

City of Tallmadge 2006 Capital and Operating Budget Table of Contents

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MAYOR'S BUDGET MESSAGE

The year 2005 finally showed some actual growth in revenues. For the past five years we have experienced either minimal growth or an actual decrease in income tax from the previous year. From the year 1998 to the end of year 2004 our total increase in income tax was only \$367,000. This equates to just less than 1% growth per year. Employee's salaries for each of those years accounted for 3%. Using the same thought process, income tax in year 2005 showed nearly a 5% growth over 2004 or about \$350,000. This is low compared to income tax in the early-to-mid 1990's, which were averaging in the 7.5% growth range.

We also had a growth in our JEDD tax. This tax, which was implemented in 2004, had revenue in 2005 of nearly \$170,000. This tax will increase from ¼ percent in years 2004 and 2005 to ½ percent in 2006. Revenue for 2006 should easily be in the area of \$360,000.

Interest rates for the past few years dropped down to about 1.5%. The city invests approximately \$9,000,000. Revenue from interest had dropped from the \$700,000 in the early 1990's to about \$120,000 for the past few years. During year 2005, we collected \$180,000 in interest income; however, we anticipate a growth in '06 to \$241,000. This is a very conservative amount considering that short-term rates have grown to over 4%. It is unlikely we will see the high interest rates of the 90's but will receive a better rate and more revenue than we have in the past few years.

Storm water funding has increased since the implementation of the storm water fee. The City has invested heavily in storm water projects (Southeast Ave., Northwest Ave., East and Munroe) and will be considering a variety of others in early 2006. Northwest Avenue at Overdale Drive will need some work in 2006 to divert flow from Overdale Drive to the Bierce retention pond. This project will be funded through a Community Development Block Grant.

Major projects on the books for 2006 include the storm water, sanitary sewer lining, road widening and sidewalk installation projects for the East Avenue and Munroe Project. Much of this project is funded through Issue 2. A contract will be awarded in early 2006 with construction to begin early this year. The second major project is Northeast Avenue. This project will extend from Tallmadge Circle to just short of Howe Road. This is a road widening, curbing, storm sewer, and street scaping project. It will be advertised for bids in April 2006 with a contract awarded in July. This project will begin mid to late 2006. The second phase of this project, which is the construction of a "round-about" and lowering of Northeast Avenue east of Howe Rd., will be designed in 2006 and bid in 2007. Both projects are heavily funded through AMATS.

The Fire Department will be receiving its new EMS squad in January 2006. This piece of equipment was originally ordered in early 2005 but has a very long waiting period due to back orders. We will also be investing in our dispatching center with a replacement of our 911 system and the purchase of voice logging equipment. Both of these pieces of equipment have exceeded their life expectancy. We will be purchasing two new police cruisers for replacements and carpeting throughout the entire station.

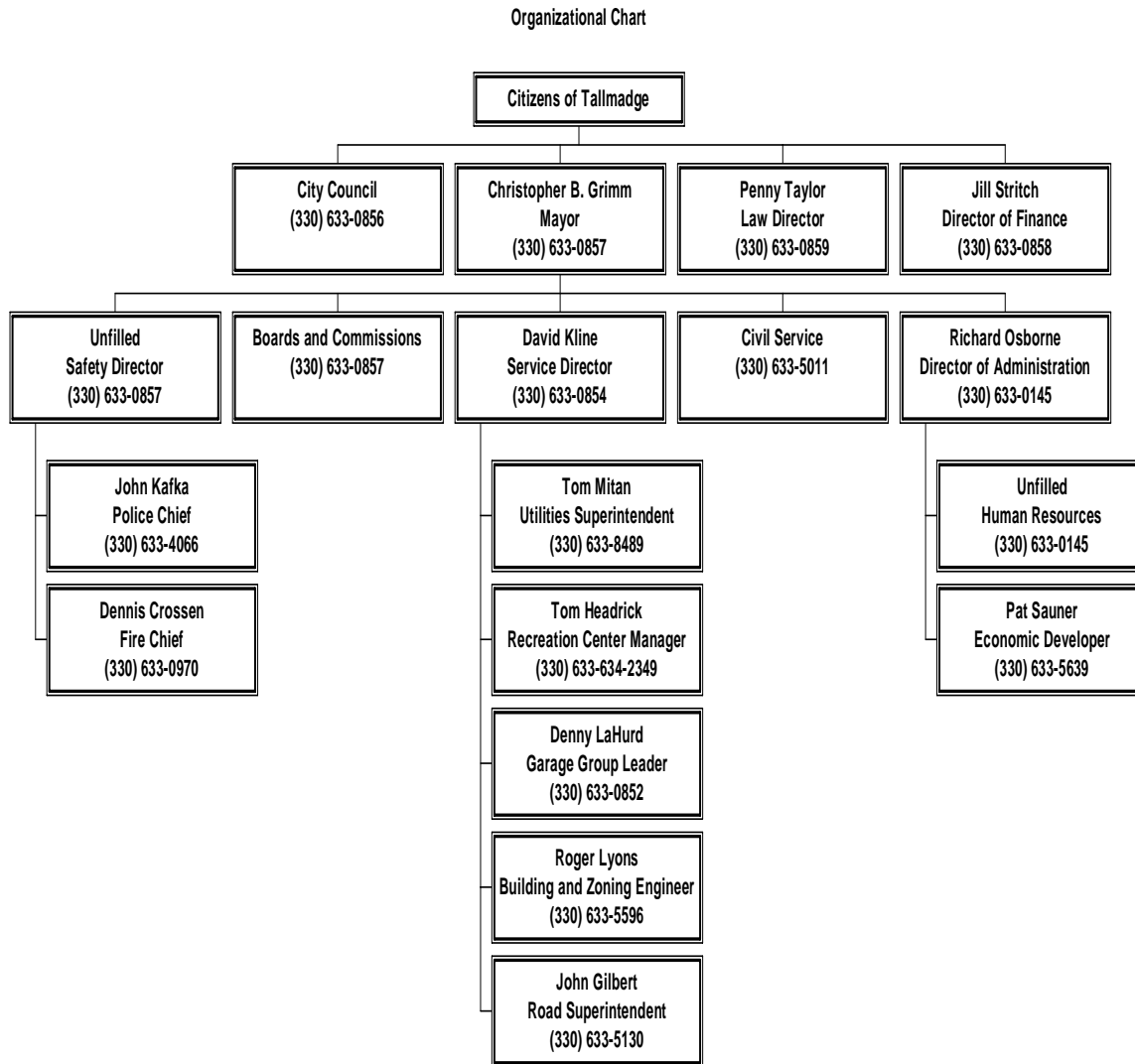
In the Road Department we will be replacing a 2-½ ton, sliding bed dump truck. We have not purchased a 2-½ ton dump truck in quite a few years. The cost of the entire truck with plow and attachments is just over \$90,000. We have 9 such vehicles, and the newest one being about 7 years old. We can anticipate seeing at least one new truck in the budget for the next few years. There are cheaper trucks available but they are not as versatile. We will be purchasing a couple of these as replacements down the road. We are replacing one 1-ton truck. These trucks do not have the life expectancy of the 2-½ tons. Typically you will get about ten years out of a truck. Salt is the big culprit in the demise of these vehicles. Usually we will rebuild the 2-1/2 ton trucks at the end of ten years but the cost of rebuilding a 1-ton verses replacement makes it cost prohibitive.

At this point we are uncertain whether we will have a contract with the Summit County Department of Environmental Services (DOES) for sanitary sewer line lease and treatment cost. If we are successful, we will need to increase sewer rates to those customers by 10%. Raising rates is never a positive thing to do, but the new rate is still cheaper than the \$43.00 per month

that D.O.E.S. charges its customers. D.O.E.S. had a request before Summit County Council requesting a rate study to increase those rates again. If the city had done nothing, our citizens would have seen their rates exceed \$43.00 per month. In order to maintain the current cost of operating the Water Department, we will be raising water rates again this year by 1%. We have been doing this for the past few years and the water fund has been maintaining solvency.

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

Council

President of Council – Jack Sarver – 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 – Jerry Feeman – At-large

Council Member – Lisa Zeno-Carano – At-large

How to Read the Budget

The 2006 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.

2006 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 2006. 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.

2006 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 2006 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?

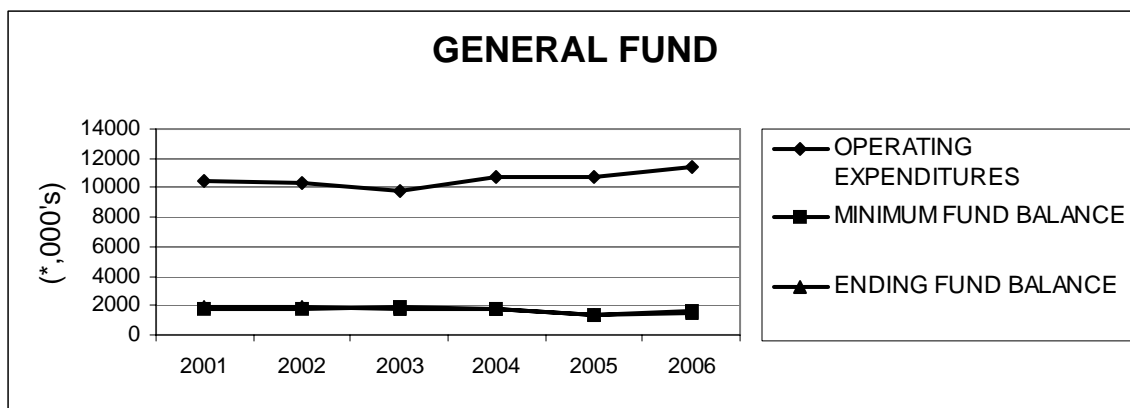
Local taxes are the major source of revenue for the city. These include the 2% income tax and property taxes. The income tax is collected from anyone employed in the city, businesses located in the city, and residents who are taxed less than 2% in the city where they work. However, because of the 100% credit we give for taxes paid to another municipality, many Tallmadge residents don't pay any income tax to the city! In 2006, we expect the income tax to produce approximately \$7.18 million. Every property owner in the city pays property taxes. They are collected by the county and distributed back to the city. Additionally, we should receive \$1.03 million from our Recreation Center and \$360,00 from the Brimfield JEDD. Another big source of revenue for the city is the utility charges for water and sewer services. The city receives more than \$4.28 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. In 2006, we expect to receive almost \$1.3 million Local Government Revenues. Included within our budget revenues are more minor revenue categories, which include fees and permits. This source is comprised of the fees charged for various services like Maca Park and our Aquatic Center passes, as well as those charged for inspections and permits. We expect to generate approximately \$683,000 in 2006. 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.

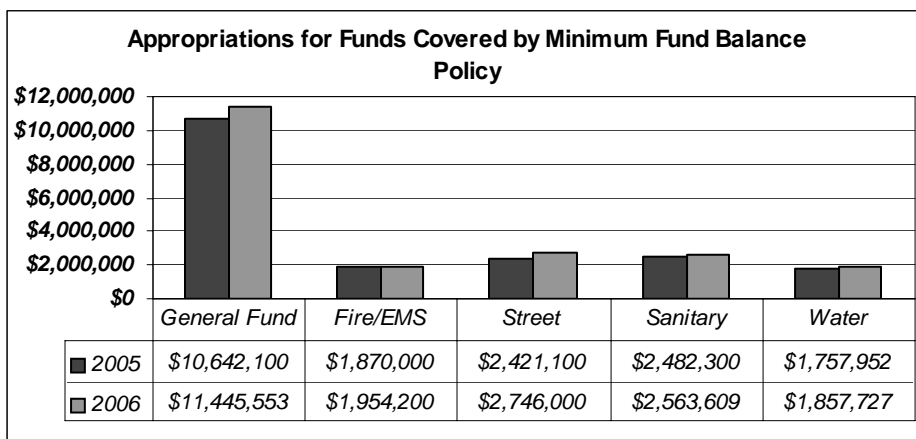
For more information about the city's revenue sources see the 2006 BUDGET SUMMARY.

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

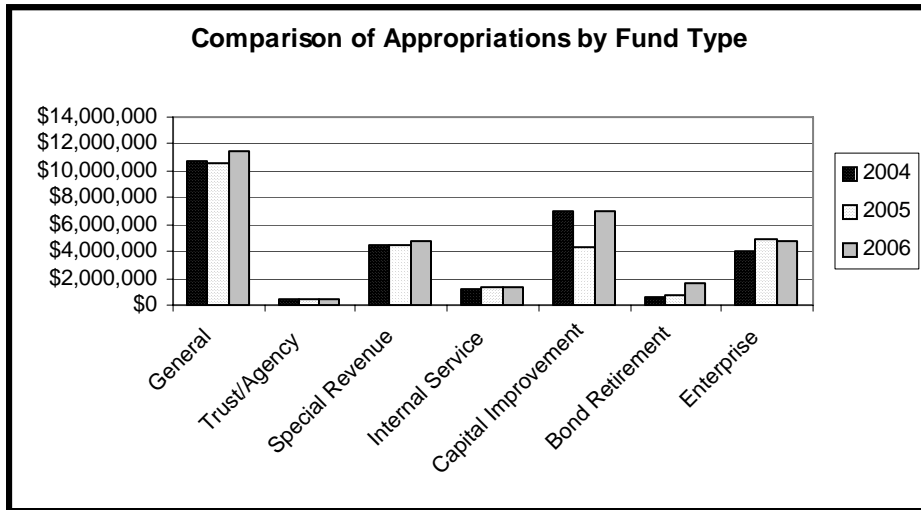
The following graph shows a comparison of the 2006 budget, to the prior years appropriations, minimum fund and ending fund balances.



Once 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 2004, 2005 and 2006. 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. In recent years we experienced a continuation of declining revenues from income tax. This year we experienced our first increase in several years.



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.

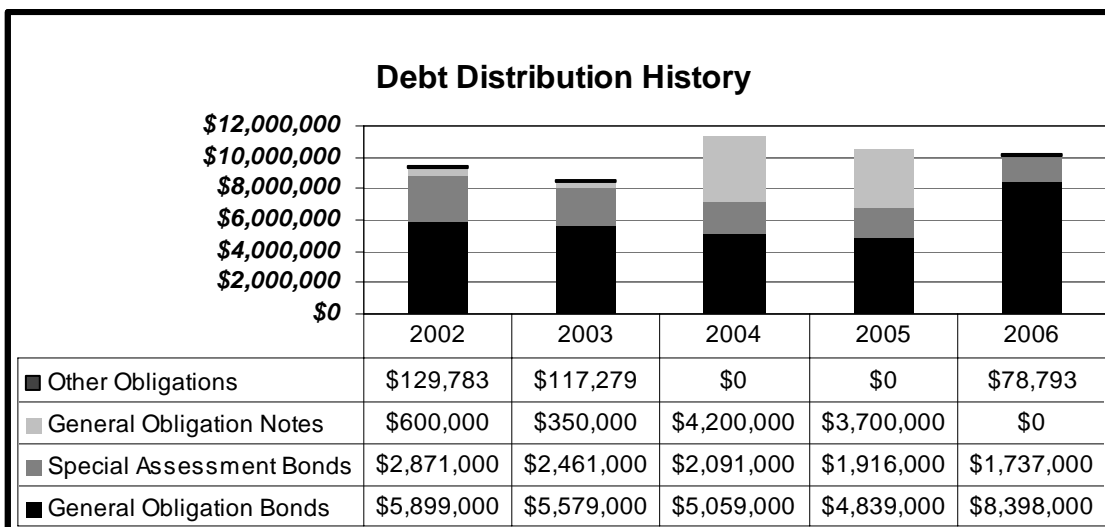
How much debt does the city have?

The following chart shows the Schedule of Indebtedness for 2006. It shows all of the debt currently owed by the city as of January 1, 2006, and that which the city plans to issue in 2006. Total Debt is expected to decrease in 2006.

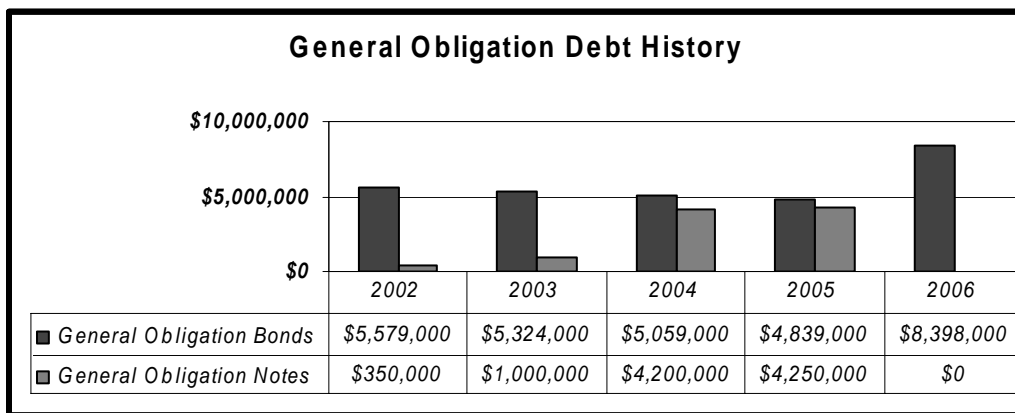
YEAR 2006 SCHEDULE OF INDEBTEDNESS

DESCRIPTION	INT. RATE	PRINCIPAL	PRINCIPAL	PRINCIPAL	PRINCIPAL
		OUTSTANDING	ISSUED	RETIRED	OUTSTANDING
		JAN. 1, 2006	DURING YEAR	DURING YEAR	DEC. 31, 2006
GENERAL OBLIGATION BONDS					
Tallmadge Woods	6.39	\$289,000	\$0	\$41,000	\$248,000
Concrete Street Improvement	6.54	\$805,000	\$0	\$60,000	\$745,000
Storm Water Improvement	5.12	\$1,800,000	\$0	\$100,000	\$1,700,000
City Building Renovation	4.73	\$1,890,000	\$0	\$85,000	\$1,805,000
Recreation Center			\$3,900,000		\$3,900,000
Total General Obligation Bonds		\$4,784,000	\$3,900,000	\$286,000	\$8,398,000
SPECIAL ASSESSMENT BONDS					
SW San. Sewer & Water	6.39	\$166,000	\$0	\$24,000	\$142,000
NW Quad Sanitary Sewer	5.86	\$305,000	\$0	\$20,000	\$285,000
Ernest Drive Water	4.56	\$100,000	\$0	\$30,000	\$70,000
West Avenue	6.00	\$910,000	\$0	\$40,000	\$870,000
Elm/Ferg Waterline	4.73	\$275,000	\$0	\$40,000	\$235,000
Parker Lane Waterline	4.73	\$160,000	\$0	\$25,000	\$135,000
Total Special Assessment Bonds		\$1,916,000	\$0	\$179,000	\$1,737,000
GENERAL OBLIGATION NOTES					
Recreation Center 2005		\$0	\$0	\$3,700,000	\$0
Total General Obligation Notes		\$0	\$0	\$3,700,000	\$0
GENERAL OBLIGATION CAPITAL LEASE					
Fire Truck		\$96,190	\$0	\$17,397	\$78,793
Total General Obligation Capital Lease		\$96,190	\$0	\$17,397	\$78,793
GRAND TOTAL		\$6,796,190	\$3,900,000	\$4,182,397	\$10,213,793

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. However, this year we will lower our overall debt. Among those are the reinvestment in our City Hall, Community Center and the Recreation 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 2006 are above prior years level. This is due to rolling the short-term debt (note) of the new Recreation Center into a bond.



In considering the overall city 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 its G.O. Debt using tax dollars. In other words, the city agrees to use its general taxing powers to ensure that it will repay this debt. Those assessed for a particular 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 2006 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 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"?

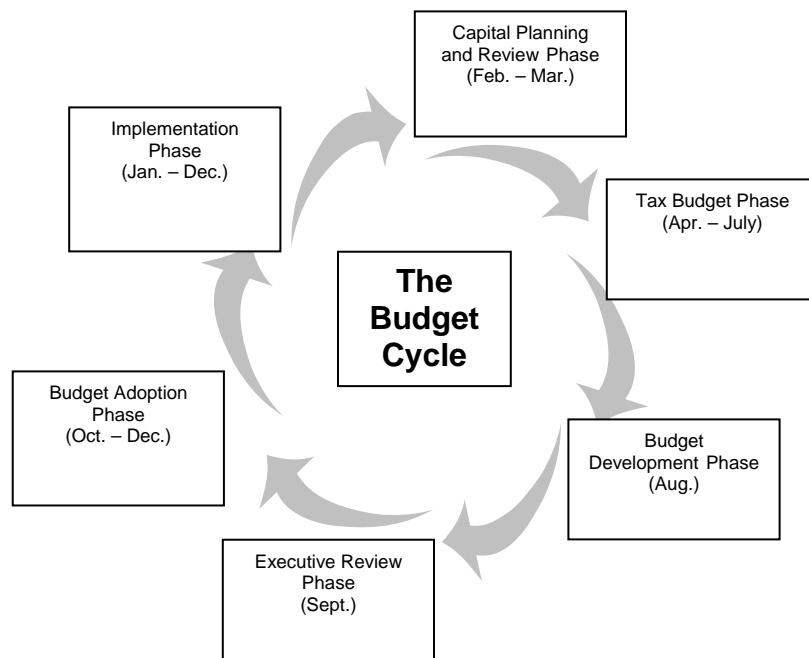
The "Alternative Tax Budget" is prepared in the spring of each year and is submitted to the county budget commissions by the end of July. It serves as the legal justification for the tax levies being collected by the City of Tallmadge. It does not appropriate any money. The revenue figures used in the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

2006 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.

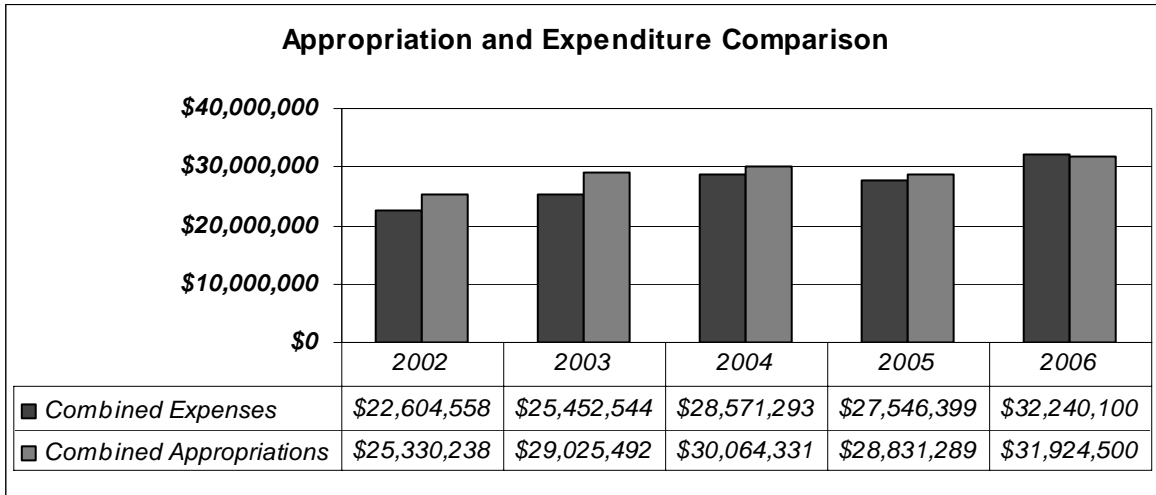
The initial level of budgetary control is established at the program level within the General Fund and at the fund level for most other funds of the City. Departments can set aside portions of their appropriation through encumbrances. These provide a level of control to ensure that no department expends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

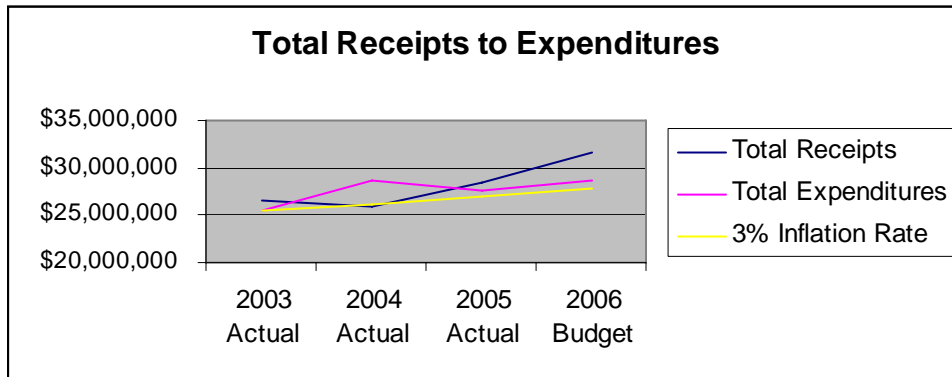
Appropriations are based upon those we anticipate for the coming year. Amounts encumbered from the current year are not included in the amount appropriated in this budget since they are reserved from the spending authority granted during the current year. Amounts expended in prior years, where provided,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

Appropriation and Expenditure History

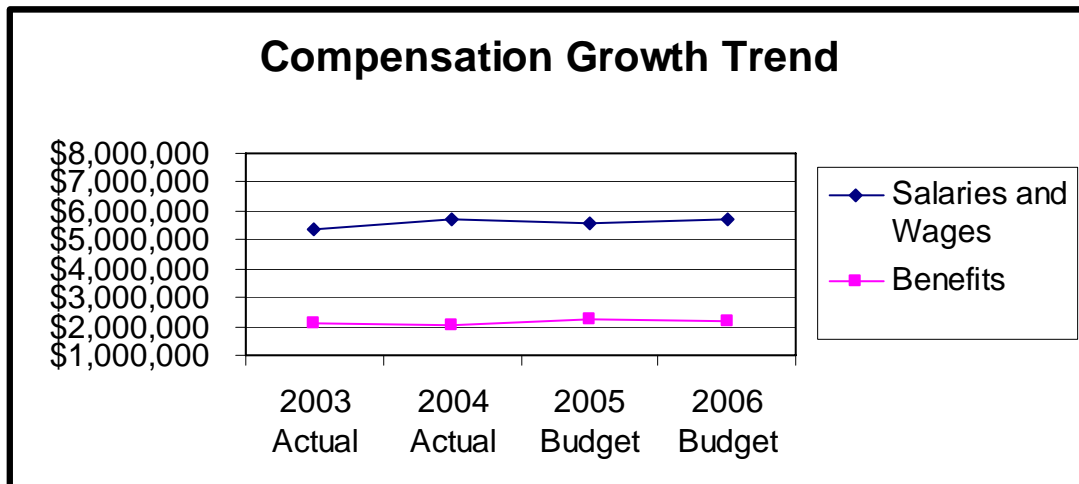
This graph shows how combined expenses have compared to combined appropriations. Combined figures include amounts encumbered from the prior year's appropriation that are spent during the current year. The figures for 2005 and 2006 are estimated. Combined expenses have increased between 2002 and 2006. This is due to the city building a new Recreation Center, rebuilding City Hall and other infrastructure projects.



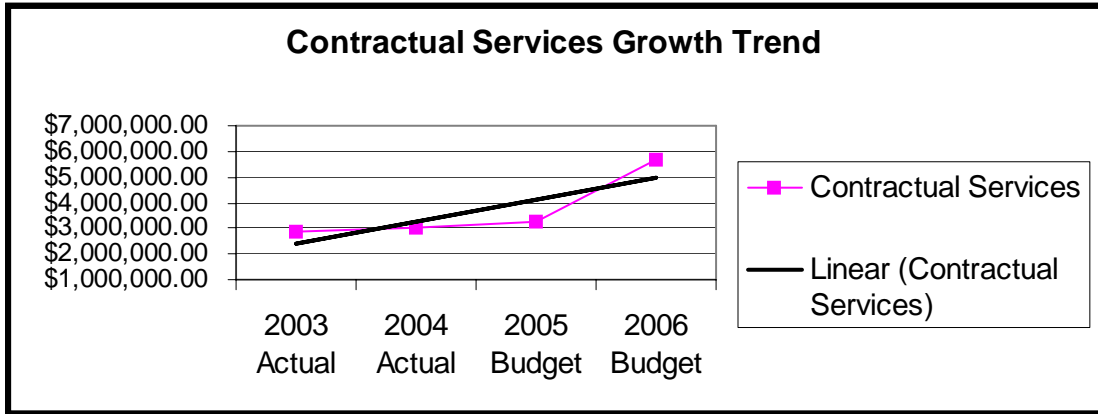
The next four graphs display the comparisons of total budget growth trends. Income Tax revenues had been declining in recent times forcing the city to become somewhat conservative in its expenditures of operating costs. The Income Tax law guides the amount of money the city should spend on capital and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



The next graph shows the overall compensation 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 trend of the growth rate of contractual services. The increase indicated in 2006 is due primarily to the aggressive construction projects undertaken by this administration in recent times. This area is always 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.

	2003	2004	2005	2006
Number of Full-time Employees	113	111	112	106
Number of Part-time Employees	156	182	182	164

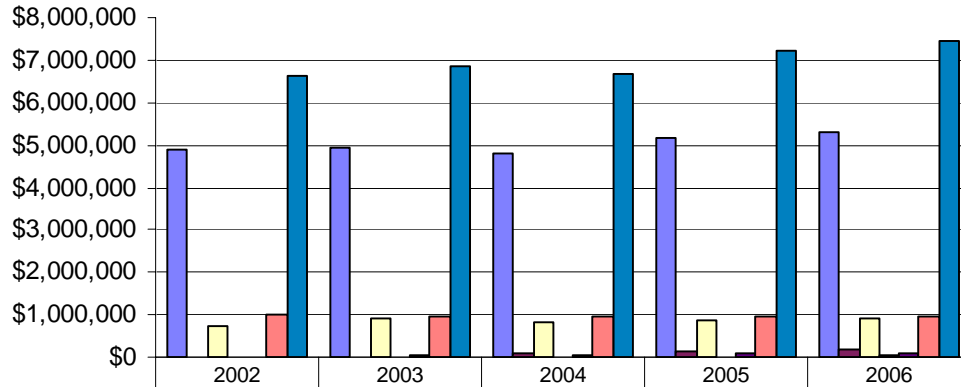
Revenue Summary

Income Tax

The income tax remains the primary revenue source for the city's General Fund. It is collected and administered by the Finance Department Payment Center Office. For 2006, the city is expecting some improvement in income tax revenue. In 2006, the city expects income tax revenue of \$7,180,000.

The income tax revenue funds all capital, park and recreation expenditures. 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.

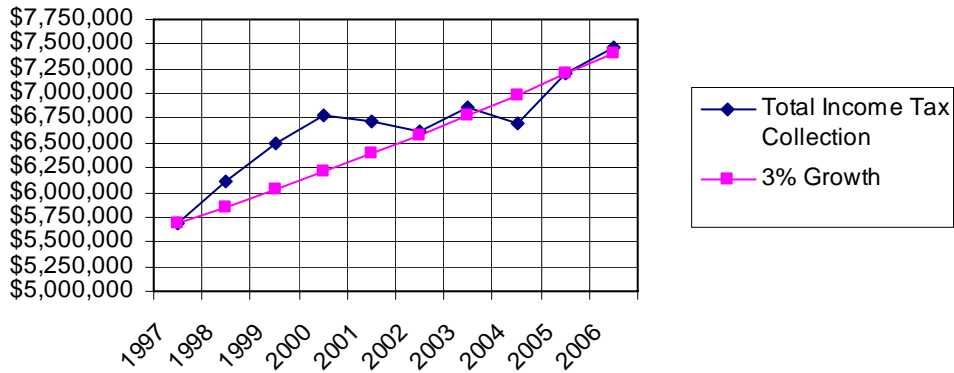
Income Tax Source Distribution



	2002	2003	2004	2005	2006
Withholding Tallmadge	\$4,873,435	\$4,931,204	\$4,778,505	\$5,158,112	\$5,287,064
Withholding Brimfield	\$0	\$0	\$81,644	\$131,750	\$197,624
Business Tallmadge	\$722,142	\$912,822	\$810,446	\$875,400	\$897,285
Business Brimfield	\$0	\$0	\$10,581	\$20,584	\$30,877
Income Tax Electric Utility	\$17,934	\$46,924	\$48,479	\$77,703	\$79,645
Individual Tallmadge	\$1,004,066	\$975,582	\$959,188	\$947,627	\$971,318
Total Income Tax Collections	\$6,617,577	\$6,866,532	\$6,688,842	\$7,211,175	\$7,463,813

Note: Total Income Tax collections include Brimfield taxes.

10 Year Income Tax Trend

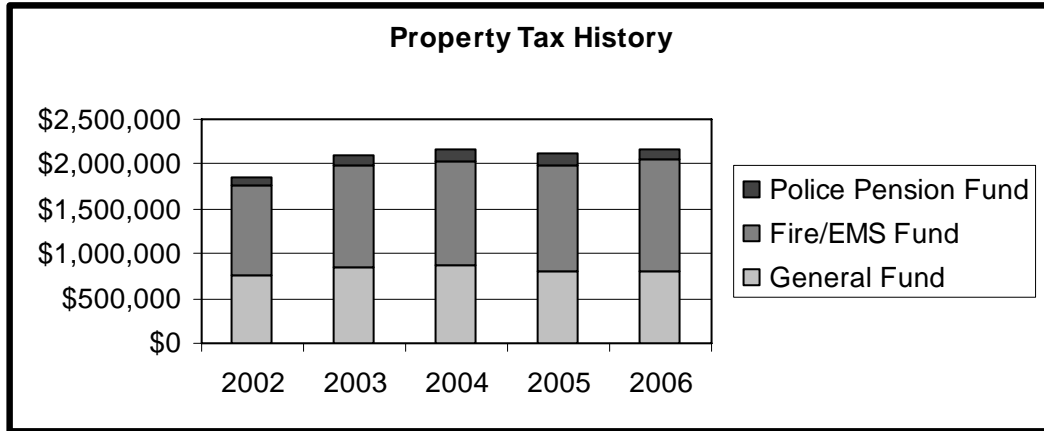


Property Tax

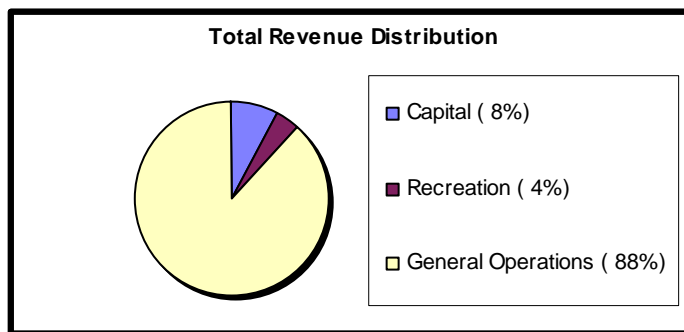
Unlike the Income Tax, Property Taxes are collected and administered by the county. Summit County collects the majority of the city's property tax and distributes it to the city throughout the year.

The property tax provides revenue for several funds within the city. Total property tax revenue for the city is projected at \$2,172,899. 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 \$814,313. The estimated property tax revenue for the Fire and EMS Fund is approximately \$1,231,368. The estimated property tax revenue for the Police Pension Fund is approximately \$127,218. 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.



The following chart shows the distribution of all forms of revenue in relation to the percentage budgeted for Capital, Recreation and General Operations for this budget year. The total revenue includes grants, awards, notes, bonds, sale of services, equipment, or, any other form of income to the city. It is used in paying for all city services and projects. The total revenue available to the city to pay for all services and projects is estimated to be \$31,677,650. Of this amount \$2,510,553 will be spent on capital improvement projects. \$1,274,200 will be used in providing recreational venues. The balance is used in providing all remaining city services.



Appropriation Summary

For 2006, 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	\$ 1,250,000
Ambulance Proceeds	\$ 370,000
Transfer from Interest	\$ 2,168
Transfer from General Fund	\$ 383,700
Other Financing Sources	\$ 4,500
Anticipated Revenue:	\$ 2,010,368

Appropriations:

Fire Operating	\$ 1,954,200
Total Appropriations:	\$ 1,954,200

Projected Beginning Fund Balance:	\$ 110,000
Change in Fund Balance:	\$ 56,168
Anticipated Fund Balance:	\$ 166,168

Minimum Fund Balance:	\$ 166,107
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FIRE/EMS CAPITAL FUND #203

Revenue:

Transfer from Interest	\$ 782
Transfer from General Fund	\$ -
Transfer from Fire/EMS Fund	\$ -
Anticipated Revenue:	\$ 782

Appropriations:

Total Appropriations:	\$ -
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Projected Beginning Fund Balance:	\$ 26,000
Change in Fund Balance:	\$ 782
Anticipated Fund Balance:	\$ 26,782

STATE HIGHWAY FUND #206**Revenue:**

Motor Vehicle License Tax	\$	11,000
Gasoline Tax	\$	42,400
Transfer from Interest	\$	142
Anticipated Revenue:	\$	<u>53,542</u>

Total Appropriations:

	\$	67,000
Projected beginning fund balance	\$	21,500
Change in fund balance	\$	(13,458)
Anticipated fund balance	\$	8,042

STREET MAINTENANCE AND REPAIR FUND #207**Revenue:**

Motor Vehicle License Tax	\$	147,680
Auto Registration Permissive Tax	\$	124,500
Gasoline Tax	\$	532,500
Cemetery	\$	70,000
Miscellaneous	\$	4,000
Interest	\$	1,747
Transfer from General Fund	\$	1,712,100
Anticipate Revenue:	\$	<u>2,592,527</u>

Appropriations:

Cemetery	\$	69,500
Park Maintenance	\$	298,700
Street Maintenance	\$	1,472,800
Road Program	\$	690,000
SMR Capital Projects	\$	215,000
Total Appropriations:	\$	<u>2,746,000</u>

Projected Beginning Fund Balance:	\$	310,000
Change in Fund Balance:	\$	<u>(153,473)</u>
Anticipated Fund Balance:	\$	156,527

Minimum Fund Balance:	\$	156,485
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COMMUNITY DEVELOPMENT FUND #210

Revenue:

Community Development Block Grant	\$	50,000
Anticipated Revenue:	\$	<u>50,000</u>

Appropriations:

Total Appropriations:	\$	50,000
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Projected Beginning Fund Balance:	\$	-
Change in Fund Balance:	\$	-
Anticipated Fund Balance:	\$	<u>-</u>

ALCOHOL ENF. & EDUCATION FUND #212

Anticipated Revenue:	\$	500
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Total Appropriations:	\$	1,100
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Projected Beginning Fund Balance:	\$	3,800
Change in Fund Balance:	\$	<u>(600)</u>
Anticipated Fund Balance:	\$	<u>3,200</u>

LAW ENFORCEMENT FUND #292

Anticipated Revenue:	\$	200
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Total Appropriations:	\$	2,400
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Projected Beginning Fund Balance:	\$	8,900
Change in Fund Balance:	\$	<u>(2,200)</u>
Anticipated Fund Balance:	\$	<u>6,700</u>

DRUG LAW ENFORCEMENT FUND #293

Anticipated Revenue:	\$	6,800
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Total Appropriations:	\$	2,400
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Projected Beginning Fund Balance:	\$	22,300
Change in Fund Balance:	\$	<u>4,400</u>
Anticipated Fund Balance:	\$	<u>26,700</u>

CAPITAL IMPROVEMENT FUNDS
ANTICIPATED REVENUE, APPROPRIATIONS AND CHANGES IN FUND BALANCE

RECREATION CENTER FUND #318

Revenue:	
Transfer from General Fund	\$ 304,000
Sale of Bonds	\$ 3,800,000
Anticipated Revenue:	\$ 4,104,000
Total Appropriations:	\$ 4,106,500
Projected Beginning Fund Balance:	\$ 3,000
Change in Fund Balance:	\$ (2,500)
Anticipated Fund Balance:	\$ 500

GENERAL INFRASTRUCTURE RESERVE FUND #319

Revenue:	
Transfer from Interest	\$ 7,609
Transfer from General Fund	\$ -
Anticipated Revenue:	\$ 7,609
Total Appropriations:	\$ 51,500
Projected Beginning Fund Balance:	\$ 65,000
Change in Fund Balance:	\$ (43,891)
Anticipated Fund Balance:	\$ 21,109

NORTHEAST AVE PROJECT #320

Revenue:	
Assessments	\$ 248,247
City Portion Issue II Loan	\$ 287,653
AMATS Grant Revenue	\$ 1,774,500
State ODOT Issue II	\$ 100,000
Anticipated Revenue:	\$ 2,410,400
Total Appropriations:	\$ 2,410,400
Projected Beginning Fund Balance:	\$ 500
Change in Fund Balance:	\$ -
Anticipated Fund Balance:	\$ 500

EAST/MUNROE PROJECT # 322

Revenue:	
OPWC Issue II Funds (Direct Pay)	\$ 477,391
Anticipated Revenue:	\$ 477,391
Total Appropriations:	\$ 477,391
Projected Beginning Fund Balance:	\$ -
Change in Fund Balance:	\$ -
Anticipated Fund Balance:	\$ -

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

BOND RETIREMENT FUND #420

Revenue:	
Refunding Old Street Bonds	\$ 845,000
Transfer from General Fund	\$ 705,000
Special Assessments	<u>\$ 91,500</u>
Anticipated Revenue:	\$ 1,641,500
Total Appropriations:	\$ 1,643,000
Projected Beginning Fund Balance:	\$ 19,700
Change in Fund Balance:	<u>\$ (1,500)</u>
Anticipated Fund Balance:	\$ 18,200

SANITARY SEWER INFRASTRUCTURE FUND #517

Revenue:	
Sewer Infrastructure Fees	\$ 85,000
Transfer from Interest	<u>\$ 2,742</u>
Anticipated Revenue:	\$ 87,742
Total Appropriations:	\$ 131,000
Projected Beginning Fund Balance:	\$ 550,000
Change in Fund Balance:	<u>\$ (43,258)</u>
Anticipated Fund Balance:	\$ 506,742

WATER OPERATING INFRASTRUCTURE FUND #518

Revenue:	
Water Infrastructure Revenue	\$ 97,410
Transfer from Interest	<u>\$ 9,551</u>
Anticipated Revenue:	\$ 106,961
Total Appropriations:	\$ 27,000
Projected Beginning Fund Balance:	\$ 470,000
Change in Fund Balance:	<u>\$ 79,961</u>
Anticipated Fund Balance:	\$ 549,961

SANITARY SEWER OPERATING FUND #571

Revenue:

Sewer Rental	\$ 1,550,000
Transfer from Interest	\$ 61,235
Misc.	\$ 10,000
Assessments	\$ 35,700
Total Anticipated Revenue:	<u>\$ 1,656,935</u>

Total Appropriations:

\$ 1,847,369

Projected Beginning Fund Balance:	\$ 2,950,000
Change in Fund Balance:	<u>\$ (190,433)</u>
Anticipated Fund Balance:	<u>\$ 2,759,567</u>

Minimum Fund Balance: \$ 379,217

WATER OPERATING FUND #572

Revenue:

Sale of Water	\$ 1,559,900
Assessments	\$ 80,000
Installations	\$ 58,300
Miscellaneous	\$ 5,300
Transfer from Interest	\$ 22,351
Anticipated Revenue:	<u>\$ 1,725,851</u>

Total Appropriations:

\$ 1,890,727

Projected Beginning Fund Balance:	\$ 1,275,000
Change in Fund Balance:	<u>\$ (164,876)</u>
Anticipated Fund Balance:	<u>\$ 1,110,124</u>

Minimum Fund Balance: \$ 440,682

Storm Water Fund #573

Revenue:

User Fees	\$ 480,000
Transfer from General Fund	\$ -
Anticipated Revenue:	<u>\$ 480,000</u>

Total Appropriations: \$ 425,000

Projected Beginning Fund Balance:	\$ 140,000
Change in Fund Balance:	<u>\$ 55,000</u>
Anticipated Fund Balance:	<u>\$ 195,000</u>

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

INVESTMENT INTEREST FUND #681

Anticipated Revenue:	\$	241,000
Total Appropriations:	\$	241,000
Projected Beginning Fund Balance:	\$	-
Change in Fund Balance:	\$	-
Anticipated Fund Balance:	\$	-

SELF INSURANCE FUND #683

Internal Charges	\$	1,300,700
Stop/Loss Refunds	\$	44,600
Anticipated Revenue:	\$	1,345,300
Total Appropriations:	\$	1,156,000
Projected Beginning Fund Balance:	\$	350,000
Change in Fund Balance:	\$	189,300
Anticipated Fund Balance:	\$	539,300

TRUST AND AGENCY FUNDS

ANTICIPATED REVENUE, APPROPRIATIONS AND CHANGES IN FUND BALANCE

Water Fund

EMS & FIRE DONATION FUND #791

Anticipated Revenue:	\$	1,000
 Total Appropriations:	 \$	 1,000
Projected Beginning Fund Balance:	\$	4,500
Change in Fund Balance:	\$	-
Anticipated Fund Balance:	\$	4,500

POLICE PENSION FUND #794

Revenue:		
Local Taxes	\$	125,000
Transfer from General	\$	150,000
Anticipated Revenue:	\$	275,000
 Total Appropriations:	 \$	 288,700
Projected Beginning Fund Balance:	\$	15,000
Change in Fund Balance:	\$	(13,700)
Anticipated Fund Balance:	\$	1,300

RICHARDSON TRUST FUND #795

Revenue:		
Transfer from Interest	\$	674
Anticipated Revenue:	\$	674
 Total Appropriations:	 \$	 2,500
Projected Beginning Fund Balance:	\$	37,500
Change in Fund Balance:	\$	(1,826)
Anticipated Fund Balance:	\$	35,674

REVOLVING TRUST FUND #797

Revenue:		
Performance Bonds	\$	157,869
Anticipated Revenue:	\$	157,869
 Total Appropriations:	 \$	 198,500
Projected Beginning Fund Balance:	\$	130,000
Change in Fund Balance:	\$	(40,631)
Anticipated Fund Balance:	\$	89,369

**2006 Capital Project Summary
BY PROJECT**

Department	Project Description	Estimated Total Cost of Project	Amount Budgeted for 2006	Paying Fund
Police Department				
	Police Cruisers (2)	\$ 47,000	\$ 47,000	General
	Unmarked Cars (3)	\$ 16,000	\$ 16,000	General
	Voice Logging Machine	\$ 25,000	\$ 25,000	General
	E-911 System Replacement	\$ 150,000	\$ 30,000	General
	CMI Server	\$ 20,000	\$ 20,000	General
	Replace 6 Mobile Data Terminals	\$ 50,000	\$ 50,000	General
	Carpet Police Dept.	\$ 24,900	\$ 24,900	General
	Police Subtotal		\$ 212,900	
Recreation				
	Recreational Facility	\$ 5,200,000	\$ 304,000	General
	Capital Outlay / Lease Payment	\$ 60,000	\$ 60,000	General
	Recreation Subtotal		\$ 364,000	
Fire Department				
Fire Department Subtotal				
Road Department				
	2006 Road Program	\$ 690,000	\$ 690,000	SMR
	Northeast Ave Project # 320	\$ 2,410,400	\$ 287,653	Northeast Fund # 320
	East & Munroe Project # 322	* Portion	\$ 77,000	Permissive License Tax
	1 Ton Truck	\$ 34,000	\$ 34,000	SMR
	2 1/2 Ton Truck	\$ 94,000	\$ 94,000	SMR
	Salt Spreader	\$ 10,000	\$ 10,000	SMR
	Road Department Subtotal		\$ 1,192,653	
Water Department				
	Water Tower (Study)	\$ 50,000	\$ 50,000	Water
	Replace W-3	\$ 17,000	\$ 17,000	Water
	W-4	\$ 18,000	\$ 18,000	Water
	East & Munroe Project # 322	* Portion	\$ 60,000	Water
	Water Meter Replacement	\$ 12,000	\$ 12,000	Water Infrastructure
	Water Department Subtotal		\$157,000	
Sewer Department				
	Sewer Rehab	\$ 34,000	\$ 34,000	Sewer Infrastructure
	Pump Replacement	\$ 10,000	\$ 10,000	Sewer Infrastructure
	Water Meter Replacement	\$ 12,000	\$ 12,000	Sewer Infrastructure
	Sewer Cleaning / Jetting & TV	\$ 40,000	\$ 40,000	Sewer Infrastructure
	W-4	\$ 18,000	\$ 18,000	Sewer
	East & Munroe Project # 322	* Portion	\$ 210,000	Sewer
	Sewer Department Subtotal		\$ 324,000	
Storm Water				
	Total East & Munroe Project # 322	\$ 974,391	\$ 200,000	Storm Water
	Overdale/NW Ave	\$ 30,000	\$ 30,000	Storm Water
	Mapping Project	\$ 80,000	\$ 80,000	Storm Water
	Storm Water sub-total		\$ 310,000	
	Total Capital Projects Requested		\$ 2,560,553	

COST BY FUND

General Fund	\$576,900
SMR Fund	\$828,000
Permissive License Tax	\$77,000
Water Fund	\$145,000
Water Infrastructure	\$12,000
Sewer Fund	\$228,000
Sewer Infrastructure	\$96,000
Storm Water Fund	\$310,000
Northeast Fund # 320	\$287,653
Total Capital Project Requests	\$2,560,553

Financial Policy Summary

The City of Tallmadge has developed three major policies, which impact the 2006 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 Director of Finance through the Cash Handling Manager 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 10% be allocated to capital and recreation improvements. The payment of net direct debt could be included in the 10% 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

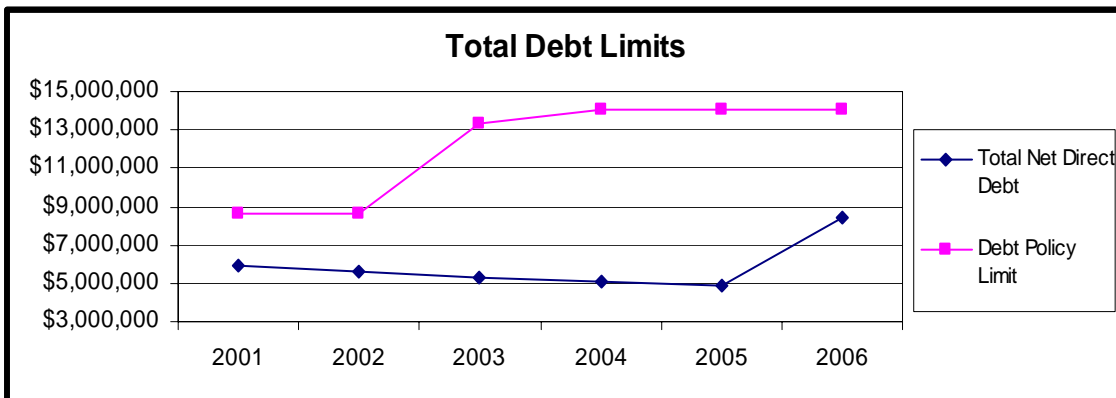
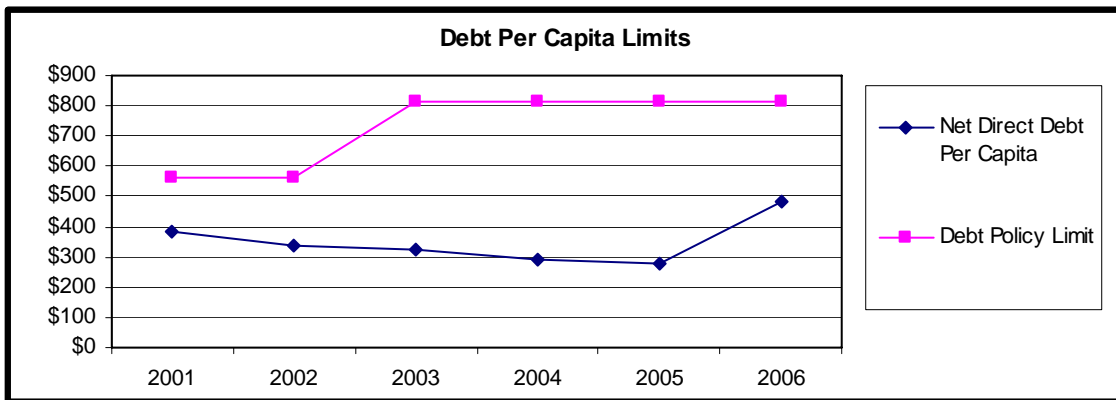
To ensure the financial stability and well being of the City, the Administration and Council will strive to maintain the credit worthiness of the City. The City will adhere to the debt affordability limits as established in this policy.

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 2006

	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.**

(1) All interest bearing bank accounts, including certificates of deposit, savings accounts, and checking accounts, within the guidelines established in subsection (h) and (j) of this section.

(2) 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)

(3) Bonds and other obligations of the State of Ohio and the City of Tallmadge.

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

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

125.01 (h) **Diversification.**

(1) 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.

(2) The Director of Finance will adjust future investments to satisfy these requirements without prematurely liquidating current investments.

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

125.01(o) **Maturities.**

I (1) Interim funds may be invested for up to two years.

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

(3) Inactive funds may be invested for five years.

(4) Depositories for active funds will be awarded every two years. Any depository designated may be changed earlier for good cause.

(5) 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 commands the Patrol Division, including the Auxiliary Police Unit. Lieutenant Duvall commands 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;

- Police Cruisers (2)
- Unmarked Cars (3)
- Voice Logging Machine
- E-911 System Replacement
- CMI Server
- Replace 6 Mobile Data Terminals
- Carpet Police Dept.

Performance Measures:

Police Department Performance Measures

	2003 Actual	2004 Actual	2005 Projected	2006 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	2003	2004	2005	2006
Number of Full-time Employees	39	39	39	36
Number of Part-time Employees	32	32	32	25

2006 Appropriation:**Police Department**

		2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000	Salaries & Wages	\$ 1,999,541	\$ 2,022,918	\$ 2,013,082	\$ 2,063,500
52000	Benefits	\$ 541,269	\$ 481,645	\$ 612,618	\$ 526,650
	Retirement Benefits	\$ -	\$ -	\$ -	\$ 36,300
53000	Contractual Services	\$ 157,898	\$ 176,086	\$ 150,000	\$ 163,800
53100	Ohio Bridgebuilders/Juvenile Grants	\$ 453	\$ 8,940	\$ 13,300	\$ 10,000
54100	Office Supplies & Materials	\$ 7,228	\$ 5,394	\$ 6,700	\$ 7,000
54200	Furniture & Fixtures	\$ 71	\$ 300	\$ -	\$ -
54300	Operational Supplies	\$ 11,791	\$ 8,971	\$ 16,200	\$ 17,000
54400	Equipment	\$ 24,131	\$ 16,164	\$ 25,000	\$ 30,000
55000	Education/Training/Travel	\$ 28,564	\$ 17,072	\$ 26,000	\$ 26,000
56100	Building Maint. & Utilities	\$ 98,197	\$ 103,688	\$ 95,000	\$ 110,000
56200	Maint. & Repair Vehicles	\$ 51,365	\$ 62,246	\$ 56,000	\$ 60,000
56800	Refunds	\$ -	\$ -	\$ -	\$ -
59800	Reappropriation	\$ 195,000	\$ -	\$ -	\$ -
D.A.R.E.					
51000	Salaries & Wages	\$ 22,602	\$ 20,651	\$ 25,000	\$ 20,000
54400	Operational Supplies	\$ 4,340	\$ 3,129	\$ 4,000	\$ 3,500
	PROGRAM TOTAL	\$ 2,947,451	\$ 2,927,204	\$ 3,042,900	\$ 3,073,750
56000	Misc. Energy Usage	\$ 20,798	\$ 18,986	\$ 20,100	\$ 20,700
57600	Capital Outlay	\$ 53,513	\$ 54,092	\$ 40,000	\$ 212,900
59994	Transfer to Police Pension	\$ 138,750	\$ 165,000	\$ 145,000	\$ 150,000
		\$ 213,061	\$ 238,078	\$ 205,100	\$ 383,600
Total Security of Persons and Property		\$ 3,160,511	\$ 3,165,283	\$ 3,248,000	\$ 3,457,350

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 part-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

	2003	2004	2005	2006
Number of Full-time Employees	2	4	3	2
Number of Part-time Employees	54	80	65	55

2006 Appropriation:**Community Center**

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000 Salaries & Wages	\$ 173,050	\$ 133,246	\$ 19,500	\$ 18,000
52000 Benefits	\$ 46,847	\$ 42,094	\$ 10,800	\$ 5,000
53000 Contractual Services	\$ 48,214	\$ 41,942	\$ 15,000	\$ 28,000
53100 Tallmadge Primetimers	\$ 8,046	\$ 9,022	\$ 15,000	\$ 12,000
53200 Tallmadge Community Ctr.	\$ 32,001	\$ 30,763	\$ -	\$ -
53210 Softball League	\$ 9,500	\$ -	\$ -	\$ -
53220 Adult Basketball	\$ 1,228	\$ -	\$ -	\$ -
53230 Volleyball	\$ 1,200	\$ -	\$ -	\$ -
53280 Youth Basketball	\$ 19,697	\$ 5,723	\$ -	\$ -
53290 Soccer/Outdoor	\$ 4,547	\$ 1,294	\$ -	\$ -
53295 Ski Club	\$ -	\$ 5,560	\$ -	\$ -
53300 Community Events	\$ 3,099	\$ 3,740	\$ 9,000	\$ 5,000
54100 Office Supplies & Materials	\$ 1,228	\$ 2,497	\$ 1,500	\$ 1,000
54200 Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54300 Operational Supplies	\$ 18,001	\$ 16,801	\$ 9,000	\$ 5,000
54400 Equipment	\$ 2,961	\$ 5,601	\$ 3,000	\$ 1,500
55000 Education/Training/Travel	\$ 3,313	\$ 196	\$ -	\$ -
56100 Building Maint. & Utilities	\$ 9,649	\$ 3,043	\$ 26,000	\$ 30,000
56800 Refunds	\$ 4,548	\$ 1,420	\$ 1,500	\$ -
PROGRAM TOTAL	\$ 387,129	\$ 302,942	\$ 110,300	\$ 105,500

Tallmadge Aquatic Center

	2003 Actual	2004 Budget	2005 Budget	2006 Budget
51000 Salaries & Wages	\$ -	\$ -	\$ 84,000	\$ 86,500
52000 Benefits	\$ -	\$ -	\$ 23,500	\$ 17,200
53000 Contractual Services	\$ -	\$ -	\$ 17,144	\$ 24,000
54100 Office Supplies & Materials	\$ -	\$ -	\$ 2,000	\$ 2,000
54300 Operational Supplies	\$ -	\$ -	\$ -	\$ -
54400 Equipment	\$ -	\$ -	\$ 2,000	\$ 2,000
55000 Education/Training/Travel	\$ -	\$ -	\$ -	\$ -
56100 Building Maint. & Utilities	\$ -	\$ -	\$ 55,856	\$ 56,000
56700 Refunds	\$ -	\$ -	\$ 500	\$ 500
PROGRAM TOTAL	\$ -	\$ -	\$ 185,000	\$ 188,200

Maca Pool

		2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000	Salaries & Wages	\$ 37,762	\$ 41,742	\$ 42,205	\$ 43,500
52000	Benefits	\$ 5,900	\$ 7,001	\$ 6,695	\$ 8,000
53000	Contractual Services	\$ 10,244	\$ 3,550	\$ 9,000	\$ 9,000
54100	Office Supplies & Materials		\$ -	\$ -	\$ -
54300	Operational Supplies	\$ 13,249	\$ 14,873	\$ 12,000	\$ 12,000
54400	Equipment	\$ 3,452	\$ 4,826	\$ 2,000	\$ 2,000
56100	Building Maint. & Utilities	\$ 6,079	\$ 5,426	\$ 10,000	\$ 10,000
54500	Concession Stand Operations	\$ -	\$ -	\$ 2,500	\$ 2,500
56800	Water Fund	\$ 30	\$ -	\$ -	\$ -
	PROGRAM TOTAL	\$ 76,716	\$ 77,418	\$ 84,400	\$ 87,000

Recreation Center

		2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000	Salaries & Wages	\$ -	\$ 244,875	\$ 292,269	\$ 375,000
52000	Benefits	\$ -	\$ 38,708	\$ 67,000	\$ 61,000
53000	Contractual Services	\$ -	\$ 102,718	\$ 58,231	\$ 120,000
53210	Softball League	\$ -	\$ 4,831	\$ -	\$ 4,000
53280	Youth Basketball	\$ -	\$ 4,551	\$ -	\$ 14,000
53282	Adult Basketball	\$ -	\$ -	\$ 3,000	\$ 5,000
53284	Volleyball League	\$ -	\$ -	\$ -	\$ -
53290	Soccer-Indoor	\$ -	\$ 3,832	\$ 5,000	\$ 4,000
53300	Pre-Kindergarden Program	\$ -	\$ -	\$ 8,000	\$ 8,000
53305	Summer Camps	\$ -	\$ -	\$ 4,000	\$ 4,000
53310	Golf	\$ -	\$ -	\$ 500	\$ 500
53315	Childrens Activities	\$ -	\$ -	\$ 2,000	\$ 2,000
54100	Office Supplies & Materials	\$ -	\$ 2,316	\$ 4,000	\$ 3,000
54200	Furniture & Fixtures	\$ -	\$ 2,476	\$ -	\$ -
54300	Operational Supplies	\$ -	\$ 34,496	\$ 28,000	\$ 55,000
54400	Equipment	\$ -	\$ 17,318	\$ 10,000	\$ 10,000
56200	Concession Stand	\$ -	\$ 5,885	\$ 5,000	\$ 20,000
55000	Education/Training/Travel	\$ -	\$ 430	\$ 2,000	\$ 2,000
56100	Building Maint. & Utilities	\$ -	\$ 114,934	\$ 145,000	\$ 142,000
56700	Refunds	\$ -	\$ 4,777	\$ 2,000	\$ 4,000
56800	Reappropriation	\$ 125,000	\$ 17,000	\$ 150,000	\$ -
	PROGRAM TOTAL	\$ 125,000	\$ 582,146	\$ 786,000	\$ 833,500
	Capital Outlay	\$ 14,537	\$ -	\$ 40,000	\$ 60,000
	Total Leisure Time Activities	\$ 603,383	\$ 962,506	\$ 1,205,700	\$ 1,274,200

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

	2003 Actual	2004 Projected	2005 Projected	2006 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

	2003	2004	2005	2006
Number of Full-time Employees	4	4	4	4
Number of Part-time Employees	7	7	7	8

2006 Appropriation:

COMMUNITY ENVIRONMENT

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
<u>Zoning</u>				
51000 Salaries & Wages	\$ 103,322	\$ 106,268	\$ 107,222	\$ 111,000
52000 Benefits	\$ 30,150	\$ 29,555	\$ 38,478	\$ 34,000
Retirement Benefits	\$ -	\$ -	\$ -	\$ 8,250
53000 Contractual Services	\$ 15,427	\$ 15,133	\$ 20,000	\$ 23,000
54100 Office Supplies & Materials	\$ 1,697	\$ 1,533	\$ 2,500	\$ 2,600
54200 Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54400 Equipment	\$ 2,000	\$ 5	\$ -	\$ -
55000 Education/Training/Travel	\$ 967	\$ 1,004	\$ 1,000	\$ 1,000
PROGRAM TOTAL	\$ 153,563	\$ 153,499	\$ 169,200	\$ 179,850
<u>Building</u>				
51000 Salaries & Wages	\$ 150,216	\$ 151,059	\$ 158,544	\$ 164,100
52000 Benefits	\$ 31,979	\$ 37,127	\$ 37,756	\$ 36,500
retirement Benefits	\$ -	\$ -	\$ -	\$ 8,250
53000 Contractual Services	\$ 17,142	\$ 36,690	\$ 20,000	\$ 20,000
54100 Office Supplies & Materials	\$ 2,220	\$ 1,649	\$ 2,500	\$ 2,500
54200 Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54400 Equipment	\$ 720	\$ 35	\$ -	\$ -
55000 Education/Training/Travel	\$ 968	\$ 1,084	\$ 1,000	\$ 1,000
56800 Refunds	\$ 4,992	\$ 2,710	\$ 3,500	\$ 3,500
PROGRAM TOTAL	\$ 208,237	\$ 230,354	\$ 223,300	\$ 235,850
Total Community Environment	\$ 361,800	\$ 383,853	\$ 392,500	\$ 415,700

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

	2003	2004	2005	2006
Number of Full-time Employees	2	2	5	5
Number of Part-time Employees	0	0	0	0

2006 Appropriation:

<u>Mayor/Administration</u>		2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000	Salaries & Wages	\$ 321,807	\$ 311,519	\$ 283,766	\$ 293,700
52000	Benefits	\$ 80,462	\$ 94,732	\$ 89,634	\$ 92,800
53000	Contractual Services	\$ 39,989	\$ 31,283	\$ 48,500	\$ 48,000
54100	Office Supplies & Materials	\$ 4,306	\$ 2,132	\$ 5,700	\$ 5,500
54200	Employee Wellness	\$ 6,421	\$ 740	\$ -	\$ -
54200	Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54400	Equipment	\$ 584	\$ -	\$ -	\$ -
55000	Education/Training/Travel	\$ 5,556	\$ 4,854	\$ 4,500	\$ 4,500
59800	Reappropriation	\$ -	\$ 10,600	\$ -	\$ -
PROGRAM TOTAL		\$ 459,125	\$ 445,260	\$ 432,100	\$ 444,500

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.

With the elimination of the Treasurer's position in 2006, the Director of Finance will assume all associated responsibilities for that office. Accordingly, all supervisory, operating, managing, fiscal, staffing, investing and budgeting tasks formerly with the Treasurer are now with this office. The physical office, formerly known as the Treasurer's office, will now be known as the "Cash Handling / Income Tax Office".

Performance Measures

Finance Department Performance Measures

	2002 Projected	2003 Projected	2004 Projected	2006 Projected
Processing of Monthly Financial Reports				
Average Number of Work Days to Process	2.13	2.13	1.5	1.5

Finance- Cash Handling/ Income Tax Performance Objectives

Finance Cash/Tax Office Performance Measures

	2003 Actual	2004 Actual	2005 Actual	2006 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

2006 Appropriation:

		<u>Finance Director</u>			
		2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000	Salaries & Wages	\$ 278,381	\$ 273,817	\$ 279,588	\$ 452,000
52000	Benefits	\$ 126,508	\$ 93,761	\$ 108,612	\$ 165,000
53000	Contractual Services	\$ 52,453	\$ 29,230	\$ 56,800	\$ 83,200
	Bank Service Charges	\$ 10,432	\$ 11,878	\$ 10,000	\$ 10,300
54100	Office Supplies & Materials	\$ 8,357	\$ 3,824	\$ 5,500	\$ 12,900
54200	Furniture & Fixtures	\$ 1,081	\$ -	\$ -	\$ -
54400	Equipment	\$ 4,145	\$ 1,389	\$ -	\$ -
55000	Education/Training/Travel	\$ 6,187	\$ 6,938	\$ 3,500	\$ 5,000
PROGRAM TOTAL		\$ 477,112	\$ 420,838	\$ 454,000	\$ 728,400

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	2003	2004	2005	2006
Number of Full-time Employees	3	3	3	3
Number of Part-time Employees	0	0	1	1

2006 Appropriation:

		<u>Law Director</u>			
		2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000	Salaries & Wages	\$ 158,097	\$ 154,265	\$ 141,189	\$ 147,900
52000	Benefits	\$ 53,775	\$ 55,793	\$ 65,711	\$ 65,700
53000	Contractual Services	\$ 62,628	\$ 47,291	\$ 65,000	\$ 65,000
54100	Office Supplies & Materials	\$ 11,623	\$ 11,453	\$ 15,000	\$ 15,600
54200	Furniture & Fixtures	\$ -	\$ 2,214	\$ -	\$ -
54400	Equipment	\$ -	\$ -	\$ 500	\$ 500
55000	Education/Training/Travel	\$ 4,983	\$ 3,479	\$ 2,500	\$ 2,500
PROGRAM TOTAL		\$ 291,105	\$ 274,495	\$ 289,900	\$ 297,200

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

	2003	2004	2005	2006
Number of Full-time Employees	3	3	3	3
Number of Part-time Employees	0	0	0	0

Performance Measures

Service Department Performance Measures

	2003 Actual	2004 Projected	2005 Projected	2006 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%

2006 Appropriation:

Service Director

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000 Salaries & Wages	\$ 162,775	\$ 174,549	\$ 172,766	\$ 143,378
52000 Benefits	\$ 66,796	\$ 61,379	\$ 74,334	\$ 59,412
53000 Contractual Services	\$ 46,383	\$ 41,340	\$ 65,000	\$ 65,000
54100 Office Supplies & Materials	\$ 2,698	\$ 2,501	\$ 2,000	\$ 2,000
54200 Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54400 Equipment	\$ 4,200	\$ 5,269	\$ 1,500	\$ 1,513
55000 Education/Training/Travel	\$ 300	\$ 147	\$ -	\$ -
56100 Building Maint. & Utilities	\$ 48	\$ 35	\$ -	\$ -
Reappropriation	\$ -	\$ -	\$ 5,000	\$ -
PROGRAM TOTAL	\$ 283,200	\$ 285,220	\$ 320,600	\$ 271,303

SD Salary/Benefits are \$70,844 and \$28,376 annually, 1/4 equally to Water/Sewer

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

	2003	2004	2005	2006
Number of Full-time Employees	1	1	1	1
Number of Part-time Employees	1	0	0	0

2006 Appropriation:**Manager of Information Systems**

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000 Salaries & Wages	\$ 33,293	\$ 40,830	\$ 48,691	\$ 56,400
52000 Benefits	\$ 20,408	\$ 18,049	\$ 21,509	\$ 20,700
53000 Contractual Services	\$ 20,059	\$ 34,766	\$ 28,000	\$ 28,000
54100 Office Supplies & Materials	\$ 1,595	\$ 114	\$ -	\$ -
54200 Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54400 Equipment	\$ 3,412	\$ 5,000	\$ 11,000	\$ 11,000
55000 Education/Training/Travel	\$ 979	\$ 885	\$ 1,000	\$ 1,000
PROGRAM TOTAL	\$ 79,746	\$ 99,645	\$ 110,200	\$ 117,100

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

	2003	2004	2005	2006
Number of Full-time Employees	1	1	1	1
Number of Part-time Employees	8	8	8	8

2006 Appropriation:**Legislative**

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000 Salaries & Wages	\$ 104,793	\$ 109,162	\$ 111,954	\$ 115,900
52000 Benefits	\$ 30,585	\$ 30,332	\$ 35,946	\$ 35,500
53000 Contractual Services	\$ 11,463	\$ 15,236	\$ 11,000	\$ 11,000
54100 Office Supplies & Materials	\$ 1,575	\$ 1,015	\$ 1,000	\$ 1,000
54200 Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -
54400 Equipment	\$ -	\$ 90	\$ -	\$ -
55000 Education/Training/Travel	\$ 16	\$ 26	\$ -	\$ -
PROGRAM TOTAL	\$ 148,432	\$ 155,861	\$ 159,900	\$ 163,400

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

	2003	2004	2005	2006
Number of Full-time Employees	0	0	0	0
Number of Part-time Employees	4	4	4	4

2006 Appropriation:

<u>Civil Service</u>		2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000	Salaries & Wages	\$ 18,461	\$ 17,726	\$ 14,900	\$ 19,400
52000	Benefits	\$ 2,836	\$ 3,221	\$ 2,500	\$ 3,300
53000	Contractual Services	\$ 15,206	\$ 12,949	\$ -	\$ -
54100	Office Supplies & Materials	\$ 1,228	\$ 918	\$ 500	\$ 500
54200	Furniture & Fixtures	\$ 117	\$ -	\$ -	\$ -
54300	Operational Supplies	\$ 43	\$ 83	\$ -	\$ -
54400	Equipment	\$ -	\$ 234	\$ -	\$ -
55000	Education/Training/Travel	\$ 141	\$ -	\$ -	\$ -
56800	Refunds	\$ -	\$ -	\$ -	\$ -
56801	Reappropriation	\$ -	\$ 2,000	\$ 4,700	\$ -
PROGRAM TOTAL		\$ 38,032	\$ 35,129	\$ 22,600	\$ 23,200

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 re-hanging doors, replacing windows, relocating partitions, minor remodeling and construction.

Staffing:

Maintenance

	2003	2004	2005	2006
Number of Full-time Employees	1	2	1	1
Number of Part-time Employees	0	0	0	1

2006 Appropriation:

Maintenance

		2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000	Salaries & Wages	\$ 22,008	\$ 28,430	\$ 30,000	\$ 35,000
52000	Benefits	\$ 17,839	\$ 17,000	\$ 17,250	\$ 20,200
53000	Contractual Services	\$ 44,816	\$ 41,905	\$ 40,000	\$ 42,000
54100	Office Supplies & Materials	\$ 3,285	\$ 1,459	\$ 250	\$ 1,500
54200	Furniture and Fixtures	\$ 4,999	\$ -	\$ -	\$ -
54300	Operational Supplies	\$ 3,784	\$ 6,732	\$ 6,500	\$ 6,500
54400	Equipment	\$ 715	\$ 12,534	\$ 3,500	\$ 3,500
55000	Education, Training, Travel	\$ -	\$ -	\$ -	\$ -
56100	Building Maint. & Utilities	\$ 74,276	\$ 67,062	\$ 84,000	\$ 84,000
56200	Maint. & Repair Vehicles	\$ 6,059	\$ 9,045	\$ 7,000	\$ 7,200
PROGRAM TOTAL		\$ 177,780	\$ 184,167	\$ 188,500	\$ 199,900

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

	2003	2004	2005	2006
Number of Full-time Employees	4	4	4	4
Number of Part-time Employees	1	1	1	1

2006 Appropriation:

Garage Operating

		2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000	Salaries & Wages	\$ 200,929	\$ 196,224	\$ 188,016	\$ 194,600
52000	Benefits	\$ 82,970	\$ 71,373	\$ 68,834	\$ 64,900
53000	Contractual Services	\$ 9,866	\$ 13,484	\$ 17,000	\$ 15,000
54100	Office Supplies & Materials	\$ 1,285	\$ 1,308	\$ 1,850	\$ 1,500
54300	Operational Supplies	\$ 1,089	\$ 1,546	\$ 1,500	\$ 1,500
54400	Equipment	\$ 9,514	\$ 8,962	\$ 9,800	\$ 10,000
55000	Education/Training/Travel	\$ 453	\$ 472	\$ 1,000	\$ 1,000
56100	Building Maint. & Utilities	\$ 8,559	\$ 9,524	\$ -	\$ -
56200	Maint. & Repair Vehicles	\$ 23,477	\$ 25,194	\$ 26,000	\$ 30,000
	Reappropriation	\$ -	\$ -	\$ 20,000	\$ -
	Capital Outlay			\$ -	\$ -
PROGRAM TOTAL		\$ 338,140	\$ 328,088	\$ 334,000	\$ 318,500

Bldg. Maint. & Utilities paid thru Water Dept.

Boards and Commissions

2006 Appropriation:

<u>Boards and Commissions</u>		2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000	Salaries & Wages	\$ 4,517	\$ 1,738	\$ 6,200	\$ 6,000
52000	Benefits	\$ 644	\$ 409	\$ 1,000	\$ 1,000
53000	Contractual Services	\$ 1,615	\$ 355	\$ 2,000	\$ 2,000
54100	Office Supplies & Materials	\$ 103	\$ 57	\$ -	\$ -
55000	Education/Training/Travel	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL		\$ 6,879	\$ 2,559	\$ 9,200	\$ 9,000

General Administration

2006 Appropriation:

<u>General Administration</u>		2003 Actual	2004 Actual	2005 Budget	2006 Budget
53000	Brimfield Anexation	\$ 9,424	\$ -	\$ -	\$ -
56510	Property Tax	\$ 15,270	\$ 5,831	\$ 10,000	\$ 10,000
56520	District Health	\$ 123,862	\$ 130,936	\$ 134,800	\$ 139,000
56530	Delinquent Tax	\$ 1,449	\$ 1,942	\$ 2,000	\$ 2,000
56540	Election Expense	\$ 1,267	\$ 13,248	\$ 10,000	\$ 10,000
56550	State Examiners	\$ 37,409	\$ 29,889	\$ 30,000	\$ 30,000
56560	Auditor & Treasurer Fee	\$ 9,318	\$ 12,106	\$ 8,000	\$ 12,000
56565	State Admin. Fee	\$ -	\$ 540	\$ -	\$ -
56570	Contingencies	\$ 200	\$ 2,000	\$ 1,500	\$ 1,500
56575	City Sponsored Events	\$ 4,790	\$ 4,928	\$ 5,000	\$ 5,000
56577	City Legal Expenses	\$ -	\$ -	\$ -	\$ 25,000
56580	Emergency Management Agency	\$ 6,472	\$ 7,281	\$ 8,000	\$ 8,000
56585	State Rollback Admin Fee	\$ 651	\$ -	\$ -	\$ -
56590	Solid Waste Mgnt District	\$ -	\$ -	\$ -	\$ -
56800	Income Tax Refunds/Tall	\$ 135,717	\$ 163,059	\$ 133,000	\$ 175,000
56801	Income Tax Refunds/Brimfield	\$ -	\$ -	\$ 5,000	\$ 3,500
56810	JEDZ / Tallmadge Zone	\$ 79,919	\$ 68,195	\$ 90,000	\$ 70,000
56820	JEDD/Brimfield Payment	\$ -	\$ 43,741	\$ 50,000	\$ 130,000
59800	Reappropriation	\$ -	\$ -	\$ (60,000)	\$ -
PROGRAM TOTAL		\$ 425,747	\$ 483,697	\$ 427,300	\$ 621,000

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.

2006 Appropriation:

<u>Transfers</u>		2003 Actual	2004 Actual	2005 Budget	2006 Budget
59902	Fire & EMS Fund	\$ 260,000	\$ 360,000	\$ 431,000	\$ 383,700
59903	Fire & EMS Capital Fund	\$ 10,000	\$ -	\$ -	\$ -
59907	SMR Fund	\$ 1,534,000	\$ 1,785,000	\$ 1,681,900	\$ 1,712,100
59910	Community Development Fund	\$ 23,500	\$ -	\$ -	\$ -
	Transfer to Recreation Center Fund				
59918	#318	\$ 500,000	\$ 500,000	\$ 300,000	\$ 304,000
59919	General Infrastructure Fund	\$ -	\$ -	\$ -	\$ -
59920	Bond Retirement Fund	\$ 525,000	\$ 562,000	\$ 552,000	\$ 705,000
59983	Storm Water Fund	\$ -	\$ -	\$ 60,000	\$ -
59984	Transfer to Self-Insurance Fund	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL		\$ 2,852,500	\$ 3,207,000	\$ 3,024,900	\$ 3,104,800

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

Revenue:

	Income tax	\$	7,180,000	
	Brimfield Jedd Tax	\$	360,000	
	Other Taxes	\$	890,000	
Total Local Taxes		\$	8,430,000	
Intergovernmental Revenues		\$	1,316,000	
Special Assessments		\$	10,500	
Charges for Services		\$	300,600	
Recreation Center Revenue		\$	1,039,000	
Fines, Licenses, and Permits		\$	303,400	
Miscellaneous		\$	68,200	
Transfer from Interest		\$	132,000	
Anticipated Revenue:		\$	11,599,700	

Appropriations:

Security of Persons and Property		\$	3,457,350	
Leisure Time Activities		\$	1,274,200	
Community Environment		\$	415,700	
Tax Refunds		\$	378,500	
General Government		\$	2,815,003	
Transfers		\$	3,104,800	
Total Appropriations:		\$	11,445,553	

Projected Beginning Fund Balance:		\$	1,350,000	
Change in Fund Balance:		\$	154,147	
Anticipated Fund Balance:		\$	1,504,147	
Minimum Fund Balance:		\$	1,676,463	

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	2003 Actual	2004 Actual	2005 Actual	2006 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	2003	2004	2005	2006
Number of Full-time Employees	12	12	12	12
Number of Part-time Employees	45	45	45	43

2006 Appropriation:

FIRE / EMS FUND

Fire Operating		2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000	Salaries & Wages	\$ 1,184,964	\$ 1,256,645	\$ 1,208,120	\$ 1,302,000
52000	Benefits	\$ 376,277	\$ 389,758	\$ 385,780	\$ 387,400
53000	Contractual Services	\$ 74,322	\$ 80,307	\$ 75,000	\$ 77,300
54100	Office Supplies & Materials	\$ 3,171	\$ 5,543	\$ 7,500	\$ 7,000
54200	Furniture & Fixtures	\$ 3,453	\$ 268	\$ -	\$ -
54300	Operational Supplies	\$ 11,284	\$ 15,421	\$ 19,500	\$ 19,000
54400	Equipment	\$ 45,550	\$ 25,969	\$ 42,100	\$ 37,500
55000	Education/Training/Travel	\$ 7,555	\$ 10,629	\$ 9,000	\$ 10,000
56100	Building Maint. & Utilities	\$ 58,042	\$ 43,043	\$ 52,000	\$ 45,000
56200	Maint. & Repair Vehicles	\$ 50,132	\$ 40,878	\$ 55,000	\$ 55,000
56530	Delinquent Collection	\$ 2,063	\$ 2,123	\$ 2,000	\$ 2,000
56560	Auditor & Treasurer Fee	\$ 13,144	\$ 13,653	\$ 12,000	\$ 12,000
56565	State Admin. Fee	\$ -	\$ 705	\$ -	\$ -
59800	Reappropriation	\$ 4,844	\$ 60,000	\$ 50,000	\$ -
PROGRAM TOTAL		\$ 1,834,801	\$ 1,944,940	\$ 1,918,000	\$ 1,954,200
59903	Transfer to Fire/EMS Capital	\$ 94,300	\$ 45,000	\$ 2,000	\$ -
FIRE / EMS FUND TOTAL		\$ 1,924,257	\$ 1,929,940	\$ 1,870,000	\$ 1,954,200

Fire/EMS Capital Fund

2006 Appropriation:

FIRE / EMS CAPITAL FUND

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
57013	Jaws of Life	\$ 25,000	\$ -	\$ -
57014	High Pressure Compressor	\$ 23,707	\$ -	\$ -
57003	Heart Monitors			\$ -
57010	Fire Engine '00	\$ 70,422	\$ -	\$ -
57012	Ford Expedition	\$ 21,378	\$ -	\$ -
57015	SCBA Replacement	\$ -	\$ -	\$ 30,000
57016	Squad '05	\$ -	\$ -	\$ 20,000
59800	Reappropriation	\$ -	\$ -	\$ 92,700
FIRE / EMS CAPITAL FUND TOTAL		\$ 140,507	\$ -	\$ 142,700

Street Maintenance and Repair Fund

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	2003	2004	2005	2006
Number of Full-time Employees	17	17	17	18
Number of Part-time Employees	0	0	0	0

* seasonal

2006 Appropriation:

STREET MAINTENANCE & REPAIR FUND

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
<u>Cemetery</u>				
51000 Salaries & Wages	\$ 39,740	\$ 43,076	\$ 41,800	\$ 43,300
52000 Benefits	\$ -	\$ -	\$ -	\$ -
53000 Contractual Services	\$ 15,682	\$ 24,418	\$ 22,000	\$ 20,000
54300 Operational Supplies	\$ 1,280	\$ 3,422	\$ 4,800	\$ 4,000
56200 Building Maint. & Utilities	\$ -	\$ 6,105	\$ 1,500	\$ 1,500
56800 Refund of Sale of Lots	\$ 150	\$ 100	\$ 700	\$ 700
Sub Total	\$ 56,852	\$ 77,122	\$ 70,800	\$ 69,500
<u>Park Maintenance</u>				
51000 Salaries & Wages	\$ 100,709	\$ 120,068	\$ 181,400	\$ 187,700
53000 Contractual Services	\$ 38,479	\$ 47,467	\$ 40,000	\$ 42,000
54300 Operational Supplies	\$ 9,119	\$ 8,377	\$ 16,000	\$ 15,000
56100 Building Maint. & Utilities	\$ 39,946	\$ 31,337	\$ 36,000	\$ 36,000
56300 City Beautification	\$ 7,509	\$ 7,808	\$ 10,000	\$ 18,000
59800 Reappropriation	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 195,761	\$ 215,058	\$ 283,400	\$ 298,700
<u>Street Maintenance</u>				
51000 Salaries & Wages	\$ 607,518	\$ 566,857	\$ 587,100	\$ 599,600
52000 Benefits	\$ 388,997	\$ 324,406	\$ 391,900	\$ 388,200
53000 Contractual Services	\$ 132,576	\$ 101,304	\$ 108,300	\$ 109,000
54100 Office Supplies & Materials	\$ 1,347	\$ 1,016	\$ 2,000	\$ 2,000
54200 Furniture & Fixtures	\$ -	\$ 360	\$ -	\$ -
54300 Operational Supplies	\$ 246,361	\$ 188,250	\$ 205,000	\$ 210,000
54400 Equipment	\$ 24,577	\$ 3,410	\$ 23,200	\$ 23,000
55000 Education/Training/Travel	\$ 472	\$ -	\$ 1,000	\$ 1,000
56100 Building Maint. & Utilities	\$ 14,472	\$ 16,173	\$ 25,000	\$ 20,000
56200 Maint. & Repair Vehicles	\$ 118,580	\$ 120,368	\$ 115,000	\$ 120,000
59800 Reappropriation	\$ 200,000	\$ 140,000	\$ -	\$ -
Sub Total	\$ 1,534,901	\$ 1,322,144	\$ 1,458,500	\$ 1,472,800
<u>Stormwater</u>				
Water Fund	\$ 45,993	\$ 53,412	\$ -	\$ -
PROGRAM TOTAL	\$ 1,833,507	\$ 1,667,734	\$ 1,812,700	\$ 1,841,000
<u>Road Program</u>				
57330 Concrete Maintenance	\$ -	\$ 109,931	\$ 95,400	\$ 130,000
57600 Crack Seal	\$ -	\$ 39,805	\$ 35,000	\$ 45,000
57601 Asphalt resurfacing & Repair	\$ -	\$ 453,089	\$ 445,000	\$ 465,000
57602 Pavement Marking	\$ -	\$ 33,010	\$ 33,000	\$ 50,000
59800 Reappropriation	\$ -	\$ -	\$ -	\$ -
Road Repair Sub-Total	\$ -	\$ 635,834	\$ 608,400	\$ 690,000
<u>Capital Outlay</u>				
1 Ton Truck	\$ -	\$ -	\$ -	\$ 34,000
2 1/2 Ton Truck	\$ -	\$ -	\$ -	\$ 94,000
East & Munroe	\$ -	\$ -	\$ -	\$ 77,000
Salt Spreader	\$ -	\$ -	\$ -	\$ 10,000
Capital Outlay Sub-Total	\$ 626,307	\$ 71,951	\$ 608,400	\$ 215,000
STREET MAINT. & REP. FUND TOTAL	\$ 2,460,701	\$ 2,375,520	\$ 2,421,100	\$ 2,746,000

State Highway Fund

2006 Appropriation:

STATE HIGHWAY FUND

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000 Salaries & Wages	\$ 49,187	\$ 30,519	\$ 45,529	\$ 56,900
52000 Benefits	\$ 9,159	\$ 5,229	\$ 5,871	\$ 6,000
54300 Operational Supplies	\$ 1,624	\$ 3,697	\$ 4,000	\$ 4,100
PROGRAM TOTAL	\$ 59,969	\$ 39,445	\$ 55,400	\$ 67,000
STATE HIGHWAY FUND TOTAL	\$ 59,969	\$ 39,445	\$ 55,400	\$ 67,000

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.

2006 Appropriation:

STORM WATER FUND # 573

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000 Salaries & Wages	\$ -	\$ -	\$ -	\$ 60,000
52000 Benefits	\$ -	\$ -	\$ -	\$ 5,000
53000 Contractual Services	\$ -	\$ -	\$ 60,000	\$ -
54400 Equipment	\$ -	\$ -	\$ -	\$ -
57000 Bierce/Evergreen	\$ -	\$ -	\$ 300,000	\$ -
57001 Newton	\$ -	\$ -	\$ 50,000	\$ -
57002 East/Munroe Project #322	\$ -	\$ -	\$ 200,000	\$ 250,000
57003 Overdale / Northwest Improvement	\$ -	\$ -	\$ -	\$ 30,000
57004 Mapping Project	\$ -	\$ -	\$ -	\$ 80,000
STORM SEWER FUND TOTAL	\$ -	\$ -	\$ 610,000	\$ 425,000

Community Development Fund

2006 Appropriation:

COMMUNITY DEVELOPMENT FUND # 210

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000 Salaries & Wages	\$ -	\$ -	\$ -	\$ -
52000 Benefits	\$ -	\$ -	\$ -	\$ -
53000 Contractual Services	\$ 30,000	\$ -	\$ 30,000	\$ 50,000
54300 Operational Supplies	\$ -	\$ -	\$ -	\$ -
Reappropriation	\$ -	\$ -	\$ 80,000	\$ -
PROGRAM TOTAL	\$ 30,000	\$ -	\$ 110,000	\$ 50,000
COMMUNITY DEV. FUND TOTAL	\$ 30,000	\$ -	\$ 110,000	\$ 50,000

Alcohol Education and Enforcement Fund

2006 Appropriation:

ALCOHOL ENFORCEMENT & EDUCATION FUND # 212

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
54400 Equipment	\$ -	\$ 2,477	\$ 1,100	\$ 1,100
PROGRAM TOTAL	\$ -	\$ 2,477	\$ 1,100	\$ 1,100
ALCOHOL ENF. & ED. FUND TOTAL	\$ -	\$ 2,477	\$ 1,100	\$ 1,100

Law Enforcement Fund

2006 Appropriation:

LAW ENFORCEMENT FUND # 292

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
54300 Operational Supplies	\$ -	\$ 719	\$ 2,400	\$ 2,400
54400 Equipment	\$ -	\$ 1,870	\$ -	\$ -
PROGRAM TOTAL	\$ -	\$ 2,589	\$ 2,400	\$ 2,400
LAW ENFORCEMENT FUND TOTAL	\$ -	\$ 2,589	\$ 2,400	\$ 2,400

Drug Law Enforcement Fund

2006 Appropriation:

DRUG LAW ENFORCEMENT FUND # 293

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
53000 Contractual Services	\$ -	\$ -	\$ 2,400	\$ 2,400
54400 Equipment	\$ -	\$ 6,900	\$ -	\$ -
PROGRAM TOTAL	\$ -	\$ 6,900	\$ 2,400	\$ 2,400
DRUG LAW ENF. FUND TOTAL	\$ -	\$ 6,900	\$ 2,400	\$ 2,400

Capital Improvement Funds

General Infrastructure Fund

2006 Appropriation:

GENERAL INFRASTRUCTURE FUND #319

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
53000 Contractual Services	\$ 32,909	\$ 71,818	\$ 50,000	\$ 51,500
57200 Capital Outlay	\$ -	\$ -	\$ -	\$ -
57000 Storm Water Maintenance	\$ 45,529	\$ 50,887	\$ -	\$ -
53000 Transfer to Recreation Center Fund	\$ -	\$ -	\$ -	\$ -
59800 Reappropriation	\$ -	\$ -	\$ -	\$ -
FUND TOTAL	\$ 78,437	\$ 122,704	\$ 50,000	\$ 51,500
GEN. INFRASTRUCTURE FUND TOTAL	\$ 78,437	\$ 122,704	\$ 50,000	\$ 51,500

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?"

2006 Appropriation:

<u>BOND RETIREMENT FUND # 420</u>	2003 Actual	2004 Actual	2005 Budget	2006 Budget
56800 Refunds	\$ -	\$ -	\$ -	\$ -
58110 Trustee Administration	\$ -	\$ 5,095	\$ 10,000	\$ 20,000
58211 Tallmadge Woods G/O Bond	\$ 67,163	\$ 64,623	\$ 62,100	\$ 60,000
58212 Concrete Street G/O Bond	\$ 113,225	\$ 115,125	\$ 111,700	\$ 102,000
58213 Storm Water G/O Bond	\$ 195,258	\$ 196,298	\$ 192,000	\$ 190,000
58214 West Ave.S/A Bond	\$ 90,600	\$ 93,800	\$ 91,700	\$ 90,000
58215 City Hall Bond	\$ 174,010	\$ 171,760	\$ 179,300	\$ 158,000
58216 Rec. Center Interest on Note	\$ -	\$ 17,437	\$ 25,100	\$ 17,000
58217 Rec. Center Payment on Bond	\$ -	\$ -	\$ -	\$ 161,000
<i>Refunding</i> Concrete Street GO				
58218 Bond	\$ -	\$ -	\$ -	\$ 845,000
PROGRAM TOTAL	\$ 640,256	\$ 664,138	\$ 671,900	\$ 1,643,000
BOND RETIREMENT FUND TOTAL	\$ 640,256	\$ 664,138	\$ 671,900	\$ 1,643,000

Enterprise and Special Assessment Funds

Sanitary Sewer Infrastructure Fund

2006 Appropriation:

SANITARY SEWER INFRASTRUCTURE FUND # 517

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
57000 Contractual Services	\$ -	\$ 47,788	\$ 25,000	\$ 35,000
57100 Capital Outlay/W. Howe Rd. Repair	\$ -	\$ 11,995	\$ -	\$ -
57001 Sewer Cleaning/Jetting and Televising	\$ -	\$ -	\$ 40,000	\$ 40,000
57005 Sewer Rehabilitation	\$ -	\$ -	\$ -	\$ 34,000
57006 Pumphouse Radio Control System	\$ -	\$ -	\$ 12,500	\$ -
57000 Capital West Howe Rd. Repair	\$ 70,244	\$ -	\$ -	\$ -
57008 Sewer Pump Replacement	\$ 18,373	\$ 1,716	\$ 15,000	\$ 10,000
57009 Water Meter Replacement	\$ 14,024	\$ 16,771	\$ 10,000	\$ 12,000
59945 Transfer to Potomac / Swank Sewer Imp	\$ -	\$ -	\$ -	\$ -
59845 Advance to Potomac / Swank	\$ -	\$ -	\$ -	\$ -
59800 Reappropriation	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 102,641	\$ 78,269	\$ 102,500	\$ 131,000

Water Infrastructure Fund

2006 Appropriation:

WATER INFRASTRUCTURE FUND # 518

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
53000 Contractual Services	\$ -	\$ -	\$ 15,000	\$ 15,000
57000 Capital Outlay	\$ -	\$ 13,180	\$ 2,000	\$ -
57100 Water Meter Replacement	\$ 12,901	\$ 16,749	\$ 10,000	\$ 12,000
57006 Pumphouse Radio Control System	\$ -	\$ -	\$ 12,500	\$ -
PROGRAM TOTAL	\$ 12,901	\$ 29,929	\$ 37,500	\$ 27,000

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.

Water/Sewer Department Performance Measures

Utilities Department Performance Measures

	2003 Actual	2004 Projected	2005 Projected	2006 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

	2003	2004	2005	2006
Number of Full-time Employees	7	9	9	8
Number of Part-time Employees	0	0	0	0

2006 Appropriation:

SANITARY SEWER ADMINISTRATION

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000 Salaries & Wages	\$ 199,185	\$ 204,777	\$ 189,216	\$213,550
52000 Benefits	\$ 82,852	\$ 88,074	\$ 83,084	\$101,519
53000 Contractual Services	\$ 783,411	\$ 857,527	\$ 880,000	\$900,000
54100 Office Supplies & Materials	\$ 5,592	\$ 8,201	\$ 10,000	\$10,000
54200 Furniture & Fixtures	\$ 4,660	\$ 307	\$ -	\$0
54300 Operational Supplies	\$ 15,550	\$ 31,684	\$ 15,000	\$15,000
54400 Equipment	\$ 13,268	\$ 611	\$ 15,000	\$10,000
55000 Education/Training/Travel	\$ 337	\$ 280	\$ 1,000	\$1,000
56100 Building Maint. & Utilities	\$ 18,592	\$ 15,330	\$ 25,000	\$25,000
56200 Maint. & Repair Vehicles	\$ 8,234	\$ 8,879	\$ 12,000	\$10,000
56530 Delinquent Tax	\$ 1,563	\$ 696	\$ 2,000	\$2,000
56550 State Examiners	\$ -	\$ -	\$ -	\$0
56560 Auditor & Treasurer Fee	\$ 13,176	\$ 9,527	\$ 5,700	\$5,700
56800 Refunds	\$ 479	\$ 5,407	\$ 8,100	\$8,100
59800 Reappropriation	\$ 100,000	\$ 60,000	\$ 200,000	\$0
Sub- Total	\$ 1,146,898	\$ 1,231,301	\$ 1,446,100	\$ 1,301,869

DISTRICT II SEWER ADMINISTRATION

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
53000 Contractual Services	\$ 54,450	\$ 21,955	\$ 70,000	\$ 50,000
53100 Summit County Sewer Lease	\$ 493,117	\$ 427,928	\$ 538,000	\$ 150,000
53500 Treatment Costs	\$ 270,311	\$ 282,504	\$ 300,000	
54300 Operational Supplies	\$ 828	\$ 1,594	\$ 15,000	\$ 5,000
56100 Building Maint. & Utilities	\$ 29,962	\$ 32,370	\$ 40,000	\$ 10,000
59800 Reappropriation	\$ -	\$ -	\$ -	\$ -
Sub -Total	\$ 848,668	\$ 766,351	\$ 963,000	\$ 215,000

Capital Outlay

Capital Outlay

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
58223 NW Sewer Bond	\$ -	\$ 40,340	\$ 39,300	\$ 30,000
58231 SW Sewer Bond	\$ -	\$ 23,874	\$ 25,500	\$ 22,500
58241 Southwest Sewer Ext. Bond	\$ -	\$ 2,732	\$ -	\$ -
57350 Street Sweeper	\$ 13,955	\$ 14,911	\$ -	\$ -
57351 Vac-All Truck	\$ 198,000	\$ -	\$ -	\$ -
57352 Rec Center Sewer	\$ 150,000	\$ -	\$ -	\$ -
57353 Speed Monitor Trailer	\$ 4,000	\$ -	\$ -	\$ -
57355 Loader/Hoe	\$ -	\$ 33,482	\$ -	\$ -
57655 East/Munroe Intersection Imp	\$ 1,175	\$ 26,360	\$ -	\$ 260,000
58242 Software Purchase	\$ -	\$ -	\$ 8,400	\$ -
58243 New Truck W-4	\$ -	\$ -	\$ -	\$ 18,000
Total Capital Outlay	\$ 367,130	\$ 141,698	\$ 73,200	\$ 330,500

SEWER FUND TOTAL

\$ 2,362,696	\$ 2,139,350	\$ 2,482,300	\$ 1,847,369
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Water Fund

WATER FUND

WATER OPERATING

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
51000 Salaries & Wages	\$ 197,683	\$ 230,123	\$ 190,000	\$ 214,361
52000 Benefits	\$ 60,598	\$ 68,076	\$ 82,400	\$ 85,966
53000 Contractual Services	\$ 1,039,729	\$ 986,575	\$ 1,202,000	\$ 1,202,000
54100 Office Supplies & Materials	\$ 5,610	\$ 7,396	\$ 9,000	\$ 9,000
54200 Furniture & Fixtures	\$ 891	\$ 386	\$ -	\$ -
54300 Operational Supplies	\$ 86,703	\$ 41,717	\$ 70,000	\$ 70,000
54400 Equipment	\$ 7,409	\$ 793	\$ 15,000	\$ 10,000
55000 Education/Training/Travel	\$ 1,303	\$ 738	\$ -	\$ -
56100 Building Maint. & Utilities	\$ 15,609	\$ 15,534	\$ 25,000	\$ 25,000
56200 Maint. & Repair Vehicles	\$ 8,367	\$ 9,362	\$ 12,000	\$ 10,000
56800 Refunds	\$ 6,617	\$ 10,104	\$ 3,000	\$ 3,000
59918 Transfer to Infrastructure Reserve	\$ -	\$ -	\$ -	\$ -
59918 Special Transfer to Infra. Res.	\$ -	\$ -	\$ -	\$ -
59920 Transfer to Bond Retirement	\$ -	\$ -	\$ -	\$ -
58221 SW Water Bond Payment	\$ 13,312	\$ 12,804	\$ 12,300	\$ 12,300
58222 NE/ Martindale Bond Payment	\$ 41,920	\$ -	\$ -	\$ -
58224 Ernest Drive Bond Payment	\$ 33,520	\$ 37,420	\$ 36,100	\$ 36,100
58225 Elm/Ferguson Waterline	\$ 55,100	\$ 53,900	\$ 52,600	\$ 52,600
58226 Parker/Milton Waterline	\$ 28,805	\$ 33,205	\$ 32,400	\$ 32,400
59800 Reappropriation	\$ 78,500	\$ 263,000	\$ -	\$ -
PROGRAM TOTAL	\$ 1,603,177	\$ 1,508,134	\$ 1,741,800	\$ 1,762,727

Capital Outlay

57369 Peck Road Looping	\$ -	\$ -	\$ -	\$ -
53000 Eastwood Waterline	\$ 93,453	\$ -	\$ -	\$ -
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	\$ -	\$ 33,482	\$ -	\$ -
57660 Portage Blvd. Waterline	\$ -	\$ 20,204	\$ -	\$ -
57376 Software Purchase	\$ -	\$ -	\$ 8,400	\$ -
57378 New Truck W-4	\$ -	\$ -	\$ -	\$ 18,000
57655 East/Munroe Project #322	\$ -	\$ -	\$ -	\$ 60,000
57661 New Water Tower	\$ -	\$ -	\$ -	\$ 50,000
Total Capital Outlay	\$ 316,653	\$ 53,685	\$ 8,400	\$ 128,000

Nutwood Waterline Improvement

53000 Contractual Services	\$ -	\$ 10,766	\$ -	\$ -
57000 Capital Outlay	\$ -	\$ 237,423	\$ 7,752	\$ -
Total Project		\$ 248,188	\$ 7,752	

WATER FUND TOTAL	\$ 1,919,830	\$ 1,810,008	\$ 1,757,952	\$ 1,890,727
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Internal Service Funds

Investment Interest Fund

2006 Appropriation:

INVESTMENT INTEREST FUND

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
59901 Transfer to General Fund	\$ 85,502	\$ 59,087	\$ 61,300	\$ 132,000
59902 Transfer to Fire & EMS Fund	\$ 2,697	\$ 978	\$ 700	\$ 2,168
59903 Transfer to Fire/EMS Capital Fund	\$ 274	\$ 353	\$ 500	\$ 782
59906 Transfer to Highway Fund	\$ 73	\$ 64	\$ 200	\$ 142
59907 Transfer to SMR Fund	\$ 907	\$ 788	\$ 1,000	\$ 1,747
59917 Transfer to San. Sew. Infra. Fund	\$ 2,574	\$ 4,309	\$ 4,400	\$ 2,742
59918 Transfer to Water Infra. Fund	\$ 3,973	\$ 3,433	\$ 1,600	\$ 9,551
59919 Transfer to General Infra. Fund	\$ 3,367	\$ 1,237	\$ -	\$ 7,609
59971 Transfer to San. Sewer Op. Fund	\$ 40,245	\$ 27,628	\$ 32,600	\$ 61,235
59972 Transfer to Water Op. Fund	\$ 16,365	\$ 10,102	\$ 7,000	\$ 22,351
59995 Transfer to Richardson Trust Fund	\$ 461	\$ 304	\$ 700	\$ 674
PROGRAM TOTAL	\$ 156,438	\$ 108,283	\$ 110,000	\$ 241,000

Self Insurance Fund

2006 Appropriation:

SELF INSURANCE FUND

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
53500 Claims	\$ 728,109.28	\$ 595,077.21	694,800	713,500
53600 Administrative Expense	\$ 241,375.62	\$ 255,362.89	280,300	195,200
53800 Prescription Expense	\$ 258,287.85	\$ 246,757.81	256,500	247,300
59800 Reappropriation	\$ -	\$ -	(50,000)	-
PROGRAM TOTAL	\$ 1,227,772.75	\$ 1,097,197.91	1,181,600	1,156,000
SELF INSURANCE FUND TOTAL	\$ 1,227,772.75	\$ 1,097,197.91	1,181,600	1,156,000
TOTAL INTERNAL SERVICE FUNDS	1,384,210.64	1,205,480.65	1,291,600.00	1,397,000.00

Trust and Agency Funds

EMS and Fire Donation Fund

2006 Appropriation:

EMS / FIRE DONATION FUND

	2003 Actual	2004 Actual	2005 Budget	2006 Budget
54400 Equipment	\$ 7,009	\$ 4,868	\$ 4,000	\$ 1,000
PROGRAM TOTAL	\$ 7,009	\$ 4,868	\$ 4,000	\$ 1,000
EMS / FIRE DONATION FUND TOTAL	\$ 7,009	\$ 4,868	\$ 4,000	\$ 1,000

Police Pension Fund

2006 Appropriation:

<u>POLICE PENSION FUND</u>				
	2003 Actual	2004 Actual	2005 Budget	2006 Budget
52200 Police Pension	\$ 274,591	\$ 292,839	\$ 254,000	\$ 287,000
56530 Delinquent Collection	\$ 207	\$ 219	\$ 500	\$ 500
56560 Auditor's/Treasurer's Fees	\$ 1,328	\$ 1,381	\$ 1,100	\$ 1,100
56565 State Admin. Fee	\$ -	\$ 77	\$ -	\$ 100
59800 Reappropriation	\$ -	\$ 39,000	\$ 32,000	\$ -
PROGRAM TOTAL	\$ 276,126	\$ 294,516	\$ 287,600	\$ 288,700
POLICE PENSION FUND TOTAL	\$ 276,126	\$ 294,516	\$ 255,600	\$ 288,700

Richardson Trust Fund

2006 Appropriation:

<u>RICHARDSON TRUST FUND</u>				
	2003 Actual	2004 Actual	2005 Budget	2006 Budget
56400 Operational Cost / Rich. Trust	\$ 2,799	\$ 2,000	\$ 1,600	\$ 2,500
59800 Reappropriation	\$ -	\$ -	\$ 738	\$ -
PROGRAM TOTAL	\$ 2,799	\$ 2,000	\$ 2,338	\$ 2,500
RICHARDSON TRUST FUND TOTAL	\$ 2,799	\$ 2,000	\$ 2,338	\$ 2,500

Revolving Trust Fund

2006 Appropriation:

<u>REVOLVING TRUST FUND</u>				
	2003 Actual	2004 Actual	2005 Budget	2006 Budget
56601 Recreation Refundable Deposits	\$ 38,655	\$ 31,646	\$ 50,000	\$ 50,000
56603 Misc. Revolving Deposits	\$ 969	\$ 6,016	\$ 10,000	\$ 15,000
56604 Performance/Maintenance Bonds	\$ 68,075	\$ 49,841	\$ 75,000	\$ 75,000
56606 Various Allotments	\$ -	\$ 40,000	\$ 40,000	\$ -
56647 Beachler Woods	\$ 7,892	\$ -	\$ -	\$ 1,200
56648 Robin Ridge III and IIIA	\$ 2,265	\$ -	\$ -	\$ -
56649 Ridgewood III	\$ -	\$ -	\$ -	\$ 2,100
56655 Crossings @ NW	\$ 2,194	\$ 63	\$ -	\$ -
56656 Marriage Gratuities	\$ 679	\$ -	\$ -	\$ 200
56658 Crossings @ Northwest II	\$ -	\$ 6,406	\$ 25,000	\$ -
56659 Bakers Acres Phase 1	\$ 20,625	\$ 85,981	\$ 18,000	\$ 38,000
56660 Gordon Foods	\$ 6,914	\$ -	\$ 20,000	\$ -
56662 Stillmeadow No. # 8	\$ 8,388	\$ 3,299	\$ -	\$ 1,000
56661 Eastwood Glen	\$ 2,437	\$ 8,763	\$ -	\$ 3,000
56665 Green Valley Estates	\$ -	\$ 13,177	\$ -	\$ 3,000
56668 Villas @ Waterford Crossings	\$ -	\$ -	\$ -	\$ 10,000
59800 Reappropriation	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 159,092	\$ 205,192	\$ 238,000	\$ 198,500
REVOLVING TRUST FUND TOTAL	\$ 159,092	\$ 205,192	\$ 238,000	\$ 198,500
TOTAL TRUST & AGENCY FUNDS	\$ 445,027	\$ 506,576	\$ 499,200	\$ 490,700

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.

SECTION A. That to provide for the current operating expenses and other expenditures of the City of Tallmadge during the period from January 1, 2006 to December 31, 2006, inclusive, the following is hereby appropriated from the unappropriated balance of the General Fund #101 in the following amounts:

Police Department	\$	3,094,450.00
Capital Outlay	\$	212,900.00
Transfer to Police Pension #794	\$	150,000.00
Total Security of Persons and Property	\$	3,457,350.00
Recreation Center/Maca Pool/Aquatic Center/Community Center	\$	1,214,200.00
Capital Outlay	\$	60,000.00
Total Leisure Time Activities	\$	1,274,200.00
Zoning	\$	179,850.00
Building	\$	235,850.00
Total Community Environment	\$	415,700.00
Administration / Mayor	\$	444,500.00
Finance Director	\$	728,400.00
Law Director	\$	297,200.00
Service Director	\$	271,303.00
Manager of Information Services	\$	117,100.00
Legislative	\$	163,400.00
Civil Service	\$	23,200.00
Maintenance	\$	199,900.00
Garage	\$	318,500.00
General Administration	\$	621,000.00
Boards and Commissions	\$	9,000.00
Total General Government	\$	3,193,503.00
 Transfers to other Funds:		
Fire & EMS Fund	\$	383,700.00
SMR Fund	\$	1,712,100.00
New Recreation Center Fund #318	\$	304,000.00
Bond Retirement Fund	\$	705,000.00
Total Transfers	\$	3,104,800.00
 GRAND TOTAL GENERAL FUND #101	 \$	 11,445,553.00

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

Fire Operating	\$	1,954,200.00
TOTAL FIRE/EMS FUND #202	\$	1,954,200.00

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

State Highway	\$	<u>67,000.00</u>
TOTAL STATE HIGHWAY FUND #206	\$	67,000.00

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

SMR Operating	\$	1,841,000.00
Capital Outlay / Road Program	\$	<u>905,000</u>
TOTAL STREET MAINTENANCE AND REPAIR FUND #207	\$	2,746,000.00

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

TOTAL COMMUNITY DEVELOPMENT FUND #210	\$	50,000.00
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SECTION F. 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
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SECTION G. 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
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SECTION H. 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	\$	2,400.00
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SECTION I. That there is hereby appropriated from the unappropriated balance of the Recreation Center Fund # 318, the following amount:

TOTAL RECREATION CENTER FUND #318 (Bond Payment)	\$	4,106,500.00
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SECTION J. That there is hereby appropriated from the unappropriated balance of the General Infrastructure Reserve Fund #319, the following amount:

GENERAL INFRASTRUCTURE RESERVE FUND #319	\$	51,500.00
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SECTION K. That there is hereby appropriated from the unappropriated balance of the Northeast Ave Project # 320, the following amount:

NORTHEAST AVE PROJECT #320	\$	2,410,400.00
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SECTION L. That there is hereby created the East/Munroe Project Fund # 322. That there is hereby appropriated from the unappropriated balance of the East/Munroe Project Fund # 322, the following amount:

TOTAL EAST/MUNROE PROJECT FUND #322	\$	477,391.00
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SECTION M. That there is hereby appropriated from the unappropriated balance of the Bond Retirement Fund # 420, the following amount:

TOTAL BOND RETIREMENT FUND #420	\$	1,643,000.00
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SECTION N. 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	\$	131,000.00
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SECTION O. 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	\$	27,000.00
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SECTION P. That there is hereby created the Sanitary Sewer District 2 Maintenance Fund # 519. That there is hereby appropriated from the unappropriated balance of the Sanitary Sewer District 2 Maintenance Fund # 519, the following amount:

TOTAL SANITARY SEWER DISTRICT 2 MAINTENANCE FUND # 519	\$	200,000.00
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SECTION Q. That there is hereby appropriated from the unappropriated balance of the Sanitary Sewer Operating Fund #571, the following amount:

Operating Funds	\$	1,516,869.00
Capital Outlay	\$	<u>330,500.00</u>
TOTAL SANITARY SEWER OPERATING FUND # 571	\$	1,847,369.00

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

Operating Funds	\$	1,762,727.00
Capital Outlay	\$	<u>128,000.00</u>
TOTAL WATER OPERATING FUND # 572	\$	1,890,727.00

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

TOTAL STORM WATER FUND # 573	\$	425,000.00
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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	\$	241,000.00
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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	\$	1,156,000.00
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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	\$	1,000.00
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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	\$	288,700.00
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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	\$	2,500.00
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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	\$	198,500.00
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GRAND TOTAL FOR ALL FUNDS	\$	31,366,240.00
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NOTES ON THE 2006 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: | OPERS | 13.70% 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 | \$350.00 | per year for single coverage |
| Dental | \$910.00 | per year for family coverage |
| Vision | \$ 80.00 | per year for single coverage |
| Vision | \$180.00 | per year for family coverage |
| Life | \$270.00 | per year per employee |
| EAP | \$ 23.00 | per year per employee |
- 4) Worker's Compensation: .020871% 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 2006 budget figures include any re-appropriation made prior to September 30, 2005.
 - 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 5 1/2% legal debt margin for un-voted 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.