

PRE-2017 BUDGET

Information for discussion prior to
preparing the 2017-2018 Operations
Budget



09/29/2016





What does it mean to have FISCAL HEALTH?

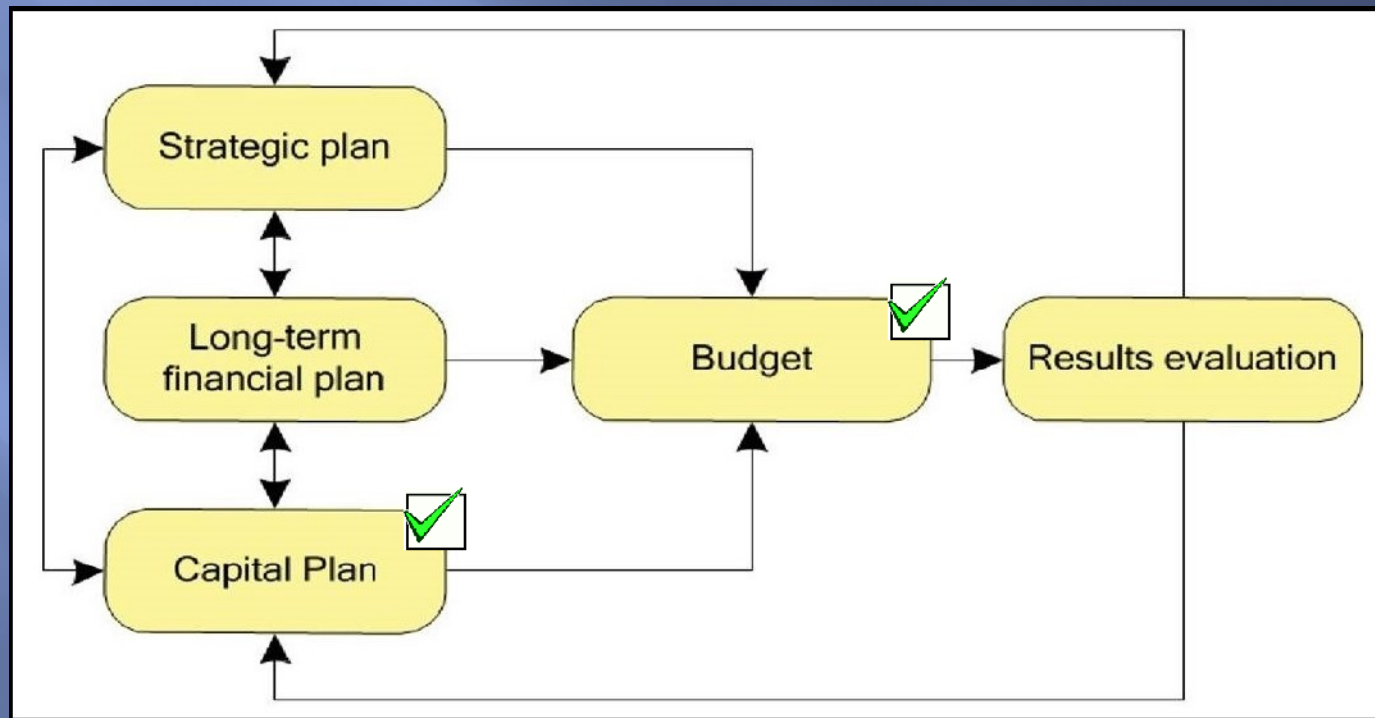
- ▣ Healthy Reserves on ALL key Funds
- ▣ Prudent Fiscal Policies
- ▣ Monitor Revenue & Control Expenses
- ▣ Maintain Manageable Debt
- ▣ Financial Compliance
- ▣ Strategically Planned Progression/Growth



It's not just spending it's planning and managing



GFOA Planning Components





2016 General Information



- General Fund Revenues for 2016 to date
 - Revenues currently 68.0% of budget *
 - City Income Tax receipts tracking in line with Auditor's budget projection.
 - Appears administration continuing to defer estimated business profits component of income tax

- 2017 & 2018 Capital Improvement allocation proposed at 20% of City Income Tax Receipts as part of Service Safety Director's 5-year Capital Plan. i.e. 80% General Fund 20% Capital Improvements Account

- General Fund Expenses 2016 to date
 - Expenses and encumbrances running 62.9% of budget *
 - City Auditor has very limited view of expected year end expenses until each department enters expected 2016 expenses as part of administration's 2017/18 budget process; however, expense projections reflect fully spent appropriations which differ from actual ending numbers (see Unused Operations Appropriations graph)

- Looking at large carry-forward balances going into 2017

** Through August 31*

Auditor will continue to adjust numbers through year end



2016 General Fund Revenues

From 2016 Mid-Year Review

All revenue sources should be reviewed annually and incorporated as part of a 5-year forecast prior to limiting revenue from any single source.

REVENUE DIVERSIFICATION IS VITAL

	2016	2015	2013+
■ Income Tax *	71.6%	65.3%	61.2%
■ Real Estate Taxes	7.8%	7.8%	8.5%
■ Courts	5.3%	5.0%	5.2%
■ Other	4.7%	9.7%	10.3%
■ Engineering & Zoning Fees	3.2%	0.8%	0.7%
■ Parks & Rec Functions	3.2%	3.2%	3.0%
■ Hotel/Motel Tax	2.3%	2.2%	2.2%
■ Intergovernmental *	1.9%	2.1%	2.4%
■ Health Department	--	3.9%	3.2%
■ Estate Tax	--	--	3.3%

These figures represent gross revenue as a percentage of the GF budget

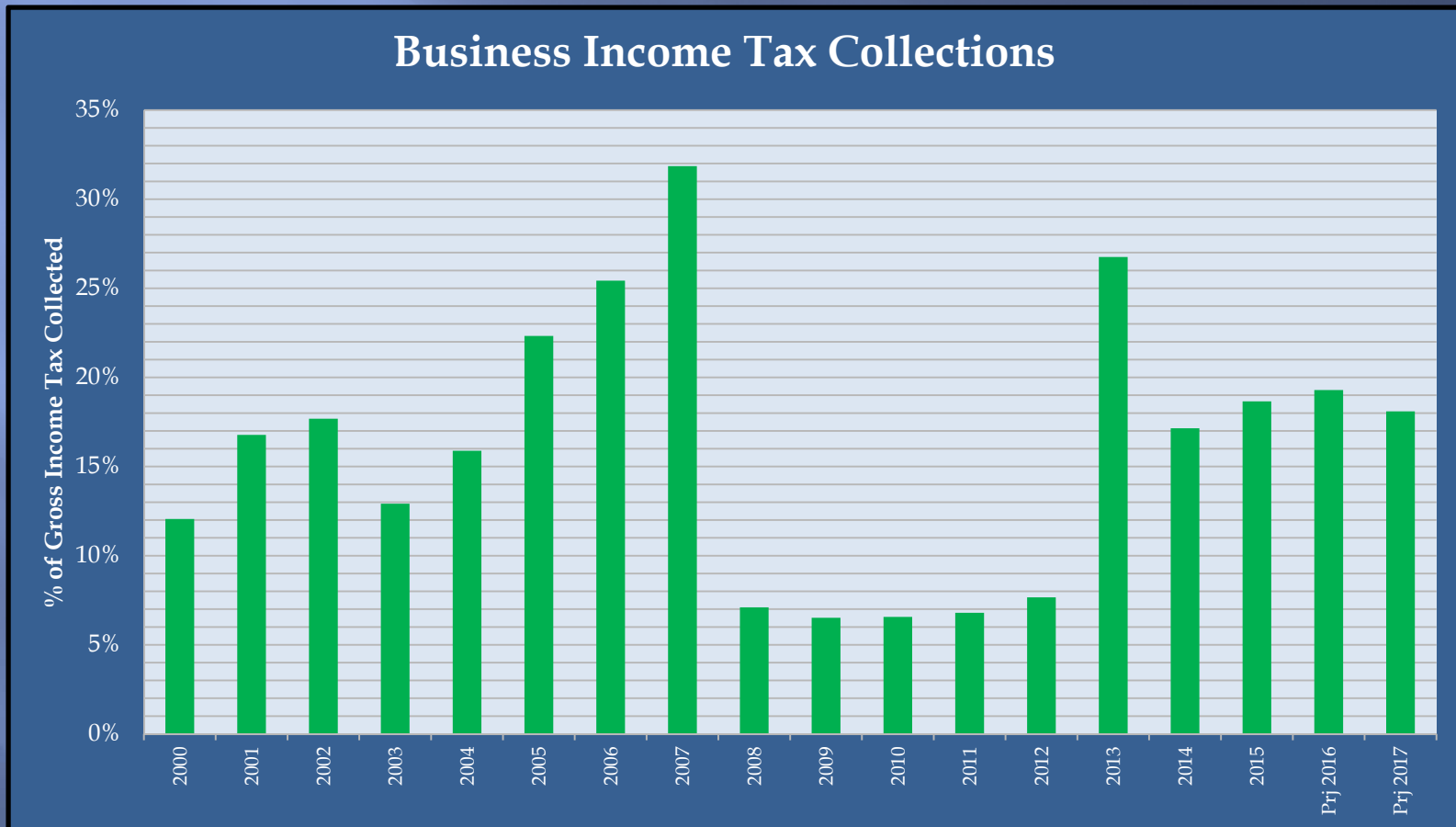
* State of Ohio elected officials posturing to reduce City of Findlay's bottom line

+ Benchmark year for revenue diversification



Budget History

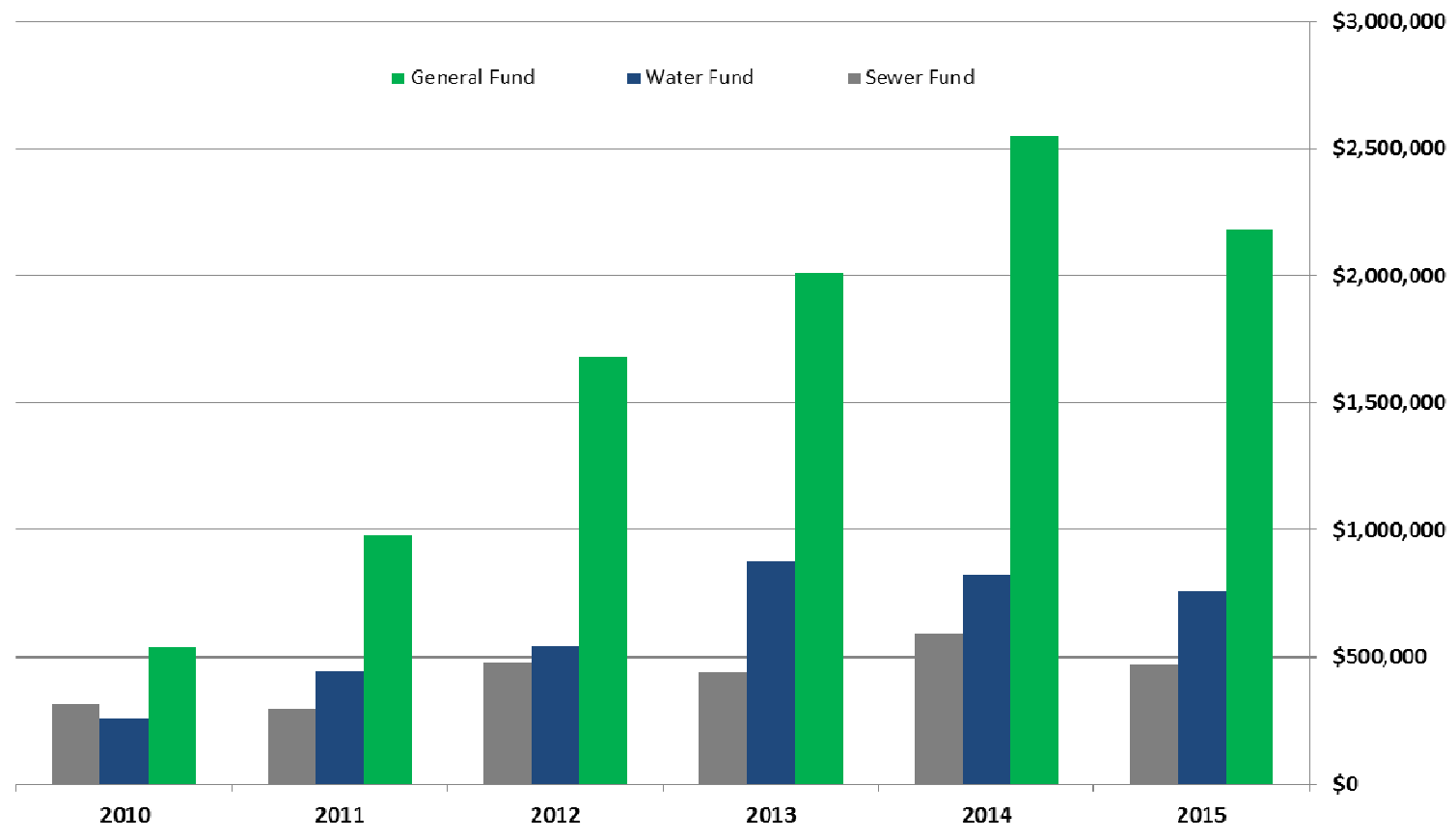
Business Income Tax Collections





Budget History

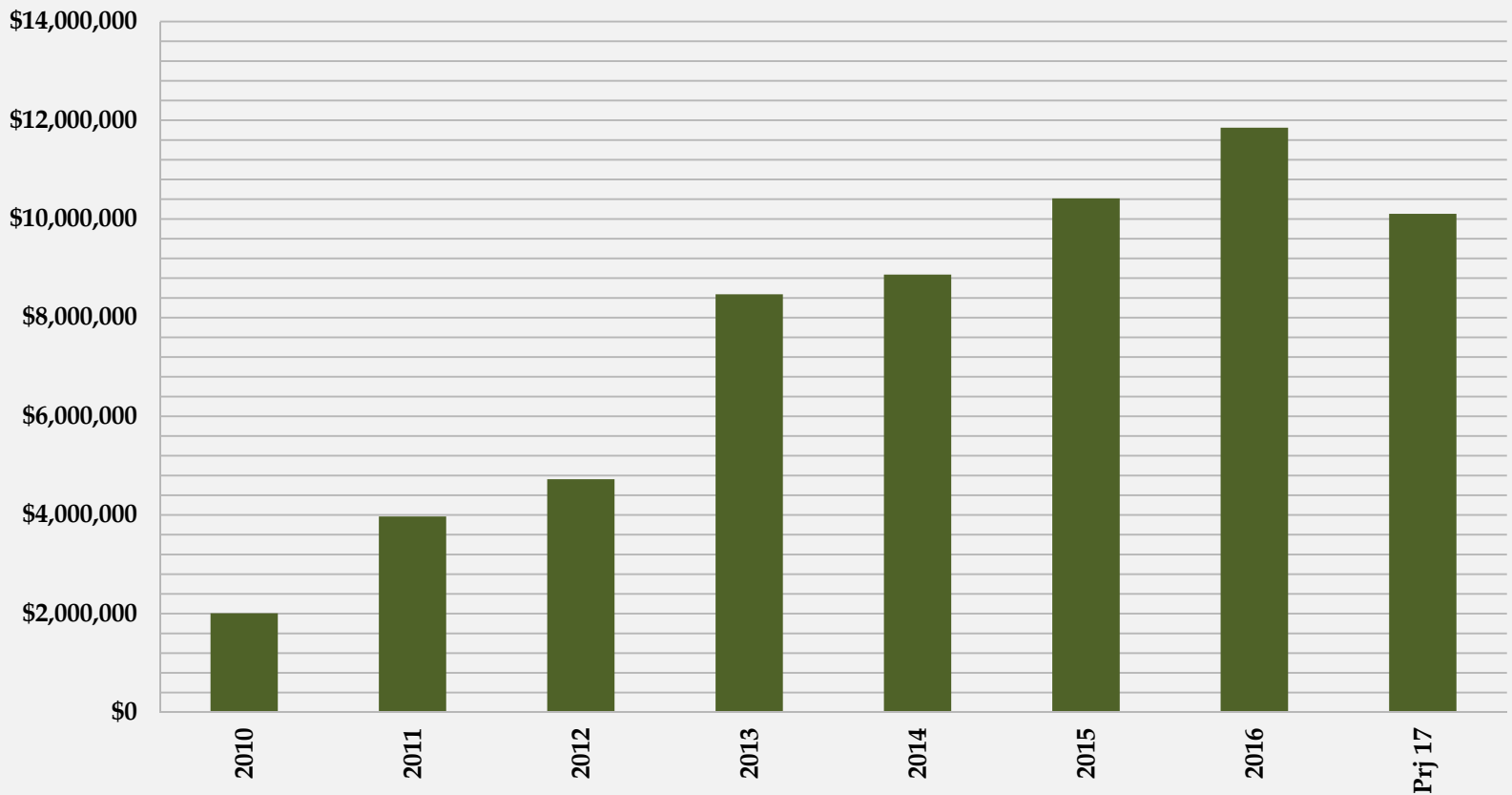
Year End Unspent Operations Budget Appropriations by Fund





Budget History

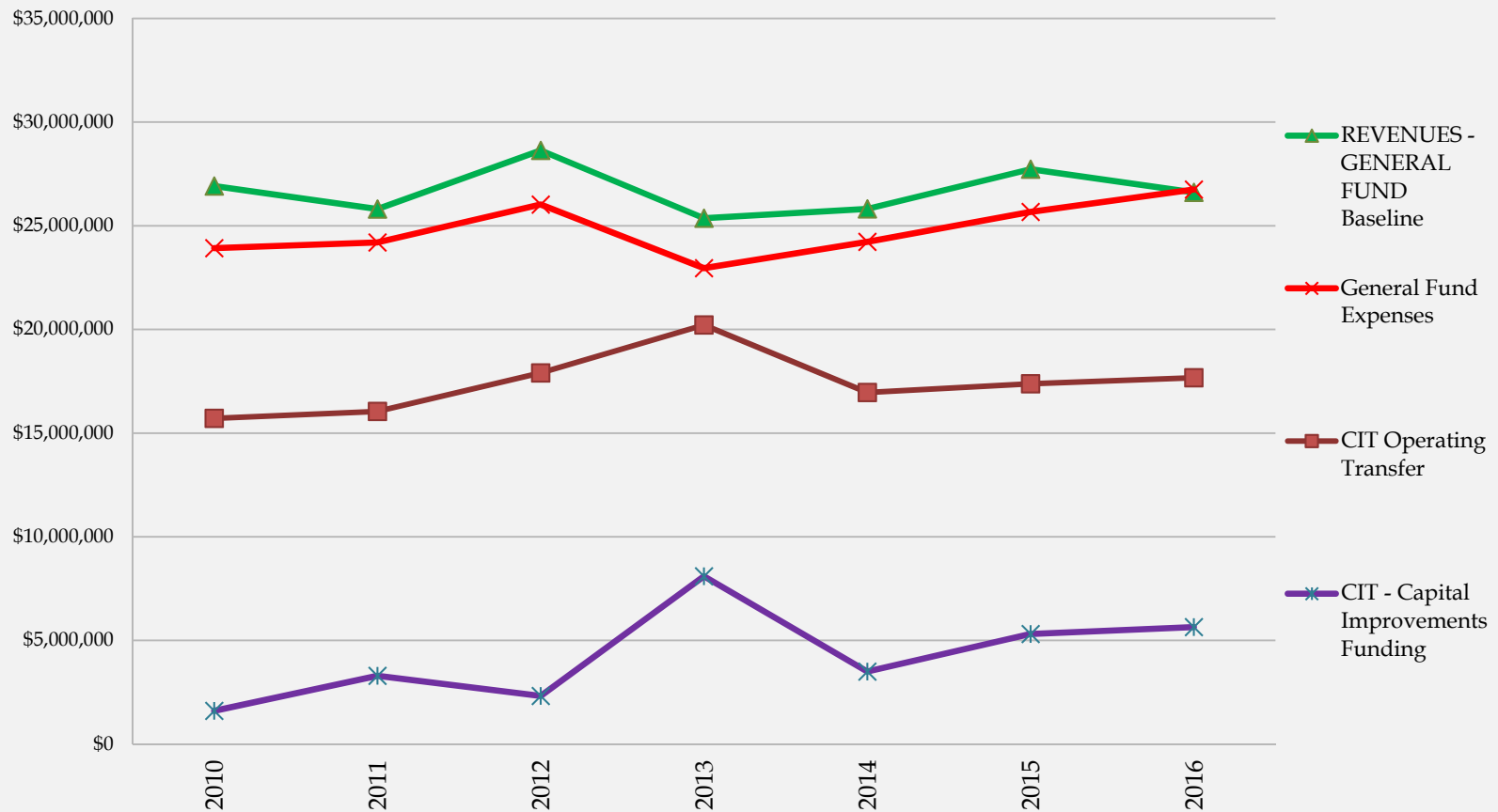
January 1st General Fund Unrestricted Balance





Budget History

General Fund Operations Cost Trend





Items of note

- ❑ Year-end projected cash balance of the Water Fund is \$8,152,600 vs 2016 operations budget of \$6,689,300
- ❑ Year-end projected cash balance of the WPC (Sewer) Fund is \$5,512,000 vs 2016 operations budget of \$7,877,300
- ❑ Fund balances point to an opportunity for a rate reduction or significantly expanded capital program. This certainly presents an opportunity to assess the infrastructures completely
- ❑ Auditor is awaiting update of 'Water and Sewer Model' from administration for a final assessment



Items of note

- ❑ Council should consider instituting a community wide strategic planning process per GFOA best practices
- ❑ City Auditor determining recommended minimum balances for all funds. Administration can spend below minimum balances, but a “corrective action plan” to recapture should be put in place per Council Resolution 002-2014
- ❑ Budget Process was adjusted in 2013 to account for City Income Tax information that is needed to project revenues, most particularly the deferred estimated business tax payments
- ❑ The 2017 and 2018 budgets will be created simultaneously; process to show short term sustainability of spending priorities. Findlay’s ‘AA stable’ bond rating can be protected with proper planning
- ❑ Council must affirm the likely Capital Improvements allocation before budgets started



Budget meeting 12/15/16

How you wish to review budget impacts
how we assemble the 2017 finance book

One Night review of full budget 12/15/16
Starting time & schedule to be determined

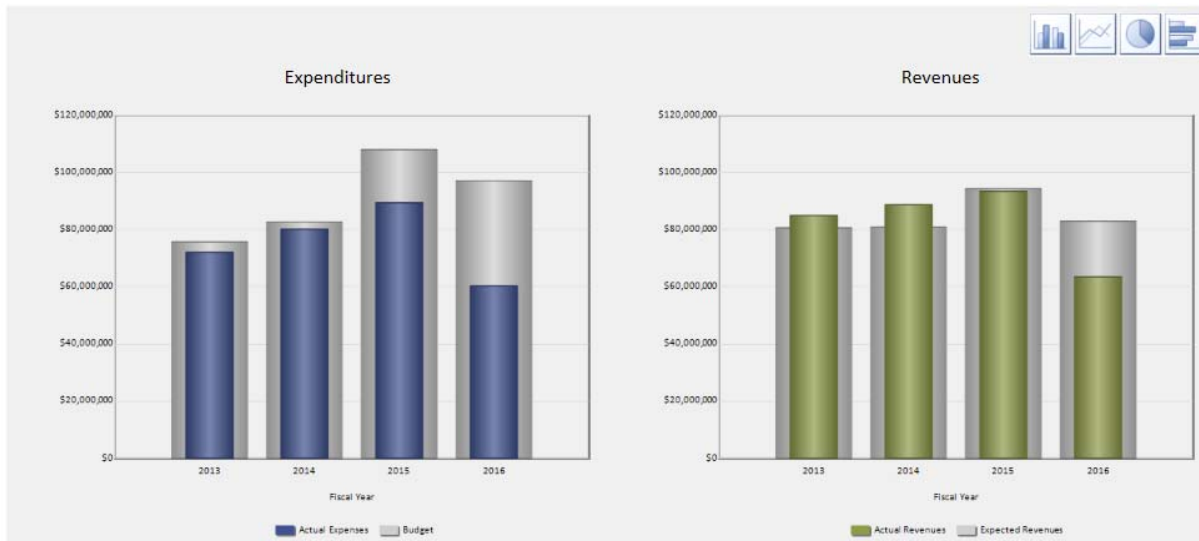


GFOA Planning Components



City of Findlay Citizen Transparency

Total Expenditures \$60,339,485 Year To Date	Total Revenues \$63,582,305 Year To Date	Overtime Pay \$394,429 YTD Gross Earnings	Total Project Expenditures \$5,876,654 Year To Date	Site Quick Links: <ul style="list-style-type: none"> Expenditures Overview Revenues Overview Payroll Overview Vendor Payments
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Data current as of: 9/24/2016

Fiscal Year references throughout the site are as follows:

2013 January through December 2013	2014 January through December 2014	2015 January through December 2015	2016 January through December 2016
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