



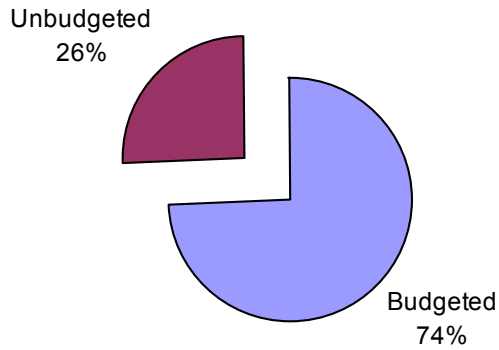
## **SANDUSKY SUSTAINABILITY ISSUES IN PERSPECTIVE**

- 1. Environmental Contaminants**
- 2. Energy Spending**
- 3. Keeping Dollars Here**



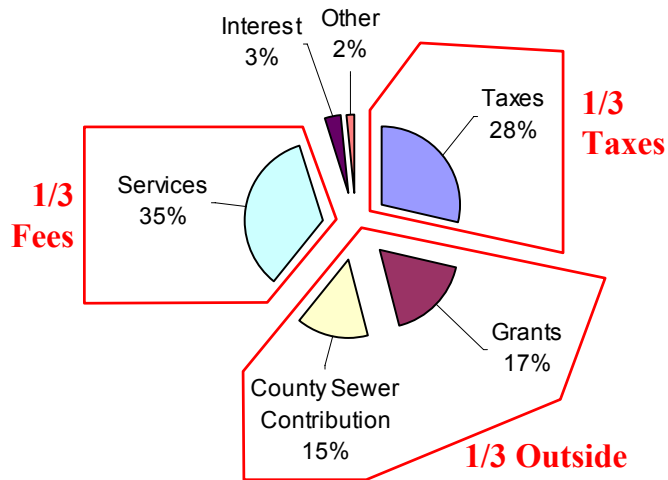
This presentation includes topics 2 and 3 in a 3-part series. Part 1 was presented separately, on July 14, 2008.

### \$61 Million versus \$45 Million



This presentation draws cost data from several City sources, that do not all cover the same material. Thus, we had to combine data from different reports that total to different amounts. Overall, we observe that the City typically spends roughly \$60 million per year. Of that \$60 million, roughly  $\frac{3}{4}$  is budgeted at the beginning of the year, and the remaining  $\frac{1}{4}$  is approved by the City Commission at mid-year, and at year's end.

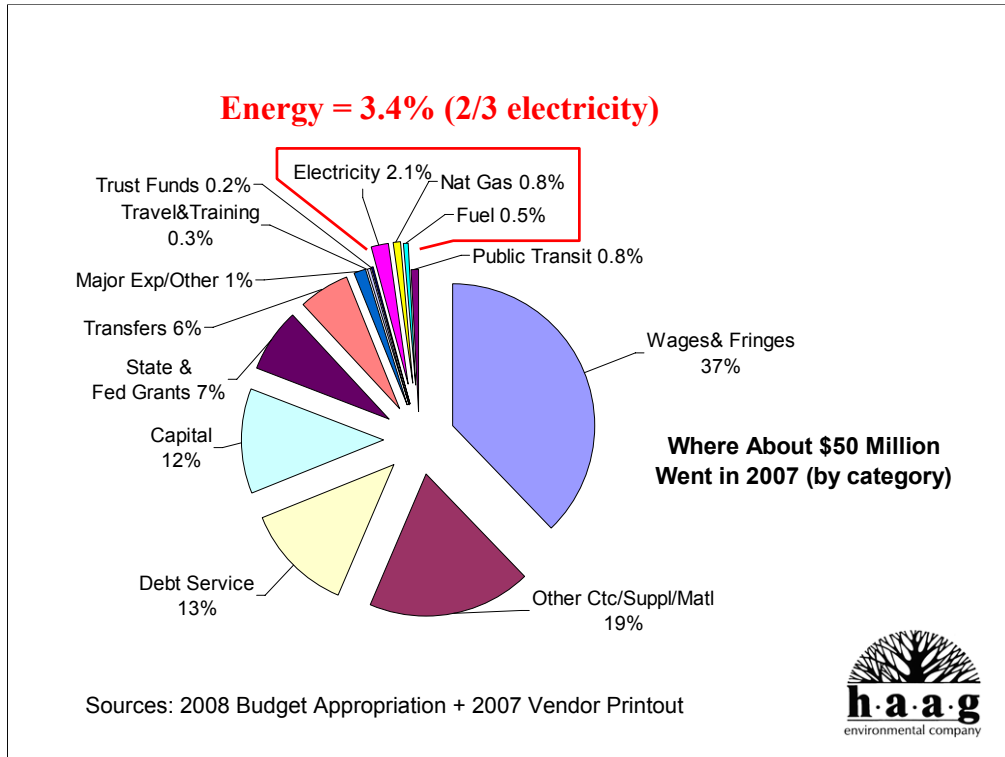
**Where \$47.2 Million Came From in 2007 (by category)**



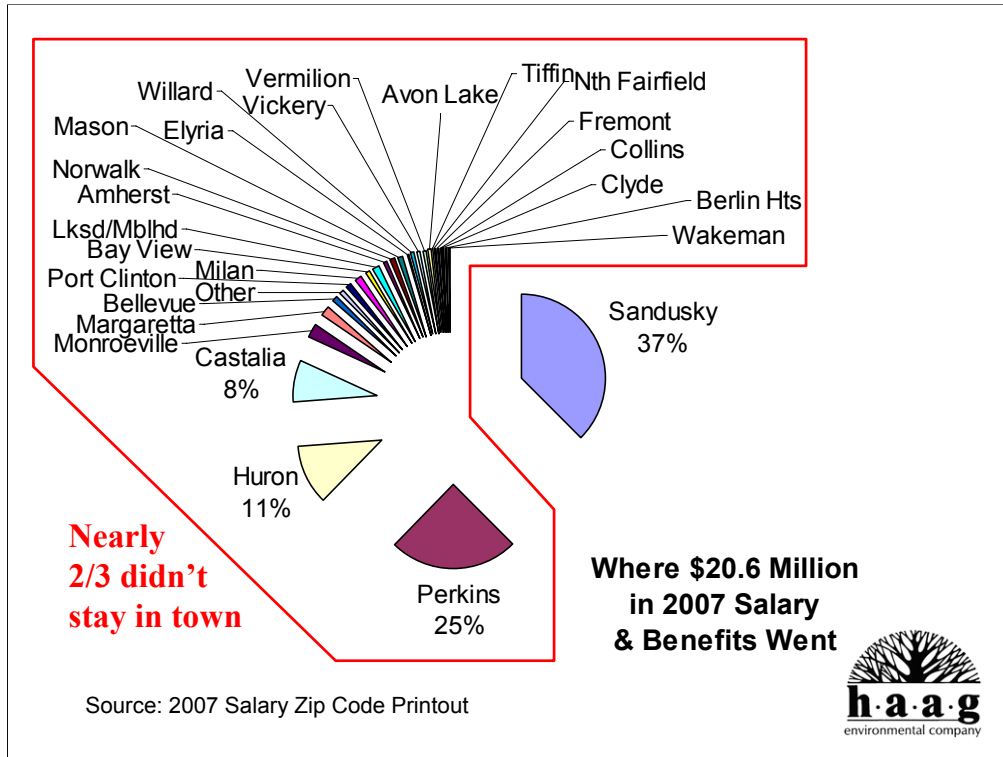
Source: Draft 2007 Annual Report; Total Changes in Net Assets



In the year that we examined (2007), roughly 1/3 of the City's revenues came from taxes, 1/3 came from fees such as sewer and water, and 1/3 came from outside sources.

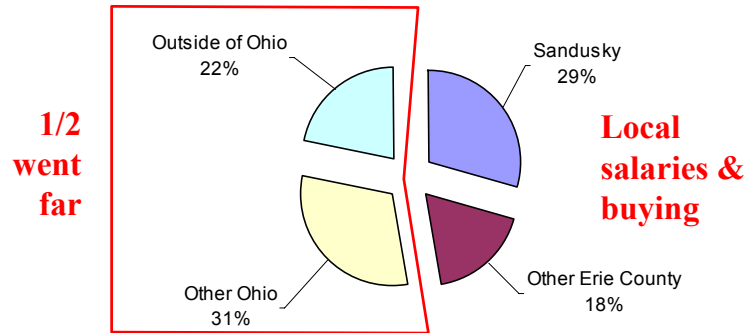


Before beginning this review, we expected energy costs to be a fairly large part of the City's total expenditures. We found that, in fact, energy costs represent less than 4% of the City's total annual expenditures. From interviews with the superintendents of the water and wastewater plants, we found that the City has been working to reduce electricity costs related to water pumping, for more than a decade.



In the previous slide, we saw that salaries and benefits made up more than 1/3 of the City's yearly expenditures. Roughly 1/3 of that amount was paid to Sandusky residents, and about 2/3 was paid to residents of other cities. Advocates of regional cooperation would likely include all Erie County communities in the definition of "local".

**Where \$61 Million Went in 2007 (geographically)**



Sources: 2007 Vendor Printout + 2007 Salary Zip Code Printout



If we define “local buying” to include all of Erie County, then the City of Sandusky still spent more than half of its money outside the local area.

## **SANDUSKY SUSTAINABILITY ISSUES IN PERSPECTIVE**

### **OBSERVATIONS**

- 1. Energy spending smaller than we had expected**
- 2. Focus on electricity for pumping water; much already done**

- 1. 2/3 of City spending goes out of town (\$40 million)**
- 2. 2/3 of City salaries go out of town (\$13 million)**
- 3. Capture half, and City retains \$20 million**
- 4. If \$1 retained really generates \$6 in business, it's like a new factory**



## SANDUSKY SUSTAINABILITY ISSUES IN PERSPECTIVE

### ENERGY SPENDING RECOMMENDATIONS

1. Continue good work at water/sewer plants (variable frequency drives, or VFDs, methane)
2. The big stuff has already been done!
3. Of course reduce fuel use, BUT ALSO
4. Focus on energy sources that we can control (methane at sewer plant, locally-controlled geothermal utility)



This review led us to change our focus from energy conservation, to a new focus on “sustainable” energy, that we can control locally.

## SANDUSKY SUSTAINABILITY ISSUES IN PERSPECTIVE

### DOLLAR RETENTION RECOMMENDATIONS

**1. Find positive ways to help City employees want to live in town**

Examples: Colleges offer free education, what does the City have to offer? Preferred home loan rates? First chance at land-bank properties?

**2. Help local suppliers to provide what the City buys, at nationally-competitive prices**

Example: Specify variable frequency drives (VFDs) carried by a local distributor (the City does this)





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Haag Environmental Company (HaagEnviro) is a for-profit environmental consulting firm. Other endeavors of the Haag family include Haag Press, *A Sandusky Bay Journal*, the Manage Living radio show, and Haag Insight. Haag Insight is the 501(c)(3) nonprofit arm of the Haag family's endeavors. Haag Insight generally works to remove small-business roadblocks, performs environmental research/education, and promotes historic preservation. The other aspects of our organization are for-profit. Haag Press publishes and sells books and seminars, both direct-to-market and through distributors. *A Sandusky Bay Journal* is an advertising-supported newspaper with a distribution of 21,000 between Toledo and Cleveland, Ohio. Manage Living is sponsor-supported; it airs on radio station WLEC every Sunday at 8:30 AM, and is available on the Internet at <http://www.manageliving.com/>.