OPERATING BUDGET WORKSHOP

TIPP CITY, MIAMI COUNTY, OHIO **NOVEMBER 26, 2007**

Workshop

The Operating Budget Workshop began at 3:35 p.m. in the Council Chamber. Councilmembers in attendance included: President Bill Beagle, Vickie K. Blakey, Tim Evans, Pat Hale, and Mayor George Lovett.

Others in attendance were: City Manager David Collinsworth, Assistant City Manager Bradley C. Vath, and Finance Director Richard Drennen, City Council Member Elect John Kessler, City Council Member Elect Dee Gillis, and *Dayton Daily News* reporter Nancy Bowman.

Attending parts of the meeting were: Assistant Director of Utilities Christy Butera, Police Chief Tom Davidson, EMS Chief Mark Senseman, Fire Chief Steve Kessler, and City Engineer/Service Director Scott P. Vagedes.

Discussion

Each department used the attached PowerPoint presentation to outline the proposed revenue projections and recommended expenditures and projects for the 2008 Operating Budget.

Mr. Collinsworth reviewed the financial status of the City at year end 2007 highlighting the General Fund and other major operating funds of the City. He noted that the City's ability to fund essential services and basic infrastructure improvements were still being hindered by the economic recession that began in September of 2001.

Flattened revenues, the cost of providing services, and investing in infrastructure have risen at a pace exceeding normal inflationary trends. Despite a modest 2008 budget, staff projected a small gap between budgeted revenues and expenses in the General Fund.

In 2008, the Ohio Public Employee Retirement System (OPERS) rate will increase from 13.85% to 14%. OPERS is also requiring a change in the remittance of employee pension payments from quarterly to monthly, which will require 14 payments next year.

A part-time Storeroom Clerk/Office Assistant was requested by the Electric Department. This 30-hour a week position will require an annual personnel cost of $18,205 in 2008. No additional staffing was proposed.

Capital Improvement Projects were scaled back in the five-year plan while the list of unfunded projects continued to grow underscoring the need for an increase in the City's income tax rate from 1.25% to 1.50%.

Mr. Evans pointed out the significance of the 0.25% income tax increase and Council's responsibility to inform the voters. Without the income tax increase Council could be faced with cutting more capital improvement projects and/or the possibility of reducing staff. Mr. Evans stated that the City's staff was already lean and cutting personnel would

directly affect services provided to the community. Mayor Lovett agreed referencing the need to maintain the city's infrastructure. Mr. Collinsworth suggested Council proceed conservatively in the first quarter of 2008, deferring some General Fund capital expenditures to mid-year if necessary.

Mr. Collinsworth reported that the Operating Budget ordinance would be presented to Council at the December 3rd meeting and the second reading would occur on December 17th.

Adjournment

Council Members thanked staff for preparing the operating budget. The meeting ended at 8:35 p.m.

William D. Beagle, President of Council

Attest: _____
Misty Cheshire, Clerk of Council