City of Springdale

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Mayor

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City Administrator

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Clerk of Council / Finance Director

November 27, 2013

Mr. Robert Diehl, Chair
Finance Committee
Springdale City Council

Re: 2014 Annual Budget

Dear Mr. Diehl:

The 2014 Annual Budget is hereby respectfully submitted for City Council's consideration. By now, everyone should have had the opportunity to review and absorb the surprising information presented in the 2014 Five-Year Revenue/Expenditure Report. At the start of the budget process (September 2013), there was very little indication our financial picture would have closely resembled that of the City's 2010 - 2011 years. The picture is so similar that it becomes frightening but yet promising at the same time. As you digest that statement, consider the following information. The City's beginning year General Fund balance in 2010 was $4,158,572 with the 2011 year-end estimated General Fund balance to finish $2.6 million less coming in at $1,548,125. In comparison, the 2013 General Fund balance started at $4,727,306 and is anticipated to decline some $3.04 million by year-end 2014 with a General Fund balance of $1,689,044. The General Fund revenue collections were estimated to decline by $918,828 from 2010 and come in at $15,222,206 in 2011. The 2014 General Fund revenues are expected to be $1,601,771 below 2013 and produce only $15,470,463. These similarities are not limited to the revenues. In observing our expenditures, 2010 was estimated to finish at $17,354,798. The 2013 estimate is projected to be $17,799,355. Over a four-year period, this represents a 2.6% ($444,557) increase in our expenses. One key element to consider under both periods is the City had a very robust Capital Improvement program over each two-year time frame. When you combine the 2010 – 2011 program expenditures it yields a total of $2,537,929 in Capital Improvements. The combination of the 2013 Capital program and the proposed 2014 program equals $2,828,239 in Capital Improvements.

If one chooses, I am sure similarities between the two (2) periods could go on forever. However, the real message in sharing this information is NOT to harp on the difficult challenges facing the City. The real message one should derive from the information is we (as an organization) have unfortunately been here before and have successfully met the challenge. We accomplished it by strategically reducing our expenses to meet our declining revenues. As we begin to address the current challenge, and in spite of the continued large chunks of revenue eliminated by our wonderful State of Ohio personalities, we realize our revenues are not far from our 2013 Budget. At this point, you may be asking yourself if I have lost it. Well, not just yet. When analyzing our projected 2014 revenues, if you were to reinstate the $729,735 (our 2013 amount) of estate tax collections into our 2014 revenues, and eliminate the total amount of transfers, the proposed 2014 General Fund revenues would be $176,160 less than our 2013 estimated General Fund revenues. As a reminder, our practice is always to project extremely conservative revenues.

As was pointed out in the 2014 Five-Year Revenue/Expenditure Report, in reality, we are anticipating a rather sizable decline in our 2014 General Fund revenues ($1,601,771). This significant decline can primarily be identified within three (3) of our revenue sources: the City's earnings tax, the Estate Tax, and the reimbursements (Administration) line item. There are other revenue sources which will generate less in 2014 than 2013, but these are the ones where you can easily see a significant decline.

As for the City's expenses, *Table 1* on page 4 will demonstrate, for the most part, they have been pretty consistent. The estimated 2013 General Fund expenses are projected to be $1,176,474 (6.2%) less than the 2013 General Fund Budget. On top of that, the proposed 2014 General Fund expenses are expected to be $17,751 (0.1%) less than the 2013 estimate. To me, this is a clear indication of how we carefully manage the City's resources.

Along those lines (managing our resources), as challenging as it may be, the departments will need to perform their duties with the same number of employees while continuing to provide the same level of services. Unfortunately, due to the anticipated revenue shortfall, there are no full-time nor part-time employee additions included in the 2014 Budget. With personnel-related expenses consuming 75% of the budget, to add new employees (especially full-time) now would not be prudent.

Earlier this year, staff presented Council with a proposed 2014 Capital Improvement Program expending $4,133,000 in capital projects. Of course after seeing the projected 2014 revenues, it was clear the program would need to be adjusted. The program now has a projected budget of $1,606,977 of which $872,896 (54%) is scheduled to be covered by outside funding. Unfortunately, due to the anticipated reduced revenue, the originally planned 2014 Annual Street Improvement Program has been deleted from the budget. Hopefully as revenues increase, the program will return in the very near future.

Finally, for years we have delayed the replacement of major equipment and vehicles throughout the organization. In fact, these past two (2) years, we have replaced a small number of these items (ambulance, street sweeper, and mower). Slowly, we are attempting to update more of our aging equipment and fleet. Within the 2014 Budget, you will see we are planning to address the replacement of several items (Public Works dump trunk, new vehicle for Health Department sanitarian, the DARE car, and new Fire Department radios). Our practice of delaying these purchases may be catching up to us as we are beginning to see much higher repair bills than in previous years. As always, we will continue to work on extending the life of our equipment and vehicles as long as possible without placing our employees or the general public at risk.

The information found on the remaining pages is intended to provide a more detailed examination of the City's 2013 and 2014 financial picture.

GENERAL FUND
REVENUES / EXPENDITURES

Revenues

As expected, the City's estimated 2013 General Fund revenue collections are performing better than our 2012 collections by 2.4% ($393,418), and they are far outpacing the 2013 Budget by

6.5% ($1,039,933). Unfortunately, the 2014 revenues are expected to decline by 9.4% ($1,601,771). This drastic decline can primarily be isolated within three (3) revenue sources: the earnings tax collections, the estate tax collections, and our 2014 reimbursements.

1. The 2014 Earnings Tax

The City's earnings tax (income tax collections), which is approximately 75% of our revenue sources, is expected to decline in 2014 by $577,123 (4.36%) from our 2013 year-end estimate. The primary cause of this decline is due to General Electric (GE) finally vacating the Executive Plaza I & II Buildings. We have known for a couple of years they were planning to relocate these jobs from Springdale, so their departure did not come as a surprise. In fact, our revenue projections in the 2013 Budget process for both 2013 and 2014 anticipated the loss of the GE employees. What we did not expect was the low number of jobs produced by some of the new employers. We were lead to believe their employment numbers would be higher and arrive sooner than what was realized. Our assessment was based upon the estimated employment numbers provided by the employers. Had their numbers come in as projected, it would have helped to balance the GE departure. Unfortunately, it appears those companies have not added or retained the number of jobs they originally predicted. Hopefully, they will be added by the end of 2013 or early 2014. The seven-year history, as shown below, displays an annual decline in the City's income tax collections between 2007 and 2010. As the economy began recovering in 2011, our earnings tax collections started to increase as well. Our estimated 2013 collections show a 10% increase since 2010. Each of the past two (2) years, our earnings tax collections have represented 78% of the General Fund Revenues. The 2013 collections are projected to exceed 2012 by 2.09% ($270,580).

2007	$15,671,631
2008	$14,884,827
2009	$13,678,901
2010	$11,994,298
2011	$12,485,560
2012	$12,967,119
2013	$13,237,699 (est.)

2. The 2014 Estate Tax

In 2011, the Ohio State Legislature eliminated the Estate Tax effective January 1, 2013. As a result, it was difficult to determine whether or not we would receive any estate tax collections during 2013. Therefore, in the 2013 Budget an estimate was made to receive $100,000. The good news is our 2013 collections far exceeded the budgeted amount. By the end of October, we had received $729,735 in estate tax collections. In 2014, we do not expect to receive any estate tax revenue and as a result, there are no funds identified in the budget.

3. 2014 Reimbursements (Administration)

Just like our estate tax revenue, we were not expecting to receive a significant amount of reimbursements. In a normal year, we may generally receive $20,000 - $30,000. For example, in 2011 and 2012, the City received $29,663 and $20,400, respectively. This year, we were fortunate to receive a very large amount ($199,557). In reality, the majority of the funds were not technically reimbursements. Earlier this year, the Bureau of Workers' Compensation (BWC) decided they would provide refunds to employers. I am not sure the reason behind their decision, but we are happy to receive the BWC funds in the amount of $164,593. When you subtract the BWC refund from this year's total, the balance is consistent with what we generally receive in this line item.

While the reimbursements, as well as the large amount of estate tax collections are great for the City in 2013, they both contribute to our expected 2014 shortfall. Totaling these three (3) events which occurred in 2013 and are not expected to occur in 2014 equals $1,471,451. This total is 91.1% of the $1,601,771 expected revenue decline. The remaining 8.9% ($130,320) is spread out amongst the balance of other revenue sources.

A summary of the 2013 and 2014 General Fund revenue and expenditure projections can be found in *Table I* below.

Table I

GENERAL FUND REVENUES LESS EXPENDITURES			
	Budgeted 2013	**Estimated 2013**	**Proposed 2014**
Beginning Balance General Fund	4,727,306	4,727,306	4,000,185
Revenue	16,032,301	17,072,234	15,470,463
Total Funds Available	20,759,607	21,799,540	19,470,648
Total General Fund Expenditures	18,975,829	17,799,355	17,781,604
Ending Balance General Fund	1,783,778	4,000,185	1,689,044

Expenditures

As indicated earlier, the City's 2013 expenses have remained relatively consistent with the two (2) previous years. The 2013 estimated expenditures are scheduled to be under budget by 6.2% ($1,176,474). The proposed 2014 expenses (Budget) are projected to be $17,781,604, which is $17,751 less than our 2013 estimate. When we analyze and compare the City's expenditures of 2011, 2012, and 2013, it may appear that our consistent spending has a rather large number attached to it. On the surface, it looks as if the 2012 expenses ($16,451,781) have increased by 8.6% above the 2011 expenses ($15,149,836). In addition, comparing the 2012 expenses to the estimated 2013 expenses ($17,799,355), the numbers suggest an 8.2% increase in our spending. However in each year of the City's budget, Capital Improvements play a key role. With the Capital Improvement program comes the need to transfer dollars from the City's General Fund which allows us to pay for the costs of the improvements. Although the "transfer of funds" is not necessarily the process of spending dollars, their impact reduces the amount available in the General Fund. They are counted both on the expense side and the revenue side. In any event, the following capital improvements transfers occurred in each of these years: 2011 ($250,000), 2012 ($520,000), and 2013 ($1,000,000). Reducing these expenditure totals by the amount of the transfers, yields the following: our 2012 spending exceeds 2011 by 6.9% and is less than our 2013 estimated expenses by 5.4%. The transfer scheduled for 2014 is in the amount of $325,000.

In my opinion, the year-end balance for each year speaks volumes as to how well the City's Department Directors have performed in managing the organization's resources. The reduction of the 2013 expenditures relative to the 2013 Budget helped to yield a solid year-end balance as presented in *Table I*. What this balance does not take into consideration is the under-spending that occurs annually. The "under-spending" would be the difference between our estimated 2013 expenses versus our actual 2013 expenses. Based upon previous years, it is likely the operating expenses for 2013 may be overstated by $125,000 - $200,000. The amount of under-spending in 2012 was $169,065 which represents the estimated 2012 expenses of $16,620,846 subtracted from the actual 2012 expenses of $16,451,781.

Perhaps the most significant expenditures impacting the City's General Fund Budget are the costs associated with employing our workforce. In 2012, personnel-related expenses consumed 75% of the City's General Fund Budget. This practice is expected to be repeated in the 2013 Budget. Personnel-related expenses include the following: Personal Service (wages); Pension-related expenses; Medicare; Hospitalization (medical premiums); Dental expenses; HSA/HRA contributions; and Life Insurance. In 2012, personnel-related expenses consumed as much as 92% of the Building Department's budget. In our larger departments, Police and Fire, they consumed 86% and 89% of the budget, respectively. These high percentages present a major challenge when attempting to reduce a department's budget. At the same time, this illustrates if major cuts in our operations are necessary to balance the budget, it may require positions to be eliminated or remain unfilled.

PERSONNEL

During our most recent financial challenges a few years ago, the primary success to the program was allowing the City's workforce to be reduced through attrition. At that time, we simply did not refill positions once they became vacant. That practice allowed the City to close the gap between our expenditures and our rapidly declining revenues. We were greatly aided by many retirements throughout the organization during that period. This year, we had three (3) employees retire (1 – Tax Department; 2 – Police Department) and one (1) police officer resign. Next year, four (4) additional employees will retire from the organization (1 – Health Department; 1 – Tax Department; 1 – Police Department; 1 – Economic Development Department). Each of the eight (8) positions identified above either has been previously replaced or will be replaced in 2014. In anticipation of the three (3) retirements in the Police Department, three (3) new officers were added to the force in 2012. At this time, the City finances are not at a point where we can or should add new positions. In fact, as stated earlier, there are no "new" full-time or part-time positions in 2014 throughout the organization. We are only replacing some vacant positions. The particular replacements include a patrol officer, an account clerk in the Tax Department, the administrative assistant position in the Health Department, and the Economic Development Director or similar type position.

By the end of 2014 we will be down 23 full-time positions, leaving an overall employment base of 110 full-time employees, 57 part-time employees, and throughout the year, 34 additional seasonal employees. At one point, the City's authorized full-time employee total was 133. In the next five (5) years, at least 35 of our current employees will be eligible to retire.

PERSONAL SERVICE COSTS

The 2014 Budget includes increases to the Personal Service line items reflecting a 2% wage increase across the board for all full-time City employees and part-time firefighters. In addition to the wage increase, employees with room to advance across their individual pay grade with a satisfactory evaluation are expected to receive an increase to their pay. Other increases expected to occur will include the projected changes in the longevity compensation as employees advance under that program as well as the payout of accumulated leave (sick leave, vacation, compensatory) for those employees scheduled to retire. The two (2) police unions are currently involved in negotiations. The firefighter's union is enjoying the first of a three-year bargaining agreement that will expire December 2015.

The City's contributory rate under the Ohio Public Employees Retirement System (OPERS) remains at 14% of payroll, while the rates for the Ohio Police and Fire Pension Fund (OP&F) are 19.5% for police and 24% for fire personnel. The recent changes adopted by the Ohio General Assembly to the State pension programs did not make changes to the employer contributions, but did increase the percentage contributed by the employee.

CAPITAL IMPROVEMENTS

As previously highlighted, due to our major decline in revenues, we were forced to restructure the City's 2014 Capital Improvement Program. For the most part, only projects with outside funding are included in the 2014 Capital Improvement Program.

Perhaps the most frustrating adjustment made to the proposed 2014 Capital Improvement Program has to be the elimination of the Annual Street Improvement Program. The initial capital program, as reviewed by the Capital Improvement Committee earlier this year, provided for a $700,000 street improvement program next year. Unfortunately, the street improvement program has been eliminated from the 2014 capital program. Hopefully, as the City's financial picture improves the Annual Street Improvement Program can be reinstated in the very near future. Other items displaced from the 2014 program and rescheduled for future years are: Ross Park Bridge Replacement ($474,632); Chamberlain Park Gabion Phase II (a three-year, multi-phased project: Phase 1 - $86,200, Phase 2 - $50,900, and Phase 3 - $60,500); Jake Sweeney Way Reconstruction ($703,718); and Boggs Lane Repair ($307,918). There were a number of other adjustments made to the 2014 Capital Improvement Program to preserve our resources. Those adjustments included: eliminating $100,000 for the Tri-County Business District project; eliminating another $100,000 from the General Improvements Capital line item; no longer funding the Grade Separation lighting project ($140,636) performed by Duke Energy; and finally, reallocating an additional $100,000 of expenses for the 2013 Annual Street Improvement Program from the Capital Improvement Fund (090) to the Street Maintenance Fund (061). This move preserved an additional $100,000 in the City's General Fund because it would not be transferred from the General Fund to the Capital Improvements Fund (090).

One major project remaining in the 2014 Capital Improvement Budget is the Woodvale Court/Ashmore Court Reconstruction project ($301,537). This project will not only involve the complete reconstruction of Ashmore Court and Woodvale Court, but it will also include the resurfacing of both Elm Alley and the municipal parking lot on Osborn Way. In 2013, the City applied for and successfully received OPWC funds (49% SCIP) in the amount of $131,777 to assist with only the reconstruction of the Ashmore and Woodvale Courts. The cost associated with the resurfacing of Elm Alley and the parking lot ($32,604) is the complete responsibility of the City. When the cost for Elm Alley and the parking lot is added to the City's 51% share ($137,156) for the work on Ashmore and Woodvale, the City's total out-of-pocket construction cost for this project equals $169,760. The project is scheduled to begin in the spring of 2014. The design engineering cost ($28,300) and any construction engineering costs ($3,000 budgeted) will be the responsibility of the City.

The W. Kemper Road Rehabilitation Project (estimated at $1,074,086) is the only other major capital project scheduled to remain in 2014. The City applied for, and has been unofficially notified that we will receive, 48% SCIP funding ($515,561) to assist with the project. We also applied for 21% MRF funds ($225,558). Although the City Engineer feels pretty comfortable these funds will be awarded, we cautiously await the final County Commissioners' approval of the program in March 2014. If we are successful with both funding opportunities, the City's 31% share of the construction cost will be $332,967. The design engineering cost of $85,200 and any potential construction engineering costs ($10,000 budgeted) will be the total responsibility of the City.

GENERAL OBLIGATION DEBT

With the City's last short-term debt paid off in late 2007, the only remaining general obligation debt is the "Community Center Bond."

Community Center Bond

In 1999, the City issued a $7,000,000 note to finance the expansion of the Community Center. That note was rolled in 2000 and 2001. Each year, the interest was paid in full and the principal paid down by $600,000 resulting in a debt of $5,800,000 by September 2002. At that time, the City issued a $5,900,000 fifteen-year bond at an interest rate of 3.72%. In 2003, the City began making annual principal payments of $400,000 with declining interest payments over the fifteen-year term. Once our payment of $489,600 was made in 2012, the balance on the debt dropped to $1,900,000.

On December 1, 2012, the City became eligible to "Call" the bonds and explore an opportunity to save on its interest payments. The existing bonds were called and new bonds were issued for the remaining $1,900,000 with US Bank at a rate of 1.21% with no extension on the term of the debt. Through the new process, the City was able to realize approximately $140,000 in net interest savings. The City will continue to pay the annual principal in the amount of $400,000 plus declining interest. Following the payment on December 1, 2015, the balance on the bonds will drop below $1,000,000 to $700,000. The "new" bonds are still scheduled to be paid in full on December 1, 2017. Our 2013 payment is scheduled to be $425,289 with a remaining balance of $1,500,000.

TAX INCREMENT FINANCING (TIF) FUNDS

Northwest Business Center TIF

In 2000, the City issued $3,040,000 in thirty-year bonds for **Phase I** of the NW Business Center. This covered the debt from an earlier TIF on this same property, certain infrastructure improvements, and the professional service fees for the bonds.

The first business to be built under Phase I was the Bahama Breeze Restaurant which opened in December 2000. A second restaurant, Karlo's Bistro Italia, opened in the spring of 2003 and a third, Pappadeaux, opened in October 2005. Two of these restaurants, Bahama Breeze and Karlo's, eventually closed. The Pappas family apparently purchased the former Karlo's site and is now leasing it to "Smoq." Smoq opened its doors in 2011 and appears to be performing very well. The Pappas continue to own the fourth restaurant site at Phase I. It is our understanding, if Pappadeaux's numbers achieve at a certain threshold, they may consider bringing their Mexican-style restaurant called Pappasito's to occupy the fourth restaurant site. Unfortunately, the Bahama Breeze site continues to sit vacant.

Tower I, the eight-story office building built as part of **Phase II**, was completed in 2001. In order to pay for the public improvements in Phase II, including a 1,132 stall parking garage, the owners of the property, the City, and the Greater Cincinnati Port Authority concluded a complex financing plan in 2006. This involved the issuance of $10,000,000 in TIF debt by the Port Authority. The arrangement also created a special assessment on the office building over and above the regular service payments to assist in debt retirement. While the City was a party in the transaction, we have no responsibility for or association with the debt issued by the Port Authority. In 2012, the office tower became 100% occupied for the first time since its construction when First Financial Bank moved into the building.

The site proposed for the six-story office tower along with the remaining fifteen (15) acres along Northwest Boulevard is owned by the Frederick's Steel family. At present, it is unclear if they will proceed with the second office tower and associated parking garage or pursue an alternate development concept. In 2011, the family apparently hired a consultant to market the property. Consequently, this budget does not include debt issuance for a second public parking garage or other related public improvements associated with **Phase III**.

Tri-County Mall TIF

The Tri-County Mall TIF (TCM TIF) was created by ordinance on February 2, 2005. The purpose of this TIF was to help finance public improvements to hopefully aid in the redevelopment of Tri-County Mall. The first major project undertaken through the TIF occurred in 2007 and involved the construction of a new signalized intersection for the mall on Kemper Road. Professional services and construction costs for this project totaled $516,341. To cover these costs until the TIF could generate its own income, the City advanced $2,250 from the General Fund to the TCM TIF in 2005, $56,200 in 2006, and another $483,015 in 2007. To date, the City has advanced a total of $541,465 to the TIF. Based upon the original project, repayment of the General Fund was anticipated to begin in 2009. Unfortunately in 2009, the value of the mall was reduced by the County Auditor at the request of the mall owners. As a result, no revenue was generated in the fund to begin paying off the debt. In early 2010, with the assistance of the mall owners, the County Auditor re-instated the higher value on the mall. Thus, the City received a net payment of $53,917. This amount represented the 2008 settlement of taxes of $26,762 as well as the City's first and second half 2009 settlements of $13,852, less the County Auditor assessed fees ($549). These payments reduced the amount owed to the General Fund to $464,674. Unfortunately in September of 2010, the owners of the mall went back to the Hamilton County Board of Revisions and had the valuation of the mall reduced again to an amount that generates no service payments for the City. A request was made of the mall to have the value re-instated or, at a minimum, to repay the money advanced for the intersection improvement. The mall owners declined due to the economy and their financial condition. Under the most recent payment plan which has now ceased, the debt would have been repaid by the end of 2027. At the conclusion of the construction project, there was $22,874 remaining in the TCM TIF. That amount was transferred back to the General Fund in 2009. There has been no activity in the TCM TIF in 2013 and none is expected in the immediate future.

Earlier in May 2013, the note on the debt for Tri-County Mall was purchased and subsequently sold to American Pacific International Capital, Inc. and the SingHaiyl Group. The new mall ownership group now includes Mr. Neil Bush.

2014 PERFORMANCE GOALS

The City incorporates elements of its strategic planning process into the annual budget in order to focus the organization's attention on its mission and to link the annual budget process with performance goals, productivity, and outcome. Please take the time to closely examine each department's goals and objectives. You will note (1) they have been formatted according to the programs identified in the department's mission statement, and (2) specific performance measures have been developed for each objective.

CONCLUSION

As we prepare to close another year (2013), we can reflect back on several successful accomplishments achieved by the City. Some are tangible and can be easily seen or touched while others are not readily visible and at times require a bit more reflecting and analyzing to ascertain their value. A number of accomplishments (both tangible and intangible) achieved by the organization this year include: continuing to deliver quality services to both the residents and business members of the community; equipping the City's workforce with the proper resources (supplies, tools, vehicles, materials, etc) enabling them to deliver such services; making significant capital improvements in our retail and business sectors (upgrading our centralized traffic signal system; rehabilitating, repairing, and/or reconstructing our roadways for safe efficient travel and transport of goods and services); securing financial assistance from other agencies/organizations allowing the City to make such improvements; making major infrastructure investments in some of our residential areas (a substantial street improvement program); developing and maintaining a healthy, well-trained, seasoned, and generously compensated employment base; and properly managing and preserving the organization's resources thereby providing for a solid financial year-end balance.

We recognize that next year (2014) may present to some a rather gloomy forecast for our immediate future, and we acknowledge there are a number of challenges our organization will need to address. Yes, our General Fund revenues are more likely to come in far less than anticipated. We also know there will be no increase in the City's staffing levels with either full-time or part-time employees beyond today's employment totals. Furthermore, it appears, at this time, we will be unable to continue our major infrastructure investments in the City's residential neighborhoods. Unfortunately, we also will not be able to replace our major capital equipment and vehicles at the accelerated pace preferred by all.

In spite of these challenges, I strongly believe the great majority of the accomplishments achieved during 2013, and mentioned above, will be repeated in 2014. Allow me to share with you our strategy for achieving a successful outcome in the upcoming year. First and foremost, we will reflect back on the similar challenges faced by our community in the 2010 and 2011 periods. We will use this valuable information and knowledge gained from that experience to balance our expenditures with our declining revenues. We will continue to work towards securing outside financial assistance to leverage investments in our infrastructure, thereby demonstrating to the business community our commitment to them transporting their goods and services in the most efficient manner. We will continue to encourage and incentivize companies to locate their operations in the City of Springdale. Our employees will be properly and professionally trained and equipped to deliver the highest level of services to our customers. Although we are unable to replace all of our older equipment and vehicles at one time, we will continue to get the most out of each item and strategically replace them as resources are available and needs dictate. We will continue to explore opportunities allowing us to return making investments into the infrastructure of our neighborhoods. As always, we will endeavor to effectively manage the resources of this City to the best of our ability. Implementing this strategy will certainly provide the City with another financially solid year-end balance.

It is my belief that the proposed 2014 Budget document being presented to you, developed with the aid of the Department Directors and the Administrative team, will allow our organization to achieve the strategy outlined above while continuing to deliver exceptional services in the most prudent manner to the citizens of the City of Springdale.

In closing, I would like to thank the Department Directors for their unselfish cooperation, good stewardship, and sound fiscal practices as well as for all of their efforts in the preparation of the 2014 Budget. They are:

Michael Mathis, Chief, Police Department
Michael Hoffman, Chief, Fire Department
Jeff Agricola, Director, Public Works Department
Greg Karle, Director, Recreation Department
William McErlane, Building Official, Building Department
Jeff Tulloch, Director, Economic Development Department
Cammie Mitrione, Health Commissioner, Health Department
Jerry Thamann, Assistant City Administrator, Administration

I would also like to recognize Stephanie A. Morgan, Sr. Administrative Assistant, and Jeff Williams, Finance Officer/Tax Commissioner, for their invaluable assistance and contributions in the production of this document. Their importance in helping to develop the numbers, notes, and every facet that goes into finalizing the document could never be understated.

Should you have any questions concerning the proposed 2014 Budget prior to our formal review, please feel free to contact me at your convenience.

Sincerely,

Derrick Parham
City Administrator

Mayor
Clerk of Council/Finance Director
City Council
Assistant City Administrator
Department Directors
File