolutions requested for Landrum’s insurance (10%) and \$17,000 versus \$17, 893.98 from CVT, moving \$8,000 to Water. The Mayor commented on the requested adjustments. Solicitor Kaspar provided the reading for the pending Resolution.

Motion by Councilwoman Neal to suspend the rules and waive three readings of Resolution #22-13; second by Erwin. All yea. Motion by Neal to adopt Resolution #22-13, approving adjustments in appropriations as requested; second by Erwin. All yea. Motion carried.

Approval of Disbursements

Koehler referenced revenue statistics provided and distributed disbursements.

Motion by McKeehan to pay the bills; second by Neal. All yea.

Public Forum

No Comments

The Administrator requested Council enter into Executive Session to discuss pending litigation.

Motion by Erwin at 7:26pm to enter into Executive Session to discuss pending litigation; second by Zorn. All yea. Motion by Erwin to return to Regular Session; second by Zorn. All yea.

Adjournment

Motion by Zorn to adjourn; second by Erwin. All yea.

Kathie Koehler, Fiscal Officer

Mike Erwin, Mayor