



2021 Budget

City Manager's Recommendations

Overview

Economic & Community Development

Infrastructure

Internal Service Funds

Community Service Area

December 2, 2020

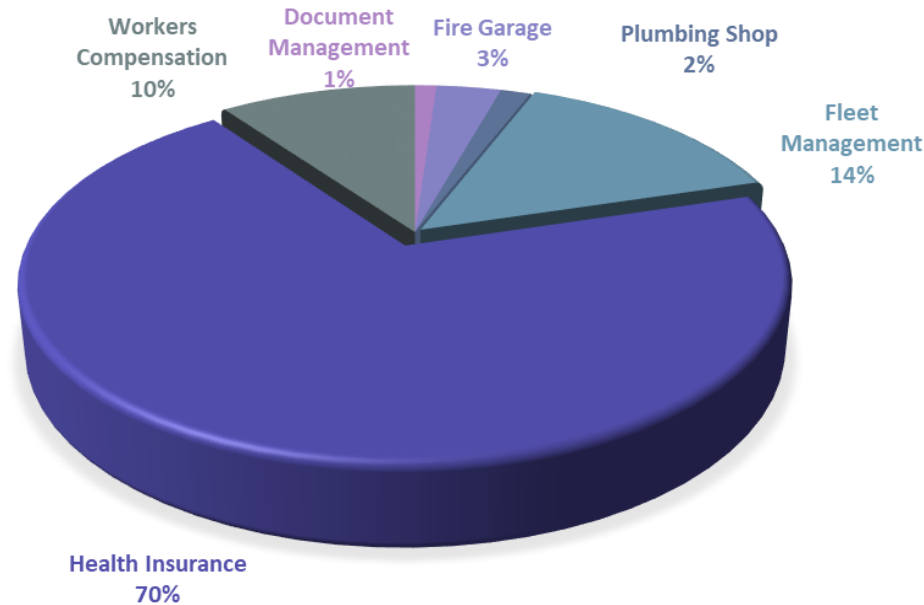


Internal Service Funds

Recommended Allocations

Program Areas

Internal Service Funds by Program	
Document Management Services	520,500
Total Information Technology Programs	520,500
Fire Garage	1,559,700
Total Fire Department Programs	1,559,700
Plumbing Shop	725,100
Fleet Management	6,891,000
Total Public Works Programs	7,616,100
Health Insurance Fund	33,325,600
Workers Compensation Fund	4,741,600
Total Human Resources Programs	38,067,200
Total Internal Service Funds	47,763,500



Internal Service Funds

Budget Recommendation by the Numbers

Internal Service Funds

Source & Uses by Program Area

Document Management Services				
Estimated Sources	Projected 2020 Actuals	2021 Proposed Budget	\$ Chg.	% Chg.
Beginning Cash Balance	406,052	259,440	(146,612)	-36.1%
Projected Revenue	477,644	520,500	42,856	9.0%
Total Sources and Cash Balance	883,696	779,940	(103,756)	-11.7%
Estimated Uses				
Personnel Costs	152,796	82,200	(70,596)	-46.2%
Contracts & Materials				
Tools and Equipment	407,451	385,200	(22,251)	-5.5%
External Vendors	31,417	23,000	(8,417)	-26.8%
Supplies & Inventory	32,592	30,100	(2,492)	-7.6%
Total Contracts & Materials	471,461	438,300	(33,161)	-7.0%
Capital Equipment/Technology	0	0	0	0.0%
Total Uses	\$624,256	\$520,500	-\$103,756	-16.6%
Sources over Uses	\$259,440	\$259,440	\$0	0.0%
Estimated Ending Cash	\$259,440	\$259,440	\$0	0.0%

2021 Program Budget Highlights & Special Issues

- 2020 Projected Revenue is lower than projected expenses, due to lower utilization of printing in the office and printing services, attributed to COVID-19.
- 2020 Tools & Equipment expenses include one additional payment to Konica Minolta for equipment rentals from 2019. This is reduced to 12 months of billing in 2021.
- Personnel is reduced by 1 FTE in 2021, due to retirement through the VSP. Five CSDs and two Health Insurance Holidays are also assumed.
- Supplies, Inventory and External Vendor use are all reduced in 2021, as a budget solution.

Internal Service Funds

Source & Uses by Program Area

Fire Garage				
Estimated Sources	Projected 2020 Actuals	2021 Proposed Budget	\$ Chg.	% Chg.
Beginning Cash Balance	50,424	115,588	65,164	129.2%
Projected Revenue	1,355,562	1,578,400	222,838	16.4%
Total Sources and Cash Balance	1,405,985	1,693,988	288,003	20.5%
Estimated Uses				
Personnel Costs	707,098	1,004,700	297,602	42.1%
Contracts & Materials				
Supplies & Miscellaneous	354,828	367,500	12,672	3.6%
Other Maintenance	163,697	120,000	(43,697)	-26.7%
Utilities	24,661	22,500	(2,161)	-8.8%
Insurance	18,000	22,000	4,000	22.2%
Other Professional Services	19,114	15,000	(4,114)	-21.5%
All Others	3,000	8,000	5,000	166.7%
Total Contracts & Materials	583,299	555,000	(28,299)	-4.9%
Capital Equipment/Technology	0	0	0	0.0%
Total Uses	\$1,290,397	\$1,559,700	\$269,303	20.9%
Sources over Uses	\$115,588	\$134,288	\$18,700	16.2%
Estimated Ending Cash	\$115,588	\$134,288	\$18,700	16.2%

2021 Program Budget

Highlights & Special Issues

- Projected 2020 Revenue is \$1,355,562, with year end cash balance projected to be \$115,588. Despite COVID-19, the Fire Garage's revenues have performed well and cash balance has grown in 2020.
- After the last debt service payment in 2019, the Fire Garage is better positioned in 2020. All other direct expenses are in line with prior years' trends.
- 2021 Budget includes reorganizing the Radio Repair shop under the Fire Garage umbrella, assuming 2 FTEs. Personnel also includes administrative charges for the Support Service Captain overseeing the Garage.
- 2021 Personnel also includes administrative charges for the Support Service Captain overseeing the Garage.
- Supplies & Materials reduced and Other Maintenance Agreements reduced as budget solutions.

Internal Service Funds

Source & Uses by Program Area

Plumbing Shop				
Estimated Sources	Projected 2020 Actuals	2021 Proposed Budget	\$ Chg.	% Chg.
Beginning Cash Balance	331,923	207,873	(124,050)	-37.4%
Projected Revenue	577,692	725,100	147,408	25.5%
Total Sources and Cash Balance	909,615	932,973	23,358	2.6%
Estimated Uses				
Personnel Costs	495,464	502,100	6,636	1.3%
Contracts & Materials				
Supplies & Materials	154,884	150,000	(4,884)	-3.2%
Fleet & Fuel	20,694	28,000	7,306	35.3%
Total Contracts & Materials	175,578	178,000	2,422	1.4%
Capital Equipment/Technology	30,700	45,000	(30,700)	-100.0%
Total Uses	\$701,742	\$725,100	\$9,058	3.3%
Sources over Uses	\$207,873	\$207,873	\$0	0.0%
Estimated Ending Cash	\$207,873	\$207,873	\$0	0.0%

2021 Program Budget

Highlights & Special Issues

- 2020 Projected Revenues will end lower than budgeted, due to lost productivity during the Stay-At-Home Order, and the cancellation of planned capital projects due to COVID-19.
- Final 2020 Revenues projection is \$577,692, with year end cash balance projected at \$207,873.
- 2020 included a truck replacement, after a vehicle went out of service.
- 2021 Personnel is up slightly compared to prior year, with the assumption of a portion of the Facilities Supervisor's salary, a budget solution to the General Fund.
- 2021 Personnel increase is offset by five CSDs and two Health Insurance Holidays assumed for all staff.
- In 2021, the Plumbing Shop will invest in a long-deferred van replacement.

Internal Service Funds

Source & Uses by Program Area

Fleet Management				
Estimated Sources	Projected 2020 Actuals	2021 Proposed Budget	\$ Chg.	% Chg.
Beginning Cash Balance	1,632,198	1,037,199	(594,999)	-36.5%
Projected Revenue	7,100,044	6,891,000	(209,044)	-2.9%
Total Sources and Cash Balance	8,732,242	7,928,199	(804,043)	-9.2%
Estimated Uses				
Personnel Costs	2,777,854	2,673,700	(104,154)	-3.7%
Contracts & Materials				
Inventory	1,762,775	1,800,000	37,225	2.1%
Gasoline & Diesel	1,951,276	1,600,000	(351,276)	-18.0%
Other Equipment Maintenance	945,078	633,500	(311,578)	-33.0%
Supplies & Miscellaneous	81,134	65,000	(16,134)	-19.9%
Facility Maintenance & Custodial	51,964	110,000	58,036	111.7%
All Others	4,262	8,800	4,538	106.5%
Total Contracts & Materials	4,796,489	4,217,300	(579,189)	-12.1%
Capital Equipment/Technology	0	0	0	N.A.
Capital Infrastructure	120,700	0	(120,700)	-100.0%
Total Uses	\$ 7,695,043	\$ 6,891,000	\$ (804,043)	-10.4%
Sources over Uses	\$1,037,199	\$1,037,199	\$0	0.0%
Estimated Ending Cash	\$1,037,199	\$1,037,199	\$0	0.0%

2021 Program Budget

Highlights & Special Issues

- Projected 2020 Revenue is \$7,100,044, with predicted year-end cash balance of \$1,037,199. Revenues declined 14% due to COVID-19, or nearly \$1.2M, compared to 2019. In 2019, the Division received \$8.3M in revenues, an all-time high.
- 2021 Revenues are not expected to recover, due to the on-going pandemic and the necessity of General Fund budget cuts. In 2020, Direct Expenses were cut by 7%. In 2021, Direct Expenses will be cut by an aggressive 10.4% on top of 2020's cuts.
- 2020 personnel is projected to end the year nearly \$300,000 lower than 2019, in part because vacant positions were abolished and long term employees retired through the VSP. In 2021, Fleet Management intends to fill 3 Heavy Mechanic positions to ensure sufficient labor to undertake the City's equipment repairs. 1 FTE will be kept vacant, plus five CSDs and two Health Insurance Holidays to contain costs.
- In 2021, Supplies & Materials reduced 19.9% to contain costs, keeping expenses in line with projected revenues.
- 2020 expenses included infrastructure upgrades to the City's gasoline and diesel stations. Further upgrades will be deferred until there is an economic recovery.

Internal Service Funds

Source & Uses by Program Area

Workers Compensation Fund				
Estimated Sources	Projected 2020 Actuals	2021 Proposed Budget	\$ Chg.	% Chg.
Beginning Cash Balance	15,393,251	16,508,355	1,115,104	7.2%
Projected Revenue	4,576,995	4,228,600	(348,395)	-7.6%
Transfer In	1,420,000	0	(1,420,000)	-100.0%
Total Sources and Cash Balance	21,390,246	20,736,955	(653,291)	-3.1%
Estimated Uses				
Personnel Costs	564,400	618,000	53,600	9.5%
Contracts & Materials				
BWC Claims Payments	3,045,100	2,948,100	(97,000)	-3.2%
Other Professional Services	1,049,745	865,000	(184,745)	-17.6%
Consulting & Counseling	112,113	142,000	29,887	26.7%
Supplies & Miscellaneous	93,533	138,500	44,967	48.1%
All Others	17,000	30,000	13,000	76.5%
Total Contracts & Materials	4,317,491	4,123,600	(193,891)	-4.5%
Total Uses	\$4,881,891	\$4,741,600	-\$140,291	-2.9%
Sources over Uses	\$16,508,355	\$15,995,355	-\$513,000	-3.1%
Estimated Ending Cash	\$16,508,355	\$15,995,355	-\$513,000	-3.1%

2021 Program Budget Highlights & Special Issues

- Lower annual transfer rate revenues in 2020 were offset by loan repayments and a Transfer In, both toward a loan receivable in the BWC Fund.
 - In 2021, the transfer rate will be reduced to 2.6%, necessary to implement a planned draw down of cash balance.
 - In Personnel, a Benefit Associate was moved to the BWC fund, as well as an increase in administrative charges for HR Director and HR Deputy Director.
 - This increase was offset by five CSDS and two Health Insurance Holidays for all staff supported by the fund.
 - Due to the City's outstanding credit rated status, Dayton's payments to Ohio BWC have been reduced 3% or nearly \$100,000.
- conclusion of the ADA Transition Plan, offset by an increase for Healthstat to perform work readiness physicals.
- These decreases are offset by an increase in consulting services with SAMBA and an increase in Supplies to support the expansion of the Safety Shoe Program.

Internal Service Funds

Source & Uses by Program Area

Health Insurance Fund				
Estimated Sources	Projected 2020 Actuals	2021 Proposed Budget	\$ Chg.	% Chg.
Beginning Cash Balance	10,408,639	16,525,833	6,117,194	58.8%
Projected Revenue	28,219,453	22,550,000	(5,669,453)	-20.1%
Total Sources and Cash Balance	38,628,092	39,075,833	447,741	1.2%
Estimated Uses				
Personnel Costs	211,221	270,000	58,779	27.8%
Contracts & Materials				
Medical Claims*	21,108,501	26,972,600	5,864,099	27.8%
D.O.C. Clinic Costs	1,172,717	1,155,000	(17,717)	-1.5%
Stop Loss*	(357,080)	3,142,500	3,499,580	-980.1%
Administration Fees	1,170,006	1,385,500	215,494	18.4%
Wellness Payments	126,017	225,000	98,983	78.5%
All Other Expenses	117,178	175,000	57,822	49.3%
Total Contracts & Materials	23,337,339	33,055,600	9,718,261	41.6%
Capital Equipment/Technology	0	0	0	0.0%
Total Uses	\$23,548,559	\$33,325,600	\$9,777,041	41.5%
Sources over Uses	\$15,079,533	\$5,750,233	-\$9,329,300	-61.9%
Estimated Ending Cash	\$15,079,533	\$5,750,233	-\$9,329,300	-61.9%
<i>*Medical Claims were offset by a \$600,000 Drug Claim credit, and are reported net of applied credits.</i>				
<i>**Stop Loss Premium payments are reported net of applied credits. Stop Loss Payments are projected to be \$2,445,163 for 2020, with Stop Loss Credits at \$2,802,243</i>				

2021 Program Budget Highlights & Special Issues

- 2020 Revenues are projected to be \$28,219,453. Due to a combination of strong revenues after a transfer rate increase of 3.75% in 2020, expenses coming in substantially under budget, and Stop Loss credits exceeding Stop Loss Insurance costs, the fund is projected to end the year with \$14,900,059 in cash balance.
- 2020 projected personnel is lower due to retirement, and filling position at a lower rate. 2021 personnel also includes 20% of the HR Director, for a total of 2.25 FTEs.
- Budget has been increased for Medical Claims for 2021, based on projected need. Stop Loss Claim Insurance budget is established up front, and then when credits occur, reduces the expensed amount throughout the year.
- 2021 budget includes the solution of instituting two Health Insurance Holidays, which will suspend the employer and the employee contribution for two months in 2021. This solution saves the General Fund \$2.6M, and will also save employees two months of premium deductions from their paychecks.