


Swearing in Ceremony - 6:45 p.m. – Council Chambers

The Swearing in Ceremony was called to order by the Belinda Anderson, Chair Pro tem. The Chair Pro tem outlined the rules of procedure for the Swearing in Ceremony as well as for the election of officers.

Members of Council were administered the Oath of Office by Judge Tom Januzzi. All members were present with the exception of Sharon Soucy.

The Chair entertained a motion to adjourn the swearing in ceremony. A motion to that respect was moved by Meadows and seconded by Peterson.

Minutes of the Regular City Council Meeting

Held on Monday, January 6, 2014

7:00 p.m.

1. COUNCIL BUSINESS

- (a) Call Regular City Council Meeting to Order and Roll Call – 7:00 p.m.

The Clerk acting as Chair Pro tem presided over the elections of officer.

A regular meeting of the Oberlin City Council was held on January 6, 2014 in the Council Chambers of the Oberlin City Hall, located at 85 S. Main Street Oberlin, Ohio. The meeting was called to order at 7:00 p.m., by Presiding Officer Scott Broadwell. Roll Call was taken as follow:

Council Members:	Present	Absent
Sharon Pearson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bryan Burgess	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sharon Soucy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Elizabeth Meadows	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Kristin Peterson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ronnie Rimbart	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Scott Broadwell	<input checked="" type="checkbox"/>	<input type="checkbox"/>
 Appointees:		
Belinda Anderson, Clerk of Council	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jon Clark, Law Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Eric Norenberg, City Manager	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sal Talarico, Finance Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(b) Election of Council President and Vice President.

Anderson read an excerpt from Article 6 of the Oberlin City Council Rules of Procedure pertaining to the Responsibilities of the President of Council:

“ The primary responsibility of the President is to facilitate the decision - making process, relying on an adopted set of rules. Those rules recognize the right of the majority ultimately to rule, the right of the minority to be heard, and the right of the individual to participate in the decision-making process. To that end, the President shall:

1. *Convene all meetings, call the members to order, and ascertain whether a quorum exists.*
2. *Announce the business before the Council in the correct order, pursuant to the Order of Business.*
3. *Assign the floor and recognize members to speak.*
4. *Enforce all rules, including rules of debate, and maintain order and decorum.*
5. *Maintain his/her impartiality.*
6. *Attempt to alternate between pro and con when conducting the debate.*
7. *To close discussion when all sides have been represented.*
8. *Keep at hand the bylaws, rules of order, standing rules, and other documents to facilitate the transaction of business (such as a roster of all committees and their members).*
9. *Authenticate by his/her signature any documents relevant to the Council*
10. *Represent the Council at various meetings and report to the Council the content of those meetings.*
11. *State and put to vote all motions in order.*
12. *Initiate general consent when appropriate.*
13. *Vote on all matters before Council.*
14. *Refrain from allowing himself/herself or others to dominate the discussion or to direct the outcome of issues before the Council.*
15. *Set the agenda for the Council meeting with the participation of the Vice-President of Council and the City Manager.*
16. *Adjourn the meeting.*
17. *Do all other things that the President of Council is required to do pursuant to the Charter, Ordinances, and Resolutions of the City of Oberlin.*

Following additional remarks concerning the procedures for conducting elections and addressing matters to the Council president, nominations for the Council President were opened.

Motion to appoint Scott Broadwell as Council President was moved by Rimbart. Hearing no additional nominations, a motion to close nominations was moved by Meadows and seconded by Rimbart. All members concurred. Motion to elect Scott Broadwell as the Council President was approved unanimously.

Presiding officer Scott Broadwell thanked everyone for electing him as the Council president and opened nominations for the office of Vice President.

Meadows remarked on Sharon Soucy’s proven track record and willingness to continue to serve as the Council Vice President. She noted that even though Soucy was not present she would like to nominate her as the Vice President of Council. Being that there were no additional nominations the presiding officer requested a motion to close nominations. Motion to close nominations was moved by Peterson and seconded by Burgess. All members concurred. Motion to elect Sharon Soucy as the Council President was approved unanimously.

Rimbart remarked that Sharon Soucy would love to be in attendance but she her flight from Florida was cancelled due to the weather. Broadwell noted that she would be at the January 21st meeting, weather permitting.

(c) Approval of Minutes – Regular City Council Meeting – December 2, 2013.

PROCLAMATION

Martin Luther King Jr. Day

WHEREAS, Dr. Martin Luther King, Jr., was born on January 15, 1929; and

WHEREAS, Dr. King had special personal and professional ties to Oberlin, and visited here on several occasions, and became an honorary alumnus of Oberlin College in 1965 when he was awarded the Doctor of Humane Letters degree; and

WHEREAS, he was assassinated and died on April 4, 1968; in the end, he gave his life for the cause of true justice in our land, and for his “dream” that all people of all colors and conditions could live in peace and in harmony, and could treat each other, and all others, with respect; and

WHEREAS, the City Council under the leadership of Bob Thomas observed a holiday in the City of Oberlin in association with Dr. King’s birthday for the first time in 1971, and the United States Congress ultimately passed legislation to establish the third Monday in January as the Martin Luther King, Jr. Day federal holiday, and it was first observed in 1986; and

WHEREAS, we therefore pause every January to reflect on the life and work of our nation’s greatest champion of civil rights and human dignity; whose powerful words, whether written on smudged fragments of newsprint smuggled out of a narrow jail cell in Birmingham, Alabama, or echoing eloquently from the steps of a great memorial in Washington, D.C., calmed fears and solidified resolve among people of good will of every race, class, gender, and circumstance; and

WHEREAS, the memory of Dr. Martin Luther King, Jr., is a continuing inspiration and ideal for many young people in Oberlin and all over the world; and

WHEREAS, each year Oberlinians gather together before a monument, to him, in a public park and civic space named for him, and read what he said, and rededicate themselves to his “dream” of a society transformed, a “person-oriented” rather than “thing-oriented” society, the good society realized in America such that Martin Luther King, Jr., would no longer truly take pride in remaining “maladjusted” to it; and

WHEREAS, it is now our generation’s responsibility to honor the life and memory of Dr. King by answering his powerful calls to action and by continuing to fight for his legacy of equality for all.

NOW, THEREFORE, I, Scott Broadwell, Mayor of the City of Oberlin, Ohio, on behalf of Oberlin City Council, do hereby proclaim Monday, January 20th, 2014 as “Martin Luther King Jr. Day”, and commend all persons who have joined in the community celebration and communal witness of this historic occasion in the City of Oberlin.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the City of Oberlin, Ohio, to be affixed hereto this 6th day of January 2014.

H. Scott Broadwell
Mayor/President of Council

Presentation spreadsheet attached.

The presentation was followed by lengthy discussion.

Rimbert questioned whether the annual paving project assessment would result in a \$5600 assessment on a home with 70 ft of frontage, per household and if it were on an annual basis. Talarico concurred.

Talarico added that overall this would potentially generate \$600,000 on an annual basis. The \$600,000 savings in the Income Tax Capital Improvement would then be reallocated to the General Fund. Another approach to lessen the blow to home owners would be to bond out \$600,000 and the home owner would then pay the \$5600 over the term on the bond, which would still be \$560 a year plus interest if the term of the bond was extended over a 10 year period. Pearson asked if the assessment would affect all property owners. Talarico responded that this would affect all property owners whether tax exempt or not.

Meadows asked how this would impact corner lots. Talarico remarked that he would have to research the answer, but he has seen it done a number of different ways. One way would be to assess the resident for one length. The other way would be to charge the owner of the property for two assessments, if both streets are being repaved.

Burgess said under the snow removal assessment it says \$35 would generate \$150,000 for the snow removal. He asked why it would take \$5,600 a year to generate \$600,000 annually for paving the streets and only \$35 a year per household to generate \$150,000 on an annual basis. Burgess said he would have to assume that one of those figures is incorrect and he would assume that it is the \$5,600 assessment. Talarico said he would have to look into it, to recall how the numbers were calculated. He explained that the biggest difference in both examples is that the \$35 a year is for every parcel in the community to generate \$150,000 a year, \$5,600 is just for those streets that are being paved that year.

Burgess asked what about streets like 511 (Lorain Street) which is used by everyone. He asked if they would only assess the property owners on Lorain Street to pave Lorain.

Norenberg remarked that their understanding of the legal constraint is that snow plowing is more of a service that is uniformly provided across the City on an annual basis and that is why snowplowing is provided in the Ohio Revised Code. The \$600,000 generated from paving projects is an estimation based on previous projects done by the City keeping in mind that this amount may vary based on the scope of work being done for each project. According to outside counsel this kind of pavement maintenance would have to be assessed by the property owners who directly benefit from it. He mentioned that the City of Akron has a formula for calculating intersections and the benefit from adjacent property owners. He can look into this as a way to address property owners who live on corner lots as well.

Norenberg further explained that the revenue summary being provided to Council at this time was a review of all revenue generating options available for consideration. Many of the things are not going to be idea or popular. Once they review the entire list he believed that they would be able to focus in on the suggestions that are more palatable to Council and the Oberlin community.

Talarico said that administration was at the point where they wanted Council's feedback and wanted to know which options Council and the residents felt comfortable pursuing.

Broadwell asked if Talarico could explain the impacts that using up the reserves could have on bond issuance. Talarico remarked that maintaining the reserves ensures principal is available for interest earnings when rates increase, and provides financial stability, and improved bond ratings which result in lower borrowing costs. He then explained how rating agencies work when determining what the interest rate will be on the reserves. In closing, he reminded Council that although he didn't foresee the need to attain bond issuance in the immediate future, maintaining the reserves would help the future generations of Oberlin. At some point the City will need to issue debt for something and if they don't have healthy reserves, and if they are not financially fit they will not have as high of a bond rating and they will have to pay a higher interest rate.

Pearson asked if they could look at increasing recreation fees now versus waiting until later. Norenberg remarked that over the past couple of years the Recreation Commission has made adjustments to its fee structure on an incremental basis so that it would not come as a shock to those families who are financially strapped. The small amount that is charged right now creates an incredible value for many families in particular for those families who are aware of what it costs to have that same service provided elsewhere. The Recreation Commission will be reviewing this information over the next few months. This would be something that looking in the future there could be a steady increase to get them to that projected \$100,000 seen in the summary.

Rimbert said he is the liaison to the Recreation Commission and they looked at increasing fees very closely and increased the fees where they could, with the goal of still making it affordable to everyone including low income households. Other communities look at Oberlin and are astounded at how Oberlin is able to offer these services.

Burgess questioned if employee pay increases had been factored into this five year projection. Talarico remarked that the assumption is that the General Fund expenses will increase 3.3% each year over the next 5 years. This percentage includes raises, inflation, healthcare costs and other factors. Burgess requested a spreadsheet to see the figures mapped out.

Anthony Mealy, 328 South Professor Street said he didn't believe that the property assessment for residents was a good idea. He felt that Council's approach should be to consider what would be the fairest way to assess everyone based on the use of the service being provided. Everyone should pay their fair share. He said Council should be more realistic, they could raise the building fees and recreation fees, but that will only result in fewer kids utilizing the recreational services and less construction going on Oberlin. This approach really wouldn't address the revenue shortfall.

Burgess recalled a previous discussion about a tier income tax structure or the possibility of local income tax deductions that could be implemented. He questioned if the Finance Director had looked at this as an option. Talarico noted that he spoke to RITA and there has been no precedence set to date. RITA legal counsel believes that this could result in a tax payer lawsuit because with a credit, one could argue that residents are taxed at different rates and that is prohibited by State statute.

Law Director Jon Clark added that if one of the results of issuing the credit could be that there are people in town that didn't qualify for the credit that would pay more money as a percentage of their income than the people who did qualify for a credit, that could be construed as something other than the uniform rate which is what the Statute requires that we do. Failure to comply could lead to a potential lawsuit. Clark admitted that just because it has never been done before it didn't mean that it couldn't be done, but his recommendation was to take the prudent approach and not travel down that path. Similarly, Clark remarked that there had been no precedence for taxing income at a "not to exceed rate" either, which was another option Council had discussed. The concern is that anytime you make an adjustment in the income tax, if it is at one percent then the law requires that it be approved by the voters. So a decrease presumably would bring no objections, but it could. His concern is that it could be interpreted to be a new tax under the revised code. Being that there is no precedent to look at he couldn't say definitively that it couldn't be done. Burgess said he felt that it was an interesting course to pursue.

Broadwell sought clarification from the Finance Director on how this concern could be addressed. Talarico remarked that the "not to exceed" income tax approach can be addressed in a number of different ways. Council can allow the levies that expire in 2018 and 2019 to fall off, or it can also bring a levy to the voters that would reduce the tax rate.

Rimbert suggested that Council start looking at what they can eliminate from the list of options provided, so that they can better inform the Oberlin voters. He asked when administration would need to have an answer.

Broadwell noted that if Council agreed to pursue an income tax levy as one of the options then they would need to approve legislation, to place a levy on the ballot before February 5th, which is the filing deadline for the primary election. Broadwell cautioned administration that if they decided to go this route he would like to see it done in two meetings and passed on emergency at the February 3rd meeting.

Talarico noted if the income tax levy is the direction that Council is leaning towards, then administration could draft legislation for the next meeting. The amount of the income tax increase can be included in that draft ordinance with its accompanying resolution, or it can be a point of discussion at the next meeting. He also appealed to the members of

Motion to approve the ordinance on first reading was moved by Meadows, seconded by Pearson.

City Manager Norenberg introduced the proposed ordinance to members of Council and then deferred the discussion to Public Works Director Jeff Baumann.

Baumann remarked that this project has two related components: the first one is the curb radius improvements which will lengthen and draw out the curb around each of the corners at the intersection of SR58/SR511. This would allow better traffic movement particularly truck traffic, to make the corner turn there without riding on the curbs. The second component related to the curb radius improvements is the replacement of the traffic signal system. The new signal system would match the signal systems at the corner of Main Street and College Street.

Pearson asked if there was going to be a turning lane associated with this project. Baumann responded in the negative. He explained that the only direction where there is adequate pavement width for a turning lane is Northbound. A left turning lane could be put in by losing parking spaces in front of the museum. The proposed project neither includes nor precludes the addition of a turning lane as an option.

Pearson said she asked because it seems as though it would be encouraging drivers to commit a traffic violation by driving around someone who may be heading north on Main Street and turning left onto SR511. Baumann remarked that if the motorist making a left hand turn has pulled into the intersection it was not illegal. Burgess confirmed that he had looked it up and Mr. Baumann was correct in that it was not a traffic violation to go around someone turning left, but it was a safety hazard in his opinion and if he had some assurance from staff that there could be a turning lane there, then he could support this project, but otherwise he was going to vote no.

Baumann remarked that he didn't have the authority to offer that kind of assurance tonight without addressing this with all of the affected parties.

Broadwell recalled that the person doing the study didn't feel that it would be cost effective to put in a left hand turning lane. Baumann remarked that that opinion pertained to doing it for all four lanes of the intersection for people traveling south, east, or west bound it wouldn't be cost effective. But they could accommodate a left turning lane for those traveling northbound on SR58 since they had the space set up to do it by removing the parking spaces.

Broadwell reiterated difficulties associated with traveling north bound on SR58 late in the afternoon where things back up into downtown Oberlin. Burgess noted that putting in a turning lane would address that issue. Broadwell said that he is concerned with taking out the parking space in front of the Art Museum as well.

Peterson asked how long the warranty was for this project. Baumann remarked that they would have a one year warranty for the workmanship and the materials associated with the curb and pavement improvements. He remarked that he couldn't speak to the traffic signals. Baumann felt that this would be a non-issue since the projects might overlap.

Broadwell stated that this project needed to be completed by the time ODOT does the repairs to SR58/ SR511. Furthermore he reminded Members of Council that the goal was to get the project done before commencement weekend.

Roll Call:	5Ayes	1 Nay	Motion Carried
(1 st , Reading)		(Burgess)	

5. OTHER NEW BUSINESS:

None

6. COUNCIL COMMUNICATIONS:

- (A). Referrals**
- (B). Advocacy**

(C). Correspondence**(D). Reports**

Members of Council shared several announcements and updates including:

Pearson

- Committee for Safe and Sustainable Energy will be hosting a Democracy School at The Peace Community Church in Oberlin. The Community Environmental Legal Defense Fund will be doing a presentation Friday evening from 6:30 p.m. – 9:30 p.m. and Saturday from 9:00 - 5:00 p.m.

Broadwell

- Thanked fellow Council members for electing him as Council President.

7. CITY MANAGER'S REPORT:

City Manager Norenberg provided the following updates.

- Narcotics community forum will be hosted at the Public Library.
- Garbage collections and recycling will resume tomorrow for Oberlin in spite of negative temperatures. A rotation scheduled will be implemented for the employees.
- Oberlin is a finalist in the National Folk Festival in 2015. Site visit will be in February.

8. FINANCE DIRECTOR'S REPORT:

- Congratulations to all members of Council and Happy New Year.

9. PUBLIC PARTICIPATION:**10. ADJOURNMENT:**

Being that there was no further business to come before Council at this time the meeting adjourned at 8:54 p.m.

Attest:

BELINDA B. ANDERSON, MMC
CLERK OF COUNCIL

H. SCOTT BROADWELL
PRESIDENT OF COUNCIL

APPROVED: 02/03/2014

POSTED: 02/04/2014

REVENUE OPTIONS SUMMARY

Description	Affects Oberlin Taxable Property Owners? (2)		Additional Annual Cost for \$100,000 Appraised Property Owners? (2)		Affects Oberlin Tax-exempt Property Owners? (2)		Affects Exclusively Oberlin Residents? (2)		Affects Predominately NON-Oberlin Residents?		Additional Annual Cost for \$50,000 in Wages or Taxable Income		Cost Estimate for a Home with 70 feet of frontage (1)		Cost per User of the Service Functions		Additional Annual Administrative Functions		Amount Generated Annually		Option 1	Option 2																			
	YES	NO	\$	105	NO	NO	NO	NO	NO	NO	\$	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$	\$																				
Property Tax Increase 3 mills	YES	NO	\$	105	NO	NO	NO	NO	NO	NO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$	342,000																					
Property Tax Increase 5 mills	YES	NO	\$	175	NO	NO	NO	NO	NO	NO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$	570,000																					
Assessment for:																																									
Snow Removal	YES	YES	n/a	n/a	YES	NO	NO	NO	NO	NO	n/a	n/a	\$	35	n/a	n/a	YES	YES	\$	150,000																					
Annual Paving Projects	YES	YES	n/a	n/a	YES	NO	NO	NO	NO	NO	n/a	n/a	\$	5,600	n/a	n/a	YES	YES	\$	600,000	(7)																				
Enterprise Funds for:																																									
Police	NO	NO	n/a	n/a	NO	NO	NO	NO	NO	NO	n/a	n/a	n/a	n/a	(6)	YES	YES	n/a																							
Storm Water Utility	YES	YES	n/a	n/a	YES	NO	NO	NO	NO	NO	n/a	n/a	TBD	TBD	YES	YES	YES	\$	200,000	(5)	\$	200,000																			
Recreation Fees - Increase (9)	NO	NO	n/a	n/a	NO	NO	NO	NO	NO	NO	n/a	n/a	n/a	\$15	YES	YES	YES	\$	250,000		\$	100,000																			
Annex JVS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	YES	YES	YES	\$	135,000	(8)																					
Eliminate Income Tax Credit	NO	NO	n/a	n/a	NO	YES	NO	NO	NO	NO	\$	950	n/a	n/a	n/a	NO	NO	NO	\$	284,000	(4)																				
Income Tax Increase 0.60%	NO	NO	n/a	n/a	NO	NO	NO	NO	YES	YES	\$	300	n/a	n/a	n/a	NO	NO	NO	\$	1,800,000		\$	1,800,000																		
Income Tax Increase 0.40%	NO	NO	n/a	n/a	NO	NO	NO	NO	YES	YES	\$	200	n/a	n/a	n/a	NO	NO	NO	\$	1,200,000		\$	1,200,000																		
TOTAL																				\$	1,500,000	\$	2,000,000																		

(1) Based on the estimated cost calculated by City Engineer Roberts of \$80/foot, for paving projects this could be paid through annual installments, likely 10 years which would result in approx \$560/year. For snow removal the cost per total front footage of the city, estimated to be 300,000 ft, this assessment would likely be \$0.50 per foot.

Also, since there would be additional legal, publication, mailing, interest, etc., the final assessment costs may be higher.

(2) Based solely on the value of their property

(3) This assumes the resident lives in Oberlin and works outside of the City with a rate of 1.9% or higher, if they lived/worked in the City there would be no additional cost

(4) As much as \$450,000 if Capital Portion was reallocated to the General Fund

(5) Of existing operating costs (up to a total of \$375,000 with current capital costs of \$175,000 that would then be reallocated to the General Fund) We will be able to include street cleaning costs in a Storm Water utility as an allowable cost of the utility.

(6) Research indicates this would be considered a tax and therefore would need to be voted as a tax for this purpose.

(7) The \$600,000 savings in the Income Tax Capital Improvement fund would then be reallocated to the General Fund

(8) Or as much as \$228,000 if the Income Tax Capital Improvement fund portion were reallocated to the General Fund (only if City is successful in having the JVS comply with the agreement to annex)

(9) Increase recreation fees to offset costs, and provide for residents that cannot afford full rate. Also \$15 is an average based on 17,730 (repeat and non-repeat) served through programming. The additional amount generated is calculated to cover direct costs of the recreation division. The amount shown in Option 1 is lower to accommodate affordability issues, there are many issues that are associated with increasing recreation fees, the figures presented are simply preliminary estimates.

Option 1

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Beginning Reserve Balance	8,791,089	7,793,122	8,108,220	8,278,989	8,249,919
Revenues	7,079,209	7,367,071	7,506,607	7,600,000	7,650,000
Additional Revenues					
Income Tax Levy 0.60%		1,200,000	1,200,000	1,200,000	1,200,000
Income Tax Levy 0.40%		100,000	100,000	100,000	100,000
Increase Recreation Fees					
Additional Revenues Subtotal	0	1,300,000	1,300,000	1,300,000	1,300,000
Expenditures	(8,327,176)	(8,601,973)	(8,885,838)	(9,179,071)	(9,481,980)
Additional Expense Reductions:					
Storm Water Utility		200,000	200,000	200,000	200,000
Adjustment for Conservative Budgeting	250,000	250,000	250,000	250,000	250,000
Estimated Reserves Balance	7,793,122	8,108,220	8,278,989	8,249,919	7,967,939
Net (USE - Reduction)/Excess Reserves	(997,967)	315,098	170,769	(29,071)	(281,980)

Maintaining the Reserves:

- Ensures principal is available for interest earnings when rates increase
- Provides financial stability and improved bond ratings which result in lower borrowing costs

Notes: **This option still relies on re-directing \$250,000 of capital improvement income tax dollars towards operating.**

Assumption that other revenues will increase by approximately \$600,000 over the next 5 years.

Assumption that the general fund expenses increase by 3.3% over each of the next five years.

Option 2

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Beginning Reserve Balance	8,791,089	7,793,122	8,358,220	8,778,989	8,999,919
Revenues	7,079,209	7,117,071	7,256,607	7,350,000	7,400,000
Additional Revenues					
Income Tax Levy 0.60%		1,800,000	1,800,000	1,800,000	1,800,000
Income Tax Levy 0.40%					
Increase Recreation Fees					
Additional Revenues Subtotal	0	1,800,000	1,800,000	1,800,000	1,800,000
Expenditures	(8,327,176)	(8,601,973)	(8,885,838)	(9,179,071)	(9,481,980)
Additional Expense Reductions:					
Storm Water Utility		200,000	200,000	200,000	200,000
Adjustment for Conservative Budgeting	250,000	250,000	250,000	250,000	250,000
Estimated Reserves Balance	7,793,122	8,358,220	8,778,989	8,999,919	8,967,939
Net (USE - Reduction)/Excess Reserves	(997,967)	565,098	420,769	220,929	(31,980)

Maintaining the Reserves:

Ensures principal is available for interest earnings when rates increase

Provides financial stability and improved bond ratings which result in lower borrowing costs

Notes: This option replenishes the \$250,000 that has been re-directed from the capital improvement income tax fund beginning in 2015

Assumption that other revenues will increase by approximately \$600,000 over the next 5 years, after replenishing the \$250,000 from the income tax capital improvement fund in 2015.

Assumption that the general fund expenses increase by 3.3% over each of the next five years.