




TO: Members of Council Finance Committee

FROM: Matt Rubino, Director of Finance 

CC: Mayor Edward Kraus

DATE: February 14, 2019

RE: **2018 Operating Results Summary**

Overview

A review of the General Fund operating results has been completed for the year ending December 31, 2018. The General Fund encompasses almost three quarters of the City's operating budget and is monitored closely to assess the performance of budgeted revenue and expenditures for the current year. A high level summary of the 2018 General Fund operating results is provided in Figure 1 below.

2018 General Fund Operating Snapshot

2018 Operating Revenue \$ 44,283,803	2018 Total Operating Expenditures * \$ 37,740,382
Change from 2017 \$1,668,241	Change from 2017 \$2,553,986
% Change from 2017 3.9%	% Change from 2017 5.8%
Budget Variance \$1,257,659	Budget Variance \$2,311,277
Budget Variance % 2.9%	Budget Variance % 5.8%

Figure 1

**Operating expenditures net of \$5.395 million in transfers to other funds.*

Total operating revenue from ongoing sources came in at \$44.3 million. 2018 collections exceeded the budget by 2.9% of the estimate. Total operating expenditures net of transfers out ended the year at \$37.7 million. The ongoing costs of general operations were 5.8% below the final approved budget and increased over 2017 operating costs by 5.8%. Total expenditures including transfers were \$43.1 million for fiscal 2018 which was a 6.3% increase over 2017.

Revenue

Total General Fund revenue for 2018 was estimated at \$43.0 million for ongoing sources and actual receipts came in at \$44.3 million exceeding the budget by 2.9% for a 3.9% increase over 2017 revenue. The increase is mostly attributable to stronger than expected results for income tax collections which exceeded the budget by 2.6% and were 6.0% over the 2017 gross collections.

A summary of General Fund revenue by major source is provided in Figure 2.

2018 Summary of Results

Revenue by Source	2016 Actual	2017 Actual	2018 Budget Est.	2018 Actual	Chg from 2017	% Chg 2018 Actual	Budget Variance	% Bud. Var.
Income Tax *	31,908,220	33,797,792	34,938,878	35,834,746	2,036,954	6.0%	895,868	2.6%
Property Tax	1,142,160	1,149,754	1,149,116	1,154,793	5,039	0.4%	5,677	0.5%
Local Tax	375,843	353,371	383,500	351,901	(1,470)	-0.4%	(31,599)	-8.2%
State Shared Tax	285,623	227,308	204,400	202,880	(24,428)	-10.7%	(1,520)	-0.7%
Charges For Services	3,292,067	3,278,647	3,265,150	3,347,360	68,713	2.1%	82,210	2.5%
Court Fines & Costs	315,725	265,271	285,700	312,679	47,408	17.9%	26,979	9.4%
Lic, Permits, & Other Fines	725,334	714,054	790,900	676,145	(37,909)	-5.3%	(114,755)	-14.5%
Interest Income	-	488,062	500,000	909,978	421,916	86.4%	409,978	82.0%
Misc & Reimbursement Rev	3,704,636	2,341,302	1,508,500	1,493,320	(847,982)	-36.2%	(15,180)	-1.0%
Total General Fund Revenue	\$ 41,749,608	\$ 42,615,562	\$ 43,026,144	\$ 44,283,803	\$ 1,668,241	3.9%	\$ 1,257,659	2.9%

* Includes retainer refund payment from prior tax year.

Figure 2

- General Fund (75% allocation) Income tax receipts totaled \$35.8 million for gross collections and were 6.0% higher than last year's gross receipts.
- The trends for income tax revenue vary by income tax component with most of the growth experienced in the net profit and withholding categories (Figure 3). Withholding accounted for 72% of collections.
- Refunds of \$975,000 netted against the gross collections and were recorded as an expenditure item in the General Fund.

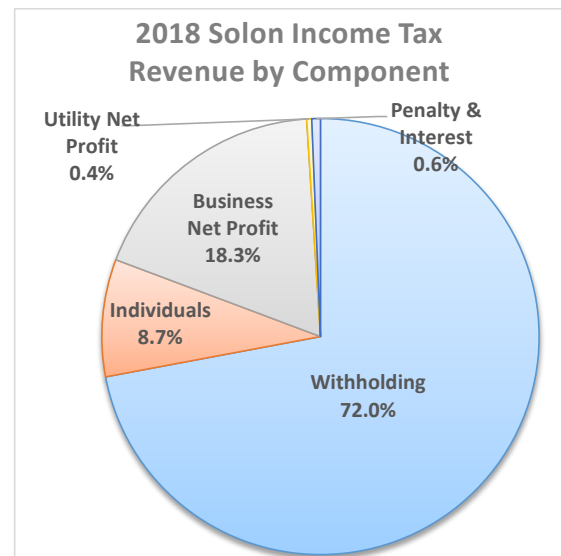


Figure 3

- The 2018 budget estimate for income tax did not include the potential revenue related to payroll income tax collection gains resulting from corporate expansion in the City.
- Real estate tax receipts (\$1,154,793) were similar to 2017 collections coming 0.4% higher than the previous year. The total collection rate for 2018 exceeded 98.5%, an indicator of low delinquency rates.

- Local taxes collected from lodging and admissions taxes (\$351,901 combined) dropped off in 2018 and were 0.4% lower than the previous year.
- Local Government Fund (LGF) revenue of \$169,995 was 7.0% higher than the 2017 allocation. Total LGF revenue no longer includes the municipal direct distribution allocation. This portion of LGF was completely eliminated in the State fiscal 2018 budget.
- Total charges for services and programs increased by 2.1% as compared to 2017. The increase somewhat better than expected as the collections for 2018 were 2.5% ahead of the budget estimate.
- Charges for Community Life programs for Recreation, Senior Services and the Arts Center totaled \$2.8 million and were 1.6% higher than the 2017 actual.
- Court cost revenue collection was 17.9% higher than 2017 collections. Court revenue was budgeted at flat levels in the 2018 budget. This revenue trend is directly correlated to the higher number of case filings at the Bedford Municipal Court.
- Revenue from building permit fees of \$419,439 was 26.5% lower than 2017 permit fees.
- Investment earnings credited to the General Fund totaled \$909,978, an increase of 86.4% over 2017 earnings. The growth in investment income was the result of shifting funds into short-term cash equivalent and certificates of deposit investments in order to take advantage of rising short-term interest rates.
- Operating revenue has continued to exhibit consistent growth over the past three years. As seen in Figure 4 below, operating revenue has increased each year since 2016 and has grown by 6.1% by the end of 2018.

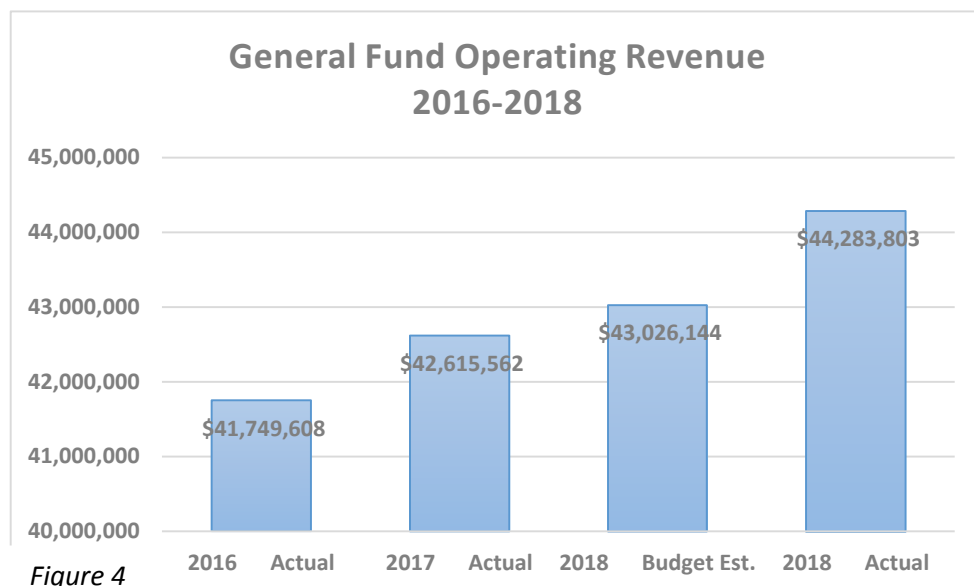


Figure 4

Expenditures

The actual 2018 General Fund operating expenditures (excluding transfers out) totaled \$37,740,382 and were 5.8% below the budget for the year. Operating expenditures did exhibit growth over 2017 and were 5.8% higher than the previous year. Total current expenditures that included transfers to other funds came in at \$43,135,402 in 2018. A summary of expenditures by category is summarized in Figure 5 below.

2018 Operating Summary General Fund	2016 Actual	2017 Actual	2018 Budget	2018 Actual	Chg from 2017	% Chg 2018 Actual	Budget Variance	% Bud. Var.
Total Operating Revenue	\$ 41,749,608	\$ 42,615,562	\$ 43,026,144	\$ 44,283,803	\$ 1,668,241	3.9%	\$ 1,257,659	2.9%
Personal Services	26,639,710	26,426,256	28,269,566	27,569,131	1,142,875	4.3%	700,435	2.5%
Other Expenditures	8,876,375	9,254,461	11,782,093	10,171,251	916,790	9.9%	1,610,842	13.7%
Total Operating Expenditures	35,516,085	35,680,717	40,051,659	37,740,382	2,059,665	5.8%	2,311,277	5.8%
Transfers Out	7,285,000	4,900,700	5,395,020	5,395,020	494,320	10.1%	-	0.0%
Total Expenditures	\$ 42,801,085	\$ 40,581,417	\$ 45,446,679	\$ 43,135,402	\$ 2,553,985	6.3%	\$ 2,311,277	5.1%

Figure 5

- 2018 operating expenditures were 5.8% higher than the expenditures for 2017. The difference in expenditure rate is mostly attributable to expected growth in wages and planned operating costs and was not an indication of unplanned escalation in operating expenditures. A change in how health care costs were budgeted contributed to the increase in 2018.
- The personal services expenditures totaled \$26.4 million in 2018 and included wages and fringe benefit expenditures for City departments. Actual personal services expenditures were higher than the prior year by 4.3% and were 2.5% under the budget.
- Other expenditures of \$10.2 million were 9.9% higher compared to 2017. The upturn from 2017 was attributable to some one-time items including a capital contribution for joint dispatch and one-time payments for settlements.
- Refer to Figure 6 for a summary of operating expenditures by category.

2019 General Fund Summary by Expenditure Category

Expenditure by Category	2016 Actual	2017 Actual	2018 Budget	2018 Actual	Chg from 2017	% Chg 2018 Actual	Budget Variance	% Bud. Var.
Salaries	\$ 19,619,528	\$ 19,667,831	\$ 21,222,340	\$ 20,652,255	\$ 984,424	5.0%	\$ (570,085)	-2.7%
Fringe Benefits	7,020,182	6,758,426	7,047,226	6,916,876	158,450	2.3%	(130,350)	-1.8%
Travel & Education	62,849	63,232	107,860	83,942	20,711	32.8%	(23,918)	-22.2%
Contractual Services	5,722,123	6,233,371	7,119,774	6,355,581	122,210	2.0%	(764,193)	-10.7%
Materials & Supplies	3,591,566	3,199,946	4,008,379	3,332,732	132,786	4.1%	(675,647)	-16.9%
Refunds & Chargebacks	(500,164)	(242,090)	546,080	398,996	641,086	-264.8%	(147,084)	-26.9%
Total Operating Expenditures	\$ 35,516,084	\$ 35,680,716	\$ 40,051,659	\$ 37,740,382	\$ 2,059,666	5.8%	\$ (2,311,277)	-5.8%

Figure 6

- Regular salary expenditures totaled \$20.7 million for General Fund departments and were 2.7% under budget. The 2018 budget included funding for up to 3.0% wage increases for City employees.
- Overtime expenditures of \$1,024,400 were 12.5% higher than in 2017. Overtime utilization was generally within expectations except for Fire where overtime exceeded the original budget due to the necessity to cover staffing shortfalls resulting from extended medical leaves.
- Medical insurance and related expenditures came in just below \$4.8 million in 2018 and were well under the budget of \$6.4 million. Total claims and fixed costs came in 4.2% lower than in 2017. It is important to note that the 2018 budget for medical self-insurance was based on total maximum claims liability.
- Costs for fuel, materials, and supplies totaled \$3.2 million and included expenditures for operating supplies, chemicals, road salt, and vehicle maintenance. Prices for fuel have remained below recent average rates through 2018 but increased by 29.7% from 2017 to a total of \$405,735 having been expended in 2018.
- Utility expenditures (electric, natural gas and water) totaled \$2.1 million in 2018. Expenditures for gas and electric have remained flat since 2017 due in part to the fixed rate supply contracts for electricity and natural gas in place for 2018.
- Other operating expenditures include expenditures and encumbrances related to contracts and agreements for professional services, maintenance agreements, and other contractual services that are utilized by City departments. Total contractual and professional services expenditures were \$4.2 million in 2018 with \$303,850 still encumbered at the end of the year.
- As of 2018 year-end \$987,170 was encumbered in General Fund departmental budgets mainly for purchase orders tied to invoices or contractually remaining payments for services outstanding at the end of 2018.
- Operating expenditures were averaging under \$36 million for the two-year period prior to 2018. The actual expenditures increased by \$2.1 million (5.8%) in 2018. The increase was directly attributable to a budgeted increase in salaries and the change in how health care costs were included in departmental budgets.
- Refer to Figure 7 for a summary of annual operating expenditures for the past three years.

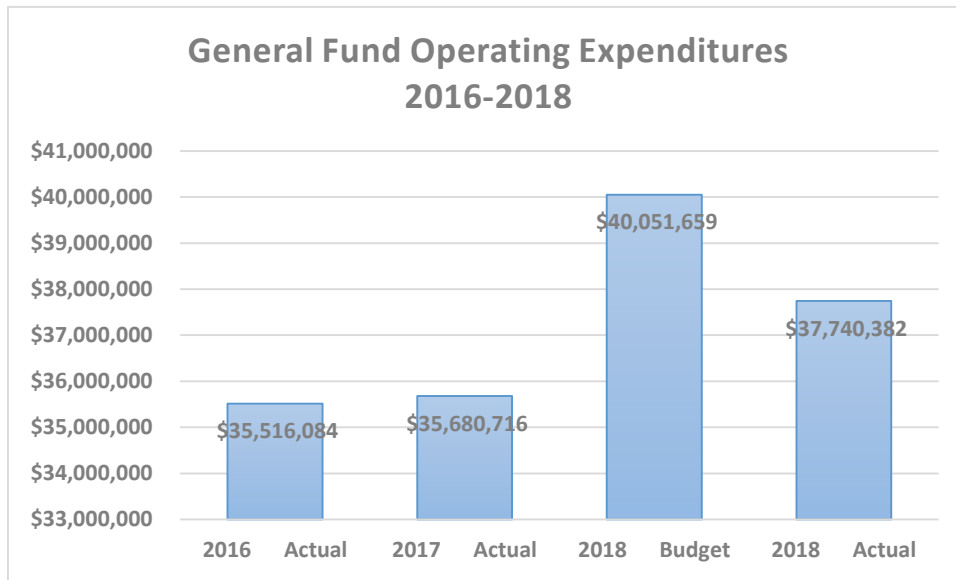


Figure 7

- Transfers out to other funds were originally budgeted at \$3,811,000 for 2018. An additional \$1.5 million in resource allocations from the General Fund was authorized by Council in December bringing the total transfers to \$5.4 million. Transfers out of the General Fund were approved to fund capital projects, budget stabilization, economic development, and employment related costs. The transfers were funded from ongoing revenues and did not require use of the General Fund reserve balance.
- *A presentation of comparable departmental operating expenditures is provided in Exhibit A of the 2018 Operating Results.*

2018 Operating Results

Through December 31, 2018, operating revenue exceeded total current expenditures by \$1,148,400. The final net result included additional expenditures for year-end transfers approved by Council to supplement general capital and economic development uses. The excess revenue over expenditures represents an operating surplus in the General Fund for 2018.

The budget for 2018 assumed the net result less one-time commitments would be around \$470,000. The actual net operating result in the General Fund was favorable compared to the budget as a result of slightly higher revenues and expenditures remaining below the approved budget. A summary of General Fund operating results is provide in Figure 7.

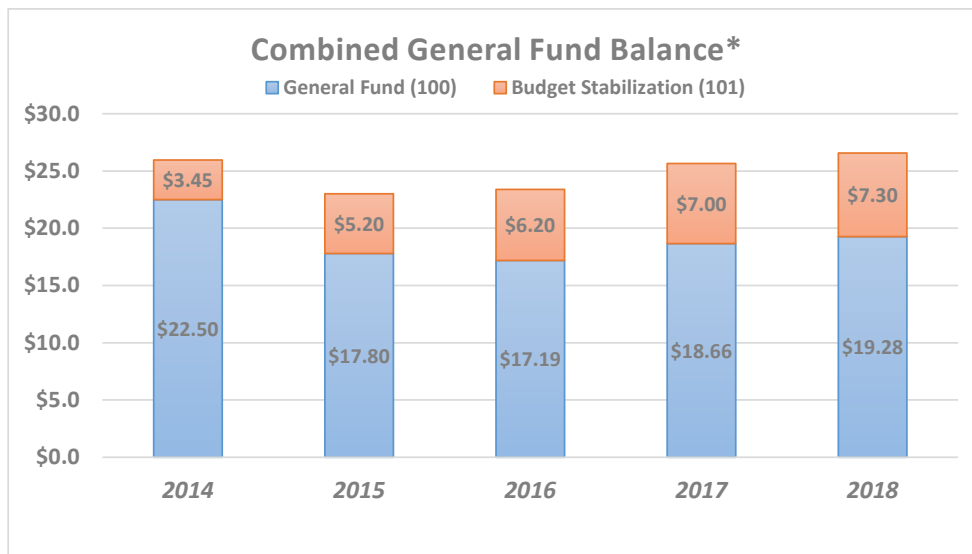
2018 Operating Summary General Fund	2017 Actual	2018 Budget	2018 Actual
General Fund			
Total Operating Revenue	\$ 42,615,562	\$ 43,026,144	\$ 44,283,803
Operating Expenditures	\$ 35,680,716	\$ 40,051,659	\$ 37,740,382
<i>Transfers Out</i>	<i>4,900,700</i>	<i>5,395,020</i>	<i>5,395,020</i>
Total General Fund Expenditures	40,581,416	45,446,679	43,135,402
<i>Net Operating Result</i>	<i>\$ 2,034,146</i>	<i>\$ (2,420,535)</i>	<i>\$ 1,148,400</i>
Net Operating Result %	5.0%	-5.3%	2.7%
Ending Fund Balance	18,663,434	19,968,959	19,281,076
Fund Balance %	46.0%	43.9%	44.7%

Figure 8

General Fund Balance

The favorable operating results in 2018 enabled the City to allocate additional funding (\$1.5 million) at year-end for other purposes that included general capital and economic development. A secondary benefit of the positive operating margin was an increase in the unreserved (free of encumbrances) balance in the General Fund.

The ending balance of \$19.3 million was in excess of 44% of total expenditures and exceeded the City’s fund reserve policy of 20% balance to expenditures. When the Budget Stabilization Fund’s balance of \$7.3 million is included in the unreserved balance the General Fund reserve ended 2018 at \$26.6 million. Figure 9 includes a summary of total General Fund reserves (including the Budget Stabilization Fund) since 2014.



*Combined balance of General Fund and Budget Stabilization Fund.

Figure 9

A summary of activity and ending balances for other operating funds is provided in Exhibit B of the 2018 Operating Results. This exhibit includes summary results for the operating and capital funds including Infrastructure, EMS Billing, Water Reclamation, and Grantwood Golf Course.

City of Solon Departmental Expenditure Summary 2016 -2018 (cash basis)	2016 Actual Expenditures	2017 Actual Expenditures	% Chg From 2016	2018 Approved Budget	2018 Actual Expenditures	% Chg From 2017	% Chg From Budget
GENERAL FUND							
Police & Corr Personal Services	6,173,788	5,769,661	-6.5%	7,533,994	7,270,468	26.0%	3.6%
Police & Corr Other Exp.	1,007,795	1,406,717	39.6%	1,357,845	1,226,794	-12.8%	-9.7%
Total For Police Dept	7,181,584	7,176,379	-0.1%	8,891,839	8,497,262	18.4%	-4.4%
Fire Dept Personal Services	5,219,191	5,397,744	3.4%	6,740,367	6,739,088	24.9%	0.0%
Fire Dept Other Exp.	296,975	269,090	-9.4%	296,942	236,352	-12.2%	-20.4%
Total For Fire Dept	5,516,166	5,666,834	2.7%	7,037,309	6,975,440	23.1%	-0.9%
Recreation Personal Services	2,221,335	2,300,522	3.6%	2,624,886	2,616,090	13.7%	-0.3%
Recreation Other Exp.	863,377	901,644	4.4%	875,200	766,507	-15.0%	-12.4%
Total For Recreation	3,084,711	3,202,165	3.8%	3,500,086	3,382,597	5.6%	-3.4%
Seniors Services Personal Services	414,998	455,095	9.7%	620,448	614,817	35.1%	-0.9%
Senior Services Other Exp.	148,001	153,935	4.0%	200,262	161,884	5.2%	-19.2%
Total For Senior Services	562,999	609,030	8.2%	820,710	776,702	27.5%	-5.4%
Arts Center Personal Services	627,660	631,645	0.6%	749,901	733,660	16.2%	-2.2%
Arts Center Other Exp.	145,047	159,867	10.2%	167,050	132,855	-16.9%	-20.5%
Total For The Arts Center	772,707	791,512	2.4%	916,951	866,515	9.5%	-5.5%
Planning & Boards Personal Services	472,731	551,168	16.6%	670,106	632,662	14.8%	-5.6%
Planning & Boards Other Exp.	36,526	31,429	-14.0%	39,400	30,714	-2.3%	-22.0%
Total For Planning Department	509,256	582,597	14.4%	709,506	663,376	13.9%	-6.5%
Bus Development Mkt Personal Services				-	-		
Bus Development Mkt Other Exp.	22,598	22,738	0.6%	32,300	18,860	-17.1%	-41.6%
Total Business Development & Marketing	22,598	22,738	0.6%	32,300	18,860	-17.1%	-41.6%
Building Dept Personal Services	176,244	111,588	-36.7%	147,564	144,981	29.9%	-1.8%
Building Dept Other Exp.	119,148	104,200	-12.5%	170,600	108,624	4.2%	-36.3%
Total For Building Department	295,393	215,788	-26.9%	318,164	253,605	17.5%	-20.3%
Engineering Dept Personal Services	947,019	956,310	1.0%	1,287,711	1,137,982	19.0%	-11.6%
Engineering Dept Other Exp.	121,450	84,415	-30.5%	142,350	114,610	35.8%	-19.5%
Total For Engineering Dept	1,068,469	1,040,725	-2.6%	1,430,061	1,252,591	20.4%	-12.4%
Service Dept Personal Services	3,384,843	3,560,519	5.2%	5,311,401	5,271,906	48.1%	-0.7%
Service Other Exp.	1,293,936	1,183,271	-8.6%	1,840,120	1,488,573	25.8%	-19.1%
Total For Service Department	4,678,779	4,743,790	1.4%	7,151,521	6,760,479	42.5%	-5.5%
Council Personal Services	257,007	256,275	-0.3%	297,368	295,352	15.2%	-0.7%
Council Other Exp.	24,906	20,862	-16.2%	39,900	21,626	3.7%	-45.8%
Total For City Council	281,914	277,136	-1.7%	337,268	316,978	14.4%	-6.0%
Mayor'S Office Personal Services	228,492	233,131	2.0%	280,292	277,237	18.9%	-1.1%
Mayor'S Office Other Exp.	12,840	11,312	-11.9%	18,050	16,354	44.6%	-9.4%
Total For Mayor'S Office	241,332	244,442	1.3%	298,342	293,591	20.1%	-1.6%
Finance Dept Personal Services	506,253	447,551	-11.6%	677,689	579,433	29.5%	-14.5%
Finance Dept Other Exp.	981,811	1,591,047	62.1%	2,282,980	2,127,945	33.7%	-6.8%
Total For Finance Department	1,488,063	2,038,598	37.0%	2,960,669	2,707,378	32.8%	-8.6%
Law Dept Personal Services	159,027	159,027	0.0%	159,029	159,027	0.0%	0.0%
Law Dept Other Exp.	328,130	137,610	-58.1%	346,900	210,606	53.0%	-39.3%
Total For Law Dept	487,157	296,638	-39.1%	505,929	369,633	24.6%	-26.9%
Human Resources Personal Services	145,771	120,892	-17.1%	197,394	146,521	21.2%	-25.8%
Human Resources Other Exp.	103,448	76,427	-26.1%	60,100	34,922	-54.3%	-41.9%
Total For Human Resources	249,219	197,319	-20.8%	257,494	181,443	-8.0%	-29.5%
Information Tech Personal Services	239,672	215,142	-10.2%	288,925	285,090	32.5%	-1.3%
Information Tech Other Exp.	78,774	96,149	22.1%	101,200	73,642	-23.4%	-27.2%
Total For Info Tech Dept	318,446	311,291	-2.2%	390,125	358,732	15.2%	-8.0%
Civil Service Personal Services			#DIV/0!	4,000	3,154		-21.1%
Civil Service Other Exp.	25,303	11,789	-53.4%	24,300	18,545	57.3%	-23.7%
Total For Civil Service	25,303	11,789	-53.4%	28,300	21,700	84.1%	-23.3%

Exhibit A

City of Solon	2016	2017	% Chg	2018	2018	% Chg	% Chg
Departmental Expenditure Summary	Actual	Actual	From	Approved	Actual	From	From
2016 -2018 (cash basis)	Expenditures	Expenditures	2016	Budget	Expenditures	2017	Budget
Facility Management Personal Services	89,472	85,393	-4.6%	539,863	535,453	527.0%	-0.8%
Facility Management Other Exp.	774	852	10.1%	363,900	276,935	32404%	-23.9%
Total For Facility Management	90,245	86,245	-4.4%	903,763	812,388	842.0%	-10.1%
General Admin Personal Services	5,376,207	5,174,593	-3.8%	138,628	126,209	-97.6%	-9.0%
General Administration Other Exp.	3,265,536	2,991,107	-8.4%	3,422,694	3,104,903	3.8%	-9.3%
Total General Administration	8,641,743	8,165,700	-5.5%	3,561,322	3,231,112	-60.4%	-9.3%
Total Operating	35,516,084	35,680,716	0.5%	40,051,659	37,740,382	5.8%	-5.8%
Total Personal Services	26,639,710	26,426,256	-0.8%	28,269,566	27,569,131	7.0%	-2.5%
Total Other Expenditures	8,876,375	9,254,461	4.3%	11,782,093	10,171,251	27.3%	-13.7%
Total Departmental Expenditures	35,516,085	35,680,717	0.5%	40,051,659	37,740,382	12.3%	-5.8%
Transfers from General Fund							
Trans To Fund 101	1,000,000	800,000	-20.0%	300,000	300,000	0.0%	0.0%
Trans To Fund 263	1,250,000	1,199,000	-4.1%	2,297,020	2,297,020	0.0%	0.0%
Trans To Homedays 267 Fd	20,000	20,000	0.0%	30,000	30,000	0.0%	0.0%
Trans To S/S Equip 421 Fd	100,000	177,000	77.0%	832,000	832,000	0.0%	0.0%
Trans To Fund 435 Facility Rep	3,600,000	-	-	855,000	855,000	0.0%	0.0%
Trans To Cap Imp 491 Fd	750,000	887,000	18.3%	881,000	881,000	0.0%	0.0%
Trans To Work/Comp 601 Fd	230,000	250,000	8.7%				
Trans To Employee Healthcare 605 Fd		1,067,700					
Trans To Fund 771	335,000	500,000	49.3%	200,000	200,000	0.0%	0.0%
GENERAL FUND TRANSFERS	7,285,000	4,900,700	-32.7%	5,395,020	5,395,020	0.0%	0.0%
TOTAL - GENERAL FUND	42,801,084	40,581,416	-5.2%	45,446,679	43,135,402	-5.1%	-5.1%
<i>Total Other & Transfers</i>	<i>16,161,375</i>	<i>14,155,161</i>	<i>-12.4%</i>	<i>17,177,113</i>	<i>15,566,271</i>	<i>21.3%</i>	<i>-9.4%</i>

City of Solon Departmental Expenditure Summary 2016 -2018 (cash basis)	2016 Actual Expenditures	2017 Actual Expenditures	% Chg From 2016	2018 Approved Budget	2018 Actual Expenditures	% Chg From 2017	% Chg From Budget
STREET CONST MAINT & REP - 201							
S. C. M. & R. SALARIES	780,000	780,000	0.0%	734,600	734,600	-5.8%	0.0%
S. C. M. & R. OTHER	258,000	258,000	0.0%	258,000	258,000	0.0%	0.0%
TOTAL FOR S. C. M. & R. FUND	1,038,000	1,038,000	0.0%	992,600	992,600	-4.4%	0.0%
STATE HIGHWAY FUND- 202							
TOTAL STATE HIGHWAY FUND	124,000	84,950	-31.5%	80,000	80,000	-5.8%	0.0%
POLICE PENSIONFUND - 204							
TOTAL POLICE PENSION FUND	826,887	847,733	2.5%	918,900	871,579	8.4%	-5.1%
FIRE PENSION FUND - 205							
TOTAL FIRE PENSION FUND	1,265,881	1,315,073	3.9%	1,403,200	1,339,105	6.7%	-4.6%
EARNED INTERESTFUND - 206							
TOTAL EARNED INTEREST FUND	812,461		-100%	-	-		
CABLE TV FUND - 209							
TOTAL CABLE TV FUND	356,885	291,924	-18.2%	312,200	277,781	6.9%	-11.0%
TREE PLANTING DEPOSIT - 211							
TOTAL TREE PLANTING FUND	19,787	44,763	126.2%	75,000	34,193	67.5%	-54.4%
AMBULANCE BILLING FUND - 217							
AMBULANCE SALARIES	280,658	287,334	2.4%	305,548	295,647	6.3%	-3.2%
AMBULANCE OTHER	95,296	410,044	330.3%	161,140	155,830	-60.7%	-3.3%
TOTAL AMBULANCE BILLING FUND	375,954	697,378	85.5%	466,688	451,477	-33.1%	-3.3%
POLICE TRAININGCLASS - 240							
OT FOR TRAINING		5,888		-	-		
TOTAL - POLICE TRAINING CLASS	2,580	6,188	139.8%	15,000	67	142.4%	-99.6%
POL/CORRECTIONSTRAINING - 241							
TOTAL - POL TRAINING CLASS FD				1,800	1,050		-41.7%
POLICE D.A.R.E.FUND- 242							
D.A.R.E. WAGES	33,632	31,100	-7.5%	31,500	30,964	1.3%	-1.7%
D.A.R.E. OTHER	7,987	7,894	-1.2%	9,000	8,822	14.0%	-2.0%
TOTAL - D.A.R.E. FUND	41,619	38,994	-6.3%	40,500	39,786	3.9%	-1.8%
ECONOMIC INCENTIVE FUND - 263							
TOTAL - ECONOMIC INCENTIVE FND	1,272,801	1,094,089	-14.0%	1,701,250	1,403,931	55.5%	-17.5%
POL DEPT FOOD DRIVE FUND - 264							
TOTAL - POL FOOD DRIVE FUND				450	-		-100.0%
HOMEDAYS FESTIVAL FUND - 267							
TOTAL - HOMEDAYS FUND	100,823	99,091	-1.7%	120,800	112,701	21.9%	-6.7%
PACE ASSESSMENT FUND - 270							
TOTAL - PACE ASSESSMENT FUND				-	-		
GENERAL BOND RETIREMENT - 300							
TOTAL - GEN BOND RETIREMENT FD	857,921	766,296	-10.7%	775,949	767,218	1.3%	-1.1%
INFRASTRUCTURECAP IMP - 400							
TOTAL - FUND 400	10,280,487	8,219,625	-20.0%	17,858,981	7,854,512	117.3%	-56.0%
CITYWIDE TRAFFIC SIGNAL IMPROV							
TOTAL - FUND 401	48,030						
SAFETY & SERVICE CAPITAL EQUIP.							
TOTAL - FUND 421	607,282	517,533	-14.8%	1,106,151	628,318	113.7%	-43.2%
FACILITY REPAIR& MAINT - A							
TOTAL - FUND 435	1,481,983	638,855	-56.9%	859,160	439,636	34.5%	-48.8%
FACILITY REPAIR& MAINT -B							
TOTAL - FUND 442	20,975						
GENERAL CAPITALIMPROV - 491							
TOTAL - FUND 491	665,502	248,236	-62.7%	880,950	567,629	254.9%	-35.6%

Exhibit A

City of Solon Departmental Expenditure Summary 2016 -2018 (cash basis)	2016 Actual Expenditures	2017 Actual Expenditures	% Chg From 2016	2018 Approved Budget	2018 Actual Expenditures	% Chg From 2017	% Chg From Budget
SEWER REVENUE FUND - 511							
SEWER REVENUE SALARIES	1,516,371	1,556,038	2.6%	1,636,731	1,599,952	5.2%	-2.2%
SEWER REVENUE OTHER	7,384,752	1,913,285	-74.1%	6,647,484	6,243,356	247.4%	-6.1%
TOTAL - FUND 511	8,901,123	3,469,324	-61.0%	8,284,215	7,843,307	138.8%	-5.3%
SEWER PLANT R & I FUND - 512							
TOTAL - FUND 512	651,323	1,648,524	153.1%	6,408,629	4,242,959	288.7%	-33.8%
GRANTWOOD FUND-550							
GRANTWOOD SALARIES	606,423	609,410	0.5%	600,022	591,427	-1.5%	-1.4%
GRANTWOOD OTHER	373,688	343,483	-8.1%	393,950	326,348	14.7%	-17.2%
TOTAL - FUND 550	980,111	952,892	-2.8%	993,972	917,775	4.3%	-7.7%
WORKERS COMP FUND - 601							
TOTAL - FUND 601	155,652	155,866	0.1%	321,500	319,507	106.3%	-0.6%
MEDICAL SELF INSURANCE - 605							
TOTAL - FUND 605				5,710,381	4,562,572		-20.1%
VARIOUS 700 FUNDS (702 TO 791)							
700 FUNDS SALARIES	263,358	317,712	20.6%	320,000	266,726	0.7%	-16.6%
700 FUNDS OTHER	812,150	459,955	-43.4%	814,800	391,101	77.1%	-52.0%
TOTAL FOR 700 FUNDS	1,075,508	777,667	-27.7%	1,134,800	657,827	45.9%	-42.0%
GRAND TOTAL ALL FUNDS	74,764,658	63,534,418	-15.0%	95,909,755	77,540,933	51.0%	-19.2%

Fund Balance Summary

Summary of Financial Activity by Fund

Exhibit B

Fund No.	Fund Name	Beginning Balance (1/1/2018)	2018 Actual Revenue	2018 Actual Expenditures *	Ending Fund Balance (12/31/2018)	Encumbrances	Unencumbered Balance
100	GENERAL FUND	18,663,434	44,283,803	43,666,160	19,281,076	987,169	18,293,907
101	BUDGET STABILIZATION FUND	7,000,000	300,000	-	7,300,000	-	7,300,000
	Combined General Fund Balance	25,663,434	44,583,803	43,666,160	26,581,076	987,169	25,593,907
201	STREET MAINT & REPAIR	31,337	1,005,394	992,600	44,131	-	44,131
202	STATE HIGHWAY FUND	7,096	81,572	80,000	8,669	-	8,669
204	POLICE PENSION FUND	657,712	923,851	871,579	709,983	-	709,983
205	FIRE PENSION FUND	580,799	1,385,736	1,339,105	627,430	-	627,430
209	CABLE TV FUND	157,691	346,678	280,781	223,587	11,210	212,377
211	TREE PLANTING DEPOSITS FUND	102,504	2,070	34,193	70,381	7,307	63,074
217	EMERGENCY MEDICAL SERV FUND	300,772	602,449	453,821	449,400	160	449,240
240	POLICE DEPT TRAINING	38,582	-	67	38,515	-	38,515
241	POLICE CORR TRAINING CLASS	4,373	1,100	1,050	4,423	-	4,423
242	D.A.R.E. PROGRAM	26,447	30,964	39,786	17,624	-	17,624
263	ECONOMIC INCENTIVE FUND	1,011,415	2,305,020	1,403,931	1,912,504	-	1,912,504
264	POLICE DEPT FOOD DRIVE FUND	451	-	-	451	-	451
267	HOMEDAYS FESTIVAL	33,103	110,769	112,701	31,172	8,098	23,073
270	PACE ASSESSMENT FUND	-	-	-	-	-	-
300	BOND RETIREMENT FUND	1,070,056	682,419	767,218	985,257	-	985,257
400	INCOME TAX CAP IMPROV FUND	16,972,059	12,241,731	10,066,871	19,146,919	5,840,054	13,306,865
401	CITYWIDE TRAFFIC SIGNAL IMPROV	239,019	-	68,550	170,469	160,872	9,597
421	SERVICE & SAFETY EQUIP FUND	146,802	1,302,358	709,049	740,110	464,561	275,549
435	FACILITY MAINT & REPAIR FUND	1,593,036	855,000	633,742	1,814,294	287,103	1,527,191
476	OLD CITY HALL RENOVATION	17,744	-	-	17,744	-	17,744
491	GENERAL CAPITAL IMPROV FUND	1,202,926	957,257	1,003,107	1,157,075	196,054	961,021
511	SEWER REVENUE FUND	6,009,604	5,549,558	7,903,154	3,656,008	79,300	3,576,708
512	SEWER PLANT R&I FUND	4,443,206	4,686,450	5,851,871	3,277,785	1,734,755	1,543,030
517	FOREST HILLS WATERLINE LOOP	8,603	-	-	8,603	-	8,603
550	GRANTWOOD RECREATION PARK	200,888	932,837	917,966	215,758	1,315	214,443
601	WORKERS COMPENSATION FUND	594,738	-	319,310	275,428	1,844	273,584
605	MEDICAL SELF INSURANCE	1,067,700	5,288,232	4,562,572	1,793,360	2,126	1,791,235
702	INSPECTION DEPOSIT FUND	126,410	-	1,139	125,270	-	125,270
703	CEMETERY ENDOWMENT FUND	5,501	-	-	5,501	-	5,501
704	UNCLAIMED MONIES FUND	30,850	1,360	-	32,210	-	32,210
705	GUARANTEED DEPOSIT FUND	5,259	-	-	5,259	-	5,259
720	TRAFFIC VIOLATIONS FUND	-	132,380	132,380	-	-	-
731	D.A.R.E. SCHOLARSHIP FUND	374	-	-	374	-	374
740	POLICE DEPT DONATIONS	5,552	4,567	3,577	6,542	-	6,542
741	COMM IMPROVE CORP (CIC) FUND	4,000	-	-	4,000	-	4,000
743	LAW ENFORC TRST DRUG MONEY	89,722	2,160	-	91,882	-	91,882
744	LAW ENFORC TRST OMVI	19,674	16,677	13,984	22,367	-	22,367
745	LAW ENFORC TRUST OTHER	47,259	19	-	47,278	-	47,278
747	POLICE DOG DONATION FUND	7,974	201	-	8,175	-	8,175
748	LAW ENFORC TRUST IMMOBIL.	11,200	415	-	11,615	-	11,615
749	FIRE DEPT DONATIONS	9,940	-	-	9,940	-	9,940
750	FIRE DEPT GUARANTEED DEPOSITS	10,635	750	1,625	9,760	-	9,760
751	FINANCE DEPT GUARANTEED DEP.	8,721	-	-	8,721	-	8,721
753	BUILDING DEPT GUARANT. DEP.	178,110	10,800	11,400	177,510	-	177,510
754	ENGINEERING DEPT GUARANT DEP.	288,218	131,090	69,800	349,508	-	349,508
756	SPECIAL DONATIONS FUND	3,664	-	-	3,664	-	3,664
757	SENIOR SERVICES DONATIONS FUND	17,313	6,516	8,910	14,918	2,440	12,478
760	BLUE HERON DONATIONS FUND	1,848	-	-	1,848	-	1,848
771	ACCUMULATED LEAVE & CONTINGNCY	1,092,243	200,000	252,742	1,039,501	-	1,039,501
791	JEDD INCOME TAX FUND	39,320	160,507	163,269	36,558	-	36,558
	Total Ending Fund Balance	64,185,883	84,542,689	82,738,013	65,990,559	9,784,369	56,206,190

* Expenditures include prior year encumbrances.

2018 Summary of Results

Revenue by Source	2016	Actual	2017	Actual	2018 Budget Est.	2018	Actual	Chg from 2017	% Chg 2018 Actual	Budget Variance	% Bud. Var.
Income Tax *	31,908,220		33,797,792		34,938,878		35,834,746	2,036,954	6.0%	895,868	2.6%
Property Tax	1,142,160		1,149,754		1,149,116		1,154,793	5,039	0.4%	5,677	0.5%
Local Tax	375,843		353,371		383,500		351,901	(1,470)	-0.4%	(31,599)	-8.2%
State Shared Tax	285,623		227,308		204,400		202,880	(24,428)	-10.7%	(1,520)	-0.7%
Charges For Services	3,292,067		3,278,647		3,265,150		3,347,360	68,713	2.1%	82,210	2.5%
Court Fines & Costs	315,725		265,271		285,700		312,679	47,408	17.9%	26,979	9.4%
Lic, Permits, & Other Fines	725,334		714,054		790,900		676,145	(37,909)	-5.3%	(114,755)	-14.5%
Interest Income	-		488,062		500,000		909,978	421,916	86.4%	409,978	82.0%
Misc & Reimbursement Rev	3,704,636		2,341,302		1,508,500		1,493,320	(847,982)	-36.2%	(15,180)	-1.0%
Total General Fund Revenue	\$ 41,749,608		\$ 42,615,562		\$ 43,026,144		\$ 44,283,803	\$ 1,668,241	3.9%	\$ 1,257,659	2.9%

* Includes retainer refund payment from prior tax year.

2018 Operating Summary General Fund	2016	Actual	2017	Actual	2018 Budget	2018	Actual	Chg from 2017	% Chg 2018 Actual	Budget Variance	% Bud. Var.
General Fund											
Total Operating Revenue	\$ 41,749,608		\$ 42,615,562		\$ 43,026,144		\$ 44,283,803	\$ 1,668,241	3.9%	\$ 1,257,659	2.9%
Operating Expenditures	\$ 35,516,084		\$ 35,680,716		\$ 40,051,659		\$ 37,740,382	\$ 2,059,666	5.8%	\$ 2,311,277	5.8%
Transfers Out	7,285,000		4,900,700		5,395,020		5,395,020	494,320	10.1%	-	0.0%
Total General Fund Expenditures	42,801,084		40,581,416		45,446,679		43,135,402	2,553,986	6.3%	2,311,277	5.1%
All Operating Funds											
Total Operating Revenue*	\$ 55,753,759		\$ 57,582,051		\$ 61,174,292		\$ 63,832,452	\$ 6,250,401	10.9%	\$ 2,658,160	4.3%
Total Operating Expenditures *	\$ 51,483,978		\$ 67,661,084		\$ 63,150,052		\$ 63,150,052	\$ (4,511,032)	-6.7%	\$ -	0.0%

* Excluding Capital and Trust & Agency Fund revenues.

2018 Operating Summary General Fund	2016	Actual	2017	Actual	2018 Budget	2018	Actual	Chg from 2017	% Chg 2018 Actual	Budget Variance	% Bud. Var.
Total Operating Revenue	\$ 41,749,608	\$ 42,615,562	\$ 43,026,144	\$ 44,283,803	\$ 1,668,241	3.9%	\$ 1,257,659	2.9%			
Personal Services	26,639,710	26,426,256	28,269,566	27,569,131	1,142,875	4.3%	700,435	2.5%			
Other Expenditures	8,876,375	9,254,461	11,782,093	10,171,251	916,790	9.9%	1,610,842	13.7%			
Total Operating Expenditures	35,516,085	35,680,717	40,051,659	37,740,382	2,059,665	5.8%	2,311,277	5.8%			
<i>Transfers Out</i>	<i>7,285,000</i>	<i>4,900,700</i>	<i>5,395,020</i>	<i>5,395,020</i>	<i>494,320</i>	<i>10.1%</i>	<i>-</i>	<i>0.0%</i>			
Total Expenditures	\$ 42,801,085	\$ 40,581,417	\$ 45,446,679	\$ 43,135,402	\$ 2,553,985	6.3%	\$ 2,311,277	5.1%			

2019 General Fund Summary by Expenditure Category

Expenditure by Category	2016	Actual	2017	Actual	2018 Budget	2018	Actual	Chg from 2017	% Chg 2018 Actual	Budget Variance	% Bud. Var.
Salaries	\$ 19,619,528	\$ 19,667,831	\$ 21,222,340	\$ 20,652,255	\$ 984,424	5.0%	\$ (570,085)	-2.7%			
Fringe Benefits	7,020,182	6,758,426	7,047,226	6,916,876	158,450	2.3%	(130,350)	-1.8%			
Travel & Education	62,849	63,232	107,860	83,942	20,711	32.8%	(23,918)	-22.2%			
Contractual Services	5,722,123	6,233,371	7,119,774	6,355,581	122,210	2.0%	(764,193)	-10.7%			
Materials & Supplies	3,591,566	3,199,946	4,008,379	3,332,732	132,786	4.1%	(675,647)	-16.9%			
Refunds & Chargebacks	(500,164)	(242,090)	546,080	398,996	641,086	-264.8%	(147,084)	-26.9%			
Total Operating Expenditures	\$ 35,516,084	\$ 35,680,716	\$ 40,051,659	\$ 37,740,382	\$ 2,059,666	5.8%	\$ (2,311,277)	-5.8%			

2019 General Fund Transfers to Other Funds

General Fund Use (Fund)	2016	Actual	2017	Actual	2018 Budget	2018	Actual	Chg from 2017	% Chg 2018 Actual	Budget Variance	% Bud. Var.
Budget Stabilization (101)	\$ 1,000,000	\$ 800,000	\$ 300,000	\$ 300,000	\$ (500,000)	-62.5%	\$ -	0.0%			
<i>Economic Development (263)</i>	<i>1,250,000</i>	<i>1,199,000</i>	<i>2,297,020</i>	<i>2,297,020</i>	<i>1,098,020</i>	<i>91.6%</i>	<i>-</i>	<i>0.0%</i>			
Home Days (267)	20,000	20,000	30,000	30,000	10,000	50.0%	-	0.0%			
Safety & Service Equipment (421)	100,000	177,000	832,000	832,000	655,000	370.1%	-	0.0%			
Facility Capital Repairs (435)	3,600,000		855,000	855,000			-	0.0%			
Capital Imprv Equipment (491)	750,000	887,000	881,000	881,000	(6,000)	-0.7%	-	0.0%			
Workers Compensation (601)	230,000	250,000	-	-	(250,000)	-100.0%	-				
Employee Health Benefits Fund (605)			1,067,700	-	(1,067,700)	-100.0%	-				
Accumulated Sick Leave (771)	335,000	500,000	200,000	200,000	(300,000)	-60.0%	-	0.0%			
Total Transfers to Other Funds	\$ 7,285,000	\$ 4,900,700	\$ 5,395,020	\$ 5,395,020	\$ 494,320	10.1%	\$ -	0.0%			