



City of Columbus
Mayor Michael B. Coleman

Department of Finance and Management

Paul R. Rakosky, Director

July 30, 2010

MEMORANDUM TO: Michael B. Coleman
Mayor

FROM: Paul R. Rakosky *PRR*
Finance and Management Director

SUBJECT: Second Quarter Financial Review

The Finance and Management Department's Second Quarter Financial Review is attached. As you know, the quarterly financial reviews represent my department's efforts to examine the projected financial condition of the city for the remainder of the year based upon a review of revenues and spending to date for all departments and offices. As of the end of the second quarter, for the general fund, we project that we will spend approximately \$5.96 million less than was originally appropriated for 2010. In addition, the City Auditor has increased his official estimate of resources by \$4.85 million reflecting growth in the income tax beyond the .5 percent increase approved by the voters last August. While this is positive news, other significant sources of general fund revenue lag 2009 collections. With the challenges posed by the Deferred Retirement Option Plan (DROP) in maintaining Police and Fire uniformed staffing levels in 2011, it is extremely important that we continue to control spending in order to provide additional carry-over beyond that currently projected in the general fund into 2011. Additional resources will be necessary to maintain service levels within the ranks of the city's safety forces and within our recreation centers in 2011. We must also continue our efforts toward restoring the rainy day fund by year end 2014.

On the expenditure side, we are maintaining savings identified in the first quarter and realizing additional savings in several key areas. Working with the Department of Technology, we are reducing projected billings to general fund divisions for technology services by \$418,193. In the Divisions of Police and Fire, projected separations have been increased to 55 and 36 respectively from the 45 and 25 assumed in the budget. This is due to more separations occurring in the first two quarters of 2010 than anticipated and has produced savings in uniformed wages. The Safety Director's Office currently projects savings of nearly \$682,165 in the contract whereby we reimburse Franklin County for housing prisoners in the jail. Savings from unfilled vacancies in various divisions result in projected savings of nearly \$2.0 million. It is also clear our reform efforts reducing pension benefits for members of the IAFF, FOP, CMAGE and MCP units have slowed the growth in personnel costs and that we should continue to implement these reforms. The Refuse Collection Division projects savings of \$1.32 million due to lower than anticipated costs for the citywide yard waste removal contract. Fleet savings, largely the result of lower fuel costs are projected at \$1.4 million. Reconciliation of expenses associated with the Franklin County Public Defenders contract is resulting in a projected savings of over \$534,079.

614-645-8200
614-645-8339
614-645-5189
614-645-7602
614-645-8200
614-645-8315
614-645-8281

Director's Office
Office of Construction Management
Real Estate Management Office
Facilities Management Division
Financial Management Division
Purchasing Office
Fleet Management Division

90 West Broad Street, 4th Floor Columbus, Ohio 43215-9002
90 West Broad Street, Rm. B-41 Columbus, Ohio 43215
90 West Broad Street, Rm. 425 Columbus, Ohio 43215-9030
90 West Broad Street, Rm. B-16 Columbus, Ohio 43215-9001
90 West Broad Street, 4th Floor Columbus, Ohio 43215-9002
50 West Gay Street /1st Floor Columbus, Ohio 43215-9006
4211 Groves Road Columbus, Ohio 43232

FAX: 614-645-7139
FAX: 614-645-0254
FAX: 614-645-5190
FAX: 614-645-7180
FAX: 614-645-7139
FAX: 614-645-7051
FAX: 614-645-7347

These savings are partially offset by increased overtime use within the Division of Fire where a \$2.5 million deficit is projected. The Finance and Management Department continues to work closely with the Department of Public Safety to identify ways to control these expenses. It should be noted that unless overtime hours used per pay period are reduced in the near term, it is unlikely that these projections will be reduced and they may, in fact, increase. In addition, a revision in the estimate for school district revenue sharing and job growth incentive payments in the Economic Development Division has resulted in a projected deficit of \$241,302.

Second quarter growth in income tax receipts from 2009 levels totaled \$57.9 million or 30% which is five percent higher than the 25 percent increase that would be expected from the income tax increase alone. While growth in the income tax represents a positive trend for the city, other significant sources of revenue continue to under perform when compared to 2009 collections. Fines and penalties (\$1.3 million), charges for service (\$1.8 million) and local government fund receipts (\$1.0 million) are all down compared to mid-year 2009, offsetting much of the gains in the income tax. The Finance and Management Department will continue to closely monitor revenue collections on a monthly basis and be prepared to react accordingly.

As always, the Finance and Management Department will do all we can to ensure the health of the general fund. Should you have any questions concerning this report, please do not hesitate to let me know.

- c. City Council
City Auditor Hugh J. Dorrian
City Attorney Richard Pfeiffer
City Treasurer Deb Klie
Department Directors

SECOND QUARTER FINANCIAL REVIEW

As of June 30, 2010

**Prepared by:
Department of Finance and Management**

**Paul R. Rakosky
Director**

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTION	1
II. GENERAL FUND OVERVIEW	2
Table A	2
Revenue and Expenditure Summaries	3
III. SPECIAL REVENUE FUNDS	11
Street Construction Maintenance & Repair	11
Health Special Revenue	12
Recreation and Parks Operations	13
Recreation and Parks - Golf Operations	14
Municipal Court Computer	15
Development Services	16
East Broad Street Operation	17
Private Construction Inspection	18
IV. INTERNAL SERVICE FUNDS	19
Employee Benefits	19
Print Services	20
Land Acquisition	21
Technology Services	22
Fleet Management Services	23
Construction Inspection	24
V. ENTERPRISE FUNDS	25
Water Operating	25
Sewerage System Operating	26
Storm Sewer Maintenance	27
Electricity Enterprise	28
VI. COMMUNITY DEVELOPMENT BLOCK GRANT	29

I. INTRODUCTION

This document summarizes the financial status of the City of Columbus' major operating funds, including the general fund, special revenue funds, internal service funds, enterprise funds and the community development block grant fund. Financial projections for 2010 and the significant factors that contribute to such projections are detailed within. Summary financial data are presented in an appendix of tables which also summarize vacant budgeted positions and data on personnel levels by division.

For purposes of this report, it is assumed that the general fund will end the year with a \$10.807 million unencumbered cash balance (Table A).

Details regarding other operating funds can be found in Sections III (Special Revenue Funds), IV (Internal Service Funds), V (Enterprise Funds) and VI (Community Development Block Grant).

TABLE A
GENERAL FUND SUMMARY PROJECTION

FUND BALANCE SUMMARY	
June 30, 2010	
Beginning Cash Balance (January 1, 2010)	\$ 19,817,144
Less Outstanding Encumbrances (As of December 31, 2009)	<u>16,538,351</u>
Unencumbered Cash Balance (January 1, 2010)	3,278,792
Plus Estimated 2010 Receipts - City Auditor	657,488,000
Plus Encumbrance Cancellations	1,362,000
Plus Transfers In & Misc. Transfers	1,000,000
Plus Approved Transfer From Economic Stabilization Fund	-
Plus Transfer from Insurance Trust Fund	<u>-</u>
Total Available for Appropriation	\$ 663,128,792
Total Appropriated as of June 30, 2010	\$ 658,277,000
Less 2010 Projected Operating Expenditures	<u>652,321,869</u>
Projected Appropriation Surplus/(Deficit)	\$ 5,955,131
Projected Available Cash Balance (December 31, 2010)	<u>\$ 10,806,923</u>
<hr/> ECONOMIC STABILIZATION FUND BALANCE SUMMARY <hr/>	
Beginning Unencumbered Cash Balance (January 1, 2010)	\$ 15,000,000
Plus 2010 Deposit	-
Plus Estimated Investment Earnings	<u>300,000</u>
Projected Unencumbered Cash Balance (December 31, 2010)	\$ 15,300,000
<hr/> ANTICIPATED EXPENDITURE FUND BALANCE SUMMARY <hr/>	
Beginning Unencumbered Cash Balance (January 1, 2010)	\$ 2,976,074
Plus 2010 Deposit	1,786,000
Plus Estimated Investment Earnings	<u>-</u>
	\$ 4,762,074

II. GENERAL FUND OVERVIEW

The general fund budget, as amended, is \$658.277 million, or 6.69 percent higher than actual 2009 year-end expenditures and outstanding liabilities. Revenue and expenditure projections are summarized on Table A.

Revenues:

The City Auditor establishes the official general fund revenue estimate, upon which, by City Charter, the general fund budget must be based. The current revenue estimate (exclusive of transfers, carryovers, or cancellations) is \$657.488 million, the majority of which comes from the 2.5 percent municipal income tax. In August of 2009 the voters approved a ½ percent increase to the income tax rate, thereby increasing it from 2 percent to its current 2.5 percent. This change has helped to shore up the general fund's seriously flagging revenues, as collections from most other sources continue to decline.

Through June, general fund resources (inclusive of transfers, carryovers, and cancellations) were 18.2 percent greater than during the same timeframe in 2009, the majority of which is attributable to growth in income tax receipts. Second quarter growth in income tax revenues totaled \$57.9 million, or 30.0 percent, which is 5 percent higher than the 25 percent increase that would be expected from the tax rate increase, indicating that we are seeing growth above and beyond that generated by the increase in the rate alone.

Property taxes also increased during the second quarter of 2010, though only marginally. Actual growth through June in this category was 0.7 percent. Local government fund receipts are down 4.6 percent, reflecting the continued weak performance of the Ohio personal income tax. The current estimate for this source is that it will be down by 4.0 percent overall. Estate taxes fluctuate widely from month to month and are difficult to predict, but were down by 34.3 percent from the same time last year.

Fines and penalties are down \$1.3 million from June 2009, due primarily to lowered collections from traffic court fines and costs, which are down by \$733,321 and parking ticket fines which are down \$258,643. If current trends continue, these sources will fall short of 2009 collections by almost \$2 million. Charges for services are down by 6.9 percent, or \$1.81 million, part of which is due to lowered EMS fees of over \$500,000. Also, due to some unresolved billing issues, prosecution charges for Franklin County have not yet been received (these totaled \$908,270 in 2009). Finally, auto impound fees are down by \$391,472, further contributing to the shortfall.

Expenditures:

Expenditures are projected to total \$652.322 million or \$5.955 million below the current appropriation. Ordinance 1604-2009, which passed, as amended by City Council on February 1st, 2010, established the 2010 general fund budget at \$658.277 million. This budget is \$41.249 million, or 6.69 percent, higher than 2009 year-end actual expenditures and outstanding liabilities.

The personnel projections in this report reflect employees on the city payroll as of June 12th, 2010, plus costs associated with a limited number of vacant positions. Where feasible, vacancy credits¹ were applied in anticipation of resignations, terminations, layoffs and delays in filling vacancies. Current general fund personnel levels are reported on Table 9.

¹ Vacancy credits reduce the overall personnel projection in recognition of the cost benefit of employee turnover. Vacancy credits tend to be higher in larger divisions having greater employee turnover and lower in smaller divisions having fewer turnovers.

Salary and wages are projected at the negotiated rate currently in affect pursuant to the various collective bargaining agreements. Projections for employees not covered by such agreements (e.g., MCP employees) are based on current administrative salary ordinances that establish wage and salary guidelines.

Insurance projections are calculated by employee, as each division contributes monthly to an insurance trust fund for each insured employee. The monthly contribution differs, depending upon the bargaining unit to which the employee belongs, or if none, the salary ordinance by which he or she is covered. Medicare, pension, worker's compensation and other similar benefits are calculated by applying the requisite percentage to each employee's total salary.

Projections for materials, supplies, services, capital outlay and other costs were calculated by summing the expenditures and encumbrances through June 30th and adding the result to the projected costs, by division, for these items for the balance of the year. A discussion of major anticipated appropriation variances, as shown in Table 2, appears below:

City Council's projected personnel surplus of \$44,009 reflects budgeted vacant positions and delays in filling them, in combination with savings from the pension rate reductions. Currently, the projected expenditures for supplies and services are anticipated to be less than budgeted by \$3,000 and \$5,022 respectively.

The **Office of the City Auditor** is projecting a small surplus of \$5,275 due to savings in personnel costs. At this time, it is anticipated that the division will spend the entirety of both their supplies and services budgets, or \$28,600 and \$700,456, respectively. In supplies, projected deficits in equipment and photography are offset by savings in computers and other office supplies. In services, expected savings in computer programming and telephone services will offset projected deficits in postage and services provided by accountants and external auditors.

The **Division of Income Tax** projects an overall deficit of \$112,861. The \$131,224 deficit in personnel is attributable to an unmet vacancy credit of 4.5 percent (valued at \$180,000), higher than budgeted overtime expenditures, and charges for unemployment compensation. This deficit is partially offset by small surpluses in both supplies and services. An expected surplus in supplies of \$4,262 is due to savings in computer purchases. In services, a surplus of \$14,101 reflects savings in employment agency contracts, employee travel, telephone services, maintenance of equipment and machinery, and waste disposal; which offset projected deficits in printing, subscriptions and telephone equipment charges.

The **City Treasurer** anticipates spending \$25,173 over current budget authority. A personnel surplus of \$15,965 reflects delays in hiring, offset by the unbudgeted termination pay of an employee who retired. A \$7,500 deficit in supplies reflects the unanticipated need to purchase a replacement computer in addition to two payroll check printers associated with the CHRIS project. Expenses related to internal mailroom charges, based on a new billing model, account for the majority of the \$33,638 deficit in services.

The **City Attorney** is projecting a \$64,114 deficit. The deficit reflects unbudgeted MCP increases for select personnel as well as a non-retroactive 2008 negotiated increase for CMAGE employees. Funds to cover a portion of these increases are budgeted in the Finance and Management citywide account.

The **Office of Real Estate** is projecting a \$711 surplus, entirely in personnel.

The **Municipal Court Judges** are projecting a minor \$14 surplus. Personnel projections assume the filling of 8 vacant positions during the last two quarters of the year. In the absence of sufficient employee turnover, filling these 8 vacancies could result in a pension deficit. The Municipal Court Judges will continue to monitor employee turnover, as well as supplies and services expenditures.

The **Municipal Court Clerk** does not project expenditures to deviate from the budget at this time. In personnel, a vacancy credit of 0.5%, equal to \$18,852, was applied to personnel projections, resulting in no variance for the second quarter. Personnel projections also assume filling ten vacant positions during the last two quarters of the year. In supplies, projected deficits in fixtures and paper expenditures are offset by a projected surplus in preprinted forms expenditures. Finally, projected deficits in bank fees and witness fees are offset by projected surpluses in printing and mail room services. The Municipal Court Clerk will monitor its personnel, supply and services costs to ensure all payroll obligations are met.

The **Civil Service Commission's** personnel deficit of \$25,147 primarily reflects unbudgeted MCP increases for select personnel as well as a non-retroactive 2008 negotiated increase for CMAGE employees. Funds to cover a portion of these increases are budgeted in the Finance and Management citywide account. In addition, the projected deficit includes the hiring of an unbudgeted payroll specialist to be in place and trained before known and upcoming retirements occur. Projected expenditures for supplies and services are slightly less than budgeted by \$6,833 and \$3,706, respectively.

The **Department of Public Safety, Administration Division's** projected overall surplus of \$706,191 is due mainly to less than budgeted expenditures in the services category of \$682,165, resulting from savings in the contract the city has with Franklin County to house prisoners arrested under violations of City Code. Anticipated personnel savings totaling \$23,915 reflect the delay in hiring a vacant position, along with savings from the one percent reduction in the MCP pension pickup rate.

A projected personnel surplus of \$67,097 in the **Support Services Division** mostly reflects three current budgeted vacancies and delays in filling them. Supplies expenditures are currently anticipated to be equal to appropriation. A services surplus of \$164,880 represents expected savings in telephone services as well as savings in the E-911 coordination contract.

The **Division of Police's** projected overall surplus of \$132,592 is the sum of savings in supplies and services of \$158,700 and \$151,724, respectively, offset by a deficit in personnel of \$177,832. The personnel projections assume that costs charged to the general fund will be "expenditure corrected" to the Photo Red Light and the E-911 funds as originally budgeted. In addition, these projections assume the total personnel costs related to the 115th recruit class, which entered the academy in February, will be borne entirely by the COPS grant for the remainder of the year, as budgeted. These assumptions will, again, be reviewed at the end of the third quarter. The subsequent narrative, therefore, reflects only the general fund's anticipated 2010 obligation.

The total projected personnel deficit includes a shortfall in uniformed wages of \$957,483 and \$218,466 in related pension benefits. The majority of this is due to a decision to budget the equivalent of a one percent wage increase in Finance and Management's citywide account. At

the time the budget was submitted to City Council, the city and the FOP were engaged in fact finding proceedings, the results of which were not released, nor voted upon, until December 2009. Due to the uncertainty of the award and subsequent result of the vote, one percent of the division's uniformed wages and associated benefits were accounted for in Finance and Management's citywide account to be transferred to the division later this year if needed.

Additionally, at the beginning of this year, there were seven more officers than budgeted due to fewer separations² at the end of 2009 than anticipated. Of note, a net of 31 officers separated during the first half of 2010, thirteen more than during the first half of 2009. As such, total projected divisional separations were increased from the budgeted 45 to 55 as a part of the first quarter projections, where they remain. Increasing projected separations also increases the termination pay assumptions among the uniformed ranks, resulting in a projected deficit of \$590,905 for that line item.

Partially offsetting these aforementioned deficits, a surplus of \$307,100 is projected in the physical fitness incentive line. In 2008, the FOP realized a high enough participation rate, pursuant to Article 18 of their collective bargaining agreement, to warrant the unbudgeted payout of the incentive for the first time in 2009. Participation in 2009 was again sufficient to require a similar payout in February of this year. It is anticipated that in the coming years, participation in the physical fitness program will be easier to predict and with it, better accuracy in budgeting the payout. In addition, surpluses in uniformed deviation pay and shift differential are expected to be \$48,386 and \$102,319, respectively.

Sworn overtime expenditures continue to be projected as equal to budget authority. The division's uniformed overtime expenditures for the first 12 pay periods of 2010 were 5.4% higher (after adjusting for back pay) than the same period in 2009. The majority of this increase, all other things being equal, is attributed to a pay increase resulting from the aforementioned fact finding award in December of 2009. The division will continue its concerted effort to minimize overtime expenses when possible. It will also closely monitor overtime trends in partnership with the Public Safety Director's Office, as well as the Department of Finance and Management.

A full-time civilian wage surplus of \$505,805 is projected. This reflects civilian full-time strength being 18 positions lower at the end of the second quarter than was budgeted, but does include the filling of those 18 positions by year end. Unbudgeted unemployment costs are projected to total \$23,664, offset by lower than budgeted expenses related to Medicare (\$66,702).

A decrease in the usage of the tuition reimbursement benefit in the first half of the year relative to the same time period in the past two years has resulted in a projected savings of \$87,783 in that line item.

Civilian overtime is projected to be equal to appropriation, though like uniformed overtime, these expenses will be monitored throughout the remainder of the year.

A surplus of \$158,700 in supplies represents projected savings in laboratory supplies (\$57,040), printer/copier toner (\$15,000), helicopter fuel (\$80,000), and miscellaneous items (6,660). A \$151,724 services surplus reflects a projected fleet savings of \$575,000, mostly due to the budgeted price of fuel being lower than actual, in addition to a surplus of \$57,652 in internal mailroom charges. This projection assumes that portions of these current encumbrances will be

² Term refers to employees leaving city employment for any reason, including retirement, resignation, termination, permanent disability, etc.

cancelled by year end. Surpluses of \$40,000 and \$6,135 are anticipated in the costs of obtaining cell phone services and in miscellaneous services respectively. Offsetting these savings are projected deficits in arbitrator and court reporter expenses (\$27,063), and in the costs for various maintenance and service contracts (\$200,000), which will be partially covered by a transfer of the surpluses in supplies. Also, medical bills for those individuals being held under violations of city ordinances could exceed budgeted amounts by \$300,000.

Finally, the first quarter projections for payments of adjudicated settlements and expenses in transfers are equal to current budget authority.

The **Division of Fire's** projected overall deficit of \$2,081,655 is comprised of deficits in personnel of \$3,946,736, in supplies of \$38,145, and in claims of \$65,000. These deficits are partially offset by the remaining budget authority in the transfer line of \$1,968,226.

The division began 2010 with two fewer uniformed personnel than was budgeted due to an increase in separations at the end of 2009. During the first half of 2010, twenty additional personnel separated from the division. The budget assumes there will be 25 uniformed separations. Based on year-to-date uniformed separations however, second quarter projections have been revised to assume the separation of 36. To compensate for these and prior losses, the division hired 50 recruits in June, for which funds are budgeted in the transfer category. Therefore, the projected uniformed wage deficit of \$458,221 reflects the costs of the recruit class, but is offset by the increase in separations, both year-to-date and projected.

Based on first and second quarter usage of uniformed overtime, the department projects a \$2,485,101 deficit in this budget line item. The division expended 70 percent more for uniformed overtime in the first twelve pays of 2010 than it did in the same time period in 2009. Personnel received two negotiated wage increases between then and now, and the division has 33 less firefighters (not counting the recruit class) on payroll at the end of June 2010 in comparison to June 2009. Many of the cost control efforts put forth in 2009 have been reversed out of necessity this year. These include, but are not limited to, the need to hold paramedic classes to train new EMT-Ps and to instruct the June recruit class. Last year, no recruit class entered the academy and only one paramedic class was held, with the other scheduled class delayed until this year. Two paramedic classes are currently in session, one that began in February and one that began in June. Personnel have been, and will continue to be, pulled in from the stations to the academy as instructors when necessary. Due to minimum staffing provisions, the positions in the stations have to be filled by available on-duty staff, to the extent possible, and by overtime when none are present.

As reported in the first quarter, given these and other known challenges, representatives from the division, the Safety Director's Office, the Mayor's Office, and the Finance and Management Department have been meeting for months to share information and explore ways to control or contain this growing deficit. The department is reviewing the process by which extended leaves are granted, with the assumption that possible changes in this area will facilitate personnel returning to work more quickly. So far, action on other items discussed has been slower than expected. The platoon units, persistently plagued by imbalance, continue to have far fewer available paramedics on 3 Unit than the other two. While lower overall personnel numbers than in recent years and the imbalance of the units are two of the main reasons driving the deficit, the division should review the non-emergency response positions, as was done last year, to ensure that only those most critical remain, and all others are redeployed, if at least on a temporary basis, to the stations. In addition, a review of the scheduling of personnel in various areas in

relation to the workload might yield further efficient use of staff resources. For example, the majority of suspected arson fires occur after the normal shifts of the arson investigators, necessitating overtime when they are called to the scene. As the division awaits the graduation of the June recruit class and the city's ability to fund future classes, the number of available personnel will continue to decline. Every effort, at every level, must be made to make staffing decisions, both for daily operations as well as for special events, which utilize personnel resources in the most cost efficient way, while still accomplishing the core mission of the division. This budgetary issue will remain among the highest priority for all involved parties during the second half of the year and into 2011.

Projected deficits in uniformed pension costs (\$903,663) relate to the overtime deficit in addition to the costs of the recruit class accounted for in personnel projections (and budgeted in transfers). In addition, deficits in uniformed back pay (\$36,755) related to an arbitration award, service credit (\$41,571), and excess vacation pay outs (\$36,223) are expected. Given the rate of tuition reimbursement usage in the first half of the year, the division's projected deficit in that line item is anticipated to be \$43,031.

In addition to the aforementioned uniformed deficits, civilian wages are projected to exceed current budget authority by \$3,955 for full-time employees and by \$25,758 for part-time or temporary personnel. The full-time civilian deficit represents MCP increases for select personnel and a non-retroactive 2008 negotiated increase for CMAGE employees, offset by personnel medical leaves in the first half of the year.

A small deficit of \$38,145 in supplies primarily reflects the cost of training supplies related to the recruit class, the budget for which is in the transfer line. Expenditures for services are currently projected to be budget neutral and for claims to be \$65,000 over budget by year end. A \$1,968,226 surplus in transfers, as has already been stated, is the personnel and supply budget for the June recruit class which will be transferred to those areas to cover costs.

A minor surplus of \$104 is projected in the **Office of the Mayor**. A services surplus of \$17,271 is offset by a personnel deficit of \$17,167.

An overall surplus of \$2,247 is projected in the **Community Relations Commission**, which is due entirely to savings in personnel costs. These expected savings may be attributed to less than anticipated pension pickup and sick leave reciprocity costs, which help to offset minor deficits in salaries and police overtime to staff Commission-sponsored events.

The **Equal Business Opportunity Commission Office** is projecting an overall deficit of \$47,711. A personnel deficit of \$49,714 is slightly offset by anticipated savings of \$2,003 in services. The personnel deficit reflects unbudgeted salaries and benefits for a recently acquired employee, though are somewhat offset by savings in sick leave reciprocity.

The **Development Department, Administration Division** is projecting an overall surplus of \$24,350. A surplus in personnel of \$558 eliminates the deficit projected in the first quarter review. Savings are a result of a vacancy for a human resources program manager, offset by unbudgeted back pay and unemployment costs. A surplus of \$21,210 in services reflects lower than budgeted expenditures for copier leases, telephone, travel, training, printing, memberships and mailroom, and absorbs an unbudgeted projected expenditure for sewer assessments at the former Columbus Coated Fabrics site.

The **Economic Development Division** projects an overall deficit of \$246,009. The personnel deficit of \$5,830 reflects unbudgeted terminal leave costs. Small savings of \$425 for supplies and \$698 for services are projected. The bulk of the deficit, \$241,302 in the "other" category, reflects actual payments for school district revenue sharing and incentive programs which were higher than budgeted. A transfer of \$241,302 from the city-wide account during the third quarter will reduce the overall deficit projection to \$4,707.

Per Council action, on May 1, 2010, the **Building Services Division** was renamed the **Code Enforcement Division**. The division projects an overall surplus of \$23,311. A personnel surplus of \$75,399 reflects one property maintenance inspector vacancy, savings in overtime, and adjustments for employees working on grant-funded projects. In the services category, a deficit of \$52,094 reflects a proposed increase of \$100,000 for the weed control program offset somewhat by savings in telephone, computer access, mailroom and disposal fees.

The **Planning Division** projects an overall surplus of \$6,835. The personnel surplus of \$2,458 reflects a vacant planner II position and lower than budgeted sick leave reciprocity payments offset by unemployment charges. Surpluses of \$444 in supplies and \$3,933 in services are projected.

The **Housing Division** projects a surplus of \$41,542. The personnel surplus of \$35,304 reflects vacancies in the first half of the year, namely an office assistant II position in the first quarter and a development rehab tech in the second quarter. A surplus of \$6,234 is projected in services as a result of lower than anticipated expenditures for mailroom, cell phones, and other expense for operations.

The **Finance and Management Department, Administration Division** projects an overall surplus of \$626,341. Savings in personnel are projected to be \$612,954. The largest portion of this results from fund reimbursements of approximately \$382,075 for construction management personnel costs. The balance is primarily due to several budgeted vacancies, both planned and unexpected, that are either not going to be filled, or will be filled at a lower than budgeted rate and at a date later than projected at the first quarter. A \$15,326 services surplus results from the ReCapp contract renewal cost coming in lower than expected. A \$2,000 deficit is projected in the other category as a claim payment due to a former city employee is expected.

The **Financial Management Division** is projecting an overall surplus of \$2,784,049. This is accounted for primarily in the transfer area (\$2,128,664), where various citywide expenses are budgeted. Currently, \$1,786,000 has been encumbered for the 27th pay period. Rest of year expenditures total \$441,302. A surplus of \$118,724 is projected in personnel and is related to several staff adjustments that occurred either during the second quarter or are projected to occur later this year. A services surplus of \$533,862 is largely due to the Public Defender contract with Franklin County being less than budgeted by \$534,079.

The full amount of the **Fleet Management Division's** general fund appropriation of \$1,000,000 is projected to be expended.

The **Facilities Management Division** is projecting an overall surplus of \$197,901. The \$93,554 personnel surplus reflects significant savings in overtime and shift differential expenses; partially offset by small deficits in back pay, termination pay and PERS expenses. A four percent vacancy rate continues to be included in calculations, per the 2010 budget. This vacancy credit will be monitored throughout the year, as current economic conditions have caused employee

retention rates to remain strong over the last two years. A \$91,030 services surplus results from a projected \$100,000 savings in electricity costs, based on current billings, as well as lower than budgeted costs associated with the Health Department custodial contract and general maintenance repairs. At this time, other utility expenditures are projected to be equal to appropriation, although market prices indicate they could be revised down during the third quarter. Rest of year projections include contracting for custodial services in the Health Department (\$320,241) as well as funds for a transfer to the Jerry Hammond Center, should it become necessary. The \$13,295 surplus in the other category reflects less than anticipated costs for damage claims.

Moneys for the general fund portion of **Citywide Technology Billings** are budgeted in the Finance and Management Department. A \$418,193 surplus is anticipated, based on projected billings for technology services provided to general fund departments (plus revenue from other sources) less projected expenditures for the year. Billing projections are derived from the department's recently improved and upgraded billing model, which allocates costs based on services and a service catalogue rather than the older model's projected service hours.

The **Human Resources Department** is currently projecting an overall surplus of \$6,681, the majority of which is from a \$5,586 supplies surplus.

The current projected general fund transfer to the **Health Department** is \$17,566,531, which remains unchanged from the beginning of the year. It is projected that the department will end 2010 with a cash balance of \$1,443,499 in its operating fund. An appropriation surplus of \$1,715,356 in the operating fund is also reflected in this report. Additional information on Health's second quarter projections is provided in Section 3 of this report.

The current projected general fund transfer to the **Recreation and Parks Department** is \$24,048,988. It is projected that the department will end 2010 with a cash balance of \$54,267 in its operating fund. An appropriation surplus of \$178,352 in the operating fund is also reflected in this report. Additional information on Recreation and Park's second quarter projections is provided in Section 3 of this report.

The **Department of Public Service, Director's Office** is projecting an overall surplus of \$629, entirely in personnel.

The **Refuse Collection Division** projects an overall surplus of \$3,312,443. In personnel, the \$1,224,495 surplus reflects delays in filling vacant positions. The \$2,087,682 surplus in services is the result of budgeting more than was needed for the yard waste contract (\$1,322,600) as well as spending less on fleet expenditures (\$800,000) due to savings in fuel prices. These savings are offset by small increases in various other services.

The **Mobility Division** projects an overall deficit of \$26,157. Because of the new, extended hours of enforcement for parking meters, the division will incur unbudgeted expenses in the second half of the year. Although, the division will still project a personnel surplus of \$37,415 due to delays in filling vacant positions. Additional funds are needed to outfit three new parking enforcement positions causing a deficit of \$3,151 in supplies. The services deficit of \$47,421 is the result of unbudgeted credit card and maintenance fees for new meters as well as various other expenses. And finally, a \$13,000 deficit in capital expenses reflects the need for a new copier.

III. SPECIAL REVENUE FUNDS

A. STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ 4,756,168
Plus Estimated 2010 Revenues	46,548,945
Plus Estimated Encumbrance Cancellations	151,941
Total Estimated Available For Appropriation	<u>51,457,054</u>
Less Projected 2010 Expenditures Public Service Director's Office	(3,072,574)
Less Projected 2010 Expenditures Refuse Division	(2,868,853)
Less Projected 2010 Expenditures Mobility Division	(1,928,694)
Less Projected 2010 Expenditures Planning & Operations Division	(34,934,082)
Less Projected 2020 Expenditures Design & Construction Division	<u>(3,288,932)</u>
Less Total Projected 2010 Expenditures	<u>(46,093,135)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u><u>\$ 5,363,919</u></u>
Total Appropriated	<u>\$ 46,509,533</u>
Projected Appropriation Surplus/(Deficit)	<u>\$ 416,398</u>

REVENUE SUMMARY

At the beginning of 2010, the unencumbered cash balance in the street construction, maintenance and repair fund (SCMR fund) was nearly \$4.8 million. Revenues into the fund are projected to be \$46,548,945, or an increase of \$627,728 from the original projection. The majority of this additional revenue is attributable to an increase in capital reimbursements.

It is projected that the SCMR fund will have an unencumbered cash balance of \$5,363,919 at the end of 2010.

OPERATING BUDGET SUMMARY

An appropriation surplus of \$416,398 is projected in the SCMR fund. In the Public Service Director's Office, a personnel surplus of \$115,538 is due to delays in filling vacant positions. Small surpluses of \$96 and \$2,791 are projected in supplies and services. In the Refuse Division, a \$28,262 personnel deficit is the result of various overages in personnel. The \$378,393 services surplus reflects a reduction in fleet expenditures resulting from lower fuel prices. The Mobility Division is projecting a \$100,342 surplus in personnel due to delays in hiring vacant positions. There is also a small \$7,511 deficit in services because of higher than budgeted fleet expenditures. In the Planning & Operations Division, the \$148,852 personnel deficit is the result of various overages in personnel. The division is projecting savings in supplies of \$29,513 and services of \$134,281. The \$157,675 deficit in capital outlay is due to the need to purchase six vehicles for the division. In the Design and Construction Division, the \$32,603 personnel surplus reflects a delay in filling vacant positions. A minor surplus of \$1,400 is projected in supplies. In services, the \$36,259 deficit represents a contract with a surety consultant and an e-bidding software system that were not budgeted.

B. HEALTH SPECIAL REVENUE FUND

FUND BALANCE SUMMARY June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ 390,784
Plus Estimated 2010 Revenues	5,303,969
Plus Estimated General Fund Transfer	17,566,531
Plus Estimated Encumbrance Cancellations	<u>100,000</u>
Total Estimated Available For Appropriation	23,361,284
Less Projected 2010 Expenditures	<u>(21,917,785)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u>\$ 1,443,499</u>
Total Appropriated	<u>\$ 23,633,141</u>
Projected Appropriation Surplus/(Deficit)	<u>\$ 1,715,356</u>

REVENUE SUMMARY

At the beginning of 2010, the health special revenue fund had an unencumbered cash balance of \$390,784. Should the general fund transfer of \$17,566,531 remain static, it is now projected that by year end the fund will have a significant positive cash balance of \$1,443,499. Anticipated revenues have been adjusted down slightly from first quarter and are expected to total \$5,303,969. Estimated encumbrance cancellations are \$100,000.

OPERATING BUDGET SUMMARY

An overall appropriation surplus of \$1,715,356 is projected in the health operating fund, a significant improvement over 2009. The majority of the projected surplus reflects savings in personnel of \$1,716,024. This is partly due to the department's receipt at the end of 2009 of a \$4.5 million federal emergency preparedness grant, to which many staff hours have been charged. Activities carried out under the grant have not only benefitted the community, but have relieved the department of thousands of dollars in salaries and wages for staff that were already working on similar activities. Savings from unfilled vacancies have also contributed to the personnel surplus.

At this point, it is anticipated that the department will spend their entire supplies budget of \$652,125. At mid-year, projected savings in medical testing kits and miscellaneous office supplies offset projected deficits in other items such as laboratory supplies. A small surplus of \$4,331 is projected in services. Deficits in areas such as telephone services and medical services contracts are offset by anticipated savings in interpreter fees, laboratory services, and leasing of real estate. A small deficit of \$5,000 is projected in refunds due to delays in processing bad checks received by the Health Department from customers.

C. RECREATION AND PARKS OPERATION AND EXTENSION FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$263,144
Plus Estimated 2010 Revenues	5,944,307
Plus Estimated General Fund Transfer	24,048,988
Plus Estimated Encumbrance Cancellations	<u>335,000</u>
Total Estimated Available For Appropriation	30,591,439
Less Projected 2010 Expenditures	<u>(30,537,172)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u><u>\$ 54,267</u></u>
Total Appropriated	<u>\$ 30,715,524</u>
Projected Appropriation Surplus/(Deficit)	<u><u>\$ 178,352</u></u>

REVENUE SUMMARY

A year end cash balance of \$54,267 is projected in the Recreation and Parks Operation and Extension fund. This balance assumes a general fund transfer of \$24,048,988 and revenues from other sources totaling \$5,944,307.

The projection for revenues from other sources has been decreased by \$92,985 since the establishment of the 2010 budget, primarily in the areas of sports and recreation centers.

OPERATING BUDGET SUMMARY

This year's budget includes funds to re-open recreation centers, on a full- and part-time basis, that were closed in 2009 due to financial constraints. The first phase of this restoration started during the first quarter with the provision of funding for 18 full time positions and the re-opening of some of the closed recreation centers. The second phase is projected to start this fall.

An overall appropriation surplus of \$178,352 is projected in the recreation and parks operating fund. This is comprised of surpluses of \$327,979 in personnel and \$31,629 in supplies, as well as \$5,750 in the "other" category. These are offset by a projected deficit in services of \$187,006. The personnel surplus reflects delays in filling vacant positions. Personnel projections also assume the filling of another 21 vacant positions during the second half of the year. The projected services deficit is attributable to higher than anticipated water and electricity charges, as the opening of heretofore closed recreation facilities revealed unanticipated challenges.

D. RECREATION AND PARKS GOLF OPERATION FUND

FUND BALANCE SUMMARY June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$268,118
Plus Estimated 2010 Revenues	4,538,471
Plus Estimated Encumbrance Cancellations	45,000
Total Estimated Available For Appropriation	<u>4,851,589</u>
Less Projected 2010 Expenditures	<u>(4,531,260)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u>\$ 320,329</u>
Total Appropriated	<u>\$ 4,699,632</u>
Projected Appropriation Surplus/(Deficit)	<u>\$ 168,372</u>

REVENUE SUMMARY

An unencumbered cash balance of \$320,329 is projected in the Recreation and Parks Golf Operating Fund at year end, \$101,390 lower than the projected balance in the budget.

Revenues into the fund are projected to be \$4,538,471, or \$241,529 less than the budgeted amount. Revenues in the first six months of this year were down, due to inclement weather, by 18.61 percent or \$409,153 over the same period in 2009; and down by less than five percent or \$93,006 over the same period in 2008. Revenues will be reevaluated during the third quarter review.

OPERATING BUDGET SUMMARY

The projected personnel surplus of \$168,372 is the result of not filling three vacant positions. At this time, the division does not project any deviation in supplies and services from budgeted expenditures.

E. MUNICIPAL COURT COMPUTER SYSTEM PROCUREMENT & MAINTENANCE FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$1,255,274
Plus Estimated 2010 Revenues	2,051,885
Plus Estimated Encumbrance Cancellations	143,096
Total Estimated Available For Appropriation	<u>3,450,255</u>
Less Projected 2010 Municipal Court Judges Expenditures	(472,376)
Less Projected 2010 Municipal Court Clerk Expenditures	<u>(1,862,700)</u>
Less Total Projected 2010 Expenditures	<u>(2,335,075)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u>\$ 1,115,180</u>
Total Appropriated	<u>\$ 2,473,571</u>
Projected Appropriation Surplus/(Deficit)	<u>\$ 138,496</u>

REVENUE SUMMARY

This fund provides the Municipal Court with a dedicated funding source for computer hardware, software, training and related services. Revenues to this fund are generated through court costs. The 2010 revenue projection is \$2,051,855. The 2010 year end unencumbered cash carryover is projected to be \$1,115,180, of which \$511,741 is attributable to the Court Clerk and \$603,439 is attributable to the Court Judges.

OPERATING BUDGET SUMMARY

The Municipal Court Clerk projects an overall appropriation surplus of \$76,938, entirely in personnel, reflecting delays in filling vacant positions.

The Municipal Court Judges projects a personnel surplus of \$61,557 reflecting delays in filling vacant positions.

F. DEVELOPMENT SERVICES FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ 1,684,678
Plus Estimated 2010 Revenues	15,576,900
Plus Estimated Encumbrance Cancellations	<u>41,194</u>
Total Estimated Available For Appropriation	17,302,772
Less Projected 2010 Expenditures Building Services Division	(3,792,276)
Less Projected 2010 Expenditures Development Director's Office	(114,544)
Less Projected 2010 Expenditures Building & Zoning Department	<u>(10,520,029)</u>
Less Total Projected 2010 Expenditures	(14,426,849)
Projected Unencumbered Cash at Dec. 31, 2010	<u><u>\$ 2,875,923</u></u>
Total Appropriated	\$ 14,610,337
Projected Appropriation Surplus/(Deficit)	<u><u>\$ 183,488</u></u>

REVENUE SUMMARY

At the beginning of 2010, the unencumbered cash balance in the development services fund was \$1.68 million. The 2010 revenue projection is \$15,576,900. This is a \$686,900 increase from the budgeted amount of \$14,890,000.

The development services fund is projected to end the year with an unencumbered cash balance of \$2,875,923.

OPERATING BUDGET SUMMARY

An appropriation surplus of \$183,488 is projected in the development services fund. During the second quarter the fund was moved from the Development Department to the newly created Department of Building & Zoning. There is no remaining appropriation and no variances to report for the old divisions in the Development Department. In Building & Zoning, a personnel surplus of \$94,939 is projected due to delays in filling vacant positions. The surplus of \$54,102 in services is due to various savings to the fund. A \$105,672 surplus is projected in the "other" category reflecting a settlement savings. A deficit of \$65,725 in capital expenditures reflects the purchase of five additional vehicles. There is also a supplies deficit of \$5,500.

G. EAST BROAD STREET OPERATION FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ 376,792
Plus Estimated 2010 Revenues	1,453,018
Plus Estimated General Fund Transfer	-
Plus Estimated Encumbrance Cancellations	<u>13,128</u>
Total Estimated Available For Appropriation	1,842,938
Less Projected 2010 Expenditures	<u>(1,620,553)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u>\$ 222,385</u>
Total Appropriated	\$ 1,601,503
Projected Appropriation Surplus/(Deficit)	<u>\$ (19,050)</u>

REVENUE SUMMARY

The East Broad Street operation fund is a dedicated funding source for retaining and accounting for revenue collected from tenants at 1111 E. Broad Street, also known as the Jerry Hammond Center. These funds are used to help offset operating expenses to maintain the facility. Current tenants include COWIC, the Departments of Recreation and Parks and Technology and the Community Relations Commission. The unencumbered balance at the beginning of January, 2010 was \$376,792, with a projected unencumbered cash balance at year end of \$222,385. Revenues received from tenants are projected at \$1,453,018 with \$500,865 being generated from the Department of Technology and \$952,153 from COWIC. No general fund transfer is assumed at this time. Revenue estimates are consistent with those projected at the first quarter. Estimated encumbrance cancellations are projected at \$13,128, lower than projected at the first quarter by \$16,872.

OPERATING BUDGET SUMMARY

Based on current projections, the fund will end the year with an appropriation deficit of \$19,050, due to gas and electricity expenditures being higher than anticipated. Original budgeted gas projections were likely too low as they were based on incorrect 2009 data. While electricity expenses are currently projected to be \$34,750 over budget, the division is currently working on a way to erase this services deficit. Should that occur, the services budget will be on target, given city electricity (MELP) and telephone billings are projected to come in within their budgeted amounts. Water and Sewer projections are not expected to deviate from budgeted levels at this time. Somewhat offsetting the services deficit is a surplus in materials and supplies (\$15,700) due to savings in machinery and equipment costs.

H. PRIVATE CONSTRUCTION INSPECTION FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ 38,593
Plus Estimated 2010 Revenues	1,629,373
Plus Estimated Encumbrance Cancellations	<u>1,769</u>
Total Estimated Available For Appropriation	1,669,735
Less Projected 2010 Expenditures	<u>(1,625,122)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u>\$ 44,613</u>
Total Appropriated	<u>\$ 1,914,285</u>
Projected Appropriation Surplus/(Deficit)	<u>\$ 289,163</u>

REVENUE SUMMARY

The private construction inspection fund captures the accounting activity connected with the inspection of private development infrastructure construction that is generally associated with subdivision and commercial development. The 2010 beginning unencumbered cash balance was \$38,593. The revenue projection for the fund is \$1,629,373. The projected year-end unencumbered cash balance for the fund is \$44,613.

OPERATING BUDGET SUMMARY

An appropriation surplus of \$289,163 is projected in the private construction fund. The \$282,011 personnel surplus reflects a reduction in overtime and delays in filling vacant positions. There are also small surpluses in supplies and services of \$1,200 and \$5,952, respectively.

IV. INTERNAL SERVICE FUNDS

A. EMPLOYEE BENEFITS FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ -
Plus Estimated 2010 Revenues- Human Resources	2,649,880
Plus Estimated 2010 Revenues- Boiler/Property Insurance	295,000
Total Estimated Available For Appropriation	<u>3,214,880</u>
Less Estimated 2010 Projected Expenditures- Human Resources	(2,649,880)
Less Estimated 2010 Projected Expenditures-Boiler/Property Insurance	(295,000)
Less Total Projected 2010 Expenditures	<u>(2,944,880)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u><u>\$ 270,000</u></u>
Appropriated- Human Resources	\$ 2,954,779
Appropriated-Boiler/Property Insurance	\$ 295,000
Grand Total Appropriation	<u>\$ 3,249,779</u>
Projected Appropriation Surplus	<u><u>\$ 304,899</u></u>

REVENUE SUMMARY

The cash position of the employee benefits fund, as shown above, represents both the portion intended for the administration of the benefits program in the Human Resources Department as well as property and boiler insurance which is housed in the Department of Finance and Management. Funds intended for payment of employee benefit claims are not reflected in this document.

OPERATING BUDGET SUMMARY

An appropriation surplus of \$304,899 is generated from the Human Resources portion of the fund. Of the total surplus, \$91,445 is attributable to personnel, reflecting delays in hiring and replacing several staff positions beyond the timeframes projected at the first quarter. Savings are also seen in pension pick up expenses and less than expected insurance expenses related to one employee moving from full-time to part-time. The largest portion of the overall surplus is in services (\$210,574), primarily due to a less than anticipated need for labor negotiation legal services. Additional savings are generated from restructured telephone billings through the acquisition of voice over internet protocol (VoIP). Projections include provisions for potential arbitration expenses and the city's worker's compensation contract. At this time, property and boiler insurance estimates are projected on target with budgeted figures.

B. PRINT AND MAIL SERVICES

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ (63,055)
Plus Estimated 2010 Revenues - Mail	1,047,999
Plus Estimated 2010 Revenues - Print/Copy	203,174
Plus Estimated Encumbrance Cancellations	<u>214,739</u>
Total Estimated Available For Appropriation	1,402,857
Less Projected 2010 Print/Copy Expenditures	(258,285)
Less Projected 2010 Mailroom Expenditures	<u>(1,199,429)</u>
Less Total Projected 2010 Expenditures	<u>(1,457,714)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u>\$ (54,857)</u>
Total Appropriated	<u>\$ 1,659,725</u>
Projected Appropriation Surplus	<u>\$ 202,011</u>

REVENUE SUMMARY

The print and mail services fund represents a consolidation of print and mail functions provided to all city departments. The fund provides an accounting of the city's print, resale and copy center transactions as well as mailroom activity. The fund began the year with a negative unencumbered cash balance of \$63,055. By year end, the fund's negative unencumbered balance is projected to decrease to \$54,857. Print shop revenues are projected at \$203,174, slightly lower than at the first quarter, despite a projected increase in overall resale revenues. Print revenues continue to be relatively low due to city agencies not being required to use the print shop for their print needs and the print shop, for various reasons, not being able to fulfill all the needs of city agencies. Mailroom revenues are currently projected at \$1,047,999, and are conservatively projected to be slightly less than expenditures. Careful monitoring and adjustments in the billing model will likely even revenues and expenses over the course of 2010.

OPERATING BUDGET SUMMARY

The majority of the appropriation surplus is due to \$202,652 in lower than anticipated postage expenditures, in part due to an increased reliance on electronic communications by city divisions.

C. LAND ACQUISITION FUND

FUND BALANCE SUMMARY June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ 102,900
Plus Estimated 2010 Revenues	785,750
Plus Estimated Encumbrance Cancellations	<u>6,595</u>
Total Estimated Available For Appropriation	895,245
Less Projected 2010 Expenditures	<u>(844,519)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u>\$ 50,726</u>
Total Appropriated	<u>\$ 887,671</u>
Projected Appropriation Surplus/(Deficit)	<u>\$ 43,152</u>

REVENUE SUMMARY

The land acquisition fund is projected to have an unencumbered cash balance of \$50,726 at year end.

On July 5th, the division changed the hourly rate it charges for land acquisition services from \$250 per hour to \$300 per hour in order to fully recover costs. The result is a current revenue estimate of \$785,750.

OPERATING BUDGET SUMMARY

An appropriation surplus of \$43,152 is projected in the land acquisition fund. The \$26,618 surplus in personnel is the result of a reduction in part-time hours. There are also surpluses of \$4,950 in supplies and \$11,584 in services.

D. TECHNOLOGY SERVICES FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ (82,180)
Plus Estimated 2010 Revenues	29,295,372
Plus Estimated Encumbrance Cancellations	150,000
Total Estimated Available For Appropriation	<u>29,363,192</u>
Less Estimated Technology Administration Expenditures	(8,369,980)
Less Estimated Information Services Expenditures	(21,091,903)
Less Total Projected 2010 Expenditures	<u>(29,461,883)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u><u>\$ (98,691)</u></u>
Total Appropriated	<u>\$ 29,965,462</u>
Projected Appropriation Surplus/(Deficit)	<u><u>\$ 503,579</u></u>

REVENUE SUMMARY

The technology services fund had a negative beginning year cash balance of \$82,180. Revenues are estimated at \$29,295,372 and encumbrance cancellations at \$150,000. Revenues are lower than originally anticipated primarily due to current expenditure data as well as postage revenues in utilities, which are \$150,000 less than the budgeted amount. The fund is projected to end 2010 with a negative unencumbered cash balance of \$98,691.

OPERATING BUDGET SUMMARY

The aggregate technology services fund appropriation surplus of \$503,579 consists of a Director's Office surplus of \$190,609 and an Information Services Division surplus of \$312,970.

In the Director's Office, the overall projected surplus consists of a \$65,599 personnel deficit offset by surpluses of \$208 in materials and supplies and \$256,000 in services. The personnel deficit is largely related to the transfer of one position to the office on July 1st without the benefit of any additional appropriation. In addition, part-time employee salaries, city share pension and tuition reimbursement costs are higher than previously projected. Finally, several classification adjustments are projected which result in increased salary costs. These added expenses are partially offset by surpluses in sick leave reciprocity and pension pick-up costs. Savings in utilities' postage, travel, and in-service training expenditures account for the \$256,000 services surplus.

In the Information Services Division, the \$312,970 projected surplus consists of the following savings: \$163,541 in personnel, \$31,958 in supplies and \$117,471 in services. An unbudgeted 2 percent vacancy credit is projected to account for several year to date vacant positions and results in a savings of \$82,185. While calculations include filling three budgeted vacant positions, promotions and merit increases, the division retains sufficient flexibility to work within these projections. In materials and supplies, the division expects to end the year with a \$31,958 surplus due to savings in equipment parts reproduction/photographic supplies and diesel fuel. In services, reductions in anticipated costs for maintenance service, fleet management, mileage reimbursement, and off-site storage contribute to the savings.

E. FLEET MANAGEMENT SERVICES FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ (1,398,878)
Plus Estimated 2010 Revenues	29,144,271
Plus Estimated Encumbrance Cancellations	1,089,985
Total Estimated Available For Appropriation	<u>28,835,378</u>
Less Projected 2010 Fleet Management Division Expenditures	(28,565,036)
Less Projected 2010 Finance and Management Director's Office Expenditures	(749,741)
Less Total Projected 2010 Expenditures	<u>(29,314,777)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u><u>\$ (479,399)</u></u>
Total Appropriated	<u>\$ 30,782,462</u>
Projected Appropriation Surplus/(Deficit)	<u>\$ 1,467,685</u>

REVENUE SUMMARY

While the fleet management fund began the year with a negative unencumbered cash balance of \$1,398,878, it is projected to end the year in a better financial position with a negative unencumbered cash balance of \$479,399. Revenues are projected to total \$29,144,271 in 2010. Encumbrance cancellations for the fund are expected to total \$1,089,985.

OPERATING BUDGET SUMMARY

An overall appropriation surplus of \$1,467,685 is projected in the fund. In the Fleet Management Division, a personnel surplus of \$626,086 reflects delays in filling vacant positions. The \$1,104,937 surplus in supplies is due to savings in fuel expenditures. The \$326,516 deficit in services reflects increased costs in outside services due to repair needs on Fire vehicles requiring specialized services. The \$40,000 deficit in interest payments is due to the issuance of new debt during 2010. The \$103,178 personnel surplus in the Finance and Management Director's Office reflects delays in filling vacant positions.

F. CONSTRUCTION INSPECTION FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ (11,026)
Plus Estimated 2010 Revenue Receipts	6,460,007
Plus Estimated Encumbrance Cancellations	38,818
Total Estimated Available For Appropriation	<u>6,487,799</u>
Less Projected 2010 Expenditures Design & Construction Division	(5,678,882)
Less Projected 2010 Expenditures Public Service Director's Office	(590,697)
Less Total Projected 2010 Expenditures	<u>(6,269,579)</u>
Projected Unencumbered Cash at Dec. 31, 2010	<u><u>\$ 218,220</u></u>
Total Appropriated	<u>6,613,353</u>
Projected Appropriation Surplus/(Deficit)	<u><u>\$ 343,774</u></u>

REVENUE SUMMARY

The construction inspection fund captures the accounting activity associated with the construction administration and inspection services of the Division of Design and Construction. This agency provides these services for roadway, bridge, water, sanitary and storm sewer, electric power and signal infrastructure for the City of Columbus. At the beginning of 2010, the unencumbered cash balance in the fund was negative \$11,026. Revenues are projected to total \$6,460,007 in 2010, just below the budgeted amount of \$6,490,098. Currently, an unencumbered cash balance of \$218,220 is projected at year end.

OPERATING BUDGET SUMMARY

An appropriation surplus of \$343,774 is projected in the fund. The Design and Construction Division projects a personnel surplus of \$337,012 due to a decrease in hours for the full-time limited employees and not filling two full-time positions. There is also a minor savings of \$3,500 in services. The \$14,871 deficit in services reflects an increase in fleet expenses. The Public Service Director's Office projects a small surplus of \$18,133 in personnel.

V. ENTERPRISE FUNDS

A. WATER OPERATING FUND

FUND BALANCE SUMMARY June 30, 2010	
Cash Balance (January 1, 2010)	\$31,298,309
Plus Estimated 2010 Revenues	<u>153,705,213</u>
Total Estimated Available For Appropriation	185,003,522
Less Projected 2010 Expenditures Water Division	(148,923,243)
Less Projected 2010 Expenditures Public Utilities Director's Office	<u>(3,844,480)</u>
Less Total Projected 2010 Expenditures	<u>(152,767,723)</u>
Projected Cash at Dec. 31, 2010	<u>\$ 32,235,799</u>
Total Appropriated	<u>\$157,859,064</u>
Projected Appropriation Surplus/(Deficit)	<u>\$ 5,091,341</u>

REVENUE SUMMARY

On January 1, 2010 the cash balance in the water operating fund was \$31.298 million, an increase of \$551,063 over that originally projected. This carryover is the sum of available cash in both the water operating and reserve funds (though the \$10 million cash balance in the water revenue bond debt reserve fund is not reflected here as it is specific to that purpose and cannot be used for any other). In October of last year, pursuant to City Code requirements, the Sewer and Water Advisory Board convened to review and recommend to Columbus City Council, water and sewer rates for the following year. For 2010, the Board recommended that water revenues be increased by 8.5 percent, meaning the average Columbus residential customer's water bill increased by the same amount. Increases for other customer types vary by class. Despite the aforementioned rate increase, the revenues are currently projected to be \$5.566 million lower than originally reported. This is primarily attributable to a decline in interest income and system capacity charges from that originally projected.

OPERATING BUDGET SUMMARY

An overall appropriation surplus of \$5.091 million is projected in the water operating fund, This surplus is comprised of an \$4.735 million surplus in the Water portion of the Division of Power and Water and \$356,727 surplus in the water operating fund's allocation to the Public Utilities Director's Office (funded on a pro-rated basis by the four utility funds). In the Division of Water (DOW), the appropriation surplus of \$4.735 million is comprised of a \$2.063 million surplus in personnel, a \$2.181 million surplus in supplies, a \$1.169 million surplus in interest, and an \$822 surplus in capital, partially offset by projected deficits of \$577,066 in services, and \$102,732 in debt service principal.

The personnel surplus reflects continued employee turnover as well as reductions in overtime and part-time and commensurate reductions in benefits. The supplies surplus reflects a slowdown in new builds, reducing the need for meter yokes, horns, and setters. DOW is also monitoring the water treatment chemical industry and will make adjustments in projections throughout year as necessary. The surplus in debt interest reflects lower than budgeted payments. Finally, the \$356,427 Director's Office surplus reflects employee turnover in that office.

B. SEWERAGE SYSTEM OPERATING FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Cash Balance (January 1, 2010)	\$132,638,479
Plus Estimated 2010 Revenues	<u>239,603,104</u>
Total Estimated Available For Appropriation	372,241,583
Less Projected 2010 Expenditures Sanitary Sewers Division	(221,555,554)
Less Projected 2010 Expenditures Public Utilities Director's Office	<u>(4,340,307)</u>
Less Total Projected 2010 Expenditures	<u>(225,895,862)</u>
Projected Cash at Dec. 31, 2010	<u>\$ 146,345,721</u>
Total Appropriated	<u>\$230,955,764</u>
Projected Appropriation Surplus/(Deficit)	<u>\$ 5,059,902</u>

REVENUE SUMMARY

A cash balance of \$132.638 million was available in the sanitary sewer operating fund on January 1, 2010. This carryover is the sum of the available cash in both the sewer operating and reserve funds (though the \$10 million cash balance in the sewer revenue bond debt reserve fund is not reflected here as it is specific to that purpose and cannot be used for any other). In October of last year, pursuant to City Code requirements, the Sewer and Water Advisory Board convened to review and recommend to Columbus City Council, water and sewer rates for the following year. For 2010, the Board recommended that sanitary sewer revenues be increased by two percent, meaning the average Columbus residential customer's sanitary sewer bill increased by the same amount. Increases for other customer types vary by class. Despite the aforementioned rate increase, the revenues are currently projected to be \$3.262 million lower than originally reported. This is primarily attributable to a decline in interest income and system capacity charges from that originally projected.

OPERATING BUDGET SUMMARY

An overall appropriation surplus of \$5.06 million is projected in the sanitary sewer operating fund. This surplus is comprised of \$4.690 million in the Sanitary Sewer Division and \$369,507 in the sanitary sewer operating fund's allocation to the Public Utilities Director's Office (which is funded on a pro-rated basis by the four utility funds).

The Division of Sewerage and Drainage is projecting surpluses in all categories with the exception of the services and transfer categories, in which, relatively, minor deficits are projected. The personnel surplus of \$1.916 million is attributable to employee turnover, delays in filling vacant positions and savings in part-time and overtime hours. The larger of the division's surpluses is in debt principal and interest, where a \$2.563 million surplus is projected, reflecting lower than budgeted payments. Minor surpluses of \$24,890 and \$411,497 are projected in supplies, and capital expenditures, respectively.

In the Director's Office allocation of the sanitary sewer operating fund, a \$369,507 surplus is projected, reflecting delays in filling vacancies.

C. STORM SEWER MAINTENANCE FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Cash Balance (January 1, 2010)	\$ 10,017,172
Plus Estimated 2010 Revenues	39,577,340
Total Estimated Available For Appropriation	<u>49,594,512</u>
Less Projected 2010 Expenditures Storm Division	(33,068,037)
Less Projected 2010 Expenditures Division of Public Utilities Director's Office	<u>(1,156,129)</u>
Less Total Projected 2010 Expenditures	<u>(34,224,166)</u>
Projected Cash at Dec. 31, 2010	<u><u>\$ 15,370,346</u></u>
Total Appropriated	\$ 34,926,030
Projected Appropriation Surplus/(Deficit)	<u><u>\$ 701,864</u></u>

REVENUE SUMMARY

A cash balance of \$10.017 million was available in the storm sewer operating fund on January 1, 2010. This carryover is the sum of the available cash in both the storm sewer maintenance operating and reserve funds. Revenues are currently projected to be \$1.646 million lower than originally reported, which is attributable, primarily, to a decline in interest income and system capacity charges from that originally projected. In October of last year, pursuant to City Code requirements, the Sewer and Water Advisory Board convened to review and recommend to Columbus City Council, water and sewer rates for the following year. For 2010, the Board recommended that storm sewer rates be increased by 10 percent for all customer classes. For the average residential customer, this translated to a quarterly increase of 10 percent per quarter for an assumed block of 2,000 equivalent residential units (ERU) regardless of the lot size. Conversely, commercial class increases were applied based on a measured number of ERU's.

OPERATING BUDGET SUMMARY

An overall appropriation surplus of \$701,864 is projected in the storm sewer maintenance operating fund. This surplus is comprised of a \$602,063 surplus in the Storm Sewer Division and \$99,801 surplus in the storm sewer operating fund's allocation to the Public Utilities Director's Office (which is funded on a pro-rated basis by the four utility funds).

The Storm Sewer Division surplus is comprised of a \$444,263 surplus in personnel, an \$11,352 surplus in supplies and a \$245,511 surplus in interest, offset by a projected deficit in services of \$64,063, and in debt service principal of \$5,000.

The personnel surplus is attributable to employee turnover and delays in filling vacant positions, and the interest surplus reflects lower than budgeted payments.

In the Director's Office allocation of the storm sewer operating fund, a minor surplus of \$99,801 is projected, reflecting vacancies and employee turnover in that office.

D. ELECTRICITY ENTERPRISE FUND

FUND BALANCE SUMMARY	
June 30, 2010	
Cash Balance (January 1, 2010)	\$4,373,873
Plus Estimated 2010 Revenues	87,293,097
Total Estimated Available For Appropriation	<u>91,666,970</u>
Less Projected 2010 Expenditures Power Division	(93,259,315)
Less Projected 2010 Expenditures Public Utilities Director's Office	<u>(612,334)</u>
Less Total Projected 2010 Expenditures	<u>(93,871,649)</u>
Projected Cash at Dec. 31, 2010	<u>\$ (2,204,679)</u>
Total Appropriated	<u>\$95,633,787</u>
Projected Appropriation Surplus/(Deficit)	<u>\$ 1,762,138</u>

REVENUE SUMMARY

A cash balance of \$4.374 million was available in the electricity enterprise fund on January 1, 2010. This carryover is the sum of the available cash in both the electricity operating and reserve funds. Revenues are currently projected to be \$1.772 million lower than originally reported. Of note, the loss of the KWH tax and street light energy reimbursement revenues (received in recent years from the Division of Transportation) has resulted in a short term negative outlook for the operating portion of this fund.

OPERATING BUDGET SUMMARY

An overall appropriation surplus of \$1.762 million is projected in the electricity operating fund. This surplus is comprised of \$1.714 million surplus in the Power portion of the Division of Power and Water and a small surplus of \$48,150 in the electricity operating fund's allocation to the Public Utilities Director's Office (which is funded on a pro-rated basis by the four utility funds).

The Power Division surplus is comprised of a \$794,794 surplus in personnel, a \$580,014 surplus in supplies, a \$227,799 surplus in capital and \$136,000 in the "other" category, offset by a projected deficit in services of \$13,189, and in debt service principal and interest payments of \$11,432.

The personnel surplus reflects employee turnover and unfilled vacancies. The supplies projection will be reevaluated during the third quarter for possible additional surpluses in purchase power.

In the Director's Office allocation of the electricity operating fund, a surplus of \$48,150 is projected and reflects vacancies and employee turnover in that office.

VI. COMMUNITY DEVELOPMENT BLOCK GRANT

FUND BALANCE SUMMARY	
June 30, 2010	
Unencumbered Cash Balance (January 1, 2010)	\$ 1,358,856
Plus CDBG Entitlement Award	6,986,116
Plus Estimated Entitlement Fund Revenues	425,172
Plus Estimated Revolving Loan Fund Revenues	714,850
Plus Estimated Encumbrance Cancellations	11,209
Total Estimated Available For Appropriation	9,496,203
Less Projected 2010 Expenditures	(8,261,253)
Available Unencumbered Cash at Dec. 31, 2010	<u><u>\$ 1,234,950</u></u>
Total Appropriated	\$ 8,523,797
Projected Appropriation Surplus/(Deficit)	<u><u>\$ 262,544</u></u>

REVENUE SUMMARY

The 2010 entitlement award from HUD is \$92,224 less than the estimate of \$7,078,340. Entitlement fund revenues, including housing loan repayments and miscellaneous revenues, are 42.52 percent of budget, resulting in a decrease of \$74,828 in the overall projected entitlement fund revenues. Revolving loan repayments total 56.73 percent of budget projections, increasing the annual estimate by \$84,850. The projected revenue variances, as well as cancellations of \$11,209 in prior year encumbrances, combine for an overall projected revenue decrease of \$70,993 from the budgeted assumption of \$8,208,340.

OPERATING BUDGET SUMMARY

The CDBG operating budget of \$8,523,797 is distributed among seven city divisions. An overall surplus of \$262,544 is comprised of savings of \$190,742 in personnel, \$1,219 in supplies, \$19,171 in services and \$51,412 in the "other" category. Personnel surpluses reflect full-time vacancies in Development Administration (Office Assistant II), Economic Development (Business Development Specialist) and Housing (Office Assistant III); a part-time vacancy in Development Administration (Student Intern); lower sick leave reciprocity payments; and the split-funding of employees with other funding sources. Savings in supplies are attributable to lower than anticipated expenditures for computer programs, recreational, and office supplies while the surplus in services results from projected savings in telephone, training, subscriptions, memberships and fleet. Lower interest earnings on the revolving loan fund, which must be remitted to HUD, are reflected as a surplus in the "other" category.

**TABLE 1
GENERAL FUND
APPROPRIATION SUMMARY
JUNE 30, 2010**

	Appropriation Year-To-Date	Expenditures/ Encumbrances Year-To-Date	Unencumbered Balance	Projected Expenditures	Projected Variance
City Council	\$ 3,450,309	\$ 1,805,868	\$ 1,644,441	\$ 3,398,278	\$ 52,031
<u>City Auditor</u>					
City Auditor	3,238,972	1,358,341	1,880,631	3,233,697	5,275
Income Tax	7,445,494	3,190,425	4,255,069	7,558,355	(112,861)
Total	<u>10,684,466</u>	<u>4,548,766</u>	<u>6,135,700</u>	<u>10,792,052</u>	<u>(107,587)</u>
City Treasurer	907,052	425,007	482,045	932,225	(25,173)
<u>City Attorney</u>					
City Attorney	9,916,538	4,890,448	5,026,090	9,980,652	(64,114)
Real Estate	229,941	102,353	127,588	229,230	711
Total	<u>10,146,479</u>	<u>4,992,801</u>	<u>5,153,678</u>	<u>10,209,881</u>	<u>(63,402)</u>
Municipal Court Judges	14,205,773	7,043,917	7,161,856	14,205,759	14
Municipal Court Clerk	10,328,721	5,313,059	5,015,662	10,328,722	-
Civil Service	3,029,196	1,417,479	1,611,717	3,043,805	(14,609)
<u>Public Safety</u>					
Administration	8,102,353	3,387,597	4,714,756	7,396,162	706,191
Support Services	5,760,630	2,730,965	3,029,665	5,528,652	231,978
Police	251,808,348	130,150,024	121,658,324	251,675,756	132,592
Fire	202,071,318	102,887,983	99,183,335	204,152,973	(2,081,655)
Total	<u>467,742,649</u>	<u>239,156,569</u>	<u>228,586,080</u>	<u>468,753,543</u>	<u>(1,010,894)</u>
<u>Mayor's Office</u>					
Mayor	1,720,561	835,197	885,364	1,720,457	104
Community Relations	687,236	319,890	367,346	684,989	2,247
Equal Business Opportunity	642,271	309,947	332,324	689,982	(47,711)
Total	<u>3,050,068</u>	<u>1,465,034</u>	<u>1,585,034</u>	<u>3,095,428</u>	<u>(45,360)</u>
<u>Development</u>					
Administration	5,526,317	3,957,517	1,568,800	5,501,967	24,350
Econ. Development	5,873,613	1,330,756	4,542,857	6,119,622	(246,009)
Code Enforcement	5,242,725	2,452,371	2,790,354	5,219,414	23,311
Planning	1,401,519	646,143	755,376	1,394,684	6,835
Housing	3,480,125	3,361,263	118,862	3,438,583	41,542
Total	<u>21,524,299</u>	<u>11,748,050</u>	<u>9,776,249</u>	<u>21,674,270</u>	<u>(149,971)</u>
<u>Finance and Management</u>					
Administration	2,024,893	845,189	1,179,704	1,398,552	626,341
Financial Management	4,273,208	2,412,378	1,860,830	3,617,823	655,386
Facilities Management	14,368,696	10,809,767	3,558,929	14,170,795	197,901
Finance Citywide	4,355,966	1,786,000	2,569,966	2,227,302	2,128,664
Citywide Technology Billings	12,799,508	7,665,830	5,133,678	12,381,315	418,193
Fleet Management	1,000,000	835,193	164,807	1,000,000	-
Total	<u>38,822,271</u>	<u>24,354,357</u>	<u>14,467,914</u>	<u>34,795,786</u>	<u>4,026,485</u>
Human Resources	2,098,669	1,414,868	683,801	2,091,988	6,681
Health	17,566,531	17,566,531	-	17,566,531	-
Recreation and Parks	24,048,988	24,048,988	-	24,048,988	-
<u>Public Service</u>					
Administration	2,001,050	953,028	1,048,022	2,000,421	629
Refuse Collection	25,642,279	15,644,118	9,998,161	22,329,837	3,312,442
Mobility	3,028,200	1,613,650	1,414,550	3,054,357	(26,157)
Total	<u>30,671,529</u>	<u>18,210,796</u>	<u>12,460,733</u>	<u>27,384,614</u>	<u>3,286,915</u>
Grand Total:	\$ 658,277,000	\$ 363,512,090	\$ 294,764,911	\$ 652,321,869	5,955,131

**TABLE 2
GENERAL FUND
VARIANCES BY OBJECT OF EXPENDITURE
JUNE 30, 2010**

	PERSONNEL	SUPPLIES & MATERIALS	SERVICES	PRINCIPAL	OTHER	CAPITAL OUTLAY	INTEREST	TRANSFERS	TOTAL
City Council	\$ 44,009	\$ 3,000	\$ 5,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,031
<u>City Auditor</u>									
City Auditor	5,275	-	-	-	-	-	-	-	5,275
Income Tax	(131,224)	4,262	14,101	-	-	-	-	-	(112,861)
Total	(125,949)	4,262	14,101	-	-	-	-	-	(107,586)
City Treasurer	15,965	(7,500)	(33,638)	-	-	-	-	-	(25,173)
<u>City Attorney</u>									
City Attorney	(64,114)	-	-	-	-	-	-	-	(64,114)
Real Estate	711	-	-	-	-	-	-	-	711
Total	(63,402)	-	-	-	-	-	-	-	(63,402)
Municipal Court Judges	14	-	-	-	-	-	-	-	14
Municipal Court Clerk	-	-	-	-	-	-	-	-	-
Civil Service	(25,147)	6,833	3,706	-	-	-	-	-	(14,609)
<u>Public Safety</u>									
Administration	23,915	111	682,165	-	-	-	-	-	706,190
Support Services	67,097	-	164,880	-	-	-	-	-	231,977
Police	(177,832)	158,700	151,724	-	-	-	-	-	132,592
Fire	(3,946,736)	(38,145)	-	-	(65,000)	-	-	1,968,226	(2,081,656)
Total	(4,033,556)	120,665	998,769	-	(65,000)	-	-	1,968,226	(1,010,896)
<u>Mayor's Office</u>									
Mayor	(17,167)	-	17,271	-	-	-	-	-	104
Community Relations	2,247	-	-	-	-	-	-	-	2,247
Equal Business Opportunity	(49,714)	-	2,003	-	-	-	-	-	(47,711)
Total	(64,634)	-	19,274	-	-	-	-	-	(45,360)
<u>Development</u>									
Administration	558	2,582	21,210	-	-	-	-	-	24,350
Econ. Development	(5,830)	425	698	-	(241,302)	-	-	-	(246,009)
Code Enforcement	75,399	6	(52,094)	-	-	-	-	-	23,311
Planning	2,458	444	3,933	-	-	-	-	-	6,835
Housing	35,304	3	6,234	-	-	-	-	-	41,542
Total	107,890	3,460	(20,018)	-	(241,302)	-	-	-	(149,971)
<u>Finance and Management</u>									
Administration	612,954	62	15,326	-	(2,000)	-	-	-	626,341
Financial Management	118,724	2,799	533,862	-	-	-	-	-	655,385
Facilities Management	93,554	23	91,030	-	13,295	-	-	-	197,901
Citywide Technology Billings	-	-	418,193	-	-	-	-	-	418,193
Finance Citywide	-	-	-	-	-	-	-	2,128,664	2,128,664
Fleet	-	-	-	-	-	-	-	-	-
Total	825,232	2,883	1,058,411	-	11,295	-	-	2,128,664	4,026,485
Human Resources	933	5,586	163	-	-	-	-	-	6,681
Health	-	-	-	-	-	-	-	-	-
Recreation and Parks	-	-	-	-	-	-	-	-	-
<u>Public Service</u>									
Administration	629	-	-	-	-	-	-	-	629
Refuse Collection	1,224,495	266	2,087,682	-	-	-	-	-	3,312,443
Mobility	37,415	(3,151)	(47,421)	-	-	(13,000)	-	-	(26,157)
Total	1,262,539	(2,885)	2,040,261	-	-	(13,000)	-	-	3,286,915
Grand Total:	\$ (2,056,107)	\$ 136,304	\$ 4,086,051	\$ -	\$ (295,007)	\$ (13,000)	\$ -	\$ 4,096,890	5,955,130

**TABLE 3
GENERAL FUND
CITY AUDITOR'S CURRENT REVENUE ESTIMATE**

CATEGORY	FY 2010 CITY AUDITOR'S REVENUE ESTIMATE	FY 2009 ACTUAL REVENUES	\$ VARIANCE	% VARIANCE
Income Tax	\$ 460,500,000	\$ 385,893,203	\$ 74,606,797	19.3%
Property Tax	51,000,000	51,354,472	(354,472)	(0.7%)
KWH Tax	3,300,000	3,233,877	66,123	2.0%
Hotel/Motel Tax	3,100,000	3,119,446	(19,446)	(0.6%)
Total Taxes and Assessments	517,900,000	443,600,998	74,299,002	16.7%
	-			
Local Government Fund	38,750,000	40,348,261	(1,598,261)	(4.0%)
Estate Tax	6,400,000	8,149,168	(1,749,168)	(21.5%)
Liquor Permit Fund	1,100,000	1,109,461	(9,461)	(0.9%)
Cigarette Tax, Other	20,000	22,314	(2,314)	(10.4%)
Total Shared Revenues	46,270,000	49,629,204	(3,359,204)	(6.8%)
License and Permit Fees	9,700,000	9,654,066	45,934	0.5%
Fines and Penalties	21,424,000	22,095,545	(671,545)	(3.0%)
Investment Earnings	7,000,000	6,408,932	591,068	9.2%
Charges for Service	53,850,000	54,694,107	(844,107)	(1.5%)
All Other Revenue	1,344,000	1,918,325	(574,325)	(29.9%)
Total Other Revenue	93,318,000	94,770,975	(1,452,975)	(1.5%)
Total Revenues	\$ 657,488,000	\$ 588,001,177	\$ 69,486,823	11.8%
Encumbrance Cancellations	1,362,000	1,413,888	(51,888)	(3.7%)
Unencumbered Balance	3,278,792	25,676	3,253,116	12669.9%
Transfer from Economic Stabilization Func	-	30,039,883	(30,039,883)	(100.0%)
Other Fund Transfers	1,000,000	826,285	173,715	21.0%
Total Resources	\$ 663,128,792	\$ 620,306,909	\$ 42,821,883	6.9%

**TABLE 4
GENERAL FUND
REVENUE SUMMARY YEAR-TO-DATE COMPARISON
JUNE 30, 2010**

CATEGORY	FY 2010 YEAR-TO-DATE	FY 2009 YEAR-TO-DATE	DOLLAR VARIANCE	% VARIANCE
Income Tax	\$ 250,649,611	\$ 192,744,430	\$ 57,905,181	30.0%
Property Tax	25,171,204	25,003,279	167,925	0.7%
KWH Tax	1,582,783	1,320,439	262,344	19.9%
Hotel/Motel Tax	1,511,388	1,482,929	28,459	1.9%
Total Taxes and Assessments	278,914,986	220,551,077	58,363,909	26.5%
Local Government Fund	20,763,847	21,764,436	(1,000,589)	(4.6%)
Estate Tax	3,025,786	4,608,522	(1,582,736)	(34.3%)
Liquor Permit Fund	1,008,291	980,556	27,735	2.8%
Cigarette Tax, Other	33,616	22,164	11,452	51.7%
Total Shared Revenue	24,831,540	27,375,678	(2,544,138)	(9.3%)
License and Permit Fees	4,915,406	4,953,258	(37,852)	(0.8%)
Fines and Penalties	8,963,375	10,266,801	(1,303,426)	(12.7%)
Investment Earnings	2,871,304	4,425,446	(1,554,142)	(35.1%)
Charges for Service	24,319,980	26,130,559	(1,810,579)	(6.9%)
All Other Revenue	1,129,049	1,355,751	(226,702)	(16.7%)
Total Other Revenue	42,199,114	47,131,815	(4,932,701)	(10.5%)
Total Revenues	345,945,640	295,058,570	50,887,070	17.2%
Encumbrance Cancellations	723,964	943,309	(219,345)	(23.3%)
Unencumbered Balance	3,278,792	25,676	3,253,116	12669.9%
Fund Transfers	200,254	229,033	(28,779)	(12.6%)
Total Resources	\$ 350,148,650	\$ 296,256,588	\$ 53,892,062	18.2%

TABLE 5
2010 GENERAL FUND APPROPRIATION SUMMARY

Appropriation/Transfer Ordinances

<u>ORDINANCE NUMBER</u>	<u>DATE PASSED</u>	<u>PURPOSE</u>	<u>TOTAL</u>
1604-2009	01-Feb-10	2010 General Fund Budget Appropriation	\$ 658,277,000
Total Operating Appropriation:			<u>\$ 658,277,000</u>
Total Estimated Available Resources:			663,128,792
Less Total Operating Appropriation:			(658,277,000)
Less Total Reserve Deposits to Date:			<u>-</u>
Projected Unappropriated Operating Balance:			<u>\$ 4,851,792</u>

TABLE 6
ALL OPERATING FUNDS
REVENUE AND APPROPRIATION SUMMARY
June 30, 2010

	(A) AVAILABLE CASH BALANCE JAN. 1, 2010	(B) ORIGINAL (NOV. 2009) ESTIMATE	(C) REVENUES		(D) VARIANCE (C-B)	(E) TOTAL FUNDS AVAILABLE FOR APPROPRIATION (A+C; See notes)	(F) EXPENDITURES		(H) SURPLUS/ DEFICIT (F-G)	(I) PROJECTED CASH BALANCE DEC. 31, 2010 (E-G)
			CURRENT ESTIMATE				BUDGETED	REVISED PROJECTIONS		
GENERAL FUND	\$ 3,278,792	\$ 655,000,000	\$ 659,850,000	\$ 4,850,000	\$ 663,128,792	\$ 658,277,000	\$ 652,321,869	\$ 5,955,131	\$ 10,806,923	
SPECIAL REVENUE FUNDS										
Street Construction, Main. & Repair	4,756,168	46,021,217	46,700,886	679,669	51,457,054	46,509,533	46,093,135	416,398	5,363,919	
Health Special Revenue	390,784	21,571,744	22,970,500	1,398,756	23,361,284	23,633,141	21,917,785	1,715,356	1,443,499	
Rec. and Parks Oper. & Extension	263,144	27,268,846	30,328,295	3,059,449	30,591,439	30,715,524	30,537,172	178,352	54,267	
Golf Operations	268,118	4,780,000	4,583,471	(196,529)	4,851,589	4,699,632	4,531,260	168,372	320,329	
Municipal Court Computer Fund	1,255,274	2,364,744	2,194,981	(169,763)	3,450,255	2,473,571	2,335,075	138,496	1,115,180	
Development Services	1,684,678	14,965,000	15,618,094	653,094	17,302,772	14,610,337	14,426,849	183,488	2,875,923	
East Broad Street Operation	376,792	1,629,305	1,466,146	(163,159)	1,842,938	1,601,503	1,620,553	(19,050)	222,385	
Private Construction Inspection Fund	38,593	1,977,753	1,631,142	(346,611)	1,669,735	1,914,285	1,625,122	289,163	44,613	
INTERNAL SERVICE FUNDS										
Employee Benefits Fund	-	3,081,109	2,944,880	(136,229)	2,944,880	3,249,779	2,944,880	304,899	-	
Print Services	(63,055)	1,766,445	1,465,912	(300,533)	1,402,857	1,659,725	1,457,714	202,011	(54,857)	
Land Acquisition	102,900	860,000	792,345	(67,655)	895,245	887,671	844,519	43,152	50,726	
Technology Services	(82,180)	32,228,569	29,445,372	(2,783,197)	29,563,192	29,965,462	29,461,883	503,579	(98,691)	
Fleet Management Services	(1,398,878)	31,505,315	30,234,256	(1,271,059)	28,835,378	30,782,462	29,314,777	1,467,685	(479,399)	
Construction Inspection Fund	(11,026)	6,500,098	6,498,825	(1,273)	6,487,799	6,613,353	6,269,579	343,774	218,220	
ENTERPRISE FUNDS										
Water System Enterprise	31,298,309	153,412,840	153,705,213	292,373	185,003,522	157,859,064	152,767,723	5,091,341	32,235,799	
Sewerage System Enterprise	132,638,479	250,270,955	239,603,104	(10,667,851)	372,241,583	230,955,764	225,885,862	5,059,902	146,345,721	
Storm Sewer System Enterprise	10,017,172	36,167,621	39,577,340	3,409,719	49,594,512	34,926,030	34,224,166	701,864	15,370,346	
Electricity Enterprise	4,373,873	90,279,064	87,293,097	(2,985,967)	91,666,970	95,633,787	93,871,649	1,762,138	(2,204,679)	
					239,603,104					
GRANT FUNDS										
Community Development Block Grant	1,358,856	8,208,340	8,137,347	(70,993)	9,496,203	8,523,797	8,261,253	262,544	1,234,950	

Notes: The general fund revenue estimate reflects the City Auditor's revised projections. All others were established by the Dept. of Finance and Mgt. and the various operating divisions. The budgeted and projected expenditure figures for the enterprise funds include projections for the Public Utilities Director's Office. The budgeted and projected expenditure figures for the enterprise funds do not include projections for internal transfers from the operating to the reserve fund. Available cash balance is defined as the unencumbered cash balance, except in the case of the enterprise funds which reflect the actual cash balance. The Community Development Block Grant projections combine the revolving loan and the entitlement fund monies.

TABLE 7
PROJECTION BY OBJECT OF VARIANCE - ALL FUNDS
JUNE 30, 2010

FUND NAME	PERSONNEL	MATERIALS & SUPPLIES	SERVICES	PRINCIPAL	OTHER	CAPITAL OUTLAY	INTEREST	TRANSFERS	TOTAL
GENERAL FUND	(2,056,107)	136,304	4,086,051	-	(295,007)	(13,000)	-	4,096,890	5,955,130
SPECIAL REVENUE FUNDS									
Municipal Court Computer Fund									
Municipal Court Clerk	76,938	-	-	-	-	-	-	-	76,938
Municipal Court Judges	61,557	-	-	-	-	-	-	-	61,557
Total Municipal Court Computer Fund	138,495	-	-	-	-	-	-	-	138,495
Street Construction, Main. & Repair									
Refuse Collection	(28,262)	-	378,393	-	-	-	-	-	350,131
Mobility	100,342	-	(7,511)	-	-	-	-	-	92,831
Planning and Operations	(148,852)	29,513	134,281	-	-	(157,675)	-	-	(142,733)
Design and Construction	32,603	1,400	(36,259)	-	-	-	-	-	(2,256)
Service Director	115,538	96	2,791	-	-	-	-	-	118,425
Total SCMR	71,369	31,009	471,695	-	-	(157,675)	-	-	416,398
Health Special Revenue									
Department of Health	1,716,024	-	4,331	-	(5,000)	-	-	-	1,715,356
Rec. and Parks Oper. & Extension									
Department of Recreation & Parks	327,979	31,629	(187,005)	-	5,750	-	-	-	178,352
Golf Operations									
Division of Golf	168,372	-	-	-	-	-	-	-	168,372
Development Services Fund									
Building and Zoning	94,939	(5,501)	54,102	-	105,672	(65,725)	-	-	183,488
Building and Development Services	-	-	-	-	-	-	-	-	-
Development Administration	-	-	-	-	-	-	-	-	-
Total Development Services	-	-	-	-	-	-	-	-	183,488
East Broad Street Operation Fund									
Department of Finance and Management	-	15,700	(34,750)	-	-	-	-	-	(19,050)
Private Construction Inspection Fund									
Design and Construction	282,011	1,200	5,952	-	-	-	-	-	289,163
INTERNAL SERVICE FUNDS									
Employee Benefits									
Department of Human Resources	91,445	2,880	210,574	-	-	-	-	-	304,899
Department of Finance and Management	-	-	-	-	-	-	-	-	-
Total Employee Benefits	91,445	2,880	210,574	-	-	-	-	-	304,899
Print & Mail Services									
Department of Finance	(1,426)	785	202,652	-	-	-	-	-	202,011
Land Acquisition									
Division of Real Estate	26,618	4,950	11,584	-	-	-	-	-	43,152
Technology Services									
Division of Information Services	163,541	31,958	117,471	-	-	-	-	-	312,970
Department of Technology	(65,598)	208	258,000	-	-	-	-	-	190,610
Total Technology Services	97,943	32,166	373,471	-	-	-	-	-	503,580
Fleet Management Services									
Division of Fleet Management	626,086	1,104,937	(326,516)	-	-	-	(40,000)	-	1,364,507
Finance and Management Director	103,178	-	-	-	-	-	-	-	103,178
Total Fleet	729,264	1,104,937	(326,516)	-	-	-	(40,000)	-	1,467,685
Construction Inspection Fund									
Design and Construction	337,012	3,500	(14,871)	-	-	-	-	-	325,641
Service Director	18,133	-	-	-	-	-	-	-	18,133
Total	355,145	3,500	(14,871)	-	-	-	-	-	343,774
ENTERPRISE FUNDS									
Water System Enterprise									
Division of Water	2,063,383	2,181,407	(577,066)	(102,732)	-	822	1,169,101	-	4,734,914
Sewerage System Enterprise									
Division of Sewers and Drains	1,915,669	24,890	(196,350)	1,095,124	-	411,497	1,468,325	(28,760)	4,690,395
Storm System Enterprise									
Division of Sewers and Drains	444,263	11,352	(94,063)	(5,000)	-	-	245,511	-	602,063
Electricity Enterprise									
Division of Electricity	794,794	580,014	(13,189)	(8,094)	136,000	227,799	(3,338)	-	1,713,987
Various Enterprise Funds									
Public Utilities Director's Office	835,307	318	38,261	-	-	-	-	-	873,886
COMMUNITY DEVELOPMENT BLOCK GRANT									
Division of Development Administration	17,157	302	500	-	-	-	-	-	17,959
Division of Economic Development	65,322	-	1,853	-	-	-	-	-	67,175
Division of Code Enforcement	6,357	-	-	-	-	-	-	-	6,357
Division of Housing	73,668	585	6,662	-	-	-	-	-	80,914
Department of Finance and Management	7,840	332	10,156	-	51,412	-	-	-	69,740
Department of Health	4	-	-	-	-	-	-	-	4
Department of Recreation and Parks	20,396	-	-	-	-	-	-	-	20,396
Total CDBG	190,743	1,219	19,171	-	51,412	-	-	-	262,544

TABLE 8

Vacant General Fund Budgeted Positions Projected to be Filled

Division	Position Title	# Positions	Full-time/ Part-time	Projected 2010 Wages
City Council	Legislative Analyst	1	Full-time	17,376
	Legislative Assistant	1	Full-time	12,488
City Treasurer	Management Analyst II	1	Full-time	25,600
City Attorney	Legal Intake Counselors	4	Part-time	37,814
Municipal Court Judges	Probation Officer II	5	Full-time	94,762
	Service Bailiff	1	Full-time	17,685
	Intake Officer	1	Full-time	16,620
	Deputy Bailiff	1	Full-time	23,829
Municipal Court Judges	Deputy Clerk	10	Full-time	217,305
Civil Service Commission	Payroll Specialist	1	Full-time	10,240
	Office Assistant II	1	Part-time	3,900
Safety-Support Services	Human Resources Representative	1	Full-time	10,248
	Division Assistant Administrator	1	Full-time	19,520
	Senior Storekeeper	1	Full-time	8,784
Safety-Police	Police Property Clerk	3	Full-time	19,272
	Fingerprint Technician	1	Full-time	13,165
	Criminal Intelligence Analyst	2	Full-time	16,568
	Police Communications Technician	10	Full-time	76,400
	Police Records Technician	2	Full-time	11,760
Development - Administration Planning Housing	Human Resources Program Manager	1	Full-time	42,045
	Planner II	1	Full-time	31,646
	Development Rehab Tech	1	Full-time	28,031
Finance Administration	HR Program Manager	1	Full-time	21,686
	Safety Program Manager	1	Full-time	7,566
Financial Management	Budget Management Specialist (2)	2	Full-time	24,072
Facilities Management	Security Specialist	2	Part-time	23,268
Public Service Administration	Customer Service Rep I	1	Full-time	10,278
Refuse Collection	RCVOM	1	Full-time	12,874
	RCVOA	8	Full-time	99,821
	RCDAM	1	Full-time	23,040
	Office Asst I	1	Full-time	11,563
	Office Asst III	1	Full-time	12,960
Mobility	Cashier I	1	Full-time	10,822
	Management Analyst I	1	Full-time	12,160
	Parking Enforcement Officer Supervisor	1	Full-time	11,258
	Parking Enforcement Officer	3	Full-time	32,508
			Total Wages	\$1,068,934
			Pension	256,544
			Insurance	225,734
			W. Comp	32,068
			Total Cost	\$1,583,280

Table 9

Page 1

General Fund Divisions Personnel Levels Full - Time Staff

Division	Budgeted Strength	Authorized Strength	Actual Strength As of 06/30/10
City Council	38	38	33
City Auditor	34	34	25
Income Tax	74	82	74
City Treasurer	12	12	9
City Attorney	104	119	94
Real Estate	2	6	2
Municipal Court Judges	184	184	175
Municipal Court Clerk	152	172	142
Civil Service	32	33	32
Public Safety - Admin.	10	10	9
Support Services	50	50	47
Police - Civilian	312	312	294
Police - Uniformed*	1,915	1,917	1,891
Fire - Civilian	36	38	36
Fire - Uniformed	1,549	1,549	1,528
Mayor	13	22	14
Community Relations	7	7	7
Equal Business Opportunity	7	8	8
Development Admin.	24	24	23
Economic Development	3	3	3
Code Enforcement	55	55	55
Planning	15	15	14
Housing	2	2	1
Finance and Management - Dir's Ofc.	21	21	18
Financial Management	26	26	25
Facilities Management	72	72	71
Department of Human Resources	10	10	10
Public Service - Dir's Ofc.	26	27	26
Refuse Collection	184	184	164
Mobility Options	34	34	30
General Fund Total	5,003	5,066	4,860

*Includes A Step personnel in the 115th recruit class who are funded by the COPS grant

Table 9

Other City Funds Personnel Levels

<u>Division/Fund</u>	<u>Budgeted Strength</u>	<u>Authorized Strength</u>	<u>Actual Strength As of 6/30/10</u>
Real Estate/Land Acquisition	8	8	7
Technology: Administration	120	121	117
Information Services/Technology Services Fund	16	17	16
Finance/Print/Mail Shop Fund	4	4	4
Human Resources/Employee Benefits	23	23	20
Health Special Revenue Fund	183	183	167
Municipal Court Computer Fund	12	15	12
Recreation and Parks Operation Fund	247	247	226
Golf Operations	32	38	29
Public Service - Dir. Office/SCMR Fund	34	34	34
Refuse Collection/SCMR Fund	38	38	38
Mobility Operations/SCMR Fund	18	18	15
Planning and Operations/SCMR Fund	287	292	274
Design and Construction/SCMR Fund	29	34	29
Fleet Management	127	127	112
Finance and Management - Dir's Ofc./Fleet Fund	7	7	7
Design and Construction/Construction Inspection	72	72	68
Public Service - Dir. Office/Construction Inspection	5	5	5
Design and Construction/Private Construction Inspection	22	22	15
Building and Zoning/Development Services Fund	123	128	121
Public Utilities: Administration	95	95	82
Sewers and Drains (Sanitary)	23	23	17
Sewers and Drains (Storm)	522	522	477
Electricity	99	99	85
Water	551	551	506
Community Development Block Grant			
Development Admin.	11	11	10
Economic Development	8	8	7
Code Enforcement	9	9	9
Housing	11	11	10
Health	3	3	3
Finance & Management	3	3	3
Recreation and Parks	4	4	4
Other Funds Total	2,746	2,772	2,529
All Funds	7,749	7,838	7,389

**TABLE 10
CITYWIDE ACCOUNT
PROJECTED USE**

Intended Purpose	Amount
Reserve for 27th pay period	1,786,000
Legal Settlements	1,700,000
Pay increases	2,101,466
	5,587,466

TRANSFERS AND EXPENSES PASSED AS OF JUNE 30, 2010

Intended Purpose	Amount	Dept./Division	Ordinance No.
Encumbrance for 27th pay period (funds not yet expended)	1,786,000	City Auditor/Finance & Mgt.	NA
Derris Lewis Settlement	950,000	City Attorney	0418-2010
Dyer Legal Settlement	99,000	City Attorney	0578-2010
Stanley Legal Settlement	182,500	City Attorney	0767-2010
	3,017,500		
Total Transferred and Expended	3,017,500		

TABLE 11
SAFETY OVERTIME REPORT
June 30, 2010

	<u>Current Appropriation</u>	<u>Current YTD Expenditures</u>	<u>Percent of Appropriation</u>	<u>R-O-Y Projection</u>	<u>Total Projection</u>	<u>Variance</u>
Police Civilian	\$ 2,300,000	\$ 1,054,667	45.86%	\$ 1,245,333	\$ 2,300,000	\$ -
Police Uniformed	6,800,000	2,913,265	42.84%	3,886,735	6,800,000	0
Fire Uniformed	5,300,000	3,135,060	59.15%	4,650,041	7,785,101	(2,485,101)