



SHAKER HEIGHTS

2026

General Fund Operating Budget
Capital Fund Budget
All Other Funds Budgets

City Council & Finance Committee
Joint Work Session

John J. Potts, CPA – Director of Finance
December 1, 2025

2026 Budget Timeline – Recap

The following is a recap of the timeline for the presentation of the 2026 budget (all designated as Joint Council / Finance Committee meetings).

October 27th – 2025 General Fund (GF) projected revenues; 2026 GF revenue budget

November 10th – 2025 GF projected expenditures and transfers; 2026 GF proposed expenditure budget and transfers

November 24th – 2026 proposed capital budget

December 1st – 2026 proposed operating and capital budgets (review); 2026 all other fund budgets

December 15th – 2025 clean-up ordinance; adoption of 2026 budget ordinances (operating and capital)

2025 Projected Financials – Recap

2025 Projected Revenues: \$66.9M

- 2025 total revenues are projected to be up \$2.9M versus budget, mainly due to income tax receipts, property tax receipts, and investment earnings.

2025 Projected Operating Expenditures: \$48.4M

- 2025 total operating expenditures are projected to be below budget by \$1.6M.

2025 Projected Transfers: \$18.6M

- All budgeted transfers to be made along with the following additional transfers:
 - Additional \$4.0M transfer to the Capital Fund toward 2026 capital budget needs. Additional \$500K transfer to the Self-Insurance Fund and an additional \$225K transfer to the Street Lighting Assessment Fund. All of these additional transfers are generated from the 2025 General Fund surplus.

2025 Projected Revenues over Disbursements (operating expenditures + transfers) results in a surplus of \$14K.

2025 Projected Year-End General Fund Reserve: 41.2%

Reserve calculated as estimated ending GF balance divided by total disbursements (expenditures + transfers).

2026 Revenue Budget – Recap

2026 General Fund Revenue Budget – \$66.6M

- 2026 Revenue Budget vs. 2025 Revenue Budget: ↑ 4.0%
Increase mainly driven by \$1.8M in additional, budgeted income tax receipts.
- 2026 Revenue Budget vs. 2025 Revenue Projection: Flat
Next year's income tax budget is approximately \$1.0M above the current 2025 projection (2.2% increase). We are also budgeting for decreased revenues in other line items (Charges For Services, Licenses & Permits, Investment Earnings).

2026 Operating Expenditures Budget – Recap

2026 General Fund Operating Expenditures Budget – \$53.5M

- Most departments remain at prior year budget levels. Vacancies are budgeted at the beginning of the year for budget efficiency. They were also budgeted at the beginning of the year in the 2025 budget.
- 2026 Personal Services (wages) budget includes a 2.75% cost of living adjustment and a 2.00% merit pay plan adjustment budgeted for all non-bargaining employees. For all bargaining units, recently completed negotiations will impact the 2026 as the 2nd year of the contracts (2025 to 2027). Health Care Equivalent costs are budgeted to increase 5.4% (2025 increase was 9.2%).
- Inflationary pressures and supply chain disruption continues to increase some materials and supply budgets in addition to a large number of capital project estimates.
- The 27th Pay will occur in 2026 (then again in 2031). The 27th Pay Reserve Fund will have a budgeted transfer to the General Fund to completely offset the impact on compensation coming from the 27th pay.

2026 Transfers Budget – Recap

Budgeted General Fund Transfers within the 2025 Budget:

| | |
|--|---------------------|
| ➤ From 27 th Pay Reserve Fund | (\$1,485,600) |
| ➤ To Capital Fund (for 2027 Capital) | \$9,200,000 |
| ➤ To Fire & Police Pension Funds | \$2,700,000 |
| ➤ To Recreation Fund | \$1,300,000 |
| ➤ To Debt Service Fund | \$750,000 |
| ➤ To Self-Insurance Fund | \$500,000 |
| ➤ To Street Lighting Assessment Fund | <u>\$150,000</u> |
| | \$13,114,400 |

2026 GF Operating Budget – Recap

2026 Overall General Fund Operating Budget Recap

| | |
|--------------------------------|-----------------------|
| ➤ Total Revenues | \$66,628,000 |
| ➤ Total Operating Expenditures | (\$53,480,134) |
| ➤ Total General Fund Transfers | <u>(\$13,114,400)</u> |
| ➤ Balanced Budget (surplus) | \$33,466 |

2026 Year-End General Fund Reserve projected to be 41.4%

Refer to Exhibit 1 for a detailed breakdown of the 2026 Budget.

2026 All Other Funds Budgets

Special Revenue, Debt Service and Internal Service Funds

These funds 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, copying, etc.) or from approved levels of General Fund support.

Refer to Exhibit 2 which gives a detailed description of All Other Funds.

Refer to Exhibit 3 which details the 2026 proposed budget for All Other Funds.

Subfunds of the General Fund

Fund 103: Economic Development & Housing Fund – \$774K 2026 Budget

- The main use of this fund (\$204K) is to provide for certain investments in commercial development and/or housing development, including targeted loans to generate new economic activity. These include Vision Loans, SBA Partnership Loans, or similar incentives to attract and expand businesses within the City, which are typically repaid from income taxes collected from a business or its employees.
- Budgeted transfer of \$100K to the General Capital Fund for Lee Road Right-Of-Way.
- Budgeted transfer of \$470K to the General Capital Fund to fund Bus Depot design.

Fund 105: Recreation (programming) – \$3.0M 2026 Budget

- This fund is mainly programming (e.g. all revenue based programs, camps, pool, ice rink, etc.) within the Recreation Department and there is a \$404K increase from the 2025 budget as a result of increased payroll costs (up \$319K) and other expense (\$85K) needs (inflationary increases in materials and supplies).

Pension Funds

Fund 205: Police Pension Fund – \$1.6M 2026 Budget

Fund 206: Fire Pension Fund – \$1.6M 2026 Budget

- Accounts for the payment of current and accrued police pension liability to the Police Pension Fund of Ohio and the Fireman’s Disability and Pension Fund of Ohio
- Ohio Revised Code requires that the City levy 0.3 mills (\$340K) of property tax annually for partial payment of these liabilities. The remainder is funded by the General Fund via a transfer (\$1.2M Police / \$1.5M Fire).
- The current 2026 budget is computed based upon a 19.5% Police and a 24.0% Fire employer contribution.
- Both fund reserves remains near 100%.

Special Revenue Funds

Fund 201: Street Maintenance & Repair – \$1.4M 2026 Budget

- Funded from state gasoline tax and motor vehicle registration fees and we are required to spend 92.5% of these state receipts on the maintenance and repair of our streets. This fund also provides a budget for the Police Traffic Signal Maintenance work.

Fund 202: State Highway & Maintenance – \$42K 2026 Budget

- Funded from state gasoline tax and motor vehicle registration fees and we are required to spend 7.5% of these state receipts on the maintenance and repair of state highways within the City. State highways in Shaker Heights are Shaker and Northfield.

Special Revenue Funds

Fund 204: Sewer Maintenance – \$2.6M 2026 Budget

- Funded from sewer fees, this budget provides for the repair and maintenance of our sewer system and also funds debt service for sewer financings.

| Sewer Related Debt | Rate | Issued | Maturity | Outstanding 12/31/25 | Debt Service 2026 |
|---|-------------|--------|-----------|-------------------------|----------------------|
| Sanitary Sewerage System Improvement Bonds | 3.25 - 5.0% | 2022 | 2052 | \$7,550,000 | \$459,775 |
| Various Purpose Improvement Bonds - VAD Sewer Lines | 3.3% | 2017 | 2037 | \$2,065,000 | \$149,625 |
| Sewer Bond Anticipation Notes | 4.4% | 2025 | 2026 | \$2,000,000 | \$87,500 |
| Ohio Public Works Commission Bonds (OPWC) | 0.0% | 2014 | 2025-2028 | \$128,925 | \$28,650 |
| Van Aken Sewer Line Improvement Bonds | 2.9% | 2013 | 2028 | \$90,000 | \$32,175 |
| | | | | \$11,833,925 | \$757,725 |

Special Revenue Funds

Fund 223: Housing Nuisance Abatement – \$125K 2026 Budget

- This account provides funding to abate health and safety hazards and blight on privately owned property. Such abatements using this fund are performed by private contractors hired by the city and the property owner is charged the cost to perform the work including administrative expenses.
- Typical smaller scale emergency nuisance abatement work includes: removal of litter and discarded items, graffiti, and overgrown vegetation, as well as securing vacant structures and the elimination of other minor nuisance conditions. As an option of last resort, funds are used for demolition of blighting structures.

Special Assessment Funds

Fund 281: Street Lighting Assessments – \$855K 2026 Budget

- An assessment of \$1.10 per front footage of each property parcel in the City provides approximately \$703K per year toward the cost of street lighting within the City.

Fund 282: Tree Maintenance Assessments – \$1.2M 2026 Budget

- An assessment of \$1.66 per front footage of each property parcel in the City provides approximately \$1.1M per year toward the cost of tree maintenance and requisite equipment within the City.

Debt Service Funds

Fund 301: General Obligation Debt Service – \$1.6M 2026 Budget

- This amount represents the appropriation required for 2026 to pay the required debt service on general obligation debt as listed below. While all general obligation debt is paid out of this fund, debt service for sewer related debt (asterisks below) is funded from sewer fees (Fund 204), not the General Fund.
- 2026 Debt Payments:
 - \$158K: Ohio Public Works Commission (OPWC) Loans (waterlines) / \$71K: 2017 Various Purpose Improvement Bonds (VAD) / \$374K: 2017 Port Authority Non-Tax Bonds (VAD) / \$95K: 2025 Transfer Station OWDA Improvement Bonds
 - \$460K: 2022 \$8.0M Sanitary Sewerage System Improvement Bonds* / \$150K: 2017 Various Purpose Improvement Bonds* / \$32K: 2013 Van Aken Sewer Line Improvement Bonds* / \$29K: Loans – Hildana Ludgate Sanitary Sewer (OPWC)* / \$88K: 2025 \$2.0M Bond Anticipation Notes
 - \$40K: Legal Services estimated for 2026

Debt Service Funds

Breakdown of General Obligation (GO) Debt:

| General Obligation Debt (Unvoted) | Rate | Issued | Maturity | Outstanding 12/31/25 | Debt Service 2026 |
|---|------|--------|-----------|-------------------------|----------------------|
| Ohio Public Works Commission Bonds (OPWC) | 0.0% | 2014 | 2025-2028 | \$334,741 | \$158,184 |
| Various Purpose Improvement Bonds - VAD | 3.3% | 2017 | 2033-2037 | \$2,065,000 | \$70,875 |
| Port Authority Van Aken Bonds | 3.2% | 2017 | 2037 | \$3,455,000 | \$373,970 |
| Transfer Station Improvement Bonds (OWDA) | 3.9% | 2023 | 2045 | \$1,295,855 | \$95,183 |
| | | | | \$7,150,596 | \$698,212 |

Direct Debt Capacity as of 12/31/24: \$61.0M

obtained from the City of Shaker Heights Annual Information Filing for Fiscal Year 2024

Debt Service Funds

Fund 302: Urban Renewal Debt Service – \$1.2M 2026 Budget

- This amount represents the appropriation required for 2026 to pay the required debt service on urban renewal debt as listed below.
- Funds for this debt come from payments in lieu of taxes (PILOTs) which are estimated to be \$1.6M in 2026.

| Urban Renewal Debt | Rate | Issued | Maturity | Outstanding 12/31/25 | Debt Service 2026 |
|-----------------------------------|-------------|---------------|-----------------|---------------------------------|------------------------------|
| STC Urban Renewal Refunding Bonds | 3.6% | 2012 | 2031 | \$5,185,000 | \$910,034 |
| Urban Renewal Refunding Bonds | 2.0% | 2016 | 2031 | \$1,677,900 | \$300,655 |
| | | | | \$6,862,900 | \$1,210,689 |

Other Funds of Note

Fund 299: 27th Pay Reserve – \$1.5M 2026 Budget

- This fund was set up in 2019 to allow for annual transfers from the General Fund as a means to “save” toward the use in 2026 for a 27th pay (there are typically 26 pays in every year). This entire fund will be appropriated and transferred back to the General Fund to cover the 27th pay that will occur in 2026.

Fund 284: Mental Health Response Team Fund – \$595K 2026 Budget

- This amount represents the planned expenditures for the end of Year 2 and a portion of Year 3 for the First CALL Program. Nearly all of this budget is provided from various grants already received.

Fund 771: Point of Sale Escrow – \$3.5M 2026 Budget

- This fund is mainly funds in and funds out and used for the City’s Point of Sale program.

Summary of 2026 All Funds Budget

Summary of 2026 All Funds Budget by Fund Type

| Fund Type | 2025 Budget | 2026 Budget | % Chg from 2025 Budget |
|-----------------------------|------------------------|------------------------|-----------------------------------|
| General Fund | \$49,976,026 | \$53,490,134 | 7.0% |
| Economic Development Fund* | 950,000 | 774,000 | -18.5% |
| Recreation Fund* | 2,619,841 | 3,023,731 | 15.4% |
| Other GF Subfunds* | 110,000 | 110,000 | 0.0% |
| Special Revenue Funds | 10,657,260 | 12,062,637 | 13.2% |
| Police & Fire Pension Funds | 3,016,453 | 3,177,896 | 5.4% |
| Special Assessment Funds | 1,390,340 | 2,075,617 | 49.3% |
| Court Revenue Funds | 526,361 | 612,593 | 16.4% |
| Debt Service Funds | 2,748,064 | 2,790,000 | 1.5% |
| Internal Service Funds | 3,696,648 | 3,763,017 | 1.8% |
| Self Insurance Funds | 7,529,481 | 8,045,016 | 6.8% |
| Total All Funds | \$83,220,474 | \$89,924,641 | 8.1% |

*Subfunds of the General Fund



SHAKER HEIGHTS

Questions / Comments

Exhibit 1 - 2026 Budget - General Fund Operating Expenditures & Transfers

| | 2025 Budget | 2025 Proj | 2026 Budget | 2026 Bud v 2025 Proj | % Var | 2026 Bud v 2025 Bud | % Var |
|--|------------------------|----------------------|------------------------|---------------------------------|---------------|--------------------------------|---------------|
| Police | | | | | | | |
| Personal Services | 11,091,125 | 9,907,875 | 11,889,835 | 1,981,960 | 20.0% | 798,710 | 7.2% |
| Other | 2,178,966 | 2,210,174 | 2,162,384 | (47,790) | -2.2% | (16,582) | -0.8% |
| Subtotal Police | 13,270,091 | 12,118,049 | 14,052,219 | 1,934,170 | 16.0% | 782,128 | 5.9% |
| Fire | | | | | | | |
| Personal Services | 8,345,056 | 8,326,832 | 8,784,920 | 458,088 | 5.5% | 439,864 | 5.3% |
| Other | 1,052,138 | 862,138 | 971,636 | 109,498 | 12.7% | (80,502) | -7.7% |
| Subtotal Fire | 9,397,194 | 9,188,970 | 9,756,556 | 567,586 | 6.2% | 359,362 | 3.8% |
| Recreation | | | | | | | |
| Personal Services | 1,015,190 | 973,158 | 1,066,846 | 93,688 | 9.6% | 51,656 | 5.1% |
| Other | 421,832 | 393,832 | 445,247 | 51,415 | 13.1% | 23,415 | 5.6% |
| Subtotal Recreation | 1,437,022 | 1,366,990 | 1,512,093 | 145,103 | 10.6% | 75,071 | 5.2% |
| Planning | | | | | | | |
| Personal Services | 666,679 | 669,736 | 702,617 | 32,881 | 4.9% | 35,938 | 5.4% |
| Other | 81,242 | 71,242 | 81,242 | 10,000 | 14.0% | 0 | 0.0% |
| Subtotal Planning | 747,921 | 740,978 | 783,859 | 42,881 | 5.8% | 35,938 | 4.8% |
| Building & Housing | | | | | | | |
| Personal Services | 1,825,254 | 1,763,971 | 1,924,313 | 160,342 | 9.1% | 99,059 | 5.4% |
| Other | 263,558 | 180,059 | 263,558 | 83,499 | 46.4% | 0 | 0.0% |
| Subtotal Building & Housing | 2,088,812 | 1,944,030 | 2,187,871 | 243,841 | 12.5% | 99,059 | 4.7% |
| Communications and Marketing | | | | | | | |
| Personal Services | 493,215 | 530,845 | 511,792 | (19,053) | -3.6% | 18,577 | 3.8% |
| Other | 487,045 | 481,495 | 499,851 | 18,356 | 3.8% | 12,806 | 2.6% |
| Subtotal C&M | 980,260 | 1,012,340 | 1,011,643 | (697) | -0.1% | 31,383 | 3.2% |
| Economic Development | | | | | | | |
| Personal Services | 461,032 | 448,569 | 479,304 | 30,735 | 6.9% | 18,272 | 4.0% |
| Other | 594,414 | 678,414 | 694,414 | 16,000 | 2.4% | 100,000 | 16.8% |
| Subtotal ED | 1,055,446 | 1,126,983 | 1,173,718 | 46,735 | 4.1% | 118,272 | 11.2% |
| Public Works | | | | | | | |
| Personal Services | 5,838,589 | 6,018,192 | 6,070,307 | 52,115 | 0.9% | 231,718 | 4.0% |
| Other | 4,969,376 | 4,969,376 | 4,912,471 | (56,905) | -1.1% | (56,905) | -1.1% |
| Subtotal Public Works | 10,807,965 | 10,987,568 | 10,982,778 | (4,790) | 0.0% | 174,813 | 1.6% |
| Mayor | | | | | | | |
| Personal Services | 237,925 | 239,763 | 242,333 | 2,570 | 1.1% | 4,408 | 1.9% |
| Other | 47,035 | 47,035 | 47,035 | 0 | 0.0% | 0 | 0.0% |
| Subtotal Mayor | 284,960 | 286,798 | 289,368 | 2,570 | 0.9% | 4,408 | 1.5% |
| Chief Admin Officer | | | | | | | |
| Personal Services | 530,087 | 624,044 | 447,521 | (176,523) | -28.3% | (82,566) | -15.6% |
| Other | 74,979 | 49,979 | 71,838 | 21,859 | 43.7% | (3,141) | -4.2% |
| Subtotal CAO | 605,066 | 674,023 | 519,359 | (154,664) | -22.9% | (85,707) | -14.2% |
| Finance | | | | | | | |
| Personal Services | 822,210 | 869,641 | 850,157 | (19,484) | -2.2% | 27,947 | 3.4% |
| Other | 262,120 | 237,892 | 268,470 | 30,578 | 12.9% | 6,350 | 2.4% |
| Subtotal Finance | 1,084,330 | 1,107,533 | 1,118,627 | 11,094 | 1.0% | 34,297 | 3.2% |
| Law | | | | | | | |
| Personal Services | 761,135 | 753,468 | 782,347 | 28,879 | 3.8% | 21,212 | 2.8% |
| Other | 314,833 | 283,878 | 297,825 | 13,947 | 4.9% | (17,008) | -5.4% |
| Subtotal Law | 1,075,968 | 1,037,346 | 1,080,172 | 42,826 | 4.1% | 4,204 | 0.4% |

Exhibit 1 - 2026 Budget - General Fund Operating Expenditures & Transfers

| | 2025 Budget | 2025 Proj | 2026 Budget | 2026 Bud v 2025 Proj | % Var | 2026 Bud v 2025 Bud | % Var |
|---|------------------------|----------------------|------------------------|---------------------------------|--------------|--------------------------------|--------------|
| City Council | | | | | | | |
| Personal Services | 150,711 | 147,022 | 175,393 | 28,371 | 19.3% | 24,682 | 16.4% |
| Other | 44,800 | 40,413 | 48,800 | 8,387 | 20.8% | 4,000 | 8.9% |
| Subtotal City Council | 195,511 | 187,435 | 224,193 | 36,758 | 19.6% | 28,682 | 14.7% |
| Municipal Court | | | | | | | |
| Personal Services | 2,383,573 | 2,087,573 | 2,326,798 | 239,225 | 11.5% | (56,775) | -2.4% |
| Other | 112,927 | 127,027 | 129,690 | 2,663 | 2.1% | 16,763 | 14.8% |
| Subtotal Municipal Court | 2,496,500 | 2,214,600 | 2,456,488 | 241,888 | 10.9% | (40,012) | -1.6% |
| Human Resources | | | | | | | |
| Personal Services | 433,129 | 418,201 | 481,272 | 63,071 | 15.1% | 48,143 | 11.1% |
| Other | 201,793 | 162,132 | 216,793 | 54,661 | 33.7% | 15,000 | 7.4% |
| Subtotal Human Resources | 634,922 | 580,333 | 698,065 | 117,732 | 20.3% | 63,143 | 9.9% |
| Civil Service | | | | | | | |
| Personal Services | 35,378 | 35,378 | 38,389 | 3,011 | 8.5% | 3,011 | 8.5% |
| Other | 104,247 | 92,852 | 104,247 | 11,395 | 12.3% | 0 | 0.0% |
| Subtotal Civil Service | 139,625 | 128,230 | 142,636 | 14,406 | 11.2% | 3,011 | 2.2% |
| Information Technology | | | | | | | |
| Personal Services | 500,987 | 454,122 | 532,143 | 78,021 | 17.2% | 31,156 | 6.2% |
| Other | 137,750 | 125,750 | 137,750 | 12,000 | 9.5% | 0 | 0.0% |
| Subtotal IT | 638,737 | 579,872 | 669,893 | 90,021 | 15.5% | 31,156 | 4.9% |
| CCSE | | | | | | | |
| Personal Services | 0 | 0 | 1,485,600 | 1,485,600 | 0.0% | 1,485,600 | 0.0% |
| Other | 3,035,696 | 3,070,854 | 3,344,996 | 274,142 | 8.9% | 309,300 | 10.2% |
| Subtotal CCSE | 3,035,696 | 3,070,854 | 4,830,596 | 1,759,742 | 57.3% | 1,794,900 | 59.1% |
| Total Operating Expenditures | 49,976,026 | 48,352,932 | 53,490,134 | 5,137,202 | 10.6% | 3,514,108 | 7.0% |
| Total Operating Expenditures (previous page) | 49,976,026 | 48,352,932 | 53,490,134 | 5,137,202 | 10.6% | 3,514,108 | 7.0% |
| From 27th Pay Reserve Fund | 0 | 0 | (1,485,600) | (1,485,600) | | (1,485,600) | |
| To General Capital Fund | 8,950,000 | 12,740,000 | 9,200,000 | (3,540,000) | | 250,000 | |
| To Debt Service Fund | 900,000 | 900,000 | 750,000 | (150,000) | | (150,000) | |
| To Police Pension Fund | 1,100,000 | 1,100,000 | 1,200,000 | 100,000 | | 100,000 | |
| To Fire Pension Fund | 1,600,000 | 1,600,000 | 1,500,000 | (100,000) | | (100,000) | |
| To Recreation Fund | 1,000,000 | 1,000,000 | 1,300,000 | 300,000 | | 300,000 | |
| To Self Insurance Fund | 500,000 | 1,000,000 | 500,000 | (500,000) | | 0 | |
| To Street Lighting Assessment Fund | 0 | 225,000 | 150,000 | (75,000) | | 150,000 | |
| Transfers | 14,050,000 | 18,565,000 | 13,114,400 | (5,450,600) | | (935,600) | |
| Total Disbursements (Expenditures + Transfers) | 64,026,026 | 66,917,932 | 66,604,534 | (313,398) | -0.5% | 2,578,508 | 4.0% |
| Total General Fund Revenue | 64,038,500 | 66,931,836 | 66,628,000 | (303,836) | -0.5% | 2,589,500 | 4.0% |
| Surplus/(Deficit) | 12,474 | 13,904 | 23,466 | 9,562 | | 10,992 | |
| Personal Services | 35,591,275 | 34,268,390 | 38,791,887 | 4,523,497 | 13.2% | 3,200,612 | 9.0% |
| Other | 14,384,751 | 14,084,542 | 14,698,247 | 613,705 | 4.4% | 313,496 | 2.2% |
| Total Operating Expenditures | 49,976,026 | 48,352,932 | 53,490,134 | 5,137,202 | 10.6% | 3,514,108 | 7.0% |
| Projected Year End GF Cash Balance | | 27,567,533 | 27,590,999 | | | | |
| Projected Year End GF Reserve % | | 41.2% | 41.4% | | | | |

EXHIBIT 2 - 2026 Budget All Other Funds - Fund Descriptions & Revenue Sources

| Fund # | Fund Name | Fund Description & Revenue Source |
|--|-------------------------------------|---|
| General Fund (and subfunds of the GF) | | Fund 101 is the primary operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. |
| 103 | Economic Development & Housing | The ED Fund (a subfund of the General Fund) is primarily funded from a cash reserve put aside for the City's economic development and housing initiatives. This reserve was funded from extraordinary large estate tax receipts in 2003 and 2006. Revenue from the lease or sale of City-owned commercial property is added to this reserve to help fund future economic development projects. Certain loans are made to businesses in connection with their locations or expansion in the City which are repaid from income taxes collected from the business or it's employees. |
| 105 | Recreation | The Recreation Fund (a subfund of the General Fund) includes revenues received for programs offered by the Recreation Department such as sports, leisure activities, swimming, and skating. |
| 753 | Unclaimed Monies | This fund is required by Ohio Revised Code to account for monies received or collected and not otherwise paid out according to law. Monies that are deemed to be unclaimed and credited to this fund that are not claimed within a five year period revert to the General Fund. |
| 772 | Flexsave | To account for payments from employees for Flexible Spending Accounts. |
| Special Revenue Funds | | These funds are established and maintained for resources designated for specified purposes. They are used to account for the proceeds of specific sources that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects. |
| 201 | Street Maintenance & Repair | This fund is legally required by the Ohio Revised Code to account for revenue from the state gasoline tax and motor vehicle registration fees. The Ohio Revised Code requires that 92.5% of these revenues be used for the maintenance and repair of streets within the City. It funds the Police Department Traffic Signal Maintenance and Public Works Department Street Repair. |
| 202 | State Highway Maintenance | This fund is legally required by the Ohio Revised Code to account for revenue from the state gasoline tax and motor vehicle registration fees. The Ohio Revised Code requires that 7.5% of these revenues be used exclusively for the maintenance and repair of state highways within the City. State highways in Shaker Heights are Shaker and Northfield. |
| 204 | Sewer Maintenance | The City levies a fixed and variable surcharge per MCF on all users of the City sewer system. This surcharge pays for sewer system maintenance, replacement and repair. Funds can be spent on storm and sanitary sewers and on lakes management. The surcharge is levied in addition to the treatment and disposal rate set by the Northeast Ohio Regional Sewer District. |
| 205 | Police Pension | This fund accounts for the payment of current and accrued police pension liability to the Police Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by the General Fund. |
| 206 | Fire Pension | This fund accounts for the payment of current and accrued fire pension liability to the Firemen's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by the General Fund. |
| 209 | Indigent Driver / Alcohol Treatment | Reinstatement fees collected by the State Bureau of Motor Vehicles and \$1.50 per traffic case paid in connection with driving under the influence offenses are collected in this fund. The Ohio Revised Code provides that payments are to be made only upon order of the Municipal Court Judge for alcohol and other drug treatment costs for indigent drivers. |
| 210 | Court Computer | This fund accounts for revenues from court costs assessed under the authority of the Ohio Revised Code by the Municipal Court on the filing of each cause of action or appeal for the purposes of computerizing the court and to make available computerized legal research services. |

EXHIBIT 2 - 2026 Budget All Other Funds - Fund Descriptions & Revenue Sources

| Fund # | Fund Name | Fund Description & Revenue Source |
|---------------|------------------------------------|---|
| 211 | Clerk's Computerization | This fund accounts for revenues from court costs assessed under the authority of Ohio Revised Code by the Municipal Court on the filing of each cause of action or appeal, certificate of judgment or modification of judgment for the purpose of procuring and maintaining computer systems for the office of the clerk of the Municipal Court. |
| 212 | Victims of Crime Act (VOCA) | These grant funds from the Crime Victims Services section of the Ohio Attorney General's Office pay for a full-time Victim Advocate in furtherance of a commitment to mitigating the harm of crimes of violence in Shaker Heights. |
| 214 | Fair Housing Grants | Monies received from the Department of Housing and Urban Development are deposited into this fund, to be used to monitor and promote fair housing practices within the City. |
| 216 | Law Enforcement Grants | These grant funds from Cuyahoga County pay for a program to divert juvenile first time misdemeanors and status offenders from official court action. |
| 218 | Court Alternate Dispute Resolution | An additional court cost is imposed by the Shaker Heights Municipal Court on each civil and small claims case, under the authority of the Ohio Revised Code to fund an alternate dispute resolution program and materials. |
| 219 | Court Special Projects | An additional court cost of \$5.00 is imposed by the Shaker Heights Municipal Court on the filing of each traffic, criminal and civil case, under the authority of Ohio Revised Code Section 1901.26, to fund court special projects. |
| 220 | Court Security | This fund accounts for \$1.00 collected per each criminal and traffic case that is filed in the Municipal Court and is used for Court security equipment and training. |
| 223 | Housing Nuisance Abatement | This fund includes special assessments for abatement by the City of private residential property nuisances and demolitions. |
| 224 | Indigent Driver Interlock | Funds received from court costs that are collected on each DUI offense are deposited into this fund. The fund was created for the purpose of funding interlock and SCRAM (Secure Continuous Remote Alcohol Monitoring) for indigent drivers. In addition, the court receives monthly checks from the Bureau of Motor Vehicles for reinstatement fees collected. |
| 281 | Street Lighting | The City levies special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of street lighting within the City. The remaining cost is financed by the General Fund. |
| 282 | Tree Maintenance | The City levies special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of trees and tree maintenance on the City's public right-of-way. |
| 284 | Mental Health Response Team | This fund was established to account for the funds distributed as part of the Implementing Crisis Intervention Teams grant administered by the Federal Office of Community Oriented Policing Services for the expansion of the Mental Health Response Team Program. |
| 287 | CRA Fee | The City has two active Community Reinvestment Area (CRA) agreements with property owners, and each agreement contains a clause requiring the owner to pay an annual fee to the City. |
| 288 | OneOhio Opioid Settlement | This fund was established to account for the funds distributed as part of the OneOhio Memorandum of Understanding (MOU) derived from a settlement agreement with the three largest distributors of opioids. Ohio is distributing from a negotiated settlement fairly to communities hit hardest by the opioid crisis. Expenditures must meet the approved purposes definition of the OneOhio MOU. |
| 290 | Municipal Improvement TIF | To account for moneys received from Cuyahoga County from payments in lieu of taxes (PILOTs) for the Wendy's property. These funds will be distributed to the Shaker Heights School District in accordance with a school compensation agreement. |

EXHIBIT 2 - 2026 Budget All Other Funds - Fund Descriptions & Revenue Sources

| Fund # | Fund Name | Fund Description & Revenue Source |
|---------------------------|------------------------------------|--|
| 291 | Law Enforcement Trust-Local | These separate funds account for the proceeds of property deemed contraband by the courts and ordered forfeited to the City. The Ohio Revised Code permits these funds to be expended only for the cost of protracted or complex investigations or prosecutions, to provide reasonable technical training or expertise or other such law enforcement purposes. |
| 292 | Law Enforcement Trust-Federal | These separate funds account for the proceeds of property deemed contraband by the courts and ordered forfeited to the City. The Ohio Revised Code permits these funds to be expended only for the cost of protracted or complex investigations or prosecutions, to provide reasonable technical training or expertise or other such law enforcement purposes. |
| 299 | 27th Pay Reserve Balance | This fund was established to accumulate funds over time to set aside a reserve to cover the 27th pay which will occur in 2026. |
| 751 | Obstruction Permit | This fund includes refundable deposits required of individuals to insure that obstructions or openings in public property created during construction are returned to pre-construction condition. |
| 752 | Excavation Permit | This fund accounts for the receipt of refundable deposits required of individuals who wish to excavate and/or haul material over public property. The deposit is to guarantee that the public property will be cleaned and restored to its original condition and that the excavation, if any, will be properly guarded in accordance with applicable provisions of the City Code. |
| 768 | Shaker-Cuyahoga Credit Enhancement | To account for the purposes of the agreement with Cuyahoga County for the City County SBA loan program. Funding from the City and County to fund forgivable loans is deposited into the fund. Loan payments are made from the fund for credit enhanced SBA loans to local businesses that meet the qualifications of the City County loan program. |
| 769 | Shaker Plaza TIF | To account for moneys received from Cuyahoga County from payments in lieu of taxes (PILOTs) for the Shaker Plaza property. These funds will be distributed to the Shaker Heights School District and the owner/developer of the Shaker Plaza in accordance with a tax increment financing (TIF) agreement. |
| 770 | Van Aken District TIF | To account for moneys received from Cuyahoga County from payments in lieu of taxes (PILOTs) for the Van Aken District property. These funds will be distributed to the Shaker Heights School District and the owner/developer of the Van Aken District in accordance with a tax increment financing (TIF) agreement. |
| 771 | Point of Sale Escrow | To account for the escrow funds held by the City for residential housing violations found during the Point of Sale Inspection. These funds are distributed to the depositor once all violations have been corrected. |
| Debt Service Funds | | These funds are used to budget payment of principal and interest, and related costs on all bonds and notes issued by the City. |
| 301 | General Obligation Debt Service | This includes resources for, and the payment of, all principal and interest, and related costs on General Obligation debt of the City. |
| 302 | Urban Renewal Debt Service | This includes resources for, and the payment of, Urban Renewal Debt, to finance improvements secured by tax increment financing (TIF) payments. |

EXHIBIT 2 - 2026 Budget All Other Funds - Fund Descriptions & Revenue Sources

| Fund # | Fund Name | Fund Description & Revenue Source |
|---|------------------|--|
| <i>Internal Service Funds</i> | | |
| An internal service fund is used to account for the provision of goods or services provided by one department to other departments, on a cost-reimbursement basis. | | |
| 601 | Central Stores | This fund provides a central cost center for the purchase of fuel that is charged back to the individual departments. |
| 602 | Central Printing | This fund provides a central cost center for the cost of copying performed by the departments. Individual departments reimburse this fund. |
| 603 | Central Garage | This fund accounts for the cost of repairing and maintaining the City's fleet of vehicles and heavy equipment. Operating costs are charged back to City departments based upon the number of vehicles and equipment maintained and upon the department's actual utilization of the garage. |
| 604 | Central Services | This fund accounts for the cost of purchasing office supplies, road materials, sidewalk materials, fuel, fire hydrants, and other miscellaneous supplies to be charged back to the individual departments as the supplies are drawn. Also contains the Life Safety Transmitters Fund, Private Property Tree Removal Fund, Utility Openings Fund, Sidewalk Repair Fund, Fire Hydrant Repair, Public Property Damages Fund, Private Property Maintenance Fund, RTA Snow Plowing, Shaker Line, and Van Aken Line Maintenance Fund, Inactive Employee Benefits Fund, and Postage Fund. |
| 605 | Self Insurance | This fund pays the City's Self-insured Workers Compensation and Employee Health Care insurance. Employee health care includes medical and dental coverage. |

Exhibit 3 - 2026 Budget - All Other Funds

| Fund # | Fund Name | Dep't | Sum | 2025 | 2025 | 2025 | 2025 | 2026 | 2026 | 2026 | 2026 | 2026 Bud v 2025 Bud |
|--|--------------------------------------|---------|-----|-----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|------------------------|
| | | | | Pers Serv | Other | Transfer | Budget | Pers Serv | Other | Transfers | Budget | |
| General Fund Group (subfunds of the GF) | | | | | | | | | | | | |
| 103 | Economic Development | ED/PLAN | [A] | 0 | 600,000 | 350,000 | 950,000 | 0 | 204,000 | 570,000 | 774,000 | (176,000) |
| 105 | Recreation | REC | [B] | 1,758,104 | 861,737 | 0 | 2,619,841 | 2,076,815 | 946,916 | 0 | 3,023,731 | 403,890 |
| 753 | Unclaimed Monies | FINANCE | [C] | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 |
| 772 | Flexsave | FINANCE | [C] | 0 | 10,000 | 0 | 10,000 | 0 | 10,000 | 0 | 10,000 | 0 |
| Special Revenue Fund Group | | | | | | | | | | | | |
| 201 | Street Maintenance & Repair | PW | [D] | 849,119 | 524,551 | 0 | 1,373,670 | 910,967 | 499,499 | 0 | 1,410,466 | 36,796 |
| 202 | State Highway & Maintenance | PW | [D] | 8,121 | 160,689 | 0 | 168,810 | 0 | 41,701 | 0 | 41,701 | (127,109) |
| 204 | Sewer Maintenance | PW | [D] | 688,024 | 1,181,862 | 680,000 | 2,549,886 | 830,570 | 966,335 | 830,000 | 2,626,905 | 77,019 |
| 205 | Police Pension | FINANCE | [E] | 1,481,035 | 1,000 | 0 | 1,482,035 | 1,563,904 | 1,000 | 0 | 1,564,904 | 82,869 |
| 206 | Fire Pension | FINANCE | [E] | 1,533,418 | 1,000 | 0 | 1,534,418 | 1,611,992 | 1,000 | 0 | 1,612,992 | 78,574 |
| 209 | Indigent Driver / Alcohol Treatment | COURT | [G] | 0 | 46,000 | 0 | 46,000 | 0 | 46,000 | 0 | 46,000 | 0 |
| 210 | Court Computer | COURT | [G] | 39,950 | 40,021 | 0 | 79,971 | 38,792 | 38,021 | 0 | 76,813 | (3,158) |
| 211 | Clerk's Computerization | COURT | [G] | 0 | 234,375 | 0 | 234,375 | 0 | 247,085 | 0 | 247,085 | 12,710 |
| 212 | Court Victim's of Crime Act | COURT | [G] | 0 | 0 | 0 | 0 | 84,215 | 0 | 0 | 84,215 | 84,215 |
| 214 | Fair Housing Grants | LAW | [D] | 13,228 | 56,772 | 0 | 70,000 | 13,823 | 43,500 | 0 | 57,323 | (12,677) |
| 216 | Law Enforcement Grants | PD | [D] | 7,300 | 6,324 | 0 | 13,624 | 7,300 | 6,324 | 0 | 13,624 | 0 |
| 218 | Court Alternate Dispute Resolution | COURT | [G] | 40,399 | 750 | 0 | 41,149 | 28,864 | 750 | 0 | 29,614 | (11,535) |
| 219 | Court Special Projects | COURT | [G] | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 |
| 220 | Court Security | COURT | [G] | 0 | 59,108 | 0 | 59,108 | 0 | 63,108 | 0 | 63,108 | 4,000 |
| 223 | Housing Nuisance Abatement | B&H | [D] | 0 | 200,000 | 0 | 200,000 | 0 | 125,000 | 0 | 125,000 | (75,000) |
| 224 | Indigent Driver Interlock | COURT | [G] | 0 | 15,758 | 0 | 15,758 | 0 | 15,758 | 0 | 15,758 | 0 |
| 281 | Street Lighting | FINANCE | [F] | 0 | 830,000 | 0 | 830,000 | 0 | 855,461 | 0 | 855,461 | 25,461 |
| 282 | Tree Maintenance | PW | [F] | 688,752 | 585,726 | 310,000 | 560,340 | 854,279 | 365,877 | 0 | 1,220,156 | 659,816 |
| 284 | Mental Health Response Team | FINANCE | [D] | 110,340 | 450,000 | 0 | 560,340 | 115,018 | 480,000 | 0 | 595,018 | 34,678 |
| 287 | CRA Fee | ED | [D] | 2,000 | 0 | 0 | 2,000 | 2,000 | 0 | 0 | 2,000 | 0 |
| 288 | OneOhio Opioid Settlement | FINANCE | [D] | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 |
| 289 | 3393 Warrensville TIF | FINANCE | [D] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 290 | Municipal Improvement TIF | FINANCE | [D] | 0 | 50,000 | 0 | 50,000 | 0 | 40,000 | 0 | 40,000 | (10,000) |
| 291 | Law Enforcement Trust - Local | PD | [D] | 28,930 | 0 | 0 | 28,930 | 25,000 | 0 | 0 | 25,000 | (3,930) |
| 292 | Law Enforcement Trust - Federal | PD | [D] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 299 | 27th Pay Reserve | FINANCE | [D] | 0 | 0 | 0 | 0 | 0 | 0 | 1,485,600 | 1,485,600 | 1,485,600 |
| 751 | Obstruction Permit | B&H | [D] | 0 | 10,000 | 0 | 10,000 | 0 | 10,000 | 0 | 10,000 | 0 |
| 752 | Excavation Permit | B&H | [D] | 0 | 10,000 | 0 | 10,000 | 0 | 10,000 | 0 | 10,000 | 0 |
| 768 | Shaker - Cuyahoga Credit Enhancement | ED | [D] | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 |
| 769 | Shaker Plaza TIF | FINANCE | [D] | 0 | 170,000 | 0 | 170,000 | 0 | 170,000 | 0 | 170,000 | 0 |
| 770 | Van Aken District TIF | FINANCE | [D] | 0 | 1,800,000 | 0 | 1,800,000 | 0 | 1,800,000 | 0 | 1,800,000 | 0 |
| 771 | Point of Sale Escrow | FINANCE | [D] | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 |

Exhibit 3 - 2026 Budget - All Other Funds

| Fund # | Fund Name | Dep't | Sum | 2025 | 2025 | 2025 | 2025 | 2026 | 2026 | 2026 | 2026 | 2026 Bud v |
|---|-----------------------------|---------|-----|-----------|-----------|----------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| | | | | Pers Serv | Other | Transfer | Budget | Pers Serv | Other | Transfers | Budget | 2025 Bud |
| <i>Debt Service Fund Group</i> | | | | | | | | | | | | |
| 301 | Gen Obligation Debt Service | FINANCE | [H] | 0 | 1,536,897 | 0 | 1,536,897 | 0 | 1,570,000 | 0 | 1,570,000 | 33,103 |
| 302 | Urban Renewal Debt Service | FINANCE | [H] | 0 | 1,211,167 | 0 | 1,211,167 | 0 | 1,220,000 | 0 | 1,220,000 | 8,833 |
| <i>Internal Service Fund Group</i> | | | | | | | | | | | | |
| 601 | Central Stores | FINANCE | [I] | 0 | 1,157,500 | 300,000 | 1,457,500 | 0 | 1,087,500 | 350,000 | 1,437,500 | (20,000) |
| 602 | Central Printing | FINANCE | [I] | 0 | 30,000 | 5,000 | 35,000 | 0 | 25,000 | 0 | 25,000 | (10,000) |
| 603 | Central Garage | FINANCE | [I] | 840,886 | 412,200 | 5,000 | 1,258,086 | 1,126,255 | 402,000 | 0 | 1,528,255 | 270,169 |
| 604 | Central Services | FINANCE | [I] | 500,953 | 445,109 | 0 | 946,062 | 372,262 | 400,000 | 0 | 772,262 | (173,800) |
| 605 | Self Insurance | HR | [J] | 86,716 | 7,442,765 | 0 | 7,529,481 | 126,622 | 7,918,394 | 0 | 8,045,016 | 515,535 |
| | | | | | | | 33,244,448 | 9,788,678 | 23,410,229 | 3,235,600 | 36,434,507 | 3,190,059 |
| <u>Sum of Above</u> | | | | | | | | | | | | |
| Economic Development Fund | | | [A] | | | | 950,000 | | | | 774,000 | (176,000) |
| Recreation Fund | | | [B] | | | | 2,619,841 | | | | 3,023,731 | 403,890 |
| Other GF Subfunds | | | [C] | | | | 110,000 | | | | 110,000 | 0 |
| Special Revenue Funds | | | [D] | | | | 10,657,260 | | | | 12,062,637 | 1,405,377 |
| Pension Funds | | | [E] | | | | 3,016,453 | | | | 3,177,896 | 161,443 |
| Special Assessment Funds | | | [F] | | | | 1,390,340 | | | | 2,075,617 | 685,277 |
| Court Revenue Funds | | | [G] | | | | 526,361 | | | | 612,593 | 86,232 |
| Debt Service Funds | | | [H] | | | | 2,748,064 | | | | 2,790,000 | 41,936 |
| Internal Service Funds | | | [I] | | | | 3,696,648 | | | | 3,763,017 | 66,369 |
| Self Insurance Funds | | | [J] | | | | 7,529,481 | | | | 8,045,016 | 515,535 |
| | | | | | | | 33,244,448 | | | | 36,434,507 | 3,190,059 |