



# City of Findlay Budget Planning 2013

The steps to the decision

# General Fund

- 2011 Revenue \$26.1MM (2.83%)
- 2012 Revenue projected at \$25.5MM (2.30%)
- Key Policies Include:
  - GF Minimum Reserve Balance Policy; 12%, \$3.2MM
  - Rainy Day Reserve Account; 5%, \$1MM no funding source
  - General Fund / Capital Improvement split 90% - 10%
- Best Budgeting Practices GFOA recommend 2-3 months reserve exclusive of Rainy Day Reserve; \$4.4 to \$6.6 MM
- 2013 Projected Impact
  - Sunset ¼% Income tax ± \$4.2MM
  - Estate Tax Elimination ± \$0.8MM
  - State of Ohio Takeover of Income Tax Collections ± ??
  - Grants & Subsidies ± 6 Fire Fighters



# Capital Improvement Account

- 2011 Revenue \$3.1MM
- 2012 Revenue projected at \$2.0 MM
- Key Policies Include:
  - Debt Policy holding debt at 33% of account revenues, currently 38.6%
- Best Budgeting Practices GFOA recommend minimum reserve 25% of debt service; \$202,000 plus matches & contingencies, currently \$351,000
- 2013 Projected Impact
  - Unknown GF – CIT/CI Allocation currently 90% - 10%
  - No current cost estimate of deferred capital maintenance
  - Large carry forward from 2011 not likely to repeat

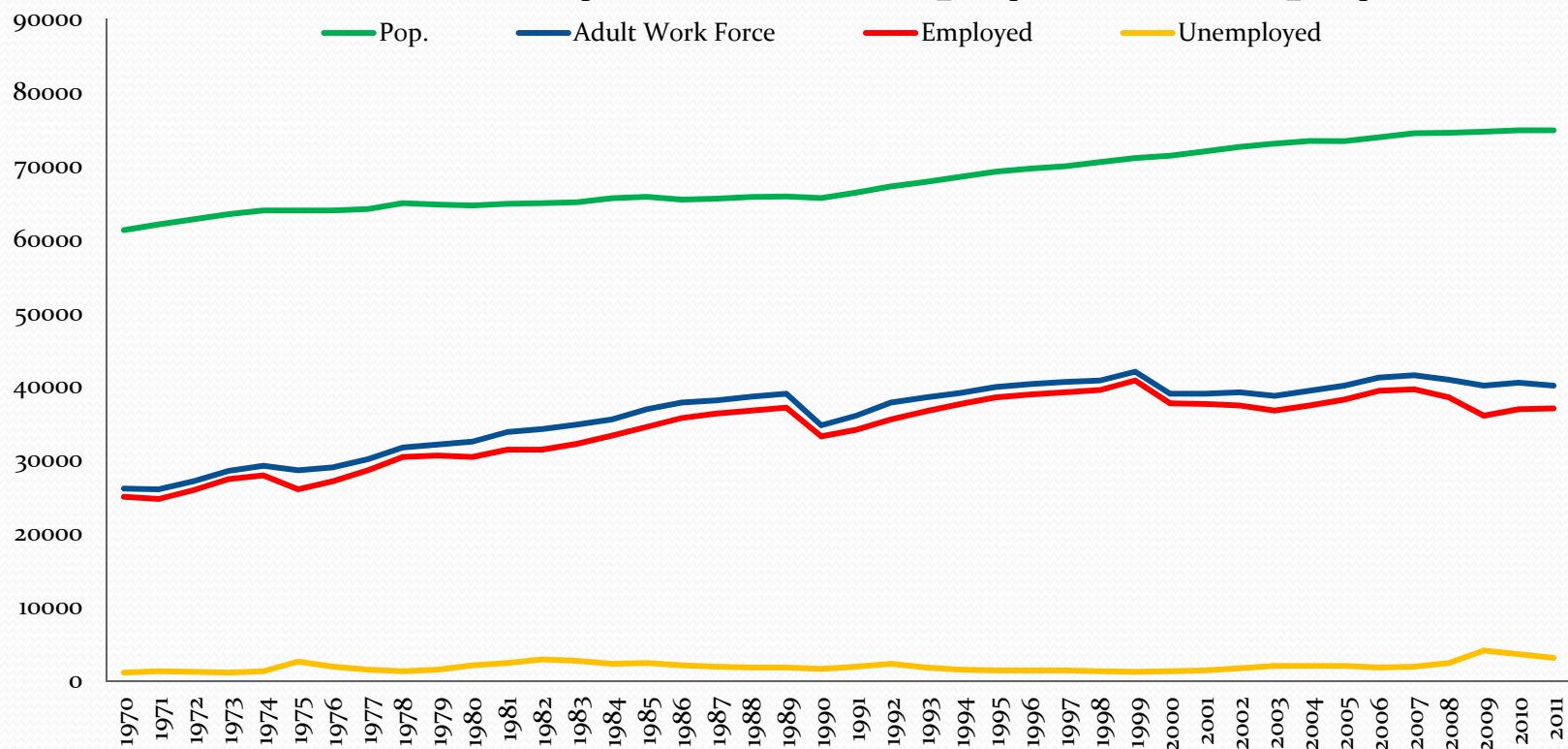


# City Income Tax

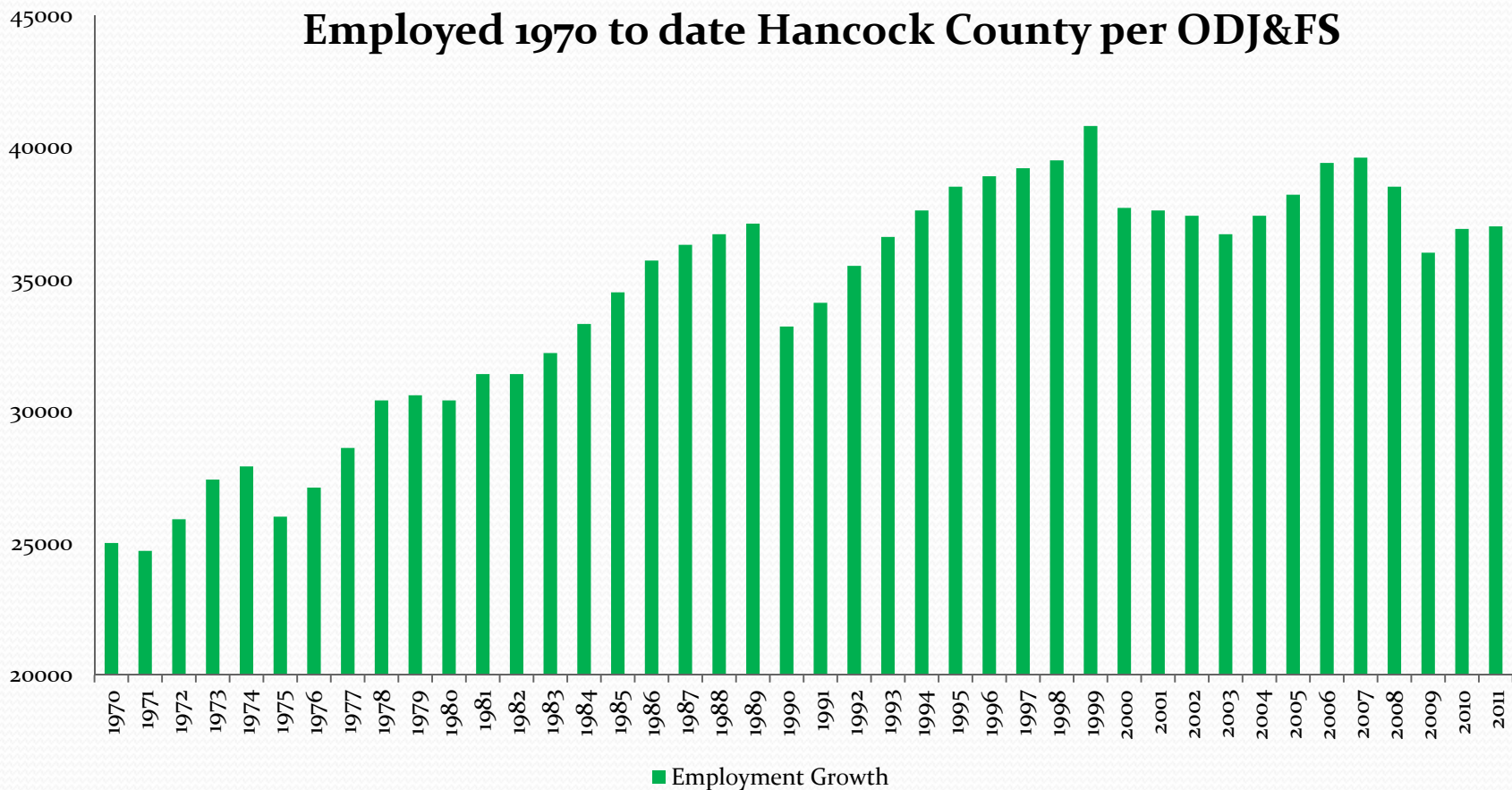
- Approximately 60% of General Fund Revenue
- Made up of 4 Key components
  - Business & Individual Profits (Corporate & Small Business)
  - Wages
    - Length of work week
    - Employment / Unemployment
    - Rates, wages paid

# What's the Employment Trend?

## Hancock County Workforce, Employed, & Unemployed

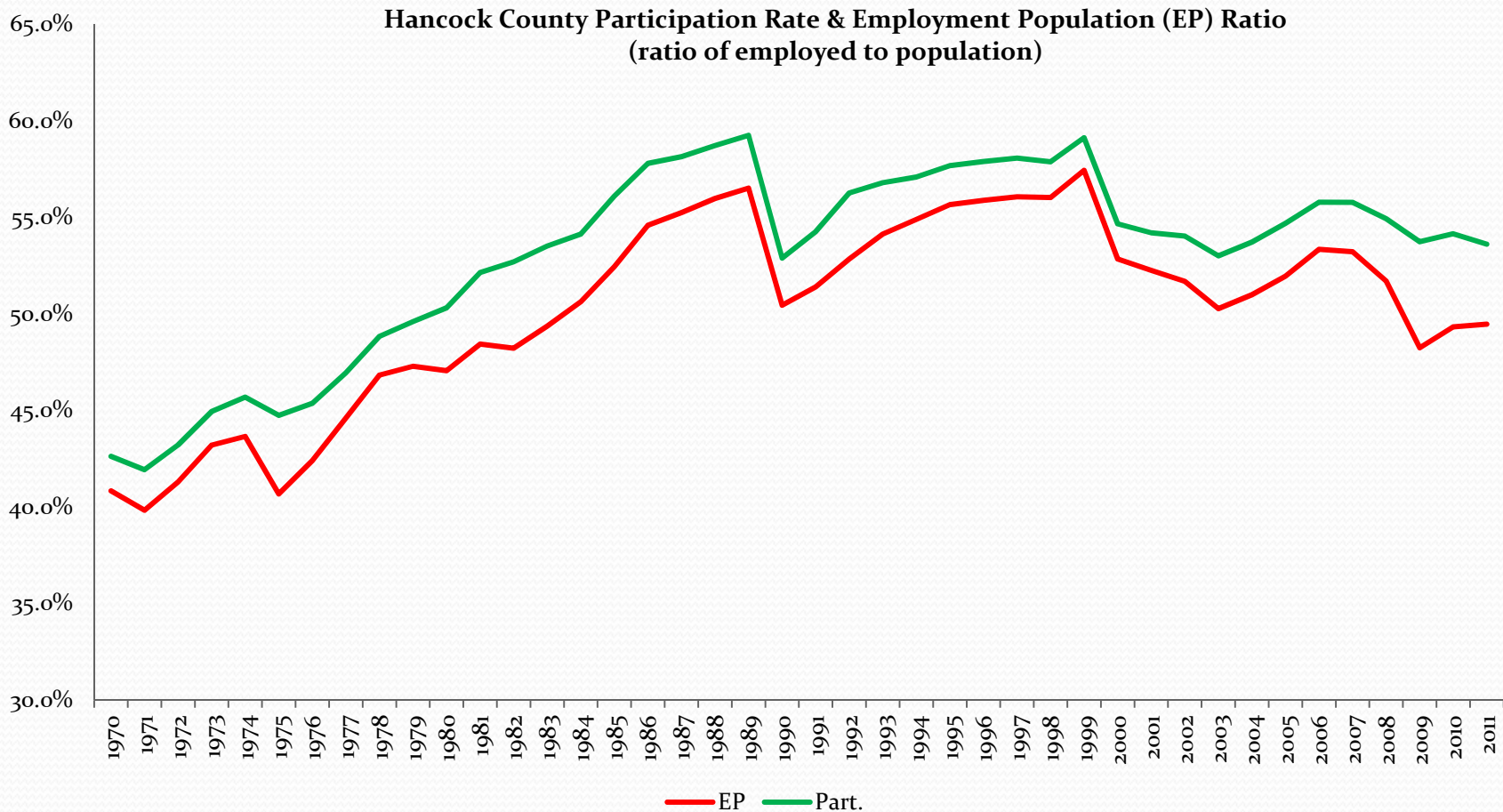


# Employment trend is declining





# Lower % of Population in work force



# What if...

If 2013 Expenses approximately same as 2012

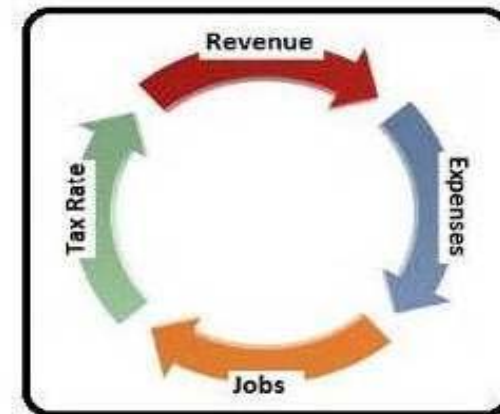
**\$26,500,000.00**

If 2012 Revenues remain approximately the same as 2012,  
but take out 1/4% Income Tax and Remove Estate Tax

**\$20,500,000.00**

Additional Funds Needed to Pay Expenses

**\$6,000,000.00**



				Average taxable		
Difference		Tax Rate		wage	Jobs Needed *	
\$6,000,000.00	÷	1.00%	÷	\$ 40,000.00	=	15,000

\* Assumes full Tax rate revenue goes to General Fund and \$2,000,000 to Capital Improvements





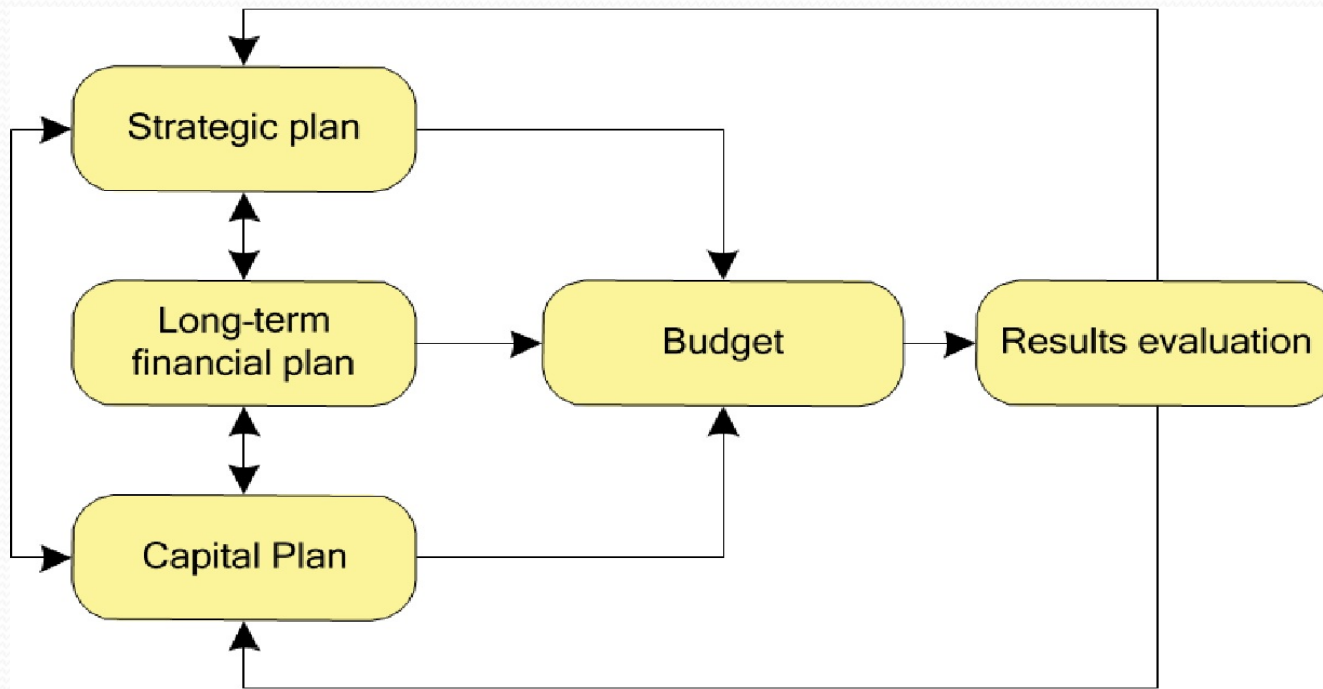
# Long Term Planning Vital

- 2 Year Operations Budget 2012 - 2013
- 5 Year Operating Forecast
- 5 Year Capital Plan (policy in place, plan incomplete)
  - 5 Year Debt Plan
- Balanced Budget Policy
- Employment Growth Targets

**Warning from Cooper Tire experience: proactive not reactive.**

These are the components of Strategic, Capital & Long term plans

## Long-term financial planning is an indispensable component of a complete planning framework





# What's the Plan?

**There is 7 months to put a 2013 budget in place**

**There is 3 months to determine the tax status**