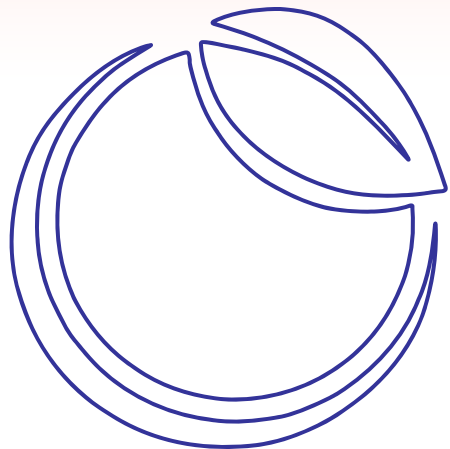


SECURING XENIA'S FUTURE:



**CURRENT CITY FISCAL STATUS
& NECESSARY CHANGES FOR 2010**

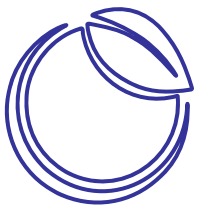


*A MESSAGE TO XENIA RESIDENTS
& THE XENIA CITY COUNCIL*

July 23, 2009

WHAT IS THE CITY'S CURRENT FISCAL STATUS?

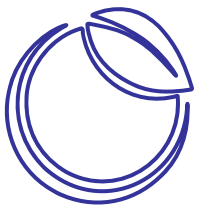
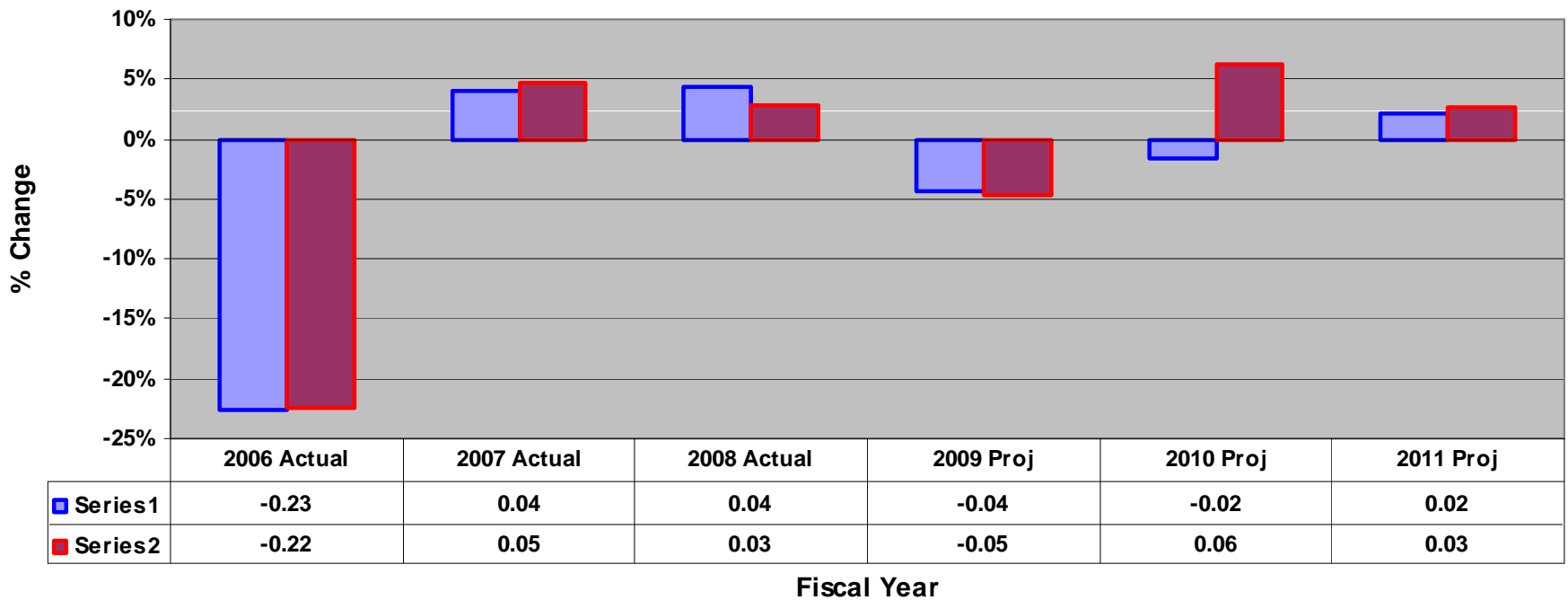
- For FY 2009, the budget is balanced & the City is in good financial standing
- City maintains a cash reserve:
 - equal to 2 months operating costs
 - intended as operating capital for dire emergencies
- Through June, KOF expenses in 2009 are **less** than 2008



WHY IS THERE CONCERN ABOUT THE CITY'S FINANCIAL HEALTH?

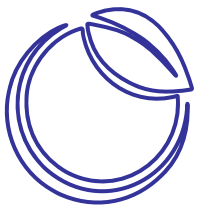
- Increases in revenues are not keeping pace with the increasing cost of doing business

Year-to-Year Revenue/Expense Comparison: 2006-2011



WHY IS THERE CONCERN ABOUT THE CITY'S FINANCIAL HEALTH?

- Through June, Income Tax collections are down dramatically: **-6.37%**
- Other revenue sources—specifically state assistance (*Local Government Funds*)—are diminishing (projected reduction of **-15%**)
- Unemployment numbers and other economic indicators do not project optimistic trends through 2009
- Projections for 2010 budget show a major deficit

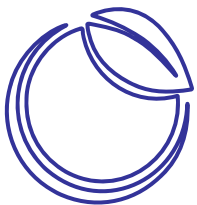


WHAT'S THE BOTTOM LINE FOR 2010?

- City administration estimates a cash flow deficit in 2010 of approximately ***-\$1.45 million***

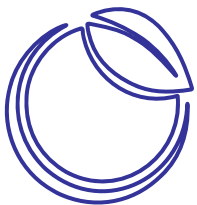
NOTE: Deficit total assumes passage of 3.5 mil operating levy renewal on August 4th ballot

- Local law does not allow for a cash flow deficit
- Cuts must be made to ensure a balanced budget



WHAT'S THE CITY DOING TO RESPOND?

- Draft 2010 budget includes significant cuts in operating expenses
- General hiring freeze; only mission critical vacancies will be filled
- Non-union staff wage freeze: no CoLA in 2009, nor any scheduled increases for 2010
- City administration, in partnership with City Council, has devised an emergency cost reduction plan to be initiated immediately

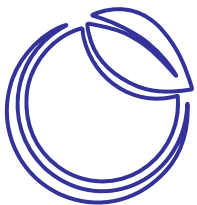


SO WHAT'S THE PLAN?

- City leaders are negotiating changes to labor contracts seeking concessions to reduce labor expenses
- Operating policies and procedures are being altered to cut costs
- All available options are being considered

HOWEVER...

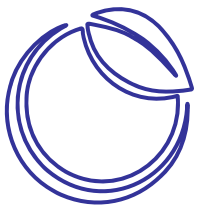
Cost cutting measures and budget reductions implemented to date are not enough; additional cuts are required



BALANCED BUDGET PLAN

REDUCTION IN FORCE PLAN = SERVICE REDUCTIONS

- Staff reductions aimed at achieving necessary cost savings while preserving a baseline of critical services
- Cuts affect most all general fund operations, including public safety, public services, and general administration as well as municipal court
- Cuts will result in reduced and eliminated services
- A balanced budget can be responsibly achieved only through service reductions

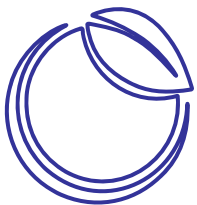


BALANCED BUDGET PLAN

REDUCTION IN FORCE PLAN:

HOW WERE POSITIONS SELECTED?

- ***Impact on KOF's***
- ***Service Delivery Implications***
- ***Operational Impact***
- ***Civil Service Rules on Layoff***

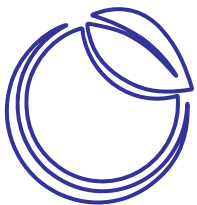


BALANCED BUDGET PLAN

REDUCTION IN FORCE PLAN SPECIFICS

- Up to 5 police officers (+1 unfilled vacancy)
- Up to 6 fire fighters
- 1 park maintenance worker (+1 unfilled vacancy)
- 9 administrative positions (full time)
- 3 administrative positions (part time)

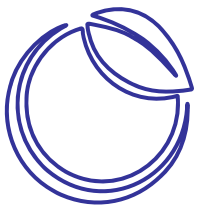
Approximate Savings: \$1.45 million



HOW DOES THIS AFFECT MY FAMILY?

RECREATION SERVICE IMPLICATIONS

- Recreation department will be eliminated
- Regular program series such as youth basketball, music in the park, and summer parks program will be eliminated
- Special events, such as holiday programs will be reduced
- Reservation hours for park shelters will be reduced



HOW DOES THIS AFFECT MY FAMILY?

EMS/FIRE SERVICE IMPLICATIONS

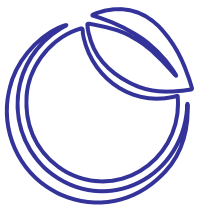
- Periodic closure of Fire Station 2
- Response times to EMS and fire calls may be increased
- All EMS transports will be routed to GMH unless protocol requires advanced care
- Fire prevention, public education, and fire inspection activities will be dramatically reduced



HOW DOES THIS AFFECT MY FAMILY?

POLICE SERVICE IMPLICATIONS

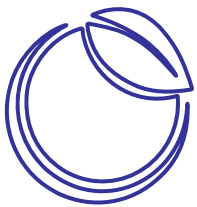
- Officer response time to serious 911 calls may be increased
- Safety City and DARE camp eliminated
- School resource program permanently eliminated
- Domestic Violence services/safety planning for domestic violence victims reduced to minimal services
- Community good will calls for funeral escorts may be reduced
- Nuisance complaints will be handled only as manpower allows



HOW DOES THIS AFFECT MY FAMILY?

PUBLIC SERVICE IMPLICATIONS

- Public restrooms in parks will be closed
- Hours at Xenia Station to be reduced
- Maintenance services at parks reduced to trash collection and mowing
- Inspection and maintenance of playground equipment will be reduced
- Snow removal will be drastically decreased

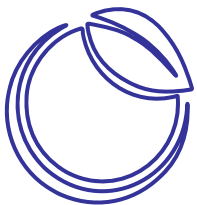


KEY POINTS TO NOTE?

- Staff reductions currently underway
- On-going negotiations with bargaining unit partners may reduce personnel cuts
- **August 4th renewal levy is critical**—failure will result in additional staff/service reductions

BUT...

The renewal levy is not enough!



RECOVERY PLAN

- 1. Passage of 3.5 mil Operating Levy Renewal***
- 2. New Revenue Resources—2010 Tax Issue***
- 3. National Economic Turn-Around***
- 4. Expand our Economic Development Efforts***

