

# Sustainable Operating Model

Last updated 5.12.14

## SUMMARY

The 5-year Sustainable Operating Model (SOM) for Gahanna's General Fund has been developed to align current operating revenues with current operating expenses. This model includes updates the City's revenue projections as well as adjustments to ongoing City operations in order to remain within available revenue. The purpose of this report is to summarize the assumptions and reductions included in the SOM.

## REVENUE

Current revenue includes General Fund sources that are regular and predictable. One-time funds, such as project-related grant receipts, or excess fund balance are not included.

### 2014 Baseline

The revenue projections in the SOM use revenue projections from the 2014 budget and 5-year forecast as a baseline. The table below summarizes changes in the 2014 revenue estimate since the 2014 Appropriations were introduced last fall:

Revenue Type	2014 Change	Discussion
Income Tax	\$462,000	Baselines 2013 w/ Q1 2014 actuals. 2% annual growth in the out-years
Real Estate Taxes	(30,140)	Reduced based on actual valuations and collection estimate provided by the County in January
Fines & Fees	17,800	Increased to reflect 2013 baseline
Other Taxes	125,000	Adjusted 2014 Estate Tax estimate upward to reflect YTD collection of final distributions
Interest & Investment Income	(21,000)	Adjusted downward to reflect updated earnings forecast.
Recreational Income	44,000	Reflects out-sourcing of pool concession operations
Administrative/Service Charges	83,590	Increased to reflect GIS hosting & Creekside rent.
<b>Net Increase</b>	<b>\$681,250</b>	

## **Out-Year Changes in Revenue**

The revenue projections in the SOM for 2015-2018 include anticipated programming and fee changes that affect revenue collections. These changes include the following:

- Final reduction to the Estate Tax collections to reflect final settlements of pending estates. The tax itself was eliminated by the state legislature in 2012.
- Elimination of pool-related revenue in 2015 and beyond, when the City either closes the pools or finds an outside organization to take them over
- Reductions to Transfer revenue in 2017 & 2018 as anticipated TIF fund reimbursements roll off.
- Recreation revenue is also adjusted in the out-years to increase the cost-recovery rate of recreation programming with a goal of shifting to an average recovery rate of 85% to 100% cost-recovery during the forecast period.

## **EXPENDITURES**

The SOM includes expense projections for current operational expenses which are routine and predictable. These include salaries & benefits, direct operating expenses such as contracts and materials, and costs associated with the ongoing and routine maintenance and investment in the City's capital infrastructure. One-time expenditures such as large capital improvement projects are not included.

### **Salaries & Benefits**

The SOM includes a number of changes from the 2014 appropriations related to salaries & benefits. These changes reflect both administrative/forecasting adjustments as well as staffing reductions proposed in order to reduce overall City costs to sustainable level.

#### **Administrative/Forecasting Adjustments**

- Payroll model updated to reflect current staff, pay progressions, salary savings, vacancies and insurance elections.
- Market pay system for regular-part time employees updated due to recently passed part-time ordinance.
- Pay & insurance-related adjustments contained in recently negotiated USW contract for 2014-2016
- Non-union employee compensation adjustment for 2014 as recently introduced.
- Out-year (2015-2018) annual wage increases of 2% for all full-time employee groups as well as regular part-time employees (FOP & OPBA are forecasted according to existing labor contracts through 2015 and at 2% each year thereafter). These increases are included in the model to keep the pace with inflation.

- 2014 – 2018 forecast maintains a staffing level of 55 sworn officers in the Police Department but reflects \$100,000 per year in anticipated salary savings related to turnover/retirements.
- The SOM includes increases in the cost of health insurance and other benefits in line with insurance industry market trends of 8-12% per year. Specifically, costs are projected to increase at the high-end of industry trend (12%) in the first out-year, and 8% per year thereafter.
- SOM includes transition for City Engineer retirement in 2014, though timing is TBD.

### Staffing Reductions

The City has enacted numerous staffing reductions since the Recession to control expenses. In addition to making these reductions permanent, the SOM includes further reductions to staff. These reductions necessarily reduce the City’s ability to provide programming and services for residents and frequently increase the workload of remaining staff.

### Prior Reductions (2008 – 2013)

Whenever a position is vacated, the City undertakes a thorough review of department priorities, workload and service offerings to determine the most appropriate and cost-effective course of action. Since the Recession, the City has opted not to backfill a number of vacated positions in order to reduce overall spending. The table below details the resulting staffing reductions in all City funds from 2008-2013:

Department	Position	FT/PT (hrs/wk)	# Positions	Notes
Service	Utility Billing Specialist	FT	1	Early Retirement Incentive, Proprietary Fund (Position was created in 2010 and eliminated in 2011 upon retirement of incumbent).
	Equipment Operator	FT	1	Proprietary Fund
	Utility Technician	FT	1	Proprietary Fund
	Receptionist	FT	1	Early Retirement Incentive, converted to part-time
	Assistant City Engineer	FT	1	Position was vacated and Project Administrator position created which reduced General Fund costs by creating a lower paid position and charging 75% of it to proprietary funds.
	Engineering Intern	PT (20-30)	1	

	Water Resources Engineering Intern	PT (20-30)	1	Proprietary Fund
	Prevailing Wage Coordinator	FT	1	
	Parts Person / Mechanic	FT	1	
	Mechanic	PT (20-30)	1	
	Streets - Seasonal	PT- Seasonal	2	
	City-Wide Administrative Floater	PT (20-30)	1	
	Utility Billing Clerk	PT (20-30)	1	Proprietary Fund
Police	Police Officer	FT	5	Police staffing reduced from 60 sworn officers to 55 in order to maintain adequate funding for capital equipment (marked fleet, radio replacements, etc.)
Development	Community Dev. Manager/Planner	FT	1	Position not backfilled. Duties spread to others within the Department.
	Zoning Clerk	PT (20-25)	1	Position not backfilled. Duties spread to others within the Department.
	Building Intern	PT (20-30)	1	Position not backfilled. Duties spread to others within the Department.
	Planning Intern	PT (20-30)	1	Position not backfilled. Duties spread to others within the Department.
	Development Intern	PT (20-30)	1	Position not backfilled. Duties spread to others within the Department.
	Code Enforcement Officer	PT (20)	1	Duties combined with PT Zoning Clerk.
Parks & Recreation	Facilities Superintendent	FT	1	Early Retirement Incentive; duties combined with existing Parks Superintendent position.
Finance/Tax	Tax Specialist	FT	3	Outsourced to RITA; 1 transferred to vacant Accounting Technician position in Finance, 1 additional Accounting Technician position created in Finance, 1 Utility Billing Specialist position created.
	Tax Administrator	FT	1	Outsourced to RITA
	Tax Specialist	PT (20-30)	4	Outsourced to RITA
	Finance Intern	PT (20-30)	1	

### Reductions included in 2014 Appropriations

The 2014 Appropriations included a number of additional staffing reductions associated with positions that were vacated more recently. These positions were de-funded in the City budget in order to reduce overall spending. The responsibilities associated with the positions were either spread over existing staff, or service offerings were augmented or eliminated.

Department	Position	FT/PT (hrs/wk)	# Positions	Notes
Mayor's Office	Assistant City Administrator	FT	1	The Assistant City Administrator assisted the Mayor in coordinating the day-to-day activities and projects of the Administration. This position oversaw Courts, Mayors' Office staff and Public information.
	Public Information Intern	PT	1	The PIM will spend an undue amount of time on tactical projects such as writing the e-newsletter, social media and press releases rather than strategic branding and messaging.
Service	Project Administrator	FT	1	25% had been attributed to General Fund. This position was 100% de-funded when the incumbent was promoted to Deputy Director of Public Service. This requires many duties performed by the Project Administrator and the Deputy Director of Public Service to be distributed among existing FT staff.
	Service Secretary	FT	0.50	Reallocated 50% of the salary and workload of Service Secretary from General Fund to proprietary funds. Additional duties include the management of all City supply accounts and administrative duties for the Utility Billing division.
Council Office	Council Office Assistant	PT	1	Reduces Council Office support to 1 PT from 2 PT historically.
Parks & Recreation	Recreation Supervisor	FT	1	Eliminates dedicated full-time professional management oversight to golf course & pools. Key responsibilities absorbed by existing FT & PT staff. Mid 2014, 1 FT specialist converted to Supervisor to account for increased responsibilities.

	Recreation Coordinator	PT (20-30)	2	Vacant PT positions from Senior Center and Front Desk not back-filled. Existing PT staff will absorb duties. Vacant PT positions at Senior Center and Front Desk not back-filled. Existing PT staff will absorb duties.
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**Additional Staffing Reductions (2014 and beyond)**

The SOM includes a number of additional staffing reductions, beyond what is included in the 2014 Appropriations, in order to further reduce costs to sustainable levels.

Department	Position	FT/PT (hrs/wk)	# Positions	Notes
Finance	Accounting Technician	FT	1	Convert FT to PT; Occurred Spring 2014 due to vacancy.
Service	Receptionist	PT (20-25)	2	Eliminate in 2015. Coverage would be consolidated with the Service Secretary at main reception. This would negatively impact project management, office coordination and customer service.
Parks & Recreation	Recreation Specialist	FT	1	Position vacated in late 2013. Will not be backfilled.
	Seasonal Pool Staff	PT (20-30)	80+	In 2014, pool operations are outsourced so PT concessions, pool management and life guarding positions will not be filled. In 2015, the SOM assumes the City either closes the pools or finds an outside organization to take them over at no cost to the City.
	Senior Center Supervisor	FT	1	The SOM includes a plan to convert this position to PT in mid-2016 in conjunction with the planned retirement of the incumbent.

## Other Staffing-Related Reductions

The SOM includes two additional staffing-related reductions in expenditures beginning in 2015 aimed at reducing overall operating expenses.

Reduction	Est. Annual Savings	Explanation
Reduce employee training & professional development	\$25,000	Funding for employee training and professional development would be reduced by one-third, which will lead to a reduction in the number and/or frequency of training opportunities available to City staff.
Revise benefit contributions and/or plan design to affect health-care cost savings	50,000	Non-union employees would be required to make a contribution toward vision and dental insurance. Plan offerings and coverage levels will be investigated to identify benefits that share a greater proportion of the costs with employees.

## Operating Expenses

### Operating Expense Forecasting

The operating expense projection in the SOM represents a sustainable level of program funding for supplies, materials, contract services and other non-personnel costs associated with the City's ongoing operations. The SOM does not include short-term budget balancing techniques such as cost deferment or use of one-time resources to pay for routine expenses. In the SOM, many operating line items are maintained at current funding levels. No across-the-board (i.e. inflationary) adjustments were included. Rather, adjustments were applied on a case-by-case basis when known contractual or historical factors are anticipated to increase costs.

### 2013 & 2014 Reductions

Several operating reductions were initiated in 2013 and 2014 as cost cutting measures and are continued in the SOM. These include:

Operating Reduction	Explanation
Community Event Support	City support for events such as the Creekside Blues & Jazz Festival, Winter Wonderland, Holiday Lights Parade and Service Expo will only continue only when there is an offsetting reimbursement or sponsorship (e.g. Groundhog Day)

Recreation Programming & Promotions	Elimination or reduction of recreation programming not otherwise offset by revenue. Examples of programs include Music in the Park, 2nd Saturdays, Fireside Fridays, Backyard Campouts, Create & Play, Party in Your Park and the City's Grandparent Series. Contract out programs traditionally led by Department staff including one day camp program at Friendship Park.
Account consolidation	City-wide supply accounts were consolidated to achieve greater efficiency
2005 Bond Refunding	In 2013 the City's debt service requirements were reduced by refunding outstanding 2005 bonds.

### Recreation Operations Changes

A thorough review of recreation programming costs and benefits over the past year has led to a revised approach for sustainably funding the City's recreation programs. In order to create a sustainable operating model for recreation programming, recreation programming will shift from an average cost-recovery rate of 85% to 100% over the forecast period. This will be accomplished by implementing the following changes:

<b>Recreation Operation Change</b>	<b>Explanation</b>
Gahanna Senior Center— Revise Programming	<p>The cost to operate the Senior Center exceeds its annual revenue by approximately \$98,000 per year. As an alternative to closing the Senior Center altogether, Parks &amp; Recreation will match the net cost of our senior programming by changing the business model of the Senior Center and adding additional revenue drivers.</p> <p>These changes may include consolidating senior programming into fewer days and generating additional revenue by renting the facility for community events and provide fee-based adult and youth programming at the facility. The SOM includes transfer of PT support from Recreation to Senior Center for support of additional programming.</p>
Ohio Herb Education Center (OHEC)—Revise Programming	The cost to operate the OHEC exceeds its annual revenue by \$5,000 – 20,000 per year. As an alternative to closing the OHEC, Parks & Recreation will adjust its programming and retail operations to increase revenue and reduce expenditures.

Swimming Pools--Closure	<p>Closing the swimming pools would significantly reduce the seasonal workload in the Parks department as well as Finance and Human Resources. The greatest direct savings from closing the pools come from staffing reductions made possible in those support departments as a result of this reduction in workload.</p> <p>These closures would also eliminate the City's long-term liability for the aging infrastructure at the pools—and remove the unfunded pool replacement project (estimated to be at least \$3.5 million) from the City's capital needs.</p> <p>The City is working to identify a private partner that would consider leasing and operating the pool(s) from the City in 2015 and beyond in order to continue providing aquatic services to the citizens at no cost to the City.</p>
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## Ongoing Operating Capital

A major difference between the SOM and other operating forecasts discussed or provided in the past is the inclusion of a sustainable level of operating capital investment each year. While deferring capital expenditures was an appropriate and prudent **short-term** strategy for dealing with the recession, it is not sustainable in the long-term. To that end, the SOM includes a steady stream of funding for the City's core ongoing capital requirements as a part of an annual operating capital program averaging \$2.6M per year.

Much like the equipment replacement program introduced in 2012, these ongoing capital programs would be based upon a concept of steady and reliable annual funding with an ability to "save up" over time for larger expenses.

### Use of Debt

The Operating Capital portion of the SOM is built on an assumption of cash financing for these yearly capital expenditures with two exceptions: The Detroit Street Rebuild program and the Multi-Purpose Trails program. In those two cases, the SOM includes a preliminary estimate of a debt program beginning in 2015 that would fund 1/3 of the City's remaining Detroit Streets to be rebuilt (\$4.3M), along with a \$3M trails project intended to fund completion of the Big Walnut Trail. The debt service associated with these two long-term investments is included in the SOM.

### Sustainable Operating Capital

The SOM includes funding for a sustainable level of ongoing operating capital investment. One-time projects and capital expenditures not included in the SOM may be considered as uses of one-time resources such as excess reserves, other funds, etc.

The ongoing capital investment included in the SOM is detailed in the chart below:

SUSTAINABLE/ONGOING CAPITAL	2014	2015	2016	2017	2018
Document Imaging	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
General Fund (Except Police) Equipment Replace	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Golf Cart Replacement Program	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Legistar Software Upgrade	\$ -	\$ -	\$ -	\$ 25,000	\$ -
Network Server Lifecycle Replacement	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Police Radio Replacement Program	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Police Vehicle Replacement Program	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Street Sign Post Replacements	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asphalt Overlay	\$ 443,400	\$ 1,107,000	\$ 1,107,000	\$ 1,107,000	\$ 1,107,000
Creekside Capital Maintenance	\$ 225,000	\$ 220,000	\$ 125,000	\$ 125,000	\$ 125,000
*Detroit Street Rebuild (Bond 1/3 in 2015)	\$ 353,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000
Email System Upgrade	\$ -	\$ 50,000	\$ -	\$ -	\$ -
Generator Transfer Switch, Fleet	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Microsoft Office Upgrade	\$ 60,000	\$ 60,000	\$ 60,000	\$ 35,000	\$ 35,000
*Multi-Purpose Trails (Bond Project in 2015)	\$ 350,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000
Park & Golf Course Annual Paving	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Playground & Surfacing Replacement	\$ 60,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Police Facility Remodel - Locker Room/Storage	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>TOTAL</b>	<b>\$ 2,256,400</b>	<b>\$ 2,742,000</b>	<b>\$ 2,597,000</b>	<b>\$ 2,597,000</b>	<b>\$ 2,547,000</b>

## CONCLUSION

The development of this Sustainable Operating Model has been an ongoing effort of the Administration over the past two years. While adjustments may be proposed or made over time to account for differing priorities and emerging trends, the underlying concept of maintaining a sustainable level of ongoing operations the City can afford within its ongoing operating revenue is key.

The SOM will be a useful tool in the prioritization of one-time expenditures such as large-scale capital projects. Project proponents will need to provide an honest assessment of the impact of one-time capital investment on the City's ongoing

expenditures. Those projects that have a favorable long-term impact on the SOM either by increasing revenue potential or decreasing long-term costs may be favored over those projects which would require an ongoing maintenance component.

Moving forward, the Administration will use the SOM as the basis for its upcoming 2015 budget process which begins with the Tax Budget in June and continues with the annual Appropriations in the fall.

## Sustainable Operating Model

last updated 5/6/14

	2014	2015	2016	2017	2018
<b>Annual Operating Expenses</b>					
Salaries & Benefits	\$ 13,746,510	\$ 14,314,770	\$ 14,760,830	\$ 15,122,600	\$ 15,566,780
Operating	\$ 8,174,000	\$ 7,314,940	\$ 7,479,780	\$ 7,205,390	\$ 7,276,040
Transfers <sup>^</sup>	\$ 1,192,750	\$ 1,106,250	\$ 1,125,880	\$ 1,161,100	\$ 1,167,300
<b>Subtotal Operating Expenses</b>	<b>\$ 23,113,260</b>	<b>\$ 22,735,960</b>	<b>\$ 23,366,490</b>	<b>\$ 23,489,090</b>	<b>\$ 24,010,120</b>
<b>Sustainable/Ongoing Capital</b>					
Document Imaging	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
General Fund (Except Police) Equipment Replace	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Golf Cart Replacement Program	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Legistar Software Upgrade	\$ -	\$ -	\$ -	\$ 25,000	\$ -
Network Server Lifecycle Replacement	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Police Radio Replacement Program	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Police Vehicle Replacement Program	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Street Sign Post Replacements	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asphalt Overlay	\$ 443,400	\$ 1,107,000	\$ 1,107,000	\$ 1,107,000	\$ 1,107,000
Creekside Capital Maintenance	\$ 225,000	\$ 220,000	\$ 125,000	\$ 125,000	\$ 125,000
Detroit Street Rebuild (Bond 1/3 in 2015)	\$ 353,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000
Email System Upgrade	\$ -	\$ 50,000	\$ -	\$ -	\$ -
Generator Transfer Switch, Fleet	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Microsoft Office Upgrade	\$ 60,000	\$ 60,000	\$ 60,000	\$ 35,000	\$ 35,000
Multi-Purpose Trails (Bond Project in 2015)	\$ 350,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000
Park & Golf Course Annual Paving	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Playground & Surfacing Replacement	\$ 60,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Police Facility Remodel - Locker Room/Storage	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>Sustainable/Ongoing Capital</b>	<b>\$ 2,256,400</b>	<b>\$ 2,742,000</b>	<b>\$ 2,597,000</b>	<b>\$ 2,597,000</b>	<b>\$ 2,547,000</b>
<b>Total Annual Operating Expenses</b>	<b>\$ 25,369,660</b>	<b>\$ 25,477,960</b>	<b>\$ 25,963,490</b>	<b>\$ 26,086,090</b>	<b>\$ 26,557,120</b>

<b>Annual Operating Resources</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
INCOME TAX	\$ 16,687,000	\$ 17,029,400	\$ 17,370,000	\$ 17,717,400	\$ 18,071,600
REAL ESTATE TAXES	\$ 1,643,360	\$ 1,741,900	\$ 1,767,900	\$ 1,794,400	\$ 1,821,200
FINES & FEES	\$ 1,424,200	\$ 1,420,000	\$ 1,423,800	\$ 1,424,400	\$ 1,426,900
RECREATIONAL INCOME	\$ 1,215,500	\$ 888,000	\$ 926,300	\$ 960,900	\$ 1,001,200
OTHER TAXES	\$ 615,900	\$ 424,200	\$ 432,600	\$ 441,200	\$ 450,000
TRANSFERS	\$ 1,614,110	\$ 1,647,260	\$ 1,574,860	\$ 1,423,000	\$ 1,234,610
LOCAL GOVERNMENT FUND	\$ 714,400	\$ 725,100	\$ 735,900	\$ 746,900	\$ 758,100
LICENSES & PERMITS	\$ 473,700	\$ 423,600	\$ 425,600	\$ 427,600	\$ 430,500
INTEREST & INVESTMENT INCOME	\$ 468,000	\$ 468,000	\$ 468,000	\$ 468,000	\$ 468,000
ADMINISTRATIVE/SERVICE CHARGES	\$ 373,910	\$ 379,910	\$ 386,210	\$ 392,810	\$ 399,710
MISCELLANEOUS INCOME	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
GRANTS	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
<b>TOTAL GENERAL FUND</b>	<b>\$ 25,405,080</b>	<b>\$ 25,322,370</b>	<b>\$ 25,686,170</b>	<b>\$ 25,971,610</b>	<b>\$ 26,236,820</b>
325-CAPITAL IMPROVEMENTS	^ \$ -	\$ -	\$ -	\$ -	\$ -
Other funds for Asphalt paving programs (varies by year)	\$ 197,140	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Add'l TIF Repayments for project upfronted by GF-TBD					
<b>Total Annual Operating resources</b>	<b>\$ 25,602,220</b>	<b>\$ 25,522,370</b>	<b>\$ 25,886,170</b>	<b>\$ 26,171,610</b>	<b>\$ 26,436,820</b>

<b>Gross Operating Surplus / &lt;Shortfall&gt;</b>	<b>\$ 232,560</b>	<b>\$ 44,410</b>	<b>\$ (77,320)</b>	<b>\$ 85,520</b>	<b>\$ (120,300)</b>
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<b>Additional Operating Adjustments</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Annual PD Salary Savings	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
PD/Dispatch cost sharing--TBD	\$ -	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)
City Engineer Retirement Transition--TBD	\$ 25,000	\$ -	\$ -	\$ -	\$ -
<b>Total- Operating Adjustments</b>	<b>\$ 25,000</b>	<b>\$ (100,000)</b>	<b>\$ (150,000)</b>	<b>\$ (150,000)</b>	<b>\$ (150,000)</b>

^Took out txfr to Capital Fund in expenses to normalize data; reduced from revenue to fund as well

<b>Net Operating Surplus / &lt;Shortfall&gt;</b>	<b>\$ 207,560</b>	<b>\$ 144,410</b>	<b>\$ 72,680</b>	<b>\$ 235,520</b>	<b>\$ 29,700</b>
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