

BUDGET SESSION
December 28, 2009

Mr. Ferrell called the meeting to order at 3:30 p.m.

Trustees Timothy Coleman and Jeffrey Ferrell answered the roll call. Mr. Dwelle was absent. Also present were Chief Hodges, Kathy Mueller, and Trustee elect Michael Printy.

Before starting on the Budget Ms. Schaefer said that there were a couple of housekeeping items that needed to be addressed. When doing payroll on Wednesday after the Regular Session, a couple of payroll accounts were short because of the payroll that will be paid on December 31st as opposed to January 1st. Some of the longevity accounts were short because the longevity was being paid with this payroll instead of the first payroll of next year.

Resolution #2009-0205

SUPPLEMENTAL APPROPRIATIONS – POLICE DEPARTMENT

Mr. Coleman moved to approve the following supplemental appropriations:

1000-210-190-0101 Salaries – Dispatchers	\$5,525.00
1000-210-190-0166 Salaries – Dispatchers OIC	(5,525.00)
1000-210-190-0067 Salaries – Longevity	972.00
1000-210-190-0001 Salaries – Full time	(972.00)

Mr. Ferrell seconded the motion. Roll call: Mr. Coleman, yes; Mr. Ferrell, yes.
Resolution adopted.

Resolution #2009-0206

SUPPLEMENTAL APPROPRIATIONS – HIGHWAY DEPARTMENT

Mr. Coleman moved to approve the following supplemental appropriations:

2031-330-190-0067 Salaries – Longevity	\$594.00
2031-330-190-0001 Salaries – Full time	(594.00)

Mr. Ferrell seconded the motion. Roll call: Mr. Coleman, yes; Mr. Ferrell, yes.
Resolution adopted.

Resolution #2009-0207

SUPPLEMENTAL APPROPRIATIONS – STREET LIGHTING

Mr. Coleman moved to approve the following supplemental appropriations:

2401-310-190-0001 Salaries – Fiscal Officers	\$1,038.00
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for the 2009 certifications of streetlights. Mr. Ferrell seconded the motion. Mr. Ferrell asked if that amount was set by ORC. Ms. Schaefer said that it was and it is 50 cents per certification. Roll call: Mr. Coleman, yes; Mr. Ferrell, yes. Resolution adopted.

Resolution #2009-0208

SUPPLEMENTAL APPROPRIATION - PLEDGE TO ECADEC

Mr. Coleman moved to approve the following supplemental appropriations:

1000-110-370 Payments to other political subdivisions	\$1,000.00
1000-110-519 Dues	(1,000.00)

Mr. Ferrell seconded the motion. Mr. Ferrell noted that EDADEC had requested more, but this was all that was included in the budget for 2009. Any increased pledge should be included in the discussions for 2010. Roll call: Mr. Coleman, yes; Mr. Ferrell, yes.
Resolution adopted.

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RESOLUTION #2009-0209

SUPPLEMENTAL APPROPRIATIONS – FIRE DEPARTMENT

Mr. Coleman moved to approve the following supplemental appropriations:

2192-230-319-0018 EMS Refunds	\$500.00
2192-230-390-0000 Purchased Services	(\$500.00)

Mr. Ferrell seconded the motion. Ms. Schaefer explained that the EMS billing clerk had left several EMS refunds notifications to be paid. Several were for the current year, but some were for previous years. There was not enough appropriated in the refund line item to process an additional purchase order. By the time she realized it the Fire Chief had already left to go to Cleveland. Mr. Ferrell asked Chief Hodges if this was okay. Chief Hodges wanted to know the balance in the Purchased Services account. Ms. Schaefer said that believed that it was around \$13,000.00. Roll call: Mr. Coleman, yes; Mr. Ferrell, yes. Resolution adopted.

Ms. Schaefer reported that notifications had been received today that the contributions for the Police & Fire Pension, both employee and employer, are remaining the same as 2009.

Mr. Ferrell asked if they needed to decide now which level of control they were going to use. Ms. Schaefer said that they needed to do it before they adopted the temporary appropriations. Mr. Coleman clarified that it could be the same day. Mr. Ferrell said that he preferred adopting the budget down to the object code so that any changes have to come back to the Board for approval. Ms. Schaefer said she just wanted to clarify that if they adopted the budget by line item, down to the object code, they would have the supplemental appropriations to approve like this year. Mr. Ferrell said that hopefully a number of these would be eliminated. Ms. Schaefer agreed that the better the budgeting process the less changes that will be needed later in the year. Mr. Ferrell said that hopefully we are all on the same page as to what comes out of what line items. Mr. Printy said anticipated this would be the Board's position and has no problem with it. Mr. Coleman said that while he does not want it for the control, he does believe the Board needs to have the oversight and the responsibility to ask questions.

The final issue that Mr. Ferrell wanted to discuss was the establishment of funds for the purchase of capital assets and for the payment of severance amounts. He asked if that was something that had to be decided today. Ms. Schaefer said that if the Board wanted to carryover 2009 money over and earmark it for one of the qualifying activities, it needed to be done before the end of the year.

Several areas discussed were – the potential back pay issue still to be decided in the Police Department and savings toward a building and equipment in the Fire Department. Mr. Ferrell asked if they set these funds up what would happen if they needed to draw the money out for some reason. Ms. Schaefer said the funds for the purchase of capital assets could be accumulated for up to ten years. If for some reason, the equipment was not purchased, the money goes back into the fund that it originally came from.

Mr. Ferrell believes that we need to be as aggressive as possible or we will never have the funds accumulated by the time we need them. Mr. Printy asked if we were setting up the structure or actually setting up the funds. Ms. Schaefer said both. She also said that with the Fire Fund and the Police Special funds, it was not as critical. But if there are funds in the General Fund that might be needed in the future for one of the qualifying events, it was critical to set those aside. Also for the Police, they had collected money from the sale of assets in 2009. If nothing were set aside for the purchase of assets, those funds would just become part of the General Fund carryover. It is a means for those funds to be saved for the future purchase of assets.

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Mr. Printy liked the structure, but questioned whether we had done enough homework on it. Mr. Coleman said that we could set the amount at a minimum and then revise them later. Mr. Ferrell said the Fire Department budget already included some amounts so those could be done. Chief Hodges said that he had some comments on it that he would like to present when they got to that point.

Chief Hodges asked if the reserves stayed as part of their budget. Ms. Schaefer explained that the funds were taken from the Fire/EMS Fund and placed in a separate fund for the purchase of capital assets and/or severance, depending on the purpose. Chief Hodges asked if they could then be used for Highway severances. Ms. Schaefer said no, each department would have their own funds and any money transferred to them could only be used as if in the original fund, in this case the Fire/EMS fund. When the actual purchase or retirement happened then the payment would be made from that fund, not the main fund.

Chief Hodges then asked where the money was actually. Ms. Schaefer said that it could be in a number of places including the checking account and/or CDs. He asked if they would get credit for the interest. Ms. Schaefer said indirectly.

Mr. Ferrell asked how the Board wished to proceed. Mr. Coleman said that he could not see a reason not to proceed with setting up the reserve accounts. Mr. Ferrell said that it gives more protection. Mr. Coleman agreed in that they were budgeting for the potential severances. Mr. Printy said that it shows a greater level of planning. He said that he believes that Chief Myosky feels very protective of his budget. We are putting something in place that does not exist now. He may see it as additional flexibility or the loss of flexibility.

Mr. Printy asked if the proper term was cost accounting. Ms. Schaefer said it was fund accounting. She then gave Chief Hodges the ORC section 5705.13 (B) and (C). Ms. Schaefer said that at one of the first meetings that she had had with Chief Myosky, he wanted to know what had happened to the \$50,000 that was included in the 2007, but not spent. It did not show up in the 2008 budget. Ms. Schaefer had tried to explain at that time that since it was not spent and was not encumbered, it simply became part of the rollover amount available to be appropriated for 2008 expenses. This was a means to take the \$50,000 that was budgeted but not spent and place it into a 'savings account' for future use.

Mr. Coleman said that he feels that it is a clearer method of showing that a certain amount is being set aside each year toward a future purchase. Ms. Schaefer said that if it is not set aside, then it just becomes part of the carryover and the Board has the authority to appropriate it to what they feel is necessary. While they usually follow the department head's wishes, this gives the department more protection.

Resolution #2009-0210

ESTABLISH SEVERANCE FUND – POLICE DEPARTMENT

Mr. Ferrell moved to establish a Special Revenue Fund per ORC 5705.13(B) for the payment of potential payment of back pay awarded by arbitration for the police department:

2902	\$50,000.00
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Mr. Coleman seconded the motion. The source of the funding is from the General Fund carryover. (Note: In preparing the actual 2010 balances this amount was increased to include a second actual arbitration award of just under \$4,500.00 that had not been calculated at the time of this meeting.) Roll call: Mr. Coleman, yes; Mr. Ferrell, yes. Resolution adopted.

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Resolution #2009-0211

ESTABLISH CAPITAL ASSETS FUND – POLICE DEPARTMENT

Mr. Ferrell moved to establish a Capital Assets Fund per ORC 5705.13(C) for the police department for the purchase of capital assets:

4901 Vehicles \$19,245.00

This money came from the sale of fixed assets. Mr. Coleman seconded the motion. Mr. Coleman asked if they needed to make additional appropriations as more equipment was sold. Ms. Schaefer explained that as vehicles are sold the money goes into the account that originally paid for the vehicle. So for the amounts that go into the General Fund and are not spent during that year, an additional transfer would be made to the reserve fund. Roll call: Mr. Coleman, yes; Mr. Ferrell, yes. Resolution adopted.

Resolution #2009-0212

ESTABLISH CAPITAL FUND – FIRE DEPARTMENT

Mr. Coleman moved to establish a Capital Assets Fund per ORC 5705.13(C) for the purchase of vehicles for the fire department:

4902 Vehicles \$29,000.00

Mr. Ferrell seconded the motion. Roll call: Mr. Coleman, yes; Mr. Ferrell, yes. Resolution adopted.

Mr. Coleman said that now that amount will be set aside for the purchase of a vehicle for the fire department and will roll over year until it is purchased without the Board having to do anything. And the fire department can add additional funds to it.

Kathy Mueller asked who determines where to place the investments. Ms. Schaefer that she did and explained what she did each time there was money to be invested. Mr. Coleman added that the State Auditors review this when they do their audit.

Resolution #2009-0213

ESTABLISH CAPITAL FUND – FIRE DEPARTMENT

Mr. Coleman moved to establish a Capital Assets Fund per ORC 5705.13(C) for the purchase of a squad for the fire department

4903 Vehicles \$150,000.00

Mr. Ferrell seconded the motion. Roll call: Mr. Coleman, yes; Mr. Ferrell, yes. Resolution adopted.

Resolution #2009-0214

ESTABLISH CAPITAL FUND – FIRE DEPARTMENT

Mr. Coleman moved to establish a Capital Assets Fund per ORC 5705.13(C) for the acquisition of a building for the fire department:

4904 Buildings \$100,000.00

Mr. Ferrell seconded the motion. Roll call: Mr. Coleman, yes; Mr. Ferrell, yes. Resolution adopted.

Mr. Ferrell then asked if the Board wanted to prepare the 2010 Appropriations using just new money, a portion of it, or new money plus the carryover to date. Mr. Coleman asked what our carryover would be. Ms. Schaefer said that she would not be able to prepare the final figures until all invoices had been turned in for 2009 and until after unneeded purchase orders were closed. He asked if she had an estimate. She said that she did not, other than it would most likely be higher than the \$400,000 that was projected as of June 2009.

There was a lengthy discussion regarding using estate tax for the construction on a new building for the Highway Department. Mr. Printy agreed that using it for construction was wise rather than operating.

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Chief Myosky then joined the meeting.

Ms. Schaefer explained that the new money included anticipated income in 2010 for taxes and all other line items except for inheritance tax. This is used to offset shortages in other line items. Chief Hodges said they do the same thing with their EMS collections.

The Board then reviewed the County Auditor's estimate for 2009 and 2010 to try to agree on a target amount to budget.

Chief Hodges said that they had taken the figures provided by the Fiscal Officer added their projected carryover of \$500,000, less \$27,000. Was that proper? Ms. Schaefer said that assuming that the estimates were correct, that was the proper way to calculate. He said that if the rollover was only \$400,000 then it became incumbent on them to reduce something within their budget.

Mr. Coleman said that they would have to make the adjustment by March. Ms. Schaefer said that some of it had to be done before that so that bills and payroll could be paid. The permanent appropriations need to be done by March 31.

Mr. Ferrell wanted to use the 2009 Appropriation figures. Mr. Coleman said the only problem with that was the Issue II project, which was going to be more. Mr. Ferrell said that he believed the General Fund would have to assume that expense because the Board was the one that set the scope of the project; the same with the Park Development Fund. Mr. Ferrell said that the Highway might still need money.

Mr. Ferrell asked Chief Myosky if they were at the 2009 levels. Chief Hodges said that they were a little better because the amounts from the County Auditor were higher. Chief Myosky asked if the rollover of \$600,000 included fire department funds. He also wanted to know if it was after the payoff of the fire truck. Not certain what form he was referring to Ms. Schaefer explained the 2010 rollover projected in August 2009 was based on actual income and expenses through June, with the revenues being low and expenses being high for the balance of the year. They are just projections and will be adjusted after purchase orders are closed. Chief Myosky estimated that the fire department rollover alone would be \$400-500,000, noting the August projection for the fire department of \$3,169 was off by \$497,000. Mr. Printy noted that Chief Myosky was just pointing out that the figure on the August amended certificate was low. Ms. Schaefer said that she has stated that several times.

Ms. Schaefer cautioned the Board to look at each fund. They cannot just look at the grand totals.

Mr. Printy said that he believed that the Chief's claim that the \$600,000 carryover was low was correct. Ms. Schaefer said that Mr. Ferrell had taken have the 2008-2009 carryover of \$1.2 million in anticipation that this year's carryover would be at least that much.

Mr. Ferrell again stated that he wanted to stay close to the 2009 levels. If more money comes in, then it can be adjusted.

Mr. Printy asked some questions related to the Issue II fund that was significantly increased this year.

Chief Hodges believed that their budget would balance once the actual carryover money is calculated. Mr. Coleman noted that the Fire Department's funds are basically from levies and EMS collection and can only be used for the fire department. Mr. Printy

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suggested that perhaps some of the fire department funds could be used to make up the shortage. Ms. Schaefer said that there was no way that any surplus in the fire department could be used to offset shortages in other departments.

Mr. Ferrell again asked if there was any reason they could not hit the 2009 level of \$8.4 million. Mr. Printy said the Issue II fund was one area. Mr. Ferrell said to eliminate that for now. Could the departments hit the 2009 levels? Chief Myosky reminded the Board that all departments have a 3% pay raise that was effective in the last quarter of 2009. Mr. Ferrell noted that with that and the increase in health insurance it probably totals \$300,000. He thinks that we should tighten our belts and cut other accounts to meet the 2009 levels. Ms. Schaefer said that there are other items that are tied to payroll such as pensions.

Chief Myosky asked where the Fiscal Officer had gotten the estimate for the FEMA funds. Without going back to work papers, Ms. Schaefer said that she believed it was an estimate of the past several years. She also pointed out that nothing is being appropriated against it.

Mr. Ferrell said that he wanted to set the budget at the 2009 levels and make any adjustments after we actual receive the amounts. Mr. Coleman agreed.

Mr. Ferrell asked Chief Myosky if he could meet the 2009 Appropriation level. Referring to his version G, he said he has already eliminated \$400,000 by the payments on the fire truck and vehicle trust. He has increased repairs to the building. He said that he does plan on purchasing a squad in 2010. Mr. Printy asked if the short answer was 'yes'. Chief said that was incorrect. After some more discussion the Chief agreed that Mr. Printy was correct.

Chief Myosky said that the number of transfers in the Fire Funds were minimal in 2009. He does have some buffer built into his accounts so that he does not have to do transfers.

Mr. Ferrell asked what the difference was between 2009 and 2010. Chief Hodges said that 2010 was \$138,000 higher than 2009. Chief Myosky explained his accounts. He also said that he has estimated \$450,000 in EMS collection although he typically gets in excess of half million. This adds to his rollover. Again Chief Myosky referred to the amount of the rollover that was projected in August 2009.

Mr. Ferrell asked if the Administration budget was included in the Budget. Ms. Schaefer said that it was on page 1, accounts 1000-110 and 1000-120. Mr. Ferrell said that he believed that the Administration, Police, and Highway funds would need to be cut. He didn't know how much for the Administration and Police because they were not totaled. Ms. Schaefer said that they were.

Mr. Coleman asked how long it would take for Ms. Schaefer to get the final numbers. Ms. Schaefer said that hopefully she would have those numbers on January 2nd. Ms. Schaefer said the unencumbered balance as of the current time. This, however, includes the purchase orders that have been opened, but not spent. So as the purchase orders are closed these amount would increase.

Mr. Coleman suggested that they adopt the Temporary Appropriations at \$8.4 Million by line item. He wanted to know if it was doable. Ms. Schaefer said that it was doable; but that it didn't make sense to her if they know that some funds were going to be more and some were going to be less.

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Mr. Ferrell said that the instructions were to use the 2009 levels to set the 2010 Temporary Appropriations. Then after we determine the 2009 carryover we can readjust them. So Mr. Ferrell said that they should have the revised budgets in for adoption on January 5th.

Resolution #2009-0215
HIRE POULOS & ASSOCIATES

Mr. Coleman moved to hire Poulos & Associated Architects, Inc. for the preliminary planning, design, and drawings for a new Perkins Township Highway Facility with the cost of the project not to exceed ten thousand dollars. Mr. Ferrell seconded the motion. Roll call: Mr. Coleman, yes; Mr. Ferrell, yes. Resolution adopted.

With no further business to be conducted, the meeting was adjourned at 6:15 pm.

Jeffrey Ferrell, Chairman

Diane Schaefer, Fiscal Officer