

**VILLAGE OF NEW LEBANON
SPECIAL COUNCIL MEETING
November 18, 2024, at 6:00 p.m.
Council Chambers**

The meeting was called to order at 6:00 p.m. by Mayor Nickerson.

VERBAL ROLL CALL OF COUNCIL MEMBERS

Council Members:

Timothy L. Back	Present
Gale Joy	Present
Lyndon Perkins	Present
Charles Cooper	Present
Melissa Sexton	Present
Nicole Adkins	Present
David Nickerson	Present

Others Present: Chris Sands, Council Member-elect, Rob Anderson, Acting Village Manager; Tom Judy and Bryan Thurman, Public Finance Solutions, LLC., William Wortman, Acting Police Chief, Darryl Sorrel, Acting Service Department Foreman.

PRESENTATION OF THE 2025 APPROPRIATIONS BUDGET

Acting Manager Anderson gave a PowerPoint presentation on the proposed 2025 appropriations budget. The slides presented are attached.

Mr. Anderson presented the fund balances from 2021 through 2025 for the various Village funds and talked about the fund balance trends and projections for 2025. Mr. Anderson explained that the Construction Projects Fund has had a negative fund balance in the last two biennial audits and needs to be addressed before the end of the year. The Sewer fund is also projected to be negative for 2024 and 2025 and needs to also be addressed.

There was some general discussion about the current water and sewer rates and the need to increase those rates to help offset the negative balance in the sewer fund and the depletion of the water fund. The Council suggested a follow-up public meeting to talk about the rates and solicit input from the public. Mr.

Anderson suggested Council look at a special meeting date in early 2025 to talk about these rates.

Mr. Anderson presented some financial irregularities that were discovered to have taken place in early January of 2024 where some money was transferred between funds without Council and State of Ohio approval. Money was transferred from the Water fund, which is an enterprise fund, to the Construction Projects fund, which is a special revenue fund, on 1/1/24 to cover the negative balance that was identified in the last two audits. This type of transfer is not permitted by Ohio law without prior approval of the Council and the State. x

Another issue that was discovered was the creation of the Community Enrichment Fund and the transfer of money from the Montgomery County Municipal Court Fund. Because the Court fund is a special revenue fund, the Council and the State of Ohio must approve the transfer of money from that fund. Staff has talked to our Auditor about these two issues and proposed a way to correct them before our next audit. The solution to resolve these two issues is to reverse both of the transactions and follow the appropriate procedures to address the fund balance issues.

Mr. Anderson presented some recommendations from our finance consultants to update and adopt some fiscal policies regarding cash management and acceptable fund balances, and to provide some additional finance training for staff and the Council.

Mr. Anderson stated that the public would have a chance to ask questions and make suggestions on the proposed budget at the December 3rd Regular Council meeting when the Ordinance is read for the second time and before it is adopted at the December 17 regular council meeting.

COUNCIL COMMENTS AND QUESTIONS

Several council members asked questions about the 2025 Capital Budget and the proposed rate increases for water and sewer customers. There was some discussion about the negative balance shown in the sewer fund for 2025 and how staff can reduce the expenses in the fund to lower the proposed deficit.

ADJOURNMENT

Vice-Mayor Adkins motioned to adjourn, Council member Sexton seconded.

Roll Call:

Council member Sexton	Yes
Council member Joy	Yes
Council member Perkins	Yes
Vice-Mayor Adkins	Yes
Mayor Nickerson	Yes
Council member Back	Yes
Council member Cooper	Yes

7 yes votes and zero no votes, the motion carries.

Meeting adjourned at 7:41 p.m. by Mayor Nickerson.

Approved:



Mayor



Date



Acting Clerk of Council



Date



Village of New Lebanon
2025 Appropriations Budget (Proposed)
November 18, 2024

1

Governmental Budgeting

- o **Fund Accounting** - Governments must utilize "fund" accounting. Fund accounting is an accounting system emphasizing accountability rather than profitability.
 - o *Each fund is treated as a distinct entity, with its own set of accounts to track inflows (revenues), outflows (expenses), and balances.*
 - o *This method allows for transparency so stakeholders can see how resources are allocated and spent.*
- o The Village currently maintains a total of 21 funds in the 2025 budget which are classified as "General", "Special Revenue", "Capital Project", and "Enterprise" funds.

2

Fund Types

- o **General Fund**
- o **Special Revenue Funds**
 - Street Fund
 - Fire Fund
 - Police Levy Fund
 - Income Tax Fund
 - Montgomery County Municipal Court Fund
 - Other

3

Fund Types, Cont'd

- o **Capital Project Funds**
 - Capital Improvement Fund
 - Construction Projects Fund
- o **Enterprise Funds**
 - Water Fund
 - Sewer Fund
 - Sewer Rehab Fund
 - Garbage and Trash Fund

4

Budget Preparation

- o Sources Used to prepare the budget:
 - o Historical financial records
 - o Payroll files
 - o Internal debt files
 - o Information directly from lenders
 - o Interviews with various Village staff
 - o 2025-2029 Capital Investment Plan
- o Realistically conservative assumptions were used to develop the 2025 budget to prevent overspending.
- o Appropriations are legal limits for spending that may not be exceeded by law.

5

2025 Major Considerations/Assumptions

- o **Operating Funds Budgets**
 - COLA increase +3%, and merit increases
 - Health insurance +10%
 - OPBA Police contract expires this year. In the process of negotiating a new 3-year contract.
- o **Capital Funds Budgets**
 - 2025 projects from 5-year capital budget included

6

2025 Staffing/Personnel Assumptions

- o Administration (6.45 FTE)
 - Village Manager
 - CFO
 - Tax Admin
 - Payroll Admin
 - Utility Admin
 - Admin Assistant
 - Code Enforcement Admin (PT)
- o Fire Department (8.64 FTE)
 - Chief
 - Firefighter – FT (3)
 - Firefighter – PT (4.64)
 - Equivalent of One FT Firefighter and 2 PT Firefighters per 24-hour shift

7

2025 Staffing/Personnel Assumptions

- o Police (7.58 FTE)
 - Chief
 - Captain/Lieutenant
 - Sergeant
 - Patrol Officer – FT (4)
 - Patrol Officer – PT (5)
- o Service Department (7.5 FTE)
 - Superintendent
 - Foreman
 - Service Worker (5)
 - Seasonal (.5)

8

General Fund

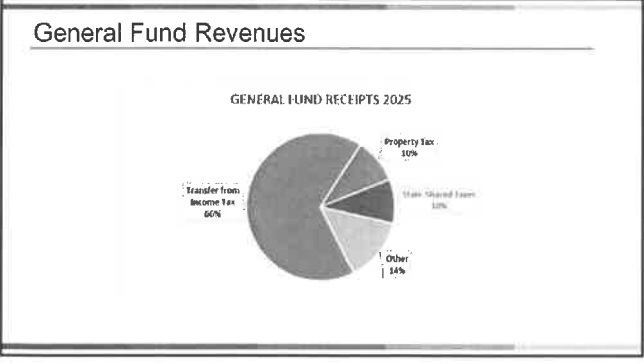
- o General Fund accounts for resources that are not legally restricted for a specific purpose and can be allocated at the discretion of Council.
 - o Administration and Finance
 - o Community Development
 - o Parks
 - o Law Director
 - o Village Council
 - o Engineering
 - o Police Levy Fund Subsidy

9

General Fund Revenues

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
REVENUE:					
Local Taxes	66,148	67,667	68,950	90,060	99,800
Assessments	0	0	0	0	0
State-shared taxes	95,377	105,110	103,773	104,650	97,800
Intergovernmental revenues	0	0	0	0	0
Charges for services	2,872	1,232	591	950	850
Fees, licenses & permits	49,206	47,379	45,714	41,500	39,770
Interest income	2,138	76,579	103,372	125,000	70,000
Miscellaneous revenue	17,290	15,558	19,622	26,850	25,500
Non-revenue transfers and reimb.	7,765	18,182	5,414	5,000	5,000
Transfer from Income Tax Fund	570,114	630,728	716,610	696,000	675,000
Total Revenue	810,850	962,435	1,064,046	1,090,010	1,013,720

10

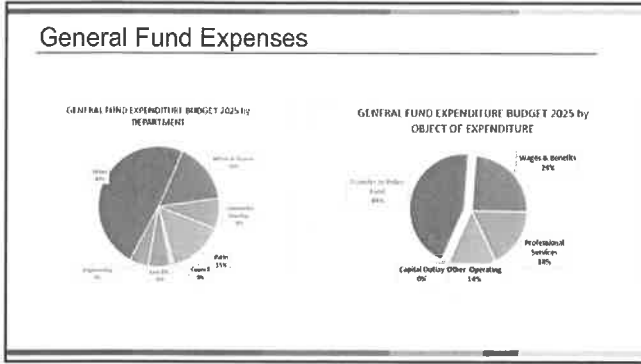


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General Fund Expenditures

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
EXPENDITURES:					
Salaries & wages	217,200	238,552	260,206	141,700	214,750
Employee benefits	79,299	89,289	104,890	94,560	97,780
Subtotal - Personnel Services	296,498	327,841	365,097	236,260	312,530
Professional services	80,347	69,529	52,862	319,700	227,750
Other operating expenditures	102,174	98,296	132,105	139,160	176,140
Subtotal - Contractual & Materials	182,520	167,825	184,967	458,860	403,890
Capital outlay	25,181	21,933	66,717	2,220	2,000
Transfer to Police Levy Fund	250,713	426,863	595,483	575,000	575,000
Total Expenditures	734,912	941,442	1,212,263	1,272,340	1,293,420

12

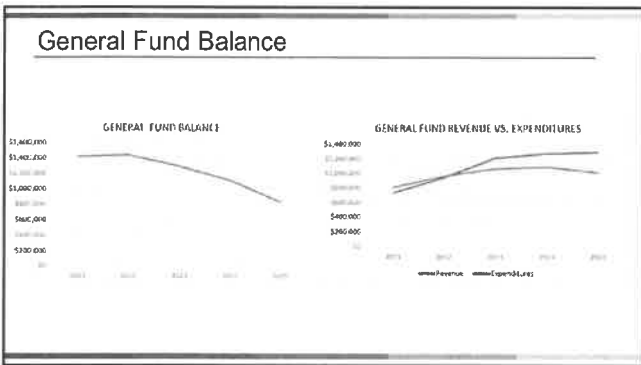


13

General Fund Balances

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
Total Revenue	810,850	962,435	1,064,046	1,090,010	1,013,720
Total Expenditures	734,912	941,442	1,212,263	1,272,340	1,293,420
Net	75,938	20,993	(148,217)	(182,330)	(279,700)
Cash Fund Balance, Jan. 1	1,342,169	1,418,107	1,439,100	1,290,883	1,108,593
Cash Fund Balance, Dec. 31	1,418,107	1,439,100	1,290,883	1,108,553	828,893
Fund Balance as % of Revenue	175%	150%	123%	102%	82%

14



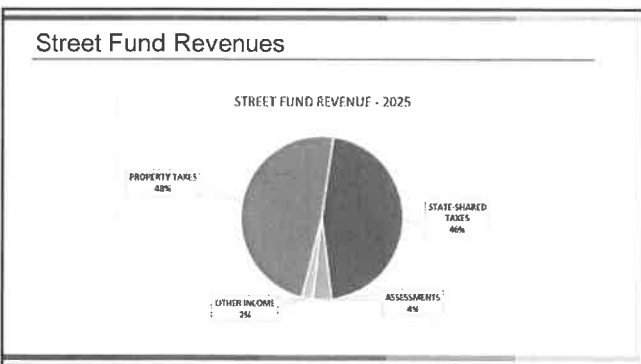
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Street Fund Revenues

Street Fund accounts for income from a designated five-year property tax levy authorized by voters in 2023, state gas tax revenue, and vehicle license fees.

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
REVENUE:					
Local Taxes	212,926	218,106	222,703	224,040	225,000
Assessments	28,771	21,889	19,683	17,530	17,500
State-shared taxes	232,348	215,623	222,779	217,160	212,000
Interest income	154	5,555	8,693	17,000	8,000
Miscellaneous revenue	34,161	3,388	2,296	8,000	2,000
Total Revenue	508,360	464,561	476,153	483,730	464,500

16

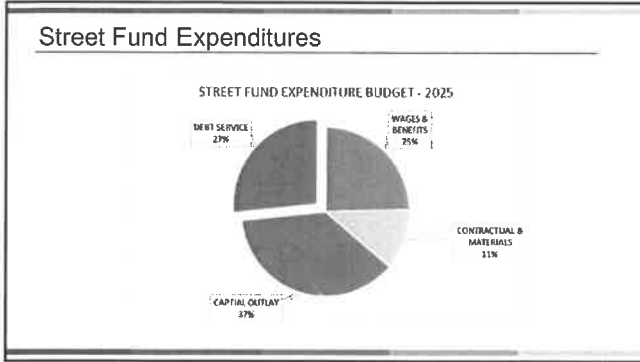


17

Street Fund Expenditures

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
EXPENDITURES:					
Salaries & wages	76,263	72,564	82,645	73,100	100,000
Employee benefits	28,136	31,673	34,469	33,700	45,500
Subtotal - Personnel Services	104,899	104,237	117,114	106,800	145,500
Professional services	4,666	7,386	6,347	6,000	7,500
Other operating expenditures	63,026	46,343	45,552	40,750	60,850
Subtotal - Contractual & Materials	67,692	53,729	51,899	46,750	68,350
Capital outlay	224,289	174,910	179,602	22,250	220,000
Debt service	108,261	116,540	124,819	134,959	157,600
Total Expenditures	505,141	449,416	473,434	310,759	591,450

18

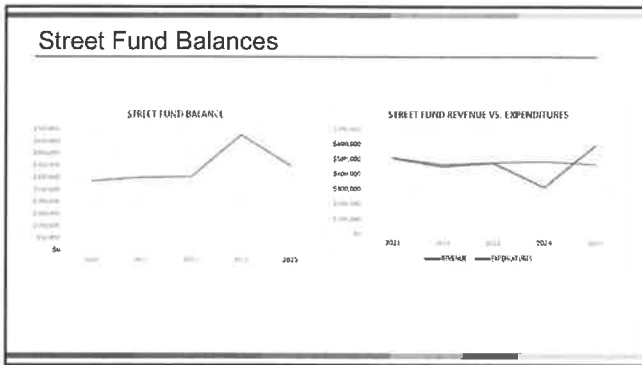


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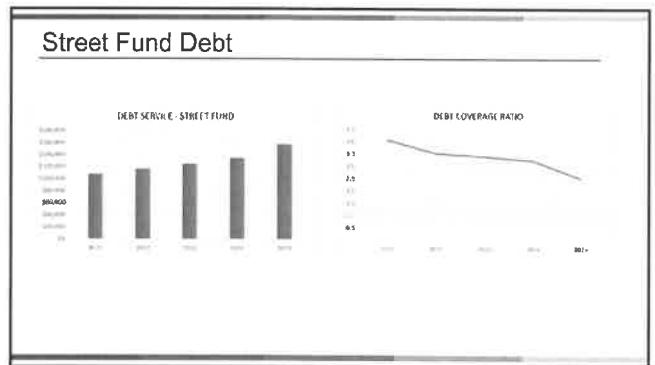
Street Fund Balances

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
Total Revenue	508,360	464,561	476,153	483,730	464,500
Total Expenditures	505,141	449,416	473,434	310,759	591,450
Net	3,219	15,145	2,719	172,971	(126,950)
Cash Fund Balance, Jan. 1	281,419	284,638	299,783	302,503	475,474
Cash Fund Balance, Dec. 31	284,638	299,783	302,503	475,474	348,524
Fund Balance as % of Revenue	56%	65%	64%	98%	75%

20



21



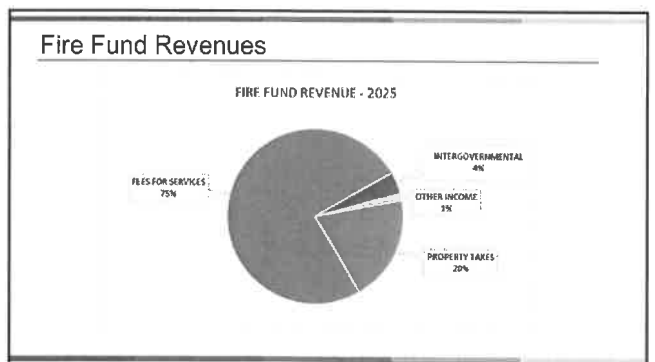
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Fire Fund Revenues

o Fire Fund accounts for income from fire and EMS fees, contractual services to neighboring townships and a single continuous fire levy.

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
REVENUE:					
Local Taxes	212,926	218,106	222,703	224,050	225,000
State-shared taxes	10,806	10,133	10,429	7,310	7,150
Intergovernmental revenues	3,629	0	382,874	358,000	47,500
Charges for services	450,572	639,539	900,635	926,000	859,000
Miscellaneous revenue	10,968	13,545	15,181	16,700	6,000
Total Revenue:	688,901	881,323	1,531,822	1,532,060	1,144,650

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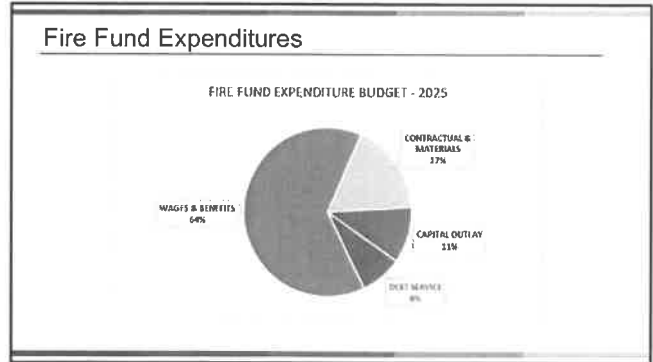


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Fire Fund Expenditures

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
EXPENDITURES:					
Salaries & wages	372,997	403,954	451,192	534,000	536,000
Employee benefits	91,170	136,315	174,035	181,500	206,000
Subtotal - Personnel Services	464,167	540,269	625,227	715,500	742,000
Professional services	28,191	69,620	31,036	20,000	25,000
Other operating expenditures	128,149	144,064	165,350	154,900	171,100
Subtotal - Contractual & Materials	156,340	213,684	196,386	174,900	203,100
Capital outlay	82,161	100,251	463,228	1,090,000	125,000
Debt service	97,620	97,619	97,619	97,630	93,020
Total Expenditures	800,288	951,823	1,382,460	2,078,030	1,163,120

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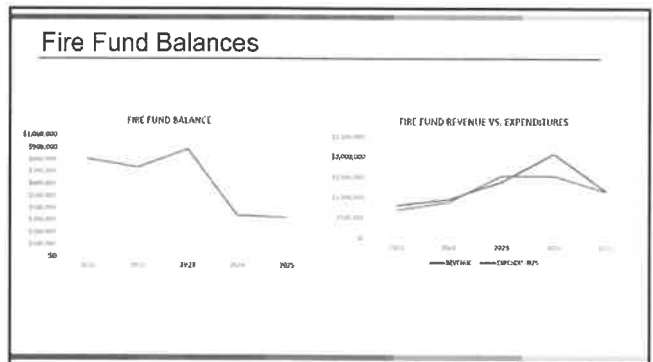


26

Fire Fund Balances

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
Total Revenue:	688,901	881,323	1,531,822	1,132,060	1,144,650
Total Expenditures	800,288	951,823	1,382,460	2,078,030	1,163,120
Net	{111,387}	(70,500)	149,362	(545,970)	(18,470)
Cash Fund Balance, Jan. 1	917,206	805,819	735,319	884,681	311,711
Cash Fund Balance, Dec. 31	805,819	735,319	884,681	338,711	320,241
Fund Balance as % of Revenue	117%	83%	58%	22%	28%

27



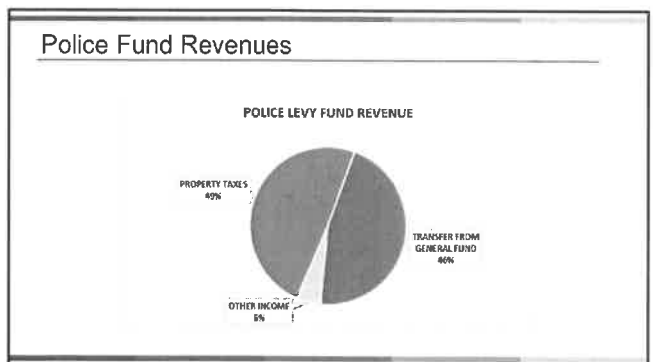
28

Police Fund Revenues

- Police Levy Fund accounts for the proceeds from three property tax levies designated for law enforcement purposes..

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
REVENUE:					
Local Taxes	563,296	577,152	589,496	593,190	616,500
State-shared taxes	51,219	49,552	50,430	55,820	40,500
Intergovernmental revenues	0	19,754	9,844	4,110	4,000
Miscellaneous revenue	29,728	43,451	58,385	19,500	17,500
Transfer from General Fund	250,713	426,863	595,486	575,000	575,000
Total Revenue	894,956	1,116,772	1,303,641	1,247,720	1,251,500

29



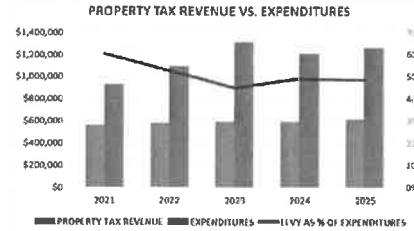
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Police Fund Expenditures

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
EXPENDITURES:					
Salaries & wages	491,060	600,527	730,813	633,500	643,000
Employee benefits	290,704	294,181	356,320	318,400	365,000
Subtotal - Personnel Services	781,764	894,708	1,087,133	951,900	1,008,000
Professional services	15,753	25,329	24,318	35,000	35,000
Other operating expenditures	125,871	154,411	185,011	181,600	223,350
Subtotal - Contractual & Materials	141,624	179,740	209,329	216,600	258,350
Capital outlay	9,196	20,416	14,480	40,000	0
Total Expenditures	932,584	1,094,864	1,310,942	1,208,500	1,266,350

31

Police Fund Expenditures



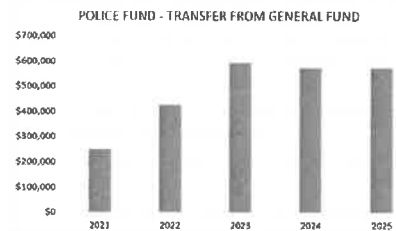
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Police Fund Balances

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
Total Revenue	894,956	1,116,772	1,303,641	1,247,720	1,253,500
Total Expenditures	932,584	1,094,864	1,310,942	1,208,500	1,266,350
Net	(37,628)	21,908	(7,301)	39,220	(12,850)
Cash Fund Balance, Jan. 1	37,628	0	21,908	14,607	53,827
Cash Fund Balance, Dec. 31	0	21,908	14,607	53,827	40,977
Fund Balance as % of Revenue	0%	5%	2%	9%	7%

33

Police Fund Transfers from General Fund



34

Water Fund Revenues

o The Water Fund is an enterprise fund that relies on fees paid for the service.

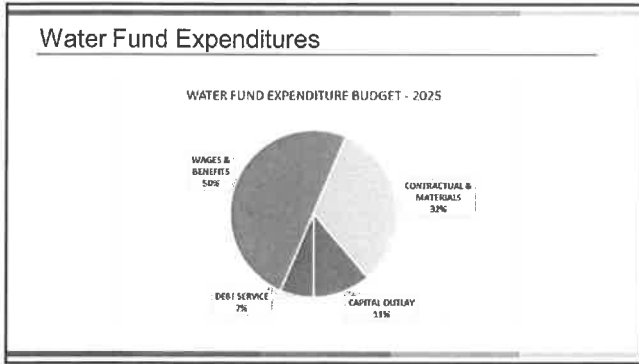
	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
REVENUE:					
Local Taxes	0	0	0	0	0
State-shared taxes	0	0	0	0	0
Intergovernmental revenues	0	0	0	10,000	0
Charges for services	534,316	558,723	581,828	564,350	562,350
Fees, licenses & permits	0	0	0	0	0
Interest income	0	0	0	0	0
Miscellaneous revenue	15,941	19,394	22,093	5,600	4,000
Non-revenue transfers and reimb.	0	0	0	0	0
Transfer from General Fund	0	0	0	0	0
Total Revenue	550,257	577,617	603,831	579,950	566,350

35

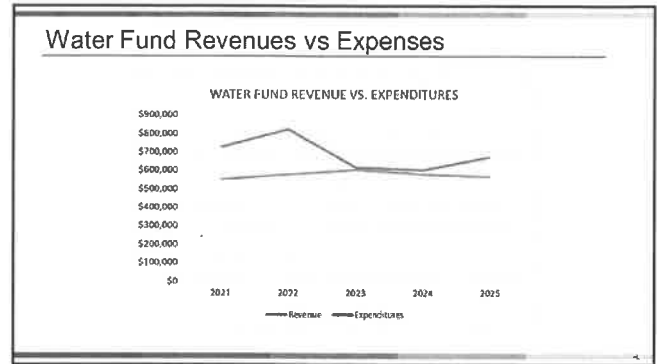
Water Fund Expenditures

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
EXPENDITURES:					
Salaries & wages	215,589	212,962	204,567	173,500	228,740
Employee benefits	82,432	88,494	90,985	83,825	107,900
Subtotal - Personnel Services	298,021	301,456	295,552	257,325	336,640
Professional services	48,030	37,852	27,665	35,000	40,000
Other operating expenditures	123,975	127,591	133,682	145,700	178,400
Subtotal - Operating Expenditures	172,005	165,443	161,347	180,700	218,400
Capital outlay	223,232	328,124	125,750	115,000	75,000
Debt service	34,051	34,051	34,051	49,316	49,800
Interfund transfers-out	0	0	0	0	0
Total Expenditures	727,309	824,074	616,700	602,341	673,840

36



37

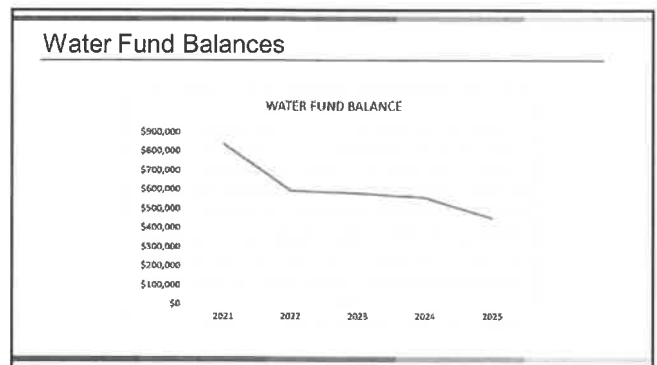


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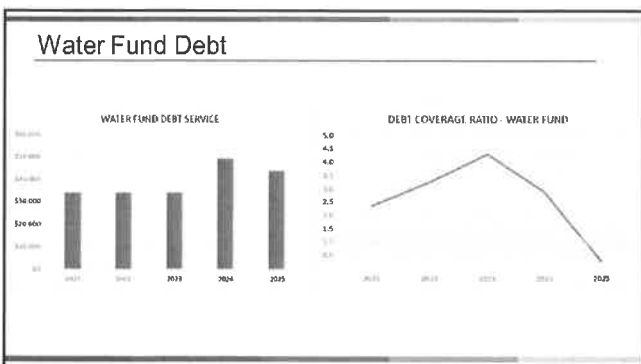
Water Fund Balances

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
Total Revenue	550,157	577,617	603,831	579,950	566,350
Total Expenditures	727,309	824,074	616,700	602,343	673,840
Net	(177,052)	(246,457)	(12,869)	(22,393)	(107,490)
Cash Fund Balance, Jan. 1	1,014,954	637,902	591,445	578,576	556,185
Cash Fund Balance, Dec. 31	837,902	591,445	578,576	556,185	448,695
Fund Balance as % of Revenue	152%	102%	96%	96%	79%

39



40



41

Water Rate Discussion

- o New Lebanon has not increased the water rate since 2013.
- o Currently 17% below average and the 23rd lowest out of 69 jurisdictions surveyed in 2024.
- o Average water rates from all 69 jurisdictions in the area have increased 57% since the last rate increase.
 - New Lebanon - \$131.19
 - Englewood - \$140.07
 - West Alexandria - \$150.99
 - Germantown - \$164.82
 - Farmersville - \$170.31
 - Clayton (MC) - \$171.66
 - Brookville - \$183.36
 - Vandalia - \$186.33
 - Trotwood - \$190.64

** Rates based on 3,000 cubic feet of water in a 3-month period. As of 3/1/24

42

Sewer Fund Revenues

o The Sewer Fund is an enterprise fund that relies on fees paid for the service.

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
REVENUE:					
Local Taxes	0	0	0	0	0
State-shared taxes	0	0	0	0	0
Intergovernmental revenues	0	0	0	0	0
Charges for services	491,937	504,366	541,082	533,000	533,000
Fees, licenses & permits	0	0	0	0	0
Interest income	0	0	0	0	0
Miscellaneous revenue	115,921	5,318	5,145	5,000	4,000
Non-revenue transfers and reimb.	0	0	0	0	0
Transfer from General Fund	0	0	0	0	0
Total Revenue:	607,838	509,684	546,227	538,000	537,000

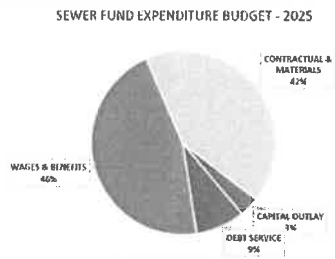
43

Sewer Fund Expenditures

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
EXPENDITURES:					
Salaries & wages	214,699	209,818	202,454	172,500	228,740
Employee benefits	82,278	87,129	90,468	83,125	107,900
Subtotal - Personnel Services	296,977	297,747	292,922	256,325	336,640
Professional services	26,541	40,115	108,265	110,000	115,000
Other operating expenditures	145,485	136,312	152,670	185,755	152,255
Subtotal - Operating Expenditures	172,026	176,327	260,935	295,755	307,255
Capital outlay	40,939	3,782	209,832	59,000	25,000
Debt service	36,094	41,141	45,677	55,439	62,400
Interfund transfers-out	0	0	0	0	0
Total Expenditures	546,036	518,997	809,366	666,519	731,295

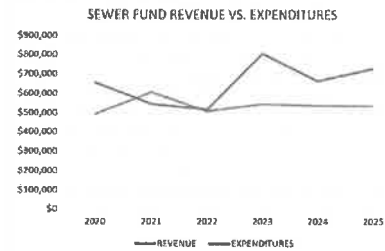
44

Sewer Fund Expenditures



45

Sewer Fund Revenues vs Expenses



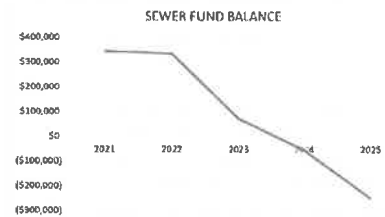
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Sewer Fund Balances

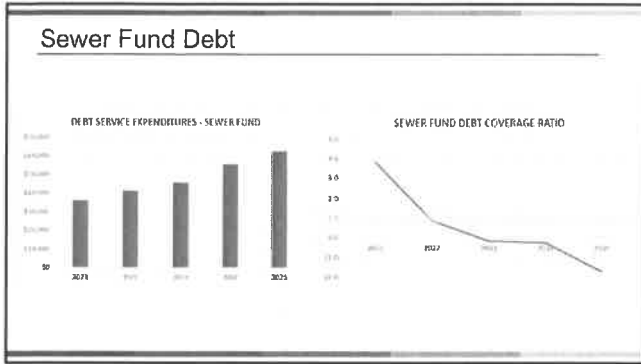
	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
Total Revenue:	607,838	509,684	546,227	538,000	537,000
Total Expenditures	546,036	518,997	809,366	666,519	731,295
Net	61,802	(9,313)	(263,139)	(128,519)	(194,295)
Cash Fund Balance, Jan. 1	282,383	344,185	334,872	71,733	(56,786)
Cash Fund Balance, Dec. 31	344,185	334,872	71,733	(56,786)	(251,081)
Fund Balance as % of Revenue	57%	66%	13%	-11%	-47%

47

Sewer Fund Balances



48



49

Sewer Rate Discussion

- New Lebanon has not increased the sewer rate since 2018.
- Currently 22% below the average and the 16th lowest out of 66 jurisdictions surveyed in 2024.
- Average water rates from all 66 jurisdictions in the area have increased 26% since the last rate increase.
 - New Lebanon - \$132.30
 - Englewood - \$109.17
 - West Alexandria - \$314.28
 - Germantown - \$234.78
 - Farmersville - \$194.41
 - Clayton (MC) - \$190.50
 - Brookville - \$121.75
 - Vandalia - \$204.33
 - Trotwood - \$154.25

** Rates based on 3,000 cubic feet of water in a 3-month period. As of 3/1/24

50

Sewer Rehab Fund

The Sewer Rehab Fund accounts for sanitary sewer capital projects and draws upon the sewer fund revenues.

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
REVENUE:					
Intergovernmental revenues	138,687	14,200	0	0	0
Total Revenue	138,687	14,200	0	0	0
EXPENDITURES:					
Capital outlay	198,676	20,103	15,260	750	0
Total Expenditures	198,676	20,103	15,260	750	0
Net	(\$9,989)	(\$5,903)	(\$15,260)	(750)	0
Cash Fund Balance, Jan. 1	(\$4,422)	(\$54,411)	(\$60,314)	(\$75,574)	(\$76,324)
Cash Fund Balance, Dec. 31	(\$14,411)	(\$60,314)	(\$75,574)	(\$76,324)	(\$76,324)

51

Construction Projects Fund

The Construction Projects Fund has been used in previous years to account for various public works projects.

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Budget 2025
REVENUE:					
Intergovernmental revenues	460,511	25,622	0	0	0
Total Revenue	460,511	25,622	0	0	0
EXPENDITURES:					
Capital outlay	452,533	77,692	44,214	17,000	0
Debt service	0	0	0	0	0
Total Expenditures	452,533	77,692	44,214	17,000	0
Net	7,978	(\$2,070)	(\$4,214)	(\$17,000)	0
Cash Fund Balance, Jan. 1	(\$4,429)	(\$6,451)	(\$8,521)	(\$12,735)	(\$149,735)
Cash Fund Balance, Dec. 31	(\$6,451)	(\$8,521)	(\$12,735)	(\$149,735)	(\$149,735)

52

Finance Irregularities

Through the course of the preparation of the 2025 budget, several finance irregularities were discovered. The Village's audit firm has been contacted about ways to remedy these issues.

- Water Fund transfer to Construction Projects (CP) Fund**
 - CP Fund had a negative balance of \$132,000 on 12/31/23
 - \$149,000 transferred from Water Fund (enterprise fund) to the CP Fund (capital fund) on 1/1/24 to remove the negative balance.
 - CP Fund balance on 1/1/24 - \$16,000
 - No entries to revenue or expenditure accounts
 - Not approved by Council or State of Ohio
 - Solution – reverse the transaction
 - Solution to negative fund balance – appropriate reimbursements from Street and Water fund from Blosser St improvements to CP fund

53

Finance Irregularities

- Creation of Community Enrichment (CE) Fund & Transfer from Mont. Co. Muni Court Fund**
 - Court Fund balance was \$253,000 on 12/31/23
 - CE Fund balance went from \$0 to \$253k
 - Creation of new fund and transfer of resources appear to have been administrative-only actions.
 - Court Fund money can only be spent on Court related expenses unless approved by the State of Ohio.
 - New funds must be approved by City Council and State of Ohio
 - Transfer from Court Fund (Special Revenue Fund) to Community Enrichment Fund must be approved by Council and State of Ohio.
 - Solution – reverse transaction and restore the balance to Court Fund.

54

Finance Irregularities

3. Sewer Fund and Sewer Rehab Fund Negative Balances

- Ohio law does not allow municipalities to carry negative fund balances.
- General Fund is not healthy enough for a transfer or advance.
- Solution – no easy or quick answers. This is a multi-year Sewer rate increase to cover the sewer fund and sewer rehab fund balances and debt is needed.
- This problem was avoidable if action would have been taken sooner.

55

Recommendations

Based on the information presented, the following recommendations are suggested:

1. Fund Balance Reserve Policy

- Set minimum fund balance requirements (e.g., 25%)
- If fund balance is forecast to go below the minimum balance, a corrective action process is triggered.

2. Budgeting Policy

- Establish practices to ensure compliance with Ohio budgetary law.
- Define "balanced budget" and "legal level of control"
- Distinguish between operating and capital expenditures
- Determine the level of forecasting conservatism
- Define process to amend appropriations and the Certificate of Estimated Resources

56

Recommendations Cont'd

3. Long-Term Financial Planning Policy

- Long-term financial forecast (5-year period) to create an organizational approach to efficient allocation of resources to align with the organization's strategies and initiatives.

4. Review and Update Investment Policy

- Emphasizes the investment objectives of safety, liquidity, and yield (in that order)
- Establishes roles and responsibilities of those involved in the investment of funds
- Identifies permissible investments, safekeeping and custody guidelines
- Defines internal controls processes over the investment activity
- Establishes standards for reporting and disclosure

5. Debt Policy

- Define the debt limits for the government – both those defined by law and stricter local limits
- Sets debt structuring and issuance practices and financial disclosure guidelines.

57

Recommendations Cont'd

6. Revenue Policies

- Use of one-time revenues
- Internal controls over collection of revenues
- Use of unpredicted revenues
- Establishing charges and fees.

7. Local Government Finance Training

- Finance and Administrative Staff members
- Village Council
- Training can be tailored to each group's respective roles and responsibilities.

58

Questions?

59