

City of
Dayton, Ohio



2012 Budget City Manager's Recommendations

City Commission Work Session
November 16, 2011

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2012 Budget

Today's Work Session

1. Overview of Revenue Estimates and Key Assumptions
2. Summary of Expenditure Budget
3. Discussion of Special Issues
4. Outline of Performance Planning Issues
5. Department Presentation Schedule



2012 General Fund Budget

General Fund	2009 Actuals	2010 Actuals	2011 Revised Budget	2012 Original Budget	'11 Rev. to '12 Est. \$ Chg.	'11 Rev. to '12 Est. % Chg.
Revenues and Transfers In	157.5	154.1	154.5	150.5	(4.0)	-2.6%
Use of Cash Reserve	3.2	0.0	0.0	2.5	2.5	N.A.
Total Sources	160.7	154.1	154.5	153.0	(1.5)	-1.0%
Total Uses	162.6	154.4	150.7	153.0	2.3	1.5%
Annual Balance	(1.9)	(0.3)	3.8	0.0	(3.8)	-100%

Note: Budget numbers do not include appropriated fund balance.

All numbers in \$ millions.

- \$2.5 million of cash reserve will be used to fund 2012 capital projects and capital equipment (funded from 2011 addition to the cash reserve). Because the expenditure budget is slightly higher in 2012 than in 2011, we need to increase the minimum cash reserve by an incremental amount.**
- 2012 Budget is \$9 million less than three years ago, a 5.9% decline.**
- Incorporates service adjustments in selected areas.**
- Reflects continued economic challenges being faced by the City.**₃



2012 General Fund Revenue Forecast

(all numbers in \$ millions)

Revenue Category	2009 Actuals	2010 Actuals	2011 Revised Budget	2012 Original Budget	'11 Rev. to '12 Est. \$ Chg.	'11 Rev. to '12 Est. % Chg.
Income Tax	100.4	98.1	99.4	100.5	1.1	1.1%
Property Tax	9.3	8.9	7.4	5.9	(1.5)	-20.8%
Local Gov't Fund	12.7	13.1	13.0	9.0	(4.0)	-30.7%
Fees/Charges/Other	30.2	27.7	28.4	28.4	(0.0)	-0.2%
EMS/Accident Fee	4.1	4.2	4.3	4.3	0.0	0.0%
Casino Revenue	0.0	0.0	0.0	0.5	0.5	N.A.
Special Projects	0.8	2.1	2.0	2.0	0.0	0.0%
Total Revenue and Transfers	157.5	154.1	154.5	150.5	(4.0)	-2.6%
Use of Cash Reserve	3.2	0.0	0.0	2.5	2.5	N.A.
Total Sources	160.7	154.1	154.5	153.0	(1.5)	-1.0%



2012 General Fund Revenue Assumptions

- Revenue Advisors approved the 2011 revised and 2012 original estimates.
- **Income Tax**
 - Usual forecast method – adjustments for timing.
 - Income tax is expected to grow very slowly after falling for four consecutive years (2007-2010).
- **Property Tax**
 - Property taxes are projected to decline \$1.5M or 21% as a result of the recent triennial update (statistical revaluation) and a full year of state budget cuts.
 - Reflects the first full year of elimination of the reimbursement for tangible personal property.
 - Assumes a shift of 0.2 mills from the General Fund⁵ to the Bond Retirement Fund.



2012 General Fund Revenue Assumptions

- **Local Government Fund**
 - State revenue-sharing from the LGF will fall \$4M or 31% due to the elimination of the Dealers in Intangibles tax, the 25% state budget cut in SFY2012 and 50% cut in SFY2013.
 - In SFY2012 a \$49 million supplement was added to the LGF, which equates to an additional \$450,000.
- **EMS Fees**
 - EMS fees are projected 2% higher based on current trends.



2012 General Fund Revenue Assumptions

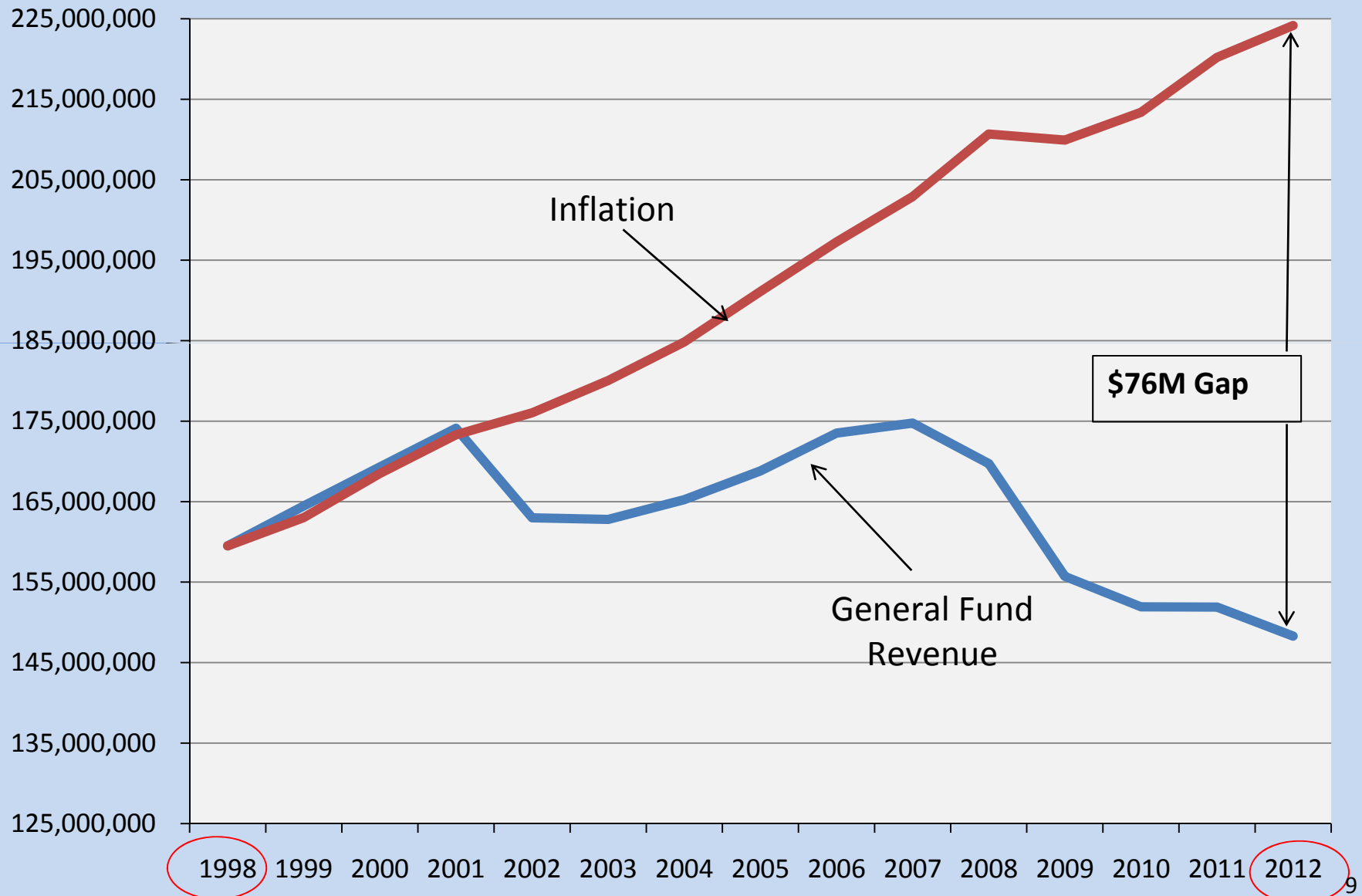
- **Fees and Charges**
 - Fees and charges are expected to increase slightly in 2012 as a result of the improving economy.
 - A reduction in CDBG indirect costs and Homestead and other rollbacks will offset the anticipated growth in this category.



2012 General Fund Revenue Assumptions

- **Other**
 - Special project revenue growth is projected to be flat in 2012.
 - Two casinos are scheduled to open in March/April of 2012. We anticipate about \$500,000 from this new revenue source.
 - The 2012 General Fund budget includes a \$2.5M, one-time use of the cash reserve. We anticipate ending 2011 with a surplus of \$3.8M, and, as a result we will maintain our cash reserve policy of 6 weeks (11.5%) of operating reserves.

General Fund Revenue* vs. Inflation



* Excluding Special Projects, Transfers In and Appropriated Fund Balance



2012 Service Impact – Police

- Patrol services/priority response will be maintained at current levels for most of the year
 - With further attrition, saturation point overtime budget is being increased
 - Continue redeployment of sworn staff: Court Detail and the Dispatch Center (Equivalent of 22 new hires)
 - Anticipate new class of 24 will begin in February and a second class of 20 estimated to begin in October
 - CIRGV efforts will continue with outside funding
 - Focus on police community relations issues



2012 Service Impact – Fire

- EMS Services will be slightly modified
 - Continue deployment of 7 medic units
 - 8 hour brown out on low demand shifts
- Fire Suppression services will continue changes initiated in 2011
 - No overtime to staff 12th Fire suppression unit
 - Budget assumes 20 new hires of civilian personnel (additional 10 EMTs and 10 paramedics) continuing transition to civilianized EMS Bureau
 - Given sworn staff reductions, we need to explore using three person crews for outlying stations



2012 Service Impact – Public Works

- Waste Collection services will continue at current level (weekly trash pick up and bi-weekly recycling)
 - Summer Bulk pick ups will continue
 - Continuation of recycling incentives
- Vacant Land operations will attempt to provide 3 mowing cycles with expanded use of Municipal Worker positions
- Street Maintenance will continue to function at current service levels



2012 Service Impact – Recreation

- Current complement of indoor recreation facilities will be in operation but hours may be altered
- Fireworks display will be maintained with shortened timing but with quality level maintained
- Elimination of Fall Festival, Easter Egg Hunt, Summer Safety Splashdown and Winter Wonderland
- Number of summer camp participants may be affected; pursuing outside funding



2012 Service Impact – Building Services

- Housing Inspection staff being reduced 30% with plan for another major reduction in 2013 (two year transition)
- Reduced funding for commercial demolition to phase transition for Housing Inspection function
- Exploring options to merge zoning enforcement and housing inspection
- Pursuing technology solutions and pilot program which includes greater citizen involvement



2012 Service Impact – Development

- Economic Development – Current staffing levels maintained – continued focus on direct business service needs
- Planning and Community Development – 50% cut in citizen participation staff requires re-examination of citizen involvement strategies
 - Staff transition is being phased over two-year period with the use of administrative funds available through NSP and other grants



2012 Service Impact – Corporate Functions

- Additional resources being added to Finance to enhance income tax collection efforts
- Self insurance for health insurance expected to minimize future premium increases; increased employee contributions will help manage the cost



2012 Service Impact – Investments

- Capital Improvement Program will address critical needs
 - Use of general obligation debt will provide additional resources (in part, due to millage shift)
 - Expect to make progress on asphalt resurfacing schedule
- Development allocation continued
- Greater level of funding provided for equipment and technology but still below need



2012 Budget Key Issues

- Resolution of several labor contracts was key to the 2012 budget process – IAFF negotiations scheduled for mid-2012
- Continued monitoring of State legislative issues
- Condition of economy



2012 Performance Planning

- Further improvement of department performance measures and availability of information to employees and citizens – publication of annual and quarterly reports
- Future goal is to use strategic planning to a greater extent for the allocation of resources in the budget process

Focus 2015

Continue to Provide “22nd Century” Services Fundamental to City Government:

- Enhance neighborhood stability and accessibility via livable/walkable strategies
- Maintain community safety through quality Police and Fire services
- Provide strong services in cost effective manner, (i.e. waste & recycling collection, street repair, snow removal, drinking water, wastewater treatment, etc.)
- Facilitate neighborhood & community development
- Promote racial and cultural diversity and interaction
- Provide diverse recreational programming
- Maintain reliable roadways, parks and other infrastructure
- Reclaim and Reuse Available Land
- Maintain financial stability

Focus 2015

Three Key Strategic Priorities for 2015:

- Be a Green City
- Be an Immigrant Friendly City
- Be an Entrepreneur-Based City



Looking to 2013 and Beyond

- Funding for investments needs continued focus
- Impact of decline in HUD funding and changes in HUD regulations could require mid-year budget adjustments
- Will continue to explore special assessments (Street Trees, Street Lighting)



CFRG Feedback

- Generally supportive of recommendations
- More supportive of street tree assessment than street lights
- Continue to be supportive of various development initiatives



Budget Work Session Schedule

- **Wed.,
November 23**
 - **Police, Fire**
- **Wed.,
November 30**
 - **Economic Development,
Building Services, Planning &
Community Development**
- **Wed., December
7**
 - **Public Works, Recreation &
Youth Services, Central Services**
- **Wed., December
21**
 - **Water, Aviation, General Fund
Wrap Up**
- **Wed., December
28**
 - **Back Up Date**



Departments Will Provide Written Presentation Only:

- **Convention Center**
- **Finance**
- **Law**
- **CMO/Public Affairs**
- **Human Resources**
- **Management & Budget**
- **City Commission Agencies**
- **Municipal Court/Clerk of Courts**



2011 – 2012 General Fund Department Budgets

	2011 Orig. Bgt.	2012 Proposed	Diff (\$)	Diff (%)
PUBLIC SAFETY				
Police	\$ 43,032,900	\$ 43,797,800	\$ 764,900	1.8%
Fire	\$ 33,638,600	\$ 34,628,600	\$ 990,000	2.9%
<i>Total Public Safety:</i>	<i>\$ 76,671,500</i>	<i>\$ 78,426,400</i>	<i>\$ 1,754,900</i>	<i>2.3%</i>
OTHER FRONT LINE				
Public Works	\$ 18,587,100	\$ 18,896,700	\$ 309,600	1.7%
Rec. & Youth Serv.	\$ 3,310,700	\$ 3,230,400	\$ (80,300)	-2.4%
Water	\$ 86,500	\$ 88,300	\$ 1,800	2.1%
<i>Total Other Front Line:</i>	<i>\$ 21,984,300</i>	<i>\$ 22,215,400</i>	<i>\$ 231,100</i>	<i>1.1%</i>
DEVELOPMENT				
Conv. Ctr/Expo. Ctr.	\$ 2,824,100	\$ 2,840,700	\$ 16,600	0.6%
Building Services	\$ 2,041,100	\$ 2,035,500	\$ (5,600)	-0.3%
Planning & CD	\$ 1,925,500	\$ 1,653,300	\$ (272,200)	-14.1%
Econ. Development	\$ 1,041,400	\$ 1,031,700	\$ (9,700)	-0.9%
<i>Total Development:</i>	<i>\$ 7,832,100</i>	<i>\$ 7,561,200</i>	<i>\$ (270,900)</i>	<i>-3.5%</i>



2011 – 2012 General Fund Department Budgets

	2011 Orig. Bgt.	2012 Proposed	Diff (\$)	Diff (%)
CORPORATE FUNCTIONS				
Central Services	\$ 14,268,600	\$ 14,154,400	\$ (114,200)	-0.8%
Finance	\$ 3,298,300	\$ 2,946,700	\$ (351,600)	-10.7%
Law	\$ 2,065,100	\$ 2,141,500	\$ 76,400	3.7%
CMO/Public Affairs	\$ 1,740,000	\$ 1,728,900	\$ (11,100)	-0.6%
Human Resources	\$ 929,000	\$ 817,700	\$ (111,300)	-12.0%
Mgmt. & Budget	\$ 674,800	\$ 681,700	\$ 6,900	1.0%
<i>Total Corp. Functions:</i>	<i>\$ 22,975,800</i>	<i>\$ 22,470,900</i>	<i>\$ (504,900)</i>	<i>-2.2%</i>
COMMISSION AGENCIES				
Civil Service	\$ 1,225,700	\$ 1,214,700	\$ (11,000)	-0.9%
City Commission	\$ 939,700	\$ 936,500	\$ (3,200)	-0.3%
Hum. Rel. Council	\$ 646,200	\$ 643,800	\$ (2,400)	-0.4%
<i>Total Comm. Agencies:</i>	<i>\$ 2,811,600</i>	<i>\$ 2,795,000</i>	<i>\$ (16,600)</i>	<i>-0.6%</i>



2011 – 2012 General Fund Department Budgets

	2011 Orig. Bgt.	2012 Proposed	Diff (\$)	Diff (%)
COURTS				
Municipal Courts	\$ 4,035,500	\$ 3,897,800	\$ (137,700)	-3.4%
Clerk of Courts	\$ 3,437,300	\$ 3,248,800	\$ (188,500)	-5.5%
<i>Total Courts:</i>	<i>\$ 7,472,800</i>	<i>\$ 7,146,600</i>	<i>\$ (326,200)</i>	<i>-4.4%</i>
OTHER				
Multi-Department	\$ 1,883,100	\$ 2,852,900	\$ 969,800	51.5%
Special Projects	\$ 2,000,000	\$ 2,000,000	\$ -	0.0%
<i>Total Other:</i>	<i>\$ 3,883,100</i>	<i>\$ 4,852,900</i>	<i>\$ 969,800</i>	<i>25.0%</i>
<i>Total Operating Budget</i>	<i>\$ 143,631,200</i>	<i>\$ 145,468,400</i>	<i>\$ 1,837,200</i>	<i>1.3%</i>
INVESTMENTS	\$ 7,487,000	\$ 7,500,000	\$ 13,000	0.2%
<i>Total General Fund:</i>	<i>\$ 151,118,200</i>	<i>\$ 152,968,400</i>	<i>\$ 1,850,200</i>	<i>1.2%</i>



2011 – 2012 General Fund Investments

	2011 Orig. Bgt.	2012 Proposed	Diff (\$)	Diff (%)
INVESTMENTS				
Capital Equipment and Technology	\$ 2,487,000	\$ 3,000,000	\$ 513,000	20.6%
Capital Projects	\$ 2,000,000	\$ 1,500,000	\$ (500,000)	-25.0%
Development	\$ 2,500,000	\$ 2,500,000	\$ -	0.0%
Downtown	\$ 500,000	\$ 500,000	\$ -	0.0%
<i>Total Investments:</i>	<i>\$ 7,487,000</i>	<i>\$ 7,500,000</i>	<i>\$ 13,000</i>	<i>0.2%</i>



2011 – 2012 CDBG Operating

	2011 Orig. Bgt.	2012 Proposed	Diff (\$)	Diff (%)
CDBG Operating				
Housing Inspection	\$ 2,826,800	\$ 1,651,900	\$ (1,174,900)	-41.6%
Planning & Comm. Dev.	\$ 1,148,300	\$ 945,900	\$ (202,400)	-17.6%
Finance (Indirect Cost)	\$ 430,000	\$ 172,000	\$ (258,000)	-60.0%
Recreation	\$ 328,700	\$ 90,000	\$ (238,700)	-72.6%
HRC (Section 3)	\$ 30,000	\$ 30,000	\$ -	0.0%
Total Operating	\$ 4,763,800	\$ 2,889,800	\$ (1,874,000)	-39.3%
CDBG Projects				
Demolition	\$ 575,000	\$ 624,000	\$ 49,000	8.5%
Resurfacing	\$ 675,000	\$ 675,000	\$ -	0.0%
Various Projects	\$ 1,123,400	\$ 350,000	\$ (773,400)	-68.8%
Total Projects	\$ 2,373,400	\$ 1,649,000	\$ (724,400)	
Total CDBG	\$ 7,137,200	\$ 4,538,800	\$ (2,598,400)	-36.4%

Note: CDBG: Community Development Block Grant – federal entitlement projected to decline 35% in 2012 due to federal budget cuts, new entitlement communities entering program, and population loss.

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Comments? Questions?

Thank You.

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