



The Mariemont.com Chronicle

A recap of important community issues in 2013

2013 saw rapid progress in Rich Greiwe’s condo developments along Madisonville Road, the enlargement of the Mariemont Theatre to hold five screens and the arrival of a summer Mariemont Farmer’s Market. In addition, there was a grass roots surge in support to keep the South 80 acres as a pristine area for Parks and Recreation rather than a pathway for the connector of Red Bank Road to State Route 32.

Divisive political issues surfaced during the year prompting fair and balanced editorial commentary to appear on Mariemont.com. Here are the most noteworthy that merit attention from all Village residents and taxpayers.

1. What’s the Future for Mariemont Finances?

“Mayor Policastro said he has never seen such a strong budget as this one over the last 20 years. It is amazing how well we have done in the adversary (sic) climate that we have been up against. Most small municipalitiesare having huge problems and we are not.”

Mariemont Budget Hearing Minutes – July 8, 2013

The financial picture for small communities in Ohio has been greatly impacted by state cut-backs plus elimination of the estate tax and personal property tax. Mariemont is no exception and the picture is not as rosy as portrayed by the Mayor.

Over the last ten years, Mariemont spent more money than it received in the General Fund (which pays for Village services) in years 2003, 2004, 2007, 2008 and 2009. The Village Clerk was projecting 2013 to be a deficit year also but the mayor announced a future estate tax receipt of \$318,000. If not for estate tax infusions of \$1,219,200 in 2005 and \$378,668 in 2010, these years and 2013 would have been deficit years as well. The following chart reflects actual figures published by the Village in its annual reports:

Year	Receipts	Disbursements	Net Change to General Fund	General Fund Reserve
2003	2,855,086	2,954,912	(99,826)	1,632,500
2004	2,672,499	3,160,566	(488,067)	1,144,433
2005	3,673,446	2,973,182	700,594	1,845,028
2006	3,199,006	3,174,256	24,750	1,869,780
2007	3,249,331	3,453,861	(204,530)	1,665,249
2008	2,995,250	3,392,499	(397,249)	1,268,001
2009	3,053,116	3,311,239	(258,123)	1,009,877
2010	3,117,917	3,101,268	16,649	1,026,525
2011	3,091,361	3,013,484	77,877	1,104,000
2012	3,267,644	3,055,981	211,663	1,316,104

However, with the continued revenue cut-backs by the State, there will be no “white knight” to march in and financially save the Village from deficit spending. Reserves will continue to decline. If the spending is left unaddressed or there

are no new revenue streams coming on-board, the Village could face “fiscal emergency” status by the State Auditor in several years.

Over the past ten years, the Village collected \$3,370,347 in estate taxes. If there had been no estate tax, the Village would be \$2,054,243 in debt at the end of 2012 rather than having \$1,316,104 in reserve. This provides the magnitude of the problem and the level of revenue needed to offset the deficit spending coming. So what is going to happen in Mariemont over the next ten years with no estate tax? The income from a Joint Economic Development Zone (JEDZ) partnership with Columbia Township would have been a great start toward a solution. Shared services might also be a way to help reduce costs.

Communities have known for five years the cut-backs were coming and had ample time to plan for adjustments. Although it is late in the game, Village leaders need to start working on how to address the anticipated shortfall. They can no longer ignore the “train barreling down the tracks.”

Commentary to the post: Mariemont residents voted for the renewal of a Mariemont operating bond levy that is projected to raise \$76,276 a year for the Village of Mariemont. Yet, Mayor Dan Policastro blocked the formation of a Joint Economic Development Zone (JEDZ) with Columbia Township that would have provided over \$200,000 dollars a year for over fifty years in unrestricted revenue to the Village of Mariemont.

Opportunities Squandered by Village Officials: The Inside Story of the Joint Economic Development Zone (JEDZ) by Mike Lemon

Mike Lemon is a 34-year Mariemont resident, former Mariemont mayor and current Columbia Township administrator. He writes. Most recently, I was involved in two failed projects that could have easily delivered significant financial opportunities for both Mariemont and Columbia Township, had it not been for the questionable judgment of our Village officials. As a concerned Mariemont resident, I believe it is important for all Village residents to understand the facts of what happened. The two recent projects I am referring to are: 1) the proposed improvement at the 6-way intersection of Plainville, Madisonville and Settle Roads (commonly referred to as the roundabout project; and 2) the Joint Economic Development Zone (JEDZ). Together, these projects had the potential of generating millions of dollars for the Village of Mariemont without any new tax increases to Village residents. However, our Village officials declined to participate or engage in negotiations on either project.

The “Mayor’s Bulletin” of August 2013 provided the Mariemont Mayor’s slant on the reasons for Mariemont officials rejecting both projects. Unfortunately, much of the information contained in that bulletin is misrepresented, incomplete, or inaccurate. Attempting to address each point in the mayor’s report would require too much space to set the record straight and only lead to more bulletins and wasting of taxpayer’s dollars. However, there are several observations I would like to share.

Six-way Intersection Improvement – A \$1.7 Million Grant from the OKI Regional Council of Governments

As the Columbia administrator, I observed Columbia Township act in good faith, seeking a collaborative, cooperative approach to this project. I also observed Trustee David Kubicki’s repeated attempts to engage with Mariemont officials in negotiations continually stonewalled. After many meetings and phone calls, Mr. Kubicki even challenged our officials to take the \$1.7 million grant the township received and design its preferred intersection improvement, but Mariemont officials would not even recommend or consider a new design. In the end, the Township had no choice but to relinquish any improvement which would have been entirely paid for by Columbia Township’s grant. Columbia Township is now moving the roundabout concept to Bramble and Plainville and leaving the financial fate of the six-way intersection and entry into the Village solely in Mariemont officials’ hands.

Joint Economic Development Zone (JEDZ) - A Multi-Million Dollar Revenue Opportunity

Columbia Township made it known early in discussions with Mariemont officials that it was important to get the JEDZ issue on the ballot in November. Knowing this, Trustee Kubicki personally expended a considerable amount of energy and time trying to engage our Mariemont officials. Trustee Kubicki even offered to go to a council meeting and discuss the JEDZ. He was warned by the mayor, who advised Mr. Kubicki that he would only be allowed three minutes to talk, not to attend. After four months of phone calls, meetings and discussions without progress toward an agreement, and with time to get the issue on the ballot growing perilously short, the Township received a peculiar letter from the mayor asking for a written proposal! This led Columbia Township officials to conclude that Mariemont was not really interested in collaborating or partnering in an agreement, but only stonewalling again. As a result, the Township began discussions with other communities, while still holding open the offer to accept a proposal from Mariemont. Despite efforts by councilmen Cortney Scheeser and Jeff Andrews to schedule a special council meeting to discuss the issue (before Columbia Township signed an agreement with another community), a council vote was taken and failed by 4-2, effectively abandoning the opportunity to partner in a JEDZ. Within 10 days, Fairfax and Columbia Township had completed negotiations and agreed to form a partnership on a JEDZ.

While the “Mayor’s Bulletin” stated the Township was only willing to give the Village 10% of the revenue collected (as evidenced by the agreement with Fairfax), **I know the truth is that discussions took place with Mariemont officials for figures up to 50%**, although not all the township trustees were aligned on that amount. Indications from the trustees were the figure was more likely to be 20-30% in an agreement, plus repayment for the expenses for collecting taxes. There would be absolutely NO cost to Mariemont, only revenue to use as it wished.

Columbia Township officials have been accused by Mariemont officials of withholding information. Nothing could be further from the truth. All information available was provided by me to the Village, and nothing was held back. The projections on revenue from the JEDZ were completed by an economic development professional, using methodologies commonly used in industry. Explanations of how the figures were derived were also provided by the same development professional in a meeting with Mariemont officials. Conservative figures indicted the JEDZ would generate approximately \$706,000 annually. Based upon the intent of a 40-year agreement with three 10-year renewal options (as signed with Fairfax), our community lost an opportunity to capture revenue for the next seventy years for any purpose it wished! How much it lost depends upon what the negotiated split would have been and the cost of tax collection. However, based upon a quick spreadsheet analysis, the following chart reflects the range of revenue lost if a 1.0% earnings tax and a 5% tax collection fee of generated revenue are used. (If a 1.25% earnings tax (the current Mariemont rate) had been negotiated, the impact would show an even more significant loss for Mariemont.)

% Split	90-10	80-20	70-30	60-40	50-50
Est. Revenue	\$706,378	\$706,378	\$706,378	\$706,378	\$706,378
Collection Fee (5%)	\$35,319	\$35,319	\$35,319	\$35,319	\$35,319
Net	\$671,059		\$671,059	\$671,059	\$671,059
CT Annual Share	\$603,953	\$536,847	\$469,741	\$402,635	\$335,530
MM Annual Share	\$67,106	\$134,212	\$201,318	\$268,424	\$335,530
MM Loss-70 Yrs.	\$4,697,414	\$9,394,827	\$14,092,241	\$18,789,655	\$23,487,069

If the percentage our Village received was between 20-30%, this equates to between \$9 million and \$14 million dollars of free money lost!

The Lost Opportunity for Our Village

So what could have happened if an agreement was reached on these two initiatives? We could have...

- a. Increased our Village revenue by millions of dollars without increasing taxes to residents and businesses. (What would these millions of dollars have done for improving our streets, for improving parks and the pool, for police protection, for fire protection and more? Would it pay for a community comprehensive plan or for a Village administrator?)
- b. Replaced six-way confusing intersection with improved design and new entry into our Village at no cost to Mariemont
- c. Provided pathway and design for extension of bike path from Fairfax
- d. Extended the customer base for our retail and commercial businesses in Mariemont through development of Plainville
- e. three Road and Wooster Pike.

I saw these two projects as a tremendous opportunity for Columbia Township and the Village of Mariemont to work together to accomplish things...

- Improve two adjacent communities
- Support economic development
- Help stabilize finances following the severe impact of State cut-backs and estate tax elimination.

However, our Mariemont Village officials decided that these projects were not in the best interest of Mariemont and declined to participate. While there are obviously differences of opinion on these two projects, one has to wonder what is really driving the decisions of our Village officials and whether they are in the long-term best interest of Mariemont and its residents.

Having served the Mariemont community for 13-years as a councilman and mayor and as a long-time Mariemont resident, just thinking of the lost opportunities is very distressing to me. I hope you are as disturbed as I am and will begin to take a closer look at the current leadership and how it is managing the long-term interests of our Village. By Mike Lemon

***Merry Christmas and Happy New Year from the Editorial Staff of
Mariemont.com***