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News Release

CITY COUNCIL STRIVES TO CLOSE BUDGET GAPS

WEST CARROLLTON, Ohio - Because the city's "rainy day" fund has continued to evaporate during the past six years, the West Carrollton city council faces tough decisions on how to balance the budget.

During a five-hour work session on Thursday, Feb. 14, city officials met to review the city's 2008 budget and address revenue concerns for the coming years.

Council will vote on the 2008 budget ordinance during the council meeting on Tuesday, Feb. 26.

The projected deficit for the 2008 general fund now stands at approximately \$300,000. The reserve balance or "rainy day" funds will cover the deficit. However, the continuing depletion of the reserve funds is an issue that needs to be addressed, according to Brad Townsend, West Carrollton city manager.

"Most financial planners tell families to set aside six months of savings to help cover unforeseen circumstances," said Tom Reilly, finance department director. "The city's \$1.6 million reserve fund represents 2 ½ months of the city's total budget," he said.

The city has strived to keep expenditures down by freezing positions and reducing others to part-time status, Townsend said. "In order to maintain the current level of services, we simply can't make any more personnel cuts," he said.

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During the Feb. 26 city council meeting, council will review a proposed sewer rate adjustment. The proposal would adjust the city's sewer rates to account for increased operating expenses and improvement needs to the sanitary sewer system and at the waste water treatment plant located on 601 W. Central Ave.

The city's current sewer rate is the lowest in the county, according to Reilly. "The proposed rate increase would still keep us in the bottom third when compared to the rates of 64 Dayton area jurisdictions," Reilly said.

"This is a matter of keeping the sewer plant in business," Townsend said. "The alternative solution is to use the county sewer system, where the rates are much higher," he said.

Long-term maintenance of the sewer system and waste water plant will require sewer piping upgrades to reduce infiltration and inflow from rain events, lift station upgrades, maintenance of clarifier tanks, replacement of bar screens, and a modified sludge disposal program to meet current Ohio EPA regulations. Increases in vehicle and equipment replacement costs and operation and maintenance costs are also a concern, according to Rich Norton, service department director.

City council plans to review a potential temporary property tax increase during future council meetings in March. According to the city charter, the council has the option to increase the operating levy rate an additional 3.51 mills without a general election.

The city will also continue to review other long-term options to save money – including the possibility of changing to a health savings account system for employee's health insurance. However, no changes will be made until the city's current health insurance contract expires on Aug. 31.

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For media interviews, call **Brad Townsend**, city manager, at (937) 859-5183. Call **Tom Reilly**, finance director, at (937) 847-4650. Call **Rich Norton**, service department director, at (937) 859-5184.