

MINUTES OF FEBRUARY 12, 2009 AGENDA MEETING

Commissioner Sneary opened the meeting at 9:00 a.m. on the 12th day of February, 2009 with the following members present: Commissioner Greg Sneary, Commissioner W. Dan Reiff, Commissioner Sam Bassitt, Clerk of the Board Kelli Singhaus and Assistant Clerk Nicole Ward.

Jim Link led the Pledge of Allegiance.

Action Items:

Resolution #120-09. Approval of the annual appropriations for the general fund for calendar year 2009.

Commissioner Sneary moved to adopt the Resolution. Commissioner Reiff seconded the motion. The roll was called and the Resolution was approved by Commissioner Reiff and Commissioner Bassitt with Commissioner Sneary voting no.

Commissioner Reiff stated that the Board has been watching the sales tax slowly decline over the last two years. During the preliminary budget stage, the Board was looking at reducing the budget approximately \$1.1 to \$1.2 million dollars or ten percent. Beginning the first of December, the national economy fell and the interest income took a radical dip. Each time the Board received an update, there was an additional decline, expense or both. The Board has made a number of adjustments. The Auditor and Treasurer have sat down with the County Administrator to review the budget and to confirm that the numbers are pretty accurate as well as discussed additional possibilities. The Board has brought in additional funds by using emergency funds, monies from a land sale and went to court to bring money back that was due the county. Due to budget restraints, a number of employees have been laid off or have reduced hours. There are a number of agencies that are experiencing difficulty to the economic downturn.

Commissioner Bassitt stated that it has been a difficult process to get to a balanced budget. The Board is relying on a carry-over of \$2 million dollars to get started into the new year. The Board has also appropriated \$600,000 in contingency for unexpected expenses. The Board has to be prepared and to have some flexibility to meet unanticipated demands. Bassitt stated that he felt the media portrayed the Board incorrectly to the fact that they were not prepared for this budget year. Bassitt stated that the Board was somewhat prepared as they did have money in reserve that is being utilized. The reserve money, however, will not be available for the coming year. He is hoping for a change in the economy so that positive changes can be made for those impacted. He stated that \$9 million of the \$28 million are for obligated items such as utilities, mandates, etc. Over 50% of the remaining \$19 is for criminal justice. Eight departments experienced cuts of approximately \$900,000. He stated that he is proud that the budget is balanced but not proud of how it turned out.

Commissioner Sneary that the restraints made on the county this year has impacted lives but the Board has to deal with what is being dealt and stay within the budget parameters. The budget did take time but they tried to focus on how it would impact each department the least. There are services that have to be kept in place and basics that have to be met. There have been a lot of hours and discussions regarding the budget. There is a \$2 million dollar hole for 2010 and feels the Board needs to address it early only which is his biggest concern.

Commissioner Reiff stated that the Auditor and Treasurer have agreed to monitor the expenses and revenue closely this year and report monthly to the Board. It is necessary to get a gage on the upcoming year and determine whether further cuts/options are needed. He believes that after the first quarter or into mid-year, the Board will have a better insight. All options need to be considered.

Dennis Perry from the Regional Airport Authority questioned how the Board prioritized the cuts. Commissioner Sneary stated that it had nothing to do directly with the Airport Authority but had certain services and mandates to meet. As far as future funding, it will depend on the demands that come before the Board. Commissioner Bassitt stated that the airport is important but thru the budget process, the Board determined that all resources were needed and not just half. Each agency, department, etc. has their own variance of importance.

Kim Hankener, co-manager of the Airport, stated that he realizes the Board has really tough job putting the budget together. They are looking at the impact the airport will have with local companies that utilize their services, such as Ohio Decorative Products, Nash Finch, TSC Telephone Systems, Proctor and Gamble, etc. These businesses bring money into the county. St. Rita's and Lima Memorial Hospital utilize the airport for services that are time sensitive. There are also FAA federal implications that put a lot of money into the airport and can't shut it down. They have a 43 month contract with the Regional Airport and if they can't perform, they will be defunct. He requested the Board look at funding the airport in the future.

Keith Cunningham, Board of Elections, asked the Auditor and Treasurer on the steps they have taken to estimate the income. Has the Auditor and Treasurer met with the major sources of sales tax revenue in the county and received from them their estimates for the year?

Rhonda Eddy, Allen County Auditor, stated that local government is the top resource of revenue for Allen County. State of Ohio has notified that their will be a cut which resulted in a 17% cut. Real estate tax is another source of revenue which was reduced 5%. She stated that she also has seen reduction in the last year due to sales of homes going down. Interest income figures were received from the Allen County Treasurer. She has been watching and trending the sales tax for the last year. This estimation was somewhat tricky. She has spoken with the State of Ohio, Department of Taxation to see what their estimates were. She looked at labor statistics and as more people become unemployed, there is less spending. She took sales tax income from last year and reduced it 10%. That is how she came up with \$12 million dollars. The Commissioners also stood up and reduced the amount put into capital improvement and put into the general fund which helped to come up with the figure.

Keith Cunningham believes that if the county reaches out and interfaces with retailers, car dealers, etc., which are the major players of sales tax revenue and encourage communication.

Tony Stechschulte stated that the sales tax figure is three months behind and they do have an idea of what the next three months will be.

Jim Link, Allen County Treasurer, stated that our sources of income come from our investments in bonds, cd's, depositories, savings, etc. County has investments advisors, advisors he meets with face to face and local banks such as Fifth Third Bank and Chase Bank. He is looking at everything in which the county can save or make money. He is looking at other vehicles to invest the money in order to make money. Investment meetings are held quarterly. What hurt the county is when the feds cut the rate from 2% to 0% to 0.25%. That is the money loaned to banks. The county fell from \$2.2 million dollars interest revenue in 2008 to \$775,000 or 4.75% to 1%.

Doug Harris from the Village of Ft. Shawnee feels that the local government money is the fairest way to cut. He expressed his opinion regarding the value of the airport to our area as well his view of public employees.

Commissioner Sneary stated that they requested elected officials not to accept a raise should the State grant it. Sneary also stated that the Board requested the bargaining unit employees not to accept an increase. They chose not to adhere to the Boards request which impacted the budget \$238,000.

Rhonda Eddy commented on how herself, Jim Link and Becky Saine reviewed this budget as well as the final review with the Commissioners. They did go through each department on who actually took 21%, who did not and those that could not adhere to the 21% reduction. Workmen's compensation was reduced due to additional information, insurances, etc.

Commissioner Reiff stated that each line item was reviewed for each department.

With no further business to come before the Board, Commissioner Sneary moved to adjourn. Commissioner Reiff seconded the motion. Meeting was adjourned.

Submitted by:

Approved by:

Kelli A. Singhaus
Clerk of the Board

Greg Sneary

W. Dan Reiff

Sam Bassitt