

City of Mansfield

Richland County, Ohio

Financial Recovery Plan

REVISED: October 17, 2011

**City of Mansfield
Financial Plan**

Objectives of the Financial Plan

In accordance with Section 118.06, Ohio Revised Code, the Mayor must submit to the Financial Planning and Supervision Commission (“Commission”) a Financial Plan (“the Plan”) as approved by ordinance or resolution of the Mansfield City Council (“City Council”) within 120 days after the first meeting of the Commission. The main objective of the Financial Plan is to eliminate all fiscal emergency conditions which were determined by the Auditor of State pursuant to Sections 118.04, Ohio Revised Code. The Plan identifies the actions to be taken by the City to restore the fiscal integrity of the City. It also serves as a master plan by which all future appropriation measures must comply and directs the correction of issues essential to financial recovery. The Financial Plan may be amended in the same manner as its initial passage.

The matters that need to be addressed by the City of Mansfield’s (“the City”) Financial Plan in order to eliminate its fiscal emergency conditions are set forth below:

The Budget Process – Appropriations:

By virtue of Ohio law, the City of Mansfield is required to balance its annual operating budget. Accordingly, the City’s administration is committed to address each of the projected deficits through a series of demanding actions designed to increase operating revenues and/or decrease operating expenditures/expenses. The annual appropriations process shall be accomplished for the general fund and any deficit funds through the City’s rolling five-year forecast attached hereto and incorporated herein as “Appendix A” and will match the City’s Budget.

On or before *December 31st* of each year the City Council shall adopt budget appropriations for the upcoming year that begins January 1st. Failure to do so is in violation of the financial plan and the City shall be subject to remedies and penalties as prescribed in Chapter 118 of the Ohio Revised Code.

In order to accomplish this, the following procedures shall be followed while the City remains in fiscal emergency:

Format for Appropriations. All fund appropriations will be at a minimum passed at the personal service and other object level. The City shall follow the budget process set forth in Resolution 88-212, and additional requirements as follows:

- a. On or before September 15th of each year all department heads and all other branches of government shall submit their departmental budgets to the Mayor. Elected officials not under the Mayor may submit their budgets to Council and copy to the Mayor. The departmental budgets shall provide a detailed narrative explaining the need for the monies requested. If any department budget includes appropriations from grant dollars specific to their department, the grant requirements, dollar amount, and grant period shall be included with the documentation.

- b. On or before the third Monday in November, City Council shall complete its budget hearings on the Mayor's Budget. Within 7 days from passage, the Clerk of City Council shall forward to each member of the Commission the proposed appropriations ordinance resulting from City Council's budget hearings on the City's Budget.
- c. The Chairman of the Commission and/or the Financial Supervisor shall meet with the Mayor and City Council prior to final budget approval.
- d. After the Commission's review of the proposed appropriations ordinance and no later than December 31st, City Council shall adopt an appropriations ordinance for the upcoming fiscal year that is consistent with all modifications set forth by the Commission. Failure to do so is in violation of the Financial Plan and the City shall be subject to remedies and penalties as prescribed in Chapter 118 of the Ohio Revised Code.

Financial Reports:

The City of Mansfield Finance Department shall close the preceding month's book and reconcile to the banks by the 12th day of the following month. A copy of the financial information for the preceding month shall be sent to the Mayor and Financial Supervisor. The Financial Supervisor will summarize the information and present the summary to each member of the Commission at the Commission meeting.

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Please find significant assumptions in the following plan which is based on the actions that are to be taken by the City, legal authority and the *approximate* dates of the commencement and completion as indicated:

Action:	Begin	Completion
Expenditure Reduction Actions:		
DEPARTMENT OF PUBLIC SAFETY		
911/ Communications Center furlough of 1 supervisor in 2011 saving \$60,000.00 in 2011 and \$70,933.00 annually in 2012. (3 supervisors and 4 dispatchers vacant pending further evaluation)	1 st Quarter 2011	<i>COMPLETED</i> Pending ongoing evaluation of available funds
Consolidation of vehicle maintenance for police vehicles within the Fire Department Repair Section reducing the safety transfer to the Garage by \$40,000 over 2010	1 st Quarter 2011	<i>COMPLETED</i>
FOP Contract Concessions: reducing Holiday Pay by \$76,000.00 in 2010 and \$85,000.00 in 2011 and forfeiting Sick Leave Bonus saving \$22,000.00 in 2010 and \$30,000.00 in 2011	3 rd Quarter 2010	<i>COMPLETED</i> Annual savings in current labor agreement
FOP MOU to allow open command/supervisory positions to remain vacant saving in excess of \$300,000 annually.	3 rd Quarter 2010	<i>COMPLETED</i> Pending ongoing evaluation of funds and need in 2012
Police lay-off of 1 transcriber, 1 crime scene technician, 3 records clerks, 1 police aide and 1 parking meter repair position saving \$328,000.00 in 2011.	1 st Quarter 2011	<i>COMPLETED</i> Pending ongoing evaluation of funds and need in 2012
<i>IAFF Contract concessions through April 1, 2013 reducing minimum manning from 21 to 18 and other contract mandates reducing personnel and overtime costs. (Minimum Manning costs for 2012 have been reduced to approximately \$600,000). Labor agreement allows open supervisory positions to remain vacant saving in excess of \$300,000 annually.</i>	2 nd Quarter 2011	<i>COMPLETED</i> Pending ongoing evaluation of funds and need in 2012
Police lay-off of 4 police officers saving approximately \$250,000.00 (24 police officer positions have been vacated at this point)	1 st Quarter 2011	<i>COMPLETED and Recalled as a result of retirements and available funding</i>

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Action:	Begin	Completion
Expenditure Reduction Actions:		
Health Care Insurance adjustments reducing 2011 anticipated costs <i>completed in non-bargaining, FOP-police and IAFF-fire units, pending in AFSCME.</i>	Ongoing	COMPLETED in part, pending with AFSCME Labor Unit
No annual personnel raises for 2008, 09,10, 11 or 2012 unless corresponding reduction in expenditures	Ongoing	On going
MAYOR'S STAFF AND PERSONNEL		
Lay-off Safety Director Administrative Assistant saving \$48,000 in 2011, HR Benefits Coordinator saving \$40,000 in 2011. Public Works Director position vacated in 2010 saving \$97,841 annually	1 st Quarter 2011	COMPLETED <i>Pending ongoing evaluation of funds and need in 2012</i>
<i>Voluntary and Involuntary Furlough Days saving approximately \$200,000 annually re-evaluated quarterly based on operational impact and available revenue</i>	1 st Quarter 2011	Ongoing evaluation of available funds
No Idle Policy and reducing vehicle use will save fuel (20,000 gallons of fuel reduced in 2010 compared to 2008 use reducing fuel costs)	1 st Quarter 2011	Ongoing
Restructure waste collection process at city facilities reducing costs by \$40,000.00 annually	1 st Quarter 2011	COMPLETED
Restructure combining Parks and Recreations Departments. Lay-off 6 Parks employees for 6 months saving \$185,000.00	1 st Quarter	COMPLETED <i>Pending ongoing evaluation of funds</i>
HR initiative to reduce Workers Compensation costs by \$350,000 annually (2012 Invoice/Budget)	2 nd - 4 th Quarter 2011	Pending outcome of Workers Comp Hearing in September 2011
DEPARTMENT OF INFORMATION TECHNOLOGY		
IT coordination of new software installation and initiation (OSSI and New World). Increasing efficiency and potentially reducing required personnel in impacted departments.	2 nd Quarter 2011	<i>ALL completed with implementation of Payroll / HR during first quarter of 2012</i>
IT to conduct communications device inventory and evaluation to reduce costs by an estimated \$10,000 annually <i>with change to IP Devices</i>	2 nd Quarter 2011	<i>4th Quarter 2011 to complete IP Phone evaluation for RFP</i>
IT to complete Multi-Function Document Device evaluation and plan to reduce devices saving \$22,607.00 in device lease/paper/click costs and \$2,400.00 in utility costs annually	4 th Quarter 2010	COMPLETED

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Action:	Begin	Completion
Expenditure Reduction Actions:		
DEPARTMENT OF BUILDING MAINTENANCE		
Building Maintenance to implement cost avoidance initiative reducing costs by \$27,000.00 annually	1 st Quarter 2011	Ongoing
Building Maintenance to implement new Energy Reduction Plan saving \$20,000.00 annually	January 2011	Ongoing
Building Maintenance Paper towel reduction initiative saving \$12,000 annually	3 rd Quarter 2010	<i>COMPLETED</i>
Building Maintenance lay-off of 1 saving \$43,513.00	1 st Quarter 2011	<i>COMPLETED Pending ongoing evaluation of funds and need in 2012</i>
UTILITIES-WATER-SEWER		
Restructure water and sewer repair eliminating 2 operations supervisors (1 in Streets) saving \$174,000.00 annually	4 th Quarter 2010	<i>COMPLETED Pending ongoing evaluation of funds and need in 2012</i>
Lay-off 3 Utility Dispatchers saving \$195,000.00	1 st Quarter 2011	<i>COMPLETED Pending ongoing evaluation of funds and need in 2012</i>
ENGINEERING-CODES & PERMITS		
Engineering personnel reduction of 2 project planners and reduced administrative support staff saving \$64,466.00 in 10 and \$179,345.00 annually	3 rd Quarter 2010	<i>COMPLETED Pending ongoing evaluation of funds and need in 2012</i>
<i>Restructure Codes and Permits Department eliminating one Inspector saving approximately \$62,245.00. Collaborate with Richland Cty for some inspections to reduce costs</i>	1 st Quarter 2011	<i>COMPLETED Pending ongoing evaluation of funds and need in 2012</i>

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Please find significant assumptions in the following plan which is based on the actions that are to be taken by the City, legal authority and the *approximate* dates of the commencement and completion as indicated:

Revenue Action:	Begin	Completion
Implement Street Light Fee <i>Study</i> to generate approximately \$690,000 annually for street/traffic light costs. <i>Until study and action is complete, reduce street lighting, and install LED devices by 50% saving \$65,000 in 2011 and \$290,000 in 2012 saving \$160,000 in 2012 and \$200,000 in 2013. (Requires Council Action for study)</i>	2 nd 4 th Quarter 2011	Ongoing
Increase employee contribution to Health Care costs generating approximately \$250,000 annually	2 nd Quarter 2011	Ongoing- Approved by FOP pending agreements with IAFF and AFSCME
Increase EMS Transport Fees consistent with what is Reasonable and Customary generating approximately \$200,000 annually to \$1.5 million total revenue.	1 st Quarter 2011	COMPLETED <i>Pending ongoing evaluation of fee recommendations in 2012</i>
Increase Safety Income Tax by one quarter of one percent to generate new funding annually bringing Safety forces to 2009 personnel levels <u>stabilizing safety force personnel</u> (Requires Council Action)	3rd Quarter 2011 1 st Quarter 2012	<i>Pending ongoing evaluation of funds and need in 2012</i>
Sell unused structures including Newman Fire Station generating approximately \$15,000 and annual savings of maintenance/utilities of \$5,000.00	2 nd Quarter 2011	1 st 4 th Quarter and Ongoing maintenance/utility savings
Sell unused structure vacated by re-structuring utilities departments for approximately \$40,000 and annual savings of maintenance/utility costs of \$22,000.00	2 nd Quarter 2011	1 st -4 th -Quarter and Ongoing maintenance utility savings
Implementation of utility late fee and bad check fee generating \$170,000 from June-Dec 2010 and approximately \$225,000 \$300,000 annually	2 nd Quarter 2010	COMPLETED
License plate fee increase of \$5 to offset street department costs generating approximately \$260,000 annually. (Requires Council Action)	January 2012	COMPLETED
Storm water runoff fee similar to Newark Ohio's format generating approximately \$2.5 million annually (Requires Council Action)	3rd Quarter 2011	NO ACTION

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Revenue Action:	Begin	Completion
Harvest timber from city owned property generating approximately \$20,000 annually	2 nd Quarter 2011	Annual review and evaluation
Establish Fire Department Capital Equipment Fund for EMS Vehicles supplemented with a % annual transfer from Transport Revenue.	2 nd Quarter 2011	Annual
Purchase 3 EMS/Rescue vehicles paid for through a Lease / Purchase Agreement over 5 years as passed by City Council Ordinance # 11-167	4 th Quarter 2011	Pending
Establish Police Department Capital Equipment Fund for marked vehicles supplemented with a % annual transfer from STEP Revenue	2 nd Quarter 2011	Annual
Establish Fund for retirement separation costs with annual transfers as a percentage of annual wage/salary expenditures	3 rd Quarter 2011	Annual
Establish Contingency Account to be funded by a % of General Fund Balance annually		Pending
Increase Income Tax Revenue with projections based on the assumption that income will grow in 2011 and 2012	2nd Quarter 2011	Ongoing
False Alarm Response Fee to reduce false fire/police alarms and generate \$5,000 annually	1 st Quarter 2011	Ongoing
Increase Utility on/off fees generating \$46,000 in additional 2011 revenue	3 rd Quarter 2010	<i>COMPLETED</i>
Unanticipated Water/Sewer funds from Richland County in the amount of \$76,578.56 due to meter error. RC agreed to pay in 1 st Quarter	1 st Quarter	<i>COMPLETED</i>

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Assurances of the Financial Plan

1. The City will conform to statutes with respect to tax budgets and appropriation measures.
2. The City will establish monthly levels of expenditures and encumbrances pursuant to division (B)(2) of Section 118-07 of the Ohio Revised Code.
3. The amount and purpose of any issue of debt obligations will not exceed debt limits supported by appropriate certification by the City Finance Director and County Auditor.
4. The City will prepare a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State (See Appendix A).
5. The City will address and implement Auditor of State comments from the Report of Accounting Methods.

Based on the implementation of the items in this plan, the City could request termination in 2013.

Respectfully submitted,

Mayor, Donald R. Culliver, City of Mansfield

Financial Plan Approvals on:

By City of Mansfield Council on: October 18, 2011

By Financial Planning and Supervision Commission on: October 17, 2011