



2019 BUDGET MESSAGE

Township Administrator's Budget Message

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO**

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December 7, 2018



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Introduction

I am pleased to present you with the draft Miami Township 2019 Budget. Similar to the prior two years' budgets, as we see additional construction in the Township the revenues are improving in most of our funds. With the new valuation we have forecasted a reasonable increase in revenue for funds that are derived from inside millage such as General Fund and Road & Bridge Fund and a more modest increase in the other funds that are collected with outside millage. The General Fund also saw a significant increase from interest revenue. New construction activity in the Township stayed steady with the prior year's investments, with approximately 80 new home starts occurring and there was again a few million dollars of new commercial projects started.

Since we are a service delivery organization, personnel expenses are our largest expenses. In 2018 we invested in a new wellness and well-being program for employees as one of the methods to reduce future costs escalations. We also increased the employee share of the deductible in 2017. By prompting and rewarding employees to make improvements in their health-related behavior we endeavor to lower the costs of health care in the long run. The positive news is that for the current plan year we saw no increase to the cost of the Township's health insurance premium.

The Fiscal Office and I are always welcoming any suggestions that the Board would like to request to the format or content of the budget. You will notice that some of the line items have been relocated to new funds to increase the relevancy of an expenditure to its category. This is a revision put in place by new Finance Director Kelly Flanigan. That will explain why some funds may have an appearance initially of being significantly over or under the prior year's budget.

Thank you to the residents for passing the new 1 mil Road & Bridge Levy Fund that will add \$1,000,000 or more annually to our street repaving program. This will allow us to project a total street repaving budget of over \$1,400,000 this year.

We are very proactive and successful in competing for grants in the last few years to offset the costs of some capital items and construction projects. These would include BWC equipment grants in both Police and Fire & EMS; OPWC for road stabilization and the State Capital Budget Bill for the Leming House improvements and the emergency rescue boat ramp at the County's Kelly Nature Preserve.

The use of Tax Increment Finance funds for capital purchases, particularly in Safety Services and more recently Parks, has helped conserve other levy funds for operating costs.

Contained in this budget are funds to complete Phase 4 of the improvements to our information technology network. Funds from the General Fund, and Safety Services Funds are earmarked to replace antiquated equipment for each of our campuses for file backup, storage, disaster recovery and redundancy.

We are also budgeting for a Facilities Study of each building to obtain new intelligence about structural and systems conditions. This will enable us to be able to better budget future years repairs and large maintenance items.



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Lastly, I want to recognize the critical assistance from new Finance Director Kelly Flanigan in the preparation of this budget. The new team of Kelly and Finance Associate Laura Thomas have quickly become a very strong team and provide great support to all of the departments.

The budget message is divided into sections:

- Overview of Township Staffing
- Overview of Debt Service
- Overview of Capital Budget and Major Purchases
- Overview of the TIF/RID
- Work Program

Trends and Overview of Township Staffing

In 2019 we will continue to see a trend of turnover in our ranks in almost every department as a larger percentage of our employees reach eligibility for retirement. The process of attracting and retaining the best and most professional employees who we can provide to serve our residents is going to be a trend that will be concentrated on for the next several years.

Long-time vacancies in the Police and Service Departments need to be rectified as the responsibilities increase with the growth of more subdivision and construction taking place as well as our infrastructure and parks aging.

Within the Fire and EMS Department budget there is the additional expenditures shown for the nine new full-time positions that will be filled in 2019. Since the Township is receiving the federal SAFER Grant to offset some of the new payroll expenses, 75% of the expenses will be paid by the grant in year 1; 75% of the expenses in year 2; and 35% of the expenses in year 3.

The following page is the table of past year-end balance trends.



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Overview of Debt Service

Miami Township continues to have a very low debt ratio for a community and budget of our size. Funds to repay existing debt and bonds will come from TIF revenue. Our TIF and RID districts which have development already existing in them are a steady, reliable source of revenue for permitted safety services and infrastructure projects. The Township was able to sell the bonds at a very low interest rate because of our strong financial conditions and we received a competitive Aa2 rating from Moody's.

A positive note in regards to the Township's debt service is that the principal and interest payments will be flat for the next two years and then in 2021 we will see some existing debt be retired.

The only recent, new debt that was required was for the replacement fire engine that was financed through the manufacturer for a period of only five years at a below-market interest rate of only 2.75%



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Overview of Capital Budget and Major Purchases

Each department has prepared a vehicle and equipment replacement schedule. These schedules are located behind the "Capital" tab of this document. These schedules are used as guides for the replacement of equipment and vehicles.

Staff has continued its recent success of receiving competitive grants, when eligible, to pay for a portion of capital improvements. Mr. Musselman and I continue to submit grants requesting OPWC assistance for our road/landslide improvement projects. In that past two years, we have received a total of \$550,000 for three stabilization projects.

Now that many of our park features are exceeding fifteen years old, their condition is such that replacement will be required for more items. The refurbishing and maintenance of several park equipment at various parks is included in the proposed capital budget.

Based on the needs and funding available through a combination of our levy, TIF funds and competitive grants for which we have competed, there are a higher number of capital projects for 2019 than were proposed for 2018.



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Capital Budget and Major Purchases

There are capital improvements and major purchases proposed by each department. These include proposed purchases in 2019 and some are carry-over purchases from 2018, which for a variety of reasons were delayed until next year. Several projects and purchases will be supplemented by grants obtained by staff

Each department has prepared a vehicle and equipment replacement schedule. These schedules are located behind the “Capital” tab of this document. It is important to note that in some cases it can take 6 months to a year to build and outfit new vehicles such as dump trucks, ambulances and fire engines.

The proposed purchases of vehicles and equipment and capital projects are shown below by department and Fund.

Administration and Fiscal Office

General Fund

Civic Center Brick Entrance Repairs (carryover)	\$ 20,000
Civic Center Employee Entrance Stairs & Walk Repairs (carryover)	\$ 5,000
Civic Center replace windows with broken seals - phase 1	\$ 50,000
Civic Center and Leming House facilities study	\$ 10,000
Replace Civic Center storage building door	\$ 2,000
Civic Center Exterior security cameras & DVD/monitor	\$ 6,100
Recreation & Admin bollard lights LED upgrade	\$ 1,200
Business 28 street lights LED retrofit	See TIF/RID

Service Department

Permissive Tax M.V.R. Fund

Annual Paving Program	\$350,000
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Motor Vehicle License Fund

Annual Paving Program	\$ 60,000
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New Road & Bridge Levy Fund

Annual Paving Program	\$1,000,000
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Road and Bridge Fund

Klondyke Rd. Landslide Repair	\$239,722 (from TIF & RID funds; majority from OPWC grant)
Upper Lewis Road Stabilization Project	(See TIF/RID)
Service Department Vehicle & Equipment Storage Building	(See TIF/RID)
Linden creek/Buckwheat sidewalk/stormwater project	(See TIF/RID)
Facilities Study: Service, Salt Storage & Small Garage	5,800
Replace 1 large salt truck (truck + build)	\$150,000



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IT: replace switch & install new fiber	\$ 14,600
Replace road mower (offset with trade-in)	\$117,000 carryover of \$85,000 from ‘18
Broom attachment for dump truck	\$ 19,900
Vactor Truck (set aside for future year purchase)	\$ 80,000
Bucket Truck	\$ 50,000
Brine tank & frame replacement	\$ 24,000
Flashing/drywall repairs/seal exterior block	\$ 35,600

Cemetery Fund

Columbarium	\$ 12,600
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Park Fund

Park Maintenance replacement pickup truck	\$28,000
Mini excavator replacement (offset by trade-in of \$14,500)	\$45,500
1 ton dump truck replacement	\$45,000
Mowing trailer replacement	\$10,000
Pull behind aerator replacement	defer until 2020
72” zero turn mover replacement	defer until 2020
Leming House roof, flashing & gutters	\$35,000 (partial grant)
Leming House flooring replacement with laminate	\$20,000 (partial grant)
Extend Paxton Ramsey utility closet	\$18,500 carryover from 2018
Paint two storage garages at Riverview Park	\$ 5,200 carryover from 2018
Replace entry signs at Paxton Ramsey, Meadows & Riverview	\$ 7,000
Replace restroom door, timers & lights at all parks	\$26,000
Replace benches, tables & trash cans	\$12,500
Refinish floors at Riverview & Paxton	\$ 5,600
Repair Riverview retaining wall	defer until 2020
Replace Riverview playground	See TIF/RID (\$250,000)
Leming House Structural repairs	\$50,000
Re-Pave parking lots at Riverview & Paxton Ramsey	defer until 2020

Police Department

Public Safety Funds

Patrol vehicles replacements – Ford Interceptors x 3 (equipped)	\$153,800
Detective Vehicles replacements - Ford Fusions x 2 (equipped)	\$ 43,350
Axon body-worn cameras x 36 + 2 car cameras pymt. (year 2 of 5)	\$ 21,000
Additional Axon fleet cameras x 14 (first phase)	\$ 47,374
Police Station kitchen renovation – main level	\$ 8,600
Parking lot catch basin	\$ 7,000
AC Unit replacements x 4	\$ 55,000
IT Training center switch (50% split with Fire)	\$ 2,900



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Fire Department

Public Safety Fund

2017 Fire engine purchase debt payment (2nd of 5)	See debt (\$108,000)
Turnout gear (20 sets)	\$ 80,000
Turnout gear carbon hoods & fire gloves	\$ 21,700(BWC grant to reimburse \$15,000)
Locution station alerting x 4 stations	\$ 73,000
Building Improvements (ST. 26 windows, kitchen stairs; ST. 28 bay painting)	\$ 45,000
WPPH Annex improvements	\$ 15,000
Cardiac monitor replacement	\$ 30,500
Tactical equipment	\$ 17,500
Thermal imaging cameral replacement x 2	\$ 14,500 possible grant
Cradlepoint wireless devices x 2	\$ 9,000
Staff vehicle replacement (Tahoe)	\$ 40,000
Fleet rebranding of fire engines	\$ 16,000
Kelley Nature Preserve boat ramp project	\$ 10,000
Communication equipment and accessories	\$ 10,000
IT Training Center Switch (50% split with PD)	\$ 2,900
Information technology network improvements	\$ 19,500

TIF/RID Funds

Service Dept. Storage Building (carryover from 2018)	\$200,000
Klondyke Road rebuild project (79% of costs covered by grant)	\$240,000
Upper Lewis Road stabilization/rebuild project (65% OPWC grant)	\$317,000
Sugarcamp Rd. stabilization/rebuild project (partial grant)	\$200,000
Red Bird Rd. stabilization/rebuild project	\$250,000
Linden creek/Buckwheat Rds. Stormwater/sidewalk project	\$ 12,000
Hoffman Road rebuild & widening project	\$ 90,000
Happy Hollow Rd. Bridge Overpass project	\$ 80,000
Business 28 streetlight LED retrofit	\$ 7,800
Miami Riverpark playground replacement project	\$250,000

As has been the policy of the Board of Trustees all Capital budget and equipment purchase items will come back before the Board for discussion and approval before any purchase is made.

Overview of the Tax Increment Finance District (TIF) and Residential Incentive District (RID) Funds

The TIF & RID Funds will have a 2019 estimated beginning balance of \$2,624,361 with estimated revenue of \$5,467,000. After accounting for reimbursement to schools of \$3,054,000, payment to the County TID and payment of debt service, there will be \$3,918,037 available for capital projects. The forecasted reserves of \$2,271,237 is an increase over the amount in the 2018 TIF Budget.

Below is an overview of the 2019 expenditures:



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School Reimbursements	\$3,054,000
Auditor Fees	\$ 76,538
TID Contributions	\$ 500,000
Capital Improvements	\$1,646,800
Debt Service	\$ 967,861
Reserves	\$2,271,237

A detailed spreadsheet has been provided that summarizes the TIF & RID revenues and expenditures by individual fund. This spreadsheet is a valuable long-term planning tool for future capital improvements.

2019 Work Program

In addition to delivering our typical superlative operations and functions for our residents and business community, staff will be very busy with the management of a large number of infrastructure improvements, including at least five major road improvements. Some of these will include stabilization projects on Klondyke Road, Upper Lewis Road, Sugarcamp Road, Red Bird Road and Hoffman road. Several improvements need to be made to the Leming House as well as several smaller park improvements. Administration will be very occupied working on some agreements for economic development projects on Route 50 and some other potential projects. The Community Development Department will begin an update of the existing Land Use Plan.

Respectively Submitted,

Jeff Wright
Miami Township Administrator

A handwritten signature in blue ink that reads "Kelly J. Flanigan".

Kelly Flanigan
Finance Director