



SHAKER HEIGHTS

# City of Shaker Heights 2018 Proposed Budget – Part 2 2018 Budget Overview

Joint Council | Finance Committee Work Session

November 27, 2017

# 2018 Operating Budget Summary

- Summary of 2018 budget parameters
- 2018 operating budget summary
- Overview of General Fund revenue by major source
- Overview of General Fund operating budget
- General Fund operating results forecast
- All funds budget summary
- 2018 budget document format
- Individual Department budgets



# 2018 Budget Process Timeline

November 13, 2017	Council/Finance Committee Work Session – 2017 General Fund update; Overview of other operating funds revenue/ major sources and projected results of major operating funds
November 27, 2017	<b>Overview of 2018 General Fund Budget: revenues/expenditures; Departmental budgets, 2017 accomplishments, and 2018 budget highlights</b>
	Council and Finance Committee members Q & A
	Public input
	Regular Council meeting to follow
December 4, 2017	<b>Council and Finance Committee Work Session: Individual Departments' presentations of proposed 2018 capital budget items</b>
	Council and Finance Committee members Q & A
	Public input
December 18, 2017	Regular Council meeting
	Public input
	<b>Third presentation and vote on appropriation ordinances to adopt the 2018 operating and capital budgets</b>

# 2018 General Fund – Factors | Challenges

- Stable property values and reduced property tax collection rates
- Continued growth in City income tax revenues and a heavier reliance on a single revenue source to meet operating and capital needs
- Increasing health care costs
- Balancing the priorities of the City in the context of shared but limited resources
- Investing resources in economic development and neighborhoods to preserve the City's tax base
- Growing need for investing in aging infrastructure with static levels of funding

# 2018 Budget Parameters

- Revenue estimates are based on the trends used to project the 2017 estimate include:
  - Income Tax - 2.0% increase
  - Property Tax - 2017 estimate
  - LGF – 1.3% decrease
  - Charges for services – 0.4% decrease
  - Licenses & Fees – 6.3% decrease
- The budget for salary and fringe benefits is based on anticipated levels of staffing for 2017 (all vacancies funded) and includes increases for approved bargaining unit agreements
- A 2% increase was applied to non-bargaining salaries
- Fringe benefits including employer health care costs were adjusted based on the expected changes for 2018
- Contractual services and other expenditures are based on the 2017 original budget and were adjusted based on departmental review
- Health Department expenses and revenues eliminated for 2018 for a net savings of \$245,350 despite County Health fee of \$117,000
- Heights Hillcrest Dispatch Center to save \$121,858 in 2018

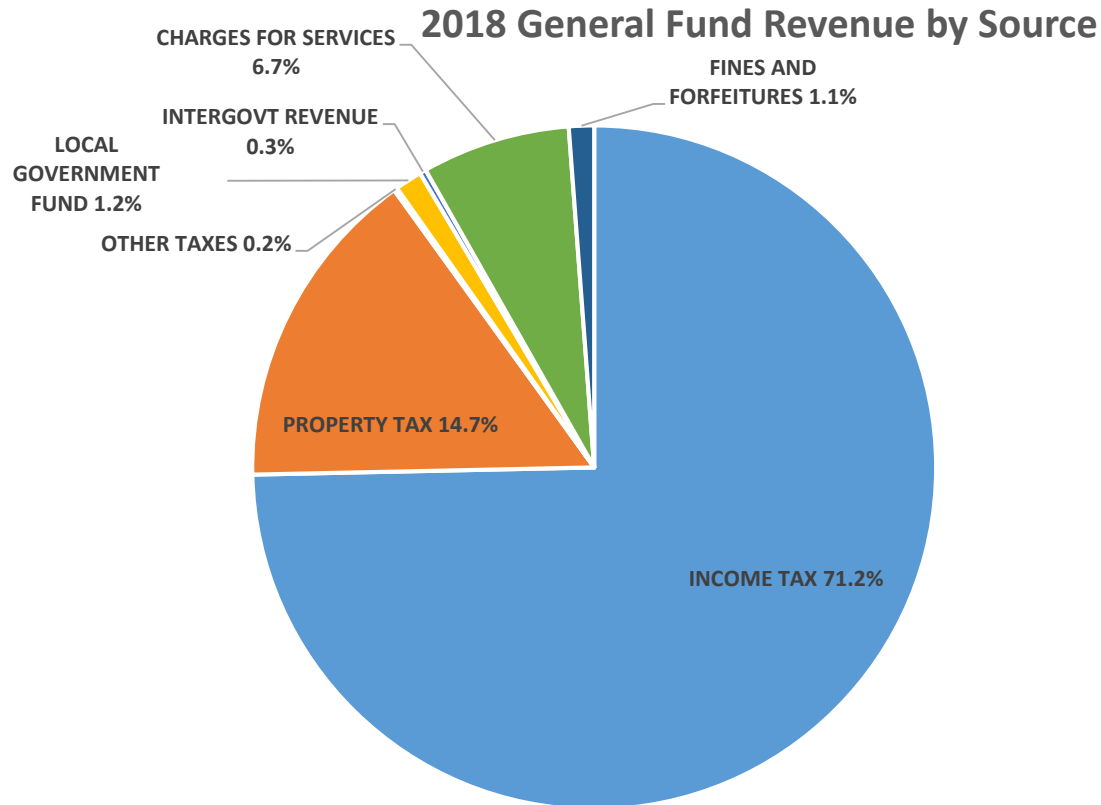


# 2018 General Fund Revenue - Summary

Summary of General Fund Operating Revenue *							
2016 Actual   2017 Estimate   2018 Budget							
Revenue Source	2016 ACTUAL	2017 BUDGET	2017 Estimate	2018 Budget	Budget Var. 2017 Est	% Chg from 2017 Est.	
<b>Local Tax Revenue</b>							
Income Tax	\$32,818,535	\$33,075,000	\$33,818,272	\$34,494,635	\$676,363	2.0%	
Property Tax	\$6,254,454	\$6,259,410	\$6,208,275	\$6,208,275	\$0	0.0%	
Estate Tax	\$105,763	\$0	\$8,845	\$0	(\$8,845)		
Other Taxes **	\$979,022	\$975,590	\$974,722	\$974,722	\$0	0.0%	
<b>Local Government Fund</b>	\$629,398	\$615,000	\$600,000	\$592,134	(\$7,866)	-1.3%	
<b>Intergovernmental Revenue</b>	\$265,735	\$204,830	\$163,050	\$138,436	(\$24,614)	-15.1%	
<b>Charges For Services</b>	\$3,328,329	\$3,340,690	\$3,254,520	\$3,240,856	(\$13,664)	-0.4%	
<b>Fines &amp; Forfeitures</b>	\$588,268	\$575,000	\$525,050	\$550,050	\$25,000	4.8%	
<b>License &amp; Permits</b>	\$1,119,660	\$1,169,170	\$1,327,235	\$1,244,030	(\$83,205)	-6.3%	
<b>Investment Earnings</b>	\$219,189	\$175,000	\$250,000	\$300,000	\$50,000	20.0%	
<b>Miscellaneous</b>	\$805,897	\$687,310	\$793,252	\$711,561	(\$81,691)	-10.3%	
<b>Total Operating Revenue</b>	<b>\$47,114,250</b>	<b>\$47,077,000</b>	<b>\$47,923,221</b>	<b>\$48,454,699</b>	<b>\$531,478</b>	<b>1.1%</b>	
* Operating revenue only.							
** Includes locally enacted taxes on admissions, alcohol, cigarettes and property tax reimburs							

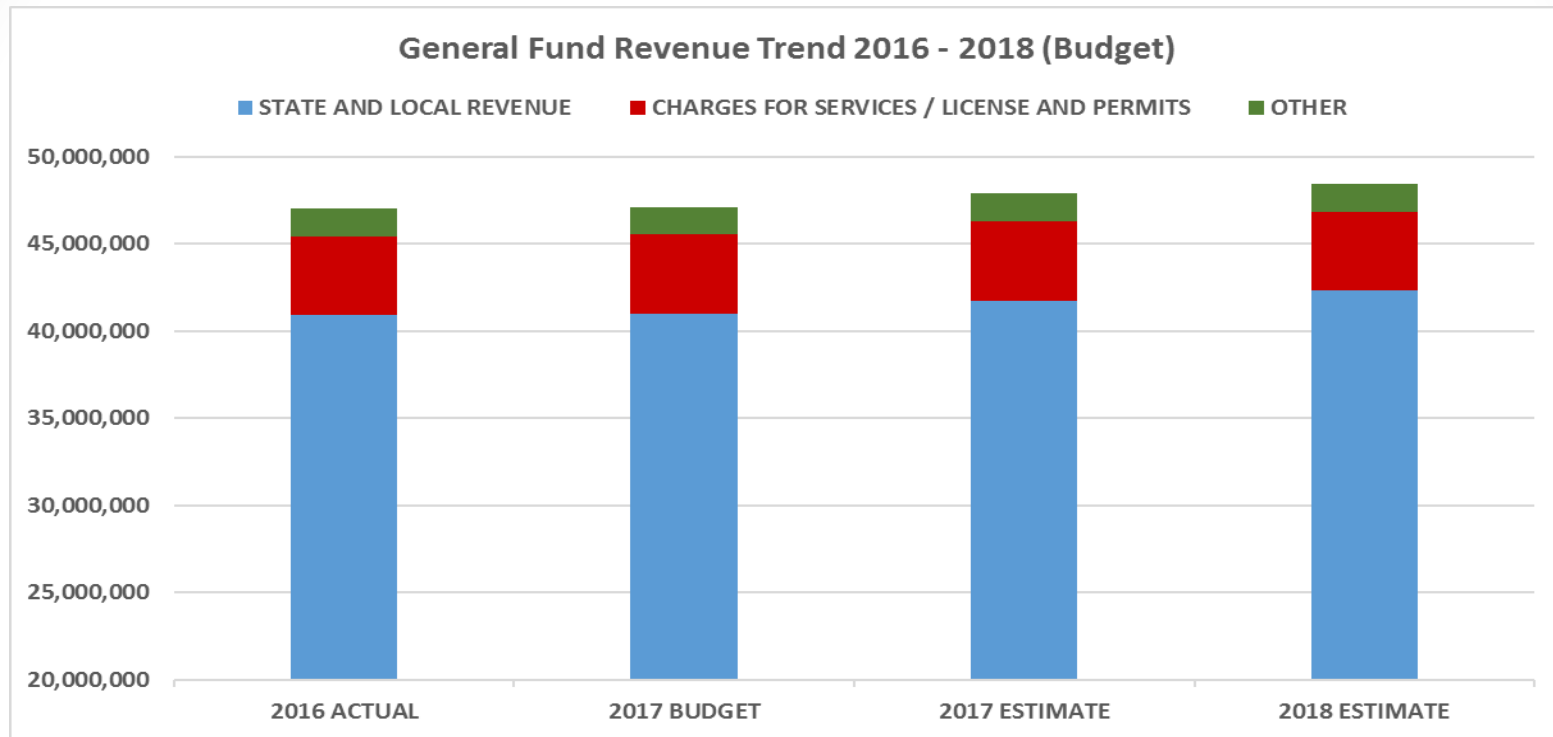
- General Fund operating revenue is budgeted at \$48.458 million for 2018
- The budget was based on the 2017 estimate with current trends applied
- The revenue estimate for 2018 is 1.1% higher than the 2017 estimate
- There is no budget for estate tax revenue in the 2018 budget
- Income tax revenue is 2.0% higher than 2017 estimate, but state support, federal grants (HIDTA) and licenses & permits are lower

# 2018 General Fund Revenue – Where It Comes From



- Income tax accounts for more than two thirds of General Fund operating revenue
- Property tax has declined in share but remains second largest source of funding
- Charges, License & Permits, and Fines account for more than 10% of revenue

# General Fund Revenue Trend 2016-2018



- The upward trend in total revenue was a direct result of increased income tax collections
- The impact of the increase has been tempered by the drop in other local and state sources including estate tax, property tax and local government funding
- Future prospects for increases to the ongoing revenue trend will rely on recovery of the local tax base and the stability of other sources

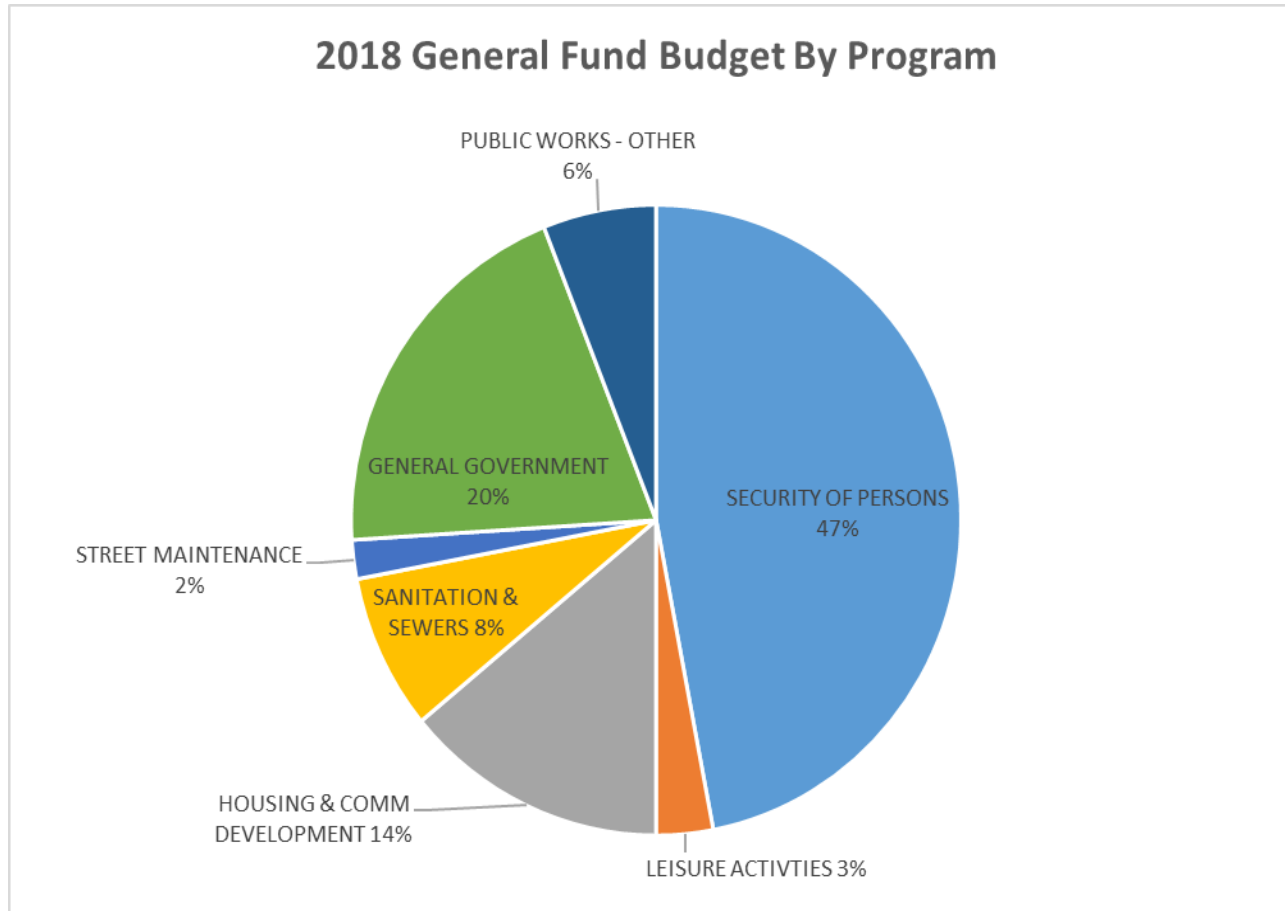


# 2018 General Fund Budget Overview

Summary of 2018 General Fund Budget							
2016 Actual   2017 Budget & Estimate   2018 Budget							
General Fund Summary	2016	2017	2017		2018	Budget Var.	% 2017 Est to Budget
	Actual	Budget	2017	Estimate	Budget	2017 Est	
<b>Total Revenue *</b>	<b>\$47,114,249</b>	<b>\$47,077,000</b>	<b>\$47,923,211</b>		<b>\$48,458,697</b>	<b>\$535,486</b>	1.1%
Personal Services	\$25,707,676	\$27,426,139	\$26,367,394		\$27,011,116	\$643,722	2.4%
Other Expenditures	\$8,252,358	\$9,463,973	\$8,975,296		\$10,040,157	\$1,064,861	11.9%
<b>Total Operating Expenditures</b>	<b>\$33,960,034</b>	<b>\$36,890,112</b>	<b>\$35,342,690</b>		<b>\$37,051,273</b>	<b>\$1,708,583</b>	<b>4.8%</b>
Total Transfers Out	\$11,377,800	\$9,411,899	\$12,145,240		\$10,881,627	(\$1,263,613)	-10.4%
<b>Total Expenditures</b>	<b>\$45,337,834</b>	<b>\$46,302,011</b>	<b>\$47,487,930</b>		<b>\$47,932,900</b>	<b>\$444,970</b>	<b>0.9%</b>
<i>Net operating Result</i>	<i>\$1,776,415</i>	<i>\$774,989</i>	<i>\$435,281</i>		<i>\$525,797</i>	<i>\$90,516</i>	

- The recommended 2018 budget for the General Fund totals \$47,932,900 for budgeted expenditures including transfers out
- 2018 operating expenditures (excluding transfers out) are 4.8% higher than the 2017 estimate, but only \$161,161 more than the 2017 original budget
- The operating budget for General Fund reflects the City joining the Heights Hillcrest Communications Center for Police and Fire dispatch and the closing of the Health Department
- Unspent 2017 appropriations for Economic Development are included in the 2018 budget as well as a \$75,000 contribution to the Shaker Heights Development Corporation

# 2018 General Fund Budget – Where It Goes



- The budget defines the City's priorities and allocates resources accordingly
- 63% of the 2018 General Fund **operating** budget is allocated towards providing for the safety of residents and maintaining our infrastructure

# 2018 General Fund Budget by Expenditure Category

General Fund Budget by Expenditure Category	2016 Actual	2017 Original Budget	2017 Estimate	2018 Budget	% change from 2017 Estimate	% Chg from 2017 Org Budget
<b>EXPENSES</b>						
Compensation	\$25,707,676	\$27,426,139	\$26,367,394	\$27,011,116	2.44%	-1.51%
Travel & Education	\$112,369	\$218,313	\$199,733	\$224,035	12.17%	2.62%
Contractual Svcs	\$6,097,586	\$6,834,018	\$6,469,371	\$7,529,713	16.39%	10.18%
Materials & Supplies	\$1,465,762	\$1,669,224	\$1,603,623	\$1,617,075	0.84%	-3.12%
Capital Outlay	\$284,568	\$383,207	\$368,147	\$357,207	-2.97%	-6.78%
Misc. Expense	\$292,073	\$359,211	\$334,422	\$312,127	-6.67%	-13.11%
Other Exp.	\$8,252,359	\$9,463,973	\$8,975,296	\$10,040,157	11.86%	6.09%
<b>Total Operating Exp.</b>	<b>\$33,960,035</b>	<b>\$36,890,112</b>	<b>\$35,342,690</b>	<b>\$37,051,273</b>	<b>4.83%</b>	<b>0.44%</b>
Transfers Out	\$11,377,800	\$9,411,899	\$12,145,240	\$10,881,627	-10.40%	15.62%
<b>Total Expenditures</b>	<b>\$45,337,835</b>	<b>\$46,302,011</b>	<b>\$47,487,930</b>	<b>\$47,932,900</b>	<b>0.94%</b>	<b>3.52%</b>

- The personal services budgets for City departments are 1.51% lower than the 2017 budget.
- While other expenditures are up 6.09% from the 2017 budget, total operating expenses are up only 0.44%.
- Transfer out are up 15.62% from the 2017 budget as a result of debt service on bonds issued in 2017 and capital needs, but are 10.40% lower than total 2017 transfers out.

# 2018 General Fund Operating Result

Summary of 2018 General Fund Budget							
2016 Actual   2017 Budget & Estimate   2018 Budget							
General Fund Summary	2016	2017	2018		Budget Var.	% 2017 Est to Budget	
	Actual	Budget	2017	Estimate	Budget		2017 Est
<b>Total Revenue *</b>	<b>\$47,114,249</b>	<b>\$47,077,000</b>	<b>\$47,923,211</b>		<b>\$48,458,697</b>	<b>\$535,486</b>	1.1%
Personal Services	\$25,707,676	\$27,426,139	\$26,367,394		\$27,011,116	\$643,722	2.4%
Other Expenditures	\$8,252,358	\$9,463,973	\$8,975,296		\$10,040,157	\$1,064,861	11.9%
<b>Total Operating Expenditures</b>	<b>\$33,960,034</b>	<b>\$36,890,112</b>	<b>\$35,342,690</b>		<b>\$37,051,273</b>	<b>\$1,708,583</b>	<b>4.8%</b>
Total Transfers Out	\$11,377,800	\$9,411,899	\$12,145,240		\$10,881,627	(\$1,263,613)	-10.4%
<b>Total Expenditures</b>	<b>\$45,337,834</b>	<b>\$46,302,011</b>	<b>\$47,487,930</b>		<b>\$47,932,900</b>	<b>\$444,970</b>	<b>0.9%</b>
<i>Net operating Result</i>	<i>\$1,776,415</i>	<i>\$774,989</i>	<i>\$435,281</i>		<i>\$525,797</i>	<i>\$90,516</i>	
Ending General Fund Balance	\$12,907,925	\$13,682,914	\$12,593,206		\$13,119,003		
Ending Balance as % of Expenditures	28.47%	29.55%	28.10%		27.31%		

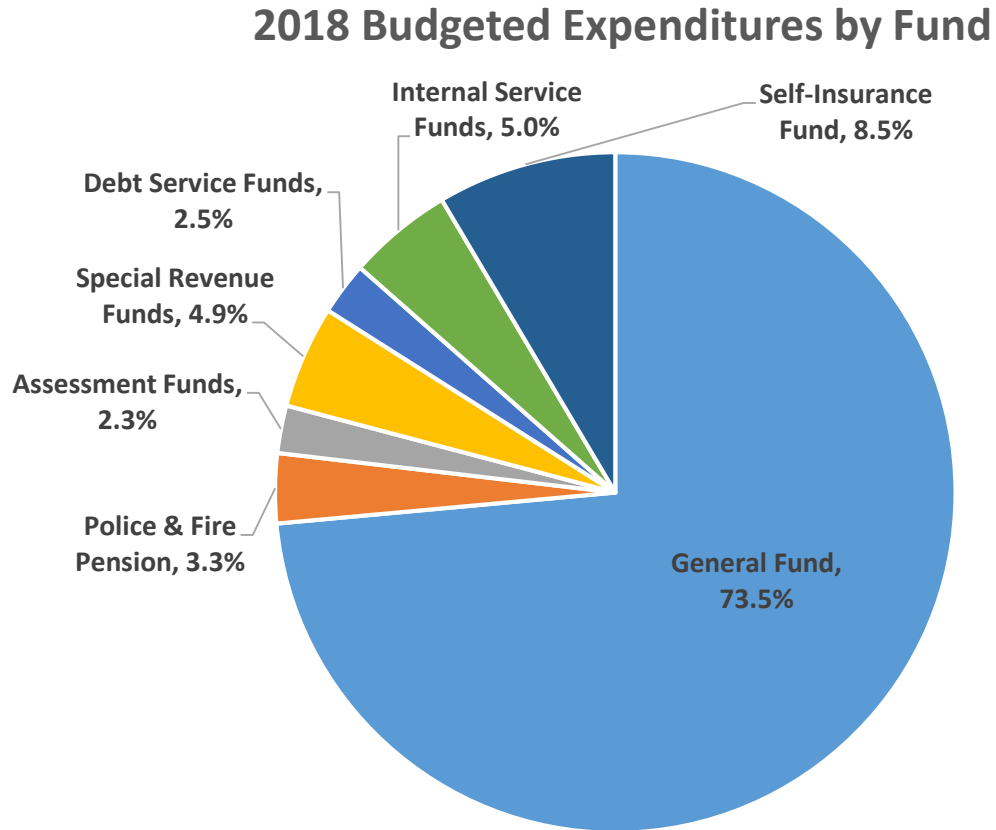
- An objective of developing the annual operating budget is to achieve structural balance between sources and uses of funding
- General Fund revenue is expected to exceed expenditures by \$525,797 in 2018
- Revenues are up 1.1% from the 2017 estimate and total expenditures are up by 0.9%
- The 2018 ending General Fund balance is expected to be \$13.1 million based on the estimated levels of operating revenue and expenditures and is 27.3% of 2018 General Fund expenditures.

# General Fund – Five Year Forecast

General Fund - Five Year Forecast   2018 - 2022								
General Fund Summary	2016 Actual	2017 Budget	2017 Estimate	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast
<b>Total Revenue</b>	\$47,114,249	\$47,077,000	\$47,923,221	\$48,458,697	\$49,452,445	\$50,247,386	\$50,993,108	\$52,123,170
Personal Services	25,707,676	27,426,973	26,367,394	27,011,116	27,821,449	28,656,093	29,515,776	30,401,249
Other Expenditures	8,252,358	9,463,973	8,975,296	10,040,157	10,140,559	10,241,964	10,344,384	10,447,828
<b>Total Operating Expenditures</b>	\$33,960,034	\$ 36,890,946	\$ 35,342,690	\$ 37,051,273	\$ 37,962,008	\$38,898,057	\$39,860,160	\$40,849,077
Total Transfers Out	11,377,800	9,411,899	12,145,240	10,881,627	11,599,579	11,644,687	11,671,294	11,643,688
<b>Total Expenditures</b>	<b>\$45,337,834</b>	<b>\$ 46,302,845</b>	<b>\$ 47,487,930</b>	<b>\$ 47,932,900</b>	<b>\$ 49,561,587</b>	<b>\$50,542,744</b>	<b>\$51,531,454</b>	<b>\$52,492,765</b>
% Chg Exp.	4.01%	5.98%	2.56%	0.94%	4.33%	1.98%	3.90%	1.87%
<i>Net Operating Result</i>	\$ 1,776,415	\$ 774,989	\$ 435,291	\$ 525,797	\$ (109,142)	\$ (295,359)	\$ (538,346)	\$ (369,595)
Ending Balance	\$12,907,925	\$ 13,682,914	\$ 12,593,206	\$ 13,119,003	\$13,009,861	\$12,714,503	\$12,176,157	\$11,806,563
<i>Balance to Exp %</i>	28.47%	29.55%	28.10%	27.31%	26.25%	25.16%	23.63%	22.49%

- The five year forecast for the General Fund shows a balanced operating result through 2018 and projected draw downs beginning in 2019
- Basic assumptions for revenue and expenditure trends:
  - Income Tax 2% growth per year; property tax 5% in 2019 and 2022
  - Personal Service expenses grow 3% per year and Other expenses at 1% per year
  - No new bonds or notes 2018 – 2022
  - Capital transfers to General Capital and Sewer Capital \$5 million each year
  - Fund balance would remain in compliance of policy
- A good portion of that balance is spoken for – *capital needs and investment in preserving and growing the tax base*

# 2018 Budget by Fund Type



- The all funds budget includes the other fund budgets and is approximately \$70.6 million in 2018
- General Fund operating (excluding transfers) is two-thirds of the all funds budget

# Major All Funds Budgets

<b>Summary of 2018 Budget by Fund Type</b>			
<b>Fund Type</b>	<b>2017 Original Budget</b>	<b>2018 Operating Budget</b>	<b>% Chg from 2017</b>
General Fund	\$ 36,890,112	\$ 37,051,273	0.4%
Economic Development Fund	374,539	374,539	0.0%
Recreation Fund	3,035,955	3,361,008	10.7%
Police & Fire Pension	2,244,250	2,338,297	4.2%
Special Assessment Funds	1,559,942	1,590,768	2.0%
Special Revenue Funds	2,859,793	2,947,384	3.1%
Court Revenue Funds	333,552	397,283	19.1%
Debt Service Funds	1,766,884	2,506,013	41.8%
Internal Service Funds	3,090,580	3,123,797	1.1%
Self Insurance Funds	6,070,602	6,009,419	-1.0%
<b>Total All Funds</b>	<b>\$ 58,226,209</b>	<b>\$ 59,699,781</b>	<b>2.5%</b>

# 2018 Budget Book – Format and Sections

- Each Departmental Summary has the following components:
  - ✓ Organizational chart
  - ✓ Budget summary table
  - ✓ Department description and functions
  - ✓ Funding sources with corresponding chart
  - ✓ 2017 accomplishments
  - ✓ Budget by expenditure category chart
  - ✓ Budget by division and fund
  - ✓ 2018 budget highlights
  - ✓ Capital budget summary – *if applicable*





# Shaker Heights Strategic Goals

- Effective Cost-Efficient Government
- Vibrant Commercial and Retail Development
- High Quality, High Functioning Neighborhoods
- Attractive Desirable Quality of Life

# Guiding Plans

## Strategic Investment Plan (2000)

- Commercial and Residential Redevelopment
- Pedestrian-friendly access to transportation
- Mixed-use
- Wide Range of Housing
- Entrances and Gateways

## Recreation and Leisure Framework (2004)

- Fields, trails, pool, skate park, basketball court, tennis courts, arts programs
- Horseshoe Lake Park

# Guiding Plans

## Warrensville Van Aken

### TOD (2008)

- Chagrin / Warrensville / Van Aken / Northfield intersection
- Van Aken district

### Shaker Bicycle Route (2008)

### And Lee Road Corridor (2012)

# Guiding Plans

## Economic Development (2012)

- Financial incentives
- Marketing branding, business recruitment
- Targeted recruitment

## Housing and Neighborhood (2015)

- Attract new residents; increase demand, increase property values
- Preserve high-quality housing
- Increase desirability of neighborhoods

# 2018 Departmental Budgets

- General Fund
- Other Funds
- Budget Highlights
- Capital

# 2018 General Highlights

- Most compensation changes due to 10<sup>+</sup>% increase in health care premium equivalent; employee health care choices; 2% COLA = 3.2% combined wages and benefits increase
- 15% employee contribution to health care, + deductibles and co-insurance
- Other expenses = no increase unless justified:
  - Fuel, utilities, supplies, contractual services

# Police Department Pages 45 - 55

## 2018 Budget

General Fund	\$11,444,288
Special Revenue Fund	318,976
Pension Fund	<u>1,182,616</u>
<b>Total Operating Budget</b>	<b>\$12,945,880</b>

# Police Department 2018 Budget Highlights

## Overall General Fund 2.4% increase

- Filling 6 vacancies
- Dispatchers severance package – \$65,000
- 19 crossings guards and \$10/hr.-\$12/hr. increase
- Deer management - \$40,952
- HHCC Savings
  - Police dispatchers wages/benefits \$677,277
  - Fire dispatchers wages/benefits (EASTCOM) 275,000
  - \$952,277
  - Less HHCC Fee (830,419)
  - 1<sup>st</sup> Year Savings \$121,858
- Pension fund transfer increases from \$750,000 to \$803,094



# Police Department 2018 Capital Budget

## Police Department Equipment and Traffic Control

Replacement Police Vehicles	\$200,000
Replace 68 tasers, holsters, cartridges	78,000
Replacement of retired K-9	20,000
Replacement of M-4 Rifles and Purchase Additional	26,000
Bicycle Unit Equipment - New	<u>40,000</u>
<b>Total Police Department Equipment</b>	<b>\$364,000</b>

# Fire Department – Pages 57 - 63

## 2018 Budget

General Fund	\$7,471,047
Central Services	
(Life Safety System)	21,870
Pension Fund	<u>1,155,681</u>
<b>Total Operating Budget</b>	<b>\$8,648,598</b>

# Fire Department

## 2018 Budget Highlights

- Overall general fund budget increase of 1.9%
- EASTCOM savings of \$275,000
- RFP for EMS billing services
- One new hire due to one retirement
- Pension fund transfer increase from \$750,000 to \$826,309

# Fire Department 2018 Capital Budget

Replacement of expired SCBA Cylinders (Year 3 of 5)	\$10,000
Replacement of Extrication Equipment	40,000
Replacement of Command Vehicle	85,000
Replacement of Portable Radios	<u>100,000</u>
<b>Total Fire Capital</b>	<b>\$235,000</b>

# Public Works Department – Pages 65 - 79 2018 Budget

General Fund	\$7,955,888
Special Revenue Funds	4,274,951
Internal Service Funds	901,539
Central Stores	
Fuel	1,046,188
Garage	1,450,700
Printing (copier)	<u>81,000</u>
Subtotal	\$2,577,888
<b>Total Operating Budget</b>	<b>\$15,710,266</b>

# Public Works Department 2018 Budget Highlights

## Overall 1.6% General Fund budget increase

- Excludes COLA for bargaining unit employees
- Additional \$40,000 for Family Connections lease of SFC building
- Salt cost \$30/ton – same as 2017.

## Special Revenue Funds

- Street lighting subsidy from \$235,000 to \$250,000
- Sewer Maintenance Fund subsidy of \$502,000
- Street Maintenance Fund subsidy of \$400,000

# Public Works Department

## 2018 Capital Budget

### Public Works Equipment

#### Water Gator/Snow Blower

(Commercial District) - New	\$24,000
Replacement Grass Truck Packer No. 79 (2002)	175,000
Replacement Loader No. 213 (2005)	130,000
Replacement Scooter – Diesel (1)	30,000
Replacement Snow Plow (1)	10,000
Replacement Backhoe (1998)	180,000
Replacement Utility Van No. 31 (2002)	45,000
Replacement Mechanics Van No. 20 (2002)	<u>45,000</u>
Total New Equipment	\$639,000

# Public Works Department

## 2018 Capital Budget

### Public Works Streets

2018 Street Resurfacing	<u>\$2,000,000</u>
<b>Total Streets</b>	<b>\$2,000,000</b>

### Public Works Sewer System Improvements

Sewer Capital Maintenance	\$250,000
SSO Fernway/Ingleside/Parkland (\$400,000 grant fund)	800,000
Sewer Improvements & Lining	<u>1,500,000</u>
<b>Total Sewer Capital Maintenance</b>	<b>\$2,550,000</b>



# Public Works Department

## 2018 Capital Budget

### Public Works Facilities and Maintenance

Consulting Engineer	\$ 8,000
Furniture and Equipment	25,000
Replacement HVAC – Communications & Marketing and IT Depts.	18,000
Replacement HVAC – Law and Conference B	60,000
Repairs and Renovation	250,000
Community Building Interior Painting	12,000
Fire Station 2 Storm Sewer Modification	75,000
Police/Court Replacement Boiler	95,000
Service Yard Pavement Repairs/Improvements	150,000
Service Yard Gate Replacement	30,000
Shaker Family Center Roof Replacement	<u>200,000</u>
<b>Total Facilities Maintenance</b>	<b>\$923,000</b>

**Total Public Works Capital Budget** **\$6,112,000**

# Municipal Court – Pages 81 - 85

## 2018 Budget

General Fund	\$2,310,054
Special Revenue Funds	<u>397,283</u>
Total Operating Budget	\$2,707,337

## 2018 Budget Highlights

General Fund 4.9% increase

Court costs paid by defendants and billings to the municipalities go toward the cost of operating the court.

# Recreation Department – Pages 87 - 94 2018 Budget

General Fund	\$461,029
Recreation Fund	<u>3,361,008</u>
<b>Total Operating Budget</b>	<b>\$3,822,037</b>

# Recreation Department 2018 Budget Highlights

## **General Fund increase 3.4%**

- \$20,000 reduction in senior transportation services reallocated Recreation Fund activities

## **Recreation Fund increase 10.7%**

- General Fund subsidy increase \$875,000 to \$1,075,060 due to 2017 draw down of Recreation Fund balance
- \$76,039 for one new Program Coordinator in Playgrounds budget for expanding free programs in parks
- School Age Care and Summer Camps expenditures and revenue increases.

# Recreation Department 2018 Capital Budget

Concession Stand Equipment	\$5,000
Thornton Park Walking Trail 2008	5,000
Basketball Courts 2008	15,000
Thornton Park Pool Shades Structures	
Canvas Replacement	25,000
Thornton Park Pool Chairs Replacement	25,000
Winslow Playground Surface Replacement	30,000
Thornton Park Pool Filter Elements	
Replacement	52,000
Various Park and Playground Repairs and	
Replacements	150,000
Pool Entry Improvement Design	<u>5,000</u>
<b>Total Recreation Capital</b>	<b>\$312,000</b>

# Building & Housing Department - Pages 95-101 2018 Budget

General Fund	\$1,910,015
Special Revenue Fund	<u>50,000</u>
<b>Total Operating Budget</b>	<b>\$1,910,015</b>

## 2018 Budget Highlights

**Overall General Fund increase 2% excluding new \$373,078 required for non-tax revenue transfer for Port Authority debt service.**

- First budget for consolidated department
- One vacant position eliminated but backfilled with temporary clerical services
- County grant for first year cost of new permit and code enforcement software platform
- \$30,000 cost of private property nuisance abatement transferred from General Fund to Nuisance Abatement Special Revenue Fund

# Council; Mayor's Office – Pages 103-106

## 2018 Council Budget

General Fund \$157,425

### Overall 0.8% increase

(due to council salary increase \$9,000/year to \$10,440/year (Ord. #15-48))

## 2018 Mayor's Budget

General Fund \$244,451

### Overall 4.3% increase

# Chief Administrative Officer – Pages 107-116 2018 Budget

General Fund

\$245,955

## 2018 Budget Highlights

**Overall 1.8% decrease**

- Social media policies
- Update procurement policies
- Implement software platform for strategic goals and action plan reporting



# Information Technology Department – Pages 111-116 2018 Budget

General Fund

\$582,453

## 2018 Budget Highlights

### Overall 2.6% increase

- Replacement telephone/voicemail system – carryover from 2017 capital budget
- Assist with technology for transition to HHCC

# Information Technology Department 2018 Capital Budget

Software – Replacement and Upgrade Assurance	\$35,000
Computer Workstation Replacements	66,000
Antivirus Software Replacement	12,000
Network Firewall/IPS Replacement	12,000
Hardware – Virtual Service Replacement	40,000
Anti-Spam System Replacement	<u>12,000</u>
<b>Total Information Technology Department</b>	<b>\$177,000</b>

# Law Department – Pages 117- 124 2018 Budget

General Fund	\$712,193
Special Revenue Fund	<u>24,074</u>
Total Operating Budget	\$736,267

## 2018 Budget Highlights

### Overall 1% General Fund increase

- Reduced outside legal services by \$10,000
- Fair Housing grant revenue helps support Ass't. Law Director Salary

# Finance Department – Pages 125-130 2018 Budget

General Fund	\$820,737
Internal Service Fund	<u>5,000</u>
	\$825,737

## 2018 Budget Highlights

### Overall 7.3% decrease

- \$12,000 financial advisor fee now in Debt Service
- No HIDTA grant-funded staff

# Human Resources Department – Pages 131-135 2018 Budget

General Fund	\$447,902
Internal Service Funds	<u>6,011,919</u>
Total Operating Budget	\$6,459,821

## 2018 Budget Highlights

### General Fund 1.8% decrease

- Additional \$5,000 for receptionists and security guards in City Hall
- Additional \$1,366 new hire background checks

# Human Resources Department

## 2018 Budget

### Risk Management

Compensation	\$87,044
Travel/Education	453

### Contractual Services

Workers' compensation claims	\$176,500
Employer/employee health care	5,000,000
Legal services and consultants	194,550
General liability insurance premiums	<u>470,000</u>
Subtotal	\$5,841,050

### Self-Insurance Fund

Fees/supplies	\$872
Judgments, claims, refunds	80,000

**Total Risk Management** **\$6,459,821**

# Communications & Marketing – Pages 137-140 2018 Budget

General Fund \$811,730

## 2018 Budget Highlights

### Overall 1.3% increase

- RFP for rebooted City website
- Van Aken district marketing

# Planning Department - Pages 141-147 2018 Budget

General Fund	\$653,653
Economic Development/Housing Fund	104,000
Special Revenue Fund	<u>26,351</u>
<b>Total Operating</b>	<b>\$784,004</b>



# Planning Department

## 2018 Budget Highlights

- Overall General Fund increase (2.6%)
- Reappropriate \$104,000 for Avalon Station 1 and 2 (ED/Housing Fund) and \$26,351 for Transit Village (Special Revenue Fund)
- Farnsleigh streetscape construction

# Neighborhood Revitalization – Pages 149-153 2018 Budget

General Fund \$262,222

## 2018 Budget Highlights

### Overall 29.1% decrease

- \$21,216 for Cleveland Restoration Society
- \$74,000 to continue Moreland Rising activities
  - \$30,000 Energy efficiency program
  - \$30,000 infill housing marketing and incentives
  - \$14,000 Ecodistrict planning in Fall, 2018

# Economic Development Department – Pages 139 - 144 2018 Budget

General Fund	\$725,568
Economic Development/Housing Fund	<u>270,539</u>
Total Operating Budget	\$996,107

# Economic Development Department

## 2018 Budget Highlights

- Van Aken district project management
- \$75,000 Housing Maintenance
- \$80,000 for Van Aken district apartment investment
- \$75,000 for Moreland and Lomond neighborhood engagement
- Moreland Curb Appeal matching grant program \$50,000
- Reappropriate \$270,539 in Vision Fund Loan program (ED/Housing Fund)
- Commercial districts
  - Signage matching grants \$25,000
  - Shaker Town Center Marketing \$20,000
  - Arts Van Aken with SHDC \$10,000

# Contractual and Compensatory Statutory Expenses – (CCSE) Pages 165-167 2018 Budget

## 2018 Budget Highlights

• Unemployment compensation, EAP and employee Recognition	\$36,858
• Miscellaneous	11,600
• Health Department employees severance, etc.	59,120
<b>RITA, County and other fees:</b>	
• Annual audit and financial statements	65,000
• Income tax collection services	1,161,500
• Cuyahoga County fees	<u>142,295</u>
• Subtotal	\$1,476,373

# Contractual and Compensatory Statutory Expenses – Budget Highlights

## 2018 Budget Highlights

### Other Contractual Services:

# Contractual and Compensatory Statutory Expenses – Budget Highlights

## Support of local programs:

\$69,500 Shaker Youth Center

10,911 Family Connections

**\$80,411 Total**

# Contractual and Compensatory Statutory Expenses – Budget Highlights

## Transfers out

\$1,075,060	2018 Recreation
400,000	2018 Street Maintenance and Repair
502,000	2018 Sewer Maintenance
250,000	2018 Street Lighting
1,205,186	2018 General Obligation Debt
480,478	2018 Urban Renewal Debt
945,000	2018 Self-Insurance
400,000	2018 Sewer Capital
4,000,000	2019 General Capital
<b>\$9,252,224</b>	<b>Total Transfers*</b>

\*Note: Transfer from GF to Police and Fire Pension Funds (\$803,094 and \$826,309) reflected in Police and Fire budgets



# Debt Service – Page 149

## General Capital

2002 Waterlines		\$139,817
2002 Waterlines		64,950
2008 S. Woodland sewer		88,278
2011 Hildana/Ludgate sewer		28,650
2013 Van Aken sewer		33,338
2017 Port Authority Van Aken		373,078
2017 Van Aken ROW		51,063
2017 Van Aken Park		28,313
2017 Sewers		150,200
2017 Streets		230,000
Debt Service Expense		17,500
	Subtotal	\$1,205,187

Urban Renewal (TIF) Fund	1,292,823
Less: TIF receipts	(812,345)

Subtotal 480,478

**City funded Debt Service** **\$1,685,664**

# Ongoing Challenges

- Collection of delinquent property taxes
- Draw down of fund balances
  - Recreation Fund
  - Police and Fire Pension Funds
- General Fund subsidy of Special Assessment Funds
  - Sewers
  - Street Lighting
- Capital Needs:
  - Sewers
  - Streets
  - City buildings and facilities

# Next Steps

- 12/4 Joint: Council/Finance Committee Work Session – Departmental capital budget requests
  - Q&A on 2018 operating and capital budgets
  - Public comment
- 12/18 Council meeting – third discussion, public comment and adoption of 2018 budget ordinances including ordinances for non-bargaining employees' 2% COLA and required minimum wage increase