



City Council Work Session Agenda **MINUTES**

June 15th, 2023

6:30 pm

1. Service Director, Rob Leichman
 - a. Discuss Resolution
 - i. Regarding WSRLA Loan
 1. Rob discussed the Water Supply Revolving Loan Account (WSRLA) loan account that will cover the cost of engineering and design of a new 1.5 MG water tower. Estimated cost is around \$9,000,000. This is to begin the process of engineering and design. Matthew noted that this loan is a better financing source due to the low interest rates provided. This is being pursued as we have not added water storage since 2006 and we need to continue to add water as we grow and to ensure we have water storage from an economic development perspective.
 - b. Discuss Motion
 - i. Regarding Approving Change Order in the amount of \$70,315.48.
 1. Rob discussed a motion that is being requested to be added to the agenda via a voice vote. The parking lot project faced many unknowns and unexpected things. Pulling many items out of the ground and having to cut and fill with many trucks of gravel. With the work done, Jurgensen has come back with one change order for the cost of \$70,315.48. With this approval, the project will be completed.
2. Finance Director, Matthew Mesisklis
 - a. Discuss Motion
 - i. 2024 Tax Budget
 1. Matthew read the provided Tax budget memo (attached).
3. Fire Chief, Darrell Yater
 - a. Discuss Resolutions
 - i. Fire Levy
 1. This presentation was held until the Regular Meeting under presentations.
4. City Manager, Marcos Nichols
 - a. Executive Session Request
 - i. To consider confidential information related to marketing plans, specific business strategy, production techniques, trade secrets, or personal financial statements of an applicant for economic development assistance and to confer with legal counsel.



- ii. To consider the appointment, employment, or compensation of a public employee or official.
- iii. Purchase of property for public purposes.

Motion – To go into executive session for the reasons noted.

(Roll Call Vote) 1st _____ Vice Mayor Perry 2nd _____ Harris Time: 7:05PM

YAYS: Woodrey, Perry, Agee, Montgomery, Harris, Combs, Perry (7)

NAYS: (0)

ABSTAIN: (0)

ABSENT: (0)

Motion - That executive session be adjourned and the meeting be adjourned.

(Roll Call Vote) 1st _____ Vice Mayor Perry 2nd _____ Harris Time: 7:32PM

YAYS: Woodrey, Perry, Agee, Montgomery, Harris, Combs, Perry (7)

NAYS: (0)

ABSTAIN: (0)

ABSENT: (0)

***Agenda is subject to change**

MEMORANDUM
CITY OF TRENTON

TO: Mayor Calvin Woodrey
City Council
Marcos Nichols, City Manager
Directors and Chiefs

FROM: Matthew L. Mesisklis, Finance Director

DATE: June 15, 2023

SUBJECT: 2024 Tax Budget

Mayor and Members of Council:

Although Tax Budgets are largely nominal for smaller municipalities, It has been the practice of the City of Trenton to provide a first look and broad overview of the City’s revenue expectations and expenditure goals for the coming year. Later this summer, the City Manager and I will sit down with Department Heads in a more formal manner as we intend on doing for the 2024 Operating Budget this fall. As such, this memo is intended to provide the Tax Budget reader with the assumptions and narrative highlights of the City’s financial state, broad fiscal policies, and to present the large capital project goals of the City, to include much-needed facility improvements to police and public works, as well as a new well station and water tower to support the City’s growing water needs.

Salaries and compensation:

- 2024 Wage Scale will be determined in December, with amendments to current norms expected as findings from the in-progress Wage and Classification study become available.
- Ohio Police and Fire Pension remains at 19.5%, although the State is considering increasing the City’s required match to 24%, so we may see further increase here
- PERS, Medicare, Workers Comp, and Life Insurance are not budgeted for rate increases. Health Insurance is budgeted at a 12% increase. Staff is looking into options to mitigate these rising costs, including a wellness incentive program and HSA contributions.

GENERAL FUND #011

- Cash Balance in the General Fund remains strong at \$6.3m as of April 30, 2022.
- The General Fund has a long-term receivable from the Street Fund of \$1.2m
- I.T. now has a separate budget department
- Dispatch Department has been moved to the Police Levy Fund, but is ultimately still directly paid for by the General Fund
- After 2 years of Police Transfer adjustments per the City's ARPA allocation plan, the 2024 Tax Budget returns the subsidy to a true operational need of \$2.6m in transfers to Fund 218 to fund Dispatch and Police services

Total General Fund expenditures are projected to be \$1,437,000 more than total revenues, leaving a projected 12/31/2024 fund balance of \$4,850,000 which is in compliance with the Fund Balance Policy. Despite the apparent imbalance of revenues and expenses, The General Fund Tax Budget depicts a structurally-balanced budget, due to the budgeted one-time capital expense of \$2,000,000 for Municipal building improvements.

Enterprise Funds:

- Funds expected to remain at a healthy operating margin, with 6 month reserve balance
- The single largest capital improvement item in Trenton's history is budgeted for 2024. A placeholder of \$9m in both the revenue and expense side of the Water Fund is held for the bond issuance and development of a 1.25 million gallon water storage tank, necessary to serve the growing needs of City residents and businesses.
- An additional \$2,500,000 expense is budgeted out of the Sewer Reserve Fund, in anticipation of sanitary sewer extension into the Phase II Industrial Park area.
- Despite the nearly 20% rate increase Rumpke hit us last year for Trash Collection, the City's financial stewardship and rate restructuring plan allows for to limit our refuse rate increase to 4%. Water and sewer rate increases will likely be the same.

STREET FUND #102

- The Street Fund debt has been repaid, and expenses restructured to allow a greater % of revenues to be directed toward paving and less for equipment or personnel and administrative costs.
- Still, on the heels of the large \$1.1m 2023 paving plan, the anticipated \$290,000 2024 paving budget seems small. If revenues end up coming in stronger, we will revise this budget upward.

POLICE LEVY FUND #218

- Due to Reduction Factors, the Police Levy will not collect more revenue than in previous years, no matter the County Valuation increase
- The Dispatch Department is now paid out of this fund
- This fund will see a \$2.6m revenue deficit to support current operations, which the City will cover through a General Fund transfer

FIRE LEVY FUND #222

- Due to Reduction Factors, the Fire Levy will not collect more revenue than in previous years, no matter the County Valuation increase
- As mentioned in previous presentations, the Fire Levy is quickly approaching the end of its sustainable life in supporting a 4-fighter shift department. Council has deemed maintaining the current level of service at minimum of paramount importance. As such, a \$300,000 transfer from the General Fund is budgeted to supplement funding here.

TAX INCREMENT EQUIVALENT FUND #253

- Expected \$700,000 in revenue and \$1,210,000 in expenses for 2024.
- This fund will increase in collections as neighborhood development projects in certain sections of town are completed
- In addition to paying obligations to the Edgewood City School District, this Fund has become a major source of funding for planned Park improvements.

CONCLUSION

This Tax Budget takes into account present revenue and expense trends within the City, and is submitted to the County Budget Commission to show Trenton's financial health. The 2024 Tax Budget continues to depict stable revenues, coinciding with increased spending due in large part to necessary facility upgrades, fire department funding, water system improvements, industrial park buildout, and inflationary pricing.

Respectfully submitted,

Matthew L. Mesisklis
Finance Director
City of Trenton