CITY OF COLUMBUS

GENERAL FUND
THREE-YEAR FINANCIAL PLAN
2010-2011-2012

INTRODUCTION

This three-year financial plan, issued by the City of Columbus, Department of Finance and Management, is for calendar years 2010, 2011 and 2012.

The purpose of a three-year financial plan is to enable the city to expand the focus of its fiscal decision-making from the one-year horizon provided by the annual budget process to a multi-year horizon. This will allow for more extensive deliberations of the impact of policy options the city may consider. While technically less detailed and complicated than the annual budget, a financial plan provides the basis for identifying and quantifying the implications of budget decisions and the economic realities faced by the city.

Utilization of a multi-year financial planning process is an important component in continuing to maintain the city's economic health. The plan aids the Finance and Management Department in preparing for the Mayor's next budget proposal (2011 Budget), and also provides a sense of the economic outlook for one additional year beyond the budget year.

CONTEXT

In the fall of 2001, Mayor Michael B. Coleman appointed his first Economic Advisory Committee to identify, research, and make recommendations to the Mayor and City Council regarding financial options and available resources for long range financial planning. On October 15, 2001, the Committee issued the first of two reports. One of numerous "best practices" contained in the first report included a recommendation to develop a three-year financial plan.

The Finance Director subsequently appointed a Financial Plan Working Group to develop an effective financial planning process and framework. The Working Group issued its final report and recommendations in August, 2002. The city's first three-year plan was completed for calendar years 2003-2004-2005. This is the city's eighth three-year plan.

TARGET BUDGETING

The Finance and Management Department uses a budget methodology in which each city department funded with general fund dollars is provided with a target amount for the budget year. That amount represents the department's proportionate share of projected revenues for the budget year, based upon its share of the prior year's distribution of general fund appropriations, with certain adjustments.

This plan will form the basis for the target budgets and instructions given to each city department to use in developing their budget proposals for the next year (2011).

THE PLAN OUTLINE

The three-year financial plan includes the City Council adopted budget for 2010 as well as projections for 2011and 2012. Only the city's general fund is included in the plan. Actual 2009 data is also provided as a point of reference.

The plan includes five tables:

Table 1	General Fund – Plan Summary
Table 2	General Fund – Current Revenues
Table 3	General Fund – Current Expenditures
Table 4	General Fund – Proposals to Eliminate the Gap
Table 5	General Fund – Assumptions

It is most instructive to discuss each table of the plan in the following order: Tables 5, 2, 3, 4 and finally 1.

TABLE 5 – ASSUMPTIONS

Table 5 details the assumptions behind the current revenue and expenditure estimates contained in the plan.

Where applicable, assumptions contained within the 10-year general fund pro forma produced for the 2010 annual budget are carried forward into this financial plan. However, more recent data are used where available since several months have passed since the 2010 budget document and pro forma were developed.

Assistance is received from all departments in estimating the general fund expenditure implications of the recently adopted 2010 budget on the 2011 and 2012 projections herein.

For expenditures, assumptions are outlined on Table 5 for the timing and number of police and fire recruit classes as well as the projected numbers of police and fire separations. Expenditures that were reduced and/or shifted from the general fund to other funding sources in order to balance previous budgets and added back in 2011 and 2012 are noted. Examples include a portion of social service contracts, various recreation center costs, and replacement vehicle purchases.

Of particular note on the expenditure side is the pending obligation for termination pay for sworn personnel participating in the Deferred Retirement Option Plan (DROP). The estimate for 2011 is $9.054 million and for 2012 is $1.985 million. DROP is an optional benefit provided by the Ohio Police and Fire Pension Fund that provides eligible police officers and firefighters an economic incentive to delay retirement for three to eight years.

Transfers to the economic stabilization fund (ESF) are also included in the 2011 and 2012 projections, reflecting the city’s goal of building the ESF to $50 million by 2014. These deposits total $9.0 million in 2011 and $9.35 million in 2012.

To replenish the anticipated expenditure fund for the next occurrence of a 27th pay period, transfers from the general fund of $2.0 million and $2.06 million are projected in 2011 and 2012, respectively.

TABLE 2 – REVENUES

Table 2 includes actual revenues for 2009, and estimates developed by the Finance and Management Department for 2010, 2011 and 2012.

The 2010 Finance and Management Department estimate uses a slightly different assumption than that City Auditor for income tax receipts. The Auditor estimates $453.5 million, while Finance and Management's estimate is $460 million, a difference of $6.5 million. Finance and Management's 2010 estimates serve as the basis for the 2011 and 2012 total revenue projections. These projections total $689.25 million in 2011 and $708.92 million in 2012.

Revenue assumptions are provided on Table 5. The city's top three revenue generating sources are described in more detail below.

Income Tax – The city's primary source of revenue is the income tax – it comprises almost 70 percent of total revenues to the general fund. In August, 2009, voters approved a half percent increase in the city's income tax rate, taking it from 2.0 percent to 2.5 percent. The increase went into effect on October 1, 2009. The City Auditor's current income tax estimate is $453.5 million. Finance and Management estimates that this estimate will be exceeded by $6.5 million. Given the uncertainly of the current economic climate, Finance and Management has used a conservative three percent growth rate for 2011 and 2012. Unemployment rates in the area continue to be of concern, with rates of 9.8 in the Columbus MSA, 9.5 percent in Franklin County, and 9.6 percent in Columbus in March, 2010. (Note: All unemployment rate data is from the Labor Market Information's Local Area Unemployment Statistics provided by the Ohio Department of Job and Family Services in cooperation with the U.S. Department of Labor's Bureau of Labor Statistics).

Property Tax – The city's second largest revenue source represents approximately 7.5 percent of all general revenue receipts. The property tax consists of two main components: real and other property and tangible personal property.

- Real and Other Property – The real and other property component is the largest component of the Property Tax revenue source. Large increases in this component typically occur every six years due to comprehensive reappraisals. In 2006, a 6-year reappraisal year, the property tax generated $51 million, which was a 12.3% increase over 2005 revenues. Less formal triennial updates occur the third year in between the 6-year reappraisals. 2009 was a triennial update year (the actual reappraisals occur in 2008; however the taxes are not paid until 2009). However, actual collections were down 0.24 percent in 2009. The Franklin County Auditor did not increase residential values for the 2008 triennial appraisal update (payable in 2009) citing the decreased number of market sales, flattening of the real estate market and the increase in foreclosures as indicators that there was not a sufficient basis for an increase in taxable value. The City Auditor currently estimates a decline of 1.7 percent in real and other property tax receipts in 2010. This plan uses the same assumption in 2010, and an assumption of a 2.3 percent increase in both 2011 and 2012.

- Tangible Personal Property – Tangible personal property (which includes inventory, manufacturing machinery and equipment, and furniture and fixtures) represents approximately $5.0 million per year of total property tax receipts. The State of Ohio is in the process of phasing-out and eventually eliminating the entire tangible personal property tax after 2010. Local governments were held harmless through 2010. In 2011 and 2012, the projections take into account the incremental decrease in state reimbursement, which is being is phased-out over seven years.

Local Government Funds – This is the city's third largest revenue source, comprising approximately 7.0 percent of general fund revenues. Prior to January 1, 2008, Local Government Funds revenues came from set-asides of the State of Ohio sales tax, corporate franchise tax, and public utility tax which were shared with local governments through the local government fund (LGF) and the local government revenue assistance fund (LGRAF). In January 2008, the LGF and LGRAF were combined into a single fund which uses as its base a percentage of all State General Revenue Funds. The three-year plan assumes that the local government fund funding level will decrease by 3.09% in calendar year 2010 and then remain flat in 2011 and 2012.

Total Revenues –Details on the city's other revenue sources are outlined in Table 5. In total, current revenues are estimated to increase by 12.06 percent in 2010, using the $658.9 million estimate of the Department of Finance and Management. This is primarily due to the increase in the income tax rate, which was enacted in October, 2009. Overall, revenues are projected to increase by 4.6 percent in 2011 and 2.9 percent in 2012.

TABLE 3 – EXPENDITURES

Table 3 outlines expenditures broken down by personnel and non-personnel categories. The personnel category is further detailed between uniformed and non-uniformed personnel.
Significant expenditure assumptions include:

- <u>Police</u>
  - 115th Police class partially funded by federal stimulus moneys in 2010, 2011 and 2012
  - 2 police classes in 2011; 65 recruits in March and 55 in October
    - Assumes 110 uniformed retirements during the year.
  - 2 police classes in 2012; 50 recruits in June and 50 in December
    - Assumes 50 uniformed retirements during the year.

- Assumes year-end uniformed strength in police division as follows: 2010 -1,867; 2010 -1,877; 2012 - 1,927.

- Fire
    - 2 fire classes in 2011; 47 recruits in March and 40 in September.
        - Assumes 80 uniformed retirements during the year.
    - 1 fire classes in 2012; 30 recruits in June.
        - Assumes 30 uniformed retirements during the year.
- Assumes year-end uniformed strength in fire division as follows: 2010 -1,515; 2011 - 1,522, 2012 - 1,522.

- Personnel increases are projected at rates consistent with current bargaining agreements or salary ordinances.

- Citywide pension costs should flatten out over the next two years. Until recently, the city paid 100% of the employee's share of the Ohio Public Employees Retirement System (OPERS) costs. Beginning in 2010, however, one percent per annum will be shifted to the employee for employees of CMAGE and the MCP. Additionally, MCP employees hired after January 1st, 2010 will be responsible for 100 percent of their own contribution to OPERS. For employees of the Police and Fire Pension Fund, the FOP pick-up also decreased by one percent in 2010 and another in 2011. For the IAFF, the pick-up will decline by one percent in 2011 and another one percent in 2012. The employee share of pension costs projected for this report reflects the rate in affect for each employee group at a given point in time. This is to be distinguished from the current employer share, which will continue to be paid by the city.

- In 2010, $1.2 million in social services contracts was funded out of the emergency human services fund. The balance was picked up by the general fund. Projections for 2011 assume that $500,000 of this expense will revert to the general fund. Projections for 2012 continue this assumption.

- In 2009, funding reductions necessitated the closure of several recreation centers and swimming pools, a senior center, and reduced levels of park and building maintenance and outdoor education and natural resources services. A portion of these services was restored in 2010. Projections for 2011 and 2012 assume the resumption of all the aforementioned services. 2012 projections also include funds for the maintenance of the Scioto Mile.

- Over the past three years, the economic downturn caused the city to delay and/or eliminate the purchase of replacement vehicles to upgrade parts of its fleet. In 2008, $1.06 million was expended on vehicles. In 2009, vehicle expenditures were reduced to a meager $225,421. In 2010, following passage of the income tax increase, the city budgeted $1,000,000 in general fund moneys for non-safety vehicle purchases to begin to upgrade a depleted and outdated fleet in the

Development and Recreation and Parks Departments (funds were allocated in the general permanent improvement fund for safety vehicles). In 2011 and 2012, \$6.0 million is projected for fleet purchases, with an eye towards upgrading both safety and non-safety vehicles to protect the city's fleet from further degradation.

- Two recent transfers to the general fund, one to fund the 27th pay period and one from the economic stabilization fund to help balance the 2009 budget, will soon require re-payment from the general fund. These re-payments are projected to total \$11.0 million in 2011 and \$11.4 million in 2011.

- Safety **–** Funds for the Department of Public Safety comprise the largest share of the general fund budget. The following table provides a breakdown of all safety related expenditures and compares them to the total general fund for all departments:

Department of Public Safety
(in millions of \$)

	Actual 2009	Budget 2010	Estimate 2011	Estimate 2012
Uniformed Personnel[1]	\$ 377.05	\$ 393.22	\$ 413.93	\$ 418.69
Non-Uniformed Personnel[1]	33.92	30.36	34.59	35.88
Total Safety Personnel[1]	**410.97**	**423.58**	**448.53**	**454.57**
Other Capital (Fleet only)[2]	0.23	-	4.26	4.26
Citywide Transfers[3]	1.36	4.19	2.36	2.42
All other Non-Personnel	37.88	47.15	45.89	47.68
Total Non-Personnel	**39.47**	**51.34**	**52.51**	**54.36**
Grand Total Safety Department	**\$ 450.44**	**\$ 474.93**	**\$ 501.03**	**\$ 508.93**
Grand Total All Departments	**\$ 618.78**	**\$ 658.28**	**\$ 701.91**	**\$ 719.86**
Safety % of Total	**72.79%**	**72.15%**	**71.38%**	**70.70%**

(1) Personnel amounts include salaries and wages, insurance and benefits.
(2) It is assumed that 71% of fleet purchases will be for Safety vehicles in 2011 and 2012.
(3) It is assumed that 71% of the anticipated expenditure fund will be used for safety personnel costs. Additionally, it is assumed that 71% of the funds budgeted in the Finance citywide account in 2011 and 2012 will be used for safety related purposes.

TABLE 4 – PROPOSALS TO ELIMINATE THE GAP

Table 4 outlines the proposals to eliminate the gaps between current revenues and projected expenditures. In 2011 and 2012, it is notable that the gap includes "new needs" identified by departments as part of their financial plan submission. Options to reduce the gap include encumbrance cancellations, use of the prior year's unencumbered general fund balance, projected revenue above that set by the City Auditor, spending below existing appropriation and planned use (versus emergency use) of the economic stabilization fund or other transfers.

Specific substantive and policy-impacting proposals to eliminate the gap are part of the ongoing budget and general fiscal discussions of the city. The financial plan itself does not present detail of the varied proposals and options for achieving balance. Such proposals will be a separate, ongoing activity of the current budget year and the budget planning processes for 2011 and eventually 2012.

TABLE 1 – PLAN SUMMARY

Table 1 captures data from Tables 2-4 (Current Revenues, Current Expenditures, and Proposals to Eliminate the Gap) in order to provide a summarized overview of the projected financial situation faced by the city through year 2012.

The gap between current revenues and current expenditures can be seen in this table. At the outset of the 2009 budget process, the gap was as high as $98 million. As a function of the target budgeting process, expenditure reductions were inherent in most of the departmental budget submissions. Despite this, and other post-submission expenditure reductions and adjustments, a gap in excess of $30 million remained. This gap was reduced with encumbrance cancellations, miscellaneous transfers, and most notably a $30 million transfer from the economic stabilization fund.

In 2010, the gap was smaller than that of 2009, due to the increased revenues generated by the aforementioned ½ percent income tax increase. This tax increase has been instrumental in providing crucial additional revenue, without which many general fund programs could not have continued.

The 2011 and 2012 gap will be eliminated through increased revenues, reduced expenditures or some combination thereof.

It is also worth noting that the some of the revenue from the ½ percent income tax increase allowed for funding associated with a few, high priority "new-needs" to be included in this report.

THE FINANCIAL PLAN IN SUMMARY

In summary, once beginning balances and/or one-time transfers are taken into consideration, the city's three-year financial plan shows that in order to balance the upcoming 2011 budget year, $12.66 million in some combination of additional revenues and/or expenditure reductions will be necessary. Likewise, to balance in 2012, $10.94 million in adjustments are needed. Both years include funding for "new-needs" totaling $6.99 million in 2011 and $11.71 million in 2012.

The 2009-2010-2011 financial plan served as an early warning system by identifying projected shortfalls prior to the actual budget process. As such, it was a useful tool for decision makers insofar as it provided lead time in the development of budget reduction and revenue enhancement strategies for 2010. That same prognosticative ability will serve the city well as it begins 2011 budget deliberations.

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April 2010

TABLE 1
GENERAL FUND - PLAN SUMMARY
THREE-YEAR FINANCIAL PLAN
2010-2011-2012
(in millions of $)

Year #		1	2	3
	Actual 2009	Budget 2010	Estimate 2011	Estimate 2012
TOTAL CURRENT REVENUE	$ 588.00	$ 658.90	$ 689.25	$ 708.92
CURRENT EXPENDITURES				
Personnel	514.75	540.56	569.40	577.56
Materials, Services, Transfers and All Other	102.27	115.93	114.52	119.18
Deposits (includes repayments to ESF and deposits to anticipated exp. fund)	1.75	1.79	11.00	11.41
TOTAL CURRENT EXPENDITURES	618.78	658.28	694.92	708.15
GAP (DIFFERENCE REVENUE/EXPENDITURES)	**(30.78)**	**0.62**	**(5.67)**	**0.77**
New Needs	-	-	6.99	11.71
Miscellaneous	-	-	-	-
GAP TO BE CLOSED	**(30.78)**	**0.62**	**(12.66)**	**(10.94)**
PROPOSALS TO ELIMINATE THE GAP				
Encumbrance Cancellations	1.41	1.41	1.50	1.50
Unencumbered Balance	0.03	3.28	6.50	-
Transfers from Economic Stabilization Fund	30.04	-	-	-
Other Transfers	0.83	1.20	-	-
Additional Revenue/Expenditure Changes Needed to Balance	-	-	4.66	9.44
TOTAL PROPOSALS TO ELIMINATE THE GAP	32.31	5.88	12.66	10.94
REMAINING GAP TO BE CLOSED (-) / BALANCE (+)	**$ 1.53**	**$ 6.50**	**$ -**	**$ -**

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TABLE 2
GENERAL FUND - CURRENT REVENUES
THREE-YEAR FINANCIAL PLAN
2010-2011-2012
(in millions of $)

Year #		1	2	3
	Actual 2009	**Estimate 2010**	**Estimate 2011**	**Estimate 2012**
Revenue Estimate Source:	Actual	Finance & Mgmt.	Finance & Mgmt.	Finance & Mgmt.
CURRENT REVENUE				
Income Tax	$ 385.89	$ 460.00	$ 473.80	$ 488.01
Property Tax	51.35	49.80	51.12	51.47
KWH Tax	3.23	3.30	3.33	3.37
Hotel/Motel Tax	3.12	3.10	3.22	3.34
Total Taxes and Assessments	**443.60**	**516.20**	**531.47**	**546.19**
Local Government Fund	40.35	39.10	39.10	39.10
Revenue Assistance Fund	-	-	-	-
Estate Tax	8.15	7.00	8.74	8.74
Liquor Permit Fund, Cigarette Tax, Other	1.13	1.12	1.13	1.15
Total Shared Revenues	**49.63**	**47.22**	**48.97**	**48.98**
License and Permit Fees	9.65	9.70	10.12	10.56
Fines and Penalties	22.10	22.10	23.44	24.86
Investment Earnings	6.41	7.00	15.22	15.22
Charges for Services	54.69	55.30	58.22	61.30
All Other Revenue	1.92	1.38	1.81	1.81
Total Other Revenue	**94.77**	**95.48**	**108.80**	**113.75**
TOTAL CURRENT REVENUE	**$ 588.00**	**$ 658.90**	**$ 689.25**	**$ 708.92**

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TABLE 3
GENERAL FUND - CURRENT EXPENDITURES
THREE-YEAR FINANCIAL PLAN
2010-2011-2012
(in millions of $)

Year #		1	2	3
	Actual 2009	Budget 2010	Estimate 2011	Estimate 2012
CURRENT EXPENDITURES[1]				
Personnel:				
Uniformed Personnel	$ 249.44	$ 259.93	$ 275.67	$ 275.55
Insurance	41.98	44.41	47.21	51.23
Benefits	85.63	88.88	91.05	91.91
Non-Sworn Personnel [2]	89.59	96.68	103.55	106.71
Insurance	20.54	21.75	25.08	26.87
Benefits	27.57	28.91	30.32	31.14
Total Personnel	$ 514.75	$ 540.56	$ 572.89	$ 583.42
Non-Personnel:				
Technology	13.66	12.80	12.99	13.89
Fleet Maintenance	23.01	21.69	22.75	23.40
Other Capital	0.27	1.00	6.00	6.00
Materials & Supplies	11.01	11.08	11.48	11.72
Non-Contract Services	13.95	15.58	16.23	16.62
Contract Services	33.15	42.50	42.57	47.59
Other	4.95	4.79	3.62	3.70
Transfers [3]	2.27	6.49	2.38	2.12
Total Non-Personnel [4]	$ 102.27	$ 115.93	$ 118.02	$ 125.03
Deposits:				
Economic Stabilization Fund	-	-	9.00	9.35
Anticipated Expenditure Fund [2]	1.75	1.79	2.00	2.06
Total Deposits	1.75	1.79	11.00	11.41
TOTAL CURRENT EXPENDITURES	**$ 618.78**	**$ 658.28**	**$ 701.91**	**$ 719.86**

(1) Unless otherwise noted in the assumptions, the 2011 and 2012 projections assume that reduction restorations that were part of the 2010 budget will continue throughout the financial plan period.
(2) Non-sworn safety personnel costs total $30.36 million in 2010, $34.59 million in 2011 and $35.88 million in 2012.
(3) Transfers primarily reflect items budgeted in the citywide account that are later expensed elsewhere, including legal settlements and the transfer to the anticipated expenditure fund. General fund subsidies to Health and Recreation and Parks, normally appearing as general fund transfers, have been allocated to the other categories on a proportional basis for those two departments.
(4) Non-personnel safety related costs total $51.34 million in 2010, $52.51 million in 2011, and $54.36 million in 2012.

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TABLE 4
GENERAL FUND - PROPOSALS TO ELIMINATE THE GAP
THREE-YEAR FINANCIAL PLAN
2010-2011-2012
(in millions of $)

Year #		1	2	3
	Actual 2009	Budget 2010	Estimate 2011	Estimate 2012
PROPOSALS TO ELIMINATE THE GAP				
Encumbrance Cancellations	$ 1.41	$ 1.41	$ 1.50	$ 1.50
Unencumbered Balance	0.03	3.28	6.50	-
Additional revenue or Expenditure Changes Needed to Balance	-	-	-	-
Transfers from Economic Stabilization Fund	30.04	-	-	-
Other Transfers	0.83	1.20	-	-
Expenditure Reductions to Balance Original Budget	-	-	4.66	9.44
TOTAL PROPOSALS TO ELIMINATE THE GAP	**$ 32.31**	**$ 5.88**	**$ 12.66**	**$ 10.94**

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TABLE 5
GENERAL FUND - ASSUMPTIONS
THREE-YEAR FINANCIAL PLAN
2010-2011-2012

REVENUES			2011 & 2012
1	Income Tax	Pro Forma Growth Rate	3.00%
2	Property Tax	Average Annual Growth Rate during years with no triennial update or 6 year	2.27%
3	KWH Tax	Pro Forma Growth Rate	1.00%
4	Hotel/Motel Tax	Pro Forma Growth Rate	3.85%
5	Local Govt. Fund	Pro Forma Growth Rate	0.00%
6	Estate Tax	2001 - 2010: Average Actual Growth in Dollars, 10 Years	$ 8,738,140
7	Liquor, Cigarette, Other	2001- 2010: Average Actual Growth Rate, 10 Years	1.19%
8	License and Permit Fees	Pro Forma Growth Rate	3.00%
9	Cable Fees	2005 - 2009 Actual Average Growth Rate - 5 Year Trend	4.56%
10	Fines and Penalties	1999 - 2009 Actual Average Growth Rate - 10 Year Trend	6.06%
11	Investment Earnings	1990-2009 Annual Average Earnings-19 Year Average	$0
12	EMS	Pro Forma Growth Rate	3.00%
13	Pro Rata	Original Plan Proposed Methodology - 5 Year Trend	6.61%
14	Other Charges for Service	1999 - 2009 Actual Average Growth Rate - 10 Year Trend	5.35%
15	All Other Revenue	1991 - 2009 Average Actual Growth in Dollars	$ 1,810,754

EXPENDITURES

1 **Inflationary increases** totaling 2% per year for 2011 and 2012 for most basic goods and services are assumed.

2 **Additional moneys** are added to the Facilities Management Division in 2011 and 2012 to cover costs associated with the expansion of the impound lot.

3 **Vacancy credits** are assumed in many divisions' projections, the amounts of which vary depending upon the size of the division and the rate of employee turnover.

4 **Safety recruit classes, separations, other**

Police:
2 recruit classes are projected in 2011 - 1 class of 65 recruits in March and 1 class of 55 recruits in October,
2 recruit classes are projected in 2012 - 1 class of 50 recruits in June and 1 class of 50 recruits in December.
110 separations are projected in 2011
50 separations are projected in 2012
The 115th class COPS grant reimbursement is deducted from the 2011 and 2012 general fund projections herein.
Sworn overtime costs are projected to total $8.038 mil. in 2011 and $8.279 mil. in 2012.
Wage increases for sworn police personnel are projected at 3% in 2011 and 2012; pension pick-up remains at 5.5%.

Fire:
2 recruit classes are projected in 2011 - 1 class of 47 recruits in March and 1 class of 40 recruits in September.
1 recruit class is projected in 2012 - 1 class of 30 recruits in June.
80 separations are projected in 2011
30 separations are projected in 2012
Projections assume Fire will not receive the SAFER grant.
Sworn overtime costs are projected to total $7.592 mil. in 2011 and $7.896 mil. in 2012.
Wage increases for uniformed personnel are projected at 3% in June 2011 and June 2012.
Police and Fire termination pay for sworn personnel are estimated at $9.054 mil. in 2011 and $1.985 mil. in 2012
Projected revenue for **E-911** funds are deducted from the general fund ($1.46 mil. in 2011; 1.46 mil. in 2012).
Projected revenue from **Photo Red Light funds** are deducted from the general fund ($1.775 mil. in each year)

5 Additional funds are assumed in 2011 and 2012 in **Civil Service** to ensure adequate moneys are available to conduct testing and medical and psychological screening for the upcoming firefighter classes.

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TABLE 5 (continued)
GENERAL FUND - ASSUMPTIONS
THREE-YEAR FINANCIAL PLAN
2010-2011-2012

EXPENDITURES (continued)

6 **Social Service Contracts** are funded by both the general and emergency human services (EHS) funds in 2010, with $2.47 mil. in general fund and $1.2 mil. in EHS funds. To free emergency human service moneys for other uses, this plan returns $500k to the general fund in 2011 and 2012.

7 The **Divisions of Safety Support and Fire** are projected to receive additional funds, above that which is inflationary, reflecting the need for services associated with the computer aided dispatching implementation.

8 Additional funds are projected to fund **economic development incentive agreements** in 2011 and 2012.

9 In 2010 **Recreation and Parks** received funding to **re-open recreation centers, senior centers and swimming facilities** that closed the previous two years due to budget reductions. The 2011 and 2012 projections reflected herein assume expanded funding for these facilities. Funds for maintenance of the "Scioto Mile" are also projected ($1 mil. in 2011 and $900K in 2012).

10 **Technology** costs for 2011 and 2012 are based on that department's financial plan submission, prorated among customer departments based on the 2010 appropriation.

11 **Fleet** costs for 2011 and 2012 are based on that department's financial plan submission, prorated among customer departments based on the 2010 appropriation.

12 **Legal Settlement** costs of $1.3 mil. in 2010, $1.326 mil. in 2011 and 1.353 mil. in 2012 are assumed.

13 **Anticipated expenditure** fund deposits total $1.79 mil. in 2010, $2.0 mil. in 2011 and $2.06 mil. in 2012.

14 **Health insurance** costs are inflated by 7% in both 2011 and 2012.

15 **Economic stabilization fund** deposits total $9.0 mil. in 2011 and $9.35 mil. in 2012 in keeping with the goal of reaching a $50 mil. balance by 2014.

16 Funds for **vehicle purchases** funds for 2011 and 2012 are $6 mil. in each year.

PROPOSALS TO ELIMINATE THE GAP

1 Make full use of encumbrance cancellations and prior year carryover

2 Reduce expenditures, eliminate or postpone some "new needs" pending identification of additional resources

3 Identify additional revenues