

Call to Order

The Special Session of Council was called to order by Vice Mayor Judy Neal. The meeting was opened with the Pledge of Allegiance.

The purpose of the meeting was stated.

Purpose – Public Hearing of Proposed Tax Budget and Adoption

Roll Call

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

York Bryant – P

Judy Neal – P

Terry Erwin– P

John Poe – P

Rebecca Isaacs-Niemesh – P

William Thompson– P

Councilman Thompson commented on the proposed legislation and stated he disagreed with the emergency status and language in Section 2, regarding preservation of public peace, health, safety, welfare...of the Village. Discussion followed.

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, 2015. Wagner provided a printed narrative on the Tax Budget for 2015. He stated it was the first step for next year's budget. He discussed 1) Formula and 2) Estimated Resources. Wagner reported laws have changed and Receipts could be changed. Wagner advised if Tax Budget was not passed, there is a chance the Village could forfeit its local budget. He provided a glimpse of this year's Tax Budget.

The Financial Advisor stated he could do a good job with Receipts, but not as well with any forecasts. Wagner advised he did not work with the Expenditures. He stated he was unaware of Water Plant Project plans and did not have information on recent legal property decision as an example. He referred to page two of the synopsis. He read paragraph 2 on page 2. He provided historical information and estimates. The Local government funding cuts were discussed, future possibilities and concerns. He advised income tax represented 47% of the General Fund receipts and clarified receipts versus liabilities and the impact. The Water Fund was discussed and the many increments. He stated larger appropriations are needed for things that may happen. The funds may not all be spent; some are one-time expenses. He advised he used averages over the last five years.

Wagner stated housing starts are down. He acknowledged the local school district was back on track. He discussed the State reductions to local governments. With regard to real estate taxes, he added in an appeal of Ohio's Tax Valuation Rules, Duke Energy wants Ohio to charge the way North Carolina does which would impact Morrow significantly if it comes to pass. He stated the State cut money to local governments, but receipts for Morrow were good due to the formula used. Wagner referred to a billing error for Garbage, about \$20,000 over a 3 to 4 year period in which the schools contacted Rumpke directly and didn't advise Morrow. Four parties must be notified, County, Rumpke, Morrow and the School District he advised.

The Financial Advisor discussed the history of Mayor's Courts. He noted several cases, the use of cameras, etc. He advised the State would prefer Municipal Courts. He expressed his concern regarding the number of approvals without hearings. Wagner referred to the Enquirer's article on the Village. He stated if the state changes the rules, the courts will be a key area.

Wagner directed the group's attention to a chart provided on page 4 showing Receipts and Estimated Receipts for 2011 through 2015. He advised Receipts have remained flat and Expenditures have grown. He stated he used 2% for employee wage increases as an estimate only and discussed the health care insurance and assumptions, 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.] He mentioned the Street Fair spending and the General Fund and any new garbage rates.

Under General Government, Wagner advised one third of Mayor's Court receipts are for a Clerk of Courts and for Building and Grounds; \$5,000 was for the Comprehensive Plan. The audit will expend \$8,000 out of the General and Water Fund in 2014, Wagner advised. Debt payment is made out of the General Fund except Water. He advised the Fiscal Officer is not responsible for making certain decisions and policies; the Fiscal Officer makes changes to the Budget many times. He stated money in the line item is gone after the change; it causes confusion and more money is expended. He stated it is the department head's responsibility. Thompson commented, stating when changes are made in the Budget that have impact, the question is asked in the meeting of the Fiscal Officer *do we have the money*. Fiscal Officer Koehler responded there is money. She stated she did not want to be short; we have a carryover that may be reduced from year to year. She discussed the Receipts of the Village. Wagner stated Mayor's Court brings money in; but when things come up such as legal issues/suits, priorities change. He stated there are emergencies. Koehler mentioned the Jail Service. Wagner stated when the State tightens money, the County passes more costs down to the Village.

Wagner combined several areas of the budget. He referred to page 7 of the Tax Budget narrative and reviewed General Government pay and benefits. The Fiscal Officer stated Street Fund overspent for 10 to 12 years; income from State Highway Improvement Fund, 7½ % Excise Tax. Permissive Tax had a little boost yearly from County Permissive Fund for project and noted there wasn't much in the fund balance. The Fiscal Advisor discussed a donation to Parks and Recreation in 2014 and expressed concern as to where the money was applied. He asked where expenses were charged; only \$145 was shown. Discussion followed. Councilman Erwin stated there was never a fund designated. Koehler asked if Parks Fund should be eliminated. Wagner advised if the Street Fair continues the fund should stay. Discussion followed.

The Fiscal Officer discussed the Woodlands set aside, originally used as seed money; Wagner stated little is coming in now. Koehler referenced Welch Road Fund and stated it was gone. She stated Shawn Campbell mentioned \$123, 000 was pending against it. Wagner discussed a match which was how the funds were to be used. New Indigent Fund receipt was discussed. Wagner stated the fund was not yet set up. And, explained an answer had not been given after three separate attempts with no reply. Neal asked who the contact person was. Discussion followed.

The Fiscal Officer stated water rates were raised four years ago. Councilwoman Isaacs-Niemesh advised it was longer than four years. Wagner stated things are planned for the Water and the Water Improvement Fund won't be enough; debt will probably be established. Costs may need to be structured so that money goes into two funds, Improvement and Operating. He stated Welch Road was not mentioned until late in the year.

Wagner discussed overtime. Koehler advised it increased this year under Police and Water. Councilman Poe asked why it was up in 2014. Koehler responded crime and work being done. Wagner stated the EPA wanted someone to sign off; Water Fund pays for several employees. He added it was not necessarily good that you have surpluses in this fund. The Village collected \$54,000 over expenses. Poe stated water lines were replaced on Welch Road. Wagner stated \$54,000 was the previous surplus, no Capital

improvement. He stated Water rates will probably be adjusted and financing needed for thirty-five years.

With regard to Poor Relief, the Financial Advisor stated interest rates were 5% a few years ago from local banks. Koehler advised money was taken out for hotel fees. Wagner stated fund balances are coming down and he cautioned Council to watch the budget, discuss it and ask questions of the Fiscal Officer; make sure revenue is matching up with estimates. Wagner discussed trends and asked for questions.

Neal asked if we incur a \$2 Million debt, how much our rates will need to be raised. Wagner advised Shawn Campbell was looking at a State agency. Discussion followed. Erwin and Isaacs-Niemesh commented about sharp increases. Poe stated as a taxpayer, it is tough to do business with those types of costs; an interest free loan would be the answer. Wagner added there would be \$70,000 in interest only per year. Poe stated some water lines are being replaced; he feels Village can find some sources. Discussion followed. Bryant stated a meeting at the school would be needed for a \$15 increase. Erwin stated Campbell gave us a worst case scenario. Wagner commented on tap-in funds and advised there is no component for debt structure at present.

Motion by Poe to adopt Resolution #10-14, approving the 2015 Tax Budget; second by Isaacs-Niemesh. All yea. Motion carried.

Adjournment

Motion by Isaacs-Niemesh to adjourn; second by Bryant. All yea.

Kathie Koehler, Fiscal Officer

Mike Erwin, Mayor