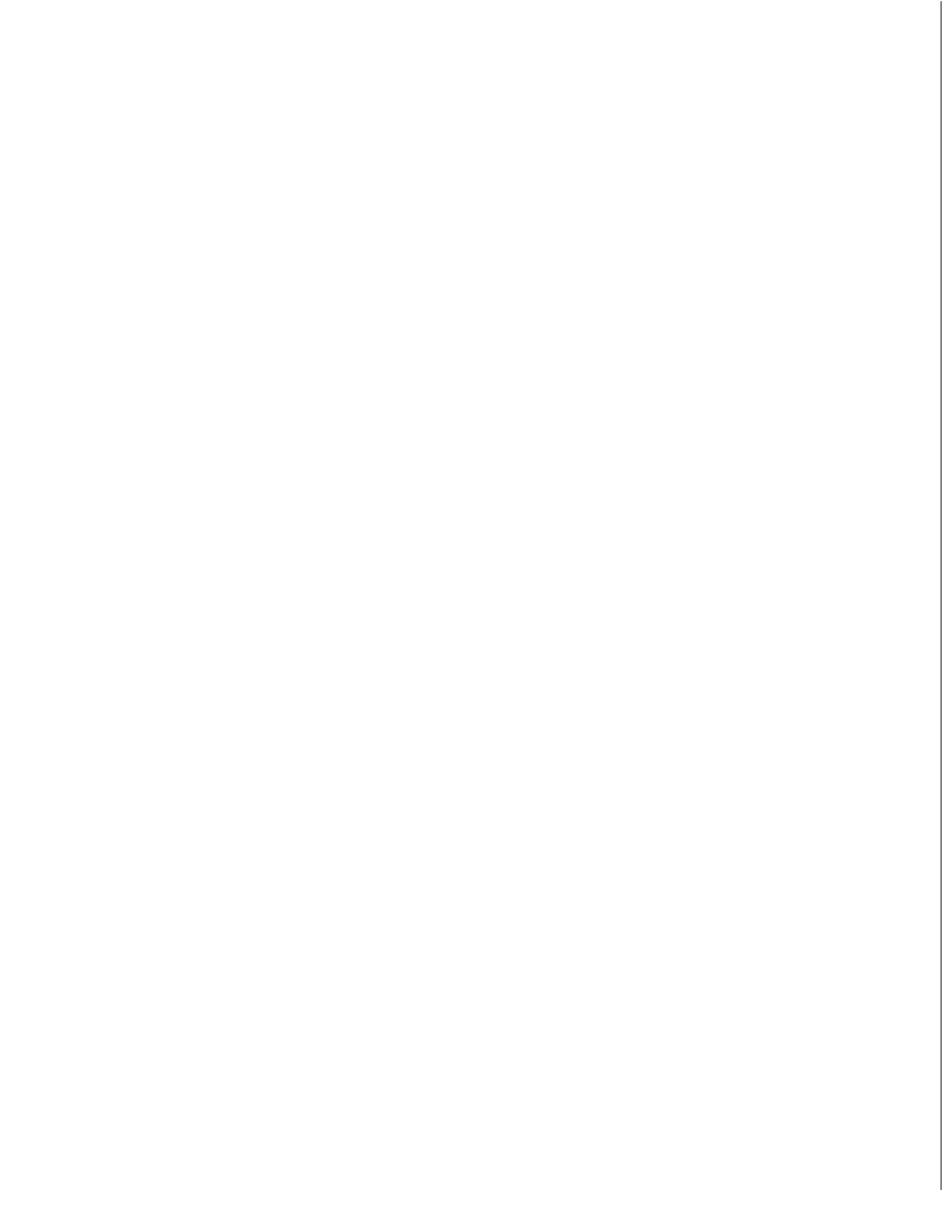




## Report to Council

# Five-year Financial Plan 2007 Update

Wednesday, November 14, 2007



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## Executive Summary

Each department reviews last year's 5-year plan and submits updates to be included in the current plan. These updates are reviewed and consolidated by the finance department. The finance department then adjusts the plans submitted by the departments to ensure that sufficient funding is available to pay for the first year of the plan at a minimum. The resulting plan is then circulated to the departments for review and final revisions. This plan is presented to Council and the public as a reasonable approximation of current administrative plans for future expenditures pending adequate funding.

This year's update has some significant changes from prior years. The most significant change is in the number of funds discussed. This year's update looks more like a five-year budget than any plan prepared to date. A more detailed revenue and expense analysis is included for each fund so the reader will have a truer picture of how all the funding pieces fit together. The impact of future debt payments is also discussed in more detail than in prior plans. This is significant because the City is proposing a very ambitious schedule for future debt payments including paying off the debt on SR 82 Widening within 10 years. As a result, this plan is a better road map for council and the administration when looking at the financial challenges to be faced in the next five years.

As with all the prior 5-year plans, this plan fully funds next year's proposed spending. However, plan years 2009 through 2012 are under funded by approximately \$2.6 million per year. By 2012 the projected deficit is about \$10.5 million.

Departments are requesting 15 full-time equivalent (FTE) employees over the next four years. In addition to these new personnel, some departments are expected to experience significant personnel changes through retirement and other attrition. The hiring proposals contained in this plan seek to proactively address the personnel changes expected in the next five years.

Road maintenance has been an on-going issue for the City over the last decade. The administration continues its resolve to fund basic maintenance through annual revenues. Debt issuance is reserved for funding major new road construction or assessed projects. The City will continue to spend more than \$600,000 per year on road maintenance projects through 2012. If Council funds this plan as presented, the City will eliminate its road resurfacing debt by 2009. This will free up additional funds for a variety of planned capital project needs.

All department heads use this plan as the basis for preparing their future appropriation requests. Although there may be differences between what is presented here and the final requests made by the departments, the administration is committed to keeping overall expenditures within the limitations established in this plan. Therefore, this plan serves as a 5-year budget projection for Council to use in evaluating the 2008 appropriation ordinance.



## Personnel Expenditures

The current contracts will expire December 31, 2009. The major compensation provisions of the current contracts include a general wage increase of 3.5% in 2008 and 3.5% in 2009. The major benefit provision is the cap in the growth of City contributions to health insurance premiums of 8% per year.

Personnel forecasting is complicated this year by changes in employee representation. The police patrol and dispatch workers have opted to change representation from the Fraternal Order of Police (FOP) to the Ohio Police Benevolence Association (OPBA). Sergeants are still represented by the FOP. In addition, the administrative personnel are in the process to begin negotiations with the City as part of a new unit represented by the Teamster Union.

Several departments have requested increases in staffing levels over the next several years. The following chart summarizes the requests made. Departments are requesting 15 full-time equivalent (FTE) employees over the next four years. In addition to these new personnel, some departments are expected to experience significant personnel changes through retirement and other attrition. The administration anticipates that these positions will be filled as they become vacant.

Table 1: Personnel Request Summary						
	2008	2009	2010	2011	2012	Total
Police	3.5	1.5				5
Fire		3.5				3.5
Building/Engineering/Zoning	1					1
Service-Parks	1		1			2
Service-Roads		1		1		2
Service - Administration						0
Finance	.5					.5
Recreation Programming						0
Family Recreation Center	1					1
Total	7	6	1	1	0	15

### *Police Requests*

The department requested an additional lieutenant in 2007. The department is renewing its request for 2008. The current lieutenant is in charge of dispatch, patrol, the detective bureau, scheduling, policy and rule updates, equipment, training, computers, and assisting with executive duties such as meetings, budgets and discipline issues. This span of control is beyond industry standards and creating operational inefficiencies. Splitting these duties would lessen the burden on one lieutenant and allow each to be more focused and detailed. The main split would place one lieutenant in charge of patrol and the other the detective bureau and dispatch. This would give the bureau an additional officer at times to assist with increased caseloads. The additional lieutenant would also be charged with officer training. The City is currently behind in meeting its training needs and having a lieutenant who could manage the training program is essential. The promotion of a sergeant to the lieutenant



position would require the promotion of a patrol officer to sergeant and therefore, one full-time patrol officer would be required.

In 2007, Council approved hiring part-time jailers to fill the equivalent of 2 full-time positions. An additional jailer (40 hours per week divided among part-time employees) will be added over the next two years (.5 in 2008 and .5 in 2009). The City's commitment to its jail facility has been recognized by the Municipal Court which is encouraging other communities to use Macedonia's facility. The additional usage makes scheduling more efficient and generates additional revenue for the City.

The City continues to add new residential and commercial development. This continued development increases the demand for patrol officers. The projections used in this plan call for the hiring of 2 additional officers in 2008 and another in 2009. These additional officers are needed because the department has been operating at staffing levels below 2002 standards. In 2002, the department consisted of 23 full-time equivalent patrol officers and detectives combined plus 3 part-time patrol officers. Currently, the department is operating with 22 FTE patrol officers and detectives combined and 2 part-time patrol officers. In addition, the department expects several retirements to occur over the next five years. The hiring of these additional officers prior to the retirement of existing officers is vital to maintaining a consistent level of service for residents because the required training period effectively reduces the departments staffing levels for 3 months to 6 months per hire. Having trained officers in place prior to expected retirements will help the department effectively absorb new recruits.

The department has had difficulty recruiting new part-time officers and dispatchers. In 2007, the department plans to convert 2 part-time patrol officers into 1 full-time officer. In 2008, the department proposes converting 2 part-time dispatchers into 1 full-time position. These changes do not change the overall FTE employees in the department but do have a financial impact due to the addition of benefits.

### ***Fire Requests***

When the City promoted a lieutenant and moved the captain to day shift, no firefighters were hired to replace the promoted firefighters. A need still exists to add one full-time firefighter to each shift, bringing the total to five firefighters per shift. The addition of these firefighters is scheduled for 2008. Costs for this expansion of the fire department will be offset by the replacement and increase of the fire operating levy from .8 mills to 1.0 mill. In November of 2007, the voters rejected the City's attempt to replace and increase the fire levy. Therefore, the hiring of the additional firefighters will be postponed to 2009. The projections in this plan assume adoption of the fire levy by the voters prior to hiring the additional firefighters.

In 2009, the department intends to convert the current part-time secretarial position into a full-time position with benefits.





In 2011, the Chief has proposed reconfiguring the department to create an Assistant Chief position (currently a Captain). The existing Lieutenants would become Captains and three full-time firefighters would be promoted to Lieutenant. This would change the department's structure to coincide better with the National Incident Management System. Captains are considered command staff and Lieutenants are considered line officers. The department currently runs shifts with Lieutenants in charge. On scene, the Lieutenants assume command and three firefighters enter the structure for confinement and extinguishments. The proposed organizational change would place a Captain in command of each shift and a Lieutenant would enter the structure as a line officer. This reorganization will not require adding any employees; it will redistribute duties of existing personnel.

### ***Building/Engineering/Zoning Requests***

No additional personnel requirements are anticipated over the next five years. The department will continue to supplement its personnel with contracted inspectors, consultants and engineers as necessary to maintain office functions during departmental transitions.

Due to the unanticipated retirement of the City Engineer, the City will be requesting additional personnel for building and engineering in the 2008 budget. The additional employee is needed due to additional certification requirements of a residential building department. Prior to 2007, residential building departments were not required to be certified. Commercial building departments have always required certification. Certifications are required by the State of Ohio. This announcement was not received in time to be included in the personnel cost projections contained in this report, however, it is included here as a subsequent event.

### ***Service Requests***

The service department needs to increase staffing by 2 full-time maintenance workers in the roads division. This could be accomplished by hiring a full-time worker in 2009 and 2011. These additions will return the service department to staffing levels equivalent to 2000 standards. They will augment the current work crews during all seasonal activities, as well as allow the potential to develop a seasonal road repair / asphalt crew.

Park maintenance staff has also decreased while service demands increased due to the addition of the Recreation Center, the Field of Dreams Ball Diamond and the soccer fields on the north side of Route 82. Current staffing levels are insufficient to provide adequate maintenance of the park trails.

The parks division needs to add 2 full-time maintenance workers. These additional employees will allow the department to provide the proper maintenance to all playing fields, trails and parklands. Currently, regular service department staff is temporarily assigned to the parks division to assist with mowing, field maintenance, and landscaping in order to meet work demands. The additional staff will make the division more self-sufficient.



Seasonal temporary workers will still be needed during the summer months. One new park maintenance worker is proposed for hire in both 2008 and 2010.

### ***Finance Requests***

The Payroll/Human Resource Administrator now reports to the Mayor with some dual responsibilities in the finance department. In July of 2007, RLK & Associates, Ltd. completed a review of the position and concluded that the workload on this position was clearly sufficient to warrant splitting it into two positions. The review suggests splitting off the payroll functions from the position to create an appropriate position responsible for the research, development, implementation and evaluation of comprehensive human resources policies and programs. This Human Resource Administrator would continue to report to the Mayor. The payroll functions will be redistributed to the finance department. As a result, the department would need to change the existing part-time position into a full-time position to accommodate the added payroll duties.

### ***Recreation Requests***

The recreation department is responsible for two budget areas: the Family Recreation Center and the recreation programming portion of the parks and recreation fund. The department's responsibilities have grown as the demand for programming has increased.

The department manages and maintains the Family Recreation Center. This 55,000 square foot facility is open to the public more than 100 hours per week. It welcomes more than 400 people per day who use the facilities for swimming, exercising and special programming. The nature of the programming in the facility demands a high degree of cleanliness to prevent unhealthy or unsafe conditions for patrons. The department currently cleans the facility with one full-time custodian and part-time support. The facility needs additional maintenance personnel to ensure that a healthy and safe environment is maintained. In addition, proper maintenance and cleanliness will contribute to a longer useful life for the facility and its equipment. Therefore, the department is requesting the addition of one full-time custodian to be hired in 2008.

### ***5-year City-wide Personnel Expense Projections***

#### **Staffing Assumptions**

The staffing levels included in the citywide personnel expense projections are based upon current salary and staffing levels. The projections also include all of the additional employees requested by the various departments as described in the previous section. In most cases, a department's entire original request is included within this plan with the implementation dates changed to meet financial considerations.



## Benefit Assumptions

Benefits are projected with regular increases. Dental benefits are projected to increase at 7% every other year. Vision benefits also increase 7% every other year on the opposite cycle from the dental benefit increases. The City's portion of health insurance premiums are projected to increase at 8% per year.

The City has been given a schedule of projected increases in employer contribution for the next five years from the Public Employee Retirement System (PERS). PERS will increase the employer contribution percentage to 14% in 2008. The employer contribution is projected to remain at 14% through 2012.

## Personnel Cost Projection Summary

Citywide, personnel expenditures are projected to increase over the next five years from approximately \$8.6 million to \$10.8 million. Personnel costs will account for approximately 70% of the operating costs in the general fund in 2008. By 2012, personnel costs are expected to account for more than 71% of general fund operating costs. In the 2006 update, personnel costs were projected to be 73% of general fund operating expenditures by the fifth year of the plan. For the general fund, operating costs include all fund expenditures other than transfers to other funds. Personnel costs in the general fund are projected to increase by 20.2% over the next five years while total personnel expense are expected to increase by more than 25% over the same period. These increases are primarily due to additional personnel added during the plan period. The fire operating levy fund and the police pension fund support the personnel expenses associated with the respective departments.

	2008	2009	2010	2011	2012
General Fund	\$6,076,522	\$6,442,433	\$6,741,815	\$7,040,728	\$7,302,218
SCMR Fund	\$1,145,097	\$1,221,262	\$1,268,006	\$1,368,125	\$1,452,085
Parks and Recreation Fund	\$305,046	\$381,374	\$475,875	\$525,534	\$546,907
Recreation Center Fund	\$774,228	\$808,956	\$843,005	\$875,288	\$909,032
Fire Operating Fund	\$150,000	\$475,000	\$475,000	\$475,000	\$485,000
Police Pension Fund	\$160,000	\$125,000	\$125,000	\$125,000	\$125,000
Total	\$8,610,893	\$9,454,025	\$9,928,701	\$10,409,675	\$10,820,242

## Non-Personnel Operating Expenditures

All non-personnel expense categories are projected to increase at 3% annually. Some additional increases are incorporated where departments have specific plans. For example, several items were moved from future capital requests into the operating portion of the budgets. These changes were made because the items requested cost less than \$5,000 and/or did not have a five-year useful life. Some expenditures were projected at the object level to fully account for anticipated changes by departments. For example, program changes resulting from the sale or demolition of rental property required that related line items be reduced or eliminated.



In addition, anticipated program changes were incorporated where identified by the department head. The data was then aggregated and is presented at the fund level in the following table.

<b>Table 3: Summary of Projected Operating Expenditures by Fund</b>					
	2008	2009	2010	2011	2012
General Total	\$2,334,700	\$2,404,800	\$2,476,900	\$2,551,000	\$2,627,400
SCMR Total	\$680,600	\$701,000	\$722,000	\$743,500	\$765,800
Parks & Rec.	\$214,900	\$221,300	\$227,900	\$234,700	\$241,700
Rec. Center	\$442,900	\$456,200	\$469,900	\$484,000	\$498,500
Total	\$3,673,100	\$3,783,300	\$3,896,700	\$4,013,200	\$4,133,400

### ***Service Department Equipment Requests***

The following equipment items will be included in the 2008 operating budget requests.

The Parks Division needs fork attachments for its skid steer loader (\$1,000). The Parks Division operates out of the Longwood Park barns and has a frequent need to unload pallets of materials or supplies, as well as handle plant and tree materials. With the forks attachment, workers can use the skid steer loader already at the park to unload and move these items more easily than existing methods. This attachment would also allow the machine to be used for more jobs and tasks.

The Parks Division also needs a leaf blower attachment for its tractor (\$3,500). With the large acreage maintained by the Parks Division, it is difficult to find the time in the fall months to properly clean out all of the fallen leaves from the tree-covered areas. Backpack and push blowers work, but they are time consuming and slow given the area to be covered. The proposed blower mounts to one of the tractors already in the fleet, and would have a large fan to move big piles quickly. With the addition of this attachment, more productivity and a cleaner park can be achieved. The expected life span of this attachment would be 15-20 years.

All vehicles and equipment in the fleet need periodic radiator coolant changes as part of their preventive maintenance. Our current process to perform this job is to drain the coolant into a pan, and transfer the material into a storage drum for recycling. We are proposing to purchase a radiator flush machine (\$2,700) that would not only drain out the old fluid and fill the radiator with new fluids, but would flush out the contaminants under pressure that would not be removed through standard draining. Flushing out under pressure also eliminates all air pockets that may develop in the system, and makes the process of transferring the old coolant for recycling easier and cleaner. Expected life span for a new machine would be 20 years.

### ***Building Maintenance Requests***

The Recreation Center, City Hall, Service Garages and Longwood Park Barns all require regular maintenance. Interior and exterior maintenance line-items will be included in the operating budgets of the respective departments beginning in 2008.



## ***Family Recreation Center Requests***

This update to the 5-year plan shifts all of the traditional capital requests affecting the Family Recreation Center into the Family Recreation Center fund. The department is requesting several equipment purchases for the Family Recreation Center. The equipment purchases are required annually to maintain the exercise facilities. The resistance training equipment replacements and upgrades include machines like the leg curl, leg press and chest press machines. The cardiovascular machines include items like recumbent bikes, elliptical trainers and treadmills. Each year the request includes approximately 3 pieces of resistance training equipment and 4 pieces of cardiovascular equipment. The department proposes improving the family features at the recreation center. These improvements will provide interactive stations for kids to increase the appeal of the pool and common areas for families. The pool will also require a replacement pump motor in 2008. All of these requests are included in the Family Recreation Center budget.

## **Capital Expenditures**

### ***Road Maintenance***

Road maintenance continues to be a high priority for both council and the administration. This plan continues the City's commitment to improving and maintaining the City's roads and bridges. How these projects will be funded is a significant policy priority for the administration. The administration continues its resolve to fund basic maintenance through annual revenues. Debt issuance is reserved for funding major new road construction or assessed projects. The City will continue to spend more than \$600,000 per year on road maintenance projects through 2012.

### **Soft-spot Repairs**

There are areas of roadway throughout the City where the pavement is beginning to give-way. These repairs require full depth roadway repairs and pavement replacement. These repairs typically require grinding of existing asphalt surfaces and are more complex in nature than basic pothole repairs that can be routinely maintained using the City's hotbox and pavement roller. The City's continued commitment to this repair program enhances the long-term viability of our road infrastructure. The City anticipates spending \$90,00 to \$100,000 per year on soft-spot repairs.

### **Crack Sealing Repairs**

An active crack sealing program is one of the best preventive maintenance programs for extending the life of roadways. The program is relatively inexpensive when conducted as a regular annual program. The City will spend \$55,000 to \$65,000 annually on crack sealing through 2012.



## Annual Road Repair Program

Rather than incurring debt for on-going replacement projects, this plan promotes paying for and scheduling improvements on an annual basis. Major road projects will still be candidates for debt because they exceed the level of funding the City can commit to on-going road maintenance. Each year, the City is committing \$500,000 for the road repair program.

Projects will be added by the engineer as costs allow. All projects will be based upon an assessment of the road surfaces to ensure that those roads in the most need of repaving are attended to first. Priority factors include current road condition and estimated traffic flow.

Priority projects for 2008 include Bedford Rd. from the Aurora Rd. intersection to the Ledge Rd. intersection. In 2009, the City intends to finish paving Shepard Rd north of the I-480 Bridge (after completion of the sanitary sewer project currently under construction) and Bedford Rd. south of the Aurora Rd. intersection.

The Shepard/Richmond/Broadway intersection project has been discussed as a potential future need. The intersection project includes portions of Macedonia, and three other communities. The project is not currently included in the plan. However, the project continues to be studied by the affected communities. This intersection is particularly difficult to coordinate any improvements and project funding because it is located in 4 different communities and 2 different counties. Any improvements to this intersection will be conducted as a joint project and may be subject to timetables outside the City's direct control.

Table 4: Summary of Projected Road Maintenance Expenditures					
	2008	2009	2010	2011	2012
Soft-spot Repairs	\$90,000	\$93,000	\$96,000	\$99,000	\$102,000
Crack Sealing	\$55,000	\$56,000	\$58,000	\$60,000	\$62,000
Annual Road Program	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Total	\$645,000	\$649,000	\$654,000	\$659,000	\$664,000

## Major Road Projects

Major road projects are normally beyond the scope of annual maintenance programs in one of two ways. First, the project may be a multi-year project that requires tracking of on-going project costs. Second, the project may be a high cost project that requires special funding sources. Special funding could include issuance of debt, federal grants, funding through the Akron Metropolitan Area Transportation Study (AMATS), the Ohio Department of Transportation (ODOT), the Ohio Public Works Commission or any combination of these sources. The projected spending on major road projects is in addition to the City's commitment to the annual road maintenance program.

The City has been working on several major projects for decades. These improvements are focused on three basic areas. The first major focus area has been improving the City's east-west arterials to improve overall



traffic flow through the community. This focus area includes upgrading State Route 82 and addressing the railroad crossing on Highland Road. Phase 2 of the Route 82 project will be constructed first. The Highland Road project will begin construction shortly after the completion of the Route 82 Phase 2 project. Both of these projects involve grade separations. The City received funding approval for Phase 3 of the Route 82 project in 2006 and construction is scheduled to proceed in state fiscal year 2011.

A second major focus area is improving the primary north-south arterial through the City, State Route 8. This focus area includes projects to significantly upgrade major intersections along the route, major road resurfacing and improvement of the access to Interstate 271. The scope of this project far exceeds the City's required improvements. However, its on-going construction impacts the City's construction timetable for road improvements throughout the community.

The third focus area includes improvement of the City's business districts. In 2006, the City completed its improvement of North Freeway Drive. South Freeway Drive is in pre-construction.

### Route 82 Widening (Phase 2)

The design engineering for this project was completed in the 2005 budget year. In 2006 and 2007, the City completed right-of-way acquisition and demolition of structures within the right-of-way. The cost for right-of-way acquisition will be approximately \$2.384 million plus \$432,000 for the acquisition consultant services. Project construction is expected to begin in early 2008.

The precise timing of this project is dependent upon the Ohio Department of Transportation (ODOT). ODOT will administer the project and determine final timetables for construction. However, the project must be completed prior to starting the Highland Road Grade Separation because Route 82 will be needed to carry diverted traffic.

Use/Source	Estimated Cost	Estimated Revenue
Right of Way Acquisition	\$2,816,000	
Bridge and Roadway Construction	\$8,142,800	
Contingencies (5%)	\$407,200	
Construction Engineering (10%)	\$814,000	
Railroad Force Account	\$1,750,000	
Fiber Optic Relocation	\$1,329,000	
Asbestos Survey/Demolition	\$125,000	
AMATS (local MPO)		\$5,500,000
Federal Highway Earmark		\$2,728,000
Federal Highway Safety Funds		\$5,000,000
Local Matching Funds (City)		\$2,156,000
<b>Project Totals</b>	<b>\$15,384,000</b>	<b>\$15,384,000</b>

The City's portion of the total project construction costs is currently estimated at \$1,930,600. The City continues to pursue other funding sources to lower its portion of project costs. In 2006, the City was approved for a \$2.8



million loan from the State Infrastructure Bank. The loan will cover the current funding shortfall that becomes the City's responsibility. The City applied for an initial distribution of loan funds in 2007. The City is applying for state Issue 2 credit enhancement funds to assist with interest payments on the SIB loan. This will allow the City to continue the project while it actively seeks alternative funding sources.

### **Route 82 Widening (Phase 3)**

The purpose of this project is to provide additional through lanes to safely accommodate the very high demand of current traffic volumes. This is the final phase of the three-phase widening within the City of Macedonia. Completion of the proposed widening will provide a fully improved east-west arterial from the City of Twinsburg to Northfield Center Township.

This phase of the project consists of widening the existing two-lane and three-lane roadway to a four-lane roadway with left turn lanes, where warranted, for a total length of 1.67 miles. The project also includes reconstruction of bike lanes where they currently exist.

Project engineering begins in 2007. The City will be responsible for the initial engineering cost of \$274,000. Right-of-way acquisition for the project will begin in 2009 and is expected to cost approximately \$385,000. Project construction will begin in 2010 with an estimated cost of \$4,395,000.

### **Highland Road Grade Separation (Bridge)**

The City has been approved for a loan from the State Infrastructure Bank that will allow the City to totally fund the design-engineering portion of the project. Construction of the project is anticipated in 2009 and 2010. Construction costs will be funded by the State of Ohio with no additional City commitment. The State of Ohio will also reimburse the City upon project completion, reducing the total city-share to 5% of the total estimated project cost of approximately \$8.5 million.

### **Route 8 Resurfacing**

ODOT has scheduled the resurfacing of State Route 8 from where recent resurfacing ended south of Rt. 82 to the southern corporation line of the Village of Northfield. The project was originally scheduled for construction in the state's fiscal year 2008, which began on July 1, 2007 and ends on June 30, 2008. The ODOT cost estimate for the project is \$474,046. The City anticipates that it will be required to fund approximately \$121,250 of the total project cost. On November 2, 2006, the City received notification that this project has been delayed by ODOT and will be slated for the state's 2009 fiscal year program.

### **South Freeway Drive**

The project will rehabilitate the roadway between State Route 82 (Aurora Road) and Ledge Road. It will also include improvements to the storm sewer system that connects into the system south of Route 82. The storm





sewers south of Route 82 were recently improved. This sewer portion of the project continues from those improvements and goes north to the rear portion of the properties along South Freeway Drive by the railroad tracks. The total project cost is estimated at approximately \$1,420,000. The storm sewer improvements constitute approximately 1/3 of the total cost. The balance of the project could be assessed to property owners. The City will likely have to issue debt to fund this project.

## ***Storm Water Management***

### **Culvert Replacement**

This program will annually inspect all road culverts in the Indian Creek Watershed and provide for the replacement of those culverts that are structurally deficient. Initially the program will be more expensive because of culverts that have already been identified for replacement. Four culverts need to be replaced in the near future. These include two culverts along Valley View Rd., a culvert crossing Iroquois Run, and a culvert crossing Shepard Rd south of Route 82. The service department performs some of the necessary culvert repairs. However, the service department is short of staff and several projects are currently waiting for service department availability. Projects that cannot be done using City staff due to project size or staff availability will be outsourced to private contractors for completion.

### **Storm Water Maintenance**

The City will continue its storm water maintenance program to provide for annual inspection of catch basins and major drainage courses. The on-going storm water maintenance program continues the types of activities performed for the Phase 2 Compliance Program. Regular inspections will be conducted on all 60 identified retention basins in the City, 150 identified road culverts and 12 major drainage courses. The program also includes follow-up maintenance. The maintenance program includes, but is not limited to, clearing debris out of catch basins and major drainage courses to ensure flow maintenance. The City will also address street sweeping needs as the program progresses.

<b>Table 6: Summary of Projected Storm Water Management Expenditures</b>					
	2008	2009	2010	2011	2012
Culvert Replacement Program	\$150,000	\$175,000	\$58,000	\$60,000	\$62,000
Storm Water Maintenance and Improvements	\$210,120	\$216,400	\$222,900	\$229,600	\$236,500
<b>Total</b>	<b>\$360,120</b>	<b>\$391,400</b>	<b>\$280,900</b>	<b>\$289,600</b>	<b>\$298,500</b>

### **Storm Water Improvements**

The City has formed a Drainage and Sewer Control Committee to identify necessary storm water improvements throughout the City. Approximately \$100,000 is included annually for on-going engineering and plan preparation. The committee's initial report revealed more than \$2.5 million in construction costs for immediate



needs. These costs are in addition to any regular costs currently included in this plan. As the City progresses toward funding these projects, the committee will continue to identify possible revenue sources and alternatives. The earliest that the City can begin construction will likely be in 2009 because of the need to prepare appropriate plans and specifications for the projects.

## ***Sanitary Sewer***

### **Shepard Road**

The City will construct sanitary sewers for service along Shepard Road in three phases. This project will permit existing septic systems to be eliminated. Phases 1 and 2 are being done jointly with the City of Twinsburg.

The City of Twinsburg is the fiscal agent on phase 1. Phase 1 construction was completed in 2007. Notes have been issued pending final cost and assessment certification. Bonds will be issued on phase 1 in 2008. Construction costs are expected to be approximately \$350,000. Total project costs are expected to be about \$425,000. The City will be responsible for approximately 50% of the costs for phase 1.

	2008	2009
Phase II	\$139,000	
Phase III	\$21,000	\$197,000
Total	\$160,000	\$197,000

The City will be the fiscal agent on phase 2. In 2007, the City contracted for design engineering of phase 2. The construction is scheduled for 2008. The City is responsible for approximately 75% of the total costs for phase 2.

In 2008, the City is responsible for design engineering for phase 3 with construction in 2009. The entire project is assessable and will likely be assessed. Therefore, debt will be issued to fund this project.

## ***Departmental Capital Requests***

### **Police**

It has always been the police department's intent to replace cruisers before they begin to break down due to extreme use. Unreliable police cruisers cause undue expense to the City and require other cruisers to be used beyond their scheduled rotation. This overuse of the vehicle fleet causes excessive wear and tear on the vehicles due to the increased mileage and idling time. A pattern of overuse and non-replacement creates a cycle that results in shorter overall vehicle life and reliability. This plan calls for replacing 4 vehicles in 2008 and in each subsequent year of the plan.

Computer-aided Voice Stress Analyzers are replacing the polygraph test as the preferred method for response verification. The City uses lie detector exams in two different ways. First, the department uses them in the hiring



process. Lie detector tests are also used in the process of criminal investigations. Voice Stress Analyzers are the modern day polygraph. They can be carried anywhere because they work off a lap top computer. No appointments are needed off site with non-city employees. All tests can be done with our employee operating the machine whenever we choose. Purchase of a voice stress analyzer is scheduled for 2008.

In-car video systems are widely used throughout Summit County. In-car video systems offer three primary benefits for the City. They protect the City from officers who act beyond their authority, they protect the officers from complaints of abuse, and they protect the public because officers know that everything they do is being recorded. Macedonia has been using in-car video for nearly 10 years. The City's current systems use older technology and will need to be updated in 2009.

The City's current traffic control system requires police officers to direct traffic at priority intersections during power outages. This system is dangerous and inefficient. The current plan includes system wide upgrades that will provide battery backup of priority signals during a power outage. This up-grade has several features. First, it will replace regular traffic light bulbs with LED light bulbs. This will save the City money on energy costs because LED's run on a fraction of the power as regular light bulbs. The City may be able to fund the bulb upgrades with the savings in energy costs through a special program sponsored by the bulb manufacturer. Second, it will save the service department manpower hours from not having to replace every traffic light bulb once a year (the average life expectancy of a standard traffic light bulb). LED lights last up to 10 times longer than conventional bulbs. Third, when the traffic lights go out because of a power failure, the police department won't have to direct traffic at the intersection because the traffic lights will run off the batteries for up to 48 hours. This will also provide safety for the officers because they won't have to direct traffic in these intersections. Instead, they will be able to patrol and not be tied up directing traffic. Last, police and fire can respond to emergencies quicker and safer because traffic lights will "sense" the direction the emergency vehicles are coming from by their siren and turn the light green for that direction only and red for everyone else. The upgrades will be phased in over several years beginning in 2008.

The City's portable radio equipment was purchased in 1999 and 2001. The first group of radios purchased in 1999 was shared between all the officers until the second batch was purchased in 2001. The addition of the 2001 equipment reduced the wear and tear on the equipment and will extend the life expectancy of all City radio equipment. However, the portable radios will need to be replaced and upgraded in 2010.

The replacement of the department's mainframe system includes replacement of most of the in-house computer system. The computers that make up the system were originally purchased in 2003 and will require updating around 2010. The system must be upgraded to take advantage of new technology and satisfy current



programming requirements. In 2011, the department's desktop computers will be 9 years old and functionally obsolete. Therefore, the department proposes replacing the desktop units in 2011.

The department is currently planning to participate jointly with the City of Twinsburg to purchase an Automated Fingerprint Identification (AFI) System. Right now, fingerprint searches are run through the Bureau of Criminal Investigations (BCI). The purchase of an AFI system will give the department the ability to run multiple reports on each set of fingerprints and receive search results faster.

Several items not currently included in the plan need to be mentioned to keep council and the administration aware of potential capital needs. The patrol area needs to be remodeled to improve departmental security. The improvements would include reinforcing existing drywall with concrete block and improving ceiling tiles to eliminate access to secure areas. The current patrol room is also too small, over crowded and not conducive to the police department function. Some primary concerns are: 1) the public is routinely left alone in this room. 2) some police department equipment is kept in this room. 3) The police department computers are in this room. 4) Schedules, special attentions, and other department information are kept in this room.

The dispatch center is also too small for current needs let alone future demands. A design consultant helped design our current dispatch center. Before he began to design this area in 1996 he stated it was too small to accommodate the department's projected needs. Since construction the department has communicated with the consultant about the space issues several times. The first time this occurred was several years ago when the Chief first tried to come up with a solution on how to resolve this issue. The consultant predicted then that we would start to stack additional equipment and etc. on top of the cabinets because that's the only place left to go. He was correct. Needless to say this area needs to be addressed because not only does it house dispatch for police but also fire and the additional communities and departments we are paid to dispatch for. Lastly, we have two working consoles that are used at least 50% of the time. We cannot afford to have a console break down. The dispatch design consultant recommends that the dispatch center always have one extra console as a backup. The necessary improvements to the dispatch center will likely cost in excess of \$100,000.

Table 8: Police Department Capital Request Summary					
	2008	2009	2010	2011	2012
AFIS System		\$17,000			
Computer Voice Stress Analyzer	\$14,400				
Computers			\$19,000		
Cruisers	\$124,000	\$128,000	\$132,000	\$136,000	\$140,000
Mainframe Computer Upgrade			\$19,000		
Police In-car Video		\$56,000			
Portable Radios			\$13,000		
Traffic Light Battery Backup	\$84,000	\$71,000	\$73,000		
<b>Total</b>	<b>\$222,400</b>	<b>\$272,000</b>	<b>\$256,000</b>	<b>\$136,000</b>	<b>\$140,000</b>



## City Center

The City Center was dedicated in September of 1997. The City needs to increase its attention to basic maintenance of the facility over the next five years. Interior and exterior maintenance is included in the department's operating budget. Major issues like the roof repairs will be funded through the Capital fund.

The mower for purchase in the next five years is used for grounds maintenance. It replaces existing equipment.

Table 9: City Center Capital Request Summary					
	2008	2009	2010	2011	2012
Mower			\$16,000		
Roof Replacement			\$100,000		
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$116,000</b>	<b>\$0</b>	<b>\$0</b>

## Fire

In 2008, the department is proposing to replace a rescue squad. The plan calls for a five-year lease purchase of the squad and the capital plan reflects the extended payments. The department also proposes replacing the command vehicle in 2008.

Non-vehicle purchases planned for 2008 include replacement radios and a thermal imaging camera. The department has applied for grant funding for new radio equipment. The City has not been successful in receiving any funding for the last two years. The department can no longer wait and must purchase the radios without the grant monies. The expense will be spread out over two years to try to ease the burden. The

Table 10: Fire Department Capital Request Summary					
	2008	2009	2010	2011	2012
Aerial Tower Truck Lease			\$232,000	\$232,000	\$232,000
Breathing Air Compressor			\$45,000		
Radio Replacement	\$15,000	\$20,000			
Thermal Imaging Camera	\$12,000				
Turnout Gear Extractor (Laundry Equipment)			\$20,000		
Command Vehicle	\$55,000				\$60,000
Firetruck Lease	\$120,000	\$120,000			
Emergency Warning System				\$164,000	
Pick-up Truck / Utility Vehicle		\$45,000			
Rescue Squad	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000
Staff Vehicle / Ford Explorer				\$35,000	
<b>Total</b>	<b>\$246,000</b>	<b>\$229,000</b>	<b>\$341,000</b>	<b>\$475,000</b>	<b>\$336,000</b>

department will continue to apply for grant funding. This will cover portables and pagers for the department replacing radios that are 20 years old. One of the radios being purchased in 2008 will be an 800 mhz to be



compatible with the Summit County system. The balance of the radios purchased in 2008 and 2009 will be 400 mhz radios that are compatible with the City's current system. The department is proposing that the City stay with the 400 mhz system which is approximately 1/5 the cost of the 800 mhz system.

Our first thermal imager was a joint purchase, half from the Firefighters Association and half from the City. Its purchase price was \$18,000 in 1998. Technology has been much improved and the price has dropped. This equipment while cutting edge in 1998 is standard today. The department has grant applications pending on both the radio replacement and the thermal imaging camera.

In 2009, the department will replace its utility vehicle. A breathing air compressor for refilling air packs will be purchased in 2010. The department is also scheduling replacement of the aerial tower in 2010. This vehicle costs approximately \$900,000 and will likely be purchased using a five-year lease purchase program.

In 2010, the department is also requesting replacement of the department's laundry equipment. The turnout gear washer extractor removes contaminants from response gear. Almost every call, a firefighter's protective gear gets contaminated with hazardous materials that can deteriorate the gear and poison our firefighters if not properly removed. This also extends the useful life of the gear. This washer is also heavily used by our janitorial staff for all of City hall and Police Departments. This equipment was originally purchased in 1997.

## **Finance**

The City's primary server needs to be upgraded. A recent audit of the City's network and server indicated that the server is beyond its useful life and replacement is required to adequately protect the City's financial data and software.

## **Service**

The service department has an extensive array of vehicles and equipment that are used to perform work assignments. Every piece of machinery owned by the City has a predictable useable life based on past experience and actual use. The department strives to provide proper maintenance on every unit every year. When annual maintenance costs and downtime escalate, it is time to replace the unit with a new one to ensure the overall lowest operating cost for the City and to maximize availability of the unit.

The Fleet Replacement Plan shows a spreadsheet of all vehicles and pieces of equipment in the Service Department and City Staff fleet. The dates of purchase, description of the unit, years of expected service, and year(s) of expected replacement are given for each item. The years of expected service length is determined based on past experiences with that type of equipment, industry standards, and actual condition and use of the item. This plan provides an overall look at our entire rolling stock so that proper planning can take place to



replace machinery at the right time before frequent and costly breakdowns occur. A copy of this plan is included in the appendix.

The requests for the Service Department in 2008 represent four (4) main items that are replacements for old units in the fleet, as well as several new items of lesser cost that are needed for improvements to existing operations. These items are as follows:

A tandem dump truck with snowplow and spreader (\$150,000) is proposed to replace current truck #1, a 1989 Ford dump truck that is nearing the end of its useable life after 19 years of service. It is time to replace this vehicle that is operating 4 years past its expected life span. The tandem dump truck proposed will have 50% more hauling capacity than a standard size dump truck, which will be beneficial on large hauling jobs. With the addition of many new turning lanes on Rt. 8, Rt. 82, and Highland Rd., a truck with greater capacity for salt is needed in the winter to help keep these areas clear. The expected life span of the new truck is 15 years. This vehicle will be purchased through a lease purchase program over the next five years.

A tractor with 3 attachments (\$128,000) is proposed to replace unit #53. This is a 1990 highway mowing machine that is at the end of its 18 years of service with the City. This machine was used to mow Rt. 8 and many other roadside areas throughout the City. One downside of the current mower is that it can only be used for mowing, and it sits when not in use. A multi-purpose tractor is proposed as a replacement that would have three (3) attachments to get several different jobs done. Multiple attachments make it more versatile and a better investment than a single-purpose highway mower. The new machine will have an enclosed cab, so it can be used in extreme heat and in light rain conditions. The three attachments include; a front flail mower deck for mowing flat and sloped roadway turf, an asphalt grinder/planer for grinding down frost heaves and potholes in the roads, and a boom flail mower to be used for roadside and hard-to-reach grass. In the future, we can add more attachments to use this machine even more. The expected life span of this tractor and its attachments is 15 years. This vehicle will be purchased through a lease purchase program over the next five years.

The third item is a pickup truck with snowplow and flatbed body (\$35,000). This unit will replace truck #18; a 1994 Ford pickup truck with traffic arrow that is in poor condition after 14 years of use. The body of truck #18 has major rust problems, and mechanical breakdowns are making the vehicle unreliable. It is used for traffic work zones, grass trimming, and as a general crew vehicle. A replacement pickup truck is proposed, that will have snowplowing capability to improve use during the winter, as well as a large traffic arrow for proper work zone use on Rt. 8 and Rt. 82. The expected life span of the new truck is 10-12 years.



The Parks Division needs to replace a mowing unit (\$16,000). Unit #61 is a 2002 Hustler zero-turn mower used by the Parks Division for cutting grass at all three City parks. These machines get heavy use during the growing season. In addition, #61 has developed an engine oil leak that cannot be repaired without replacing the entire engine. Therefore, a replacement mower is proposed. The new mower will have a more-reliable diesel engine that can withstand our operating conditions better than the old gasoline machines. The expected life span of the new mower is 6-8 years.

Our sign shop makes all kinds of street signs, banners, vehicle lettering, and design work. All of the computer-generated projects are then drawn out and cut out using a printer/plotter machine. Our current machine is 8-10 years old, and needs frequent maintenance and repairs. Parts are becoming very difficult to purchase, and the estimated life left on the current machine is under one year. A replacement machine is proposed for \$8,500. The new machine will have a life span of 10 years. The department expects to save the cost for the new machine by increasing the volume and variety of projects done by the sign shop.

Since the City purchased Garage #3 on Twinsburg Rd., the department has had to borrow a portable pressure washer from one of the other garages to use in cleaning salt and dump trucks, as well as other City equipment. It is vital to have a pressure washer at each of our facilities to keep our equipment cleaned properly. A new pressure washer is proposed as an addition to our operation (\$8,000). The new one would be fixed right to the building of the Twinsburg Rd. facility (Garage #3), and would connect to building natural gas and water supplies. The expected useable life is 10 years. When a new machine is purchased, the portable unit now at Garage #3 will be returned to its original garage location.

Due to the very poor condition of the flat roof section of Service Garage #2, the department moved all functions out of this portion of the building and into other space over the last two years. Building quality and safety, as well as health concerns, require the demolition of the flat roof section of Garage #2 (\$15,000). This project will demolish the problematic flat-roof section of the building and seal off the end of the pitched roof section.

Our fleet maintenance shop frequently changes tires on a wide variety of cars, trucks, and various pieces of equipment and trailers. Our current tire machine, which is used to mount and dismount the tires on the wheel rims, was purchased used and can only handle tires up to 17-inch rim size. With the new models of police car sedans and light trucks now using different sized tires than in the past, we are in need of a machine that can handle tires up to 19.5 inches rim size. The new tire machine will cost approximately \$6,000. This item is a must in order to keep vehicle maintenance efficient. Expected life span of a new tire machine is 20 years.

Our current method of dispensing vehicle fluids is inadequate and dangerous, using oilcans and spigots dispensing out of 55-gallon drums. The chance for a product spill is quite great, and the EPA is requiring proper handling of all vehicle fluids. Our current system is no longer adequate or safe. Now that both mechanics are





operating out of the same facility, we are requesting to purchase three (3) fluid delivery systems to properly dispense commonly used vehicle fluids with minimal chance of spill (\$6,000). Each system would consist of an air pump, hose reels with hose, and a metering dispensing gun so that fluids are handled safely.

The department is also requesting a furnace/heater unit that would mount above the waste oil storage tank (\$10,000 installed). Instead of having a contractor come out to empty the tank and dispose of the oil, the City would use it to help heat the building in colder months. This will reduce the natural gas heating and waste oil disposal costs. The original purchase price of the furnace would be eventually paid back through the cost savings.

The following is a quick synopsis of vehicles and equipment that are requested through 2012.

**2009:**

1. Medium-Sized Dump Truck with snow plow and spreader. Replace #30 (1993) \$105,000
2. Small Dump Truck with snowplow. Replace #32 (1997) \$60,000
3. Mower. Replace #62 Parks Div. (2002) \$16,000
4. Utility Vehicle. Replace #57 Parks Div. (1999) \$30,000

**2010:**

1. Small Dump Truck with snowplow. Replace #34 (1997) \$60,000
2. Pickup Truck with snowplow. Replace #42 Parks Div. (1998) \$40,000
3. Skid Steer Loader w/ attachments. Replace #50 (1995) \$70,000
4. Roadside Mowing Tractor. Replace #52 (1985) \$70,000

**2011:**

1. Dump Truck with snow plow and spreader. Replace #8 (1997) \$110,000
2. Aerial Bucket Truck. Replace #20 (1996) \$80,000
3. Small Dump Truck with snowplow. Replace #33 (1999) \$60,000
4. Loader/Backhoe. Replace #46 (1997) \$85,000

**2012:**

1. Vac-All Street Sweeper / Catch Basin Cleaner / Vac. Additional unit. \$200,000
2. Dump Truck with snow plow and spreader. Replace #11 (1997) \$110,000
3. Pickup Truck with snowplow. Replace #13 (2000) \$40,000
4. LED Community Event Sign (\$30,000)
5. Utility Body Truck. Replace #16 (2000) \$45,000

The Service Department currently operates out of four (4) garage facilities. These facilities were not planned out, they were acquired as emergency measures to accommodate the growth of the department as the City grew and the years progressed. Work functions are organized as efficiently as possible given the constraints of being spread out and fragmented. None of the current facilities can contain the majority of the department in one spot, resulting in a tremendous loss of time and productivity. Each workday consists of one supervisor contacting all four facilities and coordinating who is where and what jobs each employee is assigned to do. Locations of equipment and materials are also spread out, resulting in a complex situation of getting whom and what is



needed ready to perform the tasks at hand. Much time and effort is spent on logistics and preparing before a shovel even hits the ground. The City owns enough land to construct a central facility all at one location. Land was purchased years ago adjacent to 9000 Valley View Rd. to expand that site and eventually build an entirely new complex there.

A new facility would consist of a large heated garage with multiple workshops for each type of work done by the department. Fleet maintenance, construction, electrical, signs, road, and a large tool room would be included. A separate cold storage building and salt shed would also be built, as well as material bins to store gravel, soil, and cold patch materials. Employee facilities including several offices, locker rooms, a "mud room", and a multi-purpose meeting/training/lunch room would be included. At the new facility, employees would report to work, change into their uniforms, get their daily briefing in the meeting room, go right out to the garage to their assigned workshop to load up tools, equipment, and materials right into their trucks parked nearby, and head out directly to the jobsite. This would lead to a more efficient operation and higher morale as well.

Table 11: Service Department Capital Request Summary					
	2008	2009	2010	2011	2012
Park Maintenance Requests					
Mower	\$16,000	\$16,000			
LED Community Event Sign					\$30,000
Utility Vehicle		\$30,000			
<b>Subtotal Park Maintenance</b>	<b>\$16,000</b>	<b>\$46,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>
Road Requests					
Tandem Axle Dump Truck	\$34,646	\$34,646	\$34,646	\$34,646	\$34,646
Mowing Tractor	\$29,565	\$29,565	\$29,565	\$29,565	\$29,565
Flatbed Pick-up Truck w/ plow and spreader	\$35,000				
Medium Dump Truck w/ plow		\$105,000			
Small Dump Truck w/ plow		\$60,000	\$60,000	\$60,000	
Pick-up Truck w/ plow			\$40,000		\$40,000
Skid Steer Loader w/ attachments			\$70,000		
Roadside Mowing Tractor			\$70,000		
Dump Truck w/ plow and spreader				\$110,000	\$110,000
Aerial Bucket Truck				\$80,000	
Backhoe Loader				\$85,000	
Vac-All Street Sweeper					\$200,000
Utility Body Truck					\$45,000
<b>Subtotal Roads</b>	<b>\$99,211</b>	<b>\$229,211</b>	<b>\$304,211</b>	<b>\$399,211</b>	<b>\$459,211</b>
<b>Total Service Department</b>	<b>\$115,211</b>	<b>\$275,211</b>	<b>\$304,211</b>	<b>\$399,211</b>	<b>\$489,211</b>



## Recreation

As a result of shifting the recreation center requests to a different fund, the Recreation Department's 2008 request only includes a park improvement component. This improvement will install four handicap spots off the main driveway for the U8 fields in Longwood Park (\$5,000). It is a continuation of the City's efforts to make the parks more accessible to residents with special physical needs.

	2008	2009	2010	2011	2012
Recreation Program Improvements					
Construct New Trail				\$126,000	
Handicapped Parking at U8 fields	\$5,000				
Pave Red Trail					\$134,000
Playground for Longwood Park		\$30,000	\$56,000		
Playground for Sugarbush Park		\$27,000			
Sand Volleyball Court		\$7,000			
Sugarbush Restrooms		\$64,000			
Upgrade park trails			\$62,000		
Grand Total	\$5,000	\$128,000	\$118,000	\$126,000	\$134,000

A new playground is planned for Longwood Park in 2009 (\$30,000) and will be completed in 2010 (\$56,000). A smaller playground is planned for 2009 in Sugarbush Park (\$27,000). The precise locations have not been determined yet. The City is also planning on installing restrooms at Sugarbush Park in 2009 (\$64,000). A sand volleyball court is also planned for 2009 (\$7,000).

Various trail upgrades are anticipated for all City parks in 2010 (\$62,000). The necessary trail upgrades include drainage improvements and redefining trail boundaries. The Red Trail is scheduled for improvements in 2012 (\$134,000) and a new trail is slated for construction in 2011 (\$126,000).

## Debt

### *2008 to 2012 Debt Summary*

The City increased its loan debt substantially in 2007 due to the Route 82 Widening project. The majority of the City's loan balances will be from the State Infrastructure Bank (SIB). These loans include a \$2.8 million loan from the SIB for the Route 82 project and \$600,000 for the Highland Road Bridge project. The City also plans to purchase additional fire equipment and road equipment over the next five years that will be funded through lease purchase agreements.

The level of loan and lease debt will continue to increase through 2010 and then it is projected to begin to reduce fairly rapidly so that the City will actually have approximately \$800,000 less in loan and lease debt in 2012 than it



is projected to have in 2008. Part of the reason for the increase through 2010 is that the SIB loans will not require any debt service payments until 2009.

The City plans to cut its GO debt by just over 42% from its 2008 level. Most of that reduction comes from paying off the various purpose notes and the accelerated payments on the recreation center debt that are scheduled to begin in 2009.

By the end of 2008, the City will complete its planned special assessment projects. The final projects to be completed are the Shepard Road Sanitary Sewer and South Freeway Drive. Both of the projects will require the issuance of bond anticipation notes for several years through project completion. Total special assessment debt is expected to stay in the \$3 million to \$4 million range through 2012.

Table 13: Debt Service Summary (2008 to 2012)					
General Obligation Debt Service					
	2008	2009	2010	2011	2012
2001 Safety/City Center	\$ 485,403	\$ 506,003	\$ 484,140	\$ 483,565	\$ 482,140
2001 Recreation Center	\$ 166,640	\$ 490,740	\$ 464,353	\$ 474,445	\$ 463,245
2003 Rec Center Restructured	\$ 212,913	\$ 213,113	\$ 213,163	\$ 208,063	\$ 212,878
Various Purpose Notes	\$ 525,000	\$ 250,000	\$ -	\$ -	\$ -
<b>Total GO Debt Service</b>	<b>\$1,389,956</b>	<b>\$1,459,856</b>	<b>\$1,161,656</b>	<b>\$1,166,073</b>	<b>\$1,158,263</b>
Loan and Lease Payments					
Fire truck Lease	\$ 118,357	\$ 118,357	\$ -	\$ -	\$ -
EMS Squad Lease (est.)	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Aerial Tower Truck	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ 200,000
Roadside Mowing Tractor	\$ 30,000	\$ 29,565	\$ 29,565	\$ 29,565	\$ 29,565
Tandem Axle Dump Truck	\$ 35,000	\$ 34,646	\$ 34,646	\$ 34,646	\$ 34,646
Highland Rd. Bridge SIB	\$ 18,622	\$ 87,854	\$ 87,854	\$ 87,854	\$ 87,854
Rt. 82 Widening Phase 2 SIB (Bridge)	\$ 83,660	\$ 197,340	\$ 394,679	\$ 394,679	\$ 394,679
<b>Total Loans and Leases</b>	<b>\$ 325,639</b>	<b>\$ 507,762</b>	<b>\$ 786,744</b>	<b>\$ 786,744</b>	<b>\$ 786,744</b>
<b>Total Non-Assessment Debt Service</b>	<b>\$1,715,595</b>	<b>\$1,967,618</b>	<b>\$1,948,400</b>	<b>\$1,952,817</b>	<b>\$1,945,007</b>
Special Assessment Debt Service					
2003 Highland Rd Phase 3	\$ 88,803	\$ 92,303	\$ 90,653	\$ 89,003	\$ 92,325
1996 Highland Rd Improvement	\$ 26,394	\$ 26,338	\$ 26,425	\$ 26,344	\$ 26,400
2006 North Freeway Drive	\$ 44,672	\$ 44,671	\$ 44,672	\$ 44,718	\$ 44,661
2006 North Freeway Drive OPWC	\$ 33,948	\$ 33,948	\$ 33,948	\$ 33,948	\$ 33,948
Shepard Rd. San. Sewer Phase 1	\$ 231,880	\$ 18,607	\$ 18,607	\$ 18,607	\$ 18,607
Shepard Rd. San. Sewer Phase 2	\$ 139,000	\$ 145,950	\$ 11,711	\$ 11,711	\$ 11,711
Shepard Rd. San. Sewer Phase 3	\$ -	\$ 197,000	\$ 206,850	\$ 16,598	\$ 16,598
South Freeway Drive	\$ -	\$ 1,491,000	\$ 119,642	\$ 119,642	\$ 119,642
<b>Total SA Debt Service</b>	<b>\$ 564,697</b>	<b>\$ 2,049,817</b>	<b>\$ 552,508</b>	<b>\$ 360,571</b>	<b>\$ 363,892</b>
<b>Grand Total Debt Service Payments</b>	<b>\$2,280,292</b>	<b>\$4,017,435</b>	<b>\$2,500,908</b>	<b>\$2,313,388</b>	<b>\$2,308,899</b>

The City's total debt outstanding will be approximately \$11.4 million as of January 2012 (down approximately 12% from the January 2007 level of \$12.9 million). If the City's real and public utility property tax valuation



increases by an average of 3% per year, the total tax valuation would be approximately \$460 million by 2012. If these assumptions hold true, the City's debt burden will be approximately 2.5% of its total tax valuation. This is well below the average debt burden of 3% to 4% for a City like Macedonia.

As Table 13 shows, the City's efforts to pay down the various purpose notes is important to counteract the increase in the general obligation debt service payments on the recreation center. In 2009, the recreation center debt service increases by approximately \$325,000. However, the payments on the various purpose notes decreases by \$250,000 per year through 2010. As a result, the City's annual GO debt service payments are actually lower in each of the five years than they are in 2007.

The Capital fund will continue to make future debt payments on the City's existing debt for the City Center. The General fund will transfer money into the City's various note funds to make the annual payments. The City's existing lease for fire equipment will continue through 2009. In 2010, the City will begin a new lease for fire equipment purchases scheduled for that year. The City will lease purchase a tandem axle dump truck and a mower in 2008. The General fund will also be required to support the City's portion of any debt on the South Freeway Drive project and the Shepard Rd. Sanitary Sewer project.

The City will be required to make payments on the Route 82 Widening loan and the Highland Road Bridge loan from the State Infrastructure Bank in 2009. Currently, these payments are included in the Capital Fund.

Special revenue funds will be used to pay a portion of the City's future debt obligation. The Family Recreation Center Fund will continue to make payments on the existing Recreation Center debt. In 2009, the debt service payments on the Recreation Center debt will increase by approximately \$325,000 per year. The Family Recreation Center Fund will end 2007 with a fund balance of over \$1 million. The fund continues to build a reserve fund balance in anticipation of the increase in debt service that will begin in 2009.

The City will continue to fund existing special assessment obligations for Highland Road projects through existing special assessments. The City has paid its portion of the North Freeway Drive project and has certified the balance for special assessment. Collection of the North Freeway Drive assessments began in 2007. New assessments will be required to pay a portion of the South Freeway Drive debt payments. The Shepard Road Sanitary Sewer debt will also be paid by special assessments once the project can be bonded. These payments are expected to begin in 2011.

## Revenue Projections

### *Income Tax*

The City currently levies a 2% income tax on all wages earned within the City and on all wage income earned by residents working outside the City. Residents receive a 100% credit for taxes paid to other municipalities up to



the 2% City income tax. The income tax revenue is used for general operations, capital expenditures and operation of the Family Recreation Center. The recreation center portion is set at 12.5% of total collections and expires on June 30, 2017 with final collections in 2018 (MCO 181.06). The balance of the income tax revenue is generally divided between operating and capital expenditures. Council can alter the allocation annually; however, capital is generally expected to receive at least 25% of the total income tax collections. The revenue projections contained in this report use the following allocation of income tax revenue (MCO 181.13).

- Family Recreation Center                    12.5%
- Capital Fund                                    8.5% for general improvements
- General Fund                                    50% for current expenses
- General Fund                                    29% for police, fire and service expenses

Prior to October of 2004, the City collected its income tax. RITA now performs all collection functions for the City. RITA distributes the income tax to the City one month after it is collected and processed by the agency. Collections for 2006 were approximately \$7.2 million. Collections for 2007 are on track to exceed \$7.0 million.

Table 14: Income Tax Revenue Projections					
	2008	2009	2010	2011	2012
Individual	\$1,052,000	\$1,088,800	\$1,126,900	\$1,166,300	\$1,207,100
Net Profits	\$900,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Withholding	\$5,703,000	\$5,902,600	\$6,109,200	\$6,323,000	\$6,544,300
Total	\$7,655,000	\$7,991,400	\$8,236,100	\$8,489,300	\$8,751,400

The City is actively recruiting new businesses to its North Freeway Drive commercial area and other parts of the City. However, due to changes in the economy, the City is only projecting a 3.5% increase in income tax collections from individual and withholding accounts over the next five years. Collections from net profit accounts are expected to average \$1.0 million. This is slightly lower than 2006 and 2007 collections. The following table shows the anticipated impact of these growth assumptions on income tax distributions over the next five years.

RITA has projected that the City can raise \$1.26 million annually by increasing the income tax rate from 2% to

Table 15: Income Tax Revenue Distribution					
	2008	2009	2010	2011	2012
General Fund	\$6,047,450	\$6,313,206	\$6,506,519	\$6,706,547	\$6,913,606
Family Recreation Center Fund	\$956,875	\$998,925	\$1,029,513	\$1,061,163	\$1,093,925
Capital Fund	\$650,675	\$679,269	\$700,069	\$721,591	\$743,869
Total	\$7,655,000	\$7,991,400	\$8,236,100	\$8,489,300	\$8,751,400



2.25% and keeping the credit at 100%. If the City reduced the credit from 100% to 75%, RITA projections indicate the City could raise \$1,042,000 annually. If the City eliminated the income tax credit, it could raise approximately \$4,168,000 annually. The rate can be increased by ballot initiative. The credit can be altered by a majority vote of Council or a ballot initiative.

### ***Property Taxes***

The following discussion looks at both the property tax and related state shared taxes. The property tax is collected and administered by the County on behalf of the City. State law provides for three property tax reductions that affect the local tax portion of the property tax. These state-mandated reductions are reimbursed by the state through shared tax programs.

In 2006, the state implemented a new reduction for tangible property taxes. Existing property tax levies will be reduced over five years with the lost revenue being replaced by the state. After the five-year period, the tangible property tax will be eliminated on all property tax levies. Any tax levies adopted after June 30, 2005 will not be imposed on tangible personal property.

Macedonia collects four property tax levies. Total millage inside the state's 10-mill limitation is 2.83 mills. This includes a general government levy of 2.53 mills and a .30 mill levy used to fund police pensions. Inside millage is important for a community because it is not subject to any reduction factors mandated by the state. Therefore, these levies will continue to increase as a revenue source as property values in the City increase.

<b>Table 16: Property Tax Revenue Projections</b>					
	2008	2009	2010	2011	2012
<b>General Fund</b>					
Real and Tangible Property Tax	\$1,672,356	\$1,629,211	\$1,622,800	\$1,671,500	\$1,721,600
State Property Tax Rebate	\$378,832	\$461,795	\$123,000	\$127,000	\$131,000
<b>General Fund Total</b>	<b>\$2,051,188</b>	<b>\$2,091,006</b>	<b>\$1,745,800</b>	<b>\$1,798,500</b>	<b>\$1,852,600</b>
<b>Fire Operating Levy Fund</b>					
Real and Tangible Property Tax	\$99,234	\$475,536	\$464,000	\$471,000	\$478,000
State Property Tax Rebate	\$21,800	\$20,900	\$10,400	\$9,800	\$9,300
<b>Fire Operating Total</b>	<b>\$121,034</b>	<b>\$496,436</b>	<b>\$474,400</b>	<b>\$480,800</b>	<b>\$487,300</b>
<b>Police Pension Fund</b>					
Real and Tangible Property Tax	\$114,712	\$113,865	\$113,017	\$114,670	\$116,322
State Property Tax Rebate	\$16,334	\$16,197	\$11,746	\$11,546	\$11,869
<b>Police Pension Total</b>	<b>\$131,046</b>	<b>\$130,062</b>	<b>\$124,763</b>	<b>\$126,216</b>	<b>\$128,191</b>

Macedonia also has two levies that are outside the state's 10-mill limitation. These levies are subject to a reduction factor that is designed to protect property owners from inflationary increases in property values. As a result, these levies have a stated millage that is approved by the voters, and an effective millage that is actually collected on behalf of the community. A .80 mill fire-operating levy is dedicated to fire services. This levy has a



current effective rate of approximately .175 mills. It is a five-year levy that was most recently renewed in November 2002. A 5.07 mill levy funds general operations. This levy has an effective rate of approximately 1.11 mills. It is a five-year levy that was most recently renewed in May of 2005.

The City placed the fire levy on the ballot for the November 2007 election. The issue was not adopted in 2007. The issue will be put on future ballots to replace and increase the tax to 1mill. The projections included in this report assume that this levy will be adopted by voters in 2008 for collection in 2009.

The City can raise approximately \$425,000 per year from each mill of additional property tax.

## **Five-year Budgetary Impact**

The following discussion shows the financial impact of initiating all of the proposed programs and projects included in this report. These programs and projects have been presented by the departments as necessary. All of the proposed programs and projects will not be able to be funded as this plan calls for through 2012 unless the City is successful in eliminating any shortfall with the financial strategies included later in this report.

To easily determine the total impact of this plan on all City operations, each fund is assumed to receive a transfer from the General fund to ensure sufficient revenue support for the planned expenditures. As a result, the cumulative deficits of all funds are aggregated in the General fund discussion later in this report. This method helps the City identify the full extent of the financial challenges facing the City over the next five years. This update includes more funds than prior reports in an attempt to give Council a better idea of how the various funds interact.

All department heads use this plan as the basis for preparing their future appropriation requests. Although there may be differences between what is presented here and the final requests made by the departments, the administration is committed to keeping overall expenditures within the limitations established in this plan. Therefore, this plan serves as a 5-year budget projection for Council to use in evaluating the 2008 appropriation ordinance.





## Street Construction Maintenance and Repair (12A)

### STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
<b>State Shared Taxes</b>							
State Gasoline Tax - Fund 60	\$234,513	\$273,227	\$253,900	\$261,500	\$269,300	\$277,400	\$285,700
State Gasoline Tax - Fund 68	\$176,757	\$147,781	\$162,300	\$167,200	\$172,200	\$177,400	\$182,700
State Motor Vehicle Registration	\$191,632	\$219,773	\$205,700	\$211,900	\$218,300	\$224,800	\$231,500
<i>Subtotal State Shared Taxes</i>	\$602,902	\$640,781	\$621,900	\$640,600	\$659,800	\$679,600	\$699,900
<b>Other Financing Sources</b>							
Interest on Investments	\$12,619	\$12,333	\$12,500	\$12,900	\$13,300	\$13,700	\$14,100
Miscellaneous Revenue	\$4,431	\$5,663	\$5,000	\$5,200	\$5,400	\$5,600	\$5,800
Transfer from General Fund	\$1,194,600	\$1,000,000	\$660,000	\$1,160,000	\$1,200,000	\$1,300,000	\$1,375,000
<i>Subtotal Other Financing Sources</i>	\$1,211,650	\$1,017,996	\$677,500	\$1,178,100	\$1,218,700	\$1,319,300	\$1,394,900
<i>Total Revenues and Other Financing Sources</i>	\$1,814,552	\$1,658,778	\$1,299,400	\$1,818,700	\$1,878,500	\$1,998,900	\$2,094,800
<b>Expenditures</b>							
<b>Personnel Expenditures</b>							
Street Maintenance	\$811,903	\$847,356	\$874,462	\$939,523	\$975,407	\$1,064,544	\$1,137,022
Equipment Maintenance	\$134,282	\$124,929	\$184,656	\$192,105	\$199,470	\$206,784	\$214,415
Signs	\$68,483	\$68,316	\$85,979	\$89,634	\$93,129	\$96,797	\$100,648
<i>Subtotal Personnel Expenditures</i>	\$1,014,668	\$1,040,601	\$1,145,097	\$1,221,262	\$1,268,006	\$1,368,125	\$1,452,085
<b>Operating Expenditures</b>							
Street Maintenance	\$212,798	\$197,500	\$242,196	\$249,500	\$257,000	\$264,700	\$272,600
Snow Removal	\$7,893	\$320,000	\$24,300	\$84,500	\$82,000	\$80,000	\$80,000
Traffic Signals	\$20,704	\$15,000	\$23,484	\$24,200	\$24,900	\$25,600	\$26,400
Equipment Maintenance	\$163,459	\$223,200	\$212,280	\$218,600	\$225,200	\$232,000	\$239,000
Signs	\$16,286	\$15,400	\$23,875	\$24,600	\$25,300	\$26,100	\$26,900
<i>Subtotal Operating Expenditures</i>	\$421,139	\$771,100	\$526,135	\$601,400	\$614,400	\$628,400	\$644,900
<i>Total Expenditures and Other Financing Uses</i>	\$1,435,807	\$1,811,701	\$1,671,232	\$1,822,662	\$1,882,406	\$1,996,525	\$2,096,985
<b>Excess of Revenues over (under) Expenditures</b>	<b>\$378,745</b>	<b>(\$152,924)</b>	<b>(\$371,832)</b>	<b>(\$3,962)</b>	<b>(\$3,906)</b>	<b>\$2,375</b>	<b>(\$2,185)</b>
Beginning Cash Balance	\$157,193	\$535,938	\$383,014	\$11,182	\$7,220	\$3,314	\$5,689
Ending Cash Balance	\$535,938	\$383,014	\$11,182	\$7,220	\$3,314	\$5,689	\$3,504
<i>Estimated Encumbrances December 31</i>	\$210,787	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$325,151	\$383,014	\$11,182	\$7,220	\$3,314	\$5,689	\$3,504

The SCMR fund receives most of its dedicated revenue from state administered road taxes and motor vehicle license taxes. The City does not currently have any property tax levies for road operations or capital. The dedicated revenue generated from road and motor vehicle taxes is not sufficient to pay for all of the fund's activities which include the street maintenance and repair program, vehicle maintenance program, snow removal program, sign program, and traffic signal program. As a result, the fund will require approximately \$670,000 from the general fund in 2008. The required subsidy will grow to approximately \$1.4 million by 2012.



## State Highway (12B)

The State Highway fund also provides a funding source for road maintenance programs. However, due to the limited size of the fund, its activities have been primarily limited to traffic sign and signalization along the various state routes that traverse the City and the purchase of snow removal materials (road salt). Road salt purchases made from this fund help reduce the amount the City needs to purchase through the SCMR fund. The City expects to purchase \$225,000 in salt annually over the next five years.

### STATE HIGHWAY IMPROVEMENT FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
<b>State Shared Taxes</b>							
State Gasoline Tax - Fund 60	\$19,015	\$22,153	\$20,600	\$21,200	\$21,800	\$22,500	\$23,200
State Gasoline Tax - Fund 68	\$13,422	\$11,983	\$12,700	\$13,100	\$13,500	\$13,900	\$14,300
<i>Subtotal State Shared Taxes</i>	<u>\$32,437</u>	<u>\$34,136</u>	<u>\$33,300</u>	<u>\$34,300</u>	<u>\$35,300</u>	<u>\$36,400</u>	<u>\$37,500</u>
<b>Other Financing Sources</b>							
Interest on Investments	\$2,458	\$2,900	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100
Miscellaneous Revenue	\$7,499	\$483	\$4,000	\$4,100	\$4,200	\$4,300	\$4,400
<i>Subtotal Other Financing Sources</i>	<u>\$9,957</u>	<u>\$3,383</u>	<u>\$6,700</u>	<u>\$6,900</u>	<u>\$7,100</u>	<u>\$7,300</u>	<u>\$7,500</u>
<i>Total Revenues and Other Financing Sources</i>	<u>\$42,394</u>	<u>\$37,519</u>	<u>\$40,000</u>	<u>\$41,200</u>	<u>\$42,400</u>	<u>\$43,700</u>	<u>\$45,000</u>
<b>Expenditures</b>							
<b>Operating Expenditures</b>							
Snow Removal	\$10,000	\$0	\$48,000	\$35,000	\$35,000	\$35,000	\$35,000
Traffic Signals	\$20,704	\$12,000	\$20,000	\$20,600	\$21,200	\$21,800	\$22,500
<i>Subtotal Operating Expenditures</i>	<u>\$30,704</u>	<u>\$12,000</u>	<u>\$68,000</u>	<u>\$55,600</u>	<u>\$56,200</u>	<u>\$56,800</u>	<u>\$57,500</u>
<i>Total Expenditures and Other Financing Uses</i>	<u>\$30,704</u>	<u>\$12,000</u>	<u>\$68,000</u>	<u>\$55,600</u>	<u>\$56,200</u>	<u>\$56,800</u>	<u>\$57,500</u>
<b>Excess of Revenues over (under) Expenditures</b>	<b>\$11,690</b>	<b>\$25,519</b>	<b>(\$28,000)</b>	<b>(\$14,400)</b>	<b>(\$13,800)</b>	<b>(\$13,100)</b>	<b>(\$12,500)</b>
Beginning Cash Balance	\$45,586	\$57,276	\$82,795	\$54,795	\$40,395	\$26,595	\$13,495
Ending Cash Balance	<u>\$57,276</u>	<u>\$82,795</u>	<u>\$54,795</u>	<u>\$40,395</u>	<u>\$26,595</u>	<u>\$13,495</u>	<u>\$995</u>
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	<u>\$57,276</u>	<u>\$82,795</u>	<u>\$54,795</u>	<u>\$40,395</u>	<u>\$26,595</u>	<u>\$13,495</u>	<u>\$995</u>

## Parks and Recreation

The operations of the recreation department are divided into two primary funds. The Family Recreation Center fund tracks expenditures related to the operation of the Family Recreation Center and the debt associated with its construction. This fund was established when Macedonia voters approved a 1/4% increase in the City's income tax. The parks and recreation fund tracks expenditures for outdoor recreational programs and maintenance of the park properties.



## Family Recreation Center Fund (14N)

Beginning in 2008, the City will begin making debt payments directly from the Family Recreation Center fund rather than making those payments through the General Obligation Bond Retirement fund. This change eliminates the Transfers-out and tracks these expenditures directly in this fund.

Another change for 2008 is the inclusion of certain capital purchases related to the on-going operation of the recreation center. These purchases used to be made from the Capital Improvement fund. These capital purchases include such annual expenditures as cardio equipment purchases, interior and exterior maintenance needs, and the purchase of resistance training equipment.

FAMILY RECREATION CENTER FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
Charges for Services	\$859,893	\$838,691	\$855,500	\$872,600	\$890,100	\$907,900	\$926,100
Miscellaneous Revenue	\$15	\$8,400	\$4,200	\$4,300	\$4,400	\$4,500	\$4,600
Suspended Revenue	\$164	\$0	\$100	\$100	\$100	\$100	\$100
Transfer from General Fund	\$846,400	\$902,875	\$956,900	\$998,900	\$1,029,500	\$1,061,200	\$1,093,900
<i>Total Revenues</i>	<i>\$1,706,471</i>	<i>\$1,749,966</i>	<i>\$1,816,700</i>	<i>\$1,875,900</i>	<i>\$1,924,100</i>	<i>\$1,973,700</i>	<i>\$2,024,700</i>
<b>Expenditures</b>							
<b>Personnel Expenditures</b>							
Family Recreation Center	\$637,084	\$660,000	\$774,228	\$808,956	\$843,005	\$875,288	\$909,032
<i>Subtotal Personnel Expenditures</i>	<i>\$637,084</i>	<i>\$660,000</i>	<i>\$774,228</i>	<i>\$808,956</i>	<i>\$843,005</i>	<i>\$875,288</i>	<i>\$909,032</i>
<b>Operating Expenditures</b>							
Family Recreation Center	\$402,350	\$430,000	\$438,897	\$452,100	\$465,700	\$479,700	\$494,100
<i>Subtotal Operating Expenditures</i>	<i>\$402,350</i>	<i>\$430,000</i>	<i>\$438,897</i>	<i>\$452,100</i>	<i>\$465,700</i>	<i>\$479,700</i>	<i>\$494,100</i>
<b>Other Financing Uses</b>							
Capital Outlay	\$0	\$0	\$209,000	\$232,000	\$76,000	\$111,000	\$81,000
Redemption of Principal	\$0	\$0	\$170,619	\$507,369	\$502,607	\$527,937	\$543,053
Payment of Interest	\$0	\$0	\$208,934	\$196,484	\$174,909	\$154,572	\$133,070
Transfers-Out	\$380,900	\$378,600	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Uses</i>	<i>\$380,900</i>	<i>\$378,600</i>	<i>\$588,553</i>	<i>\$935,853</i>	<i>\$753,516</i>	<i>\$793,508</i>	<i>\$757,123</i>
<i>Total Expenditures and Other Financing Uses</i>	<i>\$1,420,335</i>	<i>\$1,468,600</i>	<i>\$1,801,678</i>	<i>\$2,196,909</i>	<i>\$2,062,221</i>	<i>\$2,148,496</i>	<i>\$2,160,255</i>
<b>Excess of Revenues over (under) Expenditures</b>	<b>\$286,136</b>	<b>\$281,366</b>	<b>\$15,022</b>	<b>(\$321,009)</b>	<b>(\$138,121)</b>	<b>(\$174,796)</b>	<b>(\$135,555)</b>
Beginning Cash Balance	\$734,756	\$1,020,893	\$1,302,259	\$1,317,281	\$996,272	\$858,151	\$683,355
Ending Cash Balance	\$1,020,893	\$1,302,259	\$1,317,281	\$996,272	\$858,151	\$683,355	\$547,800
<i>Estimated Encumbrances December 31</i>	<i>\$12,321</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<b>Unencumbered Fund Balance December 31</b>	<b>\$1,008,572</b>	<b>\$1,302,259</b>	<b>\$1,317,281</b>	<b>\$996,272</b>	<b>\$858,151</b>	<b>\$683,355</b>	<b>\$547,800</b>

This plan also includes several larger capital expenditures over the next five years. In 2008, the department intends to purchase new pool motors (\$13,000) and a water slide (\$125,000) to improve the water activities pool area. In 2009, the department plans to improve the second floor area by filling in much of the open space to provide additional floor area for work-out facilities (\$159,000). The project would also improve the access to the second floor. In 2011, the department is planning to install an indoor tot-room playground facility (\$33,000).



Beginning in 2009, the debt payments on the recreation center will increase by approximately \$325,000 per year. The fund is currently adding to its available fund balance in anticipation of the higher debt costs in the future. The fund will be able to make all debt payments and pay for all operating expenses through 2012 and beyond. The recreation center debt will be fully paid in 2016.

## Parks and Recreation Fund (12D)

PARKS AND RECREATION FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
Charges for Services	\$193,637	\$171,068	\$182,400	\$187,900	\$193,500	\$199,300	\$205,300
Miscellaneous Revenue	\$43,987	\$31,761	\$37,900	\$39,000	\$40,200	\$41,400	\$42,600
Fines Licenses and Permits	\$200	\$0	\$100	\$100	\$100	\$100	\$100
Transfer from General Fund	\$239,000	\$168,000	\$265,000	\$420,000	\$463,000	\$513,000	\$535,000
<i>Total Revenues and Other Financing Sources</i>	<i>\$476,824</i>	<i>\$370,829</i>	<i>\$485,400</i>	<i>\$647,000</i>	<i>\$696,800</i>	<i>\$753,800</i>	<i>\$783,000</i>
<b>Expenditures</b>							
<b>Personnel Expenditures</b>							
Recreation Programs	\$90,823	\$86,812	\$121,607	\$142,894	\$148,481	\$153,941	\$159,635
Provide and Maintain Parks	\$151,666	\$180,160	\$250,851	\$289,123	\$327,394	\$371,593	\$387,272
<i>Subtotal Personnel Expenditures</i>	<i>\$242,490</i>	<i>\$266,972</i>	<i>\$372,458</i>	<i>\$432,017</i>	<i>\$475,875</i>	<i>\$525,534</i>	<i>\$546,907</i>
<b>Operating Expenditures</b>							
Recreation Programs	\$104,539	\$79,140	\$118,450	\$122,000	\$125,700	\$129,500	\$133,400
Provide and Maintain Parks	\$102,751	\$87,283	\$90,331	\$93,000	\$95,800	\$98,700	\$101,700
<i>Subtotal Operating Expenditures</i>	<i>\$207,291</i>	<i>\$166,423</i>	<i>\$208,781</i>	<i>\$215,000</i>	<i>\$221,500</i>	<i>\$228,200</i>	<i>\$235,100</i>
<b>Other Financing Uses</b>							
Capital Outlay		\$53,000	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Uses</i>	<i>\$0</i>	<i>\$53,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<i>Total Expenditures and Other Financing Uses</i>	<i>\$449,780</i>	<i>\$486,395</i>	<i>\$581,239</i>	<i>\$647,017</i>	<i>\$697,375</i>	<i>\$753,734</i>	<i>\$782,007</i>
<b>Excess of Revenues over (under) Expenditures</b>	<b>\$27,043</b>	<b>(\$115,566)</b>	<b>(\$95,839)</b>	<b>(\$17)</b>	<b>(\$575)</b>	<b>\$66</b>	<b>\$993</b>
Beginning Cash Balance	\$185,204	\$212,247	\$96,681	\$842	\$825	\$250	\$316
Ending Cash Balance	\$212,247	\$96,681	\$842	\$825	\$250	\$316	\$1,309
<i>Estimated Encumbrances December 31</i>	<i>\$6,676</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<b>Unencumbered Fund Balance December 31</b>	<b>\$205,571</b>	<b>\$96,681</b>	<b>\$842</b>	<b>\$825</b>	<b>\$250</b>	<b>\$316</b>	<b>\$1,309</b>

The major source of dedicated revenue for the Parks and Recreation fund is program fees. Dedicated revenue sources currently generate between 30% and 40% of fund expenditures. The balance of the fund expenditures needs to be made up with transfers from the General fund. In 2007, Council used \$53,000 of the anticipated fund balance for capital projects in the parks.

Operating expenditures are expected to remain fairly constant over the next five years. Personnel expenditures in the parks division will increase over the next several years as the planned additions are hired in 2009 and 2010. These additional employees will allow the department to provide the proper maintenance to all playing fields, trails and parklands. Currently, regular service department staff is temporarily assigned to the parks division to assist with mowing, field maintenance, and landscaping in order to meet work demands.





## Water Maintenance and Repair (12E)

### WATER MAINTENANCE AND EXPANSION FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
<b>Other Financing Sources</b>							
Charges for Services	\$53,956	\$118,809	\$86,400	\$89,000	\$91,700	\$94,500	\$97,300
Miscellaneous Revenue	\$2,550	\$9,334	\$5,900	\$6,100	\$6,300	\$6,500	\$6,700
Fines Licenses and Permits	\$200	\$0	\$100	\$100	\$100	\$100	\$100
<i>Subtotal Other Financing Sources</i>	\$56,706	\$128,143	\$92,400	\$95,200	\$98,100	\$101,100	\$104,100
<i>Total Revenues and Other Financing Sources</i>	\$56,706	\$128,143	\$92,400	\$95,200	\$98,100	\$101,100	\$104,100
<b>Expenditures</b>							
<b>Operating Expenditures</b>							
Fire Prevention and Inspections	\$0	\$469	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Water Works	\$43,327	\$41,884	\$42,600	\$43,900	\$45,200	\$46,600	\$48,000
<i>Subtotal Operating Expenditures</i>	\$43,327	\$42,353	\$72,600	\$73,900	\$75,200	\$76,600	\$78,000
<b>Other Financing Uses</b>							
Transfers to Other Funds	\$175,901	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Uses</i>	\$175,901	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$219,228	\$42,353	\$72,600	\$73,900	\$75,200	\$76,600	\$78,000
<b>Excess of Revenues over (under) Expenditures</b>	<b>(\$162,522)</b>	<b>\$85,790</b>	<b>\$19,800</b>	<b>\$21,300</b>	<b>\$22,900</b>	<b>\$24,500</b>	<b>\$26,100</b>
Beginning Cash Balance	\$143,473	(\$19,049)	\$66,741	\$86,541	\$107,841	\$130,741	\$155,241
Ending Cash Balance	(\$19,049)	\$66,741	\$86,541	\$107,841	\$130,741	\$155,241	\$181,341
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	<b>(\$19,049)</b>	<b>\$66,741</b>	<b>\$86,541</b>	<b>\$107,841</b>	<b>\$130,741</b>	<b>\$155,241</b>	<b>\$181,341</b>

The Water Maintenance and Repair fund tracks the City's revenue and expenditures for maintenance of its water infrastructure. The fund is primarily used to finance maintenance of existing lines. The water works expenditures are used for various hydrant and line repairs. Beginning in 2008, the City will begin the process upgrading its fire hydrants with Stortz fittings. These upgraded fittings improve the efficiency for connecting fire hose to the hydrant. The process of updating all 3000 hydrants will take about 5 years with 600 hydrants being upgraded per year.

## Fire Operating Levy Fund (12F)

The fire operating levy fund tracks the property tax receipts from the City's fire operating levy. The fund is currently used to make fire pension payments. Expenditures in this fund reduce the fire personnel costs being charged to the General fund. The current levy has a stated rate of .8 mills but is being collected at an effective rate of only .175 mills. Because of current state law, the levy's effective rate will continue to decrease and limit any potential growth in revenue despite the fact that the fire department it is expected to support continues to experience inflationary cost increases.

In November of 2007, the proposed to replace the current levy and increase its rate to 1 full mill. Voters rejected a 1.0 mill replacement levy. The administration plans to pace the levy before voters again in 2008. This plan



assumes that the voters will adopt the levy in 2008. If adopted, the first collection year for the tax will be 2009. The increased revenue will be used to help fund the hiring of three new firefighters in 2009.

**FIRE OPERATING LEVY FUND**  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
<b>Local Taxes</b>							
General Property Tax (Real Estate)	\$75,493	\$75,750	\$76,007	\$457,582	\$464,000	\$471,000	\$478,000
Tangible Personal Property Tax	\$33,773	\$28,500	\$23,227	\$17,954	\$0	\$0	\$0
Trailer Tax	\$59	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Local Taxes</i>	\$109,325	\$104,250	\$99,234	\$475,536	\$464,000	\$471,000	\$478,000
<b>State Shared Taxes</b>							
CAT Personal Property Tax Reimbursement	\$10,832	\$19,200	\$10,000	\$10,000	\$0	\$0	\$0
Homestead Rollback	\$5,791	\$5,800	\$5,800	\$6,000	\$6,000	\$6,000	\$6,000
Public Utility Reimbursement	\$7,096	\$5,000	\$6,000	\$4,900	\$4,400	\$3,800	\$3,300
<i>Subtotal State Shared Taxes</i>	\$23,719	\$30,000	\$21,800	\$20,900	\$10,400	\$9,800	\$9,300
<i>Total Revenues and Other Financing Sources</i>	\$133,044	\$134,250	\$121,034	\$496,436	\$474,400	\$480,800	\$487,300
<b>Expenditures</b>							
<b>Personnel Expenditures</b>							
Fire Prevention and Inspections	\$122,380	\$150,000	\$180,000	\$480,000	\$480,000	\$480,000	\$485,000
<i>Subtotal Personnel Expenditures</i>	\$122,380	\$150,000	\$180,000	\$480,000	\$480,000	\$480,000	\$485,000
<b>Operating Expenditures</b>							
Auditor's Deductions	\$1,814	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000
<i>Subtotal Operating Expenditures</i>	\$1,814	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000
<i>Total Expenditures and Other Financing Uses</i>	\$124,194	\$152,500	\$182,600	\$482,700	\$482,800	\$482,900	\$488,000
<b>Excess of Revenues over (under) Expenditures</b>	<b>\$8,850</b>	<b>(\$18,250)</b>	<b>(\$61,566)</b>	<b>\$13,736</b>	<b>(\$8,400)</b>	<b>(\$2,100)</b>	<b>(\$700)</b>
Beginning Cash Balance	\$72,854	\$81,704	\$63,454	\$1,888	\$15,624	\$7,224	\$5,124
Ending Cash Balance	\$81,704	\$63,454	\$1,888	\$15,624	\$7,224	\$5,124	\$4,424
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$81,704	\$63,454	\$1,888	\$15,624	\$7,224	\$5,124	\$4,424

### ***Vehicle License Tax Fund (12G)***

The Vehicle License Tax fund records the revenue from the local portion of the state motor vehicle license tax. The money collected from license fees must be spent on roads. Macedonia uses the license tax as the primary funding source for salt purchases. Each year, the City budgets approximately \$225,000 for the purchase of road salt. Approximately 68% of the City's road salt is purchased through the Vehicle License Tax fund.



**VEHICLE LICENSE TAX FUND**  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
<b>Local Taxes</b>							
Vehicle License Tax	\$95,427	\$101,527	\$103,000	\$104,500	\$106,100	\$107,700	\$109,300
<i>Subtotal Local Taxes</i>	\$95,427	\$101,527	\$103,000	\$104,500	\$106,100	\$107,700	\$109,300
<b>Other Financing Sources</b>							
Interest on Investments	\$562	\$1,126	\$800	\$800	\$800	\$800	\$800
<i>Subtotal Other Financing Sources</i>	\$562	\$1,126	\$800	\$800	\$800	\$800	\$800
<i>Total Revenues and Other Financing Sources</i>	\$95,989	\$102,653	\$103,800	\$105,300	\$106,900	\$108,500	\$110,100
<b>Expenditures</b>							
<b>Operating Expenditures</b>							
Snow Removal	\$63,759	\$90,000	\$152,700	\$105,500	\$108,000	\$110,000	\$110,000
<i>Subtotal Operating Expenditures</i>	\$63,759	\$90,000	\$152,700	\$105,500	\$108,000	\$110,000	\$110,000
<i>Total Expenditures and Other Financing Uses</i>	\$63,759	\$90,000	\$152,700	\$105,500	\$108,000	\$110,000	\$110,000
<b>Excess of Revenues over (under) Expenditures</b>	<b>\$32,230</b>	<b>\$12,653</b>	<b>(\$48,900)</b>	<b>(\$200)</b>	<b>(\$1,100)</b>	<b>(\$1,500)</b>	<b>\$100</b>
Beginning Cash Balance	\$6,845	\$39,075	\$51,728	\$2,828	\$2,628	\$1,528	\$28
Ending Cash Balance	\$39,075	\$51,728	\$2,828	\$2,628	\$1,528	\$28	\$128
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$39,075	\$51,728	\$2,828	\$2,628	\$1,528	\$28	\$128

### Mayor's Court Computer Fund

**MAYOR'S COURT COMPUTER FUND**  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
Fines Licenses and Permits	\$14,088	\$14,027	\$14,200	\$14,400	\$14,600	\$14,800	\$15,000
<i>Subtotal Local Taxes</i>	\$14,088	\$14,027	\$14,200	\$14,400	\$14,600	\$14,800	\$15,000
<i>Total Revenues and Other Financing Sources</i>	\$14,088	\$14,027	\$14,200	\$14,400	\$14,600	\$14,800	\$15,000
<b>Expenditures</b>							
<b>Operating Expenditures</b>							
Computer Maintenance and Upgrades	\$9,718	\$7,864	\$8,100	\$8,300	\$8,500	\$8,800	\$9,100
Capital Outlay for Equipment	\$5,045	\$0	\$28,000	\$3,000	\$5,000	\$5,000	\$5,000
<i>Total Expenditures and Other Financing Uses</i>	\$14,763	\$7,864	\$36,100	\$11,300	\$13,500	\$13,800	\$14,100
<b>Excess of Revenues over (under) Expenditures</b>	<b>(\$675)</b>	<b>\$6,163</b>	<b>(\$21,900)</b>	<b>\$3,100</b>	<b>\$1,100</b>	<b>\$1,000</b>	<b>\$900</b>
Beginning Cash Balance	\$25,418	\$24,743	\$30,906	\$9,006	\$12,106	\$13,206	\$14,206
Ending Cash Balance	\$24,743	\$30,906	\$9,006	\$12,106	\$13,206	\$14,206	\$15,106
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$24,743	\$30,906	\$9,006	\$12,106	\$13,206	\$14,206	\$15,106

The City operates a Mayor's Court and therefore receives distributions for court computers. This fund is used to maintain the court's computers and purchase computer upgrades. The Court Computer fund is also used to ensure the effective recording of all court sessions for the permanent record. In 2008, the fund will pay for upgrades to the video recording equipment currently housed in the Council Chambers of City Hall. This upgrade is necessary to convert the system from a VHS format to a digital format. The new format is expected to improve reliability and storage capacity.





## Police Pension Fund (12H)

### POLICE PENSION FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
<b>Local Taxes</b>							
General Property Tax (Real Estate)	\$106,408	\$108,060	\$109,712	\$111,365	\$113,017	\$114,670	\$116,322
Tangible Personal Property Tax	\$12,665	\$7,500	\$5,000	\$2,500	\$0	\$0	\$0
Trailer Tax	\$31	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Local Taxes</i>	\$119,104	\$115,560	\$114,712	\$113,865	\$113,017	\$114,670	\$116,322
<b>State Shared Taxes</b>							
CAT Personal Property Tax Reimbursement	\$4,062	\$4,125	\$4,188	\$4,251	\$0	\$0	\$0
Homestead Rollback	\$9,888	\$10,218	\$10,548	\$10,878	\$11,208	\$11,538	\$11,869
Public Utility Reimbursement	\$2,658	\$2,128	\$1,598	\$1,068	\$538	\$8	\$0
<i>Subtotal State Shared Taxes</i>	\$16,608	\$16,471	\$16,334	\$16,197	\$11,746	\$11,546	\$11,869
<i>Total Revenues and Other Financing Sources</i>	\$135,712	\$132,031	\$131,046	\$130,062	\$124,764	\$126,216	\$128,191
<b>Expenditures</b>							
<b>Personnel Expenditures</b>							
Police Law Enforcement	\$118,855	\$129,000	\$160,000	\$125,000	\$125,000	\$125,000	\$125,000
<i>Subtotal Personnel Expenditures</i>	\$118,855	\$129,000	\$160,000	\$125,000	\$125,000	\$125,000	\$125,000
<b>Operating Expenditures</b>							
Auditor's Deductions	\$1,854	\$2,500	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
<i>Subtotal Operating Expenditures</i>	\$1,854	\$2,500	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
<i>Total Expenditures and Other Financing Uses</i>	\$120,709	\$131,500	\$162,600	\$127,600	\$127,600	\$127,600	\$127,600
<b>Excess of Revenues over (under) Expenditures</b>	\$15,003	\$531	(\$31,554)	\$2,462	(\$2,836)	(\$1,384)	\$591
Beginning Cash Balance	\$21,422	\$36,425	\$36,956	\$5,402	\$7,864	\$5,028	\$3,644
Ending Cash Balance	\$36,425	\$36,956	\$5,402	\$7,864	\$5,028	\$3,644	\$4,235
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$36,425	\$36,956	\$5,402	\$7,864	\$5,028	\$3,644	\$4,235

The Police Pension fund tracks the property tax receipts from the City's police pension levy. This levy has a stated millage of .30 mills. It is not subject to any reduction factor, therefore, the effective rate is also .30 mills. The fund is used to make payments to the police pension fund. As with the Fire Levy fund, expenditures in this fund reduce General fund expenditures by reducing the personnel costs charged to the police program.

## Wireless 911 Fund

In June of 2006, the City established the Wireless 911 fund. The monies allocated in the Wireless 911 Fund may be used for all legal purposes as set forth in O.R.C. 4931.65(A) and (B). These purposes include any costs of designing, upgrading, purchasing, leasing, programming, installing, testing, or maintaining the necessary data, hardware, software and trunking required for the public safety answering point or points of the 9-1-1 system to provide wireless enhanced 9-1-1 which costs are incurred before on or after the effective date of 4931.65. In 2007, the City made the first such payment to its Capital Improvement fund for \$25,100 to reimburse the Capital fund for its expenses related to installing the E911 system. The second and final payment to the Capital fund is planned for 2008.



The fund may also be used for such additional costs of the 911 system over and above any costs incurred to provide wireline 911, and any costs of training the staff of the public safety answering point or points to provide wireless enhanced 911 and consists of such additional costs of the 911 system over and above any costs incurred to provide wireline 911; and further may use disbursements received under Section 4931.64 of the Revised Code to pay any of the City's personnel costs of one or more public safety answering points providing countywide wireless enhanced 911. Beginning in 2009, the City will use this fund to make pension payments for the City's dispatchers thereby reducing General fund expenditures for the dispatch division of the police department.

<b>WIRELESS E911 FUND</b>							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
Wireless E911 Fees	\$25,109	\$21,060	\$21,500	\$21,900	\$22,300	\$22,700	\$23,200
<i>Total Revenues and Other Financing Sources</i>	\$25,109	\$21,060	\$21,500	\$21,900	\$22,300	\$22,700	\$23,200
<b>Expenditures</b>							
<b>Personnel Expenditures</b>							
Police Law Enforcement	\$0	\$0	\$0	\$28,416	\$29,268	\$15,073	\$31,050
<i>Subtotal Personnel Expenditures</i>	\$0	\$0	\$0	\$28,416	\$29,268	\$15,073	\$31,050
<b>Operating Expenditures</b>							
Transfer to Capital Fund	\$0	\$25,100	\$25,028	\$0	\$0	\$0	\$0
Capital Outlay for Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Operating Expenditures</i>	\$0	\$25,100	\$25,028	\$0	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$0	\$25,100	\$25,028	\$28,416	\$29,268	\$15,073	\$31,050
<b>Excess of Revenues over (under) Expenditures</b>	\$25,109	(\$4,040)	(\$3,528)	(\$6,516)	(\$6,968)	\$7,627	(\$7,850)
Beginning Cash Balance	\$0	\$25,109	\$21,069	\$17,541	\$11,025	\$4,057	\$11,684
Ending Cash Balance	\$25,109	\$21,069	\$17,541	\$11,025	\$4,057	\$11,684	\$3,834
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$25,109	\$21,069	\$17,541	\$11,025	\$4,057	\$11,684	\$3,834

### ***General Obligation Bond Retirement Fund***

The General Obligation (GO) Bond Retirement fund has been the tracking fund for all of the City's general obligation debt payments. Beginning in 2008, the City will begin making debt service payments out of the Capital fund and the Family Recreation Center fund. This change is in response to recommendations by the Auditor of State to eliminate transfers from these funds into the GO Bond Retirement fund. As a result, this plan does not anticipate any revenue or expenditures in this fund over the next five years.

### ***Special Assessment Bond Retirement Fund***

As of the end of 2007, the City will have three special assessment debt obligations outstanding. These are the Highland Road Phase 1, Highland Road Phase 3 and North Freeway Drive. The North Freeway Drive assessments and associated debt payments began in 2007. A special assessment is also being collected on Highland Road Phase 2. However, due to litigation surrounding phase 2 of the Highland Road project, the City



opted to internally finance that phase of the project. This plan assumes the assessment will be collected and tracked in the General fund beginning in 2008. Over the next five years, the City expects to complete the Shepard Road Sanitary Sewer project and the South Freeway Drive project. The debt service on both of these projects will be paid out of the SA Bond Retirement fund.

**SPECIAL ASSESSMENT BOND RETIREMENT FUND**  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Actual 2006	Projected 2007	Forecast				
			2008	2009	2010	2011	2012
<b>Revenues</b>							
Special Assessments	\$122,782	\$211,973	\$173,817	\$195,866	\$265,836	\$264,151	\$267,473
Transfer from Capital		\$20,200	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$511,286		\$20,000	\$20,000	\$79,821	\$79,821	\$79,821
<i>Subtotal Other Financing Sources</i>	\$634,068	\$232,173	\$193,817	\$215,866	\$345,657	\$343,972	\$347,294
<i>Total Revenues and Other Financing Sources</i>	\$634,068	\$232,173	\$193,817	\$215,866	\$345,657	\$343,972	\$347,294
<b>Expenditures</b>							
Special Assessment Debt Service	\$118,427	\$194,766	\$193,817	\$215,866	\$345,657	\$360,570	\$363,892
<i>Total Expenditures and Other Financing Uses</i>	\$118,427	\$194,766	\$193,817	\$215,866	\$345,657	\$360,570	\$363,892
<b>Excess of Revenues over (under) Expenditures</b>	\$515,641	\$37,407	\$0	\$0	\$0	(\$16,598)	(\$16,598)
Beginning Cash Balance	(\$511,286)	\$4,355	\$41,762	\$41,762	\$41,762	\$41,762	\$25,163
Ending Cash Balance	\$4,355	\$41,762	\$41,762	\$41,762	\$41,762	\$25,163	\$8,565
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$4,355	\$41,762	\$41,762	\$41,762	\$41,762	\$25,163	\$8,565

## 2000 Road Improvement Note Fund

**ROAD RESURFACING - 2000 NOTE FUND**  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Actual 2006	Projected 2007	Forecast				
			2008	2009	2010	2011	2012
<b>Revenues</b>							
Notes Issued	\$550,000	\$500,000	\$250,000	\$0	\$0	\$0	\$0
Transfer from Capital	\$61,900	\$59,200	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$0	\$10,100	\$275,500	\$262,487	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$611,900	\$569,300	\$525,500	\$262,487	\$0	\$0	\$0
<i>Total Revenues and Other Financing Sources</i>	\$611,900	\$569,300	\$525,500	\$262,487	\$0	\$0	\$0
<b>Expenditures</b>							
Redemption of Principal	\$586,000	\$550,000	\$500,000	\$250,000	\$0	\$0	\$0
Payment of Interest	\$18,972	\$22,707	\$22,500	\$12,500	\$0	\$0	\$0
Legal Fees	\$883	\$2,625	\$3,000	\$0	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$605,855	\$575,332	\$525,500	\$262,500	\$0	\$0	\$0
<b>Excess of Revenues over (under) Expenditures</b>	\$6,045	(\$6,032)	\$0	(\$13)	\$0	\$0	\$0
Beginning Cash Balance	\$0	\$6,045	\$13	\$13	\$0	\$0	\$0
Ending Cash Balance	\$6,045	\$13	\$13	\$0	\$0	\$0	\$0
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$6,045	\$13	\$13	\$0	\$0	\$0	\$0

No fund typifies the change in the administration's attitude about the appropriate use of debt better than this fund. In 2004, the administration was faced with more than \$1.2 million in notes that had been issued to pay for road resurfacing and fire equipment. Beginning in 2005, the City began aggressively paying down this debt and instituted a pay-as-you-go philosophy for basic road resurfacing projects. The 1997/1998 road note was paid in



2007 as was the fire apparatus note. Beginning in 2008, the City will focus on eliminating the 2000 road note. As a result, the last of these old road notes will be paid off by the end of 2009.

## Capital Fund

CAPITAL FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
<b>State Shared Taxes</b>							
Intergovernmental Revenue	\$7,717	\$109,400	\$83,660	\$0	\$0	\$0	\$0
<i>Subtotal State Shared Taxes</i>	<i>\$7,717</i>	<i>\$109,400</i>	<i>\$83,660</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<b>Other Financing Sources</b>							
Miscellaneous Revenue	\$805	\$2,500	\$1,700	\$1,800	\$1,900	\$2,000	\$2,100
Sale of Assets	\$0	\$23,200	\$11,600	\$11,900	\$12,300	\$12,700	\$13,100
Transfer from Wireless E911	\$0	\$25,100	\$25,028	\$0	\$0	\$0	\$0
Transfer from General Fund	\$1,871,400	\$1,872,750	\$1,580,700	\$2,594,300	\$2,710,100	\$2,756,600	\$2,660,900
<i>Subtotal Other Financing Sources</i>	<i>\$1,872,205</i>	<i>\$1,923,550</i>	<i>\$1,619,028</i>	<i>\$2,608,000</i>	<i>\$2,724,300</i>	<i>\$2,771,300</i>	<i>\$2,676,100</i>
<i>Total Revenues and Other Financing Sources</i>	<i>\$1,879,922</i>	<i>\$2,032,950</i>	<i>\$1,702,688</i>	<i>\$2,608,000</i>	<i>\$2,724,300</i>	<i>\$2,771,300</i>	<i>\$2,676,100</i>
<b>Expenditures</b>							
Police	\$162,986	\$127,000	\$222,400	\$272,000	\$237,000	\$155,000	\$140,000
Fire Prevention and Inspections	\$138,277	\$120,000	\$246,000	\$229,000	\$341,000	\$475,000	\$336,000
Recreation Programs	\$99,264	\$28,000	\$5,000	\$128,000	\$118,000	\$126,000	\$134,000
Provide and Maintain Parks	\$24,559	\$134,000	\$16,000	\$88,000	\$116,000	\$117,000	\$110,000
Storm Water Management	\$194,919	\$236,000	\$150,000	\$175,000	\$58,000	\$60,000	\$62,000
City Center	\$0	\$30,000	\$10,000	\$0	\$116,000	\$0	\$0
Street Maintenance and Repairs	\$320,778	\$1,011,500	\$783,500	\$927,461	\$771,211	\$871,211	\$931,211
<i>Subtotal Capital Expenditures</i>	<i>\$940,783</i>	<i>\$1,686,500</i>	<i>\$1,432,900</i>	<i>\$1,819,461</i>	<i>\$1,757,211</i>	<i>\$1,804,211</i>	<i>\$1,713,211</i>
<b>Other Financing Uses</b>							
Redemption of Principal	\$0	\$0	\$432,491	\$457,891	\$440,978	\$445,499	\$449,263
Payment of Interest	\$0	\$0	\$52,913	\$48,113	\$43,163	\$38,067	\$32,878
SIB Loan Payments	\$0	\$0	\$102,282	\$285,194	\$482,534	\$482,534	\$482,534
Transfers-Out	\$649,242	\$783,900	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Uses</i>	<i>\$649,242</i>	<i>\$783,900</i>	<i>\$587,685</i>	<i>\$791,197</i>	<i>\$966,674</i>	<i>\$966,099</i>	<i>\$964,674</i>
<i>Total Expenditures and Other Financing Uses</i>	<i>\$1,590,025</i>	<i>\$2,470,400</i>	<i>\$2,020,585</i>	<i>\$2,610,658</i>	<i>\$2,723,885</i>	<i>\$2,770,310</i>	<i>\$2,677,885</i>
<b>Excess of Revenues over (under) Expenditures</b>	<b>\$289,896</b>	<b>(\$437,450)</b>	<b>(\$317,897)</b>	<b>(\$2,658)</b>	<b>\$415</b>	<b>\$990</b>	<b>(\$1,785)</b>
Beginning Cash Balance	\$468,918	\$758,814	\$321,364	\$3,467	\$809	\$1,224	\$2,214
Ending Cash Balance	\$758,814	\$321,364	\$3,467	\$809	\$1,224	\$2,214	\$429
<i>Estimated Encumbrances December 31</i>	<i>\$339,608</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<i>Unencumbered Fund Balance December 31</i>	<i>\$419,205</i>	<i>\$321,364</i>	<i>\$3,467</i>	<i>\$809</i>	<i>\$1,224</i>	<i>\$2,214</i>	<i>\$429</i>

The capital fund is used to pay for the City's capital program. It is funded through 8.5% of the City's income tax collections. When these designated income tax collections are not sufficient to fund all capital costs, an additional transfer from the general fund is needed to cover any excess costs. The 2008 capital program is almost completely funded by income tax revenue and existing fund balance. In 2009 and beyond, the capital program requires more than \$2 million in subsidy from the general fund in addition to the income tax revenue. As the City progresses through 2012, particular projects may be postponed, amended or eliminated to reduce the amount of general fund transfer required.



# General Fund

## GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>							
General Property Tax (Real Estate)	\$1,375,808	\$1,485,000	\$1,529,600	\$1,575,500	\$1,622,800	\$1,671,500	\$1,721,600
Tangible Personal Property Tax	\$320,844	\$231,800	\$142,756	\$53,711	\$0	\$0	\$0
Trailer Tax	\$634	\$500	\$500	\$500	\$500	\$500	\$500
Motel Tax	\$91,634	\$87,000	\$78,000	\$80,300	\$82,700	\$85,200	\$87,800
Admission Taxes	\$116,525	\$113,000	\$115,000	\$118,500	\$122,100	\$125,800	\$129,600
<i>Subtotal Local Taxes</i>	<i>\$1,905,445</i>	<i>\$1,917,300</i>	<i>\$1,865,856</i>	<i>\$1,828,511</i>	<i>\$1,828,100</i>	<i>\$1,883,000</i>	<i>\$1,939,500</i>
<b>Local Income Taxes</b>							
Individual	\$980,510	\$1,018,700	\$1,052,000	\$1,088,800	\$1,126,900	\$1,166,300	\$1,207,100
Net Profits	\$1,083,808	\$1,000,000	\$900,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Withholding	\$5,116,084	\$5,290,000	\$5,703,000	\$5,902,600	\$6,109,200	\$6,323,000	\$6,544,300
Miscellaneous Income Tax	\$81	\$0	\$0	\$0	\$0	\$0	\$0
Retainer Refund	\$64,537	\$88,800	\$76,680	\$79,000	\$81,400	\$83,800	\$86,300
JEDD Distribution	\$36,497	\$200,000	\$90,000	\$94,500	\$99,200	\$104,200	\$109,400
<i>Subtotal Income Taxes</i>	<i>\$7,281,517</i>	<i>\$7,597,500</i>	<i>\$7,821,680</i>	<i>\$8,164,900</i>	<i>\$8,416,700</i>	<i>\$8,677,300</i>	<i>\$8,947,100</i>
<b>State Shared Taxes</b>							
Municipal Utility IT Fund 95	\$53,226	\$25,000	\$0	\$0	\$0	\$0	\$0
Local Government Sales Tax Fund 69	\$110,096	\$118,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Local Government Fund - Regular	\$316,957	\$342,000	\$318,000	\$318,000	\$318,000	\$318,000	\$318,000
Local Government Revenue Assistance	\$40,488	\$42,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Local Government Intangible Tax	\$6,069	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Inheritance Tax	\$116,350	\$35,400	\$22,800	\$23,500	\$24,200	\$24,900	\$25,600
Cigarette Tax	\$278	\$200	\$200	\$200	\$200	\$200	\$200
CAT Personal Property Tax Reimbursement	\$102,906	\$182,869	\$262,832	\$342,795	\$0	\$0	\$0
Liquor and Beer Permits	\$11,828	\$6,000	\$8,900	\$8,900	\$8,900	\$8,900	\$8,900
Homestead Rollback	\$120,087	\$105,000	\$116,000	\$119,000	\$123,000	\$127,000	\$131,000
Public Utility Reimbursement	\$67,396	\$46,000	\$24,604	\$3,208	\$0	\$0	\$0
<i>Subtotal State Shared Taxes</i>	<i>\$945,681</i>	<i>\$908,469</i>	<i>\$909,336</i>	<i>\$971,603</i>	<i>\$630,300</i>	<i>\$635,000</i>	<i>\$639,700</i>
<b>Other Financing Sources</b>							
Interest on Investments	\$172,199	\$114,000	\$143,100	\$144,500	\$145,900	\$147,400	\$148,900
Miscellaneous Revenue	\$1,687	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Police Law Enforcement	\$36,496	\$46,200	\$42,000	\$43,300	\$44,600	\$45,900	\$47,300
Grants - Police Department	\$1,219	\$0	\$0	\$0	\$0	\$0	\$0
Fire Prevention and Inspections	\$225,604	\$244,200	\$246,200	\$253,600	\$261,200	\$269,000	\$277,100
Grants - Fire Department	\$5,500	\$119,000	\$128,800	\$132,700	\$136,700	\$140,800	\$145,000
Police and Fire Communications	\$109,761	\$122,500	\$119,600	\$123,200	\$126,900	\$130,700	\$134,600
Community Room	\$6,731	\$9,400	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800
Planning and Engineering	\$103,326	\$90,000	\$81,000	\$83,400	\$85,900	\$88,500	\$91,200
Building and Zoning	\$11,934	\$16,400	\$9,500	\$9,800	\$10,100	\$10,400	\$10,700
Housing and Building	\$169,507	\$149,000	\$151,000	\$155,500	\$160,200	\$165,000	\$170,000
Refuse Collection and Disposal	\$4,932	\$5,975	\$5,500	\$5,700	\$5,900	\$6,100	\$6,300
Storm Water Management	\$0	\$1,779	\$0	\$0	\$0	\$0	\$0
Macedonia City Center	\$0	\$4,725	\$4,700	\$4,800	\$4,900	\$5,000	\$5,200
Mayor's Office	\$750	\$0	\$400	\$400	\$400	\$400	\$400
Finance - Administrative	\$2,496	\$491	\$0	\$0	\$0	\$0	\$0
Mayor's Court	\$462,066	\$414,900	\$438,500	\$451,700	\$465,300	\$479,300	\$493,700
Civil Service	\$3,660	\$1,620	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000
Service Department	\$1,710	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Rental Properties	\$4,525	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Support	\$64,667	\$84,300	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Transfer and Advances	\$35,741	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	<i>\$1,424,510</i>	<i>\$1,427,490</i>	<i>\$1,387,900</i>	<i>\$1,426,500</i>	<i>\$1,466,200</i>	<i>\$1,507,000</i>	<i>\$1,549,200</i>
<i>Total Revenues and Other Financing Sources</i>	<i>\$11,557,153</i>	<i>\$11,850,759</i>	<i>\$11,984,772</i>	<i>\$12,391,514</i>	<i>\$12,341,300</i>	<i>\$12,702,300</i>	<i>\$13,075,500</i>



**GENERAL FUND**  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Expenditures</b>							
<b>Personnel Expenditures</b>							
Police	\$1,914,163	\$2,000,000	\$2,581,403	\$2,766,047	\$2,910,176	\$3,024,776	\$3,144,340
Fire Prevention and Inspections	\$1,415,644	\$1,464,000	\$1,301,107	\$1,438,411	\$1,507,984	\$1,588,947	\$1,658,708
Police and Fire Communications	\$339,572	\$370,000	\$424,361	\$414,353	\$430,205	\$461,847	\$464,101
Planning and Engineering	\$123,016	\$111,500	\$137,790	\$143,350	\$148,540	\$153,952	\$159,599
Building and Zoning	\$81,020	\$82,000	\$91,843	\$95,804	\$99,575	\$103,526	\$107,667
Housing and Building	\$84,586	\$83,000	\$95,836	\$99,758	\$103,437	\$107,274	\$111,278
Macedonia City Center	\$144,944	\$136,000	\$180,350	\$186,764	\$193,629	\$200,788	\$208,255
Mayor's Office	\$220,114	\$216,000	\$237,921	\$248,453	\$258,570	\$269,189	\$280,342
Finance - Administrative	\$284,498	\$320,000	\$371,390	\$418,355	\$434,847	\$452,123	\$470,231
Legal - Administrative	\$66,554	\$67,000	\$74,835	\$77,452	\$80,574	\$83,065	\$85,629
City Council	\$77,689	\$72,000	\$82,276	\$95,376	\$98,419	\$101,544	\$104,751
Mayor's Court	\$126,261	\$130,000	\$138,849	\$144,292	\$150,586	\$156,880	\$163,174
Civil Service	\$1,391	\$1,000	\$1,035	\$1,100	\$1,200	\$1,300	\$1,400
Service Department	\$213,743	\$227,077	\$263,234	\$274,151	\$283,989	\$294,234	\$304,909
Administrative Support	\$23,560	\$10,000	\$10,800	\$17,300	\$17,900	\$18,400	\$18,900
<i>Subtotal Personnel Expenditures</i>	<i>\$5,116,755</i>	<i>\$5,289,577</i>	<i>\$5,993,030</i>	<i>\$6,420,966</i>	<i>\$6,719,631</i>	<i>\$7,017,845</i>	<i>\$7,283,284</i>
<b>Operating Expenditures</b>							
Taxes and Other	(\$936)	\$0	\$0	\$0	\$0	\$0	\$0
Police	\$219,642	\$234,700	\$320,498	\$330,100	\$340,000	\$350,200	\$360,700
Fire Prevention and Inspections	\$156,318	\$160,000	\$162,327	\$167,200	\$172,200	\$177,400	\$182,700
Grants - Fire Department	\$1,208	\$125,000	\$128,800	\$132,700	\$136,700	\$140,800	\$145,000
Police and Fire Communications	\$37,269	\$37,500	\$34,280	\$35,300	\$36,400	\$37,500	\$38,600
Street Lighting	\$99,335	\$104,000	\$110,210	\$113,500	\$116,900	\$120,400	\$124,000
Cemetery	\$66,567	\$55,812	\$71,997	\$74,200	\$76,400	\$78,700	\$81,100
County Health Board	\$138,658	\$139,068	\$142,112	\$146,400	\$150,800	\$155,300	\$160,000
School Income Taxes	\$0	\$0	\$15,000	\$15,500	\$16,000	\$16,500	\$17,000
County Emergency Management	\$4,151	\$4,151	\$4,635	\$4,800	\$4,900	\$5,000	\$5,200
Community Room	\$3,743	\$7,000	\$5,223	\$5,400	\$5,600	\$5,800	\$6,000
Planning and Engineering	\$50,231	\$71,982	\$86,987	\$89,600	\$92,300	\$95,100	\$98,000
Building and Zoning	\$69,114	\$55,267	\$63,345	\$65,200	\$67,200	\$69,200	\$71,300
Housing and Building	\$6,396	\$14,485	\$16,789	\$17,300	\$17,800	\$18,300	\$18,800
Refuse Collection and Disposal	\$8,632	\$33,883	\$26,780	\$27,600	\$28,400	\$29,300	\$30,200
Storm Water Management	\$91,829	\$255,776	\$210,120	\$216,400	\$222,900	\$229,600	\$236,500
Snow Removal (Funded through Fund 12A)	\$57,049	\$0	\$0	\$0	\$0	\$0	\$0
Macedonia City Center	\$176,668	\$183,400	\$233,814	\$240,800	\$248,000	\$255,400	\$263,100
Mayor's Office	\$23,716	\$91,919	\$87,191	\$89,800	\$92,500	\$95,300	\$98,200
Public Relations	\$1,607	\$1,485	\$7,572	\$7,800	\$8,000	\$8,200	\$8,400
Finance - Administrative	\$58,326	\$49,334	\$61,398	\$63,200	\$65,100	\$67,100	\$69,100
Income Tax Administration	\$129,165	\$444,000	\$443,930	\$457,200	\$470,900	\$485,000	\$499,600
Legal - Administrative	\$27,786	\$50,000	\$71,166	\$73,300	\$75,500	\$77,800	\$80,100
City Council	\$7,339	\$8,753	\$8,575	\$8,800	\$9,100	\$9,400	\$9,700
Mayor's Court	\$44,866	\$59,177	\$60,522	\$62,300	\$64,200	\$66,100	\$68,100
Civil Service	\$4,819	\$8,500	\$12,875	\$13,300	\$13,700	\$14,100	\$14,500
Service Department	\$23,886	\$28,242	\$28,840	\$29,700	\$30,600	\$31,500	\$32,400
Rental Properties	\$23,371	\$0	\$0	\$0	\$0	\$0	\$0
Auditor's Deductions	\$76,568	\$69,068	\$71,110	\$73,200	\$75,400	\$77,700	\$80,000
Administrative Support	\$476,176	\$127,000	\$130,797	\$134,700	\$138,700	\$142,900	\$147,200
<i>Subtotal Operating Expenditures</i>	<i>\$2,083,498</i>	<i>\$2,419,502</i>	<i>\$2,616,893</i>	<i>\$2,695,300</i>	<i>\$2,776,200</i>	<i>\$2,859,600</i>	<i>\$2,945,500</i>

The General fund is the most important fund for the City. It is the only fund that can be used to pay for virtually



any governmental activity. Therefore, this plan shifts the funding burden for all other funds to the General fund by transferring money out of the General fund into the other funds to cover any imbalance. This provides a clear picture of what is needed to pay for all of the projects and programs included in the plan.

GENERAL FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Forecast				
	2006	2007	2008	2009	2010	2011	2012
<b>Other Financing Uses</b>							
Transfers-Out							
Transfer to SCMR			\$650,000	\$1,150,000	\$1,180,000	\$1,280,000	\$1,355,000
Transfer to Parks and Recreation			\$265,000	\$420,000	\$463,000	\$513,000	\$535,000
Transfer to Family Recreation Center			\$956,900	\$998,900	\$1,029,500	\$1,061,200	\$1,093,900
Transfer to Capital			\$1,580,700	\$2,594,300	\$2,710,100	\$2,756,600	\$2,660,900
Transfer to SA Bond Retirement			\$20,000	\$20,000	\$79,821	\$79,821	\$79,821
Transfer to Road Resurface 2000 Note			\$275,500	\$262,487	\$0	\$0	\$0
Transfer to SR 8 and Highland Rd Intersection			\$113,662	\$0	\$0	\$0	\$0
Transfer to Emergency Reserve			\$0	\$0	\$0	\$0	\$0
Miscellaneous Transfers	\$5,058,221	\$4,123,625	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Uses</i>	\$5,058,221	\$4,123,625	\$3,861,762	\$5,445,687	\$5,462,421	\$5,690,621	\$5,724,621
<i>Total Expenditures and Other Financing Uses</i>	\$12,258,475	\$11,832,704	\$12,471,685	\$14,561,953	\$14,958,252	\$15,568,066	\$15,953,405
<b>Excess of Revenues over (under) Expenditures</b>	(\$701,321)	\$18,055	(\$486,913)	(\$2,170,438)	(\$2,616,952)	(\$2,865,766)	(\$2,877,905)
Beginning Cash Balance	\$1,194,967	\$493,646	\$511,701	\$24,787	(\$2,145,651)	(\$4,762,602)	(\$7,628,368)
Ending Cash Balance	\$493,646	\$511,701	\$24,787	(\$2,145,651)	(\$4,762,602)	(\$7,628,368)	(\$10,506,273)
<i>Estimated Encumbrances December 31</i>	\$154,566	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$339,080	\$511,701	\$24,787	(\$2,145,651)	(\$4,762,602)	(\$7,628,368)	(\$10,506,273)

The City cannot permit its General fund to have a negative fund balance. Therefore, the City will be required to make adjustments to this plan as it progresses through the next five years. The plan helps the administration and council identify and prioritize community needs and determine the future financial impact of those decisions.

In order to fully fund the programs and projects included in this plan, the City needs to cover a shortfall of between \$2 million and \$3 million in each year 2009 through 2012.

## Financial Strategies

The average annual shortfall for the last 4 years of this plan is projected to be approximately \$2.6 million. In order to cover these shortfalls, the administration is proactively engaging in multiple financial strategies that will reduce costs or increase revenue over the next several years. Although the financial outlook is not good, the steps that have been taken by the administration since 2004 have had an impact. In the 2006 plan update, the City's average annual shortfall for the last 4 years of the plan was over \$2.2 million. Since that plan, the City has fully committed itself to the SR 82 widening project which is projected to cost more than \$15 million. The project would normally be out of the City's ability, however, through a commitment to plan for and meet the financial challenges facing Macedonia, the administration has secured approximately \$13 million in outside funding to bring the project to fruition.



Clearly, the City cannot continue to operate and support the deficit levels that would be required to accomplish everything included in the plan as written. However, the plan continues to show the City what obstacles exist to providing the future services that are expected by residents. The plan also helps the City evaluate possible alternatives and gauge the impact they will have on the City's future financial condition. The administration intends to pursue multiple strategies to reduce or eliminate the deficits projected in this plan.

### ***Increase Grant Funding***

The City has been very successful in acquiring grant funding for various projects. Specifically, the City has actively pursued state and federal money to assist with major road projects and storm water projects. The police and fire departments have also been successful in grant applications to support special projects in their respective areas. As part of the strategy to increase grant funding, the City will use the projects identified in this plan as the base for future grant applications in other program areas.

By identifying future projects and funding needs, this plan will be used by the administration to proactively match future projects with potential funding sources. The administration is in the process of identifying potential funding sources that will reduce the cost of current planned projects rather than reacting to potential funding opportunities that require unplanned expenditures and/or matching funds.

Several grant opportunities have been identified for planned projects. In 2007, the City received \$5 million for the Route 82 widening project and has pending applications for more funding for this project. Possible sources include state Issue 2 funding and the potential for participation by the railroads in some of the costs associated with the relocation of the railroad bridge.

The park trail projects and ADA upgrades in the recreation program are candidates for possible grant funding through the Ohio Department of Natural Resources. The City's service department will also continue to look into partial funding of its recycling efforts.

### ***Reduce Growth in Personnel Expenses***

The City has been actively working to reduce personnel costs. In 2004, the City shifted from a self-funded medical insurance plan to a carrier provided plan. The City recognized substantial savings from the switch. In the last negotiation sessions, the employees agreed to cap the increase in the City's health insurance premiums at 8% per year. These changes are having a significant impact on future shortfalls. The addition of a high deductible health plan option also has the potential to save significant premium costs for the City while providing a unique new option for our employees to enjoy tax advantaged savings for future health care costs. The City also implemented an employee assistance program that will actually reduce future workers compensation rates.





The plan calls for additional personnel. As with many service organizations, personnel costs are the most significant operating expense for the City. The plan projects personnel increases to ensure that residents continue to receive the highest level of services. If the City reduced its service expectations, some of the additional personnel could be deferred or eliminated from the plan. In addition, some potential employee expansions, like the additional firefighters, are tied very closely to obtaining future funding.

### ***Increase Economic Development Activities***

The completion of the North Freeway Drive project in 2006 has opened the door for future economic development in Macedonia. The administration continues to work with local developers to encourage commercial/industrial development along North Freeway Drive. This plan also calls for the improvement of South Freeway Drive in 2008. This improvement will further enhance the City's economic development potential.

The City is currently supporting a study to take advantage of the SR 8 improvements and the Interstate 271 interchange upgrade being completed by the state. These major road improvements will put development pressure on the land along the SR 8 corridor. The City also continues to enjoy a positive relationship with the schools and looks to the schools as an active partner in its economic development activities.

### ***Increase Regional Cooperation***

The administration is actively working with officials from surrounding communities to encourage regional approaches to providing government services. The City is working with the City of Twinsburg on the Shepard Rd. sanitary sewer and road rehabilitation projects. The City is also looking at equipment sharing agreements with surrounding communities to eliminate the need for duplicate purchasing.

The fire department has taken the lead on regionalizing fire services. The department is currently studying regional solutions with surrounding communities. These regional solutions are likely to reduce future costs and provide additional funding opportunities for the participating communities.

### ***Debt Management***

Future debt issuance will be based upon specific criteria. If a project is assessable, debt may be issued so long as it is supported, at least partially, by future assessments. If a project is of substantial size and is not for on-going maintenance, the City may issue debt to even out the capital budgeting process.

The City will first look to subsidized loan programs or programs that will not affect the City's future bonding capacity. The City has been using the State Infrastructure Bank to finance the Route 82 widening project. There are several advantages with pursuing these loans for major infrastructure projects. First, the loan does not affect



the City's debt limitation. No property taxes are pledged toward repayment of the debt. Second, the loans have no payments due for the first 30 months. Third, the loan has no interest accumulated for 12 months. After the initial 12 month period interest is assessed at 3% which is substantially below the interest rate available to the City through other financing methods. The 30 month grace period also provides the City with an opportunity to secure alternative project funding prior to the initial payment and thereby reduce the City's future debt load.

### ***Increase Revenue***

The final option for improving the City's financial condition is to increase revenue. The administration continues to evaluate the fees being charged for individual services. The City is also improving its monitoring of receivables due to a new software package in the finance department. The new accounts receivable software allows the City to invoice and track all receivables in a more efficient manner. This is improving revenue collections through better enforcement of existing ordinances approved by council.

The shift to the Regional Income Tax Agency (RITA) continues to benefit the City as well. RITA's systems provide for more efficient collection of income tax. In addition, programs like the subpoena program and the income tax court improve delinquent collections for the City.

The Mayor's Court is also improving its collection methods. The City hired an outside collection firm to actively pursue delinquent warrants. This program is benefiting the City by bringing in additional collections that would have been viewed as uncollectible prior to the hiring of Capital Recovery, Inc.

The administration is not advocating any changes in the current tax structure for the City. However, this is an option of last resort that is available should all of the other methods for eliminating the annual shortfalls fail. The report briefly discusses the revenue that can be generated by changes in the tax structure and will continue to include these figures to assist the administration and council in future decisions.

The Environmental Protection Agency is mandating storm water management activities. The City has established a storm water management committee to review the storm water issues facing our community. The initial report was recently presented to Council and includes identified engineering expenditures in excess of \$170,000 and storm sewer system improvements that will cost millions of dollars over the next five to ten years. These improvements to alleviate flooding create a financial burden that is insurmountable given current revenue streams. The challenge of funding these projects will be a high priority for Council and the administration to address over the next year.



## Appendix

<i>Exhibit 1: Service Department Fleet Replacement Plan</i>			
<i>UNIT #</i>	<i>DESCRIPTION OF UNIT</i>	<i>EXPECTED LIFE SPAN</i>	<i>YEAR OF EXPECTED REPLACEMENT</i>
1	1990 Ford 2 ½ ton Dump Truck w/ Plow & Spreader	15 YEARS	2008
2	2000 International 2 ½ ton Dump Truck w/ Plow & Spreader	15 YEARS	2015
3	2004 Sterling 2 ½ ton Dump Truck w/ Plow & Spreader	15 YEARS	2019
4	2005 Sterling 2 ½ ton Dump Truck w/ Plow & Spreader	15 YEARS	2020
5	- UNASSIGNED -	----	----
6	- UNASSIGNED -	----	----
7	2002 International 2 ½ ton Dump Truck w/ Plow & Spreader	15 YEARS	2017
8	1997 Ford 2 ½ ton Dump Truck w/ Plow & Spreader	15 YEARS	2012
9	- UNASSIGNED -		
10	1998 Ford 2 ½ ton Dump Truck with Plow & Spreader	15 YEARS	2013
11	1997 Ford 2 ½ ton Dump Truck with Plow & Spreader	15 YEARS	2012
12	2004 Gradall XL3300 Hydraulic Excavator (\$180,253) 7/30/04	15 YEARS	2019
13	2000 Ford 1-ton Pickup Truck w/Plow	10-12 YEARS	2010 - 2012
14	2007 Ford F-450 Utility Truck (\$44,284.13) 4/2/07	10-12 YEARS	2017-2019
15	- UNASSIGNED -	----	----
16	2000 Ford 3/4 ton Pickup Truck w/Plow	10-12 YEARS	2010 - 2012
17	- UNASSIGNED -		
18	1994 Ford ½ ton Pickup Truck (2wd)	10-12 YEARS	2004 - 2006
19	(2008 Ford F-250 Pickup / City Hall Bldg. Mtce.)	10-12 YEARS	2018 - 2020
20	1996 Ford F-450 Aerial Bucket Truck	15 YEARS	2011
21	2002 Ford F-350 1 ton Pickup Truck w/Plow	10-12 YEARS	2012 - 2014
22	ENGINEER CAR - 1998 Ford Crown Victoria Sedan	10 YEARS	2008
23	2003 Ford F-250 ¾ ton Pickup Truck w/Plow	10-12 YEARS	2013-2015
24	2003 Ford F-250 ¾ ton Pickup Truck (2wd)	10-12 YEARS	2013 - 2015
25	2003 Ford F-250 ¾ ton Pickup Truck (2wd)	10-12 YEARS	2013-2015



26	2003 Ford Crown Victoria Sedan (BUILDING DEPT.)	8 YEARS	2011
27	2003 Ford Crown Victoria Sedan (SERVICE DIRECTOR)	8 YEARS	2011
28	<b>2004 Ford Crown Victoria Sedan (MAYOR)</b>	8 YEARS	2012
29	<b>UNASSIGNED (Save for renumbered admin. car - old #60)</b>	----	----
30	1993 GMC 1-ton Dump Truck w/Plow & Spreader	15 YEARS	2008
31	<b>- UNASSIGNED - (Low-Pro Dump Truck?)</b>	----	----
32	1997 Ford 1-ton Dump Truck w/Plow & Spreader	12 - 15 YEARS	2009 - 2012
33	1999 Ford 1-ton Dump Truck w/Plow & Spreader	12 - 15 YEARS	2011 - 2014
34	1997 Ford 1-ton Dump Truck w/Plow & Spreader	12 - 15 YEARS	2009 - 2012
35	<b>- UNASSIGNED -</b>	----	----
36	1998 Ford Crown Victoria Sedan (MECHANIC)	10 YEARS	2008
37	<b>- UNASSIGNED - (Crack Sealer?)</b>	----	----
38	2000 LeeBoy 400T Pavement Roller (Purchased in 4/05)	15 YEARS	2020
39	2005 Concord Road Equip. CRE-400 Asphalt Hauler Trailer	15 YEARS	2020
40	<b>- UNASSIGNED -</b>		
41	<b>- UNASSIGNED -</b>		
42	1998 Dodge 3/4 ton Pickup Truck w/Plow	10-12 YEARS	2008 - 2010
43	<b>- UNASSIGNED -</b>	----	----
44	2003 Ford F-250 3/4 ton Pickup Truck w/Plow	10-12 YEARS	2013 - 2015
45	1998 John Deere 544H Front-End Wheel Loader	15 YEARS	2013
46	1997 Case 580 Super L Loader / Backhoe	12 - 15 YEARS	2009 - 2012
47	<b>- UNASSIGNED -</b>		
48	1985 Komatsu D31A Bulldozer	20 - 25 YEARS	2005 - 2010
49	1999 John Deere __ Skid Steer Loader	12 - 15 YEARS	2011 - 2014
50	1995 Bobcat __ Skid Steer Loader	12 - 15 YEARS	2007 - 2010
51	1988 Ford 4610 Tractor	20 YEARS +	2008 +
52	1985 Ford 4610 Tractor	20 YEARS +	2005 +
53	1990 Kut Kwick RM 76-187D Mowing Tractor w/ Trailer Wing	15 YEARS	2005
54	1970 Tow motor 502P Forklift	40 YEARS +	2010
55	1970 Yale Forklift	40 YEARS +	2010



56	1998 Kioti __ Tractor w/ Loader	15 YEARS	2013
57	1999 PUG __ Utility Dump Vehicle w/ Cab & Plow	10 YEARS	2009
58	1997 Jacobsen HR-5111 Wide-Area Rotary Mower (Replaced with #59 - will keep as a spare as long as poss.)	10 YEARS +	2007
59	2007 Jacobsen HR-9016 Wide-Area Rotary Mower (\$78,000) 4/18/07	10 YEARS	2017
60	ADMINISTRATION CAR - 2000 Ford Crown Victoria Sedan	8 YEARS	2008
61	2002 Hustler Super Z 60" Mower Model #926378	6 YEARS	2008
62	2002 Hustler Super Z 72" Mower Model #926436	7 YEARS	2009
63	2006 Hustler Super Z Diesel 72" Mower Model #927335 (\$13,839.20) 3/28/06	8 - 10 YEARS	2014 - 2016
64	2002 Hustler Super Z -" Mower (Bldg. Mtce.)	8 YEARS	2010
65	1999 Smithco Groomer Tractor	10 - 12 YEARS	2009 - 2011
66	2006 Smithco #44-801 Super Liner Field Line Painter (\$9851.20) 3/8/06	10 12 YEARS	2016 - 2018
67	2001 Brush Bandit 150XP Chipper (Tan)	15 YEARS	2016
68	1995 Brush Bandit 200+ Chipper (Orange)	WILL NOT REPLACE	----
69	- UNASSIGNED -		
70	1995 Gledhill / Tarco 25 cu. yd. Leaf Collector 10/03/03	15 YEARS +	2010
71	1993 American Roads 25 cu. yd. Leaf Collector (Will use as a spare - will not replace in 2008)	15 YEARS +	2008
72	1994 American Roads 25 cu. yd. Leaf Collector	15 YEARS +	2009
73	2006 Dinkmar SC-30 30 cu. yd. Leaf Collector (34,485.00) 11/3/06	15 YEARS +	2021
74	Stone 855 PM Mortar/Concrete Mixer Trailer	15 YEARS +	2015
75	- UNASSIGNED -		
76	1999 Interstate 18DT Heavy Equipment Trailer	15 YEARS +	2014
77	1995 Butler LT-1016 Tilt-Deck Equipment Trailer	15 YEARS +	2010
78	1995 Landscape Trailer (Black)	15 YEARS +	2010
79	1990 Landscape Trailer (Red)	15 YEARS +	2015
80	2004 Carry-On Trailer 250 lb. Capacity Small Utility Trailer	15 YEARS +	2019
81	2004 Hudson Brothers HSL 16 Equipment Trailer	15 YEARS +	2019
A-1	2001 Ryan Tracaire Aerator Implement		
A-2	Auger Implement		
A-3	Auger Implement		



A-4	Auger Implement		
CB-30	ODB Tree Chip Box for Truck #30		
CB-32-34	Custom Tree Chip Box for Trucks #34 or #32		
MD-1	2003 Alamo SH96 Rear Flail Mower Deck Implement		
MD-2	Alamo RHGK Side Flail Mower Deck Implement		
O-1	2003 Land Pride OS 1548 Solid Stand Overseeder Implement		
P-1	Land Pride SP 3072 Pulverizer Implement		
R-1	Land Pride LR 1572 Rear Rake Implement		
RB-1	2007 Woods HBL96-2 Rear Blade Implement (\$1,275) 5/14/07		



