

Oakwood, Ohio
October 16, 2018

The Oakwood Citizen Budget Review Committee (BRC) met at 5:30 p.m. on Tuesday, October 16, 2018. The meeting took place in the city council chambers, 30 Park Avenue.

The following people attended:

Budget Review Committee

Howard Boose	Michael Hayes
Steve Brooks	Ella Himes
James Broz	Brian Huelsman
Charlie Campbell	John Jervis
Dave Dickerson	Pete Luther
Susie Elliott	William Meyer
Nick Endsley	Skip Ordeman
Ellen Fodge	Bill Rieger
Bill Frapwell	Mark Risley
John Gray	Sarah Waechter

Oakwood City Council

Mayor Bill Duncan
Councilmember Rob Stephens
Councilmember Anne Hilton

City Staff

City Manager Norbert Klopsch
Leisure Services Director Carol Collins
Finance Director Cindy Stafford
Personnel and Properties Director Jennifer Wilder

Mayor Duncan opened the meeting with a welcome and self-introductions. He then asked for a motion to approve the minutes of the September 11, 2018 meeting. Motion to approve by John Gray; second by Howard Boose. Upon viva voce vote, motion passed and the minutes were approved. Mayor Duncan then asked Mr. Klopsch to deliver the meeting presentation.

Mr. Klopsch began by addressing the following:

- **Balanced Budget.** This is the first year since elimination of the Ohio Estate Tax that Oakwood is proposing a balanced budget for General City Services. This is possible as a result of cost cuts, fee increases, the 3.75 mill property tax approved by Oakwood voters in May 2013, and the 90% income tax credit factor approved by City Council in January 2018.
- **Mark Kingseed.** Former Centerville Mayor Mark Kingseed recently passed away. He was in his early 60s and fought cancer for many years. Mark served on Centerville City Council for 25 years, and for 10 years was the mayor.
- **Oakwood Rotary Club Awards.** The Oakwood Rotary Club will present the 2018 Civic Leadership Award to Bill Frapwell, vice chair of the BRC, and the 2018 Community Service Award to Refuse Foreman Kenneth Perkins.

Mr. Klopsch delivered the following presentation:

- **STREET SWEEPER:** The Public Works Department mechanics recently completed a project to rebuild the 2002 street sweeper at a cost of only about \$15,000. The 2018 budget included \$250,000 for a new sweeper. This expense can now be deferred for several years, perhaps five or more.

- INCOME TAXES AND PROPERTY TAXES: The Municipal Income Tax typically grows each year, helping to offset annual cost increases. The 90% credit factor approved by City Council this past January is expected to raise about \$600,000 in new revenue, revenue that replaces money lost over the years as neighboring jurisdictions raised their tax rates. The city is budgeting 2019 gross income tax receipts at 7.85 million.

The city of Oakwood has two voted property tax issues. Of the total property tax bill that Oakwood residents pay, only about 8.5% is received by the city to pay for city services.

The 2018 Residential Real Estate Tax breakdown consists of 68.5% to Oakwood Schools; 1.8% to Montgomery County; 0.3% to Developmental Disabilities; 1.7% to Five River MetroParks; 13.8% to Human Services; 4.0% to Sinclair; 8.5% to the city of Oakwood; and, 1.4% to Wright Library.

The 3.75 mill property tax renewal issue will be on the November 6 ballot. This 3.75 mill tax was first approved in May 2013 and began generating revenue in 2014. The current effective millage rate of this tax levy is 3.32. The levy raises about \$1,060,000 annually and pays for Oakwood public services including items such as police, fire & EMS, street maintenance and public parks. It costs about \$203 per year for each \$200,000 in residential property valuation.

The timeline on action to seek this levy renewal is as follows:

- Jun 4: Resolution of necessity/auditor certification... done
- Jul 16: Resolution placing issue on ballot... done
- Jul 17: Press Release explaining tax renewal... done
- Aug 7: Resolution submitted to Board of Elections... done
- Oct/Nov: Oakwood Scene newsletter article... done
- Oct 10: Letter to citizens from BRC... done
- Oct 17: Register article from City Council... pending
- Oct 29: Postcard reminders sent to voters... pending

Mr. Klopsch suggested that there is already widespread interest in the upcoming November 6 election and that perhaps the “reminder to vote” postcard is unnecessary. After some discussion, the general consensus was to drop the postcard, and use e-mail and Facebook to deliver the reminder.

- 2019 CAPITAL PROJECTS/EXPENSES: Below is a comparison of 2018 and 2019 capital expenses:

	<u>2018 Budget</u>	<u>2019 Proposed</u>
General City Services:	\$1,798,000	\$1,196,100
Refuse Operations:	\$0	\$220,000
Water Utility:	\$50,000	\$290,000
Sanitary Sewer Utility:	\$50,000	\$50,000
Stormwater Utility:	\$250,000	\$0

- 2019 LINE ITEM BUDGET: Mr. Klopsch reviewed details of the line item budgets for General City Services, Refuse Operations, Water Utility, Sanitary Sewer Utility and Stormwater Utility. The 2019 budget includes money to fill the department head position of Director of Engineering and Public Works, a position that has been vacant since September 2014. Mr. Klopsch has covered this position from his City Manager office.

For General City Services, the 2019 beginning balance is estimated to be \$9,550,122 for General Operations. The 2019 budget includes \$1,196,100 for capital expenses. The 2019 budgeted revenue is \$13,009,892 versus \$12,357,823 in 2018. The 2019 budgeted expenditures for General City Services are \$12,966,921, compared to \$12,917,015 in 2018.

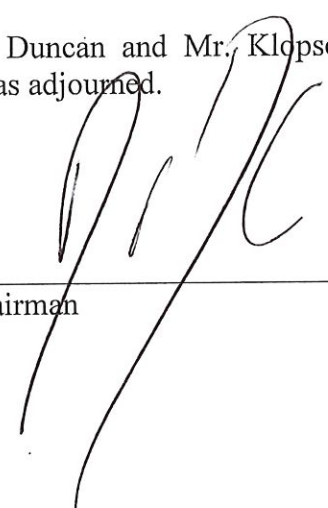
For Refuse Operations, the 2019 beginning balance is estimated to be \$536,467. Refuse rates were last raised in January 2016 when they were increased from \$25 to \$27 per month. Mr. Klopsch recommended that refuse rates be increased to \$30 per month, effective January 1, 2019. The cost of comparable refuse services in Kettering is about \$31 per month. The \$3 per month increase will raise about \$135,000 in new revenue and is needed to address capital equipment expenses. There is \$220,000 in the proposed 2019 budget for capital expenses. Not including the additional \$135,000, the 2019 revenues are budgeted at \$1,242,100, and the 2018 budgeted revenue was \$1,229,600. The 2019 budgeted expenses are \$1,532,666, and the 2018 budgeted expenditures were \$1,271,651.

For the Water Utility, the 2019 beginning balance is estimated to be \$1,160,305. There is \$290,000 included for capital expenses in 2019. Water rates were last increased in January 2017 and Oakwood currently has the 7th lowest water rates of 66 Miami Valley jurisdictions. The 2019 budgeted revenue for the Water Utility is \$1,172,800, while the 2018 budgeted revenue was \$1,246,500. The 2019 budgeted expenditures are \$1,409,302, while the 2018 budgeted expenditures were \$1,090,386.

For the Sanitary Sewer Utility, the 2019 beginning balance is estimated to be \$1,061,379. The 2019 budget includes \$50,000 for capital expenses. Sewer rates were last raised in January 2018. Oakwood currently has the 47th lowest sewer rates of 63 Miami Valley jurisdictions. The 2019 budgeted revenue for the Sanitary Sewer Utility is \$1,798,900, while the 2018 budgeted revenue was \$1,692,200. The 2019 budgeted expenditures are \$1,588,850, while the 2018 budgeted expenditures were \$1,580,987.

For the Stormwater Utility, the 2019 beginning balance is estimated to be \$274,732. The 2019 budget includes no money for capital expenditures. The monthly residential fee of \$7 per property was last increased in January 2017 and there is no fee increase proposed in 2019. The 2019 budgeted revenue for the Stormwater Utility is \$328,900, while the 2018 budgeted revenue was \$327,100. The 2019 budgeted expenditures are \$362,641, while 2018 budgeted expenditures were \$543,596. The much higher 2018 amount is attributed to a \$250,000 capital expense to purchase a replacement street sweeper, a purchase that was not made.

There being no other business, at 6:40 p.m. Mayor Duncan and Mr. Klopsch thanked the committee members for their service and the meeting was adjourned.



Chairman