

CITY OF
WESTERVILLE

Public Budgeting

The Roadmap for Authority & Accountability

Maintaining Public Trust

June 5, 2023



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CITY OF
WESTERVILLE

Agenda

- GFOA Best Practice Excerpts
- Fund Balances & Financial Policies

- Budget Calendar

- Tax Budget

- Revenue Forecasting
- Expenditure Projections
- Capital Projects & Debt Management

- Appropriation Legislation
- Amended Certificates



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Budget Process Defined

Government Finance Officers Association Best Practices from the National Advisory Council on State & Local Budgeting:

The budget process consists of activities that encompass the development, implementation and evaluation of a plan for the provision of services and capital assets.



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Mission of the Budget Process

Government Finance Officers Association Best Practices from the National Advisory Council on State & Local Budgeting:






To help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.



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Key Characteristics of the Budget Process

Government Finance Officers Association Best Practices from the National Advisory Council on State & Local Budgeting

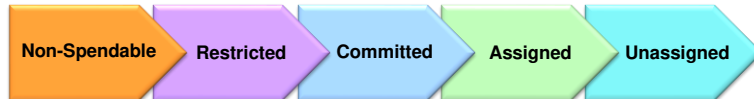
-  Incorporates a long-term perspective
-  Establishes linkages to broad organizational goals
-  Focuses budget decisions on results and outcomes
-  Involves and promotes effective communication with stakeholders
-  Provides incentives to government management and employees



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Fund Balance

Five Classifications of Fund Balances



Reasons for instituting a fiscal policy and maintaining adequate Fund balances:

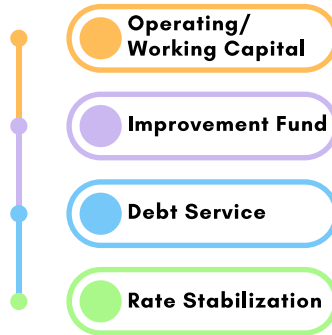
- Creates a foundation of stability & liquidity
- Provides ability to maneuver economic changes
- Assists in solving unforeseeable governmental crises
- Provides ready cash to seize economic development opportunities
- Assists policy makers in disciplined spending decisions



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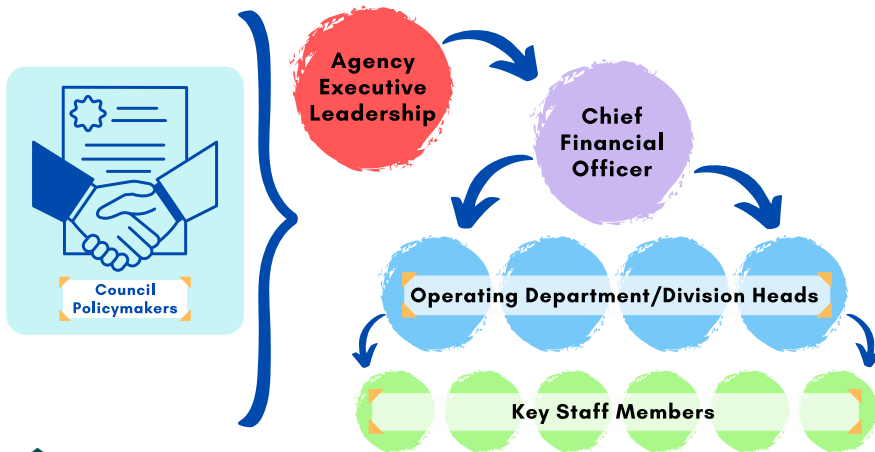
Financial Policies & Metrics

- General Fund
Unencumbered Cash = 50% of expenses & transfers
- Enterprise Funds – Multiple Components

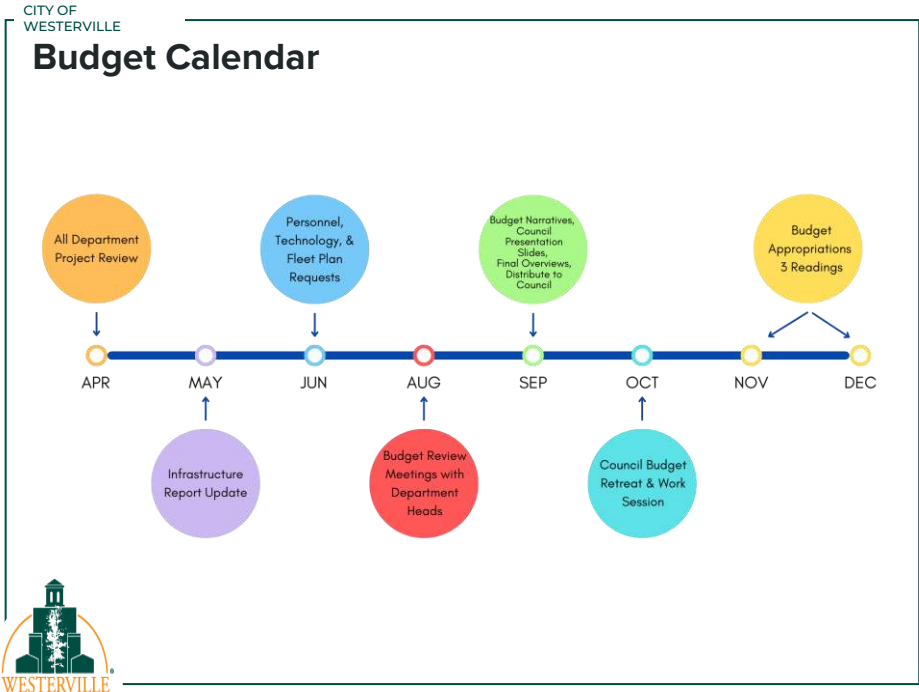


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Budget Decision Makers



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CITY OF WESTERVILLE

Tax Budget

- Amount Requested of Budget Commission Inside/Outside Millage
- Revenues & Expenditures by Fund
- Debt Service by Issue – Detail of Voted Debt Service Needs
- Legal Advertisement of Tax Budget
- Public Hearing at Council Meeting
- Budget Commission Provides Resolution With Rates and Amounts

WESTERVILLE **tax budget**

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Official Certificate of Estimated Resources

- Created by the County Budget Commission using Tax Budget Data

FORM PRESCRIBED BY BUREAU OF INSPECTION AND SUPERVISION OF PUBLIC OFFICERS, NO. 136, REV. 4-86

3RD AMENDED CERTIFICATE OF ESTIMATED RESOURCES
REV. CODE, SEC. 5706.36

OFFICE OF THE BUDGET COMMISSION, FRANKLIN COUNTY, OHIO
AUGUST 1, 2022


TO THE TAKING AUTHORITY OF CITY OF WESTERVILLE

THE FOLLOWING IS THE 3RD AMENDED CERTIFICATE OF ESTIMATED RESOURCES FOR THE FISCAL YEAR BEGINNING JANUARY 1ST 2022, AS REVISED BY THE SUBJECT COMMISSION OF SAID COUNTY, WHICH SHALL GOVERN THE TOTAL OF APPROPRIATIONS MADE AT ANY TIME DURING SUCH FISCAL YEAR.

(518) FUND	UNENCUMBERED BALANCE - JANUARY 1ST 2022	TAXES	OTHER SOURCES	TOTAL
GOVERNMENTAL				
GENERAL	\$40,000,800.00	\$4,281,345.75	\$45,082,233.25	\$89,364,379.00
SPECIAL REVENUE	\$26,573,537.00	\$13,800,353.31	\$11,610,950.00	\$52,194,840.31
DEBT SERVICE	\$803,544.46	\$780,428.25	\$5,703,579.79	\$7,287,552.50
CAPITAL PROJECTS	\$1,152,074.00	0	\$25,193,273.00	\$26,345,347.00
SUBTOTAL	\$78,529,955.46	\$18,864,128.31	\$187,769,656.89	\$325,163,740.66
PROPRIETARY				
ENTERPRISE	\$23,236,937.00	0	\$73,976,587.00	\$97,213,524.00
INTERNAL SERVICE	\$5,051,487.00	0	\$5,948,637.00	\$11,000,124.00
SUBTOTAL	\$28,288,424.00	0	\$79,925,224.00	\$110,193,648.00
FIDUCIARY				
EXPENDABLE TRUST	\$168,797.00	0	\$16,480.00	\$185,277.00
NON-EXPENDABLE TRUST	0	0	0	0
AGENCY	\$1,524,265.00	0	0	\$1,524,265.00
FIDUCIARY	0	0	0	0
SPECIAL ASSESSMENT	0	0	0	0
SUBTOTAL	\$2,693,062.00	0	\$16,480.00	\$2,709,542.00
TOTAL	\$109,506,487.00	\$18,864,128.31	\$187,769,656.89	\$326,140,272.20

ESTIMATED ROLLEACK & HOMESTEAD STATE REIMBURSEMENT PROPERTY TAX ALLOCATION AMOUNTS INCLUDED IN OTHER SOURCES:

(501) OPER-GEN	5377,823.58
(500) BOND	\$7,410.00
(512) FIRE DP	1879,346.44



 CHAIRMAN: HMTyack
 MEMBER: EGR
 SECRETARY: M. J. S.



Revenue Forecasting General Fund - - Top Five

- Income Tax
- Property Tax
- State & Local Intergovernmental Revenues
- Permits, Fees, Fines
- Investments



Revenue Forecasting

Income Tax

- Trendlines over five years
- Projections based upon tax classification (Individuals, Net Profits and Withholding)
- Assume growth stabilization every 4-5 years
- Factor in Economic Development's Insights



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Revenue Forecasting

Property Tax

Assume no increase in assessed valuations

State & Local Government Fund Distributions

Estimates provided by the Counties

kWh Tax

Based upon trends

Investments

Five-year revenue projections from investment consultant



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Revenue Forecasting -- Utilities

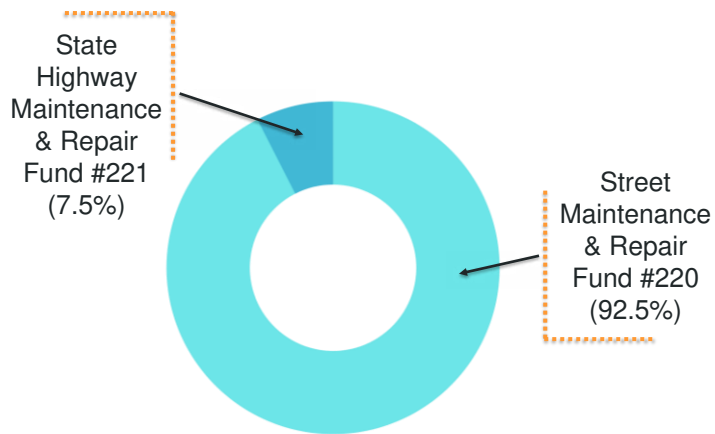
Utilities

- Consumption -- Consider developments, trends and planned rate changes
- Capacity Charges – Water & Sewer
- Charges for Services – Electric



Revenue Forecasting – Other Funds

Gas Tax & Motor Vehicle Licensing Tax



Revenue Forecasting – Other Funds

Permissive Motor Vehicle License Tax

- Motor Vehicle License Fee Fund #222
- (Planning, Constructing Improving, Maintaining Public Roads, Highways & Streets)

Cable Franchise Fees

- Cable TV Franchise Fee Fund #270



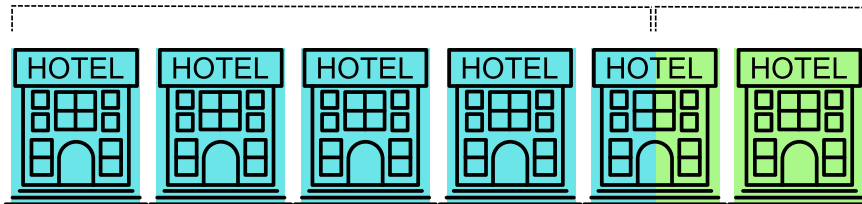
Revenue Forecasting – Other Funds Continued

Hotel Tax

6% Excise Tax

Hotel Tax Revenue
Fund #245
4.5%

Hotel Tax Custodial
Fund #715
1.5%



CITY OF WESTERVILLE

Budgeting for Expenditures -- Categories

- Personal Services
- Supplies & Materials
- Professional Services
- Capital
- Operating Transfers
- Advances & Repayment of Advances

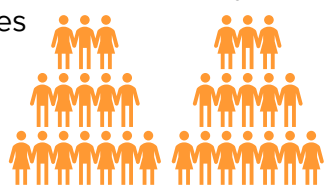



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Budgeting for Personal Services

- Budget by Individual – Based upon current rate, taking into consideration the median % of increase within the department or next step increase, or next union contract rate increase.
- Factor in the recommended increases to the minimum & maximum compensation
- Add new positions as approved by the CMO (Strategic Plan)
- Third Party Administrator provides percentages of increase for: medical, dental, vision, life, short-term disability and worker’s compensation insurances
- Plan for retirement payouts

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Budgeting for Supplies & Services

- Departments provide estimates based upon prior years' utilization of appropriation and planned needs in the upcoming years



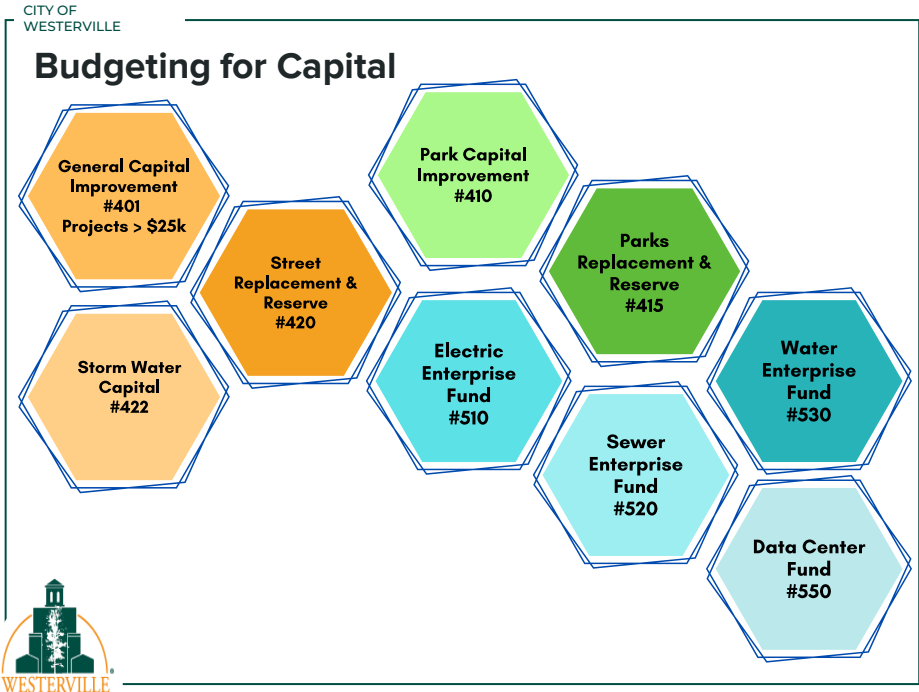
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Budgeting for Professional Services

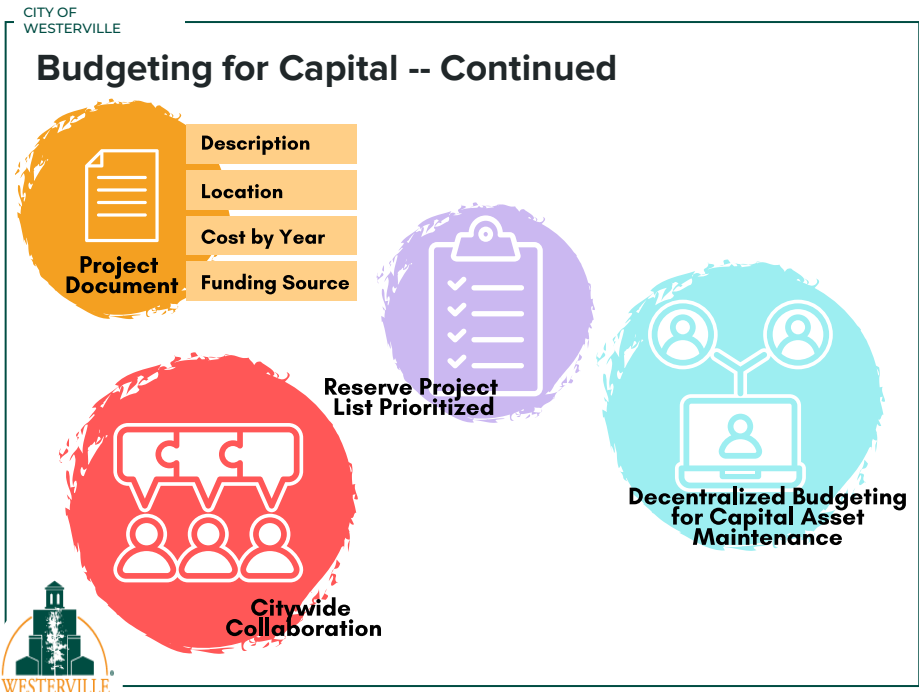
- Departments provide estimates based upon prior years
- Council's strategic outcomes may require additional professional services
- Upcoming capital projects



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CITY OF WESTERVILLE

CAPITAL PROJECT
CONSTRUCTION, LAND ACQUISITION
AND/OR PUBLIC WORKS PROJECT

PROJECT TITLE: Annual Street Rehabilitation Program	DATE: 3/5/2021
DEPARTMENT: Planning and Development	PROJECT NUMBER: CP 0100
	BUDGET YEAR: 2022

PURPOSE OF PROJECT REQUEST FORM:

Add a new project to the budget
 Delete an item from the project
 Other (explain below):

Add a new item to the project
 Update or modify project program (cost, budget, year, etc)
 No change from previous budget submission

PROJECT DESCRIPTION & JUSTIFICATION:

Description

- Street Reconstruction (including utility work and R/W as needed)
- Surface maintenance treatments to maximize overall pavement life
- Pavement repairs; sidewalk repairs and curbs and accessible ramp repairs
- Pavement marking maintenance

Justification

- Project ensures lower future capital costs; maintains an important existing asset
- Public safety is increased with pavement maintenance, upgrades to curb ramps to meet ADA, radius improvements, etc.
- Improvements will revitalize / stabilize neighborhoods
- Project improves the appearance of the neighborhood
- Improvements are completed city-wide
- Project was identified in issue 54 Campaign and addresses Council requests
- Feasibility of project is manageable; public notices / meetings as needed
- Certainty of the cost is high based on recent bids
- A significant investment has been made over the past five years to maintain our streets, this effort should continue

PROJECT MAJOR COMPONENTS (SEE REVERSE)



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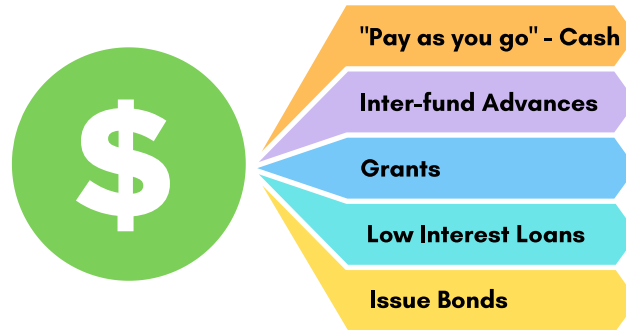
PROJECT FUNDING:		OPERATION COSTS/REVENUES					
Capital Improvement Fund	\$ 4,060,000	Anticipated Annual Operating Cost:				\$ -	
Community Reinvestment Funding	\$ -	Anticipated Annual Operating Revenue:				\$ -	
Loan (Specify)	\$ -	RECOMMENDED FUNDING STRATEGY					
Electric (Street Lighting)	\$ -	Cash	Debt	Other (explain below)			
Water	\$ 65,000	4017501 80200 Gen Cap Imp; 4207501 80200 Street Replacement & Reserve; 2227010 80200 Motor Vehicle License					
Sewer	\$ -	2217010 80200 Highway Maintenance					
Street Replacement and Reserve Fund	\$ 777,000	5307010 85600 Water Line					
Permissive Motor Vehicle License Fund	\$ 250,000	2207010 80200 Street Fund					
State Highway Maintenance Fund	\$ 5,000						
Street Fund	\$ 300,000						
TOTAL BUDGET YEAR FUNDING:	\$ 5,457,000						
PROJECT COST SUMMARY:		Cost	Budget Year				
			2022	2023	2024	2025	2026
Engineering/Architectural Services	\$ 760,000	\$ 115,000	\$ 120,000	\$ 125,000	\$ 200,000	\$ 200,000	\$ 200,000
Purchase of Building and Property	\$ 60,000	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -
Major Component: Arterial Resurfacing	\$ 4,267,000	\$ 677,000	\$ 3,000,000	\$ 120,000	\$ 340,000	\$ 130,000	\$ 130,000
Major Component: Street Reconstruction	\$ 4,015,000	\$ 265,000	\$ 505,000	\$ 740,000	\$ 745,000	\$ 1,760,000	\$ 1,760,000
Major Component: Curb/Sidewalk Repairs	\$ 3,580,000	\$ 700,000	\$ 695,000	\$ 695,000	\$ 705,000	\$ 785,000	\$ 785,000
Construction / Resurfacing: Local/Collector	\$ 20,495,000	\$ 3,600,000	\$ 4,200,000	\$ 3,300,000	\$ 4,845,000	\$ 4,550,000	\$ 4,550,000
Pavement Marking Maintenance	\$ 550,000	\$ 100,000	\$ 100,000	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000
Other (Specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (Specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT COST:	\$ 33,727,000	\$ 5,457,000	\$ 6,620,000	\$ 5,190,000	\$ 6,935,000	\$ 7,525,000	\$ 7,525,000



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Capital Financing & Debt Policies

What are the options to raise capital to pay for projects?



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Debt Projections

Interest Rate

Capacity Parameters

- Constitutional – 10 Mill Overlapping Debt Limitation
Relates only to unvoted GO Debt Service
- Statutory – 10.5% of Assessed Value for all GO Debt
5.5% of Assessed Value for only Unvoted GO Debt
- Council Debt Policy – Maximum of 40% of GCIF Revenues



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Table 4
City of Westerville, Ohio
Estimated Annual Additional Debt Capacity - Existing and Proposed CIP
 As of March 11, 2022


Year	Current	Proposed	Total LTGO	AV	Total LTGO Millage	Proposed City Millage			Millage Equivalent
						Total Overlapping	plus Overlapping	Maximum Remaining	
2022	\$4,503,588	\$-	\$4,503,588	\$1,428,518,420	3.1526	0.8747	4.0274	5.4042	\$7,720,027
2023	4,947,388		4,947,388	1,428,518,420	3.4633	0.8747	4.3380	5.4042	7,720,027
2024	4,851,350		4,851,350	1,428,518,420	3.3961	0.8747	4.2708	5.4042	7,720,027
2025	5,307,600		5,307,600	1,428,518,420	3.7155	0.8747	4.5902	5.4042	7,720,027
2026	5,294,675		5,294,675	1,428,518,420	3.7064	0.8747	4.5811	5.4042	7,720,027
2027	5,315,588		5,315,588	1,428,518,420	3.7210	0.8747	4.5958	5.4042	7,720,027
2028	5,204,506		5,204,506	1,428,518,420	3.6433	0.8747	4.5180	5.4820	7,831,108
2029	4,970,775		4,970,775	1,428,518,420	3.4797	0.8747	4.3544	5.6456	8,064,840
2030	3,769,075		3,769,075	1,428,518,420	2.6385	0.8747	3.5132	6.4839	9,262,358
2031	3,770,675		3,770,675	1,428,518,420	2.6396	0.8747	3.5143	6.4839	9,262,358
2032	3,773,256		3,773,256	1,428,518,420	2.6414	0.8747	3.5161	6.4839	9,262,358
2033	3,409,776		3,409,776	1,428,518,420	2.3869	0.8747	3.2617	6.7383	9,625,838
2034	2,338,440		2,338,440	1,428,518,420	1.6370	0.8747	2.5117	7.4883	10,697,175
2035	2,338,390		2,338,390	1,428,518,420	1.6369	0.8747	2.5117	7.4883	10,697,225
2036	1,735,270		1,735,270	1,428,518,420	1.2147	0.8747	2.0895	7.9105	11,300,345
2037	1,417,315		1,417,315	1,428,518,420	0.9922	0.8747	1.8669	8.1331	11,618,300
2038	1,417,265		1,417,265	1,428,518,420	0.9921	0.8747	1.8669	8.1331	11,618,350
2039				1,428,518,420	0.0000	0.8747	0.8747	9.1253	13,035,615
Total	\$64,364,931	\$-	\$64,364,931						

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CITY OF WESTERVILLE

STRESS TEST THE BUDGET


- Potential Stresses:




Loss of Largest Taxpayer




Decreased Property Values



Increased Delinquencies



National Economic Hardships



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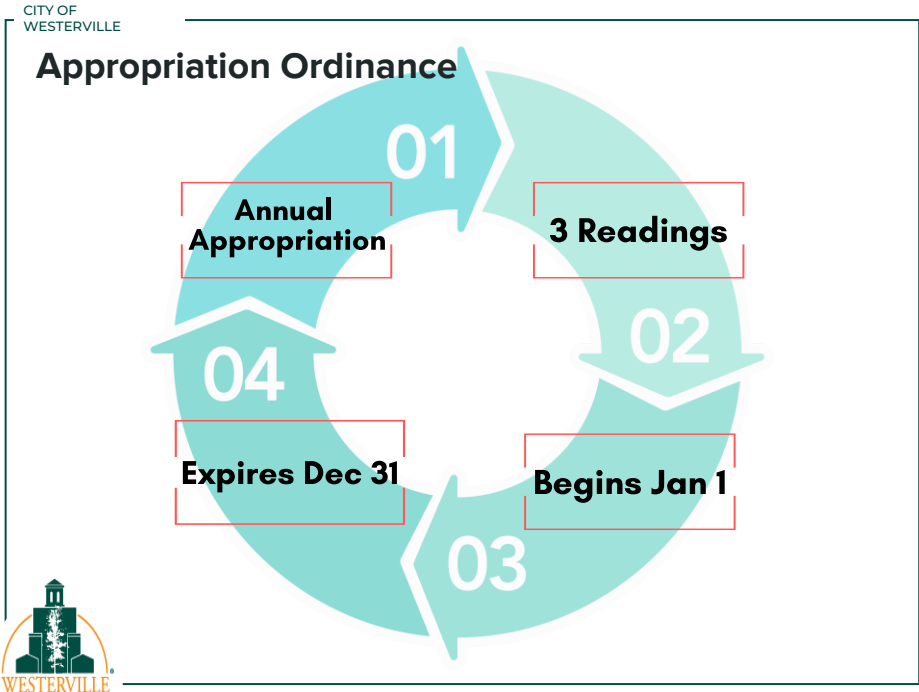
STRATEGIC PLAN / GOALS

- Provide narrative identifying key fiscal criteria tied to achieving the Agency’s goals

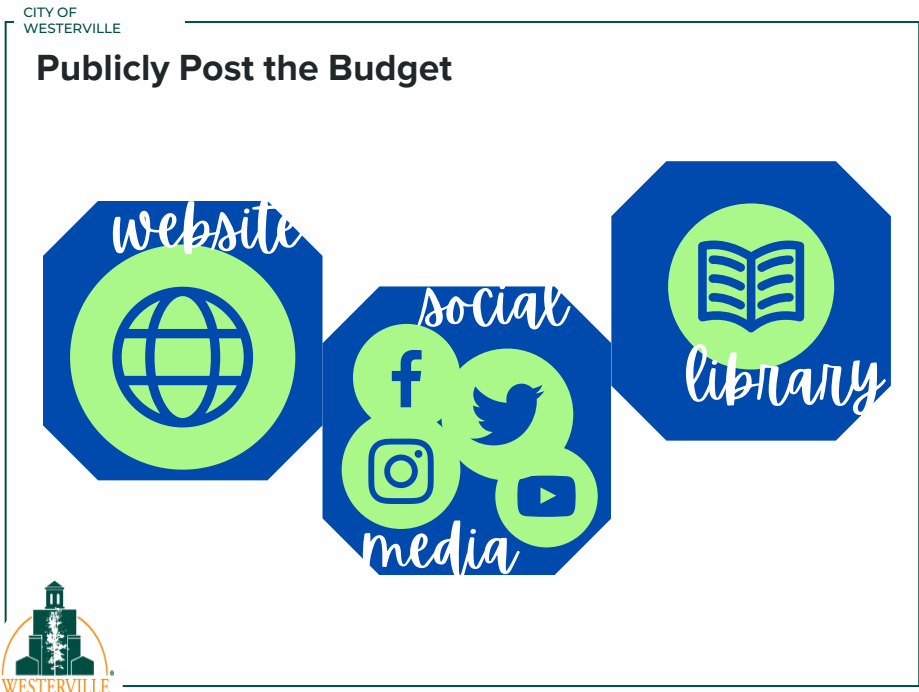


Council Review of Five-Year Plan





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Amended Certificate(s)

revenue to be collected by the subdivision will be greater than the amount included in an official certificate and the legislative authority intends to appropriate and expend the excess revenue

Section 5705.36



exceed such official estimate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure. Appropriations shall be made from each fund only for the purposes for which such fund is established.

Amended Certificate(s)

The total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom

Section 5705.39



exceed such official estimate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure. Appropriations shall be made from each fund only for the purposes for which such fund is established.

Resources from GFOA

- Fund Balance Guidelines for the General Fund
<https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund>
- Achieving a Structurally Balanced Budget
<https://www.gfoa.org/materials/achieving-a-structurally-balanced-budget>
- Recommended Budget Practices from the National Advisory Council on State and Local Budgeting
<https://www.gfoa.org/materials/recommended-budget-practices-from-the-national-advisory>
- Working Capital Targets for Enterprise Funds
<https://www.gfoa.org/materials/working-capital-targets-for-enterprise-funds>
- Adopting Financial Plans
<https://www.gfoa.org/materials/adopting-financial-policies>



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Thank you for your time!

Questions?

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lee.shortland@westerville.org
614-901-6446



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