

THE BOARD OF COUNTY COMMISSIONERS HELD AN INFORMAL REGULAR SESSION ON MONDAY, JUNE 18, 2012, WITH COMMISSIONERS EDWIN H. HUMPHREY, ROBERT L. PROUD AND DAVID H. UIBLE IN ATTENDANCE.

ALSO IN ATTENDANCE WERE STEPHEN H. RABOLT, COUNTY ADMINISTRATOR, AND DEBORAH BRITTON, CLERMONT COUNTY COMMISSIONERS' OFFICE. ADDITIONAL ATTENDEES AT THE INFORMAL REGULAR SESSION ARE LISTED ON THE ATTACHED ATTENDANCE SHEET.

LET THE RECORD SHOW THAT THE JUNE 18, 2012 INFORMAL REGULAR SESSION WAS VIDEOTAPED AND IS AVAILABLE FOR PUBLIC INSPECTION MONDAY THROUGH FRIDAY BETWEEN THE HOURS OF 8:00 A.M. TO 4:30 P.M. LOCAL TIME. IN ADDITION, THE INFORMAL REGULAR SESSION IS AVAILABLE FOR PUBLIC VIEWING THROUGH THE COUNTY GOVERNMENT WEBSITE AT <http://www.clermontcountyohio.gov/videos-bcc.aspx>.

THE FOLLOWING ISSUES WERE PRESENTED FOR DISCUSSION:

1. Issue - 2013 Tax Budget

Discussion - Sukie Scheetz, Director of the Office of Management and Budget, addressed the Board regarding the 2013 Tax Budget. Ms. Scheetz stated that she would be reviewing the County General Fund based on the requests submitted in the Tax Budget as well as the history of where the fund ended last year and where it started this year with the 2012 appropriation. She also addressed the 2013 General Fund and the County Capital Fund and how the two Funds integrate. Ms. Scheetz referenced the 2013 Tax Budget Review, dated June 18, 2012 attachment which is an overview outlining the General Fund current status as well as plans for the future.

Ms. Scheetz reviewed where the Operating Appropriations started in 2012 with revenues expected to be below our expenses and the anticipated draw on the fund. The 2012 appropriation would allow the General Fund balance to remain near the county's target at an approximate 24.8% of operating expenses.

Ms. Scheetz explained that at Tax Budget time updates to current year estimates are received. The 2012 operating revenue estimates have risen and the expenses have dropped due to better than expected sales tax and vacancies in departments under the Board's jurisdiction. The large increase in Non-Operating expenses is due to the plan to advance out of the Budget Stabilization Fund to cash fund the County Capital Plan. The advance that would reduce our expected fund balance at the end of 2012 to about 21.7%.

Mr. Scheetz further explained that the 2013 Tax Budget revenues are up largely due to the new opening of all four state casinos. This year has some casino money anticipated; next year will have almost a full year of casino revenues. The \$2.1M increase in revenue is offset by a \$1.2M increase in 2013 operating expenses. The non-operating revenues still exceed non-operating expenses.

Ms. Scheetz discussed the issues related to the General Fund. The largest issue is the operating expense deficit problem; there are approximately \$7.1 million of expenses in excess of revenues in 2012 and 2013.

Options at this point are as follows:

- Reduce the projects in the Capital Plan to allow for a redirection of inside millage back into the General Fund.
- Reduce operating expenses by holding salaries, holding positions, reducing services in certain departments.

- Increase revenues – Including Sales Tax rate, Tax Levy, Investment policy

Conclusion/Follow-Up Action Needed – Approval of the 2013 Tax Budget and Submission to the State.

2. **Issue - 2012/2013 Annual Capital Budget and Plans**

Discussion – Discussion was held regarding the following issues:

- **Capital Funds** - Ms. Scheetz discussed Inside Millage. We currently receive 3.2 mils of property taxes as a revenue source. Allocation of that is as follows: 2.1 mil is allocated to General Fund, 1.0 mil is allocated to the County Capital Fund and the remaining 0.1 mil to the Park District. She stated that during the Tax Budget process is when the inside millage can be reallocated if necessary. The allocations have not changed in several years. Now that the debt service is paid off, the County Capital Fund portion is being used to cover several other items such as capital projects, vehicles, computers, and a portion of TID commitment that cannot be covered by the RID proceeds. Ms. Scheetz discussed that property tax is something that can be counted on as a consistent source of funds.

There were two options for the Capital Plan presented and both require the full 1.0 mil of property tax revenue through 2016. In 2017, both plans will be able to provide some relief for the General Fund, but the amount of millage that could be reallocated is different in the two plans.

- **Capital Plan** - Ms. Scheetz provided an attachment for the County Capital Plan that detailed the specific projects and estimates.

In option 1, the county has 1.0 mil of property tax that would continue to fund the County Capital Fund through 2017. In 2017 the County could drop that to 0.8 mil and reallocate the remaining 0.2 mil back into the General Operating Fund. Both Option 1 and Option 2 will use the Budget Stabilization Fund to help finance the 800 MHz replacement. If this is funded as a cash project, the county will save money on the interest expense. (See attachment)

Ms. Scheetz advised that she needs to discuss with the Board their intended consideration for the use of the 1.0 mil in 2013 as it will impact the adoption of the Tax Budget.

Mr. Rabolt explained the timing issue on the inside millage allocation, and the deadline for submission to the State. The Tax Budget is due before the estimates are due for some of the larger projects, such as the 800 MHz and Pager Projects.

Commissioner Proud stated that it make sense to leave the millage set for now, until the estimates come in on 800 MHz and Pager Projects.

Commissioner Humphrey stated that the Board can only make assumptions that the bids will be where we estimate and we should be prudent in the making of decisions in setting of the millage. Commissioner Uible agreed.

Conclusion/Follow-Up Action Needed - Mr. Rabolt asked the Board to take a look at the Capital Plan Projects and compile a list of projects that they would like to see if it is not currently on the Capital plan. In addition, he asked the Board to let him know if there are items in the plan that they have questions about.

Adjournment

Informal Regular Session was adjourned.

**BOARD OF COUNTY COMMISSIONERS
CLERMONT COUNTY, OHIO**

**ROBERT L. PROUD, PRESIDENT
EDWIN H. HUMPHREY, VICE PRESIDENT
DAVID H. UIBLE, MEMBER**

STEPHEN H. RABOLT, COUNTY ADMINISTRATOR

**07/18/12
DATE APPROVED**