

Village of Waterville
Minutes of Joint Village Council-Finance Committee Meeting of:
January 25, 2010

The special joint meeting of the Waterville Council and Finance Committee was called to order by Mayor Derek Merrin at 6:10 p.m. in the Council Chambers of the Waterville Municipal Building.

The Pledge of Allegiance was recited.

Present at roll call were Mr. Gouttiere, Mr. Guzman, Mr. Metzger, Mayor Merrin, Mr. Valtin, Mr. Marty and Mrs. Cherry.

Finance Committee members present: Mr. Titus, Mr. Seiwert, Mr. Schult, Treasurer, Mr. Bagdonas, Administrator, Mr. Knepper, Director of Finance and Administration and Mrs. Valentine, Tax Commissioner.

Also present were Phil Dombey, Law Director; Shellie McCann, Recording Secretary

Village Staff present:

Ken Blair – Public Works Director

Bob Selders – Waterville Chief of Police

Jerry Hannewald- Zoning Inspector

Citizens present:

Janet Romaker- The Toledo Blade

Mr. Merrin thanked all the Finance Committee members for their attendance.

Mr. Bagdonas stated that he would briefly go over the FY 2010 appropriations notes included in the packet. He stated that in 2009 our income tax revenue was 2.1% less than in 2008. For 2010 we are looking at an 82/18% income tax split verse a 75/25% split. Our Revenue from state and local government is projected to decrease 10% in 2010 from 2009 receipts. The finance committee has recommended that we do not do an advance in for 2010 however we still need to pay back in 2010 the advance in from 2009. They also recommended a monthly refuse fee of \$4.00. For 2010 the employees will not receive a base or merit raise, the 2.25% employer match for the 457 plans will be eliminated in April 2010. There is also a reduction in the longevity formula for the employees. There is a 16% increase budgeted for insurance premiums in which the employees pay 10% of the premium cost, however we are looking at achieving a \$22,000 reduction in Village expenditures in the Health Insurance areas. The method to achieve this will be determined after the meeting with our Insurance committee, there are a verity of ways to achieve this. The appropriations also reflect a 5% cut in Village subsidy for the YMCA Summer Recreation program, the Fishing Derby, Waterville Historical Society and the Roche de Boeuf Festival. The appropriations also show that we eliminated funding for the Village Holiday Party, free coffee for employees and committees members, Easter Egg Hunt, Fourth of July Fireworks and Music in the Park. We have included allocation of 100% of the franchise fees to be put into the General fund verse the Parks and Green Space fund. Future consideration is assessing for streetlights and street tree maintenance. Also in

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consideration is reducing the amount of vacation leave employees may elect to receive pay of in lieu of time off.

Mr. Titus stated he is concern with how are we going to deliver the same services to the public that they are use to? We need to replace the revenue we have lost.

Mr. Merrin stated before we allow council members to ask question I would like to ask each finance committee member if there is anything they would like to say or comment about.

Mr. Seiwert stated if you look at some of the revenue lines that have dropped considerably and the advance in that is not coming in 2010 you will see that the expenses really is not the problem, it's the revenue that is the problem.

Mr. Schult stated he echoes what Mr. Seiwert says our revenue is going down and we are already borrowing by changing the allocations of the income tax.

Mr. Merrin opened it up to questions for the finance committee.

Mr. Valtin asked are we going far enough knowing what we know.

Mr. Titus stated we are still borrowing from the capital fund by changing the income tax split. What is happening with our capital improvement is that one-day we are not going to have money to spend on improvements needed. I am afraid that 2011 is going to be the same if not worse.

Mr. Valtin asked should we get rid of the Park program, Fishing Derby all together. We cannot really cut anything else in personnel unless we eliminate.

Mr. Schult no one knows how long the 0% growth will last.

Mr. Gouttiere stated we are cutting back all these things from the capital budget which is like taking from the future so why did we not look at more than \$4.00 a month for trash pick up or look at a tax increase? I do not a tax increase any more than the next person but what other options do we have really.

Mr. Titus stated we came up with \$4.00 a month because we that that would be a tangible amount that the public could grasp.

Mr. Gouttiere stated that \$4.00 for trash will only help with 20% or less of the cost. It looks like to me that we are putting band-aids on issues that will still be there in 2011, 2012 and possibly 2013, which could cause streets not being repaired in the future. I think we need steeper cuts as painful as it may be.

Mrs. Cherry pointed out cutting Roche de Bouf, Summer Recreation and the Fishing Derby

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will save \$18,000.00. If we look at Mrs. Valentine's spreadsheet you will see that 70% of our residents receive a credit for tax paid to another city.

Mr. Guzman stated we should be careful because there are residents that have 2 incomes and one may pay the full 2% and the other pay a portion.

Mr. Merrin stated that the finance committee and administration has given council some suggestions and it's up to council to make the decisions. I am opposed to any trash tax personally. This is a long-term issue here and are we really going far enough?

Mr. Seiwert asked well then what is the solution.

Mr. Merrin stated we are in a downward trend and I think we need to look at Health Insurance and possibly increasing the employee's share.

Mr. Gouttiere asked Mr. Merrin so what do you recommend we do?

Mr. Valtin stated we do not have what is called a rainy day fund instead our rainy day fund is our capital fund.

Mr. Gouttiere asked about the considerations for revenue enhancements.

Mr. Bagdonas stated that some of these take time to implement. We do not need to take any formal action and it will not help for 2010.

Mr. Seiwert stated doing nothing will not help us get future loans, if we get any weaker in our financial statement we will get higher interest rates.

Mr. Gouttiere asked if we could get a longer-term loan.

Mr. Schult stated yes we could and we looked into this. We had Fifth Third representatives here to go over our options and found we were better off staying with the short term.

Mr. Bagdonas stated that the interest rates are better for the short term and each year we have been able to pay more than due, which brings our balances down.

Mr. Knepper stated if we split debt we pay double the fee and never recoup that expense. We are going to keep looking at this yearly.

Mr. Bagdonas stated that some long-term notes/loans couldn't be paid off early.

Mr. Titus stated that we need to remember if you cut staff you cut services that residents pay for.

Mr. Valtin stated he feels that the budget problems are only going to get worse. Increasing

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revenue or decreasing expenses is our only option. He asked if the departments have been asked to look at their departments and see if they can cut 3% to 5 % from their department.

M. Bagdonas stated that yes they have looked at their departments and cut a lot but we did not give them a percentage to cut.

Adjournment:

There being no further business to come before Council, Mr. Merrin thanked the Finance committee member again for coming out and closed the meeting at 7:25 p.m.

Dale D Knepper
Clerk of Council

Derek Merrin
Mayor