

Oakwood, Ohio  
October 13, 2015

The Oakwood Citizen Budget Review Committee (BRC) met at 5:30 p.m. on Tuesday, October 13, 2015. The meeting took place in the city council chambers, 30 Park Avenue. The following people attended:

Budget Review Committee

Skip Ordeman	William Meyer
Charlie Campbell	Leigh Turben
James Broz	Howard Boose
John Gray	Bill Frapwell
Beth Ritzert	John Jervis
Ella Himes	Susie Elliott
Steve Brooks	Michael Hayes
Fred Dudding	

Oakwood City Council

Mayor William Duncan  
Vice Mayor Steve Byington  
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 June 2, 2015 and September 15, 2015 meetings. There being no suggested edits, Mayor Duncan asked for a motion to approve the minutes as written. Motion by Howard Boose; second by Charlie Campbell. 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 by highlighting that the city budget deficit is much improved over several years ago. The current deficit is only several hundred thousand dollars, versus \$2.5 to \$3 million a few years ago.

The large deficit was created when the Ohio Legislature eliminated the estate tax. The diminished deficit is primarily a result of the following:

- Cost cutting; reduction in staff; pay freezes.
- 3.75 mill property tax approved in 2013.
- Refuse operations becoming totally fee supported.
- Stormwater mitigation operations becoming fee supported.

Mr. Klopsch reported on the sale of old Oakwood street signs. Last Saturday, an astonishing 617 signs were sold during the three hour event. The remaining signs are now being sold at the city building. In the end, the city expects to collect around \$10,000 from signs sales. This will cover a full third of the total cost of the three year project of replacing all city street signs. The sign replacement project was required in response to new federal standards regarding sign letter size and reflectivity.

Mr. Klopsch commented on the passing of longtime Oakwood resident Richard T. Good. Dick was the co-chair of Oakwood's 2008 centennial celebration and the project manager (Editor-in-Chief) on the project involving creation of the centennial book entitled *OAKWOOD – From Acorn to Oak Tree: A Centennial Celebration 2008*.

Mr. Klopsch provided a PowerPoint presentation on the 2016 Budget. It addressed the following items:

- 2016 BUDGET OVERVIEW

- General City Services (Non-Enterprise Funds) Revenues

- 2015 year-end income tax revenues are projected to be \$6.9 million. This is \$500,000 more than 2014 and \$400,000 more than 2015 Budget. This is significant, but not unexpected. Between 2011 and 2014, income tax receipts reflected almost no growth. 2016 budgeted income tax receipts are \$6.9 million. Property tax revenues for 2016 are estimated at approximately the same level as 2015. The distribution of real estate taxes shows that about 68% are remitted to Oakwood City Schools, 21% to County agencies, 9% to the City and 2% to Wright Library.
    - 2016 revenues are budgeted to be approximately \$250,000 more than 2015. 2016 budgeted expenses are estimated to be about \$75,000 below 2015 Budget. The budgeted deficit for 2016 is about \$330,000. 2016 Budget figures for all Non-Enterprise Funds are very close to 2015 Budget, and in several cases below 2015. Based on preliminary 2015 year-end estimates, the Non-Enterprise Funds will begin 2015 with 7-8 months reserve.
    - The 2016 proposed Budget includes the following major capital expenses:
      - Computer Equipment: \$50,000
      - Dispatch 911 Controller: \$40,000
      - SCBA Equipment Replacement: \$120,000
      - Soft Body Armor Replacement: \$20,000
      - Salt Spreader: \$25,000
      - Riding Mower: 15,000
      - OCC Roof and Gutter Replacement: \$40,000
      - City Manager Vehicle: \$35,000
      - Foreman Truck: \$32,000
      - Dump Truck: \$95,000
      - Asphalt Pavement Repair: \$450,000
      - Concrete Street Repair: \$160,000
      - Smith Gardens Driveway and Fence Replacement: \$41,000
      - Sidewalk, Curb and Driveway Apron Repairs: \$120,000

- Refuse Operations: 2016 refuse revenues and expenses are budgeted at very close to 2015. The 2016 Budget does not include any capital expenses. The proposed 2016 Budget does not currently include any additional revenue from fee increases. Mr. Klopsch suggested that consideration be given to raising the \$25 fee per month refuse fee by \$1 or \$2. A \$1 per month increase would net about \$45,000 additional annual revenue and a \$2 annual increase about \$90,000. The \$25 fee has been in place for three years. While the current draft budget does not include any capital items, there are several large capital purchases that will be necessary over the next few years. These include two refuse packers at approximately \$200,000 each and three dump trucks at approximately \$115,000 each.

Mr. Klopsch noted that the city currently pays \$8 per ton to dispose of the commingled recyclables, but that price will increase to \$15 per ton effective November 1. Even with the price increase, it is still less expensive to deliver the recyclables to Rumpke rather than including them in the landfill waste stream. Based on 2014 quantities, the \$15 fee would equate to \$10,000 annually to dispose of the recyclables at Rumpke versus \$26,000 at the landfill.

- Water Utility: Proposed 2016 revenues are slightly under 2015 and expenditures slightly over 2015. The water utility deficit spending as currently budgeted is about \$400,000, about \$100,000 more than 2015. This is a result of higher capital spending. The 2015 Budget includes the following two capital items:
  - Utility Maintenance Truck: \$150,000
  - Water Meter Transmitters: \$52,500

The 2016 beginning year balance is expected to remain slightly over \$1 million so there is no proposed 2016 water rate increase. Oakwood water rates have not increased since 1994.

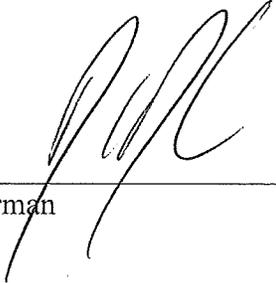
- Sanitary Sewer Utility: 2016 budgeted revenues and expenditures are nearly identical to 2015. The budget deficit is about \$50,000. The 2016 Budget includes the following capital items:
  - Water Meter Transmitters: \$52,500
  - Sanitary Sewer Repairs: \$40,000

Mr. Klopsch noted that in 2016, the final annual payment will be made against the 1997 Hatcher's Plat Sanitary Sewer Project. A 20-year, zero-interest loan for that project was obtained through the Ohio Public Works Commission. The annual payment has been approximately \$26,000.

The 2016 beginning year Sewer Fund balance is expected to be around \$900,000, so no 2016 sewer rate increase is proposed. The last sewer rate increase was imposed in 2009.

- Stormwater Utility: 2016 budgeted revenues and expenditures are nearly identical to 2015. There are no capital items proposed for the 2016 Budget. The Stormwater Fund is expected to begin 2016 with approximately \$100,000 in reserves. However, in 2017 or 2018 the city will likely need to purchase a new street sweeper at approximately \$125,000. Mr. Klopsch suggested that consideration be given to raising the \$6 per month stormwater fee by \$1 or \$2. A \$1 increase would yield about \$46,000 annually and \$2 about \$92,000. The current \$6 rate has been in place for three years.
- 2.72 MILL TAX ISSUE EXPIRING 12/31/16: The 2.72 mill tax issue originally approved in 1992 expires at the end of 2016. City Council will need to decide next year whether to renew or replace the issue. A renewal would continue generating the same approximately \$460,000 annually (\$48 per \$100,000 home value). A replacement at 2.72 would generate approximately \$800,000 and would cost \$95 per \$100,000 home value.

At approximately 6:50 p.m., Mayor Duncan closed the Budget Review Committee meeting and thanked all participants for attending.

  
Chairman