



2022 Operating Budget

City of South Lebanon, Ohio



2022 OPERATING BUDGET

We are pleased to present the proposed 2022 Operating Budget for the City of South Lebanon. The proposed budget represents the plan for fiscal year 2022 for generating revenues and funding expenditures. The budget is the City's primary fiscal planning document. Its major goal is to provide sound fiscal administration. Thoughtful expenditure priorities and revenue estimates are key to sound budgeting. The following highlights are provided:

Budget Overview

The 2022 budget includes total estimated revenues of \$8,155,301 and total expenses of \$10,443,206 (\$7,557,296 in operating expenses and \$2,885,910 in capital). Our expenses are budgeted to exceed current revenues by \$2,287,905. Current cash reserve balances will need to be used to fund the shortfall.

FUND	REVENUE	EXPENSES	BUDGET SURPLUS/ (SHORTFALL)
General Fund	\$2,383,418	\$ 2,925,431	(\$542,013)
Street Fund	\$ 432,365	\$ 477,836	(\$45,471)
Water Fund	\$ 925,000	\$ 1,375,041	(\$450,041)
Sewer Fund	\$1,240,000	\$ 1,722,900	(\$482,900)
Sanitation Fund	\$ 460,000	\$ 452,000	\$8,000
All Other Funds	\$2,714,518	\$ 3,489,998	(\$775,480)
Total All Funds	\$8,155,301	\$10,443,206	(\$2,287,905)

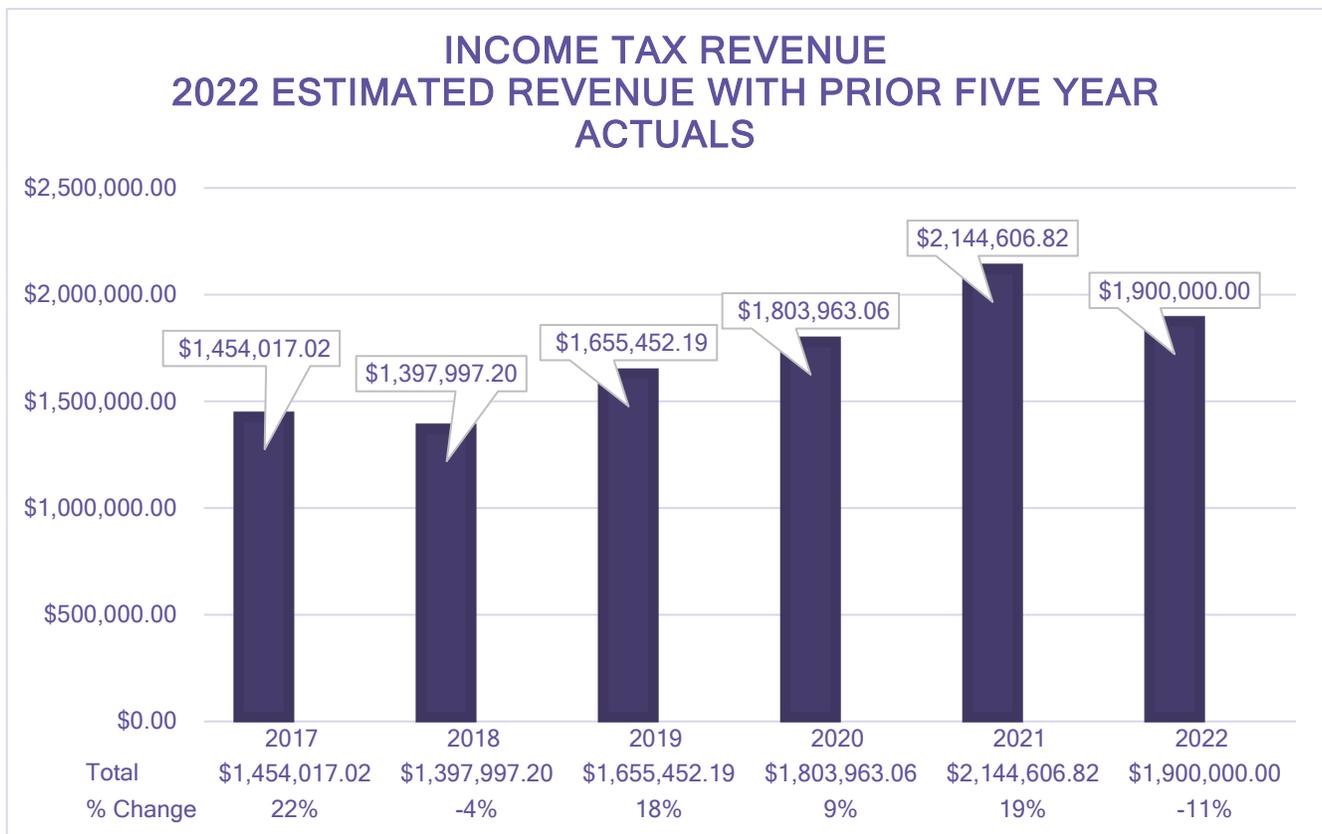
Over the past several years, our cash reserve balances have increased. The cash balance for the General Fund at the end of 2018 was \$1,861,966 compared to \$3,156,542 at the end of 2021. Reserve cash balances are allowing us to fund several capital projects in 2022 that were put on hold in previous years due to Covid and staffing levels.

FUND	Cash Balance 12/31/18	Cash Balance 12/31/21
General Fund	\$1,861,966	\$ 3,156,542
Water Fund	\$1,747,577	\$ 2,665,084
Sewer Fund	\$3,708,839	\$ 4,886,672
All Other Funds	\$ 992,572	\$ 2,069,290
Total All Funds	\$8,310,954	\$12,777,588

Operating Highlights

Revenues

The City's largest single source of revenue is the 1% income tax. Residents receive a .5% tax credit for income taxes paid to another city. The revenue from income tax was \$2,144,641 in 2021 and projected revenue for 2022 is estimated at \$1,900,000. The 2022 budgeted amount is a conservative number reflective of the unknowns in the current economy. The chart below shows the trend of income tax revenue over the past five years. We have seen a 47% growth in tax revenue over the period from 2017 to 2021.

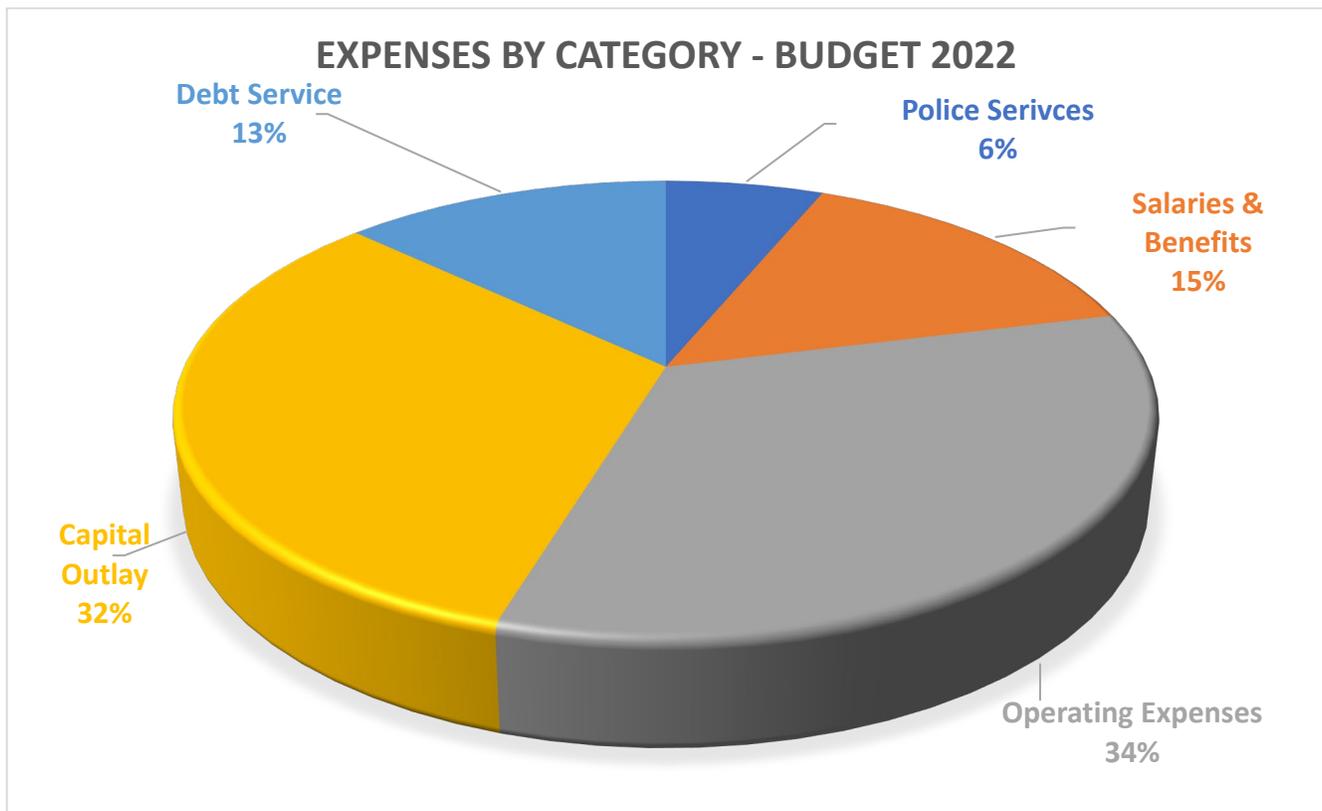


The 2022 revenue budget for all funds is \$8,155,301, compared to \$8,349,181 budgeted in 2021. The decrease in anticipated revenue is due to the 2021 revenue including the issuance of \$625,000 in municipal building bond anticipation notes.

Expenses

The overall budget for 2022 expenses, \$10,443,206, decreased by 3% compared to the 2021 budget, \$10,719,803. The General Fund budget decreased 10% mainly due to the 2021 budget including the repayment of \$731,975 in municipal bond notes.

The chart below shows the 2022 budget, \$10,443,206, broken out by major expense category across all funds.



Personnel

The budget includes 15 % in expenses for Personal Services (employee salaries and benefits). As the City continues to grow it has been necessary to add additional staff to maintain current service levels to residents. In 2021, five new full-time positions were added, an Assistant Administrator, Assistant Fiscal Officer, Utility Clerk, Water Operator and Wastewater Operator. The 2022 budget includes the 3% wage increase for all employees as approved by Ordinance 2021-39 and a 3.5% increase in employer paid medical premiums.

Capital Projects

The 2022 budget includes \$2.9 million in capital projects, 32% of the overall budget. Capital projects include:

- Veteran's Memorial Park Rain Garden
- Veteran's Park Playground Improvements
- Snow/Dump Truck
- Municipal Building 2nd Floor Renovations
- Pauline Drive Stormwater Drainage Improvements
- Mason-Morrow-Millgrove Widening Phase II
- Zoar Road Waterline & Master meter
- Broadway Storm Drain Improvements
- Route 48 Sewer Lift Station
- Grandin Road Roundabout
- State Route 48/Corwin Nixon Boulevard Intersection

Grants and Other Funding Sources

The City continues to seek out sources of grant funding to help fund capital projects.

We have applied for a grant from the State of Ohio capital budget to help fund improvements to the Veteran's Park Playground. The estimated cost of the project is \$210,000. The grant would fund 50% of the project cost.

The Pauline Drive Stormwater project will be funded with grant funds the City received in 2021 from the American Rescue Plan Act grant. The City received \$244,489 in grant funding from the American Rescue Plan Act in 2021 and expects to receive an additional \$245,465 in 2022, for a total grant amount of \$489,954.

A 75% funding grant from the Ohio Public Works Commission (OPWC) will fund the Mason-Morrow-Millgrove Phase II widening project. The City's local share is expected to be \$73,600.

A grant from the Ohio Department of Transportation is funding \$419,848 of the State Route 48/ Corwin-Nixon intersection project. The City's local share of the project is \$136,010.

“ The City has seen expenses increase from \$4.4 million in 2014 to \$8.4 million in 2021 ”

Looking Ahead

The City enters 2022 in sound financial condition with revenue sources exceeding our current operating expenses. As we look ahead to the future, we will continue to monitor our sources of revenue to ensure we are meeting the City’s long-term planning goals for residential amenities, infrastructure maintenance, and safety services.

Tina Williams, CPA
Fiscal Officer

Jerry Haddix
City Administrator

**CITY OF SOUTH LEBANON, OHIO
2022 BUDGET**

BUDGET OVERVIEW

Fund	Fund Name	Unencumbered Cash at 1/1/22	2022 Estimated Revenue	2022 Budgeted Expenses			Difference Revenue versus Expenses	Estimated Fund Balance 12/31/22
				Operating Expenses	Capital Outlay	Total Expenses		
1000	General	\$3,156,542.44	\$2,383,418.60	\$2,080,431.05	\$845,000.00	\$2,925,431.05	(\$542,012.45)	\$2,614,529.99
2011	Street Construction Maint. & Repair	\$781,491.93	\$432,365.00	\$197,662.10	\$280,174.00	\$477,836.10	(\$45,471.10)	\$736,020.83
2041	Park Fund	\$37,933.58	\$15,000.00	\$25,000.00	\$0.00	\$25,000.00	(\$10,000.00)	\$27,933.58
2081	DUI Fund	\$1,625.00	\$0.00	\$1,625.00	\$0.00	\$1,625.00	(\$1,625.00)	\$0.00
2082	Indegent Alcohol Monitoring Fund	\$1,752.65	\$0.00	\$1,752.65	\$0.00	\$1,752.65	(\$1,752.65)	\$0.00
2101	Permissive Motor Vehicle License Tax	\$154,259.12	\$32,000.00	\$100,000.00	\$0.00	\$100,000.00	(\$68,000.00)	\$86,259.12
2152	American Recovery Plan Act	\$244,488.97	\$245,465.02	\$489,953.99	\$0.00	\$489,953.99	(\$244,488.97)	\$0.00
2903	Homestead Public Improvements	\$26,421.68	\$0.00	\$26,421.68	\$0.00	\$26,421.68	(\$26,421.68)	\$0.00
2905	Shepherd's Crossing Improvements	\$4,059.79	\$0.00	\$4,059.79	\$0.00	\$4,059.79	(\$4,059.79)	\$0.00
2906	Mayor's Court Special Project Fund	\$3,530.93	\$2,000.00	\$4,000.00	\$0.00	\$4,000.00	(\$2,000.00)	\$1,530.93
2907	TIF Fund / River's Crossing	\$4,206.72	\$1,150,000.00	\$1,150,000.00	\$0.00	\$1,150,000.00	\$0.00	\$4,206.72
2909	TIF Fund / Riverside	\$266,583.08	\$600,000.00	\$839,000.00	\$0.00	\$839,000.00	(\$239,000.00)	\$27,583.08
3902	Municipal Building BANs	\$0.00	\$7,790.80	\$7,790.80	\$0.00	\$7,790.80	\$0.00	\$0.00
4902	Municipal Bldg Renovation	\$23,342.23	\$0.00	\$0.00	\$23,342.23	\$23,342.23	(\$23,342.23)	\$0.00
4904	Mason-Morrow-Millgrove Rd Phase II	\$0.00	\$222,314.00	\$0.00	\$222,314.00	\$222,314.00	\$0.00	\$0.00
4905	Corwin-Nixon RT 48 Improvements	\$0.00	\$419,847.58	\$0.00	\$419,847.58	\$419,847.58	\$0.00	\$0.00
5101	Water Operating	\$2,665,084.39	\$925,000.00	\$900,640.72	\$474,400.00	\$1,375,040.72	(\$450,040.72)	\$2,215,043.67
5201	Sewer Operating	\$4,886,672.34	\$1,240,000.00	\$1,224,300.00	\$498,600.00	\$1,722,900.00	(\$482,900.00)	\$4,403,772.34
5601	Sanitation	\$267,414.16	\$460,000.00	\$452,700.00	\$0.00	\$452,700.00	\$7,300.00	\$274,714.16
5761	Utility Maintenance & Improvement Reserve	\$123,201.87	\$100.00	\$0.00	\$122,232.00	\$122,232.00	(\$122,132.00)	\$1,069.87
5781	Enterprise Deposit Fund	\$127,018.18	\$19,000.00	\$50,000.00	\$0.00	\$50,000.00	(\$31,000.00)	\$96,018.18
9101	Unclaimed Monies	\$1,958.66	\$1,000.00	\$1,958.66	\$0.00	\$1,958.66	(\$958.66)	\$1,000.00
Total:		\$12,777,587.72	\$8,155,301.00	\$7,557,296.44	\$2,885,909.81	\$10,443,206.25	(\$2,287,905.25)	\$10,489,682.47