



SHAKER HEIGHTS

Overview of City Finances

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City Revenues (General Fund)

- 2025 Budgeted General Fund Operating Revenues: \$64.0M
- Majority of the operating revenues comes from two main sources:
 - ✓ Income Taxes 69%
 - ✓ Property Taxes 16%
 - ✓ Remainder is made up of Charges for Services (e.g. Court Costs, Ambulance Services, etc.), Investment Earnings, Licenses & Permits and the Local Government Fund (amount determined annually and funded by the State).
- The income tax revenue historically increases in a range of 2 – 4% per year but the expectation is that it will grow with new residential development (e.g. RAYE) and additional business openings (e.g. Van Aken).
- Property tax values are reappraised every six years and are updated in the third year following each sexennial reappraisal. This can lead to an increase or decrease in property tax receipts.

City Expenditures (General Fund)

- 2025 Budgeted General Fund Operating Expenditures: \$50.0M
- The \$50.0M expenditure budget is comprised of \$35.6M or 71% in personal services (wages and benefits) and \$14.4M or 29% in other expenses.
 - ✓ First Responders (Police/Fire) and Public Works (services) make up almost 71% of the entire compensation budget of the City.
- The personal services budget is impacted by annual Cost of Living Adjustments (COLA), and other compensation contained in five Bargaining Units contracts which will run for three years beginning January 1, 2025.
- Examples of the types of Other Expenses include: Travel & Education; Contractual Services; and Materials & Supplies.
- General Fund Operating Expenditures rise at a rate of approximately 5.0% per year while Operating Revenues, on average, rise at a rate of 3.0% per year.

City Transfers (General Fund)

- The difference between the 2025 Operating Revenues budget of \$64.0M and the 2025 Operating Expenditures budget of \$50.0M leaves \$14.0M available in the General Fund for other obligations including transfers to the General Capital Fund:
 - ✓ \$9.0M transferred to the General Capital Fund for various projects in Public Works and other City buildings (e.g. Police, Fire, Thornton Park) in addition to equipment and vehicle needs of various departments (e.g. Police Fleet, Dump Trucks, Plows, etc.)
 - ✓ \$2.7M to the Police and Fire Pension Funds in accordance with regulatory requirements.
 - ✓ \$0.9M to the Debt Service Fund to service all general obligation debt.
 - ✓ \$1.0M to the Recreation Fund to subsidize Recreation Programming.
 - ✓ \$0.5M to the Self-Insurance Fund.

Other City Funds

- The City has 52 other funds outside of the General Fund with a total fund balance of approximately \$56.5M for specified uses which also needs to be managed by the Finance Department.
- These funds include Special Revenue, Debt Service and Internal Service Funds. They support ongoing operations with funds that are restricted as to their use (e.g. debt service) or revenues charged to departments for services (e.g. central garage, printing and copying, etc.) or from approved levels of General Fund support.

Other Budget Impacts

- State legislature is considering an increase to the contribution rate for Police in the Ohio Police and Fire Pension Fund from 19.5% to 24% over six years (potentially a \$300K / yr. impact).
- Reduced interest rates will lower Investment Interest revenue.
- Current Bargaining Unit Negotiations for all five unions for the next three year contract (2025-2028) will increase compensation costs.
- The City spends approx. \$2.25M annually on street resurfacing and repair.
- The City spends approx. \$2.0M annually on sewer maintenance and capital projects.
- The City is still feeling the consequences of losing funds from the Ohio Estate Tax which was eliminated in late 2012.
- The City avoids excess debt which would increase debt service while limiting funds for operations and capital.
- The City endeavors to avoid any tax increases knowing that the Shaker Schools must seek voter approval for increases in operating and capital funds.

Transformational Projects

- The City is currently in the middle of several Transformational Projects that have, and will, require significant funding.
 - ✓ RAYE (formerly known as the Farnsleigh Apartments)
 - ✓ Doan Brook Improvements & Amenities
 - ✓ Lee Road Public Infrastructure Improvements
 - ✓ Lee Road Future Neighborhood Center
 - ✓ Recreation Facilities & Amenities
 - ✓ Future Phases of the Van Aken District Development
 - ✓ Solar Energy Project