

**A G E N D A**

**PIQUA CITY COMMISSION  
WORK SESSION  
COMMISSION CHAMBERS  
TUESDAY, OCTOBER 28, 2008  
5:00 P.M.  
201 WEST WATER STREET  
PIQUA, OHIO 45356**

**CALL TO ORDER**

**ROLL CALL**

**WORK SESSION**

1. Discussion of Tabled Resolution No. R-115-08  
*A Resolution adopting a Long Range Financial Plan for the City of Piqua*

**ADJOURN**

**RESOLUTION NO. R-115-08**

**A RESOLUTION ADOPTING A LONG RANGE FINANCIAL  
PLAN FOR THE CITY OF PIQUA**

WHEREAS, Piqua City Commission initiated a review and study of the City of Piqua long range financial needs in the late fall of 2007; and

WHEREAS, the Piqua City Commission, along with the City Manager, directors, and staff representing all departments, provided the local expertise and knowledge necessary to guide a successful planning process; and

WHEREAS, public meetings and work sessions were held throughout the planning process to provide the departments, commission, and community at large with the opportunity to participate in the planning process; and

WHEREAS, a thorough planning process has generated involvement necessary to produce the information essential to completing a responsible long range financial plan.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: The Piqua City Commission hereby adopts the Long Range Financial Plan as a comprehensive plan for the City of Piqua.

SEC. 2: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

\_\_\_\_\_  
THOMAS D. HUDSON, MAYOR

PASSED: \_\_\_\_\_  
Tabled on 10/6/08

ATTEST: \_\_\_\_\_  
REBECCA J. COOL  
CLERK OF COMMISSION

# Memo

**To:** City Commission  
**From:** Fred Enderle  
**Date:** September 8, 2008  
**Re:** Long Range Financial Planning Recommendations

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The purpose of this memorandum is to transmit Long Range Financial Planning recommendations for the Commissions consideration and approval. The recommendations are attached in three documents: Core Services, Recommended Revenue Enhancements and Expenditure Reductions. Also included in your packet are three scenarios projecting General Fund Balance out to 2011. The first scenario is an existing conditions scenario, which you have seen before, and represents what is likely if we do nothing. The second scenario represents making minor modifications, while the third scenario represents the projected outcome if all the recommended actions are implemented.

The Long Range Financial Planning process was recommended at the time of adoption of the 2008 Annual Budget in November 2007. The purpose of the plan was to address all funds of the City, but with the major focus on the General Fund because it supports the general purposes of the City and is the most volatile in terms of funding sources (state and local taxes, etc.). The purpose of the plan is to:

- Align financial capacity with long-term service goals
- Combine financial forecasting with strategic thinking and planning
- Gather information, analyze challenges and opportunities, decide a plan of action, and continue to evaluate action taken

You will note from review of the differing pro formas that none completely addresses the long-term issue in the general fund of annual revenues meeting expenses. Even in implementing all my recommendations, we still face a potential \$1.6 million deficit in 2011. However, I feel with prudent budgeting between now and 2011, coupled with increased economic activity, we will be putting the City on a course that will achieve our long-term planning goals.

I remind everyone that this is a plan, and as such, it needs to be adaptable to changing conditions. This means we may have to adjust our course down the road if there are significant changes in economic conditions.

Also included in your packet are the results of a survey we did comparing our Police and Fire Departments to communities similar in size and characteristic to Piqua. I am providing this information now because a number of groups and individuals are aware that we are gathering the information and looking forward to receiving a copy of the results. However, all the information needs more analysis and in many cases additional follow up and clarification. So, we are not in a position to draw any conclusions from the information at this point.

PROJECTIONS AS PRESENTED MARCH 10, 2008

(in millions)

GENERAL FUND	Actual 2006	Actual 2007	Estimated 2008	Estimated 2009	Estimated 2010	Estimated 2011
Beginning Fund Bal.	5.0	5.8	3.1	1.8	(1.7)	(5.8)
Revenues	15.8	15.5	12.4	10.6	10.6	10.6
Expenditures	15.0	18.2	13.7	14.1	14.7	15.5
Net Income/Deficit	0.8	(2.7)	(1.3)	(3.5)	(4.1)	(4.9)
Ending Fund Bal.	5.8	3.1	1.8	(1.7)	(5.8)	(10.7)

Recommended Revenue Enhancements

<b>Governmental Accounts</b>					
<b>New Fee Increases</b>	<b>Estimated Value \$</b>	<b>Implement Y/N</b>	<b>2009 &amp; Beyond</b>	<b>2010 &amp; Beyond</b>	<b>2011 &amp; Beyond</b>
<b>Engineering</b>					
sidewalk permits	2,150	Y	2,150		
inspection fee for subdivision construction	30,000	Y	30,000		
inspection fee for construction work zones and street closing permits	1,250	Y	1,250		
<b>Health</b>					
civil citations / re-inspection fees	30,000	Y	30,000		
<b>Planning &amp; Zoning</b>					
implement contractor licensing requirement	11,250	Y	11,250		
<b>Streets</b>					
auto registration fees	100,000	Y		100,000	
<b>Parks</b>					
charge baseball & softball for lights	4,000	Y	4,000		
seasonal softball leagues	300	Y	300		
seasonal youth sports	300	Y	300		
<b>Other</b>					
occupancy licensing program	150,000	Y		150,000	
<b>Fire</b>					
finer for illegal burning	250	Y	250		
<b>Police</b>					
civil fines	250,000	Y	80,000	80,000	90,000
<b>Total Potential New Fees</b>	<b>579,500</b>		<b>159,500</b>	<b>330,000</b>	<b>90,000</b>

<b>Current Fee Increases</b>	<b>Estimated Value \$</b>	<b>Implement Y/N</b>	<b>2009 &amp; Beyond</b>	<b>2010 &amp; Beyond</b>	<b>2011 &amp; Beyond</b>
<b>Health</b>					
food & vital stats. fees	15,000	Y	15,000		
public / private club pool license fees	350	Y	350		
Contractor registration fees for plumbers & electricians	1,900	Y	1,900		
plumbing permit fees	1,900	Y	1,900		
<b>Streets</b>					
compost facility prices	8,000	Y	8,000		
<b>Total Potential Current Fee Increases</b>	<b>27,150</b>		<b>27,150</b>	<b>-</b>	<b>-</b>

## Recommended Revenue Enhancements

Cost Recovery of Services	Estimated Value \$	Implement Y/N	2009 & Beyond	2010 & Beyond	2011 & Beyond
<b>Civil Service</b>					
applicant testing fee to cover entry level testing materials	1,500	Y	1,500		
<b>Streets</b>					
charge water dept. for patches	12,500	Y	12,500		
<b>Fire</b>					
increase charges for some of our services	25,000			25,000	
charge out admin. on contract services	1,000	Y	1,000		
<b>Police</b>					
charge out admin. on contract services	1,000	Y	1,000		
charge for junk vehicle processing	1,500	Y	1,500		
<b>Total Potential Cost Recovery of Services</b>	<u>42,500</u>		<u>17,500</u>	<u>25,000</u>	<u>-</u>

Grant & Foundation Support	Estimated Value \$	Implement Y/N	2009 & Beyond	2010 & Beyond	2011 & Beyond
<b>Neighborhood Improvement Team</b>					
seek grants, funding opportunities	5,000	Y	5,000		
<b>Community Development</b>					
apply for micro enterprise loan program	5,000	Y	5,000		
<b>All Departments</b>					
attract other grant, loan and foundation dollars	10,000	Y	10,000		
<b>Total Potential Grant &amp; Foundation Support</b>	<u>20,000</u>		<u>20,000</u>	<u>-</u>	<u>-</u>

Property Rental	Estimated Value \$	Implement Y/N	2009 & Beyond	2010 & Beyond	2011 & Beyond
<b>Parks</b>					
increase all building rental fees	12,000	Y	12,000		
increase fees at Hollow House by \$150/month	1,800	Y	1,800		
<b>Total Potential Property Rental</b>	<u>13,800</u>		<u>13,800</u>	<u>-</u>	<u>-</u>

Income Tax	Estimated Value \$	Implement Y/N	2009 & Beyond	2010 & Beyond	2011 & Beyond
Mandatory filing with accommodations	150,000	Y	150,000		
increased collection program	100,000	Y	50,000	50,000	
income tax increase of .25% for support of General and/or Safety VOTE REQUIRED!	1,000,000				1,000,000
<b>Total Potential Income Tax</b>	<u>1,250,000</u>		<u>200,000</u>	<u>50,000</u>	<u>1,000,000</u>

Recommended Revenue Enhancements

<b>Enterprise Accounts</b>					
<b>New Fees</b>	<b>Estimated Value \$</b>	<b>Implement Y/N</b>	<b>2009 &amp; Beyond</b>	<b>2010 &amp; Beyond</b>	<b>2011 &amp; Beyond</b>
<b>Water</b>					
charge to register backflow preventers	6,000	Y	6,000		
<b>Refuse</b>					
bulk pick up fee (\$5/item) for anytime pickup	25,000	Y	25,000		
pass through additional county/state fees	varies				
<b>UBO</b>					
AT&T project to pass out brochures	1,250	Y	1,250		
<b>Total Potential New Fees</b>	<b>32,250</b>		<b>32,250</b>	-	-

<b>Current Fee Increases</b>	<b>Estimated Value \$</b>	<b>Implement Y/N</b>	<b>2009 &amp; Beyond</b>	<b>2010 &amp; Beyond</b>	<b>2011 &amp; Beyond</b>
<b>Golf</b>					
permit outings during prime time	24,000	Y	24,000		
add \$1 daily greens fees	16,000	Y	16,000		
advertise 4 for 3 players during off times	9,000	Y	9,000		
increase concessions by 10%	5,000	Y	5,000		
add 3% to memberships	2,250	Y	2,250		
add additional leagues	2,160	Y	2,160		
<b>Golf Subtotal</b>	<b>58,410</b>		<b>58,410</b>		
<b>Pool</b>					
increase all fees by 10%	5,400	Y	5,400		
expand pool rentals and increase fees	4,000	Y	4,000		
increase concessions by 15%	3,300	Y	3,300		
double lesson fees	2,000	Y	2,000		
<b>Pool Subtotal</b>	<b>14,700</b>		<b>14,700</b>		
<b>Water</b>					
raise cost for bulk water from \$4 to \$8 per 1,000 gallons	2,500	Y	2,500		
<b>Total Potential Fee Increases</b>	<b>75,610</b>		<b>75,610</b>	-	-

<b>Cost Recovery of Services</b>	<b>Estimated Value \$</b>	<b>Implement Y/N</b>	<b>2009 &amp; Beyond</b>	<b>2010 &amp; Beyond</b>	<b>2011 &amp; Beyond</b>
<b>Utility (new)</b>					
stormwater (\$3 res./ equiv commercial)	400,000	Y		400,000	
<b>Total Potential Cost of Recovery Services</b>	<b>400,000</b>		-	<b>400,000</b>	-

Proposed Expense Reductions

<b>Governmental Accounts</b>			
<b>Administration</b>	<b>Estimated Value \$</b>	<b>Implement Y/N</b>	<b>2009 &amp; Beyond</b>
Memberships & Subscriptions	1,250	Y	1,250
Reduce Contractual Services	12,500	Y	12,500
Reduction of operating expenses	1,325	Y	1,325
Travel & Training reduction	3,150	Y	3,150
<b>Total Potential Expense Reductions</b>	<b>18,225</b>		<b>18,225</b>

  

<b>Development</b>	<b>Estimated Value \$</b>	<b>Implement Y/N</b>	<b>2009 &amp; Beyond</b>
Reduce and/or restructure consultant services	24,000	Y	24,000
Travel & Training	4,666	Y	4,666
Membership & Subscriptions	2,000	Y	2,000
<b>Total Potential Expense Reductions</b>	<b>30,666</b>		<b>30,666</b>

  

<b>General Government</b>	<b>Estimated Value \$</b>	<b>Implement Y/N</b>	<b>2009 &amp; Beyond</b>
Discontinue payment of street lighting	167,000	Y	167,000
Reduce Mainstreet Piqua	5,000	Y	5,000
Reduce or eliminate Focus	3,500	Y	3,500
<b>Total Potential Expense Reduction</b>	<b>175,500</b>		<b>175,500</b>

  

<b>Health</b>	<b>Estimated Value \$</b>	<b>Implement Y/N</b>	<b>2009 &amp; Beyond</b>
Eliminate Intern (NIT)	6,300	Y	6,300
Eliminate Renew Piqua Banquet	1,500	Y	1,500
Travel & Training	1,150	Y	1,150
<b>Total Potential Expense Reductions</b>	<b>8,950</b>		<b>8,950</b>

  

<b>Parks, Streets, Pool &amp; Golf</b>	<b>Estimated Value \$</b>	<b>Implement Y/N</b>	<b>2009 &amp; Beyond</b>
<b>Civic Events</b>			
Band, July 4th, etc.	6,000	Y	6,000
Reduce overtime	9,500	Y	9,500
<b>Reduce mowing</b>			
rough cuts once a week	5,000	Y	5,000
creeks & fences	5,000	Y	5,000
Travel & Training	300	Y	300
Close pool when less than 25 swimmers	2,500	Y	2,500
<b>Total Potential Expense Reductions</b>	<b>28,300</b>		<b>28,300</b>

  

<b>Public Safety</b>	<b>Estimated Value \$</b>	<b>Implement Y/N</b>	<b>2009 &amp; Beyond</b>
<b>Police/Fire</b>			
Eliminate Halloween Candy	1,000	Y	1,000
Eliminate National Night Out	1,250	Y	1,250
Reduce Fire Prevention Handouts	1,000	Y	1,000
Remove annual report from budget	500	Y	500
Travel & Training	5,100	Y	5,100

## Proposed Expense Reductions

Replace duty ammo every two years	500	Y	500
Mileage limitations on patrols & 3,000 mile oil changes	<u>1,700</u>	Y	<u>1,700</u>
<b>Total Potential Expense Reductions</b>	<u><u>11,050</u></u>		<u><u>11,050</u></u>

Personnel	Estimated Value \$	Implement Y/N	2009 & Beyond
Restructuring	312,756	Y	312,756
Overtime Reductions	109,500	Y	109,500
Benefit Changes	51,000	Y	51,000
Cost of Living Adjustments	<u>67,360</u>	Y	<u>67,360</u>
	<u><u>540,616</u></u>		<u><u>540,616</u></u>

Core Services

**Low Priority Services**

<b>Administration</b>	<b>Provide Revenue</b>	<b>Estimated Value \$</b>	<b>Recommendations</b>
Periodically issue permits for the placement of dumpsters	No		
Participate in surveys	No		
Notary services to public	No		
Assist with contract agreements and see that terms are followed	No		
List and sell various items on govdeals.com	No		

<b>Development</b>	<b>Provide Revenue</b>	<b>Estimated Value \$</b>
Microenterprise program	No	

<b>Streets</b>	<b>Provide Revenue</b>	<b>Estimated Value \$</b>
Periodically support special events within the City	No	

No overtime - without reimbursement except for City sponsored or co-sponsored events

<b>Parks</b>	<b>Provide Revenue</b>	<b>Estimated Value \$</b>
Annual Heritage Festival Tennis Tournament	Yes	700
Annual Car Show	Yes	1,800
Periodic Ballet Lessons	Yes	400
Annual Tennis Lessons	Yes	575
Several Dayton Dragons Trips	Yes	175
Seasonal Adult Softball Leagues	Yes	300
Seasonal Youth Sports Organizations Support Provided	Yes	300
Daily Golf Pro Shop	Yes	63,819
Annual Business Appreciation Golf Outing	No	
Weekly Golf Club Rentals	Yes	200
Seasonal swimming lessons	Yes	1,500
Wading Pool	No	

Charge admin. fee to recoup cost

Charge admin. fee to recoup cost

Core Services

Public Safety	Provide Revenue	Estimated Value \$
Periodical blood pressure checks at the Fire dept.	No	
Mercury recovery program at Fire	No	
Daily vacation house check by Police	No	
Daily property incidents investigated by Police	No	
Monthly background checks for other City Depts. by Police	No	
<b>Total Revenue from Low Priority Services</b>		<b>67,969</b>

**Medium Priority Services**

Inspect monthly the construction work zones for street closings and permits	Yes	1,250	Charge permit fee to recoup costs
Special projects for City Manager as needed	No		
Daily tax return preparation for citizens	No		
Minimal small claims cases	No		
Sitting on various boards as needed	No		
Various property purchases	No		
Periodically provide Speaker's Bureau	No		
Serve as Safety Coordinator and attend Safety Council mtgs. Monthly	Yes	6,000	W/C Reimbursement
Partner with Consultant to establish succession and leadership development plan	No		
Establish wellness program	No		
Annual employee picnic	No		
Job posting, descriptions and advertisements as needed	No		

Streets	Provide Revenue	Estimated Value \$
Daily street sweeping	No	

Parks	Provide Revenue	Estimated Value \$
Daily Facility Reservations	Yes	17,000
Daily Driving Range	Yes	16,150
Annual Junior Golf Program	Yes	3,000
Seasonal pool rentals	Yes	4,700

Core Services

Health	Provide Revenue	Estimated Value \$
Provide immunizations weekly	No	
Provide pre-natal care to pregnant women on a weekly basis	No	
Provide health care for newborn babies and children weekly	No	

Public Safety	Provide Revenue	Estimated Value \$
Periodic Sporting & Public Events coverage by Fire Dept.	No	Only if reimbursed for overtime & vehicle
Periodic attendance at parades by Fire	No	Only City co-sponsored/supported events
Dare school program by Police	No	
Periodic attendance at parades and special events by Police	No	Only City co-sponsored/supported events
Loud noise complaints investigated by Police	No	
Parking complaints investigated by Police	No	
Police Dept. assisting other governmental agencies	No	
Community contacts and meeting with Police	No	
Civil Service agility testing by Fire	No	

Total Revenue from Medium Priority Services

48,100

PROJECTIONS WITH ALL REVENUE & EXPENSE ALTERNATIVES

(in millions)

GENERAL FUND	Actual 2006	Actual 2007	Estimated 2008	Estimated 2009	Estimated 2010	Estimated 2011
Beginning Fund Bal.	5.0	5.8	3.1	1.8	0.9	(0.1)
Revenues	15.8	15.5	12.4	11.2	11.4	11.4
Expenditures	15.0	18.2	13.7	12.1	12.4	12.9
Net Income/Deficit	0.8	(2.7)	(1.3)	(0.9)	(1.0)	(1.5)
Ending Fund Bal.	5.8	3.1	1.8	0.9	(0.1)	(1.6)