

Oakwood, Ohio
December 1, 2015

The Oakwood Citizen Budget Review Committee (BRC) met at 5:30 p.m. on Tuesday, December 1, 2015. The meeting took place in the city council chambers, 30 Park Avenue. The following people attended:

Budget Review Committee

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|----------------|---------------|
| Kyle Maschino | Fred Dudding |
| Doug Kinsey | John Gray |
| Don Groff | James Broz |
| Bill Frapwell | Beth Ritzert |
| Dave Dickerson | Ella Himes |
| Howard Boose | Skip Ordeman |
| Leigh Turben | Ellen Fodge |
| William Meyer | Michael Hayes |
| Phil Chick | Steve Brooks |

Oakwood City Council

Mayor William Duncan
Vice Mayor Steve Byington
Councilmember Rob Stephens
Councilmember Anne Hilton

City Staff

City Manager Norbert Klopsch
Assistant City Manager Jay Weiskircher
Leisure Services Director Carol Collins
Public Safety Director Alex Bebris
Finance Director Cindy Stafford

Mayor Bill Duncan opened the meeting with a welcome and self-introductions. He then asked the BRC members to review the minutes of the October 13, 2015 meeting. There being no suggested edits, Mayor Duncan asked for a motion to approve the minutes as written. Motion by Howard Boose; second by Dave Dickerson. Upon a viva voce vote, motion passed and the minutes were approved. Mayor Duncan then asked Mr. Klopsch to provide a briefing on the proposed 2016 Budget.

Mr. Klopsch began his comments reviewing 2015 highlights.

- The following businesses opened in Oakwood:
 - The Flower Shoppe
 - Louise Christine Bridal Boutique
 - Bull Family Diabetes Center
 - Duvall and Associates
 - Lula Bell Art and Designs

- The following major projects were completed this year:
 - Business District Tree Replacement
 - Business District Wintertime Lights
 - Asphalt and Concrete Roadway Improvement Projects
 - Sidewalk, Curb and Driveway Apron Repairs
 - Public Service Radio System Upgrade
 - Water Meter Transmitter Replacement, Phase 1 of 2

- The following vehicles were purchases this year:
 - Two Police Cars
 - Two Refuse Scooters

- The following new employees joined city staff this year:
 - Leisure Services: Thomas Hayes
 - Administration: Ethan Kroger
 - Public Works: Tom Long; Dave Shuey; Nick Milburn; Barry Marvin; Steve Stickle; Derek Shell
 - Public Safety: Cameron McElroy; Bryan Shaw; Jeffrey Payne; Jeffrey Watkins; Also, PSO Kevin Pruszynski is being promoted to Lieutenant
 - Court: Amanda Zennie

Mr. Klopsch noted that 11 city employees are currently eligible to retire and six more will be eligible over next two years.

Mr. Klopsch then presented four slides comparing 2015 budgeted revenues and expenses with 2015 estimated actuals. This included the following:

- Non-Enterprise operations will end with revenues at approximately \$500,000 greater than expenses. The original budget called for about \$650,000 of expenses over revenue, to be covered by fund balances. The primary reasons for this much better financial situation are as follows:
 - Income tax revenues are significantly higher than budgeted.
 - 2015 health insurance costs were much less than budgeted.
 - The public works director/city engineer position was not filled.
- Water operations were projected to see nearly \$300,000 in deficit spending, but will end at approximately \$170,000 in deficit.
- Sewer operations were projected to see about \$70,000 in deficit spending, but actuals are projected at about \$30,000 deficit.
- Stormwater operations were projected to break even, but will end the year at nearly \$40,000 more revenue than expense.

Mr. Klopsch then presented details about the 2016 Budget. This included discussion on the following items:

- No tax increases in 2016
- Only fee increase is in Refuse. This is a \$2 increase, from \$25 per month to \$27 beginning January 2016. Roughly 20-25% of the refuse fee pays for yard debris disposal.
- Last tax and fee increases:
 - Income Taxes: 1984
 - Property Taxes: 2013
 - Water Rates: 1994
 - Sewer Rates: 2009
 - Stormwater Rates: 2013
 - Refuse Rates: 2013

- No cuts in services
- 2016 Non-Enterprise budget is \$70,000 less than 2015 budget
- Non-Enterprise spending decreased over 6 years from 2009 to 2014
- 2015 expenses are projected at \$890,000 above 2014, \$490,000 above 2013 and about the same as 2012, but still less than 2008 through 2011
- Beginning 2016 with estimated \$7.8 million in the eight primary operating funds
- 2016 budgeted Non-Enterprise expenses are \$226,000 above revenues
- Response to Estate Tax repeal and other State cuts:
 - Cut spending for 6 consecutive years
 - Cut fulltime workforce... 95 to 82
 - Two years of pay freeze
 - Established stormwater utility
 - Refuse services 100% fee based
 - Approved 3.75 mill Property Tax issue
 - Still need to address the income tax issue
- 2016 Net Income Tax receipts budgeted at \$6.7M
- House Bill 5 will result in a projected \$250,000 annual loss... beginning in 2017
- About 50% of municipal taxes paid by Oakwood residents go to other communities
- City of Oakwood receives about 9% of property taxes
- Sugar Camp and Pointe Oakwood developments continue to evolve and generate new revenue
- \$1,400,000 in 2016 Capital Expenses
- Water Utility:
 - Full compliance with Ohio EPA requirements
 - Oakwood water rates are 3rd lowest of 66 jurisdictions
 - 2016 expenses are budgeted at \$400,000 more than revenues
 - \$200,000 in 2016 capital expenses
 - Will need to consider a water rate increase in 2017
- Sewer Utility:
 - Oakwood sewer rates are 33rd lowest of 63 jurisdictions
 - 2016 expenses are budgeted at \$30,000 more than revenues
 - \$100,000 in 2016 capital expenses
- Stormwater Utility:
 - Expenses and revenues are nearly equal
 - Fourth year of operating utility
 - \$6 per month rate continuing
 - No 2016 capital expenses

The 2016 budget includes the following Major Capital Expenses:

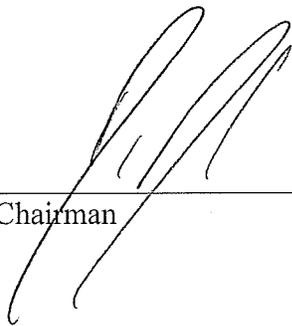
- Public Safety SCBA Replacement – \$120,000
- Public Safety Dispatch 911 Controller – \$40,000
- Primary City Computer Server – \$30,000
- Refuse Front-end Loader – \$90,000
- Refuse Foreman Truck – \$32,000
- OCC Roof and Gutter Replacement – \$40,000
- Asphalt Roadway Resurfacing – \$450,000
- Concrete Street Repair – \$160,000
- City Manager Vehicle – \$35,000
- Smith Gardens Fence & Driveway Repairs – \$41,000
- Sidewalk, Curb & Apron Repairs – \$120,000
- Water Meter System – \$52,500 Water; \$52,500 Sewer
- Water Utility Maintenance Truck – \$150,000
- Sanitary Sewer Repairs – \$40,000

Financial summaries for the 2016 Budget include the following:

- Non-Enterprise Funds: Proposed appropriations are budgeted to exceed estimated revenues by \$226,000. Given the somewhat conservative budgeting, Mr. Klopsch suggested the city will likely not need to use any cash reserves for non-enterprise operations in 2016.
- Water Utility: Budgeted spending will exceed estimated revenue by about \$400,000. The city has not raised water rates since 1994 so has been relying on cash reserves to balance the annual budget. A discussion should take place next year regarding possible 2017 water rate adjustments.
- Sanitary Sewer Utility: Expenses are budgeted at about \$30,000 more than revenue. There are sufficient cash reserves to address this minor shortfall, if it materializes.
- Stormwater Utility: Revenues are budgeted to exceed expenses by about 10,000.

Following Mr. Klopsch's briefing, BRC Chair Dave Dickerson asked for a motion to recommend approval of the 2016 Budget. Motion by Phil Chick; second by Howard Boose. Upon a viva voce vote, motion passed unanimously.

At approximately 6:40 p.m., Mayor Duncan closed the Budget Review Committee meeting and thanked all participants for their service to the community.



Chairman