



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

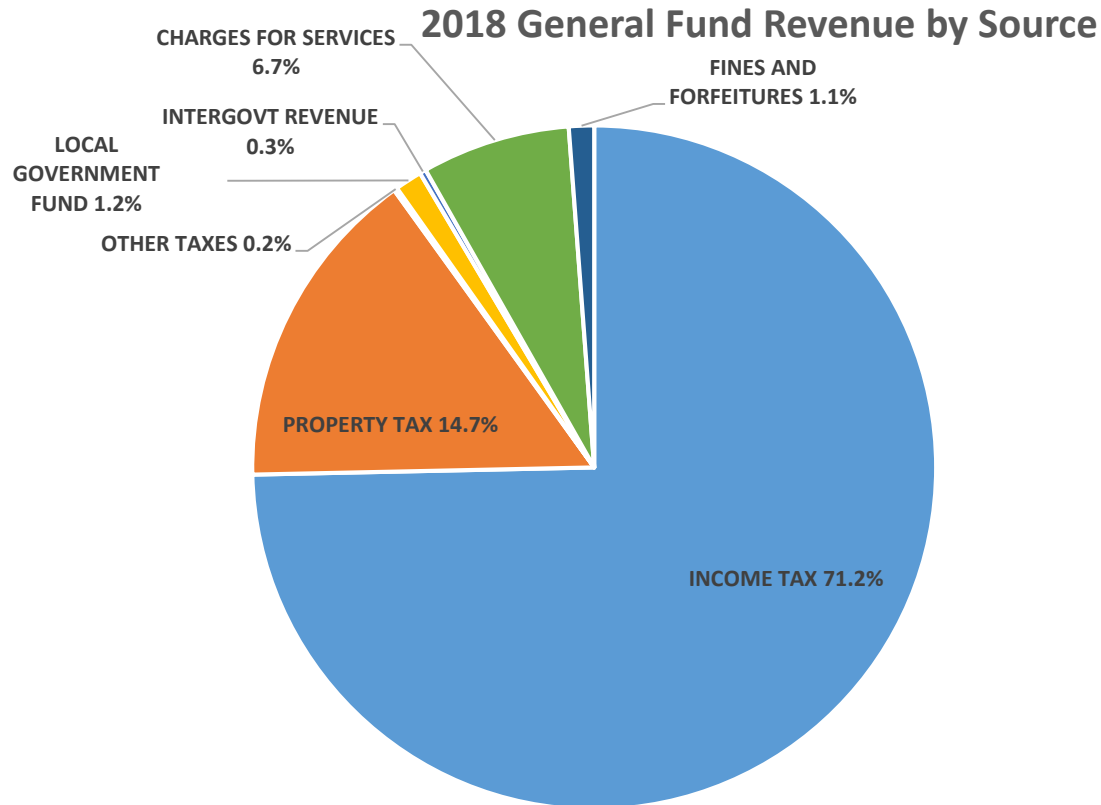


# 2018 General Fund Revenue - Summary

| Summary of General Fund Operating Revenue *  |                     |                     |                     |                     |                         |                         |  |
|--|---------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------|--|
| 2016 Actual   2017 Estimate   2018 Budget  |                     |                     |                     |                     |                         |                         |  |
| Revenue Source   | 2016<br>ACTUAL      | 2017<br>BUDGET      | 2017<br>Estimate    | 2018<br>Budget      | Budget Var.<br>2017 Est | % Chg from<br>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 |                     |                     |                     |                     |                         |                         |  |

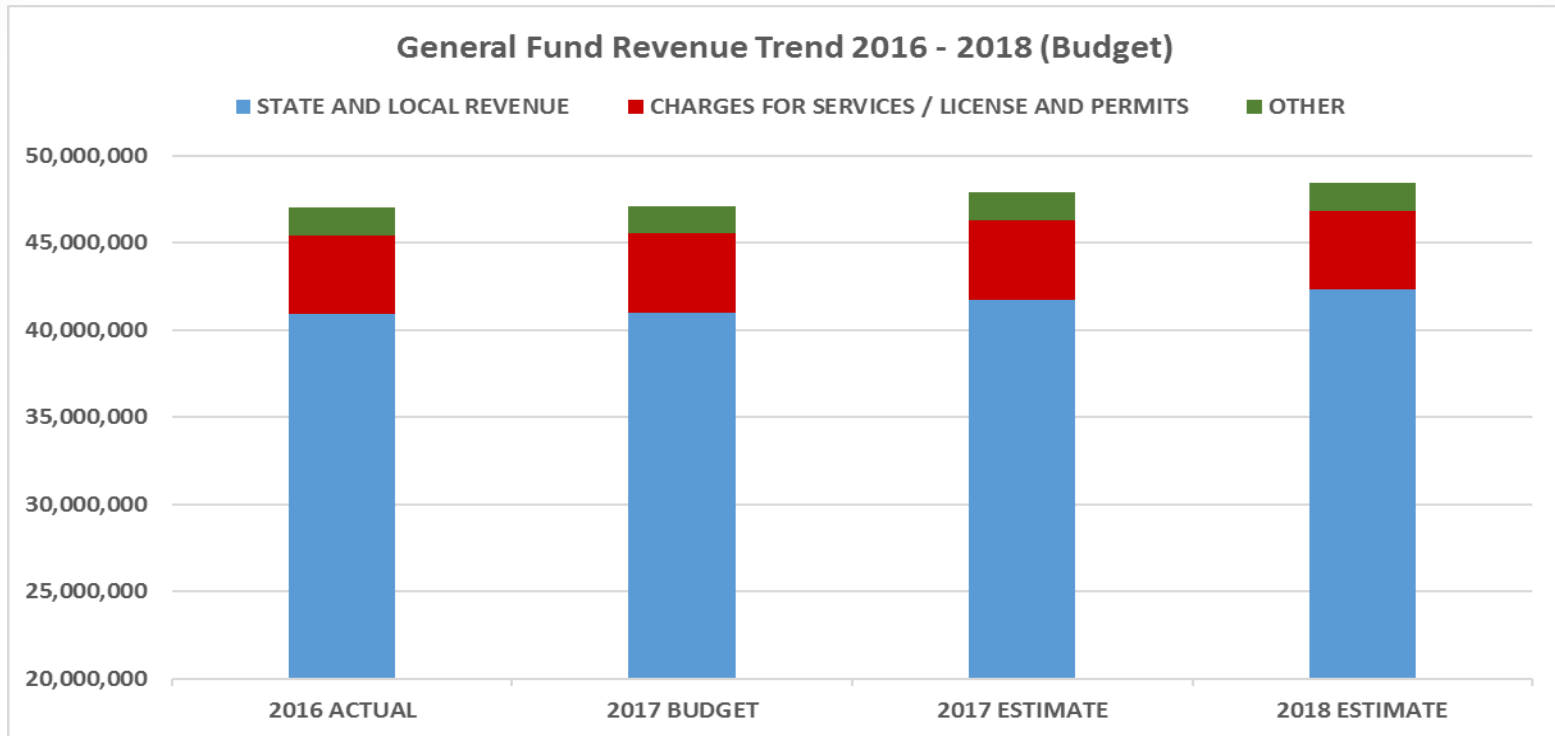
- General Fund operating revenue is budgeted at \$48.458 million for 2018
- The budget was based on the 2017 estimate with current trends applied
- The revenue estimate for 2018 is 1.1% higher than the 2017 estimate
- There is no budget for estate tax revenue in the 2018 budget
- Income tax revenue is 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

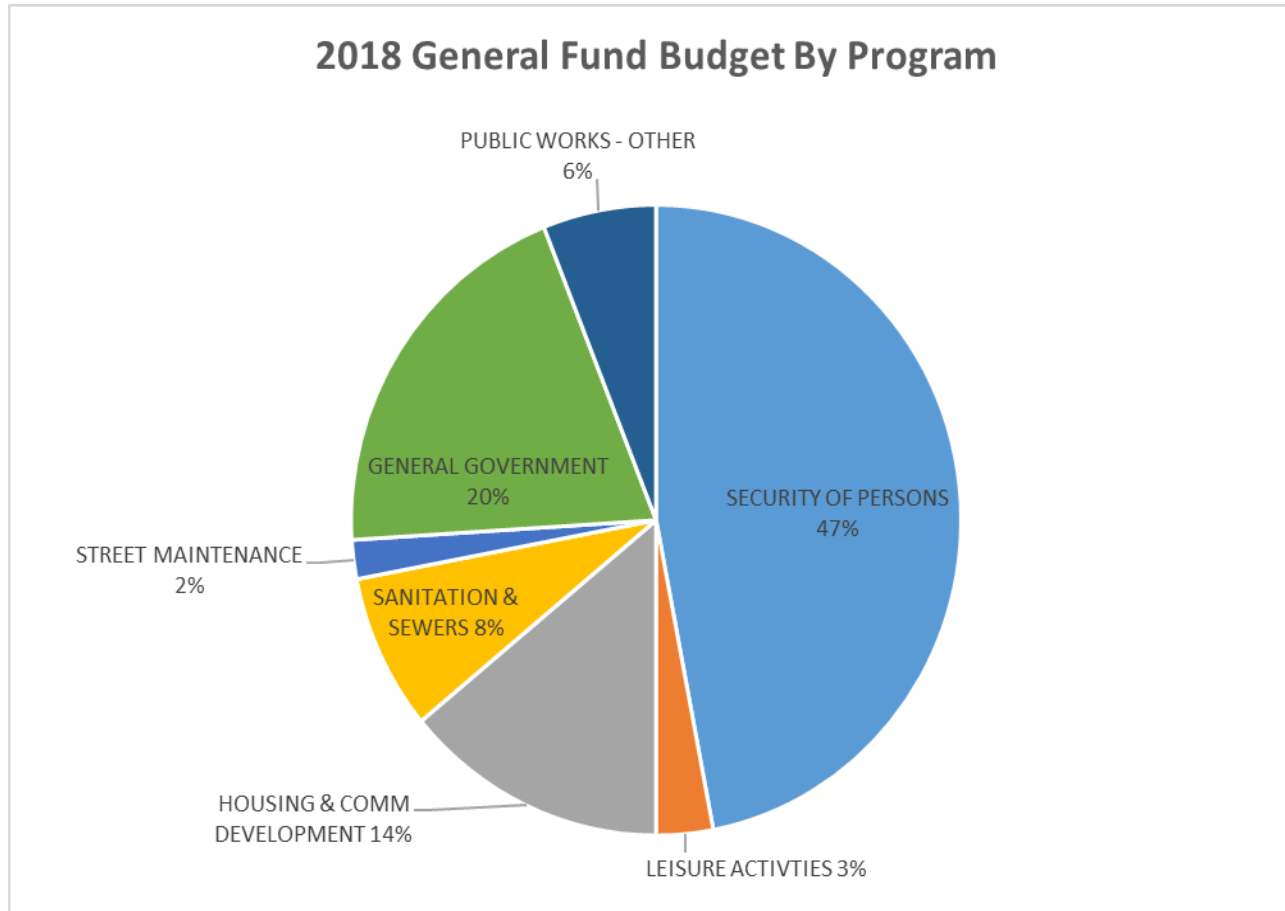


# 2018 General Fund Budget Overview

| Summary of 2018 General Fund Budget                |                     |                     |                     |          |                     |                    |                         |
|--|---------------------|---------------------|---------------------|----------|---------------------|--------------------|-------------------------|
| 2016 Actual   2017 Budget & Estimate   2018 Budget |                     |                     |                     |          |                     |                    |                         |
| General Fund Summary                               | 2016                | 2017                | 2017                |          | 2018                | Budget Var.        | % 2017 Est<br>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<br>Budget by Expenditure Category | 2016<br>Actual      | 2017 Original<br>Budget | 2017<br>Estimate    | 2018 Budget         | % change from<br>2017 Estimate | % Chg from<br>2017 Org<br>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<br>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%              |                         |             |

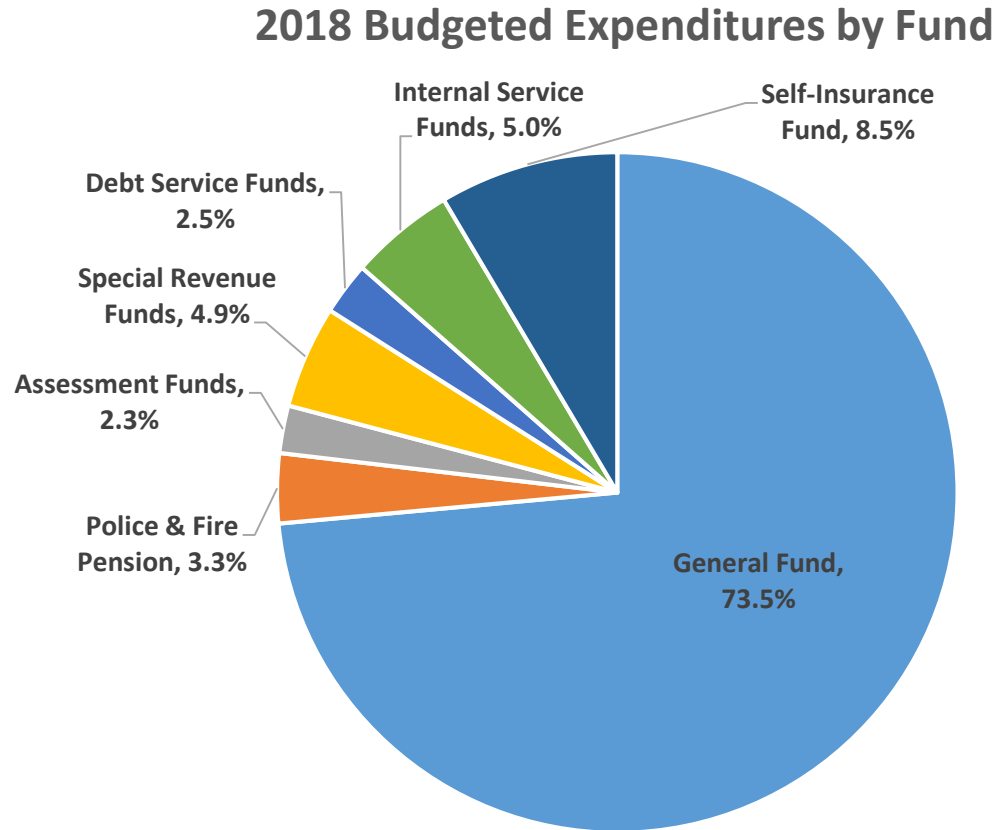
- An objective of developing the annual operating budget is to achieve structural balance between sources and uses of funding
- General Fund revenue is expected to exceed expenditures by \$525,797 in 2018
- Revenues are up 1.1% from the 2017 estimate and total expenditures are up by 0.9%
- The 2018 ending 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<br>Actual      | 2017<br>Budget       | 2017<br>Estimate     | 2018<br>Budget       | 2019<br>Forecast     | 2020<br>Forecast    | 2021<br>Forecast    | 2022<br>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<br>SCBA Cylinders (Year 3 of 5) | \$10,000         |
| Replacement of Extrication<br>Equipment                | 40,000           |
| Replacement of Command<br>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) 45,000

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<br>(\$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 &<br>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<br>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