



MUNICIPAL BUILDING  
655 Blacklick St.  
Groveport, OH 43125  
614.836.5301  
[www.groveport.org](http://www.groveport.org)

**To:** Mayor and Council

**From:** Marsha Hall, City Administrator

**Cc:** Jason Carr, Finance Director

**Date:** August 19, 2019

**Re:** FINANCIAL FORECAST AND OVERVIEW

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Attached please find the Finance Department's *Financial Forecast & Overview for the Periods Through December 31, 2019*. This report provides you with historical financial information and a forecast for the upcoming three years (2019 through 2021).

As part of the *Financial Forecast & Overview for the Periods Through December 31, 2016*, Council developed a strategy for prioritizing revenue to be set aside before operational expenses. Below are three revenue set-asides that Council determined should be prioritized before any operational expenses.

**Amount of General Fund Contingency (balance) Increased.** It was determined by Council to add at least 20% to each year's balance until a \$2.0M balance is retained. It is estimated that the General Fund balance at the end of 2019 will be \$1,331,972. This is due to higher than expected costs within the Recreation and Golf Course funds. It is then expected that the balance will increase through 2021, with the balance at the end of 2021 being over the \$2.0M threshold.

**Rainy Day Fund Increased.** It was determined by Council to increase the Rainy Day Fund from \$1,500,000 to \$2,000,000, and to increase the annual allocation from \$100,000 to \$150,000. The fund balance going into 2019 was \$1,541,667. It is still estimated that as long as no expenditures are made from this fund, the \$2,000,000 threshold will be met in 2021.

**Debt Service Increased.** It was determined by Council to increase the amount set aside for the Debt Service Fund to 20% of income taxes received after the allocation into the Rainy Day Fund. It is estimated that the fund balance at the end of 2019 will be \$5,174,336. The attached report provides a number of recommendations in utilizing these funds.

#### Forecast

A consistent stream of revenue is important to the goals of Council and Administration in providing our residents and businesses with an excellent quality of life. Increase in revenue is expected to slow due to the factors indicated above, as well as to the lack of available development land within the municipality. Any slow down to the economy will also have to be followed closely.

As we begin our recommendations for the 2020 Appropriations and Capital purchases and projects to be completed in 2020, we will continue to work 1) toward the goals that were set in 2016, and 2) keeping in mind the estimated future reduced revenue.

Town Hall 648 Main Street, Groveport, OH 43125  
Groveport Recreation & Aquatic Center 7370 Groveport Road, Groveport, OH 43125  
Public Works Facility 7400 Groveport Road, Groveport, OH 43125  
Groveport Municipal Golf Course 1005 Richardson Road, Groveport, OH 43125  
Police Department 5690 Clyde Moore Drive, Groveport, OH 43125



**CITY OF GROVEPORT  
FRANKLIN COUNTY, OHIO**

**FINANCIAL FORECAST & OVERVIEW  
FOR THE PERIODS THROUGH DECEMBER 31, 2021**

***PREPARED BY THE FINANCE DEPARTMENT***

**CITY OF GROVEPORT  
FRANKLIN COUNTY**

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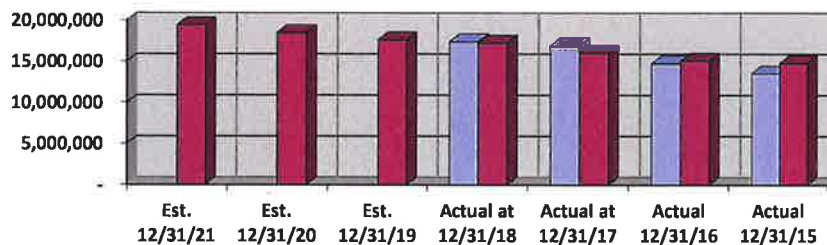
City Council, Mayor and City Administrator  
City of Groveport  
655 Blacklick Street  
Groveport, Ohio 43125

The Administration is pleased to present the City of Groveport's (the City) historical revenue and financial forecast for Council's consideration. The purpose of this report is to provide a financial picture of the City focusing on revenue, expenditure and fund balance estimates as well as focusing on individual funds.

- ☐ Income Tax
- ☐ City Capital Improvements Completed
- ☐ Total All Funds
- ☐ Individual Fund Projected Revenues, Expenditures and Fund Balances
- ☐ Outstanding Debt

#### Income Tax Revenues

Income taxes received are the largest and primary source of revenue. Below is a summary of income tax receipts received, net of income tax refunds, projected:



		Income Taxes - Actual		Income Taxes - Budget	
Year		Actual		Budget	Budget Vs. Actual Variance Percentage
December 31, 2021 (Est.)*		NA		\$19,416,030	NA
December 31, 2020 (Est.)*		NA		18,491,457	NA
December 31, 2019 (Est.)*		NA		17,610,912	NA
December 31, 2018		\$17,408,355		17,249,900	101%
December 31, 2017		16,869,827		16,053,480	105%
December 31, 2016		14,748,036		15,086,575	98%
December 31, 2015		13,549,396		14,784,040	92%
December 31, 2014		12,791,938		12,688,437	101%
December 31, 2013		12,459,873		10,272,855	121%

### Income Tax Revenues – (Continued)

The following is a breakdown of the funds which received income taxes since 2012, net of income tax refunds:

Year	General Fund	Rainy Day Fund	Debt Service Fund	Total
2021 *	\$ 14,678,547	\$ 150,000	\$ 4,587,483	\$ 19,416,030
2020 *	13,979,569	150,000	4,361,888	18,491,457
2019 *	13,313,875	150,000	4,147,037	17,610,912
2018	13,806,860	150,000	3,451,495	17,408,355
2017	13,375,862	150,000	3,343,965	16,869,827
2016	12,440,340	100,000	2,207,696	14,748,036
2015	11,427,851	41,667	2,079,878	13,549,396
2014	10,236,420	-	2,555,518	12,791,938
2013	10,199,401	-	2,260,472	12,459,873
2012	7,337,453	100,000	1,875,022	9,312,475

\* - For purposes of projecting income taxes the allocation of income taxes is at the current rate of 80% to the General Fund and 20% to the Debt Service Fund after the allocation \$150,000 to the Rainy Day Fund effective January 1, 2017. The City has estimated that 76.40% of business employee withholdings will be received based on 2018 actual amounts received. For calendar year 2020-2021, we assume that total income taxes will increase 5% from the previous year. Calendar year 2019 income taxes were estimated based on YTD collections through July 15, 2019 while remainder of 2019 estimates based on 2018 actuals.

The following table illustrates the source of income tax revenues, net of income tax refunds that are and may be collected by the City:

Net Income Tax Revenue Base and Collections							
For the Year-To-Date-ended December 31, 2012 through December 31, 2021							
Tax Year	Total Taxes Collected	Taxes from Withholdings	%of Taxes from Withholdings	Taxes from Net Profits	% of Taxes from Net Profits	Taxes from Individuals	% of Taxes from Individuals
2021	\$19,416,030	\$14,832,951	76.40%	\$4,258,666	21.93%	\$324,413	1.67%
2020	18,491,457	14,126,620	76.40%	4,055,873	21.93%	308,965	1.67%
2019	17,610,912	13,453,924	76.40%	3,862,736	21.93%	294,252	1.67%
2018	17,408,355	14,783,175	84.92%	2,165,599	12.44%	459,581	2.64%
2017	16,869,827	12,863,243	76.25%	3,802,459	22.54%	204,125	1.21%
2016	14,748,036	11,099,372	75.26%	3,436,292	23.30%	212,372	1.44%
2015	13,549,396	9,271,852	68.43%	4,133,921	30.51%	143,624	1.06%
2014	12,791,938	10,874,426	85.01%	1,694,932	13.25%	222,580	1.74%
2013	12,459,873	7,672,790	61.58%	4,636,319	37.21%	150,764	1.22%
2012	9,312,475	7,645,542	82.10%	1,436,915	15.43%	230,018	2.47%

**NOTES FOR TABLE:**

**Withholdings** = Income taxes withheld from individuals who work within the corporate limits.

**Net Profits** = Income taxes paid by businesses from revenues exceeding expenses after considering adjustments.

**Individuals** = Income taxes paid by residents who did not receive credit from taxes paid to another municipality or those who live and work in the corporate limits.

Income tax percentages for 2018-2012 derived from audited figures while 2019-2021 are estimates based on information known as of the date of this report.

**Financial Summary:** Based on the sources of income taxes collected we must continue to be diligent retaining and seeking new businesses to the City of Groveport. Many programs offered by the City are not self-supporting and rely on the General Fund to supplement their operations. Although mandatory income tax filing has seen a small increase in collections, business employee withholding will continue to be the largest source of income tax collections.

**Capital Purchases/Projects Completed**

<b>Year</b>	<b>Project Description</b>	<b>Cost</b>	<b>Funding Source</b>
2012	Police Vehicles & Equipment	\$178,736	Leases
2012	Municipal Building Improvements	196,962	City Funds
2012	Lesleh Avenue Improvements	251,173	Grants/Loan
2012	Public Works Dump Truck	145,162	Lease
2012	Golf Course Clubhouse Improvements	215,623	City Funds
	<b>Total 2012 Capital Improvements</b>	<b>987,656</b>	
2013	Phone System	58,372	City Funds
2013	Town Hall Improvements	50,775	City Funds
2013	Golf Carts & Equipment	353,444	Leases
2013	Golf Course Shoreline Improvements	109,943	Bonds
2013	Aquatic & Rec. Center Improvements	80,293	Leases
2013	State Route 317 Improvements	317,230	City Funds
2013	Water Meters and Installation	263,137	City Funds
2013	Sewer Meters and Installation	259,683	City Funds
	<b>Total 2013 Capital Improvements</b>	<b>1,492,877</b>	
2014	Police Vehicles & Equipment	210,983	Leases
2014	Town Hall Improvements	104,642	City Funds
2014	Police Building Improvements	964,319	Bond Anticipation Notes
2014	Spiegel Road	1,154,418	Grants/Loans
2014	Golf Course Improvements & Equipment	148,330	City Funds and Leases
2014	Aquatic & Recreation Center Improvements	84,551	City Funds
2014	Vehicles & Sidewalk Improvements	127,682	Leases and City Funds
2014	Parks & Senior Transportation Vehicles & Equipment	108,620	Leases
	<b>Total 2014 Capital Improvements</b>	<b>2,903,545</b>	
2015	Port Road Improvements	1,043,131	Grants
2015	Water Plant	2,997,652	Bonds
2015	Town Center	2,174,142	Bonds
2015	Passenger Buses	248,200	Leases
2015	Park Equipment & Vehicles	83,404	Leases
2015	Police Vehicles	80,765	Leases
2015	Golf Course Equipment	93,292	Leases
2015	Public Works Equipment & Vehicles	85,813	Leases
	<b>Total 2015 Capital Improvements</b>	<b>6,806,399</b>	
2016	Natatorium Roof	1,432,521	City Funds
2016	Golf Course Hillside Improvements	1,283,540	Bonds
2016	Police Vehicles and Equipment	135,851	Lease
2016	Security System	37,250	City Funds
2016	Outdoor Warning Siren	12,140	City Funds
2016	Park Department Vehicles and Equipment	107,564	Lease
2016	Building and Zoning Vehicles	21,462	Lease
2016	Street Department Freightliner & Bucket Truck	256,025	Lease
2016	Golf Course Equipment	62,130	Lease
2016	Golf Course Sewer Improvements	477,296	City Funds
2016	West Bixby Road Improvements	45,144	City Funds
2016	Hendron Road Improvements	128,325	City Funds
2016	Wellfield Improvements	35,660	City Funds
	<b>Total 2016 Capital Improvements</b>	<b>4,034,908</b>	

**Capital Purchases/Projects Completed – (Continued)**

<b>Year</b>	<b>Project Description</b>	<b>Cost</b>	<b>Funding Source</b>
2017	Senior Transportation Van	\$10,524	City Funds
2017	Outdoor Warning Siren	12,875	City Funds
2017	East Bixby Road Rehabilitation	32,589	City Funds
2017	Hendron Road Improvements	21,187	OPWC Grant
2017	West Bixby Road Improvements	555,138	OPWC Grant
2017	Senior Transportation Van	49,179	MORPC Grant
2017	Golf Carts	230,250	Lease
2017	Golf Course Maintenance Sprayer	34,847	Lease
2017	Golf Course Utility Tractor	24,641	Lease
2017	Municipal Building Windows	6,400	City Funds
2017	Police Car Camera and Radios	19,129	City Funds
2017	Sidewalk Repair and Improvements	61,110	City Funds
2017	Recreation – Pool Pump, Dectron Unit, Fire Alarm	52,587	City Funds
2017	Golf Course Clubhouse Roof	38,497	City Funds
2017	Street Maintenance and Repairs	89,688	City Funds
2017	Hendron Road Improvements	438,790	OPWC Funds
2017	Annual Street Paving	484,367	City Funds
2017	Wellfield Improvements	70,572	City Funds
2017	Well Improvements	24,327	City Funds
	<b>Total 2017 Capital Improvements</b>	<b>2,256,697</b>	
2018	Police Building HVAC/Barn Roof	159,155	City Funds
2018	Two Police Cruisers – Outfitted	120,000	Lease Proceeds
2018	Senior Transportation Van	13,000	City Funds
2018	Municipal Building HVAC	219,420	City Funds
2018	Municipal Building Water Damage	62,010	City Funds
2018	Computer Server	20,000	City Funds
2018	Food Pantry Roof Replacement	15,000	City Funds
2018	Real Estate Land Acquisition	250,000	City Funds
2018	Parks – Scag Mower & Chevy Pick-Up	43,832	Lease Proceeds
2018	Annual Street Maintenance	450,000	City Funds
2018	West Main Curb Ramps	34,000	City Funds
2018	Sidewalks	50,000	City Funds
2018	Pickup Trucks – Street Dept.	60,000	Lease Proceeds
2018	Park Development	75,000	City Funds
2018	Paths and Parking – Groveport Park	32,000	City Funds
2018	Senior Transportation Van	52,000	Grant Funds
2018	Recreation – Vinyl and Carpet Flooring	58,180	City Funds
2018	Range Picker – Golf Course	7,100	Lease Proceeds
2018	Sidewinder Rough Mower – Golf Course	35,000	Lease Proceeds
2018	Bus Stops	10,000	City Funds
2018	West Bixby Road	41,015	OPWC Loan
2018	Hendron Road	1,138,471	OPWC Loan
2018	Firehouse Lane Project	32,218	City Funds
2018	Glendening Sanitary Sewer Rehab	195,000	City Funds
2018	SSES Activities	50,000	City Funds
2018	Force Main Replacements	50,000	City Funds
2018	Lift Station Generator Engineering	20,000	City Funds
2018	Bridges – Storm Water	20,000	City Funds
2018	Street Maintenance – Storm Water	105,000	City Funds
2018	West Bixby Road – Storm Water	34,300	City Funds
2018	Ditch Maintenance – Storm Water	5,000	City Funds
2018	Hendron Ditch and Pump Station – Storm Water	85,000	City Funds
2018	Culvert & Basin Maintenance – Storm Water	2,500	City Funds
2018	Miscellaneous Storm Inlet Improvements	65,000	City Funds
2018	Front Street Water Service Replacements	100,000	Debt Proceeds
2018	Hanstein Water Main	644,000	Debt Proceeds
	<b>Total 2018 Capital Improvements</b>	<b>4,684,401</b>	

**Capital Purchases/Projects Completed – (Continued)**

<b>Year</b>	<b>Project Description</b>	<b>Cost</b>	<b>Funding Source</b>
2019	2 Police Cruisers (including equipment)	\$120,000	Lease
2019	Police Building Security Upgrade	10,000	City Funds
2019	Police Body Cameras	74,314	Installment Loan
2019	Police Taser Replacements	10,000	City Funds
2019	KidSpace Fence	6,000	City Funds
2019	Municipal Building Windows	40,000	City Funds
2019	Security Upgrades – Panic Button	10,000	City Funds
2019	72" Scag Mower	10,518	Lease
2019	Utility Vehicle	22,800	Lease
2019	Replacement Truck	30,000	Lease
2019	Starcraft Allstar 12 +2 Vehicle	62,200	Lease
2019	East Bixby Road Rehab	348,000	City Funds
2019	Hamilton Road/Firehouse Lane	542,000	OPWC, Local Govt. Funds, City Funds
2019	West Main Curb Ramps	34,000	City Funds
2019	Annual Street Maintenance	450,000	City Funds
2019	Sidewalks	50,000	City Funds
2019	Master Park Plan Review	40,000	City Funds
2019	Bixford Green Path	180,000	City Funds
2019	Park Development	75,000	City Funds
2019	Ventilation System for Filtration Room	42,170	City Funds
2019	Pool Boiler Replacement	30,000	City Funds
	<b>Total 2019 Capital Improvements</b>	<b>2,187,002</b>	
	<b>Total 2012-2019 Capital Improvements</b>	<b>\$25,353,485</b>	

Since 2012, the City has completed (or is in the process of completing) \$25,353,485 projects which have been paid for as follows:

<b>Funding Source</b>	<b>Amount</b>	<b>Funding Source %</b>
City Funds	\$8,544,769	34%
Debt (Bonds & Leases)	14,310,758	56%
Grants	2,497,958	10%
<b>Total</b>	<b>\$25,353,485</b>	<b>100%</b>

**Financial Summary:** The City has completed or is in the process of completing \$2 million in capital related improvements since 2012 noting that many projects have been financed through long-term debt. A significant portion of this debt is paid from the Debt Service Fund and non-General Fund departments. For future years the City must consider the immediate need of capital improvements if we are to begin increasing our fund balance reserves.

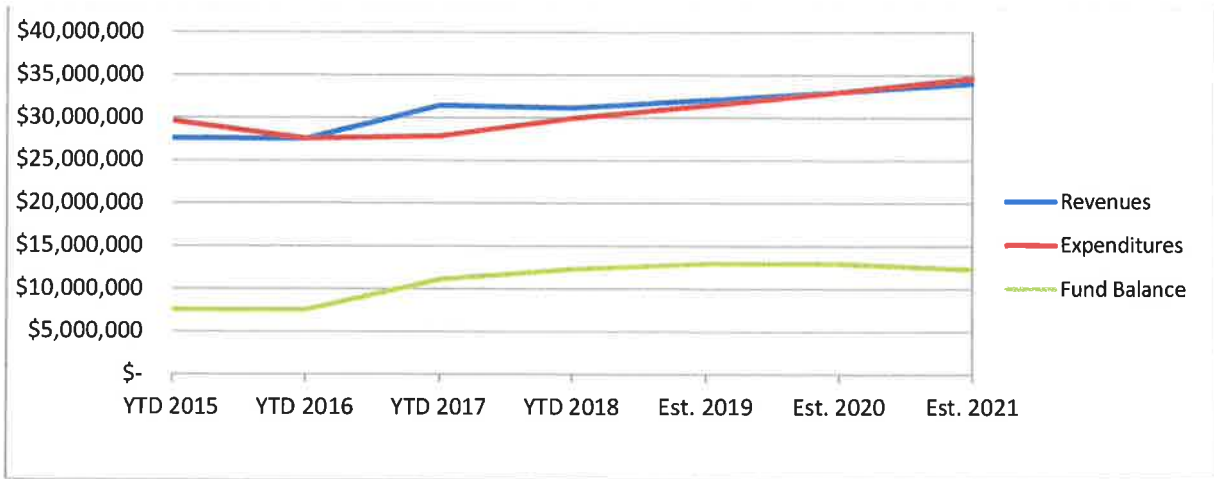
**Total Fund Balances – All Funds**

The chart below plots revenues, expenditures and fund balances since the year to date ended December 31, 2015.



**Total Fund Balances – All Funds – (Continued)**

**Yearly Revenue, Expenditure and Fund Balance – All Funds Year to Date December 31, 2015  
through December 31, 2021**



Current projections for the overall total fund balances are expected to remain flat with expenditures outpacing revenues in 2021. From a historic standpoint, since 2015 the City has collected an average of 94-96% of estimated revenues and expended approximately 69-84% of total appropriations. These averages were utilized to determine year-to-date amounts for 2019-2021. Estimates are also contingent on the timing of when large capital projects financed by debt proceeds or grants are actually recognized. It is expected total expenditures will outpace revenues beginning 2021.

**Individual Fund Projected Revenues, Expenditures and Fund Balances**

The City has 32 active funds which are budgeted by the City and of these funds, for purposes of our analysis we will focus on the General Fund, Rainy Day Fund, Debt Service Fund, Street Maintenance & Repair Fund, Recreation & Aquatic Center Fund and Golf Course Fund. The primary purpose for which we will focus on these funds is they are reliant on income tax revenues or subsidies from the General Fund (transfers out) in order to maintain a balanced budget.

**Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)**

**GENERAL FUND**

**Revenues** - Since 2015, income taxes received by the General Fund have comprised the largest portion of the revenues noting 89.6% of total 2018 General Fund revenues were comprised of income taxes. The table below provides an overview of activity since 2015 (2015-2018 represent actual revenues and expenditures while 2019-2021 are estimates):

Revenue Source/Year	2015	2016	2017	2018	2019	2020	2021
Income Taxes (Net)	\$11,427,851	\$12,440,340	\$13,375,862	\$13,806,860	\$13,313,875	\$13,979,569	\$14,678,547
Property & Other Taxes	275,469	317,970	346,698	396,698	416,533	429,029	441,900
Charges for Services	149,459	171,194	172,543	156,447	172,092	177,254	182,572
Fines, Licenses, Permits	427,372	432,307	288,189	344,780	379,258	390,636	402,355
Intergovernmental	146,435	119,915	110,853	112,879	115,137	118,591	122,148
Special Assessments	3,810	6,439	989	2,563	986	1,500	1,500
Investment Income	53,681	55,016	72,356	114,779	126,150	105,000	95,000
Other	235,025	191,720	864,343	320,624	305,000	300,000	210,000
Sale of Debt/Leases	184,282	213,415	303	150,387	245,518	0	0
<b>Total</b>	<b>\$12,903,384</b>	<b>\$13,948,316</b>	<b>\$15,232,136</b>	<b>\$15,406,017</b>	<b>\$15,074,348</b>	<b>\$15,501,579</b>	<b>\$16,134,022</b>

**Expenditures** – Expenditures are expected to fluctuate beginning in 2018 based on projected income taxes to be received in order to maintain stable and consistent cash fund balances. The table below provides an overview of activity since 2015:

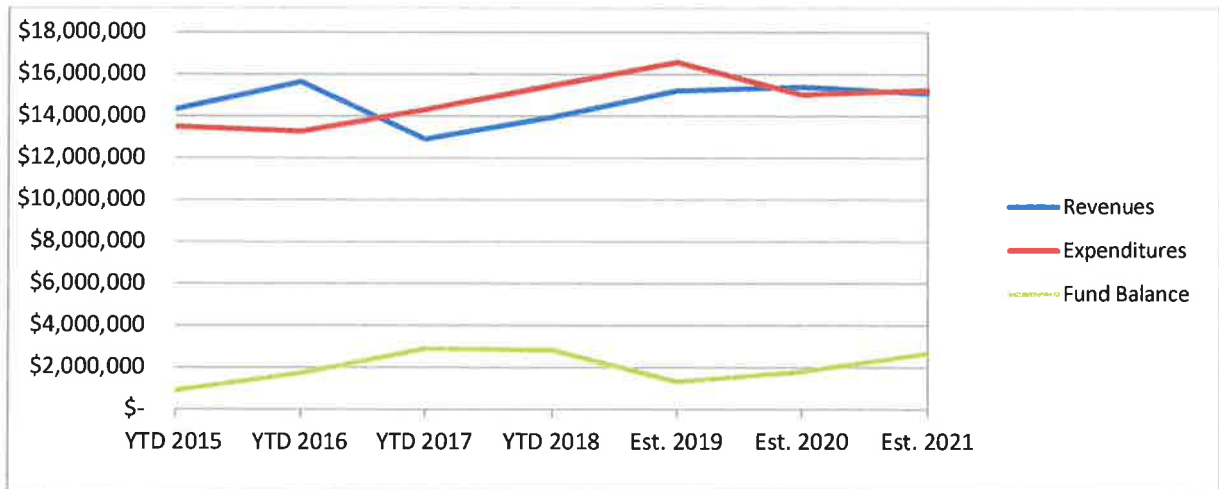
Functions/Year	2015	2016	2017	2018	2019	2020	2021
General Government	\$4,326,164	\$4,953,722	\$4,662,668	\$5,111,810	\$5,650,136	\$5,763,139	\$5,878,402
Security Persons Property	3,350,118	3,547,373	3,614,424	4,002,152	3,850,231	3,927,236	4,005,781
Public Health	39,804	42,059	44,216	46,683	48,084	49,000	50,000
Economic Development	8,830	14,035	17,440	68,065	166,763	168,431	170,115
Leisure Time Activity	1,328,448	1,326,642	1,412,267	1,641,510	1,688,407	1,705,291	1,722,344
Community Environment	481,214	562,611	506,409	590,106	603,547	609,583	615,678
Transportation	0	104,869	106,487	115,688	182,398	184,222	186,065
Debt Service	136,584	131,379	174,118	127,161	158,742	125,000	125,000
Transfers Out	3,824,694	2,600,000	3,767,388	3,767,809	4,225,441	2,500,000	2,500,000
<b>Total</b>	<b>\$13,495,856</b>	<b>\$13,282,690</b>	<b>\$14,305,417</b>	<b>\$15,470,984</b>	<b>\$16,573,750</b>	<b>\$15,031,902</b>	<b>\$15,253,385</b>

Specific to transfers out, the General Fund will be expected to supplement the operations of the following funds based on the expectation that these funds revenues will not equal or exceed expenditures. Estimates for 2020 and 2021 are contingent on capital related projects, specifically the Street and Golf Course Funds:

	Street Fund	Parks	Recreation & Aquatic Fund	Golf Course Fund	Transportation Services Fund	Total Transfers Out
2019	\$ 1,249,804	\$ 75,000	\$ 1,223,693	\$ 1,429,392	\$ 247,552	\$ 4,225,441
2020	500,000	75,000	725,000	1,000,000	200,000	2,500,000
2021	500,000	75,000	725,000	1,000,000	200,000	2,500,000
Transfers In	<u>\$ 2,249,804</u>	<u>\$ 225,000</u>	<u>\$ 2,673,693</u>	<u>\$ 3,429,392</u>	<u>\$ 647,552</u>	<u>\$ 9,225,441</u>

**Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)**

**Yearly Revenue, Expenditure and Fund Balance – General Fund Year to Date December 31, 2015 through December 31, 2021**



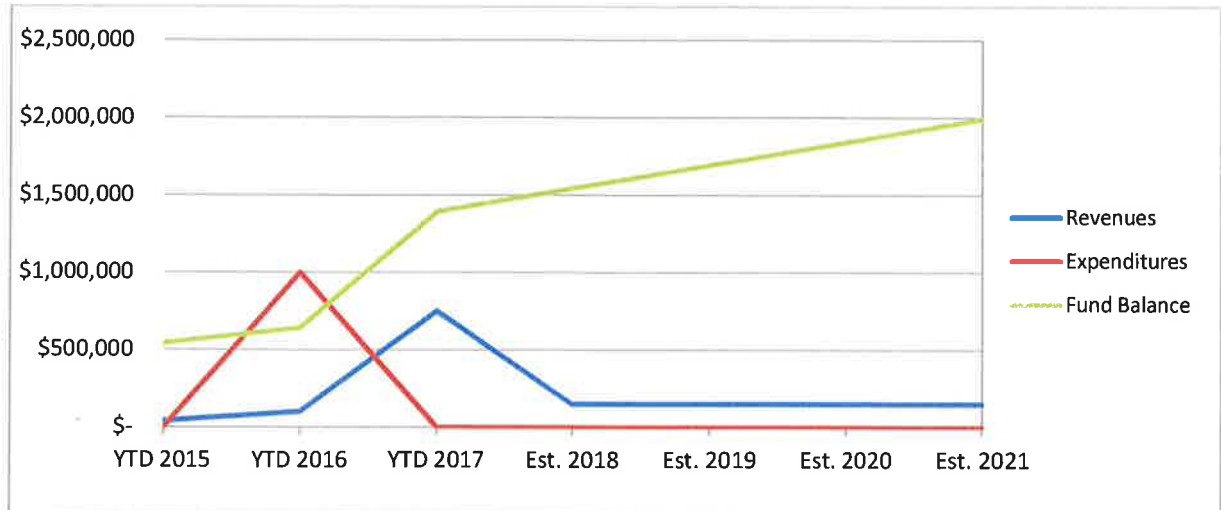
Year	YTD 2015	YTD 2016	YTD 2017	YTD 2018	Est. 2019	Est. 2020	Est. 2021
<b>Revenues</b>	\$12,903,384	\$13,948,316	\$15,574,254	\$15,406,017	\$15,074,348	\$15,501,579	\$16,134,022
<b>Expenditures</b>	13,495,856	13,282,690	14,408,296	15,470,984	16,357,750	15,031,902	15,253,385
<b>Fund Balance</b>	910,573	1,730,182	2,896,141	2,831,174	1,331,972	1,801,648	2,896,141

**Financial Summary:** The General Fund is projecting a deficit in calendar year 2019 based on higher than expected costs within the Recreation and Golf Course funds. Fund balance is expected to increase through 2021 as the City will be cognizant of monitoring future costs (unless unexpected similar to those incurred in 2019).

**Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)**

**RAINY DAY FUND**

**Yearly Revenue, Expenditure and Fund Balance – Rainy Day Fund Year to Date December 31,  
2015 through December 31, 2021**



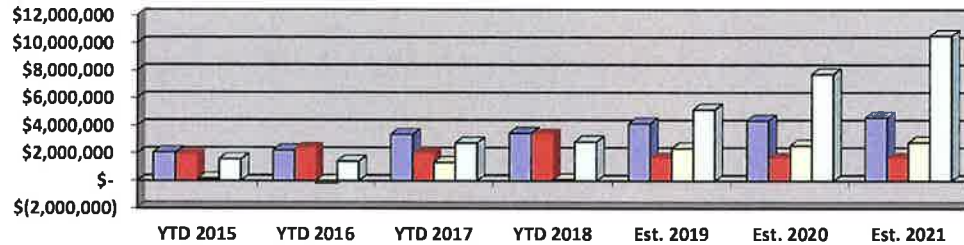
Year	YTD 2015	YTD 2016	YTD 2017	YTD 2018	Est. 2019	Est. 2020	Est. 2021
<b>Revenues</b>	41,667	100,000	750,000	150,000	150,000	150,000	150,000
<b>Expenditures</b>	1,000,000	0	0	0	0	0	0
<b>Fund Balance</b>	541,667	641,667	1,391,667	1,541,667	1,691,667	1,841,667	1,991,667

**Financial Summary:** Ordinance 16-049 requires the City to allocate \$150,000 yearly to the Rainy Day fund until the fund balance equals \$2,000,000.

**Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)**

**DEBT SERVICE FUND**

**Yearly Revenue, Debt Service, Net Income (Loss) and Fund Balance –Year to Date December 31,  
2015 through December 31, 2021**



	<div> <div>Revenues</div> <div>Debt Service</div> <div>Net Income (Loss)</div> <div>Fund Balance</div> </div>						
Year	YTD 2015	YTD 2016	YTD 2017	YTD 2018	Est. 2019	Est. 2020	Est. 2021
Revenues	\$2,051,516	\$2,207,696	\$3,355,373	\$3,461,368	\$4,147,037	\$4,361,888	\$4,587,483
Debt Service	1,897,556	2,371,327	2,022,768	3,370,741	1,682,539	1,681,120	1,676,070
Net Income (Loss)	153,960	(163,631)	1,332,605	90,627	2,348,278	2,560,768	2,781,413
Fund Balance	1,567,257	1,403,626	2,736,231	2,826,868	5,174,336	7,735,104	10,516,517

**Financial Summary** - All debt which is paid from the Debt Service Fund is collateralized by income taxes noting the City allocates 20% of income taxes received (after considering the allocation to the Rainy Day Fund in accordance with Ordinance 16-049). Fund balance increased slightly for 2018 which was attributed to the City meeting debt service requirements and retiring outstanding bond anticipation notes. Fund balance is expected to significantly increase (contingent on income tax collections) beginning in 2019 based on lower bonded debt. In addition, beginning in 2019 the City is projected to have expenditure coverage 2.5 times projected ending fund balance.

For future planning, the City should consider the following utilizing Debt Service Funds:

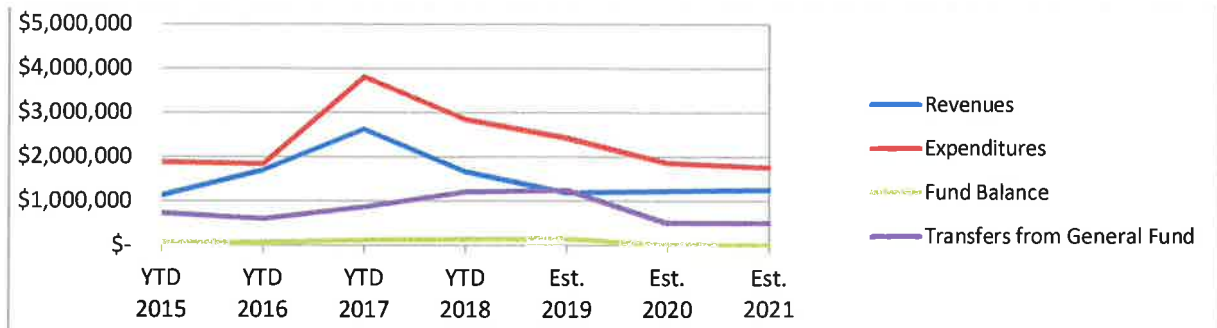
1. Retire the \$660,000 water general obligation bond anticipation notes due in 2020 thus saving approximately \$23,036 in interest and issuance costs;
2. Utilize Debt Service Fund balance to retire the Water Fund General Obligation Bonds annual principal and interest payments of \$175,938 due in 2020;
3. Issue "Manuscript Debt" compliant with Ohio Revised Sections 133.29, 135.14, 731.56. This type of debt is often referred to as "manuscript debt" or "treasury debt." Manuscript or treasury debt can be outstanding for five years, unless it is matched to a specific obligation or debt and any securities sold under this section shall bear interest at a rate(s) that is a fair market rate(s). Loaning inactive fund balance to other funds would save the City issuance costs and excess interest paid is re-invested in the Debt Service Fund.
4. Reducing the income tax allocation within the Debt Service Fund from 20% to 15% with the difference allocated to the City's Capital Improvement Fund for capital related improvements.



**Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)**

**STREET MAINTENANCE & REPAIR FUND**

**Yearly Revenue, Expenditures, Fund Balance and Transfers from the General Fund –Year to Date  
December 31, 2015 through December 31, 2021**



Year	YTD 2015	YTD 2016	YTD 2017	YTD 2018	Est. 2019	Est. 2020	Est. 2021
<b>Revenues</b>	\$1,130,867	\$1,693,817	\$2,626,154	\$1,667,994	\$1,183,297	\$1,218,796	\$1,255,360
<b>Expenditures</b>	1,882,672	1,843,519	3,810,068	2,850,901	2,428,867	1,861,955	1,755,360
<b>Fund Balance</b>	56,884	66,740	116,832	138,925	143,159	0	0
<b>Transfers from the General Fund</b>	733,480	600,000	869,105	1,205,000	1,249,804	500,000	500,000

**Financial Summary:** Historically the revenues received by the Street Maintenance & Repair Fund (Gasoline and Motor Vehicle License Taxes) are not sufficient to cover operations of the department (for example, in 2018 these revenues totaled \$743,729 and operational expenses consisting of salaries and benefits, supplies and contractual services totaled \$970,219 which resulted in an operating deficit of \$226,790. Therefore, in order to balance the Street Maintenance & Repair Fund's budget before considering capital outlay or debt service expenditures, transfers were necessary from the General Fund to address this deficiency.

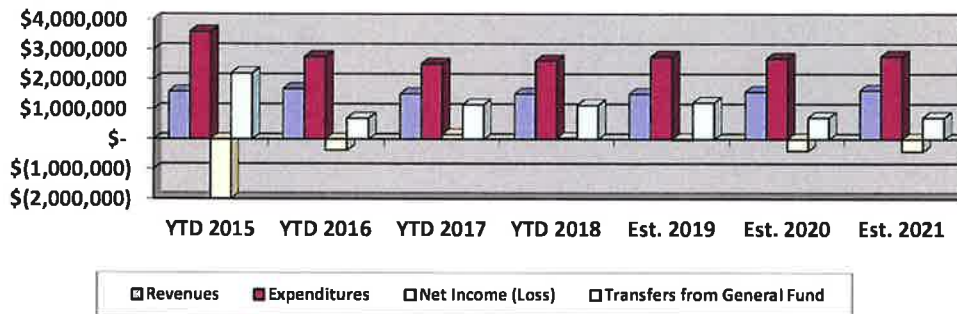
Revenues have decreased since 2018 based on fewer OPWC/loans or other debt related revenue sources. There is an expectation revenues will increase based on the gasoline tax increase which became effective July 1, 2019, however, we are unable to quantify an increase at this time.

Expenditure assumptions beginning in 2019 relate to finalizing current OPWC projects further assuming there will be no other significant capital related projects other than street maintenance or street reconstruction projects. This will allow the City to reduce transfers to \$500,000 for 2020 and 2021. Additional projects will increase transfers thus decreasing the City's General Fund balance greater than expected.

**Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)**

**RECREATION & AQUATIC FUND**

**Yearly Revenue, Expenditures, Net Income (Loss) and Transfers from the General Fund –Year to Date December 31, 2015 through December 31, 2021**



Year	YTD 2015	YTD 2016	YTD 2017	YTD 2018	Est. 2019	Est. 2020	Est. 2021
Revenues	\$1,591,423	\$1,683,639	\$1,516,925	\$1,517,685	\$1,512,070	\$1,587,674	\$1,635,304
Expenditures	3,585,030	2,750,466	2,514,295	2,621,774	2,752,482	2,696,658	2,762,558
Net Income (Loss)	(1,993,607)	(366,827)	157,630	36,634	(16,719)	(383,985)	(402,235)
Transfers from the General Fund	2,205,599	700,000	1,155,000	1,140,723	1,223,693	725,000	725,000

**Financial Summary:** Income taxes received in the General fund will be required to supplement operations so this fund remains at break-even levels. For example, in 2018 operating revenues totaled \$1,517,685 and operational expenses consisting of salaries and benefits, supplies and contractual services totaled \$2,555,736 for an operating deficit of \$1,038,051.

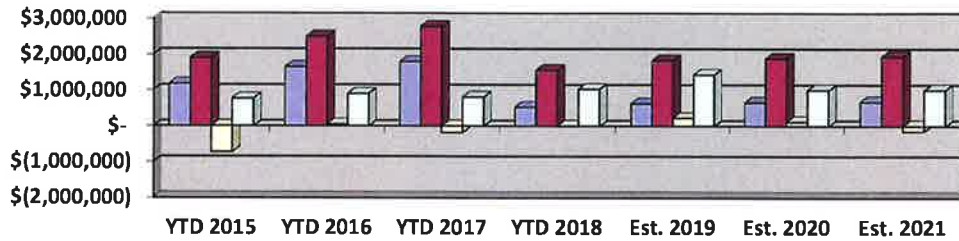
The Recreation & Aquatic Fund is also responsible for leased equipment payments of \$7,877 which are not reflected as a component of operations.

Monitoring costs is essential to reducing the burden on the General fund to balance the Recreation & Aquatic Center budget through transfers as this reduces the ability to increase reserves in the General Fund.

**Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)**

**GOLF COURSE FUND**

**Yearly Revenue, Expenditures, Net Income (Loss) and Transfers from the General Fund –Year to Date December 31, 2015 through December 31, 2021**



■ Revenues   
 ■ Expenditures   
 ■ Net Income (Loss)   
 ■ Transfers from General Fund

Year	YTD 2015	YTD 2016	YTD 2017	YTD 2018	Est. 2019	Est. 2020	Est. 2021
<b>Revenues</b>	\$1,176,929*	\$1,643,134**	\$1,790,886***	\$523,390****	\$623,978	\$655,177	\$674,832
<b>Expenditures</b>	1,897,242	2,495,319	2,774,558	1,557,234	1,828,216	1,883,062	1,939,554
<b>Net Income (Loss)</b>	(720,313)	47,815	(178,672)	(4,900)	225,156	120,887	(143,835)
<b>Transfers from the General Fund</b>	765,392	900,000	805,000	1,028,944	1,429,394	1,000,000	1,000,000

\* - Revenues include \$591,856 in debt related proceeds. Revenues from operations were \$585,073.

\*\* - Revenues include \$1,062,130 in debt proceeds. Revenues from operations are \$581,004.

\*\*\* - Revenues include \$1,289,738 in debt proceeds. Revenues from operations are \$501,148.

\*\*\*\* - Revenues include \$38,090 in debt proceeds. Revenues from operations are \$485,300.

**Financial Summary:** The Golf Course fund reported net loss of (\$4,900) in 2018 after including debt proceeds and transfers from the General Fund of \$1,067,034. This was primarily attributed to lower revenues and increased operating costs. Historically, transfers from the General Fund to the Golf Course Fund are necessary to address the City's Golf Course Capital Improvement Plan as revenues from operations are not sufficient.

The net income determined in 2019 and 2020 is based on the City transferring all budgeted money and may change based on actual year-end balances. It is currently anticipated there will be no large capital related expenditures in future years which will aide in monitoring costs as well as the amount of funding necessary from the General Fund.



## Debt Service

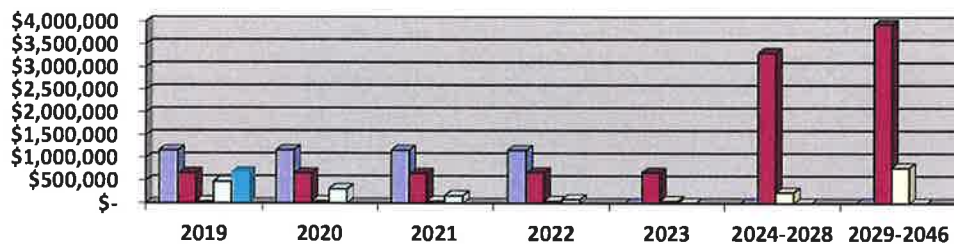
The City's change in outstanding debt obligations at December 31, 2019 consist of the following:

	Principal Balance 12/31/18	Additions	Reductions	Principal Balance 12/31/19	Principal Due in 2020
<b>Total Outstanding Debt</b>					
Income Tax Bonds (A)	\$ 4,270,000	\$ -	\$ (1,005,000)	\$ 3,265,000	\$ 1,050,000
General Obligation Bonds, Series 2010 (A)	2,855,000	-	(205,000)	2,650,000	205,000
General Obligation Bonds, Series 2013 (A)	1,610,000	-	(85,000)	1,525,000	90,000
OPWC Loan Payable - Bixby Road (A)	11,233	-	(11,233)	-	-
OPWC Loan Payable - Spiegel Drive (A)	124,649	-	(5,936)	118,713	5,936
OPWC Loan Payable - Hendron Road (B)	1,015,016	-	(18,797)	996,219	10,250
OPWC Loan Payable - West Bixby Road (B)	100,549	-	(2,186)	98,363	2,186
Capital Lease Obligations (C)	974,381	383,618	(441,821)	916,178	290,579
Bond Anticipation Notes (D)	660,000	660,000	(660,000)	660,000	660,000
General Obligation Bonds, Series 2014 (E)	2,880,000	-	(70,000)	2,810,000	70,000
<b>Total Outstanding Debt</b>	<b>\$ 14,500,828</b>	<b>\$ 1,043,618</b>	<b>\$ (2,504,973)</b>	<b>\$ 13,039,473</b>	<b>\$ 2,383,951</b>

Principal and interest is retired from the following funds:

- (A) – Debt Service Fund
- (B) – Debt Service, Water Capital and Storm Water Funds
- (C) – General, Street, Recreation, Golf Course, and Transportation Services Funds
- (D,E)- Water and Water Capital Fund

A summary of future principal and interest payments through 2046 is as follows:



Year	2019	2020	2021	2022	2023	2024-2028	2029-2046
Income Tax Bonds	\$1,164,138	\$1,168,938	\$1,166,938	\$1,167,188	\$0	\$0	\$0
G.O. Bonds	668,056	661,506	661,706	676,281	674,156	3,311,366	3,939,600
OPWC Loans	38,152	47,900	47,899	47,900	47,900	239,498	782,198
Capital Leases	475,632	311,320	165,849	86,615	4,592	0	0
B.A.N	683,036	0	0	0	0	0	0

Please review the forecast and related assumptions we look forward to any questions you may have.

*Jason Carr, CPA*

Finance Director