

President Kevin Hardman called the Special Sharonville Council meeting of August 26, 2010 to order at 5:30 p.m. Elected Officials were in attendance with the exception of Treasurer Al Ledbetter. Safety Service Director Ted Mack participated by phone conference. Finance Director Amy Moore along with Deputy Safety Service Directors Christine Thompson and Robert Fisher were in attendance. Others in attendance included: Ralph Hammonds, John Mackey, Sue Koetz, Carol Crawford, Pat Schehr, Bryan Huff and Martha Cross Funk.

Discussion of 2011 Budget Planning

Review / Discussion from 08/17/10 Special Council Meeting:

- ◆ President Hardman reviewed the attached Summary of Financial Information.

Administration Budget Presentation:

- ◆ Finance Director Amy Moore provided a five-year comparison and reviewed the information contained in the following attachments:
 - Analysis of Sources vs. uses.
 - Cash Receipts and Expenditures General Fund from 2005 (through 2009).
 - Cash Receipts and Expenditures Fire Fund from 2005 (through 2009).
 - General Fund: 2010 Update
 - Fire Fund: 2010 Update
- ◆ Mayor Lovitt assisted with the presentation and provided the following additional comments:
 - A spreadsheet identifying a comparison of Elected Officials salaries with other municipalities will be provided.
 - An early separation incentive will be discussed in Executive Session.
 - The Administration will begin a study of the restructuring of the salary schedule.
 - It was noted that 42 hours of furloughs for all employees would amount to a 2% reduction in payroll.

At 6:40 p.m. the motion by Mr. Pugh to move in accordance with section 121.22(g)(1) of the Ohio Revised Code that the Council go into Executive Session to discuss personnel issues including the employment, compensation, benefits and possible layoffs of employees was seconded by Mr. Rabe. Roll Call Vote to move into Executive Session. Motion approved unanimously. The Executive Session included the Elected Officials and Safety Service Director Ted Mack by phone conference.

The Special Council meeting reconvened at 9:15 p.m.

The scheduling of a follow-up work session was discussed. It was determined that the regular Council meeting of September 14 would begin at 6:00 p.m. rather than 7:00 p.m. The 2011 Budget discussion will be included on the agenda prior to Other Matters to be heard before Council.

The motion to adjourn the meeting by Mrs. Kattelman was seconded by Mr. Cunningham. President of Council Kevin Hardman adjourned the meeting at 9:20 p.m.

ATTEST

Martha Cross Funk, Clerk of Council Date

Kevin Hardman, President of Council Date

ANALYSIS OF SOURCES VS. USES

GENERAL FUND from 2005

(Cash only, no encumbrances, combined budget years)

	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009
<i>Operating Receipts vs. Operating Exp</i>	4,031,783.16	2,893,337.26	3,914,078.57	2,831,093.66	1,128,544.25
<i>Operating Receipts vs. Operating Exp and Debt</i>	3,144,583.16	1,877,142.69	2,468,006.07	1,440,267.66	345,758.19
<i>All Receipts vs. Exp less Reserve Transfers and Advances</i>	912,657.44	753,243.15	799,239.90	(540,732.34)	(448,728.69)
All Sources vs. All Uses	857,657.44	753,243.15	799,239.90	(840,732.34)	(1,025,848.69)

FIRE FUND from 2005

(Cash only, no encumbrances, combined budget years)

	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	Net of 2008 and 2009
<i>Operating Receipts vs. Operating Exp</i>	732,153.50	886,269.12	912,862.75	773,538.29	606,895.09	
<i>Operating Receipts vs. Operating Exp and Debt</i>	32,208.50	185,224.12	211,492.75	73,805.79	(94,099.91)	
<i>All Receipts vs. Exp less Advances</i>	(6,139,305.70)	155,033.82	5,007.51	578,313.16	(842,987.14)	(264,673.98)
All Sources vs. All Uses	(6,139,305.70)	155,033.82	(77,492.49)	538,313.16	(842,987.14)	(304,673.98)

**CASH RECEIPTS AND EXPENDITURES
GENERAL FUND from 2005**

(Cash only, no encumbrances, combined budget years)

	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009
RECEIPTS and SOURCES					
① Tax	13,103,327.39	12,906,771.50	13,472,434.97	13,400,741.77	11,962,244.21
① Lodging Tax	268,487.09	-	-	-	-
① Local Gov't Funding	578,582.77	577,646.39	586,061.95	587,810.91	512,683.15
① Other Intergovernmental	54,310.61	51,935.78	47,932.65	77,201.61	77,355.22
① Estate Tax	316,772.08	194,739.87	532,922.36	953,271.45	387,633.00
① Interest	458,784.33	666,371.43	612,244.64	358,028.33	40,200.77
① Fines/Forfeitures	374,837.56	373,082.66	353,586.74	291,686.50	299,451.19
① Charges for Services	411,983.98	424,388.89	402,442.11	401,750.74	359,404.01
① Licenses, Permits, Fees	483,018.09	440,030.58	398,399.59	520,507.50	465,180.95
① Miscellaneous	57,474.84	43,711.33	34,415.87	38,040.82	130,847.38
③ Reimb/Refunds/Legal/Ins Cl	65,548.75	63,003.79	901.83	-	2,686.25
③ Adjustments	26,047.83	-	-	-	-
③ Transfer/Advance In	65,720.79	-	-	40,000.00	15,496.87
Total Receipts	16,264,896.11	15,741,682.22	16,441,342.71	16,669,039.63	14,253,183.00
EXPENDITURES and USES					
① Personnel	8,779,220.06	9,037,113.95	9,324,250.31	10,476,529.12	10,116,859.78
① Travel/Training	51,174.23	39,053.41	43,638.61	73,404.60	44,727.94
① Services	2,650,672.61	2,782,030.82	2,503,459.70	2,715,886.85	2,544,776.98
① Supplies	440,319.93	440,299.99	432,783.51	532,100.40	399,997.93
① Other	4,408.75	236,843.00	100.00	25.00	93.00
① Health Dept Transfer	150,000.00	250,000.00	222,130.18	-	-
② Debt	887,200.00	1,016,194.57	1,446,072.50	1,390,826.00	782,786.06
③ Capital Transfer	1,900,985.00	1,171,000.00	1,447,575.00	1,936,000.00	712,670.00
③ Storm Water	-	15,903.33	4,122.00	-	-
③ Storm Water Transfer	-	-	131,100.00	-	-
③ Term Benefits Transfer	86,000.00	-	85,000.00	85,000.00	100,000.00
③ Other Transfers Out	402,258.09	-	1,871.00	-	-
④ Debt Reserve Transfer	-	-	-	300,000.00	167,120.00
④ Budget Reserve	-	-	-	-	400,000.00
④ Advance Out	55,000.00	-	-	-	10,000.00
Total Expenditures	15,407,238.67	14,988,439.07	15,642,102.81	17,509,771.97	15,279,031.69
<i>Operating Receipts vs.</i>					
① <i>Operating Exp</i>	4,031,783.16	2,893,337.26	3,914,078.57	2,831,093.66	1,128,544.25
<i>Operating Receipts vs.</i>					
①② <i>Operating Exp and Debt</i>	3,144,583.16	1,877,142.69	2,468,006.07	1,440,267.66	345,758.19
<i>All Receipts vs. Exp less</i>					
<i>Reserve Transfers and</i>					
①②③ <i>Advances</i>	912,657.44	753,243.15	799,239.90	(540,732.34)	(448,728.69)
①②③④ All Sources vs. All Uses	857,657.44	753,243.15	799,239.90	(840,732.34)	(1,025,848.69)
Cash Fund Bal, Jan 1	2,240,347.55	3,098,004.99	3,851,248.14	4,650,488.04	3,809,755.70
Cash Fund Bal, Dec 31	3,098,004.99	3,851,248.14	4,650,488.04	3,809,755.70	2,783,907.01
Debt + Capital %	18.10%	14.59%	18.50%	19.00%	9.79%

**CASH RECEIPTS AND EXPENDITURES FOR
FIRE FUND from 2005**

(Cash only, no encumbrances, combined budget years)

	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	Net of 2008 and 2009
RECEIPTS and SOURCES						
① Tax	6,295,868.81	6,408,654.28	6,456,591.15	6,429,284.58	5,738,202.83	
① Life Squad Fees	380,447.09	406,006.78	481,441.52	432,583.49	644,222.02	
① Miscellaneous	18.99	589.00	2,601.23	2,780.48	18,539.93	
③ Reimb/Refunds/Legal/Ins Claims		11,174.64	-	-	-	
③ Adjustments	(6,041,555.31)	-	-	-	-	
③ Grant Receipts	15,579.31	1,100.00	-	12,726.74	-	
③ Lease Proceeds				499,000.00		
③ Transfer/Advance In	-	17,869.09	82,500.00	40,000.00	-	
Total Receipts	650,358.89	6,845,393.79	7,023,133.90	7,416,375.29	6,400,964.78	
EXPENDITURES and USES						
① Personnel	5,061,507.38	5,076,884.71	5,262,287.81	5,189,236.49	4,998,239.76	
① Travel/Training	58,321.39	20,765.18	38,317.31	14,349.92	34,894.47	
① Services	367,480.05	341,770.49	397,190.89	489,762.91	466,870.08	
① Supplies	175,623.57	173,403.56	141,042.14	197,760.94	142,701.38	
① Revenue Sharing	281,249.00	197,757.00	188,933.00	200,000.00	151,364.00	
① Other (Refunds)	-	118,400.00	-	-	-	
② Debt	699,945.00	701,045.00	701,370.00	699,732.50	700,995.00	
③ Capital	145,538.20	60,334.03	288,985.24	47,219.37	748,887.23	
④ Advance Out	-	-	82,500.00	40,000.00	-	
Total Expenditures	6,789,664.59	6,690,359.97	7,100,626.39	6,878,062.13	7,243,951.92	
① Operating Receipts vs. Operating Exp	732,153.50	886,269.12	912,862.75	773,538.29	606,895.09	
①② Operating Receipts vs. Operating Exp and Debt	32,208.50	185,224.12	211,492.75	73,805.79	(94,099.91)	
①②③ All Receipts vs. Exp less Advances	(6,139,305.70)	155,033.82	5,007.51	578,313.16	(842,987.14)	(264,673.98)
①②③④ All Sources vs. All Uses	(6,139,305.70)	155,033.82	(77,492.49)	538,313.16	(842,987.14)	(304,673.98)
Cash Fund Bal, Jan 1	7,490,032.30	1,350,726.60	1,505,760.42	1,428,267.93	1,966,581.09	
Cash Fund Bal, Dec 31	1,350,726.60	1,505,760.42	1,428,267.93	1,966,581.09	1,123,593.95	
Debt + Capital %	12.45%	11.38%	13.95%	10.86%	20.02%	

GENERAL FUND: 2010 Update

	<u>Original</u>	<u>8/26/2010 Revised</u>	<u>Change</u>
1/1/2010 Unencumbered Balance	2,488,867.33	2,488,867.33	
Receipts	13,836,066.00	14,027,063.00	190,997.00
Expenditures	<u>14,828,852.34</u>	<u>14,370,989.82</u>	(457,862.52)
Receipts Over/(Under) Expenditures	(992,786.34)	(343,926.82)	648,859.52
Estimated Ending Balance, 12/31/2010	\$ 1,496,080.99	\$ 2,144,940.51	

CALCULATIONS IF 2011 BUDGET IS RESTRICTED TO 2011 RECEIPTS

2011 GF OPERATING

2011 Estimated Receipts	13,791,303.00
Suggested 85% for Operating	11,722,607.55
Preliminary estimates for 2011 expenses	13,058,665.00
Over (Short)	(1,336,057.45)

2011 GF CAPITAL

2011 Estimated Receipts	13,791,303.00
Suggested 15% for Debt/Capital	2,068,695.45
Preliminary estimates for 2011:	
Debt	1,006,747.00
Fire Truck Lease	108,000.00
Phone Lease	43,000.00
	1,157,747.00
Remaining for Capital	910,948.45

OTHER SOURCES AVAILABLE

Use 302 Debt Balance to make 2011 Payment	424,418.76
Budget Reserve at Council's determination of need	400,000.00
General Fund Resources at 12/31/10	644,940.51
Less retaining 10% estimated annual expenditures (\$1.5M)	
Potential Fee Changes	6,000.00 to 110,000.00 +

FIRE FUND: 2010 Update

	<u>Original</u>	<u>8/26/2010 Revised</u>	<u>Change</u>
1/1/2010 Unencumbered Balance	975,827.95	975,827.95	
Receipts	6,154,001.00	6,154,001.00	-
Expenditures	<u>6,750,423.00</u>	<u>6,635,973.00</u>	(114,450.00)
Receipts Over/(Under) Expenditures	(596,422.00)	(481,972.00)	114,450.00
Estimated Ending Balance, 12/31/2010	\$ 379,405.95	\$ 493,855.95	

CALCULATIONS IF 2011 BUDGET IS RESTRICTED TO 2011 RECEIPTS

2011 FIRE OPERATING

2011 Estimated Receipts	6,154,000.00
Suggested 85% for Operating	5,230,900.00
Preliminary estimates for 2011 expenses	5,840,628.00
Over (Short)	(609,728.00)

2011 FIRE CAPITAL

2011 Estimated Receipts	6,154,000.00
Suggested 15% for Debt/Capital	923,100.00
Preliminary estimates for 2011:	
Debt	698,457.50
Fire Truck Lease	698,457.50
Remaining for Capital	224,642.50

OTHER SOURCES AVAILABLE

Fire Fund Resources at 12/31/10	-
Fire Fund Projected Balance is less than 10% of the average annual expenditures.	
Potential Fee Changes	15,000.00 to 75,000.00

SUMMARY OF FINANCIAL INFORMATION

Current 2010 Expenses

	General Fund	Fire Fund
Total Expenses	\$14,400,000	\$6,635,973
Debt	\$1,014,722	\$700,595
Capital	\$263,500 ¹	\$11,700
Debt/Capital %	8.9% ²	10.7%
Operating Expenses	\$13,121,788	\$5,923,678

Estimated 2011 Revenue

	General Fund	Fire Fund
Projected 2010 Revenue	\$13,836,066	\$6,154,000
2011 Tax Budget Projection	\$13,641,303 ³	\$6,154,000

2011 Debt

	General Fund	Fire Fund
Debt Payments	\$1,014,547	\$698,457

2011 Capital

	General Fund	Fire Fund
85/15 Split	\$1,060,863	\$224,643
83/17 Split	\$1,337,584	\$347,723
80/20 Split	\$1,752,666	\$532,343

¹ \$108,603 of this 2010 General Fund capital expenditure is for the fire truck lease.

² Despite the small percentage of general fund capital dollars, the City has been able to budget other capital dollars in 2010 because of grant availability and revenue in special funds. (1) Approximately \$440,715 (includes \$200,000 for as needed street, sidewalk repairs) has been budgeted from special funds (excluding the fire fund). (2) \$413,529 spent for downtown signalization project. This revenue from grant proceeds. City share of \$30,528 was from left-over funds from a previous project -- not general fund dollars. (3) \$594,000 for Kemper Connector project. City share of \$141,000 paid from special funds, remainder received in grant proceeds. (4) \$1,159,000 for Mosteller/I-275 project. All grant/state money, no city 2010 dollars on this project. If these expenses were included with general fund budget and with general fund capital expenses, the percentage of capital/debt to overall general fund expenses would be **22.8%**. Note, however, this was possible due to significant balances in some special funds and the work of administration in applying and obtaining grant funding.

³ The 2011 Tax Budget projection is \$194,763 below what is anticipated to be received in 2010 and the number agreed to at our work session that we would work from for 2011. The tax budget was budgeted down slightly as a result of one time revenues (reimbursement from TIF and Storm Water) and slight reductions for interest and local government funding.

2011 Operating

	General Fund	Fire Fund
85/15 Split	\$11,760,656	\$5,230,900
Reduction from 2010	(\$1,361,122)	(\$692,778)
83/17 Split	\$11,483,935	\$5,107,820
Reduction from 2010	(\$1,637,843)	(\$815,858)
80/20 Split	\$11,068,853	\$4,923,200
Reduction from 2010	(\$2,052,925)	(\$1,000,478)