



Report to Council

Five-year Financial Plan 2008 Update with 2009 Budget

November 25, 2008

Contents

EXECUTIVE SUMMARY	5
PERSONNEL EXPENDITURES	6
Personnel Request Summary	6
5-year City-wide Personnel Expense Projections	6
Staffing Assumptions	6
Benefit Assumptions	7
Personnel Cost Projection Summary	7
OPERATING EXPENDITURES	8
CAPITAL EXPENDITURES	8
Major Road Projects	8
Storm Water Management	9
Capital Summary	9
DEBT	11
2009 to 2013 Debt Summary	11
2009 to 2013 Debt Service Funding	12
REVENUE PROJECTIONS	13
Income Tax	13
Property Taxes	14
2009 BUDGET AND FINANCIAL PROJECTIONS	15
General Fund (101)	15
Police Law Enforcement (01A)	19
Fire Prevention and Inspections (01C)	21
Police and Fire Communications (01D)	22
Street Lighting (01E)	23
Payment to Cemetery Trustees (02A)	23
Payment to County Health Board (02B)	23
Payment to Emergency Management (02D)	23
Community Room (03C)	23
Zoning and Building (04B)	24
Refuse Collection and Disposal (05C)	24
Storm Water Management (05D)	24
Macedonia City Center (07J)	27



Mayor's Office (07K)	27
Public Relations (07L)	27
Finance Administrative (07M)	28
Legal Administrative (07N)	28
City Council (07P)	28
Mayor's Court (07Q)	28
Civil Service (07R)	28
Service Department (07T)	28
Auditor's Deductions (07V)	29
Administrative Support (07W)	29
Transfers (09X)	29
Emergency Reserve Fund (102)	29
Unclaimed Money Fund (103)	30
Street Construction, Maintenance and Repair Fund (201)	30
Street Maintenance and Repair (06A)	31
Road Maintenance	34
Snow Removal (06B)	35
Traffic Signals (06C)	35
Equipment Maintenance (06D)	36
Signs (06E)	36
State Highway Improvement (12B)	36
Snow Removal (06B)	37
Traffic Signals (06C)	37
Parks and Recreation Fund (204)	37
Recreation Programs (03A)	38
Provide and Maintain Parks (03B)	39
Family Recreation Center Fund (205)	40
Family Recreation Center (03D)	42
Parks and Recreation Trust Fund (206)	43
Provide and Maintain Parks (03B)	43
Nordonia Hills Homedays Fund (207)	44
Water Maintenance and Repair (210)	45
Fire Prevention and Inspections (01C)	46
Water Works (05A)	46
Fire Operating Levy Fund (211)	46
Fire Prevention and Inspections (01C)	47
Auditor's Deductions (07V)	47
Vehicle License Tax Fund (212)	47
Snow Removal (06B)	48
Police Pension Fund (213)	48
Police Law Enforcement (01A)	49
Auditor's Deductions (07V)	49



Drug Law Enforcement (216)	49
Law Enforcement Education Fund (217)	50
CDBG Grant Fund (218)	51
DARE Program Fund (219)	51
Mayor's Court Computer Fund (220)	51
FAIR Program Fund (221)	52
Sub-Division Tree Fund (223)	52
Wireless 911 Fund (224)	53
Petroleum UST Fund (225)	54
Tax Increment Financing Fund (250)	54
Federal Fire Grant Fund (260)	54
General Obligation Bond Retirement Fund (301)	54
Special Assessment Bond Retirement Fund (302)	55
Capital Improvement Fund (401)	55
Route 8 Resurfacing	55
State Route 82 Widening Phase 2 Fund (410)	57
State Route 82 Widening Phase 3 Fund (411)	58
State Route 8 and Highland Road Intersection Fund (421)	59
Shepard Road Sanitary Sewer Fund (422)	59
Municipal Property Fund (423)	60
Longwood Park Improvements Fund (424)	61
Highland Road Bridge Fund (425)	61
South Freeway Drive Fund (426)	62
Manor House Renovation Fund (427)	63
Highland Road Sewer Note Fund (429)	63
2000 Road Improvement Note Fund (431)	64
JEDD – Northfield Center (714)	65



FINANCIAL STRATEGIES	65
Increase Grant Funding	65
Reduce Growth in Personnel Expenses	66
Increase Economic Development Activities	66
Increase Regional Cooperation	67
Debt Management and Debt Restructuring	67
Increase Revenue and Alternative Funding Options	67
Property Tax Options	68
Income Tax Options	69
Storm Water Utility	69
Capital Deferral	70
Financial Strategies – Deficit Reduction Summary	71



Executive Summary

The 2008 Update to the Five-year Financial Plan continues to illuminate the financial challenges facing the City over the next 5 years. An increasingly grim economic outlook for the area further complicates the City's challenges. This plan update reduces the expected growth rate in income tax collections from 3% to 2% annually. Current labor contracts call for 3.5% increase in wages in 2009 and are subject to renegotiation in 2009. The City will complete the SR 82 Phase 2 widening project and begin debt service payments on that project in 2009. The bottom line is that the City will have to take action in 2009 to secure its financial future or identify future service cutbacks.

This year's update includes additional discussion and projections for all of the City's budgeted funds. As a result, it more clearly identifies the extent of the financial challenges facing the City. The projects and priorities identified in this update are as current as possible, however, the plan is a living document and is subject to changes as action is being taken daily to address the City's financial position. This plan is presented annually to provide a snapshot of the administration's plans for Council, the citizens and the City's employees to see what challenges have been identified by the administration and proposed strategies to address those challenges.

The City is facing an annual deficit of \$3 million to \$6 million per year through 2013 if it completes all of the priorities identified in this plan and relies only upon existing funding sources. Several strategies for improving the City's ability to meet the identified priorities are included in the final section of this report. The deficits cited in this plan assume that the City will not receive additional funding from grants or other sources unless they have already been awarded prior to printing this update.

There are several significant changes in this update from earlier versions. They include:

- The recommendations of the Drainage and Sewer Control Committee (DSCC) with a 5-year cost of approximately \$3 million
- Increased detail for all budgeted funds with projections through 2013
- Reduction of the income tax projected annual growth rate from 3% to 2%
- Recent personnel increases due to the passage of the replacement fire levy in 2008

Several highlights from this plan include:

- Personnel costs account for 70% of the operating costs of the City in 2009 and will grow to 72% of costs by 2013 and includes the addition of 10.5 full-time employees
- Outstanding debt will drop from approximately \$15.7 million at the beginning of 2009 to \$11.3 million by the end of 2013
- Projected General fund expenditures will grow from \$11.3 million in 2009 to approximately \$15.8 million in 2013 (This figure includes all funding for the DSCC project priorities)
- The cumulative deficit by the end of 2013 is projected at over \$17 million
- The City's Emergency Reserve fund will be funded at the state mandated maximum of 5% of the prior year's General fund revenues



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 2009. The major benefit provision is the cap in the growth of City contributions to health insurance premiums of 8% per year. The City pays employees bi-weekly and therefore has a normal pay cycle of 26 pay periods per year. In 2010, the City will have 27 pay periods. This represents a 3.85% increase in payroll costs over and above any wage increases given for that year.

Once again, personnel forecasting is complicated this year by changes in employee representation. The police patrol and dispatch workers changed representation from the Fraternal Order of Police (FOP) to the Ohio Police Benevolence Association (OPBA) in 2007. Sergeants are still represented by the FOP. The administrative personnel are in the process of creating a new unit represented by the Teamster Union. The City and the Union are currently contesting membership issues, however, once these are resolved, the City expects to begin negotiations with the new unit prior to the end of 2008.

Several departments have requested increases in staffing levels over the next several years. The following chart summarizes the requests made. Departments are requesting 11 full-time equivalent (FTE) employees over the next five 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.

Personnel Request Summary						
	2009	2010	2011	2012	2013	Total
Police	.5	2	1			3.5
Fire	3	.5				3.5
Dispatch						0
Building/Engineering/Zoning		.5				.5
Service-Parks				1		1
Service-Roads			1		1	2
Service – Administration						0
Finance						0
Recreation Programming						0
Family Recreation Center						0
Total	3.5	3	2	1	1	10.5

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 increased 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 in 2009 to \$11.2 million in 2013. Personnel costs account for approximately 70% of the general fund's total costs (not including transfers and capital) in 2009. By 2013, personnel costs are expected to account for more than 72% of general fund operating costs. For the general fund, operating costs include all fund expenditures other than capital expenditures and transfers to other funds. Personnel costs in the general fund are projected to increase by 32% over the next five years while total personnel expense are expected to increase by 30% over the same period. These increases are primarily due to additional personnel added during the plan period. The fire operating levy fund, police pension fund, and wireless 911 fund support the personnel expenses associated with fire, police and dispatch operations.

Personnel Cost Projection Summary						
	2008	2009	2010	2011	2012	2013
General Fund	\$6,063,068	\$5,742,700	\$6,831,582	\$6,970,433	\$7,289,421	\$7,589,571
SCMR Fund	\$1,160,640	\$1,119,800	\$1,303,976	\$1,388,562	\$1,446,521	\$1,596,210
Parks and Recreation Fund	\$327,542	\$317,900	\$399,438	\$399,790	\$494,252	\$513,172
Recreation Center Fund	\$694,743	\$771,900	\$795,057	\$818,909	\$843,476	\$868,780
Fire Operating Fund	\$175,591	\$423,500	\$469,468	\$482,093	\$445,330	\$459,217
Police Pension Fund	\$159,663	\$150,000	\$120,000	\$125,000	\$125,000	\$125,000
Wireless 911 Fund	\$0	\$50,000	\$30,000	\$30,000	\$30,000	\$30,000
Total	\$8,581,247	\$8,575,800	\$9,949,521	\$10,214,787	\$10,674,000	\$11,181,950

The 2009 budget includes no increase over projected personnel expenses for 2008. In 2008, the City's personnel expenditures increased over prior projections due to the late adoption of the non-bargaining wage ordinance by Council in December of 2007. The salary ordinance included pay increases that were retroactive to the beginning of 2007. However, the increases were not processed until the beginning of 2008.

The increases projected for 2010 include the impact of the 27th pay cycle that will increase wages by 3.85% for the year in addition to any other wage increases granted during the year.



Operating Expenditures

Citywide, operating expenditures are projected to increase over the next five years from approximately \$4 million in 2009 to \$4.5 million in 2013. Operating costs in the general fund are projected to increase by 26% over the next five years while total operating expenses are expected to increase by 24% over the same period.

Operating Cost Projection Summary						
	2008	2009	2010	2011	2012	2013
General Fund	\$2,418,119	\$2,510,600	\$2,605,000	\$2,681,900	\$2,761,600	\$2,841,500
SCMR Fund	\$623,253	\$561,600	\$631,000	\$646,800	\$653,000	\$654,700
State Highway Fund	\$67,131	\$96,600	\$41,200	\$41,800	\$42,500	\$48,200
Parks and Recreation Fund	\$139,336	\$125,200	\$128,900	\$132,800	\$136,800	\$141,000
Family Recreation Center Fund	\$443,016	\$480,100	\$456,691	\$465,588	\$474,485	\$483,382
Parks and Recreation Trust Fund	\$10,000	\$29,000	\$29,870	\$30,748	\$31,635	\$32,630
Water M & E Fund	\$87,119	\$125,000	\$122,400	\$125,200	\$128,100	\$131,000
Fire Operating Fund	\$6,275	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600
Vehicle License Tax Fund	\$150,000	\$123,000	\$125,000	\$125,000	\$135,000	\$145,000
Police Pension Fund	\$2,049	\$2,000	\$2,050	\$2,100	\$2,150	\$2,200
Court Computer Fund	\$15,338	\$25,600	\$21,000	\$13,000	\$13,000	\$13,000
Total	\$3,961,637	\$4,080,900	\$4,165,411	\$4,267,336	\$4,380,770	\$4,495,212

The City is experiencing significant pressure to increase operating expenditures. Despite recent reductions at the end of 2008, fuel prices were at historically high levels for the year. As fuel prices declined, the City was hit by higher prices for road salt that doubled over 2007 prices. Basic utilities such as natural gas have also increased significantly due to the end of the City's guaranteed rate period. Despite all of these pressures, the City has trimmed its discretionary operating expenditures for 2009 to keep overall expenditure growth to between 3% and 4%.

Capital Expenditures

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 is working on several major projects. 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 is currently under construction. The Highland Road project will begin construction shortly after the completion of the Route 82



Phase 2 project. Both of these projects involve bridge construction. 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 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.

Additional detail on the projected costs and revenue sources for the major road projects is included in the sections of this report dedicated to each project fund. Bids for this project are currently scheduled to be opened on December 5, 2008.

Storm Water Management

Storm water run-off has become a significant challenge for the City. The administration formed the Drainage and Sewer Control Committee (DSCC) to address the problem. Last year's financial plan discussed the need for storm water improvements. However, no actionable estimates were available for inclusion in the 2007 update. The DSCC issued a report to council in the fall of 2008. The following table shows anticipated storm water funding needs as expressed in prior reports to the committee. Once the final report is issued by the DSCC, it will be fully integrated into the five-year financial plan.

Storm Water Management Cost Projection Summary					
	2009	2010	2011	2012	2013
Culvert Replacement Program	\$175,000	\$58,000	\$60,000	\$62,000	\$64,000
Storm water Maintenance	\$135,000	\$139,000	\$143,000	\$147,000	\$151,000
Equipment Wash-off Area	\$0	\$35,000	\$0	\$0	\$0
Street Sweeper Vacall	\$0	\$46,000	\$46,000	\$46,000	\$46,000
Phase II Program	\$45,000	\$46,500	\$48,000	\$50,000	\$51,000
Storm water Improvement Projects	\$0	\$500,000	\$1,000,000	\$1,500,000	\$0
Storm water Engineering Program	\$45,000	\$46,500	\$48,000	\$50,000	\$51,000
Total	\$400,000	\$871,000	\$1,345,000	\$1,855,000	\$363,000

Please refer to the summaries contained in the storm water program of the general fund for a description of each budget item. The budget reflects a plan for major storm water improvements in the City. A discussion of how a storm water utility fee could be used to fund these projects is contained in the financial strategies section of this report.

Capital Summary

The following table summarizes all of the capital budget items currently requested through 2013. The requests are totaled by fund and can be referenced through the discussion contained in the Capital Outlay section of departmental budget requests in each of the funds designated.



Capital Project Summary							
Department	Fund	Capital Item	2009	2010	2011	2012	2013
Police	101	AFIS System			\$18,000		
Police	101	Computers		\$19,000			
Police	101	Cruisers	\$96,000	\$132,000	\$136,000	\$140,000	\$144,000
Police	101	Mainframe Computer Upgrade		\$19,000			
Police	101	DUI Data Master			\$8,000		
Police	101	Interview Recording System				\$8,000	
Police	101	Portable Radios		\$13,000			
Fire	101	Aerial Tower Truck Lease		\$1	\$232,000	\$232,000	\$232,000
Fire	101	Breathing Air Compressor		\$45,000			
Fire	101	Thermal Imaging Camera					
Fire	101	Turnout Gear Extractor (Laundry Equipment)		\$20,000			
Fire	101	Command Vehicle				\$60,000	
Fire	101	Firetruck Lease	\$78,000				
Fire	101	Emergency Warning System			\$164,000		
Fire	101	Pick-up Truck / Utility Vehicle		\$45,000			
Fire	101	Rescue Squad	\$1	\$44,000	\$44,000	\$44,000	\$44,000
Fire	101	Staff Vehicle / Ford Explorer			\$35,000		
Building	101	Pick-up Truck / Utility Vehicle		\$20,000	\$20,000		
Stormwater	101	Equipment Wash-off Area		\$35,000			
Stormwater	101	Street Sweeper Vacall		\$46,000	\$46,000	\$46,000	\$46,000
Stormwater	101	Storm Water Improvement Projects		\$500,000	\$1,000,000	\$1,500,000	\$0
Stormwater	101	Culvert Replacement Program	\$65,000	\$58,000	\$60,000	\$62,000	\$64,000
City Center	101	Mower			\$16,000		
City Center	101	Roof Replacement				\$100,000	
General Fund (101) Total			\$239,001	\$996,001	\$1,779,000	\$2,192,000	\$530,000
Road Maint.	201	Annual Road Program	\$400,000	\$498,750	\$561,000	\$572,000	\$462,000
Road Maint.	201	Crack Sealing (in 2009 Operating Budget)	\$56,000	\$58,000	\$60,000	\$62,000	\$64,000
Road Maint.	201	Full-depth (soft spot) Repairs	\$70,000	\$72,000	\$74,000	\$76,000	\$78,000
Road Maint.	201	Twinsburg Rd Quiet Zone	\$0	\$0	\$0	\$0	\$0
Road Maint.	201	Street Equipment Lease	\$42,000	\$0	\$0	\$0	\$0
Roads	201	Backhoe				\$95,000	
Roads	201	Front-end Loader					\$125,000
Roads	201	Aerial Bucket Truck					\$80,000
Roads	201	Large Dump Truck (2)	\$1	\$55,000	\$55,000	\$55,000	\$180,000
Roads	201	Medium Dump Truck				\$110,000	
Roads	201	Small Dump Truck (2)		\$120,000			
Roads	201	Utility Body Truck				\$90,000	
Roads	201	Utility Vehicle			\$81,000		
Roads	201	Leaf Collector		\$45,000			
Roads	201	Roadside Mowing Tractor	\$12,700	\$87,700	\$12,700	\$12,700	
Roads	201	Tandem Axle Dump Truck	\$33,900	\$33,900	\$33,900	\$33,900	
Traffic Signals	201	Traffic Light Battery Backup Upgrades	\$0	\$30,000	\$30,000	\$30,000	\$30,000
Street Construction Maintenance and Repair Fund (201) Total			\$614,601	\$1,000,350	\$907,600	\$1,136,600	\$1,019,000
Recreation	204	Playground for Longwood Park		\$90,000			
Recreation	204	Longwood Park Restrooms				\$70,000	
Recreation	204	Playground for Sugarbush Park			\$35,000		
Recreation	204	Sugarbush Restrooms			\$70,000		
Recreation	204	Sand Volleyball Court		\$10,000			
Recreation	204	Upgrade park trails				\$60,000	\$60,000
Parks	204	Large Area Mower		\$55,000			
Parks	204	Mower		\$16,000			\$18,000



Parks	204	Landscape Trailer		\$6,500	\$6,500		
Parks	204	LED Community Event Sign				\$30,000	
Parks	204	Skid Steer Loader			\$81,000		
Parks	204	Tractor			\$58,000		
Parks	204	Pick-up Truck / Utility Vehicle		\$41,000			
Parks	204	Utility Vehicle		\$45,000			
Parks and Recreation Fund (204) Total			\$0	\$263,500	\$250,500	\$160,000	\$78,000
Recreation	205	Cardio Equipment	\$21,000	\$22,000	\$22,000	\$23,000	\$24,000
Recreation	205	Resistance Training Equipment	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Recreation	205	Exterior Facility Maintenance	\$21,000	\$22,000	\$23,000	\$24,000	\$25,000
Recreation	205	Interior Facility Maintenance	\$21,000	\$22,000	\$23,000	\$24,000	\$25,000
Recreation	205	Security Cameras	\$30,000				
Recreation	205	Locker Room Expansion			\$25,000	\$200,000	
Recreation	205	Rec Center Handicap Parking	\$25,000	\$0	\$0	\$0	\$0
Recreation	205	Pool Chair Lift upgrade/replacement	\$10,000	\$0	\$0	\$0	\$0
Recreation	205	Second Floor Fill-in	\$20,000	\$190,000			
Recreation	205	Kids Play Area			\$75,000		
Family Recreation Center Fund (205) Total			\$158,000	\$266,000	\$178,000	\$281,000	\$84,000
Road (Special)	401	Rt 8 Improvements (Resurfacing)	\$121,250				
Road (Special)	401	Rt 8 Improvements (Culver Replacement)	\$110,000				
Capital Improvement Fund (401) Total			\$231,250	\$0	\$0	\$0	\$0
Grand Total All Funds			\$1,242,852	\$2,525,851	\$3,115,100	\$3,769,600	\$1,711,000

Debt

2009 to 2013 Debt Summary

The city's total debt outstanding will be approximately \$15.7 million at the beginning of 2009. By the end of 2013, it will be down to about \$11.3 million. If the City's real property tax valuation increases by an average of 3% per year, the total tax valuation would be approximately \$472 million by the end of 2013. At that time, the City's debt burden will be approximately 2.4% of its total tax valuation. This is well below the average debt burden of 3% to 4% for a city like Macedonia.

As Table 7 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 and Phase 2 of the Route 82 Project. In 2009, the recreation center debt service increases by approximately \$325,000. However, the payments on the various purpose notes decrease by \$250,000 per year through 2010.

Debt Service Summary (2009 to 2013)					
General Obligation Debt Service					
	2009	2010	2011	2012	2013
2001 Recreation Center / City Safety Center	\$ 996,743	\$ 948,493	\$ 958,010	\$ 945,385	\$ 951,115
2003 Rec Center Restructured	\$ 213,113	\$ 215,638	\$ 208,063	\$ 212,878	\$ 212,298
Various Purpose Notes	\$ 257,500	\$ 0	\$ 0	\$ 0	\$ 0
Total GO Debt Service	\$1,467,356	\$1,164,131	\$1,166,073	\$1,158,263	\$1,163,413
Loan and Lease Payments					
Chase Equipment Lease	\$ 118,357	\$ 0	\$ 0	\$ 0	\$ 0
Dollar Bank Leases	\$ 30,163	\$ 30,163	\$ 30,163	\$ 30,163	\$ 0
Other Leases	\$ 0	\$ 43,885	\$ 274,860	\$ 274,860	\$ 274,860



Highland Rd Bridge #SB0511	\$ 87,854	\$ 87,854	\$ 87,854	\$ 87,854	\$ 87,854
Route 82 Bridge #060002	\$ 196,950	\$ 393,900	\$ 393,900	\$ 393,900	\$ 393,900
Route 82 Road #080004	\$ 0	\$ 147,899	\$ 295,798	\$ 295,798	\$ 295,798
Route 82 Phase 3	\$ 0	\$ 0	\$ 0	\$ 183,989	\$ 183,989
Total Loans and Leases	\$ 433,324	\$ 703,701	\$1,082,575	\$1,266,564	\$1,236,401
Total Non-Assessed Debt Service	\$1,900,680	\$1,867,832	\$2,248,648	\$2,424,827	\$2,399,814
Special Assessment Debt Service					
1996 Highland Rd Improvement	\$ 26,338	\$ 26,425	\$ 26,344	\$ 26,400	\$ 26,381
2003 Highland Rd Phase 3	\$ 92,303	\$ 90,653	\$ 89,003	\$ 92,325	\$ 90,465
2006 North Freeway Drive	\$ 44,671	\$ 44,672	\$ 44,718	\$ 44,661	\$ 44,650
2006 North Freeway Drive OPWC	\$ 33,948	\$ 33,948	\$ 33,948	\$ 33,948	\$ 33,948
Shepard Rd. Sewer Phase 1	\$ 239,300	\$ 19,344	\$ 19,344	\$ 19,344	\$ 19,344
Shepard Rd. Sewer Phases 2 & 3	\$ 31,305	\$ 31,305	\$ 31,305	\$ 31,305	\$ 31,305
South Freeway Drive	\$1,545,000	\$1,591,350	\$ 137,691	\$ 137,691	\$ 137,691
Total SA Debt Service	\$1,981,559	\$1,971,241	\$ 382,353	\$ 385,674	\$ 383,784
Grand Total Debt Service	\$3,882,239	\$3,839,073	\$2,631,001	\$2,810,501	\$2,783,598

Due to accounting changes proposed by the Auditor of State, the general fund will make future debt payments on the city's existing debt for the City Safety Center and the city's various purpose notes rather than the capital improvement fund. 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 2009. The general fund will also be required to support the city's portion of any debt on the South Freeway Drive project.

The city will begin to make payments on the Route 82 Widening loan and the Highland Road Bridge loan from the State Infrastructure Bank in 2009. These payments will be made directly from the general 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 ended 2007 with a fund balance of over \$1.3 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 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 2009.

2009 to 2013 Debt Service Funding

The City's total debt service requirements for 2008 are approximately \$2 million. In 2009, the debt service requirement increases significantly due to the notes issued for South Freeway Drive and the Shepard Rd. Sanitary Sewers in 2008. Beginning in 2009, the burden for paying debt service begins to shift away from issuance of new debt toward the income tax.



The shift to the recreation income tax has been planned and prepared for by developing a substantial fund balance in the family recreation center fund and therefore will not impact future activities in the fund.

The shift of debt service funding toward the general capital income tax will need to be addressed by the City in 2009. As the loans for the Route 82 project become due (beginning in 2009) the amount of debt service required of the general capital income tax increases significantly. When the City applied for the SIB loans on the project, it stated its intent to convert the loans, which have a 10-year repayment schedule, into the SIB bond fund to more accurately match the repayment period to the useful life of the road and bridge improvements being constructed. As the City begins this conversion in 2009, it will begin to reduce the projected future debt service required from the general capital income tax. Two options for refinancing the SIB loans are more fully discussed in the Debt Management Strategies section of this report.

Debt Service Funding 2009 - 2013					
	2009	2010	2011	2012	2013
General Capital Income Tax	\$1,219,120	\$1,209,934	\$1,668,166	\$1,851,214	\$1,823,304
Recreation Income Tax	\$ 703,852	\$ 679,990	\$ 682,508	\$ 676,123	\$ 678,753
Special Assessment	\$ 174,967	\$ 192,999	\$ 280,327	\$ 283,165	\$ 281,542
Debt Issuance	\$1,784,300	\$1,756,150	\$ -	\$ -	\$ -
Total Debt Service	\$3,882,239	\$3,839,073	\$2,631,001	\$2,810,502	\$2,783,599

Revenue Projections

Income Tax

The city 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 in the middle of 2017. 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 25% of the total income tax collections. The revenue projections contained in this report use the following allocation of income tax revenue.

- Family Recreation Center 12.5%
- General Fund Capital Projects 25%
- General Fund (Unassigned) 62.5%

The Regional Income Tax Agency (RITA) performs all income tax 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 2008 are on track to exceed of \$7.4 million.



The city is actively recruiting new businesses to its North Freeway Drive commercial area and other parts of the city. The following table shows the anticipated impact of a 2% growth in income tax. This level is used for the budgetary projections included in this report.

Income Tax Revenue Projections (2008 to 2013)						
	2008	2009	2010	2011	2012	2013
General Fund (Unassigned)	\$4,619,693	\$4,547,448	\$4,627,147	\$4,708,440	\$4,791,359	\$4,875,936
Family Recreation Center	\$923,939	\$909,490	\$925,429	\$941,688	\$958,272	\$975,187
General Fund Capital Projects	\$1,847,877	\$1,818,979	\$1,850,859	\$1,883,376	\$1,916,544	\$1,950,374
Total	\$7,391,508	\$7,275,917	\$7,403,436	\$7,533,504	\$7,666,174	\$7,801,498

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 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, the revenue from these levies will continue to increase as property values in the city increase.

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 1 mill fire-operating levy is dedicated to fire services. It is a five-year levy that was most recently approved in August 2008. A 5.07 mill levy funds general operations. This levy has an effective rate of approximately 1.097 mills. It is a five-year levy that was most recently renewed in May of 2005.

General Fund Property Tax Revenue Projections (2008 to 2013)						
	2008	2009	2010	2011	2012	2013
Real and Tangible Property Tax	\$1,540,562	\$1,623,497	\$1,473,590	\$1,499,091	\$1,524,592	\$1,550,093
State Property Tax Rebate	\$409,901	\$491,480	\$151,303	\$153,922	\$156,540	\$159,158
General Fund Total	\$1,950,463	\$2,114,977	\$1,624,893	\$1,653,013	\$1,681,132	\$1,709,251



2009 Budget and Financial Projections

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 2009 appropriation ordinance.

General Fund (101)

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.

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.

GENERAL FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Local Taxes							
General Property Tax (Real Estate)	\$1,388,644	\$1,397,807	\$1,409,400	\$1,420,417	\$1,499,091	\$1,524,592	\$1,550,093
Tangible Personal Property Tax	\$275,890	\$142,756	\$107,000	\$53,173	\$0	\$0	\$0
Trailer Tax	\$495	\$430	\$500	\$500	\$500	\$500	\$500
Motel Tax	\$86,108	\$74,393	\$85,000	\$87,600	\$90,200	\$92,900	\$95,700
Admission Taxes	\$116,229	\$114,758	\$116,000	\$119,500	\$123,100	\$126,800	\$130,600
<i>Subtotal Local Taxes</i>	\$1,867,367	\$1,730,143	\$1,717,900	\$1,681,190	\$1,712,891	\$1,744,792	\$1,776,893
Local Income Taxes							
Individual	\$960,417	\$929,032	\$945,000	\$845,745	\$862,660	\$879,913	\$897,511
Net Profits	\$977,633	\$1,140,609	\$788,000	\$787,500	\$787,500	\$787,500	\$787,500
Withholding	\$5,278,405	\$5,321,867	\$4,965,000	\$4,844,762	\$4,941,657	\$5,040,490	\$5,141,300
Miscellaneous Income Tax	\$16	\$0	\$0	\$0	\$0	\$0	\$0
Retainer Refund	\$88,824	\$83,514	\$87,000	\$80,969	\$85,077	\$84,140	\$84,296
JEDD Distribution	\$161,707	\$217,419	\$160,200	\$161,000	\$161,400	\$161,600	\$161,700
<i>Subtotal Income Taxes</i>	\$7,467,002	\$7,692,441	\$6,945,200	\$6,719,975	\$6,838,293	\$6,953,642	\$7,072,307
State Shared Taxes							



Municipal Utility IT Fund 95	\$44,118	\$59,588	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Local Government Sales Tax Fund 69	\$110,096	\$113,763	\$114,000	\$114,000	\$114,000	\$114,000	\$114,000
Local Government Fund - Regular	\$316,957	\$317,000	\$317,000	\$317,000	\$317,000	\$317,000	\$317,000
Local Government Revenue Assistance	\$40,488	\$0	\$0	\$0	\$0	\$0	\$0
Local Government Intangible Tax	\$5,619	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Inheritance Tax	\$21,888	\$26,060	\$75,000	\$175,000	\$175,000	\$175,000	\$175,000
Cigarette Tax	\$143	\$129	\$200	\$200	\$200	\$200	\$200
CAT Personal Property Tax Reimbursement	\$182,870	\$262,832	\$343,000	\$422,758	\$338,207	\$253,655	\$169,103
Liquor and Beer Permits	\$15,361	\$12,420	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Homestead Rollback	\$124,003	\$147,069	\$131,800	\$135,751	\$139,667	\$143,584	\$147,500
Public Utility Reimbursement	\$55,166	\$57,484	\$54,000	\$52,927	\$52,181	\$51,435	\$50,688
<i>Subtotal State Shared Taxes</i>	<i>\$916,709</i>	<i>\$1,001,344</i>	<i>\$1,094,000</i>	<i>\$1,276,637</i>	<i>\$1,195,255</i>	<i>\$1,113,873</i>	<i>\$1,032,491</i>
Other Financing Sources							
Interest on Investments	\$149,558	\$156,098	\$157,000	\$160,100	\$163,300	\$166,600	\$169,900
Miscellaneous Revenue	\$4,253	\$7,087	\$3,000	\$2,000	\$2,000	\$2,000	\$2,000
Police Law Enforcement	\$73,693	\$168,443	\$168,000	\$173,000	\$178,200	\$183,500	\$189,000
Grants - Police Department	\$0	\$3,360	\$0	\$0	\$0	\$0	\$0
Fire Prevention and Inspections	\$249,623	\$219,222	\$267,000	\$275,000	\$283,300	\$291,800	\$300,600
Grants - Fire Department	\$350	\$0	\$0	\$0	\$0	\$0	\$0
Police and Fire Communications	\$120,724	\$111,692	\$92,600	\$95,400	\$98,300	\$101,200	\$104,200
Community Room	\$10,700	\$6,013	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800
Planning and Engineering	\$79,459	\$59,296	\$73,000	\$75,200	\$77,500	\$79,800	\$82,200
Building and Zoning	\$19,170	\$11,803	\$16,000	\$16,500	\$17,000	\$17,500	\$18,000
Housing and Building	\$142,047	\$162,707	\$228,000	\$234,800	\$241,800	\$249,100	\$256,600
Refuse Collection and Disposal	\$6,483	\$7,000	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800
Storm Water Management	\$1,779	\$177	\$500	\$0	\$0	\$0	\$0
Macedonia City Center	\$4,725	\$9,170	\$5,000	\$5,200	\$5,400	\$5,600	\$5,800
Mayor's Office	\$73	\$14	\$0	\$0	\$0	\$0	\$0
Finance - Administrative	\$491	\$154	\$0	\$0	\$0	\$0	\$0
Mayor's Court	\$410,670	\$390,018	\$492,000	\$506,800	\$522,000	\$537,700	\$553,800
Civil Service	\$1,620	\$4,770	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400
Service Department	\$825	\$1,341	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Rental Properties	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Support	\$84,361	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessments	\$42,219	\$38,595	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
Transfer and Advances	\$0	\$0	\$0	\$0	\$0	\$0	\$0



Uncollected Receivables at Year-end	(\$37,355)	(\$60,000)	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$1,365,469	\$1,296,961	\$1,561,100	\$1,603,500	\$1,648,800	\$1,695,300	\$1,743,100
<i>Total Revenues and Other Financing Sources</i>	\$11,616,547	\$11,720,889	\$11,318,200	\$11,281,302	\$11,395,239	\$11,507,608	\$11,624,791
Expenditures							
Personnel Expenditures							
Police	\$2,018,668	\$2,264,711	\$2,319,200	\$2,831,299	\$2,929,595	\$3,045,813	\$3,167,104
Fire Prevention and Inspections	\$1,475,002	\$1,630,634	\$1,428,700	\$1,731,866	\$1,726,794	\$1,844,251	\$1,914,571
Police and Fire Communications	\$386,169	\$426,221	\$371,400	\$411,599	\$457,858	\$475,885	\$514,355
Planning and Engineering	\$126,453	\$88,443	\$0	\$0	\$0	\$0	\$0
Building and Zoning	\$84,250	\$106,361	\$277,100	\$314,078	\$313,618	\$325,301	\$337,331
Housing and Building	\$86,283	\$126,786	\$0	\$0	\$0	\$0	\$0
Macedonia City Center	\$138,623	\$193,850	\$176,900	\$210,304	\$209,728	\$217,246	\$225,076
Mayor's Office	\$218,459	\$281,364	\$239,300	\$293,238	\$293,889	\$305,991	\$318,709
Finance - Administrative	\$332,775	\$354,761	\$359,300	\$406,157	\$406,063	\$421,713	\$438,090
Legal - Administrative	\$69,092	\$96,416	\$84,100	\$94,011	\$93,242	\$96,039	\$98,921
City Council	\$78,176	\$82,276	\$84,400	\$90,462	\$92,037	\$93,658	\$95,329
Mayor's Court	\$125,576	\$143,835	\$142,000	\$153,882	\$153,947	\$159,594	\$165,481
Civil Service	\$610	\$1,035	\$1,000	\$1,246	\$1,300	\$1,400	\$1,500
Charter Commission	\$0	\$0	\$500	\$0	\$0	\$0	\$0
Service Department	\$224,259	\$265,968	\$258,300	\$292,940	\$291,862	\$302,030	\$312,604
Administrative Support	(\$487)	\$406	\$500	\$500	\$500	\$500	\$500
<i>Subtotal Personnel Expenditures</i>	\$5,363,907	\$6,063,068	\$5,742,700	\$6,831,582	\$6,970,433	\$7,289,421	\$7,589,571
Operating Expenditures							
Taxes and Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Police	\$228,232	\$286,278	\$304,400	\$313,500	\$322,900	\$332,600	\$342,600
Fire Prevention and Inspections	\$164,116	\$156,670	\$164,100	\$169,000	\$174,100	\$179,300	\$184,700
Grants - Fire Department	\$5,394	\$0	\$0	\$0	\$0	\$0	\$0
Police and Fire Communications	\$22,666	\$27,898	\$29,500	\$30,400	\$31,300	\$32,200	\$33,200
Street Lighting	\$98,461	\$108,757	\$104,400	\$107,500	\$110,700	\$114,000	\$117,400
Cemetery	\$55,812	\$55,017	\$56,700	\$58,400	\$60,200	\$62,000	\$63,900
County Health Board	\$139,068	\$142,112	\$145,200	\$149,600	\$154,100	\$158,700	\$163,500
County Emergency Management	\$4,151	\$4,151	\$4,200	\$4,300	\$4,400	\$4,500	\$4,600
Community Room	\$6,887	\$3,110	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600
Planning and Engineering	\$72,567	\$83,604	\$0	\$0	\$0	\$0	\$0
Building and Zoning	\$61,358	\$64,523	\$209,800	\$216,100	\$222,600	\$229,300	\$236,200
Housing and Building	\$16,792	\$24,573	\$0	\$0	\$0	\$0	\$0



Refuse Collection and Disposal	\$16,898	\$24,727	\$27,600	\$28,400	\$29,300	\$30,200	\$31,100
Storm Water Management	\$162,241	\$236,745	\$225,000	\$232,000	\$239,000	\$247,000	\$253,000
Economic Development Programs	\$0	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Charter Commission	\$0	\$0	\$2,000	\$0	\$0	\$0	\$0
Snow Removal (Funded through Fund 201)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Macedonia City Center	\$184,758	\$243,280	\$195,900	\$201,800	\$207,900	\$214,100	\$220,500
Mayor's Office	\$38,268	\$91,142	\$40,600	\$41,800	\$43,100	\$44,400	\$45,700
Public Relations	\$1,749	\$5,000	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600
Finance - Administrative	\$51,923	\$54,779	\$51,900	\$53,500	\$55,100	\$56,800	\$58,500
Income Tax Administration	\$390,674	\$478,930	\$483,200	\$497,700	\$512,600	\$528,000	\$543,800
Legal - Administrative	\$86,971	\$52,597	\$56,800	\$58,500	\$60,300	\$62,100	\$64,000
City Council	\$7,384	\$10,800	\$8,200	\$8,400	\$8,700	\$9,000	\$9,300
Mayor's Court	\$49,385	\$54,842	\$133,400	\$137,400	\$141,500	\$145,700	\$150,100
Civil Service	\$4,922	\$13,567	\$4,200	\$4,300	\$4,400	\$4,500	\$4,600
Service Department	\$24,881	\$25,323	\$25,600	\$26,400	\$27,200	\$28,000	\$28,800
Rental Properties	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Auditor's Deductions	\$65,413	\$72,500	\$65,000	\$67,000	\$69,000	\$71,100	\$73,200
Administrative Support	\$110,287	\$97,193	\$112,900	\$138,700	\$142,900	\$147,200	\$151,600
<i>Subtotal Operating Expenditures</i>	<i>\$2,071,258</i>	<i>\$2,418,119</i>	<i>\$2,510,600</i>	<i>\$2,605,000</i>	<i>\$2,681,900</i>	<i>\$2,761,600</i>	<i>\$2,841,500</i>
Capital Outlay							
Police	\$0	\$0	\$96,000	\$183,000	\$162,000	\$148,000	\$144,000
Fire Prevention and Inspections	\$0	\$0	\$78,001	\$154,001	\$475,000	\$336,000	\$276,000
Building and Zoning	\$0	\$0	\$0	\$20,000	\$20,000	\$0	\$0
Storm Water Management	\$0	\$0	\$65,000	\$639,000	\$1,106,000	\$1,608,000	\$110,000
Macedonia City Center	\$0	\$0	\$0	\$0	\$16,000	\$100,000	\$0
<i>Subtotal Capital Outlay</i>	<i>\$0</i>	<i>\$0</i>	<i>\$239,001</i>	<i>\$996,001</i>	<i>\$1,779,000</i>	<i>\$2,192,000</i>	<i>\$530,000</i>
Other Financing Uses							
Debt Service	\$0	\$0	\$506,000	\$1,096,034	\$1,470,266	\$1,653,314	\$1,713,304
Transfers-Out							
Transfer to SCMR	\$980,000	\$700,000	\$1,530,000	\$2,150,000	\$2,165,000	\$2,435,000	\$2,445,000
Transfer to Parks and Recreation	\$168,000	\$222,000	\$250,000	\$600,000	\$590,000	\$590,000	\$525,000
Transfer to Family Recreation Center	\$881,048	\$956,900	\$0	\$0	\$0	\$0	\$0
Transfer to Capital	\$1,872,750	\$1,155,700	\$190,000	\$0	\$0	\$0	\$0
Transfer to SA Bond Retirement	\$0	\$0	\$21,000	\$26,000	\$110,000	\$110,000	\$110,000
Transfer to Highland Rd Bridge	\$0	\$0	\$45,200	\$87,850	\$0	\$800	\$0
Transfer to Road Resurface 2000 Note	\$0	\$275,000	\$256,500	\$0	\$0	\$0	\$0



Transfer to SR 8 and Highland Rd Intersection	\$0	\$74,665	\$0	\$0	\$0	\$0	\$0
Transfer to Emergency Reserve	\$200,000	\$139,000	\$13,000	\$13,910	\$0	\$3,852	\$5,618
Miscellaneous Transfers	\$31,100	\$42,500	\$0	\$0	\$0	\$10,797	\$0
<i>Subtotal Other Financing Uses</i>	\$4,132,898	\$3,565,765	\$2,811,700	\$3,973,794	\$4,335,266	\$4,803,763	\$4,798,922
<i>Total Expenditures and Other Financing Uses</i>	\$11,568,063	\$12,046,952	\$11,304,001	\$14,406,377	\$15,766,599	\$17,046,784	\$15,759,993
Excess of Revenues over (under) Expenditures	\$48,483	(\$326,063)	\$14,199	(\$3,125,075)	(\$4,371,361)	(\$5,539,177)	(\$4,135,202)
Beginning Cash Balance	\$487,325	\$535,808	\$54,746	\$68,945	(\$3,056,131)	(\$7,427,491)	(\$12,966,668)
Ending Cash Balance	\$535,808	\$209,746	\$68,945	(\$3,056,131)	(\$7,427,491)	(\$12,966,668)	(\$17,101,870)
<i>Estimated Encumbrances December 31</i>	\$133,337	\$155,000	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$402,471	\$54,746	\$68,945	(\$3,056,131)	(\$7,427,491)	(\$12,966,668)	(\$17,101,870)

Police Law Enforcement (01A)

Personnel

The department requested an additional lieutenant in 2007 and renewed its request for 2008. The department has requested this position since 2005. The need for an additional lieutenant remains the top personnel priority of the department. However, due to current budget conditions, we recognize that the Lieutenant cannot be included in the 2009 budget but remains in the plan for 2010. 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) was to be phased in over the next two years (.5 in 2008 and .5 in 2009). The scheduled 2009 addition in the jail is included in this year's budget. 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. The first is scheduled to be hired



in 2010 and another in 2011. These additional officers are needed because the department has been operating at staffing levels below 2002 levels. 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 absorb new recruits.

Capital Outlay

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 increased mileage and idling time. A pattern of overuse creates a cycle that results in shorter overall vehicle life and reliability. This plan calls for replacing 3 vehicles in 2009 and 4 vehicles in each subsequent year of the plan. In 2008, council cut the department's vehicle request in half. That change makes returning to the proposed vehicle replacement schedule even more important.

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 2010 to maintain compatibility of the entire system. Part of the cost of this upgrade will be paid through the Mayor's Court computer fund.

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. This replacement is scheduled for 2011.

The department has also requested replacement of its BAC Data Master. The City's machine was purchased in 1995. The City's equipment is still functional but needs to be replaced and updated in the next few years. The department is requesting replacement in 2011.



In 2012, the department is planning to upgrade its current video recording system. The City's current system is using VHS tapes. New digital technology has streamlined the process and improved video quality.

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.

Police Department Capital Request Summary					
	2009	2010	2011	2012	2013
AFIS System			\$18,000		
Computers		\$19,000			
Cruisers	\$96,000	\$132,000	\$136,000	\$140,000	\$144,000
Mainframe Computer Upgrade		\$19,000			
BAC Datamaster			\$8,000		
Interview Recording System				\$8,000	
Portable Radios		\$13,000			
Traffic Light Battery Backup		\$30,000	\$30,000	\$30,000	\$30,000
Total	\$96,000	\$213,000	192000	\$178,000	\$174,000

Fire Prevention and Inspections (01C)

Personnel

When the City promoted a lieutenant and moved the captain to day shift, no firefighters were hired to replace the promoted firefighters. In 2008, the residents approved a 1.0 mill fire levy to hire the three new firefighters. One will be hired in December of 2008. The other two will be hired in 2009.

In 2010, the department intends to convert the current part-time secretarial position into a full-time position with benefits. This change had been planned for 2009 but will be postponed due to budget considerations.

In 2011, the Chief proposes 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 with the National Incident Management System. Captains are considered command staff. 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.



Capital Outlay

In 2009, the City will make its final lease payment on the fire truck purchased in 2005. The department proposes 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.

Two vehicle purchases are scheduled for 2010. The department plans to replace the aerial tower. This vehicle costs approximately \$900,000 and will likely be purchased using a five-year lease purchase program. The replacement is scheduled for 2010 with the first lease payment being due in 2011 due to ordering and delivery schedules. In 2010, the department will also replace its utility vehicle.

Several equipment purchases are proposed for 2010 as well. A breathing air compressor for refilling air packs is proposed for 2010. 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. Our janitorial staff also uses this washer for all of City hall and the Police Department. This equipment was originally purchased in 1997.

In 2011, the department plans to upgrade the City's emergency warning system and replace the staff vehicle. In 2012, the command vehicle is scheduled for replacement.

Fire Department Capital Request Summary					
	2009	2010	2011	2012	2013
Aerial Tower Truck Lease		\$1	\$232,000	\$232,000	\$232,000
Breathing Air Compressor		\$45,000			
Thermal Imaging Camera					
Turnout Gear Extractor (Laundry Equipment)		\$20,000			
Command Vehicle				\$60,000	
Firetruck Lease	\$78,000				
Emergency Warning System			\$164,000		
Pick-up Truck / Utility Vehicle		\$45,000			
Rescue Squad	\$1	\$44,000	\$44,000	\$44,000	\$44,000
Staff Vehicle / Ford Explorer			\$35,000		
Total	\$78,001	\$154,001	\$475,000	\$336,000	\$276,000

Police and Fire Communications (01D)

Personnel

The department has had difficulty recruiting new part-time dispatchers. As soon as it is financially feasible, the department plans to convert 2 part-time dispatchers into 1 full-time position. This change will not affect the overall FTE employees in the department but will have a financial impact due to the addition of benefits.



Capital Outlay

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 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.

Street Lighting (01E)

The City pays for utility costs associated with the operation of streetlights throughout the City.

Payment to Cemetery Trustees (02A)

The City, the Village of Northfield, Northfield Center Township, and Sagamore Hills Township participate in the Northfield Macedonia Cemetery. Each year the City pays its portion of the cemetery's operating budget based on property valuation.

Payment to County Health Board (02B)

The Summit County Health Department provides services to Macedonia rather than the City establishing an independent health department. Each year, the county deducts the City's portion of the health department's costs from the gross property tax distribution. The City's portion of the total allocation is based on the percent of total assessed valuation for the health district attributable to the City.

Payment to Emergency Management (02D)

The City partners with Summit County to provide emergency management services. The City's annual portion of the costs are deducted from the City's gross property tax distributions.

Community Room (03C)

This program tracks costs for the senior programs and luncheons held in the Community Room located in City Hall.



Zoning and Building (04B)

Personnel

The department has no personnel changes in 2009. The department will continue to supplement its personnel with contracted inspectors, consultants and engineers as necessary to maintain office functions. In 2010, the department is requesting the addition of a part time inspector.

Capital

The department requested a 4-wheel drive pick-up truck for 2009 and 2010. The new vehicles are needed because the department now conducts in-house inspections rather than contracting these to an outside consultant. As a result, project inspectors are often required to drive in difficult terrain that is not accessible with the department's current retired police cruiser. These purchases were postponed to 2010 and 2011 due to current budget concerns.

Refuse Collection and Disposal (05C)

The city contracts with a private hauler to remove refuse from the City's dumpsters and empty the community recycle bins.

Storm Water Management (05D)

The City has formed a Drainage and Sewer Control Committee to identify necessary storm water improvements throughout the City. 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.

Operating

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 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.

The storm water maintenance program includes the items listed below. The budget amount assumes that the level of effort will be similar to 2008.

- Street sweeping (\$13,000),
- Storm sewer televising and jetting (\$5,000),
- Catch basin cleaning (bi-annually) (\$45,000 for years this is completed)
- Storm water Maintenance Projects Professional Services, i.e. contractors hired by the Service Department for work related to storm water projects including saw cutting, asphalt and/or landscape restoration or excavation (\$10,000)
- Storm water Maintenance Projects Operating Supplies and Materials (\$50,000-\$60,000, depends on funds available)
- Storm water Maintenance Projects Equipment and Rental (expenditure varies)



- Service Department Improvements, such as the good housekeeping debris clean-up at Service Yard #1 completed in 2008 (expenditure varies)

Phase II Program

The Phase II program includes the following:

- Tinkers Creek Watershed Partners fees
- Summit County County-wide Storm water Management Program
- Ohio EPA co-permittee fee
- Dry-weather outfall testing
- Storm water training, seminars and meetings
- Annual updating of storm sewer map
- Engineering related to report submittal and program management including time spent completing goals identified in the storm water management plan

General Storm Water Engineering Program

The budget for general storm water engineering includes the following:

- Formalizing a culvert maintenance program
- FEMA floodplain administration program
- Documentation of storm water standards, ordinances
- Responding to developer questions about storm water policies
- Organizing a long term storm water basin inspection program
- Attendance at DSCC meetings
- Assisting in storm water utility program, including continued investigation into the NEORSD Storm water Management Program

Capital Outlay

Equipment Wash-off Area

The Parks Division's fleet of equipment needs frequent washing in order to keep the machinery operating properly. It is too time consuming to constantly load and transport the equipment on a daily basis to another garage facility for cleaning, so washing is currently done on a gravel area outside the barn facilities. The problem with this arrangement is that the E.P.A. is cracking down on municipal operations in regards to storm water pollution, and requiring that all machinery be washed in an area with a drain to a sanitary line. There is no indoor area at the Parks Barn that will permit this arrangement, but a concrete pad with a filter system and sanitary drain can be built outside that would meet the purpose of all parties concerned. This pad area would be large enough to accommodate all of the Parks equipment, and would be higher than grade to prevent runoff water from entering the sanitary drain. Construction of the pad could be done in-house based on an engineer's design to keep costs reasonable. The usable life of the pad would be approximately 15 years. The construction of this pad would be a strong improvement in the storm water quality initiatives performed by the City to meet E.P.A. Phase II Storm water Permit requirements. Construction of the wash-off area is budgeted at \$35,000 for 2010.



Street Sweeper Vac-All

The City is required by the EPA to improve storm water quality. One method for doing this is to clear streets of debris and residue. This requires a regular commitment to sweeping the streets and cleaning the catch basins. The purchase of a Vac-All Street Sweeper and catch basin cleaner will allow the City to perform this function in-house and provide better control over the timing and extent of street sweeping operations. The Vac-All is proposed for purchase in 2010 and will cost approximately \$200,000. The plan calls for the lease purchase of the Vac-All with payments over 5 years.

Storm Water Improvements

The Indian Creek Storm Water Management Study completed by CTI Engineers Inc. identified and prioritized multiple storm water improvement projects to help mitigate flooding along Indian Creek and its tributaries.

The budget plan assumes that the following improvements will be constructed in 2010:

- Detention basin B-1 behind Our Lady of Guadalupe Church (\$250,000±)
- Detention basin SH-1 in the southern region of Ledges Park (\$85,000±)
- Detention basin SH-2 northeast of the intersection of Shepard Hills and Iroquois Run (\$140,000±).

The budget plan assumes that the following improvements will be constructed in 2011:

- Detention Basin IC2 along Indian Creek, north of Indian Run Drive (\$380,000±)
- Sioux Lane culvert replacement (\$250,000±)
- Berkshire Drive culvert replacement (\$265,000±)
- Re-grading from footpath through Berkshire Drive (\$150,000±).

The budget plan includes the following for 2012:

- Localized storm water improvements
- Funds for culvert replacement program

In the coming year the plan for project completion may be modified as alternative solutions and land acquisition options are explored. Please refer to the Indian Creek Storm Water Management Study for additional information about each proposed project. For budget planning purposes the cost of each project (as shown in list above) has been increased from the amount listed in the Study in order to include engineering, surveying, soil borings, inflation and land acquisition costs.

The storm water improvements budget assumes that no grants are received and that the City must pay for all project costs. The City will apply for OPWC and County matching funds. If the City is granted any matching funds then money from the storm water improvements budget will be available for additional improvements.

Culvert Replacement Program

The culvert replacement program will 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. 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.

The culvert replacement program budget for 2009 – 2013 is unchanged from the budget estimate completed last year. The 2009 budget includes the replacement of the Route 8 culvert as well as approximately \$50,000 for the most structurally deficient of culverts. From 2010-2013 a more pro-active approach to culvert replacement can be taken by replacing culverts that are showing signs of advanced deterioration prior to the culverts reaching a state of structural deficiency.

Storm Water Capital Request Summary					
	2009	2010	2011	2012	2013
Equipment Wash-off Area		\$35,000			
Street Sweeper Vacall		\$46,000	\$46,000	\$46,000	\$46,000
Storm Water Improvement Projects		\$500,000	\$1,000,000	\$1,500,000	\$0
Culvert Replacement Program	\$65,000	\$58,000	\$60,000	\$62,000	\$64,000
Total	\$65,000	\$639,000	\$1,106,000	\$1,608,000	\$110,000

Macedonia City Center (07J)

Operating

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.

Capital Outlay

The mower for purchase proposed for 2011 is used for grounds maintenance. It replaces existing equipment (unit #64). We anticipate that major roof repair or replacement will be required as soon as 2012. However, the condition of the roof will be evaluated regularly to determine whether the projected cost can be reduced or deferred.

City Center Capital Request Summary					
	2009	2010	2011	2012	2013
Mower			\$16,000		
Roof Replacement				\$100,000	
Total	\$0	\$0	\$16,000	\$100,000	\$0

Mayor's Office (07K)

The Mayor's Office budget includes 3 full-time employees and associated operating costs.

Public Relations (07L)

In 2008, the Mayor instituted a quarterly economic development luncheon program. Each quarter, the Mayor and his staff meet with local business leaders to discuss current local issues that impact the business environment. This program is funded through the public relations budget. This program also pays for proclamations and awards given by the mayor's office.



Finance Administrative (07M)

Personnel

In July of 2007, RLK & Associates, Ltd. suggested splitting off the payroll functions from the personnel/payroll administrator position to create a human resource administrator and a payroll administrator. The 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. However, due to current economic conditions, this recommendation has been removed from the plan.

The current plan also reflects the council mandated freeze in the finance director's salary through 2009.

Legal Administrative (07N)

Personnel

The Saw Director and Assistant Law Director are paid retainers per Council ordinance to provide limited legal assistance to the City for drafting ordinances, and attendance at regular and special meetings of the City Council and Administration. All general costs associated with providing legal counsel to the city are paid through this department. Project or department specific legal issues are paid out of the impacted project fund or department budget.

City Council (07P)

All personnel and operating costs for the City's legislative functions are paid out of this department. The department includes 6 elected members of Council and their appointed Clerk.

Mayor's Court (07Q)

A Clerk and Deputy Clerk administer the Mayor's Court. The City hires a prosecutor and a magistrate by contract. The Mayor's Court is authorized by Ohio Revised Code.

Civil Service (07R)

Ohio Revised Code establishes the Civil Service Commission and City Charter provisions further define its duties. The commission establishes its own rules for operation. In Macedonia, the commission is responsible for administering police and fire hiring and promotional exams.

Service Department (07T)

Most service department costs are included in the Street Construction, Maintenance and Repair (SCMR) fund 201. The administrative costs of the Director, Assistant Director and clerical support staff are paid out of the general fund's service department program.



Auditor's Deductions (07V)

Costs associated with collection of the City's general property tax and those associated with the state examiners are monitored in this program.

Administrative Support (07W)

General administrative costs that are not attributable to a single department are monitored through this program.

Transfers (09X)

For the 2009 budget, the City has changed how it accounts for capital expenditures and income tax revenue. As a result, the amount of transfers to other funds has been impacted dramatically and will continue to be impacted through 2013.

Capital expenditures are now tracked in the departmental programs rather than being carried in a separate fund. This significantly reduced the transfer to the capital fund 401 while the transfer to the SCMR fund 201 increased.

Income tax revenue was all posted to the general fund prior to 2009. Beginning in 2009, the portion of the income tax that is required to go to the Family Recreation Center fund 205 will be recorded directly in that fund. The transfer to the Family Recreation Center fund was eliminated beginning in 2009.

Emergency Reserve Fund (102)

The Emergency Reserve fund was established by Ordinance 75-2008 to protect the City against cyclical changes in revenues and expenditures and to provide funds for emergency response situations. It receives its funding via transfer from the General fund. Ohio Revised Code limits the fund's balance to an amount no greater than 5% of the prior year's General fund revenues. The Mayor may request activation of the fund by Council if the City is experiencing fiscal distress related to cyclical changes in the local economy. The Mayor may expend money from the fund without further approval from Council upon activation of the Emergency Operations Center in accordance with the City's Emergency Operations Plan. The Emergency Operations Center can only be activated when a significant natural or manmade emergency hits the City. This fund ensures that the City will have funds to immediately and decisively respond to disasters in our community.

EMERGENCY RESERVE FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Other Financing Sources							
Transfer from General Fund	\$200,000	\$139,000	\$13,000	\$13,910	\$0	\$3,852	\$5,618
<i>Subtotal Other Financing Sources</i>	\$200,000	\$139,000	\$13,000	\$13,910	\$0	\$3,852	\$5,618
<i>Total Revenues and Other Financing Sources</i>	\$200,000	\$139,000	\$13,000	\$13,910	\$0	\$3,852	\$5,618



Expenditures							
Operating Expenditures							
<i>Total Expenditures and Other Financing Uses</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess of Revenues over (under) Expenditures	\$200,000	\$139,000	\$13,000	\$13,910	\$0	\$3,852	\$5,618
Beginning Cash Balance	\$200,000	\$400,000	\$539,000	\$552,000	\$565,910	\$565,910	\$569,762
Ending Cash Balance	\$400,000	\$539,000	\$552,000	\$565,910	\$565,910	\$569,762	\$575,380
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$400,000	\$539,000	\$552,000	\$565,910	\$565,910	\$569,762	\$575,380

Unclaimed Money Fund (103)

The Unclaimed Money fund is used to track money owed to outside parties that the City is unable to locate. Money is moved into and out of the fund per Ohio Revised Code.

Street Construction, Maintenance and Repair Fund (201)

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 requires annual transfers from the General fund to maintain fund balances.

STREET CONSTRUCTION , MAINTENANCE AND REPAIR FUND							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
State Shared Taxes							
State Gasoline Tax - Fund 60	\$278,453	\$225,953	\$244,000	\$251,300	\$258,800	\$266,600	\$274,600
State Gasoline Tax - Fund 68	\$148,665	\$203,629	\$225,000	\$231,800	\$238,800	\$246,000	\$253,400
State Motor Vehicle Registration	\$195,191	\$244,339	\$251,700	\$259,300	\$267,100	\$275,100	\$283,400
<i>Subtotal State Shared Taxes</i>	\$622,309	\$673,921	\$720,700	\$742,400	\$764,700	\$787,700	\$811,400
Other Financing Sources							
Interest on Investments	\$16,775	\$6,571	\$5,000	\$5,200	\$5,400	\$5,600	\$5,800
Miscellaneous Revenue	\$14,322	\$18,200	\$5,000	\$7,900	\$8,100	\$8,300	\$8,500
Transfer from General Fund	\$980,000	\$700,000	\$1,530,000	\$2,150,000	\$2,165,000	\$2,435,000	\$2,445,000
Uncollected Recievables at Year-end	(\$3,150)	(\$4,000)	\$0	\$0	\$0	\$0	\$0



<i>Subtotal Other Financing Sources</i>	\$1,007,947	\$720,771	\$1,540,000	\$2,163,100	\$2,178,500	\$2,448,900	\$2,459,300
<i>Total Revenues and Other Financing Sources</i>	\$1,630,256	\$1,394,692	\$2,260,700	\$2,905,500	\$2,943,200	\$3,236,600	\$3,270,700
Expenditures							
Personnel Expenditures							
Street Maintenance	\$844,437	\$917,835	\$862,700	\$955,121	\$1,039,402	\$1,083,475	\$1,218,589
Equipment Maintenance	\$123,486	\$161,602	\$170,500	\$251,323	\$251,621	\$261,707	\$272,293
Signs	\$63,726	\$81,203	\$86,600	\$97,532	\$97,539	\$101,339	\$105,328
<i>ibtotal Personnel Expenditures</i>	\$1,031,648	\$1,160,640	\$1,119,800	\$1,303,976	\$1,388,562	\$1,446,521	\$1,596,210
Operating Expenditures							
Street Maintenance	\$184,341	\$153,215	\$255,900	\$263,600	\$271,500	\$279,600	\$288,000
Snow Removal	\$184,607	\$169,000	\$51,000	\$105,000	\$105,000	\$95,000	\$80,000
Traffic Signals	\$20,132	\$26,875	\$22,000	\$22,700	\$23,400	\$24,100	\$24,800
Equipment Maintenance	\$191,232	\$254,175	\$213,700	\$220,100	\$226,700	\$233,500	\$240,500
Signs	\$16,768	\$19,989	\$19,000	\$19,600	\$20,200	\$20,800	\$21,400
<i>ibtotal Operating Expenditures</i>	\$597,079	\$623,253	\$561,600	\$631,000	\$646,800	\$653,000	\$654,700
Capital Outlay							
Street Maintenance	\$0	\$0	\$558,601	\$970,350	\$877,600	\$1,106,600	\$989,000
Equipment Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Traffic Signals	\$0	\$0	\$0	\$30,000	\$30,000	\$30,000	\$30,000
<i>ibtotal Operating Expenditures</i>	\$0	\$0	\$558,601	\$1,000,350	\$907,600	\$1,136,600	\$1,019,000
<i>Total Expenditures and Other Financing Uses</i>	\$1,628,728	\$1,783,893	\$2,240,001	\$2,935,326	\$2,942,962	\$3,236,121	\$3,269,910
Excess of Revenues over (under) Expenditures	\$1,528	(\$389,201)	\$20,699	(\$29,826)	\$238	\$479	\$790
Beginning Cash Balance	\$535,938	\$537,466	\$10,134	\$30,833	\$1,007	\$1,245	\$1,724
Ending Cash Balance	\$537,466	\$148,265	\$30,833	\$1,007	\$1,245	\$1,724	\$2,514
<i>Estimated Encumbrances December 31</i>	\$198,716	\$138,131	\$0	\$0	\$0	\$0	\$0
Unencumbered Fund Balance December 31	\$338,750	\$10,134	\$30,833	\$1,007	\$1,245	\$1,724	\$2,514

Street Maintenance and Repair (06A)

Personnel

The service department needs to increase staffing by 2 full-time maintenance workers in the roads division. The department was planning to hire these new employees in 2009 and 2011. However, due to recent economic changes, the plan has been revised and the new hires have been postponed to 2011 and 2013. 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.



Capital Outlay

The Public Service Department operates an extensive array of vehicles and equipment that is used to perform work assignments. Every piece of machinery owned by the City has a predictable useable life span based on past experience and actual use conditions. When repair and maintenance costs begin to escalate and breakdowns increase, 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 piece. The overall guiding principle of the capital improvement program is to acquire the necessary equipment and facility upgrades to provide cost efficient and effective services to the community.

Created in 2007, 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 available in the service department.

In 2009, the department proposes purchasing two full-size dump trucks with snow plows and spreaders. These vehicles are proposed to replace current trucks #8 and #11, both 1997 Ford dump trucks that are nearing the end of their useable lives. After extensive cab rust and deterioration, as well as several mechanical failures in 2008, it was decided that replacing these vehicles is the most cost-effective measure to ensure reliable vehicles, especially during the Winter season. The old trucks can be sold for an acceptable market value. The expected life span of the new trucks would be up to 15 years. They will be purchased in 2009 for a budgeted amount of \$240,000. However, the equipment will be purchased using a 5-year lease purchase option. The first lease payment will be due in 2010.

The 2009 capital program also includes the second lease payment on the roadside mowing tractor and tandem axle dump truck purchased in 2008.

A proposal to replace leaf vacuum machine #71, a 1993 model, was originally proposed in 2007. Due to manufacturer problems and a cost increase that went above the budget limit, this purchase was canceled in that year and postponed. The leaf vacuum is being added to the 2010 requests in order to replace a 16 year old machine that is becoming unreliable as well as add the labor-saving option of an automated hose boom to improve efficiency of the leaf collection service. The old machine will either be traded in or sold outright. The new machine will have a life expectancy of 15 years. The leaf vacuum was scheduled for replacement in the 2009 budget but due to financial considerations is budgeted at \$45,000 for 2010. If the City receives unexpected revenue in 2009, this item will be considered for funding.

The following items will require replacement in the scheduled years and are projected costs in addition to any on-going equipment lease obligations:



2010:

- 1. 2 Small Dump Trucks with snowplows. Replace #32 and #34 (1997) \$120,000
- 2. Roadside Mowing Tractor. Replace #52 (1985) \$75,000

2011:

- 3. Skid Steer Loader w/ attachments. Replace #50 (1995) \$81,000

2012:

- 1. Medium Dump Truck with snowplow and spreader. Replace #33 (1999) \$110,000
- 2. 2 Utility Body Trucks with snowplows. Replace #13 and #16 (2000) \$90,000
- 3. Backhoe Loader replace #46 (1997) \$95,000

2013:

- 1. Large Dump Truck with snow plow and spreader. Replace #10 (1998) \$125,000
- 2. Front-End Loader. Replace #45 (1998) \$125,000
- 3. Aerial Bucket Truck. Replace #20 (1996) \$80,000

Smaller cost items such as tractor attachments and vehicle maintenance machinery are not included in this forecast due to difficulty in predicting time of need and time of actual replacement. There will be annual changes made to this list based on the condition of items under consideration for replacement at budget time, as well as changing needs of the Department. Costs estimates will be updated as well, in that experience has shown that steel costs, fuel costs, technological upgrades, and other factors cause radical spikes in the year-to-year pricing of these types of machinery.

Service Department Capital Request Summary					
	2009	2010	2011	2012	2013
Street Equipment Lease	\$42,000				
Backhoe				\$95,000	
Front-end Loader					\$125,000
Aerial Bucket Truck					\$80,000
Large Dump Truck	\$1	\$55,000	\$55,000	\$55,000	\$180,000
Medium Dump Truck				\$110,000	
Small Dump Truck		\$120,000			
Utility Body Truck				\$90,000	
Skid Steer Loader			\$81,000		
Leaf Collector		\$45,000			
Roadside Mowing Tractor	\$12,700	\$87,700	\$12,700	\$12,700	
Tandem Axle Dump Truck	\$33,900	\$33,900	\$33,900	\$33,900	
Total Service Department	\$702,951	\$994,350	\$902,600	\$1,132,600	\$1,016,000

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.

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.

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 \$90,000 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 2013.

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 approximately \$500,000 for the road repair program. The amount varies annually depending upon the actual streets scheduled for maintenance in a given year.

The City is beginning a 10-year rotation of maintenance that concentrates in specific areas each year. In 2009, the road program will include Berkshire Drive, Airlane Drive, and Westwood Drive. South Bedford Road will be resurfaced in 2010. The 2011 road program will include Bonnie Road, Bruce Road, Bradford Drive, Meadowlawn Drive, and Roseland Drive. Laurel Drive, Blueberry Lane, Barkdale Lane and Brookdale Lane will be included in the 2012 road program. In 2013, the city will resurface Deepwood Drive and Firestone Lane.



The Shepard/Richmond/Broadway/Ravenna 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. The project is currently estimated to cost approximately \$800,000. The project will be eligible for outside funding. The City currently estimates that its portion of the project costs would be between \$100,000 and \$125,000.

Summary of Projected Road Maintenance Expenditures					
	2009	2010	2011	2012	2013
Soft-spot Repairs	\$93,000	\$96,000	\$99,000	\$102,000	\$105,000
Crack Sealing	\$56,000	\$58,000	\$60,000	\$62,000	\$64,000
Annual Road Program	\$405,350	\$561,000	\$572,000	\$462,000	\$500,000
Total	\$554,350	\$715,000	\$731,000	\$626,000	\$669,000

Snow Removal (06B)

The City has committed \$250,000 annually to the purchase of road salt. Recent increases in the cost of salt have forced the city to review and update its salt usage policy to minimize future usage and stay within the \$250,000 budget limitation. The primary funding for salt purchases is included in the Vehicle License Tax fund and the State Highway Improvement fund.

Traffic Signals (06C)

The City pays all operating and maintenance costs associated with its system of traffic control devices.

Capital Outlay

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 required by regular light bulbs. 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. The emergency back-up will improve public safety by maintaining proper traffic control throughout the power outage. 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. Finally, 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. All intersection upgrades included in



the capital budget will have the new signalization. In 2010, we will continue the process of upgrading other intersections. If the City receives unexpected revenue, this item will be considered for inclusion in the 2009 budget.

Traffic Signal Capital Request Summary					
	2009	2010	2011	2012	2013
Traffic Light Battery Backup		\$30,000	\$30,000	\$30,000	\$30,000
Total	\$000	\$30,000	\$30,000	\$30,000	\$30,000

Equipment Maintenance (06D)

Operating

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.

Signs (06E)

The City produces the majority of its signs in house.

State Highway Improvement (12B)

The State Highway fund provides a funding source for road maintenance along state highways within the City's corporate limits. However, due to the limited size of the fund, its activities have been primarily limited to traffic sign and signalization and the purchase of snow removal materials (road salt).

STATE HIGHWAY IMPROVEMENT FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
State Shared Taxes							
State Gasoline Tax - Fund 60	\$22,577	\$18,320	\$22,700	\$23,400	\$24,100	\$24,800	\$25,500
State Gasoline Tax - Fund 68	\$12,054	\$16,510	\$16,000	\$16,500	\$17,000	\$17,500	\$18,000
<i>Subtotal State Shared Taxes</i>	\$34,631	\$34,830	\$38,700	\$39,900	\$41,100	\$42,300	\$43,500
Other Financing Sources							
Interest on Investments	\$3,154	\$3,677	\$3,600	\$3,700	\$3,800	\$3,900	\$4,000
Miscellaneous Revenue	\$534	\$855	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Uncollected Receivables at Year-end	(\$17)	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$3,671	\$4,532	\$5,100	\$5,200	\$5,300	\$5,400	\$5,500



<i>Total Revenues and Other Financing Sources</i>	\$38,302	\$39,362	\$43,800	\$45,100	\$46,400	\$47,700	\$49,000
Expenditures							
Operating Expenditures							
Snow Removal	\$0	\$48,000	\$76,000	\$20,000	\$20,000	\$20,000	\$25,000
Traffic Signals	\$11,670	\$19,131	\$20,600	\$21,200	\$21,800	\$22,500	\$23,200
<i>Subtotal Operating Expenditures</i>	\$11,670	\$67,131	\$96,600	\$41,200	\$41,800	\$42,500	\$48,200
<i>Total Expenditures and Other Financing Uses</i>	\$11,670	\$67,131	\$96,600	\$41,200	\$41,800	\$42,500	\$48,200
Excess of Revenues over (under) Expenditures	\$26,633	(\$27,769)	(\$52,800)	\$3,900	\$4,600	\$5,200	\$800
Beginning Cash Balance	\$57,276	\$83,909	\$56,140	\$3,340	\$7,240	\$11,840	\$17,040
Ending Cash Balance	\$83,909	\$56,140	\$3,340	\$7,240	\$11,840	\$17,040	\$17,840
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$83,909	\$56,140	\$3,340	\$7,240	\$11,840	\$17,040	\$17,840

Snow Removal (06B)

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 \$200,000 to \$250,000 in salt annually over the next five years. A portion of the City's salt purchases comes from this fund.

Traffic Signals (06C)

Traffic signage and signalization along State Route 8, and State Route 82 is repaired using this fund.

Parks and Recreation Fund (204)

The Parks and Recreation fund tracks expenditures for outdoor recreational programs and maintenance of the park properties. 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. Transfers from the General fund are required to make up the balance.

PARKS AND RECREATION FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Charges for Services	\$131,699	\$130,250	\$170,000	\$160,300	\$165,100	\$170,100	\$175,200
Miscellaneous Revenue	\$32,331	\$23,270	\$28,500	\$29,400	\$30,300	\$31,200	\$32,100
Fines Licenses and Permits	\$225	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$168,000	\$222,000	\$250,000	\$600,000	\$590,000	\$590,000	\$525,000



Uncollected Receivables at Year-end	(\$37)	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total Revenues and Other Financing Sources</i>	\$332,218	\$375,520	\$448,500	\$789,700	\$785,400	\$791,300	\$732,300
Expenditures							
Personnel Expenditures							
Recreation Programs	\$70,942	\$81,329	\$80,300	\$130,674	\$130,390	\$134,752	\$139,272
Provide and Maintain Parks	\$174,134	\$246,213	\$237,600	\$268,764	\$269,400	\$359,500	\$373,900
<i>Subtotal Personnel Expenditures</i>	\$245,075	\$327,542	\$317,900	\$399,438	\$399,790	\$494,252	\$513,172
Operating Expenditures							
Recreation Programs	\$72,533	\$45,959	\$41,200	\$42,400	\$43,700	\$45,000	\$46,400
Provide and Maintain Parks	\$84,758	\$93,377	\$84,000	\$86,500	\$89,100	\$91,800	\$94,600
<i>Subtotal Operating Expenditures</i>	\$157,291	\$139,336	\$125,200	\$128,900	\$132,800	\$136,800	\$141,000
Capital Outlay							
Recreation Programs	\$37,694	\$985	\$0	\$100,000	\$105,000	\$130,000	\$60,000
Provide and Maintain Parks	\$0	\$0	\$0	\$163,500	\$145,500	\$30,000	\$18,000
<i>Subtotal Capital Outlay</i>	\$37,694	\$985	\$0	\$263,500	\$250,500	\$160,000	\$78,000
<i>Total Expenditures and Other Financing Uses</i>	\$440,060	\$467,863	\$443,100	\$791,838	\$783,090	\$791,052	\$732,172
Excess of Revenues over (under) Expenditures	(\$107,842)	(\$92,343)	\$5,400	(\$2,138)	\$2,310	\$248	\$128
Beginning Cash Balance	\$212,247	\$104,406	\$6,063	\$11,463	\$9,325	\$11,635	\$11,883
Ending Cash Balance	\$104,406	\$12,063	\$11,463	\$9,325	\$11,635	\$11,883	\$12,011
<i>Estimated Encumbrances December 31</i>	\$5,364	\$6,000	\$0	\$0	\$0	\$0	\$0
Unencumbered Fund Balance December 31	\$99,042	\$6,063	\$11,463	\$9,325	\$11,635	\$11,883	\$12,011

Recreation Programs (03A)

Capital Outlay

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.

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).

Provide and Maintain Parks (03B)

Personnel

Park maintenance staff has 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 2012. The second hire will be addressed in future updates to this plan.

Operating

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.

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.

Capital Outlay

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. The mower is scheduled for the 2010 budget year.

The Parks Division operates #57, a 1999 Pug utility vehicle that is used for numerous seasonal maintenance jobs around Longwood Park. The vehicle has a small dump body for hauling materials and supplies, and a snow plow for clearing the walkways by the Recreation Center in the Winter. With close to 11 years of service, the vehicle is in need of replacement with a heavier-duty machine that also will have a utility dump box on it, as well as the additional capabilities of a loader in front that can handle the same attachments as our skid steer loaders. This will enable us to perform more tasks with the machine, such as trail and parking lot repair, loading and spreading materials, and pushing up snow piles in the Winter. Attachments can be added to the machine in the future, thus improving on the versatility of the unit. The utility vehicle is budgeted at \$45,000 and included in the 2010 forecast.

Trailer #79 is a 1990 equipment trailer used to haul mowing and landscaping equipment for the Parks Division. After 19 years of service, close inspection shows the need to replace the trailer with a new one of the same configuration. The life span of the new trailer will be a minimum of 15 years. The purchase of the landscape trailer is scheduled for 2010 and 2011 at a cost of \$6,500 for each year.

The department plans to replace the large area mower #58 that was purchased in 1997. The plan calls for replacement in 2010 at a cost of \$55,000. The department's pick-up truck #42 is also scheduled for replacement in 2010. The pick-up truck with necessary snow plow attachments is expected to cost \$41,000.

The planned park purchases for 2011 through 2013 are summarized as follows:

2011 Parks:

- | | | | |
|----|---|--------------------|----------|
| 1. | Small Tractor with cab, loader, and aerator | Replace #56 (1998) | \$58,000 |
| 2. | Skid Steer Loader | \$81,000 | |

2012 Parks:

- | | | |
|----|---|----------|
| 1. | L.E.D. Signboard for Longwood or Memorial Park. | \$30,000 |
|----|---|----------|

2013 Parks:

- | | | |
|----|---------------------------------------|----------|
| 1. | Mower - Parks Div. Replace #63 (2006) | \$18,000 |
|----|---------------------------------------|----------|

Family Recreation Center Fund (205)

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 City began making debt payments directly from the Family Recreation Center fund in 2008. This change eliminates the transfers-out and tracks these expenditures directly in this fund. Beginning in 2009, the debt payments on the recreation



center will increase by approximately \$325,000 per year. The fund has prepared for this by adding to its available fund balance in anticipation of the higher debt service that begins this year. The fund will be able to make all debt payments and pay for all operating expenses through 2013 and is expected to have a positive fund balance following final payment of its debt obligation in 2016.

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.

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 family interactive features (\$125,000) to transform the facility from a fitness only concept to a "community center" atmosphere. These improvements will include interactive spaces for kids, family-oriented features and common areas that appeal to the majority. In 2009, the department plans to fill in part of the open space to provide additional floor area for workout facilities and expand the children's play area (\$159,000). The project will also improve the access to the second floor. In 2011, the department is planning to install an indoor tot-room playground facility (\$33,000).

FAMILY RECREATION CENTER FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Local Income Taxes							
Individual	\$0	\$0	\$134,900	\$120,821	\$123,237	\$125,702	\$128,216
Net Profits	\$0	\$0	\$112,500	\$112,500	\$112,500	\$112,500	\$112,500
Withholding	\$0	\$0	\$694,800	\$692,109	\$705,951	\$720,070	\$734,471
Retainer Refund	\$0	\$0	\$12,400	\$11,579	\$12,166	\$12,032	\$12,054
<i>Subtotal Income Taxes</i>	\$0	\$0	\$954,600	\$937,008	\$953,854	\$970,304	\$987,242
Other Financing Sources							
Charges for Services	\$838,691	\$817,489	\$899,000	\$917,000	\$935,300	\$954,000	\$973,100
Miscellaneous Revenue	\$8,400	\$900	\$900	\$900	\$900	\$900	\$900
Suspended Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$902,875	\$956,900	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$1,749,966	\$1,775,289	\$899,900	\$917,900	\$936,200	\$954,900	\$974,000
<i>Total Revenues and Other Financing Sources</i>	\$1,749,966	\$1,775,289	\$1,854,500	\$1,854,908	\$1,890,054	\$1,925,204	\$1,961,242
Expenditures							



Personnel Expenditures							
Family Recreation Center	\$660,000	\$694,743	\$771,900	\$795,057	\$818,909	\$843,476	\$868,780
<i>Subtotal Personnel Expenditures</i>	\$660,000	\$694,743	\$771,900	\$795,057	\$818,909	\$843,476	\$868,780
Operating Expenditures							
Family Recreation Center	\$430,000	\$443,016	\$480,100	\$456,691	\$465,588	\$474,485	\$483,382
<i>Subtotal Operating Expenditures</i>	\$430,000	\$443,016	\$480,100	\$456,691	\$465,588	\$474,485	\$483,382
Other Financing Uses							
Capital Outlay	\$0	\$44,000	\$158,000	\$266,000	\$178,000	\$281,000	\$84,000
Redemption of Principal	\$0	\$170,619	\$507,400	\$502,607	\$527,937	\$543,053	\$545,683
Payment of Interest	\$0	\$208,934	\$196,500	\$174,909	\$154,572	\$133,070	\$133,070
Transfers-Out	\$378,600	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Uses</i>	\$378,600	\$423,553	\$861,900	\$943,516	\$860,508	\$957,123	\$762,753
<i>Total Expenditures and Other Financing Uses</i>	\$1,468,600	\$1,561,312	\$2,113,900	\$2,195,264	\$2,145,005	\$2,275,084	\$2,114,915
Excess of Revenues over (under) Expenditures	\$281,366	\$213,977	(\$259,400)	(\$340,356)	(\$254,951)	(\$349,880)	(\$153,674)
Beginning Cash Balance	\$1,020,893	\$1,302,259	\$1,516,236	\$1,256,836	\$916,480	\$661,529	\$311,649
Ending Cash Balance	\$1,302,259	\$1,516,236	\$1,256,836	\$916,480	\$661,529	\$311,649	\$157,975
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unencumbered Fund Balance December 31	\$1,302,259	\$1,516,236	\$1,256,836	\$916,480	\$661,529	\$311,649	\$157,975

Family Recreation Center (03D)

Personnel

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.

Capital Outlay

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.

In 2009, the department is requesting improvements to the handicap parking (\$25,000). The City is also looking into possible funding sources for this project including a federal Community Development Block Grant.



The department has been planning on improvements to the Recreation Center to fill in the second floor to create additional usable space and accommodate the center's future needs. Plans and specifications will be prepared in 2009 for approximately \$20,000. Construction costs will be in the 2010 budget and are expected to be approximately \$190,000.

The Recreation Center, City Hall, Service Garages and Longwood Park Barns all require regular maintenance. Interior and exterior maintenance line-items are included as part of the 2009 Recreation Center budget to maintain the facilities. An allocation for interior and exterior maintenance is included in each year of the plan.

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. These items are included in every year of the plan.

The department's 2009 requests include security cameras for \$30,000 and replacing the pool chair lift for \$10,000.

Once the second floor expansion project has been completed in 2010, the department plans to expand the existing locker rooms. Plans and specifications for the expansion will be included in the 2011 budget at a cost of \$25,000. The locker room construction will be completed in 2012 for \$200,000.

Parks and Recreation Trust Fund (206)

The Parks and Recreation Trust fund accounts for proceeds from the City's concession agreement with 2-Club Golf. 2-Club Golf manages the operations of a 27 hole short-course golf facility with a driving range. The concessionaire agreement initially provided the City with various land improvements for the creation of soccer fields and the golf courses. After two years the agreement provides for monthly cash payments to the city based upon gross revenues of the facility. The agreement was recently amended by ordinance to provide for a percentage concessionaire fee equal to 12% of total gross revenue.

Provide and Maintain Parks (03B)

Operating

This plan proposes spending approximately \$20,000 per year (adjusted for inflation) on field maintenance.

PARK AND RECREATION TRUST FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Other Financing Sources							
2-Club Golf Contract	\$61,800	\$53,600	\$33,600	\$34,600	\$35,600	\$36,700	\$37,800
Adjustment for Non-Cash	(\$60,000)	(\$15,000)	\$0	\$0	\$0	\$0	\$0



Revenue							
<i>Subtotal Other Financing Sources</i>	\$1,800	\$38,600	\$33,600	\$34,600	\$35,600	\$36,700	\$37,800
<i>Total Revenues and Other Financing Sources</i>	\$1,800	\$38,600	\$33,600	\$34,600	\$35,600	\$36,700	\$37,800
Expenditures							
Personnel Expenditures							
Provide and Maintain Parks	\$0	\$0	\$9,000	\$9,270	\$9,548	\$9,835	\$10,130
<i>Subtotal Personnel Expenditures</i>	\$0	\$0	\$9,000	\$9,270	\$9,548	\$9,835	\$10,130
Operating Expenditures							
Provide and Maintain Parks	\$0	\$10,000	\$20,000	\$20,600	\$21,200	\$21,800	\$22,500
<i>Total Expenditures and Other Financing Uses</i>	\$0	\$10,000	\$29,000	\$29,870	\$30,748	\$31,635	\$32,630
Excess of Revenues over (under) Expenditures	\$1,800	\$28,600	\$4,600	\$4,730	\$4,852	\$5,065	\$5,170
Beginning Cash Balance	\$10,000	\$11,800	\$40,400	\$45,000	\$49,730	\$54,582	\$59,647
Ending Cash Balance	\$11,800	\$40,400	\$45,000	\$49,730	\$54,582	\$59,647	\$64,817
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$11,800	\$40,400	\$45,000	\$49,730	\$54,582	\$59,647	\$64,817

Nordonia Hills Homedays Fund (207)

This fund accounts for receipts, donations and expenditures related to the annual community festival and fireworks show.

NORDONIA HILLS HOME DAYS FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Other Financing Sources							
Miscellaneous Receipts and Donations	\$8,500	\$0	\$16,000	\$16,500	\$17,000	\$17,500	\$18,000
Transfer from General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$8,500	\$0	\$16,000	\$16,500	\$17,000	\$17,500	\$18,000
<i>Total Revenues and Other Financing Sources</i>	\$8,500	\$0	\$16,000	\$16,500	\$17,000	\$17,500	\$18,000
Expenditures							
Operating Expenditures							
Recreation Programs	\$14,343	\$0	\$16,000	\$16,500	\$17,000	\$17,500	\$18,000
<i>Total Expenditures and Other Financing Uses</i>	\$14,343	\$0	\$16,000	\$16,500	\$17,000	\$17,500	\$18,000
Excess of Revenues over (under) Expenditures	(\$5,843)	\$0	\$0	\$0	\$0	\$0	\$0



Beginning Cash Balance	\$6,062	\$219	\$219	\$219	\$219	\$219	\$219
Ending Cash Balance	\$219	\$219	\$219	\$219	\$219	\$219	\$219
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$219	\$219	\$219	\$219	\$219	\$219	\$219

Water Maintenance and Repair (210)

WATER MAINTENANCE AND EXPANSION FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Other Financing Sources							
Charges for Services	\$117,708	\$108,013	\$111,200	\$114,500	\$117,900	\$121,400	\$125,000
Miscellaneous Revenue	\$19,263	\$16,035	\$16,500	\$17,000	\$17,500	\$18,000	\$18,500
Fines Licenses and Permits	\$1,540	\$2,020	\$0	\$100	\$100	\$100	\$100
Uncollected Receivables at Year-end	(\$36,158)	(\$40,000)	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$102,353	\$86,068	\$127,700	\$131,600	\$135,500	\$139,500	\$143,600
<i>Total Revenues and Other Financing Sources</i>	\$102,353	\$86,068	\$127,700	\$131,600	\$135,500	\$139,500	\$143,600
Expenditures							
Operating Expenditures							
Fire Prevention and Inspections	\$4,623	\$0	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Water Works	\$37,452	\$87,119	\$95,000	\$92,400	\$95,200	\$98,100	\$101,000
Current Liabilities at Year-end	(\$190)	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Operating Expenditures</i>	\$41,885	\$87,119	\$125,000	\$122,400	\$125,200	\$128,100	\$131,000
Other Financing Uses							
Transfers to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Uses</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$41,885	\$87,119	\$125,000	\$122,400	\$125,200	\$128,100	\$131,000
Excess of Revenues over (under) Expenditures	\$60,468	(\$1,051)	\$2,700	\$9,200	\$10,300	\$11,400	\$12,600
Beginning Cash Balance	(\$19,049)	\$41,419	\$40,368	\$43,068	\$52,268	\$62,568	\$73,968
Ending Cash Balance	\$41,419	\$40,368	\$43,068	\$52,268	\$62,568	\$73,968	\$86,568
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$41,419	\$40,368	\$43,068	\$52,268	\$62,568	\$73,968	\$86,568

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.



Fire Prevention and Inspections (01C)

The City planned to begin the process upgrading all of its fire hydrants with Stortz fittings beginning in 2008. 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. The first year of the program was put on hold due to economic conditions. The City will begin the program in 2009 if feasible and continue to allocate \$30,000 annually until all fire hydrants in the City are converted.

Water Works (05A)

Operating expenses for the fund are related to the collection of the fees, routine maintenance of all City fire hydrants, and line maintenance expenses. Routine line maintenance is provided by the City of Cleveland Division of Water but is often performed by the City and reimbursed by Cleveland Water.

Fire Operating Levy Fund (211)

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 and beginning in 2009 will support the costs of three additional firefighters. Expenditures in this fund reduce the fire personnel costs being charged to the General fund. The current levy was approved by voters in 2008 and has a stated rate of 1.0 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.

FIRE OPERATING LEVY FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Local Taxes							
General Property Tax (Real Estate)	\$75,780	\$75,091	\$407,000	\$413,000	\$419,000	\$425,000	\$431,000
Tangible Personal Property Tax	\$29,041	\$23,227	\$0	\$0	\$0	\$0	\$0
Trailer Tax	\$40	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Local Taxes</i>	\$104,861	\$98,318	\$407,000	\$413,000	\$419,000	\$425,000	\$431,000
State Shared Taxes							
CAT Personal Property Tax Reimbursement	\$19,249	\$11,608	\$0	\$0	\$0	\$0	\$0
Homestead Rollback	\$5,968	\$7,020	\$40,000	\$41,000	\$42,000	\$43,000	\$44,000
Public Utility Reimbursement	\$5,675	\$5,675	\$0	\$0	\$0	\$0	\$0
<i>Subtotal State Shared Taxes</i>	\$30,892	\$24,303	\$40,000	\$41,000	\$42,000	\$43,000	\$44,000



<i>Total Revenues and Other Financing Sources</i>	\$135,753	\$122,621	\$447,000	\$454,000	\$461,000	\$468,000	\$475,000
Expenditures							
Personnel Expenditures							
Fire Pension	\$132,448	\$175,591	\$245,000	\$150,000	\$150,000	\$100,000	\$100,000
Fire Prevention and Inspections	\$0	\$0	\$178,500	\$319,468	\$332,093	\$345,330	\$359,217
<i>Subtotal Personnel Expenditures</i>	\$132,448	\$175,591	\$423,500	\$469,468	\$482,093	\$445,330	\$459,217
Operating Expenditures							
Legal Fees	\$975	\$0	\$0	\$0	\$0	\$0	\$0
Auditor's Deductions	\$2,062	\$6,275	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600
<i>Subtotal Operating Expenditures</i>	\$3,037	\$6,275	\$2,200	\$2,300	\$2,400	\$2,500	\$2,600
<i>Total Expenditures and Other Financing Uses</i>	\$135,485	\$181,866	\$425,700	\$471,768	\$484,493	\$447,830	\$461,817
Excess of Revenues over (under) Expenditures	\$268	(\$59,245)	\$21,300	(\$17,768)	(\$23,493)	\$20,170	\$13,183
Beginning Cash Balance	\$81,704	\$81,972	\$22,727	\$44,027	\$26,259	\$2,766	\$22,936
Ending Cash Balance	\$81,972	\$22,727	\$44,027	\$26,259	\$2,766	\$22,936	\$36,119
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unencumbered Fund Balance December 31	\$81,972	\$22,727	\$44,027	\$26,259	\$2,766	\$22,936	\$36,119

Fire Prevention and Inspections (01C)

Personnel

Prior to passage of the levy replacement in 2008 (scheduled for collection beginning in 2009), this fund subsidized the general fund expenditures on fire department pension costs. With the passage of the levy, the City promised to hire three additional firefighters. The costs associated with these three new employees will be taken out of this fund over the next five years.

Auditor's Deductions (07V)

Operating

These are deductions related to collection of the Fire Operating Levy.

Vehicle License Tax Fund (212)

The Vehicle License Tax fund records the revenue from the local portion of the state motor vehicle license tax. Money collected from this tax must be spent on roads. The City primarily uses the license tax to fund salt purchases.

VEHICLE LICENSE TAX FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013



Revenues							
Local Taxes							
Vehicle License Tax	\$96,868	\$102,881	\$114,200	\$121,059	\$127,919	\$134,779	\$141,638
<i>Subtotal Local Taxes</i>	\$96,868	\$102,881	\$114,200	\$121,059	\$127,919	\$134,779	\$141,638
Other Financing Sources							
Interest on Investments	\$2,008	\$1,093	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<i>Subtotal Other Financing Sources</i>	\$2,008	\$1,093	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<i>Total Revenues and Other Financing Sources</i>	\$98,876	\$103,975	\$115,200	\$122,059	\$128,919	\$135,779	\$142,638
Expenditures							
Operating Expenditures							
Snow Removal	\$76,091	\$150,000	\$123,000	\$125,000	\$125,000	\$135,000	\$145,000
<i>Subtotal Operating Expenditures</i>	\$76,091	\$150,000	\$123,000	\$125,000	\$125,000	\$135,000	\$145,000
<i>Total Expenditures and Other Financing Uses</i>	\$76,091	\$150,000	\$123,000	\$125,000	\$125,000	\$135,000	\$145,000
Excess of Revenues over (under) Expenditures	\$22,785	(\$46,025)	(\$7,800)	(\$2,941)	\$3,919	\$779	(\$2,362)
Beginning Cash Balance	\$39,075	\$61,860	\$15,835	\$8,035	\$5,094	\$9,013	\$9,792
Ending Cash Balance	\$61,860	\$15,835	\$8,035	\$5,094	\$9,013	\$9,792	\$7,430
<i>Estimated Encumbrances December 31</i>	\$13,909	\$0	\$0	\$0	\$0	\$0	\$0
Unencumbered Fund Balance December 31	\$47,951	\$15,835	\$8,035	\$5,094	\$9,013	\$9,792	\$7,430

Snow Removal (06B)

Each year, the City budgets approximately \$200,000 for the purchase of road salt. Approximately 60% to 70% of the City's road salt is purchased through the Vehicle License Tax fund. Capital Outlay

Police Pension Fund (213)

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 Ohio Police and Fire 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.

POLICE PENSION FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Local Taxes							
General Property Tax (Real Estate)	\$107,714	\$109,318	\$110,900	\$112,168	\$113,620	\$115,072	\$116,525
Tangible Personal Property Tax	\$10,890	\$5,000	\$2,500	\$0	\$0	\$0	\$0



Trailer Tax	\$29	\$25	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Local Taxes</i>	\$118,633	\$114,343	\$113,400	\$112,168	\$113,620	\$115,072	\$116,525
State Shared Taxes							
CAT Personal Property Tax Reimbursement	\$7,219	\$8,000	\$4,200	\$0	\$0	\$0	\$0
Homestead Rollback	\$10,219	\$12,164	\$10,900	\$11,208	\$11,538	\$11,869	\$11,870
Public Utility Reimbursement	\$2,128	\$2,128	\$1,000	\$538	\$8	\$0	\$0
<i>Subtotal State Shared Taxes</i>	\$19,566	\$22,292	\$16,100	\$11,746	\$11,546	\$11,869	\$11,870
<i>Total Revenues and Other Financing Sources</i>	\$138,199	\$136,635	\$129,500	\$123,914	\$125,167	\$126,941	\$128,394
Expenditures							
Personnel Expenditures							
Police Law Enforcement	\$121,171	\$159,663	\$150,000	\$120,000	\$125,000	\$125,000	\$125,000
<i>Subtotal Personnel Expenditures</i>	\$121,171	\$159,663	\$150,000	\$120,000	\$125,000	\$125,000	\$125,000
Operating Expenditures							
Auditor's Deductions	\$1,990	\$2,049	\$2,000	\$2,050	\$2,100	\$2,150	\$2,200
<i>Subtotal Operating Expenditures</i>	\$1,990	\$2,049	\$2,000	\$2,050	\$2,100	\$2,150	\$2,200
<i>Total Expenditures and Other Financing Uses</i>	\$123,161	\$161,712	\$152,000	\$122,050	\$127,100	\$127,150	\$127,200
Excess of Revenues over (under) Expenditures	\$15,038	(\$25,078)	(\$22,500)	\$1,864	(\$1,933)	(\$209)	\$1,194
Beginning Cash Balance	\$36,425	\$51,463	\$26,385	\$3,885	\$5,750	\$3,816	\$3,607
Ending Cash Balance	\$51,463	\$26,385	\$3,885	\$5,750	\$3,816	\$3,607	\$4,801
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unencumbered Fund Balance December 31	\$51,463	\$26,385	\$3,885	\$5,750	\$3,816	\$3,607	\$4,801

Police Law Enforcement (01A)

Proceeds from the police pension levy are used to reduce general fund expenditures related to the employer portion of police pension costs.

Auditor's Deductions (07V)

These are deductions related to collection of the Fire Operating Levy.

Drug Law Enforcement (216)

This fund accounts for money received from drug fines and forfeited bonds to be used only for drug investigations and related expenses. Each year, the City appropriates the full beginning fund balance. Actual expenditures are determined by the funds restrictions. The City primarily uses this fund for training and operating supply expenses related to the canine unit.

DRUG LAW ENFORCEMENT FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013



Revenues							
Mayor's Court	\$500	\$5,392	\$2,700	\$2,864	\$3,652	\$3,072	\$3,196
<i>Total Revenues and Other Financing Sources</i>	\$500	\$5,392	\$2,700	\$2,864	\$3,652	\$3,072	\$3,196
Expenditures							
Operating Expenditures							
Police Law Enforcement	\$13,006	\$520	\$5,800	\$2,793	\$2,864	\$3,652	\$3,072
<i>Subtotal Operating Expenditures</i>	\$13,006	\$520	\$5,800	\$2,793	\$2,864	\$3,652	\$3,072
<i>Total Expenditures and Other Financing Uses</i>	\$13,006	\$520	\$5,800	\$2,793	\$2,864	\$3,652	\$3,072
Excess of Revenues over (under) Expenditures	(\$12,506)	\$4,872	(\$3,100)	\$71	\$788	(\$580)	\$124
Beginning Cash Balance	\$13,527	\$1,021	\$5,893	\$2,793	\$2,864	\$3,652	\$3,072
Ending Cash Balance	\$1,021	\$5,893	\$2,793	\$2,864	\$3,652	\$3,072	\$3,196
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unencumbered Fund Balance December 31	\$1,021	\$5,893	\$2,793	\$2,864	\$3,652	\$3,072	\$3,196

Law Enforcement Education Fund (217)

This fund accounts for money received from fines related to convictions. The money can only be used for education of law enforcement personnel. Each year, the City appropriates the full beginning fund balance. Actual expenditures are determined by the funds restrictions.

LAW ENFORCEMENT EDUCATION FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Mayor's Court	\$283	\$693	\$500	\$492	\$562	\$518	\$524
<i>Total Revenues and Other Financing Sources</i>	\$283	\$693	\$500	\$492	\$562	\$518	\$524
Expenditures							
Operating Expenditures							
Police Law Enforcement	\$2,083	\$1,600	\$8,500	\$625	\$492	\$562	\$518
<i>Subtotal Operating Expenditures</i>	\$2,083	\$1,600	\$8,500	\$625	\$492	\$562	\$518
<i>Total Expenditures and Other Financing Uses</i>	\$2,083	\$1,600	\$8,500	\$625	\$492	\$562	\$518
Excess of Revenues over (under) Expenditures	(\$1,800)	(\$907)	(\$8,000)	(\$133)	\$70	(\$44)	\$6
Beginning Cash Balance	\$11,332	\$9,532	\$8,625	\$625	\$492	\$562	\$518
Ending Cash Balance	\$9,532	\$8,625	\$625	\$492	\$562	\$518	\$524
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unencumbered Fund Balance December 31	\$9,532	\$8,625	\$625	\$492	\$562	\$518	\$524



CDBG Grant Fund (218)

This fund accounts for revenues received from the federal government and City matching funds as well as expenditures made as proscribed under the Community Development Block Grant Program. The County administers most CDBG programs in Macedonia. This fund remains active to track expenditures and revenue of any unanticipated future grants. Future applications include upgrading ramps at roadway intersections to make them ADA compliant.

DARE Program Fund (219)

This fund accounts for monies used for drug abuse resistance education in the schools. This program is currently inactive but a modest fund balance remains from prior years.

Mayor's Court Computer Fund (220)

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.

The police department's mainframe computer system, including replacement of most of the in-house computer system, will be performed in 2010. The computers that make up the system were originally purchased in 2003 and will require updating. The department proposes replacing the desktop units in 2010 to maintain compatibility of the entire system. Part of the cost of this upgrade will be paid through the general fund.

MAYOR'S COURT COMPUTER FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Fines Licenses and Permits	\$12,636	\$11,559	\$11,900	\$12,100	\$12,300	\$12,500	\$12,800
<i>Subtotal Local Taxes</i>	\$12,636	\$11,559	\$11,900	\$12,100	\$12,300	\$12,500	\$12,800
<i>Total Revenues and Other Financing Sources</i>	\$12,636	\$11,559	\$11,900	\$12,100	\$12,300	\$12,500	\$12,800
Expenditures							
Operating Expenditures							
Computer Maintenance and Upgrades	\$7,028	\$9,008	\$14,400	\$10,000	\$10,000	\$10,000	\$10,000
Capital Outlay for Equipment	\$6,277	\$6,330	\$11,200	\$11,000	\$3,000	\$3,000	\$3,000
<i>Total Expenditures and Other Financing Uses</i>	\$13,305	\$15,338	\$25,600	\$21,000	\$13,000	\$13,000	\$13,000
Excess of Revenues over (under) Expenditures	(\$669)	(\$3,779)	(\$13,700)	(\$8,900)	(\$700)	(\$500)	(\$200)
Beginning Cash Balance	\$29,788	\$29,119	\$25,339	\$11,639	\$2,739	\$2,039	\$1,539
Ending Cash Balance	\$29,119	\$25,339	\$11,639	\$2,739	\$2,039	\$1,539	\$1,339
<i>Estimated Encumbrances</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0



December 31							
Unencumbered Fund Balance December 31	\$29,119	\$25,339	\$11,639	\$2,739	\$2,039	\$1,539	\$1,339

FAIR Program Fund (221)

Council has designated by ordinance that a portion of the EMS billing fees collected by the City be designated for fire safety education. The FAIR fund tracks the revenue and expenditures related to fire safety education. Each year, the City appropriates the full beginning fund balance.

FAIR FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Fire Prevention and Inspections	\$17,606	\$16,741	\$17,500	\$17,282	\$17,174	\$17,319	\$17,259
<i>Total Revenues and Other Financing Sources</i>	\$17,606	\$16,741	\$17,500	\$17,282	\$17,174	\$17,319	\$17,259
Expenditures							
Operating Expenditures							
Fire Prevention and Inspections	\$9,709	\$9,934	\$18,900	\$19,786	\$17,282	\$17,174	\$17,319
<i>Subtotal Operating Expenditures</i>	\$9,709	\$9,934	\$18,900	\$19,786	\$17,282	\$17,174	\$17,319
<i>Total Expenditures and Other Financing Uses</i>	\$9,709	\$9,934	\$18,900	\$19,786	\$17,282	\$17,174	\$17,319
Excess of Revenues over (under) Expenditures	\$7,897	\$6,807	(\$1,400)	(\$2,504)	(\$108)	\$144	(\$60)
Beginning Cash Balance	\$6,482	\$14,379	\$21,186	\$19,786	\$17,282	\$17,174	\$17,319
Ending Cash Balance	\$14,379	\$21,186	\$19,786	\$17,282	\$17,174	\$17,319	\$17,259
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unencumbered Fund Balance December 31	\$14,379	\$21,186	\$19,786	\$17,282	\$17,174	\$17,319	\$17,259

Sub-Division Tree Fund (223)

Developers are required to plant street trees in all new developments. This fund accounts for deposits made by developers for the installation of shade trees upon completion of all subdivision construction. Each year, the City appropriates the full beginning fund balance. Actual expenditures are determined by the progress and completion of residential developments.

SUB-DIVISION TREE FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Fines, Licenses and Permits	\$15,650	\$0	\$16,500	\$10,717	\$9,072	\$12,096	\$10,628
<i>Total Revenues and Other Financing Sources</i>	\$15,650	\$0	\$16,500	\$10,717	\$9,072	\$12,096	\$10,628



Expenditures							
Operating Expenditures							
Service Department	\$958	\$33,885	\$40,000	\$20,101	\$10,717	\$9,072	\$12,096
<i>Subtotal Operating Expenditures</i>	\$958	\$33,885	\$40,000	\$20,101	\$10,717	\$9,072	\$12,096
<i>Total Expenditures and Other Financing Uses</i>	\$958	\$33,885	\$40,000	\$20,101	\$10,717	\$9,072	\$12,096
Excess of Revenues over (under) Expenditures	\$14,692	(\$33,885)	(\$23,500)	(\$9,384)	(\$1,644)	\$3,024	(\$1,468)
Beginning Cash Balance	\$62,794	\$77,486	\$43,601	\$20,101	\$10,717	\$9,072	\$12,096
Ending Cash Balance	\$77,486	\$43,601	\$20,101	\$10,717	\$9,072	\$12,096	\$10,628
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unencumbered Fund Balance December 31	\$77,486	\$43,601	\$20,101	\$10,717	\$9,072	\$12,096	\$10,628

Wireless 911 Fund (224)

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 set forth in O.R.C. 4931.65(A) and (B). These purposes include 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. The City has fully reimbursed itself for the capital costs associated with the service.

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.

WIRELESS E911 FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Wireless E911 Fees	\$21,289	\$27,022	\$28,800	\$29,400	\$30,000	\$30,600	\$31,200
<i>Total Revenues and Other Financing Sources</i>	\$21,289	\$27,022	\$28,800	\$29,400	\$30,000	\$30,600	\$31,200
Expenditures							
Personnel Expenditures							
Police Law Enforcement	\$0	\$0	\$50,000	\$30,000	\$30,000	\$30,000	\$30,000
<i>Subtotal Personnel Expenditures</i>	\$0	\$0	\$50,000	\$30,000	\$30,000	\$30,000	\$30,000



Operating Expenditures							
Transfer to Capital Fund	\$25,100	\$25,052	\$0	\$0	\$0	\$0	\$0
Capital Outlay for Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Operating Expenditures</i>	\$25,100	\$25,052	\$0	\$0	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$25,100	\$25,052	\$50,000	\$30,000	\$30,000	\$30,000	\$30,000
Excess of Revenues over (under) Expenditures	(\$3,811)	\$1,970	(\$21,200)	(\$600)	\$0	\$600	\$1,200
Beginning Cash Balance	\$25,109	\$21,298	\$23,269	\$2,069	\$1,469	\$1,469	\$2,069
Ending Cash Balance	\$21,298	\$23,269	\$2,069	\$1,469	\$1,469	\$2,069	\$3,269
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$21,298	\$23,269	\$2,069	\$1,469	\$1,469	\$2,069	\$3,269

Petroleum UST Fund (225)

This fund holds the \$11,000 deposit that must be maintained by the City due to its operation of underground petroleum storage tanks. There are no planned expenditures from this fund and the City does not anticipate needing to set-aside additional funds over the next 5 years.

Tax Increment Financing Fund (250)

This fund records the financial activity of the Mary Maria senior development on Valley View Road. The City entered into a TIF agreement to fund the construction of a connecting road between Valley View Road and State Route 82. Construction of the Summit Pointe facility was completed in 2008 and is currently occupied. Construction of the road connecting Valley View Road and State Route 82 will be completed in late 2008. No activity is currently planned for this fund in 2009.

Federal Fire Grant Fund (260)

This fund records the financial activity related to federal grants received for fire prevention and fire safety operations. The Fund was established in 2008 to track the activity on a Federal Emergency Management Agency grant for radio communication upgrades. The City does not anticipate any new activity in this fund in 2009.

General Obligation Bond Retirement Fund (301)

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 (302)

SPECIAL ASSESSMENT BOND RETIREMENT FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Special Assessments	\$169,754	\$ 171,993	\$ 197,200	\$ 192,999	\$ 280,327	\$ 283,165	\$ 281,542
Transfer from Project Funds	\$0	\$0	\$213,250	\$0	\$0	\$0	\$0
Transfer from Capital	\$29,169	\$30,089	\$12,400	\$0	\$0	\$0	\$0
Transfer from General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$198,923	\$0	\$21,000	\$26,000	\$110,000	\$110,000	\$110,000
<i>Total Revenues and Other Financing Sources</i>	\$198,923	\$202,082	\$443,850	\$218,999	\$390,327	\$393,165	\$391,542
Expenditures		\$202,082	\$443,850	\$218,999	\$390,327	\$393,165	\$391,542
Auditor's Deductions	\$8,598						
Special Assessment Debt Service	\$194,681	\$7,443	\$8,200	\$7,443	\$7,443	\$7,443	\$7,443
<i>Total Expenditures and Other Financing Uses</i>	\$203,278	\$0	\$3,000	\$0	\$0	\$0	\$0
Excess of Revenues over (under) Expenditures	(\$4,355)	\$193,817	\$432,800	\$215,091	\$382,353	\$385,674	\$383,784
Beginning Cash Balance	\$4,355	\$201,260	\$441,000	\$222,534	\$389,796	\$393,117	\$391,227
Ending Cash Balance	(\$0)	\$822	\$2,850	(\$3,536)	\$531	\$48	\$315
<i>Estimated Encumbrances December 31</i>	\$0	(\$0)	\$822	\$3,672	\$136	\$668	\$715
<i>Unencumbered Fund Balance December 31</i>	(\$0)	\$822	\$3,672	\$136	\$668	\$715	\$1,030

As of the end of 2008, 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. The City tracks the Phase 2 assessment in the general fund. 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.

Capital Improvement Fund (401)

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 \$927,482. The City anticipates that it will be required to fund approximately \$226,000 of the total project cost plus City expenses related to



project support. 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. The City requested a further delay in the fall of 2008 to place the project in the City's 2009 fiscal year. Project completion is now anticipated by June 30, 2009.

CAPITAL FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
State Shared Taxes							
Intergovernmental Revenue	\$218,899	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal State Shared Taxes</i>	\$218,899	\$0	\$0	\$0	\$0	\$0	\$0
Other Financing Sources							
Miscellaneous Revenue	\$2,500	\$1,864	\$0	\$0	\$0	\$0	\$0
Sale of Assets	\$23,221	\$5,000	\$0	\$0	\$0	\$0	\$0
Transfer from Wireless E911	\$25,100	\$25,052	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$1,872,750	\$1,155,700	\$190,000	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$1,923,571	\$1,187,616	\$190,000	\$0	\$0	\$0	\$0
<i>Total Revenues and Other Financing Sources</i>	\$2,142,470	\$1,187,616	\$190,000	\$0	\$0	\$0	\$0
Expenditures							
Police	\$97,252	\$121,870	\$0	\$0	\$0	\$0	\$0
Fire Prevention and Inspections	\$118,357	\$144,094	\$0	\$0	\$0	\$0	\$0
Recreation Programs	\$28,160	\$0	\$0	\$0	\$0	\$0	\$0
Provide and Maintain Parks	\$78,000	\$69,376	\$0	\$0	\$0	\$0	\$0
Storm Water Management	\$223,936	\$148,000	\$110,000	\$0	\$0	\$0	\$0
City Center	\$29,849	\$10,000	\$0	\$0	\$0	\$0	\$0
Street Maintenance and Repairs	\$793,222	\$896,537	\$127,000	\$0	\$0	\$0	\$0
<i>Subtotal Capital Expenditures</i>	\$1,368,776	\$1,389,877	\$237,000	\$0	\$0	\$0	\$0
Other Financing Uses							
Redemption of Principal	\$0	\$432,491	\$0	\$0	\$0	\$0	\$0
Payment of Interest	\$0	\$52,913	\$0	\$0	\$0	\$0	\$0
SIB Loan Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers-Out	\$782,252	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Uses</i>	\$782,252	\$485,403	\$0	\$0	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$2,151,028	\$1,875,280	\$237,000	\$0	\$0	\$0	\$0
Excess of Revenues over (under) Expenditures	(\$8,558)	(\$687,663)	(\$47,000)	\$0	\$0	\$0	\$0



Beginning Cash Balance	\$758,814	\$750,256	\$62,592	\$15,592	\$15,592	\$15,592	\$15,592
Ending Cash Balance	\$750,256	\$62,592	\$15,592	\$15,592	\$15,592	\$15,592	\$15,592
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$750,256	\$62,592	\$15,592	\$15,592	\$15,592	\$15,592	\$15,592

State Route 82 Widening Phase 2 Fund (410)

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. Project construction began in early 2008.

Use	Estimated Cost	Local Share	State Share	Federal Share	Federal Source
Construction – Kenmore Contract	\$1,965,178.75	\$393,035.75		1,572,143.00	Earmark
Construction – Kenmore Contract	\$5,500,000.00	\$1,100,000.00		\$4,400,000.00	AMATS
Construction – Kenmore Contract	\$1,453,096.10	\$145,309.61		\$1,307,786.49	Safety
Construction – Norfolk Southern	\$2,332,490.00	\$233,249.00		\$2,099,241.00	Safety
Construction – Norfolk Southern	\$199,810.00	\$199,810.00			
Inspection and Engineering	\$1,125,075.15		\$1,125,075.15		
Construction Inspection and Engineering	\$16,270.00	\$16,270.00			
Right-of-way	\$914,000.00			\$914,000.00	Earmark
Right-of-way	\$1,375,000.00	\$275,000.00		\$1,100,000.00	AMATS
Right-of-way	\$2,865,650.00	\$2,865,650.00			
Preliminary Engineering	\$300,490.00		\$300,490.00		
Project Totals	\$18,047,060.00	\$4,753,514.36	\$1,625,375.15	\$11,393,170.49	

The City's portion of the total project construction costs is currently estimated at \$2,071,404. 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 City was approved for another SIB loan of \$3.0 million in 2007. The loans 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 received credit enhancement funds from the Ohio Public Works Commission of \$164,000 to assist with interest payments on the SIB loans. This will allow the City to continue the project while it actively seeks alternative funding sources.

SR 82 PHASE 2 FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
AMATS	\$572,018	\$0	\$0	\$0	\$0	\$0	\$0
State Infrastructure Bank	\$2,500,190	\$403,881	\$100,000	\$0	\$0	\$0	\$0
Miscellaneous Revenue	\$1,468	\$2,600	\$0	\$0	\$0	\$0	\$0



<i>Subtotal Other Financing Sources</i>	\$3,073,676	\$406,481	\$100,000	\$0	\$0	\$0	\$0
<i>Total Revenues and Other Financing Sources</i>	\$3,073,676	\$406,481	\$100,000	\$0	\$0	\$0	\$0
Expenditures							
Debt Service	\$0	\$0	\$196,950	\$0	\$0	\$0	\$0
Street Maintenance and Repair	\$1,230,811	\$169,680	\$91,000	\$0	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$1,230,811	\$169,680	\$287,950	\$0	\$0	\$0	\$0
Excess of Revenues over (under) Expenditures	\$1,842,864	\$236,801	(\$187,950)	\$0	\$0	\$0	\$0
Beginning Cash Balance	(\$1,880,116)	(\$37,251)	\$199,550	\$11,600	\$11,600	\$11,600	\$11,600
Ending Cash Balance	(\$37,251)	\$199,550	\$11,600	\$11,600	\$11,600	\$11,600	\$11,600
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	(\$37,251)	\$199,550	\$11,600	\$11,600	\$11,600	\$11,600	\$11,600

State Route 82 Widening Phase 3 Fund (411)

The purpose of this project is to provide additional through lanes to safely accommodate 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 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 includes reconstruction of bike lanes where they currently exist.

Project engineering began in 2007. The City will be responsible for initial engineering costs of approximately \$274,000. Right-of-way acquisition for the project begins in 2009 and is expected to cost approximately \$443,000. Project construction will begin in 2011 with an estimated cost of \$5,054,250. Construction is funded through AMATS for 80% of the total. The City will be responsible for the balance of \$1,010,850. The City's total cost is expected to be between \$1.7 million and \$1.8 million.

SR 82 PHASE 3 FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Sale of Notes/Bonds	\$0	\$0	\$145,000	\$735,000	\$1,780,000	\$1,850,000	\$0
State Infrastructure Bank	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$2,000	\$0	\$0	\$0	\$0	\$797	\$0
<i>Subtotal Other Financing Sources</i>	\$2,000	\$0	\$145,000	\$735,000	\$1,780,000	\$1,850,797	\$0
<i>Total Revenues and Other Financing Sources</i>	\$2,000	\$0	\$145,000	\$735,000	\$1,780,000	\$1,850,797	\$0
Expenditures							
Debt Service	\$0	\$0	\$0	\$150,800	\$764,400	\$1,851,200	\$0
Legal Fees	\$0	\$0	\$10,000	\$3,000	\$3,000	\$3,000	\$0



Street Maintenance and Repair	\$1,397	\$0	\$132,000	\$442,750	\$1,010,850	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$1,397	\$0	\$142,000	\$596,550	\$1,778,250	\$1,854,200	\$0
Excess of Revenues over (under) Expenditures	\$603	\$0	\$3,000	\$138,450	\$1,750	(\$3,403)	\$0
Beginning Cash Balance	\$0	\$603	\$603	\$3,603	\$142,053	\$143,803	\$140,400
Ending Cash Balance	\$603	\$603	\$3,603	\$142,053	\$143,803	\$140,400	\$140,400
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$603	\$603	\$3,603	\$142,053	\$143,803	\$140,400	\$140,400

State Route 8 and Highland Road Intersection Fund (421)

SR 8 & HIGHLAND ROAD INTERSECTION FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Licence Tax	\$118,126	\$38,997	\$38,997	\$23,000	\$0	\$0	\$0
AMATS	\$240,000	\$0	\$0	\$0	\$0	\$0	\$0
Summit County Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Other Funds	\$0	\$74,665	\$75,665	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$358,126	\$113,662	\$114,662	\$23,000	\$0	\$0	\$0
<i>Total Revenues and Other Financing Sources</i>	\$358,126	\$113,662	\$114,662	\$23,000	\$0	\$0	\$0
Expenditures							
Street Construction Maintenance and Repair	\$20,835	\$0	\$643	\$23,000	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$20,835	\$0	\$643	\$23,000	\$0	\$0	\$0
Excess of Revenues over (under) Expenditures	\$337,291	\$113,662	\$114,019	\$0	\$0	\$0	\$0
Beginning Cash Balance	(\$450,953)	(\$113,662)	(\$113,662)	\$357	\$357	\$357	\$357
Ending Cash Balance	(\$113,662)	\$0	\$357	\$357	\$357	\$357	\$357
<i>Estimated Encumbrances December 31</i>	\$0	\$23,002	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	(\$113,662)	(\$23,002)	\$357	\$357	\$357	\$357	\$357

Shepard Road Sanitary Sewer Fund (422)

SHEPARD ROAD SANITARY SEWERS FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Sale of Notes	\$220,000	\$229,000	\$558,100	\$545,000	\$60,000	\$0	\$0
Intergovernmental - Twinsburg	\$0	\$0	\$156,500	\$0	\$0	\$0	\$0



Transfers from Other Funds	\$0	\$1,000	\$0	\$0	\$0	\$10,000	\$0
<i>Subtotal Other Financing Sources</i>	\$220,000	\$230,000	\$714,600	\$545,000	\$60,000	\$10,000	\$0
<i>Total Revenues and Other Financing Sources</i>	\$220,000	\$230,000	\$714,600	\$545,000	\$60,000	\$10,000	\$0
Expenditures							
Phase 1 Sanitary Sewer	\$417,509	\$229,773	\$0	\$0	\$0	\$0	\$0
Phase 2 Sanitary Sewer	\$7,843	\$15,903	\$656,400	\$50,000	\$10,000	\$0	\$0
Phase 3 Sanitary Sewer	\$0	\$1,388	\$35,000	\$517,800	\$50,000	\$10,000	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$425,352	\$247,064	\$691,400	\$567,800	\$60,000	\$10,000	\$0
Excess of Revenues over (under) Expenditures	(\$205,352)	(\$17,064)	\$23,200	(\$22,800)	\$0	\$0	\$0
Beginning Cash Balance	\$223,274	\$17,922	\$858	\$24,058	\$1,258	\$1,258	\$1,258
Ending Cash Balance	\$17,922	\$858	\$24,058	\$1,258	\$1,258	\$1,258	\$1,258
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$17,922	\$858	\$24,058	\$1,258	\$1,258	\$1,258	\$1,258

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 was the fiscal agent on phase 1. Phase 1 construction was completed in 2007. Final costs have been determined for Phase 1 and assessments have been certified for 1 year. Due to the size of the project, the City was unable to issue bonds on the project. Therefore, notes were issued and will be reissued until the Phase 1 project can be combined with other projects to create a large enough debt issue to be marketable and bonded.

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 2009. The City is responsible for approximately 75% of the total costs for phase 2. Twinsburg requested that phase 2 be postponed until the Northeast Ohio Regional Sewer District (NEORS) has time to develop a solution for regional storm water management. Any plans developed by NEORS may impact how phase 2 proceeds. The City cannot proceed on phase 2 without Twinsburg's participation in the project.

In 2009, the City is responsible for design engineering for phase 3 with construction in 2010. The entire project is assessable and will likely be assessed. Therefore, debt will be issued to fund this project. The City will be able to proceed with phase 3 because it is 100% in Macedonia. This may result in both phase 2 and phase 3 being completed at the same time. This may be advantageous to the City because it will be able to offer a larger bond issue by combining both projects.

Municipal Property Fund (423)

This fund is used to track funds from the sale of municipal buildings and land. The fund is used for improvements to remaining City buildings. In 2009, the fund will be used to raze a portion of the old service center in front of city hall. This will improve the appearance of the Valley View Road entrance and complete renovations to the facility started in 2007.



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. This project will demolish the problematic flat-roof section of the building, remove any hazardous material and seal off the end of the pitched roof section. Final restoration of the area will dramatically improve the visibility and appearance of the Valley View Road entrance to City Hall.

The Aurora Road entrance will be improved with a new entry sign that will include an LED event sign. The signage will make the Aurora Road entrance the main entrance to City Hall and provide community updates through the message board portion. The City is also looking in to using the message board to alert traffic on Aurora Road when an emergency vehicle will be exiting the premises.

MUNICIPAL PROPERTY FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Sale of Municipal Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total Revenues and Other Financing Sources</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures							
Street Maintenance and Repair	\$0	\$0	\$35,000	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$0	\$0	\$65,000	\$0	\$0	\$0	\$0
Excess of Revenues over (under) Expenditures	\$0	\$0	(\$65,000)	\$0	\$0	\$0	\$0
Beginning Cash Balance	\$66,442	\$66,442	\$66,442	\$1,442	\$1,442	\$1,442	\$1,442
Ending Cash Balance	\$66,442	\$66,442	\$1,442	\$1,442	\$1,442	\$1,442	\$1,442
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$66,442	\$66,442	\$1,442	\$1,442	\$1,442	\$1,442	\$1,442

Longwood Park Improvements Fund (424)

The City appropriated and encumbered all remaining balances for this fund in 2008. The fund will closed in 2009.

Highland Road Bridge Fund (425)

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.

HIGHLAND ROAD BRIDGE FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
ODOT Reimbursement	\$0	\$0	\$0	\$0	\$175,000	\$0	\$0
Transfer from General Fund	\$0	\$0	\$45,200	\$87,850	\$0	\$800	\$0
State Infrastructure Bank	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$0	\$200,000	\$45,200	\$87,850	\$175,000	\$800	\$0
<i>Total Revenues and Other Financing Sources</i>	\$0	\$200,000	\$45,200	\$87,850	\$175,000	\$800	\$0
Expenditures							
Street Maintenance and Repair	\$249,392	\$64,936	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	\$0	\$69,800	\$71,900	\$74,100	\$76,300	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$249,392	\$0	\$18,100	\$16,000	\$13,800	\$11,600	\$0
Excess of Revenues over (under) Expenditures	(\$249,392)	\$64,936	\$87,900	\$87,900	\$87,900	\$87,900	\$0
Beginning Cash Balance	\$253,683	\$135,064	(\$42,700)	(\$50)	\$87,100	(\$87,100)	\$0
Ending Cash Balance	\$4,291	\$4,291	\$42,775	\$75	\$25	\$87,125	\$25
<i>Estimated Encumbrances December 31</i>	\$161,515	\$139,354	\$75	\$25	\$87,125	\$25	\$25
<i>Unencumbered Fund Balance December 31</i>	(\$157,225)	\$96,579	\$0	\$0	\$0	\$0	\$0

South Freeway Drive Fund (426)

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 \$1,500,000. The storm sewer improvements constitute approximately 1/3 of the total cost. The project will be assessed to property owners. In 2008, the City issued notes to fund the project. These notes will be converted into special assessment bonds upon project completion and certification of final costs.

SOUTH FREEWAY DRIVE FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Interest on Investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0



Sale of Notes/Bonds	\$0	\$1,500,000	\$1,542,000	\$0	\$0	\$0	\$0
Transfer from Other Funds	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$5,000	\$1,500,000	\$1,542,000	\$0	\$0	\$0	\$0
<i>Total Revenues and Other Financing Sources</i>	\$5,000	\$1,500,000	\$1,542,000	\$0	\$0	\$0	\$0
Expenditures							
Street Maintenance and Repair	\$17,334	\$17,254	\$1,470,000	\$0	\$0	\$0	\$0
Debt Service	\$0	\$0	\$1,542,000	\$0	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$17,334	\$17,254	\$3,012,000	\$0	\$0	\$0	\$0
Excess of Revenues over (under) Expenditures	(\$12,334)	\$1,482,746	(\$1,470,000)	\$0	\$0	\$0	\$0
Beginning Cash Balance	\$13,282	\$948	\$1,483,694	\$13,694	\$13,694	\$13,694	\$13,694
Ending Cash Balance	\$948	\$1,483,694	\$13,694	\$13,694	\$13,694	\$13,694	\$13,694
<i>Estimated Encumbrances December 31</i>	\$948	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$0	\$1,483,694	\$13,694	\$13,694	\$13,694	\$13,694	\$13,694

Manor House Renovation Fund (427)

This fund was created to track donations toward and City funding of renovations to the Longwood Manor House. The fund has a total balance of \$272.15. The Manor House was the home of Macedonia's first Mayor and major benefactor, Colonel William Long. Due to lack of funding to maintain the property, it has deteriorated to such a degree that in 2008, the building had to be condemned by the City and is scheduled to be razed. The remaining balance in this fund will be used to partially fund a fitting memorial to Colonel Long in Longwood Park. The City will appropriate funds once final plans are approved.

Highland Road Sewer Note Fund (429)

The City expects the collection of assessments on the Highland Road Sanitary Sewer project to be completed in 2009. Any residual fund balance will be transferred into the special assessment bond retirement fund and this fund will be closed.

HIGHLAND ROAD SEWER FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Special Assessments	\$387	\$595	\$476	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$387	\$595	\$476	\$0	\$0	\$0	\$0
<i>Total Revenues and Other Financing Sources</i>	\$387	\$595	\$476	\$0	\$0	\$0	\$0
Expenditures							
Auditor's Deductions	\$16	\$29	\$19	\$0	\$0	\$0	\$0
Transfer to Other Funds	\$0	\$0	\$12,400	\$0	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$16	\$0	\$12,400	\$0	\$0	\$0	\$0



Excess of Revenues over (under) Expenditures	\$371	\$595	(\$11,924)	\$0	\$0	\$0	\$0
Beginning Cash Balance	\$11,055	\$11,427	\$12,021	\$98	\$98	\$98	\$98
Ending Cash Balance	\$11,427	\$12,021	\$98	\$98	\$98	\$98	\$98
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$11,427	\$12,021	\$98	\$98	\$98	\$98	\$98

2000 Road Improvement Note Fund (431)

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. In 2008, the City began to focus on eliminating the 2000 road note. The last of these old road notes will be paid off in 2009. This will relieve the City of this debt service burden and provide needed flexibility to meet its future debt service requirements.

ROAD RESURFACING - 2000 NOTE FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013
Revenues							
Notes Issued	\$500,000	\$250,000	\$0	\$0	\$0	\$0	\$0
Transfers from Other Funds	\$18,953	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Capital	\$59,200	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$10,100	\$275,000	\$256,500	\$0	\$0	\$0	\$0
<i>Subtotal Other Financing Sources</i>	\$588,253	\$525,000	\$256,500	\$0	\$0	\$0	\$0
<i>Total Revenues and Other Financing Sources</i>	\$588,253	\$525,000	\$256,500	\$0	\$0	\$0	\$0
Expenditures							
Redemption of Principal	\$550,000	\$500,000	\$250,000	\$0	\$0	\$0	\$0
Payment of Interest	\$22,707	\$19,197	\$6,500	\$0	\$0	\$0	\$0
Legal Fees	\$2,625	\$2,375	\$0	\$0	\$0	\$0	\$0
<i>Total Expenditures and Other Financing Uses</i>	\$575,332	\$521,572	\$256,500	\$0	\$0	\$0	\$0
Excess of Revenues over (under) Expenditures	\$12,921	\$3,428	\$0	\$0	\$0	\$0	\$0
Beginning Cash Balance	(\$12,908)	\$13	\$3,441	\$3,441	\$3,441	\$3,441	\$3,441
Ending Cash Balance	\$13	\$3,441	\$3,441	\$3,441	\$3,441	\$3,441	\$3,441
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$13	\$3,441	\$3,441	\$3,441	\$3,441	\$3,441	\$3,441



JEDD – Northfield Center (714)

The JEDD fund tracks all revenue and expenditures related to the Joint Economic Development District located in Northfield Center Township. The JEDD levies a 2% income tax that is used to pay JEDD related expenses. Any balance remaining is divided between the City and the Township. The budget for the JEDD is set by the JEDD board, which is made up of three representatives from each community. The financial activities of the JEDD are reported as part of the City's financial reports.

In 2008, the State Auditor's Office determined that the JEDD should operate as an agency fund. Prior to 2008, the JEDD was reported as a special revenue fund. The main impact for the City is that the expenses of the JEDD fund will no longer be included in the City's budget. The JEDD board will be responsible for monitoring the budget of the fund beginning in 2009.

Financial Strategies

The average annual shortfall for the last 4 years of this plan is projected to average over \$3.8 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. Since that plan, the City has fully committed itself to the SR 82 widening project which is projected to cost more than \$18 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 assist the administration in proactively matching 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.



The park trail projects and ADA upgrades in the recreation program are candidates for possible grant funding through the Ohio Department of Natural Resources or federal block grant funds. 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.

The City can reduce the projected 2013 deficit by \$1.6 million if it suspends all new hiring included in the plan after 2010. However, the level of services provided to residents would be impacted in the future as the City would be unable to keep up with growing service demands.

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 has several major vacant facilities that need to be filled. Two facilities, the former Excello building and the new facility constructed on Highland Road, offer significant manufacturing space. The old Topp's location offers significant retail space. Filling these spaces is a top priority for the administration and it continues to work with developers. In addition, the administration will continue to use Council approved incentives to the City's best advantage.



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.

The City is also discussing regional dispatch services with surrounding communities. Regional dispatch will not likely save money. It will, however, reduce or avoid future cost increases to provide the service.

Debt Management and Debt Restructuring

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 and the Highland Road Bridge 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.

The City has approached the SIB for alternatives to reduce the City's debt service over the next 5 years. Two options have been proposed to convert existing loans into 20-year bonds. Both options will increase the interest rate on the debt from 3% to between 5.5% and 6%. Each option will defer a portion of principal payments in the early years to reduce debt service until other current obligations are paid off. Although the two option cannot be discussed in detail in this report, the projected reduction in the 2013 deficit ranges between \$1.4 million and \$1.7 million.

Increase Revenue and Alternative Funding Options

The final option for improving the City's financial condition is to increase revenue. The administration continues to evaluate the City's fee structure. 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.

Property Tax Options

The City can raise approximately \$400,000 per year from each mill of additional property tax.

Road Tax

The City has deferred replacement of its road maintenance equipment to the point where it is no longer a viable option to continue to defer these purchases. The aging road service fleet is requiring increasing amounts of the City's operating budget to keep trucks on the street for snow-plowing and salting, leaf-removal and other services required by our residents.

A road improvement tax of 2.5 mills would essentially fund the City's annual street maintenance capital program as projected through 2013. This would reduce the projected 2013 deficit by approximately \$4 million if council put such a measure on the ballot in 2009 and the voters agree to adopt the change so that the first collection year will be 2010.

Projected Impact of a 2.5 Mill Road Tax					
	2010	2011	2012	2013	Total
2.5 Mill Road Tax Revenue	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000
Road Maintenance Capital Expenditures	\$994,350	\$902,600	\$1,132,600	\$1,016,000	\$4,045,550
Revenue Minus Expenditures	\$5,650	\$97,400	(\$132,600)	(\$16,000)	(\$45,550)

Law Enforcement Property Tax

The City has deferred needed increases in police personnel for several years. The department requested an additional lieutenant in 2007 and renewed its request for 2008 and 2009. The need for an additional lieutenant remains the top personnel priority of the department. However, due to current budget conditions, the additional lieutenant was deferred until 2010. In addition, the patrol function remains understaffed and requires additional personnel to fully serve City residents.

A law enforcement property tax of 1 mill would fund the City's planned additions to the police department as projected through 2013. This would reduce the projected 2013 deficit by approximately \$1.3 million if council put such a measure on the ballot in 2009 and the voters agree to adopt the change so that the first collection year will be 2010.

Projected Impact of a 1.0 Mill Law Enforcement Levy					
	2010	2011	2012	2013	Total
1.0 Mill Law Enforcement Levy Revenue	\$400,000	\$400,000	\$400,000	\$400,000	\$1,600,000
Projected Cost of Additional Police Personnel	\$221,888	\$336,158	\$349,735	\$363,612	\$1,271,393
Revenue Minus Expenditures	\$178,112	\$63,842	\$50,265	\$36,388	\$328,607



Charter Millage

In 2009, the City will perform its required Charter review. This will provide the opportunity to revise the City's funding sources for police, fire and road operations. The City could adopt 3 charter millage amendments. First, a 1.0 mill levy to replace the existing fire operating levy. Second, a 1.0 mill police levy to fund the additional police hiring requested in this plan. Third, a 1.0 mill road maintenance levy to provide funding for annual road resurfacing projects. The City would be able to drop existing voted levies as a result of this shift to charter mandated levies. The net effect of these changes would be approximately \$400,000 in additional revenue annually if the City discontinues its collection of existing voted levies. Approval of the three 1.0 mill charter levies will reduce the projected 2013 deficit by approximately \$1.6 million.

Income Tax Options

Increasing the City's income tax rate by ½ of a percent will generate approximately \$940,000 to \$1.1 million per year. This increase requires voter approval. If council put the this measure on the ballot and the voters agree to adopt the change so that the first collection year will be 2010, the increase would reduce the projected 2013 deficit by \$3.75 million to \$4.4 million.

The City could also decrease the income tax credit. Council could implement this change without voter approval. Decreasing the credit by .5% raises approximately \$1.0 million annually. The change would impact Macedonia residents through 2017. When the temporary income tax for the Recreation Center expires, the impact of this change would be cut in half and could be eliminated by the City once the immediate financial issues are resolved. This change would reduce the projected 2013 deficit by approximately \$3.7 million.

Storm Water Utility

The Environmental Protection Agency is mandating storm water management activities. The City has established a Drainage and Sewer Control Committee (DSCC) to review the storm water issues facing our community. The draft report includes identified project expenditures 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. Currently, the plan funds these expenses through the general fund. However, the DSCC is currently reviewing how to fund these necessary improvements through a storm water utility fee. A quarterly fee of \$12 would raise approximately \$607,000 per year. This would fully fund the capital improvements and operating expenses through 2013 and beyond. As a result, a storm water utility fee of \$12 per quarter would reduce the projected 2013 deficit by \$4,434,000. If council agrees to impose the storm water utility fee and create a storm water utility fund, the projections through 2013 are shown below.

STORM WATER UTILITY FUND							
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES							
	Actual	Projected	Budget	Forecast			
	2007	2008	2009	2010	2011	2012	2013



Revenues								
Storm Water Utility Fee	\$0	\$0	\$0	\$606,720	\$606,720	\$606,720	\$606,720	\$606,720
Transfer from General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Issuance	\$0	\$0	\$0	\$270,000	\$1,020,000	\$2,305,000	\$2,151,000	\$2,151,000
<i>Subtotal Other Financing Sources</i>	\$0	\$0	\$0	\$876,720	\$1,626,720	\$2,911,720	\$2,757,720	\$2,757,720
<i>Total Revenues and Other Financing Sources</i>	\$0	\$0	\$0	\$876,720	\$1,626,720	\$2,911,720	\$2,757,720	\$2,757,720
Expenditures								
Storm Water Management	\$0	\$0	\$0	\$232,000	\$239,000	\$247,000	\$253,000	\$253,000
Storm Water Capital	\$0	\$0	\$0	\$639,000	\$1,106,000	\$1,608,000	\$110,000	\$110,000
Debt Service	\$0	\$0	\$0	\$0	\$280,800	\$1,060,800	\$2,397,200	\$2,397,200
<i>Total Expenditures and Other Financing Uses</i>	\$0	\$0	\$0	\$871,000	\$1,625,800	\$2,915,800	\$2,760,200	\$2,760,200
Excess of Revenues over (under) Expenditures	\$0	\$0	\$0	\$5,720	\$920	(\$4,080)	(\$2,480)	(\$2,480)
Beginning Cash Balance	\$0	\$0	\$0	\$0	\$5,720	\$6,640	\$2,560	\$2,560
Ending Cash Balance	\$0	\$0	\$0	\$5,720	\$6,640	\$2,560	\$80	\$80
<i>Estimated Encumbrances December 31</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Unencumbered Fund Balance December 31</i>	\$0	\$0	\$0	\$5,720	\$6,640	\$2,560	\$80	\$80

Capital Deferral

The City prefers to purchase vehicles in the year the vehicle is delivered to the City. However, recently, this purchase plan has become increasingly difficult. Therefore, the City now engages in two capital deferral strategies as part of the five-year planning process.

Deferring vehicle purchases does not always make sense for the City because the vehicle will eventually need to be replaced. Therefore, unlimited deferral merely increases operating expenses and costs the City more in the long run than replacing equipment once its useful life has expired. However, the City's first option is to defer a purchase until a subsequent year when sufficient funds are not available for purchase in the current year but will be available within the next five years.

When the useful life of a vehicle or piece of equipment has expired and a significant increase in current and future maintenance costs is identified and the City cannot fully fund acquisition in the current year, the City will defer the capital expenditure by employing a lease-purchase option. This permits the City to avoid future maintenance costs and the vehicle and defer current purchase costs over several years. The City prefers a five-year lease purchase option for vehicles and equipment. Lease purchases are subject to annual appropriation by Council. Therefore, if the City cannot afford future lease payments, it maintains the ability to eliminate the capital item. The City also maintains the ability to fully purchase an item in any year prior to expiration of the lease agreement thereby eliminating the future lease expenditures.



Financial Strategies – Deficit Reduction Summary

None of the proposed strategies will fully eliminate the deficits facing the City through 2013. Likewise, the City does not have to implement all of the strategies presented in this report because they are not needed. Council and the administration will need to work together to determine what is the best mix of possibilities given the challenges that lie ahead. Any new programs proposed for the future will need to be fully funded by some revenue source. For example, implementing a comprehensive storm water program cannot be funded without creating a matching revenue source. The impacts of the proposals included in this report are summarized in the following table.

Deficit Reduction Strategies					
	2010	2011	2012	2013	Cumulative Total
Projected Deficits	(\$3,130,325)	(\$4,351,361)	(\$5,539,177)	(\$4,135,202)	(\$17,156,065)
Hiring Freeze	\$221,900	\$417,300	\$434,400	\$540,700	\$1,614,300
Debt Restructuring	\$362,600	\$362,600	\$362,600	\$362,600	\$1,450,400
2.5 Mill Road Levy	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000
3.0 Mill Charter Millage	\$400,000	\$400,000	\$400,000	\$400,000	\$1,600,000
Income Tax Rate Increase of .5%	\$937,500	\$937,500	\$937,500	\$937,500	\$3,750,000
Income Tax Credit Reduction to 1.75%	\$922,000	\$922,000	\$922,000	\$922,000	\$3,688,000
Storm Water Utility Impact (\$12/quarter)	\$871,000	\$1,345,000	\$1,855,000	\$363,000	\$4,434,000
Projected Deficits after Reduction Actions	\$1,584,675	\$1,033,039	\$372,323	\$390,598	\$3,380,635

None of the proposals to address the deficits are easy. Some of the proposals can be implemented without voter approval and will probably have to be. It is not likely that all of the problem can be addressed with measures that can go before the voters because of the uncertainty of voter approval and the urgency of the potential financial issues. Therefore, the administration is proposing the following reduction strategies to address immediate concerns.

Recommended Deficit Reduction Strategies					
	2010	2011	2012	2013	Cumulative Total
Projected Deficits	(\$3,130,325)	(\$4,351,361)	(\$5,539,177)	(\$4,135,202)	(\$17,156,065)
Debt Restructuring	\$362,600	\$362,600	\$362,600	\$362,600	\$1,450,400
3.0 Mill Charter Millage	\$400,000	\$400,000	\$400,000	\$400,000	\$1,600,000
Income Tax Credit Reduction to 1.5%	\$922,000	\$922,000	\$922,000	\$922,000	\$3,688,000
Storm Water Utility Impact (\$12/quarter)	\$871,000	\$1,345,000	\$1,855,000	\$363,000	\$4,434,000
Projected Deficits after Reduction Actions	(\$574,725)	(\$1,321,761)	(\$1,999,577)	(\$2,087,602)	(\$5,983,665)

The remaining deficits will be addressed by reducing future spending and implementing the other strategies discussed in this report that do not have a fixed or measurable impact on future expenses.

