

City of Tallmadge 2005 Capital and Operating Budget Table of Contents

CITY OF TALLMADGE ORGANIZATION CHART	5
Elected Officials of the City of Tallmadge	6
How to Read the Budget	7
Frequently Asked Questions about the City Budget	8
What is a budget and how does the city use it?	8
What happens if the budget is not adopted?	8
Can the city deviate from the budget?	8
Where does the money come from?	8
How does this budget compare to last year's budget?	9
Is the city living within its means?	10
How much debt does the city have?	10
How do the city's taxes compare to other communities in Summit and Portage counties?	12
What are the most expensive departments?	12
Why are there so many funds and why doesn't the city just move the money to where it's needed rather than worrying about which fund it is in?	12
What is the difference between the "Alternative Tax Budget", the "Budget" and the "Annual Exhibit A"?	13
The Budget Process	14
Budget Roles and Responsibilities	14
Capital Planning and Review Phase	15
Alternative Tax Budget Phase	15
Budget Development Phase	15
Executive Review Phase	15
Budget Adoption Phase	15
Implementation Phase	16
2005 Budget Summary	16
Appropriation and Expenditure History	16
Revenue Summary	18
Financial Policy Summary	30
Minimum Fund Balance Policy	30

Debt Policy	31
Debt Statistics for Fiscal Year 2005	34
THE GENERAL FUND	36
Security of Persons and Property	36
Police Department	36
Leisure Time Activities	37
Community Environment	39
Building and Zoning	39
General Government	41
MAYOR / SAFETY DIRECTOR / ADMINISTRATION	41
Finance Director	42
Law Director	43
Service Director	44
Manager of Information Services	45
Legislative	46
Treasurer	46
Civil Service	47
Maintenance	48
Garage – General Operating	49
Department Description:	49
Boards and Commissions	50
General Administration	50
Transfers	51
SPECIAL REVENUE FUNDS	52
Fire Operating	52
Fire/EMS Capital Fund	54
Street Maintenance and Repair Fund	54
Street Maintenance	54
Department Description	54
Capital Outlay	55
State Highway Fund	56
Storm Water Fund	56
Community Development Fund	57
Alcohol Education and Enforcement Fund	57
Law Enforcement Fund	57
Drug Law Enforcement Fund	57
CAPITAL IMPROVEMENT FUNDS	58
General Infrastructure Fund	58
The Bond Retirement Fund	58

Sanitary Sewer Infrastructure Fund	58
Water Infrastructure Fund	59
Sanitary Sewer Fund	59
Sanitary Sewer Administration	59
Capital Outlay	60
Water Fund	61
INTERNAL SERVICE FUNDS	61
Investment Interest Fund	61
Self Insurance Fund	62
TRUST AND AGENCY FUNDS	62
EMS and Fire Donation Fund	62
Police Pension Fund	62
Richardson Trust Fund	62
Revolving Trust Fund	63
ANNUAL EXHIBIT "A"	64
GLOSSARY	70

MAYOR'S BUDGET MESSAGE

The year 2004 brought about some major challenges to the City of Tallmadge. The first challenge was the opening of the Tallmadge Recreation Center. This project was the end-result of years of planning and preparation. The opening was attended by hundreds of residents and the facility was very well received. The Recreation Center ended 2004 in the black and has, at this point, exceeded all expectations. The year-end memberships exceeded 2,500.

The City went out to bid in February and completed necessary improvement work on Southeast Avenue. This project expanded the storm sewers, widened the roadway and improved the turning lane. For the last few years, the Circle would flood at Southeast Avenue because of collapsing storm sewers. The entrance to the "Bumpas Plaza" off the Circle was eliminated as part of this project and the radius off the Circle onto Southeast was improved. Additionally, work on the existing structures in this area has brought about major enhancements.

Our economy presented by far the greatest challenge of the year. Income tax continued to slip (2.7% less than 2003) and interest rates on investments stayed around 1% for most of the year. The City saw three employees retire from the Road Department. Because of the economy those employees have not been replaced. There were two patrol officers that resigned and one that took a leave. As of this date, we are preparing to hire a replacement for one of the officers and hire a second one as soon as we can find a qualified candidate. The Fire Department stayed at full force even though one of our officers had to apply for a medical retirement.

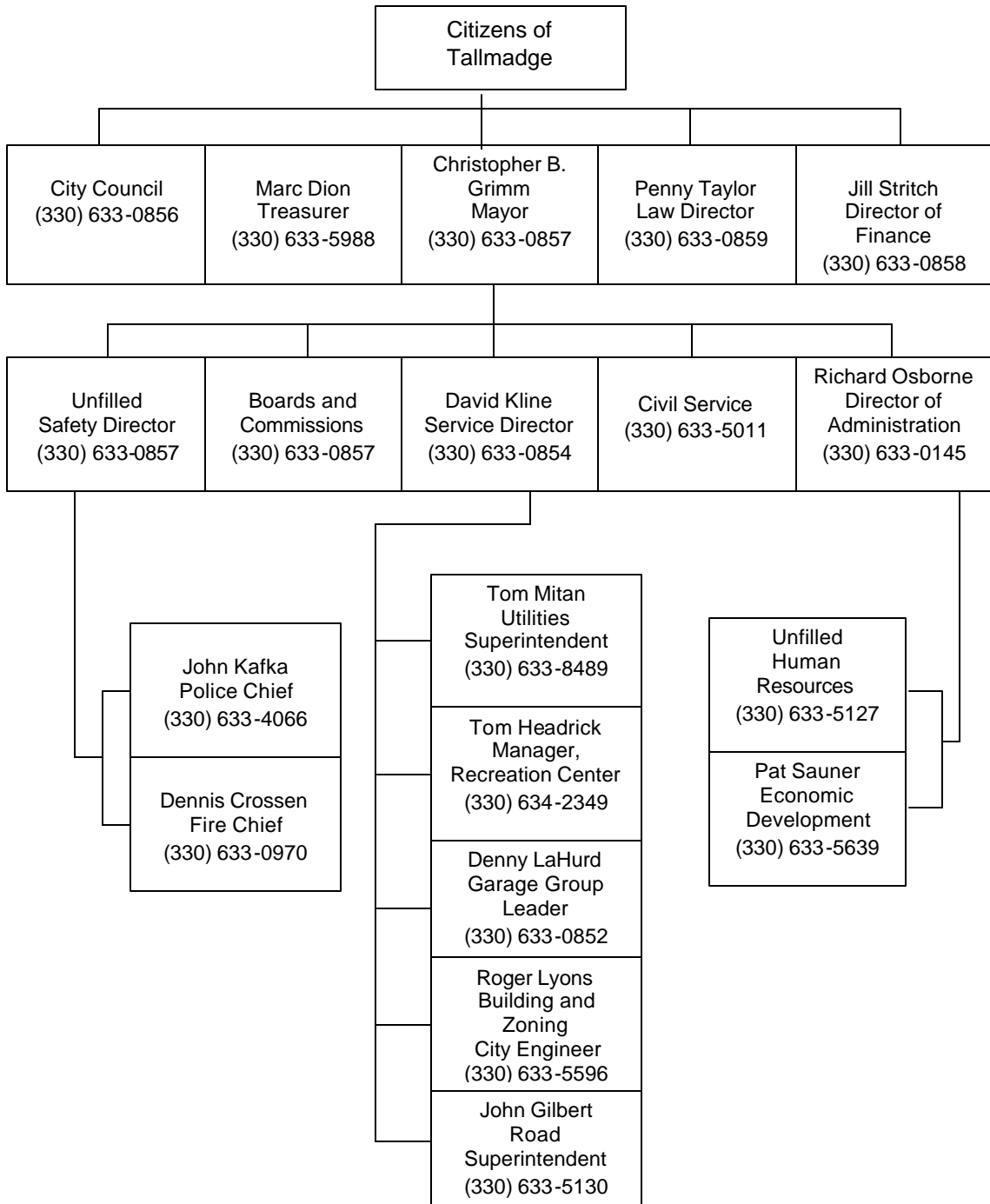
The Joint Economic Development District (JEDD) with Brimfield has worked out fairly well for its first year of operation. The revenues for the district exceeded \$70,000. The income tax rate for the first year was ¼ of 1%.

Housing starts were strong again in 2004 with most of the growth centered on the building of condominiums. The Villas on Northwest had another strong year and we saw the approval of a new condominium development at Southeast Avenue and June Drive. We also saw commercial condominiums developed on property at Northwest Avenue and the Circle owned by DB Development. This project's completion has had a very positive impact on the general appearance of the Circle.

Year 2004 was a disappointing one for the City. With income tax revenues down, interest rates down, shop closings (Hunt Machine for one) and the uncertainty of the overall economy, Tallmadge, like most communities around Northeast Ohio, has had a tough time. However, with the successful opening of the Recreation Center, growth in residential housing and some new commercial prospects, the City looks toward better days in the near future.

Christopher B. Grimm
Mayor

City of Tallmadge Organization Chart



Elected Officials of the City of Tallmadge

Administration



Mayor – Christopher B. Grimm



Director of Law – Penny Taylor



Director of Finance – Jill M. Stritch



Treasurer – Marc Dion

Council

President of Council – Jerry Feeman – At-large

Council Member – Linda Poinar – First Ward

Council Member – Dennis Thompson – Second Ward

Council Member – Peter DeAngelis – Third Ward

Council Member – John D. Rensel – Fourth Ward

Council Member – Jack Sarver – At-large

Council Member – Eugene Stalnaker – At-large

How to Read the Budget

The 2005 budget is designed to provide a considerable amount of information about the financial condition of the city and its budgetary plan for the coming year. Because there is so much information, it may discourage the average reader who does not know where to look for desired information. For this reason, we have included this section to help guide you through the budget and help you find the information that you want to see.

The Budget Message

This message is used by the Mayor to tell Council and the community what he feels is important in the budget document. It often addresses what is new in this year's budget versus last year's budget. It discusses administrative priorities and provides the general theme for the budget.

Frequently Asked Questions

Many of the questions we receive from concerned citizens, practitioners, and elected officials are contained in the section "Frequently Asked Question about the City Budget". This is a good first place to start for general information about the budget. Each section begins with a question (printed in bold) followed by a brief answer. You may also be directed to another area in the budget where more information is available.

The Budget Process

This section provides information about how the budget is put together. It identifies and describes all the budget 'actors' and their roles as well as the six phases of the budget process.

2005 Budget Summary

In this part of the budget, you can find broad information about the major revenue sources upon which the city relies. The appropriations are also summarized by fund. If you are interested in whether a particular fund meets its minimum fund balance requirements, you need to look in this section. This section also contains a listing of all planned capital projects and tells you the fund or department where you can find more detailed information about the project.

Financial Policy Summary

Most people will look at this section to view the "Debt Statistics for Fiscal Year 2005." These show how the city complies with the Debt Policy. The financial policies are included because they explain the limitations placed upon the administration and Council when they prepare or approve the budget.

The General Fund (and other fund sections)

These sections provide brief summaries of each department's accomplishments for 2004 and objectives for 2005. They also provide the basic numbers of the budget and performance indicators. These sections are the place to find out how much each department is requesting and what it plans to do with its appropriation. The budgets for each department are broken down into the line items from which they can spend money.

2005 Appropriation Ordinance "Attachment A"

This is a copy of the ordinance that is approved by council to appropriate all the money needed in the budget. It will tell you how much each program receives and the total appropriations from each fund. This is the fastest place to find out general information about how much money is being spent and by which departments.

Notes on the 2005 Operating and Capital Budget

This section provides additional information about specifics in the budget. It provides the particular types of purchases that can be made out of each line item. It's a good section to look at briefly before looking at the various fund sections because it will help you understand what the departments are doing with the money they are requesting.

Glossary

When you come across a term that you do not understand, this section will help you. It includes definitions of most of the terms and acronyms used in the budget.

Frequently Asked Questions about the City Budget

What is a budget and how does the city use it?

The budget document is a one-year plan of what the City of Tallmadge intends to do with the tax dollars it receives. The budget tells the reader what services we plan to provide, how much those services will cost and where the money is coming from to pay for them. It is much more than a set of numbers that only an accountant can understand. The budget briefly describes each department and talks about its goals and objectives for the coming year, and its accomplishments for the current year. The budget is used to prepare the annual appropriation ordinance, which actually establishes how the city will spend its money. Once the appropriation ordinance is adopted, it limits how much money each department can spend during the coming year. The budget is adopted when Council adopts the appropriation ordinance. The appropriations provide the money needed to complete the plans documented in "Attachment A" and outlined in the budget document.

The budget process consists of activities that encompass the development, implementation, and evaluation of the plan established by the budget. The budget process continues even after the budget is adopted. The City continues to monitor how each department is progressing toward its goals and whether it is staying within the spending limits established in the budget. The mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote the community's participation in the process.

What happens if the budget is not adopted?

If Council decides that it does not like the budget submitted by the Mayor it has the option of not adopting the appropriation ordinance. When this happens there is no money available to implement the plans established in the budget document. In this case, the city would be forced to shut down until the Council can adopt an appropriation ordinance. To avoid this drastic outcome, Council adopts a temporary appropriation to permit the government to continue to function while negotiations continue. The temporary appropriation prevents the administration from effectively implementing the plan as presented in the budget but allows each department to continue to operate and provide basic services.

Can the city deviate from the budget?

Yes. However, no department can spend more than Council appropriates it. If a department changes its priorities or suffers an unexpected increase in costs, it can go back to Council and ask for more money. This process is known as a re-appropriation. Essentially, when a re-appropriation is granted, Council agrees to increase the appropriation contained in the budget so the department can continue to operate. If a re-appropriation is not granted, the department head is faced with the tough decision of deciding what must be cut from the department's operating expenses. Minor re-appropriation is usually approved by Council to avoid disrupting the department's operations, but even Council is constrained by the amount of money available.

Where does the money come from?

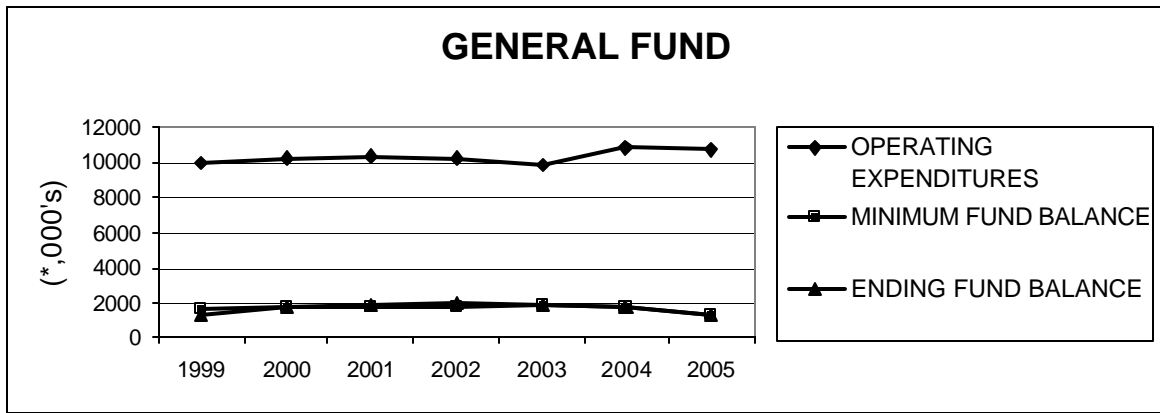
Local taxes are the major source of revenue for the city. These include the 2% income tax and property taxes. The income tax is collected from anyone employed in the city, businesses located in the city, and residents who are taxed less than 2% in the city where they work. However, because of the 100% credit we give for taxes paid to another municipality, many Tallmadge residents don't pay any income tax to the city! In 2005, we expect the income tax to produce approximately \$6.9 million. Every property owner in the city pays property taxes. They are collected by the county and distributed back to the city. In 2005, we expect to receive almost \$2.2 million in property taxes and Local Government Funds. Another big source of revenue for the city is the utility charges for water and sewer services. The city receives more than \$4.2 million from water and sewer charges. These charges are billed to anyone who uses the services provided.

The city also receives money from several other sources. Some taxes are shared with other levels of government. These shared revenues will bring in around \$2,400,000 in 2005. Included within this amount are more minor revenue categories, which includes fees and permits. This source is comprised of the fees charged for various services like Maca Aquatic Center passes, the new Recreation Center as well as those charged for inspections and permits. The city also receives various state and federal grants. The most common grant sources include State Issue 2 funding for infrastructure projects and Community Development Block Grant funding for projects that affect low to moderate-income families.

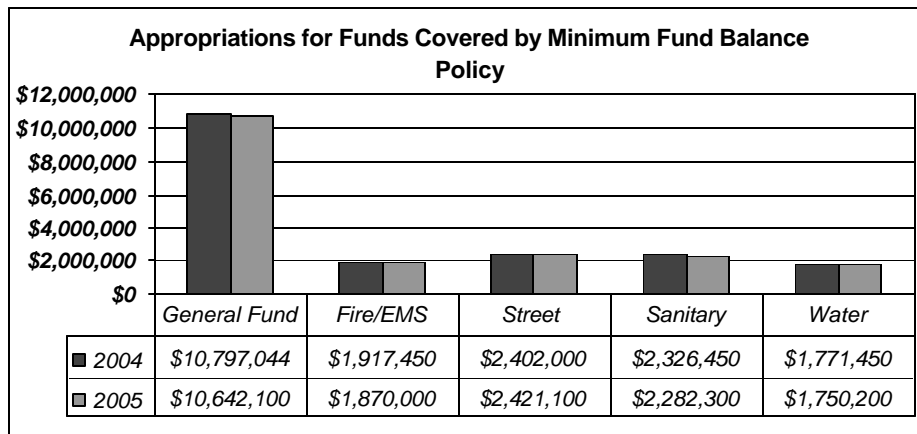
For more information about the city's revenue sources see the 2005 BUDGET SUMMARY.

How does this budget compare to last year's budget?

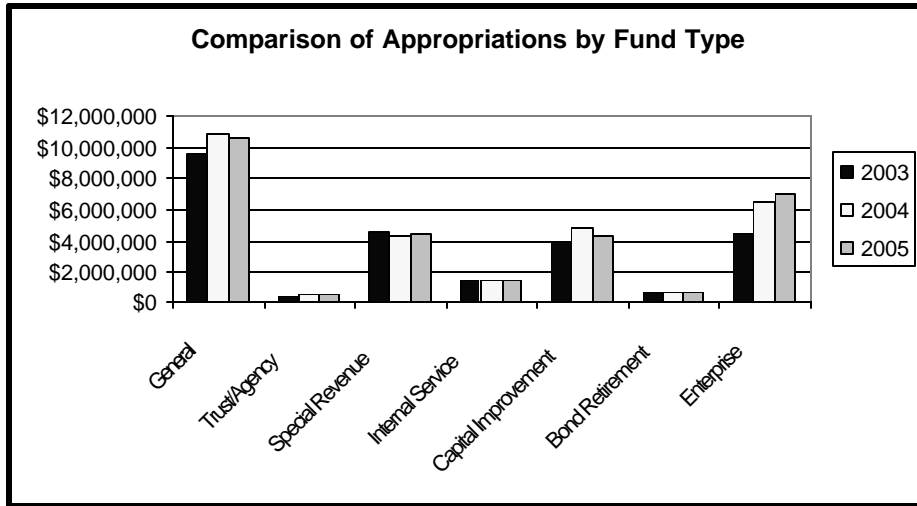
The following graph show a comparison of the 2005 budget as of September 30, 2004, to the prior years appropriations, minimum fund and ending fund balances.



Again this year great effort was made this year to keep spending to a minimum. All funds were maintained at satisfactory levels.



A final graph compares the grand total appropriations for 2003, 2004 and 2005. The increases and decreases in appropriations by the types of funds are apparent. While we have attempted to hold the line or cut back in all areas, due to inflation it is not always possible to keep costs flat. Combine this with the continuation of declining revenues from income tax and you can readily see the scope of the problem which we must deal with annually.



Is the city living within its means?

Yes. The City of Tallmadge has developed several policies to ensure that it continues to live within its means. First, the city developed a Debt Policy that restricts the amount of debt the city can issue. The limits set by the city's policy are more stringent than state standards and are aimed at preventing future debt related problems.

The city has a Minimum Fund Balance Policy. This policy ensures that major funds will maintain a reasonable reserve for future operations in case of natural disaster or loss of income. This policy ensures that the city will be able to continue to provide the services the community expects and deserves while a solution to any unforeseen crisis is implemented.

For more information about the city's financial policies see the FINANCIAL POLICY SUMMARY.

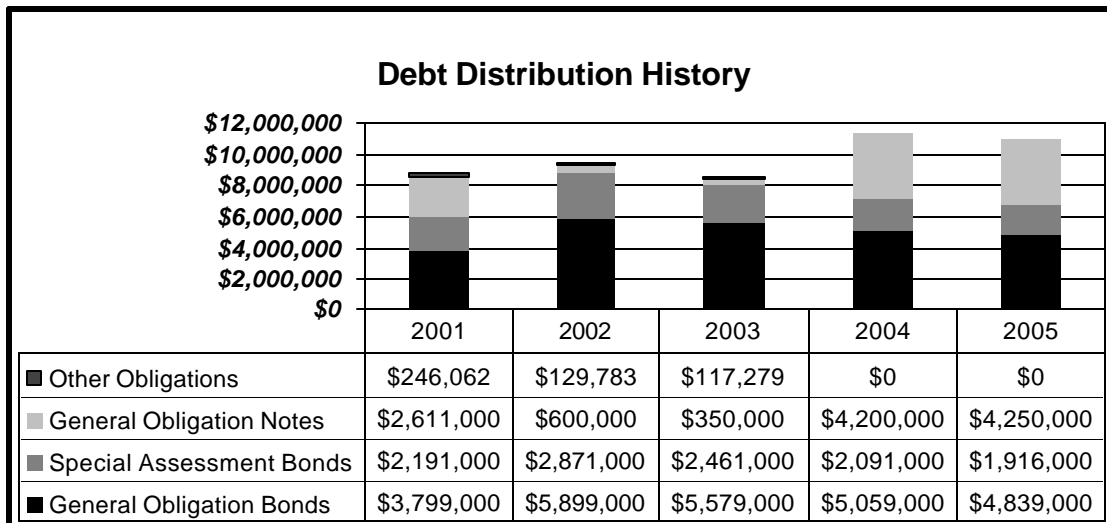
How much debt does the city have?

The following chart shows the Schedule of Indebtedness for 2005. It shows all of the debt currently owed by the city as of January 1, 2005, and that which the city plans to issue in 2005. Total Debt is expected to decrease in 2005.

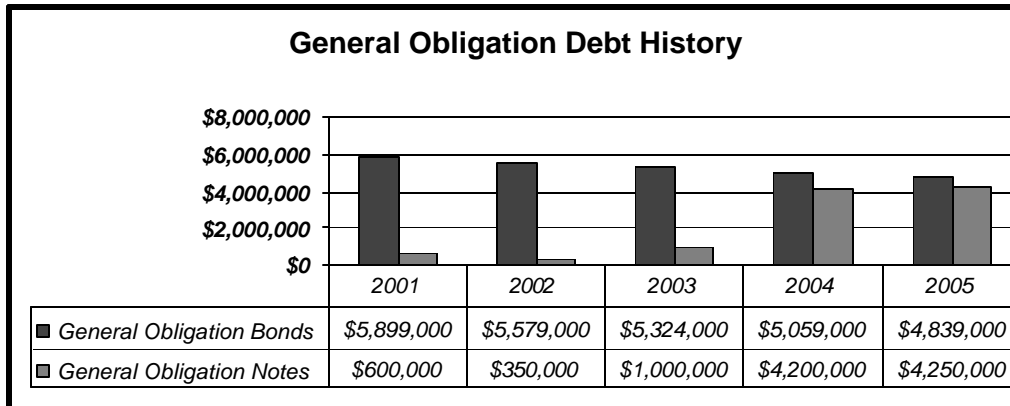
YEAR 2005 SCHEDULE OF INDEBTEDNESS

DESCRIPTION	INT. RATE	PRINCIPAL	PRINCIPAL	PRINCIPAL	PRINCIPAL
		OUTSTANDING	ISSUED	RETIRED	OUTSTANDING
		JAN. 1, 2005	DURING YEAR	DURING YEAR	DEC. 31, 2005
GENERAL OBLIGATION BONDS					
Tallmadge Woods	6.39	\$329,000	\$0	\$40,000	\$289,000
Concrete Street Improvement	6.54	\$860,000	\$0	\$55,000	\$860,000
Storm Water Improvement	5.12	\$1,895,000	\$0	\$95,000	\$1,800,000
City Building Renovation	4.73	\$1,975,000	\$0	\$85,000	\$1,890,000
Total General Obligation Bonds		\$5,059,000	\$0	\$275,000	\$4,839,000
SPECIAL ASSESSMENT BONDS					
SW San. Sewer & Water	6.39	\$191,000	\$0	\$25,000	\$166,000
NW Quad Sanitary Sewer	5.86	\$325,000	\$0	\$20,000	\$305,000
Ernest Drive Water	4.56	\$130,000	\$0	\$30,000	\$100,000
West Avenue	6.00	\$945,000	\$0	\$35,000	\$910,000
Elm/Ferg Waterline	4.73	\$315,000	\$0	\$40,000	\$275,000
Parker Lane Waterline	4.73	\$185,000	\$0	\$25,000	\$160,000
Total Special Assessment Bonds		\$2,091,000	\$0	\$175,000	\$1,916,000
GENERAL OBLIGATION NOTES					
Recreation Center 2004	1.75	\$4,200,000	\$0	\$4,200,000	\$0
Recreation Center 2005			\$3,700,000		\$3,700,000
Storm Sewer Improvement			\$550,000	\$0	\$550,000
Total General Obligation Notes		\$4,200,000	\$4,250,000	\$4,200,000	\$4,250,000
GENERAL OBLIGATION CAPITAL LEASE					
Total General Obligation Capital Lease		\$0	\$0	\$0	\$0
GRAND TOTAL		\$11,350,000	\$4,250,000	\$4,650,000	\$11,005,000

The following graph shows the city's debt history and how the debt was distributed by type. Debt levels have increased in recent years due to the aggressive capital projects investments we have undertaken. Among those are the reinvestment in our city hall and the Community Center. Some is attributable to debt on waterlines (approximately \$1.1 million) was converted to special assessment debt in 2001. General Obligation Bonds decreased once again for the third consecutive year. The increase in General Obligation Notes in 2005 is slightly above last years level. This is due to rolling the short-term debt of the new Recreation Center into a note instead of placing it into a bond.



In addition to looking at the city's total debt, it is very important to look at the city's General Obligation Debt. General Obligation Debt is the amount of money the city has pledged to pay back using tax dollars. In other words, the city agrees to use its general taxing powers to ensure that it will repay this debt. Those people being assessed for the project will repay special assessment debt. For example, if a new waterline is placed in front of your house, an assessment to pay for the waterline is added to your property tax. That income is then pledged to repay the debt used to install the waterline.



For more information about the city's debt status see the DEBT POLICY.

How do the city's taxes compare to other communities in Summit and Portage counties?

The city collects a municipal income tax and property tax. The 2% income tax is administered by the city. The county administers the property tax. Total millage for Tallmadge residents is 85.780 mills. Of this, 6.15 mills are used for municipal purposes. The balance goes to the counties, schools and library.

Including Tallmadge, there are 29 municipalities in Summit and Portage counties (see Notes on the 2005 Operating Budget for a complete list). Of those communities, one (1) has a 2.25 % rate, 13 including Tallmadge, have a 2% income tax. Fifteen have an income tax lower than 2%. All of the 29 communities also collect a property tax for municipal purposes. Of those, 15 levy more property taxes for municipal purposes than Tallmadge does.

What are the most expensive departments?

The most expensive department to operate in the city is the police department. Approximately one-third of the city's full-time employees work for the police department. It is one of only two departments that regularly operate on a 24-hour schedule. The other department that operates on a 24-hour schedule is the fire department. The fire department is also one of the most expensive departments to operate.

The second most expensive department is the water department. It is expensive because it purchases all the water used in the city. The department then bills each resident for the amount of water used. The department also has a lot of special equipment including trucks, backhoes and water pipes that escalate the total cost of running the department.

Why are there so many funds and why doesn't the city just move the money to where it's needed rather than worrying about which fund it is in?

Fund accounting was created to protect the taxpayers. Before fund accounting, the government was allowed to tax people for some worthy cause like road maintenance and then spend the

revenue on whatever it wanted. Understandably, people became upset when they were paying for good roads but the money was being used for something else. With fund accounting, revenue supports the fund with the purpose for which the voters approved the revenue. For this reason, when the people of Tallmadge voted to adopt a Fire and EMS levy, the money we receive from that levy can only go to pay for Fire and EMS services!

One of the reasons we establish so many funds is because we have many revenue sources that are designated for specific purposes. In addition, some projects are so large that we need to establish a fund to accurately track how much the project costs and make sure we don't spend more than Council has approved for the project. As a general rule, however, the city tries to keep the number of funds to a minimum. Therefore, when a project is completed or discontinued, we will eliminate the fund, if we can, so the money is available for other uses.

What is the difference between the "Alternative Tax Budget", the "Budget" and the "Annual Exhibit A"?

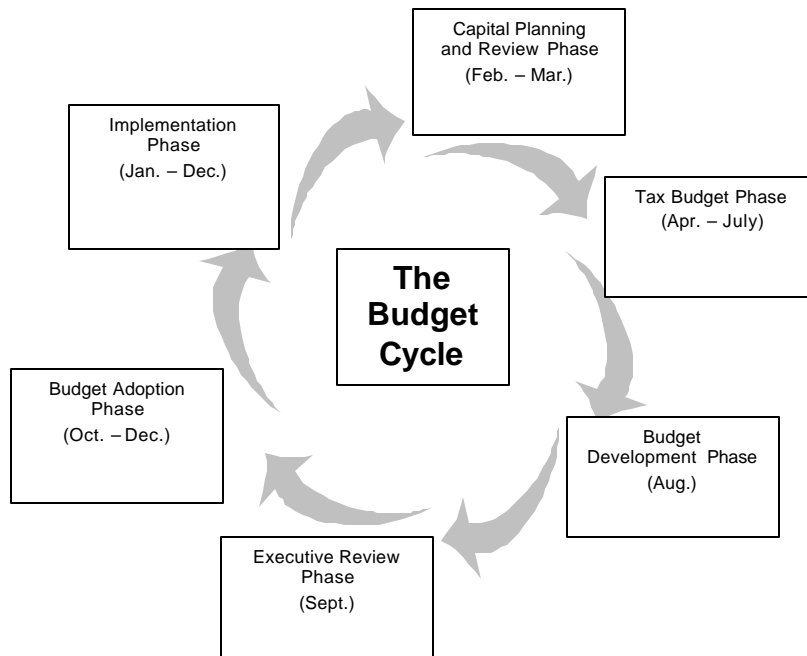
The "Alternative Tax Budget" is prepared in the spring of each year and is submitted to the county budget commissions by the end of July. It serves as the legal justification for the tax levies being collected by the City of Tallmadge. It does not appropriate any money. The revenue figures used in the Alternative Tax Budget are the basis for the revenue figures used in the final budget.

The "Budget" shows the city administration's planned expenditures for the coming year. It justifies the appropriation requests that Council must adopt for the city to continue to function. It also provides valuable background information for Council and the community to understand goals, constraints and challenges facing each department and the city as a whole.

The "Annual Exhibit A" is the culmination of the budget effort. It is the document Council adopts to authorize the administration to spend money and implement its plan for the coming year. The Alternative Tax Budget justifies the revenue amounts needed to fund the "Budget," which justifies the appropriations Council adopts in the Ordinance which adopts the Annual Exhibit A.

The Budget Process

The budget process is a key component in developing the city's long and short-term strategic plans. The process helps the city's elected officials make informed choices about the level of services and capital needs to provide. The process of preparing for the next year's budget begins in February of each year. The process consists of six phases that progress from the early planning phases to final implementation. These six phases guide city officials through the important process of establishing broad goals, developing approaches and a budget to achieve these goals, and, finally, evaluating how well the city is achieving those goals.



Budget Roles and Responsibilities

The budget process is the one project that requires the cooperation of all city employees. A successful budget relies upon quality input from department heads and tough funding choices from the council and administration. Actual budget responsibilities specifically include:

Department Supervisors – Each department supervisor is responsible for submitting their department objectives for the budget year, their department achievements for the current year and performance measurement information. In addition, they must submit accurate department requests that will fully fund their objectives while staying within overall budget limitations.

Capital Projects Committee – This committee includes the Mayor, Director of Finance, Director of Administration, Director of Public Service, Assistant Director of Public Service, Economic Developer and City Engineer. The committee meets to discuss capital project requests and monitors progress on capital projects throughout the year.

Department of Administration – This department prepares the budget document for the Mayor. It coordinates the budget process and participates in budget monitoring. All personnel related expenses are calculated by Human Resources, which is part of this department.

Finance Department – This department monitors legal compliance with the approved appropriations.

Mayor – The city charter requires the Mayor to prepare and submit a proposed operating and capital needs budget for each fiscal year.

Council – Council approval is required for all appropriations. It reviews the tentative budget proposed by the Mayor and adopts the final appropriation ordinance funding the budget.

Capital Planning and Review Phase

In February, the City begins its budget process by soliciting updates to the Capital Improvement Plan. This document provides a five-year horizon of anticipated capital projects. Department supervisors provide the updates. Once the capital project requests have been received, the current year project proposals are reviewed by the Capital Projects Committee, which determines whether funding will be requested in the final budget.

This process is completed prior to preparing the Alternative Tax Budget because of the significant impact capital projects have in determining required revenue. The initial listing of capital projects, which are included in the Alternative Tax Budget, are modified as needed in the Executive Review Phase prior to presenting the final budget.

Alternative Tax Budget Phase

The budget process begins in the spring of each year with the development of the Alternative Tax Budget or Legal Budget for the following year. The Alternative Tax Budget is submitted to the county budget commission prior to July 20th each year. The city begins collecting information for this budget in February and March.

The county budget commission certifies the city's revenue projections by September 30. As part of this certification, the city receives the official Certificate of Estimated Resources that states the projected financial resources of each fund. If the city receives more revenue than projected in the Certificate of Estimated Resources it must file for an amended certificate to spend the additional money.

The Alternative Tax Budget does not appropriate any money. It provides the revenue estimates, which impact the final budget presented in the fall.

Budget Development Phase

As the preparation of the Alternative Tax Budget draws to an end, the city begins to prepare for the annual appropriation process. A meeting is held with department heads and supervisors in early July to present the budget calendar and explain the process for submitting operating budget requests. The Capital Projects Committee may also submit additional capital budget requests, which were not included in the Alternative Tax Budget, for review.

Executive Review Phase

Operating Budget requests are due by early September. The Mayor and his administrative officers review each department's requests. They ensure that the administration's goals are being met and that the budget requests do not exceed the amount of money available. A final draft budget is prepared for early October and the appropriation ordinance is requested for the second Council meeting in October.

Budget Adoption Phase

Council reviews the budget for the next two months in open work sessions and at its regularly scheduled meetings. During this period, the Administration may recommend additional changes to the budget that take advantage of current information that was not available earlier. Some examples include the addition or loss of outside funding for a specific project that may affect the city's ability to complete the project. In addition, Council has an opportunity to change the budget

during this period. A public hearing is held at the first Council meeting in December. The appropriation ordinance is adopted at the same meeting if no objections are stated during the public hearing. A final budget document is then printed and distributed in January of the following year. The budget year begins on January 1 of the following year.

Implementation Phase

The city monitors the budget throughout the budget year. The Capital Projects Committee meets regularly to ensure that substantial progress is being made on all capital projects. The Finance Director and the Director of Administration meet monthly to review operating expenditures. The Director of Administration also monitors departmental performance and completion of stated goals.

The budget may be amended through a re-appropriation process. Adjustments to the capital or operating appropriations are recommended as needed and approved by Council. This enables the city to take advantage of situations that were not predicted during the budget process. If Council denies any re-appropriation, then the department is required to make adjustments to its planned spending and remain within its original appropriation.

2005 Budget Summary

Budget Requirements and Basis of Accounting

The budget is prepared using a cash and encumbrance basis. For purposes of financial reporting, the figures are converted to accrual or modified accrual basis in order to meet GAAP standards at the time financial reports are prepared. The budget is subject to amendment throughout the year as new information becomes available or program goals and objectives are amended. All approved appropriations must be within the estimated resources certified by the County Budget Commission. If additional resources become available, the city must apply for an amended certificate in order to appropriate these additional funds.

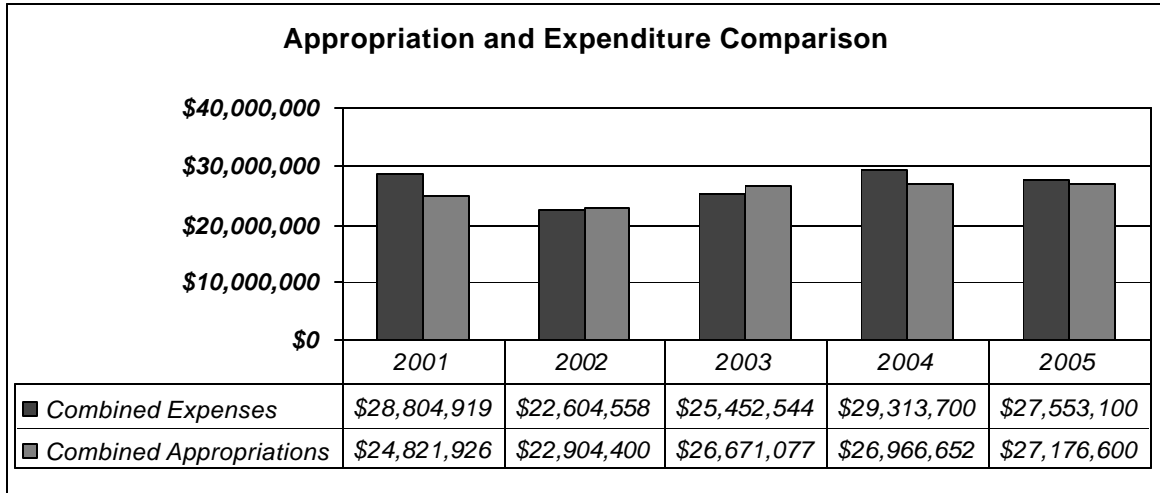
The initial level of budgetary control is established at the program level within the General Fund and at the fund level for most other funds of the City. Departments can set aside portions of their appropriation through encumbrances. These provide a level of control to ensure that no department expends more than it was appropriated.

The beginning fund balances reported in the budget are the projected cash funding balances. We project anticipated revenue on a cash basis, therefore, this only includes money we anticipate receiving in the coming year. The total of the unencumbered fund balance and the anticipated revenues represents the amount of money we anticipate will be available for current appropriations.

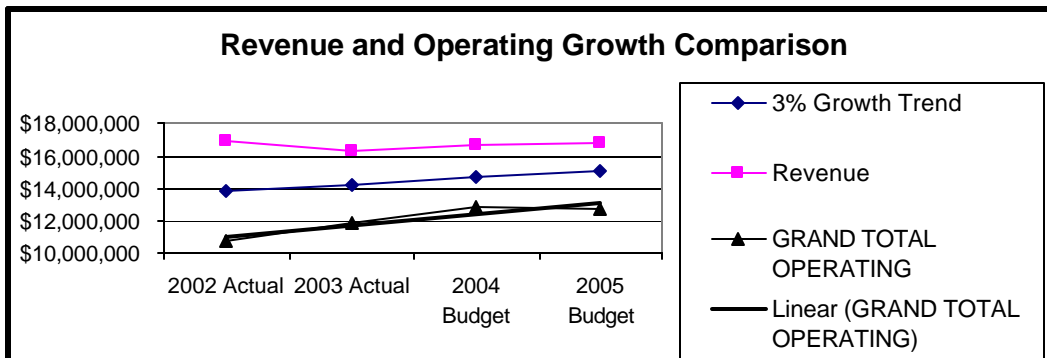
Appropriations are based upon those we anticipate for the coming year. Amounts encumbered from the current year are not included in the amount appropriated in this budget since they are reserved from the spending authority granted during the current year. Amounts expended in prior years, where provided, include any money actually spent during the stated year

Appropriation and Expenditure History

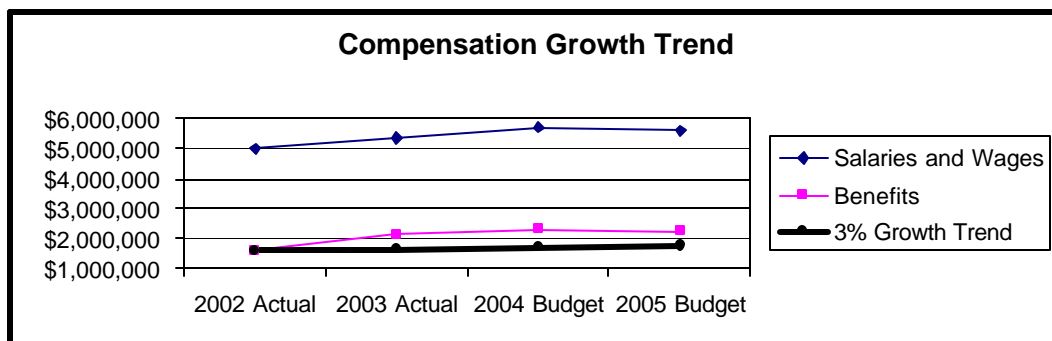
This graph shows how combined expenses have compared to combined appropriations. Combined figures include amounts encumbered from the prior year's appropriation that are spent during the current year. The figures for 2004 and 2005 are estimated. Combined expenses have decreased by 4.35% between 2001 and 2005. This is due to the city being forced to do more with less since our revenues have decreased in recent years.



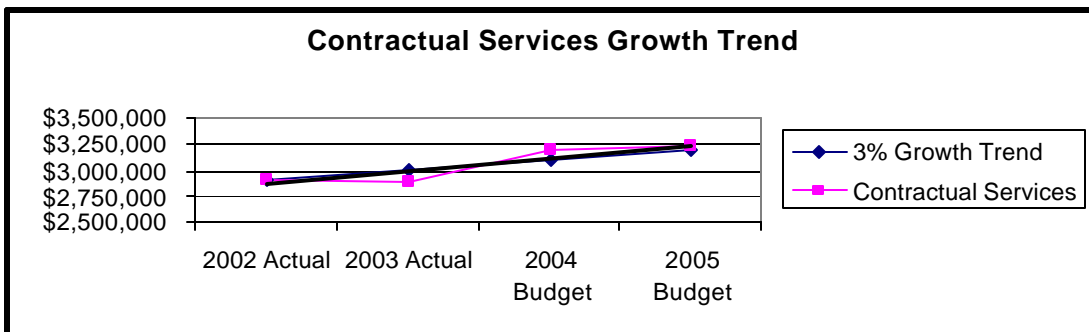
The next four graphs display the comparisons of total budget growth trends. Income Tax revenues have declined in recent times forcing the city to become somewhat conservative in its expenditures of operating costs. The Income Tax law guides the amount of money the city should spend on capital and recreation related costs. This trend has caused the city to be very cost conscious in controlling its operational costs.



The next graph shows overall compensation growth in relation to a 3% growth trend.



In order to curb the effects of compensation on the overall growth rate of operating expenses, the administration has closely regulated other operating expenses. This is apparent in the flat growth rate of contractual services. This area has been subject to intense scrutiny by Council and the administration because of its susceptibility to abuse.



The final chart displays the position counts for the current and budget years.

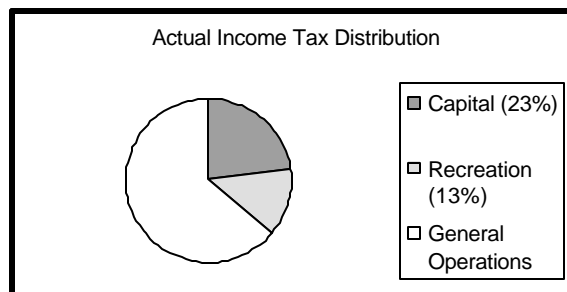
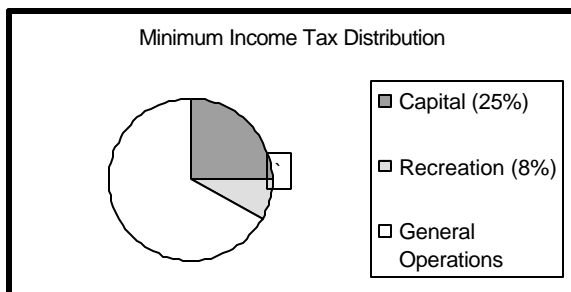
	2002	2003	2004	2005
Number of Full-time Employees	113	113	111	112
Number of Part-time Employees	134	156	182	182

Revenue Summary

Income Tax

The income tax remains the primary revenue source for the city's General Fund. It is collected and administered by the Treasurer's Office. For 2005, the city is expecting little improvement in income tax revenue. In 2005, the city expects income tax revenue of \$6,900,000.

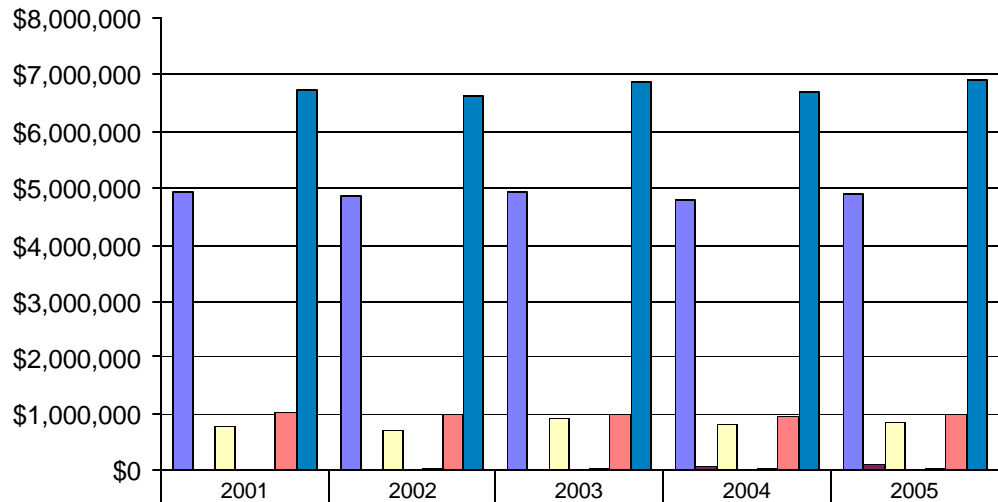
The income tax revenue funds all capital expenditures (23%) and park and recreation expenditures (8%). The balance of the revenue from the income tax is used for general operations. In November of 2004, our citizens voted to make the city income tax a permanent Income Tax.



Based upon the anticipated income tax revenue figures, the budget should have included at least \$1,655,500 in capital appropriations and \$560,000 in recreation appropriations supported by the General Fund. 2005 capital appropriations supported by the General Fund are approximately \$1,595,600. These include all General Fund capital items plus General Fund transfers for capital

items in other funds. The reason for not allocating 25% for capital items is due to the flat income tax revenues. 2005 Parks and Recreation appropriations are approximately \$890,700. These include all non-capital expenses in Leisure Time Activities plus Street Maintenance and Repair Fund appropriations for Park Maintenance that are supported by General Fund transfers.

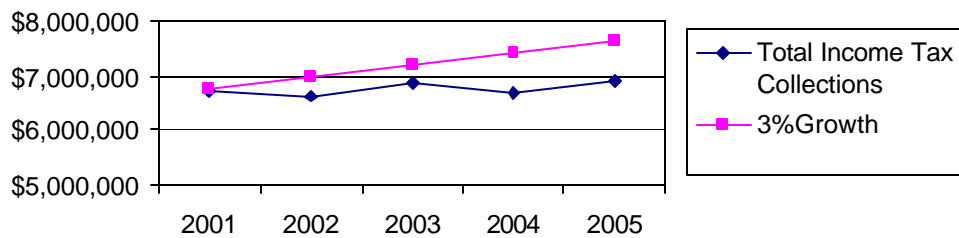
Income Tax Source Distribution



	2001	2002	2003	2004	2005
Withholding Tallmadge	\$4,945,590	\$4,873,435	\$4,931,204	\$4,778,505	\$4,897,968
Withholding Brimfield	\$0	\$0	\$0	\$81,644	\$122,466
Business Tallmadge	\$771,159	\$722,142	\$912,822	\$810,446	\$830,707
Business Brimfield	\$0	\$0	\$0	\$10,581	\$15,872
Income Tax Electric Utility	\$0	\$17,934	\$46,924	\$48,479	\$49,691
Individual Tallmadge	\$1,007,635	\$1,004,066	\$975,582	\$959,188	\$983,167
Total Income Tax Collections	\$6,724,384	\$6,617,577	\$6,866,532	\$6,688,842	\$6,899,870

Note: Total Income Tax Collections do not include Brimfield Taxes.

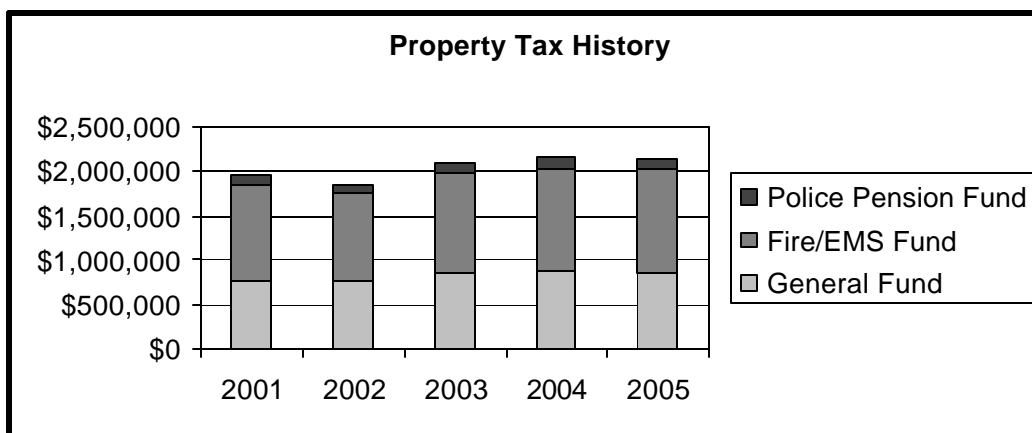
5 Year Income Tax Collection Trend



Property Tax

Unlike the Income Tax, Property Taxes are collected and administered by the county. Summit County collects the majority of the city's property tax and distributes it to the city throughout the year.

The property tax provides revenue for several funds within the city. Total property tax revenue for the city is projected at \$2,147,200. This total is divided among the General Fund, the Fire and EMS Fund, and the Police Pension Fund. The estimated property tax revenue for the General Fund is approximately \$856,100. The estimated property tax revenue for the Fire and EMS Fund is approximately \$1,170,400. The estimated property tax revenue for the Police Pension Fund is approximately \$120,700. The increase in revenue from property tax is due to an increase in the total number of housing units in the City of Tallmadge. The Police Pension Fund is supported by the city's portion of the 10 mill "inside millage" that grows with property values. In Ohio, all millage greater than 10 mills must be approved by the voters and is subject to a rollback to prevent inflationary growth in taxes.



Appropriation Summary

For 2005, the city departments will once again be required to review all of their expenses. This process continues to promote manager responsibility and accountability for the appropriations requested. All city departments continue to provide a satisfactory level of service even though they have fewer resources.

Five funds are required to maintain a minimum fund balance. They are the General Fund, Fire/EMS Fund, Street Maintenance and Repair Fund, Sanitary Sewer Operating Fund and the Water Operating Fund. For these funds, the minimum fund balance is included for comparison to the anticipated fund balance.

SPECIAL REVENUE FUNDS
ANTICIPATED REVENUE, APPROPRIATIONS AND CHANGES IN FUND BALANCE

FIRE/EMS FUND #202

Revenue:

Local Taxes	\$ 1,200,000
Ambulance Proceeds	\$ 320,000
Transfer from Interest	\$ 700
Transfer from General Fund	\$ 431,000
Other Financing Sources	\$ -
Anticipated Revenue:	\$ 1,951,700

Appropriations:

Fire Operating	\$ 1,870,000
Total Appropriations:	\$ 1,870,000

Projected Beginning Fund Balance:	\$ 44,100
Change in Fund Balance:	\$ 81,700
Anticipated Fund Balance:	\$ 125,800
 Minimum Fund Balance:	 \$ 122,145

FIRE/EMS CAPITAL FUND #203

Revenue:

Transfer from Interest	\$ 500
Transfer from General Fund	\$ -
Transfer from Fire/EMS Fund	\$ 2,000
Anticipated Revenue:	\$ 2,500

Appropriations:	\$ 50,000
------------------------	-----------

Total Appropriations:	\$ 50,000
-----------------------	-----------

Projected Beginning Fund Balance:	\$ 49,400
Change in Fund Balance:	\$ (47,500)
Anticipated Fund Balance:	\$ 1,900

STATE HIGHWAY FUND #206

Revenue:

Motor Vehicle License Tax	\$ 13,500
Gasoline Tax	\$ 35,200
Transfer from Interest	\$ 200
Anticipated Revenue:	\$ 48,900

Total Appropriations:	\$ 55,400
------------------------------	-----------

Projected beginning fund balance	\$ 19,100
Change in fund balance	\$ (6,500)
Anticipated fund balance	\$ 12,600

STREET MAINTENANCE AND REPAIR FUND #207

Revenue:

Motor Vehicle License Tax	\$	156,200
Auto Registration Permissive Tax	\$	47,500
Gasoline Tax	\$	453,800
Miscellaneous	\$	64,800
Interest	\$	600
Transfer from General Fund	\$	1,681,900
Anticipate Revenue:	\$	<u>2,404,800</u>

Appropriations:

Cemetery	\$	70,800
Park Maintenance	\$	283,400
Street Maintenance	\$	1,458,500
SMR Capital Projects/Road Program	\$	608,400
Total Appropriations:	\$	<u>2,421,100</u>

Projected Beginning Fund Balance:	\$	186,600
Change in Fund Balance:	\$	<u>(16,300)</u>
Anticipated Fund Balance:	\$	170,300
Minimum Fund Balance:	\$	154,080

COMMUNITY DEVELOPMENT FUND #210

Revenue:

Community Development Block Grant	\$	<u>30,000</u>
Anticipated Revenue:	\$	30,000

Appropriations:

Total Appropriations:	\$	30,000
------------------------------	----	--------

Projected Beginning Fund Balance:	\$	6,600
Change in Fund Balance:	\$	<u>-</u>
Anticipated Fund Balance:	\$	6,600

ALCOHOL ENF. & EDUCATION FUND #212

Anticipated Revenue:	\$	2,100
----------------------	----	-------

Total Appropriations:	\$	1,100
------------------------------	----	-------

Projected Beginning Fund Balance:	\$	3,800
Change in Fund Balance:	\$	<u>1,000</u>
Anticipated Fund Balance:	\$	4,800

LAW ENFORCEMENT FUND #292

Anticipated Revenue:	\$	1,200
Total Appropriations:	\$	2,400
Projected Beginning Fund Balance:	\$	8,900
Change in Fund Balance:	\$	<u>(1,200)</u>
Anticipated Fund Balance:	\$	7,700

DRUG LAW ENFORCEMENT FUND #293

Anticipated Revenue:	\$	3,200
Total Appropriations:	\$	3,700
Projected Beginning Fund Balance:	\$	19,400
Change in Fund Balance:	\$	<u>(500)</u>
Anticipated Fund Balance:	\$	18,900

CAPITAL IMPROVEMENT FUNDS

ANTICIPATED REVENUE, APPROPRIATIONS AND CHANGES IN FUND BALANCE

RECREATION CENTER FUND #318

Revenue:		
Transfer from General Fund	\$	300,000
Note Issuance	\$	4,000,000
Pledges	\$	<u>75,000</u>
Anticipated Revenue:	\$	4,375,000
Total Appropriations:	\$	4,313,300
Projected Beginning Fund Balance:	\$	48,100
Change in Fund Balance:	\$	<u>61,700</u>
Anticipated Fund Balance:	\$	109,800

GENERAL INFRASTRUCTURE RESERVE FUND #319

Revenue:		
Transfer from Interest	\$	-
Transfer from General Fund	\$	-
Anticipated Revenue:	\$	-
Total Appropriations:	\$	50,000
Projected Beginning Fund Balance:	\$	111,100
Change in Fund Balance:	\$	<u>(50,000)</u>
Anticipated Fund Balance:	\$	61,100

NORTHEAST AVE PROJECT #320

Revenue:		
Transfer from General Fund	\$	-
Grant Revenue	\$	-
County Permissive Revenue	\$	142,300
Anticipated Revenue:	\$	142,300
Total Appropriations:	\$	142,300
Projected Beginning Fund Balance:	\$	-
Change in Fund Balance:	\$	<u>-</u>
Anticipated Fund Balance:	\$	-

NORTHWEST AVE PROJECT #321

Revenue:		
County Permissive Revenue	\$	175,000
Anticipated Revenue:	\$	175,000
Total Appropriations:	\$	175,000
Projected Beginning Fund Balance:	\$	-
Change in Fund Balance:	\$	<u>-</u>
Anticipated Fund Balance:	\$	-

BOND RETIREMENT FUND
ANTICIPATED REVENUE, APPROPRIATIONS AND CHANGES IN FUND BALANCE

BOND RETIREMENT FUND #420

Revenue:	
Transfer from General Fund	\$ 552,000
Special Assessments	\$ 91,600
Anticipated Revenue:	\$ 643,600
 Total Appropriations:	 \$ 671,900
 Projected Beginning Fund Balance:	 \$ 36,600
Change in Fund Balance:	\$ (28,300)
Anticipated Fund Balance:	\$ 8,300

ENTERPRISE AND SPECIAL ASSESSMENT FUNDS
ANTICIPATED REVENUE, APPROPRIATIONS AND CHANGES IN FUND BALANCE

SANITARY SEWER INFRASTRUCTURE FUND #517

Revenue:	
Sewer Infrastructure Fees	\$ 122,400
Transfer from Interest	\$ 4,400
Anticipated Revenue:	\$ 126,800
 Total Appropriations:	 \$ 102,500
 Projected Beginning Fund Balance:	 \$ 530,600
Change in Fund Balance:	\$ 24,300
Anticipated Fund Balance:	\$ 554,900

WATER OPERATING INFRASTRUCTURE FUND #518

Revenue:	
Water Infrastructure Revenue	\$ 95,395
Transfer from Interest	\$ 1,600
Anticipated Revenue:	\$ 96,995
 Total Appropriations:	 \$ 37,500
 Projected Beginning Fund Balance:	 \$ 427,200
Change in Fund Balance:	\$ 59,495
Anticipated Fund Balance:	\$ 486,695

SANITARY SEWER OPERATING FUND #571

Revenue:		
Sewer Rental	\$	2,040,000
Transfer from Interest	\$	32,600
Misc.	\$	14,400
Assessments	\$	157,900
Total Anticipated Revenue:	\$	2,244,900
Total Appropriations:	\$	2,282,300
Projected Beginning Fund Balance:	\$	3,223,100
Change in Fund Balance:	\$	(37,400)
Anticipated Fund Balance:	\$	3,185,700
Minimum Fund Balance:	\$	536,075

WATER OPERATING FUND #572

Revenue:		
Sale of Water	\$	1,498,310
Assessments	\$	145,000
Installations	\$	87,600
Miscellaneous	\$	4,000
Transfer from Interest	\$	7,000
Anticipated Revenue:	\$	1,741,910
Total Appropriations:	\$	1,750,200
Projected Beginning Fund Balance:	\$	1,167,300
Change in Fund Balance:	\$	(8,290)
Anticipated Fund Balance:	\$	1,159,010
Minimum Fund Balance:	\$	433,350

Storm Sewer Fund #573

Revenue:		
Revenue from Sale of Note	\$	550,000
User Fees	\$	-
Transfer from General Fund	\$	60,000
Anticipated Revenue:	\$	610,000
Total Appropriations:	\$	610,000
Projected Beginning Fund Balance:	\$	-
Change in Fund Balance:	\$	-
Anticipated Fund Balance:	\$	-

INTERNAL SERVICE FUNDS
ANTICIPATED REVENUE, APPROPRIATIONS AND CHANGES IN FUND BALANCE

INVESTMENT INTEREST FUND #681

Anticipated Revenue:	\$	110,000
 Total Appropriations:	 \$	 110,000
Community Center	\$	-
Change in Fund Balance:	\$	-
Anticipated Fund Balance:	\$	-

SELF INSURANCE FUND #683

Employee Contributions	\$	-
Internal Charges	\$	1,555,800
Stop/Loss Refunds	\$	103,400
Anticipated Revenue:	\$	1,659,200
 Total Appropriations:	 \$	 1,231,600
Projected Beginning Fund Balance:	\$	316,100
Change in Fund Balance:	\$	427,600
Anticipated Fund Balance:	\$	743,700

TRUST AND AGENCY FUNDS

ANTICIPATED REVENUE, APPROPRIATIONS AND CHANGES IN FUND BALANCE

Water Fund

EMS & FIRE DONATION FUND #791

Anticipated Revenue:	\$	3,000
 Total Appropriations:	 \$	 4,000
Projected Beginning Fund Balance:	\$	4,100
Change in Fund Balance:	\$	(1,000)
Anticipated Fund Balance:	\$	3,100

POLICE PENSION FUND #794

Revenue:	
Local Taxes	\$ 112,400
Transfer from General	\$ 145,000
Anticipated Revenue:	<u>\$ 257,400</u>
Total Appropriations:	\$ 255,600
Projected Beginning Fund Balance:	\$ 22,900
Change in Fund Balance:	<u>\$ 1,800</u>
Anticipated Fund Balance:	\$ 24,700

RICHARDSON TRUST FUND #795

Revenue:	
Transfer from Interest	\$ 700
Anticipated Revenue:	<u>\$ 700</u>
Total Appropriations:	\$ 1,600
Projected Beginning Fund Balance:	\$ 37,500
Change in Fund Balance:	<u>\$ (900)</u>
Anticipated Fund Balance:	\$ 36,600

REVOLVING TRUST FUND #797

Revenue:	
Performance Bonds	\$ 157,869
Anticipated Revenue:	<u>\$ 157,869</u>
Total Appropriations:	\$ 238,000
Projected Beginning Fund Balance:	\$ 150,500
Change in Fund Balance:	<u>\$ (80,131)</u>
Anticipated Fund Balance:	\$ 70,369

**2005 Capital Project Summary
BY PROJECT**

Department	Project Description	Estimated Total Cost of Project	Amount Budgeted for 2005	Paying Fund
Police Department				
	Radio System Replacement	\$ 40,000	\$ 40,000	General
Police Subtotal		\$ 40,000	\$ 40,000	
Recreation				
	New Recreational Facility	\$ 4,200,000	\$ 300,000	General
	Lease Payment	\$ 40,000	\$ 40,000	General
Recreation Subtotal		\$ 4,240,000	\$ 340,000	
Fire Department				
	SCBA Replacement	\$ 80,000	\$ 30,000	Fire Capital
	Squad '05	\$ 145,000	\$ 20,000	Fire Capital
Fire Department Subtotal		\$ 225,000	\$ 50,000	
Road Department				
	2005 Road Program	\$ 600,000	\$ 600,000	SMR
	Northeast Ave Project	\$ 192,300	\$ 142,300	Northeast Fund # 320
	Northwest Ave Project	\$ 175,000	\$ 175,000	Northwest Fund # 321
	Software Purchase	\$ 8,400	\$ 8,400	SMR
Road Department Subtotal		\$ 975,700	\$ 925,700	
Water Department				
	Software Purchase	\$ 8,440	\$ 8,440	Water
Water Department Subtotal		\$8,440	\$8,440	
Water Infrastructure				
	Water Meter Replacement	\$ 10,000	\$ 10,000	Water Infrastructure
	Pumphouse Radio Control System	\$ 12,500	\$ 12,500	Water Infrastructure
Water Infrastructure sub-total		\$ 22,500	\$ 22,500	
Sewer Department				
	Software Purchase	\$ 8,440	\$ 8,440	Sewer
Sewer Department Subtotal		\$ 8,440	\$ 8,440	
Sewer Infrastructure				
	Water Meter Replacement	\$ 10,000	\$ 10,000	Sewer Infrastructure
	Pumphouse Radio Control System	\$ 12,500	\$ 12,500	Sewer Infrastructure
	Sewer Cleaning/Jetting and Televising	\$ 40,000	\$ 40,000	Sewer Infrastructure
	Sewer Pump Replacement	\$ 15,000	\$ 15,000	Sewer Infrastructure
Sewer Infrastructure sub-total		\$ 77,500	\$ 77,500	
Storm Sewer Improvement				
	Misc. Improvements	\$ 60,000	\$ 60,000	Storm Sewer
	Bierce/Evergreen	\$ 300,000	\$ 300,000	Storm Sewer
	Newton	\$ 50,000	\$ 50,000	Storm Sewer
	East/Munroe	\$ 200,000	\$ 200,000	Storm Sewer
Storm Sewer Fund Subtotal		\$ 610,000	\$ 610,000	
Total Capital Projects Requested		\$ 6,207,580	\$ 2,082,580	

COST BY FUND

General Fund	\$380,000
Fire Capital Fund	\$50,000
SMR Fund	\$608,400
General Infrastructure Fund	\$0
Water Infrastructure Fund	\$22,500
Water Fund	\$8,440
Sewer Infrastructure Fund	\$77,500
Sewer Fund	\$8,440
Storm Sewer Fund	\$610,000
Northeast Fund # 320	\$142,300
Northwest Fund # 321	\$175,000
Total Capital Project Requests	\$2,082,580

Financial Policy Summary

The City of Tallmadge has developed three major policies, which impact the 2005 Budget. They are the Minimum Fund Balance Policy, the Debt Policy and the Investment Policy. Council adopted the Minimum Fund Balance Policy in 1998 to protect the financial stability of the community. The Debt Policy was adopted in 1997 to manage the city's debt levels and avoid potential problems resulting from the city's ambitious capital improvement plan. The Investment Policy was originally adopted in 1991 to protect the city from improper investments. The Association of Public Treasurers' United States and Canada certified the city's Investment Policy in 1993.

In addition to the city's major policy documents, the administration supports and adheres to the following general financial policy statements.

The city will strive to decrease its dependence upon property taxes.

The city will use non-recurring revenue on capital projects or equipment requirements that can be terminated without significant disruption to the community and that do not create on-going operating costs.

The city will aggressively pursue external funding of planned projects through private sector grants and intergovernmental sources.

Minimum Fund Balance Policy

PURPOSE:

The purpose of this policy is to take a proactive approach to financial management in the City of Tallmadge. A minimum fund balance policy assists the City in maintaining the security of major operating funds and contributes to the financial stability of the City of Tallmadge by maintaining adequate financial reserves. Also, a minimum fund balance policy will allow the Administration and Council to recognize warning indicators of financial stress at an early date.

POLICY:

At the time of budget preparation, annual appropriations shall be adjusted to ensure that the Anticipated Fund Balance is greater than or equal to the Minimum Fund Balance as described in the scope of this policy.

SCOPE:

This Policy applies to all Major Funds used by the City. Funds are categorized as follows:

Category 1: The fund has more than \$100,000 in operating appropriations and receives no more than 10% of revenue from transfers, *OR*

Category 2: The fund has more than \$1.0 million in operating appropriations.

Category 3: Those funds created for the sole purpose of a capital project whether a general fund or enterprise fund, internal service funds, and trust and agency funds

Funds in Category 1 have significant own source revenues and therefore should be required to carry a minimum fund balance of 25% of operating appropriations. Category 1 funds are major funds and include: General Fund, Sanitary Sewer Operating Fund, and Water Operating Fund.

Funds in Category 2 rely heavily on operating transfers and therefore should be required to carry a smaller minimum fund balance of 8.5% of operating appropriations. Category 2 funds are major funds and include: Fire/EMS Fund and Street Maintenance and Repair Fund.

Funds in Category 3 are excluded from having major fund status even if they satisfy the criteria for the above two categories.

All other funds are considered minor funds and are not required to maintain a minimum fund balance. Funds may be recategorized as needed if they meet the requirements for Category 1, 2, or 3 at a future date.

APPLICATION:

The anticipated fund balance will be calculated at the time of budget preparation. Anticipated fund balance will be calculated taking the budget year's projected beginning fund balance less operating appropriations plus anticipated revenue. The resulting fund balance must comply to the minimum fund balances established in the scope of this policy.

This policy will be applied to the proposed annual operating budget of the City and the capital needs budget of the City prior to presenting the budgets to Council. Any changes in the budgets made by Council must also comply with the restrictions established in this policy prior to the adoption of the annual appropriation ordinance.

MONITORING:

Fund Balances will be monitored on a month to month basis and a projected balance will be calculated. Monitoring projections will be based upon trend data from the past five years. The fund balance may fall below the minimum level due to current operations or emergencies. However, corrective action will be taken in the next annual budget to either reduce appropriations or increase revenue to return the fund balance to compliance with this policy.

COMPLIANCE:

If during appropriation discussions the Administration and/or Council determines the City cannot meet the requirements of this policy, then they will include in the annual appropriations ordinance a concise statement explaining the decision to waive the policy. The statement should include the present financial status of the city, a specified timetable for returning to the policy, and reason(s) given for overriding the policy.

Debt Policy

1. PURPOSE OF DEBT

The purpose of long-term debt will only be to finance capital projects or capital items as determined. Long-term debt shall not be issued to finance current operations or routine maintenance of the City.

2. LEGAL AND REGULATORY REQUIREMENTS

The Finance Director of the City with assistance from the Law Director shall be responsible for establishing a solicitation and selection process for securing professional services that are required for the issuance of all the City's indebtedness. The goals of the selection process shall include encouraging participation at competitive rates from qualified service professionals.

A. Bond Counsel. The Law Director and Director of Finance will coordinate their activities to ensure that all securities are issued in the most cost-effective manner. The Law Director and the Director of Finance shall select the bond counsel for bond issues for the City. Bond Counsel will render a legal opinion that all securities issued are in compliance with all laws in regards to the issuance of each security.

B. Paying Agent. The Finance Director shall solicit proposals periodically for paying agent services from qualified commercial and trustee banks to insure those services are provided at a competitive rate.

The Director of Finance and Law Director shall coordinate their activities to ensure that all securities are issued in compliance with the City's governing statutes and any State and Federal regulations which would apply.

3. CAPITAL IMPROVEMENT PROGRAM PLANNING

The City of Tallmadge will develop annually a capital improvement plan, which will include a listing of projects for future consideration. This plan shall include those projects, which merit consideration over the next five fiscal years identifying the preferred funding source(s). The capital plan shall also include all the capital equipment and facilities with a useful life of greater than (5) five years.

The Mayor shall establish a capital projects committee. The Committee will adopt formal ranking criteria that will be used in the evaluation of capital project requests.

4. USEFUL LIFE FOR IMPROVEMENTS

The Director of Finance shall incorporate an estimate of the useful life of proposed capital improvements in developing an amortization schedule for each bond issue.

Debt shall not be issued for a period greater than the estimated useful life of the capital facility or project. The City has the option to issue debt for a shorter period of time if it is deemed appropriate.

5. FINANCING ALTERNATIVES

The City of Tallmadge whenever possible will seek grants, with the assistance of the Economic Developer, to finance capital improvements, including but not limited to State and Federal Grants, OWDA, Issue 2, etc. The Director of Finance will investigate the financing alternatives including, but not limited to Bond Anticipation Notes (BAN), Bonds, revenue Bonds, State Loans, assessments and municipal leasing.

The City will consider, as an alternative, pay-as-you-go financing on all capital projects in order to keep debt manageable in future years. Funding all or a portion of capital projects must be considered against the current revenues so as not to create undue demands on the operating budget.

6. METHOD OF SALE

As part of the responsibility to oversee and coordinate the marketing of all City indebtedness the Director of Finance will consult when necessary with qualified providers in determining the best method of sale for the City.

The Director of Finance prefers to use competitive sales as the primary means of selling notes. However, a negotiated sale is appropriate if it is determined that such a method will produce better results for the City. The negotiated sale is preferred in the issuance of bonds due to the complexity of the issue, the volatility of the market, or other overriding factors.

7. RATING AGENCY APPLICATIONS

The City of Tallmadge will report on an annual basis all financial information to the State Information Depository and agencies required by the State regulations and all applicable disclosure laws. This information will include the City's Comprehensive Annual Financial Report (CAFR). The City will seek a rating by a rating agency as to determine the relative credit worthiness at the time it is deemed appropriate and necessary.

8. DISCLOSURE

The City acknowledges the responsibilities of the underwriting community and pledges to make all reasonable efforts to assist those in complying with SEC (Securities and Exchange Commission) Rules and MSRB (Municipal Securities Rulemaking Board) Rules.

The Director of Finance will provide a copy of the City's CAFR upon request and will disseminate other information that is deemed necessary and pertinent to the market in a timely manner.

9. SELECTION OF BOND TYPE/STRUCTURE

The City of Tallmadge will limit the term of bonded debt to not exceed the estimated useful life of the capital item or project. In addition, legislative authority will be necessary to provide authority

for the issuance of all debt instruments, including lease arrangements or alternative methods of financing.

The City will limit the term of lease purchase or alternative methods of financing for capital projects or items not to exceed the estimated useful life of the item or project. Lease purchase or alternative methods of financing will be undertaken only when the project or item is considered to be essential to the needs of the citizens and the operations of the City.

The City may sponsor conduit financing for those activities (i.e. economic development, housing, health, etc.) that have a general public purpose and are consistent with the City's overall policy objectives.

The City shall encourage that all conduit securities issued shall clearly describe the source of repayment. All conduit financing must insulate the City completely from any credit risk or exposure and must be approved by City Council.

The City shall obtain a clear opinion from the borrower that the City shall not be liable for the payment of principal and interest in the event of default by the conduit borrower.

10. INVESTMENT OF PROCEEDS

The Treasurer shall invest the borrowed moneys subject to the City Investment Policy, as adopted by Council, in a timely manner to ensure the availability of funds. If a Trust Indenture is created, then the specific language of that indenture will be followed if it is more limiting than the City Investment Policy.

11. ARBITRAGE COMPLIANCE

The Director of Finance and Bond Counsel will comply with all regulations regarding arbitrage rules.

12. REFUNDING OPTIONS

The Director of Finance shall determine if interest savings are available and substantial to warrant the refunding of a prior issue with the assistance of Bond Counsel and the consent of City Council.

13. DEBT LIMITATIONS/DEBT AFFORDABILITY

The City shall comply with the Uniform Bond Law, (ORC Chap. 133), in the calculation of the legal debt margin for the principal amount of voted and un-voted bonds and notes.

All debt affordability will be calculated at the time of issuance of debt. There will be no retroactive review of the debt limits upon any debt issue.

The accepted median Net Debt Per Capita for cities with population of similar size of 10,000 to 24,999 is listed as \$811. The significant change in our debt limitations is due to an increase in population as reported by the Census Bureau through its latest census report.

The City will strive to maintain its annual net direct debt service payments at a level less than 15% of the income tax receipts. The income tax ordinance provides that a minimum of 25% be allocated to capital improvements, however, in 2005 the city could only allocate 23%. This was due to the continuation of declining income tax revenues. The Administration has developed a plan to return to the 25% level . The payment of net direct debt would be included in the 25% allocation.

The City shall seek to finance debt of the enterprise activities (water, sewer) through the revenue producing abilities of that enterprise. Prior to issuing revenue-secured debt obligations, the administration and the Utility Superintendent will develop financial plans and projections showing the required rates and charges needed to support the issuance of the planned financing.

The Director of Finance will review the debt plan with the Administration prior to the adoption of the annual appropriation to determine if the level of debt will meet the limits of debt affordability.

14. OVERALL FINANCIAL CREDIT OBJECTIVES

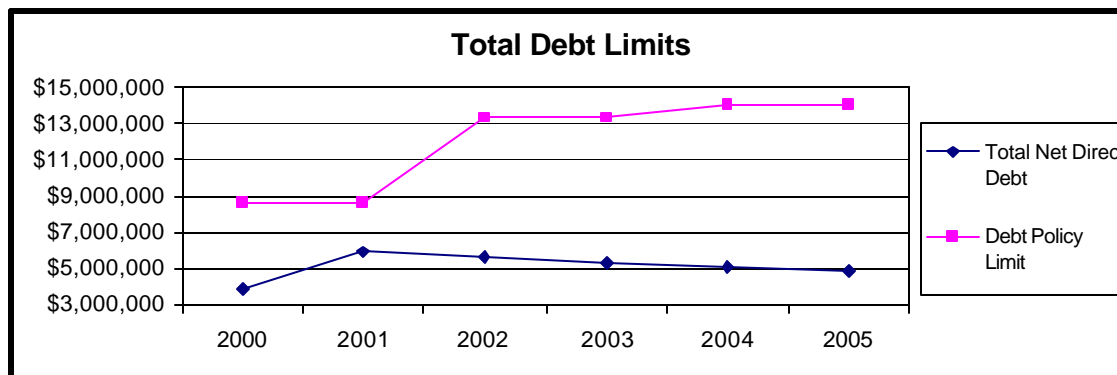
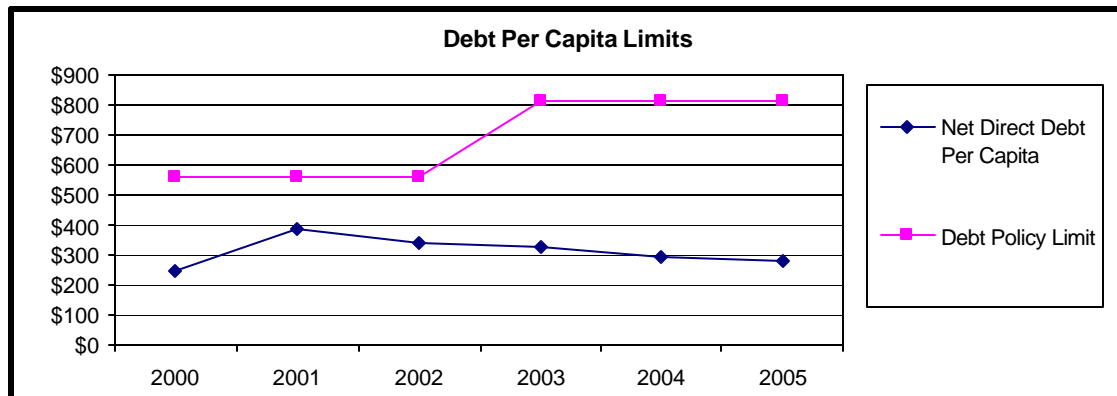
To ensure the financial stability and well being of the City, the Administration and Council will strive to maintain the credit worthiness of the City. The City will adhere to the debt affordability limits as established in this policy.

General Fund. The City will maintain an unencumbered general fund balance at a minimum of 1.5 million dollars.

Maintenance, Replacement & Renewal. Consistent with the philosophy of maintaining capital facilities and infrastructure systems to maximize usefulness of the assets, the City should continue to set aside sufficient current revenues from the general, sewer, and water operating funds into the respective infrastructure reserve funds. This will provide for reserves for the ongoing maintenance, replacement and renewal of capital facilities and infrastructure.

Debt Statistics for Fiscal Year 2005

	Population: 17,400		
Net Direct Debt:	\$4,839,000	Net Direct Debt Per Capita	\$291.00
Total Debt Limitation	\$14,111,400	Per Capita Limitation	\$811.00



A complete version of the City's Investment Policy is contained in Chapter 125.01 of the Tallmadge Code of Ordinances. Included here is a summary of the major provisions affecting the budget.

125.01(d) **Objectives.**

The City's investment objectives, in priority order, are insuring the safety of the public funds, investing these funds in accordance with all State and local laws, maintaining sufficient liquidity to meet all reasonably anticipated expenses, and receiving the best rate of return while meeting these requirements.

125.01(g) **Eligible Investments.**

Certificates of deposit when purchased within the guidelines established in subsection (h) and (j) of this section.

Bonds, notes or other direct obligations of or guaranteed by the United States or its agencies or instrumentality or those for which the full faith and credit of the United States is pledged for payment of principal and interest issued by the:

- U.S. Treasury
- Government National Mortgage Association (GNMA)
- Federal National Mortgage Association (FNMA)
- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC)

Bonds and other obligations of the State of Ohio and the City of Tallmadge.

Repurchase agreements with institutions that have signed a written master repurchase agreement which is on file in the Treasurer's office and are eligible under subsections (i) or (j) of this section.

Shares of the State Treasury Asset Reserve of Ohio (STAR Ohio).

125.01 (h) **Diversification.**

The City sets no limit on the amount of funds that may be held in investments listed in subsection (g)(1), (2), and (3) hereof.

Not less than thirty percent (30%) of the interim funds of the City shall be invested in financial institutions located within the City.

Up to forty percent (40%) of the City's funds may be held in any of the remaining categories in subsection (g)(4) and (5).

Up to twenty percent (20%) of the City's funds may be declared as "inactive" funds thereby allowing for longer-term investments.

The Treasurer will adjust future investments to satisfy these requirements without prematurely liquidating current investments.

The Treasury Investment Board may set lower limits on the amount of funds that can be placed in any investment category.

125.01(o) **Maturities.**

Interim funds may be invested for up to two years.

Collateral pledged by institutions may include investments with terms of up to five years.

Inactive funds may be invested for five years.

Active funds will be awarded every two years; however, the depository may be changed earlier for good cause.

All investments will be made with the intent to hold the investment until maturity but may be sold earlier.

The General Fund

Security of Persons and Property

Police Department

Department Description:

The Police Department is organized along functional lines, and consists of Patrol, Services, and the Criminal Investigations Division. Lt. Don Zesiger who was promoted in Jan. 2004 will command the Patrol Division, including the Auxiliary Police Unit. Lieutenant Duvall will command the Services and Criminal Investigations Divisions. Services Division includes the Jail, Special Services (evidence and property), Crime Prevention and D.A.R.E. and Dispatch Services. The Youth Section is a component of the Criminal Investigations Division.

Four (4) Sergeants who function as shift supervisors supervise the Patrol Division. Each supervises a twelve-hour shift of employees including officers, auxiliary officers and dispatchers.

Police Capital Projects;

Rehabilitate the base radio system station.

Performance Measures:

Police Department Performance Measures

	2002 Actual	2003 Actual	2004 Projected	2005 Projected
Maintain juvenile education and crime prevention programs				
DARE Graduates	833	795	800	800
Safety School Attendees	60	70	65	65
Juvenile Contacts	120	300	200	200

Staffing:

Police	2002	2003	2004	2005
Number of Full-time Employees	39	39	39	39
Number of Part-time Employees	32	32	32	32

2005 Appropriation:

		2002 Actual	2003 Actual	2004 Budget	2005 Budget
Police Department					
51000	Salaries & Wages	\$ 1,853,129	\$ 1,999,541	\$ 2,038,600	\$ 2,013,082
52000	Benefits	\$ 383,304	\$ 541,269	\$ 613,400	\$ 612,618
53000	Contractual Services	\$ 142,654	\$ 157,898	\$ 147,000	\$ 150,000
53100	Ohio Bridgebuilders/Juvenile Grants	\$ -	\$ 453	\$ -	\$ 13,300
54100	Office Supplies & Materials	\$ 6,942	\$ 7,228	\$ 6,600	\$ 6,700
54200	Furniture & Fixtures	\$ 1,071	\$ 71	\$ -	\$ -
54300	Operational Supplies	\$ 11,320	\$ 11,791	\$ 16,200	\$ 16,200
54400	Equipment	\$ 26,535	\$ 24,131	\$ 25,000	\$ 25,000
55000	Education/Training/Travel	\$ 26,109	\$ 28,564	\$ 27,000	\$ 26,000
56100	Building Maint. & Utilities	\$ 114,503	\$ 98,197	\$ 95,000	\$ 95,000
56200	Maint. & Repair Vehicles	\$ 49,822	\$ 51,365	\$ 56,300	\$ 56,000
56800	Refunds	\$ 7,697	\$ -	\$ -	\$ -
D.A.R.E.					
51000	Salaries & Wages	\$ 21,971	\$ 22,602	\$ 25,000	\$ 25,000
52000	Benefits	\$ -	\$ -	\$ -	\$ -
54400	Operational Supplies	\$ 5,507	\$ 4,340	\$ 4,000	\$ 4,000
PROGRAM TOTAL		\$ 2,650,566	\$ 2,947,451	\$ 3,054,100	\$ 3,042,900
56000	Misc. Energy Usage	\$ 20,968	\$ 20,798	\$ 20,100	\$ 20,100
	Capital Outlay	\$ 125,103	\$ 53,513	\$ 52,000	\$ 40,000
	Transfer to Police Pension	\$ 171,250	\$ 138,750	\$ 145,000	\$ 145,000
		\$ 317,321	\$ 213,061	\$ 217,100	\$ 205,100
Total Security of Persons and Property		\$ 2,967,887	\$ 3,160,511	\$ 3,271,200	\$ 3,248,000

Leisure Time Activities

Recreation/Parks Departments

Departments Description:

The Parks & Recreation Department will be going through another change this year. With the development of the recreation center, the Parks & Recreation Department is being divided. The Recreation Center will assume most responsibility for delivering recreational service to the city. With the opening of the new Recreation Center in February of 2004, we are employing two full-time (at Recreation Center), one full-time Parks Supervisor, 65 part-time, seasonal and contractual employees. Our mission is "To provide the citizens of Tallmadge with a variety of year round quality programs and activities for active and passive recreation for all ages." It is our goal to promote leisure activity and encourage the use of our outdoor recreational resources. The Parks Department will be responsible for maintaining all city parks and athletic fields which encompass 140 acres of parkland/open space.

Staffing:

Parks and Recreation Center

	2002	2003	2004	2005
Number of Full-time Employees	3	2	4	3
Number of Part-time Employees	34	54	80	65

Recreation Capital Projects

Recreation Center Men's Locker Room Expansion \$39,300

This project will consist of expanding the men's locker room to accommodate additional members. It should be completed by the end of the first quarter of 2005. The total cost of this project is estimated to be approximately \$39,300.

2005 Appropriation:

Community Center

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages	\$ 153,339	\$ 173,050	\$ 118,900	\$ 19,500
52000 Benefits	\$ 36,471	\$ 46,847	\$ 29,821	\$ 10,800
53000 Contractual Services	\$ 65,131	\$ 48,214	\$ 40,000	\$ 15,000
53100 Tallmadge Primetimers	\$ 6,868	\$ 8,046	\$ 10,000	\$ 15,000
53200 Tallmadge Community Ctr.	\$ 26,420	\$ 32,001	\$ 22,000	\$ -
53210 Softball League	\$ 6,656	\$ 9,500	\$ -	\$ -
53220 Adult Basketball	\$ 1,539	\$ 1,228	\$ -	\$ -
53230 Volleyball	\$ 2,080	\$ 1,200	\$ -	\$ -
53280 Youth Basketball	\$ 21,593	\$ 19,697	\$ -	\$ -
53290 Soccer	\$ 6,323	\$ 4,547	\$ -	\$ -
53300 Community Events	\$ 3,983	\$ 3,099	\$ 4,000	\$ 9,000
54100 Office Supplies & Materials	\$ 1,824	\$ 1,228	\$ 1,500	\$ 1,500
54200 Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54300 Operational Supplies	\$ 17,232	\$ 18,001	\$ 13,000	\$ 9,000
54400 Equipment	\$ 3,660	\$ 2,961	\$ 3,000	\$ 3,000
55000 Education/Training/Travel	\$ 1,852	\$ 3,313	\$ -	\$ -
56100 Building Maint. & Utilities	\$ 19,892	\$ 9,649	\$ 21,000	\$ 26,000
56800 Refunds	\$ 3,078	\$ 4,548	\$ 1,000	\$ 1,500
PROGRAM TOTAL	\$ 377,942	\$ 387,129	\$ 264,221	\$ 110,300

Maca Pool

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages	\$ 39,765	\$ 37,762	\$ 41,000	\$ 42,205
52000 Benefits	\$ 5,965	\$ 5,900	\$ 6,500	\$ 6,695
53000 Contractual Services	\$ 1,019	\$ 10,244	\$ 10,000	\$ 9,000
54100 Office Supplies & Materials	\$ -	\$ -	\$ -	\$ -
54300 Operational Supplies	\$ 17,698	\$ 13,249	\$ 12,000	\$ 12,000
54400 Equipment	\$ 7,168	\$ 3,452	\$ -	\$ 2,000
56100 Building Maint. & Utilities	\$ 10,183	\$ 6,079	\$ 12,000	\$ 10,000
54500 Concession Stand Operations	\$ -	\$ -	\$ -	\$ 2,500
56800 Water Fund	\$ 230	\$ 30	\$ -	\$ -
PROGRAM TOTAL	\$ 82,027	\$ 76,716	\$ 81,500	\$ 84,400

Recreation Center

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages	\$ -	\$ -	\$ 231,540	\$ 292,269
52000 Benefits	\$ -	\$ -	\$ 66,716	\$ 67,000
53000 Contractual Services	\$ -	\$ -	\$ 145,000	\$ 58,231
54100 Office Supplies & Materials	\$ -	\$ -	\$ -	\$ 4,000
54200 Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54300 Operational Supplies	\$ -	\$ -	\$ 25,600	\$ 28,000
54400 Equipment	\$ -	\$ -	\$ 10,000	\$ 10,000
55000 Education/Training/Travel	\$ -	\$ -	\$ 2,000	\$ 2,000
56100 Building Maint. & Utilities	\$ -	\$ -	\$ 137,000	\$ 145,000
56200 Concessions	\$ -	\$ -	\$ -	\$ 5,000
56300 Pre-Kindergarten Program	\$ -	\$ -	\$ -	\$ 8,000
56400 Summer Camps	\$ -	\$ -	\$ -	\$ 4,000
56500 Soccer-Indoor	\$ -	\$ -	\$ -	\$ 5,000
56600 Youth Basketball	\$ -	\$ -	\$ -	\$ 17,000
56700 Refunds	\$ -	\$ -	\$ 500	\$ 2,000
56701 Volleyball	\$ -	\$ -	\$ -	\$ 3,000
56702 Golf	\$ -	\$ -	\$ -	\$ 500
56703 Adult Basketball	\$ -	\$ -	\$ -	\$ 3,000
56704 Children's Activities	\$ -	\$ -	\$ -	\$ 2,000
56705 Community Events	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ -	\$ -	\$ 633,356	\$ 656,000
Capital Outlay	\$ 223,372	\$ 14,537	\$ -	\$ 40,000
Total Leisure Time Activities	\$ 699,972	\$ 478,383	\$ 979,077	\$ 890,700

Community Environment

Building and Zoning

Department Description:

The Building and Zoning Department includes four principle areas of service for the City of Tallmadge: Building, Zoning, Cemetery, and Engineering. The Building Department handles all projects related to zoning. The Building Department issues permits for new building construction along with grading, water, sewer and street-opening related permits. The Cemetery Department sells spaces in the Tallmadge Cemetery and arranges for burials. Engineering involves designing city projects, examining improvement plans, and field inspections for compliance.

Building and Zoning Department Performance Measures

Building and Zoning Performance Measures	2002 Actual	2003 Projected	2004 Projected	2005 Projected
Review residential projects within 4 workdays	100%	100%	100%	100%
Review non-residential projects within 30 working days	100%	100%	100%	100%
Respond to inspection requests and building/zoning related questions within 2 working days	100%	100%	100%	100%

STAFFING

Building and Zoning

	2002	2003	2004	2005
Number of Full-time Employees	4	4	4	4
Number of Part-time Employees	7	7	7	7

2005 Appropriation:

COMMUNITY ENVIRONMENT

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
Zoning				
51000 Salaries & Wages	\$ 100,883	\$ 103,322	\$ 101,500	\$ 107,222
52000 Benefits	\$ 24,485	\$ 30,150	\$ 33,500	\$ 38,478
53000 Contractual Services	\$ 21,680	\$ 15,427	\$ 20,000	\$ 20,000
54100 Office Supplies & Materials	\$ 1,676	\$ 1,697	\$ 2,500	\$ 2,500
54200 Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54400 Equipment	\$ 694	\$ 2,000	\$ 500	\$ -
55000 Education/Training/Travel	\$ 1,022	\$ 967	\$ 1,000	\$ 1,000
PROGRAM TOTAL	\$ 150,440	\$ 153,563	\$ 159,000	\$ 169,200
Building				
51000 Salaries & Wages	\$ 159,144	\$ 150,216	\$ 161,500	\$ 158,544
52000 Benefits	\$ 28,537	\$ 31,979	\$ 33,500	\$ 37,756
53000 Contractual Services	\$ 23,297	\$ 17,142	\$ 20,000	\$ 20,000
54100 Office Supplies & Materials	\$ 2,223	\$ 2,220	\$ 2,500	\$ 2,500
54200 Furniture & Fixtures	\$ 44	\$ -	\$ -	\$ -
54400 Equipment	\$ 853	\$ 720	\$ 500	\$ -
55000 Education/Training/Travel	\$ 1,164	\$ 968	\$ 1,000	\$ 1,000
56800 Refunds	\$ 3,842	\$ 4,992	\$ 3,600	\$ 3,500
PROGRAM TOTAL	\$ 219,115	\$ 208,237	\$ 222,600	\$ 223,300
Total Community Environment	\$ 373,115	\$ 361,800	\$ 381,600	\$ 392,500

General Government

Mayor / Safety Director / Administration

Department Description:

The Mayor serves as a sounding board for the public, a planning tool for the city and the budgeting and negotiating arm for the City. The Mayor is involved in every aspect of running the City. The Mayor oversees the Director of Public Service and the Director of Administration in their performance of their duties. This year the Mayor will once again serve as the Director of Public Safety. In accordance with the City Charter, the Mayor fills these duties if no other individual is hired to do so.

In 2005 the Mayor's office and Administration were merged into one budgetary office. The Administration responsibilities include three areas of service, Human Resources, Economic Development and General Administration. The Director of Administration is responsible for supervising these while reporting to the Mayor. The Director is responsible for the planning, preparation, and implementation of the budget. The Director is also the lead negotiator for all city labor negotiations. The Economic Development Manager maintains the city's relationship with the business community and encourages development within the city. Human Resources provides for the day-to-day needs of the city's personnel functions including employee training, benefits administration and testing.

Staffing:

Mayor/Administration

	2002	2003	2004	2005
Number of Full-time Employees	2	2	2	5
Number of Part-time Employees	0	0	0	0

2005 Appropriation:

Mayor/Administration

		2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000	Salaries & Wages	\$ 318,314	\$ 321,807	\$ 298,200	\$ 283,766
52000	Benefits	\$ 65,270	\$ 80,462	\$ 87,713	\$ 89,634
53000	Contractual Services	\$ 67,447	\$ 39,989	\$ 39,000	\$ 48,500
54100	Office Supplies & Materials	\$ 5,635	\$ 4,306	\$ 5,700	\$ 5,700
54200	Employee Wellness	\$ 4,754	\$ 6,421	\$ 4,000	-
54200	Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54400	Equipment	\$ 290	\$ 584	\$ -	\$ -
55000	Education/Training/Travel	\$ 6,332	\$ 5,556	\$ 5,500	\$ 4,500
56200	Maint. & Repair Vehicles	\$ 5	\$ -	\$ -	\$ -
PROGRAM TOTAL		\$ 468,046	\$ 459,125	\$ 440,113	\$ 432,100

Finance Director

Department Description:

The Finance Director is the Chief Fiscal Officer of the City and as such has the responsibility for the administration of all fiscal affairs of the City. The Finance Director is responsible for authorizing all purchases to insure the expenditure is in compliance with local, state and federal laws and the money is legally appropriated and available for use. The office prepares and issues all payments for the City. The Finance Office encompasses the purchasing department which issues all purchase orders and prepares all invoices for payment and handles vendor relations. The Finance Office is responsible for all financial reporting and distributes reports on a monthly and annual basis to council, administration, department heads and any other agencies as requested. Issuance of all debt for the City is the direct responsibility of the Finance Director. This office also performs the payroll function for all city employees, including preparation of all pension reports, tax matters and W-2's. The Finance Office compiles and reports on all the fixed assets of the City. The records retention function is also a responsibility of the Finance Office along with a commission that monitors policy and procedures for proper retention and disposal. We also assist and provide input on the creation of the city budget. The Director is in charge of the annual state audit and preparing a Comprehensive Annual Financial Report in conformance with GAAP. The Finance Director is a member of the Board of Control approving all contracts of the City and is a member of the Investment Board approving all investments of the City.

Performance Measures

Finance Department Performance Measures

	2002 Projected	2003 Projected	2004 Projected	2005 Projected
Processing of Monthly Financial Reports				
Average Number of Work Days to Process	2.13	2.13	1.5	1.5

2005 Appropriation:

Finance Director		2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000	Salaries & Wages	\$ 269,036	\$ 278,381	\$ 276,200	\$ 279,588
52000	Benefits	\$ 84,760	\$ 126,508	\$ 103,208	\$ 108,612
53000	Contractual Services	\$ 64,475	\$ 52,453	\$ 61,000	\$ 56,800
54100	Office Supplies & Materials	\$ 6,649	\$ 8,357	\$ 6,050	\$ 5,500
54200	Furniture & Fixtures	\$ -	\$ 1,081	\$ -	\$ -
54400	Equipment	\$ 1,077	\$ 4,145	\$ -	\$ -
55000	Education/Training/Travel	\$ 5,844	\$ 6,187	\$ 4,400	\$ 3,500
	PROGRAM TOTAL	\$ 431,842	\$ 477,112	\$ 450,858	\$ 454,000

Law Director

Department Description:

The Director of Law is the legal adviser, attorney, and counsel for the City and for all officers and divisions of the City in all matters relating to their official duties. The Director of Law gives written opinions to any elected official, Council, or department heads when requested to do so. The Director of Law interprets the provisions of the Charter. The Director of Law represents the City in all cases in which it may be a party and prosecutes all offenses against the ordinances of the City and such offenses against the laws of Ohio as may be required. The Director of Law, on request of the Council, prepares contracts, legislation, bonds and other instruments in writing in which the City is concerned and endorses on each his or her approval of the form and correctness thereof. Generally, the Director of Law performs those duties as granted to Directors of Law of statutory cities as provided by general law.

Staffing:

Law	2002	2003	2004	2005
Number of Full-time Employees	3	3	3	3
Number of Part-time Employees	0	0	0	0

2005 Appropriation:

<u>Law Director</u>		2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000	Salaries & Wages	\$ 152,127	\$ 158,097	\$ 160,375	\$ 141,189
52000	Benefits	\$ 43,143	\$ 53,775	\$ 66,776	\$ 65,711
53000	Contractual Services	\$ 66,487	\$ 62,628	\$ 64,000	\$ 65,000
54100	Office Supplies & Materials	\$ 11,750	\$ 11,623	\$ 15,000	\$ 15,000
54200	Furniture & Fixtures	\$ 1,220	\$ -	\$ -	\$ -
54400	Equipment	\$ 145	\$ -	\$ -	\$ 500
55000	Education/Training/Travel	\$ 3,716	\$ 4,983	\$ 2,500	\$ 2,500
56200	Maint. & Repair Vehicles	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL		\$ 278,587	\$ 291,105	\$ 308,651	\$ 289,900

Service Director

Department Description:

The Department of Public Service administers all public works projects of the City, such as repair, improvement and construction of public streets, lands, bridges, sidewalks, playgrounds, parks, storm and sanitary sewers, drains, ditches, waterways, lighting, and cleaning of public places. It also administers the municipal water system, municipal swimming pool and cemeteries. The Department provides for, and preserves surveys, maps, plans, drawings and estimates. It competitively bids, oversees, inspects and supervises the design and construction of public improvements and buildings. The Building and Zoning Departments report to the Department of Public Service, as does the City Engineer, Street, Water/Sewer and Vehicle Maintenance.

Staffing:

Director of Public Service

	2002	2003	2004	2005
Number of Full-time Employees	3	3	3	3
Number of Part-time Employees	0	0	0	0

Performance Measures

Service Department Performance Measures

	2002 Actual	2003 Projected	2004 Projected	2005 Projected
Returning Phone Calls				
Percent Returned the Same Day	85%	85%	85%	85%
Percent Returned Within Two Days	100%	100%	100%	100%
Respond to Council Complaints Within One Week	90%	90%	90%	90%

2005 Appropriation:

Service Director

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages	\$ 162,509	\$ 162,775	\$ 169,450	\$ 172,766
52000 Benefits	\$ 52,978	\$ 66,796	\$ 79,600	\$ 74,334
53000 Contractual Services	\$ 43,590	\$ 46,383	\$ 58,000	\$ 65,000
54100 Office Supplies & Materials	\$ 2,544	\$ 2,698	\$ 3,000	\$ 2,000
54200 Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54300 Operational Supplies	\$ -	\$ -	\$ -	\$ -
54400 Equipment	\$ 1,514	\$ 4,200	\$ 2,000	\$ 1,500
55000 Education/Training/Travel	\$ 386	\$ 300	\$ -	\$ -
56100 Building Maint. & Utilities	\$ -	\$ 48	\$ -	\$ -
56200 Maint. & Repair Vehicles	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 263,521	\$ 283,200	\$ 312,050	\$ 315,600

Manager of Information Services

Department Description:

The Manager of Information is responsible for the supervision and operation of information management systems within the city. This includes networks, computers, telephony and software. The MIS function also acts as primary liaison to contracted software vendors such as CMI.

Staffing:

Manager of Information Services

	2002	2003	2004	2005
Number of Full-time Employees	0	1	1	1
Number of Part-time Employees	1	1	1	0

2005 Appropriation:

Manager of Information Systems

		2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000	Salaries & Wages	\$ 1,422	\$ 33,293	\$ 44,700	\$ 48,691
52000	Benefits	\$ 21	\$ 20,408	\$ 19,642	\$ 21,509
53000	Contractual Services	\$ 74,261	\$ 20,059	\$ 20,000	\$ 28,000
54100	Office Supplies & Materials	\$ 232	\$ 1,595	\$ -	\$ -
54200	Furniture & Fixtures	\$ 1,071	\$ -	\$ -	\$ -
54400	Equipment	\$ 1,160	\$ 3,412	\$ 3,000	\$ 11,000
55000	Education/Training/Travel	\$ -	\$ 979	\$ 1,000	\$ 1,000
56100	Building Maint. & Utilities	\$ -	\$ -	\$ -	\$ -
	PROGRAM TOTAL	\$ 78,167	\$ 79,746	\$ 88,342	\$ 110,200

Legislative

Department Description:

The legislative branch is comprised of seven members of Council, one of whom serves as President of Council. The Council hires a Clerk and Deputy Clerk to staff the office on a daily basis and administer the functions of Council. Council meets on the second and fourth Thursdays of each month and holds committee meetings on the Monday preceding each regular council meeting. The Council's mission is to represent and serve the citizens of Tallmadge with consideration of the health, safety and welfare of all residents.

Staffing:

Council

	2002	2003	2004	2005
Number of Full-time Employees	2	1	1	1
Number of Part-time Employees	7	8	8	8

2005 Appropriation:

Legislative

		2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000	Salaries & Wages	\$ 103,660	\$ 104,793	\$ 110,300	\$ 111,954
52000	Benefits	\$ 25,311	\$ 30,585	\$ 35,600	\$ 35,946
53000	Contractual Services	\$ 10,637	\$ 11,463	\$ 11,000	\$ 11,000
54100	Office Supplies & Materials	\$ 2,746	\$ 1,575	\$ 1,000	\$ 1,000
54200	Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54400	Equipment	\$ 145	\$ -	\$ -	\$ -
55000	Education/Training/Travel	\$ 1,900	\$ 16	\$ -	\$ -
	PROGRAM TOTAL	\$ 144,401	\$ 148,432	\$ 157,900	\$ 159,900

Treasurer

Department Description:

The responsibilities for the Treasurer's Office are twofold. One is collecting the income taxes for the City. The other is managing the City's investment portfolio. The Deputy Treasurer assists the Treasurer in the investment side of the office. The Chief Deputy Tax Administrator and the income tax staff are responsible for the collection of income taxes.

Treasurer Department Performance Objectives

Treasurer Performance Measures

	2002 Actual	2003 Projected	2004 Projected	2005 Projected
Invest public funds in full compliance with the city's Investment Policy while maintaining a rate of return higher than STAR Ohio				
City Average Rate of Return on Investments	0.0605	1.21%	1.50%	1.50%
STAR Ohio Average Rate of Return	0.0508	1.11%	1.50%	1.50%
Provide Council with prompt accurate reporting on the city's financial condition				
100% of bank statements reconciled to cash balances within 30 days of month end	100%	100%	100%	100%
Submit monthly reports to Council within 20 days of month-end	avg. = 9 days	avg. = 10 days	avg. = 10 days	avg. = 10 days

Staffing:

Treasurer

	2002	2003	2004	2005
Number of Full-time Employees	3	3	3	3
Number of Part-time Employees	2	2	2	2

2005 Appropriation:

<u>Treasurer</u>		2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000	Salaries & Wages	\$ 175,379	\$ 189,150	\$ 187,000	\$ 195,148
52000	Benefits	\$ 47,048	\$ 61,677	\$ 64,753	\$ 65,252
53000	Contractual Services	\$ 29,808	\$ 30,041	\$ 28,600	\$ 24,000
53100	Bank Service Charges	\$ 14,883	\$ 10,432	\$ 10,000	\$ 10,000
53102	Credit Card Charges	\$ -	\$ -	\$ -	\$ 3,000
54100	Office Supplies & Materials	\$ 6,226	\$ 4,097	\$ 12,600	\$ 7,000
54200	Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54300	Operational Supplies	\$ -	\$ 5	\$ -	\$ -
54400	Equipment	\$ -	\$ -	\$ -	\$ -
55000	Education/Training/Travel	\$ 4,087	\$ 4,040	\$ 4,000	\$ 3,000
56100	Building Maint. & Utilities	\$ -	\$ -	\$ -	\$ -
	Capital Outlay	\$ -	\$ -	\$ 29,350	\$ -
PROGRAM TOTAL		\$ 277,431	\$ 299,443	\$ 336,303	\$ 307,400

Civil Service

Department Description:

The Civil Service Commission serves as the testing agency for all classified positions within the City of Tallmadge. The Commission also serves as the testing agency for unclassified

positions such as part-time Firefighter and Intermittent Clerk. The Commission administers tests for all classified positions for the Tallmadge School System.

Staffing:

Civil Service

	2002	2003	2004	2005
Number of Full-time Employees	0	0	0	0
Number of Part-time Employees	4	4	4	4

2005 Appropriation:

Civil Service

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages	\$ 16,758	\$ 18,461	\$ 17,500	\$ 14,900
52000 Benefits	\$ 2,398	\$ 2,836	\$ 2,700	\$ 2,500
53000 Contractual Services	\$ 11,021	\$ 15,206	\$ 12,000	\$ -
54100 Office Supplies & Materials	\$ 1,381	\$ 1,228	\$ 1,500	\$ 500
54200 Furniture & Fixtures	\$ -	\$ 117	\$ -	\$ -
54300 Operational Supplies	\$ -	\$ 43	\$ -	\$ -
54400 Equipment	\$ -	\$ -	\$ -	\$ -
55000 Education/Training/Travel	\$ -	\$ 141	\$ -	\$ -
56800 Refunds	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 31,558	\$ 38,032	\$ 33,700	\$ 17,900

Maintenance

Department Description:

The Maintenance Department performs certain cleaning duties for municipally owned buildings. The department maintains all municipally owned buildings and equipment relative to electrical, plumbing, heating and air conditioning. The department coordinates and directs the installation of new equipment and fixtures. The department refurbishes existing quarters by rehangng doors, replacing windows, relocating partitions, minor remodeling and construction.

Staffing:

Maintenance

	2002	2003	2004	2005
Number of Full-time Employees	1	1	1	2
Number of Part-time Employees	0	0	0	0

2005 Appropriation:

Maintenance

		2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000	Salaries & Wages	\$ 28,842	\$ 22,008	\$ 25,200	\$ 30,000
52000	Benefits	\$ 14,414	\$ 17,839	\$ 20,000	\$ 17,250
53000	Contractual Services	\$ 25,485	\$ 44,816	\$ 38,000	\$ 40,000
54100	Office Supplies & Materials	\$ 230	\$ 3,285	\$ 2,000	\$ 250
54200	Furniture and Fixtures	\$ 18	\$ 4,999	\$ -	\$ -
54300	Operational Supplies	\$ 5,262	\$ 3,784	\$ 7,000	\$ 6,500
54400	Equipment	\$ 3,370	\$ 715	\$ 2,000	\$ 3,500
55000	Education, Training, Travel	\$ -	\$ -	\$ -	\$ -
56100	Building Maint. & Utilities	\$ 82,147	\$ 74,276	\$ 80,000	\$ 84,000
56200	Maint. & Repair Vehicles	\$ 6,257	\$ 6,059	\$ 9,000	\$ 7,000
	PROGRAM TOTAL	\$ 166,024	\$ 177,780	\$ 183,200	\$ 188,500

Garage – General Operating

Department Description:

The city garage staff is responsible for maintaining the entire city fleet of vehicles which include the police, fire, street, water/sewer and heavy equipment owned by the city. They also monitor the usage of fuel for all city vehicles.

Staffing:

Garage

	2002	2003	2004	2005
Number of Full-time Employees	4	4	4	4
Number of Part-time Employees	1	1	1	1

2005 Appropriation:

Garage Operating

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages	\$ 203,189	\$ 200,929	\$ 196,300	\$ 188,016
52000 Benefits	\$ 68,601	\$ 82,970	\$ 93,200	\$ 68,834
53000 Contractual Services	\$ 14,232	\$ 9,866	\$ 16,000	\$ 17,000
54100 Office Supplies & Materials	\$ 494	\$ 1,285	\$ 1,850	\$ 1,850
54200 Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54300 Operational Supplies	\$ 848	\$ 1,089	\$ 1,500	\$ 1,500
54400 Equipment	\$ 8,399	\$ 9,514	\$ 10,550	\$ 9,800
55000 Education/Training/Travel	\$ 1,033	\$ 453	\$ 1,000	\$ 1,000
56100 Building Maint. & Utilities	\$ 9,607	\$ 8,559	\$ 10,450	\$ -
56200 Maint. & Repair Vehicles	\$ 2,968	\$ 23,477	\$ 23,800	\$ 26,000
57000 Capital Outlay	\$ -	\$ -	\$ -	\$ -
59901 Transfer to General Capital Outlay	\$ 13,564	\$ -	\$ -	\$ -
	\$ 290,116			
PROGRAM TOTAL	\$ 613,050	\$ 338,140	\$ 354,650	\$ 314,000

Boards and Commissions

2005 Appropriation:

Boards and Commissions

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages	\$ 4,430	\$ 4,517	\$ 6,400	\$ 6,200
52000 Benefits	\$ 677	\$ 644	\$ 1,000	\$ 1,000
53000 Contractual Services	\$ 8,327	\$ 1,615	\$ 2,000	\$ 2,000
54100 Office Supplies & Materials	\$ 157	\$ 103	\$ -	\$ -
55000 Education/Training/Travel	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 13,590	\$ 6,879	\$ 9,400	\$ 9,200

General Administration

2005 Appropriation:

General Administration

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
53000 Brimfield Annexation	\$ -	\$ 9,424	\$ -	\$ -
56510 Property Tax	\$ 33,677	\$ 15,270	\$ 20,000	\$ 10,000
56520 District Health	\$ 120,423	\$ 123,862	\$ 130,000	\$ 134,800
56530 Delinquent Tax	\$ 1,013	\$ 1,449	\$ 2,000	\$ 2,000
56540 Election Expense	\$ 12,549	\$ 1,267	\$ 10,000	\$ 10,000
56550 State Examiners	\$ 27,512	\$ 37,409	\$ 40,000	\$ 30,000
56560 Auditor & Treasurer Fee	\$ 8,713	\$ 9,318	\$ 6,000	\$ 8,000
56570 Contingencies	\$ 1,416	\$ 200	\$ 1,500	\$ 1,500
56575 City Sponsored Events	\$ 4,621	\$ 4,790	\$ 5,000	\$ 5,000
56580 Emergency Management Agency	\$ 6,472	\$ 6,472	\$ 6,600	\$ 8,000
56585 State Rollback Admin Fee	\$ -	\$ 651	\$ -	\$ -
56590 Solid Waste Mgmt District	\$ -	\$ -	\$ 2,000	\$ -
56800 Income Tax Refunds/Tall	\$ 127,180	\$ 135,717	\$ 130,000	\$ 133,000
56801 Income Tax Refunds/Brimfield	\$ -	\$ -	\$ -	\$ 5,000
56810 JEDZ / Tallmadge Zone	\$ 83,184	\$ 79,919	\$ 90,000	\$ 90,000
56820 JEDD/Brimfield Payment	\$ -	\$ -	\$ 45,000	\$ 50,000
59800 Reappropriation	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 426,759	\$ 425,747	\$ 488,100	\$ 487,300

Transfers

Transfers show how much support the General Fund provides to other funds in the city. These transfers will show up as revenue for the other funds, which then spend the money for a specific purpose.

2005 Appropriation:

<u>Transfers</u>		2002 Actual	2003 Actual	2004 Budget	2005 Budget
59320	Historic District Improvement Fund	\$ 52,000	\$ -	\$ -	\$ -
59902	Fire & EMS Fund	\$ 645,000	\$ 260,000	\$ 245,000	\$ 431,000
59903	Fire & EMS Capital Fund	\$ -	\$ 10,000	\$ -	\$ -
59907	SMR Fund	\$ 1,581,000	\$ 1,534,000	\$ 1,695,000	\$ 1,681,900
59910	Community Development Fund	\$ -	\$ 23,500	\$ -	\$ -
	Transfer to Recreation Center Fund				
59918	#318	\$ -	\$ 500,000	\$ 500,000	\$ 300,000
59919	General Infrastructure Fund	\$ -	\$ -	\$ -	\$ -
59920	Bond Retirement Fund	\$ 520,000	\$ 525,000	\$ 562,000	\$ 552,000
59982	Garage Revolving Fund	\$ 313,580	\$ -	\$ -	\$ -
59983	Storm Water Fund	\$ -	\$ -	\$ -	\$ 60,000
59984	Transfer to Self-Insurance Fund	\$ 200,000	\$ -	\$ -	\$ -
	PROGRAM TOTAL	\$ 3,311,580	\$ 2,852,500	\$ 3,002,000	\$ 3,024,900

**GENERAL FUND #101
ANTICIPATED REVENUE, APPROPRIATIONS AND CHANGES IN FUND BALANCE**

Revenue:

	<i>Income tax</i>	\$	6,900,000	
	<i>Other Taxes</i>	\$	986,300	
Total Local Taxes				\$ 7,886,300
Intergovernmental Revenues				\$ 1,252,800
DARE Grant				\$ 15,000
Ohio Bridgebuilders Grant				\$ 13,300
Recreation Revenue				\$ 650,000
Special Assessments				\$ 19,100
Charges for Services				\$ 340,600
Fines, Licenses, and Permits				\$ 380,600
Miscellaneous				\$ 53,500
Transfer from Interest				<u>\$ 61,300</u>
Anticipated Revenue:				\$ 10,672,500

Appropriations:

Security of Persons and Property				\$ 3,248,000
Leisure Time Activities				\$ 890,700
Community Environment				\$ 392,500
Tax Refunds				\$ 278,000
General Government				\$ 2,808,000
Transfers				<u>\$ 3,024,900</u>
Total Appropriations:				\$ 10,642,100

Projected Beginning Fund Balance:				\$ 1,184,300
Change in Fund Balance:				<u>\$ 30,400</u>
Anticipated Fund Balance:				\$ 1,214,700
 Minimum Fund Balance:				 \$ 1,291,640

Special Revenue Funds

Fire Operating

Department Description:

The mission of the Tallmadge Fire Department is to protect the lives of its citizens and to preserve the property of its community. The mission is supported and accomplished by the fire department in the documented effectiveness of its many programs. The programs include Fire Suppression, Emergency Medical Service, Fire Prevention and a first response capability to any unforeseen emergency or disaster.

Fire Department Performance Measures

Fire Department Performance Measures

	2002 Actual	2003 Projected	2004 Projected	2005 Projected
Average EMS Response Time in Minutes	4.3	4.3	4.3	4.3
Average Fire Response Time in Minutes	5.3	5.3	5.3	5.3
Property Loss due to Fire	\$185,000	\$180,000	\$175,000	\$175,000

Staffing:

Fire / EMS

	2002	2003	2004	2005
Number of Full-time Employees	12	12	12	12
Number of Part-time Employees	45	45	45	45

2005 Appropriation:

FIRE / EMS FUND

Fire Operating

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages	\$ 1,092,751	\$ 1,184,964	\$ 1,215,300	\$ 1,208,120
52000 Benefits	\$ 320,922	\$ 376,277	\$ 378,300	\$ 385,780
53000 Contractual Services	\$ 64,368	\$ 74,322	\$ 75,000	\$ 75,000
54100 Office Supplies & Materials	\$ 5,144	\$ 3,171	\$ 7,500	\$ 7,500
54200 Furniture & Fixtures	\$ 5,739	\$ 3,453	\$ -	\$ -
54300 Operational Supplies	\$ 18,719	\$ 11,284	\$ 19,500	\$ 19,500
54400 Equipment	\$ 22,196	\$ 45,550	\$ 41,850	\$ 42,100
55000 Education/Training/Travel	\$ 6,974	\$ 7,555	\$ 14,000	\$ 9,000
56100 Building Maint. & Utilities	\$ 43,280	\$ 58,042	\$ 52,000	\$ 52,000
56200 Maint. & Repair Vehicles	\$ 31,371	\$ 50,132	\$ 55,000	\$ 55,000
56530 Delinquent Collection	\$ 1,491	\$ 2,063	\$ 2,000	\$ 2,000
56560 Auditor & Treasurer Fee	\$ 13,322	\$ 13,144	\$ 12,000	\$ 12,000
PROGRAM TOTAL	\$ 1,626,277	\$ 1,829,957	\$ 1,872,450	\$ 1,868,000
59903 Transfer to Fire/EMS Capital	\$ 145,205	\$ 94,300	\$ 45,000	\$ 2,000
FIRE / EMS FUND TOTAL	\$ 1,771,483	\$ 1,924,257	\$ 1,917,450	\$ 1,870,000

Fire/EMS Capital Fund

2005 Appropriation:

FIRE / EMS CAPITAL FUND

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
57013 Jaws of Life	\$ -	\$ 25,000	\$ -	\$ -
57014 High Pressure Compressor	\$ -	\$ 23,707	\$ -	\$ -
57003 Heart Monitors	\$ 46,919			
57010 Fire Engine '00	\$ 70,422	\$ 70,422	\$ -	\$ -
57012 Ford Expedition	\$ -	\$ 21,378	\$ -	\$ -
57015 SCBA Replacement	\$ -	\$ -	\$ -	\$ 30,000
57016 Squad '05	\$ -	\$ -	\$ -	\$ 20,000
FIRE / EMS CAPITAL FUND TOTAL	\$ 117,341	\$ 140,507	\$ -	\$ 50,000

Street Maintenance and Repair Fund

Street Maintenance

Department Description

The Road Department is responsible for the state highways in our city, city roadways, storm water systems, city cemeteries, city parks, leaf collection, snow removal and traffic signal maintenance.

Staffing:

Street Maintenance and Repair

	2002	2003	2004	2005
Number of Full-time Employees	21	17	17	17
Number of Part-time Employees	*7	0	0	0

* seasonal

2005 Appropriation:

STREET MAINTENANCE & REPAIR FUND

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
<u>Cemetery</u>				
51000 Salaries & Wages	\$ 29,532	\$ 39,740	\$ 40,582	\$ 41,800
52000 Benefits	\$ -	\$ -	\$ -	\$ -
53000 Contractual Services	\$ 23,694	\$ 15,682	\$ 25,000	\$ 22,000
54300 Operational Supplies	\$ 2,929	\$ 1,280	\$ 4,800	\$ 4,800
56200 Building Maint. & Utilities	\$ -	\$ -	\$ -	\$ 1,500
56800 Refund of Sale of Lots	\$ 750	\$ 150	\$ 700	\$ 700
<u>Park Maintenance</u>				
51000 Salaries & Wages	\$ 132,901	\$ 100,709	\$ 124,025	\$ 181,400
52000 Benefits	\$ -	\$ -	\$ -	\$ -
53000 Contractual Services	\$ 42,719	\$ 38,479	\$ 41,000	\$ 40,000
54300 Operational Supplies	\$ -	\$ 9,119	\$ -	\$ 16,000
56100 Building Maint. & Utilities	\$ 38,414	\$ 39,946	\$ 36,000	\$ 36,000
56200 Maint. & Repair Vehicles	\$ -	\$ -	\$ -	\$ -
56300 City Beautification	\$ 6,527	\$ 7,509	\$ 6,000	\$ 10,000
<u>Stormwater</u>				
Water Fund	\$ 100	\$ 45,993	\$ 20,000	\$ -
<u>Street Maintenance</u>				
51000 Salaries & Wages	\$ 595,110	\$ 607,518	\$ 590,893	\$ 587,100
52000 Benefits	\$ 315,157	\$ 388,997	\$ 400,000	\$ 391,900
53000 Contractual Services	\$ 102,562	\$ 132,576	\$ 105,000	\$ 108,300
54100 Office Supplies & Materials	\$ 2,854	\$ 1,347	\$ 3,000	\$ 2,000
54200 Furniture & Fixtures	\$ 61	\$ -	\$ -	\$ -
54300 Operational Supplies	\$ 174,159	\$ 246,361	\$ 190,000	\$ 205,000
54400 Equipment	\$ 7,654	\$ 24,577	\$ 23,000	\$ 23,200
55000 Education/Training/Travel	\$ 506	\$ 472	\$ -	\$ 1,000
56100 Building Maint. & Utilities	\$ 21,385	\$ 14,472	\$ 20,000	\$ 25,000
56200 Maint. & Repair Vehicles	\$ 96,831	\$ 118,580	\$ 100,000	\$ 115,000
PROGRAM TOTAL	\$ 1,671,549	\$ 1,534,901	\$ 1,731,000	\$ 1,812,700
Capital Outlay/Road Program	\$ 1,057,359	\$ 626,307	\$ 671,000	\$ 608,400
STREET MAINT. & REP. FUND TOTAL	\$ 2,728,908	\$ 2,460,701	\$ 2,402,000	\$ 2,421,100

Capital Outlay

Northeast Ave Project \$142,300

This project will vastly improve the line of sight approaching the intersection of Northeast and Howe Road traffic as well as the traffic flow. The total cost of this project will be \$2,109,000. The city share is 22% of construction costs. It is partly funded from 2004 budget appropriations. The preliminary engineering work will begin in 2005, construction to begin in 2006.

Northwest Ave Project \$175,000

This project will improve traffic flow, sewer lines and curbs from Tallmadge Circle to Stadium Drive.

2005 Road Program \$600,000

The 2005 Road Program includes all major street related expenses for resurfacing and maintenance. The total is subdivided into the following line items.

Asphalt Resurfacing and Repair	\$365,367
Crack Sealing Streets	\$ 89,436
Concrete Maintenance	\$ 92,588
Pavement Marking	\$ 52,609

State Highway Fund

2005 Appropriation:

STATE HIGHWAY FUND

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages	\$ 32,818	\$ 49,187	\$ 37,405	\$ 45,529
52000 Benefits	\$ 3,248	\$ 9,159	\$ 5,700	\$ 5,871
54300 Operational Supplies	\$ 13,000	\$ 1,624	\$ 4,000	\$ 4,000
PROGRAM TOTAL	\$ 49,066	\$ 59,969	\$ 47,105	\$ 55,400
 STATE HIGHWAY FUND TOTAL	 \$ 49,066	 \$ 59,969	 \$ 47,105	 \$ 55,400

Storm Water Fund

This fund was established in 2005 to continuously repair and improve storm water runoff. It is an effort to minimize the adverse impact experienced in recent times due to severe storms.

2005 Appropriation:

STORM SEWER FUND # 573

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages				\$ -
52000 Benefits				\$ -
53000 Contractual Services				\$ 60,000
54400 Equipment				\$ -
54501 Bierce/Evergreen				\$ 300,000
54502 Newton				\$ 50,000
54503 East/Munroe				\$ 200,000
STORM SEWER FUND TOTAL	\$ -	\$ -	\$ -	\$ 610,000

Community Development Fund

2005 Appropriation:

COMMUNITY DEVELOPMENT FUND

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages	\$ -	\$ -	\$ -	\$ -
52000 Benefits	\$ -	\$ -	\$ -	\$ -
53000 Contractual Services	\$ 45,000	\$ 30,000	\$ -	\$ 30,000
54300 Operational Supplies	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 45,000	\$ 30,000	\$ -	\$ 30,000
COMMUNITY DEV. FUND TOTAL	\$ 45,000	\$ 30,000	\$ -	\$ 30,000

Alcohol Education and Enforcement Fund

2005 Appropriation:

ALCOHOL ENFORCEMENT & EDUCATION FUND

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
54400 Equipment	\$ -	\$ -	\$ 2,500	\$ 1,100
PROGRAM TOTAL	\$ -	\$ -	\$ 2,500	\$ 1,100
ALCOHOL ENF. & ED. FUND TOTAL	\$ -	\$ -	\$ 2,500	\$ 1,100

Law Enforcement Fund

2005 Appropriation:

LAW ENFORCEMENT FUND

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
54300 Operational Supplies	\$ -	\$ -	\$ 2,500	\$ 2,400
54400 Equipment	\$ -	\$ -	\$ 2,500	\$ -
PROGRAM TOTAL	\$ -	\$ -	\$ 5,000	\$ 2,400
LAW ENFORCEMENT FUND TOTAL	\$ -	\$ -	\$ 5,000	\$ 2,400

Drug Law Enforcement Fund

2005 Appropriation:

DRUG LAW ENFORCEMENT FUND

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
53000 Contractual Services	\$ -	\$ -	\$ 15,000	\$ 3,700
54400 Equipment	\$ 1,302	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 1,302	\$ -	\$ 15,000	\$ 3,700
DRUG LAW ENF. FUND TOTAL	\$ 1,302	\$ -	\$ 15,000	\$ 3,700

Capital Improvement Funds

General Infrastructure Fund

2005 Appropriation:

GENERAL INFRASTRUCTURE FUND

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
53000 Contractual Services	\$ -	\$ 32,909	\$ 50,000	\$ 50,000
57200 Capital Outlay	\$ 1,410	\$ -	\$ -	\$ -
57000 Storm Water Maintenance	\$ -	\$ 45,529	\$ -	\$ -
53000 Transfer to Recreation Center Fund	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 1,410	\$ 78,437	\$ 50,000	\$ 50,000
GEN. INFRASTRUCTURE FUND TOTAL	\$ 1,410	\$ -	\$ 50,000	\$ 50,000

The Bond Retirement Fund

The Bond Retirement Fund is used for all payments on existing bonded debt. Short-term debt like bond anticipation notes and lease purchases of equipment are included in the departmental or program operating budgets. Total debt figures are available in the FREQUENTLY ASKED QUESTIONS section of the budget under the question "How much debt does the city have?"

2005 Appropriation:

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
<u>BOND RETIREMENT FUND</u>				
56800 Refunds	\$ -	\$ -	\$ -	\$ -
58110 Trustee Administration	\$ -	\$ -	\$ 10,000	\$ 10,000
58211 Tallmadge Woods G/O Bond	\$ 69,663	\$ 67,163	\$ 64,700	\$ 62,100
58212 Concrete Street G/O Bond	\$ 116,275	\$ 113,225	\$ 115,130	\$ 111,700
58213 Storm Water G/O Bond	\$ 193,913	\$ 195,258	\$ 196,300	\$ 192,000
58214 West Ave.S/A Bond	\$ 92,400	\$ 90,600	\$ 93,800	\$ 91,700
58215 City Hall Bond	\$ 183,947	\$ 174,010	\$ 171,760	\$ 179,300
58216 Rec. Center Interest on Note	\$ -	\$ -	\$ 17,400	\$ 25,100
PROGRAM TOTAL	\$ 656,197	\$ 640,256	\$ 669,090	\$ 671,900

Enterprise and Special Assessment Funds

Sanitary Sewer Infrastructure Fund

2005 Appropriation:

SANITARY SEWER INFRASTRUCTURE FUND

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
57000 Contractual Services	\$ -	\$ -	\$ 25,000	\$ 25,000
57100 Capital Outlay	\$ 5,000	\$ -	\$ -	\$ -
57001 Sewer Cleaning/Jetting and Televising	\$ 7,012	\$ -	\$ -	\$ 40,000
57005 Cleaning/TV/Manhole Rehabilitation	\$ 12,178	\$ -	\$ -	\$ -
57006 Pumphouse Radio Control System	\$ -	\$ -	\$ -	\$ 12,500
57000 Capital West Howe Rd. Repair	\$ -	\$ 70,244	\$ -	\$ -
57008 Sewer Pump Replacement	\$ 6,648	\$ 18,373	\$ 21,000	\$ 15,000
57009 Water Meter Replacement	\$ 13,817	\$ 14,024	\$ 15,000	\$ 10,000
59945 Transfer to Potomac / Swank Sewer Imp	\$ 264,162	\$ -	\$ -	\$ -
59845 Advance to Potomac / Swank	\$ 237,500	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 546,316	\$ 102,641	\$ 61,000	\$ 102,500

Water Infrastructure Fund

2005 Appropriation:

<u>WATER INFRASTRUCTURE FUND</u>		2002 Actual	2003 Actual	2004 Budget	2005 Budget
53000	Contractual Services	\$ -	\$ -	\$ 25,000	\$ 15,000
57000	Capital Outlay	\$ -	\$ -	\$ -	\$ -
57100	Water Meter Replacement	\$ 13,817	\$ 12,901	\$ 15,000	\$ 10,000
57006	Pumphouse Radio Control System	\$ -	\$ -	\$ -	\$ 12,500
PROGRAM TOTAL		\$ 13,817	\$ 12,901	\$ 40,000	\$ 37,500

Sanitary Sewer Fund

Sanitary Sewer Administration

Department Description:

The Tallmadge Water/Sewer Department is charged with the operation, expansion, maintenance and management of the municipally owned water/sewer utility. It is our duty to furnish an adequate supply of potable water for the inhabitants of the City of Tallmadge by providing adequate pumping and distribution facilities along with the necessary construction, reconstruction, extension and repair of the water works system.

It is also our duty to manage, maintain, reconstruct and extend all necessary facilities relating to the city's owned wastewater collection system and the wastewater collection system leased from Summit County.

Water/Sewer Department Performance Measures

Utilities Department Performance Measures

	2002 Actual	2003 Projected	2004 Projected	2005 Projected
Respond to and handle Sanitary Sewer backups within 1 hour of request for service	80%	85%	85%	85%
Satisfy water client needs within 1 hour of request for service	90%	90%	90%	90%

Staffing:

Water and Sewer

	2002	2003	2004	2005
Number of Full-time Employees	7	7	9	9
Number of Part-time Employees	0	0	0	0

2005 Appropriation:

SANITARY SEWER ADMINISTRATION

		2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000	Salaries & Wages	\$ 164,230	\$ 199,185	\$ 226,000	\$ 189,216
52000	Benefits	\$ 55,546	\$ 82,852	\$ 92,500	\$ 83,084
53000	Contractual Services	\$ 849,122	\$ 783,411	\$ 840,000	\$ 880,000
54300	Operational Supplies	\$ 53,054	\$ 15,550	\$ 30,000	\$ 15,000
54100	Office Supplies & Materials	\$ 6,263	\$ 5,592	\$ 6,000	\$ 10,000
54200	Furniture & Fixtures	\$ 737	\$ 4,660	\$ -	\$ -
54400	Equipment	\$ 12,354	\$ 13,268	\$ 15,000	\$ 15,000
55000	Education/Training/Travel	\$ 96	\$ 337	\$ -	\$ 1,000
56100	Building Maint. & Utilities	\$ 22,124	\$ 18,592	\$ 20,000	\$ 25,000
56200	Maint. & Repair Vehicles	\$ 11,036	\$ 8,234	\$ 12,000	\$ 12,000
56530	Delinquent Tax	\$ 1,575	\$ 1,563	\$ 2,000	\$ 2,000
56550	State Examiners	\$ -	\$ -	\$ 500	\$ -
56560	Auditor & Treasurer Fee	\$ 13,009	\$ 13,176	\$ -	\$ 5,700
56800	Refunds	\$ 357	\$ 479	\$ 500	\$ 8,100
59917	Transfer to Infrastructure Reserve	\$ 93,719	\$ -	\$ -	\$ -
59920	Transfer to Bond Retirement	\$ -	\$ -	\$ -	\$ -
	Sub Total	\$ 1,283,220	\$ 1,146,898	\$ 1,244,500	\$ 1,246,100

DISTRICT II SEWER ADMINISTRATION

		2002 Actual	2003 Actual	2004 Budget	2005 Budget
53000	Contractual Services		\$ 54,450	\$ 100,000	\$ 70,000
53100	Summit County Sewer Lease		\$ 493,117	\$ 538,000	\$ 538,000
53500	Treatment Costs		\$ 270,311	\$ 240,000	\$ 300,000
54300	Operational Supplies	\$ -	\$ 828	\$ 50,000	\$ 15,000
56100	Building Maint. & Utilities		\$ 29,962	\$ 30,000	\$ 40,000
	Sub Total	\$ -	\$ 848,668	\$ 958,000	\$ 963,000

PROGRAM TOTAL

		\$ 1,283,220	\$ 1,995,565	\$ 2,202,500	\$ 2,209,100
Capital Outlay					\$ -
57340	New Water Meters	\$ 6,433	\$ -	\$ -	\$ -
57350	Street Sweeper	\$ 13,955	\$ 13,955	\$ 15,000	\$ -
57351	Vac-All Truck	\$ -	\$ 198,000	\$ -	\$ -
57352	Rec Center Sewer	\$ -	\$ 150,000	\$ -	\$ -
57353	Speed Monitor Trailer	\$ -	\$ 4,000	\$ -	\$ -
57355	Loader/Hoe	\$ -	\$ -	\$ 42,000	\$ -
57655	Munroe/East Intersection Imp	\$ -	\$ 1,175	\$ -	\$ -
58223	Northwest Sewer Bond Payment	\$ 36,885	\$ 36,120	\$ 40,350	\$ 39,300
58231	SW Sewer Bond Payment	\$ 25,764	\$ 24,826	\$ 26,600	\$ 25,500
58241	SW Sewer Ext. Bond Payment	\$ 2,984	\$ 2,859	\$ -	\$ -
58242	Software Purchase	\$ -	\$ -	\$ -	\$ 8,400
	Total Capital Outlay	\$ 86,021	\$ 430,935	\$ 123,950	\$ 73,200
SEWER FUND TOTAL		\$ 1,369,241	\$ 2,426,501	\$ 2,326,450	\$ 2,282,300

Capital Outlay

Pump house Radio Control System \$25,000

Repair Radio Transmitter. Shared equally with Water Dept. The costs will be shared \$12,500 Street and \$12,500 Sewer.

Water Fund

WATER OPERATING

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
51000 Salaries & Wages	\$ 158,061	\$ 197,683	\$ 226,000	\$190,000
52000 Benefits	\$ 43,852	\$ 60,598	\$ 92,500	\$ 82,400
53000 Contractual Services	\$ 1,106,907	\$ 1,039,729	\$ 1,150,000	\$ 1,202,000
54100 Office Supplies & Materials	\$ 6,527	\$ 5,610	\$ 9,000	\$ 9,000
54200 Furniture & Fixtures	\$ 737	\$ 891	\$ 1,000	\$ -
54300 Operational Supplies	\$ 47,154	\$ 86,703	\$ 60,000	\$ 70,000
54400 Equipment	\$ 4,776	\$ 7,409	\$ 15,000	\$ 15,000
55000 Education/Training/Travel	\$ 96	\$ 1,303	\$ 1,500	\$ -
56100 Building Maint. & Utilities	\$ 14,913	\$ 15,609	\$ 17,000	\$ 25,000
56200 Maint. & Repair Vehicles	\$ 5,987	\$ 8,367	\$ 12,000	\$ 12,000
56800 Refunds	\$ 1,634	\$ 6,617	\$ 8,100	\$ 3,000
59918 Transfer to Infrastructure Reserve	\$ 69,278	\$ -	\$ -	\$ -
59918 Special Transfer to Infra. Res.	\$ -	\$ -	\$ -	\$ -
59920 Transfer to Bond Retirement	\$ -	\$ -	\$ -	\$ -
58221 SW Water Bond Payment	\$ 13,812	\$ 13,312	\$ 12,800	\$ 12,300
58222 NE/ Martindale Bond Payment	\$ 43,800	\$ 41,920	\$ -	\$ -
58224 Ernest Drive Bond Payment	\$ 34,595	\$ 33,520	\$ 37,450	\$ 36,100
58225 Elm/Ferguson Waterline	\$ 51,293	\$ 55,100	\$ 53,900	\$ 52,600
58226 Parker/Milton Waterline	\$ 32,513	\$ 28,805	\$ 33,200	\$ 32,400
PROGRAM TOTAL	\$ 1,635,935	\$ 1,603,177	\$ 1,729,450	\$ 1,741,800

Capital Outlay

57369 Peck Road Looping	\$ 13,115	\$ -	\$ -	\$ -
53000 Eastwood Waterline	\$ 551	\$ 93,453	\$ -	\$ -
57371 Transfer To Danner/Peck/Williams Waterline	\$ 187,909	\$ -	\$ -	\$ -
57373 Replace W-29	\$ -	\$ 13,801	\$ -	\$ -
57372 Rec. Center Water Line	\$ -	\$ 150,000	\$ -	\$ -
57374 Speed Monitor Trailer	\$ -	\$ 4,000	\$ -	\$ -
57660 Portage Blvd. Waterline	\$ -	\$ 55,400	\$ -	\$ -
57375 Loader/Hoe	\$ -	\$ -	\$ 42,000	\$ -
57376 Software Purchase	\$ -	\$ -	\$ -	\$ 8,400
Total Capital Outlay	\$ 201,574	\$ 223,201	\$ 42,000	\$ 8,400

WATER FUND TOTAL \$ 1,933,769 \$ 1,919,830 \$ 1,771,450 \$ 1,750,200

Internal Service Funds

Investment Interest Fund

2005 Appropriation:

INVESTMENT INTEREST FUND

	2002 Actual	2003 Actual	2004 Budget	2005 Budget
59901 Transfer to General Fund	\$ 144,089	\$ 85,502	\$ 94,700	\$ 61,300
59902 Transfer to Fire & EMS Fund	\$ 4,056	\$ 2,697	\$ 900	\$ 700
59903 Transfer to Fire/EMS Capital Fund	\$ 536	\$ 274	\$ 700	\$ 500
59906 Transfer to Highway Fund	\$ 127	\$ 73	\$ 200	\$ 200
59907 Transfer to SMR Fund	\$ 1,379	\$ 907	\$ 1,000	\$ 1,000
59294 Transfer to Law Enf. Block Grant	\$ 22	\$ -	\$ -	\$ -
59917 Transfer to San. Sew. Infra. Fund	\$ 8,937	\$ 2,574	\$ 6,100	\$ 4,400
59918 Transfer to Water Infra. Fund	\$ 4,553	\$ 3,973	\$ 2,200	\$ 1,600
59919 Transfer to General Infra. Fund	\$ 6,058	\$ 3,367	\$ -	\$ -
59971 Transfer to San. Sewer Op. Fund	\$ 68,007	\$ 40,245	\$ 45,400	\$ 32,600
59972 Transfer to Water Op. Fund	\$ 24,876	\$ 16,365	\$ 900	\$ 7,000
59995 Transfer to Richardson Trust Fund	\$ 846	\$ 461	\$ 900	\$ 700
PROGRAM TOTAL	\$ 263,486	\$ 156,438	\$ 153,000	\$ 110,000

Self Insurance Fund

2005 Appropriation:

<u>SELF INSURANCE FUND</u>				
	2002 Actual	2003 Actual	2004 Budget	2005 Budget
53500 Claims	\$ 802,139.06	\$ 728,109.28	786,200	694,800
53600 Administrative Expense	\$ 220,801.40	\$ 241,375.62	230,700	280,300
53700 Reinsurance Expense	\$ -	\$ -	-	-
53800 Prescription Expense	\$ 205,606.82	\$ 258,287.85	271,500	256,500
PROGRAM TOTAL	\$ 987,300.00	\$ 1,227,772.75	1,288,400	1,231,600
SELF INSURANCE FUND TOTAL	\$ 987,300.00	\$ 1,227,772.75	1,288,400	1,231,600
TOTAL INTERNAL SERVICE FUNDS	\$ 1,207,600	\$ 1,384,211	1,441,400	1,341,600

Trust and Agency Funds

EMS and Fire Donation Fund

2005 Appropriation:

<u>EMS / FIRE DONATION FUND</u>				
	2002 Actual	2003 Actual	2004 Budget	2005 Budget
54400 Equipment	\$ 826	\$ 7,009	\$ 6,500	\$ 4,000
PROGRAM TOTAL	\$ 826	\$ 7,009	\$ 6,500	\$ 4,000
EMS / FIRE DONATION FUND TOTAL	\$ 826	\$ 7,009	\$ 6,500	\$ 4,000

Police Pension Fund

2005 Appropriation:

<u>POLICE PENSION FUND</u>				
	2002 Actual	2003 Actual	2004 Budget	2005 Budget
52200 PERS/Pension	\$ 257,427	\$ 274,591	\$ 258,000	\$ 254,000
56530 Delinquent Collection	\$ 145	\$ 207	\$ 500	\$ 500
56560 Auditor's/Treasurer's Fees	\$ 1,243	\$ 1,328	\$ 1,100	\$ 1,100
PROGRAM TOTAL	\$ 258,815	\$ 276,126	\$ 259,600	\$ 255,600

Richardson Trust Fund

2005 Appropriation:

<u>RICHARDSON TRUST FUND</u>				
	2002 Actual	2003 Actual	2004 Budget	2005 Budget
56400 Operational Cost / Rich. Trust	\$ 6,900	\$ 2,799	\$ 2,800	\$ 1,600
PROGRAM TOTAL	\$ 6,900	\$ 2,799	\$ 2,800	\$ 1,600

Revolving Trust Fund

2005 Appropriation:

<u>REVOLVING TRUST FUND</u>					
	2002 Actual	2003 Actual	2004 Budget	2005 Budget	
56601 Recreation Refundable Deposits	\$ 53,578	\$ 38,655	\$ 50,000	\$	\$ 50,000
56603 Misc. Revolving Deposits	\$ 5,714	\$ 969	\$ 10,000	\$	\$ 10,000
56604 Performance/Maintenance Bonds	\$ 64,337	\$ 68,075	\$ 125,000	\$	\$ 75,000
56605 Damage to City Property	\$ -	\$ -	\$ -	\$	\$ -
56606 Various Allotments	\$ -	\$ -	\$ 40,000	\$	\$ 40,000
56634 Southwind Terrace Estates	\$ 192	\$ -	\$ -	\$	\$ -
56635 Hilltop Terrace	\$ -	\$ -	\$ -	\$	\$ -
56636 Morningview Estates	\$ 9,257	\$ -	\$ -	\$	\$ -
56639 Kiowa Estates II	\$ 490	\$ -	\$ -	\$	\$ -
56645 Commerce Ind. Park V	\$ 1,815	\$ -	\$ -	\$	\$ -
56647 Beachler Woods	\$ 5,300	\$ 7,892	\$ -	\$	\$ -
56648 Robin Ridge III and IIIA	\$ 2,060	\$ 2,265	\$ -	\$	\$ -
56649 Ridgewood III	\$ 770	\$ -	\$ -	\$	\$ -
56655 Crossings @ NW	\$ -	\$ 2,194	\$ -	\$	\$ -
56656 Marriage Gratuities	\$ 450	\$ 679	\$ -	\$	\$ -
56657 Villas @ Chapel II	\$ 560	\$ -	\$ -	\$	\$ -
56658 Crossings @ Northwest	\$ 11,213	\$ -	\$ -	\$	\$ 25,000
56659 Bakers Acres Phase 1	\$ 100	\$ 20,625	\$ -	\$	\$ 18,000
56660 Gordon Foods	\$ -	\$ 6,914	\$ -	\$	\$ 20,000
56662 Stillmeadow No. # 8	\$ -	\$ 8,388	\$ -	\$	\$ -
56661 Eastwood Glen	\$ -	\$ 2,437	\$ -	\$	\$ -
59901 Transfer to General	\$ 42,947	\$ -	\$ -	\$	\$ -
PROGRAM TOTAL	\$ 198,783	\$ 159,092	\$ 225,000	\$	\$ 238,000
REVOLVING TRUST FUND TOTAL	\$ 198,783	\$ 159,092	\$ 225,000	\$	\$ 238,000
TOTAL TRUST & AGENCY FUNDS	\$ 508,400	\$ 445,027	\$ 493,900	\$	\$ 499,200

Annual Exhibit "A"

The "Annual Exhibit "A" section is designed to replace the old Appropriation Ordinance. The purpose in changing was to provide a mechanism by which last minute changes to the appropriation amounts could be made without the need to re-introduce a new piece of legislation to Council whenever a need to modify the appropriation amounts occurred.

Annual Budget Exhibit "A"

SECTION A. That to provide for the current operating expenses and other expenditures of the City of Tallmadge during the period from January 1, 2005 to December 31, 2005, inclusive, the following is hereby appropriated from the unappropriated balance of the General Fund #101 in the following amounts:

Police Department	\$	3,063,000.00
Police Radio System	\$	40,000.00
Transfer to Police Pension #794	\$	145,000.00
Total Security of Persons and Property	\$	3,248,000.00
Community Center	\$	110,300.00
Maca Pool	\$	84,400.00
Recreation Center	\$	696,000.00
Total Leisure Time Activities	\$	890,700.00
Zoning	\$	169,200.00
Building	\$	223,300.00
Total Community Environment	\$	392,500.00
Administration	\$	432,100.00
Finance Director	\$	454,000.00
Law Director	\$	289,900.00
Service Director	\$	315,600.00
Manager of Information Services	\$	110,200.00
Legislative	\$	159,900.00
Treasurer	\$	307,400.00
Civil Service	\$	17,900.00
Maintenance	\$	188,500.00
Garage	\$	314,000.00
General Administration	\$	487,300.00
Boards and Commissions	\$	9,200.00
Total General Government	\$	3,086,000.00
 Transfers to other Funds:		
Fire & EMS Fund	\$	431,000.00
SMR Fund	\$	1,681,900.00
New Recreation Center Fund #318	\$	300,000.00
Bond Retirement Fund	\$	552,000.00
Storm Water Fund	\$	60,000.00
Total Transfers	\$	3,024,900.00
 GRAND TOTAL GENERAL FUND #101	 \$	 10,642,100.00

SECTION B. That there is hereby appropriated from the unappropriated balance of the Fire/EMS Fund #202, the following amount:

Fire Operating	\$	1,870,000.00
TOTAL FIRE/EMS FUND #202	\$	1,870,000.00

SECTION C. That there is hereby appropriated from the unappropriated balance of the Fire Capital Fund #203, the following amount:

FIRE/EMS CAPITAL FUND #203	\$	50,000.00
TOTAL FIRE CAPITAL FUND #203	\$	50,000.00

SECTION D. That there is hereby appropriated from the unappropriated balance of the State Highway Fund #206, the following amount:

Highway	\$	55,400.00
TOTAL STATE HIGHWAY FUND #206	\$	55,400.00

SECTION E. That there is hereby appropriated from the unappropriated balance of the Street Maintenance and Repair Fund #207, the following amount:

Cemetery	\$	70,800.00
Park Maintenance	\$	283,400.00
Street Maintenance	\$	1,458,500.00
SMR Capital Projects/Road Program	\$	608,400
TOTAL STREET MAINTENANCE AND REPAIR FUND #207	\$	2,421,100.00

SECTION F. That there is hereby appropriated from the unappropriated balance of the Community Development Fund #210, the following amount:

TOTAL COMMUNITY DEVELOPMENT FUND #210	\$	30,000.00
---------------------------------------	----	-----------

SECTION G. That there is hereby appropriated from the unappropriated balance of the Alcohol and Education Fund #212, the following amount:

TOTAL ALCOHOL AND EDUCATION FUND #212	\$	1,100.00
---------------------------------------	----	----------

SECTION H. That there is hereby appropriated from the unappropriated balance of the Law Enforcement Fund #292, the following amount:

TOTAL LAW ENFORCEMENT FUND #292	\$	2,400.00
---------------------------------	----	----------

SECTION I. That there is hereby appropriated from the unappropriated balance of the Drug Law Enforcement Fund #293, the following amount:

TOTAL DRUG LAW ENFORCEMENT FUND #293	\$	3,700.00
--------------------------------------	----	----------

SECTION J. That there is hereby appropriated from the unappropriated balance of the Recreation Center Fund # 318, the following amount:

TOTAL RECREATION CENTER FUND #318	\$	4,313,300.00
-----------------------------------	----	--------------

SECTION K. That there is hereby appropriated from the unappropriated balance of the General Infrastructure Reserve Fund #319, the following amount:

GENERAL INFRASTRUCTURE RESERVE FUND #319	\$	50,000.00
--	----	-----------

SECTION L. That there is hereby created the Northeast Ave. Project Fund # 320. That there is hereby appropriated from the unappropriated balance of the Northeast Ave Project # 320, the following amount:

NORTHEAST AVE PROJECT #320	\$	142,300.00
----------------------------	----	------------

SECTION M. That there is hereby created the Northwest Ave. Project Fund # 321. That there is hereby appropriated from the unappropriated balance of the Northwest Ave Project # 321, the following amount:

NORTHWEST AVE PROJECT #321	\$	175,000.00
----------------------------	----	------------

SECTION N. That there is hereby appropriated from the unappropriated balance of the Bond Retirement Fund # 420, the following amount:

TOTAL BOND RETIREMENT FUND #420	\$	671,900.00
---------------------------------	----	------------

SECTION O. That there is hereby appropriated from the unappropriated balance of the Sanitary Sewer Infrastructure Reserve Fund # 517, the following amount:

TOTAL SANITARY SEWER INFRASTRUCTURE RESERVE FUND # 517	\$	102,500.00
--	----	------------

SECTION P. That there is hereby appropriated from the unappropriated balance of the Water Operating Infrastructure Reserve Fund #518, the following amount:

TOTAL WATER INFRASTRUCTURE RES. FUND # 518	\$	37,500.00
--	----	-----------

SECTION Q. That there is hereby appropriated from the unappropriated balance of the Sanitary Sewer Operating Fund #571, the following amount:

Operating Funds	\$	2,209,100.00
Capital Outlay	\$	73,200.00
TOTAL SANITARY SEWER OPERATING FUND # 571	\$	2,282,300.00

SECTION R. That there is hereby appropriated from the unappropriated balance of the Water Operating Fund #572, the following amount:

Operating Funds	\$	1,741,800.00
Capital Outlay	\$	8,400.00
TOTAL WATER OPERATING FUND # 572	\$	1,750,200.00

SECTION S. That there is hereby created the Storm Water Fund # 573. That there is hereby appropriated from the unappropriated balance of the Storm Water Fund # 573, the following amount:

TOTAL STORM WATER FUND # 573	\$	610,000.00
------------------------------	----	------------

SECTION T. That there is hereby appropriated from the unappropriated balance of the Investment Interest Fund #681, the following amount:

TOTAL INVESTMENT INTEREST FUND # 681	\$	110,000.00
--------------------------------------	----	------------

SECTION U. That there is hereby appropriated from the unappropriated balance of the Self-insurance Fund # 683, the following amount:

TOTAL SELF-INSURANCE FUND # 683	\$	1,231,600.00
---------------------------------	----	--------------

SECTION V. That there is hereby appropriated from the unappropriated balance of the E.M.S. and Fire Donation Fund #791, the following amount:

TOTAL E.M.S. AND FIRE DONATION FUND # 791	\$	4,000.00
---	----	----------

SECTION W. That there is hereby appropriated from the unappropriated balance of the Police Pension Fund #794, the following amount:

TOTAL POLICE PENSION FUND # 794	\$	255,600.00
---------------------------------	----	------------

SECTION X. That there is hereby appropriated from the unappropriated balance of the Richardson Trust Fund #795, the following amount:

TOTAL RICHARDSON TRUST FUND # 795	\$	1,600.00
-----------------------------------	----	----------

SECTION Y. That there is hereby appropriated from the unappropriated balance of the Revolving Trust Fund #797, the following amount:

TOTAL REVOLVING TRUST FUND # 797	\$	238,000.00
----------------------------------	----	------------

GRAND TOTAL FOR ALL FUNDS	\$	27,051,600.00
----------------------------------	-----------	----------------------

NOTES ON THE 2005 OPERATING AND CAPITAL BUDGET

- 1) All departments were asked to use the same ten (10) expenditure categories in order to consolidate accounts and standardize the object of expenditure categories across all departments. Some programs have additional expenditure categories for specific activities. The following is a brief description of each standard expenditure category:

- a) Salaries & Wages - The anticipated salary, overtime and wages of all employees. These figures were provided to all departments by the Department of Administration and are based upon current salary levels plus an anticipated annual wage adjustment of 3.0% by Council. This category also includes various allowances and bonuses that are paid as regular wages.

- b) Benefits - Pension, hospitalization and Worker's Compensation are included and calculated as follows:

- 1) Pension:

PERS	13.55% of Gross Salary
Police	19.5% of Gross Salary
Fire	24% of Gross Salary

- 2) Hospitalization: Hospitalization is divided into three basic policies with an opt-out provision. Each employee has the option of choosing any of the four (4) options. The budgeted costs are based upon projected costs of each option and the current selections of employees within a department.

Single	\$ 6,000.00	per year for single coverage
Family	\$15,000.00	per year for family coverage
Opt-out	\$1,500.00	per year, or, as guided by the individual contracts.

- 3) Other Insurance Benefits: Other insurance benefits that are provided in addition to hospitalization coverage include Dental, Vision, and Life

Insurance. The City also offers an Employee Assistance Program for all employees.

Dental	\$468.06	per year for single coverage
Dental	\$936.12	per year for family coverage
Vision	\$ 79.68	per year for single coverage
Vision	\$180.24	per year for family coverage
Life	\$184.00	per year per employee
EAP	\$ 19.00	per year per employee

- 4) Worker's Compensation: .015% of Gross Salary
- 5) Medicare: .0145% of Salary
- 6) Service Pay: Service Pay bonuses are provided to employees through Ordinance 35-1999 and the various collective bargaining contracts.
- 7) Vacation Carryover: Ordinance 84-1998 and the various collective bargaining agreements provide for payment in lieu of vacation carryover for up to ten (10) days of unused vacation.
- 8) Sick leave Incentive: Ordinance 84-1998 provides for a sick leave incentive program. Under the terms of the program, employees who do not use more than sixteen (16) hours of sick leave may elect to receive a cash benefit for forty (40) hours of unused sick leave, or, as guided by the bargaining contract directs.

c) Contractual Services - For the purchase of services such as consulting, rental fees, insurance, advertising, postage, telephone charges, printing, equipment maintenance contracts and agreements made with other governments for the purchase or provision of services.

Office Supplies & Materials - Items purchased for general use by the department such as paper, pens, folders and copy expenses. These are objects needed by all departments and are not directly related to the service function of the department.

e) Furniture & Fixtures - Expenditures for office furniture such as desks and chairs and for small fixtures.

f) Operational Supplies - Supplies used in performing the services and activities of the department which are unique to the department such as road salt, ammunition, pipes, pool chemicals and recreational supplies.

g) Equipment - This category is for equipment purchases not included in the Capital Budget such as computers, typewriters, tools, vehicle equipment that is paid for in one year, and are relatively low cost items with a short life. Major vehicle purchases and items costing more than \$25,000 and having a life greater than five (5) years are included as line items in the Capital Budget.

h) Education, Training & Travel - Expenditures for the training of personnel, educational programs, conferences, meetings professional memberships, publications, and authorized travel expenses.

i) Building Maintenance & Utilities - All electricity, heating and telephone charges as well as the cost of maintenance and repairs on city buildings.

j) Maintenance & Repair of Vehicles - This category includes the cost of gasoline, maintenance and servicing of all city vehicles. It also includes the cost of maintenance contracts and vehicle parts.

- 2) All 2005 budget figures include any reappropriation made prior to September 30, 2004.

- 3) All 2005 figures for actual expenditures include encumbered amounts that were carried over to and spent in 2005.
- 4) The following communities are used for various comparison figures. In Summit county we use Akron, Barberton, Boston Heights, Cuyahoga Falls, Fairlawn, Green, Hudson, Lakemore, Macedonia, Mogadore, Munroe Falls, Northfield, Norton, Peninsula, Reminderville, Richfield, Silver Lake, Stow, and Twinsburg. In Portage county we use Aurora, Brady Lake, Garrettsville, Hiram, Kent, Mantua, Ravenna, Streetsboro, and Wyndham..

Glossary

Amortization - The planned reduction of a debt obligation by means of periodic principal and interest payments according to a stated maturity or redemption schedule.

Anticipated Fund Balance – An amount equal to the Projected Beginning Fund Balance less Operating Appropriations plus Anticipated Revenue. The anticipated fund balance is calculated at the time the budget is prepared.

Anticipated Revenue – The amount of revenue the City expects to receive in the upcoming fiscal year to fund annual appropriations.

Appropriation - An authorization made by the legislative body of a government, which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations usually are made for fixed amounts and typically are granted for a one-year period.

Appropriation Ordinance - The official enactment by the legislative body establishing the legal authority for officials to obligate and expend resources.

Arbitrage - The gain that may be obtained by borrowing funds at a lower tax-exempt interest rate and investing the proceeds at a higher rate. The Internal Revenue Code contains specific regulations concerning the amount that can be earned from the investment of tax-exempt proceeds.

Assessment – (1) The process of making the official valuation of property for taxation. (2) The valuation placed upon property as a result of this process.

Bond – Most often, a written promise to pay a specified sum of money (called the face value or principal amount), at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate. Sometimes, however, all or a substantial portion of the interest is included in the face value of the security.

Bond Anticipation Notes - Short-term interest bearing notes issued by a government in anticipation of bonds to be issued at a later date. The notes are retired from the proceeds of the bond issue to which they are related. Bond anticipation notes may also be retired from current revenues.

Bond Counsel - An attorney or firm retained by the issuer to give a legal opinion addressing the appropriateness of tax-exempt status. Bond counsel may prepare documents, and advise the issuer regarding legal proceedings relating to the issuance of securities.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term “budget” is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

Budget Calendar - The schedule of key dates or milestones, which a government follows in the preparation and adoption of the budget.

Budget Document - The official written statement prepared by the Department of Administration and supporting staff, which presents the proposed budget to the legislative body.

Budget Message - A general discussion of the proposed budget presented in writing as a part of or supplement to the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the Mayor.

CAFR – See Comprehensive Annual Financial Report.

Capital Assets - Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Budget - A plan of proposed capital expenditures and the means of financing them, usually based on the first year of the capital improvement program and typically enacted as part of the complete annual budget which includes both operating and capital outlays.

Capital Improvement Fund - A fund established to account for allocations from the capital budget and to monitor capital expenditures which are either not directly associated with other departments or programs, or are of sufficient size to warrant a fund classification.

Capital Improvement Program (CIP) - A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

Capital Outlay - Expenditures for the acquisition of capital assets. The criteria used in this budget are any asset over \$25,000 with a life expectancy of more than 5 years.

Capital Projects - Projects that purchase or construct capital assets. Typically, a capital project encompasses a purchase of land and/or the construction of a building or facility.

Capital Project Fund – An account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

CIP – See Capital Improvement Program.

Comprehensive Annual Financial Report (CAFR) – The official annual report of a government. It includes (a) the five combined financial statements in the combined statements – overview and their related notes and (b) combining statements by fund type and individual fund and account group financial statements prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, required supplementary information, extensive introductory material and a detailed statistical section. Every government reporting entity should prepare a CAFR.

Comprehensive Plan - A plan adopted by the legislative body, which governs the growth and/or development of a community. It may include land use, transportation, environmental, or other component plans.

Conduit Financing - A financing where the proceeds of an issue are for a non-governmental borrower, usually a corporation, who uses the proceeds for working capital. The security of this issue is the credit of the private issuer rather than the governmental body. Industrial development bonds are common examples of conduit financing.

DARE – Drug Abuse Resistance Education – A joint effort between the Tallmadge Police Department and the Tallmadge City Schools to educate students about the consequences of drug use and abuse.

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants and notes.

Debt Limit – The maximum amount of outstanding gross or net debt legally permitted. The City adopted a Debt Limitation Policy in 1997.

Debt Service - The amount necessary to pay principal and interest obligations on outstanding bonds for a specified amount of time.

Debt Service Fund - A fund created to retire outstanding debt. Debt service includes principal payments and interest payments. The City uses the Bond Retirement Fund (420) for this purpose.

Deficit – (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

Department - A basic organizational unit of a jurisdiction, which is functionally unique in its service delivery.

EAP – Employee Assistance Program – This is an employee benefit that provides various counseling services to employees.

EMS – Emergency Medical Service – This refers to the ambulance and paramedic operations of the fire department.

Encumbrance - A commitment of funds against an appropriation, it may be in the form of a purchase order or a contract; until such time as the goods or services are received, the commitment is referred to as an encumbrance.

Enterprise Fund - A fund established to account for operations that are financed and operated in a manner similar to business enterprises - where 1) the intent of the governing body is that costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or 2) the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, and accountability of other purposes.

Expenditures – Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

Expenses – Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

FOP - Fraternal Order of Police, Ohio Labor Council -The bargaining unit for all police personnel, Police Officers, Sergeants, Lieutenants and Telecommunicators.

Fund - An independent fiscal and accounting entity with the self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

GAAP – See Generally Accepted Accounting Principles.

GASB – See Governmental Accounting Standards Board.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GASB.

General Fund - The governmental accounting fund supported by property and income taxes, licenses and permits, service charges, and other general revenues to provide for operating services. The City's General Fund (101) directly supports the police department, recreation programs, building and zoning, city administrative offices, boards and commissions. It also supports other city funds via transfers.

General Obligation Debt – The debt that is backed by the full faith and credit of the city. This means the city pledges its general taxing power toward the payment of this debt.

GO Debt – See General Obligation Debt.

Governmental Accounting Standards Board (GASB) – The authoritative accounting and financial reporting standard-setting body for government entities.

HUD – The Department of Housing and Urban Development

IAFF – International Association of Firefighters, the bargaining unit for full-time fire personnel.

Interfund Transfers - Budgeted amounts transferred from one governmental accounting fund to another for work or services provided. As they represent a “double counting” of expenditures, these amounts are deducted from the total operating budget to calculate the “net” budget.

Intergovernmental Revenue - Revenue received from another government unit for a specific purpose.

Internal Service Fund - Funds used to account for the financing of goods or services provided by one department to other departments within the City on a cost-reimbursement basis.

Net Direct Debt - Net Direct Debt includes only that debt issued by the City that is supported by the general taxation of the City. The Net Direct Debt is included in the 51/2% legal debt margin for unvoted general obligation debt.

Object of Expenditure - Expenditure classifications based upon the types of categories of goods and services purchased. The City uses ten basic objects of expenditure within programs. They are 1) salaries and wages, 2) benefits, 3) contractual services, 4) office supplies and materials, 5) furniture and fixtures, 6) operational supplies, 7) equipment, 8) education/travel/training, 9) building maintenance and utilities, 10) maintenance and repair of vehicles. Additional objects of expenditure may be used for programs with specific needs.

Operating Appropriation - Total appropriations including transfers for Bond Retirement, Pension, Trust, and Infrastructure Reserve Funds while excluding all other transfers and capital appropriations.

Operating Budget - A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year or calendar year) and the proposed means of financing them. The term sometimes is used to denote the officially approved expenditure ceilings under which a government and its departments operate.

Ordinance – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions that must be by ordinance and those that may be by resolution. Revenue raising measures, such as the imposition of taxes, special assessments and service charges usually require ordinances.

Paying Agent – An agent of the issuer, usually a bank or trust company, who is responsible for transmitting timely principal and interest payments to bond holders.

PERS – Public Employee Retirement System

POS – Point of Service – This applies to the health benefits provided to employees. Doctors who are members of the preferred provider group agree to give the city negotiated discounts on the services they provide.

Program - A department or function, which is the base unit for appropriation in the City.

Projected Beginning Fund Balance – The projected unencumbered fund balance for the beginning of the fiscal year. The projected beginning fund balance is calculated at the time the budget is prepared.

Purchase Order – A document authorizing the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

Revenue Bond - A bond which is payable from a specific source of revenue and to which the full faith and credit of an issuer with taxing power is *not* pledged. Revenue bonds are paid from identified sources of revenue, and do not permit the bondholders to compel a jurisdiction to pay debt service from any other source.

Revenues – (1) Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers. Also, general long-term debt proceeds and operating transfers in are classified as “other financing sources” rather than as revenues. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions and residual equity transfers. Also, operating transfers in are classified separately from revenues.

SERB – State Employee Relations Board

Special Assessment - A compulsory levy imposed on certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Assessment Fund - A fund established to account for operations that are financed using special assessments.

Special Revenue Fund - A governmental accounting fund used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Tallmadge Part-Time Firefighters Association – The bargaining unit for the city part-time Firefighters.

Teamsters – The bargaining unit for road, water, sewer and vehicle maintenance personnel.

Trust and Agency Fund – An account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds. These include the following sub classification: expendable trust funds, nonexpendable trust funds, pension trust funds, and agency funds.

Trust Indenture - A legal document (contract) between the issuer and the trustee, for the benefit of the bondholders. The trustee administers the funds in a fiduciary capacity. The indenture establishes the rights, duties, and responsibilities of the issuer and trustee and determines the security of the bonds.

Unencumbered Fund Balance - The unencumbered fund balance is that portion of the fund balance, which is “unreserved”, therefore, indicating the amount of resources, which is available for spending.