

## **Executive Summary: 11.06.25 Council Work Session**

The work session focused primarily on the **2026 Appropriation Ordinance** and long-term financial stability, with significant discussion dedicated to capital projects, future funding concerns, and the possibility of pursuing a Village Charter.

### **2026 Budget and Financial Highlights**

Fiscal Officer Jeffrey Wilcheck presented the 2026 budget, highlighting several key financial developments and decisions:

- **Income Tax Collections:** A notable concern was raised over income tax collections, which are currently trending at a **2.5% increase** for the year, a significant drop from an earlier high of 15%.
- **SRO Position:** The \$60,000 budgeted for a School Resource Officer (SRO) for the Westerville City School District was removed from the budget as the service is not currently being provided.
- **Salaries and Wages:** The budget includes a **3.5% increase** for salaries and wages, totaling about \$42,500.
- **Pension Contributions:** The employer contribution for police pensions will increase by **3.25%**, which is the first step in a state-mandated five-year plan to raise the total contribution to 24%.
- **Healthcare:** The anticipated cost increase for healthcare was successfully negotiated down to **7%** from an initial projection of 10-11%. There is an ongoing review of dental coverage, with a proposal to switch from Delta Dental to Anthem for an estimated **25% cost savings**.
- **Levy Renewal:** The **3.2 mill levy** is scheduled for renewal on the May ballot, requiring related legislation to be approved by early February.

### **Capital Projects and Transfers**

Major infrastructure and facility projects were discussed, with funding allocated through significant transfers:

- **Transfers Out:** The general fund budget includes \$600,000 in transfers: **\$300,000** for the Street Improvement Fund and **\$200,000** for the Storm Sewer Improvement Fund. An additional **\$100,000** is earmarked for the Pool Improvement Fund to offset the unforeseen cost of major utility upgrades (water, sewer, sanitary).
- **Pool and Valley Road:** The scope of work required for the pool's new water and sewer lines is more extensive than initially anticipated, which has caused an increase of \$200,000 to \$250,000 for the Valley Road project. This portion of the **Valley Road project will be delayed** until after the pool closes next year to avoid interference with the 2026 pool season.
- **Pool Renovation Funding:** A plan is in place for a **\$2 million bond sale** next year, payable from income tax proceeds, to fund pool renovations and secure a grant. The

Fiscal Officer clarified that this is a loan paid back with existing income tax revenue, not a tax increase.

- **Sewer Line Repairs (CCTV):** The budget includes money to continue the CCTV (sewer inspection) project. However, Council debated the priority, as an estimated **\$200,000 to \$250,000 in repairs from previous CCTV inspections have not yet been completed.**
- **Pathways and Sidewalks:** The project has secured \$550,000 from the LINCUS agreement (available Jan 1) and is pursuing another \$250,000 from OD&R.

### **Long-Term Financial Outlook and Revenue Generation**

The Fiscal Officer's five-year forecast showed a critical financial challenge starting in **2028**, where the Village is projected to no longer meet its financial goal of maintaining a carryover balance equivalent to 25% of the annual budget. This concern was raised to prompt conversations about finding new revenue sources and expenditure adjustments for 2026 and 2027 to avoid the shortfall. Council members acknowledged this as a critical target for future strategic planning, including potential redevelopment initiatives.

### **Charter Government Discussion**

The Village Attorney outlined the process for forming a Charter Review Commission, which would first require a resolution passed by a two-thirds vote of Council to put the question on the May ballot.

### **Key points from the discussion:**

- **Benefits:** A charter would allow the Village to customize laws, such as adjusting competitive bidding limits (currently considered "paltry") and specifying legislative actions that can be effective immediately without declaring an emergency.
- **Past Failure:** A previous charter attempt failed with a 77% opposition vote, attributed to being overly complicated, having competing agendas among the commission members, and a lack of clear legal guidance at the end of the drafting process.
- **Staff Recommendation:** The recommendation for a new attempt is to **keep the charter simple** and focus on a few key, non-controversial changes, such as setting a clear council structure (e.g., seven members), eliminating the elected Mayor position (to be elected from among Council), and adjusting bidding limits.
- **Execution:** Council members were advised to run for the Charter Commission, act as "cheerleaders" to inform the village, and hold public assemblies to explain the *why* and *what* of the proposed charter.