MINUTES

COUNCIL-MANAGER BRIEFING

November 26, 2012

Mayor Ron D'Epifanio called the Council-Manager Briefing to order at 5:30 p.m. at the Fairfield Municipal Building, 5350 Pleasant Avenue. The following Councilmembers were present: Tim Meyers, Tim Abbott, Terry Senger, Jeff Holtegel, Mike Oler, Debbie Pennington and Adam Jones. Staff present: Alisha Wilson, Art Pizzano, John Clemmons, Joyce Campbell, Eddie Roberts, Mark Wendling, Mary Hopton, Mike Dickey, Tim Bachman, Dave Butsch, and Dave Crouch.

2013 Budget

City Manager Pizzano opened the meeting and explained that Finance Director Mary Hopton will give an overview of the budget and then a departmental review, with the input of each department head. He commented that this will be a very different discussion than what it would have been if the income tax reallocation had not passed on the ballot.

Finance Director Mary Hopton opened with an overview of the budget and the general fund. Overall revenues are just under $68 million, which is a 3% increase from 2012 original estimates, which includes four (4) funds – utility funds, recreation funds, general funds and income tax dollars. Four (4) sources make up 75% of revenues – State taxes, Property taxes, Charges for services and Income taxes. Overall expenditures are just over $63 million, which is a 2.1% decrease over 2012 original expenditures. Three (3) uses account for 65% of expenditures – General Government, Public Utilities and Public Safety. A reduction of 2.1% in expenditures is equivalent to $1.35 million. General fund revenues are up by just under 1% and expenditures are down by just over 2%. The income tax reapportionment will keep the budget basically flat from 2012 to 2013, keep the reserve balance at an acceptable amount to maintain the bond rating, and help off-set state funding cuts, which are approximately $1.2 million. Ms. Hopton explained that HB 601 is currently set for hearings and could significantly impact the city's revenues and budget. There was some discussion of the specifics of HB 601 and potential impacts to the city.

Ms. Hopton explained that the current debt of the city is $31.89 million, 10% of that being short-term and 90% being long-term. She stated that the long-term debt includes $7 million in Build America and Recovery Zone taxable bonds, which are for the Bypass project and paid from the Street Improvement fund. Ms. Hopton explained that the pending "fiscal cliff" will also impact the city, specifically regarding tax-exempt bonds.

Judge Joyce Campbell explained that the Municipal Court budget has an overall decrease of 2.3%. She noted that there is a reduction in legal services, through a new contract with Butler County Public Defenders' Office. Judge Campbell mentioned that there are several Special Revenue Funds – Probation Services, which is maintained entirely by probation fees, Drug & Alcohol Treatment, Court Computer, Special Projects, Mediation Services and Indigent Driver Interlock funds.

Ms. Hopton reported that the Council & Mayor budget has an overall decrease of 2.4%, which is tied to a reduction of personnel and personnel-related expenses and Administration's budget has an overall decrease of 0.3%.

Development Services Director Tim Bachman commented that the Development Services budget has an overall decrease of 1.5%. He noted that there will be two less positions in the department next year, and employee cross-training has given them the ability to save money on personnel, by not hiring a third building inspector. He explained that permit fees are higher this year than previous years, and he anticipates that at least the beginning of 2013 will also be high.

Ms. Hopton explained that the Finance Department budget has an overall decrease of 6.3%, as a result of a decrease in personnel and related expenses for all divisions. She noted that Income Tax shows a reduction in printing and reproduction, and Information Technology shows an increase in professional services, due to the need to use a private contractor for GIS services until the GIS Analyst position can be filled. Ms. Hopton also explained that Utility Billing shows a decrease in bank charges and Butler County Water and Sewer refunds.

Police Chief Dickey reported an overall decrease in the Police Department budget of 5.1%, resulting from a reduction in personnel and related expenses due to retirements. There are a total of five positions that are or will be vacant, due to three retirements earlier this year and two upcoming. He commented that the budget is about as lean as it can get. All of the retirements are from streets positions; however, those positions have been back-filled with current officers, to maintain patrols in the city. The main issue with street patrols is that three officers are currently off on long-term injury leave. There has been a reduction in prisoner expenses, due to less jail time. City Manager Pizzano commented that, while the budget is tight, staff is very conscious of maintaining service to the city. There will be a civil service test next year to maintain a list for hiring new officers as needed.

Councilmember Meyers asked about travel and training, and Ms. Hopton answered that the budget is down for both. She will provide more detail at the next budget meeting on December 3.

Ms. Hopton opened the grant applications, stating that the 2012 grants funded totaled $36,000. The grant applications for 2013 total $37,000. The applicants are Hamilton-Fairfield Symphony Orchestra, Fairfield Summer Community Theatre, Fairfield Community Foundation and Partners in Prime.

Hamilton-Fairfield Symphony Orchestra representative Mike Snyder spoke regarding their application for 2013, with a request of $5,000, which is $500 less than last year. This money is partial support for concerts in Fairfield and benefits approximately 2,000 residents. The HFSO provides scholarships to some of the young musicians in the program, which is an added benefit to Fairfield students.

Fairfield Summer Community Theatre has requested $6,000, which is $1,500 more than last year, due to the increased expense for their 2013 production of Spamalot, which will be a regional premier. This program benefits approximately 4,000 residents. The group works with students in the youth program, both with youth productions and intern positions that are provided to high school and college students interested in theatre.

Fairfield Community Foundation requested $11,000, which is the same amount as last year. This money is used to award grants and scholarships serving both the city and township. The Community Foundation is a 13 year old organization, and has awarded millions of dollars in scholarships. All of their income is through donations, which they then turn around to residents through awards to non-profits that benefit Fairfield and scholarships to students. The Community Foundation was very involved in the Miracle League Fields construction. The Community Foundation also awarded money to the hospital, for their project of single-patient rooms.

Partners in Prime requested $15,000, which is the same amount as last year, to provide services and gain federal matching funds. The program benefits 400-500 senior citizens. The organization provides services five days per week and Meals on Wheels for citizens to have meals on the weekends. They provide transportation for medical appointments and grocery shopping, as well as other necessary trips. They do not provide recreational transportation.

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

Respectfully Submitted,

AlishaWilson
Clerk of Council

2013 Operating Budget

City of Fairfield, Ohio
November 26, 2012

*Agenda

- *General Overview
  - *Revenues & Expenditures
  - *Bond Rating
- *General Fund Overview
- *Income Tax Overview
- *Debt Overview
- *Departmental Budget Overview
  - *Municipal Court
  - *Council & Mayor
  - *Administration
  - *Development Services
  - *Finance
  - *Police
- *Grant Applicants

*General Overview
Revenues

- *Overall revenues - $67,840,340
  - *3% increase over 2012 original estimates
- *75% of revenues from 4 sources
  - *State taxes – $3,941,300
    - *Decreased local government funds and loss of estate tax
  - *Property taxes – $4,710,100
    - *Increased collections due to reduced delinquencies
  - *Charges for services – $18,221,800
    - *Increased due to utility rate modifications
  - *Income tax – $23,781,000
    - *Based on actual 2012 collections

3.0%

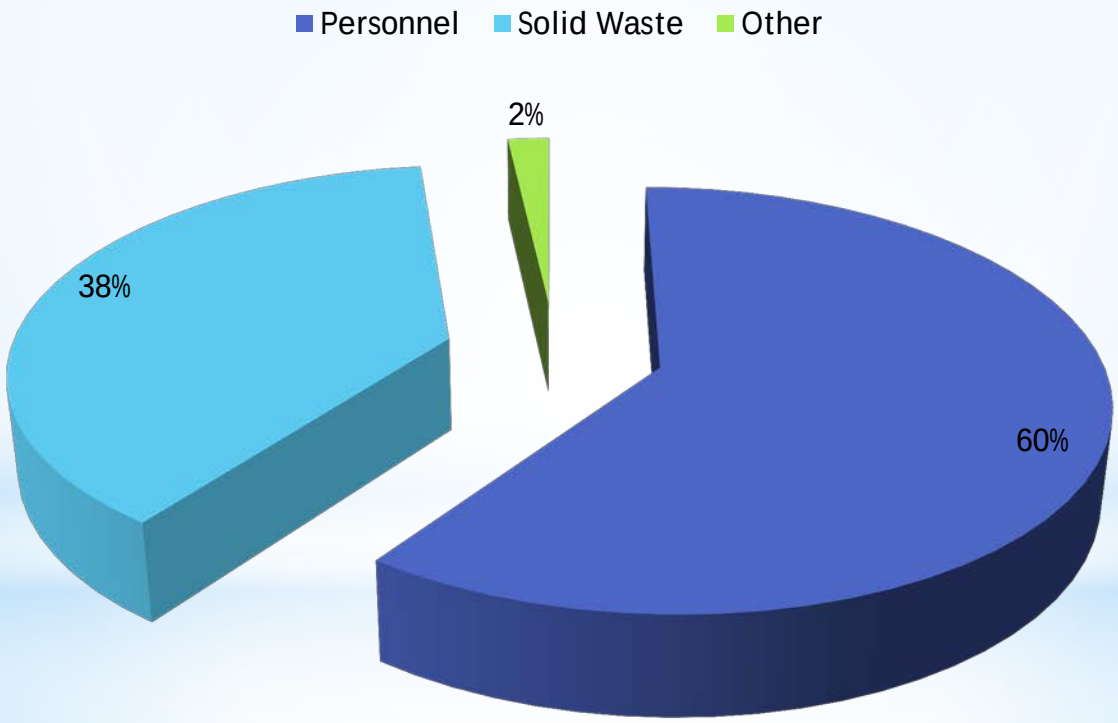
General Overview
Expenditures

- Overall expenditures – $63,173,879
  - 2.1% decrease over 2012 original expenditures
- 65% of expenditures from 3 uses
  - General Government – $11,467,636
    - General fund
    - Consistent with 2012
  - Public Utilities – $14,150,836
    - Enterprise funds (Water, Sewer and Solid Waste)
    - Reduced by 4.76%
  - Public Safety – $15,294,056
    - General and Fire Levy funds
    - Reduced by 4.42%

(2.1%)

*General Overview
Expenditures

*Reduction of 2.1% = $1.35 million



*General Overview

Bond Rating

- *What is a bond rating?
  - *Bond rating is a credit risk evaluation
    - *Corporation's credit score
  - *Criteria
    - *Economy
    - *Debt Structure
    - *Financial Condition
    - *Demographics
    - *Management Practices
      - *governing body and administration
  - *80% of corporate and municipal evaluations performed by Moody's and Standard & Poor's

	Moody's
Best Quality	Aaa
High Quality	Aa1 Aa2 Aa3
Upper Medium Grade	A1 A2 A3
Medium Grade	Baa1 Baa2 Baa3

*General Fund Overview

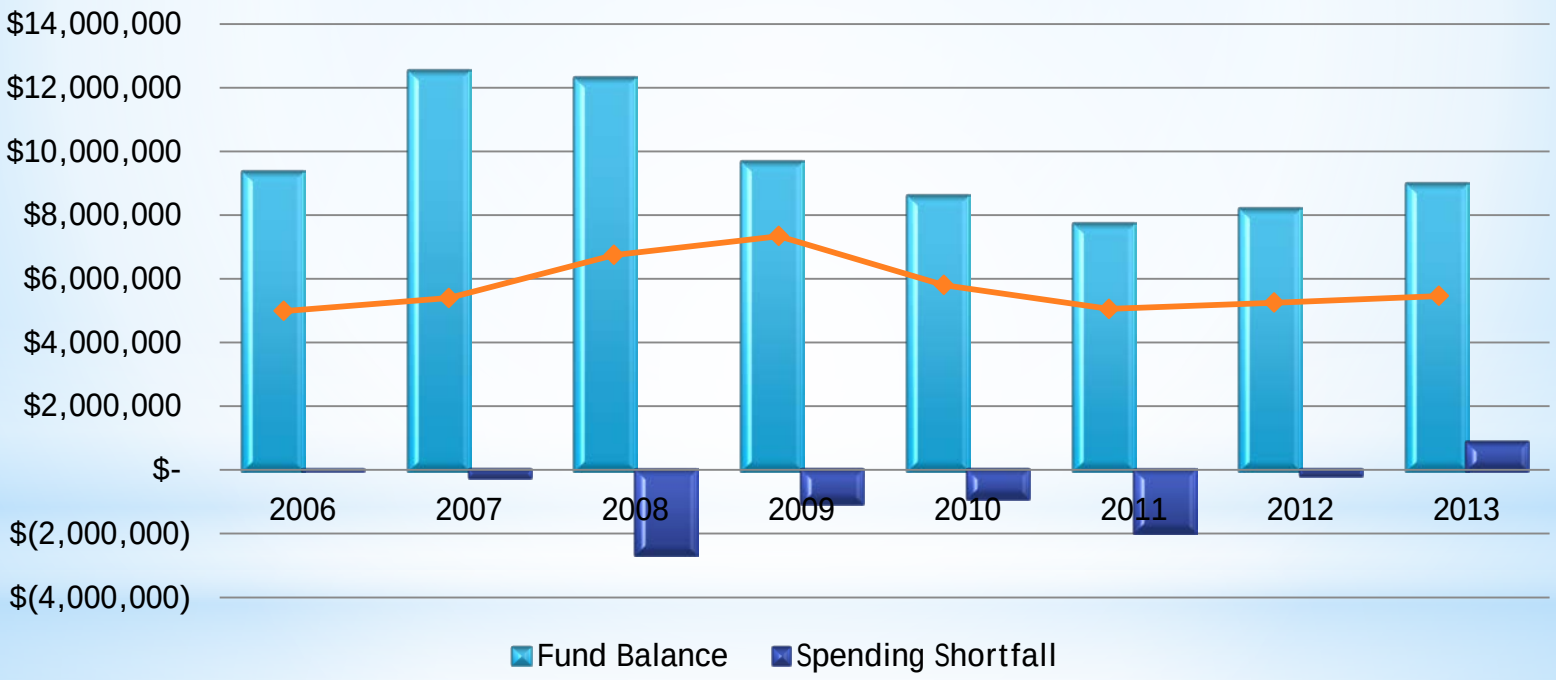
*Revenues up 0.8% from estimated 2012 figures

*Expenditures down by 1.95% from 2012 figures

Beginning Balance 2013	$8,200,000
Revenues	$25,065,800
Expenditures	-$24,184,511
Ending Balance 2013	$9,081,289
Reserved Balance @ 22%	-$5,320,592
Unreserved Balance	$3,760,697

*General Fund Overview

*Fund balance, spending shortfall and reserved balance



*Income Tax Overview

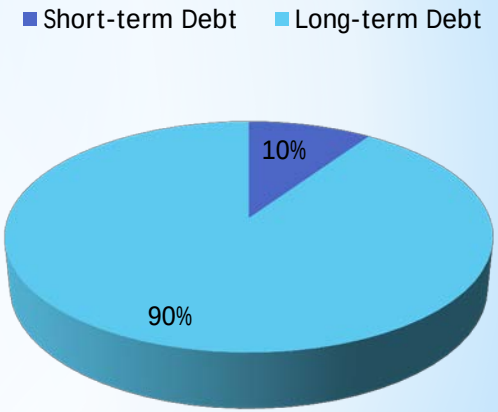
- *Re-apportionment of income tax for 2013 will help …
  - *Offset state funding cuts in local government fund, estate and personal property tax

	New Percentage	Amount
General Fund	1.20%	$19,024,800
Street Improvement Fund	0.15%	$ 2,378,100
Capital Improvement Fund	0.15%	$ 2,378,100

  - *Does not take into loss of revenue from HB 601 – tax uniformity
- *HB 601
  - *Currently in House Ways and Means Committee
    - *Hearing set for sponsors on Wednesday 11/28

*Debt Overview

- *$31.89 million in outstanding debt
  - *Long-term debt includes
    - * $7 million in Build America and Recovery Zone taxable bonds
      - * Paid from Street Improvement fund
      - * $167,116 in interest reimbursement



- *Pending Federal Fiscal Cliff
  - *Status of tax-exempt issues
  - *Build America and Recover Zone bonds could see a 7.6% reduction in interest reimbursement
    - * $13,000 potential loss

*Departmental Budget Overview

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*Municipal Court

- *Overall decrease of 2.3%
- *Various funding sources
  - *Municipal Court operations – General fund
    - *Reduction in legal services
      - *contract with Butler County Public Defenders Office
  - *Probation Services – Special revenue fund
    - *Maintained by probation fees
    - *Provide SCRAM (Secure Continuous Remote Alcohol Monitor) bracelets
  - *Other special revenue funds
    - *Drug & Alcohol Treatment, Court Computer, Special Projects, Mediation Services and Indigent Driver Interlock funds

(2.3%)

*Council & Mayor

- *Overall decrease of 2.4%
- *Funding source – General fund
  - *Council
    - *Reduction in personnel and personnel related expenses

(2.4%)

*Administration

- *Overall decrease of 0.3%
- *Funding source – General fund
- *Divisions
  - *City Manager's office
  - *Law Director
  - *Human Resources
    - * Change in Advertising and Publications
      - * Transferred to Equipment lines due to equipment failure

(0.3%)

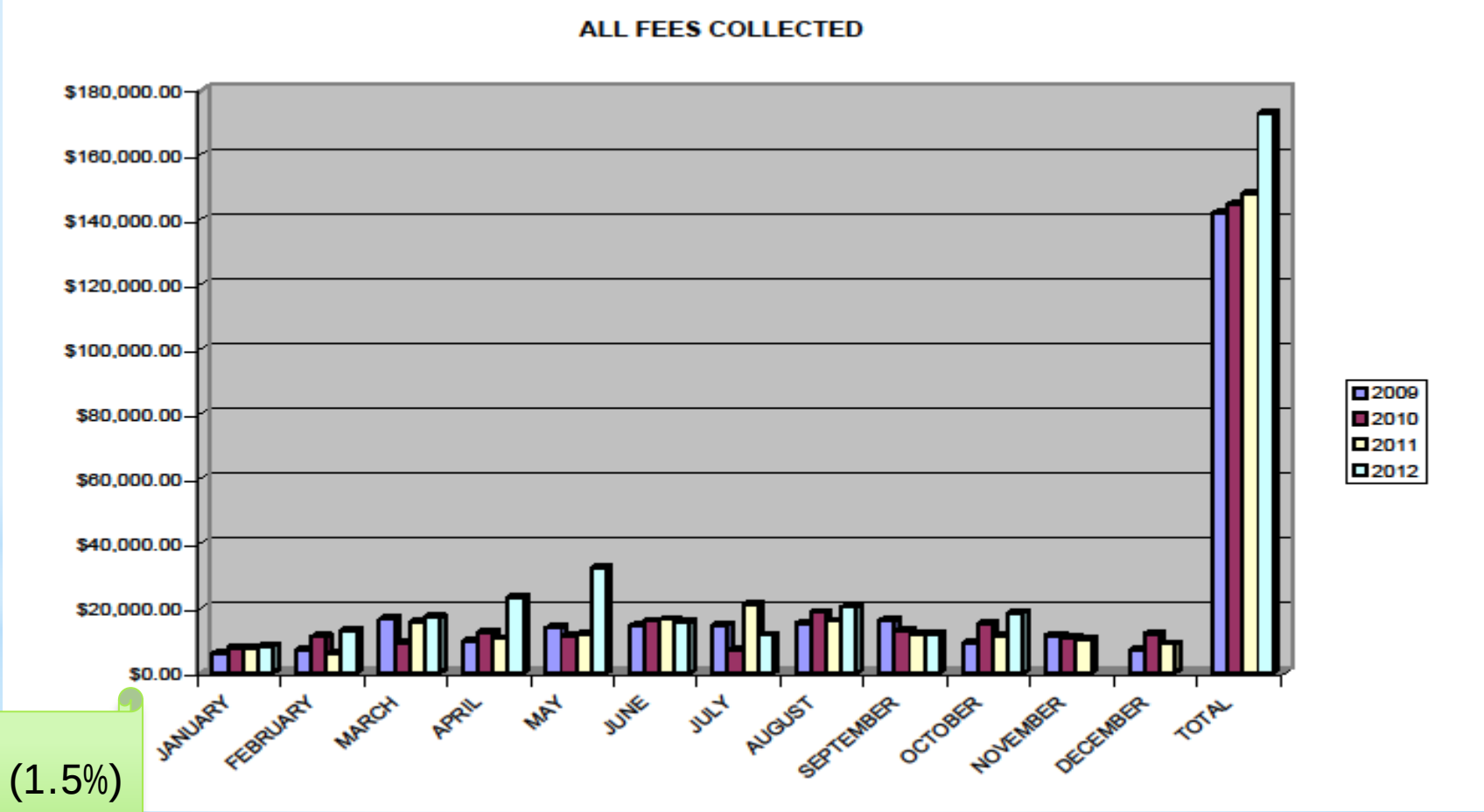
*Development Services

- *Overall decrease of 1.5%
- *Funding source – General fund
- *Programs
  - *Home Improvement Expo
  - *Beautiful Fairfield Contest
  - *NEAT program
- *Employee cross-training

(1.5%)

*Development Services

*Cyclical construction market



(1.5%)

*Finance

- *Overall decrease of 6.3%
  - *All divisions had a decrease in personnel and related expenses
- *Funding source – General fund
  - *Finance Admin/Financial Services – Accounting
  - *Income Tax
    - *Reduction in Printing and Reproduction
  - *Information Technology
    - *Increase in Professional Services
- *Funding source – Water and Sewer funds
  - *Financial Services – Utility Billing
    - *Decrease in bank charges
    - *Decrease in refunds

(6.3%)

*Police

- *Overall decrease of 5.1%
- *Various funding sources
  - *Police operations – General fund
    - *Reduction in personnel and related expenses due to retirements
  - *Justice Center operations – General fund
    - *Reduction in sustenance of prisoner expenses
  - *Special revenue funds
    - *Funded primarily by forfeiture of assets – federal and local
      - *Law Enforcement and Law Enforcement and Education

(5.1%)

*Grant Applicants

- *Must be a non-profit agency with 501(c)(3) status
- *2012 requests funded $36,000
- *2013 requests total $37,000
  - *Applicants
    - *Hamilton-Fairfield Symphony Orchestra
    - *Fairfield Summery Community Theatre
    - *Fairfield Community Foundation
    - *Partners in Prime

* Previous grant recipient
* 2013 funding request - $5,000
* Purpose is partial support for concerts held in Fairfield
* Benefit to approximately 2,000 residents

* Hamilton-Fairfield Symphony Orchestra

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* Previous grant recipient
* 2013 funding request - $6,000
* Purpose is for theater its production Spamalot
* Benefit to approximately 4,000+ residents

* Fairfield Summer Community Theatre

November 26, 2012

* Previous grant recipient
* 2013 funding request - $11,000
* Purpose is to award grants and scholarships serving the City and Township

* Fairfield Community Foundation

November 26, 2012

* Previous grant recipient
* 2013 funding request - $15,000
* Purpose is to provide services and used to gain federal matching funds
* Benefit to approximately 400-500 senior residents

* Partners in Prime

*Q & A

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