

MINUTES

COUNCIL-MANAGER BRIEFING

December 2, 2013

Mayor D'Epifanio called the Council-Manager Briefing to order at 6:00 p.m. at the Fairfield Municipal Building, 5350 Pleasant Avenue. The following Councilmembers were present: Mike Oler, Terry Senger, Tim Abbott, Tim Meyers and Debbie Pennington. Staff present: Alisha Wilson, Arthur Pizzano, John Clemmons, Mark Wendling, Mary Hopton, Tim Bachman, Dave Butsch, Dave Crouch, Andy Eddy, Jason Hunold and Jim Bell.

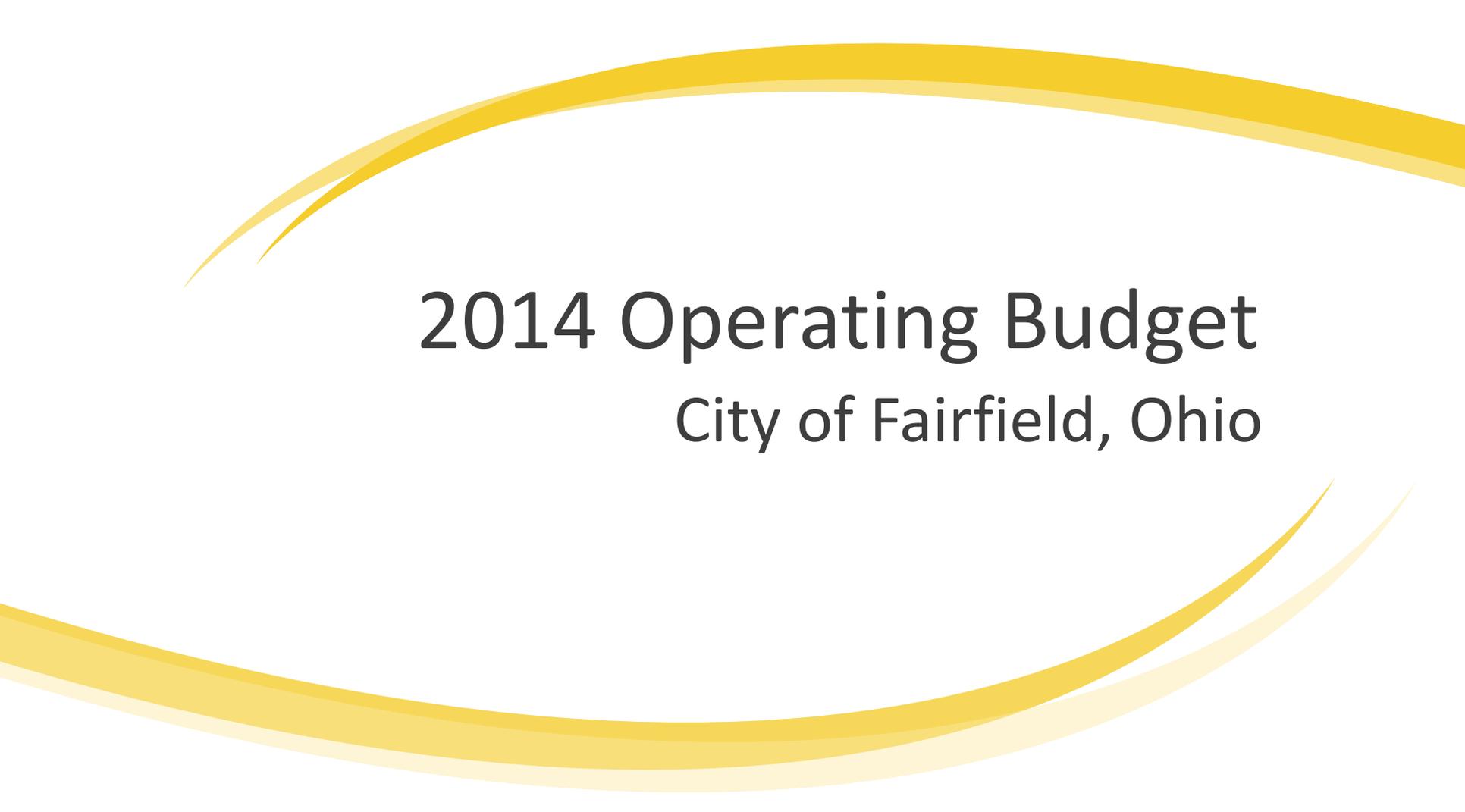
Council and staff discussed the 2014 proposed budget. See attached slides.

**Adjournment**

Council/Manager Briefing adjourned at 6:55 p.m.

Respectfully Submitted,

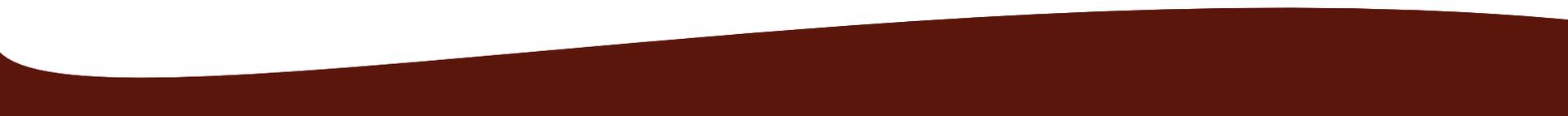
Alisha Wilson  
Clerk of Council



# 2014 Operating Budget

## City of Fairfield, Ohio

Mary Hopton, Finance Director



# Agenda for December 2, 2014

- Overview
  - 2014 Budget
  - General Fund
  - Street Funds
  - Recreational Facilities Fund
  - Water Revenue Fund
  - Sewer Revenue Fund
- Department Budgets
  - Administration
  - Development Services
  - Finance
  - Public Works
  - Parks
  - Public Utilities
  - Personnel

# Overview – 2014 Budget

- **Balanced Operating Budget**
  - Estimated Revenues - \$69,572,450
  - Expenditures - \$66,890,689
    - 45 different funds - largest funds account for 69% of budget
- **Impacts on the Operating Budget**
  - Economic recovery
  - Interest rates
  - Affordable Care Act (ACA)
  - Insurance
    - Liability, health, workers compensation

# General Fund

Tax Anomaly –  
Estimated net profit above  
historical norm by  
approximately \$875,000 per  
year since 2010.

Statute of limitations for  
refund is 3 years – first year  
will be out of statute in 2014.

Estimated Beginning Balance 2014	\$13,500,000
Estimated Revenues	\$26,192,084
Budgeted Expenditures	-\$25,754,769
Tax Anomaly (Approximately \$875,000 per year for 4 years)	<u>-\$3,500,000</u>
Ending Balance 2014	\$10,437,315
Reserved Balance (25% of Expenditures)	<u>-\$6,438,692</u>
Unreserved Balance	\$3,998,623

# Street Funds

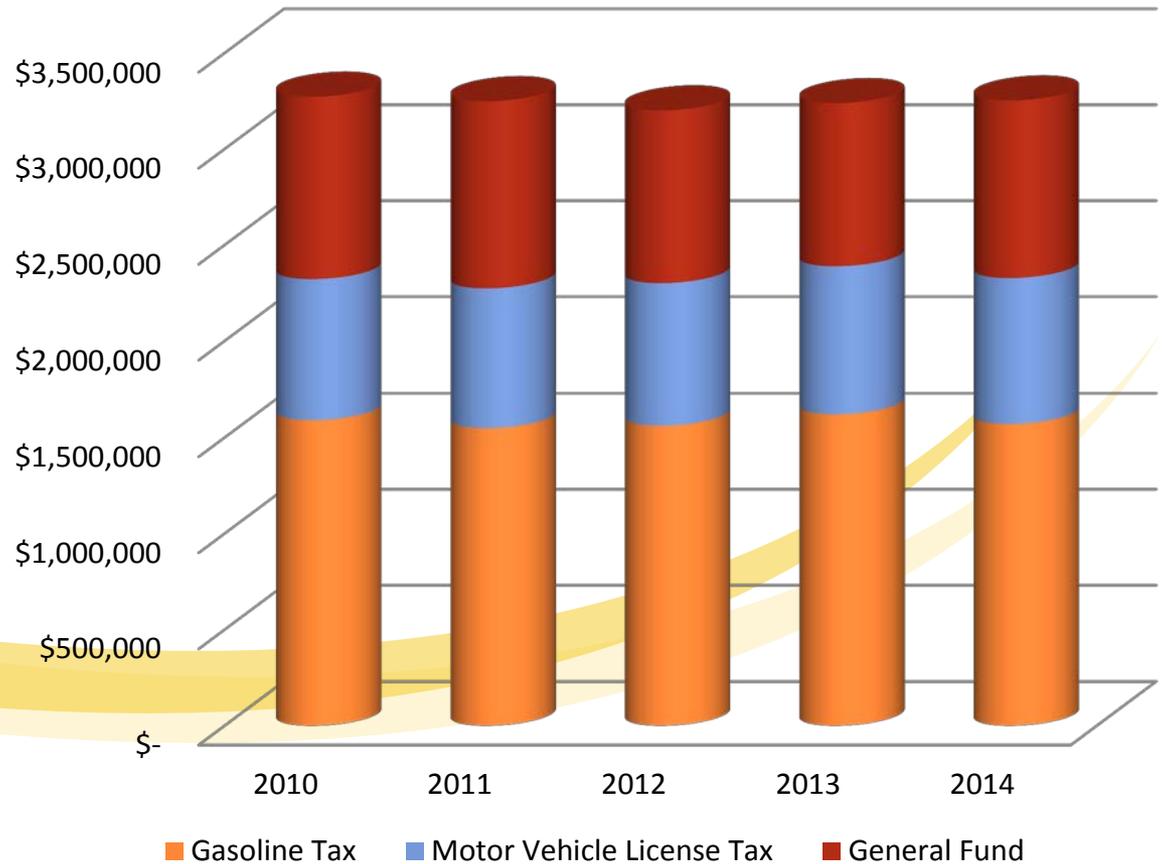
## Public Works

Revenue sources include:

Gasoline tax

Motor vehicle license tax

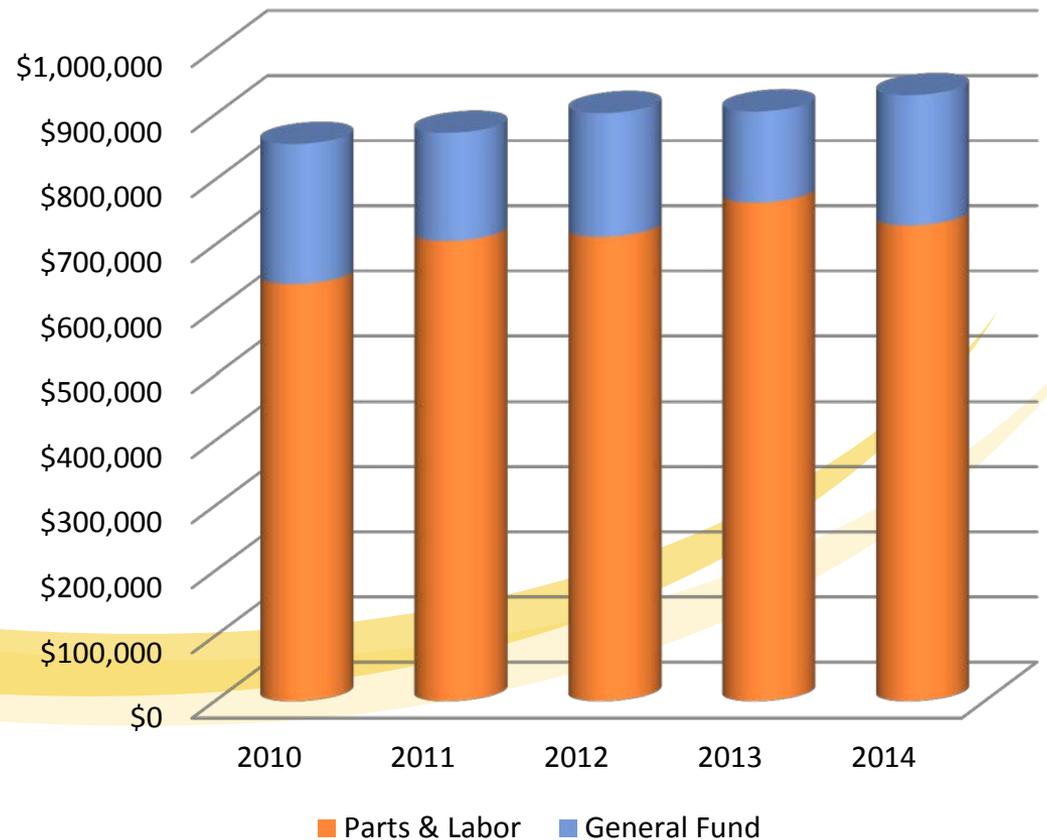
General fund



# Street Funds

## Fleet (Municipal Garage Services)

Revenue sources include:  
All other operational funds



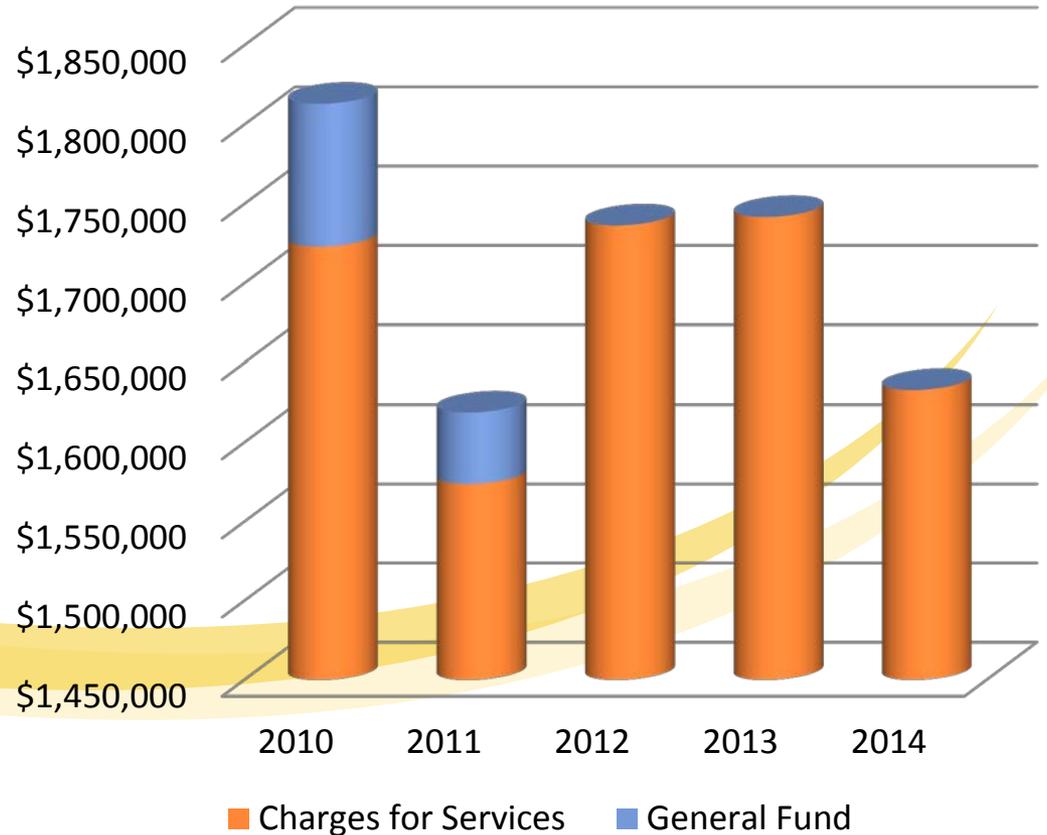
# Recreational Facilities Fund

Revenue sources include:

- Golf Fees
- Cart Rentals
- Concession Sales
- Swimming Permits
- Daily Swimming Fees
- General Fund

Expenditures uses include:

- Aquatic Center
- Golf Operations
- Golf Maintenance

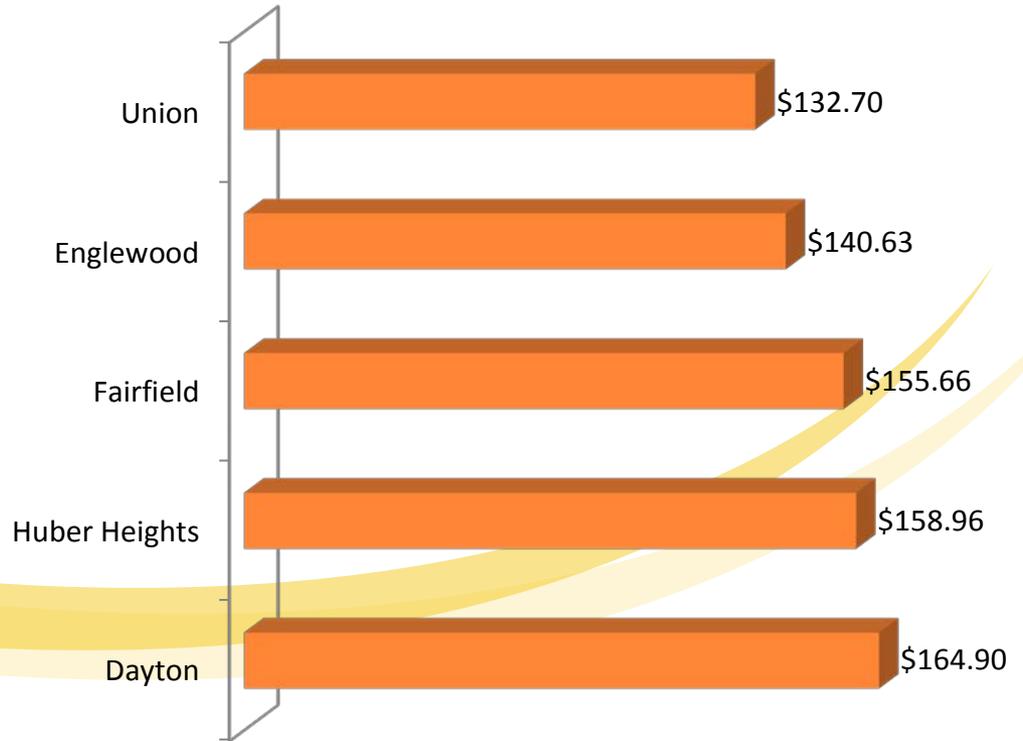


# Water & Sewer Rates

2013 Annual Survey  
Rates as of March 1, 2013  
For 63 Jurisdictions  
Based on 22,500 gallons

High \$418.56  
Low \$132.70  
Mean \$229.03

## Combined Water & Sewer Rates

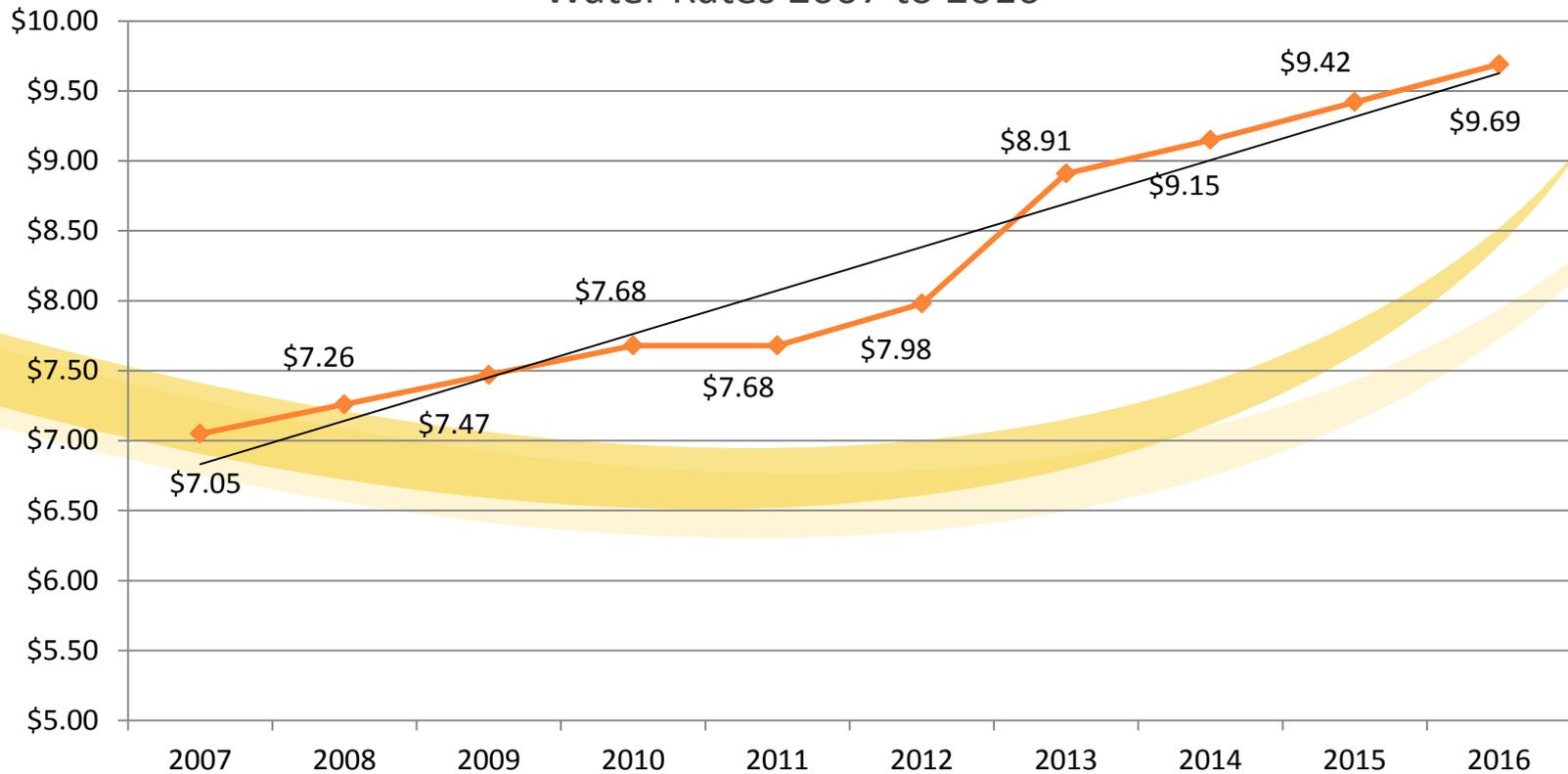


# Water Revenue Fund

Rate Structure until 2016

Capital improvement surcharge 2013

Water Rates 2007 to 2016

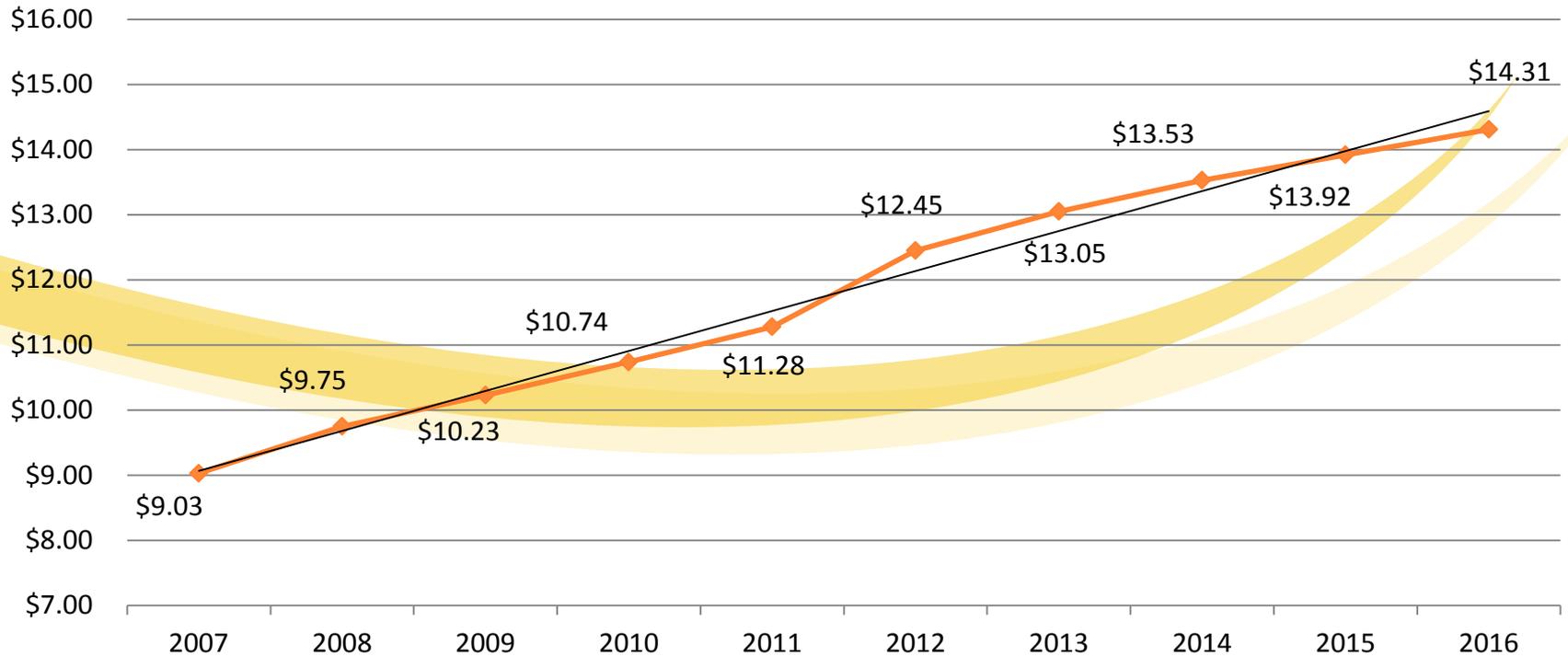


# Sewer Revenue Fund

Rate Structure until 2016

Capital improvement surcharge 2012

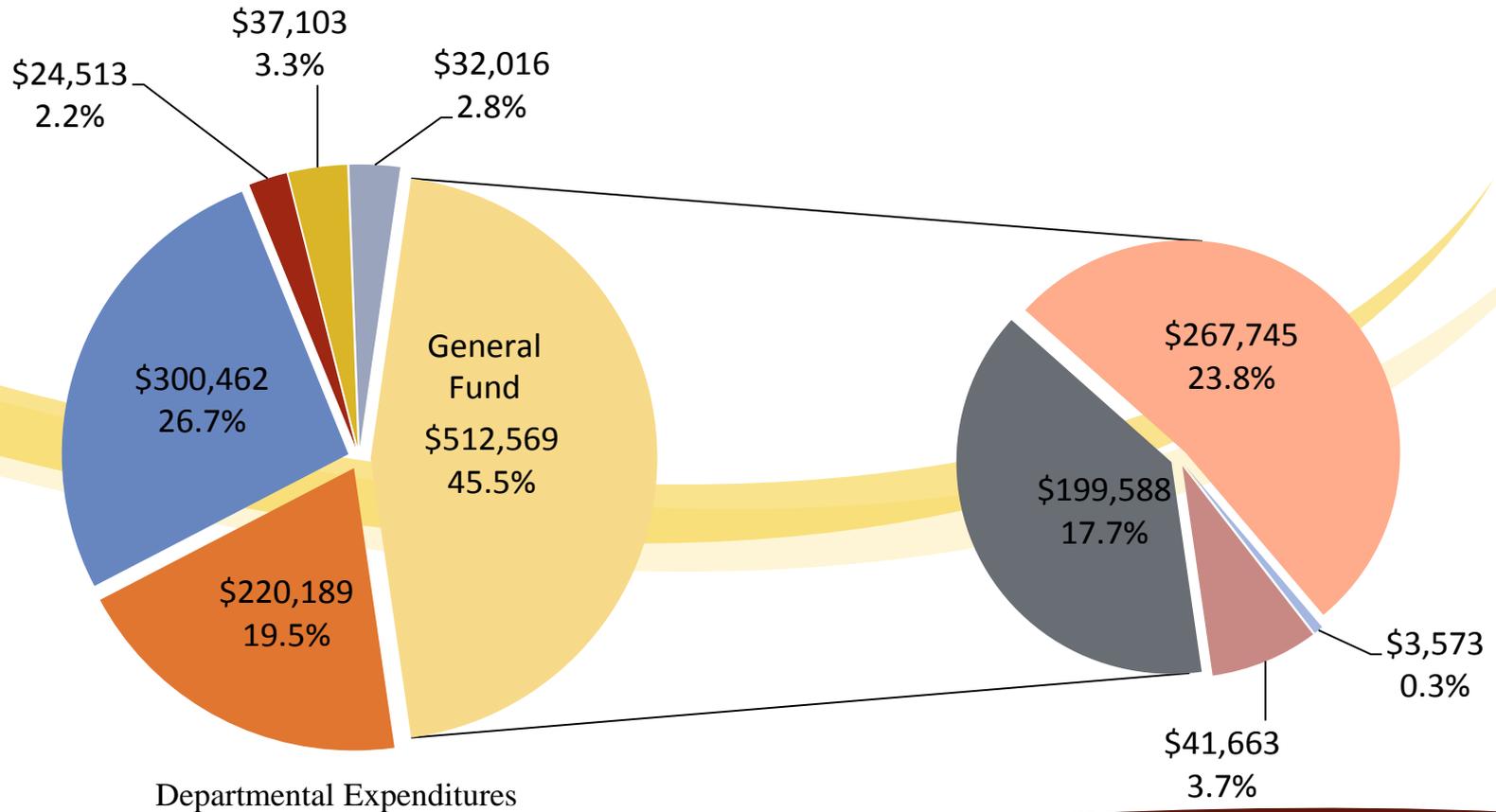
Sewer Rates 2007 to 2016



# Utility Cost

City-wide Electric Cost Total Spent **\$1,126,852** *Through October 2013*

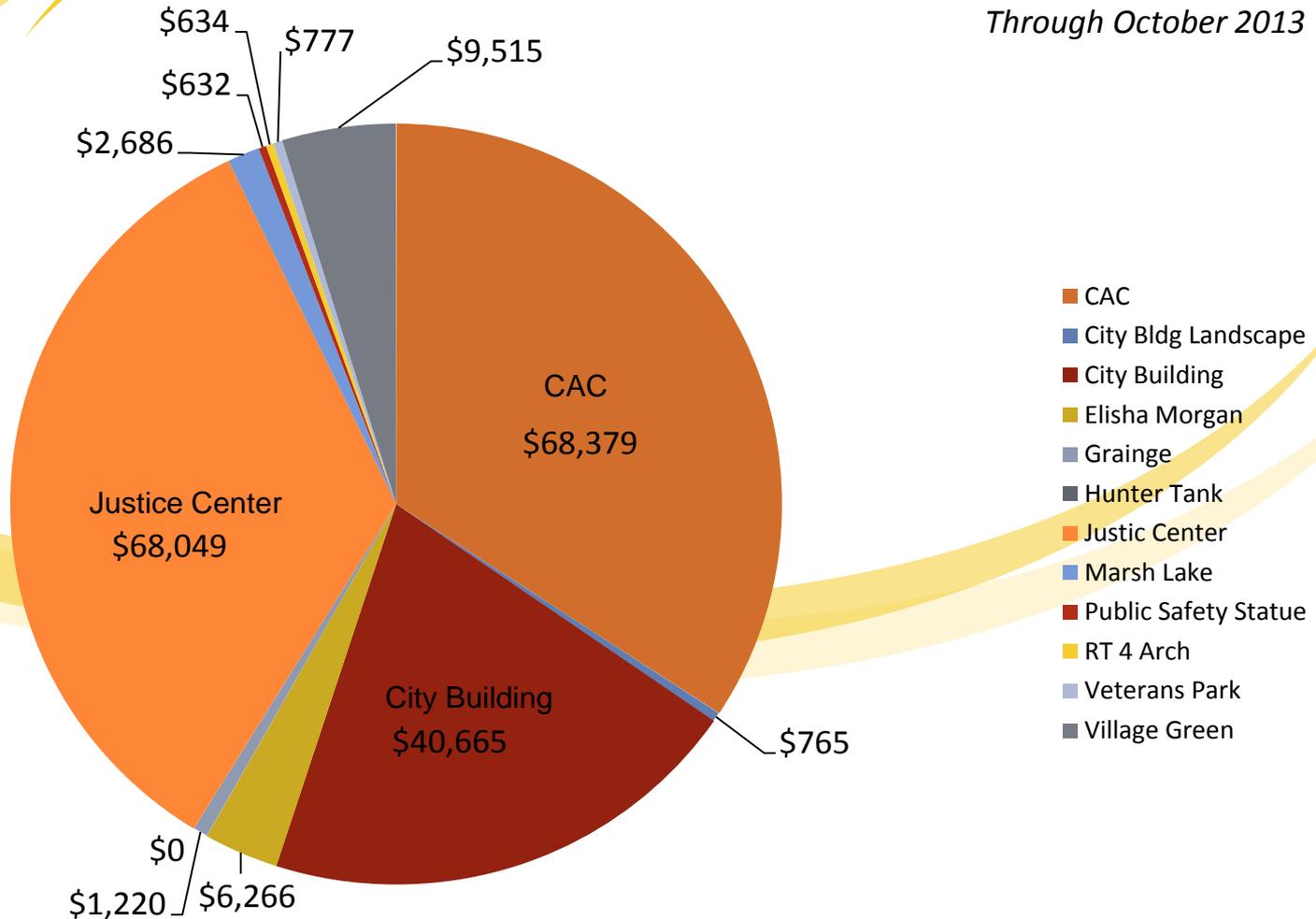
- Wastewater
- Water
- Street
- Parks
- Fire
- Various Bldgs
- Street Lights
- Streetscape
- Traffic Lights



# Utility Cost

## City-wide Electric Cost – Various Buildings/General Fund

Through October 2013



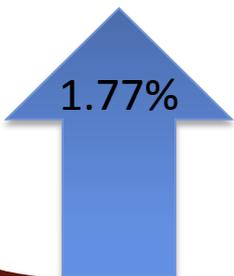
The slide features two large, overlapping yellow swooshes that curve across the top and bottom of the page, framing the central text.

# **2014 DEPARTMENT BUDGET REVIEW**

# 2014 Department Budget – Administration

- General fund revenues
- Budget \$1,312,456
  - Personnel cost increase
    - Hospitalization
- Contract increases
  - Legal service costs have been at zero over the past several years

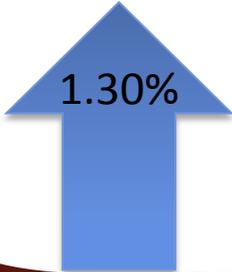
	2013	2014	% Change
City Manager	\$527,923	\$535,576	1.45
Law Director	\$504,550	\$514,550	1.98
Human Resources	\$257,165	\$262,330	2.01
	\$1,289,638	\$1,312,456	1.77



# 2014 Department Budget – Development Services

- General fund revenues
- Budget \$1,424,532
  - Personnel cost increase
    - Hospitalization
  - Operational cost increases
    - Software maintenance
    - Fleet maintenance
    - Gasoline

	2013	2014	% Change
Planning & Economic Development	\$621,439	\$626,046	0.74
Building & Zoning Inspection	\$784,780	\$798,486	1.75
	\$1,406,219	\$1,424,532	1.30



1.30%

# 2014 Department Budget – Finance

- General fund revenues
  - Administration, Accounting, Income Tax & Information Technology
- Water & sewer revenues
  - Utility Billing

	2013	2014	% Change
Administration/Accounting	\$632,509	\$645,327	2.03
Income Tax	\$531,902	\$616,048	15.82
Utility Billing	\$1,307,581	\$1,288,545	-1.46
Information Technology	\$539,672	\$529,930	-1.81
	\$3,011,664	\$3,079,850	2.26



2.26 %

# 2014 Department Budget – Finance

- Budget \$3,079,850
  - Personnel cost increases
    - Hospitalization
    - Fill vacant Tax Supervisor position
      - Estimated to recoup 260% of personnel cost
  - Operational cost increases
    - Software maintenance
    - Maintenance of equipment
  - Operations cost decreases
    - Printing & reproduction
    - Postage
    - Computer supplies



2.26%

# 2014 Department Budget – Public Works

- General fund revenues
  - Administration, Construction Services, Municipal Building
- Special Revenue funds
  - Streets & Transportation
- All funds
  - Fleet Maintenance

	2013	2014	% Change
Administration	\$183,766	\$186,426	1.45
Construction Services	\$627,357	639,424	1.92
Municipal Building	\$244,093	\$248,515	1.81
Streets & Transportation	\$3,230,741	\$3,223,786	-0.22
Fleet Maintenance	\$898,167	\$927,869	3.31
	\$5,184,124	\$5,226,020	0.81



# 2014 Department Budget – Public Works

- Budget \$5,226,020
  - Personnel cost increases
    - Hospitalization
  - Operational cost increases
    - Professional & engineering services
    - Janitorial services
    - Maintenance of equipment, fleet and facilities
    - Gasoline & other fuels
    - Garage supplies & tools

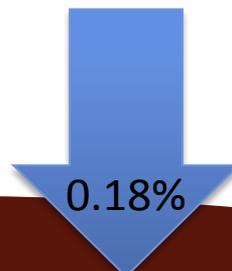


0.81%

# 2014 Department Budget – Parks

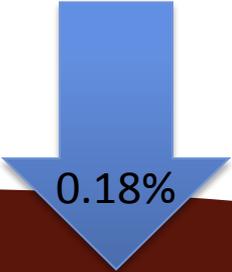
- General fund revenues
  - Administration, Park Maintenance, Marsh Fishing Lake, Community Arts Center
- Recreational Facilities fund revenues
  - Aquatic Center, Golf Operations & Maintenance

	2013	2014	% Change
Administration	\$865,497	\$893,462	3.23
Park Maintenance	\$957,684	\$941,979	-1.64
Marsh Fishing Lake	\$125,520	\$108,728	-13.38
Community Arts Center	\$688,663	\$710,627	3.19
Aquatic Center	\$195,315	\$194,123	-0.61
Golf Operations	\$703,739	\$687,042	-2.37
Golf Maintenance	\$738,202	\$731,156	-0.95
	\$4,274,619	\$4,267,117	-0.18



# 2014 Department Budget – Parks

- Budget \$4,267,117
  - Personnel cost increases
    - Hospitalization
    - Salaries & wages
      - ACA impact on part-time personnel
  - Operational cost increases
    - Bank charges
    - Janitorial services
    - Maintenance of equipment

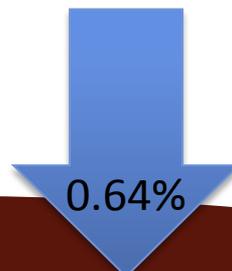


0.18%

# 2014 Department Budget – Public Utilities

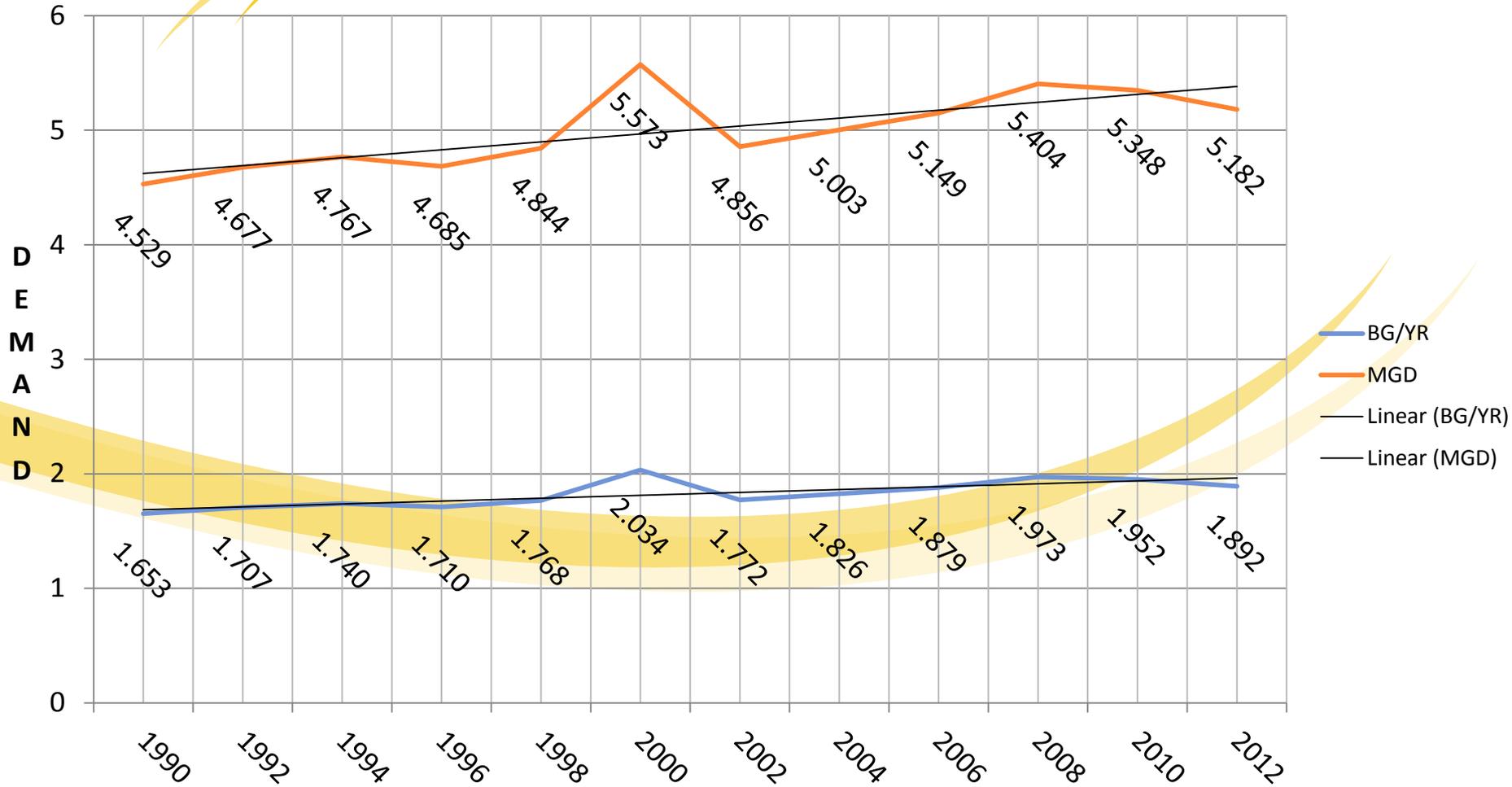
- Water revenues
  - Administration <sup>(1/2)</sup>, Water Supervision, Treatment & Distribution
- Sewer revenues
  - Administration <sup>(1/2)</sup>, Sewer Supervision, Plant & Collection

	2013	2014	% Change
Administration	\$395,668	\$384,787	-2.75
Water Supervision	\$620,137	\$664,615	7.17
Water Treatment	\$1,992,971	\$1,896,679	-4.83
Water Distribution	\$1,105,456	\$1,135,825	2.75
Sewer Supervision	\$907,108	\$879,942	-2.99
Sewer Plant	\$1,627,274	\$1,608,670	-1.14
Sewer Collection	\$1,125,714	\$1,153,945	2.51
	\$7,774,328	\$7,724,463	-0.64



# 2014 Department Budget – Public Utilities

## Historical Water Demand



# 2014 Department Budget – Public Utilities

- Budget \$7,724,463
  - Personnel cost increases
    - Hospitalization
  - Operational cost increases
    - Education
    - Liability insurance
    - Chemicals
    - Maintenance of equipment
    - Lab testing
- Other operational items
  - Lime sludge disposal
  - Clerical position allocation
  - Cost allocation of road repairs due to water main breaks

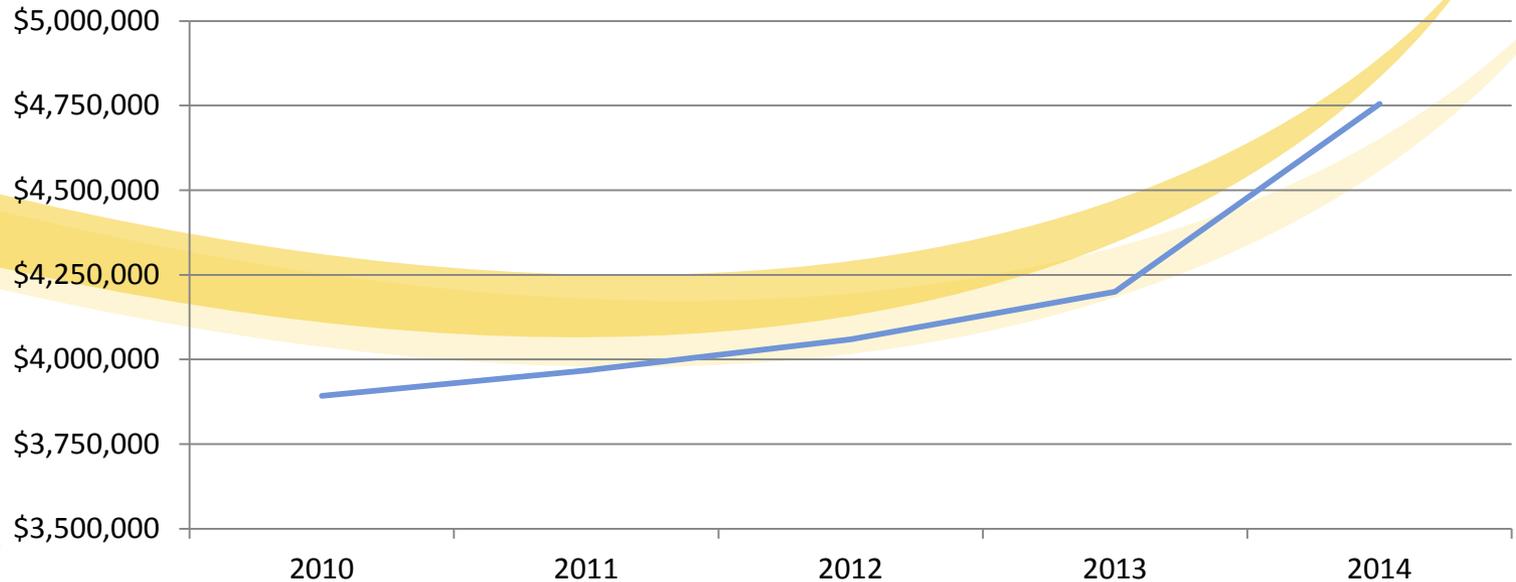


0.64%

# 2014 Department Budget – Personnel

- Budget \$5,155,000
  - Looking at options to help control costs

Historical Health Care Costs



11.46%

# Next Steps – 2014 Budget

- Public hearing set for Monday, December 9<sup>th</sup> at 7:00

**Q & A**