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A Budget Study Session of the Council of the City of Blue Ash, Ohio, was held on November 29, 2010. Mayor Mark F. Weber called the meeting to order in the Blue Ash Conference room at approximately 6:30 PM.

OPENING CEREMONIES

Mayor Weber led those assembled in the Pledge of Allegiance.

ROLL CALL

MEMBERS PRESENT: Councilman Tom Adamec, Councilman Rick Bryan, Councilman Robert Buckman, Vice Mayor Lee Czerwonka, Councilwoman Stephanie Stoller, Councilman James Sumner, and Mayor Mark Weber

ALSO PRESENT: City Manager David Waltz, Deputy Clerk of Council Sue Bennett, Treasurer/Administrative Services Director James Pfeffer, Parks & Recreation Director Chuck Funk, Public Works Director Mike Duncan, Fire Chief Rick Brown, Police Captain Jim Schaffer, Recreation/Sports Superintendent Kathy Swensen, and Assistant to the City Manager Kelly Osler

BUDGET STUDY SESSION – Review of the Proposed Interim Budget for 2011

The following information was distributed to Council (and posted to the website) prior to the meeting:

“November 23, 2010

Honorable Mayor and City Council Members
City of Blue Ash
4343 Cooper Road
Blue Ash, Ohio 45242

Dear Mayor and Council:

The maturing status of our City, coupled with an uncertain economic environment, has shifted what was once an annual examination of priorities, projects, and funding into a continuous monitoring of the City’s financial status, and an ongoing focus on short-term, intermediate, and longer-term planning. The 2011 Proposed Budget, as outlined in the pages that follow, is presented in a revised format to better provide City Council, the Administration, and our citizens an overview of where the City has been, its current status, and what is anticipated in 2011 and beyond.

This document reflects a close parallel to the theme selected for the 2011 Community Calendar – “A Bit of the Past, Present & Future.” Blue Ash celebrates 50 years as a City in 2011, and during those years Blue Ash has seen great prosperity. Blue Ash has done well, to a great extent, due to the basic principles that were adopted in its earliest days. These principles include maintaining a balanced community, a strong commitment to local education and community services, consistent zoning, and the provision of a broad array of municipal services to business and residential citizens.

As you know from our presentations and periodic work sessions, the nearly matured status of our community, and two severe economic downturns, have impacted the City’s revenue base and highlighted the necessity of reducing operating costs. As most recently expressed in the August 30th Budget Work Session, the focus for next year, and beyond, must be upon the enhancement and preservation of our primary revenue source through economic development efforts, the realignment of basic operational costs, the preservation of our fund balances, and the gradual enhancement of reserves to fund major projects that lie ahead.

The double-digit revenue increases the City experienced into the late 1990s today shows a more variable level of operating revenue. As illustrated in the past during our presentations, and as reflected in the data presented later, the City has been actively working on not only economic development, but also operational cost containment over the past five or six years. However, the most recent economic downturn, which resulted in a 6% reduction in earnings tax collections in 2009,

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required a more aggressive approach to this issue and the adoption of a new plan for fiscal sustainability. The framework of the plan for attaining fiscal sustainability in this economic environment was presented within the 2011 Budget Work Session in August, and remains essentially unchanged today. The components of the plan were based upon input from City Council, an extensive process utilizing the ICMA budget prioritization consultants, input from citizens through a formal survey and through the kiosk at the Recreation Center, and efforts of the Administration. A process that secured direct input from the “stakeholders” in this community, including the citizens, the educational and business communities, the Administration, and Council provided the confirmation of what the expectations were of those who consider Blue Ash their home.

The “results” of the prioritization process are presented in the section directly following this letter. Also included are the City’s Vision and Mission Statements, which reflect a close parallel with those results.

The challenge facing City Council and the Administration is responding to these expectations within the framework of attaining and improving the fiscal sustainability of the City. The 2011 Budget, as proposed in this document, reflects that balance and sets the stage for continuing “on track” for 2012 and beyond in enhancing our revenue base, realigning operational costs to a lower level, and creating the reserves and resources necessary to maintain a high-level of service delivery, the replacement of routine and necessary capital, and to also creating the financial capacity to fund upcoming major projects that will maintain the City’s status as a unique community within the region.

Although greater detail is provided in the sections that follow, Blue Ash was most fortunate during 2010 that a -4% impact on earnings tax will likely not be the final outcome. The collections in 2010 should be level with 2009, which showed a 6% reduction from the previous year. Additionally, the ongoing effort to reduce operational costs proved beneficial in that 2010’s expected operational costs showed a .76% decrease compared to actual 2009 levels, even though there was an additional payroll in the current year (which by itself accounted for a 2.7% increase in total operational costs). The final positive factor in 2010 involved a \$300,000 collection over budget of inheritance taxes, and the one-time recovery of \$722,000 in the form of a refund for property taxes paid on the airport following a successful appeal for tax exemption. As a result, the City’s expected ending General Fund balance, including all components, was higher than initially anticipated when the budget was finalized in early 2010.

Even though the City benefited from these positive outcomes in the current year, the City’s ongoing plan as reflected in this budget (and in the years ahead), remains essentially on track toward a goal of fiscal sustainability. During 2011 and 2012, efforts will continue on operational cost reductions, potential realignment of responsibilities through succession planning and related efficiencies, continued investment in economic development efforts to maintain and enhance our revenues, and an ongoing focus on the expectations of our residential and corporate citizens.

The information that follows, while in an abbreviated format as compared to what has been presented in the past, reflects the highlights of the City’s revenue and expenditure expectations for 2011, and shows a significant commitment to those capital, programming, basic services, and amenities that have served to distinguish Blue Ash in the past, and will continue to do so in the future.

I look forward to working with City Council and with the Administrative team on finalizing the 2011 Budget in January. While there is hope that the economic recession is bottoming out, and that things are getting better, the City will still face challenges in achieving our intermediate and longer-term goals. I am proud to be working with such a dedicated team committed to maintaining and improving the quality of life for residents and businesses in the City of Blue Ash and feel it is an honor to serve as a City Manager for such an outstanding community and organization.

Sincerely,

CITY OF BLUE ASH

/S/

David M. Waltz
City Manager

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EXECUTIVE SUMMARY TREASURER’S HIGHLIGHTS

When viewed within the context of the City Manager’s letter, it is hoped that this new format will provide an overview of the 2011 budget, and add clarity to those areas you wish to examine.

- The 2010 Final Budget predicted the end of 2010 components of the General Fund Balance on the left, with our current estimates on the right for comparison:

	BUDGET 2010	MOST LIKELY 12-31-10
ISSUE 15 FUND BALANCE	\$ 8,195,567	\$ 7,639,510
GENERAL RESERVE	2,800,000	2,800,000
UNAPPROPRIATED BALANCE	<u>2,494,306</u>	<u>6,122,346</u>
TOTAL GENERAL FUND BALANCE	\$ 13,489,873	\$16,561,856

The increase in unappropriated balance is due to a refund of airport property taxes (\$722,000), tax collections expected to be even with 2009 levels (no 4% drop), resulting in revenue of \$1,130,000, \$300,000 over collection in inheritance tax, and unspent funds from cost containment efforts and carry-over of capital projects (approximately \$1.5 million).

- The estimated ending 2010 General Fund Balance will be the starting point for 2011 Proposed Budget.
- Historical earnings tax revenue and annual refund payments are shown in the exhibit that follows. Recap is shown here for 2008, 2009, and expected 2010 and 2011 collections.

	NET PROFIT	WITHHOLDING	TOTAL	
2008	\$ 6,686,242	\$ 23,432,765	\$ 30,119,007	
2009	5,771,116	\$ 22,543,295	\$ 28,314,411	-6.0 %
2010	5,688,317	22,792,467	28,480,784	+ .6%
2011	5,300,000	23,256,000	28,556,000	+ .3%

2011 PROPOSED BUDGET

HISTORICAL OVERVIEW OF GROSS EARNINGS TAX COLLECTIONS					
	WITHHOLDING	NET	TOTAL	\$ CHANGE	%
YEAR	REVENUE	PROFIT	INCOME	FROM	CHANGE
		REVENUE	TAX	PREVIOUS	FROM
			REVENUE	YEAR	PREVIOUS
					YEAR
1992	\$ 9,195,730	\$ 2,975,205	\$ 12,170,935	\$ 1,232,019	11.3%
1993	\$ 9,671,803	\$ 2,572,994	\$ 12,244,797	\$ 73,862	0.6%
1994	\$ 10,390,598	\$ 2,741,223	\$ 13,131,821	\$ 887,024	7.2%
1995	\$ 11,545,360	\$ 3,204,740	\$ 14,750,100	\$ 1,618,279	12.3%
1996	\$ 11,834,649	\$ 4,229,007	\$ 16,063,655	\$ 1,313,555	8.9%
1997	\$ 12,440,054	\$ 7,031,393	\$ 19,471,448	\$ 3,407,792	21.2%
1998	\$ 14,066,294	\$ 4,951,500	\$ 19,017,795	\$ (453,653)	(2.3%)
1999	\$ 14,768,703	\$ 3,866,652	\$ 18,635,355	\$ (382,440)	(2.0%)
2000	\$ 15,568,770	\$ 5,559,358	\$ 21,128,128	\$ 2,492,773	13.4%
2001	\$ 16,951,098	\$ 4,708,722	\$ 21,659,820	\$ 531,692	2.5%
2002	\$ 15,850,948	\$ 3,806,072	\$ 19,657,020	\$ (2,002,800)	(9.3%)
2003	\$ 16,099,711	\$ 4,495,385	\$ 20,595,096	\$ 938,076	4.8%
2004	\$ 16,209,336	\$ 4,273,946	\$ 20,483,282	\$ (111,814)	(.5%)
2005	\$ 16,295,486	\$ 6,124,354	\$ 22,419,841	\$ 1,936,559	9.5%
2006	\$ 16,969,100	\$ 6,158,763	\$ 23,127,863	\$ 708,022	3.2%
2007	\$ 22,528,565	\$ 5,035,831	\$ 27,564,397	\$ 4,436,534	*
2008	\$ 23,432,765	\$ 6,686,242	\$ 30,119,007	\$ 2,554,611	*
2009	\$ 22,543,295	\$ 5,771,116	\$ 28,314,411	\$ (1,804,597)	*
2010 Est.	\$ 22,792,467	\$ 5,688,317	\$ 28,480,784	\$ 166,373	0.6%
2011	\$ 23,256,000	\$ 5,300,000	\$ 28,556,000	\$ 75,216	0.3%

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Budget

HISTORICAL OVERVIEW OF TOTAL EARNINGS TAX REFUNDS		
YEAR	TOTAL REFUNDS	% CHANGE FROM PREVIOUS YEAR
1992	\$ 339,333	(21.2%)
1993	\$ 432,518	27.5%
1994	\$ 523,215	21.0%
1995	\$ 515,149	(1.5%)
1996	\$ 718,614	39.5%
1997	\$ 559,200	(22.2%)
1998	\$ 621,511	11.1%
1999	\$ 666,148	7.2%
2000	\$ 910,395	36.7%
2001	\$ 972,765	6.9%
2002	\$ 3,138,099	222.6%
2003	\$ 1,118,007	(64.4%)
2004	\$ 864,059	(22.7%)
2005	\$ 658,120	(23.8%)
2006	\$ 785,997	19.4%
2007	\$ 1,529,796	94.6%
2008	\$ 1,029,814	(32.7%)
2009	\$ 1,442,230	40.0%
2010 Est.	\$ 1,222,689	-15.2%
2011 Budget	\$ 1,300,000	6.3%

*The earnings tax rate increased from 1% to 1.25% effective January 1, 2007.

- Other 2011 General Fund revenues are shown in detail later but are in line with historical patterns. Revenues in other funds are presented in the same manner, unless described in the expenditure section as a unique grant, loan, or other revenue type.
- Action at the State level may reduce, or even eliminate, Local Government Funding (\$830,000) and/or reimbursement for loss of tangible personal property tax (\$417,066). Such unfavorable outcomes are not shown in this budget as such revenue is expected to be collected for 2011.
- When 2010's predicted results are computed on an "operational" basis, for use on our charts and graphs, non-routine revenues and expenses are taken out, such as the one-time airport property tax expense and subsequent refund, Issue 15 matters, etc. When compiled, 2010 expected results are as follows relative to actual 2009 outcomes:

	2009	2010
Non-Issue 15 Earnings Tax Revenue (Net of Refunds)	\$ 21,497,745	\$ 21,806,476 + 1.4%
Other Operational Revenue*	+ 9,280,260	9,348,041 + .7%
TOTAL	\$ 30,778,005	\$ 31,154,517 + 1.2%
Operational Expenses:		
Personnel	18,185,369	17,960,206 - 1.2%
Other Costs	7,336,867	7,367,255 +0.4%
TOTAL	25,522,236	25,327,461 - .76%
Net Gain	+5,255,769	+ 5,827,056

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Less Non - Issue 15 Debt	<u>-3,215,933</u>	<u>-1,772,687</u>
Net Gain	+2,039,836	+4,054,369
 Non Issue 15 Capital Costs	 \$ 1,915,294	 \$ 3,026,590

*Represents all other operational income in General Fund as well as SCMR, Recreation Fund, Debt Fund, and Golf Enterprise Fund.

NOTE: Amounts above do not include airport real estate taxes paid in 2009 or 2010, or the refund received in 2010. The Administration has used this same approach in consistently tracking “normal” operational outcomes since at least 2000, and these are also used in the charts on operational trends used in past presentations, including the August 30th Budget Study Session.

- Interpretation of the presentation above reveals:
 - Recurring operational revenues are no longer falling, reflecting a small positive value.
 - Personnel costs were reduced, even given the unusual 27th payroll in 2010 – which increased costs 2.7%. Therefore, net costs were actually 3.9% lower.
 - Other routine operational costs were held to a 0% change in 2010.
 - Routine (non project/non-Issue 15) capital expenses were more in line with our historical average, but a part of the “gain” used in 2010 to pay for that capital came from a reduction in our non-Issue 15 debt retirement costs. The Kenwood Road Bond was paid off in 2009, freeing up almost \$1,450,000 in “resources”. When adjusted for the “absorption” of this debt, the City truly only “earned” \$2,604,369, yet spent \$3,026,590 on routine capital. This illustrates a practice of using reserves to acquire basic capital. Hence, future years will require “rebuild” of reserves to withstand future drawdowns.
- To achieve ongoing fiscal sustainability, recurring revenues must be sufficient to pay controlled staffing and other operational costs, generating adequate “gain” each year to not only pay basic capital costs, but also fully cover debt obligations issued for major infrastructure improvements, or projects. The City cannot afford to “absorb” resources freed up via the payoff of bonds, as doing so precludes the issuance of new bonds for future necessary major projects. Ongoing investment in facilities and infrastructure is a requirement if Blue Ash is to remain in the forefront as to business and residential satisfaction.
- Although the bulk of this presentation has been focused on the non-Issue 15 component of the General Fund, it is important to consider that there are 21 other funds active within our budget. In the sections that follow, please examine the *BUDGET OVERVIEWS A, B, C, and D*, as well as the 2011 revenue and expenditure summaries. These include all areas of the 2011 proposed budget as to beginning fund balance, revenues and expenses, presented by fund or activity.
- Following the “Overview” and overall revenue/expenditure sections, you will find further comments about those activities or funds which contain non-routine projects or issues that are contained in the 2011 Proposed Budget.
- Funding has been provided or secured to purchase basic capital, and also for special projects or infrastructure improvements that parallel the desires and expectations of our citizens.
- Changes within the “Issue 15” component of the General Fund for 2010 & 2011 are as follows:

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Beginning 1-1-2010 Issue 15 balance: \$ 6,722,000

Net 2010 Gain/Loss for Issue 15 (20% of earnings tax revenue, net of refunds, vs expenses for Issue 15 projects such as Recreation Center bond, airport park/land, golf course irrigation and building design, downtown signals/infrastructure + 917,510
Ending 2010/Starting 2011 balance \$ 7,639,510

- Changes within the “Issue 15” area proposed in the 2011 budget:

STARTING BALANCE:	\$ 7,639,510
+2011 Issue 15 collections (.20 actual collections)	+ 5,451,200
-Bond payment on Recreation Center	- 1,067,481
-Bond payment on Clubhouse	- 1,221,535
-Airport land and lead advance/ park design	<u>- 2,025,000</u>
Proposed ending Balance	\$ 8,776,694

- No bonds or notes are expected to be issued during 2011. The Final Budget may reflect the proceeds from an OPWC 10 year no-interest loan, should the loan be granted, to allow planned improvements to Carver Road and the related installation of a new sidewalk from the Carver/Reed Hartman intersection along Carver Road south to Malsbary Road. The Public Works Director should have the decision as to the loan award in early December. Further information on this project is provided in the Public Works expenditure area.
- The 2011 Proposed Budget has been assembled to include funding to continue to deliver services to our citizens, as defined and expressed in our Mission and Vision statement, and in support of the “Results” obtained from our ICMA prioritization process and city/business/stakeholder survey.
- While the objectives of the 2011 Proposed Budget remain focused on our commitment to quality services, programming, safety, capital replacements, infrastructure maintenance and improvements, etc., the necessity remains to stay on track as to fiscal sustainability. Thus, looking forward into 2011, Council and the Administration should expect to see:
 - Recommendations from succession planning efforts about how best to plan for, and implement, a shift in organizational structure as retirements occur, and how to more efficiently deliver the services we have committed to provide. A report will address issues which are imminent to some extent, as well as those facing the City in 2012, 2013 and beyond.
 - Presentation of a revised pay plan structure that reflects more steps within a given grade, lower starting pay rates, and greater emphasis on performance to progress to the next step.
 - Continued focus on organizational and operational efficiency, including further review and implementation of the ICMA Results/Prioritization Study.
 - Substantial (but targeted) investment in economic development opportunities and a continuing relationship with the Cincinnati Chamber of Commerce, etc.
 - Greater emphasis on leadership training for existing staff to support the outcome of the succession planning effort.
 - Consideration of fee schedule adjustments, where appropriate, to further cover costs and supplement operational revenues.
 - Utilization of our existing mechanisms for citizen’s communication and interaction, like the website, the citizen response program with CAGIS, and new outreach programs to assure open lines of communication.
 - An expanded effort for the enhancement of our housing stock, to avoid/offset the deterioration of older neighborhoods, and encourage redevelopment and re-investment. Code Enforcement will remain a top priority.

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- Continuous monitoring of the City's progress in moving toward, and achieving, fiscal sustainability, and the ongoing search for new ways to provide services in a more efficient manner.

DEPARTMENT ACTIVITY AND SPECIAL PROJECTS

Comments in this section relate to expenditures in the 2011 Proposed Budget for the City's various departments and divisions, and also provide explanations of major capital acquisitions or projects.

Since the 2011 Budget was prepared using 2010 as a base (without the 27th payroll) and includes no staffing additions, comments will only be made where there is a change anticipated or a major item funded. Funds or areas which merely parallel 2010 will not have comments. Salary and benefit costs for each area were based on existing staffing levels, any negotiated labor agreements in place, and with awareness of any confirmed/planned retirements.

- **POLICE DEPARTMENT:**
 - One confirmed retirement
 - No DART-related expenses
 - Expect savings of one half year impound lot costs, as facility will be moving to Parks & Grounds building on Interstate Circle
 - Total capital replacements of \$148,695, of which \$113,050 relates to purchase/change over of 3 marked cruisers and related equipment
 - Continued participation in OVI via grant (in Fund #281)
- **FIRE DEPARTMENT:**
 - One full time firefighter departure late 2010
 - \$20,000 funding for purchase of new fire hydrants to be installed as new water line is installed by the Cincinnati Water Works in 2011/2012.
 - Capital funded at \$175,000, to cover routine capital equipment replacements, and either new cardiac monitors (\$144,000--with potential for grant), or a replacement medic/squad unit. Potential exists for savings on vehicle if done via joint bid with the Northeast Fire Collaborative.
- **COMMUNITY/ECONOMIC DEVELOPMENT:**
 - Continued focus on economic development, permitting, contractual code enforcement, plan review, and regional networking to keep Blue Ash's name on the list where firms plan to relocate or expand.
 - Close cooperation with City Manager's office on housing/neighborhood matters, as well as economic development opportunities.
 - Budget includes \$300,000 for new, and existing, commitments for incentives, assistance, etc.
 - Funding included for "land banking" or potential development/redevelopment opportunities (\$500,000).
 - Assistant Community Development Director reports an increase in activity in late 2010 as reflected in permit fee collections and number of inquiries about redevelopment.
 - A continued focus and discussion with Council about alternative mechanisms to preserve and enhance Blue Ash's residential housing stock.
 - Should a significant and desirable redevelopment opportunity arise during 2011, whether in downtown or another targeted area, further efforts and resources would need to be applied by the City.
- **INTERNAL OPERATIONS:**
 - Administration, Legislative, Mayor's Court/Judicial, Insurance, Tax/Finance, General Government/Technology, and Facilities Maintenance are included here.
 - 2011 Tax refunds shown at \$1,300,000.
 - Funding included in Facilities Maintenance construction area for incorporation of Police Department Impound operations from leased property into Parks & Grounds Maintenance building at 6171 Interstate Circle (mid-year).
 - Bid for solid waste and recycling will be finalized in the first quarter of 2011, and funding level reflects some base increase; however, annual costs will be reduced

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given recent action to restrict payment for waste collection to only residential housing.

- A contingency of \$300,000 is shown in General Government for 2011.
- Technology capital funded at \$92,000, significantly lower than for 2009 & 2010.
- Property tax costs in 2011 will be reduced by approximately \$360,000 due to successful application/appeal for tax exemption of the 130 acre airport park parcels. City secured a retroactive exemption of 93%, with the remaining 7% payable due to ongoing FBO/business operations on the existing airport (7% eventually to be recovered from City of Cincinnati).
- As was the case in 2010, no change in Council member's salaries for 2011.
- Payplan to be presented to Council at the December 9th meeting may reflect a new format, and if a cost of living adjustment is to be considered for non-bargaining unit staff, such will be presented as well.

- **PUBLIC WORKS:**

- The scope of activity within this area extends far beyond the traditional Public Service/Street Construction and Repair (SCMR) expenditure accounts. Recently, Public Service was merged with SCMR, renamed Public Works, and all funding for solid waste collection was shifted into General Government. Even with this "consolidation", complexities exist as Public Works also handles street, sidewalk, traffic signals, and other infrastructure projects under distinct project-specific funds. In addition, many projects span multiple years, with engineering costs paid out of Public Works in one year, and with actual construction costs paid in the next year out of a project fund involving a loan or grant.
- For the sake of clarity, 2011 information on operations will be presented first, followed by explanations.
- Public Works Director Mike Duncan has announced his intent to retire in early 2011. His wisdom, expertise, and engineering skills will be greatly missed by all. Efforts are underway to line up a replacement to permit a smooth transition.
- Staffing levels, currently including a number of vacancies following retirements, will remain unchanged in 2011.
- Public Works has been a valuable part of the Airport Park Design and Planning team along with design consultants, the Parks and Recreation Director, and the City Manager. Such efforts will increase in 2011 as the City gets closer to accepting possession of the airport park property.
- Major capital equipment purchases include a new street sweeper for \$200,000, and \$10,000 for an asphalt "hotbox" for use by City crews on road work repairs.

- **PROJECT DESCRIPTION:**

- a) **Traffic Signalization**

- **Downtown Traffic Signal/Pole Replacement:**
Although previously designed, bid, and awarded, most of the installation and construction work on this project will be done in 2011. Such activity will be shown in Fund # 442, which has a carry over fund balance into 2011, supplemented by up to \$447,000 in CMAQ grant funding. This project provided coordinated signals, poles, and also addresses compliance with ADA pedestrian ramps, etc.
 - Funding is included to continue our upgrade program to our existing traffic signals from incandescent to LED (light emitting diode) technology, with the supporting installation of battery backup capacity. Such upgrades permit full operation of the more efficient LED traffic light system for hours in the event of a power failure. Locations and improvements are planned for:
 1. Crosswalk Signals at Cooper Road/Cooper Lane
 2. LED upgrade at Reed Hartman & Carver Road intersection.
 3. Pedestrian signal upgrade at Reed Hartman and Creek
 4. Installation of functional but not a countdown system from # 3 to several locations on Cornell Road

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5. Purchase spare master controller to minimize outages.

b) Roadway Maintenance/Construction

- Funding of \$1,628,000 is provided in 2011 for paving, curbing, and development-related construction. A significant portion of these costs will be offset from grants (Municipal Road Fund Program) and cooperative arrangements with the Cincinnati Water Works. The CWW pays the City a component of anticipated paving costs following a water line replacement (after allowing a period for the excavation trenches to settle).
- Curbing replacement in the downtown area, costing \$100,000, will be partially paid via \$40,000 of Municipal Road Fund grant funds (shown in 2011 revenues).
- 2011 paving costs are partially offset by revenue of \$676,000 from the CWW, and \$25,000 from the Municipal Road Fund. Areas to be paved include:
 1. Mohler Road (after water line installation)
 2. Hunt Road – Plainfield to West Avenue
 3. Home Acres (known as “Birdville”)
 4. Cooper Road from Kenwood Road east to Montgomery city limit.
 5. Cooper Road from Reed Hartman east to Blue Ash Road
 6. Pledged support to complement additional significant traffic improvements on Plainfield Road south of Ronald Reagan Highway related to Target project.
 7. Although not included in this 2011 Proposed Budget as to construction cost, the Public Works Director has applied for, and is awaiting an answer upon, a SCIP/OPWC loan (10 year no-interest) of \$755,000 to fully rehabilitate Carver Road, and also add a new sidewalk along Carver’s full length. In expectation of receiving that SCIP loan, funding exists in the 2011 engineering budget for design work (\$85,000). If successful with the loan, the local match for Blue Ash would be \$210,000, with construction planned for 2012. The reconstruction work needed on Carver Road is as extensive as was required on Blue Ash Road (also partially funded via a SCIP no interest, 10 year loan).

c) Connectivity/Sidewalks & Bikepaths

Projects for 2011:

- Installation along west side of Reed Hartman Highway from Cooper to Malsbary
- Installation on Reed Hartman Highway from Anderson Way to Glendale-Milford (along airport frontage)
- Engineering expenses for 2012 sidewalk/connectivity plan
- In Fund #443, \$50,000 for necessary easements for City/CMAQ grant-funded bikepath/sidewalk on the east side of Plainfield Road between Cooper Road and Glendale-Milford. The CMAQ grant is in the \$525,000 range, engineering is fully funded, local funding in 2012 would approach \$390,000, and construction would likely occur in 2012.

d) Storm Water

\$50,000 has been included for storm water collection system maintenance and repair, including the detention basin east of Alliance Road. Additionally, the Public Works Director has been cooperatively working with City staff and the EPA on required (but currently voluntary) inspections to minimize impact on storm water quality from City facilities and property. Funding exists in Facility Maintenance for changes recommended to City facilities.

• **DEBT RETIREMENT:**

There are three distinct types of debt obligations reflected on the City’s records. The first

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involves general obligation bonds issued for major projects, some of which are Issue 15 funded. The second category covers multi-year repayment agreements on OPWC/SCIP loans (no interest), and the final item is the annual payment to the City of Cincinnati for the airport land purchase. We also have the bonds for the Duke Landings TIF, but the City serves only as a pass-through for these debt payments.

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2011 PAYMENTS FOR DEBT AS FOLLOWS:

<u>DESCRIPTION</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>YEAR OF FINAL PAYMENT</u>
Service/Fire House Bond	\$ 1,000,000	\$ 91,250	2013
Reed Hartman Widening	370,000	68,820	2015
ISSUE 15-Rec Ctr Bond	715,000	342,481	2022
ISSUE 15-Golf Project Bond	<u>890,000</u>	<u>331,535</u>	2021
SUBTOTAL	\$2,975,000	\$ 844,086	
OPWC-Blue Ash Road	\$ 252,641		2019/2020
Issue 15 Airport Payment	<u>1,000,000</u>		2036
TOTAL	\$4,227,641	\$ 844,086	

The airport land payment is made from project fund #445 each year, and as noted in that area, Cincinnati will likely be requesting the \$500,000 advance for their lead removal efforts in 2011. That payment is shown in Fund #445 (not debt retirement), and will be repaid to Blue Ash via a \$100,000 reduction in the annual land payment for the five subsequent years.

The last general obligation bond for a non-Issue 15 project was done in 2005. As presented earlier, a component of fiscal sustainability is the capacity for an organization to annually generate adequate revenues to cover controlled costs, replacement capital, and be able to handle ongoing debt payments incurred for major/necessary capital investments.

- **RECREATION CENTER/PROGRAMMING**
 - No planned Spring event (Summerbration)
 - Second year of Fourth of July at new location (will occur on July 3rd)
 - Construction complete, any remaining recreation center funds in #446 will be sent to debt retirement
 - Recreation staff examining options for expanded revenue generation at Sports Center

- **PARKS AND GROUNDS MAINTENANCE**
 - Cooperative effort with Facilities Maintenance and Police Department on relocation of Impound Lot
 - \$15,000 allocated to replace Nature Park benches and tables with items constructed of recycled plastic.
 - Repaint Crosley Scoreboard - \$16,100.
 - Metal roofing on four Nature Park shelters (\$53,000)

“Airport” Park

Clearly, there are timing issues related to the phased construction of the new signature park upon the 130 acres of land purchased from the City of Cincinnati several years ago. While the City of Blue Ash acquired title to the “triangle” of land at closing, the purchase agreement permits Cincinnati to continue to operate the airport, under annual extensions, until no later than August of 2012. They are currently operating under their first extension and are expected to request their final extension in early 2011. Blue Ash is to secure possession of the land upon the expiration of that extension in August of 2012.

While the operational future of the airport depends fully upon decisions by the FAA and the City of Cincinnati, we do know that they are planning on lead remediation in late spring 2011. If requested, this area (Fund #445) will provide Cincinnati a \$500,000 advance payment in 2011 to assist in addressing the cost of this cleanup. Cincinnati has also advised Blue Ash of their success in securing a \$1,000,000 State of Ohio grant to assist in reducing the overall cleanup cost. However, we are not aware of any new developments as to FAA airport grants, or the timing for a potential reconfiguration of the airport upon Cincinnati’s remaining 98 acres surrounding the existing runway.

The City Manager has been very proactive in assembling and working with a team focused on a design framework and timetable for this new park. Work is underway with our design firm, the Parks and Recreation Director, and the Public Works Director on certain issues, such as infrastructure, which must be addressed first. Funding has been included in this area (Fund #445) for the annual \$1,000,000 land payment, a likely \$500,000 advance for lead cleanup, and up to \$450,000 for initial park infrastructure and design planning. These would include traffic accommodations on Glendale-Milford Road; access to the new airport via Carver Road (next to the Senior Center); and general

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issues like storm water retention, utilities, sewers, etc.

Council should expect to see some initial design layouts and a proposed timetable in the near future. Once a design has been considered generally acceptable, open houses will be needed to secure citizen input and suggestions.

Although, much remains to be decided, funded, and constructed, this 130 acres purchase for park use represents a significant milestone for the City of Blue Ash.

- **GOLF COURSE MAINTENANCE**

2011 will be a transitional year for the golf maintenance team. New irrigation piping and controls are being installed, the new clubhouse building is underway, and the new cart path project, while planned for, has yet to be fully designed, bid, and awarded. In spite of all of the renovations, golfers will be playing and will expect the best playing conditions possible.

Several capital items have been requested, and funded, for this area, including:

- Replacement reel mower sharpening equipment (current unit is over 20 years old) (\$55,000)
- Replacement Club Car/Utility cart for 1993 unit (\$8,500)
- Used Triplex mower (\$14,500)
- Removal of problematic single-walled fiberglass underground gasoline and diesel fuel tanks, and purchase of concrete-contained above ground system (\$30,000). (NOTE-specific rules/guidelines are required for any removal of an underground fuel tank and the Fire Marshal and the State of Ohio [BUSTR] must be involved).
- Purchase of a free standing prefabricated pesticide storage building (\$15,000) a carry-over item from 2010.

- **GOLF COURSE CLUBHOUSE/BANQUET FACILITY AND OPERATIONS**

Even though the old clubhouse has been removed and work is underway on the new building and a new irrigation system, the course remains open and will remain in operation during 2011.

For the near term, any operational revenues and expenses for the course, even later in 2011 when the new facility is complete, will be shown in our existing Golf Course Enterprise Fund #752. Several new revenue and expenditure accounts have been set up for 2011 in the Proposed Budget as a temporary measure – pending further decisions as to a separate account in #752 or perhaps a new enterprise fund altogether.

Other than those new accounts, golf programming budget requests are routine. Capital requests do include new carts, net of trades, in the \$50,000 range. Discussions are underway as to the most effective framework for the marketing and physical management of the new facility, and some adjustments may be needed in the Final Budget as those issues are finalized.

During the fall of 2010, general obligation bonds in the principal amount of \$9,775,000 were issued at an excellent interest rate to provide construction funding for the three components of this project – irrigation, clubhouse, and new paths. Bids have been awarded and construction is underway for the first two parts, with path work to begin later. Adequate funding exists in this construction Fund #447 as of this date to complete the project.

ICMA BUDGET PRIORITIZATION PROCESS “RESULTS”

- QUALITY & DIVERSE LEISURE-TIME ACTIVITIES
- CONNECTED, ACCESSIBLE & RELIABLE TRANSPORTATION NETWORK
- QUALITY & DESIRABLE NEIGHBORHOODS
- STRONG & VIBRANT ECONOMIC ENVIRONMENT
- ATTRACTIVE & WELL-MAINTAINED COMMUNITY
- SAFE COMMUNITY

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BLUE ASH TEAM VISION STATEMENT

We will continuously improve the quality of community life for all residential & business citizens to ensure Blue Ash is always the "City of Choice" through an enlightened, efficient, & dynamic unified municipal government.

BLUE ASH TEAM MISSION STATEMENT

To provide superior services, facilities, & activities for all citizens utilizing key guiding principles of integrity, compassion, innovation, professionalism, & commitment.

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**BUDGET
OVERVIEW A**

2011 PROPOSED BUDGET

SOURCES OF REVENUE

Beginning Fund Balances (Includes all Funds)	\$ 21,197,951.85	34.67%
Earnings Tax Collections	28,556,000.00	46.70%
Local Hotel/Motel Tax	900,000.00	1.47%
Intergovernmental Revenue	3,024,264.00	4.95%
Grants	608,712.29	1.00%
Fees, Permits & Miscellaneous Charges	2,491,025.00	4.07%
Property Tax Collections	2,757,284.00	4.51%
Rebates/Refunds	19,000.00	0.03%
Interest Earnings	35,600.00	0.06%
Fines, Costs & Confiscated Contraband	135,900.00	0.22%
Sale of Fixed Assets / Land	12,000.00	0.02%
Sponsorships	195,000.00	0.32%
Bonds	0.00	0.00%
Bond Anticipation Notes	0.00	0.00%
T.I.F. Related Revenue	952,000.00	1.56%
FSA Employee/Employer Contributions	76,770.00	0.13%
Miscellaneous	185,800.00	0.30%
	\$ 61,147,307.14	100.00%

EXPENDITURE BY CATEGORY:

Police Protection	\$ 6,189,710.00	15.46%
Drug & Law Enforcement Funds	409,212.29	1.02%
Fire Protection/Emergency Medical Services	4,540,600.00	11.34%
Public Works/Municipal Motor Vehicle License Fund	4,941,700.00	12.34%
Parks & Recreation	4,308,500.00	10.76%
Facilities Maintenance	1,684,417.00	4.21%
Golf Course	1,840,300.00	4.60%
Debt Service	4,076,727.64	10.18%
T.I.F. Debt Service Fund	680,000.00	1.70%
T.I.F. Plainfield Road/126 Fund	0.00	0.00%
Downtown Infrastructure Fund	292,500.00	0.73%
Plainfield Bikepath Construction	50,000.00	0.12%
Airport Fund	2,025,000.00	5.06%
Recreation Center Construction Fund	0.00	0.00%
Golf Course Construction Fund	0.00	0.00%
Administrative/Legislative/Judicial/Tax & Finance	2,705,300.00	6.75%
Economic Development/OBBS	1,583,550.00	3.95%
Employee FSA /Benefit	66,470.00	0.17%
General Government (Including Contingency)	3,049,850.00	7.62%
Income Tax Refunds	1,300,000.00	3.25%
Insurance	305,300.00	0.76%
	\$ 40,049,136.93	100.00%

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EXPENDITURE BY ACCOUNT CLASSIFICATION

Personal Services	\$ 18,513,500.00	46.23%
Contract Services	6,849,107.29	17.10%
Supplies	1,598,750.00	3.99%
Refunds & Sales Tax	1,361,650.00	3.40%
Debt Service	4,071,727.64	10.17%
Total Operational Costs	<u>\$ 32,394,734.93</u>	80.89%
TIF Debt Service	\$ 665,000.00	1.66%
Capital Outlay (Including Basic Capital and Construction)	6,689,402.00	16.70%
General Fund Contingency	300,000.00	0.75%
	<u>\$ 40,049,136.93</u>	100.00%

Revenue and expenditures are net of transfers and advances.

BUDGET OVERVIEW B

STATEMENT OF 2011 COLLECTIONS AND EXPENDITURES BY FUND

2011 PROJECTED COLLECTIONS BY FUND:

111	General Fund	\$ 34,627,396.00	
221	Public Works/SCMR Fund	1,377,175.00	
	Municipal Motor Vehicle License Tax		
222	Fund	106,300.00	
223	State Highway Fund	52,200.00	
251	Park and Recreation Fund	1,050,000.00	
271	T.I.F. Plainfield Road/126 Fund	0.00	
280	Law Enforcement Assistance Fund	3,500.00	
281	OVI Task Force Fund	158,212.29	
284	Arson Task Force Fund	2,000.00	
285	Law Enforcement Fund	12,000.00	
287	Drug Law Enforcement Fund	3,000.00	
289	Education Enforcement (DUI) Fund	1,500.00	
331	General Bond Retirement Fund	107,902.00	
332	T.I.F. Debt Service Fund	952,000.00	
442	Downtown Infrastructure Fund	447,000.00	
443	Plainfield Bikepath Construction Fund	0.00	
445	Airport Fund	0.00	
446	Recreation Center Construction Fund	0.00	
447	Golf Course Construction Fund	5,000.00	
752	Golf Course Fund	956,900.00	
902/90			
3	FSA Benefit Funds	76,770.00	
930	OBBS Assessment fund	10,500.00	
	TOTAL PROJECTED COLLECTIONS		\$ 39,949,355.29
	BEGINNING 2011 AVAILABLE FUND		
	BALANCES		<u>21,197,951.85</u>
	TOTAL 2011 AVAILABLE REVENUE		\$ 61,147,307.14

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2011 EXPENDITURES BY FUND:

111	General Fund (Including Contingency)	\$ 21,346,127.00	
221	Public Works/SCMR Fund	4,841,700.00	
	Municipal Motor Vehicle License Tax		
222	Fund	100,000.00	
223	State Highway Fund	0.00	
251	Park and Recreation Fund	4,308,500.00	
271	T.I.F. Plainfield Road/126 Fund	0.00	
280	Law Enforcement Assistance Fund	5,000.00	
281	OVI Task Force Fund	158,212.29	
284	Arson Task Force Fund	3,000.00	
285	Law Enforcement Fund	216,000.00	
287	Drug Law Enforcement Fund	20,000.00	
289	Education Enforcement (DUI) Fund	10,000.00	
331	General Bond Retirement Fund	4,076,727.64	
332	T.I.F. Debt Service Fund	680,000.00	
442	Downtown Infrastructure Fund	292,500.00	
443	Plainfield Bikepath Fund	50,000.00	
445	Airport Fund	2,025,000.00	
446	Recreation Center Construction Fund	0.00	
447	Golf Course Construction Fund	0.00	
752	Golf Course Fund	1,840,300.00	
902/90			
3	FSA Benefit Funds	66,470.00	
930	OBBS Assessment Fund	9,600.00	
	TOTAL PROJECTED EXPENDITURES		<u>\$ 40,049,136.93</u>
	ESTIMATED YEAR END FUND BALANCE 2011		<u>\$ 21,098,170.21</u>

Revenues and expenditures are net of transfers and advances.

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BUDGET OVERVIEW C

2011 PROPOSED BUDGET

SUMMARY OF TOTAL AVAILABLE REVENUE BY FUND

111	GENERAL FUND	\$ 51,263,322.38
221	PUBLIC WORKS/SCMR FUND	4,841,700.00
222	MUNICIPAL MOTOR VEHICLE TAX FUND	215,799.51
223	STATE HIGHWAY FUND	183,892.84
251	PARK & RECREATION FUND	4,308,500.00
271	T.I.F. PLAINFIELD ROAD/126 FUND	0.00
280	LAW ENFORCEMENT ASSISTANCE FUND	9,750.00
281	OVI TASK FORCE FUND	158,212.29
284	ARSON TASK FORCE FUND	3,518.09
285	LAW ENFORCEMENT FUND	229,032.02
287	DRUG LAW ENFORCEMENT FUND	54,920.06
289	EDUCATION ENFORCEMENT (DUI) FUND	15,640.56
331	GENERAL BOND RETIREMENT FUND	4,076,727.64
332	T.I.F. DEBT SERVICE FUND	3,125,221.10
442	DOWNTOWN INFRASTRUCTURE FUND	448,464.30
443	PLAINFIELD BIKEPATH FUND	50,000.00
445	AIRPORT FUND	2,025,000.00
446	RECREATION CENTER CONSTRUCTION FUND	25,642.64
447	GOLF COURSE CONSTRUCTION FUND	1,305,000.00
752	GOLF COURSE FUND	1,840,300.00
902/903	FSA BENEFIT FUNDS	140,540.00
930	OBBS ASSESSMENT FUND	11,222.12
	GRAND TOTAL (Including transfers and advances)	\$ 74,332,405.55
	LESS TRANSFERS AND ADVANCES	(13,185,098.41)
	NET TOTAL	\$ 61,147,307.14

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**2011 PROPOSED BUDGET
ESTIMATED REVENUE**

GENERAL FUND		
111.000.000000	FUND BALANCE 1-1-2011	\$ 16,561,856.38
111.000.411100	GEN. PROP. TAX REAL ESTATE	2,089,316.00
111.000.411200	TANGIBLE PERS. PROP. TAX	-
111.000.411300	LOCAL HOTEL/MOTEL EXCISE TAX	900,000.00
111.000.411400	INCOME TAX - WITHHOLDING	23,256,000.00
111.000.411401	INCOME TAX - NET PROFIT	5,300,000.00
111.000.411500	PUBLIC UTILITIES R.E. REIMB.	14,914.00
111.000.412100	LOCAL GOVERNMENT-COUNTY	530,000.00
111.000.412101	LOCAL GOVERNMENT-STATE	300,000.00
111.000.412103	LOC. GOV'T. REV. ASSISTANCE	-
111.000.412104	LIBRARY	-
111.000.412200	INHERITANCE TAX	500,000.00
111.000.412300	PERSONAL PROP TAX/10K EXEMPT	3,000.00
111.000.412301	TANG. PERS. PROP. REIMB.	417,066.00
111.000.412400	REAL EST.TAX-HOMESTD. & ROLLBK	140,000.00
111.000.412500	LIQUOR PERMITS	30,000.00
111.000.412600	CIGARETTE TAX	350.00
111.000.412700	RECYCLING REBATE	54,000.00
111.000.413200	INTERGOVERNMENTAL REVENUE	63,000.00
111.000.415100	MISC. REVENUE	90,000.00
111.000.415101	MISC. POLICE DEPT. FEES	28,000.00
111.000.415102	BUSINESS DIRECTORIES	-
111.000.415103	MISC. MAYOR'S COURT RECEIPTS	4,000.00
111.000.415104	WORKERS COMP REBATE	15,000.00
111.000.415105	EMS TRANSPORT REVENUE	325,000.00
111.000.415106	MISC. PROMO SALES (TAXABLE)	800.00
111.000.415108	P.D.PROPERTY SALES	5,000.00
111.000.416100	MAYOR'S COURT FINES	110,000.00
111.000.416101	MAYOR'S COURT COSTS	9,000.00
111.000.416102	MAYOR'S COURT FORFEITURES	400.00
111.000.416200	BUILDING PERMITS	27,000.00
111.000.416201	TEMP. SIGN PERMITS	-
111.000.416202	RAZING PERMITS	-
111.000.416203	OBBS PERMITS/P.E.FEES	175,000.00
111.000.416204	INFRASTRUCTURE REVIEW	-
111.000.416300	REZONING APPLICATION FEES	2,000.00
111.000.416400	PUBLIC IMPROVEMENT DEPOSITS	-
111.000.416500	SPEC. PERMIT APPLICATION FEE	-
111.000.416600	SUBDIVISION INSPECTION FEES	-
111.000.416700	CABLE FRANCHISE FEE	100,000.00
111.000.416800	EXCESSIVE LOAD/SIZE PERMIT	500.00
111.000.416900	SOLICITOR PERMITS	-
111.000.418200	INTEREST	30,000.00
111.000.419000	REFUNDS(GAS-DIESEL TAX REFUND)	500.00
111.000.420000	RENTAL INCOME	94,000.00
111.000.420100	COMMISSIONS	1,500.00

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111.000.420200	CONTRIBUTIONS	-
111.000.422000	SALE OF FIXED ASSETS	12,000.00
111.000.423000	ADVANCES REPAID	74,070.00
111.000.424000	TAX-CITY MGR PROMO ITEMS	50.00
	TOTAL GENERAL FUND	\$ 51,263,322.38

PUBLIC WORKS/SCMR FUND

221.000.000000	FUND BALANCE 1-1-2011	\$ -
221.000.412700	MOTOR VEHICLE LICENSES	145,000.00
221.000.412800	GASOLINE EXCISE TAX	480,000.00
221.000.413200	INTERGOVERNMENTAL REVENUE	749,000.00
221.000.415100	MISC. REVENUE	1,500.00
221.000.416200	STREET OPENING PERMITS	-
221.000.416300	STREET RESTORATION DEPOSITS	-
221.000.418200	INTEREST	100.00
221.000.419000	REFUNDS(GAS-DIESEL TAX REFUND)	1,500.00
221.000.420100	COMMISSIONS	75.00
221.000.421000	TRANSFERS (FROM GENERAL FUND)	3,464,525.00
	TOTAL PUBLIC WORKS/SCMR	\$ 4,841,700.00

MUNICIPAL MOTOR VEHICLE LICENSE TAX FUND

222.000.000000	FUND BALANCE 1-1-2011	\$ 109,499.51
222.000.412900	PERMISSIVE LICENSE TAX(COUNTY)	35,000.00
222.000.412901	PERMISSIVE LICENSE TAX (LOCAL)	71,000.00
222.000.418200	INTEREST	300.00
	TOTAL MOTOR VEHICLE LICENSE TAX FUND	\$ 215,799.51

STATE HIGHWAY FUND

223.000.000000	FUND BALANCE 1-1-2011	\$ 131,692.84
223.000.412700	MOTOR VEHICLE LICENSES	12,000.00
223.000.412800	GASOLINE EXCISE TAX	40,000.00
223.000.418200	INTEREST	200.00
	TOTAL STATE HIGHWAY FUND	\$ 183,892.84

PARK AND RECREATION FUND

251.000.000000	FUND BALANCE 1-1-2011	\$ -
251.000.415100	MISC. REVENUE - REC. CENTER	500.00
251.000.415101	OTHER MISC. REVENUE	1,000.00
251.000.415102	PROMO ITEMS - BASC	-
251.000.415103	PROMO ITEMS - REC. CTR.	1,000.00
251.000.415104	STREET TREE PROGRAM	-
251.000.415300	RACQUETBALL COURT FEES	2,500.00

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251.000.415400	RECREATION MEMBERSHIPS	375,000.00
251.000.415600	ADMISSIONS FEES	20,000.00
251.000.415700	PROGRAM FEES/CONTRACTUAL	200,000.00
251.000.415800	RECREATION CONCESSION/CATERING	85,000.00
251.000.415801	SPORTS CENTER CONCESSIONS	60,000.00
251.000.415900	TOT ROOM FEES	5,000.00
251.000.418200	INTEREST	-
251.000.419000	REFUNDS(GAS-DIESEL TAX REFUND)	500.00
251.000.420000	RENTALS & DEPOSITS	40,000.00
251.000.420100	COMMISSIONS	4,000.00
251.000.420200	CONTRIBUTIONS	50,000.00
251.000.420201	VET PAVER DONATIONS	1,500.00
251.000.420202	SUMMERBRATION	-
251.000.420203	FOURTH OF JULY	85,000.00
251.000.420204	AIRPORT DAYS	-
251.000.420205	TASTE OF BLUE ASH	110,000.00
251.000.420206	HERITAGE DAY	-
251.000.421000	TRANSFERS (FROM GENERAL FUND)	3,258,500.00
251.000.424000	SALES TAX - REC. CTR.	5,500.00
251.000.424100	SALES TAX - BASC	3,500.00

TOTAL PARK AND RECREATION FUND \$ 4,308,500.00

T.I.F.- PLAINFIELD ROAD/126 FUND

271.000.000000	FUND BALANCE 1-1-2011	\$ -
271.000.422000	T.I.F. SERVICE PAYMENTS	\$ -
271.000.415100	MISC. REVENUE	-

TOTAL T.I.F.-PLAINFIELD RD/126 FUND \$ -

LAW ENFORCEMENT ASSISTANCE FUND

280.000.000000	FUND BALANCE 1-1-2011	\$ 6,250.00
280.000.413200	STATE REIMBURSEMENT (ORC 109.802)	\$ 3,500.00
280.000.415100	MISC. REVENUE	-

TOTAL LAW ENFORCEMENT ASSIST. FUND \$ 9,750.00

OVI TASK FORCE FUND

281.000.000000	FUND BALANCE 1-1-2011	\$ -
281.000.413200	OVI GRANT REVENUE	\$ 158,212.29
281.000.415100	MISC. REVENUE	\$ -

TOTAL OVI TASK FORCE FUND \$ 158,212.29

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ARSON TASK FORCE FUND

284.000.000000	FUND BALANCE 1-1-2011	\$	1,518.09
284.000.415100	MISC. REVENUE		1,000.00
284.000.415101	TRAINING FEES		-
284.000.418200	INTEREST		-
284.000.420200	PRIVATE CONTRIBUTIONS		1,000.00
284.000.420201	MEMBER CONTRIBUTIONS		-

TOTAL ARSON TASK FORCE FUND \$ 3,518.09

LAW ENFORCEMENT FUND

285.000.000000	FUND BALANCE 1-1-2011	\$	217,032.02
285.000.415100	MISC. REVENUE		-
285.000.418200	INTEREST		-
285.000.420300	STATE - SALE OF CONFISCATED PROPERTY		2,000.00
285.000.420301	FEDERAL- SALE OF CONFISCATED PROPERTY		-
285.000.422100	STATE - PROCEEDS FROM SEIZURES		5,000.00
285.000.422101	FEDERAL - PROCEEDS FROM SEIZURES		5,000.00

TOTAL LAW ENFORCEMENT FUND \$ 229,032.02

DRUG LAW ENFORCEMENT FUND

287.000.000000	FUND BALANCE 1-1-2011	\$	51,920.06
287.000.415100	MISC. REVENUE		-
287.000.416103	SEC.2925.03 DRUG OFFENSE FINES		3,000.00
287.000.418200	INTEREST		-

TOTAL DRUG LAW ENFORCEMENT FUND \$ 54,920.06

EDUCATION ENFORCEMENT (DUI) FUND

289.000.000000	FUND BALANCE 1-1-2011	\$	14,140.56
289.000.416100	SECT. 4511.99 DUI FINES		1,500.00
289.000.418200	INTEREST		-

TOTAL EDUC. ENFORCE. (DUI) FUND \$ 15,640.56

GENERAL BOND FUND

331.000.000000	FUND BALANCE 1-1-2011	\$	539,222.23
331.000.411100	GEN. PROP. REAL ESTATE TAX		84,702.00
331.000.411200	TANGIBLE PERSONAL PROP. TAX		-
331.000.411500	PUBLIC UTILITY R.E. REIMBURSEMENT		500.00
331.000.412300	PERSONAL PROP TAX/10K EXEMPT		200.00
331.000.412301	TANG. PERS. PROP. REIMB.		16,900.00
331.000.412400	REAL EST.TAX-HOMESTD. & ROLLBK		5,600.00
331.000.413200	CREDIT ENHANCEMENT GRANT		-
331.000.417200	PROCEEDS FROM BONDS		-
331.000.417300	ROLLOVER OF BANS		-
331.000.418200	INTEREST		-
331.000.421000	TRANSFERS (FROM GENERAL FUND)		3,429,603.41

TOTAL GENERAL BOND FUND \$ 4,076,727.64

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T.I.F. DEBT SERVICE FUND

332.000.000000	FUND BALANCE 1-1-2011	\$	2,173,221.10
332.000.411100	P.I.L.O.T. REVENUE		950,000.00
332.000.417200	PROCEEDS FROM SALE OF BONDS		-
332.000.417201	PREMIUM ON SALE OF BONDS		-
332.000.418200	INTEREST		2,000.00
332.000.421001	TRANSFERS FROM TIF CONSTR.		-
	TOTAL T.I.F. DEBT SERVICE FUND	\$	3,125,221.10

DOWNTOWN INFRASTRUCTURE FUND

442.000.000000	FUND BALANCE 1-1-2011	\$	1,464.30
442.000.413200	INTERGOVERNMENTAL GRANT		447,000.00
442.000.415100	MISC. REVENUE		-
442.000.417200	PROCEEDS FROM SALE OF BONDS		-
442.000.417300	BAN PROCEEDS		-
442.000.418200	INTEREST		-
442.000.421000	TRANSFERS (FROM GENERAL FUND)		-
442.000.423000	ADVANCES FROM GENERAL FUND		-
	TOTAL DOWNTOWN INFRASTRUCTURE FUND	\$	448,464.30

PLAINFIELD ROAD BIKEPATH FUND

443.000.000000	FUND BALANCE 1-1-2011	\$	-
443.000.413200	INTERGOVERNMENTAL GRANT		-
443.000.415100	MISC. REVENUE		-
443.000.417300	BAN PROCEEDS		-
443.000.418200	INTEREST		-
443.000.421000	TRANSFERS (FROM GENERAL FUND)		50,000.00
	TOTAL PLAINFIELD ROAD BIKEPATH FUND	\$	50,000.00

AIRPORT FUND

445.000.000000	FUND BALANCE 1-1-2011	\$	-
445.000.413200	INTERGOVERNMENTAL GRANT		-
445.000.415100	MISC. REVENUE		-
445.000.417200	PROCEEDS/SALE OF BONDS		-
445.000.417300	BAN PROCEEDS		-
445.000.418200	INTEREST		-
445.000.421000	TRANSFERS (FROM GENERAL FUND)		2,025,000.00
	TOTAL AIRPORT FUND	\$	2,025,000.00

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RECREATION CENTER CONSTRUCTION FUND

446.000.000000	FUND BALANCE 1-1-2011	\$	25,642.64
446.000.413200	INTERGOVERNMENTAL GRANT		-
446.000.415100	MISC. REVENUE		-
446.000.417200	PROCEEDS/SALE OF BONDS		-
446.000.417300	BAN PROCEEDS		-
446.000.418200	INTEREST		-
446.000.421000	TRANSFERS (FROM GENERAL FUND)		-
	TOTAL RECREATION CENTER CONSTR. FUND	\$	25,642.64

GOLF COURSE CONSTRUCTION FUND

447.000.000000	FUND BALANCE 1-1-2011	\$	1,300,000.00
447.000.413200	INTERGOVERNMENTAL GRANT		-
447.000.415100	MISC. REVENUE		-
447.000.417200	PROCEEDS/SALE OF BONDS		-
447.000.417300	BAN PROCEEDS		-
447.000.418200	INTEREST		5,000.00
447.000.421000	TRANSFERS (FROM GENERAL FUND)		-
	TOTAL GOLF COURSE CONSTR. FUND	\$	1,305,000.00

GOLF COURSE FUND

752.000.000000	FUND BALANCE 1-1-2011	\$	-
752.000.415100	MISC. REVENUE		1,000.00
752.000.415101	YARDAGE CARD FEES		300.00
752.000.415102	BANQUET MISC REVENUE		10,000.00
752.000.415300	SPECIAL GOLF OUTINGS		-
752.000.415400	GOLF COURSE GREENS FEES		540,000.00
752.000.415401	HANDICAP FEES		4,100.00
752.000.415500	GOLF COURSE CART FEES		180,000.00
752.000.415600	RESTAURANT (TAXABLE)		101,000.00
752.000.415601	BANQUET FOOD & BEVERAGE		65,000.00
752.000.418200	INTEREST		-
752.000.419000	REFUNDS(GAS-DIESEL TAX REFUND)		1,500.00
752.000.420000	RENTAL INCOME		-
752.000.420001	BANQUET RENTAL		30,000.00
752.000.420100	COMMISSIONS		500.00
752.000.420200	CONTRIBUTIONS		-
752.000.421000	TRANSFERS (FROM GENERAL FUND)		883,400.00
752.000.422000	SALE OF FIXED ASSETS		-
752.000.423000	ADVANCES FROM GENERAL FUND		-
752.000.424000	SALES TAX-CARTS/MISC		15,000.00
752.000.424100	SALES TAX-CLUBHOUSE RESTAURANT		8,500.00
	TOTAL GOLF COURSE FUND	\$	1,840,300.00

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FSA BENEFIT FUND

903.000.000000	FUND BALANCE 1-1-2011	\$	63,770.00
903.000.415100	MISC REVENUE - EMPLOYER SHARE	\$	2,700.00
903.000.422000	EMPLOYEE FSA CONTRIBUTIONS	\$	74,070.00
903.000.423000	ADVANCES FROM GENERAL FUND - FSA	\$	-
TOTAL FSA BENEFIT FUND		\$	140,540.00

OBBS ASSESSMENT FUND

930.000.000000	FUND BALANCE 1-1-2011	\$	722.12
930.000.424100	OBBS FEE COLLECTIONS - 1%		10,000.00
930.000.424101	OBBS FEE COLLECTIONS - 3%		500.00
TOTAL OBBS ASSESSMENT FUND		\$	11,222.12

GRAND TOTAL (Including Transfer and Advances)	\$	74,332,405.55
LESS TRANSFERS AND ADVANCES		<u>(13,185,098.41)</u>
NET REVENUE ALL FUNDS	\$	<u>61,147,307.14</u>

**2011 PROPOSED BUDGET
EXPENDITURE BY ACCOUNT CLASSIFICATION**

GENERAL FUND - 111

POLICE DIVISION - 140

PERSONAL SERVICES	\$	5,555,000.00
CONTRACT SERVICES		364,065.00
SUPPLIES		121,950.00
CAPITAL OUTLAY		<u>148,695.00</u>
TOTAL	\$	6,189,710.00

FIRE DIVISION - 150

PERSONAL SERVICES	\$	4,024,000.00
CONTRACT SERVICES		242,600.00
SUPPLIES		96,000.00
CAPITAL OUTLAY		<u>175,000.00</u>
TOTAL	\$	4,537,600.00

**COMMUNITY DEVELOPMENT
DIVISION - 460**

PERSONAL SERVICES	\$	466,000.00
CONTRACT SERVICES		305,450.00
SUPPLIES		2,000.00
REFUNDS		500.00
CAPITAL OUTLAY/ECON. DEV./LAND BANK		<u>800,000.00</u>
TOTAL	\$	1,573,950.00

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ADMINISTRATIVE SERVICES - 710

PERSONAL SERVICES	\$ 1,145,000.00
CONTRACT SERVICES	23,800.00
SUPPLIES	8,000.00
CAPITAL OUTLAY	<u>0.00</u>
TOTAL	\$ 1,176,800.00

LEGISLATIVE SERVICES - 720

PERSONAL SERVICES	\$ 142,000.00
CONTRACT SERVICES	437,500.00
SUPPLIES	500.00
CAPITAL OUTLAY	<u>0.00</u>
TOTAL	\$ 580,000.00

JUDICIAL SERVICES - 730

PERSONAL SERVICES	\$ 180,500.00
CONTRACT SERVICES	12,300.00
SUPPLIES	500.00
CAPITAL OUTLAY	<u>0.00</u>
TOTAL	\$ 193,300.00

INSURANCE - 755

CONTRACT SERVICES	<u>\$ 305,300.00</u>
TOTAL	\$ 305,300.00

TAX & FINANCE DIVISION - 770

PERSONAL SERVICES	\$ 622,500.00
CONTRACT SERVICES	128,700.00
SUPPLIES	4,000.00
REFUNDS	1,300,000.00
CAPITAL OUTLAY	<u>0.00</u>
TOTAL	\$ 2,055,200.00

FACILITIES MAINTENANCE DIVISION - 788

PERSONAL SERVICES	\$ 1,033,000.00
CONTRACT SERVICES	320,310.00
SUPPLIES	178,000.00
CAPITAL OUTLAY	<u>153,107.00</u>
TOTAL	\$ 1,684,417.00

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GENERAL GOVERNMENT SERVICES - 790

PERSONAL SERVICES	\$ 645,500.00
CONTRACT SERVICES	1,950,200.00
SUPPLIES	47,000.00
TRANSFERS AND ADVANCES	13,111,028.41
CAPITAL OUTLAY	107,000.00
CONTINGENCY	300,000.00
SALES TAX	150.00

TOTAL	\$ 16,160,878.41
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TOTAL GENERAL FUND	\$ 34,457,155.41
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PUBLIC WORKS/SCMR FUND - 221

PERSONAL SERVICES	\$ 1,475,000.00
CONTRACT SERVICES	507,700.00
SUPPLIES	418,400.00
REFUNDS	0.00
CAPITAL OUTLAY	2,440,600.00

TOTAL	\$ 4,841,700.00
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MUNICIPAL MOTOR VEHICLE LICENSE TAX FUND - 222

PERSONAL SERVICES	\$ 100,000.00
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TOTAL	\$ 100,000.00
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STATE HIGHWAY FUND - 223

PERSONAL SERVICES	\$ 0.00
CONTRACT SERVICES	-
CAPITAL OUTLAY	-

TOTAL	\$ 0.00
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PARKS & RECREATION FUND - 251

RECREATION DIVISION - 371

PERSONAL SERVICES	\$ 1,240,000.00
CONTRACT SERVICES	1,227,500.00
SUPPLIES	174,500.00
CAPITAL OUTLAY	64,000.00
REFUNDS	16,000.00
SALES TAX	15,000.00

TOTAL	\$ 2,737,000.00
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**PARKS/GROUNDS
MAINTENANCE DIVISION -
375**

PERSONAL SERVICES	\$ 927,000.00
CONTRACT SERVICES	329,500.00
SUPPLIES	172,000.00
REFUNDS	0.00
CAPITAL OUTLAY	<u>143,000.00</u>
TOTAL	\$ 1,571,500.00

TOTAL PARK AND RECREATION FUND	<u>\$ 4,308,500.00</u>
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**T.I.F. PLAINFIELD ROAD/126
FUND - 271**

PERSONAL SERVICES	\$ 0.00
CAPITAL OUTLAY	<u>0.00</u>
TOTAL	<u>\$ 0.00</u>

**LAW ENFORCEMENT
ASSISTANCE FUND - 280**

PERSONAL SERVICES	\$ 0.00
CONTRACT SERVICES	5,000.00
SUPPLIES	0.00
CAPITAL OUTLAY	<u>0.00</u>
TOTAL	<u>\$ 5,000.00</u>

OVI TASK FORCE GRANT FUND - 281

PERSONAL SERVICES	\$ 0.00
CONTRACT SERVICES	158,212.29
SUPPLIES	0.00
CAPITAL OUTLAY	<u>0.00</u>
TOTAL	<u>\$ 158,212.29</u>

**ARSON TASK FORCE FUND -
284**

PERSONAL SERVICES	\$ 0.00
CONTRACT SERVICES	1,000.00
SUPPLIES	2,000.00
CAPITAL OUTLAY	<u>0.00</u>
TOTAL	<u>\$ 3,000.00</u>

**LAW ENFORCEMENT FUND -
285**

PERSONAL SERVICES	\$ 0.00
CONTRACT SERVICES	56,000.00
SUPPLIES	30,000.00
CAPITAL OUTLAY	<u>130,000.00</u>

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TOTAL		<u>\$ 216,000.00</u>
<u>DRUG LAW ENFORCEMENT FUND - 287</u>		
PERSONAL SERVICES	\$ 0.00	
CONTRACT SERVICES	16,000.00	
SUPPLIES	1,000.00	
CAPITAL OUTLAY	<u>3,000.00</u>	
TOTAL		<u>\$ 20,000.00</u>
<u>EDUCATION ENFORCEMENT (DUI) FUND - 289</u>		
CONTRACT SERVICES	<u>\$ 10,000.00</u>	
TOTAL		<u>\$ 10,000.00</u>
<u>GENERAL BOND RETIREMENT FUND - 331</u>		
CONTRACT SERVICES	\$ 5,000.00	
DEBT SERVICE	<u>4,071,727.64</u>	
TOTAL		<u>\$ 4,076,727.64</u>
<u>T.I.F. DEBT SERVICE FUND - 332</u>		
CONTRACT SERVICES	\$ 15,000.00	
DEBT SERVICE	<u>665,000.00</u>	
TOTAL		<u>\$ 680,000.00</u>
<u>DOWNTOWN INFRASTRUCTURE FUND - 442</u>		
CONTRACT SERVICES	\$ 0.00	
CAPITAL OUTLAY	<u>292,500.00</u>	
TOTAL		<u>\$ 292,500.00</u>
<u>PLAINFIELD BIKEPATH FUND - 443</u>		
CONTRACT SERVICES	\$ 0.00	
CAPITAL OUTLAY	<u>50,000.00</u>	
TOTAL		<u>\$ 50,000.00</u>
<u>AIRPORT FUND - 445</u>		
CONTRACT SERVICES	\$ 75,000.00	
CAPITAL OUTLAY	<u>1,950,000.00</u>	
TOTAL		<u>\$ 2,025,000.00</u>

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RECREATION CENTER
CONSTRUCTION FUND - 446

CONTRACT SERVICES	\$	0.00	
CAPITAL OUTLAY		<u>0.00</u>	

TOTAL			<u><u>\$ 0.00</u></u>
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CONTRACT SERVICES	\$	0.00	
CAPITAL OUTLAY		<u>0.00</u>	

TOTAL			<u><u>\$ 0.00</u></u>
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GOLF COURSE FUND - 752

GOLF PROGRAMMING
DIVISION - 372

PERSONAL SERVICES	\$	343,000.00	
CONTRACT SERVICES		145,150.00	
SUPPLIES		132,900.00	
CAPITAL OUTLAY		58,000.00	
REFUNDS		2,000.00	
REPAYMENT OF			
ADVANCES		0.00	
SALES TAX		<u>28,000.00</u>	

TOTAL	\$	709,050.00	
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GOLF COURSE MAINTENANCE DIVISION - 373

PERSONAL SERVICES	\$	615,000.00	
CONTRACT SERVICES		131,750.00	
SUPPLIES		210,000.00	
CAPITAL OUTLAY		<u>174,500.00</u>	

TOTAL	\$	1,131,250.00	
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TOTAL GOLF COURSE FUND			<u><u>\$ 1,840,300.00</u></u>
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FSA BENEFIT FUNDS - 901, 902, 903

CONTRACT SERVICES	\$	66,470.00	
REPAYMENT OF			
ADVANCES	\$	<u>74,070.00</u>	

TOTAL			<u><u>\$ 140,540.00</u></u>
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OBBS ASSESSMENT FUND - 930

ASSESSMENTS	\$	<u>9,600.00</u>	
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TOTAL			<u><u>\$ 9,600.00</u></u>
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GRAND TOTAL ALL FUNDS			<u><u>\$ 53,234,235.34</u></u>
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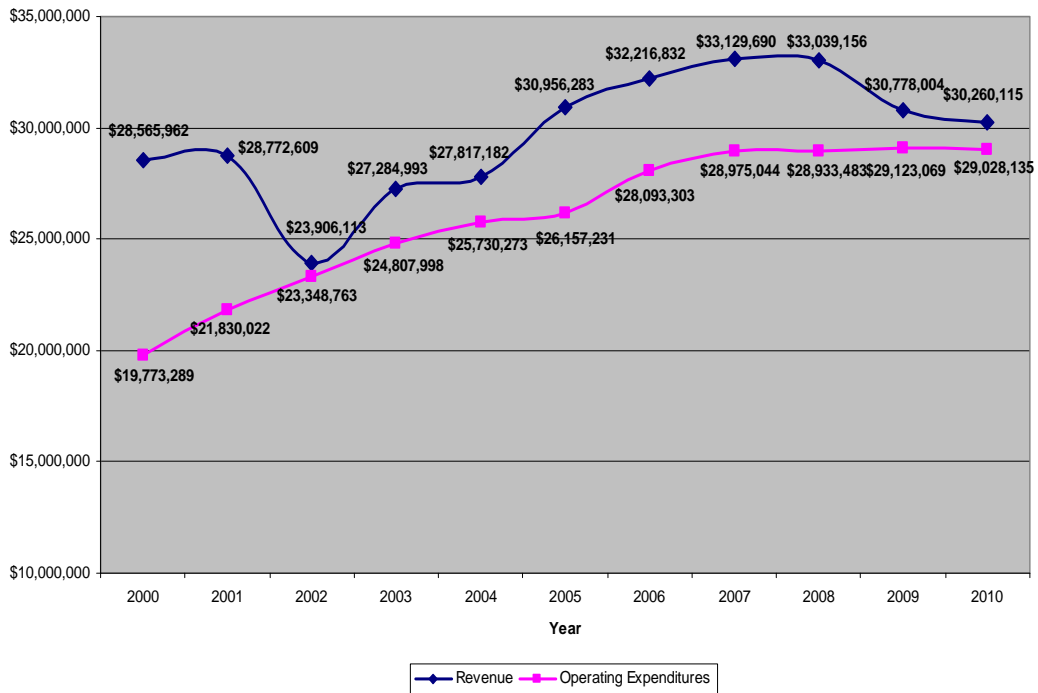
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LESS TRANSFERS AND ADVANCES	<u>\$(13,185,098.41)</u>
NET TOTAL	<u><u>\$ 40,049,136.93</u></u>

City Manager Waltz reviewed the City’s overall financial picture via display and discussion of several PowerPoint slides, with discussion summarized below:

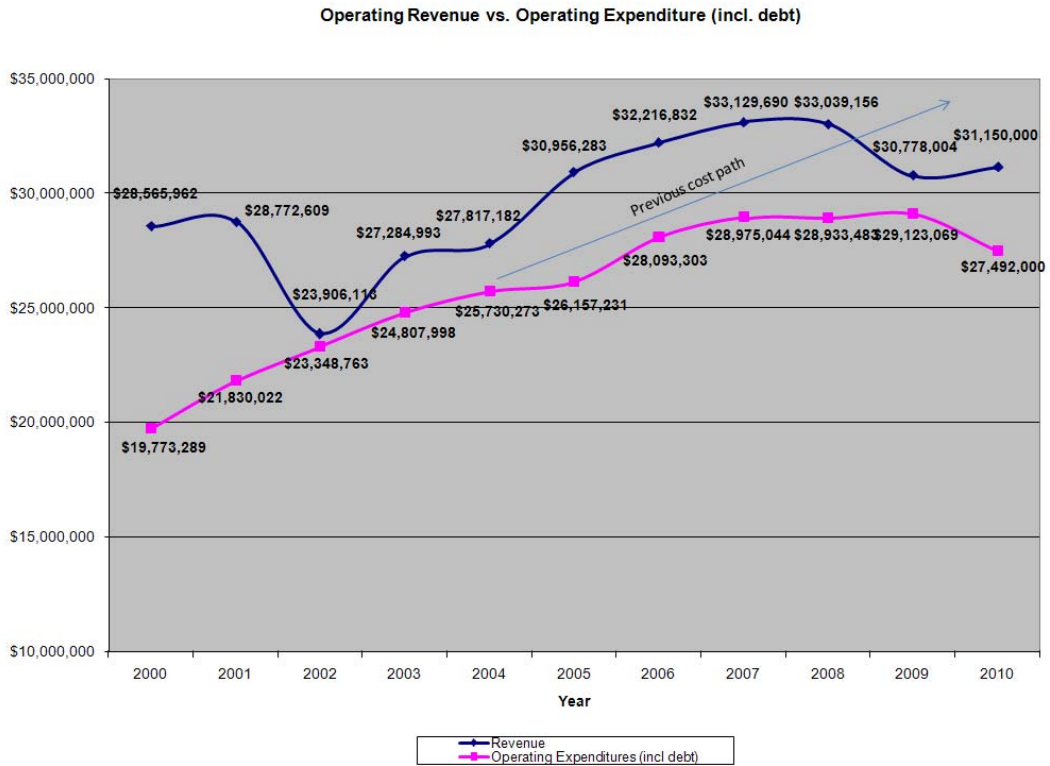
Operating Revenue vs. Operating Expenditure



Mr. Waltz explained that the chart above shows for the past 10 years the City’s non-Issue 15 routine operating expenditures, including debt (pink) and recurring revenues (blue). He noted that from 2006 to 2010, the City has proactively been working to level off its expenditures, making it possible to withstand the unexpected decrease in revenues experienced. The 2010 values were based on the 2010 final budget approved by Council in January 2010.

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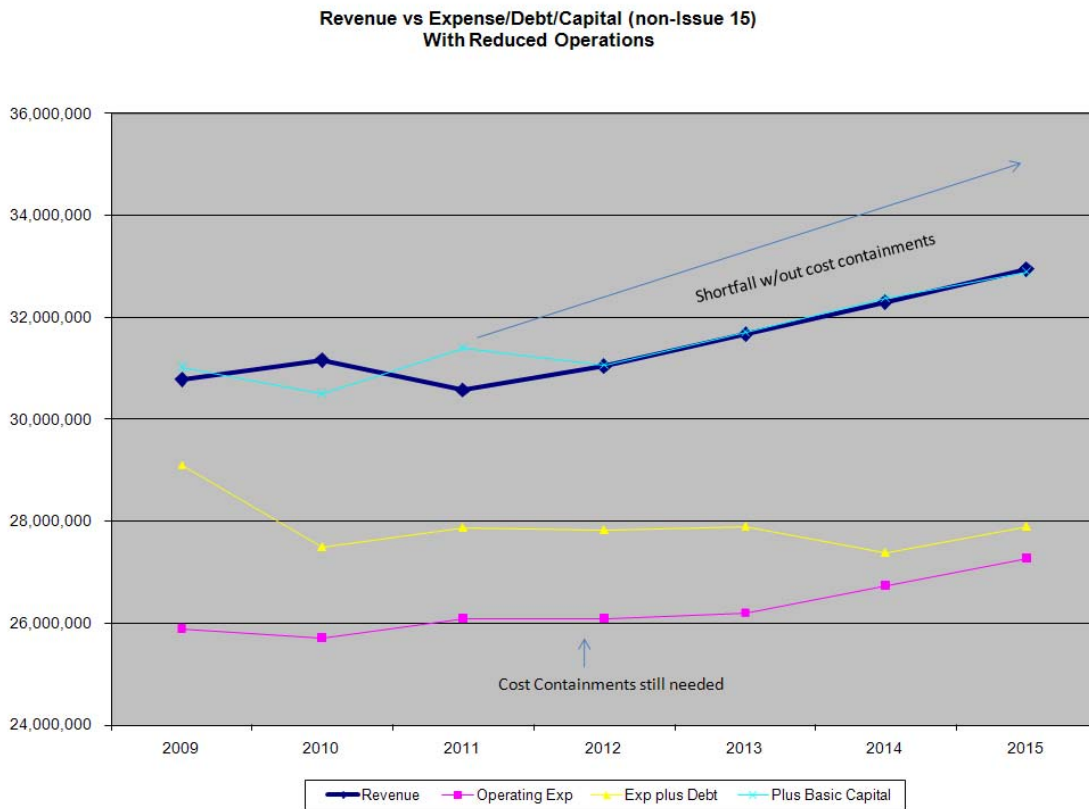
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Mr. Waltz explained that the chart above includes similar information, except for the inclusion of estimated year-end 2010 outcomes. In 2010, earnings tax revenues are expected to be approximately level with those in 2009 (representing positive news since the 2010 budget estimated tax revenues would be down 4%), and projected Non Issue 15 operating costs in 2010 continue to also be well contained. The “previous cost path” line shows the path that would have likely resulted if the City did not make the expenditure adjustments it has been doing over the last four or five years (revenues would have been sharply lower than the path of expenses in that instance beginning about in year 2008, indicating a required absorption of reserves). Mr. Waltz complimented Council and the City employees and department directors with their efforts to reduce costs over the past several years.

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Mr. Waltz explained that the chart above aggregates operational costs, debt, and capital to arrive at the overall expense level (aqua). He pointed out that had the past year’s cost containments not been realized, that the space between the light blue arrow line and aqua line would have represented an annual shortfall and use of reserves. He noted the importance for the City to continue its cost containment activities (given the minimal/no difference between the aqua [aggregate cost] and dark blue [operational revenue] lines above), and reviewed the planned strategies previously discussed with Council (at the August 30 work session) to do so:

- Attrition and succession planning to deal with reduced personnel
- Consider the results of the ICMA Prioritization Program
- Consider certain fee adjustments
- Continue departmental cost efficiencies

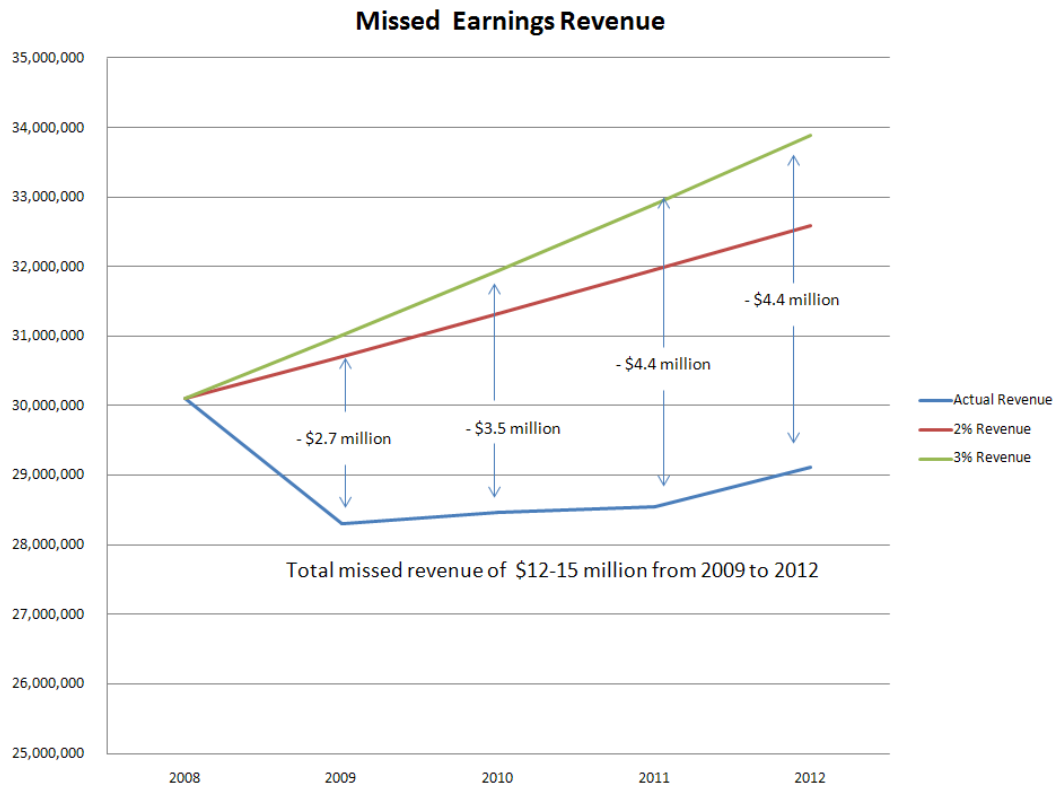
Mr. Waltz reminded Council of previous discussion regarding overall timing strategies the City could take given the need to cut operational expenditures. Those strategies as discussed over a year ago could have been accomplished via necessary cuts immediately (without using reserves); to reduce expenditures via cost containment, while at the same time using a small amount of the reserves; or to essentially continue in the direction we were headed, which would result in depletion of reserves very soon. Council’s decision was to continue cost containment efforts while utilizing a small portion of reserves. Mr. Waltz noted that strategy continues to be the plan still in place, and Mr. Waltz reiterated the importance of continuing the “on track” reduction of operating expenses.

In addressing a question from Councilman Bryan, Mr. Waltz explained that the blue arrow line in the chart above assumed a 2 or 2.5% increase in costs between 2013 and 2015.

Mr. Waltz commented that the year 2010 will find the City finishing in a financially sound position, and poised to move forward in a good way as well, assuming the City continues to be vigilant with its cost-containment strategies, and some success in the economic development area.

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Mr. Waltz explained that the above chart shows the result of various “what if” scenarios. The red line shows that instead of the actual gross earnings tax revenue levels decreasing between 2008 and 2012 (as shown with the blue line), what the revenue line would have been had a 2% annual growth level been experienced. Similarly, the green line shows the revenue levels had a 3% annual growth been experienced during those same years in earnings tax. He noted the difference of revenues that would have been received over those years – representing total missed revenues of about \$12 to \$15 million from 2009 to 2012. He noted that it will likely be 2014 or 2015 before the City returns to revenue levels experienced in 2008. Mr. Waltz noted that Blue Ash’s challenges are much better than what is being experienced by most other communities, but still not without its difficulties.

Mr. Waltz reviewed some highlights of the 2011 Proposed Budget, as summarized below:

- Basic Capital: police cruisers, fire medic unit, street sweeper, various facility improvements, equipment and tractors, LED traffic signals, stormwater, etc.
- DT Traffic Light: 2010 project to be completed, no funding for second phase of streetscaping
- Street Improvements: Mohler, Hunt, Home Acres, Cooper (2 sections), and additional Plainfield Rd improvements south of Ronald Reagan
- Sidewalks: RHH from Cooper to Malsbary and Anderson to Glendale-Milford
- Completion of Clubhouse/banquet facility
- Land Bank/Economic Development
- Waste Collection offset (referring to the previously approved plan to eliminate City-financed waste collection for non-profits, schools, and apartments)
- Continuation of Incremental Operations Savings Strategy decided by Council in 2009/2010 preliminary budget

In addressing a question from Councilman Adamec, Mr. Waltz noted that the City’s estimated “usual” annual capital expenditure for routine items (not including Issue 15 expenses or project-related debt) is approximately \$3 to \$4 million. He noted that this

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amount does not include major projects, such as any major road improvement.

In addressing a question from Councilwoman Stoller, Mr. Waltz noted that at this point, the Symphony is funded in the Proposed Budget provided to Council. He noted that one issue still unresolved, however, is the question of adjusting Recreation Center fees (though the Proposed Budget as provided to Council does not change those fees).

After some discussion, it was clarified that the 2011 Proposed Budget as provided this evening makes essentially no program changes from 2010, with the exception of the change to the waste collection contract which will be implemented in March (i.e., the City no longer financing waste collection for non-profits, schools, and apartments).

Councilman Sumner suggested that it may be advantageous for Council to be able to review programs which are subject to change or elimination in groups, in lieu of reviewing each one individually. He suggested that it may be easier for Council members to then compare and prioritize. He also suggested Council revisit the ranking results associated with the prioritization process completed earlier this year.

In addressing a comment from Mayor Weber, Mr. Waltz explained that it is important to understand that over the coming year, although the Proposed Budget shows fully-funded requests, the need still exists to reduce operations by 2% or 3%. He reminded all that this budget process is the first where the ranking of the prioritization process has been available (since it was completed earlier this year), and he noted that the consultants commented that it will be difficult to implement everything in the same year.

Councilman Sumner complimented Mr. Waltz and the Administration on their efforts with the budget and its format. He also complimented the staff on their ideas, including recommendations associated with changes in the waste collection as well as the ideas associated with adjustments to Recreation Center fees (discussed in more detail at the previous meeting).

Councilman Bryan also complimented Mr. Waltz and the Administration on the presentation today and the Administration's overall budget efforts. He added that the benchmark information (comparing what Blue Ash does with the practices of other municipalities) has been extremely helpful to Council. He noted that when looking at cost savings, another important factor to consider is that factor's impact on the overall quality of life. Cost reductions that can be implemented while not affecting overall quality of life are "easy" decisions; however, when factors that are important to quality of life are being considered, much more review should take place.

Councilman Adamec agreed that the benchmarking information provided is of great help and noted that he would like to see even more of this in the future. Mr. Waltz agreed that such information is helpful; however, he added that it is also important to understand and consider the reason for those differences as well.

In addressing a question from Councilman Sumner, Public Works Director Mike Duncan noted that they will look at the costs and factors associated with contracting out street sweeping services (as opposed to buying a new street sweeper, as is noted within this budget). He noted that a new street sweeper would be expected to last approximately 10 years.

Councilman Sumner suggested that if the City is going to continue to accept hazardous waste at its service facility that the City consider purchase of a pesticide building to house those items (a building such as is included within the Golf Maintenance budget).

Councilman Bryan suggested that the City expend as much energy this year towards its economic development efforts as it does towards its cost containment efforts.

In addressing a question from Councilman Buckman, Mr. Waltz noted that the recent business mission trip to Israel was a success. He noted that there is a lot of potential connection and synergy between the Greater Cincinnati area and Israel as the areas visited are growing rapidly, particularly in the technology and medical fields. The Greater Cincinnati area, including Blue Ash, has a lot of commercial and production ability in those fields.

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Discussion took place regarding the suggested changes associated with the Recreation Center fees (as discussed at a previous Council meeting). Mr. Waltz noted that further internal discussion has taken place since the last discussion, and it is the Recreation Administration's recommendation that if Council does not want to move forward with the changes and fee structure as originally suggested, that any proposed change be delayed until later in the year. Further segmentation of the fees is not recommended. If any changes to fees or membership structures are made in the future, it was agreed that time would be needed to educate citizens, especially since this would represent a change to a fee structure that has essentially been in place for over 30 years.

Mr. Waltz and Mr. Pfeffer noted that the December 9 Council meeting will include an interim budget, with the final budget, incorporating the actual year-end numbers, to be presented to Council in January.

ADJOURNMENT

All items on the agenda having been acted upon, Councilman Buckman moved, Councilman Sumner seconded to adjourn the meeting. A voice vote was taken. All members voted yes. The Council meeting was adjourned at approximately 7:32PM.

Mark F. Weber, Mayor

MINUTES WRITTEN BY:

Susan K. Bennett, Deputy Clerk of Council